

**DRAFT**



**Valley Water**

**FY 2020-21**

# **Operating and Capital Budget**



# Santa Clara Valley Water District

## Proposed Fiscal Year 2020-21 Annual Budget

### BOARD OF DIRECTORS

**Nai Hsueh**  
Chair, District 5

**John L. Varela**  
District 1

**Barbara F. Keegan**  
District 2

**Richard P. Santos**  
District 3

**Linda J. LeZotte**  
District 4

**Tony Estremera**  
Vice Chair, District 6

**Gary Kremen**  
District 7

*Submitted by*

**Norma Camacho**  
Chief Executive Officer



# **Santa Clara Valley Water District**

## **Proposed Fiscal Year 2020-21 Annual Budget**

*Prepared by*

**Darin Taylor**  
Chief Financial Officer

**Enrique De Anda**  
Budget Manager

*And the following members of the FY2020-21 budget team:*

**Timothy Chan**

**Phyllis Chen**

**Joanne Jin**

**Stacy Klopfer**

**Feliser Lee**

**Agnes Lee**

**Kristie Resendez**

**Chenlei Yao**

*Executive Review Committee*

**Norma Camacho, Nina Hawk, Melanie Richardson,  
Rick Callender, Tina Yoke**

# **Santa Clara Valley Water District**

## **Proposed Fiscal Year 2020-21 Annual Budget**

### *Recognitions*

**Jennifer Abadilla  
Benjamin Apolo III  
Erin Baker  
Mark Bilski  
Emily Cheung  
Theresa Chinte  
Krishna Cruz  
Hector Fuentes  
Mark Gomez  
Linh Hoang  
Aster Hung  
Jennifer Martin  
Anthony Mendiola  
Steve Peters  
Charlene Sun  
Cheryl Togami  
Toni Vye  
Linda Yang**





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
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**Santa Clara Valley Water District  
California**

For the Biennium Beginning

**July 1, 2019**

*Christopher P. Morill*

Executive Director

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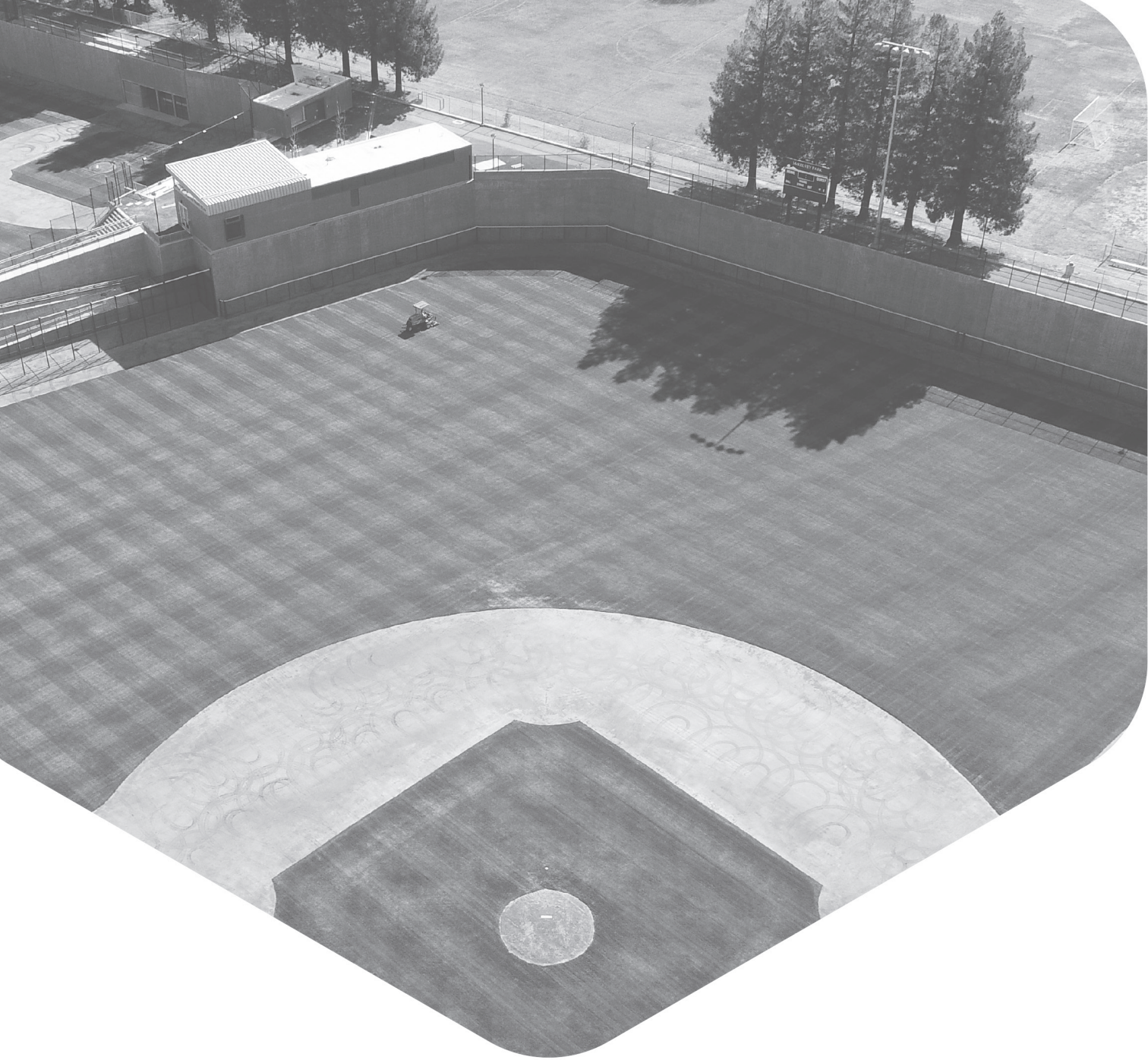
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# Budget in Brief

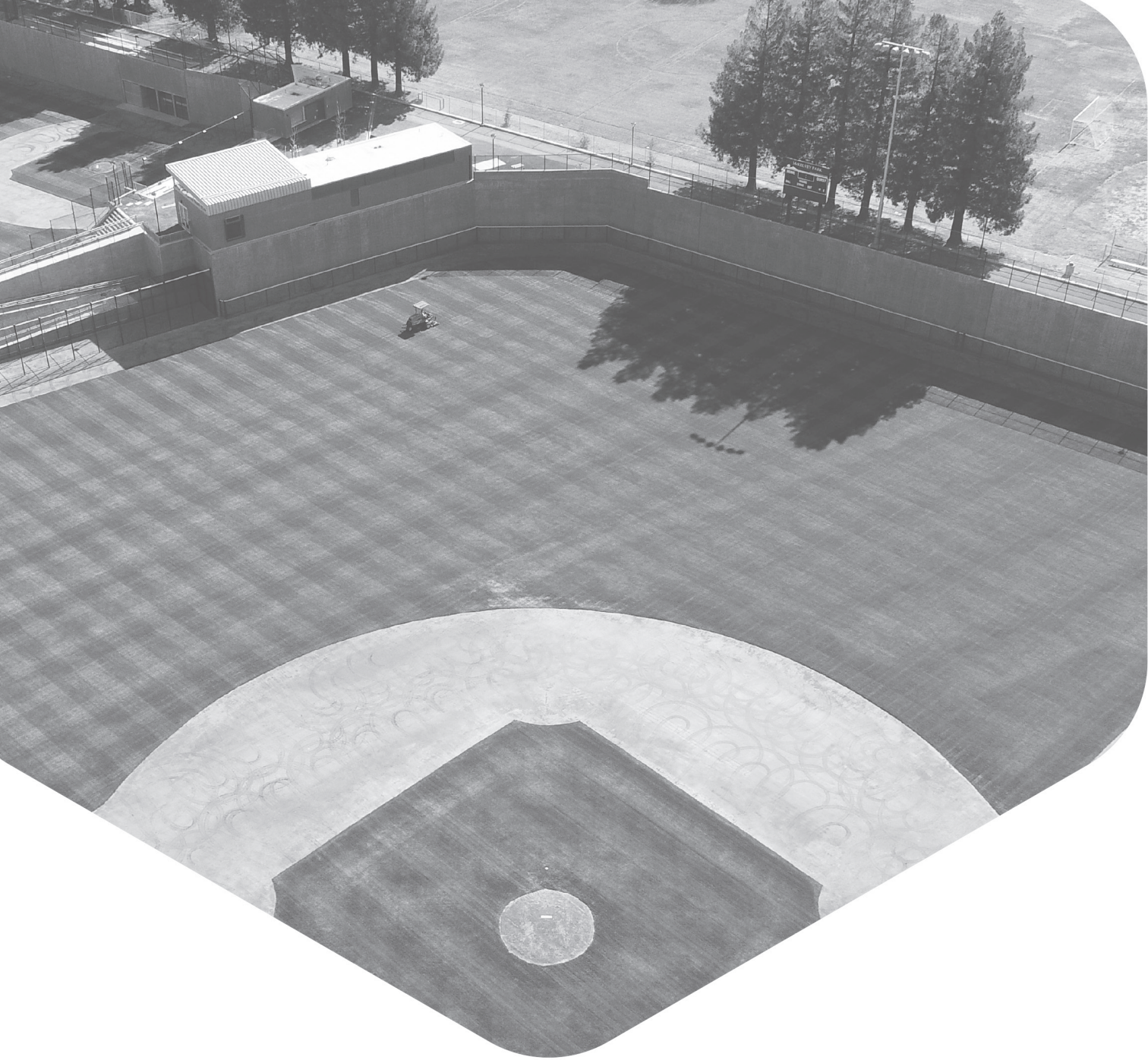
FY 2020-21

## Operating and Capital Budget

# Budget in Brief

**Budget in Brief chapter will be  
published at a future date.**





# Valley Water Overview

FY 2020-21

## Operating and Capital Budget



# VALLEY WATER OVERVIEW

# Valley Water Overview

The Santa Clara Valley Water District (Valley Water) is the largest multi-purpose water supply, watershed stewardship and flood management special district in California. Valley Water serves nearly two million people in Santa Clara County by providing a reliable and safe supply of water; enhancing streams and watersheds through creek restoration and habitat protection; providing flood protection for homes, schools and businesses; and partnering with other agencies to provide trails, parks and open space for community recreation.

Valley Water's unique multi-purposes enables it to use a comprehensive regional approach to water resources management and environmental protection that would not be possible if these services were fragmented among several agencies.

As the primary water resources agency for Santa Clara County, Valley Water encompasses all of the county's 1,300 square miles and serves the area's 15 cities: Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga and Sunnyvale. Valley Water also serves the unincorporated areas of the county.

Collaboration with the community we serve is not only important, but has proven to result in more successful outcomes. By seeking public input, Valley Water is respecting the fact that our operations and projects have a direct impact on people's lives.

Community action created Valley Water, when farmers and business representatives formed the Santa Clara Valley Water Conservation Committee in the 1920s. At that time, groundwater supplies were being over-

pumped, causing the land to subside, or sink. The committee pursued creation of an organization to manage and replenish groundwater supplies, and the resulting Santa Clara Valley Water Conservation District later constructed reservoirs throughout the county to conserve water. The 1929 Santa Clara Valley Water District Act gives Valley Water its authority to operate as a state special district, with jurisdiction throughout Santa Clara County.



The District Act authorizes Valley Water to: "...provide comprehensive water management for all beneficial uses and protection from flooding within Santa Clara County. Valley Water may take action to carry out all of the following purposes:

- (a) to protect Santa Clara County from flood and storm waters of the district, including tidal flood waters and the flood and storm waters of streams that have their sources outside the district, but flow into the district;
- (b) to protect from those flood or storm waters the public highways, life and property in the district, and the watercourses and watersheds of streams flowing within the district;
- (c) to provide for the conservation and management of flood, storm, reclaimed, or recycled waters, or other waters from any sources within or outside the watershed in which the district is located for beneficial and useful purposes, including spreading, storing, retaining, and causing the waters to percolate into the soil within the district;
- (d) to protect, save, store, recycle, distribute, transfer, exchange, manage, and conserve in any manner any of the waters;

# Valley Water Overview

(e) to increase, and prevent the waste or diminution of, the water supply in the district;

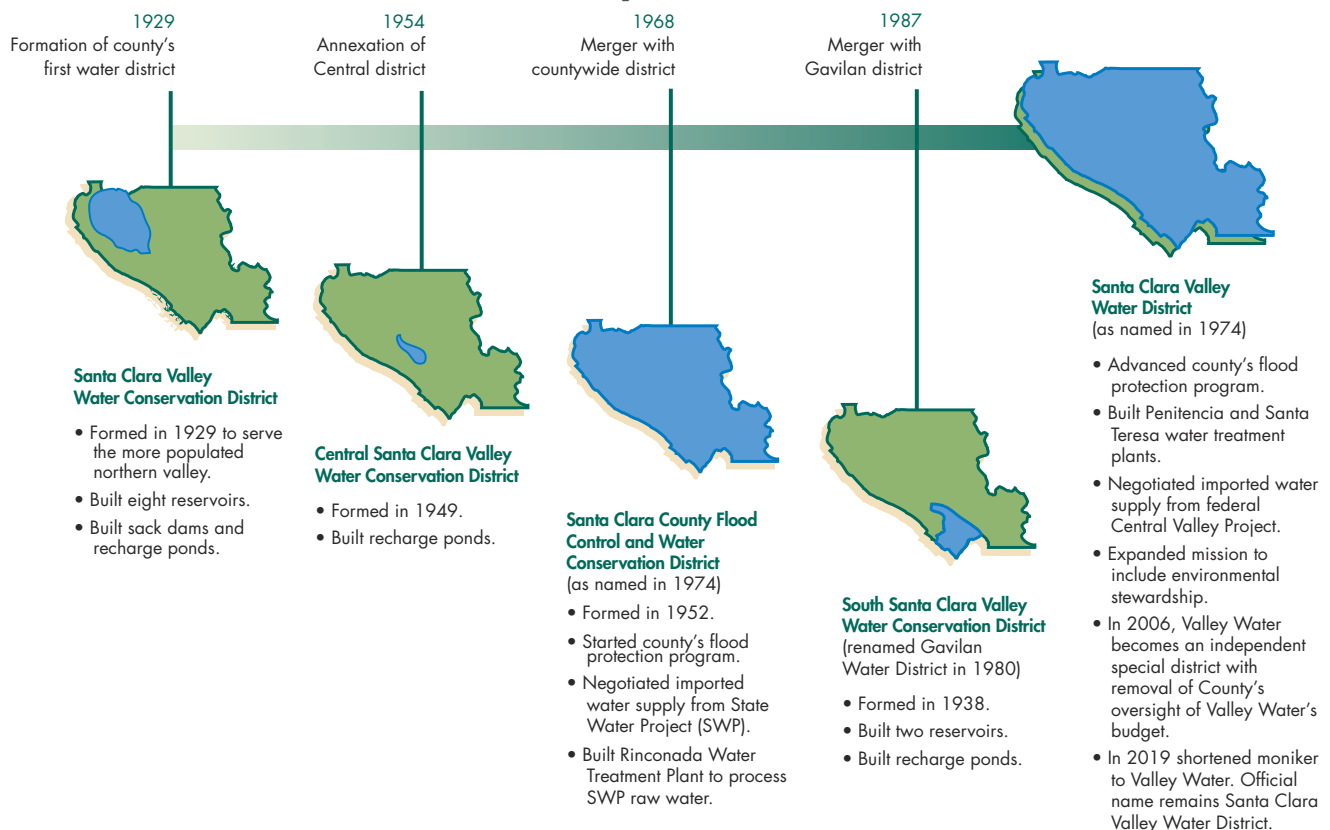
(f) to obtain, retain, reclaim, protect, and recycle drainage, storm, flood waters or treated wastewaters, or other waters from any sources, within or outside the watershed in which Valley Water is located for any beneficial uses within the district;

(g) and to enhance, protect, and restore streams, riparian corridors, and natural resources in connection with carrying out the objects and purposes set forth in this section."

## Governance and Board of Directors

The District Act outlines the structure, function and operations of Valley Water's Board of Directors, which governs Valley Water and directs the board appointed officers. Valley Water's Board of Directors is comprised of seven members each elected from equally-divided districts drawn through a formal process. The purpose of the board, on behalf of Santa Clara County, is to provide Silicon Valley safe, clean water for a healthy life, environment and economy. The directors serve overlapping four-year terms, a structure created pursuant to the adoption of the District Act. Elections are held in November of even number years.

## Evolution of the Santa Clara Valley Water District



Today's Santa Clara Valley Water District is the result of the consolidation of four agencies over time, as shown above. Valley Water's products and services have grown along with its increased levels of responsibility for critical water resource and environmental management functions.



# Valley Water Overview

The Board elects a new chair and vice chair annually in January.

The Board sets direction for Valley Water through its policy governance structure. Through adopted policies, the Board determines Valley Water's mission and goals and outcomes to be achieved for the good of the public. Specifically, the Board's Ends policies are the outcomes expected to be achieved by the organization for its customers. These include ensuring a safe, reliable source of water; flood protection; and environmental stewardship. The CEO dedicates resources to

implement programs and projects that achieve the Board's Ends policies.

In meeting the Board's Ends policies, the CEO and other Board Appointed Officers (BAOs) are solely accountable to the Board for organizational performance, which is monitored quarterly. The Board annually reviews and updates Ends and Executive Limitations policies to ensure they reflect the Board's collective values and perspectives. The Board's Policies can be viewed at <https://www.valleywater.org/how-we-operate/board-governance-policies>.

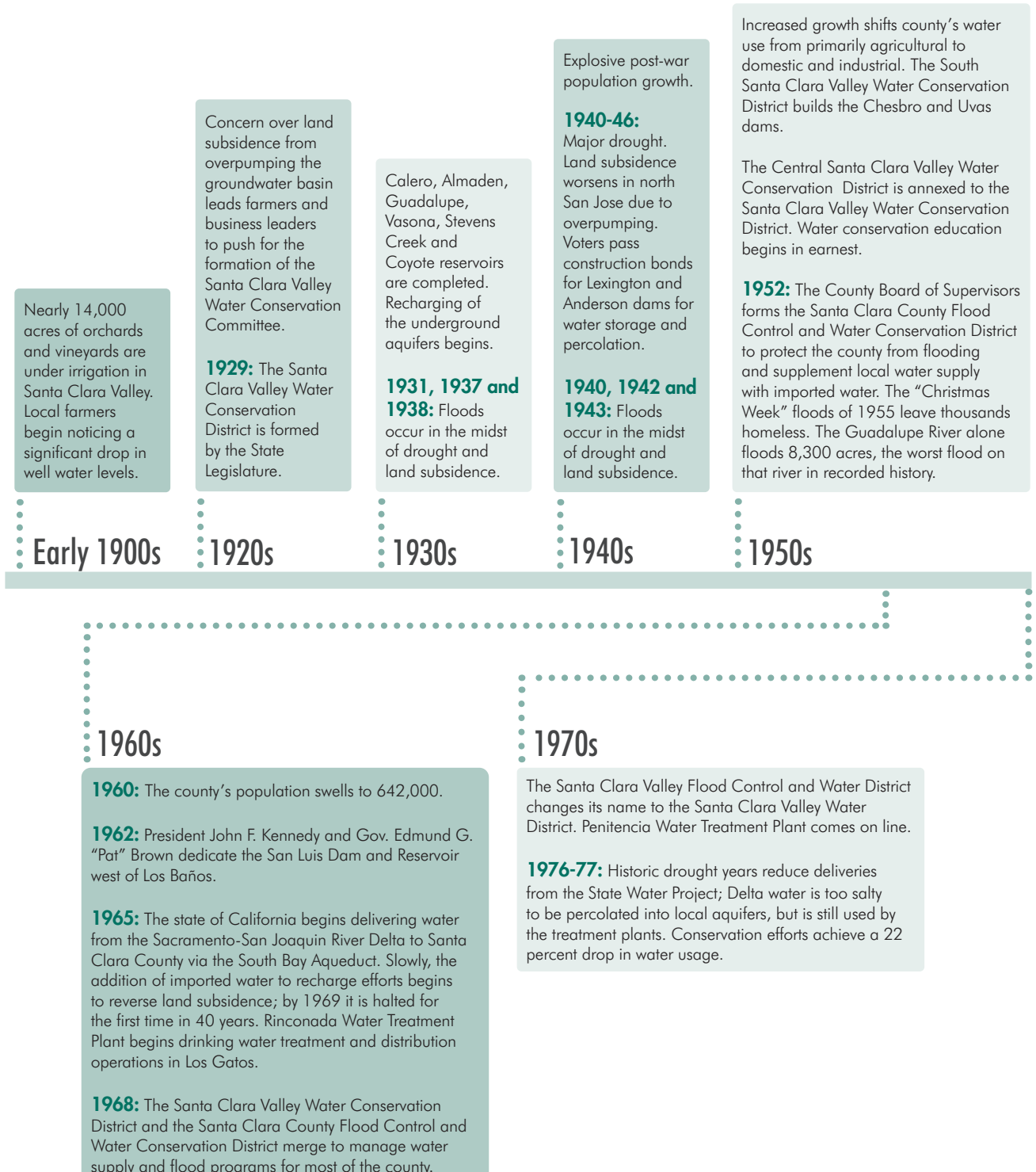
## Board directorial districts



# Valley Water Overview

## History Timeline

For 91 years, Valley Water has improved and expanded its products and services to meet the growing needs of Santa Clara County residents



# Valley Water Overview

Environmental concerns are addressed as part of every construction project. Underground storage tanks are discovered leaking and potentially contaminating drinking water. The Santa Teresa Water Treatment Plant begins operation. Severe flooding occurs; voters approve funding for much-needed flood protection projects through benefit assessments.

**1980:** The South Santa Clara Valley Water Conservation District is renamed the Gavilan Water District.

**1987:** South county voters approve annexing Gavilan Water District to the Santa Clara Valley Water District. The federal Central Valley Project, San Felipe Division, begins delivery of imported water to the county from San Luis Reservoir just as the valley enters a seven-year drought period. The county's population nears 1.7 million.

1980s

Valley Water takes a lead role in the fight against MTBE water contamination, addresses perchlorate contamination of more than 1000 South County wells and partners with local wastewater agencies to increase recycling. The first phase of the WTIP is completed and the second phase launched.

**2000:** County voters approved the Clean, Safe Creeks and Natural Flood Protection Plan (Measure B) and approve a special tax to ensure continuity of flood protection and stream stewardship services for 15 more years.

**2005:** The 15-year, \$346 million Downtown Guadalupe Flood Protection Project is completed, protecting an estimated 95,000 people from flooding and restoring critical endangered species habitat.

**2006:** Santa Teresa Water Treatment Plant delivers Valley Water's first ozonated water, providing customers better-tasting, more healthful tap water.

**2007:** Assembly Bill 2435 is enacted, ending county oversight of Valley Water's budget and other procedural holdovers from the 1968 merger. Penitencia Water Treatment Plant begins delivering ozonated water to customers.

**2009:** Valley Water Board calls for 15% mandatory conservation in response to continuing water shortage; recession drives significant Valley Water budget reductions.

**2010:** Assembly Bill 466 enacted, increasing the boundaries for the Board of Directors from five to seven districts.

**2012:** 74% of county voters approve the Safe, Clean Water (Measure B), a special tax to ensure continuity of flood protection, dam maintenance and stream stewardship services for 15 more years.

**2014:** The Silicon Valley Advanced Water Purification Center is completed, producing 8 million gallons a day of purified recycled water to enhance the quality of recycled “purple pipe” water used for non-

The 1987-93 drought drives Valley Water to seek new sources of water through recycling, water banking and aggressive water conservation.

**1995:** Flooding in the county highlights the need for flood protection, especially on the Guadalupe River in downtown San Jose.

**1997:** Valley Water completes the IWRP long-term water supply planning process and initiates the Water Treatment Improvement Project (WTIP) to address increasingly stringent state and federal water quality standards. Coyote Creek flooded several sites between Morgan Hill and San José, causing damage to homes and businesses.

**1998:** Flooding occurs on San Francisquito Creek and in the county. Changing community priorities, a growing commitment to staff diversity, strict state and federal regulations and an evolving environmental ethic lead Valley Water into the 21st Century.

1990s

2000-20

**2015:** Entering the fourth year of drought, the Board adopted a resolution calling for a countywide water use reduction of 30% compared to 2013. Valley Water began a large scale modernization of the Rinconada Water Treatment Plant, the second-largest of Valley Water's plants.

**2016:** Mid-year, the Board voted to reduce the water use reduction target to 20%. The implementation of fluoridation was completed in December 2016 for South, East and North San Jose, and Milpitas.

**2017:** In January, the Board adopted a resolution continuing the 20% water use reduction target and three day per week watering restriction.

**2018:** After a 2017 flood impacted neighborhoods along Coyote Creek, the Board approved changes to Anderson Reservoir operations to reduce the risk of flooding downstream. Crews completed short-term flood protection improvements in the Rock Springs neighborhood before the winter began. The Board and the City of San Jose approved a new Emergency Action Plan to prepare for and respond to flooding on Coyote Creek.

**2019:** The California Water Commission awarded the Pacheco Reservoir Expansion Project \$484.55 million under Proposition 1, and approved Valley Water's request for early funding of \$24.2 million to proceed with next steps, such as completing environmental documents and permit applications. The project would expand Pacheco Reservoir's storage capacity to provide for increased emergency water supplies, improved water quality, and ecosystem benefits throughout our region and the Sacramento-San Joaquin Delta.

**2020:** Valley Water partners with the cities of Palo Alto and Mountain View to expand both recycling and advanced purified water efforts in Santa Clara County. The partnership will allow for the construction of a second regional purification center, owned by Valley Water, that will provide advanced purified water for future drinking water supplies. The agreement also calls for the construction of a salt-removal plant, owned and operated by City of Palo Alto, to provide higher-quality recycled water, primarily for irrigation and cooling towers.



# Valley Water Overview

## Board Committees

Committees are made up of Board members that advise the Board on an ongoing basis for an assigned subject purpose.

**Board Policy and Planning Committee:** Provides support to the Board in areas of:

1. Board planning process.
2. Board Committees' principles and structures.
3. Board and organization performance monitoring.
4. Other tasks as assigned by the Board.

**Board Audit Committee:** Assist the Board, consistent with direction from the full Board, to identify potential areas for audit and audit priorities, and to review, update, plan and coordinate execution of Board audits.

**Board Ethics and Conduct Committee:** Consider initiation of investigation of allegations against a Board member in accordance with Board Governance Policy GP-6.

**Capital Improvement Program (CIP) Committee:** Provide a venue for more detailed discussions regarding capital project validation, including recommendations on prioritizing, deleting, and/or adding projects to the CIP, as well as monitoring implementation progress of key projects in the CIP.

**Diversity and Inclusion Ad Hoc Committee:** Work on Board and Director identified diversity and inclusion issues.

**Homeless Encampment Committee:** Discuss homelessness and encampment issues and bring discussion and recommendations back to the Board.

**Recycled Water Committee:** Develop a long-term proposal for how Valley Water can work together with other local agencies on recycled water opportunities within Valley Water boundaries, to establish a collaborative process to facilitate policy discussion and sharing of technical information on recycled water issues.

**Water Conservation and Demand Management Committee:** Support the Board in achieving its policy to provide a reliable water supply to meet current and future water usage by making policy recommendations related to demand management.

**Water Storage Exploratory Committee:** Receive and discuss information on issues related to additional water storage options.

# Valley Water Overview

## Board Advisory Committees

Committees made up of constituents/elected officials that are formed and managed in accordance with Board resolution.

**Agricultural Water Advisory Committee:** To assist the Board with policies and issues pertaining to agricultural water supply and use, and in the annual review of groundwater production charges.

**Environmental and Water Resources Committee:** To assist the Board with policies and issues pertaining to water supply, flood protection and environmental stewardship.

**Santa Clara Valley Water Commission:** To assist the board with policies and issues pertaining to water supply, flood protection and environmental stewardship, as well as in the annual review of groundwater production charges.

**Santa Clara Valley Water District Youth Commission:** Assist the Board with policy review and development, provide comment on activities in the implementation of Valley Water's mission for Board consideration, and to identify Board-related issues pertaining to public policy education, outreach, and all matters impacting Santa Clara County youth and Valley Water.

## Joint Committees

Committees made up of Board members and other agency staff that are formed to advise the Board and/or in accordance with agreements, contracts, etc.

**Joint Recycled Water Advisory Committee with the City of Sunnyvale:** Develop a long-term proposal for how Valley Water and City of Sunnyvale can work together on recycled water opportunities, to establish a collaborative process to facilitate policy discussion and sharing of technical information on recycled water issues.

**Joint Recycled Water Policy Advisory Committee with the City of San Jose/Santa Clara/TPAC:** Required per term in the City-Valley Water 40-year Integration Agreement. The Committee shall tender its advice to Valley Water's Board of Directors and the City Council of the City of San José with respect to policy matters relating to the production, distribution and use of recycled water from facilities under administration by these agencies.

### **Joint Recycled Water Policy Committee with the Cities of Palo Alto, East Palo Alto, and Mountain View:**

Develop a long-term proposal for how Valley Water and the Palo Alto Regional Water Quality Control Plant (RWQCP) partner agencies, other stakeholders, and interested parties, can work together on recycled water opportunities, to advance common interest, and to establish a collaborative process to facilitate policy discussion and sharing of technical information on recycled water issues.

# Valley Water Overview

## **Joint Water Resources Committee with the Cities of Morgan Hill and Gilroy:**

Advance common South County water interests and receive input from stakeholders and interested parties when undertaking the following:

1. Reviewing current practices and future needs for groundwater management in the Llagas groundwater sub-basin.
2. Facilitating policy discussion and sharing of technical information on water supply planning for South County.
3. Identifying the current and future demand for recycled water as well as jointly identifying funding sources for implementation of the South County Recycled Water Master Plan.
4. Facilitating policy discussion and sharing of technical information on furthering development and use of recycled water in South County.
5. Facilitating policy discussion and sharing of socio-economic information on homelessness in South County.

**San Felipe Division Reach One Committee:** Discuss the Initial Asset Evaluation Report, attempt to reach a joint recommendation for a Condition Level, and discuss policy issues.

## **Board Working Groups**

Board Working Groups are made up of Board members that advise the Board on an assigned subject/purpose, limited in scope and duration.

**Delta Conveyance Authority Group:** Information sharing.

## **FAHCE Committee:**

1. Track the progress of Valley Water and other parties (Settlement Parties) of the FAHCE Settlement Agreement in completing requirements enabling dismissal of the water rights complaint and commencement of restoration program.
2. Identify and recommend actions the Board can take to ensure expeditious completion of the requirements defined in Purpose 1.

**Financial Sustainability Group:** Review organizational financial sustainability factors.

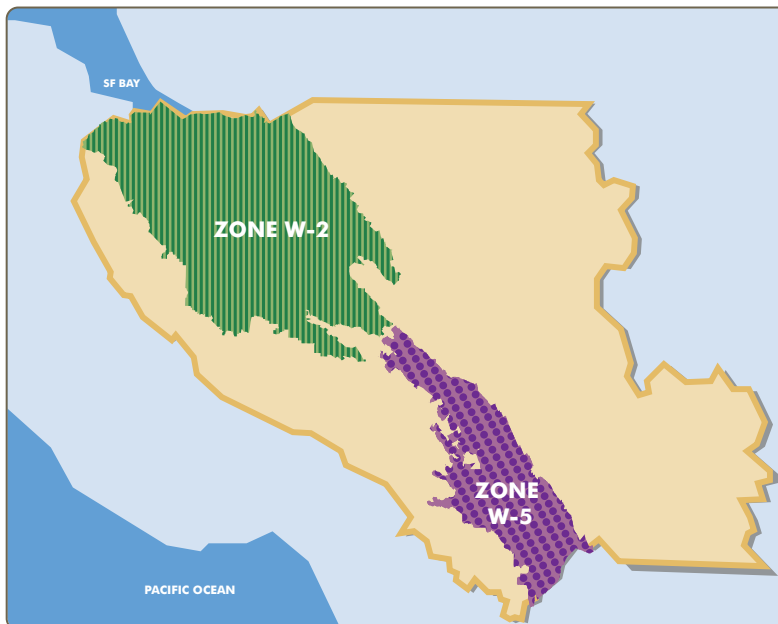
## **External Monitoring Committee**

Committee made up of members of the community nominated by the Directors.

**Safe, Clean Water Independent Monitoring Committee:** Annually reviews the implementation of the intended results of the program and reports its findings to the Board, which makes the Committee report available to the residents and voters of Santa Clara County.

# Valley Water Overview

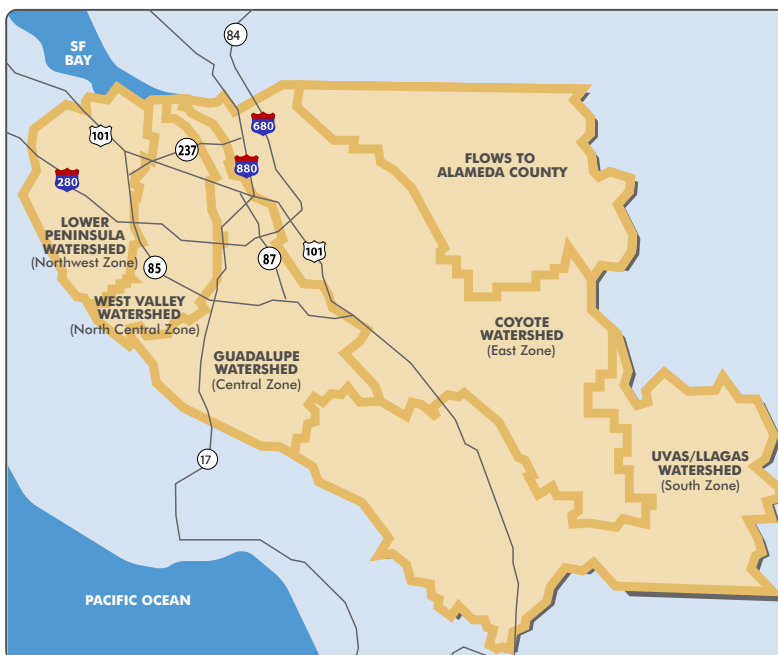
## Major water utility zones of benefit in Santa Clara County



As part of Valley Water's core water supply function, two major water utility zones form the basis for establishing District water charges. Zone W-2 encompasses the Santa Clara Valley groundwater basin north of Metcalf Road, and the city. It includes those groundwater producing facilities that benefit from recharge with local and imported water. Zone W-5 comprises the entire Llagas groundwater basin from Metcalf Road south to the Pajaro River. Water charges are set separately for each zone, reflecting Valley Water activities carried out in each.

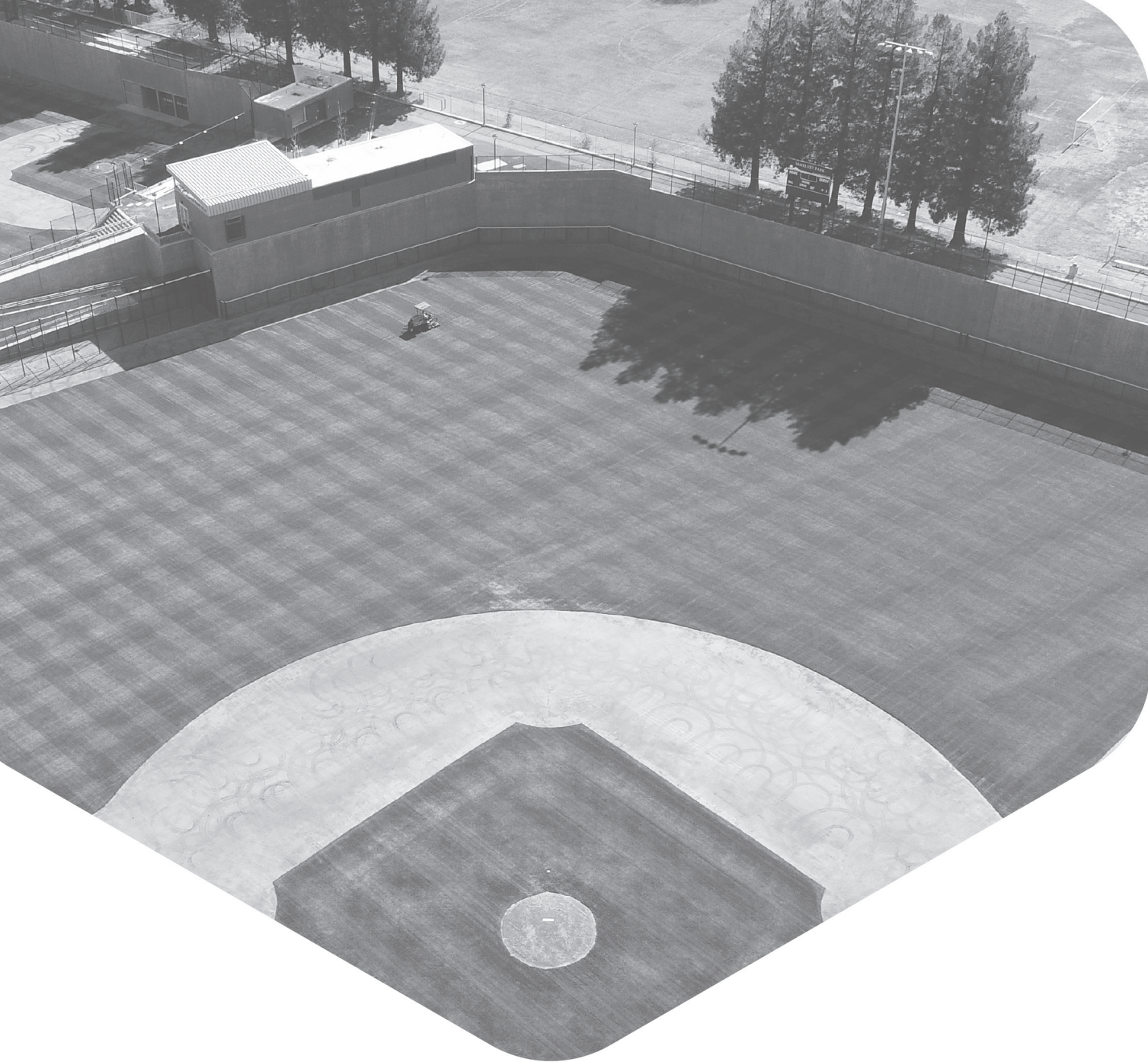
*In spring 2020, the Board of Directors is expected to consider proposed changes to modify the two existing zones, and to create two new zones in South County. This will be considered by the board in a public hearing.*

## Watershed areas and flood control zones of Santa Clara County



More than 800 miles of creeks flow through Santa Clara County. Valley Water works to protect both the natural attributes of these waterways and the communities that surround them as part of its watershed stewardship core function. Sixty-eight years of working for flood protection has reduced the intensity and frequency of flooding in Santa Clara County.





## Financial Overview

FY 2020-21

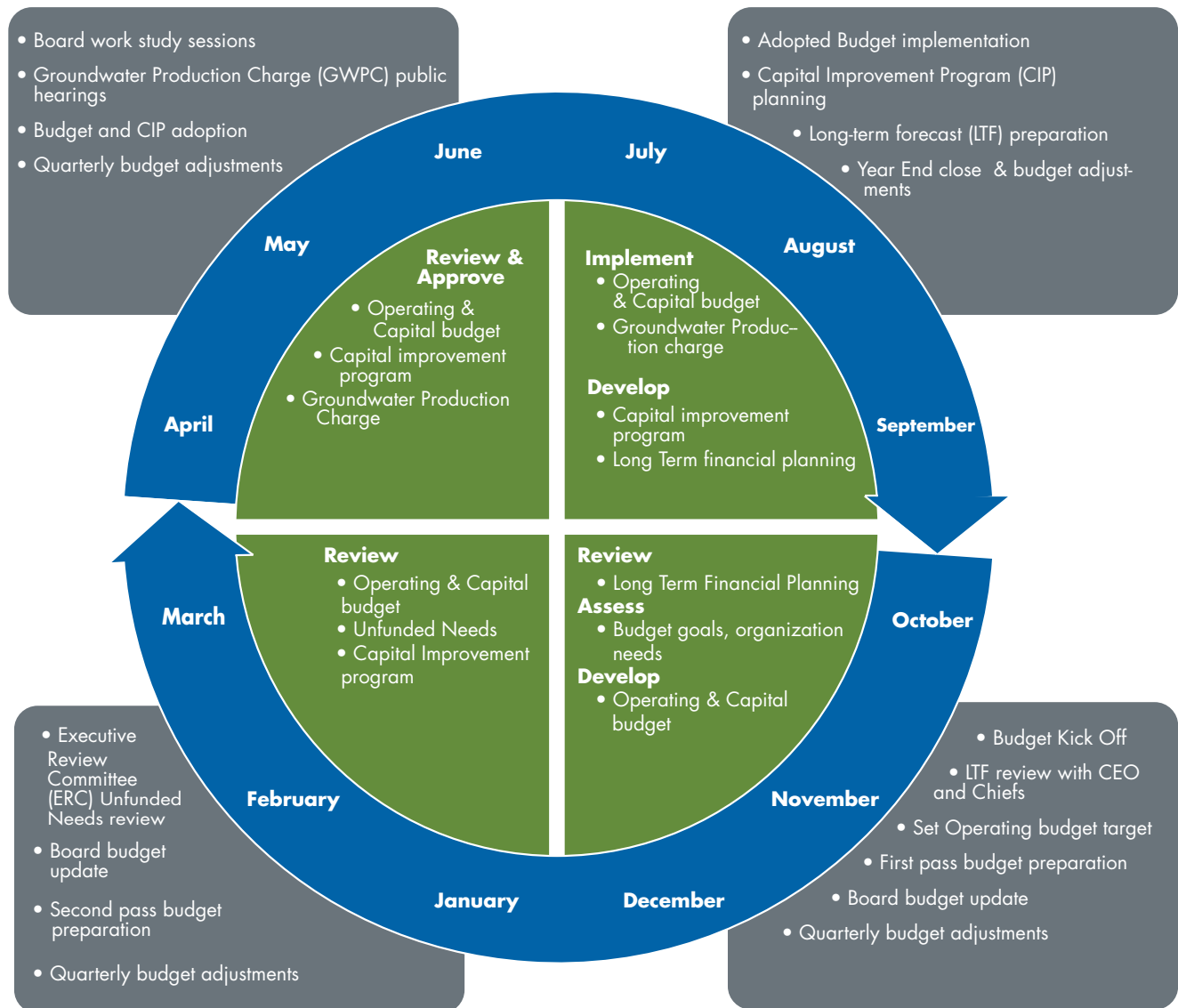
## Operating and Capital Budget



# FINANCIAL OVERVIEW

# Financial Overview

## Budget Process Overview



# Financial Overview

## Financial Planning and Rate Setting

Every year staff prepare a rolling ten-year expenditure forecast that provides the basis for developing the budget targets and for analyzing the long-term financial sustainability of the various Valley Water funds. For the Water Utility Enterprise funds, Valley Water uses the “revenue requirements” methodology to set the groundwater production charge and other water charges for each zone. In general, costs associated with operations, capital, debt service and reserve requirements are estimated over a 10-year time frame. The amount not funded by property taxes, interest earnings, debt proceeds, and other income is covered by water charges. A water charge projection is calculated for each zone to recover the revenue requirements over a 10-year time period in accordance with the pricing policy (Board Resolution 99-21). The water charge setting process is conducted in accordance with the District Act and Board resolution 12-10, and includes the preparation of an annual report on the Protection and Augmentation of Water Supplies (PAWS). The report provides information on present and future water requirements for the County, water supply available to Valley Water, future capital and operating requirements, benefits and services provided by Valley Water, financing methods and water charges by zone. A series of public hearings and meetings are conducted with advisory committees and stakeholders to ensure that feedback is gathered for the Board to consider in establishing water charges each year.

## Capital Improvement Plan

Valley Water prepares a Capital Improvement Program (CIP) annually. It is a 5-year rolling CIP, meaning that it is updated annually and covers the upcoming five-year period. The CIP is approved by the Board each year, and is publicly available for review. The CIP includes project descriptions, schedules and forecasts for capital funding needs. The CIP is the primary means of

coordinating schedules and budgets on capital work.

For detail capital expenditure and impact of capital investments on operating budget, please visit: <https://www.valleywater.org/public-review-documents>.

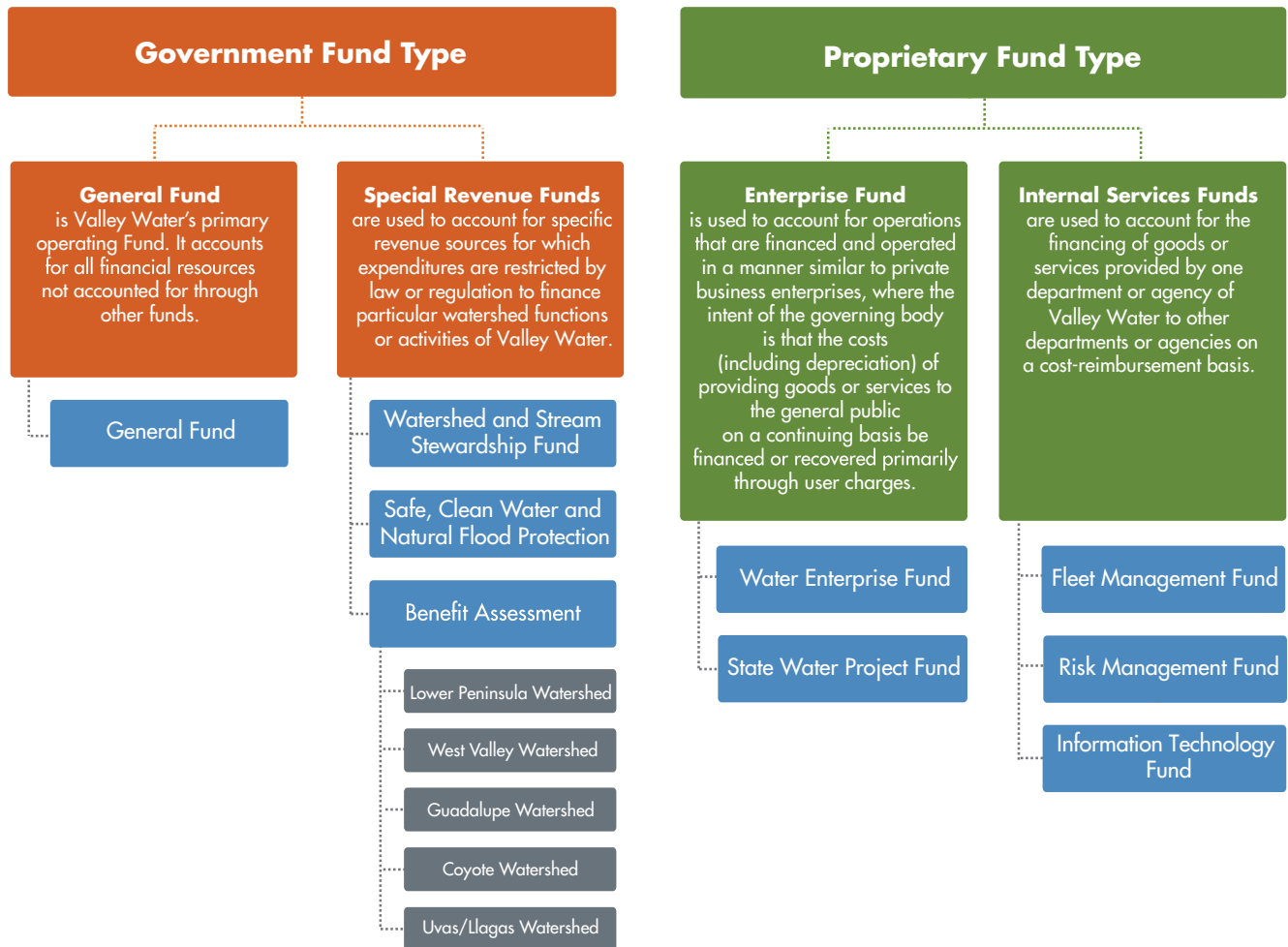
## Other Planning Documents

Valley Water’s budget is informed by many planning documents including but not limited to:

- Protection and Augmentation of Water Supplies Report 2020-2021
- Water Utility Water Supply Master Plan
- Water Utility Groundwater Management Plan
- Water Utility Five Year Maintenance Work Plan
- Watersheds Five Year Operations and Maintenance Plan
- Stream Maintenance Program Manual
- Safe, Clean Water and Natural Flood Protection 5-Year Implementation Plan
- Requests of the 116th Congress
- 2020 Environment Stewardship Update
- Diversity and Inclusion Master Plan

# Financial Overview

## Valley Water Fund Structure



# Financial Overview

## Basis of Budgeting

The annual budget is prepared using the modified accrual basis. Revenues are recognized only when they become measurable and available to finance expenditures of the fiscal period. Expenditures are recognized when the payments are incurred or a commitment is made through an encumbered purchase order.

The accounts of Valley Water are organized based on fund types and account groups. Each fund is an independent accounting entity with a self-balancing set of accounts comprised of its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. Fund accounting allows government resources to be segregated and accounted for per their intended purposes, aiding management in demonstrating compliance with finance-related legal and contractual provisions.

## Revenue

Revenue projections are, in general, taken from Valley Water's long-range planning documents. These planning tools are updated annually based on the best information available. They are documented annually as part of the Annual Report on the Protection and Augmentation of Water Supplies (PAWS), the Flood Control Benefit Assessments Report, and the Safe, Clean Water and Natural Flood Protection Report.

The FY 2020-21 Budget includes projected revenues of approximately \$529.0 million. These revenues are a net increase of 5.4% from the \$501.8 million included in the FY 2019-20 Adopted Budget. The net \$27.2 million increase is primarily derived from higher water charges revenue (\$4.5 million), 1% ad valorem property taxes (\$9.0 million), special parcel tax (\$1.6 million), capital reimbursements (\$11.0 million), as well as interest and other operating and non-operating revenues (\$2.2 million), offset by a decrease of Benefit Assessment revenues (-\$1.1 million). The specific

categories of revenue include:

### Water Revenue

The main source of Valley Water revenue is from water charges projected at \$281.9 million for FY 2020-21. Revenues from treated water continue to be the largest source with an estimated amount of \$148.4 million. Groundwater production charges are budgeted at \$130.7 million, and surface/recycled water sales are projected at \$2.7 million. Staff is recommending in the FY 2020-21 Production and Augmentation of Water Supplies (PAWS) report and this budget an 8.6% increase in municipal and industrial groundwater charges for modified North County Zone W-2, a 2.9% decrease for modified Zone W-5, a 9.4% increase for new Zone W-7, and a 32.0% decrease for new Zone W-8. Further discussion on groundwater production charges, including the proposed changes to the groundwater benefit zones, is provided in the Water Utility Enterprise Fund Summary section of this budget and also in the FY 2020-21 PAWS Report.

### Property Tax

Property tax revenues are estimated at \$128.9 million for FY 2020-21, an increase of 7.5% from the FY 2019-20 Adopted Budget. Valley Water benefits from two types of property taxes - 1% ad valorem (\$110.9 million) and levies for State Water Project (SWP) indebtedness (\$18.0 million). More information is included in the Major Sources of Revenue section later in this chapter.

### Special Parcel Tax

The Safe, Clean Water Program special parcel tax was approved by the voters in November 2012. The Special Parcel Tax estimated for FY 2020-21 is \$47.1 million, an increase of 3.5% over FY 2019-20 Adopted Budget.



# Financial Overview

## Benefit Assessments

Benefit assessment revenue consists of levies approved by voters in 1986 and 1990 to support financing for flood control capital improvements, and are set at 1.25 times the duly authorized annual debt service requirements for assessed parcels in each watershed. Benefit assessment revenue budget is \$12.4 million for FY 2020-21.

## Capital Reimbursements

Capital reimbursements are from local, state and federal agencies for specified capital projects that are already completed or would be undertaken during this budget period. District-wide capital reimbursements are budgeted at \$43.6 million for FY 2020-21. More information is included in the Major Sources of Revenue section.

## Interest

Interest earnings are estimated to be \$10.1 million in FY 2020-21, an increase of \$2.1 million compared to FY 2019-20 Adopted Budget.

## Intergovernmental Services

Intergovernmental Services revenue are from local cities for which specified capital projects are completed and total \$1.2 million for FY 2020-21.

## Other Revenue

Other Operating and Non-Operating Revenues comprised of receipts from minor sources such as rental income and the sale of vehicles totals \$3.8 million.

## Appropriations/Outlays

Net total operating and capital outlays for the FY 2020-21 Budget are \$652.8 million. This figure does not include capital carry forward (\$63.7 million) appropriated by the Board in prior years and is net of General Fund intra-district reimbursements and Internal Service Funds charges (\$93.2 million). Total operating

and capital outlays total \$746.1 million, which includes intra-district reimbursements of \$93.2 million and are discussed in the following section, in more detail.

FY 2020-21 net operating outlays are \$313.5 million, an increase of approximately \$27.8 million compared to the FY 2019-20 Adopted Budget of \$285.8 million.

The increase in net outlays reflects continued efforts to maintain service levels that support key strategic objectives. Objectives and issues facing Valley Water include but are not limited to:

- Infrastructure maintenance and construction needs (ensuring dam safety, managing infrastructure for reliability, care of Valley Water facilities and assets)
- Advancing Valley Water's interests in countywide storm water resource planning
- Active participation in decisions regarding California Delta Conveyance
- Leading efforts to advanced recycled and purified water efforts within Santa Clara County
- Pursuing efforts to increase water storage opportunities
- Attaining net positive impact on the environment when completing projects
- Advancing diversity and inclusion efforts

Valley Water is responding to these challenges in several ways, including expanding efforts with the help of 23 new positions, as discussed in the Fund Summaries chapter.

## Intra-district Reimbursements

The primary funding sources for the General Fund and Service Funds are intra-district reimbursements. For FY 2020-21, the total is \$93.2 million. Intra-district charges reimburse the General Fund and Service Funds for functions such as finance, accounting, payroll, human resources, information technology, facilities, organizational leadership, and fleet management.

Approximately, 60% of intra-district charges is paid by the Water Utility Enterprise, 40% by Watersheds Funds.

# Financial Overview

## Capital Outlays

FY 2020-21 net capital project outlays total \$277.5 million, an increase of \$92.9 million as compared to the FY2019-20 Adopted Budget of \$184.5 million. It is anticipated that \$63.7 million of the FY 2019-20 adjusted budget for capital projects will be carried forward to FY 2020- 21 as most capital projects require multiple years to complete. The capital budget represents the projects that have been identified and prioritized in the Five- Year Capital Improvement Program (CIP).

house construction management program, support Water Utility pipeline engineering maintenance activities, augment resources in administrative services, and provide staffing resources for various Watershed operations/operating projects. For a comprehensive schedule of district-wide salaries and benefits, please refer to the salaries & benefits section in this chapter.

## Other Financing Sources/Uses

Other financing sources and uses include proceeds from debt issuance. For FY 2020-21, Valley Water anticipates issuing bonds or commercial papers for approximately \$135.5 million to finance various Water Utility capital improvement projects.

## Reserves

Overall, budgeted reserves for FY 2020-21 are estimated at \$324.7 million, a decrease of \$18.1 million compared to the FY 2019-20 Adopted Budget level. The decrease is primarily due to decreases in the currently authorized projects reserves (-\$14.6 million), the Water Utility public-private partnership reserves (-\$8.0 million), and the State Water Project Tax Reserve (-\$4.8 million) offset by increases in the operating and capital reserves (\$2.5 million), the Water Utility rate stabilization reserve (\$2.4 million), and the Guiding Principal #5 Reserve (\$3.6 million).

## Staffing

The FY 2020-21 Budget includes 882 authorized positions, 8 limited-term positions and 4 management fellows, an increase of 23 new positions from the prior year. The new positions costs total approximately \$4.2 million. The new positions support Valley Water's In-

# Financial Overview

## Combined Fund Summary - All Funds

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>REVENUE</b>						
GroundWater	\$ 81,922,689	\$ 105,036,000	\$ 98,050,000	\$ 130,728,000	\$ 25,692,000	24.5%
Treated Water	143,998,219	169,519,000	156,495,000	148,398,000	(21,121,000)	(12.5)%
Surface/Recycled	1,757,563	2,821,000	2,820,000	2,735,000	(86,000)	(3.0)%
Benefit Assessment	14,746,505	13,444,678	13,444,678	12,369,217	(1,075,461)	(8.0)%
Property Tax	130,189,099	119,951,653	126,223,887	128,902,000	8,950,347	7.5%
Parcel Tax	44,127,352	45,537,000	45,537,000	47,130,795	1,593,795	3.5%
Intergovernmental Services	4,104,067	1,237,000	1,162,000	1,242,326	5,326	0.4%
Operating Other	674,431	872,000	947,000	954,410	82,410	9.5%
Capital Reimbursements	26,673,149	32,618,000	50,721,000	43,608,000	10,990,000	33.7%
Interest Income *	12,997,494	7,850,000	12,950,000	10,050,000	2,200,000	28.0%
Non-Operating Other	4,146,534	2,958,000	2,958,565	2,887,975	(70,025)	(2.4)%
<b>TOTAL REVENUE</b>	<b>\$ 465,337,102</b>	<b>\$ 501,844,331</b>	<b>\$ 511,309,130</b>	<b>\$ 529,005,723</b>	<b>\$ 27,161,392</b>	<b>5.4%</b>
<b>OUTLAYS</b>						
<b>Operating Outlays</b>						
Operations **	\$ 303,977,897	\$ 340,279,199	\$ 347,382,805	\$ 375,470,245	\$ 35,191,046	10.3%
Operating Project	6,689,020	6,406,323	13,456,323	6,203,590	(202,734)	(3.2)%
Debt Service	42,599,874	58,607,155	58,607,155	61,811,513	3,204,358	5.5%
<b>Total Operating Outlays</b>	<b>\$ 353,266,791</b>	<b>\$ 405,292,677</b>	<b>\$ 419,446,283</b>	<b>\$ 443,485,348</b>	<b>\$ 38,192,670</b>	<b>9.4%</b>
<b>Capital Outlays</b>						
Capital Projects	\$ 175,455,273	\$ 204,451,305	\$ 336,615,721	\$ 302,569,820	\$ 98,118,515	48.0%
Carry Forward Capital Projects	—	71,151,000	—	63,749,011	(7,401,989)	(10.4)%
<b>Total Capital Outlays</b>	<b>\$ 175,455,273</b>	<b>\$ 275,602,305</b>	<b>\$ 336,615,721</b>	<b>\$ 366,318,831</b>	<b>\$ 90,716,526</b>	<b>32.9%</b>
<b>TOTAL OUTLAYS****</b>	<b>\$ 528,722,064</b>	<b>\$ 680,894,982</b>	<b>\$ 756,062,004</b>	<b>\$ 809,804,179</b>	<b>\$ 128,909,197</b>	<b>18.9%</b>
Less Intra-District Reimb	(72,042,287)	(80,846,963)	(80,846,963)	(93,249,762)	(12,402,799)	15.3%
<b>NET OUTLAYS</b>	<b>\$ 456,679,777</b>	<b>\$ 600,048,019</b>	<b>\$ 675,215,041</b>	<b>\$ 716,554,417</b>	<b>\$ 116,506,398</b>	<b>19.4%</b>
<b>OTHER FINANCING SOURCES/(USES)</b>						
Bond Proceeds	\$ —	\$ 59,559,000	\$ 70,894,000	\$ 135,500,000	\$ 75,941,000	127.5%
Commercial Paper Proceeds	41,540,000	—	—	—	—	—
Certificates of Participation	3,581,547	—	2,040,459	—	—	—
Transfers In	13,584,754	26,941,830	27,661,043	26,856,926	(84,904)	(0.3)%
Transfers Out	(13,584,754)	(26,941,830)	(27,661,043)	(26,856,926)	84,904	(0.3)%
<b>TOTAL OTHER SOURCES/(USES)</b>	<b>\$ 45,121,547</b>	<b>\$ 59,559,000</b>	<b>\$ 72,934,459</b>	<b>\$ 135,500,000</b>	<b>\$ 75,941,000</b>	<b>127.5%</b>
<b>BALANCE AVAILABLE</b>	<b>\$ 53,778,872</b>	<b>\$ (38,644,688)</b>	<b>\$ (90,971,452)</b>	<b>\$ (52,048,694)</b>	<b>\$ (13,404,006)</b>	<b>34.7%</b>

# Financial Overview

## Combined Fund Summary - All Funds (Continued)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>YEAR-END RESERVES</b>						
<b>Restricted Reserves</b>						
WUE Rate Stabilization	\$ 26,090,186	\$ 23,467,000	\$ 23,466,551	\$ 25,878,053	\$ 2,411,053	10.3%
WUE San Felipe Emergency	3,150,102	3,103,000	3,199,972	3,249,972	146,972	4.7%
WUE State Water Project Tax Reserve	15,355,069	4,815,690	9,287,487	—	(4,815,690)	(100.0)%
CP Debt Service	287,226	—	—	—	—	—
WUE Public-Private Partnership (P3) Reserve	4,000,000	8,000,000	8,000,000	—	(8,000,000)	(100.0)%
WUE Water Supply	14,677,000	15,077,000	15,077,000	15,477,000	400,000	2.7%
WUE SVAWPC	1,066,000	1,066,000	1,298,138	908,138	(157,862)	(14.8)%
WUE Drought Reserve	7,000,000	10,000,000	10,000,000	10,000,000	—	—
GP5 Reserve	—	—	3,613,000	3,613,000	3,613,000	—
SCW Currently Authorized Projects	109,087,781	25,418,000	51,440,715	18,965,825	(6,452,175)	(25.4)%
SCW Operating and Capital Reserve	48,558,698	90,654,986	64,059,172	49,826,290	(40,828,696)	(45.0)%
<b>Total Restricted Reserves</b>	<b>\$ 229,272,062</b>	<b>\$ 181,601,676</b>	<b>\$ 189,442,035</b>	<b>\$ 127,918,278</b>	<b>\$ (53,683,398)</b>	<b>(29.6)%</b>
<b>Committed Reserves</b>						
Currently Authorized Projects ***	\$ 113,133,663	\$ 29,807,000	\$ 52,972,313	\$ 21,698,193	\$ (8,108,807)	(27.2)%
Benefit Assessment Reserve	1,097,604	—	—	—	—	—
Operating and Capital Reserve	109,934,575	118,325,138	121,020,494	161,698,983	43,373,845	36.7%
Workers Compensation Liability	7,085,600	7,034,000	7,085,600	7,085,600	51,600	0.7%
Catastrophy - Property Self-Insurance	7,244,312	6,113,912	6,275,922	6,346,616	232,704	3.8%
<b>Total Committed Reserves</b>	<b>\$ 238,495,754</b>	<b>\$ 161,280,050</b>	<b>\$ 187,354,329</b>	<b>\$ 196,829,392</b>	<b>\$ 35,549,342</b>	<b>22.0%</b>
<b>TOTAL YEAR-END RESERVES</b>	<b>\$ 467,767,816</b>	<b>\$ 342,881,726</b>	<b>\$ 376,796,364</b>	<b>\$ 324,747,670</b>	<b>\$ (18,134,056)</b>	<b>(5.3)%</b>

# Financial Overview

## Combined Fund Summary - All Funds (Continued)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries & Benefits	\$ 122,322,972	\$ 137,366,403	\$ 137,366,403	\$ 147,752,140	\$ 10,385,737	7.6%
Salary Savings Factor	—	(3,718,721)	(3,718,721)	(3,830,009)	(111,288)	3.0%
Services & Supplies	127,673,308	152,126,574	166,280,180	169,611,434	17,484,860	11.5%
Intra-District Charges	60,670,637	60,911,267	60,911,267	68,140,270	7,229,003	11.9%
OPERATING OUTLAY TOTAL	\$ 310,666,917	\$ 346,685,523	\$ 360,839,129	\$ 381,673,835	\$ 34,988,312	10.1%
DEBT SERVICE						
Services & Supplies	\$ 884,622	\$ 4,394,440	\$ 4,394,440	\$ 3,014,438	\$ (1,380,002)	(31.4)%
Debt Service	41,715,253	54,212,715	54,212,715	58,797,075	4,584,360	8.5%
DEBT SERVICE TOTAL	\$ 42,599,875	\$ 58,607,155	\$ 58,607,155	\$ 61,811,513	\$ 3,204,358	5.5%
CAPITAL PROJECTS						
Salaries & Benefits	\$ 29,729,076	\$ 37,359,111	\$ 37,359,111	\$ 44,646,470	\$ 7,287,360	19.5%
Salary Savings Factor	—	(1,021,387)	(1,021,387)	(1,199,405)	(178,018)	17.4%
Services & Supplies	127,272,927	148,177,884	280,342,300	234,013,263	85,835,379	57.9%
Carry Forward Capital Projects	—	71,151,000	—	63,749,011	(7,401,989)	(10.4)%
Intra-District Charges	18,453,271	19,935,697	19,935,697	25,109,491	5,173,794	26.0%
CAPITAL PROJECTS TOTAL	\$ 175,455,274	\$ 275,602,305	\$ 336,615,721	\$ 366,318,830	\$ 90,716,526	32.9%
TOTAL OUTLAYS****	\$ 528,722,066	\$ 680,894,983	\$ 756,062,005	\$ 809,804,178	\$ 128,909,196	18.9%

(\*) Interest revenue does not include GASB31 market value adjustment

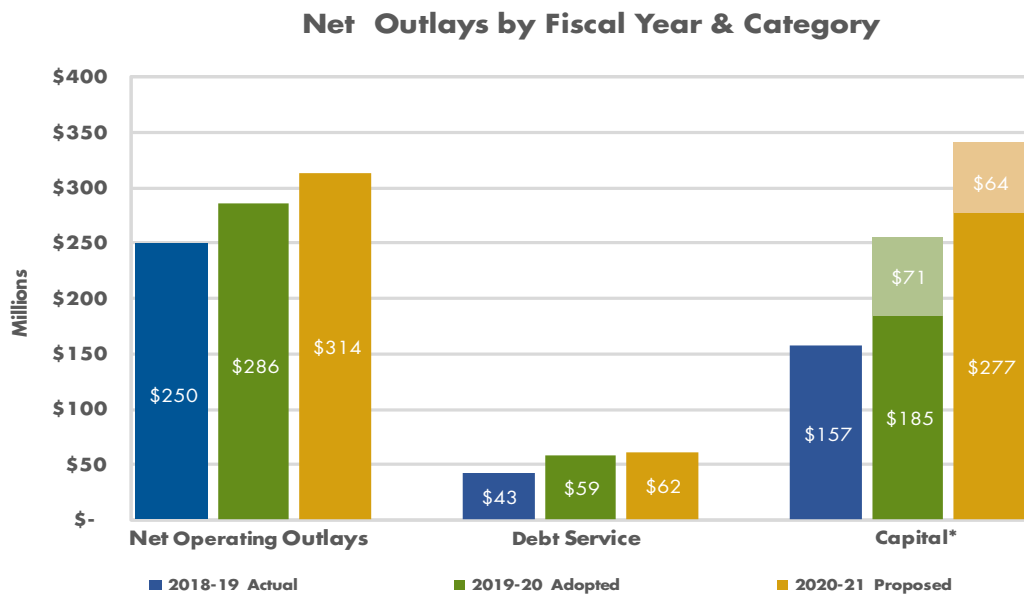
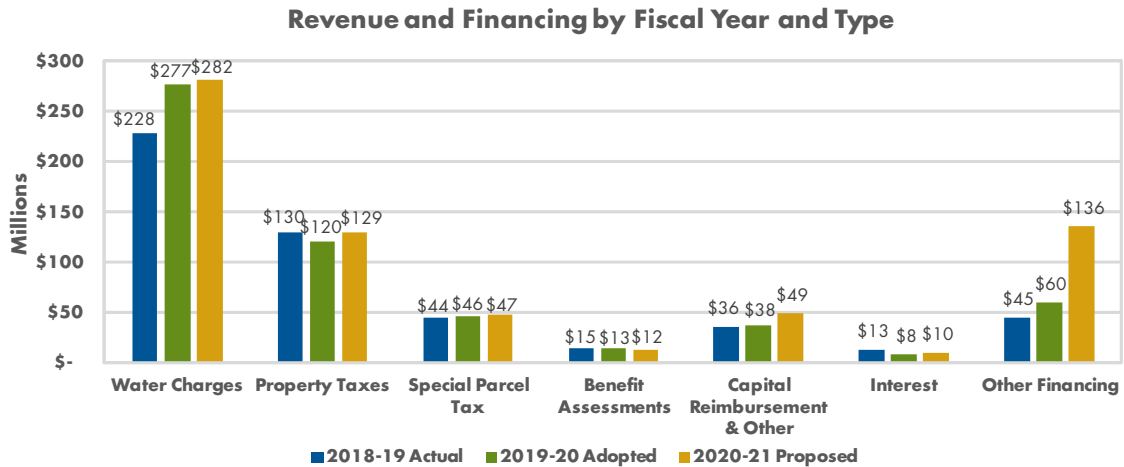
(\*\*) Operations outlay does not include OPEB Expense-unfunded liability

(\*\*\*)Currently Authorized Projects Reserve is unspent budget for authorized capital projects

(\*\*\*\*)Total Outlays amounts may have a slight variance due to rounding

# Financial Overview

## Revenue and Outlays

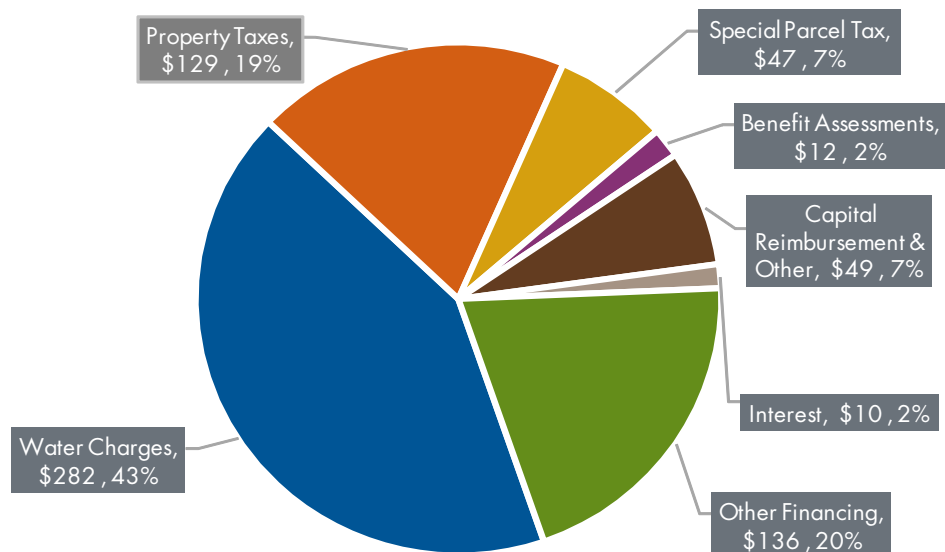


\* Capital budget includes current year budget and prior year capital budget carry forward in the lighter shade

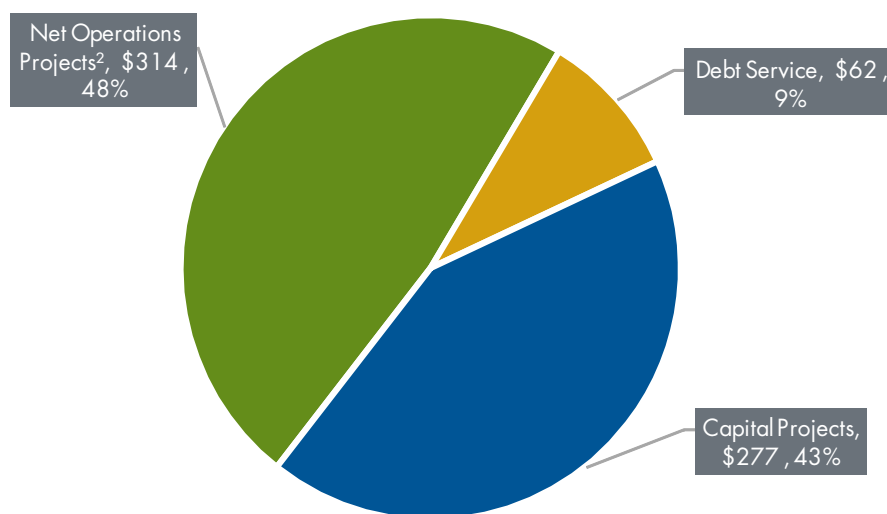


# Financial Overview

## FY 2020-21 Proposed Revenue and Debt Financing, \$665 Million



## FY 2020-21 Proposed Net Outlays By Category, \$653 Million



<sup>1</sup>Capital Projects Outlay does not include capital budget estimated to be carried forward from prior year

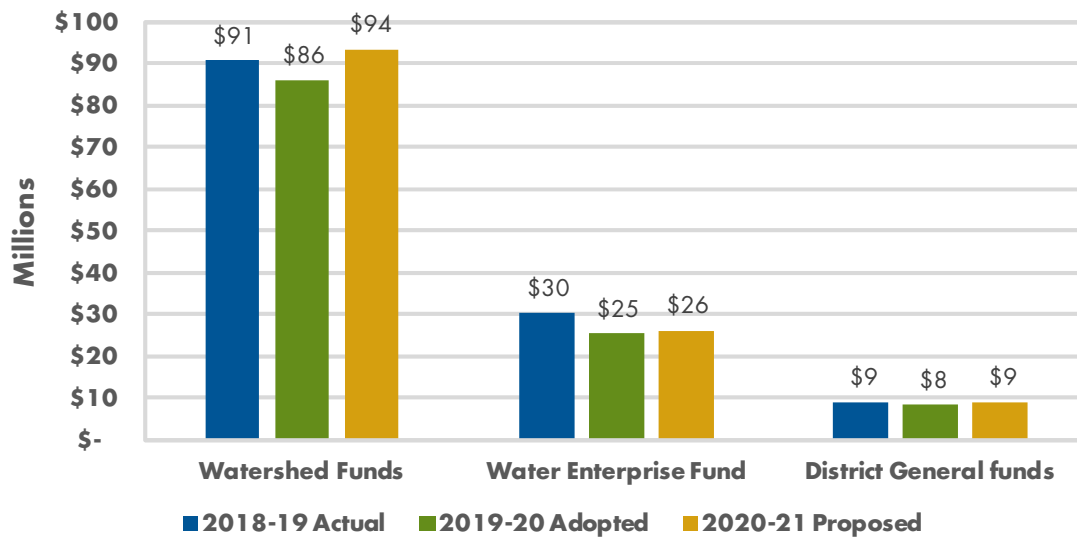
<sup>2</sup>Operations are net of intra-district reimbursements.

## MAJOR SOURCES OF REVENUES

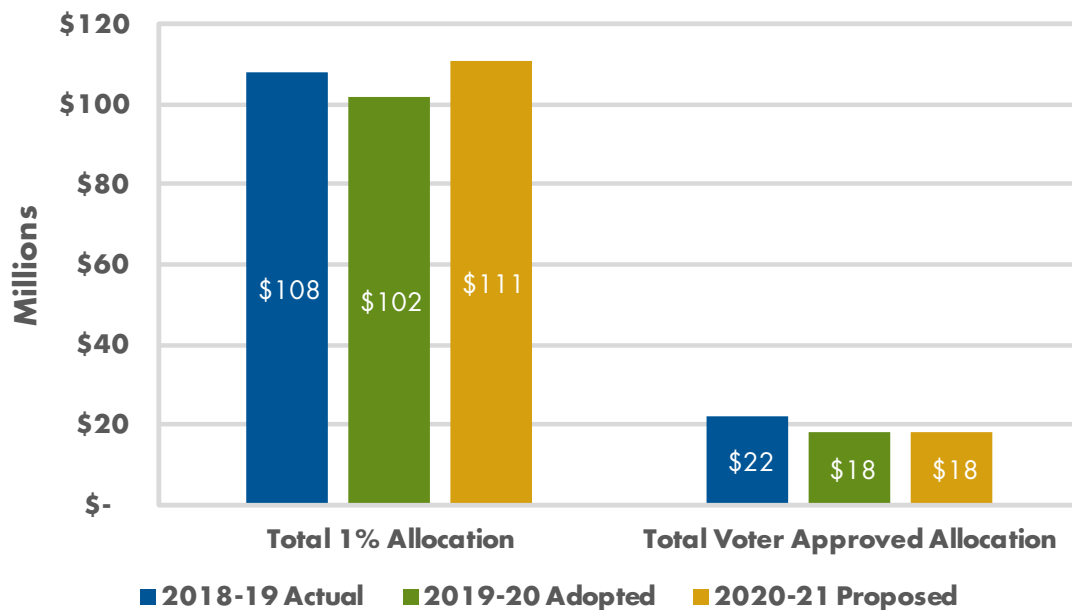
# Financial Overview

## Property Taxes

Property Taxes by Fiscal Year and Fund Group



Property Taxes by Fiscal Year and Taxing Authority Type



# Financial Overview

## Property Taxes

Valley Water's property tax revenues are comprised of two distinct categories: an allocated share of countywide 1% Ad Valorem property tax receipts and a voter-approved levy for State Water Project (SWP) contract obligations.

For FY 2020-21, Valley Water is projecting \$110.9 million in 1% Ad Valorem tax revenues, an 8.8% increase over the FY 2019-20 Adopted Budget. The increase is based on the assessed value of all property in Santa Clara County. Property sales and new construction were principal contributors to assessment roll growth in FY 2020-21.

Valley Water also levies a property tax (State Water

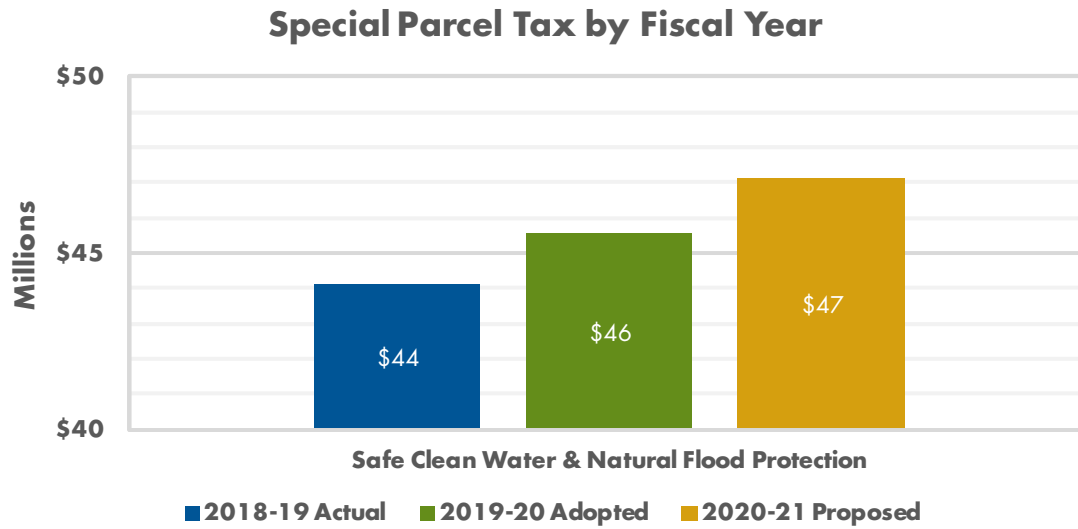
Projects Tax) based on its annual indebtedness to the State pursuant to its water supply contract dated November 20, 1961. This indebtedness is part of Valley Water's SWP water purchase costs and pays for construction, maintenance and operation of SWP infrastructure and facilities. In FY 2020-21, total Valley Water expects to collect \$18.0 million, the same amount as the prior fiscal year.

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>Property Tax</b>						
<b>1 % Ad Valorem Property Tax</b>						
Watershed Funds	\$ 90,726,811	\$ 86,087,955	\$ 91,119,811	\$ 93,520,000	\$ 7,432,045	8.6%
Water Enterprise Fund	8,124,104	7,451,232	8,087,232	8,217,000	765,768	10.3%
District General Fund	8,993,866	8,412,466	9,016,844	9,165,000	752,534	8.9%
<b>Total 1% Allocation</b>	<b>\$ 107,844,781</b>	<b>\$ 101,951,653</b>	<b>\$ 108,223,887</b>	<b>\$ 110,902,000</b>	<b>\$ 8,950,347</b>	<b>8.8%</b>
<b>State Water Project Debt Service</b>	<b>\$ 22,344,318</b>	<b>\$ 18,000,000</b>	<b>\$ 18,000,000</b>	<b>\$ 18,000,000</b>	<b>\$ —</b>	<b>—</b>
<b>Total Property Tax</b>	<b>\$ 130,189,099</b>	<b>\$ 119,951,653</b>	<b>\$ 126,223,887</b>	<b>\$ 128,902,000</b>	<b>\$ 8,950,347</b>	<b>7.5%</b>



# Financial Overview

## Special Parcel Tax



# Financial Overview

## Special Parcel Tax

In November 2000, over two-thirds of Santa Clara County voters approved the original 15-year special parcel tax to fund the Valley Water's countywide Clean, Safe Creeks and Natural Flood Protection Program (Clean, Safe Creeks). In November 2012, two-thirds of the voters approved the Safe, Clean Water and Natural Flood Protection program that built upon the success of its predecessor Clean, Safe Creeks program and extended the special parcel tax another 15 years. The special parcel tax levy is based on the proportionate

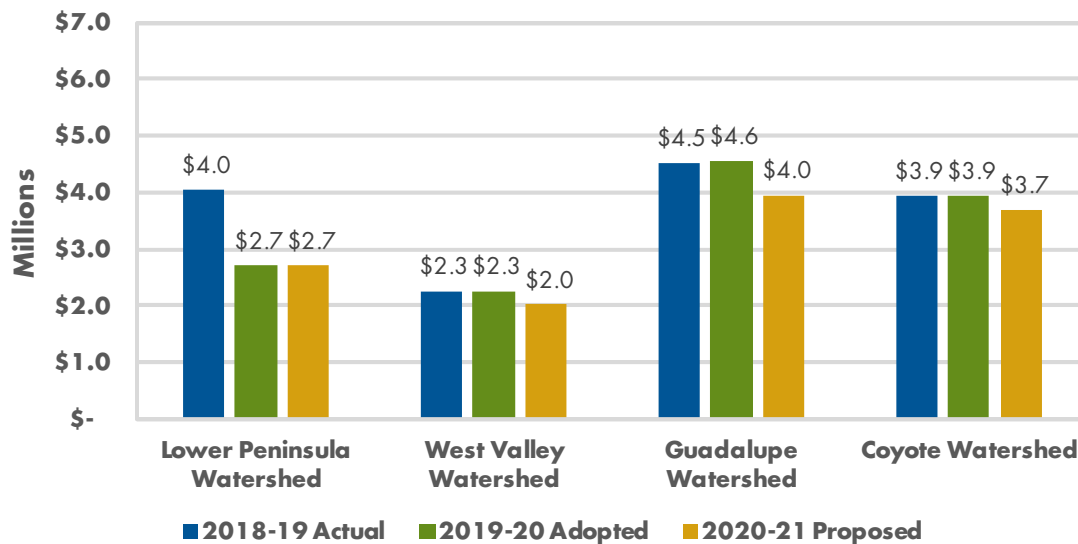
distribution of storm water runoff per parcel, and may be increased annually by either the prior year's San Francisco-Oakland-San Jose Consumer Price Index for all Urban Consumers (CPI) or 3%, whichever is greater. For FY 2020-21, special parcel tax revenues are expected to increase by \$1.6 million or 3.5% over the FY 2019-20 Adopted Budget. The increase is mainly due to the increase in the special tax rates, and partially due to an anticipated increase in eligible parcels based on the construction activity in the county.

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>Special Parcel Tax</b>						
Safe Clean Water & Natural Flood Protection	\$ 44,127,352	\$ 45,537,000	\$ 45,537,000	\$ 47,130,795	\$ 1,593,795	3.5%
<b>Total Special Parcel Tax</b>	<b>\$ 44,127,352</b>	<b>\$ 45,537,000</b>	<b>\$ 45,537,000</b>	<b>\$ 47,130,795</b>	<b>\$ 1,593,795</b>	<b>3.5%</b>

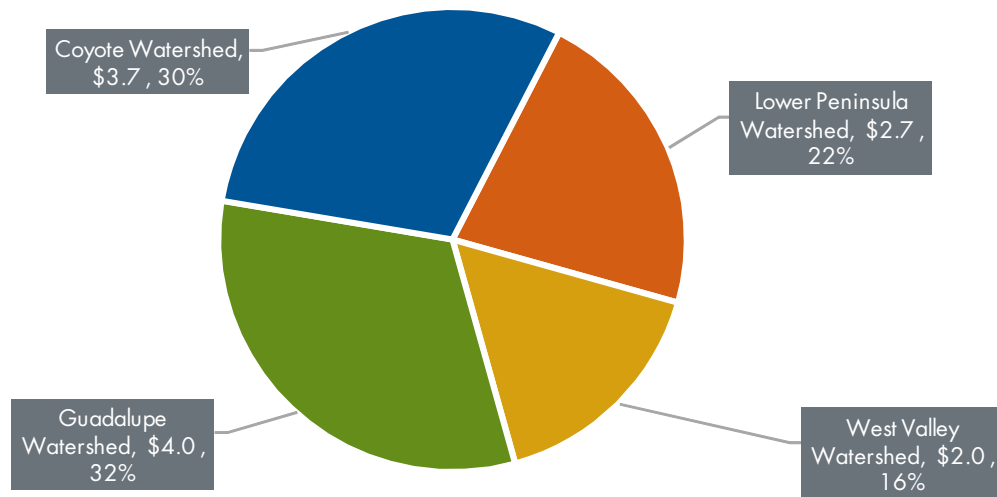
# Financial Overview

## Benefit Assessment

**Benefit Assessment by Fiscal Year and Watershed Fund**



**FY 2020-21 Benefit Assessments, \$12.4 Million**



# Financial Overview

## Benefit Assessment

The Flood Control Benefit Assessment was first authorized by the Valley Water Board of Directors in 1981, and later by the ballot measures in 1982, 1986, and 1990. The program had a sunset date of 2000 but the assessment will continue until 2030, when the Valley Water would pay-off the bonds associated with this program.

FY 2020-21 continues under this debt repayment phase of the benefit assessment program with benefit assessments levied at 1.25 times the annual debt service. For FY 2020-21, the Benefit Assessment revenue receipts are anticipated to come in at \$12.4

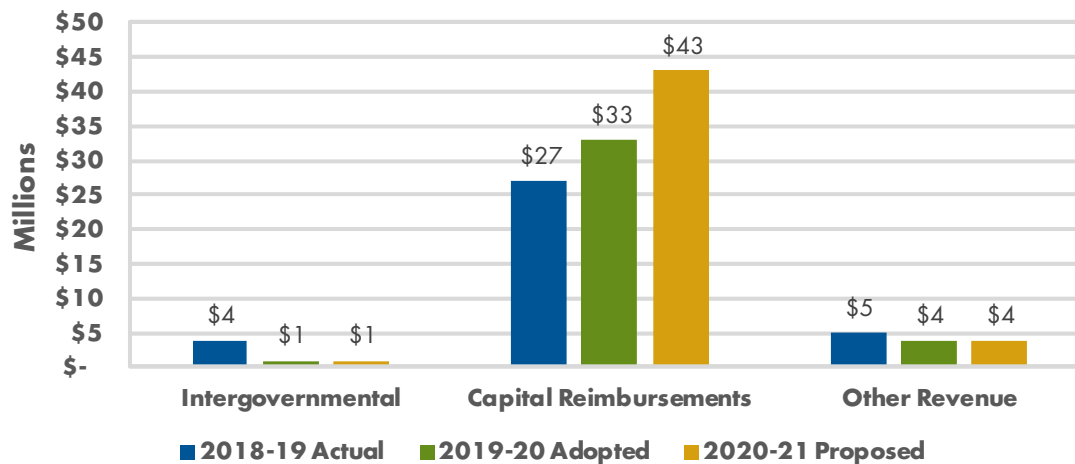
million, which includes a \$1.1 million one-time reduction across the West Valley, Guadalupe and Coyote Watershed zones resulting from decreased reserve requirements identified in FY 2018-19. As Valley Water continues to pay down principal, the amount collected will decrease.

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>Benefit Assessment</b>						
Lower Peninsula Watershed	\$ 4,038,797	\$ 2,704,524	\$ 2,704,524	\$ 2,707,674	\$ 3,150	0.1%
West Valley Watershed	2,253,446	2,254,819	2,254,819	2,017,606	(237,213)	(10.5)%
Guadalupe Watershed	4,522,569	4,552,774	4,552,774	3,955,671	(597,103)	(13.1)%
Coyote Watershed	3,931,693	3,932,561	3,932,561	3,688,266	(244,295)	(6.2)%
<b>Total Benefit Assessments</b>	<b>\$ 14,746,505</b>	<b>\$ 13,444,678</b>	<b>\$ 13,444,678</b>	<b>\$ 12,369,217</b>	<b>\$ (1,075,461)</b>	<b>(8.0)%</b>

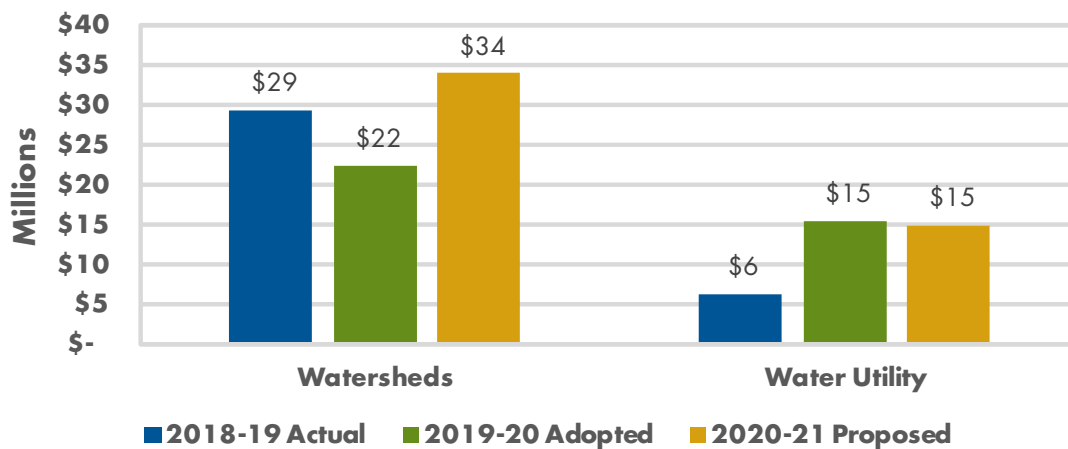
# Financial Overview

## Intergovernmental, Capital Reimbursements and Other Revenue

Intergovernmental, Capital Reimbursements and Other Revenue by Fiscal Year & Type



Intergovernmental, Capital Reimbursements and Other Revenue by Fiscal Year & Fund Group





# Financial Overview

## Intergovernmental Services

Valley Water anticipates receiving intergovernmental services revenue of \$1.2 million for the Water Utility.

## Capital Reimbursement Revenue

Valley Water anticipates capital reimbursement revenue of \$43.6 million.

Water Utility Enterprise receipts are budgeted at \$11.4 million comprised of \$1.3 million from San Benito County Water District (SBCWD) for small capital improvements on the San Felipe pipeline, \$8.1 million from the California Water Commission for the Pacheco Reservoir Expansion project, \$2.0 million of USBR Title 16 funding for the recycled water pipeline efforts in South County.

Total Watersheds capital reimbursements are budgeted at \$32.3 million. Of this, \$20.1 million is budgeted in the Watershed and Stream Stewardship Fund and \$12.2 million is budgeted in the Safe, Clean Water Fund.

Watershed and Stream Stewardship reimbursements

are comprised primarily of \$2.8 million for Berryessa Creek, Lower Penitencia Creek to Calaveras Blvd., \$1.6 million for Cunningham Flood Detention Certification, \$3.4 million for Lower Silver Creek, I-680 to Cunningham, \$1.0 million for Lower Llagas Creek, Buena Vista Road to Pajaro Road, \$10.8 million for the San Francisco Bay Shoreline, and \$0.5 million for Guadalupe River, I-880 to I-280.

Safe, Clean Water reimbursements are comprised of State Subventions for Berryessa Creek, Calaveras Blvd. to I-680 (\$0.8 million), Llagas Creek - Upper, Buena Vista Rd. to Wright Ave. (\$9.2 million), and another for San Francisco Bay Shoreline (\$2.2 million).

## Other Revenue

The Other Operating and Non-Operating Revenue category totals \$3.8 million for FY 2020-21.

Approximately \$1.7 million is budgeted for the Watersheds, \$2.1 million for Water Utility and \$0.1 million for the Internal Service Funds.

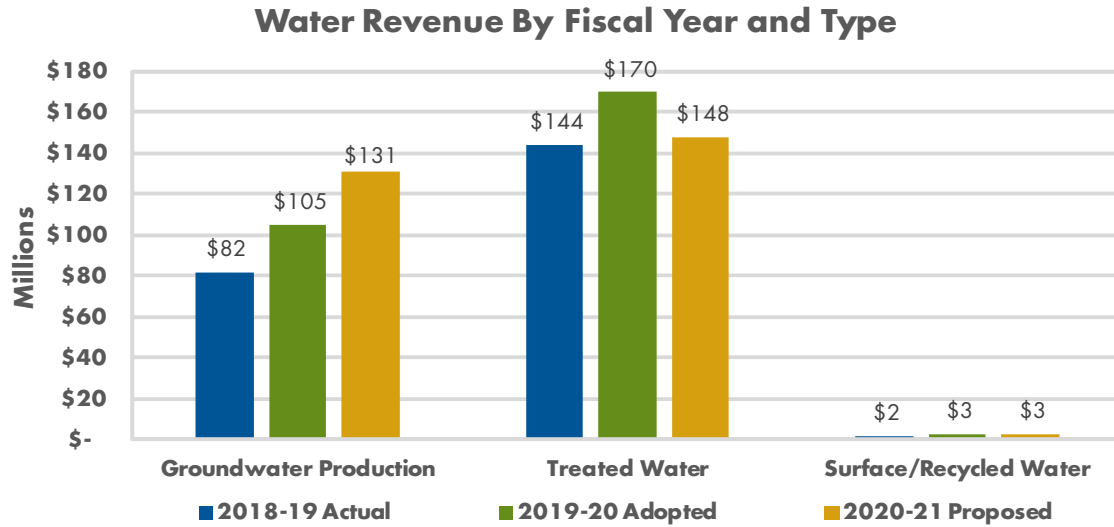
	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>Intergovernmental Services</b>						
Watershed Funds	\$ 1,217,555	\$ —	\$ —	\$ —	\$ —	—
Safe Clean Water & Natural Flood Protection	125,368	—	—	—	—	—
Water Enterprise Fund	2,754,161	1,237,000	1,162,000	1,242,326	5,326	0.4%
Internal Service Funds	6,984	—	—	—	—	—
<b>Total Intergovernmental Services</b>	<b>\$ 4,104,068</b>	<b>\$ 1,237,000</b>	<b>\$ 1,162,000</b>	<b>\$ 1,242,326</b>	<b>\$ 5,326</b>	<b>0.4%</b>
<b>Capital Reimbursements</b>						
Watershed Funds	\$ 1,567,679	\$ 7,286,000	\$ 25,461,000	\$ 20,072,000	\$ 12,786,000	175.5%
Safe Clean Water & Natural Flood Protection	23,956,804	13,476,000	14,344,000	12,178,000	(1,298,000)	(9.6)%
Water Enterprise Fund	1,148,667	11,856,000	10,916,000	11,358,000	(498,000)	(4.2)%
<b>Total Capital Reimbursements</b>	<b>\$ 26,673,150</b>	<b>\$ 32,618,000</b>	<b>\$ 50,721,000</b>	<b>\$ 43,608,000</b>	<b>\$ 10,990,000</b>	<b>33.7%</b>

# Financial Overview

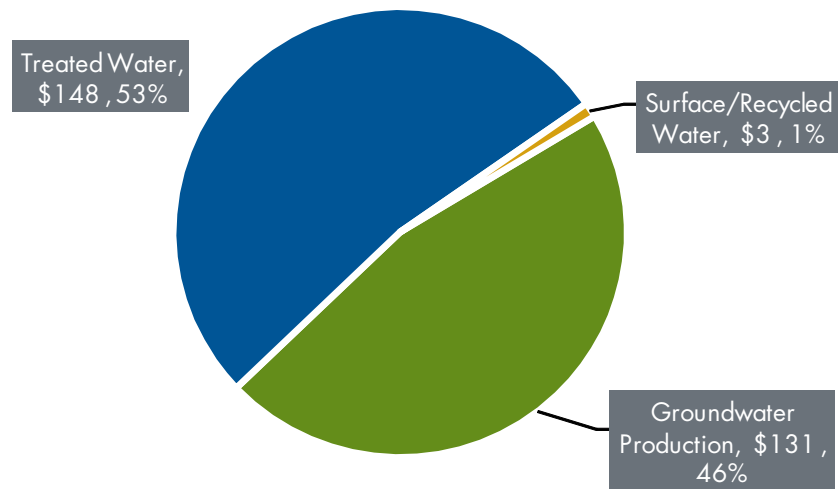
	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>Other</b>						
Watershed Funds	\$ 2,180,175	\$ 1,613,000	\$ 1,613,374	\$ 1,661,831	\$ 48,831	3.0%
Safe Clean Water & Natural Flood Protection	416,915	—	—	—	—	—
Water Enterprise Fund	781,332	1,017,000	1,092,191	1,100,554	83,554	8.2%
State Water Project Fund	1,124,943	1,000,000	1,000,000	1,000,000	—	—
District General Fund	144,809	—	—	—	—	—
Internal Service Funds	172,792	200,000	200,000	80,000	(120,000)	(60.0)%
<b>Total Other</b>	<b>\$ 4,820,966</b>	<b>\$ 3,830,000</b>	<b>\$ 3,905,565</b>	<b>\$ 3,842,385</b>	<b>\$ 12,385</b>	<b>0.3%</b>
<b>Total Intergov'l &amp; Other Revenues</b>	<b>\$ 35,598,184</b>	<b>\$ 37,685,000</b>	<b>\$ 55,788,565</b>	<b>\$ 48,692,711</b>	<b>\$ 11,007,711</b>	<b>29.2%</b>

# Financial Overview

## Water Revenue



### FY 2020-21 Proposed Water Revenue \$282 Million



# Financial Overview

## Water Revenue

Valley Water's water revenue is comprised of charges for the following types of water usage:

- **Groundwater Production**- Water produced by pumping from the underground water basins
- **Treated Water**- Water which has been processed through a Valley Water treatment plant
- **Surface Water**- Water diverted from streams, creeks, reservoirs, or raw water distribution lines
- **Recycled Water**- Wastewater which has been treated for use in crop irrigation, landscaping and industrial uses.

Water revenues budgeted for FY 2020-21 are based on staff's recommendation to the Valley Water's Board of Directors (the Board) for water charges in the North County (W-2) and South County (W-5) zones.

On October 8, 2019 the Board directed staff to pursue modifying the existing groundwater benefit zones W-2 (North County) and W-5 (Llagas Subbasin), and to create two new zones W-7 (Coyote Valley) and W-8 (Foothills Below Uvas and Chesbro Reservoirs), that could go into effect July 1, 2020.

The following water production charges reflect that direction. Revenue estimates reflect an 8.6% increase in groundwater production charges for the North County (modified Zone W-2) relative to FY 2019-20. In the Llagas Subbasin (modified Zone W-5) revenue estimates reflect a decrease of 2.9% relative to FY

2019-20. In the Coyote Valley (new Zone W-7) revenue estimates reflect an increase of 9.4% relative to FY 2019-20. In the Foothills below the Uvas and Chesbro Reservoirs (new Zone W-8) revenue estimates reflect a decrease of 32.0% relative to FY 2019-20. These adjustments in water charges are necessary to pay for critical investments in water supply infrastructure rehabilitation and upgrades, expanded storage capacity, and the development of future supplies including purified water. The water charges are shown in the accompanying Water Enterprise Fund schedules.

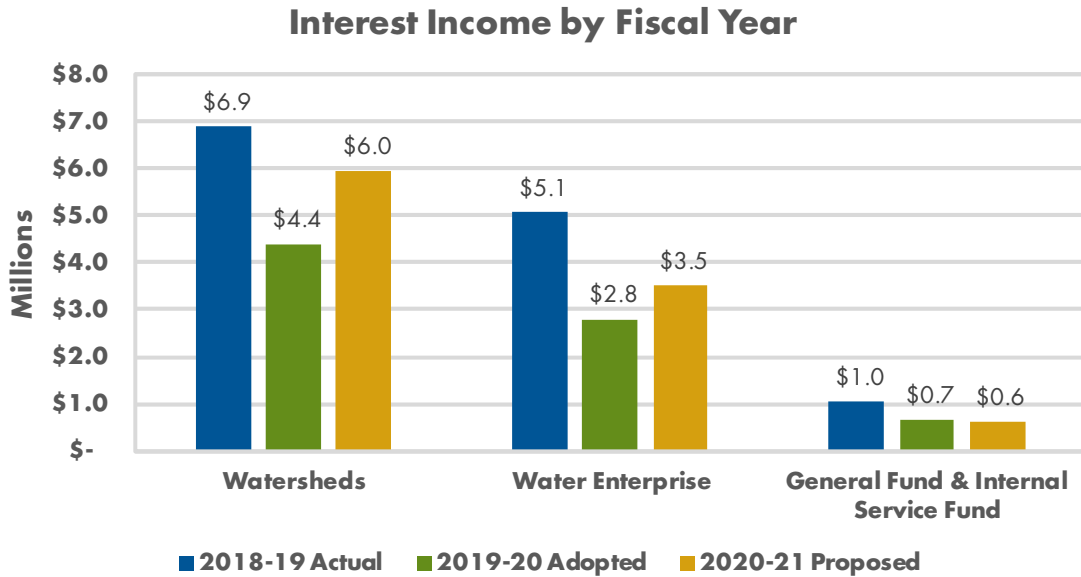
The FY 2020-21 revenue projection assumes water sales of roughly 230,000 acre-feet. The breakdown of this anticipated usage is as follows: groundwater (58%), treated water (40%), surface water (1%), and recycled water delivered by Valley Water (1%). Additionally, other sources such as Hetch Hetchy and local retail water supplies like San Jose Water Company, Stanford, and South Bay Water Recycling provide approximately 70,000 acre-feet of water to the Santa Clara County. Valley Water does not receive revenue for these sources of supply.

Should the Board decide not to adopt the new and modified groundwater benefit zones, the existing zones would remain in effect and rate adjustments will be applied accordingly.

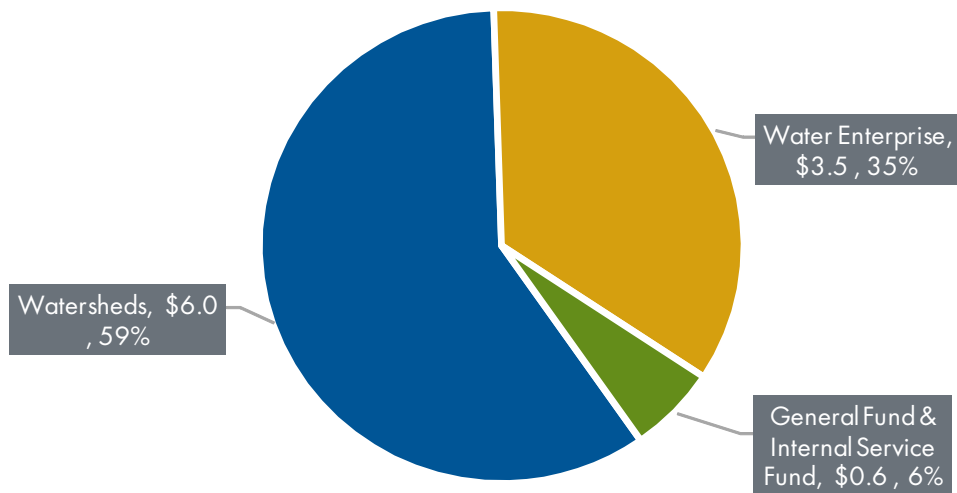
	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
Water Revenue						
Groundwater Production	\$ 81,922,689	\$ 105,036,000	\$ 98,050,000	\$ 130,728,000	\$ 25,692,000	24.5%
Treated Water	143,998,219	169,519,000	156,495,000	148,398,000	(21,121,000)	(12.5)%
Surface/Recycled Water	1,757,563	2,821,000	2,820,000	2,735,000	(86,000)	(3.0)%
Total Water Revenue	\$ 227,678,471	\$ 277,376,000	\$ 257,365,000	\$ 281,861,000	\$ 4,485,000	1.6%

# Financial Overview

## Interest Income



## FY 2020-21 Interest Earnings, \$10.1 Million





# Financial Overview

## Interest Income

Valley Water invests funds not immediately required for daily operations in various securities as authorized by California Government Code 53600 et.al. Valley Water's investment policy limits portfolio holdings to obligations of the U.S. Treasury, U.S. federal agencies, the state of California's Local Agency Investment Fund, bankers acceptances, negotiable and time certificates of deposit, commercial paper, corporate notes and bonds, repurchase agreements, municipal obligations, mutual funds, and supranational obligations. Prohibited investments include securities not listed above, as well as fossil fuel companies, inverse floaters, range notes, interest-only strips derived from a pool of mortgages and any security that could result in zero interest

accrual if held to maturity, as specified in Section 53601.6 of the California Government Code. For additional information regarding the Valley Water's investment policy, please visit: <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>

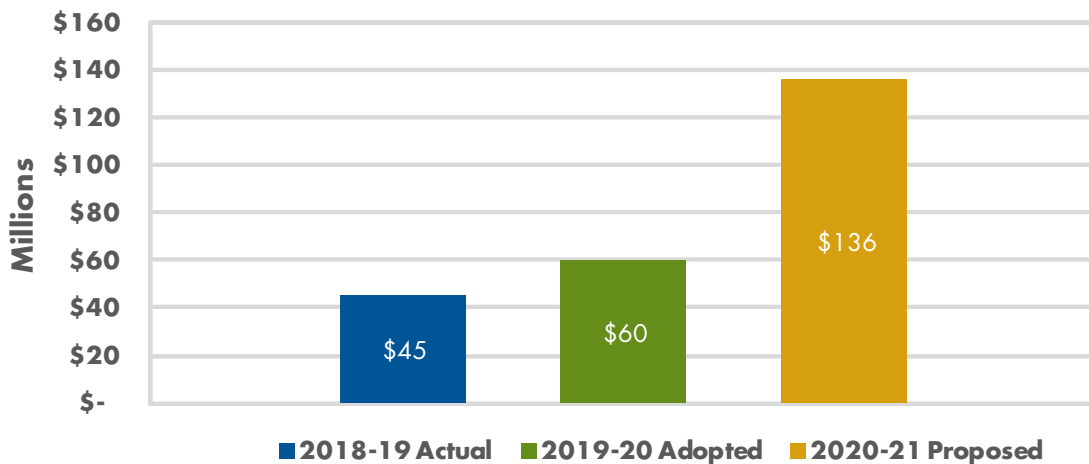
The FY 2020-21 interest earnings revenue are estimated to be \$10.1 million, an increase of \$2.2 million versus FY 2019-20 Adopted Budget due to higher than assumed interest rates and cash balances. The estimates are using an average portfolio yield of less than 2.0% which is a reflection of the overall market environment.

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>Interest Income</b>						
Watershed Funds	\$ 2,916,838	\$ 1,990,000	\$ 3,000,000	\$ 2,550,000	\$ 560,000	28.1%
Safe Clean Water & Natural Flood Protection	3,976,306	2,400,000	3,850,000	3,400,000	1,000,000	41.7%
Water Enterprise Fund	5,066,270	2,800,000	5,300,000	3,500,000	700,000	25.0%
General Fund	287,894	150,000	200,000	200,000	50,000	33.3%
Service Funds	750,187	510,000	600,000	400,000	(110,000)	(21.6)%
<b>Total Interest Income</b>	<b>\$ 12,997,495</b>	<b>\$ 7,850,000</b>	<b>\$ 12,950,000</b>	<b>\$ 10,050,000</b>	<b>\$ 2,200,000</b>	<b>28.0%</b>

# Financial Overview

## Other Financing

### Other Financing by Fiscal Year



The Other Financing Sources and Uses category typically includes one-time or ongoing non-revenue financial transactions. Debt financing instruments in this category include commercial paper, revenue bonds, and certificates of participation (COPs). These financing instruments may be issued to assist in refunding and financing the costs of acquisition, design, construction, improvement, and installation of certain flood control facilities, Safe, Clean Water projects and Water Utility projects.

Valley Water anticipates issuing approximately \$135.5 million in debt proceeds from the bonds or commercial paper in FY 2020-21 for the Water Utility Enterprise fund.

All planned debt financing is factored in the Valley Water's long-term financial forecast models to ensure that pledged revenues are sufficient to meet or exceed the targeted debt service coverage ratio.

	Budgetary	Adopted	Projected	Proposed	Change from	
	Basis Actual	Budget	Year End	Budget	2019-20 Adopted	
	2018-19	2019-20	2019-20	2020-21	\$ Diff	% Diff
OTHER FINANCING SOURCES/(USES)						
Bond Proceeds	\$ 0	\$ 59,559,000	\$ 70,894,000	\$ 135,500,000	\$ 75,941,000	127.5%
Commercial Paper Proceeds	41,540,000	—	—	—	—	—
Certificates of Participation	3,581,547	—	2,040,459	—	—	—
TOTAL OTHER SOURCES/(USES)	\$ 45,121,547	\$ 59,559,000	\$ 72,934,459	\$ 135,500,000	\$ 75,941,000	127.5%

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# SALARIES AND BENEFITS

# Financial Overview

## Salaries and Benefits

The FY 2020-21 salaries and benefits budget is based on a total of 894 positions, which includes 882 authorized positions, 8 limited term positions, and 4 management fellows.

The total salaries budget is \$122.9 million, an increase of \$11.5 million from the FY 2019-20 Adopted Budget. The increase is primarily due to a 4% cost of living adjustment, step increases for eligible positions, 17 Board previously approved positions absorbed in the FY 2019-20 adjusted budget, which impact the FY 2020-21 Budget, and 23 new positions requested in FY 2020-21. Total salaries for FY 2020-21 include \$123.9 million in regular salaries, less \$5.0 million in salary savings, plus \$4.1 million in overtime and special pay.

Total benefits are budgeted at \$64.4 million, a \$5.9 million increase over the FY 2019-20 Adopted Budget, which includes a \$4.0 million increase in CalPERS and deferred compensation contributions, a \$1.7 million increase in medical costs for active and retired employees, and \$0.2 million increase in payroll taxes and other benefits.

A comprehensive organizational chart and detail information by division is included in the Division Summaries chapter.



# Financial Overview

## Summary of Positions

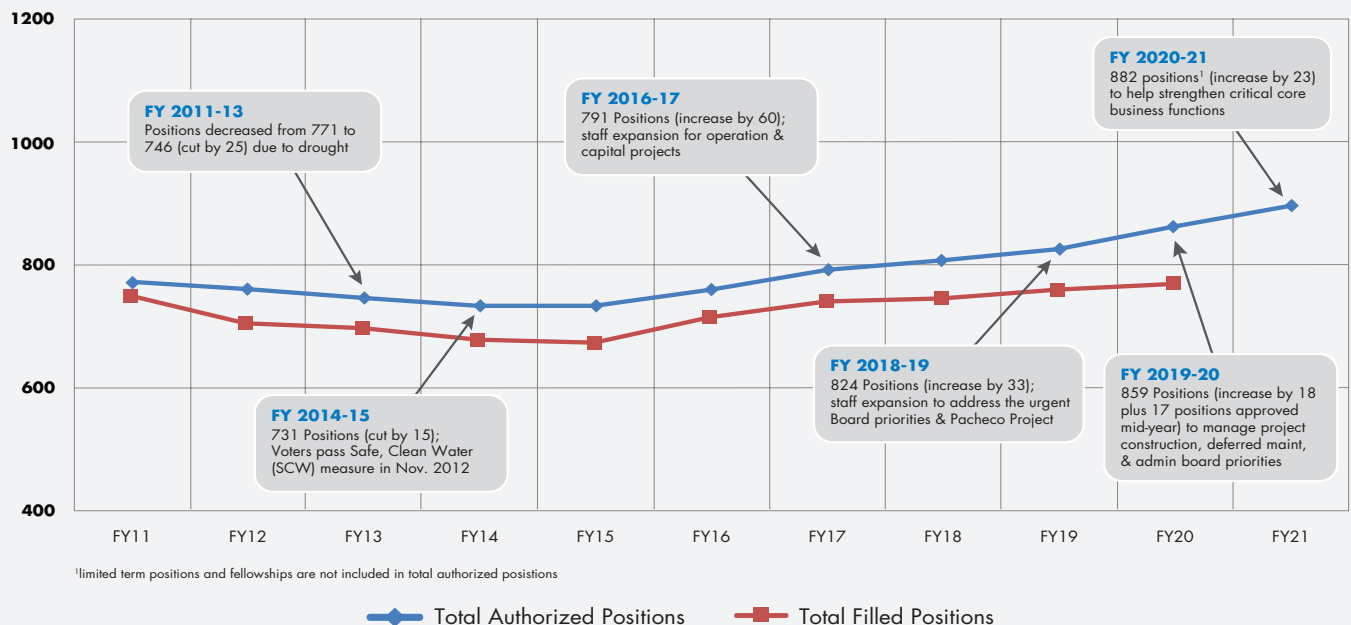
	Adopted Budget FY 2018-2019	Adjusted Budget FY 2018-2019 <sup>2</sup>	Adopted Budget FY 2019-20	Adjusted Budget FY 2019-20 <sup>3</sup>	Proposed Budget FY 2020-21	Position Change
Board Appointed Officers <sup>1</sup>	77	103	104	77	77	—
External Affairs	32	35	36	39	39	—
IT & Administrative Services	149	122	122	160	164	4
Water Utility	334	341	341	309	319	10
Watersheds	221	223	239	274	283	9
<b>Total Authorized Positions</b>	<b>813</b>	<b>824</b>	<b>842</b>	<b>859</b>	<b>882</b>	<b>23</b>
Fellowships	4	4	4	4	4	—
Limited Term Positions	—	—	—	8	8	—
<b>Total</b>	<b>817</b>	<b>828</b>	<b>846</b>	<b>871</b>	<b>894</b>	<b>23</b>

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

(2) In FY 18-19, Human Resources Division was transferred from IT & Administrative Services to the Office of CEO; Board approved additional 11 positions for Pacheco Reservoir Expansion Project

(3) In FY 19-20, the Board approved 18 positions in adopted budget and additional 17 positions during the fiscal year to help strengthen critical core business functions. Human Resources Division transferred from Office of CEO to IT & Administrative Services. Water Utility Division transferred positions to Watersheds due to Division and Business unit transfers.

### Valley Water Staffing Trends, FY 2011-2021



# Financial Overview

## Salaries and Benefits

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>SALARIES</b>						
Salaries-Regular Employee	\$ 96,812,068	\$ 112,214,277	\$ 112,214,277	\$ 123,862,513	\$ 11,648,236	10.4%
Overtime	2,540,311	3,105,012	3,105,012	3,162,946	57,934	1.9%
Special Pays	720,811	889,231	889,231	923,214	33,983	3.8%
Salary Savings	—	(4,740,108)	(4,740,108)	(5,029,415)	(289,307)	6.1%
<b>Total Salaries</b>	<b>\$ 100,073,190</b>	<b>\$ 111,468,412</b>	<b>\$ 111,468,412</b>	<b>\$ 122,919,258</b>	<b>\$ 11,450,846</b>	<b>10.3%</b>
<b>BENEFITS</b>						
Fed & State Taxes & Benefits	\$ 1,447,163	\$ 1,416,633	\$ 1,416,633	\$ 1,565,302	\$ 148,669	10.5%
Retirement Contributions	26,558,847	29,344,421	29,344,421	33,389,683	4,045,262	13.8%
Group Ins-Active Employees	13,706,779	16,413,092	16,413,092	17,302,153	889,061	5.4%
Group Ins-Retired Employees	10,227,034	11,358,000	11,358,000	12,192,800	834,800	7.3%
<b>Total Benefits</b>	<b>\$ 51,939,823</b>	<b>\$ 58,532,146</b>	<b>\$ 58,532,146</b>	<b>\$ 64,449,938</b>	<b>\$ 5,917,792</b>	<b>10.1%</b>
<b>Net Total Salary &amp; Benefits</b>	<b>\$ 152,013,013</b>	<b>\$ 170,000,558</b>	<b>\$ 170,000,558</b>	<b>\$ 187,369,196</b>	<b>\$ 17,368,638</b>	<b>10.2%</b>

## Budget Hours

	Labor Hours 2018-2019	Labor Hours 2019-20	Labor Hours 2019-20	Labor Hours 2020-21	Change from 2019-20 Adopted	
					Hours Diff	% Diff
Salaries-Regular Employee	1,297,194	1,483,340	1,483,340	1,570,678	87,338	5.9%
Overtime	22,251	28,837	28,837	30,637	1,800	6.2%
Compensated Absences	241,662	268,707	268,707	282,413	13,706	5.1%
<b>Total Salaries</b>	<b>1,561,109</b>	<b>1,780,884</b>	<b>1,780,884</b>	<b>1,883,728</b>	<b>102,844</b>	<b>5.8%</b>

## DEBT SERVICE

# Financial Overview

## Debt Service Overview

Provisions of the state constitution, laws, and various portions of Sections 14 and 25 of the District Act authorize the Board of Directors (Board) to incur debt under certain conditions and to issue bonds in a form designated by resolution of the Board, including designation of which participating watersheds are affected by the issuance of new debt. Sections 25.1 and 25.2 of District Act authorize the Board to issue revenue bonds for the Water Enterprise Fund. Valley Water's debt issuance practices are governed under the California Government and Water codes. The District Act authorizes short-term debt (maturity of less than five years) of up to a limit of \$8 million. Other provisions of state law authorize the issuance of short-term debt up to a specified percentage of revenue anticipated within a period of time.

Specifically, Valley Water may issue short term notes under the tax and revenue anticipation note statute included in the California Government Code (Sections 53850-53858). Under the tax and revenue anticipation note statute, Valley Water may issue notes for principal and interest which do not exceed 85% of the uncollected revenues of Valley Water on the date such notes are issued (and subject to certain other limitations including a 15-month maturity provision). Section 53851 provides that the tax and revenue anticipation note statute is separate authority for Valley Water to issue notes and any amount borrowed under the tax and revenue anticipation note statute is not limited by any other provision of law.

## Board Policies - Executive Limitations

In addition to statutory requirements, the Board has adopted policies (Executive Limitations) related to debt: EL-4.7 states that a Board Appointed Officer (BAO) shall:

"Not indebt the organization, except as provided in the District Act, and in an amount greater than can be

repaid by certain, otherwise unencumbered revenues within 90 days, or prior to the close of the fiscal year." Furthermore, the BAO shall:

- 4.7.1. Not issue debt (long or short-term obligations that are sold within the financial marketplace) that conflicts with the District Act or the legal authority of Valley Water, and without Board authorization;
- 4.7.2. Not issue debt without a demonstrated financial need;
- 4.7.3. Meet debt repayment schedules and covenants of bond documents;
- 4.7.4. Establish prudent Valley Water Debt Policies that are consistent with Board policies and provide guidance to Valley Water staff in regards to administering the debt programs and agreements, including consideration for the appropriate level of debt for Valley Water to carry and structuring debt repayment to address intergenerational benefits;
- 4.7.5. Be consistent with Valley Water's Debt Policies and any addendums when issuing debt;
- 4.7.6. Maintain strong credit ratings and good investor relations.

## Debt Policy

Valley Water proactively manages its outstanding liabilities to ensure access to the credit markets at the lowest available borrowing cost, to preserve strong credit standing with the municipal rating agencies, to fulfill its fiduciary responsibility to its customers, and to provide high quality water service, stream stewardship and flood protection at the lowest possible cost. Consistent with these commitments, Valley Water shall periodically review the cost of its outstanding liabilities for opportunities to appropriately reduce these costs through refinancing or restructuring. The CEO shall present the results of these periodic reviews to the Board of Directors.

Covenants and agreements related to outstanding Certificates of Participation and Revenue Bonds are encompassed within the criteria of Senior Master Resolutions adopted on June 23, 1994 (as amended

# Financial Overview

from time to time), and the Parity Master Resolution adopted on February 23, 2016 (as amended from time to time). Coverage ratios required for debt service are set at 1.25 times the annual debt service for senior and parity lien debt. Valley Water is in compliance with all coverage ratio requirements for all outstanding debt. For additional information regarding Valley Water's debt policy, please visit: <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>.

## Bond Ratings

The bond ratings for Valley Water's outstanding debt reflect high grade investment quality debt. They are based on the Valley Water's positive fiscal policy and financial strengths. The bond ratings are either the highest for a water related governmental entity in the State of California or among the highest. Bonds issued at this credit rating result in lower interest rates and corresponding lower debt service payments.

## Outstanding Debt

Total debt includes Certificates of Participation (COPs), Commercial Paper and Revenue Bonds of \$897.2 million as of June 30, 2020. Scheduled annual debt service for FY 2020-21 is approximately \$61.8 million including fees. There are no balloon payments in the future years or significant fluctuations in annual debt service.

Currently outstanding for the Watersheds are Series 2017A COPs, with a final maturity of 2030 and the 2012A COPs, with a final maturity of 2024. Debt service for these COPs is paid via benefit assessments, which are collected based on 125% of the annual debt service. Currently outstanding for the Water Utility are 2006B Water Revenue Refunding Bonds with a final maturity of 2035, the 2007B Revenue Certificates of Participation with a final maturity of 2037, the Water System Refunding Revenue Bonds 2016A/B with a final maturity of 2046, the Revenue Certificates of

Participation 2016C/D with a final maturity of 2029, the Water System Refunding Revenue Bonds 2017A with a final maturity of 2037, the Water System Refunding Revenues Bonds Series 2019A/B with a final maturity of 2049 and 2019 C with a final maturity of 2036, as well as the Commercial Paper Certificates which are secured by Tax and Revenue Anticipation Notes that are subject to annual reauthorization by the Valley Water Board.

## Planned Issuances

Valley Water is planning the issuance of debt to finance the Safe, Clean Water program and the Water Utility Enterprise to finance the long-term capital improvement plan. The source of debt service repayment for the Safe, Clean Water program will be the special parcel tax approved by Santa Clara County voters in the November 6, 2012 election. Debt service for the Water Utility Enterprise is paid from water revenues. Bond covenants stipulate that Valley Water must maintain a minimum 1.25 debt service coverage ratio on all senior and parity bonds. Based on the financial models from the Water Utility Enterprise Finance organization, the projected debt service coverage ratios are as follows:

- FY 2020-21: 2.96
- FY 2021-22: 2.47
- FY 2022-23: 2.42
- FY 2023-24: 2.36
- FY 2024-25: 2.26

(Source: FY 2020-21 Annual Report on the Protection and Augmentation of Water Supplies)

## Investment Portfolio

Valley Water's investment portfolio is invested with the following three priorities in mind: safety, liquidity and yield. Safeguarding taxpayers' money and ensuring that Valley Water has funds available when needed to



# Financial Overview

meet expenditures are the two most important goals. Once those goals are satisfied, Valley Water strives to earn a market rate of return on its investments. About 80% of the portfolio is invested in government securities, such as federal agency notes and US treasury notes. The remainder of the portfolio is invested in instruments of the highest credit quality and in highly liquid instruments such as the Local Agency Investment Fund and money market mutual funds.

The investment holdings are reviewed for compliance with Valley Water's investment policy and California State Government Code by accounting staff on a monthly basis and by the Valley Water's independent auditor on an annual basis. In addition, Valley Water's investment committee holds meetings at least quarterly to review the portfolio performance.

In addition to statutory requirements, the Board has adopted policies (Executive Limitations or EL) related to

investment:

EL-4.9 states that a Board Appointed Officer (BAO) shall:

- Not invest or hold funds of Valley Water in accounts or instruments that are inconsistent with the following statement of investment policies:
- 4.9.1. Public funds not needed for the immediate necessities of Valley Water should, to the extent reasonably possible, be prudently invested or deposited to produce revenue for Valley Water consistent with the Board Investment Policy and applicable law.
- 4.9.2. The Treasurer or his or her designee shall submit quarterly investment reports to the Board as specified under Government Code Section 53646.4.9.3. No investments will be made in fossil fuel companies with significant carbon emissions potential.

## Bond Rating

	Water Utility		Watershed Debt
	Senior Debt	Parity Debt	
Moody's	Aa1	Aa1	Aa1
Standard & Poor's	AA-	N/A	AAA
Fitch	N/A	AA+	AA+

# Financial Overview

## Debt Service Payments Schedule

	Principal	Interest	Total <sup>1</sup>
<b>Watersheds Certificates of Participation</b>			
2020/21	\$ 8,485,000	\$ 3,082,450	\$ 11,567,450
2021/22	8,860,000	2,703,500	11,563,500
2022/23	9,250,000	2,307,600	11,557,600
2023/24	9,665,000	1,894,100	11,559,100
2024/25 and thereafter	29,235,000	5,324,000	34,559,000
<b>Total</b>	<b>\$ 65,495,000</b>	<b>\$ 15,311,650</b>	<b>\$ 80,806,650</b>
<b>Water Utility Revenue Bonds / Certificates of Participation <sup>2</sup></b>			
2020/21	\$ 17,790,000	\$ 23,515,602	\$ 41,305,602
2021/22	19,060,000	30,174,022	49,234,022
2022/23	19,770,000	29,460,549	49,230,549
2023/24	20,500,000	28,708,621	49,208,621
2024/25 and thereafter	633,570,000	378,593,664	1,012,163,664
<b>Total</b>	<b>\$ 710,690,000<sup>2</sup></b>	<b>\$ 490,452,458</b>	<b>\$ 1,201,142,458</b>
<b>Commercial Paper</b>			
2020/21	\$ —	\$ 3,822,000	\$ 3,822,000
2021/22	—	6,285,000	6,285,000
2022/23	—	7,425,000	7,425,000
2023/24	—	9,834,000	9,834,000
2024/25 and thereafter	90,000,000	40,354,000	130,354,000
<b>Total</b>	<b>\$ 90,000,000</b>	<b>\$ 67,720,000</b>	<b>\$ 157,720,000</b>
<b>Total All Outstanding Debt</b>			
2020/21	\$ 26,275,000	\$ 30,420,052	\$ 56,695,052
2021/22	27,920,000	39,162,522	67,082,522
2022/23	29,020,000	39,193,149	68,213,149
2023/24	30,165,000	40,436,721	70,601,721
2024/25 and thereafter	752,805,000	424,271,664	1,177,076,664
<b>Total</b>	<b>\$ 866,185,000</b>	<b>\$ 573,484,108</b>	<b>\$ 1,439,669,108</b>

(1) Annual debt service payments reflect principal and interest only and exclude fees.

(2) Water Utility projected principal and interest payments include the anticipated issuances of Series 2020A, 2020B, 2021A, & 2021B

# Financial Overview

## Status of Bonded Indebtedness, Certificates of Participation, and Commercial Paper<sup>(1)</sup>

	Total Amount Sold	Date of Issue	True Interest Rate	Outstanding as of 6/30/20	2020-2021 Debt Service Payments		
					Principal	Interest	Total
Watersheds Indebtedness							
2017A COPs <sup>(2)</sup>	\$ 59,390,000	3/7/2017	2.555%	\$ 46,265,000	\$ 3,955,000	\$ 2,313,250	\$ 6,268,250
2012A COPs	52,955,000	11/20/2012	1.409%	19,230,000	4,530,000	769,200	5,299,200
Safe, Clean Water Commercial Paper -TE <sup>(3)</sup>	30,000,000	various	3.600%	30,000,000	—	1,095,000	1,095,000
Total Watersheds	\$ 142,345,000			\$ 95,495,000	\$ 8,485,000	\$ 4,177,450	\$ 12,662,450
Water Utility Indebtedness							
2006 Water Utility Refunding Revenue Bonds							
Series B - taxable	\$ 25,570,000	12/21/2006	5.356%	\$ 17,340,000	\$ 860,000	\$ 921,101	\$ 1,781,101
Total	\$ 25,570,000			\$ 17,340,000	\$ 860,000	\$ 921,101	\$ 1,781,101
2016 Water Utility Refunding Revenue Bonds							
Series A	\$ 106,315,000	3/30/2016	3.252%	\$ 106,315,000	\$ —	\$ 5,315,750	\$ 5,315,750
Series B - taxable	75,215,000	3/30/2016	4.319%	75,215,000	—	3,229,621	3,229,621
Total	\$ 181,530,000			\$ 181,530,000	\$ —	\$ 8,545,371	\$ 8,545,371
2016 Water Utility Revenue Certificates of Participation							
Series C	\$ 43,075,000	3/30/2016	2.128%	\$ 34,860,000	\$ 3,295,000	\$ 1,743,000	\$ 5,038,000
Series D- taxable	54,970,000	3/30/2016	3.136%	44,295,000	4,275,000	1,375,657	5,650,657
Total	\$ 98,045,000			\$ 79,155,000	\$ 7,570,000	\$ 3,118,657	\$ 10,688,657
2017 Water Utility Revenue Bonds							
Series A	\$ 54,710,000	5/2/2017	3.126%	\$ 49,630,000	\$ 1,880,000	\$ 2,481,500	\$ 4,361,500
2019 Water Utility Refunding Revenue Bonds							
Series A	\$ 15,225,000	4/25/2019	3.750%	\$ 14,995,000	\$ 240,000	\$ 749,750	\$ 989,750
Series B - taxable	80,030,000	4/25/2019	3.810%	78,400,000	1,670,000	2,834,910	4,504,910
Series C - taxable	38,280,000	11/26/2019	2.760%	36,990,000	1,860,000	915,179	2,775,179
Total	\$ 133,535,000			\$ 130,385,000	\$ 3,770,000	\$ 4,499,839	\$ 8,269,839
2020 Water Utility Refunding Revenue Bonds							
Series A	\$ 40,305,000	3/1/2020	4.160%	\$ 40,305,000	\$ 1,225,000	\$ 1,101,670	\$ 2,326,670
Series B - taxable	81,610,000	3/1/2020	4.360%	81,610,000	2,485,000	2,339,487	4,824,487
Total	\$ 121,915,000			\$ 121,915,000	\$ 3,710,000	\$ 3,441,157	\$ 7,151,157
2021 Water Utility Refunding Revenue Bonds							
Series A	\$ 77,570,000	3/1/2021	4.560%	\$ 77,570,000	\$ 1,000,000	\$ 300,000	\$ 1,300,000
Series B - taxable	53,165,000	3/1/2021	4.960%	53,165,000	1,000,000	310,000	1,310,000
Total	\$ 130,735,000			\$ 130,735,000	\$ 2,000,000	\$ 610,000	\$ 2,610,000
WU Commercial Paper - TX <sup>(3)</sup>	90,984,000	various	4.100%	90,984,000	—	2,727,000	2,727,000
Total Water Utility	\$ 837,024,000			\$ 801,674,000	\$ 19,790,000	\$ 26,344,625	\$ 46,134,625
Combined Total	\$ 979,369,000			\$ 897,169,000	\$ 28,275,000	\$ 30,522,075	\$ 58,797,075

(1) Annual debt service payments reflect principal and interest only and exclude fees.

(2) Approximately \$0.5M of the 2017A COPs annual debt service is funded by the general fund.

(3) The interest rates shown for the Commercial Paper reflect the planning rates for variable rate bonds for budgeting purposes. The actual rates are subject to change pending actual market conditions throughout the fiscal year.

## RESERVE POLICY AND FUND BALANCES

# Financial Overview

## Valley Water Reserve Policy

Valley Water Reserve Policy is reviewed annually with the Board of Directors pursuant to Executive Limitation 4.6 - Financial Planning and Budgeting - "At least annually present the Board with information about Valley Water's financial reserves and schedule an opportunity for the public to comment thereon."

The Governmental Accounting Standards Board (GASB) 54 statement, issued in March 2009, required that governmental agencies adopt new standards of reporting fund balance no later than the first fiscal year beginning after June 15, 2010. While the GASB 54 requirement was specifically issued for governmental type funds, Valley Water, under its conservative and prudent fiscal policy, extended the requirement to include the enterprise and internal service funds (Water Utility Enterprise, State Water Project, Fleet Management, Information Technology, and Risk Management).

Key objectives of prudent financial planning are to ensure sufficient resources for current services and obligations, and to prepare for future anticipated funding requirements and unforeseen events. To meet these objectives, Valley Water will strive to have sufficient funding available to meet its operating, capital, and debt service cost obligations. Reserve funds will be accumulated and managed in a manner that allows Valley Water to fund costs consistent with the Capital Improvement Program, Integrated Water Resources Plan, and long range financial plans while avoiding significant water charge fluctuations due to changes in cash flow requirements. Valley Water will also maintain a cash reserve position that may be utilized to fund unexpected fluctuations in revenues and operating/capital expenditures.

The level of reserves maintained and policies behind them are reviewed annually with the Board of Directors during budget deliberations.

## Definitions

According to a GASB 54 statement issued in March 2009, there are four categories for reporting of fund balances depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund). NOTE: For the purpose of this reserve policy, only spendable fund balances are considered.
- Restricted fund balance - these are externally imposed legal restrictions or amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - these are self-imposed limitations or amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- Assigned fund balance - these are amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Valley Water reserves are comprised of Restricted Fund Balance reserves, Committed Fund Balance reserves and Assigned Fund Balance reserves. Within these categories are budgeted reserves and special purpose reserves which are defined as follows:

# Financial Overview

- Budgeted Reserves - Budgeted reserves may vary from those of the Comprehensive Annual Financial Report (CAFR) where it is appropriate to recognize actual cash transactions that are recorded in the CAFR as liabilities. Such adjustments include recognizing inter-fund loans, debt financing, and certain accruals as funding sources available for appropriation or as funding uses that reduce funds available for other purposes. These adjustments must be annually reconciled to the audited CAFR.
- Special Purpose Reserves, Water Utility Enterprise Fund – These reserves are per the Parity Master Resolution which allows establishment of special purpose reserves by District Board resolution. Amounts in the Special Purpose Reserves may be used to offset extraordinary expenses and to supplement Valley Water revenues to meet debt service coverage requirements. Special purpose reserves are restricted per debt financing agreements which are in accordance with bond covenants.

## Restricted Reserves

### Debt Service Reserve

These reserves were established for various bond issues. The funds are not available for general needs of Valley Water and must be maintained as dictated in the bond covenants of the various issues. Not all bond issuances may have all of the following reserves, but the primary debt reserves are: Debt Service Reserve Fund (to fund payments should Valley Water not be able to make debt service payments due to cash shortfalls), Arbitrage Rebate (to accumulate funds to offset the potential liability from excess earnings) and Debt Service Payment Fund (a pass-through reserve for initiating debt service payments).

### Debt Proceeds Reserve

Bond covenants prescribe the use of debt financing proceeds. Debt proceeds typically fund capital projects as described in various bond issues. Debt proceeds, however, are not claimed until project expenses are incurred. Unclaimed debt proceeds are held in trust

and identified in Debt Proceeds Reserves.

### Rate Stabilization Reserve for Bond Covenant - Water Utility Enterprise Fund

The Parity Master Resolution for the Water Utility Enterprise requires the provision of a Rate Stabilization Reserve to offset expenses and revenue shortfalls, and to supplement Valley Water revenues to meet debt service coverage requirements. The minimum funding level is 10% of annual debt service due on all senior and parity obligations plus one month of adopted budget operations outlays. The specific level is to be financially prudent and based on reasonably anticipated needs.

### San Felipe Emergency Reserve - Water Utility Enterprise Fund

This special purpose reserve is required by Valley Water contractual obligations with the U.S. Bureau of Reclamation for the operation and maintenance of the San Felipe Division of the Central Valley Project. The purpose of the reserve is to provide resources for unusual operation and maintenance costs incurred during periods of special stress caused by damaging droughts, storms, earthquakes, floods, or emergencies threatening or causing interruption of water service.

Use of this reserve requires authorization by the U.S. Department of the Interior. Per contract, the funding level is accumulated in annual deposits of \$200,000 until the reserve totals \$1.75 million after which interest earned on the reserve is deposited annually.

### Silicon Valley Advanced Water Purification Center Reserve - Water Utility Enterprise Fund

This special purpose reserve serves as a fund for replacement of micro-filtration modules, reverse osmosis elements, and ultraviolet lamps at the Silicon Valley Advanced Water Purification Center (SVAWPC). Per the Recycled Water Facilities and Programs Integration Agreement between the City of San Jose and the Santa



# Financial Overview

Clara Valley Water District dated March, 2010, the annual contribution to the reserve may be up to \$810,000 starting in FY 2009-10 and adjusted annually by 3% for inflation, thereafter, until such time that the reserve reaches the reserve cap. The reserve cap is set in FY 2013-14 at \$2.6 million and is to be adjusted by 3% for inflation annually thereafter. The reserve cap is based on a five-year replacement schedule for the micro-filtration modules and reverse osmosis elements. The specific level of this reserve is to be set based on reasonably anticipated needs and uses.

## **Supplemental Water Supply Reserve - Water Utility Enterprise Fund**

This special purpose reserve funds water banking activities, transfers, and exchanges necessary to augment supplies during water shortages and to sell or bank unused supplies when water resources are available. The minimum funding level is set at 20% - 50% of the annual imported water purchases budget based on prudent projections of hydrology, Delta conditions, and the water market.

## **Drought Reserve - Water Utility Enterprise Fund**

This special purpose reserve funds drought response costs necessary to protect the residents, industry and riparian ecosystems of Santa Clara County, and to minimize water charge impacts during a drought emergency (as determined by the Board). To minimize water rate impacts, this reserve may be funded by Board direction to allocate actual surplus revenue that may have occurred during the prior year. Surplus revenue is defined as the positive difference between actual Water Utility operating revenue and budgeted Water Utility operating revenue. This reserve may also be funded by planned appropriations, which would be paid for by water rates and approved by the Board during annual water rate adoption. Drought response costs may include but not be limited to: water purchases and exchanges; special studies or system improvements

related to delivery of water purchases; incremental conservation activities; and accelerated or opportunistic operations and maintenance activities spurred by the drought. The maximum funding level is set at 10% of adopted budget operating outlays.

## **Public-Private Partnership (P3) Reserve – Water Utility Enterprise Fund**

This special purpose reserve provides a funding source for costs associated with Valley Water's Public-Private Partnership (P3) to design, build, finance, operate and maintain the Expedited Purified Water Program. The minimum funding level for this reserve is \$0, and the maximum is \$20 million. The specific level is to be financially prudent and based on reasonably anticipated needs.

## **Guiding Principal #5 (GP5) Reserve – Water Utility Enterprise Fund**

In May 2018, Valley Water Board approved a resolution to establish GP5 – Equity and costs are important, to allow certain communities/agencies to receive Valley Water contributions in the form of additional, incremental, dedicated and segregated funds exclusively for water conservation programs, recycled water, purified water, wastewater treatment plant environment updates, automatic meter infrastructure (AMI) updates, or dedicated environmental focused grants from FY 2019 through FY 2024, subject to 20% matching funds from the communities receiving Valley Water contributions. This funding source is limited to communities/agencies that currently pay State Water Project tax but receive an average of 85% of their water supply from non-District managed supplies. Valley Water's contributions shall not exceed the State Water Project taxes paid by these communities/agencies. Any unspent funds shall be returned to Valley Water by FY 2026. The GP5 reserve was established in FY 2019-20, and will continue through FY 2025-26, as a sub-category of the Rate Stabilization Fund to set aside the unspent/unencumbered balances as approved by the Board in

# Financial Overview

FY 2018-19. The minimum funding level for this reserve is \$0. The specific level is to be financially prudent and based on reasonably anticipated needs.

## **State Water Project Tax Reserve - Water Utility Enterprise Fund**

The purpose of the State Water Project Tax Reserve is to accumulate unspent funds for voter-approved State Water Project contract obligations. Funds accumulated in this reserve will be available to fund State Water Project contract obligations in subsequent years.

## **Currently Authorized Projects Reserve - Voter Approved Safe, Clean Water Fund**

This reserve is designated to fund those capital projects that are included in the annually adopted 5-Year Capital Improvement Program (CIP) and which have had funding appropriated by the Board in prior years. The amount of this reserve for each fund at the end of a given fiscal year shall be based on the accumulated unexpended and unencumbered balances of Board-approved capital project appropriations remaining at the end of each fiscal year.

A portion of this reserve is automatically re-appropriated at the beginning of the following fiscal year consistent with those projects that have been identified in the 5-Year CIP for funding in that year. All remaining amounts shall stay in these reserves during the fiscal year unless a budget adjustment requiring the use of these reserves is approved by the Board. At the end of each fiscal year, these reserves shall also be adjusted for any capital projects that are closed out consistent with the 5-Year CIP.

## **Encumbrance Reserves - Voter Approved Safe, Clean Water Fund and State Water Project Fund**

This reserve represents the balance of outstanding encumbrances (contractual commitments) at year end, for which the goods or services have not been received. The reserved balance is available for

subsequent year expenditures based on the encumbered appropriation authority carried over to the next fiscal year. The funding level of this reserve will be adjusted annually, at year-end, based on the remaining balance of encumbrances still outstanding as of the end of the fiscal year.

## **Operating and Capital Reserve - Voter Approved Safe, Clean Water Fund**

The purposes of this reserve are to ensure adequate working capital for cash flow needs and to provide a funding source for operating and capital needs that arise during the year. The funding level is a minimum of 50% of adopted budget operations outlays. The minimum level includes remaining available resources after the needs of all other reserves have been met. The specific level of this reserve is to be set based on reasonably anticipated needs.

## **Committed Reserves**

### **Liability/Workers' Compensation Self-Insurance Reserve - Risk Management Fund**

The Liability/Workers' Compensation Self-Insurance Reserve is to ensure that Valley Water's self-insurance programs have adequate resources for general liability and workers' compensation ultimate payouts for both known and incurred but not reported claims.

Additionally, because of Valley Water's high self-insured retention, and low claims volume, it also provides for reserve funds to cover one large liability loss which would otherwise virtually deplete existing reserves. The reserve is based on an independent actuarial evaluations conducted bi-annually for general liability and workers compensation programs. The reserve level is set each year based on the actuarially determined confidence level for total claims liabilities discounted to present value. The reserve is intended to be used for claim payouts that are greater than those budgeted.

The Board of Directors approved funding of Workers'

# Financial Overview

Compensation Reserve at 90 percent actuarial confidence level and funding of General Liability Reserve at 90 percent confidence level at the April 28, 2009 board meeting.

## **Property Self-Insurance/Catastrophic Reserve - Risk Management Fund**

The Property Self-Insurance/Catastrophic Reserve purposes are to provide for uninsured property losses to Valley Water facilities such as pipelines and levees and to provide sufficient funds to initiate repair and recovery of damage to Valley Water facilities in advance of FEMA activation and reimbursement. The reserve may be used to pay for uninsured/uninsurable property losses which would adversely impact Valley Water operations and/or to cover all or a portion of District-paid expenses necessary to initiate immediate service restoration efforts. It is anticipated that in most cases, the reserves would be replenished from later reimbursement by FEMA for costs initially paid from this reserve. The reserve funding level is a minimum of 5 million adjusted for outstanding reimbursements.

When this reserve is used, the corresponding reimbursements received are deposited in the Risk Management Fund to replenish the reserve directly or through subsequent adjustments to intra-district Risk Management Fund charges.

## **Floating Rate Debt Payment Stabilization Reserve - Water Utility Enterprise Fund**

This reserve is intended to stabilize the debt service payments on floating rate debt which by its nature fluctuates constantly. This reserve will be for long-term floating rate debt and not short-term floating rate debt (i.e., commercial paper). The reserve may be funded at 10% of the floating rate debt service interest payment. The maximum amount is no more than 20% of total floating rate debt service interest payments for a fiscal year. Excess funds over 20% will be used to pay down floating rate debt when advisable (i.e., based on market conditions, future issuance plans, etc.). The

minimum amount is \$0. Should payments for floating rate interest in a given fiscal year exceed budgeted amounts, this reserve will be drawn down to provide stabilization of debt service interest payments.

## **Operating & Capital Reserve - except for Safe, Clean Water Fund**

These reserves serve several purposes: to ensure adequate working capital for cash flow needs; to provide a funding source for operating and capital needs that arise during the year and, in the case of the water utility, to protect against revenue shortage caused by unusually wet years. The funding level for the Water Utility is a minimum of 15% of adopted budget operations outlays and a minimum of 50% for the Watershed Funds. For the General Fund and Internal Service Funds, the funding level is a minimum of 5% of total adopted budget operations outlays. The minimum level for each fund includes remaining available resources after the needs of all other reserves within those funds have been met. The specific level of this reserve is to be set based on reasonably anticipated needs.

## **Currently Authorized Projects Reserve - except for Safe, Clean Water Fund**

These reserves are designated to fund those capital projects that are included in the annually adopted 5-Year Capital Improvement Program (CIP) and which have had funding appropriated by the Board in prior years. The amount of these reserves for each fund at the end of a given fiscal year shall be based on the accumulated unexpended and unencumbered balances of Board approved capital project appropriations remaining at the end of each fiscal year.

A portion of these reserves are automatically re-appropriated to projects at the beginning of the following fiscal year consistent with those projects that have been identified in the 5-Year CIP for funding in that year. All remaining amounts shall stay in these reserves during the fiscal year unless a budget

# Financial Overview

adjustment requiring the use of these reserves is approved by the Board. At the end of each fiscal year, these reserves shall also be adjusted for any capital projects that are closed out consistent with the 5-Year CIP.

loss or gain that could impact the size and yield of the investment portfolio. These reserves do not represent cash available for appropriation and were established to ensure that the increase in the investment value does not result in an overstatement of funding available for expenditure.

## Assigned Reserves

### **Encumbrance Reserves - except for Safe, Clean Water Fund and State Water Project Fund**

These reserves represent the balance of outstanding encumbrances (contractual commitments) at year end, for which the goods or services have not been received. The reserved balance is available for subsequent year expenditures based on the encumbered appropriation authority carried over to the next fiscal year. The funding level of these reserves will be adjusted annually, at year-end, based on the remaining balance of encumbrances still outstanding as of the end of the fiscal year.

### **Market Valuation Reserves**

The reserves for market valuation represent the increase/gain (only) in the market value of Valley Water's pooled investments as of the end of the fiscal year as a result of its compliance with the provisions of Government Accounting Standard Board Statement No. 31 (GASB 31), Accounting and Financial Reporting for Certain Investments and for External Investment Pools. GASB 31 requires Valley Water to report investments at fair market value in the Statement of Net Assets, the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Due to this requirement, investment income must be adjusted to reflect the fair value change from one fiscal year to the next fiscal year. However, Valley Water's investment policy dictates a buy-and-hold strategy in which, with very few exceptions, Valley Water holds all securities to their maturity, thereby not incurring any

# Financial Overview

## Reserves Schedule

	Estimated Balances				Change from 2019-20 Adopted	
	Year-End 2018-19	Adopted 2019-20	Projected YE 2019-20	Proposed Budget 2020-21	\$ Diff	% Diff
<b>GENERAL FUND</b>						
<b>Committed Reserves</b>						
Operating & Capital Reserve	\$ 7,124,591	\$ 4,318,026	\$ 8,965,102	\$ 6,557,544	\$ 2,239,518	51.9%
<b>Total General Fund Reserves</b>	<b>\$ 7,124,591</b>	<b>\$ 4,318,026</b>	<b>\$ 8,965,102</b>	<b>\$ 6,557,544</b>	<b>\$ 2,239,518</b>	<b>51.9%</b>
<b>SPECIAL REVENUE FUNDS (WATERSHEDS)</b>						
<b>Restricted Reserves</b>						
CP Debt Service	\$ 98,384	\$ —	\$ —	\$ —	\$ —	—
Operating & Capital Reserve	48,558,698	90,654,986	64,059,172	49,826,290	(40,828,696)	(45.0)%
Currently Authorized Projects	109,087,781	25,418,000	51,440,715	18,965,825	(6,452,175)	(25.4)%
<b>Total Restricted Reserves</b>	<b>\$ 157,744,863</b>	<b>\$ 116,072,986</b>	<b>\$ 115,499,887</b>	<b>\$ 68,792,115</b>	<b>\$ (47,280,871)</b>	<b>(40.7)%</b>
<b>Committed Reserves</b>						
Benefit Reserve	\$ 1,097,604	\$ —	\$ —	\$ —	\$ —	—
Operating & Capital Reserve	85,295,706	70,522,113	91,078,182	101,311,592	30,789,479	43.7%
Currently Authorized Projects	46,911,936	11,673,000	17,040,972	12,142,989	469,989	4.0%
<b>Total Committed Reserves</b>	<b>\$ 133,305,246</b>	<b>\$ 82,195,113</b>	<b>\$ 108,119,154</b>	<b>\$ 113,454,581</b>	<b>\$ 31,259,468</b>	<b>38.0%</b>
<b>Total Special Revenue Funds Reserves</b>	<b>\$ 291,050,109</b>	<b>\$ 198,268,099</b>	<b>\$ 223,619,041</b>	<b>\$ 182,246,696</b>	<b>\$ (16,021,403)</b>	<b>(8.1)%</b>
<b>Total Governmental Funds</b>	<b>\$ 298,174,700</b>	<b>\$ 202,586,125</b>	<b>\$ 232,584,143</b>	<b>\$ 188,804,240</b>	<b>\$ (13,781,885)</b>	<b>(6.8)%</b>
<b>WATER ENTERPRISE &amp; STATE WATER PROJECT FUNDS</b>						
<b>Restricted Reserves</b>						
WUE- Rate Stabilization Reserve for Bond Covenant	\$ 26,090,186	\$ 23,467,000	\$ 23,466,551	\$ 25,878,053	\$ 2,411,053	10.3%
San Felipe Emergency Reserve	3,150,102	3,103,000	3,199,972	3,249,972	146,972	4.7%
State Water Project Tax Reserve	15,355,069	4,815,690	9,287,487	—	(4,815,690)	(100.0)%
CP Debt Service	188,842	—	—	—	—	—
WUE Public-Private Partnership (P3) Reserve	4,000,000	8,000,000	8,000,000	—	(8,000,000)	(100.0)%
WUE- Supplemental Water Supply	14,677,000	15,077,000	15,077,000	15,477,000	400,000	2.7%
SV Advanced Water Purification Center	1,066,000	1,066,000	1,298,138	908,138	(157,862)	(14.8)%
Drought Reserve	7,000,000	10,000,000	10,000,000	10,000,000	—	—
GP5	—	—	3,613,000	3,613,000	3,613,000	—
<b>Total Restricted Reserves</b>	<b>\$ 71,527,199</b>	<b>\$ 65,528,690</b>	<b>\$ 73,942,148</b>	<b>\$ 59,126,163</b>	<b>\$ (6,402,527)</b>	<b>(9.8)%</b>
<b>Committed Reserves</b>						
Operating & Capital Reserve	\$ 12,951,918	\$ 41,436,874	\$ 18,691,647	\$ 50,074,411	\$ 8,637,537	20.8%
Currently Authorized Projects	52,251,978	15,830,000	31,598,335	9,385,928	(6,444,072)	(40.7)%
<b>Total Committed Reserves</b>	<b>\$ 65,203,896</b>	<b>\$ 57,266,874</b>	<b>\$ 50,289,982</b>	<b>\$ 59,460,339</b>	<b>\$ 2,193,465</b>	<b>3.8%</b>
<b>Total Water Enterprise Funds Reserves</b>	<b>\$ 136,731,095</b>	<b>\$ 122,795,564</b>	<b>\$ 124,232,130</b>	<b>\$ 118,586,502</b>	<b>\$ (4,209,062)</b>	<b>(3.4)%</b>

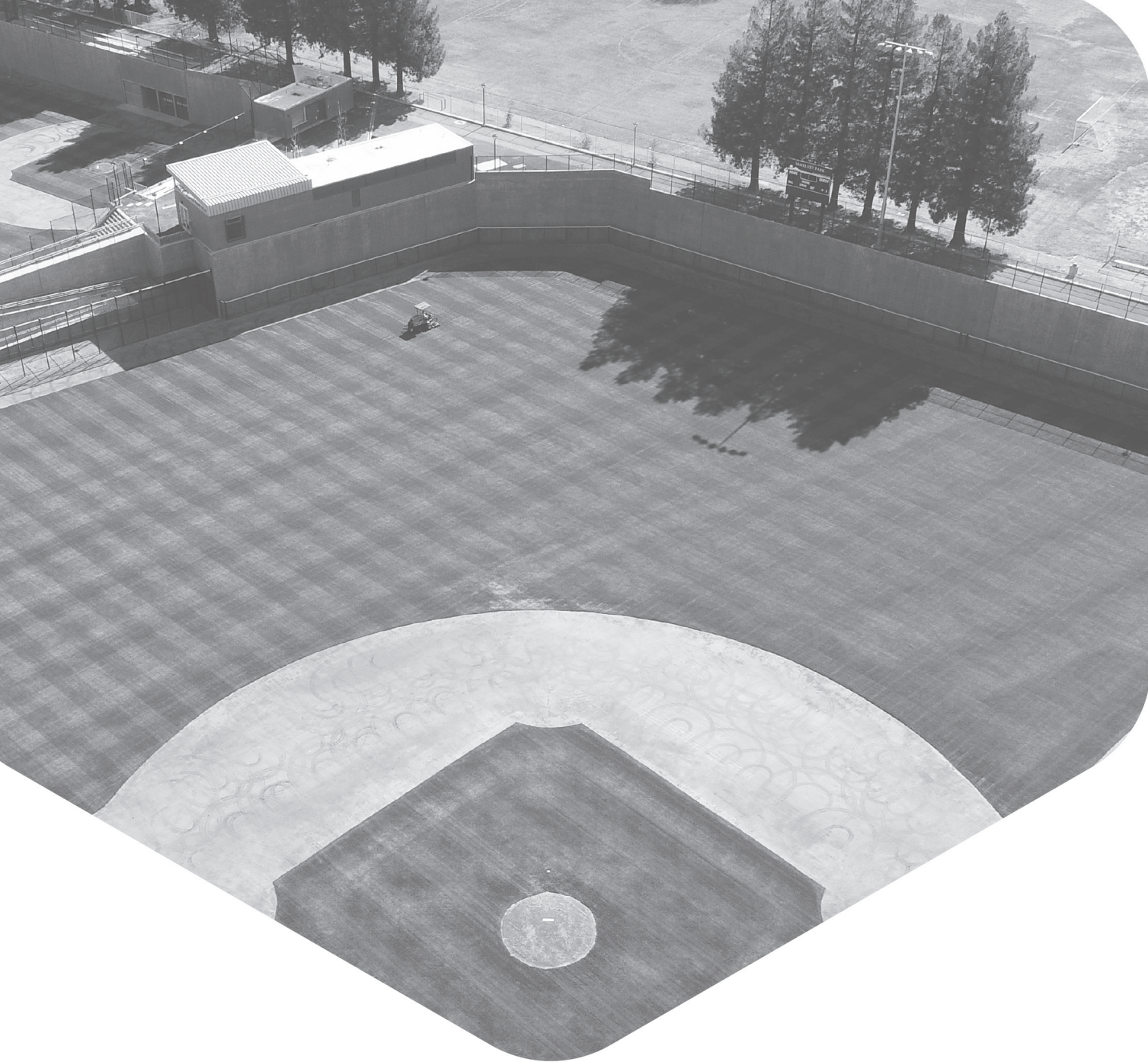
# Financial Overview

## Reserves Schedule (Continued)

	Estimated Balances				Change from 2019-20 Adopted	
	Year-End 2018-19	Adopted 2019-20	Projected YE 2019-20	Proposed Budget 2020-21	\$ Diff	% Diff
<b>INTERNAL SERVICE FUNDS:</b>						
<b>Committed Reserves</b>						
Operating & Capital Reserve	\$ 4,562,360	\$ 2,048,125	\$ 2,285,564	\$ 3,755,437	\$ 1,707,312	83.4%
Currently Authorized Projects	13,969,749	2,304,000	4,333,006	169,276	(2,134,724)	(92.7)%
Liability/Workers' Comp Self Insurance	7,085,600	7,034,000	7,085,600	7,085,600	51,600	0.7%
Property Self Insurance/Catastrophic	7,244,312	6,113,912	6,275,922	6,346,616	232,704	3.8%
<b>Total Committed Reserves</b>	<b>\$ 32,862,021</b>	<b>\$ 17,500,037</b>	<b>\$ 19,980,092</b>	<b>\$ 17,356,929</b>	<b>\$ (143,108)</b>	<b>(0.8)%</b>
<b>Total Internal Service Funds Reserves</b>	<b>\$ 32,862,021</b>	<b>\$ 17,500,037</b>	<b>\$ 19,980,092</b>	<b>\$ 17,356,929</b>	<b>\$ (143,108)</b>	<b>(0.8)%</b>
<b>Total Proprietary Funds</b>	<b>\$ 169,593,116</b>	<b>\$ 140,295,601</b>	<b>\$ 144,212,222</b>	<b>\$ 135,943,431</b>	<b>\$ (4,352,170)</b>	<b>(3.1)%</b>
<b>TOTAL RESERVE SUMMARIES</b>						
Total Proprietary Funds	\$ 169,593,116	\$ 140,295,601	\$ 144,212,222	\$ 135,943,431	\$ (4,352,170)	(3.1)%
Total Governmental Funds	298,174,700	202,586,125	232,584,143	188,804,240	(13,781,885)	(6.8)%
<b>Total Year-End Reserves</b>	<b>\$ 467,767,816</b>	<b>\$ 342,881,726</b>	<b>\$ 376,796,365</b>	<b>\$ 324,747,671</b>	<b>\$ (18,134,055)</b>	<b>(5.3)%</b>
Total Restricted Reserves	229,272,062	181,601,676	189,442,035	127,918,278	(53,683,398)	(29.6)%
Total Committed Reserves	238,495,754	161,280,050	187,354,330	196,829,393	35,549,343	22.0%
<b>Total Year-End Reserves</b>	<b>\$ 467,767,816</b>	<b>\$ 342,881,726</b>	<b>\$ 376,796,365</b>	<b>\$ 324,747,671</b>	<b>\$ (18,134,055)</b>	<b>(5.3)%</b>

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# **Ends Policies and Outcomes**

**FY 2020-21**

**Operating and Capital Budget**

# ENDS POLICIES AND OUTCOMES

# Ends Policies and Outcomes

## Introduction

Valley Water plans, manages and carries out work to meet policies established by its Board of Directors.

Under the Valley Water's form of Policy Governance, these "Ends" policies describe the mission, outcomes or results to be achieved by Valley Water staff. Balancing the Ends policies are Executive Limitations, which set limits on staff activities in fulfilling the Ends. Alignment of plans and resources with the Ends policies helps the Board fulfill the critical responsibility of defining, balancing and prioritizing "what benefits, for what people, at what cost," and enhances Valley Water

staff's accountability in using budgeted resources to accomplish those ends.

This chapter describes the Valley Water's budget by Ends policies and outcomes, showing the alignment of resources with Board policies and goals that relate to those policies. Some Outcome Measures (OMs) in the sections to follow require updates and will soon be revised upon thorough review and Board approval.

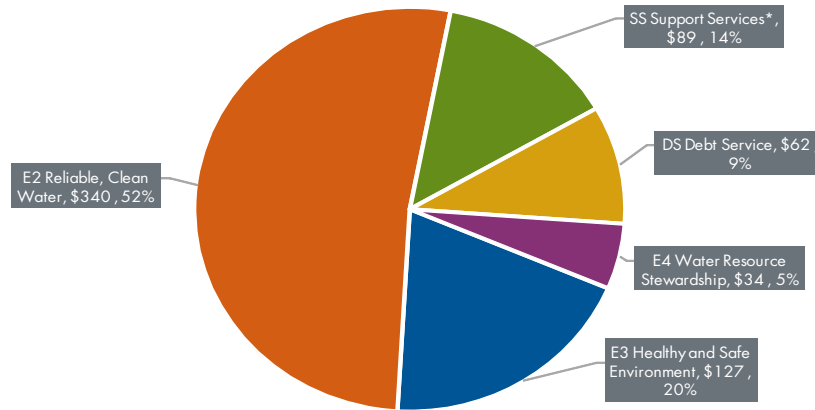
The Fiscal Year 2020-21 table below displays the latest version of the Ends Policies of the Santa Clara Valley Water District Board of Directors.

## District wide budget by Ends and Support Services

Ends Code	Ends Description	FY 2020-21 Proposed Budget
E2	Reliable, clean water supply for current and future generations	\$340,314,011
E3	Healthy and safe environment for residents, businesses, and visitors, as well as for future generations	127,492,615
E4	Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.	34,209,914
SS	Support Services	182,227,115
DS	Debt Service	61,811,513
Grand Total		\$746,055,168
Minus Intradistrict Reimbursements		(93,249,762)
Net Budget		\$652,805,407

# Ends Policies and Outcomes

## FY 2020-21 Total Net Outlays \$653 Million



\* Support Services total is net of intra-district reimbursements. (e.g. overhead costs charged to projects for administrative support services such as human resource and information technology etc.)

Goal Code	Goal Description	FY 2020-21 Proposed Budget
<b>E2.1</b>	<b>Current and future water supply for municipalities, industries, agriculture and the environment is reliable.</b>	<b>\$185,020,428</b>
<b>E2.2</b>	<b>Raw water transmission and distribution assets are managed to ensure efficiency and reliability.</b>	<b>46,088,885</b>
<b>E2.3</b>	<b>Reliable high quality drinking water is delivered.</b>	<b>109,204,698</b>
<b>E3.1</b>	<b>Provide natural flood protection for residents, businesses, and visitors</b>	<b>114,311,872</b>
<b>E3.2</b>	<b>Reduce potential for flood damages</b>	<b>13,180,743</b>
<b>E4.1</b>	<b>Protect and restore creek, bay, and other aquatic ecosystems.</b>	<b>31,822,997</b>
<b>E4.2</b>	<b>Improved quality of life in Santa Clara County through appropriate Public access to trails, open space and District facilities.</b>	<b>1,726,765</b>
<b>E4.3</b>	<b>Strive for zero net greenhouse gas emission or carbon neutrality.</b>	<b>660,152</b>
<b>SS.1</b>	<b>BAO &amp; Valley Water Leadership</b>	<b>31,089,449</b>
<b>SS.2</b>	<b>Financial Planning &amp; Management Services</b>	<b>15,379,935</b>
<b>SS.3</b>	<b>Human Resources Services</b>	<b>12,284,780</b>
<b>SS.4</b>	<b>Information Management Services</b>	<b>27,228,980</b>
<b>SS.5</b>	<b>Corporate Business Assets</b>	<b>65,122,877</b>
<b>SS.6</b>	<b>General Management &amp; Administration</b>	<b>36,150,507</b>
<b>SS.7</b>	<b>Salary Savings</b>	<b>(5,029,415)</b>
<b>DS.1</b>	<b>Debt Service</b>	<b>61,811,513</b>
<b>Grand Total</b>		<b>\$746,055,168</b>
<b>Minus Intradistrict Reimbursements</b>		<b>(93,249,762)</b>
<b>Net Budget</b>		<b>\$652,805,407</b>



# Ends Policies and Outcomes

Goal Code	Goal Description	FY 2020-21 Proposed Budget
<b>E2.1</b>	<b>Current and future water supply for municipalities, industries, agriculture and the environment is reliable.</b>	<b>\$185,020,428</b>

This section provides resources for Valley Water activities needed to protect and maintain groundwater basins; protect, maintain and develop local water, imported water, and recycled water; manage, operate and maintain dams and reservoirs; and maximize water use efficiency, water conservation, and demand management opportunities.

The largest budget item is for imported water purchases from the federal Central Valley Project (CVP) and the State Water Project (SWP) for a total amount of \$58.2 million. Groundwater banking expenses of \$3.8 million are budgeted for annual operations and maintenance costs associated with participating in Semitropic Water Storage Valley Water water banking activities. Also included is funding to cover Valley Water's contribution to ongoing planning anticipated for the California Water Delta Conveyance Program. On average, about 40% of Valley Water's water supply is from imported water resources.

Locally, Valley Water owns and operates 10 surface reservoirs, 17 miles of canals, five water supply diversion dams, 393 acres of recharge ponds, one recycled water purification center for irrigation in partnership with the City of San Jose, and various infrastructure to interconnect these facilities. Funding to study the acquisition and expansion of an eleventh surface reservoir, Pacheco, is included in this budget.

Valley Water conducts both short-term and long-term water supply planning. These planning activities include coordinating operations among other agencies with shared supplies or infrastructure, identifying and evaluating short-term and long-term water supply options including water conservation, implementing our water shortage contingency plan in times of drought, and optimizing the use of available supplies. These planning efforts guide Valley Water's operations and

investments to ensure water supply reliability and prevent adverse impacts like permanent land subsidence.

Water quality protection programs will continue to include monitoring of surface water supplies and the groundwater basin, implementation of Valley Water's groundwater well ordinance, and participation in the invasive mussel prevention program. Water quality protection programs reduce water treatment costs while providing drinking water that meets or surpasses all regulations, reduce contaminants in drinking water sources, and sustain water quality for current and future beneficial uses.

Funds in this section are also used to continue implementing the dam safety program, monitoring and maintaining all dams, maintaining the electrical and computerized systems that support operations, conducting infrastructure maintenance activities throughout the water supply system, and providing engineering and environmental support to water utility operations and maintenance efforts.

Valley Water's water conservation program budget includes residential, commercial/industrial, agricultural, and landscape rebates, and technical assistance, as well as water conservation grants, and a water conservation campaign. Long-term water conservation efforts reduced water demands by about 15%. This is in addition to short-term savings achieved during water shortages.

The FY 2020-21 Budget requires a significant investment to secure local reservoir storage. Valley Water continues to work to address seismic concerns with Anderson Dam in order to ensure public safety, as well as restore the county's largest local supply. Valley Water is advancing the design of the Anderson Dam

## Ends Policies and Outcomes

Seismic Retrofit Project. In addition, Valley Water is responding to a directive from the Federal Energy Regulatory Commission to enact additional interim risk reduction measures to ensure public safety, prior to the start of construction for the Seismic Retrofit Project. In Conjunction with the San Benito County Water District and Pacheco Pass Water District, Valley Water also continues to explore the possibility of expanding the existing Pacheco Reservoir on the North Fork Pacheco Creek in south-east Santa Clara County.

The budget for this section also includes funds for the Fish and Aquatic Habitat Collaborative Effort (FAHCE). Valley Water has been working to resolve a water rights complaint in Coyote Creek, the Guadalupe River, and

Stevens Creek. Resolution of the complaint includes filing water rights change petitions, finalizing a Fish Habitat Restoration Plan (FHRP) and Environmental Impact Report (EIR) and obtaining federal and state permits from several regulatory agencies. This year's budget includes funds to support the completion of the FHRP and EIR for Guadalupe and Stevens Creek watersheds while continuing coordinate with the Anderson Dam Seismic Retrofit project for restoration measures in Coyote watershed; continuing with the water rights change petitions, modeling and biological monitoring; and coordinating the applications for Lake and Streambed Alteration Agreements.

Goal Code	Goal Description	FY 2020-21 Proposed Budget
E2.2	Raw water transmission and distribution assets are managed to ensure efficiency and reliability.	\$46,088,885

The budget for this section includes funds for operating and maintaining the raw water system to distribute raw water to the three water treatment plants and groundwater recharge facilities, which includes pipelines, tunnels, three raw water pump stations,

canals, diversion dams, and other facilities throughout the county. This also includes the inspection, monitoring, and repair of 77 miles of large diameter pre-stressed concrete cylinder pipe (PCCP) to mitigate the risk of catastrophic pipeline failure.

Goal Code	Goal Description	FY 2020-21 Proposed Budget
E2.3	Reliable high quality drinking water is delivered.	\$109,204,698

The budget for this section includes funds for operating and maintaining the three potable water treatment plants, the treated water transmission and distribution system, the Campbell well field and the SFPUC/SCVWD intertie facility. In FY 2020-21, approximately 110,000 acre-feet of water is expected to be treated by

Valley Water's three potable water treatment plants and delivered to the treated water retailers. Also included are funds for treatment plant water quality process support and the operation of Valley Water's water quality laboratory.

Goal Code	Goal Description	FY 2020-21 Proposed Budget
E3.1	Provide natural flood protection for residents, businesses, and visitors	\$114,311,872

This section provides for the construction of capital flood protection projects and the preservation of flood conveyance capacity of streams and other channels.

The best available science is utilized to minimize the effects on the environment and protect habitat. In FY 2020-21, two (2) flood protection projects will

# Ends Policies and Outcomes

continue construction, and three (3) new flood protection projects and two (2) watershed asset rehabilitation projects will be in construction. Additionally, ten (10) projects will continue or will enter into the planning/design phase.

Other efforts to maintain flood conveyance capacity include sediment removal of approximately 20,000 to 50,000 cubic yards, debris removal and the control of approximately 3,700 acres of upland vegetation for access and 1,000 acres of in-stream vegetation for stream capacity. In addition, watershed facility

conditions will be assessed, and levees will be inspected (approximately 100 miles) and maintained (approximately 30,000 LF), and inspect 281 miles of creeks.

The FY 2020-21 Budget also includes: a comprehensive tree maintenance program to provide a streamlined environmental and permitting process to facilitate the pruning, removal and mediation of hazards associated with trees; and pursuance of modifications to the Stream Maintenance Program permit to ensure sustainability of county flood protection improvements.

Goal Code	Goal Description	FY 2020-21 Proposed Budget
<b>E3.2</b>	<b>Reduce potential for flood damages</b>	<b>\$13,180,743</b>

This section provides for activities that reduce the potential for flood damages. Such activities include the creation and distribution of a floodplain mailer, as part of an annual countywide flood awareness campaign—these efforts help inform businesses and residents with preparedness tips on what to do before, during, and after a flood event.

Additional efforts include implementing the Water Resource Protection Ordinance; implementing the Encroachment Remediation and Prevention Plan; consulting with and supporting external agencies for floodplain management; and maintaining and

improving our flood warning system.

A major component in this section is flood emergency planning and response. To ensure readiness, staff will participate in inter-agency training exercises at the state and countywide level as well as those specific to our emergency operations.

In addition, Valley Water partners with other public agencies for a unified approach when providing flood response. At least 40,000 filled sandbags, as well as sand and empty bags, are also provided as a courtesy to the public and other agencies.

Goal Code	Goal Description	FY 2020-21 Proposed Budget
<b>E4.1</b>	<b>Protect and restore creek, bay, and other aquatic ecosystems.</b>	<b>\$31,822,997</b>

This section provides for the protection and restoration of various aquatic ecosystems through preservation, improvements to the watersheds, pollution prevention and engaging/educating the public about the importance of protecting water quality and stream stewardship.

With the 2012 passage of the Safe, Clean Water and Natural Flood Protection Program, continued programs for FYs 2021-25 include: establishing service indices for streams; reducing contaminants such as mercury; re-

vegetating sites for mitigation; removing invasive vegetation to revitalize native habitats; minimizing the use of pesticides where feasible; regularly removing trash in and around streams; providing grants for environmental enhancement and pollution prevention projects; creating fish habitat and passage; reusing sediment whenever possible; stabilizing stream banks; and protecting water quality. FY 2020-21 projects include reassessing the Coyote Creek watershed, Hale Creek Enhancement Pilot Study, San Francisco Bay



# Ends Policies and Outcomes

Shoreline planning, and design of Almaden Lake Improvements.

FY 2020-21, Valley Water will provide \$200,000 for partnerships with municipalities for programs specific to reducing contaminants in groundwater or surface water; \$200,000 for grants for supporting volunteer cleanup efforts and education; and \$200,000 for mini-grants for wildlife habitat restoration. This work also

includes administering 61 existing grants and partnerships awarded since 2014.

Cleanup of encampments will once again be a high priority under Safe, Clean Water. Efforts are coordinated with numerous cities, the county, and various non-profit agencies to provide assistance to camp inhabitants. Hazardous materials spill response within our fee and easement areas will also continue.

Goal Code	Goal Description	FY 2020-21 Proposed Budget
E4.2	Improved quality of life in Santa Clara County through appropriate Public access to trails, open space and District facilities.	\$1,726,765

This section promotes and supports access to trails and open space through various grants and community partnerships for planning, design, construction, and maintenance. In FY 2020-21, Valley Water will provide

\$571,000 for grants and will continue to administer 8 open space and trail grants projects awarded since 2014. In addition, Valley Water is working with cities on trail implementation.

Goal Code	Goal Description	FY 2020-21 Proposed Budget
E4.3	Strive for zero net greenhouse gas emission or carbon neutrality.	\$660,152

This section provides for activities to identify and inventory Valley Water's greenhouse gas emissions and to create various means to reduce our carbon footprint and achieve carbon neutrality. Efforts will also be underway to develop a Climate Change Action Plan

(CCAP) that provides Valley Water's general vision for our response to climate change by proposing goals and strategies and the launch of an ongoing implementation program.

Goal Code	Goal Description	FY 2020-21 Proposed Budget
SS.1	BAO & Valley Water Leadership	\$31,089,449

Board Appointed Officers (BAOs) and Valley Water Leadership includes the budgets for the Board of Directors and its Advisory Committees, the Board Appointed Officers, Office of External Affairs, and Valley Water's risk management including Emergency Management, Health and Safety related functions and activities for Watersheds and Water Utility Enterprise. The BAOs are Valley Water staff that report directly to the Board of Directors, and include the positions of Chief Executive Officer (CEO), District Counsel, and the

Clerk of the Board.

**Chief Executive Officer:** Provides strategic direction and oversight to lead the organization in implementing Valley Water's mission. The CEO provides executive leadership to Valley Water and support to the Board of Directors to ensure that Valley Water efficiently implements the Board's Ends policies and complies with Executive Limitations.

**Clerk of the Board:** Provides regulatory and administrative services required to support the Board of

# Ends Policies and Outcomes

Directors' functions and activities, including support to the Board's Advisory and Ad Hoc Committees, BAOs, Valley Water staff and constituents. The Clerk of the Board supports executive management and the public by ensuring the Board meetings are kept open and public in accordance with the Ralph M. Brown Act.

**District Counsel:** Represents Valley Water's interests in a variety of court and administrative matters and provides timely and useful legal advice to the Board of Directors and management as Valley Water implements strategies to streamline operations and increase accountability.

**External Affairs:** Provides strategic planning and integration of external policies and legislation as it relates to the business interests of Valley Water as well as for communications and outreach efforts. External Affairs is responsible for: internal and external communications to the media, community, and the public; community engagement in the areas of education, volunteerism, and through grant programs and community rating system program; and government relations efforts at the local, regional, state, and federal levels. In addition, External Affairs is exploring future funding opportunities through the potential renewal of Safe, Clean Water Program measure.

Goal Code	Goal Description	FY 2020-21 Proposed Budget
SS.2	Financial Planning & Management Services	\$15,379,935

Financial Planning and Management Services provide management oversight, leadership and strategic support to ensure effective and efficient financial planning and performance. This includes promoting

efficiencies and fiscal accountability District-wide and within the Financial Planning and Management Services Division.

Goal Code	Goal Description	FY 2020-21 Proposed Budget
SS.3	Human Resources Services	\$12,284,780

Human Resources Services are primarily linked to human resource planning, development and management. These services include District-wide funding for recruitment, professional development,

training, employee wellness, internship, the ethics and equal employment opportunity programs.

Goal Code	Goal Description	FY 2020-21 Proposed Budget
SS.4	Information Management Services	\$27,228,980

The Information Technology Division serves the technology needs of the Valley Water, enabling business users to carry out their work efficiently, effectively, and securely. We do so by providing planning, design, and operational support and maintenance of the Valley Water's:

(1) physical technology infrastructure and cyber security posture; and (2) software application portfolio.

# Ends Policies and Outcomes

Goal Code	Goal Description	FY 2020-21 Proposed Budget
<b>SS.5</b>	<b>Corporate Business Assets</b>	<b>\$65,122,877</b>

Corporate Business Assets includes the functions and activities of Construction Contracts & Support, Purchasing, Consultant Contract Services, Equipment Management, Facilities Management, Business Support, and Warehouse Services in the General Services Division.

Also included in this category are a few of support services projects from the Water Utility Enterprise, and Water Utility projects that overarch Ends policies and therefore cannot be attributed to a single Ends policy (e.g., water measurement, asset management, select planning projects).

Goal Code	Goal Description	FY 2020-21 Proposed Budget
<b>SS.6</b>	<b>General Management &amp; Administration</b>	<b>\$36,150,507</b>

Funds in this category provide necessary resources to effectively administer and manage organization-wide support services, including unit and division office and program administration, long-term operational planning

efforts, and other critical District-wide support service functions and activities required to achieve organizational goals and objectives.

Goal Code	Goal Description	FY 2020-21 Proposed Budget
<b>SS.7</b>	<b>Salary Savings</b>	<b>\$(5,029,415)</b>

This salary savings budget represents 4% of regular employee salaries and benefits district-wide. This

budget represents the budgeted savings from vacant positions projected to occur during the year.

Goal Code	Goal Description	FY 2020-21 Proposed Budget
<b>DS.1</b>	<b>Debt Service</b>	<b>\$61,811,513</b>

Debt Service includes the budget used to pay interest, principal, and fees associated with the debt portfolio.

# Ends Policies and Outcomes

**E2**

**Reliable, clean water supply for current and future generations**

**E2.1 Current and future water supply for municipalities, industries, agriculture and the environment is reliable.**

<b>Job Number</b>	<b>Project Name</b>	<b>Proposed FY 2020-21 Budget</b>
26061008	Water Conservation Grants	136,639
26061010	Nitrate Treatment System Rebate	4,000
26764001	IRP2 AddLine Valves	633,829
60041003	Hollister Groundwater Mgmt	85,736
91041012	Water Operations Planning	632,940
91041018	Groundwater Management Program	4,939,593
91081007	Dam Safety Program	1,722,903
91084019	Dam Safety Seismic Stability	427,350
91084020	Calero-Guad Dams Seismic Retro	1,365,690
91094001	Land Rights-SC Recycled Water Pipeline	203,721
91094009	SoCo Recyld Wtr PL Short-Term 1B	9,313,444
91101004	Recycled & Purified Water Prog	5,873,393
91111001	Water Rights	661,508
91131004	Imported Water Program	5,548,446
91131006	IW San Felipe Division Delvrs	17,833,695
91131007	IW South Bay Aqueduct Delvrs	756,828
91131008	State Water Project Costs	29,636,261
91151001	Water Conservation Program	6,197,972
91151012	Recyld/PurifiedWaterPublicEng	1,286,410
91151013	Water Banking Operations	3,815,605
91154007	Water Purchases Captl Project	10,776,941
91211004	San Felipe Reach 1 Operation	641,129
91211005	SFD Reach 1 Administration	5,162
91211084	San Felipe Reach1 Ctrl and Ele	315,777
91211085	SF Reach 1-Engineering - Other	289,094
91221002	San Felipe Reach 2 Operation	62,942
91221006	SF Reach 2-Engineering - Other	177,496
91231002	San Felipe Reach 3 Operation	329,526
91231084	San Felipe Reach3 Ctrl and Ele	313,881
91231085	SF Reach 3-Engineering - Other	110,300
91251001	Transfer-Bethany Pipeline	1,020,861
91281007	SVAWPC Facility Operations	2,513,648
91281008	SVAWPC Facility Maintenance	2,378,075
91304001	Indirect Potable Reuse-Plan	7,060,885
91441003	Desalination	63,659
91451002	Well Ordinance Program	1,847,212
91451005	Source Water Quality Mgmt	700,088
91451011	Invasive Mussel Prevention	618,164
91601001	Delta Conveyance Project	11,645,071
91761001	Local Res/Div Plan & Analysis	1,687,154

# Ends Policies and Outcomes

## E2

### Reliable, clean water supply for current and future generations

#### E2.1 Current and future water supply for municipalities, industries, agriculture and the environment is reliable.

Job Number	Project Name	Proposed FY 2020-21 Budget
91761099	Dams / Reservoir Gen Maint	3,505,563
91854001	Almaden Dam Improvements	167,728
91864005	Anderson Dam Seismic Retrofit	10,109,204
91874004	Calero Dam SeisRetrofit Des&Con	900,445
91894002	Guadalupe Dam SeisRetrofit Des&Con	542,614
91951001	San Luis Low Point Improvement	322,582
91954002	Pacheco Reservoir ExpansionPrj	27,783,791
92041014	FAHCE/Three Creeks HCP Project	2,568,919
95061043	WUE TW Div Admin Support	3,359,566
95074039	Cap Construction Mgmt System	156,511
95111003	Water Use Measurement	1,970,478
<b>E2.1 Total</b>		<b>185,020,428</b>

# Ends Policies and Outcomes

**E2**

**Reliable, clean water supply for current and future generations**

**E2.2 Raw water transmission and distribution assets are managed to ensure efficiency and reliability.**

<b>Job Number</b>	<b>Project Name</b>	<b>Proposed FY 2020-21 Budget</b>
91211099	San Felipe Reach 1 Gen Maint	856,489
91214010	Small Caps, San Felipe R1	2,061,205
91221099	San Felipe Reach 2 Gen Maint	161,725
91224010	Small Caps, San Felipe R2	858,850
91231099	San Felipe Reach 3 Gen Maint	1,048,313
91234002	Coyote Pumping Plant ASD	2,429,866
91234010	Small Caps, San Felipe R3	206,354
91234011	Coyote Warehouse	284,342
92144001	Pacheco/SC Conduit ROW ACQ	506,442
92261099	Vasona Pump Station Gen Main	140,058
92264001	Vasona Pump Station Upgrade	1,217,429
92304001	Almaden Valley Pipeline Replacement	667,800
92761001	Raw Water T&D Gen'l Oper	1,601,942
92761008	Recycled Water T&D Genrl Maint	282,147
92761009	Recharge/RW Field Ops	3,325,778
92761010	Rchrg / RW Field Fac Maint	2,278,684
92761012	Untreated Surface Water Program	395,817
92761082	Raw Water T&D Ctrl and Electr	566,668
92761083	Raw Water T&D Eng Other	1,035,928
92761085	Anderson Hydrelctrc Fclty Main	168,515
92761099	Raw Water T / D Gen Maint	2,326,326
92764009	Small Caps, Raw Water T&D	81,597
92781002	Raw Water Corrosion Control	644,326
95044001	Distribution Systems Implementation	2,628,240
95084002	10-Yr PL Inspection and Rehab	20,314,046
<b>E2.2 Total</b>		<b>46,088,885</b>

# Ends Policies and Outcomes

## E2

**Reliable, clean water supply for current and future generations**

**E2.3 Reliable high quality drinking water is delivered.**

<b>Job Number</b>	<b>Project Name</b>	<b>Proposed FY 2020–21 Budget</b>
00761013	SCADA Systems Upgrades	722,014
93044001	WTP Implementation	1,697,404
93081002	Treatment Plant Process & Commissioning	385,080
93081008	W T General Water Quality	2,414,862
93081009	Water Treatment Plant Engineer	394,289
93084004	Wtr Trtmnt Plnt Electr Imprv	446,992
93231009	PWTP General Operations	5,765,415
93231099	Penitencia WTP General Maint	3,084,954
93234044	PWTP Residuals Management	682,500
93281005	STWTP - General Operations	6,272,321
93281099	Santa Teresa WTP General Maint	3,463,147
93284013	STWTP Filter Media Replace	444,486
93291012	RWTP General Operations	9,059,673
93291099	Rinconada WTP General Maint	3,646,134
93294057	RWTP Reliability Improvement	40,832,999
93294058	RWTP Residuals Remediation	13,405,904
93401002	Water District Laboratory	5,516,972
93761001	SF/SCVWD Intertie General Ops	227,525
93761004	Campbell Well Field Operations	103,622
93761005	Campbell Well Field Maint	112,332
93761006	Treated Water Ctrl & Elec Eng	2,111,789
93761099	SF/SCVWD Intertie Gen Maint	112,278
93764004	Small Caps, Water Treatment	3,035,124
94761005	TW T&D - Engineering - Other	650,090
94761099	Treated Water T/D Gen Maint	1,486,237
94781001	Treated Water T/D Corrosion	528,658
95044002	SCADA Implementation	1,645,491
95151002	WU Customer Relations&Outreach	956,404
<b>E2.3 Total</b>		<b>109,204,698</b>
<b>E2 Total</b>		<b>340,314,011</b>



# Ends Policies and Outcomes

**E3**

**Healthy and safe environment for residents, businesses, and visitors, as well as for future generations**

**E3.1 Provide natural flood protection for residents, businesses, and visitors**

<b>Job Number</b>	<b>Project Name</b>	<b>Proposed FY 2020-21 Budget</b>
00041022	Stream Maint Prog Mgmt	5,065,673
00044026	San Francisco Bay Shoreline	11,143,080
00761023	Watershed Sediment Removal	6,045,181
00761078	Vegetation Mangmnt for Access	3,842,187
00762011	Tree Maintenance Program	933,844
00811049	Subsidence Monitoring	844,910
10394001	PA Flood Basin Tide Gate Replace	83,408
26074002	Sunnyvale East & West Channel	2,033,272
26154002	Guadalupe Rv-Upr, 280-SPRR(R6	862,186
26164001	HaleCreekEnhancementPilotStudy	170,072
26174041	Berryessa Calav/Old Pied Cor	26,609
26174043	Coyote Creek, Montague-Tully	2,304,295
26174052	U. Llagas Ck, Nonreimburse E6a	46,273,471
26284002	San Francisquito Early Implemt	4,315,558
26324001	U Penitncia Crk Corp Coord SCW	1,381,884
26444001	SFBS EIA 11 Desgn & Part Const	5,310
26771067	Stream Capacity Vegetation Con	2,497,953
26771068	SCW E1.3-Flow Conveyance, Veg	551,572
30154019	Guadalupe R Tasman Dr-I880	3,305,400
40174005	Berryessa Crk, Lwr. Pen Phs 2	42,308
40264008	Lwr Silver-R4-6 N Babb-Cunni	166,648
40264011	Cunningham Fld Detention Cert	3,735
40334005	Lwr Penitencia Crk Improvemnts	7,744,565
62021009	Watershds O&M Eng&Insp Support	1,386,363
62042050	Watershd Maint Guideline Updte	546,753
62061029	Field Operations Support	606,763
62084001	Watersheds Asset Rehabilitatio	3,531,397
62761006	Invasive Plant Management Prog	2,160,372
62761024	Wtrshd Facility Cndtion Assmnt	2,196,018
62761025	Watershed General Field Maint	1,840,591
62761026	Watershed Debris Removal	1,221,153
62761028	Watershed Levee Maintenance	923,405
62761080	Non SMP Veg Removal for Convey	255,937
<b>E3.1 Total</b>		<b>114,311,872</b>

# Ends Policies and Outcomes

**E3**

**Healthy and safe environment for residents, businesses, and visitors, as well as for future generations**

**E3.2 Reduce potential for flood damages**

<b>Job Number</b>	<b>Project Name</b>	<b>Proposed FY 2020–21 Budget</b>
00811043	Hydrologic Data Msrmt & Mgmt	2,039,358
26041023	Emergency Response Upgrades	354,593
26041024	Flood Risk Reduction Studies	1,184,535
26061005	Flood Emrgncy Respns Planning	236,057
62011002	Watershed Asset Protection Sup	4,590,879
62021003	CPRU Tech Support	78,980
62041023	Community Rating System (CRS)	462,746
62061005	WS Customer Relations&Outreach	1,040,596
62061008	Hydrology&Hydraulics Tech Supp	1,459,633
62761008	Sandbag Program	611,503
95011003	WU Asset Protection Support	1,121,864
<b>E3.2 Total</b>		<b>13,180,743</b>
<b>E3 Total</b>		<b>127,492,615</b>

# Ends Policies and Outcomes

## E4

**Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.**

**E4.1 Protect and restore creek, bay, and other aquatic ecosystems.**

<b>Job Number</b>	<b>Project Name</b>	<b>Proposed FY 2020-21 Budget</b>
00041047	Ecological Data Collectn & Analy	776,552
00061012	Facilities Env Compliance	801,188
00061019	Supp Volunteer Cleanup Effort	373,759
00741042	Water Resorcs EnvPlng & Permtg	2,264,514
00761022	Watershed Good Neighbor Maint	1,760,799
00761075	Mgmt of Revegetation Projects	2,311,468
00771011	Inter Agency Urban Runoff Prog	2,592,808
00771031	HAZMAT Emergency Response	210,376
20444001	Salt Ponds A5-11 Restoration	170,502
26042002	Fish Habitat Improvements	696,302
26044001	Almaden Lake Improvement	1,710,223
26044002	SCW Fish Passage Improvement	3,030,368
26044003	Ogier Ponds Planning Study	619,726
26061006	Pollution Prvtn Prtnrshp & Grt	356,318
26752043	Impaired Water Bodies Imprvmts	1,821,047
26761076	Rev, Riprn, Uplnd, & WtInd Hab	979,433
26771027	Encampment Cleanup Program	921,908
30151026	Guad Rvr Mitgtn Monitoring Prg	607,072
40212032	Coyote Creek Mitgtn Monitoring	258,163
60061058	Drought Induced Tree Removal	1,251,650
60171002	Education & Volunteer Program	2,022,692
62041043	Environmental Srvcs Tech Suppt	508,010
62042032	Multiple Sm Prjcts Mitgtn Mont	709,940
62042047	Mitigation & Stwdshp Land Mgmt	215,946
62042051	Plant Pathogen Management	375,595
62044001	Watershed Habitat Enhancemnt S	532,403
62061049	Safe Clean Water Renewal	45,000
62181005	SMP Mitigation Site Mgmt	606,322
62181006	Instream Habitat Complexity	259,117
62761009	Pond A4 Operations	157,509
62761027	Watershed Erosion Protection	2,876,287
<b>E4.1 Total</b>		<b>31,822,997</b>

## Ends Policies and Outcomes

**E4**

**Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.**

**E4.2 Improved quality of life in Santa Clara County through appropriate Public access to trails, open space and District facilities.**

<b>Job Number</b>	<b>Project Name</b>	<b>Proposed FY 2020-21 Budget</b>
26061007	Grants to Rest Habitat Access	1,726,765
<b>E4.2 Total</b>		<b>1,726,765</b>

## Ends Policies and Outcomes

# E4

**Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.**

**E4.3 Strive for zero net greenhouse gas emission or carbon neutrality.**

<b>Job Number</b>	<b>Project Name</b>	<b>Proposed FY 2020-21 Budget</b>
00021008	Energy Management	470,604
00061048	Climate Change Adaptation/Mtg.	189,548
<b>E4.3 Total</b>		<b>660,152</b>
<b>E4 Total</b>		<b>34,209,914</b>

# Ends Policies and Outcomes

**SS**

## Support Services

### SS.1 BAO & District Leadership

<b>Job Number</b>	<b>Project Name</b>	<b>Proposed FY 2020–21 Budget</b>
00761071	Emergency Management	2,324,838
60091001	Directors Fees / Expenses	528,622
60131007	Ofc of Chief Executive Officer	1,201,204
60131014	Continual Improvement	930,886
60141001	District Counsel	4,089,702
60171009	Community Relations	573,468
60231002	Communications	2,391,578
60231003	Federal Government Relations	984,569
60231004	State Government Relations	1,113,465
60231005	Local Government Relations	2,017,734
60231006	Office of Chief of Ext Affairs	1,385,338
60241026	Quality and Env Mgmt Sys Prog	524,109
60301001	Clerk of the Board Serv	6,113,824
65051001	Risk Management	2,483,249
65051002	Workers Compensation Program	865,112
65051003	Health&Safety Program Mgt	2,915,749
65052001	2017 President Day Flood	646,000
<b>SS.1 Total</b>		<b>31,089,449</b>

# Ends Policies and Outcomes

**SS**

## Support Services

### SS.2 Financial Planning & Management Services

<b>Job Number</b>	<b>Project Name</b>	<b>Proposed FY 2020-21 Budget</b>
00031001	Watershed Revenue	177,298
00031002	Grants Management	1,059,138
00061045	Asset Management Program	3,650,524
00121003	LT Financial Planning & Rate S	857,464
26001090	Unscoped Projects-Budget Only	100,000
60001090	CEOUnscoped Projects-BudgtOnly	100,000
60001091	Unscoped Projects-Budget Only	100,000
60001092	CEA UnscopedProject-BudgetOnly	100,000
60111002	General Accounting Services	4,007,532
60221001	Budget and Financial Analyses	2,371,816
60221002	Debt & Treasury Management	1,069,177
62001090	Unscoped Projects-Budget Only	100,000
95001090	Unscoped Projects-Budget Only	100,000
95101003	W2 W5 Water Revenue Program	1,586,987
<b>SS.2 Total</b>		<b>15,379,935</b>



# Ends Policies and Outcomes

**SS**

## Support Services

### SS.3 Human Resources Services

<b>Job Number</b>	<b>Project Name</b>	<b>Proposed FY 2020–21 Budget</b>
60281003	Ethics & EEO Programs	1,185,357
60281004	Diversity & Inclusion Program	843,489
60281006	Reasonable Accommodation	274,580
60291001	Recruitment and Examination	2,224,160
60291002	Benefits and Wellness Admin	1,689,226
60291003	Labor Relations	967,732
60291004	Talent Development Program	1,542,106
60291011	HR Program Admin	606,226
60291030	HR Systems Management Program	550,342
60291032	Bargaining Unit Representation	137,990
60291040	Rotation Program	600,000
60291041	Internship Program	678,200
60291043	Succession Planning	488,010
95061047	WUE Technical Training Program	497,362
<b>SS.3 Total</b>		<b>12,284,780</b>

# Ends Policies and Outcomes

**SS**

## Support Services

### SS.4 Information Management Services

<b>Job Number</b>	<b>Project Name</b>	<b>Proposed FY 2020-21 Budget</b>
60311001	Records & Library Services	1,326,729
73271001	Telecommunications Sys Opr/M	2,420,535
73271002	Technical Infrastructure Servi	758,881
73271003	Network Administration	2,662,459
73271004	Information Security Admin	991,379
73271005	Office Cmptr Maint/Help Dsk Sup	2,054,255
73271006	Info Technology Div Admin	786,236
73271007	Emerging IT Technologies	100,000
73271008	Software Maint & License	2,658,721
73271009	Software Services	5,698,856
73274002	ERP System Implementation	2,258,092
73274004	Network Equipment	2,527,604
73274006	Office Computers Replace Equip	1,666,713
73274008	Software Upgrades & Enhancemen	871,046
73274009	Data Consolidation	74,384
73274012	Telephone System Voice Over IP	131,880
95761003	SCADA Network Administration	241,209
<b>SS.4 Total</b>		<b>27,228,980</b>

# Ends Policies and Outcomes

**SS**

## Support Services

### SS.5 Corporate Business Assets

Job Number	Project Name	Proposed FY 2020–21 Budget
00071041	Welding Services	654,761
00074036	Survey Mgmt & Tech Support	796,632
00811046	Warehouse Services	2,585,329
00811054	District Real Property Adminis	1,404,715
10291002	Rental Expense Stevens Creek	370,306
26061002	Rent Exp Clean Safe Ck 7/1/01+	243,461
30061004	Rent Exp Guadalupe & Coyote	116,986
60061018	General Services Div Admin	565,747
60101001	Purchasing Services	2,309,764
60101002	Building and Grounds	9,100,054
60101005	Districtwide Signage	614,067
60101008	District Security Services	2,743,496
60111006	Contract Services	2,703,124
60204016	Facility Mgmt-Sm Cap Improv	3,015,953
60351001	Business & Customer SupportSvc	3,223,396
70004001	New Vehicle Equip Acquisitio	1,545,000
70004002	Replacement Vehicle & Equip	1,933,000
70011099	Class I Equip Oper / Maint	825,402
70021099	Class II Equip Oper / Maint	950,477
70031099	Class III Equip Oper / Maint	342,292
70041099	Class IV Equip Oper / Maint	1,494,295
70061003	Vehicle & Equipment Admin&Mgmt	1,245,916
95061012	Rental Expense San Pedro,MH	21,900
95074001	Capital Warranty Services	26,316,806
<b>SS.5 Total</b>		<b>65,122,877</b>

# Ends Policies and Outcomes

**SS**

## Support Services

### SS.6 General Management & Administration

<b>Job Number</b>	<b>Project Name</b>	<b>Proposed FY 2020-21 Budget</b>
00041039	Integrated Regional Water Mgmt	77,534
00074033	CIP Development & Admin	1,345,140
00074038	Capital Progrm Srvcs Admin	7,501,432
00074041	GS Capital Program Services	1,439,900
26061012	Safe Clean Water Implementatn	607,305
60101017	CADD System Tech Support	160,740
60131004	IT & AS Administration	1,750,663
60221003	FPMD Administration	455,461
62041027	Integrated Wtr Resrce Mstr Pln	1,593,433
62061001	Watersheds Administration	9,998,606
73271010	IT Projects & Bus Operations	875,899
95061038	WUE Administration	8,493,545
95741001	Water Supply Planning	1,850,850
<b>SS.6 Total</b>		<b>36,150,507</b>

# Ends Policies and Outcomes

**SS**

## Support Services

### SS.7 Salary Savings

Job Number	Project Name	Proposed FY 2020–21 Budget
26061004	Districtwide Salary Savings-26	(153,314)
26064023	Districtwide Salary Savings	(307,788)
60061023	Districtwide Salary Savings-11	(1,082,251)
60064023	Districtwide Salary Savings	(373)
62061002	Districtwide Salary Savings-12	(749,099)
62064023	Districtwide Salary Savings	(260,390)
65061004	Districtwide Salary Savings-72	(56,077)
70061004	Districtwide Salary Savings-71	(43,292)
73061004	Districtwide Salary Savings-73	(193,269)
73064004	Districtwide Salary Savings-73	(49,631)
91061007	Districtwide Salary Savings-61	(1,552,708)
95064011	Districtwide Salary Savings-61	(581,223)
<b>SS.7 Total</b>		<b>(5,029,415)</b>
<b>SS Total</b>		<b>182,227,115</b>

# Ends Policies and Outcomes

**DS**

## Debt Service

### DS.1 Debt Service

Job Number	Project Name	Proposed FY 2020-21 Budget
10993008	2017A COP Refunding LP WS	2,291,025
20993007	2012A COP Refunding WV WS	1,175,191
20993008	2017A COP Refunding WV WS	685,707
26993001	Commercial Paper Tax Exmpt SCW	1,749,720
30993007	2012A COP Refunding Guad WS	2,939,465
30993008	2017A COP Refunding Guad WS	793,017
40993007	2012A COP Refunding Coyote WS	1,219,544
40993008	2017A COP Refunding Coyote WS	2,057,698
60993009	2017A COP Refunding GF	475,801
95993007	Commercial Paper Tax Exmpt	1,690,860
95993008	Commercial Paper Taxable	1,690,860
95993012	2006B WUE Refunding (Taxable)	1,816,101
95993015	2016A WU Ref Rev Bond(TxExmpt)	5,350,750
95993016	2016B WU Ref Rev Bond(Taxable)	3,244,621
95993017	WU COP 2016C (Tax-Exempt)	5,073,000
95993018	WU COP 2016D (Taxable)	5,665,657
95993019	WU Rev Bond 2017A (Tax Exempt)	4,396,500
95993022	WU Rev Bond 2019A (Tax-Exempt)	1,024,750
95993023	WU Rev Bond 2019B (Taxable)	4,519,910
95993024	WU Rev Bond 2019C (Taxable)	2,790,179
95993025	WU Rev Bond 2020A (Tax-Exempt)	2,686,670
95993026	WU Rev Bond 2020B (Taxable)	5,164,487
95993027	WU Ref Rev Bond 2021A (Tax-Exempt)	1,660,000
95993028	WU Ref Rev Bond 2021B (Taxable)	1,650,000
<b>DS.1 Total</b>		<b>61,811,513</b>
<b>DS Total</b>		<b>61,811,513</b>

# Ends Policies and Objectives

## E2

### Reliable, clean water supply for current and future generations

#### E2.1 Current and future water supply for municipalities, industries, agriculture and the environment is reliable.

2.1.1. Aggressively protect groundwater from the threat of contamination and maintain and develop groundwater to optimize reliability and to minimize land subsidence and salt water intrusion **8,843,019**

OM 2.1.1.a. Greater than 278,000 acre-feet of projected end-of-year groundwater storage in the Santa Clara Plain.

OM 2.1.1.b. Greater than 5,000 acre-feet of projected end-of-year groundwater storage in the Coyote Valley.

OM 2.1.1.c. Greater than 17,000 acre-feet of projected end-of-year groundwater storage in the Llagas Subbasin.

OM 2.1.1.d. 100% of subsidence index wells with groundwater levels above subsidence thresholds.

OM 2.1.1.e. At least 95% of countywide water supply wells meet primary drinking water standards.

OM 2.1.1.f. At least 90% of South County wells meet Basin Plan agricultural objectives.

OM 2.1.1.g. At least 90% of wells in both the shallow and principal aquifer zones have stable or decreasing concentrations of nitrate, chloride, and total dissolved solids.

OM 2.1.1.h. Reduce number of private well water users exposed to nitrate above drinking water standards by awarding 100% of eligible rebate requests for the installation of nitrate removal systems; a maximum of 1,000 rebates up to \$702,000 through 2023. (SCW A2)

2.1.2. Protect, maintain, and develop local surface water. **25,771,943**

OM 2.1.2.a. 100% of local water identified in annual operations plan utilized to meet annual County water needs.

OM 2.1.2.b. 100% of required reports to the State Water Resources Control Board for District water rights permits and licenses submitted on time

OM 2.1.2.c. 100% of operational capacity restored at Almaden Reservoir by October 2016

OM 2.1.2.d. 100% of operational capacity restored at Anderson Reservoir by November 2018 and provide portion of funds, up to \$45 million, to help restore full operating capacity of 90,373 feet (SCW C1).

OM 2.1.2.e. 100% of operational capacity restored at Calero Reservoir by December 2019.

OM 2.1.2.f. 100% of operational capacity restored at Guadalupe Reservoir by December 2019.

OM 2.1.2.g. 100% of dams judged safe for continued use following all annual DSOD inspections.

OM 2.1.2.h. The petition to resolve 100% of the water rights licenses addressed in the FAHCE/Three Creeks Habitat Conservation Plan project is submitted to the State Water Resources Control Board by December 2015.

2.1.3. Protect, maintain, and develop imported water. **83,596,435**

OM 2.1.3.a. 100% of imported water identified in annual operations plan delivered to County to meet annual water needs

2.1.4. Protect, maintain, and develop recycled water. **28,693,234**



# Ends Policies and Objectives

**E2**

## Reliable, clean water supply for current and future generations

### E2.1 Current and future water supply for municipalities, industries, agriculture and the environment is reliable.

OM 2.1.4.a. At least 10% of annual recycled water production as a percentage of total County water demands by 2025.

2.1.5. Maximize water use efficiency, water conservation, and demand management opportunities. **6,338,611**

OM 2.1.5.a. At least 98,500 acre-feet of annual County-wide water conservation savings by 2030.

OM 2.1.5.b. Award up to \$1 million to test new conservation activities through 2023. (SCW A2)

2.1.6. Prepare for and respond effectively to water utility emergencies. **31,777,186**

OM 2.1.6.a. Execute 1 annual training and exercise plan per year to test response capability and identify improvements.

OM 2.1.6.b. 90% of required employees receive required FEMA/CAL-EMA NIMS/SEMS training.

**E2.1 Subtotal 185,020,428**

**E2**

## Reliable, clean water supply for current and future generations

### E2.2 Raw water transmission and distribution assets are managed to ensure efficiency and reliability.

2.2.1. Raw water transmission and distribution assets are managed to ensure efficiency and reliability **46,088,885**

OM 2.2.1.a. 100% of annual maintenance work plans completed for all transmission and distribution facilities.

OM 2.2.1.b. Restore transmission pipelines to full operating capacity of 37 cubic feet per second from Anderson Reservoir by 2018. (SCW A1)

OM 2.2.1.c. Restore ability to deliver 20 cubic feet per second to Madrone Channel by 2018. (SCW A1)

**E2.2 Subtotal 46,088,885**

**E2**

## Reliable, clean water supply for current and future generations

### E2.3 Reliable high quality drinking water is delivered.

2.3.1. Meet or exceed all applicable water quality regulatory standards. **107,526,280**

OM 2.3.1.a. 100% of treated water that meets primary drinking water standards.

OM 2.3.1.b. 100% of annual maintenance work plans completed for all facilities.

OM 2.3.1.c. Install 4 new line valves on treated water distribution pipelines by 2027. (SCW A3)

# Ends Policies and Objectives

## E2

### Reliable, clean water supply for current and future generations

#### E2.3 Reliable high quality drinking water is delivered.

2.3.2. Maintain effective relationships with the retailer and other stakeholders to ensure high quality, reliable drinking water. **1,678,418**

OM 2.3.2.a. 100% of retailers give an average rating of good to excellent on each of their individual annual treated water retailer surveys.

OM 2.3.2.b. Increase number of schools in Santa Clara County in compliance with State Education Code, Section 38086, and the Healthy Hunger-Free Kids Act, regarding access to drinking water by awarding 100% of eligible grant requests through 2023 for the installation of hydration stations; a maximum of 250 grants up to \$245,000. (SCW A2)

**E2.3 Subtotal 109,204,698**

**E2 Budget Total 340,314,011**

## E3

### Healthy and safe environment for residents, businesses, and visitors, as well as for future generations

#### E3.1 Provide natural flood protection for residents, businesses, and visitors

3.1.1. Protect parcels from flooding by applying an integrated watershed management approach that balances environmental quality and protection from flooding. **80,453,231**

OM 3.1.1.a. Approximately 31,500 parcels are protected and/or eligible for removal from the flood hazard zone as specified in the 5-year Capital Improvement Plan.

OM 3.1.1.b. With federal and local funding, construct a flood protection project on Upper Penitencia Creek to provide 1 percent flood protection to 5,000 homes and public buildings by 2026. (SCW E4)

OM 3.1.1.c. With local funding only, acquire all necessary right-of-ways and construct a 1 percent flood protection project on Upper Penitencia Creek from Coyote Creek confluence to King Road by 2026. (SCW E4)

OM 3.1.1.d. With federal and local funding, protect more than 3,000 parcels by providing 1 percent flood protection on San Francisquito Creek by 2020. (SCW E5)

OM 3.1.1.e. With local funding only, protect approximately 3,000 parcels from flooding (100-year protection downstream of HWY 101, 50-year protection upstream of HWY 101) on San Francisquito Creek by 2020. (SCW E5)

OM 3.1.1.f. With federal and local funding, provide flood protection to 1,100 homes, 500 businesses, and 1,300 agricultural acres, while improving stream habitat on Upper Llagas Creek by 2017. (SCW E6)

OM 3.1.1.g. With local funding only, provide 100-year flood protection for Reach 7 on Upper Llagas Creek by 2017. A limited number of homes and businesses will be protected. (SCW E6)

OM 3.1.1.h. Provide portion of the local share of funding for planning and design phases for the former salt production ponds and Santa Clara County shoreline area by 2019. (SCW E7)

# Ends Policies and Objectives

## E3

### Healthy and safe environment for residents, businesses, and visitors, as well as for future generations

#### E3.1 Provide natural flood protection for residents, businesses, and visitors

- OM 3.1.1.i. Provide portion of local share of funding toward estimated cost of initial project phase (Economic Impact Area 11) on the San Francisco Bay Shoreline by 2019. (SCW E7)
- OM 3.1.1.j. With federal and local funding, construct a flood protection project on Upper Guadalupe River to provide 1 percent flood protection to 6,280 homes, 320 businesses, and 10 schools and institutions by 2019. (SCW E8)
- OM 3.1.1.k. With local funding only, construct flood protection improvements along 4,100 feet of Guadalupe River between SPRR crossing, downstream of Willow Street, to UPRR crossing, downstream of Padres Drive by 2019. Flood damage will be reduced however, protection from the 1 percent flood is not provided until completion of the entire Upper Guadalupe River Project. (SCW E8)
- OM 3.1.1.l. 100% of flood protection projects include multi-purpose objectives that enhance ecological functions, improve water quality, or provide for trails & open space.
- OM 3.1.1.m. Complete engineering studies on 7 creek reaches to address 1% flood risk by 2022. (SCW E3)
- OM 3.1.1.n. Update floodplain maps on a minimum of 2 creek reaches in accordance with new FEMA standards by 2022. (SCW E3)
- 3.1.2. Preserve flood conveyance capacity and structural integrity of stream banks, while minimizing impacts on the environment and protecting habitat values. **33,858,640**
- OM 3.1.2.a. 50% of assets are assessed and have their condition documented annually.
- OM 3.1.2.b. 100% of levees inspected and maintained annually.
- OM 3.1.2.c. Maintain 90 percent of improved channels at design capacity. (SCW E1)
- OM 3.1.2.d. Complete a minimum of 2900 acres of upland and in stream vegetation management in all watersheds annually
- OM 3.1.2.e. 100% of maintenance projects comply with the Stream Maintenance Program permit best management practices
- OM 3.1.2.f. 100% of stream bank erosion sites on District property are repaired that pose an imminent threat to public safety
- OM 3.1.2.g. Construct 3 geomorphic designed projects to restore stability and stream function by preventing incision and promoting sediment balance throughout the watershed by 2021. (SCW D6)
- OM 3.1.2.h. Provide vegetation management for 6,120 acres along levee and maintenance roads through 2028. (SCW E1)
- OM 3.1.2.i. Maintain a minimum of 300 acres of revegetation projects annually to meet regulatory requirements and conditions through 2028. (SCW D1)

#### E3.1 Subtotal

**114,311,872**

# Ends Policies and Objectives

**E3**

**Healthy and safe environment for residents, businesses, and visitors, as well as for future generations**

## **E3.2 Reduce potential for flood damages**

3.2.1 Promote the preservation of flood plain functions. **5,791,722**

OM 3.2.1.a. 90% of Water Resource Protection Ordinance violations are resolved.

OM 3.2.1.b. 90% of land use reviews submitted to lead agencies within response period.

OM 3.2.1.c. 100% of new land use projects reviewed are provided recommendations for incorporating flood-wise design features.

OM 3.2.1.d. 20% of the District's survey elevation benchmarks are measured annually for accuracy, on a rotating five year basis, and adjusted, as needed.

3.2.2. Reduce flood risks through public engagement. **1,503,342**

OM 3.2.2.a. 95% response rate to flood insurance rate map inquiries

OM 3.2.2.b. Maintain the National Flood Insurance Program's Community Rating System (CRS) point sum of all the participating CRS Communities in the county at 13,000 or higher.

OM 3.2.2.c. Provide Community Rating System (CRS) base points to all National Flood Insurance Program (NFIP) participating communities in Santa Clara County to encourage communities with more than 100 flood insurance policies to join the CRS program.

OM 3.2.2.d. 100% of flood prone parcels provided floodplain informational mailer annually.

3.2.3. Prepare and respond effectively to flood emergencies countywide to protect life and property **5,885,679**

OM 3.2.3.a. 40,000 filled sandbags stocked by Nov. 30th annually.

OM 3.2.3.b. The ALERT Alarm program is maintained and tested 4 times annually for all watersheds.

OM 3.2.3.c. Emergency Action Plans updated annually for all watersheds.

OM 3.2.3.d. Two preparedness exercises conducted per year to respond to flood emergencies.

OM 3.2.3.e. Maintain NOAA StormReady designation annually.

OM 3.2.3.f. Conduct multi-jurisdiction Winter Emergency Operations and Preparedness Workshops annually.

OM 3.2.3.g. Coordinate with agencies to incorporate District-endorsed flood emergency procedures into their Emergency Operations Center plans annually. (SCW E2)

OM 3.2.3.h. 90% of required employees receive required FEMA/CALEMA NIMS/SEMS training.

OM 3.2.3.i. Complete 5 flood-fighting action plans (one per major watershed) by 2028. (SCW E2)

OM 3.2.3.j. Map, install, and maintain gauging stations and computer software on seven flood-prone reaches to generate and disseminate flood warnings through 2023. (SCW C2)

**E3.2 Subtotal 13,180,743**

**E3 Budget Total 127,492,614**

# Ends Policies and Objectives

## E4

### Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.

#### E4.1 Protect and restore creek, bay, and other aquatic ecosystems.

4.1.1. Preserve creeks, bay, and ecosystems through environmental stewardship. **21,185,735**

- OM 4.1.1.a. Establish new or track existing ecological levels of service for streams in 5 watersheds by 2028. (SCW D5)
- OM 4.1.1.b. Re-assess streams in 5 watersheds to determine if ecological levels of service are maintained or improved by 2028. (SCW D5)
- OM 4.1.1.c. Continued implementation and evaluation of management practices to achieve declining methylmercury in fish within impaired reservoirs in the Guadalupe Watershed.
- OM 4.1.1.d. Five watersheds meet all Stream Maintenance Program and other mitigation commitments including the management of 300 acres of existing revegetation plantings.
- OM 4.1.1.e. Respond to requests on litter or graffiti cleanup within 5 working days through 2028. (SCW B6)
- OM 4.1.1.f. 100% of pesticide products used in lowest toxicity category.
- OM 4.1.1.g. Operate and maintain existing treatment systems in 4 reservoirs to remediate regulated contaminants, including mercury through 2028. (SCW B1)
- OM 4.1.1.h. Prepare plan for the prioritization of pollution prevention and reduction activities by 2015. (SCW B1)
- OM 4.1.1.i. Implement priority pollution prevention and reduction activities identified in the plan in 10 creeks through 2028. (SCW B1)
- OM 4.1.1.j. Install at least 2, by 2014, and operate 4, through 2028, trash capture devices at stormwater outfalls in Santa Clara County. (SCW B2)
- OM 4.1.1.k. Perform 52 annual clean-ups for the duration of the Safe, Clean Water program to reduce the amount of trash and pollutants entering the streams. (SCW B4, Encampment Cleanup)
- OM 4.1.1.l. Conduct 60 clean-up events (4 per year) through 2028. (SCW B6, Graffiti and Trash)
- OM 4.1.1.m. Provide up to \$8 million for the acquisition of property for the conservation of habitat lands, total through 2028. (SCW D7)

4.1.2. Improve watersheds, streams, and natural resources. **1,354,639**

- OM 4.1.2.a. Establish agreement with the US Fish and Wildlife Service to reuse sediment at locations to improve the success of Salt Pond restoration activities by 2017. (SCW D8)
- OM 4.1.2.b. Update 3 creek hydrology models annually.
- OM 4.1.2.c. Develop 5 Stream Corridor Priority Plans to prioritize stream restoration activities by 2028. (SCW D3)
- OM 4.1.2.d. Revitalize at least 21 acres guided by the 5 Stream Corridor Priority Plans, through native plant revegetation and removal of invasive exotic species by 2028. (SCW D2)
- OM 4.1.2.e. Provide funding for revitalization of at least 7 of 21 acres through community partnerships through 2028. (SCW D2)
- OM 4.1.2.f. Develop at least 2 plant palettes ( 1 riparian and 1 wetland) for use on revegetation projects to support birds and other wildlife by 2017. (SCW D2)
- OM 4.1.2.g. Complete planning and design for two creek/lake separations by 2019. (SCW D4)
- OM 4.1.2.h. Construct one creek/lake separation project in partnership with local agencies. (SCW D4)

# Ends Policies and Objectives

## E4

### Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.

#### E4.1 Protect and restore creek, bay, and other aquatic ecosystems.

OM 4.1.2.i.	Use \$6 million for fish passage improvements through 2019. (SCW D4)	
OM 4.1.2.j.	Conduct study of all major steelhead streams in the County to identify priority locations for installation of large woody debris and gravel as appropriate by 2019. (SCW D4)	
OM 4.1.2.k.	Install large woody debris and/or gravel at a minimum of 5 sites (1 per each of 5 major watersheds) by 2019. (SCW D4)	
OM 4.1.2.l.	Construct site improvements up to \$4 million to allow for transportation and placement of future sediment by 2017. (SCW D8)	
4.1.3.	Promote the protection of creeks, bay, and other aquatic ecosystems from threats of pollution and degradation.	2,949,126
OM 4.1.3.a.	Three instream habitat features protected by 2017.	
OM 4.1.3.b.	Maintain partnership with cities and County to address surface water quality improvements through 2028. (SCW B2)	
OM 4.1.3.c.	Support 5 pollution prevention activities to improve surface water quality in Santa Clara County either independently or collaboratively with south county organizations through 2028. (SCW B2)	
OM 4.1.3.d.	Provide 7 grant cycles and 5 partnerships that follow pre-established competitive criteria related to preventing or removing pollution through 2028. (SCW B3)	
4.1.4.	Engage and educate the community in the protection of water quality and stream stewardship.	2,396,452
OM 4.1.4.a.	100% of Clean, Safe Creeks stewardship grant agreements are signed, according to schedule.	
OM 4.1.4.b.	Fund District support of annual National River Cleanup day, California Coastal Cleanup Day, the Great American Pick Up, and fund the Adopt-A-Creek Program through 2028. (SCW B7)	
OM 4.1.4.c.	Provide 7 grant cycles and 3 partnerships that follow pre-established competitive criteria related to cleanups, education and outreach, and stewardship activities through 2028. (SCW B7)	
4.1.5.	Prepare and respond to emergencies that threaten local waterways.	210,376
OM 4.1.5.a.	Respond to 100% of hazardous materials reports requiring urgent on-site inspection in two hours or less through 2028. (SCW B5)	
4.1.6.	To the extent within practicable control of the District, adopt a strategy to restore the salmonid fishery on identified salmonid streams within fifteen years of strategy adoption by creating suitable accessible spawning and rearing.	3,726,669
<b>E4.1 Subtotal</b>		<b>31,822,997</b>

## Ends Policies and Objectives

**E4**

**Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.**

**E4.2 Improved quality of life in Santa Clara County through appropriate Public access to trails, open space and District facilities.**

4.2.1. Support healthy communities by providing access to additional trails, parks, and open space along creeks and in the watersheds. **1,726,765**

OM 4.2.1.a. Provide 7 grant cycles and additional partnerships for \$21 million that follow pre-established criteria related to the creation or restoration of wetlands, riparian habitat and favorable stream conditions for fisheries and wildlife, and providing new public access to trails through 2028. (SCW D3)

4.2.2. Support healthy communities by providing appropriate public access to District facilities. **0**

OM 4.2.2.a. Agreements with responsible partner agencies are in place for appropriate public access to District facilities

**E4.2 Subtotal 1,726,765**



## Ends Policies and Objectives

**E4**

**Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.**

**E4.3 Strive for zero net greenhouse gas emission or carbon neutrality.**

4.3.1. Reduce greenhouse gas emissions to achieve carbon neutrality by 2020. **660,152**

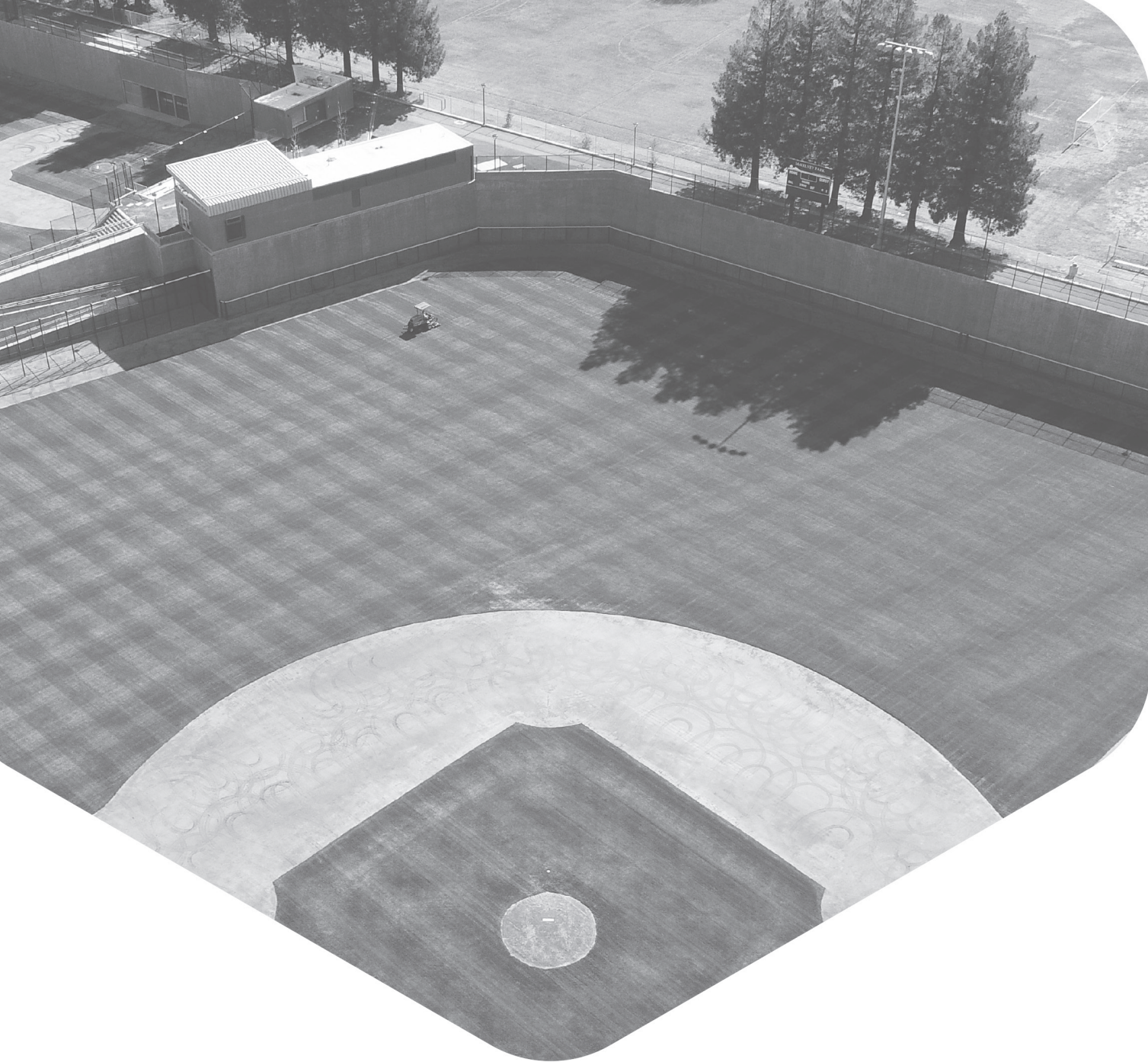
OM 4.3.1.a. Maintain California Green Business Certification.

OM 4.3.1.b. By 2020, the amount of District greenhouse gas emissions is equal to or less than carbon offsets as calculated by the District carbon offset methodology.

**E4.3 Subtotal 660,152**

**E4 Total 34,209,914**

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# Division Summaries

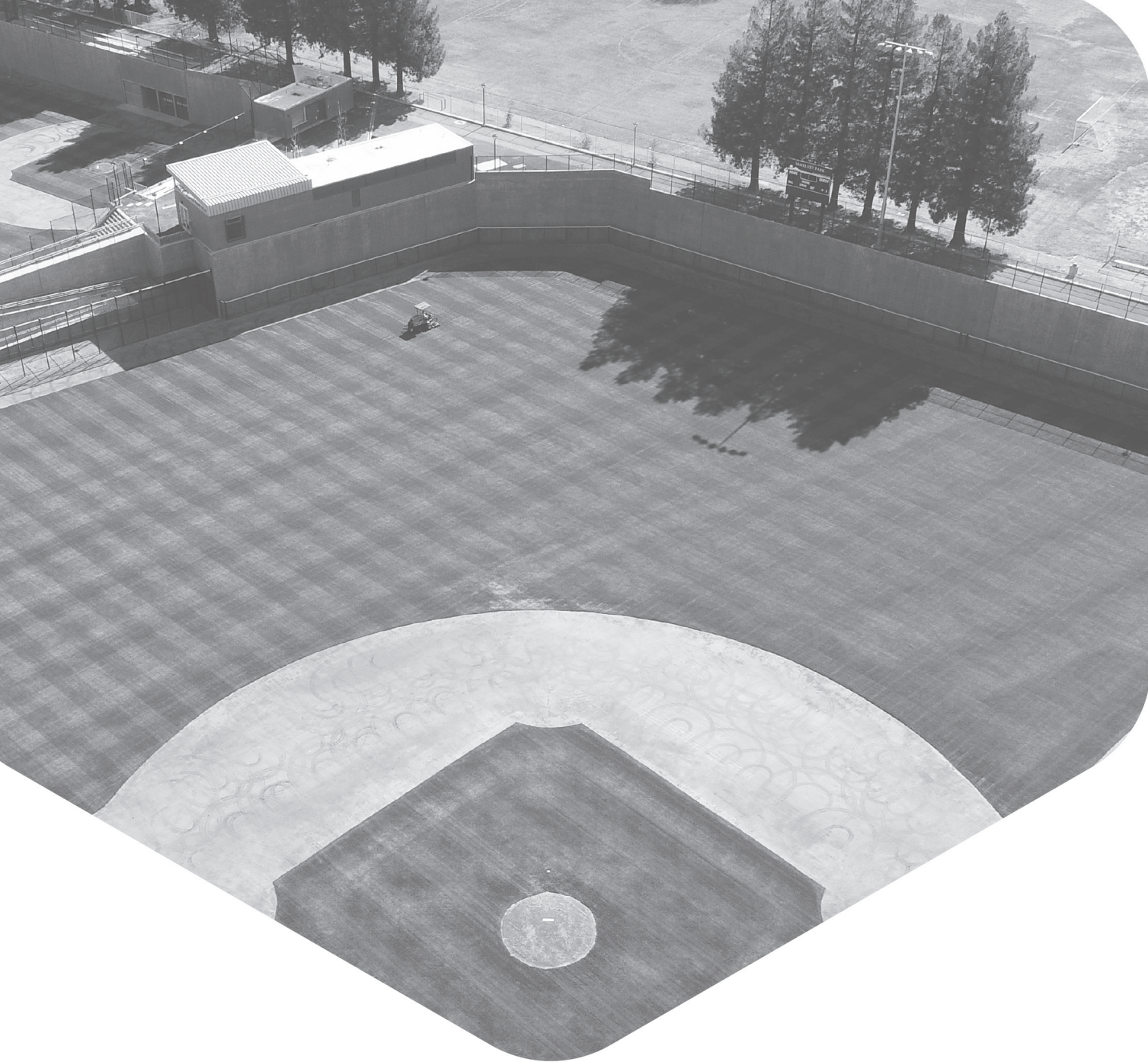
FY 2020-21

Operating and Capital Budget

## Division Summaries

**Division Summaries chapter will  
be published at a future date.**





# Fund Summaries

FY 2020-21

Operating and Capital Budget

# **WATERSHED MANAGEMENT FUNDS**

# Fund Summaries

## Overview

The Board of Directors defines Watershed stewardship as the management of natural resources in a manner that fosters ecosystem health, improved water quality, flood protection and compatible recreational opportunities. The Watersheds Chief Operating Officer leads the implementation of the watershed stewardship program with three funding sources:

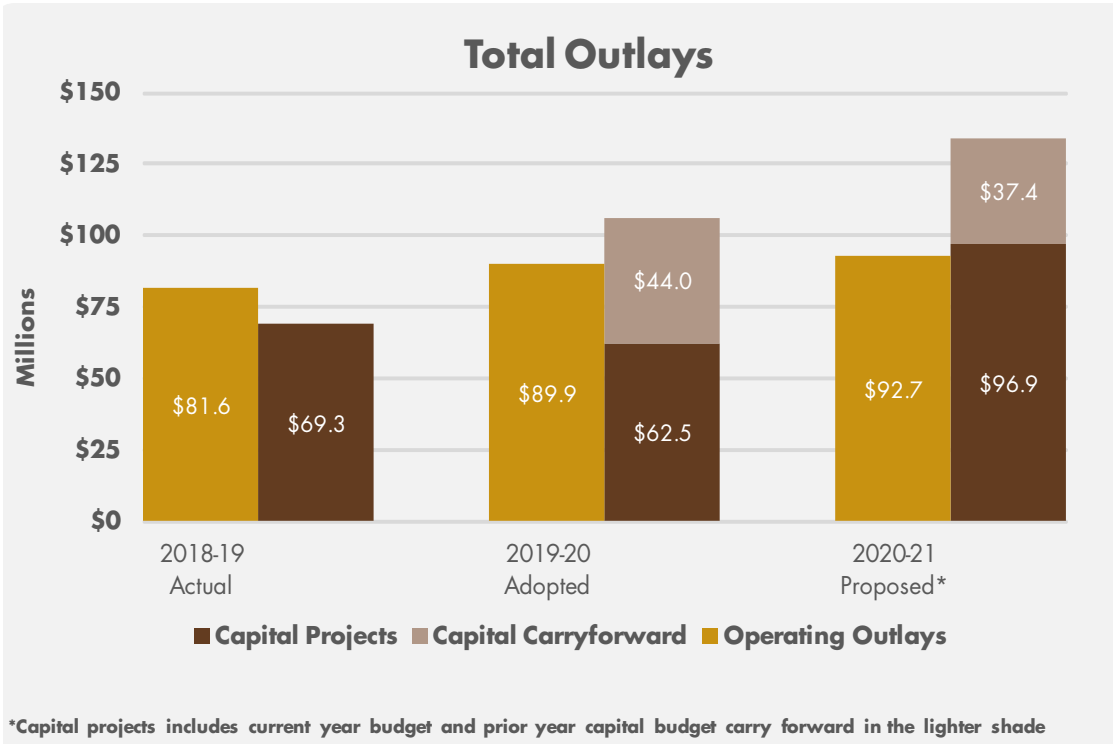
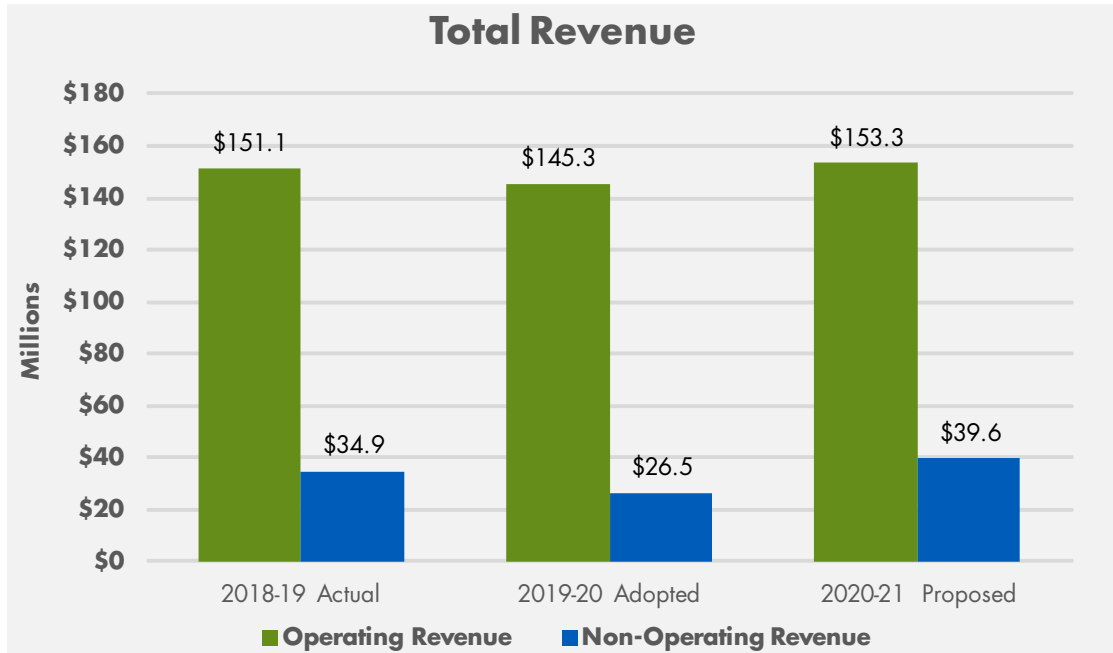
- Watershed and Stream Stewardship (Fund 12)
- Safe, Clean Water and Natural Flood Protection (Fund 26)
- Benefit Assessment Funds (Fund 21, 22, 23, 24 and 25)

Financial summaries and a description of programs and outcomes from these funds can be found in this chapter.



# Fund Summaries

## Watershed Management Funds



# Fund Summaries

## Watershed Management Funds Summary

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>REVENUE</b>						
<b>Operating Revenue</b>						
Benefit Assessment	\$ 14,746,505	\$ 13,444,678	\$ 13,444,678	\$ 12,369,217	\$ (1,075,461)	(8.0)%
Property Tax	90,726,811	86,087,955	91,119,811	93,520,000	7,432,045	8.6%
Special Parcel Tax	44,127,352	45,537,000	45,537,000	47,130,795	1,593,795	3.5%
Intergovernmental Services	1,342,923	—	—	—	—	—
Operating Other	158,630	247,000	247,000	254,410	7,410	3.0%
<b>Total Operating Revenue</b>	<b>\$ 151,102,221</b>	<b>\$ 145,316,633</b>	<b>\$ 150,348,489</b>	<b>\$ 153,274,422</b>	<b>\$ 7,957,789</b>	<b>5.5%</b>
<b>Non-Operating Revenue</b>						
Capital Reimbursements	\$ 25,524,483	\$ 20,762,000	\$ 39,805,000	\$ 32,250,000	\$ 11,488,000	55.3%
Interest Income *	6,893,144	4,390,000	6,850,000	5,950,000	1,560,000	35.5%
Non-Operating Other	2,438,460	1,366,000	1,366,374	1,407,421	41,421	3.0%
<b>Total Non-Operating Revenue</b>	<b>\$ 34,856,087</b>	<b>\$ 26,518,000</b>	<b>\$ 48,021,374</b>	<b>\$ 39,607,421</b>	<b>\$ 13,089,421</b>	<b>49.4%</b>
<b>TOTAL REVENUE</b>	<b>\$ 185,958,308</b>	<b>\$ 171,834,633</b>	<b>\$ 198,369,863</b>	<b>\$ 192,881,843</b>	<b>\$ 21,047,210</b>	<b>12.2%</b>
<b>OUTLAYS</b>						
<b>Operating Outlays</b>						
Operations **	\$ 63,746,561	\$ 69,626,224	\$ 73,070,830	\$ 74,487,925	\$ 4,861,701	7.0%
Operating Project	5,991,916	5,995,559	11,995,559	5,277,436	(718,123)	(12.0)%
Debt Service	11,854,328	14,254,809	14,254,809	12,911,367	(1,343,442)	(9.4)%
<b>Total Operating Outlays</b>	<b>\$ 81,592,805</b>	<b>\$ 89,876,592</b>	<b>\$ 99,321,198</b>	<b>\$ 92,676,728</b>	<b>\$ 2,800,136</b>	<b>3.1%</b>
<b>Capital Outlays</b>						
Capital Projects	\$ 69,266,692	\$ 62,455,317	\$ 165,673,347	\$ 96,947,750	\$ 34,492,433	55.2%
Carry Forward Capital Projects	—	43,996,000	—	37,372,874	(6,623,126)	(15.1)%
<b>Total Capital Outlays</b>	<b>\$ 69,266,692</b>	<b>\$ 106,451,317</b>	<b>\$ 165,673,347</b>	<b>\$ 134,320,624</b>	<b>\$ 27,869,307</b>	<b>26.2%</b>
<b>TOTAL OUTLAYS****</b>	<b>\$ 150,859,497</b>	<b>\$ 196,327,909</b>	<b>\$ 264,994,545</b>	<b>\$ 226,997,352</b>	<b>\$ 30,669,443</b>	<b>15.6%</b>
<b>OTHER FINANCING SOURCES/(USES)</b>						
Certificates of Participation	\$ 3,581,547	\$ —	\$ 2,040,459	\$ —	\$ —	—
Transfers In	5,618,227	20,866,330	21,534,113	12,074,823	(8,791,507)	(42.1)%
Transfers Out	(9,062,587)	(23,754,530)	(24,380,959)	(19,331,659)	4,422,871	(18.6)%
<b>TOTAL OTHER SOURCES/(USES)</b>	<b>\$ 137,187</b>	<b>\$ (2,888,200)</b>	<b>\$ (806,387)</b>	<b>\$ (7,256,836)</b>	<b>\$ (4,368,636)</b>	<b>151.3%</b>
<b>BALANCE AVAILABLE</b>	<b>\$ 35,235,998</b>	<b>\$ (27,381,476)</b>	<b>\$ (67,431,069)</b>	<b>\$ (41,372,345)</b>	<b>\$ (13,990,869)</b>	<b>51.1%</b>

# Fund Summaries

## Watershed Management Funds Summary (Continued)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>YEAR-END RESERVES</b>						
<b>Restricted Reserves</b>						
CP Debt Service	\$ 98,384	\$ —	\$ —	\$ —	\$ —	—
SCW Currently Authorized Projects	109,087,781	25,418,000	51,440,715	18,965,825	(6,452,175)	(25.4)%
SCW Operating and Capital Reserve	48,558,698	90,654,986	64,059,172	49,826,290	(40,828,696)	(45.0)%
<b>Total Restricted Reserves</b>	<b>\$ 157,744,863</b>	<b>\$ 116,072,986</b>	<b>\$ 115,499,887</b>	<b>\$ 68,792,115</b>	<b>\$ (47,280,871)</b>	<b>(40.7)%</b>
<b>Committed Reserves</b>						
Currently Authorized Projects ***	\$ 46,911,936	\$ 11,673,000	\$ 17,040,972	\$ 12,142,989	\$ 469,989	4.0%
Benefit Assessment Reserve	1,097,604	—	—	—	—	—
Operating and Capital Reserve	85,295,706	70,522,113	91,078,181	101,311,590	30,789,477	43.7%
<b>Total Committed Reserves</b>	<b>\$ 133,305,246</b>	<b>\$ 82,195,113</b>	<b>\$ 108,119,153</b>	<b>\$ 113,454,579</b>	<b>\$ 31,259,466</b>	<b>38.0%</b>
<b>TOTAL YEAR-END RESERVES</b>	<b>\$ 291,050,109</b>	<b>\$ 198,268,099</b>	<b>\$ 223,619,040</b>	<b>\$ 182,246,694</b>	<b>\$ (16,021,405)</b>	<b>(8.1)%</b>

## Outlay Summary by Account Type

<b>OPERATING OUTLAY</b>						
Salaries & Benefits	\$ 28,099,595	\$ 32,090,568	\$ 32,090,568	\$ 34,671,582	\$ 2,581,014	8.0%
Salary Savings Factor	—	(873,113)	(873,113)	(902,413)	(29,300)	3.4%
Services & Supplies	22,667,076	25,435,078	34,879,684	24,775,720	(659,358)	(2.6)%
Intra-District Charges	18,971,807	18,969,250	18,969,250	21,220,473	2,251,223	11.9%
<b>OPERATING OUTLAY TOTAL</b>	<b>\$ 69,738,478</b>	<b>\$ 75,621,783</b>	<b>\$ 85,066,389</b>	<b>\$ 79,765,362</b>	<b>\$ 4,143,579</b>	<b>5.5%</b>
<b>DEBT SERVICE</b>						
Salary Savings Factor	\$ —	\$ —	\$ —	\$ —	\$ —	—
Services & Supplies	354,009	853,399	853,399	722,456	(130,943)	(15.3)%
Debt Service	11,500,319	13,401,410	13,401,410	12,188,911	(1,212,499)	(9.0)%
<b>DEBT SERVICE TOTAL</b>	<b>\$ 11,854,328</b>	<b>\$ 14,254,809</b>	<b>\$ 14,254,809</b>	<b>\$ 12,911,367</b>	<b>\$ (1,343,442)</b>	<b>(9.4)%</b>
<b>CAPITAL PROJECTS</b>						
Salaries and Benefits	\$ 16,966,367	\$ 18,571,597	\$ 18,571,597	\$ 21,194,750	\$ 2,623,153	14.1%
Salary Savings Factor	—	(517,260)	(517,260)	(568,178)	(50,918)	9.8%
Services & Supplies	41,673,912	34,331,548	137,549,578	64,425,682	30,094,134	87.7%
Carry Forward Capital Projects	—	43,996,000	—	37,372,874	(6,623,126)	(15.1)%
Intra-District Charges	10,626,413	10,069,433	10,069,433	11,895,496	1,826,063	18.1%
<b>CAPITAL PROJECTS TOTAL</b>	<b>\$ 69,266,692</b>	<b>\$ 106,451,318</b>	<b>\$ 165,673,348</b>	<b>\$ 134,320,624</b>	<b>\$ 27,869,306</b>	<b>26.2%</b>
<b>TOTAL OUTLAYS****</b>	<b>\$ 150,859,498</b>	<b>\$ 196,327,910</b>	<b>\$ 264,994,546</b>	<b>\$ 226,997,353</b>	<b>\$ 30,669,443</b>	<b>15.6%</b>

(\*) Interest revenue does not include GASB31 market value adjustment

(\*\*) Operations outlay does not include OPEB Expense-unfunded liability

(\*\*\*)Currently Authorized Projects Reserve is unspent budget for authorized capital projects

(\*\*\*\*)Total Outlays amounts may have a slight variance due to rounding

## Watershed and Stream Stewardship Fund

### Description

The Watershed and Stream Stewardship Fund was created in FY 2000-01 as part of the Board of Directors' direction to balance the overall Flood Protection and Stream Stewardship Program. When created, this fund supported specific stewardship activities within the watersheds from a portion of Valley Water's ad valorem property tax allocation. Beginning in FY 2008-09, this fund was redefined to support all activities from the five watersheds funds supported by revenue from:

- All Valley Water's 1% ad valorem property tax allocation, except the portion allocated to the Valley Water General Fund and Water Enterprise Fund
- Benefit assessments
- Capital reimbursement
- Intergovernmental revenue
- Interest revenue

The revenues in the Watershed and Stream Stewardship Fund are used to provide:

- Environmentally responsible maintenance and construction of flood conveyance and ecological assets to preserve or improve flood protection, water quality, or environmental values including sediment removal; levee maintenance; erosion protection; debris removal; vegetation management; invasive species removal and control; Good Neighbor Maintenance, trash and graffiti removal; corrective maintenance, property, fence and road repairs
- Administration of the Water Resources Protection Ordinance to protect Valley Water assets
- Consultation with other agencies to manage flood risk and to protect ecological assets
- Emergency preparedness/response including sandbags and efforts to respond to or reduce the threat of floods
- Protection and improvement of water quality from urban runoff and other stream impairments

- Monitoring and assessing the condition and performance of both flood conveyance and environmental assets in the watersheds
- Public outreach and education
- Other program activities such as work improvement efforts, floodplain management, hydrology, safety training and workforce development

Preliminary targets for sediment removal, field condition assessments, levee maintenance, and erosion protection are based on the Stream Maintenance Program-2 (SMP-2) Notice of Proposed Work (NPW) submitted to the regulatory agencies every year in April. The NPW consists of all potential work identified for that season. While Valley Water intends to complete all work listed in the NPW, some of the work may not be completed for numerous reasons, such as the ability to propose and implement required mitigation, timely receipt of regulatory agencies' approvals, changed site conditions, biological restrictions due to nesting birds, and other factors. Furthermore, an additional NPW may be submitted due to late-occurring work because of winter storms. Therefore, proposed quantities in this document are subject to change.

The FY 2020-21 Budget includes five (5) positions partially funded by the Watershed and Stream Stewardship Fund (Fund 12) to address deferred O&M vegetation removal for mitigation site maintenance; to support WUE operations, maintenance activities, and ensure compliance with applicable permits and Mitigation Monitoring Plans; and to meet extensive new capital project and water supply needs and oversee current and potential future expansion of surface water quality programs.

Programs and projects are designed to fulfill each goal. Following each goal statement is a list of projects that are included in the FY 2020-21 Budget.

# Fund Summaries

## Outcomes

### Goal 3.1: Natural flood protection for residents, businesses, and visitors

Provide flood protection to the county's growing community by building flood protection projects and maintaining conveyance capacity of modified channels.

*Major Capital Projects starting or continuing construction:*

- Upper Llagas Creek, Buena Vista Road to Llagas Road – Phase I;
- San Francisco Bay Shoreline Phase I Flood Protection and Habitat Restoration;
- Lower Calera Creek Flood Protection;
- Lower Penitencia Creek Flood Protection, Berryessa Creek to Coyote Creek; and
- Watersheds Asset Rehabilitation Program: Piedmont Creek (from Roswell Drive to Dempsey Road) and Calabazas Creek (from Miller Avenue to Bollinger Road).

*Major Capital Projects in planning and design:*

- Palo Alto Flood Basin Structure Improvements;
- Guadalupe River Flood Protection, Tasman Drive to I-880;
- Upper Penitencia Creek, Coyote Creek to Dorel Drive; and,
- Upper Guadalupe River Flood Protection Reaches 7-12.

*Maintain conveyance capacity of modified channels:*

- Effectively and efficiently maintain and operate flood water conveyance channels to design specifications including sustainable sediment management, vegetation management and debris removal;
- Provide 86% of the funding to remove an estimated 20,000 to 50,000 cubic yards of sediment;
- Control approximately over 3,700 acres of upland vegetation to allow access for sediment removal and levee maintenance;
- Inspect approximately 281 miles of creeks;
- Inspect approximately 100 miles of levees; and

- Perform maintenance on approximately 30,000 linear feet of levees.

### Goal 3.2: Reduced potential for flood damages

Reduce the potential for flood damages by: preparing for and responding to flood emergencies; informing the public on flood awareness; implementing the Water Resources Protection Ordinance; implementing the Encroachment Remediation and Prevention Plan; consulting with and supporting external agencies for floodplain management; maintaining and improving our flood warning system. This includes providing approximately 40,000 filled sandbags and sending floodplain mailers to approximately 53,000 homes and businesses in flood-prone areas.

### Goal: 4.1: Protect and restore creek, bay and other aquatic ecosystems

Protect and restore creek and bay ecosystems: managing mitigation and enhancement sites; monitoring the biological values along the creeks and bay; understanding the natural hydrology of the watersheds; responding to hazardous material incidents; educating residents on creek stewardship; conducting storm water runoff pollution prevention activities and continuing Good Neighbor Maintenance to remove trash from visible creek reaches, repair fences as needed for public safety, respond to requests for trash and graffiti removal within five working days, and respond to Adopt-A-Creek trash pickups.

- Stabilize approximately 3,000 linear feet of stream banks.

*Capital Projects:*

- SMP Mitigation and Stream and Watershed Protection Program, such as Hale Creek Enhancement Pilot Study, design of Almaden Lake Improvements, Feasibility Study of Metcalf Ponds, and Ogier Ponds Planning Study.

# Fund Summaries

## **Goal: 4.2: Improved quality of life in Santa Clara County through trails and open space**

Provide additional recreational opportunities by partnering with cities and the County to create creekside trails and open space.

## **Goal: 4.3: Strive for zero net greenhouse gas emission or carbon neutrality**

Develop a Climate Change Action Plan to develop greenhouse gas reduction strategies and climate change adaptation strategies.

## **Fiscal Status**

Property tax revenue is projected at \$93.5 million, an 8.6% or \$7.4 million increase from the FY 2019-20 Adopted Budget.

Interest earnings are projected at \$2.6 million, a 28.1% or \$0.6 million increase from the FY 2019-20 Adopted Budget.

Other Income of \$1.4 million is budgeted for rental and other miscellaneous income.

Capital Reimbursement of \$20.1 million is budgeted as follows:

- \$10.8 million Measure AA grant for San Francisco Bay Shoreline
- \$2.8 million Proposition 1E funds for Berryessa Creek, Lower Penitencia Creek – Calaveras Blvd
- \$3.4 million State Subvention and Proposition 1E funds for Lower Silver Creek, I-680 to Cunningham (reaches 4-6)
- \$1.6 million Natural Resources Conservation Service (NRCS) funds for Cunningham Flood Detention Certification
- \$1.0 million State Subvention funds for Llagas Creek, Lower, Capacity Restoration, Buena Vista Road to Pajaro River
- \$0.5 million State Subvention funds for Guadalupe River - Downtown, I-880 to I-280.

Operating Transfers in from Benefit Assessment Fund for the excess amount over the debt obligations is budgeted at \$2.3 million

Operating Transfers out of \$18.1 million from the Watershed and Stream Stewardship Fund is budgeted as follows:

- \$6.4 million to the Safe Clean Water Fund for Berryessa Creek
- \$2.9 million to Information Technology Fund for IT capital projects costs
- \$2.8 million to the General Fund for Safe Clean Water Renewal Ballot measure efforts
- \$2.5 million to the Safe Clean Water Fund for Upper Penitencia Creek
- \$1.1 million to the Benefit Assessment Fund to refund excess debt service reserve funds from FY 2018-19 due to a decreased reserve requirement pursuant to the trust agreement for the 2012A COPs.
- \$0.9 million to the Safe Clean Water Fund, (90% of net rental income) for Encampment Cleanup Program
- \$1.2 million to the General Fund for Drought Induced Tree Removal
- \$0.3 million to the Water Enterprise Fund for the Open Space Credit

## **Budget Issues**

- The Watershed and Stream Stewardship Fund is limited, given that it is the main source of funding for essential operations and maintenance of Watershed facilities and every year staff has identified more work than the fund can support; reserves are projected to be drawn down significantly over the 10 year forecast.
- With the net addition of \$24.5 million over the next 10 years to the San Francisco Bay Shoreline project, significant reductions and postponements of budgeted project costs for the Watersheds Asset Rehabilitation Program and the Ogier Ponds Design and Construction projects were implemented.

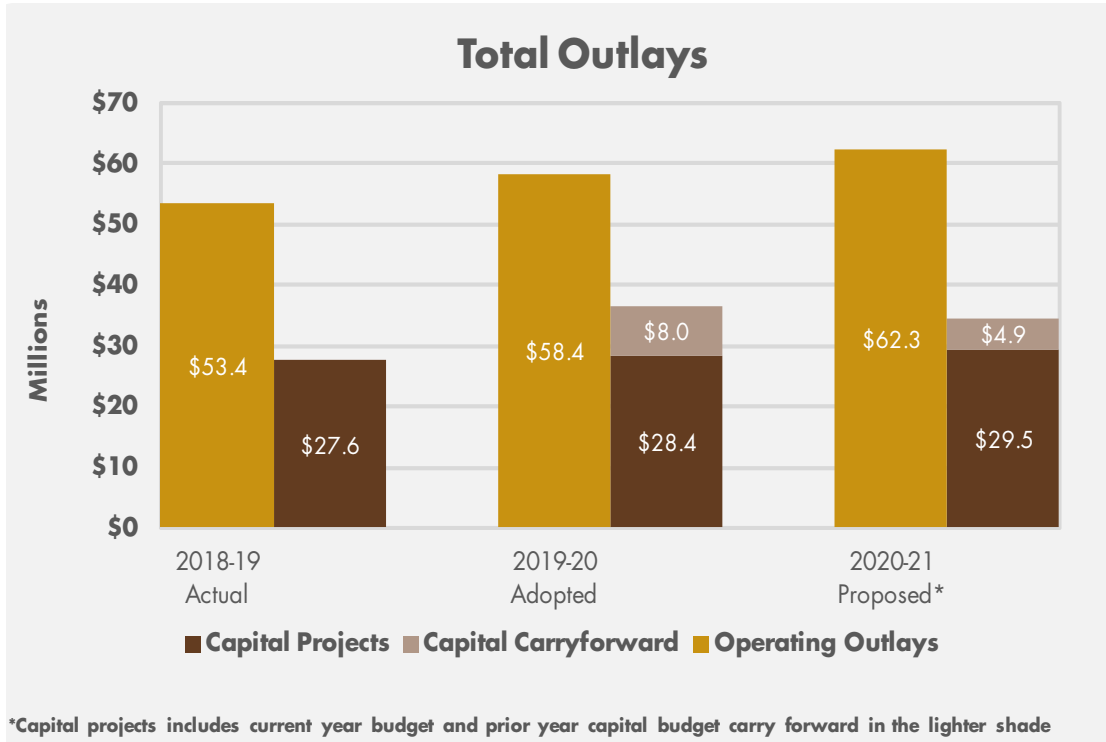
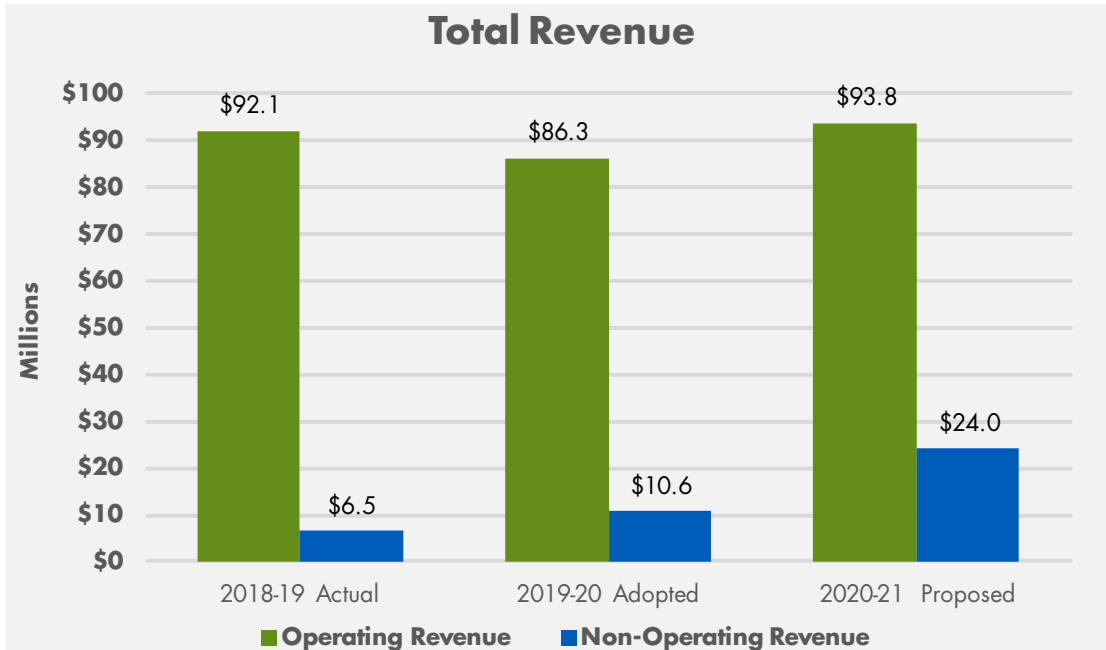
## Fund Summaries

- Implementation of the Stream Maintenance Program-2 continues to result in increasing demands for staff resources from multiple Operations and Maintenance units and mitigation requirements. SMP-2 is scheduled to sunset in December of 2023. Development and environmental evaluation of the SMP-3 will begin in FY 2020-21. This multi-year process includes preparation of a new EIR and accompanying programmatic permits with each of the seven state and federal agencies which have regulatory authority over various aspects of the program.
- The totality, 100% of the Encampment Cleanup Program's 15-year allocation of Safe, Clean Water funds was spent by the end of FY 2017-18, with 10 years remaining in the program. The Watershed and Stream Stewardship Fund started to provide supplemental funding for the Encampment Cleanup Program in FY 2018-19. The total actual expenditures of the program in FY 2018-19 was approximately \$969,000. In FY 2019-20, a budget adjustment of \$575,000 was proposed to return project funding to the FY 2017-18 amount of \$1.5 million. For FY 2020-21, the program has a base budget of approximately \$922,000, which is funded by 90% of rental income in the Watershed Stream and Stream Stewardship Fund and \$175,000 from the Safe Clean Water Fund reserves. Per Board Report 19-1048 approved on 10/22/20, the budget for the Encampment Cleanup Program will be determined by the Board on an annual basis for Fiscal years 2021-2028. Staff is submitting a separate item for Board approval for an additional amount of approximately \$642,000 to be transferred to the Safe Clean Water Fund from the Watershed and Stream Stewardship Fund to maintain the same level of service as the FY 2019-20 adjusted budget for the Encampment Cleanup Program.



# Fund Summaries

## Watershed and Stream Stewardship Fund



# Fund Summaries

## Watershed and Stream Stewardship Fund Summary

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>REVENUE</b>						
<b>Operating Revenue</b>						
Property Tax	\$ 90,726,811	\$ 86,087,955	\$ 91,119,811	\$ 93,520,000	\$ 7,432,045	8.6%
Intergovernmental Services	1,217,555	—	—	—	—	—
Operating Other	158,630	247,000	247,000	254,410	7,410	3.0%
<b>Total Operating Revenue</b>	<b>\$ 92,102,996</b>	<b>\$ 86,334,955</b>	<b>\$ 91,366,811</b>	<b>\$ 93,774,410</b>	<b>\$ 7,439,455</b>	<b>8.6%</b>
<b>Non-Operating Revenue</b>						
Capital Reimbursements	\$ 1,567,679	\$ 7,286,000	\$ 25,461,000	\$ 20,072,000	\$ 12,786,000	175.5%
Interest Income *	2,916,838	1,990,000	3,000,000	2,550,000	560,000	28.1%
Nonoperating Other	2,021,544	1,366,000	1,366,374	1,407,421	41,421	3.0%
<b>Total Non-Operating Revenue</b>	<b>\$ 6,506,061</b>	<b>\$ 10,642,000</b>	<b>\$ 29,827,374</b>	<b>\$ 24,029,421</b>	<b>\$ 13,387,421</b>	<b>125.8%</b>
<b>TOTAL REVENUE</b>	<b>\$ 98,609,057</b>	<b>\$ 96,976,955</b>	<b>\$ 121,194,185</b>	<b>\$ 117,803,831</b>	<b>\$ 20,826,876</b>	<b>21.5%</b>
<b>OUTLAYS</b>						
<b>Operating Outlays</b>						
Operations **	\$ 50,356,834	\$ 55,694,912	\$ 56,558,112	\$ 59,535,925	\$ 3,841,013	6.9%
Operating Project	3,079,901	2,658,659	2,658,659	2,760,088	101,429	3.8%
<b>Total Operating Outlays</b>	<b>\$ 53,436,735</b>	<b>\$ 58,353,571</b>	<b>\$ 59,216,771</b>	<b>\$ 62,296,013</b>	<b>\$ 3,942,442</b>	<b>6.8%</b>
<b>Capital Outlays</b>						
Capital Projects	\$ 27,643,299	\$ 28,446,419	\$ 69,017,383	\$ 29,455,494	\$ 1,009,075	3.5%
Carry Forward Capital Projects	—	8,030,000	—	4,897,983	(3,132,017)	(39.0)%
<b>Total Capital Outlays</b>	<b>\$ 27,643,299</b>	<b>\$ 36,476,419</b>	<b>\$ 69,017,383</b>	<b>\$ 34,353,477</b>	<b>\$ (2,122,942)</b>	<b>(5.8)%</b>
<b>TOTAL OUTLAYS****</b>	<b>\$ 81,080,034</b>	<b>\$ 94,829,990</b>	<b>\$ 128,234,154</b>	<b>\$ 96,649,490</b>	<b>\$ 1,819,500</b>	<b>1.9%</b>
<b>OTHER FINANCING SOURCES/(USES)</b>						
Certificates of Participation	\$ 1,551,181	\$ —	\$ 1,558,993	\$ —	\$ —	—
Transfers In	3,674,472	2,291,530	2,384,313	2,305,174	13,644	0.6%
Transfers Out	(5,388,116)	(21,463,000)	(22,089,430)	(18,124,089)	3,338,911	(15.6)%
<b>TOTAL OTHER SOURCES/(USES)</b>	<b>\$ (162,463)</b>	<b>\$ (19,171,470)</b>	<b>\$ (18,146,124)</b>	<b>\$ (15,818,915)</b>	<b>\$ 3,352,555</b>	<b>(17.5)%</b>
<b>BALANCE AVAILABLE</b>	<b>\$ 17,366,560</b>	<b>\$ (17,024,505)</b>	<b>\$ (25,186,093)</b>	<b>\$ 5,335,426</b>	<b>\$ 22,359,931</b>	<b>(131.3)%</b>
<b>YEAR-END RESERVES</b>						
<b>Committed Reserves</b>						
Currently Authorized Projects ***	\$ 46,911,936	\$ 11,673,000	\$ 17,040,972	\$ 12,142,989	\$ 469,989	4.0%
Benefit Assessment Reserve	1,097,604	—	—	—	—	—
Operating and Capital Reserve	85,295,706	70,522,113	91,078,181	101,311,590	30,789,477	43.7%
<b>Total Committed Reserves</b>	<b>\$ 133,305,246</b>	<b>\$ 82,195,113</b>	<b>\$ 108,119,153</b>	<b>\$ 113,454,579</b>	<b>\$ 31,259,466</b>	<b>38.0%</b>
<b>TOTAL YEAR-END RESERVES</b>	<b>\$ 133,305,246</b>	<b>\$ 82,195,113</b>	<b>\$ 108,119,153</b>	<b>\$ 113,454,579</b>	<b>\$ 31,259,466</b>	<b>38.0%</b>

# Fund Summaries

## Watershed and Stream Stewardship Fund Summary (Continued)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries & Benefits	\$ 23,848,105	\$ 26,964,472	\$ 26,964,472	\$ 28,787,113	\$ 1,822,641	6.8%
Salaries Savings Factor	—	(732,894)	(732,894)	(749,099)	(16,205)	2.2%
Services & Supplies	13,533,295	16,326,100	17,189,300	16,870,140	544,040	3.3%
Intra-District Charges	16,055,334	15,795,893	15,795,893	17,387,860	1,591,967	10.1%
OPERATING OUTLAY TOTAL	\$ 53,436,734	\$ 58,353,571	\$ 59,216,771	\$ 62,296,014	\$ 3,942,443	6.8%
CAPITAL PROJECTS						
Salaries & Benefits	\$ 6,933,313	\$ 7,607,894	\$ 7,607,894	\$ 9,740,696	\$ 2,132,802	28.0%
Salaries Savings Factor	—	(211,041)	(211,041)	(260,390)	(49,349)	23.4%
Services & Supplies	16,353,445	16,922,513	57,493,477	14,489,135	(2,433,378)	(14.4)%
Carry Forward Capital Projects	—	8,030,000	—	4,897,983	(3,132,017)	(39.0)%
Intra-District Charges	4,356,541	4,127,054	4,127,054	5,486,053	1,358,999	32.9%
CAPITAL PROJECTS TOTAL	\$ 27,643,299	\$ 36,476,420	\$ 69,017,384	\$ 34,353,477	\$ (2,122,943)	(5.8)%
TOTAL OUTLAYS****	\$ 81,080,033	\$ 94,829,991	\$ 128,234,155	\$ 96,649,491	\$ 1,819,500	1.9%

(\*) Interest revenue does not include GASB31 market value adjustment

(\*\*) Operations outlay does not include OPEB Expense-unfunded liability

(\*\*\*)Currently Authorized Projects Reserve is unspent budget for authorized capital projects

(\*\*\*\*)Total Outlays amounts may have a slight variance due to rounding

# Fund Summaries

## Total Outlays - Watershed and Stream Stewardship Fund

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
<b>Operations</b>						
10291002	Rental Expense Stevens Creek	309,769	364,015	370,306		Watershed Design & Construction Division
30061004	Rent Exp Guadalupe & Coyote	205,547	204,212	116,986		Watershed Design & Construction Division
30151026	Guad Rvr Mitgtn Monitoring Prg	917,774	1,019,152	607,072		Watershed Stewardship & Planning Division
62001090	Unscoped Projects-Budget Only		100,000	100,000		Office of COO Watersheds
62011002	Watershed Asset Protection Sup	4,077,048	3,861,826	4,590,879		Watershed Design & Construction Division
62021003	CPRU Tech Support	398,351	485,984	78,980		Watershed Design & Construction Division
**	62021004	Vegetation Mgmt Tech Support	977,981			Watershed Operations & Maintenance Division
*	62021008	Energy Management	5,951	5,982	9,412	Treated Water Division
	62021009	Watershds O&M Eng&Insp Support	956,781	1,076,949	1,386,363	Watershed Operations & Maintenance Division
*	62031001	Watershed Revenue	39,735	46,468	53,189	Financial Planning and Management Services Division
*	62031002	Grants Management	406,370	400,066	529,569	Financial Planning and Management Services Division
*	62041022	Stream Maint Prog Mgmt	3,259,614	3,246,242	5,065,673	Watershed Operations & Maintenance Division
	62041023	Community Rating System (CRS)	373,242	456,085	462,746	Office of Chief of External Affairs
	62041027	Integrated Wtr Resrce Mstr Pln	986,366	1,407,329	1,593,434	Watershed Stewardship & Planning Division
*	62041039	Integrated Regional Water Mgmt	44,341	106,197	19,383	Water Supply Division
	62041043	Environmental Srvcs Tech Suppt	333,473	411,437	508,010	Watershed Stewardship & Planning Division
*	62041047	Ecolgcal Data Collectn & Analy	138,974	474,592	256,262	Watershed Stewardship & Planning Division
	62061001	Watersheds Administration	6,065,803	9,088,456	9,998,606	Office of COO Watersheds
	62061002	Districtwide Salary Savings-12		(732,894)	(749,099)	Financial Planning and Management Services Division
	62061005	WS Customer Relations&Outreach	547,268	521,015	1,040,596	Office of Chief of External Affairs
	62061008	Hydrology&Hydraulics Tech Supp	1,254,667	1,222,690	1,459,633	Watershed Stewardship & Planning Division
*	62061019	Supp Volunteer Cleanup Effort	335,297	155,216	168,192	Office of Chief of External Affairs
**	62061028	WS Training & Development	1,050,889			Office of COO Watersheds

\* Recipient projects

\*\* Closed, combined or no current year funding

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# Fund Summaries

## Total Outlays - Watershed and Stream Stewardship Fund (Continued)

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
62061029	Field Operations Support	521,898	570,457	606,763		Watershed Operations & Maintenance Division
* 62061045	Asset Management Program	1,230,133	974,494	1,095,157		Treated Water Division
* 62061048	Climate Change Adaptation/ Mtg.	296,469	151,612	94,774		Watershed Stewardship & Planning Division
62061049	Safe Clean Water Renewal			45,000		Office of Chief of External Affairs
* 62071041	Welding Services	61,696	78,827	85,119		General Services Division
62181005	SMP Mitigation Site Mgmt	358,423	544,769	606,322		Watershed Stewardship & Planning Division
62181006	Instream Habitat Complexity	609,445	344,849	259,117		Watershed Operations & Maintenance Division
* 62741042	Water Resorcs EnvPlng & Permtg	18,057	121,845	226,451		Watershed Operations & Maintenance Division
62761006	Invasive Plant Management Prog	1,459,758	2,146,965	2,160,372		Watershed Operations & Maintenance Division
62761008	Sandbag Program	704,734	585,472	611,503		Watershed Operations & Maintenance Division
62761009	Pond A4 Operations	91,512	172,192	157,509		Watershed Operations & Maintenance Division
* 62761022	Watershed Good Neighbor Maint	1,003,784	802,984	1,056,479		Watershed Operations & Maintenance Division
* 62761023	Watershed Sediment Removal	2,886,176	4,238,443	5,198,856		Watershed Operations & Maintenance Division
62761024	Wtrshd Facility Cndtion Assmnt	1,708,442	1,785,241	2,196,018		Watershed Operations & Maintenance Division
62761025	Watershed General Field Maint	2,314,766	1,635,514	1,840,591		Watershed Operations & Maintenance Division
62761026	Watershed Debris Removal	2,139,529	1,117,712	1,221,153		Watershed Operations & Maintenance Division
62761027	Watershed Erosion Protection	2,651,447	2,810,589	2,876,287		Watershed Operations & Maintenance Division
62761028	Watershed Levee Maintenance	802,427	1,039,311	923,405		Watershed Operations & Maintenance Division
* 62761071	Emergency Management	987,850	986,410	1,162,419		Office of COO IT and Admin Services
** 62761074	Corps Local Sponsor O&M	291,265	848,151			Watershed Operations & Maintenance Division
* 62761075	Mgmt of Revegetation Projects	674,964	871,700	970,817		Watershed Operations & Maintenance Division
* 62761078	Vegetation Mangmnt for Access	3,142,892	3,056,326	3,265,859		Watershed Operations & Maintenance Division

\* Recipient projects

\*\* Closed, combined or no current year funding

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# Fund Summaries

## Total Outlays - Watershed and Stream Stewardship Fund (Continued)

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
62761080	Non SMP Veg Removal for Convey	49,431	2,280,441	255,937		Watershed Operations & Maintenance Division
* 62771011	Inter Agency Urban Runoff Prog	1,085,305	1,163,304	1,218,620		Watershed Stewardship & Planning Division
* 62771031	HAZMAT Emergency Response	78,592	90,513	94,669		Office of COO IT and Admin Services
* 62811043	Hydrologic Data Msrmt & Mgmt	884,319	1,009,927	1,019,679		Watershed Stewardship & Planning Division
* 62811046	Warehouse Services	877,165	1,027,681	1,215,105		General Services Division
* 62811049	X Valley Subsidence Survey	210,812	548,430	422,455		Office of COO Watersheds
* 62811054	District Real Property Adminis	530,304	769,737	983,300		Office of COO Watersheds
<b>Total Operations</b>		<b>50,356,834</b>	<b>55,694,912</b>	<b>59,535,926</b>		
<b>Operating</b>						
40212032	Coyote Creek Mitgtn Monitoring	163,380	257,834	258,163		Watershed Stewardship & Planning Division
62042032	Multiple Sm Prjcts Mitgtn Mont	198,154	626,226	709,940		Watershed Stewardship & Planning Division
62042047	Mitigation & Stwdshp Land Mgmt	80,394	210,543	215,946		Watershed Stewardship & Planning Division
62042050	Watershd Maint Guideline Updte	1,220,060	438,932	546,753		Watershed Operations & Maintenance Division
62042051	Plant Pathogen Management	236,664	400,008	375,595		Watershed Stewardship & Planning Division
** 62062003	El Nino Flood Emrgncy Response	390,806				Office of COO Watersheds
* 62762011	Tree Maintenance Program	790,442	725,117	653,691		Watershed Operations & Maintenance Division
<b>Total Operating</b>		<b>3,079,901</b>	<b>2,658,659</b>	<b>2,760,088</b>		
<b>Capital</b>						
10394001	PA Flood Basin Tide Gate Replace	522,782	1,918,492	83,408	1,510,492	Watershed Design & Construction Division
20444001	Salt Ponds A5-11 Restoration	459,185	270	170,502	396,498	Watershed Stewardship & Planning Division
30114002	Canoas Crk, Rodent Damage Repr	11,765				Watershed Design & Construction Division
30154015	Guadalupe Rv-DT, Coleman-SCLra	41,019				Watershed Design & Construction Division
30154019	Guadalupe R Tasman Dr-I880	80,457	1,000,000	3,305,400		Watershed Design & Construction Division
40174004	L. Berryessa Ck, L.Penit-Calav	27,712			105,000	Office of COO Watersheds

\* Recipient projects

\*\* Closed, combined or no current year funding

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# Fund Summaries

## Total Outlays - Watershed and Stream Stewardship Fund (Continued)

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
40174005	Berryessa Crk, Lwr. Pen Phs 2	2,959,038	88	42,308	1,543,192	Office of COO Watersheds
40264008	Lwr Silver-R4-6 N Babb-Cunni	834,281	739,000	166,648	752	Water Utility Capital Division
40264011	Cunningham Fld Detention Cert	1,860,563	235,126	3,735	27,765	Office of COO Watersheds
40264012	Low Silver 680-Cunningham Reim				42,000	Water Utility Capital Division
** 40324003	U Penitencia Cr-Corps Coord	12,711			(505,880)	Watershed Stewardship & Planning Division
** 40324005	U Penitencia, Coyt-Dorel LERRD	47,146				Watershed Stewardship & Planning Division
40334005	Lwr Penitencia Crk Improvemnts	1,016,886	8,989,548	7,744,565	1,036,435	Watershed Design & Construction Division
50284010	Lower Llagas Capacity Restore				861,000	Water Utility Capital Division
62044001	Watershed Habitat Enhancemnt S	1,124,606	324,765	532,403	380,047	Watershed Stewardship & Planning Division
* 62044026	San Francisco Bay Shoreline	230,220	1,765,000	11,143,080	(865,200)	Office of COO Watersheds
62064023	Districtwide Salary Savings		(211,041)	(260,390)		Financial Planning and Management Services Division
* 62074030	WU Capital Training & Dvlpmnt	13,889				Water Utility Capital Division
* 62074033	CIP Development & Admin	267,059	345,093	363,188		Office of COO Watersheds
* 62074036	Survey Mgmt & Tech Support	209,092	140,806	215,091		Office of COO Watersheds
* 62074038	Capital Progrm Srvcs Admin	2,124,086	1,787,367	2,025,386		Water Utility Capital Division
* 62074041	GS Capital Program Services			388,773		General Services Division
62084001	Watersheds Asset Rehabilitatio	15,603,612	11,375,821	3,531,397	(104,617)	Office of COO Watersheds
62184001	SMP Mit-Stream Wtrshd Land Acq	197,191	36,085		470,500	Watershed Stewardship & Planning Division
<b>Total Capital</b>		<b>27,643,299</b>	<b>28,446,419</b>	<b>29,455,494</b>	<b>4,897,984</b>	
<b>Total</b>		<b>81,080,033</b>	<b>86,799,991</b>	<b>91,751,507</b>	<b>4,897,984</b>	

\* Recipient projects

\*\* Closed, combined or no current year funding

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## Safe, Clean Water and Natural Flood Protection Fund

### Description

The Safe, Clean Water & Natural Flood Protection Program (Safe, Clean Water Program) Fund accounts for a 15-year program that was approved by the voters in November 2012 to address five (5) community priorities. The Program replaced the Clean, Safe Creeks and Natural Flood Protection Plan (Clean, Safe Creeks Plan) passed by voters in November 2000. The Safe, Clean Water Program is funded by a combination of revenues from the continuation of an annual special parcel tax, reserves from unspent funds of the Clean, Safe Creeks Plan, and state and federal funding. The Program includes a debt financing component that will help fund capital projects earlier in the Program rather than later.

Program funds will be used to meet remaining Clean, Safe Creeks Plan commitments and to fulfill the following community priorities identified in the Safe, Clean Water Program:

- Priority A: Ensure a safe, reliable water supply.
- Priority B: Reduce toxins, hazards and contaminants in our waterways.
- Priority C: Protect our water supply from earthquakes and natural disasters.
- Priority D: Restore wildlife habitat and provide open space.
- Priority E: Provide flood protection to homes, businesses, schools and highways.

The Program supplements other available, but limited, resources to provide stream stewardship activities and flood protection improvements. The Program supports activities that benefit not only the community at large, but that also provide relief to Water Utility rate payers. For example, the fund will contribute toward the Anderson Dam Seismic Retrofit Project, which would otherwise need to be fully paid by water utility rate payers. This project will provide earthquake retrofitting of the dam and, upon completion, will help Anderson

Reservoir to be restored to its full storage capacity.

The FY 2020-21 Budget includes two (2) additional positions funded by the Safe Clean Water Fund (26) for deferred operations and maintenance (O&M) vegetation removal for mitigation site maintenance (Priority D1). Four (4) additional positions are partially funded by the fund to support Safe Clean Water Capital Improvement Programs coming on board for Priority E1.3, and to meet extensive new capital project and water supply needs and oversee current and potential future expansion of surface water quality programs.

Following each goal statement is a list of projects that are included in the FY 2020-21 Budget.

### Outcomes

#### **Goal 3.1: Natural flood protection for residents, businesses, and visitors**

Protect parcels from flooding by applying an integrated watershed management approach that balances environmental quality and protection from flooding; ensure continued coordination with and funding support from the US Army Corps of Engineers (USACE); continue projects to maintain channel conveyance capacity.

Goal 3.1 is delivered in part through Safe, Clean Water Program Priority E, *Project E1 (Vegetation Control and Sediment Removal for Flood Protection)*:

- The Vegetation Control and Sediment Removal for Flood Protection – this effort supports Valley Water’s ongoing vegetation control and sediment removal activities that reduce flood risk by maintaining design conveyance capacity of flood protection projects.
- Efforts to maintain flood conveyance capacity include providing 14% of funding to remove approximately 20,000 to 50,000 cubic yards of sediment.

# Fund Summaries

- Sediment removal and the control of 408 acres of upland vegetation for access and 619 acres of in-stream vegetation for stream capacity.

Goal 3.1 is also delivered through the Safe, Clean Water Program's flood protection projects under Priority E and the Other Clean, Safe Creeks Plan flood protection projects that were continued under the Program.

Major Capital Projects starting, continuing, or closing-out construction:

- San Francisquito Creek, San Francisco Bay to HWY 101 – closing-out construction (Project E5);
- Berryessa Creek, Calaveras Boulevard to I-680 – closing-out construction (Clean, Safe Creeks cont.);
- Permanente Creek, San Francisco Bay to Foothill Expressway – continuing construction (Clean, Safe Creeks cont.);
- Upper Llagas Creek, Buena Vista Road to Wright Avenue – continuing construction (Project E6);
- Sunnyvale East and West Channels Flood Protection Project – starting construction (Clean, Safe Creeks cont.);
- Rancho San Antonio Park Flood Detention Basin.

*Major Capital Projects in planning and design:*

- Upper Penitencia Creek, Coyote Creek to Dorel Drive – design (Project E4);
- San Francisco Bay Shoreline – planning (Project E7);
- Coyote Creek, Montague Expressway to Tully Road – design (Clean, Safe Creeks cont.);
- Almaden Lake Improvements – design (Project D4);
- Hale Creek Enhancement Pilot Study – design (Project D6).

## **Goal 3.2: Reduce potential for flood damages**

Reduce the risk of flooding from creeks by preparing for and responding to flood emergencies.

*Safe, Clean Water Program Project C2:*

- Emergency Response Upgrades – Improve the accuracy of flood forecasting services with the use of stream gauges and hydrological, hydraulic, and geotechnical studies.

- Implement risk reduction strategies consistent with FEMA's Community Rating System as appropriate.
- Enhance inter-agency response to storm-related emergencies.

*Safe, Clean Water Program Project E2:*

- Enhance inter-agency response to storm-related emergencies by working with agencies to incorporate Valley Water-endorsed flood emergency procedures into their Emergency Operations Center plans.
- Complete flood-fighting action plans for watersheds.
- Coordinate public outreach for uniform emergency messages and web-based information.

*Safe, Clean Water Program Project E3:*

- Provide more accurate flood plain mapping and potentially change FEMA regulatory floodplain.
- Conduct hydrologic and hydraulic studies to evaluate 1% flood risk.
- Provide technical basis for developing future flood protection plans.

## **Goal 4.1: Protect and restore creek, bay and other aquatic ecosystems**

Reduce and remove contaminants in our local creeks, streams and bay. Restore and protect wildlife habitat.

*Safe, Clean Water Program Project B1:*

- Improve impaired water bodies to help Valley Water meet surface water quality standards and reduce pollutants in streams, groundwater, lakes and reservoirs.
- Operate and maintain oxygenation treatment systems in four reservoirs. Benefits include improved water quality, including water going to drinking water treatment plants, and reduction of methyl mercury in reservoirs to prevent entry into the food web.
- Fund several pollution prevention and reduction activities such as discouraging re-encampments along the Guadalupe River and Coyote Creek, as well as trash mapping and removal.

# Fund Summaries

## *Safe, Clean Water Program Project B2:*

- Interagency Urban Runoff Program - Support collaborative efforts with other agencies and non-profit organizations to protect surface water quality.
- Support pollution prevention and reduction activities.
- Operate and maintain four (4) trash capture devices throughout the county.

## *Safe, Clean Water Program Project B3:*

- Administer fifteen (15) Pollution Prevention grants and partnership projects awarded since 2014.
- Provide up to \$200,000 per year for partnerships with municipalities for programs specific to reducing contaminants in groundwater or surface water.
- Solicit new proposals to support pollution prevention efforts.
- Develop and implement new grant agreements.

## *Safe, Clean Water Program Project B4:*

- Good Neighbor Encampment Clean-up - Perform 52 annual cleanups for the duration of the Safe, Clean Water Program to reduce the amount of trash and pollutants entering the streams.

## *Safe, Clean Water Program Project B5:*

- Hazardous Material Response Program – Respond to 100% of hazardous materials reports requiring urgent on-site inspection in two (2) hours or less.

## *Safe, Clean Water Program Project B6:*

- Good Neighbor Program – Conduct four (4) clean-up events per year.
- Response to requests on litter or graffiti clean-up within 5 working days.

## *Safe, Clean Water Program Project B7:*

- Administer thirteen (13) new Support Volunteer Clean-up and Education Effort grants and partnership projects awarded since 2014.
- Provide up to \$200,000 for grants for supporting volunteer clean-up efforts and education.

- Fund Valley Water's support of three annual volunteer clean-up events for National River Clean-up Day, California Coastal Clean-up Day, and the Great American Litter Pick-up; and support the year-round Adopt-A-Creek Program

## *Safe, Clean Water Program Project D1:*

- Maintain a minimum of 300 existing acres of revegetation planting annually to meet regulatory requirements and conditions throughout the five watersheds

## *Safe, Clean Water Program Project D2:*

- Revitalize stream, upland and wetland habitat by removing non-native, invasive plants and revegetating habitat with native species.

## *Safe, Clean Water Program Project D3:*

- Develop Stream Corridor Priority Plans to prioritize stream restoration activities.
- Administer sixteen (16) active wildlife habitat restoration grants and partnership projects, and seventeen (17) active mini-grants for wildlife habitat restoration projects awarded since 2014.
- Provide up to \$200,000 for mini-grants for wildlife habitat restoration.

## *Safe, Clean Water Program Project D4:*

- Develop design for a Creek gravel augmentation and Large Woody Debris Placement Project for Uvas Creek.
- Complete second phase of steelhead habitat enhancement gravel augmentation and LWD study for streams not included in the first phase.
- Complete planning/design study for two (2) creek/lake separation projects: Finalize design for Almaden Lake Improvement creek/lake separation (Capital project); and, Continue Planning Phase study of Ogier Ponds creek/lake separation (Capital project).

## *Safe, Clean Water Program Project D5:*

- Reassess the Coyote Creek Watershed to determine if ecological levels of service are maintained or improved.

# Fund Summaries

## *Safe, Clean Water Program Project D6:*

- Use geomorphic data to design and construct projects to increase the stability of eroding creek banks and help restore the natural functions of stream channels on the Hale Creek Enhancement Pilot Project (Capital project).

## *Safe, Clean Water Program Project D7:*

- Provide up to \$8 million for the acquisition of property for the conservation of habitat lands to preserve local ecosystems through a funding agreement with the Santa Clara Valley Habitat Agency. Project completed in Fiscal Year 2020.

## *Safe, Clean Water Program Project D8:*

- Reuse local stream sediments to build and rehabilitate tidal habitat

## **Goal 4.2: Improved quality of life in Santa Clara County through trails and open space**

Provide access to creekside trails or trails that provide a significant link to the creekside trail network.

## *Safe, Clean Water Program Project D3:*

- Administer eight (8) open space and trail grants projects awarded since 2014.
- Provide \$571,000 for access to trails and open space grants.

## **Fiscal Status**

The Safe, Clean Water Program special parcel tax is budgeted at \$47.1 million, reflecting a 3.5% increase from the FY 2019-20 Adopted Budget. This special tax is based on the land use and parcel size rather than assessed property value. Consequently, the annual rates of change are different than for the other property taxes in the Watershed Stream and Stewardship (WSS) Fund.

Interest earnings are projected at \$3.4 million reflecting a 41.7% increase from the FY 2019-20 Adopted Budget.

Capital Reimbursements of \$12.2 million is budgeted as follows:

- \$9.2 million State Subvention funds for Llagas Creek – Upper, Buena Vista to Wright
- \$2.2 million Measure AA grant for San Francisco Bay Shoreline
- \$0.8 million State Subvention funds for Berryessa Creek, Calaveras Blvd. to I-680

Operating Transfers in of \$9.8 million are budgeted as follows:

- \$6.4 million from the Watershed and Stream Stewardship Fund (12) for Berryessa Creek
- \$2.5 million from the Watershed and Stream Stewardship Fund (12) for Upper Penitencia Creek
- \$0.9 million from the Watershed and Stream Stewardship Fund (12) (90% of net rental income) to fund the Encampment Cleanup program

## **Budget Issues**

*Safe, Clean Water Program Priority E and continued Clean, Safe Creeks Plan flood protection projects:*

- Staff continues to work aggressively with the USACE to obtain Federal funding; however, due to uncertainty in USACE funding for capital flood protection projects, staff continues to explore other capital funding options. Flood protection projects continue to the extent possible with local funding.

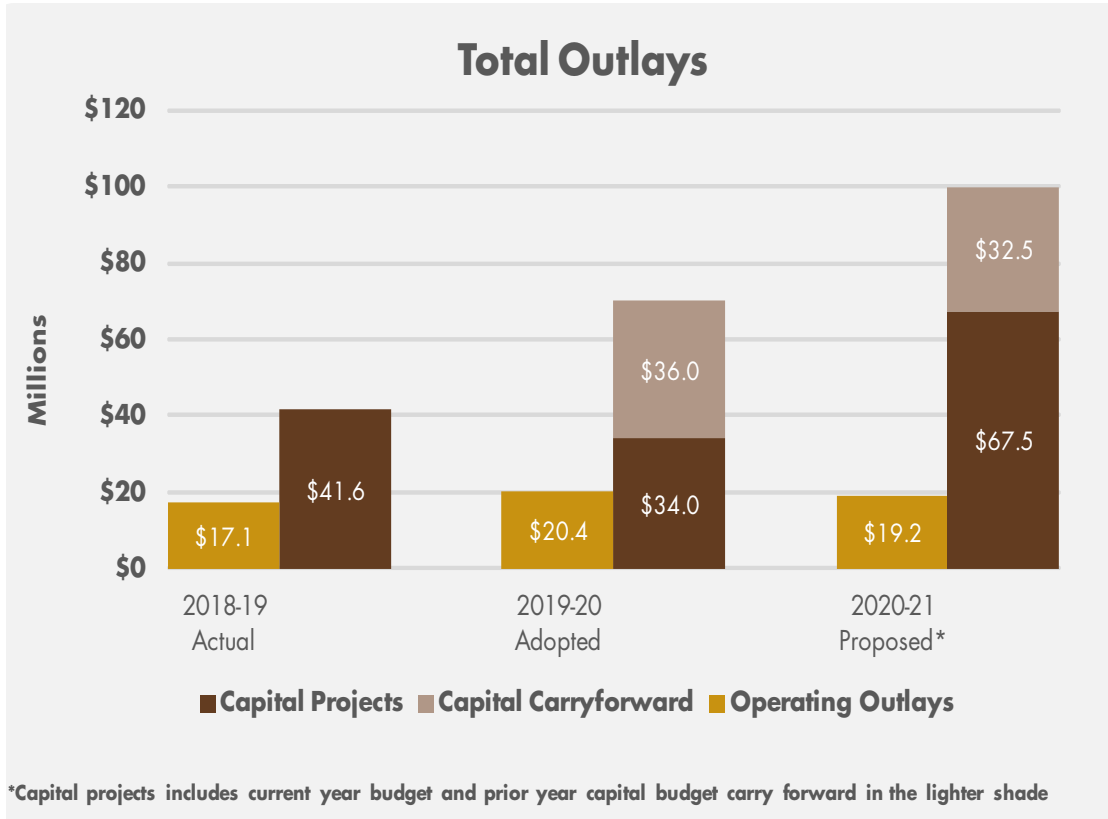
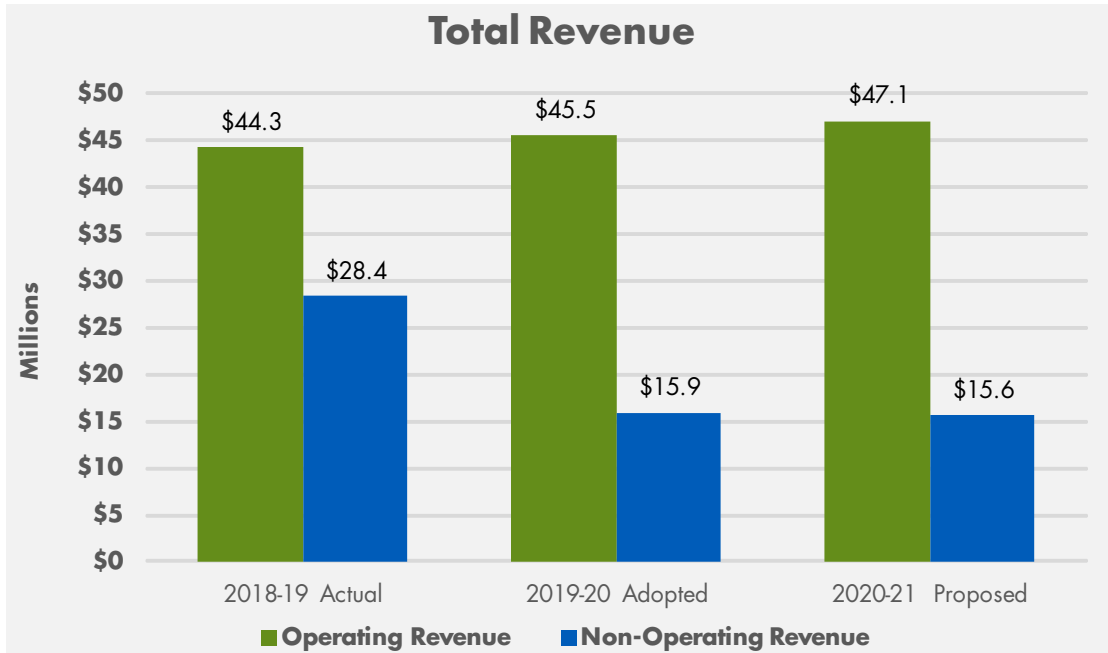
# Fund Summaries

## *Safe, Clean Water Program Project B4 -Good Neighbor Encampment Cleanups:*

- The totality, 100% of the Encampment Cleanup Program's 15-year allocation of Safe, Clean Water funds was spent by the end of FY 2017-18, with 10 years remaining in the program. The Watershed and Stream Stewardship Fund started to provide supplemental funding for the Encampment Cleanup Program in FY 2018-19. The total actual expenditures of the program in FY 2018-19 was approximately \$969,000. In FY 2019-20, a budget adjustment of \$575,000 was proposed to return project funding to the FY 2017-18 amount of \$1.5 million. For FY 2020-21, the program has a base budget of approximately \$922,000, which is funded by 90% of rental income in the Watershed Stream and Stream Stewardship Fund and \$175,000 from the Safe Clean Water Fund reserves. Per Board Report 19-1048 approved on 10/22/20, the budget for the Encampment Cleanup Program will be determined by the Board on an annual basis for Fiscal years 2021-2028. Staff is submitting a separate item for Board approval for an additional amount of approximately \$642,000 to be transferred to the Safe Clean Water Fund from the Watershed and Stream Stewardship Fund to maintain the same level of service as the FY 2019-20 adjusted budget for the Encampment Cleanup Program.

# Fund Summaries

## Safe, Clean Water and Natural Flood Protection Fund





# Fund Summaries

## Safe, Clean Water and Natural Flood Protection Fund Summary

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>REVENUE</b>						
<b>Operating Revenue</b>						
Special Parcel Tax	\$ 44,127,352	\$ 45,537,000	\$ 45,537,000	\$ 47,130,795	\$ 1,593,795	3.5%
Intergovernmental Services	125,368	—	—	—	—	—
<b>Total Operating Revenue</b>	<b>\$ 44,252,720</b>	<b>\$ 45,537,000</b>	<b>\$ 45,537,000</b>	<b>\$ 47,130,795</b>	<b>\$ 1,593,795</b>	<b>3.5%</b>
<b>Non-Operating Revenue</b>						
Capital Reimbursements	\$ 23,956,804	\$ 13,476,000	\$ 14,344,000	\$ 12,178,000	\$ (1,298,000)	(9.6)%
Interest Income *	3,976,306	2,400,000	3,850,000	3,400,000	1,000,000	41.7%
Nonoperating Other	416,915	—	—	—	—	—
<b>Total Non-Operating Revenue</b>	<b>\$ 28,350,025</b>	<b>\$ 15,876,000</b>	<b>\$ 18,194,000</b>	<b>\$ 15,578,000</b>	<b>\$ (298,000)</b>	<b>(1.9)%</b>
<b>TOTAL REVENUE</b>	<b>\$ 72,602,745</b>	<b>\$ 61,413,000</b>	<b>\$ 63,731,000</b>	<b>\$ 62,708,795</b>	<b>\$ 1,295,795</b>	<b>2.1%</b>
<b>OUTLAYS</b>						
<b>Operating Outlays</b>						
Operations **	\$ 13,389,728	\$ 13,931,312	\$ 16,512,718	\$ 14,952,000	\$ 1,020,688	7.3%
Operating Project	2,912,015	3,336,900	9,336,900	2,517,348	(819,552)	(24.6)%
Debt Service	782,295	3,101,660	3,101,660	1,749,720	(1,351,940)	(43.6)%
<b>Total Operating Outlays</b>	<b>\$ 17,084,038</b>	<b>\$ 20,369,872</b>	<b>\$ 28,951,278</b>	<b>\$ 19,219,068</b>	<b>\$ (1,150,804)</b>	<b>(5.7)%</b>
<b>Capital Outlays</b>						
Capital Projects	\$ 41,623,393	\$ 34,008,898	\$ 96,655,964	\$ 67,492,257	\$ 33,483,359	98.5%
Carry Forward Capital Projects	—	35,966,000	—	32,474,891	(3,491,109)	(9.7)%
<b>Total Capital Outlays</b>	<b>\$ 41,623,393</b>	<b>\$ 69,974,898</b>	<b>\$ 96,655,964</b>	<b>\$ 99,967,148</b>	<b>\$ 29,992,250</b>	<b>42.9%</b>
<b>TOTAL OUTLAYS****</b>	<b>\$ 58,707,431</b>	<b>\$ 90,344,770</b>	<b>\$ 125,607,242</b>	<b>\$ 119,186,216</b>	<b>\$ 28,841,446</b>	<b>31.9%</b>
<b>OTHER FINANCING SOURCES/(USES)</b>						
Certificates of Participation	\$ 2,030,366	\$ —	\$ 481,466	\$ —	\$ —	—
Transfers In	1,943,755	18,574,800	19,149,800	9,769,649	(8,805,151)	(47.4)%
<b>TOTAL OTHER SOURCES/(USES)</b>	<b>\$ 3,974,121</b>	<b>\$ 18,574,800</b>	<b>\$ 19,631,266</b>	<b>\$ 9,769,649</b>	<b>\$ (8,805,151)</b>	<b>(47.4)%</b>
<b>BALANCE AVAILABLE</b>	<b>\$ 17,869,435</b>	<b>\$ (10,356,970)</b>	<b>\$ (42,244,976)</b>	<b>\$ (46,707,772)</b>	<b>\$ (36,350,802)</b>	<b>351.0%</b>
<b>YEAR-END RESERVES</b>						
<b>Restricted Reserves</b>						
CP Debt Service	\$ 98,384	\$ —	\$ —	\$ —	\$ —	—
SCW Currently Authorized Projects	109,087,781	25,418,000	51,440,715	18,965,825	(6,452,175)	(25.4)%
SCW Operating and Capital Reserve	48,558,698	90,654,986	64,059,172	49,826,290	(40,828,696)	(45.0)%
<b>Total Restricted Reserves</b>	<b>\$ 157,744,863</b>	<b>\$ 116,072,986</b>	<b>\$ 115,499,887</b>	<b>\$ 68,792,115</b>	<b>\$ (47,280,871)</b>	<b>(40.7)%</b>
<b>TOTAL YEAR-END RESERVES</b>	<b>\$ 157,744,863</b>	<b>\$ 116,072,986</b>	<b>\$ 115,499,887</b>	<b>\$ 68,792,115</b>	<b>\$ (47,280,871)</b>	<b>(40.7)%</b>



# Fund Summaries

## Safe, Clean Water and Natural Flood Protection Fund Summary (Continued)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries & Benefits	\$ 4,251,489	\$ 5,126,096	\$ 5,126,096	\$ 5,884,469	\$ 758,373	14.8%
Salaries Savings Factor	—	(140,219)	(140,219)	(153,314)	(13,095)	9.3%
Services & Supplies	9,133,781	9,108,978	17,690,384	7,905,580	(1,203,398)	(13.2)%
Intra-District Charges	2,916,473	3,173,357	3,173,357	3,832,613	659,256	20.8%
OPERATING OUTLAY TOTAL	\$ 16,301,743	\$ 17,268,212	\$ 25,849,618	\$ 17,469,348	\$ 201,136	1.2%
DEBT SERVICE						
Services & Supplies	\$ 346,847	\$ 785,660	\$ 785,660	\$ 654,720	\$ (130,940)	(16.7)%
Debt Service	435,448	2,316,000	2,316,000	1,095,000	(1,221,000)	(52.7)%
DEBT SERVICE TOTAL	\$ 782,295	\$ 3,101,660	\$ 3,101,660	\$ 1,749,720	\$ (1,351,940)	(43.6)%
CAPITAL PROJECTS						
Salaries & Benefits	\$ 10,033,054	\$ 10,963,703	\$ 10,963,703	\$ 11,454,054	\$ 490,351	4.5%
Salaries Savings Factor	—	(306,219)	(306,219)	(307,788)	(1,569)	0.5%
Services & Supplies	25,320,467	17,409,035	80,056,101	49,936,547	32,527,512	186.8%
Carry Forward Capital Projects	—	35,966,000	—	32,474,891	(3,491,109)	(9.7)%
Intra-District Charges	6,269,872	5,942,379	5,942,379	6,409,444	467,065	7.9%
CAPITAL PROJECTS TOTAL	\$ 41,623,393	\$ 69,974,898	\$ 96,655,964	\$ 99,967,148	\$ 29,992,250	42.9%
TOTAL OUTLAYS****	\$ 58,707,431	\$ 90,344,770	\$ 125,607,242	\$ 119,186,216	\$ 28,841,446	31.9%

(\*) Interest revenue does not include GASB31 market value adjustment

(\*\*) Operations outlay does not include OPEB Expense-unfunded liability

(\*\*\*)Currently Authorized Projects Reserve is unspent budget for authorized capital projects

(\*\*\*\*)Total Outlays amounts may have a slight variance due to rounding

# Fund Summaries

## Total Outlays - Safe, Clean Water & Natural Flood Protection Fund

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
<b>Operations</b>						
	26001090 Unscoped Projects-Budget Only		100,000	100,000		Office of COO Watersheds
*	26031001 Watershed Revenue	92,714	108,426	124,109		Financial Planning and Management Services Division
	26041023 Emergency Response Upgrades	352,741	309,082	354,593		Watershed Stewardship & Planning Division
	26041024 Flood Risk Reduction Studies	932,640	966,093	1,184,535		Watershed Stewardship & Planning Division
*	26041047 Ecological Data Collectn & Analy	282,160	963,566	520,290		Watershed Stewardship & Planning Division
	26061002 Rent Exp Clean Safe Ck 7/1/01+	93,220	168,410	243,461		Watershed Design & Construction Division
	26061004 Districtwide Salary Savings-26		(140,219)	(153,314)		Financial Planning and Management Services Division
	26061005 Flood Emrgncy Respns Planning	101,388	296,578	236,057		Office of COO IT and Admin Services
	26061006 Pollution Prvtn Ptnrshp & Grt	1,001,868	870,723	356,318		Office of Chief of External Affairs
	26061007 Grants to Rest Habitat Access	2,071,177	1,895,576	1,726,765		Office of Chief of External Affairs
	26061008 Water Conservation Grants	14,540	124,833	136,639		Office of Chief of External Affairs
	26061010 Nitrate Treatment Systm Rebate	1,500	4,000	4,000		Water Supply Division
	26061012 Safe Clean Water Implementatn	373,106	579,027	607,305		Office of COO Watersheds
*	26061019 Supp Volunteer Cleanup Effort	409,807	189,708	205,568		Office of Chief of External Affairs
*	26761022 Watershed Good Neighbor Maint	669,189	535,323	704,320		Watershed Operations & Maintenance Division
*	26761023 Watershed Sediment Removal	469,842	689,979	846,325		Watershed Operations & Maintenance Division
*	26761075 Mgmt of Revegetation Projects	932,094	1,203,776	1,340,652		Watershed Operations & Maintenance Division
	26761076 Rev, Riprn, Uplnd, & Wtlnd Hab	1,464,949	938,599	979,433		Watershed Stewardship & Planning Division
*	26761078 Vegetation Mangmnt for Access	554,628	539,352	576,328		Watershed Operations & Maintenance Division
	26761079 SCW E1.3-Flow Conveyance, Sed		213,292			Watershed Operations & Maintenance Division
*	26771011 Inter Agency Urban Runoff Prog	762,022	816,788	855,626		Watershed Stewardship & Planning Division
	26771027 Encampment Cleanup Program	968,820	765,073	921,908		Watershed Operations & Maintenance Division
*	26771031 HAZMAT Emergency Response	26,198	30,171	31,556		Office of COO IT and Admin Services

\*Recipient projects

\*\*Closed, combined or no current year funding

\*\*\*Represents estimated unspent capital project budget from FY 2019-20 that will be carried forward to FY2020-21. A negative carryforward amount is based on the CIP approved expenditure in FY20. If the actual FY20 expenditure matches with the CIP approved FY20 expenditure, budget adjustments will be processed to address overspending.

# Fund Summaries

## Total Outlays - Safe, Clean Water & Natural Flood Protection Fund

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
26771067	Stream Capacity Vegetation Con	1,815,124	1,759,156	2,497,953		Watershed Operations & Maintenance Division
26771068	SCW E1.3-Flow Conveyance, Veg		4,000	551,572		Watershed Operations & Maintenance Division
<b>Total Operations</b>		<b>13,389,728</b>	<b>13,931,312</b>	<b>14,952,000</b>		

### Operating

26042002	Fish Habitat Improvements	605,278	568,731	696,302		Watershed Stewardship & Planning Division
** 26072008	SCW D7 Conservation Habitat	1,010,168	1,000,000			Watershed Stewardship & Planning Division
26752043	Impaired Water Bodies Imprvmnts	1,296,570	1,768,169	1,821,047		Watershed Stewardship & Planning Division
<b>Total Operating</b>		<b>2,912,015</b>	<b>3,336,900</b>	<b>2,517,349</b>		

### Debt Service

26993001	Commercial Paper Tax Exmpt SCW	782,295	3,101,660	1,749,720		Financial Planning and Management Services Division
<b>Total Debt Service</b>		<b>782,295</b>	<b>3,101,660</b>	<b>1,749,720</b>		

### Capital

26044001	Almaden Lake Improvement	635,748	1,153,048	1,710,223	636	Watershed Design & Construction Division
26044002	SCW Fish Passage Improvement	1,059,531	1,048,035	3,030,368		Watershed Design & Construction Division
26044003	Ogier Ponds Planning Study	346,513	597,884	619,726	155,884	Watershed Stewardship & Planning Division
26064023	Districtwide Salary Savings		(306,219)	(307,788)		Financial Planning and Management Services Division
26074002	Sunnyvale East & West Channel	1,236,248	4,441,000	2,033,272	15,411,728	Water Utility Capital Division
* 26074030	CPS Training and Development	13,889				Water Utility Capital Division
* 26074033	CIP Development & Admin	316,514	472,905	538,056		Office of COO Watersheds
* 26074036	Survey Mgmt & Tech Support	247,812	192,956	318,653		Office of COO Watersheds
* 26074038	Capital Program Services Admin	2,517,435	2,449,355	3,000,573		Water Utility Capital Division
* 26074041	GS Capital Program Services			575,960		General Services Division
26154002	Guadalupe Rv-Upr, 280-SPRR(R6	555,469	87,184	862,186	(54,816)	Watershed Design & Construction Division
26154003	Guadalupe Rv-Upr, SPRR-BH 7-12	1,807,601	368		9,030,000	Watershed Design & Construction Division
26164001	HaleCreekEnhancementPilotStudy	273,362	21,065	170,072	2,700,527	Watershed Design & Construction Division

\*Recipient projects

\*\*Closed, combined or no current year funding

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# Fund Summaries

## Total Outlays - Safe, Clean Water & Natural Flood Protection Fund

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
26174041	Berryessa Calav/Old Pied Cor	713,958	171	26,609	25,891	Watershed Design & Construction Division
26174042	Berryessa Calav/Old Pied LER	15,014	1,000			Watershed Design & Construction Division
26174043	Coyote Creek, Montague-Tully	640,550	941,355	2,304,295	1,111,354	Watershed Stewardship & Planning Division
26174051	U. Llagas Ck, Reimburse E6b	4,850,021	1,983,000			Water Utility Capital Division
26174052	U. Llagas Ck, Nonreimburse E6a	2,781,604	9,741,000	46,273,471	(428,546)	Water Utility Capital Division
26174054	U.Llagas Ck Design B. Vsta Rd	14,694	260,999		945,000	Water Utility Capital Division
** 26204001	Los Gatos Creek Strm Restore		226,242		242	Watershed Stewardship & Planning Division
26244001	Permanente Ck, Bay-Fithill CSC	8,483,367	2,860,325		227,850	Watershed Design & Construction Division
26284001	San Francisquito Ck,BaySer CSC	46				Watershed Design & Construction Division
26284002	San Francisquito Early Implemt	5,565,553	2,805,465	4,315,558	782,742	Watershed Design & Construction Division
26324001	U Penitncia Crk Corp Coord SCW	649,022	1,304,916	1,381,884	1,259,915	Watershed Stewardship & Planning Division
26444001	SFBS EIA 11 Desgn & Part Const	7,456,330	2,994,236	5,310	(5,310)	Watershed Design & Construction Division
26444002	SFBS Other EIAs Planning	142,656			630,000	Watershed Design & Construction Division
26444003	SBSP Restoration Partnership	11,116			11,550	Watershed Stewardship & Planning Division
26564001	Main/Madrone PL Restoration	1,010,236	334,061			Water Utility Capital Division
26764001	IRP2 AddLine Valves	279,104	398,547	633,829	670,241	Water Utility Capital Division
<b>Total Capital</b>		<b>41,623,393</b>	<b>34,008,898</b>	<b>67,492,257</b>	<b>32,474,888</b>	
<b>Total</b>		<b>58,707,431</b>	<b>54,378,769</b>	<b>86,711,325</b>	<b>32,474,888</b>	

\*Recipient projects

\*\*Closed, combined or no current year funding

\*\*\*Represents estimated unspent capital project budget from FY 2019-20 that will be carried forward to FY2020-21. A negative carryforward amount is based on the CIP approved expenditure in FY20. If the actual FY20 expenditure matches with the CIP approved FY20 expenditure, budget adjustments will be processed to address overspending.

# Fund Summaries

## Benefit Assessment Funds Overview

The Flood Control Benefit Assessment was first authorized by Valley Water Board of Directors in 1981, and then by ballot measures in 1982, 1986, and 1990. The program had a sunset date of 2000 but the assessment will continue until 2030, when Valley Water will pay off the bonds associated with it. The Benefit Assessment funds are in place to account for both revenue received and expenditures by zone.

Starting from FY 2008-09, the following watershed funds are redefined as the Benefit Assessment Funds as a result of the watershed fund consolidation effort:

- The Lower Peninsula Watershed (Fund 21) is defined by geographic boundaries encompassing the tributaries and watersheds of San Francisquito Creek, Matadero Creek, Barron Creek, Adobe Creek, Stevens Creek, and Permanente Creek. The geographic area includes the cities of Palo Alto, Los Altos, Los Altos Hills, Mountain View, and portions of Cupertino.
- The West Valley Watershed (Fund 22) is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe Slough, Sunnyvale West Outfall, Sunnyvale East Outfall, Calabazas Creek, San Tomas Aquino Creek, and Saratoga Creek. The geographic area includes portions of the cities of Sunnyvale, Cupertino, Monte Sereno, San Jose, Santa Clara, Campbell, Saratoga and the Town of Los Gatos.
- The Guadalupe Watershed (Fund 23) is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe River. The major tributaries are Los Gatos Creek, Canoas Creek, Ross Creek, Guadalupe Creek, and Alamitos Creek. The geographic area includes portions of the cities of Santa Clara, San Jose, Campbell, Monte Sereno, and the Town of Los Gatos.
- The Coyote Watershed (Fund 24) is defined by geographic boundaries encompassing the tributaries and watersheds of Coyote Creek. The major tributaries are Lower Penitencia Creek, Scott Creek, Berryessa Creek, Upper Penitencia Creek, Silver Creek, Thompson Creek, Fisher Creek, and Packwood Creek. The geographic area includes the city of Milpitas and portions of the cities of San Jose and Morgan Hill.
- The Uvas/Llagas Watershed (Fund 25) is defined by geographic boundaries encompassing the tributaries and watersheds of the Pajaro River in Santa Clara County. The major tributaries are Little Llagas Creek, Llagas Creek, the west branch of Llagas Creek, Uvas-Carnadero Creek, Pescadero Creek, and Pacheco Creek. The Uvas/Llagas Watershed Fund is comprised of mostly unincorporated area and includes the city of Gilroy and portions of the cities of San Jose and Morgan Hill. The debt has been paid off.

These funds are redefined as the benefit assessment funds comprised of voter-approved debt repayment phase of the benefit assessment program, with benefit assessment levied at 1.25 times the annual debt service. The excess amount over annual debt service will be transferred out to the consolidated Watershed and Stream Stewardship Fund (Fund 12) for the maintenance of the flood protection infrastructure.

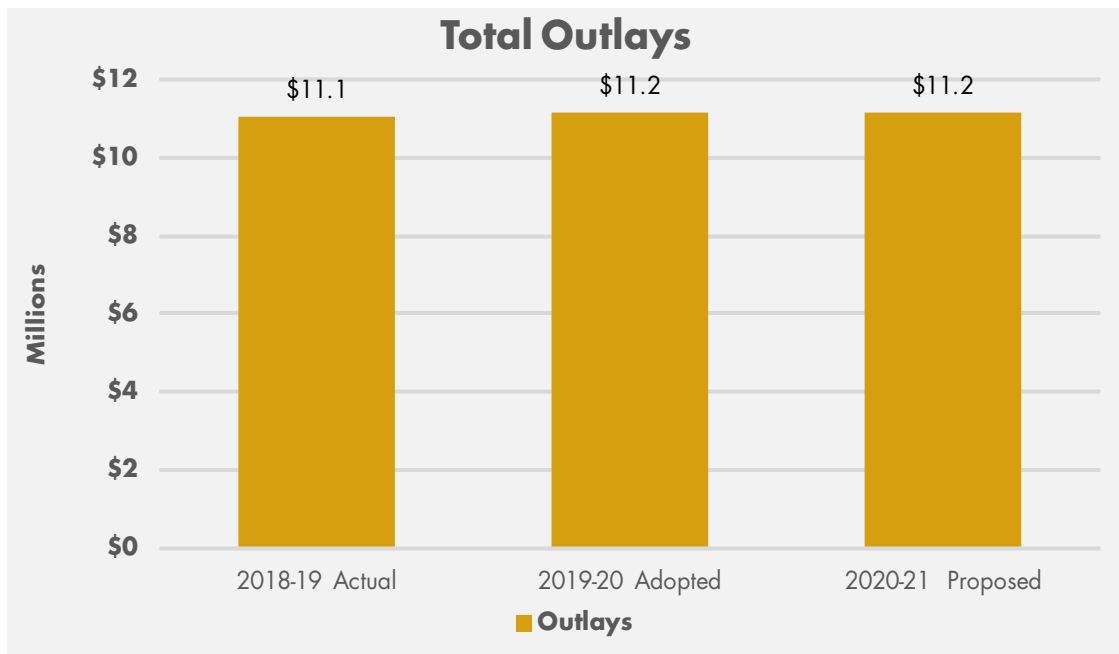
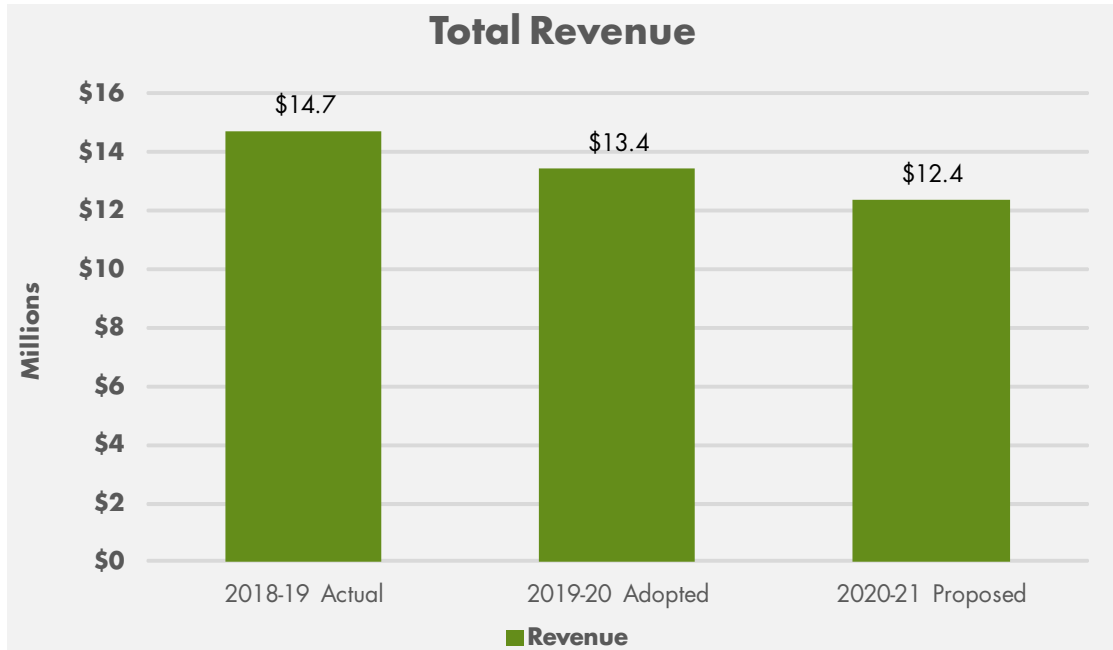
Benefit Assessments have been reduced in FY 2020-21 for a one-time \$1.1 million operating transfer impacting the West Valley, Guadalupe, and Coyote Watershed zones due to excess debt service reserve funds that became available in FY 2018-19.

The benefit assessment for a single family residence is expected at approximately:

- \$26.66/year for Lower Peninsula Watershed
- \$11.71/year for West Valley Watershed
- \$18.31/year for Guadalupe Watershed
- \$19.44/year for Coyote Watershed

# Fund Summaries

## Benefit Assessment Funds



# Fund Summaries

## Benefit Assessment Funds

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
REVENUE						
Lower Peninsula Watershed	\$ 4,038,797	\$ 2,704,524	\$ 2,704,524	\$ 2,707,674	\$ 3,150	0.1%
West Valley Watershed	2,253,446	2,254,819	2,254,819	2,017,606	(237,213)	(10.5)%
Guadalupe Watershed	4,522,569	4,552,774	4,552,774	3,955,671	(597,103)	(13.1)%
Coyote Watershed	3,931,693	3,932,561	3,932,561	3,688,266	(244,295)	(6.2)%
TOTAL REVENUE	\$ 14,746,505	\$ 13,444,678	\$ 13,444,678	\$ 12,369,217	\$ (1,075,461)	(8.0)%
OUTLAYS						
Debt Service						
Lower Peninsula Watershed	\$ 3,353,460	\$ 2,288,687	\$ 2,288,687	\$ 2,291,025	\$ 2,338	0.1%
West Valley Watershed	1,848,981	1,859,205	1,859,205	1,860,898	1,693	0.1%
Guadalupe Watershed	3,709,190	3,731,148	3,731,148	3,732,482	1,334	0.0%
Coyote Watershed	2,160,402	3,274,109	3,274,109	3,277,242	3,133	0.1%
TOTAL OUTLAYS****	\$ 11,072,033	\$ 11,153,149	\$ 11,153,149	\$ 11,161,647	\$ 8,498	0.1%
OTHER FINANCING SOURCES/(USES)						
Transfers In		\$ —		\$ 1,097,604	\$ 1,097,604	100.0%
Transfers Out to WSS Fund						
Lower Peninsula Watershed	\$ (685,337)	\$ (415,837)	\$ (415,836)	\$ (416,648)	\$ (811)	0.2%
West Valley Watershed	(404,464)	(395,614)	(395,614)	(398,510)	(2,896)	0.7%
Guadalupe Watershed	(813,379)	(821,626)	(821,626)	(828,079)	(6,453)	0.8%
Coyote Watershed	(1,771,291)	(658,453)	(658,453)	(661,937)	(3,484)	0.5%
TOTAL OTHER SOURCES/(USES)	\$ (3,674,471)	\$ (2,291,530)	\$ (2,291,529)	\$ (1,207,570)	\$ 1,083,960	(47.3)%
Outlay Summary by Account Type						
OUTLAYS						
Services & Supplies						
Lower Peninsula Watershed	\$ 2,397	\$ 15,975	\$ 15,975	\$ 15,974	\$ (1)	(0.0)%
West Valley Watershed	983	10,960	10,960	10,960	—	—
Guadalupe Watershed	1,805	23,052	23,052	23,051	(1)	(0.0)%
Coyote Watershed	1,977	17,752	17,752	17,751	(1)	(0.0)%
Total Services & Supplies	\$ 7,162	\$ 67,739	\$ 67,739	\$ 67,736	\$ (3)	(0.0)%
Debt Service						
Lower Peninsula Watershed	\$ 3,351,063	\$ 2,272,712	\$ 2,272,712	\$ 2,275,051	\$ 2,339	0.1%
West Valley Watershed	1,847,998	1,848,245	1,848,245	1,849,938	1,693	0.1%
Guadalupe Watershed	3,707,386	3,708,096	3,708,096	3,709,431	1,335	0.0%
Coyote Watershed	2,158,424	3,256,357	3,256,357	3,259,491	3,134	0.1%
Total Debt Service	\$ 11,064,871	\$ 11,085,410	\$ 11,085,410	\$ 11,093,911	\$ 8,501	0.1%
TOTAL OUTLAYS****	\$ 11,072,033	\$ 11,153,149	\$ 11,153,149	\$ 11,161,647	\$ 8,498	0.1%

(\*) Interest revenue does not include GASB31 market value adjustment

(\*\*) Operations outlay does not include OPEB Expense-unfunded liability

(\*\*\*) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

(\*\*\*\*) Total Outlays amounts may have a slight variance due to rounding



# Fund Summaries

## Total Outlays - Lower Peninsula Watershed Fund

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Project Managed By
<b>Debt Service</b>					
10993008	2017A COP Refunding LP WS	3,353,460	2,288,687	2,291,025	Financial Planning and Management Services Division
<b>Total Debt Service</b>		<b>3,353,460</b>	<b>2,288,687</b>	<b>2,291,025</b>	
<b>Total</b>		<b>3,353,460</b>	<b>2,288,687</b>	<b>2,291,025</b>	

# Fund Summaries

## Total Outlays - West Valley Watershed Fund

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Project Managed By
<b>Debt Service</b>					
20993007	2012A COP Refunding WV WS	1,166,960	1,174,200	1,175,191	Financial Planning and Management Services Division
20993008	2017A COP Refunding WV WS	682,021	685,005	685,707	Financial Planning and Management Services Division
<b>Total Debt Service</b>		<b>1,848,981</b>	<b>1,859,205</b>	<b>1,860,898</b>	
<b>Total</b>		<b>1,848,981</b>	<b>1,859,205</b>	<b>1,860,898</b>	

# Fund Summaries

## Total Outlays - Guadalupe Watershed Fund

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Project Managed By
<b>Debt Service</b>					
30993007	2012A COP Refunding Guad WS	2,918,876	2,936,985	2,939,465	Financial Planning and Management Services Division
30993008	2017A COP Refunding Guad WS	790,315	794,162	793,017	Financial Planning and Management Services Division
<b>Total Debt Service</b>		<b>3,709,190</b>	<b>3,731,148</b>	<b>3,732,482</b>	
<b>Total</b>		<b>3,709,190</b>	<b>3,731,148</b>	<b>3,732,482</b>	

## Fund Summaries

# **WATER ENTERPRISE AND STATE WATER PROJECT FUNDS**

# Fund Summaries

## Overview

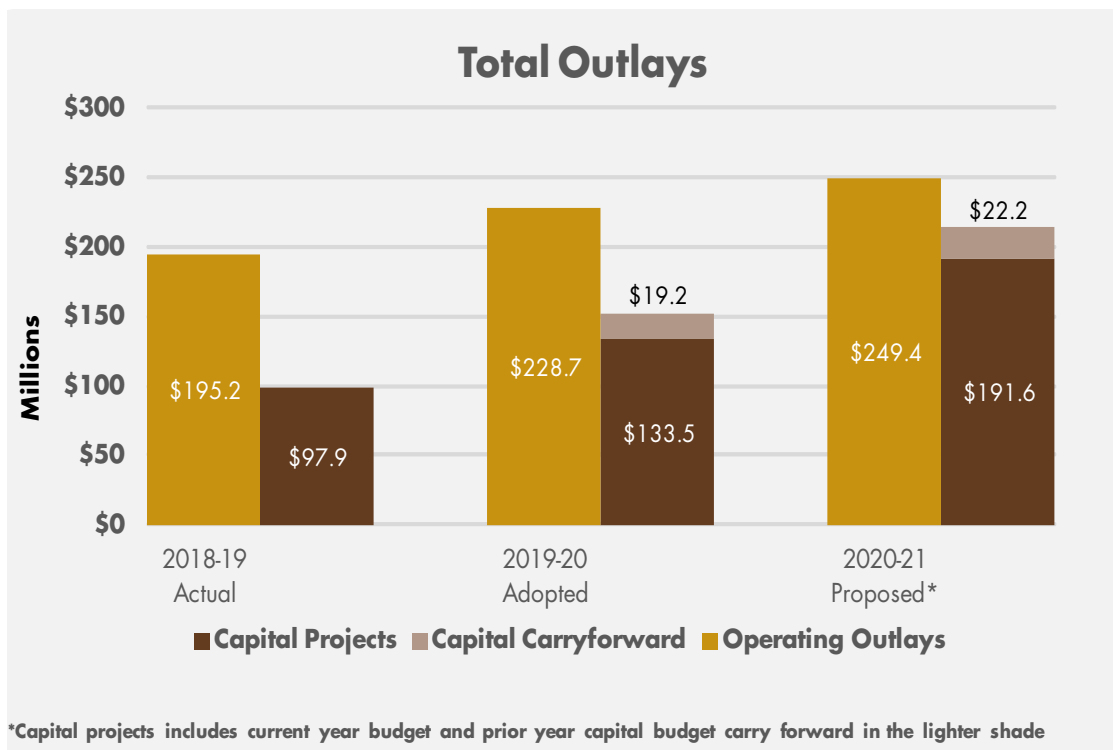
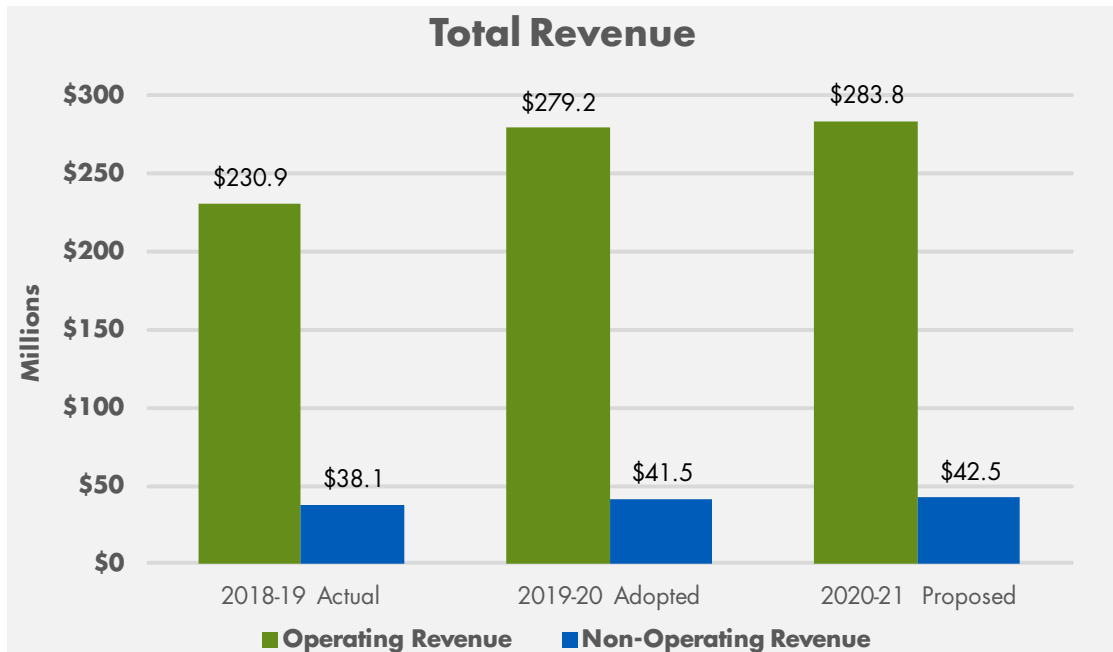
As the water management agency and principal water wholesaler for Santa Clara County, Valley Water manages a sustainable water supply through conjunctive use of surface and groundwater resources. The Chief Operating Officer - Water Utility implements the program to protect and augment water supplies with two funds:

- The Water Utility Enterprise Fund (Fund 61)
- The State Water Project Fund (Fund 63)

Financial summaries and a description of programs and outcomes from these funds can be found in this chapter.

# Fund Summaries

## Water Enterprise and State Water Project Funds





# Fund Summaries

## Water Enterprise and State Water Projects Combined Fund Summary

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>REVENUE</b>						
<b>Operating Revenue</b>						
GroundWater	\$ 81,922,689	\$ 105,036,000	\$ 98,050,000	\$ 130,728,000	\$ 25,692,000	24.5%
Treated Water	143,998,219	169,519,000	156,495,000	148,398,000	(21,121,000)	(12.5)%
Surface/Recycled	1,757,563	2,821,000	2,820,000	2,735,000	(86,000)	(3.0)%
Intergovernmental Services	2,754,161	1,237,000	1,162,000	1,242,326	5,326	0.4%
Operating Other	516,051	625,000	700,000	700,000	75,000	12.0%
<b>Total Operating Revenue</b>	<b>\$ 230,948,683</b>	<b>\$ 279,238,000</b>	<b>\$ 259,227,000</b>	<b>\$ 283,803,326</b>	<b>\$ 4,565,326</b>	<b>1.6%</b>
<b>Non-Operating Revenue</b>						
Property Tax	\$ 30,468,422	\$ 25,451,232	\$ 26,087,232	\$ 26,217,000	\$ 765,768	3.0%
Capital Reimbursements	1,148,667	11,856,000	10,916,000	11,358,000	(498,000)	(4.2)%
Interest Income *	5,066,270	2,800,000	5,300,000	3,500,000	700,000	25.0%
Non-Operating Other	1,390,225	1,392,000	1,392,191	1,400,554	8,554	0.6%
<b>Total Non-Operating Revenue</b>	<b>\$ 38,073,584</b>	<b>\$ 41,499,232</b>	<b>\$ 43,695,423</b>	<b>\$ 42,475,554</b>	<b>\$ 976,322</b>	<b>2.4%</b>
<b>TOTAL REVENUE</b>	<b>\$ 269,022,267</b>	<b>\$ 320,737,232</b>	<b>\$ 302,922,423</b>	<b>\$ 326,278,880</b>	<b>\$ 5,541,648</b>	<b>1.7%</b>
<b>OUTLAYS</b>						
<b>Operating Outlays</b>						
Operations **	\$ 164,587,190	\$ 184,563,623	\$ 187,857,623	\$ 200,669,813	\$ 16,106,190	8.7%
Operating Project	338,761	310,764	310,764	280,153	(30,611)	(9.8)%
Debt Service	30,270,733	43,874,295	43,874,295	48,424,345	4,550,050	10.4%
<b>Total Operating Outlays</b>	<b>\$ 195,196,684</b>	<b>\$ 228,748,682</b>	<b>\$ 232,042,682</b>	<b>\$ 249,374,311</b>	<b>\$ 20,625,629</b>	<b>9.0%</b>
<b>Capital Outlays</b>						
Capital Projects	\$ 97,937,212	\$ 133,456,709	\$ 152,766,352	\$ 191,648,401	\$ 58,191,692	43.6%
Carry Forward Capital Projects	—	19,239,000	—	22,212,407	2,973,407	15.5%
<b>Total Capital Outlays</b>	<b>\$ 97,937,212</b>	<b>\$ 152,695,709</b>	<b>\$ 152,766,352</b>	<b>\$ 213,860,808</b>	<b>\$ 61,165,099</b>	<b>40.1%</b>
<b>TOTAL OUTLAYS****</b>	<b>\$ 293,133,896</b>	<b>\$ 381,444,391</b>	<b>\$ 384,809,034</b>	<b>\$ 463,235,119</b>	<b>\$ 81,790,728</b>	<b>21.4%</b>
<b>OTHER FINANCING SOURCES/(USES)</b>						
Bond Proceeds	\$ 0	\$ 59,559,000	\$ 70,894,000	\$ 135,500,000	\$ 75,941,000	127.5%
Commercial Paper Proceeds	41,540,000	—	—	—	—	—
Transfers In	1,228,000	1,013,000	1,064,430	1,941,774	928,774	91.7%
Transfers Out	(3,908,166)	(2,478,000)	(2,570,784)	(6,131,163)	(3,653,163)	147.4%
<b>TOTAL OTHER SOURCES/(USES)</b>	<b>\$ 38,859,834</b>	<b>\$ 58,094,000</b>	<b>\$ 69,387,646</b>	<b>\$ 131,310,611</b>	<b>\$ 73,216,611</b>	<b>126.0%</b>
<b>BALANCE AVAILABLE</b>	<b>\$ 14,748,205</b>	<b>\$ (2,613,159)</b>	<b>\$ (12,498,965)</b>	<b>\$ (5,645,628)</b>	<b>\$ (3,032,469)</b>	<b>116.0%</b>

# Fund Summaries

## Water Enterprise and State Water Projects Combined Fund Summary

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>YEAR-END RESERVES</b>						
<b>Restricted Reserves</b>						
WUE Rate Stabilization	\$ 26,090,186	\$ 23,467,000	\$ 23,466,551	\$ 25,878,053	\$ 2,411,053	10.3%
WUE San Felipe Emergency	3,150,102	3,103,000	3,199,972	3,249,972	146,972	4.7%
WUE State Water Project Tax Reserve	15,355,069	4,815,690	9,287,487	—	(4,815,690)	(100.0)%
CP Debt Service	188,842	—	—	—	—	—
WUE Public-Private Partnership (P3) Reserve	4,000,000	8,000,000	8,000,000	—	(8,000,000)	(100.0)%
WUE Water Supply	14,677,000	15,077,000	15,077,000	15,477,000	400,000	2.7%
WUE SVAWPC	1,066,000	1,066,000	1,298,138	908,138	(157,862)	(14.8)%
WUE Drought Reserve	7,000,000	10,000,000	10,000,000	10,000,000	—	—
GP5 Reserve	—	—	3,613,000	3,613,000	3,613,000	—
<b>Total Restricted Reserves</b>	<b>\$ 71,527,199</b>	<b>\$ 65,528,690</b>	<b>\$ 73,942,148</b>	<b>\$ 59,126,163</b>	<b>\$ (6,402,527)</b>	<b>(9.8)%</b>
<b>Committed Reserves</b>						
Currently Authorized Projects ***	\$ 52,251,978	\$ 15,830,000	\$ 31,598,335	\$ 9,385,928	\$ (6,444,072)	(40.7)%
Operating and Capital Reserve	12,951,918	41,436,874	18,691,647	50,074,411	8,637,537	20.8%
<b>Total Committed Reserves</b>	<b>\$ 65,203,896</b>	<b>\$ 57,266,874</b>	<b>\$ 50,289,982</b>	<b>\$ 59,460,339</b>	<b>\$ 2,193,465</b>	<b>3.8%</b>
<b>TOTAL YEAR-END RESERVES</b>	<b>\$ 136,731,095</b>	<b>\$ 122,795,564</b>	<b>\$ 124,232,130</b>	<b>\$ 118,586,502</b>	<b>\$ (4,209,062)</b>	<b>(3.4)%</b>
<b>Outlay Summary by Account Type</b>						
<b>OPERATING OUTLAY</b>						
Salaries & Benefits	\$ 51,310,127	\$ 57,187,636	\$ 57,187,636	\$ 60,388,038	\$ 3,200,402	5.6%
Salary Savings Factor	—	(1,535,415)	(1,535,415)	(1,552,708)	(17,293)	1.1%
Services & Supplies	81,819,902	97,562,915	100,856,915	107,202,473	9,639,558	9.9%
Intra-District Charges	31,795,923	31,659,250	31,659,250	34,912,163	3,252,913	10.3%
<b>OPERATING OUTLAY TOTAL</b>	<b>\$ 164,925,952</b>	<b>\$ 184,874,386</b>	<b>\$ 188,168,386</b>	<b>\$ 200,949,966</b>	<b>\$ 16,075,580</b>	<b>8.7%</b>
<b>DEBT SERVICE</b>						
Services & Supplies	\$ 530,275	\$ 3,538,780	\$ 3,538,780	\$ 2,289,720	\$ (1,249,060)	(35.3)%
Debt Service	29,740,459	40,335,515	40,335,515	46,134,625	5,799,110	14.4%
<b>DEBT SERVICE TOTAL</b>	<b>\$ 30,270,734</b>	<b>\$ 43,874,295</b>	<b>\$ 43,874,295</b>	<b>\$ 48,424,345</b>	<b>\$ 4,550,050</b>	<b>10.4%</b>
<b>CAPITAL PROJECTS</b>						
Salaries & Benefits	\$ 12,247,695	\$ 17,433,734	\$ 17,433,734	\$ 21,563,160	\$ 4,129,426	23.7%
Salary Savings Factor	—	(484,632)	(484,632)	(581,223)	(96,591)	19.9%
Services & Supplies	78,020,737	106,946,135	126,255,778	158,400,370	51,454,235	48.1%
Carry Forward Capital Projects	—	19,239,000	—	22,212,407	2,973,407	15.5%
Intra-District Charges	7,668,780	9,561,473	9,561,473	12,266,094	2,704,621	28.3%
<b>CAPITAL PROJECTS TOTAL</b>	<b>\$ 97,937,212</b>	<b>\$ 152,695,710</b>	<b>\$ 152,766,353</b>	<b>\$ 213,860,808</b>	<b>\$ 61,165,098</b>	<b>40.1%</b>
<b>TOTAL OUTLAYS****</b>	<b>\$ 293,133,898</b>	<b>\$ 381,444,391</b>	<b>\$ 384,809,034</b>	<b>\$ 463,235,119</b>	<b>\$ 81,790,728</b>	<b>21.4%</b>

(\*) Interest revenue does not include GASB31 market value adjustment

(\*\*) Operations outlay does not include OPEB Expense-unfunded liability

(\*\*\*) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

(\*\*\*\*) Total Outlays amounts may have a slight variance due to rounding

# Fund Summaries

## Water Enterprise Fund

### Overview

The Water Utility Enterprise is committed to providing safe, reliable water to Santa Clara County now and for future generations. Presently, it ensures the availability of water to 15 cities, farmers, and individual well owners spread over 1,300 square miles, with Valley Water-managed usage estimated to total 230,000 acre-feet (AF) in FY 2020-21.

This requires the operation of the following facilities:

- 10 surface reservoirs with a total operationally restricted storage capacity of 111,421 AF
- 17 miles of canals
- 5 water supply diversion dams
- 99 groundwater recharge ponds
- 86 miles of controlled in-stream recharge in the county
- 142 miles of pipelines
- 3 water treatment plants
- 1 Advanced Water Purification Center
- 3 Raw Water Pump Stations with over 37,000 combined horsepower
- 1 well field

Activities of the Water Utility are segregated into the Water Utility Enterprise Fund and the State Water Project Fund. For the Water Utility Enterprise Fund, revenue is derived from treated, surface and recycled water sales; groundwater production charges; federal, state and local grants; interest earnings; and ad valorem taxes as provided by law. The Water Enterprise Fund accounts for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Water Utility Enterprise Fund accounts for all costs except those of the State Water

Project Fund. The State Water Project Fund accounts specifically for state water project tax revenue and state water project contractual costs.

### Groundwater Production Charges

Valley Water's groundwater production charges pay for activities that benefit a particular zone. In June 2014 Valley Water commissioned a scientific study of its groundwater benefit zones. Based on the outcome of that study, on October 8, 2019, the Board directed staff to pursue modifying the existing groundwater benefit zones W-2 and W-5, and to create two new zones W-7 (Coyote Valley) and W-8 (below Uvas and Chesbro Reservoirs) that would go into effect July 1, 2020. The following water production charges reflect that direction.

The FY 2020-21 Budget includes North County (modified Zone W-2) groundwater production charges that reflect an 8.6% increase over the prior year for municipal and industrial (M&I) water. The approved M&I groundwater production charge for North County is \$1,492 per AF. The approved total treated water contract charge is \$1,592 per AF. The agricultural water charge reflects a 5.2% increase over the prior year which results in a charge of \$30.36 per AF. The agricultural water charge is 6.0% of the recommended existing South County M&I rate.

The FY 2020-21 Budget also includes groundwater production charges for the South County region. The Llagas Subbasin (modified Zone W-5) groundwater production charge reflects a 2.9% decrease over the prior year or \$467 per AF for M&I water. The Coyote Valley (new Zone W-7) groundwater production charge reflects a 9.4% increase over the prior year or \$526 per AF for M&I water. For residents and customers in the foothills below the Uvas and Chesbro Reservoirs (new Zone W-8), the groundwater production charge

# Fund Summaries

reflects a 32.0% decrease over the prior year or \$327 per AF for M&I water. For all South County Zones, the agricultural water charge reflects a 5.2% increase over the prior year and results in a charge of \$30.36 per AF. The agricultural water charge is 6.0% of the recommended existing South County M&I rate.

The water use assumption is 230,000 AF, which represents a 2.0% increase year over year versus the estimated actual for FY 20. A table with historical and recommended water charges is included in the pages that follow.

## FY 2020-21 Budget

The following summarizes the revenues, expenses, debt proceeds, and reserves in the Water Enterprise Fund Summary (Fund 61) statement on the following pages.

Estimated total revenue for FY 2020-21 is \$326.3 million (\$307.3 million for Fund 61 and \$19.0 million for Fund 63), or 1.7% more than the FY 2019-20 budget. Operations costs (excluding debt service) are expected to be \$200.9 million for both funds. This represents an 8.7% increase from the FY 2019-20 Adopted Budget. The cost of purchased water from the federal and state projects continues to be the largest expense at \$17.8 million and \$29.6 million, respectively. The budget also includes \$10.8 million to pay Valley Water's capital cost obligations for the federal San Felipe Division of the Central Valley Project. Debt service is budgeted at \$48.4 million.

In FY 2020-21 the capital appropriation is estimated to be \$191.7 million and capital carry forward is estimated at \$22.2 million. Total requirements of \$213.9 million are to be met from a combination of current revenues, reserves, and debt.

The approved water charges will generate \$281.9 million in revenues from water usage. Capital reimbursements are estimated at \$11.4, property tax revenues are projected to be \$26.2 million, and interest earnings and other revenue are estimated to be

\$6.8 million for a total of \$326.3 million. Staff also assumed a debt issuance of \$135.5 million to help finance critical investments in water supply infrastructure.

Total reserves for both funds are \$118.6 million, a decrease of \$4.2 million relative to FY 2019-20 Adopted Budget.

The debt service coverage ratio is targeted at 2.0 or higher to help ensure financial stability and continued high credit ratings. Discretionary reserves are targeted at Valley Water policy minimums or higher based on reasonably anticipated needs.

The FY 2020-21 Budget includes the addition of 10.0 Full Time Equivalent positions. Of these, 5.0 are for three critical Implementation Projects for water treatment plants, SCADA systems, and the water distribution system. These projects will assess current systems and their conditions, work with stakeholders, reach consensus on highest priority capital needs, and initiate programmatic Environment Impact Reviews for highest priority capital projects. Of the remaining additional positions, 2.0 FTEs are for Indirect Potable Reuse program planning and engineering, 2.0 are for Rinconada capital program engineering, and 1.0 is for pipeline engineering.

## Significant Business Challenges/ Opportunities

- Support the Board in achieving the Board Budget Goals to ensure current and future water supply for municipalities, industries, agriculture, and the environment is reliable.

# Fund Summaries

- In Conjunction with the San Benito County Water District and Pacheco Pass Water District, continuing to explore the possibility of expanding the existing Pacheco Reservoir on the North Fork Pacheco Creek in south-east Santa Clara County. The project is envisioned to expand the 5,500-acre foot reservoir to 140,000-acre feet, thereby reducing the frequency and severity of water shortages, increasing emergency water supplies, improving water quality, providing flood protection for disadvantaged communities, and protecting and growing the native steelhead population.
- Continuing to advance the design, permitting and construction of the Anderson Dam Seismic Retrofit Project, and complying with a Federal Energy Regulatory Commission directive received on February 20, 2020 to enact additional interim risk reduction measures to ensure public safety prior to the start of construction. These measures included: revising the level of the reservoir seismic restriction, identifying and executing all activities necessary to safely drain the reservoir to dead pool beginning on October 1, 2020, expediting construction of the low level outlet tunnel, and quickly advancing design and permitting of the overall Seismic Retrofit Project.
- Continuing seismic retrofit design of Calero and Guadalupe dams; design of improvements at Almaden Dam; and seismic evaluations of Chesbro, Coyote, and Uvas dams.
- Managing operation of local reservoirs under seismic restrictions.
- Participating in the planning and evaluation of storage projects like Sites Reservoir and Los Vaqueros Reservoir. This includes evaluation of potential benefits to Valley Water as well as seeking funding opportunities to offset potential project costs.
- Continuing to resolve issues and pursue regulatory actions conducive to the best possible opportunity for Valley Water to participate in the California Delta Conveyance project.
- Within approved budgets, providing the required level of supply, treatment, delivery, and renewal of aging infrastructure; including implementing master plans for investments in raw and treated water infrastructure and control systems to meet current and future supply and treatment needs.
- Meeting or surpassing all drinking water standards and delivering approximately 110,000 acre feet of water to fulfill treated water contracts. Operating Rinconada, Penitencia, and Santa Teresa water treatment plants to continue to deliver treated water and coordinating operations of the SFPUC/SCVWD Intertie during scheduled outages.
- Initiating next phases of construction of the Rinconada Water Treatment Plant Reliability Improvement Project.
- Completing the Countywide Water Reuse Master Plan effort and continuing development and implementation of agreements with wastewater agency partners to expand purified water supply systems and enhance long-term supply reliability.
- Coordinating the completion of the Fish Habitat Restoration Plan and CEQA documentation for fulfilling 2003 FAHCE settlement agreement and for completing the Anderson Dam Seismic Retrofit Project to support an application to the State Water Resources Control Board, and also coordinating the resolution of water rights issues in Coyote, Guadalupe and Stevens Creek watersheds.

## Major Capital Projects

### **E 2.1 Current and future water supplies are reliable**

- Pacheco Reservoir Expansion – Planning, Design
- Anderson Dam Seismic Retrofit – Design
- South County Recycled Water Pipeline – Construction
- Indirect Potable Reuse – Planning, Design

### **E 2.2 Raw water transmission & distribution assets ensure reliability and efficiency**

- 10-Yr Pipeline Inspection and Rehabilitation – Planning, Design, Construction
- Distribution Systems Implementation Project – Planning, Design
- Coyote Pumping Plant ASD - Design

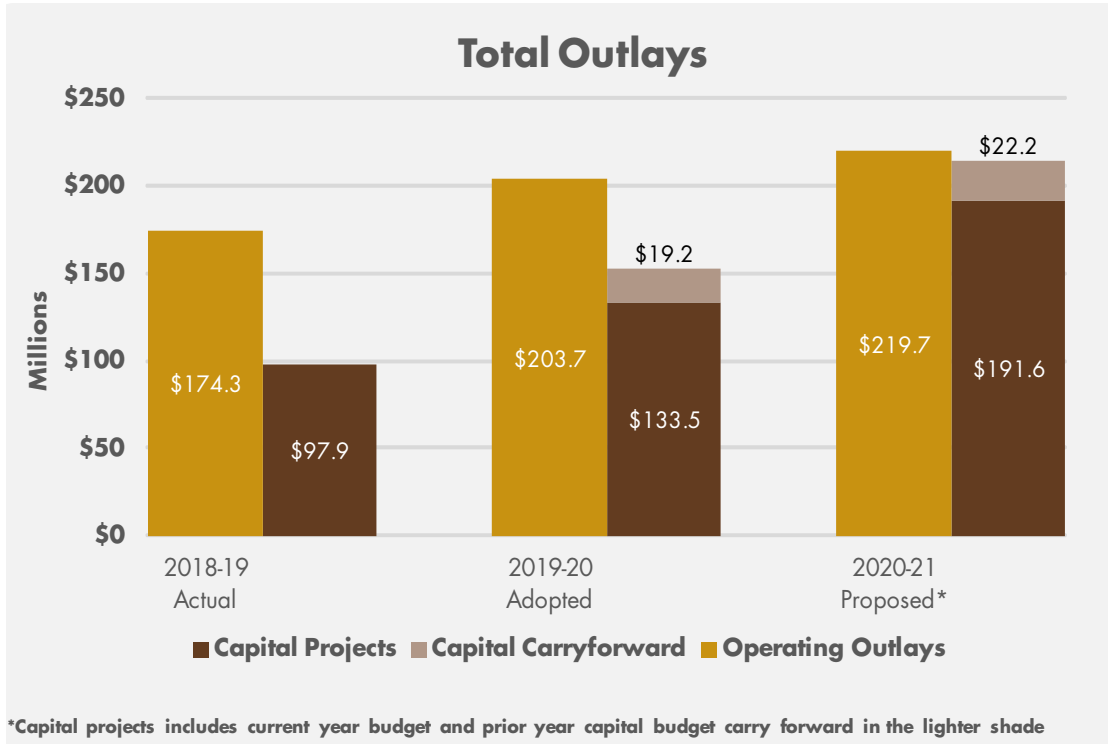
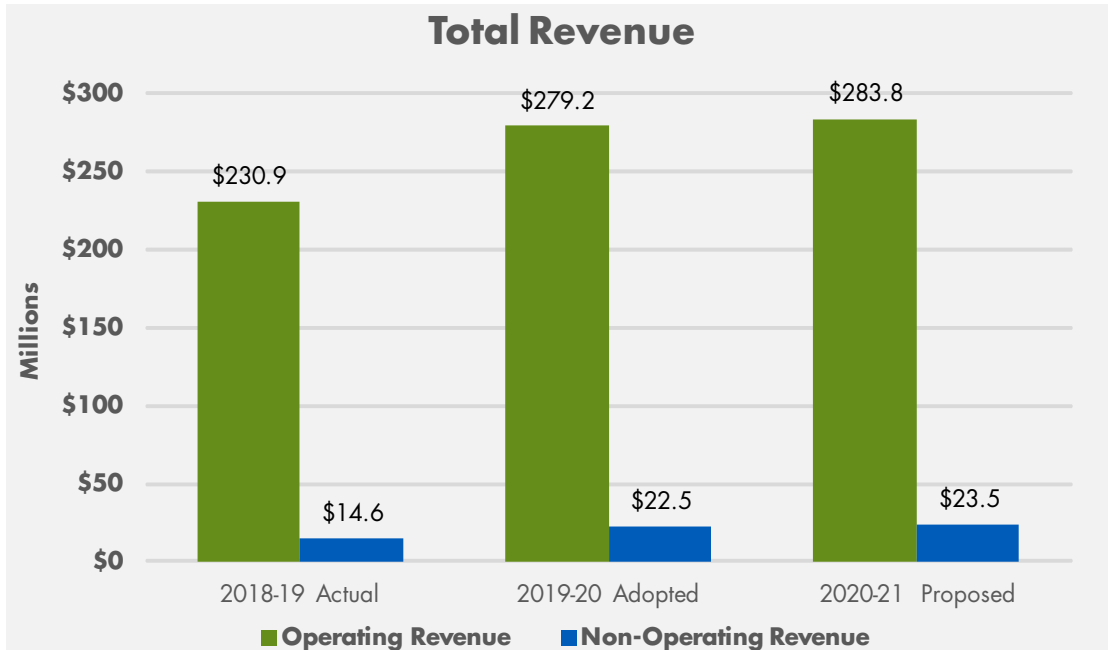
# Fund Summaries

## **E 2.3 Reliable high quality drinking water is delivered**

- RWTP Reliability Improvement – Construction
- RWTP Residuals Remediation – Design, Construction

# Fund Summaries

## Water Enterprise Fund (Fund 61)





# Fund Summaries

## Water Enterprise Fund Summary (Fund 61)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>REVENUE</b>						
<b>Operating Revenue</b>						
Groundwater Production Charges	\$ 81,922,689	\$ 105,036,000	\$ 98,050,000	\$ 130,728,000	\$ 25,692,000	24.5%
Treated Water Charges	143,998,219	169,519,000	156,495,000	148,398,000	(21,121,000)	(12.5)%
Surface&Recycled Water Charges	1,757,563	2,821,000	2,820,000	2,735,000	(86,000)	(3.0)%
Intergovernmental Services	2,754,161	1,237,000	1,162,000	1,242,326	5,326	0.4%
Operating Other	516,051	625,000	700,000	700,000	75,000	12.0%
<b>Total Operating Revenue</b>	<b>\$ 230,948,683</b>	<b>\$ 279,238,000</b>	<b>\$ 259,227,000</b>	<b>\$ 283,803,326</b>	<b>\$ 4,565,326</b>	<b>1.6%</b>
<b>Non-Operating Revenue</b>						
Property Tax	\$ 8,124,104	\$ 7,451,232	\$ 8,087,232	\$ 8,217,000	\$ 765,768	10.3%
Capital Reimbursements	1,148,667	11,856,000	10,916,000	11,358,000	(498,000)	(4.2)%
Interest Income *	5,066,270	2,800,000	5,300,000	3,500,000	700,000	25.0%
Nonoperating Other	265,282	392,000	392,191	400,554	8,554	2.2%
<b>Total Non-Operating Revenue</b>	<b>\$ 14,604,323</b>	<b>\$ 22,499,232</b>	<b>\$ 24,695,423</b>	<b>\$ 23,475,554</b>	<b>\$ 976,322</b>	<b>4.3%</b>
<b>TOTAL REVENUE</b>	<b>\$ 245,553,006</b>	<b>\$ 301,737,232</b>	<b>\$ 283,922,423</b>	<b>\$ 307,278,880</b>	<b>\$ 5,541,648</b>	<b>1.8%</b>
<b>OUTLAYS</b>						
<b>Operating Outlays</b>						
Operations **	\$ 143,695,017	\$ 159,496,041	\$ 162,790,041	\$ 171,033,552	\$ 11,537,511	7.2%
Operating Project	338,761	310,764	310,764	280,153	(30,611)	(9.8)%
Debt Service	30,270,733	43,874,295	43,874,295	48,424,345	4,550,050	10.4%
<b>Total Operating Outlays</b>	<b>\$ 174,304,511</b>	<b>\$ 203,681,100</b>	<b>\$ 206,975,100</b>	<b>\$ 219,738,050</b>	<b>\$ 16,056,950</b>	<b>7.9%</b>
<b>Capital Outlays</b>						
Capital Projects	\$ 97,937,212	\$ 133,456,709	\$ 152,766,352	\$ 191,648,401	\$ 58,191,692	43.6%
Carry Forward Capital Projects	—	19,239,000	—	22,212,407	2,973,407	15.5%
<b>Total Capital Outlays</b>	<b>\$ 97,937,212</b>	<b>\$ 152,695,709</b>	<b>\$ 152,766,352</b>	<b>\$ 213,860,808</b>	<b>\$ 61,165,099</b>	<b>40.1%</b>
<b>TOTAL OUTLAYS****</b>	<b>\$ 272,241,723</b>	<b>\$ 356,376,809</b>	<b>\$ 359,741,452</b>	<b>\$ 433,598,858</b>	<b>\$ 77,222,049</b>	<b>21.7%</b>
<b>OTHER FINANCING SOURCES/(USES)</b>						
Bond Proceeds	\$ —	\$ 59,559,000	\$ 70,894,000	\$ 135,500,000	\$ 75,941,000	127.5%
Commercial Paper Proceeds	41,540,000	—	—	—	—	—
Transfers In	1,228,000	1,013,000	1,064,430	593,000	(420,000)	(41.5)%
Transfers Out	(3,908,166)	(2,478,000)	(2,570,784)	(6,131,163)	(3,653,163)	147.4%
<b>TOTAL OTHER SOURCES/(USES)</b>	<b>\$ 38,859,834</b>	<b>\$ 58,094,000</b>	<b>\$ 69,387,646</b>	<b>\$ 129,961,837</b>	<b>\$ 71,867,837</b>	<b>123.7%</b>
<b>BALANCE AVAILABLE</b>	<b>\$ 12,171,117</b>	<b>\$ 3,454,423</b>	<b>\$ (6,431,383)</b>	<b>\$ 3,641,859</b>	<b>\$ 187,436</b>	<b>5.4%</b>

# Fund Summaries

## Water Enterprise Fund Summary (Fund 61) (Continued)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>YEAR-END RESERVES</b>						
<b>Restricted Reserves</b>						
WUE Rate Stabilization	\$ 26,090,186	\$ 23,467,000	\$ 23,466,551	\$ 25,878,053	\$ 2,411,053	10.3%
WUE San Felipe Emergency	3,150,102	3,103,000	3,199,972	3,249,972	146,972	4.7%
CP Debt Service	188,842	—	—	—	—	—
WUE Public-Private Partnership (P3) Reserve	4,000,000	8,000,000	8,000,000	—	(8,000,000)	(100.0)%
WUE Water Supply	14,677,000	15,077,000	15,077,000	15,477,000	400,000	2.7%
WUE SVAWPC	1,066,000	1,066,000	1,298,138	908,138	(157,862)	(14.8)%
WUE Drought Reserve	7,000,000	10,000,000	10,000,000	10,000,000	—	—
GP5 Reserve	—	—	3,613,000	3,613,000	3,613,000	—
<b>Total Restricted Reserves</b>	<b>\$ 56,172,130</b>	<b>\$ 60,713,000</b>	<b>\$ 64,654,661</b>	<b>\$ 59,126,163</b>	<b>\$ (1,586,837)</b>	<b>(2.6)%</b>
<b>Committed Reserves</b>						
Currently Authorized Projects ***	\$ 52,251,978	\$ 15,830,000	\$ 31,598,335	\$ 9,385,928	\$ (6,444,072)	(40.7)%
Operating and Capital Reserve	12,951,918	41,436,874	18,691,647	50,074,411	8,637,537	20.8%
<b>Total Committed Reserves</b>	<b>\$ 65,203,896</b>	<b>\$ 57,266,874</b>	<b>\$ 50,289,982</b>	<b>\$ 59,460,339</b>	<b>\$ 2,193,465</b>	<b>3.8%</b>
<b>TOTAL YEAR-END RESERVES</b>	<b>\$ 121,376,026</b>	<b>\$ 117,979,874</b>	<b>\$ 114,944,643</b>	<b>\$ 118,586,502</b>	<b>\$ 606,628</b>	<b>0.5%</b>
<b>Outlay Summary by Account Type</b>						
<b>OPERATING OUTLAY</b>						
Salaries & Benefits	\$ 51,310,127	\$ 57,187,636	\$ 57,187,636	\$ 60,388,038	\$ 3,200,402	5.6%
Salaries Savings Factor	—	(1,535,415)	(1,535,415)	(1,552,708)	(17,293)	1.1%
Services & Supplies	60,927,729	72,495,333	75,789,333	77,566,212	5,070,879	7.0%
Intra-District Charges	31,795,923	31,659,250	31,659,250	34,912,163	3,252,913	10.3%
<b>OPERATING OUTLAY TOTAL</b>	<b>\$ 144,033,779</b>	<b>\$ 159,806,804</b>	<b>\$ 163,100,804</b>	<b>\$ 171,313,705</b>	<b>\$ 11,506,901</b>	<b>7.2%</b>
<b>DEBT SERVICE</b>						
Services & Supplies	\$ 530,275	\$ 3,538,780	\$ 3,538,780	\$ 2,289,720	\$ (1,249,060)	(35.3)%
Debt Service	29,740,459	40,335,515	40,335,515	46,134,625	5,799,110	14.4%
<b>DEBT SERVICE TOTAL</b>	<b>\$ 30,270,734</b>	<b>\$ 43,874,295</b>	<b>\$ 43,874,295</b>	<b>\$ 48,424,345</b>	<b>\$ 4,550,050</b>	<b>10.4%</b>
<b>CAPITAL PROJECTS</b>						
Salaries & Benefits	\$ 12,247,695	\$ 17,433,734	\$ 17,433,734	\$ 21,563,160	\$ 4,129,426	23.7%
Salaries Savings Factor	—	(484,632)	(484,632)	(581,223)	(96,591)	19.9%
Services & Supplies	78,020,737	106,946,135	126,255,778	158,400,370	51,454,235	48.1%
Carry Forward Capital Projects	—	19,239,000	—	22,212,407	2,973,407	15.5%
Intra-District Charges	7,668,780	9,561,473	9,561,473	12,266,094	2,704,621	28.3%
<b>CAPITAL PROJECTS TOTAL</b>	<b>\$ 97,937,212</b>	<b>\$ 152,695,710</b>	<b>\$ 152,766,353</b>	<b>\$ 213,860,808</b>	<b>\$ 61,165,098</b>	<b>40.1%</b>
<b>TOTAL OUTLAYS****</b>	<b>\$ 272,241,725</b>	<b>\$ 356,376,809</b>	<b>\$ 359,741,452</b>	<b>\$ 433,598,858</b>	<b>\$ 77,222,049</b>	<b>21.7%</b>

(\*) Interest revenue does not include GASB31 market value adjustment

(\*\*) Operations outlay does not include OPEB Expense-unfunded liability

(\*\*\*) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

(\*\*\*\*) Total Outlays amounts may have a slight variance due to rounding

# Fund Summaries

## Water Enterprise Charge Summary

	Adopted 2016/17	Adopted 2017/18	Adopted 2018/19	Adopted 2019/20	Proposed 2020/21
<b>Groundwater Production &amp; Untreated Surface Water (Basic User Charge)</b>					
<b>Zone W-2</b>					
Agricultural	23.59	25.09	27.02	28.86	30.36
Non-Agricultural	1,072.00	1,175.00	1,289.00	1,374.00	1,492.00
<b>Zone W-5</b>					
Agricultural	23.59	25.09	27.02	28.86	30.36
Non-Agricultural	393.00	418.00	450.00	481.00	467.00
<b>Zone W-7</b>					
Agricultural	23.59	25.09	27.02	28.86	30.36
Non-Agricultural	393.00	418.00	450.00	481.00	526.00
<b>Zone W-8</b>					
Agricultural	23.59	25.09	27.02	28.86	30.36
Non-Agricultural	393.00	418.00	450.00	481.00	327.00
<b>Water Master<sup>(1)</sup></b>	<b>27.46</b>	<b>33.36</b>	<b>35.93</b>	<b>37.50</b>	<b>39.15</b>
<b>Treated Water</b>					
Contract (Scheduled) <sup>(2)</sup>	1,172.00	1,275.00	1,389.00	1,474.00	1,592.00
Non-Contract <sup>(3)</sup>	1,122.00	1,225.00	1,339.00	1,574.00	1,692.00
<b>Minimum Untreated Surface Water Charge</b>					
Zone W-2 Non-Agricultural	804.00	881.25	966.75	1,030.50	1,119.00
Zone W-5 Non-Agricultural	294.75	313.50	337.50	360.75	350.25
Zone W-7 Non-Agricultural	294.75	313.50	337.50	360.75	394.50
Zone W-8 Non-Agricultural	294.75	313.50	337.50	360.75	245.25
Zone W-2 Agricultural	17.69	18.82	20.27	21.65	22.77
Zone W-5 Agricultural	17.69	18.82	20.27	21.65	22.77
Zone W-7 Agricultural	17.69	18.82	20.27	21.65	22.77
Zone W-8 Agricultural	17.69	18.82	20.27	21.65	22.77
<b>Reclaimed Water</b>					
<b>Gilroy Reclamation Facility</b>					
Agricultural	47.38	48.88	54.41	56.25	57.76
Non-Agricultural	373.00	398.00	430.00	461.00	447.00

(1) The surface water charge is the sum of the basic user charge (which equals the groundwater production charge) plus the water master charge

(2) The total treated water contract charge is the sum of the basic user charge (which equals the groundwater production charge) plus the contract surcharge

(3) The total treated water non-contract charge is the sum of the basic user charge (which equals the groundwater production charge) plus the non-contract surcharge

# Fund Summaries

## Total Outlays - Source of Supply

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
<b>Operations</b>						
91041012	Water Operations Planning	474,137	677,257	632,940		Raw Water Division
91041018	Groundwater Management Program	3,951,258	4,442,250	4,939,593		Water Supply Division
91061007	Districtwide Salary Savings-61		(1,535,415)	(1,552,708)		Financial Planning and Management Services Division
* 91061012	Facilities Env Compliance	43,000	37,995	40,059		Office of COO IT and Admin Services
91081007	Dam Safety Program	1,093,018	1,599,528	1,722,903		Dam Safety and Capital Delivery Division
91101004	Recycled & Purified Water Prog	5,518,487	5,805,754	5,873,393		Water Supply Division
91111001	Water Rights	331,764	631,069	661,508		Raw Water Division
91131004	Imported Water Program	4,437,055	4,744,497	5,548,446		Water Supply Division
91131006	IW San Felipe Division Delvrs	20,961,336	23,080,467	17,833,695		Water Supply Division
91131007	IW South Bay Aqueduct Delvrs	95,581	2,535,887	756,828		Water Supply Division
91151001	Water Conservation Program	4,482,201	6,148,061	6,197,972		Water Supply Division
91151012	Recycld/PurifiedWaterPublicEng	713,172	810,827	1,286,410		Office of Chief of External Affairs
91151013	Water Banking Operations	5,488,926	2,501,870	3,815,605		Water Supply Division
91211004	San Felipe Reach 1 Operation	608,799	755,963	641,129		Raw Water Division
91211005	SFD Reach 1 Administration	6,224	4,056	5,162		Raw Water Division
91211084	San Felipe Reach1 Ctrl and Ele	340,869	412,907	315,777		Treated Water Division
91211085	SF Reach 1-Engineering - Other	80,879	220,036	289,094		Raw Water Division
91211099	San Felipe Reach 1 Gen Maint	674,444	875,806	856,489		Raw Water Division
91221002	San Felipe Reach 2 Operation	59,060	141,669	62,942		Raw Water Division
91221006	SF Reach 2-Engineering - Other	12,315	216,438	177,496		Raw Water Division
91221099	San Felipe Reach 2 Gen Maint	211,788	154,122	161,725		Raw Water Division
91231002	San Felipe Reach 3 Operation	108,277	301,589	329,526		Raw Water Division
91231084	San Felipe Reach3 Ctrl and Ele	221,545	232,836	313,881		Treated Water Division
91231085	SF Reach 3-Engineering - Other	13,639	75,381	110,300		Raw Water Division
91231099	San Felipe Reach 3 Gen Maint	682,534	1,052,224	1,048,313		Raw Water Division
91251001	Transfer-Bethany Pipeline	355,000	1,940,241	1,020,861		Water Supply Division
91281007	SVAWPC Facility Operations	2,163,605	2,428,854	2,513,648		Treated Water Division
91281008	SVAWPC Facility Maintenance	1,896,338	1,784,953	2,378,075		Treated Water Division
91441003	Desalination	1,506	73,334	63,659		Water Supply Division
91451002	Well Ordinance Program	1,425,008	1,834,687	1,847,212		Water Supply Division
91451005	Source Water Quality Mgmt	328,064	363,271	700,088		Treated Water Division
91451011	Invasive Mussel Prevention	615,764	609,063	618,164		Treated Water Division

\*Recipient projects

\*\*Closed, combined or no current year funding

\*\*\*Represents estimated unspent capital project budget from FY 2019-20 that will be carried forward to FY2020-21. A negative carryforward amount is based on the CIP approved expenditure in FY20. If the actual FY20 expenditure matches with the CIP approved FY20 expenditure, budget adjustments will be processed to address overspending.

# Fund Summaries

## Total Outlays - Source of Supply (Continued)

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
91601001	Delta Conveyance Project	1,129,900	5,358,971	11,645,071		Water Supply Division
91761001	Local Res/Div Plan & Analysis	1,606,023	1,410,737	1,687,154		Raw Water Division
* 91761013	SCADA Systems Upgrades	18,440	213,838	108,302		Treated Water Division
91761099	Dams / Reservoir Gen Maint	2,085,465	3,312,185	3,505,563		Dam Safety and Capital Delivery Division
91951001	San Luis Low Point Improvement			322,582		Dam Safety and Capital Delivery Division
<b>Total Operations</b>		<b>62,235,420</b>	<b>75,253,208</b>	<b>78,478,858</b>		
<b>Capital</b>						
91084019	Dam Safety Seismic Stability	2,814,866	630,908	427,350		Dam Safety and Capital Delivery Division
91084020	Calero-Guad Dams Seismic Retro	231,387		1,365,690	198,810	Dam Safety and Capital Delivery Division
91094001	Land Rights-SC Recycled Water Pipeline			203,721		Water Utility Capital Division
91094009	SoCo Rcylid Wtr PL Short-Trm 1B	418,411		9,313,444	7,904,037	Water Utility Capital Division
91094010	So. County Recycled Water Fund	101,632				Water Supply Division
91154007	Water Purchases Captl Project	10,056,930	10,410,713	10,776,941		Water Supply Division
91184008	SV Adv Wtr Purification Ctr	1,287				Water Utility Capital Division
91214001	Pacheco Conduit Rehabilitation	132,792				Raw Water Division
91214010	Small Caps, San Felipe R1	1,182,911	5,715,984	2,061,205		Raw Water Division
91224010	Small Caps, San Felipe R2	168,330	866,440	858,850		Raw Water Division
91234002	Coyote Pumping Plant ASD	675,510	1,026,846	2,429,866	320,846	Water Utility Capital Division
91234010	Small Caps, San Felipe R3	23,048	850,000	206,354		Raw Water Division
91234011	Coyote Warehouse	4,637,939	2,481,995	284,342	21,144	Water Utility Capital Division
91244001	Wolfe Rd Recycled Wtr Facility	164,436				Dam Safety and Capital Delivery Division
91304001	Indirect Potable Reuse-Plan	1,768,844	2,479,965	7,060,885	2,637,965	Water Utility Capital Division
91854001	Almaden Dam Improvements	3,000,721		167,728	(155,000)	Dam Safety and Capital Delivery Division
91864005	Anderson Dam Seismic Retrofit	11,790,347	4,178,595	10,109,204	761,446	Dam Safety and Capital Delivery Division
91874004	Calero Dam SeisRetrofit Des&Con	1,770,683	407,999	900,445	197,521	Dam Safety and Capital Delivery Division
91894002	Guadalupe Dam SeisRef Des&Con	1,822,305	788,999	542,614	273,235	Dam Safety and Capital Delivery Division
91954002	Pacheco Reservoir ExpansionPrj	16,963,431	42,056,108	27,783,791	6,214,159	Dam Safety and Capital Delivery Division

\*Recipient projects

\*\*Closed, combined or no current year funding

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# Fund Summaries

## Total Outlays - Source of Supply (Continued)

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
<b>Total Capital</b>		<b>57,725,809</b>	<b>71,894,552</b>	<b>74,492,429</b>	<b>18,374,163</b>	
<b>Total</b>		<b>119,961,229</b>	<b>147,147,760</b>	<b>152,971,287</b>	<b>18,374,163</b>	

\*Recipient projects

\*\*Closed, combined or no current year funding

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# Fund Summaries

## Total Outlays - Raw Water Transmission and Distribution

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
<b>Operations</b>						
92041014	FAHCE/Three Creeks HCP Project	4,704,111	3,810,415	2,568,919		Watershed Stewardship & Planning Division
* 92061012	Facilities Env Compliance	77,400	68,390	72,107		Office of COO IT and Admin Services
92261099	Vasona Pump Station Gen Main	71,855	199,688	140,058		Raw Water Division
92761001	Raw Water T&D Gen'l Oper	1,541,439	1,512,655	1,601,942		Raw Water Division
92761007	Rchrg / RW Fld Ops Pln & Anlys	(1,036)				Raw Water Division
92761008	Recycled Water T&D Genrl Maint	125,549	288,863	282,147		Raw Water Division
92761009	Recharge/RW Field Ops	4,434,568	3,173,414	3,325,778		Raw Water Division
92761010	Rchrg / RW Field Fac Maint	2,674,846	2,064,317	2,278,684		Raw Water Division
92761012	Untreated Surface Water Program	51,263	108,753	395,817		Raw Water Division
* 92761013	SCADA Systems Upgrades	10,537	122,193	137,183		Treated Water Division
92761082	Raw Water T&D Ctrl and Electr	724,834	655,898	566,668		Treated Water Division
92761083	Raw Water T&D Eng Other	153,100	518,253	1,035,928		Raw Water Division
92761085	Anderson Hydrelctrc Fclty Main	73,871	163,433	168,515		Raw Water Division
92761099	Raw Water T / D Gen Maint	1,997,687	2,077,782	2,326,326		Raw Water Division
92781002	Raw Water Corrosion Control	482,117	479,641	644,326		Raw Water Division
<b>Total Operations</b>		<b>17,122,141</b>	<b>15,243,696</b>	<b>15,544,396</b>		
<b>Capital</b>						
92144001	Pacheco/SC Conduit ROW ACQ	133,943		506,442	544,384	Water Utility Capital Division
92224001	Pen Force Main Seismic Retrofi	66,201				Water Utility Capital Division
92264001	Vasona Pump Station Upgrade	851,763	525,400	1,217,429	273	Water Utility Capital Division
92304001	Almaden Valley Pipeline Replacement			667,800		Water Utility Capital Division
** 92374005	SCADA Remote Arch&Comm Upgrade	196,821	255,987			Water Utility Capital Division
92764009	Small Caps, Raw Water T&D	756,902	1,215,303	81,597	303	Raw Water Division
<b>Total Capital</b>		<b>2,005,630</b>	<b>1,996,690</b>	<b>2,473,267</b>	<b>544,960</b>	
<b>Total</b>		<b>19,127,771</b>	<b>17,240,386</b>	<b>18,017,664</b>	<b>544,960</b>	

\*Recipient projects

\*\*Closed, combined or no current year funding

\*\*\*Represents estimated unspent capital project budget from FY 2019-20 that will be carried forward to FY2020-21. The estimated negative carryforward amount is based on the CIP approved expenditure in FY20. If the actual FY20 expenditure matches with the CIP approved FY20 expenditure, budget adjustments will be processed to address overspending.



# Fund Summaries

## Total Outlays - Water Treatment

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
<b>Operations</b>						
* 93061012	Facilities Env Compliance	524,598	463,535	488,724		Office of COO IT and Admin Services
93081002	Treatment Plant Process & Commissioning			385,080		Treated Water Division
93081008	W T General Water Quality	1,869,819	2,219,219	2,414,862		Treated Water Division
93081009	Water Treatment Plant Engineer	78,790	678,842	394,289		Raw Water Division
93231007	PWTP Landslide Monitoring	51,457	2,165			Dam Safety and Capital Delivery Division
93231009	PWTP General Operations	5,150,710	5,224,820	5,765,415		Treated Water Division
93231099	Penitencia WTP General Maint	2,937,852	2,490,903	3,084,954		Raw Water Division
93281005	STWTP - General Operations	5,635,376	5,272,219	6,272,321		Treated Water Division
93281099	Santa Teresa WTP General Maint	3,024,614	3,243,877	3,463,147		Raw Water Division
93291012	RWTP General Operations	7,695,269	8,306,554	9,059,673		Treated Water Division
93291099	Rinconada WTP General Maint	3,053,830	3,722,024	3,646,134		Raw Water Division
93401002	Water District Laboratory	5,029,771	5,095,958	5,516,972		Treated Water Division
93761001	SF/SCVWD Intertie General Ops	29,896	219,853	227,525		Treated Water Division
93761004	Campbell Well Field Operations	87,455	86,860	103,622		Treated Water Division
93761005	Campbell Well Field Maint	71,535	93,513	112,332		Raw Water Division
93761006	Treated Water Ctrl & Elec Eng	2,420,373	2,316,887	2,111,789		Treated Water Division
* 93761013	SCADA Systems Upgrades	30,953	358,943	433,208		Treated Water Division
93761099	SF/SCVWD Intertie Gen Maint	298,225	417,252	112,278		Raw Water Division
<b>Total Operations</b>		<b>37,990,524</b>	<b>40,213,423</b>	<b>43,592,328</b>		
<b>Capital</b>						
93044001	WTP Implementation			1,697,404		Treated Water Division
93084004	Wtr Trtmnt Plnt Electr Imprv		202,611	446,992		Water Utility Capital Division
93234043	PWTP Clearwell Recoat & Repair	51,108				Water Utility Capital Division
93234044	PWTP Residuals Management			682,500		Water Utility Capital Division
93284013	STWTP Filter Media Replace		202,611	444,486		Water Utility Capital Division
93294051	RWTP FRP Residuals Management	970,673			10,500	Water Utility Capital Division
93294056	RWTP Treated Water Valves Upgd	33,444	20,999		144,550	Water Utility Capital Division
93294057	RWTP Reliability Improvement	23,210,377	14,566,196	40,832,999	2,101	Water Utility Capital Division
93294058	RWTP Residuals Remediation	1,065,450	2,632,305	13,405,904	625,746	Water Utility Capital Division

\*Recipient projects

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# Fund Summaries

## Total Outlays - Water Treatment (Continued)

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
93764003	IRP2 WTP Bldg Seismic Retrofit	85,651				Water Utility Capital Division
93764004	Small Caps, Water Treatment	1,517,821	11,353,369	3,035,124		Raw Water Division
<b>Total Capital</b>		<b>26,934,524</b>	<b>28,978,091</b>	<b>60,545,409</b>	<b>782,897</b>	
<b>Total</b>		<b>64,925,048</b>	<b>69,191,514</b>	<b>104,137,737</b>	<b>782,897</b>	

\*Recipient projects

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# Fund Summaries

## Total Outlays - Treated Water Transmission and Distribution

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
<b>Operations</b>						
94761005	TW T&D - Engineering - Other	178,474	422,017	650,090		Raw Water Division
* 94761013	SCADA Systems Upgrades	5,927	68,734	43,321		Treated Water Division
94761099	Treated Water T/D Gen Maint	1,019,766	1,337,157	1,486,237		Raw Water Division
94781001	Treated Water T/D Corrosion	333,723	415,167	528,658		Raw Water Division
<b>Total Operations</b>		<b>1,537,890</b>	<b>2,243,075</b>	<b>2,708,306</b>		
<b>Capital</b>						
94084007	Treated Water Isolation Valves	14,319	741,653		89,250	Water Utility Capital Division
94084008	Westside Retailer Interties	43,434			67,200	Water Utility Capital Division
94384002	Pen Del Main Seismic Retrofit	6,658				Water Utility Capital Division
94764006	Small Caps,Treated Water T&D		178,000			Raw Water Division
<b>Total Capital</b>		<b>64,411</b>	<b>919,653</b>		<b>156,450</b>	
<b>Total</b>		<b>1,602,301</b>	<b>3,162,728</b>	<b>2,708,306</b>	<b>156,450</b>	

\*Recipient projects

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# Fund Summaries

## Total Outlays - Administration and General

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
<b>Operations</b>						
95001090	Unscoped Projects-Budget Only		100,000	100,000		Office of COO Water Utility
95011003	WU Asset Protection Support	999,695	1,160,363	1,121,864		Watershed Design & Construction Division
* 95021008	Energy Management	202,313	203,381	320,011		Treated Water Division
* 95031002	Grants Management	406,371	400,066	529,569		Financial Planning and Management Services Division
* 95041039	Integrated Regional Water Mgmt	44,342	106,197	58,150		Water Supply Division
** 95061007	WUE Asset Management Plng Prgm	723				Raw Water Division
95061012	Rental Expense San Pedro,MH	8,791	31,531	21,900		Watershed Design & Construction Division
** 95061037	WUE Training & Development	1,729,120				Office of COO Water Utility
95061038	WUE Administration	7,974,711	6,874,245	8,493,545		Office of COO Water Utility
95061043	WUE TW Div Admin Support	884,325	3,591,177	3,359,566		Treated Water Division
* 95061045	Asset Management Program	2,255,243	1,786,572	2,007,788		Treated Water Division
95061047	WUE Technical Training Program	746,065	527,593	497,362		Office of COO Water Utility
* 95061048	Climate Change Adaptation/ Mtg.	296,473	151,612	94,774		Watershed Stewardship & Planning Division
* 95071041	Welding Services	355,937	454,772	491,071		General Services Division
95101003	W2 W5 Water Revenue Program	1,360,462	1,408,255	1,586,987		Financial Planning and Management Services Division
95111003	Water Use Measurement	1,689,707	1,823,659	1,970,478		Water Supply Division
* 95121003	LT Financial Planning & Rate S	576,989	533,943	591,650		Financial Planning and Management Services Division
95151002	WU Customer Relations&Outreach	342,730	488,273	956,404		Office of Chief of External Affairs
95741001	Water Supply Planning	1,067,474	1,467,404	1,850,850		Water Supply Division
* 95741042	Water Resorcs EnvPlng & Permtg	162,515	1,096,602	2,038,063		Watershed Operations & Maintenance Division
95761003	SCADA Network Administration	304,910	232,883	241,209		Information Technology Division
* 95761071	Emergency Management	987,853	986,410	1,162,419		Office of COO IT and Admin Services
* 95771011	Inter Agency Urban Runoff Prog	461,832	495,023	518,561		Watershed Stewardship & Planning Division
* 95771031	HAZMAT Emergency Response	69,860	80,456	84,150		Office of COO IT and Admin Services

\*Recipient projects

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# Fund Summaries

## Total Outlays - Administration and General (Continued)

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
* 95811043	Hydrologic Data Msrmt & Mgmt	884,320	1,009,927	1,019,679		Watershed Stewardship & Planning Division
* 95811046	Warehouse Services	558,195	653,979	749,745		General Services Division
* 95811049	X Valley Subsidence Survey	210,813	548,430	422,455		Office of COO Watersheds
* 95811054	District Real Property Adminis	227,273	329,887	421,414		Office of COO Watersheds
<b>Total Operations</b>		<b>24,809,042</b>	<b>26,542,639</b>	<b>30,709,664</b>		
<b>Operating</b>						
* 95762011	Tree Maintenance Program	338,761	310,764	280,153		Watershed Operations & Maintenance Division
<b>Total Operating</b>		<b>338,761</b>	<b>310,764</b>	<b>280,153</b>		
<b>Debt Service</b>						
95993007	Commercial Paper Tax Exempt	340,069	1,851,890	1,690,860		Financial Planning and Management Services Division
95993008	Commercial Paper Taxable	1,869,634	1,851,890	1,690,860		Financial Planning and Management Services Division
95993012	2006B WUE Refunding (Taxable)	1,781,239	1,813,106	1,816,101		Financial Planning and Management Services Division
95993014	2007B WU Revenue COPs(Taxable)	2,517,972	3,260,000			Financial Planning and Management Services Division
95993015	2016A WU Ref Rev Bond(TxExmpt)	5,318,125	5,350,750	5,350,750		Financial Planning and Management Services Division
95993016	2016B WU Ref Rev Bond(Taxable)	3,230,621	3,244,621	3,244,621		Financial Planning and Management Services Division
95993017	WU COP 2016C (Tax-Exempt)	4,792,436	5,122,250	5,073,000		Financial Planning and Management Services Division
95993018	WU COP 2016D (Taxable)	5,696,061	5,609,741	5,665,657		Financial Planning and Management Services Division
95993019	WU Rev Bond 2017A (Tax Exempt)	4,360,950	4,385,500	4,396,500		Financial Planning and Management Services Division
95993022	WU Rev Bond 2019A (Tax-Exempt)	76,125	1,595,800	1,024,750		Financial Planning and Management Services Division
95993023	WU Rev Bond 2019B (Taxable)	287,500	6,309,024	4,519,910		Financial Planning and Management Services Division
95993024	WU Rev Bond 2019C (Taxable)			2,790,179		Financial Planning and Management Services Division
95993025	WU Rev Bond 2020A (Tax-Exempt)		1,394,780	2,686,670		Financial Planning and Management Services Division
95993026	WU Rev Bond 2020B (Taxable)		2,084,944	5,164,487		Financial Planning and Management Services Division

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# Fund Summaries

## Total Outlays - Administration and General (Continued)

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
95993027	WU Ref Rev Bond 2021A (Tax-Exempt)			1,660,000		Financial Planning and Management Services Division
95993028	WU Ref Rev Bond 2021B (Taxable)			1,650,000		Financial Planning and Management Services Division
<b>Total Debt Service</b>		<b>30,270,733</b>	<b>43,874,295</b>	<b>48,424,345</b>		
<b>Capital</b>						
95044001	Distribution Systems Implementation			2,628,240		Water Supply Division
95044002	SCADA Implementation			1,645,491		Treated Water Division
95064011	Districtwide Salary Savings-61		(484,632)	(581,223)		Financial Planning and Management Services Division
95074001	Capital Warranty Services	131,474		26,316,806	(67,569)	Water Utility Capital Division
* 95074030	WU Capital Training & Dvlpment	435,195				Water Utility Capital Division
* 95074033	CIP Development & Admin	395,642	434,562	443,896		Office of COO Watersheds
* 95074036	Survey Mgmt & Tech Support	309,766	177,311	262,889		Office of COO Watersheds
* 95074038	Capital Progrm Srvc Admin	3,146,793	2,250,758	2,475,472		Water Utility Capital Division
95074039	Cap Construction Mgmt System		976,689	156,511	876,688	Office of COO Water Utility
* 95074041	GS Capital Program Services			475,167		General Services Division
95084002	10-Yr PL Inspection and Rehab	6,575,267	26,129,073	20,314,046	1,544,817	Water Utility Capital Division
95274003	WU Computer Network Modrnizatr	212,702	183,964			Information Technology Division
<b>Total Capital</b>		<b>11,206,838</b>	<b>29,667,723</b>	<b>54,137,295</b>	<b>2,353,936</b>	
<b>Total</b>		<b>66,625,375</b>	<b>100,395,422</b>	<b>133,551,458</b>	<b>2,353,936</b>	

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# Fund Summaries

## Water Enterprise Summary by Zone

	Budgetary Basis Basis Actual 2018-2019	Adopted Budget 2019-20	Estimated Actual 2019-20	Proposed Budget 2020-21	Percent Change
<b>Zone W2 North County</b>					
<b>Allocated Revenue</b>					
Operating Revenue	\$ 217,522,677	\$ 263,997,782	\$ 244,003,760	\$ 267,972,884	1.5%
Non-operating Revenue	35,027,265	38,793,593	40,853,426	39,991,513	3.1%
<b>Total Allocated Revenue</b>	<b>\$ 252,549,942</b>	<b>\$ 302,791,375</b>	<b>\$ 284,857,186</b>	<b>\$ 307,964,397</b>	<b>1.7%</b>
<b>Allocated Operating Outlays</b>					
Operations	\$ 146,339,521	\$ 164,677,739	\$ 167,295,623	\$ 179,134,345	8.8%
Operating Projects	294,045	268,500	268,500	216,558	(19.3)%
Debt Service	30,270,732	43,874,295	43,874,295	48,424,345	10.4%
<b>Total Allocated Operating Outlays</b>	<b>\$ 176,904,298</b>	<b>\$ 208,820,534</b>	<b>\$ 211,438,418</b>	<b>\$ 227,775,248</b>	<b>9.1%</b>
Balance Available for Capital/Reserve	75,645,644	93,970,841	73,418,768	80,189,149	(14.7)%
<b>Capital Appropriations</b>	<b>\$ 97,937,212</b>	<b>\$ 152,695,709</b>	<b>\$ 152,766,352</b>	<b>\$ 213,860,808</b>	<b>40.1%</b>
<b>Other Financing Sources</b>					
Bond Proceeds	\$ —	\$ 59,559,000	\$ 70,894,000	\$ 135,500,000	127.5%
Commercial Paper Proceeds	41,540,000	—	—	—	—
Transfers In	1,228,000	1,013,000	1,064,430	1,941,774	91.7%
Transfers Out	(3,908,166)	(2,478,000)	(2,570,784)	(6,131,163)	147.4%
<b>Total Other Financing Sources/(Uses)</b>	<b>\$ 38,859,834</b>	<b>\$ 58,094,000</b>	<b>\$ 69,387,646</b>	<b>\$ 131,310,611</b>	<b>126.0%</b>
Zone W5 Open Space Credit	(7,383,711)	(7,598,105)	(8,019,822)	(8,175,898)	7.6%
Zone W5 Capital Amortization	5,517,638	6,692,364	7,187,635	6,930,328	3.6%
Zone W5 Interest (Earnings)/Payments	(311,641)	(254,384)	(259,340)	(243,070)	(4.4)%
<b>Balance Available for W2</b>	<b>\$ 14,390,552</b>	<b>\$ (1,790,993)</b>	<b>\$ (11,051,465)</b>	<b>\$ (3,849,688)</b>	<b>114.9%</b>
<b>Existing Zone W5 South County</b>					
<b>Allocated Revenue</b>					
Operating Revenue	\$ 13,426,005	\$ 15,240,218	\$ 15,223,240	\$ —	(100.0)%
Non-operating Revenue	3,046,413	2,705,639	2,841,998	—	(100.0)%
<b>Total Allocated Revenue</b>	<b>\$ 16,472,418</b>	<b>\$ 17,945,857</b>	<b>\$ 18,065,238</b>	<b>\$ —</b>	<b>(100.0)%</b>
<b>Modified Zone W5 South County</b>					
<b>Allocated Revenue</b>					
Operating Revenue	\$ —	\$ —	\$ —	\$ 10,486,027	—
Non-operating Revenue	—	—	—	1,889,005	—
<b>Total Allocated Revenue</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 12,375,032</b>	<b>—</b>
<b>New Zone W7 South County</b>					
<b>Allocated Revenue</b>					
Operating Revenue	\$ —	\$ —	\$ —	\$ 5,182,954	—
Non-operating Revenue	—	—	—	550,102	—
<b>Total Allocated Revenue</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 5,733,056</b>	<b>—</b>
<b>New Zone W8 South County</b>					
<b>Allocated Revenue</b>					
Operating Revenue	\$ —	\$ —	\$ —	\$ 161,462	—
Non-operating Revenue	—	—	—	44,935	—
<b>Total Allocated Revenue</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 206,397</b>	<b>—</b>



# Fund Summaries

## Water Enterprise Summary by Zone (Continued)

	Budgetary Basis Basis Actual 2018-2019		Adopted Budget 2019-20		Estimated Actual 2019-20		Proposed Budget 2020-21		Percent Change
Total South County Revenue for New and Modified Zones									
Operating Revenue	\$	—	\$	—	\$	—	\$	15,830,443	—
Non-operating Revenue		—		—		—		2,484,042	—
Total Allocated Revenue	\$	—	\$	—	\$	—	\$	18,314,485	—
Open Space Credit		7,383,711		7,598,105		8,019,822		8,175,898	7.6%
Total Current Resources	\$	23,856,129	\$	25,543,962	\$	26,085,060	\$	26,490,383	3.7%
Allocated Costs									
Operations	\$	14,055,361	\$	15,108,227	\$	15,784,343	\$	18,371,770	21.6%
Operating Projects		44,716		42,264		42,264		63,595	50.5%
Imported Water Purchases		4,192,267		4,777,657		4,777,657		3,163,697	(33.8)%
Total Allocated Outlays	\$	18,292,344	\$	19,928,148	\$	20,604,264	\$	21,599,062	8.4%
Balance Available for Capital/Reserve		5,563,785		5,615,814		5,480,796		4,891,318	(12.9)%
Interest (earned)/due Utility Reserves		(311,641)		(254,384)		(259,340)		(243,070)	(4.4)%
Total Capital Amortization		5,517,638		6,692,364		7,187,635		6,930,328	3.6%
Balance Available/(Deficit) for Zone W5	\$	357,788	\$	(822,166)	\$	(1,447,499)	\$	(1,795,940)	118.4%
Total Balance Available/(Deficit)	\$	14,748,340	\$	(2,613,159)	\$	(12,498,964)	\$	(5,645,628)	116.0%

# Fund Summaries

## South County Capital Amortization - Modified Zone W-5

(In Thousands \$)						
Project Name	Total Project Cost	Zone W-5 South County %	Zone W-5 South County Cost	FY -21 Cost Recovery	Year Cost Recovery is Complete	Basis of Allocation to the South Zone-W-5
Uvas Dam and Reservoir	\$ 1,124	97.7%	1,098	85	FY 22	Benefits Only South County
San Pedro Recharge Facility	1,882	100.0%	1,882	147	FY 22	Benefits Only South County
San Pedro Recharge House	700	100.0%	700	46	FY 31	Benefits Only South County
Recycled Water Improvements I	7,232	100.0%	7,232	481	FY 31	Benefits Only South County
Recycled Water Improvements II	118	100.0%	118	7	FY 33	Benefits Only South County
Recycled Water Improvements III	1,721	100.0%	1,721	114	FY 33	Benefits Only South County
Water Banking Rights	6,226	3.6%	225	14	FY 35	Total Imported Water Ratio
Dam Instrumentation	6,243	16.0%	999	66	FY 41	Program Benefit Calculation
Geodetic Control Maintenance	236	26.7%	63	4	FY 36	Survey Analysis
Dam Maintenance Mitigation	244	16.7%	40	2	FY 45	Program Benefit Calculation
South County Recycled Water Masterplan, Immediate Term	3,257	100.0%	3,257	215	FY 37	Benefits Only South County
South County Recycled Water Masterplan, Short-Term Implementation 1A	4,314	100.0%	4,314	286	FY 42	Benefits Only South County
South County Recycled Water Fund	8,678	100.0%	8,678	449	FY 50	Benefits Only South County
Water Banking FY 2006	18,895	4.1%	768	50	FY 36	Total Imported Water Ratio
San Felipe Division Capital	10,777	5.4%	579	579	N/A	Repayment Cost Distribution
Pacheco Conduit Inspection and Rehabilitation	6,696	8.9%	599	31	FY 48	CVP Imported Water Ratio
Pacheco Pumping Plant Regulating Tank Recoating	2,550	7.7%	195	12	FY 42	CVP Imported Water Ratio
San Felipe Communications Cable Replacement	235	7.7%	18	1	FY 42	CVP Imported Water Ratio
Small Caps, San Felipe Reach 1	803	8.0%	64	64	N/A	CVP Imported Water Ratio
Santa Clara Tunnel Landslide	4,509	6.8%	307	20	FY 39	CVP Imported Water Ratio
Santa Clara Tunnel Landslide Mitigation	217	7.6%	16	1	FY 39	CVP Imported Water Ratio
Small Caps, San Felipe Reach 2	859	8.0%	68	68	N/A	CVP Imported Water Ratio
Small Caps, San Felipe Reach 3	206	8.0%	16	16	N/A	CVP Imported Water Ratio
Water Infrastructure Reliability Program	2,134	1.1%	24	1	FY 36	Program Benefit Calculation
Water Infrastructure Baseline Improvement	2,403	2.7%	65	4	FY 38	Spare Pipe Usage
Coyote Dam Control Building Improvement	576	8.9%	50	3	FY 42	Anderson Deliveries Ratio
Pacheco Pumping Plant ASD Replacement	18,518	8.4%	1,556	103	FY 45	CVP Imported Water Ratio
Radio Repeater Infill	5	8.5%	—	—	FY 42	Water Usage Ratio
Santa Clara Conduit Rehabilitation	1,814	7.7%	139	9	FY 42	CVP Imported Water Ratio
Raw Water Control System	9,188	2.8%	260	17	FY 37	Program Benefit Calculation
Small Caps, Raw Water Transmission and Distribution	82	10.5%	8	8	N/A	Raw Water Usage
Main and Madrone Pipeline Restoration	11,378	87.9%	10,001	518	FY 48	Benefits Only South County
Inf Reliability Master Plan	2,065	9.4%	193	12	FY 46	Water Usage Ratio
Water Protection	11,387	1.8%	199	13	FY 45	Program Benefit Calculation
Microwave Telecommunications	4,595	7.0%	320	21	FY 44	Water Usage Ratio
Capital Warranty Services	196	17.3%	33	33	N/A	Water Usage Ratio
5-Year Pipeline Rehabilitation	22,059	3.5%	774	48	FY 47	Program Benefit Calculation
Pipeline Hydraulic Reliability Upgrade	335	1.8%	5	—	FY 45	Program Benefit Calculation

# Fund Summaries

## South County Capital Amortization - Modified Zone W-5 (Continued)

(In Thousands \$)						
Project Name	Total Project Cost	Zone W-5 South County %	Zone W-5 South County Cost	FY -21 Cost Recovery	Year Cost Recovery is Complete	Basis of Allocation to the South Zone-W-5
Winfield Capital Improvement	481	9.7%	46	2	FY 48	Water Usage Ratio
Corp Yard Relocation	26	7.8%	1	—	FY 40	Water Usage Ratio
Information Systems Management	5,802	7.5%	433	28	FY 40	Water Usage Ratio
PeopleSoft Upgrade	78	7.5%	5	—	FY 39	Water Usage Ratio
PeopleSoft System Upgrade and Expansion	1,217	9.4%	114	7	FY 46	Water Usage Ratio
Uvas Property Acquisition	1,251	97.7%	1,222	76	FY 46	Benefits Only South County
IT Capital Fund Transfers	6,131	17.3%	1,060	1,060	N/A	Water Usage Ratio
Capital Program Administration	3,814	9.8%	374	374	N/A	Total Capital Cost Ratio
<b>Grand Total</b>	<b>\$ 193,257</b>		<b>49,860</b>	<b>5,117</b>		

(\*) Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

## South County Capital Amortization - New Zone W-7

(In Thousands \$)						
Project Name	Total Project Cost	Zone W-7 South County %	Zone W-7 South County Cost	FY -21 Cost Recovery	Year Cost Recovery is Complete	Basis of Allocation to the South Zone W-7
Uvas Dam and Reservoir	\$ 1,124	—	—	—	FY 22	Benefits Only South County
San Pedro Recharge Facility	1,882	—	—	—	FY 22	Benefits Only South County
San Pedro Recharge House	700	—	—	—	FY 31	Benefits Only South County
Recycled Water Improvements I	7,232	—	—	—	FY 31	Benefits Only South County
Recycled Water Improvements II	118	—	—	—	FY 33	Benefits Only South County
Recycled Water Improvements III	1,721	—	—	—	FY 33	Benefits Only South County
Water Banking Rights	6,226	4.4%	272	18	FY 35	Total Imported Water Ratio
Dam Instrumentation	6,243	4.6%	288	19	FY 41	Program Benefit Calculation
Geodetic Control Maintenance	236	14.0%	33	2	FY 36	Survey Analysis
Dam Maintenance Mitigation	244	4.8%	11	—	FY 45	Program Benefit Calculation
South County Recycled Water Masterplan, Immediate Term	3,257	—	—	—	FY 37	Benefits Only South County
South County Recycled Water Masterplan, Short-Term Implementation 1A	4,314	—	—	—	FY 42	Benefits Only South County
South County Recycled Water Fund	8,678	—	—	—	FY 50	Benefits Only South County
Water Banking FY 2006	18,895	4.9%	931	61	FY 36	Total Imported Water Ratio
San Felipe Division Capital	10,777	6.5%	699	699	N/A	Repayment Cost Distribution
Pacheco Conduit Inspection and Rehabilitation	6,696	10.9%	726	37	FY 48	CVP Imported Water Ratio
Pacheco Pumping Plant Regulating Tank Recoating	2,550	9.3%	237	15	FY 42	CVP Imported Water Ratio
San Felipe Communications Cable Replacement	235	9.3%	21	1	FY 42	CVP Imported Water Ratio
Small Caps, San Felipe Reach 1	803	9.7%	77	77	N/A	CVP Imported Water Ratio
Santa Clara Tunnel Landslide	4,509	8.3%	373	24	FY 39	CVP Imported Water Ratio
Santa Clara Tunnel Landslide Mitigation	217	9.3%	20	1	FY 39	CVP Imported Water Ratio
Small Caps, San Felipe Reach 2	859	9.7%	83	83	N/A	CVP Imported Water Ratio
Small Caps, San Felipe Reach 3	206	9.7%	20	20	N/A	CVP Imported Water Ratio
Water Infrastructure Reliability Program	2,134	0.3%	7	—	FY 36	Program Benefit Calculation

# Fund Summaries

## South County Capital Amortization - New Zone W-7 (Continued)

(In Thousands \$)						
Project Name	Total Project Cost	Zone W-7 South County %	Zone W-7 South County Cost	FY -21 Cost Recovery	Year Cost Recovery is Complete	Basis of Allocation to the South Zone W-7
Water Infrastructure Baseline Improvement	2,403	0.8%	19	1	FY 38	Spare Pipe Usage
Coyote Dam Control Building Improvement	576	10.7%	61	4	FY 42	Anderson Deliveries Ratio
Pacheco Pumping Plant ASD Replacement	18,518	10.2%	1,887	125	FY 45	CVP Imported Water Ratio
Radio Repeater Infill	5	2.4%	—	—	FY 42	Water Usage Ratio
Santa Clara Conduit Rehabilitation	1,814	9.3%	168	11	FY 42	CVP Imported Water Ratio
Raw Water Control System	9,188	1.5%	136	9	FY 37	Program Benefit Calculation
Small Caps, Raw Water Transmission and Distribution	82	5.5%	4	4	N/A	Raw Water Usage
Main and Madrone Pipeline Restoration	11,378	12.1%	1,376	71	FY 48	Benefits Only South County
Inf Reliability Master Plan	2,065	2.7%	55	3	FY 46	Water Usage Ratio
Water Protection	11,387	0.5%	57	3	FY 45	Program Benefit Calculation
Microwave Telecommunications	4,595	2.0%	92	6	FY 44	Water Usage Ratio
Capital Warranty Services	196	5.0%	9	9	N/A	Water Usage Ratio
5-Year Pipeline Rehabilitation	22,059	1.0%	221	13	FY 47	Program Benefit Calculation
Pipeline Hydraulic Reliability Upgrade	335	0.5%	1	—	FY 45	Program Benefit Calculation
Winfield Capital Improvement	481	2.8%	13	—	FY 48	Water Usage Ratio
Corp Yard Relocation	26	7.8%	1	—	FY 40	Water Usage Ratio
Information Systems Management	5,802	2.2%	125	8	FY 40	Water Usage Ratio
PeopleSoft Upgrade	78	2.2%	1	—	FY 39	Water Usage Ratio
PeopleSoft System Upgrade and Expansion	1,217	2.7%	32	2	FY 46	Water Usage Ratio
Uvas Property Acquisition	1,251	—	—	—	FY 46	Benefits Only South County
IT Capital Fund Transfers	6,131	5.0%	306	306	N/A	Water Usage Ratio
Capital Program Administration	3,814	3.4%	129	129	N/A	Total Capital Cost Ratio
<b>Grand Total</b>	<b>\$ 193,257</b>		<b>8,511</b>	<b>1,775</b>		

(\*) Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

## South County Capital Amortization - New Zone W-8

(In Thousands \$)						
Project Name	Total Project Cost	Zone W-8 South County %	Zone W-8 South County Cost	FY -21 Cost Recovery	Year Cost Recovery is Complete	Basis of Allocation to the South Zone W-8
Uvas Dam and Reservoir	\$ 1,124	2.3%	25	1	FY 22	Benefits Only South County
San Pedro Recharge Facility	1,882	—	—	—	FY 22	Benefits Only South County
San Pedro Recharge House	700	—	—	—	FY 31	Benefits Only South County
Recycled Water Improvements I	7,232	—	—	—	FY 31	Benefits Only South County
Recycled Water Improvements II	118	—	—	—	FY 33	Benefits Only South County
Recycled Water Improvements III	1,721	—	—	—	FY 33	Benefits Only South County
Water Banking Rights	6,226	—	—	—	FY 35	Total Imported Water Ratio
Dam Instrumentation	6,243	0.4%	23	1	FY 41	Program Benefit Calculation
Geodetic Control Maintenance	236	0.3%	—	—	FY 36	Survey Analysis
Dam Maintenance Mitigation	244	0.4%	—	—	FY 45	Program Benefit Calculation
South County Recycled Water Masterplan, Immediate Term	3,257	—	—	—	FY 37	Benefits Only South County

# Fund Summaries

## South County Capital Amortization - New Zone W-8 (Continued)

(In Thousands \$)						
Project Name	Total Project Cost	Zone W-8 South County %	Zone W-8 South County Cost	FY -21 Cost Recovery	Year Cost Recovery is Complete	Basis of Allocation to the South Zone W-8
South County Recycled Water Masterplan, Short-Term Implementation 1A	4,314	—	—	—	FY 42	Benefits Only South County
South County Recycled Water Fund	8,678	—	—	—	FY 50	Benefits Only South County
Water Banking FY 2006	18,895	—	—	—	FY 36	Total Imported Water Ratio
San Felipe Division Capital	10,777	—	—	—	N/A	Repayment Cost Distribution
Pacheco Conduit Inspection and Rehabilitation	6,696	—	—	—	FY 48	CVP Imported Water Ratio
Pacheco Pumping Plant Regulating Tank Recoating	2,550	—	—	—	FY 42	CVP Imported Water Ratio
San Felipe Communications Cable Replacement	235	—	—	—	FY 42	CVP Imported Water Ratio
Small Caps, San Felipe Reach 1	803	—	—	—	N/A	CVP Imported Water Ratio
Santa Clara Tunnel Landslide	4,509	—	—	—	FY 39	CVP Imported Water Ratio
Santa Clara Tunnel Landslide Mitigation	217	—	—	—	FY 39	CVP Imported Water Ratio
Small Caps, San Felipe Reach 2	859	—	—	—	N/A	CVP Imported Water Ratio
Small Caps, San Felipe Reach 3	206	—	—	—	N/A	CVP Imported Water Ratio
Water Infrastructure Reliability Program	2,134	0.0%	—	—	FY 36	Program Benefit Calculation
Water Infrastructure Baseline Improvement	2,403	0.1%	1	—	FY 38	Spare Pipe Usage
Coyote Dam Control Building Improvement	576	—	—	—	FY 42	Anderson Deliveries Ratio
Pacheco Pumping Plant ASD Replacement	18,518	—	—	—	FY 45	CVP Imported Water Ratio
Radio Repeater Infill	5	0.2%	—	—	FY 42	Water Usage Ratio
Santa Clara Conduit Rehabilitation	1,814	—	—	—	FY 42	CVP Imported Water Ratio
Raw Water Control System	9,188	0.0%	2	—	FY 37	Program Benefit Calculation
Small Caps, Raw Water Transmission and Distribution	82	0.1%	—	—	N/A	Raw Water Usage
Main and Madrone Pipeline Restoration	11,378	—	—	—	FY 48	Benefits Only South County
Inf Reliability Master Plan	2,065	0.2%	4	—	FY 46	Water Usage Ratio
Water Protection	11,387	0.0%	4	—	FY 45	Program Benefit Calculation
Microwave Telecommunications	4,595	0.2%	7	—	FY 44	Water Usage Ratio
Capital Warranty Services	196	0.4%	—	—	N/A	Water Usage Ratio
5-Year Pipeline Rehabilitation	22,059	0.1%	18	1	FY 47	Program Benefit Calculation
Pipeline Hydraulic Reliability Upgrade	335	0.0%	—	—	FY 45	Program Benefit Calculation
Winfield Capital Improvement	481	0.2%	1	—	FY 48	Water Usage Ratio
Corp Yard Relocation	26	7.8%	1	—	FY 40	Water Usage Ratio
Information Systems Management	5,802	0.2%	10	—	FY 40	Water Usage Ratio
PeopleSoft Upgrade	78	0.2%	—	—	FY 39	Water Usage Ratio
PeopleSoft System Upgrade and Expansion	1,217	0.2%	2	—	FY 46	Water Usage Ratio
Uvas Property Acquisition	1,251	2.3%	28	1	FY 46	Benefits Only South County
IT Capital Fund Transfers	6,131	0.4%	24	24	N/A	Water Usage Ratio
Capital Program Administration	3,814	0.1%	2	2	N/A	Total Capital Cost Ratio
<b>Grand Total</b>	<b>\$ 193,257</b>		<b>161</b>	<b>37</b>		

(\*) Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

# Fund Summaries

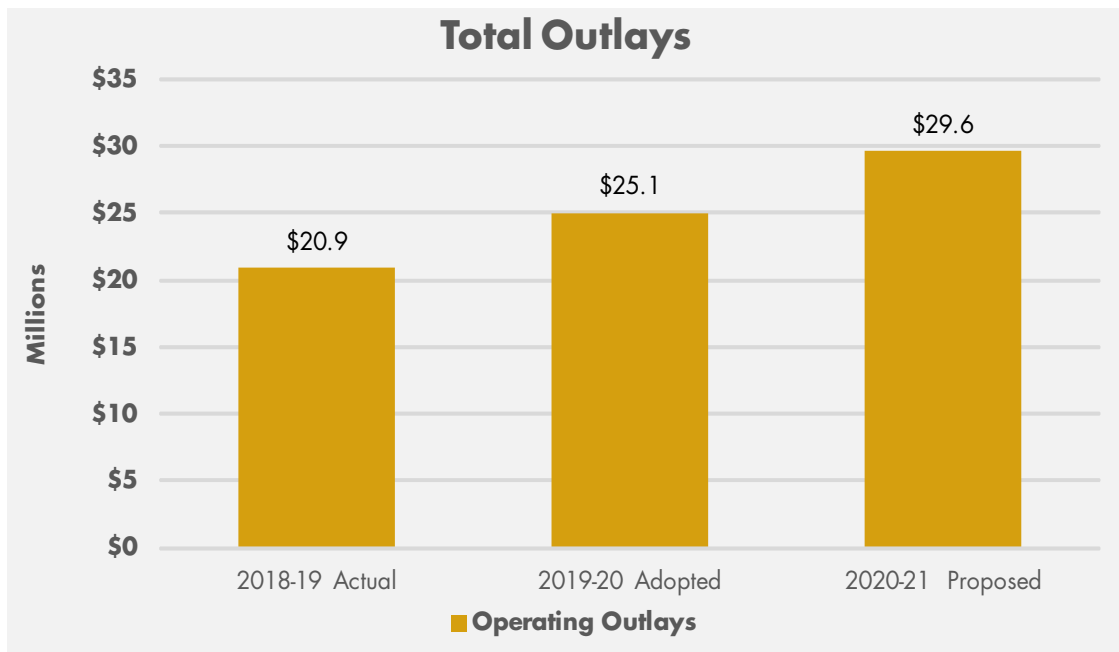
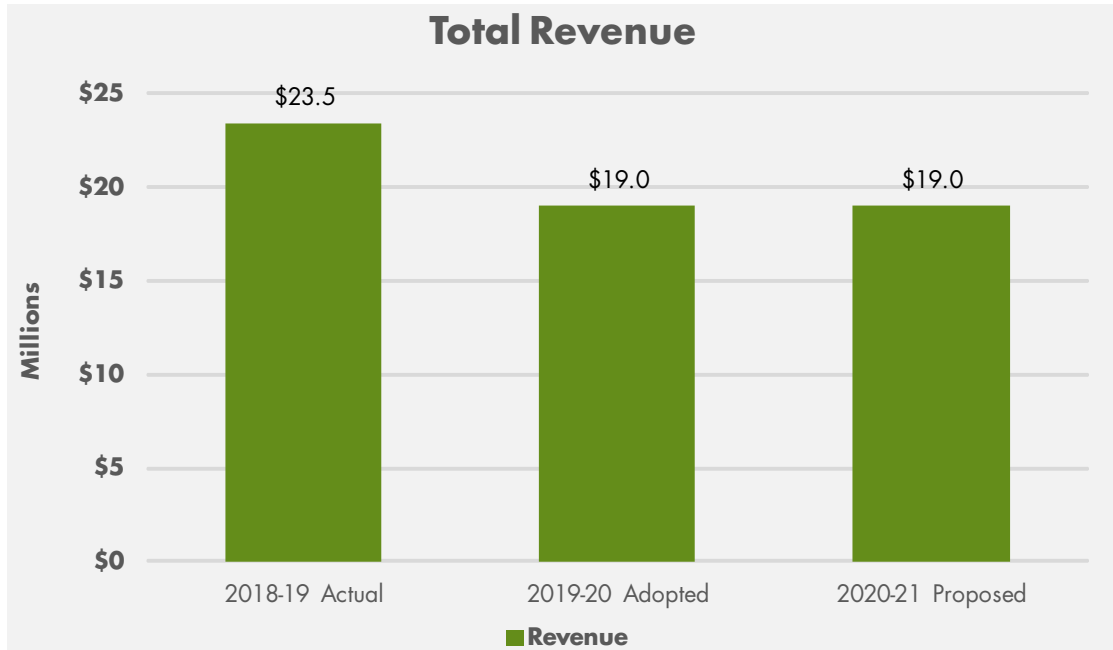
## State Water Project Fund

The State Water Project Fund was created in October 2010 to improve transparency and ensure compliance with Water Code Section 11654. The State Water Project Fund accounts specifically for State Water Project Tax revenue and State Water Project contractual costs. State Water Project Tax revenue can only be spent on State Water Project contractual costs.

Staff proposes that the State Water Project Tax revenue be set at \$18.0 million for FY 2020-21, which when combined with other revenue (interest earnings and interfund transfers in), and the State Water Project Reserve would fund projected contractual obligations of \$29.6 million.

# Fund Summaries

## State Water Project Fund (Fund 63)





# Fund Summaries

## State Water Project Fund (Fund 63)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
REVENUE						
Property Tax	\$ 22,344,318	\$ 18,000,000	\$ 18,000,000	\$ 18,000,000	\$ —	—
Nonoperating Other	1,124,943	1,000,000	1,000,000	1,000,000	—	—
TOTAL REVENUE	\$ 23,469,261	\$ 19,000,000	\$ 19,000,000	\$ 19,000,000	\$ —	—
OUTLAYS						
Operating Outlays						
Operations **	\$ 20,892,173	\$ 25,067,582	\$ 25,067,582	\$ 29,636,261	\$ 4,568,679	18.2%
Total Operating Outlays	\$ 20,892,173	\$ 25,067,582	\$ 25,067,582	\$ 29,636,261	\$ 4,568,679	18.2%
TOTAL OUTLAYS****	\$ 20,892,173	\$ 25,067,582	\$ 25,067,582	\$ 29,636,261	\$ 4,568,679	18.2%
OTHER FINANCING SOURCES/(USES)						
Transfers In	\$ —	\$ —	\$ —	\$ 1,348,774	\$ 1,348,774	—
TOTAL OTHER SOURCES/(USES)	\$ —	\$ —	\$ —	\$ 1,348,774	\$ 1,348,774	—
BALANCE AVAILABLE	\$ 2,577,088	\$ (6,067,582)	\$ (6,067,582)	\$ (9,287,487)	\$ (3,219,905)	53.1%
YEAR-END RESERVES						
Restricted Reserves						
WUE State Water Project Tax Reserve	\$ 15,355,069	\$ 4,815,690	\$ 9,287,487	\$ —	\$ (4,815,690)	(100.0)%
Total Restricted Reserves	\$ 15,355,069	\$ 4,815,690	\$ 9,287,487	\$ —	\$ (4,815,690)	(100.0)%
TOTAL YEAR-END RESERVES	\$ 15,355,069	\$ 4,815,690	\$ 9,287,487	\$ —	\$ (4,815,690)	(100.0)%
Outlay Summary by Account Type						
Services & Supplies	\$ 20,892,173	\$ 25,067,582	\$ 25,067,582	\$ 29,636,261	\$ 4,568,679	18.2%
OPERATING OUTLAY						
Services & Supplies	\$ 20,892,173	\$ 25,067,582	\$ 25,067,582	\$ 29,636,261	\$ 4,568,679	18.2%
OPERATING OUTLAY TOTAL	\$ 20,892,173	\$ 25,067,582	\$ 25,067,582	\$ 29,636,261	\$ 4,568,679	18.2%
TOTAL OUTLAYS****	\$ 20,892,173	\$ 25,067,582	\$ 25,067,582	\$ 29,636,261	\$ 4,568,679	18.2%

(\*) Interest revenue does not include GASB31 market value adjustment

(\*\*) Operations outlay does not include OPEB Expense-unfunded liability

(\*\*\*)Currently Authorized Projects Reserve is unspent budget for authorized capital projects

(\*\*\*\*)Total Outlays amounts may have a slight variance due to rounding

# Fund Summaries

## Total Outlays - State Water Project Fund

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
<b>Operations</b>						
91131008	State Water Project Costs	20,892,173	25,067,582	29,636,261		Water Supply Division
<b>Total Operations</b>		<b>20,892,173</b>	<b>25,067,582</b>	<b>29,636,261</b>		
<b>Total</b>		<b>20,892,173</b>	<b>25,067,582</b>	<b>29,636,261</b>		

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# DISTRICT GENERAL FUND

# Fund Summaries

## District General Fund

### Overview

The General Fund is Valley Water's primary funding source for administrative and strategic support services. These services are provided to the Water Utility Enterprise and Watershed programs and projects. They are necessary for governance and delivery of vital water management and watershed stewardship services to the community. The main purposes of the resources budgeted to the General Fund are to provide:

- Executive leadership and oversight.
- Long and short-term financial planning.
- A capable and knowledgeable workforce.
- Sustainable assets, equipment and infrastructure.

More details about these administrative and strategic services are described in the Division Chapter, page 5-1 by the organization areas.

### Office of the Chief Executive Officer

The Chief Executive Officer (CEO) provides strategic direction and oversight to lead Valley Water in implementing its mission and achieving its vision; fosters cooperative and collaborative working relationships with other government agencies, retailers, stakeholders, and the community; supports the Board, advises and informs the Board and provides interface between the Board and staff. The CEO provides executive leadership to Valley Water and support to the Board of Directors to ensure that Valley Water efficiently implements the Board's Ends policies and complies with Executive Limitations. Among the operational areas reporting directly to the CEO are Labor Relations and the Financial Planning and Management Services Division.

### Office of District Counsel

The Office of District Counsel represents Valley Water's

interests in a variety of court and administrative matters and provides timely legal advice to the Board and management as Valley Water implements strategies to streamline operations and increase accountability. The District Counsel also oversees the Risk Management Administration.

### Office of the Clerk of the Board

The Clerk of the Board (COB) directly supports the work of Valley Water's Board of Directors, including Board Governance Policy management, Board performance monitoring, lobbyist reporting and tracking, elections, regulatory, administrative, and liaison support services to the Board, its Committees, the Safe, Clean Water and Natural Flood Protection Program's Independent Monitoring Committee, Board Appointed Officers, Valley Water staff, and the public.

The COB also facilitates the public's access to Board information, including Board meetings and related committee meetings in accordance with the California Ralph M. Brown Act. Additionally, the COB monitors the Board budget and Board members' expenses in accordance with Valley Water Ordinance 02-01, Resolution 11-73, and Board Governance Policy GP-10, and maintains the integrity of the Board's legislative records, processes, and actions. The COB also oversees Records & Library Services.

### Office of the Chief of External Affairs

The Chief of External Affairs (CEA) reports directly to the Chief Executive Officer and serves as a key member of the executive leadership team and represents the CEO and Valley Water in interactions with employees, the public, and other agencies and organizations. The CEA oversees the strategic planning and integration of

# Fund Summaries

external policies and legislation as it relates to the business interests of Valley Water and is responsible for managing Valley Water's relationships with the community, government officials, the media, and other key stakeholders. The Office of the CEA oversees the Civic Engagement, Government Relations, and Communications offices.

## Office of the Chief Operating Officer of Information Technology & Administrative Services

The Office of the Chief Operating Officer (COO) of Information Technology & Administrative Services (IT & AS) provides executive leadership and direct oversight to administrative business areas including General Services, Office of Talent and Inclusion (Human Resources), and Information Technology. The Office of the COO-IT & AS is responsible for ensuring that administrative functions are operated efficiently and effectively, in accordance with the goals and policies established by the Board of Directors and the Chief Executive Officer. The COO-IT & AS also oversees Emergency & Security Services, administers Environmental, Health & Safety, and Diversity & Inclusion.

## Major Capital Projects

The FY 2020-21 Capital Outlay budget in the General Fund is approximately \$3.0 million to improve and maintain existing buildings, grounds and services through several small capital improvement projects.

The General Fund Capital Outlay increased \$0.8 million from FY 2019-20 due to the workplace study to reconfigure workspaces more efficiently.

## Fiscal Status

Intra-district reimbursements (overhead) are the primary source of funding in the General Fund. They are budgeted at \$57.8 million in FY 2020-21, a 7% increase from FY 2019-20. The Intra-district reimbursements rate for FY 2020-21 is 70%. The CEO, District Counsel, Clerk of the Board and District Administration costs funded in the General Fund provide services to the Watershed and Water Utility Enterprise operations and capital programs. Generally, the intra-district reimbursements are paid 60% from Water Utility Enterprise and 40% from the General Fund.

Property tax revenue is projected at \$9.2 million. The projection reflects an increase of \$0.8 million which is an 8.9% increase from FY 2019-20 Adopted Budget.

The increase in property tax revenues is based on updates received from Santa Clara County and current fiscal year. Interest income is projected to be \$200,000 which is an increase of \$50,000 from FY 2019-20 Adopted Budget.

Operating Transfers In of \$4.4 million are: from the Watershed and Stream Stewardship (WSS) Fund for Drought Induced Tree Removal (\$1.3 million) and the Water Utility Enterprise Fund and the WSS fund for the Safe Clean Water renewal ballot measure (\$3.1 million). Operating Transfers Out of \$0.3 million are to the Water Utility Enterprise Fund to offset lost agricultural water revenue associated with the Board's policy of preserving open space.

Operating costs for the services provided to Watersheds and Water Utility Enterprise operations total \$70.7 million for FY 2020-21. This is an increase of \$11.6 million or a 19.7% increase versus FY2019-2020 Adopted Budget. This change is primarily comprised of: Increase in salary and related costs per MOU and additional position increases (\$3.9 million), increase of intra-district charges to fund Equipment management, Risk Insurance and IT Technology funds' operation expenses (\$1.4 million), general election

## Fund Summaries

costs include the Safe Clean Water Renewal Ballot Measure (\$3.6 million), building and grounds needs (\$0.9 million), security services (\$0.7 million), support of the District wide Signage program (\$0.3 million), and net increase in services and supplies for various projects and programs (\$0.8 million).

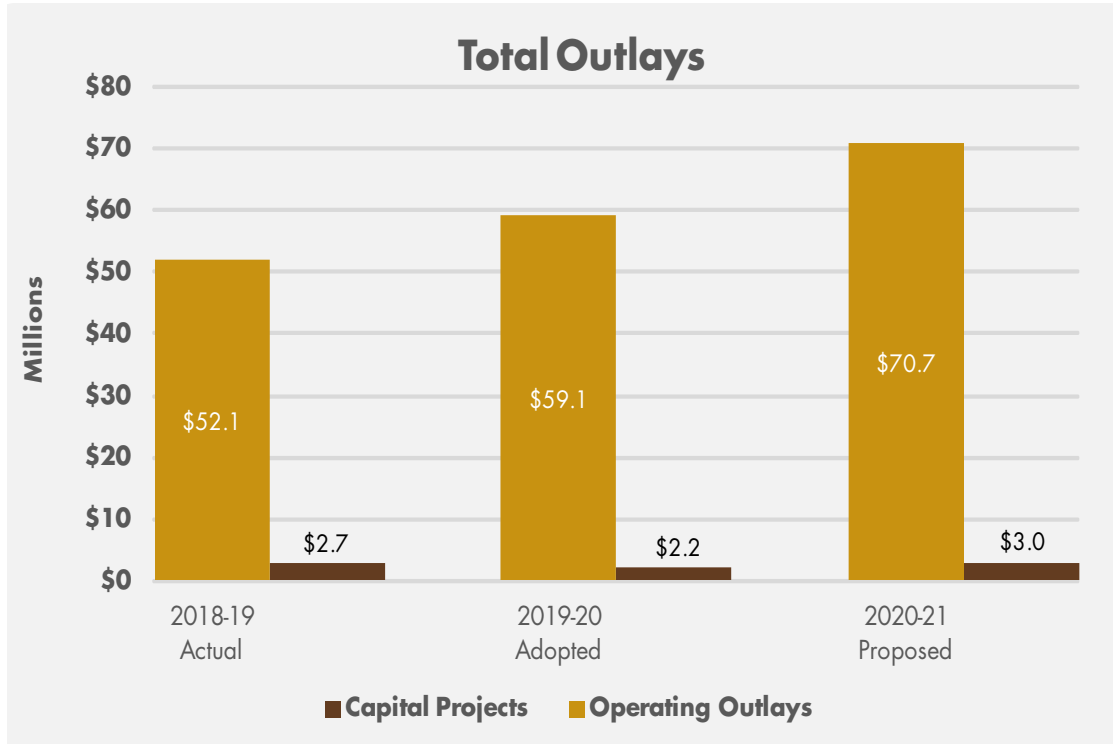
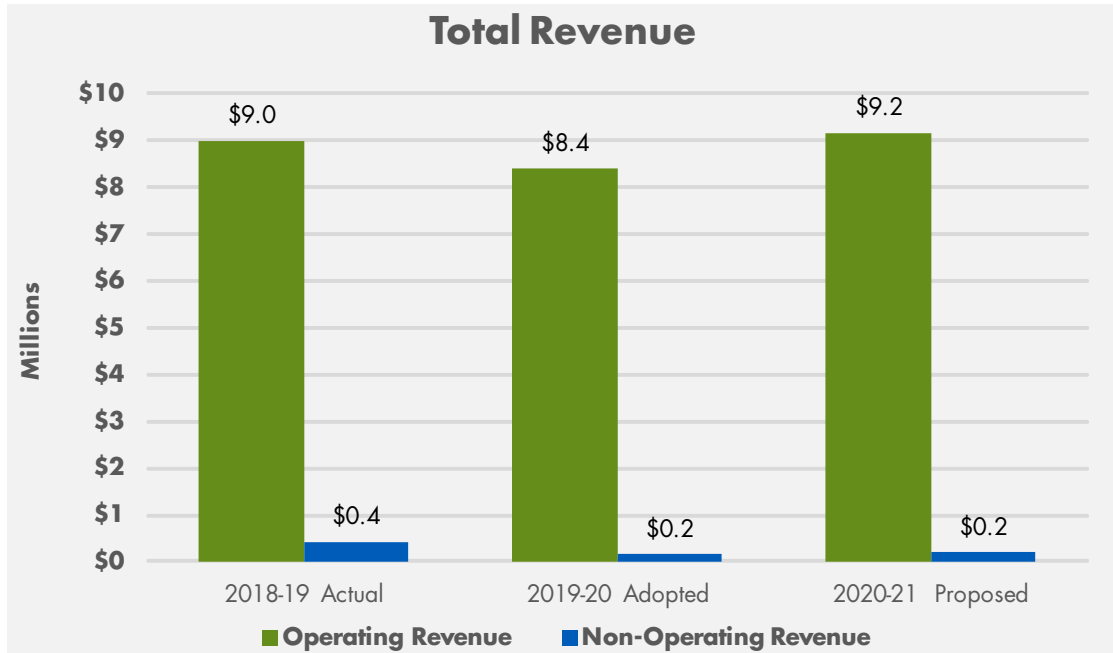
Operations costs include the addition of three (3) Full Time equivalent positions; of these, two (2) are for the Recruitment Classification and Talent Development Program, and one (1) is for the Ethics and Equal Opportunity Program.

General Fund reserves are estimated at approximately \$6.6 million and are in compliance with the Valley Water Reserve Policy.



# Fund Summaries

## District General Fund



# Fund Summaries

## District General Fund Summary

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>REVENUE</b>						
<b>Operating Revenue</b>						
Property Tax	\$ 8,993,866	\$ 8,412,466	\$ 9,016,844	\$ 9,165,000	\$ 752,534	8.9%
Intergovernmental Services	6,984	—	—	—	—	—
Operating Other	(250)	—	—	—	—	—
<b>Total Operating Revenue</b>	<b>\$ 9,000,600</b>	<b>\$ 8,412,466</b>	<b>\$ 9,016,844</b>	<b>\$ 9,165,000</b>	<b>\$ 752,534</b>	<b>8.9%</b>
<b>Non-Operating Revenue</b>						
Interest Income *	\$ 287,894	\$ 150,000	\$ 200,000	\$ 200,000	\$ 50,000	33.3%
Non-Operating Other	145,059	—	—	—	—	—
<b>Total Non-Operating Revenue</b>	<b>\$ 432,953</b>	<b>\$ 150,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 50,000</b>	<b>33.3%</b>
<b>TOTAL REVENUE</b>	<b>\$ 9,433,553</b>	<b>\$ 8,562,466</b>	<b>\$ 9,216,844</b>	<b>\$ 9,365,000</b>	<b>\$ 802,534</b>	<b>9.4%</b>
<b>OUTLAYS</b>						
<b>Operating Outlays</b>						
Operations **	\$ 51,495,303	\$ 58,616,753	\$ 58,981,753	\$ 70,233,977	\$ 11,617,224	19.8%
Operating Project	153,248	—	—	—	—	—
Debt Service	474,813	478,052	478,052	475,801	(2,251)	(0.5)%
<b>Total Operating Outlays</b>	<b>\$ 52,123,364</b>	<b>\$ 59,094,805</b>	<b>\$ 59,459,805</b>	<b>\$ 70,709,778</b>	<b>\$ 11,614,973</b>	<b>19.7%</b>
<b>Capital Outlays</b>						
Capital Projects	\$ 2,736,123	\$ 2,212,021	\$ 2,212,021	\$ 3,015,580	\$ 803,559	36.3%
<b>Total Capital Outlays</b>	<b>\$ 2,736,123</b>	<b>\$ 2,212,021</b>	<b>\$ 2,212,021</b>	<b>\$ 3,015,580</b>	<b>\$ 803,559</b>	<b>36.3%</b>
<b>TOTAL OUTLAYS****</b>	<b>\$ 54,859,487</b>	<b>\$ 61,306,826</b>	<b>\$ 61,671,826</b>	<b>\$ 73,725,358</b>	<b>\$ 12,418,532</b>	<b>20.3%</b>
Less Intra-District Reimb	(48,500,000)	(54,072,293)	(54,072,293)	(57,846,575)	(3,774,282)	7.0%
<b>NET OUTLAYS</b>	<b>\$ 6,359,487</b>	<b>\$ 7,234,533</b>	<b>\$ 7,599,533</b>	<b>\$ 15,878,783</b>	<b>\$ 8,644,250</b>	<b>119.5%</b>
<b>OTHER FINANCING SOURCES/(USES)</b>						
Transfers In	\$ 224,917	\$ 932,500	\$ 932,500	\$ 4,402,725	\$ 3,470,225	372.1%
Transfers Out	(614,000)	(709,300)	(709,300)	(296,500)	412,800	(58.2)%
<b>TOTAL OTHER SOURCES/(USES)</b>	<b>\$ (389,083)</b>	<b>\$ 223,200</b>	<b>\$ 223,200</b>	<b>\$ 4,106,225</b>	<b>\$ 3,883,025</b>	<b>1,739.7%</b>
<b>BALANCE AVAILABLE</b>	<b>\$ 2,684,983</b>	<b>\$ 1,551,133</b>	<b>\$ 1,840,511</b>	<b>\$ (2,407,558)</b>	<b>\$ (3,958,691)</b>	<b>(255.2)%</b>
<b>YEAR-END RESERVES</b>						
<b>Committed Reserves</b>						
Operating and Capital Reserve	\$ 7,124,591	\$ 4,318,026	\$ 8,965,102	\$ 6,557,544	\$ 2,239,518	51.9%
<b>Total Committed Reserves</b>	<b>\$ 7,124,591</b>	<b>\$ 4,318,026</b>	<b>\$ 8,965,102</b>	<b>\$ 6,557,544</b>	<b>\$ 2,239,518</b>	<b>51.9%</b>
<b>TOTAL YEAR-END RESERVES</b>	<b>\$ 7,124,591</b>	<b>\$ 4,318,026</b>	<b>\$ 8,965,102</b>	<b>\$ 6,557,544</b>	<b>\$ 2,239,518</b>	<b>51.9%</b>

# Fund Summaries

## District General Fund Summary (Continued)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>Outlay Summary by Account Type</b>						
<b>OPERATING OUTLAY</b>						
Salaries & Benefits	\$ 33,155,613	\$ 37,692,977	\$ 37,692,977	\$ 41,393,812	\$ 3,700,835	9.8%
Salaries Savings Factor	—	(1,310,193)	(1,310,193)	(1,082,251)	227,942	(17.4)%
Services & Supplies	13,719,209	16,721,409	17,086,409	23,032,608	6,311,199	37.7%
Intra-District Charges	4,773,729	5,512,562	5,512,562	6,889,807	1,377,245	25.0%
<b>OPERATING OUTLAY TOTAL</b>	<b>\$ 51,648,551</b>	<b>\$ 58,616,755</b>	<b>\$ 58,981,755</b>	<b>\$ 70,233,976</b>	<b>\$ 11,617,221</b>	<b>19.8%</b>
<b>DEBT SERVICE</b>						
Services & Supplies	\$ 338	\$ 2,262	\$ 2,262	\$ 2,262	\$ —	—
Debt Service	474,475	475,790	475,790	473,539	(2,251)	(0.5)%
<b>DEBT SERVICE TOTAL</b>	<b>\$ 474,813</b>	<b>\$ 478,052</b>	<b>\$ 478,052</b>	<b>\$ 475,801</b>	<b>\$ (2,251)</b>	<b>(0.5)%</b>
<b>CAPITAL PROJECTS</b>						
Salaries & Benefits	\$ 274,200	\$ 141,677	\$ 141,677	\$ 13,789	\$ (127,888)	(90.3)%
Salaries Savings Factor	—	(19,495)	(19,495)	(373)	19,122	(98.1)%
Services & Supplies	2,393,096	2,031,210	2,031,210	3,000,000	968,790	47.7%
Intra-District Charges	68,828	58,629	58,629	2,164	(56,465)	(96.3)%
<b>CAPITAL PROJECTS TOTAL</b>	<b>\$ 2,736,124</b>	<b>\$ 2,212,021</b>	<b>\$ 2,212,021</b>	<b>\$ 3,015,580</b>	<b>\$ 803,559</b>	<b>36.3%</b>
<b>TOTAL OUTLAYS****</b>	<b>\$ 54,859,488</b>	<b>\$ 61,306,828</b>	<b>\$ 61,671,828</b>	<b>\$ 73,725,357</b>	<b>\$ 12,418,529</b>	<b>20.3%</b>

(\*) Interest revenue does not include GASB31 market value adjustment

(\*\*) Operations outlay does not include OPEB Expense-unfunded liability

(\*\*\*) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

(\*\*\*\*) Total Outlays amounts may have a slight variance due to rounding

# Fund Summaries

## Total Outlays - District General Fund

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
<b>Operations</b>						
60001090	CEOUnscoped Projects-BudgtOnly		100,000	100,000		Office of the CEO
60001091	Unscoped Projects-Budget Only	1,200	100,000	100,000		Office of COO IT and Admin Services
60001092	CEA UnscopedProject-BudgetOnly		100,000	100,000		Office of Chief of External Affairs
* 60021008	Energy Management	89,255	89,727	141,181		Treated Water Division
60041003	Hollister Groundwater Mgmt	20,678	56,539	85,736		Water Supply Division
** 60061007	Drought Emergency Response	1,291				Water Supply Division
* 60061012	Facilities Env Compliance	214,999	189,973	200,297		Office of COO IT and Admin Services
60061018	General Services Div Admin	664,709	543,081	565,747		Office of COO IT and Admin Services
60061023	Districtwide Salary Savings-11		(1,310,193)	(1,082,251)		Financial Planning and Management Services Division
* 60061055	Asset Management Program	410,044	324,831	365,052		Treated Water Division
60061058	Drought Induced Tree Removal	224,917	932,517	1,251,650		Watershed Operations & Maintenance Division
* 60071041	Welding Services	14,237	18,191	19,643		General Services Division
60091001	Directors Fees / Expenses	459,177	512,622	528,622		Office of Clerk of the Board
60101001	Purchasing Services	1,893,373	2,949,727	2,309,764		General Services Division
60101002	Building and Grounds	6,808,563	7,465,892	9,100,054		General Services Division
60101005	Districtwide Signage	973	300,000	614,067		General Services Division
** 60101006	Telecommunications Sys Opr/M	38,148				Information Technology Division
60101008	District Security Services	1,735,509	2,041,242	2,743,496		Office of COO IT and Admin Services
** 60101011	Technical Infrastructure Servi	1,542				Information Technology Division
60101017	CADD System Tech Support	137,733	132,545	160,740		Water Utility Capital Division
60111002	General Accounting Services	3,308,065	3,653,802	4,007,532		Financial Planning and Management Services Division
60111006	Contract Services	1,515,290	1,433,516	2,703,124		General Services Division
* 60121003	IT Financial Planning & Rate S	182,207	168,613	265,814		Financial Planning and Management Services Division
60131004	IT & AS Administration	370,930	1,782,998	1,750,663		Office of COO IT and Admin Services
60131007	Ofc of Chief Executive Officer	1,071,162	1,015,533	1,201,204		Office of the CEO
60131014	Continual Improvement	407,229	824,722	930,886		Financial Planning and Management Services Division
60141001	District Counsel	3,271,324	3,606,203	4,089,702		Office of District Counsel

\*Recipient projects

\*\*Closed, combined or no current year funding

\*\*\*Represents estimated unspent capital project budget from FY 2019-20 that will be carried forward to FY2020-21

# Fund Summaries

## Total Outlays - District General Fund (Continued)

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
** 60161001	Software Maint & License	29,324				Information Technology Division
** 60161004	Software Services	(918)				Information Technology Division
60171002	Education & Volunteer Program	1,024,188	1,649,752	2,022,692		Office of Chief of External Affairs
60171009	Community Relations	348,062	345,487	573,468		Office of Chief of External Affairs
** 60181002	Network Administration	931				Information Technology Division
60221001	Budget and Financial Analyses	1,991,405	2,243,957	2,371,816		Financial Planning and Management Services Division
60221002	Debt & Treasury Management	837,115	937,222	1,069,177		Financial Planning and Management Services Division
60221003	FPMD Administration	484,002	550,540	455,461		Financial Planning and Management Services Division
60231002	Communications	2,297,309	2,580,007	2,391,578		Office of Chief of External Affairs
60231003	Federal Government Relations	928,938	1,092,212	984,569		Office of Chief of External Affairs
60231004	State Government Relations	944,676	1,016,527	1,113,465		Office of Chief of External Affairs
60231005	Local Government Relations	1,573,371	1,628,320	2,017,734		Office of Chief of External Affairs
60231006	Office of Chief of Ext Affairs	974,348	927,651	1,385,338		Office of Chief of External Affairs
60241026	Quality and Env Mgmt Sys Prog	760,252	534,165	524,109		Financial Planning and Management Services Division
** 60271064	Office Cmptr Maint/Help Dsk Sup	141				Information Technology Division
60281003	Ethics & EEO Programs	857,974	1,100,326	1,185,357		Human Resources Division
60281004	Diversity & Inclusion Program	802,837	804,813	843,489		Office of COO IT and Admin Services
60281006	Reasonable Accommodation	101,871	243,518	274,580		Human Resources Division
60291001	Recruitment and Examination	1,727,797	1,826,393	2,224,160		Human Resources Division
60291002	Benefits and Wellness Admin	1,172,209	1,458,679	1,689,226		Human Resources Division
60291003	Labor Relations	781,314	856,488	967,732		
60291004	Talent Development Program	1,443,592	1,615,591	1,542,106		Human Resources Division
** 60291005	Classification&CompensationPg m	372,347				Human Resources Division
60291011	HR Program Admin	646,266	615,270	606,226		Office of COO IT and Admin Services
60291030	HR Systems Management Program	234,223	584,477	550,342		Office of COO IT and Admin Services
60291032	Bargaining Unit Representation	95,761	124,731	137,990		
** 60291038	GF Training & Development	702,363				Office of COO IT and Admin Services
60291040	Rotation Program	19,044	600,000	600,000		Human Resources Division
60291041	Internship Program	746,796	821,263	678,200		Human Resources Division
60291043	Succession Planning		451,425	488,010		Human Resources Division

\*Recipient projects

\*\*Closed, combined or no current year funding

\*\*\*Represents estimated unspent capital project budget from FY 2019-20 that will be carried forward to FY2020-21

# Fund Summaries

## Total Outlays - District General Fund (Continued)

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
60301001	Clerk of the Board Serv	2,254,525	2,256,123	6,113,824		Office of Clerk of the Board
60311001	Records & Library Services	1,200,153	1,290,918	1,326,729		Office of Clerk of the Board
60351001	Business & Customer SupportSvc	2,735,491	2,798,194	3,223,396		General Services Division
**	60601010	Emergency Activation	26,782			Office of COO IT and Admin Services
*	60811046	Warehouse Services	538,260	630,623	620,479	General Services Division
<b>Total Operations</b>		<b>51,495,303</b>	<b>58,616,753</b>	<b>70,233,976</b>		
<b>Operating</b>						
**	60042001	Pacheco Res Prop 1 App Study	153,248			Water Supply Division
<b>Total Operating</b>		<b>153,248</b>				
<b>Debt Service</b>						
	60993009	2017A COP Refunding GF	474,813	478,052	475,801	Financial Planning and Management Services Division
<b>Total Debt Service</b>		<b>474,813</b>	<b>478,052</b>	<b>475,801</b>		
<b>Capital</b>						
	60064023	Districtwide Salary Savings	(19,495)	(373)		Financial Planning and Management Services Division
*	60074033	CIP Development & Admin	9,891	25,562		Office of COO Watersheds
*	60074036	Survey Mgmt & Tech Support	7,744	10,430		Office of COO Watersheds
*	60074038	Capital Progm Srvcs Admin	78,669	132,398		Water Utility Capital Division
	60204016	Facility Mgmt-Sm Cap Improv	2,534,854	2,063,125	3,015,953	General Services Division
**	60954001	Pacheco Reservoir ExpansnStudy	104,965			Dam Safety and Capital Delivery Division
<b>Total Capital</b>		<b>2,736,123</b>	<b>2,212,021</b>	<b>3,015,580</b>		
<b>Total</b>		<b>54,859,487</b>	<b>61,306,826</b>	<b>73,725,357</b>		

\*Recipient projects

\*\*Closed, combined or no current year funding

\*\*\*Represents estimated unspent capital project budget from FY 2019-20 that will be carried forward to FY2020-21

## SERVICE FUNDS



# Fund Summaries

## Service Funds Overview

Valley Water manages three Internal Service Funds - the Fleet Management Fund, the Risk Fund and the Information Technology Fund. These funds provide goods and services to Valley Water Administration, Watersheds and Water Utility Enterprise divisions and recover costs through intra-district reimbursements. Intra-district reimbursements are the amounts needed for operations and to maintain adequate reserves in accordance with Valley Water Reserve Policy. Further information on each fund is provided below and in the pages that follow.

## Fleet Management Fund

The Fleet Management Fund was established to capture the operations, maintenance and replacement costs of District-owned vehicles and equipment such as: sedans, vans, pickup trucks and field equipment (Class I); heavy duty trucks and trailers (Class II); heavy construction equipment (Class III); and, portable equipment including large pumps, electrical panels, hose and fittings, air compressors, chain saws, weed whackers, generators, etc. (Class IV). Reimbursement charges for FY 2020-21 total \$7.7 million. The reimbursement rate is 7.0% for FY 2020-21.

### Key Highlights

The following are key highlights for the upcoming fiscal year:

- Surplus and replacement of 16 vehicles and 2 pieces of construction equipment in accordance with the 12-year or 125,000-mile replacement criteria.
- Evaluate and implement industry best practices within operation.
- Conduct a vehicle utilization study in collaboration with user department to reduce underutilized assets.

## Risk Insurance Fund

This fund was established to provide for liability, property, Workers' Compensation insurance and self-insurance costs. Included in this fund are various health and safety programs designed to ensure the safety and well-being of employees, a reserve for catastrophic uninsured property loss, and self-insurance reserves for both known and unreported Workers Compensation and liability claims set at levels prescribed by actuarial studies. Currently, loss prevention efforts are being integrated with other performance-based objectives such as quality and cost-control to ensure that health and safety activities are integrated into the day-to-day operations of Valley Water business. Valley Water supports the philosophy that all accidents and injuries are preventable through establishment of and compliance with safe work procedures and best management practices for our industry. Reimbursement charges for FY 2020-21 total \$6.7 million with a reimbursement rate of 6.5%.

### Key Highlights

The following are key highlights for the upcoming fiscal year:

- Continue to administer the Workers Compensation program in a manner that increases employee awareness of potential dangers and seeks to reduce employee injuries and accidents.
- Continue to administer the Liability and Property programs in a manner that provides prompt and fair adjustment of claims and losses.
- Continue to manage safety, ergonomics and industrial hygiene programs in compliance with regulatory requirements and industry best practices.

# Fund Summaries

## Information Technology Fund

The Information Technology Fund was established to capture the operation, maintenance, and replacement costs of supporting the technology and information security needs of Valley Water. It accounts for all network, data center, telecom, servers, computers, and business and support applications. Intra-District charges for this fund are set to recover the current operating costs. For FY 2020-21, \$20.9 million will be recovered through Intra-District charges, the reimbursement rate is 21.0%.

Major planned capital projects will be funded by operating transfers from the Watershed Stream Stewardship Fund and Water Utility Enterprise Fund. For FY 2020-21 total transfer amount is \$7.3 million.

The operating costs for this fund include the addition of one (1) Full Time equivalent position, which will provide essential cybersecurity services in the Infrastructure Services Program.

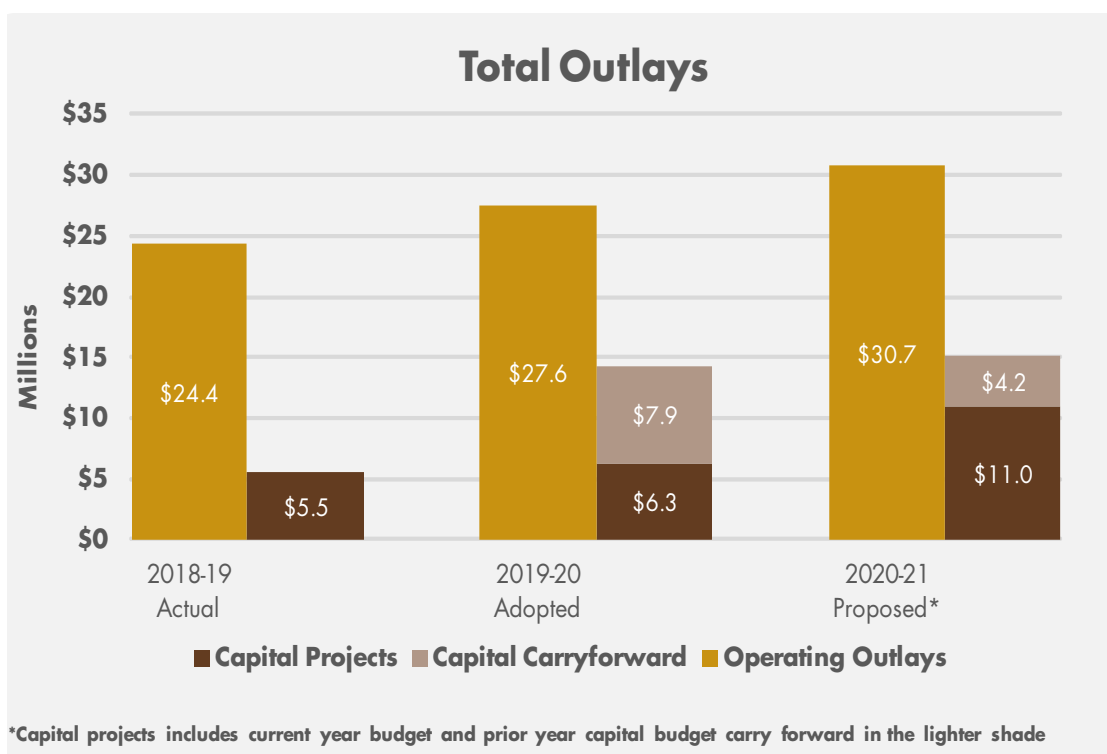
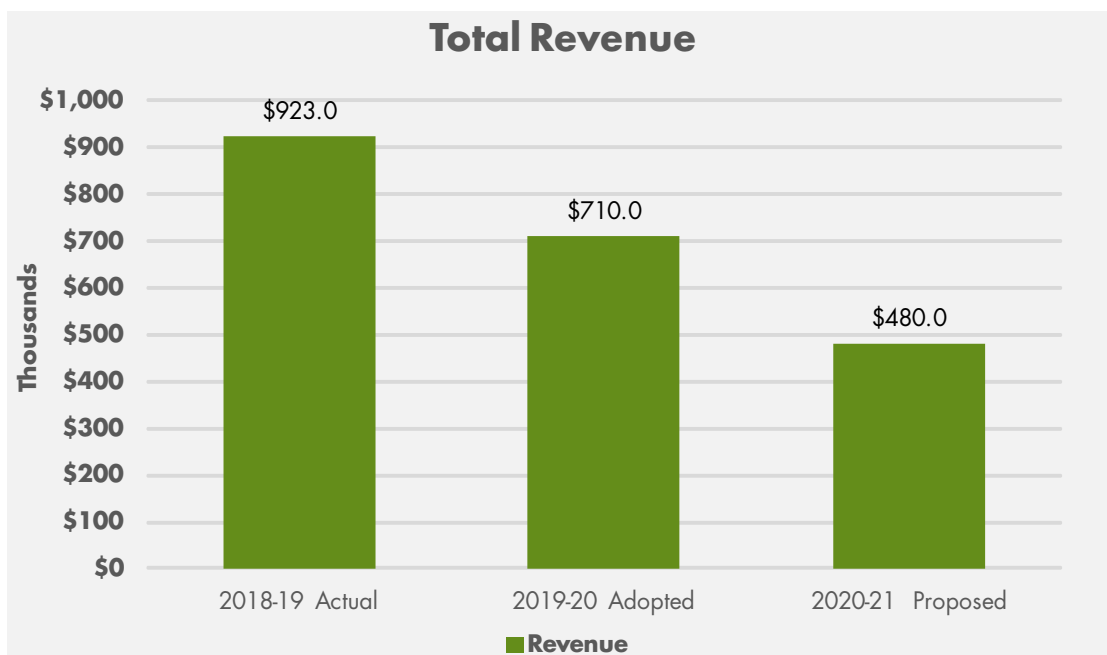
### Key Highlights

The following are key highlights for the upcoming fiscal year:

- Implement IT Strategic Plan: (1) Complete the creation of IT Governance structure; (2) Implement Business-IT Liaison program; (3) Develop a communication strategy, plan, and execution; (4) Provide management oversight and support
- Continue providing support for the new ERP for Finance, Human Resources, Purchasing and Contract Services
- Evaluate desktop and web application needs
- Finalize and implement GIS long-term strategy
- Implement Mobile Maximo for asset management
- Implement Disaster Recovery Plan and Technologies
- Complete Proof of Concept (POC) of Water Utility Server Virtualization
- Complete conversion to Voice Over IP Telephones
- Complete conversion of majority of Valley Water staff to mobile devices

# Fund Summaries

## Service Funds Combined



# Fund Summaries

## Service Funds Combined Summary

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
REVENUE						
Interest Income *	\$ 750,187	\$ 510,000	\$ 600,000	\$ 400,000	\$ (110,000)	(21.6)%
Non-Operating Other	172,792	200,000	200,000	80,000	(120,000)	(60.0)%
TOTAL REVENUE	\$ 922,979	\$ 710,000	\$ 800,000	\$ 480,000	\$ (230,000)	(32.4)%
OUTLAYS						
Operating Outlays						
Operations **	\$ 24,148,842	\$ 27,472,600	\$ 27,472,600	\$ 30,078,531	\$ 2,605,931	9.5%
Operating Project	205,096	100,000	1,150,000	646,000	546,000	546.0%
Total Operating Outlays	\$ 24,353,938	\$ 27,572,600	\$ 28,622,600	\$ 30,724,531	\$ 3,151,931	11.4%
Capital Outlays						
Capital Projects	\$ 5,515,245	\$ 6,327,257	\$ 15,964,000	\$ 10,958,088	\$ 4,630,831	73.2%
Carry Forward Capital Projects	—	7,916,000	—	4,163,730	(3,752,270)	(47.4)%
Total Capital Outlays	\$ 5,515,245	\$ 14,243,257	\$ 15,964,000	\$ 15,121,818	\$ 878,561	6.2%
TOTAL OUTLAYS****	\$ 29,869,183	\$ 41,815,857	\$ 44,586,600	\$ 45,846,349	\$ 4,030,492	9.6%
Less Intra-District Reimb	(23,542,287)	(26,774,670)	(26,774,670)	(35,403,186)	(8,628,516)	32.2%
NET OUTLAYS	\$ 6,326,896	\$ 15,041,187	\$ 17,811,930	\$ 10,443,163	\$ (4,598,024)	(30.6)%
OTHER FINANCING SOURCES/(USES)						
Transfers In	\$ 6,513,610	\$ 4,130,000	\$ 4,130,000	\$ 7,340,000	\$ 3,210,000	77.7%
Transfers Out	—	—	—	—	—	—
TOTAL OTHER SOURCES/(USES)	\$ 6,513,610	\$ 4,130,000	\$ 4,130,000	\$ 7,340,000	\$ 3,210,000	77.7%
BALANCE AVAILABLE	\$ 1,109,693	\$ (10,201,187)	\$ (12,881,930)	\$ (2,623,163)	\$ 7,578,024	(74.3)%
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	\$ 13,969,749	\$ 2,304,000	\$ 4,333,006	\$ 169,276	\$ (2,134,724)	(92.7)%
Operating and Capital Reserve	4,562,360	2,048,125	2,285,564	3,755,437	1,707,312	83.4%
Catastrophy - Property Self-Insurance	7,244,312	6,113,912	6,275,922	6,346,616	232,704	3.8%
Workers Compensation Liability	7,085,600	7,034,000	7,085,600	7,085,600	51,600	0.7%
Total Committed Reserves	\$ 32,862,021	\$ 17,500,037	\$ 19,980,092	\$ 17,356,929	\$ (143,108)	(0.8)%
TOTAL YEAR-END RESERVES	\$ 32,862,021	\$ 17,500,037	\$ 19,980,092	\$ 17,356,929	\$ (143,108)	(0.8)%

# Fund Summaries

## Service Funds Combined Summary (Continued)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries & Benefits	\$ 9,757,639	\$ 10,395,222	\$ 10,395,222	\$ 11,298,708	\$ 903,486	8.7%
Salary Savings Factor	—	—	—	(292,638)	(292,638)	—
Services & Supplies	9,467,121	12,407,172	13,457,172	14,600,634	2,193,462	17.7%
Intra-District Charges	5,129,178	4,770,205	4,770,205	5,117,827	347,622	7.3%
OPERATING OUTLAY TOTAL	\$ 24,353,938	\$ 27,572,599	\$ 28,622,599	\$ 30,724,531	\$ 3,151,932	11.4%
CAPITAL PROJECTS						
Salaries & Benefits	\$ 240,814	\$ 1,212,103	\$ 1,212,103	\$ 1,874,772	\$ 662,669	54.7%
Salary Savings Factor	—	—	—	(49,631)	(49,631)	—
Services & Supplies	5,185,182	4,868,991	14,505,734	8,187,210	3,318,219	68.2%
Carry Forward Capital Projects	—	7,916,000	—	4,163,730	(3,752,270)	(47.4)%
Intra-District Charges	89,249	246,163	246,163	945,737	699,574	284.2%
CAPITAL PROJECTS TOTAL	\$ 5,515,245	\$ 14,243,257	\$ 15,964,000	\$ 15,121,818	\$ 878,561	6.2%
TOTAL OUTLAYS****	\$ 29,869,183	\$ 41,815,856	\$ 44,586,599	\$ 45,846,349	\$ 4,030,493	9.6%

(\*) Interest revenue does not include GASB31 market value adjustment

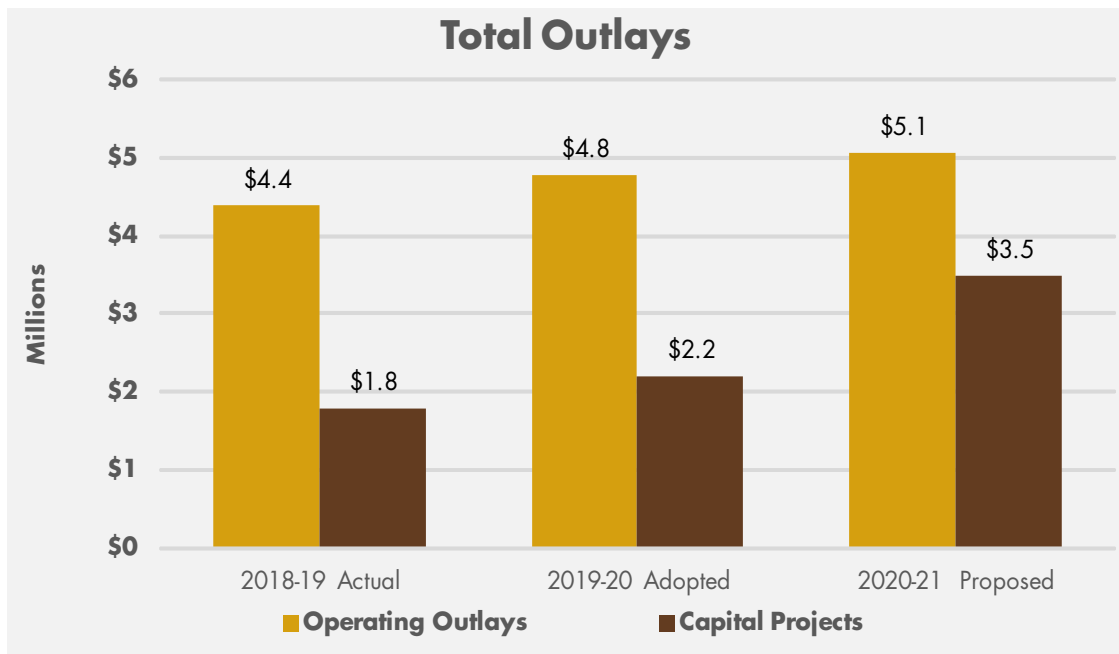
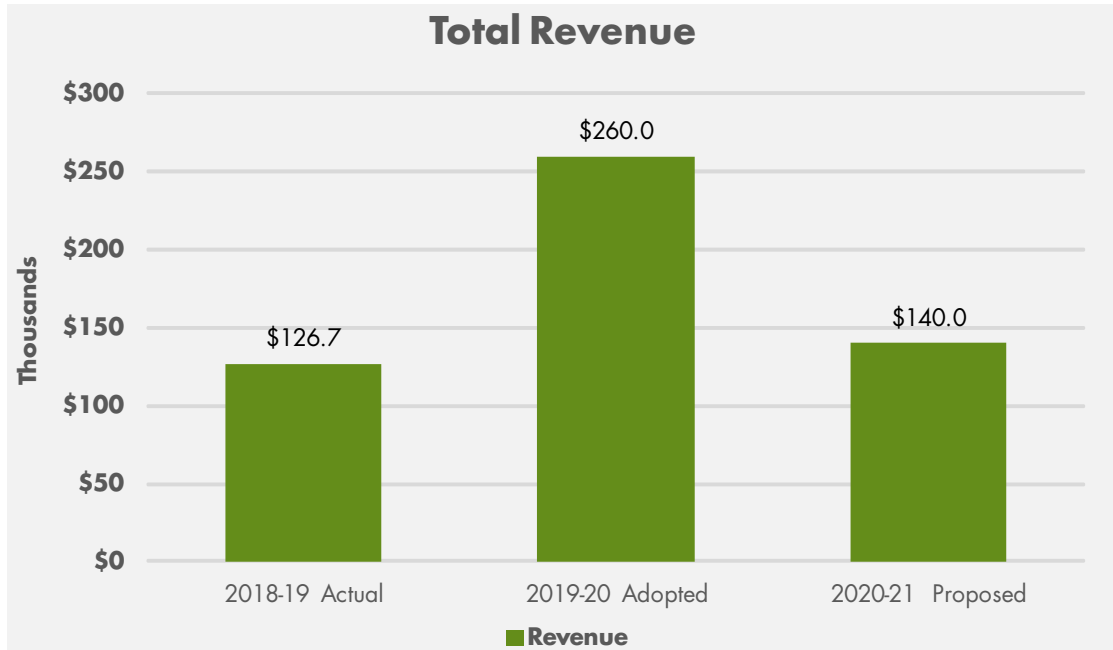
(\*\*) Operations outlay does not include OPEB Expense-unfunded liability

(\*\*\*)Currently Authorized Projects Reserve is unspent budget for authorized capital projects

(\*\*\*\*)Total Outlays amounts may have a slight variance due to rounding

# Fund Summaries

## Fleet Management Fund



# Fund Summaries

## Fleet Management Fund Summary

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>REVENUE</b>						
Interest Income *	\$ 77,083	\$ 60,000	\$ 80,000	\$ 60,000	\$ —	—
Nonoperating Other	49,621	200,000	200,000	80,000	(120,000)	(60.0)%
<b>TOTAL REVENUE</b>	<b>\$ 126,704</b>	<b>\$ 260,000</b>	<b>\$ 280,000</b>	<b>\$ 140,000</b>	<b>\$ (120,000)</b>	<b>(46.2)%</b>
<b>OUTLAYS</b>						
<b>Operating Outlays</b>						
Operations **	\$ 4,378,638	\$ 4,772,872	\$ 4,772,872	\$ 5,056,544	\$ 283,672	5.9%
<b>Total Operating Outlays</b>	<b>\$ 4,378,638</b>	<b>\$ 4,772,872</b>	<b>\$ 4,772,872</b>	<b>\$ 5,056,544</b>	<b>\$ 283,672</b>	<b>5.9%</b>
<b>Capital Outlays</b>						
Capital Projects	\$ 1,779,973	\$ 2,197,000	\$ 2,197,000	\$ 3,478,000	\$ 1,281,000	58.3%
<b>Total Capital Outlays</b>	<b>\$ 1,779,973</b>	<b>\$ 2,197,000</b>	<b>\$ 2,197,000</b>	<b>\$ 3,478,000</b>	<b>\$ 1,281,000</b>	<b>58.3%</b>
<b>TOTAL OUTLAYS****</b>	<b>\$ 6,158,611</b>	<b>\$ 6,969,872</b>	<b>\$ 6,969,872</b>	<b>\$ 8,534,544</b>	<b>\$ 1,564,672</b>	<b>22.4%</b>
Less Intra-District Reimb	(5,246,856)	(5,714,616)	(5,714,616)	(7,727,455)	(2,012,839)	35.2%
<b>NET OUTLAYS</b>	<b>\$ 911,755</b>	<b>\$ 1,255,256</b>	<b>\$ 1,255,256</b>	<b>\$ 807,089</b>	<b>\$ (448,167)</b>	<b>(35.7)%</b>
<b>BALANCE AVAILABLE</b>	<b>\$ (785,051)</b>	<b>\$ (995,256)</b>	<b>\$ (975,256)</b>	<b>\$ (667,089)</b>	<b>\$ 328,167</b>	<b>(33.0)%</b>
<b>YEAR-END RESERVES</b>						
<b>Committed Reserves</b>						
Operating and Capital Reserve	\$ 3,226,886	\$ 1,105,855	\$ 2,251,630	\$ 1,584,541	\$ 478,686	43.3%
<b>Total Committed Reserves</b>	<b>\$ 3,226,886</b>	<b>\$ 1,105,855</b>	<b>\$ 2,251,630</b>	<b>\$ 1,584,541</b>	<b>\$ 478,686</b>	<b>43.3%</b>
<b>TOTAL YEAR-END RESERVES</b>	<b>\$ 3,226,886</b>	<b>\$ 1,105,855</b>	<b>\$ 2,251,630</b>	<b>\$ 1,584,541</b>	<b>\$ 478,686</b>	<b>43.3%</b>
<b>Outlay Summary by Account Type</b>						
<b>OPERATING OUTLAY</b>						
Salaries & Benefits	\$ 1,782,680	\$ 1,649,981	\$ 1,649,981	\$ 1,737,848	\$ 87,867	5.3%
Salaries Savings Factor	—	—	—	(43,292)	(43,292)	—
Services & Supplies	1,546,711	2,301,163	2,301,163	2,481,440	180,277	7.8%
Intra-District Charges	1,049,246	821,727	821,727	880,548	58,821	7.2%
<b>OPERATING OUTLAY TOTAL</b>	<b>\$ 4,378,637</b>	<b>\$ 4,772,871</b>	<b>\$ 4,772,871</b>	<b>\$ 5,056,544</b>	<b>\$ 283,673</b>	<b>5.9%</b>
<b>CAPITAL PROJECTS</b>						
Services & Supplies	\$ 1,779,973	\$ 2,197,000	\$ 2,197,000	\$ 3,478,000	\$ 1,281,000	58.3%
<b>CAPITAL PROJECTS TOTAL</b>	<b>\$ 1,779,973</b>	<b>\$ 2,197,000</b>	<b>\$ 2,197,000</b>	<b>\$ 3,478,000</b>	<b>\$ 1,281,000</b>	<b>58.3%</b>
<b>TOTAL OUTLAYS****</b>	<b>\$ 6,158,610</b>	<b>\$ 6,969,871</b>	<b>\$ 6,969,871</b>	<b>\$ 8,534,544</b>	<b>\$ 1,564,673</b>	<b>22.4%</b>

(\*) Interest revenue does not include GASB31 market value adjustment

(\*\*) Operations outlay does not include OPEB Expense-unfunded liability

(\*\*\*)Currently Authorized Projects Reserve is unspent budget for authorized capital projects

(\*\*\*\*)Total Outlays amounts may have a slight variance due to rounding



# Fund Summaries

## Total Outlays - Fleet Management Fund

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
<b>Operations</b>						
70011099	Class I Equip Oper / Maint	808,660	822,399	825,402		General Services Division
70021099	Class II Equip Oper / Maint	878,133	992,551	950,477		General Services Division
70031099	Class III Equip Oper / Maint	192,025	316,369	342,292		General Services Division
70041099	Class IV Equip Oper / Maint	781,957	1,300,775	1,494,295		General Services Division
70061003	Vehicle & Equipment Admin&Mgmt	1,450,191	1,100,433	1,245,916		General Services Division
70061004	Districtwide Salary Savings-71			(43,292)		Financial Planning and Management Services Division
* 70061045	Asset Management Program	205,022	162,416	182,526		Treated Water Division
* 70071041	Welding Services	42,712	54,573	58,928		General Services Division
* 70811046	Warehouse Services	19,936	23,356			General Services Division
<b>Total Operations</b>		<b>4,378,638</b>	<b>4,772,872</b>	<b>5,056,544</b>		
<b>Capital</b>						
70004001	New Vehicle Equip Acquisitio		474,000	1,545,000		General Services Division
70004002	Replacement Vehicle & Equip	1,779,973	1,723,000	1,933,000		General Services Division
<b>Total Capital</b>		<b>1,779,973</b>	<b>2,197,000</b>	<b>3,478,000</b>		
<b>Total</b>		<b>6,158,611</b>	<b>6,969,872</b>	<b>8,534,544</b>		

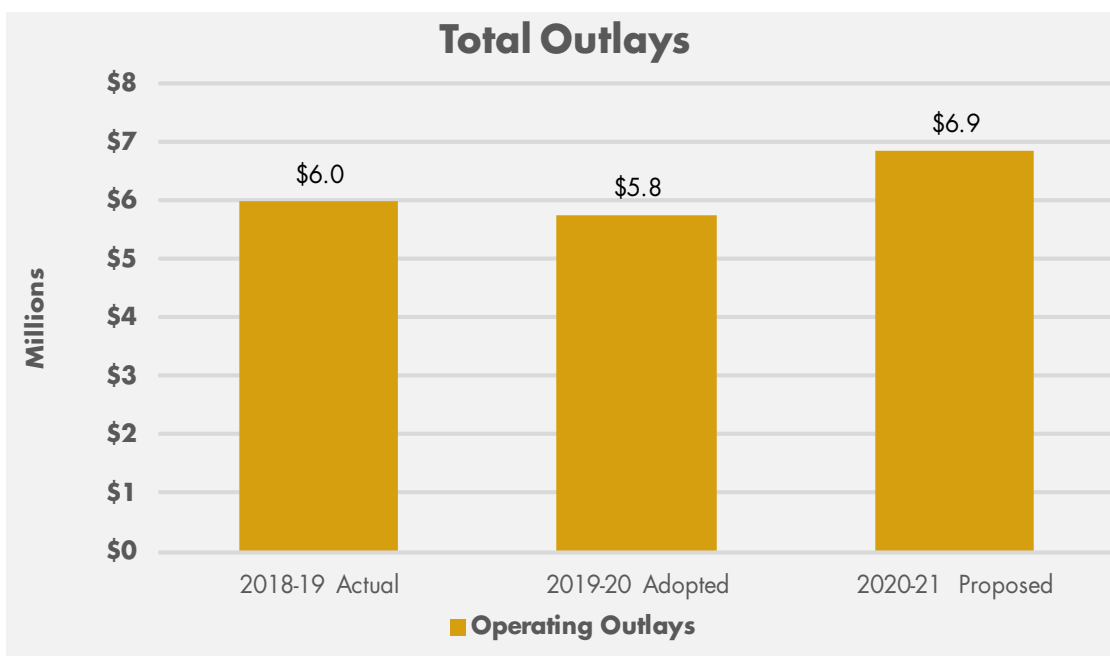
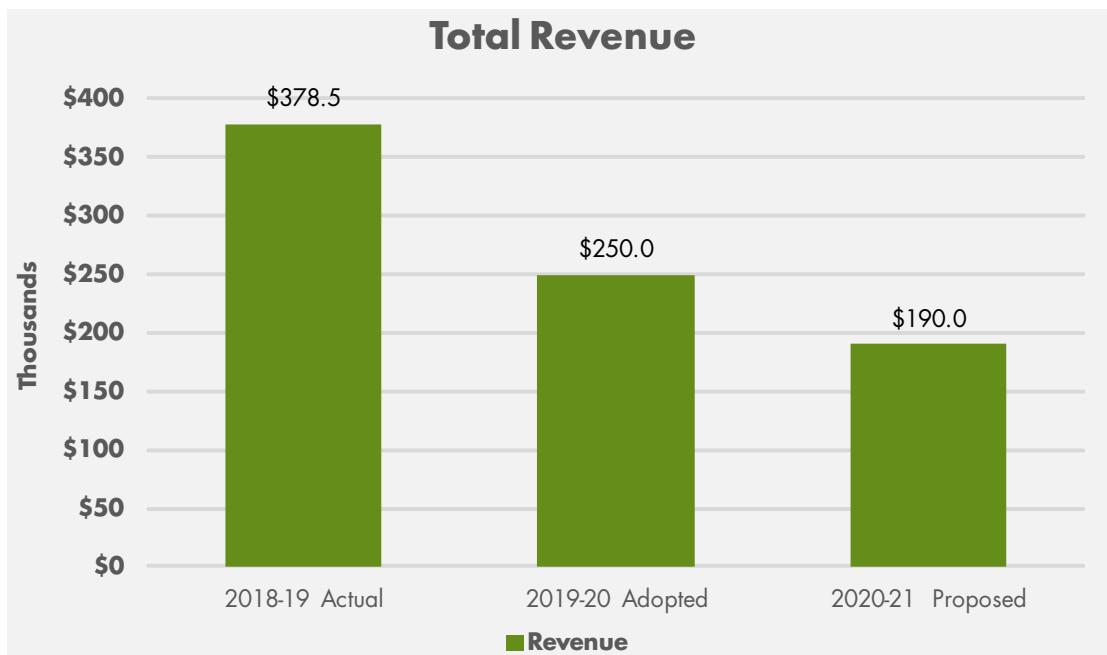
\*Recipient projects

\*\*Closed, combined or no current year funding

\*\*\*Represents estimated unspent capital project budget from FY 2019-20 that will be carried forward to FY2020-21.

# Fund Summaries

## Risk Insurance Fund



# Fund Summaries

## Risk Insurance Fund Summary

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>REVENUE</b>						
Interest Income *	\$ 330,597	\$ 250,000	\$ 220,000	\$ 190,000	\$ (60,000)	(24.0)%
Nonoperating Other	47,860	—	—	—	—	—
<b>TOTAL REVENUE</b>	<b>\$ 378,457</b>	<b>\$ 250,000</b>	<b>\$ 220,000</b>	<b>\$ 190,000</b>	<b>\$ (60,000)</b>	<b>(24.0)%</b>
<b>OUTLAYS</b>						
<b>Operating Outlays</b>						
Operations **	\$ 5,790,433	\$ 5,660,063	\$ 5,660,063	\$ 6,208,034	\$ 547,971	9.7%
Operating Project	205,096	100,000	1,150,000	646,000	546,000	546.0%
<b>Total Operating Outlays</b>	<b>\$ 5,995,529</b>	<b>\$ 5,760,063</b>	<b>\$ 6,810,063</b>	<b>\$ 6,854,034</b>	<b>\$ 1,093,971</b>	<b>19.0%</b>
<b>TOTAL OUTLAYS****</b>	<b>\$ 5,995,529</b>	<b>\$ 5,760,063</b>	<b>\$ 6,810,063</b>	<b>\$ 6,854,034</b>	<b>\$ 1,093,971</b>	<b>19.0%</b>
Less Intra-District Reimb	(4,672,984)	(5,621,673)	(5,621,673)	(6,734,728)	(1,113,055)	19.8%
<b>NET OUTLAYS</b>	<b>\$ 1,322,545</b>	<b>\$ 138,390</b>	<b>\$ 1,188,390</b>	<b>\$ 119,306</b>	<b>\$ (19,084)</b>	<b>(13.8)%</b>
<b>BALANCE AVAILABLE</b>	<b>\$ (944,088)</b>	<b>\$ 111,610</b>	<b>\$ (968,390)</b>	<b>\$ 70,694</b>	<b>\$ (40,916)</b>	<b>(36.7)%</b>

### YEAR-END RESERVES

#### Committed Reserves

Catastrophy - Property Self-Insurance	\$ 7,244,312	\$ 6,113,912	\$ 6,275,922	\$ 6,346,616	\$ 232,704	3.8%
Workers Compensation Liability	7,085,600	7,034,000	7,085,600	7,085,600	51,600	0.7%
<b>Total Committed Reserves</b>	<b>\$ 14,329,912</b>	<b>\$ 13,147,912</b>	<b>\$ 13,361,522</b>	<b>\$ 13,432,216</b>	<b>\$ 284,304</b>	<b>2.2%</b>
<b>TOTAL YEAR-END RESERVES</b>	<b>\$ 14,329,912</b>	<b>\$ 13,147,912</b>	<b>\$ 13,361,522</b>	<b>\$ 13,432,216</b>	<b>\$ 284,304</b>	<b>2.2%</b>

### Outlay Summary by Account Type

#### OPERATING OUTLAY

Salaries & Benefits	\$ 1,884,063	\$ 1,991,775	\$ 1,991,775	\$ 2,121,216	\$ 129,441	6.5%
Salaries Savings Factor	—	—	—	(56,077)	(56,077)	—
Services & Supplies	2,996,688	2,731,621	3,781,621	3,665,921	934,300	34.2%
Intra-District Charges	1,114,777	1,036,667	1,036,667	1,122,974	86,307	8.3%
<b>OPERATING OUTLAY TOTAL</b>	<b>\$ 5,995,528</b>	<b>\$ 5,760,063</b>	<b>\$ 6,810,063</b>	<b>\$ 6,854,034</b>	<b>\$ 1,093,971</b>	<b>19.0%</b>
<b>TOTAL OUTLAYS****</b>	<b>\$ 5,995,528</b>	<b>\$ 5,760,063</b>	<b>\$ 6,810,063</b>	<b>\$ 6,854,034</b>	<b>\$ 1,093,971</b>	<b>19.0%</b>

(\*) Interest revenue does not include GASB31 market value adjustment

(\*\*) Operations outlay does not include OPEB Expense-unfunded liability

(\*\*\*)Currently Authorized Projects Reserve is unspent budget for authorized capital projects

(\*\*\*\*)Total Outlays amounts may have a slight variance due to rounding

# Fund Summaries

## Total Outlays - Risk Insurance Fund

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
<b>Operations</b>						
65051001	Risk Management	2,496,681	2,077,077	2,483,249		Office of District Counsel
65051002	Workers Compensation Program	705,883	854,767	865,112		Office of District Counsel
65051003	Health&Safety Program Mgt	2,577,869	2,728,219	2,915,749		Office of COO IT and Admin Services
** 65051009	District Ergonomics Program	10,000				Office of COO IT and Admin Services
65061004	Districtwide Salary Savings-72			(56,077)		Financial Planning and Management Services Division
<b>Total Operations</b>		<b>5,790,433</b>	<b>5,660,063</b>	<b>6,208,034</b>		
<b>Operating</b>						
65052001	2017 President Day Flood	205,096	100,000	646,000		Office of District Counsel
<b>Total Operating</b>		<b>205,096</b>	<b>100,000</b>	<b>646,000</b>		
<b>Total</b>		<b>5,995,529</b>	<b>5,760,063</b>	<b>6,854,034</b>		

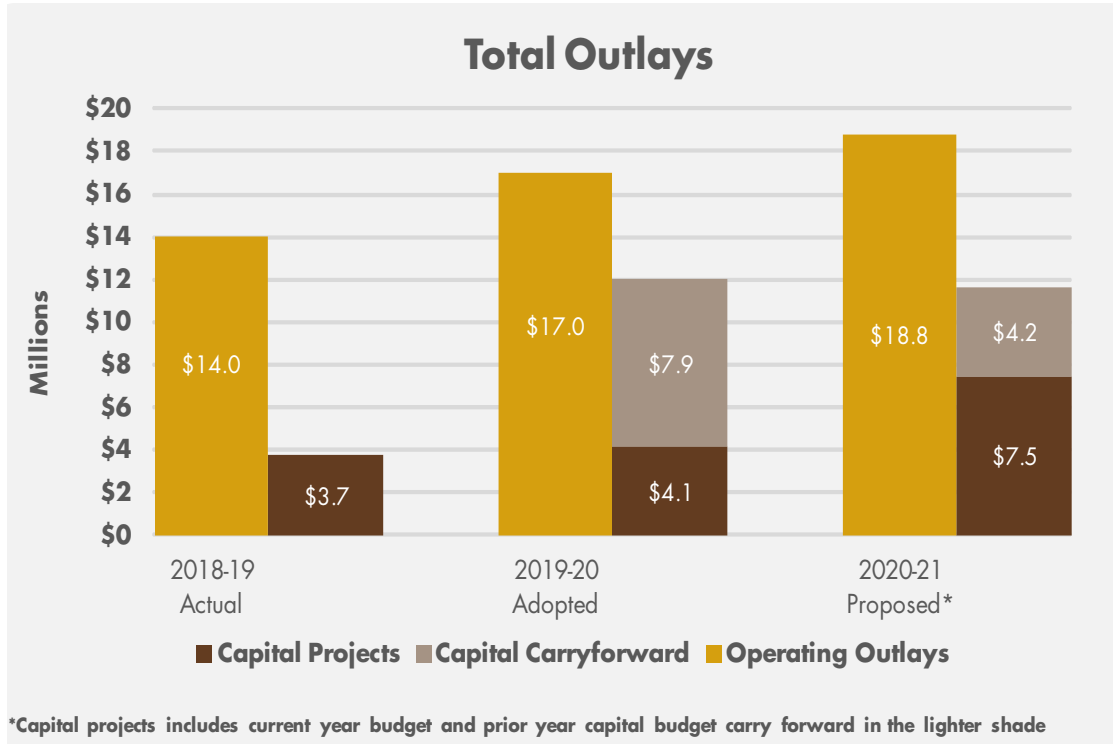
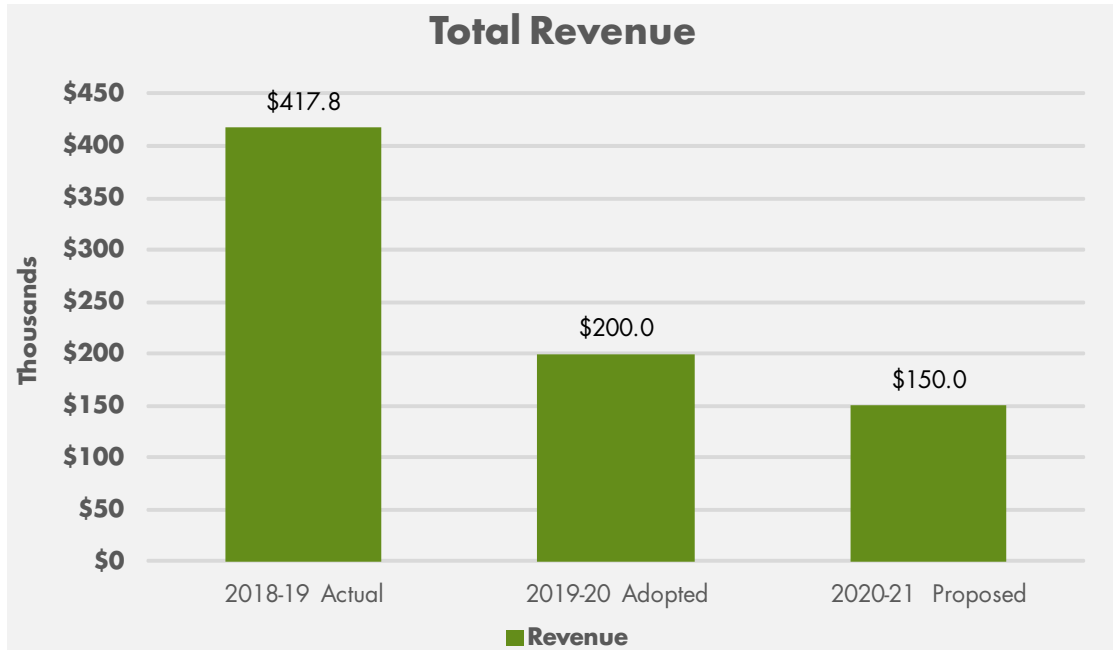
\*Recipient projects

\*\*Closed, combined or no current year funding

\*\*\*Represents estimated unspent capital project budget from FY 2019-20 that will be carried forward to FY2020-21.

# Fund Summaries

## Information Technology Fund



# Fund Summaries

## Information Technology Fund Summary

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
REVENUE						
Interest Income *	\$ 342,507	\$ 200,000	\$ 300,000	\$ 150,000	\$ (50,000)	(25.0)%
Nonoperating Other	75,311	—	—	—	—	—
TOTAL REVENUE	\$ 417,818	\$ 200,000	\$ 300,000	\$ 150,000	\$ (50,000)	(25.0)%
OUTLAYS						
Operating Outlays						
Operations **	\$ 13,979,771	\$ 17,039,664	\$ 17,039,664	\$ 18,813,953	\$ 1,774,289	10.4%
Total Operating Outlays	\$ 13,979,771	\$ 17,039,664	\$ 17,039,664	\$ 18,813,953	\$ 1,774,289	10.4%
Capital Outlays						
Capital Projects	\$ 3,735,272	\$ 4,130,257	\$ 13,767,000	\$ 7,480,088	\$ 3,349,831	81.1%
Carry Forward Capital Projects	—	7,916,000	—	4,163,730	(3,752,270)	(47.4)%
Total Capital Outlays	\$ 3,735,272	\$ 12,046,257	\$ 13,767,000	\$ 11,643,818	\$ (402,439)	(3.3)%
TOTAL OUTLAYS****	\$ 17,715,043	\$ 29,085,921	\$ 30,806,664	\$ 30,457,771	\$ 1,371,850	4.7%
Less Intra-District Reimb	(13,622,447)	(15,438,381)	(15,438,381)	(20,941,003)	(5,502,622)	35.6%
NET OUTLAYS	\$ 4,092,596	\$ 13,647,540	\$ 15,368,283	\$ 9,516,768	\$ (4,130,772)	(30.3)%
OTHER FINANCING SOURCES/(USES)						
Transfers In	\$ 6,513,610	\$ 4,130,000	\$ 4,130,000	\$ 7,340,000	\$ 3,210,000	77.7%
TOTAL OTHER SOURCES/(USES)	\$ 6,513,610	\$ 4,130,000	\$ 4,130,000	\$ 7,340,000	\$ 3,210,000	77.7%
BALANCE AVAILABLE	\$ 2,838,832	\$ (9,317,540)	\$ (10,938,283)	\$ (2,026,768)	\$ 7,290,772	(78.2)%
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	\$ 13,969,749	\$ 2,304,000	\$ 4,333,006	\$ 169,276	\$ (2,134,724)	(92.7)%
Operating and Capital Reserve	1,335,474	942,270	33,934	2,170,896	1,228,626	130.4%
Total Committed Reserves	\$ 15,305,223	\$ 3,246,270	\$ 4,366,940	\$ 2,340,172	\$ (906,098)	(27.9)%
TOTAL YEAR-END RESERVES	\$ 15,305,223	\$ 3,246,270	\$ 4,366,940	\$ 2,340,172	\$ (906,098)	(27.9)%

# Fund Summaries

## Information Technology Fund Summary (Continued)

	Budgetary Basis Actual 2018-19	Adopted Budget 2019-20	Projected Year End 2019-20	Proposed Budget 2020-21	Change from 2019-20 Adopted	
					\$ Diff	% Diff
<b>Outlay Summary by Account Type</b>						
<b>OPERATING OUTLAY</b>						
Salaries & Benefits	\$ 6,090,895	\$ 6,753,466	\$ 6,753,466	\$ 7,439,644	\$ 686,178	10.2%
Salaries Savings Factor	—	—	—	(193,269)	(193,269)	—
Services & Supplies	4,923,721	7,374,388	7,374,388	8,453,273	1,078,885	14.6%
Intra-District Charges	2,965,154	2,911,811	2,911,811	3,114,305	202,494	7.0%
<b>OPERATING OUTLAY TOTAL</b>	<b>\$ 13,979,770</b>	<b>\$ 17,039,665</b>	<b>\$ 17,039,665</b>	<b>\$ 18,813,953</b>	<b>\$ 1,774,288</b>	<b>10.4%</b>
<b>CAPITAL PROJECTS</b>						
Salaries & Benefits	\$ 240,814	\$ 1,212,103	\$ 1,212,103	\$ 1,874,772	\$ 662,669	54.7%
Salaries Savings Factor	—	—	—	(49,631)	(49,631)	—
Services & Supplies	3,405,209	2,671,991	12,308,734	4,709,210	2,037,219	76.2%
Carry Forward Capital Projects	—	7,916,000	—	4,163,730	(3,752,270)	(47.4)%
Intra-District Charges	89,249	246,163	246,163	945,737	699,574	284.2%
<b>CAPITAL PROJECTS TOTAL</b>	<b>\$ 3,735,272</b>	<b>\$ 12,046,257</b>	<b>\$ 13,767,000</b>	<b>\$ 11,643,818</b>	<b>\$ (402,439)</b>	<b>(3.3)%</b>
<b>TOTAL OUTLAYS****</b>	<b>\$ 17,715,042</b>	<b>\$ 29,085,922</b>	<b>\$ 30,806,665</b>	<b>\$ 30,457,771</b>	<b>\$ 1,371,849</b>	<b>4.7%</b>

(\*) Interest revenue does not include GASB31 market value adjustment

(\*\*) Operations outlay does not include OPEB Expense-unfunded liability

(\*\*\*)Currently Authorized Projects Reserve is unspent budget for authorized capital projects

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# Fund Summaries

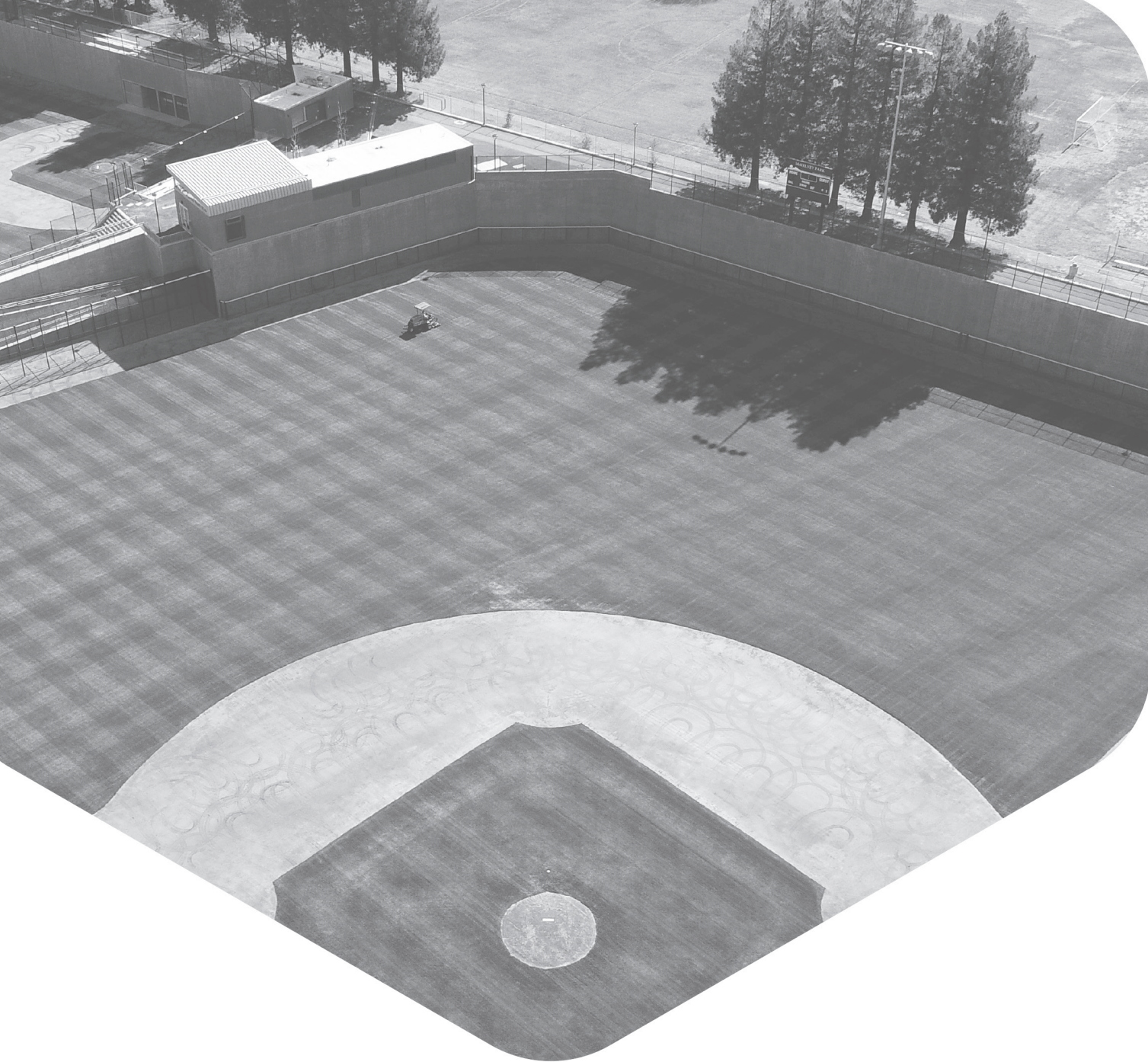
## Total Outlays - Information Technology Fund

Project #	Project Description	Budgetary Basis Actual 2018-2019	Adopted Budget 2019-2020	Proposed Budget 2020-2021	Estimated Carry Forward Budget 2020-2021***	Project Managed By
<b>Operations</b>						
73061004	Districtwide Salary Savings-73			(193,269)		Financial Planning and Management Services Division
73271001	Telecommunications Sys Opr/M	2,069,815	2,269,534	2,420,535		Information Technology Division
73271002	Technical Infrastructure Servi	697,246	1,060,489	758,881		Information Technology Division
73271003	Network Administration	2,680,092	2,522,266	2,662,459		Information Technology Division
73271004	Information Security Admin	111,737	833,996	991,379		Information Technology Division
73271005	Office Cmptr Maint/Help Dsk Sup	1,538,661	1,643,345	2,054,255		Information Technology Division
73271006	Info Technology Div Admin	1,250,753	1,508,678	786,236		Information Technology Division
73271007	Emerging IT Technologies	92,512	123,943	100,000		Information Technology Division
73271008	Software Maint & License	877,069	1,353,182	2,658,721		Information Technology Division
73271009	Software Services	4,661,885	5,724,231	5,698,856		Information Technology Division
73271010	IT Projects & Bus Operations			875,899		Information Technology Division
<b>Total Operations</b>		<b>13,979,771</b>	<b>17,039,664</b>	<b>18,813,953</b>		
<b>Capital</b>						
73064004	Districtwide Salary Savings-73			(49,631)		Financial Planning and Management Services Division
73274001	IT Disaster Recovery	508,443			801,340	Information Technology Division
73274002	ERP System Implementation	1,063,971		2,258,092	3,359,447	Information Technology Division
73274004	Network Equipment	862,899	990,396	2,527,604	396	Information Technology Division
73274006	Office Computers Replace Equip	935,853	1,182,287	1,666,713	1,287	Information Technology Division
73274008	Software Upgrades & Enhancemen	289,106	781,203	871,046	454	Information Technology Division
73274009	Data Consolidation	31,215	60,371	74,384	805	Information Technology Division
** 73274010	Boardroom Technology Upgrade	30,433				Information Technology Division
73274011	E-Discovery Management System	13,353				Information Technology Division
73274012	Telephone System Voice Over IP		1,116,000	131,880		Information Technology Division
<b>Total Capital</b>		<b>3,735,272</b>	<b>4,130,257</b>	<b>7,480,088</b>	<b>4,163,729</b>	
<b>Total</b>		<b>17,715,043</b>	<b>21,169,921</b>	<b>26,294,041</b>	<b>4,163,729</b>	

\*Recipient projects

\*\*Closed, combined or no current year funding

\*\*\*Represents estimated unspent capital project budget from FY 2019-20 that will be carried forward to FY2020-21.



## Resolutions

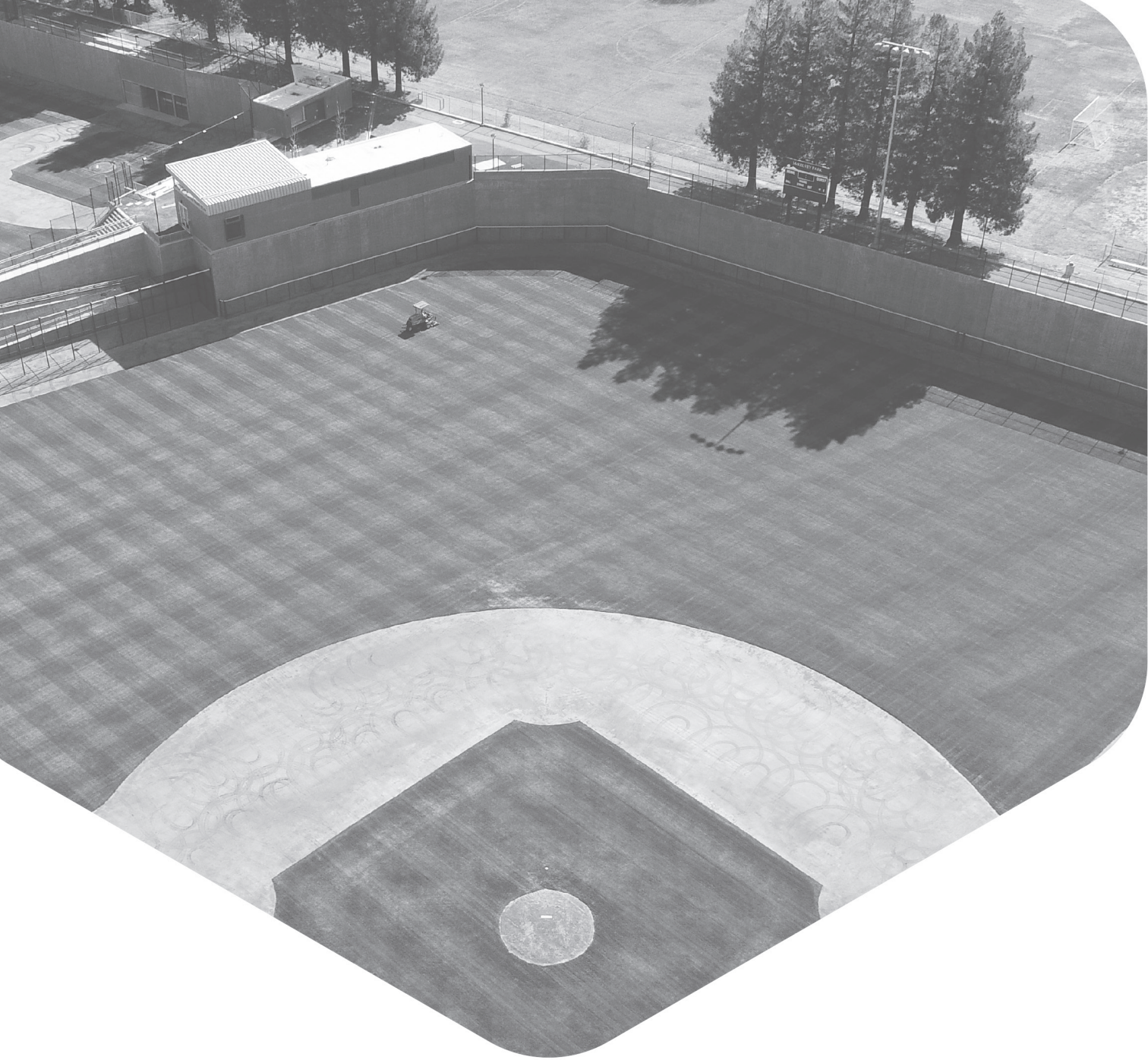
FY 2020-21

## Operating and Capital Budget

# Resolutions

**Resolutions chapter will be  
published at a future date.**





# Appendices

FY 2020-21

## Operating and Capital Budget

## APPENDIX A - GLOSSARY

# Appendix A - Glossary

## **Accrual Basis of Accounting**

The basis of accounting under which revenues are recorded when earned and expenditures (or expenses) are recorded as soon as they result in liabilities for benefits received, notwithstanding that the receipt of cash or the payment of cash may take place, in whole or in part, in another accounting period.

## **Acre Feet (AF)**

The volume of water required to cover 1 acre of land (43,560 square feet) to a depth of 1 foot.

## **Ad Valorem Tax**

A tax based on value (e.g., a property tax).

## **Adjusted Budget**

The prior year's Adopted Budget, plus adjustments approved by the Board and Chief Executive Officer (CEO) through publication date of the current year's Requested Budget. Does not include prior year balance carry forward for multi-year Capital Project budgets.

## **Adopted Budget**

The Adopted Budget represents estimated revenues and appropriations for the next year that are adopted by the District's Board of Directors.

## **Agreements, Contractual**

Contractual agreements made by the District with other governmental agencies for cost sharing or project cost reimbursement.

## **Allocated Project**

Projects whose budget and actual charges are distributed between one or more projects. The projects may be in a single fund or they can be in multiple funds. Allocated projects are distributed based on formulas set during annual budget preparation. These formulas are not static and they can vary every fiscal year. Every attempt is made to maintain the percent distribution fixed within a given fiscal year.

## **Americans with Disabilities Act (ADA)**

Americans with Disabilities Act, Public Law 336 of the 101st Congress, enacted July 26, 1990. The ADA prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities and transportation.

## **Appropriation**

A legal authorization granted through the Santa Clara Valley Water District Act that allows the District to expend funds and incur obligations in accordance with the purpose of the Act. An appropriation could include all reserves, transfers, allocations, and supplemental appropriations, and is typically limited in amount and the time it may be expended.

## **Assessed Valuation**

An official government value placed upon real estate or other property as a basis for levying taxes.

## **Asset**

A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events. Examples of assets are cash, receivables, and equipment.

## **Balanced Budget**

A budget is balanced when budgeted expenditures are equal to or less than the amount of budgeted revenues plus other available sources.

## **Beginning Balance**

The beginning balance is comprised of residual funds brought forward from the previous fiscal year (ending balance).

## **Benefit Assessment**

Determination of benefits derived from District activities within particular watersheds and the levying of a proportionate share of taxes to each parcel subject to voter-approved limitations.

# Appendix A - Glossary

## Benefits

District-funded employee health insurance, vision insurance, dental insurance, basic life insurance, medical insurance reimbursement, Medicare coverage, long-term disability, Workers' Compensation, unemployment insurance, and the PERS Retirement Program.

## Bonds

A long-term debt source that provides borrowed monies that can be used to pay for specific capital facilities. Bonds are a written promise to pay a specified sum of money at a predetermined date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

## Bond Proceeds

Funds derived from the sale of bonds for the purpose of constructing major capital facilities.

## Bond Rating

A methodology used to measure the fiscal health of a borrowing entity. Generally, analyst firms such as Standard and Poor's, Moody's Investor Service, and Fitch Ratings provide bond ratings to governmental agencies. Bonds rated AAA/Aaa are judged to be the best quality and carry the smallest degree of risk, and together with AA/Aa bonds comprise high grade bonds. Ratings including "+" or "1" designate the strongest bonds in the rating category. Generally, highly rated bonds result in lower interest rates.

## Budget

The planned use of expenditures and revenues over a given period of time

## Budget Adjustment

A procedure to revise a budget appropriation, usually completed by either of two methods: (1) The Board of Directors approves the adjustment through the transfer of appropriations between funds, or through additional revenues or appropriations or (2) the CEO authorizes the adjustment of appropriations within a fund and within Operating Budget or within Capital Budget.

## Budgetary Basis

This refers to the form of accounting utilized throughout the budget process. These generally take one of three forms: GAAP, Cash, Modified Accrual or some type of statutory form. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that (a) encumbrances are considered to be an expenditure chargeable to appropriations, (b) no depreciation is budgeted for in enterprise funds, (c) certain accruals (primarily accrued and sick leave pay) are excluded from the budgetary basis, (d) operating transfers are not budgeted. Unencumbered appropriations for Operations lapse at the close of the fiscal year. The basis of accounting used by the District Governmental Funds is Modified Accrual. The basis of accounting used by the District Enterprise Funds is Accrual.

## Budget Document

The instrument used by the budget-making authority to present a comprehensive financial plan to the appropriating governing body.

## Budgetary Control

The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.



# Appendix A - Glossary

## **Budget Process**

The schedule of key dates or milestones which the District follows in the preparation, adoption, and administration of the budget.

## **Bureau Repayment Appropriation**

The Bureau Repayment Appropriation is a provision for voluntary payment of costs to the Bureau of Reclamation, subject to negotiation, for a long-term contractual obligation in excess of current payments.

## **Budget Year**

A consecutive 12-month period for recording financial transactions. The Santa Clara Valley Water District's budget and fiscal year is July 1 through June 30 of the following calendar year.

## **Capital Budget**

The Capital Budget is comprised of all Capital Projects within a fund. See Capital Project.

## **Capital Expenditure**

Capital expenditures generally create assets or extend the useful lives of existing assets, and can be made with regard to tangible and intangible assets. The work product results in a long-term benefit greater than 2 years and involves an expenditure of District resources greater than \$50,000. The general categories of capital expenditures are: Rehabilitation, Major Repairs, Improvements/Betterments/Upgrades, Replacements, Expansions/Additions, and Ancillary Expenditures.

## **Capital Projects**

Projects that are budgeted within the Capital Budget and fall within the definition of Capital Expenditures, meaning they (1) create or extend the lives of assets, (2) their work products have a useful life of greater than two years, and (3) they involve an expenditure of District resources in excess of \$50,000.

Capital Improvement Program (CIP)

Capital projects are multi-year budgeted projects. Capital projects exceed \$50,000 in cost, have long-term life spans and are generally non-recurring.

## **Carry-Forward**

A portion or total of the unspent balance of an appropriation that is made available for expenditure in the succeeding fiscal year.

## **Certificates of Participation (COPs)**

A form of lease revenue bond that permits the investor to participate in a stream of lease payments, installment payments or loan payments relating to the acquisition or construction of specific equipment, land or facilities.

## **CEQA**

California Environmental Quality Act

## **CIP**

See Capital Improvement Plan

## **Commercial Paper**

Short term debt (1-270 days) issued primarily to fund capital expenditures.

## **Comprehensive Annual Financial Report (CAFR)**

The official annual financial report of the District, prepared by the General Accounting Unit, and is usually referred to by its abbreviation, the report summarizes financial data for the previous fiscal year in a standardized format. The CAFR is organized by fund and contains two basic types of information: a balance sheet that compares assets with liabilities and fund balance; and an operating statement that compares revenues with expenditures.

## **Contingency Appropriation**

A provision for unforeseen expenditures.



# Appendix A - Glossary

## **Cost Center**

Cost Centers are separate financial accounting centers in which costs are accumulated because of legal and accounting requirements. The first two digits of a project number identify the cost center.

## **CVP**

Central Valley Project, the imported water supply infrastructure operated by the federal Bureau of Reclamation.

## **Debt Proceeds**

The difference between the face amount of debt and the issuance discount or the sum of the face amount and the issuance premium.

## **Debt Service**

Payment of interest and principal on long term debt.

## **District Act**

The Santa Clara Valley Water District was created by an act of the California Legislature, and operates as a state of California Special District, with jurisdiction throughout Santa Clara County.

## **DWR**

State Department of Water Resources

## **EIR**

Environmental Impact Report

## **Encumbrances**

Commitments related to unperformed (executory) contracts for goods or services. Encumbrances represent the estimated amount of expenditures that will result if unperformed contracts in process are completed.

## **Ends**

Board established policies that describe the mission, outcomes, and results to be achieved by the District.

## **Enterprise Fund**

A fund established to finance and account for the acquisition, operations, and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges; or where the governing body of the governmental unit has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate.

## **Executive Limitations (EL)**

Constraints on the Board Appointed Officers, set by the Board, establishing the prudence and ethics boundaries within which all executive activity and decisions must take place.

## **Expenditure/Expense**

Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements, and shared revenues. The major expenditure categories used by the District are labor and overhead, services & supplies, land and structures, equipment, and debt service.

## **FAHCE**

Fisheries and Aquatic Habitat Collaborative Effort

## **Fixed Assets**

Long-lived tangible assets such as automobiles, computers and software, furniture, communications equipment, hydrologic equipment, office equipment, and other equipment with a value of \$2,000 or more, or the combined value of like or related units (aggregate value) is greater than \$5,000 if the unit value is less than \$2,000.

# Appendix A - Glossary

## **Fiscal Year**

A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The District's fiscal year is July 1 through June 30.

## **Full Time Equivalent (FTE)**

The number of equivalent staff positions actually available, after adjusting for estimated vacancies. It is equal to the total labor hours divided by the standard annual labor hours of 2,080 for a full time employee.

## **Fund**

A reserve of money set aside for some purpose; a fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

## **Fund Balance**

The net effect of assets less liabilities at any given point in time.

## **Gann Limit (Proposition 4)**

Under this article of the California Constitution, the District must compute an annual appropriations limit, which places a ceiling on the total amount of tax revenues the District can actually appropriate annually.

## **GASB**

Governmental Accounting Standards Board

## **General Fund**

A fund used to account for major operating revenues and expenditures, except for those financial transactions that are required to be accounted for in another fund. General Fund revenues are derived primarily from property and other taxes.

## **Generally Accepted Accounting Principles (GAAP)**

Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

## **General Obligation Debt**

Secured by the full faith and credit of the issuer. It is repaid with General Revenue and borrowings.

## **GFOA**

Government Finance Officers Association

## **Government Finance Officers Association (GFOA) Distinguished Budget Award**

Highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by the management, staff, and elected officials of recipients. Budgets are evaluated for effectiveness as a policy document, a financial plan, an operations guide, and as a communication device.

## **Grants**

Contributions or gifts of cash or other assets from another government entity to be used or expended for a specified purpose, activity, or facility.

## **Groundwater**

Water pumped from underground aquifers

## **HAZMAT**

Hazardous Materials

## **Interfund Transfers**

A transfer of funds for specific purposes as approved by the appropriate authority.

## **Intergovernmental Revenue**

Funds received from federal, state and other local government sources in the form of grants, shared revenues, and reimbursements.

# Appendix A - Glossary

## **International Organization for Standardization (ISO)**

An international standard-setting body composed of representatives from various national standards organizations.

## **Interfund Transfers**

A transfer of funds for specific purposes as approved by the appropriate authority.

## **Intra-District Reimbursement**

To provide reimbursement to the District Fund for general costs incurred on behalf of other cost centers.

## **ISMP**

Information Systems Master Plan, a District document which provides objectives, justification and plans for improving the District's use of information system and information technology infrastructure.

## **IWRP**

Integrated Water Resources Plan. This long-term District water supply plan was first completed in 1977, and was updating 2003 (IWRP 2003). The goal of IWRP 2003 is to develop a balanced, flexible, long-term water supply plan that can provide a mix of water resources to meet the needs of Santa Clara County through the year 2040.

## **Levy**

(1. Verb) To impose taxes, special assessments, or service charges for the support of government activities;  
(2. Noun) The total amount of taxes, special assessments, or service charges imposed by a governmental agency.

## **Long-Term Debt**

Debt with a maturity of more than one year after the date of issuance.

## **MTBE**

Methyl-Tert Butyl Ether, an oxygenate added to gasoline in California prior to 2004, which can contaminate groundwater.

## **Modified Accrual Basis of Accounting**

Under the modified accrual basis of accounting, required for use by governmental funds, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

## **Operating Expenditure**

Operating expenditures are system costs required for the daily process of providing water and watershed management services, including the administrative and overhead costs to support these services. Operating expenditures are costs necessary to maintain the systems in good operating condition. This includes the repair and replacement of minor property components. The American Waterworks Association (AWWA) says that these property components should be smaller than a retirement unit; a retirement unit is a readily separable and separately useful item that is part of a larger assembly. The benefit and life of such repairs should be less than 2 years. Any repairs that recur on an annual basis are considered operating activities of a maintenance nature. Operating expenditures are often separated into fixed and variable costs for purposes of understanding operating leverage and structuring service charge rates.

# Appendix A - Glossary

## **Operations**

Expenditures required for the daily process of providing water and watershed management services, including the administrative and overhead costs to support these services. Operations include work that is generally of an ongoing or recurring nature. Any District work that is not a project is, by definition, an Operation.

Operations, although recurring, require close coordination and a high degree of management oversight, however, they can be accomplished without the application of the full range of tools and processes used for managing projects.

## **Operating Budget**

The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, and fuel.

## **Operating Projects**

Projects are budgeted within the Operating Budget and fall within the definition of Operating Expenditures. Although Operating Projects may, in some cases, create or extend the life of an asset and may have a useful life greater than two years, their costs may be under \$50,000. District management may still decide to designate some Operating Projects as Capital Projects for purposes of giving the work visibility, control, and resources beyond a normal operating budget.

## **Other Post Employment Benefits (OPEB)**

Large state and local governments were required to begin accounting for these obligations on December 15, 2006. OPEB obligations are primarily for retiree health care costs but also can include other benefits such as insurance. Currently the District pays a portion of the OPEB obligations out of current revenues on a pay-as you- go method. The annual cost of OPEB is what it costs to cover specific retirees in that year without regard to how this obligation might change as the number of retirees changes or the cost of providing the benefits changes in the future.

## **Outlays**

See Expenditure/Expense.

## **Overhead**

General Fund expenses that cannot be specifically associated with a given service, program, project or operational unit (i.e. accounting, information management, human resources, organizational development). Overhead expenses are allocated to programs and/or projects via an overhead rate that is calculated as a percentage of direct program/project salaries. The overhead rate provides a mechanism to reimburse the General Fund for costs incurred.

## **Overtime**

Hours worked in excess of 40 hours per work week or hours worked in excess of those scheduled in a shift.

## **Perchlorate**

Perchlorate is a salt used as an oxidizer for rocket fuel, highway flares, matches, air bag inflators and for other uses. Perchlorate can contaminate groundwater and surface water supplies.

# Appendix A - Glossary

## **Projects**

At the Santa Clara Valley Water District, a project is any undertaking which has (1) a beginning and an ending, (2) a one-time occurrence. Projects can require expenditure of capital or operating funds and, at the District, are called Capital or Operating Projects, accordingly. Projects usually, but not always, relate to a District facility or facilities (a creek, a reservoir, a dam, a water treatment plant, a pipeline, etc.). Projects may include studies, design, construction, maintenance, or implementation of systems such as Records Management or Financial Management Systems.

## **Property Tax**

An "ad valorem" tax on real property, based upon the value of the property. In accordance with Proposition 13, secured property is taxed at the rate of 1% of assessed valuation, plus a rate sufficient to generate revenue necessary to pay for voter approved indebtedness.

## **Property Tax Assessment**

The process of setting the official valuation of property for taxation; the valuation placed upon property as a result of this process.

## **Proposed Budget**

The District CEO submits a Proposed Budget for the District's financial operations, including an estimate of proposed expenditures and revenues, to the Santa Clara Valley Water District's Board of Directors for approval. The Board Adopted Budget is submitted by the Chairman of the District's Board of Directors to the Santa Clara County Board of Supervisors.

## **Purchased Water**

Water imported from other agencies to supplement local water supplies.

## **Recycled Water**

Wastewater which has been treated for reuse; used for irrigation of crops, toilet flushing, industrial uses or landscaping, depending on its level of treatment.

## **Replacement Appropriation**

Provides funds to meet future major repair costs to Water Enterprise facilities, which would cause interruption of water services (Water Enterprise Fund), and to replace existing equipment due to obsolescence (Equipment Fund).

## **Requested Budget**

This summary budget outlines new programs, program changes, and identifiable goals and objectives.

## **Revenue**

Monies the District receives in exchange for services or sales provided. Revenue items include water sales, property tax revenues, benefit assessment revenues, interest income, intergovernmental reimbursement.

## **Revenue Bonds**

Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

## **Reserve**

An account used to indicate that a portion of a fund's assets are legally restricted for a specific purpose and is, therefore, not available for general appropriation.

## **Resolution**

A special or temporary order of a legislative body requiring less legal formality than an ordinance or statute.

# Appendix A - Glossary

## **Rolling Biennial Budget**

A rolling biennial budget is a two-year spending document, created and adopted through successive annual appropriations with any necessary budget amendments made in the second year. The objective of a rolling biennial budget is to stabilize operating expenditures from year to year to ensure that operating expenditures are within generally agreed upon levels and to align operating and capital expenditures with fairly stable and predictable revenue sources.

## **Safe, Clean Water and Natural Flood Protection Program (SCW)**

A 15-year program resulting from voter approved special parcel tax initiative in November 2012.

## **Salaries**

Salaries are defined as the amount of money paid to District employees for the performance of services.

## **San Felipe Appropriation**

Provides funds necessary for extraordinary maintenance under the San Felipe contract.

## **Self-Insurance Appropriation**

The term "self insurance" is used to define the retention by an entity of a risk of loss arising out of the ownership of property or from other causes and obligations, instead of transferring that risk to an insurance company. The Self-Insurance Appropriation provides funds to meet such losses.

## **Services and Supplies**

Services and Supplies include expenditures for insurance, maintenance, materials and supplies, memberships, office expenses, training and seminars, travel, contract services, communications, equipment leases, and utilities.

## **Special District**

An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes.

## **Supplemental Water Supply Appropriation**

Provides funds for specific purposes such as water transfer, purchase, or reclamation.

## **Subsidence**

The sinking of land surface that occurs when underground aquifers are over-pumped.

## **State Water Project**

The State Water Project is a water and power system operated by the California Department of Water Resources.

## **Taxes**

Compulsory charges levied by a government to finance services performed for the common benefit.

## **Transmittal Letter**

Introductory letter to the Budget document that provides the District and public with information on the major accomplishments in the current year and plans, programs, and activities for the future Budget year.

## **Treated Water**

Water which has been processed through a District water treatment plant.

## **TWIP**

Treated Water Improvement Project is the former name of the Water Treatment Improvement Project

## **Water Treatment Improvement Project**

Also referred to as WTIP, this project is upgrading the District's three drinking water treatment plants to meet future stringent state and federal water regulations, using ozonation as the primary means of disinfection.



# Appendix A - Glossary

## **Watershed**

A watershed is the land area from which surface runoff drains into a stream channel, lake reservoir or other body of water, such as the San Francisco Bay. See Watershed and Flood Control Zones.

## **Watershed and Flood Control Zones**

Much of Santa Clara County is divided into five watershed areas with corresponding flood control zones. Each zone has separate programs, revenues and expenditures. They are: The Lower Peninsula Watersheds (Northwest Zone); the West Valley Watersheds (Central Zone); the Coyote Watershed (East Zone); and the Uvas/Llagas Watersheds (South Zone).

## **WMI**

Watershed Management Initiative. The Santa Clara Basin Watershed Management Initiative, established in 1996 by the U. S. Environmental Protection Agency, the State Water Resources Control Board and The San Francisco Bay Regional Water Quality Control Board. A major aim of the WMI is to coordinate existing regulatory activities on a basin-wide scale, ensuring that problems are addressed efficiently and effectively.

## **Zone W-1**

Encompasses the groundwater basin in northern Santa Clara County and small peripheral areas outside the groundwater basin, with the retail service areas of privately-owned public utilities and municipal water departments using water pumped from the groundwater basin. This area provides the security for General Obligation bonds. Zone W-1 comprises an area of approximately 290 square miles and includes all or portions of 13 of the County's 15 cities, plus some unincorporated territory.

## **Zone W-2**

Encompasses the Santa Clara Valley groundwater basin north of Metcalf Road. It includes those groundwater producing facilities that benefit from recharge of the basin with local and imported water. A charge is levied for all groundwater extracted from this zone.

## **Zone W-3**

Encompasses the Coyote and Llagas groundwater basins in the area from Metcalf Road in the north to just south of the City of Morgan Hill. Part of the County property tax within the 1 percent limit is allocated to this zone.

## **Zone W-4**

Contains all of Zone W-2 and lands outside Zone W-2 that use or otherwise benefit from locally conserved water and from the importation and distribution of water from the South Bay Aqueduct. This area also receives an allocation of County taxes.

## **Zone W-5**

Is comprised of the entire groundwater basin from Metcalf Road south to the Pajaro River. Charges are levied for all groundwater extracted from this zone.

## **Zone W-6**

Represents the old Gavilan Water Conservation District and is within Zone W-5.



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# **APPENDIX B - WATER UTILITY ENTERPRISE LONG TERM FORECAST**

**Appendix B will be  
published at a future date.**

## **APPENDIX C - WATER UTILITY COST ALLOCATION AND BASIS**

# Appendix C - Water Utility Cost Allocation and Basis

## Water Utility Enterprise Water Production Charge Zones of Benefit Cost Allocation and Basis FY2020-21 Operations and Operating Projects

Project #	Project Name	North County Share	% of Total	South County Modified Zone W-5 Share	% of Total	South County New Zone W-7 Share	% of Total	South County New Zone W-8 Share	% of Total	Total Project Basis of Allocation
91041012	Water Operations Planning	531,037	83.9%	66,459	10.5%	34,812	5.5%	633	0.1%	632,941 Raw Water Deliveries
91041018	Groundwater Management Protocols	2,795,810	56.6%	1,639,945	33.2%	469,261	9.5%	34,577	0.7%	4,939,593 Groundwater Production Ratio
91061012	Environmental Compliance Support	33,610	83.9%	4,206	10.5%	2,203	5.5%	40	0.1%	40,059 Raw Water Deliveries
91081007	Dam Safety Program	1,336,628	77.6%	347,509	20.2%	31,874	1.9%	6,892	0.4%	1,722,903 Program Benefit Calculation
91101004	Recycled Water Program	5,491,622	93.5%	381,771	6.5%	-	0.0%	-	0.0%	5,873,393 Population
91111001	Water Rights and Accounting	555,005	83.9%	69,458	10.5%	36,383	5.5%	662	0.1%	661,508 Raw Water Deliveries
91131004	Delta Policy & Imported Water Program	4,961,975	89.4%	265,771	4.8%	320,700	5.8%	-	0.0%	5,548,446 Imported Water Ratio
91131006	San Felipe Division Deliveries	14,669,998	82.3%	1,433,829	8.0%	1,729,868	9.7%	-	0.0%	17,833,695 Program Benefit Calculation
91131007	South Bay Aqueduct Deliveries	756,828	100.0%	-	0.0%	-	0.0%	-	0.0%	756,828 No South County Benefit
91131008	State Water Project Costs	29,636,261	100.0%	-	0.0%	-	0.0%	-	0.0%	29,636,261 No South County Benefit
91151001	Water Conservation Program	5,609,165	90.5%	539,224	8.7%	24,792	0.4%	-	0.0%	6,197,973 Program Benefit Calculation
91151012	Recycled/Purified Water Public Engagement	1,202,793	93.5%	83,617	6.5%	-	0.0%	24,792	0.4%	1,286,410 Population
91151013	Water Banking Operations	3,412,296	89.4%	182,767	4.8%	220,542	5.8%	-	0.0%	3,815,605 Imported Water Ratio
91211004	San Felipe Reach 1 Operations	527,649	82.3%	51,290	8.0%	62,189	9.7%	-	0.0%	641,128 CVP Imported Water Ratio
91211005	SFD Reach 1 Administration	4,248	82.3%	413	8.0%	501	9.7%	-	0.0%	5,162 CVP Imported Water Ratio
91211084	San Felipe Reach1 Ctrl and Ele	259,885	82.3%	25,262	8.0%	30,630	9.7%	-	0.0%	315,777 CVP Imported Water Ratio
91211085	San Felipe Reach 1 Eng Other	237,924	82.3%	23,128	8.0%	28,042	9.7%	-	0.0%	289,094 CVP Imported Water Ratio
91211095	San Felipe Reach 1 Gen Maint	704,890	82.3%	68,519	8.0%	83,079	9.7%	-	0.0%	856,488 CVP Imported Water Ratio
91221002	San Felipe Reach 2 Operations	51,801	82.3%	5,035	8.0%	6,105	9.7%	-	0.0%	62,941 CVP Imported Water Ratio
91221006	San Felipe Reach 2 Eng Other	146,079	82.3%	14,200	8.0%	17,217	9.7%	-	0.0%	177,496 CVP Imported Water Ratio
91221099	San Felipe Reach 2 Gen Maint	133,100	82.3%	12,938	8.0%	15,687	9.7%	-	0.0%	161,725 CVP Imported Water Ratio
91231002	San Felipe Reach 3 Operations	271,200	82.3%	26,362	8.0%	31,964	9.7%	-	0.0%	329,526 CVP Imported Water Ratio
91231084	San Felipe Reach3 Ctrl and Ele	258,324	82.3%	25,110	8.0%	30,446	9.7%	-	0.0%	313,880 CVP Imported Water Ratio
91231085	San Felipe Reach 3 Eng Other	90,777	82.3%	8,824	8.0%	10,699	9.7%	-	0.0%	110,300 CVP Imported Water Ratio
91231099	San Felipe Reach 3 Gen Maint	862,762	82.3%	83,865	8.0%	101,686	9.7%	-	0.0%	1,048,313 CVP Imported Water Ratio
91251001	Los Vaqueros-Bethany Transfer PL Placeholder	1,020,861	100.0%	-	0.0%	-	0.0%	-	0.0%	1,020,861 No South County Benefit
91281007	SVAWPC Facility Operations	2,513,648	100.0%	-	0.0%	-	0.0%	-	0.0%	2,513,648 No South County Benefit
91281008	SVAWPC Facility Maintenance	2,378,075	100.0%	-	0.0%	-	0.0%	-	0.0%	2,378,075 No South County Benefit
91441003	Desalination	49,208	77.3%	11,013	17.3%	3,183	5.0%	255	0.4%	63,659 Water Usage Ratio
91451002	Well Ordinance Program	1,699,435	92.0%	112,680	6.1%	33,250	1.8%	1,847	0.1%	1,847,212 Well Permits and Inspections
91451005	Source Water Quality Management	541,168	77.3%	121,115	17.3%	35,004	5.0%	2,800	0.4%	700,087 Water Usage Ratio
91451011	Invasive Mussel Prevention	518,640	83.9%	64,907	10.5%	33,999	5.5%	618	0.1%	618,164 Raw Water Deliveries

# Appendix C - Water Utility Cost Allocation and Basis

## Water Utility Enterprise Water Production Charge Zones of Benefit Cost Allocation and Basis FY2020-21 Operations and Operating Projects

Project #	Project Name	North County Share	% of Total	South County Modified Zone W-5 Share	% of Total	South County New Zone W-7 Share	% of Total	South County New Zone W-8 Share	% of Total	Total Project Basis of Allocation
91601001	Delta Conveyance	10,414,187	89.4%	557,799	4.8%	673,085	5.8%	-	0.0%	11,645,071 Imported Water Ratio
91761001	Local Reservoir & Diversion Ops Plan & Analysis	1,304,170	77.3%	291,878	17.3%	84,358	5.0%	6,749	0.4%	1,687,155 Water Usage Ratio
91761013	SCADA Systems Upgrade	90,865	83.9%	11,372	10.5%	5,957	5.5%	108	0.1%	108,302 Raw Water Deliveries
91761099	Dams & Reservoir Gen Maint	2,755,723	78.6%	674,821	19.3%	61,698	1.8%	13,321	0.4%	3,505,563 Program Benefit Calculation
91951001	San Luis Lowpoint Improvement Program	265,485	82.3%	25,807	8.0%	31,290	9.7%	-	0.0%	322,582 CVP Imported Water Ratio
92041014	FAHCE/Three Creeks HCP Project	2,417,353	94.1%	69,361	2.7%	82,205	3.2%	-	0.0%	2,568,919 Coyote Water Supply Ratio
92061012	Environmental Compliance Support	60,498	83.9%	7,571	10.5%	3,966	5.5%	72	0.1%	72,107 Raw Water Deliveries
92261099	Vasona Pump Station General Maintenance	140,058	100.0%	-	0.0%	-	0.0%	-	0.0%	140,058 No South County Benefit
92761001	Raw Water T&D Gen'l Oper	1,344,029	83.9%	168,204	10.5%	88,107	5.5%	1,602	0.1%	1,601,942 Raw Water Deliveries
92761008	Recycled Water T&D General Maint	-	0.0%	282,146	100.0%	-	0.0%	-	0.0%	282,146 Benefits Only South County
92761009	Recharge/RW Field Ops	2,105,217	63.3%	808,164	24.3%	409,071	12.3%	3,326	0.1%	3,325,778 Groundwater Recharge Ratio
92761010	Recharge/RW Field Fac Maint	1,442,407	63.3%	553,720	24.3%	280,278	12.3%	2,279	0.1%	2,278,684 Groundwater Recharge Ratio
92761013	SCADA Systems Upgrade	150,133	37.9%	114,035	28.8%	126,820	32.0%	4,829	1.2%	395,817 Untreated Water Deliveries Ratio
92761082	Raw Water T&D Ctrl and Elec Eng	475,435	83.9%	59,500	10.5%	31,167	5.5%	567	0.1%	566,669 Raw Water Deliveries
92761083	Raw Water T&D Eng Othr	869,144	83.9%	108,772	10.5%	56,976	5.5%	1,036	0.1%	1,035,928 Raw Water Deliveries
92761085	Anderson Hydroelectric Fclty Main	138,688	82.3%	13,481	8.0%	16,346	9.7%	-	0.0%	168,515 Anderson Water Deliveries Ratio
92761099	Raw Water Trans & Dist Gen Mint	1,951,787	83.9%	244,264	10.5%	127,948	5.5%	2,326	0.1%	2,326,325 Raw Water Deliveries
92781002	RW Corrosion Control	540,589	83.9%	67,654	10.5%	35,438	5.5%	644	0.1%	644,325 Raw Water Deliveries
93061012	Environmental Compliance Support	488,724	100.0%	-	0.0%	-	0.0%	-	0.0%	488,724 No South County Benefit
93081002	Treatment Plant Process & Commissioning	385,080	100.0%	-	0.0%	-	0.0%	-	0.0%	385,080 No South County Benefit
93081008	W T General Water Quality	2,414,862	100.0%	-	0.0%	-	0.0%	-	0.0%	2,414,862 No South County Benefit
93081009	Water Treatment Plant - Engineering Other	394,289	100.0%	-	0.0%	-	0.0%	-	0.0%	394,289 No South County Benefit
93231009	PWTP Operations General	5,765,415	100.0%	-	0.0%	-	0.0%	-	0.0%	5,765,415 No South County Benefit
93231099	Penitencia WTP General Maint	3,084,954	100.0%	-	0.0%	-	0.0%	-	0.0%	3,084,954 No South County Benefit
93281005	STWTP - General Operations	6,272,321	100.0%	-	0.0%	-	0.0%	-	0.0%	6,272,321 No South County Benefit
93281099	Santa Teresa Wtr General Maint	3,463,147	100.0%	-	0.0%	-	0.0%	-	0.0%	3,463,147 No South County Benefit
93291012	RWTP General Operations	9,059,673	100.0%	-	0.0%	-	0.0%	-	0.0%	9,059,673 No South County Benefit
93291099	Rinconada WTP General Maint	3,646,134	100.0%	-	0.0%	-	0.0%	-	0.0%	3,646,134 No South County Benefit
93401002	Wtr District Laboratory	5,031,479	91.2%	438,599	7.9%	45,239	0.8%	1,655	0.0%	5,516,972 Lab Analyses
93761001	SF/SCVWD Intertie General Oper	227,525	100.0%	-	0.0%	-	0.0%	-	0.0%	227,525 No South County Benefit
93761004	Campbell Wellfield Operations	103,622	100.0%	-	0.0%	-	0.0%	-	0.0%	103,622 No South County Benefit

# Appendix C - Water Utility Cost Allocation and Basis

## Water Utility Enterprise

### Water Production Charge Zones of Benefit Cost Allocation and Basis

FY2020-21 Operations and Operating Projects

Project #	Project Name	North County Share	% of Total	South County Modified Zone W-5 Share	% of Total	South County New Zone W-7 Share	% of Total	South County New Zone W-8 Share	% of Total	Total Project Basis of Allocation
93761005	Campbell Wellfield Maintenance	112,332	100.0%	-	0.0%	-	0.0%	-	0.0%	112,332 No South County Benefit
93761006	Treated Water Ctrl & Elec Eng	2,111,789	100.0%	-	0.0%	-	0.0%	-	0.0%	2,111,789 No South County Benefit
93761013	SCADA Systems Upgrade	433,208	100.0%	-	0.0%	-	0.0%	-	0.0%	433,208 No South County Benefit
93761099	SF/SCVWD Intertie General Maint	112,278	100.0%	-	0.0%	-	0.0%	-	0.0%	112,278 No South County Benefit
94761005	Treated Water T&D IPU Ops Eng	650,090	100.0%	-	0.0%	-	0.0%	-	0.0%	650,090 No South County Benefit
94761013	SCADA Systems Upgrade	43,321	100.0%	-	0.0%	-	0.0%	-	0.0%	43,321 No South County Benefit
94761099	Treated Water T&D Gen Maint	1,486,237	100.0%	-	0.0%	-	0.0%	-	0.0%	1,486,237 No South County Benefit
94781001	TW T&D Corrosion Control	528,658	100.0%	-	0.0%	-	0.0%	-	0.0%	528,658 No South County Benefit
95001090	Unscopd Operation Activities	77,300	77.3%	17,300	17.3%	5,000	5.0%	400	0.4%	100,000 Water Usage Ratio
95011003	Asset Protection Support	1,093,817	97.5%	21,428	1.9%	6,170	0.5%	449	0.0%	1,121,864 Program Benefit Calculation
95021008	Electrical Power Support	315,083	98.5%	3,712	1.2%	1,088	0.3%	128	0.0%	320,011 Labor Hours
95031002	Grants Management	334,688	63.2%	148,332	28.0%	43,372	8.2%	3,177	0.6%	529,569 Program Benefit Calculation
95041039	Integrated Regional Water Mgmt	44,950	77.3%	10,060	17.3%	2,908	5.0%	233	0.4%	58,151 Water Usage Ratio
95061012	Residntl Rental Exp San Pedro, MH	-	0.0%	21,900	100.0%	-	0.0%	-	0.0%	21,900 Benefits only South County
95061038	WUE Administration	6,565,510	77.3%	1,469,383	17.3%	424,677	5.0%	33,974	0.4%	8,493,544 Water Usage Ratio
95061043	WUE ER Response Planning & Implement	3,359,566	100.0%	-	0.0%	-	0.0%	-	0.0%	3,359,566 No South County Benefit
95061045	District Asset Management Framework	1,552,020	77.3%	347,347	17.3%	100,389	5.0%	8,031	0.4%	2,007,787 Water Usage Ratio
95061047	WU Technical Training Program	384,461	77.3%	86,044	17.3%	24,868	5.0%	1,989	0.4%	497,362 Water Usage Ratio
95061048	Climate Change Adaptation/Mitg	73,260	77.3%	16,396	17.3%	4,739	5.0%	379	0.4%	94,774 Water Usage Ratio
95071041	Welding Services	483,164	98.4%	5,991	1.2%	1,768	0.4%	147	0.0%	491,070 Program Benefit Calculation
95101003	W2 W5 Wtr Revenue Program	587,185	37.0%	761,119	48.0%	222,496	14.0%	16,187	1.0%	1,586,987 Labor Hours
95111003	Water Use Measurement General	1,119,231	56.8%	650,258	33.0%	187,195	9.5%	13,793	0.7%	1,970,477 Labor Hours
95121003	Long Term Financial Planning	457,346	77.3%	102,356	17.3%	29,583	5.0%	2,367	0.4%	591,652 Water Usage Ratio
95151002	Water Utility Customer Relations	894,238	93.5%	53,559	5.6%	5,738	0.6%	2,869	0.3%	956,404 Population
95741001	WUE Long-term Planning	1,430,707	77.3%	320,197	17.3%	92,542	5.0%	7,403	0.4%	1,850,849 Water Usage Ratio
95741042	Water Resources EnvPing and Permitting	1,917,817	94.1%	91,509	4.5%	26,699	1.3%	2,038	0.1%	2,038,063 Program Benefit Calculation
95761003	SCADA Network Administration	202,374	83.9%	25,327	10.5%	13,267	5.5%	241	0.1%	241,209 Raw Water Deliveries
95761071	Emergency Preparedness Prog (50% WU)	1,086,862	93.5%	65,095	5.6%	6,975	0.6%	3,487	0.3%	1,162,419 Population
95762011	Tree Maintenance Program	216,558		48,466		14,008		1,121		280,153 Water Usage Ratio
95771011	InterAgency Urban Runoff Program	435,073	83.9%	54,449	10.5%	28,521	5.5%	519	0.1%	518,562 Raw Water Deliveries
95771031	HAZWAT Emergency Response	78,007	92.7%	5,301	6.3%	589	0.7%	252	0.3%	84,149 Emergency Response Events
95811043	Hydrologic Data Msrmt & Mgmt Alloc-50% WU	764,759	75.0%	50,984	5.0%	112,165	11.0%	91,771	9.0%	1,019,679 Stream Gauge Location

# Appendix C - Water Utility Cost Allocation and Basis

## Water Utility Enterprise Water Production Charge Zones of Benefit Cost Allocation and Basis FY2020-21 Operations and Operating Projects

Project #	Project Name	North County Share	% of Total	South County Modified Zone W-5 Share	% of Total	South County New Zone W-7 Share	% of Total	South County New Zone W-8 Share	% of Total	Total Project Basis of Allocation
95811046	Warehouse Svcs 50% WU	579,553	77.3%	129,706	17.3%	37,487	5.0%	2,999	0.4%	749,745
95811049	X Valley Subsidence Survey	400,065	94.7%	13,941	3.3%	5,069	1.2%	3,380	0.8%	422,455
95811054	District Real Property Admin	325,753	77.3%	72,905	17.3%	21,071	5.0%	1,686	0.4%	421,415
91061007	Water Utility Capital Projects Salary Savings	(1,200,243)	77.3%	(268,618)	17.3%	(77,635)	5.0%	(6,211)	0.4%	(1,552,707)
<b>TOTAL FY2020-21 Operations and Operating Projects</b>		<b>179,237,808</b>	<b>89.2%</b>	<b>14,505,216</b>	<b>7.2%</b>	<b>6,902,359</b>	<b>3.4%</b>	<b>304,576</b>	<b>0.2%</b>	<b>200,949,959</b>





# Valley Water

Clean Water • Healthy Environment • Flood Protection

Santa Clara Valley Water District  
5750 Almaden Expressway, San José, CA 95118-3686  
Phone: (408) 265-2600 Fax: (408) 266-0271  
[valleywater.org](http://valleywater.org)

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