

# **FY 2018 Proposed Operating and Capital Budget Board Work Study Sessions**

**April 26, 27, & 28, 2017**



# Presentation Outline

## **1. Budget Overview**

- Budget Goals
- Board Priorities
- Budget Development & Review Process
- Proposed Budget
- Trend Data
- Financial Sustainability
- Debt Service
- Reserves

## **2. Board Goal Area Presentation**

- Water Utility
- Watersheds
- Administration

## **3. Next Steps**

# Budget Goals

1. Meet Board's Ends and Executive Limitations
2. Ensure future financial sustainability
3. Deliver balanced budget
4. Realize efficiencies/cost savings
5. Demonstrate fiscal accountability and value to customers
6. Address Board priorities

# FY 2018 Board Priorities

	Priority	Water Utility	Watersheds	Administration
1	Make key decisions regarding the <b>California WaterFix</b>	★		★
2	Prioritize the care of our <b>District facilities and assets</b>		★	★
3	Advance the District's interest in <b>Countywide storm water</b> resource planning	★	★	
4	Provide for a watershed-wide regulatory <b>planning and permitting effort</b>	★	★	
5	Foster a coordinated approach to <b>environmental stewardship</b> efforts		★	



# FY 2018 Board Priorities, cont.

	Priority	Water Utility	Watersheds	Administration
6	Advance the <b>Anderson Dam</b> Seismic Retrofit Project	★		
7	Advance <b>recycled and purified water</b> efforts with San José & other agencies	★		★
8	Finalize the <b>Fisheries and Aquatic Habitat</b> Collaborative Effort (FAHCE)	★	★	
9	Actively pursue efforts to increase <b>water storage</b> opportunities	★		
10	Advance <b>diversity and inclusion</b> efforts	★	★	★
11	<b>Coyote Creek</b> flood response		★	

# Budget Development & Review Process

## **Integrate/Align All Budget Components**

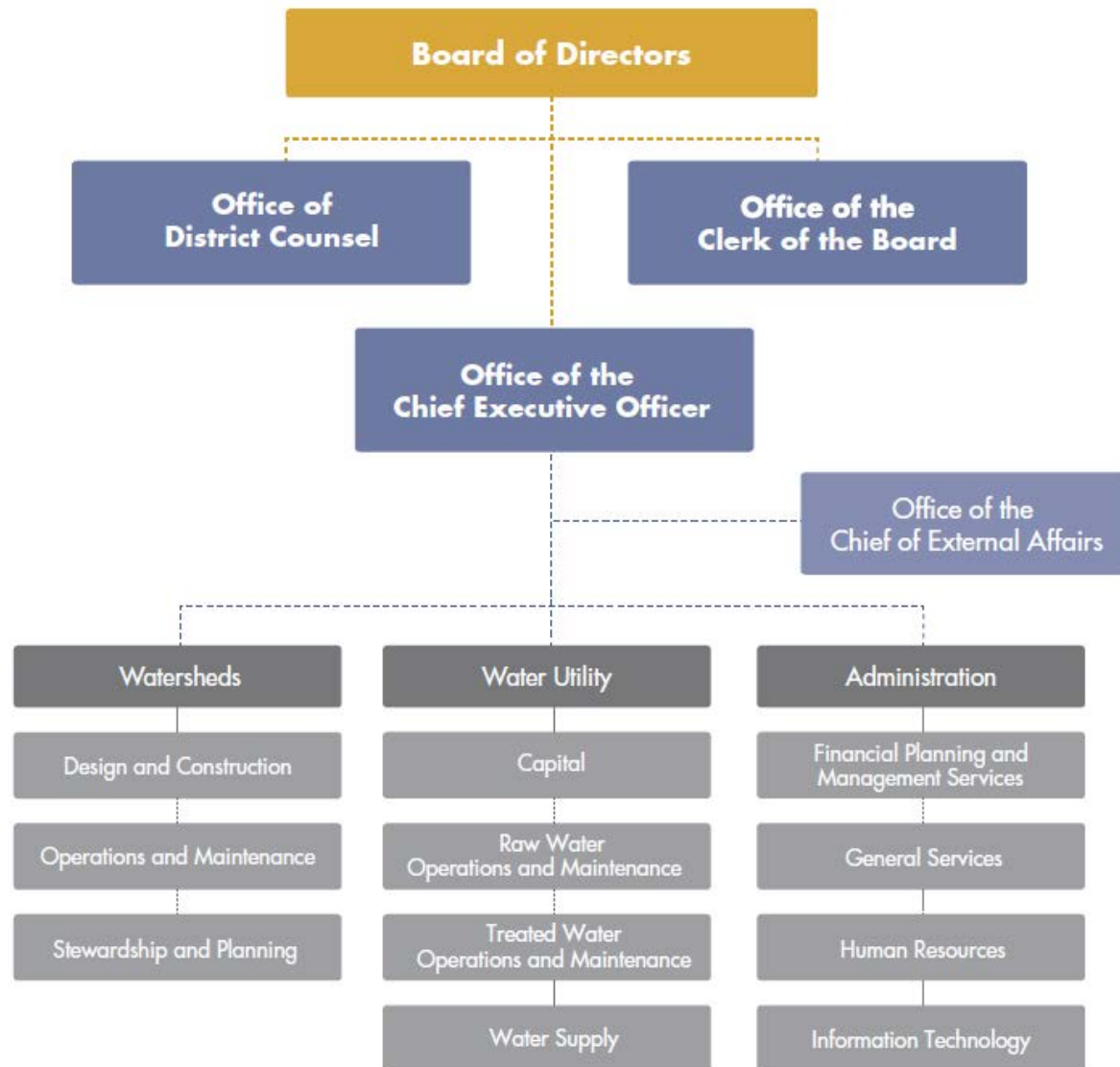
- Long-Term Forecast
- Budget Development & Review Process
- Groundwater Production Charge Process
- Capital Improvement Program Plan
- Board/Public Engagement

## Budget Development Strategies

- Set Limits
- Conduct multiple reviews
  1. Executive Review Committee (ERC process)
  2. Incorporate Board direction
  3. Open sessions review allowing public to provide input (CIP, Rates and Budget) in addition to special sessions on Groundwater rate setting process

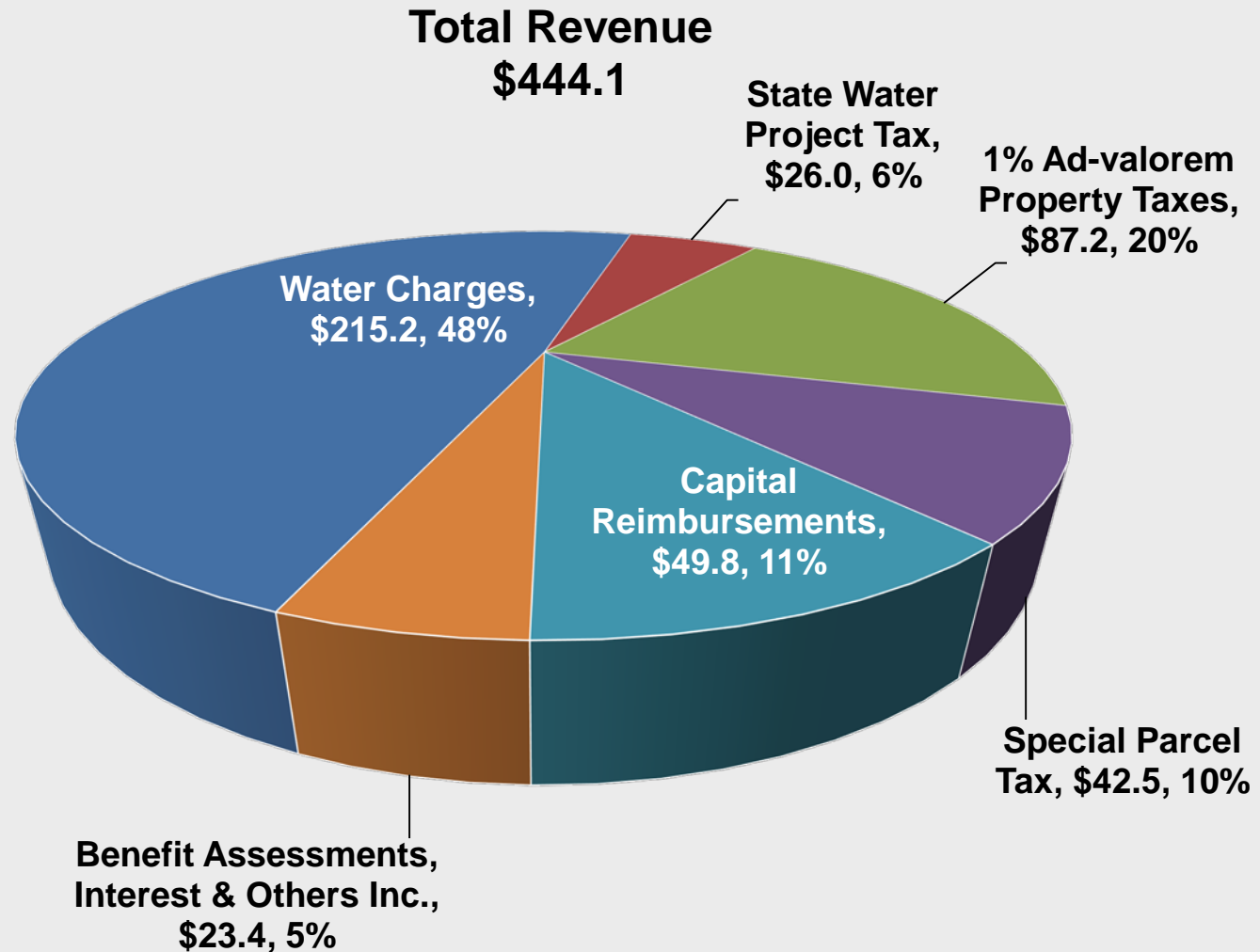
# FY 2018 Proposed Budget

## Santa Clara Valley Water District Organization Chart



# FY 2018 Proposed Budget, cont.

(\$ in millions)



# FY 2018 Proposed Budget, cont.

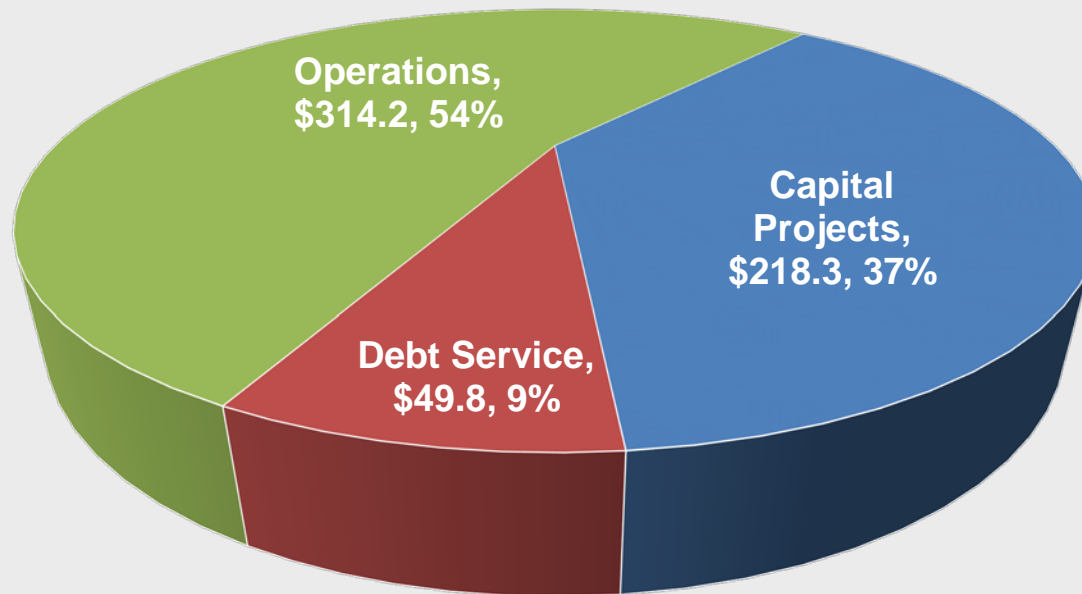
## FY 2018 Major Revenue Sources: Proposed

<b>Total Water Charge Revenue</b> <ul style="list-style-type: none"><li>•Proposed increase of 9.6% for North County</li><li>•Proposed increase of 6.4% for South County</li></ul>	<b>\$215.2 million</b>
<b>Property Tax (1% Ad-valorem)</b>	<b>\$87.2 million</b>
Capital Reimbursements & State Subventions	\$49.8 million
Investment Interest Income	\$3.5 million

# FY 2018 Proposed Budget, cont.

(\$ in millions)

## Total FY 2018 Proposed Budget by Category \$582.3



**Net FY 2018 Proposed Budget: \$501.0**  
(net with \$81.3 Intra-District Charges)

# FY 2018 Proposed Budget, cont.

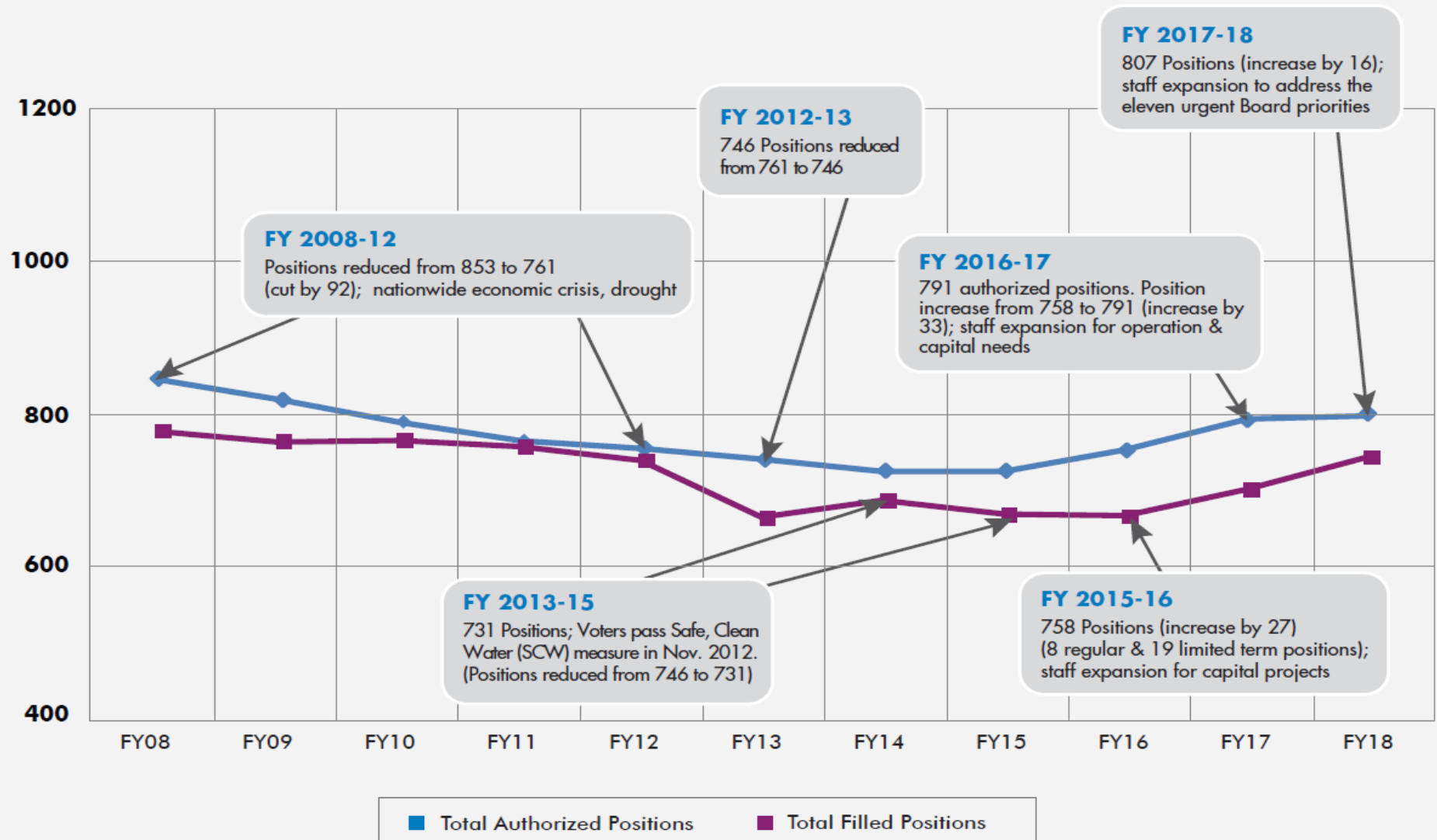
(\$ in millions)

## Top Ten FY 2018 Proposed Capital Projects

Fund	Project Description	FY 2018 Proposed
61	Rinconada WTP Reliability Improvement	\$ 48.1
61	Rinconada WTP FRP Residuals Management	\$ 17.1
26	Permanente Creek, Bay-Foothill CSC	\$ 16.9
61	10-Yr PL Inspection and Rehabilitation	\$ 16.0
26	Main/Madrone PL Restoration	\$ 14.6
61	Anderson Dam Seismic Retrofit	\$ 7.9
26	San Francisquito Early Implementation	\$ 7.3
73	ERP PeopleSoft Upgrade	\$ 7.3
12	Watersheds Asset Rehabilitation Program	\$ 6.8
26	Guadalupe Rv-Upr, SPRR-BH 7-12	\$ 6.5
	<b>TOTAL</b>	<b>\$148.5</b>

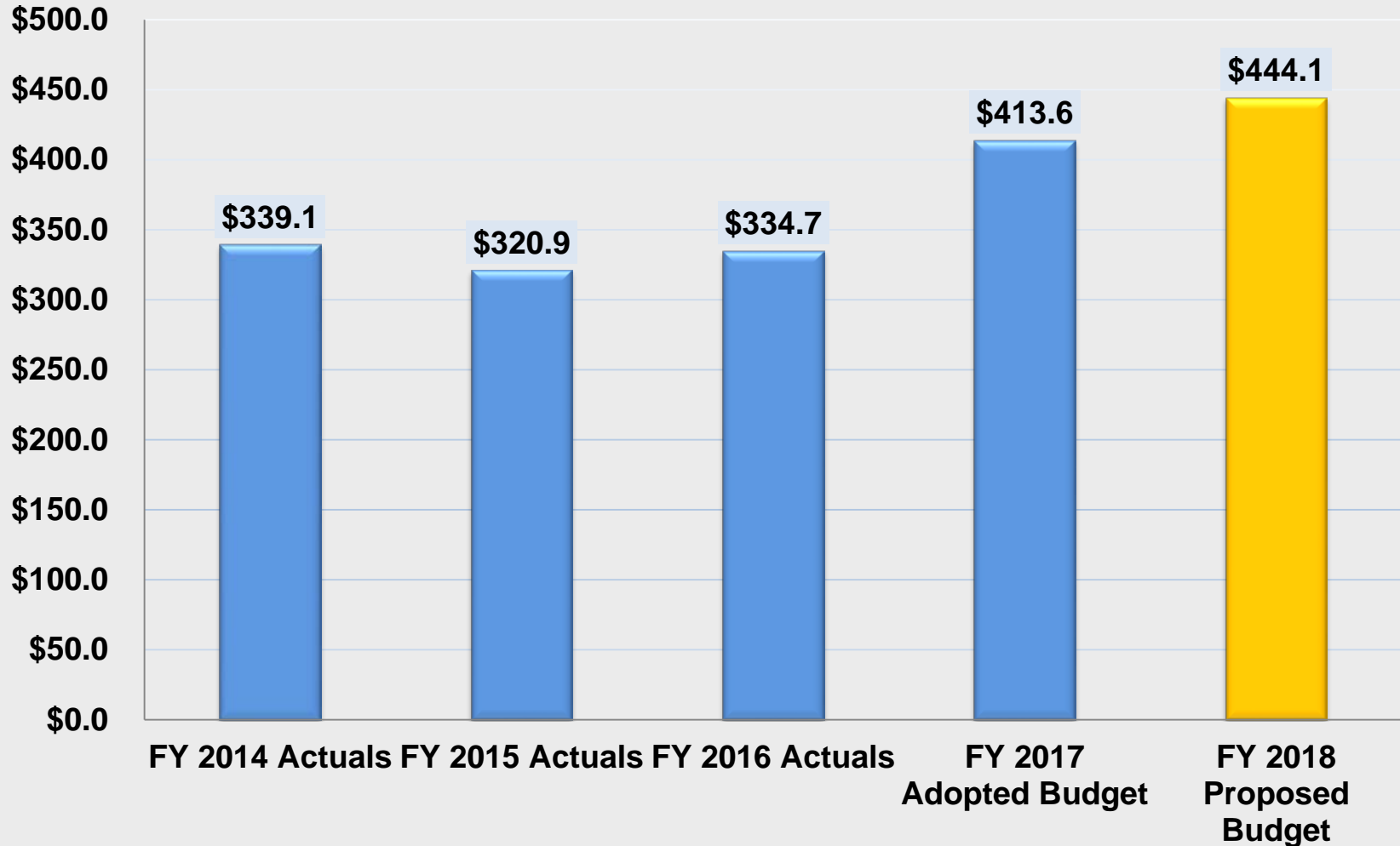


# Trend Data: District Staffing FY 2008 - 2018



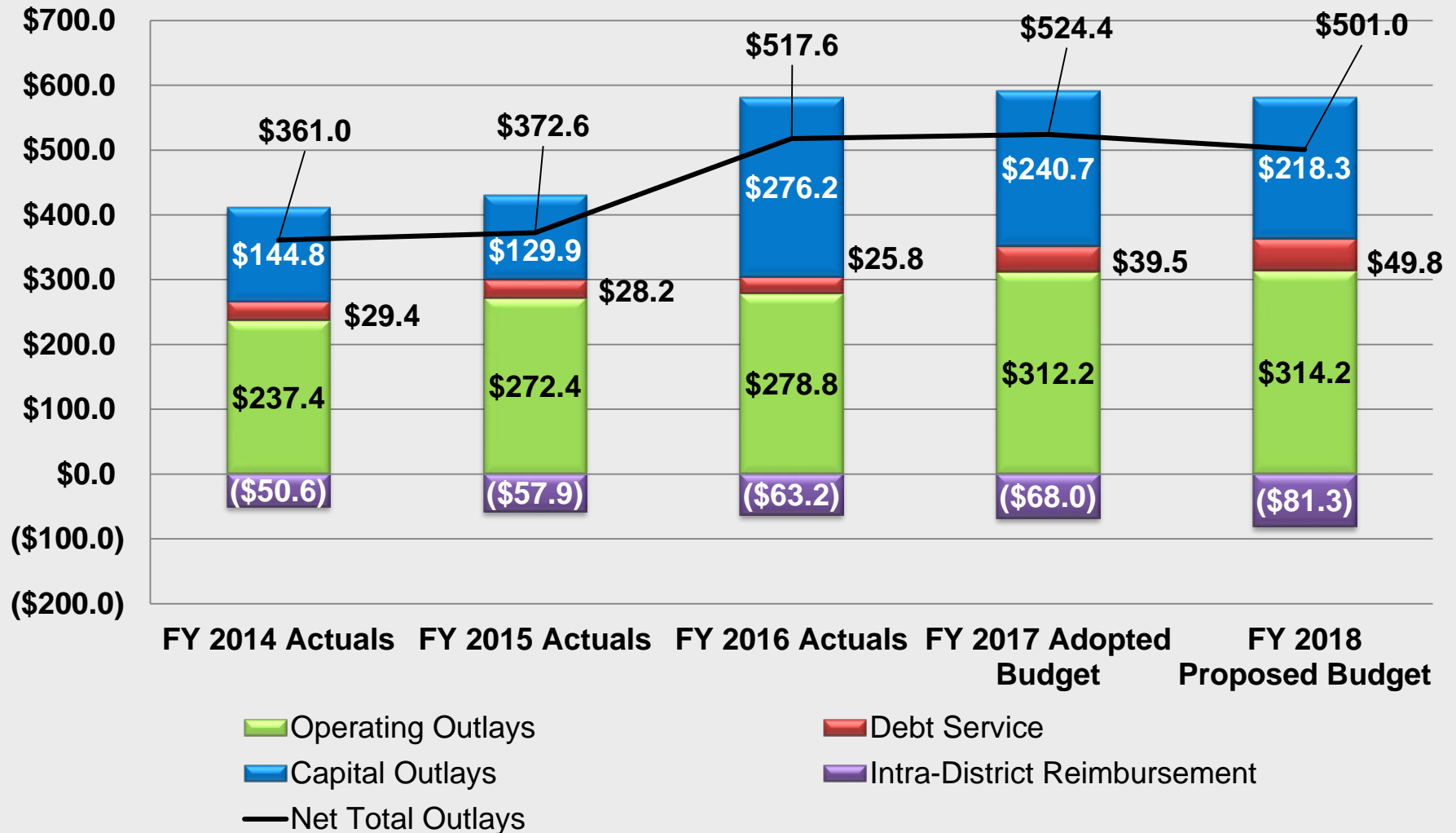
# Trend Data, cont.: Five-Year Revenue Comparison

(\$ in millions)



# Trend Data, cont.: Five-Year Outlay Comparison

(\$ in millions)



# Trend Data - cont.

(\$ in millions)

## Salaries and Benefits

	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/(Under) FY 2017 Adopted
Salaries-Regular Employee	\$76.5	\$78.6	\$82.2	\$92.8	\$97.8	\$5.0↑
Benefits	\$40.8	\$39.7	\$40.4	\$49.0	\$51.5	\$2.5↑
<b>TOTAL</b>	<b>\$117.3</b>	<b>\$118.3</b>	<b>\$122.6</b>	<b>\$141.8</b>	<b>\$149.3</b>	<b>\$7.5↑</b>
Salary Savings				(\$5.0)	(\$4.1)	(\$0.9)↓
<b>NET TOTAL</b>	<b>\$117.3</b>	<b>\$118.3</b>	<b>\$122.6</b>	<b>\$136.8</b>	<b>\$145.2</b>	<b>\$8.4↑</b>

# Trend Data – cont.

(\$ in millions)

## Overtime

	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/(Under) FY 2017 Adopted
Operating Outlays	\$1.1	\$1.4	\$2.3	\$1.6	\$2.0	\$0.4↑
Capital Projects	\$0.1	\$0.3	\$0.3	\$0.3	\$0.6	\$0.3↑
<b>TOTAL</b>	<b>\$1.2</b>	<b>\$1.7</b>	<b>\$2.6</b>	<b>\$1.9</b>	<b>\$2.6</b>	<b>\$0.7↑</b>

## Variance Drivers

<b>Operating Outlays:</b>	General Accounting for anticipated PeopleSoft Upgrade	\$0.1↑
	Watersheds Sediment Removal	\$0.1↑
	Penitencia Water Treatment Plant General Operations	\$0.1↑
	Rinconada Water Treatment Plant General Maintenance	\$0.1↑
	<b>Subtotal</b>	<b>\$0.4↑</b>
<b>Capital Projects:</b>	Rinconada Water Treatment Plant Reliability Improvement	\$0.3↑

# Trend Data – cont.

(\$ in millions)

## Services & Supplies

	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/(Under) FY 2017 Adopted
Operating Outlays	\$101.2	\$130.5	\$131.1	\$151.4	\$139.0	(\$12.4)↓
Debt Service	\$27.9	\$0.0	\$0.9	\$2.0	\$2.2	\$0.2↑
Capital Projects	\$110.5	\$95.2	\$234.8	\$193.7	\$163.8	(\$29.9)↓
<b>TOTAL</b>	<b>\$239.6</b>	<b>\$225.7</b>	<b>\$366.8</b>	<b>\$347.1</b>	<b>\$305.0</b>	<b>(\$42.1)↓</b>

## Variance Drivers

<b>Operating Outlays:</b>	State Water Project Costs	(\$6.1)↓
	Imported Water San Felipe Division Deliveries	(\$5.8)↓
	Imported Water Program	(\$3.9)↓
	Watersheds Maintenance Guideline Update	(\$1.7)↓
	Imported Water South Bay Aqueduct Deliveries	\$1.2↑
	Watersheds Sediment Removal	\$1.6↑
	2017 President's Day Flood	\$2.3↑
	<b>Subtotal</b>	<b>(\$12.4)↓</b>

# Trend Data – cont.

(\$ in millions)

## Temporary Staffing and Student Interns

	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/(Under) FY 2017 Adopted
Operating Outlays	\$3.1	\$3.6	\$4.0	\$4.1	\$4.3	\$0.2↑
Capital Projects	\$1.0	\$0.9	\$0.8	\$1.2	\$1.1	(\$0.1)↓
<b>TOTAL</b>	<b>\$4.1</b>	<b>\$4.5</b>	<b>\$4.8</b>	<b>\$5.3</b>	<b>\$5.4</b>	<b>\$0.1↑</b>

### Variance Drivers

#### Operating

#### Outlays:

Contract Services- backfill during the PeopleSoft Upgrade	\$0.1↑
Internship Program - Summer Intern, Skill Trade, & High School Intern	\$0.1↑
<b>Subtotal</b>	<b>\$0.2↑</b>

#### Capital Projects:

Silicon Valley Advanced Water Purification Center Expansion Project	(\$0.1)↓
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# Trend Data – cont.

(\$ in millions)

## Consultants

	FY 2014 Actuals	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/(Under) FY 2017 Adopted
Operating Outlays	\$8.5	\$15.1	\$11.4	\$15.4	\$17.6	\$2.2↑
Capital Projects	\$36.3	\$40.6	\$46.8	\$48.0	\$55.6	\$7.6↑
<b>TOTAL</b>	<b>\$44.8</b>	<b>\$55.7</b>	<b>\$58.2</b>	<b>\$63.4</b>	<b>\$73.2</b>	<b>\$9.8↑</b>

## Variance Drivers

<b>Operating Outlays:</b>	Watersheds Maintenance Guideline Update	(\$1.8)↓
	Talent Management	\$0.3↑
	Watersheds Customer Relations & Outreach	\$0.3↑
	Guadalupe River Mitigation and Monitoring	\$0.5↑
	2017 President's Day Flood	\$1.3↑
	Recycled & Purified Water Program	\$1.6↑
	<b>Subtotal</b>	<b>\$2.2↑</b>



# Trend Data – cont.

(\$ in millions)

## Consultants - continued

<b>Capital Projects:</b>	Silicon Valley Advanced Water Purification Center Expansion Project	(\$3.5)↓
	Guadalupe Dam Seismic Retrofit Design &Construction	(\$3.4)↓
	Purified Water Pipeline	(\$2.6)↓
	Upper Llagas Creek, Non-reimburse E6a	\$3.0↑
	Rinconada Water Treatment Plant Facility Renewal Program Residuals Management	\$3.5↑
	ERP PeopleSoft Upgrade	\$4.2↑
	Anderson Dam Seismic Retrofit	\$6.4↑
	<b>Subtotal</b>	<b>\$7.6↑</b>

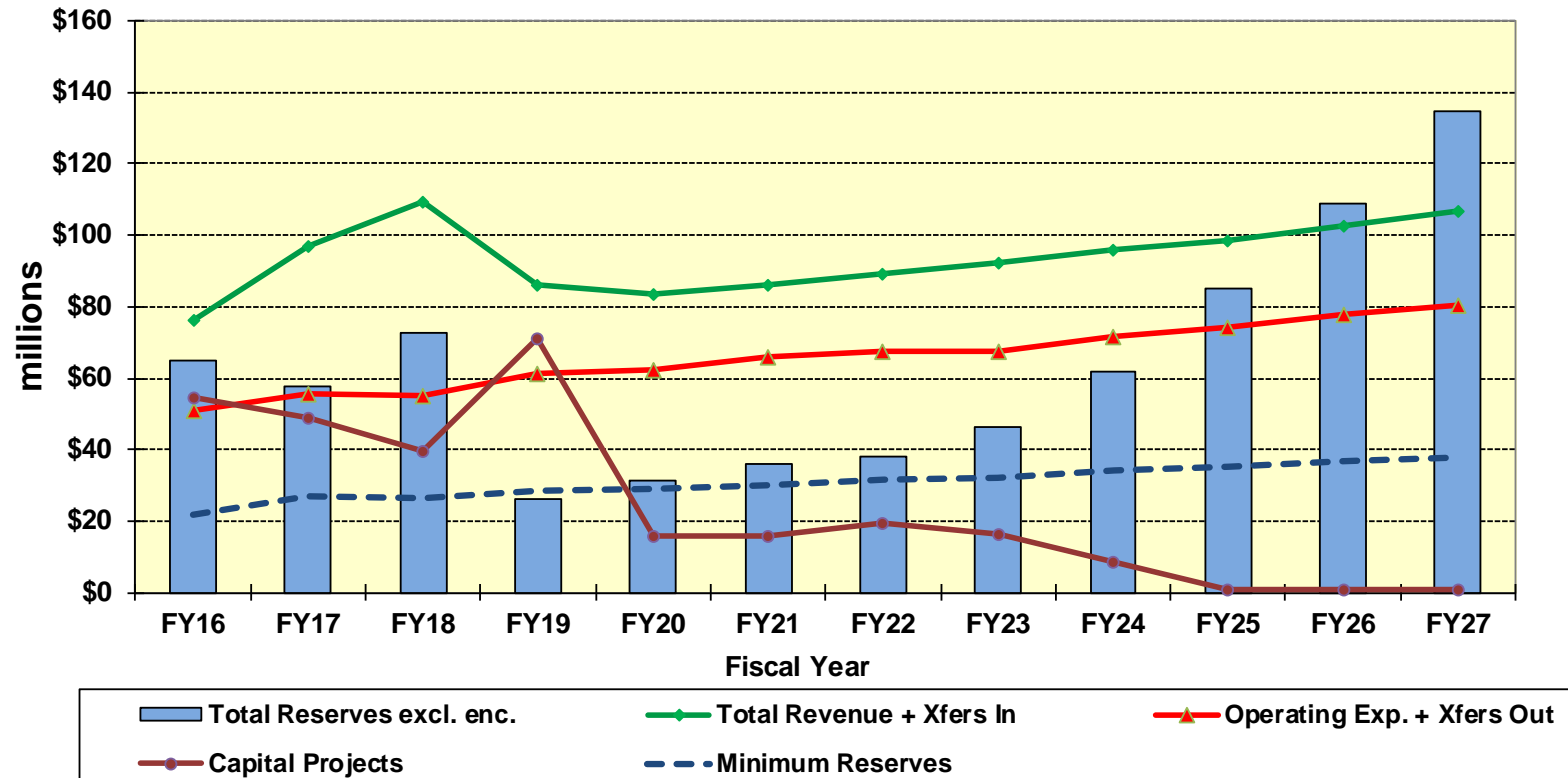
## Characteristics

- Reserves projected at or above minimum per policy
- Groundwater Production Charges stable and smooth year to year
- Debt Service Coverage Ratio maintained at roughly 2X
- Revenue supports expenditures

# Financial Sustainability – cont.

(\$ in millions)

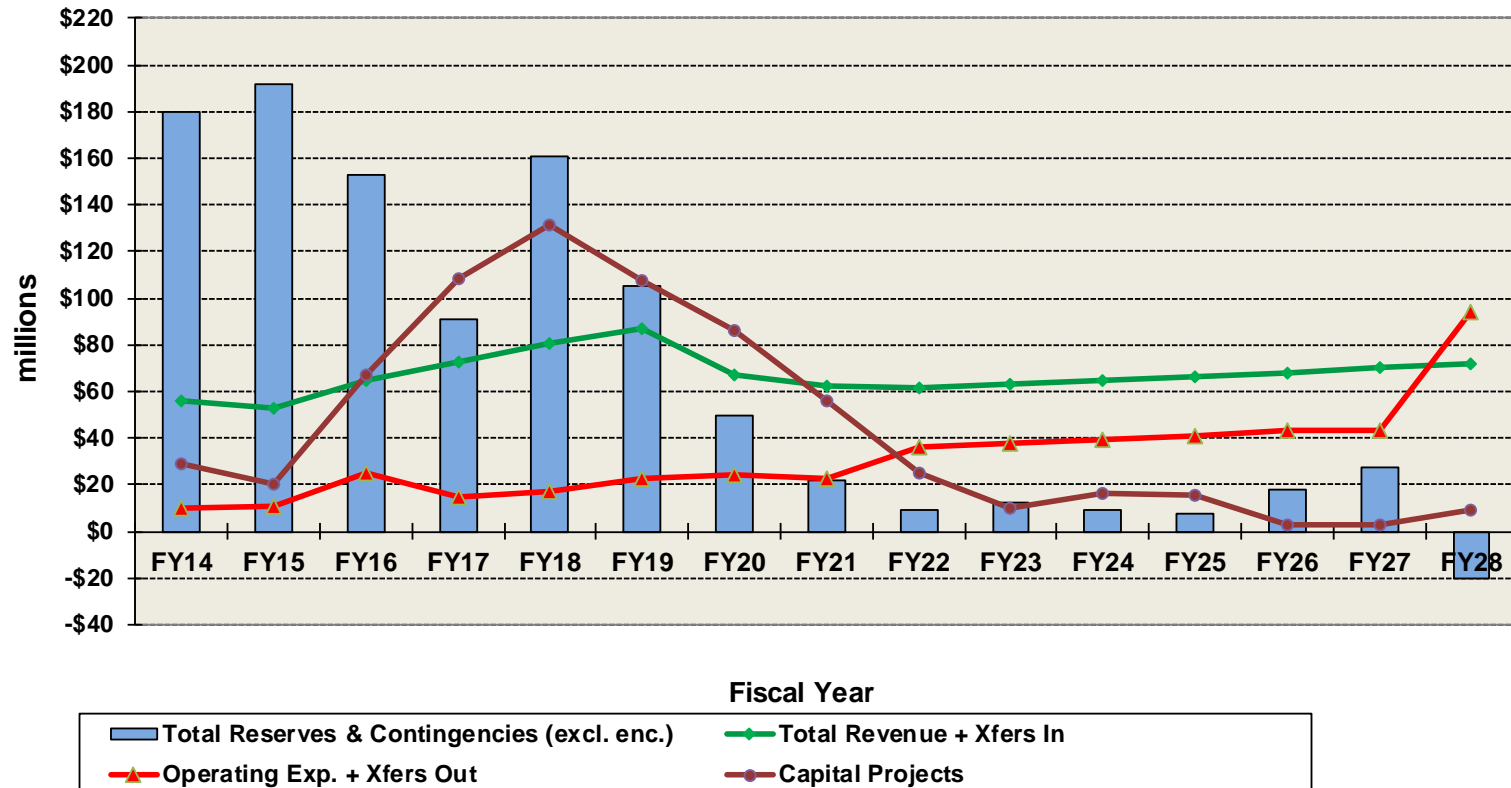
## Watershed Stream Stewardship Fund Projections



# Financial Sustainability – cont.

(\$ in millions)

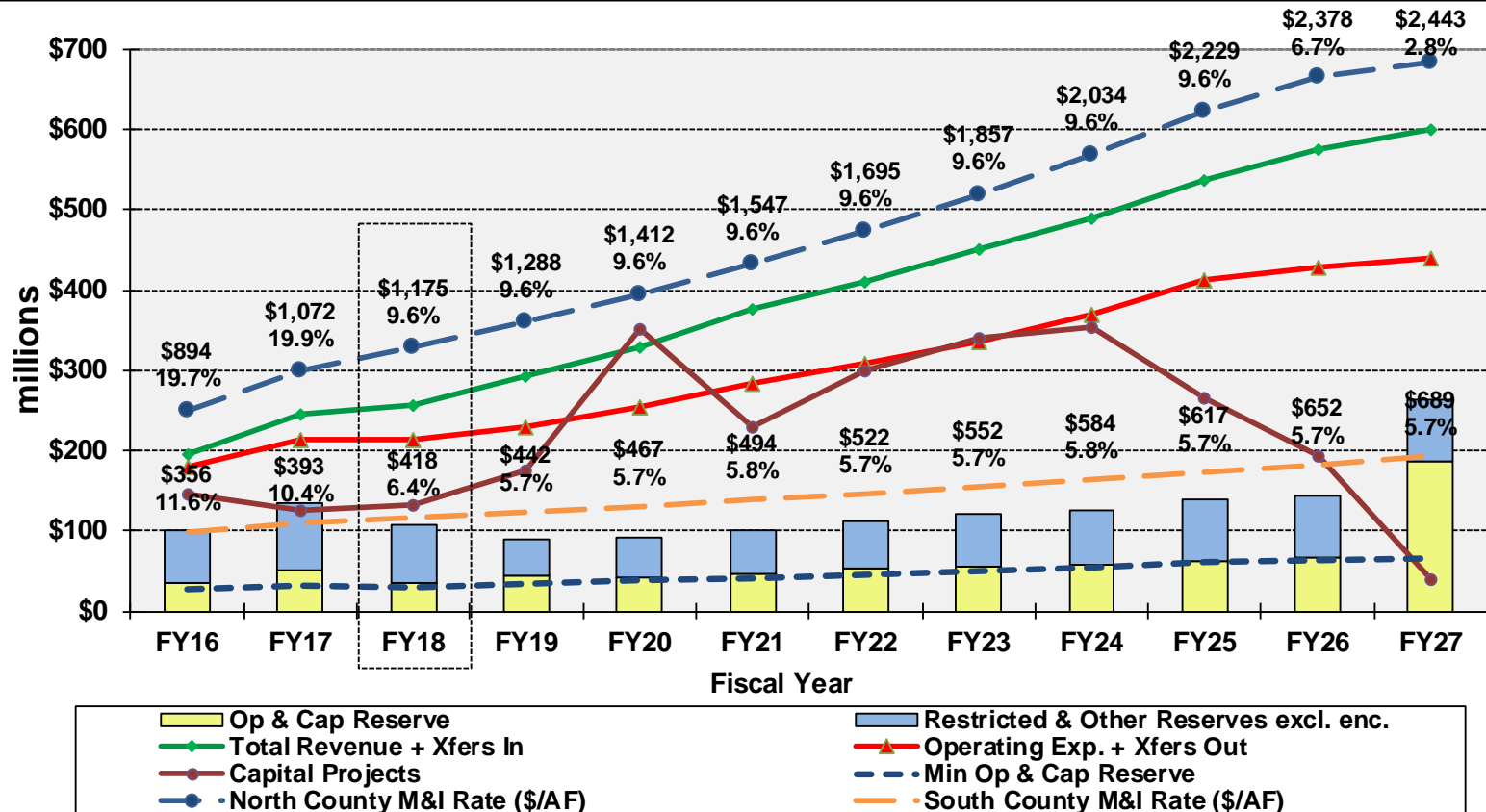
## Safe, Clean Water Fund Projections



# Financial Sustainability – cont.

(\$ in millions)

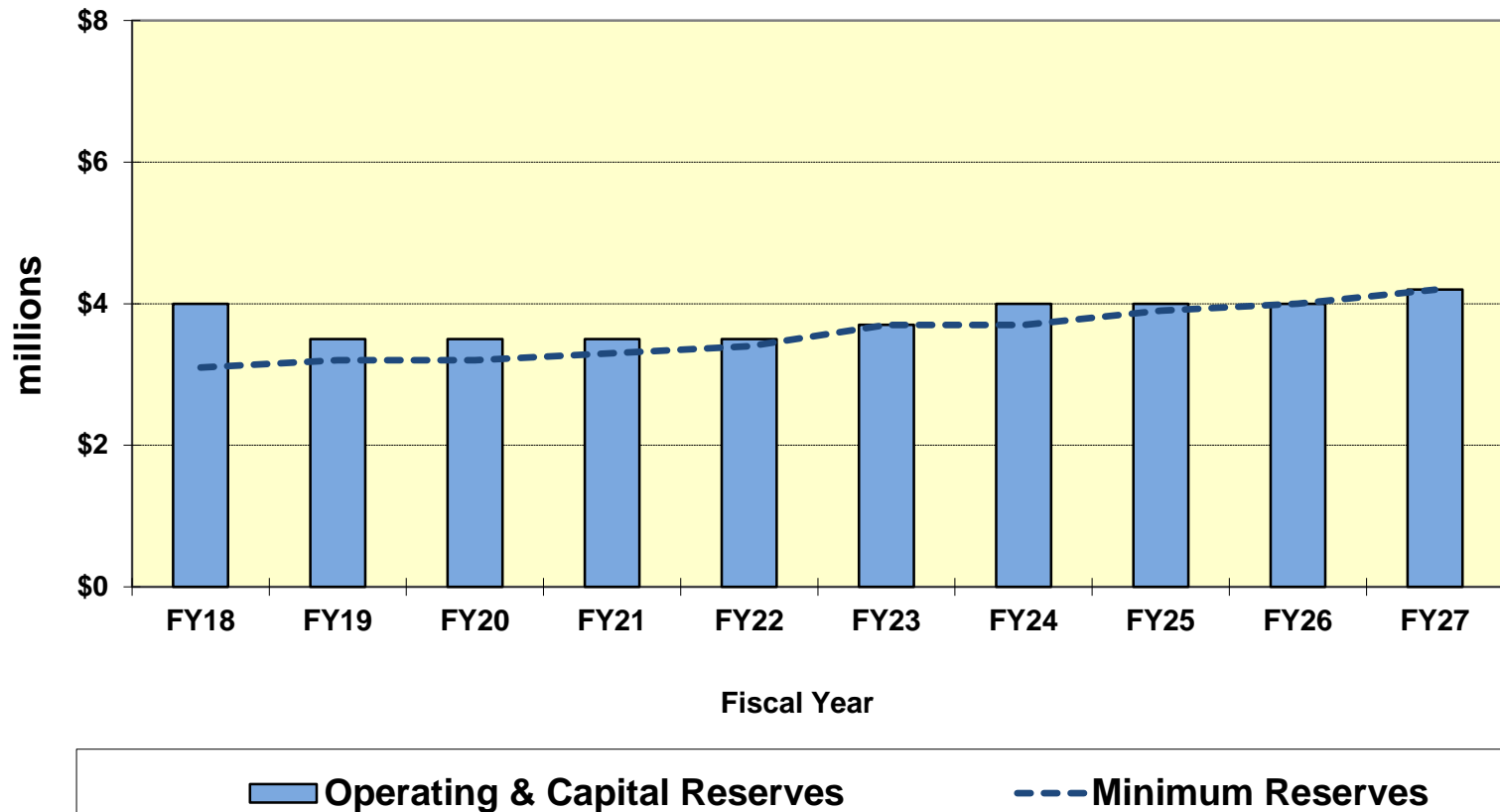
## Water Utility Enterprise Fund Projections



# Financial Sustainability – cont.

(\$ in millions)

## General Fund



# Debt Service

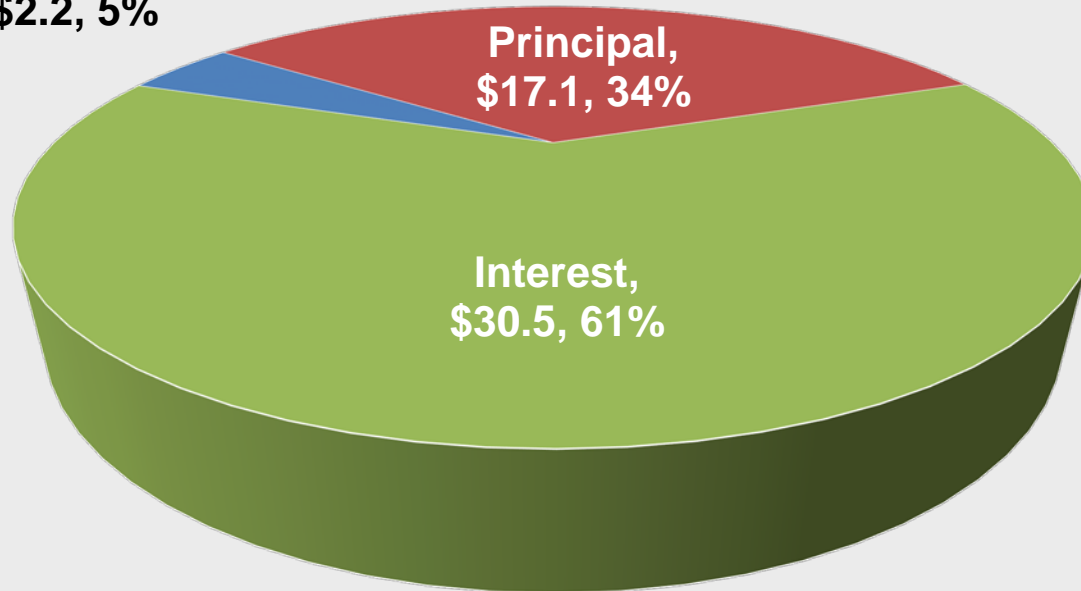
(\$ in millions)

## FY 2018 Proposed Debt Service \$49.8

Other,  
\$2.2, 5%

Principal,  
\$17.1, 34%

Interest,  
\$30.5, 61%



# Debt Service – cont.

(\$ in millions)

## FY 2018 Proposed Debt Service \$49.8





# Debt Service – cont.

(\$ in millions)

## Total FY 2018 New Debt Financing: \$202.0

### Water Utility:

**\$62.0 new debt proceeds**

#### Key Capital Projects funded in FY 2018

- Rinconada Reliability Improvement
- Rinconada Facility Renewal Program
- Residuals Management Modification
- Anderson Dam Seismic Retrofit
- 10-Year Pipeline Rehabilitation

### Safe, Clean Water:

**\$140.0 new debt proceeds**

#### Key Capital Projects funded in FY 2018

- Guadalupe River
- Llagas Creek
- Sunnyvale East and West Channels
- Main/Madrone Pipeline Restoration

- **Regulated by District Reserve Policies and Bond Covenants**
- **Board Governance Policies**
  - EL 4.5 Budget reserves at or above reserve policy minimums
  - EL 4.6 At least annually present the Board with information about the District's financial reserves and schedule an opportunity for the public to comment thereon

## ➤ **Restricted Reserves – Externally enforceable legal restrictions**

- Imposed by law through constitutional provisions or enabling legislation
- Imposed by creditors, grantors, contributors or laws and regulations of other governments

## ➤ **Committed Reserves – Self-imposed limitations**

- Imposed by the Board of Directors and requires formal action by the Board to change or remove

# Reserves - cont.

(\$ in millions)

## FY 2018 Districtwide Total Reserves \$359.6

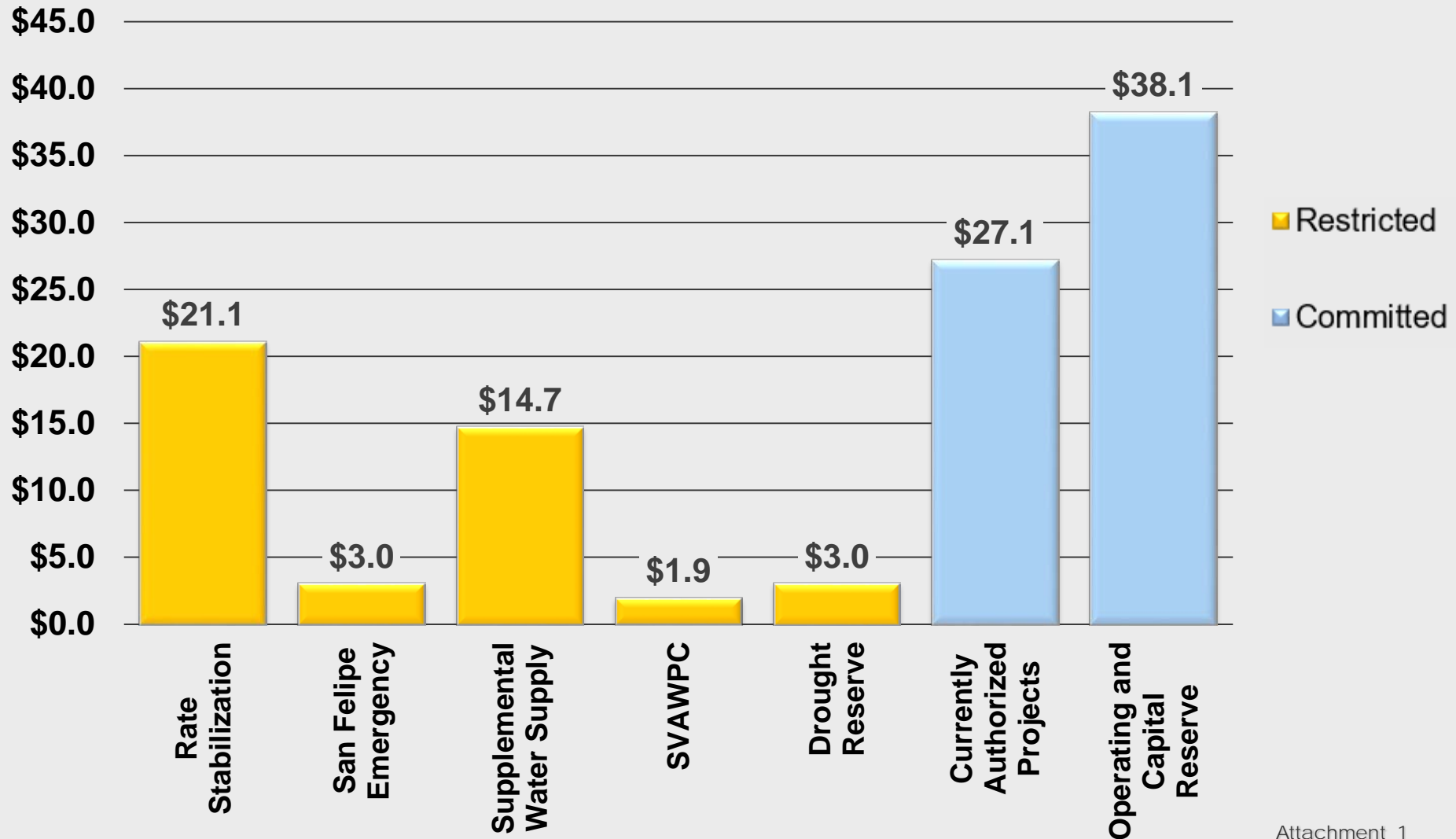


WUE: Water Utility Enterprise, WSS: Watershed Stream Stewardship  
SCW: Safe, Clean Water, GF: General Fund, ISFs: Internal Service Funds

# Reserves - cont.

(\$ in millions)

## FY 2018 Water Utility Reserve Breakdown



# Reserves - cont.

(\$ in millions)

- **Risk Fund Reserves, \$11.7**
- **Workers' Compensation, \$5.7**
  - Workers compensation claims
  - Funding is 90% actuarial confidence
- **Property Self Insurance/Catastrophic, \$6.0**
  - Uninsured/uninsurable property losses
  - Current policy states reserve budget will be \$5M adjusted for outstanding reimbursements
  - Staff proposal would revise policy to state minimum is \$5M
  - Proposed FY 2018 budget would increase reserve to \$6M due to President's Day Flood

# Water Utility Enterprise



# Water Utility Enterprise (WUE) Outline

- Overview of Water Utility Enterprise
- WUE Revenue Sources
- WUE FY 2018 Proposed Budget
- WUE Outlook



# WUE Planning Documents

FEBRUARY 2017  
46th Annual Report  
FY 2017-18



## Protection and Augmentation of Water Supplies

Santa Clara Valley  
Water District



FY 2018-22



## Water Utility Enterprise Operations Plan

Santa Clara Valley  
Water District



FY 2018-22



## Capital Improvement Program

Santa Clara Valley  
Water District



FY 2018-22



## Water Utility Enterprise Maintenance Work Plan

Santa Clara Valley  
Water District



# WUE Organizational Chart

Total Proposed Position Count for Water Utility Enterprise in FY 2018: 335 (includes 3 new proposed positions)



# Comprehensive, Flexible Water System



# Safe, Reliable Groundwater Supplies

## Benefits

- Reliable, healthy and clean drinking water
- Diverse water supply sources
- Protected and sustained water resources
- Maximized water conservation and recycling

## Replenish the groundwater basin

- Operate and maintain local reservoirs to capture water and fill recharge ponds.
- Purchase imported water.

## Ensure safe drinking water

- Monitor and protect groundwater from pollutants.
- Ensure proper construction and destruction of wells.

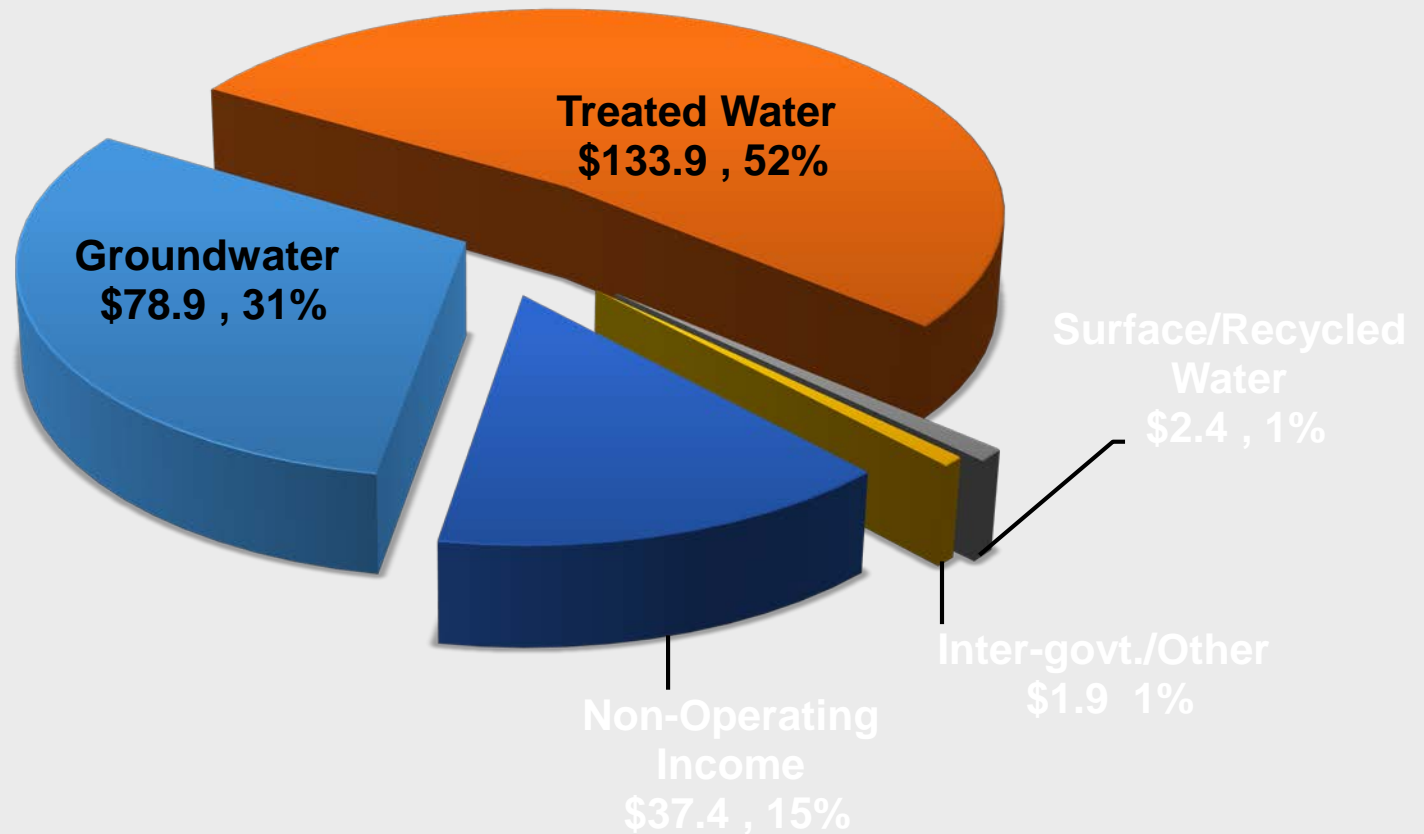
## Construct, maintain and repair

- Plan and construct improvements to infrastructure such as dams, pipelines, ponds, treatment plants and pump stations.
- Operate and maintain pipelines and pumping plants to help sustain the groundwater aquifer.

# Water Utility Enterprise FY 2018 Revenue Sources

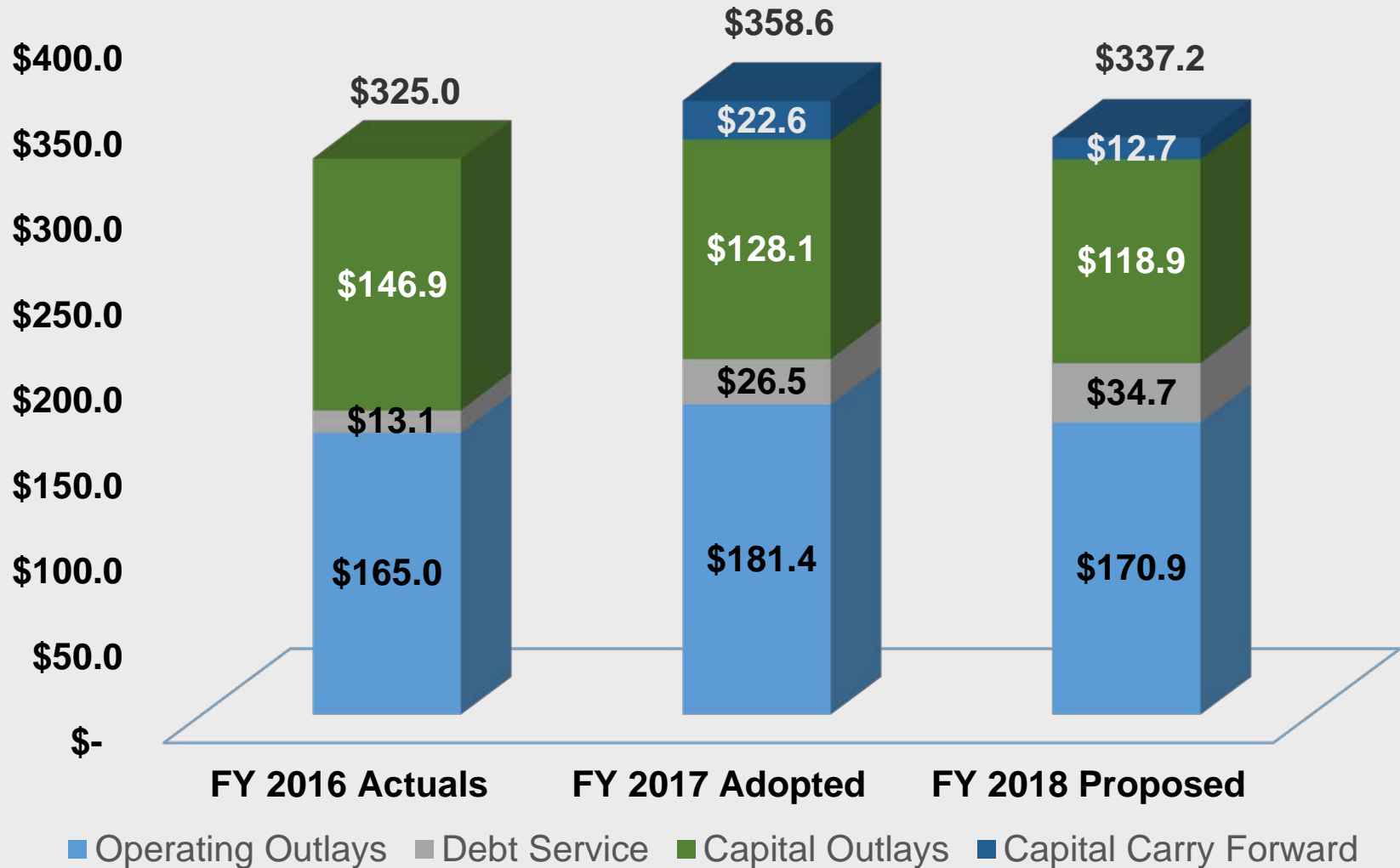
(\$ in millions)

Total WUE Revenue = \$254.5



# FY 2018 Proposed Budget Outlays

(\$ in millions)



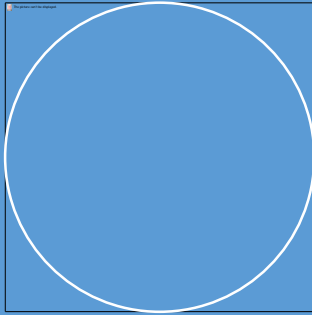


# FY 2018 Proposed Budget vs. FY 2017 Adopted Budget

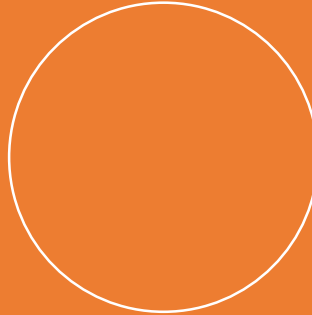
(\$ in millions)

Water Enterprise and State Water Project Funds	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/Under FY 2017 Adopted	% Change
Operating	\$ 181.4	\$ 170.9	(\$10.5)	(6%)↓
Capital Projects	\$ 128.1	\$ 118.9	(\$9.2)	(7%)↓
Carry Forward Capital Projects	\$ 22.6	\$ 12.7	(\$9.9)	(44%)↓
Debt Service	\$ 26.5	\$ 34.7	\$8.2	31%↑
<b>TOTAL</b>	<b>\$358.6</b>	<b>\$337.2</b>	<b>(\$21.4)</b>	<b>(6%)↓</b>

# Water Utility Enterprise (WUE) Goal Areas



**Source of Supply**



**Raw Water  
Transmission  
and Distribution**



**Water  
Treatment and  
Treated Water  
Transmission  
and Distribution**



**Support  
Services/  
Planning**



# Priority 1: Make key decisions regarding the California WaterFix

## FY 2018 Objectives

- Present to the Board an analysis and recommendation on the District's level of participation in project funding
- Provide Board with information to consider and support their decision making.

# Priority 3: Advance the District's interest in countywide stormwater resource planning

## FY 2018 Objectives

- Incorporate Board-approved stormwater opportunities into the 2017 Water Supply Master Plan
- Participate in development of the draft Santa Clara Basin Storm Water Resources Plan
- Explore partnership opportunities with other agencies in both north and south county

# Priority 6: Advance the Anderson Dam Seismic Retrofit Project

## FY 2018 Objectives

- Complete 60% design.
- Release Draft Environmental Impact Report for public review.
- Hold two public meetings to inform the community on project progress.



# Priority 7: Advance recycled and purified water efforts with San José & other agencies

## FY 2018 Objectives

- Evaluate Reverse Osmosis concentrate management alternatives for expanded water purification in San Jose
- Resolve land and source wastewater issues with the City of San José
- Closely follow evolution of Direct Potable Reuse (DPR) regulations
- Support recycled and purified water efforts with other agencies

# Priority 8: Finalize Fisheries and Aquatic Habitat Collaboration Effort (FAHCE)

## FY 2018 Objectives

- Finalize Fish Habitat Restoration Plan/EIR
- Begin Biological Monitoring
- Continue the Water Rights Change Petition Process
- Plan for renewal and application of Lake and Streambed Alteration Agreements



## Priority 9: Actively pursue efforts to increase water storage opportunities

### FY 2018 Objectives

- Work with partners to submit Proposition 1 Water Storage Investment Program funding applications
- Prioritize investment opportunities based on water supply reliability benefits, costs, and other objectives
- Incorporate Board-approved storage opportunities into the 2017 Water Supply Master Plan

# WUE Total Outlays by Goal Areas

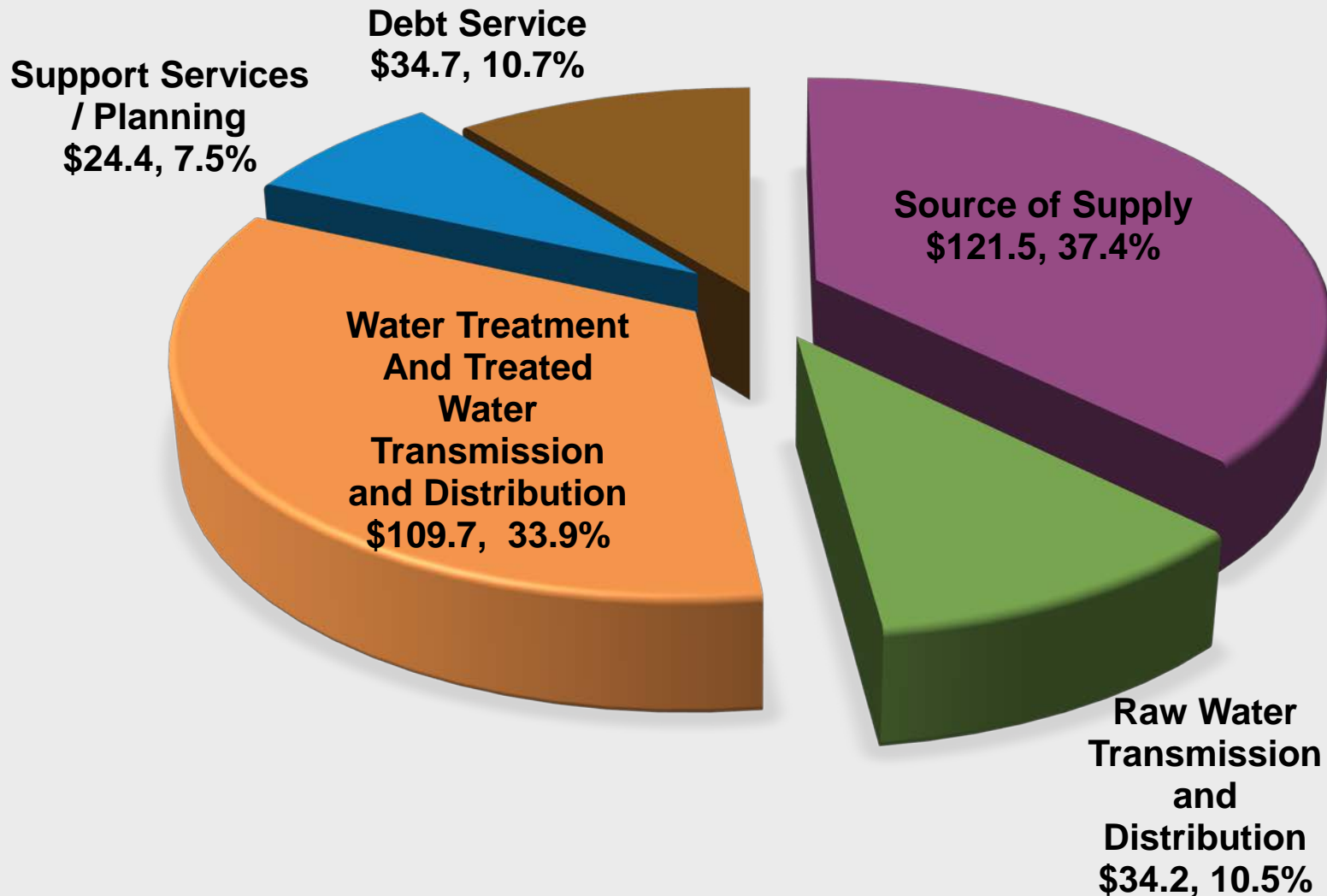
(\$ in millions)

Water Enterprise and State Water Project Funds by Goal	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/Under FY 2017 Adopted	% Change
<b>Source of Supply</b>	\$ 161.6	\$ 121.5	(\$40.1)	(25%)↓
<b>Raw Water Transmission and Distribution</b>	\$ 34.7	\$ 34.2	(\$0.5)	(1%)↓
<b>Water Treatment and Treated Water Transmission and Distribution</b>	\$ 92.0	\$ 109.7	\$17.7	19%↑
<b>Support Services / Planning</b>	\$ 21.2	\$ 24.4	\$3.2	15%↑
<b>Debt Service</b>	\$ 26.5	\$ 34.7	\$8.2	31%↑
<b>TOTAL</b>	<b>\$336.0</b>	<b>\$324.5</b>	<b>(\$11.5)</b>	<b>(3%)↓</b>

# WUE Total Outlays by Goal Areas

(\$ in millions)

Total WUE Proposed Budget = \$324.5





# Source of Supply

(\$ in millions)

**\$121.5 (37.4% of \$324.5 Total Proposed Budget)**

Source of Supply	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/(Under) FY 2017 Adopted	% Change
<b>Capital Outlays</b>	\$ 47.8	\$ 21.8	\$ (26.0)	(54%)↓
<b>Operating Outlays</b>				
Imported Water	\$ 76.4	\$ 62.0	\$ (14.4)	(19%)↓
Recycled Water	\$ 7.2	\$ 6.4	\$ (0.8)	(11%)↓
Water Conservation	\$ 6.7	\$ 5.2	\$ (1.5)	(22%)↓
SV Advanced Water Purification	\$ 5.1	\$ 5.1	\$ -	%↑
Groundwater Management	\$ 3.8	\$ 4.0	\$ 0.2	5%↑
San Felipe Division	\$ 3.8	\$ 4.0	\$ 0.2	5%↑
Well Ordinance / Water Measurement & Protection	\$ 3.2	\$ 3.6	\$ 0.4	13%↑
FAHCE/Three Creeks HCP	\$ 2.1	\$ 3.4	\$ 1.3	62%↑
Dam Safety Program	\$ 3.2	\$ 3.4	\$ 0.2	6%↑
Water Supply Planning & Support	\$ 1.3	\$ 1.6	\$ 0.3	23%↑
Water Quality Protection	\$ 1.0	\$ 1.0	\$ -	%↑
<b>TOTAL</b>	<b>\$ 161.6</b>	<b>\$ 121.5</b>	<b>\$ (40.1)</b>	<b>(25%)↓</b>

# Raw Water Transmission & Distribution

(\$ in millions)

**\$34.2 (10.5% of \$324.5 Total Proposed Budget)**

Raw Water Transmission & Distribution	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/(Under) FY 2017 Adopted	% Change
<b>Capital Outlays</b>	\$ 24.2	\$ 23.8	\$ (0.4)	(2%)↓
<b>Operating Outlays</b>				
Raw Water Ops & Maintenance	\$ 5.8	\$ 5.6	\$ (0.2)	(3%)↓
Recharge/Raw Water	\$ 4.7	\$ 4.8	\$ 0.1	2%↑
<b>TOTAL</b>	<b>\$ 34.7</b>	<b>\$ 34.2</b>	<b>\$ (0.5)</b>	<b>(1%)↓</b>

# Water Treatment and Treated Water Transmission and Distribution

(\$ in millions)

**\$109.7 (33.9% of \$324.5 Total Proposed Budget)**

Water Treatment and Treated Water Transmission and Distribution	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/(Under) FY 2017 Adopted	% Change
<b>Capital Outlays</b>	\$ 52.9	\$ 68.7	\$ 15.8	30%↑
<b>Operating Outlays</b>				
Rinconada WTP Operations	\$ 10.9	\$ 10.9	\$ -	%↑
Penitencia WTP Operations	\$ 6.8	\$ 8.4	\$ 1.6	24%↑
Santa Teresa WTP Operations	\$ 8.4	\$ 8.2	\$ (0.2)	(2%)↓
Water Treatment Plant Maintenance	\$ 6.5	\$ 6.9	\$ 0.4	6%↑
Water Quality Lab	\$ 4.3	\$ 4.7	\$ 0.4	9%↑
Campbell Well Field & SF/SCVWD Intertie/SCADA/Other	\$ 2.2	\$ 1.9	\$ (0.3)	(14%)↓
<b>TOTAL</b>	<b>\$ 92.0</b>	<b>\$ 109.7</b>	<b>\$ 17.7</b>	<b>19%↑</b>

# Support Services / Planning

(\$ in millions)

**\$24.4 (7.5% of \$324.5 Total Proposed Budget)**

Support Services / Planning	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/(Under) FY 2017 Adopted	% Change
<b>Capital Outlays</b>	\$ 3.1	\$ 4.6	\$ 1.5	48%↑
<b>Operating Outlays</b>				
Administration	\$ 8.7	\$ 8.6	\$ (0.1)	(1%)↓
WU Projects supporting other goal areas	\$ 3.8	\$ 4.4	\$ 0.6	16%↑
Water Measurement & Revenue	\$ 1.7	\$ 2.1	\$ 0.4	24%↑
Infrastructure and Support	\$ 2.0	\$ 2.0	\$ -	%↑
Long term Planning and Support	\$ 1.0	\$ 1.6	\$ 0.6	60%↑
Emergency Preparedness	\$ 0.9	\$ 1.1	\$ 0.2	22%↑
<b>TOTAL</b>	<b>\$ 21.2</b>	<b>\$ 24.4</b>	<b>\$ 3.2</b>	<b>15%↑</b>

# Debt Service

(\$ in millions)

**\$34.7 (10.7% of \$324.5 Total Proposed Budget)**

Debt Service	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/(Under) FY 2017 Adopted	% Change
Long Term Bonds	\$ 23.8	\$ 29.2	\$ 5.4	23%↑
Commercial Paper	\$ 2.7	\$ 5.5	\$ 2.8	104%↑
<b>TOTAL</b>	<b>\$ 26.5</b>	<b>\$ 34.7</b>	<b>\$ 8.2</b>	<b>31%↑</b>

# Water Utility Enterprise Outlook

- Support the Board in achieving the Board Budget

## Priorities for FY 2018:

- Priority 1: Make key decisions regarding CA WaterFix
- Priority 3: Advance the District's interest in countywide stormwater resource planning
- Priority 6: Advance the Anderson Dam Seismic Retrofit project
- Priority 7: Advance recycled and purified water efforts with San José and other agencies
- Priority 8: Finalize the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE)
- Priority 9: Actively pursue efforts to increase water storage opportunities

# Water Utility Enterprise Outlook - cont.

- Securing imported water supplies
- Ensuring Dam safety
- Managing infrastructure for reliability

# Watersheds

Santa Clara Valley  
Water District

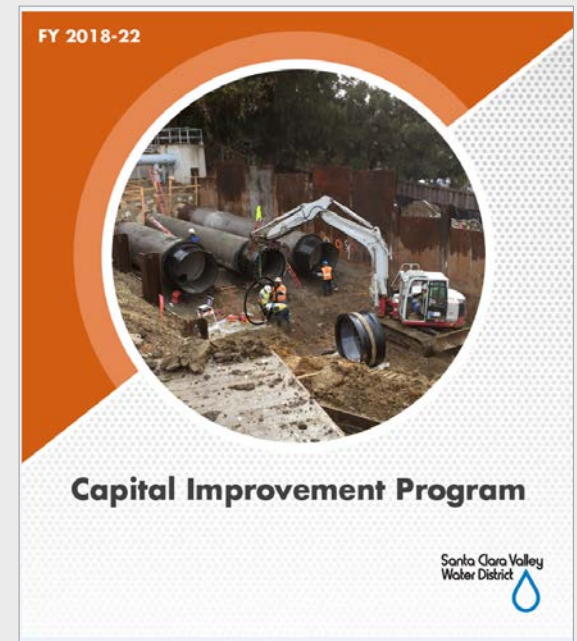
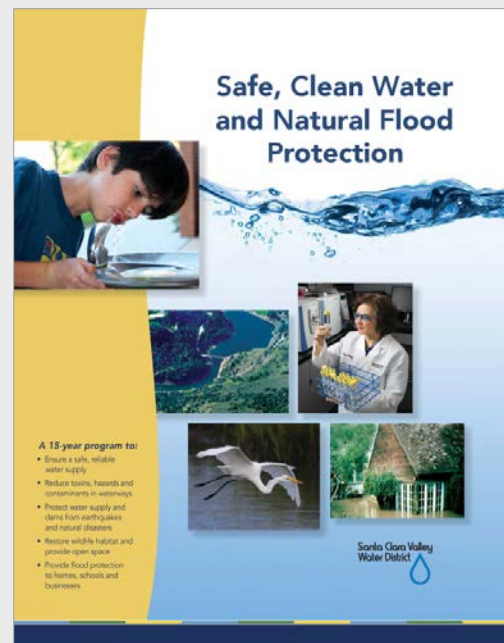
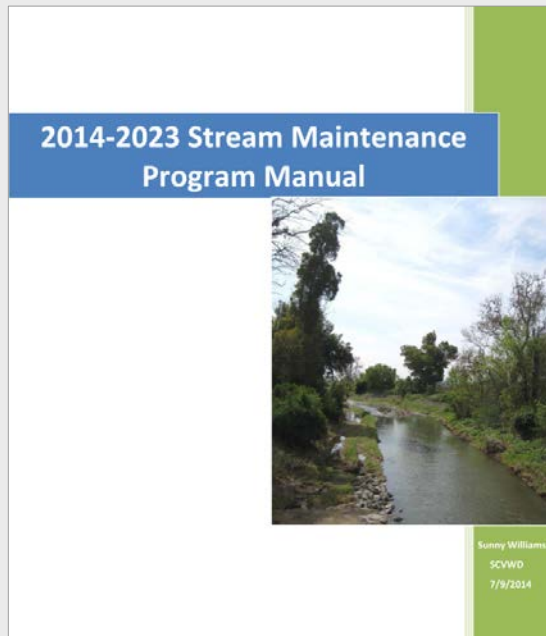




# Watersheds Outline

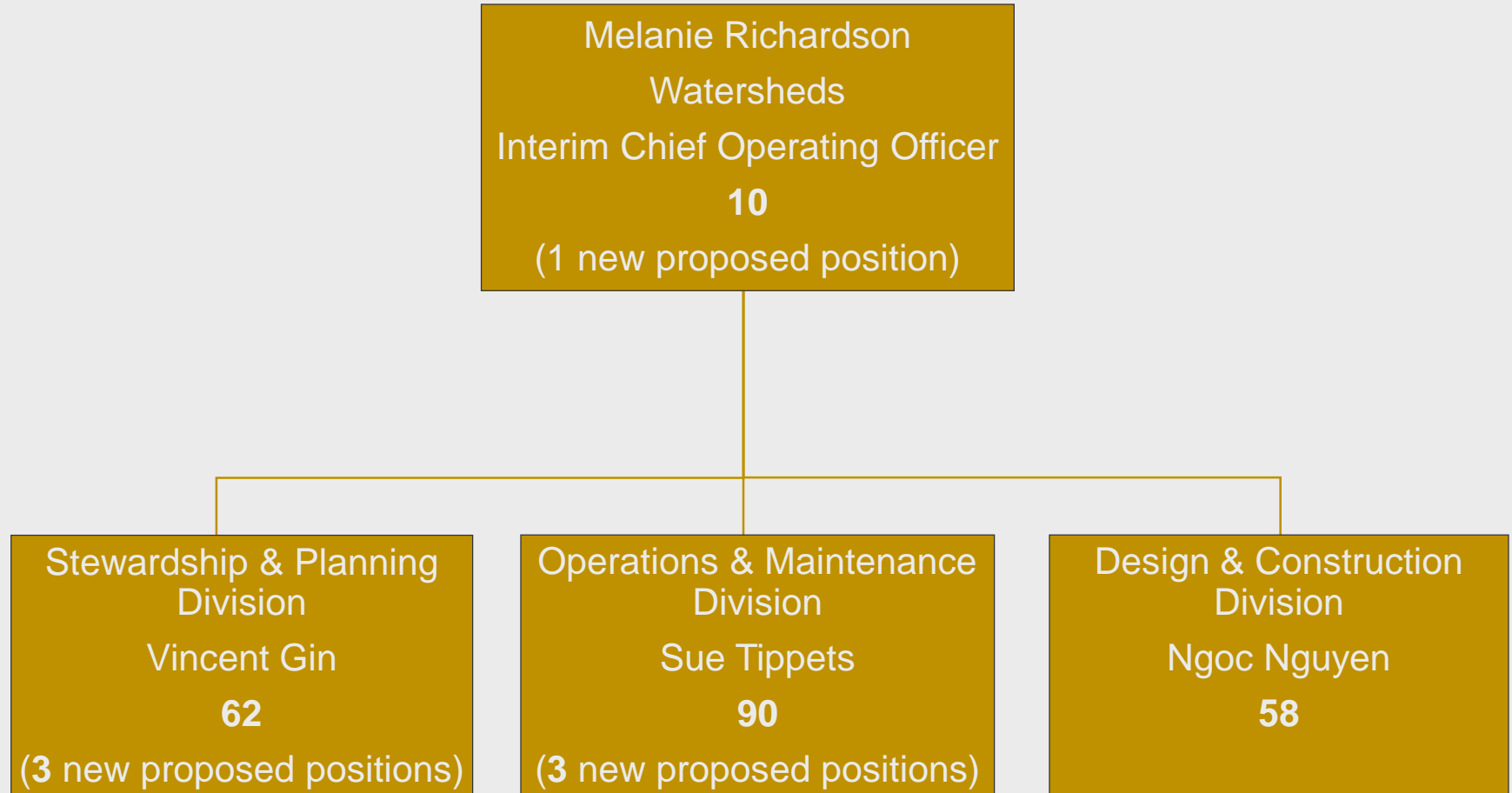
- Overview of Watersheds (WS)
- WS Revenue Sources
- WS FY 2018 Proposed Budget
- WS Outlook

# Key WS Programs

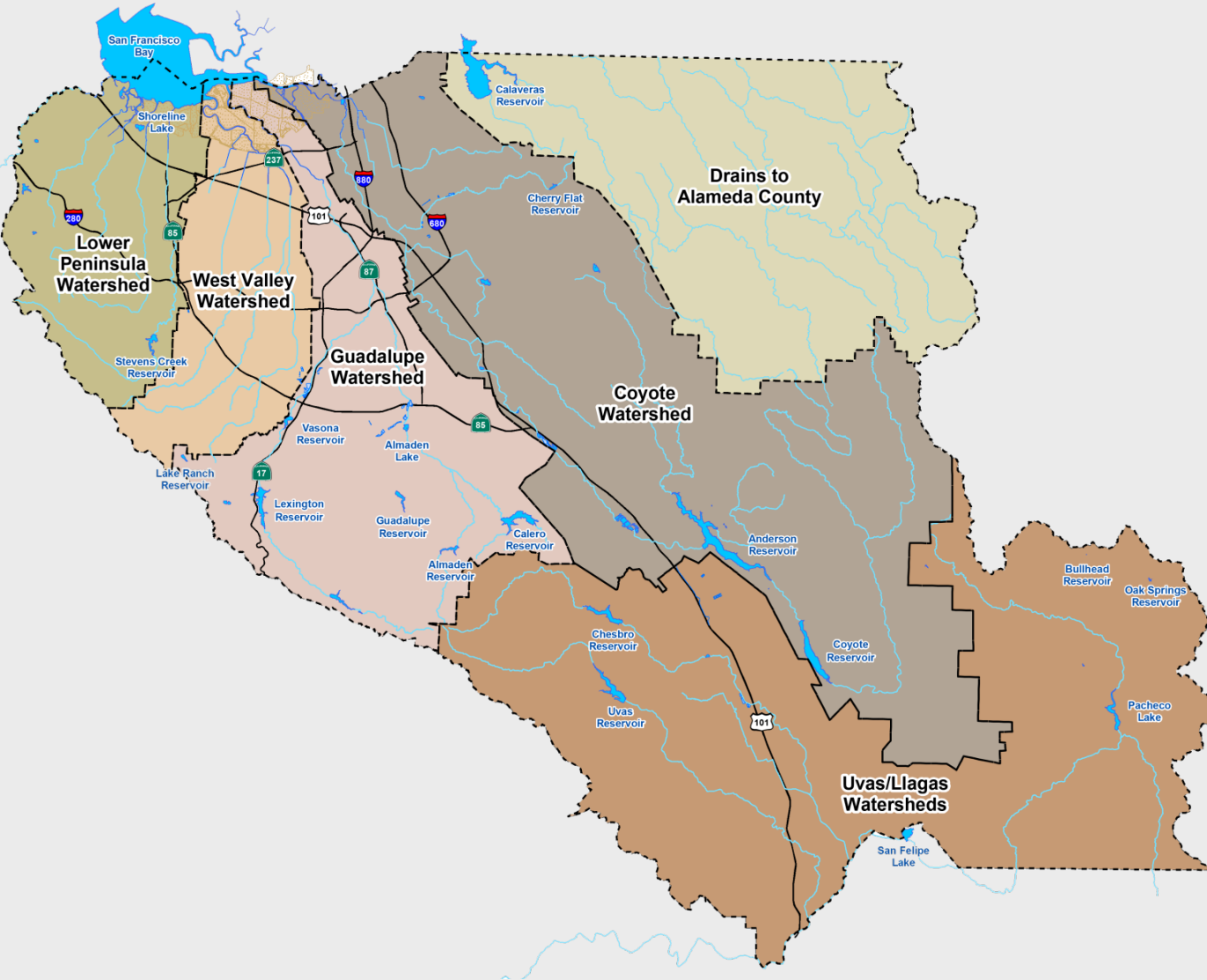


# WS Organizational Chart

Total Proposed Position Count for Watersheds in FY 2018: 220 (includes 7 new proposed positions)



# Santa Clara County Watersheds



**1,300**  
square miles of  
watershed lands

**800**  
miles of creeks &  
rivers

**5**  
major watershed  
areas

**\$154.1**  
million budget

# WS Core Functions

## Flood Protection

- **Protect parcels in the floodplain**
- **Reduce flood risks**
- **Preserve creek capacity**
- **Educate and prepare the community**
- **Prepare/respond to flooding**

## Stewardship

- **Preserve and improve aquatic ecosystems**
- **Protect the environment from pollution and degradation**
- **Provide access to trails and open space**

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Water District





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Water District



# FY 2018 Proposed Budget vs. FY 2017 Adopted Budget

(\$ in millions)

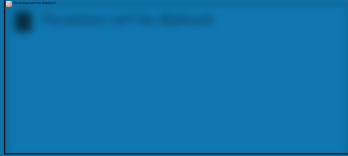
Watershed Stream Stewardship Total Outlays	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/Under FY 2017 Adopted	% Change
Operating Outlays	\$51.6	\$53.1	\$1.5	3%↑
Capital Projects	\$43.4	\$27.4	(\$16.0)	(37%)↓
Carry Forward Capital Projects	\$47.8	\$7.8	(\$40.0)	(84%)↓
<b>TOTAL</b>	<b>\$142.8</b>	<b>\$88.3</b>	<b>(\$54.5)</b>	<b>(38%)↓</b>

# FY 2018 Proposed Budget vs. FY 2017 Adopted Budget

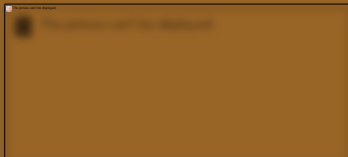
(\$ in millions)

Safe, Clean Water Total Outlays	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/Under FY 2017 Adopted	% Change
Operating Outlays	\$14.2	\$17.5	\$3.3	23%↑
Capital Projects	\$49.5	\$56.1	\$6.6	13%↑
Carry Forward Capital Projects	\$92.1	\$75.3	(\$16.8)	(18%)↓
<b>TOTAL</b>	<b>\$155.8</b>	<b>\$148.9</b>	<b>(\$6.9)</b>	<b>(4%)↓</b>

# Watersheds Goal Areas



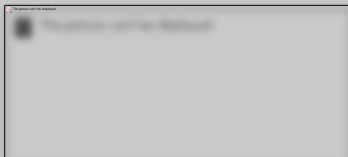
**Natural Flood Protection**



**Flood risk reduction**



**Healthy Creeks and eco-systems**



**Trails and Open Space**



**Greenhouse gas emission reduction**

## Priority 2: Prioritize the care of District facilities & assets

### FY 2018 Objectives

- Continue to reach out to low cost housing before putting the properties on the open market
- Evaluate findings from the pilot program that uses a percentage of rental property income to address homeless encampments, and consider applying the concept to surplus property sales



## Priority 3: Advance District's interest in countywide stormwater resource planning

### FY 2018 Objectives

- Develop a Stormwater Resource Plan in coordination with Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP) member agencies
- Coordinate with San José on the city's Green Infrastructure Plan and Stormdrain Master Plan
- Continue to participate in the green stormwater infrastructure effort of SCVURPPP



## Priority 4: Provide for watershed-wide regulatory planning and permitting effort

### FY 2018 Objectives

- Pursue efforts that allow:
  1. Routine maintenance to bring flood protection projects back to their original capacity to be exempt from permits unless it causing environmental impacts not originally mitigated for
  2. Environmental restoration projects to be exempt from requiring mitigation
  3. Agencies alternatives and exemptions to endowments if the agencies have adopted the local or regional watershed management plan
- Continue vigorous negotiations with regulators to streamline SMP annual reporting requirements



## Priority 5: Foster a coordinated approach to environmental stewardship effort

### FY 2018 Objectives

- Establish quarterly coordinating meetings among all environmental functions within the district
- Work through Bay Area Flood Protection Agency Association to create a regional coordination effort between the CA Department of Fish and Wildlife and local agencies
- Support Board Priority 8, finalizing Fisheries and Aquatic Habitat Collaboration Effort (FAHCE)



# Priority 11: Immediate Emergency Action Plan and flood protection for Coyote Creek

## FY 2018 Objectives

- Develop Coyote Creek Joint Emergency Action Plan
- Develop short-term flood protection options – prior to winter 2018
- Develop intermediate and long-term options
- Seek state and federal funding

# WS Total Outlays by Goal Areas

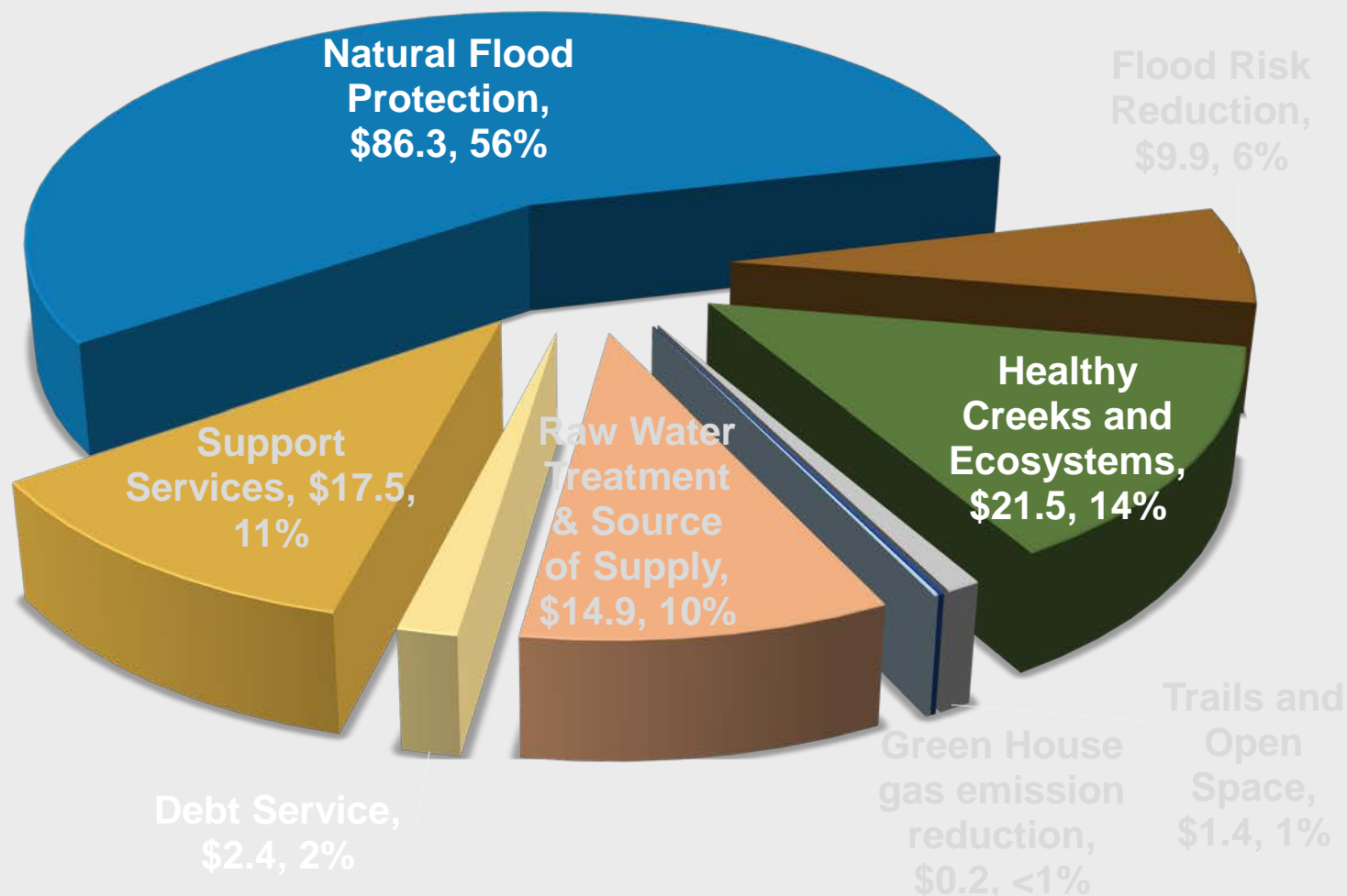
(\$ in millions)

Watershed Stream Stewardship and Safe Clean Water Funds	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/Under FY 2017 Adopted	% Change
Natural Flood Protection	\$109.1	\$86.3	(\$22.8)	(21%)↓
Flood Risk Reduction	\$8.9	\$9.9	\$1.0	11%↑
Healthy Creeks and Ecosystems	\$21.9	\$21.5	(\$0.4)	(2%)↓
Trails and Open Space	\$1.5	\$1.4	(\$0.1)	(7%)↓
Green House gas emission reduction	\$0.2	\$0.2	\$0.0	0.0%
Raw Water Treatment & Source of Supply	\$0.7	\$14.9	\$14.2	2029%↑
Debt Service	\$0.3	\$2.4	\$2.1	700%↑
Support Services	\$16.1	\$17.5	\$1.4	9%↑
<b>TOTAL</b>	<b>\$158.7</b>	<b>\$154.1</b>	<b>(\$4.6)</b>	<b>(3%)↓</b>

# WS Total Outlays by Goal Areas

(\$ in millions)

**FY 2018 Proposed Budget (WSS and SCW) \$154.1**



# Natural Flood Protection

(\$ in millions)

**\$86.3 (56% of the Total \$154.1 Proposed Budget)**

Natural Flood Protection	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/Under FY 2017 Adopted	% Change
<b>Capital Outlays</b>				
Flood Control	\$82.6	\$48.0	(\$34.6)	(42%)↓
Watershed Asset Rehabilitation Program and Hale Creek Enhancement Pilot Study	\$1.3	\$12.4	\$11.1	854%↑
<b>Subtotal</b>	<b>\$83.9</b>	<b>\$60.4</b>	<b>(\$23.5)</b>	<b>(28%)↓</b>
<b>Operating Outlays</b>				
Vegetation Management and Tree Maintenance	\$6.9	\$7.0	\$0.1	1%↑
Levee inspections and maintenance	\$11.4	\$9.0	(\$2.4)	(21%)↓
Sediment removal	\$3.4	\$6.2	\$2.8	82%↑
Other Projects Combined	\$3.5	\$3.7	\$0.2	6%↑
<b>Subtotal</b>	<b>\$25.2</b>	<b>\$25.9</b>	<b>\$0.7</b>	<b>3%↑</b>
<b>TOTAL</b>	<b>\$109.1</b>	<b>\$86.3</b>	<b>(\$22.8)</b>	<b>(21%)↓</b>

# Flood Risk Reduction

(\$ in millions)

**\$9.9 (6% of Total \$154.1 Proposed Budget)**

Flood Risk Reduction	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/Under FY 2017 Adopted	% Change
<b>Capital Outlays</b>				
Palo Alto Basin Tide Gate Improvement	\$0.0	\$0.5	\$0.5	100%↑
<b>Operating Outlays</b>				
Watersheds Asset Protection Support	\$3.8	\$4.4	\$0.6	16%↑
Watersheds Customer Relations and Outreach	\$0.6	\$0.5	(\$0.1)	(17%)↓
Emergency Response Upgrades, Sandbag Program, Flood Risk Reductions Studies	\$1.7	\$2.0	\$0.3	18%↑
Hydrology and Hydraulics Technical Support, Hydrologic Data Measurement & Management	\$2.4	\$2.1	(\$0.3)	(13%)↓
Other Projects Combined	\$0.4	\$0.4	\$0.0	%↑
<b>Subtotal</b>	<b>\$8.9</b>	<b>\$9.4</b>	<b>\$0.5</b>	<b>6%↑</b>
<b>TOTAL</b>	<b>\$8.9</b>	<b>\$9.9</b>	<b>\$1.0</b>	<b>11%↑</b>

# Healthy Creeks and Ecosystems

(\$ in millions)

**\$21.5 (14% of Total \$154.1 Proposed Budget)**

Healthy Creeks and Ecosystems	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/Under FY 2017 Adopted	% Change
<b>Capital Outlays</b>				
Almaden Lake Improvement, Salt Pond A5-11 Restoration	\$2.8	\$1.4	(\$1.4)	(50%)↓
Fish Passage Improvement, Habitat Enhancement Studies, San Francisco Bay Shoreline Restoration Partnership	\$2.7	\$1.9	(\$0.8)	(30%)↓
<b>Subtotal</b>	<b>\$5.5</b>	<b>\$3.3</b>	<b>(\$2.2)</b>	<b>(40%)↓</b>
<b>Operating Outlays</b>				
Good Neighbor Maintenance, Encampment Cleanup, Support Volunteer Cleanup Effort	\$2.8	\$2.7	(\$0.1)	(4%)↓
Impaired Water Bodies Improvement, Urban Runoff Program, Pollution Prevention Grants, Hazmat Emergency Response	\$3.6	\$4.1	\$0.5	14%↑
Management of Revegetation, Erosion Protection	\$4.3	\$4.9	\$0.6	14%↑
Mitigation and Monitoring, Fish Habitat Improvement	\$3.2	\$3.9	\$0.7	22%↑
Other Projects	\$2.5	\$2.6	\$0.1	4%↑
<b>Subtotal</b>	<b>\$16.4</b>	<b>\$18.2</b>	<b>\$1.8</b>	<b>11%↑</b>
<b>TOTAL</b>	<b>\$21.9</b>	<b>\$21.5</b>	<b>(\$0.4)</b>	<b>(2%)↓</b>



# Trails and Open Space

(\$ in millions)

**\$1.4 (1% of Total \$154.1 Proposed Budget)**

Trails and Open Space	FY 2017	FY 2018	Over/Under	
	Adopted Budget	Proposed Budget	FY 2017 Adopted	% Change
<b>Operating Outlays</b>				
Grants to Restore Habitat and Access to Trails	\$1.5	\$1.4	(\$0.1)	(7%)↓
<b>TOTAL</b>	<b>\$1.5</b>	<b>\$1.4</b>	<b>(\$0.1)</b>	<b>(7%)↓</b>

# Reduce Greenhouse Gas Emissions

(\$ in million)

**\$0.2 (<1% of Total \$154.1 Proposed Budget)**

Green House Gas Emission	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/Under FY 2017 Adopted	% Change
<b>Operating Outlays</b>				
Climate Change Adaptation and Mitigation, Energy Management	\$0.2	\$0.2	\$0.0	0.0%
<b>TOTAL</b>	<b>\$0.2</b>	<b>\$0.2</b>	<b>\$0.0</b>	<b>0.0%</b>



# Support Services

(\$ in millions)

**\$17.5 (11% of Total \$154.1 Proposed Budget)**

Key Programs and Projects	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/Under FY 2017 Adopted	% Change
<b>Capital Outlays</b>				
Capital Programs Administration and Training	\$3.1	\$4.7	\$1.6	52%↑
<b>Operating Outlays</b>				
Administration and Training	\$7.1	\$6.8	(\$0.3)	(4%)↓
Warehouse and Welding Service	\$1.1	\$1.1	\$0.0	0.0%
Emergency Response and Management	\$0.7	\$0.9	\$0.2	29%↑
Integrated Water Resource Master Plan (One Water), Integrated Regional Water Management	\$2.1	\$1.7	(\$0.4)	(19%)↓
Other projects combined (less salary savings)	\$2.0	\$2.3	\$0.3	15%↑
<b>Subtotal</b>	<b>\$13.0</b>	<b>\$12.8</b>	<b>(\$0.2)</b>	<b>(2%)↓</b>
<b>TOTAL</b>	<b>\$16.1</b>	<b>\$17.5</b>	<b>\$1.4</b>	<b>9%↑</b>

# Raw Water Treatment

(\$ in millions)

**\$14.9 (10% of Total \$154.1 Proposed Budget)**

Raw Water Treatment and Source of Supply	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/Under FY 2017 Adopted	% Change
<b>Capital Outlays</b>				
Main/Madrone Pipeline Restoration	\$0.5	\$14.7	\$14.2	2840%↑
<b>Operating Outlays</b>				
Water conservation and Nitrate treatment system rebate	\$0.2	\$0.2	\$0.0	0.0%
<b>TOTAL</b>	<b>\$0.7</b>	<b>\$14.9</b>	<b>\$14.2</b>	<b>2029%↑</b>

# Debt Service

(\$ in millions)

**\$2.4 (2% of Total \$154.1 Proposed Budget)**

Debt Service		FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/Under FY 2017 Adopted	% Change
Safe, Clean Water Debt Service		\$0.3	\$2.4	\$2.1	700%↑
TOTAL		\$0.3	\$2.4	\$2.1	700%↑

# Watersheds Outlook

## Support the Board's Priorities

- Priority 2: Prioritize the care of District facilities & assets
- Priority 3: Advance District's interest in countywide stormwater resources planning
- Priority 4: Provide for watershed-wide regulatory planning and permitting effort
- Priority 5: Foster a coordinated approach to environmental stewardship effort
- Priority 8: Finalize Fisheries and Aquatic Habitat Collaboration Effort (FAHCE)
- Priority 11: Immediate Emergency Action Plan and flood protection for Coyote Creek

# Watersheds Outlook - cont.

- Step up sediment removal, erosion protection and drought-induced tree removal effort
- Continue vigorous negotiations with regulators on Stream Maintenance Program implementation
- Continue Safe, Clean Water Program
- Ensure organizational sustainability
- Consider adding two new positions for vegetation management program to maintain channel flow conveyance

# Administration

Santa Clara Valley  
Water District



# Administration Presentation Outline

- Overview of Administration
- Administration Revenue Sources
- Administration FY 2018 Proposed Budget
- Administration Outlook

# Administration Planning Documents

SPRING 2017



## Requests of the 115th Congress

including FY 2017 and 2018 budgetary requests, and District Policy and Legislative Asks of the Administration and Congress

Santa Clara Valley  
Water District

## Engaging Our Diversity: 2015-2019

and  
diversity  
communication  
economic status  
family/worklife  
marital status  
military experience  
job level  
native born  
religion beliefs  
nonwhite race  
union/non-union workers  
thinking style  
geographic location  
physical abilities  
parental status  
work background  
education  
communication style  
work  
non-white race  
marital status  
military experience  
abilities/qualifies  
work background  
thinking style  
economic status  
communication style  
diversity  
parental status  
education  
work  
sexual orientation  
military experience  
union/non-union workers  
family/worklife  
job level  
communication style  
nonwhite race  
native born  
work  
job level  
economic status  
thinking style  
parental status  
physical abilities  
communication style  
union/non-union workers  
work  
education  
physical abilities  
geographic location  
thinking style  
family/worklife  
parental status  
military experience  
diversity

The mission of the district is to provide Silicon Valley with  
clean water for a healthy life, environment, and economy.

Diversity and Inclusion Master Plan

Santa Clara Valley  
Water District

FY 2017-18



## Operating and Capital Budget

Santa Clara Valley  
Water District

FEBRUARY 2017  
46th Annual Report  
FY 2017-18



## Protection and Augmentation of Water Supplies

Santa Clara Valley  
Water District

FY 2018-22



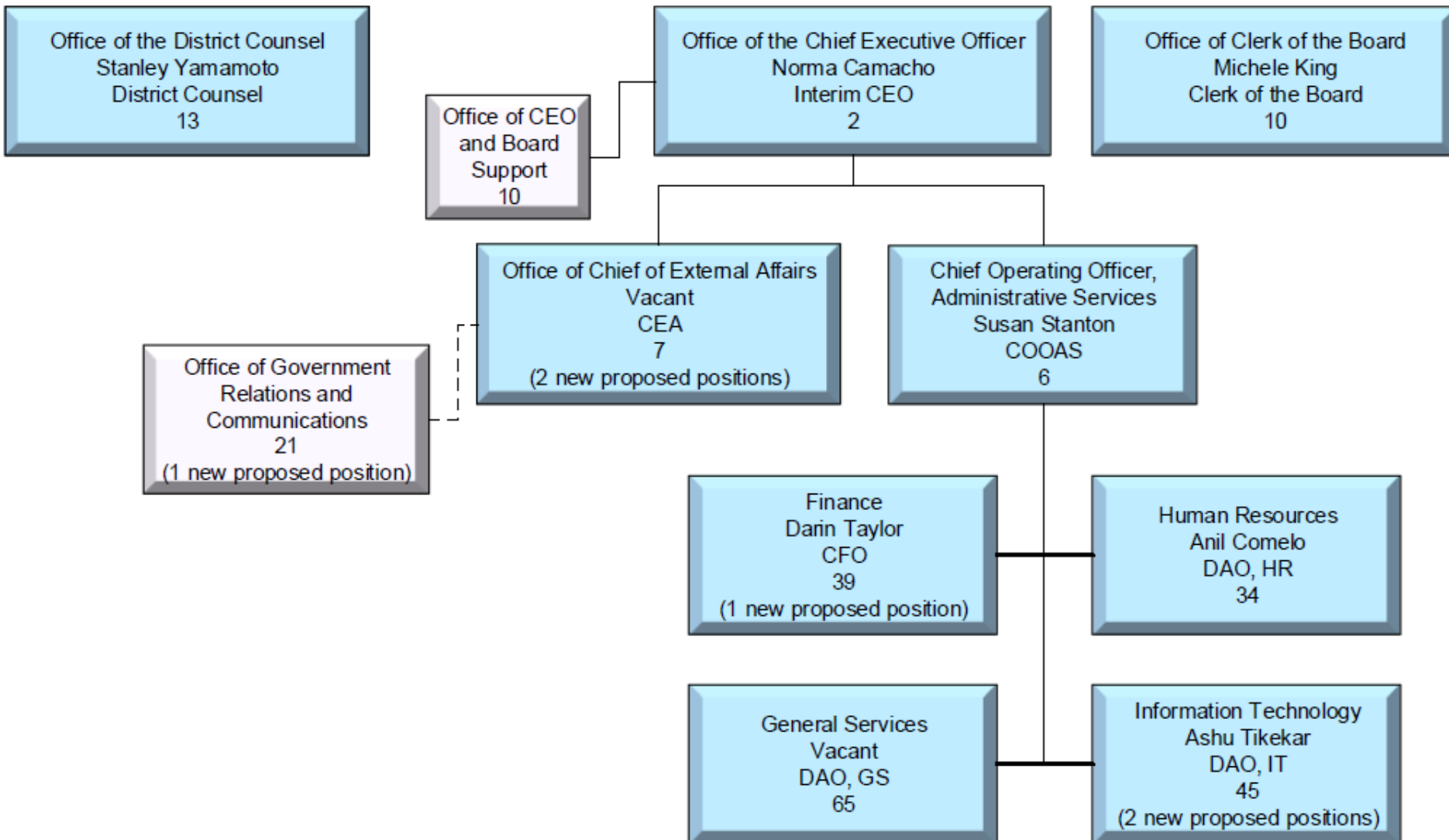
## Capital Improvement Program

Santa Clara Valley  
Water District



# Administration Organizational Chart

Total Proposed Position Count for Administration in FY 2018: 252 (includes 6 new proposed positions)



# Administration Supports Critical Infrastructure Needs

## Santa Clara Valley Water District Infrastructure



# Administration: The Hub of the District

## Benefits

- Executive leadership and oversight
- Long and short term financial planning
- A capable, diverse, and knowledgeable workforce
- Sustainable assets, equipment, and infrastructure
- Meaningful engagement with the community we serve

## Provide Strategic Direction and Oversight

- Foster cooperative and collaborative working relationships with other government agencies, retailers, and stakeholders
- Provide interface between the Board and staff

## Represent the District's Interests

- Represent the District's interests in a variety of court and administrative matters
- Provide timely legal advice to the Board and management

## Support the Work of the Board

- Support elections, regulatory, administrative, and liaison support
- Facilitate the public's access to Board information, including Board Meetings and related committees

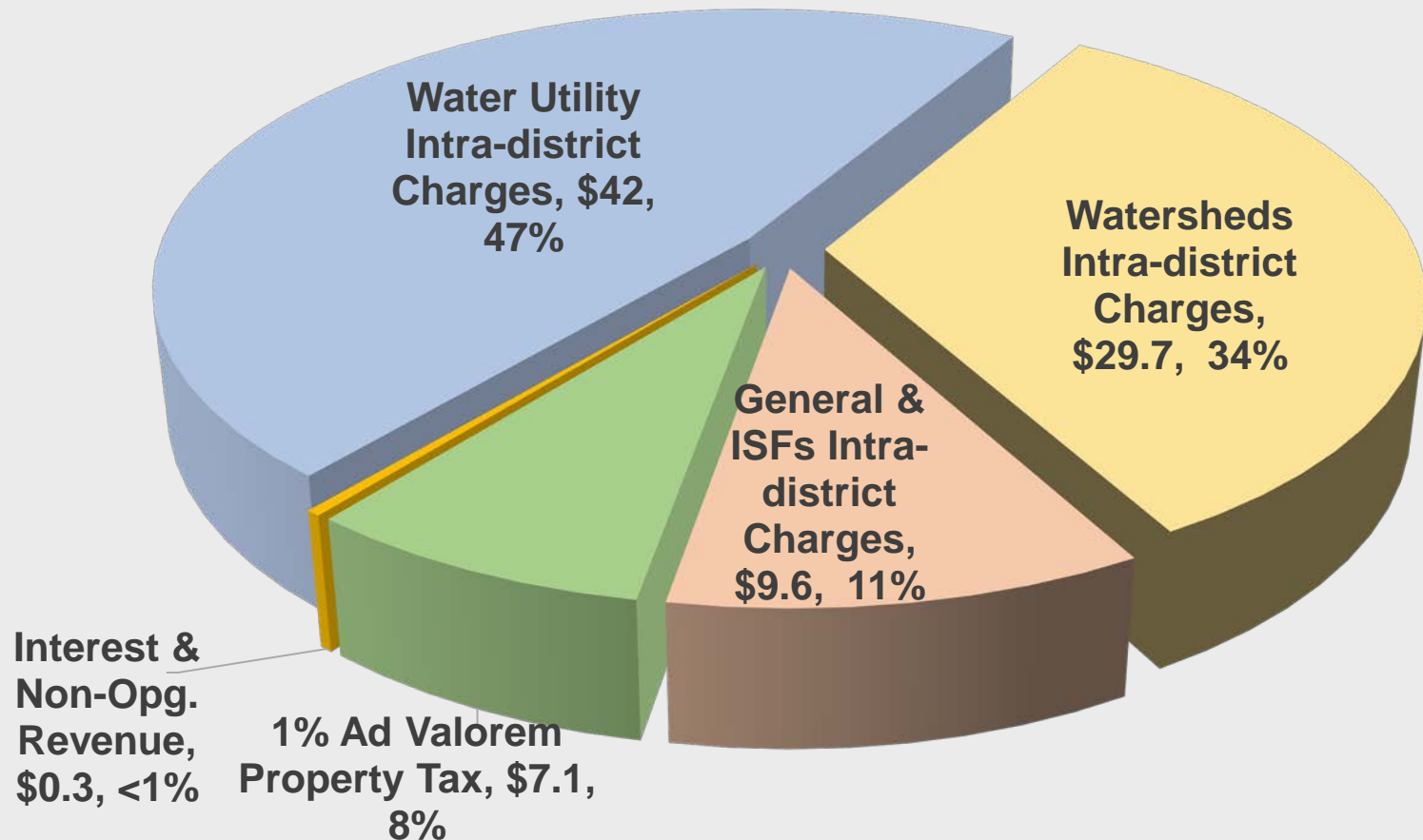
## Leadership and Oversight of Administrative Services

- Manage Human Resources, General Services, Information Technology, and Financial Planning & Management efficiently and effectively in accordance with goals and policies of Board and CEO

# Administration: FY 2018 Revenue Sources

(\$ in millions)

## General & Service Funds Intra-District Reimbursement and Other: \$88.7

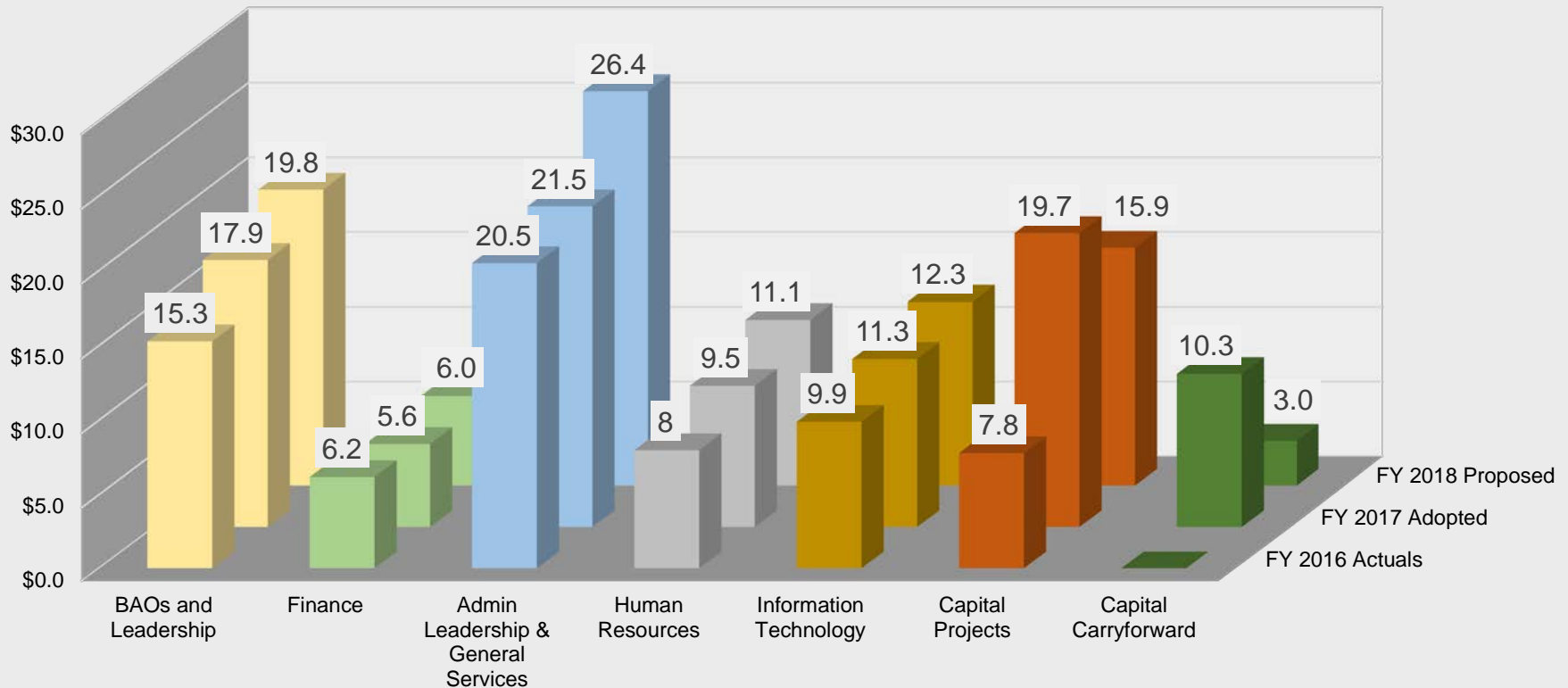


# Administration: FY 2018 Proposed Budget Outlays

(\$ in millions)

## General Fund and Internal Service Funds

Total FY 2018 Outlay: \$91.5



# Administration: FY 2018 Proposed vs. FY 2017 Adopted Budget

(\$ in millions)

Administration Outlay Summary	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/(Under) FY 2017 Adopted	% Change
Operations	\$ 65.3	\$ 75.1	\$ 9.8	15%↑
Debt Service	\$ 0.5	\$ 0.5	\$ 0.0	0%
Capital Projects	\$ 19.7	\$ 15.9	\$ (3.8)	(19%)↓
Capital Carry Forward	\$ 10.3	\$ 3.0	\$ (7.3)	(71%)↓
<b>TOTAL</b>	<b>\$ 95.8</b>	<b>\$ 94.5</b>	<b>\$ (1.3)</b>	<b>(1%)↓</b>

# Administration Goal Areas



**Board  
Appointed  
Officers and  
District  
Leadership**



**Administrative  
Leadership  
and General  
Services**



**Human  
Resources  
Services**



**Information  
Technology**



**Finance**



# Board Priorities: Administration Support

## FY 2018 Objectives

### Priority 1: Make Key Decisions Regarding the California WaterFix

- Financial analysis
- Legal consultation

### Priority 7: Advance Recycled and Purified Water Efforts with the City of San José and Other Agencies

- Financial analysis
- Legal consultation

### All Priorities

- General Support



# Priority 2: Prioritize the care of our District facilities & assets

## FY 2018 Objectives

- Winfield site and the best use of the property
- Employee Workspace Planning

# Priority 10: Advance diversity & inclusion efforts

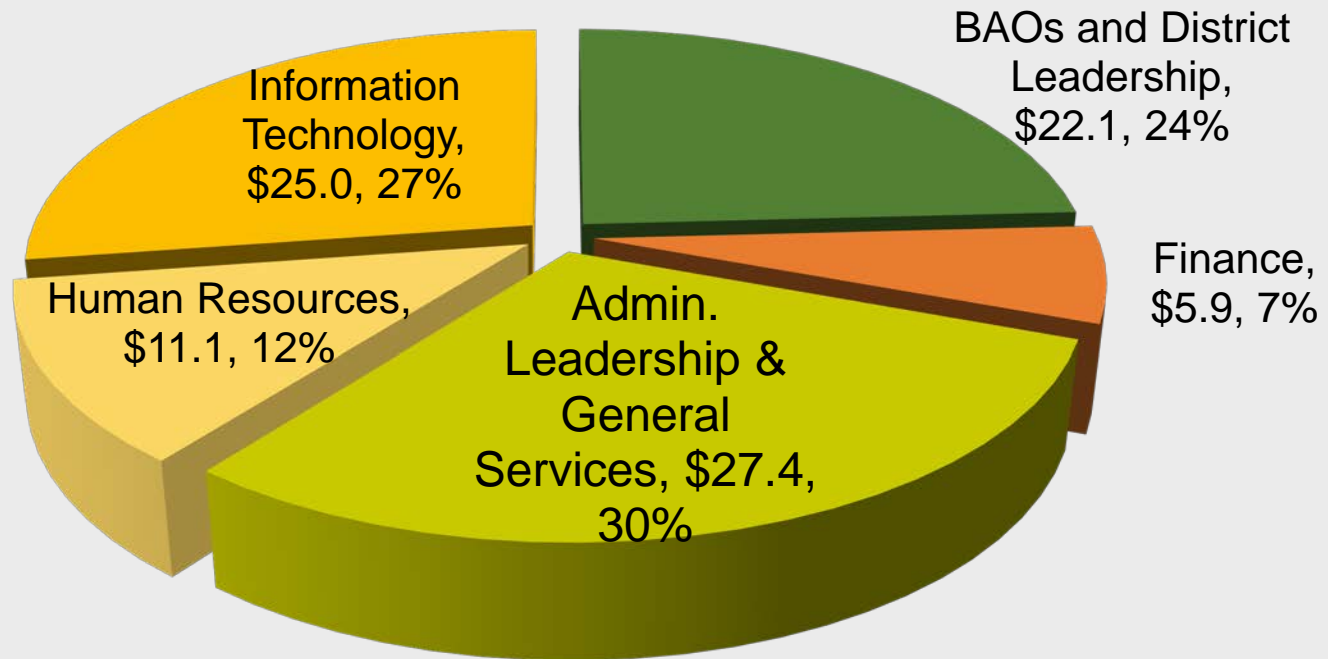
## FY 2018 Objectives

- Implement more inclusion efforts
- Increase employee participation
- Attract wide range of diverse applicants through community partnerships
- Raise profile of recognition events

# Administration Total Outlay by Goal Areas

(\$ in millions)

**Total Administration Proposed Budget, \$91.5 Million**



**\*Does not include Capital Carry Forward of \$3 million**

# Total Administration Budget by Outlays

(\$ in millions)

**\$91.5 (100% of the Total Proposed Budget)**

Genera Fund and Internal Services Funds	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/(Under ) FY 2017 Adopted	% Change
BAOs and District Leadership	\$ 17.9	\$ 22.1	\$ 4.2	23%↑
Finance	\$ 5.6	\$ 5.9	\$ 0.3	5%↑
Administrative Leadership & General Services	\$ 34.3	\$ 27.4	\$ (6.9)	(20%)↓
Human Resources	\$ 9.5	\$ 11.1	\$ 1.6	17%↑
Information Technology	\$ 18.2	\$ 25.0	\$ 6.8	37%↑
<b>TOTAL</b>	<b>\$ 85.5</b>	<b>\$ 91.5</b>	<b>\$ 6.0</b>	<b>7%↑</b>

# Board Appointed Officers and District Leadership

(\$ in millions)

**\$22.1 (24% of the \$91.5 Total Proposed Budget)**

<b>BAOs and District Leadership</b>	<b>FY 2017 Adopted Budget</b>	<b>FY 2018 Proposed Budget</b>	<b>Over/(Under ) FY 2017 Adopted</b>	<b>% Change</b>
<b>Capital Outlays</b>	\$ 0.0	\$ 0.0	\$ 0.0	0%
<b>Operating Outlays</b>				
District Leadership	\$ 7.1	\$ 8.4	\$ 1.3	18%↑
Risk Management	\$ 3.0	\$ 5.5	\$ 2.5	83%↑
Legal Services	\$ 3.0	\$ 3.2	\$ 0.2	7%↑
Clerk of the Board Services	\$ 3.0	\$ 2.3	\$ (0.7)	(23%)↓
Civic Engagement	\$ 0.5	\$ 1.3	\$ 0.8	160%↑
Employee Relations	\$ 0.9	\$ 1.2	\$ 0.3	33%↑
Other Programs	\$ 0.4	\$ 0.2	\$ (0.2)	(50%)↓
<b>TOTAL</b>	<b>\$ 17.9</b>	<b>\$ 22.1</b>	<b>\$ 4.2</b>	<b>23%↑</b>

# Administrative Leadership and General Services

(\$ in millions)

**\$27.4 (30% of the \$91.5 Total Proposed Budget)**

Administrative Leadership and General Services	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/(Under ) FY 2017 Adopted	% Change
<b>Capital Outlays</b>	\$ 12.8	\$ 3.3	\$ (9.5)	(74%)↓
<b>Operating Outlays</b>				
Facilities Management	\$ 6.5	\$ 7.6	\$ 1.1	17%↑
Equipment Management	\$ 4.2	\$ 4.8	\$ 0.6	14%↑
Procurement Management	\$ 3.1	\$ 3.6	\$ 0.5	16%↑
Business Support	\$ 3.0	\$ 3.3	\$ 0.3	10%↑
General Management & Administration	\$ 1.7	\$ 1.5	\$ (0.2)	(12%)↓
Diversity & Inclusion	\$ 0.3	\$ 1.3	\$ 1.0	333%↑
Other Programs	\$ 2.7	\$ 2.0	\$ (0.7)	(26%)↓
<b>Subtotal</b>	<b>\$ 21.5</b>	<b>\$ 24.1</b>	<b>\$ 2.6</b>	<b>12%↑</b>
<b>TOTAL</b>	<b>\$ 34.3</b>	<b>\$ 27.4</b>	<b>\$ (6.9)</b>	<b>(20%)↓</b>

# Human Resources

(\$ in millions)

**\$11.1 (12% of the \$91.5 Total Proposed Budget)**

Human Resources	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/(Under ) FY 2017 Adopted	% Change
<b>Capital Outlays</b>	\$ 0.0	\$ 0.0	\$ 0.0	0%
<b>Operating Outlays</b>				
Training & Employee Development	\$ 2.7	\$ 3.2	\$ 0.5	19%↑
Risk Management	\$ 2.2	\$ 3.3	\$ 1.1	50%↑
Recruitment	\$ 1.4	\$ 1.6	\$ 0.2	14%↑
Benefits	\$ 1.1	\$ 1.1	\$ 0.0	%↑
Equal Employment Opportunity & Ethics	\$ 0.6	\$ 0.8	\$ 0.2	33%↑
Human Resources - General	\$ 1.0	\$ 0.8	\$ (0.2)	(20%)↓
Classification & Compensation	\$ 0.5	\$ 0.3	\$ (0.2)	(40%)↓
<b>TOTAL</b>	<b>\$ 9.5</b>	<b>\$ 11.1</b>	<b>\$ 1.6</b>	<b>17%↑</b>



# Information Management Services

(\$ in millions)

**\$25.0 (27% of the \$91.5 Total Proposed Budget)**

Information Technology	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/(Under ) FY 2017 Adopted	% Change
<b>Capital Outlays</b>	\$ 6.9	\$ 12.7	\$ 5.8	84%↑
<b>Operating Outlays</b>				
Information Systems Solutions	\$ 3.9	\$ 4.5	\$ 0.6	15%↑
Infrastructure Technology	\$ 4.9	\$ 5.5	\$ 0.6	12%↑
Records Management & Library	\$ 1.0	\$ 1.2	\$ 0.2	20%↑
Information Security Program	\$ 0.3	\$ 0.4	\$ 0.1	33%↑
General Management & Administration	\$ 1.2	\$ 0.7	\$ (0.5)	(42%)↓
<b>Subtotal</b>	<b>\$ 11.3</b>	<b>\$ 12.3</b>	<b>\$ 1.0</b>	<b>9%↑</b>
<b>TOTAL</b>	<b>\$ 18.2</b>	<b>\$ 25.0</b>	<b>\$ 6.8</b>	<b>37%↑</b>



# Finance

(\$ in millions)

**\$5.9 (7% of the \$91.5 Total Proposed Budget)**

Finance	FY 2017 Adopted Budget	FY 2018 Proposed Budget	Over/(Under) FY 2017 Adopted	% Change
<b>Capital Outlays</b>	\$ 0.0	\$ (0.1)	\$ (0.1)	(100%)↓
<b>Operating Outlays</b>				
Accounting	\$ 3.2	\$ 3.3	\$ 0.1	3%↑
Financial Planning & Budget	\$ 1.7	\$ 2.3	\$ 0.6	35%↑
Treasury & Debt Management	\$ 1.0	\$ 1.0	\$ 0.0	%↑
General Management & Administration	\$ 1.1	\$ 0.5	\$ (0.6)	(55%)↓
Salary Savings	\$ (1.4)	\$ (1.1)	\$ 0.3	(21%)↓
<b>Subtotal</b>	<b>\$ 5.6</b>	<b>\$ 6.0</b>	<b>\$ 0.4</b>	<b>7%↑</b>
<b>TOTAL</b>	<b>\$ 5.6</b>	<b>\$ 5.9</b>	<b>\$ 0.3</b>	<b>5%↑</b>

# Administration Outlook

- Future Financing
  - Water Utility - \$2B + CIP next 10 years
- Evaluate budgeting processes and controls
- Review financial policies
- Feasibility study of fixed charges
- Promote use of technology to improve efficiencies
- Contract process improvements
- Emergency & security management
- Collective bargaining

# Administration Outlook

- FY 2018 Budget, Groundwater Production Charge, & CIP Approvals
  - Water Utility - \$2B + CIP next 10 years
- Evaluate budgeting processes and controls
- Review financial policies
- Feasibility study of fixed charges
- Promote use of technology to improve efficiencies
- Contract process improvements
- Emergency & security management
- Collective bargaining

# Next Steps

- FY 2018 Budget, Groundwater Production Charges, & CIP Approvals
- Resolution Adoptions
- May 9, 2017