

FY2026-27 Second Pass Biennial Budget Development Update

March 10, 2026

Topics

2

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

Budget Schedule Update

- **Operating and Capital Budget**
 - ✓ January 27, 2026 – 1st Pass Budget Update
 - ➔ • March 10, 2026 – 2nd Pass Budget Update
 - April 29 and 30, 2026 – Budget Work Study Session
- **Groundwater Production Charge (GWP)**
 - ✓ January 13, 2026 – Preliminary GWP Analysis
 - April 14 to 28, 2026 – GWP Public Hearings
- **Capital Improvement Program (CIP)**
 - ✓ January 13, 2026 – Preliminary CIP
 - ➔ • March 10, 2026 – Draft CIP
 - April 28 and 29, 2026 – CIP Public Hearings
- **Operating and Capital Budget, GWP, and CIP**
 - May 12, 2026 – Board Adoption

2nd Pass Revenue

Property Tax and State Water Project Tax updated vs 1st pass

4

Observations

Revenue (\$ in millions)	FY26 Adopted	FY27 2nd Pass	FY28 2nd Pass	FY27 vs FY26	FY28 vs FY27
Water Charges	\$ 423.3	\$ 466.5	\$ 515.9	\$ 43.2	\$ 49.4
1% Ad-valorem Property Tax	157.6	166.9	170.4	9.3	3.5
SCW Special Parcel Tax	55.1	56.3	57.5	1.2	1.2
State Water Project Tax	28.0	28.0	28.0	-	-
Benefit Assessment	6.9	6.9	6.9	-	-
Capital Reimbursements	56.3	61.0	16.8	4.7	(44.2)
Interest Income & Other	18.6	20.0	13.1	1.4	(6.9)
Total Revenue	\$ 745.9	\$ 805.6	\$ 808.8	\$ 59.7	\$ 3.2

Revenue (\$ in millions)	FY26 Adopted	FY27 2nd Pass	FY28 2nd Pass	FY27 vs FY26	FY28 vs FY27
General Fund	\$ 13.5	\$ 14.5	\$ 14.8	\$ 1.0	\$ 0.3
Watershed & Stream Stewardship Fun	141.8	150.8	152.9	9.0	2.1
Safe Clean Water Fund	108.9	114.0	70.4	5.1	(43.6)
Water Utility Enterprise Funds	474.2	518.7	563.0	44.5	44.3
Service Funds	0.7	0.7	0.7	-	-
Benefit Assessment Funds	6.9	6.9	6.9	-	-
Total Revenue	\$ 745.9	\$ 805.6	\$ 808.8	\$ 59.7	\$ 3.2

- **Total Revenue – FY27 \$805.6M & FY28 \$808.8M**
- **Water charges – FY27 \$466.5M & FY28 \$515.9M**
 - VW Water Usage: 221.5KAF in FY27 and 224KAF in FY28
 - M&I Ground Water Production Charge:
 1. North County; 9.1% increase in Zone W-2
 2. South County
 - a) 6.6% increase in Zone W-5
 - b) 9.4% increase in Zone W-7
 - c) 8.0% increase in Zone W-8
- **1% Ad-valorem Property Taxes – FY27 \$166.9M & FY28 \$170.4M**
- **SCW Special Parcel Tax – FY27 \$56.3M & FY28 \$57.5M**
 - 2% per year, Bay Area CPI could be greater for FY27
- **Capital Reimbursement – FY27 \$61.0M & FY28 \$16.8M**
 - Driven primarily by \$50M in FY27 & \$10M in FY28 from NRCS for Upper Llagas Phase 2B

2nd Pass Districtwide Outlays

Capital Projects outlays updated to align with most recent draft CIP

Outlays (\$ in millions)	FY26 Adopted	FY27 2nd Pass	FY28 2nd Pass	FY27 vs FY26	FY28 vs FY27
Operations	\$ 528.7	\$ 544.7	\$ 570.8	\$ 16.0	\$ 26.1
Operating Project	6.2	9.4	9.0	3.2	(0.4)
Debt Service	116.9	131.3	161.2	14.4	29.9
Operating Outlays	651.8	685.4	741.0	33.6	55.6
Capital Outlays	427.9	745.6	668.9	317.7	(76.7)
Total Gross Outlays	1,079.7	1,431.0	1,409.9	351.3	(21.1)
Intra-District Reimbursements*	(131.7)	(131.1)	(147.8)	0.6	(16.7)
Net Outlays	\$ 948.0	\$ 1,299.9	\$ 1,262.1	\$ 351.9	\$ (37.8)

Observations

- Net total operating and capital outlays for the FY27 Budget are \$1.30B, a 37.1% increase vs FY26, driven by capital spending increase
- For the FY28 Plan, net total operating and capital outlays is \$1.26B, a 3.0% decrease vs FY27
- Net outlays do not include capital carry forward that was appropriated by the Board in prior years and is net of General Fund intra-district reimbursements and Internal Service Fund charges

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

2nd Pass Salaries & Benefits

No new positions in FY27 versus FY26; updated for newly ratified MOUs

6

Observations

Salary and Benefits (\$ in millions)	FY26 Adopted	FY27 2nd Pass	FY28 2nd Pass	FY27 vs FY26	FY28 vs FY27
Salaries					
Salaries - Regular Employees	\$ 150.3	\$ 157.7	\$ 166.2	\$ 7.4	\$ 8.5
Overtime and Special Pays	5.4	6.2	6.4	0.8	0.2
Salary Savings	(2.5)	(5.5)	(5.8)	(3.0)	(0.3)
Total Salaries	153.2	158.4	166.8	5.2	8.4
Benefits					
Fed & State Taxes	2.2	2.3	2.5	0.1	0.2
Retirement Contribution	51.0	54.2	57.1	3.2	2.9
Group Insurance - Active Employees	28.1	29.6	33.1	1.5	3.5
Health Insurance - Retired Employees	15.0	15.3	15.7	0.3	0.4
Total Benefits	96.3	101.4	108.4	5.1	7.0
Total Salary & Benefits	\$ 249.6	\$ 259.8	\$ 275.1	\$ 10.2	\$ 15.3
Regular Positions	876	876	884		
Limited Term Positions	4	4	4		

Salaries budget - FY27: \$158.4M and FY28: \$166.8M

- FY26 salary budget includes 876 regular and 4 limited-term positions
- 4.5% COLA and step increase for eligible positions
- FY27 budget assumes salary savings rate of 3% due to average vacancy rates

Benefits budget - FY27: \$101.4M and FY28: \$108.4M

- Retirement Contributions: includes CalPERS required employer contribution and deferred compensation, plus \$3.0M redirect from OPEB funding and additional 2% of salaries (\$3.2M) employer contributions towards CalPERS unfunded liability
- Group Insurance for Active Employees: assumes 15% annual increase for medical plan and 3% annual increase for Dental and Vision plan

2nd Pass Position Count

No new positions in FY27; FY28 positions to be approved next year's budget

7

Position Count by Organization Division	Adopted Positions FY24	Adopted Positions FY25	Adopted Positions FY26	2nd Pass Positions FY27	Unpaused Positions FY28 ^(b)	2nd Pass Positions FY28
Board Appointed Officers ^(a)	79	78	71	70	-	70
Office of Integrated Water Mgmt / Dam Safety	56	70	70	67	-	67
External Affairs	46	46	43	43	-	43
Administrative Services	163	166	160	160	-	160
Water Utility	306	304	291	291	-	291
Watersheds	269	257	241	245	8	253
Total Regular Positions	919	921	876	876	8	884
Limited Term Positions	5	4	4	4	-	4
Total	924	925	880	880	8	888

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

(b) Two Sr. Maintenance Workers, Four Maintenance Workers, Field Construction Supervisor, and Heavy Equipment Operator

2nd Pass Operating Expenditures

Operating project expenditures include ratified MOUs

Operations & Operating Projects (\$ in millions)	FY26 Adopted	FY27 2nd Pass	FY28 2nd Pass	FY27 vs FY26	FY28 vs FY27
General Fund	\$ 90.9	\$ 97.2	\$ 98.6	\$ 6.3	\$ 1.4
Watershed Stream Stewardship Fund	95.1	101.6	109.4	6.5	7.8
Safe, Clean Water Fund	27.7	33.1	32.7	5.4	(0.4)
Water Enterprise Fund	269.6	267.9	280.7	(1.7)	12.8
Fleet Management Fund	6.6	6.7	7.1	0.1	0.4
Risk Management Fund	12.1	12.7	13.4	0.6	0.7
Information Technology Fund	32.9	34.9	37.9	2.0	3.0
Total	\$ 534.9	\$ 554.1	\$ 579.8	\$ 19.2	\$ 25.7

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

Observations

- **FY27 Operating Expenditure Outlays of \$554.1M, increase of \$19.2M or 3.6% over FY26 and \$579.8M in FY28, increase of \$25.7M or 4.6% over FY27**
 - FY27 operating expense increase impacted by MOU; FY28 includes cost of 8 additional positions
 - General Fund includes Water Rate Assistance Program (\$1.3M) in FY27 & FY28 and district election costs (\$2.9M) in FY27
 - Watershed Stream Stewardship Fund includes increases for Watershed Erosion Work (\$1.0M), Tree Maintenance Program (\$1.0M), and Guadalupe Monitoring Program (\$0.8M) in FY27
 - Water Enterprise Fund decrease primarily due to lower payment in FY27 related to Palo Alto Water Reuse Agreement (-\$5.4M), and lower Sisk project costs (-\$5.5M) in FY27, restarting in FY29, offset by State Water Project increase (\$3.3M)

2nd Pass Capital Expenditures

Capital outlays aligned with draft Capital Improvement Program

9

Observations

Capital Outlays (\$ in millions)	FY26 Adopted	FY27 2nd Pass	FY28 2nd Pass	FY27 vs FY26	FY28 vs FY27
General Fund	\$ 13.3	\$ 13.3	\$ 4.2	\$ -	\$ (9.1)
Watershed Stream Stewardship Fund	31.3	12.9	59.8	(18.4)	46.9
Safe, Clean Water Fund	65.7	197.9	147.9	132.2	(50.0)
Water Enterprise Fund	312.0	504.8	437.2	192.8	(67.6)
Fleet Management Fund	2.0	3.4	4.7	1.4	1.3
Information Technology Fund	3.6	13.3	15.0	9.7	1.7
Total	\$ 427.9	\$ 745.6	\$ 668.9	\$ 317.7	\$ (76.7)

Note: 2nd Pass Budget is based on Preliminary FY27-31 Five-Year CIP

- FY27 Capital Outlays of \$745.6M, increase of \$317.7M, or 74.2% versus FY26**
 - Watershed Stream Stewardship Fund \$18.4M decrease primarily due to Watersheds Asset Rehabilitation Project (\$14.5M)
 - Safe, Clean Water Fund \$132.2M increase due to Coyote Creek, Montague-Tully (\$59M), Sunnyvale East & West (\$45M), and Llagas Phase 2B (\$22M)
 - Water Enterprise Fund \$192.8M increase primarily due to Anderson Dam Seismic Retrofit (\$133M), Almaden Valley Pipeline (\$41M), PWTP Residuals Management (\$19M) and Almaden Calero Canal Rehab (\$18M)
 - Information Technology Fund \$9.7M increase due to ERP Replacement project (\$8.3M)
- FY28 Capital Outlays of \$668.9M, decrease of \$76.7M, or 10.3% versus FY27**
 - General Fund \$9.1M decrease primarily due to completion of HQ Operations Building (-\$5M) and Security Upgrades Program (-\$4M)
 - Watershed Stream Stewardship Fund \$46.9M increase primarily due to SF Bay Shoreline (\$23M), Watersheds Asset Rehabilitation project (\$14M) and Lower Guadalupe Capacity Restoration (\$7M)
 - Safe, Clean Water Fund \$50.0M decrease primarily due to the Llagas Creek Phase 2B (-\$48M) and IRP2 Add Line Valves (-\$5M)
 - Water Enterprise Fund \$67.6M decrease primarily due to RWTP Reliability Improvement (-\$62M), Almaden Calero Canal Rehab (-\$17M), Anderson Dam Tunnel (-\$13M) offset by Pure Water Silicon Valley (\$14M)



2nd Pass Reserve Balances

Reserve balances in FY27 and FY28 remain stable

10

Reserves <i>(\$ in millions)</i>	FY26 Projected	FY27 Estimate	FY28 Estimate	FY27 vs FY26	FY28 vs FY27
Restricted Reserves					
Safe, Clean Water Fund	\$ 130.4	\$ 103.9	\$ 100.2	\$ (26.4)	\$ (3.7)
Water Utility Enterprise Fund	75.5	77.9	81.3	2.4	3.4
Restricted Sub-total	\$ 205.9	\$ 181.9	\$ 181.5	\$ (24.0)	\$ (0.4)
Committed Reserves					
General Fund	26.7	12.4	11.1	(14.4)	(1.3)
Watershed Stream Stewardship Fund	203.3	207.7	184.6	4.4	(23.1)
Water Utility Enterprise Fund	80.6	83.2	107.8	2.6	24.5
Internal Service Funds	29.3	29.5	26.8	0.2	(2.7)
Committed Sub-total	\$ 340.0	\$ 332.8	\$ 330.2	\$ (7.2)	\$ (2.6)
Total Reserves	\$ 545.9	\$ 514.6	\$ 511.8	\$ (31.2)	\$ (2.7)

Next Steps

- **Operating and Capital Budget**
 - April 29 and 30, 2026 – Budget Work Study Session
- **Groundwater Production Charge (GWP)**
 - April 14 to 28, 2026 – GWP Public Hearings
- **Capital Improvement Program (CIP)**
 - April 28 and 29, 2026 – CIP Public Hearings
- **Operating and Capital Budget, GWP, and CIP**
 - May 12, 2026 – Board Adoption

Questions

2nd Pass vs 1st Pass Supporting Slides

2nd Pass vs 1st Pass Revenue

Property Tax Revenue updated to reflect most recent property roll growth

14

Revenue (\$ in millions)	FY26 Adopted	FY27 1st Pass	FY28 1st Pass	FY27 2nd Pass	FY28 2nd Pass	FY27 2nd Pass vs 1st Pass	FY28 2nd Pass vs 1st Pass
Water Charges	\$ 423.3	\$ 466.4	\$ 515.6	\$ 466.5	\$ 515.9	\$ 0.1	\$ 0.3
1% Ad-valorem Property Tax	157.6	162.9	165.7	166.9	170.4	4.0	4.7
SCW Special Parcel Tax	55.1	56.3	57.5	56.3	57.5	-	-
State Water Project Tax	28.0	31.0	31.0	28.0	28.0	(3.0)	(3.0)
Benefit Assessment	6.9	6.9	6.9	6.9	6.9	-	-
Capital Reimbursements	56.3	61.1	16.4	61.0	16.8	(0.1)	0.4
Interest Income & Other	18.6	20.0	13.2	20.0	13.1	-	(0.1)
Total Revenue	\$ 745.9	\$ 804.6	\$ 806.4	\$ 805.6	\$ 808.8	\$ 1.0	\$ 2.4

Revenue (\$ in millions)	FY26 Adopted	FY27 1st Pass	FY28 1st Pass	FY27 2nd Pass	FY28 2nd Pass	FY27 2nd Pass vs 1st Pass	FY28 2nd Pass vs 1st Pass
General Fund	\$ 13.5	\$ 14.2	\$ 14.5	\$ 14.5	\$ 14.8	\$ 0.3	\$ 0.3
Watershed & Stream Stewardship Fund	141.8	147.5	149.6	150.8	152.9	3.3	3.3
Safe Clean Water Fund	108.9	114.0	70.4	114.0	70.4	-	-
Water Utility Enterprise Funds	474.1	521.3	564.3	518.7	563.0	(2.6)	(1.3)
Service Funds	0.7	0.7	0.7	0.7	0.7	-	-
Benefit Assessment Funds	6.9	6.9	6.9	6.9	6.9	-	-
Total Revenue	\$ 745.9	\$ 804.6	\$ 806.4	\$ 805.6	\$ 808.8	\$ 1.0	\$ 2.4

2nd Pass vs 1st Pass Districtwide Outlays

Capital Projects outlays updated to align with most recent draft CIP

- Operating Outlays 2nd Pass vs 1st Pass changes primarily due to ratified MOU, Instream Habitat, Vegetation Management, Tree Maintenance and San Francisquito Creek projects, and increase of budgeted positions in FY28
- Capital Projects 2nd Pass vs 1st Pass updated to align funding with the most recent CIP

Outlays (\$ in millions)	FY26	FY27	FY28	FY27	FY28	FY27	FY28
	Adopted	1st Pass	1st Pass	2nd Pass	2nd Pass	2nd Pass vs 1st Pass	2nd Pass vs 1st Pass
Operations	\$ 528.7	\$ 538.3	\$ 563.4	\$ 544.7	\$ 570.8	\$ 6.4	\$ 7.4
Operating Project	6.2	8.1	8.1	9.4	9.0	1.3	0.9
Debt Service	116.9	131.3	161.2	131.3	161.2	-	-
Operating Outlays	651.8	677.7	732.7	685.4	741.0	7.7	8.3
Capital Projects	427.9	732.9	651.7	745.6	668.9	12.7	17.2
Total Outlays	1,079.7	1,410.6	1,384.4	1,431.0	1,409.9	20.4	25.5
Intra-District Reimbursements*	(131.7)	(128.6)	(142.5)	(131.1)	(147.8)	(2.5)	(5.3)
Net Outlays	\$ 948.0	\$ 1,282.0	\$ 1,241.9	\$ 1,299.9	\$ 1,262.1	\$ 17.9	\$ 20.2

2nd Pass vs 1st Pass Salaries & Benefits

Increase due to MOU and FY28 plan positions offset by higher salary savings

16

Salary and Benefits (\$ in millions)	FY26	FY27		FY28		FY27		FY28	
	Adopted	1st Pass	1st Pass	2nd Pass	2nd Pass	2nd Pass vs 1st Pass	2nd Pass vs 1st Pass	2nd Pass vs 1st Pass	2nd Pass vs 1st Pass
Salaries									
Salaries - Regular Employees	\$ 150.3	\$ 154.9	\$ 160.7	\$ 157.7	\$ 166.2	\$ 2.8	\$ 5.5		
Overtime and Special Pays	5.4	6.2	6.2	6.2	6.4	-	0.2		
Salary Savings	(2.5)	(2.6)	(2.7)	(5.5)	(5.8)	(2.9)	(3.1)		
Total Salaries	153.2	158.6	164.3	158.4	166.8	(0.2)	2.5		
Benefits									
Federal & State Taxes	2.2	2.3	2.4	2.3	2.5	-	0.1		
Retirement Contribution (CalPERS)	51.0	52.8	55.3	54.2	57.1	1.4	1.8		
Group Insurance - Active Employees	28.1	29.5	32.6	29.6	33.1	0.1	0.5		
Health Insurance - Retired Employees	15.0	15.3	15.7	15.3	15.7	-	-		
Total Benefits	96.3	99.9	106.0	101.4	108.4	1.5	2.4		
Total Salary & Benefits	\$ 249.6	\$ 258.4	\$ 270.3	\$ 259.8	\$ 275.1	\$ 1.4	\$ 4.8		
Regular Positions	876	876	876	876	884				
Limited Term Positions	4	4	4	4	4				

2nd Pass Temps, Interns and Consultant Expenses

Consultant expenses primarily with capital project delivery

17

(\$ in millions)	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed	FY28 Plan	FY27 vs FY26	FY28 vs FY27
Operating										
Temporary Staffing	\$ 3.8	\$ 4.2	\$ 3.1	\$ 3.4	\$ 4.0	\$ 5.6	\$ 5.6	\$ 5.9	\$ -	\$ 0.3
Student Interns	1.1	2.0	2.3	2.0	2.1	2.8	2.8	2.9	-	0.1
Professional Services	17.6	21.5	21.5	18.0	23.4	32.9	33.1	32.8	0.2	(0.3)
Operating Outlays	22.5	27.7	26.9	23.4	29.5	41.3	41.5	41.6	0.2	0.1
Capital										
Temporary Staffing	\$ 0.7	\$ 0.7	\$ 0.4	\$ 0.4	\$ 0.3	\$ 5.6	\$ 5.7	\$ 5.9	\$ 0.1	\$ 0.2
Student Interns	0.0	0.1	0.2	0.2	0.1	0.2	0.2	0.1	-	(0.1)
Professional Services	38.5	75.4	110.1	86.7	37.2	97.0	132.7	131.0	35.7	(1.7)
Capital Outlays	\$ 39.2	\$ 76.2	\$ 110.7	\$ 87.3	\$ 37.6	\$ 102.8	\$ 138.6	\$ 137.0	\$ 35.8	\$ (1.6)
Total	\$ 61.7	\$ 103.9	\$ 137.6	\$ 110.7	\$ 67.1	\$ 144.1	\$ 180.1	\$ 178.6	\$ 36.0	\$ (1.5)

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

FY24-28 Legal Services Budget

- In-house attorneys and law firms provide counsel to VW
- VW does not have one single budget for “litigation”
 - Project budgets often include contracted legal services
 - Matter-specific litigation budgets are presented to the Board in closed session
 - Expenditures are reported to the Board quarterly in attorney-client privileged communications
- Agency-wide legal budget:
 - FY26 Adopted: \$11,021,080
 - FY27 Proposed: \$9,258,020
 - FY28 Plan: \$8,472,515

2nd Pass vs 1st Pass Operating Expenditures

2nd Pass increase primarily due to ratified MOU and FY28 Plan positions

- 2nd Pass changes primarily due to ratified MOU and increase of FY28 Plan positions; offset by higher salary savings assumption
- Includes eight (8) regular positions in FY28 Plan to address control of instream vegetation removal and watershed asset rehabilitation projects
- Second Pass budget includes additional funding for Instream Habitat, Vegetation Management, Tree Maintenance projects and the San Francisquito Creek project transition to operations project

Operations & Operating Projects (\$ in millions)	FY26	FY27	FY28	FY27	FY28	FY27	FY28
	Adopted	1st Pass	1st Pass	2nd Pass	2nd Pass	2nd Pass vs 1st Pass	2nd Pass vs 1st Pass
General Fund	\$ 90.9	\$ 96.8	\$ 97.9	\$ 97.2	\$ 98.6	\$ 0.4	\$ 0.7
Watershed Stream Stewardship Fund	95.1	98.3	105.1	101.6	109.4	3.3	4.3
Safe, Clean Water Fund	27.7	29.8	30.5	33.1	32.7	3.3	2.2
Water Enterprise Fund	269.6	267.3	280.0	267.9	280.7	0.6	0.7
Fleet Management Fund	6.6	6.6	7.1	6.7	7.1	0.1	-
Risk Management Fund	12.1	12.7	13.4	12.7	13.4	-	-
Information Technology Fund	32.9	34.7	37.6	34.9	37.9	0.2	0.3
Total	\$ 534.9	\$ 546.4	\$ 571.5	\$ 554.1	\$ 579.8	\$ 7.7	\$ 8.3

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



2nd Pass vs 1st Pass Capital Expenditures

2nd Pass increase primarily due to Water Utility projects

- Watershed Stream Stewardship Fund increase primarily due to inclusion of Aquatic Resource Creation at Ford Rd Percolation Pond project (\$1.9M in FY27 and \$1.5M in FY28)
- Safe, Clean Water Fund decrease primarily due to Regnart Creek Rehabilitation project (-\$1.2M in FY27), Guadalupe Rv-Upr (-\$1.3M in FY28), Berryessa Calav/Old Pied Cor (-\$1.6M in FY28) projects and transition of San Francisquito Crk project to operations (-\$9.1M in FY28)
- Water Enterprise Fund increase primarily due to RWTP Reliability Improvement (\$11.9M in FY27), STWTP Infrastructure Rehabilitation (\$1.6M in FY27 and \$5.8M in FY28), Pure Water Silicon Valley DPR (\$1.9M in FY27 and \$2.0M in FY28), Almaden Valley Pipeline (\$22.1M in FY28) projects offset by a decrease to the Land Rights-SC Recycled Water project in FY27 (-\$3.0M)

Capital Outlays (\$ in millions)	FY26	FY27	FY28	FY27	FY28	FY27	FY28
	Adopted	1st Pass	1st Pass	2nd Pass	2nd Pass	2nd Pass vs 1st Pass	2nd Pass vs 1st Pass
General Fund	\$ 13.3	\$ 13.3	\$ 4.2	\$ 13.3	\$ 4.2	\$ -	\$ -
Watershed Stream Stewardship Fund	31.3	11.1	58.3	12.9	59.8	1.8	1.5
Safe, Clean Water Fund	65.7	199.1	160.0	197.9	147.9	(1.2)	(12.1)
Water Enterprise Fund	312.0	492.6	409.4	504.8	437.2	12.2	27.8
Fleet Management Fund	2.0	3.4	4.7	3.4	4.7	-	-
Information Technology Fund	3.6	13.3	15.0	13.3	15.0	-	-
Total	\$ 427.9	\$ 732.9	\$ 651.7	\$ 745.6	\$ 668.9	\$ 12.7	\$ 17.2



Major Capital Appropriations for FY27 and FY28

21

Capital Outlays (\$ in millions)	Fund	FY25 Actuals	FY26 Adopted	FY27 1st Pass	FY28 1st Pass	FY27 + FY28 Combined	FY27 2nd Pass	FY28 2nd Pass	FY27 + FY28 Combined	FY27 vs FY26	FY28 vs FY27
Anderson Dam Seismic Retrofit	WU	\$25.0	\$24.2	\$157.4	\$169.1	\$326.4	\$157.4	\$169.1	\$326.4	\$133.2	\$11.7
RWTP Reliability Improvement	WU	74.7	120.8	112.5	62.6	175.1	124.4	62.8	187.2	3.6	(61.6)
Coyote Creek, Montague-Tully	SCW	10.4	21.7	80.9	79.7	160.6	80.9	79.7	160.6	59.3	(1.3)
Sunnyvale East & West Channel	SCW	4.2	0.0	45.2	54.0	99.2	45.2	54.0	99.2	45.2	8.9
Almaden Valley Pipeline	WU	2.2	3.1	44.4	11.5	55.8	44.4	33.6	77.9	41.2	(10.8)
PWTP Residuals Management	WU	2.4	15.8	34.4	41.2	75.5	34.4	41.3	75.7	18.6	6.9
Llagas Creek Phase 2B Construction	SCW	52.6	26.5	48.4	0.1	48.5	48.4	0.1	48.5	21.9	(48.3)
Pure Water Silicon Valley	WU	5.4	7.4	16.3	30.4	46.6	16.3	30.4	46.6	8.9	14.1
San Francisco Bay Shoreline	WSS	0.9	4.8	4.1	27.3	31.4	4.0	27.3	31.3	(0.7)	23.2
San Felipe Division Capital	WU	12.4	12.8	13.3	11.9	25.1	13.3	11.9	25.1	0.5	(1.4)
ERP Replacement Project	IT	0.0	0.0	8.3	11.6	19.9	8.3	11.6	19.9	8.3	3.3
Almaden Calero Canal Rehab	WU	0.4	0.7	19.3	1.1	20.3	18.7	1.1	19.8	18.0	(17.6)
Watersheds Asset Rehabilitatio	WSS	8.2	16.6	2.1	16.3	18.4	2.1	16.3	18.4	(14.5)	14.2
WU Capital Prog Admin Support	WU	6.6	8.0	7.8	8.5	16.3	8.4	9.3	17.7	0.4	0.9
Calero Dam SeisRetrfit Des&Con	WU	3.1	6.3	5.2	12.3	17.6	5.2	12.4	17.6	(1.1)	7.2
Small Caps, Water Treatment	WU	3.3	11.2	9.0	6.9	15.9	9.0	7.0	16.0	(2.1)	(2.1)
Anderson Dam Tunnel Project	WU	42.7	42.7	13.2	0.0	13.2	13.2	0.0	13.2	(29.5)	(13.2)
East Pipeline Inspection and Rehabilitation P	WU	0.0	2.0	11.5	1.0	12.5	11.5	1.0	12.5	9.5	(10.5)
Small Caps, San Felipe R1	WU	0.3	2.3	5.2	5.2	10.4	5.2	5.2	10.4	2.9	0.0
Guadalupe Dam SeisRetf Des&Con	WU	1.0	4.0	5.2	5.1	10.3	5.2	5.1	10.3	1.2	(0.1)
Total		\$255.6	\$330.8	\$643.5	\$555.7	\$1,199.2	\$655.5	\$579.0	\$1,234.4	\$324.6	(76.5)

Note: 2nd Pass Budget is based on preliminary FY27-31 Five-Year CIP



2nd Pass and Actuals - Revenue

22

Revenue (\$ in millions)	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed	FY28 Plan	FY27 vs FY26	FY28 vs FY27
Water Charges	\$ 266.9	\$ 289.8	\$ 272.4	\$ 268.1	\$ 320.6	\$ 382.0	\$ 423.3	\$ 466.5	\$ 515.9	\$ 43.2	\$ 49.4
1% Ad-valorem Property Tax	110.6	117.3	127.3	138.8	146.1	154.4	157.6	166.9	170.4	9.3	3.5
SCW Special Parcel Tax	46.1	46.1	47.0	49.5	52.2	53.2	55.1	56.3	57.5	1.2	1.2
State Water Project Tax	21.8	21.4	30.1	28.9	28.1	29.6	28.0	28.0	28.0	-	-
Benefit Assessment	13.4	12.4	13.4	13.2	6.9	6.8	6.9	6.9	6.9	-	-
Capital Reimbursements	33.8	19.9	21.4	35.2	10.0	13.8	56.3	61.0	16.8	4.7	(44.2)
Interest Income & Other	23.9	17.7	20.4	27.7	47.2	59.0	18.6	20.0	13.1	1.4	(6.9)
Total Revenue	\$ 516.5	\$ 524.6	\$ 532.0	\$ 561.4	\$ 611.0	\$ 698.9	\$ 745.9	\$ 805.6	\$ 808.8	\$ 59.8	\$ 3.0

2nd Pass and Actuals – Salaries & Benefits

23

Salary and Benefits (\$ in millions)	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed	FY28 Plan	FY27 vs FY26	FY28 vs FY27
Salaries											
Salaries - Regular Employees	\$ 103.6	\$ 116.5	\$ 128.3	\$ 130.5	\$ 135.3	\$ 138.8	\$ 150.3	\$ 157.7	\$ 166.2	\$ 7.4	\$ 8.5
Overtime and Special Pays	4.3	4.3	5.8	6.2	6.3	6.5	5.4	6.2	6.4	0.8	0.2
Salary Savings	-	-	-	-	-	-	(2.5)	(5.5)	(5.8)	(3.0)	(0.3)
Total Salaries	107.9	120.8	134.1	136.7	141.6	145.3	153.2	158.4	166.8	5.2	8.4
Benefits											
Fed & State Taxes & Benefits	1.6	1.8	1.9	2.0	2.1	2.1	2.2	2.3	2.5	0.1	0.2
Retirement Contributions	29.4	32.8	36.7	42.1	43.7	46.4	51.0	54.2	57.1	3.2	2.9
Group Insurance - Active Employees	14.0	14.5	15.1	16.0	17.6	22.3	28.1	29.6	33.1	1.5	3.5
Health Insurance - Retired Employees	10.8	11.0	12.1	13.9	14.6	16.9	15.0	15.3	15.7	0.3	0.4
Total Benefits	55.8	60.1	65.8	74.0	78.0	87.7	96.3	101.4	108.4	5.1	7.0
Total Salary & Benefits	\$ 163.7	\$ 180.9	\$ 199.9	\$ 210.7	\$ 219.6	\$ 233.0	\$ 249.6	\$ 259.8	\$ 275.1	\$ 10.2	\$ 15.3
Regular Positions	859	859	893	909	919	921	876	876	884	-	8

2nd Pass and Actuals – Districtwide Outlays

24

Budget by Category (\$ in millions)	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed	FY28 Plan	FY27 vs FY26	FY28 vs FY27
Operations	\$ 308.2	\$ 366.7	\$ 414.2	\$ 417.0	\$ 423.7	\$ 456.7	\$ 528.7	\$ 544.7	\$ 570.8	\$ 16.0	\$ 26.1
Operating Projects	11.8	3.6	8.5	4.6	9.5	28.5	6.2	9.4	9.0	3.2	(0.4)
Debt Service	46.3	51.4	58.1	65.1	75.0	86.0	116.9	131.3	161.2	14.4	29.9
Total Operating Outlays	366.3	421.7	480.8	486.7	508.2	571.2	651.8	685.4	741.0	33.6	55.6
Capital Outlays	234.9	284.2	372.7	414.1	389.7	387.2	427.9	745.6	668.9	317.7	(76.7)
Total Gross Outlays	601.2	705.9	853.5	900.8	897.9	958.4	1,079.7	1,431.0	1,409.9	351.3	(21.1)
Intra-District Reimbursements*	(77.9)	(87.4)	(97.3)	(107.2)	(116.8)	(121.3)	(131.7)	(131.1)	(147.8)	0.6	(16.7)
Net Total Outlays	\$ 523.3	\$ 618.5	\$ 756.2	\$ 793.6	\$ 781.1	\$ 837.1	\$ 948.0	\$ 1,299.9	\$ 1,262.1	\$ 351.9	\$ (37.8)

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

2nd Pass and Actuals – Ops Expenditures by Fund

25

Operations & Operating Budget (\$ in millions)	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed	FY28 Plan	FY27 vs FY26	FY28 vs FY27
General Fund	\$ 58.6	\$ 68.0	\$ 74.3	\$ 74.8	\$ 77.3	\$ 77.3	\$ 90.9	\$ 97.2	\$ 98.6	\$ 6.3	\$ 1.4
Watershed Stream Stewardship Fund	51.7	59.2	62.5	69.3	75.4	82.3	95.1	101.6	109.4	6.5	7.8
Safe, Clean Water Fund	20.5	14.9	16.2	19.2	25.6	23.0	27.7	33.1	32.7	5.4	(0.4)
Water Enterprise Fund	165.3	197.6	235.3	224.0	213.6	257.6	269.6	267.9	280.7	(1.7)	12.8
Fleet Management Fund	3.8	3.9	3.8	5.0	5.2	5.3	6.6	6.7	7.1	0.1	0.4
Risk Management Fund	6.1	6.8	9.5	6.8	9.9	9.1	12.1	12.7	13.4	0.6	0.7
Information Technology Fund	14.0	19.9	21.1	22.4	26.2	30.6	32.9	34.9	37.9	2.0	3.0
Total	\$ 320.0	\$ 370.3	\$ 422.7	\$ 421.5	\$ 433.2	\$ 485.2	\$ 534.9	\$ 554.1	\$ 579.8	\$ 19.2	\$ 25.7

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

2nd Pass and Actuals – Capital Outlays by Fund

26

Capital Outlays (\$ in millions)	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Actuals	FY25 Actuals	FY26 Adopted	FY27 Proposed	FY28 Plan	FY27 vs FY26	FY28 vs FY27
General Fund	\$ 1.5	\$ 3.3	\$ 3.2	\$ 4.2	\$ 2.6	\$ 9.8	\$ 13.3	\$ 13.3	\$ 4.2	\$ -	\$ (9.1)
Watershed Stream Stewardship Fund	19.0	63.5	66.2	44.5	26.3	15.0	31.3	12.9	59.8	(18.4)	46.9
Safe, Clean Water Fund	70.9	71.7	52.8	46.6	45.8	84.2	65.7	197.9	147.9	132.2	(50.0)
Water Enterprise Fund	132.2	136.0	238.0	311.9	307.5	268.6	312.0	504.8	437.2	192.8	(67.6)
Fleet Management Fund	1.9	2.5	2.8	2.2	0.8	3.2	2.0	3.4	4.7	1.4	1.3
Information Technology Fund	9.4	7.2	9.7	4.7	6.7	6.3	3.6	13.3	15.0	9.7	1.7
Total	\$ 234.9	\$ 284.2	\$ 372.7	\$ 414.1	\$ 389.7	\$ 387.2	\$ 427.9	\$ 745.6	\$ 668.9	\$ 317.7	\$ (76.7)

Note: FY27 Proposed Budget and FY28 Plan is based on Draft FY27-FY31 CIP