



# Valley Water

Clean Water • Healthy Environment • Flood Protection

# **FY2020-21 Proposed Operating and Capital Budget Board Work Study Session**

**April 29, 2020**

# Presentation Summary

## 1. Budget Overview

- Budget Development & Review Process
- FY2020-21 Proposed Budget Review
- Fund Reserves
- Fund 12 Overview
- Fund Financial Sustainability – WS, SCW, WU
- Proposed Budget Allocations by Fund and Organization

## 2. Proposed Budget by Organization

- Administration
- Watersheds
- Water Utility

## 3. Next Steps

# Budget Development and Review Process

*Executes on the Board's Work Plan while ensuring future financial sustainability*

- Update long-term forecast and set funding limits (fund targets)
- Multiple staff reviews (1<sup>st</sup> Pass through 4<sup>th</sup> Pass)
- Conduct multiple Board reviews
  - Receive and incorporate Board direction
    - COVID-19 pandemic
  - Allow public to provide input
- Conduct separate public hearings
  - Groundwater Production Charges
  - Capital Improvement Program Plan

# FY 2020-21 Budget Schedule

*Next step is to approve the FY20 GWP, FY21-25 CIP and FY20 Budget*

## Board Budget Development Updates:

- ✓ February 11 – Budget Update
- ✓ March 24 – Second Pass Results
- ➡ April 29 – Board Work Study Session

## Groundwater Production Charge Updates/Hearings:

- ✓ January 14
- ✓ February 5
- ✓ April 28

## Capital Improvement Plan Board Updates:

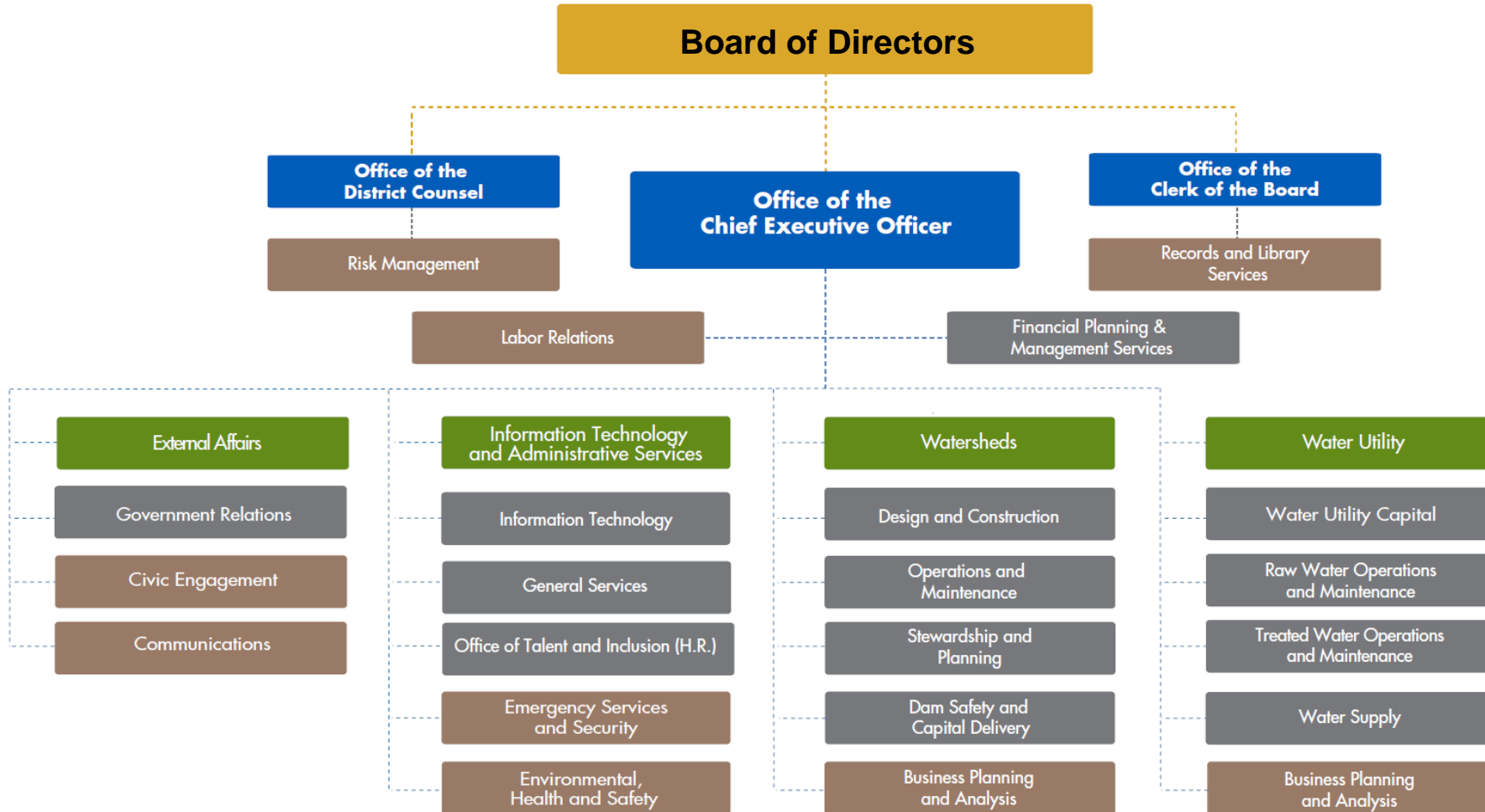
- ✓ January 14
- ✓ February 25

## Budget Adoption: (Budget, GWP and CIP)

- May 12

# District Organizational Structure

*Reorganization of HR Division and Dam Safety & Capital Delivery units*



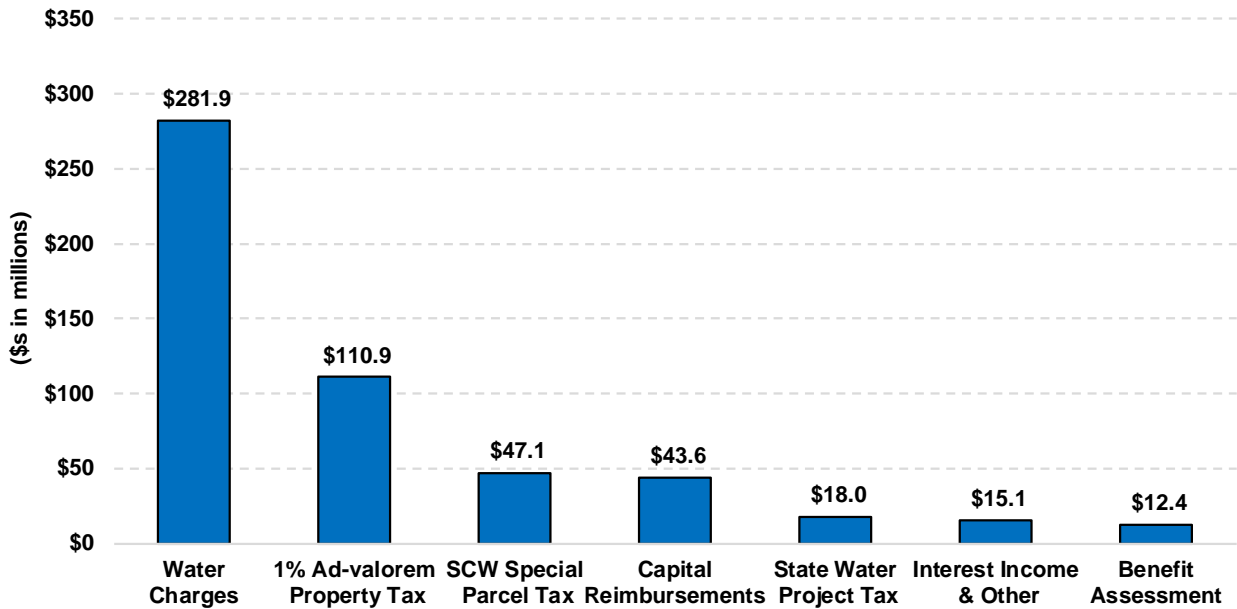
# Financial Decision Summary for May 12, 2020

- **Approve FY 21 Rates and Charges**
  - Water Charges
  - SWP Tax Amount
  - SCW Special Tax increase
  - Benefit Assessments
- **Approve FY21-25 Five Year CIP**
  - 67 Projects
  - \$2.2 billion planned expenditures over five (5) years
  - First year aligned with FY 21 budget
- **Approve FY 21 Budget**
  - Budgeted Reserve amounts
  - Project/Funding levels
  - Homeless Encampment project adjustment

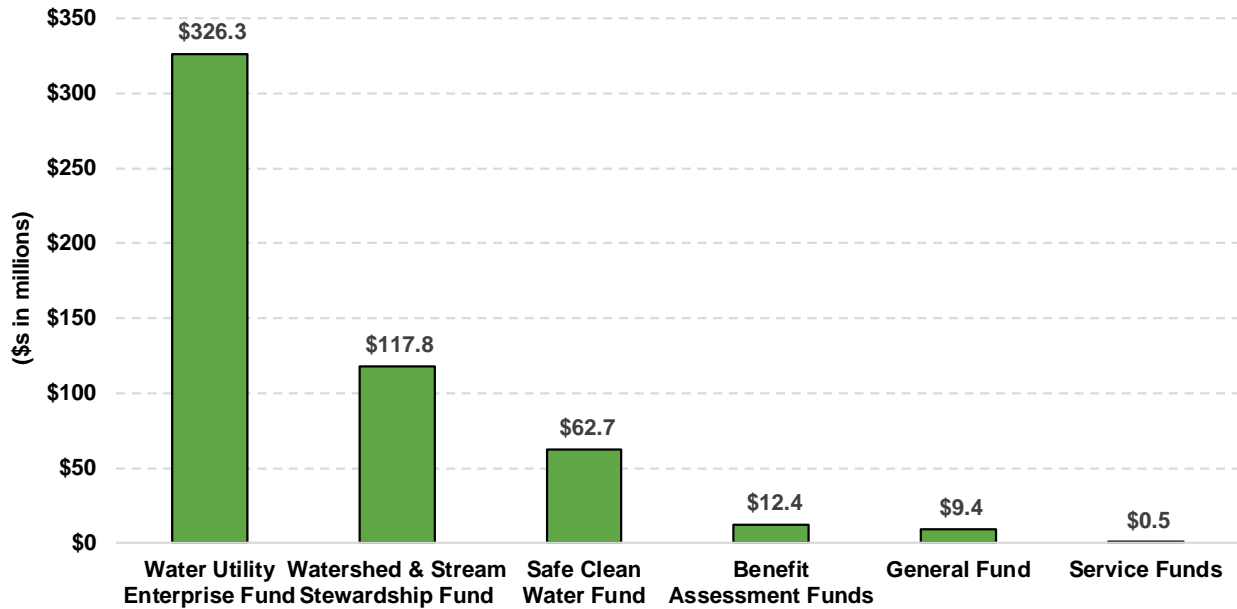
# FY21 Proposed Budget Revenue

Total revenue of \$529.0 million

Revenue by Source



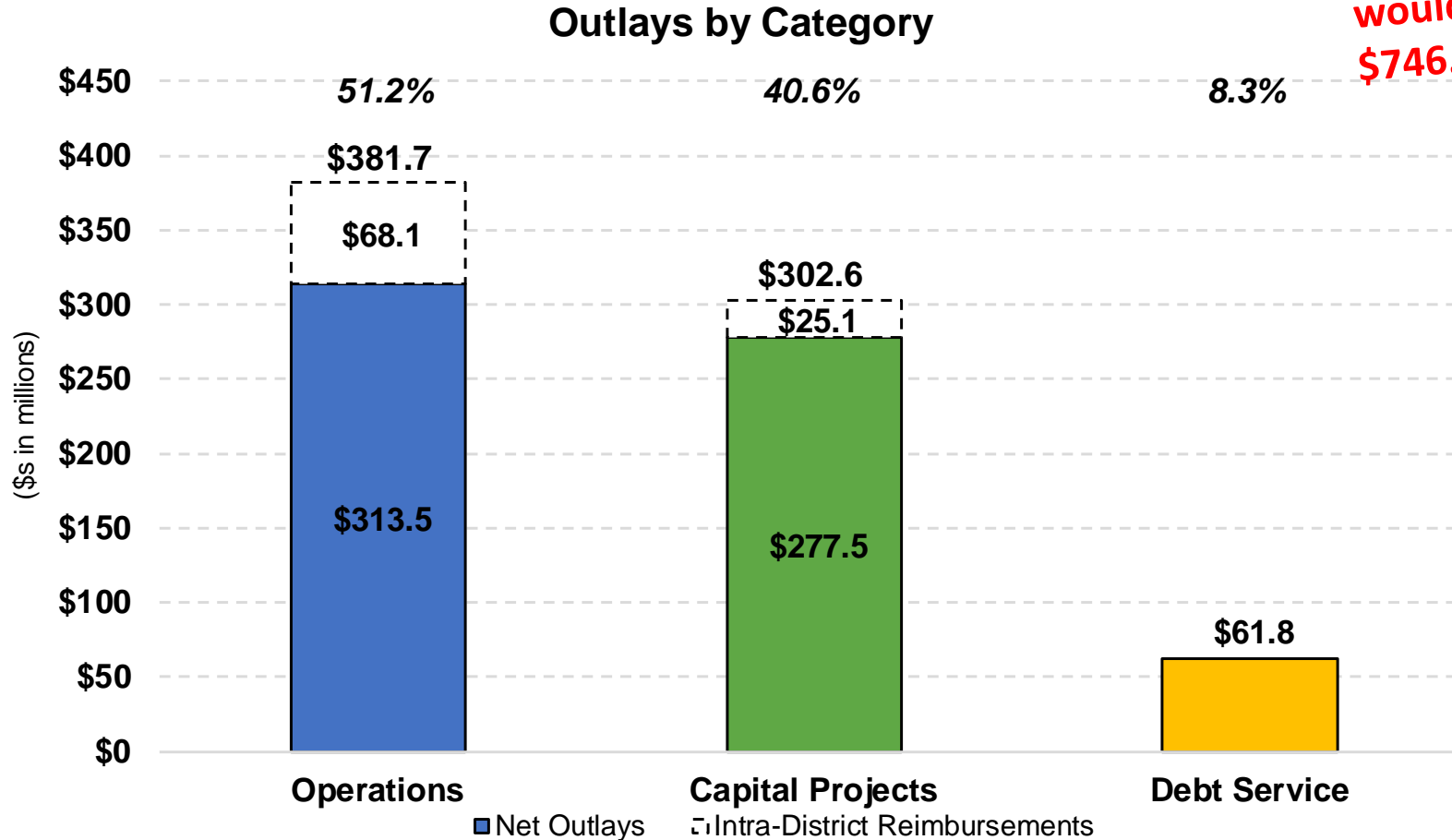
Revenue by Fund



# FY21 Proposed Budget by Category

*Total operating and capital outlays of \$746.1 million*

**Staff proposed adjustments as of 4/28/20 would reduce Total from \$746.1M to \$702.1M**



Note: Capital projects budget of \$302.6 million excludes carry forward capital project amount of \$63.7 million

**Net FY21 Proposed Budget of \$652.8 million, net of \$93.2 million Intra-District Reimbursements**

**Staff proposed adjustments as of 4/28/20 would reduce Net from \$652.8M to \$608.8M**

# FY21 Proposed Budget by Fund

(Millions \$)	Water Utility Funds		Safe, Clean Water Fund	Watershed Strm Stewardship Fund	Benefit Assmt Fund	Administration <sup>2</sup> Funds	Total Valley Water
	Water Utility Enterprise Fund	State Water Project Fund					
Revenue	\$ 307.3	\$ 19.0	\$ 62.7	\$ 117.8	\$ 12.4	\$ 9.8	\$ 529.0
Interfund Transfer	(5.5)	1.3	9.8	(15.8)	(1.2)	11.4	0.0
Ops Costs	(171.3)	(29.6)	(17.5)	(62.3)		(101.0)	(381.7)
Debt Service	(48.4)	-	(1.7)	-	(11.2)	(0.5)	(61.8)
Capital	(191.6)	-	(67.5)	(29.5)	-	(14.0)	(302.6)
Capital Carry-Forward	(22.2)	-	(32.5)	(4.9)	-	(4.2)	(63.7)
Debt Proceeds	135.5	-	-	-	-	-	135.5
IntraDistrict Reimbursements <sup>1</sup>	-	-	-	-	-	93.2	93.2
Balance	\$ 3.6	\$ (9.3)	\$ (46.7)	\$ 5.3	\$ -	\$ (5.0)	\$ (52.0)
Reserves							
Restricted	59.1	-	68.8	-	-	-	127.9
Committed	59.5	-	-	113.5	-	10.5	183.4
Designated Liability	-	-	-	-	-	13.4	13.4
Total Reserves	\$ 118.6	\$ -	\$ 68.8	\$ 113.5	\$ -	\$ 23.9	\$ 324.7

~~\$702.1M~~

~~\$746.1M~~

~~\$608.8M~~

~~\$652.8M~~  
Net of Intra-District charges

valleywater.org

Notes:

<sup>1</sup> Intra-District Reimbursements represent overhead costs that have been allocated to the Water Utility, Safe, Clean Water, and Watersheds (included in the operations and capital costs for those funds)

<sup>2</sup> Administration Funds include General Fund and Service Funds (Fleet Management, Risk Management, & Information Technology Funds).

# FY21 Proposed Budget Salaries and Benefits

*Salaries and Benefits increase due to COLA & previously approved new positions*

Salaries and Benefits (\$ in millions)	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Proposed	FY21 vs FY20	% Change
<b>Salaries</b>							
Salaries - Regular Employees	\$ 86.5	\$ 90.5	\$ 96.8	\$ 112.2	\$ 123.9	\$ 11.6	10.4%
Overtime and Special Pays	3.1	2.6	3.3	4.0	4.1	0.1	2.3%
Salary Savings	-	-	-	(4.7)	(5.0)	(0.3)	6.1%
<b>Total Salaries</b>	<b>\$ 89.6</b>	<b>\$ 93.1</b>	<b>\$ 100.1</b>	<b>\$ 111.5</b>	<b>\$ 122.9</b>	<b>\$ 11.5</b>	<b>10.3%</b>
<b>Benefits</b>							
Fed & State Taxes & Benefits	1.3	1.4	1.4	1.4	1.6	0.1	10.5%
Retirement Contributions	19.5	20.8	26.6	29.3	33.4	4.0	13.8%
Group Insurance - Active Employees	13.4	13.5	13.7	16.4	17.3	0.9	5.4%
Group Insurance - Retired Employees	8.6	9.5	10.2	11.4	12.2	0.8	7.3%
Other Post Employment Benefits	3.0	3.0					
<b>Total Benefits</b>	<b>\$ 45.8</b>	<b>\$ 48.2</b>	<b>\$ 51.9</b>	<b>\$ 58.5</b>	<b>\$ 64.4</b>	<b>\$ 5.9</b>	<b>10.1%</b>
<b>Total Salaries &amp; Benefits</b>	<b>\$135.4</b>	<b>\$141.3</b>	<b>\$152.0</b>	<b>\$170.0</b>	<del><b>\$187.4</b></del>	<del><b>\$17.4</b></del>	<del><b>10.2%</b></del>

Note: 1) FY21 includes 882 regular positions, 8 limited-term, and 4 fellowships  
 2) 23 new positions proposed in 2nd Pass  
 3) 17 Board approved positions absorbed in FY20 Budget; budgeted in FY21 Budget

**\$183.4    \$13.4    7.9%**

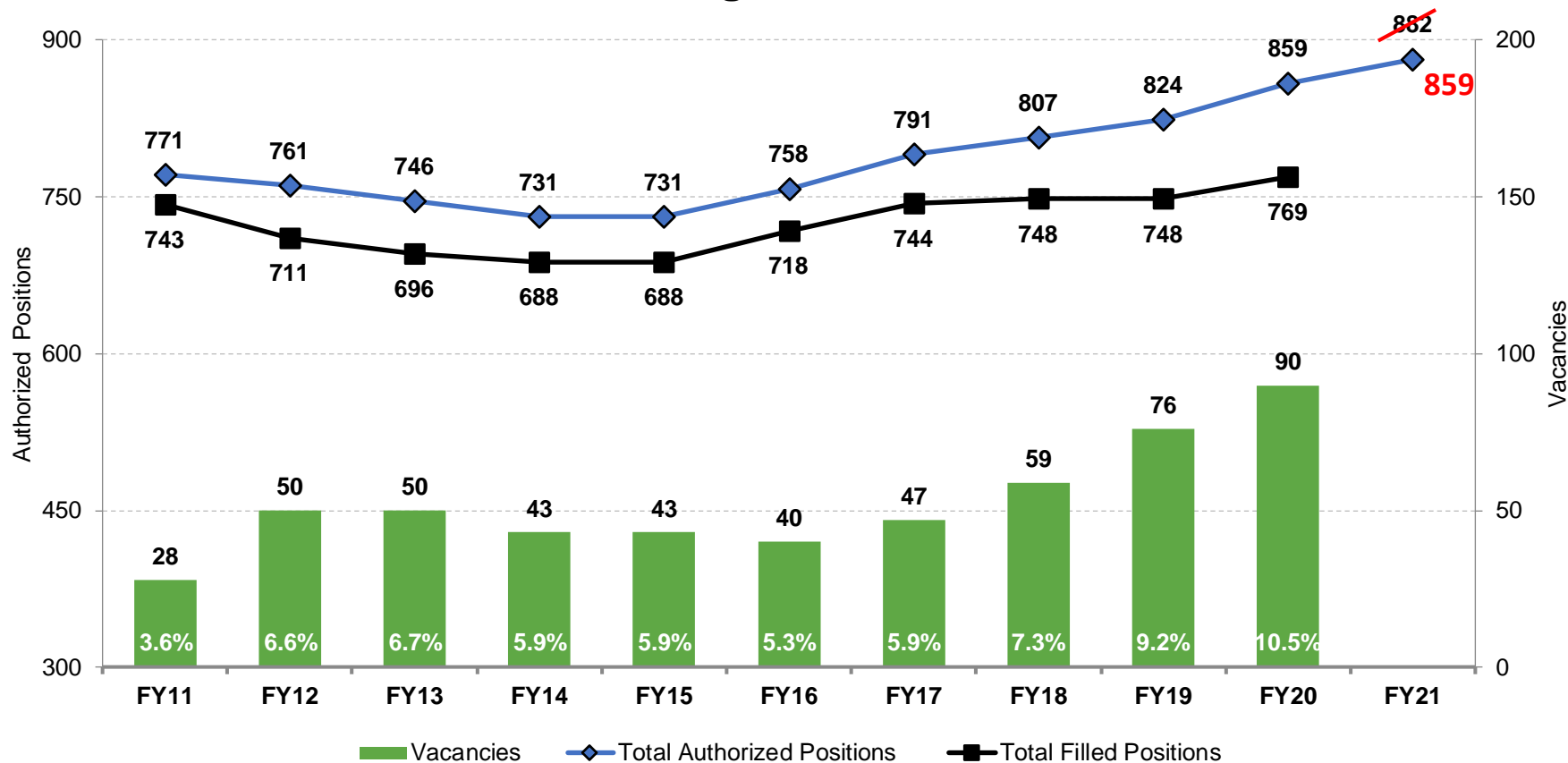
Staff proposes to delay 23 new position requests (\$4M savings)

# FY21 Proposed Budget Positions

Increase of ~~23 new position requests~~

Staff proposes to delay 23 new position requests

District Staffing Trends, FY 2011-2021



- Note:
- 1) FY21 includes 882 regular positions; excludes 8 limited-term and 4 fellowships
  - ~~2) 23 new positions proposed in 2nd Pass~~
  - 3) 17 Board approved positions absorbed in FY20 Budget; budgeted in FY21 Budget



# FY21 Proposed Budget Districtwide Outlays

Net outlays ~~\$123.7M~~ higher than FY20, primarily due to capital expenditures

**\$79.7M**

Outlays (\$ in millions)	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Proposed	FY21 vs FY20	% Change
Operations	\$ 279.3	\$ 296.2	\$ 304.0	\$ 340.4	\$ 375.5	\$ 35.1	10.3%
Operating Project	8.2	7.7	6.7	6.4	6.2	(0.2)	(3.1%)
Debt Service	34.8	38.7	42.6	58.6	61.8	3.2	5.5%
<b>Operating Outlays</b>	<b>\$ 322.4</b>	<b>\$ 342.6</b>	<b>\$ 353.3</b>	<b>\$ 405.4</b>	<b>\$ 443.5</b>	<b>\$ 38.1</b>	<b>9.4%</b>
<b>Capital Projects</b>	209.4	242.2	175.5	204.5	302.6	98.1	48.0%
<b>Total Outlays</b>	<b>\$ 531.8</b>	<b>\$ 584.8</b>	<b>\$ 528.7</b>	<b>\$ 609.9</b>	<b>\$ 746.1</b>	<b>\$ 136.2</b>	<b>22.3%</b>
Intra-District Reimbursement*	(63.2)	(75.2)	(72.0)	(80.8)	(93.3)	(12.5)	15.4%
<b>Net Outlays</b>	<b>\$ 468.6</b>	<b>\$ 509.6</b>	<b>\$ 456.7</b>	<b>\$ 529.1</b>	<b><del>\$ 652.8</del></b>	<b><del>\$ 123.7</del></b>	<b><del>23.4%</del></b>

\*Intra-District reimbursements represent cost recovery for support services provided such as Human Resources, Information Technology, Finance and Facilities.

**\$79.7** **15.1%**

**\$608.8**



Staff proposed adjustments as of 4/28/20 would reduce Net Outlays from \$652.8M to \$608.8M

# FY21 Proposed Budget Debt Service

*Small increase in annual debt service driven by planned issuance for Water Utility in FY21*

(\$ in millions)	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Proposed	FY21 vs FY20	% Change
Principal Repayment	\$ 11.9	\$ 16.7	\$ 18.5	\$ 22.1	\$ 28.3	\$ 6.2	27.9%
Interest	22.0	21.0	23.2	32.1	30.5	(1.6)	(4.9%)
Other	1.0	1.0	0.9	4.4	3.0	(1.4)	(31.7%)
<b>Total Debt Service</b>	<b>\$ 34.8</b>	<b>\$ 38.7</b>	<b>\$ 42.6</b>	<b>\$ 58.6</b>	<b>\$ 61.8</b>	<b>\$ 3.2</b>	<b>5.4%</b>

Note: Other expenses include debt related fees

# FY21 Proposed Budget Operating Expenditures

*Increase of \$35 million or 10.1% over prior year*

- **General Fund and Internal Service Funds increase of \$14.8 million**

- Labor costs and \$8.5 million increase in services and supplies driven by election costs (including special parcel tax extension effort), buildings and grounds needs, signage program, additional security needs, software license costs, and increased external legal needs

- **Watershed & Stream Stewardship Fund increase of \$3.9 million mainly due to labor cost increases**

- **Water Utility Fund increase of \$16.1 million**

- Labor costs and \$10.5 million increase in services and supplies driven by Delta Conveyance gap funding (\$6.1 million) and a State Water Project imported water cost increase (\$4.6 million)

(\$ in millions)	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Proposed	FY21 vs FY20	% Change
General Fund	\$ 54.3	\$ 58.7	\$ 51.6	\$ 58.6	\$ 70.2	\$ 11.6	19.8%
Watershed & Stream Stewardship Fund	49.0	51.9	53.4	58.4	62.3	3.9	6.8%
Safe Clean Water Fund	12.0	12.0	16.3	17.3	17.5	0.2	1.2%
Water Utility Enterprise Fund	164.3	171.3	164.9	184.9	200.9	16.1	8.7%
Fleet Management Fund	4.0	4.5	4.4	4.8	5.1	0.3	5.9%
Risk Insurance Fund	3.9	5.3	6.0	5.8	6.9	1.1	19.0%
Information Technology Fund	-	0.1	14.0	17.0	18.8	1.8	10.4%
<b>Total Operating Expenditures</b>	<b>\$287.5</b>	<b>\$303.8</b>	<b>\$310.7</b>	<b>\$346.7</b>	<b><del>\$ 381.7</del></b>	<b><del>\$ 35.0</del></b>	<b><del>10.1%</del></b>

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

**\$379.6 \$32.9 9.5%**

**FY 21 Total Operating Expenditures would be adjusted down \$2.1M by delaying 23 new positions**

# FY21 Proposed Budget Capital Expenditures

*Capital expenditures increased over prior fiscal year*

(\$ in millions)	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Proposed	FY21 vs FY20	% Change
General Fund	\$ 2.6	\$ 2.5	\$ 2.7	\$ 2.2	\$ 3.0	\$ 0.8	36.4%
Watershed Stream Stewardship Fund	33.0	25.2	27.6	28.5	29.5	1.0	3.5%
Safe, Clean Water Fund	63.0	83.1	41.6	34.0	67.5	33.5	98.5%
Water Utility Enterprise Fund	101.2	124.9	97.9	133.5	191.6	58.1	43.5%
Fleet Management Fund	4.6	1.0	1.8	2.2	3.5	1.3	59.1%
Information Technology Fund	5.1	5.5	3.7	4.1	7.5	3.4	82.9%
<b>Total Capital Expenditures</b>	<b>\$209.5</b>	<b>\$242.2</b>	<b>\$175.5</b>	<b>\$204.5</b>	<del>\$ 302.6</del> <b>\$262.6</b>	<del>\$ 98.1</del> <b>\$58.1</b>	<del>48.0%</del> <b>28.4%</b>

Note: FY21 Proposed budget is based on FY21-25 CIP.

**Total Capital Expenditures would be adjusted downward \$40M based on capital project adjustments discussed on 4/28/20**

# FY21 Proposed Budget Reserve Balances

*Estimated reserve balances slightly lower than FY20 Adopted*

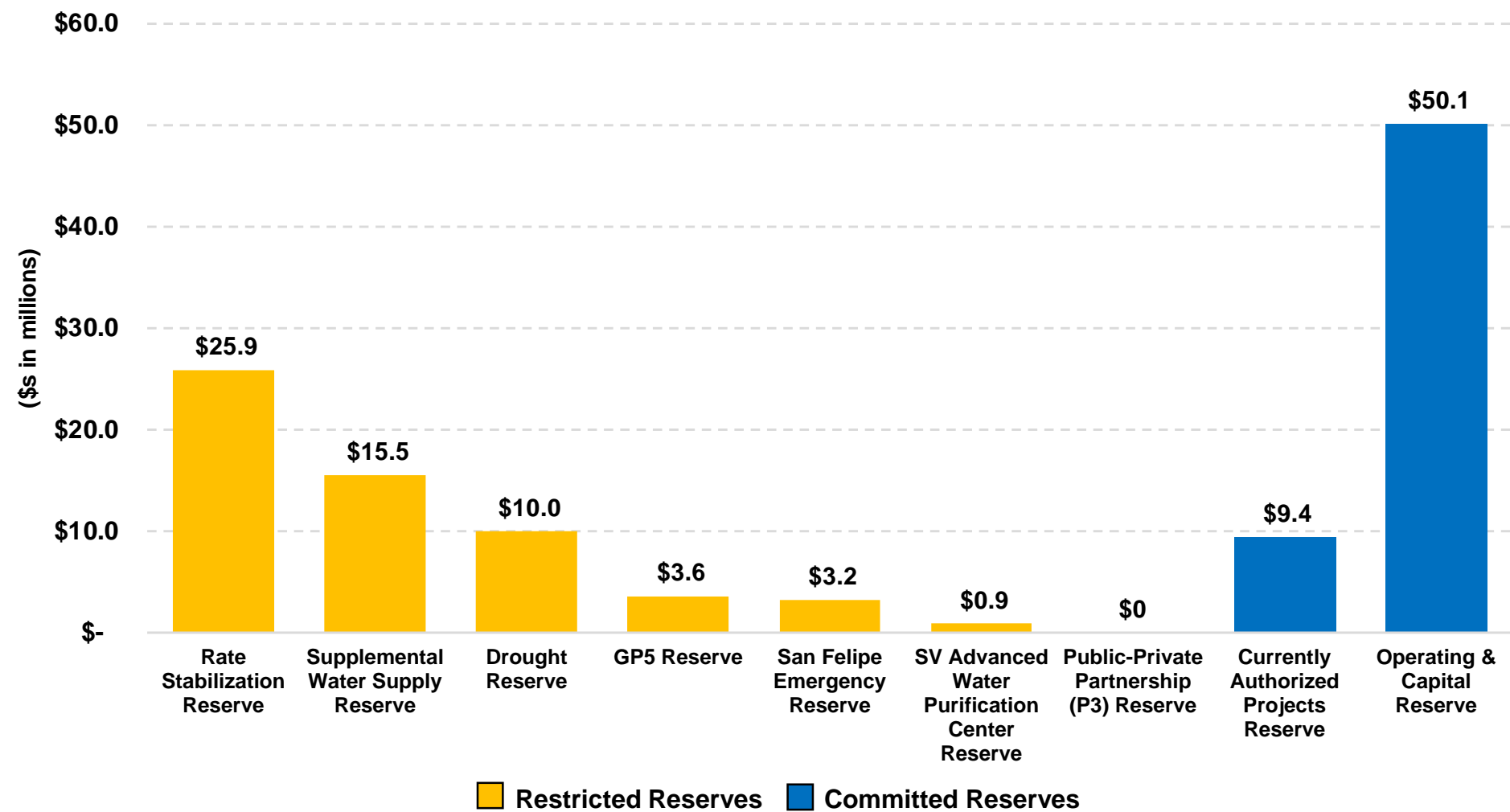
Reserves (\$ in millions)	FY20 Adopted	FY20 Projected	FY21 Estimated	FY21 vs FY20 Adopted
<b>Restricted Reserves</b>				
Safe, Clean Water Fund	\$ 116.1	\$ 115.5	\$ 68.8	\$ (47.3)
Water Utility Enterprise Fund	65.5	73.9	59.1	(6.4)
<b>Restricted Sub-total</b>	<b>\$ 181.6</b>	<b>\$ 189.4</b>	<b>\$ 127.9</b>	<b>\$ (53.7)</b>
<b>Committed Reserves</b>				
General Fund	4.3	9.0	6.6	2.3
Watershed Stream Stewardship Fund	82.2	108.1	113.5	31.3
Water Utility Enterprise Fund	57.3	50.3	59.5	2.2
Internal Service Funds	17.5	20.0	17.4	(0.1)
<b>Committed Sub-total</b>	<b>\$ 161.3</b>	<b>\$ 187.4</b>	<b>\$ 196.8</b>	<b>\$ 35.5</b>
<b>Total Reserves</b>	<b>\$ 342.9</b>	<b>\$ 376.8</b>	<b>\$ 324.7</b>	<b>\$ (18.2)</b>

**Restricted Reserves** are reserves with externally imposed legal restrictions or amounts constrained to specific purposes by their providers (such as grantors, bondholders, higher levels of government), through constitutional provisions or enabling legislation.

**Committed Reserves** 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 purposes unless the government takes the same highest-level action to remove or change the constraint

# FY21 Proposed Budget Water Utility Reserves

*Total reserve balances of \$118.6 million*



# FY21 Proposed Budget Water Utility Reserves

## *Restricted Reserves - Public-Private Partnership (P3) Reserve*

- **Update to minimum funding level requirement from \$4M to \$0M**
  - *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.*

# Watershed & Stream Stewardship Fund (Fund 12)

## Overview

- Created in FY 01 just after sunset of Benefit Assessment program in FY 00
  - To support specific flood protection and stream stewardship activities
- Redefined in FY 09 to support all flood protection and stream stewardship activities across all five watersheds
- Key revenue source, 1% ad valorem property taxes (\$93.5M in FY 21)
  - Flexible revenue source that can be used for any purpose authorized by District Act

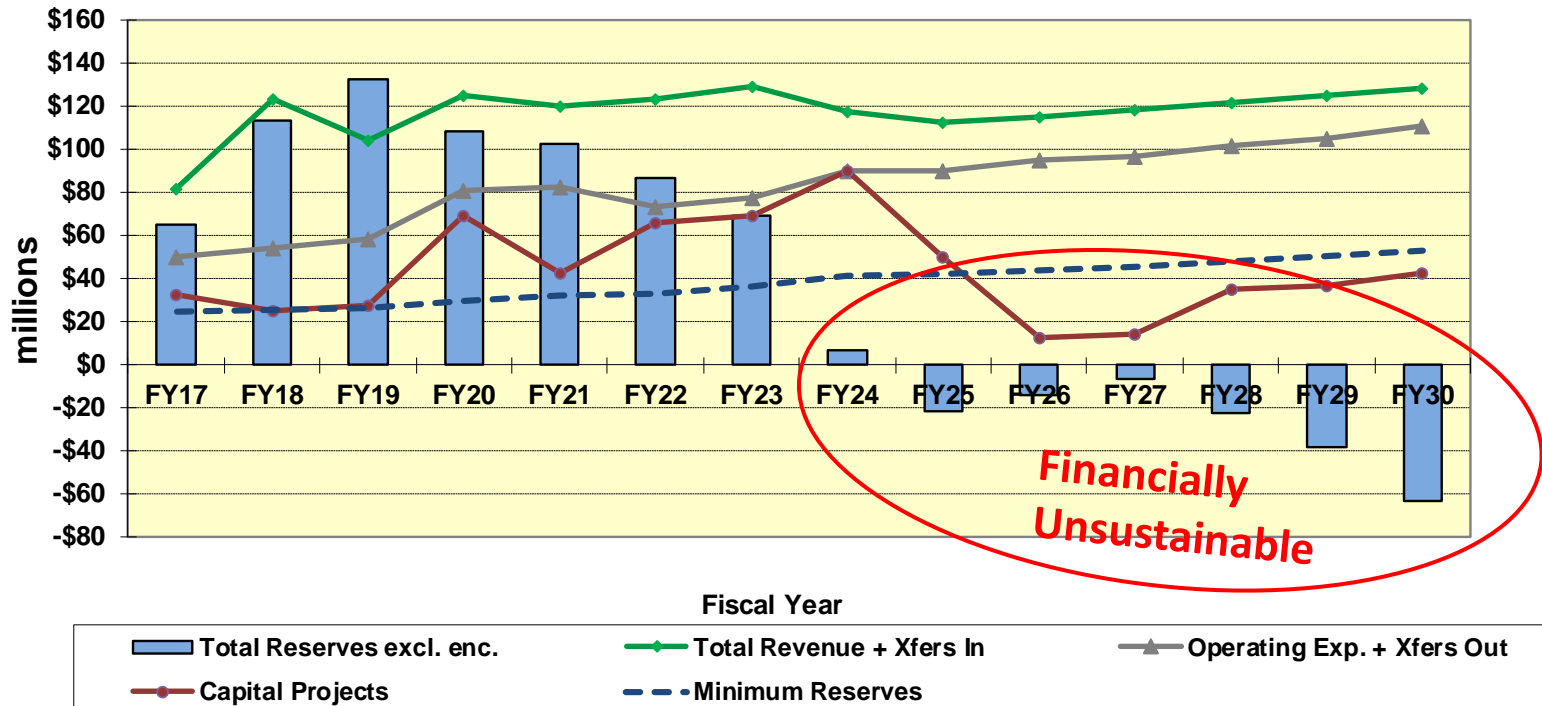
### Other Board Approved Uses of Fund 12 Revenue

- Open Space Credit since FY 11 (\$300K in FY 21)
- Bolster Good Neighbor Encampment Cleanup Program via transferring rental income revenue to SCW Fund 26 (\$900K in FY 21)
- Landscape Rebate Program in FY 16 during historic drought (\$3.2M one-time transfer)

# FY21 Proposed Budget – Financial Sustainability

## *Watershed and Stream Stewardship Fund Projection, Worst Case*

### Projection



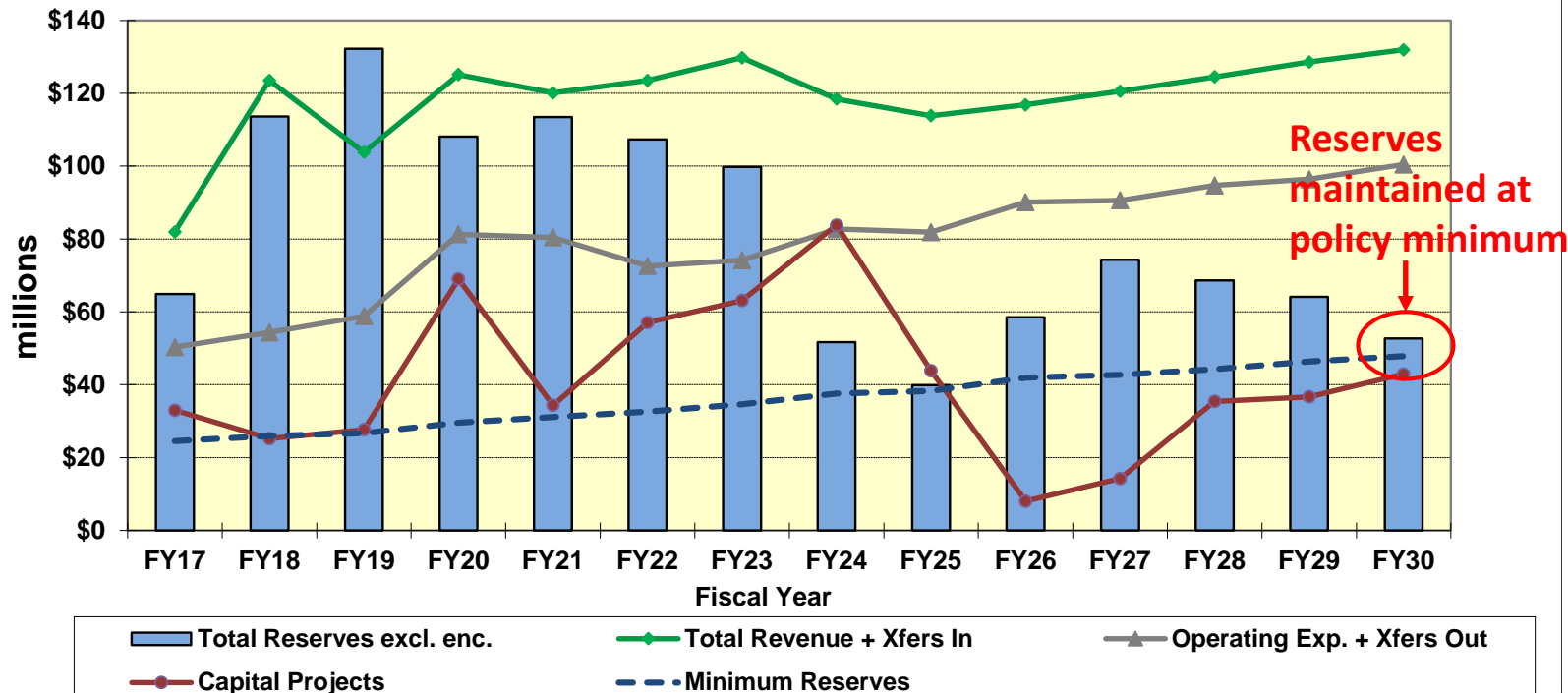
### Key Assumptions Next 10 Years

- \$101.2M Watershed Asset Rehabilitation Program (WARP)
- \$99M estimated O&M backlog
- \$95.1M Guadalupe River Project (Tasman Dr. to I-880)
- \$71M San Francisco Bay Shoreline Project
- \$28.4M for Palo Alto Tide Gate Structure Project
- \$14.7M for Open Space Credit
- \$7.7M xfer of Rental income to SCW for Homeless Encampment Program over next 8 yrs
- No stimulus funding available

# FY21 Proposed Budget – Financial Sustainability

## *Watershed and Stream Stewardship Fund Projection, Best Case*

### Projection



### Key Assumptions Next 10 Years

- \$60.6M for WARP (\$40.6M less)
- \$43M for O&M backlog (\$56M less)
  - \$2M/yr FY22 to FY25
  - \$7M/yr FY 26 to FY 30
- \$95.1M Guadalupe River Project (Tasman Dr. to I-880)
- \$71M San Francisco Bay Shoreline Project
- \$28.4M for Palo Alto Tide Gate Structure Project
- \$14.7M for Open Space Credit
- \$7.7M xfer of Rental income to SCW for Homeless Encampment Program over next 8 yrs
- Will pursue up to \$82M in construction funding if stimulus funding available

# FY21 Proposed Budget – Financial Sustainability

## *Watershed and Stream Stewardship Fund*

### Key O&M Backlog Examples

- Rodent Damage Repair (multiple locations)
- San Tomas Aquino Creek Sediment Removal
- Coyote 10B Restoration
- Uvas Creek Instream Habitat Complexity
- Uvas Creek Vegetation Management/Flow Conveyance
- Lower Llagas Creek Vegetation Management/Flow Conveyance
- Evelyn Fish Ladder Repair

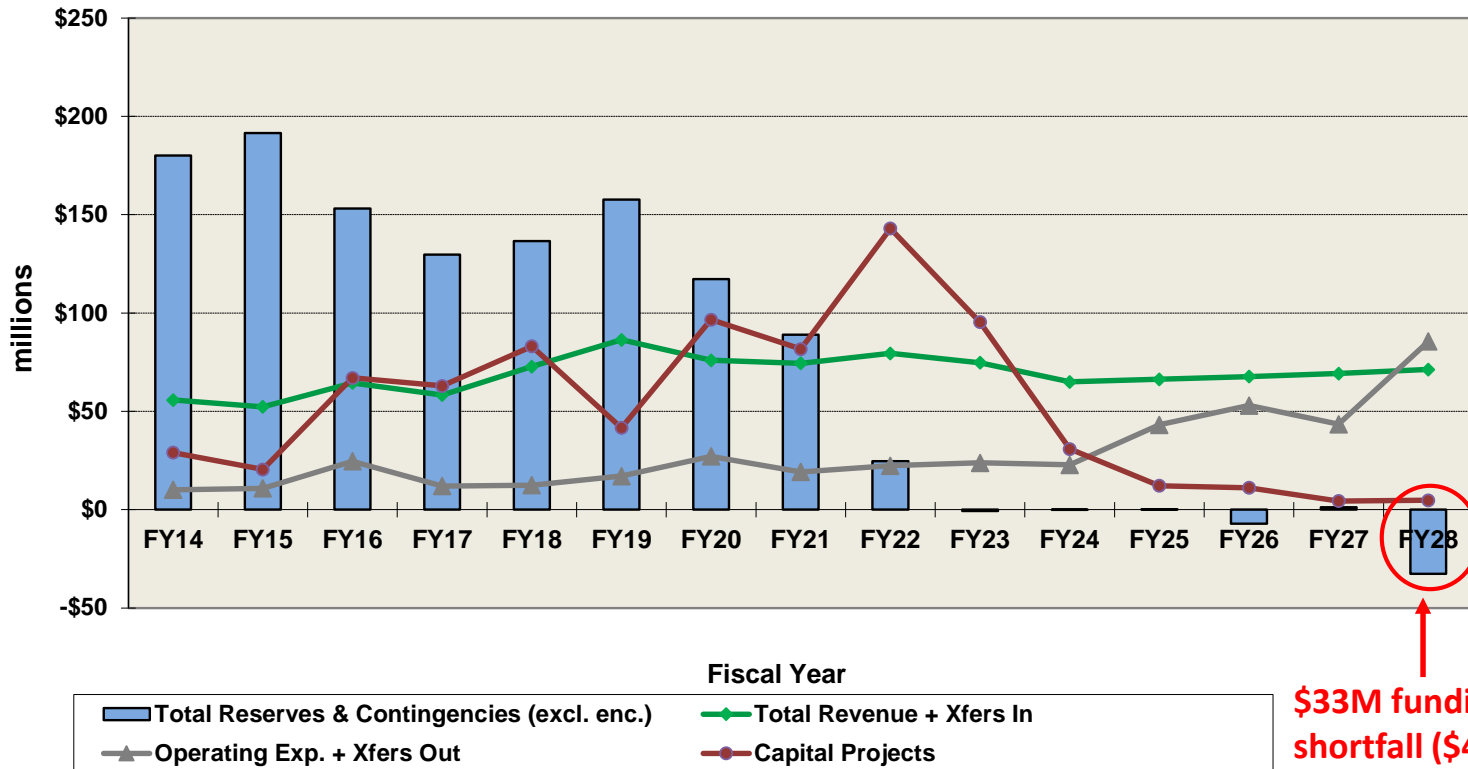
### Key WARP Examples

- Concrete Repair Projects:
  - Piedmont Creek
  - Hale Creek
  - Permanente Creek
- Erosion Repair Projects:
  - Calabazas Creek
  - Canoas Creek
  - Ross Creek
  - Regnart Creek
  - Thompson Creek
  - Golf Creek
  - Lower Penitencia
  - Los Gatos Creek
- Levee Rehabilitation:
  - San Tomas Aquino
  - Calabazas Creek

# FY21 Proposed Budget – Financial Sustainability

## Safe Clean Water Fund Projection, Worst Case

### Projection



**\$33M funding  
shortfall (\$49M  
shortfall if no 3%  
increase in FY 21)**

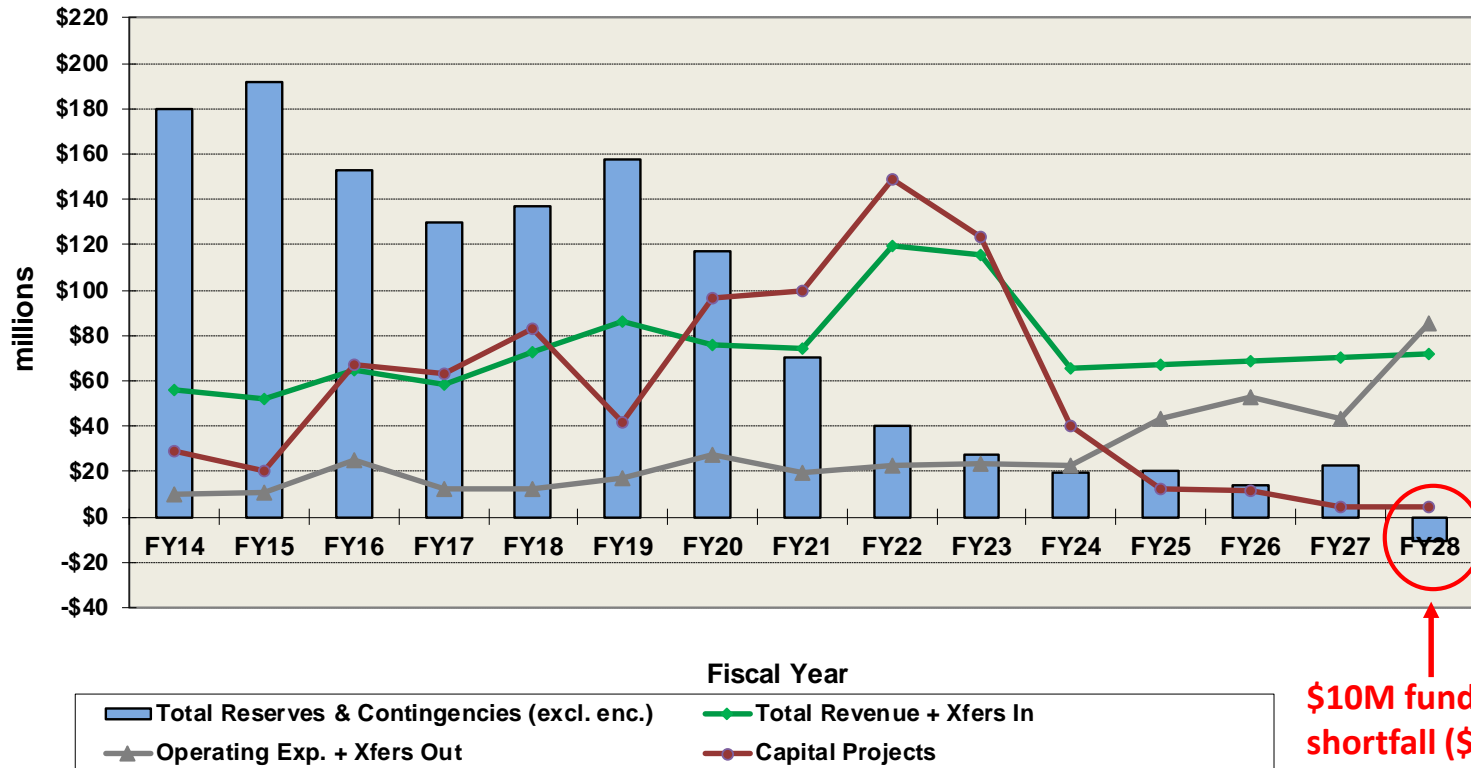
### Key Assumptions Next 10 years

- No NRCS reimbursements for Upper Llagas Creek (Construct Phase 1 and Phase 2a only)
- Receive \$20M from grants & partnerships for San Francisquito Creek
- Receive \$7.7M xfer of Rental income from WSS for Homeless Encampment Prgm over next 8 yrs
- No stimulus funding available

# FY21 Proposed Budget – Financial Sustainability

## Safe Clean Water Fund Projection, Best Case

### Projection



\$10M funding shortfall (\$25M shortfall if no 3% increase in FY 21)

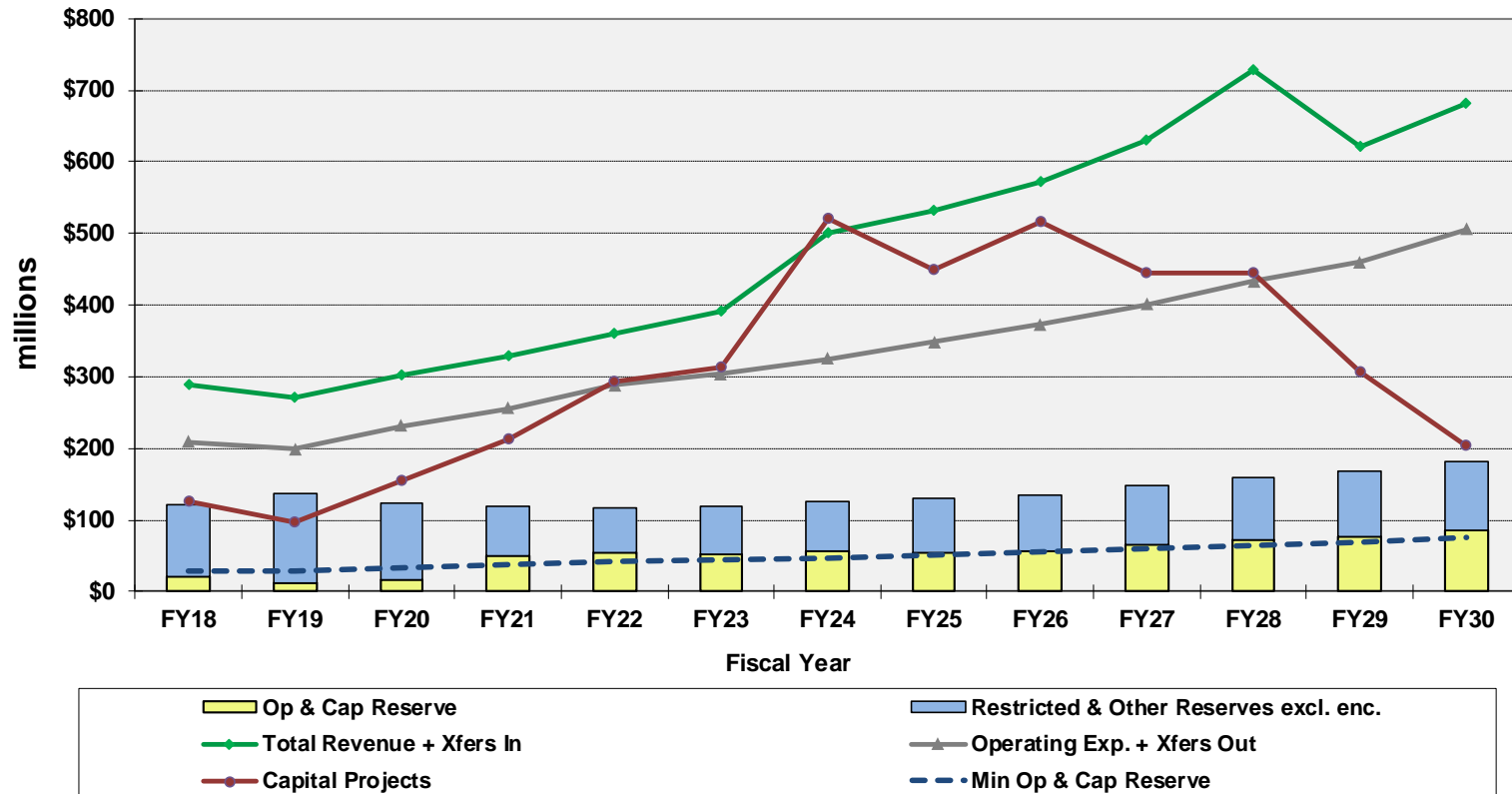
### Key Assumptions Next 10 years

- **\$80M NRCS reimbursements for Upper Llagas Creek to fully construct Phases 1 & 2**
- Receive \$20M from grants & partnerships for San Francisco Creek
- Receive \$7.7M xfer of Rental income from WSS for Homeless Encampment Prgm over next 8 yrs
- **If stimulus funding becomes available, will pursue up to \$211.5M in funding to offset this shortfall**

# FY21 Proposed Budget – Financial Sustainability

## Water Utility Enterprise Projection

### Projection



### Key Assumptions Next 10 years

- Average annual M&I groundwater charge increases of 8.6% in North County, 9.4% in South County Zone W-7, and 5.2% in South County Zones W-5 & W-8
- Majority of Prop 1 grants for Pacheco Reservoir received from FY 24 to FY 28
- Receive \$29.3M for Open Space Credit from WSS Fund and GF

# FY21 Proposed Budget by Fund and Organization

*Projects managed within Organization and by Fund*

(\$ in millions)	BAO	CEA	Admin	WU	WS	Debt	Salary Savings	Total
General Fund & Internal Service Funds	\$28.1	\$10.7	\$75.4	\$ 0.8	\$ 1.4	\$ 0.5	\$ (1.4)	\$115.5
WS and Stream Stewardship Funds	0.6	1.7	3.0	3.3	84.2	-	(1.0)	91.8
Safe, Clean Water Fund	0.1	2.4	0.9	51.9	30.1	12.9	(0.5)	97.8
Water Enterprise and State Water Funds	2.7	2.2	3.8	329.9	56.1	48.4	(2.1)	441.0
<b>Total</b>	<b>\$31.5</b>	<b>\$17.0</b>	<b>\$83.1</b>	<b>\$385.9</b>	<b>\$171.8</b>	<b>\$61.8</b>	<b>\$ (5.0)</b>	<del>\$746.1</del>

Note: Negative amounts due to salary savings in projects managed by Finance.

**\$702.1**

**Staff proposed adjustments as of 4/28/20 would reduce Total from \$746.1M to \$702.1M**

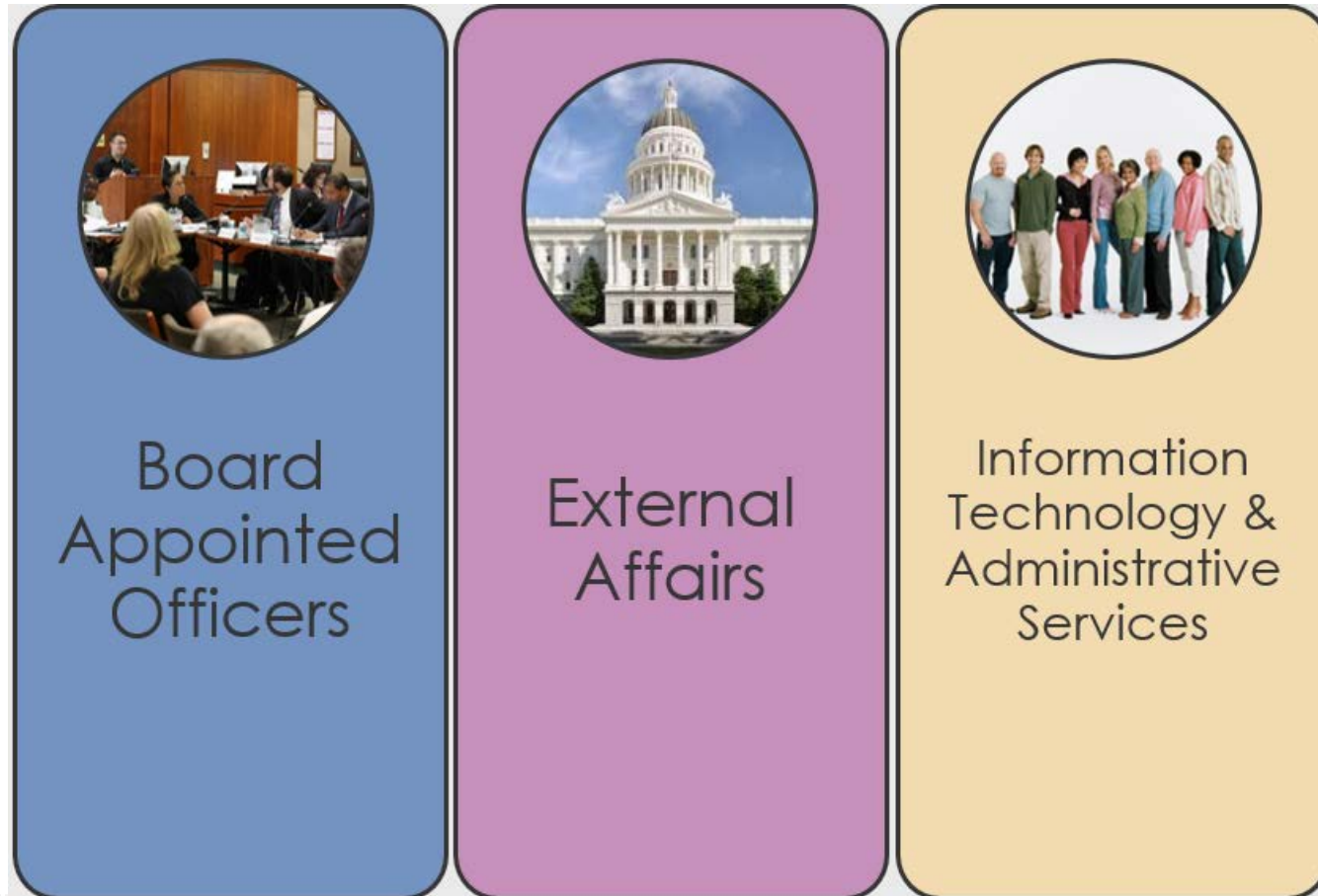


# Administration

Presented by: **Darin Taylor**, Chief Financial Officer  
**Rick Callender**, Chief of External Affairs  
**Tina Yoke**, Chief Operating Officer

# Administration Outline

- Administration Overview
- Administration FY2021 Proposed Budget and Outlook



# Administration Supports Critical Infrastructure Needs



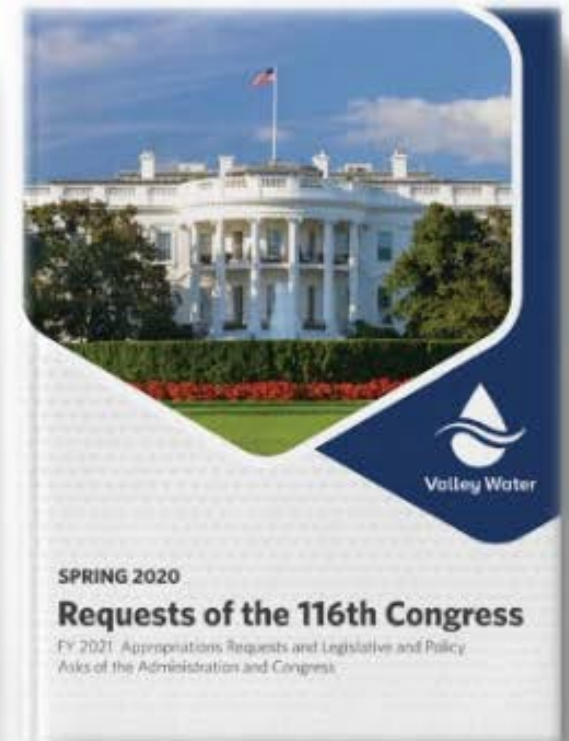
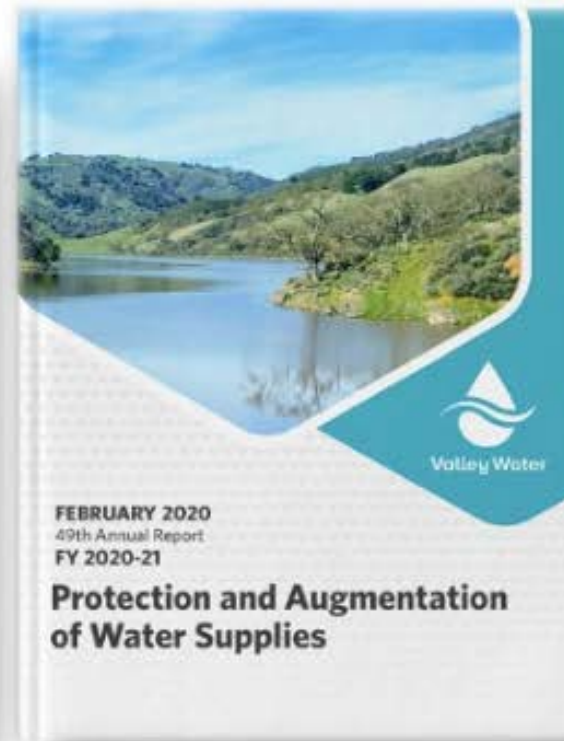
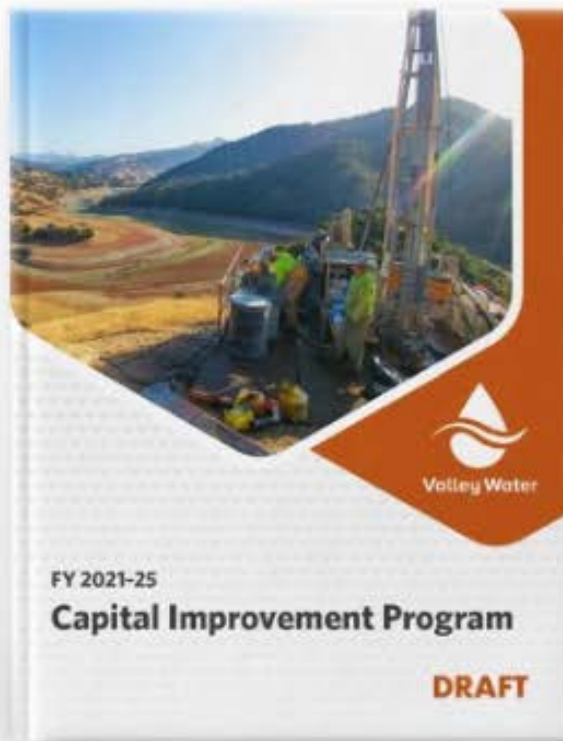
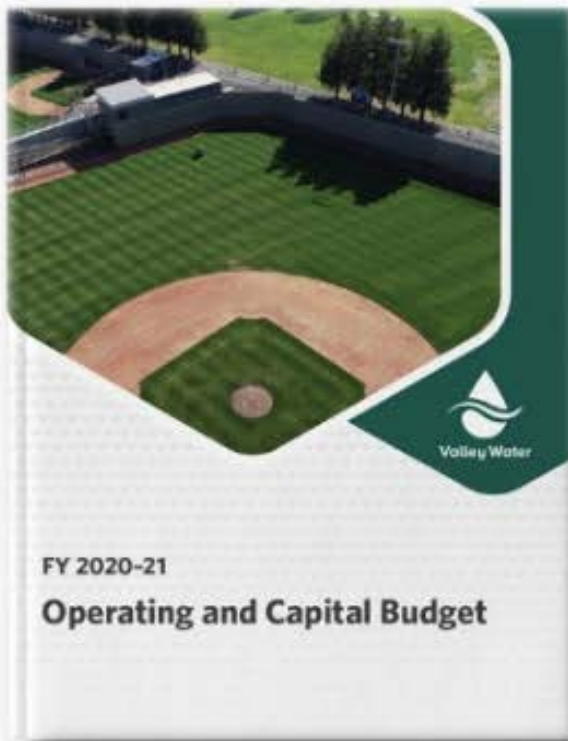
# Administration Objectives & Benefits

## Objectives

- Provide Strategic Direction and Oversight
- Represent Valley Water's Interests
- Support Work of the Board
- Manage Valley Water's Relationships
- Provide Information Technology & Administrative Services

## Benefits

- Executive leadership and oversight
- Long- and short-term financial planning
- A capable, diverse, and knowledgeable workforce
- Sustainable assets, equipment, and infrastructure
- Meaningful engagement and partnerships with the community we serve
- Well-informed elected officials, community, media, and other stakeholders

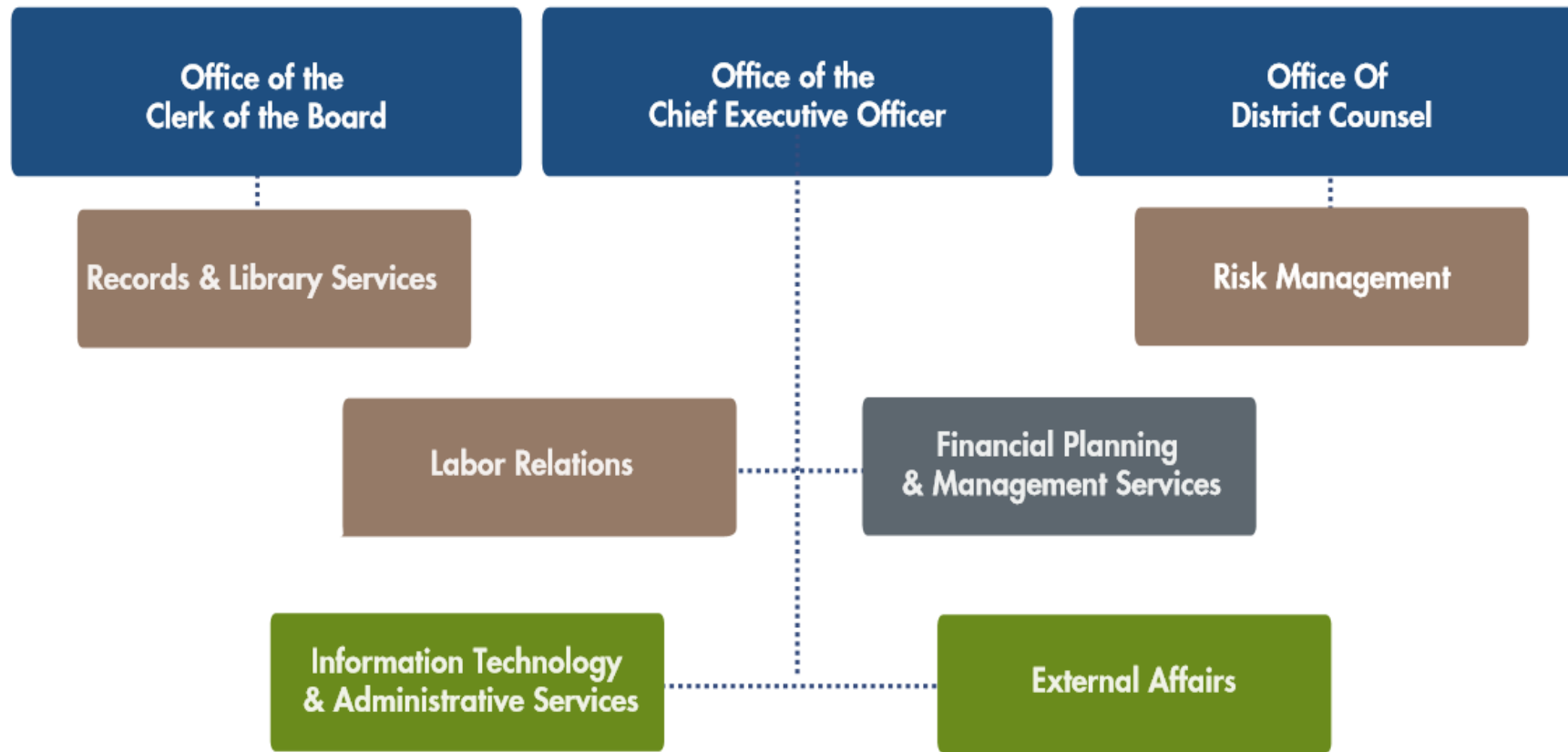


# Key Administration Planning Documents

# Administration Organizational Chart

Current FY 2020 Positions: 276 (+2 Fellowships, +8 Limited Term)

~~Requested New Positions for FY 2021: 4 (HR: 3 and IT: 1)~~

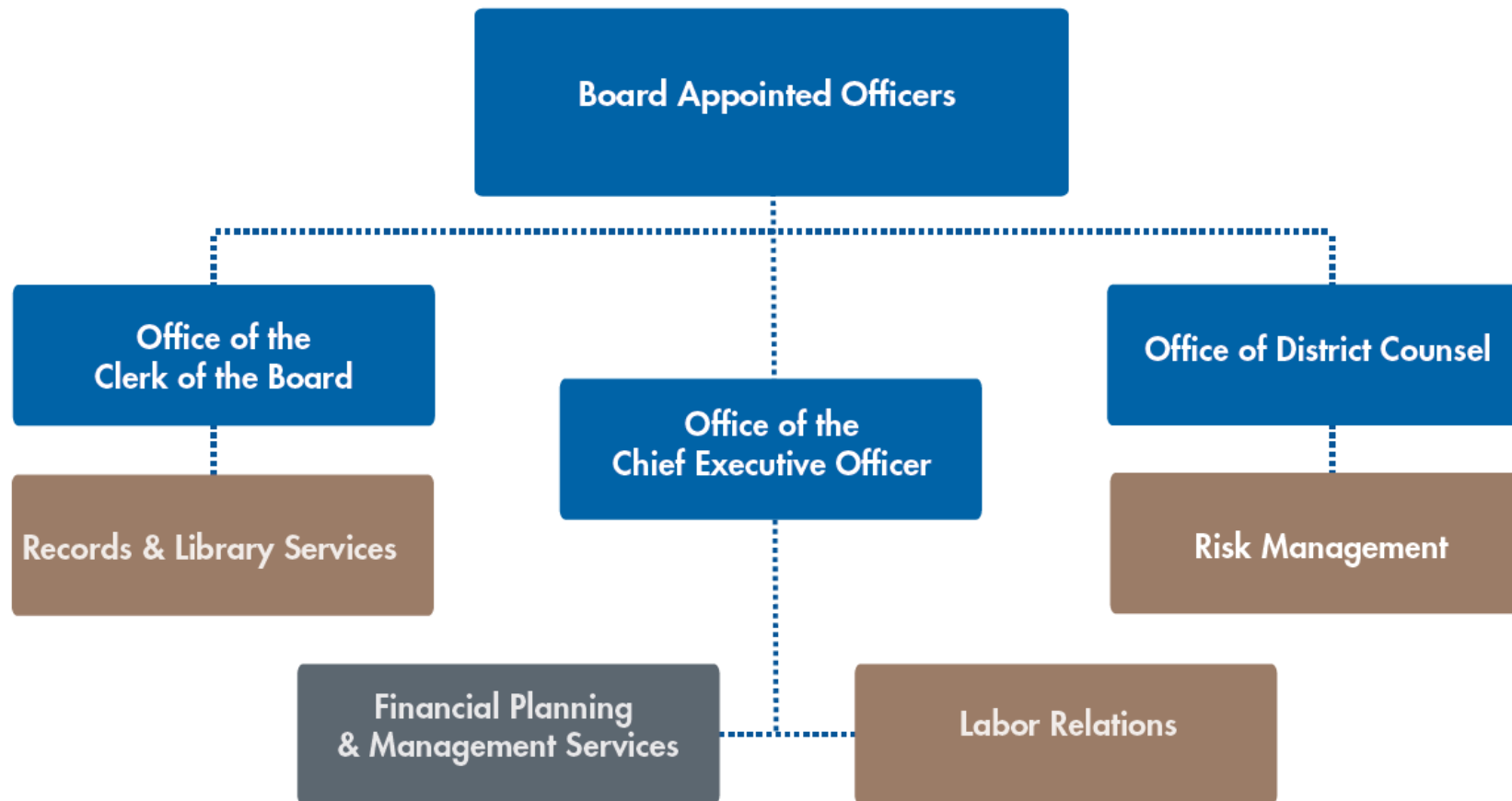


# Administration FY 2021 Proposed Budget

Projects Managed by Administration				
				(\$ in millions)
	FY2020 Adopted Budget	FY2021 Proposed Budget	Over/(Under) FY 2020 Adopted	% Change
Board Appointed Officers	\$ 19.9	\$ 26.5	\$ 6.6	33%↑
External Affairs	\$ 14.9	\$ 17.0	\$ 2.1	14%↑
IT & Administrative Services	\$ 68.8	\$ 83.1	\$ 14.3	21%↑
<b>Total</b>	<b>\$ 103.6</b>	<b>\$ 126.6</b>	<b>\$ 23.0</b>	<b>22%↑</b>

# Board Appointed Officers Organizational Chart

Current FY 2020 Positions: 77 (+1 Fellowship, +2 Limited Term)



# Board Appointed Officers FY 2021 Proposed Budget

\$26.5 (21% of \$126.6 Total Administration Proposed Budget)				
(\$ in millions)				
Board Appointed Officers	FY2020 Adopted Budget	FY2021 Proposed Budget	Over/(Under) FY 2020 Adopted	% Change
<b>Operating Outlays</b>				
Office of Chief Executive Officer	\$ 2.1	\$ 2.4	\$ 0.3	14%↑
Financial Planning & Management Division	\$ 11.8	\$ 13.0	\$ 1.2	10%↑
Office of District Counsel	\$ 6.6	\$ 8.1	\$ 1.5	23%↑
Clerk of the Board	\$ 4.1	\$ 8.0	\$ 3.9	95%↑
Operating Outlays Subtotal	\$ 24.6	\$ 31.5	\$ 6.9	28%↑
<b>Salary Savings</b>				
Capital Outlays	\$ (1.0)	\$ (1.2)	\$ (0.2)	20%↑
Operating Outlays	\$ (3.7)	\$ (3.8)	\$ (0.1)	3%↑
Salary Savings Subtotal	\$ (4.7)	\$ (5.0)	\$ (0.3)	6%↑
<b>Total</b>	<b>\$ 19.9</b>	<b>\$ 26.5</b>	<b>\$ 6.6</b>	<b>33%↑</b>

# Board Appointed Officers Outlook

- Support Achieving FY2021 Board Work Plan
- Transition new CEO during Pandemic
- Support virtual and teleconferenced Board and/or Committee meetings in compliance with Shelter in Place orders
- Re-establishing business practices based on new normal

# Finance Division Outlook

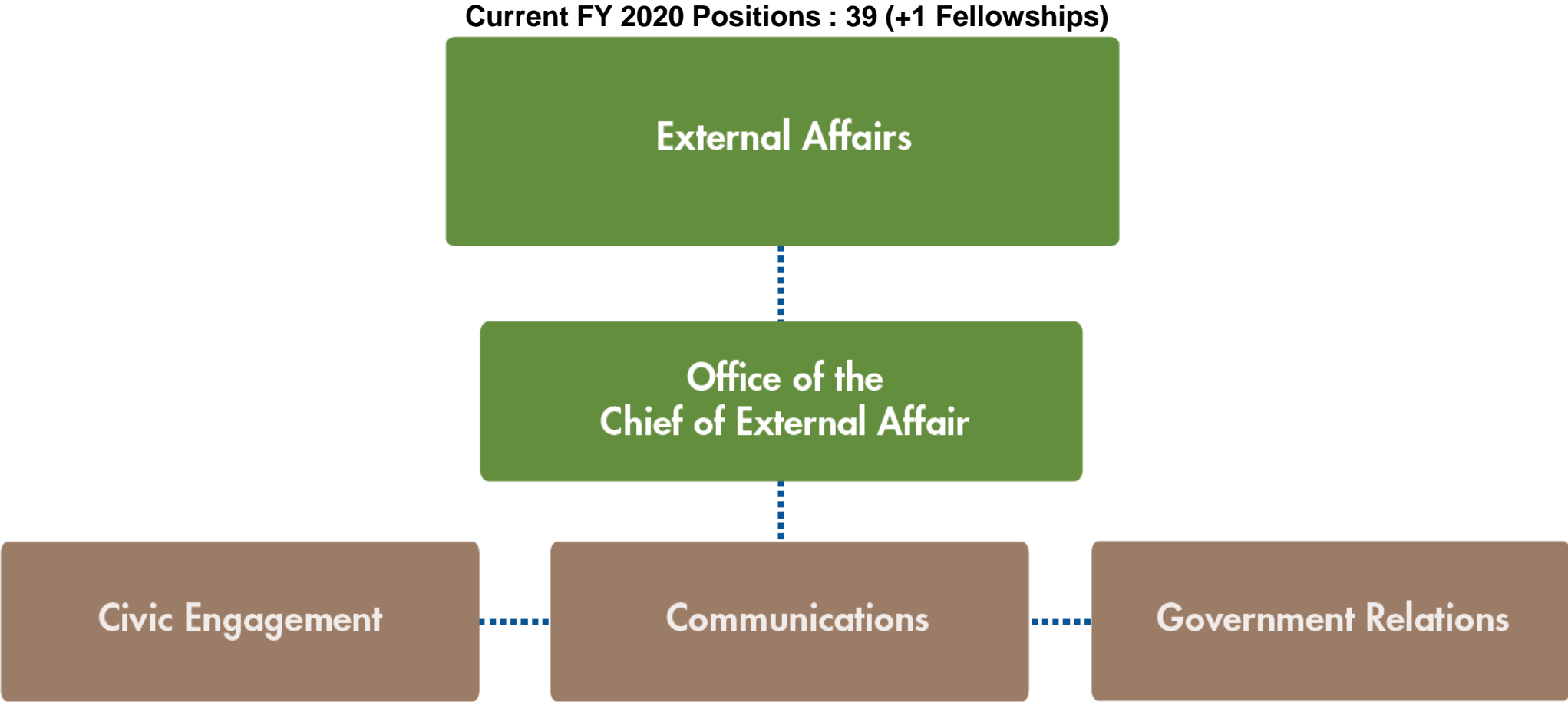
- Continue supporting Infor ERP System implementation
- Support key Board Strategies and efforts
  - Delta Conveyance decisions
  - Pacheco Reservoir Expansion funding
  - Purified Water Program portfolio development
- Drive Development Impact Fee Study for Valley Water
- Support Safe, Clean Water renewal effort

## COVID-19 Response

- Establish line(s) of credit up to \$200M
- Support pursuit of Federal Stimulus funding
- Continue accumulating cash versus reinvesting
- Closely monitor retailer payments
- Support EOC activities



# External Affairs Organizational Chart



# External Affairs FY 2021 Proposed Budget

\$17.0 (13% of \$126.6 Total Administration Proposed Budget)				
(\$ in millions)				
External Affairs	FY2020 Adopted Budget	FY2021 Proposed Budget	Over/(Under) FY 2020 Adopted	% Change
<b>Operating Outlays</b>				
Chief of External Affairs	\$ 1.0	\$ 1.5	\$ 0.5	50%↑
Government Relations	\$ 3.7	\$ 4.1	\$ 0.4	11%↑
Civic Engagement	\$ 6.2	\$ 6.4	\$ 0.2	3%↑
Communications	\$ 3.9	\$ 5.0	\$ 1.1	28%↑
<b>Total</b>	<b>\$ 14.8</b>	<b>\$ 17.0</b>	<b>\$ 2.2</b>	<b>15%↑</b>

# External Affairs FY 20-21 Outlook

Lead Government Relations, Civic Engagement, and Communications, in a coordinated effort in support of Board Strategies

- Explore future funding opportunities through the potential renewal of Safe, Clean Water Program measure
- Secure federal and state funding for projects and activities
- Advocate for Valley Water interests
- Provide outreach and engagement
- Enhance awareness of Valley Water
- Engage and partner with the community
- Engage public on water infrastructure activities
- Expand FEMA flood insurance discounts

# External Affairs FY 20-21 Outlook (CONT)

## OFFICE OF GOVERNMENT RELATIONS

- Seek passage of AB 3005 (Rivas) Expedited Dam Safety for Silicon Valley Act
- Continue sponsorships and community events
- Secure funding and authorization for priority Valley Water projects



# External Affairs FY 20-21 Outlook (CONT)

## OFFICE OF CIVIC ENGAGEMENT

- Expand Water Supply Outreach Tour Program
- Develop and implement mural program
- Expand Community Rating System Program



Zoom interface showing a virtual tour of the Silicon Valley Advanced Water Purification Center. The top section displays a welcome message and logos for Valley Water and Silicon Valley Advanced Water Purification Center. The bottom section, titled "Sources of Water", lists four categories with their respective percentages and sub-points:

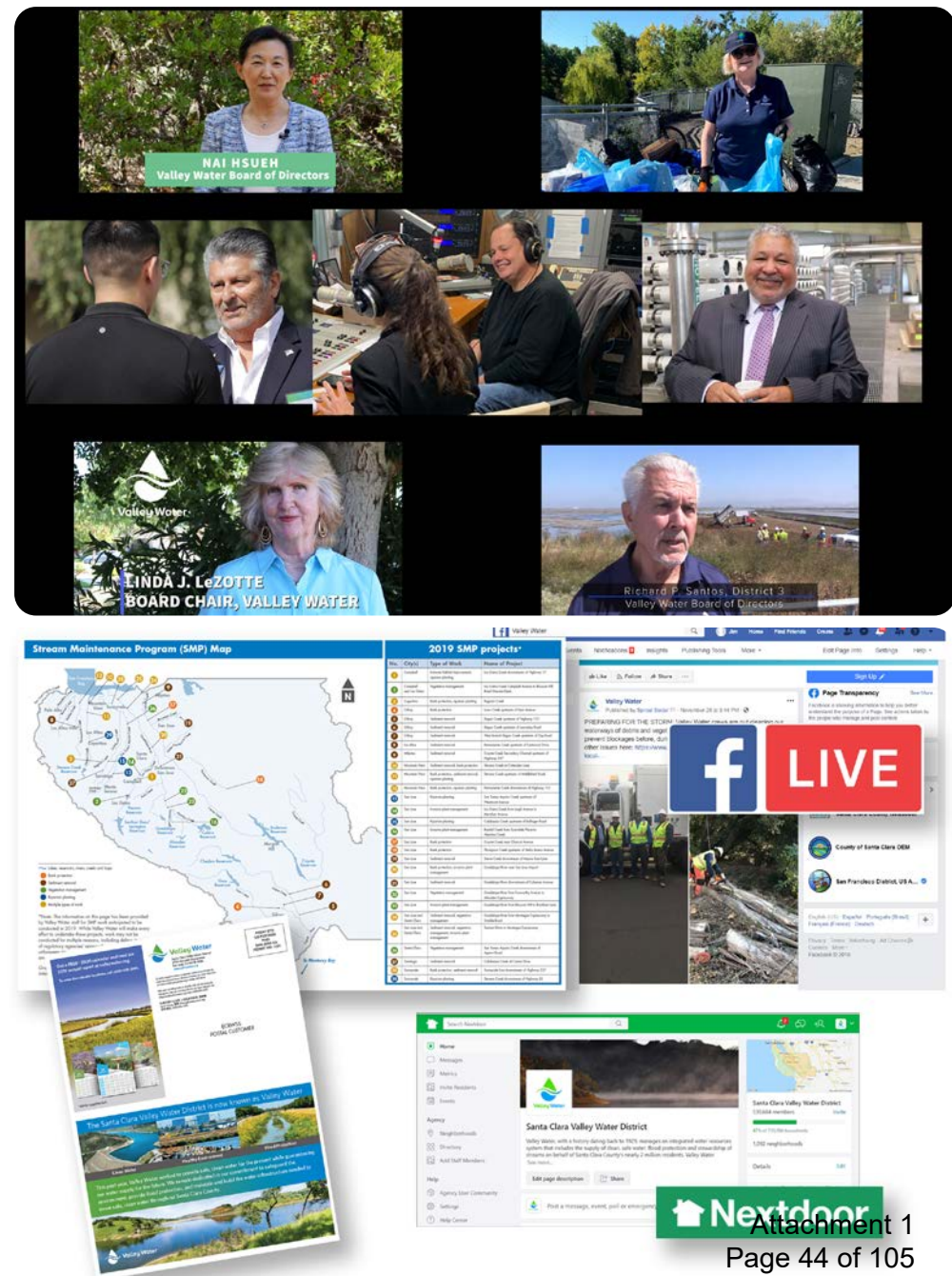
Category	Percentage	Sub-points
Local Water	30%	Groundwater aquifer, Reservoirs
Imported Water	55%	Delta conveyed, Hetch Hetchy
Recycled Water	5%	Wastewater Treatment, Advanced Purification
Conservation	10%	Residential

Attachment 1  
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# External Affairs FY 20-21 Outlook (CONT)

## OFFICE OF COMMUNICATIONS

- Maintain robust social media content
- Enhance brand identity with strategic signage updates
- Continue keeping the community informed about Valley Water projects and efforts



# External Affairs FY 20-21 Outlook (CONT)

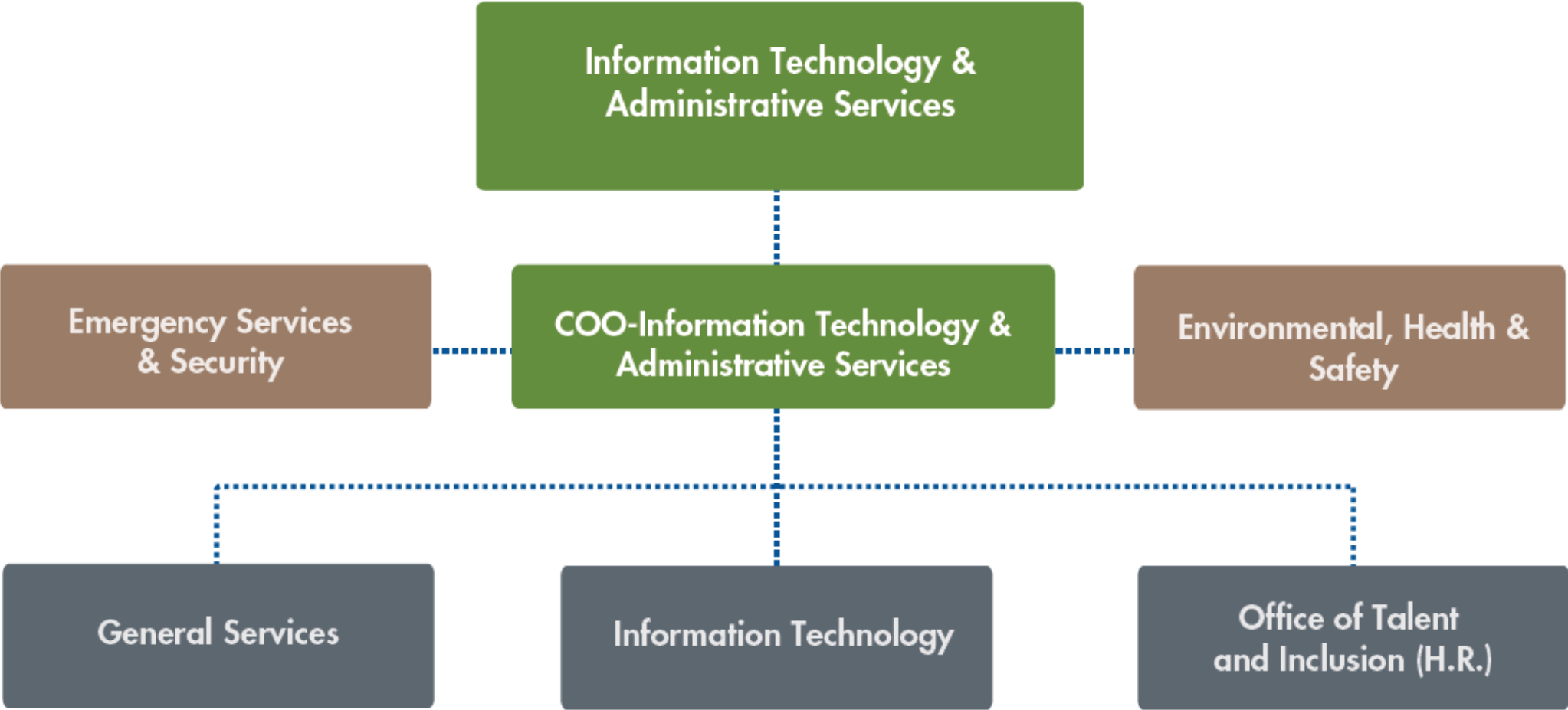
## COVID-19 Impact and Challenges

- Maintain FY20 position count
- Continue virtual meeting platform during shelter-in-place:
  - to conduct advocacy efforts with elected officials and other stakeholders
  - to engage and educate the community through virtual tours and virtual classrooms
  - to pursue potential safe, clean water renewal effort for November ballot placement
  - to conduct community meetings
- Continue social media, radio, ads,
  - to keep the community informed and educated
- Continue to staff Public Information branch of EOC



# Information Technology & Administrative Services Organizational Chart

Current FY 2020 Positions: 160 (+6 Limited Term)  
~~Requested New Positions for FY 2021: 4 (HR: 3 and IT: 1)~~



# Information Technology & Administrative Services

\$83.1 (66% of \$126.6 Total Administration Proposed Budget)				
(\$ in millions)				
Information Technology & Administrative Services	FY2020 Adopted Budget	FY2021 Proposed Budget	Over/(Under) FY 2020 Adopted	% Change
<b>Capital Outlays</b>				
General Services Division	\$ 4.3	\$ 7.9	\$ 3.6	84%↑
Information Technology Division	\$ 4.3	\$ 7.6	\$ 3.3	77%↑
Capital Outlays Subtotal	\$ 8.6	\$ 15.5	\$ 6.9	80%↑
<b>Operating Outlays</b>				
Office of COO Administrative Services	\$ 10.7	\$ 11.9	\$ 1.2	11%↑
General Services Division	\$ 23.0	\$ 26.6	\$ 3.6	16%↑
Information Technology Division	\$ 17.2	\$ 19.3	\$ 2.1	12%↑
Office of Talent & Inclusion (HR) Division	\$ 9.3	\$ 9.8	\$ 0.5	5%↑
Operating Outlays Subtotal	\$ 60.2	\$ 67.6	\$ 7.4	12%↑
<b>Total</b>	<b>\$ 68.8</b>	<b>\$ 83.1</b>	<b>\$ 14.3</b>	<b>21%↑</b>

# Information Technology & Administrative Services FY 20-21 Outlook

## Emergency Services & Security

- Continue planning for Physical Security Upgrade project
- Continue to provide EAP & Emergency Operations Center (EOC) Exercises

## Environmental, Health & Safety

- Continue Phase 3 of the Engineering Fall Protection Survey and Remediation Project
- Continue conducting Job Safety Assessment/Risk Assessments for identified high risk tasks
- Review and development of machine specific energy control procedures for maintenance and servicing of equipment
- Review and improvement of high-risk activity training program

## Diversity and Inclusion

- Engage with Diversity & Inclusion Board Ad Hoc committee to develop a new Ends Policy
- Update and implement a new Diversity and Inclusion Master Plan



# Information Technology & Administrative Services FY 20-21 Outlook

## Information Technology Division

- Perform management oversight
- Lead Information Technology Infrastructure
- Lead Information Security Services, and Software Services
- Support and maintain:
  - Business Applications (ERP, Maximo, & GIS)
  - Valley Water internet and intranet.
  - Technical Infrastructure
  - Email and Phones
  - Audio / Visual Systems
  - IT Help Desk



# Information Technology & Administrative Services FY 20-21 Outlook

## General Services Division

- Continue construction competitive bid process and award for capital projects
- Implement contracts improvement process
- Continue fleet & welding services
- Continue employee workspace initiatives
- Provide additional Electric Car Charger Solutions
- Enhance business services to support operational requirement
- Implement warehouse efficiency for inventory, receiving & distribution



# Information Technology & Administrative Services FY 20-21 Outlook

## Office of Talent and Inclusion Division

- Collaborate with IT and Finance to implement new ERP System
- Reduce vacancy rate by recruiting the best qualified candidates in the most efficient manner
- Administer Succession Development Initiative
- Transition recruitment process forms to e-format to increase efficiency
- Complete annual healthcare renewals and implement changes as required by the established due date
- Host an Annual Employee Wellness Fair in support of employee overall wellbeing
- Negotiate and implement Classification Study Process for Individual Positions



# Information Technology & Administrative Services FY 20-21 Outlook

## COVID-19 Impacts & Challenges:

- Plan to maintain current FY20 position count and reallocate vacancies to fill positions needed to advance board and operational objectives.
- Complete design of Accounting, Procurement, Contracts, Inventory and Human Resources modules in INFOR to maintain implementation schedule.
- Continue PDF online complete forms, e-routing and approval sequencing to reduce reliance on paper-based forms.
- Facilities renovation and major maintenance roofing projects have been paused during the stay-at-home order; resumption of roofing projects to be completed on expedited schedule before rainy season.
- Completing the contracting and award of the new VoIP phone system and new CRM are operational priorities. Both systems will provide enhanced operational benefits to increase internal and external service levels.
- Uncertain business continuity impact for extended COVID emergency into FY 20-21.



Los Gatos Creek



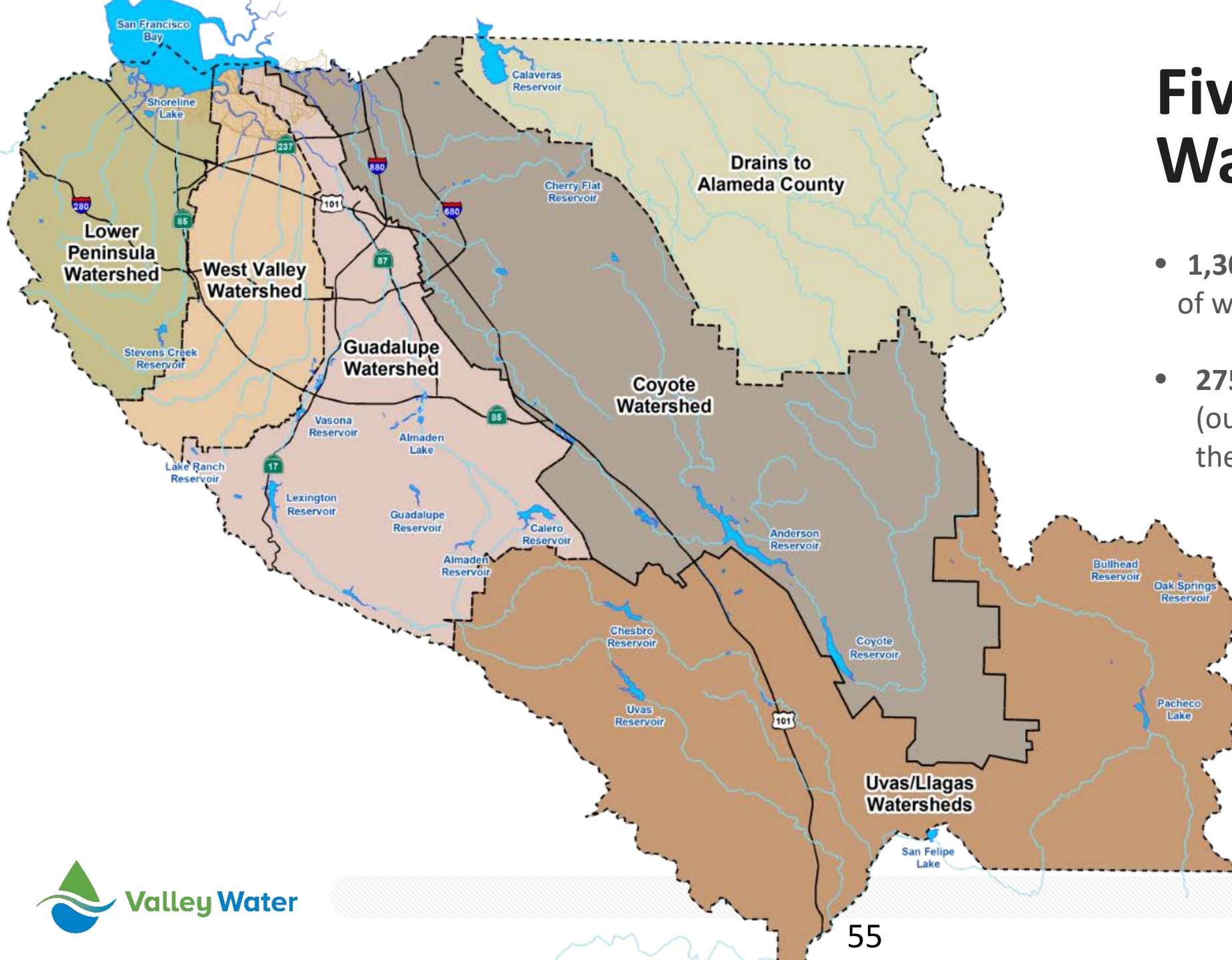
# Watersheds

Presented by: **Melanie Richardson**, Chief Operating Officer

# Watersheds Outline

- Overview of Watersheds
- FY 20-21 Proposed Budget
- Watersheds Outlook





# Five Major Watersheds

- 1,300 square miles of watershed lands
- 275 miles of streams (out of 800 miles in the county)

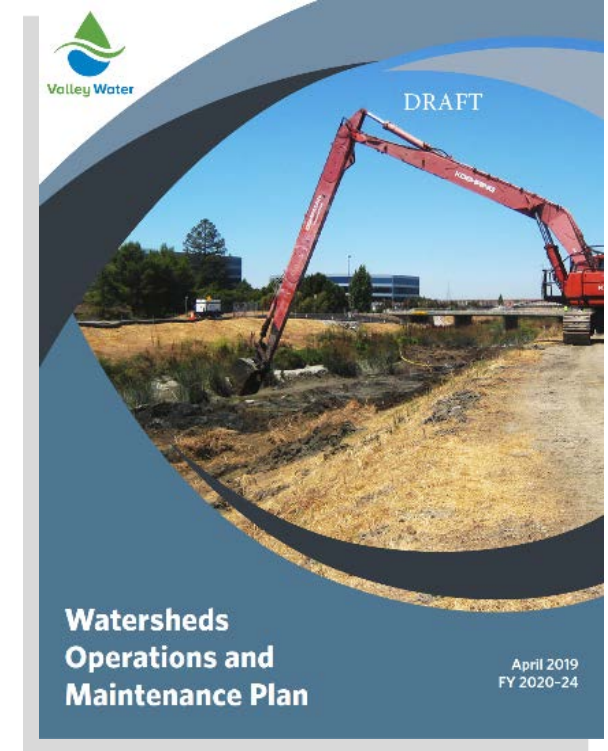
# Watersheds Core Functions

## Flood Protection

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

## Environmental Stewardship

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

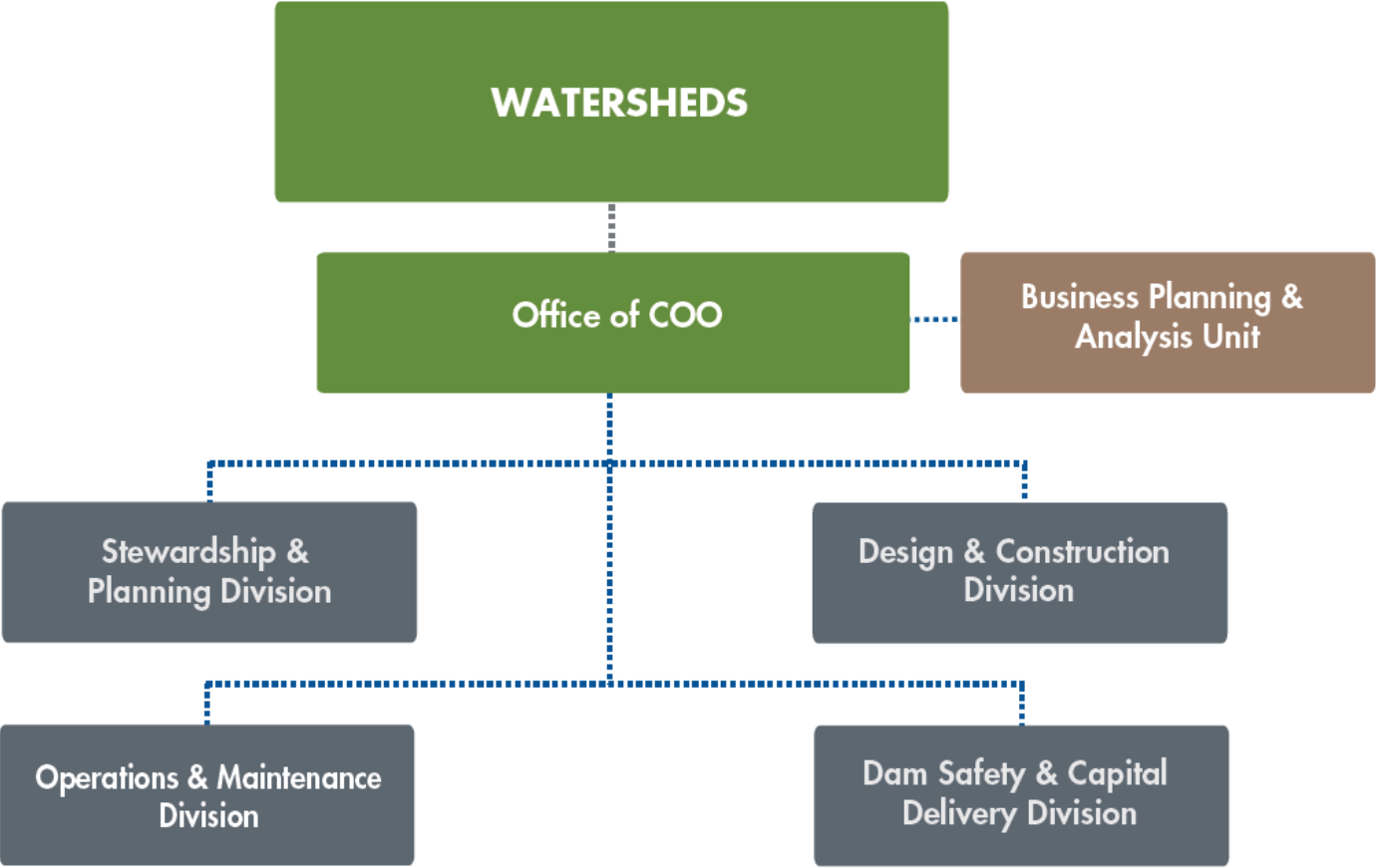


# Key Watersheds Planning Documents

# Watersheds Organizational Chart

Current FY 2020 Positions: 274 (+1 Fellowship)

~~Requested New Positions for FY 2021: 9~~





# Achieving Board Goals

**Natural Flood Protection Goal:** Provide natural flood protection for residents, businesses and visitors and reduce the potential for flood damages.

**Environmental Stewardship Goal:** Protect and restore creek, bay and other aquatic ecosystems.

**Water Supply Goal:** Ensure current and future water supply for municipalities, industries, agriculture and the environment is reliable.

# Goal: Natural Flood Protection

**Strategy: Pursue opportunities to expedite regulatory permit processes and streamline permit reviews.**

07/28/2016

## Key FY 20-21 Deliverables:

- Initiate the environmental review process for Stream Maintenance Program 3 (SMP-3).
- Collaborate with External Affairs on state- and federal-level efforts to expedite permit review.
- Include O&M in the CIP project permitting process and invest in long range mitigation planning to support capital projects and maintenance activities.
- Initiate early consultation with resource agencies for major capital projects such as the Anderson Dam Seismic Retrofit and the Pacheco Reservoir Expansion projects.
- Continue to develop comprehensive watershed plans under One Water, which may provide opportunities for permit streamlining.



# Goal: Environmental Stewardship

**Strategy: Attain net positive impact on the environment when implementing flood protection and water supply projects.**

## Key FY 20-21 Deliverables:

- Integrate O&M requirements early in project design process to minimize post-construction maintenance.
- Integrate mitigation requirements into evaluation of alternatives for flood projects and water supply projects.
- Review Natural Flood Protection Guidelines for opportunities to update.
- Invest in practical tools to identify ecological restoration opportunities at the watershed scale.



# Goal: Environmental Stewardship

**Strategy: Promote the protection of creeks, bay, and other aquatic ecosystems from threats of pollution and degradation.**

## Key FY 20-21 Deliverables:

- Plan to resume encampment abatement efforts with the City of San José; continue negotiations on an encampment abatement MOA with the City of Gilroy.
- Continue the agreement with San José Police Department to increase patrols in local waterways.
- Partner with San José on its program to provide homeless individuals with trash bags to bag their trash and reduce pollution.
- Continue to map and remove trash rafts in collaboration with the City of San José.



# Goal: Water Supply

**Strategy: Finalize the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE).**

## Key FY 20-21 Deliverables:

- Jointly study project elements of Coyote FAHCE as part of the Anderson Dam Seismic Retrofit Project.
- Finalize Fish Habitat Restoration Plan and associated Environmental Impact Report.
- Expand the biological and physical monitoring program under FAHCE.
- Update and process associated Water Right Change Petitions.

An aerial photograph of Anderson Reservoir and the Anderson Dam. The reservoir is a large, dark blue body of water, and the dam is a long, light-colored concrete structure. The surrounding landscape is green and hilly, with some roads and buildings visible. A white arrow points from the text 'Strategy: Advance Anderson Dam Seismic Retrofit Project.' towards the dam.

# Goal: Water Supply

**Strategy: Advance Anderson Dam Seismic Retrofit Project.**

## Key FY 20-21 Deliverables:

- Develop biological assessment (BA) for submission to the Federal Energy Regulatory Commission (FERC).
- Complete design for Anderson Dam Tunnel Project and begin construction.
- Coordinate fisheries and sediment management activities with the draining of Anderson Reservoir.
- Conduct field surveys to support regulatory permitting process.

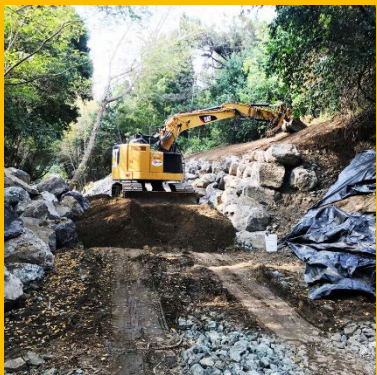
# Watersheds Divisions



Office of the COO



Stewardship &  
Planning



Operations &  
Maintenance



Design &  
Construction



Dam Safety &  
Capital Delivery

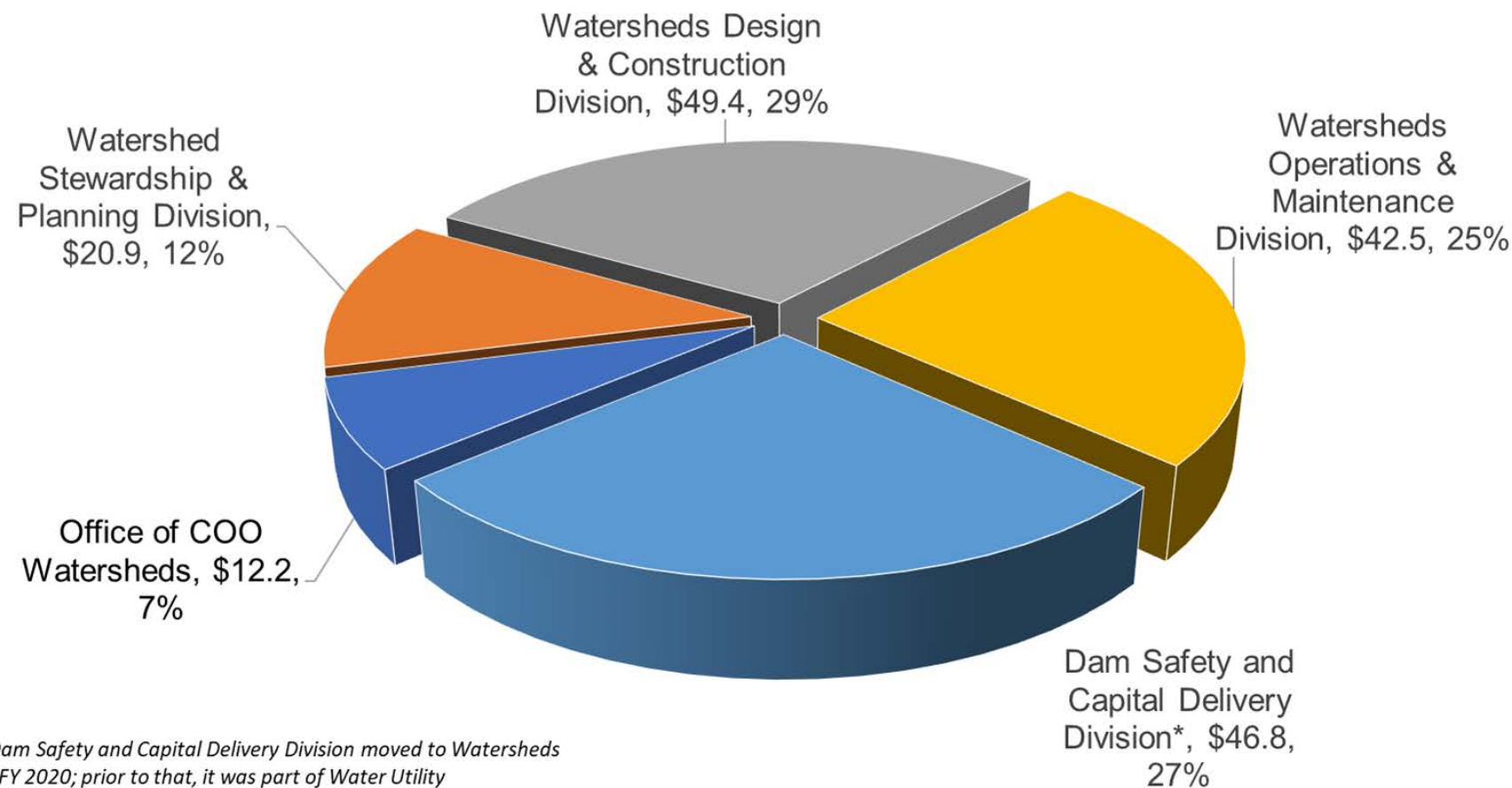
# FY 20-21 Watersheds Proposed Budget

Watershed Divisions	FY 2020 Adopted Budget	FY 2021 Proposed Budget	Over/(Under) FY 2020 Adopted	% Change
Office of COO Watersheds	\$11.2	\$12.2	\$1.1	9.4%↑
Stewardship & Planning Division	\$22.9	\$20.9	(\$2.0)	(8.7%)↓
Design & Construction Division	\$47.6	\$49.4	\$1.8	3.7%↑
Operations & Maintenance Division	\$38.0	\$42.5	\$4.5	11.9%↑
Dam Safety and Capital Delivery Division*	\$53.0	\$46.8	(\$6.2)	(11.7%)↓
<b>TOTAL</b>	<b>\$172.6</b>	<b>\$171.8</b>	<b>(\$0.8)</b>	<b>(0.5%)↓</b>

\*Dam Safety and Capital Delivery Division moved to Watersheds in FY 2020; prior to that, it was part of Water Utility

# FY20-21 Watersheds Proposed Budget

FY 2021 PROPOSED BUDGET (WATERSHEDS DIVISIONS), \$171.8M



# Office of the COO of Watersheds

## Proposed Budget

Office of the COO Watersheds	FY 2020 Adopted Budget	FY 2021 Proposed Budget	Over/(Under) FY 2020 Adopted	% Change
CIP Development & Administration	\$1.3	\$1.4	\$0.1	-
Fund 26 Unscoped Projects	\$0.1	\$0.1	\$0.0	-
Safe Clean Water Implementation	\$0.6	\$0.6	\$0.0	-
Fund 12 Unscoped Projects	\$0.1	\$0.1	\$0.0	-
Watersheds Administration	\$9.1	\$10.0	\$0.9	10%↑
<b>TOTAL</b>	<b>\$11.2</b>	<b>\$12.2</b>	<b>\$1.0</b>	<b>9%↑</b>

# Stewardship & Planning Division

## Proposed Budget

Stewardship & Planning Division	FY 2020 Adopted Budget	FY 2021 Proposed Budget	Over/(Under) FY 2020 Adopted	% Change
Inter Agency Urban Runoff Program	\$2.5	\$2.6	\$0.1	4%↑
FAHCE/Three Creeks HCP Project	\$3.8	\$2.6	(\$1.2)	(33%)↓
Hydrologic Data Measurement & Management	\$2.0	\$2.0	\$0.0	1%↑
Impaired Water Bodies Improvements	\$1.8	\$1.8	\$0.1	3%↑
Integrated Water Resource Master Plan	\$1.4	\$1.6	\$0.2	13%↑
Hydrology&Hydraulics Tech Support	\$1.2	\$1.5	\$0.2	20%↑
Flood Risk Reduction Studies	\$1.0	\$1.2	\$0.2	22%↑
Revitalize Riparian, Upland, & Wetland Habitats	\$0.9	\$1.0	\$0.0	4%↑
Ecological Data Collection & Analysis	\$1.4	\$0.8	(\$0.7)	(46%)↓
Multiple Small Projects Mitigation Monitoring	\$0.6	\$0.7	\$0.1	13%↑
Other	\$6.2	\$5.1	(\$1.1)	(17%)↓
<b>TOTAL</b>	<b>\$22.9</b>	<b>\$20.9</b>	<b>(\$2.1)</b>	<b>(9%)↓</b>

# Operations & Maintenance Division

## Proposed Budget

Operations & Maintenance Division	FY 2020 Adopted Budget	FY 2021 Proposed Budget	Over/(Under) FY 2020 Adopted	% Change
Watershed Sediment Removal	\$4.9	\$6.0	\$1.1	22%↑
Stream Maintenance Program Management	\$3.2	\$5.1	\$1.9	59%↑
Vegetation Management for Access	\$3.6	\$3.8	\$0.2	6%↑
Watershed Erosion Protection	\$2.8	\$2.9	\$0.1	4%↑
Stream Capacity Vegetation Conveyance	\$1.8	\$2.5	\$0.7	39%↑
Management of Revegetation Projects	\$2.1	\$2.3	\$0.2	10%↑
Water Resources Environmental Planning & Permitting	\$1.2	\$2.3	\$1.1	92%↑
Watershed Facility Condition Assessment	\$1.8	\$2.2	\$0.4	22%↑
Invasive Plant Management Program	\$2.1	\$2.2	\$0.1	5%↑
Watershed General Field Maintenance	\$1.6	\$1.8	\$0.2	13%↑
Other	\$12.8	\$11.4	(\$1.4)	(11%)↓
<b>TOTAL</b>	<b>\$37.9</b>	<b>\$42.5</b>	<b>\$4.6</b>	<b>12%↑</b>

# Design & Construction Division

## Proposed Budget

Design & Construction Division	FY 2020 Adopted Budget	FY 2021 Proposed Budget	Over/(Under) FY 2020 Adopted	% Change
San Francisco Bay Shoreline	\$1.8	\$11.1	\$9.4	529%↑
Lower Penitencia Creek Improvements	\$9.0	\$7.7	(\$1.3)	(14%)↓
Watershed Asset Protection Support	\$3.9	\$4.6	\$0.7	19%↑
San Francisquito Early Implementation	\$2.8	<del>\$0.3</del> <del>\$4.3</del>	<del>(\$2.5)</del> <del>\$1.5</del>	<del>(89%)</del> <del>54%</del> ↑
Watersheds Asset Rehabilitation	\$11.4	\$3.5	(\$7.9)	(69%)↓
Guadalupe River, Tasman Dr - I 880	\$1.0	<del>\$1.8</del> <del>\$3.3</del>	<del>\$0.8</del> <del>\$2.3</del>	<del>80%</del> <del>231%</del> ↑
SCW Fish Passage Improvement	\$1.1	<del>\$0</del> <del>\$3.0</del>	<del>(\$1.1)</del> <del>\$2.0</del>	<del>(100%)</del> <del>189%</del> ↑
Coyote Creek, Montague-Tully	\$0.9	\$2.3	\$1.4	145%↑
Almaden Lake Improvement	\$1.2	\$1.7	\$0.6	49%↑
District Real Property Administration	\$1.1	\$1.4	\$0.3	27%↑
Other	\$13.6	<del>\$5.6</del> <del>\$6.3</del>	<del>(\$8.0)</del> <del>(\$7.3)</del>	<del>(59%)</del> <del>(53%)</del> ↓
<b>TOTAL</b>	<b>\$47.6</b>	<del>\$40.2</del> <del>\$49.4</del>	<del>(\$7.4)</del> <del>\$1.8</del>	<del>(16%)</del> <del>4%</del> ↑

Capital Expenditures would be adjusted downward \$9.2M based on capital project adjustments discussed on 4/28/20

# Dam Safety & Capital Delivery Division

## Proposed Budget

Dam Safety & Capital Delivery Division	FY 2020 Adopted Budget	FY 2021 Proposed Budget	Over/(Under) FY 2020 Adopted	% Change
Pacheco Reservoir Expansion Project	\$42.1	\$27.8	(\$14.3)	(34%)↓
Anderson Dam Seismic Retrofit	\$4.2	\$10.1	\$5.9	140%↑
Dams / Reservoir Gen Maintenance	\$3.3	\$3.5	\$0.2	6%↑
Dam Safety Program	\$1.6	\$1.7	\$0.1	6%↑
Calero-Guad Dams Seismic Retrofit	\$0.0	\$1.4	\$1.4	100%
Calero Dam Seismic Retrofit Design & Construction	\$0.4	\$0.9	\$0.5	125%↑
Guadalupe Dam Seismic Retrofit Design & Construction	\$0.8	\$0.5	(\$0.3)	(38%)↓
Dam Safety Seismic Stability	\$0.6	\$0.4	(\$0.2)	(33%)↓
San Luis Low Point Improvement	\$0.0	\$0.3	\$0.3	100%
Almaden Dam Improvements	\$0.0	\$0.2	\$0.2	100%
Other	\$0.0	\$0.0	\$0.0	100%
<b>TOTAL</b>	<b>\$53.0</b>	<b>\$46.8</b>	<b>(\$6.2)</b>	<b>(12%)↓</b>

# FY 20-21 Watersheds Outlook

## Major Deliverables:

- Begin construction on the following projects:
  - San Francisco Bay Shoreline Phase I to provide flood protection and tidal wetland restoration;
  - Lower Penitencia and Lower Calera Creek Flood Protection;
  - Piedmont Creek Wall Repair and Rehabilitation;
  - Calabazas Creek Bank Rehabilitation.
- Complete construction of the Rancho San Antonio Park Flood Detention Facility.
- Finalize environmental review and project design for Almaden Lake Improvements by winter; advertise in summer 2021.



# FY 20-21 Watersheds Outlook

- Proceed with Habitat Enhancement studies for Ogier and Metcalf Ponds. Plan to enter into MOA with County Parks in summer 2020.
- Continue invasive plant removal and vegetation management with focus on Guadalupe River.
- In conjunction with Water Utility staff, begin drawdown of Anderson Reservoir to dead pool beginning on October 1, 2020.
- Complete Anderson Dam Tunnel Project design and advertise/award the project in spring 2021.



# FY 20-21 Watersheds Outlook

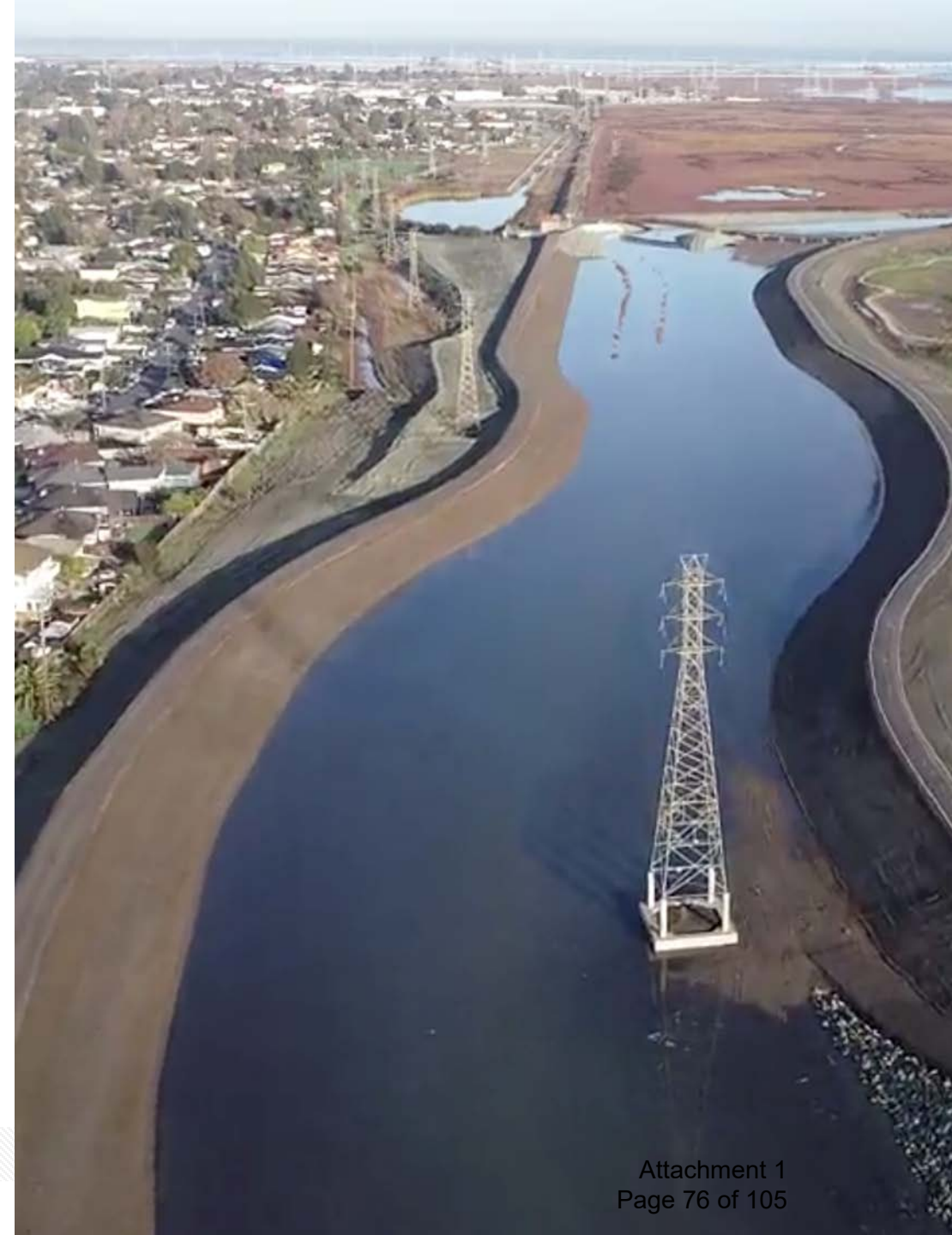
- Conduct Stream Maintenance Program projects, such as:
  - Sediment removal – Stevens Creek upstream of Crittenden Lane (Mountain View), and Saratoga Creek from San Tomas Aquino Creek confluence to Warburton Avenue (Santa Clara);
  - Bank protection – Lower Penitencia Creek downstream of Great Mall Parkway (Milpitas).
- Begin environmental assessment for SMP-3.
  - Multi-year process will include preparation of a new EIR and obtaining permits from seven state and federal regulatory agencies.



# FY 20-21 Watersheds Outlook

## COVID-19 Impacts & Challenges:

- Plan to maintain FY20 position count and reallocate vacancies to fill positions needed for essential work.
- Cope with reduced staffing in field operations and vegetation management.
- Encampment cleanups have been paused during the stay-at-home order; resumption of work will be met with an increased need and high community demand.
- Delay of the Bolsa Fish Passage Improvements and Upper Guadalupe Gravel Augmentation Projects.
- Unclear outlook for the construction industry and materials availability.



# FY 20-21 Watersheds Outlook

- Pursue potential COVID-19-related federal stimulus funding for all shovel-ready projects:
  - Almaden Lake Improvements
  - Anderson Dam Tunnel Project
  - Anderson Reservoir Dewatering
  - Bolsa Fish Passage Improvements
  - Calabazas Creek Rehabilitation
  - County-wide Arundo Donax Removal
  - Hale Creek Channel Enhancement
  - Lower Calera Creek Flood Protection Project
  - Lower Penitencia Creek Flood Protection
  - Palo Alto Flood Basin Tide Gate Replacement
  - Piedmont Creek Wall Repair and Rehabilitation
  - Upper Guadalupe River Aquatic Habitat Improvement



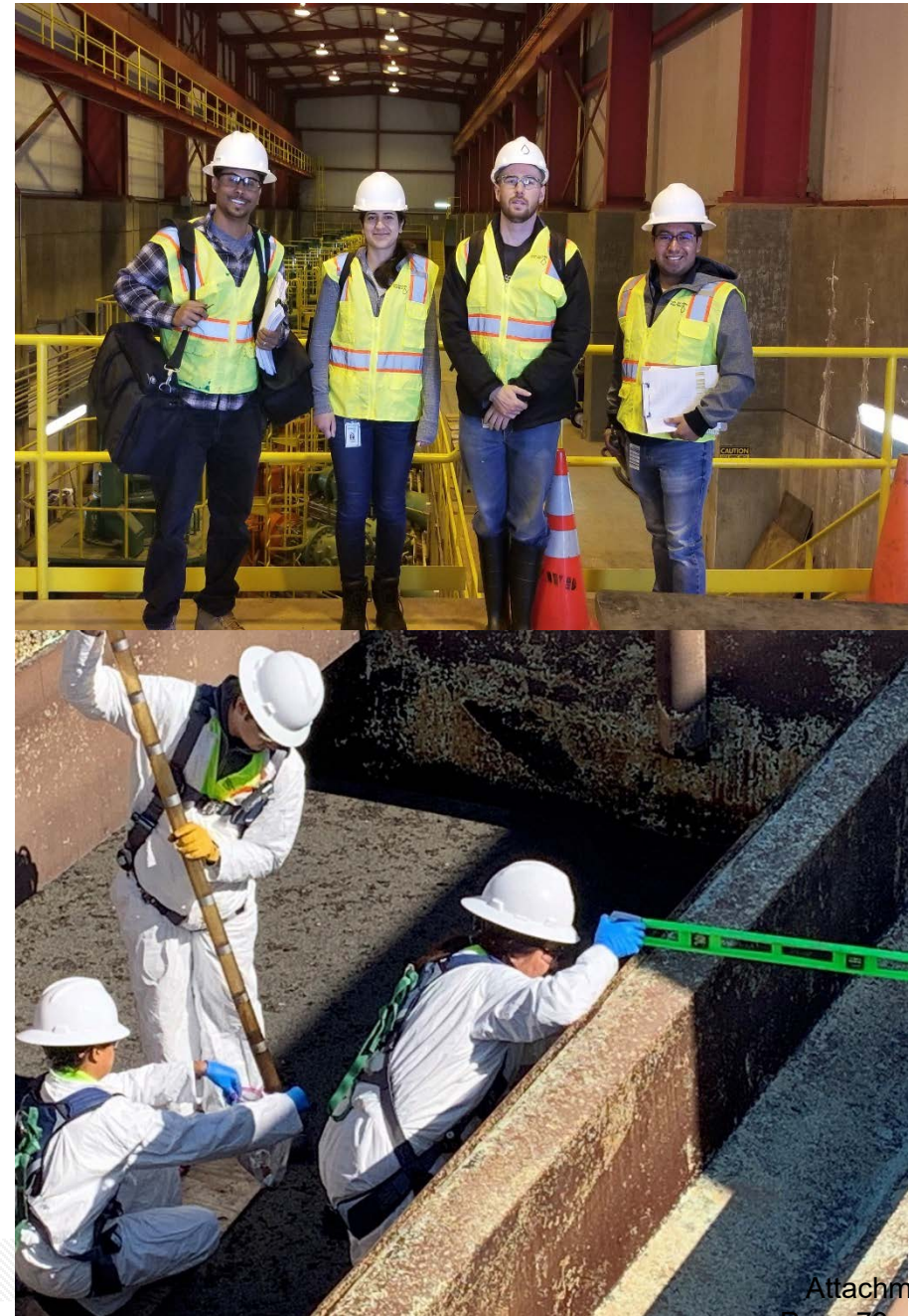


# Water Utility Enterprise

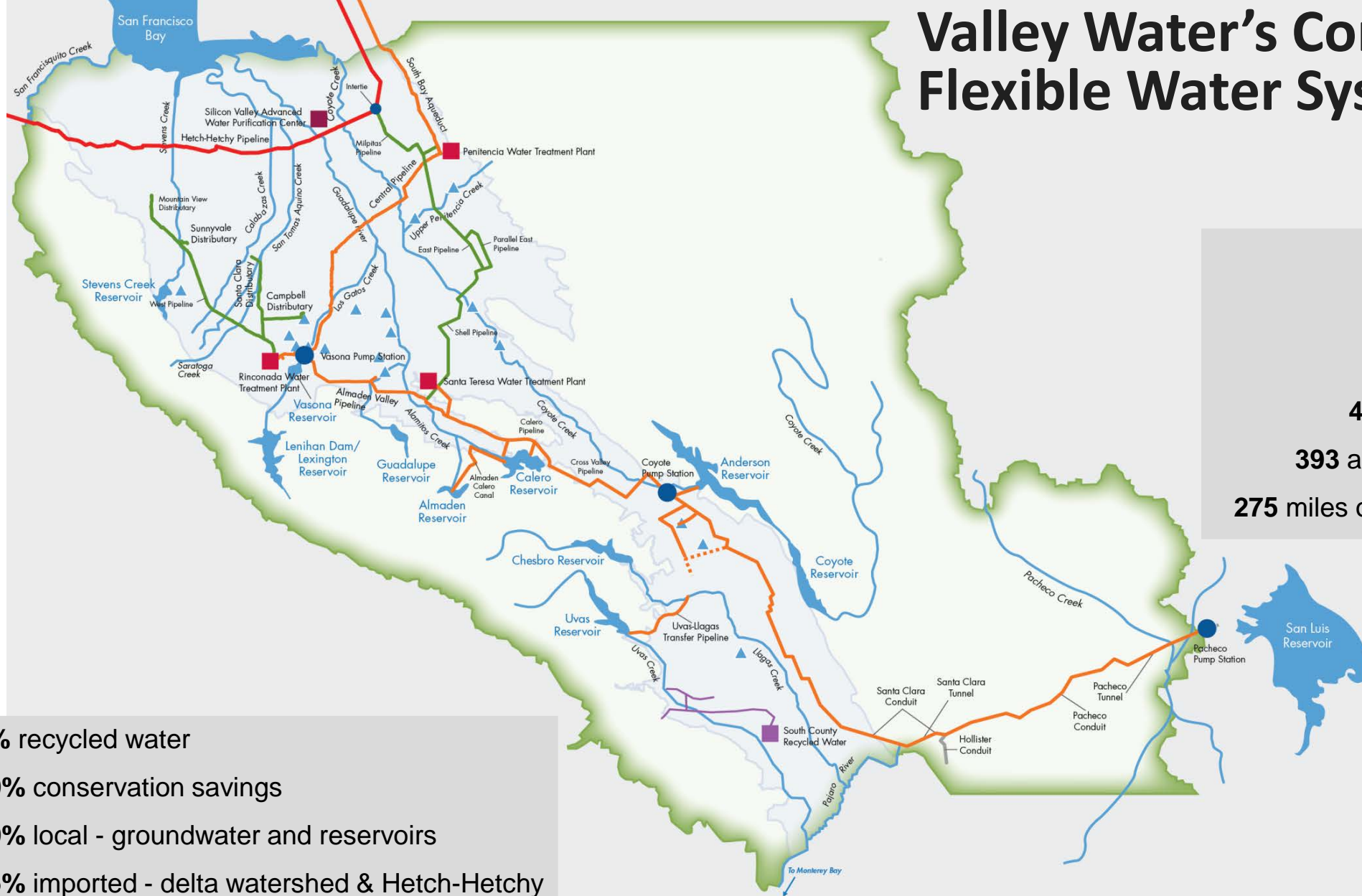
Presented by: **Nina Hawk**, Chief Operating Officer

# Water Utility Enterprise Outline

- Overview of WUE
- FY 20-21 Proposed Budget
- WUE Outlook



# Valley Water's Comprehensive, Flexible Water System



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

**5%** recycled water  
**10%** conservation savings  
**30%** local - groundwater and reservoirs  
**55%** imported - delta watershed & Hetch-Hetchy

# Water Utility Enterprise Core Functions

## Water Supply

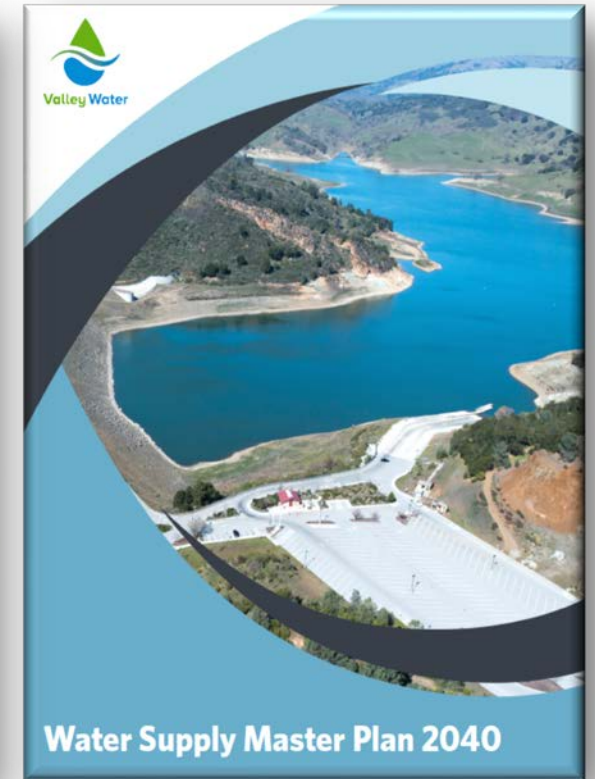
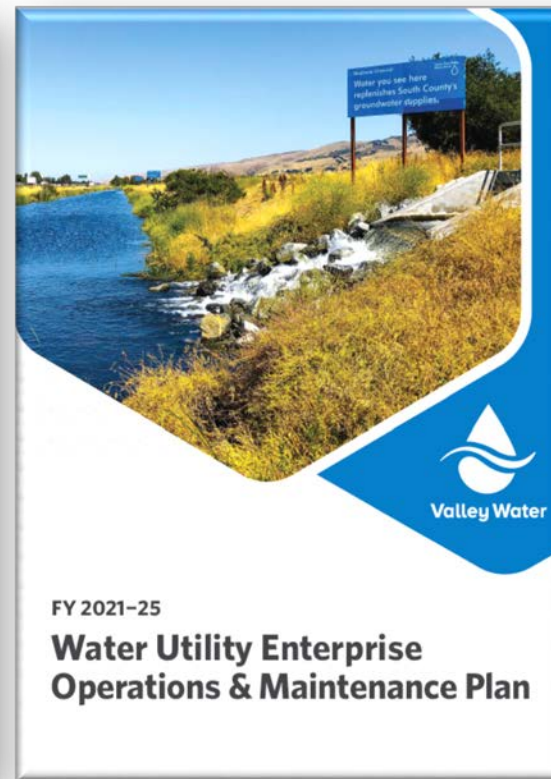
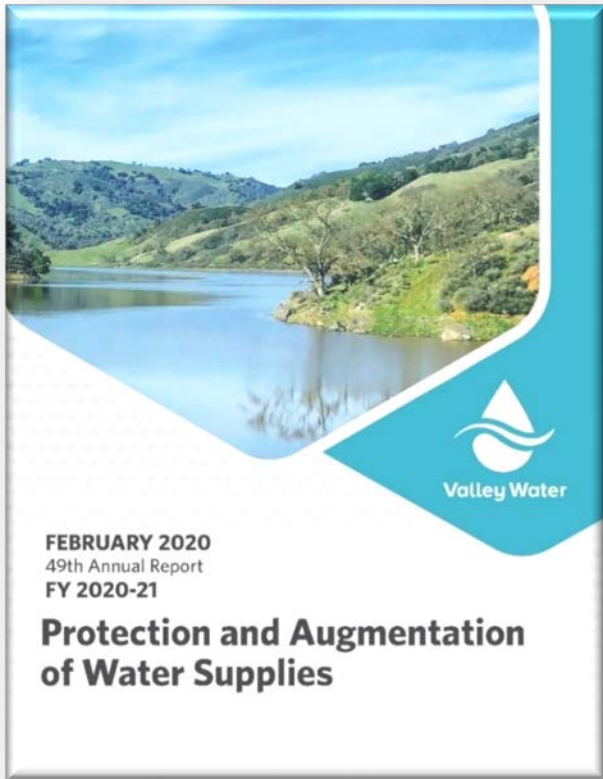
- Monitor and protect the groundwater basin
- Advance water reuse and conservation in Santa Clara County
- Ensure services that protect the environment
- Cost-effective sources of imported water to meet its current and future needs

## Water Utility Capital

- Deliver high quality innovative projects
- Continual improvement to our management system
- Flood protection and fish passage
- Delivering and Close-out of capital projects
- Structural and geotechnical services

## Operations & Maintenance

- Convey local and imported source water to water treatment plants, recharge facilities, and streams
- Treat and deliver water to retail customers
- Maintain infrastructure
- Provide civil and mechanical engineering support

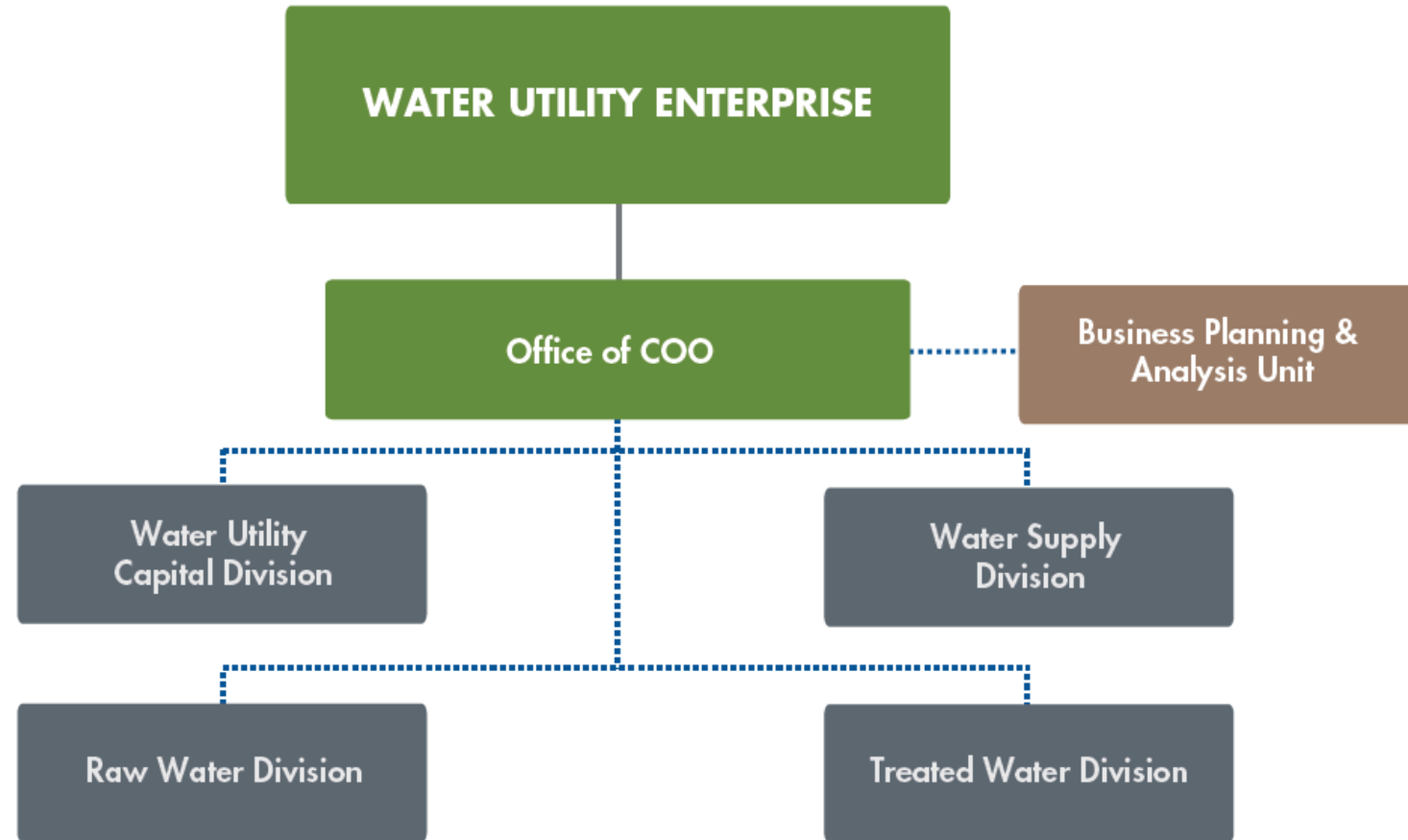


# Key Water Utility Enterprise Planning Documents

# Water Utility Enterprise Organizational Chart

Current FY 2020 Positions: 309 (+1 Fellowship)

~~Requested New Positions for FY 2021: 10~~



# Achieving Board Goals

**Water Supply Goal:** Ensure current and future water supply for municipalities, industries, agriculture and the environment is reliable.



# Goal: Water Supply

## Key FY 20-21 Deliverables

- Present updated information on opportunities related to additional water storage options to the Board's Water Storage Exploratory Committee
- Prioritize investment opportunities based on water supply reliability benefits, costs, and other objectives
- Incorporate Board-approved storage opportunities into the Water Supply Master Plan through its annual Monitoring and Assessment Plan (MAP)
- Partner with the US Bureau of Reclamation to pursue WIIN funding for the Pacheco Reservoir Expansion Project through the San Luis Low Point Improvement Project

**Strategy:**  
**Actively Pursue Efforts to Increase Water Storage Opportunities.**



# Goal: Water Supply

**Strategy:**  
Actively participate in decisions regarding the California Delta Conveyance Board.

## Key FY 20-21 Deliverables:

- Continue engagement to advance or complete critical contract amendments and agreements related to the California Delta Conveyance Project
- Seek potential water supply and storage opportunities related to the project for consideration by the Board
- Continue to support the work of the Delta Conveyance Design, Construction Authority and the Delta Conveyance Finance Authority, and the Delta Conveyance Authority Stakeholder Engagement Committee

# Goal: Water Supply



siliconvalley



## Strategy:

Lead Recycled and Purified Water with the City of San Jose and Other Agencies.

## Key FY 20-21 Deliverables:

- Complete and implement the Countywide Water Reuse Master Plan to maximize recycled and purified water use in the County
- Continue further refinement and improvement of the Reverse Osmosis concentrate management options identified for the water purification projects in the County
- Continue active involvement in statewide efforts for tracking and advocating the development of direct potable reuse regulations to reflect Valley Water's water supply goals and objectives.
- Develop and implement partnerships with cities and agencies throughout the County to maximize recycled and purified water use
- Showcase the Silicon Valley Advance Purification Center to promote public engagement and acceptance for indirect and direct potable reuse

# Goal: Water Supply

**Strategy:** Engage and Educate the Community, Local Elected Officials and Staff on Future Water Supply Strategies in Santa Clara County.

## Key Deliverables:

- Enhance engagement and communications with the retailers regarding water supply planning and infrastructure reliability needs
- Engage Valley Water's stakeholders on outreach efforts on potable reuse
- Various programs offered to the public:
  - Graywater and Landscape Rebate Programs
  - Water Conservation programs
  - Nursery program/rebates





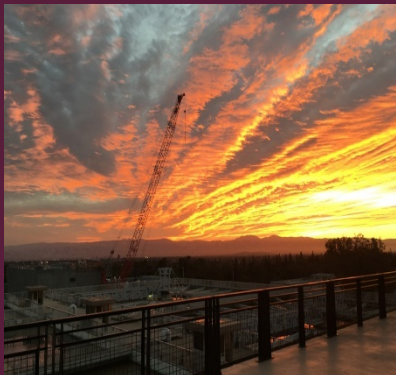
# Goal: Water Supply

## Key Deliverables:

- Further refine and process associated Water Rights Change Petitions
- Coordinate with ADSRP on:
  - Operations pre, during and post
  - Adaptive management
  - Aquatic impact analysis
  - Water supply impacts

**Strategy:**  
**Advance Anderson**  
**Dam Seismic Retrofit Project.**

# Water Utility Enterprise Divisions



Office of the Chief  
Operating Officer



Water Supply



Raw Water



Treated Water



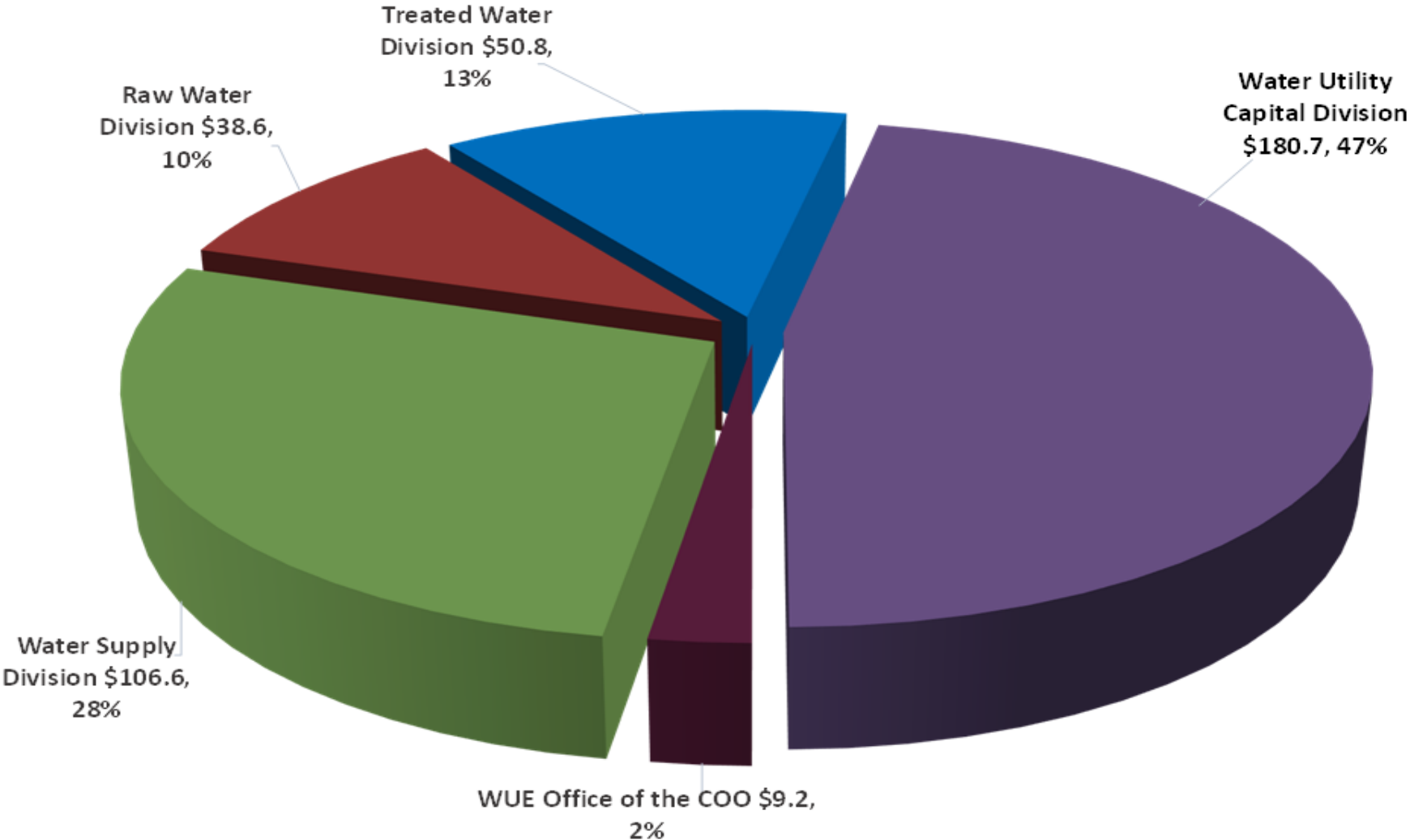
Water Utility  
Capital

# Water Utility Enterprise Proposed Budget

Total Projects Managed by the Water Utility	FY 2020 Adopted Budget	FY 2021 Proposed Budget	Over/(Under) FY 2020 Adopted	% Change
WUE Office of the COO	\$ 8.5	\$ 9.2	\$ 0.7	8%↑
Water Supply Division	\$ 97.5	\$ 106.6	\$ 9.1	9%↑
Raw Water Division	\$ 50.1	\$ 38.6	\$ (11.5)	(23%)↓
Treated Water Division	\$ 43.1	\$ 50.8	\$ 7.7	18%↑
Water Utility Capital Division	\$ 75.8	\$ 180.7	\$ 104.9	138%↑
<b>TOTAL</b>	<b>\$ 275.0</b>	<b>\$ 385.9</b>	<b>\$ 110.9</b>	<b>40%↑</b>

# Water Utility Enterprise Proposed Budget

FY 2021 Proposed Budget (Water Utility Enterprise Divisions) \$385.9M



# Water Utility Enterprise Office of the COO

## Proposed Budget

WUE Office of the COO	FY 2020 Adopted Budget	FY 2021 Proposed Budget	Over/(Under) FY 2020 Adopted	% Change
Capital Outlays	\$ 1.0	\$ 0.1	\$ (0.9)	(90%)↓
Operating Outlays				
WUE Office of the COO	\$ 7.5	\$ 9.1	\$ 1.6	21%↑
<b>TOTAL</b>	<b>\$ 8.5</b>	<b>\$ 9.2</b>	<b>\$ 0.7</b>	<b>8%↑</b>

# Water Supply Division

## Proposed Budget

Water Supply Division	FY 2020 Adopted Budget	FY 2021 Proposed Budget	Over/(Under) FY 2020 Adopted	% Change
<b>Capital Outlays</b>	\$ 10.4	\$ 13.4	\$ 3.0	29%↑
<b>Operating Outlays</b>				
Imported Water	\$ 63.3	\$ 69.3	\$ 6.0	9%↑
Water Conservation	\$ 6.1	\$ 6.2	\$ 0.1	2%↑
Recycled Water	\$ 5.9	\$ 5.9	\$ -	%↑
Groundwater Management	\$ 4.5	\$ 5.0	\$ 0.5	11%↑
Well Ordinance Program/Water Measurement & Protection	\$ 3.7	\$ 3.8	\$ 0.1	3%↑
Long-term Planning & Support	\$ 3.6	\$ 3.0	\$ (0.6)	(17%)↓
<b>TOTAL</b>	<b>\$ 97.5</b>	<b>\$ 106.6</b>	<b>\$ 9.1</b>	<b>9%↑</b>

# Raw Water Division

## Proposed Budget

Raw Water Division	FY 2020 Adopted Budget	FY 2021 Proposed Budget	Over/(Under) FY 2020 Adopted	% Change
<b>Capital Outlays</b>	\$ 20.2	\$ 6.2	\$ (14.0)	(69%)↓
<b>Operating Outlays</b>				
Raw Water Ops. & Maint.	\$ 10.6	\$ 12.2	\$ 1.6	15%↑
San Felipe Division	\$ 3.8	\$ 3.7	\$ (0.1)	(3%)↓
Rinconada WTP Maintenance	\$ 3.7	\$ 3.6	\$ (0.1)	(3%)↓
Santa Teresa WTP Maintenance	\$ 3.2	\$ 3.5	\$ 0.3	9%↑
Penitencia WTP Maintenance	\$ 2.5	\$ 3.1	\$ 0.6	24%↑
Water Treatment Plant Maintenance	\$ 2.9	\$ 3.1	\$ 0.2	7%↑
Water Supply Planning & Support	\$ 2.1	\$ 2.3	\$ 0.2	10%↑
SF/SCVWD Intertie/SCADA/Asset	\$ 1.1	\$ 0.9	\$ (0.2)	(18%)↓
<b>TOTAL</b>	<b>\$ 50.1</b>	<b>\$ 38.6</b>	<b>\$ (11.5)</b>	<b>(23%)↓</b>

# Treated Water Division

## Proposed Budget

Treated Water Division	FY 2020 Adopted Budget	FY 2021 Proposed Budget	Over/(Under) FY 2020 Adopted	% Change
<b>Capital Outlays</b>	\$ -	\$ 3.3	\$ 3.3	100%↑
<b>Operating Outlays</b>				
Rinconada WTP Operations	\$ 8.3	\$ 9.1	\$ 0.8	10%↑
Santa Teresa WTP Operations	\$ 5.3	\$ 6.3	\$ 1.0	19%↑
Penitencia WTP Operations	\$ 5.2	\$ 5.8	\$ 0.6	12%↑
Water Treatment Plant Maintenance	\$ 5.3	\$ 5.6	\$ 0.3	6%↑
Water Quality Lab	\$ 5.1	\$ 5.5	\$ 0.4	8%↑
SV Advanced Water Purification Center	\$ 4.2	\$ 4.9	\$ 0.7	17%↑
SF/SCVWD Intertie/SCADA/Asset	\$ 3.8	\$ 4.4	\$ 0.6	16%↑
Administration	\$ 3.6	\$ 3.4	\$ (0.2)	(6%)↓
Water Quality	\$ 1.0	\$ 1.3	\$ 0.3	30%↑
SFD Electrl. Control Sys. Engineering	\$ 0.6	\$ 0.6	\$ -	%↑
RW Electrl. Control Sys. Engineering	\$ 0.7	\$ 0.6	\$ (0.1)	(14%)↓
<b>TOTAL</b>	<b>\$ 43.1</b>	<b>\$ 50.8</b>	<b>\$ 7.7</b>	<b>18%↑</b>

# Water Utility Capital Division

## Proposed Budget

Capital Expenditures would be adjusted downward \$30.8M based on capital project adjustments discussed on 4/28/20

Water Utility Capital Division	FY 2020 Adopted Budget	FY 2021 Proposed Budget	Over/(Under) FY 2020 Adopted	% Change
<b>Top 10 Capital</b>				
Uvas Llagas Creek	\$ 12.0	\$ 46.3	\$ 34.3	286%↑
RWTP Reliability Improvement	\$ 14.6	<del>\$ 30.8</del> 40.8	<del>\$ 16.2</del> 26.2	<del>111%</del> 179%↑
Capital Warranty Services	\$ -	\$ 26.3	\$ 26.3	100%↑
10-Yr PL Inspection and Rehab	\$ 26.1	<del>\$ 17.3</del> 20.3	<del>\$ (8.8)</del> (5.8)	<del>(34%)</del> (22%)↓
RWTP Residuals Remediation	\$ 2.6	<del>\$ 10.4</del> 13.4	<del>\$ 7.8</del> 10.8	<del>300%</del> 415%↑
South County Recycled Water PL	\$ -	<del>\$ 0</del> 9.3	<del>\$ 0</del> 9.3	<del>0%</del> 100%-
Capital Program Services	\$ 6.6	\$ 7.5	\$ 0.9	14%↑
Indirect Potable Reuse-Plan	\$ 2.5	<del>\$ 1.6</del> 7.1	<del>\$ (0.9)</del> 4.6	<del>(36%)</del> 184%↑
Coyote Pumping Plant ASD	\$ 1.0	\$ 2.4	\$ 1.4	140%↑
Sunnyvale East & West Channel	\$ 4.4	\$ 2.0	\$ (2.4)	(55%)↓
Other Capital	\$ 6.0	\$ 5.3	\$ (0.7)	(12%)↓
<b>TOTAL</b>	<b>\$ 75.8</b>	<b>\$ <del>180.7</del></b>	<b>\$ <del>104.9</del></b>	<b><del>138%</del>↑</b>

\$149.9

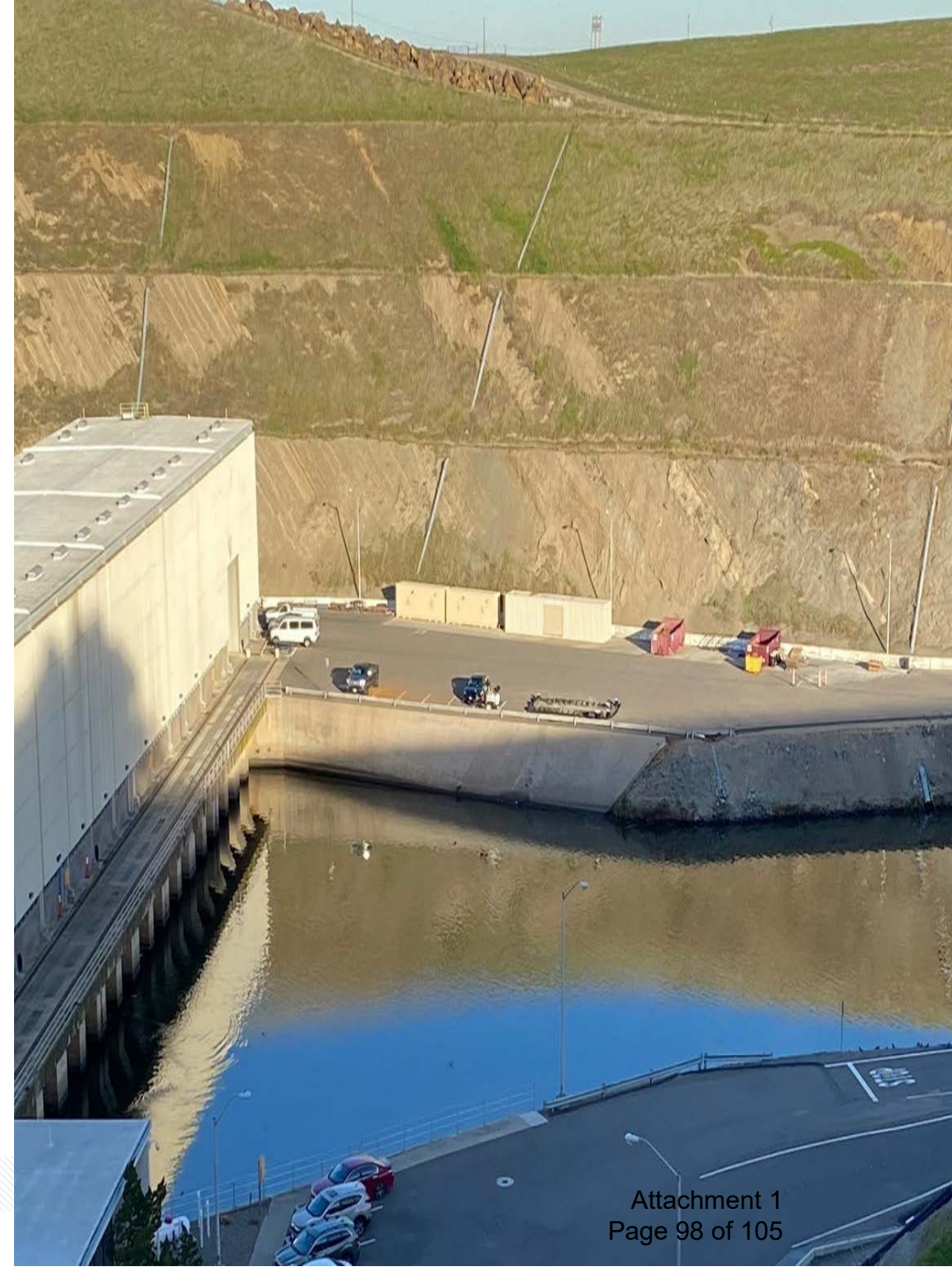
\$74.1

98%

# FY 20-21 WUE Outlook

## Regional and State Wide Focus

- Secure in-county storage and reliability through restoration of Anderson Dam, expansion of Pacheco Reservoir and continued storage exploration
- Improve regional and state-wide reliability through participation in regional projects such as Los Vaqueros, Delta Conveyance, San Luis & Delta-Mendota Water Authority and other key partnerships
- Short Term and Long Term Reliability focus related to SBA (South Bay Aqueduct) including collaboration with SBA contractors, DWR and regional partners



# FY 20-21 WUE Outlook

## Infrastructure Master Planning – Year 1 Efforts

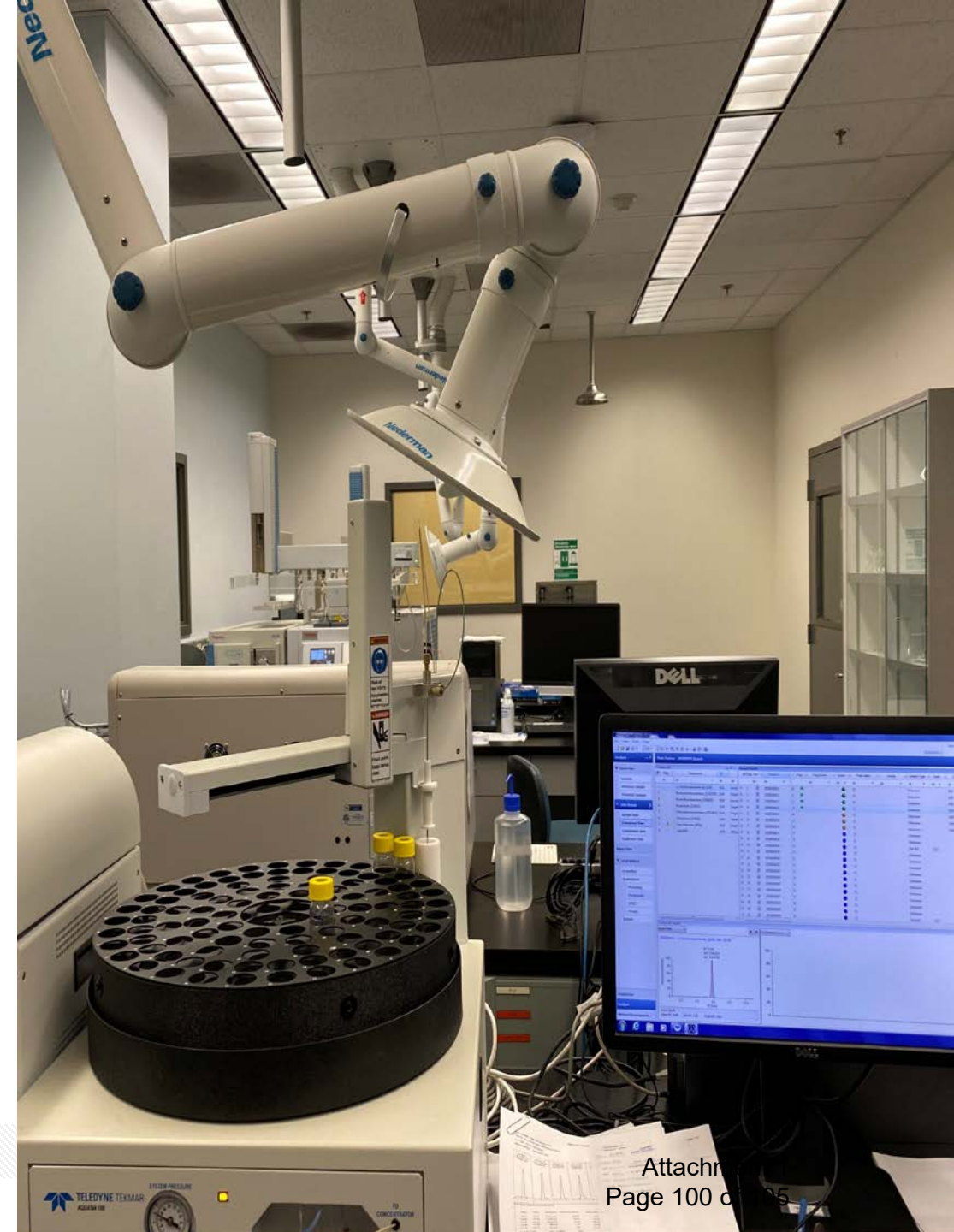
- Begin first major year in Infrastructure Master Plans for Treated Water, Raw Water and Control System Infrastructure
- Begin first year work with cross functional matrix teams from various expertise within the WUE and across the organization
- Incorporate both regional needs and stakeholder engagement (retailers) into these infrastructure master plans
- Establish needs for appropriate Program Management for these three infrastructure Master Plans during year 1



# FY 20-21 WUE Outlook

## Continue Safe and Reliable Water Service

- Operate the water supply and distribution system to provide reliable service to customers
- Maintain infrastructure to continue reliable service through ongoing maintenance of the wholesale water system and effective operations
- Continue to exceed and maintain the annual water quality performance criteria for the laboratory by keeping the Environmental Laboratory Accreditation Program in good standing



# FY 20-21 WUE Outlook

## Water Supply Planning and Recycled Water Efforts

- By Fall of 2020, update the Retailer/customer demand model and update the Urban Water Management Plan
- Continue to ensure long-term water supply reliability through the Water Supply Master Plan and annual Monitoring and Assessment Plan updates, with Board review in the Fall each year.
- Advance the Countywide Water Reuse Master Plan and Reverse Osmosis Management Plan
- Advance discussions and negotiations with owners/operators of wastewater treatment plants to secure options for wastewater supply for purification projects consistent with Water Supply Master Plan targets



# FY 20-21 WUE Outlook

Deliver Capital Projects in an Efficient and Cost Effective manner

- Effectively manage projects by enhancing in house Project Management through the implementation of Project Management Information System
- Develop staff within the organization and continue to evolve project delivery practices consistent with industry standards
- Continue to evolve and implement alternative project delivery methods
- Enhance project design, construction and commissioning, through project owner engagement from cradle to grave (through Treatment Plant Commissioning Unit new role)



# FY 20-21 WUE Outlook

## COVID-19 Impacts & Challenges:

- Purified Water Program schedule to be adjusted, including work on Countywide Recycled Water Plan
- Water Quality Work to be augmented with additional consultant services for routine water quality efforts
- Asset Management Program to be integrated with infrastructure master planning
- Construction Services staffing adjusted for project construction timelines
- Key Focus: Operations, Maintenance and Successful Capital Delivery



# FY 20-21 WUE Outlook

Pursue potential COVID-19-related federal stimulus funding for all shovel-ready projects:

## Shovel-ready Projects

- 10 Year Pipeline Rehabilitation
- Upper Llagas Flood Protection Project (Phase 2A)
- Upper Llagas Flood Protection Project (Phase 2B)
- RWTP Reliability Improvement (Phase 2 Interim)
- RWTP Reliability Improvement (Phases 3-6)
- STWTP Filter Media Replacement Project



# Summary of Staff Recommendations

- Review and discuss the Proposed FY 21 Budget
- Receive comments from the public
- Direct staff to make any changes the Board deem necessary

## Next Step

- Final FY 21 Budget scheduled for Board approval on May 12, 2020

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