

Valley Water

FY 2022-23 & FY 2023-24

Operating and Capital Rolling Biennial Budget

Santa Clara Valley Water District

Adopted
FY 2022-23 & FY 2023-24
Operating and Capital
Rolling Biennial Budget

BOARD OF DIRECTORS

John L. Varela
Chair Pro Tem, District 1

Barbara F. Keegan
District 2

Richard P. Santos
District 3

Linda J. LeZotte
District 4

Nai Hsueh
District 5

Tony Estremera
District 6

Gary Kremen
District 7

Submitted by

Rick L. Callender, Esq.
Chief Executive Officer

Valley Water

Santa Clara Valley Water District

Adopted
FY 2022-23 & FY 2023-24
Rolling Biennial Budget

Prepared by

Darin Taylor
Chief Financial Officer

Enrique De Anda
Budget Manager

And the following members of the budget team

Timothy Chan

Phyllis Chen

Joanne Jin

Stacy Klopfer

Agnes Lee

Feliser Lee

Kristie Resendez

Chenlei Yao

Executive Review Committee

Rick Callender, Melanie Richardson, Rechelle Blank, Aaron Baker, Rachael Gibson, Tina Yoke

Santa Clara Valley Water District

Adopted
FY 2022-23 & FY 2023-24
Rolling Biennial Budget

Recognitions

Jennifer Abadilla

Benjamin Apolo III

Maya Avila

Erin Baker

Sandra Benavidez

Mark Bilski

Todd Bridgen

Theresa Chinte

Mark Gomez

Grace Javier

Jimin Lee

Sofia Li

Nia Luu

Jennifer Martin

Carmen Narayanan

Steve Peters

Vanessa De La Piedra

Charlene Sun

Cheryl Togami

Linda Yang

This page left intentionally blank.

Budget Transmittal Letter for Fiscal Year 2022-23 & 2023-24 Rolling Biennial Budget

May 10, 2022

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

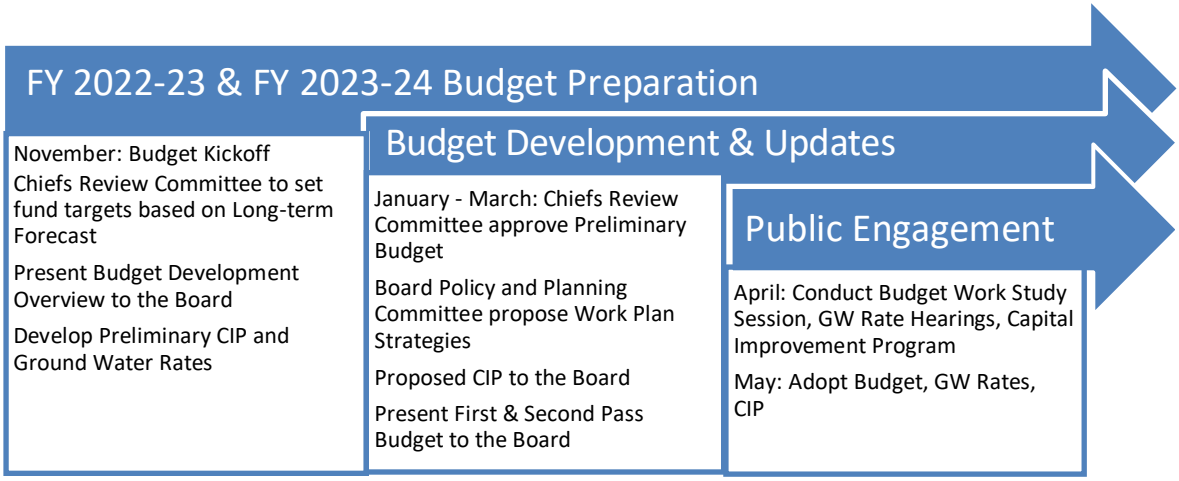
In accordance with Valley Water Policy, I am submitting the Fiscal Years 2022-23 (FY23) & 2023-24 (FY24) Proposed Operating and Capital Rolling Biennial Budget for the Santa Clara Valley Water District (Valley Water). This Budget represents Valley Water's transition to a rolling biennial budget, which allows us to budget for FY23 and plan for FY24. In the rolling biennial budget process, the Board adopts a one year budget and approves a second year Plan, with the FY24 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 life, 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 FY23 & FY24, Valley Water will focus on smart investments in water infrastructure and technology to ensure Santa Clara County has sufficient safe, clean water for every person, business, and farm now and into the future. Additionally, we have made significant increases in funding of our conservation programs to promote water conservation as a way of life and equitably prioritize funding to protect and maintain our flood protection assets. In all focus areas we will continue to engage the community and not lose sight of our environmental stewardship goals such as a net positive impact on the environment. Moderate rate increases will allow us to act now to ensure we have enough water to get through the current drought emergency and prepare us for future droughts.

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 per 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 FY23 and FY24 Biennial Budget includes several process improvements and numerous public hearings, as well as input from the Board on urgent priorities for the upcoming fiscal year.



VALLEY WATER PRIORITIES

In developing the budget, the Board directed its Board Policy and Planning Committee (Committee) to identify and summarize the Board's strategies. This budget is the culmination of the Committee's final recommendation, which ultimately resulted in Board action to accept and adopt the Committee's recommendation. In developing this budget, management identified where resources could shift and scrutinized additional funding requests that would help the organization achieve results.

This proposed budget demonstrates a fiscally responsible, balanced budget that meets the community's expectations of Valley Water. This budget was developed based on the Board's FY 2022-23 Work Plan Goals highlighted below:

1. Efficiently manage water resources across business areas

2. Provide a reliable, safe, and affordable water supply for current and future generations in all communities served

3. Provide Natural Flood Protection to reduce risk and improve health and safety

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

5. Mitigate Carbon Emissions and Adapt Valley Water Operations to Climate Change Impacts

6. Promote effective management of water supply, flood protection, and environmental stewardship through responsive and socially responsible business services

Valley Water is responding to these goals in several ways, including expanded efforts with the proposed addition of 11 new positions for FY 2022-23 and 5 new positions for FY 2023-24.

The organization will incorporate specific activities that address the Board's Work Plan Goals and will 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.

REVENUE

The FY 2022-23 & 2023-24 Proposed Rolling Biennial Budget includes projected revenues of approximately $580.9 million in FY 2022-23, a net increase of $41.5 million from the $539.4 million included in the FY 2021-22 Adopted Budget. This increase is primarily derived from the increase in capital reimbursements ($52.1 million), property taxes ($8.7 million), intergovernmental services ($2.0 million) and special parcel taxes ($2.5 million), offset by decreases in water charges revenue (-$23.5 million), as well as benefit assessment taxes and other operating and non-operating revenues (-$0.3 million). In FY 2023-24, revenues are estimated to be $655.6 million, a net increase of $74.7 million from the FY 2022-23 Budget. The 12.9% growth is primarily attributed to higher water charges revenue ($62.1 million), capital reimbursements ($13.9 million), property taxes ($4.5 million), other operating/non-operating ($0.1), and the special parcel tax ($1.1 million), offset by lower benefit assessment taxes (-$5.1 million), and intergovernmental services (-$1.9 million).

APPROPRIATIONS/OUTLAYS

Net total operating and capital outlays for the FY 2022-23 Proposed Budget is $917.2 million, which includes $82.4 million in debt service outlays. For the FY 2023-24 Plan, net total operating and capital outlays is $1.003 billion, which includes $105.4 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 2022-23 Proposed Budget total $402.5 million, an increase of $48.4 million from the FY 2021-22 Adopted Budget. The increase in net outlays is primarily due to Water Banking and Drought Emergency projects, new positions, funding for Enterprise Resource Program (ERP), Water Infrastructure Finance and Innovation Act (WIFIA) program, district election costs, general insurance cost increases, creek maintenance guideline consultant services, Evelyn Avenue Fish ladder design services, and Valley Habitat Agency funding. Net operating outlays for the FY 2023-24 Plan total $409.3 million, an increase of $6.8 million from the FY 2022-23 Budget.

NET CAPITAL OUTLAYS

Net capital project appropriations total $432.4 million in the FY 2022-23 Proposed Budget, an increase of $20.2 million from the 2021-22 Adopted Budget. It is anticipated that $67.4 million of the FY 2021-22 Adjusted Budget for capital projects also will carry forward into FY 2022-23 at the close of the current fiscal year as most capital improvement projects will require multiple years to complete. For the FY 2023-24 Plan, net capital project appropriations total $488.2 million, an increase of $55.8 million from the FY 2022-23 Budget; $26.6 million of the FY 2022-23 Budget for capital projects is estimated to be carried forward into the FY 2023-24 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 $115.0 million in FY 2022-23 and $122.2 million in FY 2023-24. 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 2022-23, Valley Water anticipates issuing approximately $334.5 million in debt proceeds, of which $281.5 million is to finance the Water Utility system infrastructure improvements and $53.0 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 2022-23 & FY 2023-24 Rolling Biennial Operating and Capital Budget document beginning on page 3−45. Overall, budgeted reserves for Fiscal Year 2022-23 are expected to increase $66.2 million to a total of $402.5 million versus the Adopted FY 2021-22 Budget. This increase is primarily due to decreases in projected FY 2021-22 capital outlays for capital projects, an increase in unsecured capital reimbursements, and increased debt proceeds. For FY 2023-24, budgeted reserves are estimated to increase $30.4 million to a total of $432.8 million in FY 2023-24. This overall increase is primarily due to increased unsecured capital reimbursements and debt proceeds offset by increased Capital Outlays. These increases are offset with a decrease in the WUE Fund for purchases of emergency and supplemental water to replenish groundwater levels as Valley Water contends with the continued drought emergency.

($ in Thousands)	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Planned Budget 2022-23	Proposed Budget 2022-23	Change from 2021-22 $ Diff	Change from 2021-22 % Diff	Planned Budget 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
Restricted Reserves										
Safe, Clean Water & Natural Flood Protection Fund	132,433	123,854	155,601	193,049	151,692	27,838	22%↑	184,208	32,516	21%↑
Water Enterprise Funds	72,088	60,107	92,891	67,261	67,261	7,154	12%↑	28,114	(39,147)	(58%)↓
Subtotal	**204,521**	**183,961**	**248,492**	**260,310**	**218,953**	**34,992**	**19%↑**	**212,322**	**(6,631)**	**(3%)↓**
Committed Reserves										
General Fund	7,130	6,576	6,982	-	9,094	2,518	38%↑	12,574	3,480	38%↑
Watershed Stream Stewardship Fund	131,489	74,324	110,668	104,150	102,259	27,935	38%↑	117,998	15,739	15%↑
Water Enterprise Funds	225,519	56,730	86,422	60,183	56,310	(420)	(1%)↓	75,326	19,016	34%↑
Internal Service Funds	29,083	14,714	18,946	12,264	15,864	1,150	8%↑	14,613	(1,251)	(8%)↓
Subtotal	**393,221**	**152,344**	**223,018**	**176,597**	**183,527**	**31,183**	**20%↑**	**220,511**	**36,984**	**20%↑**
Grand Total	**597,742**	**336,305**	**471,510**	**436,907**	**402,480**	**66,175**	**20%↑**	**432,833**	**30,353**	**8%↑**

DEBT OVERVIEW

The FY 2022-23 debt portfolio total outstanding principal of $1.02 billion includes $158.6 million for Watersheds and $863.5 million for the Water Utility Enterprise. The annual debt service budget of $82.4 million includes repayment of principal, interest and various banking and legal fees for the debt portfolio.

The long-term strategy is to issue short-term debt to provide just-in-time funding for eligible capital projects as actual expenditures are incurred. As the outstanding short-term debt obligations reach the program capacity, the outstanding short-term debt will be refunded with long-term debt to be repaid over 30 years. For the Water Utility Program, the issuance of long-term debt helps keep water charges stable over the long-term while ensuring inter-generational equity by matching the timing of the debt service repayment to the useful life of the asset and allowing for the completion of capital projects in a timely manner. The February 2022 Protection and Augmentation of Water Supplies (PAWS) report demonstrates that Water Utility finances will be sustainable, including the issuance of debt, assuming the forecasted water charge increases.

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

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

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

BOND RATINGS

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

Please see table below for ratings going into FY 2022-23.

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

STAFFING

The FY 2022-23 & FY 2023-24 Proposed Rolling Biennial Budget includes 918 positions including, 904 regular positions, 9 limited term positions, and 5 fellowships for FY 2022-23, and 923 positions including, 909 regular positions, 9 limited term positions, and 5 fellowships for FY 2023-24. This includes funding for 11 new positions in FY 2022-23 and 5 new positions for FY 2023-24. 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 2020-21[2]	Adjusted Budget 2021-22[3]	Proposed Budget 2022-23	Change from 2021-22	Proposed Plan 2023-24	Change from 2022-23
Board Appointed Officers[1]	73	75	77	2	77	0
Office of Integrated Water Management	38	53	55	2	56	1
External Affairs	42	45	45	0	45	0
Administrative Services	159	162	163	1	163	0
Water Utility	293	297	300	3	304	4
Watersheds	254	261	264	3	264	0
Districtwide	**859**	**893**	**904**	**11**	**909**	**5**

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

[2] In FY 2020-21, A new Office of Integrated Water Management was created. A new Racial Equity, Diversity and Inclusion unit was created in External Affairs.

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

FUTURE OUTLOOK

Santa Clara County residents and businesses are being affected by a historic drought and Valley Water is being proactive in combating the current drought emergency. We continue to mandate a 15% reduction in water use compared to 2019. As spring and summer months approach, the Board of Directors may consider other measures to increase conservation. Additionally, as we face climate change and more severe droughts, Valley Water is investing in our water infrastructure to ensure a reliable water supply for generations to come. This includes upgrading and maintaining our pipelines and water treatment plants, evaluating new water storage projects, increasing our use of recycled and purified water, and expediting the Anderson Dam Seismic Retrofit project. Valley Water is using all financial resources available to offset the expected rate impacts. This strategy includes drawing down cash reserves to help pay for emergency water purchases, and vigorously pursuing federal and state grant funding. Additionally, Valley Water is transferring property tax revenues previously earmarked for other uses, as a onetime measure to offset rate impacts in FY 2022–23. It is prudent fiscal policy to start planning for the future by acting now and prioritizing projects for climate unknowns like drought and other natural disasters. Valley Water will remain committed to providing Santa Clara County with safe, clean water for a healthy life, environment, and economy.

Sincerely,

Rick L. Callender, Esq.
Chief Executive Officer

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Santa Clara Valley Water District
California

For the Fiscal Year Beginning

July 01, 2021

Christopher P. Morrill

Executive Director

This page left intentionally blank.

Table of Contents

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 3-19
Salaries and Benefits 3-35
Debt Service 3-39
Reserve Policy and Fund Balances 3-47

Chapter 4 - Ends Policies and Outcomes

Introduction 4-1
E2 — Provides a reliable, safe, and affordable water supply for current and future generations in all communities serve 4-16
E3 — Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future 4-22
E4 — Water resources stewardship protects and enhances ecosystem health 4-25
E5 — Valley Water is carbon neutral and provides equitable, climate-resilient water supply, flood protection, and water resource stewardship to all communities ... 4-29
SS — Support Services 4-31
DS — Debt Service 4-38
Outcome Measures 4-39

Chapter 5 - Division Summaries

Valley Water Organizational Chart 5-2
Board Appointed Officers 5-4
External Affairs 5-31
Administrative Services 5-40
Office of Integrated Water Management 5-72
Watersheds 5-88
Water Utility 5-113

Table of Contents

Chapter 6 - Fund Summaries

Watershed Management Funds 6-1
Water Enterprise and State Water Project Funds 6-47
General Fund 6-95
Service Funds 6-107

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

This page left intentionally blank.



Budget in Brief

FY 2022–23 & FY 2023–24
Operating and Capital Rolling Biennial Budget

Fiscal Year 2022-23

Budget in Brief

Valley Water

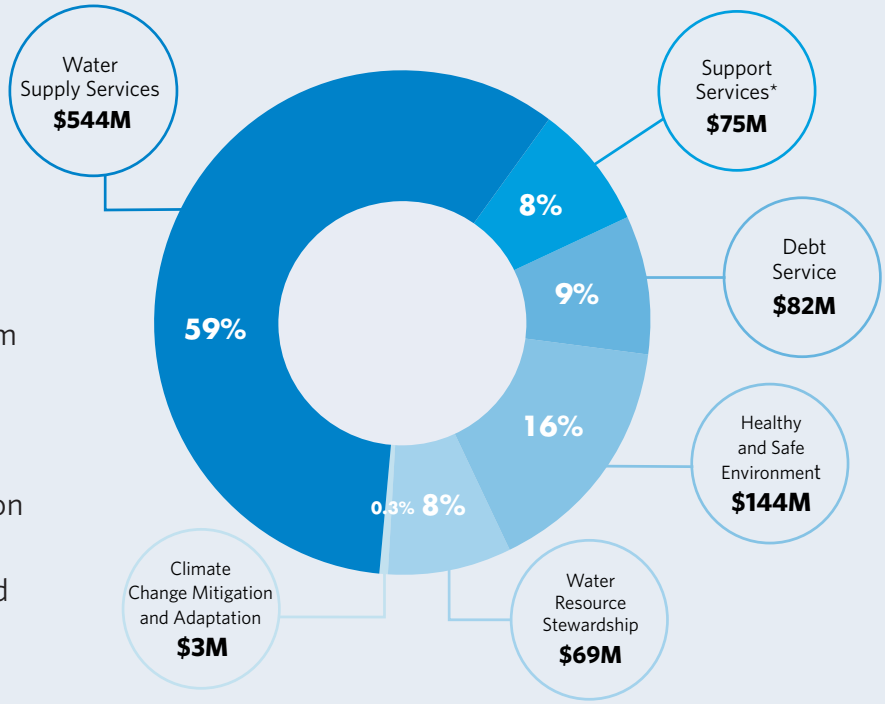


As we endure a drought emergency, Valley Water's budget priority is to invest in securing safe, clean water for a healthy life, environment and economy.

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

FY 2022-23 Adopted Budget of $917 million

Valley Water manages an integrated water resources system that includes the supply of safe, clean water, flood protection and stewardship of streams on behalf of Santa Clara County's two million residents. In May, the Valley Water Board of Directors adopted a $917 million budget for Fiscal Year 2022-23 to provide these critical services.



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

Valley Water Budget

As part of the annual budgeting process, the Board conducts planning sessions to develop strategies to accomplish Valley Water's long-term goals and objectives. This year Valley Water moved to a rolling biennial budget which allows us to budget for FY23 and plan for FY24. This fiscally responsible and balanced budget meets the community's expectations and invests in our water infrastructure to ensure a reliable water supply for generations to come.



Valley Water Headquarters.

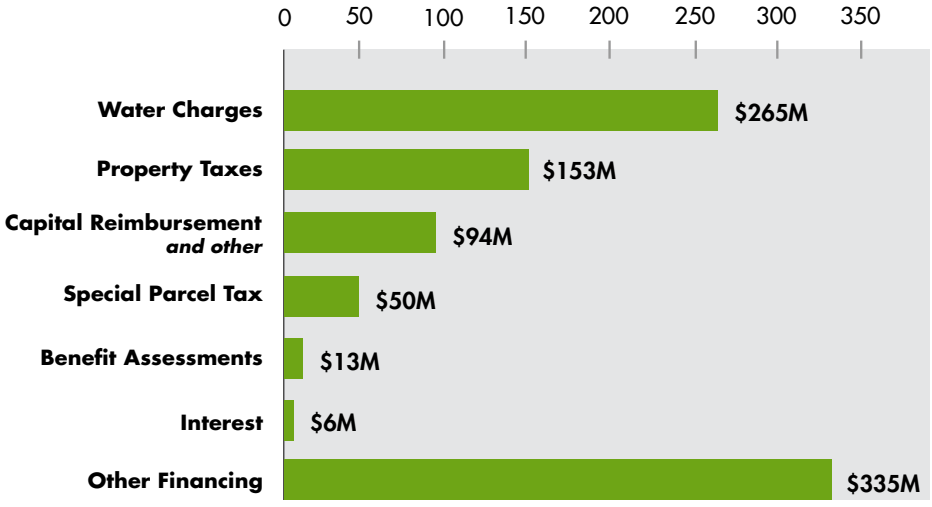
Balancing Act

Valley Water launched Balancing Act in 2021. The online budget simulation tool is a way for the public to explore Valley Water's anticipated sources of revenue and planned spending. Most importantly, the tool provides an opportunity for the public to provide direct input to the Board of Directors on spending priorities. Balancing Act can be found at ***ValleyWater.abalancingact.com***.

Valley Water relies on a diverse array of funding sources

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

FY 2022–23 Adopted Revenue and Debt Financing of $916 million



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

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

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

Capital Reimbursements and other is primarily comprised of reimbursements from other agencies, grant revenue and interest earnings.

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

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

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

Watersheds Projects

Valley Water is dedicated to keeping residents and businesses safe through its flood protection programs and projects, and is committed to protecting our environment and is working to restore habitat along creeks and the bay. Here are a few priority watershed projects included in the FY 2022-2023 budget to achieve these goals.

South San Francisco Bay Shoreline Project Phase I

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

Key deliverables: Complete construction of Reaches 1-3 levees from the Alviso Marina County Park to Artesian Slough by January 2024.



South San Francisco Bay Shoreline.

Coyote Percolation Dam Replacement Project

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

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



Coyote Percolation Dam.

Bolsa Road Fish Passage Project

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

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



Uvas-Carnadero Creek.

Hale Creek Enhancement Pilot Project

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

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



Hale Creek.

One Water Plan

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

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



Uvas Reservoir at sunset.

Water Utility Projects

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

Anderson Dam Seismic Retrofit and Tunnel Projects

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

Key deliverables: Implementing environmental and habitat measures, continuing construction of the new outlet tunnel, and completing 90% design for the seismic retrofit project.



Strengthening the hillside next to Anderson Dam.

Pacheco Reservoir Expansion

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

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



Pcheco project drilling work.

Purified Water Project

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

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



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

10-Year Pipeline Inspection and Rehabilitation

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

Key deliverables: Begin construction for the inspection and rehabilitation of the Santa Clara Conduit and Almaden Valley Pipeline in Fall 2022. Complete construction contract documents for the Snell Pipeline.



Crews inspecting a section of pipeline.

CONTACT US

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

FOLLOW US

scvwd

valleywater

valleywater

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

WE ARE IN A SEVERE DROUGHT

LET'S SAY YES TO SAVING WATER

WaterSavings.org

© 2022 Santa Clara Valley Water District • 08/2022 RG



Valley Water Overview

FY 2022–23 & FY 2023–24
Operating and Capital Rolling Biennial Budget

Valley Water Overview

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

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

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



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

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

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

Community action created Valley Water, when farmers and business representatives formed the Santa Clara Valley Water Conservation Committee in the 1920s. At that time, groundwater supplies were being over-pumped, 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;

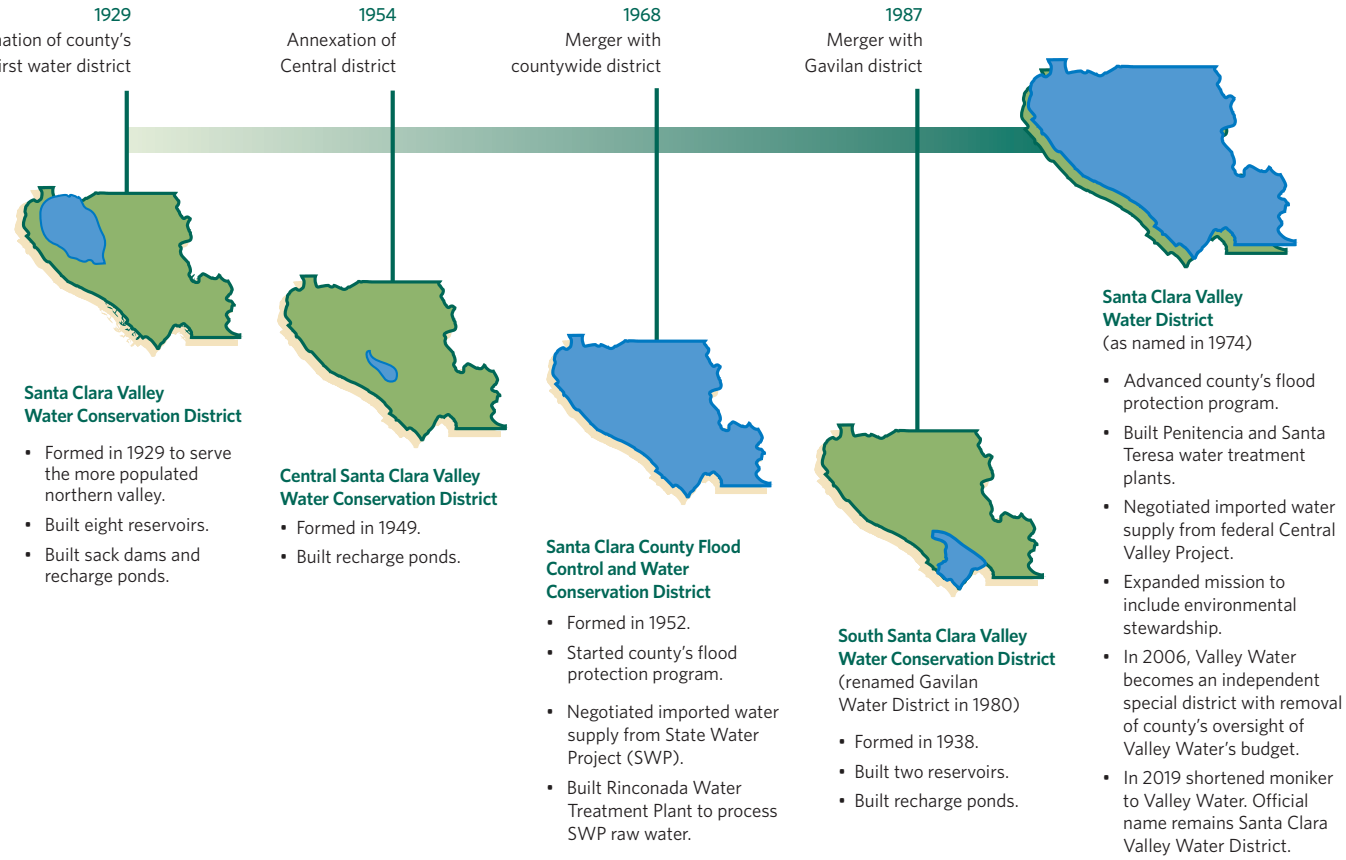
(d) to protect, save, store, recycle, distribute, transfer, exchange, manage, and conserve in any manner any of the waters;

(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.

Valley Water Overview

Local Economy

While the COVID-19 pandemic continues to affect every aspect of the country's economy and community, employment in the local economy is back to pre-pandemic levels.

The local area's January unemployment rate was 3.4%, up from a revised 2.9% in December 2021, and below the estimate of 6.2% a year ago. This is lower than the unadjusted unemployment rate of 5.5% for California and 4.4% for the United States during the same period.[3]

As of mid-December 2021, approximately 42,500 people in Silicon Valley's labor force remained unemployed, a decrease of nearly 3,900 since mid-November, and a drop of approximately 38,300 since the beginning of 2021. The total number of unemployed workers was lower than the 42,900 pre-pandemic (in March 2020).[4]

The February 2022 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 1.4% over the past two months, and 5.2% over the past year.[2]

Annual inflation in the U.S. climbed in February to 7.9%, a 40-year high, suggesting upward pressure on consumer prices. This surge in the cost of living in the past 12 months is the biggest since January 1982. In response, the Federal Reserve is expected to raise interest rates in March 2022 for the first time in four years.[5,6]

According to the U.S. Bureau of Economic Analysis' (BEA) second estimate released for the fourth quarter of 2021 on February 24, 2022, the real gross domestic product (GDP) increased at an annual rate of 7.0% in the fourth quarter of 2021. This increase reflected the continued restrictions and disruptions in the operations of establishments in some parts of the country due to the COVID-19 pandemic. Government assistance payments in the form of forgivable loans to business, grants to state and local governments, and social benefits to households all decreased as provisions of several federal programs expired.[1]

The San Francisco Bay Area's COVID-19 vaccination rate is high compared to elsewhere, with 88% of the population over age five fully vaccinated. However, several areas of the region have particularly low vaccination rates, including San Martin (84% of residents ages 12+).

Cumulative COVID-19 cases in Santa Clara and San Mateo Counties reached nearly 399,900 in early February 2021. COVID-19 deaths totaled 2,639 as of February 2022.

While survival rates for ages 70+ improved in 2021, reaching 90% (from 73% in 2020), the death rate was also disproportionately high for Hispanic or Latino and African American residents in 2020, even after adjusting for differences in age distribution.[4]

The region's population declined for the first time in more than a dozen years. This is due to a combination of declining birth and increasing mortality rates, low levels of foreign immigration, and the movement of residents at rates not seen since after the dot.com bust.

Thousands have died from COVID-19, and foreign immigration is lower than any year on record, back to 1991 (including fewer refugee arrivals due to the former administration's suspension of the U.S. refugee program and subsequent lowering of admission ceilings).

At this rate of outmigration, the region is turning over around 5% of its population annually. While the number of jobs lost during the pandemic were gained back by mid-2021 there is now a smaller share in low-skill/low-wage. Estimates for the second half of the year suggest jobs will exceed pre-pandemic totals.

Although the tech industry typically accounts for a quarter of the region's employment, gains over the past two years have led to an increased share to 29%. Most of the tech jobs are concentrated in a few companies, with 13% at Google and Apple, and nearly one-third at the largest 15 companies. In contrast, other industries such as Arts, Entertainment & Recreation, Personal Services, Accommodation & Food Services, Transportation, Warehousing and Storage, Nonprofits, and Retail, remain below pre-pandemic levels.

Valley Water Overview

At $138,100, median household income in the area remained around 1.7 times higher than in California overall ($83,060), and more than twice the national figure in 2020 ($67,300).

However, income disparity remains high in the area, with the median wage for Tier 1 (high-wage/high skill) workers at $135,600 in 2021 – three times more than Tier 3 workers, or a gap of $85,700; this compares to a gap of $53,300 between the same two groups nationwide.

The local area's housing availability and affordability are closely linked to recent population declines and outmigration. In 2021, 32% of Santa Clara County potential first-time homebuyers could afford a median-priced home, which was $1.32 million in 2021 ($119k more than the prior year, before adjusting for inflation).

This percentage share of first-time homebuyers is much smaller than California (47%) or the entire nation (67%). The total number of homes sold also spiked in 2021 to 34,200 (up by 48%) – more than any other year since 2006. Rising median home sale prices and a shift toward the sale of more high-end homes support outmigration showing that most leaving the local area are moving to the outskirts and neighboring regions, possibly to maintain ties to their current employers. Additionally, average multifamily rents have also decreased, likely a factor keeping some renters in the area.[4]

Although commercial leasing volume has rebounded, the total amount of commercial space under construction has steadily decreased to 11.59 million square feet (down 45% in comparison to the pre-pandemic high of 20.9 million square feet in Q1 2020). Apple, Google, and Meta (formerly Facebook) have led leasing volume for the year, each committing over half a million square feet of commercial space. However, many of these leases have been for renewals (with relocations and expansions continuing to be relatively few), indicating many companies are still on pause due to the COVID-19 pandemic, and continue to gather information about the future of work.[4]

Meanwhile, local government agencies adjusted budgets in response to pandemic-related revenue losses (reducing them by an estimated 13% in FY 2020-21, in aggregate).

Pandemic-related revenue declines were expected to lead to more than $200 million in city budget shortfalls regionally in FY 2020-21. The county of Santa Clara's financial statement for FY 2020-21 indicated a $155 million loss in net position.[4]

This FY 2022-23 and 2023-24 Biennial Budget represents Valley Water's transition to a rolling biennial budget, which allows us to plan for the upcoming fiscal years 2023 and 2024. It also provides improved transparency to the public regarding Valley Water's future plans and helps maintain our financial strength.

Valley Water will continue to prudently plan for projects that we are committed to deliver, as we navigate through the statewide drought emergency, the changes in our local economy, as well as global political and environmental changes.

[1] U.S. Bureau of Economic Analysis (BEA), 2/24/2022 News Release

[2] US BLS (Bureau of labor Statistics), March 10, 2022 Release – CPI February 2022

[3] State of California Employment Development Department (EDD), March 11, 2022 labor market info

[4] Joint Venture Silicon Valley Institute for Regional Studies, 2022 Silicon Valley Index

[5] MarketWatch, March 10, 2022

[6] US Inflation Calculator (February 2022)

Valley Water Overview

Governance and Board of Directors

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

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

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

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

Board directorial districts



History Timeline

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

Early 1900s

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

1920s

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

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

1930s

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

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

1940s

Significant post-war population growth.

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

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

1950s

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

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

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

1960s

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

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

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

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

1970s

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

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

Valley Water Overview

1980s

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

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

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

1990s

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

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

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

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

2000-2021

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Board Committees

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

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

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

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

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

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

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

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

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

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

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

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

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

Board Advisory Committees

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

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

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

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

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

Joint Committees

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

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

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

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

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

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

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

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

Board Working Groups

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

Delta Conveyance Authority Group: Information sharing.

Financial Sustainability Group: Review organizational financial sustainability factors.

External Monitoring Committee

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

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

Groundwater Benefit Zones in Santa Clara County



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

Watershed Areas and Flood Control Zones of Santa Clara County



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

This page left intentionally blank.



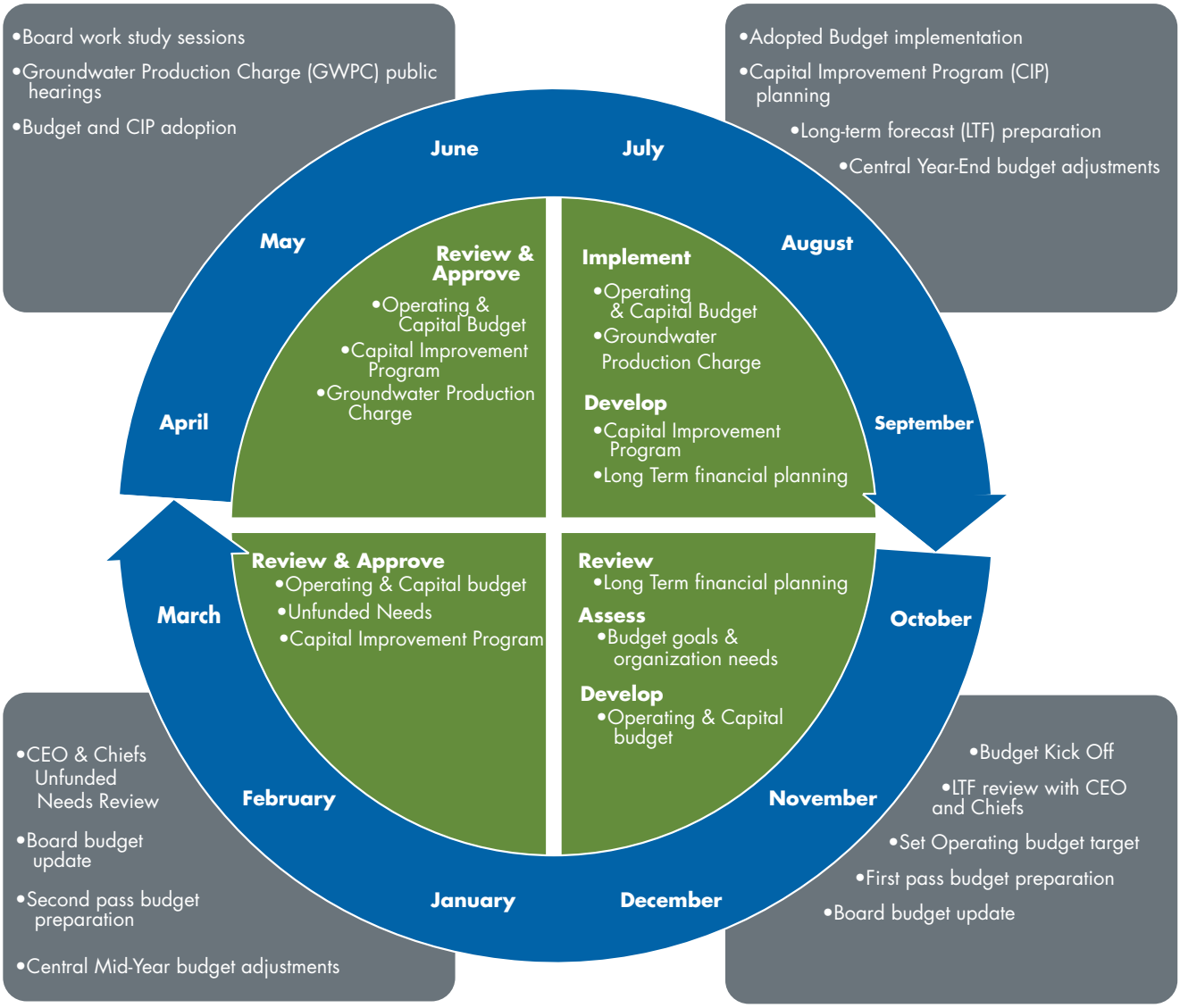
Financial Overview

FY 2022–23 & FY 2023–24
Operating and Capital Rolling Biennial Budget

FINANCIAL OVERVIEW

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 annual Operating and Capital Budget. The budget is developed in coordination with and including the Financial Planning and Rate Setting as well the Capital Improvement Plan (CIP) processes. New this year in the FY 2022-23 Operating and Capital Rolling Biennial Budget is the presentation of a rolling biennial budget which reflects a subsequent fiscal year plan in FY 2023-24. The second fiscal year serves as a planning tool, and will set the framework for the preparation of the FY 2023-24 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) Report. 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.

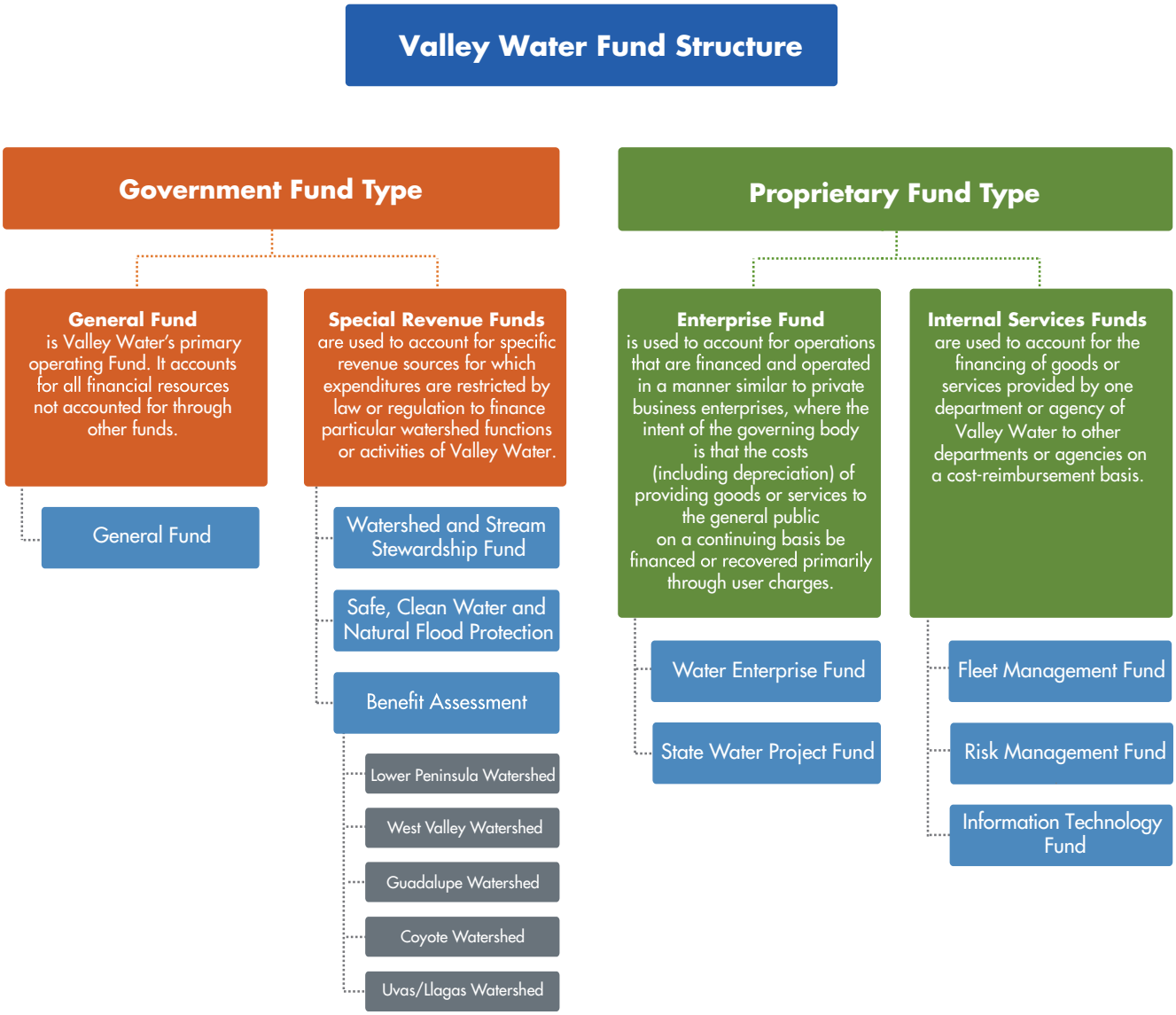
For detailed capital expenditure and impact of capital investments on operating budget, please visit: https://www.valleywater.org/public-review-documents.

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 2022-2023
- 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 Groundwater Management Plan
- Water Utility Water Supply Master Plan
- Watersheds Five Year Operations and Maintenance Plan

Financial Overview



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 Report.

The FY 2022-23 Budget includes projected revenues of approximately $580.9 million. These revenues reflect a 7.7% increase from the $539.4 million included in the FY 2021-22 Adopted Budget. The $41.5 million net increase is primarily derived from the increase in capital reimbursements ($52.1 million), property taxes ($8.7 million), intergovernmental services ($2.0 million) and special parcel taxes ($2.5 million), offset by decreases in water charges revenue (-$23.5 million), as well as benefit assessment taxes and other operating and non-operating revenues (-$0.3 million).

The FY 2023-24 planned revenue of $655.6 million reflects a net increase of $74.7 million over the FY 2022-23 Budget. The 12.9% growth is primarily attributed to higher water charges revenue ($62.1 million), capital reimbursements ($13.9 million), property taxes ($4.5 million), and the special parcel tax ($1.1 million), offset by lower benefit assessment taxes (-$5.1 million) and intergovernmental services (-$1.9 million).

The specific categories of revenue include:

Water Revenue

The main source of Valley Water revenue is from water charges which is projected at $264.9 million for FY 2022-23, a decrease of 8% over the FY 2021-22 Adopted Budget. The FY 2023-24 water revenue estimate of $327.0 million is a 23% increase over FY 2022-23. Revenues from treated water are the largest source with an estimated amount of $139.7 million and increasing by $31.3 million to an estimated $171.0 in FY 2023-24. Groundwater production charges are budgeted at $122.0 million growing to $152.4 million, and surface/recycled water sales are projected at $3.2 million increasing to $3.6 million for FY 2022-23 and FY 2023-24 respectively. These estimates include rate increases of 15.0% in Zone W-2, 5.2% in Zone W-5, 10.3% in Zone W-7, and 8.0% in Zone W-8 for municipal and industrial groundwater charges in each fiscal year of the biennial budget. Furthermore, estimates account for usage declining in the first fiscal year due to the drought conservation efforts and restores most of the utilization in the second fiscal year assuming relief in drought conditions. Further discussion on groundwater production charges is provided in the Water Utility Enterprise Fund Summary section of this budget and in the FY 2022-23 PAWS Report.

Property Tax

Property tax revenues are estimated at $153.1 million for FY 2022-23, an increase of 6.0% from the FY 2021-22 Adopted Budget. The planned FY 2023-24 amount assumes a 3% increase totaling $157.7 million. Valley Water benefits from two types of property taxes: 1% ad valorem and levies for State Water Project (SWP) indebtedness ($27.0 million each year). 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 and finally approved ongoing Safe, Clean Water and Natural Flood Protection Program by voters November 2020. The Special Parcel Tax for FY 2022-23 is budgeted at $49.6 million, and FY 2023-24 projected revenue is $50.7 million reflecting an increase of 5.4% in FY 2022-23 and 2.2% in FY2023-24. Further details on the Special Parcel Tax can be located in the Major Sources of Revenues section.

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 $13.3 million for FY 2022-23 and $8.2 million planned for FY 2023-24. Further explanation of Benefit Assessments 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 will be undertaken during this budget period. District-wide capital reimbursements are budgeted at $87.1 million for FY 2022-23 and projected at $101.0 million in FY 2023-24. More information is included in the Major Sources of Revenue section.

Interest

Overall interest earnings are estimated at $6.0 million in FY 2022-23 and FY 2023-24, maintaining FY 2021-22 Adopted Budget levels.

Intergovernmental Services

Intergovernmental Services revenue are reimbursements from cost sharing agreements with local cities and agencies. The FY 2022-23 totals $3.3 million in this category and is primarily comprised of reimbursements from the San Benito Water District for O&M San Felipe Reach 1 projects ($0.6 million) and for the Pacheco project ($1.9 million); and, reimbursements from local agencies ($0.8 million) for conservation incentive programs such as the Lawn Rebate Program, Greywater Program, and Home Water Use Reports.

Other Revenue

Other Operating and Non-Operating Revenues comprised of receipts from minor sources such as rental income and the sale of vehicles totals $3.5 million and $3.6 million in FY 2022-23 and FY 2023-24 respectively.

Appropriations/Outlays

Total FY 2022-23 operating and capital outlays are budgeted at $1,032.2 million, which includes intra-district reimbursements of $115.0 million, or a net total operating and capital outlays of $917.2 million. These figures do not include capital carry forward ($67.4 million) appropriated by the Board in prior years. The $115.0 million of intra-district charges are comprised of General Fund reimbursements (66.3%) and Internal Service Funds charges (33.7%). Of the total FY 2022-23 net outlays, operating outlays (including debt service) accounts for $484.8 million, an increase of approximately $59.4 million compared to the FY 2021-22 Adopted Budget of $425.4 million. The total net capital outlays make up $432.4 million compared to the FY 2021-22 Adopted Budget of $412.1 million, accounting for an increase of $20.2 million.

The planned FY 2023-24 total operating and capital outlays are projected to increase by $92.8 million over FY 2022-23 reaching $1,124.9 million. The total net of intra-district reimbursements is $1,002.8 million, of which $514.6 million is net operating expenses and $488.2 million are net Capital expenses. This would reflect a net increase of 6.1% or $29.8 million in operating

outlays (including debt service) over FY 2022-23, primarily for debt service payments. Net capital outlay increases are 12.9% over the FY 2022-23 level, attributable to capital outlays for projects in progress. These amounts do not include the projected capital projects carryforward of $26.6 million and is net of an estimated $122.2 million in intra-district reimbursements comprised of General Fund reimbursements (65.7%) and Internal Service Funds charges (34.3%).

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

- Infrastructure maintenance and construction needs (ensuring dam safety, managing infrastructure for reliability, care of Valley Water facilities and assets)
- Advancing Valley Water's interests in countywide stormwater resource planning
- Active participation 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
- Responding to drought conditions by improving water supply, including conservation and supplemental water purchases
- 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
- Advancing racial equity, diversity and inclusion efforts
- Addressing future impacts of climate change to Valley Water's mission and operations.

Valley Water is responding to these challenges in several ways including the addition of new positions, increased funding for additional water purchases, and investments in conservation incentive programs. These and other efforts are discussed in the Fund Summaries chapter.

Intra-district Reimbursements

The primary funding sources for the General Fund and Service Funds are intra-district reimbursements. For FY 2022-23, the total is $115.0 million, and $122.2 million planned in FY 2023-24. 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 and 40% by Watersheds Funds.

Capital Outlays

The capital budget represents the projects that have been identified and prioritized in the 5-Year Capital Improvement Program (CIP). FY 2022-23 net capital project outlays total $432.4 million, an increase of $20.2 million as compared to the net FY 2021-22 Adopted Budget of $412.1 million. It is anticipated that $67.4 million of the FY 2021-22 Adjusted Budget for capital projects will be carried forward to FY 2022-23 as most capital projects require multiple years to complete.

Net Capital Outlays are planned to reach $488.2 million in FY 2023-24 reflecting a $55.8 million increase over the prior year budgeted levels. The model shows approximately $26.6 million of the prior year's capital funds are anticipated to carry forward to FY 2023-24.

Other Financing Sources/Uses

Other financing sources and uses include proceeds from debt issuance. Valley Water anticipates issuing bonds or commercial paper for approximately $334.5 million in FY 2022-23, and $398.9 million in FY 2023-24, to finance various Water Utility and Safe, Clean Water and Natural Flood Protection capital improvement projects.

Reserves

Overall, budgeted reserves for FY 2022-23 are estimated at $402.5 million, an increase of $66.2 million compared to the FY 2021-22 Adopted Budget level. Projections for

FY 2023-24 show reserves increasing $30.4 million further for a total of $432.8 million.

Staffing

The 2022-23 Budget includes 904 regular positions, 9 limited-term positions and 5 fellowships. This staffing level includes 11 added regular positions to support priorities such as: Water Utility and Watershed Management capital improvement projects; Safe, Clean Water commitments including watershed maintenance efforts, flood protection infrastructure, and the grants and public arts programs; and, administrative support to sustain service levels. Five additional regular positions are planned in FY 2023-24 to strive to meet project timelines and the Board's priorities. For a comprehensive schedule of district-wide salaries and benefits, please refer to the salaries & benefits section in this chapter.

Combined Fund Summary - All Funds

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
Groundwater Production Charges	$ 132,111,494	$ 135,253,000	$ 114,934,000	$ 122,002,000	$ (13,251,000)	(9.8)%
Treated Water Charges	154,912,013	150,449,000	127,699,000	139,746,000	(10,703,000)	(7.1)%
Surface&Recycled Water Charges	2,747,092	2,778,000	2,778,000	3,207,000	429,000	15.4%
Benefit Assessment	12,369,053	13,453,662	13,453,662	13,274,144	(179,518)	(1.3)%
Property Tax	138,655,785	144,411,295	147,872,932	153,122,151	8,710,856	6.0%
Special Parcel Tax	46,095,042	47,105,387	47,106,738	49,645,791	2,540,404	5.4%
Intergovermental Services	4,020,068	1,242,326	1,264,295	3,267,274	2,024,948	163.0%
Operating Other	654,325	737,505	731,026	688,044	(49,461)	(6.7)%
Capital Reimbursements	19,897,679	35,059,000	41,663,000	87,116,000	52,057,000	148.5%
Interest Income *	8,600,227	6,000,000	6,000,000	6,000,000	—	—
Non-Operating Other	4,500,015	2,880,279	2,768,873	2,850,370	(29,909)	(1.0)%
TOTAL REVENUE	***$ 524,562,793***	***$ 539,369,454***	***$ 506,271,526***	***$ 580,918,774***	***$ 41,549,320***	***7.7%***
OUTLAYS						
Operating Outlays						
Operations **	$ 366,757,387	$ 423,633,190	$ 442,025,916	$ 478,614,808	$ 54,981,618	13.0%
Operating Project	3,586,872	5,772,935	7,397,935	8,484,926	2,711,992	47.0%
Debt Service	51,363,856	71,264,693	71,264,693	82,350,473	11,085,780	15.6%
Total Operating Outlays	***$ 421,708,115***	***$ 500,670,818***	***$ 520,688,544***	***$ 569,450,207***	***$ 68,779,390***	***13.7%***
Capital Outlays						
Capital Projects	$ 284,265,608	$ 440,233,177	$ 488,302,127	$ 462,788,575	$ 22,555,398	5.1%
Carry Forward Capital Projects	—	52,075,664	$	67,372,222	15,296,558	29.4%
Total Capital Outlays	***$ 284,265,608***	***$ 492,308,841***	***$ 488,302,127***	***$ 530,160,797***	***$ 37,851,956***	***7.7%***
TOTAL OUTLAYS* **	***$ 705,973,723***	***$ 992,979,659***	***$ 1,008,990,671***	***$ 1,099,611,004***	***$ 106,631,345***	***10.7%***
Less Intra-District Reimb	(87,448,512)	(103,345,913)	(105,003,759)	(115,000,864)	(11,654,951)	11.3%
NET OUTLAYS	***$ 618,525,211***	***$ 889,633,746***	***$ 903,986,912***	***$ 984,610,140***	***$ 94,976,394***	***10.7%***
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 164,470,000	$ 259,288,000	$ 271,484,000	$ 334,491,000	$ 75,203,000	29.0%
Transfers In	27,668,485	11,684,277	12,769,128	36,740,517	25,056,240	214.4%
Transfers Out	(27,668,485)	(11,684,277)	(12,769,128)	(36,568,603)	(24,884,326)	213.0%
TOTAL OTHER SOURCES/(USES)	***$ 164,470,000***	***$ 259,288,000***	***$ 271,484,000***	***$ 334,662,914***	***$ 75,374,914***	***29.1%***
BALANCE AVAILABLE	***$ 70,507,582***	***$ (90,976,292)***	***$ (126,231,386)***	***$ (69,028,452)***	***$ 21,947,840***	***(24.1)%***

Combined Fund Summary - All Funds (Continued)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization	$ 25,069,620	$ 53,332,567	$ 80,476,138	$ 67,476,138	$ 14,143,571	26.5%
Contingency Reserve	—	5,000,000	5,000,000	5,000,000	—	—
WUE San Felipe Emergency	3,348,086	3,360,045	3,360,085	3,410,085	50,040	1.5%
WUE State Water Project Tax Reserve	7,218,060	2,523,006	6,608,934	6,352,289	3,829,283	151.8%
CP Debt Service	15,317	—	6,999	6,999	6,999	—
WUE Water Supply	15,477,000	7,877,000	7,877,000	5,277,000	(2,600,000)	(33.0)%
WUE SVAWPC	1,298,138	908,138	908,138	908,138	—	—
WUE Drought Reserve	10,000,000	10,000,000	10,000,000	—	(10,000,000)	(100.0)%
GP5 Reserve	9,669,736	7,106,660	8,653,356	8,830,684	1,724,024	24.3%
SCW Currently Authorized Projects	75,382,052	39,599,917	74,190,907	47,365,114	7,765,197	19.6%
SCW Operating and Capital Reserve	57,042,203	54,254,365	51,409,664	74,326,854	20,072,489	37.0%
Total Restricted Reserves	***$ 204,520,212***	***$ 183,961,698***	***$ 248,491,221***	***$ 218,953,301***	***$ 34,991,603***	***19.0%***
Committed Reserves						
Currently Authorized Projects ***	$ 126,767,164	$ 14,824,063	$ 58,079,455	$ 13,147,429	$ (1,676,634)	(11.3)%
Operating and Capital Reserve	253,241,078	124,666,918	152,620,758	158,532,815	33,865,897	27.2%
Workers Compensation Liability	6,621,000	6,621,000	6,621,000	6,621,000	—	—
Catastrophy - Property Self-Insurance	6,591,184	6,230,869	5,696,818	5,226,255	(1,004,614)	(16.1)%
Total Committed Reserves	***$ 393,220,426***	***$ 152,342,850***	***$ 223,018,031***	***$ 183,527,499***	***$ 31,184,649***	***20.5%***
TOTAL YEAR-END RESERVES	***$ 597,740,638***	***$ 336,304,548***	***$ 471,509,252***	***$ 402,480,800***	***$ 66,176,252***	***19.7%***

Combined Fund Summary - All Funds (Continued)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 142,198,496	$ 158,930,947	$ 161,445,388	$ 170,824,512	$ 11,893,565	7.5%
Salary Savings Factor	—	(2,610,625)	(2,610,625)	(2,693,924)	(83,299)	3.2%
Services & Supplies	162,627,688	197,840,079	214,016,787	234,381,116	36,541,037	18.5%
Intra-District Charges	65,518,074	75,245,723	76,572,301	84,588,030	9,342,307	12.4%
OPERATING OUTLAY TOTAL	***$ 370,344,258***	***$ 429,406,124***	***$ 449,423,851***	***$ 487,099,734***	***$ 57,693,610***	***13.4%***
DEBT SERVICE						
Services & Supplies	$ 1,758,451	$ 3,265,251	$ 3,265,251	$ 5,849,371	$ 2,584,120	79.1%
Debt Service	49,605,404	67,999,442	67,999,442	76,501,102	8,501,660	12.5%
DEBT SERVICE TOTAL	***$ 51,363,855***	***$ 71,264,693***	***$ 71,264,693***	***$ 82,350,473***	***$ 11,085,780***	***15.6%***
CAPITAL PROJECTS						
Salaries and Benefits	$ 38,706,507	$ 48,255,173	$ 48,825,343	$ 50,324,593	$ 2,069,420	4.3%
Salary Savings Factor	—	(809,151)	(809,151)	(816,046)	(6,894)	0.9%
Services & Supplies	223,628,663	364,686,966	411,854,476	382,867,193	18,180,228	5.0%
Carry Forward Capital Projects	—	52,075,664	—	67,372,222	15,296,558	29.4%
Intra-District Charges	21,930,437	28,100,190	28,431,459	30,412,834	2,312,645	8.2%
CAPITAL PROJECTS TOTAL	***$ 284,265,607***	***$ 492,308,842***	***$ 488,302,127***	***$ 530,160,796***	***$ 37,851,957***	***7.7%***
TOTAL OUTLAYS****	***$ 705,973,720***	***$ 992,979,659***	***$ 1,008,990,671***	***$ 1,099,611,003***	***$ 106,631,347***	***10.7%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****) Total Outlays amounts may have a slight variance due to rounding

Combined Fund Summary - All Funds

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
Groundwater Production Charges	$ 132,111,494	$ 135,253,000	$ 122,002,000	$ 152,379,000	$ 30,377,000	24.9%
Treated Water Charges	154,912,013	150,449,000	139,746,000	171,022,000	31,276,000	22.4%
Surface&Recycled Water Charges	2,747,092	2,778,000	3,207,000	3,625,000	418,000	13.0%
Benefit Assessment	12,369,053	13,453,662	13,274,144	8,201,932	(5,072,212)	(38.2)%
Property Tax	138,655,785	144,411,295	153,122,151	157,651,055	4,528,904	3.0%
Special Parcel Tax	46,095,042	47,105,387	49,645,791	50,737,999	1,092,208	2.2%
Intergovermental Services	4,020,068	1,242,326	3,267,274	1,340,295	(1,926,979)	(59.0)%
Operating Other	654,325	737,505	688,044	694,243	6,199	0.9%
Capital Reimbursements	19,897,679	35,059,000	87,116,000	101,021,000	13,905,000	16.0%
Interest Income *	8,600,227	6,000,000	6,000,000	6,000,000	—	—
Non-Operating Other	4,500,015	2,880,279	2,850,370	2,903,515	53,144	1.9%
TOTAL REVENUE	***$ 524,562,793***	***$ 539,369,454***	***$ 580,918,774***	***$ 655,576,039***	***$ 74,657,264***	***12.9%***
OUTLAYS						
Operating Outlays						
Operations **	$ 366,757,387	$ 423,633,190	$ 478,614,808	$ 491,584,595	$ 12,969,787	2.7%
Operating Project	3,586,872	5,772,935	8,484,926	7,185,892	(1,299,034)	(15.3)%
Debt Service	51,363,856	71,264,693	82,350,473	105,352,727	23,002,254	27.9%
Total Operating Outlays	***$ 421,708,115***	***$ 500,670,818***	***$ 569,450,207***	***$ 604,123,214***	***$ 34,673,007***	***6.1%***
Capital Outlays						
Capital Projects	$ 284,265,608	$ 440,233,177	$ 462,788,575	$ 520,874,546	$ 58,085,971	12.6%
Carry Forward Capital Projects	—	52,075,664	67,372,222	26,622,204	(40,750,018)	(60.5)%
Total Capital Outlays	***$ 284,265,608***	***$ 492,308,841***	***$ 530,160,797***	***$ 547,496,750***	***$ 17,335,953***	***3.3%***
TOTAL OUTLAYS* **	***$ 705,973,723***	***$ 992,979,659***	***$1,099,611,004***	***$1,151,619,964***	***$ 52,008,960***	***4.7%***
Less Intra-District Reimb	(87,448,512)	(103,345,913)	(115,000,864)	(122,197,372)	(7,196,508)	6.3%
NET OUTLAYS	***$ 618,525,211***	***$ 889,633,746***	***$ 984,610,140***	***$1,029,422,592***	***$ 44,812,452***	***4.6%***
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 164,470,000	$ 259,288,000	$ 334,491,000	$ 398,905,000	$ 64,414,000	19.3%
Transfers In	27,668,485	11,684,277	36,740,517	25,026,134	(11,714,383)	(31.9)%
Transfers Out	(27,668,485)	(11,684,277)	(36,568,603)	(19,732,534)	16,836,069	(46.0)%
TOTAL OTHER SOURCES/(USES)	***$ 164,470,000***	***$ 259,288,000***	***$ 334,662,914***	***$ 404,198,600***	***$ 69,535,686***	***20.8%***
BALANCE AVAILABLE	***$ 70,507,582***	***$ (90,976,292)***	***$ (69,028,452)***	***$ 30,352,047***	***$ 99,380,499***	***(144.0)%***

Combined Fund Summary - All Funds (Continued)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization	$ 25,069,620	$ 53,332,567	$ 67,476,138	$ 32,476,138	$ (35,000,000)	(51.9)%
Contingency Reserve	—	5,000,000	5,000,000	5,000,000	—	—
WUE San Felipe Emergency	3,348,086	3,360,045	3,410,085	3,460,085	50,000	1.5%
WUE State Water Project Tax Reserve	7,218,060	2,523,006	6,352,289	4,546,282	(1,806,007)	(28.4)%
CP Debt Service	15,317	—	6,999	6,999	—	—
WUE Water Supply	15,477,000	7,877,000	5,277,000	2,677,000	(2,600,000)	(49.3)%
WUE SVAWPC	1,298,138	908,138	908,138	908,138	—	—
WUE Drought Reserve	10,000,000	10,000,000	—	—	—	—
GP5 Reserve	9,669,736	7,106,660	8,830,684	9,039,229	208,545	2.4%
SCW Currently Authorized Projects	75,382,052	39,599,917	47,365,114	24,619,601	(22,745,513)	(48.0)%
SCW Operating and Capital Reserve	57,042,203	54,254,365	74,326,854	129,588,796	55,261,942	74.4%
Total Restricted Reserves	***$ 204,520,212***	***$ 183,961,698***	***$ 218,953,301***	***$ 212,322,268***	***$ (6,631,033)***	***(3.0)%***
Committed Reserves						
Currently Authorized Projects ***	$ 126,767,164	$ 14,824,063	$ 13,147,429	$ 9,270,738	$ (3,876,691)	(29.5)%
Operating and Capital Reserve	253,241,078	124,666,918	158,532,815	199,112,366	40,579,551	25.6%
Workers Compensation Liability	6,621,000	6,621,000	6,621,000	6,621,000	—	—
Catastrophy - Property Self-Insurance	6,591,184	6,230,869	5,226,255	5,506,475	280,220	5.4%
Total Committed Reserves	***$ 393,220,426***	***$ 152,342,850***	***$ 183,527,499***	***$ 220,510,579***	***$ 36,983,080***	***20.2%***
TOTAL YEAR-END RESERVES	***$ 597,740,638***	***$ 336,304,548***	***$ 402,480,800***	***$ 432,832,847***	***$ 30,352,047***	***7.5%***

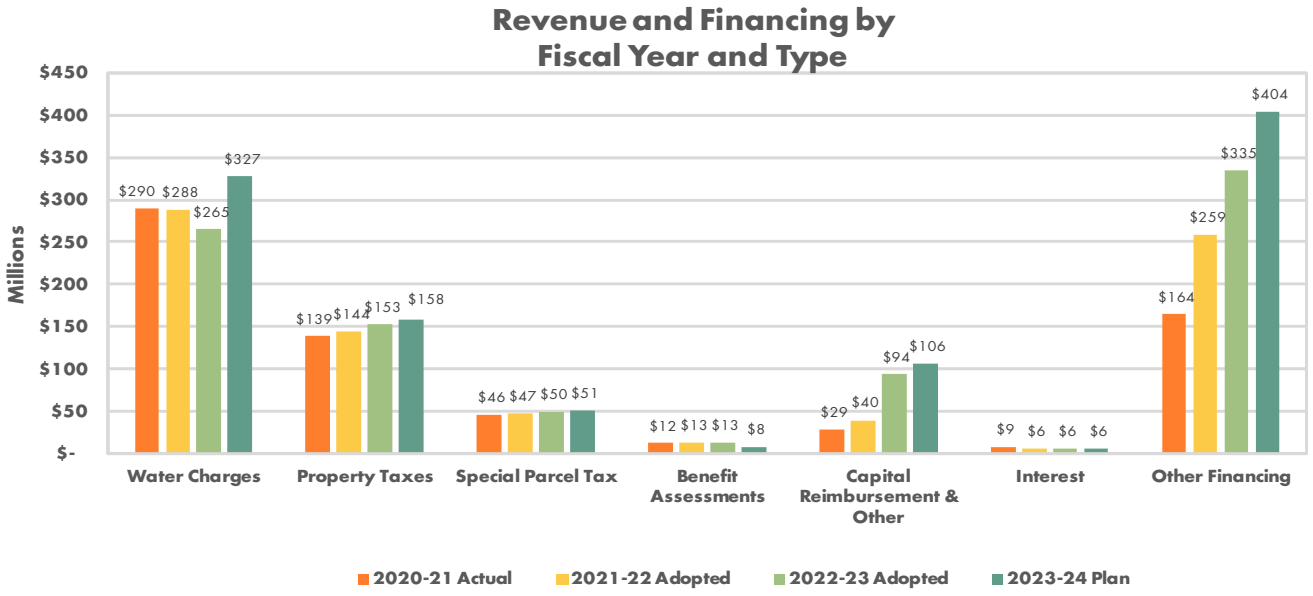
Combined Fund Summary - All Funds (Continued)

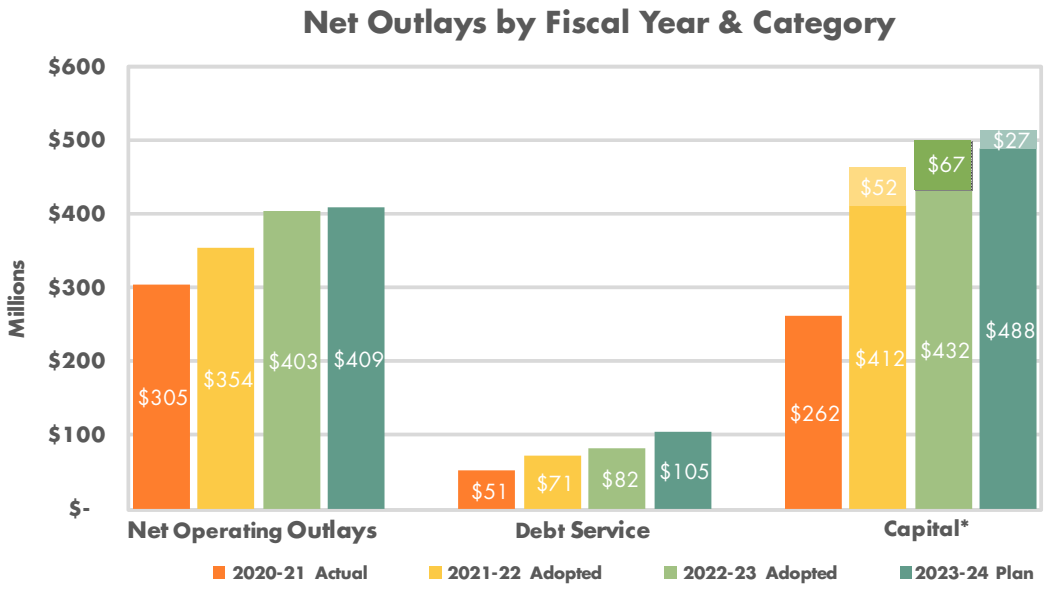
	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 142,198,496	$ 158,930,947	$ 170,824,512	$ 179,730,119	$ 8,905,607	5.2%
Salary Savings Factor	—	(2,610,625)	(2,693,924)	(2,824,977)	(131,053)	4.9%
Services & Supplies	162,627,688	197,840,079	234,381,116	232,383,523	(1,997,593)	(0.9)%
Intra-District Charges	65,518,074	75,245,723	84,588,030	89,481,821	4,893,792	5.8%
OPERATING OUTLAY TOTAL	***$ 370,344,258***	***$ 429,406,124***	***$ 487,099,734***	***$ 498,770,486***	***$ 11,670,753***	***2.4%***
DEBT SERVICE						
Services & Supplies	$ 1,758,451	$ 3,265,251	$ 5,849,371	$ 5,079,371	$ (770,000)	(13.2)%
Debt Service	49,605,404	67,999,442	76,501,102	100,273,356	23,772,254	31.1%
DEBT SERVICE TOTAL	***$ 51,363,855***	***$ 71,264,693***	***$ 82,350,473***	***$ 105,352,727***	***$ 23,002,254***	***27.9%***
CAPITAL PROJECTS						
Salaries and Benefits	$ 38,706,507	$ 48,255,173	$ 50,324,593	$ 53,935,082	$ 3,610,489	7.2%
Salary Savings Factor	—	(809,151)	(816,046)	(872,863)	(56,817)	7.0%
Services & Supplies	223,628,663	364,686,966	382,867,193	435,096,777	52,229,583	13.6%
Carry Forward Capital Projects	—	52,075,664	67,372,222	26,622,204	(40,750,018)	(60.5)%
Intra-District Charges	21,930,437	28,100,190	30,412,834	32,715,550	2,302,716	7.6%
CAPITAL PROJECTS TOTAL	***$ 284,265,607***	***$ 492,308,842***	***$ 530,160,796***	***$ 547,496,750***	***$ 17,335,953***	***3.3%***
TOTAL OUTLAYS****	***$ 705,973,720***	***$ 992,979,659***	***$1,099,611,003***	***$1,151,619,963***	***$ 52,008,960***	***4.7%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****) Total Outlays amounts may have a slight variance due to rounding

Financial Overview

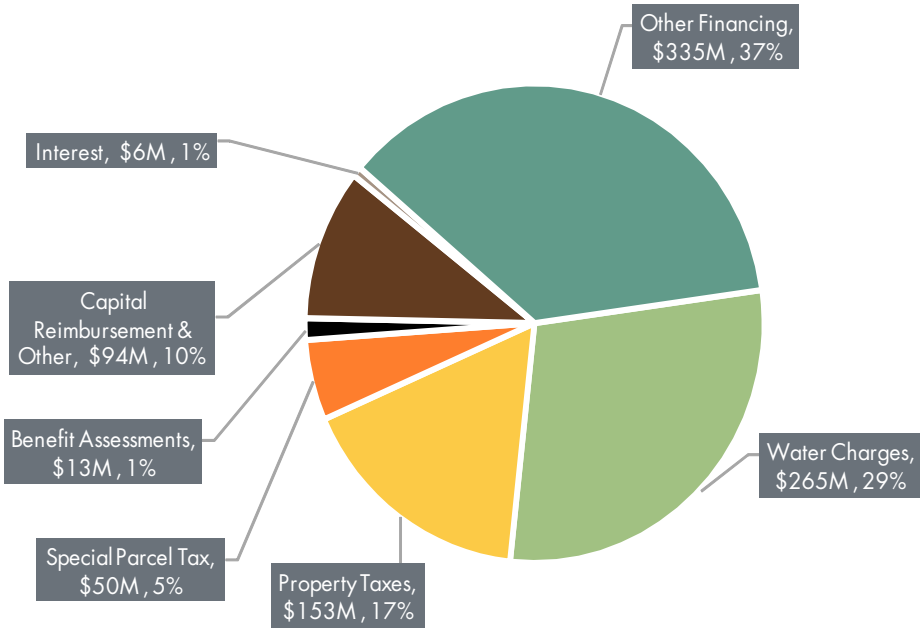
Revenue and Outlays



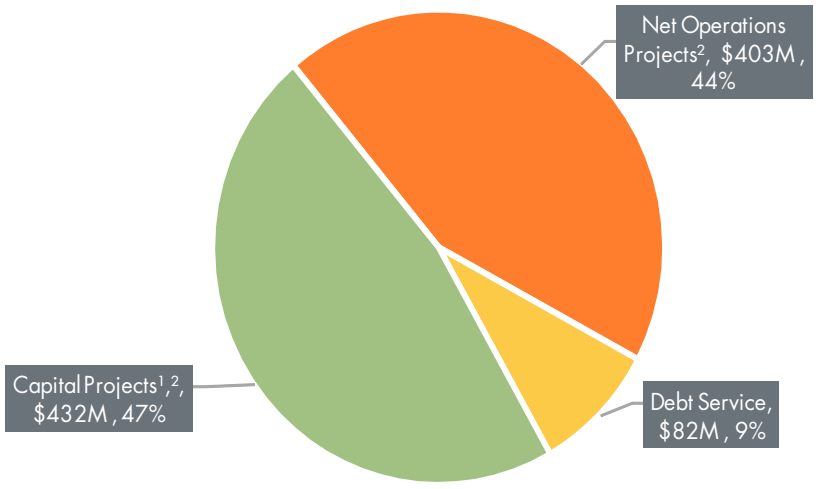


* Capital budget includes current year budget and prior year capital budget carry forward in the lighter shade

FY 2022-23 Revenue and Debt Financing, $916 Million

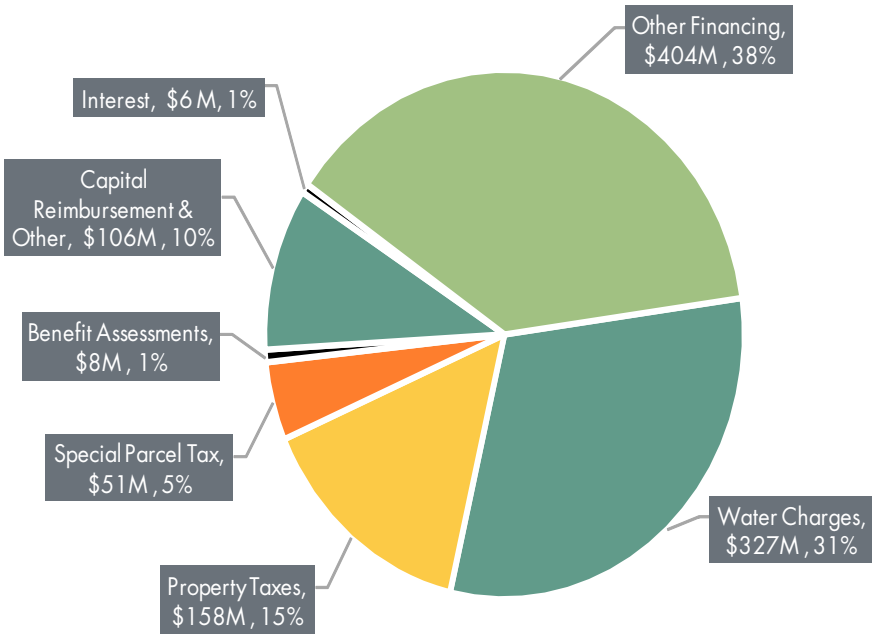


FY 2022-23 Net Outlays By Category, $917 Million

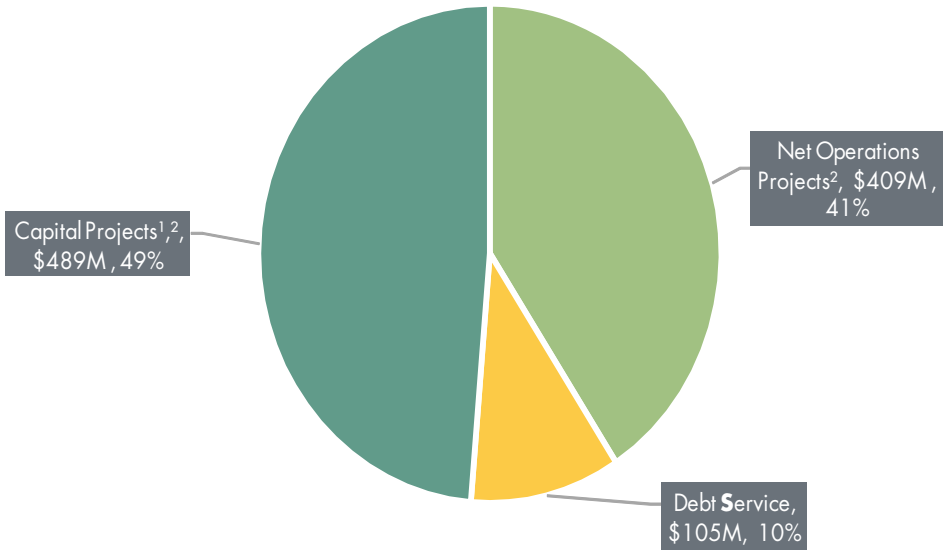


[1]Capital Projects Outlay does not include capital budget estimated to be carried forward from prior year
[2]Capital and Operations are net of intra-district reimbursements.

FY 2023-24 Revenue and Debt Financing, $1,060 Million



FY 2023-24 Net Outlays By Category, $1,003 Million

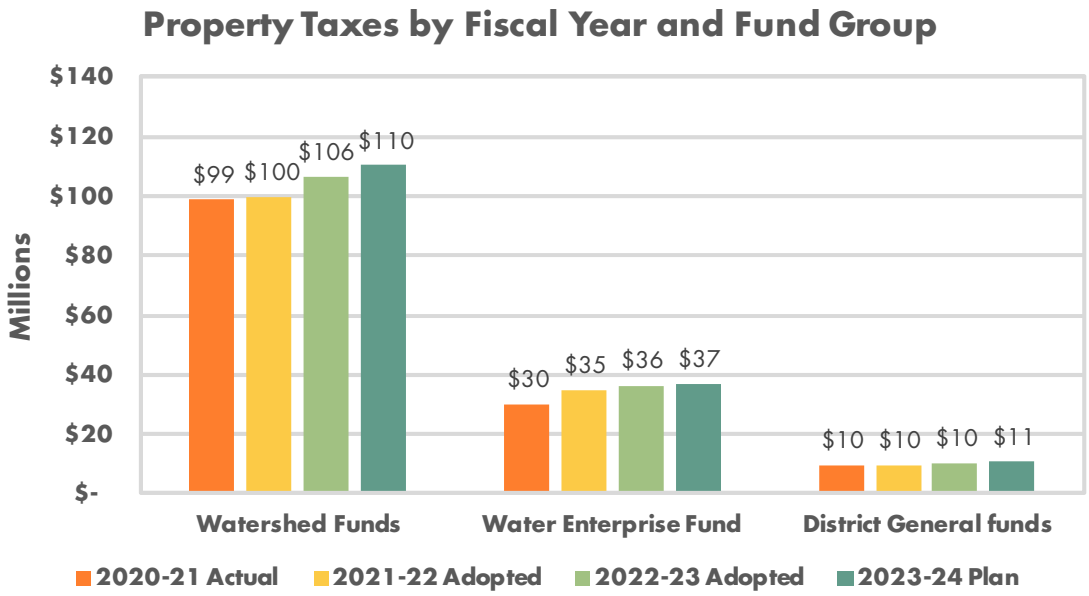


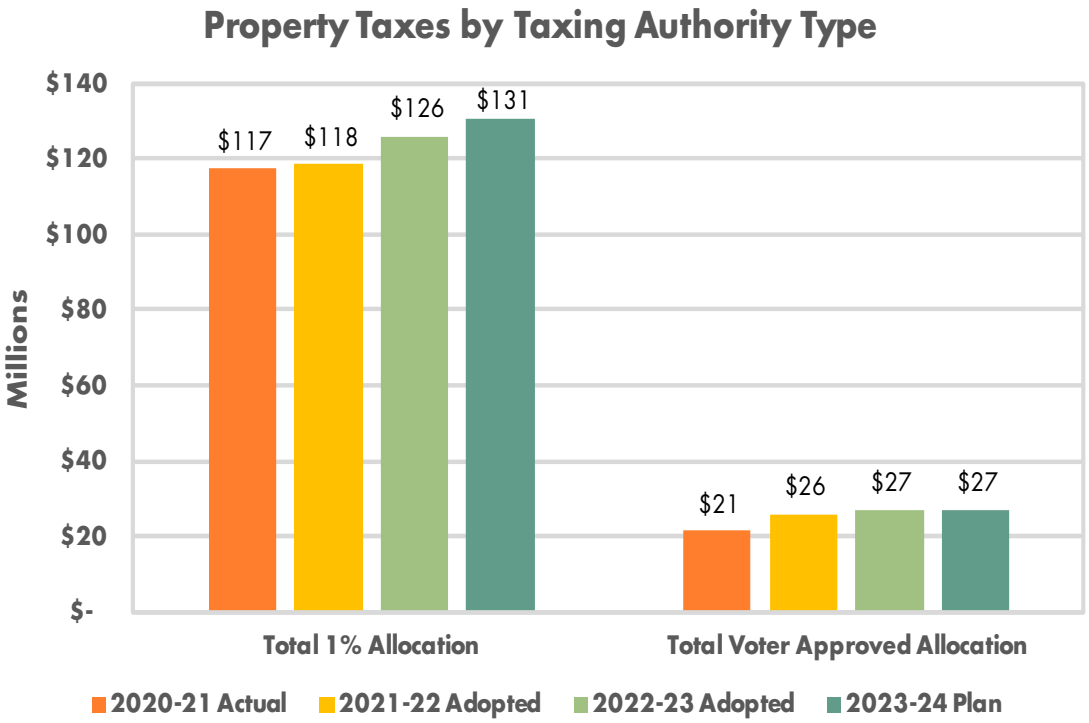
[1]Capital Projects Outlay does not include capital budget estimated to be carried forward from prior year
[2]Capital and Operations are net of intra-district reimbursements.

This page left intentionally blank.

MAJOR SOURCES OF REVENUES

Property Taxes





Property Taxes

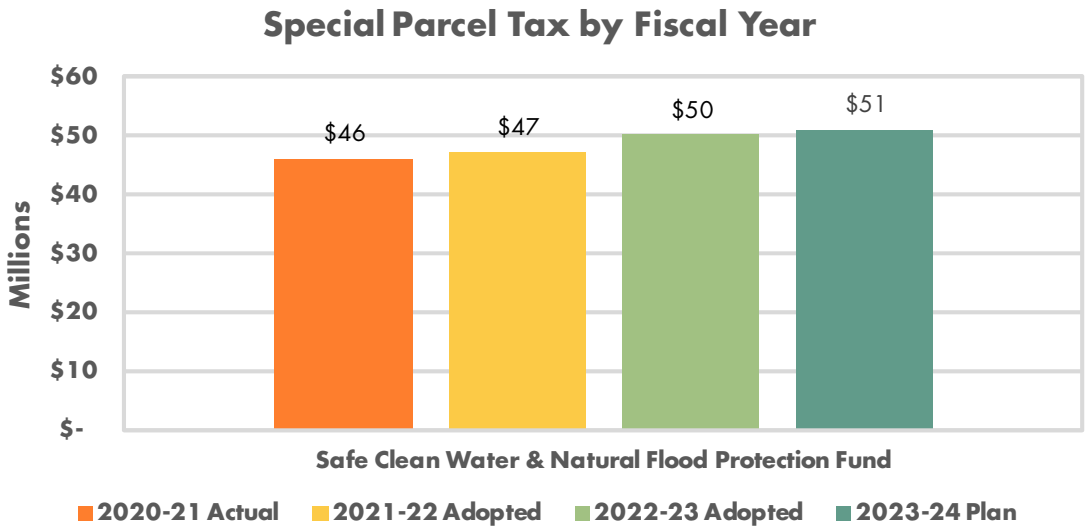
Valley Water's property tax revenues are comprised of two distinct categories: an allocated share of countywide 1% Ad Valorem property tax receipts and a voter-approved levy for State Water Project (SWP) contract obligations.

For FY 2022-23, Valley Water is projecting $126.1 million in 1% Ad Valorem tax revenue, a 6.5% increase over the FY 2021-22 Adopted Budget. The increase reflects the assessed valuation growth of all property in Santa Clara County. For FY 2023-24, Valley Water is projecting $130.7 million in 1% Ad Valorem tax revenue.

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. In FY 2022-23, Valley Water expects to collect $27.0 million, based on the projected operation costs for the fiscal year. Valley Water expects these operation costs to maintain this level and projects to collect the same amount in FY 2023-24 ($27.0 million).

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24
Property Tax					
1 % Ad Valorem Property Tax					
Watershed & Stream Stewardship Fund	$ 98,621,201	$ 99,651,159	$ 102,804,338	$ 106,390,743	$ 110,212,284
Water Utility Enterprise Fund	8,910,849	8,927,304	9,119,192	9,435,263	9,772,771
District General Fund	9,777,201	9,832,832	9,949,402	10,296,145	10,666,000
Total 1% Allocation	$ ***117,309,251***	$ ***118,411,295***	$ ***121,872,932***	$ ***126,122,151***	$ ***130,651,055***
State Water Project Debt Service	$ ***21,346,535***	$ ***26,000,000***	$ ***26,000,000***	$ ***27,000,000***	$ ***27,000,000***
Total Property Tax	$ ***138,655,786***	$ ***144,411,295***	$ ***147,872,932***	$ ***153,122,151***	$ ***157,651,055***

Special Parcel Tax



Special Parcel Tax

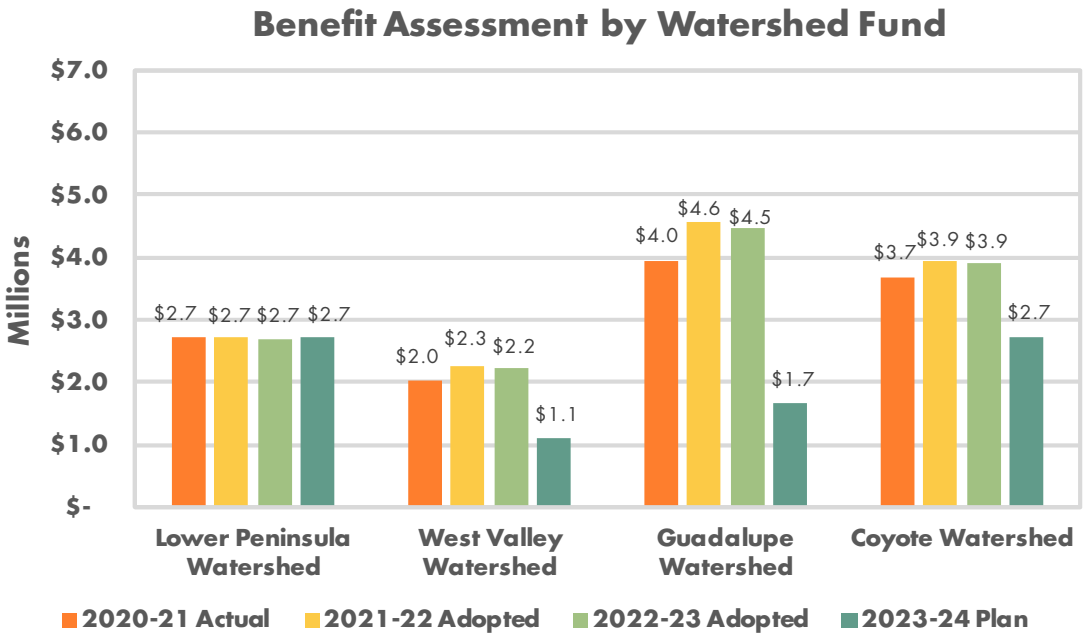
In November 2000, over two-thirds of Santa Clara County voters approved the original 15-year special parcel tax to fund Valley Water's countywide Clean, Safe Creeks and Natural Flood Protection Program (Clean, Safe Creeks Program). In November 2012, the voters approved the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) that built upon the success of its predecessor, the Clean, Safe Creeks Program. In November 2020, voters overwhelmingly approved Measure S, a renewal of the Safe, Clean Water and Natural Flood Protection Program.

The special parcel tax levy is based on the proportionate distribution of storm water runoff per parcel, and may be increased annually by either the prior year's San Francisco-Oakland-San Jose Consumer Price Index for all Urban Consumers (CPI) or 2%, whichever is greater.

A report released by the Bureau of Labor Statistics indicates that the change in CPI from February 2021 to February 2022 is 5.19%. For FY 2022-23, special parcel tax revenues are expected to increase by 5.4% over the FY 2021-22 Adopted Budget. The increase is mainly due to the increase in the San Francisco-Oakland-Hayward Consumer Price Index for all Urban Consumer (CPI), which was 5.19% from February 2021 to February 2022. As noted previously, the tax levy may be increased by the higher of the CPI or 2%, whichever is greater. The FY 2023-24 Planned amount assumes an increase of 2.2%, which reflects the Board adopted 2% increase in the special tax rates, and partially due to an anticipated increase in eligible parcels based on construction activity in the county. Staff will reevaluate this adjustment in the development the FY 2023-24 & FY 2024-25 Operating and Capital Rolling Biennial Budget.

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24
Special Parcel Tax					
Safe Clean Water & Natural Flood Protection Fund	$ 46,095,042	$ 47,105,387	$ 47,106,738	$ 49,645,791	$ 50,737,999
Total Special Parcel Tax	**$ *46,095,042***	**$ *47,105,387***	**$ *47,106,738***	**$ *49,645,791***	**$ *50,737,999***

Benefit Assessment



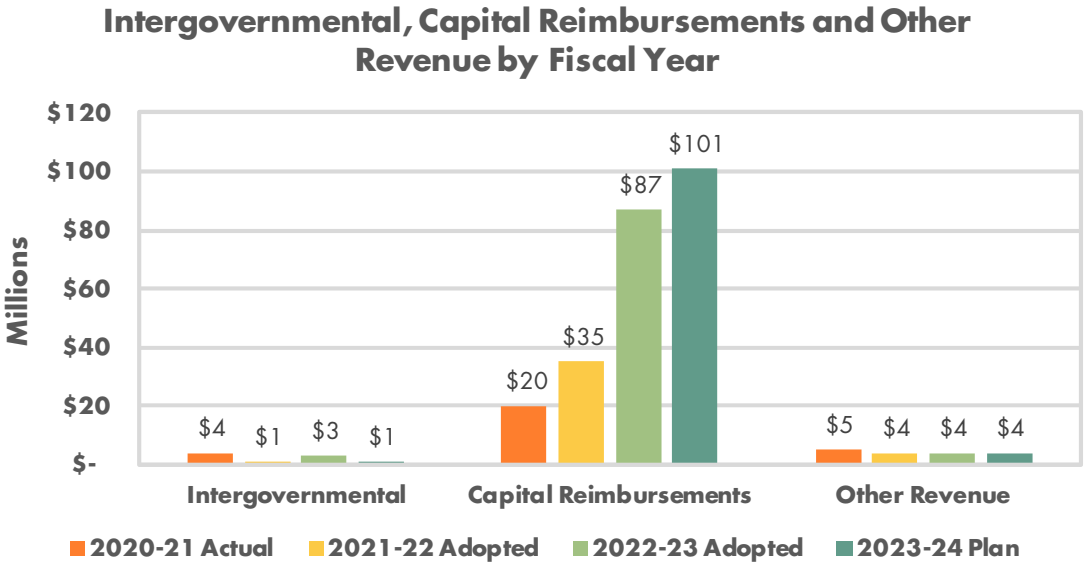
Benefit Assessment

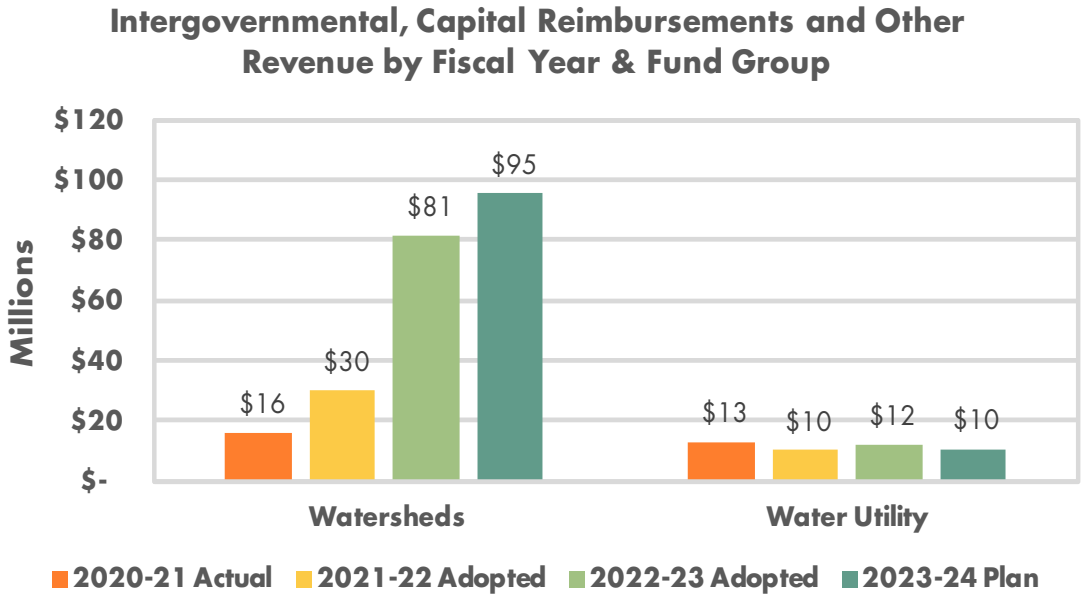
The Flood Control Benefit Assessment was first authorized by the Valley Water Board of Directors in 1981, and later by the ballot measures in 1982, 1986, and 1990. The program had a sunset date of 2000 but the assessment will continue until 2030, when Valley Water will complete paying off the bonds associated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

FY 2022-23 and FY 2023-24 continues under this debt repayment phase of the Benefit Assessment program with benefit assessments levied at 1.25 times the annual debt service. For FY 2022-23, the Benefit Assessment revenue receipts are anticipated to come in at $13.3 million. In FY 2023-24, the Benefit Assessment revenue receipts are projected at $8.2 million. The decrease in revenue collection in FY 2023-24 is due to some bonds associated with this program being paid in full. As Valley Water continues to pay down principal, the amount collected will decrease.

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24
Benefit Assessment					
Lower Peninsula Watershed Fund	$ 2,707,708	$ 2,707,552	$ 2,707,552	$ 2,703,278	$ 2,704,621
West Valley Watershed Fund	2,017,250	2,256,627	2,256,627	2,218,285	1,099,964
Guadalupe Watershed Fund	3,955,671	4,553,263	4,553,263	4,458,666	1,663,168
Coyote Watershed Fund	3,688,425	3,936,220	3,936,220	3,893,914	2,734,179
Total Benefit Assessments	**$ *12,369,054***	**$ *13,453,662***	**$ *13,453,662***	**$ *13,274,143***	**$ *8,201,932***

Intergovernmental, Capital Reimbursements and Other Revenue





Intergovernmental, Capital Reimbursements and Other Revenue

Intergovernmental Services

Valley Water anticipates receiving intergovernmental services revenue for the Water Utility. For FY 2022-23, the intergovernmental revenue is budgeted at $3.3 million. For FY 2023-24, the intergovernmental revenue is projected at $1.3 million. 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 the Pacheco project, and for conservation rebate programs funded by state grants and local cost sharing agreements.

Capital Reimbursement Revenue

Capital reimbursement revenue are expected at $87.1 million for FY 2022-23 and $101.0 million for FY 2023-24.

Water Utility Enterprise receipts in FY 2022-23 are budgeted at $7.3 million comprised of $4.2 million from California Water Commission for the Pacheco Reservoir Expansion Project, $2.6 million from the US Bureau of Reclamation (USBR) Title 16 funding for the recycled water pipeline efforts in South County, and $0.5 million for small capital improvements on the San Felipe pipeline from San Benito County Water District (SBCWD). FY 2023-24 reimbursements of $7.3 million are comprised of $3.8 million from California Water Commission for the Pacheco Reservoir Expansion Project, $2.7 million for the South County Recycled Water Pipeline Project form the USBR, and $0.8 million for small capital improvements on the San Felipe pipeline from San Benito County Water District.

Watershed and Stream Stewardship fund capital reimbursement are budgeted at $28.0 million in FY 2022-23 and $30.3 million in FY 2023-24 for the San Francisco Bay Shoreline Project.

Safe, Clean Water fund reimbursements of $51.8 million in FY 2022-23 and $63.5 million in FY 2023-24. The FY 2022-23 reimbursements are comprised of: state subventions for Berryessa Creek, Calaveras Boulevard to I-680 Project ($0.8 million); state subventions for Upper Llagas Creek, Buena Vista Rd. to Wright Ave. Project ($1.0 million); anticipated grants and partnerships (upstream funding) for San Francisquito Creek, SF Bay to Middlefield Rd ($10.0 million); and anticipated funding from Natural Resources Conservation Service (NRCS) for the Upper Llagas Creek - Phase 2b ($40.0 million). The FY 2023-24 reimbursements are comprised of: state subventions for Upper Llagas Creek, Buena Vista Rd. to Wright Ave. Project ($1.0 million); anticipated funding from the City of Palo Alto/CalTrans (Newell Bridge) for San Francisquito Creek, SF Bay to Middlefield Rd. ($8.94 million); anticipated grants and partnerships (upstream funding) for San Francisquito Creek, SF Bay to Middlefield Rd. ($13.51 million); and anticipated funding from NRCS for the Upper Llagas Creek - Phase 2b ($40.0 million).

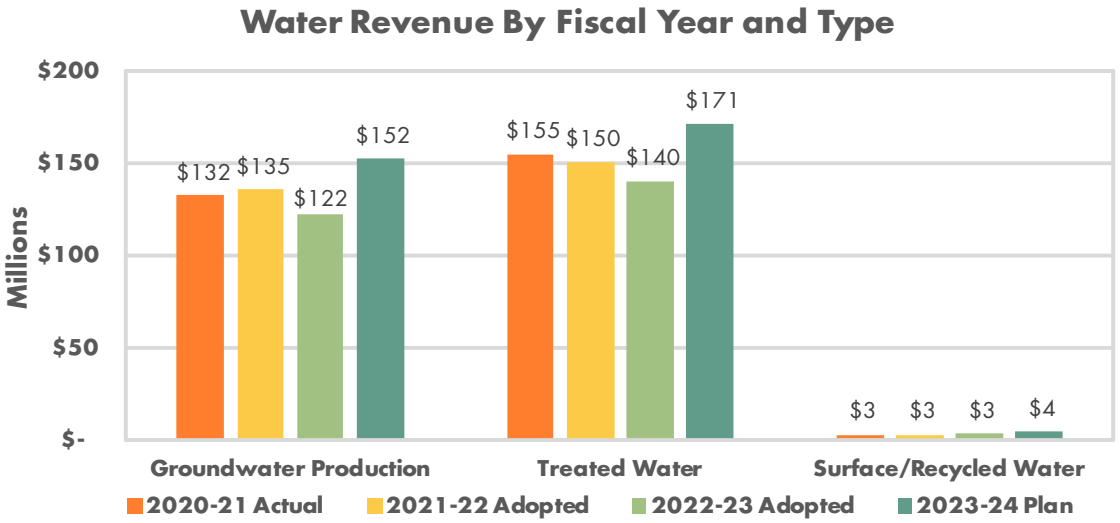
Other Revenue

The other operating and non-operating revenue category totals $3.5 million in FY 2022-23 and $3.6 million in FY 2023-24. In FY 2022-23 approximately $1.6 million is budgeted for Watersheds, $1.8 million for Water Utility and $0.1 million for the Internal Service Funds. FY 2023-24 has planned $1.7 million is budgeted for Watersheds, $1.8 million for Water Utility and $0.1 million for the Internal Service Funds.

Intergovernmental, Capital Reimbursements and Other Revenue

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24
Intergovernmental Services					
Safe Clean Water & Natural Flood Protection Fund	$ 976	$ —	$ —	$ —	$ —
Water Utility Enterprise Fund	4,019,092	1,242,326	1,264,295	3,267,274	1,340,295
Total Intergovernmental Services	**$ *4,020,068***	**$ *1,242,326***	**$ *1,264,295***	**$ *3,267,274***	**$ *1,340,295***
Capital Reimbursements					
Watershed & Stream Stewardship Fund	$ 4,975,834	$ 20,886,000	$ 28,451,000	$ 27,985,000	$ 30,300,000
Safe Clean Water & Natural Flood Protection Fund	8,493,253	7,560,000	7,560,000	51,826,000	63,455,000
Water Utility Enterprise Fund	6,428,592	6,613,000	5,652,000	7,305,000	7,266,000
Total Capital Reimbursements	**$ *19,897,679***	**$ *35,059,000***	**$ *41,663,000***	**$ *87,116,000***	**$ *101,021,000***
Other					
Watershed & Stream Stewardship Fund	$ 2,085,616	$ 1,622,567	$ 1,622,567	$ 1,671,244	$ 1,721,382
Safe Clean Water & Natural Flood Protection Fund	348,955	—	—	—	—
Water Utility Enterprise Fund	750,408	945,217	827,332	786,170	794,376
State Water Project Fund	1,739,393	1,000,000	1,000,000	1,000,000	1,000,000
District General Fund	67,257	—	—	30,000	30,000
Internal Service Funds	162,711	50,000	50,000	51,000	52,000
Total Other	**$ *5,154,340***	**$ *3,617,784***	**$ *3,499,899***	**$ *3,538,414***	**$ *3,597,758***
Total Intergov'l & Other Revenues	**$ *29,072,087***	**$ *39,919,110***	**$ *46,427,194***	**$ *93,921,688***	**$ *105,959,053***

Water Revenue



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 goundwater wells
- **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 non-potable use in crop irrigation, landscaping and industrial uses.

Budgeted water revenue levels in FY 2022-23 and FY 2023-24 are based on the water rate charges recommendations made to the Board.

Revenue estimates reflect an increase of 15% in groundwater production charges for the North County (Zone W-2) when compared to FY 2021-22. In the Llagas Subbasin (Zone W-5), revenue estimates reflect an increase of 5.2% in the groundwater production charge when compared to FY 2021-22. In the Coyote Valley (Zone W-7) revenue estimates reflect an increase of 10.3% in the groundwater production charge when compared to FY 2021-22. 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 2021-22.

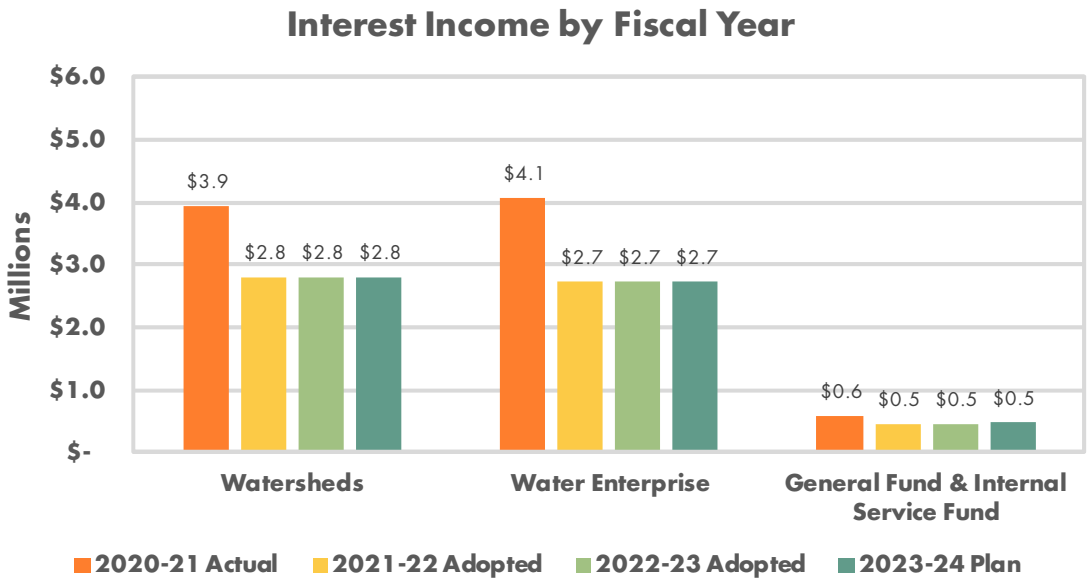
For all zones, the same annual rate increases are projected in FY 2023-24.

The FY 2022-23 water use estimate of 192,000 AF represents a 40,000 AF decrease, or 17%, decrease compared to the FY 2021-22 adopted water budget usage amount of 232,000 AF due to the current drought Santa Clara County is in and the Board's call for conservation (15% compared to 2019). The FY 2023-24 water use estimate increases to 205,400 AF, assuming there is future relief to the drought and 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.

Water charges are necessary to pay for drought response and preparation, critical investments in water system infrastructure rehabilitation and upgrades, expanded storage capacity, water imported via California's state and federal water systems and the development of future supplies including purified water. The water charges are shown in the accompanying Water Enterprise Fund schedules.

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24
Water Revenue					
Groundwater Production Charges	$ 132,111,494	$ 135,253,000	$ 114,934,000	$ 122,002,000	$ 152,379,000
Treated Water Charges	154,912,013	150,449,000	127,699,000	139,746,000	171,022,000
Surface & Recycled Water Charges	2,747,092	2,778,000	2,778,000	3,207,000	3,625,000
Total Water Revenue	$ ***289,770,599***	$ ***288,480,000***	$ ***245,411,000***	$ ***264,955,000***	$ ***327,026,000***

Interest Income



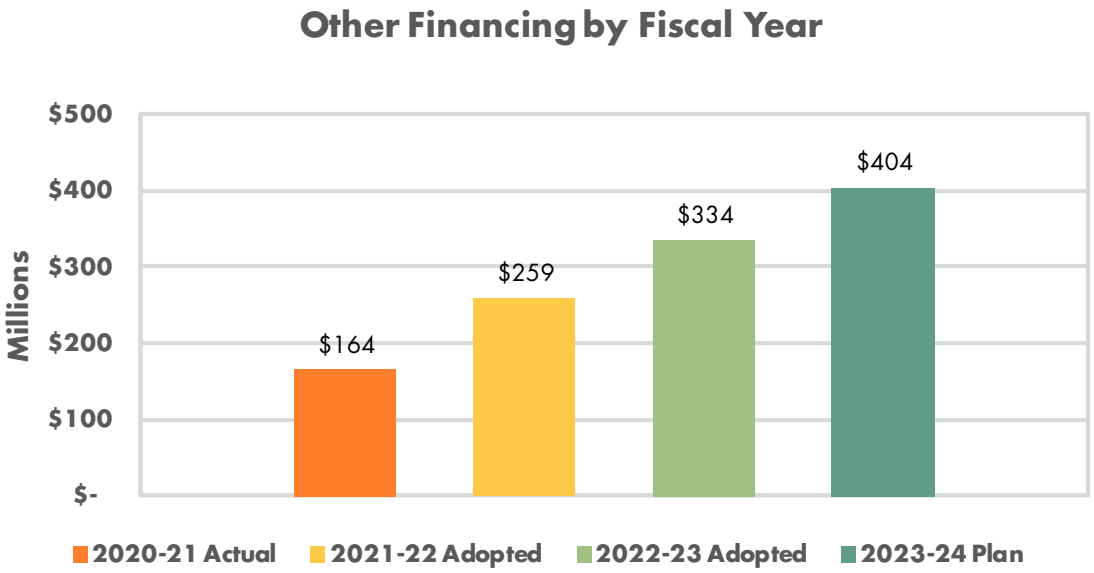
Interest Income

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

FY 2022-23 and FY 2023-24 interest earnings revenue are estimated to be $6.0 million per year. The estimates assume an average portfolio yield of 1.0%, which reflects the rates in the current market environment.

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24
Interest Income					
Watershed & Stream Stewardship Fund	$ 1,993,917	$ 1,250,000	$ 1,250,000	$ 1,250,000	$ 1,250,000
Safe Clean Water & Natural Flood Protection Fund	1,949,318	1,561,000	1,561,000	1,561,000	1,561,000
Water Utility Enterprise Fund	4,067,798	2,731,500	2,731,500	2,731,500	2,731,500
General Fund	117,809	150,000	120,000	150,000	150,000
Service Funds	471,386	307,500	337,500	307,500	307,500
Total Interest Income	**$ *8,600,228***	**$ *6,000,000***	**$ *6,000,000***	**$ *6,000,000***	**$ *6,000,000***

Other Financing



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

Valley Water anticipates issuing approximately $334.5 million in debt proceeds in FY 2022-23, of which $281.5 million is for the Water Utility Enterprise fund and $53.0 million is for the Safe, Clean Water and Natural Flood Protection fund.

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.

Inter-fund transfers are also included in this category. They are monies transferred internally between Valley Water Funds.

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24
OTHER FINANCING SOURCES/(USES)					
Debt Proceeds	$ 164,470,000	$ 259,288,000	$ 271,484,000	$ 334,491,000	$ 398,905,000
Transfers In	27,668,485	11,684,277	12,769,128	36,740,517	25,026,134
Transfers Out	(27,668,485)	(11,684,277)	(12,769,128)	(36,568,603)	(19,732,534)
TOTAL OTHER SOURCES/(USES)	$ ***164,470,000***	$ ***259,288,000***	$ ***271,484,000***	$ ***334,662,914***	$ ***404,198,600***

This page left intentionally blank.

SALARIES AND BENEFITS

Salaries and Benefits

The FY 2022-23 Budget is based on a total of 918 positions, which includes 904 regular positions, nine limited term positions, and five management fellows.

The total FY 2022-23 budget for salaries and benefits is $217.6 million, an increase of $13.9 million or 6.8% from the FY 2021-22 Adopted Budget. The increase is primarily due to a 3% cost of living adjustment (COLA), step increase for eligible positions, funding for eleven new positions, $6.8 million increase in CalPERS and deferred compensation costs, and a $1.8 million increase in healthcare insurance costs.

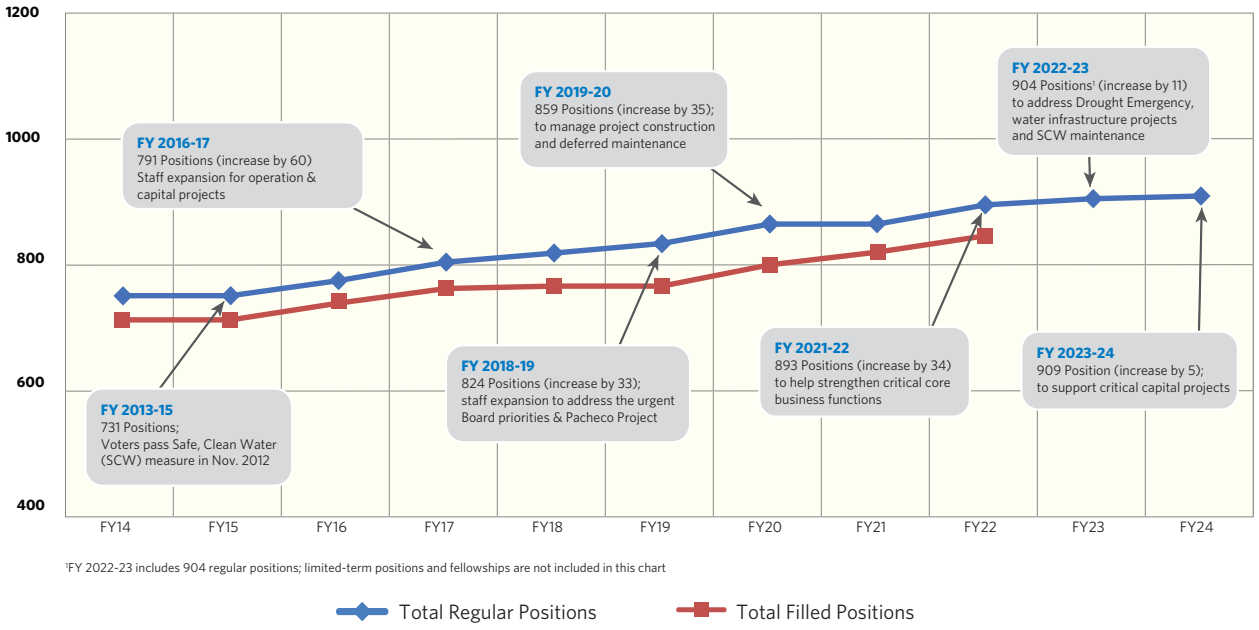
For FY 2023-24, salaries and benefits are projected at $230.0 million, a $12.3 million or 5.7% increase compared to the FY 2022-23 budget. The increase is primarily attributed to a 3% COLA, funding for additional five new positions, and an increase in both CalPERS and health insurance costs.

Summary of Positions

	Adopted Budget FY 2019-20	Adopted Budget FY 2020-21	Adopted Budget FY 2021-22	Adjusted Budget FY 2021-22[2]	Adopted Budget FY 2022-23[3]	Proposed Plan FY 2023-24[3]
Board Appointed Officers[1]	104	77	73	75	77	77
Office of Integrated Water Mgmt	—	—	39	53	55	56
External Affairs	36	39	45	45	45	45
Administrative Services	122	160	162	162	163	163
Water Utility	341	309	296	297	300	304
Watersheds	239	274	264	261	264	264
Total Regular Positions	***842***	***859***	***879***	***893***	***904***	***909***
Fellowships	4	4	5	5	5	5
Limited Term Positions	—	8	8	10	9	9
Total	***846***	***871***	***892***	***908***	***918***	***923***

(1) Board Appointed Officers Include: Office of Chief Executive Office, District Counsel and Clerk of the Board.
(2) During FY 2021-22, Board approved 14 new positions and 2 limited term positions; Computer-Aided Design unit moved from Watersheds to Office of Integrated Water Management.
(3) FY 2022-23, Board approved 11 new positions. Five additional new positions are planned in FY 2023-24.

Valley Water Regular Position Trends, FY 2014-2024



[1]FY 2022-23 includes 904 regular positions; limited-term positions and fellowships are not included in this chart

Salaries and Benefits

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24
Salaries-Regular Employee	$ 116,454,752	$ 134,274,831	$ 136,209,837	$ 138,917,334	$ 146,521,694
Overtime	3,275,917	3,076,115	3,076,115	3,665,195	3,694,178
Special Pays	1,117,261	1,051,100	1,051,100	1,065,500	1,073,800
Salary Savings	—	(3,419,776)	(3,419,776)	(3,509,969)	(3,697,840)
Total Salaries	**$** ***120,847,930***	**$** ***134,982,270***	**$** ***136,917,276***	**$** ***140,138,060***	**$** ***147,591,832***
BENEFITS					
Fed & State Taxes & Benefits	$ 1,773,245	$ 1,992,985	$ 1,992,985	$ 2,063,301	$ 2,174,455
Retirement Contributions	32,840,406	37,503,937	38,652,705	44,300,293	47,073,018
Group Ins-Active Employees	14,484,205	16,859,752	16,859,752	18,122,180	19,679,065
Group Ins-Retired Employees	10,972,360	12,427,400	12,427,400	13,015,300	13,442,300
Total Benefits	**$** ***60,070,216***	**$** ***68,784,074***	**$** ***69,932,842***	**$** ***77,501,074***	**$** ***82,368,838***
Net Total Salary & Benefits	**$** ***180,918,146***	**$** ***203,766,344***	**$** ***206,850,118***	**$** ***217,639,134***	**$** ***229,960,670***

Budget Hours

	Labor Hours 2020-2021	Labor Hours 2021-22	Labor Hours 2021-22	Labor Hours 2022-23	Labor Hours 2023-24
Salaries-Regular Employee	1,454,763	1,630,303	1,657,523	1,608,649	1,615,092
Overtime	32,513	27,964	27,964	31,827	30,568
Compensated Absences	215,897	286,735	286,735	297,420	301,511
Total Salaries	***1,703,174***	***1,945,003***	***1,972,222***	***1,937,896***	***1,947,171***

DEBT SERVICE

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. The District Act authorizes short-term debt (maturity of less than five years) of up to a limit of $8 million. Other provisions of state law authorize the issuance of short- term debt up to a specified percentage of revenue anticipated within a period of time.

Specifically, Valley Water may issue short term notes under the tax and revenue anticipation note statute included in the California Government Code (Sections 53850-53858). Under the tax and revenue anticipation note statute, Valley Water may issue notes for principal and interest which do not exceed 85% of the uncollected revenues of Valley Water on the date such notes are issued (and subject to certain other limitations including a 15-month maturity provision). Section 53851 provides that the tax and revenue anticipation note statute is separate authority for Valley Water to issue notes and any amount borrowed under the tax and revenue anticipation note statute is not limited by any other provision of law.

Board Policies - Executive Limitations

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

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

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

- 4.7.1. Not issue debt (long or short-term obligations that are sold within the financial marketplace) that conflicts with the District Act or the legal authority of Valley Water, and without Board authorization;
- 4.7.2. Not issue debt without a demonstrated financial need;
- 4.7.3. Meet debt repayment schedules and covenants of bond documents;
- 4.7.4. Establish prudent Valley Water Debt Policies that are consistent with Board policies and provide guidance to Valley Water staff 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 Policies 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.

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 criteria of 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 1.25 times the annual debt service for parity lien debt. Valley Water is in compliance with all coverage ratio requirements for all outstanding debt. For additional information regarding Valley Water's debt policy, please visit: https://www.valleywater.org/how-we-operate/financebudget/investor-relations.

Bond Ratings

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

Outstanding Debt

Total debt includes Certificates of Participation (COPs), Commercial Paper, Revolving Line of Credit, and Revenue Bonds of $1.02 billion as of June 30, 2022. Scheduled annual debt service for FY 2022-23 is approximately $82.4 million including financing and legal fees. There are no balloon payments in the future years or significant fluctuations in annual debt service.

Currently outstanding for the Watersheds are Series 2017A COPs, with a final maturity of 2030 and the 2012A COPs, with a final maturity of 2024. Debt service for these COPs is paid via benefit assessments, which are collected based on 125% of the annual debt service. Currently outstanding for the Water Utility are the Water System Refunding Revenue Bonds 2016A/B with a final maturity of 2046, the Revenue Certificates of Participation 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 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 Certificates of Participation 2020C/D with a final maturity of 2041 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.

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 senior and parity bonds. Based on the financial models from the Water Utility Enterprise Finance organization, the projected debt service coverage ratios are as follows:

- FY 2022-23: 1.76
- FY 2023-24: 1.78
- FY 2024-25: 2.16
- FY 2025-26: 2.47
- FY 2026-27: 2.45

(Source: FY 2022-23 Annual Report on the Protection and Augmentation of Water Supplies)

Investment Portfolio

Valley Water's investment portfolio is invested with the following three priorities in mind: safety, liquidity and yield. Safeguarding taxpayers' money and ensuring that Valley Water has funds available when needed to meet expenditures are the two most important goals. Once those goals are satisfied, Valley Water strives to earn a market rate of return on its investments. About 60% of

the portfolio is invested in government securities, such as federal agency notes and US treasury notes. The remainder 40% of the portfolio is invested in instruments of the highest credit quality and in highly liquid instruments such as the Local Agency Investment Fund, money market mutual funds and Certificates of Deposit as well as supranational/corporate medium term notes.

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

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

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

- Not invest or hold funds of Valley Water in accounts or instruments that are inconsistent with the following statement of investment policies:
- 4.9.1. Public funds not needed for the immediate necessities of Valley Water should, to the extent reasonably possible, be prudently invested or deposited to produce revenue for Valley Water consistent with the Board Investment Policy and applicable law.
- 4.9.2. The Treasurer or his or her designee shall submit quarterly investment reports to the Board as specified under Government Code Section 53646.4.9.3. No investments will be made in fossil fuel companies with significant carbon emissions potential.

Bond Rating

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

Debt Service Payments Schedule

	Principal	Interest	Total [1]
Watersheds Certificates of Participation/Safe, Clean Water Revenue Bonds [2]			
2022/23	$ 13,190,000	$ 4,129,860	$ 17,319,860
2023/24	15,356,000	6,833,480	22,189,480
2024/25	9,480,000	10,319,445	19,799,445
2025/26	9,885,000	9,924,995	19,809,995
2026/27 and thereafter	264,605,000	140,212,155	404,817,155
Total	**$ *312,516,000***	**$ *171,419,935***	**$ *483,935,935***
Water Utility Revenue Bonds / Certificates of Participation [2]			
2022/23	$ 21,328,000	$ 30,028,242	$ 51,356,242
2023/24	29,685,000	40,906,873	70,591,873
2024/25	29,040,000	42,572,924	71,612,924
2025/26	30,070,000	41,528,400	71,598,400
2026/27 and thereafter	976,315,000	564,420,196	1,540,735,196
Total	**$ *1,086,438,000***	**$ *719,456,635***	**$ *1,805,894,635***
Commercial Paper			
2022/23	$ —	$ 7,825,000	$ 7,825,000
2023/24	—	7,492,000	7,492,000
2024/25	—	5,609,000	5,609,000
2025/26	—	6,740,000	6,740,000
2026/27 and thereafter	—	44,114,000	44,114,000
Total	**$ —**	**$ *71,780,000***	**$ *71,780,000***
Total All Outstanding Debt			
2022/23	$ 34,518,000	$ 41,983,102	$ 76,501,102
2023/24	45,041,000	55,232,353	100,273,353
2024/25	38,520,000	58,501,369	97,021,369
2025/26	39,955,000	58,193,395	98,148,395
2026/27 and thereafter	1,240,920,000	748,746,351	1,989,666,351
Total	**$ *1,398,954,000***	**$ *962,656,570***	**$ *2,361,610,570***

(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 2022A/B/C and Safe, Clean Water Series 2022A

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

	Total Amount Sold	Date of Issue	True Interest Rate	Outstanding as of 6/30/22	2022-2023 Debt Service Payments		
					Principal	Interest	Total
Watersheds Indebtedness							
2017A COPs[2]	$ 59,390,000	3/7/2017	2.555%	$ 38,160,000	$ 4,350,000	$ 1,908,000	$ 6,258,000
2012A COPs	52,955,000	11/20/2012	1.409%	9,990,000	4,900,000	399,600	5,299,600
2022A SCW Bonds	110,440,000	12/1/2022	3.330%	110,440,000	3,940,000	1,822,260	5,762,260
SCW Commercial Paper - TE[3]	—	various	—	—	—	2,262,000	2,262,000
Total Watersheds	**$ 222,785,000**			**$ 158,590,000**	**$ 13,190,000**	**$ 6,391,860**	**$ 19,581,860**
Water Utility Indebtedness							
2016 Water Utility Refunding Revenue Bonds							
Series A	$ 106,315,000	3/30/2016	3.252%	$ 106,315,000	$ —	$ 5,315,750	$ 5,315,750
Series B - taxable	75,215,000	3/30/2016	4.319%	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	2.128%	$ 28,160,000	$ 3,535,000	$ 1,408,000	$ 4,943,000
Series D- taxable	54,970,000	3/30/2016	3.136%	35,590,000	4,595,000	1,158,255	5,753,255
Subtotal	**$ 98,045,000**			**$ 63,750,000**	**$ 8,130,000**	**$ 2,566,255**	**$ 10,696,255**
2017 Water Utility Refunding Revenue Bonds							
Series A	$ 54,710,000	5/2/2017	3.126%	$ 45,770,000	$ 2,050,000	$ 2,288,500	$ 4,338,500
Subtotal	**$ 54,710,000**			**$ 45,770,000**	**$ 2,050,000**	**$ 2,288,500**	**$ 4,338,500**
2019 Water Utility Refunding Revenue Bonds							
Series A	$ 15,225,000	4/25/2019	3.750%	$ 14,500,000	$ 265,000	$ 725,000	$ 990,000
Series B - taxable	80,030,000	4/25/2019	3.810%	75,020,000	1,750,000	2,751,980	4,501,980
Series C - taxable	38,280,000	11/26/2019	2.760%	32,990,000	2,200,000	843,794	3,043,794
Subtotal	**$ 133,535,000**			**$ 122,510,000**	**$ 4,215,000**	**$ 4,320,774**	**$ 8,535,774**
2020 Water Utility Refunding Revenue Bonds							
Series A	$ 24,120,000	10/14/2020	3.330%	$ 24,120,000	$ —	$ 1,206,000	$ 1,206,000
Series B - taxable	68,530,000	10/14/2020	2.980%	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	$ 41,765,000	10/14/2020	2.070%	$ 40,080,000	$ 1,720,000	$ 2,004,000	$ 3,724,000
Series D - taxable	81,560,000	10/14/2020	2.200%	78,320,000	3,300,000	1,486,649	4,786,649
Subtotal	**$ 123,325,000**			**$ 118,400,000**	**$ 5,020,000**	**$ 3,490,649**	**$ 8,510,649**
2022 Water Utility Refunding Revenue Bonds							
Series A[4]	$ 92,365,000	11/1/2022	3.330%	$ 92,365,000	$ 500,000	$ 1,768,401	$ 2,268,401
Series B - taxable[4]	80,835,000	11/1/2022	4.530%	80,835,000	500,000	2,108,794	2,608,794
Subtotal	**$ 173,200,000**			**$ 173,200,000**	**$ 1,000,000**	**$ 3,877,195**	**$ 4,877,195**
2022 Water Utility Certificates of Participation							
Series C- taxable[4]	$ 65,683,000	11/1/2022	4.530%	$ 65,683,000	$ 913,000	$ 1,700,213	$ 2,613,213
Subtotal	**$ 65,683,000**			**$ 65,683,000**	**$ 913,000**	**$ 1,700,213**	**$ 2,613,213**

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

	Total Amount Sold	Date of Issue	True Interest Rate	Outstanding as of 6/30/22	2022-2023 Debt Service Payments		
					Principal	Interest	Total
Water Utility Commercial Paper [3]							
Commercial Paper(3)	—	various	—	—	—	5,563,000	5,563,000
Total Water Utility	**$ *922,678,000***			**$ *863,493,000***	**$ *21,328,000***	**$ *35,591,242***	**$ *56,919,242***
Combined Total	**$ *1,145,463,000***			**$ *1,022,083,000***	**$ *34,518,000***	**$ *41,983,102***	**$ *76,501,102***

(1) Annual debt service payments reflect principal and interest only and exclude fees.
(2) Approximately $0.5M of the 2017A COPs annual debt service is funded by the general fund.
(3) Commercial Paper incurs variable rates that are subject to change pending actual market conditions at time of issuance.
(4) The 2022A/B/C bonds are expected to be issued around 11/1/2022

This page left intentionally blank.

RESERVE POLICY AND FUND BALANCES

Valley Water Reserve Policy

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

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

Key objectives of prudent financial planning are to ensure sufficient resources for current services and obligations, and to prepare for future anticipated funding requirements and unforeseen events. To meet these objectives, Valley Water will strive to have sufficient funding available to meet its operating, capital, and debt service cost obligations. Reserve funds will be accumulated and managed in a manner that allows Valley Water to fund costs consistent with the Capital Improvement Program, Water Supply Master Plan 2040, and long range financial plans while avoiding significant water charge fluctuations due to changes in cash flow requirements. Valley Water will also maintain a cash reserve position that may be utilized to fund unexpected fluctuations in revenues and operating/capital expenditures.

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

Definitions

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

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

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

- Budgeted Reserves - Budgeted reserves may vary from those of the Annual Comprehensive Financial Report (ACFR) where it is appropriate to recognize actual cash transactions that are recorded in the ACFR as liabilities. Such adjustments include recognizing inter-fund loans, debt financing, and certain accruals as funding sources available for appropriation or as funding uses that reduce funds available for other purposes. These adjustments must be annually reconciled to the audited ACFR.

- Special Purpose Reserves, Water Utility Enterprise Fund – These reserves are per the Parity Master Resolution which allows establishment of special purpose reserves by District Board resolution. Amounts in the Special Purpose Reserves may be used to offset extraordinary expenses and to supplement Valley Water revenues to meet debt service coverage requirements. Special purpose reserves are restricted per debt financing agreements which are in accordance with bond covenants.

Restricted Reserves

Debt Service Reserve

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

Debt Proceeds Reserve

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

Rate Stabilization Reserve for Bond Covenant - Water Utility Enterprise Fund

The Parity Master Resolution for the Water Utility Enterprise requires the provision of a Rate Stabilization Reserve to offset expenses and revenue shortfalls, and to supplement Valley Water revenues to meet debt service coverage requirements. The minimum funding level is 10% of annual debt service due on all 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.

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

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

San Felipe Emergency Reserve - Water Utility Enterprise Fund

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

earthquakes, floods, or emergencies threatening or causing interruption of water service.

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

Silicon Valley Advanced Water Purification Center 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.

Supplemental Water Supply Reserve - Water Utility Enterprise Fund

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

Drought Reserve - Water Utility Enterprise Fund

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

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

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

State Water Project Tax Reserve - Water Utility Enterprise Fund

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

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

This reserve is designated to fund those capital projects that are included in the annually adopted 5-Year Capital

Improvement Program (CIP) and which have had funding appropriated by the Board in prior years. The amount of this reserve for each fund at the end of a given fiscal year shall be based on the accumulated unexpended and unencumbered balances of Board- approved capital project appropriations remaining at the end of each fiscal year.

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

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

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

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

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

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

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

Contingency Reserve - Voter Approved Safe, Clean Water Fund

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

Committed Reserves

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

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

Additionally, because of Valley Water's high self-insured retention, and low claims volume, it also provides for reserve funds to cover one large liability loss which would otherwise virtually deplete existing reserves. The reserve is based on an independent actuarial 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 that are greater than those budgeted.

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

Property Self-Insurance/Catastrophic Reserve - Risk Management Fund

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

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

Floating Rate Debt Payment Stabilization Reserve - Water Utility Enterprise Fund

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

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 extreme weather events. The funding level for the Water Utility is a minimum of 15% of adopted budget operations outlays and a minimum of 50% for the Watershed Funds. For the General Fund and Internal Service Funds, the funding level is a minimum of 5% of total adopted budget operations outlays. The minimum level for each fund includes remaining available resources after the needs of all other reserves within those funds have been met. The specific level of this reserve is to be set based on reasonably anticipated needs.

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

These reserves are designated to fund those capital projects that are included in the annually adopted 5-Year Capital Improvement Program (CIP) and which have had funding appropriated by the Board in prior years. The amount of these reserves for each fund 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 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.

Assigned Reserves

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

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

Market Valuation Reserves

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

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

Reserves Schedule

	Estimated Balances				
	Year-End 2020-21	Adopted 2021-22	Projected YE 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24
GENERAL FUND					
Committed Reserves					
Operating and Capital Reserve	$ 7,130,125	$ 6,575,512	$ 6,981,706	$ 9,094,273	$ 12,573,529
Currently Authorized Projects *	—	—	—	—	—
Total General Fund Reserves	***$ 7,130,125***	***$ 6,575,512***	***$ 6,981,706***	***$ 9,094,273***	***$ 12,573,529***
SPECIAL REVENUE FUNDS (WATERSHEDS)					
Restricted Reserves					
CP Debt Service	$ 8,318	$ —	$ —	$ —	$ —
Rate Stabilization	—	25,000,000	25,000,000	25,000,000	25,000,000
Contingency Reserve	—	5,000,000	5,000,000	5,000,000	5,000,000
SCW Operating and Capital Reserve	57,042,203	54,254,365	51,409,664	74,326,854	129,588,796
SCW Currently Authorized Projects*	75,382,052	39,599,917	74,190,907	47,365,114	24,619,601
Total Restricted Reserves	***$ 132,432,573***	***$ 123,854,282***	***$ 155,600,571***	***$ 151,691,968***	***$ 184,208,397***
Committed Reserves					
Operating and Capital Reserve	$ 97,803,767	$ 68,457,190	$ 97,809,670	$ 96,652,218	$ 114,194,336
Currently Authorized Projects *	33,685,007	5,866,617	12,858,668	5,606,763	3,803,923
Total Committed Reserves	***$ 131,488,774***	***$ 74,323,807***	***$ 110,668,338***	***$ 102,258,981***	***$ 117,998,259***
Total Special Revenue Funds Reserves	***$ 263,921,347***	***$ 198,178,089***	***$ 266,268,909***	***$ 253,950,949***	***$ 302,206,656***
Total Governmental Funds	***$ 271,051,472***	***$ 204,753,601***	***$ 273,250,615***	***$ 263,045,222***	***$ 314,780,185***
WATER ENTERPRISE & STATE WATER PROJECT FUNDS					
Restricted Reserves					
Rate Stabilization	$ 25,069,620	$ 28,332,567	$ 55,476,138	$ 42,476,138	$ 7,476,138
WUE San Felipe Emergency	3,348,086	3,360,045	3,360,085	3,410,085	3,460,085
WUE State Water Project Tax Reserve	7,218,060	2,523,006	6,608,934	6,352,289	4,546,282
CP Debt Service	6,999	—	6,999	6,999	6,999
WUE Water Supply	15,477,000	7,877,000	7,877,000	5,277,000	2,677,000
WUE SVAWPC	1,298,138	908,138	908,138	908,138	908,138
WUE Drought Reserve	10,000,000	10,000,000	10,000,000	—	—
GP5 Reserve	9,669,736	7,106,660	8,653,356	8,830,684	9,039,229
Total Restricted Reserves	***$ 72,087,639***	***$ 60,107,416***	***$ 92,890,650***	***$ 67,261,333***	***$ 28,113,871***
Committed Reserves					
Operating and Capital Reserve	$ 140,225,692	$ 47,772,364	$ 42,020,102	$ 49,185,921	$ 69,862,954
Currently Authorized Projects *	85,292,965	8,957,446	44,402,114	7,124,270	5,463,042
Total Committed Reserves	***$ 225,518,657***	***$ 56,729,810***	***$ 86,422,216***	***$ 56,310,191***	***$ 75,325,996***
Total Water Enterprise Funds Reserves	***$ 297,606,296***	***$ 116,837,226***	***$ 179,312,866***	***$ 123,571,524***	***$ 103,439,867***

Reserves Schedule (Continued)

	Estimated Balances				
	Year-End 2020-21	Adopted 2021-22	Projected YE 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24
INTERNAL SERVICE FUNDS:					
Committed Reserves					
Operating and Capital Reserve	$ 8,081,494	$ 1,861,852	$ 5,809,286	$ 3,600,397	$ 2,481,548
Currently Authorized Projects *	7,789,192	—	818,668	416,396	3,773
Workers Compensation Liability	6,621,000	6,621,000	6,621,000	6,621,000	6,621,000
Catastrophy - Property Self-Insurance	6,591,184	6,230,869	5,696,818	5,226,261	5,506,475
Total Committed Reserves	**$ *29,082,870***	**$ *14,713,721***	**$ *18,945,772***	**$ *15,864,054***	**$ *14,612,796***
Total Internal Service Funds Reserves	**$ *29,082,870***	**$ *14,713,721***	**$ *18,945,772***	**$ *15,864,054***	**$ *14,612,796***
Total Proprietary Funds	**$ *326,689,166***	**$ *131,550,947***	**$ *198,258,638***	**$ *139,435,578***	**$ *118,052,663***
TOTAL RESERVE SUMMARIES					
Total Proprietary Funds	$ 326,689,166	$ 131,550,947	$ 198,258,638	$ 139,435,578	$ 118,052,663
Total Governmental Funds	271,051,472	204,753,601	273,250,615	263,045,222	314,780,185
Total Year-End Reserves	**$ *597,740,638***	**$ *336,304,548***	**$ *471,509,253***	**$ *402,480,800***	**$ *432,832,848***
Total Restricted Reserves	204,520,212	183,961,698	248,491,221	218,953,301	212,322,268
Total Committed Reserves	393,220,426	152,342,850	223,018,032	183,527,499	220,510,580
Total Year-End Reserves	**$ *597,740,638***	**$ *336,304,548***	**$ *471,509,253***	**$ *402,480,800***	**$ *432,832,848***

This page left intentionally blank.



Ends Policies and Outcomes

FY 2022–23 & FY 2023–24
Operating and Capital Rolling Biennial Budget

ENDS POLICIES AND OUTCOMES

Ends Policies and Outcomes

Introduction

Valley Water plans, manages and carries out work to meet policies established by its Board of Directors.

Under the Valley Water's form of Policy Governance, these "Ends" policies describe the mission, outcomes or results to be achieved by Valley Water staff. Balancing the Ends policies are Executive Limitations, which set limits on staff activities in fulfilling the Ends. 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.

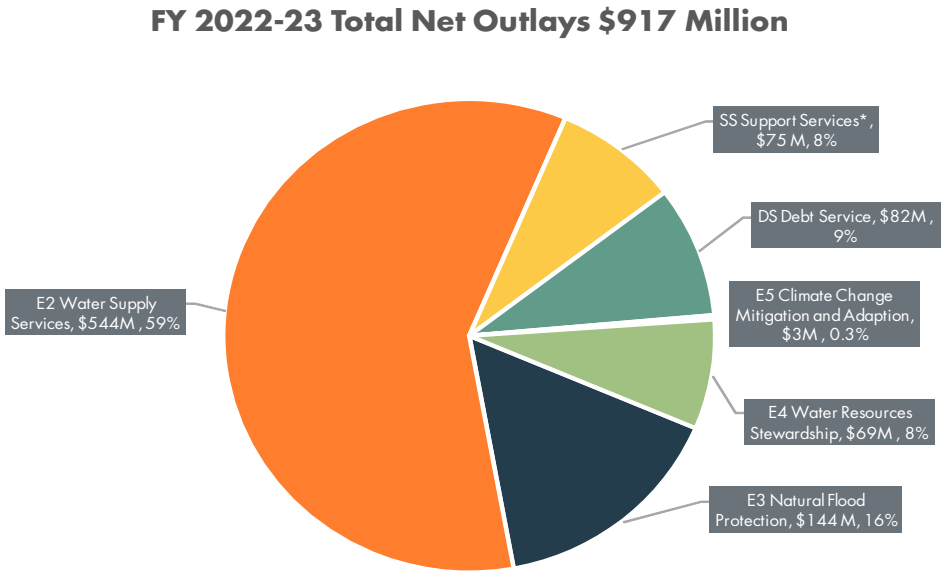
This chapter describes the Valley Water's budget by Ends policies and outcomes, showing the alignment of resources with Board policies and goals that relate to those policies. Some Outcome Measures (OMs) in the sections to follow require updates and will soon be revised upon thorough review and Board approval.

The Fiscal Year 2022-23 table below displays the latest version of the Ends Policies of the Santa Clara Valley Water District Board of Directors.

District wide budget by Ends and Support Services

Ends Code	Ends Description	FY 2022-23 Adopted Budget
E2	**Provides a reliable, safe, and affordable water supply for current and future generations in all communities served.**	**$543,880,371**
E3	**Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.**	**144,125,079**
E4	**Water resources stewardship protects and enhances ecosystem health.**	**68,772,490**
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.**	**2,615,150**
SS	**Support Services**	**190,495,219**
DS	**DebtService**	**82,350,473**
Grand Total		**$1,032,238,782**
Minus Intra-district Reimbursements		**(115,000,864)**
Net Budget		**$917,237,918**

Ends Policies and Outcomes



*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.)

Goal Code	Goal Description	FY 2022-23 Adopted Budget
E2.1	Meet 100 percent of annual water demand during non-drought years and at least 80 percent of demand in drought years.	$0
E2.2	Protect and sustain the county's existing, diverse water supplies.	174,474,572
E2.3	Protect and maintain existing water infrastructure.	305,337,286
E2.4	Increase regional self-reliance through water conservation and reuse.	52,246,202
E2.5	Manage water resources using an integrated, science-based approach.	9,533,993
E2.6	Promote access to equitable and affordable water supplies.	2,288,317
E3.1	Maintain flood protection facilities to design levels of protection.	45,213,648
E3.2	Assist people, businesses, schools, and communities to prepare for, respond to, and recover from flooding through equitable and effective engagement.	6,340,637
E3.3	Increase the health and safety of residents countywide by reducing community flood risk	92,570,794
E4.1	Use a science-based, inclusive approach to protect Santa Clara County's watersheds and aquatic ecosystems for current and future generations.	6,409,246
E4.2	Sustain ecosystem health while managing local water resources for flood protection and water supply.	39,453,935
E4.3	Encourage inclusive, sustainable management of water resources in the Bay-Delta and its watersheds to protect imported water supply.	0
E4.4	Prevent and address pollution of local streams, reservoirs, and the Bay, equitably across all communities. Protect waterbodies from pollution and degradation.	8,946,394

Ends Policies and Outcomes

Goal Code	Goal Description	FY 2022-23 Adopted Budget
E4.5	Engage the community to promote watershed stewardship by providing meaningful engagement in Valley Water programs for all people regardless of race, color, gender identity, disability status, national origin, tribe, culture, income, immigration status, or English language proficiency.	13,962,915
E5.1	Minimize greenhouse gas emissions from Valley Water's operations.	836,555
E5.2	Adapt Valley Water's assets and operations to reduce climate change impacts.	1,778,595
SS.1	BAO & District Leadership	30,796,107
SS.2	Financial Planning & Management Services	18,080,538
SS.3	Human Resources Services	15,436,097
SS.4	Information Management Services	29,976,762
SS.5	Corporate Business Assets	50,876,298
SS.6	General Management & Administration	48,839,387
SS.7	Salary Savings	(3,509,969)
DS.1	Debt Service	82,350,473
Grand Total		**$1,032,238,782**
Minus Intra-district Reimbursements		**(115,000,864)**
Net Budget		**$917,237,918**

Goal Code	Goal Description	FY 2022-23 Adopted Budget
E2.1	**Meet 100 percent of annual water demand during non-drought years and at least 80 percent of demand in drought years.**	**$0**

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

Goal Code	Goal Description	FY 2022-23 Adopted Budget
E2.2	**Protect and sustain the county's existing, diverse water supplies.**	**$174,474,572**

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 2022-23 budget includes over $59 million for the contractual obligations of water purchases with the federal Central Valley Project (CVP) and the State Water Project (SWP). In addition to contract water, Valley Water's budget includes Water Banking expenses of approximately $8 million to bring approximately 32,000-acre feet of water to the county from Semitropic Water Storage District located in Kern County and an additional $17 million in supplemental water purchases to help mitigate the impact on water supply of the historic drought and the multi-year storage capacity loss of Valley Water's largest dam at Anderson Reservoir. Also included in the budget is $2.8 million to continue participation in the planning process for the California Delta Conveyance Project.

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

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

Goal Code	Goal Description	FY 2022-23 Adopted Budget
E2.3	**Protect and maintain existing water infrastructure.**	**$305,337,286**

Projects falling under this goal include resources for Valley Water to plan for infrastructure maintenance and replacement to reduce risk of failure; prioritize funding for maintenance and replacement of existing water infrastructure over investments in new infrastructure; and prepare for and respond effectively to water utility emergencies. Providing safe, clean water to Silicon Valley requires a vast and complex network of infrastructure. Valley Water owns and operates 10 surface water reservoirs, three drinking water treatment plants, 17 miles of canals, five water supply diversion dams, three raw water pump stations, 102 recharge ponds, one advanced recycled water purification center in partnership with the City of San Jose, and various infrastructure to connect these facilities. This goal provides funding for maintenance activities related to the water supply system as well as engineering and environmental support. This includes the inspection, monitoring, and repair of 77 miles of large diameter concrete cylinder pipe 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.

The FY 2022-23 Budget requires a significant investment to secure local reservoir storage. Valley Water continues to work to address seismic concerns with Anderson Dam to better ensure public safety, as well as restore the county's largest local reservoir. This section includes significant funding needed to advance the Anderson Dam Seismic Retrofit Project (Seismic Retrofit Project) and interim risk reduction measures to ensure public safety and continued water supply reliability prior to the start of construction for the Seismic Retrofit Project. Funding to study the acquisition and expansion of an eleventh surface reservoir, Pacheco, also is included in this Budget. In conjunction with the San Benito County Water District and Pacheco Pass Water District, Valley Water continues to explore the possibility of expanding the existing Pacheco Reservoir in southeast Santa Clara County. Funds in this goal are also used to implement the Dam Safety Program, including monitoring and maintenance of all dams and maintenance of electrical and computerized systems that support operations.

Goal Code	Goal Description	FY 2022-23 Adopted Budget
E2.4	**Increase regional self-reliance through water conservation and reuse.**	**$52,246,202**

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

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

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

Also included under this policy is funding for 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	FY 2022-23 Adopted Budget
E2.5	**Manage water resources using an integrated, science-based approach.**	**$9,533,993**

These projects include funding for Valley Water to plan for future water supply needs; promote efficient and reliable operation of water supply systems; promote water supply projects with multiple benefits, including environmental stewardship and flood protection; invest in and rely on science to support planning and decision-making; and build and maintain effective partnerships to achieve water supply goals.

Valley Water conducts both short-term and long-term water supply planning. These planning activities include coordinating operations among other agencies with shared supplies or infrastructure, identifying and evaluating short-term and long-term water demand and supply options, 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 Transfer Bethany pipeline 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	FY 2022-23 Adopted Budget
E2.6	**Promote access to equitable and affordable water supplies.**	**$2,288,317**

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	FY 2022-23 Adopted Budget
E3.1	**Maintain flood protection facilities to design levels of protection.**	**$45,213,648**

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 and F4 help to maintain flood conveyance capacity with sediment removal of approximately 20,000 to 50,000 cubic yards, trash, and woody debris removal and approximately 1,000 acres of in-stream vegetation control to maintain design conveyance capacity. Additionally, Valley Water conducts annual upland vegetation management of approximately 3,000 acres for access and fire code compliance, inspection of approximately 190 miles of creek, assessment of watershed facility conditions, inspection of levees (approximately 100 miles) and maintenance of levees (approximately 30,000 linear feet).

The FY 2022-23 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 Stream Maintenance Program (SMP-3) to ensure sustainability of county flood protection improvements.

Goal Code	Goal Description	FY 2022-23 Adopted Budget
E3.2	**Assist people, businesses, schools, and communities to prepare for, respond to, and recover from flooding through equitable and effective engagement.**	**$6,340,637**

Projects assigned to this goal provide for activities that reduce the potential for flood damages. Such activities include the creation and distribution of a floodplain mailer, as part of an annual countywide flood awareness campaign—these efforts help inform businesses and residents with preparedness tips on what to do before, during, and after a flood event. Valley Water also participates in the Community Rating System under FEMA's National Flood Insurance Program. Communities that participate in the program earn points for activities that promote good flood risk reduction practices. Valley Water's points are passed onto participating communities in Santa Clara County to help increase their points, which increases the discounts for property owners who pay flood insurance premiums throughout the county.

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

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

Goal Code	Goal Description	FY 2022-23 Adopted Budget
E3.3	**Increase the health and safety of residents countywide by reducing community flood risk**	**$92,570,794**

Projects assigned to this goal provide for activities that deliver equitable flood risk reduction throughout Santa Clara County. Valley Water conducts comprehensive long-range planning for flood protection and environmental stewardship that integrates water supply goals and objectives. This integrated planning process, or One Water, is conducted at the watershed scale and includes extensive stakeholder input, including targeted outreach to historically underrepresented communities. In FY 2022-23, watershed plans for the Guadalupe and Upper Pajaro watersheds will be substantially completed.*

FY 2022-23 efforts include implementing the Water Resource Protection Ordinance; implementing the Encroachment Remediation and Prevention Plan; consulting with and supporting external agencies for floodplain management; and maintaining and improving our flood warning system. Valley Water will also submit a FEMA letter of map revision for Permanente Creek, add new flood and reservoir forecast points to the ALERT website, and complete floodplain mapping for the Alamitos Creek Watershed.

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

Goal Code	Goal Description	FY 2022-23 Adopted Budget
E4.1	**Use a science-based, inclusive approach to protect Santa Clara County's watersheds and aquatic ecosystems for current and future generations.**	**$6,409,246**

Projects assigned to this goal provide for the protection and restoration of various aquatic ecosystems through preservation, improvements to the watersheds, pollution prevention and engaging/educating the public about the importance of protecting water quality and stream stewardship. One Water is Valley Water's long-term plan for environmental stewardship. The One Water Countywide Framework is an integrated planning process, which incorporates water supply goals and objectives in the development of watershed management actions, resulting in prioritized actions for each of Santa Clara County's five major watersheds. This type of long-term planning allows Valley Water to assess current opportunities, meet future challenges, and move water resource management actions in a more sustainable direction over time. The Framework process is driven by stakeholder input, ensuring that the resulting watershed plans have broad community support and thus reducing conflict as individual actions are implemented.

The Framework establishes a guiding vision and goals which shape the development of each watershed plan. Progress towards the goals is quantified according to five objectives through data metrics, which are also used to compare potential management actions to prioritize those with multiple benefits. In this way, One Water aligns with environmental regulations and results in better, less impactful projects that are easier to permit. Watershed plans for the Guadalupe and Upper Pajaro watersheds will be substantially completed in FY 2022-23. Priority stewardship actions that will be implemented as part of the Coyote Creek watershed plan include completing planning for the Ogier Ponds Restoration Project.

Goal Code	Goal Description	FY 2022-23 Adopted Budget
E4.2	**Sustain ecosystem health while managing local water resources for flood protection and water supply.**	**$39,453,935**

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 Shoreline Restoration reuses local sediment removed through Valley Water's stream maintenance activities and capital projects to create and restore tidal marsh habitat. It entails maintaining partnership agreements to reuse sediment to improve the success of salt pond and tidal marsh restoration projects and activities. Sediment may be reused to support the South Bay Salt Pond Restoration project or other environmental enhancement and restoration projects. It also provides funding to support activities necessary for sediment reuse.

Goal Code	Goal Description	FY 2022-23 Adopted Budget
E4.3	**Encourage inclusive, sustainable management of water resources in the Bay-Delta and its watersheds to protect imported water supply.**	**$0**

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 supplies originate. FY 2022-23 projects that meet this goal are the Imported Water Program, IW San Felipe Division Deliveries, IW South Bay Aqueduct Deliveries, State Water Project Costs, and Delta Conveyance Project.

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

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

Work funded in these imported water projects also

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

Note: protecting imported water supply is affiliated with more than one Ends Code Goal, including this Goal E4.3; however, the imported water projects listed are under Goal E2.2 – "Protect and sustain the county's existing, diverse water supplies" and, therefore, $0 is reflected under Goal E4.3.

Goal Code	Goal Description	FY 2022-23 Adopted Budget
E4.4	**Prevent and address pollution of local streams, reservoirs, and the Bay, equitably across all communities. Protect waterbodies from pollution and degradation.**	**$8,946,394**

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

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

Goal Code	Goal Description	FY 2022-23 Adopted Budget
E4.5	**Engage the community to promote watershed stewardship by providing meaningful engagement in Valley Water programs for all people regardless of race, color, gender identity, disability status, national origin, tribe, culture, income, immigration status, or English language proficiency.**	**$13,962,915**

Projects assigned to this goal promote and support access to trails and open space through various grants and community partnerships for planning, design, construction, and maintenance. In FY 2022-23, Valley Water will provide funding for projects that support access to trails and open space through the renewed Safe, Clean Water (SCW) Program. Valley Water will continue to manage the administration of nine (9) active open space and trails grants. In addition, Valley Water continues to work with cities on trail implementation through joint use agreements, in accordance with the Trails Policy Criteria and Guidance.

In FY 2022-23, Valley Water will provide up to $1.4 million in grant and partnership funding for qualified projects under the renewed Safe, Clean Water (SCW) Program.

This includes up to $100,000 for mini-grants, $100,000 for water-to-go stations and partnership funding for small cities. Additionally, Valley Water will continue to manage the administration of over 70 active grants and partnerships.

Goal Code	Goal Description	FY 2022-23 Adopted Budget
E5.1	**Minimize greenhouse gas emissions from Valley Water's operations.**	**$836,555**

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, Expand the Renewable Energy Portfolio and Improve Energy Efficiency, and Reduce Indirect Greenhouse Gas Emissions.

In FY 2022-23, Valley Water will update its GHG emissions inventory, project future GHG emissions including construction emissions, prepare a qualified GHG Reduction Plan consistent with the California Environmental Quality Act (CEQA), and develop a CEQA streamlining checklist for future projects covered by the plan. The GHG Reduction Plan will provide a comprehensive GHG reduction strategy to address operations and capital project emissions or provide for offset options.

Goal Code	Goal Description	FY 2022-23 Adopted Budget
E5.2	**Adapt Valley Water's assets and operations to reduce climate change impacts.**	**$1,778,595**

Valley Water's Climate Change Action Plan includes four goals to improve the resiliency of Valley Water's assets and operations to climate change, including: Water Supply Adaptation, Flood Protection Adaptation, Ecosystem Adaptation, and Emergency Preparedness. Projects assigned to this goal also provide for development of a Drought Response Plan to improve water supply reliability in Santa Clara County during times of future shortage to evaluate new approaches for water use reductions from the public and develop a response framework to employ during future droughts.

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

In the past 100 years, sea level rose by 8 inches in the Bay Area, and we are likely to see an increase in sea level of 1.6 – 3.4 feet by 2100. Valley Water is already taking steps to minimize the impacts of SLR 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 SLR. 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.

Also in FY 2022-23, a reconnaissance study for flood-managed aquifer recharge will be conducted, as will an agricultural water use baseline study to better understand current agricultural water use practices and identify opportunities to expand water conservation programs offered to the agricultural community. Additionally, a fuel management policy and wildfire risk assessment framework will be established to guide efforts to mitigate wildfire risk to Valley Water land rights and assets. The establishment of the policy and risk framework will then provide the foundation for the development of a broader agency-wide wildfire resilience plan.*

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

Goal Code	Goal Description	FY 2022-23 Adopted Budget
SS.1	**BAO & District Leadership**	**$30,796,107**

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 court 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 and inclusion are addressed and incorporated into existing policies, programs, and practices.

Goal Code	Goal Description	FY 2022-23 Adopted Budget
SS.2	**Financial Planning & Management Services**	**$18,080,538**

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	FY 2022-23 Adopted Budget
SS.3	Human Resources Services	$15,436,097

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, internship, the ethics and equal employment opportunity programs.

Goal Code	Goal Description	FY 2022-23 Adopted Budget
SS.4	Information Management Services	$29,976,762

The Information Technology Division serves the technology needs of Valley Water, enabling business users to carry out their work efficiently, effectively, and securely. We do so 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 portfolio.

Goal Code	Goal Description	FY 2022-23 Adopted Budget
SS.5	Corporate Business Assets	$50,876,298

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, measurement, asset management, select planning project)

Goal Code	Goal Description	FY 2022-23 Adopted Budget
SS.6	General Management & Administration	$48,839,387

Funds in this category provide necessary resources to effectively administer and manage organization-wide support services, including unit and division office and 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	FY 2022-23 Adopted Budget
SS.7	Salary Savings	$(3,509,969)

This salary savings budget represents 2% of regular employee salaries and benefits District-wide. This budget represents the budgeted savings from vacant positions projected to occur during the year.

Ends Policies and Outcomes

Goal Code	Goal Description	FY 2022-23 Adopted Budget
DS.1	**Debt Service**	**$82,350,473**

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

E2

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 FY 2022–23 Budget
60041003	Hollister Groundwater Mgmt	70,648
91041012	Water Operations Planning	561,148
91041018	Groundwater Management Program	5,465,683
91061008	Drought Emergency	13,141,074
91111001	Water Rights	816,717
91131004	Imported Water Program	5,651,871
91131006	IW San Felipe Division Delvrs	28,244,711
91131007	IW South Bay Aqueduct Delvrs	9,746,728
91131008	State Water Project Costs	28,256,645
91151013	Water Banking Operation	13,344,604
91154007	Water Purchases Captl Project	11,548,501
91211004	San Felipe Reach 1 Operation	745,889
91221002	San Felipe Reach 2 Operation	78,686
91231002	San Felipe Reach 3 Operation	310,537
91231084	San Felipe Reach3 Ctrl and Ele	293,835
91231085	SF Reach 3-Engineering - Other	138,206
91451002	Well Ordinance Program	2,354,253
91451005	Source Water Quality Mgmt	395,615
91451011	Invasive Mussel Prevention	716,680
91601001	Delta Conveyance Project	2,813,897
91761001	Local Res/Div Plan & Analysis	2,452,753
91951001	San Luis Low Point Improvement	43,341
92761009	Recharge/RW Field Ops	3,661,865
92761082	Raw Water T&D Ctrl and Electr	873,655
93081002	Plant Maintenance Engineering & Commissioning	952,716
93081008	W T General Water Quality	2,798,193
93081009	Water Treatment Plant Engineer	486,834
93231009	PWTP General Operations	7,079,467
93281005	STWTP - General Operations	7,374,700
93291012	RWTP General Operations	10,616,479
93401002	Water District Laboratory	6,531,932
93761001	SF/SCVWD Intertie General Ops	170,418
93761004	Campbell Well Field Operations	101,583
93761006	Treated Water Ctrl & Elec Eng	2,974,128
94761005	TW T&D - Engineering - Other	705,645
94781001	Treated Water T/D Corrosion	596,328
95111003	Water Use Measurement	2,358,608
E2.2 Total		**174,474,572**

E2

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 FY 2022–23 Budget
00761013	SCADA Systems Upgrade	868,321
26764001	IRP2 AddLine Valve	1,219,676
91081007	Dam Safety Program	2,090,678
91084019	Dam Safety Seismic Stability	417,838
91211005	SFD Reach 1 Administration	12,086
91211084	San Felipe Reach1 Ctrl and Ele	463,921
91211085	SF Reach 1-Engineering - Other	527,548
91211099	San Felipe Reach 1 Gen Maint	1,000,025
91214010	Small Caps, San Felipe R1	3,821,386
91221006	SF Reach 2-Engineering - Other	235,069
91221099	San Felipe Reach 2 Gen Maint	159,594
91231099	San Felipe Reach 3 Gen Maint	1,298,342
91234002	Coyote Pumping Plant AS	9,293,283
91234010	Small Caps, San Felipe R3	2,360,000
91234011	Coyote Warehouse	126,366
91761099	Dams / Reservoir Gen Maint	3,423,595
91864005	Anderson Dam Seismic Retrofit	28,640,280
91864006	Anderson Dam Tunnel Project	102,110,000
91864007	Coyote Creek Flood Mgmt Measures	20,567,313
91864008	Coyote Creek Stream Augmentation Fish Prtn	6,022,720
91864009	Coyote Percolation Dam Replacement	2,987,389
91864010	Cross Valley Pipeline Extension Project	7,152,000
91954002	Pacheco Reservoir Expansion	30,793,731
92144001	Pacheco/SC Conduit ROW ACQ	847,382
92261099	Vasona Pump Station Gen Main	182,543
92264001	Vasona Pump Station Upgrade	921,037
92304001	Almaden Valley Pipeline	79,897
92761008	Recycled Water T&D Genrl Maint	297,457
92761010	Rchrg / RW Field Fac Maint	1,498,192
92761083	Raw Water T&D Eng Other	1,686,110
92761085	Anderson Hydrelctrc Fclty Main	156,479
92761099	Raw Water T / D Gen Maint	2,686,863
92764009	Small Caps, Raw Water T&D	1,009,560
92781002	Raw Water Corrosion Control	732,580
93044001	WTP Master Plan Implementation	734,666
93084004	Wtr Trtmnt Plnt Electr Improvement	2,411,232
93231099	Penitencia WTP General Maint	3,343,680
93234044	PWTP Residuals Management	1,857,192
93281099	Santa Teresa WTP General Maint	3,840,730
93284013	STWTP Filter Media Replacement	5,593,063

E2

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 FY 2022–23 Budget
93291099	Rinconada WTP General Maint	4,240,601
93294057	RWTP Reliability Improvement	6,035,032
93294058	RWTP Residuals Remediation	18,397,192
93761005	Campbell Well Field Maint	128,462
93761099	SF/SCVWD Intertie Gen Maint	139,083
93764004	Small Caps, Water Treatment	4,509,122
94761099	Treated Water T/D Gen Maint	1,645,607
94764006	Small Caps,Treated Water T&D	296,880
95044001	Distribution System Master Plan Implementation	728,869
95044002	SCADA Master Plan Implementation	1,571,408
95084002	10-Yr PL Inspection and Reha	14,175,207
E2.3 Total		**305,337,286**

E2

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 FY 2022–23 Budget
91094001	Land Rights-SC Recycled Water	3,259,810
91094009	SoCo Rcyld Wtr PL Short-Trm 1B	6,794,961
91094010	So. County Recycled Water Fun	511,387
91101004	Recycled & Purified Water Prog	5,880,216
91151001	Water Conservation Program	11,547,086
91151014	GP5 Reimbursement Program	4,355,000
91241001	Wolfe Road Recycled Water Facility	150,000
91261001	Palo Alto Water Reuse Agreement	2,618,000
91281007	SVAWPC Facility Operation	2,984,989
91281008	SVAWPC Facility Maintenance	3,142,016
91304001	Purified Water Program	10,935,259
91441003	Desalination	67,478
E2.4 Total		**52,246,202**

E2

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 FY 2022–23 Budget
62061005	WS Customer Relations & Outreach	1,082,198
91151012	Recycled/Purified Water Public Eng	1,224,529
91251001	Transfer-Bethany Pipeline	1,500,000
92041014	FAHCE/Three Creeks Project	3,531,773
92761001	Raw Water T&D Gen'l Oper	1,831,467
92761012	Untreated Water Prog Plan	364,026
E2.5 Total		**9,533,993**

E2

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 FY 2022–23 Budget
60232001	Water Rate Assistance Program	1,225,000
95151002	WU Customer Relations & Outreach	1,063,317
E2.6 Total		**2,288,317**
E2 Total		**543,880,371**

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 FY 2022–23 Budget
00041022	Stream Maint Prog Mgmt	4,512,272
00061056	F8 SCW Sustainable Creek Infrastructure	690,186
00761023	Watershed Sediment Removal	6,778,006
00761078	Vegetation Management for Access	4,420,883
00762011	Tree Maintenance Program	1,147,764
00811049	Subsidence Monitoring	718,182
26771067	Stream Capacity Vegetation Con	3,344,353
62021009	Watersheds O&M Eng&Insp Support	1,838,865
62042050	Watershed Maint Guideline Update	973,577
62061029	Field Operations Support	707,067
62084001	Watersheds Asset Rehabilitation	6,741,457
62761009	Pond A4 Operations	106,906
62761024	Wtrshd Facility Cndtion Assmnt	2,558,788
62761025	Watershed General Field Maint	3,654,778
62761026	Watershed Debris Removal	1,796,586
62761027	Watershed Erosion Protection	4,052,066
62761028	Watershed Levee Maintenance	843,987
62761080	Non SMP Veg Removal for Convey	327,924
E3.1 Total		**45,213,648**

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 FY 2022–23 Budget
00811043	Hydrologic Data Msrmt & Mgmt	2,201,315
26041023	Emergency Response Upgrade	650,915
26041024	Flood Risk Reduction Studies	1,412,026
26061005	Flood Emergency Response Planning	217,115
62041023	Community Rating System	485,288
62061008	Hydrology&Hydraulics Tech Supp	1,373,978
E3.2 Total		**6,340,637**

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 FY 2022–23 Budget
00044026	San Francisco Bay Shoreline	15,890,427
10244001	Permanente Ck, SF Bay-Foothill	337,000
26074002	Sunnyvale East & West Channel	930,024
26174043	Coyote Creek, Montague-Tully	6,372,531
26174052	Llagas Ck ñ Upper Construction	55,550,525
26444002	San Francisco Bay Shoreline - EIAs 1-4	1,760,717
26444004	San Francisco Bay Shoreline EIAs 5-1	1,045,470
40174005	Berryessa Crk, Lwr. Pen Phs	1,906,445
40264008	Lwr Silver-R4-6 N Babb-Cunningham	51,986
40334005	Lwr Penitencia Crk Improvements	8,149,706
62761008	Sandbag Program	575,962
E3.3 Total		**92,570,794**
E3 Total		**144,125,079**

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 FY 2022–23 Budget
00041047	Ecolgcal Data Collectn & Analysis	431,282
26072008	SCW D7 Conservation Habitat	910,902
26761076	Rev, Riprn, Uplnd, & Wtlnd Ha	1,146,905
62041027	Integrated Wtr Resrce Mstr Plan	2,393,319
62042047	Mitigation & Stwdshp Land Mgmt	377,693
62042051	Plant Pathogen Management	336,972
62181005	SMP Mitigation Site Mgmt	812,173
E4.1 Total		**6,409,246**

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 FY 2022–23 Budget
00061012	Facilities Env Compliance	918,943
00741042	Water Resorcs EnvPlng & Permt	1,929,169
00761075	Mgmt of Revegetation Project	3,817,770
26042002	Fish Habitat Improvement	1,222,882
26044001	Almaden Lake Improvement	20,854,617
26044002	SCW Fish Passage Improvement	15,006
26044003	Ogier Ponds Planning Stud	113,808
26044004	D6 Bolsa Road Fish Passage Improvement	4,169,832
26154002	Guadalupe Rv-Upr, 280-SPRR(R6	30,958
26164001	HaleCreekEnhancementPilotStud	72,300
26441003	D3 SCW Sed Reuse to Support Shoreline	276,551
30151026	Guad Rvr Mitgtn Monitoring Prg	902,833
40212032	Coyote Creek Mitgtn Monitoring	340,626
62041043	Environmental Srvcs Tech Support	815,233
62042032	Multiple Sm Prjcts Mitgtn Mont	238,108
62181006	Instream Habitat Complexity	1,311,148
62761006	Invasive Plant Management Pro	2,424,149
E4.2 Total		**39,453,935**

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 FY 2022–23 Budget
00761022	Watershed Good Neighbor Maint	2,059,292
00771011	Inter Agency Urban Runoff Prog	2,580,770
00771031	HAZMAT Emergency Response	238,047
26752043	Impaired Water Bodies Imprvmts	1,661,401
26771027	Encampment Cleanup Program	2,406,885
E4.4 Total		**8,946,394**

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 FY 2022–23 Budget
00061019	Creek Stewardship	504,922
20444001	Calabazas/San Tomas Aquino Creek-Marsh Connection	750,286
26061020	F6 Public Art	257,606
26061021	F9 Safe Clean Water Grants & Partnership	3,203,776
60171002	Education & Volunteer Program	2,210,599
62011002	Watershed Asset Protection Sup	5,733,011
62021003	CPRU Tech Support	163,634
95011003	WU Asset Protection Support	1,139,081
E4.5 Total		**13,962,915**
E4 Total		**68,772,490**

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.

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

Job Number	Project Name	Adopted FY 2022–23 Budget
00021008	Energy Management	379,565
00061048	Climate Change Adaptation/Mtg.	456,989
E5.1 Total		**836,555**

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.

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

Job Number	Project Name	Adopted FY 2022–23 Budget
60061058	Drought Induced Tree Removal	1,778,595
E5.2 Total		**1,778,595**
E5 Total		**2,615,150**

SS Support Services

SS.1 BAO & District Leadership

Job Number	Project Name	Adopted FY 2022–23 Budget
60091001	Directors Fees / Expenses	569,550
60131007	Ofc of Chief Executive Officer	1,405,102
60131014	Continual Improvement	985,886
60141001	District Counsel	5,166,381
60171009	Community Relations	216,867
60231002	Communications	1,781,791
60231003	Federal Government Relations	793,120
60231004	State Government Relations	1,276,027
60231005	Local Government Relation	2,098,315
60231006	Office of Chief of Ext Affair	1,562,390
60231007	Internal Communications	588,968
60241026	Quality and Env Mgmt Sys Prog	546,151
60301001	Clerk of the Board Serv	3,889,028
65051001	Risk Management	5,541,878
65051002	Workers Compensation Program	976,160
65051003	Health&Safety Program Mgt	3,348,493
65052001	2017 President Day Flood	50,000
SS.1 Total		**30,796,107**

SS Support Services

SS.2 Financial Planning & Management Services

Job Number	Project Name	Adopted FY 2022–23 Budget
00031001	Watershed Revenue	149,481
00031002	Grants Management	1,804,770
00061045	Asset Management Program	3,458,417
00121003	LT Financial Planning & Rate	717,884
26001090	Unscoped Projects-Budget Only	100,000
60001090	CEOUnscoped Projects-BudgtOnly	100,000
60001091	Unscoped Projects-Budget Only	100,000
60001092	CEA UnscopedProject-BudgetOnl	100,000
60111002	General Accounting Services	5,310,897
60221001	Budget and Financial Analyses	2,599,449
60221002	Debt & Treasury Management	1,122,665
62001090	Unscoped Projects-Budget Only	150,000
95001090	Unscoped Projects-Budget Only	150,000
95101003	Water Revenue Program	2,216,975
SS.2 Total		**18,080,538**

SS Support Services

SS.3 Human Resources Services

Job Number	Project Name	Adopted FY 2022–23 Budget
00061059	Workforce Dvlp Technical Training Prog	1,023,528
60281003	Ethics & EEO Programs	682,128
60281004	Racial Equity Diversity & Inclusion	1,608,416
60281006	Reasonable Accommodation	157,766
60291001	Recruitment and Examination	3,120,634
60291002	Benefits and Wellness Admin	1,664,863
60291003	Labor Relations	1,378,433
60291004	Talent Development Program	2,756,976
60291011	HR Program Admin	817,905
60291030	HR Systems Management Program	20,000
60291032	Bargaining Unit Representation	16,449
60291040	Rotation Program	618,000
60291041	Internship Program	1,571,000
SS.3 Total		**15,436,097**

SS Support Services

SS.4 Information Management Services

Job Number	Project Name	Adopted FY 2022–23 Budget
00074040	Capital Project Mgmt System	519,448
60311001	Records & Library Services	1,268,312
73271001	Telecommunications Sys Opr	2,148,485
73271002	Technical Infrastructure Service	5,590,078
73271003	Network Administration	2,361,000
73271004	Information Security Admin	932,000
73271005	Office Cmptr Maint/Help Dsk	304,000
73271006	Info Technology Div Admin	1,086,859
73271007	Emerging IT Technologies	100,000
73271008	Software Maint & License	3,281,519
73271009	Software Service	7,045,769
73274002	ERP System Implementation	237,419
73274004	Network Equipment	911,000
73274006	Office Computers Replace Equip	1,682,985
73274008	Software Upgrades & Enhancement	1,233,889
95274003	WU Computer Network Modernization	1,274,000
SS.4 Total		**29,976,762**

SS Support Services

SS.5 Corporate Business Assets

Job Number	Project Name	Adopted FY 2022–23 Budget
00071041	Welding Services	426,651
00074042	Capital Proj Mgmt and Controls	1,280,328
00761071	Emergency Management	2,758,794
00811046	Warehouse Services	3,179,027
00811054	District Real Property Admin	1,151,336
10291002	Rental Expense Stevens Creek	313,100
26061002	Rent Exp Clean Safe Ck 7/1/01+	240,995
30061004	Rent Exp Guadalupe & Coyote	298,482
60061018	General Services Div Admin	924,486
60101001	Purchasing Services	2,719,534
60101002	Building and Grounds	11,571,583
60101005	Districtwide Signage	126,812
60101008	District Security Services	4,464,810
60111006	Contract Services	2,568,059
60204016	Small Caps, Facility Mgmt	4,000,000
60204022	Security Upgrades and Enhancement	314,000
60204032	Headquarters Operations Bldg	2,080,000
60351001	Business & Customer Support Services	3,317,618
60361002	Graphic Services	1,255,712
70004001	New Vehicle Equip Acquisition	546,000
70004002	Replacement Vehicle & Equip	2,001,667
70011099	Class I Equip Oper / Maint	974,990
70021099	Class II Equip Oper / Maint	983,891
70031099	Class III Equip Oper / Maint	347,250
70041099	Class IV Equip Oper / Maint	1,081,566
70061003	Vehicle & Equipment Admin&Mgmt	1,638,046
95061012	Rental Expense San Pedro,MH	54,288
95061035	Rent Exp Coyote	257,270
SS.5 Total		**50,876,298**

SS Support Services

SS.6 General Management & Administration

Job Number	Project Name	Adopted FY 2022–23 Budget
00041039	Integrated Regional Water Mgmt	148,334
00061050	Office of Integrated Water Mgmt	3,546,374
00061051	Lands Management Program	721,908
00074033	CIP Development & Admin	1,514,275
00074036	Survey Mgmt & Tech Support	606,493
00074038	Watershed Capital Program Servcs Admin	3,141,822
00074041	Construction Contracts and Support	2,829,749
00074047	Computer-Aided Design for Engineering	1,709,279
26041049	D5 SCW Watershed Plan	103,000
26061012	Safe Clean Water Implementation	1,199,414
60131004	AS Administration	2,220,419
60221003	FPMD Administration	538,858
62061001	Watersheds Administration	9,783,383
73271010	IT Projects & Bus Operation	1,534,922
95061038	WUE Administration	11,287,299
95074005	WU Capital Prog Admin Suppor	5,249,534
95741001	Water Supply Planning	2,281,086
95761003	SCADA Network Administration	423,239
SS.6 Total		**48,839,387**

SS Support Services

SS.7 Salary Savings

Job Number	Project Name	Adopted FY 2022–23 Budget
26061004	Districtwide Salary Saving	(133,551)
26064023	Districtwide Salary Saving	(167,905)
60061023	Districtwide Salary Saving	(726,710)
60064023	Districtwide Salary Saving	(4,975)
62061002	Districtwide Salary Saving	(552,789)
62064023	Districtwide Salary Saving	(121,705)
65061004	Districtwide Salary Saving	(38,367)
70061004	Districtwide Salary Saving	(29,737)
73061004	Districtwide Salary Saving	(150,235)
73064004	Districtwide Salary Saving	(3,057)
91061007	Districtwide Salary Saving	(1,062,535)
95064011	Districtwide Salary Saving	(518,403)
SS.7 Total		**(3,509,969)**
SS Total		**190,495,219**

DS Debt Service

DS.1 Debt Service

Job Number	Project Name	Adopted FY 2022–23 Budget
10993008	2017A COP Refunding LP WS	2,292,531
20993007	2012A COP Refunding WV WS	1,177,482
20993008	2017A COP Refunding WV WS	685,717
26993001	Commercial Paper Tax Exempt SC	3,142,690
26993002	SCW Rev Bond 2022A (Tax-Exempt)	6,032,260
26993003	SCW Rev Bond 2023A (Tax-Exempt)	268,000
26993004	SCW WIFIA Loan 2022	850,000
30993007	2012A COP Refunding Guad WS	2,945,197
30993008	2017A COP Refunding Guad WS	792,375
40993007	2012A COP Refunding Coyote WS	1,221,922
40993008	2017A COP Refunding Coyote WS	2,057,731
60993009	2017A COP Refunding Guad WS	474,646
95993007	Commercial Paper Tax Exempt	3,221,840
95993008	Commercial Paper Taxable	3,221,840
95993015	2016A WU Ref Rev Bond (Tx Exempt)	5,360,750
95993016	2016B WU Ref Rev Bond (Taxable)	3,249,621
95993017	WU COP 2016C (Tax-Exempt)	4,988,000
95993018	WU COP 2016D Taxable	5,773,255
95993019	WU Rev Bond 2017A (Tax Exempt)	4,383,500
95993022	WU Rev Bond 2019A (Tax-Exempt)	1,035,000
95993023	WU Rev Bond 2019B Taxable	4,521,980
95993024	WU Rev Bond 2019C Taxable	3,063,794
95993025	WU Rev Bond 2020A (Tax-Exempt)	1,251,000
95993026	WU Rev Bond 2020B -Taxable	2,053,285
95993027	WU COP 2020C (Tax-Exempt)	3,769,000
95993028	WU COP 2020D Taxable	4,806,649
95993029	WU Rev Bond 2022A (Tax-Exempt)	2,538,401
95993030	WU Rev Bond 2022B Taxable	2,878,794
95993031	WU Rev Bond 2023A (Tax-Exempt)	270,000
95993032	WU Rev Bond 2023B Taxable	270,000
95993033	WU WIFIA Loan 2022	720,000
95993034	WU Rev Bond 2022C Taxable	2,883,213
95993036	WU WIFIA Loan 2022	150,000
DS.1 Total		**82,350,473**
DS Total		**82,350,473**

Performance – Outcome Measures

Outcome Measures are one way that 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 was 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.

Ends Policies and Outcomes

BOARD ENDS POLICIES - FY2023 OUTCOME MEASURES

Outcome Measure	Target Outcome	FY 2020-21 Outcome	FY 2021-22 Outcome
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 is met without calling for more than 20% water use reduction.	100% of annual water demand was met.	100% of annual water demand was met. Annual demand was down 11% compared to 2019 due to drought (on June 9, 2021 the Board called for a 15% reduction in water use compared to 2019).
Total acre-feet of groundwater storage	Total groundwater storage is greater than 300,000 acre-feet.	Estimated total groundwater storage was 332,000 acre-feet.	Estimated total groundwater storage was 312,000 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 had groundwater levels above subsidence thresholds.	100% of subsidence index wells had groundwater levels above subsidence thresholds.
Percentage of water supply wells that meet or exceeds quality standards.	95% of water supply wells meet or exceeds quality standards.	96% of water supply wells tested met all primary drinking water standards (based on calendar year 2020).	91% of water supply wells tested met all primary drinking water standards (based on calendar year 2021).
Percentage of treated water that meets or exceeds primary drinking water standards.	100% of treated water 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.
Percentage of total annual maintenance work plans completed for water transmission and distribution facilities on schedule.	Complete at least 70% of total annual maintenance work plans completed for transmission and distribution facilities on schedule.	Completed 21% of annual maintenance work plans for water treatment facilities and 82% of annual maintenance work plans for transmission and distribution facilities. Remaining work scheduled to be completed in next fiscal year.[1]	Completed 76% of annual maintenance work plans for water treatment facilities and 88% of annual maintenance work plans for transmission and distribution facilities. Remaining work scheduled to be completed in next fiscal year.
Acre-feet of water supply portfolio from recycled and purified water.	24,000 acre-feet by FY28.	17,436 acre-feet of recycled water in FY21.	16,855 acre-feet of recycled water in FY22.
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.	Budget for WARP and SCW F8 projects is equivalent to at least 15% of Watersheds O&M Division annual budget.	Target outcome not achieved, annual budget for WARP and SCW F8 projects amounted to 8.5% of annual Watersheds O&M budget.	Annual budget for WARP and SCW F8 projects amounted to 24.5% of annual Watersheds O&M budget.
Percent of flood protection facilities inspected annually.	100% of levees and at least 50% of other flood protection facilities inspected annually.	96% of levees were inspected and maintained in FY21. It is noted that staff's ability to conduct creek and levee inspections was compromised in certain high-risk areas due to safety concerns, insufficient law enforcement support, and COVID-19-related issues. To help ensure this measure is achieved, the unit has undertaken an improvement process to streamline and prioritize inspections.[2]	100% of levees were inspected and maintained in FY22. It is noted that staff's ability to conduct creek and levee inspections continues to be compromised in certain high-risk areas due to safety concerns and at times, insufficient law enforcement support.

Ends Policies and Outcomes

BOARD ENDS POLICIES - FY2023 OUTCOME MEASURES

Outcome Measure	Target Outcome	FY 2020-21 Outcome	FY 2021-22 Outcome
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.			
Point Sum of the National Flood Insurance Program's (NFIP) Community Rating System (CRS) of all the participating CRS Communities in Santa Clara County.	The point sum of all participating CRS Communities in Santa Clara County is 13,000 or higher.	NFIP CRS total point sum (countywide) is being maintained in FY21 Q4. As of 06/30/21, the point sum remains as follows: 16,195 w/o Valley Water's points; 18,041 w/Valley Water points.	NFIP CRS total point sum (countywide) is being maintained in FY22 Q4. As of 06/30/22, the point sum remains as follows: 16,930 w/o Valley Water's points; 18,776 w/Valley Water points.
Percent of flood protection projects that incorporate natural flood protection 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.	77% of Capital flood protection projects in the CIP incorporate NFP features (based on FY22-26 CIP Report).	83% of Capital flood protection projects in the CIP incorporate NFP features (based on FY23-27 CIP Report).
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 Valley Water annual ecological monitoring reports are made available to the public.	100% of VW's annual reports with ecological data are made available to the public through the Valley Water webpage and the EcoAtlas tool.	100% of VW's annual reports with ecological data are made available to the public through the Valley Water webpage and the EcoAtlas tool.
Percent of stewardship projects that include objectives that enhance ecological functions, improve water quality, or provide for trails & open space.	All stewardship projects include objectives that enhance ecological functions, improve water quality, or provide for trails & open space.	100% based on FY22-26 CIP Report.	100% based on FY23-27 CIP Report.
Percent of new Joint Use Agreements (JUAs) that comply with the Trails Policy Criteria and Guidance.	100% of new Joint Use Agreements comply with the Trails Policy Criteria and Guidance.	0% (Trail Policy and Guidance went into effect in FY22).	0% (several new JUAs are pending).
E-5 Valley Water is carbon neutral and provides equitable, climate-resilient water supply, flood protection, and water resource stewardship to all communities in Santa Clara County. This will be accomplished through the implementation of the Climate Change Action Plan.			
Maintain Valley Water's California Green Business Certification.	Valley Water is certified as a California Green Business.	Yes, Valley Water is certified as a California Green Business.	Yes, Valley Water is certified as a California Green Business.
Percent of Valley Water's operating facilities are equipped with Electric Vehicle (EV) charging infrastructure.	100% of Valley Water's operating facilities are equipped with EV charging infrastructure.	28% of Valley Water's operating facilities are equipped with EV charging infrastructure.	28% 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).	100% of Valley Water's passenger vehicles are EVs.	Valley Water's passenger vehicle fleet is 51% Hybrid and 5% EVs.	Valley Water's passenger vehicle fleet is 54% Hybrid and 5% EVs.

[1]FY21 included carried over purchases and installations from FY20. Maintenance work was still operating within COVID work schedules and distancing requirements.

[2]There was no prior outcome measure that measured inspections for facilities other than levees.

This page left intentionally blank.



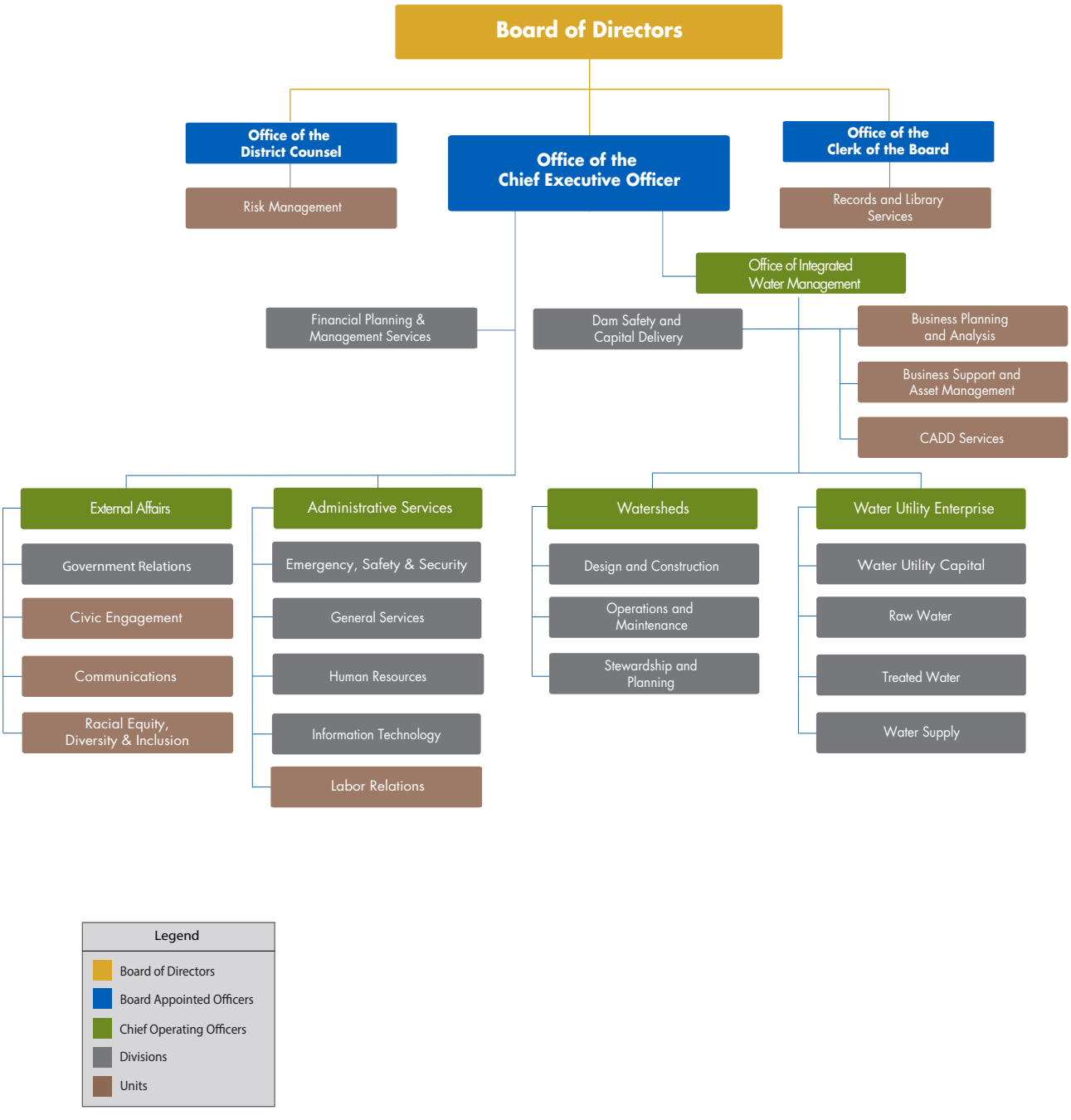
Division Summaries

FY 2022–23 & FY 2023–24
Operating and Capital Rolling Biennial Budget

DIVISION SUMMARIES

Division Summaries

Valley Water Organizational Chart



Division Summaries

Description

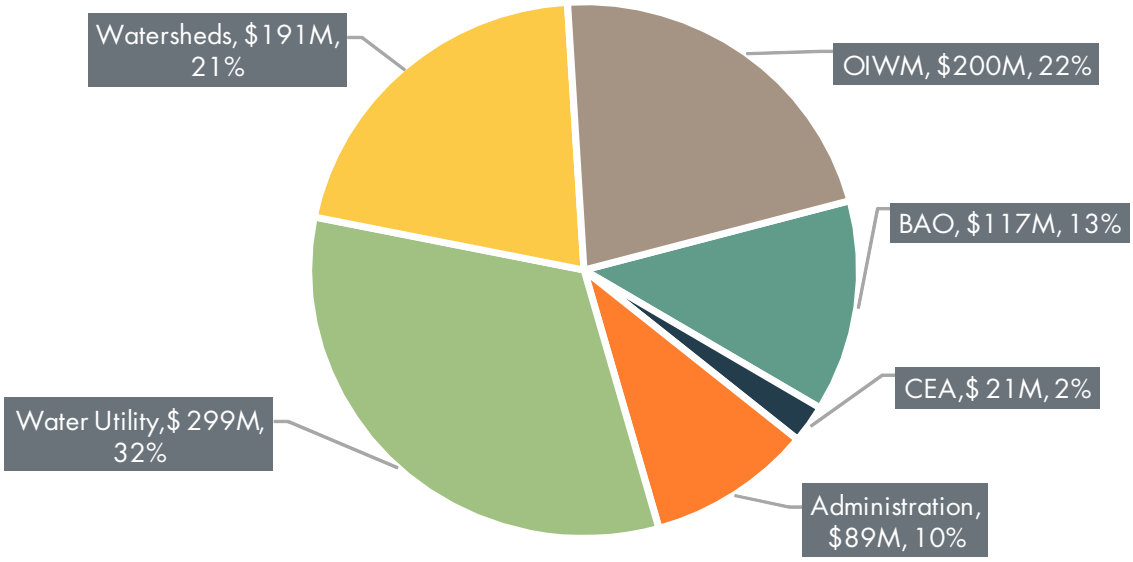
Valley Water utilizes a project-based budget to accurately appropriate budget to the various funds and assess precise water rates. The project-based budget is presented by ends outcomes and at the fund level in chapters 4 and 6.

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

Organization areas and their division section begins with an organization chart showing the FY 2022-23 budget and positions. Each area also has an overview of its services, objectives, accomplishments, and milestones.

The financial table displays expenses by project type and account category, it also includes authorized position counts for four fiscal years.

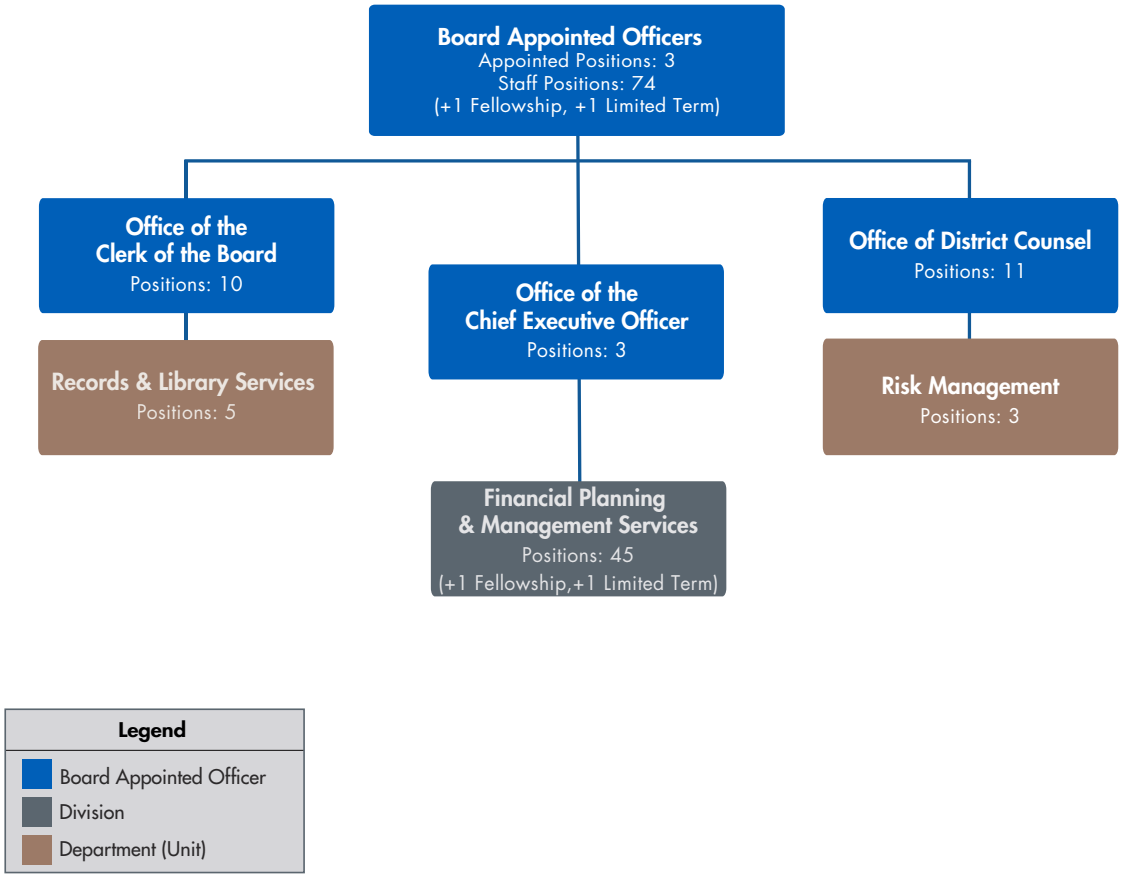
FY 2022-23 Budget by Org Area, $917 Million[1]



[1]Total is net of $115.0M intra-district Reimbursements, (e.g. overhead cost charted to projects for administrative support services such as human resources and information technology etc).

Division Summaries

Board Appointed Officers

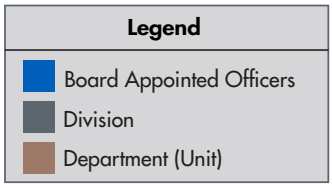


Description

Board Appointed Officers support the mission of Valley Water, to provide Silicon Valley safe, clean water for a healthy life, environment, and economy through essential core services for Valley Water, and include the Chief Executive Officer, the District Counsel, and the Clerk of the Board. Board Appointed Officers provide executive leadership of Valley Water; support the Board of Directors and ensure that Valley Water efficiently implements the Board's Ends policies in conformance with Executive Limitations policies; provide professional, timely, and strategic legal advice to and representation of Valley Water and its Board of Directors, officers, and employees; 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





Description and Objectives

The Office of the Chief Executive Officer (CEO) provides strategic direction and oversight of 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 2022 Accomplishments

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

FY 2023 Milestones

- Continue to provide leadership and organizational guidance, as the drought and the COVID-19 pandemic continues, 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 2024 Milestones

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

Office of the CEO — Budget Summary

Project Type (Category)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	1,364,469	1,364,074	1,493,825	1,584,890
Total *	**1,364,469**	**1,364,074**	**1,493,825**	**1,584,890**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Office of the CEO	1,364,469	1,364,074	1,493,825	1,584,890
Total *	**1,364,469**	**1,364,074**	**1,493,825**	**1,584,890**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

Office of the CEO - Position Summary

	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Authorized Positions**	3	3	3	3

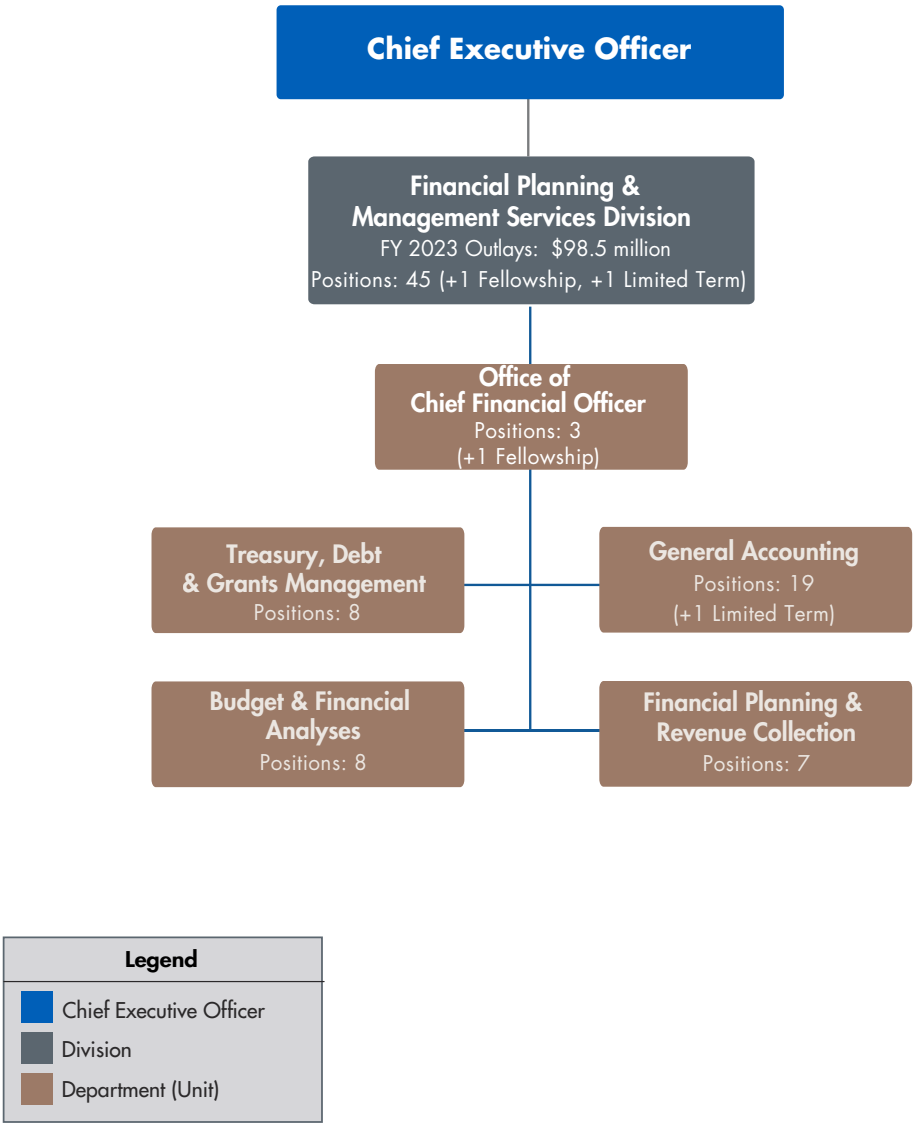
** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Office of the CEO					
	Salaries & Benefits	1,185,773	1,046,734	1,128,287	1,202,919
	Services & Supplies	29,030	161,800	191,800	191,800
	Intra District Charges	149,666	155,540	173,739	190,171
Office of the CEO (102) Total		**1,364,469**	**1,364,074**	**1,493,825**	**1,584,890**
*Operations Total**		**1,364,469**	**1,364,074**	**1,493,825**	**1,584,890**
Division Total*		**1,364,469**	**1,364,074**	**1,493,825**	**1,584,890**

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

Financial Planning and Management Services Division



Division Description and Objectives

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

Continual Improvement

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

Treasury, Debt, and Grants Management

Treasury, Debt, and Grants Management manages districtwide treasury, debt financing, and grants programs, which includes the investment portfolio with a book value of over $700 million, a debt portfolio of over $1 billion, and annual grants reimbursements in excess of $30 million. In addition to managing the $82 million annual debt service budget, the department also prepares all legally required reports to meet bond covenants as well as state and federal requirements to ensure compliance with securities laws. Working with Valley Water's external municipal advisor and bond/disclosure counsel, the department leads debt issuance activities to provide funding for capital projects. The department leads grant management activities, which include research regarding compliance with grant terms and conditions and grant guidelines, grant application development, and administration of local, state, and federal grants and cost-sharing agreements for capital projects. Department staff also assist in the financial review and analysis of key capital projects such as California Delta Conveyance, Pacheco Reservoir, Los Vaqueros Reservoir, Sites Reservoir, and Recycled and Purified Water Public-Private-Partnership, among others. The department strives to achieve the objectives of maintaining high credit ratings, keeping financing costs low, ensuring the safety, liquidity, and yield of Valley Water's funds, and maximizing grant funding opportunities.

Budget and Financial Analyses

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

General Accounting

General Accounting includes the areas of General Ledger, Accounts Payable, Payroll, and Financial Systems. The General Ledger area focuses on accounting and financial reporting compliance with laws, regulations, Valley Water policies, and accounting professional standards. Accounts Payable is charged with processing payments to Valley Water's contractors, consultants, vendors, and staff expense claims, administering petty cash, and filing payment documents. Payroll

processes the bi-weekly payroll, employee benefits accounting, payroll tax withholdings, and submission of Federal and State reporting requirements. Financial Systems provide for the maintenance and security of the payroll, benefits, human resources, and financial applications.

Financial Planning and Revenue Collection

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

FY 2022 Accomplishments

- Delivered PERS/OPEB update to the Financial Sustainability Group on March 15, 2022.
- Supported the MOU negotiation by preparing several analyses and contributing to the management team negotiation strategies.
- Assisted with the development of the Low Income Residential Water Rate Assistance Program.
- Completed the management audit of Human Resources (HR).
- Initiated implementation of Audit Recommendations from the HR Audit.
- Completed the 2021 Risk Assessment.
- Completed the development of the 2022-2024 Annual Audit Work Plan based on the 2021 Risk Assessment.
- Initiated implementation of Opportunities for Improvements (OFIs) resulting from the 2021 QEMS Benchmarking Analysis.
- Reinitiated solicitation of auditing firms to participate in the Board's Auditor Pool.
- Successfully transitioned Sjoberg Evashenk Consulting, Inc. into the role of Chief Audit Executive.
- Initiated Phase 1 of the redeveloped QEMS Internal Audit Program.
- Earned $6+ million in interest income from the investment portfolio despite the challenges associated with maintaining a high cash target (~$150 million) to buffer ongoing economic uncertainties related to the COVID 19 pandemic and global geopolitical risks as well as the change in cash management strategy due to migration of the Money Market account from Union Bank to US Bank.
- Met all debt compliance legal requirements such as the Annual Continuing Disclosure filing on EMMA as required by the Securities Exchange Commission, and California State Treasurer's Annual Debt Transparency Report.
- Provided ongoing financial support for various projects, such as the Delta Conveyance, Recycled and Purified Water Public-Private-Partnership, Pacheco Reservoir, Sites Reservoir, and Los Vaqueros Reservoir.
- Completed various debt financings: $150 million commercial paper letter of credit renewal in December 2021; amended the $170 million U.S. Bank revolving line of credit to achieve reduced fees for the next three years estimated to be between $378,000 and $3.9 million (depending on draw status and interest rates); issued $25 million in commercial paper to fund Safe, Clean Water projects; and refunded all outstanding Water Utility System Series 2006B bonds ($16.5 million) with commercial paper to eliminate all senior lien level debt for financial flexibility.

- Submitted letters of interest and applications to the U.S. Environmental Protection Agency (EPA) for Water Infrastructure Finance and Innovation Act (WIFIA) loans for nine projects: five Safe, Clean Water projects, Pacheco Reservoir Expansion, Anderson Dam Seismic Retrofit, Coyote Creek Fish Protection, and Coyote Percolation Dam. Total loan requests for over $2.1 billion will be negotiated with the EPA and presented to Valley Water Board approval for final execution in FY 2023 and FY 2024.
- Increased local bank investments to $41 million in compliance with the Board's direction to invest up to 5% of the portfolio in local banks.
- Executed grant funding agreements for the South San Francisco Bay Shoreline Phase 1 project to receive up to $11 million in Measure AA funds and $8 million in state subvention funds.
- Received over $1 million in COVID 19 pandemic relief reimbursement from the California State Department of Finance.
- Managed the capital reimbursement process for grants or cost-share agreements with estimated FY 2022 revenues of $30 million.
- Completed the State Controller's Office audit of the Flood Control Subventions program for the Upper Guadalupe River Project and Upper Llagas Creek Watershed Project over the five year period from July 1, 2014 through December 31, 2019, with total eligible reimbursements of over $35 million from the Department of Water Resources.
- Gained approval for $500,000 grant and executed an agreement for the Calabazas San Tomas Aquino Creek Marsh Connection project with the California Department of Fish and Wildlife (CDGW).
- Finalized grant agreement under Measure AA with the San Francisco Bay Restoration Authority for a new $3.37 million grant for this first creek-marsh connection project in the South San Francisco Bay region.
- Submitted a $2.5M COVID-19 FEMA claim for the calendar years 2020 and 2021 to reimburse COVID-19 expenses Valley Water incurred for personnel, security, cleaning/disinfecting, protective equipment, and food costs.
- Produced and distributed the first Adopted Rolling Biennial Budget Summary Document prior to June 30, 2022.
- Maintained the Balancing Act budget simulation tool that allows residents to adjust budgets for various Valley Water priorities and align resources with their preferred services.
- Implemented the rolling biennial budget process update in the budget planning system.
- Implemented dynamic actuals versus budget reports in Birst cloud-based analytics tool.
- Provided Quarterly Financial Results updates to the Board Audit Committee and the Board.
- Facilitated the implementation of the new Enterprise Resource Planning software system.
- Finalized the FY2021 Annual Comprehensive Financial Report in accordance with the Governmental Finance Officers Association standards for excellence by December 2021.
- Completed the submission of the State Controller's Report by January 2022.
- Completed the FY2021 audits for Water Utility Funds and the Advance Water Treatment Facility by June 2022.
- Met State and Federal tax reporting requirements for 1099's by January 2022.
- Completed California Employment Development Department Independent Contractor Report DE542 by the end of each month.
- Issued employee W-2's and completed 2021 W-2 Tax Reporting by January 31, 2022.
- Submitted 2021 calendar year compensation report to the State Controller's Office by April 2022.
- Implemented the new Infor Financial and Payroll enterprise systems.
- Continued use of and improvements to MuniBilling for groundwater, recycled water, and surface water accounts.
- Completed audit of the Valley Water's 2020-2021 parcel tax database to determine if the parcels were assessed/ taxed with the approved assessment methodology.

- Completed annual enrollments for the Safe, Clean Water (SCW) Senior Exemption Program. Increased the number of active seniors in the SCW Senior Exemption Program to over 5,200.
- Completed, produced, and filed the 51st Annual Report on the Protection and Augmentation of Water Supplies.

FY 2023 Milestones

- Facilitate implementation of the Board's 2022-2024 Annual Audit Work Plan.
- Oversee CEO-directed and Board-directed audit contracts and monitor contract expenditures on an ongoing basis.
- Complete the selection of firms to participate in the Board's Auditing Pool.
- Facilitate update of Outcome Measures to reflect current priorities.
- Prepare reports on the status of audits, including the status of implementation of recommendations and opportunities for improvement that are selected to be completed and accomplished throughout the fiscal year.
- Reinitiate performance reporting to the Board upon establishment of new performance measures.
- Initiate Phase 2 of the redeveloped QEMS Internal Audit Program.
- Actively manage $700M+ investment portfolio and $1 billion long-term debt portfolio, $150 million Commercial Paper Program, and $170 million Revolving Line of Credit.
- Issue Water Utility Refunding Revenue Bonds, Series 2022A/B/C with an estimated par amount of $239 million, and Safe, Clean Water Refunding Revenue Bonds, Series 2022A with an estimated par amount of $110 million.
- Submit the letter of interest for the Anderson Dam Seismic Retrofit, Coyote Creek Fish Protection, and Coyote Percolation Dam projects; submit WIFIA loan applications for construction costs; negotiate, execute and implement up to $2.1 billion in WIFIA loan program, subject to Valley Water Board approval for final execution.
- Provide ongoing financial support for various projects, such as the California Delta Conveyance, Countywide Water Reuse Program, Pacheco Reservoir, Sites Reservoir, and Los Vaqueros Reservoir.Actively seek new local, state, and federal grant funding opportunities and manage grants/cost-sharing agreements, as well as the State Flood Subvention Program; prepare quarterly reporting and schedule/claims for allowable expenditures.
- Produce a structurally balanced budget throughout the budget process and finalize the Adopted Biennial Budget Summary in time for Board Adoption on or prior to June 30, on an annual basis. Additionally, distribute the Adopted Budget Summary within one month after Board Adoption or prior to July 1.
- 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. The Budget and Financial Analyses department updates districtwide reserve schedules within 24 hours of any budget adjustment.
- In preparation for each budget pass, produce position file, overhead, and benefit rates. After each budget pass, produce proforma reports, trend data information on selected items, fund target analysis results, and detail budget files (reports are produced in March, April, and May).
- Produce and support the organization with detailed analysis and presentation materials for senior management and Board of Directors meetings and presentations.
- Ensure, and contribute to, the successful implementation of Enterprise Resource Planning in the Financial Planning and Management Services Division.

- Produce a rolling biennial budget process to be updated annually, which is aligned with the guiding State, District Act and Valley Water Policies, and is conducive to long-term planning while remaining responsive to the dynamic and ever-changing needs of the organization.
- Load Adopted Budget to Financial System by July 1 and publish on Valley Water's website by June 30. Additionally, ensure Birst monthly financial reports are correct, within one week of accounting period closing, and finalize and post the budget for Encumbrance Carry Forward and budget for Capital Carry Forward.
- Review Board Agenda materials for accuracy and consistency with financial policy and practices within 24 hours of receipt.
- Finalize the FY2022 Annual Comprehensive Financial Report in accordance with the Governmental Finance Officers Association standards for excellence by December 2022.
- Complete the submission of the State Controller's Report by January 2023.
- Complete the FY2022 audits for Water Utility Funds and the Advance Water Treatment Facility by June 2023.
- Print weekly vendor checks by Thursday afternoon and send them to the mailroom by Friday morning.
- Process and distribute employee paychecks by Thursday morning every other week.
- Meet State and Federal tax reporting requirements for 1099's by January 2023.
- Complete California Employment Development Department Independent Contractor Report DE542 by the end of each month.
- Issue employee W-2's by the end of January 2023.
- Submit the 2022 calendar year compensation report to the State Controller's Office by April 2023.
- Stabilize the new Infor Financial and Payroll enterprise systems.
- Complete the first phase of Development Impact Fee studies for Water Supply and Flood Protection.
- Complete Annual Report on the Protection and Augmentation of Water Supplies (PAWS) by the end of February 2023.

FY 2024 Milestones

- Facilitate implementation of the Board's 2022-2024 Annual Audit Work Plan.
- Oversee CEO-directed and Board-directed audit contracts and monitor contract expenditures on an ongoing basis.
- As directed, prepare reports on the status of audits, including the status of implementation of recommendations and opportunities for improvement that are selected to be completed and accomplished throughout the fiscal year.
- Prepare and submit quarterly Performance Reports to the Board through June 30, 2024.
- Manage the Internal Audit Program and conduct periodic internal audits to confirm compliance.
- Prudently invest District funds while maintaining safety, liquidity and optimizing interest income.
- Manage the District's debt portfolio as well as implement financing strategies to fund Valley Water's capital improvement plan.
- Implement up to $2.1 billion WIFIA loan administration program for Pacheco, Anderson, and Safe, Clean Water projects.
- Issue $220M in refunding debt for the Water Utility Capital projects and $145M for Safe Clean Water Capital projects.
- Actively seek new local, state, and federal grant funding opportunities and manage grants/ cost-sharing agreements, as well as the State Flood Subvention Program; prepare quarterly reporting and schedule/claims for allowable expenditures.

- Continue to successfully deliver the applicable recurring budget annual processes as described under FY 2023 Milestones.
- Contribute to the ongoing refinement of the Enterprise Resource Planning software in the Financial Planning and Management Services Division.
- Continue involvement in the successful project delivery of various software implementation projects for the organization as it relates to budget.
- Finalize the FY2023 Annual Comprehensive Financial Report in accordance with the Governmental Finance Officers Association standards for excellence by December 2023.
- Complete the submission of the State Controller's Report by January 2024.
- Complete the FY2023 audits for Water Utility Funds and the Advance Water Treatment Facility by June 2024.
- Print weekly vendor checks by Thursday afternoon and send them to the mailroom by Friday morning.
- Process and distribute employee paychecks by Thursday morning every other week.
- Meet State and Federal tax reporting requirements for 1099's by January 2024.
- Complete California Employment Development Department Independent Contractor Report DE542 by the end of each month.
- Issue employee W-2's by the end of January 2024.
- Submit the 2023 calendar year compensation report to the State Controller's Office by April 2024.
- Complete Annual Report on the Protection and Augmentation of Water Supplies (PAWS) by the end of February 2024.

Financial Planning and Mgmt Services Division — Budget Summary

Project Type (Category)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	12,796,291	14,299,295	15,862,619	16,638,791
Debt Service	51,363,856	71,264,693	82,350,473	105,352,727
Capital	493,473	748,059	322,370	201,157
Total *	**64,653,620**	**86,312,047**	**98,535,462**	**122,192,675**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Budget and Financial Analyses	2,371,037	2,714,235	2,566,550	2,675,384
Financial Planning and Revenue Collection	2,837,375	2,836,303	3,050,785	3,174,047
General Accounting	4,435,208	4,368,166	5,253,257	5,502,660
Office of CEO Support	250,000	0	0	0
Office of the CFO	1,183,546	2,128,787	2,057,678	2,130,537
Treasury, Debt, and Grants Management	53,576,454	74,264,557	85,607,192	108,710,047
Total *	**64,653,620**	**86,312,047**	**98,535,462**	**122,192,675**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

Financial Planning and Mgmt Services Division - Position Summary

	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Authorized Positions**	**42**	**42**	**45**	**45**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Office of CEO Support					
	Services & Supplies	250,000	0	0	0
Office of CEO Support (105) Total		**250,000**	**0**	**0**	**0**
Treasury, Debt, and Grants Management					
	Services & Supplies	142,467	203,200	532,200	532,200
	Salaries & Benefits	1,478,406	1,515,757	1,748,029	1,904,098
	Intra District Charges	497,397	532,847	673,024	719,864
Treasury, Debt, and Grants Management (106) Total		**2,118,271**	**2,251,804**	**2,953,253**	**3,156,163**
Office of the CFO					
	Services & Supplies	128,433	946,600	797,900	800,160
	Salaries & Benefits	910,930	1,026,702	1,091,495	1,149,970
	Intra District Charges	144,184	155,484	168,283	180,407
Office of the CFO (116) Total		**1,183,546**	**2,128,787**	**2,057,678**	**2,130,537**
Budget and Financial Analyses					
	Services & Supplies	254,219	443,500	222,000	222,000
	Salaries & Benefits	1,831,859	1,972,565	2,034,023	2,124,170
	Intra District Charges	284,959	298,170	310,527	329,214
Budget and Financial Analyses (606) Total		**2,371,037**	**2,714,235**	**2,566,550**	**2,675,384**
General Accounting					
	Services & Supplies	168,210	191,750	312,875	315,318
	Salaries & Benefits	3,409,354	3,651,896	4,350,789	4,561,680
	Intra District Charges	458,499	524,520	589,593	625,662
General Accounting (673) Total		**4,036,062**	**4,368,166**	**5,253,257**	**5,502,660**
Financial Planning and Revenue Collection					
	Services & Supplies	504,876	252,500	275,200	279,200
	Salaries & Benefits	1,538,298	1,664,776	1,746,869	1,833,274
	Intra District Charges	794,200	919,027	1,009,812	1,061,574
Financial Planning and Revenue Collection (683) Total		**2,837,375**	**2,836,303**	**3,031,881**	**3,174,047**
*Operations Total**		**12,796,291**	**14,299,295**	**15,862,619**	**16,638,791**

Debt Service Budget by Department and Account Category

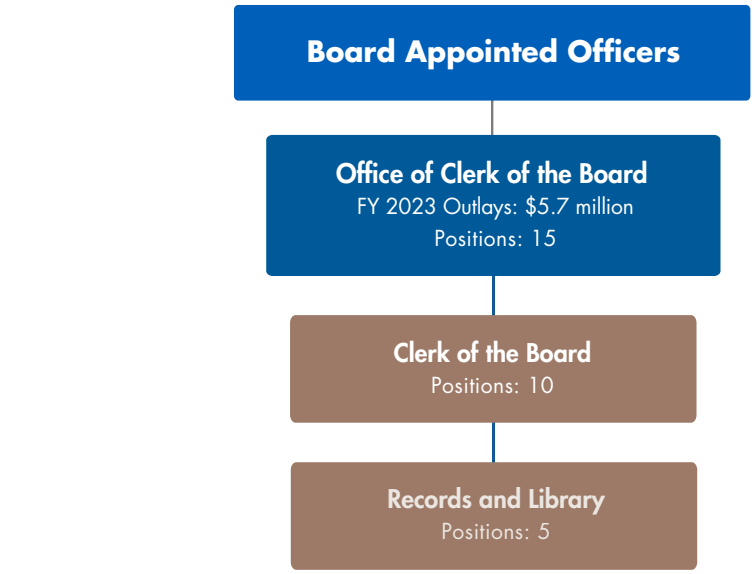
Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Treasury, Debt, and Grants Management					
	Services & Supplies	1,758,451	3,265,251	5,849,371	5,079,371
	Debt Service	49,605,404	67,999,442	76,501,102	100,273,356
Treasury, Debt, and Grants Management (106) Total		**51,363,856**	**71,264,693**	**82,350,473**	**105,352,727**
*Debt Service Total**		**51,363,856**	**71,264,693**	**82,350,473**	**105,352,727**

Capital Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Treasury, Debt, and Grants Management					
	Salaries & Benefits	16,903	61,780	95,508	31,813
	Services & Supplies	68,061	650,000	150,000	150,000
	Intra District Charges	9,363	36,280	57,958	19,343
Treasury, Debt, and Grants Management (106) Total		**94,327**	**748,059**	**303,466**	**201,157**
General Accounting					
	Salaries & Benefits	267,743	0	0	0
	Intra District Charges	131,403	0	0	0
General Accounting (673) Total		**399,146**	**0**	**0**	**0**
Financial Planning and Revenue Collection					
	Salaries & Benefits	0	0	11,789	0
	Intra District Charges	0	0	7,115	0
Financial Planning and Revenue Collection (683) Total		**0**	**0**	**18,904**	**0**
*Capital Total**		**493,473**	**748,059**	**322,370**	**201,157**
Division Total*		**64,653,620**	**86,312,047**	**98,535,462**	**122,192,675**

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

Office of Clerk of the Board





Description and Objectives

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

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

Records & Library Services

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

FY 2022 Accomplishments

- Successfully managed over 35 Regular and Special Board meetings in accordance with the District Act, Board Policies, and the Ralph M. Brown Act.
- Successfully managed over 100 Board Committee Meetings in accordance with Board Policies, and the Ralph M. Brown Act.
- Successfully scheduled over 1,000 meetings for individual Directors.
- Tracked, monitored, and reported on the registration of external lobbyists in accordance with Ordinance 10-01.
- Assigned, tracked, and monitored approximately 250 Board Correspondences.
- Assigned and tracked approximately 20 Board Member Requests and 10 Individual Board Member Requests in accordance with Board Governance Policy EL-2.6.
- Provided secure storage, retrieval, and proper disposition of Valley Water records and reference materials as required.
- Processed approximately 300 requests for records services from Valley Water staff.
- Responded to approximately 400 requests for access to or copies of Valley Water records from members of the public.
- Processed approximately 2,000 Engineering drawings and 200 boxes of records.
- Developed timeline-based research guides to assist staff in locating historical records relevant to various topics of perennial interest.
- Improved access to scanned files formerly stored on microfilm.

FY 2023 Milestones

- Schedule presentation of Board Advisory Committee Accomplishment Reports to the Board of Directors by February 2023.
- Coordinate the Surface Water Charge protest and verification process to be completed no later than May 2023.
- Coordinate and present Board Meeting Compensation information and hearing in January 2023.
- Provide the Board of Directors with a report of registered external lobbyists by August 2022 and February 2023.
- Assign, track, and monitor Board Member Requests, responses and staff performance to ensure compliance with Governance Policy EL-7.9.
- Assign, track, and monitor Board Correspondence to ensure compliance with Governance Policy EL-2.6.
- Post Board and Board Committee meeting agendas in accordance with District Act, Board Governance Policies, and the Ralph M. Brown Act with 100% compliance.
- Coordinate and present Board Performance Management Report in June 2023.
- Prepare responses to legal demands for documents to ensure compliance with state and federal requirements.
- Support internal staff research and reference needs, as requested.
- Assess hardcopy collections in Blossom Hill Annex to improve online accessibility of collections in a cost-effective manner by June 30, 2023.
- Consolidate satellite libraries into the main library.

FY 2024 Milestones

- Schedule presentation of Board Advisory Committee Accomplishment Reports to the Board of Directors by February 2024.
- Coordinate the Surface Water Charge protest and verification process to be completed no later than May 2024.
- Coordinate and present Board Meeting Compensation information and hearing in January 2024.
- Provide the Board of Directors with a report of registered external lobbyists by August 2023 and February 2024.
- Assign, track, and monitor Board Member Requests, responses and staff performance to ensure compliance with Governance Policy EL-7.9.
- Assign, track, and monitor Board Correspondence to ensure compliance with Governance Policy EL-2.6.
- Post Board and Board Committee meeting agendas in accordance with District Act, Board Governance Policies, and the Ralph M. Brown Act with 100% compliance.
- Coordinate and present Board Performance Management Report in June 2024.
- Prepare responses to legal demands for documents to ensure compliance with state and federal requirements.
- Support internal staff research and reference needs, as requested.
- Assess hardcopy collections in Blossom Hill Annex to improve online accessibility of collections in a cost-effective manner by June 30, 2024.

Office of Clerk of the Board — Budget Summary

Project Type (Category)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	7,231,550	4,424,283	5,687,954	4,849,882
Operating Project	382	0	0	0
Total *	**7,231,932**	**4,424,283**	**5,687,954**	**4,849,882**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Office of Clerk of the Board	6,029,393	3,188,991	4,435,847	3,546,293
Records and Library Services	1,202,539	1,235,291	1,252,107	1,303,590
Total *	**7,231,932**	**4,424,283**	**5,687,954**	**4,849,882**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

Office of Clerk of the Board - Position Summary

	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Authorized Positions**	**16**	**15**	**15**	**15**

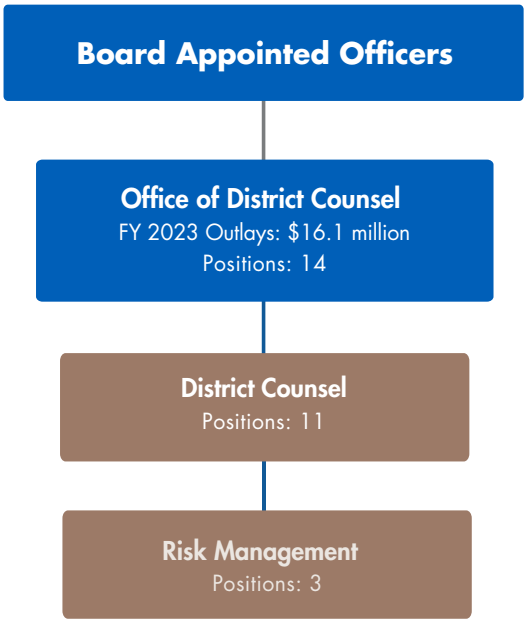
** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Org Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Office of Clerk of the Board					
	Salaries & Benefits	1,939,033	2,181,693	2,289,780	2,419,423
	Services & Supplies	3,783,786	685,900	1,802,100	757,125
	Intra District Charges	306,573	321,398	343,967	369,744
Office of Clerk of the Board (604) Total		**6,029,393**	**3,188,991**	**4,435,847**	**3,546,293**
Records and Library Services					
	Salaries & Benefits	960,944	968,765	998,500	1,041,033
	Services & Supplies	86,001	120,200	100,200	100,200
	Intra District Charges	155,595	146,326	153,407	162,356
Records and Library Services (765) Total		**1,202,539**	**1,235,291**	**1,252,107**	**1,303,590**
*Operations Total**		**7,231,932**	**4,424,283**	**5,687,954**	**4,849,882**
Division Total*		**7,231,932**	**4,424,283**	**5,687,954**	**4,849,882**

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

Office of District Counsel





Description and Objectives

The Office of District Counsel provides professional, timely, and strategic legal advice to and representation of Valley Water and its Board of Directors, officers, and employees. 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 Risk Management Program is to protect Valley Water's assets by identifying and evaluating loss exposures and applying effective risk management techniques to reduce or eliminate risk. Specifically, the department is tasked with the management of Valley Water's Workers Compensation program and risk retention (self-insurance) and risk transfer (insurance) programs to cost-effectively maximize coverage and to comply with Board Governance policies.

FY 2022 Accomplishments

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

FY 2023 Milestones

- Continue providing timely legal advice to Valley Water, the Board, and Valley Water's officers and employees when acting in their official capacities.
- Provide continued legal advice and support to Valley Water regarding COVID-19 and return-to-work matters.
- Provide environmental legal advice and representation as to the FAHCE settlement agreement.
- Serve as counsel or co-counsel in all Valley Water litigation matters.
- Provide legal advice and services on labor relations matters, including representing management in labor arbitrations.
- Provide legal advice and services on all transactional matters.
- Provide legal advice regarding imported water matters including, drought impacts, water transfer agreements, and litigation.
- Implement agreed-upon FY23 measures to address audit findings and recommendations.
- Provide legal advice to Valley Water regarding ongoing capital projects, including the Anderson Dam Tunnel Project, the Pacheco Reservoir Expansion Project, and the Purified Water P3 Project.
- Provide a quarterly Executive Monitoring Report to the Board of Directors.
- Placement of Excess Workers Compensation Insurance Policy by February 1, 2023.
- Post Cal/OSHA Log 300 February 1 through April 30, 2023.
- Report Valley Water injuries/illnesses at monthly Safety Committee meetings.
- Conduct monthly Open Liability Claims review.
- Organize quarterly W/C claim file reviews.
- Interface with TPA and state governmental entities to ensure Valley Water compliance with new medical set-aside regulations.
- Provide periodic comprehensive reports detailing the progress of the W/C program.
- Secure Non-Owned Aircraft Policy by February 1, 2023.
- Secure Excess Liability Policies by May 1, 2023.
- Secure Drone Policy by May 22, 2023.
- Secure Cyber Liability Policy by June 1, 2023.
- Secure Property Insurance Policy by June 30, 2023.
- Review all policies for coverage and accuracy by June 30, 2023.
- Serve as the main point of contact between Valley Water and its vendors related to claim activity.
- Work with legal counsel, TPA, District Counsel, and staff to provide support for litigation process and ready cases for trial or settlement.

FY 2024 Milestones

- Continue providing timely legal advice to Valley Water, the Board, and Valley Water's officers and employees when acting in their official capacities.
- Provide environmental legal advice and representation as to the FAHCE settlement agreement.
- Serve as counsel or co-counsel in all Valley Water litigation matters.
- Provide legal advice and services on labor relations matters, including representing management in labor arbitrations.
- Provide legal advice and services on all transactional matters.

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

Office of District Counsel — Budget Summary

Project Type (Category)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	8,983,291	10,194,895	13,541,679	14,023,773
Operating Project	187,316	50,000	50,000	50,000
Capital	1,584,456	1,957,000	2,541,000	1,596,000
Total *	**10,755,063**	**12,201,895**	**16,132,679**	**15,669,773**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Office of District Counsel	6,625,362	8,272,059	9,380,132	8,555,798
Risk Management	4,129,700	3,929,835	6,752,547	7,113,975
Total *	**10,755,063**	**12,201,895**	**16,132,679**	**15,669,773**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

Office of District Counsel - Position Summary

	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Authorized Positions**	13	13	14	14

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Office of District Counsel					
	Salaries & Benefits	3,401,695	3,432,111	3,902,852	4,174,560
	Services & Supplies	1,118,602	2,333,000	2,302,000	2,092,000
	Intra District Charges	520,610	549,948	634,280	693,238
Office of District Counsel (112) Total		**5,040,907**	**6,315,059**	**6,839,132**	**6,959,798**
Risk Management					
	Salaries & Benefits	747,999	768,647	795,399	823,766
	Services & Supplies	2,999,004	2,742,300	5,517,050	5,838,475
	Intra District Charges	382,697	418,889	440,098	451,734
Risk Management (113) Total		**4,129,700**	**3,929,835**	**6,752,547**	**7,113,975**
*Operations Total**		**9,170,607**	**10,244,895**	**13,591,679**	**14,073,773**

Capital Budget by Department and Account Category

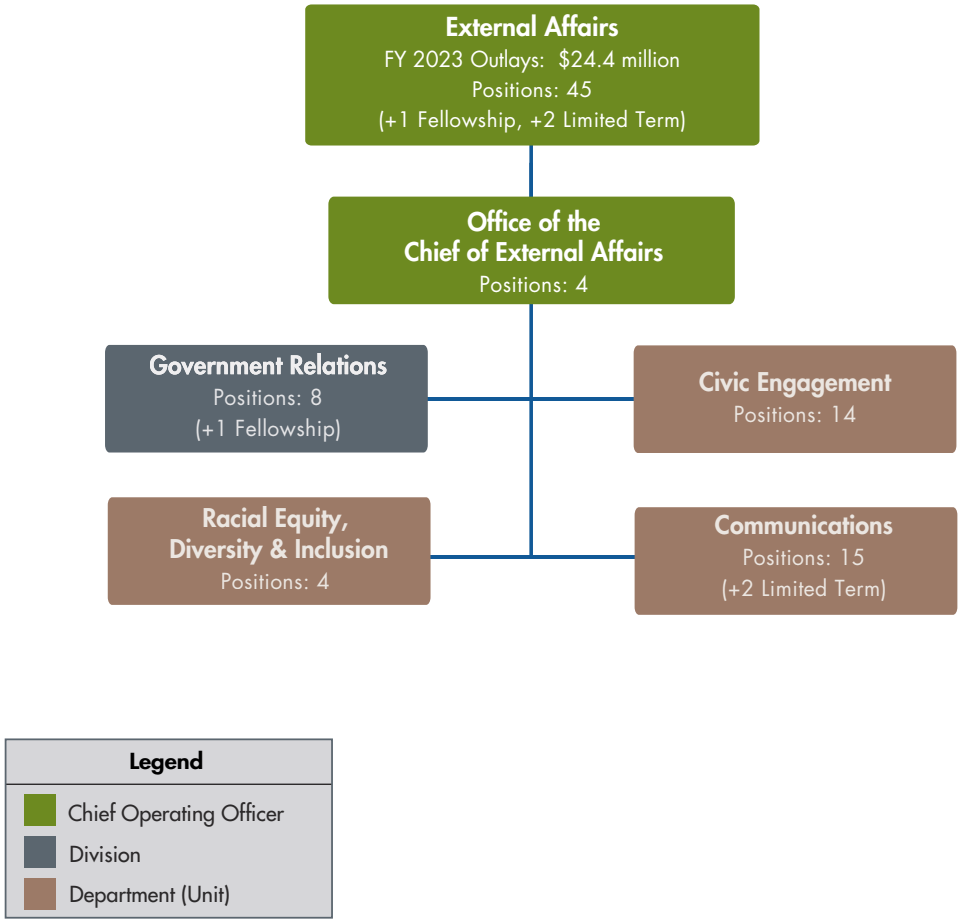
Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Office of District Counsel					
	Services & Supplies	1,584,456	1,957,000	2,541,000	1,596,000
Office of District Counsel (112) Total		**1,584,456**	**1,957,000**	**2,541,000**	**1,596,000**
*Capital Total**		**1,584,456**	**1,957,000**	**2,541,000**	**1,596,000**
Division Total*		**10,755,063**	**12,201,895**	**16,132,679**	**15,669,773**

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

External Affairs

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

Office of Chief of External Affairs



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 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 REDI serves to strengthen and expand Valley Water's ability to deliver innovative services through the development, implementation and oversight of policies to advance equity, diversity and inclusion (DEI) efforts. Through collaborations with internal stakeholders, REDI works to help attract, retain and promote a diverse and talented workforce. In addition to leading Valley Water's efforts on racial equity, diversity and inclusion internally, REDI also helps to promote environmental justice externally to all the communities Valley Water serves and fosters engagement with local tribal communities. REDI initiates DEI training efforts and hosts cultural speaker engagements to increase staff awareness of underserved communities. REDI also serves to guide and support the work of Valley Water's Employee Resource Groups.

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 2022 Accomplishments

- Worked closely with Members of Congress to influence the bipartisan infrastructure bill to ensure that it included funding and policies that advance Valley Water projects and priorities. The bill included several provisions that staff helped to shape, including $450M for a new large-scale water recycling program and a new source of funding for water storage projects that the Pacheco Reservoir Expansion Project could potentially access.

- Legislation - AB 271 Timely, Safe, & Expert Construction for Anderson Dam: Valley Water's sponsored bill to authorize the Anderson Dam Seismic Retrofit Project for use of the "best value" method of contractor selection, AB 271, was introduced on January 19, 2021. Due to the COVID-19 pandemic, the Legislature is limiting the number of bills that will be heard in policy committees. Staff successfully advocated both for the need for the bill and for its enactment in 2021, and the bill was signed by Governor Newsom on July 9, 2021.
- Since the Valley Water Board's declaration of a Water Shortage Emergency Condition on June 9, 2021, the Office of Government Relations has been proactively engaging municipalities to join us in the call for our community to conserve 15%. To date, the County of Santa Clara and 13 cities in Santa Clara County have taken action to their Councils in response to the drought emergency and to Valley Water's call to reduce water use by 15% compared to 2019 levels.
- Worked with the Youth Commission to launch a Drought Awareness Toolkit targeting high school age students.
- Partnered with Sacred Heart Community Service to launch the Low-Income Residential Water Rate Assistance Program which was renewed for another year in April 2022.
- Began implementation on all 11 grant audit recommendations, including working with a consultant to develop grants manuals and operational guides.
- Initiated baseline Diversity, Equity & Inclusion (DEI) training for all Valley Water Board members as well as the leadership team.
- Led the development and adoption process for a new Environmental Justice (EJ) impact statement section on all Board Agenda Memos, an important first step towards institutionalizing EJ across agency work products.
- Established initial contact with a local tribe, and fostered ongoing engagement with two others, in alignment with Valley Water's goal to develop ongoing partnerships and collaborations with local tribal communities.
- Staff produced and posted 74 videos on social media, including two public service announcement videos featuring the San Francisco 49ers and the San Jose Sharks, marking the first time in Valley Water history that our purified water promotions received public support from two national league teams. All those videos garnered about 3.9 million total video views.
- Staff supported 51 Board member-led Speaker Bureau presentations focused on the drought, water supply, and water conservation.
- Several significant events that prompted local, state and national media attention were promoted and hosted by staff, including the Anderson Dam Tunnel Project Groundbreaking, the Purified Water Project news conference, Graywater and Landscape Rebate program media availability events, the San Francisco Bay Shoreline Project Groundbreaking and the Water Conservation press event with Secretary of Natural Resources Wade Crowfoot.

FY 2023 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.
- Work with local municipalities to adopt additional water conservation measures with possible enforcement to help achieve the Board's call for a 15% water use reduction.
- Coordinate the Sacramento and D.C. advocacy trips, with our state and federal officials to advocate for Valley Water's funding and legislative priorities.
- Coordinate completion of DEI baseline training for Valley Water leadership (Board of Directors & Leadership Team).
- Usher adoption of ERG policy and clarify ERG guidelines and resources, including training for ERG leaders and executive sponsors, in support of greater alignments between ERGs and organizational DEI objectives.
- Engage the environmental justice working group in the development of criteria and standards for environmental justice for the community Valley Water serves.

- Reach over 1,000 members of the public through the water supply outreach tour program and increase stakeholder outreach, engagement and support for the purified water project.
- Reach over 10,000 students and educators through in-person and virtual presentations.
- Complete the pilot Mural Project with the Youth Commission.
- Continue building ambassador support and community leaders through the Water 101 Academy by recruiting new participants and retaining their attendance and engagement.
- Host National River Cleanup and Coastal Cleanup Days.
- Staff will manage effective PR campaigns and media outreach to communicate Valley Water projects, programs and responses, including the extreme drought.
- Community outreach through public meetings and other forums will be held to inform the public and stakeholders about projects impacting their communities, including the Coyote Creek Flood Protection Project and Anderson Dam Seismic Retrofit Project.
- Internal communications will prioritize keeping employees informed of both internal and external programs, projects and issues facing Valley Water.
- Graphic Services will provide support for all projects and programs to create engaging content while meeting branding standards for the agency.

FY 2024 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.
- Work with local municipalities to adopt additional water conservation measures with possible enforcement to help achieve the Board's call for a 15% water use reduction.
- Coordinate the Sacramento and D.C. advocacy trips, with our state and federal officials to advocate for Valley Water's funding and legislative priorities.
- Assess the initial implementation of racial equity, diversity and inclusion strategic 5-year master plan and DEI action plans to measure progress and the need for realignment.
- Develop and implement policies, training, and activities to advance equity, diversity and inclusion throughout the organization and with the community.
- Lead Employee Resource Groups and assist them with their individual missions.
- Launch the Grants Program Redesign.
- Continue stakeholder engagement and outreach to garner ongoing support for the Purified Water Project through active tours and presentations.
- Continue building ambassador support and community leaders through the Water 101 Academy by recruiting new participants and retaining their attendance and engagement.
- Host National River Cleanup and Coastal Cleanup Days.
- Staff will continue to manage effective PR campaigns and media outreach to communicate Valley Water projects, programs and responses, including the extreme drought.
- Community outreach through public meetings and other forums will be held to inform the public and stakeholders about projects impacting their communities, including the Coyote Creek Flood Protection Project and Anderson Dam Seismic Retrofit Project.
- Internal communications will prioritize keeping employees informed of both internal and external programs, projects and issues facing Valley Water.

- Graphic Services will provide support for all projects and programs to create engaging content while meeting branding standards for the agency.

Office of Chief of External Affairs — Budget Summary

Project Type (Category)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	16,608,052	19,935,249	22,821,845	23,828,927
Operating Project	0	0	1,225,000	0
Capital	116,329	353,592	325,357	345,918
Total *	**16,724,381**	**20,288,841**	**24,372,202**	**24,174,845**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Office of Chief of External Affairs	1,292,608	1,557,964	1,639,347	1,737,579
Office of Civic Engagement	5,747,619	7,390,124	8,971,365	8,139,606
Office of Communications	5,383,635	6,111,638	8,274,784	8,608,640
Office of Government Relations	3,821,892	3,866,374	4,160,924	4,335,611
Office of Racial Equity Diversity and Inclusion	478,627	1,362,741	1,325,781	1,353,410
Total *	**16,724,381**	**20,288,841**	**24,372,202**	**24,174,845**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

Office of Chief of External Affairs - Position Summary

	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Authorized Positions**	**39**	**45**	**45**	**45**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Office of Chief of External Affairs					
	Salaries & Benefits	1,013,479	1,219,519	1,265,127	1,346,334
	Services & Supplies	106,406	149,700	176,100	176,100
	Intra District Charges	172,723	188,745	198,121	215,145
Office of Chief of External Affairs (107) Total		**1,292,608**	**1,557,964**	**1,639,347**	**1,737,579**
Office of Government Relations					
	Salaries & Benefits	1,913,967	2,208,496	2,402,596	2,549,834
	Services & Supplies	1,610,605	1,346,380	1,414,070	1,414,070
	Intra District Charges	297,320	311,498	344,258	371,707
Office of Government Relations (152) Total		**3,821,892**	**3,866,374**	**4,160,924**	**4,335,611**
Office of Civic Engagement					
	Salaries & Benefits	2,498,230	2,994,951	3,121,912	3,312,448
	Services & Supplies	2,414,248	3,255,655	4,636,028	3,528,028
	Intra District Charges	822,922	1,050,351	1,124,661	1,206,208
Office of Civic Engagement (153) Total		**5,735,400**	**7,300,957**	**8,882,601**	**8,046,683**
Office of Racial Equity Diversity and Inclusion					
	Salaries & Benefits	351,332	902,745	896,373	955,742
	Services & Supplies	81,691	316,300	280,600	235,600
	Intra District Charges	45,604	143,696	148,808	162,068
Office of Racial Equity Diversity and Inclusion (156) Total		**478,627**	**1,362,741**	**1,325,781**	**1,353,410**
Office of Communications					
	Salaries & Benefits	2,837,419	3,301,576	3,811,463	4,012,097
	Services & Supplies	1,638,383	1,612,400	2,994,366	3,039,263
	Intra District Charges	803,723	933,237	1,232,363	1,304,284
Office of Communications (172) Total		**5,279,524**	**5,847,212**	**8,038,191**	**8,355,644**
Operations Total[*]		**16,608,052**	**19,935,249**	**24,046,845**	**23,828,927**

Capital Budget by Department and Account Category

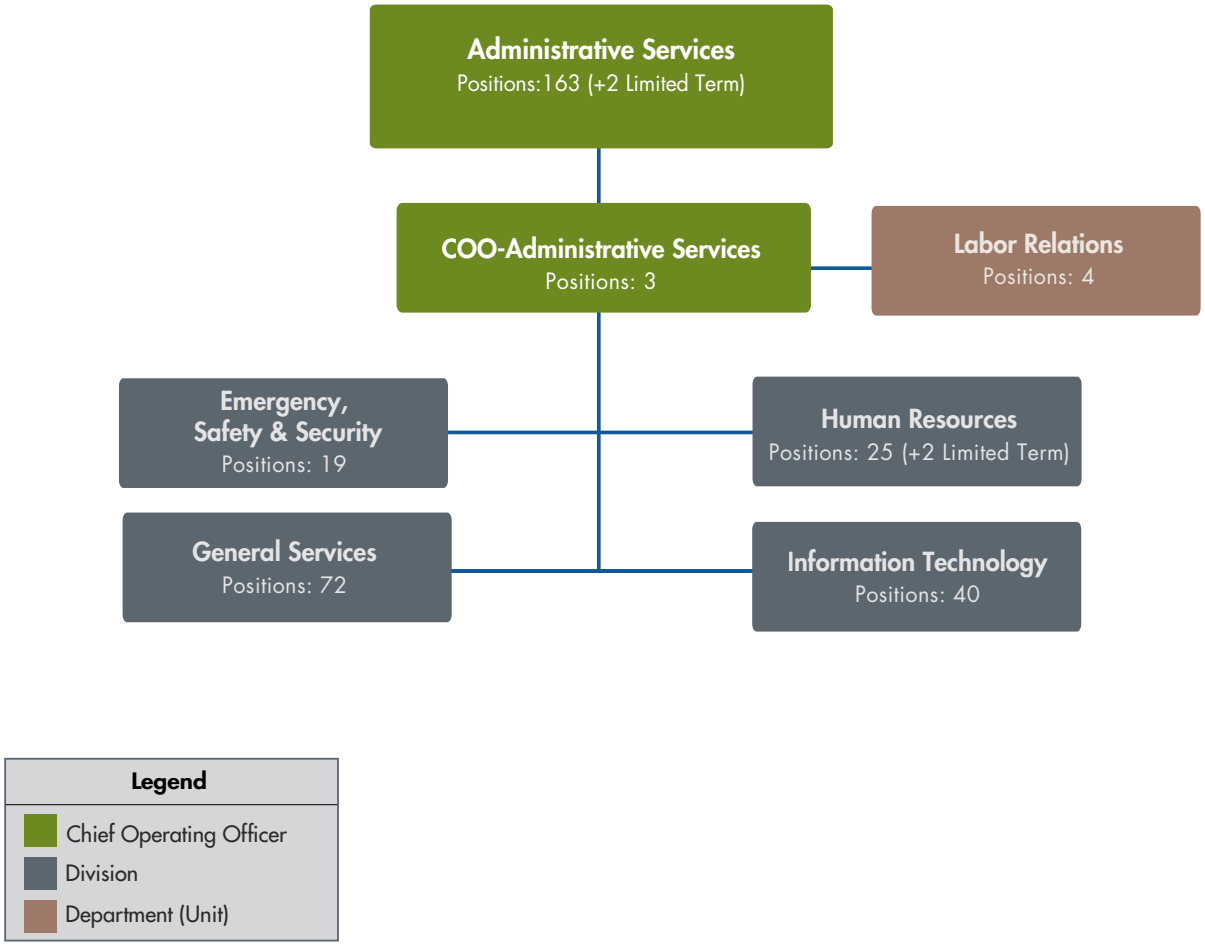
Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Office of Civic Engagement					
	Salaries & Benefits	7,835	44,282	43,464	45,968
	Intra District Charges	4,304	26,485	26,901	28,555
	Services & Supplies	80	18,400	18,400	18,400
Office of Civic Engagement (153) Total		**12,219**	**89,167**	**88,765**	**92,922**

Capital Budget by Department and Account Category (Continued)

Department	*Account Category*	*FY 2021 Budgetary Actual*	*FY 2022 Adopted $*	*FY 2023 Adopted $*	*FY 2024 Plan $*
Office of Communications					
	Salaries & Benefits	56,323	123,774	120,517	127,642
	Intra District Charges	28,842	70,651	69,575	73,853
	Services & Supplies	18,945	70,000	46,500	51,500
Office of Communications (172) Total		**104,110**	**264,425**	**236,592**	**252,995**
Capital Total*		**116,329**	**353,592**	**325,357**	**345,918**
Division Total*		**16,724,381**	**20,288,841**	**24,372,202**	**24,174,845**

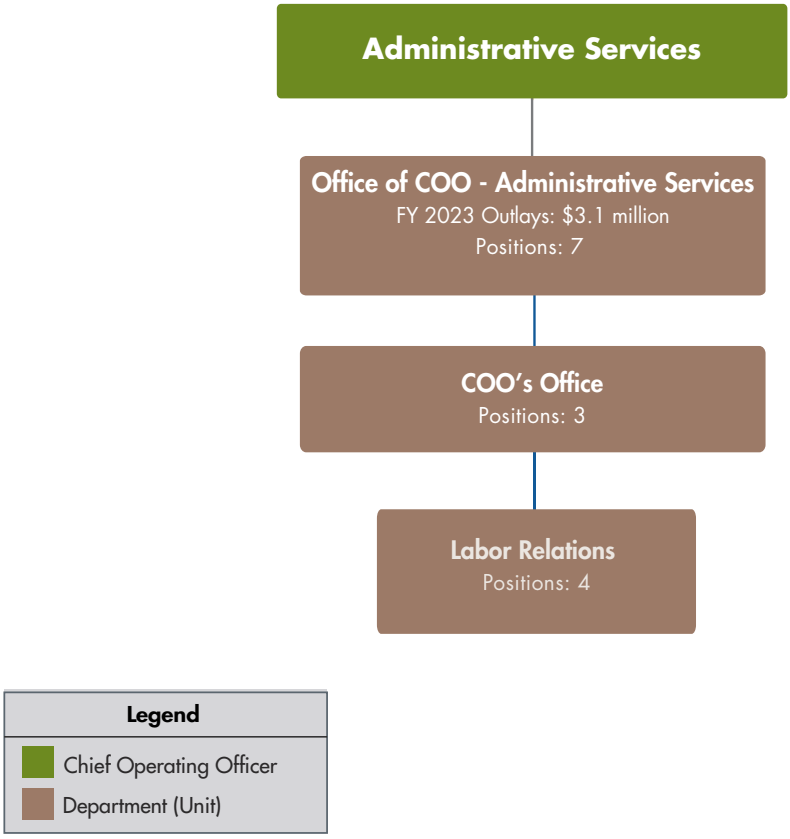
* Totals reflect the gross budget and includes intra-district reimbursement charges.

Administrative Services



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

Office of COO Administrative Services



Description and Objectives

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

Labor Relations

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

FY 2022 Accomplishments

Provided leadership and support for all the administrative needs of Valley Water including oversight over Emergency, Safety & Security, General Services, Information Technology, Human Resources, and Labor Relations. Accomplishments of the Emergency, Safety & Security, General Services, Human Resources, and Information Technology are listed within the budget sections of those departments. The following is the list of accomplishments for Labor Relations:

- Completed Performance Improvement training for all Managers (February 2022).
- Initiated Disciplinary Action Training for all managers (April 2022).
- Implemented Telework Policy.
- Worked with staff and bargaining units concerning return to work logistics due to COVID-19 pandemic.
- Facilitated and implemented multiple re-organizations and vacant position reclassification requests across agency and bargaining units.
- Facilitated multiple training opportunities for managers and supervisors through Liebert Cassidy Whitmore consortium membership.
- Commenced project to develop training on Labor Relations issues to managers and supervisors at Valley Water.
- Negotiated multiple Limited Term positions across agency and bargaining units.
- Negotiated 2022-2025 Memorandum of Understanding (MOUs) with Employees Association, Engineers Society and Professional Managers Association Bargaining Units.

FY 2023 Milestones

- Initiate MOU training, geared towards HR and Finance in August 2022.
- Initiate RA training for managers in January 2023.

FY 2024 Milestones

- Continue developing and providing supervisor/manager training.

Office of COO Administrative Services — Budget Summary

Project Type (Category)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	1,784,252	2,517,540	3,141,798	3,293,442
Total *	**1,784,252**	**2,517,540**	**3,141,798**	**3,293,442**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Labor Relations	799,765	988,868	1,372,725	1,445,435
Office of COO Administrative Services	984,488	1,528,672	1,769,073	1,848,007
Total *	**1,784,252**	**2,517,540**	**3,141,798**	**3,293,442**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

Office of COO Administrative Services - Position Summary

	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Authorized Positions**	8	6	7	7

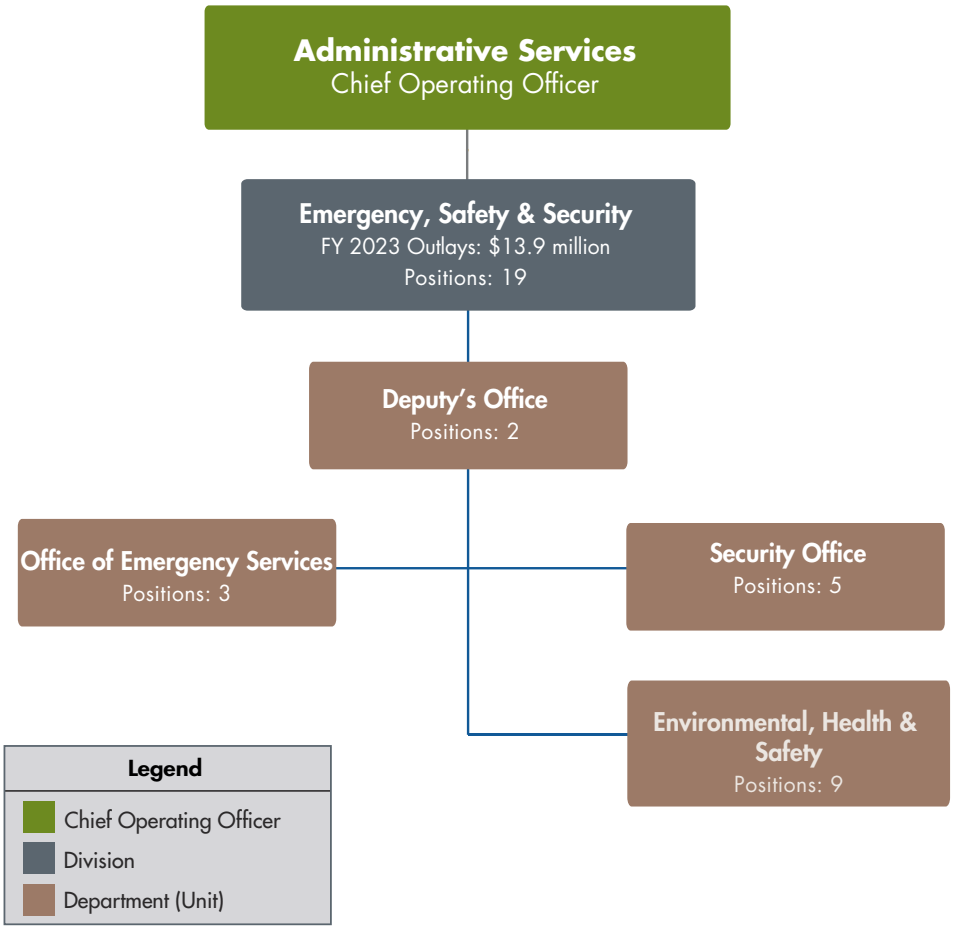
** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Office of COO Administrative Services					
	Salaries & Benefits	773,536	865,587	935,093	1,000,304
	Services & Supplies	5,239	527,810	684,810	684,810
	Intra District Charges	205,712	135,275	149,170	162,893
Office of COO Administrative Services (602) Total		**984,488**	**1,528,672**	**1,769,073**	**1,848,007**
Labor Relations					
	Salaries & Benefits	664,061	808,412	1,027,752	1,080,696
	Services & Supplies	20,822	54,600	182,600	191,300
	Intra District Charges	114,882	125,856	162,374	173,439
Labor Relations (917) Total		**799,765**	**988,868**	**1,372,725**	**1,445,435**
*Operations Total**		**1,784,252**	**2,517,540**	**3,141,798**	**3,293,442**
Division Total*		**1,784,252**	**2,517,540**	**3,141,798**	**3,293,442**

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

Emergency, Safety and Security Division



Division Description and Objectives

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

Office of Emergency Services

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

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

Environmental, Health & Safety Services

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

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

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

Security Office

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

FY 2022 Accomplishments

Office of Emergency Services

- Conducted Annual Winter Preparedness Workshop with external stakeholders.
- Developed Pandemic and Infectious Disease Plan to support business continuity during public health emergency.
- Completed Annual Local Hazard Mitigation Plan status report produced.
- Implemented "Do 1 Thing" monthly preparedness communications in NYCU for Valley Water staff.
- Completed annual review and update to Valley Water Emergency Operations Plan.
- Upgraded Emergency Operations Center (EOC), build out of new Alternate EOC (Blossom Hill Annex).
- Conducted Annual EOC and Emergency Action Plan (EAP) Training and Exercise events.
- Developed Stream/Flood EAP for San Tomas Aquino Creek.
- Established Emergency Steering Committee for Valley Water.
- Coordinated EOC Activation for Drought.
- Continued coordination of EOC Activation for Coronavirus/COVID-19 Pandemic, EOC implemented virtually to support social distancing.

Environmental, Health & Safety Services

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

Security Office

- Developed a Security Drone Program.
- Developed Pandemic and Infectious Disease Security Plan to support business continuity during public health emergency.
- Implemented the Key Control management system.
- Completed annual review on FERC security compliance inspection, and participated Security Table-Top and Full-Exercise in Leroy-Anderson Dam.
- Upgraded Security Operations Center (EOC) Audio/Video system.
- Established an Active Shooter Program.
- Updated Annual District Threat Assessment, and participated in local and regional Threat Working Groups.
- Established 24/7 Security Guards at Drinking Water Treatment Plants.
- Facilitated three Department of Homeland vulnerability assessments on Valley Water critical assets.
- Installed encrypted access badges to enhance access control for District Wide Security.
- Coordinated with EOC Activation during the Coronavirus/COVID-19 Pandemic, supporting social distancing mandates.
- Installed a CCTV based Intrusion Detection System at Pacheco Pass Pumping Plant.

FY 2023 Milestones

Office of Emergency Services

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

Environmental, Health & Safety Services

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

Security Office

- Approval and planning phase Implementation of the Water Security Enhancement Capitol Project.
- Implementation of the Homeless Abatement Program SO Support Piece.
- Extend Active Shooter Defense Training down to unit managers.
- Initiate encrypted access card replacement program.

FY 2024 Milestones

Office of Emergency Services

- Conduct Annual Winter Preparedness Workshop with external stakeholders.
- Conduct annual review of Emergency Operations Plan and update as appropriate.
- Produce Annual Local Hazard Mitigation Plan status report.
- Implement "Do 1 Thing" monthly preparedness communications in News You Can Use for Valley Water staff.
- Maintain EOC Facilities and Systems.
- Continued development of Flood EAPs.
- Conduct Annual EOC and Emergency Action Plan (EAP) Training and Exercise events.
- Manage Emergency Steering Committee for Valley Water.
- Manage OES On Call program.

Environmental, Health & Safety Services

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

Security Office

- Completion of the Security Enhancement Capitol Project.
- Staff Training on new access control and CCTV/IDS systems.
- Statistical Analysis of Homeless Abatement Program Information.

Budget Issues and Constraints

Office of Emergency Services

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

Environmental, Health & Safety Services

The efforts required to prepare for, respond to, mitigate, and recover from the increasing spread of COVID-19 such as: staffing salaries and benefits, regulatory permit fees, hazardous waste disposal fees, regulatory training costs, District-wide safety supplies, and safety equipment purchases and rentals.

Security Office

- Security Staff and Guard Force do not have law enforcement powers and are not armed greatly limiting response to potential high-order threats.
- Unable to immediately replace the antiquated and decaying CCTV and access control system separate from the Capitol Project approval process.
- SO coordinates with Information Technology Services; but does not direct, plan, or implement cyber, SCADA, or computer data security.
- COVID-19 health mandates impede Homeless Encampment Abatement Initiatives.

Emergency, Safety and Security Division — Budget Summary

Project Type (Category)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	10,145,810	12,215,944	13,420,454	14,301,863
Capital	148,815	229,581	509,723	533,157
Total *	**10,294,625**	**12,445,524**	**13,930,177**	**14,835,020**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Deputy's Office of Emergency Safety & Security Division	219,604	768,362	828,234	896,252
Environmental, Health & Safety	3,850,002	4,161,521	4,334,431	4,511,233
Office of Emergency Services	4,900,428	2,165,992	2,157,103	2,189,214
Security Office	1,324,591	5,349,649	6,610,409	7,238,321
Total *	**10,294,625**	**12,445,524**	**13,930,177**	**14,835,020**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

Emergency, Safety and Security Division - Position Summary

	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Authorized Positions**	**17**	**19**	**19**	**19**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Organizational Chart.

Operations Budget by Department and Account Category

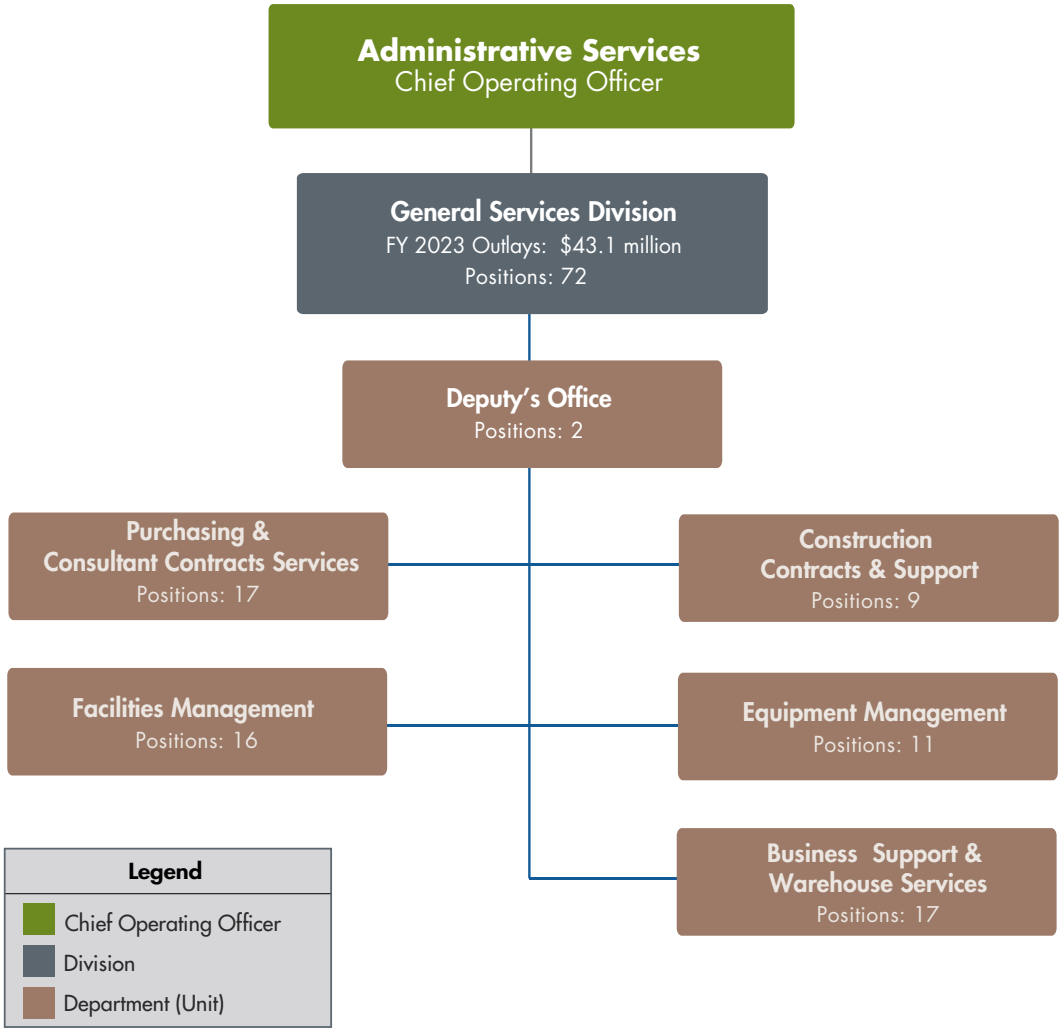
Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Office of Emergency Services					
	Salaries & Benefits	1,403,493	822,298	799,541	838,111
	Services & Supplies	2,911,663	927,250	916,000	886,000
	Intra District Charges	475,365	416,444	441,562	465,103
Office of Emergency Services (219) Total		**4,790,521**	**2,165,992**	**2,157,103**	**2,189,214**
Deputy's Office of Emergency Safety & Security Division					
	Salaries & Benefits	148,895	485,818	513,512	554,053
	Services & Supplies	414	0	0	0
	Intra District Charges	70,295	282,544	314,722	342,199
Deputy's Office of Emergency Safety & Security Division (220) Total		**219,604**	**768,362**	**828,234**	**896,252**
Security Office					
	Salaries & Benefits	225,188	1,242,137	1,150,241	1,202,151
	Services & Supplies	1,036,212	3,706,300	4,795,413	5,338,114
	Intra District Charges	24,687	171,632	155,031	164,898
Security Office (221) Total		**1,286,087**	**5,120,069**	**6,100,686**	**6,705,164**
Environmental, Health & Safety					
	Salaries & Benefits	2,016,197	2,102,583	2,168,381	2,272,344
	Services & Supplies	784,481	862,455	922,855	937,855
	Intra District Charges	1,048,920	1,196,483	1,243,194	1,301,034
Environmental, Health & Safety (916) Total		**3,849,598**	**4,161,521**	**4,334,431**	**4,511,233**
*Operations Total**		**10,145,810**	**12,215,944**	**13,420,454**	**14,301,863**

Capital Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Office of Emergency Services					
	Services & Supplies	109,907	0	0	0
Office of Emergency Services (219) Total		**109,907**	**0**	**0**	**0**
Security Office					
	Salaries & Benefits	0	18,573	270,714	283,531
	Services & Supplies	38,504	200,000	198,634	206,715
	Intra District Charges	0	11,007	40,375	42,911
Security Office (221) Total		**38,504**	**229,581**	**509,723**	**533,157**
Environmental, Health & Safety					
	Salaries & Benefits	249	0	0	0
	Intra District Charges	154	0	0	0
Environmental, Health & Safety (916) Total		**404**	**0**	**0**	**0**
Capital Total*		**148,815**	**229,581**	**509,723**	**533,157**
Division Total*		**10,294,625**	**12,445,524**	**13,930,177**	**14,835,020**

* 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 purchasing of goods and consultant services, construction contract 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

Construction Contracts and Support Department provides analytical support for both Water Utility Enterprise and Watershed capital projects including benchmarking and status reports. It is responsible for solicitation and contract award of public works projects over $50,000 and provides labor compliance support during construction.

Business Support, and Warehouse Services

Business Support & Warehouse Department provides operational support including switchboard, mail delivery, reprographic, word processing, forms, and inventory control services. It serves as the central receiving and distribution point for the organization.

Purchasing and Consultant Contracts Services

Purchasing and Consultant Contract Department provides strategic and technical sourcing for the purchase and acquisition of all goods, services, consulting services and contracts. Manages the competitive solicitations for all goods and services exceeding $50,000 and consulting and contract services exceeding $225,000 and provides guidance for contract administration and support.

Equipment Management

Equipment Management Department provides District-wide fleet and welding services.

Facilities Management

Facilities Management Department maintains, renews, and upgrades Valley Water buildings and grounds.

FY 2022 Accomplishments

- The Construction Contracts and Support Department developed monthly status reports for construction projects; advertised/bided/awarded for 15 projects with a construction value of over $750M.
- The Business Support and Warehouse Services Department implemented an online uniform ordering system with an external vendor, saving processing and reporting time. Updated and standardized unit intranet sites to ensure information is accurate and easy to locate. Implemented Infor ERP software solution for Winfield Warehouse and Fleet inventory. Implemented inventory management of Fleet parts to align with the needs of Valley Water operations resulting in cost and time savings.
- The Purchasing and Consultant Contracts Department transitioned to a new Procurement Portal, Planet Bids, (from CAS). Implemented new ERP (Infor). Continue to utilize new Contract Process Improvements to respond efficiently and effectively to District consultant contract requirements as well as identify additional process improvements aligned with best practices.
- The Equipment Management Department surpluses replaced 23 vehicles and 1 pieces of construction equipment in accordance with the 12-year or 125,000-mile replacement criteria and 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.

- The Facilities Department worked with group for the Employee Workspace project to achieve maximizing workspace and achieved operational facilities related efficiencies, installed new Patio at Blossom Hill Annex, renovated Maintenance Office and Headquarters various sites, re-roofed Rinconada Water Treatment Plant, Blossom Hill Annex and Crest Office, and upgraded HVAC for Fleet shop upgrades.

FY 2023 Milestones

- The Construction Contracts and Support Department will continue to develop monthly status reports for all Capital Projects; advertise/bid/award for 10 projects with a construction value of over $770M.
- The Business Support & Warehouse Department will maintain consistent communication with Clerk of the Board, CEO, Communications, Government Relations, Water Conservation, Watersheds, Capital, and Water Utility regarding upcoming projects. Complete general job requests within five business days, large or complex jobs/reports within two weeks, and rush jobs within 2-3 days. Produce high-quality deliverables within customer deadlines. Upgrade Mail Center Equipment for more efficient performance and cost savings. Perform an annual physical inventory and associated reports.
- The Purchasing and Consultant Contracts Department will Expand the PCard program to further streamline purchases, and revise Travel Policy to include utilization of CalTravel Store for further efficiencies.
- The Equipment Management Department will replace 29 vehicles in accordance with the 12-year or 125,000-mile replacement criteria.
- The Facilities Management Department will continue maximizing workspace to achieve operational efficiencies and implement water, energy & regulatory compliance.

FY 2024 Milestones

- The Construction Contracts and Support Department will continue to develop monthly status reports for all Capital Projects; advertise/bid/award for 10 projects with a construction value of over $770M.
- The Business Support & Warehouse Department will maintain consistent communication with Clerk of the Board, CEO, Communications, Government Relations, Water Conservation, Watersheds, Capital, and Water Utility regarding upcoming projects. Complete general job requests within five business days, large or complex jobs/reports within two weeks, and rush jobs within 2-3 days. Produce high-quality deliverables within customer deadlines. Upgrade Mail Center Equipment for more efficient performance and cost savings. Perform an annual physical inventory and associated reports.
- The Purchasing and Consultant Contracts Department will analyze trends over the past years on usage of $50K and under agreements/Standing Orders and identify services that require formal solicitations and multi-year contracts.
- The Equipment Management Department will replace 20 vehicles and two pieces of construction equipment in accordance with the 12-year or 125,000-mile replacement criteria.
- The Facilities Management Department will continue maximizing workspace to achieve operational efficiencies. Implement water, energy & regulatory compliance.

Budget Issues and Constraints

Constraints include funding consultant support to address backlog of projects to be completed, for consultant support is needed. Valley Water's facilities are fully occupied and there is no extra space to locate new employees. This constraint on the space requires that Valley Water consider new approaches taking into consideration cost of adding new workspace, use of technology, new approaches to work to maximize efficiencies. Additional constraints include uncertainty of fuel costs, unexpected natural disasters such as flooding or wildfires to provide support to field operations.

General Services Division — Budget Summary

Project Type (Category)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	23,363,945	28,235,556	30,214,581	31,730,102
Operating Project	0	4,764	0	0
Capital	8,028,878	13,651,406	12,884,681	17,090,127
Total *	**31,392,823**	**41,891,726**	**43,099,261**	**48,820,229**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Business Support and Warehouse	4,021,810	6,108,572	6,497,209	6,782,513
Construction Contracts and Support	1,823,911	3,490,097	3,793,573	4,013,588
Deputy's Office of General Services Division	753,113	627,027	924,564	968,096
Equipment and Fleet Management	6,902,870	8,974,452	7,990,248	8,358,474
Facilities Management	12,638,277	17,364,015	18,019,769	22,684,409
Purchasing and Consultant Contracts	5,252,842	5,327,564	5,873,899	6,013,148
Total *	**31,392,823**	**41,891,726**	**43,099,261**	**48,820,229**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

General Services Division - Position Summary

	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Authorized Positions**	**76**	**72**	**72**	**72**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Organizational Chart.

Operations Budget by Department and Account Category

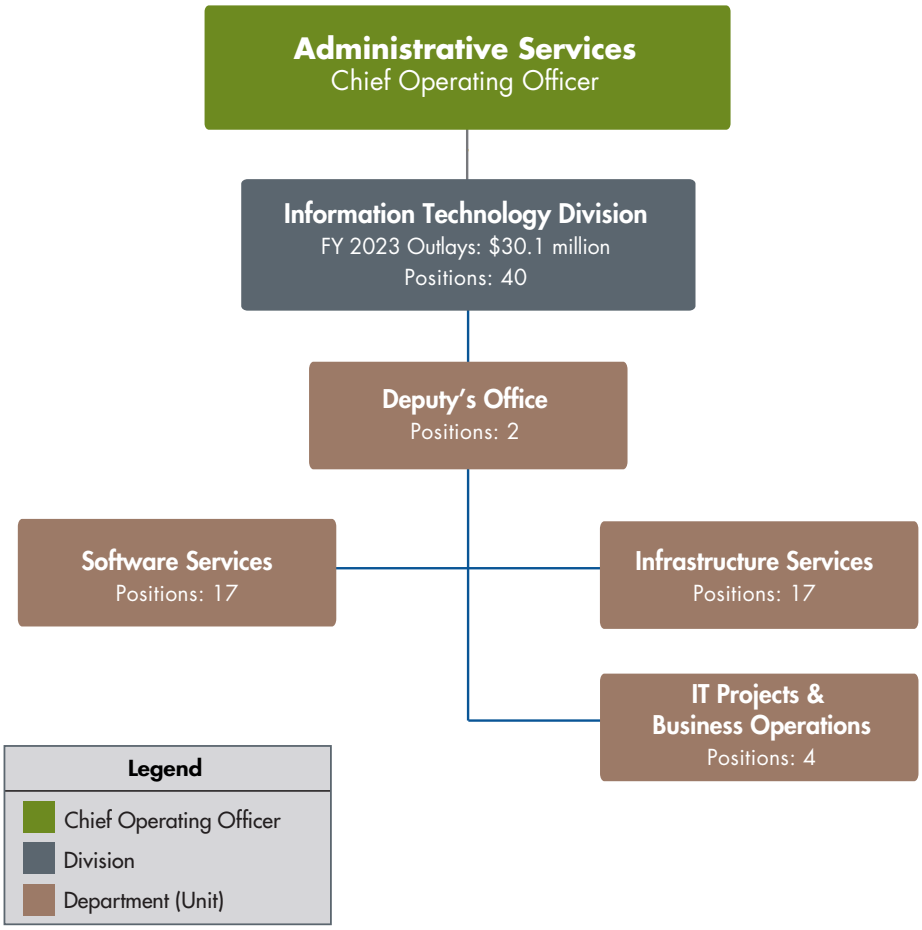
Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Construction Contracts and Support					
	Salaries & Benefits	20,406	10,155	8,215	8,240
	Services & Supplies	5,800	0	0	0
	Intra District Charges	8,241	4,638	1,291	1,317
Construction Contracts and Support (335) Total		**34,446**	**14,793**	**9,506**	**9,557**
Business Support and Warehouse					
	Salaries & Benefits	2,720,592	2,919,905	2,980,586	3,130,812
	Services & Supplies	538,283	2,290,675	2,550,245	2,619,181
	Intra District Charges	760,033	886,200	946,286	1,004,377
Business Support and Warehouse (775) Total		**4,018,908**	**6,096,780**	**6,477,117**	**6,754,371**
Deputy's Office of General Services Division					
	Salaries & Benefits	399,849	524,610	564,283	587,625
	Services & Supplies	226,351	22,400	272,400	287,400
	Intra District Charges	66,745	80,016	87,881	93,071
Deputy's Office of General Services Division (802) Total		**692,945**	**627,027**	**924,564**	**968,096**
Purchasing and Consultant Contracts					
	Salaries & Benefits	3,249,589	3,436,838	3,770,364	4,138,077
	Services & Supplies	1,005,682	1,009,054	1,123,637	1,170,165
	Intra District Charges	695,302	526,736	573,754	640,470
Purchasing and Consultant Contracts (820) Total		**4,950,573**	**4,972,628**	**5,467,755**	**5,948,712**
Equipment and Fleet Management					
	Salaries & Benefits	1,804,953	2,050,394	2,142,980	2,273,068
	Services & Supplies	1,715,271	2,056,050	2,097,550	2,186,313
	Intra District Charges	869,178	1,107,008	1,202,051	1,275,093
Equipment and Fleet Management (885) Total		**4,389,402**	**5,213,452**	**5,442,581**	**5,734,474**
Facilities Management					
	Salaries & Benefits	2,960,201	3,406,201	3,509,504	3,688,994
	Services & Supplies	5,640,697	7,201,079	7,657,729	7,838,667
	Intra District Charges	676,773	708,360	725,825	787,230
Facilities Management (887) Total		**9,277,671**	**11,315,640**	**11,893,059**	**12,314,891**
*Operations Total**		**23,363,945**	**28,240,320**	**30,214,581**	**31,730,102**

Capital Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Construction Contracts and Support					
	Salaries & Benefits	1,067,010	2,016,733	2,080,522	2,230,414
	Services & Supplies	65,375	281,000	431,000	431,000
	Intra District Charges	657,080	1,177,570	1,272,545	1,342,617
Construction Contracts and Support (335) Total		**1,789,465**	**3,475,304**	**3,784,067**	**4,004,031**
Business Support and Warehouse					
	Salaries & Benefits	2,903	7,374	12,389	17,321
	Intra District Charges	0	4,418	7,703	10,820
Business Support and Warehouse (775) Total		**2,903**	**11,792**	**20,092**	**28,142**
Deputy's Office of General Services Division					
	Salaries & Benefits	38,790	0	0	0
	Intra District Charges	21,378	0	0	0
Deputy's Office of General Services Division (802) Total		**60,167**	**0**	**0**	**0**
Purchasing and Consultant Contracts					
	Salaries & Benefits	195,782	223,280	251,474	39,904
	Intra District Charges	106,487	131,655	154,670	24,531
Purchasing and Consultant Contracts (820) Total		**302,269**	**354,935**	**406,143**	**64,436**
Equipment and Fleet Management					
	Salaries & Benefits	601	0	0	0
	Services & Supplies	2,512,867	3,761,000	2,547,667	2,624,000
Equipment and Fleet Management (885) Total		**2,513,468**	**3,761,000**	**2,547,667**	**2,624,000**
Facilities Management					
	Salaries & Benefits	24,302	19,214	28,136	5,261
	Services & Supplies	3,330,590	6,017,000	6,080,000	10,360,650
	Intra District Charges	5,714	12,161	18,575	3,608
Facilities Management (887) Total		**3,360,606**	**6,048,375**	**6,126,711**	**10,369,518**
*Capital Total**		**8,028,878**	**13,651,406**	**12,884,681**	**17,090,127**
Division Total*		**31,392,823**	**41,891,726**	**43,099,261**	**48,820,229**

* 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 deliver and maintain effective IT services that meet current and future needs of Valley Water. The division also provide oversight of effectiveness, efficiency, and implementation of major Information Technology initiatives.

Administration

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.

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 Board Room.

Software Services

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

IT Projects and Business Operations

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

FY 2022 Accomplishments

- Continued implementation of IT Strategic Plan. Approximate 2/3 of the three-year program goals are in progress or complete.
- Implemented Infor ERP.
- Implemented Voice Over IP Communications.
- Initiated Hyland On Base CRM POC for two departments.

- Completed SCADA Server replacement.
- Completed Disaster Readiness Assessment and Gap Analysis.
- Implemented Salesforce.

FY 2023 Milestones

- Implement IT Strategic Plan: (1) Implement Business-IT Liaison program; (2) Develop a communication strategy, plan, and execution; (3) Align IT Project Portfolio with strategic plan; (4) Provide management oversight and support in alignment with organizational goals.
- Complete transition to the new ERP for Finance, Human Resources, Purchasing and Contract Services.
- Complete transition to laptops and tablets as primary machines for all staff.
- Complete transition to new public web-accessible Intranet.
- Complete long-term planning for IT Disaster Recovery and Select Technologies.
- Initiate Proof of Concept (POC) of Hyland On Base for Content Management.
- Complete Water Utility Server Virtualization/Refresh Project.
- Complete conversion to Voice Over IP Telephones.
- Upgrade Maximo Asset Management to Latest Version.
- Complete Virtual Desktop Proof of Concept for GIS Users and Interns.
- Implement Various Cybersecurity Projects including Physical Infrastructure Upgrades and Multi-Factor Authentication.
- Complete migration to Access Valley Water to new Cloud Platform.

FY 2024 Milestones

- Continue to implement IT Strategic Plan: (1) Implement Business-IT Liaison program; (2) Develop a communication strategy, plan, and execution; (3) Align IT Project Portfolio with strategic plan; (4) Provide management oversight and support in alignment with organizational goals.
- Support the addition of new departments/workflows to the New Access Valley Water.
- Assess and implement system changes in support of the ongoing Water Conservation and Drought Emergency Efforts.
- Assess and implement system changes in support of modernizing Community Projects operations.
- Implement Online Credit Card Processing Tool.
- Initiate implementation of Human Resources Department in Hyland On base as part of the Data Consolidation capital project.
- Support the implementation of the new Project Management Information System.
- Implement new Staff Workforce Planning Application.
- Complete implementation of Cityworks for Wells Management and Permitting.
- Initiate modernization of hardware and software as part of the IT Disaster Recovery Planning Capital Project.
- Assess and implement new tools, policies and procedures in support of IT Customer Service Improvements including a new Cloud Ticketing Solution.
- Implement Various Cybersecurity Projects including Physical Infrastructure Upgrades.

Budget Issues and Constraints

- Organizational willingness and readiness to change business processes to leverage the new technology, and to jointly own technology projects with the IT Division.
- Valley Water is a few years behind on Information Technology. 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 and approval of projects is needed.

Information Technology Division — Budget Summary

Project Type (Category)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	20,458,015	22,950,919	24,750,202	25,221,952
Capital	7,218,393	3,174,170	5,336,934	8,563,579
Total *	**27,676,408**	**26,125,088**	**30,087,136**	**33,785,530**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Deputy's Office of IT Division	3,196,925	1,370,733	1,439,162	1,267,234
Infrastructure Services	13,641,971	13,119,003	15,616,559	18,824,625
IT Projects & Business Operations	807,267	1,545,247	1,540,558	1,598,132
Software Services	10,030,246	10,090,106	11,490,858	12,095,540
Total *	**27,676,408**	**26,125,088**	**30,087,136**	**33,785,530**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

Information Technology Division - Position Summary

	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Authorized Positions**	**36**	**38**	**40**	**40**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Organizational Chart.

Operations Budget by Department and Account Category

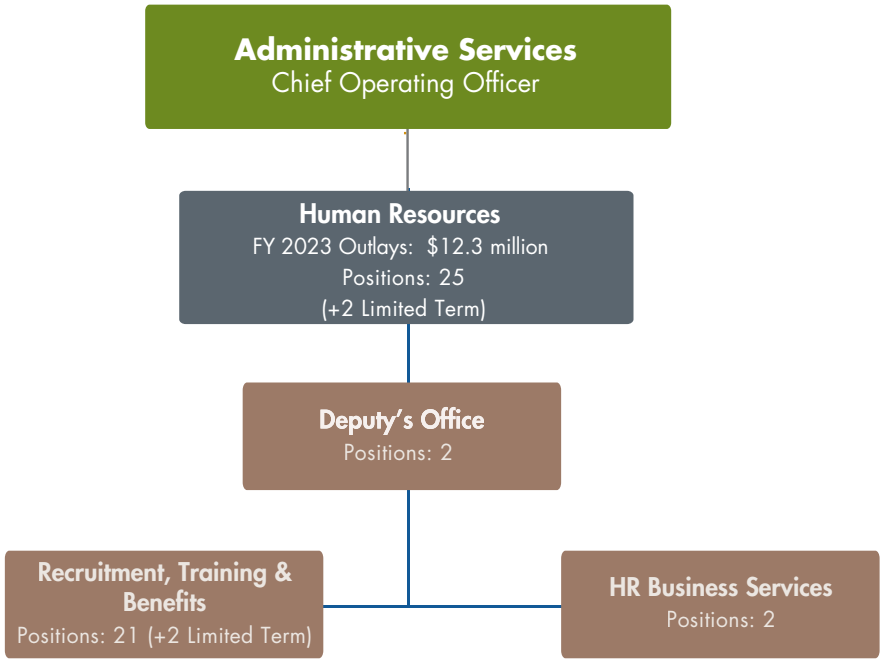
Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Deputy's Office of IT Division					
	Salaries & Benefits	608,762	529,242	578,157	620,694
	Services & Supplies	120,287	243,500	342,500	342,500
	Intra District Charges	223,220	238,464	281,085	304,039
Deputy's Office of IT Division (715) Total		**952,269**	**1,011,205**	**1,201,742**	**1,267,234**
Software Services					
	Salaries & Benefits	3,580,744	3,795,476	4,109,823	4,299,864
	Services & Supplies	4,267,805	4,149,094	4,103,519	4,393,135
	Intra District Charges	1,420,053	1,727,995	2,045,985	2,147,062
Software Services (725) Total		**9,268,602**	**9,672,565**	**10,259,327**	**10,840,061**
Infrastructure Services					
	Salaries & Benefits	2,738,109	3,231,622	3,722,823	3,905,580
	Services & Supplies	5,815,642	6,083,000	6,236,000	5,727,000
	Intra District Charges	876,126	1,407,279	1,789,751	1,883,945
Infrastructure Services (735) Total		**9,429,878**	**10,721,901**	**11,748,574**	**11,516,525**
IT Projects & Business Operations					
	Salaries & Benefits	472,345	973,313	939,867	981,863
	Services & Supplies	152,779	116,000	138,000	133,000
	Intra District Charges	182,143	455,934	462,692	483,269
IT Projects & Business Operations (745) Total		**807,267**	**1,545,247**	**1,540,558**	**1,598,132**
Operations Total[*]		**20,458,015**	**22,950,919**	**24,750,202**	**25,221,952**

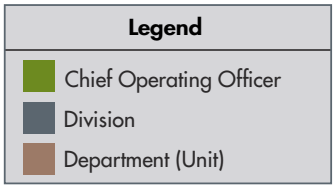
Capital Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Deputy's Office of IT Division					
	Services & Supplies	2,244,656	359,527	237,419	0
Deputy's Office of IT Division (715) Total		**2,244,656**	**359,527**	**237,419**	**0**
Software Services					
	Services & Supplies	731,653	225,000	1,019,194	1,032,960
	Salaries & Benefits	21,256	131,554	141,328	147,956
	Intra District Charges	8,735	60,987	71,008	74,563
Software Services (725) Total		**761,644**	**417,541**	**1,231,530**	**1,255,479**
Infrastructure Services					
	Services & Supplies	4,138,280	1,980,760	3,867,985	7,308,100
	Salaries & Benefits	52,799	290,946	0	0
	Intra District Charges	21,015	125,396	0	0
Infrastructure Services (735) Total		**4,212,093**	**2,397,102**	**3,867,985**	**7,308,100**
Capital Total*		**7,218,393**	**3,174,170**	**5,336,934**	**8,563,579**
Division Total*		**27,676,408**	**26,125,088**	**30,087,136**	**33,785,530**

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

Human Resources Division





Division Description and Objectives

The Human Resources Division is responsible for planning, managing, directing, and coordinating the staff and operations to provide Valley Water assistance in the areas of human resources. The Division includes functional units and the following programs: HR Business Services, Recruitment and Examination, Classification and Compensation, Benefits and Wellness, Technical Training, Talent Development, Rotation, Human Resources System Management, and Internships.

HR Business Services

This program has ownership of updating Human Resource policies, procedures and quality assurance/quality control documents that are currently outdated and will provide dedicated recruitment sourcing services through targeted outreach, developing outreach lists for each classification and utilizing software solutions to expand recruitment efforts.

Benefits and Wellness

This program is responsible for the administration of employee and retiree benefit plans, conducting new hire orientations and separations, processing payroll and HR transactions, and administration of the award-winning Wellness Program (includes fitness reimbursement, ongoing employee education on overall various health initiatives, annual well-being fair, lunch and learns, employee rewards, etc.)

Recruitment and Examination

This program includes Recruitment & Examination for all full time Valley Water positions, in addition to leading and directing the Internship Programs, and Classification & Compensation administering the temporary staffing program, and is responsible for providing oversight of the recruitment and selection processes district-wide including year-round and summer internship programs, in addition to the partnering with community organizations and colleges for workforce planning.

Talent Development and Rotation

This program administers the Valley Water Talent Development Program and Rotation Programs established to provide a capable workforce by meeting the training and professional development needs of Valley Water. The program will equip employees with the tools to promote continuous learning and professional growth. The program also provides leadership development and leadership consultations, performance management training, succession development, general training and general training consultations. The program also administers the Learning Management System (LMS) which hosts training data, Health & Safety training data, and other compliance related data.

FY 2022 Accomplishments

- Conducted Employee Development Performance Program (EDPP) reviews with all Human Resources unit managers and direct reports by 7/31/21 to establish goals and Year End Reviews.
- Developed Valley Water's ten-year strategic workforce plan.
- Conducted bi-annual AB-1234 training by December 2021.
- Conducted Annual Form 700 filing process by April 2022.
- Managed Leadership Programs (Supervisory, Leads Academy, etc.) by December 2021.
- Processed all annual health plan renewals and coordinate open enrollment for all active employees, board of directors, retirees, and COBRA participants by April 1, 2021.

- Coordinated and processed the annual flexible spending account (FSA) open enrollment for all active employees and board of directors by January 1, 2022.
- Developed and coordinated virtual wellness activities and programs by June 30, 2022.
- Coordinated the Employee Recognition Program and Service Awards Events in FY 2022.

FY 2023 Milestones

- Conduct Employee Development Performance Program (EDPP) reviews with all Human Resources unit managers and direct reports by July to establish goals and August for Year End Reviews.
- Lead HR Infor Team through all phases of ERP project setup and implementation. The project will institute best business practices for HR functions.
- Conduct AnnualForm700 filing process by April 2023.
- Manage the Leadership Programs (Supervisory, Leads Academy, etc.) by June 2023.
- Process all annual health plan renewals and coordinate open enrollment for all active employees, board of directors, retirees, and COBRA participants by April 1, 2023.
- Coordinate and process the annual flexible spending account (FSA) open enrollment for all active employees and board of directors by January 1, 2023.
- Develop and coordinate onsite wellness activities and programs and provide a Wellness Executive Summary to management by June 30, 2023.
- Coordinate All-Employee Meeting by June 2023.
- Coordinate the Employee Recognition Program and Service Awards Events in FY 2023.
- Implement position career ladders to enable staff to advance throughout their career at Valley Water.
- Reduce vacancy rate by successfully attracting, recruiting, and selecting a diverse and qualified workforce.

FY 2024 Milestones

- Conduct Employee Development Performance Program (EDPP) reviews with all Human Resources unit managers and direct reports by July to establish goals and August for Year End Reviews.
- Lead HR Infor Team through all phases of ERP project setup and implementation. The project will institute best business practices for HR functions.
- Conduct AnnualForm700 filing process by April 2024.
- Manage the Leadership Programs (Supervisory, Leads Academy, etc.) by June 2024.
- Process all annual health plan renewals and coordinate open enrollment for all active employees, board of directors, retirees, and COBRA participants by April 1, 2024.
- Coordinate and process the annual flexible spending account (FSA) open enrollment for all active employees and board of directors by January 1, 2024.
- Develop and coordinate onsite wellness activities and programs and provide a Wellness Executive Summary to management by June 30, 2024.
- Coordinate All-Employee Meeting by June 2024.
- Coordinate the Employee Recognition Program and Service Awards Events in FY 2024.
- Implement position career ladders to enable staff to advance throughout their career at Valley Water.
- Reduce vacancy rate by successfully attracting, recruiting, and selecting a diverse and qualified workforce.

Human Resources Division — Budget Summary

Project Type (Category)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	8,110,680	11,019,216	12,292,908	12,830,560
Capital	859,695	103,535	0	0
Total *	**8,970,375**	**11,122,751**	**12,292,908**	**12,830,560**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
HR Business Services	2,443,771	2,388,708	926,109	950,207
Office of Human Resources Division	2,469,488	1,217,343	835,524	865,550
Recruitment, Training and Benefits	4,017,066	7,516,700	10,531,274	11,014,803
Workforce Development	40,049	0	0	0
Total *	**8,970,375**	**11,122,751**	**12,292,908**	**12,830,560**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

Human Resources Division - Position Summary

	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
*Authorized Positions***	**26**	**27**	**25**	**25**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Organizational Chart.

Operations Budget by Department and Account Category

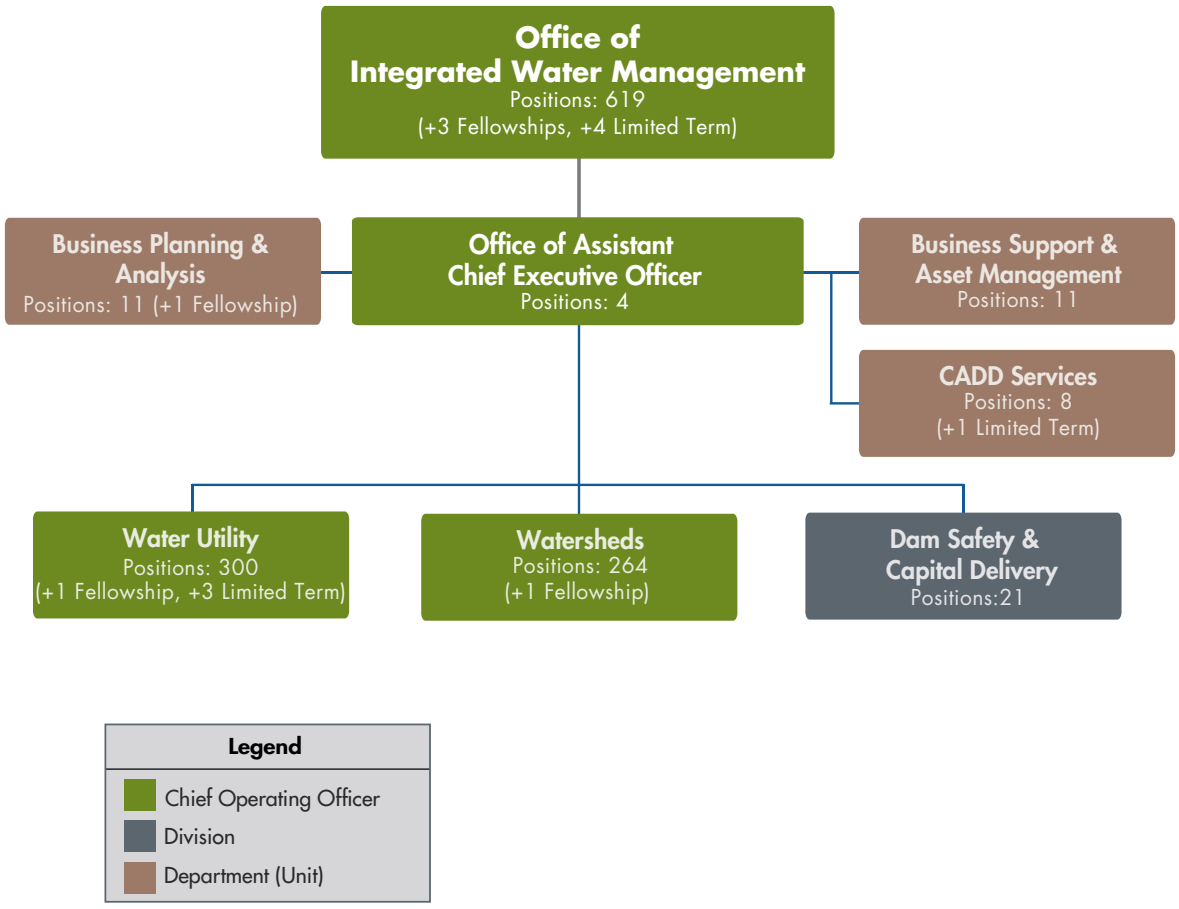
Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Workforce Development					
	Services & Supplies	40,049	0	0	0
Workforce Development (623) Total		**40,049**	**0**	**0**	**0**
Office of Human Resources Division					
	Services & Supplies	1,280,505	18,600	160,000	160,000
	Salaries & Benefits	1,039,908	1,036,985	587,094	612,303
	Intra District Charges	149,075	161,758	88,431	93,247
Office of Human Resources Division (915) Total		**2,469,488**	**1,217,343**	**835,524**	**865,550**
HR Business Services					
	Services & Supplies	82,662	295,400	286,100	287,100
	Salaries & Benefits	1,871,112	1,816,862	551,888	570,395
	Intra District Charges	297,311	276,446	88,122	92,712
HR Business Services (919) Total		**2,251,086**	**2,388,708**	**926,109**	**950,207**
Recruitment, Training and Benefits					
	Services & Supplies	388,667	3,409,210	4,407,050	4,591,690
	Salaries & Benefits	2,536,260	3,365,454	5,098,237	5,333,988
	Intra District Charges	425,129	638,501	1,025,987	1,089,125
Recruitment, Training and Benefits (926) Total		**3,350,056**	**7,413,165**	**10,531,274**	**11,014,803**
*Operations Total**		**8,110,680**	**11,019,216**	**12,292,908**	**12,830,560**

Capital Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
HR Business Services					
	Salaries & Benefits	128,369	0	0	0
	Intra District Charges	64,317	0	0	0
HR Business Services (919) Total		**192,686**	**0**	**0**	**0**
Recruitment, Training and Benefits					
	Salaries & Benefits	428,874	70,422	0	0
	Intra District Charges	238,135	33,113	0	0
Recruitment, Training and Benefits (926) Total		**667,010**	**103,535**	**0**	**0**
*Capital Total**		**859,695**	**103,535**	**0**	**0**
Division Total*		**8,970,375**	**11,122,751**	**12,292,908**	**12,830,560**

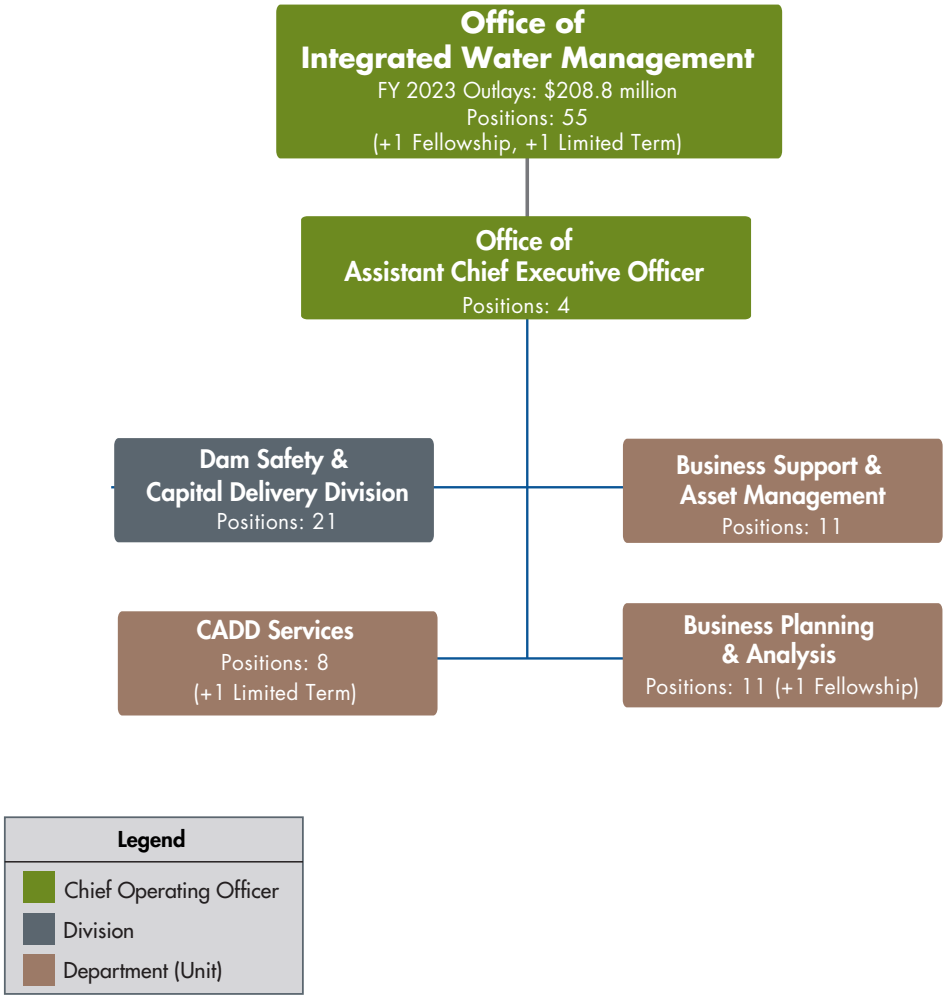
* Totals reflect the gross budget and includes intra-district reimbursement charges.

Office of Integrated Water Management



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

Office of Integrated Water Management



Description and Objectives

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

Business Planning and Analysis

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

Business Support and Asset Management

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

CADD Services

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

FY 2022 Accomplishments

Business Planning and Analysis:

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

- Developed the FY 2023-27 Preliminary, Draft and Final CIP.
- Completed validation and evaluation process for newly proposed capital projects and unfunded capital projects.
- Conducted outreach activities with cities and county from February 2022 through April 2022.

Capital Project Management and Project Controls Program:

- Selected, negotiated, and awarded the project management information system agreement with Systemates, Inc. and began the 14-month implementation period of Projectmates.
- Began development of the project controls component of the Program.

Safe, Clean Water Program:

- Successfully concluded the FY 2020-21 review cycle of the 2012 Safe, Clean Water Program, which included developing the FY 2021 Annual Report and coordinating and facilitating the Independent Monitoring Committee (IMC) and its sub-committee meetings.
- Began implementation of the renewed Safe, Clean Water Program that voters approved in November 2020; prepared the webpages for the renewed Safe, Clean Water Program and maintained and regularly updated webpages for 32 projects on the external website; also maintained during the year webpages for the 2012 Safe, Clean Water Program.
- Carried out F5: Good Neighbor Program: Encampment Cleanup text adjustment and KPI modifications in accordance with the program Change Control Process.

Lands Management Program:

- Procured and implemented a software business solution to assist with compiling information on land rights and obligations.
- Developed a master project list, establishing document and information linkages pertaining to lands management activities and obligations; developed a program framework document and centralized multiple agency-wide processes.
- Continued development and implementation of the Fuel Management Policy and Wildfire Mitigation Plan.

Business Support and Asset Management:

- Developed the FY 2023-27 Watershed and Water Utility Operations and Maintenance Plans.
- Analyzed and prioritized over 30 creeks for Safe, Clean Water priority F-8.
- Executed consultant agreements for the Water Treatment Plant, Distribution System, and SCADA Master Plan Implementation Projects.
- Implemented a mobile Maximo application for field staff.

CADD Services:

- Completed 144 CADD requests.
- Increased the percentage rate of CADD Requests completed versus submitted from 72% to 91%.

FY 2023 Milestones

- Develop the FY 2024-28 CIP Five-Year Plan through implementation of the annual cycle.

- Develop the FY 2021-22 Safe, Clean Water Annual Report.
- Continue compiling information on land rights and obligations; maintain a master project list, establishing document and information linkages pertaining to lands management activities and obligations.
- Continue development and implementation of the Fuel Management Policy and Wildfire Mitigation Plan.
- Continue implementation of Projectmates, the project management information system, and continue development and implementation of the project controls component of the Program.
- Develop FY 2024-28 Watershed and Water Utility Operations and Maintenance Plans.
- Complete updates to remaining creek Level of Service Documents.
- Complete analysis and prioritization of creek maintenance issues for Safe Clean Water Project F8.
- Complete Stevens Creek Asset Management Plan.
- Complete five-year update of Valley Water Comprehensive Asset Management Plan.
- Implement Facilities Maximo Site.
- Complete Problem Definition Reports for the Water Treatment Plant Implementation Project and the Distribution System Implementation Project.
- Complete needs assessment and gap analysis for the SCADA Implementation Project.
- Upgrade Valley Water CADD Users software from version 2018 to 2021.
- Upgrade CADD Technician Handbook Standards.

FY 2024 Milestones

- Develop the FY 2025-29 CIP Five-Year Plan through implementation of the annual cycle.
- Continue compiling information on land rights and obligations; maintain a master project list, establishing document and information linkages pertaining to lands management activities and obligations.
- Continue development and implementation of the Fuel Management Policy and Wildfire Mitigation Plan.
- Continue implementation of the PMIS agreement and continue development and implementation of the project controls component of the Program.
- For the Safe, Clean Water Program, develop the FY 2022-23 Safe, Clean Water Annual Report.
- Develop FY 2025-29 Watershed and Water Utility Operations and Maintenance Plans.
- Develop one creek asset management plan.
- Update comprehensive Watersheds Asset Management Plan.
- Implement spatial features for mobile Maximo application.
- Complete Planning Study Report and Implementation Plan for the Water Treatment Plant, SCADA, and Distribution System Master Plan Implementation Projects.
- Implement a Valley Water CADD Standards Training Program.
- Upgrade CADD Standards Manual for Contractors and Engineers.

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.

Office of Integrated Water Management — Budget Summary

Project Type (Category)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	6,028,530	7,928,308	10,344,561	10,473,410
Operating Project	0	0	10,702	11,348
Capital	1,425,446	3,735,771	5,197,086	4,812,554
Total *	**7,453,976**	**11,664,079**	**15,552,349**	**15,297,311**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Business Planning and Analysis	3,022,770	5,272,113	5,255,626	5,566,399
Business Support and Asset Management	3,073,848	4,472,672	4,838,725	4,029,954
CADD Services	98,804	0	2,775,383	2,877,800
Office of Integrated Water Management	1,258,555	1,919,295	2,682,615	2,823,158
Total *	**7,453,976**	**11,664,079**	**15,552,349**	**15,297,311**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

Office of Integrated Water Management - Position Summary

	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Authorized Positions**	**19**	**20**	**34**	**34**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Organizational Chart.

Operations Budget by Department and Account Category

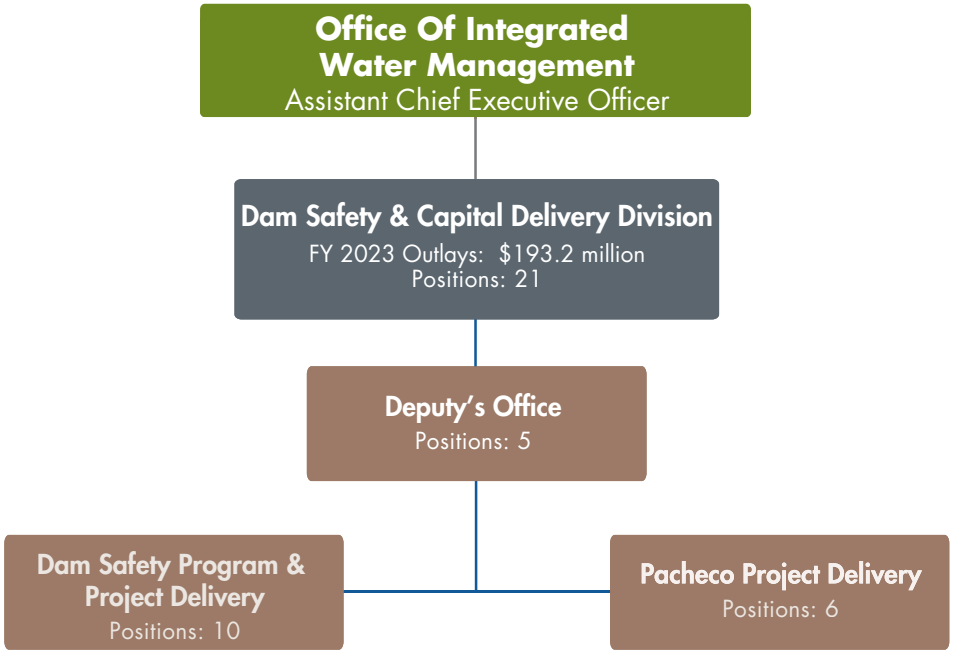
Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Office of Integrated Water Management					
	Salaries & Benefits	767,290	948,683	1,398,872	1,483,355
	Services & Supplies	101,201	413,300	414,300	414,300
	Intra District Charges	390,064	557,312	869,443	925,503
Office of Integrated Water Management (211) Total		**1,258,555**	**1,919,295**	**2,682,615**	**2,823,158**
Business Planning and Analysis					
	Salaries & Benefits	1,077,851	1,163,036	1,578,369	1,644,373
	Services & Supplies	36,265	135,900	105,600	105,600
	Intra District Charges	559,309	665,900	938,187	976,709
Business Planning and Analysis (214) Total		**1,673,424**	**1,964,836**	**2,622,155**	**2,726,682**
CADD Services					
	Salaries & Benefits	0	0	182,918	191,677
	Services & Supplies	23,248	0	10,000	10,000
	Intra District Charges	0	0	105,602	110,794
CADD Services (366) Total		**23,248**	**0**	**298,521**	**312,471**
Business Support and Asset Management					
	Salaries & Benefits	1,697,800	1,776,473	2,311,866	2,368,697
	Services & Supplies	437,933	1,193,800	994,400	769,400
	Intra District Charges	937,570	1,073,904	1,445,706	1,484,348
Business Support and Asset Management (411) Total		**3,073,303**	**4,044,177**	**4,751,972**	**4,622,446**
Operations Total[*]		**6,028,530**	**7,928,308**	**10,355,263**	**10,484,757**

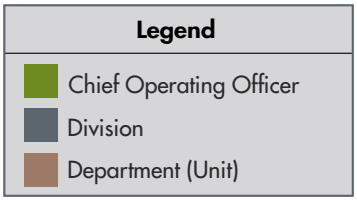
Capital Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Business Planning and Analysis					
	Salaries & Benefits	878,062	1,152,424	1,412,651	1,472,403
	Services & Supplies	12,915	1,498,223	413,341	526,200
	Intra District Charges	458,369	656,630	807,477	841,113
Business Planning and Analysis (214) Total		**1,349,345**	**3,307,277**	**2,633,470**	**2,839,716**
CADD Services					
	Salaries & Benefits	0	0	1,483,596	1,573,839
	Services & Supplies	75,555	0	135,600	80,588
	Intra District Charges	0	0	857,667	910,902
CADD Services (366) Total		**75,555**	**0**	**2,476,863**	**2,565,329**
Business Support and Asset Management					
	Salaries & Benefits	357	266,505	607,463	692,705
	Services & Supplies	0	0	(902,723)	(1,721,867)
	Intra District Charges	189	161,990	382,014	436,671
Business Support and Asset Management (411) Total		**546**	**428,495**	**86,754**	**(592,491)**
*Capital Total**		**1,425,446**	**3,735,771**	**5,197,086**	**4,812,554**
Division Total*		**7,453,976**	**11,664,079**	**15,552,349**	**15,297,311**

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

Dam Safety and Capital Delivery Division





Division Description and Objectives

The Dam Safety and Capital Delivery Division is responsible for planning, implementation, and management of the portion of Valley Water's 5-year Capital Improvement Program (CIP) associated with dam construction and maintenance. This Division consists of two units— the Pacheco Project Delivery unit and the Dam Safety Program Project Delivery unit. The Division was moved under the Office of Integrated Water Management during FY 2020-21. 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 Intake Project, and Dam Safety Evaluation – Phase 1 Project.

FY 2022 Accomplishments

Pacheco Reservoir Expansion Project (PREP):

- Released draft Environmental Impact Report for public review.
- Increased California Water Commission (CWC) conditional funding from $496M to $504M.
- Submitted Water Infrastructure Finance and Innovation Act (WIFIA) loan application.
- Continued support and coordination with the U.S. Bureau of Reclamation and the San Luis Low Point Improvement Project efforts as an expanded Pacheco reservoir has become the National Economic Development (NED) preferred project alternative.
- 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).

Anderson Dam Seismic Retrofit Project (ADSRP):

- Continued development of the ADSRP Project Description, Dewatering Plan, and Draft Environmental document.

- Continued formal consultation with USFWS, NMFS, USACE, CDFW, and California State Water Resources Control Board (SWRCB) on required regulatory permits.
- Began construction of the Anderson Dam Tunnel Project (ADTP).

Other Dam Seismic Retrofit Projects:

- Completed Division of Safety of Dams (DSOD)/Federal Energy Regulatory Compliance (FERC) inspections for all dams.
- Completed annual surveillance/monitoring reports for all dams.

FY 2023 Milestones

Pacheco Reservoir Expansion Project (PREP):

- Conduct Phase II Geotechnical Investigation.
- Distribute 30% design for Valley Water review.
- Complete Geotechnical Data Report (Vol. 3).

Dam Seismic Retrofit Projects:

- Complete 100% design of the Anderson Dam Seismic Retrofit Project.
- Complete 60% design of the Calero, and Guadalupe Dam Seismic Retrofit Projects.
- 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 2024 Milestones

Pacheco Reservoir Expansion Project (PREP):

- Adoption by Valley Water of Final Environmental Impact Report.
- Distribute 60% design for Valley Water review.
- Distribute 90% design for Valley Water review.

Dam Seismic Retrofit Projects:

- Advertise and award the Anderson Dam Seismic Retrofit Project construction contract.
- Produce annual FERC/DSOD reports summarizing dam surveillance/monitoring results; participate in FERC/DSOD annual inspections and address maintenance issues identified during these inspections.

Budget Issues and Constraints

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

Dam Safety and Capital Delivery Division — Budget Summary

Project Type (Category)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	2,187,236	3,206,588	3,095,972	2,948,448
Operating Project	558	0	0	0
Capital	31,632,117	134,608,199	190,131,799	159,015,034
Total *	**33,819,911**	**137,814,787**	**193,227,772**	**161,963,482**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Dam Safety Program and Project Delivery	29,732,868	107,476,309	161,878,309	117,930,930
Deputy's Office of Dam Safety & Capital Delivery Division	1,368,240	1,583,582	2,087,112	2,579,789
Pacheco Project Delivery	2,718,804	28,754,897	29,262,351	41,452,763
Total *	**33,819,911**	**137,814,787**	**193,227,772**	**161,963,482**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

Dam Safety and Capital Delivery Division - Position Summary

	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Authorized Positions**	**20**	**19**	**21**	**22**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Organizational Chart.

Operations Budget by Department and Account Category

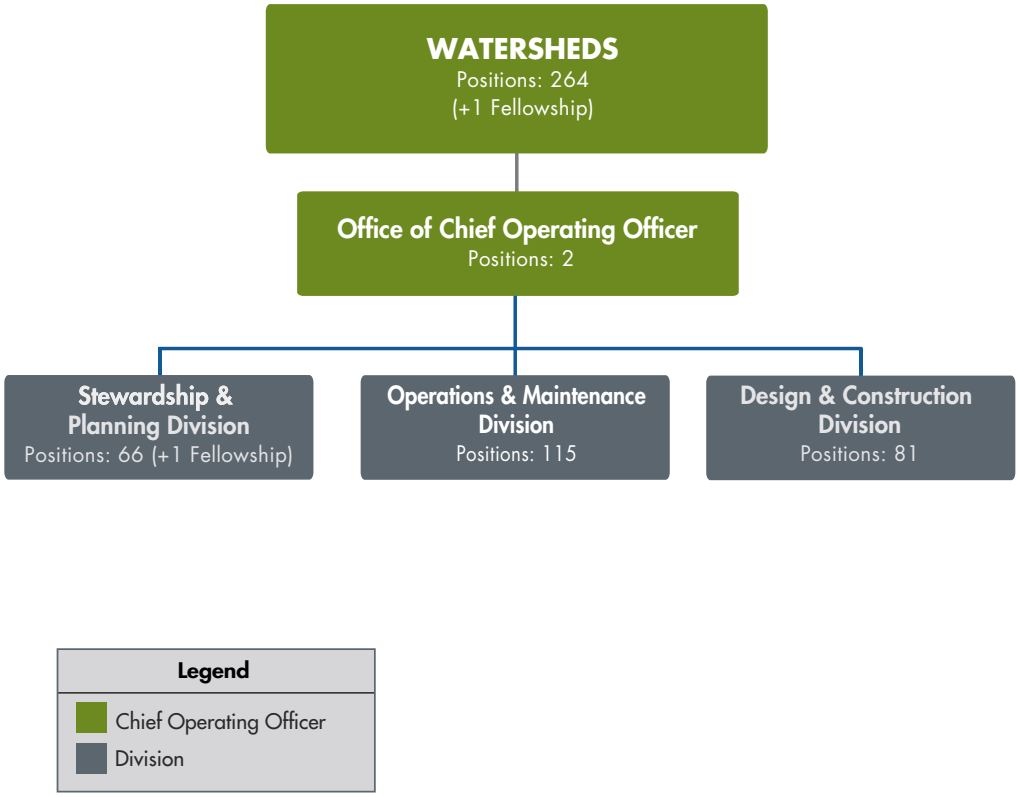
Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Deputy's Office of Dam Safety & Capital Delivery Division					
	Salaries & Benefits	449	13,508	0	0
	Services & Supplies	4,035	1,850	1,850	1,850
	Intra District Charges	76	19,391	0	0
Deputy's Office of Dam Safety & Capital Delivery Division (313) Total		**4,561**	**34,749**	**1,850**	**1,850**
Pacheco Project Delivery					
	Salaries & Benefits	87,932	124,173	33,900	35,466
	Services & Supplies	8,175	160,400	0	0
	Intra District Charges	44,733	70,461	20,592	21,596
Pacheco Project Delivery (377) Total		**140,840**	**355,035**	**54,492**	**57,062**
Dam Safety Program and Project Delivery					
	Salaries & Benefits	726,045	901,660	975,925	1,013,030
	Services & Supplies	901,885	1,372,225	1,466,000	1,255,000
	Intra District Charges	414,464	542,919	597,705	621,506
Dam Safety Program and Project Delivery (595) Total		**2,042,393**	**2,816,804**	**3,039,630**	**2,889,537**
Operations Total[*]		**2,187,794**	**3,206,588**	**3,095,972**	**2,948,448**

Capital Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Deputy's Office of Dam Safety & Capital Delivery Division					
	Salaries & Benefits	850,951	950,012	1,268,513	1,573,195
	Services & Supplies	20,159	22,000	21,552	22,000
	Intra District Charges	492,568	576,821	795,197	982,744
Deputy's Office of Dam Safety & Capital Delivery Division (313) Total		**1,363,679**	**1,548,833**	**2,085,262**	**2,577,939**
Pacheco Project Delivery					
	Salaries & Benefits	1,490,417	1,656,901	1,802,954	1,911,103
	Services & Supplies	240,236	25,764,595	26,309,519	38,320,712
	Intra District Charges	847,310	978,366	1,095,387	1,163,887
Pacheco Project Delivery (377) Total		**2,577,963**	**28,399,862**	**29,207,859**	**41,395,701**
Dam Safety Program and Project Delivery					
	Salaries & Benefits	1,360,674	1,446,538	1,755,874	1,764,040
	Services & Supplies	25,573,278	102,339,840	156,052,506	112,190,526
	Intra District Charges	756,523	873,126	1,030,299	1,086,828
Dam Safety Program and Project Delivery (595) Total		**27,690,475**	**104,659,504**	**158,838,679**	**115,041,393**
*Capital Total**		**31,632,117**	**134,608,199**	**190,131,799**	**159,015,034**
Division Total*		**33,819,911**	**137,814,787**	**193,227,772**	**161,963,482**

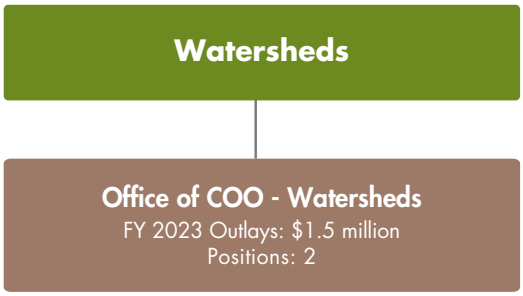
* Totals reflect the gross budget and includes intra-district reimbursement charges.

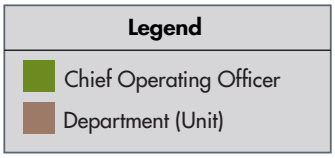
Watersheds



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 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	1,185,679	1,232,352	1,547,984	1,404,014
Capital	0	0	0	0
Total *	**1,185,679**	**1,232,352**	**1,547,984**	**1,404,014**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Office of COO Watersheds	1,185,679	1,232,352	1,547,984	1,404,014
Total *	**1,185,679**	**1,232,352**	**1,547,984**	**1,404,014**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

Office of COO Watersheds - Position Summary

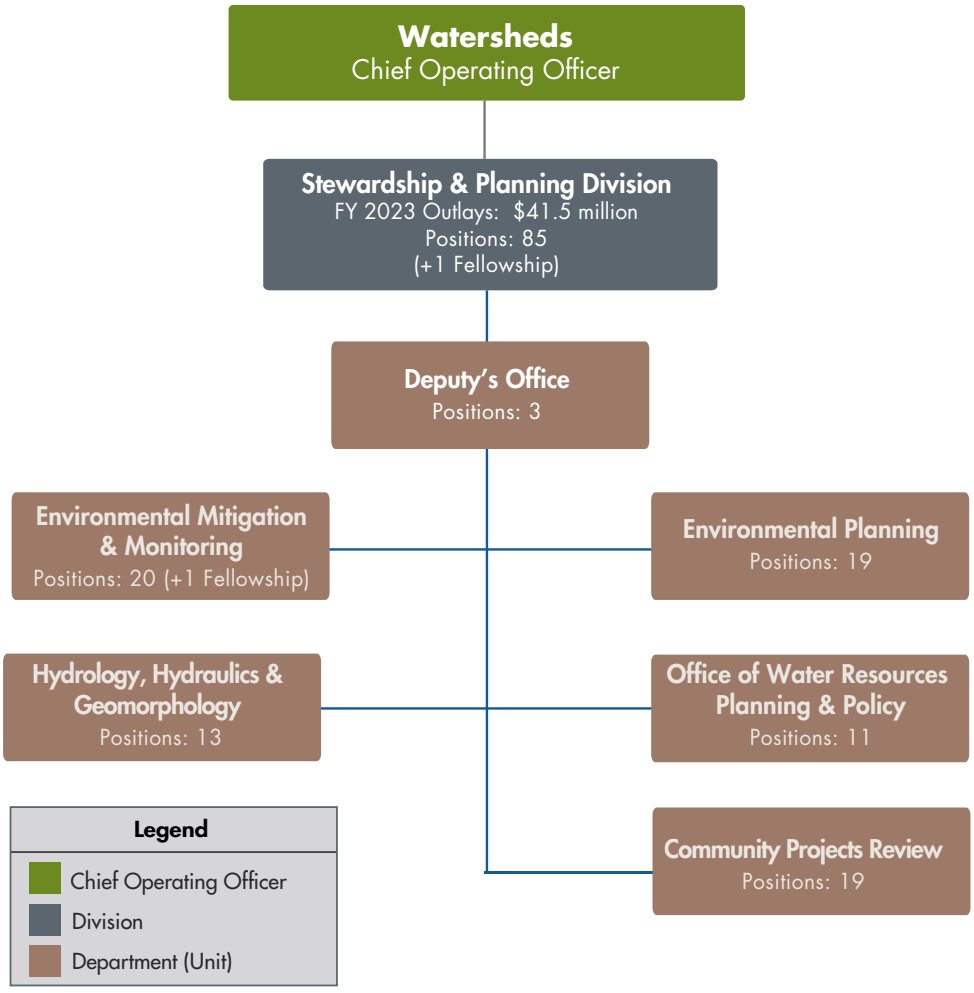
	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Authorized Positions**	3	2	2	2

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Office of COO Watersheds					
	Salaries & Benefits	686,193	651,343	693,268	741,474
	Services & Supplies	135,609	225,035	445,815	220,815
	Intra District Charges	363,877	355,974	408,901	441,725
Office of COO Watersheds (215) Total		**1,185,679**	**1,232,352**	**1,547,984**	**1,404,014**
*Operations Total**		**1,185,679**	**1,232,352**	**1,547,984**	**1,404,014**

Watershed Stewardship & Planning Division



Division Description and Objectives

The Watershed Stewardship and Planning Division oversees five units with 85 staff members. The Division provides project and long-range planning for flood protection and stewardship; develops and oversees the integration of biological, hydrological, water quality, and geomorphological data into the planning, design, and construction of capital projects and operational programs; provides environmental planning, permitting, and monitoring services; ensures Valley Water's compliance with the regional stormwater quality permit; protects Valley Water's streams and other assets through implementation of the Water Resources Protection Ordinance, and collaborates with municipalities in the County to ensure development projects minimize impacts to Valley Water's mission. In addition, the Division co-leads the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) and the Climate Change Action Plan, and ensures timely completion of Key Performance Indicators for the Safe, Clean Water and Natural Flood Protection Program's surface water quality, environmental monitoring, and habitat enhancement and restoration priorities.

Environmental Mitigation & Monitoring

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

Water Resources Planning & Policy

The Water Resources Planning and Policy unit conducts all phases of project planning for Watersheds. The primary tool for long term planning is the integrated water resources master plan (One Water Plan), which attempts to develop an integrated watershed-based plan to enhance water resources management for Valley Water. Specific project planning and feasibility study work includes conducting detailed watersheds planning studies for flood protection and environmental stewardship (for example, the Ogier and Metcalf Creek/Lake Separation Projects, the Salt Ponds A5-11 study to realign Calabazas and San Tomas Aquino Creeks into the restored Salt Ponds; the Upper Penitencia Creek Flood and Stewardship Project; the Coyote Creek Flood Protection Project, and the Guadalupe River Tasman to Hwy 880 Project), reporting on policy developments related to watersheds, developing the gravel augmentation and large woody debris fisheries study, working on the geomorphic restoration project, and coordinating the Valley Water partnership on the Salt Pond Restoration Project.

Environmental Planning

The Environmental Planning unit provides environmental planning and documentation, California Environmental Quality Act (CEQA) compliance, and permitting services for both Water Utility and Watersheds capital projects and programs. This unit's objective is to meet the requirements of federal, state, and local environmental laws and regulations, while seeking to minimize environmental impacts of proposed projects and develop options for meaningful mitigation of

unavoidable impacts. This unit ensures that environmental regulations are appropriately applied and provides technical expertise for legislative items pertaining to environmental review and permit streamlining, serving as Valley Water's technical expert in legislative and multi-agency proceedings. The Environmental Planning Unit also manages Safe Clean Water Program Impaired Water Bodies Improvement (B1) and Interagency Urban Runoff Program (B2) projects.

Community Projects Review

The Community Projects Review Unit (CPRU) provides for protection of Valley Water's Watershed, Water Utility assets and interests from external activities and threats as defined by the Water Resources Protection Ordinance through the review of approximately 925 projects and issuance of approximately 147 encroachment permits for activities on Valley Water right of way and ordinance enforcement for activities undertaken without appropriate permits. The unit projects include implementation of the Underground Service Alert program that entails reviewing approximately 2,280 tickets per year. The unit also reviews proposed developments within the planning stages as they interface with Valley Water and interests. The unit also includes specialized maintenance and development of approximately 10,000 map pages showing Valley Water land rights and flooding and the dissemination of information to the public.

Hydrology, Hydraulics & Geomorphology

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

FY 2022 Accomplishments

- Publication of Draft Environmental Impact Reports for the Fish and Aquatic Habitat Collaborative Effort (FAHCE) and the Pacheco Reservoir Expansion Project (PREP).
- Obtained natural resource agency permits for the FERC Order Compliance, Singleton Road Fish Passage, Calabazas Creek Bank Rehabilitation, Santa Clara Conduit Inspection and Rehab, and Palo Alto Tide Gate Replacement projects.
- Provided lead biological and environmental planning support for flood protection, water utility, and stewardship projects including FAHCE, Anderson Dam Seismic Retrofit Project, PREP, Almaden Lake Improvement Project, Coyote Creek Flood Protection Project, and the Groundwater Management Program.
- Completion and Board of Directors adoption of the One Water – Countywide Framework and the One Water Coyote Creek Watershed Plan.
- Completion and Board of Directors approval of the Climate Change Action Plan.
- Finalization of the Planning Study Report for Coyote Creek Flood Protection Project.
- Operation and maintenance of oxygenation systems to address mercury, completion of a special study at Stevens Creek Reservoir.
- Completed the Google Sunnyvale West Channel Enhancement Agreements and issued permit.
- Completed High Speed Rail Reimbursement Agreement.
- Developed a new licensing option as a part of the Encroachment Remediation Program.

- Completed Ross Creek and South Babb Flood Protection feasibility studies.
- Provided technical data and added additional stream gauge for the Guadalupe/Coyote Emergency Action Plan.

FY 2023 Milestones

- Publish Draft Environmental Impact Reports for the Anderson Dam Seismic Retrofit and Purified Water projects.
- Provide biological expertise to support planning and design of all capital projects and programs, and complete required mitigation monitoring for watershed capital projects.
- Complete One Water Guadalupe River and Upper Pajaro River Watershed Plans.
- Finalize the Lower Guadalupe River Planning Study Report and transition project to design team.
- Complete draft Planning Study for the Ogier Ponds project.
- Obtain natural resource agency permits for the Almaden Lake Improvement and Sunnyvale East and West Channels Flood Protection projects.
- Implement and evaluate management actions to reduce methylmercury in fish in Almaden, Guadalupe, Calero, and Stevens Creek reservoirs.
- Renew eight expiring Joint Use Agreements with municipalities for trails on Valley Water lands and update GIS JUA layer.
- Complete Google Landings Agreement and land rights transactions and Sunnyvale West Channel Enhancement land rights transfers.
- Finalize and implement new licensing option for encroachments.
- Update Permanente/Stevens Creek design flows by targeting a calibrated HEC-HMS model.
- Complete Stevens Creek watersheds 100-year floodplain update.
- Enhance a new Flood Watch web site to support flood emergency monitor and response.

FY 2024 Milestones

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

Budget Issues and Constraints

- Increased Water Resources Protection Ordinance permit requests, combined with far greater complexity of development projects and concurrent database and other systems upgrades, is resulting in significant delays in processing permits. New staffing resources require onboarding and training but are expected to alleviate delays with time.
- Achieving flood protection, design flow maintenance, and successful implementation of in-stream habitat enhancement and mitigation presents continual challenges.
- Regulatory uncertainties associated with key capital projects, including evolving regulations, unclear mitigation requirements, and difficulty in obtaining needed mitigation lands, threaten project timelines.

Watershed Stewardship & Planning Division — Budget Summary

Project Type (Category)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	21,515,321	27,292,086	28,465,672	27,729,238
Operating Project	2,071,672	3,419,336	4,913,365	4,699,680
Capital	12,836,810	9,440,538	8,143,233	11,583,369
Total *	**36,423,803**	**40,151,959**	**41,522,270**	**44,012,287**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Community Projects Review	5,448,030	6,943,532	7,154,855	7,509,482
Deputy's Office of Stewardship & Planning Division	1,219,357	1,502,727	1,460,303	1,576,637
Environmental Mitigation & Monitoring	8,624,062	10,981,161	11,975,463	11,529,144
Environmental Planning	5,287,989	9,191,283	10,023,733	10,451,754
Environmental Planning #1	4,461,682	0	0	0
Hydrology, Hydraulics & Geomorphology	5,431,151	5,887,821	6,171,754	6,521,045
Safe Clean Water Implementation	16,561	0	0	0
Water Resources Planning & Policy	5,934,971	5,645,434	4,736,162	6,424,223
Total *	**36,423,803**	**40,151,959**	**41,522,270**	**44,012,287**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

Watershed Stewardship & Planning Division - Position Summary

	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Authorized Positions**	82	84	85	85

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Organizational Chart.

Operations Budget by Department and Account Category

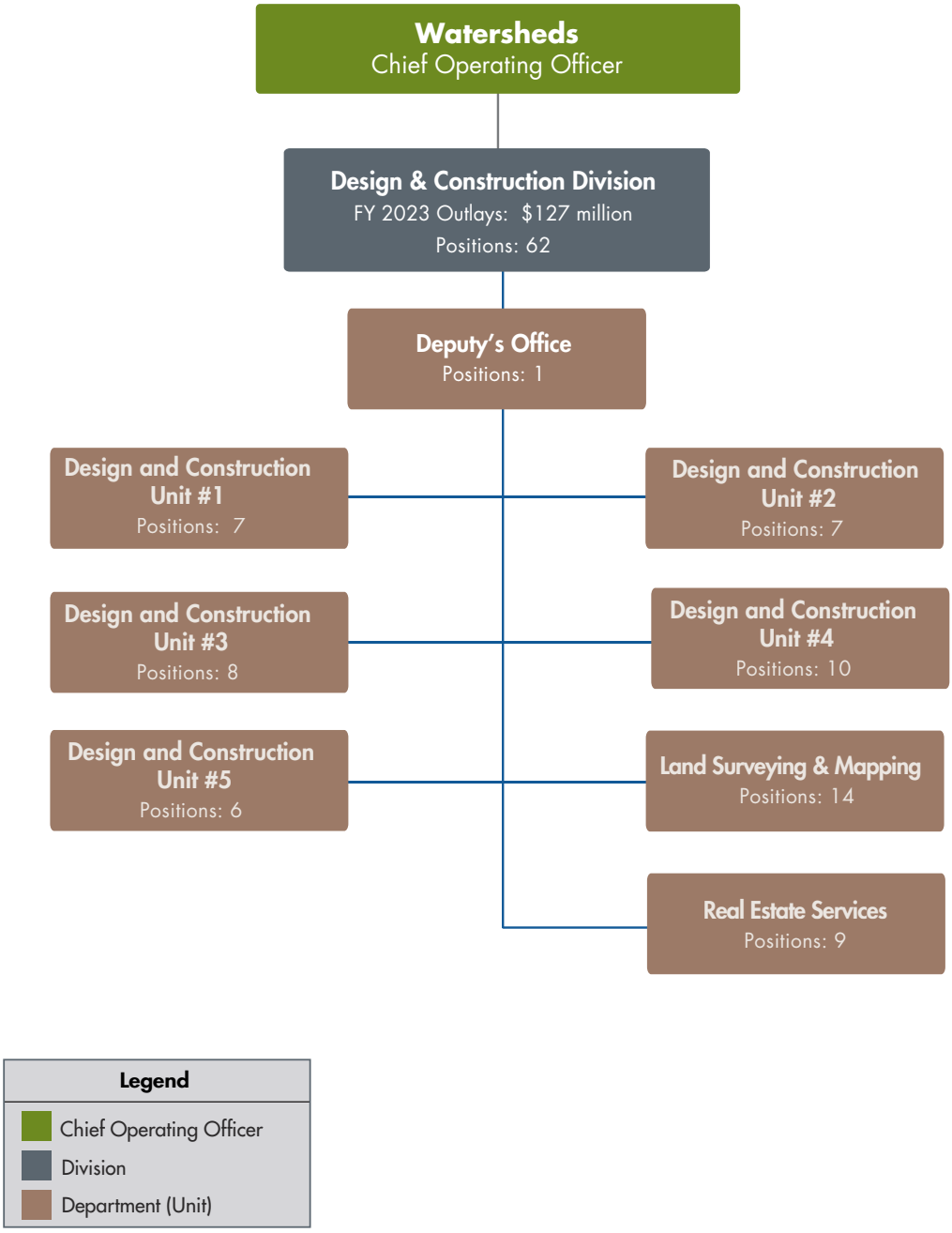
Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Deputy's Office of Stewardship & Planning Division					
	Salaries & Benefits	719,463	928,682	900,821	969,915
	Services & Supplies	91,199	21,555	0	0
	Intra District Charges	408,695	552,490	559,482	606,723
Deputy's Office of Stewardship & Planning Division (241) Total		**1,219,357**	**1,502,727**	**1,460,303**	**1,576,637**
Environmental Mitigation & Monitoring					
	Salaries & Benefits	2,334,529	3,098,084	3,167,317	3,401,591
	Services & Supplies	2,194,271	3,291,500	3,774,300	3,019,300
	Intra District Charges	1,312,584	1,821,548	1,929,822	2,085,875
Environmental Mitigation & Monitoring (244) Total		**5,841,384**	**8,211,132**	**8,871,439**	**8,506,767**
Water Resources Planning & Policy					
	Salaries & Benefits	675,522	2,030,567	1,720,440	1,134,713
	Services & Supplies	537,821	591,400	1,312,400	365,400
	Intra District Charges	360,190	1,200,695	1,067,739	701,332
Water Resources Planning & Policy (245) Total		**1,573,533**	**3,822,662**	**4,100,579**	**2,201,445**
Environmental Planning #1					
	Salaries & Benefits	625,837	0	0	0
	Services & Supplies	2,101,086	0	0	0
	Intra District Charges	338,789	0	0	0
Environmental Planning #1 (247) Total		**3,065,712**	**0**	**0**	**0**
Environmental Planning					
	Salaries & Benefits	820,179	1,982,657	2,052,344	2,318,362
	Services & Supplies	347,637	2,691,268	2,681,450	2,681,450
	Intra District Charges	433,959	1,189,296	1,284,670	1,453,587
Environmental Planning (248) Total		**1,601,774**	**5,863,221**	**6,018,464**	**6,453,400**
Community Projects Review					
	Salaries & Benefits	3,414,817	3,608,777	4,272,149	4,499,669
	Services & Supplies	148,675	132,810	224,723	224,723
	Intra District Charges	1,880,375	2,102,699	2,576,252	2,720,289
Community Projects Review (294) Total		**5,443,868**	**5,844,286**	**7,073,125**	**7,444,681**
Hydrology, Hydraulics & Geomorphology					
	Salaries & Benefits	2,509,953	2,781,570	2,964,858	3,151,489
	Services & Supplies	861,982	990,568	1,039,718	1,116,156
	Intra District Charges	1,469,429	1,695,254	1,850,551	1,978,343
Hydrology, Hydraulics & Geomorphology (296) Total		**4,841,364**	**5,467,392**	**5,855,128**	**6,245,988**
Operations Total*		**23,586,993**	**30,711,421**	**33,379,037**	**32,428,918**

Capital Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Environmental Mitigation & Monitoring					
	Salaries & Benefits	1,737,646	1,658,870	1,844,926	1,848,001
	Intra District Charges	997,909	992,159	1,144,099	1,148,877
	Services & Supplies	47,122	119,000	115,000	25,500
Environmental Mitigation & Monitoring (244) Total		**2,782,677**	**2,770,029**	**3,104,025**	**3,022,377**
Water Resources Planning & Policy					
	Salaries & Benefits	1,697,119	909,663	1,074,288	1,787,639
	Intra District Charges	993,445	539,861	669,332	1,111,889
	Services & Supplies	1,670,874	373,248	(1,108,037)	1,323,251
Water Resources Planning & Policy (245) Total		**4,361,438**	**1,822,772**	**635,583**	**4,222,779**
Safe Clean Water Implementation					
	Services & Supplies	16,561	0	0	0
Safe Clean Water Implementation (246) Total		**16,561**	**0**	**0**	**0**
Environmental Planning #1					
	Salaries & Benefits	880,762	0	0	0
	Intra District Charges	514,887	0	0	0
	Services & Supplies	321	0	0	0
Environmental Planning #1 (247) Total		**1,395,970**	**0**	**0**	**0**
Environmental Planning					
	Salaries & Benefits	732,931	2,076,517	2,332,644	2,317,748
	Intra District Charges	373,522	1,251,546	1,472,217	1,464,931
	Services & Supplies	2,579,762	0	200,407	215,675
Environmental Planning (248) Total		**3,686,215**	**3,328,062**	**4,005,269**	**3,998,355**
Community Projects Review					
	Salaries & Benefits	2,682	462,949	50,945	40,365
	Intra District Charges	1,481	267,097	30,786	24,436
	Services & Supplies	0	369,200	0	0
Community Projects Review (294) Total		**4,163**	**1,099,246**	**81,730**	**64,801**
Hydrology, Hydraulics & Geomorphology					
	Salaries & Benefits	277,452	196,676	192,757	167,128
	Intra District Charges	169,564	123,753	123,869	107,929
	Services & Supplies	142,771	100,000	0	0
Hydrology, Hydraulics & Geomorphology (296) Total		**589,787**	**420,429**	**316,626**	**275,057**
*Capital Total**		**12,836,810**	**9,440,538**	**8,143,233**	**11,583,369**
Division Total*		**36,423,803**	**40,151,959**	**41,522,270**	**44,012,287**

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

Watershed Design & Construction Division



Division Description and Objectives

The Watersheds Design and Construction Division designs and constructs capital projects related to Watersheds operations. This includes delivery of projects in Valley Water's rolling 5-year Capital Improvement Program (CIP) and Safe, Clean Water and Natural Flood Protection Program. The objectives of the Watersheds Design and Construction Division are to provide natural flood protection for residents, businesses, and visitors; and to protect and restore creek, bay, and other aquatic ecosystems. This Division also provides organization-wide support services for Surveying and Real Estate needs.

Design & Construction Unit #1

The Design and Construction Unit #1 is responsible for design and construction of the following projects: San Francisquito Creek Flood Protection Project; Permanente Creek Flood Protection Project; Hale Creek Enhancement Pilot Project; Bolsa Fish Passage Modification Project; Upper Penitencia Creek Project; Coyote Creek Flood Protection Project; and Coyote Creek Flood Management Measures Project as part of the FERC Order Compliance Project (FOCP).

Design & Construction Unit #2

The Design and Construction Unit #2 is responsible for design and construction of the following projects: Lower Berryessa Creek Phase 2 (including Lower Calera Creek); Cunningham Flood Detention Certification Project; Upper Guadalupe River Flood Protection – Reaches 7-12; Upper Guadalupe River Reach 6; Upper Berryessa Creek Flood Protection; Guadalupe River – Tasman Drive to I-880; and Coyote Percolation Dam Replacement Project.

Design & Construction Unit #3

The Design and Construction Unit #3 is responsible for design and construction of the following projects: Upper Llagas Creek Flood Protection Project, Sunnyvale East and West Channels Flood Protection Project, Lower Silver Creek Flood Protection Project, and the Lower Llagas Creek Capacity Restoration Project.

Design & Construction Unit #4

The Design and Construction Unit #4 is responsible for design and construction of the following projects: Lower Penitencia Creek Improvements Project; Almaden Lake Improvement Project; Palo Alto Tide Gate Structure Replacement Project; and the South San Francisco Bay Shoreline Project effort along the Santa Clara County shoreline.

Design & Construction Unit #5

The Design and Construction Unit #5 is responsible for implementation of the Watersheds Asset Rehabilitation Program (WARP) projects which includes repair and rehabilitation of several segments of levees and flood walls along Calabazas Creek, Guadalupe River, Permanente Creek, and Coyote Creek. Projects are identified and prioritized annually by the Operations and Maintenance (O&M) engineering staff that identify rehabilitation needs that are beyond the everyday maintenance capability of O&M staff and require the development of engineering designs to restore the damaged sections.

Land Surveying & Mapping

The Land Surveying and Mapping unit is responsible for professional land surveying and mapping services in support of planning, design, construction, and maintenance of Valley Water facilities. This is accomplished by accurately locating existing and proposed Valley Water facilities, providing graphical representations of land features, boundaries, and fixed works, and complying with applicable state and local laws and ordinances.

Real Estate Services

The Real Estate Services unit is responsible for real estate services such as buying and selling property, managing the residential and non-residential leasing and licensing program, negotiation, appraisal, title, and relocation services. The unit also provides administrative support of Real Estate services including database input, maintenance, and reporting.

FY 2022 Accomplishments

- Completed construction of the Lower Berryessa Creek Flood Protection Project – Phase 2, Able Street to East Calaveras Boulevard.
- Completed construction of the Rancho San Antonio Detention Basin as part of the Permanente Creek Flood Protection Project.
- Completed construction of the Upper Llagas Creek Flood Protection – Phase 1.
- Began construction of Lower Penitencia Creek Improvements Project.
- Began construction for Phase 1, EIA 11, South San Francisco Bay Shoreline Project.
- Began construction of Upper Llagas Creek Flood Protection – Phase 2A.
- Completed design for the Hale Creek Enhancement Pilot Project.
- Completed design for the Lower Calera Creek Flood Protection Project.
- Completed design for the Sunnyvale East-West Flood Protection Project.
- Completed design for the Upper Llagas Creek Flood Protection – Phase 2B, Reaches 1-3.
- Completed designs for Piedmont Creek U-frame Wall Repair and Calabazas Creek Bank Repair under the Watersheds Asset Rehabilitation Program (WARP).

FY 2023 Milestones

- Complete Design of the Almaden Lake Improvement Project.
- Complete construction of the Lower Calera Creek Project.
- Complete construction of Hale Creek Enhancement Pilot Project.
- Complete construction of Lower Penitencia Creek Improvements Project.
- Begin Construction of the Coyote Creek Flood Management Measures Project as part of the Anderson FOCP.
- Begin construction of Coyote Percolation Dam Replacement Project.
- Begin construction of the Palo Alto Flood Basin Tide Gate Structure Replacement Project.
- Begin design of Upper Penitencia Creek Flood Protection.

FY 2024 Milestones

- Begin construction of Upper Llagas Creek Flood Protection – Phase 2B.
- Begin construction of the Almaden Lake Improvement Project.
- Begin construction of Palo Alto Tide Gate Structure Replacement Project.
- Complete construction of Upper Llagas Creek Flood Protection Project – Phase 2A.
- Complete construction of the South San Francisco Bay Shoreline Project – Phase 1, Reaches 1-3 levees.
- Complete construction of Bolsa Road Fish Passage Improvements Project.
- Complete construction for Coyote Creek Flood Management Measures Project.
- Complete design phase for Coyote Creek Flood Protection Project and begin construction.
- Complete construction of the Coyote Percolation Dam Replacement Project.

Budget Issues and Constraints

- Price escalation on projects due to economic uncertainty of material and labor availability will continue to impact project budgets and available funding.
- Projects involving multiple project partners at Federal and Local level will continue to require significant engagement requiring significant time and resource investments.
- Availability of outside funding sources such as grants and subventions will need continued focused efforts.
- Timely receipt of permits from environmental regulatory agencies continues to be a challenge.
- Environmental permit requirements will require strategic negotiations and engagement to ensure permit conditions do not impose undue burden on projects and on Valley Water resulting in long term O&M liabilities.

Watershed Design & Construction Division — Budget Summary

Project Type (Category)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	4,779,330	4,397,325	4,405,177	4,847,834
Operating Project	154,068	115,993	256,957	306,705
Capital	130,950,390	157,830,104	122,354,719	140,385,953
Total *	**135,883,788**	**162,343,421**	**127,016,853**	**145,540,492**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Deputy's Office of Watershed D&C Division	1,003,634	717,767	785,932	846,716
Design & Construction Unit 1	7,237,012	35,172,071	8,088,648	36,271,056
Design & Construction Unit 2	6,865,192	15,425,278	831,153	2,755,399
Design & Construction Unit 3	49,176,339	56,025,134	55,065,174	41,375,326
Design & Construction Unit 4	50,172,113	31,714,097	45,930,099	47,730,047
Design & Construction Unit 5	6,242,156	12,474,151	6,133,841	6,653,682
Land Surveying and Mapping	6,020,742	6,970,991	5,471,699	5,705,843
Real Estate Services	9,166,599	3,843,934	4,710,307	4,202,425
Total *	**135,883,788**	**162,343,421**	**127,016,853**	**145,540,492**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

Watershed Design & Construction Division - Position Summary

	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Authorized Positions**	66	66	62	62

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Deputy's Office of Watershed D&C Division					
	Salaries & Benefits	1,654	0	0	0
	Services & Supplies	700	0	0	0
	Intra District Charges	186	0	0	0
Deputy's Office of Watershed D&C Division (316) Total		**2,540**	**0**	**0**	**0**
Design & Construction Unit 1					
	Salaries & Benefits	17,544	4,700	3,333	3,621
	Services & Supplies	6,522	2,700	3,600	3,600
	Intra District Charges	1,758	0	2,081	2,263
Design & Construction Unit 1 (331) Total		**25,824**	**7,400**	**9,014**	**9,484**
Design & Construction Unit 2					
	Salaries & Benefits	63,254	1,388	0	0
	Services & Supplies	8,500	0	0	0
	Intra District Charges	13,308	212	0	0
Design & Construction Unit 2 (332) Total		**85,062**	**1,600**	**0**	**0**
Design & Construction Unit 3					
	Salaries & Benefits	12,764	8,978	10,410	10,945
	Services & Supplies	6,700	1,875	2,000	2,000
	Intra District Charges	2,209	2,958	3,473	3,647
Design & Construction Unit 3 (333) Total		**21,673**	**13,811**	**15,884**	**16,592**
Design & Construction Unit 4					
	Salaries & Benefits	70,743	1,074	3,853	4,090
	Services & Supplies	7,167	600	600	600
	Intra District Charges	10,044	640	2,326	2,469
Design & Construction Unit 4 (334) Total		**87,954**	**2,314**	**6,779**	**7,159**
Design & Construction Unit 5					
	Salaries & Benefits	36,683	11,469	12,287	12,700
	Services & Supplies	25,975	1,650	500	0
	Intra District Charges	2,872	6,728	7,523	7,792
Design & Construction Unit 5 (336) Total		**65,531**	**19,846**	**20,310**	**20,492**
Land Surveying and Mapping					
	Salaries & Benefits	1,011,340	1,203,556	1,149,687	1,279,227
	Services & Supplies	246,591	293,125	221,500	221,500
	Intra District Charges	528,185	699,423	738,152	831,335
Land Surveying and Mapping (367) Total		**1,786,116**	**2,196,104**	**2,109,338**	**2,332,063**

Operations Budget by Department and Account Category (Continued)

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Real Estate Services					
	Salaries & Benefits	988,685	1,044,454	1,079,433	1,209,892
	Services & Supplies	1,320,938	628,275	776,800	832,500
	Intra District Charges	549,075	599,514	644,576	726,357
Real Estate Services (369) Total		**2,858,698**	**2,272,242**	**2,500,809**	**2,768,749**
*Operations Total**		**4,933,398**	**4,513,317**	**4,662,134**	**5,154,539**

Capital Budget by Department and Account Category

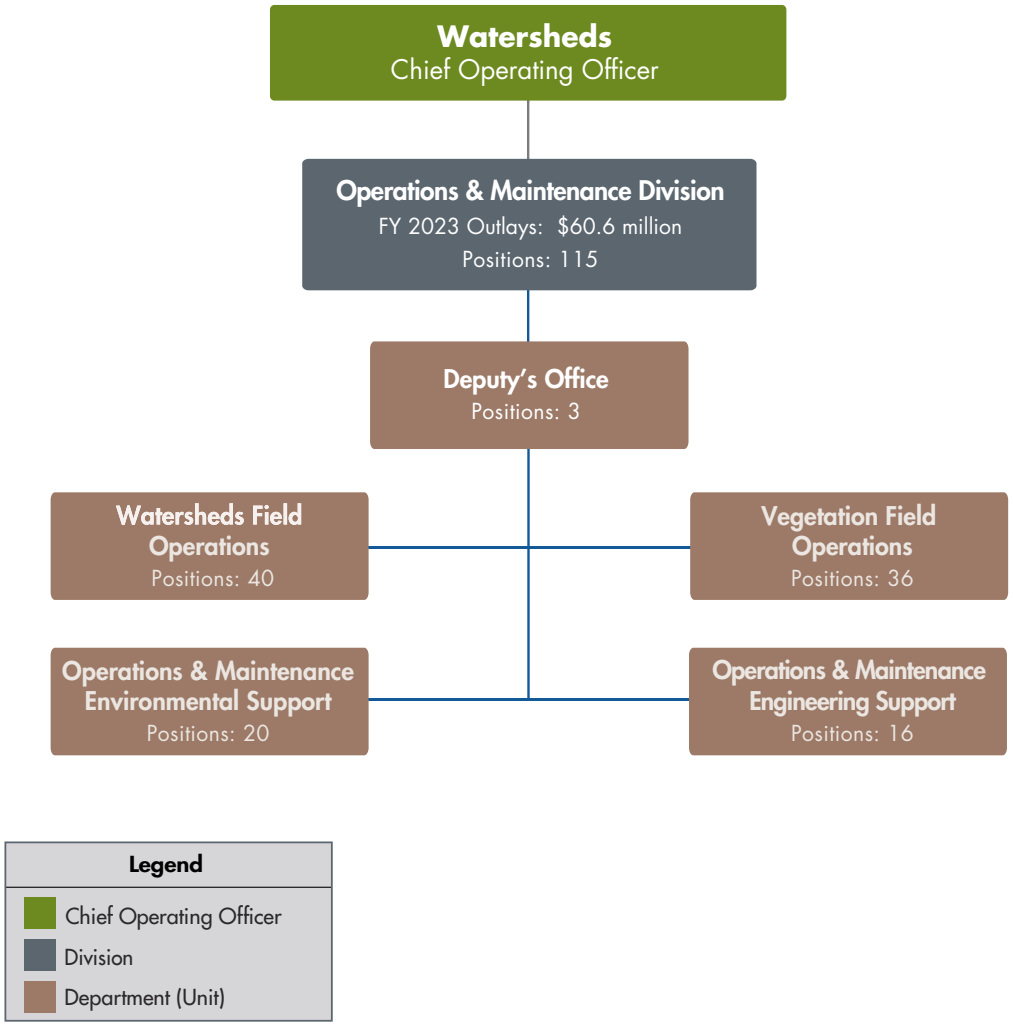
Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Deputy's Office of Watershed D&C Division					
	Salaries & Benefits	734,923	467,413	500,009	536,262
	Services & Supplies	760	5,080	5,080	5,080
	Intra District Charges	265,412	245,274	280,843	305,374
Deputy's Office of Watershed D&C Division (316) Total		**1,001,095**	**717,767**	**785,932**	**846,716**
Design & Construction Unit 1					
	Salaries & Benefits	1,428,379	1,616,264	1,682,989	1,781,051
	Services & Supplies	4,962,923	32,599,078	5,370,385	33,386,861
	Intra District Charges	819,885	949,329	1,026,260	1,093,660
Design & Construction Unit 1 (331) Total		**7,211,187**	**35,164,671**	**8,079,635**	**36,261,572**
Design & Construction Unit 2					
	Salaries & Benefits	1,516,762	1,656,369	1,727,390	1,805,930
	Services & Supplies	4,403,104	12,806,899	(1,933,876)	(136,450)
	Intra District Charges	860,264	960,410	1,037,639	1,085,919
Design & Construction Unit 2 (332) Total		**6,780,130**	**15,423,678**	**831,153**	**2,755,399**
Design & Construction Unit 3					
	Salaries & Benefits	1,647,108	1,922,685	1,903,155	2,014,655
	Services & Supplies	46,560,816	52,962,214	51,968,354	38,095,559
	Intra District Charges	946,742	1,126,424	1,177,782	1,248,519
Design & Construction Unit 3 (333) Total		**49,154,666**	**56,011,323**	**55,049,290**	**41,358,734**
Design & Construction Unit 4					
	Salaries & Benefits	1,633,488	1,808,449	2,330,661	2,452,227
	Services & Supplies	47,505,503	28,825,240	42,184,389	43,789,019
	Intra District Charges	945,168	1,078,094	1,408,271	1,481,641
Design & Construction Unit 4 (334) Total		**50,084,159**	**31,711,783**	**45,923,320**	**47,722,887**

Capital Budget by Department and Account Category (Continued)

Department	*Account Category*	*FY 2021 Budgetary Actual*	*FY 2022 Adopted $*	*FY 2023 Adopted $*	*FY 2024 Plan $*
Design & Construction Unit 5					
	Salaries & Benefits	1,603,803	1,722,196	1,515,887	1,585,703
	Services & Supplies	3,645,428	9,721,706	3,669,328	4,074,555
	Intra District Charges	927,395	1,010,402	928,315	972,932
Design & Construction Unit 5 (336) Total		**6,176,626**	**12,454,304**	**6,113,530**	**6,633,190**
Land Surveying and Mapping					
	Salaries & Benefits	2,378,492	2,649,748	1,743,541	1,747,508
	Services & Supplies	473,823	514,700	475,500	475,500
	Intra District Charges	1,382,311	1,610,438	1,143,320	1,150,772
Land Surveying and Mapping (367) Total		**4,234,626**	**4,774,887**	**3,362,361**	**3,373,780**
Real Estate Services					
	Salaries & Benefits	771,451	904,166	898,929	873,785
	Services & Supplies	5,106,485	143,835	769,600	32,700
	Intra District Charges	429,966	523,691	540,969	527,191
Real Estate Services (369) Total		**6,307,901**	**1,571,692**	**2,209,498**	**1,433,676**
Capital Total*		**130,950,390**	**157,830,104**	**122,354,719**	**140,385,953**
Division Total*		**135,883,788**	**162,343,421**	**127,016,853**	**145,540,492**

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

Watershed Operations & Maintenance Division



Division Description and Objectives

The Watersheds Operations and Maintenance Division is composed of four units that provide field maintenance, engineering support, vegetation management, and environmental services management for Water Utility Facilities and the Stream Maintenance Program (SMP) in the Lower Peninsula, West Valley, Guadalupe, Coyote, and Uvas/Llagas watersheds. The Office of Watersheds Operations and Maintenance provides administrative leadership and support for the four units that comprise the Division. The Division objective is to ensure that maintenance work is performed in accordance with regulatory permits and maintenance guidelines and is coordinated and consistent throughout the Division.

Watershed Field Operations

The Watersheds Field Operations unit is responsible for coordination and management of field construction and routine maintenance activities on Water Utility and Watersheds facilities, budget development, coordination of emergency response services, and monitoring of safety procedures. The unit ensures that work is performed efficiently, effectively, with minimal environmental impact, and with the highest regard for the safety of the public and staff.

Vegetation Field Operations

The Vegetation Field Operations unit is responsible for the budget development, coordination, and management of integrated vegetation management programs to control instream vegetation to maintain flow conveyance and upland vegetation for maintenance access and fire code compliance; hazard tree program, riparian planting and invasive plant management mitigation projects; and the Sandbag Program within the Lower Peninsula, West Valley, Guadalupe, Coyote, and Uvas/Llagas Watersheds including capital projects and water utility sites.

Operations & Maintenance Environmental Support

The Operations and Maintenance Environmental Support unit provides environmental and logistics support to Valley Water operations and maintenance (O&M) activities in both Watersheds and Water Utility Enterprise. The unit supports the Stream Maintenance Program, Hazard Tree Program, Dam Maintenance Program, and Pipeline Maintenance Program, as well as numerous other O&M activities that occur outside these major programs. Environmental support includes preparation of California Environmental Quality Act (CEQA) analysis, permitting, and mitigation monitoring and reporting. Logistics support includes implementation of the Equipment Material and Labor program, as well as delivery of Valley Water-wide services such as sediment and water quality sampling/testing, rodent control, archeological consulting, and landfill disposal.

Operations & Maintenance Engineering Support

The Watersheds Operations and Maintenance Engineering Support unit is responsible for conducting creek and levee inspections, preparing work orders, and providing engineering support for operations and maintenance activities for streams, levees, and other watersheds assets within Santa Clara County over which Valley Water has responsibility. This work supports the flood protection and watershed stewardship components of Valley Water's mission.

FY 2022 Accomplishments

Watersheds Field Operations

- 7 sediment removal projects (28,034 total cubic yards removed).
- 6,472 cubic yards hauled to Pond A-8 for re-use.
- 4,891 linear feet of erosion repaired.
- 883 cubic yards of trash removed through the Good Neighbor Maintenance program.
- 2,242 cubic yards debris removal.
- 602 tons of trash and debris removed under Good Neighbor Encampment Cleanup.
- 821 acres managed under Good Neighbor Encampment Cleanup.

Vegetation Field Operations

- 208.32 acres of mitigation site maintenance.
- 2,227.05 acres of upland access maintenance: weed abatement, access pruning, upland herbicide.
- 1,828.76 acres of instream vegetation removal for flow conveyance: hand removal and aquatic herbicide.
- 123.98 acres of invasive plant management.
- 29 6–2" DBH (diameter at breast-height) trees removed for purposes such as flow conveyance and access.
- 94 hazard trees removed.
- 75,000 sandbags made.

Operations & Maintenance Environmental Support

- Completed and submitted the Notice of Proposed Work (NPW) for the Stream Maintenance Program (SMP) to regulatory agencies by April 15th.
- Completed and submitted the Annual Summary Report (ASR) for the SMP to regulatory agencies by January 31st.
- Completed biological assessments and clearances for +1000 operations and maintenance work orders.
- Anticipated release of CEQA Notice of Preparation (NOP) for SMP permit renewal process.

Operations and Maintenance Engineering Support

- Provided engineering support and construction oversight for 2021 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).
- Contributed to submittal of 2021 SMP Annual Summary Report (ASR).
- Contributed to submittal of 2022 SMP Notice of Proposed Work (NPW).
- Continued to update and develop stream maintenance guidelines.
- Conducted creek and levee inspections.
- Prepared work orders for stream maintenance.
- Responded to creekside customers and others via Access Valley Water.

- 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 2023 Milestones

Watersheds Field Operations

- Perform sediment removal activities to maintain completed flood protection projects for flow conveyance.
- Manage 300 acres annually to clean up trash, debris, and hazardous pollutants generated from encampments and to reduce the amount of these pollutants entering streams.
- Participate in cost-share programs with local agencies for services related to encampment cleanups.
- Clean up identified trash and graffiti hotspots at approximately 80 sites four times per year.
- Respond to litter and graffiti requests within five working days.

Vegetation Field Operations

- Manage at least 300 acres of mitigation sites.
- Perform instream vegetation control activities to maintain completed flood protection projects for flow conveyance.
- Manage 2,970 acres of upland vegetation for fire code compliance and maintenance access.
- Manage at least 200 acres of invasive plant management mitigation sites.
- Hazard tree removals to protect people and property.
- 40,000 filled sandbags stocked by Nov. 30 annually.

Operations & Maintenance Environmental Support

- Complete and submit Annual Summary Report (ASR) by January 31st.
- Submit required regulatory reports in a timely manner, conduct internal training, participate in multi-agency meetings, and administer and renew multi-agency permits.
- Develop and update contracts specifications and terms and conditions to ensure contracts for subsequent fiscal year are in place on time for Watershed Field Operation needs.
- Continue SMP-3 planning and analysis (Public Draft SMP-3 Manual and Draft EIR).
- Scoping and development of county-wide invasive plant management program (IIPMP)
- Involvement in Valley Habitat Plan reopener to include coverage for SMP activities and areas.

Operations and Maintenance Engineering Support

- For U.S. Army Corps of Engineers (USACE)-constructed reaches of Guadalupe River, Coyote Creek, and Uvas Creek: (a) Conduct semi-annual inspections by November 1 and May 30; (b) Prepare and submit annual inspection reports to USACE by August 1.
- For Natural Resources Conservation Service (NRCS)-constructed reaches of Lower Llagas Creek Flood Protection Project (PL-566): (a) Conduct annual inspections; (b) Prepare and submit annual inspection reports to NRCS.
- Conduct inspections of creeks and levees (ongoing).

- Research and respond to customer requests via Access Valley Water (AVW) communications system (ongoing).
- Prepare work orders for corrective and preventive stream maintenance activities (ongoing).
- Engineering support for SMP projects: (a) Prepare necessary information to ensure SMP annual Notice of Proposed Work occurs by April 15; (b) Provide engineering and construction support for SMP bank protection, sediment removal, vegetation management, and levee maintenance projects (generally between June 15 and October 15); (c) Prepare necessary information to ensure SMP Annual Summary Report occurs by January 31.
- Continue updates and development of stream maintenance guidelines by June 2023.

FY 2024 Milestones

Watersheds Field Operations

- Perform sediment removal activities to maintain completed flood protection projects for flow conveyance.
- Manage 300 acres annually to clean up trash, debris, and hazardous pollutants generated from encampments and to reduce the amount of these pollutants entering streams
- Participate in cost-share programs with local agencies for services related to encampment cleanups.
- Clean up identified trash and graffiti hotspots at approximately 80 sites four times per year.
- Respond to litter and graffiti requests within five working days.
- Provide funding to implement public art projects on Valley Water property and infrastructure over the next 15 years.

Vegetation Field Operations

- Manage at least 300 acres of mitigation sites.
- Perform instream vegetation control activities to maintain completed flood protection projects for flow conveyance.
- Manage 2,970 acres of upland vegetation for fire code compliance and maintenance access.
- Manage at least 200 acres of invasive plant management mitigation sites.
- Hazard tree removals to protect people and property.
- 40,000 Sandbags made and distributed to sites Countywide by November 30th, annually.

Operations & Maintenance Environmental Support

- Complete and submit Notice of Proposed Work (NPW) by April 15th.
- Complete and submit Annual Summary Report (ASR) by January 31st.
- Complete Draft Invasive Plant Management Program (IIPMP) EIR by end of FY 2024.
- Complete inclusion of SMP3 into Valley Habitat Plan by end of FY 2024.
- Finalize SMP3 Manual and Final EIR by Fall 2023.

Operations and Maintenance Engineering Support

- For U.S. Army Corps of Engineers (USACE)-constructed reaches of Guadalupe River, Coyote Creek, and Uvas Creek: (a) Conduct semi-annual inspections by November 1 and May 30; (b) Prepare and submit annual inspection reports to USACE by August 1.
- For Natural Resources Conservation Service (NRCS)-constructed reaches of Lower Llagas Creek Flood Protection Project (PL-566): (a) Conduct annual inspections; (b) Prepare and submit annual inspection reports to NRCS.
- Conduct inspections of creeks and levees (ongoing).

- Research and respond to customer requests via Access Valley Water (AVW) communications system (ongoing).
- Prepare work orders for corrective and preventive stream maintenance activities (ongoing).
- Engineering support for SMP projects: (a) Prepare necessary information to ensure SMP annual Notice of Proposed Work occurs by April 15; (b) Provide engineering and construction support for SMP bank protection, sediment removal, vegetation management, and levee maintenance projects (generally between June 15 and October 15); (c) Prepare necessary information to ensure SMP Annual Summary Report occurs by January 31.
- Finalize development of stream maintenance guidelines by December 2023.

Budget Issues and Constraints

- The extent of maintenance work completed annually is constrained by staff resources, funding, and regulatory permit requirements.
- Increased amounts of encampments in the waterways are impacting encampment cleanup workload and this is inhibiting creek and levee inspections in certain areas.

Watershed Operations & Maintenance Division — Budget Summary

Project Type (Category)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	46,900,488	51,521,843	57,858,314	65,510,534
Operating Project	1,149,163	2,116,776	2,000,995	2,078,167
Capital	877,914	1,442,687	744,150	662,473
Total *	**48,927,565**	**55,081,306**	**60,603,459**	**68,251,174**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Deputy's Office of Watershed O&M Division	478,212	1,276,594	1,205,527	1,291,020
Operations & Maintenance Engineering Support	5,189,138	6,510,179	6,814,863	8,150,365
Operations & Maintenance Environmental Support	9,010,683	8,280,506	10,163,167	15,394,983
Vegetation Field Operations	14,426,451	18,101,714	18,733,942	18,812,395
Watersheds Field Operations	19,821,844	20,912,311	23,685,960	24,602,411
West & Guad Wtrshd Prog Support	1,238	0	0	0
Total *	**48,927,565**	**55,081,306**	**60,603,459**	**68,251,174**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

Watershed Operations & Maintenance Division - Position Summary

	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Authorized Positions**	**104**	**112**	**115**	**115**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Organizational Chart.

Operations Budget by Department and Account Category

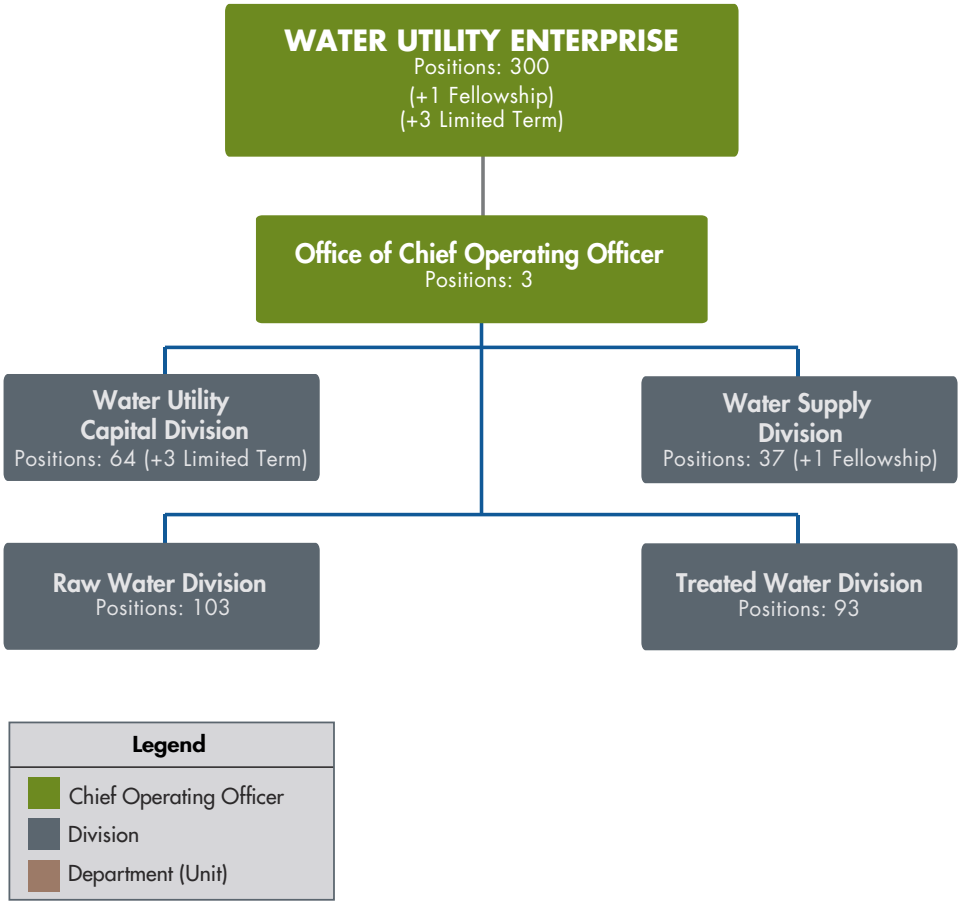
Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Deputy's Office of Watershed O&M Division					
	Salaries & Benefits	288,040	809,901	752,837	804,564
	Services & Supplies	2,230	3,681	3,375	3,375
	Intra District Charges	187,943	463,012	449,315	483,080
Deputy's Office of Watershed O&M Division (251) Total		**478,212**	**1,276,594**	**1,205,527**	**1,291,020**
West & Guad Wtrshd Prog Support					
	Services & Supplies	1,238	0	0	0
West & Guad Wtrshd Prog Support (252) Total		**1,238**	**0**	**0**	**0**
Watersheds Field Operations					
	Salaries & Benefits	6,480,236	6,967,287	7,864,987	8,299,676
	Services & Supplies	7,402,864	7,410,630	8,923,500	8,945,500
	Intra District Charges	5,501,652	5,653,168	6,742,469	7,227,376
Watersheds Field Operations (253) Total		**19,384,752**	**20,031,085**	**23,530,956**	**24,472,552**
Vegetation Field Operations					
	Salaries & Benefits	5,369,385	6,916,631	7,245,096	7,652,432
	Services & Supplies	5,139,009	6,262,725	6,254,700	5,595,100
	Intra District Charges	3,720,883	4,670,952	5,065,497	5,404,094
Vegetation Field Operations (295) Total		**14,229,277**	**17,850,308**	**18,565,292**	**18,651,626**
Operations & Maintenance Environmental Support					
	Salaries & Benefits	3,586,809	4,064,971	4,477,984	4,751,672
	Services & Supplies	3,153,557	1,634,000	2,564,000	7,371,500
	Intra District Charges	2,037,053	2,446,618	2,805,993	2,991,135
Operations & Maintenance Environmental Support (297) Total		**8,777,418**	**8,145,589**	**9,847,977**	**15,114,307**
Operations & Maintenance Engineering Support					
	Salaries & Benefits	2,928,106	3,317,834	3,411,981	3,620,459
	Services & Supplies	570,707	1,050,850	1,130,000	2,130,000
	Intra District Charges	1,679,940	1,966,358	2,167,576	2,308,737
Operations & Maintenance Engineering Support (298) Total		**5,178,754**	**6,335,042**	**6,709,557**	**8,059,196**
*Operations Total**		**48,049,651**	**53,638,618**	**59,859,309**	**67,588,701**

Capital Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Watersheds Field Operations					
	Services & Supplies	34,591	50,000	90,000	90,000
	Salaries & Benefits	212,304	445,357	35,550	21,315
	Intra District Charges	190,197	385,870	29,454	18,543
Watersheds Field Operations (253) Total		**437,092**	**881,226**	**155,004**	**129,859**
Vegetation Field Operations					
	Services & Supplies	77,828	35,000	35,000	35,000
	Salaries & Benefits	68,707	129,982	78,206	73,330
	Intra District Charges	50,639	86,425	55,444	52,440
Vegetation Field Operations (295) Total		**197,174**	**251,406**	**168,649**	**160,769**
Operations & Maintenance Environmental Support					
	Services & Supplies	175,751	80,000	54,750	36,000
	Salaries & Benefits	37,043	34,231	159,965	149,996
	Intra District Charges	20,470	20,686	100,475	94,679
Operations & Maintenance Environmental Support (297) Total		**233,264**	**134,917**	**315,190**	**280,675**
Operations & Maintenance Engineering Support					
	Services & Supplies	0	0	25,000	25,000
	Salaries & Benefits	6,674	110,031	49,179	40,458
	Intra District Charges	3,710	65,106	31,127	25,712
Operations & Maintenance Engineering Support (298) Total		**10,384**	**175,137**	**105,306**	**91,169**
*Capital Total**		**877,914**	**1,442,687**	**744,150**	**662,473**
Division Total*		**48,927,565**	**55,081,306**	**60,603,459**	**68,251,174**

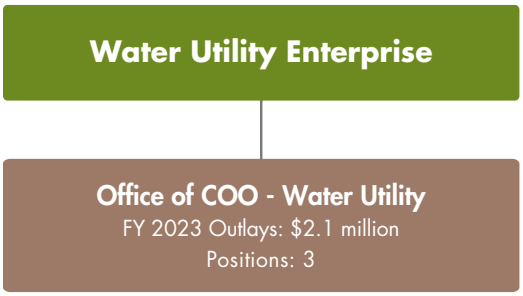
* Totals reflect the gross budget and includes intra-district reimbursement charges.

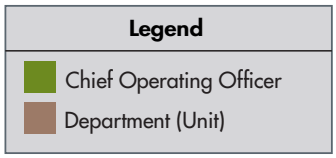
Water Utility



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





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

Office of COO Water Utility — Budget Summary

Project Type (Category)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	1,703,629	1,982,838	1,995,140	2,119,331
Capital	79,722	0	66,689	70,356
Total *	**1,783,351**	**1,982,838**	**2,061,828**	**2,189,687**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Business Planning and Analysis	177,514	0	0	0
Office of COO Water Utility	1,605,837	1,982,838	2,061,828	2,189,687
Total *	**1,783,351**	**1,982,838**	**2,061,828**	**2,189,687**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

Office of COO Water Utility - Position Summary

	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Authorized Positions**	**3**	**3**	**3**	**3**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Organizational Chart.

Operations Budget by Department and Account Category

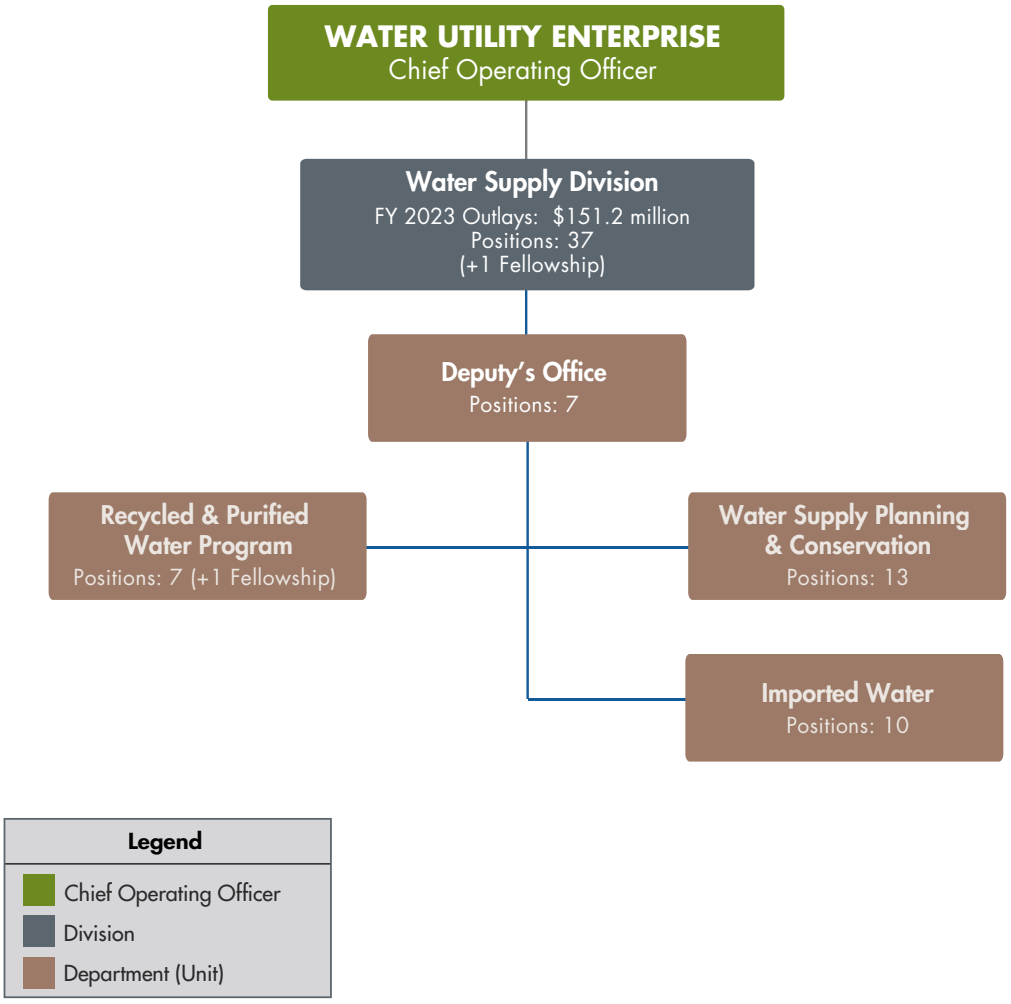
Department	*Account Category*	*FY 2021 Budgetary Actual*	*FY 2022 Adopted $*	*FY 2023 Adopted $*	*FY 2024 Plan $*
Office of COO Water Utility					
	Salaries & Benefits	760,626	941,920	929,347	990,083
	Services & Supplies	423,167	527,280	526,280	548,880
	Intra District Charges	398,807	513,638	539,513	580,368
Office of COO Water Utility (402) Total		**1,582,600**	**1,982,838**	**1,995,140**	**2,119,331**
Business Planning and Analysis					
	Salaries & Benefits	77,758	0	0	0
	Services & Supplies	17,718	0	0	0
	Intra District Charges	25,552	0	0	0
Business Planning and Analysis (416) Total		**121,029**	**0**	**0**	**0**
Operations Total*		**1,703,629**	**1,982,838**	**1,995,140**	**2,119,331**

Capital Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Office of COO Water Utility					
	Salaries & Benefits	0	0	42,179	44,339
	Services & Supplies	23,237	0	0	0
	Intra District Charges	0	0	24,510	26,017
Office of COO Water Utility (402) Total		**23,237**	**0**	**66,689**	**70,356**
Business Planning and Analysis					
	Salaries & Benefits	41,788	0	0	0
	Intra District Charges	14,697	0	0	0
Business Planning and Analysis (416) Total		**56,485**	**0**	**0**	**0**
*Capital Total**		**79,722**	**0**	**66,689**	**70,356**
Division Total*		**1,783,351**	**1,982,838**	**2,061,828**	**2,189,687**

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

Water Supply Division



Division Description and Objectives

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

Recycled & Purified Water

The Recycled and Purified Water (R&PW) Unit supports expansion and development of recycled and purified water in Santa Clara County by collaborating, negotiating and executing long-term agreements with various partners and implementation of Countywide Water Reuse Master Plan (CoRe Plan) projects. The Department is also working on the Purified Water Project, which aims to deliver an indirect potable reuse project to replenish groundwater supplies via a Design Build Finance Operate Maintain delivery method. The Department will support the selected Public Private Partnership (P3) entity in the phases of design, construction, operation, and maintenance of the Advanced Water Purification Facility (AWPF) in Santa Clara County. In addition, the R&PW Department also works on direct potable reuse and is leading various planning and research studies such as Reverse Osmosis (RO) Concentrate Management, Potable Reuse, treatment systems for purification and RO Concentrate (ROC), and desalination opportunities throughout the County.

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 controls imported water costs.

Water Supply Planning & Conservation

The Water Supply Planning & Conservation Unit supports Valley Water's mission by developing long-term water supply plans to ensure there is a reliable water supply, by participating in various regional water supply planning efforts, and by designing, implementing, and evaluating demand management programs to meet Valley Water's short-term and long-term water supply reliability goals. In addition, the Unit manages Valley Water's water conservation programs.

FY 2022 Accomplishments

- Completed the Countywide Water Reuse Master Plan (CoRe Plan).
- Completed Geotechnical site assessments for Palo Alto and San Jose for potential sites of Advanced Water Purification Facility.
- Issued the RFQ and completed the evaluation of submissions to shortlist four P3 teams for the design, build, finance, operate, maintain delivery of the Purified Water Project.
- Managed 2019 Partnership agreement with the cities of Palo Alto and Mountain View, including payment of option payment and reimbursement for the design of a local salt removal facility to improve nonpotable recycled water.
- Coordinated with private developers to extend recycled water pipeline in Gilroy as recommended in the 2015 South County Master Plan Update.
- Completed Phase I of the Title 22 Engineering Report for the Purified Water Project.
- Conducted virtual and in-person technical tours of the Silicon Valley Advanced Water Purification center.
- Effectively managed imported water supplies during ongoing drought conditions and secured approximately 75,000 AF of emergency water supplies, including transfers and Public Health and Safety water.
- Continued work on the Delta Conveyance Project and Valley Water Board adopted Resolution approving additional funding of preliminary planning and design costs.
- Continued participation in Sites Reservoir discussions and executed the third amendment to the Agreement.
- Continued participation in B.F. Sisk Dam Raise and Reservoir Expansion Project discussions, executed Activity Agreement, and developed draft principles of agreement.
- Continued participation in San Luis Transmission Project discussions.
- Semitropic analysis, SGMA risk review, and development of new water banking opportunities.
- Provided leadership role in the Collaborative Science & Adaptive Management Program.
- Participated in Voluntary Agreement discussions and MOU Advancing a Term Sheet for the Voluntary Agreements announced.
- Supported the Pacheco Reservoir Expansion Project.
- Saved approximately 75,000 acre-feet from Valley Water's long-term conservation program (baseline year is 1992) and increased participation in all water conservation programs.
- Continued participation in the Los Vaqueros Reservoir Expansion Project.
- Submitted the Urban Water Management Plan to Department of Water Resources (legal requirement).
- Submitted annual CVPIA report to United States Bureau of Reclamation (USBR) (legal requirement).
- Delivered the second Water Supply Master Plan (WSMP) Monitoring and Assessment Plan (MAP) update to the Board.
- Continued support of the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) as well as the Anderson Dam Seismic Retrofit Project (ADSRP) modeling and analysis efforts.
- Coordinated the agency's drought response.

FY 2023 Milestones

- Complete procurement process and EIR for Purified Water Project.
- Complete Phase II of the Title 22 Engineering Report for the Purified Water Project (e.g., main elements and detailed sections of the report).

- Complete Phase II of the RO Concentrate studies and evaluations pertinent to Palo Alto site in coordination with Palo Alto and Regional Water Board to obtain NPDES permit adjustment for discharge of RO Concentrate (e.g., Toxicity Evaluations of ROC, CEC studies, etc.).
- Collaboration and coordination with the selected P3 entity to work on the design and performance specifications for the AWPF.
- Identify potential sources of supplemental water by January 1, 2023, 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 2022.
- Pay annual Semitropic O&M fee invoice by January 1, 2023.
- Make first semiannual San Felipe Division (SFD) payment due by July 1, 2022 and second semiannual SFD payment due by January 1, 2023.
- Save approximately 76,000 acre-feet from Valley Water's long-term conservation program (baseline year is 1992).
- Submit the UWMP Annual Water Supply and Demand Assessment Guidance to DWR (legal requirement).
- Submit CVPIA Report to USBR (5-year update; legal requirement).
- Deliver the third WSMP Monitoring and Assessment Plan (MAP) update to board.
- Continue support of the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) as well as the Anderson Dam Seismic Retrofit Project (ADSRP) modeling and analysis efforts.

FY 2024 Milestones

- Complete Phase III of the Title 22 Engineering Report for the IPR Project and readiness for review by the Regional Board and DDW.
- Complete Phase III of the RO Concentrate studies and evaluations pertinent to Palo Alto site in coordination with Palo Alto and Regional Water Board to obtain NPDES permit adjustment for discharge of RO Concentrate allowing the integration of the necessary changes with the renewal of the NPDES permit for the Regional Water Quality Control Plan in Palo Alto.
- Collaborate and coordinate with Palo Alto to complete construction of the desalting facility in Palo Alto and initiate start up.
- Collaboration and coordination with the selected P3 entity to work on finalizing the design and performance specifications for the AWPF and initiation of the construction phase.
- Identify potential sources of supplemental water by January 1, 2024, and provide timely support for the annual water supply planning process.
- Provide monthly updates to the Board and public on imported water management agreements through the Water Tracker (EL-7.3 compliance).
- Submit initial Central Valley Project and State Water Project delivery schedules by December 2023.
- Pay annual Semitropic O&M fee invoice by January 1, 2024.
- Make second semiannual San Felipe Division (SFD) payment due by January 1, 2024.
- Save approximately 77,000 acre-feet from Valley Water's long-term conservation program (baseline year is 1992).
- Submit the UWMP Annual Water Supply and Demand Assessment Guidance to DWR (legal requirement).
- Submit annual CVPIA report to USBR (legal requirement).

- Deliver the fourth WSMP Monitoring and Assessment Plan (MAP) update to board.
- Continue support of the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) as well as the Anderson Dam Seismic Retrofit Project (ADSRP) modeling and analysis efforts.

Budget Issues and Constraints

Budget issues and constraints for the Division include insufficient resources to achieve all proposed Division goals; complex and lengthy negotiations with external agencies that can cause unexpected delays; and, managing regulatory requirements while trying to meet compressed schedules. As drought conditions continue, staffing for the water conservation program will be critical to meet heightened conservation targets; and increased budget may be necessary for the water supply planning and analysis program and to purchase additional emergency imported water supplies. Additionally, the COVID-19 pandemic has made implementing in-person elements of the water conservation program challenging and has resulted in a greater administrative burden for staff.

Water Supply Division — Budget Summary

Project Type (Category)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	87,831,270	109,035,531	128,531,783	125,590,819
Operating Project	603	0	0	0
Capital	11,576,397	14,302,525	22,701,712	21,270,805
Total *	**99,408,270**	**123,338,055**	**151,233,495**	**146,861,624**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Deputy's Office of Water Supply Division	2,510,203	225,450	3,551,409	3,774,931
Imported Water	84,393,585	95,804,416	98,779,441	101,650,670
Recycled & Purified Water Program	4,594,478	12,976,886	22,645,790	21,714,276
Water Supply Planning and Conservation	7,910,004	14,331,303	26,256,855	19,721,747
Total *	**99,408,270**	**123,338,055**	**151,233,495**	**146,861,624**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

Water Supply Division - Position Summary

	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Authorized Positions**	31	31	37	37

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Recycled & Purified Water Program					
	Salaries & Benefits	1,506,551	1,308,106	1,371,254	1,443,875
	Services & Supplies	2,090,929	8,740,900	10,289,900	11,098,150
	Intra District Charges	846,855	742,160	824,962	869,193
Recycled & Purified Water Program (410) Total		**4,444,335**	**10,791,165**	**12,486,116**	**13,411,218**
Deputy's Office of Water Supply Division					
	Salaries & Benefits	1,518,266	962,183	1,627,319	1,730,564
	Services & Supplies	20,976	28,875	69,350	71,431
	Intra District Charges	659,723	556,577	994,523	1,062,365
Deputy's Office of Water Supply Division (415) Total		**2,198,965**	**1,547,635**	**2,691,193**	**2,864,360**
Imported Water					
	Salaries & Benefits	2,176,121	2,479,234	2,573,674	2,711,664
	Services & Supplies	70,172,992	80,628,905	83,001,176	85,235,005
	Intra District Charges	1,267,510	1,498,962	1,610,277	1,701,500
Imported Water (425) Total		**73,616,623**	**84,607,100**	**87,185,127**	**89,648,169**
Water Supply Planning and Conservation					
	Salaries & Benefits	2,444,870	2,693,076	2,820,988	3,017,143
	Services & Supplies	3,855,407	7,795,650	21,602,900	14,779,900
	Intra District Charges	1,271,673	1,600,904	1,745,460	1,870,029
Water Supply Planning and Conservation (445) Total		**7,571,950**	**12,089,630**	**26,169,348**	**19,667,072**
Operations Total[*]		**87,831,873**	**109,035,531**	**128,531,783**	**125,590,819**

Capital Budget by Department and Account Category

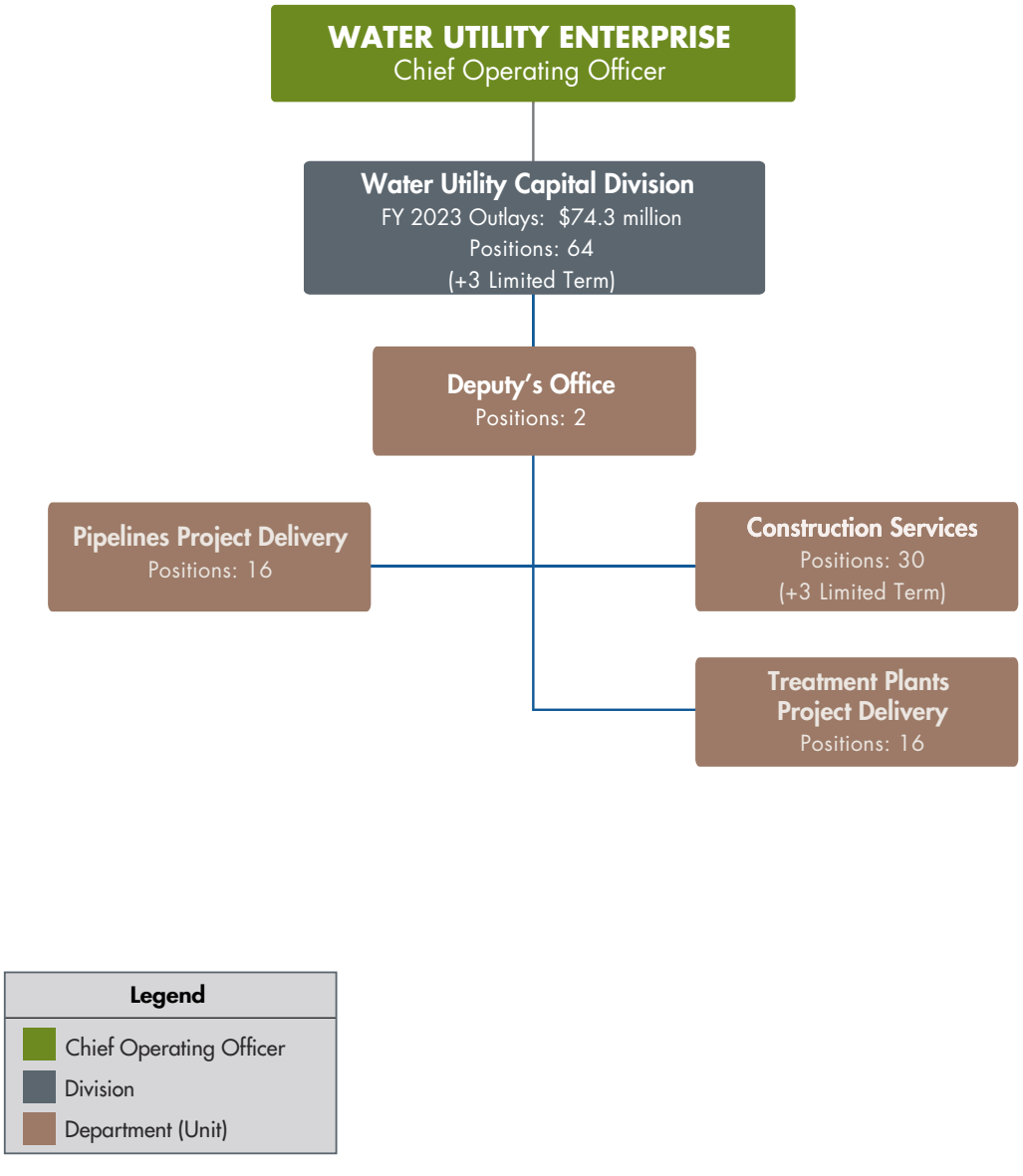
Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Recycled & Purified Water Program					
	Salaries & Benefits	68,867	201,647	622,159	647,413
	Services & Supplies	41,936	1,869,693	9,163,317	7,266,000
	Intra District Charges	39,341	114,380	374,198	389,645
Recycled & Purified Water Program (410) Total		**150,143**	**2,185,720**	**10,159,675**	**8,303,058**
Deputy's Office of Water Supply Division					
	Salaries & Benefits	207,664	282,238	533,830	564,116
	Services & Supplies	7,974	(1,768,039)	0	0
	Intra District Charges	95,600	163,616	326,386	346,455
Deputy's Office of Water Supply Division (415) Total		**311,238**	**(1,322,185)**	**860,217**	**910,571**

Capital Budget by Department and Account Category (Continued)

Department	*Account Category*	*FY 2021 Budgetary Actual*	*FY 2022 Adopted $*	*FY 2023 Adopted $*	*FY 2024 Plan $*
Imported Water					
	Salaries & Benefits	0	25,721	28,161	29,316
	Services & Supplies	10,776,962	11,156,053	11,548,501	11,954,755
	Intra District Charges	0	15,543	17,652	18,430
Imported Water (425) Total		**10,776,962**	**11,197,316**	**11,594,314**	**12,002,501**
Water Supply Planning and Conservation					
	Salaries & Benefits	184,085	39,453	54,097	33,786
	Services & Supplies	50,000	2,178,479	0	0
	Intra District Charges	103,969	23,740	33,410	20,888
Water Supply Planning and Conservation (445) Total		**338,054**	**2,241,673**	**87,507**	**54,675**
Capital Total*		**11,576,397**	**14,302,525**	**22,701,712**	**21,270,805**
Division Total*		**99,408,270**	**123,338,055**	**151,233,495**	**146,861,624**

* 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 Services

The construction Services Unit is responsible for management, inspection, and administration of Capital construction projects included in the Water Utility and Watershed Capital Improvement Program. Unit staff ensures contractors construct improvements that comply with the contract requirements, including environmental and operational conditions, for our water treatment, transmission, storage, and flood control facilities.

Treatment Plants Project Delivery

The Treatment Plants Project Delivery Unit provides the implementation of Valley Water's Capital Improvement Program for Water Utility projects at all treatment plants and pump stations throughout the District. Unit staff manage and perform the planning, design, and engineering support services during construction for various water supply capital projects including expansion and rehabilitation of treatment plants and pump stations, major maintenance, and other improvements.

Pipelines Project Delivery

The Pipelines Project Delivery Unit is responsible for the planning, design, and engineering support services during construction of Valley Water's pipeline infrastructure projects defined in Valley Water's Capital Improvement Program and provides expert pipeline design services for both the Watersheds and Dam Safety Division projects. Duties also include managing the 10-Year Pipeline Inspection and Rehabilitation Project to ensure critical pipeline infrastructure is maintained which provides potable water supply for 2 million residents of Santa Clara County. Unit staff also provides specialty structural engineering services for capital and operations projects across Valley Water divisions and manages Water Utility Small Capital Projects to support the Water Utility's Asset Management Program.

FY 2022 Accomplishments

- Completed the construction of the Central and Parallel East Pipeline (10-Year Pipeline) Inspection and Rehabilitation Projects.
- Completed advertisement and award of the construction contract of the Santa Clara Conduit (10-Year Pipeline) Rehabilitation and Pacheco Sectionalizing Valve Replacement Project.
- Completed advertisement of the construction contract of Almaden Valley Pipeline (10-Year Pipeline) Inspection and Rehabilitation Project.
- Completed the design of the IRP2 Additional Line Valves Project (a Safe Clean Water program project).
- Completed the award of the construction contract and began construction of South County Recycled Water Pipeline Project.
- Completed the construction of the Pacheco Pumping Plant Fire Alarm Suppression System.
- Completed the advertisement of the construction contract for Silicon Valley Advance Water Purification Center Storage Building Project.

- Completed the award of the construction contract for the Pacheco Pumping Plant Electrical Current Limiting Fuse and HVOS Upgrades Project.
- Completed the construction of Pacheco Pumping Plant Electrical Current Limiting Fuse and HVOS Upgrades Project.
- Completed the construction of the Interim Phase Rinconada Water Treatment Plant Project.
- Completed the construction of the Santa Teresa Water Treatment Plant Air Wash Pipeline Replacement Project.
- Completed the Design-Build agreement (Draft) for the Coyote Pumping Plant ASD Replacement Project.
- Completed the award of the construction contract for the STWP Filter Media Replacement Project.
- Completed construction of the Santa Teresa Water Treatment Plant Air Wash Pipeline Replacement Project.

Provided construction management and inspection services for aforementioned WUC Division projects and the following Watershed and emergency projects:

- Permanente Creek at Rancho San Antonio
- Cunningham Flood Detention Facility
- Upper Llagas Creek, Phase 1
- PPP Fire Protection Improvements
- WARP: Piedmont Creek Interim Concrete Repair
- Upper Guadalupe R6 Gravel Replacement

FY 2023 Milestones

- Complete construction of the Central and Parallel East Pipelines (10-Year Pipeline) Inspection and Rehabilitation Project.
- Complete construction of the Almaden Valley Pipeline (10-Year Pipeline) Inspection and Rehabilitation Project.
- Complete Final Design of the West Pipeline (10-year Pipeline) Inspection and Rehabilitation Project from RWTP to Cox Line Valve (Ph1).
- Advertise and award the construction contract of the Snell (10-Year Pipeline) Inspection and Rehabilitation Project.
- Advertise and award the construction contract of the Santa Clara Conduit (10-Year Pipeline) Inspection and Rehabilitation (Ph2) Project from SV1 to CPP.
- Complete construction for the South Country Recycled Water Pipeline Project.
- Complete construction of the Silicon Valley Advance Water Purification Center Storage Building (Small Capital) Project.
- Initiate construction of the Santa Teresa Water Treatment Plant Filter Media Replacement Project.
- Award construction of the Rinconada Water Treatment Plant Reliability Improvement Project, Phase 3-6.
- Complete construction of the Rinconada Water Treatment Plant Residuals Remediation Project.
- Advertise construction of the Water Treatment Plant Electrical Improvement Project.
- Approve the Design-Build agreement of the Vasona Pumping Plant Upgrade Project.
- Complete draft 60% design of the Penitencia Water Treatment Plant Residuals Management Project.
- Complete 60% design for the Coyote Pumping Plant ASD Replacement Project.

Provide construction management, inspection services, or advisory construction management services for WUC Division projects, as well as Watershed, Maintenance, and Dam Safety projects such as:

- Lower Berryessa Creek, Phase 2
- Permanente Creek at Rancho San Antonio
- Upper Llagas Creek, Phase 1
- Lower Penitencia Creek
- Lower Calera Creek
- SVAWPC Storage Building
- WARP: Calabazas Creek Phase I & II
- FOCP Coyote Creek Chillers
- Upper Llagas R6, 7B, 8, 14
- FOCP Coyote Percolation Dam Removal
- Sunnyvale East & West
- Almaden Lake Improvement
- Upper Llagas 8, Phase 2A – Tunnel
- FOCP Anderson Dam Tunnel
- Hale Creek Pilot Project
- Bolsa Fish Passage
- Palo Alto Flood Basin Tide Gates
- FOCP Coyote Creek FMM: Phase I
- San Francisquito Creek Channel Widening
- WARP: Blossom Hill/Malone Road Erosion, Guadalupe
- WARP: Calabazas Culvert Repair & South Babb Creek

FY 2024 Milestones

- Complete construction of the Santa Clara Conduit (10-Year Pipeline) Rehabilitation and Pacheco Sectionalizing Valve Replacement Project.
- Begin construction of the Snell (10-Year Pipeline) Inspection and Rehabilitation Project.
- Construct the new line valve on Snell Pipeline under the IRP2 Additional Line Valve Project (SCW Project).
- Advertise and Award the construction contract of the West Pipeline (10-year Pipeline) Inspection and Rehabilitation Project from RWTP to Cox Line Valve (Ph1).
- Complete the Final Design of West Pipeline (10-year Pipeline) Inspection and Rehabilitation Project from Cox Line Valve to Granger Line Valve (Ph 2).
- Complete construction of the Santa Teresa Water Treatment Plant Filter Media Replacement Project.
- Initiate construction of the Rinconada Water Treatment Plant Reliability Improvement Project, Phase 3-6.
- Project closeout of the Rinconada Water Treatment Plant Residuals Remediation Project.
- Initiate construction of the Water Treatment Plant Electrical Improvement Project.
- Complete the Design-Builder Agreement and initiate construction of the Vasona Pumping Plant Upgrade Project.

- Initiate construction of the Penitencia Water Treatment Plant Residuals Management Project.
- Finalize GMP and approve the Phase 2 of the Design-Build Agreement for construction of the Coyote Pumping Plant ASD Replacement Project.

Provide construction management, inspection services, or advisory construction management services for WUC Division projects, as well as Watershed, Maintenance, and Dam & Safety projects such as:

- Permanente Creek at Rancho San Antonio
- WARP: Calabazas Creek Phase I & II
- SVAWPC Storage Building
- FOCP Coyote Percolation Dam Removal
- Upper Llagas Creek FPP Phase I
- Lower Penitencia Creek
- Lower Calera Creek
- Upper Llagas R6, 7B, 8, 14 (Phase 2B)
- Sunnyvale East & West
- Almaden Lake Improvement
- WARP: Permanente Creek
- WARP: San Carlos Gabion Repair, Guadalupe & Alviso Levee Repair, Alviso Slough
- Upper Llagas 8, Phase 2A - Tunnel
- San Francisquito Creek Channel Widening
- WARP: Blossom Hill/Malone Road Erosion, Guadalupe
- WARP: Calabazas Culvert Repair & South Babb Creek
- Hale Creek Pilot Project
- Palo Alto Flood Basin Tide Gates
- FOCP Coyote Creek FMM: Phase I
- Coyote Creek Flood Protection: Phase II
- San Francisquito - Pope Chaucer Bridge

Budget Issues and Constraints

The amount of funding available, derived from groundwater production charges in both North and South County, will determine the number of capital projects which will be funded in a given year. Current staffing levels will preclude the implementation of projects not already identified within the 5-year CIP. Staff availability and support outside of the Water Utility Capital Division is also a factor affecting completion of the projected milestones and the volume of work that can be accomplished. Project progress can be greatly affected by external factors outside of Valley Water (i.e., securing permits; obtaining timely reviews and approvals of project deliverables; timely development and execution of agreements with external agencies).

Water Utility Capital Division — Budget Summary

Project Type (Category)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	538,812	99,102	59,318	68,249
Operating Project	731	0	0	0
Capital	60,090,522	73,325,727	74,202,065	133,275,315
Total *	**60,630,065**	**73,424,828**	**74,261,383**	**133,343,564**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Construction Services	7,523,912	14,878,256	13,345,474	13,853,720
Deputy's Office of Water Utility Capital Division	2,582,561	936,549	742,955	810,798
East Side Project Delivery	17,490	0	0	0
Pipelines Project Delivery	16,605,804	30,853,848	21,776,713	27,959,755
Treatment Plants Project Delivery	33,900,299	26,756,175	38,396,241	90,719,290
Total *	**60,630,065**	**73,424,828**	**74,261,383**	**133,343,564**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

Water Utility Capital Division - Position Summary

	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Authorized Positions**	**55**	**62**	**64**	**68**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Deputy's Office of Water Utility Capital Division					
	Salaries & Benefits	24,984	12,680	0	0
	Services & Supplies	1,400	0	0	0
	Intra District Charges	11,474	6,333	0	0
Deputy's Office of Water Utility Capital Division (315) Total		**37,858**	**19,013**	**0**	**0**
Construction Services					
	Salaries & Benefits	57,894	5,702	4,262	4,536
	Services & Supplies	27,975	0	0	0
	Intra District Charges	15,949	977	795	854
Construction Services (351) Total		**101,818**	**6,680**	**5,057**	**5,390**
Treatment Plants Project Delivery					
	Salaries & Benefits	54,244	2,720	0	0
	Services & Supplies	11,150	0	0	0
	Intra District Charges	17,186	429	0	0
Treatment Plants Project Delivery (376) Total		**82,580**	**3,149**	**0**	**0**
Pipelines Project Delivery					
	Salaries & Benefits	226,820	51,421	36,618	42,037
	Services & Supplies	15,876	300	0	0
	Intra District Charges	74,593	18,538	17,643	20,822
Pipelines Project Delivery (385) Total		**317,288**	**70,260**	**54,261**	**62,859**
Operations Total[*]		**539,544**	**99,102**	**59,318**	**68,249**

Capital Budget by Department and Account Category

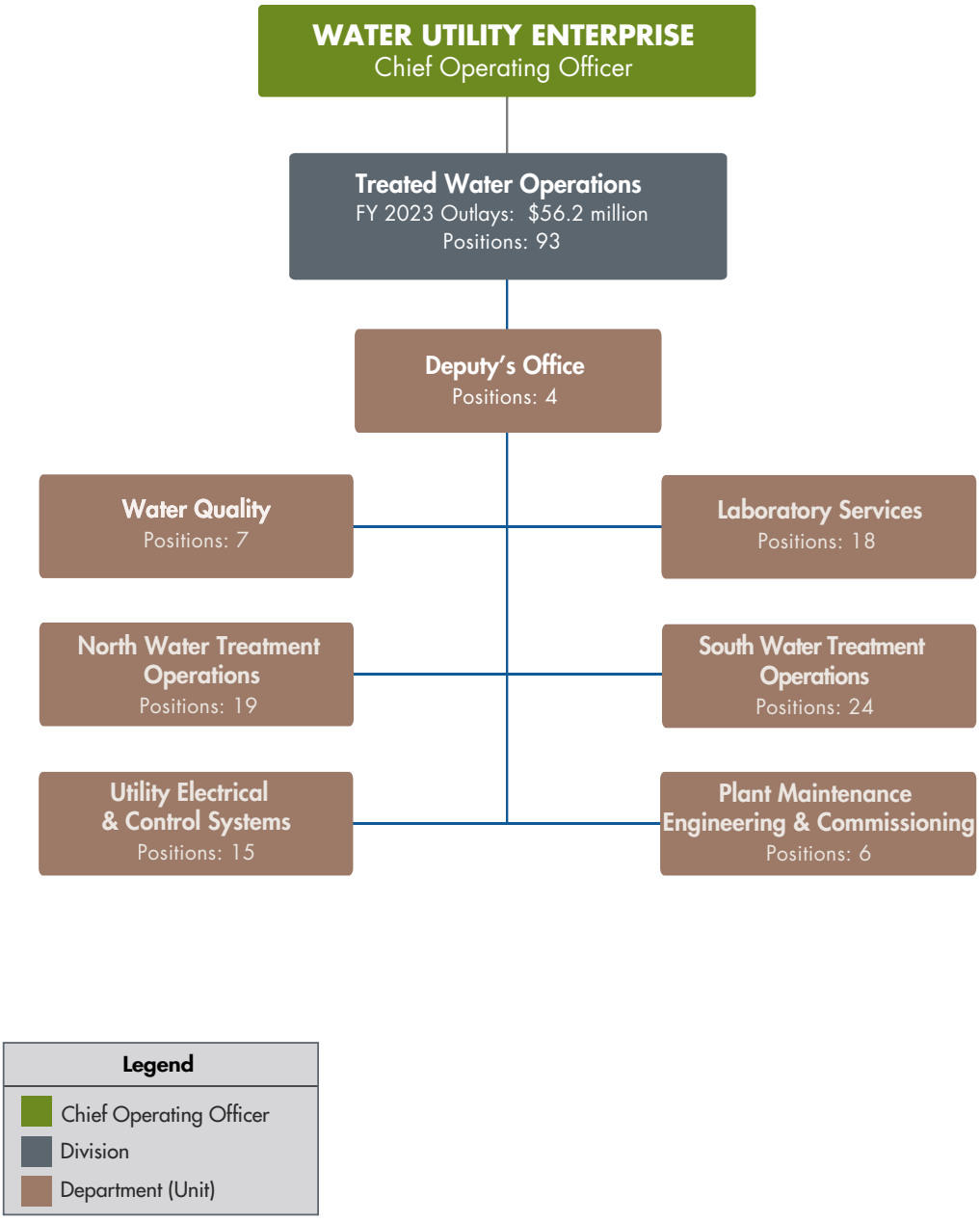
Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Deputy's Office of Water Utility Capital Division					
	Salaries & Benefits	575,246	605,189	628,861	671,189
	Services & Supplies	1,689,815	9,800	(224,579)	(228,633)
	Intra District Charges	279,642	302,546	338,673	368,243
Deputy's Office of Water Utility Capital Division (315) Total		**2,544,703**	**917,536**	**742,955**	**810,798**
Construction Services					
	Salaries & Benefits	4,624,593	7,383,075	7,492,395	8,295,138
	Services & Supplies	129,454	3,283,500	1,047,172	245,645
	Intra District Charges	2,668,047	4,205,001	4,800,851	5,307,547
Construction Services (351) Total		**7,422,094**	**14,871,576**	**13,340,417**	**13,848,330**

Capital Budget by Department and Account Category (Continued)

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
East Side Project Delivery					
	Services & Supplies	17,490	0	0	0
East Side Project Delivery (375) Total		**17,490**	**0**	**0**	**0**
Treatment Plants Project Delivery					
	Salaries & Benefits	2,748,115	3,273,667	3,671,183	4,377,767
	Services & Supplies	29,470,004	21,535,422	32,467,579	83,646,437
	Intra District Charges	1,599,600	1,943,937	2,257,478	2,695,087
Treatment Plants Project Delivery (376) Total		**33,817,719**	**26,753,026**	**38,396,241**	**90,719,290**
Pipelines Project Delivery					
	Salaries & Benefits	2,939,810	3,464,100	3,660,561	3,857,653
	Services & Supplies	11,708,449	25,263,895	15,788,779	21,638,245
	Intra District Charges	1,640,257	2,055,594	2,273,112	2,400,998
Pipelines Project Delivery (385) Total		**16,288,516**	**30,783,588**	**21,722,452**	**27,896,896**
*Capital Total**		**60,090,522**	**73,325,727**	**74,202,065**	**133,275,315**
Division Total*		**60,630,065**	**73,424,828**	**74,261,383**	**133,343,564**

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

Treated Water Division



Division Description and Objectives

The Treated Water Division (Division) manages Valley Water's three conventional drinking water treatment plants, providing a reliable, high-quality drinking water supply to Santa Clara County. The Division also manages the Silicon Valley Advanced Water Purification Center to advance the quality and use of recycled water in the county. In addition, the Division operates the Campbell Well Field to provide emergency backup supply to the treated water system and includes units that provide an array of services as identified further below. The Division provides technical expertise and leadership for all commissioning-related work to improve overall safety, quality, and reliability upon capital construction handover to Operations and Maintenance (O&M). In addition, the Division communicates regularly with water retailers, and maintains communication and conducts annual check-ins for ongoing and annual updates of drinking and recycled water regulations with the State Water Resources Control Board (SWRCB).

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) and test water produced from our drinking water treatment plants, distribution lines, 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, the purification center as well as other district 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) 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, treated water pipelines, and major treatment process changes. The unit supports and implements the integration of large capital projects 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 treated water retailers along the East/Milpitas Pipelines - 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 seven (7) of Valley Water's treated water retailers, and ultimately to the residents of Santa Clara County. The unit is responsible for providing a 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 systems. This includes 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.

FY 2022 Accomplishments

- 100% of the water (treated and purified) delivered to customers met and surpassed all applicable primary drinking water quality regulatory standards, Title 22 recycled water standards, and O&M agreement targets.
- Timely submitted of operational and compliance reports to DDW, RWQCB, water retailers, and internal stakeholders, as required, and upon request.
- Water Quality Lab completed regulatory monitoring of source and treated water control requirements, and successfully met required proficiency testing and quality assurance for renewal of Environmental Laboratory Accreditation Program (ELAP) accreditation.
- The water quality lab performed over 150,000 tests to support ongoing Valley Water operations, and continued the implementation of a web-based document management system and Environmental Information Management (EIM) System, and the upgrade of Laboratory Information Management System (LIMS).
- Supported construction and design review activities, and completion of consultant agreements for various capital projects at the water treatment plants.
- Maintained communications with DDW and water retailers on pertinent water quality activities, operational issues, regulatory compliance, and emergency operational updates.
- Provided electrical, instrumentation and control, and SCADA engineering support for all water treatment plants, Campbell Well Field, SFPUC-Valley Water Intertie, pump stations, and pipelines to support day-to-day operations and maintenance, capital improvements and upgrades, and master planning.
- Continued uninterrupted plant operations and treated water delivery activity during COVID-19 restrictions, wildfire season and PSPS events.
- Continued to successfully manage treatment plant operations and address water quality issues under significant drought and chemical supply chain challenges.
- Water Quality Lab received 100% passing score on annual performance evaluation in wide variety of chemical and microbiological analyses.
- Hosted a successful Valley Water Retailer System Capacity Collaboration meeting to discuss upcoming planned construction work, identify and mitigate potential impacts, and enhance interagency communications.

- SVAWPC was given the 2021 Tertiary Recycled Water Plant of the Year award by California Water Environment Association (CWEA) at the regional (Santa Clara Valley Section) and state-level.

FY 2023 Milestones

- Ensure that 100% of the treated water delivered to our customers meets all applicable primary drinking water regulatory 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 treatment plants and pump stations.
- 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 "better" rating in the annual retailer surveys.
- Support the development of the water treatment plant, SCADA, and distribution systems master plans.

FY 2024 Milestones

- Ensure that 100% of the treated water delivered to our customers meets all applicable primary drinking water regulatory 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 treatment plants and pump stations.
- 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 "better" rating in the annual retailer surveys.
- Support the development of the water treatment plant, SCADA, and distribution systems master plans.

Budget Issues and Constraints

- Aging infrastructure and potential water quality challenges that threaten uninterrupted operations.
- Ongoing staffing and resources assignment constraints to support capital and large projects.
- Ongoing staffing and resources assignment constraints to keep up with increasing regulatory requirements, and track regulatory compliance related to PFAS and others.
- Maintaining adequate level of operational service due to chemical and chain supply issues, wildfire events, Public Safety Power Shutoffs (PSPS) events, and employee's safety during COVID-19 pandemic.
- Limited pool of journey-level electrical and control system/SCADA, and process engineering talent available locally.

Treated Water Division — Budget Summary

Project Type (Category)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	41,771,025	45,185,023	51,500,069	53,275,101
Operating Project	4,253	0	0	0
Capital	3,203,476	8,293,793	4,674,959	8,426,414
Total *	**44,978,754**	**53,478,815**	**56,175,029**	**61,701,516**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Deputy's Office of Treated Water Division	1,690,854	1,898,873	1,959,425	2,056,219
Laboratory Services	6,690,143	7,381,333	7,836,778	8,242,294
North Water Treatment Operations	10,138,270	10,980,963	12,806,486	13,416,866
Plant Maintenance Engineering & Commissioning	2,187,992	4,898,466	2,545,648	6,053,444
South Water Treatment Operations	14,548,417	15,614,665	17,261,334	17,743,033
Utility Electrical & Control Systems	6,428,081	8,933,247	9,623,244	9,878,006
Water Quality	3,294,996	3,771,269	4,142,113	4,311,655
Total *	**44,978,754**	**53,478,815**	**56,175,029**	**61,701,516**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

Treated Water Division - Position Summary

	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Authorized Positions**	**94**	**94**	**93**	**93**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Organizational Chart.

Operations Budget by Department and Account Category

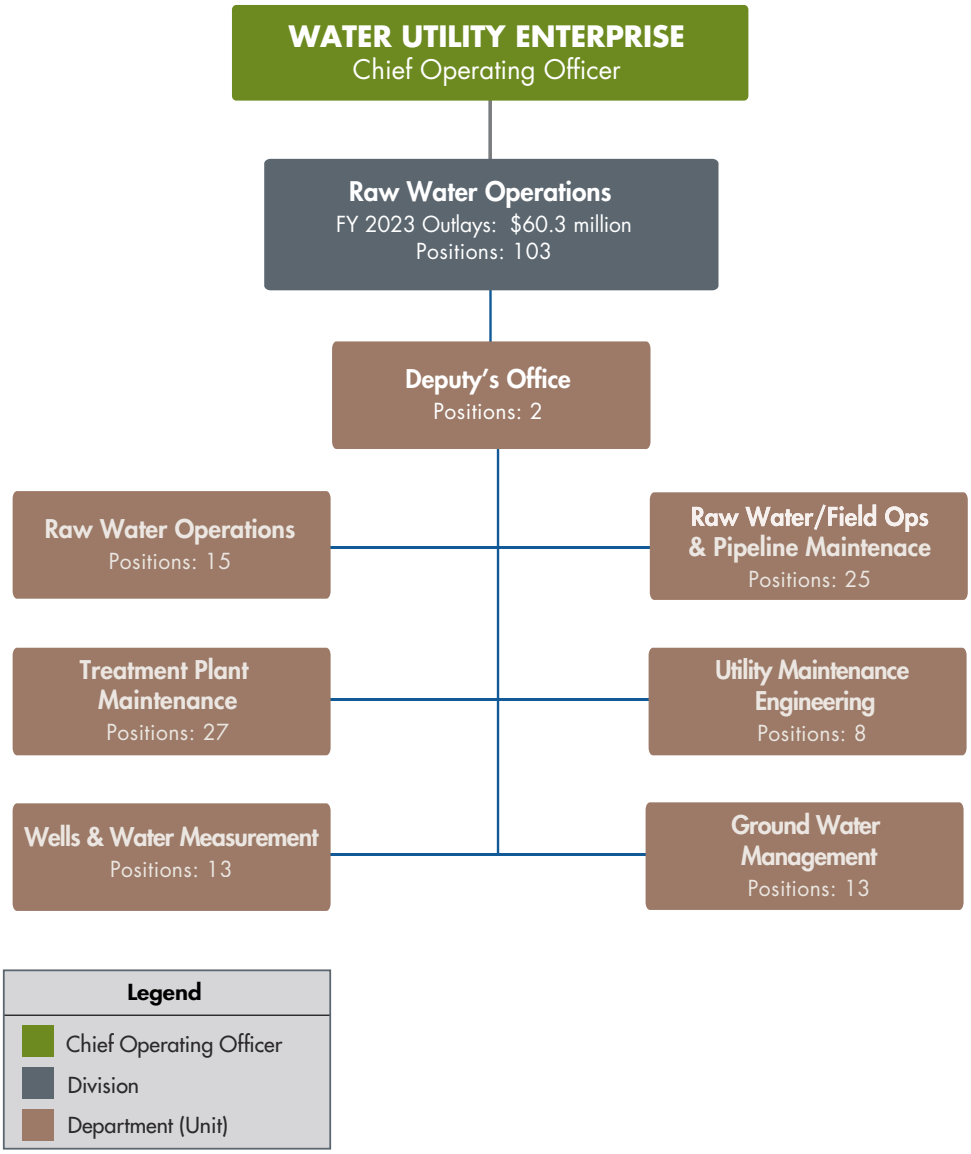
Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Deputy's Office of Treated Water Division					
	Salaries & Benefits	1,100,359	1,150,645	1,181,678	1,241,543
	Services & Supplies	6,674	70,225	70,000	70,000
	Intra District Charges	571,539	678,003	707,747	744,675
Deputy's Office of Treated Water Division (515) Total		**1,678,572**	**1,898,873**	**1,959,425**	**2,056,219**
Plant Maintenance Engineering & Commissioning					
	Salaries & Benefits	414,077	517,076	1,069,825	1,011,746
	Services & Supplies	7,550	22,625	10,000	10,000
	Intra District Charges	211,341	306,697	661,078	625,848
Plant Maintenance Engineering & Commissioning (516) Total		**632,968**	**846,398**	**1,740,903**	**1,647,594**
Water Quality					
	Salaries & Benefits	1,550,241	1,599,152	1,725,292	1,783,124
	Services & Supplies	803,982	1,047,200	1,201,900	1,201,900
	Intra District Charges	868,899	941,863	1,058,526	1,098,048
Water Quality (525) Total		**3,223,122**	**3,588,215**	**3,985,718**	**4,083,071**
Laboratory Services					
	Salaries & Benefits	3,707,966	3,846,852	4,019,921	4,239,530
	Services & Supplies	916,754	969,100	1,303,000	1,363,000
	Intra District Charges	1,947,218	2,265,077	2,457,787	2,601,266
Laboratory Services (535) Total		**6,571,938**	**7,081,029**	**7,780,708**	**8,203,796**
Utility Electrical & Control Systems					
	Salaries & Benefits	2,969,332	2,830,469	3,246,496	3,375,205
	Services & Supplies	512,335	1,040,000	1,157,900	1,158,200
	Intra District Charges	1,535,972	1,621,496	1,879,746	1,959,794
Utility Electrical & Control Systems (545) Total		**5,017,639**	**5,491,965**	**6,284,142**	**6,493,198**
North Water Treatment Operations					
	Salaries & Benefits	4,228,043	4,155,632	4,318,161	4,540,556
	Services & Supplies	3,728,175	4,321,250	5,757,750	5,985,250
	Intra District Charges	2,182,052	2,395,087	2,635,231	2,790,077
North Water Treatment Operations (565) Total		**10,138,270**	**10,871,970**	**12,711,142**	**13,315,883**
South Water Treatment Operations					
	Salaries & Benefits	5,389,623	5,339,694	5,530,283	5,768,047
	Services & Supplies	6,387,293	7,159,350	8,417,497	8,469,283
	Intra District Charges	2,735,852	2,907,530	3,090,252	3,238,009
South Water Treatment Operations (566) Total		**14,512,768**	**15,406,573**	**17,038,032**	**17,475,339**
*Operations Total**		**41,775,278**	**45,185,023**	**51,500,069**	**53,275,101**

Capital Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Deputy's Office of Treated Water Division					
	Salaries & Benefits	8,090	0	0	0
	Intra District Charges	4,192	0	0	0
Deputy's Office of Treated Water Division (515) Total		**12,282**	**0**	**0**	**0**
Plant Maintenance Engineering & Commissioning					
	Salaries & Benefits	995,029	1,287,949	497,451	632,014
	Services & Supplies	0	2,000,000	0	3,383,000
	Intra District Charges	559,994	764,119	307,294	390,836
Plant Maintenance Engineering & Commissioning (516) Total		**1,555,024**	**4,052,068**	**804,745**	**4,405,849**
Water Quality					
	Salaries & Benefits	46,044	114,802	96,586	141,031
	Intra District Charges	25,829	68,251	59,808	87,552
Water Quality (525) Total		**71,874**	**183,053**	**156,395**	**228,584**
Laboratory Services					
	Salaries & Benefits	3,242	62,981	34,655	23,757
	Services & Supplies	113,795	200,000	0	0
	Intra District Charges	1,168	37,324	21,415	14,740
Laboratory Services (535) Total		**118,205**	**300,305**	**56,070**	**38,498**
Utility Electrical & Control Systems					
	Salaries & Benefits	815,051	967,358	911,221	924,838
	Services & Supplies	135,530	1,894,950	1,894,950	1,894,950
	Intra District Charges	459,861	578,975	532,931	565,020
Utility Electrical & Control Systems (545) Total		**1,410,442**	**3,441,282**	**3,339,103**	**3,384,808**
North Water Treatment Operations					
	Salaries & Benefits	0	67,506	57,826	61,127
	Intra District Charges	0	41,487	37,518	39,856
North Water Treatment Operations (565) Total		**0**	**108,994**	**95,344**	**100,983**
South Water Treatment Operations					
	Salaries & Benefits	2,685	130,467	138,253	165,667
	Services & Supplies	32,799	0	0	0
	Intra District Charges	166	77,624	85,049	102,026
South Water Treatment Operations (566) Total		**35,649**	**208,091**	**223,302**	**267,693**
*Capital Total**		**3,203,476**	**8,293,793**	**4,674,959**	**8,426,414**
Division Total*		**44,978,754**	**53,478,815**	**56,175,029**	**61,701,516**

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

Raw Water Division



Division Description and Objectives

The Raw Water Division (Division) maintains the Water Utility infrastructure, operates the Raw Water System and ensures continued groundwater sustainability. This includes the operations and maintenance of Valley Water's 10 reservoirs, three raw water pump stations, 94 miles of large diameter raw water transmission pipelines and tunnels, and a multifaceted groundwater recharge system including 91 miles of managed creeks and 102 recharge ponds. The Division also maintains Valley Water's three water treatment plants, Advanced Water Purification Center, Campbell Well Field, recycled water pipelines in South County, and over 40 miles of large diameter treated water transmission pipelines. The Division provides civil engineering and corrosion control services in support of maintenance of these facilities. The Division also performs the Annual Water Supply Operations Plan for the water supply of the County, performs planning and analysis for the operations of the Raw Water System, manages Valley Water's groundwater basins and local water rights, and submits the regulatory reports needed for operation of the Raw Water System and Sustainable Groundwater Management Act (SGMA) compliance.

Groundwater Management

The Groundwater Management Unit helps ensure continued groundwater sustainability by providing accurate and timely information on current and forecasted groundwater conditions; ensuring Valley Water compliance with SGMA requirements; and implementing programs to protect groundwater resources. Related programs include groundwater level, groundwater quality, and land subsidence monitoring; evaluation of groundwater data and the use of numerical models to inform operational decisions and long-term water supply planning; activities to protect groundwater quality; and the maintenance and implementation of a comprehensive groundwater management plan for compliance with the District Act and SGMA.

Raw Water Operations

The Raw Water Operations Unit performs the day-to-day operations planning and 24/7 remote operations of Valley Water's Raw Water System as described above. In addition, the unit administers the untreated surface water program. The unit also performs the required water right and regulatory compliance reporting to maintain and protect local water supply operations.

Utility Maintenance Engineering

The Utility 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 and Pre-stressed Concrete Cylinder Pipe (PCCP) as well as the development of seismic and risk management tools for pipelines. In addition, the unit provides engineering support for the three water treatment plants, Silicon Valley Advanced Water Purification Center (SVAWPC), three pump stations, SFPUC Intertie and other related infrastructure and facilities.

Raw Water/Field Operations and Pipeline Maintenance

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 142 miles of pipelines. Also included is the operation and maintenance of recharge and water distribution systems for groundwater basins, reservoirs, canals and other water supply infrastructure.

Treatment Plant Maintenance

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 used for the implementation of Valley Water's Well Ordinance (Ordinance 90-1). Implementation of the well ordinance includes well permitting, well inspection, well data management, and violation enforcement for all wells located in Santa Clara County. The Water Measurement Program provides services and supplies for the operation of Valley Water's meter test facility, meter reading, for meter installation, the test and overhaul of meters, and the preventative and corrective maintenance of approximately 1,000 groundwater, treated water, and raw water meters.

FY 2022 Accomplishments

- Completed the FY22-26 Water Utility Maintenance Workplan.
- Completed the 2021 Groundwater Management Plan for five-year update of SGMA compliance.
- Completed the Water Year 2021 Report for the Santa Clara and Llagas Subbasins for SGMA compliance.
- Continued management of end-of-year 2021 groundwater storage within Stage 1 (Normal) despite on-going drought.
- Maintained reliable raw water and pipeline facilities by performing scheduled preventative maintenance.
- Developed annual Water Supply Operations Plans that helped with weathering the third year of the drought.
- Operated the raw water conveyance system 24/7/365 without any major incidents.
- Safely operated Valley Water's ten (10) reservoirs during the heavy storms of December 2021.
- Continued the implementation of the FAHCE Plus Pilot Study on Guadalupe and Stevens Creek reservoirs.
- Submitted the annual water rights reports by the April 1, 2022 deadline.
- Submitted the annual reports for the Lake or Streambed Alteration Agreements (LSAAs) for North and South County by their respective deadlines.
- Provided civil, mechanical, 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.
- Issued approximately 1,094 well permits/completed approximately 1,121 well inspections.
- Conducted enforcement on 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.
- Maintenance of 669 Valley Water meters.

- Read meters weekly for 32 Treated water sites, monthly for 257 meters along 10 routes for groundwater well sites and semi-annually for 869 meters along 23 routes for groundwater well sites.
- Performed 58 treated water verifications.
- Removed 46 meters that were outside the revised groundwater benefit zones.
- Installed 7 meters on new groundwater sites.

FY 2023 Milestones

- Plan, execute and complete work projects identified in the 5-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 to weather the drought.
- Operate the raw water conveyance system 24/7/365.
- Safely operate Valley Water's ten (10) reservoirs during the rainy season.
- Operate recharge facilities, canals, ditches, and low-pressure pipelines as required by the operations plan and regulatory agency requirements.
- Operate the Almaden-Calero Canal during the storm season to transfer excess water from Almaden Reservoir to Calero Reservoir.
- Complete the FAHCE Plus Pilot Study on Guadalupe and Stevens Creek reservoirs.
- Complete recharge pond maintenance.
- Complete the Water Year 2022 Report for the Santa Clara and Llagas Subbasins for SGMA compliance.
- Complete the 2021 Annual Groundwater Report.
- Complete the pre-feasibility study for Flood-Managed Aquifer Recharge.
- Complete the annual water rights reports by the new February 1, 2023, deadline.
- Complete the annual LSAA reports for North and South County by their respective deadlines.
- Provide civil, mechanical, 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.
- Data migration and testing for successful implementation of new CityWorks well permitting and inspection system.
- Manage accelerating demands for increased meter testing and installations.

FY 2024 Milestones

- Plan, execute and complete work projects identified in the 5-Year Maintenance Work Plan.
- Maintain reliable water treatment, raw water and pipeline facilities by performing corrective and scheduled preventative maintenance.
- Manage Cathodic Protection and Corrosion Control Systems (maintenance, surveys, troubleshooting and repairs).
- Develop and follow the annual Water Supply Operations Plan.

- Operate the raw water conveyance system 24/7/365.
- Safely operate Valley Water's ten (10) reservoirs during the rainy season.
- Operate recharge facilities, canals, ditches, and low-pressure pipelines as required by the operations plan and regulatory agency requirements.
- Operate the Almaden-Calero Canal during the storm season to transfer excess water from Almaden Reservoir to Calero Reservoir.
- Initiate the implementation of FAHCE Plus on north county reservoirs in Guadalupe and Stevens Creek watersheds
- Complete the annual water rights reports by February 1, 2024, deadline.
- Complete the annual LSAA reports for North and South County by their respective deadlines.
- Continue meter installations.
- Continue planned projects in both Well Ordinance Compliance Program and Water Measurement Program.
- Complete recharge pond maintenance.
- Complete the Water Year 2023 Report for the Santa Clara and Llagas Subbasins for SGMA compliance.
- Complete the 2022 Annual Groundwater Report.
- Provide civil, mechanical, and corrosion control engineering support for Water Utility O&M efforts.
- Respond to and support pipeline emergency repair efforts.
- Support Capital Improvement projects.

Budget Issues and Constraints

- Aging infrastructure, dry conditions, 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 Federal Energy Regulatory Commission (FERC) order to draw down Anderson to deadpool.
- Ongoing staffing and resource assignment constraints to: support operations, maintenance, capital and large projects; track and engage on contaminants that may affect groundwater supplies including PFAS; support the FAHCE program and coordination effort with regulatory agencies.
- Limited pool of qualified journey-level skilled trades talent available regionally.
- Maintain adequate level of operational service and keep employees safe during the COVID-19 pandemic, wildfire events, and Public Safety Power Shutoffs (PSPS) events.

Raw Water Division — Budget Summary

Project Type (Category)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Operations	41,469,711	44,595,226	47,582,954	49,313,435
Operating Project	18,126	66,066	27,906	39,993
Capital	12,489,927	17,036,490	12,652,102	13,042,336
Total *	**53,977,764**	**61,697,782**	**60,262,963**	**62,395,764**

Department (Unit)	FY 2021 Budgetary Actuals	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Deputy's Office of Raw Water Division	832,242	893,089	888,609	949,308
Groundwater Management	4,796,312	5,813,311	5,421,432	5,678,257
Raw Water & Pipeline Maintenance Engineering	6,886,526	5,630,049	5,262,861	5,489,096
Raw Water Field Ops & Pipeline Maintenance	12,750,375	18,066,886	19,895,427	16,996,945
Raw Water Operations	6,161,686	6,949,346	7,492,101	7,505,483
Treatment Plant Maintenance	18,553,607	19,942,356	16,505,972	20,835,583
Wells and Water Measurement	3,997,015	4,402,745	4,796,561	4,941,090
Total *	**53,977,764**	**61,697,782**	**60,262,963**	**62,395,764**

* Totals includes intra-district reimbursement charges. For comparison purposes, FY 2021 and FY 2022 department expenditures are presented according to the FY 2023 Division Organizational Chart.

Raw Water Division - Position Summary

	FY 2021 Adjusted Budget	FY 2022 Adopted Budget	FY 2023 Adopted Budget	FY 2024 Plan
Authorized Positions**	**106**	**106**	**103**	**103**

** Authorized positions exclude limited term positions and management fellows.
For comparison purposes, FY 2021 and FY 2022 positions count lists all positions in the division budget according to the FY 2023 Division Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Deputy's Office of Raw Water Division					
	Salaries & Benefits	542,625	559,058	546,746	583,336
	Services & Supplies	2,090	12,250	11,500	11,500
	Intra District Charges	287,216	321,782	330,363	354,472
Deputy's Office of Raw Water Division (408) Total		**831,931**	**893,089**	**888,609**	**949,308**
Raw Water & Pipeline Maintenance Engineering					
	Salaries & Benefits	1,658,656	1,837,660	1,363,448	1,517,622
	Services & Supplies	1,100,448	1,474,325	2,052,600	2,102,600
	Intra District Charges	944,679	1,128,042	890,814	997,022
Raw Water & Pipeline Maintenance Engineering (435) Total		**3,703,783**	**4,440,027**	**4,306,862**	**4,617,244**
Raw Water Operations					
	Salaries & Benefits	3,580,881	3,592,268	3,759,732	3,995,520
	Services & Supplies	477,671	1,014,675	1,198,225	972,875
	Intra District Charges	1,828,190	1,993,387	2,143,671	2,285,381
Raw Water Operations (455) Total		**5,886,742**	**6,600,330**	**7,101,628**	**7,253,776**
Groundwater Management					
	Salaries & Benefits	3,015,402	3,072,220	3,113,973	3,270,547
	Services & Supplies	143,386	862,225	340,000	340,000
	Intra District Charges	1,636,187	1,801,044	1,874,411	1,968,384
Groundwater Management (465) Total		**4,794,975**	**5,735,488**	**5,328,384**	**5,578,931**
Wells and Water Measurement					
	Salaries & Benefits	2,422,066	2,591,939	2,763,917	2,896,068
	Services & Supplies	115,802	196,600	241,750	158,750
	Intra District Charges	1,459,147	1,603,109	1,754,481	1,848,495
Wells and Water Measurement (475) Total		**3,997,015**	**4,391,648**	**4,760,149**	**4,903,313**
Treatment Plant Maintenance					
	Salaries & Benefits	5,435,002	5,181,051	5,666,672	5,924,827
	Services & Supplies	2,784,152	2,509,000	3,131,000	2,881,000
	Intra District Charges	3,536,407	3,331,487	3,887,931	4,105,529
Treatment Plant Maintenance (555) Total		**11,755,561**	**11,021,538**	**12,685,603**	**12,911,356**
Raw Water Field Ops & Pipeline Maintenance					
	Salaries & Benefits	5,084,065	4,947,280	5,454,216	5,703,968
	Services & Supplies	1,824,797	3,173,960	3,216,360	3,340,360
	Intra District Charges	3,608,968	3,457,930	3,869,049	4,095,172
Raw Water Field Ops & Pipeline Maintenance (585) Total		**10,517,830**	**11,579,171**	**12,539,625**	**13,139,500**
Operations Total*		**41,487,837**	**44,661,292**	**47,610,860**	**49,353,427**

Capital Budget by Department and Account Category

Department	Account Category	FY 2021 Budgetary Actual	FY 2022 Adopted $	FY 2023 Adopted $	FY 2024 Plan $
Deputy's Office of Raw Water Division					
	Salaries & Benefits	206	0	0	0
	Intra District Charges	106	0	0	0
Deputy's Office of Raw Water Division (408) Total		**312**	**0**	**0**	**0**
Raw Water & Pipeline Maintenance Engineering					
	Salaries & Benefits	744,025	733,470	587,119	531,079
	Intra District Charges	412,220	456,552	368,880	340,773
	Services & Supplies	2,026,498	0	0	0
Raw Water & Pipeline Maintenance Engineering (435) Total		**3,182,743**	**1,190,022**	**955,999**	**871,852**
Raw Water Operations					
	Salaries & Benefits	177,017	219,395	241,713	155,731
	Intra District Charges	97,927	129,621	148,760	95,977
Raw Water Operations (455) Total		**274,944**	**349,015**	**390,473**	**251,707**
Groundwater Management					
	Salaries & Benefits	861	48,733	57,909	61,821
	Intra District Charges	476	29,089	35,139	37,505
Groundwater Management (465) Total		**1,337**	**77,822**	**93,048**	**99,326**
Wells and Water Measurement					
	Salaries & Benefits	0	6,926	22,465	23,267
	Intra District Charges	0	4,171	13,947	14,511
Wells and Water Measurement (475) Total		**0**	**11,097**	**36,412**	**37,778**
Treatment Plant Maintenance					
	Salaries & Benefits	84,621	774,037	432,635	463,749
	Intra District Charges	54,849	546,781	318,734	344,845
	Services & Supplies	6,658,576	7,600,000	3,069,000	7,115,633
Treatment Plant Maintenance (555) Total		**6,798,046**	**8,920,818**	**3,820,368**	**7,924,227**
Raw Water Field Ops & Pipeline Maintenance					
	Salaries & Benefits	181,544	505,430	189,382	197,230
	Intra District Charges	127,641	368,620	142,420	150,215
	Services & Supplies	1,923,360	5,613,666	7,024,000	3,510,000
Raw Water Field Ops & Pipeline Maintenance (585) Total		**2,232,545**	**6,487,716**	**7,355,802**	**3,857,446**
*Capital Total**		**12,489,927**	**17,036,490**	**12,652,102**	**13,042,336**
Division Total*		**53,977,764**	**61,697,782**	**60,262,963**	**62,395,764**

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



Fund Summaries

FY 2022–23 & FY 2023–24
Operating and Capital Rolling Biennial Budget

WATERSHED MANAGEMENT FUNDS

Fund Summaries

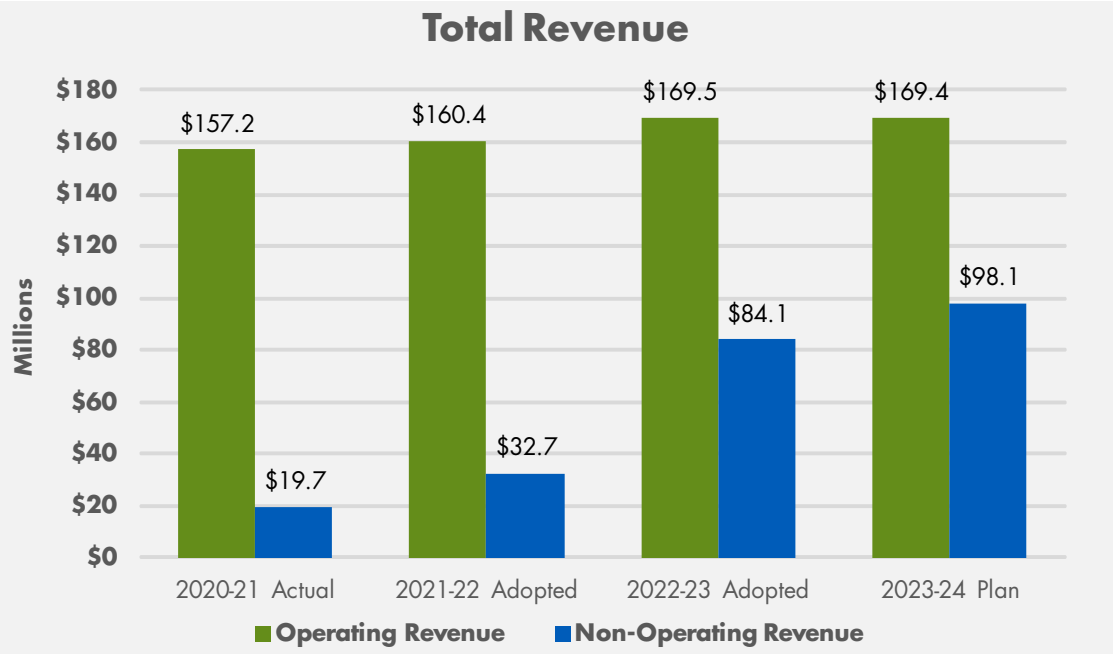
Overview

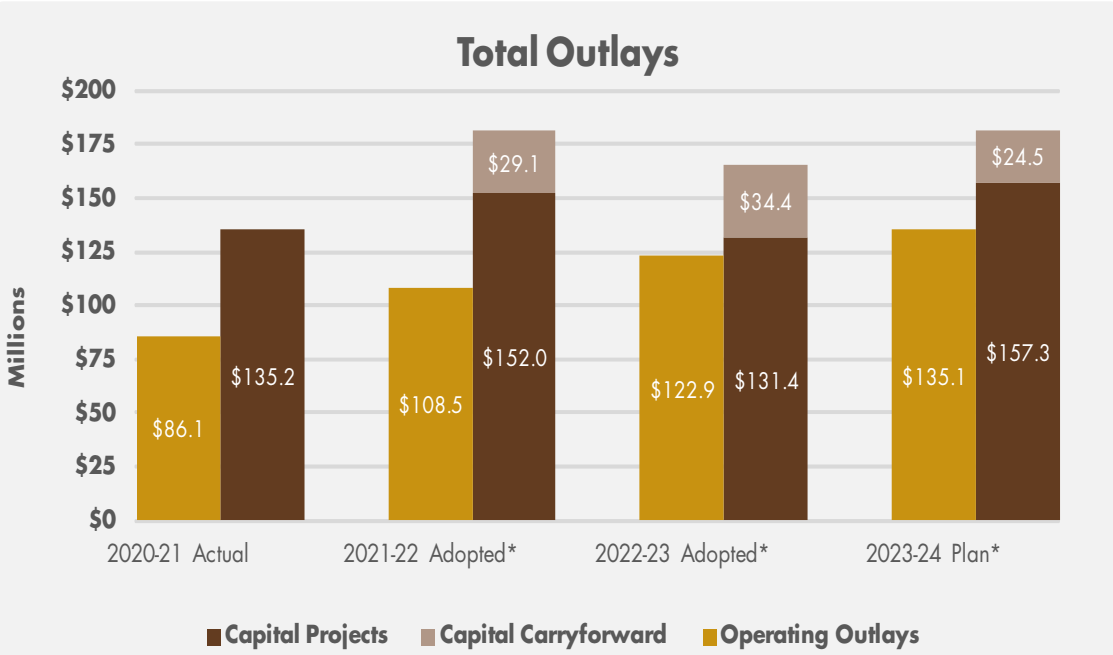
The Board of Directors defines Watershed stewardship as the management of natural resources in a manner that fosters ecosystem health, improved water quality, flood protection and compatible recreational opportunities. The Watersheds Chief Operating Officer leads the implementation of the watershed stewardship program with 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 Summary

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
REVENUE						
Operating Revenue						
Benefit Assessment	$ 12,361,482	$ 13,453,662	$ 13,453,662	$ 13,274,143	$ (179,519)	(1.3)%
Property Tax	98,621,201	99,651,159	102,804,338	106,390,743	6,739,584	6.8%
Special Parcel Tax	46,095,042	47,105,387	47,106,738	49,645,791	2,540,404	5.4%
Intergovermental Services	976	—	—	—	—	—
Operating Other	164,941	200,611	200,611	206,629	6,018	3.0%
Total Operating Revenue	***$ 157,243,642***	***$ 160,410,819***	***$ 163,565,349***	***$ 169,517,306***	***$ 9,106,487***	***5.7%***
Non-Operating Revenue						
Capital Reimbursements	$ 13,469,087	$ 28,446,000	$ 36,011,000	$ 79,811,000	$ 51,365,000	180.6%
Interest Income *	3,943,235	2,811,000	2,811,000	2,811,000	—	—
Non-Operating Other	2,269,631	1,421,956	1,421,957	1,464,615	42,659	3.0%
Total Non-Operating Revenue	***$ 19,681,953***	***$ 32,678,956***	***$ 40,243,957***	***$ 84,086,615***	***$ 51,407,659***	***157.3%***
TOTAL REVENUE	***$ 176,925,595***	***$ 193,089,775***	***$ 203,809,306***	***$ 253,603,921***	***$ 60,514,146***	***31.3%***
OUTLAYS						
Operating Outlays						
Operations **	$ 71,050,134	$ 84,860,974	$ 86,349,146	$ 94,542,028	$ 9,681,054	11.4%
Operating Project	3,133,964	5,438,497	5,438,497	6,865,597	1,427,100	26.2%
Debt Service	11,914,883	18,227,620	18,227,620	21,465,905	3,238,285	17.8%
Total Operating Outlays	***$ 86,098,981***	***$ 108,527,091***	***$ 110,015,263***	***$ 122,873,530***	***$ 14,346,439***	***13.2%***
Capital Outlays						
Capital Projects	$ 135,189,141	$ 151,981,222	$ 186,721,320	$ 131,352,855	$ (20,628,367)	(13.6)%
Carry Forward Capital Projects	—	28,445,928	—	34,445,511	5,999,583	21.1%
Total Capital Outlays	***$ 135,189,141***	***$ 180,427,150***	***$ 186,721,320***	***$ 165,798,366***	***$ (14,628,784)***	***(8.1)%***
TOTAL OUTLAYS* **	***$ 221,288,122***	***$ 288,954,241***	***$ 296,736,583***	***$ 288,671,896***	***$ (282,345)***	***(0.1)%***
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ —	$ 100,000,000	$ 100,000,000	$ 53,000,000	$ (47,000,000)	(47.0)%
Transfers In	12,555,685	4,797,716	4,882,567	2,273,103	(2,524,613)	(52.6)%
Transfers Out	(18,059,463)	(6,246,705)	(7,331,556)	(30,421,900)	(24,175,195)	387.0%
TOTAL OTHER SOURCES/(USES)	***$ (5,503,778)***	***$ 98,551,011***	***$ 97,551,011***	***$ 24,851,203***	***$ (73,699,808)***	***(74.8)%***
BALANCE AVAILABLE	***$ (49,866,305)***	***$ 2,686,545***	***$ 4,623,734***	***$ (10,216,772)***	***$ (12,903,317)***	***(480.3)%***

Watershed Management Funds Summary (Continued)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
Rate Stabilization	$ —	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ —	—
Contingency Reserve	—	5,000,000	5,000,000	5,000,000	—	—
CP Debt Service	8,318	—	—	—	—	—
SCW Currently Authorized Projects	75,382,052	39,599,917	74,190,907	47,365,114	7,765,197	19.6%
SCW Operating and Capital Reserve	57,042,203	54,254,365	51,409,664	74,326,854	20,072,489	37.0%
Total Restricted Reserves	**$ *132,432,573***	**$ *123,854,282***	**$ *155,600,571***	**$ *151,691,968***	**$ *27,837,686***	***22.5%***
Committed Reserves						
Currently Authorized Projects ***	$ 33,685,007	$ 5,866,617	$ 12,858,668	$ 5,606,763	$ (259,854)	(4.4)%
Operating and Capital Reserve	97,803,767	68,457,190	97,809,670	96,652,218	28,195,028	41.2%
Total Committed Reserves	**$ *131,488,774***	**$ *74,323,807***	**$ *110,668,338***	**$ *102,258,981***	**$ *27,935,174***	***37.6%***
TOTAL YEAR-END RESERVES	**$ *263,921,347***	**$ *198,178,089***	**$ *266,268,909***	**$ *253,950,949***	**$ *55,772,860***	***28.1%***
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 30,465,131	$ 39,562,243	$ 40,137,709	$ 42,918,090	$ 3,355,847	8.5%
Salary Savings Factor	—	(656,133)	(656,133)	(686,340)	(30,207)	4.6%
Services & Supplies	24,048,166	26,426,968	27,010,244	30,791,965	4,364,997	16.5%
Intra-District Charges	19,670,801	24,966,394	25,295,823	28,383,910	3,417,516	13.7%
OPERATING OUTLAY TOTAL	**$ *74,184,098***	**$ *90,299,472***	**$ *91,787,643***	**$ *101,407,625***	**$ *11,108,153***	***12.3%***
DEBT SERVICE						
Services & Supplies	$ 869,624	$ 1,508,223	$ 1,508,223	$ 2,355,782	$ 847,559	56.2%
Debt Service	11,045,258	16,719,397	16,719,397	19,110,122	2,390,725	14.3%
DEBT SERVICE TOTAL	**$ *11,914,882***	**$ *18,227,620***	**$ *18,227,620***	**$ *21,465,904***	**$ *3,238,284***	***17.8%***
CAPITAL PROJECTS						
Salaries and Benefits	$ 17,848,647	$ 18,104,449	$ 18,267,706	$ 17,854,517	$ (249,932)	(1.4)%
Salary Savings Factor	—	(303,399)	(303,398)	(289,611)	13,788	(4.5)%
Services & Supplies	107,145,035	123,672,265	158,155,911	102,979,360	(20,692,905)	(16.7)%
Carry Forward Capital Projects	—	28,445,928	—	34,445,511	5,999,583	21.1%
Intra-District Charges	10,195,458	10,507,906	10,601,101	10,808,588	300,682	2.9%
CAPITAL PROJECTS TOTAL	**$ *135,189,140***	**$ *180,427,149***	**$ *186,721,320***	**$ *165,798,365***	**$ *(14,628,784)***	***(8.1)%***
TOTAL OUTLAYS*	**$ *221,288,120***	**$ *288,954,241***	**$ *296,736,583***	**$ *288,671,894***	**$ *(282,347)***	***(0.1)%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****) Total Outlays amounts may have a slight variance due to rounding

Watershed Management Funds Summary

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
REVENUE						
Operating Revenue						
Benefit Assessment	$ 12,361,482	$ 13,453,662	$ 13,274,143	$ 8,201,932	$ (5,072,211)	(38.2)%
Property Tax	98,621,201	99,651,159	106,390,743	110,212,284	3,821,541	3.6%
Special Parcel Tax	46,095,042	47,105,387	49,645,791	50,737,999	1,092,208	2.2%
Intergovermental Services	976	—	—	—	—	—
Operating Other	164,941	200,611	206,629	212,828	6,199	3.0%
Total Operating Revenue	***$ 157,243,642***	***$ 160,410,819***	***$ 169,517,306***	***$ 169,365,043***	***$ (152,263)***	***(0.1)%***
Non-Operating Revenue						
Capital Reimbursements	$ 13,469,087	$ 28,446,000	$ 79,811,000	$ 93,755,000	$ 13,944,000	17.5%
Interest Income *	3,943,235	2,811,000	2,811,000	2,811,000	—	—
Non-Operating Other	2,269,631	1,421,956	1,464,615	1,508,554	43,939	3.0%
Total Non-Operating Revenue	***$ 19,681,953***	***$ 32,678,956***	***$ 84,086,615***	***$ 98,074,554***	***$ 13,987,939***	***16.6%***
TOTAL REVENUE	***$ 176,925,595***	***$ 193,089,775***	***$ 253,603,921***	***$ 267,439,597***	***$ 13,835,676***	***5.5%***
OUTLAYS						
Operating Outlays						
Operations **	$ 71,050,134	$ 84,860,974	$ 94,542,028	$ 101,327,646	$ 6,785,618	7.2%
Operating Project	3,133,964	5,438,497	6,865,597	6,776,313	(89,284)	(1.3)%
Debt Service	11,914,883	18,227,620	21,465,905	26,969,118	5,503,213	25.6%
Total Operating Outlays	***$ 86,098,981***	***$ 108,527,091***	***$ 122,873,530***	***$ 135,073,077***	***$ 12,199,547***	***9.9%***
Capital Outlays						
Capital Projects	$ 135,189,141	$ 151,981,222	$ 131,352,855	$ 157,330,923	$ 25,978,068	19.8%
Carry Forward Capital Projects	—	28,445,928	34,445,511	24,548,353	(9,897,158)	(28.7)%
Total Capital Outlays	***$ 135,189,141***	***$ 180,427,150***	***$ 165,798,366***	***$ 181,879,276***	***$ 16,080,910***	***9.7%***
TOTAL OUTLAYS* **	***$ 221,288,122***	***$ 288,954,241***	***$ 288,671,896***	***$ 316,952,353***	***$ 28,280,457***	***9.8%***
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ —	$ 100,000,000	$ 53,000,000	$ 101,000,000	$ 48,000,000	90.6%
Transfers In	12,555,685	4,797,716	2,273,103	2,321,485	48,382	2.1%
Transfers Out	(18,059,463)	(6,246,705)	(30,421,900)	(8,525,138)	21,896,762	(72.0)%
TOTAL OTHER SOURCES/(USES)	***$ (5,503,778)***	***$ 98,551,011***	***$ 24,851,203***	***$ 94,796,347***	***$ 69,945,144***	***281.5%***
BALANCE AVAILABLE	***$ (49,866,305)***	***$ 2,686,545***	***$ (10,216,772)***	***$ 45,283,591***	***$ 55,500,363***	***(543.2)%***

Watershed Management Funds Summary (Continued)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
YEAR-END RESERVES						
Restricted Reserves						
Rate Stabilization	$ —	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ —	—
Contingency Reserve	—	5,000,000	5,000,000	5,000,000	—	—
CP Debt Service	8,318	—	—	—	—	—
SCW Currently Authorized Projects	75,382,052	39,599,917	47,365,114	24,619,601	(22,745,513)	(48.0)%
SCW Operating and Capital Reserve	57,042,203	54,254,365	74,326,854	129,588,796	55,261,942	74.4%
Total Restricted Reserves	***$ 132,432,573***	***$ 123,854,282***	***$ 151,691,968***	***$ 184,208,397***	***$ 32,516,429***	***21.4%***
Committed Reserves						
Currently Authorized Projects ***	$ 33,685,007	$ 5,866,617	$ 5,606,763	$ 3,803,923	$ (1,802,840)	(32.2)%
Operating and Capital Reserve	97,803,767	68,457,190	96,652,218	114,194,336	17,542,118	18.1%
Total Committed Reserves	***$ 131,488,774***	***$ 74,323,807***	***$ 102,258,981***	***$ 117,998,259***	***$ 15,739,278***	***15.4%***
TOTAL YEAR-END RESERVES	***$ 263,921,347***	***$ 198,178,089***	***$ 253,950,949***	***$ 302,206,656***	***$ 48,255,707***	***19.0%***
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 30,465,131	$ 39,562,243	$ 42,918,090	$ 45,048,595	$ 2,130,505	5.0%
Salary Savings Factor	—	(656,133)	(686,340)	(718,012)	(31,672)	4.6%
Services & Supplies	24,048,166	26,426,968	30,791,965	33,755,672	2,963,707	9.6%
Intra-District Charges	19,670,801	24,966,394	28,383,910	30,017,705	1,633,795	5.8%
OPERATING OUTLAY TOTAL	***$ 74,184,098***	***$ 90,299,472***	***$ 101,407,625***	***$ 108,103,960***	***$ 6,696,335***	***6.6%***
DEBT SERVICE						
Services & Supplies	$ 869,624	$ 1,508,223	$ 2,355,782	$ 1,585,782	$ (770,000)	(32.7)%
Debt Service	11,045,258	16,719,397	19,110,122	25,383,336	6,273,214	32.8%
DEBT SERVICE TOTAL	***$ 11,914,882***	***$ 18,227,620***	***$ 21,465,904***	***$ 26,969,118***	***$ 5,503,214***	***25.6%***
CAPITAL PROJECTS						
Salaries and Benefits	$ 17,848,647	$ 18,104,449	$ 17,854,517	$ 20,466,059	$ 2,611,542	14.6%
Salary Savings Factor	—	(303,399)	(289,611)	(331,305)	(41,694)	14.4%
Services & Supplies	107,145,035	123,672,265	102,979,360	124,736,284	21,756,924	21.1%
Carry Forward Capital Projects	—	28,445,928	34,445,511	24,548,353	(9,897,158)	(28.7)%
Intra-District Charges	10,195,458	10,507,906	10,808,588	12,459,884	1,651,296	15.3%
CAPITAL PROJECTS TOTAL	***$ 135,189,140***	***$ 180,427,149***	***$ 165,798,365***	***$ 181,879,275***	***$ 16,080,910***	***9.7%***
TOTAL OUTLAYS*	***$ 221,288,120***	***$ 288,954,241***	***$ 288,671,894***	***$ 316,952,353***	***$ 28,280,459***	***9.8%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****) Total Outlays amounts may have a slight variance due to rounding

Watershed and Stream Stewardship Fund

Description

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

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

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

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

Preliminary targets for sediment removal, field condition assessments, levee maintenance, and erosion protection are based on the Stream Maintenance Program-2.5 (SMP-2.5) Notice of Proposed Work (NPW) submitted to the regulatory agencies every year in April. The NPW consists of all potential work identified for that season. While Valley Water intends to complete all work listed in the NPW, some of the work may not be completed for numerous reasons, such as the ability to implement required mitigation, timely receipt of regulatory agencies' approvals, changed site conditions, biological restrictions due to nesting birds, and other factors. Furthermore, an additional NPW may be submitted due to late-occurring work because of winter storms. Therefore, proposed workload quantities in this fund summary are subject to change.

The FY 2022-23 Rolling Biennial Budget includes an additional five (5.0) positions that are partially funded from the Watershed and Stream Stewardship Fund. Three (3.0) of these positions are necessary to support an effective operations and maintenance program, and meet the commitments of the 2020 Renewed Safe, Clean Water (SCW) Program. One (1.0) position is needed to support the Water Infrastructure Finance and Innovation Act (WIFIA) loan program. One (1.0) position is needed to lead new initiatives that would benefit and enhance Valley Water operations, as well as position Valley Water to consolidate other organization-wide service units into the Office of Integrated Water Management should a business need arise in the future.

Programs and projects are designed to fulfill each goal. Following each goal statement is a list of projects that are included in the FY 2022-23 Rolling Biennial Budget.

Outcomes

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

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; and maintaining and improving Valley Water's flood warning system.

This includes providing approximately 40,000 filled sandbags and sending floodplain mailers to approximately 53,000 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:

- Palo Alto Flood Basin Structure Improvements
- San Francisco Bay Shoreline Phase I Flood Protection and Habitat Restoration
- Lower Calera Creek Flood Protection
- Lower Penitencia Creek Flood Protection, Berryessa Creek to Coyote Creek
- Upper Llagas Creek Flood Protection Phase 2A
- Watersheds Asset Rehabilitation Program: Calabazas Creek (from Miller Avenue to Bollinger Road)

Major Capital Projects in planning and design:

- Sunnyvale East and West Channels Flood Protection Project
- Upper Llagas Creek Flood Protection Phase 2B
- San Francisquito Creek Flood Protection, Upstream of Highway 101
- Upper Berryessa Creek Flood Protection
- Guadalupe River Flood Protection, Tasman Drive to I-880
- Upper Penitencia Creek, Coyote Creek to Dorel Drive

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

Protect and restore creek and bay ecosystems through 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; conducting stormwater runoff pollution prevention activities; and continuing Good Neighbor Maintenance to remove trash from visible creek reaches, repair fences as needed for public safety, respond to requests for trash and graffiti removal within five working days, and respond to Adopt-A-Creek trash pickups.

Major Capital Projects:

- SMP Mitigation and Stream and Watershed Protection Program, such as Hale Creek Enhancement Pilot Study, design of Almaden Lake Improvements, Feasibility Study of Metcalf Ponds, and Ogier Ponds Planning Study

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, Uvas Creek fish habitat enhancement, Bolsa Road Fish Passage Improvements, Hale Creek Enhancement Pilot Study, San Francisco Bay Shoreline planning, design and permitting of Almaden Lake Improvements, and Saratoga Creek Hazard Eucalyptus Removal and Restoration.

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

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

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

Complete the second year of sampling and analysis to estimate reservoirs' contribution of greenhouse gasses, especially methane, to the atmosphere. Continue a study evaluating the role of food web dynamics in the bioaccumulation of mercury into fish in four Santa Clara County reservoirs. Fund a 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 install, maintain, and remove trash booms in two creek locations to capture trash before it enters San Francisco Bay.

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. Continue to work with cities on trail implementation through Joint Use Agreements, in accordance with the Trails Policy Criteria and Guidance.

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

Implement Climate Change Action Plan (CCAP) which provides goals, strategies, and possible actions to address the ways that Valley Water is vulnerable to climate change impacts in each of Valley Water's mission areas, including water supply, flood protection, and ecosystem stewardship. The first three CCAP goals focus on reduction of Valley Water's GHG emissions: Reduce Direct Greenhouse Gas Emissions, Expand the Renewable Energy Portfolio and Improve Energy Efficiency, and Reduce Indirect Greenhouse Gas Emissions.

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

Improve the resiliency of Valley Water's assets and operations to climate change through the CCAP, which includes Water Supply Adaptation, Flood Protection Adaptation, Ecosystem Adaptation, and Emergency Preparedness. Develop a Drought Response Plan to improve water supply reliability in Santa Clara County during times of future shortage to evaluate new approaches for water use reductions from the public and

develop a response framework to employ during future droughts.

Fiscal Status

For FY 2022-23, Property Tax revenue is projected at $106.4 million, a 6.8% or $6.7 million increase from the FY 2021-22 Adopted Budget. In FY 2023-24, Property Tax revenue is projected at $110.2 million.

For FY 2022-23, Capital Reimbursements of $28.0 million are budgeted as follows:

- $11.4 million Measure AA grant for San Francisco Bay Shoreline
- $16.6 million State Subvention funds for San Francisco Bay Shoreline

For FY 2023-24, Capital Reimbursements of $30.3 million are budgeted as follows:

- $11.4 million Measure AA grant for San Francisco Bay Shoreline
- $18.9 million State Subvention funds for San Francisco Bay Shoreline

Other Income of $1.7 million is budgeted for rental and other miscellaneous income in FY 2022-23 and FY 2023-24.

For FY2022-23 and FY 2023-24, Interest Earnings are projected to remain unchanged to the FY 2021-22 Adopted Budget at $1.25 million, due to current and projected financial market conditions.

Operating Transfers In from the Benefit Assessment Funds for the excess amount over the debt obligations is budgeted at $2.3 million for FY 2022-23 and FY 2023-24.

For FY 2022-23, Operating Transfers Out of $28.6 million from the Watershed and Stream Stewardship Fund is budgeted as follows:

- $25.0 million to the Water Utility Enterprise Fund (61) to stabilize rates
- $1.8 million to the General Fund for Drought Induced Tree Removal
- $1.6 million to Information Technology Fund for IT capital projects costs
- $0.2 million for the Headquarters Operations Building
- $0.03 million for Security Upgrades and Enhancements

For FY 2023-24, Operating Transfers Out of $5.4 million from the Watershed and Stream Stewardship Fund is budgeted as follows:

- $1.2 million to the General Fund for Drought Induced Tree Removal
- $2.4 million to Information Technology Fund for IT capital projects costs
- $1.2 million for Open Space Credit
- $0.6 million for the Headquarters Operations Building
- $0.03 million for Security Upgrades and Enhancements

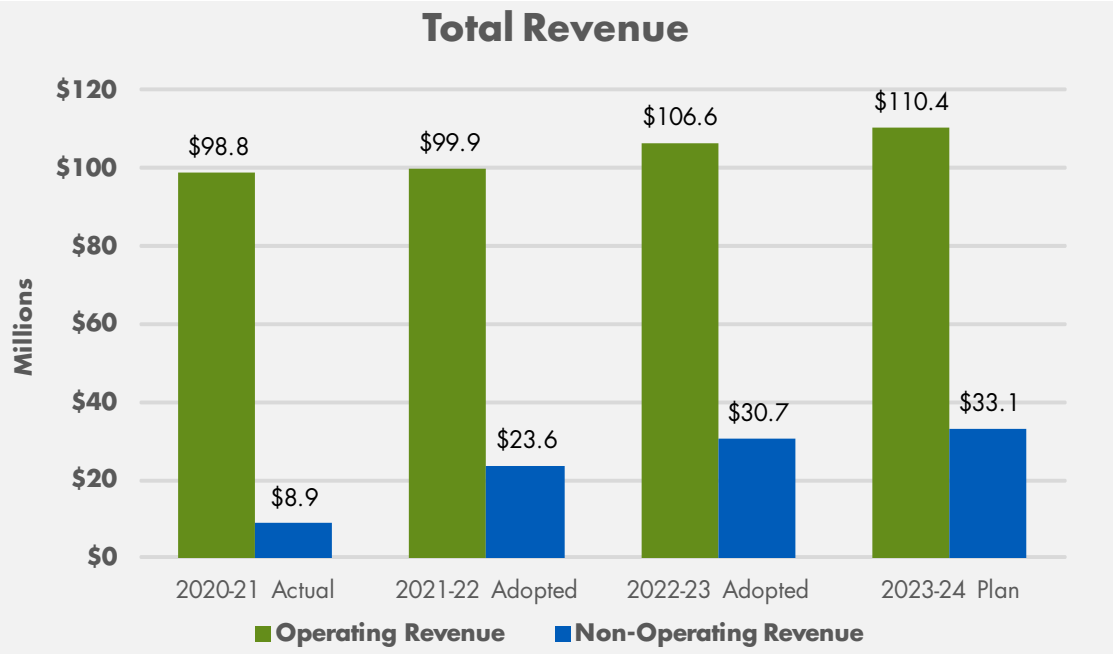
Total Outlays are $119.3 million for FY 2022-23, a decrease of $18.4 million relative to the FY 2021-22 Adopted Budget. Total Outlays are $124.6 million for FY 2023-24, an increase of $5.3 million relative to the FY 2022-23 Proposed Budget. A detailed overview of projects in the Watershed and Stream Stewardship Fund is explained above.

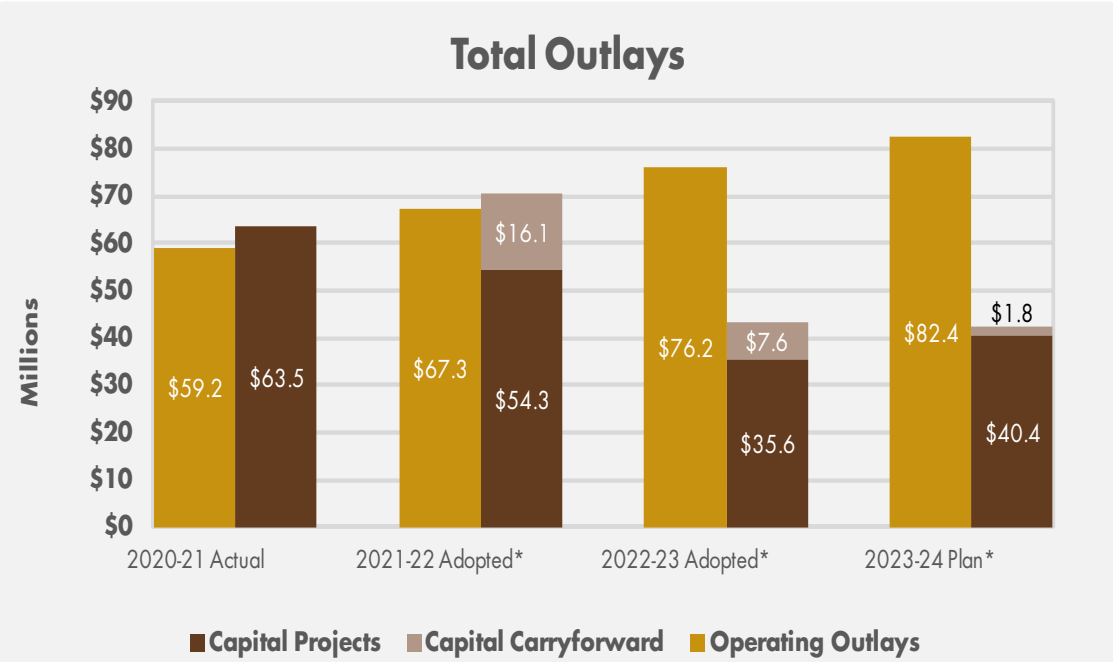
Total reserves for FY 2022-23 are $102.3 million, an increase of $27.9 million relative to the FY 2021-22 Adopted Budget. The increase is primarily due to large decreases in projected FY 2021-22 capital outlays for a few capital projects compared to updated projections for FY 2021-22. Total reserves for FY 2023-24 are $118.0 million, an increase of $15.7 million from FY 2022-23. This increase is primarily due to a $25.0 million one-time Transfer Out budgeted in FY 2022-23 to the WUE Fund and not budgeted again in FY 2023-24, offset by an increase in operations outlays.

Budget Issues

- Stream Maintenance Program-2 (SMP-2) is scheduled to sunset in December of 2023. Development and environmental evaluation of the SMP-3 has begun and will continue in FY 2022-23. This multi-year process includes preparation of a new EIR and accompanying programmatic permits with each of the seven state and federal agencies which have regulatory authority over various aspects of the program.

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 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 98,621,201	$ 99,651,159	$ 102,804,338	$ 106,390,743	$ 6,739,584	6.8%
Operating Other	164,941	200,611	200,611	206,629	6,018	3.0%
Total Operating Revenue	**$ *98,786,142***	**$ *99,851,770***	**$ *103,004,949***	**$ *106,597,372***	**$ *6,745,602***	***6.8%***
Non-Operating Revenue						
Capital Reimbursements	$ 4,975,834	$ 20,886,000	$ 28,451,000	$ 27,985,000	$ 7,099,000	34.0%
Interest Income *	1,993,917	1,250,000	1,250,000	1,250,000	—	—
Nonoperating Other	1,920,676	1,421,956	1,421,957	1,464,615	42,659	3.0%
Total Non-Operating Revenue	**$ *8,890,427***	**$ *23,557,956***	**$ *31,122,957***	**$ *30,699,615***	**$ *7,141,659***	***30.3%***
TOTAL REVENUE	**$ *107,676,569***	**$ *123,409,726***	**$ *134,127,906***	**$ *137,296,987***	**$ *13,887,261***	***11.3%***
OUTLAYS						
Operating Outlays						
Operations **	$ 57,736,378	$ 64,368,580	$ 65,713,142	$ 73,087,745	$ 8,719,165	13.5%
Operating Project	1,499,154	2,887,301	2,887,301	3,070,412	183,111	6.3%
Total Operating Outlays	**$ *59,235,532***	**$ *67,255,881***	**$ *68,600,443***	**$ *76,158,157***	**$ *8,902,276***	***13.2%***
Capital Outlays						
Capital Projects	$ 63,450,438	$ 54,322,981	$ 82,292,515	$ 35,563,773	$ (18,759,208)	(34.5)%
Carry Forward Capital Projects	—	16,127,263	—	7,614,717	(8,512,546)	(52.8)%
Total Capital Outlays	**$ *63,450,438***	**$ *70,450,244***	**$ *82,292,515***	**$ *43,178,490***	**$ *(27,271,754)***	***(38.7)%***
TOTAL OUTLAYS*	**$ *122,685,970***	**$ *137,706,125***	**$ *150,892,958***	**$ *119,336,647***	**$ *(18,369,478)***	***(13.3)%***
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 2,461,472	$ 2,276,172	$ 2,276,172	$ 2,273,103	$ (3,069)	(0.1)%
Transfers Out	(18,059,463)	(6,246,705)	(6,331,556)	(28,642,800)	(22,396,095)	358.5%
TOTAL OTHER SOURCES/(USES)	**$ *(15,597,991)***	**$ *(3,970,533)***	**$ *(4,055,384)***	**$ *(26,369,697)***	**$ *(22,399,164)***	***564.1%***
BALANCE AVAILABLE	**$ *(30,607,392)***	**$ *(18,266,932)***	**$ *(20,820,436)***	**$ *(8,409,357)***	**$ *9,857,575***	***(54.0)%***
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 33,685,007	$ 5,866,617	$ 12,858,668	$ 5,606,763	$ (259,854)	(4.4)%
Operating and Capital Reserve	97,803,767	68,457,190	97,809,670	96,652,218	28,195,028	41.2%
Total Committed Reserves	**$ *131,488,774***	**$ *74,323,807***	**$ *110,668,338***	**$ *102,258,981***	**$ *27,935,174***	***37.6%***
TOTAL YEAR-END RESERVES	**$ *131,488,774***	**$ *74,323,807***	**$ *110,668,338***	**$ *102,258,981***	**$ *27,935,174***	***37.6%***

Watershed and Stream Stewardship Fund Summary (Continued)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 25,559,431	$ 31,779,938	$ 32,449,678	$ 34,523,787	$ 2,743,849	8.6%
Salary Savings Factor	—	(526,597)	(526,597)	(552,789)	(26,192)	5.0%
Services & Supplies	17,261,609	16,100,160	16,391,075	19,477,205	3,377,045	21.0%
Intra-District Charges	16,414,492	19,902,380	20,286,287	22,709,954	2,807,574	14.1%
OPERATING OUTLAY TOTAL	***$ 59,235,532***	***$ 67,255,881***	***$ 68,600,443***	***$ 76,158,157***	***$ 8,902,276***	***13.2%***
CAPITAL PROJECTS						
Salaries and Benefits	$ 7,447,481	$ 8,094,223	$ 8,224,088	$ 7,505,986	$ (588,237)	(7.3)%
Salary Savings Factor	—	(135,200)	(135,199)	(121,706)	13,494	(10.0)%
Services & Supplies	51,727,696	41,631,444	69,395,549	23,645,383	(17,986,061)	(43.2)%
Carry Forward Capital Projects	—	16,127,263	—	7,614,717	(8,512,546)	(52.8)%
Intra-District Charges	4,275,261	4,732,514	4,808,078	4,534,110	(198,404)	(4.2)%
CAPITAL PROJECTS TOTAL	***$ 63,450,438***	***$ 70,450,244***	***$ 82,292,516***	***$ 43,178,490***	***$ (27,271,754)***	***(38.7)%***
TOTAL OUTLAYS****	***$ 122,685,970***	***$ 137,706,125***	***$ 150,892,959***	***$ 119,336,647***	***$ (18,369,478)***	***(13.3)%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****) Total Outlays amounts may have a slight variance due to rounding

Watershed and Stream Stewardship Fund Summary

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 98,621,201	$ 99,651,159	$ 106,390,743	$ 110,212,284	$ 3,821,541	3.6%
Operating Other	164,941	200,611	206,629	212,828	6,199	3.0%
Total Operating Revenue	**$ *98,786,142***	**$ *99,851,770***	**$ *106,597,372***	**$ *110,425,112***	**$ *3,827,740***	***3.6%***
Non-Operating Revenue						
Capital Reimbursements	$ 4,975,834	$ 20,886,000	$ 27,985,000	$ 30,300,000	$ 2,315,000	8.3%
Interest Income *	1,993,917	1,250,000	1,250,000	1,250,000	—	—
Nonoperating Other	1,920,676	1,421,956	1,464,615	1,508,554	43,939	3.0%
Total Non-Operating Revenue	**$ *8,890,427***	**$ *23,557,956***	**$ *30,699,615***	**$ *33,058,554***	**$ *2,358,939***	***7.7%***
TOTAL REVENUE	**$ *107,676,569***	**$ *123,409,726***	**$ *137,296,987***	**$ *143,483,666***	**$ *6,186,679***	***4.5%***
OUTLAYS						
Operating Outlays						
Operations **	$ 57,736,378	$ 64,368,580	$ 73,087,745	$ 79,340,036	$ 6,252,291	8.6%
Operating Project	1,499,154	2,887,301	3,070,412	3,076,829	6,417	0.2%
Total Operating Outlays	**$ *59,235,532***	**$ *67,255,881***	**$ *76,158,157***	**$ *82,416,865***	**$ *6,258,708***	***8.2%***
Capital Outlays						
Capital Projects	$ 63,450,438	$ 54,322,981	$ 35,563,773	$ 40,419,757	$ 4,855,984	13.7%
Carry Forward Capital Projects	—	16,127,263	7,614,717	1,802,840	(5,811,877)	(76.3)%
Total Capital Outlays	**$ *63,450,438***	**$ *70,450,244***	**$ *43,178,490***	**$ *42,222,597***	**$ *(955,893)***	***(2.2)%***
TOTAL OUTLAYS*	**$ *122,685,970***	**$ *137,706,125***	**$ *119,336,647***	**$ *124,639,462***	**$ *5,302,815***	***4.4%***
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 2,461,472	$ 2,276,172	$ 2,273,103	$ 2,321,485	$ 48,382	2.1%
Transfers Out	(18,059,463)	(6,246,705)	(28,642,800)	(5,426,411)	23,216,389	(81.1)%
TOTAL OTHER SOURCES/(USES)	**$ *(15,597,991)***	**$ *(3,970,533)***	**$ *(26,369,697)***	**$ *(3,104,926)***	**$ *23,264,771***	***(88.2)%***
BALANCE AVAILABLE	**$ *(30,607,392)***	**$ *(18,266,932)***	**$ *(8,409,357)***	**$ *15,739,278***	**$ *24,148,635***	***(287.2)%***
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 33,685,007	$ 5,866,617	$ 5,606,763	$ 3,803,923	$ (1,802,840)	(32.2)%
Operating and Capital Reserve	97,803,767	68,457,190	96,652,218	114,194,336	17,542,118	18.1%
Total Committed Reserves	**$ *131,488,774***	**$ *74,323,807***	**$ *102,258,981***	**$ *117,998,259***	**$ *15,739,278***	***15.4%***
TOTAL YEAR-END RESERVES	**$ *131,488,774***	**$ *74,323,807***	**$ *102,258,981***	**$ *117,998,259***	**$ *15,739,278***	***15.4%***

Watershed and Stream Stewardship Fund Summary (Continued)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 25,559,431	$ 31,779,938	$ 34,523,787	$ 35,862,992	$ 1,339,205	3.9%
Salary Savings Factor	—	(526,597)	(552,789)	(572,123)	(19,334)	3.5%
Services & Supplies	17,261,609	16,100,160	19,477,205	23,344,162	3,866,957	19.9%
Intra-District Charges	16,414,492	19,902,380	22,709,954	23,781,835	1,071,881	4.7%
OPERATING OUTLAY TOTAL	***$ 59,235,532***	***$ 67,255,881***	***$ 76,158,157***	***$ 82,416,866***	***$ 6,258,709***	***8.2%***
CAPITAL PROJECTS						
Salaries and Benefits	$ 7,447,481	$ 8,094,223	$ 7,505,986	$ 7,227,747	$ (278,239)	(3.7)%
Salary Savings Factor	—	(135,200)	(121,706)	(116,978)	4,728	(3.9)%
Services & Supplies	51,727,696	41,631,444	23,645,383	28,940,172	5,294,789	22.4%
Carry Forward Capital Projects	—	16,127,263	7,614,717	1,802,840	(5,811,877)	(76.3)%
Intra-District Charges	4,275,261	4,732,514	4,534,110	4,368,815	(165,295)	(3.6)%
CAPITAL PROJECTS TOTAL	***$ 63,450,438***	***$ 70,450,244***	***$ 43,178,490***	***$ 42,222,596***	***$ (955,894)***	***(2.2)%***
TOTAL OUTLAYS****	***$ 122,685,970***	***$ 137,706,125***	***$ 119,336,647***	***$ 124,639,462***	***$ 5,302,815***	***4.4%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****) Total Outlays amounts may have a slight variance due to rounding

Total Outlays - Watershed and Stream Stewardship Fund

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
	Operations						
	10291002	Rental Expense Stevens Creek	434,477	390,106	313,100	542,258	Watershed Design & Construction Division
	30061004	Rent Exp Guadalupe & Coyote	327,143	158,356	298,482	321,212	Watershed Design & Construction Division
	30151026	Guad Rvr Mitgtn Monitoring Prg	206,966	485,906	902,833	481,016	Watershed Stewardship & Planning Division
	62001090	Unscoped Projects-Budget Only		150,000	150,000	150,000	Office of Assistant Chief Executive Officer
	62011002	Watershed Asset Protection Sup	4,573,214	5,099,156	5,733,011	6,104,053	Watershed Stewardship & Planning Division
	62021003	CPRU Tech Support	143,494	183,319	163,634	173,417	Watershed Stewardship & Planning Division
**	62021004	Vegetation Mgmt Tech Support	480				Watershed Operations & Maintenance Division
*	62021008	Energy Management	6,428	8,056	7,591	8,292	Treated Water Division
	62021009	Watersheds O&M Eng&Insp Support	1,259,711	1,562,218	1,838,865	1,952,200	Watershed Operations & Maintenance Division
*	62031001	Watershed Revenue	21,014	48,536	44,844	47,794	Financial Planning and Management Services Division
*	62031002	Grants Management	557,903	575,874	902,385	936,691	Financial Planning and Management Services Division
*	62041022	Stream Maint Prog Mgmt	6,157,958	4,763,142	4,512,272	4,661,235	Watershed Operations & Maintenance Division
	62041023	Community Rating System	532,029	529,808	485,288	566,438	Office of Chief of External Affairs
	62041027	Integrated Wtr Resrce Mstr Plan	811,989	2,779,903	2,393,319	985,911	Water Supply Division
*	62041039	Integrated Regional Water Mgmt	15,818	30,358	37,083	30,199	Water Supply Division
	62041043	Environmental Srvcs Tech Support	307,401	674,287	815,233	864,237	Watershed Stewardship & Planning Division
*	62041047	Ecological Data Collectn & Analysis	310,661	387,567	142,323	151,786	Watershed Stewardship & Planning Division
	62061001	Watersheds Administration	7,966,625	8,652,881	9,783,383	10,055,965	Office of COO Watersheds
	62061002	Districtwide Salary Savings-		(526,597)	(552,789)	(572,123)	Financial Planning and Management Services Division
	62061005	WS Customer Relations&Outreach	844,985	1,074,386	1,082,198	1,135,635	Office of Chief of External Affairs
	62061008	Hydrology&Hydraulics Tech Supp	1,210,834	1,164,139	1,373,978	1,485,328	Watershed Stewardship & Planning Division

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Total Outlays - Watershed and Stream Stewardship Fund (Continued)

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
*	62061019	Creek Stewardship	61,669	147,590	227,215	239,282	Office of Chief of External Affairs
	62061029	Field Operations Support	565,849	668,179	707,067	740,148	Watershed Operations & Maintenance Division
*	62061045	Asset Management Program	874,558	952,569	1,383,367	1,364,459	Office of Assistant Chief Executive Officer
*	62061048	Climate Change Adaptation/ Mtg.	72,093	140,139	228,495	184,564	Watershed Stewardship & Planning Division
**	62061049	Safe Clean Water Renewal	87,805				Office of the CEO
*	62061050	Office of Integrated Water Management	955,069	1,013,133	1,773,187	1,874,512	Office of Assistant Chief Executive Officer
*	62061051	Lands Management Program		229,631	360,954	373,432	Office of Assistant Chief Executive Officer
*	62061056	F8 SCW Sustainable Creek Infrastructure		319,657	345,093	356,874	Office of Assistant Chief Executive Officer
*	62061059	Workforce Dvlp Technical Training Prog			511,764	534,728	Human Resources Division
*	62071041	Welding Services	80,458	91,439	55,465	59,080	General Services Division
	62181005	SMP Mitigation Site Mgmt	384,568	655,752	812,173	829,636	Watershed Stewardship & Planning Division
	62181006	Instream Habitat Complexity	44,003	200,987	1,311,148	3,840,345	Watershed Operations & Maintenance Division
*	62741042	Water Resorcs EnvPlng & Permt	154,329	172,934	192,917	312,210	Watershed Operations & Maintenance Division
	62761006	Invasive Plant Management Pro	1,433,514	2,348,446	2,424,149	2,521,730	Watershed Operations & Maintenance Division
	62761008	Sandbag Program	775,122	645,448	575,962	588,060	Watershed Operations & Maintenance Division
	62761009	Pond A4 Operations	80,762	91,908	106,906	132,275	Watershed Operations & Maintenance Division
*	62761022	Watershed Good Neighbor Maint	1,411,872	922,872	1,235,575	1,293,402	Watershed Operations & Maintenance Division
*	62761023	Watershed Sediment Removal	5,575,392	5,268,801	5,354,625	5,470,529	Watershed Operations & Maintenance Division
	62761024	Wtrshd Facility Cndtion Assmnt	1,767,916	2,299,196	2,558,788	2,737,735	Watershed Operations & Maintenance Division
	62761025	Watershed General Field Maint	2,643,374	2,734,974	3,654,778	3,851,156	Watershed Operations & Maintenance Division
	62761026	Watershed Debris Removal	1,559,676	1,545,689	1,796,586	1,895,078	Watershed Operations & Maintenance Division
	62761027	Watershed Erosion Protection	3,198,637	2,921,008	4,052,066	4,205,348	Watershed Operations & Maintenance Division

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Total Outlays - Watershed and Stream Stewardship Fund (Continued)

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
	62761028	Watershed Levee Maintenance	743,045	826,865	843,987	880,046	Watershed Operations & Maintenance Division
*	62761071	Emergency Management	980,835	1,335,275	1,379,397	1,443,427	Emergency Safety & Security Division
**	62761074	Corps Local Sponsor O&	67,275				Watershed Operations & Maintenance Division
*	62761075	Mgmt of Revegetation Project	901,008	1,396,849	1,603,463	1,690,864	Watershed Operations & Maintenance Division
*	62761078	Vegetation Mangmnt for Acces	3,692,739	3,765,164	3,757,751	3,891,533	Watershed Operations & Maintenance Division
	62761080	Non SMP Veg Removal for Conve		326,233	327,924	2,582,176	Watershed Operations & Maintenance Division
*	62771011	Inter Agency Urban Runoff Prog	999,587	1,175,578	1,212,962	1,243,338	Watershed Stewardship & Planning Division
*	62771031	HAZMAT Emergency Response	72,445	97,619	107,121	110,355	Emergency Safety & Security Division
*	62811043	Hydrologic Data Msrmt & Mgmt	995,150	1,086,508	1,100,657	1,214,035	Watershed Stewardship & Planning Division
*	62811046	Warehouse Services	1,016,060	1,327,604	1,494,143	1,551,741	General Services Division
*	62811049	X Valley Subsidence Survey	171,301	445,887	359,091	439,219	Watershed Design & Construction Division
*	62811054	District Real Property Adminis	681,140	1,023,246	805,935	807,176	Watershed Design & Construction Division
	Total Operations		**57,736,378**	**64,368,580**	**73,087,745**	**79,340,036**	
	Operating Project						
	40212032	Coyote Creek Mitgtn Monitoring	26,810	227,852	340,626	281,331	Watershed Stewardship & Planning Division
	62042032	Multiple Sm Prjcts Mitgtn Mont	265,506	706,036	238,108	440,229	Watershed Stewardship & Planning Division
	62042047	Mitigation & Stwdshp Land Mgmt	140,762	205,513	377,693	236,676	Watershed Stewardship & Planning Division
	62042050	Watershed Maint Guideline Update	343,261	754,066	973,577	931,759	Watershed Operations & Maintenance Division
	62042051	Plant Pathogen Management	86,301	330,146	336,972	347,818	Watershed Stewardship & Planning Division
**	62062003	El Nino Flood Emrgncy Response	16,800				Office of COO Watersheds
*	62762011	Tree Maintenance Program	619,714	663,688	803,435	839,017	Watershed Operations & Maintenance Division
	Total Operating Project		**1,499,154**	**2,887,301**	**3,070,412**	**3,076,829**	

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Total Outlays - Watershed and Stream Stewardship Fund (Continued)

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
	Capital*						
	10244001	Permanente Ck, SF Bay-Foothill			337,000	4,884	Watershed Design & Construction Division
	10394001	PA Flood Basin Tide Gate Repl	1,342,088	3,061,308		9,172,586	Watershed Design & Construction Division
	20194005	San Tomas Ck, Quito Rd Bridges		330,000			Watershed Stewardship & Planning Division
	20444001	Calabazas/San Tomas Aquino Creek-Marsh Connection	532,486	584,979	750,286	1,610,190	Watershed Stewardship & Planning Division
**	30154015	Guadalupe Rv-DT, Coleman-SClra	3,800				Watershed Design & Construction Division
	30154019	Guadalupe R Tasman Dr-I88	1,605,237	2,669,034		1,574,294	Watershed Design & Construction Division
	40174004	L. Berryessa Ck, L.Penit-Calav	78,461				Watershed Design & Construction Division
	40174005	Berryessa Crk, Lwr. Pen Phs	2,827,232	12,287,895	1,906,445	360,360	Watershed Design & Construction Division
	40264008	Lwr Silver-R4-6 N Babb-Cunni	557,717	25,866	51,986		Watershed Design & Construction Division
**	40264011	Cunningham Fld Detention Cert	42,471	30,478			Watershed Design & Construction Division
	40334005	Lwr Penitencia Crk Improvements	7,580,504	231,094	8,149,706	81,900	Watershed Design & Construction Division
**	50284010	Lower Llagas Capacity Restore					Watershed Design & Construction Division
**	62044001	Watershed Habitat Enhancement S	788,908				Watershed Stewardship & Planning Division
*	62044026	San Francisco Bay Shoreline	40,314,743	21,632,403	15,890,427	17,739,395	Watershed Design & Construction Division
	62064023	Districtwide Salary Saving		(135,199)	(121,705)	(116,977)	Financial Planning and Management Services Division
*	62074033	CIP Development & Admin	297,650	216,210	121,142	129,380	Office of Assistant Chief Executive Officer
*	62074036	Survey Mgmt & Tech Support	128,364	318,200	48,519	63,785	Watershed Design & Construction Division
*	62074038	Watershed Capital Program Servcs Admin	1,557,626	1,009,162	785,456	842,250	Watershed Design & Construction Division
*	62074040	Capital Project Mgmt System	126,401	766,048	155,834		Office of Assistant Chief Executive Officer
*	62074041	Construction Contracts and Support	258,793	384,570	226,380	269,518	General Services Division
*	62074042	Capital Proj Mgmt and Controls			384,099	389,892	Office of Assistant Chief Executive Officer

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Total Outlays - Watershed and Stream Stewardship Fund (Continued)

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
*	62074047	Computer-Aided Design for Engineering			136,742	160,220	Office of Assistant Chief Executive Officer
	62084001	Watersheds Asset Rehabilitation	5,190,767	10,910,934	6,741,457	8,138,080	Watershed Design & Construction Division
**	62184001	SMP Mit-Stream Wtrshd Land Acq	217,191				Watershed Stewardship & Planning Division
	Total Capital		**63,450,438**	**54,322,981**	**35,563,773**	**40,419,757**	
	Total		**122,685,970**	**121,578,862**	**111,721,930**	**122,836,623**	

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Safe, Clean Water and Natural Flood Protection Fund

Description

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

- 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 for Our Community

The SCW Program supplements other available, but limited, resources to provide stream stewardship activities and flood protection improvements. It supports activities that benefit not only the community at large, but that also provide relief to Water Utility rate payers. For example, the fund will contribute toward the Pacheco Reservoir Expansion, Water Conservation Rebates and Programs, and the Anderson Dam Seismic Retrofit projects, which would otherwise need to be fully paid by water utility rate payers.

The FY 2022-23 Rolling Biennial Budget includes partial funding for two (2.0) additional positions from the SCW fund. The two (2.0) positions are necessary to support an effective operations and maintenance program and meet the commitments of the 2020 Renewed SCW Program.

Following each goal statement is a list of projects that are included in the FY 2022-23 Rolling Biennial Budget.

Outcomes

Goal 2.3: Protect and maintain existing water infrastructure.

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

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

- A1: Pacheco Reservoir Expansion – This project provides a portion of funds to help the expansion of the reservoir. A collaboration between Valley Water, the San Benito County Water District, and the Pacheco Pass Water District, Pacheco Reservoir Expansion Project is a strategic and long-term investment toward ensuring a more reliable supply of safe, clean drinking water in the face of climate change. The project will boost Pacheco Reservoir's operational capacity from 5,500 acre-feet to up to 140,000 acre-feet, enough to supply up to 1.4 million residents with water for one year in an emergency. It will also reduce the frequency and severity of water shortages during droughts, protect our drinking water supply and infrastructure, and improve fish habitat.

- A3: Pipeline Reliability – This project constructs four (4) line valves at various locations along the East, West and Snell treated water pipelines in Saratoga, Cupertino, and San Jose. 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 – This project provides partial funding to help retrofit Anderson Dam so that it can safely withstand a large earthquake. The funding will help restore Anderson Reservoir, the largest reservoir in the county, to its full operating capacity.

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

Incentivize water use efficiency and water conservation.

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

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

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

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

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

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

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

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

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

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

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

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

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

Major Capital Projects starting construction:

- Sunnyvale East and Sunnyvale West Channels Flood Protection Project – Begin construction in FY23 (Project E2)

Major Capital Projects continuing construction:

- Upper Llagas Creek, Buena Vista Road to Wright Avenue (Project E6)

Major Capital Projects closing out construction:

- Permanente Creek Flood Protection – San Francisco Bay to Foothill Expressway (2012 Safe, Clean Water Program)

Major Capital Projects in planning and design:

- Coyote Creek, Montague Expressway to Tully Road – Design (Project E1)
- Upper Penitencia Creek, Coyote Creek to Dorel Drive – Design (Project E4)
- San Francisquito Creek, San Francisco Bay to Upstream of Highway 101 – Design (Project E5)*
- San Francisco Bay Shoreline Economic Impact Areas (EIAs) 1-4 and 5-9 – Feasibility/Planning (Project E7)

* The San Francisco Bay to Highway 101 reach phase was completed in FY19 and the project is being closed out in FY24.

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 Safe, Clean Water Program's projects under Priorities B: Reduce Toxins, Hazards, and Contaminants in Our Waterways, D: Restore Wildlife Habitat and Provide Open Space, and F: Support Public health and Public Safety for Our Community.

- D2: Revitalize Riparian, Upland and Wetland Habitat – This project improves habitat for rare, threatened, or endangered species or vegetation and creates a more contiguous corridor for wildlife, including pollinators. It includes revitalizing through native plant revegetation and/or removal of invasive exotic species, developing an Early Detection and Rapid Response Program Manual, and identifying and treating occurrences of emergent invasive species.
- D5: Ecological Data Collection and Analysis – This project is to track stream ecosystem conditions, helping Valley Water and other county agencies and organizations make informed watershed, asset management and natural resource decisions. It entails reassessing and tracking stream ecological conditions and habitats in each of the county's watersheds every 15 years and providing funding toward the development and updates of five (5) watershed plans that include identifying priority habitat enhancement opportunities in Santa Clara County.
- D7: Partnerships for the Conservation of Habitat Lands – This project is to acquire, restore and protect important habitat land to preserve local ecosystems through multi-agency agreements that pool mitigation or conservation dollars. It entails providing funding for acquiring or enhancing property to conserve habitat lands.

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

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

Goal 4.2 is delivered through the Safe, Clean Water 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 Shoreline Restoration – This project reuses local sediment removed through Valley Water's stream maintenance activities and capital projects to create and restore tidal marsh habitat. It entails maintaining partnership agreements to reuse sediment to improve the success of salt pond and tidal marsh restoration projects and activities. Sediment may be reused to support the South Bay Salt Pond Restoration project or other environmental enhancement and restoration projects. It also provides funding to support 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 constructing the Almaden Lake Improvement project and planning and designing one (1) creek/lake separation project. It also calls for using $8 million for fish passage improvements by June 30, 2028; updating study of all major steelhead streams in the county to identify priority locations for fish migration barrier removal and installation of large woody debris and gravel as appropriate; and completing five (5) habitat enhancement projects during the first 15 years.
- D6: Restoration of Natural Creek Functions – This project is to restore and improve the natural functions and stability of stream channels by designing and constructing projects based on local hydrologic and geomorphic data. It currently includes the following major capital projects:
- Bolsa Road Fish Passage Improvements – Begin construction in late FY 2022 (Project D6.2)

- Hale Creek Enhancement Pilot Study – Begin construction in late FY 2022 (Project D6.1)

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

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

Goal 4.4 is delivered through the Safe, Clean Water 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 coordination with local organizations to clean up encampments near waterways to improve water quality, safety, and aesthetics and cooperate with local social services and nonprofit groups to help provide alternatives to homelessness. It includes managing 300 annually to reduce the amount of trash, debris and hazardous pollutants entering the streams; and providing up to $500,000 per year in cost-share with other 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 Safe, Clean Water Program's projects under Priorities B: Reduce Toxins, Hazards, and Contaminants in Our Waterways, and F: Support Public Health and Public Safety for Community.

- B4: Support Volunteer Cleanup Efforts – This project supports volunteer cleanup activities and creekwise education. It entails funding Valley Water's creek stewardship program to support volunteer cleanup activities such as annual National River Cleanup Day, California Coastal Cleanup Day, the Great American Litter Pick Up; and the Adopt-A-Creek Program.
- F6: Good Neighbor Program: Graffiti and Litter Removal and Public Art –This project allows Valley Water to maintain the aesthetic condition of Valley Water assets by removing trash from creeks, repairing/installing fencing and removing graffiti. It also funds the installation and maintenance of public art projects, such as murals, to beautify Valley Water property and infrastructure, to help deter graffiti and litter.
- F9: Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship – This project provides grants, including mini-grants, and partnerships for agencies, organizations and individuals for water conservation, pollution prevention, creek cleanups and education, wildlife habitat restoration and wildlife corridors and crossings, and access to trails and open space. It includes providing up to $3 million per 15-year period for partnerships with small municipalities or special districts with boundaries substantially within the footprint of small cities for projects aligned with the District Act and related to safe, clean drinking water, flood protection and environmental stewardship.

Fiscal Status

The Safe, Clean Water Program special parcel tax is budgeted at $49.6 million in FY 2022-23, which is an increase of 5.4%, or $2.5 million from the FY 2021-22 Adopted Budget. For FY 2023-24, the special parcel tax is budgeted at $50.7 million. This special tax is based on the land use and parcel size rather than assessed property value, and the Valley Water Board of Directors may adjust it annually to account for inflation (using the San Francisco-Oakland-Hayward Consumer Price Index for all Urban Consumers, with a minimum of 2%). Consequently, the annual rates of change are different than for the other property taxes in the Watershed and Stream Stewardship (WSS) Fund.

In FY 2022-23, Capital Reimbursements of $51.8 million are budgeted as follows:

- $40.0 million in NRCS unsecured funding for Llagas Creek, Upper (Phase 2b)
- $10.0 million in unsecured grants and partnerships (upstream funding) for San Francisquito Creek, SF Bay – Middlefield Rd.
- $0.8 million State Subvention funds for the Berryessa Creek, Calaveras Boulevard to I-680 project
- $1.0 million State Subvention funds for the Llagas Creek–Upper, Buena Vista to Wright project

In FY 2023-24, Capital Reimbursements of $63.5 million are budgeted as follows:

- $40.0 million in NRCS unsecured funding for Llagas Creek, Upper (Phase 2b)
- $13.51 million in unsecured grants and partnerships (upstream funding) for San Francisquito Creek, SF Bay – Middlefield Rd.
- $8.94 million in unsecured funding from the City of Palo Alto/Caltrans (Newell Bridge) for San Francisquito Creek, SF Bay – Middlefield Rd.
- $1.0M State Subvention funds for the Llagas Creek – Upper, Buena Vista to Wright project

Interest earnings are projected to remain flat at $1.6 million in FY 2022-23 and FY 2023-24.

In FY 2022-23, Operating Transfers Out of $1.8 million is budgeted as follows:

- $1.1 million to the WUE (Water Utility Enterprise) Fund for the Conservation Program
- $0.62 million for the Headquarters Operations Building
- $0.09 million for Security Upgrades and Enhancements

In FY 2023-24, Operating Transfers Out of $3.1 million is budgeted as follows:

- $2.0 million for the Headquarters Operations Building
- $1.0 million to the WUE (Water Utility Enterprise) Fund for the Conservation Program
- $0.1 million for Security Upgrades and Enhancements

Debt Proceeds are also planned to fund capital outlays; $53 million in FY 2022-23 and $101 million in FY 2023-24.

Total Outlays are $158.2 million for FY 2022-23, an increase of $18.1 million relative to the FY 2021-22 Adopted Budget. Total Outlays are $181.1 million for FY 2023-24, an increase of $23.0 million relative to the FY 2022-23 Proposed Budget. A detailed overview of projects in the Safe, Clean Water Fund is explained above.

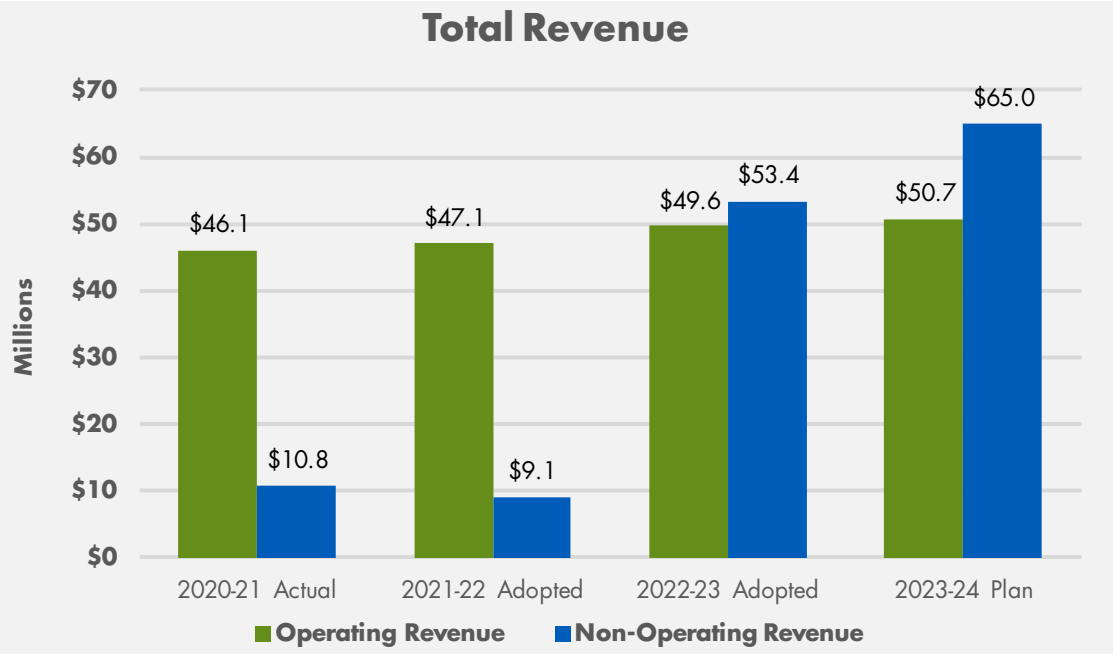
Total reserves for FY 2022-23 are $151.7 million, an increase of $27.8 million relative to the FY 2021-22 Adopted Budget. This increase is primarily due to a significant increase in unsecured capital reimbursements offset by an increase in capital outlays. Total reserves for FY 2023-24 are $184.2 million, an increase of $32.5 million from FY 2022-23. This increase is primarily due to an increase in unsecured capital reimbursements and debt proceeds offset by an increase in capital outlays.

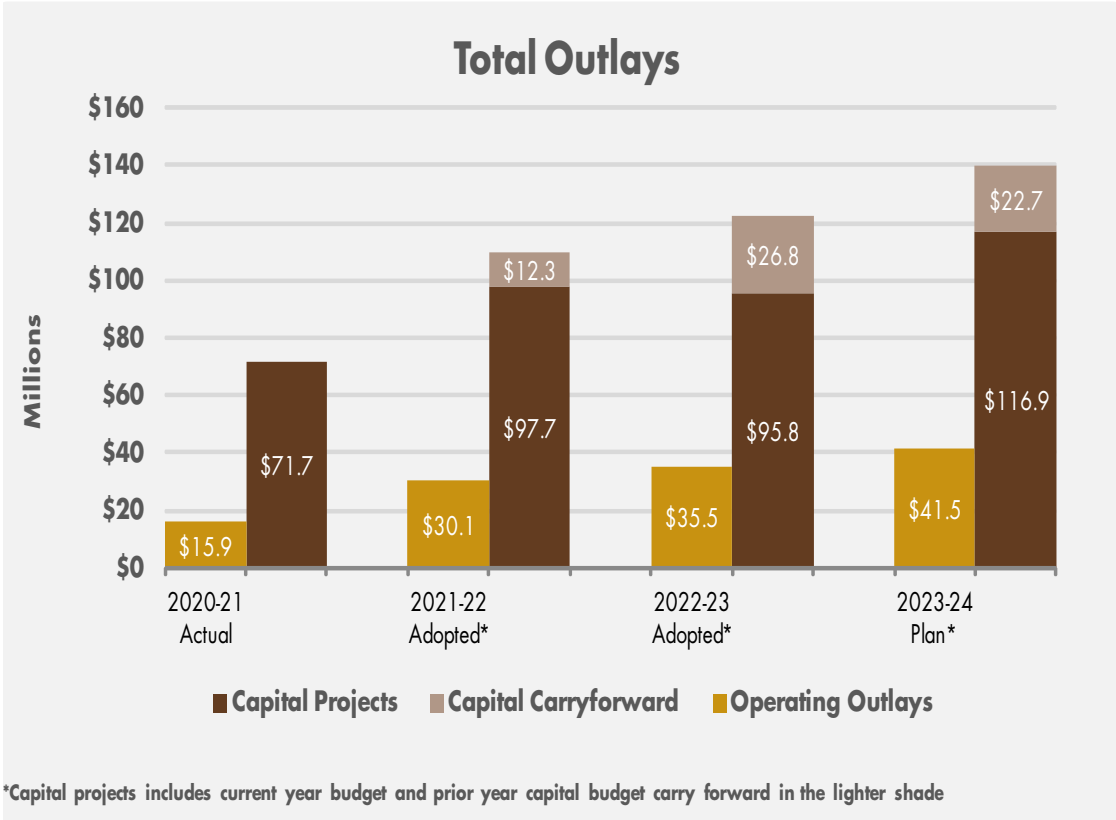
Budget Issues

Safe, Clean Water Program Priority E flood protection projects:

- Staff continues to work aggressively with the U.S. Army Corps of Engineers (USACE) to obtain Federal funding; however, due to uncertainty in USACE funding for capital flood protection projects, staff continues to explore other capital funding options. Flood protection projects continue as planned with local funding.

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 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
REVENUE						
Operating Revenue						
Special Parcel Tax	$ 46,095,042	$ 47,105,387	$ 47,106,738	$ 49,645,791	$ 2,540,404	5.4%
Intergovernmental Services	976	—	—	—	—	—
Total Operating Revenue	**$ 46,096,018**	**$ 47,105,387**	**$ 47,106,738**	**$ 49,645,791**	**$ 2,540,404**	**5.4%**
Non-Operating Revenue						
Capital Reimbursements	$ 8,493,253	$ 7,560,000	$ 7,560,000	$ 51,826,000	$ 44,266,000	585.5%
Interest Income *	1,949,318	1,561,000	1,561,000	1,561,000	—	—
Nonoperating Other	348,955	—	—	—	—	—
Total Non-Operating Revenue	**$ 10,791,526**	**$ 9,121,000**	**$ 9,121,000**	**$ 53,387,000**	**$ 44,266,000**	**485.3%**
TOTAL REVENUE	**$ 56,887,544**	**$ 56,226,387**	**$ 56,227,738**	**$ 103,032,791**	**$ 46,806,404**	**83.2%**
OUTLAYS						
Operating Outlays						
Operations **	$ 13,313,757	$ 20,492,394	$ 20,636,004	$ 21,454,283	$ 961,889	4.7%
Operating Project	1,634,810	2,551,196	2,551,196	3,795,185	1,243,989	48.8%
Debt Service	917,268	7,050,130	7,050,130	10,292,950	3,242,820	46.0%
Total Operating Outlays	**$ 15,865,835**	**$ 30,093,720**	**$ 30,237,330**	**$ 35,542,418**	**$ 5,448,698**	**18.1%**
Capital Outlays						
Capital Projects	$ 71,738,702	$ 97,658,241	$ 104,428,805	$ 95,789,082	$ (1,869,159)	(1.9)%
Carry Forward Capital Projects	—	12,318,665	—	26,830,794	14,512,129	117.8%
Total Capital Outlays	**$ 71,738,702**	**$ 109,976,906**	**$ 104,428,805**	**$ 122,619,876**	**$ 12,642,970**	**11.5%**
TOTAL OUTLAYS*	**$ 87,604,537**	**$ 140,070,626**	**$ 134,666,135**	**$ 158,162,294**	**$ 18,091,668**	**12.9%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ —	$ 100,000,000	$ 100,000,000	$ 53,000,000	$ (47,000,000)	(47.0)%
Transfers In	8,996,609	2,521,544	2,606,395	—	(2,521,544)	(100.0)%
Transfers Out	—	—	(1,000,000)	(1,779,100)	(1,779,100)	—
TOTAL OTHER SOURCES/(USES)	**$ 8,996,609**	**$ 102,521,544**	**$ 101,606,395**	**$ 51,220,900**	**$ (51,300,644)**	**(50.0)%**
BALANCE AVAILABLE	**$ (21,720,384)**	**$ 18,677,305**	**$ 23,167,998**	**$ (3,908,603)**	**$ (22,585,908)**	**(120.9)%**
YEAR-END RESERVES						
Restricted Reserves						
Rate Stabilization	$ —	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ —	—
Contingency Reserve	—	5,000,000	5,000,000	5,000,000	—	—
CP Debt Service	8,318	—	—	—	—	—
SCW Currently Authorized Projects***	75,382,052	39,599,917	74,190,907	47,365,114	7,765,197	19.6%
SCW Operating and Capital Reserve	57,042,203	54,254,365	51,409,664	74,326,854	20,072,489	37.0%
Total Restricted Reserves	**$ 132,432,573**	**$ 123,854,282**	**$ 155,600,571**	**$ 151,691,968**	**$ 27,837,686**	**22.5%**
TOTAL YEAR-END RESERVES	**$ 132,432,573**	**$ 123,854,282**	**$ 155,600,571**	**$ 151,691,968**	**$ 27,837,686**	**22.5%**

Safe, Clean Water and Natural Flood Protection Fund Summary (Continued)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 4,905,700	$ 7,782,305	$ 7,688,031	$ 8,394,303	$ 611,998	7.9%
Salary Savings Factor	—	(129,536)	(129,536)	(133,551)	(4,015)	3.1%
Services & Supplies	6,786,557	10,326,808	10,619,169	11,314,760	987,952	9.6%
Intra-District Charges	3,256,310	5,064,014	5,009,536	5,673,956	609,942	12.0%
OPERATING OUTLAY TOTAL	**$ *14,948,567***	**$ *23,043,591***	**$ *23,187,200***	**$ *25,249,468***	**$ *2,205,877***	***9.6%***
DEBT SERVICE						
Services & Supplies	$ 862,336	$ 1,421,130	$ 1,421,130	$ 2,268,690	$ 847,560	59.6%
Debt Service	54,932	5,629,000	5,629,000	8,024,260	2,395,260	42.6%
DEBT SERVICE TOTAL	**$ *917,268***	**$ *7,050,130***	**$ *7,050,130***	**$ *10,292,950***	**$ *3,242,820***	***46.0%***
CAPITAL PROJECTS						
Salaries and Benefits	$ 10,401,166	$ 10,010,226	$ 10,043,618	$ 10,348,532	$ 338,306	3.4%
Salary Savings Factor	—	(168,199)	(168,198)	(167,905)	294	(0.2)%
Services & Supplies	55,417,339	82,040,821	88,760,363	79,333,977	(2,706,844)	(3.3)%
Carry Forward Capital Projects	—	12,318,665	—	26,830,794	14,512,129	117.8%
Intra-District Charges	5,920,197	5,775,392	5,793,023	6,274,478	499,086	8.6%
CAPITAL PROJECTS TOTAL	**$ *71,738,702***	**$ *109,976,905***	**$ *104,428,806***	**$ *122,619,876***	**$ *12,642,971***	***11.5%***
TOTAL OUTLAYS****	**$ *87,604,537***	**$ *140,070,626***	**$ *134,666,136***	**$ *158,162,294***	**$ *18,091,668***	***12.9%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****) Total Outlays amounts may have a slight variance due to rounding

Safe, Clean Water and Natural Flood Protection Fund Summary

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
REVENUE						
Operating Revenue						
Special Parcel Tax	$ 46,095,042	$ 47,105,387	$ 49,645,791	$ 50,737,999	$ 1,092,208	2.2%
Intergovernmental Services	976	—	—	—	—	—
Total Operating Revenue	**$ 46,096,018**	**$ 47,105,387**	**$ 49,645,791**	**$ 50,737,999**	**$ 1,092,208**	**2.2%**
Non-Operating Revenue						
Capital Reimbursements	$ 8,493,253	$ 7,560,000	$ 51,826,000	$ 63,455,000	$ 11,629,000	22.4%
Interest Income *	1,949,318	1,561,000	1,561,000	1,561,000	—	—
Nonoperating Other	348,955	—	—	—	—	—
Total Non-Operating Revenue	**$ 10,791,526**	**$ 9,121,000**	**$ 53,387,000**	**$ 65,016,000**	**$ 11,629,000**	**21.8%**
TOTAL REVENUE	**$ 56,887,544**	**$ 56,226,387**	**$ 103,032,791**	**$ 115,753,999**	**$ 12,721,208**	**12.3%**
OUTLAYS						
Operating Outlays						
Operations **	$ 13,313,757	$ 20,492,394	$ 21,454,283	$ 21,987,610	$ 533,327	2.5%
Operating Project	1,634,810	2,551,196	3,795,185	3,699,484	(95,701)	(2.5)%
Debt Service	917,268	7,050,130	10,292,950	15,795,070	5,502,120	53.5%
Total Operating Outlays	**$ 15,865,835**	**$ 30,093,720**	**$ 35,542,418**	**$ 41,482,164**	**$ 5,939,746**	**16.7%**
Capital Outlays						
Capital Projects	$ 71,738,702	$ 97,658,241	$ 95,789,082	$ 116,911,166	$ 21,122,084	22.1%
Carry Forward Capital Projects	—	12,318,665	26,830,794	22,745,513	(4,085,281)	(15.2)%
Total Capital Outlays	**$ 71,738,702**	**$ 109,976,906**	**$ 122,619,876**	**$ 139,656,679**	**$ 17,036,803**	**13.9%**
TOTAL OUTLAYS*	**$ 87,604,537**	**$ 140,070,626**	**$ 158,162,294**	**$ 181,138,843**	**$ 22,976,549**	**14.5%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ —	$ 100,000,000	$ 53,000,000	$ 101,000,000	$ 48,000,000	90.6%
Transfers In	8,996,609	2,521,544	—	—	—	—
Transfers Out	—	—	(1,779,100)	(3,098,727)	(1,319,627)	74.2%
TOTAL OTHER SOURCES/(USES)	**$ 8,996,609**	**$ 102,521,544**	**$ 51,220,900**	**$ 97,901,273**	**$ 46,680,373**	**91.1%**
BALANCE AVAILABLE	**$ (21,720,384)**	**$ 18,677,305**	**$ (3,908,603)**	**$ 32,516,429**	**$ 36,425,032**	**(931.9)%**
YEAR-END RESERVES						
Restricted Reserves						
Rate Stabilization	$ —	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ —	—
Contingency Reserve	—	5,000,000	5,000,000	5,000,000	—	—
CP Debt Service	8,318	—	—	—	—	—
SCW Currently Authorized Projects***	75,382,052	39,599,917	47,365,114	24,619,601	(22,745,513)	(48.0)%
SCW Operating and Capital Reserve	57,042,203	54,254,365	74,326,854	129,588,796	55,261,942	74.4%
Total Restricted Reserves	**$ 132,432,573**	**$ 123,854,282**	**$ 151,691,968**	**$ 184,208,397**	**$ 32,516,429**	**21.4%**
TOTAL YEAR-END RESERVES	**$ 132,432,573**	**$ 123,854,282**	**$ 151,691,968**	**$ 184,208,397**	**$ 32,516,429**	**21.4%**

Safe, Clean Water and Natural Flood Protection Fund Summary (Continued)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 4,905,700	$ 7,782,305	$ 8,394,303	$ 9,185,603	$ 791,300	9.4%
Salary Savings Factor	—	(129,536)	(133,551)	(145,889)	(12,338)	9.2%
Services & Supplies	6,786,557	10,326,808	11,314,760	10,411,510	(903,250)	(8.0)%
Intra-District Charges	3,256,310	5,064,014	5,673,956	6,235,870	561,914	9.9%
OPERATING OUTLAY TOTAL	***$ 14,948,567***	***$ 23,043,591***	***$ 25,249,468***	***$ 25,687,094***	***$ 437,626***	***1.7%***
DEBT SERVICE						
Services & Supplies	$ 862,336	$ 1,421,130	$ 2,268,690	$ 1,498,690	$ (770,000)	(33.9)%
Debt Service	54,932	5,629,000	8,024,260	14,296,380	6,272,120	78.2%
DEBT SERVICE TOTAL	***$ 917,268***	***$ 7,050,130***	***$ 10,292,950***	***$ 15,795,070***	***$ 5,502,120***	***53.5%***
CAPITAL PROJECTS						
Salaries and Benefits	$ 10,401,166	$ 10,010,226	$ 10,348,532	$ 13,238,312	$ 2,889,780	27.9%
Salary Savings Factor	—	(168,199)	(167,905)	(214,327)	(46,422)	27.6%
Services & Supplies	55,417,339	82,040,821	79,333,977	95,796,111	16,462,134	20.8%
Carry Forward Capital Projects	—	12,318,665	26,830,794	22,745,513	(4,085,281)	(15.2)%
Intra-District Charges	5,920,197	5,775,392	6,274,478	8,091,070	1,816,592	29.0%
CAPITAL PROJECTS TOTAL	***$ 71,738,702***	***$ 109,976,905***	***$ 122,619,876***	***$ 139,656,679***	***$ 17,036,803***	***13.9%***
TOTAL OUTLAYS****	***$ 87,604,537***	***$ 140,070,626***	***$ 158,162,294***	***$ 181,138,843***	***$ 22,976,549***	***14.5%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****) Total Outlays amounts may have a slight variance due to rounding

Total Outlays - Safe, Clean Water & Natural Flood Protection Fund

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
	Operations						
	26001090	Unscoped Projects-Budget Only		100,000	100,000	100,000	Office of Assistant Chief Executive Officer
*	26031001	Watershed Revenue	49,033	113,250	104,637	111,520	Financial Planning and Management Services Division
	26041023	Emergency Response Upgrade	374,475	511,398	650,915	670,094	Watershed Stewardship & Planning Division
	26041024	Flood Risk Reduction Studies	1,153,925	1,270,495	1,412,026	1,487,825	Watershed Stewardship & Planning Division
*	26041047	Ecolgcal Data Collectn & Anal	630,737	786,879	288,959	308,172	Watershed Stewardship & Planning Division
	26041049	D5 SCW Watershed Plan		100,896	103,000	106,000	Watershed Stewardship & Planning Division
	26061002	Rent Exp Clean Safe Ck 7/1/ 01+	233,251	144,873	240,995	268,367	Watershed Design & Construction Division
	26061004	Districtwide Salary Savings-26		(129,536)	(133,551)	(145,889)	Financial Planning and Management Services Division
	26061005	Flood Emergency Response Planning	140,034	217,633	217,115	220,419	Emergency Safety & Security Division
**	26061006	Pollution Prvtn Prtnrshp & Gr	461,877				Office of Chief of External Affairs
**	26061007	Grants to Rest Habitat Access	1,460,471				Office of Chief of External Affairs
**	26061008	Water Conservation Grant	42,000				Office of Chief of External Affairs
**	26061010	Nitrate Treatment Systm Rebate	420				Raw Water Division
	26061012	Safe Clean Water Implementation	594,357	879,350	1,199,414	1,244,663	Office of Assistant Chief Executive Officer
*	26061019	Creek Stewardship	75,373	180,388	277,707	292,455	Office of Chief of External Affairs
	26061020	F6 Public Art		157,140	257,606	214,949	Office of Chief of External Affairs
	26061021	F9 Safe Clean Water Grants & Partnership		3,109,070	3,203,776	3,392,649	Office of Chief of External Affairs
*	26061051	Lands Management Program		229,631			Office of Assistant Chief Executive Officer
*	26061056	F8 SCW Sustainable Creek Infrastructure		319,657	345,093	356,874	Office of Assistant Chief Executive Officer
	26151001	Water Conservation Rebates and Prog		1,012,792			Water Supply Division
	26441003	D3 SCW Sed Reuse to Support Shoreline		234,344	276,551	270,736	Watershed Operations & Maintenance Division
*	26761022	Watershed Good Neighbor Maint	941,248	615,248	823,717	862,268	Watershed Operations & Maintenance Division
*	26761023	Watershed Sediment Removal	907,622	857,712	1,423,381	1,454,191	Watershed Operations & Maintenance Division

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Total Outlays - Safe, Clean Water & Natural Flood Protection Fund (Continued)

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
*	26761075	Mgmt of Revegetation Project	1,244,249	1,928,982	2,214,306	2,335,003	Watershed Operations & Maintenance Division
	26761076	Rev, Riprn, Uplnd, & Wtlnd Ha	934,976	1,010,882	1,146,905	800,538	Watershed Stewardship & Planning Division
*	26761078	Vegetation Management for Access	651,660	664,440	663,132	686,741	Watershed Operations & Maintenance Division
*	26771011	Inter Agency Urban Runoff Pro	701,838	825,406	851,654	872,982	Watershed Stewardship & Planning Division
	26771027	Encampment Cleanup Program	364,896	1,923,736	2,406,885	2,473,594	Watershed Operations & Maintenance Division
*	26771031	HAZMAT Emergency Response	24,148	32,540	35,707	36,785	Emergency Safety & Security Division
	26771067	Stream Capacity Vegetation Con	2,156,665	3,395,189	3,344,353	3,566,674	Watershed Operations & Maintenance Division
**	26771068	SCW E1.3-Flow Conveyance, Veg	170,503				Watershed Operations & Maintenance Division
	Total Operations		**13,313,757**	**20,492,394**	**21,454,283**	**21,987,610**	
	Operating Project						
	26042002	Fish Habitat Improvement	289,387	865,206	1,222,882	1,061,963	Watershed Stewardship & Planning Division
	26072008	SCW D7 Conservation Habitat	748		910,902	911,285	Watershed Stewardship & Planning Division
	26752043	Impaired Water Bodies Imprvmts	1,344,675	1,685,990	1,661,401	1,726,235	Watershed Stewardship & Planning Division
	Total Operating Project		**1,634,810**	**2,551,196**	**3,795,185**	**3,699,484**	
	Debt Service						
	26993001	Commercial Paper Tax Exempt SC	917,268	2,840,130	3,142,690	4,546,690	Financial Planning and Management Services Division
	26993002	SCW Rev Bond 2022A (Tax-Exempt)		4,210,000	6,032,260	6,029,500	Financial Planning and Management Services Division
	26993003	SCW Rev Bond 2023A (Tax-Exempt)			268,000	5,138,880	Financial Planning and Management Services Division
	26993004	SCW WIFIA Loan 2022			850,000	80,000	Financial Planning and Management Services Division
	Total Debt Service		**917,268**	**7,050,130**	**10,292,950**	**15,795,070**	
	Capital***						
	26044001	Almaden Lake Improvement	1,745,817	9,325,478	20,854,617	19,092,000	Watershed Design & Construction Division
	26044002	SCW Fish Passage Improvement	1,753,834	980,179	15,006		Watershed Stewardship & Planning Division
	26044003	Ogier Ponds Planning Stud	64,628	1,051,098	113,808	1,936,160	Watershed Stewardship & Planning Division

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Total Outlays - Safe, Clean Water & Natural Flood Protection Fund (Continued)

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
	26044004	D6 Bolsa Road Fish Passage Improvement	224	2,205,000	4,169,832	27,301	Watershed Design & Construction Division
	26064023	Districtwide Salary Saving		(168,198)	(167,905)	(214,327)	Financial Planning and Management Services Division
	26074002	Sunnyvale East & West Channel	810,964		930,024	13,583,400	Watershed Design & Construction Division
*	26074033	CIP Development & Admin	440,963	331,522	333,140	355,795	Office of Assistant Chief Executive Officer
*	26074036	Survey Mgmt & Tech Support	190,169	487,907	133,428	175,409	Watershed Design & Construction Division
*	26074038	Watershed Capital Program Servcs Admin	2,307,596	3,027,486	2,356,367	2,526,751	Watershed Design & Construction Division
*	26074041	Construction Contracts and Support	383,397	589,674	622,545	741,175	General Services Division
*	26074047	Computer-Aided Design for Engineering			376,041	440,606	Office of Assistant Chief Executive Officer
	26154002	Guadalupe Rv-Upr, 280-SPRR(R6	177,958	562,596	30,958	32,761	Watershed Design & Construction Division
	26154003	Guadalupe Rv-Upr, SPRR-BH 7-12	2,315,330				Watershed Design & Construction Division
	26164001	HaleCreekEnhancementPilotStud	643,076	3,824,108	72,300	10,920	Watershed Design & Construction Division
	26174041	Berryessa Calav/Old Pied Cor	536,617			768,743	Watershed Design & Construction Division
**	26174042	Berryessa Calav/Old Pied LER	110,587				Watershed Design & Construction Division
	26174043	Coyote Creek, Montague-Tully	1,720,017	1,596,067	6,372,531	10,789,989	Watershed Design & Construction Division
	26174051	U. Llagas Ck, Reimburse E6b	2,670,896				Watershed Design & Construction Division
	26174052	Llagas Ck ñ Upper Construction	45,699,929	58,291,926	55,550,525	32,621,800	Watershed Design & Construction Division
	26174054	U.Llagas Ck Design B. Vsta Rd	491,800				Watershed Design & Construction Division
	26244001	Permanente Ck, Bay-Fthill CSC	5,119,606			56,497	Watershed Design & Construction Division
	26284002	San Francisquito Early Implemt	993,899	12,720,864		26,586,789	Watershed Design & Construction Division
	26324001	U Penitncia Crk Corp Coord SCW	872,485	114,384			Watershed Design & Construction Division
	26444001	SFBS EIA 11 Desgn & Part Const	23,746				Watershed Design & Construction Division

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Total Outlays - Safe, Clean Water & Natural Flood Protection Fund (Continued)

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
	26444002	San Francisco Bay Shoreline - EIAs 1-4	1,270,217	1,358,701	1,760,717	2,829,437	Watershed Design & Construction Division
**	26444003	SBSP Restoration Partnership	25,199				Watershed Stewardship & Planning Division
	26444004	San Francisco Bay Shoreline EIAs 5-1		1,044,530	1,045,470	1,092,025	Watershed Design & Construction Division
	26564001	Main/Madrone PL Restoration	13,215				Water Utility Capital Division
	26764001	IRP2 AddLine Valve	1,356,533	314,921	1,219,676	3,457,935	Water Utility Capital Division
	Total Capital		**71,738,702**	**97,658,241**	**95,789,082**	**116,911,166**	
	Total		**87,604,537**	**127,751,961**	**131,331,500**	**158,393,330**	

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Benefit Assessment Funds Overview

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

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

- The Lower Peninsula Watershed (Fund 21) is defined by geographic boundaries encompassing the tributaries and watersheds of San Francisquito Creek, Matadero Creek, Barron Creek, Adobe Creek, Stevens Creek, and Permanente Creek. The geographic area includes the cities of Palo Alto, Los Altos, Los Altos Hills, Mountain View, and portions of Cupertino.
- The West Valley Watershed (Fund 22) is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe Slough, Sunnyvale West Outfall, Sunnyvale East Outfall, Calabazas Creek, San Tomas Aquino Creek, and Saratoga Creek. The geographic area includes portions of the cities of Sunnyvale, Cupertino, Monte Sereno, San Jose, Santa Clara, Campbell, Saratoga and the Town of Los Gatos.
- The Guadalupe Watershed (Fund 23) is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe River. The major tributaries are Los Gatos Creek, Canoas Creek, Ross Creek, Guadalupe Creek, and Alamitos Creek. The geographic area includes portions of the cities of Santa Clara, San Jose, Campbell, Monte Sereno, and the Town of Los Gatos.
- The Coyote Watershed (Fund 24) is defined by geographic boundaries encompassing the tributaries and watersheds of Coyote Creek. The major tributaries are Lower Penitencia Creek, Scott Creek, Berryessa Creek, Upper Penitencia Creek, Silver Creek, Thompson Creek, Fisher Creek, and Packwood Creek. The geographic area includes the city of Milpitas and portions of the cities of San Jose and Morgan Hill.
- The Uvas/Llagas Watershed (Fund 25) is defined by geographic boundaries encompassing the tributaries and watersheds of the Pajaro River in Santa Clara County. The major tributaries are Little Llagas Creek, Llagas Creek, the west branch of Llagas Creek, Uvas-Carnadero Creek, Pescadero Creek, and Pacheco Creek. The Uvas/Llagas Watershed Fund is comprised of mostly unincorporated area and includes the city of Gilroy and portions of the cities of San Jose and Morgan Hill. The debt has been paid off.

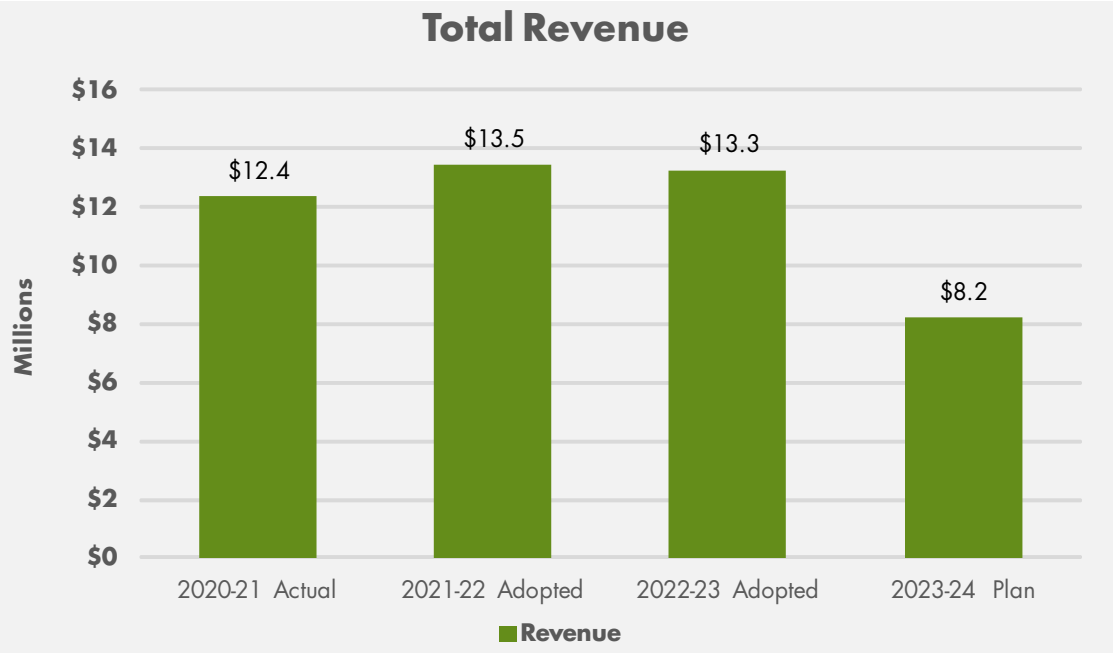
These benefit assessment funds now are comprised of the voter-approved debt repayment phase of the benefit assessments program, levied at 1.25 times the annual debt service. The excess amount over annual debt service is transferred out to the consolidated Watershed and Stream Stewardship Fund (Fund 12) for the maintenance of the flood protection infrastructure. For FY 2022-23 and FY 2023-24, the transfer to the Watershed and Stream Stewardship Fund is expected at $2.3 million each year.

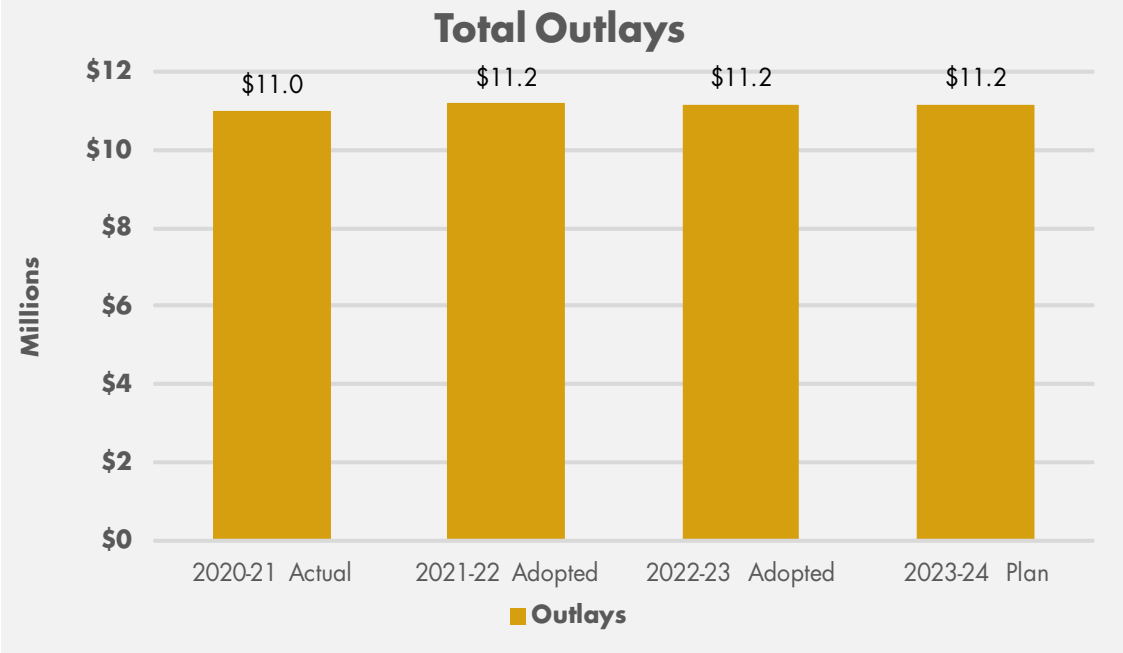
Debt that was issued in 2012 (2012A Certificates of Participation, or 2012A COPs) are scheduled to have a final debt service payment in FY 2023-24 and included a debt service reserve fund requirement. Funds held in reserve will be used to partially pay the 2012A COPs debt service payment in FY 2022-23 and fully pay the debt service payment in FY 2023-24. Funds held in reserves will be reflected as transfer into the Benefit Assessment Funds.

The FY 2022-23 benefit assessment for a single family residence is expected at approximately:

- $26.54/year for Lower Peninsula Watershed
- $12.85/year for West Valley Watershed
- $20.55/year for Guadalupe Watershed
- $20.55/year for Coyote Watershed

Benefit Assessment Funds





Benefit Assessment Funds

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
REVENUE						
Lower Peninsula Watershed	$ 2,700,136	$ 2,707,552	$ 2,707,552	$ 2,703,278	$ (4,274)	(0.2)%
West Valley Watershed	2,017,250	2,256,627	2,256,627	2,218,285	(38,342)	(1.7)%
Guadalupe Watershed	3,955,671	4,553,263	4,553,263	4,458,666	(94,597)	(2.1)%
Coyote Watershed	3,688,425	3,936,220	3,936,220	3,893,914	(42,306)	(1.1)%
TOTAL REVENUE	**$ *12,361,482***	**$ *13,453,662***	**$ *13,453,662***	**$ *13,274,143***	**$ *(179,519)***	***(1.3)%***
OUTLAYS						
Debt Service						
Lower Peninsula Watershed	$ 2,276,839	$ 2,294,801	$ 2,294,801	$ 2,292,531	$ (2,270)	(0.1)%
West Valley Watershed	1,828,290	1,863,529	1,863,529	1,863,200	(329)	(0.0)%
Guadalupe Watershed	3,654,440	3,737,830	3,737,830	3,737,571	(259)	(0.0)%
Coyote Watershed	3,238,046	3,281,330	3,281,330	3,279,653	(1,677)	(0.1)%
TOTAL OUTLAYS	**$ *10,997,615***	**$ *11,177,490***	**$ *11,177,490***	**$ *11,172,955***	**$ *(4,535)***	***(0.0)%***
OTHER FINANCING SOURCES/(USES)						
Transfer In						
From Debt Service Reserve Fund	$ —	$ —	$ —	$ 171,915	$ 171,915	—
From Watershed & Stream Stewardship Fund	1,097,604	—	—	—	—	—
Transfers Out						
To Watershed & Stream Stewardship Fund	$ (2,461,472)	$ (2,276,172)	$ (2,276,172)	$ (2,273,103)	$ 3,069	(0.1)%
TOTAL OTHER SOURCES/(USES)	**$ *(1,363,868)***	**$ *(2,276,172)***	**$ *(2,276,172)***	**$ *(2,101,188)***	**$ *174,984***	***(7.7)%***
BALANCE AVAILABLE	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**—**

Benefit Assessment Funds

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
REVENUE						
Lower Peninsula Watershed	$ 2,700,136	$ 2,707,552	$ 2,703,278	$ 2,704,621	$ 1,343	0.1%
West Valley Watershed	2,017,250	2,256,627	2,218,285	1,099,964	(1,118,321)	(50.4)%
Guadalupe Watershed	3,955,671	4,553,263	4,458,666	1,663,168	(2,795,498)	(62.7)%
Coyote Watershed	3,688,425	3,936,220	3,893,914	2,734,179	(1,159,735)	(29.8)%
TOTAL REVENUE	**$ *12,361,482***	**$ *13,453,662***	**$ *13,274,143***	**$ *8,201,932***	**$ *(5,072,211)***	***(38.2)%***
OUTLAYS						
Debt Service						
Lower Peninsula Watershed	$ 2,276,839	$ 2,294,801	$ 2,292,531	$ 2,294,604	$ 2,073	0.1%
West Valley Watershed	1,828,290	1,863,529	1,863,200	1,862,500	(700)	(0.0)%
Guadalupe Watershed	3,654,440	3,737,830	3,737,571	3,736,797	(774)	(0.0)%
Coyote Watershed	3,238,046	3,281,330	3,279,653	3,280,147	494	0.0%
TOTAL OUTLAYS	**$ *10,997,615***	**$ *11,177,490***	**$ *11,172,955***	**$ *11,174,048***	**$ *1,093***	***0.0%***
OTHER FINANCING SOURCES/(USES)						
Transfer In						
From Debt Service Reserve Fund	$ —	$ —	$ 171,915	$ 5,293,600	$ 5,121,685	2,979.2%
From Watershed & Stream Stewardship Fund	1,097,604	—	—	—	—	—
Transfers Out						
To Watershed & Stream Stewardship Fund	$ (2,461,472)	$ (2,276,172)	$ (2,273,103)	$ (2,321,484)	$ (48,381)	2.1%
TOTAL OTHER SOURCES/(USES)	**$ *(1,363,868)***	**$ *(2,276,172)***	**$ *(2,101,188)***	**$ *2,972,116***	**$ *5,073,304***	***(241.4)%***
BALANCE AVAILABLE	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**—**

Total Outlays - Lower Peninsula Watershed Fund

Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
Debt Service						
10993008	2017A COP Refunding LP W	2,276,839	2,294,801	2,292,531	2,294,604	Financial Planning and Management Services Division
Total Debt Service		**2,276,839**	**2,294,801**	**2,292,531**	**2,294,604**	
Total		**2,276,839**	**2,294,801**	**2,292,531**	**2,294,604**	

Total Outlays - West Valley Watershed Fund

Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
Debt Service						
20993007	2012A COP Refunding WV W	1,145,264	1,177,130	1,177,482	1,176,161	Financial Planning and Management Services Division
20993008	2017A COP Refunding WV W	683,026	686,399	685,717	686,339	Financial Planning and Management Services Division
Total Debt Service		**1,828,290**	**1,863,529**	**1,863,200**	**1,862,500**	
Total		**1,828,290**	**1,863,529**	**1,863,200**	**1,862,500**	

Total Outlays - Guadalupe Watershed Fund

Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
Debt Service						
30993007	2012A COP Refunding Guad W	2,864,609	2,944,314	2,945,197	2,941,890	Financial Planning and Management Services Division
30993008	2017A COP Refunding Guad W	789,830	793,516	792,375	794,907	Financial Planning and Management Services Division
Total Debt Service		**3,654,440**	**3,737,830**	**3,737,571**	**3,736,797**	
Total		**3,654,440**	**3,737,830**	**3,737,571**	**3,736,797**	

Total Outlays - Coyote Watershed Fund

Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
Debt Service						
40993007	2012A COP Refunding Coyote WS	1,188,487	1,221,556	1,221,922	1,220,551	Financial Planning and Management Services Division
40993008	2017A COP Refunding Coyote WS	2,049,559	2,059,774	2,057,731	2,059,596	Financial Planning and Management Services Division
Total Debt Service		**3,238,046**	**3,281,330**	**3,279,653**	**3,280,147**	
Total		**3,238,046**	**3,281,330**	**3,279,653**	**3,280,147**	

This page left intentionally blank.

WATER ENTERPRISE AND STATE WATER PROJECT FUNDS

Fund Summaries

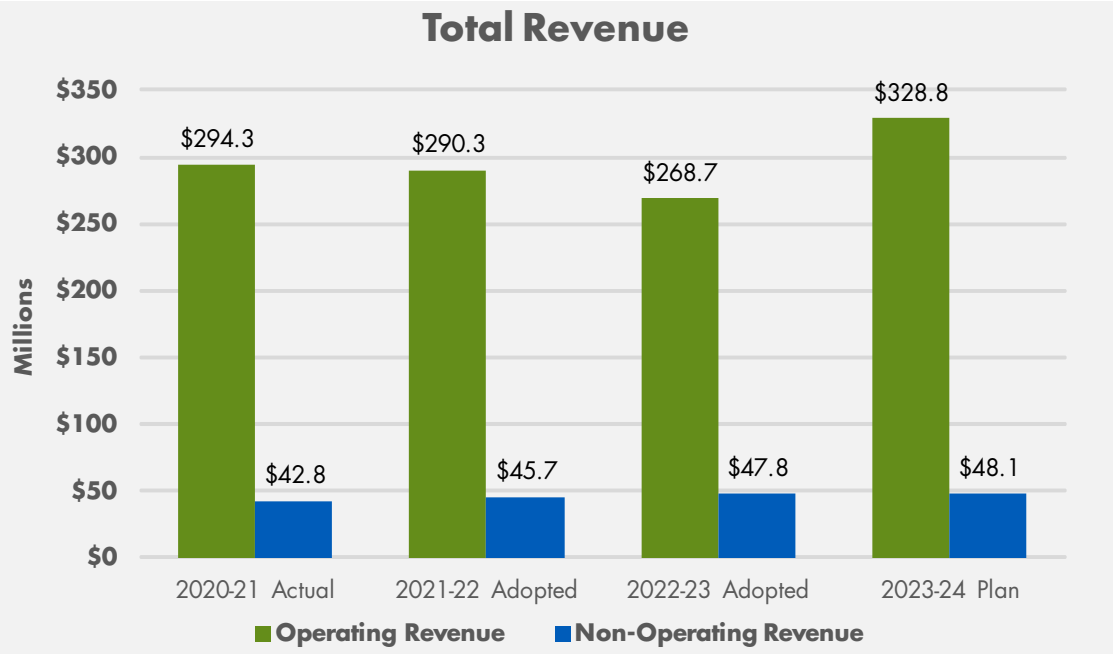
Overview

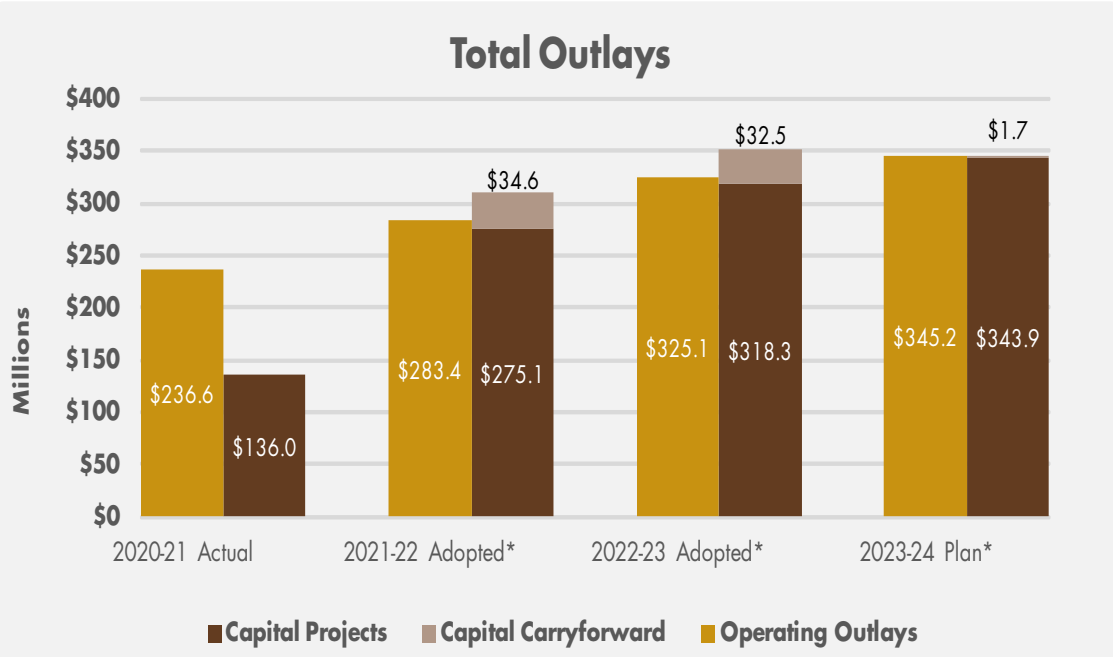
As the water management agency and principal water wholesaler for Santa Clara County, Valley Water manages a sustainable water supply through conjunctive use of surface and groundwater resources. The Chief Operating Officer of the Water Utility implements the programs and projects described and listed 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 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 Projects Combined Fund Summary

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 132,111,494	$ 135,253,000	$ 114,934,000	$ 122,002,000	$ (13,251,000)	(9.8)%
Treated Water Charges	154,912,013	150,449,000	127,699,000	139,746,000	(10,703,000)	(7.1)%
Surface&Recycled Water Charges	2,747,092	2,778,000	2,778,000	3,207,000	429,000	15.4%
Intergovermental Services	4,019,092	1,242,326	1,264,295	3,267,274	2,024,948	163.0%
Operating Other	489,384	536,894	530,415	481,415	(55,479)	(10.3)%
Total Operating Revenue	**$ *294,279,075***	**$ *290,259,220***	**$ *247,205,710***	**$ *268,703,689***	**$ *(21,555,531)***	***(7.4)%***
Non-Operating Revenue						
Property Tax	$ 30,257,384	$ 34,927,304	$ 35,119,192	$ 36,435,263	$ 1,507,959	4.3%
Capital Reimbursements	6,428,592	6,613,000	5,652,000	7,305,000	692,000	10.5%
Interest Income *	4,067,798	2,731,500	2,731,500	2,731,500	—	—
Non-Operating Other	2,000,417	1,408,323	1,296,917	1,304,755	(103,568)	(7.4)%
Total Non-Operating Revenue	**$ *42,754,191***	**$ *45,680,127***	**$ *44,799,609***	**$ *47,776,518***	**$ *2,096,391***	***4.6%***
TOTAL REVENUE	**$ *337,033,266***	**$ *335,939,347***	**$ *292,005,319***	**$ *316,480,207***	**$ *(19,459,140)***	***(5.8)%***
OUTLAYS						
Operating Outlays						
Operations **	$ 197,359,619	$ 230,530,438	$ 246,520,008	$ 264,353,565	$ 33,823,127	14.7%
Operating Project	265,592	284,438	284,438	344,329	59,891	21.1%
Debt Service	38,975,023	52,561,061	52,561,061	60,409,922	7,848,861	14.9%
Total Operating Outlays	**$ *236,600,234***	**$ *283,375,937***	**$ *299,365,507***	**$ *325,107,816***	**$ *41,731,879***	***14.7%***
Capital Outlays						
Capital Projects	$ 136,044,278	$ 275,141,567	$ 280,255,842	$ 318,267,600	$ 43,126,033	15.7%
Carry Forward Capital Projects	—	21,603,754	—	32,524,433	10,920,679	50.5%
Total Capital Outlays	**$ *136,044,278***	**$ *296,745,321***	**$ *280,255,842***	**$ *350,792,033***	**$ *54,046,712***	***18.2%***
TOTAL OUTLAYS*	**$ *372,644,512***	**$ *580,121,258***	**$ *579,621,349***	**$ *675,899,849***	**$ *95,778,591***	***16.5%***
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 164,470,000	$ 159,288,000	$ 171,484,000	$ 281,491,000	$ 122,203,000	76.7%
Transfers In	593,000	—	1,000,000	26,060,900	26,060,900	—
Transfers Out	(6,600,072)	(3,161,400)	(3,161,400)	(3,873,600)	(712,200)	22.5%
TOTAL OTHER SOURCES/(USES)	**$ *158,462,928***	**$ *156,126,600***	**$ *169,322,600***	**$ *303,678,300***	**$ *147,551,700***	***94.5%***
BALANCE AVAILABLE	**$ *122,851,682***	**$ *(88,055,311)***	**$ *(118,293,430)***	**$ *(55,741,342)***	**$ *32,313,969***	***(36.7)%***

Water Enterprise and State Water Projects Combined Fund Summary (Continued)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
Rate Stabilization	$ 25,069,620	$ 28,332,567	$ 55,476,138	$ 42,476,138	$ 14,143,571	49.9%
WUE San Felipe Emergency	3,348,086	3,360,045	3,360,085	3,410,085	50,040	1.5%
WUE State Water Project Tax Reserve	7,218,060	2,523,006	6,608,934	6,352,289	3,829,283	151.8%
CP Debt Service	6,999	—	6,999	6,999	6,999	—
WUE Water Supply	15,477,000	7,877,000	7,877,000	5,277,000	(2,600,000)	(33.0)%
WUE SVAWPC	1,298,138	908,138	908,138	908,138	—	—
WUE Drought Reserve	10,000,000	10,000,000	10,000,000	—	(10,000,000)	(100.0)%
GP5 Reserve	9,669,736	7,106,660	8,653,356	8,830,684	1,724,024	24.3%
Total Restricted Reserves	***$ 72,087,639***	***$ 60,107,416***	***$ 92,890,650***	***$ 67,261,333***	***$ 7,153,917***	***11.9%***
Committed Reserves						
Currently Authorized Projects ***	$ 85,292,965	$ 8,957,446	$ 44,402,114	$ 7,124,270	$ (1,833,176)	(20.5)%
Operating and Capital Reserve	140,225,692	47,772,364	42,020,102	49,185,921	1,413,557	3.0%
Total Committed Reserves	***$ 225,518,657***	***$ 56,729,810***	***$ 86,422,216***	***$ 56,310,191***	***$ (419,619)***	***(0.7)%***
TOTAL YEAR-END RESERVES	***$ 297,606,296***	***$ 116,837,226***	***$ 179,312,866***	***$ 123,571,524***	***$ 6,734,298***	***5.8%***
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 59,982,295	$ 62,887,371	$ 64,469,959	$ 67,958,926	$ 5,071,555	8.1%
Salary Savings Factor	—	(1,024,172)	(1,024,172)	(1,062,535)	(38,363)	3.7%
Services & Supplies	103,224,628	131,838,340	145,311,772	156,134,811	24,296,471	18.4%
Intra-District Charges	34,418,288	37,113,337	38,046,887	41,666,691	4,553,354	12.3%
OPERATING OUTLAY TOTAL	***$ 197,625,211***	***$ 230,814,876***	***$ 246,804,446***	***$ 264,697,893***	***$ 33,883,017***	***14.7%***
DEBT SERVICE						
Services & Supplies	$ 888,415	$ 1,754,120	$ 1,754,120	$ 3,490,680	$ 1,736,560	99.0%
Debt Service	38,086,608	50,806,941	50,806,941	56,919,242	6,112,301	12.0%
DEBT SERVICE TOTAL	***$ 38,975,023***	***$ 52,561,061***	***$ 52,561,061***	***$ 60,409,922***	***$ 7,848,861***	***14.9%***
CAPITAL PROJECTS						
Salaries and Benefits	$ 19,739,431	$ 29,629,969	$ 30,020,981	$ 31,962,922	$ 2,332,953	7.9%
Salary Savings Factor	—	(497,490)	(497,490)	(518,403)	(20,913)	4.2%
Services & Supplies	105,142,466	228,650,965	233,145,658	267,381,825	38,730,860	16.9%
Carry Forward Capital Projects	—	21,603,754	—	32,524,433	10,920,679	50.5%
Intra-District Charges	11,162,382	17,358,124	17,586,693	19,441,256	2,083,132	12.0%
CAPITAL PROJECTS TOTAL	***$ 136,044,279***	***$ 296,745,322***	***$ 280,255,842***	***$ 350,792,033***	***$ 54,046,711***	***18.2%***
TOTAL OUTLAYS*	***$ 372,644,513***	***$ 580,121,259***	***$ 579,621,349***	***$ 675,899,848***	***$ 95,778,589***	***16.5%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****) Total Outlays amounts may have a slight variance due to rounding

Water Enterprise and State Water Projects Combined Fund Summary

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 132,111,494	$ 135,253,000	$ 122,002,000	$ 152,379,000	$ 30,377,000	24.9%
Treated Water Charges	154,912,013	150,449,000	139,746,000	171,022,000	31,276,000	22.4%
Surface&Recycled Water Charges	2,747,092	2,778,000	3,207,000	3,625,000	418,000	13.0%
Intergovermental Services	4,019,092	1,242,326	3,267,274	1,340,295	(1,926,979)	(59.0)%
Operating Other	489,384	536,894	481,415	481,415	—	—
Total Operating Revenue	***$ 294,279,075***	***$ 290,259,220***	***$ 268,703,689***	***$ 328,847,710***	***$ 60,144,021***	***22.4%***
Non-Operating Revenue						
Property Tax	$ 30,257,384	$ 34,927,304	$ 36,435,263	$ 36,772,771	$ 337,508	0.9%
Capital Reimbursements	6,428,592	6,613,000	7,305,000	7,266,000	(39,000)	(0.5)%
Interest Income *	4,067,798	2,731,500	2,731,500	2,731,500	—	—
Non-Operating Other	2,000,417	1,408,323	1,304,755	1,312,961	8,206	0.6%
Total Non-Operating Revenue	***$ 42,754,191***	***$ 45,680,127***	***$ 47,776,518***	***$ 48,083,232***	***$ 306,714***	***0.6%***
TOTAL REVENUE	***$ 337,033,266***	***$ 335,939,347***	***$ 316,480,207***	***$ 376,930,942***	***$ 60,450,735***	***19.1%***
OUTLAYS						
Operating Outlays						
Operations **	$ 197,359,619	$ 230,530,438	$ 264,353,565	$ 266,936,410	$ 2,582,845	1.0%
Operating Project	265,592	284,438	344,329	359,579	15,250	4.4%
Debt Service	38,975,023	52,561,061	60,409,922	77,908,554	17,498,632	29.0%
Total Operating Outlays	***$ 236,600,234***	***$ 283,375,937***	***$ 325,107,816***	***$ 345,204,543***	***$ 20,096,727***	***6.2%***
Capital Outlays						
Capital Projects	$ 136,044,278	$ 275,141,567	$ 318,267,600	$ 343,947,977	$ 25,680,377	8.1%
Carry Forward Capital Projects	—	21,603,754	32,524,433	1,661,228	(30,863,205)	(94.9)%
Total Capital Outlays	***$ 136,044,278***	***$ 296,745,321***	***$ 350,792,033***	***$ 345,609,205***	***$ (5,182,828)***	***(1.5)%***
TOTAL OUTLAYS*	***$ 372,644,512***	***$ 580,121,258***	***$ 675,899,849***	***$ 690,813,748***	***$ 14,913,899***	***2.2%***
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 164,470,000	$ 159,288,000	$ 281,491,000	$ 297,905,000	$ 16,414,000	5.8%
Transfers In	593,000	—	26,060,900	3,518,949	(22,541,951)	(86.5)%
Transfers Out	(6,600,072)	(3,161,400)	(3,873,600)	(7,672,800)	(3,799,200)	98.1%
TOTAL OTHER SOURCES/(USES)	***$ 158,462,928***	***$ 156,126,600***	***$ 303,678,300***	***$ 293,751,149***	***$ (9,927,151)***	***(3.3)%***
BALANCE AVAILABLE	***$ 122,851,682***	***$ (88,055,311)***	***$ (55,741,342)***	***$ (20,131,657)***	***$ 35,609,685***	***(63.9)%***

Water Enterprise and State Water Projects Combined Fund Summary (Continued)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
YEAR-END RESERVES						
Restricted Reserves						
Rate Stabilization	$ 25,069,620	$ 28,332,567	$ 42,476,138	$ 7,476,138	$ (35,000,000)	(82.4)%
WUE San Felipe Emergency	3,348,086	3,360,045	3,410,085	3,460,085	50,000	1.5%
WUE State Water Project Tax Reserve	7,218,060	2,523,006	6,352,289	4,546,282	(1,806,007)	(28.4)%
CP Debt Service	6,999	—	6,999	6,999	—	—
WUE Water Supply	15,477,000	7,877,000	5,277,000	2,677,000	(2,600,000)	(49.3)%
WUE SVAWPC	1,298,138	908,138	908,138	908,138	—	—
WUE Drought Reserve	10,000,000	10,000,000	—	—	—	—
GP5 Reserve	9,669,736	7,106,660	8,830,684	9,039,229	208,545	2.4%
Total Restricted Reserves	***$ 72,087,639***	***$ 60,107,416***	***$ 67,261,333***	***$ 28,113,871***	***$ (39,147,462)***	***(58.2)%***
Committed Reserves						
Currently Authorized Projects ***	$ 85,292,965	$ 8,957,446	$ 7,124,270	$ 5,463,042	$ (1,661,228)	(23.3)%
Operating and Capital Reserve	140,225,692	47,772,364	49,185,921	69,862,954	20,677,033	42.0%
Total Committed Reserves	***$ 225,518,657***	***$ 56,729,810***	***$ 56,310,191***	***$ 75,325,996***	***$ 19,015,805***	***33.8%***
TOTAL YEAR-END RESERVES	***$ 297,606,296***	***$ 116,837,226***	***$ 123,571,524***	***$ 103,439,867***	***$ (20,131,657)***	***(16.3)%***
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 59,982,295	$ 62,887,371	$ 67,958,926	$ 71,338,355	$ 3,379,429	5.0%
Salary Savings Factor	—	(1,024,172)	(1,062,535)	(1,111,834)	(49,299)	4.6%
Services & Supplies	103,224,628	131,838,340	156,134,811	153,096,342	(3,038,469)	(1.9)%
Intra-District Charges	34,418,288	37,113,337	41,666,691	43,973,126	2,306,435	5.5%
OPERATING OUTLAY TOTAL	***$ 197,625,211***	***$ 230,814,876***	***$ 264,697,893***	***$ 267,295,989***	***$ 2,598,096***	***1.0%***
DEBT SERVICE						
Services & Supplies	$ 888,415	$ 1,754,120	$ 3,490,680	$ 3,490,680	$ —	—
Debt Service	38,086,608	50,806,941	56,919,242	74,417,874	17,498,632	30.7%
DEBT SERVICE TOTAL	***$ 38,975,023***	***$ 52,561,061***	***$ 60,409,922***	***$ 77,908,554***	***$ 17,498,632***	***29.0%***
CAPITAL PROJECTS						
Salaries and Benefits	$ 19,739,431	$ 29,629,969	$ 31,962,922	$ 32,934,653	$ 971,731	3.0%
Salary Savings Factor	—	(497,490)	(518,403)	(533,154)	(14,751)	2.8%
Services & Supplies	105,142,466	228,650,965	267,381,825	291,463,767	24,081,942	9.0%
Carry Forward Capital Projects	—	21,603,754	32,524,433	1,661,228	(30,863,205)	(94.9)%
Intra-District Charges	11,162,382	17,358,124	19,441,256	20,082,711	641,455	3.3%
CAPITAL PROJECTS TOTAL	***$ 136,044,279***	***$ 296,745,322***	***$ 350,792,033***	***$ 345,609,205***	***$ (5,182,828)***	***(1.5)%***
TOTAL OUTLAYS*	***$ 372,644,513***	***$ 580,121,259***	***$ 675,899,848***	***$ 690,813,748***	***$ 14,913,900***	***2.2%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****) Total Outlays amounts may have a slight variance due to rounding

Water Enterprise Fund

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 231,000 acre-feet (AF) in FY 2022-23 and FY 2023-24. This entails operation, maintenance and construction of the following facilities:

- 10 surface reservoirs with a total, operationally restricted storage capacity of 62,592 AF while Valley Water's largest reservoir, Anderson, is offline while its dam is undergoing extensive retrofit
- 17 miles of canals
- Five water supply diversion dams
- 102 groundwater recharge ponds
- 91 miles of controlled in-stream recharge in the county
- 142 miles of pipeline
- 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 and discussed separately later in this Chapter.

FY 2022-23 and FY 2023-24 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 Enterprise 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 of 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; 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 2022-23 is $316.5 million ($288.5 million for Fund 61 and $28.0 million for Fund 63), or 5.8% less than the FY 2021-22 Adopted Budget. For FY 2023-24, total revenue is projected at $376.9 ($348.9 million for Fund 61 and $28.0 for Fund 63), or an increase of 21.0% and 0.0%, respectively, from FY 2022-23.

The approved FY 2022-23 water charges will generate $265.0 million in revenues from groundwater production charges and sales of treated, recycled and surface water totaling 192,000 acre-feet which is an 8.2% decrease to water sales from the FY 2021-22 Adopted Budget. After holding water rates flat for FY 2020-21 in response to the economic hardships caused by the global pandemic,

Valley Water raised groundwater production rates approximately 9.1% for Municipal and Industrial groundwater charges to provide funding for critical infrastructure and operational needs in the FY 2021-22 Adopted Budget. For FY 2022-23, groundwater production charges were raised by 5.2% to 15.0% depending on the zone driven by the inverse relationship between exceptionally high drought management expenses and the reduction in water sales due to successful water conservation by water retailers and residents of Santa Clara County. Valley Water is anticipated to remain in severe to extreme drought for FY 2022-23 with recovery of water resources beginning in FY 2023-24. Water sales for FY 2023-24 are expected to rebound approximately $62.0 million to $327.0 million based on 13,400 additional acre feet sold combined with groundwater production charge rate increases of up to 15.0%. Projected rate increases for FY2024-25 and beyond are anticipated to remain below 10.0% if drought conditions are alleviated. More information on groundwater charges is found later in this chapter.

Property taxes for the Water Utility Enterprise are the second largest source of funds for FY 2022-23. They total an estimated $36.4 million, of which $27 million is for State Water Project (SWP) taxes accounted for in the SWP Fund (Fund 63) and used to fund water purchases from the State Water Project, and another $9.4 million in ad valorem property taxes recorded in the Water Utility Enterprise Fund (Fund 61) for general use. In FY 2023-24, combined property taxes are projected to increase 0.9% to $36.8 million.

FY 2022-23 revenues also include $7.3 million in capital reimbursements from three main sources – the California Water Commission for the Pacheco Reservoir Expansion Project, the United States Bureau of Reclamation for the South County Recycled Water Pipeline, and funds from San Benito County Water District for small capital improvements on the shared San Felipe Division Reach 1. Capital Reimbursements are anticipated to remain the same for FY 2023-24.

Interest, intergovernmental services and other revenue round out Water Utility Enterprise revenues at $7.8 million for FY 2022-23. For FY 2023-24, interest is expected to remain the same while Intergovernmental Services decreases by $1.9M tied to reduced funding for the Pacheco Reservoir project from San Benito Water District.

Operating Budget

Operating costs (excluding debt service) for FY 2022-23 are expected to be $264.7 million for both funds. This represents a $33.9 million increase, or 14.7%, from the FY 2021-22 Adopted Budget. Of this, $17.5 million is attributable to additional funding for conservation rebates and activities in response to the historic drought. An additional $6.2 million is included for water banking costs and the exploration of additional water banking opportunities. Security and chemicals cost inflation totaling $2.9 million is the primary driver of operating cost increases at Valley Water's three treatment plants and purification center. The next largest increase is $1.4 million of additional funding to implement the recycled water agreement with the City of Palo Alto executed in December 2019. Various smaller increases totaling approximately $5.9 million across many projects due largely to services and supplies inflation and modest cost of living adjustments. The FY 2023-24 Budget is relatively flat compared to FY 2022-23 increasing only by $2.6 million, or 1.0%.

The immediate challenges facing Valley Water remain the same as last year - widespread drought conditions that are persisting into spring, and the dewatering of Anderson Reservoir during dam reconstruction to meet federally mandated earthquake standards. Anderson is the county's largest surface water supply source. To continue providing the community with a reliable supply of safe, clean water, the FY 2022-23 Budget funds $17.5 million of emergency water to import into our county for drought and the FY 2023-24 Plan increases to $20.0 million to begin to replenishing the large draws on groundwater that occurred during the drought. As mentioned above, funds for water banking are increased to bring an additional

32,000 acre-feet of water from Semitropic Water Storage District to Valley Water.

The cost of contractually obligated water purchases from federal and state water projects in FY 2022-23 continues to be the largest Water Utility Enterprise expense at $19.5 million and $28.3 million, respectively. In addition to operating budget water expenses, the capital budget also includes $11.2 million to pay Valley Water's capital cost obligations for the federal San Felipe Division of the Central Valley Project. These contractual obligations are expected to only incur minor escalations per respective contracts for FY 2023-24.

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 $7.8 million in FY 2022-23 to $60.4 million, and by an additional $17.5 million in FY 2023-24 to $77.9 million. The debt service coverage ratio is projected at 1.7 for those years to help minimize the water rate projection with a return to 2.0 or higher to help ensure financial stability and continued high credit ratings.

Capital Budget

In FY 2022-23 capital projects are budgeted at $318.3 million and capital carry forward is estimated at $32.5 million bringing total planned capital spending to $350.8 million. This is a $54.0 million increase, or 14.7%, over the prior year and represents the largest single year capital budget in the Water Utility Enterprise Fund's history. The increase is primarily attributed to the construction of the Anderson Dam Tunnel Project and related improvements in the Coyote Creek Watershed. For FY 2023-24, $343.9 million in planned funding is anticipated with an additional capital carry forward of $1.7 million for a total planned budget of $345.6 million, a $5.2 million decrease. The Anderson Dam projects continue and construction activities are planned to resume at the Rinconada Water Treatment Plant for Reliability Improvements phases 3-6. More information about Valley Water's capital program can be found in the FY 2023-27 Capital Improvement Program.

Debt Financing

Staff is planning debt issuances in FY 2022-23 of $281.5 million and in FY 2023-24 of $297.9 million to help finance critical investments in major water supply infrastructure projects.

Reserves

Total FY 2022-23 ending reserves for both funds (Fund 61 and 63) total $123.6 million, an increase of $6.7 million relative to the FY 2021-22 Adopted Budget. Given the severe drought conditions the state is experiencing, and to avoid any impact to previously developed groundwater production charges and debt coverage constraints, the FY 2022-23 budget draws down the Supplemental Water Supply reserve from $7.9 million to $5.3 million and the Drought Reserve from $10 million to zero. Staff believes there may potentially be a need to draw down the Supplemental Water Supply reserve further and possibly the Rate Stabilization reserve next year if dry conditions persist into FY 2022-23. For FY 2023-24, reserves are projected to be drawn down an additional $20.1 million to $103.4 million total as Valley Water contends with either continued drought or a rebound to normal weather. Purchasing emergency and supplemental water to replenish groundwater levels is anticipated as well.

Positions

At mid-year in FY 2021-22, 2.0 full-time equivalent (FTE) positions were added to the Water Utility organization for drought management purposes (Water Conservation Specialist II and Management Analyst II) and 1.0 for water supply planning (Assistant Water Resources Specialist). Also during the year, a re-organization transferred 3.0 positions supporting the capital project Implementation Plans to the Office of Integrated Water Management Asset Management Unit to optimize resources and skillsets. In this Budget, an additional 3.0 positions (two Associate Civil Engineers

and one Assistant Civil Engineer) are added to help deliver major capital projects such as the Purified Water Project and the Penitencia Water Treatment Plant residuals remediation. These additions and transfers increase the net total positions in the Water Utility organization by three from 297 to 300 FTE regular positions. Additionally, there are 3.0 Limited Term positions and 1.0 Fellow.

The Water Utility Enterprise Fund also provides resources for positions directly supporting the Utility in other Valley Water departments. This year, 2.0 Limited Term Public Information Representatives were added to the Office of Communication to increase public drought messaging. Additionally, funds are included in this Budget for 3.3 FTE positions performing work such as engineering services for dams and reservoir capital projects; maintenance activities, including obtaining environmental clearances at water treatment plants and properties; and, survey, permitting, and CADD services necessary for capital project delivery.

Significant Business Challenges/ Opportunities

The Water Utility Enterprise faces the following major challenges and opportunities in the upcoming year in its efforts to ensure that current and future water supply for municipalities, industries, agriculture, and the environment is reliable.

Responding to historic drought conditions and existing water system operational constraints related to the outage of Valley Water's largest reservoir, Anderson, through the purchase of emergency imported water supplies and assessment of the need for greater conservation measures.

- Continuing to advance the design, permitting and construction of the Anderson Dam Seismic Retrofit Project, and complying with a Federal Energy Regulatory Commission directive received on February 20, 2020, to enact additional interim risk reduction measures to ensure public safety prior to the start of construction. These measures included: revising the level of the reservoir seismic restriction, identifying and executing all activities necessary to safely keep the reservoir at dead-pool, expediting construction of the low-level outlet tunnel, and quickly advancing design and permitting of the overall Seismic Retrofit Project.
- 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.
- Continuing seismic retrofit design of Calero and Guadalupe dams; design of improvements at Almaden Dam; and seismic evaluations of Chesbro, Coyote, and Uvas dams.
- Awarding construction contracts of the 10-Year Pipeline project for Santa Clara Conduit Rehabilitation project, Almaden Valley Pipeline Rehabilitation project, and Snell Pipeline Rehabilitation.
- Managing operation of local reservoirs under seismic restrictions.
- Participating in the planning and evaluation of storage projects like Sites Reservoir and Los Vaqueros Reservoir.This includes evaluation of potential benefits to Valley Water as well as seeking funding opportunities to offset potential project costs.
- Continuing to resolve issues and pursue regulatory actions conducive to the best possible opportunity for Valley Water to participate in the California Delta Conveyance project.

- Meeting or surpassing all applicable drinking water standards and delivering approximately 111,175 acre-feet of water to fulfill treated water contracts by operating Rinconada, Penitencia, and Santa Teresa water treatment plants and continuing to deliver treated water under supply chain and drought related source water quality challenges.
- Coordinating the operations of the SFPUC/Valley Water Intertie facility needed during outages.
- In conjunction with South Bay Water Recycling program, continuing to operate the Silicon Valley Advanced Water Purification Center to enhance the quality and promote use of recycled water.
- Continuing development and implementation of agreements with wastewater agency partners to develop purified water supply systems and enhance long-term supply reliability, including implementation of the potable reuse.
- Initiating the next phases of construction of the Rinconada Water Treatment Plant Reliability Improvement Project.
- Completing drought response plan to ensure improved response to droughts.
- Coordinating with the Anderson Dam Seismic Retrofit Project for Fish Habitat Restoration Plan (including the FAHCE Coyote Creek Phase 1 measures, and the adaptive management program) as well as the response to comments and completion of the Final EIR for the FAHCE Two Creeks (Guadalupe and Stevens Creek) and the three creeks water rights change petitions to the State Water Board.

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 2022-23 Budget includes a North County (Zone W-2) M&I groundwater production charge of $1,724 per acre-foot (AF) that reflects a 15% increase from FY 2021-22 Adopted Budget. A 13.9% increase to contract treated water charges, or $1,839 per AF, and a 13.2% increase to non-contract treated water, or $1,924 per AF, also are included in this budget. In FY 2023-24 the Zone W-2 M&I rate reflects a 15% increase, a 14.1% increase for contract treated water charges and a 13.5% increase for non-contract treated water charges when compared to FY 2022-23.

Maintaining the contract treated water surcharge at $115 per AF in both FY2022-23 and FY 2023-24 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 FY2022-23 and FY 2023-24. The average household in Zone W-2 would experience an increase in their monthly bill of around $7.75 in FY 2022-23. Customers may also experience additional charge increases enacted by their retail water provider.

The FY 2022-23 Budget also includes groundwater production charges for the South County region. The Llagas Subbasin (Zone W-5) M&I groundwater production charge reflects a 5.2% increase over the prior year, or $513.00 per AF. The average household in this zone would experience an increase in their monthly bill of $0.86. The Coyote Valley (Zone W-7) M&I groundwater production charge reflects a 10.3% increase from the prior year, or $582.50 per AF. The average household in this zone would experience an increase in their monthly bill of $1.86. For residents and customers in the foothills below the Uvas and Chesbro Reservoirs (Zone W-8), the groundwater production charge reflects an 8% increase over the prior year, or $368.50 per AF. The average household in this zone would experience an increase in their monthly bill of $0.93. For all zones in the South County region (W-5, W-7 and W-8), the rate increase in FY 2023-24 is the same as FY 2022-23.

The agricultural groundwater production charge in any groundwater benefit zone for FY 2022-23 is $36.85 per AF, which would be up to a 8% increase, or roughly a $0.45 increase per month per acre for the average agricultural water user (assuming two acre-feet of water usage per acre per year). The agricultural groundwater production charge is calculated at 10% of the lowest M&I

charge which is Zone W-8. The same methodology is anticipated to be followed for FY 2023-24.

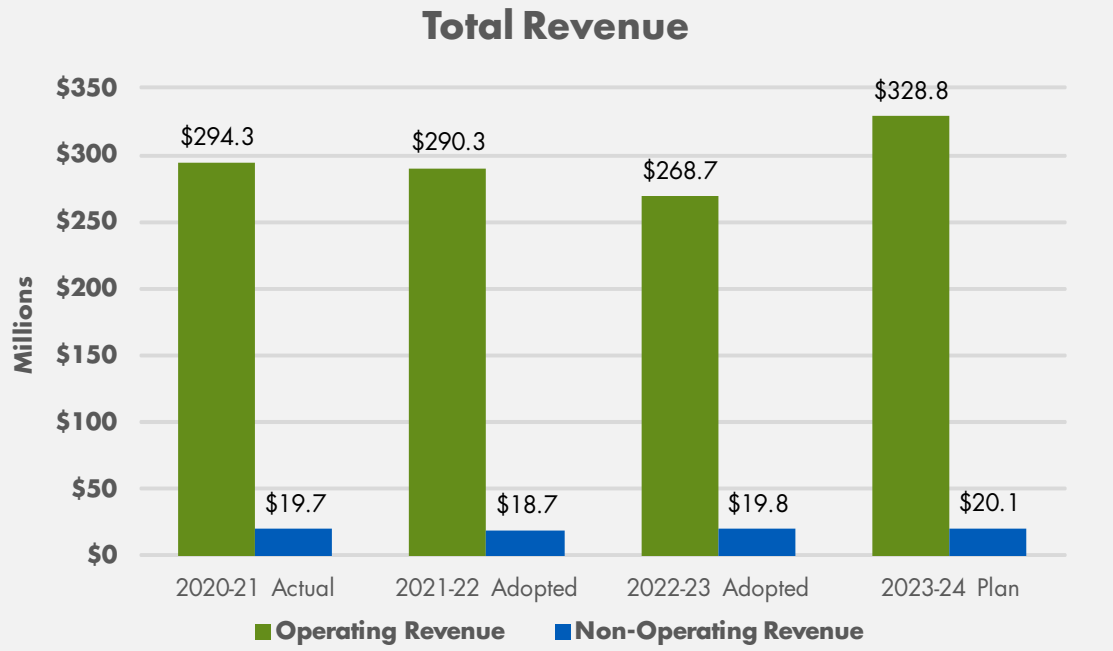
The surface water master charge increased 15% from $40.90 per AF to $47.10 per AF in FY 2022-23 to help align revenues with the costs related to managing, operating and billing for surface water diversions. The same rate increase of 15% is projected for FY 2023-24.

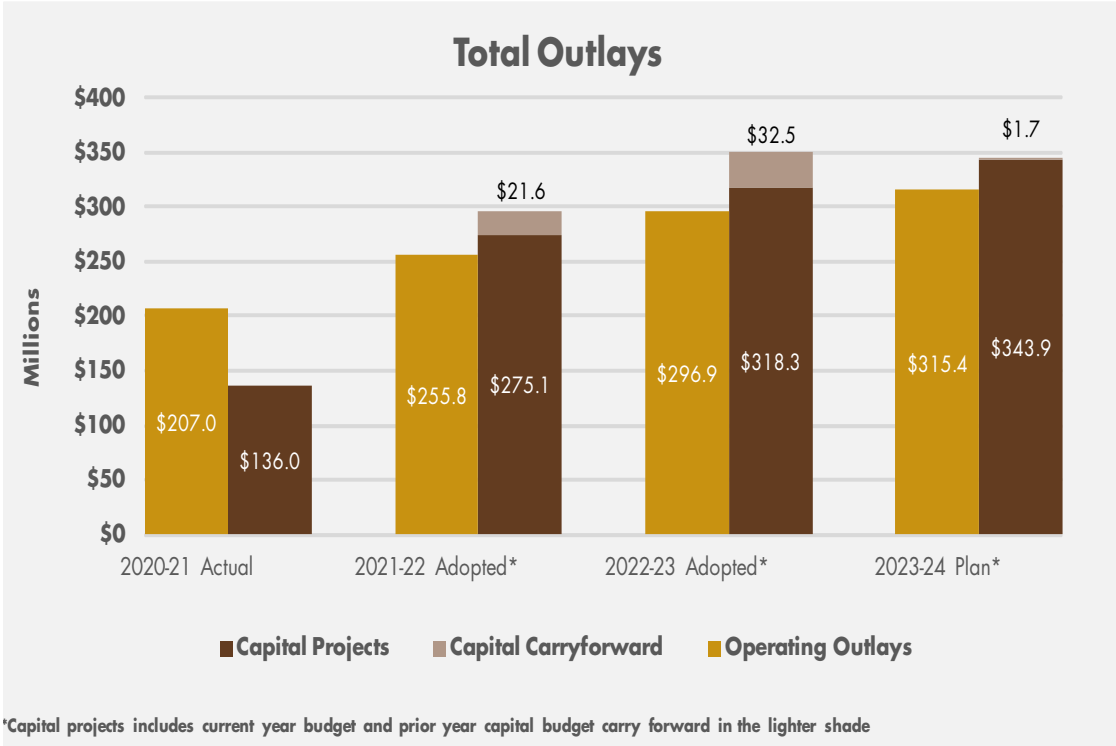
For recycled water in FY 2022-23, the M&I charge increased 5.3% to $493.00 per AF. Agricultural recycled water increased 4.4% to $64.25 per AF. These charges maximize cost recovery while concurrently providing an economic incentive to use recycled water. Rate increases for FY 2023-24 are also expected to be the same as FY 2022-23.

The FY 2022-23 water use estimate of 192,000 AF represents a 40,000 AF decrease, or 17%, decrease compared to the FY 2021-22 adopted water budget usage amount of 232,000 due to the current drought in Santa Clara County and the Board's call for conservation (15% compared to 2019). The FY 2023-24 water use estimate increases to 205,400 AF, assuming there is future relief to the drought currently impacting Santa Clara County, and much of California, and water use rebounds back to pre-drought levels over time.

A table with historical and current water charges is included in the pages that follow, and more information on groundwater charges can be found in the FY 2022-23 Production and Augmentation of Water Supplies (PAWS) Annual Report. While presented for two years as part of the rolling biennial budget, water charges are analyzed and adopted on an annual basis.

Water Enterprise Fund (Fund 61)





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

Water Enterprise Fund Summary (Fund 61)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 132,111,494	$ 135,253,000	$ 114,934,000	$ 122,002,000	$ (13,251,000)	(9.8)%
Treated Water Charges	154,912,013	150,449,000	127,699,000	139,746,000	(10,703,000)	(7.1)%
Surface&Recycled Water Charges	2,747,092	2,778,000	2,778,000	3,207,000	429,000	15.4%
Intergovernmental Services	4,019,092	1,242,326	1,264,295	3,267,274	2,024,948	163.0%
Operating Other	489,384	536,894	530,415	481,415	(55,479)	(10.3)%
Total Operating Revenue	**$ *294,279,075***	**$ *290,259,220***	**$ *247,205,710***	**$ *268,703,689***	**$ *(21,555,531)***	***(7.4)%***
Non-Operating Revenue						
Property Tax	$ 8,910,849	$ 8,927,304	$ 9,119,192	$ 9,435,263	$ 507,959	5.7%
Capital Reimbursements	6,428,592	6,613,000	5,652,000	7,305,000	692,000	10.5%
Interest Income *	4,067,798	2,731,500	2,731,500	2,731,500	—	—
Nonoperating Other	261,024	408,323	296,917	304,755	(103,568)	(25.4)%
Total Non-Operating Revenue	**$ *19,668,263***	**$ *18,680,127***	**$ *17,799,609***	**$ *19,776,518***	**$ *1,096,391***	***5.9%***
TOTAL REVENUE	**$ *313,947,338***	**$ *308,939,347***	**$ *265,005,319***	**$ *288,480,207***	**$ *(20,459,140)***	***(6.6)%***
OUTLAYS						
Operating Outlays						
Operations **	$ 167,723,358	$ 202,921,312	$ 218,910,882	$ 236,096,920	$ 33,175,608	16.3%
Operating Project	265,592	284,438	284,438	344,329	59,891	21.1%
Debt Service	38,975,023	52,561,061	52,561,061	60,409,922	7,848,861	14.9%
Total Operating Outlays	**$ *206,963,973***	**$ *255,766,811***	**$ *271,756,381***	**$ *296,851,171***	**$ *41,084,360***	***16.1%***
Capital Outlays						
Capital Projects	$ 136,044,278	$ 275,141,567	$ 280,255,842	$ 318,267,600	$ 43,126,033	15.7%
Carry Forward Capital Projects	—	21,603,754	—	32,524,433	10,920,679	50.5%
Total Capital Outlays	**$ *136,044,278***	**$ *296,745,321***	**$ *280,255,842***	**$ *350,792,033***	**$ *54,046,712***	***18.2%***
TOTAL OUTLAYS*	**$ *343,008,251***	**$ *552,512,132***	**$ *552,012,223***	**$ *647,643,204***	**$ *95,131,072***	***17.2%***
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 164,470,000	$ 159,288,000	$ 171,484,000	$ 281,491,000	$ 122,203,000	76.7%
Transfers In	593,000	—	1,000,000	26,060,900	26,060,900	—
Transfers Out	(6,600,072)	(3,161,400)	(3,161,400)	(3,873,600)	(712,200)	22.5%
TOTAL OTHER SOURCES/(USES)	**$ *158,462,928***	**$ *156,126,600***	**$ *169,322,600***	**$ *303,678,300***	**$ *147,551,700***	***94.5%***
BALANCE AVAILABLE	**$ *129,402,015***	**$ *(87,446,185)***	**$ *(117,684,304)***	**$ *(55,484,697)***	**$ *31,961,488***	***(36.5)%***

Water Enterprise Fund Summary (Fund 61) (Continued)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization	$ 25,069,620	$ 28,332,567	$ 55,476,138	$ 42,476,138	$ 14,143,571	49.9%
WUE San Felipe Emergency	3,348,086	3,360,045	3,360,085	3,410,085	50,040	1.5%
CP Debt Service	6,999	—	6,999	6,999	6,999	—
WUE Water Supply	15,477,000	7,877,000	7,877,000	5,277,000	(2,600,000)	(33.0)%
WUE SVAWPC	1,298,138	908,138	908,138	908,138	—	—
WUE Drought Reserve	10,000,000	10,000,000	10,000,000	—	(10,000,000)	(100.0)%
GP5 Reserve	9,669,736	7,106,660	8,653,356	8,830,684	1,724,024	24.3%
Total Restricted Reserves	***$ 64,869,579***	***$ 57,584,410***	***$ 86,281,716***	***$ 60,909,044***	***$ 3,324,634***	***5.8%***
Committed Reserves						
Currently Authorized Projects ***	$ 85,292,965	$ 8,957,446	$ 44,402,114	$ 7,124,270	$ (1,833,176)	(20.5)%
Operating and Capital Reserve	140,225,692	47,772,364	42,020,102	49,185,921	1,413,557	3.0%
Total Committed Reserves	***$ 225,518,657***	***$ 56,729,810***	***$ 86,422,216***	***$ 56,310,191***	***$ (419,619)***	***(0.7)%***
TOTAL YEAR-END RESERVES	***$ 290,388,236***	***$ 114,314,220***	***$ 172,703,932***	***$ 117,219,235***	***$ 2,905,015***	***2.5%***
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 59,982,295	$ 62,887,371	$ 64,469,959	$ 67,958,926	$ 5,071,555	8.1%
Salary Savings Factor	—	(1,024,172)	(1,024,172)	(1,062,535)	(38,363)	3.7%
Services & Supplies	73,588,367	104,229,214	117,702,646	127,878,166	23,648,952	22.7%
Intra-District Charges	34,418,288	37,113,337	38,046,887	41,666,691	4,553,354	12.3%
OPERATING OUTLAY TOTAL	***$ 167,988,950***	***$ 203,205,750***	***$ 219,195,320***	***$ 236,441,248***	***$ 33,235,498***	***16.4%***
DEBT SERVICE						
Services & Supplies	$ 888,415	$ 1,754,120	$ 1,754,120	$ 3,490,680	$ 1,736,560	99.0%
Debt Service	38,086,608	50,806,941	50,806,941	56,919,242	6,112,301	12.0%
DEBT SERVICE TOTAL	***$ 38,975,023***	***$ 52,561,061***	***$ 52,561,061***	***$ 60,409,922***	***$ 7,848,861***	***14.9%***
CAPITAL PROJECTS						
Salaries and Benefits	$ 19,739,431	$ 29,629,969	$ 30,020,981	$ 31,962,922	$ 2,332,953	7.9%
Salary Savings Factor	—	(497,490)	(497,490)	(518,403)	(20,913)	4.2%
Services & Supplies	105,142,466	228,650,965	233,145,658	267,381,825	38,730,860	16.9%
Carry Forward Capital Projects	—	21,603,754	—	32,524,433	10,920,679	50.5%
Intra-District Charges	11,162,382	17,358,124	17,586,693	19,441,256	2,083,132	12.0%
CAPITAL PROJECTS TOTAL	***$ 136,044,279***	***$ 296,745,322***	***$ 280,255,842***	***$ 350,792,033***	***$ 54,046,711***	***18.2%***
TOTAL OUTLAYS*	***$ 343,008,252***	***$ 552,512,133***	***$ 552,012,223***	***$ 647,643,203***	***$ 95,131,070***	***17.2%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****) Total Outlays amounts may have a slight variance due to rounding

Water Enterprise Fund Summary (Fund 61)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 132,111,494	$ 135,253,000	$ 122,002,000	$ 152,379,000	$ 30,377,000	24.9%
Treated Water Charges	154,912,013	150,449,000	139,746,000	171,022,000	31,276,000	22.4%
Surface&Recycled Water Charges	2,747,092	2,778,000	3,207,000	3,625,000	418,000	13.0%
Intergovernmental Services	4,019,092	1,242,326	3,267,274	1,340,295	(1,926,979)	(59.0)%
Operating Other	489,384	536,894	481,415	481,415	—	—
Total Operating Revenue	**$ *294,279,075***	**$ *290,259,220***	**$ *268,703,689***	**$ *328,847,710***	**$ *60,144,021***	***22.4%***
Non-Operating Revenue						
Property Tax	$ 8,910,849	$ 8,927,304	$ 9,435,263	$ 9,772,771	$ 337,508	3.6%
Capital Reimbursements	6,428,592	6,613,000	7,305,000	7,266,000	(39,000)	(0.5)%
Interest Income *	4,067,798	2,731,500	2,731,500	2,731,500	—	—
Nonoperating Other	261,024	408,323	304,755	312,961	8,206	2.7%
Total Non-Operating Revenue	**$ *19,668,263***	**$ *18,680,127***	**$ *19,776,518***	**$ *20,083,232***	**$ *306,714***	***1.6%***
TOTAL REVENUE	**$ *313,947,338***	**$ *308,939,347***	**$ *288,480,207***	**$ *348,930,942***	**$ *60,450,735***	***21.0%***
OUTLAYS						
Operating Outlays						
Operations **	$ 167,723,358	$ 202,921,312	$ 236,096,920	$ 237,130,403	$ 1,033,483	0.4%
Operating Project	265,592	284,438	344,329	359,579	15,250	4.4%
Debt Service	38,975,023	52,561,061	60,409,922	77,908,554	17,498,632	29.0%
Total Operating Outlays	**$ *206,963,973***	**$ *255,766,811***	**$ *296,851,171***	**$ *315,398,536***	**$ *18,547,365***	***6.2%***
Capital Outlays						
Capital Projects	$ 136,044,278	$ 275,141,567	$ 318,267,600	$ 343,947,977	$ 25,680,377	8.1%
Carry Forward Capital Projects	—	21,603,754	32,524,433	1,661,228	(30,863,205)	(94.9)%
Total Capital Outlays	**$ *136,044,278***	**$ *296,745,321***	**$ *350,792,033***	**$ *345,609,205***	**$ *(5,182,828)***	***(1.5)%***
TOTAL OUTLAYS*	**$ *343,008,251***	**$ *552,512,132***	**$ *647,643,204***	**$ *661,007,741***	**$ *13,364,537***	***2.1%***
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 164,470,000	$ 159,288,000	$ 281,491,000	$ 297,905,000	$ 16,414,000	5.8%
Transfers In	593,000	—	26,060,900	3,518,949	(22,541,951)	(86.5)%
Transfers Out	(6,600,072)	(3,161,400)	(3,873,600)	(7,672,800)	(3,799,200)	98.1%
TOTAL OTHER SOURCES/(USES)	**$ *158,462,928***	**$ *156,126,600***	**$ *303,678,300***	**$ *293,751,149***	**$ *(9,927,151)***	***(3.3)%***
BALANCE AVAILABLE	**$ *129,402,015***	**$ *(87,446,185)***	**$ *(55,484,697)***	**$ *(18,325,650)***	**$ *37,159,047***	***(67.0)%***

Water Enterprise Fund Summary (Fund 61) (Continued)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization	$ 25,069,620	$ 28,332,567	$ 42,476,138	$ 7,476,138	$ (35,000,000)	(82.4)%
WUE San Felipe Emergency	3,348,086	3,360,045	3,410,085	3,460,085	50,000	1.5%
CP Debt Service	6,999	—	6,999	6,999	—	—
WUE Water Supply	15,477,000	7,877,000	5,277,000	2,677,000	(2,600,000)	(49.3)%
WUE SVAWPC	1,298,138	908,138	908,138	908,138	—	—
WUE Drought Reserve	10,000,000	10,000,000	—	—	—	—
GP5 Reserve	9,669,736	7,106,660	8,830,684	9,039,229	208,545	2.4%
Total Restricted Reserves	***$ 64,869,579***	***$ 57,584,410***	***$ 60,909,044***	***$ 23,567,589***	***$ (37,341,455)***	***(61.3)%***
Committed Reserves						
Currently Authorized Projects ***	$ 85,292,965	$ 8,957,446	$ 7,124,270	$ 5,463,042	$ (1,661,228)	(23.3)%
Operating and Capital Reserve	140,225,692	47,772,364	49,185,921	69,862,954	20,677,033	42.0%
Total Committed Reserves	***$ 225,518,657***	***$ 56,729,810***	***$ 56,310,191***	***$ 75,325,996***	***$ 19,015,805***	***33.8%***
TOTAL YEAR-END RESERVES	***$ 290,388,236***	***$ 114,314,220***	***$ 117,219,235***	***$ 98,893,585***	***$ (18,325,650)***	***(15.6)%***
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 59,982,295	$ 62,887,371	$ 67,958,926	$ 71,338,355	$ 3,379,429	5.0%
Salary Savings Factor	—	(1,024,172)	(1,062,535)	(1,111,834)	(49,299)	4.6%
Services & Supplies	73,588,367	104,229,214	127,878,166	123,290,335	(4,587,831)	(3.6)%
Intra-District Charges	34,418,288	37,113,337	41,666,691	43,973,126	2,306,435	5.5%
OPERATING OUTLAY TOTAL	***$ 167,988,950***	***$ 203,205,750***	***$ 236,441,248***	***$ 237,489,982***	***$ 1,048,734***	***0.4%***
DEBT SERVICE						
Services & Supplies	$ 888,415	$ 1,754,120	$ 3,490,680	$ 3,490,680	$ —	—
Debt Service	38,086,608	50,806,941	56,919,242	74,417,874	17,498,632	30.7%
DEBT SERVICE TOTAL	***$ 38,975,023***	***$ 52,561,061***	***$ 60,409,922***	***$ 77,908,554***	***$ 17,498,632***	***29.0%***
CAPITAL PROJECTS						
Salaries and Benefits	$ 19,739,431	$ 29,629,969	$ 31,962,922	$ 32,934,653	$ 971,731	3.0%
Salary Savings Factor	—	(497,490)	(518,403)	(533,154)	(14,751)	2.8%
Services & Supplies	105,142,466	228,650,965	267,381,825	291,463,767	24,081,942	9.0%
Carry Forward Capital Projects	—	21,603,754	32,524,433	1,661,228	(30,863,205)	(94.9)%
Intra-District Charges	11,162,382	17,358,124	19,441,256	20,082,711	641,455	3.3%
CAPITAL PROJECTS TOTAL	***$ 136,044,279***	***$ 296,745,322***	***$ 350,792,033***	***$ 345,609,205***	***$ (5,182,828)***	***(1.5)%***
TOTAL OUTLAYS*	***$ 343,008,252***	***$ 552,512,133***	***$ 647,643,203***	***$ 661,007,741***	***$ 13,364,538***	***2.1%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****) Total Outlays amounts may have a slight variance due to rounding

Water Enterprise Charge Summary [1]

Rate per Acre-Foot ($/AF)	Adopted 2019/20	Adopted 2020/21	Adopted 2021/22	Adopted 2022/23	Planned 2023/24
Basic User / Groundwater Production Charge					
Non-Agricultural					
Zone W-2	1,374.00	1,374.00	1,499.00	1,724.00	1,983.00
Zone W-5	481.00	467.00	488.00	513.00	540.00
Zone W-7	481.00	481.00	528.50	582.50	642.50
Zone W-8	481.00	327.00	341.50	368.50	398.00
Agricultural					
All Zones	28.86	28.86	34.15	36.85	39.80
Surface Water[2]					
Surface Water Master Charge	37.50	37.50	40.90	47.10	54.20
Total Surface Water Charge[2]					
All Zones Agricultural	66.36	66.36	75.05	83.95	94.00
Zone W-2 Non-Agricultural	1,411.50	1,411.50	1,539.90	1,771.10	2,037.20
Zone W-5 Non-Agricultural	518.50	504.50	528.90	560.10	594.20
Zone W-7 Non-Agricultural	518.50	518.50	569.40	629.60	696.70
Zone W-8 Non-Agricultural	518.50	364.50	382.40	415.60	452.20
Treated Water					
Contract (Scheduled)[3]	1,474.00	1,474.00	1,614.00	1,839.00	2,098.00
Non-Contract[4]	1,574.00	1,574.00	1,699.00	1,924.00	2,183.00
Recycled Water					
Agricultural	56.26	56.26	61.55	64.25	67.19
Non-Agricultural	461.00	447.00	468.00	493.00	520.00

(1) Water charges are adopted by the Board annually. The projected FY2023-24 water charges are the best current estimate and may change based on developing circumstances throughout the coming fiscal year.
(2) Total surface water charge is the sum of the basic user charge (which equals the groundwater production charge) plus the water master charge
(3) The total treated water contract charge is the sum of the basic user charge for Zone W-2 (which equals the groundwater production charge) plus the contract surcharge ($115/AF in FY 2021-22, FY 2022-23 and FY2023-24, $100/AF in years prior)
(4) The total treated water non-contract charge is the sum of the basic user charge for Zone W-2 (which equals the groundwater production charge) plus the non-contract surcharge ($200/AF)

Water Enterprise Cost Center Summary (Fund 61)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24
SOURCE OF SUPPLY				
Operations	$ 78,887,026	$ 105,304,701	$ 129,110,061	$ 125,437,899
Capital	67,778,288	192,431,111	247,342,222	207,474,360
Total	**$ *146,665,314***	**$ *297,735,812***	**$ *376,452,283***	**$ *332,912,259***
RAW WATER TRANSMISSION AND DISTRIBUTION				
Operations	$ 15,456,961	$ 17,052,044	$ 17,750,696	$ 18,471,638
Capital	977,081	5,775,083	2,857,876	19,851,865
Total	**$ *16,434,042***	**$ *22,827,127***	**$ *20,608,572***	**$ *38,323,503***
WATER TREATMENT				
Operations	$ 44,036,748	$ 45,481,472	$ 51,860,553	$ 53,150,225
Capital	43,630,468	44,677,778	39,537,498	78,255,947
Total	**$ *87,667,216***	**$ *90,159,250***	**$ *91,398,051***	**$ *131,406,172***
TREATED WATER TRANSMISSION AND DISTRIBUTION				
Operations	$ 2,447,824	$ 2,681,293	$ 2,999,680	$ 3,272,180
Capital	—	131,110	296,880	798,590
Total	**$ *2,447,824***	**$ *2,812,403***	**$ *3,296,560***	**$ *4,070,770***
ADMINISTRATION AND GENERAL				
Operations	$ 26,894,799	$ 32,401,803	$ 34,375,929	$ 36,798,461
Operating Projects	265,592	284,438	344,329	359,579
Debt	38,975,023	52,561,061	60,409,922	77,908,554
Capital	23,658,442	32,126,485	28,233,124	37,567,215
Total	**$ *89,793,856***	**$ *117,373,787***	**$ *123,363,304***	**$ *152,633,809***
Carried Forward Capital Projects	**$ *—***	**$ *21,603,754***	**$ *32,524,433***	**$ *1,661,228***
TOTAL FUND 61 WITH CARRYFOWARD	**$ *343,008,251***	**$ *552,512,132***	**$ *647,643,204***	**$ *661,007,741***
FUND SUMMARY BY CATEGORY				
Operations	$ 167,723,358	$ 202,921,312	$ 236,096,920	$ 237,130,403
Operating Projects	265,592	284,438	344,329	359,579
Debt	38,975,023	52,561,061	60,409,922	77,908,554
Capital	136,044,278	275,141,567	318,267,600	343,947,977
Carried Forward Capital Projects	—	21,603,754	32,524,433	1,661,228
Total	**$ *343,008,251***	**$ *552,512,132***	**$ *647,643,204***	**$ *661,007,741***

Total Outlays - Source of Supply

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
	Operations						
	91041012	Water Operations Planning	624,917	655,170	561,148	615,540	Raw Water Division
	91041018	Groundwater Management Program	4,850,182	5,815,217	5,465,683	5,716,893	Raw Water Division
	91061007	Districtwide Salary Savings-61		(1,024,172)	(1,062,535)	(1,111,834)	Financial Planning and Management Services Division
	91061008	Drought Emergency			13,141,074	6,569,083	Water Supply Division
*	91061012	Facilities Env Compliance	43,786	45,291	45,947	48,480	Emergency Safety & Security Division
	91081007	Dam Safety Program	2,043,724	2,032,888	2,090,678	2,147,698	Dam Safety and Capital Delivery Division
	91101004	Recycled & Purified Water Prog	4,832,650	5,429,037	5,880,216	5,675,237	Water Supply Division
	91111001	Water Rights	599,173	677,614	816,717	847,420	Raw Water Division
	91131004	Imported Water Program	3,773,439	5,206,404	5,651,871	6,059,734	Water Supply Division
	91131006	IW San Felipe Division Delvrs	20,621,884	27,403,555	28,244,711	29,352,619	Water Supply Division
	91131007	IW South Bay Aqueduct Delvrs	13,389,363	14,962,242	9,746,728	12,079,330	Water Supply Division
	91151001	Water Conservation Program	4,606,536	7,197,162	11,547,086	11,692,534	Water Supply Division
	91151012	RecycledPurifiedWaterPublicEng	772,523	1,227,505	1,224,529	1,273,082	Office of Chief of External Affairs
	91151013	Water Banking Operation	5,375,630	7,142,117	13,344,604	9,624,942	Water Supply Division
	91151014	GP5 Reimbursement Program		2,927,650	4,355,000	5,349,000	Water Supply Division
**	91181001	Water Recycling - General	1,787				Water Supply Division
	91211004	San Felipe Reach 1 Operation	599,987	652,604	745,889	770,242	Raw Water Division
	91211005	SFD Reach 1 Administration	6,583	11,000	12,086	20,467	Raw Water Division
	91211084	San Felipe Reach1 Ctrl and Ele	384,226	369,164	463,921	409,161	Treated Water Division
	91211085	SF Reach 1-Engineering - Other	261,780	298,825	527,548	361,201	Raw Water Division
	91211099	San Felipe Reach 1 Gen Maint	792,190	858,825	1,000,025	1,040,633	Raw Water Division
	91221002	San Felipe Reach 2 Operation	55,108	53,472	78,686	81,409	Raw Water Division
	91221006	SF Reach 2-Engineering - Other	51,175	160,132	235,069	468,251	Raw Water Division
	91221099	San Felipe Reach 2 Gen Maint	152,195	178,027	159,594	165,061	Raw Water Division
	91231002	San Felipe Reach 3 Operation	320,964	104,144	310,537	330,441	Raw Water Division
	91231084	San Felipe Reach3 Ctrl and Ele	303,719	320,637	293,835	361,477	Treated Water Division
	91231085	SF Reach 3-Engineering - Other	18,252	115,624	138,206	350,154	Raw Water Division
	91231099	San Felipe Reach 3 Gen Maint	1,345,234	1,125,496	1,298,342	1,346,112	Raw Water Division
	91241001	Wolfe Road Recycled Water Facility	30,089	150,000	150,000	150,000	Treated Water Division
	91251001	Transfer-Bethany Pipeline	673,536	1,000,000	1,500,000	1,500,000	Water Supply Division
	91261001	Palo Alto Water Reuse Agreement		3,108,000	2,618,000	2,740,000	Water Supply Division
	91281007	SVAWPC Facility Operation	2,748,519	2,677,747	2,984,989	3,064,407	Treated Water Division

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Total Outlays - Source of Supply (Continued)

Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
91281008	SVAWPC Facility Maintenance	1,930,961	2,255,802	3,142,016	3,217,014	Treated Water Division
91441003	Desalination	99,782		67,478	70,651	Water Supply Division
91451002	Well Ordinance Program	1,932,372	2,261,818	2,354,253	2,459,226	Water Supply Division
91451005	Source Water Quality Mgmt	532,860	422,800	395,615	416,909	Treated Water Division
91451011	Invasive Mussel Prevention	436,350	625,231	716,680	724,721	Treated Water Division
91601001	Delta Conveyance Project	1,085,352	3,165,000	2,813,897	3,647,218	Water Supply Division
91761001	Local Res/Div Plan & Analysis	1,695,143	2,436,562	2,452,753	2,284,708	Raw Water Division
* 91761013	SCADA Systems Upgrade	21,093	132,232	130,248	126,794	Treated Water Division
91761099	Dams / Reservoir Gen Maint	1,781,541	2,783,920	3,423,595	3,346,650	Dam Safety and Capital Delivery Division
91951001	San Luis Low Point Improvement	92,421	339,959	43,341	45,234	Dam Safety and Capital Delivery Division
Total Operations		**78,887,026**	**105,304,701**	**129,110,061**	**125,437,899**	
Capital***						
91084019	Dam Safety Seismic Stability	279,838	64,917	417,838	436,810	Dam Safety and Capital Delivery Division
91084020	Calero-Guad Dams Seismic Retro	52,673	1,969,802		793,466	Dam Safety and Capital Delivery Division
91094001	Land Rights-SC Recycled Water	5,390	344,228	3,259,810	3,145,032	Water Utility Capital Division
91094009	SoCo Rcyld Wtr PL Short-Trm 1B	716,331	15,309,887	6,794,961	424,936	Water Utility Capital Division
91094010	So. County Recycled Water Fun	71,891		511,387	50,000	Water Supply Division
91154007	Water Purchases Captl Project	10,776,941	11,156,053	11,548,501	11,954,755	Water Supply Division
91214010	Small Caps, San Felipe R1	2,855,041	2,256,052	3,821,386	186,408	Raw Water Division
91224010	Small Caps, San Felipe R	226,411	930,461			Raw Water Division
91234002	Coyote Pumping Plant AS	590,118		9,293,283	12,532,175	Water Utility Capital Division
91234010	Small Caps, San Felipe R3	1,345,194	1,331,099	2,360,000	2,064,277	Raw Water Division
91234011	Coyote Warehouse	601,454	72,546	126,366		Water Utility Capital Division
91304001	Purified Water Program	2,189,254	1,509,480	10,935,259	9,475,930	Water Supply Division
91854001	Almaden Dam Improvements	89				Dam Safety and Capital Delivery Division
91864005	Anderson Dam Seismic Retrofit	44,393,614	126,936,894	28,640,280	44,046,356	Dam Safety and Capital Delivery Division
91864006	Anderson Dam Tunnel Project			102,110,000	59,242,351	Dam Safety and Capital Delivery Division
91864007	Coyote Creek Flood Mgmt Measures			20,567,313	7,589,551	Dam Safety and Capital Delivery Division
91864008	Coyote Creek Stream Augmentation Fish Prtn			6,022,720	253,504	Dam Safety and Capital Delivery Division
91864009	Coyote Percolation Dam Replacement			2,987,389	10,880,827	Dam Safety and Capital Delivery Division

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Total Outlays - Source of Supply (Continued)

Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
91864010	Cross Valley Pipeline Extension Project			7,152,000	252,611	Dam Safety and Capital Delivery Division
91874004	Calero Dam SeisRetrfit	37,438				Dam Safety and Capital Delivery Division
91894002	Guadalupe Dam SeisRetf Des&Co	46,758			245,023	Dam Safety and Capital Delivery Division
91954002	Pacheco Reservoir Expansion	3,589,853	30,549,692	30,793,731	43,900,347	Dam Safety and Capital Delivery Division
Total Capital		**67,778,288**	**192,431,111**	**247,342,222**	**207,474,360**	
Total		**146,665,314**	**297,735,812**	**376,452,283**	**332,912,259**	

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Total Outlays - Raw Water Transmission and Distribution

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
	Operations						
	92041014	FAHCE/Three Creeks Project	2,673,938	4,088,700	3,531,773	3,733,630	Watershed Stewardship & Planning Division
*	92061012	Facilities Env Compliance	78,815	81,524	82,705	87,264	Emergency Safety & Security Division
	92261099	Vasona Pump Station Gen Main	222,825	158,974	182,543	190,362	Raw Water Division
	92761001	Raw Water T&D Gen'l Oper	1,579,981	1,733,748	1,831,467	1,923,593	Raw Water Division
	92761008	Recycled Water T&D Genrl Maint	295,185	225,009	297,457	304,507	Raw Water Division
	92761009	Recharge/RW Field Ops	3,219,372	3,244,010	3,661,865	3,805,449	Raw Water Division
	92761010	Rchrg / RW Field Fac Maint	2,058,630	1,865,831	1,498,192	1,515,591	Raw Water Division
	92761012	Untreated Water Prog Plan	189,248	444,281	364,026	395,878	Raw Water Division
*	92761013	SCADA Systems Upgrade	26,718	167,494	164,981	160,606	Treated Water Division
	92761082	Raw Water T&D Ctrl and Electr	721,095	721,825	873,655	883,928	Treated Water Division
	92761083	Raw Water T&D Eng Other	709,750	1,134,808	1,686,110	1,559,875	Raw Water Division
	92761085	Anderson Hydrelctrc Fclty Main	46,492	160,398	156,479	165,037	Raw Water Division
	92761099	Raw Water T / D Gen Maint	3,113,809	2,361,283	2,686,863	2,938,252	Raw Water Division
	92781002	Raw Water Corrosion Control	521,102	664,159	732,580	807,666	Raw Water Division
	Total Operations		**15,456,961**	**17,052,044**	**17,750,696**	**18,471,638**	
	Capital*						
	92144001	Pacheco/SC Conduit ROW ACQ	66,567	1,659,393	847,382	211,490	Water Utility Capital Division
	92264001	Vasona Pump Station Upgrade	319,008	715,417	921,037	16,962,611	Water Utility Capital Division
	92304001	Almaden Valley Pipeline	12,450	827,840	79,897	1,565,964	Water Utility Capital Division
	92764009	Small Caps, Raw Water T&D	579,055	2,572,434	1,009,560	1,111,800	Raw Water Division
	Total Capital		**977,081**	**5,775,083**	**2,857,876**	**19,851,865**	
	Total		**16,434,041**	**22,827,128**	**20,608,572**	**38,323,503**	

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Total Outlays - Water Treatment

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
	Operations						
*	93061012	Facilities Env Compliance	534,191	552,548	560,556	591,454	Emergency Safety & Security Division
	93081002	Plant Maintenance Engineering & Commissioning	319,144	527,651	952,716	673,186	Treated Water Division
	93081008	W T General Water Quality	2,219,103	2,463,927	2,798,193	2,817,766	Treated Water Division
	93081009	Water Treatment Plant Engineer	109,890	363,091	486,834	536,955	Raw Water Division
	93231009	PWTP General Operations	6,224,483	6,175,291	7,079,467	7,366,591	Treated Water Division
	93231099	Penitencia WTP General Maint	3,010,596	2,841,923	3,343,680	3,453,838	Raw Water Division
	93281005	STWTP - General Operations	6,313,671	6,837,498	7,374,700	7,633,440	Treated Water Division
	93281099	Santa Teresa WTP General Maint	3,582,604	3,248,390	3,840,730	3,902,029	Raw Water Division
	93291012	RWTP General Operations	9,171,841	9,515,774	10,616,479	10,871,579	Treated Water Division
	93291099	Rinconada WTP General Maint	4,117,066	3,316,994	4,240,601	4,180,187	Raw Water Division
	93401002	Water District Laboratory	5,326,702	5,970,979	6,531,932	6,873,901	Treated Water Division
	93761001	SF/SCVWD Intertie General Ops	34,094	235,434	170,418	172,153	Treated Water Division
	93761004	Campbell Well Field Operations	24,487	102,077	101,583	103,935	Treated Water Division
	93761005	Campbell Well Field Maint	114,861	109,941	128,462	137,402	Raw Water Division
	93761006	Treated Water Ctrl & Elec Eng	2,694,554	2,543,649	2,974,128	3,161,350	Treated Water Division
*	93761013	SCADA Systems Upgrade	84,372	528,929	520,993	507,176	Treated Water Division
	93761099	SF/SCVWD Intertie Gen Maint	155,088	147,375	139,083	167,283	Raw Water Division
	Total Operations		**44,036,748**	**45,481,472**	**51,860,553**	**53,150,225**	
	Capital***						
	93044001	WTP Master Plan Implementation	291,442	3,275,383	734,666	3,197,449	Office of Assistant Chief Executive Officer
	93084004	Wtr Trtmnt Plnt Electr Impr	358,939	883,841	2,411,232	5,695,188	Water Utility Capital Division
	93234044	PWTP Residuals Management	226,055	1,593,363	1,857,192	1,555,008	Water Utility Capital Division
	93284013	STWTP Filter Media Replac	309,273	2,812,531	5,593,063	5,280,716	Water Utility Capital Division
	93294051	RWTP FRP Residuals Management	1,502				Water Utility Capital Division
**	93294056	RWTP Treated Water Valves Upgd	131,253	4,297			Water Utility Capital Division
	93294057	RWTP Reliability Improvement	30,666,997	20,616,887	6,035,032	54,277,442	Water Utility Capital Division
	93294058	RWTP Residuals Remediation	1,974,617	5,350,669	18,397,192	191,541	Water Utility Capital Division
	93764004	Small Caps, Water Treatment	9,670,391	10,140,806	4,509,122	8,058,602	Raw Water Division
	Total Capital		**43,630,468**	**44,677,778**	**39,537,498**	**78,255,947**	
	Total		**87,667,216**	**90,159,250**	**91,398,051**	**131,406,171**	

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Total Outlays - Treated Water Transmission and Distribution

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
	Operations						
	94761005	TW T&D - Engineering - Other	433,139	566,247	705,645	810,203	Raw Water Division
*	94761013	SCADA Systems Upgrade	8,437	52,893	52,099	50,718	Treated Water Division
	94761099	Treated Water T/D Gen Maint	1,406,677	1,529,246	1,645,607	1,716,148	Raw Water Division
	94781001	Treated Water T/D Corrosion	599,571	532,906	596,328	695,112	Raw Water Division
	Total Operations		**2,447,824**	**2,681,293**	**2,999,680**	**3,272,180**	
	Capital***						
	94084007	Treated Water Isolation Valve				496,295	Water Utility Capital Division
	94764006	Small Caps,Treated Water T&D		131,110	296,880	302,295	Raw Water Division
	Total Capital			**131,110**	**296,880**	**798,590**	
	Total		**2,447,824**	**2,812,403**	**3,296,560**	**4,070,770**	

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Total Outlays - Administration and General

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
	Operations						
	95001090	Unscoped Projects-Budget Only		150,000	150,000	150,000	Office of Assistant Chief Executive Officer
	95011003	WU Asset Protection Support	777,570	1,105,013	1,139,081	1,192,789	Watershed Stewardship & Planning Division
*	95021008	Energy Management	218,554	273,891	258,104	281,940	Treated Water Division
*	95031002	Grants Management	557,904	575,874	902,385	936,691	Financial Planning and Management Services Division
*	95041039	Integrated Regional Water Mgmt	47,454	91,074	111,250	90,597	Water Supply Division
	95061012	Rental Expense San Pedro,MH	28,052	33,888	54,288	58,497	Watershed Design & Construction Division
	95061035	Rent Exp Coyote			257,270	285,002	Watershed Design & Construction Division
**	95061037	WUE Training & Development	4,006				Office of COO Water Utility
	95061038	WUE Administration	6,809,572	11,238,031	11,287,299	11,946,288	Office of COO Water Utility
**	95061043	WUE TW Div Admin Support	2,379,456				Treated Water Division
*	95061045	Asset Management Program	1,603,356	1,746,376	1,729,208	1,705,574	Office of Assistant Chief Executive Officer
**	95061047	WUE Technical Training Program	547,660	643,236			Human Resources Division
*	95061048	Climate Change Adaptation/ Mtg.	72,094	140,139	228,495	184,564	Watershed Stewardship & Planning Division
*	95061050	Office of Integrated Water Management	955,071	1,013,133	1,773,187	1,874,512	Office of Assistant Chief Executive Officer
*	95061051	Lands Management Program		236,589	360,954	373,432	Office of Assistant Chief Executive Officer
*	95061059	Workforce Dvlp Technical Training Prog			511,764	534,728	Human Resources Division
*	95071041	Welding Services	464,178	527,534	319,989	340,848	General Services Division
	95101003	Water Revenue Program	1,875,513	1,961,835	2,216,975	2,296,320	Financial Planning and Management Services Division
	95111003	Water Use Measurement	1,869,436	2,189,062	2,358,608	2,444,989	Water Supply Division
*	95121003	LT Financial Planning & Rate	454,226	512,376	495,340	532,765	Financial Planning and Management Services Division
	95151002	WU Customer Relations&Outreach	1,169,037	976,943	1,063,317	1,101,909	Office of Chief of External Affairs
	95741001	Water Supply Planning	1,934,047	2,463,046	2,281,086	2,200,256	Water Supply Division
*	95741042	Water Resorcs EnvPlng & Permt	1,388,960	1,556,408	1,736,252	2,809,886	Watershed Operations & Maintenance Division
	95761003	SCADA Network Administration	182,766	254,973	423,239	429,629	Information Technology Division

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Total Outlays - Administration and General (Continued)

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
*	95761071	Emergency Management	980,836	1,335,275	1,379,397	1,443,427	Emergency Safety & Security Division
*	95771011	Inter Agency Urban Runoff Prog	425,356	500,246	516,154	529,080	Watershed Stewardship & Planning Division
*	95771031	HAZMAT Emergency Response	64,395	86,773	95,219	98,093	Emergency Safety & Security Division
*	95811043	Hydrologic Data Msrmt & Mgmt	995,152	1,086,508	1,100,657	1,214,035	Watershed Stewardship & Planning Division
*	95811046	Warehouse Services	626,931	819,160	921,918	957,457	General Services Division
*	95811049	X Valley Subsidence Survey	171,302	445,887	359,091	439,219	Watershed Design & Construction Division
*	95811054	District Real Property Adminis	291,917	438,534	345,401	345,933	Watershed Design & Construction Division
	Total Operations		**26,894,799**	**32,401,803**	**34,375,929**	**36,798,461**	
	Operating Project						
*	95762011	Tree Maintenance Program	265,592	284,438	344,329	359,579	Watershed Operations & Maintenance Division
	Total Operating Project		**265,592**	**284,438**	**344,329**	**359,579**	
	Debt Service						
	95993007	Commercial Paper Tax Exempt	475,025	1,859,060	3,221,840	2,353,340	Financial Planning and Management Services Division
	95993008	Commercial Paper Taxable	530,369	1,859,060	3,221,840	2,353,340	Financial Planning and Management Services Division
	95993012	2006B WUE Refunding (Taxable)	1,784,291	1,825,418			Financial Planning and Management Services Division
	95993015	2016A WU Ref Rev Bond(TxExmpt)	5,317,925	5,360,750	5,360,750	5,360,750	Financial Planning and Management Services Division
	95993016	2016B WU Ref Rev Bond(Taxable)	3,230,671	3,249,621	3,249,621	3,249,621	Financial Planning and Management Services Division
	95993017	WU COP 2016C (Tax-Exempt)	5,040,525	5,028,250	4,988,000	4,961,250	Financial Planning and Management Services Division
	95993018	WU COP 2016D Taxable	5,652,057	5,723,613	5,773,255	5,792,169	Financial Planning and Management Services Division
	95993019	WU Rev Bond 2017A (Tax Exempt)	4,364,700	4,412,500	4,383,500	4,421,000	Financial Planning and Management Services Division
	95993022	WU Rev Bond 2019A (Tax-Exempt)	991,550	1,037,750	1,035,000	1,036,750	Financial Planning and Management Services Division
	95993023	WU Rev Bond 2019B Taxable	4,506,710	4,523,995	4,521,980	4,522,898	Financial Planning and Management Services Division
	95993024	WU Rev Bond 2019C Taxable	2,778,779	3,041,736	3,063,794	3,011,554	Financial Planning and Management Services Division

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Total Outlays - Administration and General (Continued)

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
	95993025	WU Rev Bond 2020A (Tax-Exempt)	760,450	1,251,000	1,251,000	1,251,000	Financial Planning and Management Services Division
	95993026	WU Rev Bond 2020B -Taxable	1,282,099	2,053,285	2,053,285	2,053,285	Financial Planning and Management Services Division
	95993027	WU COP 2020C (Tax-Exempt)	1,316,758	3,818,250	3,769,000	3,713,000	Financial Planning and Management Services Division
	95993028	WU COP 2020D Taxable	943,115	4,755,688	4,806,649	4,863,218	Financial Planning and Management Services Division
	95993029	WU Rev Bond 2022A (Tax-Exempt)		1,389,214	2,538,401	5,241,545	Financial Planning and Management Services Division
	95993030	WU Rev Bond 2022B Taxable		1,371,871	2,878,794	5,285,075	Financial Planning and Management Services Division
	95993031	WU Rev Bond 2023A (Tax-Exempt)			270,000	3,665,880	Financial Planning and Management Services Division
	95993032	WU Rev Bond 2023B Taxable			270,000	9,588,229	Financial Planning and Management Services Division
	95993033	WU WIFIA Loan 2022			720,000	80,000	Financial Planning and Management Services Division
	95993034	WU Rev Bond 2022C Taxable			2,883,213	4,314,650	Financial Planning and Management Services Division
	95993036	WU WIFIA Loan 2022			150,000	790,000	Financial Planning and Management Services Division
	Total Debt Service		**38,975,023**	**52,561,061**	**60,409,922**	**77,908,554**	
	Capital*						
	95044001	Distribution System Master Plan Implementation	384,414	2,857,224	728,869	2,019,666	Office of Assistant Chief Executive Officer
	95044002	SCADA Master Plan Implementation	110,176	2,383,568	1,571,408	1,149,902	Office of Assistant Chief Executive Officer
	95064011	Districtwide Salary Savings-6		(497,490)	(518,403)	(533,154)	Financial Planning and Management Services Division
	95074001	Capital Warranty Service	88,299	1,037,558			Water Utility Capital Division
	95074005	WU Capital Prog Admin Suppor		5,227,466	5,249,534	5,514,726	Water Utility Capital Division
*	95074033	CIP Development & Admin	363,794	864,840	1,029,707	1,099,731	Office of Assistant Chief Executive Officer
*	95074036	Survey Mgmt & Tech Support	156,889	1,272,801	412,415	542,172	Watershed Design & Construction Division
*	95074038	Watershed Capital Prog Servcs Admin	1,903,766				Watershed Design & Construction Division
**	95074039	Cap Construction Mgmt System	(83,808)				Office of Assistant Chief Executive Officer
*	95074040	Capital Project Mgmt System	183,281	1,110,769	353,225		Office of Assistant Chief Executive Officer

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Total Outlays - Administration and General (Continued)

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
*	95074041	Construction Contracts and Support	316,303	1,538,279	1,924,229	2,290,905	General Services Division
*	95074042	Capital Proj Mgmt and Controls			870,623	883,755	Office of Assistant Chief Executive Officer
*	95074047	Computer-Aided Design for Engineering			1,162,310	1,361,872	Office of Assistant Chief Executive Officer
	95084002	10-Yr PL Inspection and Reha	18,662,716	16,242,739	14,175,207	20,781,675	Water Utility Capital Division
	95274003	WU Computer Network Modrnizatn	1,572,613	88,731	1,274,000	2,455,964	Information Technology Division
	Total Capital		**23,658,442**	**32,126,485**	**28,233,124**	**37,567,215**	
	Total		**89,793,857**	**117,373,786**	**123,363,304**	**152,633,809**	

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Water Enterprise Summary by Zone *

	Budgetary Basis Basis Actual 2020-2021	Adopted Budget 2021-22	Estimated Actual 2021-22	Adopted Budget 2022-23	Percent Change
North County - Zone W-2					
Allocated Revenue					
Operating Revenue	$ 278,588,850	$ 273,896,797	$ 233,055,671	$ 254,571,991	(7.1)%
Non-operating Revenue	40,073,783	42,471,062	41,590,544	44,449,891	4.7%
Total Allocated Revenue	***$ 318,662,633***	***$ 316,367,859***	***$ 274,646,216***	***$ 299,021,882***	***(5.5)%***
Allocated Operating Outlays					
Operations	$ 177,093,487	$ 200,895,454	$ 218,007,045	$ 236,630,756	17.8%
Operating Projects	204,552	219,066	219,066	264,833	20.9%
Debt Service	38,975,023	52,561,061	52,561,061	60,409,922	14.9%
Total Allocated Operating Outlays	***$ 216,273,062***	***$ 253,675,581***	***$ 270,787,172***	***$ 297,305,511***	***17.2%***
Balance Available for Capital/Reserve	102,389,571	62,692,278	3,859,044	1,716,371	(97.3)%
Total Capital Appropriations	***$ 136,044,278***	***$ 309,734,971***	***$ 280,255,842***	***$ 350,792,033***	***13.3%***
Other Financing Sources					
Revenue Bond Proceeds	$ 164,470,000	$ 159,288,000	$ 171,484,000	$ 281,491,000	76.7%
Transfers In	593,000	—	1,000,000	26,060,900	—
Transfers Out	(6,600,072)	(3,161,400)	(3,161,400)	(3,873,600)	22.5%
Total Other Financing Sources/(Uses)	***$ 158,462,928***	***$ 156,126,600***	***$ 169,322,600***	***$ 303,678,300***	***94.5%***
South County Open Space Credit	(2,945,420)	(7,119,814)	(7,119,814)	(9,312,257)	30.8%
South County Capital Amortization	6,948,638	7,247,950	6,715,314	9,366,867	29.2%
South County Interest (Earnings)/Payments	(135,621)	(161,050)	(143,031)	(52,823)	(67.2)%
Balance Available (Deficit) for North County Zone W-2	***$ 128,675,817***	***$ (90,949,007)***	***$ (107,621,729)***	***$ (45,395,575)***	***(50.1)%***
South County - Zones W-5, W-7 & W-8					
Zone W-5 - Llagas Subbasin					
Allocated Revenue					
Operating Revenue	$ 10,482,280	$ 10,979,757	$ 9,538,461	$ 9,428,518	(14.1)%
Non-operating Revenue	2,057,569	2,440,459	2,461,567	2,551,756	4.6%
Total Allocated Revenue	***$ 12,539,849***	***$ 13,420,216***	***$ 12,000,028***	***$ 11,980,274***	***(10.7)%***
Zone W-7 - Coyote Valley					
Allocated Revenue					
Operating Revenue	$ 5,048,446	$ 5,213,557	$ 4,461,697	$ 4,547,681	(12.8)%
Non-operating Revenue	572,904	709,985	687,721	712,895	0.4%
Total Allocated Revenue	***$ 5,621,350***	***$ 5,923,542***	***$ 5,149,418***	***$ 5,260,576***	***(11.2)%***
Zone W-8 - Foothills below Uvas & Chesbro Reservoirs					
Allocated Revenue					
Operating Revenue	$ 159,499	$ 169,109	$ 149,880	$ 155,499	(8.0)%
Non-operating Revenue	49,935	58,620	59,776	61,976	5.7%
Total Allocated Revenue	***$ 209,434***	***$ 227,729***	***$ 209,657***	***$ 217,475***	***(4.5)%***
Total South County Revenue					
Operating Revenue	$ 15,690,225	$ 16,362,423	$ 14,150,039	$ 14,131,698	(13.6)%
Non-operating Revenue	2,680,408	3,209,064	3,209,065	3,326,627	3.7%
Total Allocated Revenue	***$ 18,370,633***	***$ 19,571,487***	***$ 17,359,103***	***$ 17,458,325***	***(10.8)%***

Water Enterprise Summary by Zone *

	Budgetary Basis Basis Actual 2020-2021	Adopted Budget 2021-22	Estimated Actual 2021-22	Adopted Budget 2022-23	Percent Change
Open Space Credit	2,945,420	7,119,814	7,119,814	9,312,257	30.8%
Total Current Resources	**$ *21,316,053***	**$ *26,691,301***	**$ *24,478,917***	**$ *26,770,582***	***0.3%***
Total South County Costs					
Operations	$ 16,805,021	$ 24,905,201	$ 23,958,360	$ 23,028,401	(7.5)%
Operating Projects	61,040	65,371	65,371	79,496	21.6%
Imported Water Purchases	3,461,110	4,729,783	4,554,604	4,694,408	(0.7)%
Total Allocated Costs	**$ *20,327,171***	**$ *29,700,355***	**$ *28,578,335***	**$ *27,802,305***	***(6.4)%***
Balance Available for Capital/Reserve	988,882	(3,009,054)	(4,099,418)	(1,031,723)	(65.7)%
Interest (earned)/due Utility Reserves	(135,621)	(161,050)	(143,031)	(52,823)	(67.2)%
Total Capital Amortization	6,948,638	7,247,950	6,715,314	9,366,867	29.2%
Balance Available/(Deficit) for South County	**$ *(5,824,134)***	**$ *(10,095,954)***	**$ *(10,671,701)***	**$ *(10,345,767)***	***2.5%***
Total Balance Available/(Deficit)	**$ *122,851,682***	**$ *(101,044,961)***	**$ *(118,293,430)***	**$ *(55,741,342)***	***(44.8)%***

(*) Schedule prepared each year as part of the annual Protection and Augumentation of Water Supplies report (PAWS); FY 2023-24 will be available as part of next years report.

Water Utility Cost Allocation *

Project #	Project Name	South County Share by Zone			North County Share	Adopted 2022-2023	Basis of Allocation
		Zone W-5	Zone W-7	Zone W-8	Zone W-2		
Operations							
91041012	Water Operations Planning	$ 57,276	$ 34,113	$ 293	$ 469,466	$ 561,148	Raw Water Deliveries
91041018	Groundwater Management Program	1,986,988	534,828	54,233	2,889,635	5,465,683	Groundwater Production Ratio
91061007	Districtwide Salary Savings	(188,564)	(52,797)	(3,950)	(817,225)	(1,062,535)	Water Usage Ratio
91061008	Drought Emergency Response	—	—	—	13,141,074	13,141,074	No South County Benefit
91061012	Facilities Environmental Compliance	4,690	2,793	24	38,440	45,947	Raw Water Deliveries
91081007	Dam Safety Program	421,230	40,851	8,363	1,620,234	2,090,678	Program Benefit Calculation
91101004	Recycled & Purified Water Program	382,214	—	—	5,498,002	5,880,216	Population
91111001	Water Rights and Accounting	83,362	49,649	426	683,279	816,717	Raw Water Deliveries
91131004	Imported Water Program	265,861	346,229	—	5,039,781	5,651,871	Imported Water Ratio
91131006	San Felipe Division Deliveries	2,039,015	2,655,393	—	23,550,303	28,244,711	Program Benefit Calculation
91131007	South Bay Aqueduct Deliveries	—	—	—	9,746,728	9,746,728	No South County Benefit
91131008	State Water Project Costs	—	—	—	28,256,645	28,256,645	No South County Benefit
91151001	Water Conservation Program	1,004,596	46,188	46,188	10,450,113	11,547,086	Program Benefit Calculation
91151012	Recycled/Purified Water Public Engagement	79,594	—	—	1,144,934	1,224,529	Population
91151013	Water Banking Operations	627,964	817,479	—	11,899,162	13,344,604	Imported Water Ratio
91151014	GP5 Reimbursement Program	—	—	—	4,355,000	4,355,000	No South County Benefit
91211004	San Felipe Reach 1 Operations	58,755	76,516	—	610,618	745,889	CVP Imported Water Ratio
91211005	SFD Reach 1 Administration	952	1,240	—	9,894	12,086	CVP Imported Water Ratio
91211084	San Felipe Reach1 Ctrl and Ele	36,544	47,591	—	379,787	463,921	CVP Imported Water Ratio
91211085	San Felipe Reach 1 Eng Other	41,556	54,118	—	431,875	527,548	CVP Imported Water Ratio
91211099	San Felipe Reach 1 Gen Maint	78,773	102,586	—	818,666	1,000,025	CVP Imported Water Ratio
91221002	San Felipe Reach 2 Operations	6,198	8,072	—	64,416	78,686	CVP Imported Water Ratio
91221006	San Felipe Reach 2 Eng Other	18,517	24,114	—	192,438	235,069	CVP Imported Water Ratio
91221099	San Felipe Reach 2 Gen Maint	12,571	16,372	—	130,651	159,594	CVP Imported Water Ratio

Water Utility Cost Allocation (Continued)*

Project #	Project Name	South County Share by Zone			North County Share	Adopted 2022-2023	Basis of Allocation
		Zone W-5	Zone W-7	Zone W-8	Zone W-2		
91231002	San Felipe Reach 3 Operations	12,231	15,928	—	282,378	310,537	CVP Imported Water Ratio
91231084	San Felipe Reach3 Ctrl and Ele	11,573	15,071	—	267,191	293,835	CVP Imported Water Ratio
91231085	San Felipe Reach 3 Eng Other	5,443	7,089	—	125,674	138,206	CVP Imported Water Ratio
91231099	San Felipe Reach 3 Gen Maint	25,568	33,297	—	1,239,477	1,298,342	CVP Imported Water Ratio
91241001	Wolfe Road Recycled Water Facility	—	—	—	150,000	150,000	Population
91251001	Los Vaqueros-Bethany Transfer PL Placeholder	—	—	—	1,500,000	1,500,000	No South County Benefit
91261001	Palo Alto Water Reuse Agreement	—	—	—	2,618,000	2,618,000	No South County Benefit
91281007	SVAWPC Facility Operations	—	—	—	2,984,989	2,984,989	No South County Benefit
91281008	SVAWPC Facility Maintenance	—	—	—	3,142,016	3,142,016	No South County Benefit
91441003	Desalination	11,975	3,353	251	51,899	67,478	Water Usage Ratio
91451002	Well Ordinance Program	82,399	23,543	11,771	2,236,540	2,354,253	Well Permits and Inpections
91451005	Source Water Quality Management	70,208	19,658	1,471	304,278	395,615	Water Usage Ratio
91451011	Invasive Mussel Prevention	73,151	43,568	374	599,587	716,680	Raw Water Deliveries
91601001	Delta Conveyance	132,415	172,377	—	2,509,105	2,813,897	Imported Water Ratio
91761001	Local Reservoir & Diversion Ops Planning & Analysis	435,280	121,876	9,117	1,886,480	2,452,753	Water Usage Ratio
91761013	SCADA Systems Upgrade	13,294	7,918	68	108,968	130,248	Raw Water Deliveries
91761099	Dams & Resevoir Gen Maint	658,433	63,855	13,072	2,688,235	3,423,595	Program Benefit Calculation
91951001	San Luis Lowpoint Improvement Program	3,414	4,446	—	35,481	43,341	CVP Imported Water Ratio
92041014	FAHCE/Three Creeks HCP Project	92,734	120,767	—	3,318,272	3,531,773	Coyote Water Supply Ratio
92061012	Facilities Environmental Compliance	8,442	5,028	43	69,192	82,705	Raw Water Deliveries
92261099	Vasona Pump Station General Maintenance	—	—	—	182,543	182,543	No South County Benefit
92761001	Raw Water T&D Gen'l Oper	186,937	111,338	956	1,532,237	1,831,467	Raw Water Deliveries
92761008	Recycled Water T&D General Maint	297,457	—	—	—	297,457	Benefits Only South County
92761009	Recharge/RW Field Ops	869,750	493,342	3,715	2,295,057	3,661,865	Groundwater Recharge Ratio
92761010	Recharge/RW Field Fac Maint	355,844	201,843	1,520	938,985	1,498,192	Groundwater Recharge Ratio

Water Utility Cost Allocation (Continued)*

Project #	Project Name	South County Share by Zone			North County Share	Adopted	Basis of Allocation
		Zone W-5	Zone W-7	Zone W-8	Zone W-2	2022-2023	
92761012	Untreated Surface Water Program	111,449	109,712	1,993	140,872	364,026	Untreated Water Deliveries Ratio
92761013	SCADA Systems Upgrade	16,839	10,029	86	138,026	164,981	Raw Water Deliveries
92761082	Raw Water T&D Ctrl and Elec Eng	89,173	53,111	456	730,915	873,655	Raw Water Deliveries
92761083	Raw Water T&D Eng Othr	172,100	102,501	880	1,410,629	1,686,110	Raw Water Deliveries
92761085	Anderson Hydrelectrc Fclty Main	12,326	16,052	—	128,101	156,479	Anderson Water Deliveries Ratio
92761099	Raw Water Trans & Dist Gen Mnt	274,246	163,339	1,402	2,247,877	2,686,863	Raw Water Deliveries
92781002	RW Corrosion Control	74,774	44,535	382	612,889	732,580	Raw Water Deliveries
93061012	Environmental Compliance Support	—	—	—	560,556	560,556	No South County Benefit
93081002	Treatment Plant Process & Commissioning	—	—	—	952,716	952,716	No South County Benefit
93081008	W T General Water Quality	—	—	—	2,798,193	2,798,193	No South County Benefit
93081009	Water Treatment Plant - Engineering Other	—	—	—	486,834	486,834	No South County Benefit
93231009	PWTP Operations General	—	—	—	7,079,467	7,079,467	No South County Benefit
93231099	Penitencia WTP General Maint	—	—	—	3,343,680	3,343,680	No South County Benefit
93281005	STWTP - General Operations	—	—	—	7,374,700	7,374,700	No South County Benefit
93281099	Santa Teresa Wtr General Maint	—	—	—	3,840,730	3,840,730	No South County Benefit
93291012	RWTP General Operations	—	—	—	10,616,479	10,616,479	No South County Benefit
93291099	Rinconada WTP General Maint	—	—	—	4,240,601	4,240,601	No South County Benefit
93401002	Wtr District Laboratory	654,568	26,782	1,960	5,848,622	6,531,932	Lab Analyses
93761001	SF/SCVWD Intertie General Oper	—	—	—	170,418	170,418	No South County Benefit
93761004	Campbell Wellfield Operations	—	—	—	101,583	101,583	No South County Benefit
93761005	Campbell Wellfield Maintenance	—	—	—	128,462	128,462	No South County Benefit
93761006	Treated Water Ctrl & Elec Eng	—	—	—	2,974,128	2,974,128	No South County Benefit
93761013	SCADA Systems Upgrade	—	—	—	520,993	520,993	No South County Benefit
93761099	SF/SCVWD Intertie General Maint	—	—	—	139,083	139,083	No South County Benefit
94761005	Treated Water T&D IPU Ops Eng	—	—	—	705,645	705,645	No South County Benefit
94761013	SCADA Systems Upgrade	—	—	—	52,099	52,099	No South County Benefit

Water Utility Cost Allocation (Continued)*

Project #	Project Name	South County Share by Zone			North County Share	Adopted 2022-2023	Basis of Allocation
		Zone W-5	Zone W-7	Zone W-8	Zone W-2		
94761099	Treated Water T&D Gen Maint	—	—	—	1,645,607	1,645,607	No South County Benefit
94781001	TW T&D Corrosion Control	—	—	—	596,328	596,328	No South County Benefit
95001090	Unscoped Operations Activities	26,620	7,453	558	115,369	150,000	Water Usage Ratio
95011003	Asset Protection Support	23,816	6,668	499	1,108,097	1,139,081	Program Benefit Calculation
95021008	Energy Management	2,994	878	103	254,130	258,104	Labor Hours
95031002	Grants Management	271,425	75,997	5,685	549,278	902,385	Program Benefit Calculation
95041039	Integrated Regional Water Mgmt	19,743	5,528	414	85,566	111,250	Water Usage Ratio
95061012	Residntl Rental Exp San Pedro, MH	54,288	—	—	—	54,288	Benefits only South County
95061035	Rental Expense Coyote	—	257,270	—	—	257,270	Benefits only South County
95061038	WUE Administration	2,003,112	560,859	41,956	8,681,373	11,287,299	Water Usage Ratio
95061045	WUE TW Div Admin Support	306,876	85,923	6,428	1,329,982	1,729,208	No South County Benefit
95061048	Climate Change Adaptation/Mitg	40,550	11,354	849	175,742	228,495	Water Usage Ratio
95061050	Office of Integrated Wtr Mgmt	314,680	88,109	6,591	1,363,807	1,773,187	Program Benefit Calculation
95061051	Lands Management Program	64,057	17,936	1,342	277,620	360,954	Program Benefit Calculation
95061059	Workforce Development Technical Training Program	90,821	25,429	1,902	393,612	511,764	Program Benefit Calculation
95071041	Welding Services	4,011	1,150	86	314,741	319,989	Program Benefit Calculation
95101003	Water Revenue Program	1,063,261	310,820	22,613	820,281	2,216,975	Labor Hours
95111003	Water Use Measurement General	1,082,129	46,465	52,833	1,177,181	2,358,608	Labor Hours
95121003	Long Term Financial Planning	87,906	24,613	1,841	380,980	495,340	Water Usage Ratio
95151002	Water Utlity Customer Relations	69,116	—	—	994,202	1,063,317	Population
95741001	Water Supply Planning	404,815	113,346	8,479	1,754,446	2,281,086	Water Usage Ratio
95741042	Water Resources EnvPlng and Permitting	80,157	22,443	1,679	1,631,973	1,736,252	Program Benefit Calculation
95761003	SCADA Network Administration	43,200	25,729	221	354,089	423,239	Raw Water Deliveries
95761071	Emergency Preparednes Prog (50% WU)	89,661	—	—	1,289,736	1,379,397	Population
95771011	InterAgency Urban Runoff Program	52,683	31,378	269	431,823	516,154	Raw Water Deliveries
95771031	HAZMAT Emergency Response	5,655	616	294	88,653	95,219	Emergency Response Events
95811043	Hydrologic Data Msrmt & Mgmt Alloc-50%	77,046	165,099	132,079	726,434	1,100,657	Stream Gauge Location

Water Utility Cost Allocation (Continued)*

Project #	Project Name	South County Share by Zone			North County Share	Adopted	
		Zone W-5	Zone W-7	Zone W-8	Zone W-2	2022-2023	Basis of Allocation
95811046	Warehouse Svcs 50% WU	163,609	45,810	3,427	709,072	921,918	Water Usage Ratio
95811049	X Valley Subsidence Survey	9,216	3,451	2,315	344,109	359,091	Program Benefit Calculation
95811054	District Real Property Admin	61,297	17,163	1,284	265,657	345,401	Program Benefit Calculation
Operations Projects Total		**$ *18,282,861***	**$ *8,747,178***	**$ *448,839***	**$ *236,874,686***	**$ *264,353,565***	
Operating Projects							
95762011	Tree Maintenance Program	$ 61,107	$ 17,110	$ 1,280	$ 264,833	$ 344,329	Water Usage Ratio
Operating Projects Total		**$ *61,107***	**$ *17,110***	**$ *1,280***	**$ *264,833***	**$ *344,329***	
Operations and Operating Total		**$ *18,343,968***	**$ *8,764,288***	**$ *450,119***	**$ *237,139,519***	**$ *264,697,894***	

(*) Schedule prepared each year as part of the annual Protection and Augumentation of Water Supplies report (PAWS); FY 2023-24 will be available as part of next years report.

South County Capital Amortization - Zone W-5

(In Thousands $)						
Project Name	Total Project Cost	South County %	South County W-5 Cost	FY 2022-23 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to the South
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
South County Recycling II	118	100.0%	118	8	FY 33	Benefits Only South County
South County Recycling III	1,721	100.0%	1,721	115	FY 33	Benefits Only South County
Water Banking Rights	6,226	3.6%	225	15	FY 35	Total Imported Water Ratio
Dam Instrumentation	6,243	16.0%	999	66	FY 41	Program Benefit Calculation
Geodetic Control Maintenance	236	26.7%	63	4	FY 36	Survey Analysis
Dam Maintenance Mitigation	244	16.7%	41	3	FY 45	Program Benefit Calculation
South County Recycled Water Masterplan, Immediate Term, SCRWA Filter Upgrade	3,257	100.0%	3,257	216	FY 37	Benefits Only South County
South County Recycled Water Masterplan, Short-Term Implementation 1A	4,314	100.0%	4,314	286	FY 42	Benefits Only South County
South County Recycled Water Masterplan, Short-Term Implementation 1B	43,338	100.0%	43,338	2,327	FY 52	Benefits Only South County
South County Recycled Water Fund	8,678	100.0%	8,678	450	FY 50	Benefits Only South County
Water Banking FY 2006	18,895	4.1%	769	51	FY 36	Total Imported Water Ratio
San Felipe Division Capital	11,549	5.5%	631	631	N/A	Repayment Cost Distribution
Pacheco Conduit Inspection and Rehabilitation	6,696	8.1%	542	28	FY 48	CVP Imported Water Ratio
Pacheco Pumping Plant Regulating Tank Recoating	2,550	7.7%	196	13	FY 42	CVP Imported Water Ratio
San Felipe Communications Cable Replacement	235	7.7%	18	1	FY 42	CVP Imported Water Ratio
Small Caps, San Felipe Reach 1	1,624	8.1%	132	132	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	376	8.1%	30	30	N/A	CVP Imported Water Ratio
Water Infrastructure Reliability Program	2,134	1.1%	24	2	FY 36	Program Benefit Calculation
Water Infrastructure Baseline Improvement	2,403	2.7%	66	4	FY 38	Spare Pipe Usage
Coyote Dam Control Building Improvements	576	8.9%	51	3	FY 42	Anderson Deliveries Ratio
Pacheco Pumping Plant ASD Replacement	18,518	8.4%	1,557	103	FY 45	CVP Imported Water Ratio
Radio Repeater Infill	5	8.5%	0	0	FY 42	Water Usage Ratio
Santa Clara Conduit Rehabilitation	1,814	7.7%	139	9	FY 42	CVP Imported Water Ratio
Raw Water Control System	9,188	2.8%	260	17	FY 37	Program Benefit Calculation
Small Caps, Raw Water Transmission and Distribution	696	10.6%	74	74	N/A	Raw Water Usage
Main and Madrone Pipeline Restoration	11,378	87.9%	10,001	519	FY 48	Benefits Only South County
Inf Reliability Master Plan	2,065	9.4%	194	12	FY 46	Water Usage Ratio
Water Protection	11,387	1.8%	200	13	FY 45	Program Benefit Calculation
Microwave Telecommunications	4,595	8.8%	403	27	FY 44	Water Usage Ratio
Capital Warranty Services	179	17.6%	31	31	N/A	Water Usage Ratio
5-Year Pipeline Rehabilitation	22,059	3.5%	775	49	FY 47	Program Benefit Calculation
Pipeline Hydraulic Reliability Upgrades	335	1.8%	6	0	FY 45	Program Benefit Calculation

South County Capital Amortization - Zone W-5 (Continued)

(In Thousands $)						
Project Name	Total Project Cost	South County %	South County W-5 Cost	FY 2022-23 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to the South
WTP WQL Network Equipment	1,331	17.6%	234	234	N/A	Water Usage Ratio
Winfield Capital Improvement	481	9.7%	47	2	FY 48	Water Usage Ratio
Corp Yard Relocation	26	7.8%	2	0	FY 40	Water Usage Ratio
Information Systems Management	5,802	7.5%	433	29	FY 40	Water Usage Ratio
PeopleSoft Upgrade	78	7.5%	6	0	FY 39	Water Usage Ratio
PeopleSoft System Upgrade and Expansion	1,217	9.4%	114	7	FY 46	Water Usage Ratio
Uvas Property Acquisition	1,251	97.7%	1,223	77	FY 46	Benefits Only South County
Capital Construction Management System	2,806	17.6%	493	26	FY 52	Water Usage Ratio
IT Capital Fund Transfers	2,439	17.6%	428	428	N/A	Water Usage Ratio
Capital Program Administration	2,054	18.3%	377	377	N/A	Total Capital Cost Ratio
Grand Total	**$ *233,775***		**$ *90,465***	**$ *6,970***		

(*) 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 %	South County W-7 Cost	FY 2022-23 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to the South
San Pedro Recharge House	$ 700	—	$ —	$ —	FY 31	Benefits Only South County
South County Recycling I	7,232	—	—	—	FY 31	Benefits Only South County
South County Recycling II	118	—	—	—	FY 33	Benefits Only South County
South County Recycling III	1,721	—	—	—	FY 33	Benefits Only South County
Water Banking Rights	6,226	4.4%	273	18	FY 35	Total Imported Water Ratio
Dam Instrumentation	6,243	4.6%	289	19	FY 41	Program Benefit Calculation
Geodetic Control Maintenance	236	14.0%	33	2	FY 36	Survey Analysis
Dam Maintenance Mitigation	244	4.8%	12	1	FY 45	Program Benefit Calculation
South County Recycled Water Masterplan, Immediate Term, SCRWA Filter Upgrade	3,257	—	—	—	FY 37	Benefits Only South County
South County Recycled Water Masterplan, Short-Term Implementation 1A	4,314	—	—	—	FY 42	Benefits Only South County
South County Recycled Water Masterplan, Short-Term Implementation 1B	43,338	—	—	—	FY 52	Benefits Only South County
South County Recycled Water Fund	8,678	—	—	—	FY 50	Benefits Only South County
Water Banking FY 2006	18,895	4.9%	932	62	FY 36	Total Imported Water Ratio
San Felipe Division Capital	11,549	6.6%	728	766	N/A	Repayment Cost Distribution
Pacheco Conduit Inspection and Rehabilitation	6,696	10.9%	727	34	FY 48	CVP Imported Water Ratio
Pacheco Pumping Plant Regulating Tank Recoating	2,550	9.3%	238	16	FY 42	CVP Imported Water Ratio
San Felipe Communications Cable Replacement	235	9.3%	22	1	FY 42	CVP Imported Water Ratio
Small Caps, San Felipe Reach 1	1,624	9.8%	160	160	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

South County Capital Amortization - Zone W-7 (Continued)

(In Thousands $)						
Project Name	Total Project Cost	South County %	South County W-7 Cost	FY 2022-23 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to the South
Small Caps, San Felipe Reach 3	376	9.8%	37	37	N/A	CVP Imported Water Ratio
Water Infrastructure Reliability Program	2,134	0.3%	7	0	FY 36	Program Benefit Calculation
Water Infrastructure Baseline Improvement	2,403	0.8%	19	1	FY 38	Spare Pipe Usage
Coyote Dam Control Building Improvements	576	10.7%	62	4	FY 42	Anderson Deliveries Ratio
Pacheco Pumping Plant ASD Replacement	18,518	10.2%	1,888	125	FY 45	CVP Imported Water Ratio
Radio Repeater Infill	5	2.4%	0	0	FY 42	Water Usage Ratio
Santa Clara Conduit Rehabilitation	1,814	9.3%	169	11	FY 42	CVP Imported Water Ratio
Raw Water Control System	9,188	1.5%	136	9	FY 37	Program Benefit Calculation
Small Caps, Raw Water Transmission and Distribution	696	5.7%	40	40	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%	58	4	FY 45	Program Benefit Calculation
Microwave Telecommunications	4,595	2.0%	93	8	FY 44	Water Usage Ratio
Capital Warranty Services	179	5.0%	9	9	N/A	Water Usage Ratio
5-Year Pipeline Rehabilitation	22,059	1.0%	221	14	FY 47	Program Benefit Calculation
Pipeline Hydraulic Reliability Upgrades	335	0.5%	2	0	FY 45	Program Benefit Calculation
WTP WQL Network Equipment	1,331	5.0%	67	67	N/A	Water Usage Ratio
Winfield Capital Improvement	481	2.8%	13	1	FY 48	Water Usage Ratio
Corp Yard Relocation	26	7.8%	2	0	FY 40	Water Usage Ratio
Information Systems Management	5,802	2.2%	125	8	FY 40	Water Usage Ratio
PeopleSoft Upgrade	78	2.2%	2	0	FY 39	Water Usage Ratio
PeopleSoft System Upgrade and Expansion	1,217	2.7%	33	2	FY 46	Water Usage Ratio
Uvas Property Acquisition	1,251	—	—	—	FY 46	Benefits Only South County
Capital Construction Management System	2,806	5.0%	141	8	FY 52	Water Usage Ratio
IT Capital Fund Transfers	2,439	5.0%	123	123	N/A	Water Usage Ratio
Capital Program Administration	2,054	4.6%	94	94	N/A	Total Capital Cost Ratio
Grand Total	**$ *233,775***		**$ *8,579***	**$ *1,746***		

(*) 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 %	South County W-8 Cost	FY 2022-23 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to the South
San Pedro Recharge House	$ 700	—	$ —	$ —	FY 31	Benefits Only South County
South County Recycling I	7,232	—	—	—	FY 31	Benefits Only South County
South County Recycling II	118	—	—	—	FY 33	Benefits Only South County
South County Recycling III	1,721	—	—	—	FY 33	Benefits Only South County
Water Banking Rights	6,226	—	—	—	FY 35	Total Imported Water Ratio
Dam Instrumentation	6,243	0.4%	23	2	FY 41	Program Benefit Calculation
Geodetic Control Maintenance	236	0.3%	1	0	FY 36	Survey Analysis
Dam Maintenance Mitigation	244	0.4%	1	0	FY 45	Program Benefit Calculation

South County Capital Amortization - Zone W-8 (Continued)

(In Thousands $)						
Project Name	Total Project Cost	South County %	South County W-8 Cost	FY 2022-23 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to the South
South County Recycled Water Masterplan, Immediate Term, SCRWA Filter Upgrade	3,257	—	—	—	FY 37	Benefits Only South County
South County Recycled Water Masterplan, Short-Term Implementation 1A	4,314	—	—	—	FY 42	Benefits Only South County
South County Recycled Water Masterplan, Short-Term Implementation 1B	43,338	—	—	—	FY 52	Benefits Only South County
South County Recycled Water Fund	8,678	—	—	—	FY 50	Benefits Only South County
Water Banking FY 2006	18,895	—	—	—	FY 36	Total Imported Water Ratio
San Felipe Division Capital	11,549	—	—	—	N/A	Repayment Cost Distribution
Pacheco Conduit Inspection and Rehabilitation	6,696	—	—	—	FY 48	CVP Imported Water Ratio
Pacheco Pumping Plant Regulating Tank Recoating	2,550	—	—	—	FY 42	CVP Imported Water Ratio
San Felipe Communications Cable Replacement	235	—	—	—	FY 42	CVP Imported Water Ratio
Small Caps, San Felipe Reach 1	1,624	—	—	—	N/A	CVP Imported Water Ratio
Santa Clara Tunnel Landslide	4,509	—	—	—	FY 39	CVP Imported Water Ratio
Santa Clara Tunnel Landslide Mitigation	217	—	—	—	FY 39	CVP Imported Water Ratio
Small Caps, San Felipe Reach 3	376	—	—	—	N/A	CVP Imported Water Ratio
Water Infrastructure Reliability Program	2,134	0.0%	1	0	FY 36	Program Benefit Calculation
Water Infrastructure Baseline Improvement	2,403	0.1%	2	0	FY 38	Spare Pipe Usage
Coyote Dam Control Building Improvements	576	—	—	—	FY 42	Anderson Deliveries Ratio
Pacheco Pumping Plant ASD Replacement	18,518	—	—	—	FY 45	CVP Imported Water Ratio
Radio Repeater Infill	5	0.2%	0	0	FY 42	Water Usage Ratio
Santa Clara Conduit Rehabilitation	1,814	—	—	—	FY 42	CVP Imported Water Ratio
Raw Water Control System	9,188	0.0%	2	0	FY 37	Program Benefit Calculation
Small Caps, Raw Water Transmission and Distribution	696	0.1%	0	0	N/A	Raw Water Usage
Main and Madrone Pipeline Restoration	11,378	—	—	—	FY 48	Benefits Only South County
Inf Reliability Master Plan	2,065	0.2%	4	0	FY 46	Water Usage Ratio
Water Protection	11,387	0.0%	5	0	FY 45	Program Benefit Calculation
Microwave Telecommunications	4,595	0.2%	7	1	FY 44	Water Usage Ratio
Capital Warranty Services	179	0.4%	1	1	N/A	Water Usage Ratio
5-Year Pipeline Rehabilitation	22,059	0.1%	18	1	FY 47	Program Benefit Calculation
Pipeline Hydraulic Reliability Upgrades	335	0.0%	0	0	FY 45	Program Benefit Calculation
WTP WQL Network Equipment	1,331	0.4%	5	5	N/A	Water Usage Ratio
Winfield Capital Improvement	481	0.2%	1	0	FY 48	Water Usage Ratio
Corp Yard Relocation	26	7.8%	2	0	FY 40	Water Usage Ratio
Information Systems Management	5,802	0.2%	10	1	FY 40	Water Usage Ratio
PeopleSoft Upgrade	78	0.2%	0	0	FY 39	Water Usage Ratio
PeopleSoft System Upgrade and Expansion	1,217	0.2%	3	0	FY 46	Water Usage Ratio
Uvas Property Acquisition	1,251	2.3%	28	2	FY 46	Benefits Only South County

South County Capital Amortization - Zone W-8 (Continued)

(In Thousands $)						
Project Name	Total Project Cost	South County %	South County W-8 Cost	FY 2022-23 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to the South
Capital Construction Management System	2,806	0.4%	11	1	FY 52	Water Usage Ratio
IT Capital Fund Transfers	2,439	0.4%	9	9	N/A	Water Usage Ratio
Capital Program Administration	2,054	0.1%	1	1	N/A	Total Capital Cost Ratio
Grand Total	**$ *233,775***		**$ *135***	**$ *24***		

(*) 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 - Summary

(In Thousands $)		
Zone	South County Amortized Costs	FY 2022-23 Cost Recovery * Amount
Zone W-5	$ 90,465	$ 6,970
Zone W-7	8,579	1,746
Zone W-8	135	24
Grand Total	**$ *99,180***	**$ *8,739***

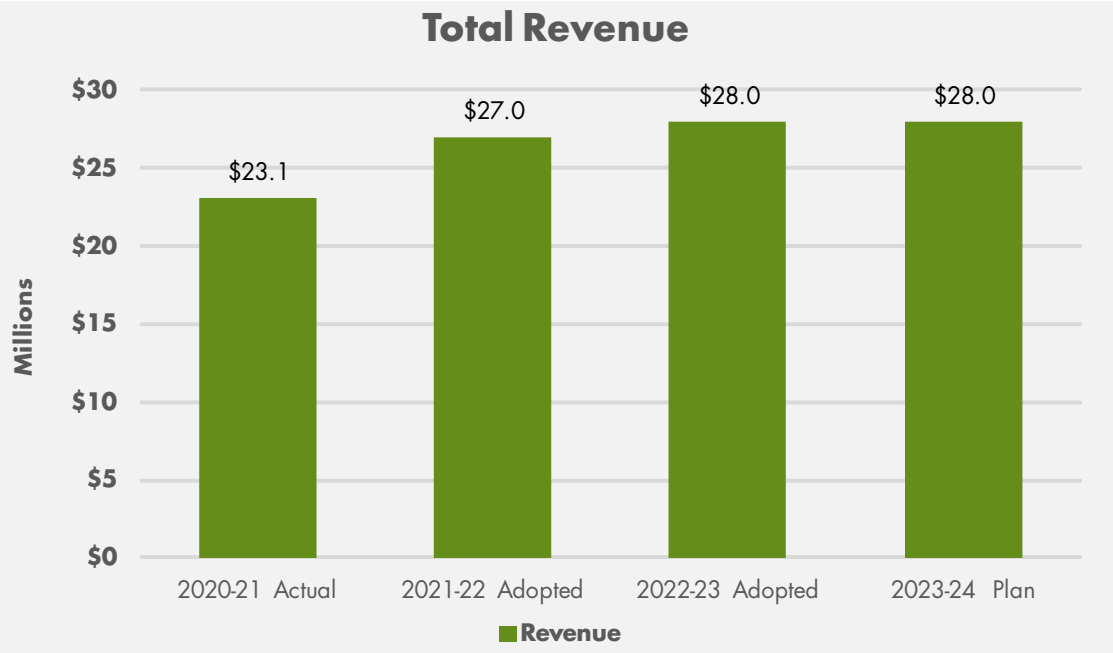
(*) Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

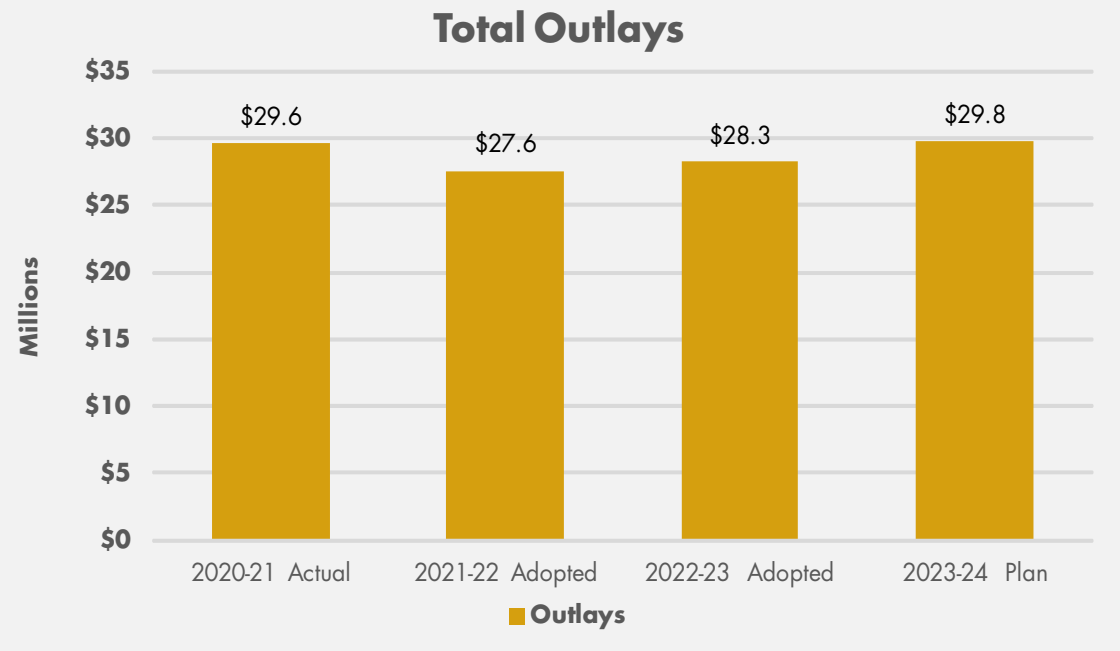
State Water Project Fund

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.Valley Water's State Water Project Fund was created in October 2010 to improve transparency and ensure compliance with Water Code Section 11654.

For FY 2022-23 and FY2023-24, staff recommends setting the State Water Project Tax at $27 million. This translates to a property tax bill for the average single-family residence in Santa Clara County of roughly $41.00 per year. Staff anticipates that Valley Water's contractual indebtedness to the State of California under the State Water Supply Contract will be around $28.3 million for FY 2022-23, rising to $29.8 million FY2023-24. 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 (Fund 63)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
REVENUE						
Property Tax	$ 21,346,535	$ 26,000,000	$ 26,000,000	$ 27,000,000	$ 1,000,000	3.8%
Nonoperating Other	1,739,393	1,000,000	1,000,000	1,000,000	—	—
TOTAL REVENUE	**$ *23,085,928***	**$ *27,000,000***	**$ *27,000,000***	**$ *28,000,000***	**$ *1,000,000***	***3.7%***
OUTLAYS						
Operating Outlays						
Operations **	$ 29,636,261	$ 27,609,126	$ 27,609,126	$ 28,256,645	$ 647,519	2.3%
Total Operating Outlays	**$ *29,636,261***	**$ *27,609,126***	**$ *27,609,126***	**$ *28,256,645***	**$ *647,519***	***2.3%***
TOTAL OUTLAYS*	**$ *29,636,261***	**$ *27,609,126***	**$ *27,609,126***	**$ *28,256,645***	**$ *647,519***	***2.3%***
OTHER FINANCING SOURCES/(USES)						
TOTAL OTHER SOURCES/(USES)	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**—**
BALANCE AVAILABLE	**$ *(6,550,333)***	**$ *(609,126)***	**$ *(609,126)***	**$ *(256,645)***	**$ *352,481***	***(57.9)%***
YEAR-END RESERVES						
Restricted Reserves						
WUE State Water Project Tax Reserve	$ 7,218,060	$ 2,523,006	$ 6,608,934	$ 6,352,289	$ 3,829,283	151.8%
Total Restricted Reserves	**$ *7,218,060***	**$ *2,523,006***	**$ *6,608,934***	**$ *6,352,289***	**$ *3,829,283***	***151.8%***
TOTAL YEAR-END RESERVES	**$ *7,218,060***	**$ *2,523,006***	**$ *6,608,934***	**$ *6,352,289***	**$ *3,829,283***	***151.8%***
Outlay Summary by Account Type						
Services & Supplies	$ 29,636,261	$ 27,609,126	$ 27,609,126	$ 28,256,645	$ 647,519	2.3%
OPERATING OUTLAY						
Services & Supplies	$ 29,636,261	$ 27,609,126	$ 27,609,126	$ 28,256,645	$ 647,519	2.3%
OPERATING OUTLAY TOTAL	**$ *29,636,261***	**$ *27,609,126***	**$ *27,609,126***	**$ *28,256,645***	**$ *647,519***	***2.3%***
TOTAL OUTLAYS*	**$ *29,636,261***	**$ *27,609,126***	**$ *27,609,126***	**$ *28,256,645***	**$ *647,519***	***2.3%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

State Water Project Fund (Fund 63)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
REVENUE						
Property Tax	$ 21,346,535	$ 26,000,000	$ 27,000,000	$ 27,000,000	$ —	—
Nonoperating Other	1,739,393	1,000,000	1,000,000	1,000,000	—	—
TOTAL REVENUE	**$ *23,085,928***	**$ *27,000,000***	**$ *28,000,000***	**$ *28,000,000***	**$ —**	**—**
OUTLAYS						
Operating Outlays						
Operations **	$ 29,636,261	$ 27,609,126	$ 28,256,645	$ 29,806,007	$ 1,549,362	5.5%
Total Operating Outlays	**$ *29,636,261***	**$ *27,609,126***	**$ *28,256,645***	**$ *29,806,007***	**$ *1,549,362***	***5.5%***
TOTAL OUTLAYS*	**$ *29,636,261***	**$ *27,609,126***	**$ *28,256,645***	**$ *29,806,007***	**$ *1,549,362***	***5.5%***
OTHER FINANCING SOURCES/(USES)						
TOTAL OTHER SOURCES/(USES)	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**—**
BALANCE AVAILABLE	**$ *(6,550,333)***	**$ *(609,126)***	**$ *(256,645)***	**$ *(1,806,007)***	**$ *(1,549,362)***	***603.7%***
YEAR-END RESERVES						
Restricted Reserves						
WUE State Water Project Tax Reserve	$ 7,218,060	$ 2,523,006	$ 6,352,289	$ 4,546,282	$ (1,806,007)	(28.4)%
Total Restricted Reserves	**$ *7,218,060***	**$ *2,523,006***	**$ *6,352,289***	**$ *4,546,282***	**$ *(1,806,007)***	***(28.4)%***
TOTAL YEAR-END RESERVES	**$ *7,218,060***	**$ *2,523,006***	**$ *6,352,289***	**$ *4,546,282***	**$ *(1,806,007)***	***(28.4)%***
Outlay Summary by Account Type						
Services & Supplies	$ 29,636,261	$ 27,609,126	$ 28,256,645	$ 29,806,007	$ 1,549,362	5.5%
OPERATING OUTLAY						
Services & Supplies	$ 29,636,261	$ 27,609,126	$ 28,256,645	$ 29,806,007	$ 1,549,362	5.5%
OPERATING OUTLAY TOTAL	**$ *29,636,261***	**$ *27,609,126***	**$ *28,256,645***	**$ *29,806,007***	**$ *1,549,362***	***5.5%***
TOTAL OUTLAYS*	**$ *29,636,261***	**$ *27,609,126***	**$ *28,256,645***	**$ *29,806,007***	**$ *1,549,362***	***5.5%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

Total Outlays - State Water Project Fund

Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
Operations						
91131008	State Water Project Costs	29,636,261	27,609,126	28,256,645	29,806,007	Water Supply Division
Total Operations		**29,636,261**	**27,609,126**	**28,256,645**	**29,806,007**	
Total		**29,636,261**	**27,609,126**	**28,256,645**	**29,806,007**	

This page left intentionally blank.

GENERAL FUND

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 Division Chapter, page 5-1 by the organization areas.

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 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 to and representation of Valley Water and its officers and employees, and, for 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; and 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.

Office of the Chief of External Affairs

The Chief of External Affairs (CEA) reports directly to the Chief Executive Officer and serves as a key member of the executive leadership team and represents the CEO and Valley Water in interactions with employees, the public, and other agencies and organizations. The CEA oversees 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. In addition, the CEA is responsible for ensuring that racial equity and inclusion are addressed and incorporated into existing policies, programs, and practices. The Office of

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

Major Capital Projects

The FY 2022-23 Capital Outlay budget in the General Fund is approximately $6.5 million to improve and maintain existing buildings, grounds, and services through several small capital improvement projects. This is an increase of $0.4 million from FY 2021-22 primarily due to the Security Upgrades and Enhancement project.

In FY 2023-24, the Capital Outlay budget is projected to increase an additional $4.3 million to $10.8 million due to the Headquarters Building Infrastructure project.

Fiscal Status

Intra-district reimbursements (overhead) are the primary source of funding in the General Fund. They are budgeted at $76.3 million in FY 2022-23, a 12.7% increase from FY 2021-22. In FY 2023-24, the reimbursements are projected to increase an additional 5.3% to $80.3 million. The intra-district reimbursement rate for both FY 2022-23 and FY 2023-24 is 82%. The CEO, District Counsel, Clerk of the Board, and District Administration costs funded in the General Fund provide services to the Watersheds and Water Utility Enterprise operations and capital programs. Generally, intra-district reimbursements are paid 60% from Water Utility Enterprise and 40% from Watershed Funds.

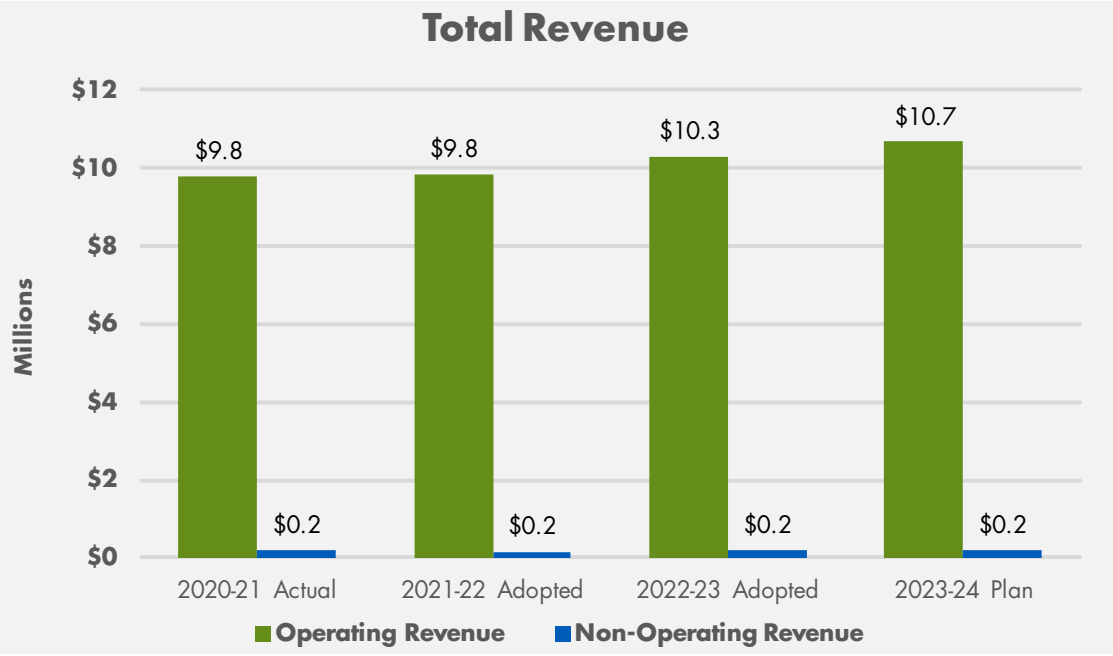
Property tax revenue is projected at $10.3 million. The projection reflects an increase of $0.5 million, which is a 4.7% increase from the FY 2021-22 Adopted Budget. The increase in property tax revenues is based on updates received from Santa Clara County. In FY 2023-24, the property tax revenue is projected to increase an additional 3.6% to $10.7 million. Interest income is projected to be $150,000 for both FY 2022-23 and FY 2023-24, which stays the same from the FY 2021-22 Adopted Budget.

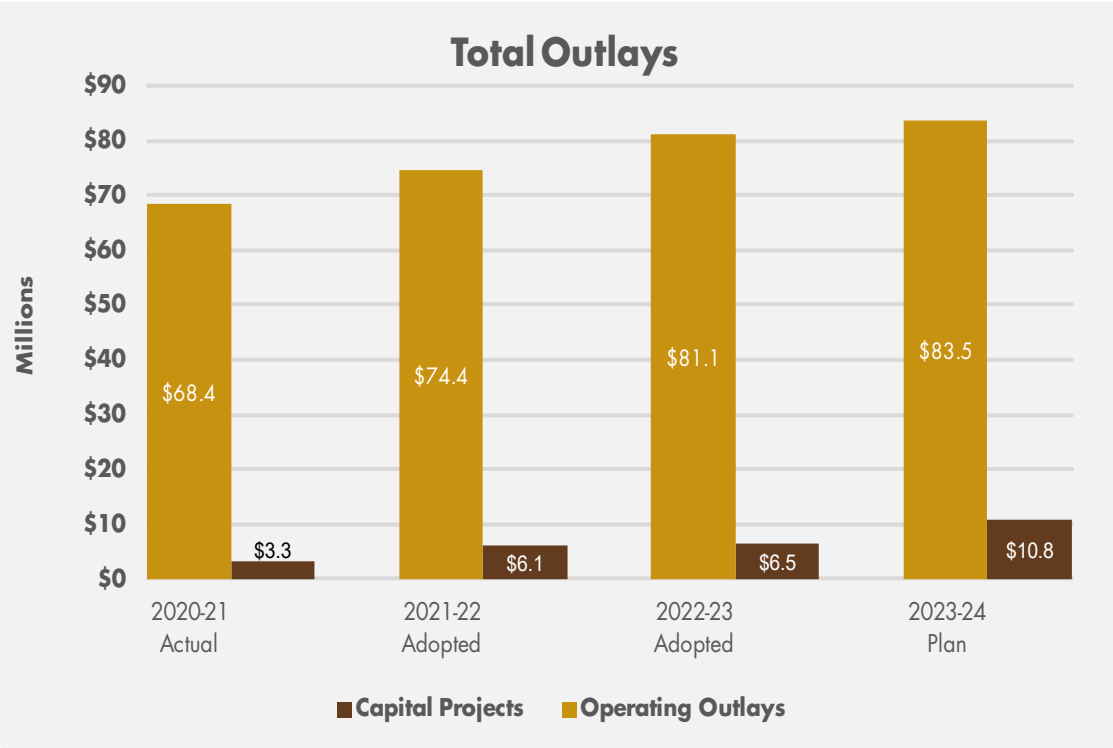
Operating costs for the services provided to Watersheds and Water Utility Enterprise total $82.3 million for FY 2022-23. This is an increase of $7.9 million or a 10.6% increase versus the FY 2021-22 Adopted Budget. This change is primarily comprised of: increases in salary and related costs per MOU, additional positions approved by the Board during FY 2021-22, and one additional position proposed ($2.3 million); extension of the water rate assistant program ($1.2 million); general district election costs ($1.1 million); security & protective services ($1.0 million); recruitment & examination services ($0.6 million); and a net increase in services and supplies for various projects and programs ($1.7 million). In FY 2023-24, the operating costs are projected to increase an additional 1.4% to $83.5 million.

Operating Transfers In of $4.2 million are: from the Watershed and Stream Stewardship (WSS) Fund for Drought Induced Tree Removal ($1.8 million); the Water Utility Enterprise Fund (60%), the Safe Clean Water Fund (30%), and the WSS Fund (10%) for the Headquarters Operations Building ($2.1 million); and Security Upgrades and Enhancements Capital Project ($0.3 million). In FY 2023-24, the net operating transfers are projected to increase an additional $2.4 million to $6.6 million.

General Fund reserves are estimated at approximately $9.1 million for FY 2022-23 and $12.6 million for FY 2023-24 and are in compliance with the Valley Water Reserve Policy.

General Fund





General Fund Summary

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 9,777,201	$ 9,832,832	$ 9,949,402	$ 10,296,145	$ 463,313	4.7%
Total Operating Revenue	**$ *9,777,201***	**$ *9,832,832***	**$ *9,949,402***	**$ *10,296,145***	**$ *463,313***	***4.7%***
Non-Operating Revenue						
Interest Income *	$ 117,809	$ 150,000	$ 120,000	$ 150,000	$ —	—
Non-Operating Other	67,257	—	—	30,000	30,000	—
Total Non-Operating Revenue	**$ *185,066***	**$ *150,000***	**$ *120,000***	**$ *180,000***	**$ *30,000***	***20.0%***
TOTAL REVENUE	**$ *9,962,267***	**$ *9,982,832***	**$ *10,069,402***	**$ *10,476,145***	**$ *493,313***	***4.9%***
OUTLAYS						
Operating Outlays						
Operations **	$ 67,951,715	$ 73,953,244	$ 74,843,228	$ 80,622,250	$ 6,669,006	9.0%
Operating Project	—	—	1,225,000	1,225,000	1,225,000	—
Debt Service	473,951	476,012	476,012	474,646	(1,366)	(0.3)%
Total Operating Outlays	**$ *68,425,666***	**$ *74,429,256***	**$ *76,544,240***	**$ *82,321,896***	**$ *7,892,640***	***10.6%***
Capital Outlays						
Capital Projects	$ 3,326,606	$ 6,079,809	$ 6,092,506	$ 6,473,627	$ 393,818	6.5%
Total Capital Outlays	**$ *3,326,606***	**$ *6,079,809***	**$ *6,092,506***	**$ *6,473,627***	**$ *393,818***	***6.5%***
TOTAL OUTLAYS*	**$ *71,752,272***	**$ *80,509,065***	**$ *82,636,746***	**$ *88,795,523***	**$ *8,286,458***	***10.3%***
Less Intra-District Reimb	(53,558,572)	(67,690,029)	(68,801,364)	(76,259,345)	(8,569,316)	12.7%
NET OUTLAYS	**$ *18,193,700***	**$ *12,819,036***	**$ *13,835,382***	**$ *12,536,178***	**$ *(282,858)***	***(2.2)%***
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 7,039,800	$ 3,617,561	$ 3,617,561	$ 4,172,600	$ 555,039	15.3%
Transfers Out	(296,500)	—	—	—	—	—
TOTAL OTHER SOURCES/(USES)	**$ *6,743,300***	**$ *3,617,561***	**$ *3,617,561***	**$ *4,172,600***	**$ *555,039***	***15.3%***
BALANCE AVAILABLE	**$ *(1,488,133)***	**$ *781,357***	**$ *(148,419)***	**$ *2,112,567***	**$ *1,331,210***	***170.4%***
YEAR-END RESERVES						
Committed Reserves						
Operating and Capital Reserve	$ 7,130,125	$ 6,575,512	$ 6,981,706	$ 9,094,273	$ 2,518,761	38.3%
Total Committed Reserves	**$ *7,130,125***	**$ *6,575,512***	**$ *6,981,706***	**$ *9,094,273***	**$ *2,518,761***	***38.3%***
TOTAL YEAR-END RESERVES	**$ *7,130,125***	**$ *6,575,512***	**$ *6,981,706***	**$ *9,094,273***	**$ *2,518,761***	***38.3%***

General Fund Summary (Continued)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 41,156,123	$ 43,792,427	$ 44,148,813	$ 46,131,920	$ 2,339,493	5.3%
Salary Savings Factor	—	(723,346)	(723,346)	(726,710)	(3,364)	0.5%
Services & Supplies	19,925,470	23,764,972	25,459,972	28,901,465	5,136,493	21.6%
Intra-District Charges	6,870,122	7,119,191	7,182,789	7,540,575	421,384	5.9%
OPERATING OUTLAY TOTAL	***$ 67,951,715***	***$ 73,953,244***	***$ 76,068,228***	***$ 81,847,250***	***$ 7,894,006***	***10.7%***
DEBT SERVICE						
Services & Supplies	$ 412	$ 2,908	$ 2,908	$ 2,908	$ —	—
Debt Service	473,539	473,104	473,104	471,738	(1,366)	(0.3)%
DEBT SERVICE TOTAL	***$ 473,951***	***$ 476,012***	***$ 476,012***	***$ 474,646***	***$ (1,366)***	***(0.3)%***
CAPITAL PROJECTS						
Salaries and Benefits	$ 55,438	$ 36,532	$ 44,482	$ 319,229	$ 282,697	773.8%
Salary Savings Factor	—	(608)	(608)	(4,975)	(4,367)	718.6%
Services & Supplies	3,258,429	6,022,867	6,022,862	6,093,195	70,328	1.2%
Intra-District Charges	12,739	21,018	25,770	66,178	45,160	214.9%
CAPITAL PROJECTS TOTAL	***$ 3,326,606***	***$ 6,079,809***	***$ 6,092,506***	***$ 6,473,627***	***$ 393,818***	***6.5%***
TOTAL OUTLAYS	***$ 71,752,272***	***$ 80,509,065***	***$ 82,636,746***	***$ 88,795,523***	***$ 8,286,458***	***10.3%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability

General Fund Summary

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 9,777,201	$ 9,832,832	$ 10,296,145	$ 10,666,000	$ 369,855	3.6%
Total Operating Revenue	**$ *9,777,201***	**$ *9,832,832***	**$ *10,296,145***	**$ *10,666,000***	**$ *369,855***	***3.6%***
Non-Operating Revenue						
Interest Income *	$ 117,809	$ 150,000	$ 150,000	$ 150,000	$ —	—
Non-Operating Other	67,257	—	30,000	30,000	—	—
Total Non-Operating Revenue	**$ *185,066***	**$ *150,000***	**$ *180,000***	**$ *180,000***	**$ *–***	***–***
TOTAL REVENUE	**$ *9,962,267***	**$ *9,982,832***	**$ *10,476,145***	**$ *10,846,000***	**$ *369,855***	***3.5%***
OUTLAYS						
Operating Outlays						
Operations **	$ 67,951,715	$ 73,953,244	$ 80,622,250	$ 83,005,886	$ 2,383,636	3.0%
Operating Project	—	—	1,225,000	—	(1,225,000)	(100.0)%
Debt Service	473,951	476,012	474,646	475,054	408	0.1%
Total Operating Outlays	**$ *68,425,666***	**$ *74,429,256***	**$ *82,321,896***	**$ *83,480,940***	**$ *1,159,044***	***1.4%***
Capital Outlays						
Capital Projects	$ 3,326,606	$ 6,079,809	$ 6,473,627	$ 10,773,919	$ 4,300,292	66.4%
Total Capital Outlays	**$ *3,326,606***	**$ *6,079,809***	**$ *6,473,627***	**$ *10,773,919***	**$ *4,300,292***	***66.4%***
TOTAL OUTLAYS*	**$ *71,752,272***	**$ *80,509,065***	**$ *88,795,523***	**$ *94,254,859***	**$ *5,459,336***	***6.1%***
Less Intra-District Reimb	(53,558,572)	(67,690,029)	(76,259,345)	(80,309,126)	(4,049,781)	5.3%
NET OUTLAYS	**$ *18,193,700***	**$ *12,819,036***	**$ *12,536,178***	**$ *13,945,733***	**$ *1,409,555***	***11.2%***
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 7,039,800	$ 3,617,561	$ 4,172,600	$ 7,792,100	$ 3,619,500	86.7%
Transfers Out	(296,500)	—	—	(1,213,111)	(1,213,111)	—
TOTAL OTHER SOURCES/(USES)	**$ *6,743,300***	**$ *3,617,561***	**$ *4,172,600***	**$ *6,578,989***	**$ *2,406,389***	***57.7%***
BALANCE AVAILABLE	**$ *(1,488,133)***	**$ *781,357***	**$ *2,112,567***	**$ *3,479,256***	**$ *1,366,689***	***64.7%***
YEAR-END RESERVES						
Committed Reserves						
Operating and Capital Reserve	$ 7,130,125	$ 6,575,512	$ 9,094,273	$ 12,573,529	$ 3,479,256	38.3%
Total Committed Reserves	**$ *7,130,125***	**$ *6,575,512***	**$ *9,094,273***	**$ *12,573,529***	**$ *3,479,256***	***38.3%***
TOTAL YEAR-END RESERVES	**$ *7,130,125***	**$ *6,575,512***	**$ *9,094,273***	**$ *12,573,529***	**$ *3,479,256***	***38.3%***

General Fund Summary (Continued)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 41,156,123	$ 43,792,427	$ 46,131,920	$ 48,832,331	$ 2,700,411	5.9%
Salary Savings Factor	—	(723,346)	(726,710)	(766,887)	(40,177)	5.5%
Services & Supplies	19,925,470	23,764,972	28,901,465	26,807,693	(2,093,772)	(7.2)%
Intra-District Charges	6,870,122	7,119,191	7,540,575	8,132,749	592,174	7.9%
OPERATING OUTLAY TOTAL	***$ 67,951,715***	***$ 73,953,244***	***$ 81,847,250***	***$ 83,005,886***	***$ 1,158,636***	***1.4%***
DEBT SERVICE						
Services & Supplies	$ 412	$ 2,908	$ 2,908	$ 2,908	$ —	—
Debt Service	473,539	473,104	471,738	472,146	408	0.1%
DEBT SERVICE TOTAL	***$ 473,951***	***$ 476,012***	***$ 474,646***	***$ 475,054***	***$ 408***	***0.1%***
CAPITAL PROJECTS						
Salaries and Benefits	$ 55,438	$ 36,532	$ 319,229	$ 335,967	$ 16,738	5.2%
Salary Savings Factor	—	(608)	(4,975)	(5,197)	(222)	4.5%
Services & Supplies	3,258,429	6,022,867	6,093,195	10,372,497	4,279,302	70.2%
Intra-District Charges	12,739	21,018	66,178	70,652	4,474	6.8%
CAPITAL PROJECTS TOTAL	***$ 3,326,606***	***$ 6,079,809***	***$ 6,473,627***	***$ 10,773,919***	***$ 4,300,292***	***66.4%***
TOTAL OUTLAYS	***$ 71,752,272***	***$ 80,509,065***	***$ 88,795,523***	***$ 94,254,859***	***$ 5,459,336***	***6.1%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability

Total Outlays - General Fund

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
	Operations						
	60001090	CEOUnscoped Projects-BudgtOnly		100,000	100,000	100,000	Office of the CEO
	60001091	Unscoped Projects-Budget Only		100,000	100,000	100,000	Office of COO Administrative Services
	60001092	CEA UnscopedProject-BudgetOnl		100,000	100,000	100,000	Office of Chief of External Affairs
*	60021008	Energy Management	96,420	120,834	113,870	124,385	Treated Water Division
	60041003	Hollister Groundwater Mgmt	14,492	69,176	70,648	72,448	Raw Water Division
*	60061012	Facilities Env Compliance	218,931	226,454	229,736	242,399	Emergency Safety & Security Division
	60061018	General Services Div Admin	632,978	626,589	924,486	968,363	General Services Division
	60061023	Districtwide Salary Savings-11		(723,346)	(726,710)	(766,887)	Financial Planning and Management Services Division
*	60061055	Asset Management Program	291,519	317,523	345,842	341,115	Office of Assistant Chief Executive Officer
	60061058	Drought Induced Tree Removal	590,784	1,617,294	1,778,595	1,104,545	Watershed Operations & Maintenance Division
*	60071041	Welding Services	18,567	21,101	12,800	13,634	General Services Division
	60091001	Directors Fees / Expenses	537,357	529,350	569,550	594,950	Office of Clerk of the Board
	60101001	Purchasing Services	1,905,903	2,426,026	2,719,534	2,822,872	General Services Division
	60101002	Building and Grounds	8,250,574	10,967,938	11,571,583	12,002,265	General Services Division
	60101005	Districtwide Signage	897	160,630	126,812	127,468	General Services Division
	60101008	District Security Services	2,041,928	3,552,260	4,464,810	4,968,971	Emergency Safety & Security Division
**	60101017	CADD System Tech Support	117,468	158,273			Office of Assistant Chief Executive Officer
	60111002	General Accounting Services	3,993,072	4,426,686	5,310,897	5,562,330	Financial Planning and Management Services Division
	60111006	Contract Services	2,394,504	2,389,428	2,568,059	2,951,089	General Services Division
*	60121003	LT Financial Planning & Rate	204,072	230,198	222,544	239,358	Financial Planning and Management Services Division
	60131004	AS Administration	863,235	1,972,362	2,220,419	2,273,300	Office of COO Administrative Services
	60131007	Ofc of Chief Executive Officer	1,174,239	1,274,840	1,405,102	1,497,496	Office of the CEO
	60131014	Continual Improvement	634,094	1,106,939	985,886	1,001,857	Financial Planning and Management Services Division
	60141001	District Counsel	4,355,265	4,635,640	5,166,381	5,506,789	Office of District Counsel
	60171002	Education & Volunteer Program	1,810,227	2,175,168	2,210,599	2,316,565	Office of Chief of External Affairs
	60171009	Community Relations	307,695	478,505	216,867	239,440	Office of Chief of External Affairs

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Total Outlays - General Fund (Continued)

Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
60221001	Budget and Financial Analyses	2,341,478	2,747,608	2,599,449	2,709,534	Financial Planning and Management Services Division
60221002	Debt & Treasury Management	988,368	1,076,296	1,122,665	1,259,025	Financial Planning and Management Services Division
60221003	FPMD Administration	503,034	507,115	538,858	584,406	Financial Planning and Management Services Division
60231002	Communications	2,885,478	2,249,175	1,781,791	1,698,401	Office of Chief of External Affairs
60231003	Federal Government Relations	690,069	787,688	793,120	819,682	Office of Chief of External Affairs
60231004	State Government Relations	1,041,595	1,189,249	1,276,027	1,347,669	Office of Chief of External Affairs
60231005	Local Government Relation	1,909,921	1,919,265	2,098,315	2,176,633	Office of Chief of External Affairs
60231006	Office of Chief of Ext Affair	1,506,425	1,502,741	1,562,390	1,661,956	Office of Chief of External Affairs
60231007	Internal Communications			588,968	771,755	Office of Chief of External Affairs
60241026	Quality and Env Mgmt Sys Prog	413,049	526,752	546,151	558,211	Financial Planning and Management Services Division
60281003	Ethics & EEO Programs	634,703	578,678	682,128	700,953	Office of COO Administrative Services
60281004	Racial Equity Diversity & Inclusn	608,969	1,576,699	1,608,416	1,650,632	Office of Chief of External Affairs
60281006	Reasonable Accommodation	3,169	112,011	157,766	161,377	Office of COO Administrative Services
60291001	Recruitment and Examination	1,982,065	2,335,361	3,120,634	3,274,895	Human Resources Division
60291002	Benefits and Wellness Admin	1,535,391	1,697,231	1,664,863	1,738,595	Human Resources Division
60291003	Labor Relations	778,387	1,002,972	1,378,433	1,451,433	Office of COO Administrative Services
60291004	Talent Development Program	1,594,814	2,674,672	2,756,976	2,870,248	Human Resources Division
60291011	HR Program Admin	365,171	641,313	817,905	848,235	Office of COO Administrative Services
60291030	HR Systems Management Program	597,617	578,218	20,000	20,000	Human Resources Division
60291032	Bargaining Unit Representation	170,792	267,274	16,449	17,045	Office of COO Administrative Services
60291040	Rotation Program	539,977	600,000	618,000	648,900	Human Resources Division
60291041	Internship Program	404,110	1,253,310	1,571,000	1,645,550	Human Resources Division
60291043	Succession Planning	598,723				Human Resources Division
60301001	Clerk of the Board Serv	5,519,904	2,778,374	3,889,028	2,975,691	Office of Clerk of the Board
60311001	Records & Library Services	1,189,039	1,251,619	1,268,312	1,320,382	Office of Clerk of the Board
60351001	Business & Customer Support Services	2,311,461	3,286,893	3,317,618	3,474,201	General Services Division
60361002	Graphic Services		1,074,940	1,255,712	1,323,348	Office of Chief of External Affairs
60601010	Emergency Activation	1,514				Emergency Safety & Security Division

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

Total Outlays - General Fund (Continued)

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
	60601013	Covid 19	5,842,176				Emergency Safety & Security Division
	60601014	EOC - Storm 2021-0127	21,254				Emergency Safety & Security Division
*	60811046	Warehouse Services	518,839	677,925	762,967	792,378	General Services Division
	Total Operations		**67,951,715**	**73,953,244**	**80,622,250**	**83,005,886**	
	Operating Project						
	60232001	Water Rate Assistance Program			1,225,000		Office of Chief of External Affairs
	Total Operating Project				**1,225,000**		
	Debt Service						
	60993009	2017A COP Refunding Guad WS	473,951	476,012	474,646	475,054	Financial Planning and Management Services Division
	Total Debt Service		**473,951**	**476,012**	**474,646**	**475,054**	
	Capital						
	60064023	Districtwide Salary Saving		(608)	(4,975)	(5,197)	Financial Planning and Management Services Division
*	60074033	CIP Development & Admin		14,414	15,143	16,173	Office of Assistant Chief Executive Officer
*	60074036	Survey Mgmt & Tech Support		21,213	6,065	7,973	Watershed Design & Construction Division
*	60074040	Capital Project Mgmt System	3,160	19,151	5,194		Office of Assistant Chief Executive Officer
*	60074041	Construction Contracts and Support		25,638	28,297	33,690	General Services Division
*	60074042	Capital Proj Mgmt and Controls			12,803	12,996	Office of Assistant Chief Executive Officer
*	60074047	Computer-Aided Design for Engineer			17,099	20,027	Office of Assistant Chief Executive Officer
	60204016	Small Caps, Facility Mgmt	3,323,446	4,000,000	4,000,000	4,000,000	General Services Division
	60204022	Security Upgrades and Enhancement			314,000	327,608	Emergency Safety & Security Division
	60204032	Headquarters Operations Bldg		2,000,000	2,080,000	6,360,650	General Services Division
	Total Capital		**3,326,606**	**6,079,809**	**6,473,627**	**10,773,919**	
	Total		**71,752,272**	**80,509,064**	**88,795,523**	**94,254,859**	

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.

This page left intentionally blank.

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 Valley Water Administration, Watersheds and Water Utility Enterprise divisions and recover costs through intra-district reimbursements (also known as overhead costs). Intra-district reimbursements are the amounts needed for operations and to maintain adequate reserves in accordance with 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). This fund provides safe and up to date equipment for Valley Waters employees to deploy in an efficient manner to produce the best outcomes in service for the community. Intra-district reimbursements for FY 2022-23 total $7.1 million and $7.8 million for FY 2023-24 with an overhead rate of 6.1% for FY 2022-23 and 6.4% for FY 2023-24.

Key Highlights

The following are key highlights for the upcoming fiscal year:

- Replacement of 29 vehicles in accordance with the 12-year or 125,000-mile replacement criteria.
- Evaluate and implement industry best practices within operation.
- Conduct a vehicle utilization study in collaboration with user department to reduce underutilized assets.
- Focus on vehicle electrification infrastructure
- Continued technical training for EMU Technicians in current and up and coming technologies.

Risk Management Fund

This fund was established to provide for liability, property, Workers' Compensation insurance, and self-insurance costs. Included in this fund are various health and safety programs designed to ensure the safety and well-being of employees, a reserve for catastrophic uninsured property loss, and self-insurance reserves for both known and unreported Workers' Compensation and liability claims set at levels prescribed by actuarial studies. Currently, loss prevention efforts are being integrated with other performance-based objectives such as quality and cost-control to ensure that health and safety activities are integrated into the day-to-day operations of the Valley Water business. Valley Water supports the philosophy that all accidents and injuries are preventable through the establishment of and compliance with safe work procedures and best management practices for our industry. Intra-district reimbursements for FY 2022-23 total $9.3 million and $10.5 million for FY 2023-24, with an overhead rate of 8.0% for both years.

Key Highlights

The following are key highlights for the upcoming fiscal year:

- Continue to administer the Workers Compensation program in a manner that increases employee awareness of potential dangers and seeks to reduce employee injuries and accidents.
- Continue to administer the Liability and Property programs in a manner that provides prompt and fair adjustment of claims and losses.
- Continue to manage safety, ergonomics, and industrial hygiene programs in compliance with regulatory requirements and industry best practices.

Information Technology Fund

The Information Technology Fund was established to capture the operation, maintenance, and replacement costs of supporting the technology and information

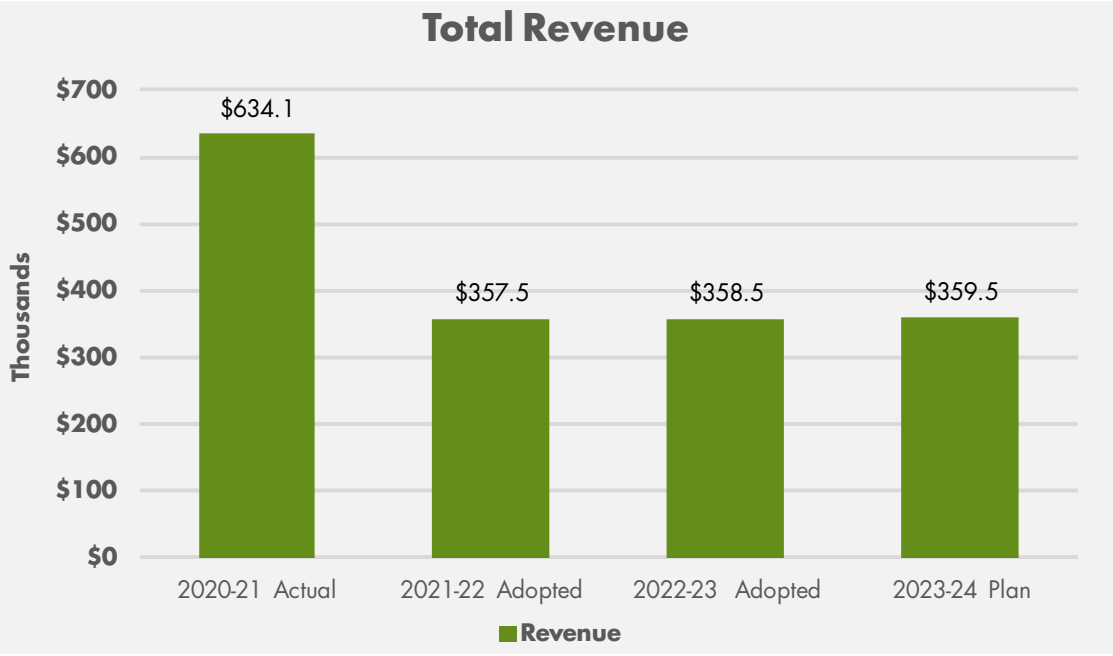
security needs of Valley Water. It accounts for all network, data center, telecom, servers, computers, and business and support applications. Intra-district reimbursements for FY 2022-23 total $22.4 million and $23.6 million for FY 2023-24 with an overhead rate of 20.0% for both years.

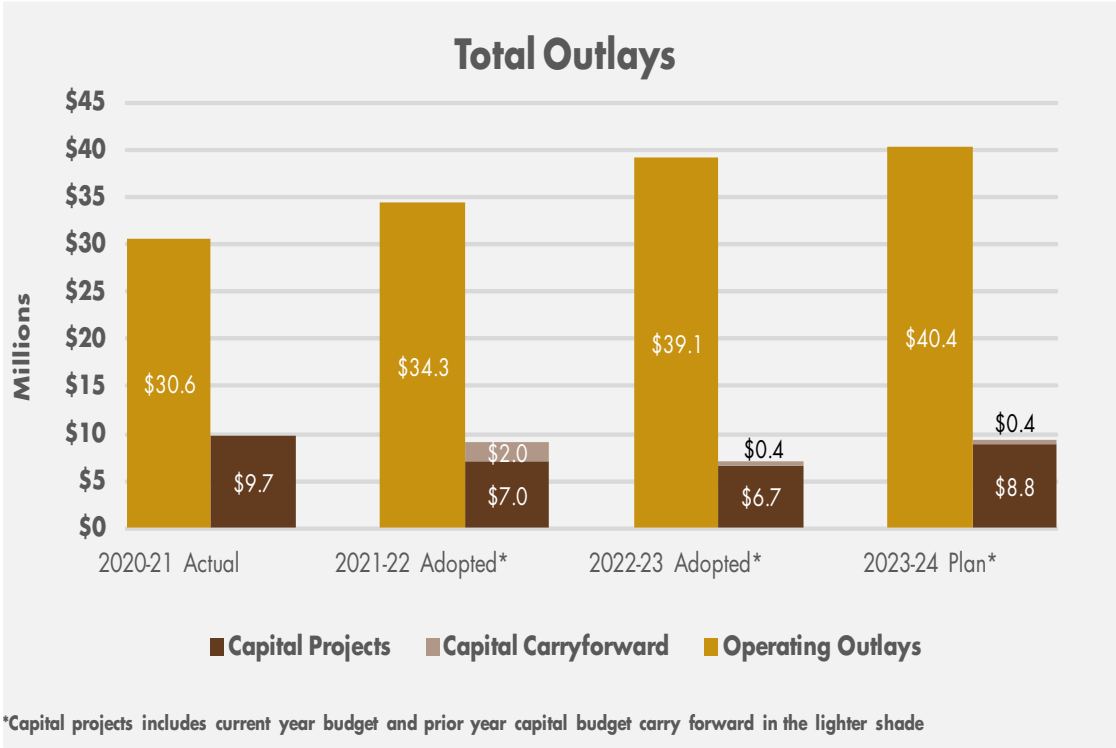
Key Highlights

The following are key highlights for the upcoming fiscal year:

- Implement IT Strategic Plan: (1) Implement Business-IT Liaison program; (2) Develop a communication strategy, plan, and execution;(3) Align IT Project Portfolio with strategic plan; (4)Provide management oversight and support in alignment with organizational goals.
- Complete transition to the new ERP for Finance, Human Resources, Purchasing and Contract Services.
- Complete transition to laptops and tablets as primary machines for all staff.
- Complete transition to new public web-accessible Intranet.
- Complete long-term planning for IT Disaster Recovery and Select Technologies.
- Initiate Proof of Concept (POC) of Hyland On Base for Content Management.
- Complete Water Utility Server Virtualization/Refresh Project.
- Complete conversion to Voice Over IP Telephones.
- Upgrade Maximo Asset Management to Latest Version.
- Complete Virtual Desktop Proof of Concept for GIS Users and Interns.
- Implement Various Cyber security Projects including Physical Infrastructure Upgrades and Multi-Factor Authentication.
- Complete migration of Access Valley Water to new Cloud Platform.

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 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
REVENUE						
Interest Income *	$ 471,386	$ 307,500	$ 337,500	$ 307,500	$ —	—
Non-Operating Other	162,711	50,000	50,000	51,000	1,000	2.0%
TOTAL REVENUE	**$ *634,097***	**$ *357,500***	**$ *387,500***	**$ *358,500***	**$ *1,000***	***0.3%***
OUTLAYS						
Operating Outlays						
Operations **	$ 30,395,918	$ 34,288,534	$ 34,313,534	$ 39,096,964	$ 4,808,430	14.0%
Operating Project	187,316	50,000	450,000	50,000	—	—
Total Operating Outlays	**$ *30,583,234***	**$ *34,338,534***	**$ *34,763,534***	**$ *39,146,964***	**$ *4,808,430***	***14.0%***
Capital Outlays						
Capital Projects	$ 9,705,582	$ 7,030,578	$ 15,232,458	$ 6,694,499	$ (336,079)	(4.8)%
Carry Forward Capital Projects	—	2,025,982	—	402,273	(1,623,709)	(80.1)%
Total Capital Outlays	**$ *9,705,582***	**$ *9,056,560***	**$ *15,232,458***	**$ *7,096,772***	**$ *(1,959,788)***	***(21.6)%***
TOTAL OUTLAYS*	**$ *40,288,816***	**$ *43,395,094***	**$ *49,995,992***	**$ *46,243,736***	**$ *2,848,642***	***6.6%***
Less Intra-District Reimb	(33,889,940)	(35,655,884)	(36,202,395)	(38,741,519)	(3,085,635)	8.7%
NET OUTLAYS	**$ *6,398,876***	**$ *7,739,210***	**$ *13,793,597***	**$ *7,502,217***	**$ *(236,993)***	***(3.1)%***
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 7,480,000	$ 3,269,000	$ 3,269,000	$ 4,062,000	$ 793,000	24.3%
Transfers Out	(250,978)	—	—	—	—	—
TOTAL OTHER SOURCES/(USES)	**$ *7,229,022***	**$ *3,269,000***	**$ *3,269,000***	**$ *4,062,000***	**$ *793,000***	***24.3%***
BALANCE AVAILABLE	**$ *1,464,243***	**$ *(4,112,710)***	**$ *(10,137,097)***	**$ *(3,081,717)***	**$ *1,030,993***	***(25.1)%***
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 7,789,192	$ —	$ 818,668	$ 416,396	$ 416,396	—
Operating and Capital Reserve	8,081,494	1,861,852	5,809,286	3,600,397	1,738,545	93.4%
Catastrophy - Property Self-Insurance	6,591,184	6,230,869	5,696,818	5,226,261	(1,004,608)	(16.1)%
Workers Compensation Liability	6,621,000	6,621,000	6,621,000	6,621,000	—	—
Total Committed Reserves	**$ *29,082,870***	**$ *14,713,721***	**$ *18,945,772***	**$ *15,864,054***	**$ *1,150,333***	***7.8%***
TOTAL YEAR-END RESERVES	**$ *29,082,870***	**$ *14,713,721***	**$ *18,945,772***	**$ *15,864,054***	**$ *1,150,333***	***7.8%***

Service Funds Combined Summary (Continued)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 10,594,947	$ 12,688,907	$ 12,688,907	$ 13,815,577	$ 1,126,670	8.9%
Salary Savings Factor	—	(206,972)	(206,973)	(218,339)	(11,367)	5.5%
Services & Supplies	15,429,424	15,809,799	16,234,799	18,552,874	2,743,075	17.3%
Intra-District Charges	4,558,863	6,046,801	6,046,801	6,996,853	950,052	15.7%
OPERATING OUTLAY TOTAL	***$ 30,583,234***	***$ 34,338,535***	***$ 34,763,534***	***$ 39,146,965***	***$ 4,808,430***	***14.0%***
CAPITAL PROJECTS						
Salaries and Benefits	$ 1,062,990	$ 484,223	$ 492,174	$ 187,924	$ (296,299)	(61.2)%
Salary Savings Factor	—	(7,656)	(7,656)	(3,058)	4,598	(60.1)%
Services & Supplies	8,082,734	6,340,868	14,530,045	6,412,820	71,952	1.1%
Carry Forward Capital Projects	—	2,025,982	—	402,273	(1,623,709)	(80.1)%
Intra-District Charges	559,859	213,142	217,895	96,812	(116,330)	(54.6)%
CAPITAL PROJECTS TOTAL	***$ 9,705,583***	***$ 9,056,559***	***$ 15,232,458***	***$ 7,096,771***	***$ (1,959,788)***	***(21.6)%***
TOTAL OUTLAYS****	***$ 40,288,817***	***$ 43,395,094***	***$ 49,995,992***	***$ 46,243,736***	***$ 2,848,642***	***6.6%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****) Total Outlays amounts may have a slight variance due to rounding

Service Funds Combined Summary

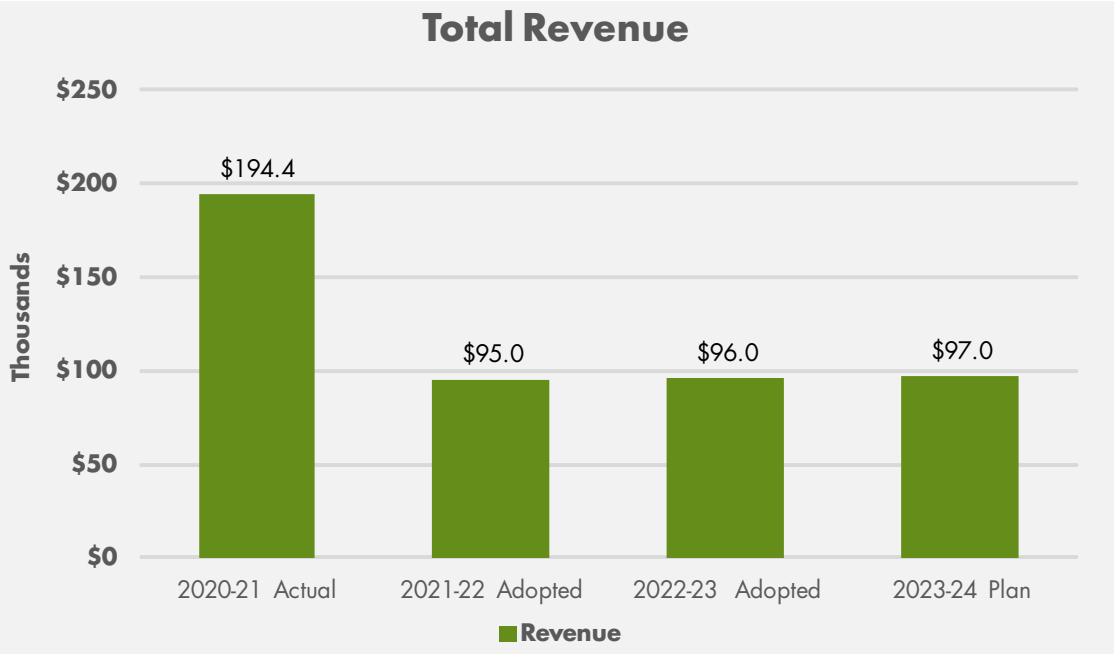
	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
REVENUE						
Interest Income *	$ 471,386	$ 307,500	$ 307,500	$ 307,500	$ —	—
Non-Operating Other	162,711	50,000	51,000	52,000	1,000	2.0%
TOTAL REVENUE	**$ *634,097***	**$ *357,500***	**$ *358,500***	**$ *359,500***	**$ *1,000***	***0.3%***
OUTLAYS						
Operating Outlays						
Operations **	$ 30,395,918	$ 34,288,534	$ 39,096,964	$ 40,314,653	$ 1,217,689	3.1%
Operating Project	187,316	50,000	50,000	50,000	—	—
Total Operating Outlays	**$ *30,583,234***	**$ *34,338,534***	**$ *39,146,964***	**$ *40,364,653***	**$ *1,217,689***	***3.1%***
Capital Outlays						
Capital Projects	$ 9,705,582	$ 7,030,578	$ 6,694,499	$ 8,821,727	$ 2,127,228	31.8%
Carry Forward Capital Projects	—	2,025,982	402,273	412,623	10,350	2.6%
Total Capital Outlays	**$ *9,705,582***	**$ *9,056,560***	**$ *7,096,772***	**$ *9,234,350***	**$ *2,137,578***	***30.1%***
TOTAL OUTLAYS*	**$ *40,288,816***	**$ *43,395,094***	**$ *46,243,736***	**$ *49,599,003***	**$ *3,355,267***	***7.3%***
Less Intra-District Reimb	(33,889,940)	(35,655,884)	(38,741,519)	(41,888,246)	(3,146,727)	8.1%
NET OUTLAYS	**$ *6,398,876***	**$ *7,739,210***	**$ *7,502,217***	**$ *7,710,757***	**$ *208,540***	***2.8%***
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 7,480,000	$ 3,269,000	$ 4,062,000	$ 6,100,000	$ 2,038,000	50.2%
Transfers Out	(250,978)	—	—	—	—	—
TOTAL OTHER SOURCES/(USES)	**$ *7,229,022***	**$ *3,269,000***	**$ *4,062,000***	**$ *6,100,000***	**$ *2,038,000***	***50.2%***
BALANCE AVAILABLE	**$ *1,464,243***	**$ *(4,112,710)***	**$ *(3,081,717)***	**$ *(1,251,257)***	**$ *1,830,460***	***(59.4)%***
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 7,789,192	$ —	$ 416,396	$ 3,773	$ (412,623)	(99.1)%
Operating and Capital Reserve	8,081,494	1,861,852	3,600,397	2,481,548	(1,118,849)	(31.1)%
Catastrophy - Property Self-Insurance	6,591,184	6,230,869	5,226,261	5,506,475	280,214	5.4%
Workers Compensation Liability	6,621,000	6,621,000	6,621,000	6,621,000	—	—
Total Committed Reserves	**$ *29,082,870***	**$ *14,713,721***	**$ *15,864,054***	**$ *14,612,796***	**$ *(1,251,258)***	***(7.9)%***
TOTAL YEAR-END RESERVES	**$ *29,082,870***	**$ *14,713,721***	**$ *15,864,054***	**$ *14,612,796***	**$ *(1,251,258)***	***(7.9)%***

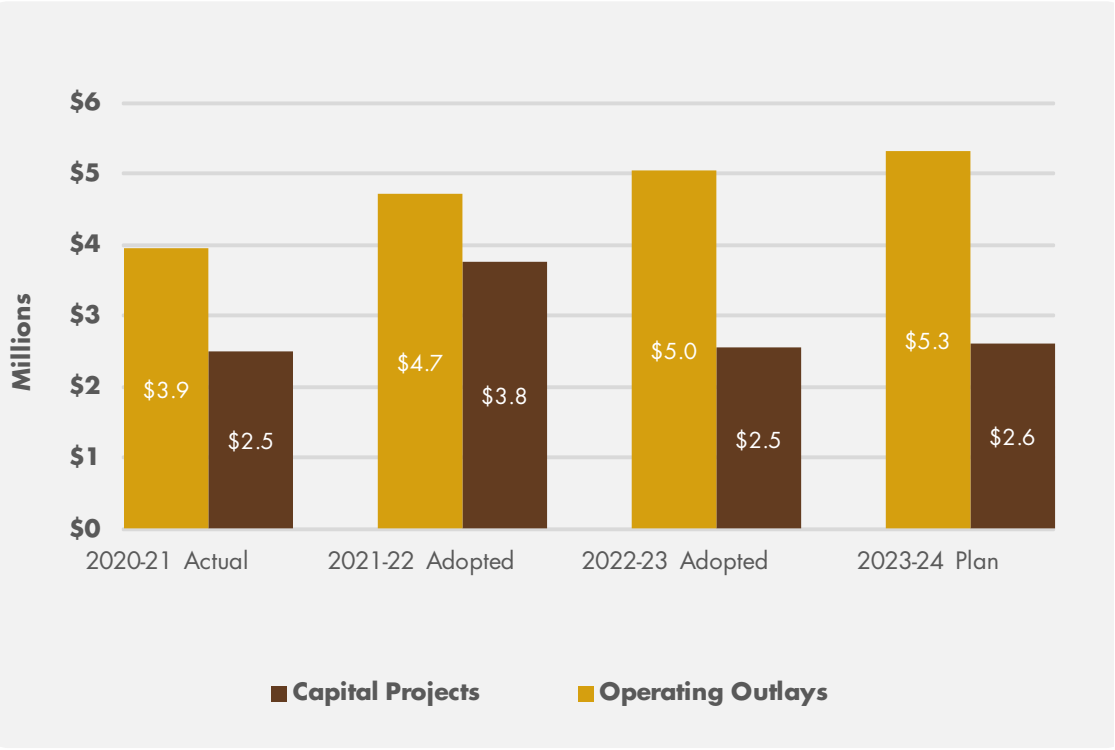
Service Funds Combined Summary (Continued)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 10,594,947	$ 12,688,907	$ 13,815,577	$ 14,510,839	$ 695,262	5.0%
Salary Savings Factor	—	(206,972)	(218,339)	(228,243)	(9,904)	4.5%
Services & Supplies	15,429,424	15,809,799	18,552,874	18,723,816	170,942	0.9%
Intra-District Charges	4,558,863	6,046,801	6,996,853	7,358,242	361,389	5.2%
OPERATING OUTLAY TOTAL	***$ 30,583,234***	***$ 34,338,535***	***$ 39,146,965***	***$ 40,364,654***	***$ 1,217,689***	***3.1%***
CAPITAL PROJECTS						
Salaries and Benefits	$ 1,062,990	$ 484,223	$ 187,924	$ 198,402	$ 10,478	5.6%
Salary Savings Factor	—	(7,656)	(3,058)	(3,207)	(149)	4.9%
Services & Supplies	8,082,734	6,340,868	6,412,820	8,524,229	2,111,409	32.9%
Carry Forward Capital Projects	—	2,025,982	402,273	412,623	10,350	2.6%
Intra-District Charges	559,859	213,142	96,812	102,303	5,491	5.7%
CAPITAL PROJECTS TOTAL	***$ 9,705,583***	***$ 9,056,559***	***$ 7,096,771***	***$ 9,234,350***	***$ 2,137,579***	***30.1%***
TOTAL OUTLAYS****	***$ 40,288,817***	***$ 43,395,094***	***$ 46,243,736***	***$ 49,599,004***	***$ 3,355,268***	***7.3%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****) Total Outlays amounts may have a slight variance due to rounding

Fleet Management Fund





Fleet Management Fund Summary

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
REVENUE						
Interest Income *	$ 64,534	$ 45,000	$ 45,000	$ 45,000	$ —	—
Nonoperating Other	129,846	50,000	50,000	51,000	1,000	2.0%
TOTAL REVENUE	**$ *194,380***	**$ *95,000***	**$ *95,000***	**$ *96,000***	**$ *1,000***	***1.1%***
OUTLAYS						
Operating Outlays						
Operations **	$ 3,944,164	$ 4,707,524	$ 4,732,524	$ 5,034,404	$ 326,880	6.9%
Total Operating Outlays	**$ *3,944,164***	**$ *4,707,524***	**$ *4,732,524***	**$ *5,034,404***	**$ *326,880***	***6.9%***
Capital Outlays						
Capital Projects	$ 2,512,867	$ 3,761,000	$ 3,761,000	$ 2,547,667	$ (1,213,333)	(32.3)%
Total Capital Outlays	**$ *2,512,867***	**$ *3,761,000***	**$ *3,761,000***	**$ *2,547,667***	**$ *(1,213,333)***	***(32.3)%***
TOTAL OUTLAYS	**$ *6,457,031***	**$ *8,468,524***	**$ *8,493,524***	**$ *7,582,071***	**$ *(886,453)***	***(10.5)%***
Less Intra-District Reimb	(7,627,309)	(6,548,359)	(6,650,484)	(7,101,404)	(553,045)	8.4%
NET OUTLAYS	**$ *(1,170,278)***	**$ *1,920,165***	**$ *1,843,040***	**$ *480,667***	**$ *(1,439,498)***	***(75.0)%***
OTHER FINANCING SOURCES/(USES)						
Transfers Out	$ (29,001)	$ —	$ —	$ —	$ —	—
TOTAL OTHER SOURCES/(USES)	**$ *(29,001)***	**$ —**	**$ —**	**$ —**	**$ —**	**—**
BALANCE AVAILABLE	**$ *1,335,657***	**$ *(1,825,165)***	**$ *(1,748,040)***	**$ *(384,667)***	**$ *1,440,498***	***(78.9)%***
YEAR-END RESERVES						
Committed Reserves						
Operating and Capital Reserve	$ 3,552,867	$ 538,045	$ 1,804,827	$ 1,420,160	$ 882,115	163.9%
Total Committed Reserves	**$ *3,552,867***	**$ *538,045***	**$ *1,804,827***	**$ *1,420,160***	**$ *882,115***	***163.9%***
TOTAL YEAR-END RESERVES	**$ *3,552,867***	**$ *538,045***	**$ *1,804,827***	**$ *1,420,160***	**$ *882,115***	***163.9%***

Outlay Summary by Account Type

OPERATING OUTLAY						
Salaries and Benefits	$ 1,521,012	$ 1,783,262	$ 1,783,262	$ 1,979,511	$ 196,249	11.0%
Salary Savings Factor	—	(27,992)	(27,992)	(29,737)	(1,745)	6.2%
Services & Supplies	1,686,484	2,004,245	2,029,245	1,994,270	(9,975)	(0.5)%
Intra-District Charges	736,668	948,009	948,009	1,090,360	142,351	15.0%
OPERATING OUTLAY TOTAL	**$ *3,944,164***	**$ *4,707,524***	**$ *4,732,524***	**$ *5,034,404***	**$ *326,880***	***6.9%***
CAPITAL PROJECTS						
Services & Supplies	$ 2,512,867	$ 3,761,000	$ 3,761,000	$ 2,547,667	$ (1,213,333)	(32.3)%
CAPITAL PROJECTS TOTAL	**$ *2,512,867***	**$ *3,761,000***	**$ *3,761,000***	**$ *2,547,667***	**$ *(1,213,333)***	***(32.3)%***
TOTAL OUTLAYS	**$ *6,457,031***	**$ *8,468,524***	**$ *8,493,524***	**$ *7,582,071***	**$ *(886,453)***	***(10.5)%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability

Fleet Management Fund Summary

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
REVENUE						
Interest Income *	$ 64,534	$ 45,000	$ 45,000	$ 45,000	$ —	—
Nonoperating Other	129,846	50,000	51,000	52,000	1,000	2.0%
TOTAL REVENUE	**$ *194,380***	**$ *95,000***	**$ *96,000***	**$ *97,000***	**$ *1,000***	***1.0%***
OUTLAYS						
Operating Outlays						
Operations **	$ 3,944,164	$ 4,707,524	$ 5,034,404	$ 5,309,200	$ 274,796	5.5%
Total Operating Outlays	**$ *3,944,164***	**$ *4,707,524***	**$ *5,034,404***	**$ *5,309,200***	**$ *274,796***	***5.5%***
Capital Outlays						
Capital Projects	$ 2,512,867	$ 3,761,000	$ 2,547,667	$ 2,624,000	$ 76,333	3.0%
Total Capital Outlays	**$ *2,512,867***	**$ *3,761,000***	**$ *2,547,667***	**$ *2,624,000***	**$ *76,333***	***3.0%***
TOTAL OUTLAYS	**$ *6,457,031***	**$ *8,468,524***	**$ *7,582,071***	**$ *7,933,200***	**$ *351,129***	***4.6%***
Less Intra-District Reimb	(7,627,309)	(6,548,359)	(7,101,404)	(7,812,200)	(710,796)	10.0%
NET OUTLAYS	**$ *(1,170,278)***	**$ *1,920,165***	**$ *480,667***	**$ *121,000***	**$ *(359,667)***	***(74.8)%***
OTHER FINANCING SOURCES/(USES)						
Transfers Out	$ (29,001)	$ —	$ —	$ —	$ —	—
TOTAL OTHER SOURCES/(USES)	**$ *(29,001)***	**$ —**	**$ —**	**$ —**	**$ —**	**—**
BALANCE AVAILABLE	**$ *1,335,657***	**$ *(1,825,165)***	**$ *(384,667)***	**$ *(24,000)***	**$ *360,667***	***(93.8)%***
YEAR-END RESERVES						
Committed Reserves						
Operating and Capital Reserve	$ 3,552,867	$ 538,045	$ 1,420,160	$ 1,396,160	$ (24,000)	(1.7)%
Total Committed Reserves	**$ *3,552,867***	**$ *538,045***	**$ *1,420,160***	**$ *1,396,160***	**$ *(24,000)***	***(1.7)%***
TOTAL YEAR-END RESERVES	**$ *3,552,867***	**$ *538,045***	**$ *1,420,160***	**$ *1,396,160***	**$ *(24,000)***	***(1.7)%***

Outlay Summary by Account Type

OPERATING OUTLAY						
Salaries and Benefits	$ 1,521,012	$ 1,783,262	$ 1,979,511	$ 2,110,086	$ 130,575	6.6%
Salary Savings Factor	—	(27,992)	(29,737)	(31,536)	(1,799)	6.0%
Services & Supplies	1,686,484	2,004,245	1,994,270	2,068,018	73,748	3.7%
Intra-District Charges	736,668	948,009	1,090,360	1,162,632	72,272	6.6%
OPERATING OUTLAY TOTAL	**$ *3,944,164***	**$ *4,707,524***	**$ *5,034,404***	**$ *5,309,200***	**$ *274,796***	***5.5%***
CAPITAL PROJECTS						
Services & Supplies	$ 2,512,867	$ 3,761,000	$ 2,547,667	$ 2,624,000	$ 76,333	3.0%
CAPITAL PROJECTS TOTAL	**$ *2,512,867***	**$ *3,761,000***	**$ *2,547,667***	**$ *2,624,000***	**$ *76,333***	***3.0%***
TOTAL OUTLAYS	**$ *6,457,031***	**$ *8,468,524***	**$ *7,582,071***	**$ *7,933,200***	**$ *351,129***	***4.6%***

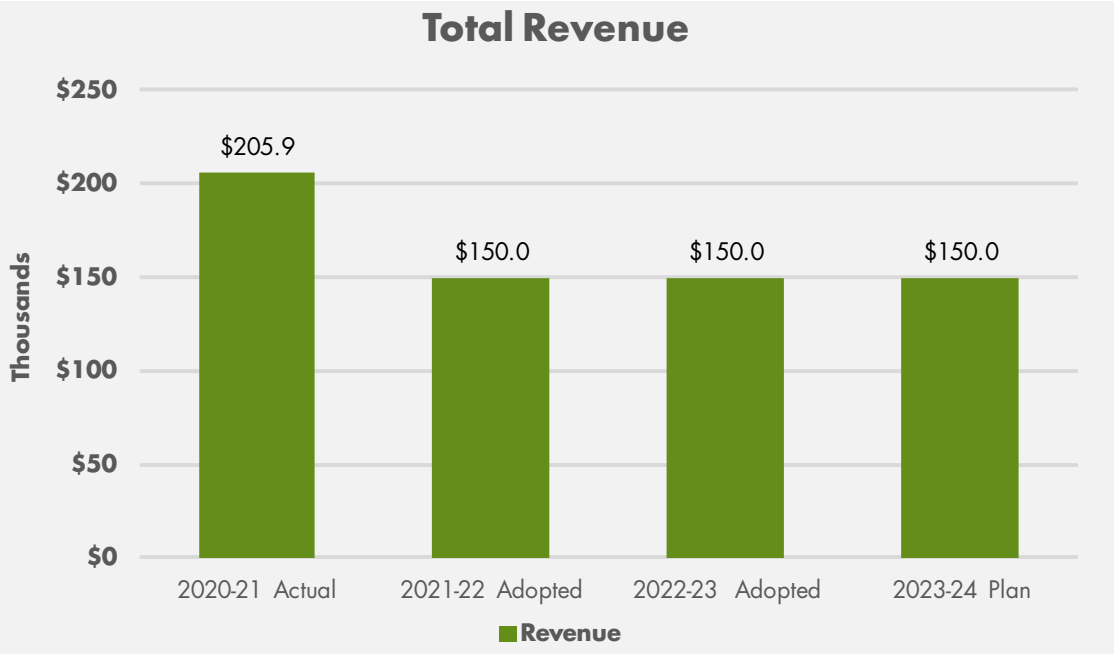
(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability

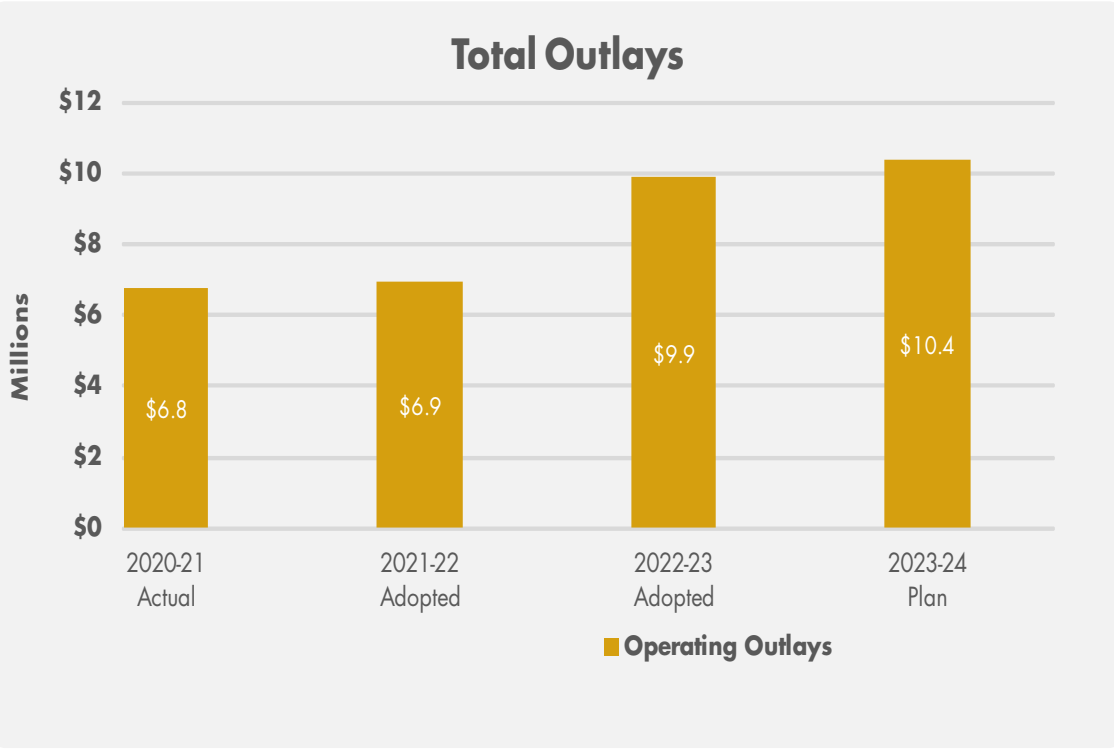
Total Outlays - Fleet Management Fund

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
	Operations						
	70011099	Class I Equip Oper / Maint	837,760	829,426	974,990	1,036,836	General Services Division
	70021099	Class II Equip Oper / Maint	904,790	992,465	983,891	1,037,690	General Services Division
	70031099	Class III Equip Oper / Maint	278,591	347,701	347,250	363,265	General Services Division
	70041099	Class IV Equip Oper / Maint	860,263	1,067,967	1,081,566	1,121,275	General Services Division
	70061003	Vehicle & Equipment Admin&Mgmt	861,298	1,275,892	1,638,046	1,740,768	General Services Division
	70061004	Districtwide Salary Savings-7		(27,992)	(29,737)	(31,536)	Financial Planning and Management Services Division
*	70061045	Asset Management Program	145,760	158,761			Office of Assistant Chief Executive Officer
*	70071041	Welding Services	55,701	63,304	38,399	40,902	General Services Division
	Total Operations		**3,944,164**	**4,707,524**	**5,034,404**	**5,309,200**	
	Capital						
	70004001	New Vehicle Equip Acquisition	956,646	1,591,000	546,000	563,000	General Services Division
	70004002	Replacement Vehicle & Equip	1,556,221	2,170,000	2,001,667	2,061,000	General Services Division
	Total Capital		**2,512,867**	**3,761,000**	**2,547,667**	**2,624,000**	
	Total		**6,457,031**	**8,468,524**	**7,582,071**	**7,933,200**	

*Recipient projects

Risk Management Fund





Risk Management Fund Summary

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
REVENUE						
Interest Income *	$ 178,181	$ 150,000	$ 150,000	$ 150,000	$ —	—
Non-operating Other	27,754	—	—	—	—	—
TOTAL REVENUE	**$ *205,935***	**$ *150,000***	**$ *150,000***	**$ *150,000***	**$ *—***	***—***
OUTLAYS						
Operating Outlays						
Operations **	$ 6,591,230	$ 6,884,615	$ 6,884,615	$ 9,828,164	$ 2,943,550	42.8%
Operating Project	187,316	50,000	450,000	50,000	—	—
Total Operating Outlays	**$ *6,778,546***	**$ *6,934,615***	**$ *7,334,615***	**$ *9,878,164***	**$ *2,943,549***	***42.4%***
TOTAL OUTLAYS*	**$ *6,778,546***	**$ *6,934,615***	**$ *7,334,615***	**$ *9,878,164***	**$ *2,943,549***	***42.4%***
Less Intra-District Reimb	(6,015,695)	(6,198,018)	(6,290,249)	(9,257,607)	(3,059,589)	49.4%
NET OUTLAYS	**$ *762,851***	**$ *736,597***	**$ *1,044,366***	**$ *620,557***	**$ *(116,040)***	***(15.8)%***
OTHER FINANCING SOURCES/(USES)						
Transfers Out	$ (48,843)	$ —	$ —	$ —	$ —	—
TOTAL OTHER SOURCES/(USES)	**$ *(48,843)***	**$ *—***	**$ *—***	**$ *—***	**$ *—***	***—***
BALANCE AVAILABLE	**$ *(605,759)***	**$ *(586,597)***	**$ *(894,366)***	**$ *(470,557)***	**$ *116,040***	***(19.8)%***
YEAR-END RESERVES						
Committed Reserves						
Catastrophy - Property Self-Insurance	$ 6,591,184	$ 6,230,869	$ 5,696,818	$ 5,226,261	$ (1,004,608)	(16.1)%
Workers Compensation Liability	6,621,000	6,621,000	6,621,000	6,621,000	—	—
Total Committed Reserves	**$ *13,212,184***	**$ *12,851,869***	**$ *12,317,818***	**$ *11,847,261***	**$ *(1,004,608)***	***(7.8)%***
TOTAL YEAR-END RESERVES	**$ *13,212,184***	**$ *12,851,869***	**$ *12,317,818***	**$ *11,847,261***	**$ *(1,004,608)***	***(7.8)%***

Outlay Summary by Account Type

OPERATING OUTLAY						
Salaries and Benefits	$ 2,148,763	$ 2,336,562	$ 2,336,562	$ 2,402,210	$ 65,648	2.8%
Salary Savings Factor	—	(39,039)	(39,039)	(38,367)	673	(1.7)%
Services & Supplies	3,479,721	3,333,450	3,733,450	6,155,600	2,822,150	84.7%
Intra-District Charges	1,150,062	1,303,642	1,303,642	1,358,721	55,079	4.2%
OPERATING OUTLAY TOTAL	**$ *6,778,546***	**$ *6,934,615***	**$ *7,334,615***	**$ *9,878,164***	**$ *2,943,550***	***42.4%***
TOTAL OUTLAYS	**$ *6,778,546***	**$ *6,934,615***	**$ *7,334,615***	**$ *9,878,164***	**$ *2,943,550***	***42.4%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability

Risk Management Fund Summary

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
REVENUE						
Interest Income *	$ 178,181	$ 150,000	$ 150,000	$ 150,000	$ —	—
Nonoperating Other	27,754	—	—	—	—	—
TOTAL REVENUE	**$ *205,935***	**$ *150,000***	**$ *150,000***	**$ *150,000***	**$ —**	**—**
OUTLAYS						
Operating Outlays						
Operations **	$ 6,591,230	$ 6,884,615	$ 9,828,164	$ 10,306,279	$ 478,115	4.9%
Operating Project	187,316	50,000	50,000	50,000	—	—
Total Operating Outlays	**$ *6,778,546***	**$ *6,934,615***	**$ *9,878,164***	**$ *10,356,279***	**$ *478,115***	***4.8%***
TOTAL OUTLAYS*	**$ *6,778,546***	**$ *6,934,615***	**$ *9,878,164***	**$ *10,356,279***	**$ *478,115***	***4.8%***
Less Intra-District Reimb	(6,015,695)	(6,198,018)	(9,257,607)	(10,486,493)	(1,228,886)	13.3%
NET OUTLAYS	**$ *762,851***	**$ *736,597***	**$ *620,557***	**$ *(130,214)***	**$ *(750,771)***	***(121.0)%***
OTHER FINANCING SOURCES/(USES)						
Transfers Out	$ (48,843)	$ —	$ —	$ —	$ —	—
TOTAL OTHER SOURCES/(USES)	**$ *(48,843)***	**$ —**	**$ —**	**$ —**	**$ —**	**—**
BALANCE AVAILABLE	**$ *(605,759)***	**$ *(586,597)***	**$ *(470,557)***	**$ *280,214***	**$ *750,771***	***(159.5)%***
YEAR-END RESERVES						
Committed Reserves						
Catastrophy - Property Self-Insurance	$ 6,591,184	$ 6,230,869	$ 5,226,261	$ 5,506,475	$ 280,214	5.4%
Workers Compensation Liability	6,621,000	6,621,000	6,621,000	6,621,000	—	—
Total Committed Reserves	**$ *13,212,184***	**$ *12,851,869***	**$ *11,847,261***	**$ *12,127,475***	**$ *280,214***	***2.4%***
TOTAL YEAR-END RESERVES	**$ *13,212,184***	**$ *12,851,869***	**$ *11,847,261***	**$ *12,127,475***	**$ *280,214***	***2.4%***

Outlay Summary by Account Type

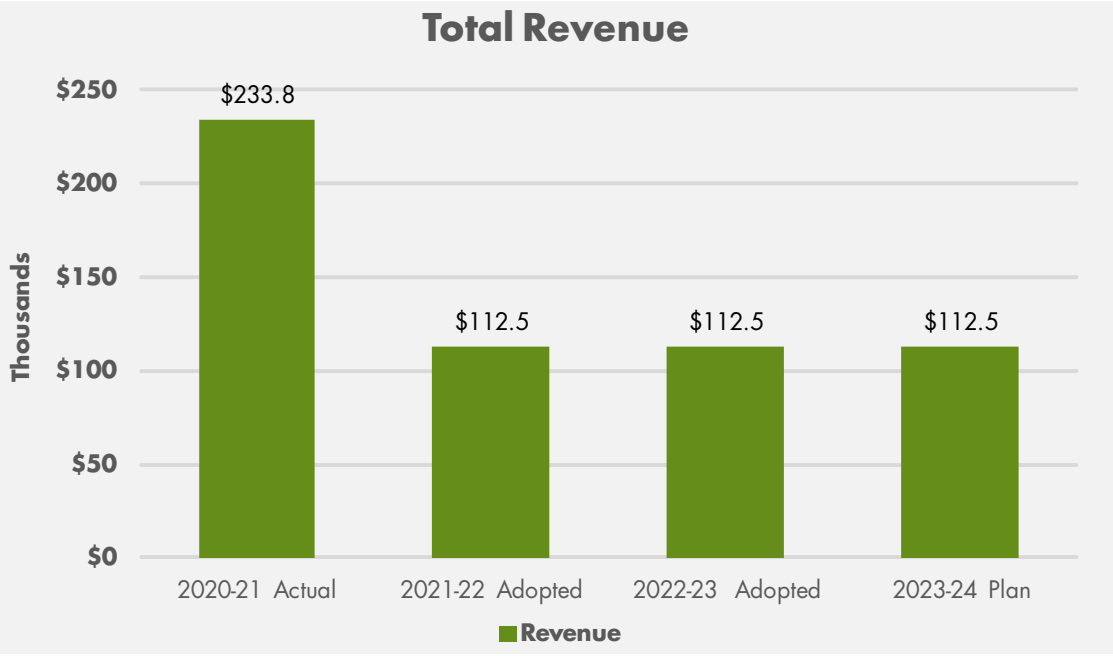
OPERATING OUTLAY						
Salaries and Benefits	$ 2,148,763	$ 2,336,562	$ 2,402,210	$ 2,507,580	$ 105,370	4.4%
Salary Savings Factor	—	(39,039)	(38,367)	(39,761)	(1,394)	3.6%
Services & Supplies	3,479,721	3,333,450	6,155,600	6,477,025	321,425	5.2%
Intra-District Charges	1,150,062	1,303,642	1,358,721	1,411,435	52,714	3.9%
OPERATING OUTLAY TOTAL	**$ *6,778,546***	**$ *6,934,615***	**$ *9,878,164***	**$ *10,356,279***	**$ *478,115***	***4.8%***
TOTAL OUTLAYS	**$ *6,778,546***	**$ *6,934,615***	**$ *9,878,164***	**$ *10,356,279***	**$ *478,115***	***4.8%***

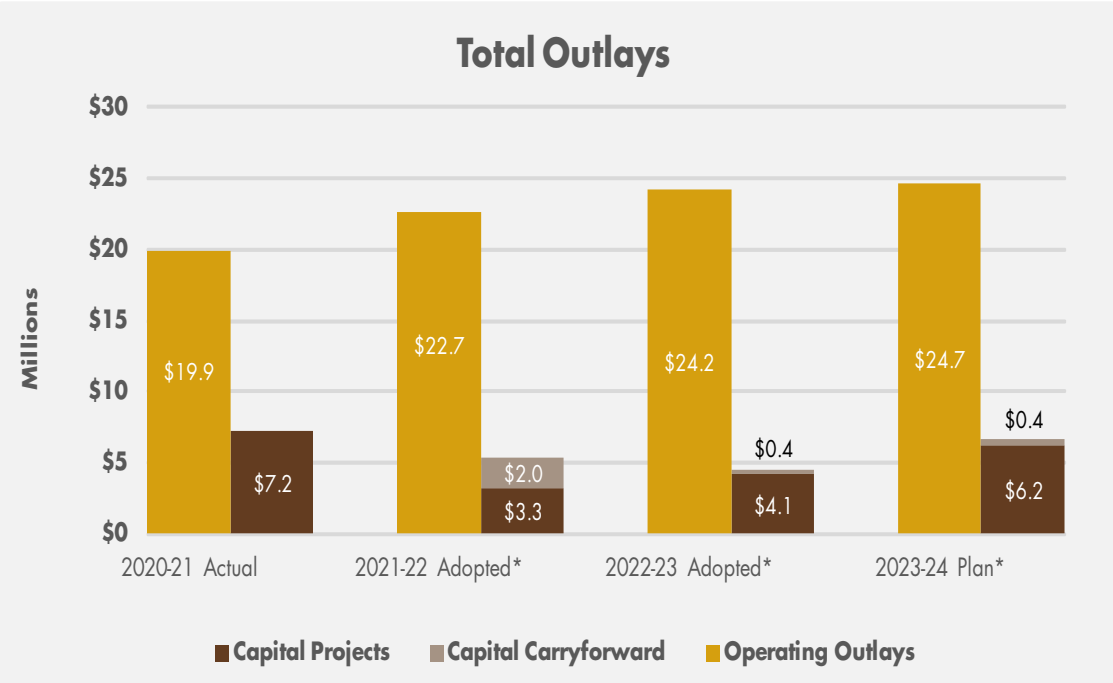
(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability

Total Outlays - Risk Management Fund

Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
Operations						
65051001	Risk Management	3,109,996	2,822,452	5,541,878	5,883,868	Office of District Counsel
65051002	Workers Compensation Program	697,499	888,119	976,160	988,833	Office of District Counsel
65051003	Health & Safety Program Mgmt	2,783,735	3,213,083	3,348,493	3,473,338	Emergency Safety & Security Division
65061004	Districtwide Salary Savings-72		(39,039)	(38,367)	(39,761)	Financial Planning and Management Services Division
Total Operations		**6,591,230**	**6,884,615**	**9,828,164**	**10,306,279**	
Operating Project						
65052001	2017 President Day Flood	187,316	50,000	50,000	50,000	Office of District Counsel
Total Operating Project		**187,316**	**50,000**	**50,000**	**50,000**	
Total		**6,778,546**	**6,934,615**	**9,878,164**	**10,356,279**	

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 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
REVENUE						
Interest Income *	$ 228,671	$ 112,500	$ 142,500	$ 112,500	$ —	—
Non-operating Other	5,111	—	—	—	—	—
TOTAL REVENUE	**$ *233,782***	**$ *112,500***	**$ *142,500***	**$ *112,500***	**$ *—***	***—***
OUTLAYS						
Operating Outlays						
Operations **	$ 19,860,524	$ 22,696,396	$ 22,696,396	$ 24,234,397	$ 1,538,001	6.8%
Total Operating Outlays	**$ *19,860,524***	**$ *22,696,396***	**$ *22,696,396***	**$ *24,234,397***	**$ *1,538,001***	***6.8%***
Capital Outlays						
Capital Projects	$ 7,192,715	$ 3,269,578	$ 11,471,458	$ 4,146,832	$ 877,254	26.8%
Carry Forward Capital Projects	—	2,025,982	—	402,273	(1,623,709)	(80.1)%
Total Capital Outlays	**$ *7,192,715***	**$ *5,295,560***	**$ *11,471,458***	**$ *4,549,105***	**$ *(746,455)***	***(14.1)%***
TOTAL OUTLAYS* **	**$ *27,053,239***	**$ *27,991,956***	**$ *34,167,854***	**$ *28,783,502***	**$ *791,546***	***2.8%***
Less Intra-District Reimb	(20,246,936)	(22,909,507)	(23,261,662)	(22,382,508)	526,999	(2.3)%
NET OUTLAYS	**$ *6,806,303***	**$ *5,082,449***	**$ *10,906,192***	**$ *6,400,994***	**$ *1,318,545***	***25.9%***
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 7,480,000	$ 3,269,000	$ 3,269,000	$ 4,062,000	$ 793,000	24.3%
Transfers Out	(173,134)	—	—	—	—	—
TOTAL OTHER SOURCES/(USES)	**$ *7,306,866***	**$ *3,269,000***	**$ *3,269,000***	**$ *4,062,000***	**$ *793,000***	***24.3%***
BALANCE AVAILABLE	**$ *734,345***	**$ *(1,700,949)***	**$ *(7,494,692)***	**$ *(2,226,494)***	**$ *(525,545)***	***30.9%***
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 7,789,192	$ —	$ 818,668	$ 416,396	$ 416,396	—
Operating and Capital Reserve	4,528,627	1,323,807	4,004,459	2,180,237	856,430	64.7%
Total Committed Reserves	**$ *12,317,819***	**$ *1,323,807***	**$ *4,823,127***	**$ *2,596,633***	**$ *1,272,826***	***96.1%***
TOTAL YEAR-END RESERVES	**$ *12,317,819***	**$ *1,323,807***	**$ *4,823,127***	**$ *2,596,633***	**$ *1,272,826***	***96.1%***

Information Technology Fund Summary (Continued)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Change from 2021-22 Adopted $ Diff	Change from 2021-22 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 6,925,171	$ 8,569,082	$ 8,569,082	$ 9,433,855	$ 864,773	10.1%
Salary Savings Factor	—	(139,940)	(139,941)	(150,235)	(10,295)	7.4%
Services & Supplies	10,263,219	10,472,104	10,472,104	10,403,004	(69,100)	(0.7)%
Intra-District Charges	2,672,133	3,795,151	3,795,151	4,547,772	752,621	19.8%
OPERATING OUTLAY TOTAL	***$ 19,860,523***	***$ 22,696,397***	***$ 22,696,396***	***$ 24,234,396***	***$ 1,537,999***	***6.8%***
CAPITAL PROJECTS						
Salaries and Benefits	$ 1,062,990	$ 484,223	$ 492,174	$ 187,924	$ (296,299)	(61.2)%
Salary Savings Factor	—	(7,656)	(7,656)	(3,058)	4,598	(60.1)%
Services & Supplies	5,569,867	2,579,868	10,769,045	3,865,153	1,285,285	49.8%
Carry Forward Capital Projects	—	2,025,982	—	402,273	(1,623,709)	(80.1)%
Intra-District Charges	559,859	213,142	217,895	96,812	(116,330)	(54.6)%
CAPITAL PROJECTS TOTAL	***$ 7,192,716***	***$ 5,295,559***	***$ 11,471,458***	***$ 4,549,104***	***$ (746,455)***	***(14.1)%***
TOTAL OUTLAYS****	***$ 27,053,239***	***$ 27,991,956***	***$ 34,167,854***	***$ 28,783,500***	***$ 791,544***	***2.8%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****) Total Outlays amounts may have a slight variance due to rounding

Information Technology Fund Summary

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
REVENUE						
Interest Income *	$ 228,671	$ 112,500	$ 112,500	$ 112,500	$ —	—
Nonoperating Other	5,111	—	—	—	—	—
TOTAL REVENUE	**$ *233,782***	**$ *112,500***	**$ *112,500***	**$ *112,500***	**$ *—***	***—***
OUTLAYS						
Operating Outlays						
Operations **	$ 19,860,524	$ 22,696,396	$ 24,234,397	$ 24,699,175	$ 464,778	1.9%
Total Operating Outlays	**$ *19,860,524***	**$ *22,696,396***	**$ *24,234,397***	**$ *24,699,175***	**$ *464,778***	***1.9%***
Capital Outlays						
Capital Projects	$ 7,192,715	$ 3,269,578	$ 4,146,832	$ 6,197,727	$ 2,050,895	49.5%
Carry Forward Capital Projects	—	2,025,982	402,273	412,623	10,350	2.6%
Total Capital Outlays	**$ *7,192,715***	**$ *5,295,560***	**$ *4,549,105***	**$ *6,610,350***	**$ *2,061,245***	***45.3%***
TOTAL OUTLAYS*	**$ *27,053,239***	**$ *27,991,956***	**$ *28,783,502***	**$ *31,309,525***	**$ *2,526,023***	***8.8%***
Less Intra-District Reimb	(20,246,936)	(22,909,507)	(22,382,508)	(23,589,553)	(1,207,045)	5.4%
NET OUTLAYS	**$ *6,806,303***	**$ *5,082,449***	**$ *6,400,994***	**$ *7,719,972***	**$ *1,318,978***	***20.6%***
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 7,480,000	$ 3,269,000	$ 4,062,000	$ 6,100,000	$ 2,038,000	50.2%
Transfers Out	(173,134)	—	—	—	—	—
TOTAL OTHER SOURCES/(USES)	**$ *7,306,866***	**$ *3,269,000***	**$ *4,062,000***	**$ *6,100,000***	**$ *2,038,000***	***50.2%***
BALANCE AVAILABLE	**$ *734,345***	**$ *(1,700,949)***	**$ *(2,226,494)***	**$ *(1,507,472)***	**$ *719,022***	***(32.3)%***
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 7,789,192	$ —	$ 416,396	$ 3,773	$ (412,623)	(99.1)%
Operating and Capital Reserve	4,528,627	1,323,807	2,180,237	1,085,388	(1,094,849)	(50.2)%
Total Committed Reserves	**$ *12,317,819***	**$ *1,323,807***	**$ *2,596,633***	**$ *1,089,161***	**$ *(1,507,472)***	***(58.1)%***
TOTAL YEAR-END RESERVES	**$ *12,317,819***	**$ *1,323,807***	**$ *2,596,633***	**$ *1,089,161***	**$ *(1,507,472)***	***(58.1)%***

Information Technology Fund Summary (Continued)

	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Adopted Budget 2022-23	Proposed Plan 2023-24	Change from 2022-23 $ Diff	Change from 2022-23 % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 6,925,171	$ 8,569,082	$ 9,433,855	$ 9,893,174	$ 459,319	4.9%
Salary Savings Factor	—	(139,940)	(150,235)	(156,946)	(6,711)	4.5%
Services & Supplies	10,263,219	10,472,104	10,403,004	10,178,773	(224,231)	(2.2)%
Intra-District Charges	2,672,133	3,795,151	4,547,772	4,784,174	236,402	5.2%
OPERATING OUTLAY TOTAL	***$ 19,860,523***	***$ 22,696,397***	***$ 24,234,396***	***$ 24,699,175***	***$ 464,779***	***1.9%***
CAPITAL PROJECTS						
Salaries and Benefits	$ 1,062,990	$ 484,223	$ 187,924	$ 198,402	$ 10,478	5.6%
Salary Savings Factor	—	(7,656)	(3,058)	(3,207)	(149)	4.9%
Services & Supplies	5,569,867	2,579,868	3,865,153	5,900,229	2,035,076	52.7%
Carry Forward Capital Projects	—	2,025,982	402,273	412,623	10,350	2.6%
Intra-District Charges	559,859	213,142	96,812	102,303	5,491	5.7%
CAPITAL PROJECTS TOTAL	***$ 7,192,716***	***$ 5,295,559***	***$ 4,549,104***	***$ 6,610,350***	***$ 2,061,246***	***45.3%***
TOTAL OUTLAYS****	***$ 27,053,239***	***$ 27,991,956***	***$ 28,783,500***	***$ 31,309,525***	***$ 2,526,025***	***8.8%***

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****) Total Outlays amounts may have a slight variance due to rounding

Total Outlays - Information Technology Fund

	Project #	Project Description	Budgetary Basis Actual 2020-2021	Adopted Budget 2021-2022	Adopted Budget 2022-2023	Proposed Plan 2023-24	Project Managed By
	Operations						
	73061004	Salary Savings-Fund 7		(139,941)	(150,235)	(156,946)	Financial Planning and Management Services Division
	73271001	Telecommunications Sys Opr/	2,479,155	3,207,913	2,148,485	1,643,638	Information Technology Division
	73271002	Technical Infrastructure Service	457,487	565,236	5,590,078	5,853,899	Information Technology Division
	73271003	Network Administration	3,124,691	3,132,706	2,361,000	2,385,000	Information Technology Division
	73271004	Information Security Admin	1,467,385	1,167,875	932,000	922,000	Information Technology Division
	73271005	Office Cmptr Maint/Help Dsk	1,289,459	2,508,192	304,000	295,000	Information Technology Division
	73271006	Info Technology Div Admin	763,008	877,598	1,086,859	1,152,607	Information Technology Division
	73271007	Emerging IT Technologies	44,639	104,000	100,000	100,000	Information Technology Division
	73271008	Software Maint & License	1,932,034	3,120,919	3,281,519	3,571,135	Information Technology Division
	73271009	Software Service	7,581,651	6,615,800	7,045,769	7,339,771	Information Technology Division
	73271010	IT Projects & Bus Operation	721,013	1,536,097	1,534,922	1,593,072	Information Technology Division
	Total Operations		**19,860,524**	**22,696,396**	**24,234,397**	**24,699,175**	
	Capital*						
	73064004	Salary Savings-Fund 73		(7,656)	(3,057)	(3,207)	Financial Planning and Management Services Division
*	73074033	CIP Development & Admin		14,414	15,143	16,173	Office of Assistant Chief Executive Officer
*	73074036	Survey Mgmt & Tech Support		21,213	6,065	7,973	Watershed Design & Construction Division
*	73074040	Capital Project Mgmt System	3,160	19,151	5,194		Office of Assistant Chief Executive Officer
*	73074041	Construction Contracts and Support		25,638	28,297	33,690	General Services Division
*	73074042	Capital Proj Mgmt and Controls			12,803	12,996	Office of Assistant Chief Executive Officer
*	73074047	Computer-Aided Design for Engineering			17,093	20,028	Office of Assistant Chief Executive Officer
	73274001	IT Disaster Recovery	494	206,045		3,136	Information Technology Division
	73274002	ERP System Implementation	4,120,794	464,280	237,419		Information Technology Division
	73274004	Network Equipment	1,375,097	595,401	911,000	2,961,000	Information Technology Division
	73274006	Office Computers Replace Equip	952,744	1,511,287	1,682,985	1,888,000	Information Technology Division
	73274008	Software Upgrades & Enhancement	356,448	344,805	1,233,889	1,257,939	Information Technology Division
	73274009	Data Consolidation	73,300	75,000			Information Technology Division
**	73274012	Telephone System Voice Over I	310,677				Information Technology Division
	Total Capital		**7,192,715**	**3,269,578**	**4,146,832**	**6,197,727**	
	Total		**27,053,239**	**25,965,974**	**28,381,228**	**30,896,902**	

*Recipient projects
**Closed, combined or no current year funding
***Capital Outlays table for FY 2021-22, FY 2022-23 and FY 2023-24 reflects new funding, does not include capital carryforward funding from prior year.



Resolutions

FY 2022–23 & FY 2023–24
Operating and Capital Rolling Biennial Budget

RESOLUTIONS

RESOLUTION NO. 22-26

APPROVING FISCAL YEARS 2023-2027 FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

WHEREAS, the Santa Clara Valley Water District (Valley Water) has determined that it is in its best interest to prepare a Five-Year Capital Improvement Program (CIP) 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 Draft Fiscal Years (FY) 2023-2027 Five-Year CIP (Draft CIP) for review and discussion on February 22, 2022; and

WHEREAS, on February 25, 2022, the Draft CIP was provided to the Town of Los Gatos and all cities within Valley Water's jurisdiction, the County of Santa Clara, the San Jose Water Company, and the Mid-Peninsula Open Space District, for their review. Valley Water staff conducted subsequent meetings with public works staff at the cities of Santa Clara, San Jose, Mountain View, and Palo Alto regarding the Draft CIP; and

WHEREAS, on April 12, April 26-27, and May 10, 2022, Valley Water conducted a public hearing for purposes of receiving input with regard to the Draft FY 2023-27 Five-Year CIP; and

WHEREAS, on May 10, 2022, the Valley Water Board of Directors directed staff to include appropriate changes to finalize the FY 2023-27 Five-Year CIP by June 30, 2022.

NOW, THEREFORE BE IT RESOLVED that Valley Water's Board of Directors does hereby approve the FY 2023-27 Five-Year Capital Improvement Program.

PASSED AND ADOPTED by the Santa Clara Valley Water District Board of Directors by the following vote on May 10, 2022:

AYES: Directors Estremera, Hsueh, Keegan, Kremen, LeZotte, Santos, Varela

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
John L. Varela
F600AB219490464...

JOHN L. VARELA
Chair Pro Tem, Board of Directors

ATTEST: MICHELE L. KING, CMC

on the back →

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 2227

ESTABLISHING LAND USE CATEGORIES, CONFIRMING A LEVY OF BENEFIT ASSESSMENTS TO MEET DULY AUTHORIZED DEBT OBLIGATIONS FOR FISCAL YEAR 2022-2023 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 2022-23, 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.

Establishing Land Use Categories, Confirming a Levy of Benefit Assessments to Meet Duly Authorized Debt Obligations for Fiscal Year 2022 2023 in Flood Control Zones of Santa Clara Valley Water District, in Accordance With Resolution Nos. 86-54, 86-55, 86-56, 86-57, and 90-7, and Authorizing a Procedure for Correcting Assessments Resolution No. 22- 27

B. Levy, fix, and establish flood control benefit assessments for fiscal year 2022-23 commencing July 1, 2022, and ending June 30, 2023, 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 2022–2023

Flood Control Zone	Debt Obligation
Northwest	$2,730,584
North Central	$2,231,223
Central	$4,480,020
East	$3,923,421
South	$0

C. The actual 2022-2023 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.

Establishing Land Use Categories, Confirming a Levy of Benefit Assessments to Meet Duly Authorized Debt Obligations for Fiscal Year 2022 2023 in Flood Control Zones of Santa Clara Valley Water District, in Accordance With Resolution Nos. 86-54, 86-55, 86-56, 86-57, and 90-7, and Authorizing a Procedure for Correcting Assessments — Resolution No. 22-27

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 10, 2022:

AYES: Directors Estremera, LeZotte, Hsueh, Keegan, Kremen, Santos, Varela

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

JOHN L. VARELA
Chair Pro Tem, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

25317365
Regina Alcomendras
Santa Clara County - Clerk-Recorder
06/09/2022 10:51 AM
CONFORMED COPY
Copy of document recorded.
Has not been compared with original.

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 22-28

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 2022-2023

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 the 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, 2022, through June 30, 2023, that includes the proposed special tax rates for that year ("Report"), and presented that Report on May 10, 2022, 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 2022-2023 (FY 2022-23)."

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: (i) 0.25 acre for Groups A, B, and C; and (ii) 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.

25317367
Regina Alcomendras
Santa Clara County - Clerk-Recorder
06/09/2022 10:51 AM
CONFORMED COPY

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 2022-2023 Resolution No. 22-28

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: $581.11 per acre, $145.26 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: $435.83 per acre, $108.96 minimum for parcels up to 0.25 acre; and (2) condominiums and townhouses: $35.35 per unit.

Group C: Parcels up to 0.25 acre used for single-family residences and multiple-family units up to four units: $72.60. The first 0.25 acre of a parcel of land used for single-family residential purposes: $72.60.

Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses and similar uses: $3.72 per acre, $37.24 minimum on parcels less than 10 acres. (2) The portion of a parcel, if any, in excess of 0.25 acre used for single-family residential purposes: $3.72 per acre.

Group E: Vacant undisturbed land (1) in urban areas: $1.09 per acre, $10.97 minimum on parcels less than 10 acres; and (2) in rural areas: $0.15 per acre, with a $10.97 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 2022-2023 upon requesting such exemption from Valley Water prior to or during fiscal year 2022-2023. Granting similar exemptions for fiscal years beyond fiscal year 2022-2023 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.

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 2022-2023 Resolution No. 22-28

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 10, 2022:

AYES: Directors Santos, Estremera, Hsueh, Kremen, LeZotte, Varela.

NOES: Directors None

ABSENT: Directors Keegan

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

JOHN L. VARELA
Chair Pro Tem, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 22-29

DETERMINING GROUNDWATER PRODUCTION CHARGES FOR FISCAL YEAR 2022–2023

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 25th day of February 2022, 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 12th day of April 2022, by teleconference, videoconference, or both and at the time stated;

4. That on February 25, 2022, 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 the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20 issued on March 17, 2020, allows attendance by members of the Board of Directors, Valley Water staff, and the public to participate and conduct public meetings and hearings by teleconference, videoconference, or both;

6. That pursuant to Section 26.6 of the District Act and consistent with the Governor's Executive Order N-29-20, on the 12th day of April 2022, at 6 p.m. via a virtual public hearing held by teleconference and videoconference, an opportunity was given to the public to comment on said report to Board members located at the Valley Water Boardroom and on video conference, was continued for further hearing to the evening of April 14, 2022 (teleconference and videoconference) and again to the evening of April 26, 2022 (teleconference, videoconference and in-person attendance in the Valley Water Boardroom located at 5700 Almaden Expressway, San Jose), and said public hearing was duly commenced and concluded, more than 45 days after notice of the hearing was given;

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 2022–2023 groundwater production charges per acre-foot for agricultural water and 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 2022–2023 (July 1, 2022–June 30, 2023) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$1,724.00	$36.85

THIRD: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2022–2023 groundwater production charges per acre-foot for agricultural water and 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 2022–2023 (July 1, 2022–June 30, 2023) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$513.00	$36.85

FOURTH: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2022–2023 groundwater production charges per acre-foot for agricultural water and 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 2022–2023 (July 1, 2022–June 30, 2023) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$582.50	$36.85

FIFTH: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2022–2023 groundwater production charges per acre-foot for agricultural water and 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 2022–2023 (July 1, 2022–June 30, 2023) at the following per acre-foot rates:

7. 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;

8. 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;

9. 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;

10. 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

11. That the California Environmental Quality Act does not apply to approval of these charges pursuant to the statutory exemption set forth in California Code of Regulations Title 14, Chapter 3, Section 15273, because, as identified in Valley Water's annual report on the protection and augmentation of the water supplies of Valley Water, the charges are expressly made for the purpose of:

    a. Meeting operating expenses, including employee wage rates and fringe benefits;

    b. Purchasing or leasing supplies, equipment, or materials;

    c. Meeting financial reserve needs; and

    d. Obtaining funds for capital projects necessary to maintain service within existing service areas.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

FIRST: Valley Water activities in the geographic area identified as Zone W-2 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; Valley Water activities in the geographic area of Valley Water identified as Zone W-5 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; Valley Water activities in the geographic area of Valley Water identified as Zone W-7 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; and Valley Water activities in the geographic area of Valley Water identified as Zone W-8 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone. Revenues derived from groundwater production charges shall be used only for such activities as authorized under the District Act.

Determining Groundwater Production Charges for Fiscal Year 2022–2023
Resolution No. 22-29

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 10, 2022:

AYES: Directors Santos, Hsueh, Estremera, Keegan, Kremen, LeZotte, Varela

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
John L. Varela
F600AB219490464...
JOHN L. VARELA
Chair Pro Tem, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
Michele L King
7E1632DBD93E40C...
Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 22-30

DETERMINING SURFACE WATER, TREATED WATER, AND SOUTH COUNTY RECYCLED WATER CHARGES FOR FISCAL YEAR 2022–2023

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 25, 2022, 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 the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20 issued on March 17, 2020, allows attendance by members of the Board of Directors, Valley Water staff, and the public to participate and conduct public meetings and hearings by teleconference, videoconference, or both;

4. That pursuant to Section 26.6 of the District Act and consistent with the Governor's Executive Order N-29-20, on the 12th day of April 2022, at 6 p.m. via a virtual public hearing held by teleconference and videoconference, an opportunity was given to the public to comment on said report to Board members located at the Valley Water Boardroom and on video conference, and was continued for further hearing to the evening of April 14, 2022 (teleconference and videoconference) and again to the evening of April 26, 2022 (teleconference, videoconference and in-person attendance in the Valley Water Boardroom located at 5700 Almaden Expressway, San Jose), whereupon the hearing was concluded;

5. That during said public hearing, additional information and evidence was provided that was considered by the Board in making this decision;

6. 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;

7. 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;

8. 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

9. That the California Environmental Quality Act does not apply to approval of these charges pursuant to statutory exemption California Code of Regulations Title 14, Chapter 3, Section 15273, because, as identified in Valley Water's annual report on the protection and augmentation of the water supplies of Valley Water, the charges are expressly made for the purpose of:

   a. Meeting operating expenses, including employee wage rates and fringe benefits;

   b. Purchasing or leasing supplies, equipment, or materials;

   c. Meeting financial reserve needs; and

   d. Obtaining funds for capital projects necessary to maintain service within existing service areas.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that, subject to the provisions of a minimum charge as set forth in Item 5 below, the charges to be applied in fiscal year 2022–2023 (July 1, 2022–June 30, 2023) for surface-delivered water of Valley Water, for Valley Water watermaster service and, where applicable, for capital cost repayment, and the area within which such charges shall be applied will be as follows:

1. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-2 is:

Water Other Than Agricultural	Agricultural Water
$1,724.00	$36.85

2. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-5 is:

Water Other Than Agricultural	Agricultural Water
$513.00	$36.85

3. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-7 is:

Water Other Than Agricultural	Agricultural Water
$582.50	$36.85

4. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-8 is:

Water Other Than Agricultural	Agricultural Water
$368.50	$36.85

5. The charge for watermaster service throughout Valley Water whether such service is for agricultural water or for water other than agricultural water shall be $47.10 per acre-foot; and

6. Charges per acre-foot for surface water delivered to users in Valley Water outside of Zone W-2, Zone W-5, Zone W-7, or Zone W-8 shall be the same as those imposed within the zone to which the user's turnout is most nearly located.

BE IT FURTHER RESOLVED that upon due review of anticipated costs and revenues of Valley Water, the following rate schedule in dollars per acre-foot for the delivery of treated water is hereby established as the Contract Treated Water Charge, which is comprised of the Basic User Charge and the Treated Water Surcharge for the 2022–2023 fiscal year (July 1, 2022–June 30, 2023):

Charge	Amount
Basic User Charge	$1,724.00
Treated Water Surcharge	115.00
Contract Treated Water Charge	$1,839.00

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 2022–2023 fiscal year (July 1, 2022–June 30, 2023):

Water Other Than Agricultural	Agricultural Water
$493.00	$64.25

Determining Surface Water, Treated Water, and South County Recycled Water Charges for Fiscal Year 2022–2023 — Resolution No. 22-30

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 10, 2022:

AYES:	Directors	Santos, Hsueh, Estrmera, Keegan, Kremen, LeZotte, Varela
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
John L. Varela
F600AB219490464...

JOHN L. VARELA
Chair Pro Tem, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
Michele L. King
7E1632DBD93E40C...

Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 22-31

APPROVING AND ADOPTING THE OPERATING AND CAPITAL ROLLING BIENNIAL BUDGET FOR FISCAL YEAR 2022-23

WHEREAS, on April 27, 2022, the Board of Directors of the Santa Clara Valley Water District (Valley Water) held its annual budget work study sessions to review and consider the Proposed Operating and Capital Rolling Biennial Budget (Budget) for Fiscal Year (FY) 2022-23; 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 2022-23 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 2022-23; 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 2022-23 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 2022-23, 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 2022-23 Operating, Capital, and Interfund Transfer Budget

1.	General Fund (11)	$88,795,517
2.	Watershed and Stream Stewardship Fund (12)	$140,364,730
3.	Lower Peninsula Watershed Fund (21)	$2,749,874
4.	West Valley Watershed Fund (22)	$2,244,437
5.	Guadalupe Watershed (23)	$4,507,147
6.	Coyote Watershed Fund (24)	$3,944,599
7.	Safe, Clean Water and Natural Flood Protection Fund (26)	$133,110,600
8.	Water Enterprise Fund (61)	$618,992,371
9.	State Water Project Fund (63)	$28,256,645
10.	Fleet Management Fund (71)	$7,582,071
11.	Risk Management Fund (72)	$9,878,164
12.	Information Technology Fund (73)	$28,381,229

FY 2022-23 Reserves Budget

1.	General Fund (11)	$9,094,273
2.	Watershed and Stream Stewardship Fund (12)	$102,258,981
3.	Safe, Clean Water and Natural Flood Protection Fund (26)	$151,691,968
4.	Water Enterprise Fund (61)	$117,219,235
5.	State Water Project Fund (63)	$6,352,289
6.	Fleet Management Fund (71)	$1,420,160
7.	Risk Management Fund (72)	$11,847,261
8.	Information Technology Fund (73)	$2,596,633

BE IT FURTHER RESOLVED, that:

1. Any subsequent changes to the Adopted Valley Water FY 2022-23 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 2021-22 for capital projects are hereby reappropriated to FY 2022-23 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 2022-23. The portion of the balances that are not reappropriated to FY 2022-23 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 2022-23 in Committed Reserves, Restricted Reserves and Other Reserves from those estimated in this FY 2022-23 Budget not otherwise reappropriated above shall result in corresponding adjustments to the FY 2022-23 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 2023-24, 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 10, 2022:

AYES:	Directors	Santos, Hsueh, Estremera, Keegan, Kremen, LeZotte, Varela
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
John L. Varela
F600AB219490464...

JOHN L. VARELA
Chair Pro Tem, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
Michele L King
7E1632DBD93E40C...

Clerk, Board of Directors

RL14837

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 22-32

PROVIDING FOR A LEVY OF AD VALOREM REAL PROPERTY TAXES IN FISCAL YEAR 2022-23 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, 2022, and ending June 30, 2023 (Fiscal Year 2022-23), will be at least $27.0 million; and

WHEREAS, Section 11652 of the California Water Code requires the Valley Water Board of Directors (Board) to levy a tax sufficient to assure payment of sums due under Valley Water's Water Supply Contract; and

WHEREAS, Section 1(b) of Article XIIIA of the California Constitution exempts ad valorem property tax levies to make payments upon indebtedness approved by the voters prior to July 1, 1978, from the limitation set forth in Section 1(a) of Article XIIIA; and

WHEREAS, Valley Water's indebtedness from its Water Supply Contract falls within such exemption; and

WHEREAS, Valley Water's Water Supply Contract is protected against impairment under the provisions of Article I, Section 10 of the Constitution of the United States and Article I, Section 9 of the California Constitution prohibiting the impairment of the obligation of contracts; and

WHEREAS, the Board, 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 2022-23 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 practicable to raise said sums from water rates or other sources; and

WHEREAS, said ad valorem real property tax is consistent with Valley Water's past practice and is consistent with (Goodman v. County of Riverside (1983) 140 C.A. 3d quo), the approach of other water districts and agencies that maintain water supply contracts with the State.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

1. That said Board has determined that the amounts necessary to be raised by taxation during Valley Water's Fiscal Year 2022-23 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

Providing for a Levy of Ad Valorem Real Property Taxes in Fiscal Year 2022-23 to Meet the Cost of Its Water Supply Contract With the State of California — Resolution No. 22-32

$27.0 million for payments on Valley Water's State Water Supply Contract dated November 20, 1961.

2. 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 2022-23 an ad valorem real property tax within Valley Water sufficient to raise the sum of $27.0 million to meet that portion of Valley Water's Water Supply Contract obligation which may be lawfully so raised.

3. 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 10, 2022:

AYES:	Directors	Santos, Hsueh, Estremera, Keegan, Kremen, LeZotte, Varela
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
John L. Varela
F600AB219490464...

JOHN L. VARELA
Chair Pro Tem, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
Michele L King
7E1632DBD93E40C...

Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 22-33

AUTHORIZING THE TRANSFER OF FUNDS FROM SPECIAL PURPOSE FUNDS AND MAKING CERTAIN DETERMINATIONS IN CONNECTION THEREWITH

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, Valley Water has previously established a Supplemental Water Supply Reserve, a Drought Reserve, a Silicon Valley Advanced Water Purification Center Reserve, a San Felipe Emergency Reserve, and a P3 Reserve and such reserves have each been designated as a Special Purpose Fund (each a "Special Purpose Fund" and together the "Special Purpose Funds") under Resolution No. 16-10 adopted by the Board of Directors of Valley Water (as such resolution has been amended to date, the "Water Utility Parity System Master Resolution"); and

WHEREAS, pursuant to the Water Utility Parity System Master Resolution, Valley Water may transfer funds from the Special Purpose Funds to the Water Utility System Revenue Fund (as established by and defined in the Water Utility Parity System Master Resolution) upon certain determinations made by the Board of Directors; and

WHEREAS, the Board of Directors desires to make the determinations herein and to authorize the transfer of funds from one or more of the Special Purpose Funds to the Water Utility System Revenue Fund in the maximum amounts set forth herein.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District does hereby find, determine, declare, and resolve as follows:

Section 1. **Determinations for Transfers**. This Board hereby determines that: (a) (i) non-routine expenditures are reasonably expected to be incurred in fiscal year 2022-23 in that, as a result of drought conditions and reduced imported water allocations to Valley Water, it is necessary for Valley Water to purchase additional emergency water supplies, and (ii) reduced Current Water Utility System Revenues (as defined in the Water Utility Parity System Master Resolution) have resulted from such drought conditions and reduced imported water allocations; and (b) application of amounts on deposit in one or more of the Special Purpose Funds to the costs of such supplemental water purchases is financially prudent and necessary.

Section 2. **Transfers of Amounts From Special Purpose Funds**. Based on the determinations set forth in Section 1 above, the Board of Directors hereby authorizes transfers from one or more of the Special Purpose Funds to the Water Utility System Revenue Fund in an aggregate amount not to exceed $23,000,000. The Chief Executive Officer and the Chief Financial Officer (together, the "Authorized Officers") are each hereby authorized to take such actions as necessary to effectuate the foregoing transfers to pay costs described in Section 1 above incurred during fiscal year 2022-23.

Section 3. **Other Actions**. The Authorized Officers and such other officers and staff of the Valley Water are authorized and directed, acting singly, to do any and all things and to execute and deliver any and all documents which such officers may deem necessary or advisable in

order to effectuate the purposes of this Resolution, and such actions in connection therewith previously taken by such officers and staff are hereby ratified and confirmed.

Section 4. **Effect**. 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 10, 2022:

AYES:	Directors	Santos, Hsueh, Estremera, Keegan, Kremen, LeZotte, Varela
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
John L. Varela
F600AB219490464...

JOHN L. VARELA
Chair Pro Tem, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
Michele L King
7E1632DBD93E40C...

Clerk, Board of Directors

Authorizing the Transfer of Funds From Special Purpose Funds and Making Certain Determinations in Connection Therewith — Resolution No. 22-33

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a full, true and correct copy of the original thereof on file in my office.

Dated: May 10, 2022

SANTA CLARA VALLEY WATER DISTRICT

By: DocuSigned by: Michele L King 7E1632DBD93E40C...
MICHELE L. KING, CMC
Clerk, Board of Directors

(Seal)

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 22-34

DELEGATING AUTHORITY TO DEPOSIT AND INVEST FUNDS TO THE TREASURER OR THEIR DESIGNEE

WHEREAS, the Board of Directors (Board) of the Santa Clara Valley Water District (Valley Water), in accordance with Executive Limitation 4.9, believes that public funds should be prudently invested or deposited consistent with applicable laws and the policies of the Board to produce revenue for Valley Water; and

WHEREAS, from time to time, there are Valley Water funds available for the purpose of investment or deposit; and

WHEREAS, the Board of Valley Water has, pursuant to the provisions of California Government Code Sections 53607 and 53608, determined to delegate to the Treasurer/Chief Financial Officer (CFO), designated by the Chief Executive Officer (CEO), authority to invest or deposit such funds in accordance with the provisions of the Government Code; and

WHEREAS, it will be more convenient in the handling of said bonds or other securities so purchased that they be kept in safekeeping by said banks while they are the property of Valley Water.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that the Treasurer/CFO, designated by the CEO, pursuant to California Government Code Sections 53607 and 53608, is hereby authorized to invest, deposit, or deposit for safekeeping, as far as possible, all money belonging to, or in the custody of, Valley Water pursuant to the Title 5, Division 2, Part 1, Chapter 4, Articles 1 and 2 of the Government Code, as amended from time to time and as directed by the policies of the Board.

BE IT FURTHER RESOLVED that the Treasurer and their designee (the Treasury and Debt Officer) be and are hereby authorized to invest in permissible investments, or to deposit in interest-bearing accounts with authorized financial institutions, funds in a sinking fund or funds of Valley Water from any of the various accounts of Valley Water when such funds will not be needed for the immediate necessities of Valley Water.

BE IT FURTHER RESOLVED that the resolution shall be effective for fiscal year 2022-23, and shall be reconsidered by the Board at a public meeting annually.

Delegating Authority to Deposit and Invest Funds to the Treasurer or Their Designee
Resolution No. 22-34

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 10, 2022:

AYES: Directors Hsueh, Santos, Estremera, Keegan, Kremen, LeZotte, Varela

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
John L. Varela
F600AB219490464...

JOHN L. VARELA
Board of Directors Chair Pro Tem

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
Michele L King
7E1632DBD93E40C...

Clerk, Board of Directors

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 22-39

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 2022-2023 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 $385,000,000 pursuant to Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5, of the California Government Code on the terms set forth herein.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District:

SECTION 1. DEFINITIONS

Unless the context otherwise requires, the terms defined in this Section have the meanings herein specified.

"Authorizing Law" means Article 7.6, Chapter 4, Part 1, Division 2, Title 5, of the California Government Code.

"Bonds" means all revenue bonds or notes of Valley Water authorized, executed, issued and delivered by Valley Water, which are secured by a pledge of and lien on the Water Utility System Revenues in accordance with Section 2.1 and are payable from Net Water Utility System Revenues in accordance with Section 2.2(d) of the Master Resolution.

"Chief Executive Officer" means the duly-appointed Chief Executive Officer or any duly appointed Acting or Interim Chief Executive Officer of Valley Water.

"Chief Financial Officer" means the duly-appointed Chief Financial Officer or any duly-appointed Acting or Interim Chief Financial Officer of Valley Water.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder.

"Contract" means all installment purchase agreements or other contracts of Valley Water authorized and executed by Valley Water, which are secured by a pledge and lien on the Water Utility System Revenues in accordance with Section 2.1 and are payable from Net Water Utility System Revenues in accordance with Section 2.2(d) of the Master Resolution.

"Master Resolution" means the Water Utility Parity System Master Resolution No. 16-10 adopted by the Board of Directors of Valley Water on February 23, 2016, as amended.

"Net Water Utility System Revenues" has the meaning set forth in the Master Resolution.

"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 2022-2023 Tax-Exempt Tax and Revenue Anticipation Notes to be issued hereunder.

"Taxable Notes" means the Santa Clara Valley Water District 2022-2023 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 $385,000,000, which when added to the interest payable thereon, will not exceed 85 percent of the estimated amount of the then uncollected taxes, income, revenue, cash receipts, and other moneys of Valley Water which will be available for the payment therefor. A certificate of the Chief Executive Officer or Chief Financial Officer certifying to such effect, in the form attached hereto as "Exhibit B," shall be completed on or prior and as a condition to, the delivery of the Notes. The Tax-Exempt Notes shall be designated "Santa Clara Valley Water District 2022-2023 Tax-Exempt Tax and Revenue Anticipation Notes" and the Taxable Notes shall be designated "Santa Clara Valley Water District 2022-2023 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, 2023. The Notes shall bear a rate of interest which shall be determined on the date of issuance of the commercial paper notes or other short-term obligations to which such Notes are pledged and shall be a rate which when multiplied by the principal amount of such Notes outstanding on such day will be equal to the interest accruing with respect to the commercial paper or other short-term obligations to which such Notes are pledged outstanding on such date and shall be payable in accordance with the terms thereof. Each Note shall be prepayable in whole or in part on any day on which the commercial paper or other short-term obligations to which such Note is pledged is due and payable in the event that Valley Water declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of the Notes will be used for any Valley Water purpose including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

SECTION 3. EXECUTION OF THE NOTES

The Chief Executive Officer and Chief Financial Officer are hereby authorized and directed to sign the Notes, by such officer's manual, printed, lithographed or facsimile signatures.

SECTION 4. FORM OF THE NOTES

The Notes shall be issued in substantially the form set forth in "Exhibit A" attached hereto and incorporated herein and may be issued in typewritten form.

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 24, 2022:

AYES: Directors Estremera, Santos, Hsueh, Keegan, LeZotte, Varela

NOES: Directors None

ABSENT: Directors Kremen

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
John L. Varela
F600AB219490464...

JOHN L. VARELA
Chair Pro Tem, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:
Michele L. King
7E1632DBD93E40C...

Clerk, Board of Directors

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 — Resolution No. 22-39

EXHIBIT A

SANTA CLARA VALLEY WATER DISTRICT
2022–2023 TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE

FOR VALUE RECEIVED, the Santa Clara Valley Water District ("Valley Water") acknowledges itself indebted to and promises to pay to Santa Clara Valley Water District Public Facilities Financing Corporation ("Corporation") $225,000,000 in lawful money of the United States of America, on October 1, 2023, 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 2022-2023 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 24, 2022 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.

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 — Resolution No. 22-39

IN WITNESS WHEREOF, the Santa Clara Valley Water District has caused this Note to be executed by the manual or facsimile signature of its Chief Executive Officer or Chief Financial Officer and the General Counsel or the General Counsel's designee, all as of July 1, 2022.

SANTA CLARA VALLEY WATER DISTRICT

By: DocuSigned by: Rick Callender 494EFB72AD8C4F9...
Rick L. Callender, Esq.
Chief Executive Officer

APPROVED AS TO FORM:

By: DocuSigned by: Brian Hopper 82061720678A430...
Brian Hopper
Senior Assistant District Counsel

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 — Resolution No. 22-39

SANTA CLARA VALLEY WATER DISTRICT
2022–2023 TAXABLE TAX AND REVENUE ANTICIPATION NOTE

FOR VALUE RECEIVED, the Santa Clara Valley Water District ("Valley Water") acknowledges itself indebted to and promises to pay to Santa Clara Valley Water District Public Facilities Financing Corporation ("Corporation") $160,000,000 in lawful money of the United States of America, on October 1, 2023, 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 2022-2023 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 24, 2022 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.

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 — Resolution No. 22-39

IN WITNESS WHEREOF, the Santa Clara Valley Water District has caused this Note to be executed by the manual or facsimile signature of its Chief Executive Officer or Chief Financial Officer, and the General Counsel or the General Counsel's designee, all as of July 1, 2022.

SANTA CLARA VALLEY WATER DISTRICT

By: DocuSigned by: Rick Callender 494EFB72AD8C4F9...
Rick L. Callender, Esq.
Chief Executive Officer

APPROVED AS TO FORM:

By: DocuSigned by: Brian Hopper 82061720678A430...
Brian Hopper
Senior Assistant District Counsel

EXHIBIT B

$385,000,000
SANTA CLARA VALLEY WATER DISTRICT
2022–2023 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 $385,000,000, 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 2022–23 Valley Water-wide Estimated Uncollected Taxes, Income, Revenue, Cash Receipts and Other Money[1] (A)	$525,700,000
FY 2022–23 Tax and Revenue Anticipation Notes:	
Principal Amount of the Notes[2]	385,000,000
Interest on the Notes[3]	58,776,667
Total (B)	$443,776,667
Percentage (B)/(A)	84.42%

Dated: July 1, 2022

SANTA CLARA VALLEY WATER DISTRICT

By: DocuSigned by: Darin Taylor 9CB8A1450C2B497...
Darin Taylor
Chief Financial Officer

[1] Source: *FY 2022-23 Preliminary Budget*.
[2] Up to $225 million in Tax-Exempt Notes and $160 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. 22-40

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 does 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 $309,900,000.

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.

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 24, 2022:

AYES: Directors Estremera, Santos, Hsueh, Keegan, LeZotte, Varela

NOES: Directors None

ABSENT: Directors Kremen

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: DocuSigned by: John L. Varela F600AB219490464...
JOHN L. VARELA
Chair Pro Tem, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by: Michele L King 7E1632DBD93E40C...
Clerk, Board of Directors

EXHIBIT A

DESCRIPTION OF PROJECT

Various capital improvements set forth in the Fiscal Year 2023-27 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. 22-41

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 $96,400,000.

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 24, 2022:

AYES: Directors Estremera, Santos, Hsueh, Keegan, LeZotte, Varela

NOES: Directors None

ABSENT: Directors Kremen

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: DocuSigned by: John L. Varela F600AB219490464...
JOHN L. VARELA
Chair Pro Tem, Board of Directors

ATTEST: MICHELE L. KING, CMC

EXHIBIT A

DESCRIPTION OF PROJECT

Various Safe, Clean Water and Natural Flood Protection capital improvements set forth in the Fiscal Year 2023-27 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. 22-42

ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2022-23

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 that the Appropriations Limit for Fiscal Year 2022-23 is hereby established at $187,289,721 by applying the percentage change in California per capita personal income of 7.55 percent, and the Santa Clara County population percentage change over prior year of -0.69 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 2022-23 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 28, 2022:

AYES:	Directors	T. Estremera, G. Kremen, N. Hsueh, B. Keegan, L. LeZotte, R. Santos, J. Varela
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

SANTA CLARA VALLEY WATER DISTRICT

John L Varela

JOHN L. VARELA
Chair Pro Tem, Board of Directors

ATTEST: MICHELE L. KING, CMC

Michele L King

Clerk, Board of Directors

Santa Clara Valley Water District Fiscal Year 2022-23
Appropriations Limit on the Proceeds of Taxes*

	FY 2021-22 Appropriations Limit	Ratio of Change	FY 2022-23** Appropriations Limit	FY 2022-23 Budgeted Proceeds of Taxes	Amount Under/(Over) Limit
Watershed & Stream Stewardship	$175,348,489	1.0681	$187,289,721	$40,321,659	$147,058,062

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 7.55 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, 2021, to January 1, 2022, to be used in setting the Appropriations Limit for Fiscal Year 2022-23. That change is negative 0.69 percent.

Per Capita Personal Income:	7.55%	converted to a factor	= 1.0755
Population (Santa Clara County):	−0.69%	converted to a factor	= 0.9931
	Ratio of Change:	**(1.0755 x 0.9931)**	= **1.0681**

*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.

This page left intentionally blank.



Appendices

FY 2022–23 & FY 2023–24
Operating and Capital Rolling Biennial Budget

APPENDIX A - GLOSSARY

Appendix A - Glossary

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.

Accrual

The accumulation or increase of something over time, especially payments or benefits.

Annual Comprehensive Financial Report (ACFR)

The official annual financial report of the District, prepared by the General Accounting Unit, and is usually referred to by its abbreviation, the report summarizes financial data for the previous fiscal year in a standardized format. The ACFR 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.

Acre Feet (AF)

The volume of water required to cover 1 acre of land (43,560 square feet) to a depth of 1 foot.

Ad Valorem Tax

A tax based on value (e.g., a property tax).

Adjusted Budget

The prior year's Adopted Budget, plus adjustments approved by the Board and Chief Executive Officer (CEO) through publication date of the current year's Requested Budget. Does not include prior year balance carry forward for multi-year Capital Project budgets.

Adopted Budget

The Adopted Budget represents estimated revenues and appropriations for the next year that are adopted by the District's Board of Directors.

Agreements, Contractual

Contractual agreements made by the District with other governmental agencies for cost sharing or project cost reimbursement.

Allocated Project

Projects whose budget and actual charges are distributed between one or more projects. The projects may be in a single fund or they can be in multiple funds. Allocated projects are distributed based on formulas set during annual budget preparation. These formulas are not static and they can vary every fiscal year. Every attempt is made to maintain the percent distribution fixed within a given fiscal year.

Americans with Disabilities Act (ADA)

Americans with Disabilities Act, Public Law 336 of the 101st Congress, enacted July 26, 1990. The ADA prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities and transportation.

Appropriation

A legal authorization granted through the Santa Clara Valley Water District Act that allows the District to expend funds and incur obligations in accordance with the purpose of the Act. An appropriation could include all reserves, transfers, allocations, and supplemental appropriations, and is typically limited in amount and the time it may be expended.

Assessed Valuation

An official government value placed upon real estate or other property as a basis for levying taxes.

Asset

A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events. Examples of assets are cash, receivables, and equipment.

Appendix A - Glossary

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.

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.

Appendix A - Glossary

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 2 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.

Capital Projects

Projects that are budgeted within the Capital Budget and fall within the definition of Capital Expenditures, meaning they (1) create or extend the lives of assets, (2) their work products have a useful life of greater than two years, and (3) they involve an expenditure of District resources in excess of $50,000.

Capital Improvement Program (CIP)

Capital projects are multi-year budgeted projects. Capital projects exceed $50,000 in cost, have long-term life spans and are generally non-recurring.

Carry-Forward

A portion or total of the unspent balance of an appropriation that is made available for expenditure in the succeeding fiscal year.

Certificates of Participation (COPs)

A form of lease revenue bond that permits the investor to participate in a stream of lease payments, installment payments or loan payments relating to the acquisition or construction of specific equipment, land or facilities.

CEQA

California Environmental Quality Act

CIP

See Capital Improvement Plan

Commercial Paper

Short term debt (1-270 days) issued primarily to fund capital expenditures.

Contingency Appropriation

A provision for unforeseen expenditures.

Cost Center

Cost Centers are separate financial accounting centers in which costs are accumulated because of legal and accounting requirements. The first two digits of a project number identify the cost center.

Appendix A - Glossary

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.

District Act

The Santa Clara Valley Water District was created by an act of the California Legislature, and operates as a state of California Special District, with jurisdiction throughout Santa Clara County.

DWR

State Department of Water Resources

EIR

Environmental Impact Report

Encumbrances

Commitments related to unperformed (executory) contracts for goods or services. Encumbrances represent the estimated amount of expenditures that will result if unperformed contracts in process are completed.

Ends

Board established policies that describe the mission, outcomes, and results to be achieved by the District.

Enterprise Fund

A fund established to finance and account for the acquisition, operations, and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges; or where the governing body of the governmental unit has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate.

Executive Limitations (EL)

Constraints on the Board Appointed Officers, set by the Board, establishing the prudence and ethics boundaries within which all executive activity and decisions must take 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, and intergovernmental grants, entitlements, and shared revenues. The major expenditure categories used by the District are labor and overhead, services & supplies, land and structures, equipment, and debt service.

FAHCE

Fisheries and Aquatic Habitat Collaborative Effort

Fixed Assets

Long-lived tangible assets such as automobiles, computers and software, furniture, communications equipment, hydrologic equipment, office equipment, and other equipment with a value of $2,000 or more, or the combined value of like or related units (aggregate value) is greater than $5,000 if the unit value is less than $2,000.

Fiscal Year

A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The District's fiscal year is July 1 through June 30.

Appendix A - Glossary

Full Time Equivalent (FTE)

The number of equivalent staff positions actually available, after adjusting for estimated vacancies. It is equal to the total labor hours divided by the standard annual labor hours of 2,080 for a full time employee.

Fund

A reserve of money set aside for some purpose; a fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance

The net effect of assets less liabilities at any given point in time.

Gann Limit (Proposition 4)

Under this article of the California Constitution, the District must compute an annual appropriations limit, which places a ceiling on the total amount of tax revenues the District can actually appropriate annually.

GASB

Governmental Accounting Standards Board

General Fund

A fund used to account for major operating revenues and expenditures, except for those financial transactions that are required to be accounted for in another fund. General Fund revenues are derived primarily from property and other taxes.

Generally Accepted Accounting Principles (GAAP)

Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

General Obligation Debt

Secured by the full faith and credit of the issuer. It is repaid with General Revenue and borrowings.

GFOA

Government Finance Officers Association

Government Finance Officers Association (GFOA) Distinguished Budget Award

Highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by the management, staff, and elected officials of recipients. Budgets are evaluated for effectiveness as a policy document, a financial plan, an operations guide, and as a communication device.

Governmental Funds

Fund for activities that are primarily tax-supported operations or other mandatory payments.

Grants

Contributions or gifts of cash or other assets from another government entity to be used or expended for a specified purpose, activity, or facility.

Groundwater

Water pumped from underground aquifers

HAZMAT

Hazardous Materials

Interfund Transfers

A transfer of funds for specific purposes as approved by the appropriate authority.

Intergovernmental Revenue

Funds received from federal, state and other local government sources in the form of grants, shared revenues, and reimbursements.

International Organization for Standardization (ISO)

An international standard-setting body composed of representatives from various national standards organizations.

Interfund Transfers

A transfer of funds for specific purposes as approved by the appropriate authority.

Intra-District Reimbursement

To provide reimbursement to the District Fund for general costs incurred on behalf of other cost centers.

ISMP

Information Systems Master Plan, a District document which provides objectives, justification and plans for improving the District's use of information system and information technology infrastructure.

Levy

(1. Verb) To impose taxes, special assessments, or service charges for the support of government activities; (2. Noun) The total amount of taxes, special assessments, or service charges imposed by a governmental agency.

Long-Term Debt

Debt with a maturity of more than one year after the date of issuance.

MTBE

Methyl-Tert Butyl Ether, an oxygenate added to gasoline in California prior to 2004, which can contaminate groundwater.

Modified Accrual Basis of Accounting

Under the modified accrual basis of accounting, required for use by governmental funds, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

One Water Plan

This long term plan acts as an integrated water resources master plan for Valley Water, including water supply, flood protection, and environmental stewardship. The plan consists of an overarching countywide framework as well as five watersheds plans. One Water delivers a science-based decision-making process that enables the agency to strategically allocate limited resources toward those actions that achieve its mission and service to the community.

Operating Expenditure

Operating expenditures are system costs required for the daily process of providing water and watershed management services, including the administrative and overhead costs to support these services. Operating expenditures are costs necessary to maintain the systems in good operating condition. This includes the repair and replacement of minor property components. The American Waterworks Association (AWWA) says that these property components should be smaller than a retirement unit; a retirement unit is a readily separable and separately useful item that is part of a larger assembly. The benefit and life of such repairs should be less than 2 years. Any repairs that recur on an annual basis are considered operating activities of a maintenance nature. Operating expenditures are often separated into fixed and variable costs for purposes of understanding operating leverage and structuring service charge rates.

Operations

Expenditures required for the daily process of providing water and watershed management services, including the administrative and overhead costs to support these services. Operations include work that is generally of an ongoing or recurring nature. Any District work that is not a project is, by definition, an Operation. Operations, although recurring, require close coordination and a high degree of management oversight, however, they can be accomplished without the application of the full range of tools and processes used for managing projects.

Appendix A - Glossary

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

See 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, air bag inflators and for 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.

Appendix A - Glossary

Property Tax Assessment

The process of setting the official valuation of property for taxation; the valuation placed upon property as a result of this process.

Proposed Budget

The District CEO submits a Proposed Budget for the District's financial operations, including an estimate of proposed expenditures and revenues, to the Santa Clara Valley Water District's Board of Directors for approval. The Board Adopted Budget is submitted by the Chairman of the District's Board of Directors to the Santa Clara County Board of Supervisors.

Proprietary Fund

Account for activities that are primarily funded by income from operations resulting from payments for goods and services provided to users.

Purchased Water

Water imported from other agencies to supplement local water supplies.

Recycled Water

Wastewater which has been treated for reuse; used for irrigation of crops, toilet flushing, industrial uses or landscaping, depending on its level of treatment.

Replacement Appropriation

Provides funds to meet future major repair costs to Water Enterprise facilities, which would cause interruption of water services (Water Enterprise Fund), and to replace existing equipment due to obsolescence (Equipment Fund).

Requested Budget

This summary budget outlines new programs, program changes, and identifiable goals and objectives.

Revenue

Monies the District receives in exchange for services or sales provided. Revenue items include water sales, property tax revenues, benefit assessment revenues, interest income, intergovernmental reimbursement.

Revenue Bonds

Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

Reserve

An account used to indicate that a portion of a fund's assets are legally restricted for a specific purpose and is, therefore, not available for general appropriation.

Resolution

A special or temporary order of a legislative body requiring less legal formality than an ordinance or statute.

Rolling Biennial Budget

Under a rolling biennial budget process, the Board adopts a one-year budget and approves an additional one-year forecast that serves as the tentative spending plan for the non-budget development year. This results in the first year's appropriations being formally adopted by the Board, whereas the subsequent year's appropriations are not. The rolling biennial budget is updated annually as the just completed year rolls off and the new second year is added.

Safe, Clean Water and Natural Flood Protection Program (SCW)

A 15-year program resulting from voter approved special parcel tax initiative in November 2012.

Salaries

Salaries are defined as the amount of money paid to District employees for the performance of services.

Appendix A - Glossary

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.

TWIP

Treated Water Improvement Project is the former name of the Water Treatment Improvement Project

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).

Appendix A - Glossary

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.

WSMP

Water Supply Master Plan. The WSMP is Valley Water's guiding document for long-term water supply investments to ensure water supply reliability for Santa Clara County through the year 2040. The goal of the WSMP is to comprehensively evaluate Valley Water's future needs and develop investment strategies to meet those needs to achieve Valley Water's level of service goal. The WSMP is updated proximately every five years and was last updated in 2019. The current WSMP represents the most recent update from the 2012 Water Supply & Infrastructure Master Plan (WSIMP) and the 2003 Integrated Water Resources Plan (IWRP)

Zone W-1

Encompasses the groundwater basin in northern Santa Clara County and small peripheral areas outside the groundwater basin, with the retail service areas of privately-owned public utilities and municipal water departments using water pumped from the groundwater basin. This area provides the security for General Obligation bonds. Zone W-1 comprises an area of approximately 290 square miles and includes all or portions of 13 of the County's 15 cities, plus some unincorporated territory.

Zone W-2

Encompasses the Santa Clara Valley groundwater basin north of Metcalf Road. It includes those groundwater producing facilities that benefit from recharge of the basin with local and imported water. A charge is levied for all groundwater extracted from this zone.

Zone W-3

Encompasses the Coyote and Llagas groundwater basins in the area from Metcalf Road in the north to just south of the City of Morgan Hill. Part of the County property tax within the 1 percent limit is allocated to this zone.

Zone W-4

Contains all of Zone W-2 and lands outside Zone W-2 that use or otherwise benefit from locally conserved water and from the importation and distribution of water from the South Bay Aqueduct. This area also receives an allocation of County taxes.

Zone W-5

Encompasses the valley floor of the Llagas subbasin from approximately East Main Avenue in Morgan Hill south to the Pajaro River.

Zone W-7

Encompasses the Coyote Valley south of Metcalf Road to just north of East Main Avenue.

Zone W-8

Encompasses portions of the outlying areas south of the Uvas and Chesbro reservoirs, east of Santa Teresa Boulevard, and generally north of Hecker Pass Highway.

This page left intentionally blank.

APPENDIX B - CAPITAL PROJECT ESTIMATED CARRY FORWARD BUDGET

Appendix B - Capital Project Estimated Carry Forward Budget

Project Number	Project Description	Estimated Carry Forward Budget 2022-23	Estimated Carry Forward Budget 2023-24
10394001	PA Flood Basin Tide Gate Repl	1,666,000	701,734
20444001	Salt Ponds A5-11 Restoration	1,714	-
30154019	Guadalupe R Tasman Dr-I88	1,567,500	63,706
40174004	L. Berryessa Ck, L.Penit-Calav	109,725	-
40174005	Berryessa Crk, Lwr. Pen Phs	188	-
40264008	Lwr Silver-R4-6 N Babb-Cunningham	14	-
40334005	Lwr Penitencia Crk Improvements	14,294	-
50284010	Lower Llagas Capacity Restore	1,306,000	1,037,400
62044026	San Francisco Bay Shoreline	2,326,573	-
62074040	Capital Project Mgmt System	166	-
62084001	Watersheds Asset Rehabilitation	622,543	-
Watershed and Stream Stewardship Fund Carry-forward Budget		**7,614,717**	**1,802,840**

Note: Estimated Carryforward Budget represents estimated unspent capital project budget from prior fiscal year that will be carried forward to FY 2022-23 or FY 2023-24. A negative carryforward amount is based on the CIP approved expenditures in FY 2021-22. If the actual FY 2021-22 expenditure exceeds the CIP approved FY 2021-22 expenditure, budget adjustments will be processed to address overspending.

Appendix B - Capital Project Estimated Carry Forward Budget

Project Number	Project Description	Estimated Carry Forward Budget 2022-23	Estimated Carry Forward Budget 2023-24
26044001	Almaden Lake Improvement	383	-
26044002	SCW Fish Passage Improvement	176,994	-
26044003	Ogier Ponds Planning Stud)	1,116,192	-
26074002	Sunnyvale East & West Channel	14,034,976	-
26154002	Guadalupe Rv-Upr, 280-SPRR(R6)	42	-
26154003	Guadalupe Rv-Upr, SPRR-BH 7-12	888,000	327,600
26164001	HaleCreekEnhancementPilotStudy	2,929,700	-
26174041	Berryessa Calav/Old Pied Cor	398,000	11,272,594
26174043	Coyote Creek, Montague-Tully	469	-
26174051	U. Llagas Ck, Reimburse E6b	20,900	21,840
26174052	U. Llagas Ck, No reimburse E6a	11,475	-
26174054	U.Llagas Ck Design B. Vsta Rd	1,097,000	1,146,626
26244001	Permanente Ck, Bay-Fthill CSC	459,800	423,994
26284002	San Francisquito Early Implemt	5,489,835	7,575,247
26324001	U Penitncia Crk Corp Coord SCW	209,000	1,977,612
26444002	SFBS EIAs 1	(717)	-
26444004	San Francisco Bay Shoreline EIAs 5-1	(470)	-
26764001	IRP2 AddLine Valve	(785)	-
Safe Clean Water Fund Carry-forward Budget		**26,830,794**	**22,745,513**

Note: Estimated Carryforward Budget represents estimated unspent capital project budget from prior fiscal year that will be carried forward to FY 2022-23 or FY 2023-24. A negative carryforward amount is based on the CIP approved expenditures in FY 2021-22. If the actual FY 2021-22 expenditure exceeds the CIP approved FY 2021-22 expenditure, budget adjustments will be processed to address overspending.

Appendix B - Capital Project Estimated Carry Forward Budget

Project Number	Project Description	Estimated Carry Forward Budget 2022-23	Estimated Carry Forward Budget 2023-24
91084019	Dam Safety Seismic Stability	(838)	-
91084020	Calero-Guad Dams Seismic Retro	1,672,000	17,909
91094001	Land Rights-SC Recycled Water	190	-
91094009	SoCo Rcyld Wtr PL Short-Trm 1B	9,141,039	-
91094010	So. County Recycled Water Fun	11,613	-
91234002	Coyote Pumping Plant AS	382,717	-
91234011	Coyote Warehouse	(366)	-
91304001	Purified Water Program	134	-
91854001	Almaden Dam Improvements	52,000	54,600
91864005	Anderson Dam Seismic Retrofit	(401)	-
91874004	Calero Dam SeisRetrfit Des&Co	104,500	87,360
91894002	Guadalupe Dam SeisRetf Des&Co	307,000	300,977
91954002	Pacheco Reservoir ExpansionProject	410,269	-
92144001	Pacheco/SC Conduit ROW ACQ	1,452,618	-
92264001	Vasona Pump Station Upgrade	1,465,963	-
92304001	Almaden Valley Pipeline	914,103	-
93044001	WTP Implementation	(2,666)	-
93084004	Wtr Trtmnt Plnt Electr Impr	768	-
93234044	PWTP Residuals Managemen	(192)	-
93284013	STWTP Filter Media Replace	1,077,937	-
93294051	RWTP FRP Residuals Management	523,300	-
93294057	RWTP Reliability Improvement	8,304,968	-
93294058	RWTP Residuals Remediatio	225,208	-
94084007	Treated Water Isolation Valve	145,000	108,357
95044001	Distribution Systems Implementation	1,131	-
95044002	SCADA Implementation	1,254,592	-
95074001	Capital Warranty Service	1,045,000	1,092,025
95074005	WU Capital Prog Admin Support	466	-
95074040	Capital Project Mgmt System	375	-
95084002	10-Yr PL Inspection and Rehabilitation	4,151,793	-
95274003	WU Computer Network Modrnizatn	(115,788)	-
Water Utility Enterprise Fund Carry-forward Budget		**32,524,433**	**1,661,228**

Note: Estimated Carryforward Budget represents estimated unspent capital project budget from prior fiscal year that will be carried forward to FY 2022-23 or FY 2023-24. A negative carryforward amount is based on the CIP approved expenditures in FY 2021-22. If the actual FY 2021-22 expenditure exceeds the CIP approved FY 2021-22 expenditure, budget adjustments will be processed to address overspending.

Appendix B - Capital Project Estimated Carry Forward Budget

Project Number	Project Description	Estimated Carry Forward Budget 2022-23	Estimated Carry Forward Budget 2023-24
73074040	Capital Project Mgmt System	6	-
73274001	IT Disaster Recovery	41,000	39,506
73274002	ERP System Implementation	(419)	-
73274004	Network Equipment	(440)	-
73274006	Office Computers Replace Equipment	15	-
73274008	Software Upgrades & Enhancement	111	-
73274009	Data Consolidation	362,000	373,117
Information Technology Fund Carry-forward Budget		**402,273**	**412,623**

Note: Estimated Carryforward Budget represents estimated unspent capital project budget from prior fiscal year that will be carried forward to FY 2022-23 or FY 2023-24. A negative carryforward amount is based on the CIP approved expenditures in FY 2021-22. If the actual FY 2021-22 expenditure exceeds the CIP approved FY 2021-22 expenditure, budget adjustments will be processed to address overspending.

This page left intentionally blank.

APPENDIX C - WATER UTILITY ENTERPRISE LONG TERM FORECAST

Appendix C - Water Utility Enterprise Long Term Forecast (1)

(In Thousands $)	Adopted 2022-23	Proposed Plan 2023-24	Projected 2024-25	Projected 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29
Operating Revenues							
Groundwater Production Charges	$ 122,002	$ 152,379	$ 188,804	$ 222,062	$ 242,712	$ 265,301	$ 290,012
Surface & Recycled Water Charges	3,207	3,625	4,104	4,453	4,833	5,248	5,697
Treated Water Charges	139,746	171,022	212,494	249,472	272,756	298,303	326,331
Other	481	481	481	481	481	481	481
Inter-governmental Services	3,267	1,340	13,009	13,853	15,000	24,722	30,587
Total Operating Revenue	$ 268,704	$ 328,848	$ 418,893	$ 490,321	$ 535,782	$ 594,056	$ 653,109
Non-Operating Revenues							
Property Taxes	$ 36,435	$ 36,773	$ 39,115	$ 41,469	$ 43,835	$ 47,214	$ 50,107
Interest	2,732	2,732	1,147	1,606	1,709	1,982	2,679
Capital Contributions	7,305	7,266	26,323	36,087	223,167	208,906	-
Other	1,305	1,313	1,322	1,331	1,340	1,350	1,360
Total Non-Operating Revenues	$ 47,777	$ 48,083	$ 67,907	$ 80,492	$ 270,051	$ 259,453	$ 54,146
Total Revenue	$ 316,480	$ 376,931	$ 486,799	$ 570,813	$ 805,834	$ 853,508	$ 707,255
Operating Outlays							
Operations	$ 264,354	$ 266,936	$ 260,416	$ 266,276	$ 273,307	$ 303,867	$ 310,504
Operating Projects	344	360	458	474	490	504	519
Debt Service	60,410	77,909	101,382	121,880	137,715	188,069	201,062
Total Operating Outlays	$ 325,108	$ 345,205	$ 362,256	$ 388,630	$ 411,512	$ 492,439	$ 512,085
Operating Transfers In/(Out)	$ 22,187	$ (4,154)	$ 3,673	$ 9,709	$ 5,646	$ 8,231	$ 8,740
Debt Proceeds	$ 281,491	$ 297,905	$ 418,432	$ 408,014	$ 106,884	$ 190,459	$ 351,618
Capital Outlay	$ (350,792)	$ (345,609)	$ (524,086)	$ (594,989)	$ (495,227)	$ (527,695)	$ (547,591)
Total Other Financing Sources/ (Uses)	(47,114)	(51,858)	(101,980)	(177,266)	(382,697)	(329,004)	(187,232)
Balance Available	(55,741)	(20,132)	22,563	4,918	11,625	32,065	7,937
Reserves:							
Restricted Reserves:							
WUE - Rate Stablization Reserve	$ 42,476	$ 7,476	$ 40,326	$ 44,574	$ 48,064	$ 59,843	$ 62,780
GP 5 Reserve	8,831	9,039	6,777	-	-	-	-
San Felipe Emergency Reserve	3,410	3,460	3,510	3,560	3,610	3,660	3,710
Revenue Bond Debt Service Reserve	7	7	7	7	7	7	7
State Water Project Tax Reserve	6,352	4,546	3,112	1,965	1,018	1,018	1,018
Drought Contingency Reserve	-	-	2,000	4,000	6,000	8,000	10,000
Supplemental Water Supply Appropo.	5,277	2,677	6,077	9,477	12,877	16,277	16,677
SVAWPC Sinking Fund	908	908	908	908	908	908	908
Total Restricted Reserves	$ 67,261	$ 28,114	$ 62,717	$ 64,491	$ 72,484	$ 89,714	$ 95,100
Committed Reserves:							
Operating and Capital	$ 49,186	$ 69,863	$ 63,285	$ 66,429	$ 70,060	$ 84,896	$ 87,446
Currently Authorized Projects	7,124	5,463	-	-	-	-	-
Total Committed Reserves	$ 56,310	$ 75,326	$ 63,285	$ 66,429	$ 70,060	$ 84,896	$ 87,446
Total Year-End Reserves	$ 123,572	$ 103,440	$ 126,002	$ 130,920	$ 142,545	$ 174,610	$ 182,547
Debt Service Coverage							
Debt Service Coverage	1.82	1.91	2.14	2.41	2.40	1.92	2.08

Appendix C - Water Utility Enterprise Long Term Forecast

Note (1): The water utility financial forecast set forth herein represents the estimate of projected financial results of certain funds of the Valley Water related to Valley Water's water utility and is based upon Valley Water's judgment of the most probable occurrence of certain future events at the time this forecast is published. Such projected financial forecast is based on a variety of assumptions which are material in the development thereof, and variations in the assumptions may produce substantially different forecast results. Actual operating results achieved during the projection period may vary from those presented in the forecast and such variations may be material. Revenues, operating outlays and other amounts set forth above (i) are presented on a budgetary basis which is not consistent with generally accepted accounting principles in all respects, and (ii) may not be presented consistent with the requirements of other statutes, regulations or contractual obligations applicable to or entered into by Valley Water, including but not limited to bonds, notes or other obligations issued by or on behalf of Valley Water and payable from the Water Enterprise Fund and the State Water Project Fund. The Debt Service Coverage calculation included herein is prepared for general reference and may not conform to the debt service coverage calculation formulas pursuant to the Water Utility Parity Master Resolutions or other calculations applicable to the Water Enterprise Fund and the State Water Project Fund individually. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of District bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rule making Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the World Wide Web at https://emma.msrb.org/

This page left intentionally blank.

APPENDIX D - SUMMARY BY FUND

Appendix D - Summary by Fund

	Watershed Funds				Water Utility Enterprise Funds (Fund 61 & 63)			
	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23
REVENUE								
Groundwater Production Charges	-	-	-	-	132,111,494	135,253,000	114,934,000	122,002,000
Treated Water Charges	-	-	-	-	154,912,013	150,449,000	127,699,000	139,746,000
Surface&Recycled Water Charges	-	-	-	-	2,747,092	2,778,000	2,778,000	3,207,000
Benefit Assessment	12,369,053	13,453,662	13,453,662	13,274,143	-	-	-	-
Property Tax	98,621,201	99,651,159	102,804,338	106,390,743	30,257,384	34,927,304	35,119,192	36,435,263
Special Parcel Tax	46,095,042	47,105,387	47,106,738	49,645,791	-	-	-	-
Intergovernmental Services	976	-	-	-	4,019,092	1,242,326	1,264,295	3,267,274
Operating Other	164,941	200,611	200,611	206,629	489,384	536,894	530,415	481,415
Capital Reimbursements	13,469,087	28,446,000	36,011,000	79,811,000	6,428,592	6,613,000	5,652,000	7,305,000
Interest Income *	3,943,235	2,811,000	2,811,000	2,811,000	4,067,798	2,731,500	2,731,500	2,731,500
Non-Operating Other	2,269,631	1,421,956	1,421,957	1,464,615	2,000,417	1,408,323	1,296,917	1,304,755
TOTAL REVENUE	**176,933,166**	**193,089,775**	**203,809,306**	**253,603,921**	**337,033,266**	**335,939,347**	**292,005,319**	**316,480,207**
OUTLAYS								
Operating Outlays								
Operations **	71,050,134	84,860,974	86,349,146	94,542,028	197,359,619	230,530,438	246,520,008	264,353,565
Operating Project	3,133,964	5,438,497	5,438,497	6,865,597	265,592	284,438	284,438	344,329
Debt Service	11,914,883	18,227,620	18,227,620	21,465,905	38,975,023	52,561,061	52,561,061	60,409,922
Total Operating Outlays	**86,098,981**	**108,527,091**	**110,015,263**	**122,873,530**	**236,600,234**	**283,375,937**	**299,365,507**	**325,107,816**
Capital Outlays								
Capital Projects	135,189,141	151,981,222	186,721,320	131,352,855	136,044,278	275,141,567	280,255,842	318,267,600
Carry Forward Capital Projects	-	28,445,928	-	34,445,511	-	21,603,754	-	32,524,433
Total Capital Outlays	**135,189,141**	**180,427,150**	**186,721,320**	**165,798,366**	**136,044,278**	**296,745,321**	**280,255,842**	**350,792,033**
Less Intra-District Reimb								
NET OUTLAYS	**221,288,122**	**288,954,241**	**296,736,583**	**288,671,896**	**372,644,512**	**580,121,258**	**579,621,349**	**675,899,849**
OTHER FINANCING SOURCES/(USES)								
Debt Proceeds	-	100,000,000	100,000,000	53,000,000	164,470,000	159,288,000	171,484,000	281,491,000
Transfers In	12,555,685	4,797,716	4,882,567	2,445,017	593,000	-	1,000,000	26,060,900
Transfers Out	(20,520,935)	(8,522,877)	(9,607,728)	(32,695,003)	(6,600,072)	(3,161,400)	(3,161,400)	(3,873,600)
TOTAL OTHER SOURCES/(USES)	**(7,965,250)**	**96,274,839**	**95,274,839**	**22,750,014**	**158,462,928**	**156,126,600**	**169,322,600**	**303,678,300**
YEAR-END RESERVES								
Rate Stabilization	-	25,000,000	25,000,000	25,000,000	25,069,620	28,332,567	55,476,138	42,476,138
Contingency Reserve	-	5,000,000	5,000,000	5,000,000	-	-	-	-
WUE San Felipe Emergency	-	-	-	-	3,348,086	3,360,045	3,360,085	3,410,085
WUE State Water Project Tax Reserve	-	-	-	-	7,218,060	2,523,006	6,608,934	6,352,289
CP Debt Service	8,318	-	-	-	6,999	-	6,999	6,999
WUE Water Supply	-	-	-	-	15,477,000	7,877,000	7,877,000	5,277,000
WUE SVAWPC	-	-	-	-	1,298,138	908,138	908,138	908,138
WUE Drought Reserve	-	-	-	-	10,000,000	10,000,000	10,000,000	-
GP5 Reserve	-	-	-	-	9,669,736	7,106,660	8,653,356	8,830,684
SCW Currently Authorized Projects	75,382,052	39,599,917	74,190,907	47,365,114	-	-	-	-
SCW Operating and Capital Reserve	57,042,203	54,254,365	51,409,664	74,326,854	-	-	-	-
Total Restricted Reserves	**132,432,573**	**123,854,282**	**155,600,571**	**151,691,968**	**72,087,639**	**60,107,416**	**92,890,650**	**67,261,333**
Currently Authorized Projects ***	33,685,007	5,866,617	12,858,668	5,606,763	85,292,965	8,957,446	44,402,114	7,124,270
Operating and Capital Reserve	97,803,767	68,457,190	97,809,670	96,652,217	140,225,692	47,772,364	42,020,102	49,185,921
Workers Compensation Liability	-	-	-	-	-	-	-	-
Catastrophy - Property Self-Insurance	-	-	-	-	-	-	-	-
Total Committed Reserves	**131,488,774**	**74,323,807**	**110,668,338**	**102,258,980**	**225,518,657**	**56,729,810**	**86,422,216**	**56,310,191**
TOTAL YEAR-END RESERVES	**263,921,347**	**198,178,089**	**266,268,909**	**253,950,948**	**297,606,296**	**116,837,226**	**179,312,866**	**123,571,524**
Outlay Summary by Account Type								
OPERATING OUTLAY								
Salaries and Benefits	30,465,131	39,562,243	40,137,709	42,918,090	59,982,295	62,887,371	64,469,959	67,958,926
Salary Savings Factor	-	(656,133)	(656,133)	(686,340)	-	(1,024,172)	(1,024,172)	(1,062,535)
Services & Supplies	24,048,166	26,426,968	27,010,244	30,791,965	103,224,628	131,838,340	145,311,772	156,134,811
Intra-District Charges	19,670,801	24,966,394	25,295,823	28,383,910	34,418,288	37,113,337	38,046,887	41,666,691
OPERATING OUTLAY TOTAL	**74,184,098**	**90,299,472**	**91,787,643**	**101,407,625**	**197,625,211**	**230,814,876**	**246,804,446**	**264,697,893**
DEBT SERVICE								
Services & Supplies	869,624	1,508,223	1,508,223	2,355,782	888,415	1,754,120	1,754,120	3,490,680
Debt Service	11,045,258	16,719,397	16,719,397	19,110,122	38,086,608	50,806,941	50,806,941	56,919,242
DEBT SERVICE TOTAL	**11,914,882**	**18,227,620**	**18,227,620**	**21,465,904**	**38,975,023**	**52,561,061**	**52,561,061**	**60,409,922**
CAPITAL PROJECTS								
Salaries and Benefits	17,848,648	18,104,449	18,267,706	17,854,517	19,739,431	29,629,969	30,020,981	31,962,922
Salary Savings Factor	-	(303,398)	(303,398)	(289,611)	-	(497,490)	(497,490)	(518,403)
Services & Supplies	107,145,035	123,672,265	158,155,911	102,979,360	105,142,466	228,650,965	233,145,658	267,381,825
Carry Forward Capital Projects	-	28,445,928	-	34,445,511	-	21,603,754	-	32,524,433
Intra-District Charges	10,195,458	10,507,906	10,601,101	10,808,588	11,162,382	17,358,124	17,586,693	19,441,256
CAPITAL PROJECTS TOTAL	**135,189,141**	**180,427,150**	**186,721,320**	**165,798,365**	**136,044,279**	**296,745,322**	**280,255,842**	**350,792,033**
TOTAL OUTLAYS	**221,288,121**	**288,954,242**	**296,736,583**	**288,671,894**	**372,644,513**	**580,121,259**	**579,621,349**	**675,899,848**

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

(**) Operations outlay does not include OPEB Expense-unfunded liability

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

Appendix D - Summary by Fund

	Administration Funds (GF & Service Funds)				Total District-wide			
	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23	Budgetary Basis Actual 2020-21	Adopted Budget 2021-22	Projected Year End 2021-22	Adopted Budget 2022-23
REVENUE								
Groundwater Production Charges	-	-	-	-	132,111,494	135,253,000	114,934,000	122,002,000
Treated Water Charges	-	-	-	-	154,912,013	150,449,000	127,699,000	139,746,000
Surface&Recycled Water Charges	-	-	-	-	2,747,092	2,778,000	2,778,000	3,207,000
Benefit Assessment	-	-	-	-	12,369,053	13,453,662	13,453,662	13,274,143
Property Tax	9,777,201	9,832,832	9,949,402	10,296,145	138,655,785	144,411,295	147,872,932	153,122,151
Special Parcel Tax	-	-	-	-	46,095,042	47,105,387	47,106,738	49,645,791
Intergovernmental Services	-	-	-	-	4,020,068	1,242,326	1,264,295	3,267,274
Operating Other	-	-	-	-	654,325	737,505	731,026	688,044
Capital Reimbursements	-	-	-	-	19,897,679	35,059,000	41,663,000	87,116,000
Interest Income *	589,195	457,500	457,500	457,500	8,600,227	6,000,000	6,000,000	6,000,000
Non-Operating Other	229,968	50,000	50,000	81,000	4,500,015	2,880,279	2,768,873	2,850,370
TOTAL REVENUE	**10,596,364**	**10,340,332**	**10,456,902**	**10,834,645**	**524,562,793**	**539,369,454**	**506,271,526**	**580,918,773**
OUTLAYS								
Operating Outlays								
Operations **	98,347,633	108,241,778	109,156,762	119,719,214	366,757,387	423,633,190	442,025,916	478,614,808
Operating Project	187,316	50,000	1,675,000	1,275,000	3,586,872	5,772,935	7,397,935	8,484,926
Debt Service	473,951	476,012	476,012	474,646	51,363,857	71,264,693	71,264,693	82,350,473
Total Operating Outlays	**99,008,900**	**108,767,790**	**111,307,774**	**121,468,860**	**421,708,116**	**500,670,818**	**520,688,544**	**569,450,207**
Capital Outlays								
Capital Projects	13,032,189	13,110,387	21,324,964	13,168,120	284,265,608	440,233,177	488,302,127	462,788,575
Carry Forward Capital Projects	-	2,025,982	-	402,278	-	52,075,664	-	67,372,222
Total Capital Outlays	**13,032,189**	**15,136,369**	**21,324,964**	**13,570,398**	**284,265,608**	**492,308,841**	**488,302,127**	**530,160,797**
Less Intra-District Reimb	(87,448,512)	(103,345,913)	(105,003,759)	(115,000,864)	(87,448,512)	(103,345,913)	(105,003,759)	(115,000,864)
NET OUTLAYS	**24,592,577**	**20,558,246**	**27,628,979**	**20,038,394**	**618,525,212**	**889,633,746**	**903,986,912**	**984,610,140**
OTHER FINANCING SOURCES/(USES)								
Debt Proceeds	-	-	-	-	164,470,000	259,288,000	271,484,000	334,491,000
Transfers In	14,519,800	6,886,561	6,886,561	8,234,600	27,668,485	11,684,277	12,769,128	36,740,517
Transfers Out	(547,478)	-	-	-	(27,668,485)	(11,684,277)	(12,769,128)	(36,568,603)
TOTAL OTHER SOURCES/(USES)	**13,972,322**	**6,886,561**	**6,886,561**	**8,234,600**	**164,470,000**	**259,288,000**	**271,484,000**	**334,662,914**
YEAR-END RESERVES								
Rate Stabilization	-	-	-	-	25,069,620	53,332,567	80,476,138	67,476,138
Contingency Reserve	-	-	-	-	-	5,000,000	5,000,000	5,000,000
WUE San Felipe Emergency	-	-	-	-	3,348,086	3,360,045	3,360,085	3,410,085
WUE State Water Project Tax Reserve	-	-	-	-	7,218,060	2,523,006	6,608,934	6,352,289
CP Debt Service	-	-	-	-	15,317	-	6,999	6,999
WUE Water Supply	-	-	-	-	15,477,000	7,877,000	7,877,000	5,277,000
WUE SVAWPC	-	-	-	-	1,298,138	908,138	908,138	908,138
WUE Drought Reserve	-	-	-	-	10,000,000	10,000,000	10,000,000	-
GP5 Reserve	-	-	-	-	9,669,736	7,106,660	8,653,356	8,830,684
SCW Currently Authorized Projects	-	-	-	-	75,382,052	39,599,917	74,190,907	47,365,114
SCW Operating and Capital Reserve	-	-	-	-	57,042,203	54,254,365	51,409,664	74,326,854
Total Restricted Reserves	**-**	**-**	**-**	**-**	**204,520,212**	**183,961,698**	**248,491,221**	**218,953,301**
Currently Authorized Projects ***	7,789,192	-	818,674	416,396	126,767,164	14,824,063	58,079,455	13,147,429
Operating and Capital Reserve	15,211,619	8,437,364	12,790,986	12,694,670	253,241,078	124,666,918	152,620,759	158,532,808
Workers Compensation Liability	6,621,000	6,621,000	6,621,000	6,621,000	6,621,000	6,621,000	6,621,000	6,621,000
Catastrophy - Property Self-Insurance	6,591,184	6,230,869	5,696,818	5,226,261	6,591,184	6,230,869	5,696,818	5,226,261
Total Committed Reserves	**36,212,995**	**21,289,233**	**25,927,478**	**24,958,327**	**393,220,426**	**152,342,850**	**223,018,032**	**183,527,498**
TOTAL YEAR-END RESERVES	**36,212,995**	**21,289,233**	**25,927,478**	**24,958,327**	**597,740,638**	**336,304,548**	**471,509,253**	**402,480,799**
Outlay Summary by Account Type								
OPERATING OUTLAY								
Salaries and Benefits	51,751,070	56,481,334	56,837,720	59,947,496	142,198,496	158,930,947	161,445,388	170,824,512
Salary Savings Factor	-	(930,319)	(930,319)	(945,049)	-	(2,610,625)	(2,610,625)	(2,693,924)
Services & Supplies	35,354,894	39,574,771	41,694,771	47,454,339	162,627,688	197,840,079	214,016,787	234,381,116
Intra-District Charges	11,428,985	13,165,992	13,229,590	14,537,428	65,518,074	75,245,723	76,572,301	84,588,030
OPERATING OUTLAY TOTAL	**98,534,949**	**108,291,778**	**110,831,762**	**120,994,214**	**370,344,258**	**429,406,124**	**449,423,851**	**487,099,734**
DEBT SERVICE								
Services & Supplies	412	2,908	2,908	2,908	1,758,451	3,265,251	3,265,251	5,849,370
Debt Service	473,539	473,104	473,104	471,738	49,605,405	67,999,442	67,999,442	76,501,102
DEBT SERVICE TOTAL	**473,951**	**476,012**	**476,012**	**474,646**	**51,363,856**	**71,264,693**	**71,264,693**	**82,350,472**
CAPITAL PROJECTS								
Salaries and Benefits	1,118,428	520,755	536,656	507,153	38,706,507	48,255,173	48,825,343	50,324,593
Salary Savings Factor	-	(8,264)	(8,264)	(8,032)	-	(809,151)	(809,151)	(816,046)
Services & Supplies	11,341,163	12,363,736	20,552,907	12,506,008	223,628,663	364,686,966	411,854,476	382,867,193
Carry Forward Capital Projects	-	2,025,982	-	402,278	-	52,075,664	-	67,372,222
Intra-District Charges	572,598	234,160	243,665	162,990	21,930,437	28,100,190	28,431,459	30,412,834
CAPITAL PROJECTS TOTAL	**13,032,189**	**15,136,369**	**21,324,964**	**13,570,397**	**284,265,607**	**492,308,842**	**488,302,127**	**530,160,796**
TOTAL OUTLAYS	**112,041,089**	**123,904,159**	**132,632,738**	**135,039,257**	**705,973,721**	**992,979,659**	**1,008,990,671**	**1,099,611,002**

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

(**) Operations outlay does not include OPEB Expense-unfunded liability

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

This page left intentionally blank.



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

© 2022 Santa Clara Valley Water District • 02/2022 • SL