

# **FY 2019 Proposed Operating and Capital Budget Board Work Study Sessions**

**April 26 and 27, 2018**



# Presentation Outline

## 1. Budget Overview

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

## 2. Proposed Budget by Fund

- Water Utility
- Watersheds
- Administration

## 3. Next Steps

# Budget Goals

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

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

- ▶ Updated the Water Supply Master Plan to include evaluation of local, regional, and statewide water supply projects including WaterFix
- ▶ On October 17, 2017 the Board approved the guiding principles under which the District will participate in the WaterFix Project
- ▶ Proactively communicated the Board's position on California WaterFix in October 2017, with ongoing support statements throughout early 2018 and present day

## Priority 2: Provide for a Watershed-Wide Regulatory Planning and Permitting Effort

- ▶ WS staff participated in efforts to improve permitting process for Shoreline Restoration/Resiliency Projects (Measure AA), and SB1301 bill proceedings for expedited permitting for high-priority projects that protect human life and safety
- ▶ District is working through the Bay Area Flood Protection Agency Association (BAFPAA) to develop a regional approach to identify opportunities to improve the regulatory process
- ▶ WS staff instituted quarterly meetings with Regional Water Quality Control Board, NMFS and EPA to improve agency permitting

## Priority 3: Foster a Coordinated Approach to Environmental Stewardship Efforts

- ▶ The Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) was moved into the Watersheds Area to ensure that Water Utility and Watersheds staff work together effectively to design a comprehensive water resources solution,
- ▶ Four new staff were allocated for planning of stewardship projects at Ogier Ponds, Stevens Creek fish passage evaluation, and Metcalf Ponds; Staff completed the feasibility evaluation of lake-creek separation and habitat enhancement at Ogier Ponds with Santa Clara County Parks staff
- ▶ Staff awarded a consultant agreement and began an evaluation of fish barriers along Stevens Creek
- ▶ Partnered with 151 community and other public agencies to keep our waterways clean to ensure a healthy supply of water through creek stewardship activities and grant funded projects

## Priority 4: Advance the Anderson Dam Seismic Retrofit Project

- ▶ Residents of Morgan Hill were engaged through several project update meetings in the Fall of 2017
- ▶ At the Sept. 13, 2017 Public Meeting, the community was informed that the project's 30% Design and 30% Construction Sequencing Plan were complete and the CEQA process underway
- ▶ Project work and deliverables were also reviewed and guided by an independent panel of dam experts

## Priority 5: Advance Recycled and Purified Water Efforts with the City of San Jose and Other Agencies

- ▶ The Board approved to use a Public-Private Partnership (P3) program delivery approach for the Expedited Purified Water facilities to help manage the water rate increases near term
- ▶ Applied for and received the 2018 Silicon Valley Water Conservation Award in Education for the education efforts of our Recycled and Purified Water outreach program



## Priority 6: Finalize the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE)

- ▶ Developed Water Supply and Habitat Models to support the EIR analysis
- ▶ Fish Habitat Restoration Plan (FHRP) and Environmental Impact Report are in development
- ▶ Initial modeling results have been analyzed and shared with the Settlement Agreement Initialing Parties
- ▶ Staff has met with the State Water Resources Control Board on the District's water rights petitions

## Priority 7: Actively Pursue Efforts to Increase Water Storage Opportunities

- ▶ Pacheco Reservoir Expansion Project
  - ▶ Requested \$484.5 million from state (Proposition 1 Funding)
- ▶ Sites Reservoir
  - ▶ Requested \$1.622 billion from the state (Proposition 1 Funding)
- ▶ Los Vaqueros Expansion Project
  - ▶ Requested \$434 million from state (Proposition 1 Funding)
- ▶ Conducted robust advocacy efforts with CWC prior to filing Proposition 1 application
  - ▶ Secured strong support for application from stakeholders
  - ▶ Secured advocates monthly to testify in support of Pacheco before CWC

## Priority 8: Advance Diversity and Inclusion Efforts

- ▶ Implemented the SPARK mentorship program for underserved youth in the Santa Clara County
- ▶ Hosted the Black Leadership Kitchen Cabinet at the District
- ▶ Supported ERGs in over 30 events, meetings, and gatherings
- ▶ Implemented All Employee Meeting and three Employee Recognition Initiatives
- ▶ Launched new Board Advisory Youth Commission and received 118 applications from eager high school students throughout the county

## Priority 9: Ensure Immediate Emergency Action Plans and Flood Protection are Provided for Coyote Creek

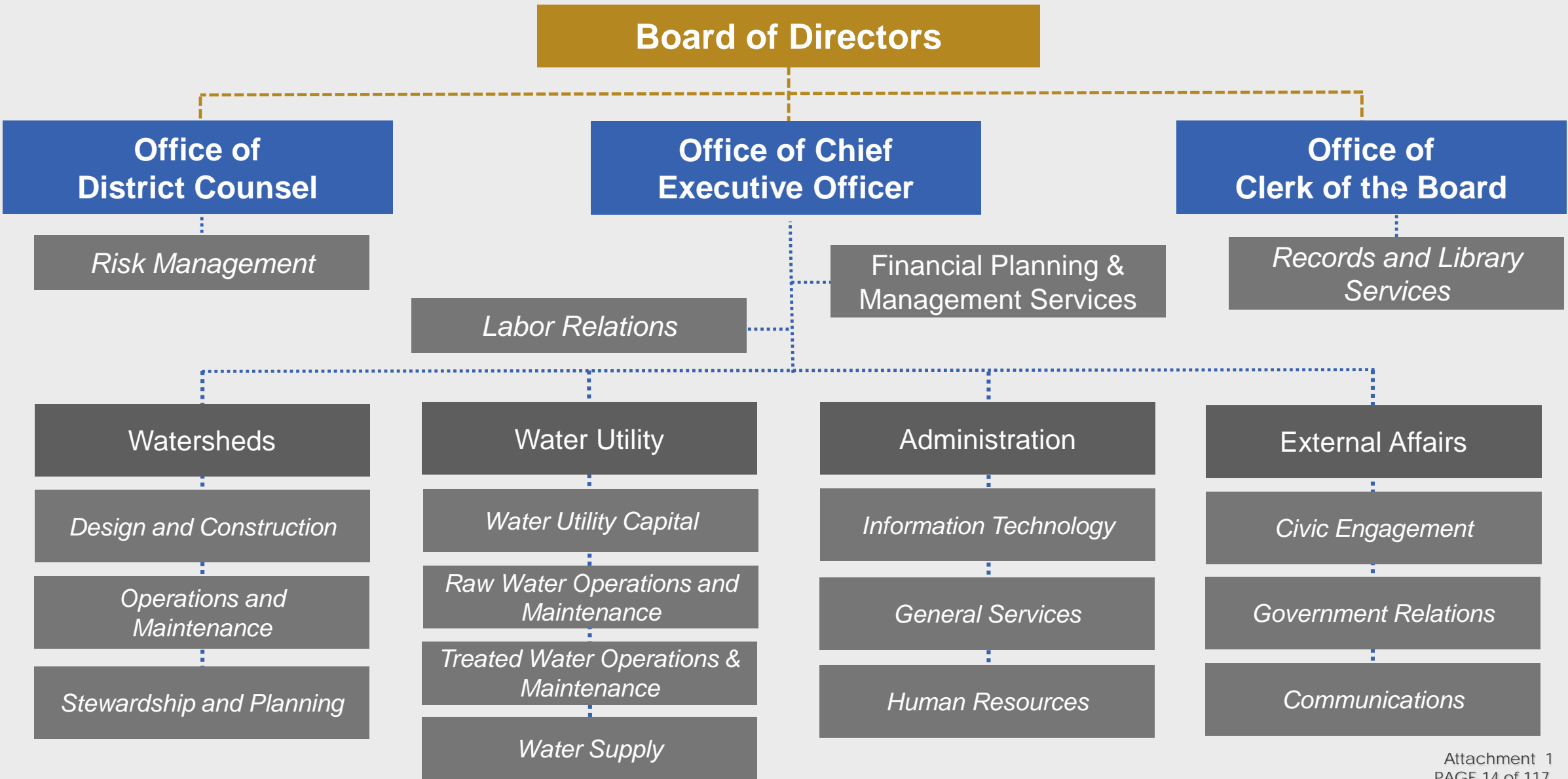
- ▶ Developed Joint Emergency Action Plan with City of San José; conducted a joint meeting with the City for joint adoption of the plan
- ▶ Planned, designed and built short-term flood protection at Rock Springs
- ▶ Conducted invasive plant management along Coyote Creek
- ▶ Analyzed and recommended alternate reservoir operation plan for Anderson Reservoir
- ▶ Repaired levee at Mobile Home park area
- ▶ Developed MOA with Army Corps of Engineers for Feasibility Study
- ▶ Hosted an Arundo media tour in October 2017, followed by a successful media event on the one-year anniversary of the flooding in February 2018

# Budget Development Strategies

- ▶ Conduct long-term forecast and set limits
- ▶ Multiple staff reviews
- ▶ Conduct multiple Board reviews to:
  - Receive and incorporate Board direction
  - Allow public to provide input
- ▶ Carry out separate public hearings on:
  - Groundwater Production Charges
  - Capital Improvement Program Plan

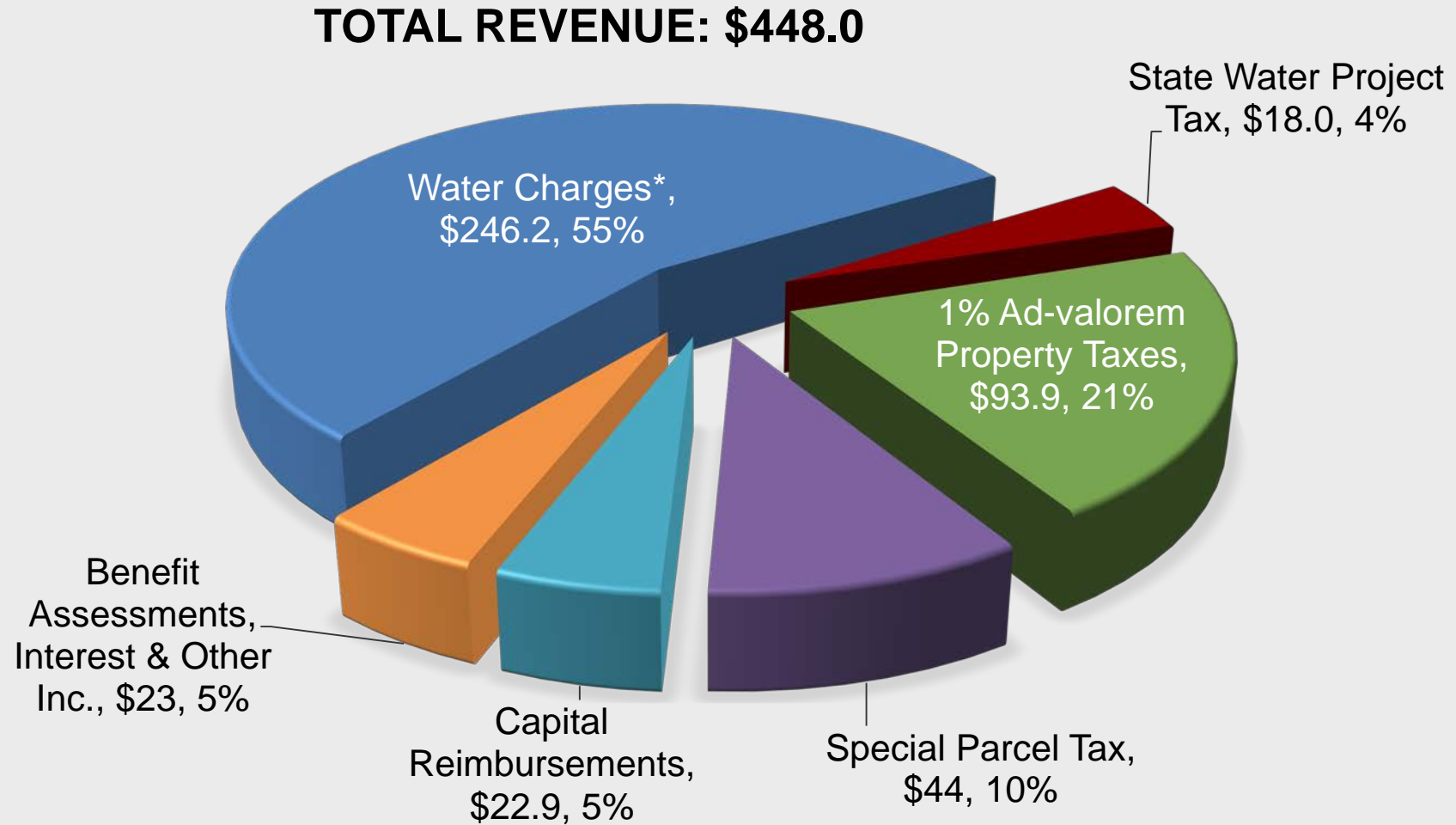
# District Organizational Structure Chart

## Santa Clara Valley Water District Organization Chart



# FY 2019 Revenues

(\$ in millions)

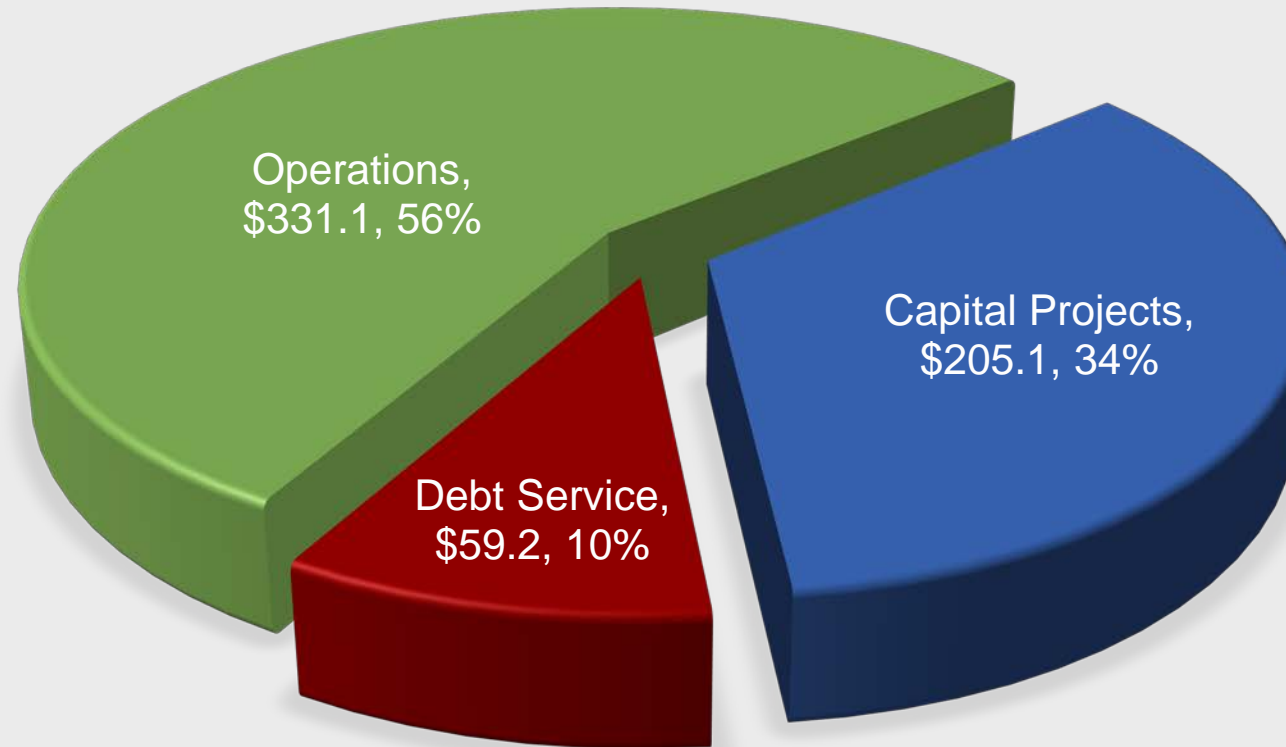


\*Includes proposed increase of 9.7% for North County Municipal & Industrial groundwater charge, and 7.7% for South

# FY 2019 Proposed Budget

(\$ in millions)

## TOTAL FY 2019 PROPOSED BUDGET BY CATEGORY: \$595.4



**Net FY 2019 Proposed Budget: \$509.9 (Net with \$85.5 Intra-District Charges)**



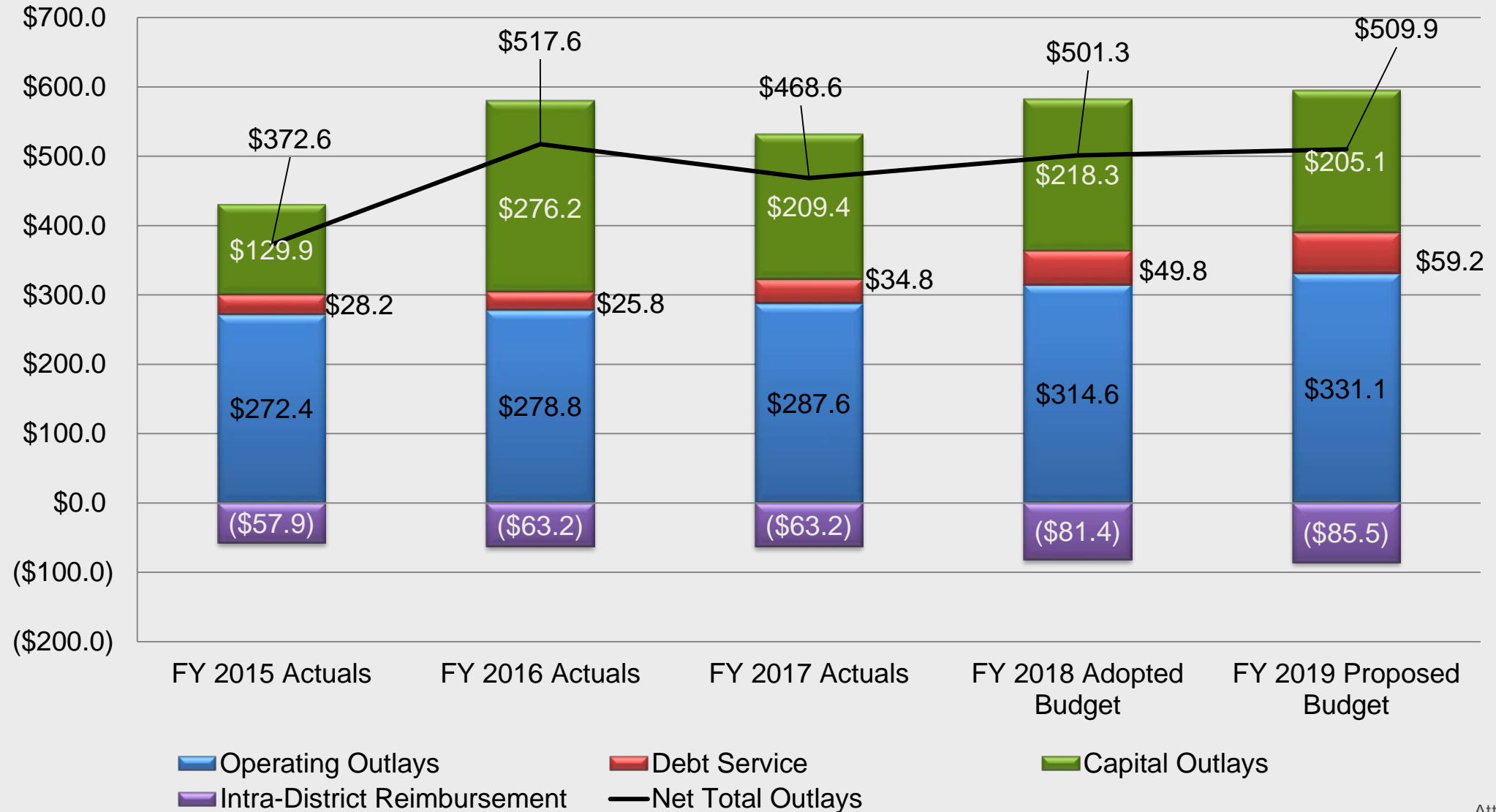
# FY 2019 Proposed Budget (Cont.)

(\$ in millions)

	FY 2019 Proposed Budget
<b>Major Water Supply and Watershed Infrastructure investments</b>	
Rinconada Water Treatment Plant Reliability Improvement	\$47.0
Berryessa Creek, Lower Penitencia Phase 2	\$17.5
10-Yr Pipeline Inspection and Rehabilitation	\$13.9
Pacheco Reservoir Expansion Study	\$12.8
Anderson Dam Seismic Retrofit	\$10.6
Watersheds Asset Rehabilitation	\$9.9
San Francisco Bay Shoreline EIA 11 Design & Partial Construction	\$6.7
Guadalupe River-Upper, SPRR-Blossom Hill Reach 7-12	\$6.5
Permanente Creek, Bay-Foothill CSC	\$5.3
Upper Llagas Creek Design Buena Vista to Llagas Road	\$5.2
<b>Total</b>	<b>\$135.4</b>

# Trend Data: Five-Year Outlay Comparison

(\$ in millions)



# Trend Data (Cont.): Salaries and Benefits

(\$ in millions)

	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
Salaries-Regular Employee	\$78.6	\$82.2	\$86.5	\$98.0	\$103.5	\$5.5↑	6%↑
Benefits	\$39.7	\$40.4	\$45.8	\$51.6	\$55.2	\$3.6↑	7%↑
Total	\$118.3	\$122.6	\$132.3	\$149.6	\$158.7	\$9.1↑	6%↑
Salary Savings				(\$4.1)	(\$4.4)	\$0.3↑	(7%)↓
<b>Net Total</b>	<b>\$118.3</b>	<b>\$122.6</b>	<b>\$132.3</b>	<b>\$145.5</b>	<b>\$154.3</b>	<b>\$8.8↑</b>	<b>6%↑</b>

# Trend Data (Cont.): Services and Supplies

(\$ in millions)

	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
Operating Outlays	\$130.5	\$131.3	\$130.5	\$138.9	\$146.7	\$7.8↑	6%↑
Debt Service	\$0.9	\$0.9	\$1.0	\$2.2	\$3.2	\$1.0↑	46%↑
Capital Projects	\$95.2	\$234.8	\$167.7	\$163.8	\$145.6	(\$18.2)↓	(11%)↓
<b>Total</b>	<b>\$226.6</b>	<b>\$367.0</b>	<b>\$299.2</b>	<b>\$304.9</b>	<b>\$295.5</b>	<b>(\$9.4)↓</b>	<b>(3%)↓</b>

## Variance Drivers:

<b>Operating Outlays:</b>	Callifornia Water Fix	\$2.9↑
	Water Fix Guiding Principle 5	\$2.9↑
	Water Fix Gap Funding	\$5.0↑
	Imported Water South Bay Aqueduct Deliveries: additional water transfer	\$2.3↑
	Grants to Restore Habitat Access	\$1.5↑
	Clerk of the Board Services - Board Director election	\$1.1↑
	State Water Project Costs	(\$7.4)↓
	<b>Subtotal</b>	<b>\$8.3↑</b>

# Trend Data (Cont.): Consultants

(\$ in millions)

	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
Operating Outlays	\$15.1	\$11.4	\$14.4	\$17.4	\$19.4	\$2.0↑	12%↑
Capital Projects	\$40.6	\$46.8	\$62.6	\$55.6	\$76.2	\$20.6↑	37%↑
Total	\$55.7	\$58.2	\$77.0	\$73.0	\$95.6	\$22.6↑	31%↑

## Variance Drivers:

### Operating Outlays:

Watersheds Maintenance Guideline Update: 10 streams

\$1.0↑

FAHCE/Three Creeks HCP Project: Legal fees

\$0.5↑

### Subtotal

\$1.5↑

### Capital Projects:

Pacheco Reservoir Expansion Study: Planning & Design,  
Program Mgmt

\$12.0↑

Upper Llagas Creek Design Buena Vista Road: Civil Engineering

\$3.9↑

Indirect Potable Reuse - Plan: CEQA Consultant

\$3.4↑

Almaden Dam Improvements

\$3.1↑

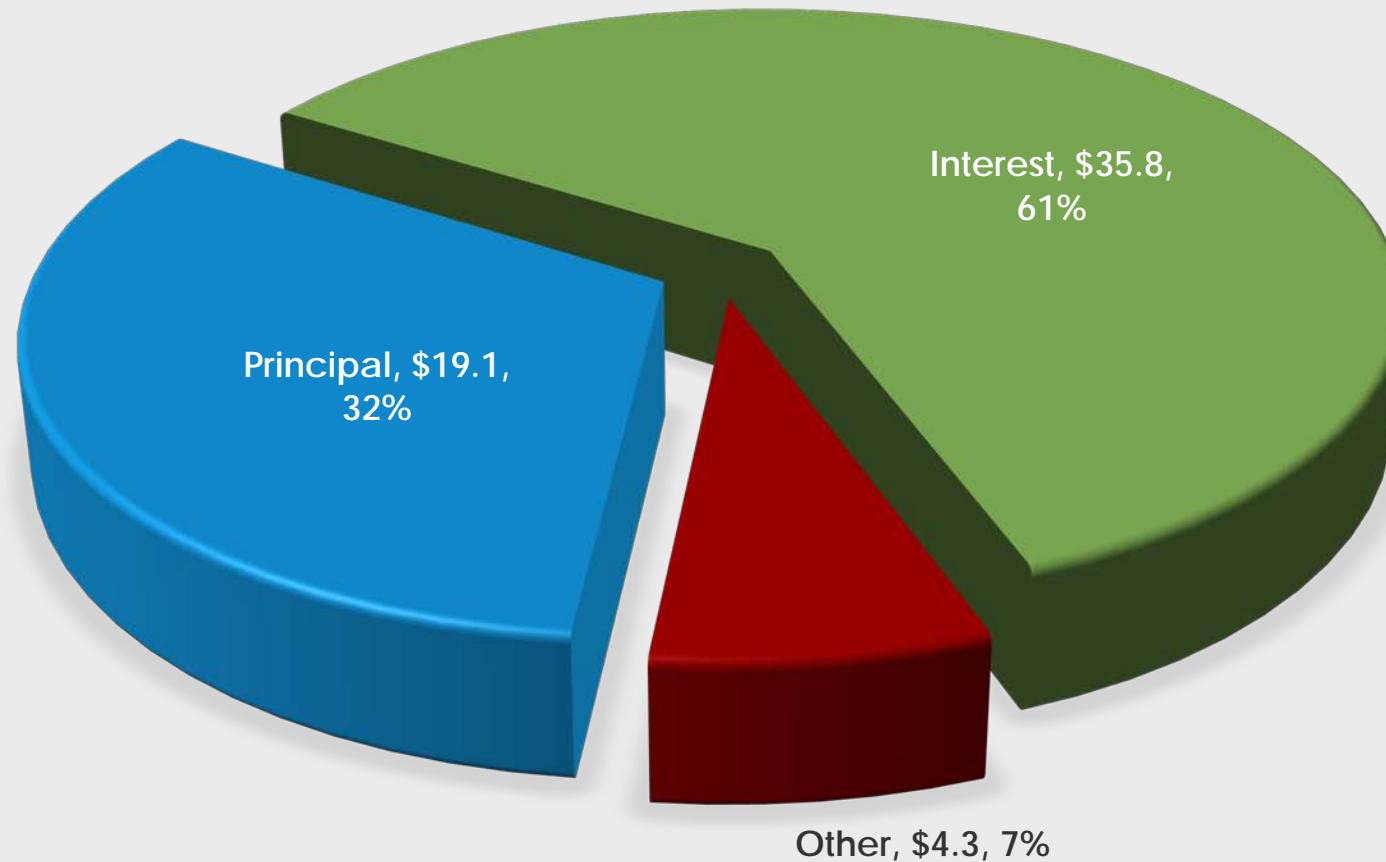
### Subtotal

\$22.4↑

# Debt Service

(\$ in millions)

FY 2019 Proposed Debt Service, \$59.2



**New Debt Financing: \$174.2**

- Water Utility: \$64.2
- Safe, Clean Water: \$110.0

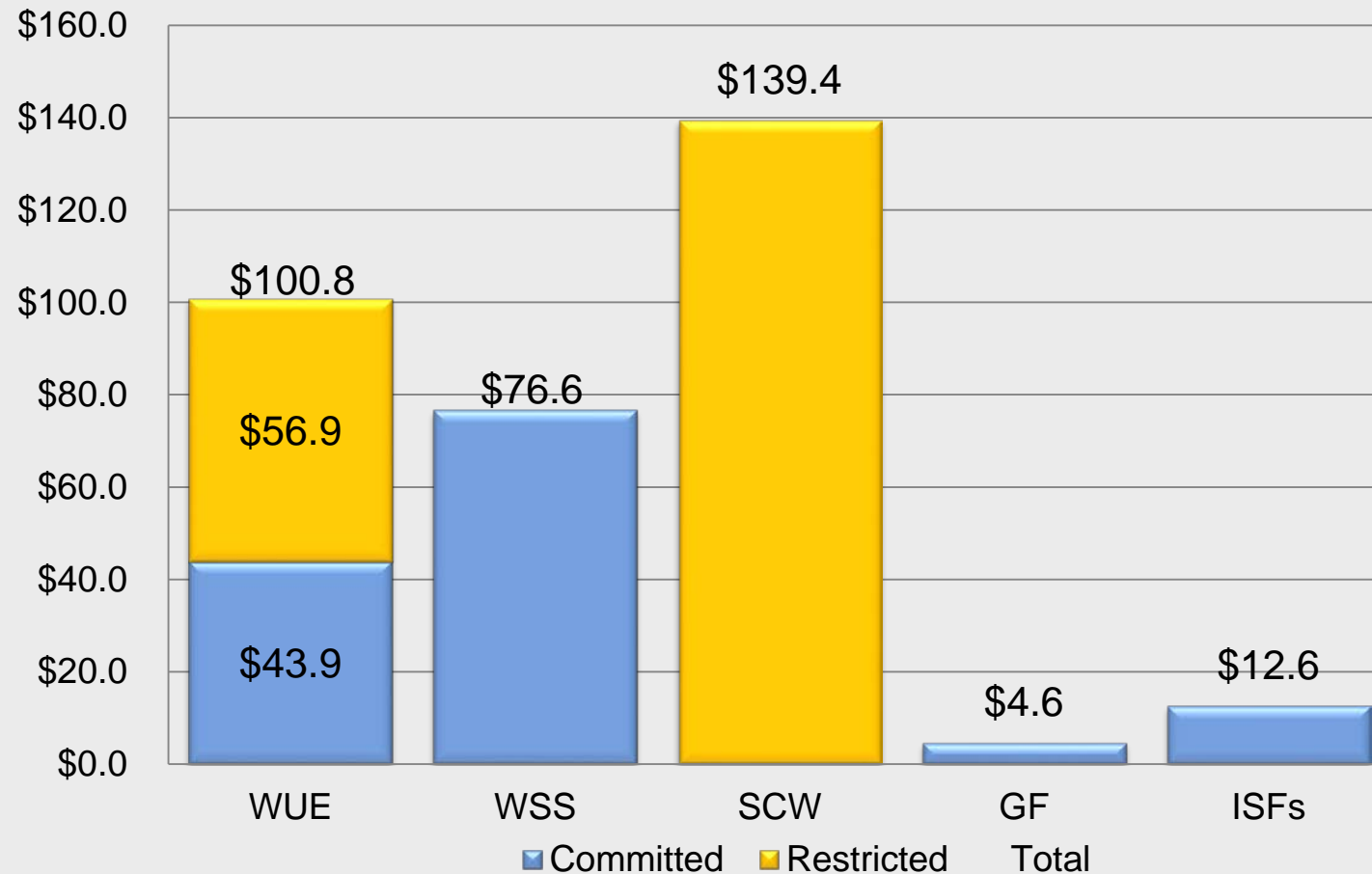
## Characteristics

- Reserves projected at or above minimum per policy
- Groundwater Production Charges stable and smooth year to year
- Debt Service Coverage Ratio maintained at roughly 2.0
- Revenue supports expenditures

# Reserves

(\$ in millions)

## FY 2019 Districtwide Total Reserves: \$334



**Restricted Reserves:**  
Externally enforceable legal restrictions

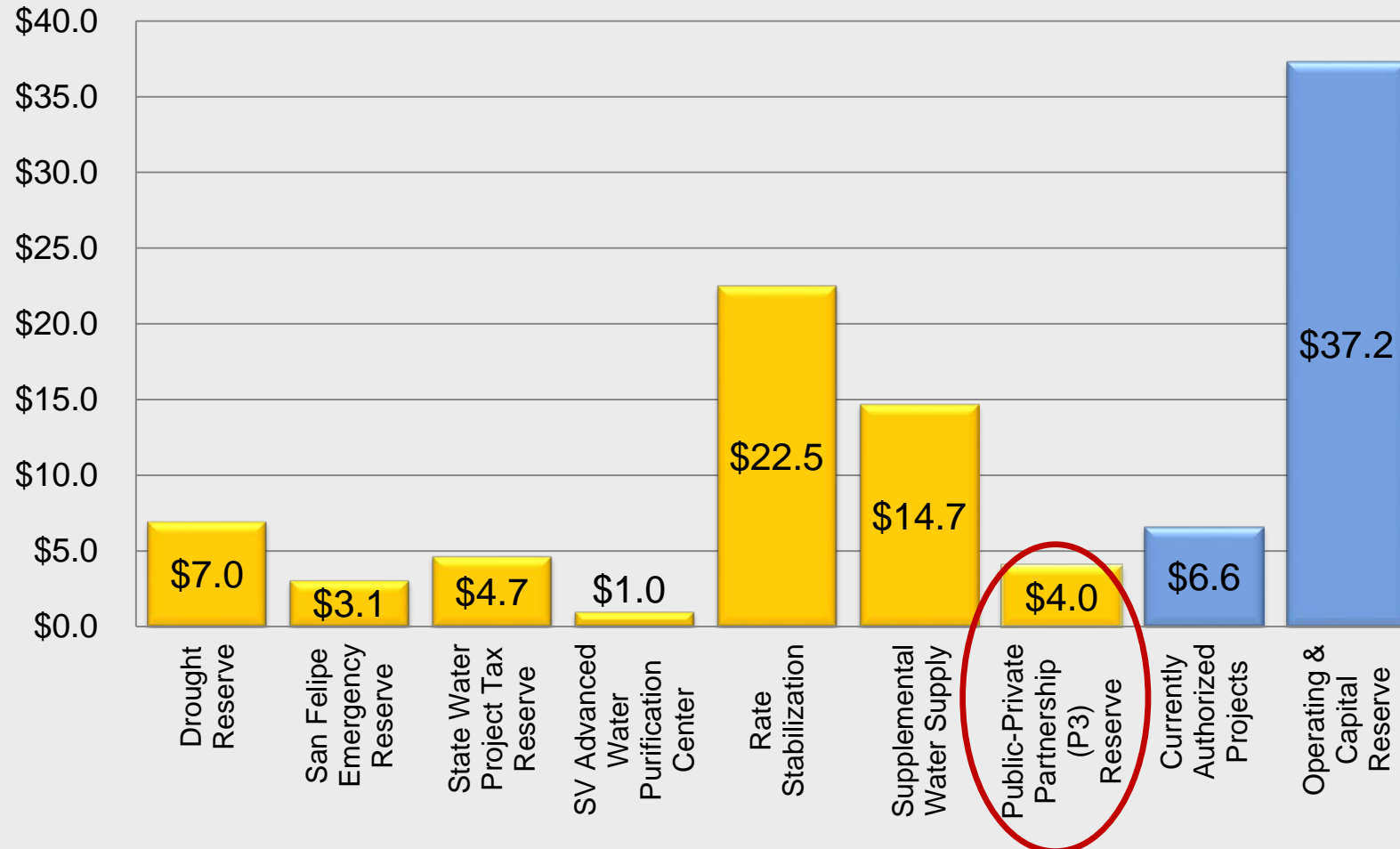
**Committed Reserves:**  
Self-imposed limitations



# Reserves (Cont.)

(\$ in millions)

FY 2019 Water Utility Reserve Breakdown



# Reserves (Cont.)

## **Public-Private Partnership (P3) Reserve, \$4.0 million**

- This special purpose reserve provides a funding source for costs associated with the District's Public-Private Partnership (P3) to design, build, finance, operate and maintain the Expedited Purified Water Program.
  - Minimum funding: \$4.0 million
  - Maximum funding: \$20.0 million
  - The specific level is to be financially prudent and based on reasonably anticipated needs

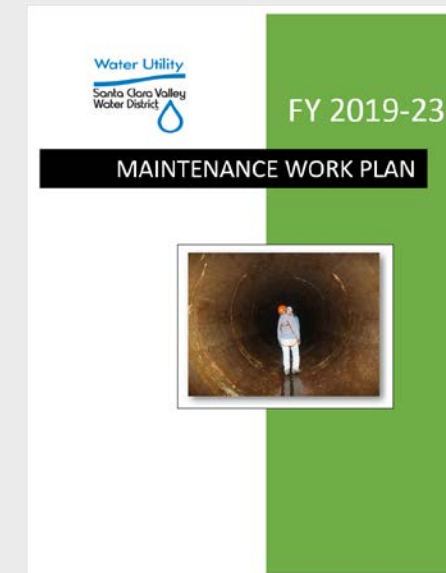
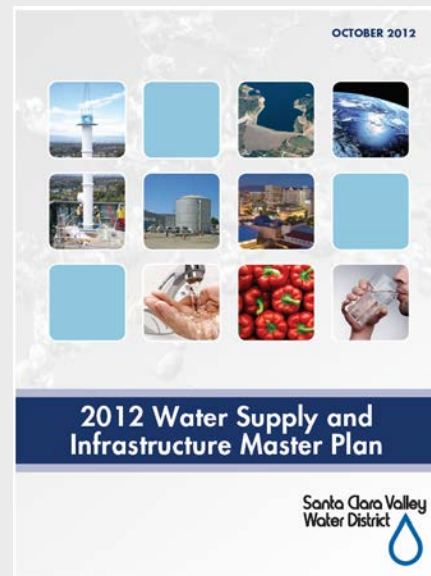
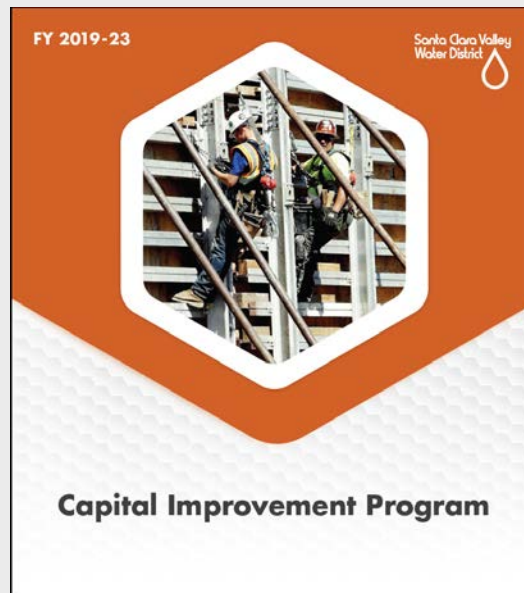
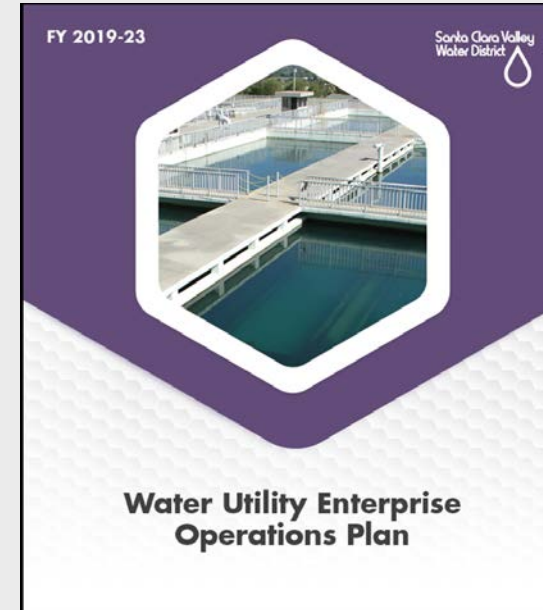
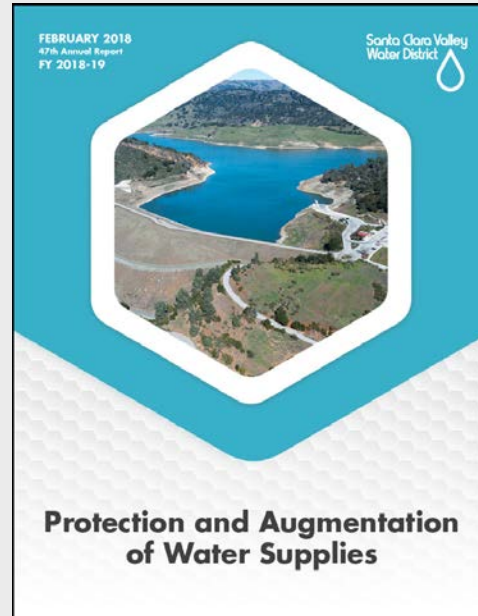
# Water Utility Enterprise



# Water Utility Enterprise (WUE) Outline

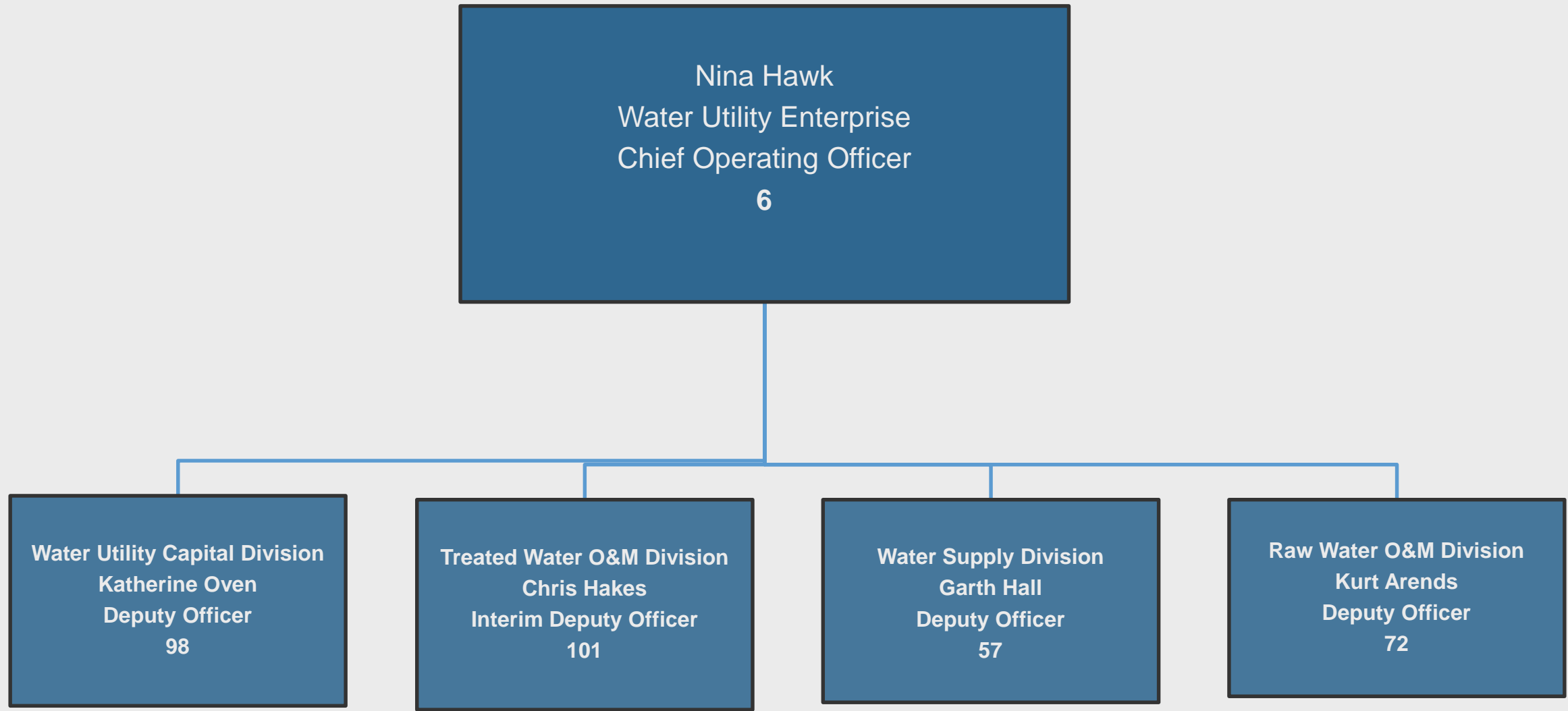
- ▶ Overview of Water Utility Enterprise
- ▶ WUE Revenue Sources
- ▶ WUE FY 19 Proposed Budget
- ▶ WUE Outlook

# WUE Planning Documents



# WUE Organizational Chart

Total Proposed Position Count for Water Utility Enterprise in FY 2019: 334



# Comprehensive, Flexible Water System



- 10** reservoirs
- 3** pump stations
- 142** miles of pipelines
- 4** water treatment plants
- 393** acres of recharge ponds
- 275** miles of jurisdictional streams

# 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

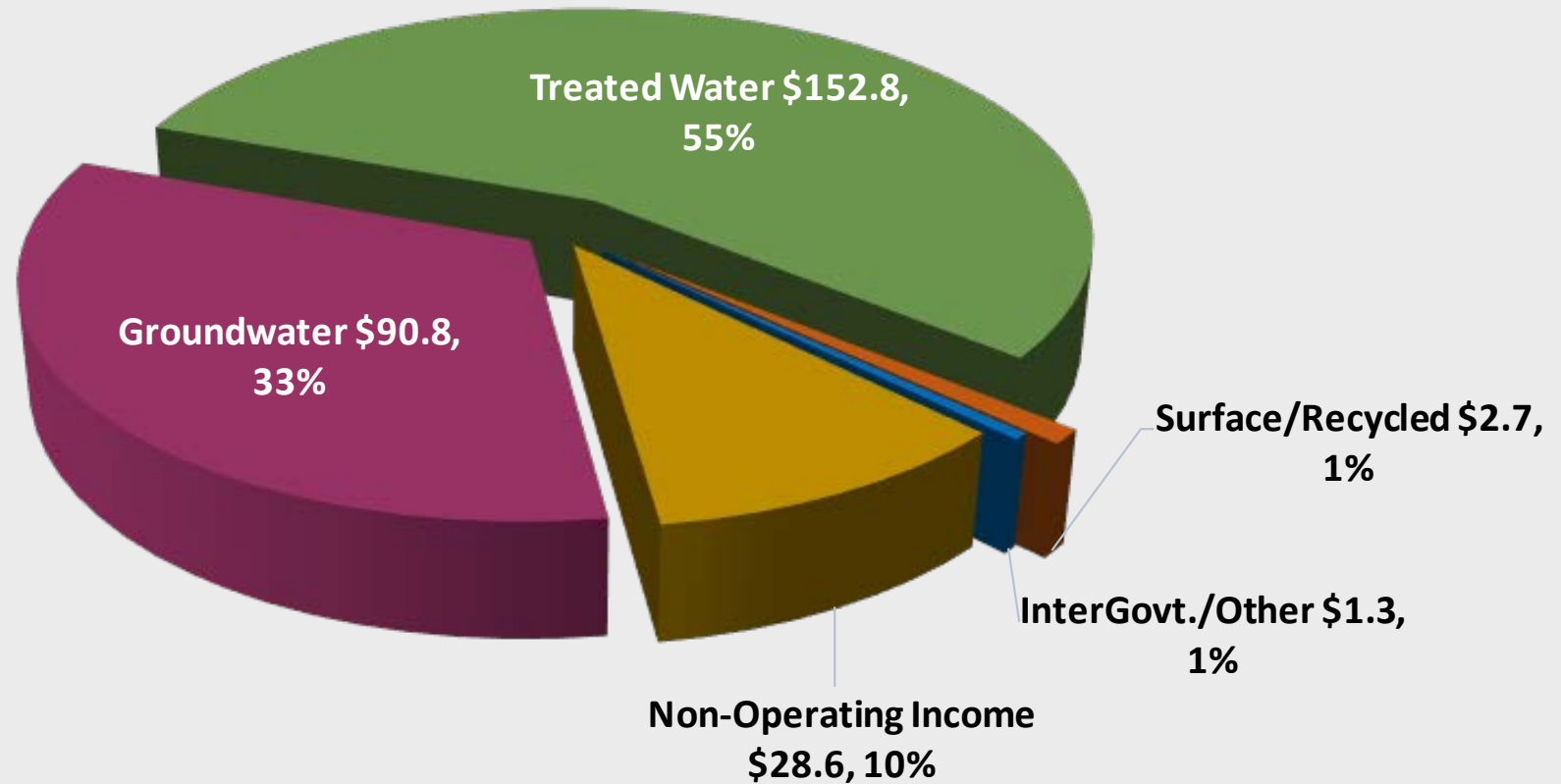
- Plan and construct improvements to infrastructure such as dams, pipelines, ponds, treatment plants and pump stations.
- Operate and maintain pipelines and pumping plants to help sustain the groundwater aquifer.



# Water Utility Enterprise FY 2018-19 Revenue Sources

(\$ in millions)

**Total WUE Revenue \$276.2**



# FY 2018-19 Proposed Budget vs. FY 2017-18 Adopted Budget

(\$ in millions)

Water Enterprise and State Water Project Funds	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
Operating	\$ 171.0	\$ 177.6	\$ 6.6	4%↑
Capital Projects	\$ 118.9	\$ 109.2	\$ (9.7)	(8%)↓
Debt Service	\$ 34.7	\$ 41.9	\$ 7.2	21%↑
<b>TOTAL</b>	<b>\$ 324.6</b>	<b>\$ 328.7</b>	<b>\$ 4.1</b>	<b>1%↑</b>

# Priority 1: Make key decisions regarding the California WaterFix

## ▶ Key FY 2019 Deliverables

- ▶ Continue engagement to advance or complete critical contract amendments and agreements related to the projects
- ▶ Seek potential water supply and storage opportunities related to California WaterFix for consideration by the Board

# Priority 4: Advance the Anderson Dam Seismic Retrofit Project

## ► Key FY 2019 Deliverables

- Complete 90% design
- Release Draft Environmental Impact Report (EIR) for public review
- Prepare final EIR for Board certification
- Hold two public meetings to inform the community on project progress
- Hold informal and formal consultation meetings with resource agencies for permits



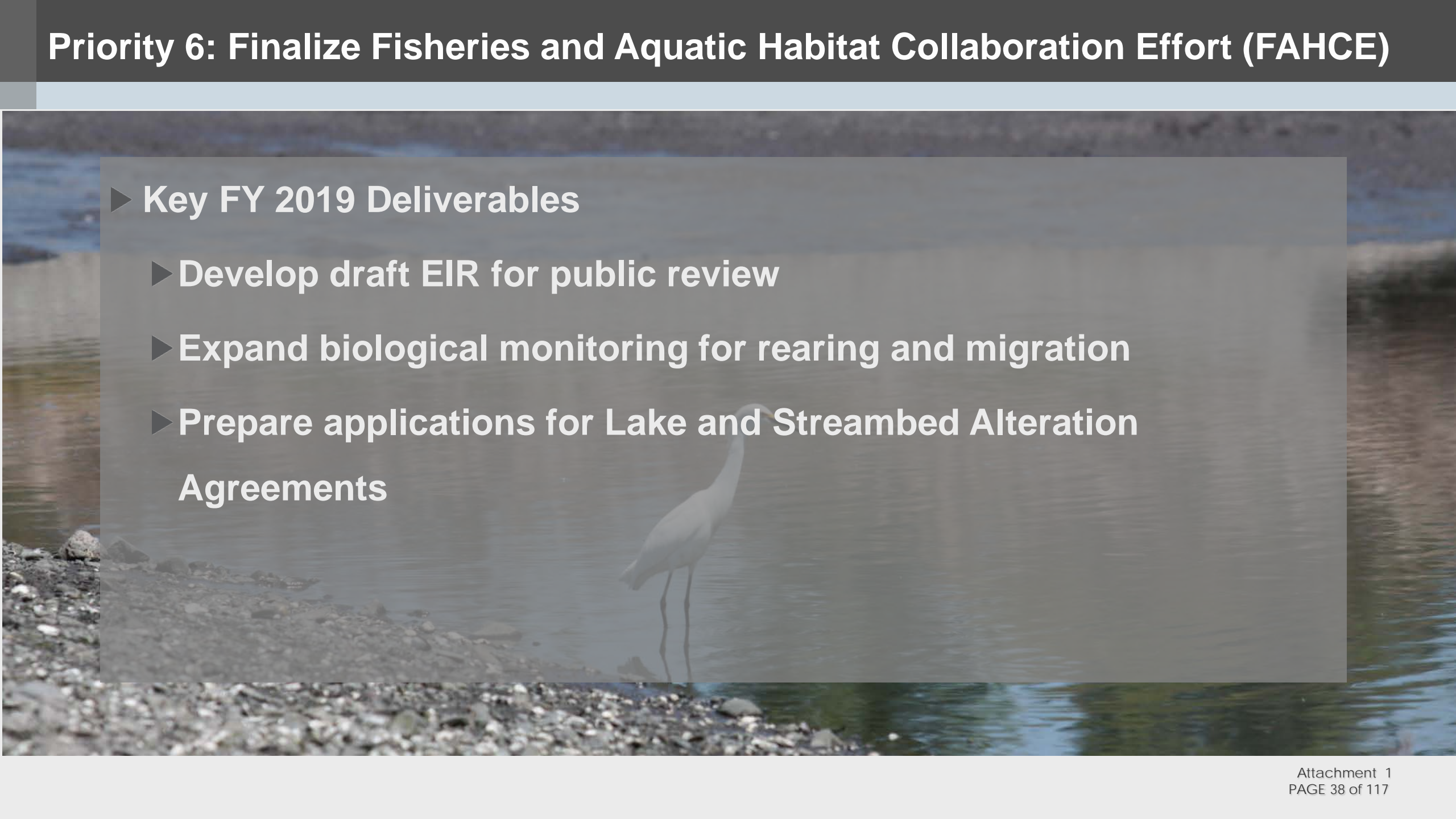
# Priority 5: Advance recycled and purified water efforts

## ► Key FY 2019 Deliverables

- Evaluate Reverse Osmosis concentrate management alternatives for expanded water purification in the county
- Complete Countywide Water Reuse Master Plan planning effort and draft plan
- Complete the Public-Private Partnership (P3) RFP Process
- Continue to negotiate a comprehensive agreement with the City of San Jose for the expansion of the Silicon Valley Advanced Water Purification Center
- Closely follow evolution of Direct Potable Reuse (DPR) regulations
- Support recycled and purified water efforts with other agencies



## Priority 6: Finalize Fisheries and Aquatic Habitat Collaboration Effort (FAHCE)

- 
- A white egret stands in shallow water near a rocky shore. The water is calm, reflecting the bird and the surrounding environment. The shore is composed of small, dark rocks and pebbles. The background shows a continuation of the water and some distant land.
- ▶ **Key FY 2019 Deliverables**
    - ▶ **Develop draft EIR for public review**
    - ▶ **Expand biological monitoring for rearing and migration**
    - ▶ **Prepare applications for Lake and Streambed Alteration Agreements**

## Priority 7: Actively pursue efforts to increase water storage opportunities

### ▶ Key FY 2019 Deliverables

- ▶ Present updated information on issues related to additional water storage options to the Board's Water Storage Exploratory Committee
- ▶ Prioritize investment opportunities based on water supply reliability benefits, costs, and other objectives
- ▶ Incorporate Board-approved storage opportunities into the update to the Water Supply Master Plan, including next steps for Los Vaqueros and Sites Reservoir
- ▶ Recommend Board award of consultant agreements to proceed with planning/design of Pacheco Reservoir Expansion

# Water Utility Enterprise (WUE) Goal Areas



**Source of Supply**



**Raw Water  
Transmission  
and Distribution**



**Water  
Treatment and  
Treated Water  
Transmission**



**Support  
Services/  
Planning**



# WUE Total Outlays by Goal Areas

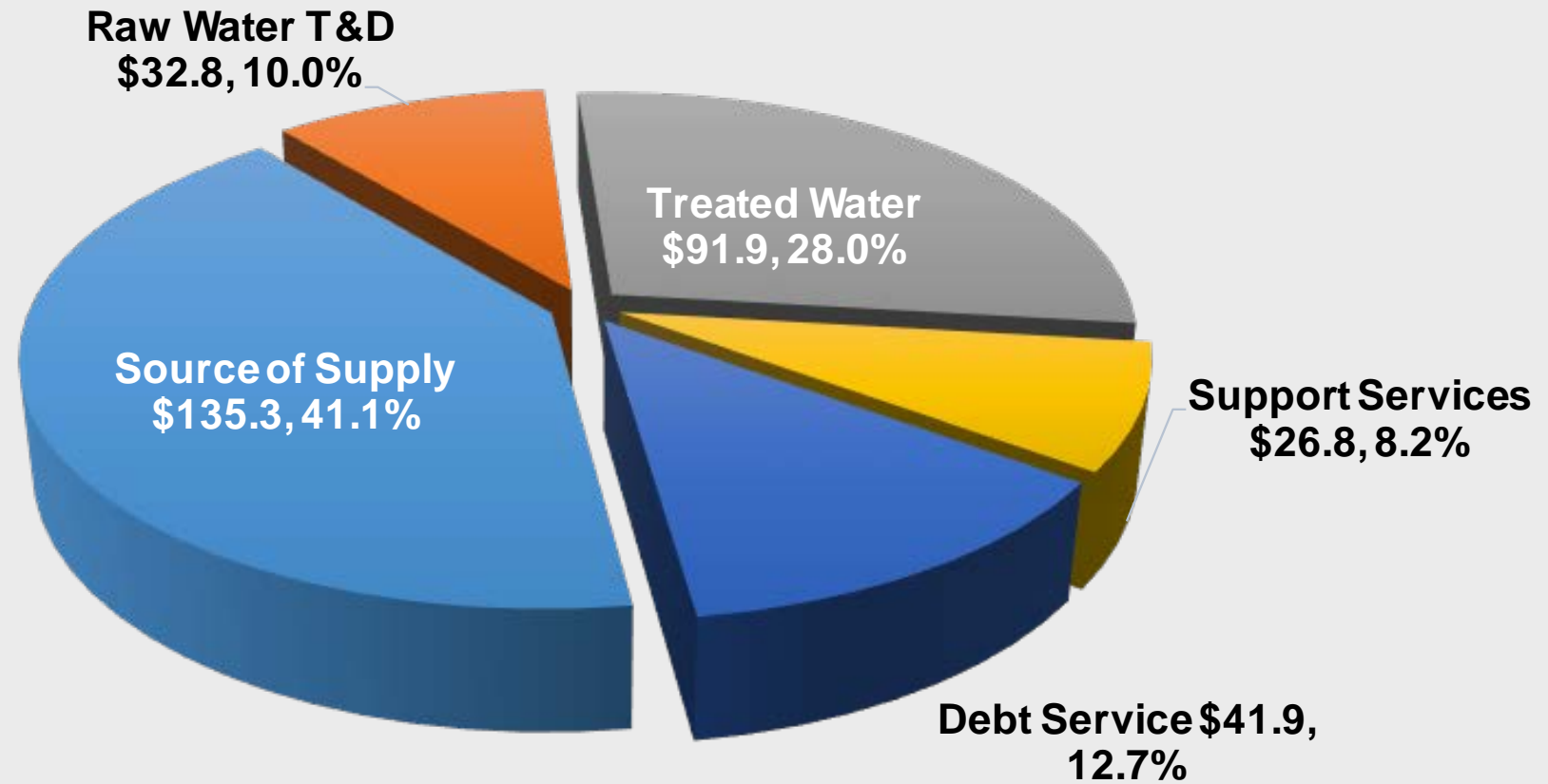
(\$ in millions)

Water Enterprise and State Water Project Funds by Goal	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
Source of Supply	\$ 121.6	\$ 135.3	\$ 13.7	11%↑
Raw Water Transmission and Distribution	\$ 34.2	\$ 32.8	\$ (1.4)	(4%)↓
Water Treatment and Treated Water Transmission and Distribution	\$ 109.7	\$ 91.9	\$ (17.8)	(16%)↓
Support Services / Planning	\$ 24.4	\$ 26.8	\$ 2.4	10%↑
Debt Service	\$ 34.7	\$ 41.9	\$ 7.2	21%↑
<b>TOTAL</b>	<b>\$ 324.6</b>	<b>\$ 328.7</b>	<b>\$ 4.1</b>	<b>1%↑</b>

# WUE Total Outlays by Goal Areas

(\$ in millions)

**Total WUE Proposed Budget \$328.7**



# Source of Supply

(\$ in millions)

**\$135.3 (41% of \$328.7 Total Proposed Budget)**

	Source of Supply	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted
	<b>Capital Outlays</b>	\$ 21.8	\$ 31.5	\$ 9.7
	<b>Operating Outlays</b>			
	Imported Water	\$ 62.0	\$ 62.5	\$ 0.5
	Recycled Water	\$ 6.4	\$ 6.6	\$ 0.2
	Water Conservation	\$ 5.2	\$ 6.1	\$ 0.9
	SV Advanced Water Purification	\$ 5.1	\$ 4.8	\$ (0.3)
	San Felipe Division	\$ 4.0	\$ 4.7	\$ 0.7
	Groundwater Management	\$ 4.0	\$ 4.3	\$ 0.3
	Dam Safety Program	\$ 3.4	\$ 4.3	\$ 0.9
	FAHCE/Three Creeks HCP	\$ 3.5	\$ 3.9	\$ 0.4
	Well Ordinance / Water Measurement & Protection	\$ 3.6	\$ 3.8	\$ 0.2
	Water Supply Planning & Support	\$ 1.6	\$ 1.9	\$ 0.3
	Water Quality Protection	\$ 1.0	\$ 0.9	\$ (0.1)
	<b>TOTAL</b>	<b>\$ 121.6</b>	<b>\$ 135.3</b>	<b>\$ 13.7</b>

# Raw Water Transmission & Distribution

(\$ in millions)

**\$32.8 (10.0% of \$328.7 Total Proposed Budget)**

	<b>Raw Water Transmission &amp; Distribution</b>	<b>FY 2018 Adopted Budget</b>	<b>FY 2019 Proposed Budget</b>	<b>Over/(Under) FY 2018 Adopted</b>
	<b>Capital Outlays</b>	\$ 23.8	\$ 21.9	\$ (1.9)
	<b>Operating Outlays</b>			
	Raw Water Ops & Maintenance	\$ 5.6	\$ 6.0	\$ 0.4
	Recharge/Raw Water	\$ 4.8	\$ 4.9	\$ 0.1
	<b>TOTAL</b>	<b>\$ 34.2</b>	<b>\$ 32.8</b>	<b>\$ (1.4)</b>

# Water Treatment and Treated Water Transmission and Distribution

(\$ in millions)

**\$91.9 (28% of \$328.7 Total Proposed Budget)**

	<b>Water Treatment and Treated Water Transmission and Distribution</b>	<b>FY 2018 Adopted Budget</b>	<b>FY 2019 Proposed Budget</b>	<b>Over/(Under) FY 2018 Adopted</b>
	<b>Capital Outlays</b>	\$ 68.7	\$ 51.1	\$ (17.6)
	<b>Operating Outlays</b>			
	Rinconada WTP Operations	\$ 10.9	\$ 11.6	\$ 0.7
	Santa Teresa WTP Operations	\$ 8.2	\$ 8.3	\$ 0.1
	Penitencia WTP Operations	\$ 8.4	\$ 8.0	\$ (0.4)
	Water Treatment Plant Maintenance	\$ 6.9	\$ 6.5	\$ (0.4)
	Water Quality Lab	\$ 4.7	\$ 4.9	\$ 0.2
	Campbell Well Field & SF/SCVWD Intertie/SCADA/Other	\$ 1.9	\$ 1.5	\$ (0.4)
	<b>TOTAL</b>	<b>\$ 109.7</b>	<b>\$ 91.9</b>	<b>\$ (17.8)</b>

# Support Services

(\$ in millions)

**\$26.8 (8% of \$328.7 Total Proposed Budget)**

	Support Services / Planning	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted
	<b>Capital Outlays</b>	\$ 4.6	\$ 4.7	\$ 0.1
	<b>Operating Outlays</b>			
	Administration	\$ 8.6	\$ 9.2	\$ 0.6
	WU Projects supporting other goal areas	\$ 4.4	\$ 4.3	\$ (0.1)
	Infrastructure and Support	\$ 2.0	\$ 3.8	\$ 1.8
	Water Measurement & Revenue	\$ 2.1	\$ 1.8	\$ (0.3)
	Long term Planning and Support	\$ 1.6	\$ 1.8	\$ 0.2
	Emergency Preparedness	\$ 1.1	\$ 1.2	\$ 0.1
	<b>TOTAL</b>	<b>\$ 24.4</b>	<b>\$ 26.8</b>	<b>\$ 2.4</b>

# Debt Service

(\$ in millions)

**\$41.9 (13.0% of \$328.7 Total Proposed Budget)**

Debt Service	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
Commercial Paper	\$ 5.5	\$ 3.3	\$ (2.2)	(40%)↓
Long Term Bonds	\$ 29.2	\$ 38.6	\$ 9.4	32%↑
<b>TOTAL</b>	<b>\$ 34.7</b>	<b>\$ 41.9</b>	<b>\$ 7.2</b>	<b>21%↑</b>

# Capital Carryforward from FY 2018

(\$ in millions)

FYI: Capital Carryforward		FY 2019 Proposed Budget
South County Recycled Water Pipeline	\$	6.3
Calero Dam Seismic Retrofit	\$	1.7
Guadalupe Dam Seismic Retrofit	\$	1.7
RWTP Residuals Remediation	\$	1.6
Indirect Potable Reuse Planning	\$	1.1
All other projects	\$	2.2
<b>TOTAL</b>	<b>\$</b>	<b>14.6</b>



# Water Utility Enterprise Outlook

- ▶ Support the Board in achieving the Board Budget Priorities for FY 2019
- ▶ Secure imported water supplies
- ▶ Ensure dam safety through maintenance program and capital projects
- ▶ Manage infrastructure for reliability through ongoing maintenance and Asset Management

# Watersheds

Santa Clara Valley  
Water District



# Watersheds (WS) Outline

- Overview of Watersheds
- WS Revenue Sources
- WS FY 2019 Proposed Budget
- WS Outlook

# Key WS Programs

## 2014-2023 Stream Maintenance Program Manual



Sunny Williams  
SCVWD  
7/9/2014

## Safe, Clean Water and Natural Flood Protection



### A 15-year program to:

- Ensure a safe, reliable water supply
- Reduce toxins, hazards and contaminants in waterways
- Protect water supply and dams from earthquakes and natural disasters
- Restore wildlife habitat and provide open space
- Provide flood protection to homes, schools and businesses

Santa Clara Valley  
Water District



FY 2019-23

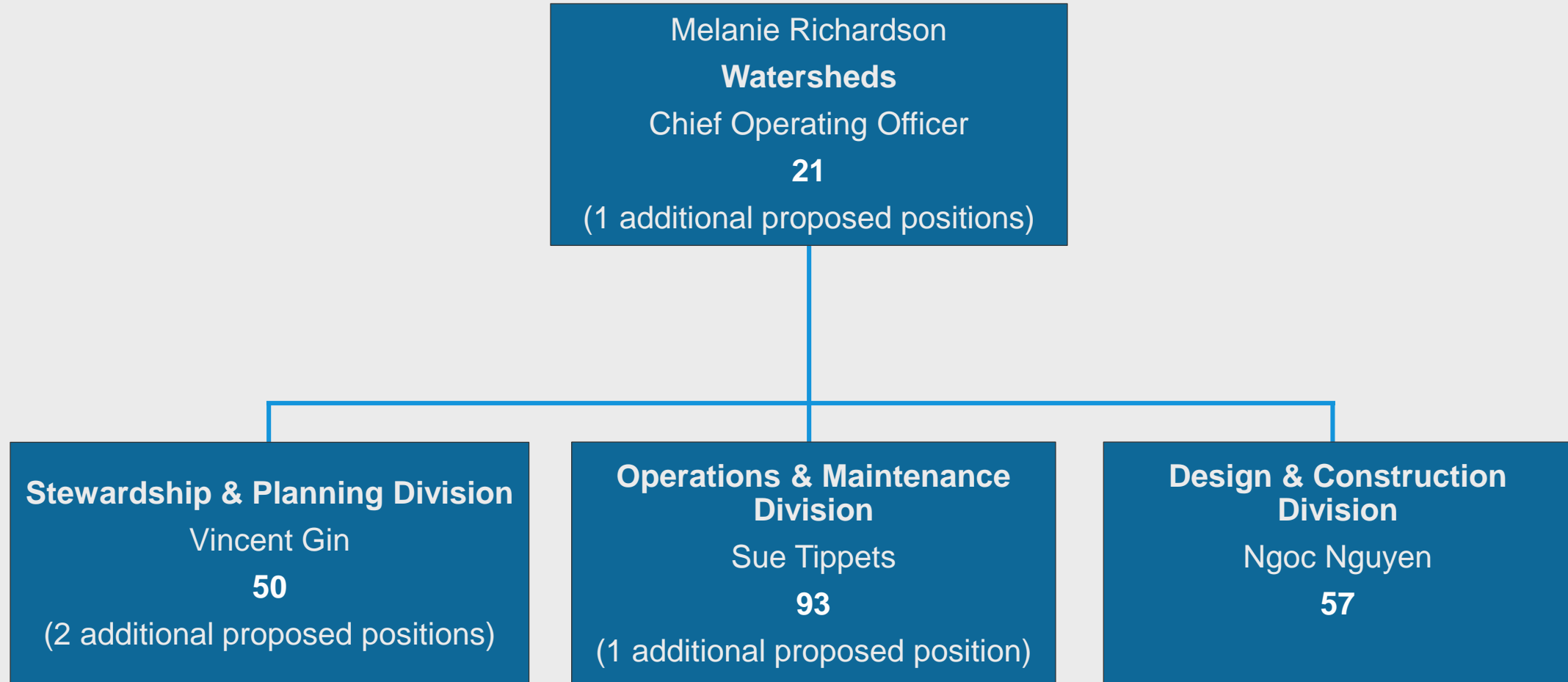
Santa Clara Valley  
Water District



## Capital Improvement Program

# WS Organizational Chart

(Total Proposed Position Count for Watersheds in FY 2019: 221 (includes 4 additional proposed positions))



# Santa Clara County Watersheds



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

**800** miles of creeks & rivers

**5** major watershed areas

**\$151.1** million budget

## Flood Protection

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

## Stewardship

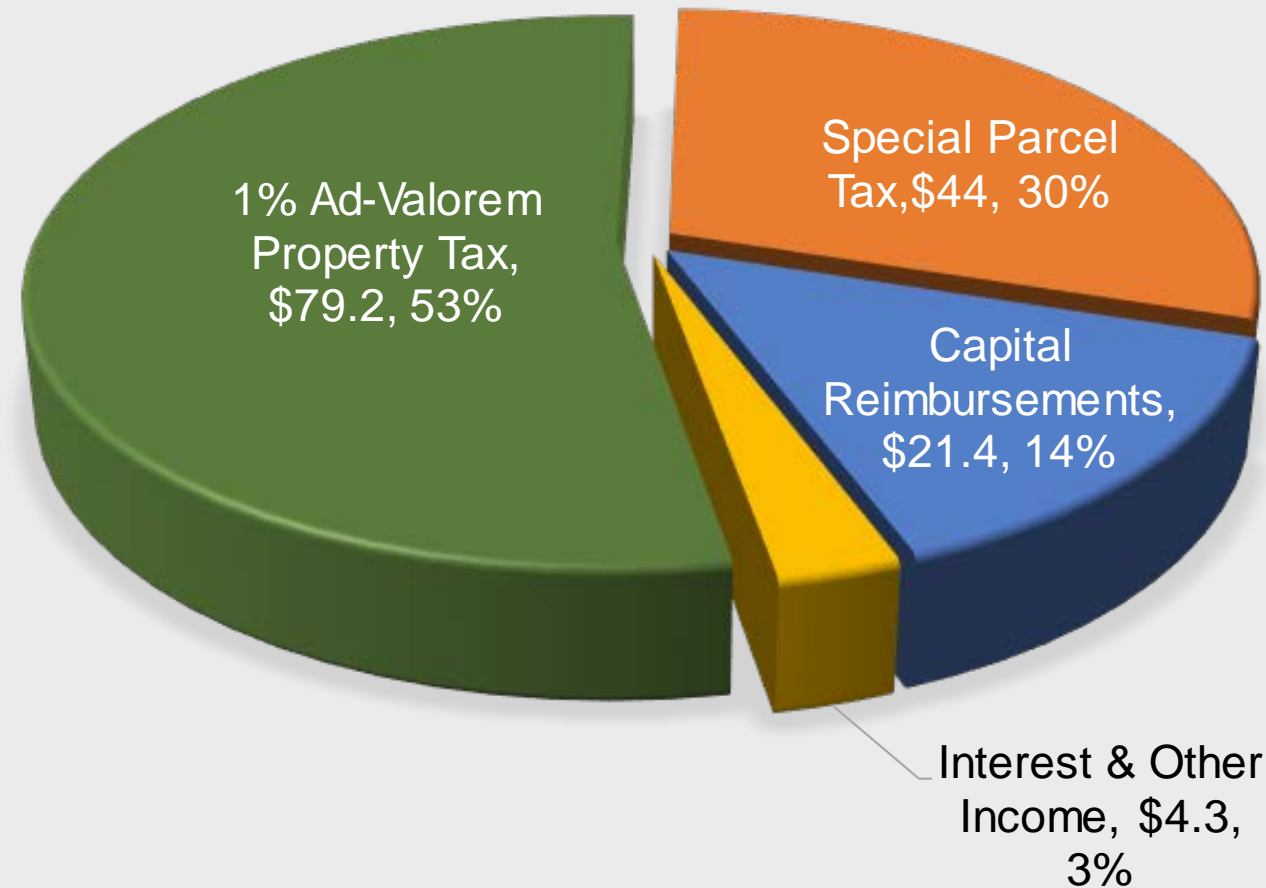
- **Preserve and improve aquatic ecosystems**
- **Protect the environment from pollution and degradation**
- **Provide access to trails and open space**

# WS FY 2019 Revenue Sources

(\$ in millions)

**TOTAL REVENUE: \$148.9**

Fund 12 Watershed Stream Stewardship & Fund 26 Safe, Clean Water





# FY 2019 Proposed Budget vs. FY 2018 Adopted Budget

(\$ in millions)

Watershed Stream Stewardship & Safe, Clean Water Total Outlays	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
Operating Outlays	\$68.5	\$74.0	\$5.5	8%↑
Debt Services	\$2.4	\$4.6	\$2.2	92%↑
Capital Projects	\$83.5	\$72.5	(\$11.0)	(13%)↓
<b>TOTAL</b>	<b>\$154.4</b>	<b>\$151.1</b>	<b>(\$3.3)</b>	<b>(2%)↓</b>

# WS Goal Areas



**Natural flood protection**



**Flood risk reduction**



**Healthy creeks and eco-systems**



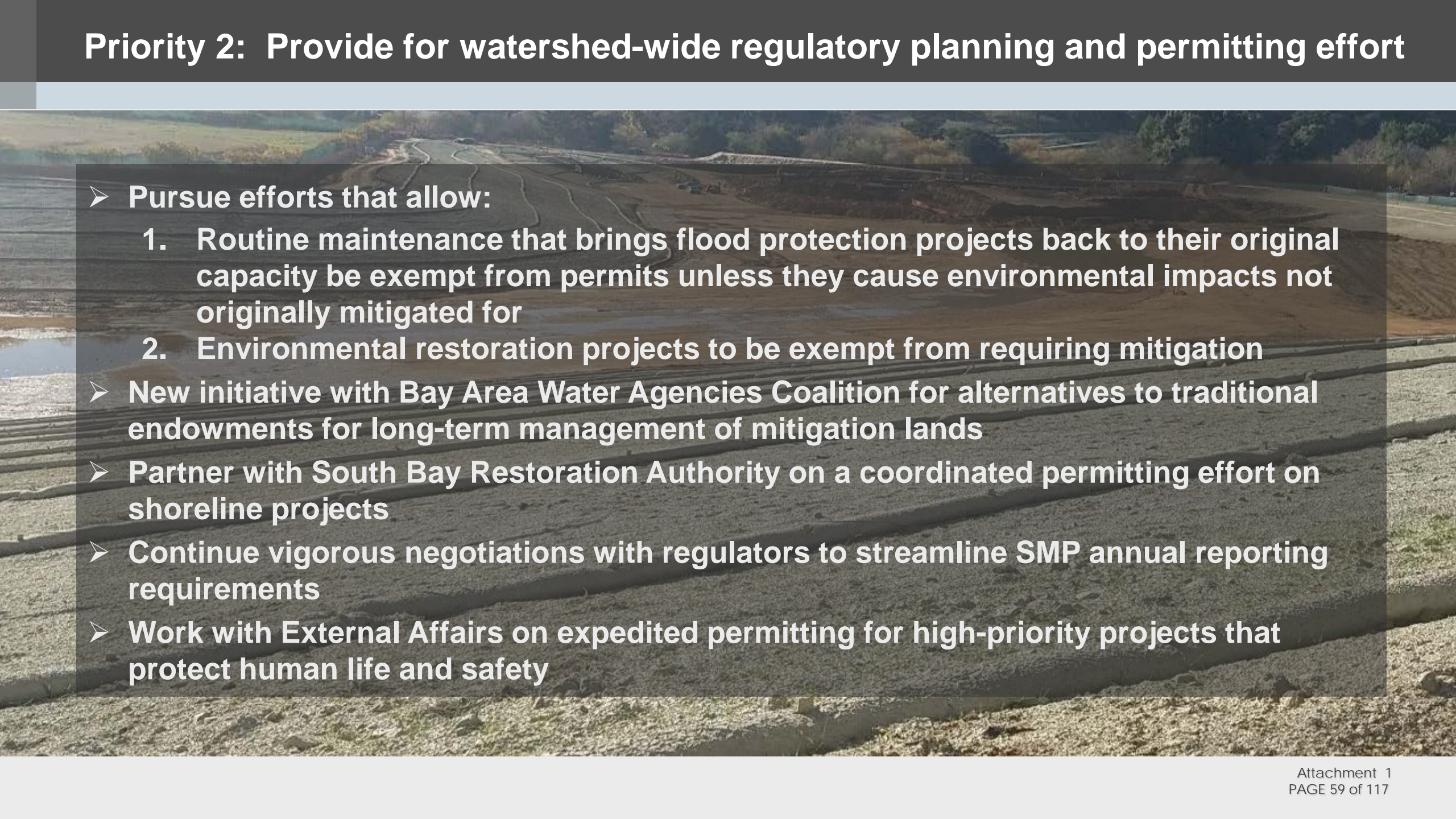
**Trails and open space**



**Greenhouse gas emission reduction**



## Priority 2: Provide for watershed-wide regulatory planning and permitting effort

- 
- **Pursue efforts that allow:**
    1. **Routine maintenance that brings flood protection projects back to their original capacity be exempt from permits unless they cause environmental impacts not originally mitigated for**
    2. **Environmental restoration projects to be exempt from requiring mitigation**
  - **New initiative with Bay Area Water Agencies Coalition for alternatives to traditional endowments for long-term management of mitigation lands**
  - **Partner with South Bay Restoration Authority on a coordinated permitting effort on shoreline projects**
  - **Continue vigorous negotiations with regulators to streamline SMP annual reporting requirements**
  - **Work with External Affairs on expedited permitting for high-priority projects that protect human life and safety**

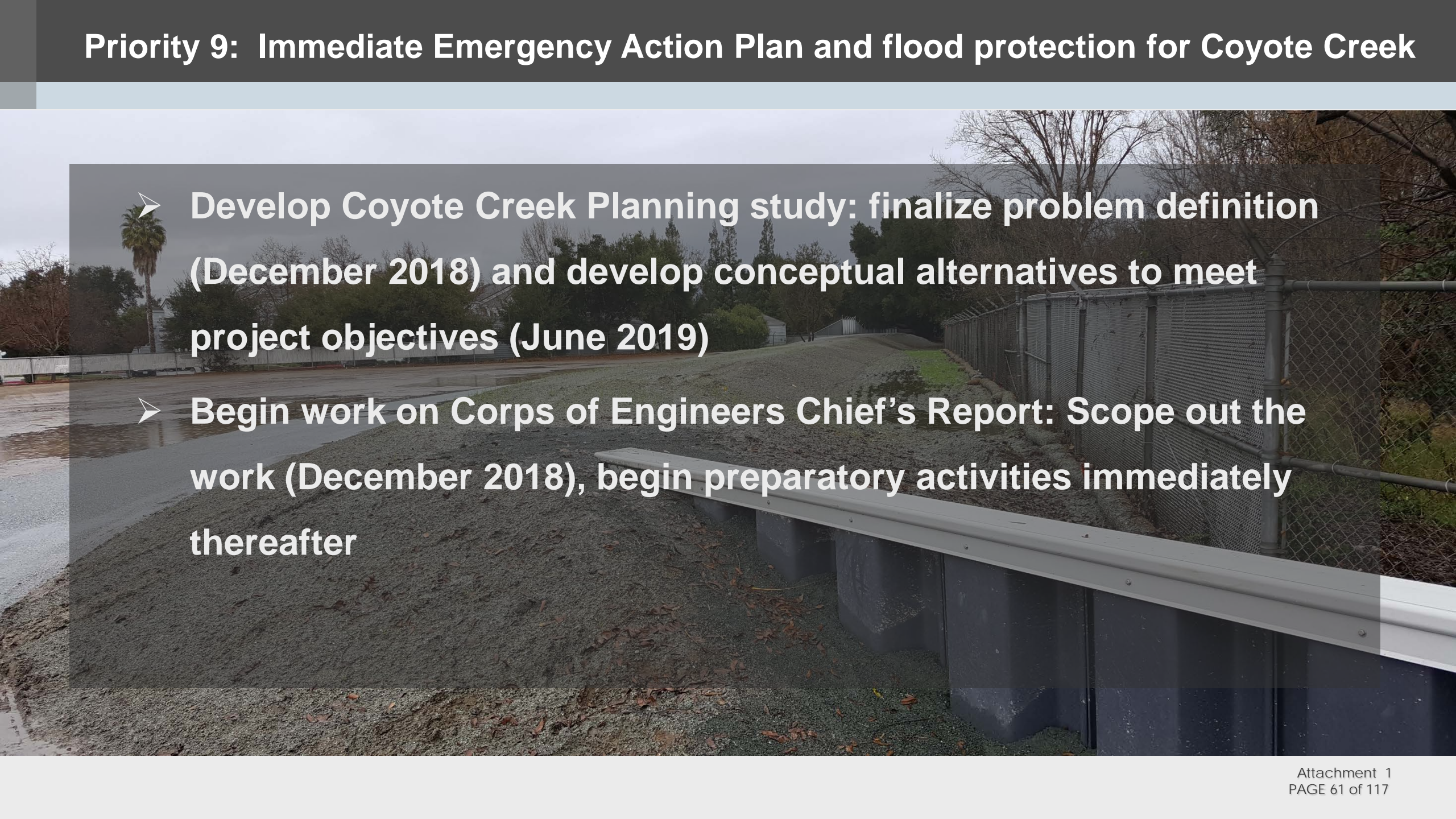


## Priority 3: Foster a coordinated approach to environmental stewardship effort

- Revamp WS Stewardship and Planning Division by centralizing all WS stewardship functions and FAHCE under a single DOO
- Establish quarterly COO stewardship meetings
- 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
- Produce annual environmental stewardship report
- Partner with Water Utility and External Affairs on the environmental stewardship component of the public education campaign
- Support Board Priority 6, finalizing Fisheries and Aquatic Habitat Collaboration Effort (FAHCE)



## Priority 9: Immediate Emergency Action Plan and flood protection for Coyote Creek

- 
- **Develop Coyote Creek Planning study: finalize problem definition (December 2018) and develop conceptual alternatives to meet project objectives (June 2019)**
  - **Begin work on Corps of Engineers Chief's Report: Scope out the work (December 2018), begin preparatory activities immediately thereafter**



# WS Outlays by Goal Areas

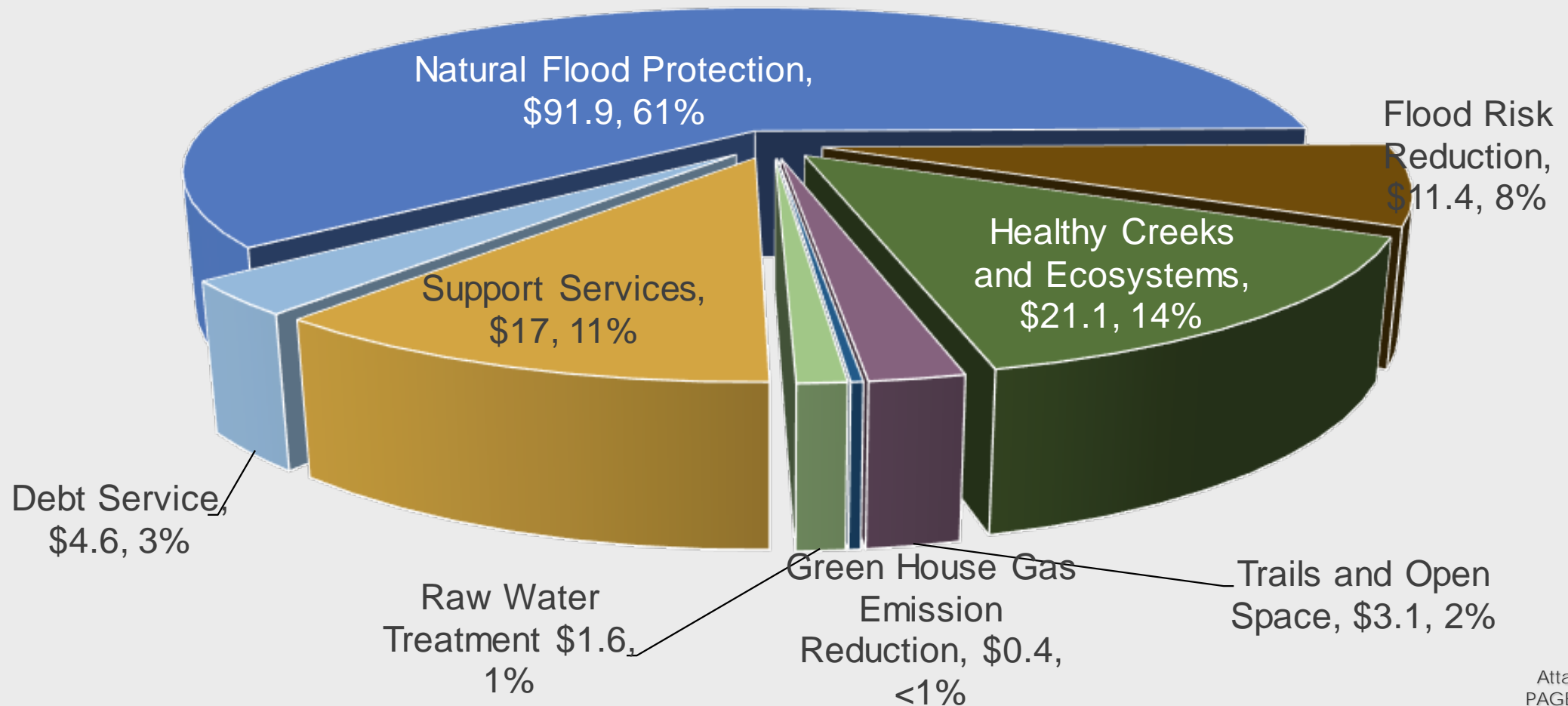
(\$ in millions)

Watershed Stream Stewardship (WSS) and Safe, Clean Water Funds	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
Natural Flood Protection	\$86.6	\$91.9	\$5.3	6%↑
Flood Risk Reduction	\$9.9	\$11.4	\$1.5	15%↑
Healthy Creeks and Ecosystems	\$21.6	\$21.1	(\$0.5)	(2%)↓
Trails and Open Space	\$1.5	\$3.1	\$1.6	107%↑
Green House Gas Emission Reduction	\$0.3	\$0.4	\$0.1	33%↑
Raw Water Treatment & Source of Supply	\$14.8	\$1.6	(\$13.2)	(89%)↓
Support Services	\$17.3	\$17.0	(\$0.3)	(2%)↓
Debt Service	\$2.4	\$4.6	\$2.2	92%↑
<b>TOTAL</b>	<b>\$154.4</b>	<b>\$151.1</b>	<b>(\$3.3)</b>	<b>(2%)↓</b>

# WS Total Outlays by Goal Areas

(\$ in millions)

**FY 2019 Proposed Budget (WSS and SCW), \$151.1**



# Natural Flood Protection

(\$ in millions)

**\$91.9 (61% of Total \$151.1 Proposed Budget)**

Natural Flood Protection	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
<b>Capital Outlays</b>				
Flood Control	\$48.1	\$51.5	\$3.4	7%↑
Watershed Asset Rehabilitation Program and Hale Creek Enhancement Pilot Study	\$12.4	\$12.5	\$0.1	1%↑
<b>Subtotal</b>	<b>\$60.5</b>	<b>\$64.0</b>	<b>\$3.5</b>	<b>6%↑</b>
<b>Operating Outlays</b>				
Vegetation Management and Tree Maintenance	\$7.2	\$7.5	\$0.3	4%↑
Levee Inspections and Maintenance	\$9.0	\$9.5	\$0.5	6%↑
Sediment removal	\$6.1	\$7.1	\$1.0	16%↑
Other Projects Combined	\$3.8	\$3.8	\$0.0	%↑
<b>Subtotal</b>	<b>\$26.1</b>	<b>\$27.9</b>	<b>\$1.8</b>	<b>7%↑</b>
<b>TOTAL</b>	<b>\$86.6</b>	<b>\$91.9</b>	<b>\$5.3</b>	<b>6%↑</b>



# Flood Risk Reduction

(\$ in millions)

**\$11.4 (8% of Total \$151.1 Proposed Budget)**

<b>Flood Risk Reduction</b>	<b>FY 2018 Adopted Budget</b>	<b>FY 2019 Proposed Budget</b>	<b>Over/(Under) FY 2018 Adopted</b>	<b>% Change</b>
<b>Capital Outlays</b>				
Palo Alto Basin Tide Gate Improvement	\$0.5	\$1.3	\$0.8	160%↑
<b>Operating Outlays</b>				
Watersheds Asset Protection Support	\$4.4	\$5.0	\$0.6	14%↑
Watersheds Customer Relations and Outreach	\$0.5	\$0.5	\$0.0	0.0%
Emergency Response Upgrades, Sandbag Program, Flood Risk Reductions Studies	\$2.0	\$2.0	\$0.0	0.0%
Hydrology and Hydraulics Technical Support, Hydrologic Data Measurement & Management	\$2.1	\$2.1	\$0.0	0.0%
Other Projects Combined	\$0.4	\$0.5	\$0.1	25%↑
<b>Subtotal</b>	<b>\$9.4</b>	<b>\$10.1</b>	<b>\$0.7</b>	<b>7%↑</b>
<b>TOTAL</b>	<b>\$9.9</b>	<b>\$11.4</b>	<b>\$1.5</b>	<b>15%↑</b>

# Healthy Creeks and Ecosystems

(\$ in millions)

**\$21.1 (14% of Total \$151.1 Proposed Budget)**

	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
<b>Healthy Creeks and Ecosystems</b>				
<b>Capital Outlays</b>				
Almaden Lake Improvement, Salt Pond A5-11 Restoration	\$1.4	\$0.3	(\$1.1)	(79%)↓
Fish Passage Improvement, Habitat Enhancement Studies, San Francisco Bay Shoreline Restoration Partnership	\$1.9	\$1.4	(\$0.5)	(26%)↓
<b>Subtotal</b>	<b>\$3.3</b>	<b>\$1.7</b>	<b>(\$1.6)</b>	<b>(48%)↓</b>
<b>Operating Outlays</b>				
Good Neighbor Maintenance, Encampment Cleanup, Support Volunteer Cleanup Effort	\$2.7	\$2.7	\$0.0	0.0%
Impaired Water Bodies Improvement, Urban Runoff Program, Puollution Prevention Grants, Hazmat Emergency Response	\$4.0	\$4.0	\$0.0	0.0%
Management of Revegetation, Erosion Protection	\$5.1	\$5.2	\$0.1	2%↑
Mitigation and Monitoring, Fish Habitat Improvement	\$3.9	\$5.6	\$1.7	44%↑
Other Projects	\$2.6	\$1.9	(\$0.7)	(27%)↓
<b>Subtotal</b>	<b>\$18.3</b>	<b>\$19.4</b>	<b>\$1.1</b>	<b>6%↑</b>
<b>TOTAL</b>	<b>\$21.6</b>	<b>\$21.1</b>	<b>(\$0.5)</b>	<b>(2%)↓</b>

# Trails and Open Space

(\$ in millions)

**\$3.1 (2% of Total \$151.1 Proposed Budget)**

Trails and Open Space	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
<b>Operating Outlays</b>				
Grants to Restore Habitat and Access to Trails	\$1.5	\$3.1	\$1.6	107%↑
<b>TOTAL</b>	<b>\$1.5</b>	<b>\$3.1</b>	<b>\$1.6</b>	<b>107%↑</b>

# Reduce Green House Gas Emission

(\$ in million)

**\$0.4 (<1% of Total \$151.1 Proposed Budget)**

Green House Gas Emission	FY 2018	FY 2019	Over/(Under)	
	Adopted	Proposed	FY 2018	%
	Budget	Budget	Adopted	Change
<b>Operating Outlays</b>				
Climate Change Adaptation and Mitigation, Energy Management	\$0.3	\$0.4	\$0.1	33%↑
<b>TOTAL</b>	<b>\$0.3</b>	<b>\$0.4</b>	<b>\$0.1</b>	<b>33%↑</b>

# Raw Water Treatment

(\$ in millions)

**\$1.6 (1% of Total \$151.1 Proposed Budget)**

Raw Water Treatment and Source of Supply	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
<b>Capital Outlays</b>				
Main/Madrone Pipeline Restoration	\$14.6	\$0.3	(\$14.3)	(98%)↓
<b>Operating Outlays</b>				
Water Conservation and Nitrate Treatment System Rebate	\$0.2	\$0.2	\$0.0	0.0%
Water Infrastructure Reliability Plan, Phase 2	\$0.0	\$1.1	\$1.1	100%↑
<b>Subtotal</b>	<b>\$0.2</b>	<b>\$1.3</b>	<b>\$1.1</b>	<b>550%↑</b>
<b>TOTAL</b>	<b>\$14.8</b>	<b>\$1.6</b>	<b>(\$13.2)</b>	<b>(89%)↓</b>

# Support Services

(\$ in millions)

**\$17 (11% of Total \$151.1 Proposed Budget)**

<b>Support Services</b>	<b>FY 2018 Adopted Budget</b>	<b>FY 2019 Proposed Budget</b>	<b>Over/(Under) FY 2018 Adopted</b>	<b>% Change</b>
<b>Capital Outlays</b>				
Capital Programs Administration and Training	\$4.7	\$4.3	(\$0.4)	(9%)↓
<b>Operating Outlays</b>				
Administration and Training	\$6.8	\$6.3	(\$0.5)	(7%)↓
Warehouse and Welding Service	\$1.1	\$1.1	\$0.0	0.0%
Emergency Response and Management	\$0.9	\$0.8	(\$0.1)	(11%)↓
Integrated Water Resource Master Plan (One Water), Integrated Regional Water Management	\$1.7	\$1.5	(\$0.2)	(12%)↓
Other Projects Combined (less salary savings)	\$2.1	\$3.0	\$0.9	43%↑
<b>Subtotal</b>	<b>\$12.6</b>	<b>\$12.7</b>	<b>\$0.1</b>	<b>1%↑</b>
<b>TOTAL</b>	<b>\$17.3</b>	<b>\$17.0</b>	<b>(\$0.3)</b>	<b>(2%)↓</b>

# Debt Service

(\$ in millions)

\$1.6 (1% of Total \$151.1 Proposed Budget)

Debt Service	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
Safe, Clean Water Debt Service	\$2.4	\$4.6	\$2.2	92%↑
<b>TOTAL</b>	<b>\$2.4</b>	<b>\$4.6</b>	<b>\$2.2</b>	<b>92%↑</b>

# Capital Carryforward from FY 2018

(\$ in millions)

FYI: Capital Carryforward	FY 2019 Proposed Budget
Guadalupe River - Upper, Southern Pacific Railroad Bridge to Blossom Hill Road (Reaches 7-12)	\$17.7
Sunnyvale East and West Channels Improvement	\$9.7
Llagas Creek - Upper, Corps Coordination (Reaches 4 - 8 and 14 – Coordination with the Corps)	\$9.0
Lower Penitencia Creek Improvements, Berryessa to Coyote Creeks	\$6.2
Berryessa Creek, Corps Coordination	\$5.8
Berryessa Creek, Land, Easement, Rights-of-Way, Relocation and Disposal (LERRDs)	\$5.2
Upper Penitencia Creek, Coyote Creek to Dorel Drive, Land, Easement, Rights-of-Way, Relocation and Disposal (LERRDs)	\$5.0
All Other Projects	\$10.5
<b>TOTAL</b>	<b>\$69.1</b>



# WS Outlook

- Support Board Priorities
- 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
- Complete construction of: Permanente Creek Flood Protection Project; Berryessa Creek Phase 2 Flood Protection Project; San Francisquito Creek Flood Protection Project; Bay to Highway 101 and Cunningham Flood Detention Facility



- Ensure organizational sustainability
- Community demand for encampment cleanup outstrips funding
  - Encampment cleanup program to exceed FY 2018 budget due to increased community demand for cleanups
  - Staff to request budget adjustment in FY 2018
  - Approximately \$300,000 left in SCW funding for the project, which is adequate to meet FY 2019 KPI of 52 cleanups
  - To meet increased demand, FY 2019 budget proposes \$900,000
  - Staff to evaluate and bring options to the Board for funding alternatives

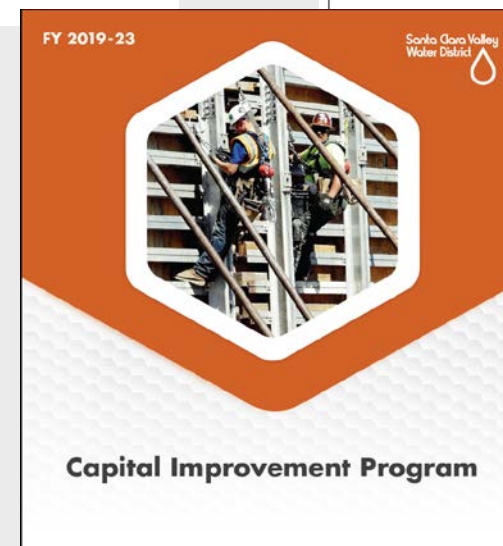
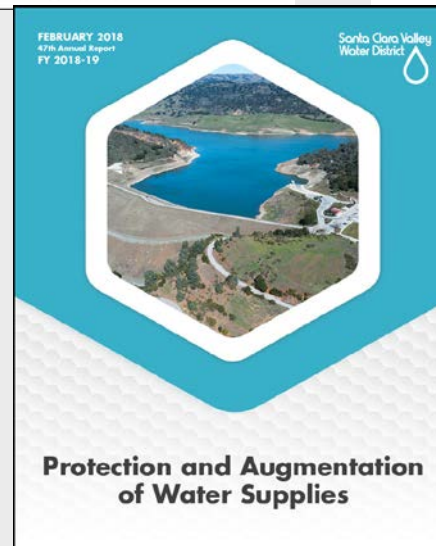
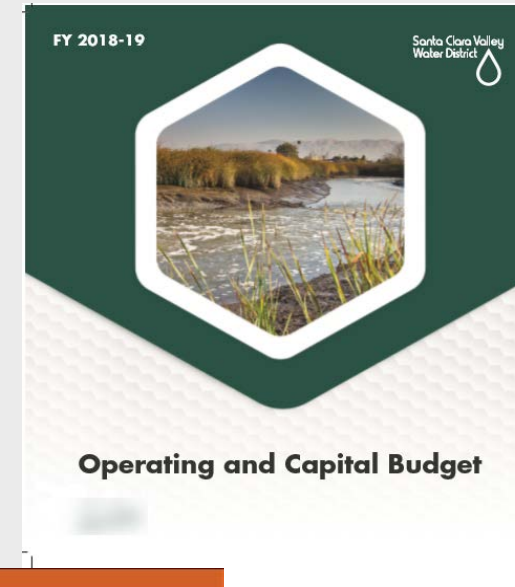
# Administration



# Presentation Outline

- ▶ Administration Overview
- ▶ Administration Funding Sources
- ▶ Administration FY 2019 Proposed Budget and Outlook
  - Offices of Board Appointed Officers
  - Office of Chief of External Affairs
  - Office of Chief Operations Officer- Administrative Services

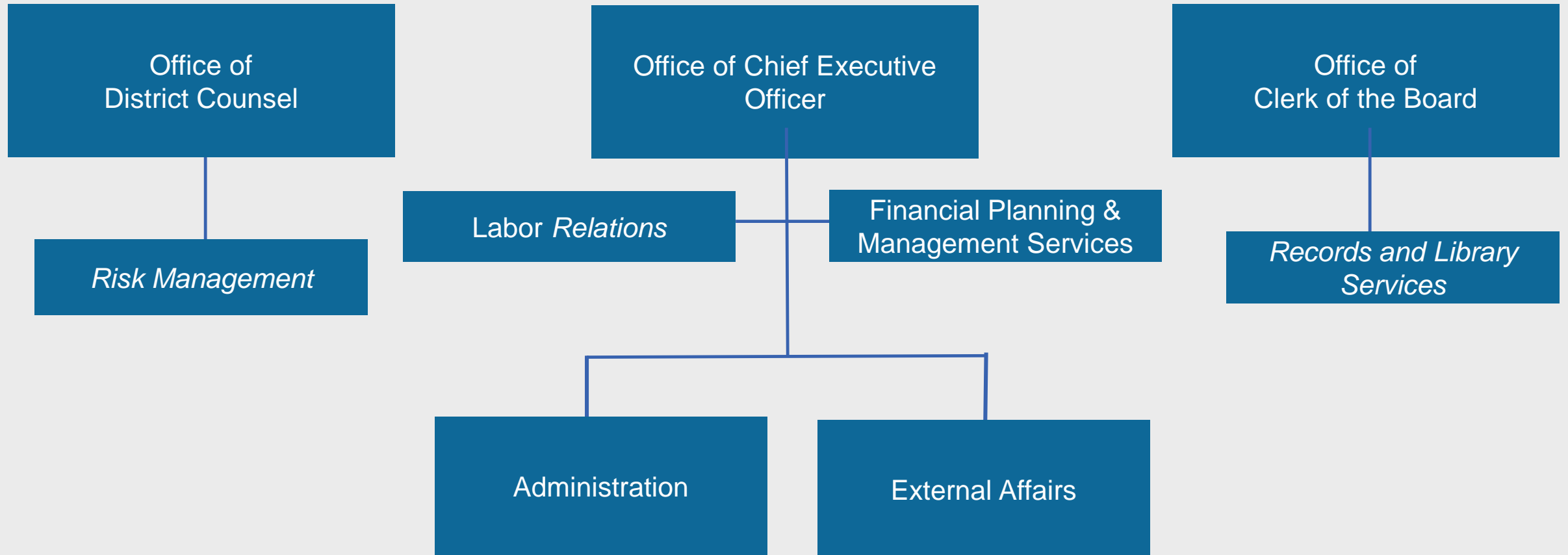
# Administration Planning Documents





# Administration Organizational Chart

## Santa Clara Valley Water District Organization Chart



## Administration Supports Critical Infrastructure Needs

## Santa Clara Valley Water District Infrastructure



# 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 and partnerships with the community we serve
- Well-informed elected officials, community, media, and other stakeholders

## Provide Strategic Direction and Oversight

- Foster cooperative and collaborative working relationships with other government agencies, retailers, media, the community and other stakeholders
- Develop and execute internal and external communications, community engagement, and government relations strategies
- Provide interface between the Board and staff
- Manage Financial Planning & Management

## 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
- Advocate for the District's interest to federal, state, regional, and local elected officials, regulatory agencies, and other stakeholders

## 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

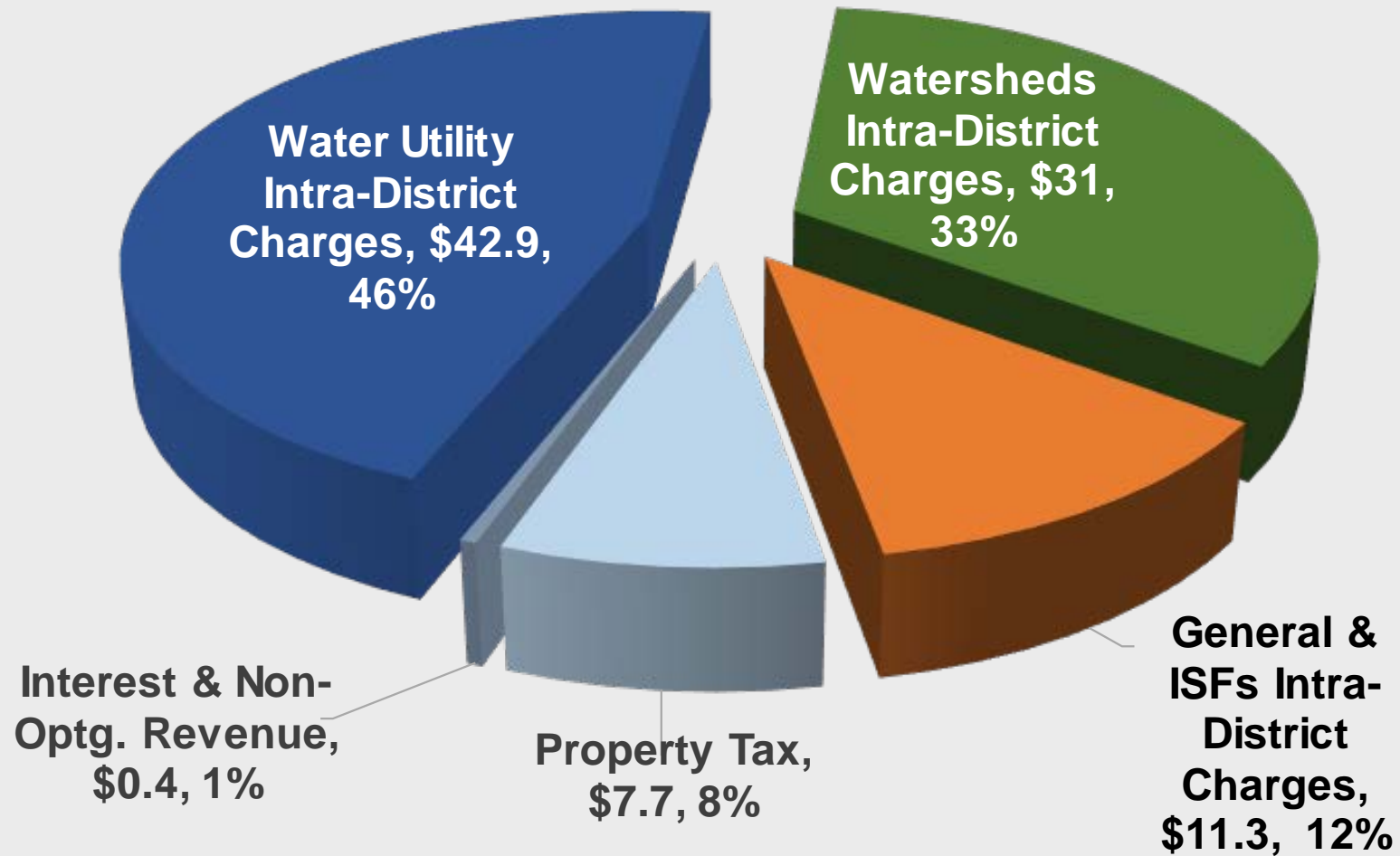
- Manage Human Resources, General Services, Information Technology, Emergency Management & Security, and Diversity & Inclusion efficiently and effectively in accordance with goals and policies of Board and CEO



# Administration FY 2019 Funding Sources

(\$ in millions)

General & Internal Service Funds: Intra-District Reimbursement  
and Other \$93.3



# Administration FY 2019 Budget Outlays

(\$ in millions)

## Combined: General Fund and Internal Service Funds

General & Internal Service Funds Outlay Summary	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
Operations	\$ 75.2	\$ 79.6	\$ 4.4	6%↑
Debt Service	\$ 0.5	\$ 0.5	\$ 0.0	0%
Capital Projects	\$ 15.9	\$ 23.2	\$ 7.3	46%↑
<b>Totals</b>	<b>\$ 91.6</b>	<b>\$ 103.3</b>	<b>\$ 11.7</b>	<b>13%↑</b>

# Projects Managed by Water Utility and Watersheds

(\$ in millions)

\$14.2 ( 14% of \$103.3 Total Proposed Budget)				
Watersheds & Water Utility	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
<b>Capital Outlays</b>				
Pacheco Expansion Study	\$ 0.0	\$ 12.8	\$ 12.8	100%↑
Capital Administration	\$ 0.1	\$ 0.1	\$ 0.0	0%
<b>Subtotal</b>	<b>\$ 0.1</b>	<b>\$ 12.9</b>	<b>\$ 12.8</b>	<b>12800%↑</b>
<b>Operating Outlays</b>				
Drought Response	\$ 0.5	\$ 0.3	\$ (0.2)	(40%)↓
Asset Management	\$ 0.6	\$ 0.6	\$ 0.0	0%
Pacheco Reservoir Prop 1 Application Study	\$ 0.1	\$ 0.1	\$ 0.0	0%
Other Projects	\$ 0.2	\$ 0.3	\$ 0.1	50%↑
<b>Subtotal</b>	<b>\$ 1.4</b>	<b>\$ 1.3</b>	<b>\$ (0.1)</b>	<b>(7%)↓</b>
<b>Total</b>	<b>\$ 1.5</b>	<b>\$ 14.2</b>	<b>\$ 12.7</b>	<b>847%↑</b>

# Administration Offices



Board  
Appointed  
Officers



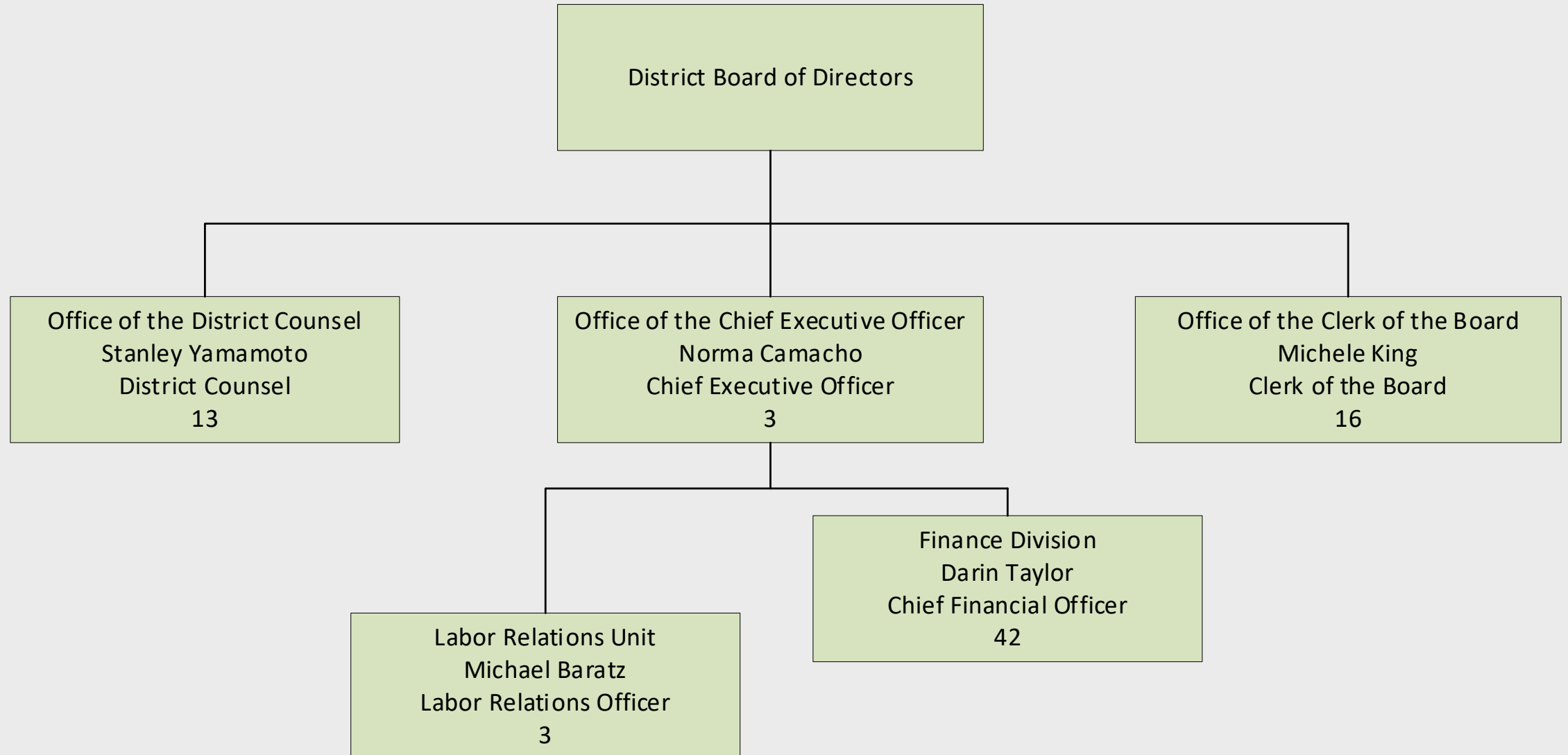
External  
Affairs



Administrative  
Services

# Board Appointed Officers Organizational Chart

Total Proposed Position Count for FY 2019: 77 out of 258



# Board Appointed Officers Service Area

(\$ in millions)

\$20.8 (20% of \$103.3 Total Proposed Budget)				
Board Appointed Officers	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
<b>Capital Outlays</b>				
Financial Planning & Management Division	\$ (0.1)	\$ (0.1)	\$ 0.0	0%
<b>Debt Service</b>				
Financial Planning & Management Division	\$ 0.5	\$ 0.5	\$ 0.0	0%
<b>Operating Outlays</b>				
Office of Chief Executive Officer	\$ 3.1	\$ 1.9	\$ (1.2)	(39%)↓
Office of District Counsel	\$ 8.8	\$ 7.3	\$ (1.5)	(17%)↓
Clerk of the Board	\$ 3.5	\$ 4.8	\$ 1.3	37%↑
Financial Planning & Management Division	\$ 6.4	\$ 6.4	\$ 0.0	0%
<b>Subtotal</b>	<b>\$ 21.8</b>	<b>\$ 20.4</b>	<b>\$ (1.4)</b>	<b>(6%)↓</b>
<b>Total</b>	<b>\$ 22.2</b>	<b>\$ 20.8</b>	<b>\$ (1.4)</b>	<b>(6%)↓</b>



# Key Deliverables In Support Of Priorities 1 and 5

- 
- **Make Key Decisions Regarding the California WaterFix**
    - ▶ Financial Analysis
    - ▶ Legal Consultation
  - **Advance Recycled and Purified Water Efforts**
    - ▶ P3 Procurement Support
    - ▶ Term Sheet Development
    - ▶ Negotiations of P3 Agreements

# Board Appointed Officers Outlook

- ▶ Support Achieving Board Budget Priorities for FY 2019

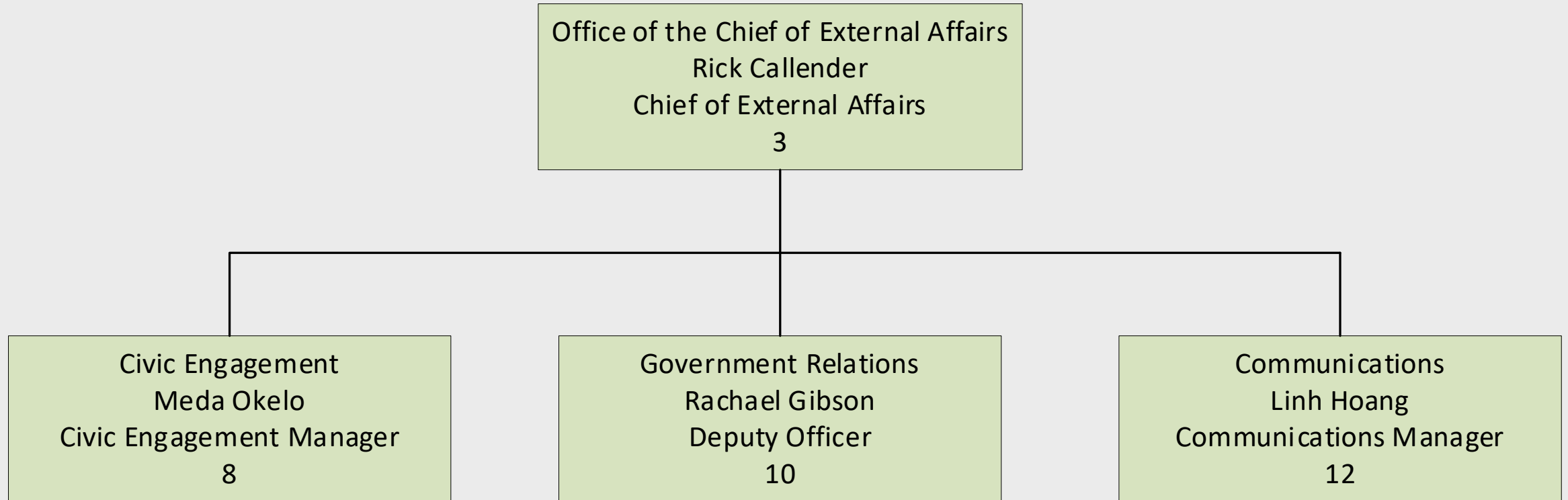
## Financial Planning & Management Services Division

- ▶ Evaluate 2 Year Budget Cycle
- ▶ Support Implementation of New HR/Finance System (ERP)
- ▶ Drive Water Utility and Safe Clean Water Fund Debt Financings
- ▶ Drive Water Utility Fixed Charge Implementation Study



# External Affairs Organizational Chart

Total Proposed Position Count for FY 2019: 32 out of 258



# External Affairs FY 2019 Proposed Budget vs. FY 2018 Adopted Budget

(\$ in millions)

<b>\$8.1 (8% of \$103.3 Total Proposed Budget)*</b>				
<b>External Affairs</b>	<b>FY 2018 Adopted Budget</b>	<b>FY 2019 Proposed Budget</b>	<b>Over/(Under) FY 2018 Adopted</b>	<b>% Change</b>
<b>Capital Outlays</b>	\$ 0.0	\$ 0.0	\$ 0.0	0%
<b>Operating Outlays</b>				
Office of the Chief of External Affairs	\$ 0.6	\$ 0.8	\$ 0.2	33%↑
Civic Engagement	\$ 1.3	\$ 1.3	\$ 0.0	0%
Communications	\$ 2.0	\$ 2.5	\$ 0.5	25%↑
Government Relations	\$ 3.1	\$ 3.5	\$ 0.4	13%↑
<b>Total</b>	<b>\$ 7.0</b>	<b>\$ 8.1</b>	<b>\$ 1.1</b>	<b>16%↑</b>

\* External Affairs also manages the Safe, Clean Water programs, namely Pollution Prevention Partnerships & Grants, Support Volunteer Cleanup Effort, & Grants and Partnerships to Restore Habitat and Provide Access to Trails. In FY 2019, the total proposed budget for these programs is \$4.0 million.

# Priority 2: Provide for a Watershed-Wide Regulatory Planning and Permitting Effort

## Key FY 2019 Deliverables

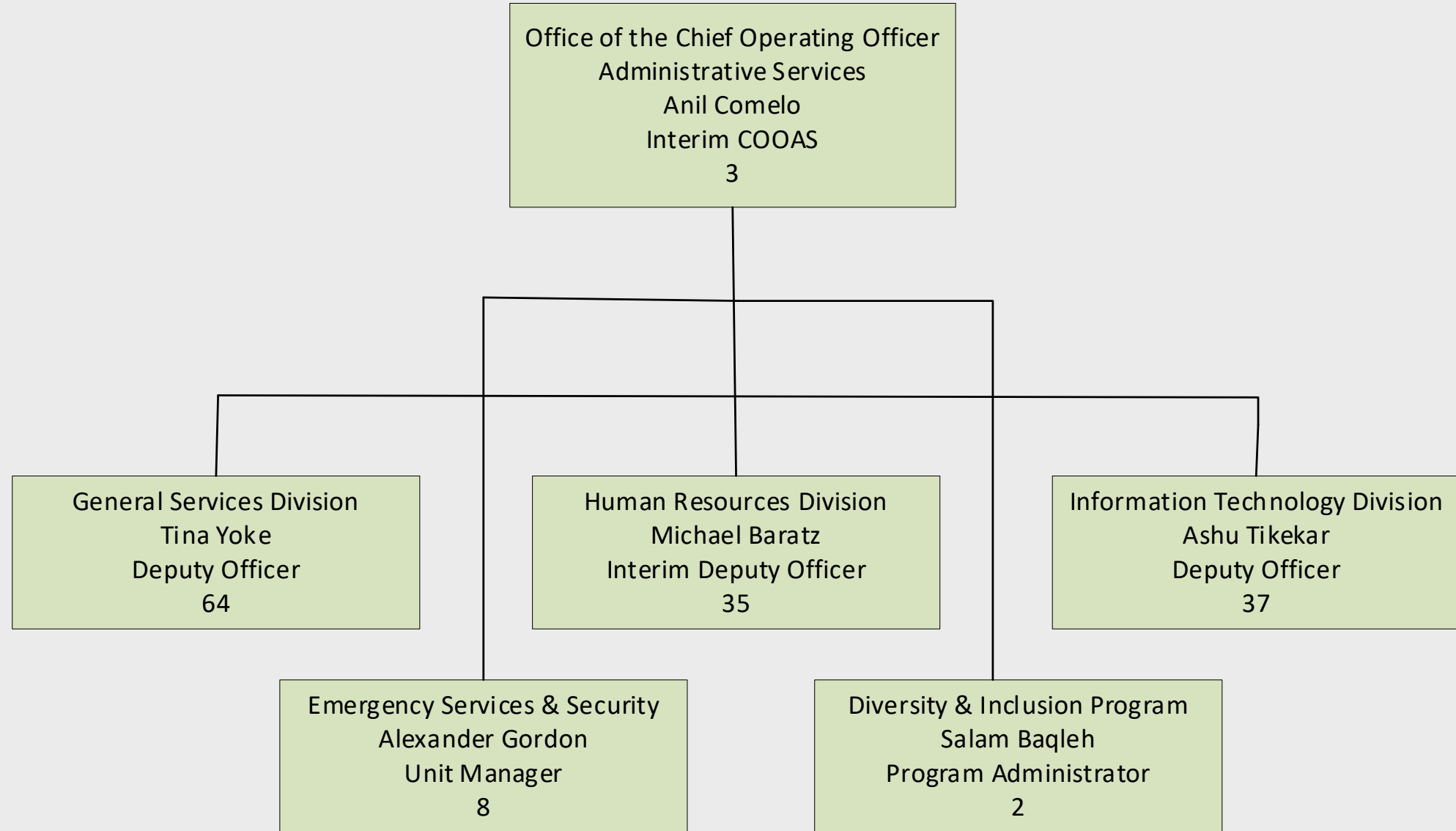
- ▶ Advocate at the federal level for regulatory and permitting actions that will expedite the permit process for District projects, including but not limited to:
  - ▶ Advocate for the co-location of regulatory agencies
  - ▶ Advocate for streamlined permitting processes (e.g. One Agency, One Decision framework)
- ▶ At the state level, ensure the District-sponsored Senate Bill 1301 proceeds through the legislative process
  - ▶ SB 1301 establishes a mechanism for interagency collaboration by regulatory agencies, funded by project applicants, that would help expedite permits for flood risk reduction and dam safety projects.

# External Affairs Outlook

- ▶ Lead Government Relations, Communications, and Civic Engagement in a coordinated effort in support of achieving the Board's Priorities
  - ▶ Secure federal funding for District flood protection and water supply projects
  - ▶ Advance key District projects through advocacy efforts
  - ▶ Provide outreach and engagement efforts to enhance awareness of and/or support for key District projects and positions
  - ▶ Enhance awareness of the District's mission to provide Silicon Valley safe, clean water for a healthy life, environment and economy
  - ▶ Engage and partner with the community to foster environmental stewardship and volunteer engagement
  - ▶ Engage the District's diverse public to accept and embrace Recycled and Purified Water as a new water supply source

# Administrative Services Organizational Chart

Total Proposed Position Count for FY 2019: 149 out of 258



# Administrative Services FY 2019 Proposed Budget vs. FY 2018 Adopted Budget

(\$ in millions)

\$60.2 (58% of \$103.3 Total Proposed Budget)				
Administration	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
<b>Capital Outlays</b>				
General Services Division	\$ 3.2	\$ 3.9	\$ 0.7	22%↑
Information Technology Division	\$ 12.8	\$ 6.5	\$ (6.3)	(49%)↓
<b>Subtotal</b>	<b>\$ 16.0</b>	<b>\$ 10.4</b>	<b>\$ (5.6)</b>	<b>(35%)↓</b>
<b>Operating Outlays</b>				
Office of COO Administrative Services	\$ 4.4	\$ 5.5	\$ 1.1	25%↑
General Services Division	\$ 18.3	\$ 19.1	\$ 0.8	4%↑
Human Resources Division	\$ 11.1	\$ 11.0	\$ (0.1)	(1%)↓
Information Technology Division	\$ 11.1	\$ 14.2	\$ 3.1	28%↑
<b>Subtotal</b>	<b>\$ 44.9</b>	<b>\$ 49.8</b>	<b>\$ 4.9</b>	<b>11%↑</b>
<b>Total</b>	<b>\$ 60.9</b>	<b>\$ 60.2</b>	<b>\$ (0.7)</b>	<b>(1%)↓</b>

# Capital Carryforward from FY 2018

(\$ in millions)

General and Internal Services Funds	FY 2019 Proposed Budget
ERP System Implementation	\$ 6.1
Software Upgrades & Enhancements	\$ 0.3
Data Consolidation	\$ 0.2
<b>Total</b>	<b>\$ 6.6</b>



# Priority 8: Advance Diversity and Inclusion Efforts

## Key FY 2019 Deliverables:

- ▶ Engage with the Diversity and Inclusion Board Ad Hoc Committee
- ▶ Build early workforce pipeline by targeting underserved communities
- ▶ Develop a Post-2019 Diversity & Inclusion Master Plan

## Priority 9: Ensure Immediate Emergency Action Plans and Flood Protection are Provided for Coyote Creek

### Key FY 2019 Deliverables:

- ▶ Original EAP between CSJ and us for Coyote creek has evolved to encompass a broader scope for flood planning and response
  - ▶ Guadalupe Creek EAP (includes Ross & Canoas) to the District/CSJ Joint EAP
- ▶ Additional EAPs: Little Llagas Creek in Morgan Hill and Uvas Creek in Gilroy

# Administrative Services Outlook

## Emergency Services & Security

- ▶ Assess Vulnerability of Vasona Pumping Plant and Other Facilities
- ▶ Develop EAP & Emergency Operations Center (EOC) Exercises

## General Services

- ▶ Implement Contracts Improvement Process
- ▶ Implement Employee Workspace project

## Information Technology

- ▶ Begin Peoplesoft Replacement Project
- ▶ Perform Cyber Security Vulnerability Assessment

## Human Resources

- ▶ Automate New Employee Onboarding
- ▶ Collaborate with IT and Finance to implement a new HR/Finance System

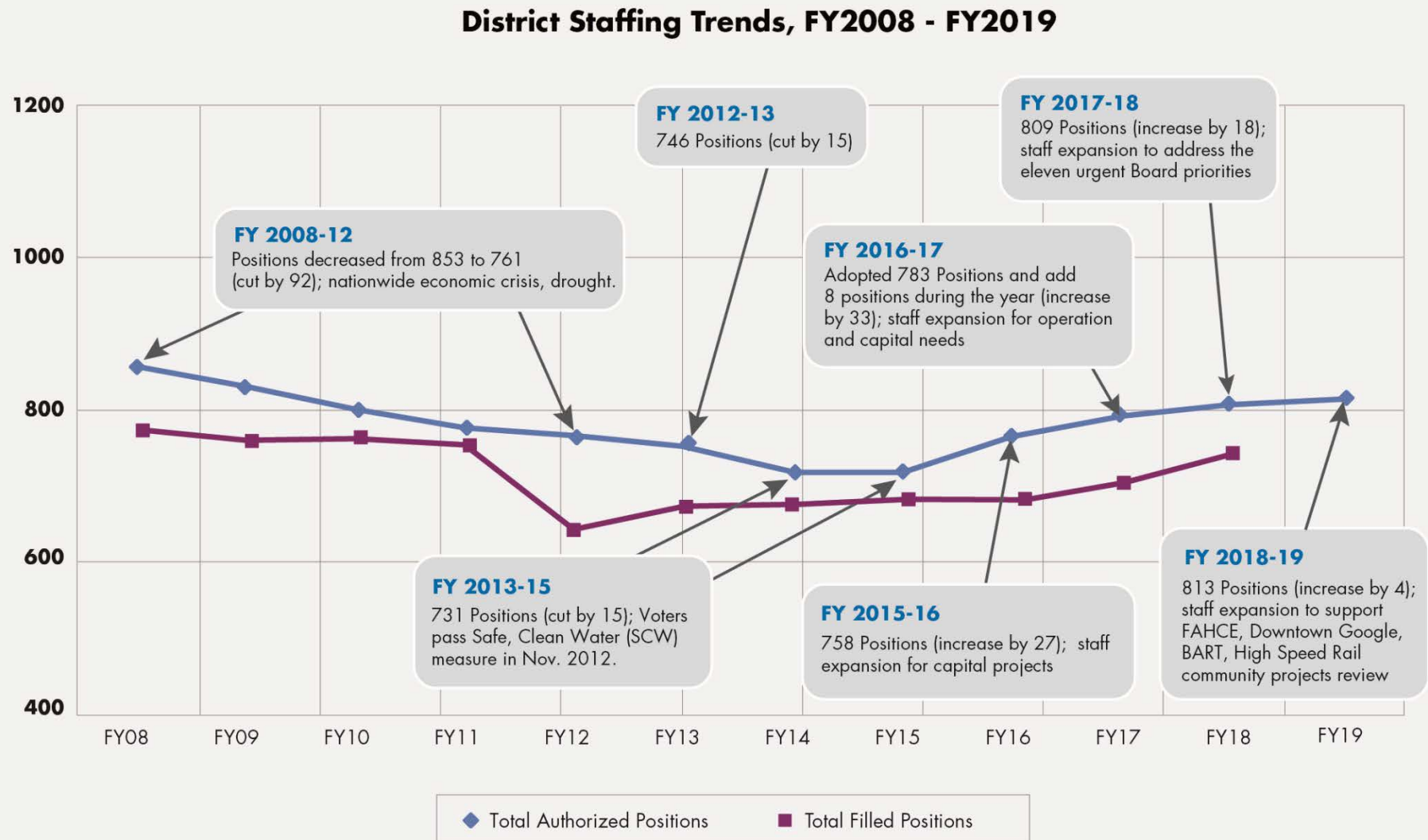
# Next Steps



# Backup slides



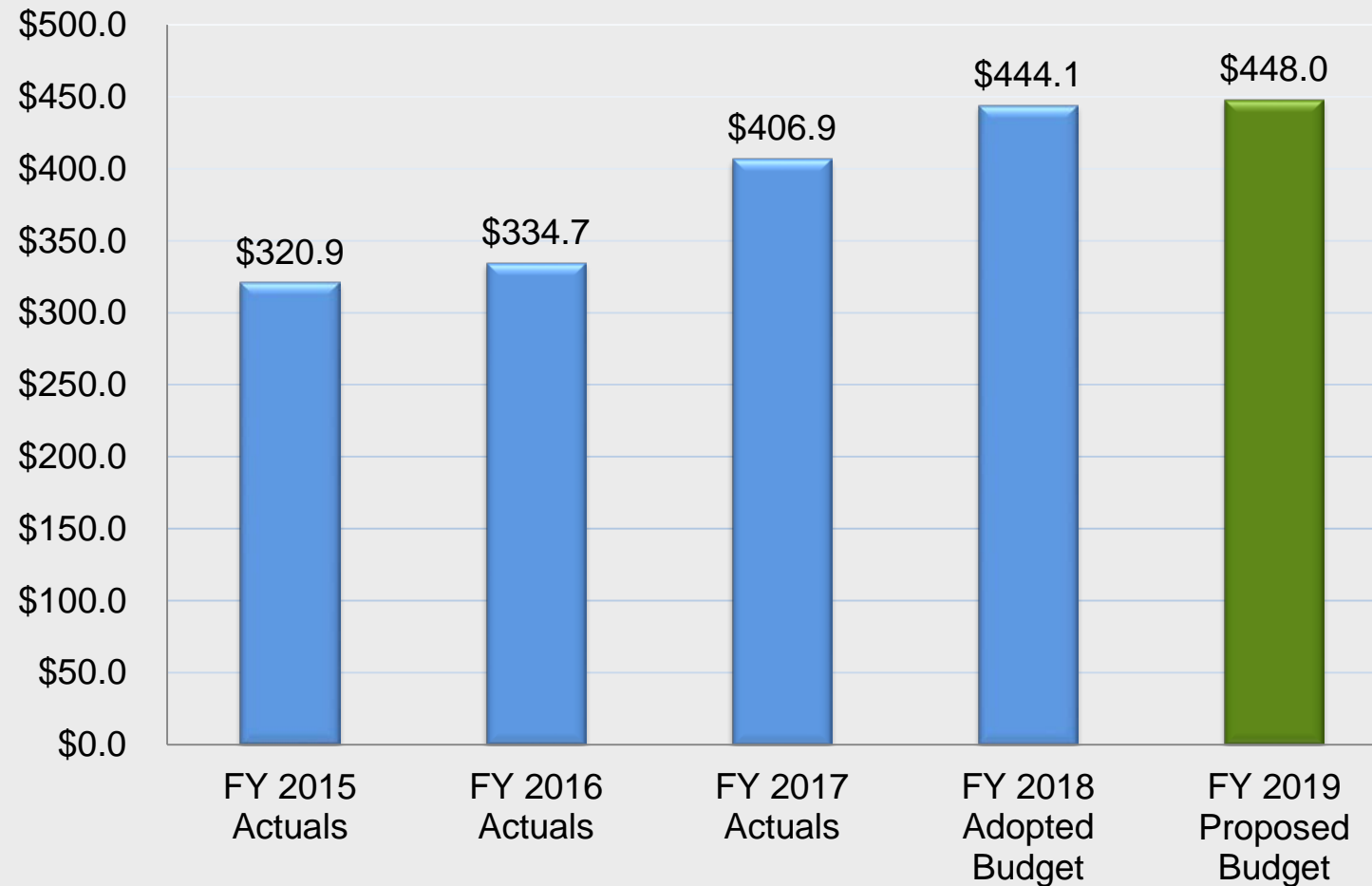
# Trend Data: District Staffing FY 2008-2019





# Trend Data (Cont.): Five-Year Revenue Comparison

(\$ in millions)





# Trend Data (Cont.): Overtime

(\$ in millions)

	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
Operating Outlays	\$1.4	\$2.3	\$2.1	\$2.0	\$2.6	\$0.6↑	30%↑
Capital Projects	\$0.3	\$0.3	\$0.4	\$0.6	\$0.4	(\$0.2)↓	(33%)↓
<b>Total</b>	<b>\$1.7</b>	<b>\$2.6</b>	<b>\$2.5</b>	<b>\$2.6</b>	<b>\$3.0</b>	<b>\$0.4↑</b>	<b>15%↑</b>

## Variance Drivers:

<b>Operating Outlays:</b>	Dams/Reservoir General Maintenance: 12 Dams due to more State requirements	\$0.3↑
	General Accounting Services: ERP System upgrade	\$0.2↑
	Benefits and Wellness Administration: ERP system upgrade	\$0.1↑
	<b>Subtotal</b>	<b>\$0.6↑</b>
<b>Capital Projects:</b>	Rinconada Water Treatment Plant Reliability Improvement	(\$0.2)↓

# Trend Data (Cont.): Temporary Staffing

(\$ in millions)

	FY 2015 Actuals	FY 2016 Actuals	FY 2017 Actuals	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
Operating Outlays	\$3.6	\$4.0	\$3.1	\$4.3	\$4.5	\$0.2↑	5%↑
Capital Projects	\$0.9	\$0.8	\$0.6	\$1.1	\$1.5	\$0.4↑	36%↑
Total	\$4.5	\$4.8	\$3.7	\$5.4	\$6.0	\$0.6↑	11%↑

## Variance Drivers:

### Operating Outlays:

Water Conservation Program

\$0.1↑

Internship Program - Summer Intern, Skill Trade, & High School Intern

\$0.1↑

**Subtotal**

**\$0.2↑**

### Capital Projects:

Facility Management - Small Capital Improvement

\$0.3↑

Berryessa Creek, Lower Penitencia Phase 2

\$0.1↑

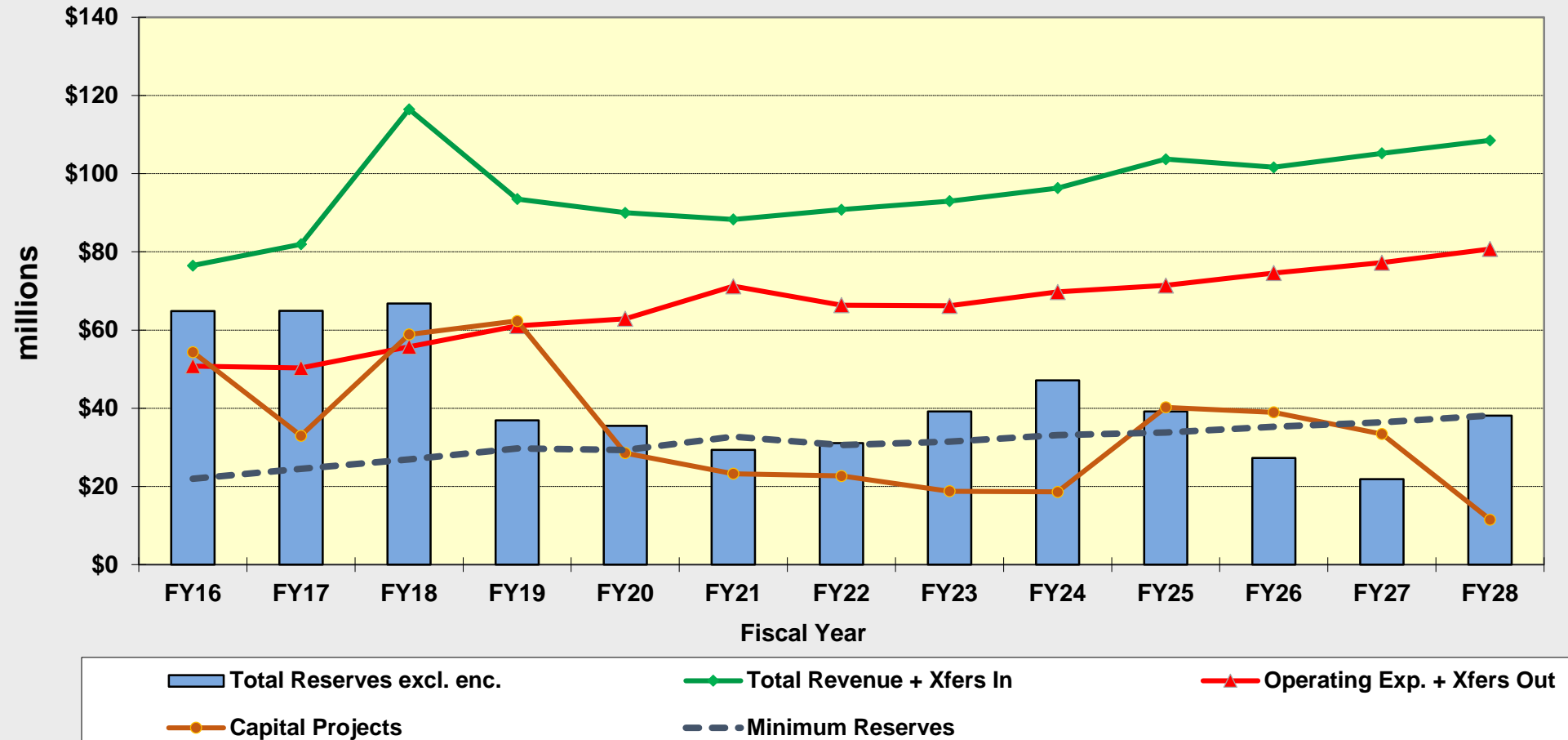
**Subtotal**

**\$0.4↑**

# Financial Sustainability

(\$ in millions)

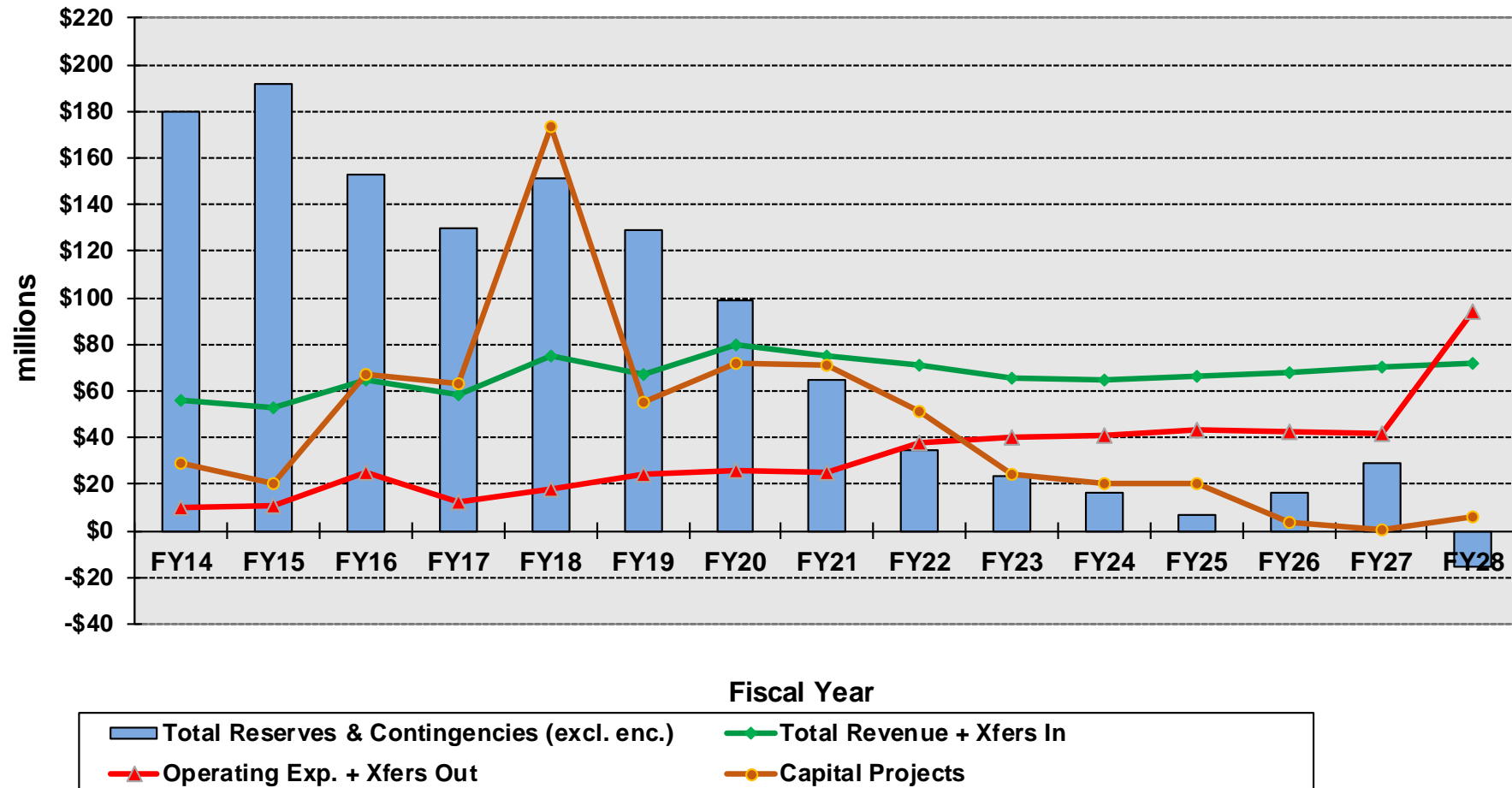
## Watershed and Stream Stewardship Fund



# Financial Sustainability

(\$ in millions)

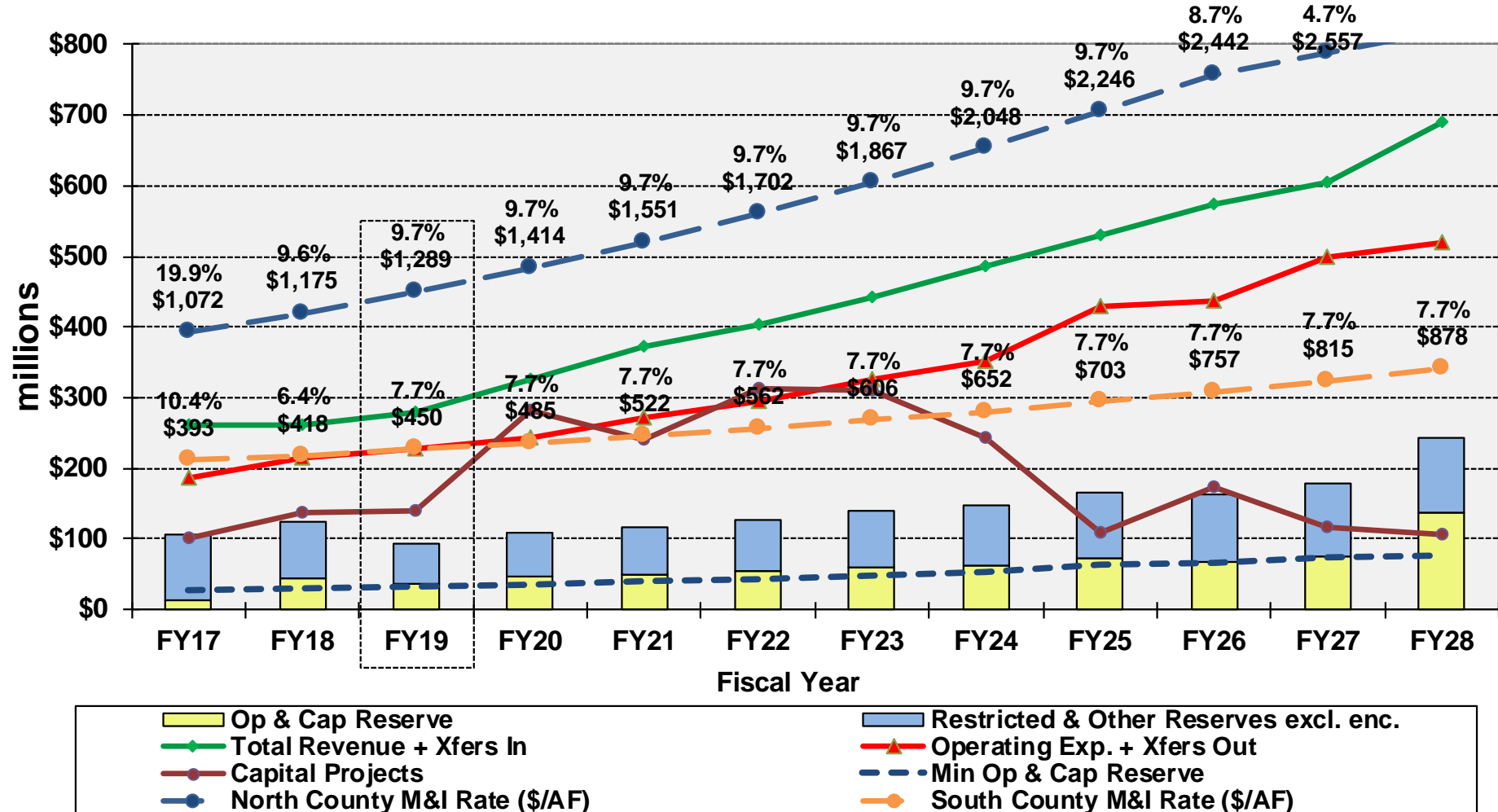
## Safe, Clean Water and Natural Flood Protection Fund



# Financial Sustainability

(\$ in millions)

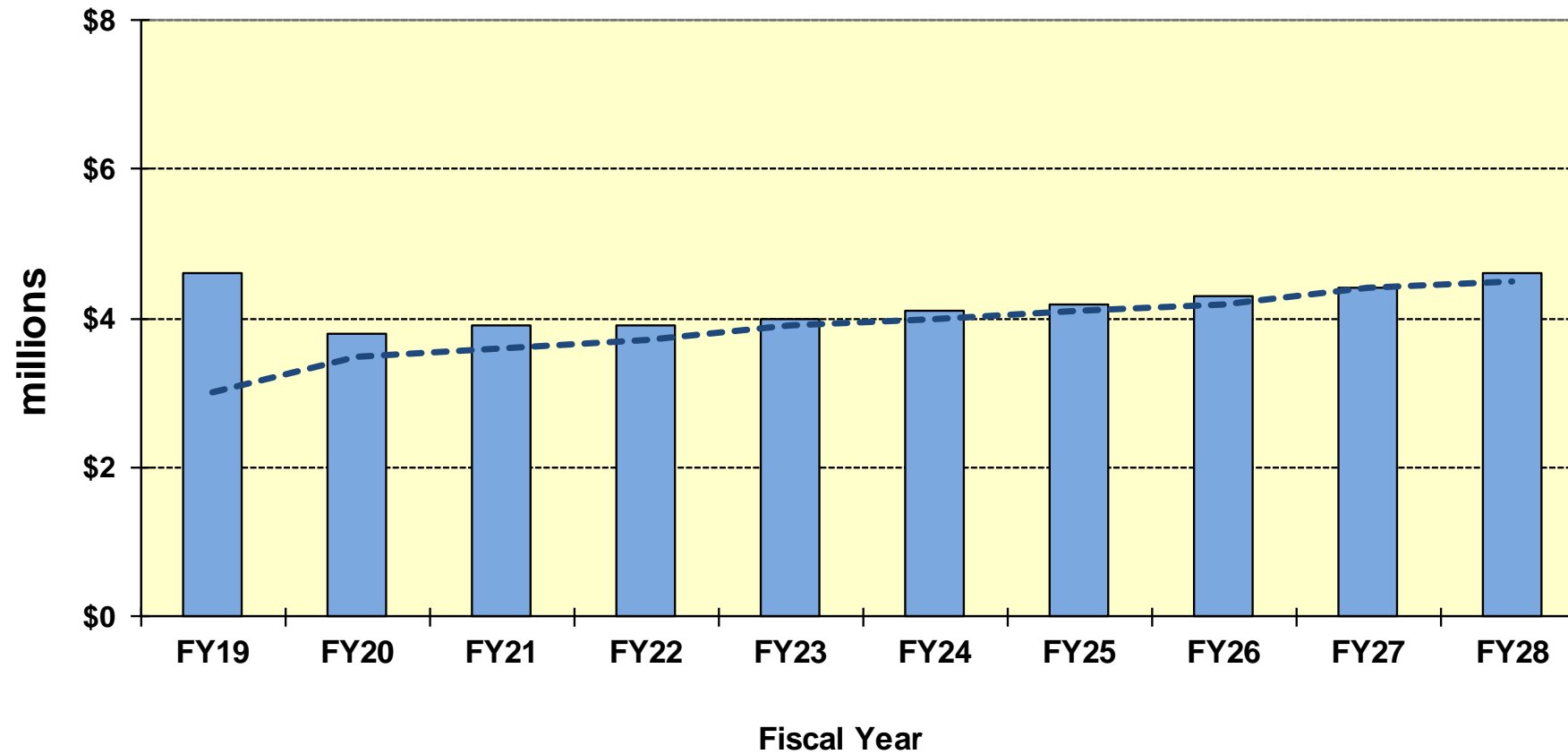
## Water Utility Enterprise Fund



# Financial Sustainability

(\$ in millions)

## General Fund



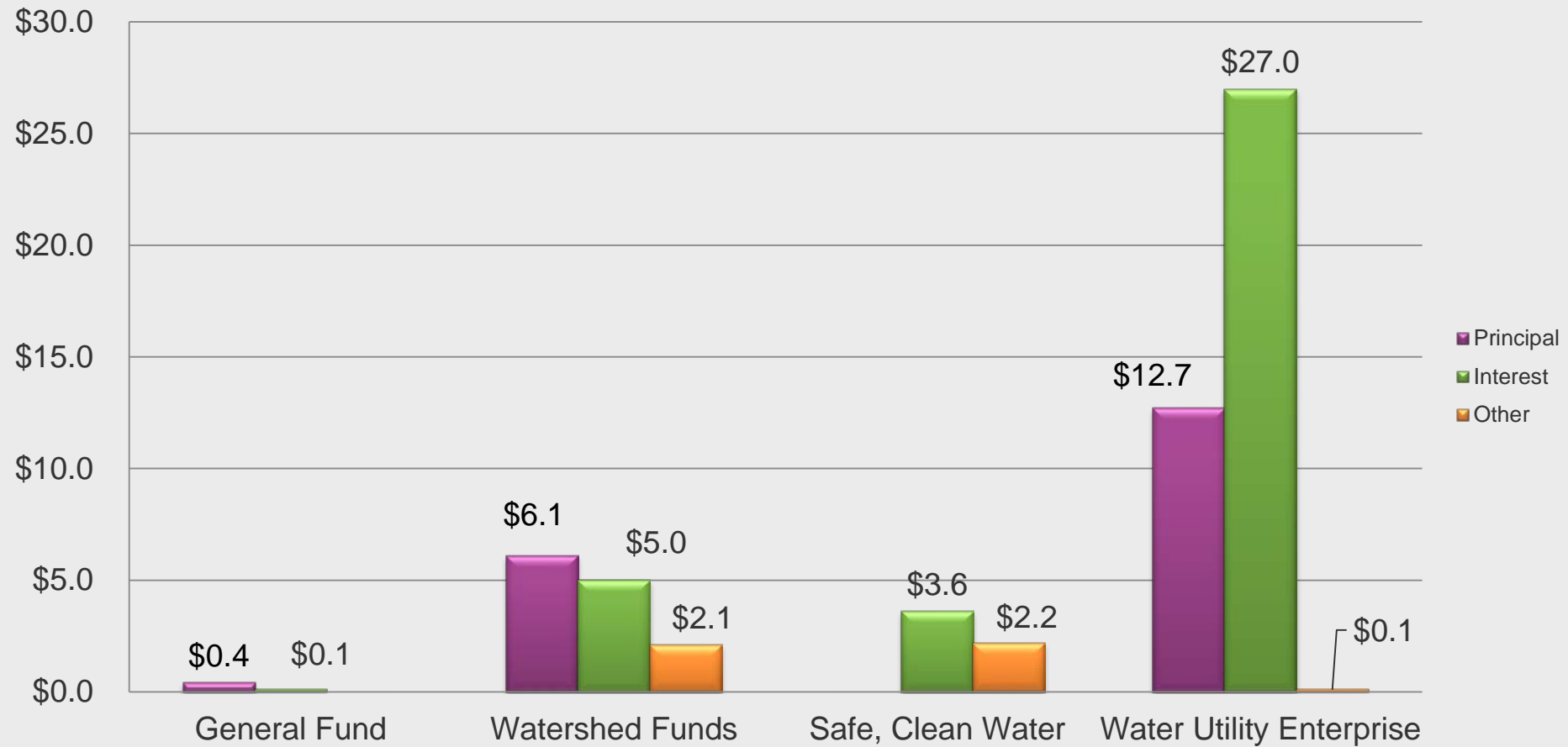
Operating & Capital Reserves

Minimum Reserves

# Debt Service (Cont.)

(\$ in millions)

## FY 2019 Proposed Debt Service, \$59.2





# Administration Service Area

(\$ in millions)

\$5.5 ( 9% of \$60.2 Total Proposed Budget)				
Office of COO Administrative Services	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
<b>Capital Outlays</b>	\$ 0.0	\$ 0.0	\$ 0.0	0%
<b>Operating Outlays</b>				
Diversity & Inclusion Program	\$ 1.3	\$ 1.1	\$ (0.2)	(15%)↓
Office of COO Administration	\$ 1.0	\$ 0.9	\$ (0.1)	(10%)↓
Training & Development	\$ 0.6	\$ 1.5	\$ 0.9	150%↑
District Security Services	\$ 1.5	\$ 2.0	\$ 0.5	33%↑
<b>Total</b>	<b>\$ 4.4</b>	<b>\$ 5.5</b>	<b>\$ 1.1</b>	<b>25%↑</b>

# Administration Service Area

(\$ in millions)

\$23.0 ( 38% of \$60.2 Total Proposed Budget)				
General Services Division	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
<b>Capital Outlays</b>				
Vehicle & Equipment Replacement	\$ 1.5	\$ 1.8	\$ 0.3	20%↑
Facilities Management	\$ 1.7	\$ 2.1	\$ 0.4	24%↑
<b>Subtotal</b>	<b>\$ 3.2</b>	<b>\$ 3.9</b>	<b>\$ 0.7</b>	<b>22%↑</b>
<b>Operating Outlays</b>				
Purchasing, Contract & Warehouse Services	\$ 3.6	\$ 3.6	\$ 0.0	0%
Vehicle & Equipment Maintenance	\$ 4.8	\$ 4.9	\$ 0.1	2%↑
Facilities Services	\$ 6.1	\$ 6.7	\$ 0.6	10%↑
Business & Customer Support Services	\$ 3.8	\$ 3.9	\$ 0.1	3%↑
<b>Subtotal</b>	<b>\$ 18.3</b>	<b>\$ 19.1</b>	<b>\$ 0.8</b>	<b>4%↑</b>
<b>Total</b>	<b>\$ 21.5</b>	<b>\$ 23.0</b>	<b>\$ 1.5</b>	<b>7%↑</b>

# Administration Service Area

(\$ in millions)

\$11.0 ( 18% of \$60.2 Total Proposed Budget)				
Human Resources Division	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
<b>Capital Outlays</b>	\$ 0.0	\$ 0.0	\$ 0.0	0%
<b>Operating Outlays</b>				
Benefits and Wellness Admin	\$ 1.6	\$ 1.8	\$ 0.2	13%↑
Ethics & EEO Programs	\$ 0.6	\$ 0.6	\$ 0.0	0%
Health & Safety	\$ 3.4	\$ 3.3	\$ (0.1)	(3%)↓
HR Program Admin	\$ 0.7	\$ 0.8	\$ 0.1	14%↑
Internship Program	\$ 0.9	\$ 0.7	\$ (0.2)	(22%)↓
Recruitment and Examination	\$ 1.6	\$ 1.7	\$ 0.1	6%↑
Talent Management Program	\$ 2.3	\$ 2.1	\$ (0.2)	(9%)↓
<b>Total</b>	<b>\$ 11.1</b>	<b>\$ 11.0</b>	<b>\$ (0.1)</b>	<b>(1%)↓</b>

# Administration Service Area

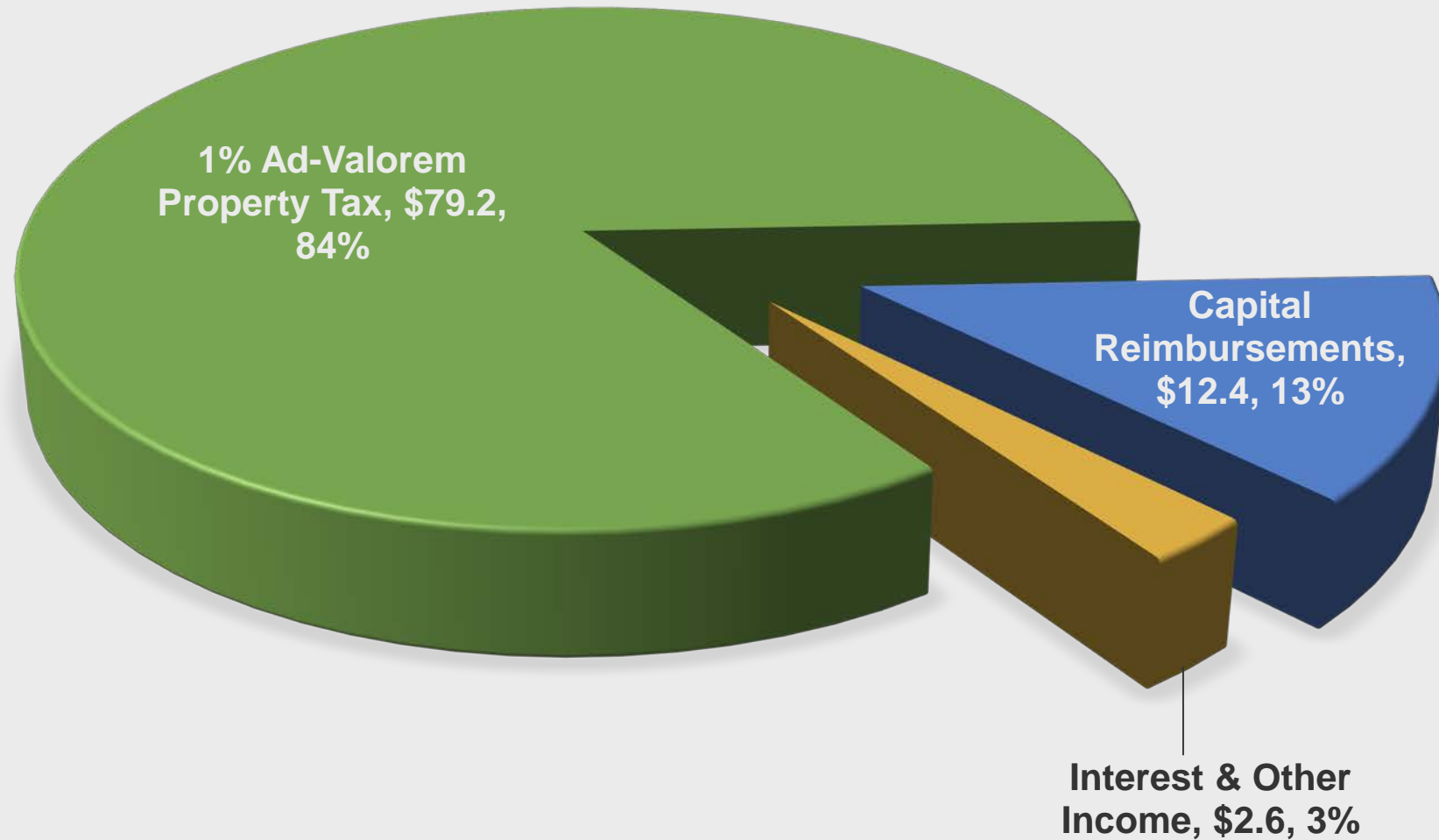
(\$ in millions)

\$20.7 ( 44% of \$60.2 Total Proposed Budget)				
Information Technology Division	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
<b>Capital Outlays</b>				
ERP System Implementation	\$ 7.4	\$ 3.6	\$ (3.8)	(51%)↓
Software Upgrades & Enhancement	\$ 0.6	\$ 0.6	\$ 0.0	%↑
Data Consolidation, IT Disaster Recovery & Other	\$ 2.1	\$ 0.1	\$ (2.0)	(95%)↓
Network Equipment & Computer Replacement	\$ 2.7	\$ 2.2	\$ (3.8)	(141%)↓
<b>Subtotal</b>	<b>\$ 12.8</b>	<b>\$ 6.5</b>	<b>\$ (9.6)</b>	<b>(75%)↓</b>
<b>Operating Outlays</b>				
IT Support and Administration	\$ 2.5	\$ 3.1	\$ 0.6	24%↑
Software Services	\$ 4.3	\$ 6.0	\$ 1.7	40%↑
Infrastructure Services	\$ 4.3	\$ 5.1	\$ 0.8	19%↑
<b>Subtotal</b>	<b>\$ 11.1</b>	<b>\$ 14.2</b>	<b>\$ 3.1</b>	<b>28%↑</b>
<b>Total</b>	<b>\$ 23.9</b>	<b>\$ 20.7</b>	<b>\$ (6.5)</b>	<b>(27%)↓</b>

# WS FY 2019 Revenue Sources

(\$ in millions)

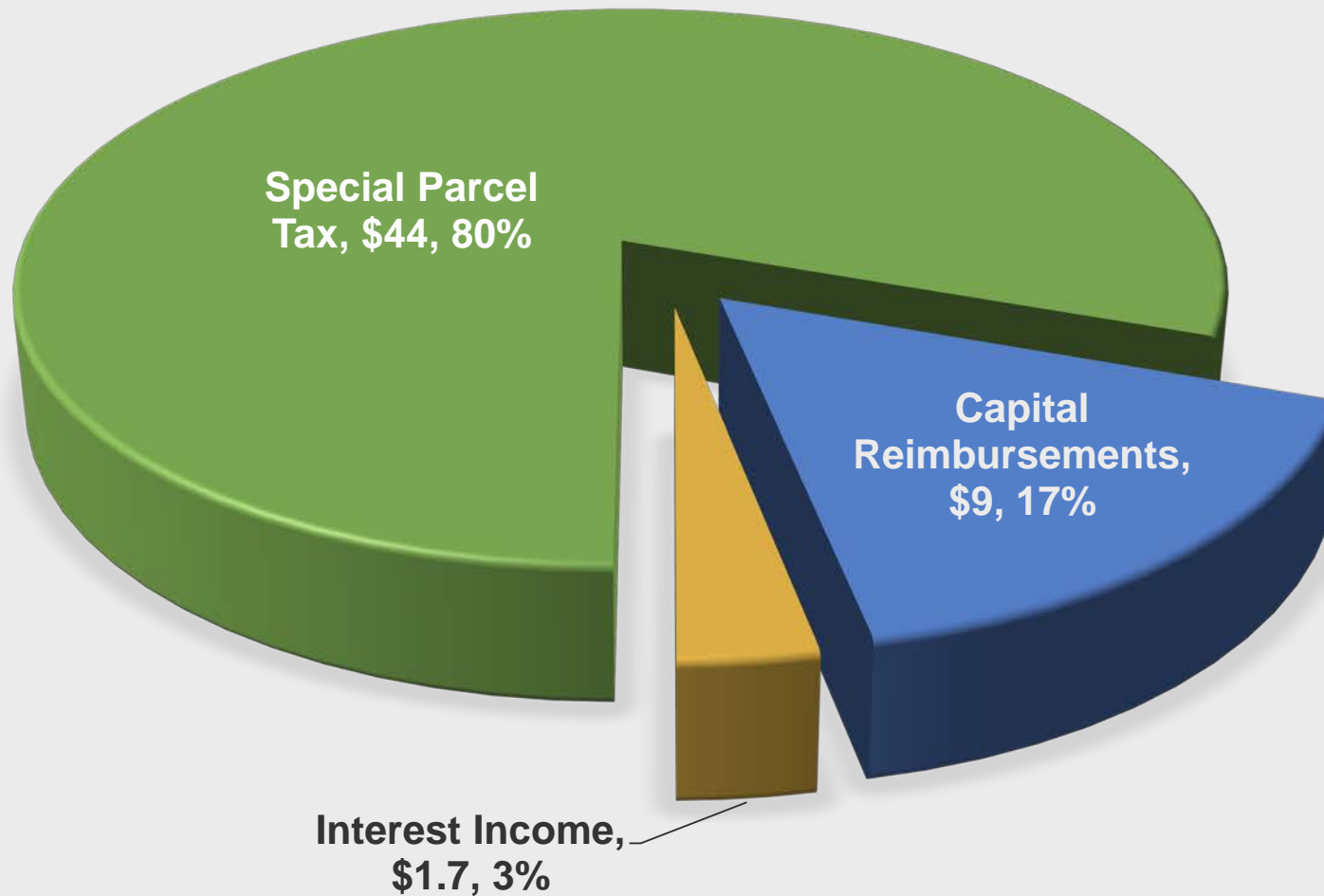
## Fund 12 Watershed Stream Stewardship Total Revenue: \$94.2



# WS FY 2019 Revenue Sources

(\$ in millions)

## Fund 26 Safe, Clean Water Total Revenue: \$54.7



# FY 2019 Proposed Budget vs. FY 2018 Adopted Budget

Watershed Stream Stewardship Total Outlays		FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
Operating Outlays		\$53.4	\$55.4	\$2.0	4%↑
Capital Projects		\$27.4	\$35.4	\$8.0	29%↑
<b>TOTAL</b>		<b>\$80.8</b>	<b>\$90.8</b>	<b>\$10.0</b>	<b>12%↑</b>



# FY 2019 Proposed Budget vs. FY 2018 Adopted Budget

(\$ in millions)

	FY 2018 Adopted Budget	FY 2019 Proposed Budget	Over/(Under) FY 2018 Adopted	% Change
<b>Safe, Clean Water Total Outlays</b>				
Operating Outlays	\$17.5	\$23.2	\$5.7	33%↑
Capital Projects	\$56.1	\$37.2	(\$18.9)	(34%)↓
<b>TOTAL</b>	<b>\$73.6</b>	<b>\$60.4</b>	<b>(\$13.2)</b>	<b>(18%)↓</b>

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