



Safe, Clean Water and Natural Flood Protection Program Annual Cycle Overview

Presented by: **Meenakshi Ganjoo,** Program Administrator November 25, 2025



Background

Program Implementation

Program Delivery & Financial Management

Annual Cycle Timeline

Next Steps

Agenda



Background & Program Implementation



History of Voter-approved Measures

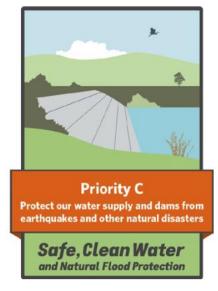
2000 2012 2020 Two-thirds of voters 74% of voters 75% of voters approved the approved the 15-year Clean, approved the 15-year renewal of the Safe, Clean Safe Creeks and Natural Safe, Clean Water Water and Natural Flood Flood Protection Plan and Natural Flood Protection Program, Protection Program focused on six (6) priorities focused on five (5) priorities

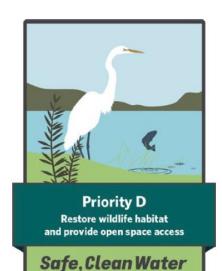


Community-Preferred Priorities









and Natural Flood Protection





Transparency and Accountability



Multiple 15-Year **Financial Planning** Cycles



5-Year Checkpoints and Implementation **Plans**



Annual Reports; Website Updates



Independent Monitoring



5-Year Professional, Independent Audits



Change Control **Process**



Public & Interested **Parties** Engagement Process every 15-years

Valley Water Board Roles & Responsibilities

- Approve implementation strategies, project budgets, and budget adjustments.
- Conduct an annual detailed review of the Safe, Clean Water Program performance, financial analysis, and strategies.
- Direct project adjustments or modifications, including not implementing a project due to funding or other limitations.
- Initiate professional, independent audits of the program every five years.
- Appoint the Independent Monitoring Committee (IMC).
- Evaluate the need for the Safe, Clean Water Program at 15-year intervals.



IMC Roles & Responsibilities

- 1. Conduct an annual review of Valley Water's fiscal year report on the Program.
- 2. Provide an annual report to the Board regarding the implementation of the Program's intended results.
- 3. Review each five-year implementation plan for the Program before it is submitted to the Board for approval.
- 4. Through its review of the annual reports and five-year implementation plans, make recommendations to the Board regarding reasonably necessary measures to meet the Program's priorities.
- 5. Review and recommend to the Board and Public every 15 years whether the special tax should be reduced or repealed or is needed to build additional projects to achieve related programmatic benefits in accordance with the priorities of the Program.



Staff Roles & Responsibilities

- Plan Program implementation.
- Develop 5-year implementation plans with targets for the Board's consideration.
- Implement projects to meet project-specific Key Performance Indicators (KPIs).
- Publish annual reports to track and report on the Program's progress.
- Perform annual financial analysis and recommend budget adjustments and modifications necessary to maintain SCW Fund financial health.
- Recommend text and schedule adjustments, as necessary.
- Ensure project adjustments and modifications are carried out per the Board-approved Change Control Process.
- Maintain Program webpages.
- Support the work of the IMC.

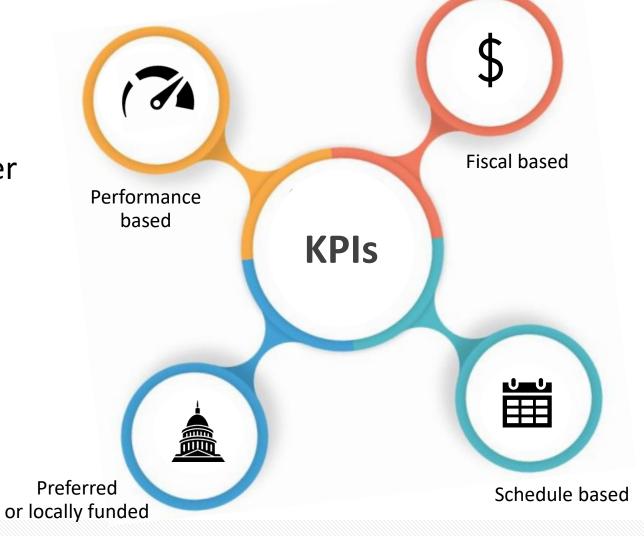


Program Delivery and Financial Management



Monitoring Projects & Program Performance

- KPIs were approved by the voters as part of Measure S
- Board may modify KPIs as per the Change Control Process
- IMC may recommend KPI modifications to the Board





Change Control Process

Adjustment

(Requires publicly noticed meeting)

Changes to a project text, funding, or schedule that don't impact Program KPIs

Modification

(Requires formal public hearing)

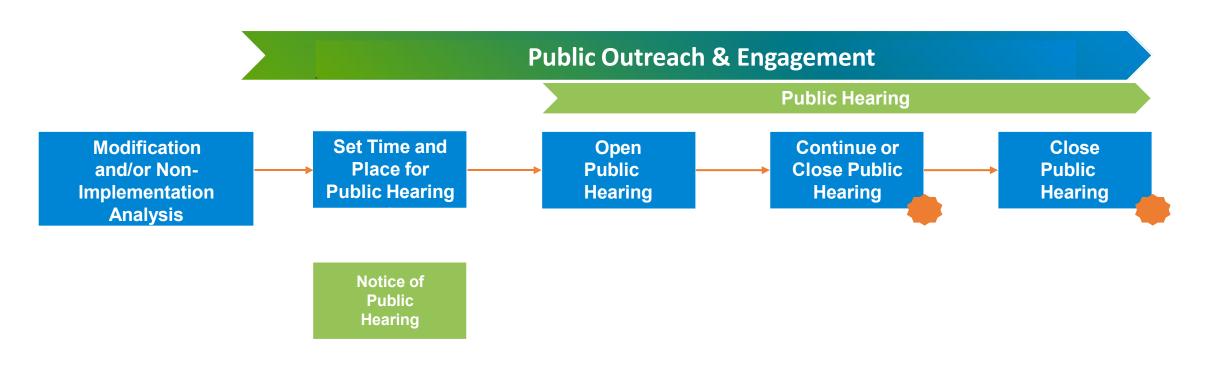
Changes to KPIs or funding changes that impact any Program KPIs

Not Implement (Requires formal public hearing)

Decision to not implement a project



Standard Process Timeline*





Public Hearing Process

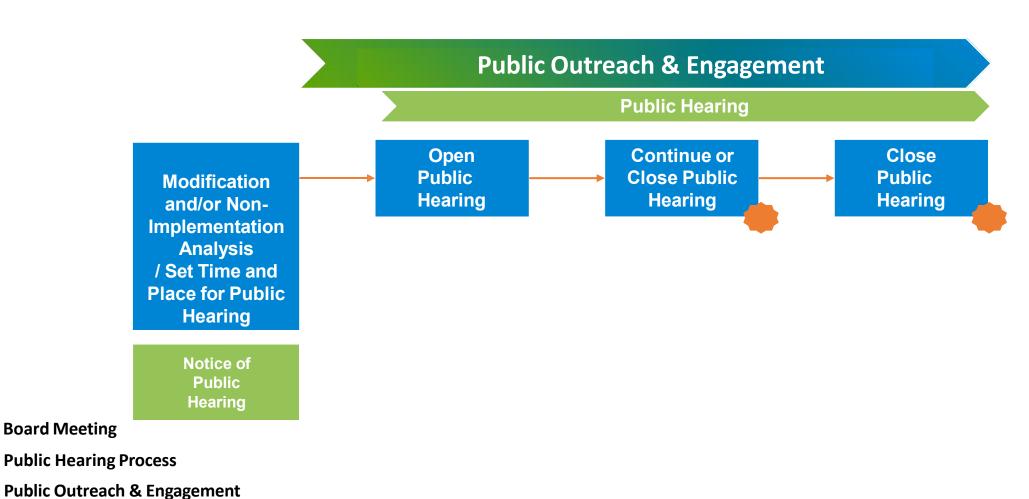
Public Outreach & Engagement



Board Direction Provided After Close of Public Hearing

Expedited Process Timeline*

Board Direction Provided After Close of Public Hearing



General Financial Management Background

- Capital Improvement Program Five-Year Plan (CIP): A planning document that serves as a strategic roadmap for implementing capital projects within available financial capacity and in alignment with Valley Water priorities
 - CIP = planning and prioritization tool
- Budget: The money that the Board allocates each year to fund Valley Water's projects and agency objectives
 - Budget = funding authorization
- Financial Model: Demonstrates financial capacity/constraints over multi year time frame by fund

Financial Management Background

Safe, Clean Water Program

- Countywide Parcel Tax: Measure S revenue, which is not earmarked for or distributed by city
 - Revenues must support voter-approved priorities only
- Voter-approved priorities: Valley Water is committed to completing 31 capital and operating projects under 6 priorities approved by voters in Measure S
- Project cost estimates: estimates are not earmarks
 - Unless... financial commitment is specified in KPI
 - Original 15-year cycle included \$90M in reserves for future cost estimate changes
 - Recent extreme capital cost inflation has quickly depleted those reserves
- Supplemental Funding: provided by Watershed Stream Stewardship (WSS) and Water Utility Enterprise (WUE) funds for many projects



How Funding Works

Safe, Clean Water Program Implementation

- Planned capital funding: Planned multi-year funding reflected in CIP
- Planned operating funding: Planned multi-year funding reflected in 5-Year
 SCW Implementation Plans
- Authorized Funding: Reflected in current Adopted Budget by project
- Project Modifications: Board may modify a project's schedule, scope, or cost, impacting a KPI, or cancel a project in response to economic, policy, or regulatory conditions
 - Must follow the SCW Change Control Process
 - Staff use risk-based prioritization tools to support recommendations
 - Decisions captured in CIP plans, 5-Year SCW Implementation Plan, & Adopted Budget



Key Takeaways

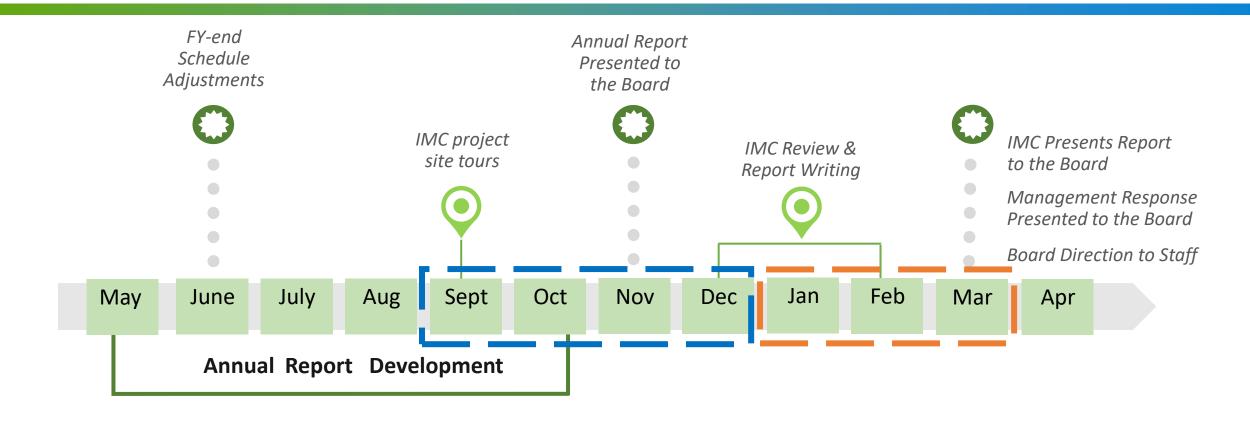
- SCW funds can only be used for priorities that voters approved in Measure S.
- Project cost estimates are not earmarks
- Resources are formally allocated to a project through the Budget Adoption process.
- Excess money from canceled or completed projects returns to SCW fund reserves, not to city-specific projects.
- Board allocates funds based on countywide priorities and highest risks, not geography.

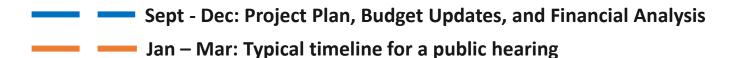


Annual Cycle Timeline



Safe, Clean Water Program Annual Cycle







Next Steps

Integrated Financial Planning Schedule

REF#	MEETING		BAUL ECTONIE	
	CIP CMTE	BOARD	MILESTONE	
1		11/12/25	Review Proposed Improvements to CIP Prioritization; and New Initially Validated & Unfunded Projects Water Rate Planning Overview Biennial Budget Process Overview	
2		11/25/26	Watershed CIP Workshop	
3	12/15/25		Review Significant Project Plan Updates; List of Re-Prioritized Capital Projects; and CIP Preliminary FY 27-31 Five-Year Plan (Financial Modeling & CIP Updates From Adopted FY26-30 Plan) Initiate SCW Public Hearing Process (if required)	
4		1/13/26	CIP Preliminary 5-yr Plan Workshop (Financial Modeling & Significant Updates); Board to Provide Direction CIP SCW/WS Preliminary 10-yr Financial Analysis Preliminary Water Rate Analysis & Scenarios Set time and place for SCW Public Hearing (if required)	_ Combined Presentation
5		1/27/26	Open SCW Public Hearing and Cont. (if required) 1st pass Budget Update	
6		2/10/26	Cont. or Close SCW Public Hearing (if required)	
7		2/24/26	Close SCW Public Hearing (if required)	
8		3/10/26	2 nd Pass Budget Update Draft CIP (Authorize to Distribute for Public Review)	
9		4/14/26	Ground Water Charge Public Hearings Begin	
10		4/16/26	Ground Water Charge Public Hearing in South County (Gilroy)	
11		4/28/26	Ground Water Charge Public Hearings Close CIP Public Hearing Begins	
12		4/29/26	Budget Work-study Session CIP Public Hearing Continues	
13		5/12/26	Close CIP Public Hearing Board Adoption of Water Rates, CIP, Budget, Investment and Debt Resolutions (w/Final CIP and Budget Repo	rts by 6/30/2026)

CIP

Budget

Water Rates

Safe Clean Water (SCW)

Asset Management (AM)

Attachment 1 Page 21 of 23

QUESTIONS

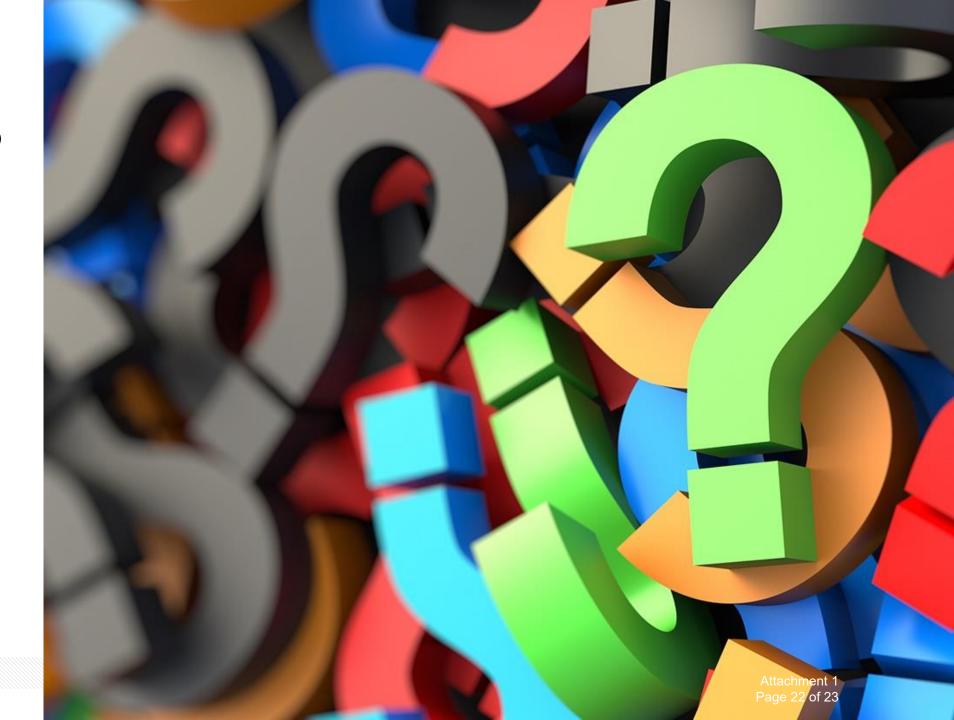
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Valley Water

Clean Water • Healthy Environment • Flood Protection

