

FY2025-26 Second Pass Biennial Budget Development Update

March 11, 2025

Topics

- **Budget Schedule**
- **2nd Pass Revenue**
- **Districtwide Outlays**
- **Salaries & Benefits and Positions Update**
- **Operating and Capital Budget by Fund**
- **Estimated Reserve Balances**
- **Next Steps**

Budget Schedule Update

- **Operating and Capital Budget**
 - ✓ January 28, 2025 – 1st Pass Budget Update
 - ➔ • March 11, 2025 – 2nd Pass Budget Update
 - April 23, 2025 – Budget Work Study Session
- **Groundwater Production Charge (GWP)**
 - ✓ January 14, 2025 – Preliminary GWP Analysis
 - April 8 to 22, 2025 – GWP Public Hearings
- **Capital Improvement Program (CIP)**
 - ✓ January 14, 2025 – Preliminary CIP
 - ✓ February 25, 2025 – Draft CIP
 - April 8 to 23, 2025 – CIP Public Hearings
- **Operating and Capital Budget, GWP, and CIP**
 - May 27, 2025 – Board Adoption

2nd Pass Revenue

Capital Reimbursements and Other Income revenue updated vs 1st pass

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Revenue (\$ in millions)	FY25 Adopted	FY26 2nd Pass	FY27 2nd Pass	FY26 vs FY25	FY27 vs FY26
Water Charges	\$ 400.5	\$ 423.3	\$ 477.8	22.8	\$ 54.5
1% Ad-valorem Property Tax	148.4	156.2	159.6	7.8	3.4
SCW Special Parcel Tax	53.5	54.7	55.9	1.2	1.2
State Water Project Tax	28.0	28.0	28.0	-	-
Benefit Assessment	7.1	6.9	6.9	(0.2)	-
Capital Reimbursements	42.3	56.3	18.0	14.0	(38.3)
Interest Income & Other	15.4	18.6	20.0	3.2	1.4
Total Revenue	\$ 695.2	\$ 744.0	\$ 766.2	\$ 48.8	\$ 22.2

Revenue (\$ in millions)	FY25 Adopted	FY26 2nd Pass	FY27 2nd Pass	FY26 vs FY25	FY27 vs FY26
General Fund	\$ 12.4	\$ 13.4	\$ 13.7	1.0	\$ 0.3
Watershed & Stream Stewardship Fund	141.0	140.6	141.7	(0.4)	1.1
Safe Clean Water Fund	86.2	108.5	73.7	22.3	(34.8)
Water Utility Enterprise Funds	448.0	473.9	529.5	25.9	55.6
Service Funds	0.6	0.7	0.7	0.1	-
Benefit Assessment Funds	7.1	6.9	6.9	(0.2)	-
Total Revenue	\$ 695.2	\$ 744.0	\$ 766.2	\$ 48.8	\$ 22.2

Observations

- **Total Revenue – FY26 \$744.0M & FY27 \$766.2M**
- **Water charges – FY26 \$423.3M & FY27 \$477.8M**
 - VW Water Usage: 219KAF in FY26 and 224KAF in FY27
 - M&I Ground Water Production Charge:
 1. North County; 9.9% increase in Zone W-2
 2. South County
 - a) 7.9% increase in Zone W-5
 - b) 11.2% increase in Zone W-7
 - c) 8.0% increase in Zone W-8
- **1% Ad-valorem Property Taxes – FY26 \$156.2M & FY27 \$159.6M**
- **SCW Special Parcel Tax – FY26 \$54.7M & FY27 \$55.9M**
 - 2% per year, Bay Area CPI could be greater for FY26
- **Capital Reimbursement – FY26 \$56.3M & FY27 \$18.0M**
 - Driven primarily by \$50M in FY 26 & \$10M in FY 27 from NRCS for Upper Llagas Phase 2B

2nd Pass Districtwide Outlays

Capital Projects outlays updated to align with most recent draft CIP

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Outlays (\$ in millions)	FY25 Adopted	FY26 2nd Pass	FY27 2nd Pass	FY26 vs FY25	FY27 vs FY26
Operations	\$ 518.9	\$ 525.5	\$ 561.9	\$ 6.6	\$ 36.4
Operating Project	5.3	6.3	7.5	1.0	1.2
Debt Service	103.7	119.6	140.4	15.9	20.8
Operating Outlays	627.9	651.4	709.8	23.5	58.4
Capital Outlays	464.8	511.7	663.1	46.9	151.4
Total Gross Outlays	1,092.7	1,163.1	1,372.9	70.4	209.8
Intra-District Reimbursements*	(129.1)	(130.8)	(146.4)	(1.7)	(15.6)
Net Outlays	\$ 963.6	\$ 1,032.2	\$ 1,226.6	\$ 68.6	\$ 194.4

* Intra-District reimbursements represent cost recovery for support services such as human resources and information technology, etc.

Observations

- Net total operating and capital outlays for the FY26 Budget are \$1.03B, a 7.1% increase vs FY25, including \$119.6M in debt service outlays
- For the FY27 Plan, net total operating and capital outlays is \$1.23B, an 18.8% increase vs FY26, including \$140.4M in debt service outlays
- Net outlays do 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

2nd Pass Salaries & Benefits

Assumes decrease of 45 positions versus FY25

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Salary and Benefits (\$ in millions)	FY25 Adopted	FY26 2nd Pass	FY27 2nd Pass	FY26 vs FY25	FY27 vs FY26
Salaries					
Salaries - Regular Employees	\$ 150.6	\$ 149.4	\$ 156.4	\$ (1.2)	\$ 7.0
Overtime and Special Pays	5.1	5.5	5.6	0.4	0.1
Salary Savings	(3.7)	(2.5)	(2.6)	1.2	(0.1)
Total Salaries	152.0	152.4	159.4	0.4	7.0
Benefits					
Fed & State Taxes	2.3	2.2	2.3	(0.1)	0.1
Retirement Contribution	49.0	50.9	54.4	1.9	3.5
Group Insurance - Active Employees	24.5	26.4	30.1	1.9	3.7
Health Insurance - Retired Employees	14.8	15.0	15.3	0.2	0.3
Total Benefits	90.6	94.5	102.1	3.9	7.6
Total Salary & Benefits	\$ 242.6	\$ 246.9	\$ 261.5	\$ 4.3	\$ 14.6
Regular Positions	921	876	876		
Limited Term Positions	4	4	4		

Observations

Salaries budget - FY26: \$152.4M and FY27: \$159.4M

- FY26 salary budget includes 876 regular and 4 limited-term positions
- 3% COLA and step increase for eligible positions
- FY26 budget assumes salary savings rate of 2% due to lower vacancy rate assumption

Benefits budget - FY26: \$94.5M and FY27: \$102.1M

- Retirement Contributions: includes CalPERS required employer contribution and deferred compensation, plus \$3.0M redirect from OPEB funding and additional 2% of salaries (\$3.0M) employer contributions towards CalPERS unfunded liability
- Group Insurance for Active Employees: assumes 15% annual increase for medical plan and 3% annual increase for Dental and Vision plan

2nd Pass Position Count

Positions to address workload priorities and achieve key outcomes in projects

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Position Count by Organization Division	Adjusted Budget FY23 ^(b)	Adopted Positions FY24	Adopted Positions FY25	Adjusted Positions FY25 ^(b)	Frozen Positions FY25	1st Pass Positions FY26	2nd Pass Released Positions ^(c)	2nd Pass Positions Proposed FY26	2nd Pass Positions Planned FY27
Board Appointed Officers ^(a)	78	79	78	72	(1)	71	-	71	71
Office of Integrated Water Mgmt / Dam Safety	56	56	70	70	(1)	69	-	69	69
External Affairs	46	46	46	46	(4)	43	-	43	43
Administrative Services	163	163	166	172	(11)	159	1	160	160
Water Utility	301	306	304	304	(15)	289	2	291	291
Watersheds	265	269	257	257	(18)	240	2	242	242
Total Regular Positions	909	919	921	921	(50)	871	5	876	876
Fellowships	5	-	-	-	-	-	-	-	-
Limited Term Positions	7	5	4	4	-	4	-	4	4
Total	921	924	925	925	(50)	875	5	880	880

(a) Board Appointed Officers Include: Chief Executive Officer (CEO), District Counsel and Clerk of the Board

(b) Adjusted Budget includes all approved position movement during that Fiscal Year including additions, deletions, reorganizations, and reclassifications which occurred subsequent to the development of Budget for that Fiscal Year.

(c) Program Administrator, Senior Environment Planner, Senior Industrial Electrician, Water Plant Operator, Plant/Pipeline Mechanical

2nd Pass Operating Expenditures

Operating project expenditures assume 45 frozen positions in FY26 and FY27

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Observations

- **FY26 Operating Expenditure Outlays of \$531.8M, increase of \$7.6M or 1.4% over FY25 and \$569.4M in FY27, increase of \$37.6M or 7.2% over FY26**
 - FY26 operating expense increase minimized by impact of frozen positions, as compared to FY25
 - General Fund includes Water Rate Assistance Program (\$1.3M per year) in FY26 & FY27 and district election costs (\$2.9M) in FY 27
 - Watershed and Stream Stewardship Fund includes increases for Valley Habitat Plan (\$1.8M) and CEQA documentation EIR (\$0.9M) in FY27
 - Water Enterprise Fund includes increase for State Water Purchases (\$1.6M), Delta Conveyance Project gap funding (\$2.9M), and Sisk Dam Raise planning costs (\$2.0M) in FY27

Operations & Operating Projects (\$ in millions)	FY25 Adopted	FY26 2nd Pass	FY27 2nd Pass	FY26 vs FY25	FY27 vs FY26
General Fund	\$ 90.2	\$ 89.7	\$ 97.5	\$ (0.5)	\$ 7.8
Watershed Stream Stewardship Fund	93.8	94.4	104.5	0.6	10.1
Safe, Clean Water Fund	24.5	27.5	29.4	3.0	1.9
Water Enterprise Fund	268.4	268.9	283.6	0.5	14.7
Fleet Management Fund	5.5	6.6	7.0	1.1	0.4
Risk Management Fund	11.5	12.1	13.2	0.6	1.1
Information Technology Fund	30.3	32.6	34.2	2.3	1.6
Total	\$ 524.2	\$ 531.8	\$ 569.4	\$ 7.6	\$ 37.6

Note: This table reflects gross figures that have not been adjusted for intra-district reimbursements

2nd Pass Capital Expenditures

Capital outlays aligned with draft Capital Improvement Program

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Observations

Capital Outlays (\$ in millions)	FY25 Adopted	FY26 2nd Pass	FY27 2nd Pass	FY26 vs FY25	FY27 vs FY26
General Fund	\$ 5.9	\$ 15.5	\$ 10.5	\$ 9.6	\$ (5.0)
Watershed Stream Stewardship Fund	30.7	31.1	22.2	0.4	(8.9)
Safe, Clean Water Fund	127.1	128.9	164.9	1.8	36.0
Water Enterprise Fund	292.0	322.2	445.5	30.2	123.3
Fleet Management Fund	2.1	2.1	3.4	-	1.3
Information Technology Fund	7.0	11.9	16.6	4.9	4.7
Total	\$ 464.8	\$ 511.7	\$ 663.1	\$ 46.9	\$ 151.4

Note: 2nd Pass Budget is based on Preliminary FY26-30 Five-Year CIP

- **FY26 Capital Outlays of \$511.7M, increase of \$46.9M, or 10.0% versus FY25**
 - General Fund \$9.6M increase primarily due to the Headquarters Operations Building project (\$4.7M) and Security Upgrades and Enhancements (\$4.9M)
 - Water Enterprise Fund \$30.2M increase primarily due to RWTP Reliability Improvement project (\$54M) and San Jose Purified Water project - phase 1 (\$16M)
 - Information Technology Fund \$4.9M increase due to ERP Replacement project (\$8.3M) offset by decrease to Network Equipment project (\$3M)
- **FY27 Capital Outlays of \$663.1M, increase of \$151.4M, or 29.6% over FY26**
 - General Fund \$5.0M decrease primarily due to the Headquarters Operations Building project (\$4.0M)
 - Watershed Stream Stewardship Fund \$8.9M decrease primarily due to the Watersheds Asset Rehabilitation project (\$7.6M)
 - Safe Clean Water Fund \$36.0M increase primarily due to the Llagas Creek Phase 2B (\$22M) and Sunnyvale East and West Channel (\$19M) projects
 - Water Enterprise Fund \$123.3M increase primarily due to the Anderson Dam Seismic Retrofit project (\$122.1M)

2nd Pass Reserve Balances

Reserve balances in FY26 and FY27 remain healthy

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Reserves (\$ in millions)	FY25 Projected	FY26 Estimate	FY27 Estimate	FY26 vs FY25	FY27 vs FY26
Restricted Reserves					
Safe, Clean Water Fund	\$ 196.4	\$ 210.2	\$ 208.3	\$ 13.8	\$ (1.9)
Water Utility Enterprise Fund	44.7	65.0	71.0	20.3	6.0
Restricted Sub-total	\$ 241.1	\$ 275.2	\$ 279.3	\$ 34.1	\$ 4.1
Committed Reserves					
General Fund	19.8	20.3	19.7	0.5	(0.6)
Watershed Stream Stewardship Fund	154.0	157.6	161.2	3.6	3.6
Water Utility Enterprise Fund	163.5	74.6	75.7	(88.9)	1.1
Internal Service Funds	25.3	23.3	24.2	(2.0)	0.9
Committed Sub-total	\$ 362.6	\$ 275.8	\$ 280.8	\$ (86.8)	\$ 5.0
Total Reserves	\$ 603.6	\$ 550.9	\$ 560.2	\$ (52.7)	\$ 9.3

Next Steps

- **Operating and Capital Budget**
 - April 23, 2025 – Budget Work Study Session
- **Groundwater Production Charge (GWP)**
 - April 8 to 22, 2025 – GWP Public Hearings
- **Capital Improvement Program (CIP)**
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 - May 27, 2025 – Board Adoption

Questions

2nd Pass vs 1st Pass Supporting Slides

2nd Pass vs 1st Pass Revenue

Capital reimbursements increased due to updated timing of projects

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Revenue (\$ in millions)	FY25 Adopted	FY26 1st Pass	FY27 1st Pass	FY26 2nd Pass	FY27 2nd Pass	FY26 2nd Pass vs 1st Pass	FY27 2nd Pass vs 1st Pass
Water Charges	\$ 400.5	\$ 423.3	\$ 477.8	\$ 423.3	\$ 477.8	\$ -	\$ -
1% Ad-valorem Property Tax	148.4	156.2	159.6	156.2	159.6	-	-
SCW Special Parcel Tax	53.5	54.7	55.9	54.7	55.9	-	-
State Water Project Tax	28.0	28.0	28.0	28.0	28.0	-	-
Benefit Assessment	7.1	6.9	6.9	6.9	6.9	-	-
Capital Reimbursements	42.3	56.3	27.1	56.3	18.0	-	(9.1)
Interest Income & Other	15.4	19.3	28.3	18.6	20.0	(0.7)	(8.3)
Total Revenue	\$ 695.2	\$ 744.6	\$ 783.6	\$ 744.0	\$ 766.2	\$ (0.7)	\$ (17.4)

Revenue (\$ in millions)	FY25 Adopted	FY26 1st Pass	FY27 1st Pass	FY26 2nd Pass	FY27 2nd Pass	FY26 2nd Pass vs 1st Pass	FY27 2nd Pass vs 1st Pass
General Fund	\$ 12.4	\$ 13.4	\$ 13.7	\$ 13.4	\$ 13.7	\$ -	\$ -
Watershed & Stream Stewardship Fund	141.0	140.6	141.7	140.6	141.7	-	-
Safe Clean Water Fund	86.2	108.5	73.7	108.5	73.7	-	-
Water Utility Enterprise Funds	447.9	474.6	546.9	473.9	529.5	(0.7)	(17.4)
Service Funds	0.6	0.7	0.7	0.7	0.7	-	-
Benefit Assessment Funds	7.1	6.9	6.9	6.9	6.9	-	-
Total Revenue	\$ 695.2	\$ 744.6	\$ 783.6	\$ 744.0	\$ 766.2	\$ (0.7)	\$ (17.4)

2nd Pass vs 1st Pass Districtwide Outlays

Capital Projects outlays updated to align with most recent draft CIP

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- Operating Outlays 2nd Pass vs 1st Pass changes primarily due to increase of budgeted positions and water rate assistance program offset by lower GF overhead and reduced healthcare cost assumption
- Capital Projects 2nd Pass vs 1st Pass updated to align funding with the most recent CIP

Outlays (\$ in millions)	FY25 Adopted	FY26 1st Pass	FY27 1st Pass	FY26 2nd Pass	FY27 2nd Pass	FY26 2nd Pass vs 1st Pass	FY27 2nd Pass vs 1st Pass
Operations	\$ 518.9	\$ 528.3	\$ 562.8	\$ 525.5	\$ 561.9	\$ (2.8)	\$ (0.9)
Operating Project	5.3	5.0	6.2	6.3	7.5	1.3	1.3
Debt Service	103.7	119.6	140.4	119.6	140.4	-	-
Operating Outlays	627.9	652.9	709.4	651.4	709.8	(1.5)	0.4
Capital Projects	464.8	522.7	696.1	511.7	663.1	(11.0)	(33.0)
Total Outlays	1,092.7	1,175.6	1,405.5	1,163.1	1,372.9	(12.5)	(32.6)
Intra-District Reimbursements*	(129.1)	(133.1)	(146.7)	(130.8)	(146.4)	2.3	0.3
Net Outlays	\$ 963.6	\$ 1,042.5	\$ 1,258.8	\$ 1,032.2	\$ 1,226.6	\$ (10.3)	\$ (32.2)

* Intra-District reimbursements represent cost recovery for support services such as human resources and information technology, etc.

2nd Pass vs 1st Pass Salaries & Benefits

Increase in Salaries due to new positions offset by lower benefit costs

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Salary and Benefits (\$ in millions)	FY25 Adopted	FY26 1st Pass	FY27 1st Pass	FY26 2nd Pass	FY27 2nd Pass	FY26 2nd Pass vs 1st Pass	FY27 2nd Pass vs 1st Pass
Salaries							
Salaries - Regular Employees	\$ 150.6	\$ 148.6	\$ 155.6	\$ 149.4	\$ 156.4	\$ 0.8	\$ 0.8
Overtime and Special Pays	5.1	5.5	5.6	5.5	5.6	-	-
Salary Savings	(3.7)	(2.5)	(2.6)	(2.5)	(2.6)	-	-
Total Salaries	152.0	151.6	158.6	152.4	159.4	0.8	0.8
Benefits							
Federal & State Taxes	2.3	2.2	2.3	2.2	2.3	-	-
Retirement Contribution (CalPERS)	49.0	50.7	54.2	50.9	54.4	0.2	0.2
Group Insurance - Active Employees	24.5	28.8	32.9	26.4	30.1	(2.4)	(2.8)
Health Insurance - Retired Employees	14.8	15.0	15.3	15.0	15.3	-	-
Total Benefits	90.6	96.7	104.7	94.5	102.1	(2.2)	(2.6)
Total Salary & Benefits	\$ 242.6	\$ 248.3	\$ 263.3	\$ 246.9	\$ 261.5	\$ (1.4)	\$ (1.8)
Regular Positions	871	871	871	876	876		
Limited Term Positions	4	4	4	4	4		

2nd Pass Temps, Interns and Consultant Expenses

Consultants budget primarily due to capital projects

(\$ in millions)	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Adopted	FY26 Proposed	FY27 Plan	FY26 vs FY25	FY27 vs FY26
Operating									
Temporary Staffing	\$ 3.8	\$ 4.2	\$ 3.1	\$ 3.4	\$ 4.3	\$ 5.6	\$ 5.5	\$ 1.3	\$ (0.1)
Student Interns	1.1	2.0	2.3	2.0	2.8	2.8	2.8	-	-
Professional Services	17.6	21.5	21.5	18.0	31.5	32.7	32.5	1.2	(0.2)
Operating Outlays	22.5	27.7	26.9	23.4	38.6	41.1	40.8	2.5	(0.3)
Capital									
Temporary Staffing	\$ 0.7	\$ 0.7	\$ 0.4	\$ 0.4	\$ 0.8	\$ 7.0	\$ 11.9	\$ 6.2	\$ 4.9
Student Interns	0.0	0.1	0.2	0.2	0.2	0.1	0.2	(0.1)	0.1
Professional Services	38.5	75.4	110.1	86.7	103.4	95.2	81.0	(8.2)	(14.2)
Capital Outlays	\$ 39.2	\$ 76.2	\$ 110.7	\$ 87.3	\$ 104.4	\$ 102.3	\$ 93.1	\$ (2.1)	\$ (9.2)
Total	\$ 61.7	\$ 103.9	\$ 137.6	\$ 110.7	\$ 143.0	\$ 143.4	\$ 133.9	\$ 0.4	\$ (9.5)

- Consultants expense driven by expertise required to deliver operating and capital projects
- Temporary Staffing expense driven by short term nature of certain work

2nd Pass vs 1st Pass Operating Expenditures

2nd Pass decrease due to lower GF overhead cost and updated benefits cost

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- Includes release of five (5) frozen regular positions in FY26 to address various Board and workload priorities and help achieve key outcomes in operating projects
- 2nd Pass changes primarily due to increase of budgeted positions and water rate assistance program offset by lower GF overhead and reduced healthcare cost assumption
- Second Pass budget includes additional funding for various services and supplies expenses such as the Water Rate Assistance Program, Valley Habitat Plan fees, and Fair Chance & Disabled program support

Operations & Operating Projects (\$ in millions)	FY25 Adopted	FY26 1st Pass	FY27 1st Pass	FY26 2nd Pass	FY27 2nd Pass	FY26 2nd Pass vs 1st Pass	FY27 2nd Pass vs 1st Pass
General Fund	\$ 90.2	\$ 89.1	\$ 96.9	\$ 89.7	\$ 97.5	\$ 0.6	\$ 0.6
Watershed Stream Stewardship Fund	93.8	94.7	103.7	94.4	104.5	(0.3)	0.8
Safe, Clean Water Fund	24.5	27.6	29.4	27.5	29.4	(0.1)	-
Water Enterprise Fund	268.4	270.1	284.4	268.9	283.6	(1.2)	(0.8)
Fleet Management Fund	5.5	6.7	7.1	6.6	7.0	(0.1)	(0.1)
Risk Management Fund	11.5	12.2	13.2	12.1	13.2	(0.1)	-
Information Technology Fund	30.3	32.8	34.3	32.6	34.2	(0.2)	(0.1)
Total	\$ 524.2	\$ 533.2	\$ 569.0	\$ 531.8	\$ 569.4	\$ (1.4)	\$ 0.4

Note: This table reflects gross figures that have not been adjusted for intra-district reimbursements

2nd Pass vs 1st Pass Capital Expenditures

2nd Pass decrease primarily due to Anderson Dam projects

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- Safe, Clean Water Fund increase due to Llagas Creek Phase 2B Construction project increase (\$4.2M in FY26 and \$4.4M in FY27)
- Water Enterprise Fund decreases primarily due to Anderson Dam Seismic Retrofit project (-\$64M in FY26 and -\$58M in FY27) offset by an increase to the Anderson Dam Tunnel Project in FY26 (\$42M)
- Information Technology Fund increase due to ERP Replacement Project (\$8.3M in FY26 and \$11.6M in FY27)

Capital Outlays (\$ in millions)	FY25 Adopted	FY26 1st Pass	FY27 1st Pass	FY26 2nd Pass	FY27 2nd Pass	FY26 2nd Pass vs 1st Pass	FY27 2nd Pass vs 1st Pass
General Fund	\$ 5.9	\$ 15.5	\$ 10.5	\$ 15.5	\$ 10.5	\$ -	\$ -
Watershed Stream Stewardship Fund	30.7	31.0	22.2	31.1	22.2	0.1	-
Safe, Clean Water Fund	127.1	125.0	160.6	128.9	164.9	3.9	4.3
Water Enterprise Fund	292.0	345.6	494.3	322.2	445.5	(23.4)	(48.8)
Fleet Management Fund	2.1	2.1	3.4	2.1	3.4	-	-
Information Technology Fund	7.0	3.6	5.0	11.9	16.6	8.3	11.6
Total	\$ 464.8	\$ 522.8	\$ 696.0	\$ 511.7	\$ 663.1	\$ (11.1)	\$ (32.9)

Note: 2nd Pass Budget is based on draft FY26-30 Five-Year CIP

Major Capital Appropriations for FY26 and FY27

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Capital Outlays (\$ in millions)	Fund	FY24 Actuals	FY25 Adopted	FY26 1st Pass	FY27 1st Pass	FY26 + FY27 Combined	FY26 2nd Pass	FY27 2nd Pass	FY26 + FY27 Combined	FY26 vs FY 25	FY27 vs FY26
RWTP Reliability Improvement	WU	\$ 38.4	\$ 66.2	\$ 120.8	\$ 125.1	\$ 245.9	\$ 120.8	\$ 125.1	\$ 245.9	\$ 22.7	\$ 22.7
Anderson Dam Seismic Retrofit	WU	22.7	45.1	88.3	204.9	293.3	24.2	146.3	170.5	(20.9)	122.1
Coyote Creek, Montague-Tully	SCW	7.5	16.1	84.7	66.5	151.2	84.7	66.5	151.2	68.6	(18.2)
Llagas Creek Phase 2B Construction	SCW	-	56.0	22.4	44.3	66.7	26.5	48.7	75.2	(29.5)	22.2
San Jose Purified Water Project - Phase 1	WU	-	1.0	17.5	31.6	49.1	17.5	31.6	49.1	16.5	14.1
Anderson Dam Tunnel Project	WU	53.6	42.4	0.7	0.5	1.2	42.7	0.5	43.2	0.3	(42.2)
PWTP Residuals Management	WU	1.7	9.4	15.8	15.9	31.7	15.8	15.9	31.7	6.4	0.1
San Felipe Division Capital	WU	12.0	12.4	12.8	13.3	26.1	12.8	13.3	26.1	0.4	0.5
Watersheds Asset Rehabilitatio	WSS	7.4	19.7	16.6	8.9	25.5	16.6	8.9	25.5	(3.1)	(7.7)
10-Yr PL Inspection and Rehab	WU	36.8	19.6	20.3	2.7	23.0	20.3	2.7	23.0	0.7	(17.6)
ERP Replacement	IT	-	-	-	-	-	8.3	11.6	19.9	8.3	3.3
Sunnyvale East & West Channel	SCW	1.8	9.4	-	19.3	19.3	-	19.3	19.3	(9.4)	19.3
Small Caps, Water Treatment	WU	3.8	6.3	11.2	7.7	18.9	11.2	7.7	18.9	4.9	(3.5)
Almaden Calero Canal Rehab	WU	0.3	0.7	0.7	17.5	18.2	0.7	17.5	18.2	-	16.8
IRP2 AddLine Valves	SCW	1.0	9.5	10.8	5.8	16.6	10.8	5.8	16.6	1.3	(5.0)
WU Capital Prog Admin Support	WU	5.5	8.2	7.7	8.6	16.3	7.8	8.8	16.6	(0.4)	1.0
Almaden Valley Pipeline	WU	1.9	2.1	3.1	10.9	14.0	3.1	10.9	14.0	1.0	7.8
Calero Dam SeisRetrfit Des&Con	WU	2.7	3.0	6.3	6.5	12.8	6.3	6.5	12.8	3.3	0.2
Pacheco Reservoir ExpansionPrj	WU	27.6	-	1.4	11.1	12.6	1.4	11.1	12.5	1.4	9.7
Vasona Pump Station Upgrade	WU	0.3	1.2	1.7	10.3	12.0	1.7	10.3	12.0	0.5	8.6
Total		\$ 225.0	\$ 328.3	\$ 442.8	\$ 611.4	\$ 1,054.4	\$ 433.2	\$ 569.0	\$ 1,002.2	\$ 104.9	\$ 135.8

2nd Pass and Actuals - Revenue

21

Revenue (\$ in millions)	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Adopted	FY26 Proposed	FY27 Plan	FY26 vs FY25	FY27 vs FY26
Water Charges	\$ 227.7	\$ 266.9	\$ 289.8	\$ 272.4	\$ 268.1	\$ 320.6	\$ 400.5	\$ 423.3	\$ 477.8	\$ 22.8	\$ 54.5
1% Ad-valorem Property Tax	107.8	110.6	117.3	127.3	138.8	146.1	148.4	156.2	159.6	7.8	3.4
SCW Special Parcel Tax	44.1	46.1	46.1	47.0	49.5	52.2	53.5	54.7	55.9	1.2	1.2
State Water Project Tax	22.3	21.8	21.4	30.1	28.9	28.1	28.0	28.0	28.0	-	-
Benefit Assessment	14.7	13.4	12.4	13.4	13.2	6.9	7.1	6.9	6.9	(0.2)	-
Capital Reimbursements	26.7	33.8	19.9	21.4	35.2	10.0	42.4	56.3	18.0	13.9	(38.3)
Interest Income & Other	22.0	23.9	17.7	20.4	27.7	47.2	15.4	18.6	20.0	3.2	1.4
Total Revenue	\$ 465.3	\$ 516.5	\$ 524.6	\$ 532.0	\$ 561.4	\$ 611.0	\$ 695.2	\$ 744.0	\$ 766.2	\$ 48.7	\$ 22.2

2nd Pass and Actuals – Salaries & Benefits

22

Salary and Benefits (\$ in millions)	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Adopted	FY26 Proposed	FY27 Plan	FY26 vs FY25	FY27 vs FY26
Salaries										
Salaries - Regular Employees	\$ 103.6	\$ 116.5	\$ 128.3	\$ 130.5	\$ 135.3	\$ 150.6	\$ 149.4	\$ 156.4	\$ (1.2)	\$ 7.0
Overtime and Special Pays	4.3	4.3	5.8	6.2	6.3	5.1	5.5	5.6	0.4	0.1
Salary Savings	-	-	-	-	-	(3.8)	(2.5)	(2.6)	1.3	(0.1)
Total Salaries	107.9	120.8	134.1	136.7	141.6	151.9	152.4	159.4	0.5	7.0
Benefits										
Fed & State Taxes & Benefits	1.6	1.8	1.9	2.0	2.1	2.2	2.2	2.3	-	0.1
Retirement Contributions	29.4	32.8	36.7	42.1	43.7	49.1	50.9	54.4	1.8	3.5
Group Insurance - Active Employees	14.0	14.5	15.1	16.0	17.6	24.5	26.4	30.1	1.9	3.7
Health Insurance - Retired Employees	10.8	11.0	12.1	13.9	14.6	14.8	15.0	15.3	0.2	0.3
Total Benefits	55.8	60.1	65.8	74.0	78.0	90.6	94.5	102.1	3.9	7.6
Total Salary & Benefits	\$ 163.7	\$ 180.9	\$ 199.9	\$ 210.7	\$ 219.6	\$ 242.5	\$ 246.9	\$ 261.5	\$ 4.4	\$ 14.6
Regular Positions	859	859	893	909	919	921	876	876	(45)	-

2nd Pass and Actuals – Districtwide Outlays

23

Budget by Category (\$ in millions)	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Adopted	FY26 Proposed	FY27 Plan	FY26 vs FY25	FY27 vs FY26
Operations	\$ 308.2	\$ 366.7	\$ 414.2	\$ 417.0	\$ 423.7	\$ 518.9	\$ 525.5	\$ 561.9	\$ 6.6	\$ 36.4
Operating Projects	11.8	3.6	8.5	4.6	9.5	5.3	6.3	7.5	1.0	1.2
Debt Service	46.3	51.4	58.1	65.1	75.0	103.7	119.6	140.4	15.9	20.8
Total Operating Outlays	366.3	421.7	480.8	486.7	508.2	627.9	651.4	709.8	23.5	58.4
Capital Outlays	234.9	284.2	372.7	414.1	389.7	464.8	511.7	663.1	46.9	151.4
Total Gross Outlays	601.2	705.9	853.5	900.8	897.9	1,092.7	1,163.1	1,372.9	70.4	209.8
Intra-District Reimbursements*	(77.9)	(87.4)	(97.3)	(107.2)	(116.8)	(129.1)	(130.8)	(146.4)	(1.7)	(15.6)
Net Total Outlays	\$ 523.3	\$ 618.5	\$ 756.2	\$ 793.6	\$ 781.1	\$ 963.6	\$ 1,032.2	\$ 1,226.6	\$ 68.6	\$ 194.4

* Intra-District reimbursements represent cost recovery for support services such as human resources and information technology, etc.

2nd Pass and Actuals – Ops Expenditures by Fund

24

Operations & Operating Budget (\$ in millions)	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Adopted	FY26 Proposed	FY27 Plan	FY26 vs FY25	FY27 vs FY26
General Fund	\$ 58.6	\$ 68.0	\$ 74.3	\$ 74.8	\$ 77.3	\$ 90.2	\$ 89.7	\$ 97.5	\$ (0.5)	\$ 7.8
Watershed Stream Stewardship Fund	51.7	59.2	62.5	69.3	75.4	93.8	94.4	104.5	0.6	10.1
Safe, Clean Water Fund	20.5	14.9	16.2	19.2	25.6	24.5	27.5	29.4	3.0	1.9
Water Enterprise Fund	165.3	197.6	235.3	224.0	213.6	268.3	268.9	283.6	0.6	14.7
Fleet Management Fund	3.8	3.9	3.8	5.0	5.2	5.5	6.6	7.0	1.1	0.4
Risk Management Fund	6.1	6.8	9.5	6.8	9.9	11.6	12.1	13.2	0.5	1.1
Information Technology Fund	14.0	19.9	21.1	22.4	26.2	30.3	32.6	34.2	2.3	1.6
Total	\$ 320.0	\$ 370.3	\$ 422.7	\$ 421.5	\$ 433.2	\$ 524.2	\$ 531.8	\$ 569.4	\$ 7.6	\$ 37.6

Note: This table reflects gross figures that have not been adjusted for intra-district reimbursements

2nd Pass and Actuals – Capital Outlays by Fund

25

Capital Outlays (\$ in millions)	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Adopted	FY26 Proposed	FY27 Plan	FY26 vs FY 25	FY27 vs FY26
General Fund	\$ 1.5	\$ 3.3	\$ 3.2	\$ 4.2	\$ 2.6	\$ 5.9	\$ 15.5	\$ 10.5	\$ 9.6	\$ (5.0)
Watershed Stream Stewardship Fund	19.0	63.5	66.2	44.5	26.3	30.7	31.1	22.2	0.4	(8.9)
Safe, Clean Water Fund	70.9	71.7	52.8	46.6	45.8	127.1	128.9	164.9	1.8	36.0
Water Enterprise Fund	132.2	136.0	238.0	311.9	307.5	292.0	322.2	445.5	30.2	123.3
Fleet Management Fund	1.9	2.5	2.8	2.2	0.8	2.0	2.1	3.4	0.1	1.3
Information Technology Fund	9.4	7.2	9.7	4.7	6.7	7.1	11.9	16.6	4.8	4.7
Total	\$ 234.9	\$ 284.2	\$ 372.7	\$ 414.1	\$ 389.7	\$ 464.8	\$ 511.7	\$ 663.1	\$ 46.9	\$ 151.4

Note: FY26 Proposed Budget and FY27 Plan is based on Draft FY26-FY30 CIP

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