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FINAL REPORT

# **Santa Clara Valley Water District**

## **WATER CONSERVATION PERFORMANCE AUDIT**

November 15, 2025

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# I. Executive Summary

## A. Introduction

Santa Clara Valley Water District (the District, Valley Water) engaged Baker Tilly Advisory Group, LP (Baker Tilly), formerly Moss Adams LLP, to conduct a performance audit to assess and further enhance its approach to water conservation strategies and incentives. The objectives of this performance audit were to:

- Evaluate the extent to which the strategies and approaches taken by Valley Water to promote or incentivize water conservation align with peer and best practices.
- Identify opportunities for improvement through lessons learned at Valley Water and other water districts.
- Review use of funds dedicated to conservation activities and corresponding performance measures.

## B. Conclusions

We evaluated Valley Water’s water conservation strategies and approaches against best practices and found that the District meets the best practices we reviewed. Valley Water demonstrates strong practices across key operational areas, including conducting water audits to understand system performance, minimizing water loss through the use of advanced metering infrastructure (AMI), and analyzing end-user demand to target efficiency programs and promote water conservation. [Section IV](#) includes more detail on these results.

We also evaluated Valley Water’s strategies in comparison to peers and found that the District is generally aligned with peers in many areas. Like its peers, Valley Water sets measurable water conservation goals, achieves strong support for conservation efforts, and prioritizes outdoor water conservation and long-term demand management strategies in its water conservation efforts. We have incorporated information and lessons learned from peers throughout the report. [Appendix A](#) includes detailed peer benchmarking results.

We also found that Valley Water is meeting both of its established performance targets, which are related to achieving annual water use savings and increasing outdoor conservation program participation. [Section V](#) includes more detail on relevant performance measures and uses of funds. [Appendix B](#) also includes a detailed breakdown of Valley Water’s uses of funds relevant to water conservation.

We identified three findings and recommendations to support Valley Water in continuing to improve its water conservation efforts. Our recommendations are intended to help the District improve water conservation strategies and activities. Summarized findings and recommendations are provided below. Detailed findings and recommendations are provided in [Section VI](#). Two findings are rated as medium-risk and one finding is rated as a low-risk. We did not identify any high-risk findings. Definitions of findings ratings are included in [Appendix C](#).

## FINDINGS AND RECOMMENDATIONS

### MEDIUM-RISK FINDINGS

|    |                       |  |
|----|-----------------------|--|
| 1. | <b>Finding</b>        | Valley Water's Water Conservation team is understaffed compared to peer agencies, which may limit capacity to manage workloads and poses risk to achieving the District's long-term conservation goals.  |
|    | <b>Recommendation</b> | To ensure the Water Conservation team can meet the District's long-term conservation goals, Valley Water should consider adding at least five additional staff to the Water Conservation team who are dedicated to stakeholder engagement and administrative and program support.  |
| 2. | <b>Finding</b>        | Valley Water employs a multiple channel outreach approach similar to its peers but does not currently have a formal integrated communications strategy. Along with limited staffing capacity, this may constrain its ability to effectively engage diverse and underserved populations and fully realize the potential of its water conservation programs.   |
|    | <b>Recommendation</b> | To build on the District's existing outreach activities, the Water Conservation team should work with other District departments, including the Office of Communications, to develop and implement a formalized, comprehensive, data-driven strategic engagement strategy that clearly defines target audiences, messaging priorities, and outreach methods. |

### LOW-RISK FINDINGS

|    |                       |   |
|----|-----------------------|---|
| 3. | <b>Finding</b>        | The effectiveness of Valley Water's water conservation programs is constrained by capacity challenges and opportunities to improve alignment with the following key support departments: Procurement, Communications, and IT.   |
|    | <b>Recommendation</b> | <p>To address the capacity and coordination needs impacting water conservation activities, the District should:</p> <ul style="list-style-type: none"> <li>A. Evaluate workload and staffing needs in the Procurement, Communications, and IT departments to ensure support for water conservation and other District priorities.</li> <li>B. Continue the current procurement audit to review and streamline procurement processes.</li> </ul> <p>To facilitate better coordination, the Water Conservation team should:</p> <ul style="list-style-type: none"> <li>C. Formalize collaboration efforts with the Communications department by establishing a clear framework that defines roles, responsibilities, and decision-making authority for the annual water conservation campaign.</li> </ul> |

## II. Background, Scope, and Methodology

Valley Water engaged Baker Tilly to conduct a performance audit to assess and further enhance the District's approach to water conservation strategies and incentives. The objectives of this performance audit were to:

- Evaluate the extent to which the strategies and approaches taken by Valley Water to promote or incentivize water conservation align with peer and best practices.
- Identify opportunities for improvement through lessons learned at Valley Water and other water districts.
- Review the use of funds dedicated to conservation activities and corresponding performance measures.

### A. Background

The District is the primary water resources agency providing safe, clean water, flood protection, and stewardship of streams in Santa Clara County, California for 1.9 million residents—primarily through 13 water retailers. The District's water conservation programs promote and incentivize short- and long-term reduction in water use through rebates, sub-programs and services, outreach and education, and cost share agreements with retailers.

The Water Supply Planning and Conservation Unit is one of three teams within the District's Water Supply Division. While the other teams in this Division focus on recycled, purified, and imported water, the Water Supply Planning and Conservation Unit (Water Conservation team) supports Valley Water's mission by developing long-term water supply plans to ensure there is a reliable water supply. This team develops state and federally required plans, participates in various regional water supply planning efforts, and designs, implements, and evaluates demand management programs across five sectors to meet Valley Water's long-term water conservation goals.<sup>1</sup>

Valley Water's conservation programs aim to reduce water use across residential, commercial, and institutional sectors by providing financial incentives, free resources, and technical support to promote long-term efficiency and drought resilience. The District offers a range of programs and resources aimed at conserving water, including landscape rebates, landscape surveys, commercial and facility rebates, irrigation equipment upgrades, rainwater capture rebates, graywater rebates, fixture replacement programs like the submeter rebate program, and tools to report water waste.<sup>2</sup>

Valley Water's long-term goals for meeting the County's future water needs are outlined in the Water Supply Master Plan 2040, which aims to outline the actions necessary to maintain a reliable and sustainable future water supply and ensure new water supply investments are effective and efficient.<sup>3</sup>

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<sup>1</sup> [5\\_Division\\_Summaries\\_0.pdf](#)

<sup>2</sup> <https://www.valleywater.org/watersavingsorg>

<sup>3</sup> [https://www.valleywater.org/sites/default/files/Water%20Supply%20Master%20Plan%202040\\_11.01.2019\\_v2.pdf](https://www.valleywater.org/sites/default/files/Water%20Supply%20Master%20Plan%202040_11.01.2019_v2.pdf)

The four main goals of the Water Supply Master Plan 2040 are to:

1. Manage a reliable water supply
2. Ensure adequate supplies for future droughts
3. Follow a water supply strategy that ensures sustainability
4. Keep a monitoring and assessment plan on track

This performance audit was initiated due to interest from the District’s Board of Directors (the Board) in gaining additional insight into Valley Water’s water conservation strategies and activities.

## B. Scope and Methodology

This report’s findings and recommendations were developed based on interviews, document review, and best practices research, including peer comparisons. The study was conducted primarily between April and August 2025 and consisted of four major phases, described below.

| PROJECT METHODOLOGY                        |  |
|--|--|
| Project Phase                              | Description  |
| <b>1.</b><br><b>Startup and Management</b> | <p>Phase 1 involved collaborative project planning with District management, including identifying interviewees, selecting documents for review, identifying peer water agencies and best practices sources for comparison, establishing timing and methods for sharing results, and defining reporting protocols.</p> <p>We held a kickoff meeting with designated District contacts to confirm expectations and discuss the overall project scope, logistics, deliverables, schedule, and progress reporting requirements. Roles and responsibilities of the audit team and District personnel were clarified, along with communication protocols and the format of deliverables.</p> <p>Throughout the engagement, we maintained rigorous project management, including regular status updates and quality assurance reviews to ensure all deliverables met client standards before submission.</p>   |
| <b>2.</b><br><b>Fact-Finding</b>           | <p>The second phase focused on executing planned activities such as interviews, document review, best practices research, and peer comparisons. We gathered current information and insights from District leadership and staff involved in water conservation and water supply planning.</p> <p><b>Documentation Review:</b> We requested relevant documentation for review. We reviewed documents, including but not limited to organizational charts, performance reports, District strategic goals and workplans, budget presentations, and educational materials.</p> <p><b>Interviews:</b> We conducted interviews with 12 members of District leadership and staff from the Water Supply Planning and Conservation, Communications, and IT departments to identify strengths, challenges, and opportunities for improvement in water conservation strategies and activities.</p> <p><b>Peer Benchmarking:</b> In peer interviews, we compared Valley Water’s water conservation strategies and activities, along with outreach and communication methods and challenges. In peer research, we compared organization-wide goals to better understand how organizations support conservation.</p> |

| PROJECT METHODOLOGY |  |
|---------------------|--|
| Project Phase       | Description  |
|                     | <p>The following peers were included in this analysis:</p> <ul style="list-style-type: none"> <li>Alameda County Water District (ACWD)</li> <li>Contra Costa Water District (CCWD)</li> <li>Solano County Water Agency (SCWA)</li> <li>Marin Municipal Water District (MMWD)</li> <li>East Bay Municipal Utility District (EBMUD)</li> <li>San Francisco Public Utilities Commission (SFPUC)</li> </ul> <p>For full results, see <a href="#">Appendix A: Peer Benchmarking</a>.</p> <p><b>Industry Best Practices:</b> We researched industry best practices related to water conservation operations, including water tracking, demand analysis, planning, performance, equity, and related topics.</p> |
| 3.                  | <p><b>Analysis</b></p> <p>Based on the information collected during fact-finding, we developed preliminary observations assessing Valley Water’s conservation-related activities. These observations identified strengths, weaknesses, and opportunities for improvement, providing a foundation for further analysis and recommendations.</p>   |
| 4.                  | <p><b>Reporting</b></p> <p>We communicated the results of our analysis, with findings and recommendations presented first in a draft report that was reviewed with management to confirm the practicality and relevance of recommendations before finalizing the report.</p>   |

### C. Statement of Compliance with GAGAS

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

### III. Commendations

It is important to note the areas of strength and existing good practices that can be leveraged for further improvement within the District. The Baker Tilly team would like to note the following commendations:

- **Teamwork:** The Water Conservation team has fostered collaborative teamwork internally and with other divisions across Valley Water. Open communication and positive working relationships help ensure that staff remain aligned and can respond quickly to new challenges.
- **Strategic Planning:** Valley Water’s Water Conservation team demonstrates thoughtful and strategic planning approaches. The unit’s plans consistently include clear, well-defined goals to guide conservation efforts effectively. Among peer organizations, Valley Water distinguishes itself through the longevity of its plans, depth and detail of its strategies, and specificity of its goals.
- **Reporting and Transparency:** Valley Water provides relevant, publicly accessible information, including budget and annual comprehensive reports, and performance updates. The District makes a strong effort to ensure that this information is not only publicly available but also easy for stakeholders to access and understand. This commitment to openness helps build trust with the community and supports greater awareness and engagement around water conservation efforts.
- **Annual Reporting:** Valley Water meets best practices for financial reporting, including timely independent audits and oversight by an appointed audit committee. Additionally, the District ensures water quality compliance with methods approved by the U.S. Environmental Protection Agency (EPA) and provides publicly accessible annual program and water quality reports that align with best practices.
- **Performance Measurement:** The Water Conservation team has consistently met its performance targets within the last three fiscal years (FY), achieving an average annual water savings of 3,202 acre-feet and increasing total water savings from 80,073 to 85,204 acre-feet between FY 2022 and FY 2024. Additionally, program participation increased for commercial, industrial, and institutional (CII) customers overall in the last three fiscal years (see [Performance Measurement](#)). The team tracks and reports updates to the Water Supply and Demand Management Committee annually. The data-driven approach in these reports supports effective program management and ongoing efforts to meet conservation goals.

## IV. Best Practices Review

We evaluated Valley Water’s water conservation strategies against industry standards and found that it meets identified best practices. Using governmental and public sources, including California guidelines and statewide and nationwide frameworks<sup>4, 5, 6, 7, 8, 9</sup>, we confirmed that the District consistently aligns with recommended practices in operations, strategic goals, reporting, and performance measurement.

Valley Water, as a wholesaler, operates water conservation programs directly with the community and collaborates with local retailers to promote advanced metering and leakage reduction. The District demonstrates strong practices across key operational areas such as conducting water audits, using AMI, analyzing end-user demand, setting measurable goals, tracking performance, and supporting continuous improvement. Valley Water also uses best practices in outreach and program accessibility to promote equity and access within conservation programs. Its alignment with these best practices is summarized in the following table.

| WATER CONSERVATION OPERATION BEST PRACTICES                  |   |   |                     |
|--|---|---|---------------------|
| Topic  | Best Practice   | Valley Water Practice   | Valley Water Status |
| <b>Conduct Water Audits to Understand System Performance</b> | Establish accountable, transparent, and recurring water audits focused on key loss volumes, accurate data, and organizational commitment.   | Valley Water conducts rigorous, transparent water audits using state guidance and industry-standard tools, demonstrating a strong commitment to continuous improvement and stakeholder engagement.  | Meets               |
| <b>Monitor, Meter, and Minimize Water Loss Using AMI</b>     | Use AMI data, utility partnerships, operational monitoring, and staff training to detect leaks and optimize water use, while leveraging rebates and integrating sustainability practices. | Valley Water meets best practices in monitoring, metering, and minimizing water loss by supporting retailers’ installation of AMI through partnerships and funding. AMI uptake is ahead of the planned schedule to implement AMI by 2040 <sup>10</sup> Valley Water’s monitoring and network system provides timely leak detection and integrates with existing operations, effectively supporting best | Meets               |

<sup>4</sup> [California Department of Water Resources: Water Audit Manual](#)

<sup>5</sup> [California Department of Water Resources: Urban Water Use Efficiency Resource Management Strategy](#)

<sup>6</sup> [EPA: Improving Water Management Using Advanced Metering Infrastructure Data: A Guide for Facility Managers](#)

<sup>7</sup> [California Water Library: Plan writing as a policy tool: instrumental, conceptual, and tactical uses of water management plans in California](#)

<sup>8</sup> [A Conservation Professionals’ Guide to Diverse, Equitable, and Inclusive Conservation Delivery with Historically Underserved Producers and Communities](#)

<sup>9</sup> [WSP: Improving Water Conservation Through an Equity Lens](#)

<sup>10</sup> [Valley Water Water Supply Master Plan 2040](#)

| WATER CONSERVATION OPERATION BEST PRACTICES                  |   |  |       |
|--|---|--|-------|
|  |   | practices for monitoring and assessing water consumption.  |       |
| <b>Analyze End-User Demand to Target Efficiency Programs</b> | Implement a comprehensive suite of demand management measures—including audits, metering, rebates, education, conservation pricing, and drought risk assessments—to reduce water use across all customer sectors.                   | Valley Water uses advanced demand forecasting, community engagement, and a comprehensive suite of conservation programs—ranging from rebates to enforcement—to guide proactive data-driven water management and promote long-term sustainability.  | Meets |
| <b>Develop Written Plans with Clear, Measurable Goals</b>    | Develop a conservation plan with clear goals, community input, system profiling, demand forecasting, cost-effectiveness analysis, and a defined implementation and evaluation strategy.   | Valley Water meets the EPA's guidance for strategic planning. The District defines current services and explores future services across decades in strategic plans. It has an action plan that satisfies EPA best practices and follows guiding principles.  | Meets |
| <b>Track Performance and Support Continuous Improvement</b>  | Conduct annual financial, performance, and water quality reporting in line with Government Finance Officers Association (GFOA) and EPA standards to ensure transparency, accountability, and public accessibility.                  | Valley Water meets best practices in financial, water quality, and program reporting through Generally Accepted Accounting Principles (GAAP)-compliant audits, EPA-approved water quality monitoring, and publicly available annual reports with performance measures aligned to industry standards.               | Meets |
| <b>Promote Equity and Access in Conservation Programs</b>    | Perform effective and equitable water conservation outreach with culturally tailored, accessible programs that build trust, reduce barriers, and engage underserved communities through practical support and ongoing partnerships. | Valley Water demonstrates a strong intentional focus on equity by tailoring outreach and services specifically to underserved communities, simplifying application processes, and addressing barriers such as language access. It provides relevant messaging to increase participation and conservation outcomes. | Meets |

# V. Performance Measurement and Use of Funds

## PERFORMANCE MEASUREMENT

The District’s Water Supply Master Plan includes a Board goal of achieving water use savings of 99,000 acre-feet per year (AFY) by 2030. The Water Conservation team reports to the Water Supply and Demand Management Committee (WSDMC) on the following two performance targets, in support of this goal:

1. Valley Water must sustain drought-year-level participation in non-drought years to generate at least 2,400 AFY in additional savings annually.
2. Outdoor conservation and program participation by commercial, industrial, and institutional (CII), including multifamily residential (MF) sites, must increase.

According to reporting to WSDMC, Valley Water is meeting both established performance targets.

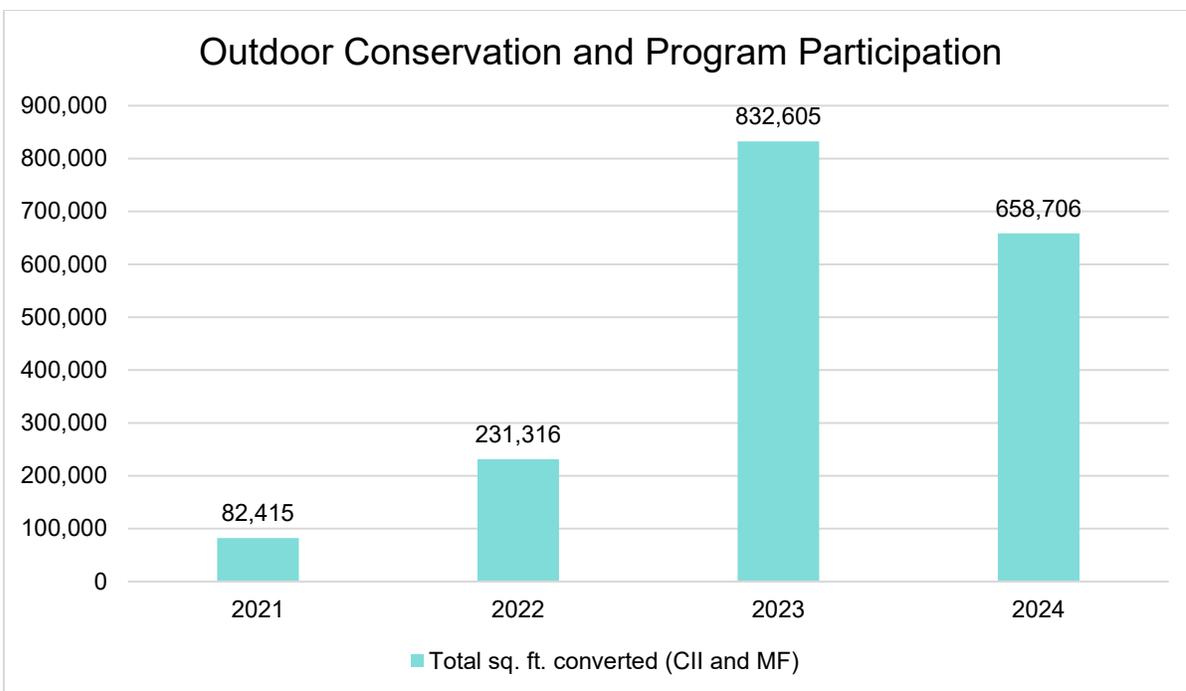
Valley Water is exceeding its goal to sustain drought-year level participation in non-drought years. Participation is measured in AFY. Within the last three fiscal years, additional savings averaged 3,202 AFY and total AFY increased from 80,073 to 85,204. It is important that Valley Water meets this annual performance target, as it ensures the District remains on track to meet the Board’s 2030 goal described above.

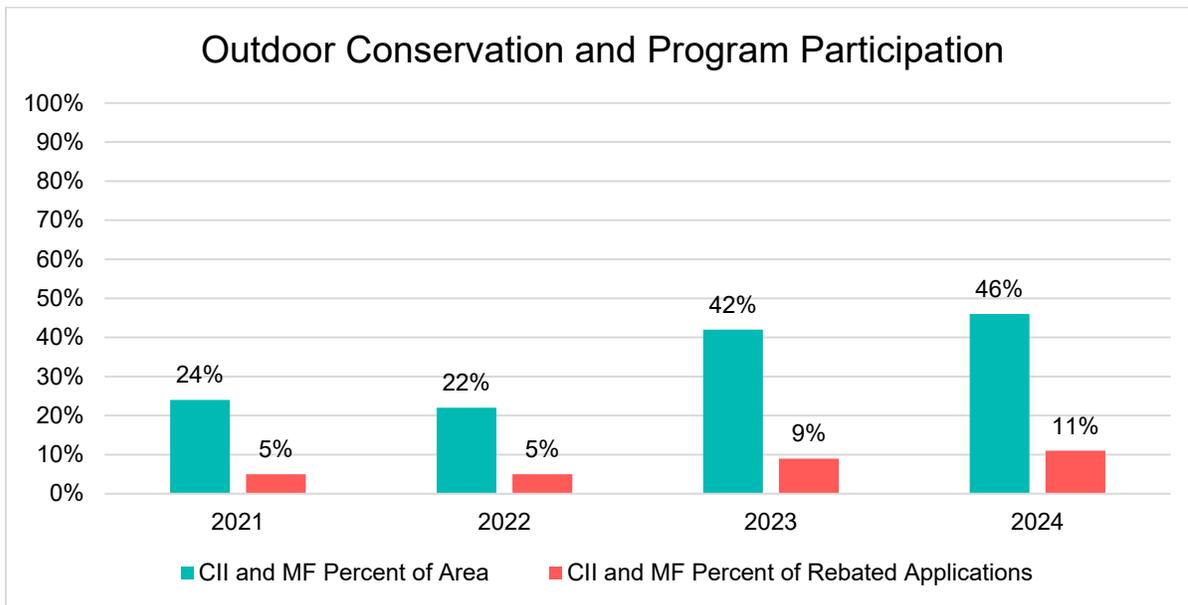
| Goal 1: Valley Water must sustain drought-year level participation in non-drought years to generate at least 2,400 AFY in additional savings annually |                                |           |
|---|--------------------------------|-----------|
| Fiscal Year   | AFY Increase in Annual Savings | Total AFY |
| 2022  | 3,489                          | 80,073    |
| 2023  | 3,096                          | 83,174    |
| 2024  | 3,022                          | 85,204    |
| <b>Average</b>  | 3,202                          | 82,817    |

Valley Water’s second performance measure is to increase outdoor conservation and program participation in CII and MF sites. To achieve this, the District offers turf removal and irrigation equipment rebates through its Landscape Rebate Program. Program participation by CII and MF sites is measured in square feet of converted site. Between FY 2021 and FY 2024, participation increased from 82,415 to 658,706 square feet. Program participation trends in single-family, CII, and MF decreased by 173,899 square feet between FY 2023 and FY 2024 but remained elevated from FY 2021 levels. Staff reported this is common because participation is typically elevated after a drought and then declines. Overall, participation has increased, suggesting progress toward the performance target.

**Goal 2: Outdoor conservation and program participation by commercial, industrial, and institutional (CII), including multifamily residential (MF) sites, must increase**

| Fiscal Year | Total Sq. Ft. Converted (Single-Family) | Total Sq. Ft. Converted (CII and MF) | Total     | CII and MF Percent of Area | CII and MF Percent of Rebated Applications |
|-------------|---|--------------------------------------|-----------|----------------------------|--|
| 2021        | 258,644                                 | 82,415                               | 341,059   | 24%                        | 5%   |
| 2022        | 804,226                                 | 231,316                              | 1,035,542 | 22%                        | 5%   |
| 2023        | 1,153,764                               | 832,605                              | 1,986,369 | 42%                        | 9%   |
| 2024        | 759,722                                 | 658,706                              | 1,418,428 | 46%                        | 11%  |





## USE OF FUNDS

Valley Water’s water conservation programs fall under the Board’s E-2 Water Supply Services Ends policy and within that, the Water Supply (WS) 2.4 goal to increase regional self-reliance through water conservation and reuse. This Board goal comprises four objectives, as shown in the table below, and staff reported that the water conservation performance targets detailed above align with Objective 2.4.2 to incentivize water use efficiency and water conservation.

| E-2 WATER SUPPLY (WS) SERVICES  |  |
|---|--|
| <b>WS Goal 2.4: Increase regional self-reliance through water conservation and reuse.</b> |  |
| <b>WS Objective 2.4.1</b>   | Maximize utilization of all demand management tools.             |
| <b>WS Objective 2.4.2</b>   | Incentivize water use efficiency and water conservation.         |
| <b>WS Objective 2.4.3</b>   | Promote, protect and expand potable and non-potable water reuse. |
| <b>WS Objective 2.4.4</b>   | Promote stormwater capture and reuse.                            |

According to budget documents, the Water Supply Services Ends Policy 2.4 was allocated a total of \$37,516,335 in FY 2025. Objective 2.4.2, where water conservation performance targets align, was allocated a total of \$17,860,692 as shown in the following table.

| WS Goal 2.4: Increase regional self-reliance through water conservation and reuse |   |                     |
|---|---|---------------------|
| 2.4.1   | Maximize utilization of all demand management tools               | -                   |
| 2.4.2   | Incentivize water use efficiency and water conservation.          | \$17,860,692        |
| 2.4.3   | Promote, protect, and expand potable and non-potable water reuse. | \$19,566,885        |
| 2.4.4   | Promote stormwater capture and reuse.                             | \$88,758            |
| <b>Total</b>  |   | <b>\$37,516,335</b> |

Overall, Valley Water’s water conservation programs were allocated \$12,553,044 in FY 2025: a portion of the \$17,860,692 allocated to incentivize water use efficiency and water conservation, with the remaining \$5,307,648 used for the Guiding Principal #5 Reserve<sup>11</sup>, a water utility enterprise fund that allows certain communities or agencies to receive Valley Water contributions in the form of additional, incremental, dedicated, and segregated funds. The allocation of \$12,553,044 supports the initiatives and activities that drive the performance measures detailed above. The table below breaks down the budget allocation for Valley Water’s water conservation programs, illustrating how funds are distributed across key expense categories to support program implementation and achieve performance goals. [Appendix B](#) includes a more detailed breakdown of expenses in these categories. Approximately 30% of the funding allocated to Valley Water’s water conservation programs (\$3,750,000) directly funds water conservation rebates provided to customers.

| Expense Category       | FY 2025 Budget      | % of Overall Budget |
|------------------------|---------------------|---------------------|
| Salaries and Benefits  | \$1,762,084         | 14%                 |
| Services and Supplies* | \$9,680,400         | 77%                 |
| Intra-District Charges | \$1,110,559         | 9%                  |
| <b>Total</b>           | <b>\$12,553,044</b> | <b>100%</b>         |

*\*The Services and Supplies expense category includes various expenses, including but not limited to technical and professional services, cost sharing agreements, and water conservation rebates. A full breakdown of expenses is included in [Appendix B](#).*

This funding enables implementation of outreach, incentives, and technical assistance efforts that contribute to the additional acre-feet saved annually and the growth in program participation—demonstrating an alignment between resource allocation and measurable conservation outcomes. The findings and recommendations detailed in the next section address risks that could impact Valley Water’s continued achievement of these goals.

<sup>11</sup> [Valley Water 2021/2022 Operating and Capital Budget, "Reserve Policy and Fund Balances"](#)

# VI. Findings and Recommendations

## A. Staffing

|                       |  |
|-----------------------|--|
| <b>1. Finding</b>     | Valley Water’s Water Conservation team is understaffed compared to peer agencies, which may limit capacity to manage workloads and poses risk to achieving the District’s long-term conservation goals.  |
| <b>Recommendation</b> | To ensure the Water Conservation team can meet the District’s long-term conservation goals, Valley Water should consider adding at least five staff to the Water Conservation team who are dedicated to stakeholder engagement and administrative and program support. |

Staff reported that although they are meeting performance measures, there is limited bandwidth to complete other duties such as more targeted outreach, reviewing and reporting on customer feedback, and other strategic projects. The District’s 2021 Water Conservation Strategic Plan briefly acknowledges that based on internal review, staffing levels were not adequate to achieve the District’s long-term water conservation targets. The plan’s modeling was based on a comparison of staffing levels at the time to other similar-sized agencies, and it recommended increasing staffing to at least 10 full-time equivalent employees to meet long-term conservation goals.

As shown in the following table, we compared Valley Water’s current water conservation staffing to peers and found that the District has fewer water conservation staff per 100,000 population compared to its peers, indicating potential understaffing. Specifically, Valley Water has 0.37 full-time equivalent (FTE) staff per 100,000 people served, which is lower than the Alameda County Water District (ACWD) (1.15), Contra Costa Water District (CCWD) (1.54), Marin Municipal Water District (MMWD) (3.66), East Bay Municipal Utility District (EBMUD) (1.21), and San Francisco Public Utilities Commission (SFPUC) (0.48), though slightly higher than Solano County Water Agency (SCWA) (0.22). This suggests that Valley Water’s conservation team has limited capacity relative to the population it serves. To align with the peer average, at least five additional FTEs would be needed on its Water Conservation team.

|                                      | Santa Clara Valley Water District | ACWD     | CCWD     | SCWA      | MMWD     | EBMUD     | SFPUC     |
|--------------------------------------|-----------------------------------|----------|----------|-----------|----------|-----------|-----------|
| <b>Approximate Population Served</b> | 1,900,000                         | 348,000  | 520,000  | 453,491   | 191,000  | 1,400,000 | 2,700,000 |
| <b>Water Conservation FTE Staff</b>  | 7                                 | 4        | 8        | 1         | 7        | 17        | 13        |
| <b>Ratio of Population to Staff</b>  | 271,429:1                         | 87,000:1 | 65,000:1 | 453,491:1 | 27,286:1 | 82,353:1  | 207,692:1 |
| <b>Staff Per 100,000 Population</b>  | 0.37                              | 1.15     | 1.54     | 0.22      | 3.66     | 1.21      | 0.48      |

The high ratio of population served by each District conservation employee indicates that each staff member may likely manage a larger workload and have less bandwidth compared to peers, which could impact the team's capacity to continue planning, implementing, and supporting leading conservation programs. This limited staffing may lead to challenges in responding promptly to customer needs and maintaining proactive outreach efforts, which will ultimately impact the team's ability to meet program goals. In general, these results align with a previous benchmarking report conducted in 2024, which found that Valley Water's Water Conservation team has a higher workload with fewer staff than other comparable agencies.

The following challenges were identified due to understaffing:

- Commercial customers often require significant relationship-building, and the team's limited bandwidth can constrain their ability to engage as fully as desired. Additionally, identifying the appropriate contacts within the commercial sector can be complex. Similar challenges have been noted by peer agencies, indicating this is a common issue (see [Appendix A](#)). Despite these challenges, Valley Water has made progress through initiatives like the Large Landscape Program, which has engaged most retail water suppliers and contributed to reductions in overwatering across the service area. However, managing stakeholder engagement is resource-intensive, particularly for outdoor conservation programs that require tailored approaches and coordination with multiple retailers. While collaboration with the Communications team (see [Inter-Departmental Collaboration](#)) has contributed to marketing efforts, staffing limitations continue to influence the scale and reach of these activities. Addressing these capacity constraints can help enhance stakeholder engagement, support program implementation, and contribute to the District's ability to meet its long-term conservation objectives.
- Constrained staffing impacts the extent to which Valley Water can effectively connect the public to its wide range of conservation programs and resources, largely due to staffing constraints within the Water Conservation team. Staff expressed difficulty in clearly communicating the District's offerings, despite efforts to develop visual materials like infographics. While the District provides programs tailored to every property type and maintains positive feedback on key programs, the level of personalized outreach needed to fully engage diverse audiences exceeds current staff capacity, limiting the ability to provide comprehensive, concierge-level service. Addressing staffing gaps can assist with enhancing public engagement and advancing long-term water conservation goals.
- Staffing challenges have also affected District staff's ability to focus on longer-term projects such as documenting water models and standard operating procedures, which are important for succession planning and maintaining institutional knowledge. Staff also noted that urgent tasks and frequent meetings take priority, which can slow responses to customers and limit opportunities to streamline processes. Staff highlighted the need for additional administrative support and increased budget flexibility to better manage their workload and support program delivery. These factors are important as they influence the team's overall efficiency and ability to meet water conservation goals—especially in historically challenging areas such as commercial stakeholder engagement.

## Recommendation

To ensure the Water Conservation team is adequately supported to meet the District's long-term conservation goals, Valley Water should consider increasing staffing levels within this team by at least five FTE. These positions should be added to assist with stakeholder engagement and administrative/program support, which can help reduce individual workloads and enhance capacity for program planning, implementation, relationship-building, and process improvement.

Peer agencies show a wide range of staffing models, with the number and types of positions varying based on organizational goals, program delivery methods, and service priorities. A common trend, however, is the inclusion of dedicated frontline staff such as field representatives and technicians who focus primarily on direct customer engagement, program delivery, and community events. These roles can help expand the District’s presence in the community, increase program participation, and provide hands-on support for program adoption.

Another frequent feature among peers is dedicated administrative or program support staff who handle intake, scheduling, documentation, and customer follow-up. This allows technical staff to focus on program design, delivery, and evaluation rather than administrative tasks. While the right staffing mix depends on an agency’s objectives, the presence of these functions in many peer organizations suggests efficacy in achieving high participation and efficient program operations.

## B. Communications and Outreach

|                       |  |
|-----------------------|--|
| <b>2. Finding</b>     | <p><b>Valley Water employs a multiple channel outreach approach similar to its peers, but does not currently have a formal integrated communications strategy. Along with limited staffing capacity, this may constrain its ability to effectively engage diverse and underserved populations and fully realize the potential of its water conservation programs.</b></p>  |
| <b>Recommendation</b> | <p><b>To build on the District’s existing outreach activities, the Water Conservation team should work with other District departments, including the Office of Communications, to develop and implement a formalized, comprehensive, data-driven strategic engagement strategy that clearly defines target audiences, messaging priorities, and outreach methods.</b></p> |

The Water Conservation team partners with the Office of Communications on water conservation outreach campaigns, and the District is generally aligned with its peers in employing a multi-channel approach to customer and stakeholder engagement. This includes direct outreach through schools and agencies, advertising campaigns, surveys, and digital platforms. Additionally, the Water Conservation team collaborates with retailers, agencies, and community organizations to promote its programs and offers a solid foundation of public education and outreach, including the Water 101 Academy, translated materials, school and library partnerships, and promotion of conservation programs countywide.

While the District actively engages in these outreach activities, these efforts are not currently encompassed in a formal integrated engagement strategy to define target audiences, messaging priorities, and outreach methods. This can hinder effective messaging and targeted outreach to diverse audiences. Best practices and peer benchmarks indicate that effective water conservation outreach requires a cohesive communications strategy that aligns messaging across programs, uses diverse communication channels (e.g., email, social media, direct mail, in-person engagement), and incorporates data-driven targeting to reach underrepresented populations. While the Water Conservation team undertakes many of these activities in collaboration with the Office of Communications and other departments, the absence of a unified strategy and limited staffing capacity (see [Finding 1](#)) can limit the ability to fully coordinate outreach efforts and optimize outreach

impact. Additionally, increasing staff capacity to support outreach efforts is recognized as critical to enabling personalized engagement and maximizing program participation among community members and commercial enterprises.

Without a coordinated and strategic approach to outreach, Valley Water risks fragmentation in outreach efforts, missed opportunities to maximize program visibility and impact, and challenges in engaging underserved or hard-to-reach populations as well as commercial partners. This may lead to lower participation rates in conservation programs and reduced equity in access to resources, and could ultimately hinder the District's ability to achieve its long-term water conservation goals.

### **Recommendation**

To build on the District's existing outreach activities and enhance the effectiveness of its water conservation efforts, Valley Water should develop and implement a formalized, comprehensive, data-driven strategic engagement strategy that clearly defines target audiences, messaging priorities, and outreach methods. This strategy should integrate messaging across all conservation programs and continue to leverage a diverse mix of communication channels—including email, social media, direct mail, community events, and in-person engagement—to ensure consistent and targeted outreach to a broad range of stakeholders. Typically, such strategies include at least the following:

- Clearly defined target audiences, including underserved and hard-to-reach populations, with prioritized messaging tailored to their needs
- Integrated and unified messaging across programs, to ensure consistency and reinforce key themes
- A diverse mix of communication channels such as email, social media, direct mail, community events, and in-person engagement to maximize outreach impact
- Data analytics and feedback mechanisms to continuously refine targeting and message effectiveness
- Coordinated collaboration among the various teams involved with communications (e.g., the Water Conservation team, Office of Communications, and External Affairs) to streamline planning and execution
- Consideration of staffing capacity needs to support personalized engagement and expanded outreach capabilities

The District currently undertakes many of these activities through its ongoing outreach efforts and partnerships. This recommendation seeks to build on these existing strengths by formalizing and integrating them into a cohesive, strategic framework that enhances coordination, messaging consistency, and targeted outreach effectiveness.

Additionally, as described in [Finding 1](#), Valley Water should consider increasing staffing capacity to enable more personalized, proactive engagement and manage the scope of activities included in the comprehensive plan. Clear roles and responsibilities should be established, along with measurable performance indicators, to monitor outreach effectiveness and guide continuous improvement.

By adopting an integrated data-informed engagement strategy and bolstering staff resources, Valley Water can improve program visibility, increase participation rates, and promote equitable access to

conservation programs. This will help the District advance its broader water conservation goals and better serve its diverse community.

## C. Inter-Departmental Collaboration

|                       |   |
|-----------------------|---|
| <b>3. Finding</b>     | <p>The effectiveness of Valley Water’s water conservation programs is constrained by capacity challenges and opportunities to improve alignment with the following key support departments: Procurement, Communications, and IT.</p>  |
| <b>Recommendation</b> | <p>To address the capacity and coordination needs impacting water conservation activities, the District should:</p> <ul style="list-style-type: none"> <li>A. Evaluate workload and staffing needs in the Procurement, Communications, and IT departments to ensure support for water conservation and other District priorities.</li> <li>B. Continue the current procurement audit to review and streamline procurement processes.</li> </ul> <p>To facilitate better coordination, the Water Conservation team should:</p> <ul style="list-style-type: none"> <li>C. Formalize collaboration efforts with the Communications department by establishing a clear framework that defines roles, responsibilities, and decision-making authority for the annual water conservation campaign.</li> </ul> |

Valley Water’s water conservation efforts are impacted by staffing limitations and coordination needs across key support departments: Procurement, Communications, and IT. Addressing capacity constraints and opportunities to improve cross-departmental coordination is critical to enhancing program delivery and achieving the District’s water conservation goals.

- **Procurement Team:** Staff reported processing issues with the Procurement team contributed to delays in securing vendors and contracts essential for program implementation, which can impact water conservation efforts. For instance, the contract for the vendor managing the District’s landscape rebate online application required an extension, but delays in contract processing resulted in a suspension period during which the system was unsupported. This interruption affected customer experience and program continuity. Additionally, staff reported that the lack of clarity and alignment on procurement processes at Valley Water can further complicate collaboration and slow water conservation initiatives. Clearer and more efficient processes within Procurement would enable more timely contract execution and support the Water Conservation team’s strategic goals. The District is currently conducting an audit of procurement processes to identify areas for improvement and enhance efficiency, which may also include consideration for process improvements.
- **Communications Team:** The District’s Communications team leads and establishes priorities for the District’s annual water conservation campaign, while the Water Conservation team supplies funding and meets regularly with Communications to coordinate this campaign. Staff report that collaboration with the Communications team continues to be optimized, with more frequent meetings (monthly during normal periods and biweekly during droughts), which facilitates better

coordination on water conservation outreach campaigns. According to staff, these campaigns have contributed to increased participation in conservation programs. However, some challenges remain with coordinating priorities and communication frequency, and there are opportunities to better align expectations to enhance coordination and partnership. The comprehensive plan described in [Finding 2](#) should support these ongoing efforts.

- **IT Team:** Staff reported the IT team generally provides strong technical support, including the development and maintenance of the District's website for water conservation program enrollments. However, the Water Conservation program relies on several software systems that are not fully integrated which results in ongoing inefficiencies and manual work. IT staff reported the recent unavailability of external consulting services delayed ongoing integration efforts. Additionally, due to staffing constraints in the Water Conservation team, delays in providing necessary information to IT have contributed to slower technical support and program delivery.

The Water Conservation team's success is closely tied to the capacity of and collaboration with these departments. By enhancing capacity, clarifying processes, and fostering stronger communication and alignment across departments, the District can improve the effectiveness and timeliness of its water conservation initiatives and better achieve its strategic objectives.

### **Recommendation**

To address the capacity and coordination needs impacting water conservation activities, the District should take a comprehensive approach involving Procurement, Communications, and IT. It should evaluate workload and staffing needs across these departments, to ensure they have sufficient capacity to support water conservation and other District priorities effectively. Staffing considerations for Procurement can be included in the District's current audit of that area. Additionally, continuing the current procurement audit will help identify opportunities to streamline procurement processes, improve efficiency, and clarify procedures, which will reduce delays in securing vendors and contracts critical to program delivery.

To improve coordination, the Water Conservation team should formalize its collaboration with the Communications team by establishing a clear framework that defines roles, responsibilities, and decision-making authority for the annual water conservation campaign. This framework can be integrated into the broader communications strategy described in [Finding 2](#), helping to align efforts, clarify expectations, and enhance the effectiveness of outreach campaigns.

By addressing staffing capacity and process clarity and strengthening interdepartmental collaboration, Valley Water can improve the timeliness, efficiency, and impact of its water conservation initiatives, ultimately supporting the District's strategic goals.

# Appendix A: Peer Benchmarking

The following table compares Valley Water’s staffing and water conservation strategies and activities to its peers, including the Alameda County Water District (ACWD), Contra Costa Water District (CCWD), Solano County Water District (CCWD), Marin Municipal Water District (MMWD), East Bay Municipal Utility District (EBMUD), and San Francisco Public Utilities Commission (SFPUC). Data was pulled from publicly available information, including public-facing websites and documentation. We interviewed all peer organizations, and lessons learned from those conversations are incorporated throughout the report where relevant.

|   | Santa Clara Valley Water District  | ACWD  | CCWD  | SCWA  | MMWD  | EBMUD   | SFPUC   |
|---|--|---|---|---|---|---|---|
| <b>Background</b>   |  |   |   |   |   |   |   |
| <b>Entity Type</b>  | Wholesaler   | Retailer  | Retailer and wholesaler   | Wholesaler  | Retailer  | Retailer and wholesaler   | Enterprise District - Retail and Wholesale  |
| <b>Operating Budget</b>   | FY 2024–2025 adopted budget: \$964,000,000   | FY 2024–2025 adopted budget: \$187,726,000  | FY 2025 expenditure budget: \$233,400,000   | FY 2024–2025 adopted budget: \$20,333,690   | FY 2024–2025 approved budget: \$163,798,389   | FY 2024–2025 budget: \$2,700,000,000  | FY 2024–2025 Adopted Budget: \$2,023,064,914  |
| <b>Population Served</b>  | 1,900,000  | 344,000   | 520,000   | 453,491   | 190,000   | 1,400,000   | 2,700,000   |
| <b>Staffing</b>   |  |   |   |   |   |   |   |
| <b>Total Number of FTEs</b>   | 841  | 242   | 323   | 30  | 243   | 1,928   | 2,836   |
| <b>FTE Water Conservation Staff</b>   | 7  | 4   | 8   | 1   | 7   | 17  | 13  |
| <b>Ratio of Staff to Population</b>   | 271,429:1  | 87,000:1  | 65,000:1  | 453,491:1   | 27,286:1  | 82,353:1  | 207,692:1   |
| <b>Strategic and Planning Documents</b>   |  |   |   |   |   |   |   |
| <b>Has Strategic Plan</b>   | Yes  | Yes   | Yes   | Yes   | Yes   | Yes   | Yes   |
| <b>Has Master/Long-Term Plan?</b>   | Yes  | Has 25-Year CIP plan starting 2011  | No  | No  | Yes   | Yes   | Yes   |
| <b>Performance</b>  |  |   |   |   |   |   |   |
| <b>What specific goals or targets do you set for your water conservation efforts?</b> | Valley Water sets water conservation goals in terms of total gallons saved, while also aiming to increase participation across programs. | ACWD uses a conservation model to set water savings targets and, outside of drought conditions, aligns goals with their long-term urban water use objectives. | CCWD tracks activity-based metrics (e.g., square feet converted, rebates issued) and ties them to modeled water savings targets developed by a consultant, while also emphasizing customer service outcomes and feedback. | SCWA primarily measures participation, assessing return on investment to determine program continuation, but does not set specific conservation targets beyond meeting regulatory expectations. | MMWD has set a long-term goal of reducing gallons per capita per day (to 114 by 2045) and also tracks water supply project savings through an acre-foot reduction target. | EBMUD has a goal of reducing demand to 70 million gallons per day by 2050 and updates progress through periodic demand studies, with the next update scheduled for 2027–2028. | SFPUC aligns its conservation efforts with state-mandated goals of making water conservation a permanent, ongoing practice. |

|   | Santa Clara Valley Water District  | ACWD   | CCWD   | SCWA  | MMWD   | EBMUD  | SFPUC  |
|---|--|--|--|---|--|--|--|
| <b>How do you measure the effectiveness of your water conservation programs?</b>  | Valley Water uses a customized model based on Alliance for Water Efficiency methods to input participation rates and calculate acre-feet saved.  | ACWD evaluates program effectiveness through customer feedback, clarity and accessibility of program design, and periodic surveys as part of broader planning efforts. ACWD also measures program effectiveness through participation levels and savings analysis.   | CCWD measures effectiveness through customer responses, activity levels (e.g., lawn conversions), and estimated water savings, while also tracking engagement through events attended.   | SCWA may review water savings but does not formally report them, noting that some programs (e.g., direct-install toilets) generate higher savings than others.  | MMWD ties effectiveness to participation-driven savings goals, setting intentionally high targets (e.g., lawn conversion, graywater, rain barrels) based on past drought-era participation. MMWD also tracks gallons per capita per day at year-end in order to measure effectiveness. | EBMUD assesses effectiveness by tracking participant response to outreach, saturation levels, and “passive savings” from natural equipment replacement, supplemented with manufacturer data and legislative collaboration.         | SFPUC measures effectiveness by comparing residential water use to homes of similar size and the regional average.   |
| <b>What metrics do you use to track water savings and program success?</b>  | Valley Water uses a conservation savings model with both passive and active savings calculations, supplemented by ordinance-based estimates.   | ACWD prepares end-of-FY reports comparing actual savings against modeled target savings goals.   | CCWD tracks outreach key performance indicators such as emails, clicks, and impressions, and surveys rebate applicants on how they heard about the program, though they note deeper analysis may be limited by staff capacity. | SCWA tracks the number of rebates issued and sometimes the associated water savings, but does not apply a formal water savings calculator.  | MMWD measures participation-driven savings through targets such as lawn conversions, graywater systems, and rain barrels, with performance based on meeting or approaching these activity levels.  | EBMUD tracks past and projected water use alongside customer satisfaction, administering surveys after all interactions and incentive programs.  | SFPUC uses volume-based water savings metrics, though without formal reduction targets, while still prioritizing overall conservation.   |
| <b>What metrics or methods have you found to help effectively attribute water savings directly to your outreach activities?</b> | Valley Water noted difficulty tracking water savings back to outreach actions, making it challenging to quantify how much their messaging saved water (except the Landscape Rebate Program). | ACWD measures outreach effectiveness by tracking participation increases in specific conservation programs, attributing water savings at the customer or account level with methods tailored to each activity (e.g., fixture upgrades vs. landscape replacement) and linking outreach success to measurable increases in program uptake. | Not provided.  | SCWA does not apply direct water savings metrics but tracks rebate amounts, program popularity, and community or retailer feedback. Educational programs are evaluated by the number of students reached. | MMWD does not attribute water savings directly to outreach, instead counting savings through the conservation measure itself and evaluating campaign success with digital engagement metrics such as impressions, click-throughs, site revisits, and applications submitted.           | EBMUD measures outreach impact through water savings analyses that compare pre- and post-consumption data against a control group, often using eight years of data (four years before and four years after program participation). | SFPUC tracks outreach effectiveness through digital engagement metrics (web visits, time on page, click-throughs, and conservation inquiries) and by monitoring application and enrollment rates in conservation programs. |

## PEER BENCHMARKING LESSONS LEARNED

### Programs

- Valley Water generally aligns with its peers in prioritizing outdoor water conservation and long-term demand management but stands out for its comprehensive sector coverage—including agriculture.

### Engagement and Communication (see [Communications and Outreach](#) finding)

- Valley Water is generally aligned with its peers in employing a multi-channel approach to customer and stakeholder engagement, including collaboration with communications teams, direct outreach through schools and agencies, advertising campaigns, surveys, and digital platforms. Some peers leverage extensive community event participation, targeted demographic marketing, and tailored messaging based on customer data (such as EBMUD's geo-targeted campaigns and MMWD's focus on senior outreach).
- Valley Water shares common challenges with its peers in effectively engaging specific demographic groups, particularly older adults and certain commercial sectors. Some peers have implemented targeted programs and outreach strategies for underrepresented groups similar to Valley Water, such as ACWD's direct install and billing assistance programs for income-qualified customers and SFPUC's multilingual outreach efforts which help address language and socioeconomic barriers. Others, like EBMUD, focus on leveraging data and partnerships to better reach disadvantaged communities, while some districts acknowledge ongoing difficulties without specific targeted initiatives.

### Performance Measures

- Valley Water is generally aligned with its peers in setting measurable water conservation goals, such as gallons saved and increasing program participation. Like Valley Water, many peer agencies have established clear data-driven targets, ranging from gallons per capita per day to long-term demand reduction goals and use models to project and track progress.
- Valley Water is generally aligned with its peers in using data-driven models to estimate water savings and evaluate program cost-effectiveness. Like Valley Water, many peer agencies incorporate participation rates, activity levels (such as square footage converted), and customer feedback into their assessments. Some agencies emphasize program adjustments based on customer needs and engagement metrics, while others focus on participation goals and broader measures like market saturation and passive savings.
- Valley Water is generally aligned with its peers in using models to estimate conservation savings, incorporating both active and passive water savings into their assessments.

### Successes

- Valley Water is generally aligned with its peers in achieving strong support for conservation efforts, as evidenced by enthusiastic backing from the Board and management, consistent program participation—even in non-drought conditions—and recognition through awards. The District's effective use of interns and temporary staff, along with low complaint rates and positive participation survey results, highlight operational strengths. It shares many best practices with peer agencies, particularly in fostering organizational support and maintaining active customer engagement.

## **Challenges**

- Valley Water is generally aligned with its peers in recognizing the complexity of balancing resource constraints, community engagement, and program effectiveness to meet conservation goals. Like Valley Water, many peer agencies emphasize the importance of partnerships and community participation, while grappling with challenges such as limited staff and budget, diverse customer needs, and the difficulty of motivating commercial customers. Peers highlighted the need for more creative and targeted outreach strategies, including engaging landscapers and leveraging technology.

# Appendix B: Project by Account Detail

The following table includes a detailed breakdown of funds allocated to Valley Water’s water conservation programs in fiscal year 2025, as reported in the District’s budget documents.

|   | Budgeted Amount    |
|---|--------------------|
| <b>Salaries and Benefits</b>                |                    |
| 51110 (Salaries-Permanent Employees)        | \$951,903          |
| 51150 (Salaries-Overtime)                   | -                  |
| 51580 (Salaries-Earned Comp Time)           | -                  |
| 52110 (Compensated Absences Accrual)        | -                  |
| 55130 (Salaries-Paid Vacation/SL/PL/H)      | \$182,296          |
| 55140 (Employee Benefits)                   | \$627,885          |
| <b>Salaries and Benefits Total</b>          | <b>\$1,762,084</b> |
| <b>Services and Supplies</b>                |                    |
| 61690 (Other Technical Services)            | \$2,745,000        |
| 61940 (Training & Instruction Service)      | \$75,000           |
| 61990 (Other Professional Services)         | \$1,390,000        |
| 64110 (Postage & Delivery Service)          | -                  |
| 64150 (Recruitment/Publication Advertising) | \$10,000           |
| 64160 (Temporary Staff & Labor Service)     | \$170,000          |
| 64190 (Other Business Support Service)      | -                  |
| 64310 (Student Interns Services)            | \$261,000          |
| 66110 (Office Supplies)                     | \$1,000            |
| 66130 (Computer Supplies)                   | \$1,000            |
| 66150 (Food & Beverage Catering)            | \$1,000            |
| 66190 (Other Administrative Supplies)       | -                  |
| 66240 (Safety Supplies/Minor Equipment)     | -                  |
| 66270 (Uniform Program)                     | -                  |
| 66290 (Other Operating Supplies)            | \$76,000           |

|   | Budgeted Amount     |
|---|---------------------|
| 67420 (Conference & Seminar Fees)                 | -                   |
| 67520 (Travel-Mileage Reimbursements)             | \$200               |
| 67530 (Travel-Public Transportation)              | -                   |
| 67540 (Travel-Lodging)                            | -                   |
| 67550 (Travel-Meals & Misc.)                      | \$200               |
| 67810 (Agreements-Cost Sharing)                   | \$1,200,000         |
| 67930 (Water Conservation Rebates)                | \$3,750,000         |
| <b>Services &amp; Supplies Total</b>              | <b>\$9,680,400</b>  |
| <b>Intra-District Charges</b>                     |                     |
| 65110 (Intra District Vehicle Charges-Assigned)   | \$12,029            |
| 65120 (Intra District Vehicle Charges-Pooled)     | \$3,842             |
| 65250 (Intra District Risk Fund Charges)          | \$95,190            |
| 65310 (Indirect Overhead - Full Cost)             | \$780,561           |
| 65410 (Intra District Computer Equipment Charges) | \$218,938           |
| <b>Intra-District Charges Total</b>               | <b>\$1,110,559</b>  |
| <b>Total</b>                                      | <b>\$12,553,044</b> |

# Appendix C: Definitions of Findings Ratings

We assigned risk rankings to each finding based on our professional judgement. A qualitative assessment of high, medium, or low helps to prioritize implementation of corrective action.

|               |  |
|---------------|--|
| <b>High</b>   | Findings with a high likelihood of causing significant negative impact (i.e., pose a threat to achieving organizational objectives) if not promptly addressed. Recommendations from high-risk findings should be implemented as soon as possible (preferably within three months)  |
| <b>Medium</b> | Findings with a moderate likelihood of causing negative impact if left unaddressed; these should be prioritized for corrective action to improve performance. Recommendations arising from medium-risk findings should be implemented in a timely manner (preferably within six months), to address moderate risks and strengthen or enhance efficiency. |
| <b>Low</b>    | Findings with a low likelihood of causing significant negative impact (i.e., pose a threat to achieving organizational objectives) if not promptly addressed. Recommendations arising from low-risk findings should be implemented within 12 months.   |

## Appendix D: Management Response

|   | RECOMMENDATION   | RESPONSIBLE PARTY                           | MANAGEMENT'S RESPONSE/IMPLEMENTATION PLAN   |
|---|--|---|---|
| 1 | <p><b>Finding:</b> Valley Water's Water Conservation team is understaffed compared to peer agencies, which may limit capacity to manage workloads and poses risk to achieving the District's long-term conservation goals.</p> <p><b>Recommendation:</b> To ensure the Water Conservation team can meet the District's long-term conservation goals, Valley Water should consider adding at least five additional staff to the Water Conservation team who are dedicated to stakeholder engagement and administrative and program support.</p> | Water Supply Planning and Conservation Unit | <p><input checked="" type="checkbox"/> Agree<br/><input type="checkbox"/> Disagree</p> <p><b>Response:</b> This recommendation is consistent with the 2021 Water Conservation Strategic Plan findings, recommending an additional 6 full-time staff to meet the Board's 2040 goal. In 2021, three full-time staff were added. Since the program meets its annual water savings metric, the remaining three positions are documented as unfunded needs in the budget process. Additionally with the adoption of the Board's 2050 Target, an additional ten (10) full-time staff will need to be added to the program. Management will continue to monitor the programs progress towards meeting its annual metric to guide adding additional staff in a phased approach to be mindful of water rate affordability concerns.</p> <p><b>Implementation Date:</b> Ongoing</p> |
| 2 | <p><b>Finding:</b> Valley Water employs a multiple channel outreach approach similar to its peers but does not currently have a formal integrated communications strategy. Along with limited staffing capacity, this may constrain its ability to effectively engage diverse and underserved populations and fully realize the potential of its water conservation programs.</p>  | Water Supply Planning and Conservation Unit | <p><input checked="" type="checkbox"/> Agree<br/><input type="checkbox"/> Disagree</p>  |

| RECOMMENDATION   | RESPONSIBLE PARTY                               | MANAGEMENT'S RESPONSE/IMPLEMENTATION PLAN   |
|--|---|---|
| <p><b>Recommendation:</b> To build on the District's existing outreach activities, the Water Conservation team should work with other District departments, including the Office of Communications, to develop and implement a formalized, comprehensive, data-driven strategic engagement strategy that clearly defines target audiences, messaging priorities, and outreach methods.</p> |   | <p><b>Response:</b> Management agrees with this recommendation and will incorporate the development of a data-driven strategic engagement strategy as part of the 5-year update to the 2021 Water Conservation Strategic Plan. A RFP is under development with the goal of hiring a consultant in late 2026.</p> <p><b>Implementation Date:</b> 2026-2028</p>   |
| <p>3a <b>Finding:</b> The effectiveness of Valley Water's water conservation programs is constrained by capacity challenges and opportunities to improve alignment with the following key support departments: Procurement, Communications, and IT.</p>  | <p>Administrative Services/External Affairs</p> | <p><input checked="" type="checkbox"/> Agree<br/><input type="checkbox"/> Disagree</p>  |
| <p><b>Recommendation:</b> To address the capacity and coordination needs impacting water conservation activities, the District should evaluate workload and staffing needs in the Procurement, Communications, and IT departments to ensure support for water conservation and other District priorities.</p>  |   | <p><b>Response:</b> The Procurement and Information Technology teams have refined their processes to better track, manage, and enhance services that rely on externally managed IT contracts, thereby supporting water conservation initiatives and other Valley Water business functions more effectively.</p> <p>While the current staffing from the Office of Communications is sufficient to support the existing goals and outcomes defined by the Water Conservation and Communications business units, should the recommended cross-functional engagement strategy be developed and implemented, the need for additional staffing and workload evaluation would be warranted.</p> <p><b>Implementation Date:</b> Completed</p> |
| <p>3b <b>Finding:</b> The effectiveness of Valley Water's water conservation programs is constrained by capacity challenges and opportunities to improve alignment with the following key support departments: Procurement, Communications, and IT.</p>  | <p>Administrative Services/Procurement</p>      | <p><input checked="" type="checkbox"/> Agree<br/><input type="checkbox"/> Disagree</p>  |

| RECOMMENDATION   | RESPONSIBLE PARTY                                  | MANAGEMENT'S RESPONSE/IMPLEMENTATION PLAN  |
|--|--|--|
| <p><b>Recommendation:</b> To address the capacity and coordination needs impacting water conservation activities, the District should continue the current procurement audit to review and streamline procurement processes.</p>   |  | <p><b>Response:</b> The Procurement and Information Technology teams have refined their processes to better track, manage, and enhance services that rely on externally managed IT contracts, thereby supporting water conservation initiatives and other Valley Water business functions more effectively.</p> <p>While the current staffing from the Office of Communications is sufficient to support the existing goals and outcomes defined by the Water Conservation and Communications business units, should the recommended cross-functional engagement strategy be developed and implemented, the need for additional staffing and workload evaluation would be warranted.</p> <p><b>Implementation Date:</b> Completed</p>  |
| <p>3c <b>Finding:</b> The effectiveness of Valley Water's water conservation programs is constrained by capacity challenges and opportunities to improve alignment with the following key support departments: Procurement, Communications, and IT.</p>  | <p>Water Supply Planning and Conservation Unit</p> | <p><input checked="" type="checkbox"/> Agree<br/><input type="checkbox"/> Disagree</p>   |
| <p><b>Recommendation:</b> To facilitate better coordination, the Water Conservation team should formalize collaboration efforts with the Communications department by establishing a clear framework that defines roles, responsibilities, and decision-making authority for the annual water conservation campaign.</p> |  | <p><b>Response:</b> The water conservation team meets with the Procurement, Communications, and IT teams on a monthly basis to facilitate coordinating various work activities and ensure that existing roles and responsibilities are well defined. During times of the development of water conservation campaigns, which are now year-round, meetings with the communications team occur every two weeks. With respect to communications, the Water Conservation Unit leads: campaign priorities and campaign funding. Creative development is collaborative and campaign execution and media buys are lead by the Communications team. Management will incorporate establishing a clear framework, roles, responsibilities and decision-making authority as part of the RFP under finding #2.</p> <p><b>Implementation Date:</b> 2026-2028</p> |



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