



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

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

Agenda

Background

Program Implementation

Program Delivery &
Financial Management

Annual Cycle Timeline

Next Steps

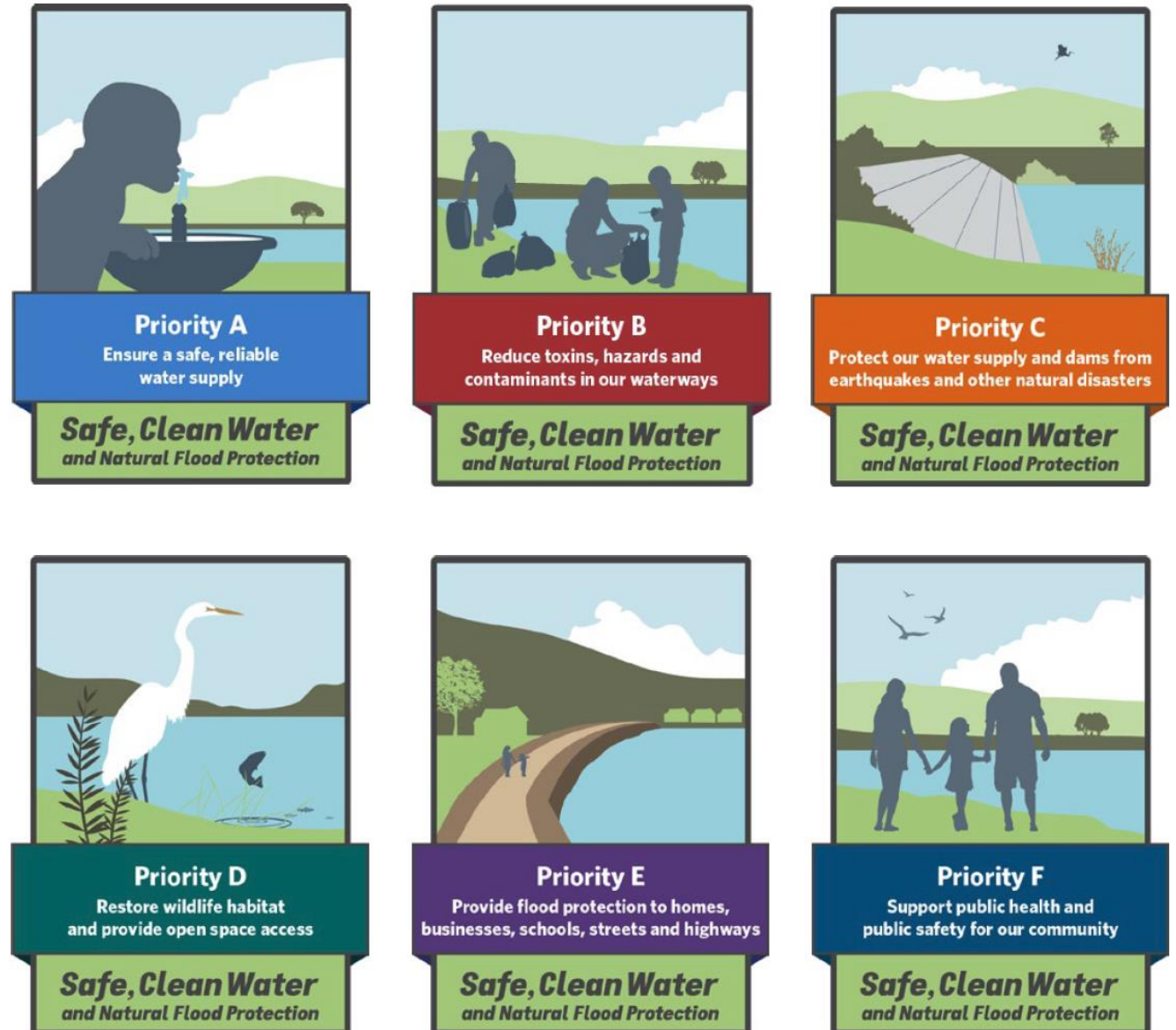
Background & Program Implementation



History of Voter-approved Measures



Community-Preferred Priorities



Transparency and Accountability



Multiple
15-Year
Financial
Planning
Cycles



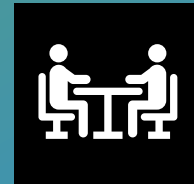
5-Year
Checkpoints and
Implementation
Plans



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 Review and recommend to the Board and Public every 15 years whether the special tax should be reduced or repealed or is needed to build additional projects to achieve related programmatic benefits in accordance with the priorities of the Program.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

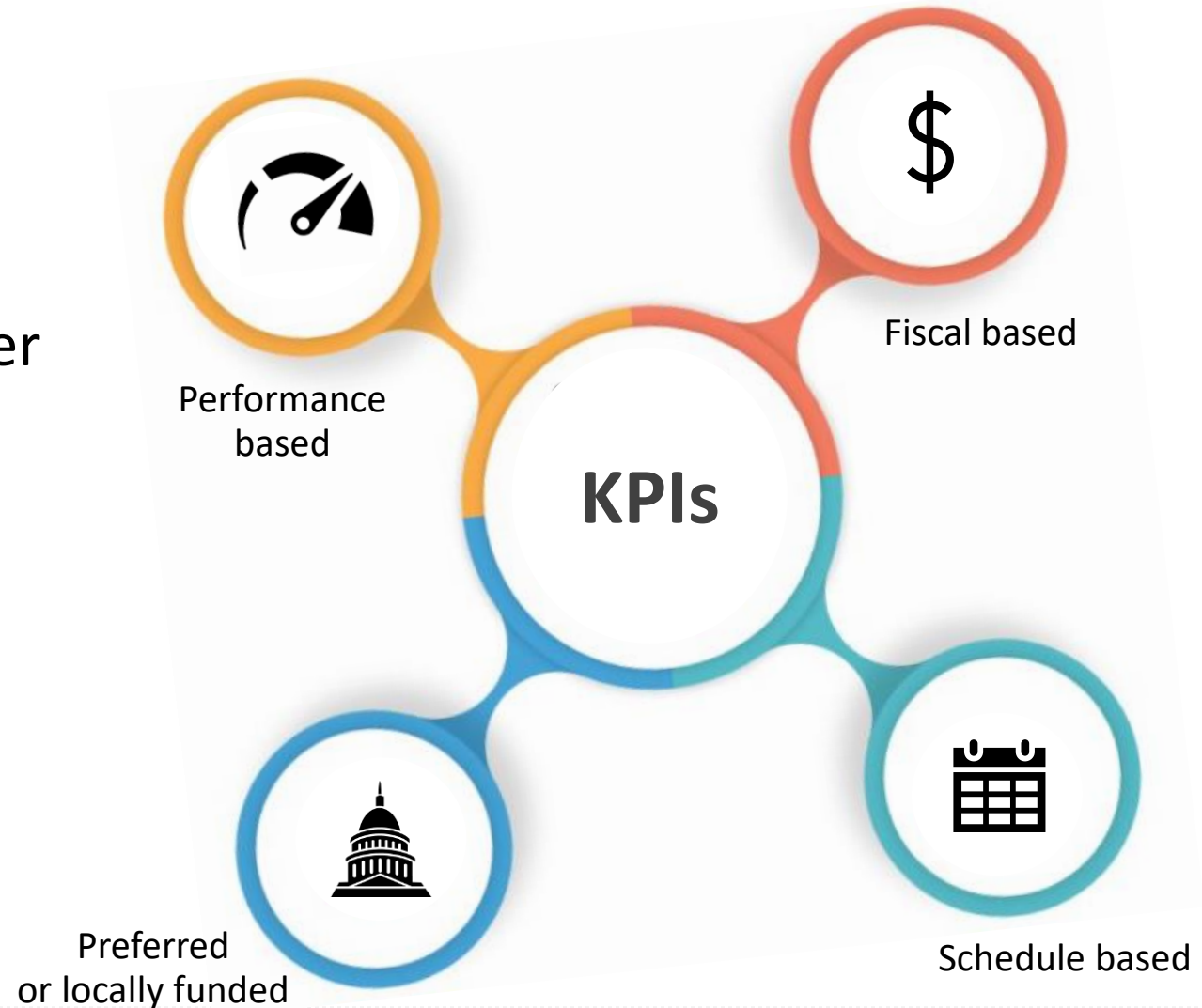
- Plan Program implementation.
- Develop 5-year implementation plans with targets for the Board's consideration.
- Implement projects to meet project-specific Key Performance Indicators (KPIs).
- Publish annual reports to track and report on the Program's progress.
- Perform annual financial analysis 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)

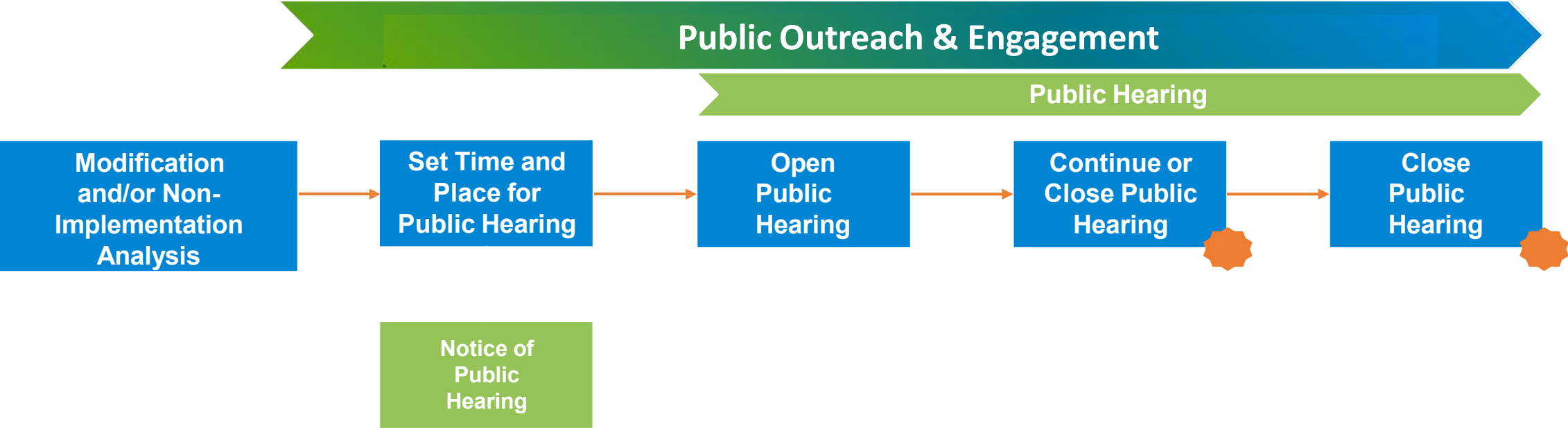
Changes to KPIs or funding changes that impact any Program KPIs

Not Implement

(Requires formal public hearing)

Decision to not implement a project

Standard Process Timeline*

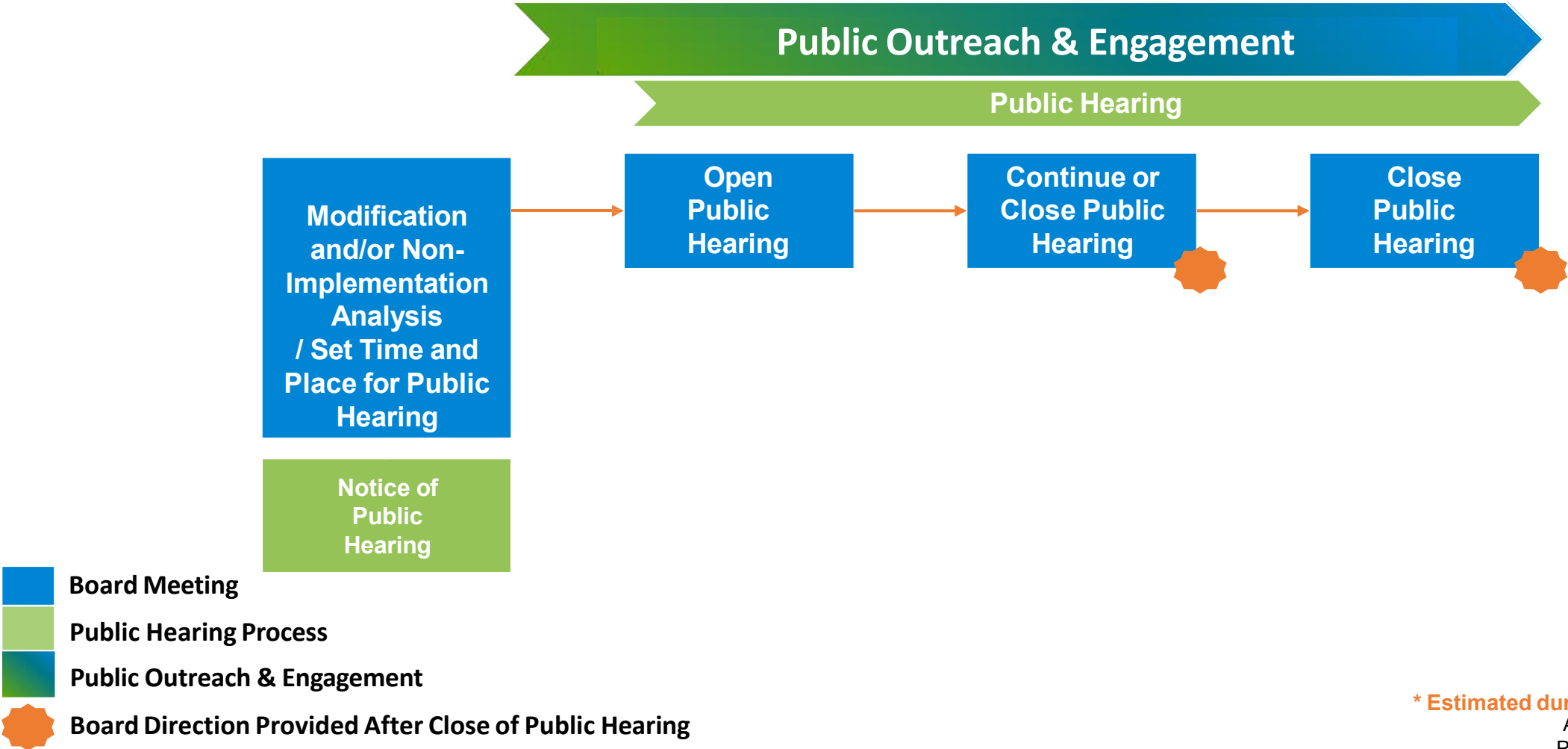


- Board Meeting
- Public Hearing Process
- Public Outreach & Engagement

Board Direction Provided After Close of Public Hearing

* Estimated duration 2-3 months, may require Board Committee Meetings.

Expedited Process Timeline*



* Estimated duration 1-2 months.

General Financial Management Background

15

- **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

16

- **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

17

- **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

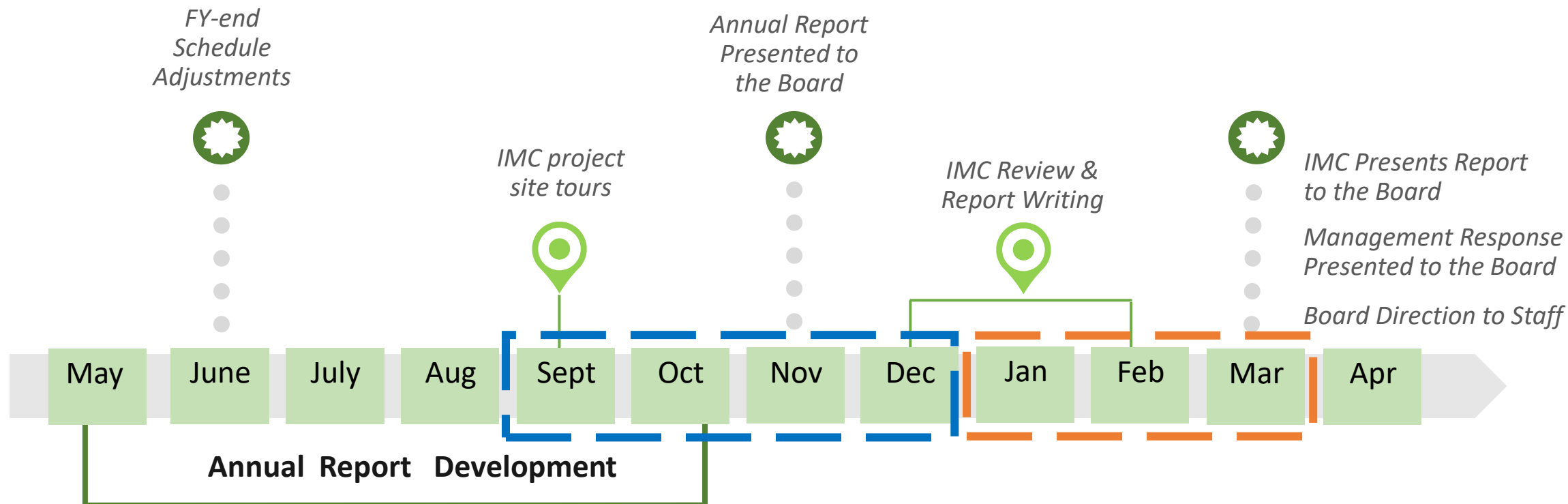
Key Takeaways

- 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



— Sept - Dec: Project Plan, Budget Updates, and Financial Analysis

— Jan – Mar: Typical timeline for a public hearing

Next Steps

Integrated Financial Planning Schedule

REF #	MEETING		MILESTONE
	CIP CMTE	BOARD	
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)
5		1/27/26	Open SCW Public Hearing and Cont. (if required) 1 st 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 Reports by 6/30/2026)

LEGEND
CIP
Budget
Water Rates
Safe Clean Water (SCW)
Asset Management (AM)

QUESTIONS

Stay informed
about
Valley Water
by signing up
for our
eNewsletter.





Valley Water

Clean Water • Healthy Environment • Flood Protection

THIS PAGE INTENTIONALLY LEFT BLANK