BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 2026-30

APPROVING AND ADOPTING THE OPERATING AND CAPITAL ROLLING BIENNIAL BUDGET FOR FISCAL YEAR 2026-27

WHEREAS, on April 29, 2026, the Board of Directors of the Santa Clara Valley Water District (Valley Water) held its annual budget work study session to review and consider the Proposed Operating and Capital Rolling Biennial Budget (Budget) for Fiscal Year (FY) 2026-27; and

WHEREAS, such budget work study session was open to the general public to appear and be heard regarding any item of the proposed budget or for the inclusion of additional items; and

WHEREAS, Section 20 of the District Act requires that after conclusion of the public meeting(s) to hear general public comments on the proposed budget, the Board shall by resolution adopt the budget as finally determined including any revisions that the Board determines advisable during or after the meeting(s) and not later than June 30 of each year; and

WHEREAS, the Budget for FY 2026-27 was developed in accordance with the Board's Executive Limitations EL-4, which requires that the Valley Water's financial planning for any fiscal year shall be aligned with the Board's Ends, not risk fiscal jeopardy, and be derived from a multi-year plan; and

WHEREAS, the Board was provided a comprehensive overview of the budget development process and assumptions, Valley Water-wide financial review and a presentation of fund and business area financial allocations in the Proposed Budget for FY 2026-27; and

WHEREAS, the Board of Directors has previously created the following Special Purpose Funds (as such term is defined in Resolution 16-10, adopted on February 23, 2016): San Felipe Emergency Reserve, Supplemental Water Supply Reserve, and Drought Reserve; and

WHEREAS, the Board was provided assurance that the Proposed Budget for FY 2026-27 meets Board priorities, realizes efficiencies and cost savings, demonstrates fiscal accountability and value to customers, is balanced and helps ensure future financial sustainability.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that the Budget for FY 2026-27, plus any changes or modifications made at the time of adoption, and including the terms of this Resolution, is hereby approved and adopted; and

BE IT FURTHER RESOLVED that the total appropriations approved by the Board of Directors, which include all operating and capital outlays, debt service payments and interfund transfers, and budgeted reserves, are limited within each fund as follows (plus any changes or modifications made at the time of adoption):

FY 2026-27 Operating, Capital, and Interfund Transfer Budget

1.	General Fund (11)	$ 113,855,152
2.	Watershed and Stream Stewardship Fund (12)	$ 126,331,955
3.	Lower Peninsula Watershed Fund (21)	$ 2,731,816
4.	West Valley Watershed Fund (22)	$ 819,476
5.	Guadalupe Watershed (23)	$ 910,837
6.	Coyote Watershed Fund (24)	$ 2,459,121
7.	Safe, Clean Water and Natural Flood Protection Fund (26)	$ 230,456,853
8.	Water Enterprise Fund (61)	$ 865,360,489
9.	State Water Project Fund (63)	$ 35,848,142
10.	Fleet Management Fund (71)	$ 10,135,017
11.	Risk Management Fund (72)	$ 12,753,661
12.	Information Technology Fund (73)	$ 48,283,088

FY 2026-27 Reserves Budget

1.	General Fund (11)	$ 12,141,979
2.	Watershed and Stream Stewardship Fund (12)	$ 211,228,917
3.	Safe, Clean Water and Natural Flood Protection Fund (26)	$ 97,716,187
4.	Water Enterprise Fund (61)	$ 152,421,083
5.	State Water Project Fund (63)	$ 14,890,000
6.	Fleet Management Fund (71)	$ 2,003,803
7.	Risk Management Fund (72)	$ 21,801,633
8.	Information Technology Fund (73)	$ 6,113,174

BE IT FURTHER RESOLVED that:

1. Any subsequent changes to the Adopted Valley Water FY 2026-27 Operating, Capital and Interfund Transfer Budget shall occur as follows:

    (a) By Valley Water Board of Directors action for all budget adjustments that either increase or decrease a fund's total operating, capital, or interfund transfer budget or reserve appropriations with the exception of Currently Authorized Projects Reserve, which is comprised of accumulated unexpended and unencumbered balances of Board-approved capital project appropriations from prior years.

    (b) By Valley Water Board of Directors action for all budget adjustments between capital projects within a fund that exceed $100,000 per project within the fiscal year.

    (c) Delegation of authority is hereby conferred to the Chief Executive Officer (CEO), or his/her designee to approve budget transfers from the Supplemental Water Supply Reserve for amounts not to exceed 20 percent of the annual imported water purchases budget. The CEO shall inform the Board of any such budget transfers on a timely basis.

    (d) By the CEO, or his/her designee, for all other changes.

2. With the exception of those capital projects that have been closed or those related to capital program management and administrative services, any unexpended or unencumbered appropriation balances remaining at the end of FY 2025-26 for capital projects are hereby reappropriated to FY 2026-27 for continued use in those same projects, up to $100,000 above the planned expenditure amounts for each project identified in the draft Five-Year CIP for FY 2026-27. The portion of the balances that are not reappropriated to FY 2026-27 will remain as designated reserves for Current Authorized Projects to be reappropriated in future years in accordance with the Five-Year CIP expenditure schedule.

3. Any variances at the end of FY 2026-27 in Committed Reserves, Restricted Reserves and Other Reserves from those estimated in this FY 2026-27 Budget not otherwise reappropriated above shall result in corresponding adjustments to the FY 2026-27 estimated reserve appropriations in accordance with the Valley Water Reserve Policy. These adjustments shall be made in the following order:

    (a) First, to restore Restricted Reserves.

    (b) Second, to restore Risk Fund Committed Reserves.

    (c) Third, to restore other Committed Reserves excluding Operating and Capital Reserves.

    (d) Fourth, to restore Operating and Capital Reserves.

4. If at the commencement of FY 2027-28, the appropriations applicable to that year have not been finally determined and adopted by the Board of Directors in accordance with the District Act, Valley Water shall proceed in accordance with the following authorizations:

    (a) Except as otherwise provided in Section 4(b), the amounts set forth in the proposed budget for operating outlays, including existing debt service requirements, and capital outlays and the purposes therein specified, except funding for fixed assets, and residual equity transfers, are deemed appropriated until the final adoption of the budget by the Board of Directors.

    (b) Funding for fixed assets and residual equity transfers are deemed appropriated until the adoption of the final budget if specifically approved by the Board of Directors.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 12, 2026:

AYES:	Directors	Ballard, Beall, Hsueh, Santos, Varela, Estremera
NOES:	Directors	Eisenberg
ABSENT:	Directors	None
ABSTAIN:	Directors	None

SANTA CLARA VALLEY WATER DISTRICT

Tony Estremera

TONY ESTREMERA
Chair, Board of Directors

ATTEST

Candice Kwok-Smith

CANDICE KWOK-SMITH
Clerk, Board of Directors

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