



Watershed Project Implementation Pathways

November 25, 2025

Introduction

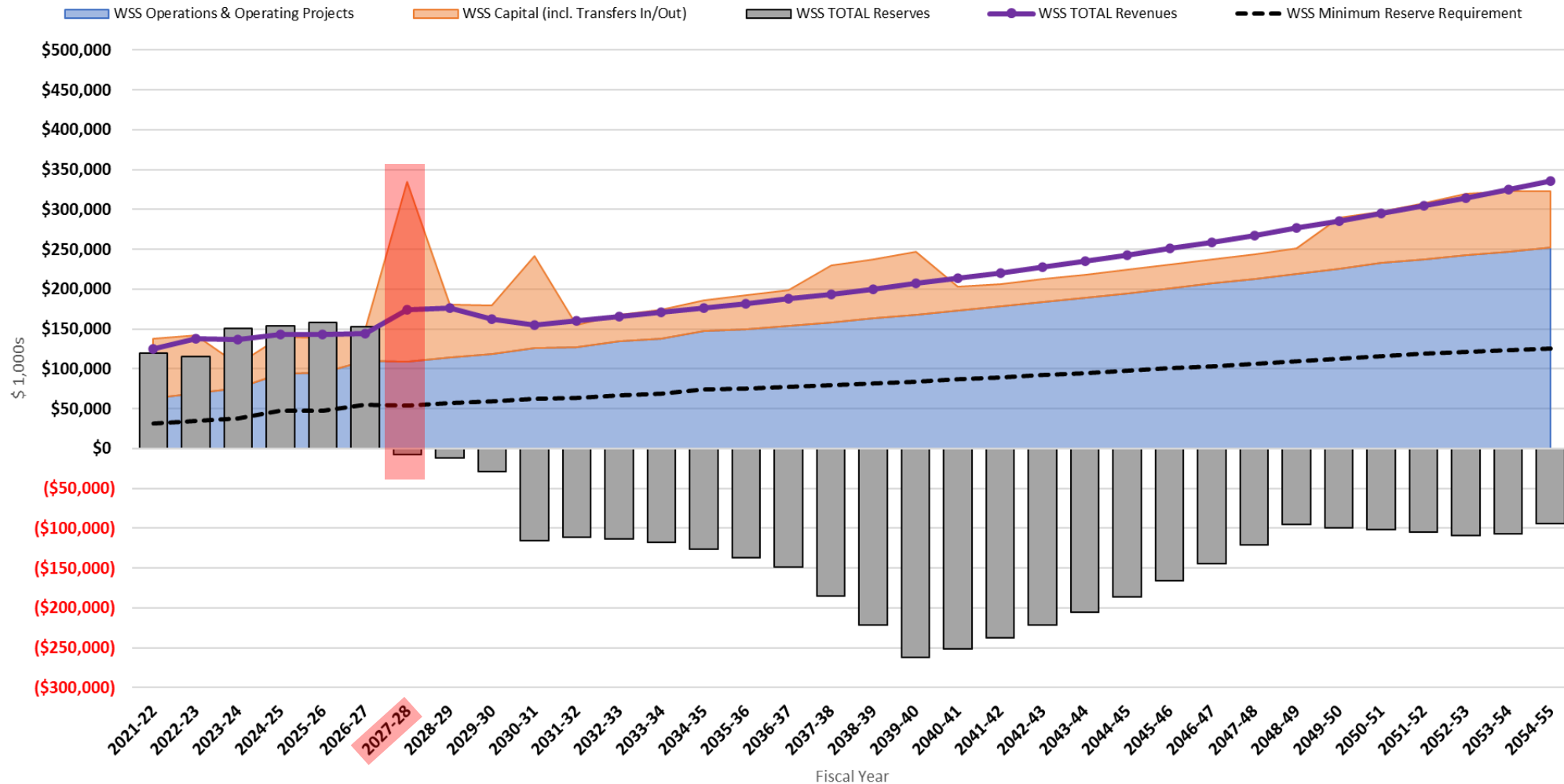
- Watershed Projects
- Watershed Stream Stewardship Fund - 12
- Safe Clean Water Fund - 26

Overview

- Path to Financial Sustainability
- Strategic Changes to Balance the CIP
- Recommendations and Next Steps

Current Financial Projection

Watersheds Stream Stewardship Fund 12



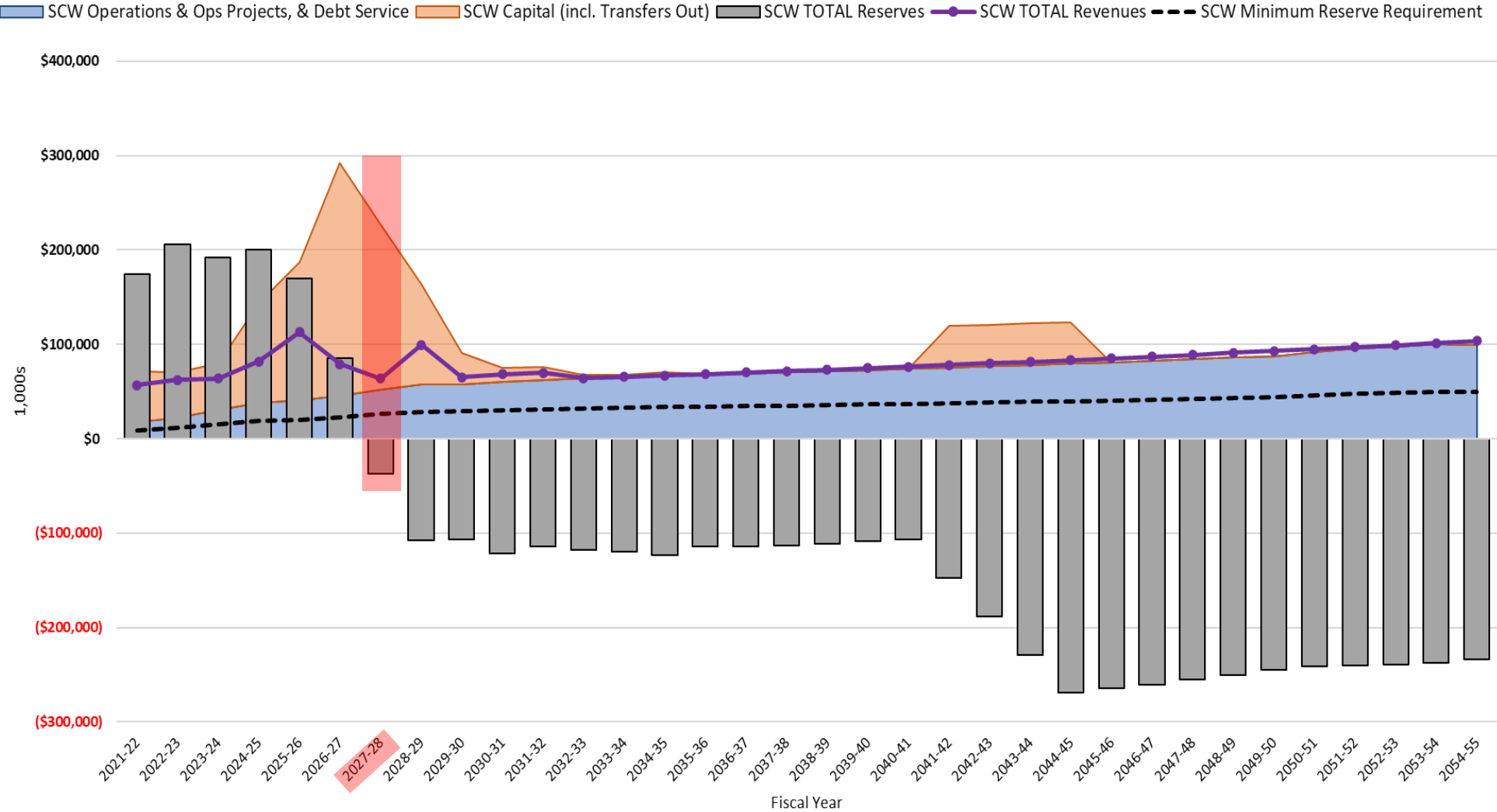
Key Incremental Assumptions:

Placeholder for Potential future increase:

+ \$203M additional Shoreline costs

Current Financial Projection

Safe, Clean Water Fund 26



Key Incremental Assumptions:

+ \$43M Coyote Creek

+ \$62M Sunnyvale E&W

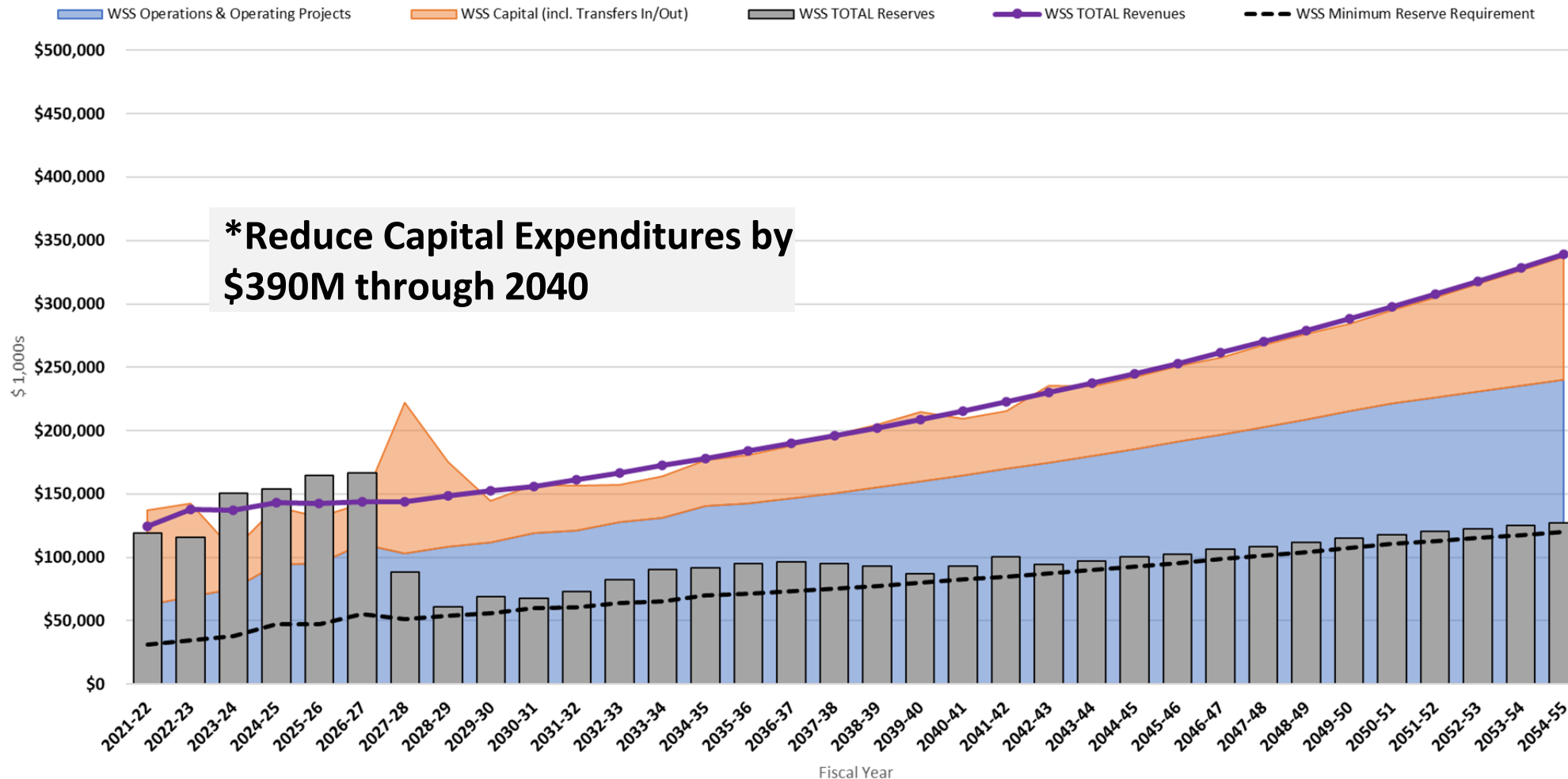
+ \$76M Upper Penitencia Phases I, II & III

Potential Future Challenges:

→ Upper Guadalupe River Flood Protection Reach 6: revised cost estimates expected 2028

Potential Path to Financial Sustainability

Watersheds Stream Stewardship Fund 12



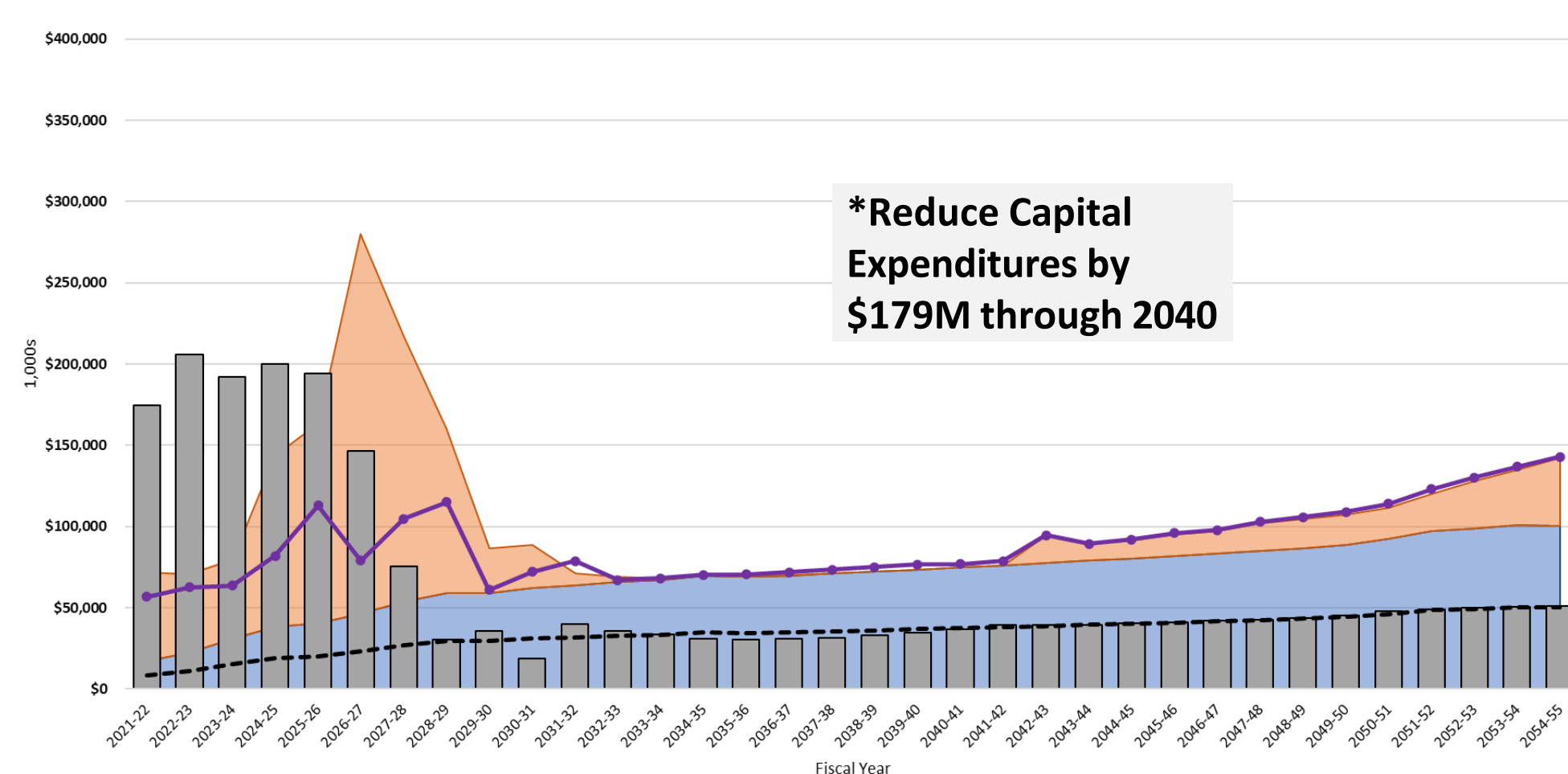
Key Incremental Assumptions vs Current with Cost Increases:

- Reduce capital cost by \$390M through FY 40
- Reduce Encampment Management Program to \$3M/year from \$8M/year
- Transfer \$79M to SCW FY 28 – FY 32
- Maintains ongoing O&M projects and WARP [asset renewal]
- Creates capacity for ~\$231M investments FY 43 & beyond → transferred to SCW Fund 26 for capital project delivery

Potential Path to Financial Sustainability

Safe, Clean Water Fund 26

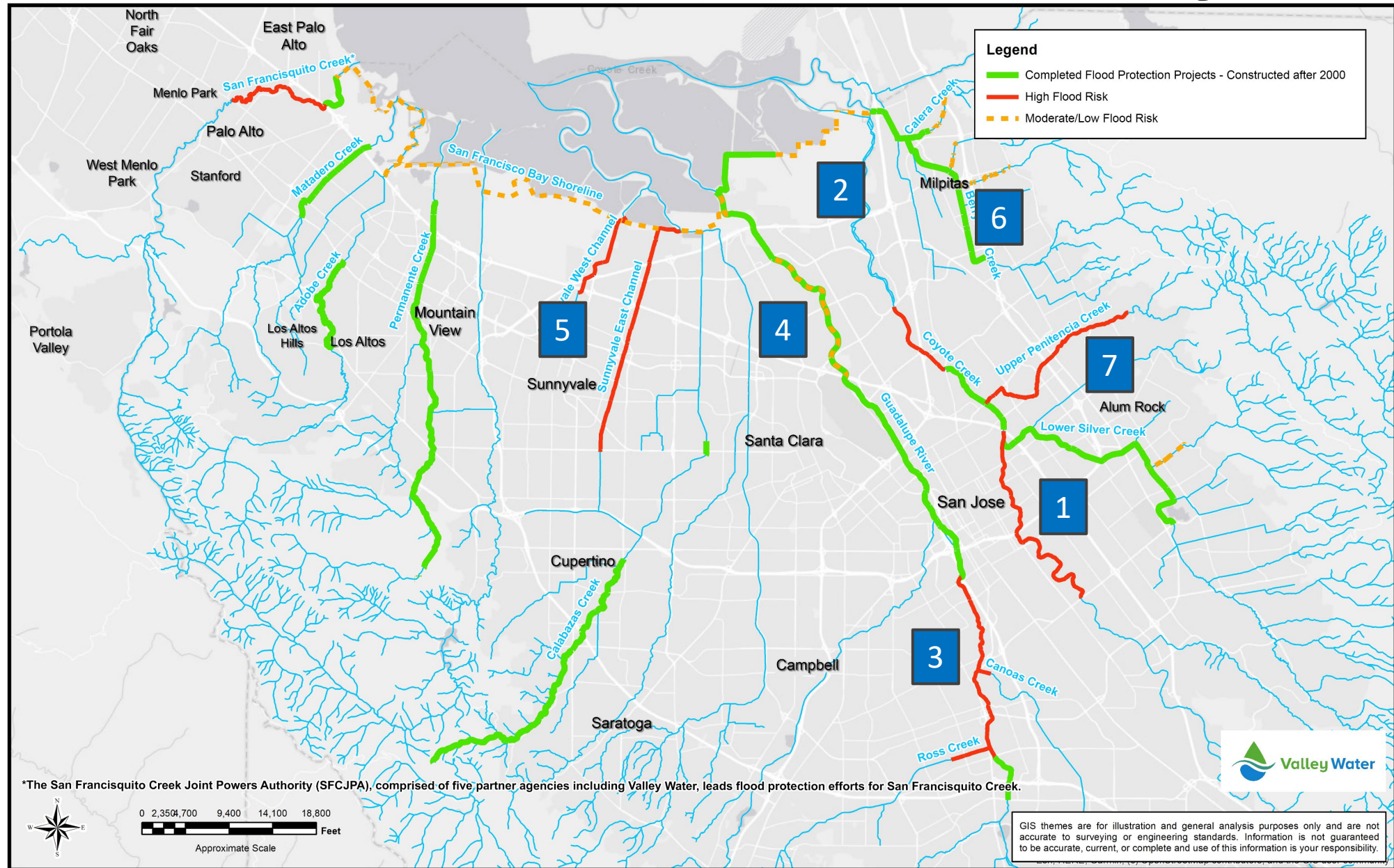
SCW Operations & Ops Projects, & Debt Service SCW Capital (incl. Transfers Out) SCW TOTAL Reserves SCW TOTAL Revenues SCW Minimum Reserve Requirement



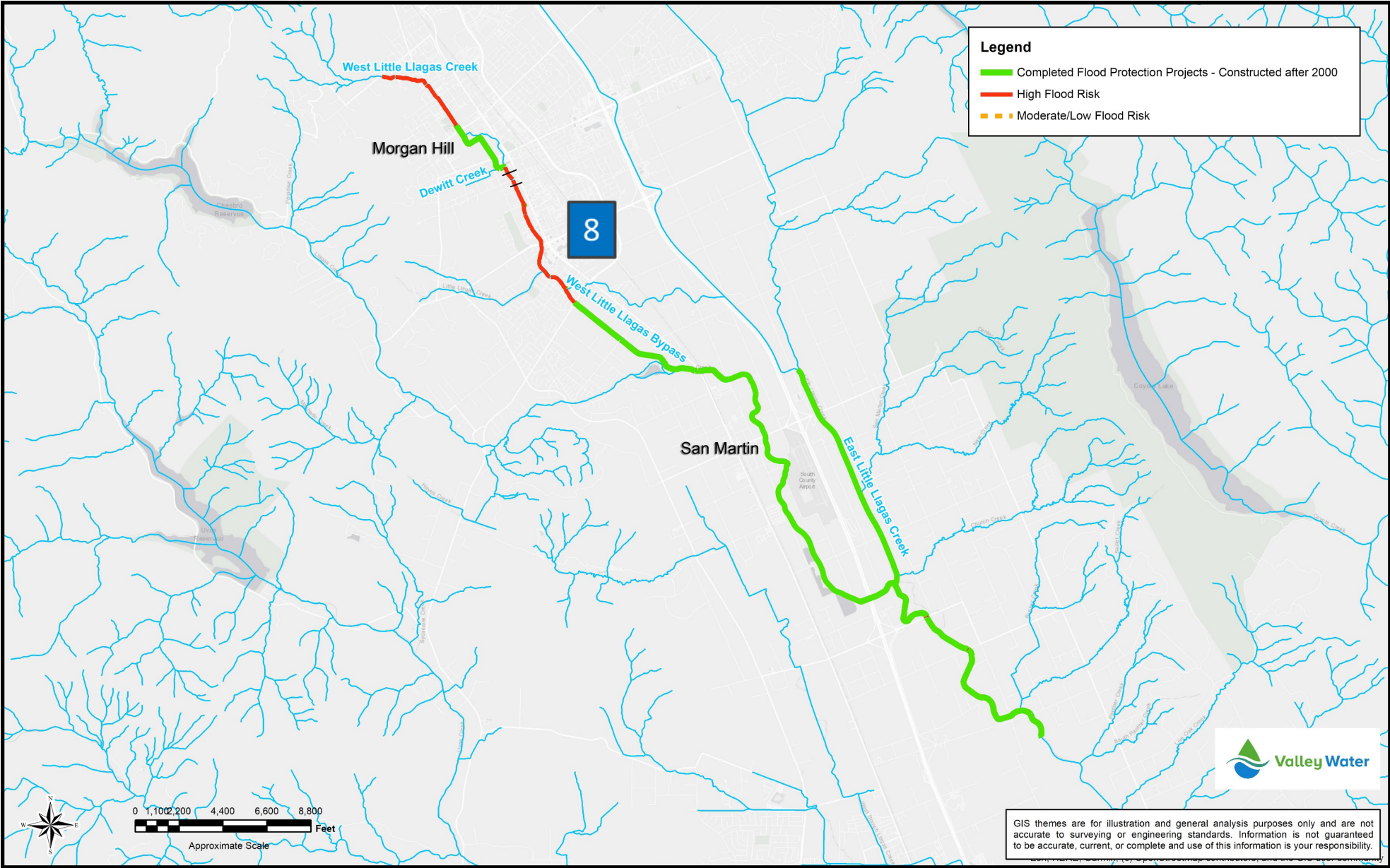
Key Incremental Assumptions vs Current with Cost Increases:

- Reduce capital cost by \$179M
- Receive \$79M transfer from WSS Fund

Flood Risk Reduction: North County



Flood Risk Reduction: South County



QUESTIONS

