

**DRAFT**



**FY 2021-22**

# **Operating and Capital Budget**

# **Santa Clara Valley Water District**

## **Proposed Fiscal Year 2021-22 Annual Budget**

### **BOARD OF DIRECTORS**

**Tony Estremera**  
Chair, District 6

**John L. Varela**  
District 1

**Barbara F. Keegan**  
District 2

**Richard P. Santos**  
District 3

**Linda J. LeZotte**  
District 4

**Nai Hsueh**  
District 5

**Gary Kremen**  
Vice Chair, District 7

*Submitted by*

**Rick L. Callender, Esq.**  
Chief Executive Officer



# **Santa Clara Valley Water District**

## **Proposed Fiscal Year 2021-22 Annual Budget**

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# **Santa Clara Valley Water District**

## **Proposed Fiscal Year 2021-22 Annual Budget**

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Jennifer Abadilla

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# Budget in Brief

**FY 2021-22**

## **Operating and Capital Budget**

## Budget in Brief

**Budget in Brief chapter will be published  
in the Adopted Budget.**



# Valley Water Overview

**FY 2021-22**

## **Operating and Capital Budget**



# 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, which is located at the southern end of the San Francisco Bay and is home to Silicon Valley, Valley Water encompasses all of the county's 1,300 square miles and serves the area's 15 cities and towns: 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

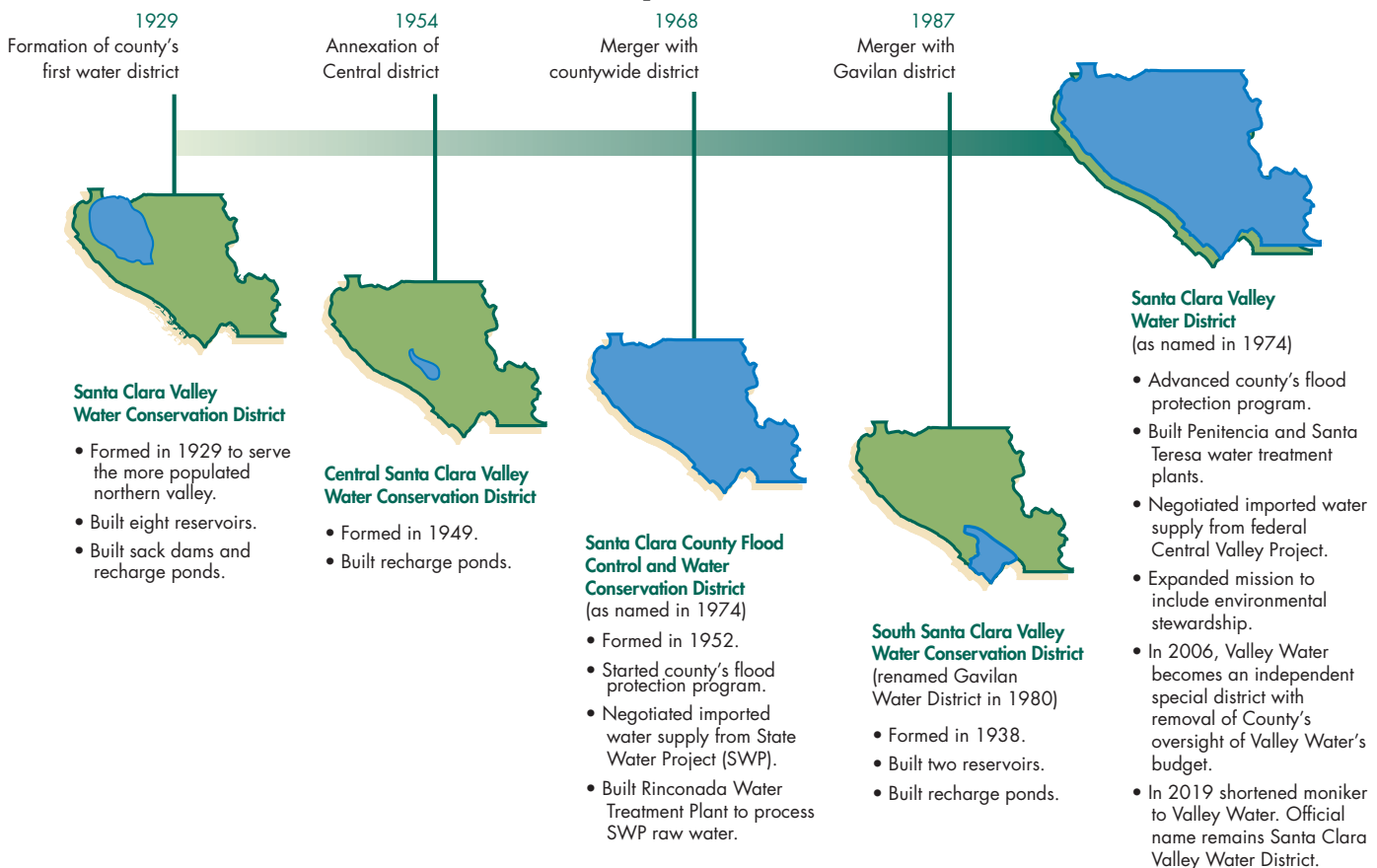
(e) to increase, and prevent the waste or diminution of, the water supply in the district;

(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."

## 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

## Local Economy

While the COVID-19 pandemic continues to affect every aspect of the country's economy and community, the local economy has improved as evidenced by employment gains and income growth. According to the U.S. Bureau of Economic Analysis' (BEA) second estimate released on February 25, 2021, the real gross domestic product (GDP) increased at an annual rate of 4.1% in the fourth quarter of 2020. This increase reflected both the continued economic recovery from sharp declines earlier in the year and the ongoing impact of the COVID-19 pandemic, including new restrictions and closures that took effect in areas of the United States.<sup>1</sup> The February 2021 Bay Area Consumer Price Index (CPI), a measure of price of a "market basket" of goods and services such as energy, transportation and housing, increased by 1.6%.<sup>2</sup> Silicon Valley's January unemployment rate was 5.8%, down from 6.0% in December<sup>3</sup>; this is lower than the unadjusted unemployment rate of 9.2% for California and 6.8% for the United States during the same period. Silicon Valley lost more than 151,500 jobs between the second quarter (Q2) of 2019 and Q2 of 2020. However, many of these jobs were recovered in the latter half of 2020, with a growth rate of 6.9% in Santa Clara and San Mateo counties combined between June and November 2020 (and 4.3% throughout the state).<sup>4</sup>

The COVID-19 pandemic has affected the region's overall economic and community health and will have long-term implications. The region's per capita COVID-19 case rates remained lower than the state and country's until after Thanksgiving 2020, subsequently peaking at just above 70 per 100,000 residents in early January 2021. Population growth has stagnated, with a significant outflow of residents and slower natural growth, with 7% more deaths

and an all-time low birth rate. While tech employment is still rising, companies are adding jobs more rapidly elsewhere. Even so, Silicon Valley continues to rank far above other U.S. talent centers for its share of local jobs in tech as well as tech growth; employment in the tech sector was up 2% despite some layoffs. Overall, the region's unemployment reached unprecedented levels, peaking in April 2020 at 11.6%, with job losses disproportionately affecting low-income earners, renters, and Black and Hispanic workers. The income and wealth divide were also further amplified, with job losses concentrated in lower income occupations such as accommodation and food services (-41%); arts, entertainment, and recreation (-54%); and personal services (-54%). The region's income inequality grew twice as quickly as that of the state or nation over the past decade, with the top 16% of household holding 81% of the wealth. As a result of the first and second rounds of the Paycheck Protection Program (PPP), \$69.9 billion in loans were distributed to California, supporting an estimated 6.51 million jobs – the most of any state. Silicon Valley and San Francisco received \$6.53 billion and \$3.26 billion, respectively.<sup>4</sup>

Housing insecurity rose sharply in May 2020. While nearly half of all renters were burdened by housing costs prior to the pandemic, that amount increased to 69% in 2020. The region's homeless population (~11,000 people) had access to federal emergency assistance such as Project Roomkey's county-level efforts to provide housing, food, and other services. Home sales continued to rise, with median home sale prices reaching \$1.2 million. However, the ability to benefit from home ownership continues to only benefit some as there continues to be lack of affordability for first-time homebuyers.<sup>4</sup>

1. U.S. Bureau of Economic Analysis (BEA), 2/25/2021 News Release

2. US BLS (Bureau of Labor Statistics), March 10, 2021 Release – CPI February 2021

3. State of California Employment Development Department (EDD), March 12, 2021 labor market info

4. Joint Venture Silicon Valley Institute for Regional Studies, 2021 Silicon Valley Index

5. US Department of the Treasury, Featured Stories: Fact Sheet (March 18, 2021)

6. The White House Briefing Room: President Biden Announces American Rescue Plan (January 20, 2021)



# Valley Water Overview

More commercial space was also under construction than ever before (21 million square feet), with another 14 million square feet in the pipeline. Landlords held rents steady and tenants held onto their space, even if unoccupied.<sup>4</sup>

Meanwhile, local government agencies adjusted budgets for pandemic-related declines in revenues from transient occupancy taxes, charges for services, etc. Some have noted that the estimated decline is greater than those experienced during the Great Recession or the dot-com bust. Total revenue declines are expected to lead to more than \$400 billion in budget shortfalls in the region.<sup>4</sup>

In January 2021, the federal government announced the American Rescue Plan that will provide \$350 billion to aid the nation in the road to recovery from the pandemic. Not only does this include a “true up” additional Economic Impact Payment to ensure eligible families receive greater amounts of financial assistance in 2021, it also includes funding for programs like the Low Income Home Energy Assistance Program, for struggling renters.<sup>6</sup>

At the time of the FY 2020-21 budget adoption, one year ago, the outlook was very different from today. Due to the level of uncertainty from the pandemic, Valley Water put all position requests for the FY 2020-21 Budget on hold and did not increase water rates. As we begin to see light end of pandemic tunnel, Valley Water is positioned to make critical investments to our infrastructure to help stimulate our local economy. Our proposed budget funds the priorities the community supported in Measure S, which passed with more than 75% of the votes in November 2020. Critical funding is needed to maintain our waterways, clean up homeless encampments, and

to add miles of flood protection projects to protect our communities from severe storm events which will become more frequent with climate change. We are in a critically dry year and a period of drought is potentially looming in the near future. The modest increase in water rates will allow us to invest in a safe and reliable supply of water for families, schools, and businesses across Santa Clara County and help ensure that Valley Water is prepared for the future by investing in our reservoirs, increasing storm water reuse, and expanding use of recycled water. This past year has truly been challenging for all of us. Despite the challenges brought on by the pandemic, Valley Water has not, and will not, ever stop doing the work to ensure that the community it serves has access to safe, clean water.

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1. U.S. Bureau of Economic Analysis (BEA), 2/25/2021 News Release

2. US BLS (Bureau of Labor Statistics), March 10, 2021 Release – CPI February 2021

3. State of California Employment Development Department (EDD), March 12, 2021 labor market info

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# Valley Water Overview

## 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. The Valley Water Board of Directors 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>.**

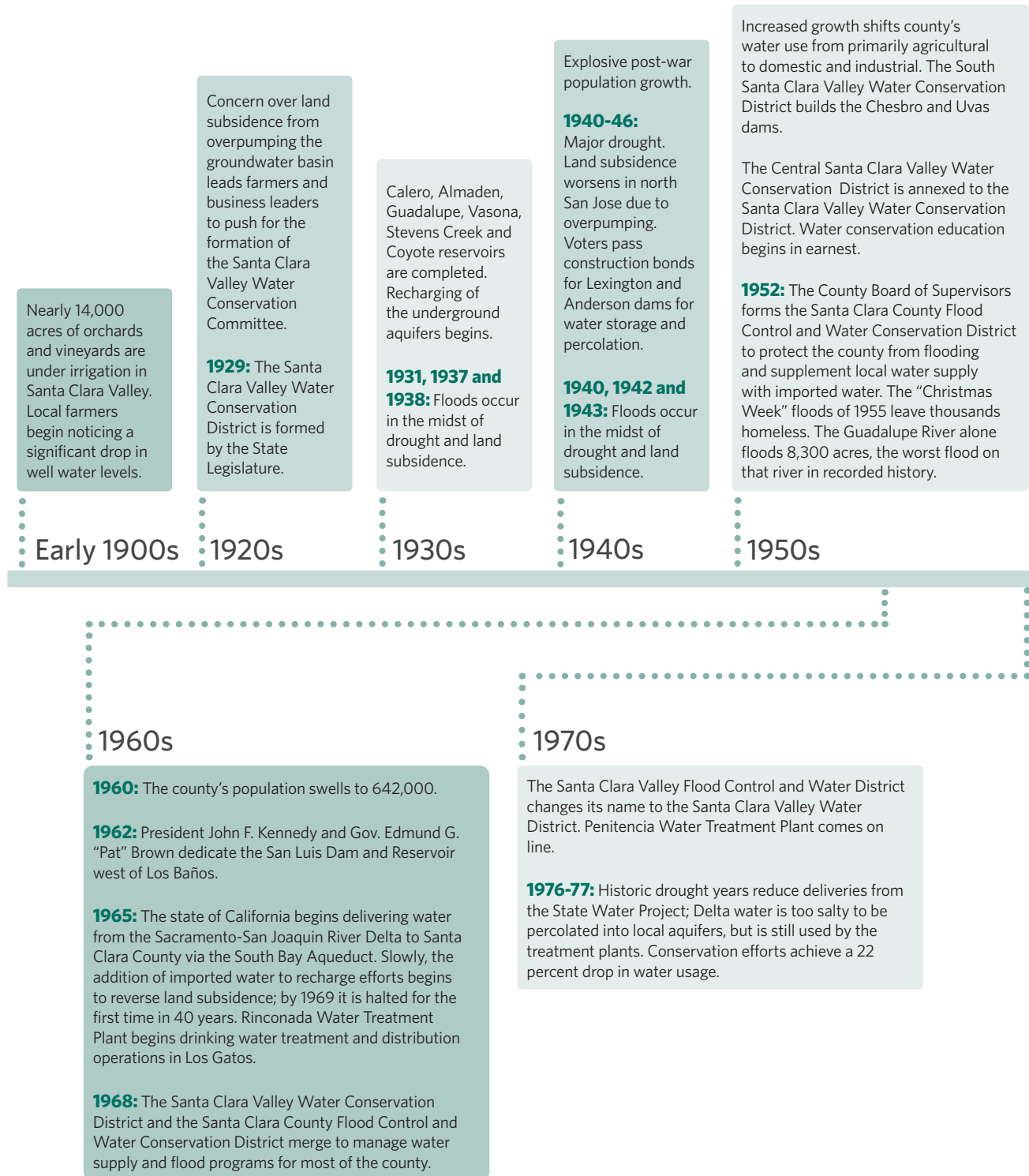
## Board directorial districts



# Valley Water Overview

## History Timeline

For 92 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-potable purposes and demonstrating technologies that can be used to purify water to augment drinking water supplies.

**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.

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

## 2000-2021

**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.

**2021:** In November 2020, Santa Clara County voters overwhelmingly approved Measure S, a renewal of Valley Water's Safe, Clean Water and Natural Flood Protection Program that will continue to provide the funding for local projects that support Valley Water's mission. Also, Valley Water moved forward with work aimed at strengthening and retrofitting Anderson Dam so it can safely withstand a large earthquake.

# 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.

**Stream Planning and Operations Committee (SPOC):** Track progress of Initialing Parties of the FAHCE Settlement Agreement in completing requirements enabling dismissal of water rights complaint and commencement of restoration program. Identify/recommend Board actions to ensure expeditious completion of requirements defined in Purpose 1, including engagement with appointed boards and senior officials of other Initialing Parties. Identify/track progress of District and non-District activities that may affect the FAHCE Settlement Agreement and implementation.

**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.

**Redistricting Advisory Committee:** Resident-led committee comprised of seven members representing each geographical district created to: 1) oversee the completion of a redistricting study in an inclusive, transparent and comprehensive manner; and 2) encourage community input in the redistricting process.

**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.

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

**Project Labor Agreement Group:** Recommend to the Board a set of policy-level negotiation parameters for staff to initiate negotiation of a Project Labor Agreement (PLA) with Santa Clara and San Benito Counties Building and Construction Trades Council.

## **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

## Groundwater Benefit Zones in Santa Clara County



As part of Valley Water's core water supply function, four distinct groundwater benefit zones form the basis for establishing District water charges. Zone W-2 roughly encompasses the Santa Clara Subbasin north of Metcalf Road. Zone W-5 encompasses the valley floor of the Llagas Subbasin from approximately East Main Avenue in Morgan Hill south to the Pajaro River. Zone W-7 encompasses the Coyote Valley south of Metcalf Road to just north of East Main Avenue. Zone W-8 encompasses portions of the outlying areas south of the Uvas and Chesbro reservoirs, west of Santa Teresa Boulevard, and generally north of Hecker Pass Highway. Water charges are set separately for each zone, reflecting Valley Water activities benefiting each zone.

## 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.

## Valley Water Overview

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# Financial Overview

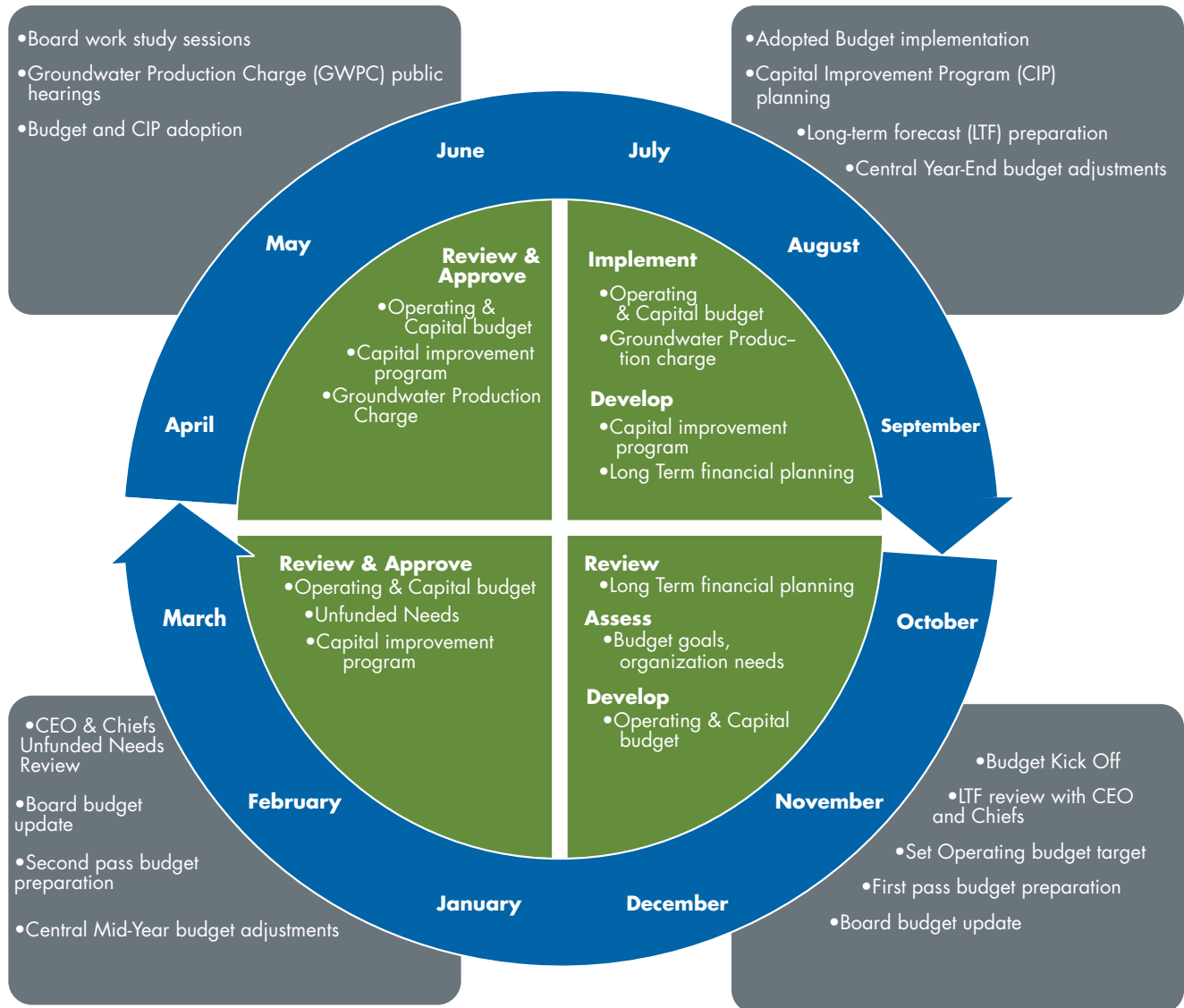
**FY 2021-22**

## Operating and Capital Budget

# FINANCIAL OVERVIEW

# Financial Overview

## Budget Process Overview



# Financial Overview

## Financial Planning and Rate Setting

Every year staff prepares 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 detailed capital expenditure and impact of capital investments on operating budget, please visit: <https://www.valleywater.org/public-review-documents>.

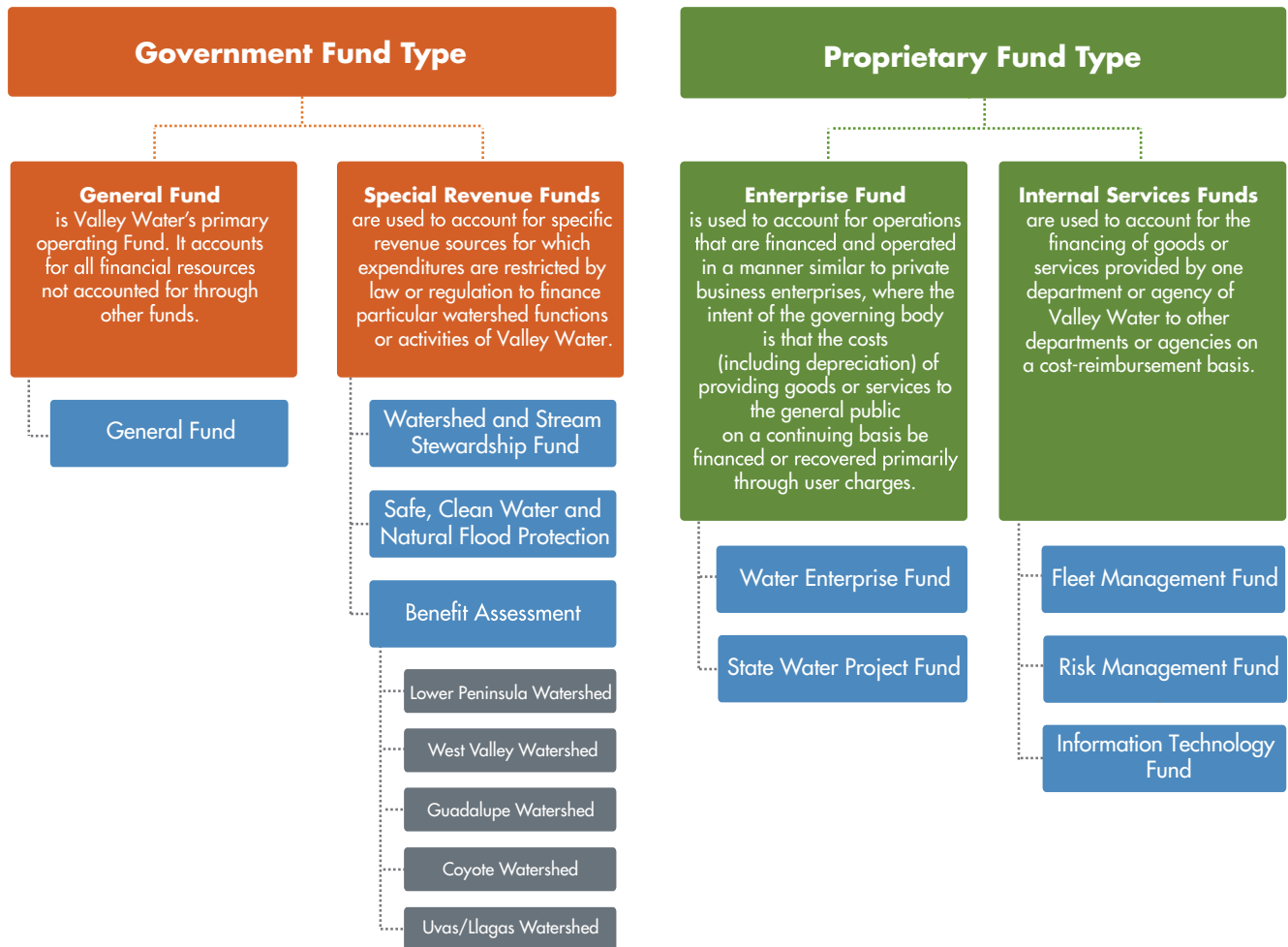
## Other Planning Documents

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

- Countywide Water Reuse Master Plan (CoRe Plan)
- One Water Plan Countywide Framework
- Protection and Augmentation of Water Supplies Report 2021-2022
- Requests of the 117th Congress
- Safe, Clean Water and Natural Flood Protection 5-Year Implementation Plan
- Stream Maintenance Program Manual
- Water Utility Enterprise Five Year Operations and Maintenance Plan
- Water Utility Groundwater Management Plan
- Water Utility Water Supply Master Plan
- Watersheds Five Year Operations and Maintenance Plan

# Financial Overview

## Valley Water Fund Structure



# Financial Overview

## Basis of Budgeting

The 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 or encumbrance is made.

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 2021-22 Budget includes projected revenues of approximately \$542.0 million. These revenues are a net increase of 7.0% from the \$506.6 million included in the FY 2020-21 Adopted Budget. The net \$35.4 million increase is primarily derived from the increase in water charges revenue (\$30.1 million), property taxes (\$15.5 million), special parcel tax (\$1.5 million) and Benefit Assessment revenues (\$1.1 million), offset by a decrease of capital reimbursements (-\$8.5 million), as well as interest income and other operating and non-operating revenues (-\$4.3 million). The specific categories of revenue include:

## Water Revenue

The main source of Valley Water revenue is from water charges projected at \$291.1 million for FY 2021-22. Revenues from treated water continue to be the largest source with an estimated amount of \$151.1 million. Groundwater production charges are budgeted at \$137.2 million, and surface/recycled water sales are projected at \$2.9 million. This amount includes staff recommendations for a 9.6% increase in Zone W-2, 4.6% increase in Zone W-5, 10.3% increase in Zone W-7, and 4.4% increase in Zone W-8 for municipal and industrial groundwater charges. Further discussion on groundwater production charges is provided in the Water Utility Enterprise Fund Summary section of this budget and in the FY 2021-22 PAWS Report.

## Property Tax

Property tax revenues are estimated at \$144.4 million for FY 2021-22, an increase of 12.0% from the FY 2020-21 Adopted Budget. Valley Water benefits from two types of property taxes: 1% ad valorem (\$118.4 million) and levies for State Water Project (SWP) indebtedness (\$26.0 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 for a 15 year period, and funding was approved ongoing by voters November 2020. The Special Parcel Tax for FY 2021-22 is budgeted at \$47.1 million, and reflects an increase of \$1.6 million relative to FY 2020-21. Further details on the Special Parcel Tax can be located in the Major Sources of Revenues section.



# 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 \$13.5 million for FY 2021-22.

## 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 \$35.1 million for FY 2021-22. More information is included in the Major Sources of Revenue section.

## Interest

Interest earnings are estimated to be \$6.0 million in FY 2021-22, a decrease of \$4.1 million compared to FY 2020-21 Adopted Budget.

## Intergovernmental Services

Intergovernmental Services revenue are reimbursements from cost sharing agreements with local cities and agencies. The FY 2021-22 totals \$1.2 million in this category and is primarily comprised of reimbursements from the San Benito Water District (\$528,000) for O&M San Felipe Reach 1 projects, Solano County (\$305,000) for the IRWM Round 2 - Water Conservation Grant projects, and the State of California (\$236,000) for the Proposition 1 – Water Conservation projects.

## Other Revenue

Other Operating and Non-Operating Revenues comprised of receipts from minor sources such as rental income and the sale of vehicles totals \$3.6 million.

## Appropriations/Outlays

Net total operating and capital outlays for the FY 2021-22 Budget are \$837.6 million. This figure does not include capital carry forward (\$52.1 million) appropriated by the Board in prior years and is net of General Fund intra-district reimbursements and Internal Service Funds charges (\$103.3 million). Total operating and capital outlays are budgeted at \$940.9 million, which includes intra-district reimbursements of \$103.3 million and are discussed in the following section, in more detail.

FY 2021-22 net operating outlays are \$354.2 million, an increase of approximately \$42.3 million compared to the FY 2020-21 Adopted Budget of \$311.9 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
- Responding to projected dry conditions by improving water supply, including conservation and supplemental water purchases
- Continue to provide safe, clean water and natural flood protection to Santa Clara County with passage of renewed SCW program
- Attaining net positive impact on the environment when completing projects
- Advancing racial equity, diversity and inclusion efforts

Valley Water is responding to these challenges in several ways including the addition of 20 permanent

# Financial Overview

positions, one fellowship, and funding for additional water purchases. These and other efforts are 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 2021-22, the total is \$103.3 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.

## Capital Outlays

FY 2021-22 net capital project outlays total \$412.1 million, an increase of \$176.3 million as compared to the FY 2020-21 Adopted Budget of \$235.8 million. It is anticipated that \$52.1 million of the FY 2020-21 Adjusted Budget for capital projects will be carried forward to FY 2021-22 as most capital projects require multiple years to complete. The capital budget represents the projects that have been identified and prioritized in the 5-Year Capital Improvement Program (CIP).

## Other Financing Sources/Uses

Other financing sources and uses include proceeds from debt issuance. For FY 2021-22, Valley Water anticipates issuing bonds or commercial paper for approximately \$259.3 million to finance various Water Utility and Safe, Clean Water capital improvement projects.

## Reserves

Overall, budgeted reserves for FY 2021-22 are estimated at \$339.0 million, a decrease of \$10.2 million compared to the FY 2020-21 Adopted Budget level. The decrease is primarily due to increased capital projects in FY 2021-22.

## Staffing

The FY 2021-22 Budget includes 879 authorized positions, 8 limited-term positions and 5 fellowships. This staffing level includes 20 new permanent positions and one fellowship in the FY 2021-22 Budget to support priorities such as: Water Utility and Watershed Management capital improvement projects; Safe, Clean Water commitments including watershed maintenance efforts, flood protection infrastructure, and the grants and public arts programs; and, administrative support to sustain service levels. For a comprehensive schedule of district-wide salaries and benefits, please refer to the salaries & benefits section in this chapter.

# Financial Overview

## Combined Fund Summary - All Funds

|                                       | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |               |
|---------------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|---------------|
|                                       |                                      |                              |                                  |                               | \$ Diff                        | % Diff        |
| Groundwater Production Charges        | \$ 112,560,186                       | \$ 121,105,000               | \$ 121,105,000                   | \$ 137,161,000                | \$ 16,056,000                  | 13.3%         |
| Treated Water Charges                 | 152,621,750                          | 137,399,000                  | 137,399,000                      | 151,102,000                   | 13,703,000                     | 10.0%         |
| Surface&Recycled Water Charges        | 1,713,303                            | 2,562,000                    | 2,562,000                        | 2,880,000                     | 318,000                        | 12.4%         |
| Benefit Assessment                    | 13,440,269                           | 12,369,217                   | 12,369,218                       | 13,453,662                    | 1,084,445                      | 8.8%          |
| Property Tax                          | 132,447,216                          | 128,902,000                  | 132,798,332                      | 144,411,295                   | 15,509,295                     | 12.0%         |
| Special Parcel Tax                    | 46,091,377                           | 45,537,000                   | 46,093,772                       | 47,105,387                    | 1,568,387                      | 3.4%          |
| Intergovernmental Services            | 4,292,223                            | 1,242,326                    | 1,177,326                        | 1,242,326                     | —                              | —             |
| Operating Other                       | 673,252                              | 954,410                      | 731,662                          | 737,505                       | (216,905)                      | (22.7)%       |
| Capital Reimbursements                | 33,826,349                           | 43,608,000                   | 50,545,000                       | 35,059,000                    | (8,549,000)                    | (19.6)%       |
| Interest Income *                     | 13,391,835                           | 10,050,000                   | 10,050,000                       | 6,000,000                     | (4,050,000)                    | (40.3)%       |
| Non-Operating Other                   | 5,486,482                            | 2,887,975                    | 2,887,975                        | 2,880,280                     | (7,695)                        | (0.3)%        |
| <b>TOTAL REVENUE</b>                  | <b>\$ 516,544,242</b>                | <b>\$ 506,616,928</b>        | <b>\$ 517,719,285</b>            | <b>\$ 542,032,455</b>         | <b>\$ 35,415,527</b>           | <b>7.0%</b>   |
| <b>OUTLAYS</b>                        |                                      |                              |                                  |                               |                                |               |
| <b>Operating Outlays</b>              |                                      |                              |                                  |                               |                                |               |
| Operations **                         | \$ 308,142,787                       | \$ 372,955,560               | \$ 379,181,175                   | \$ 423,633,190                | \$ 50,677,630                  | 13.6%         |
| Operating Project                     | 11,822,457                           | 6,169,013                    | 6,310,390                        | 5,772,934                     | (396,079)                      | (6.4)%        |
| Debt Service                          | 46,301,288                           | 61,811,513                   | 61,811,513                       | 71,264,693                    | 9,453,180                      | 15.3%         |
| <b>Total Operating Outlays</b>        | <b>\$ 366,266,532</b>                | <b>\$ 440,936,086</b>        | <b>\$ 447,303,078</b>            | <b>\$ 500,670,817</b>         | <b>\$ 59,734,731</b>           | <b>13.5%</b>  |
| <b>Capital Outlays</b>                |                                      |                              |                                  |                               |                                |               |
| Capital Projects                      | \$ 234,919,764                       | \$ 259,703,817               | \$ 415,083,052                   | \$ 440,233,176                | \$ 180,529,360                 | 69.5%         |
| Carry Forward Capital Projects        | —                                    | 64,362,188                   | \$                               | 52,075,664                    | (12,286,524)                   | (19.1)%       |
| <b>Total Capital Outlays</b>          | <b>\$ 234,919,764</b>                | <b>\$ 324,066,005</b>        | <b>\$ 415,083,052</b>            | <b>\$ 492,308,840</b>         | <b>\$ 168,242,836</b>          | <b>51.9%</b>  |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 601,186,296</b>                | <b>\$ 765,002,091</b>        | <b>\$ 862,386,130</b>            | <b>\$ 992,979,657</b>         | <b>\$ 227,977,566</b>          | <b>29.8%</b>  |
| Less Intra-District Reimb             | (77,919,249)                         | (91,131,585)                 | (91,251,747)                     | (103,345,912)                 | (12,214,327)                   | 13.4%         |
| <b>NET OUTLAYS</b>                    | <b>\$ 523,267,047</b>                | <b>\$ 673,870,506</b>        | <b>\$ 771,134,383</b>            | <b>\$ 889,633,745</b>         | <b>\$ 215,763,239</b>          | <b>32.0%</b>  |
| <b>OTHER FINANCING SOURCES/(USES)</b> |                                      |                              |                                  |                               |                                |               |
| Debt Proceeds                         | \$ 54,760,476                        | \$ 135,500,000               | \$ 162,075,000                   | \$ 259,288,000                | \$ 123,788,000                 | 91.4%         |
| Transfers In                          | 28,520,057                           | 26,996,926                   | 25,463,152                       | 11,684,277                    | (15,312,649)                   | (56.7)%       |
| Transfers Out                         | (28,520,057)                         | (26,996,926)                 | (25,463,152)                     | (11,684,277)                  | 15,312,649                     | (56.7)%       |
| <b>TOTAL OTHER SOURCES/(USES)</b>     | <b>\$ 54,760,476</b>                 | <b>\$ 135,500,000</b>        | <b>\$ 162,075,000</b>            | <b>\$ 259,288,000</b>         | <b>\$ 123,788,000</b>          | <b>91.4%</b>  |
| <b>BALANCE AVAILABLE</b>              | <b>\$ 48,037,671</b>                 | <b>\$ (31,753,578)</b>       | <b>\$ (91,340,098)</b>           | <b>\$ (88,313,290)</b>        | <b>\$ (56,559,712)</b>         | <b>178.1%</b> |

# Financial Overview

## Combined Fund Summary - All Funds (Continued)

|   | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |                |
|---|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|----------------|
|   |                                      |                              |                                  |                               | \$ Diff                        | % Diff         |
| <b>YEAR-END RESERVES</b>                    |                                      |                              |                                  |                               |                                |                |
| <b>Restricted Reserves</b>                  |                                      |                              |                                  |                               |                                |                |
| WUE Rate Stabilization                      | \$ 23,466,551                        | \$ 25,878,053                | \$ 25,069,620                    | \$ 28,332,567                 | \$ 2,454,514                   | 9.5%           |
| WUE San Felipe Emergency                    | 3,260,045                            | 3,249,972                    | 3,310,045                        | 3,360,045                     | 110,073                        | 3.4%           |
| WUE State Water Project Tax Reserve         | 13,768,393                           | —                            | 3,132,132                        | 2,523,006                     | 2,523,006                      | 100.0%         |
| CP Debt Service                             | 128,396                              | —                            | —                                | —                             | —                              | —              |
| WUE Public-Private Partnership (P3) Reserve | 8,000,000                            | —                            | —                                | —                             | —                              | —              |
| WUE Water Supply                            | 15,077,000                           | 15,477,000                   | 15,477,000                       | 7,877,000                     | (7,600,000)                    | (49.1)%        |
| WUE SVAWPC                                  | 1,298,138                            | 908,138                      | 908,138                          | 908,138                       | —                              | —              |
| WUE Drought Reserve                         | 10,000,000                           | 10,000,000                   | 10,000,000                       | 10,000,000                    | —                              | —              |
| GP5 Reserve                                 | 6,609,637                            | 3,613,000                    | 5,873,358                        | 7,106,660                     | 3,493,660                      | 96.7%          |
| SCW Rate Stabilization Reserve              | —                                    | —                            | —                                | 25,000,000                    | 25,000,000                     | 100.0%         |
| SCW Contingency Reserve                     | —                                    | —                            | —                                | 5,000,000                     | 5,000,000                      | 100.0%         |
| SCW Currently Authorized Projects           | 82,078,451                           | 22,477,299                   | 51,918,583                       | 39,599,917                    | 17,122,618                     | 76.2%          |
| SCW Operating and Capital Reserve           | 71,279,858                           | 57,903,219                   | 53,258,394                       | 54,254,365                    | (3,648,854)                    | (6.3)%         |
| <b>Total Restricted Reserves</b>            | <b>\$ 234,966,469</b>                | <b>\$ 139,506,681</b>        | <b>\$ 168,947,270</b>            | <b>\$ 183,961,698</b>         | <b>\$ 44,455,017</b>           | <b>31.9%</b>   |
| <b>Committed Reserves</b>                   |                                      |                              |                                  |                               |                                |                |
| Currently Authorized Projects ***           | \$ 111,351,392                       | \$ 21,698,185                | \$ 57,102,604                    | \$ 14,824,063                 | \$ (6,874,122)                 | (31.7)%        |
| Benefit Assessment Reserve                  | 1,097,604                            | —                            | —                                | —                             | —                              | —              |
| Operating and Capital Reserve               | 157,587,516                          | 174,680,591                  | 187,792,498                      | 127,329,918                   | (47,350,673)                   | (27.1)%        |
| Workers Compensation Liability              | 7,483,500                            | 7,085,600                    | 6,621,000                        | 6,621,000                     | (464,600)                      | (6.6)%         |
| Catastrophe - Property Self-Insurance       | 6,134,455                            | 6,196,433                    | 6,817,466                        | 6,230,869                     | 34,436                         | 0.6%           |
| <b>Total Committed Reserves</b>             | <b>\$ 283,654,467</b>                | <b>\$ 209,660,809</b>        | <b>\$ 258,333,568</b>            | <b>\$ 155,005,850</b>         | <b>\$ (54,654,959)</b>         | <b>(26.1)%</b> |
| <b>TOTAL YEAR-END RESERVES</b>              | <b>\$ 518,620,936</b>                | <b>\$ 349,167,490</b>        | <b>\$ 427,280,838</b>            | <b>\$ 338,967,548</b>         | <b>\$ (10,199,942)</b>         | <b>(2.9)%</b>  |

# Financial Overview

## Combined Fund Summary - All Funds (Continued)

|                                | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |         |
|--------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|---------|
|                                |                                      |                              |                                  |                               | \$ Diff                        | % Diff  |
| Outlay Summary by Account Type |                                      |                              |                                  |                               |                                |         |
| OPERATING OUTLAY               |                                      |                              |                                  |                               |                                |         |
| Salaries and Benefits          | \$ 130,385,993                       | \$ 145,837,315               | \$ 145,504,466                   | \$ 158,930,947                | \$ 13,093,632                  | 9.0%    |
| Salary Savings Factor          | —                                    | (3,776,645)                  | (3,776,645)                      | (2,610,625)                   | 1,166,020                      | (30.9)% |
| Services & Supplies            | 135,735,877                          | 169,845,234                  | 176,607,980                      | 197,840,079                   | 27,994,845                     | 16.5%   |
| Intra-District Charges         | 53,843,374                           | 67,218,668                   | 67,155,763                       | 75,245,723                    | 8,027,054                      | 11.9%   |
| OPERATING OUTLAY TOTAL         | \$ 319,965,244                       | \$ 379,124,572               | \$ 385,491,564                   | \$ 429,406,124                | \$ 50,281,551                  | 13.3%   |
| DEBT SERVICE                   |                                      |                              |                                  |                               |                                |         |
| Services & Supplies            | \$ 766,664                           | \$ 3,014,438                 | \$ 3,014,438                     | \$ 3,265,251                  | \$ 250,813                     | 8.3%    |
| Debt Service                   | 45,534,624                           | 58,797,075                   | 58,797,075                       | 67,999,442                    | 9,202,367                      | 15.7%   |
| DEBT SERVICE TOTAL             | \$ 46,301,288                        | \$ 61,811,513                | \$ 61,811,513                    | \$ 71,264,693                 | \$ 9,453,180                   | 15.3%   |
| CAPITAL PROJECTS               |                                      |                              |                                  |                               |                                |         |
| Salaries and Benefits          | \$ 33,359,300                        | \$ 42,588,015                | \$ 42,698,136                    | \$ 48,255,173                 | \$ 5,667,157                   | 13.3%   |
| Salary Savings Factor          | —                                    | (1,142,476)                  | (1,142,476)                      | (809,151)                     | 333,325                        | (29.2)% |
| Services & Supplies            | 184,511,260                          | 194,345,362                  | 349,549,813                      | 364,686,966                   | 170,341,604                    | 87.6%   |
| Carry Forward Capital Projects | —                                    | 64,362,188                   | —                                | 52,075,664                    | (12,286,524)                   | (19.1)% |
| Intra-District Charges         | 17,049,205                           | 23,912,916                   | 23,977,580                       | 28,100,190                    | 4,187,273                      | 17.5%   |
| CAPITAL PROJECTS TOTAL         | \$ 234,919,765                       | \$ 324,066,005               | \$ 415,083,053                   | \$ 492,308,842                | \$ 168,242,835                 | 51.9%   |
| TOTAL OUTLAYS****              | \$ 601,186,297                       | \$ 765,002,090               | \$ 862,386,130                   | \$ 992,979,659                | \$ 227,977,566                 | 29.8%   |

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

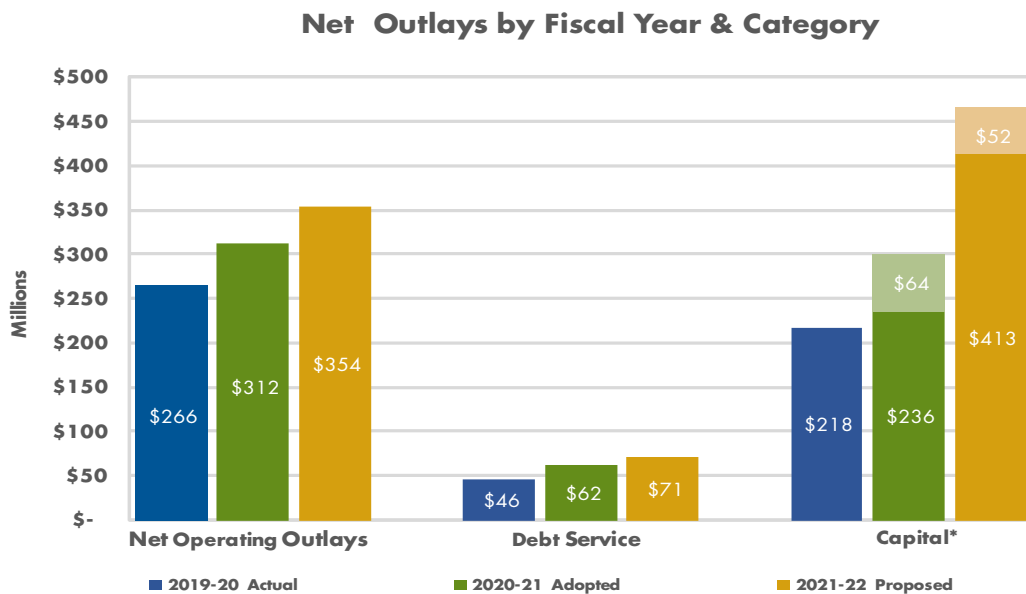
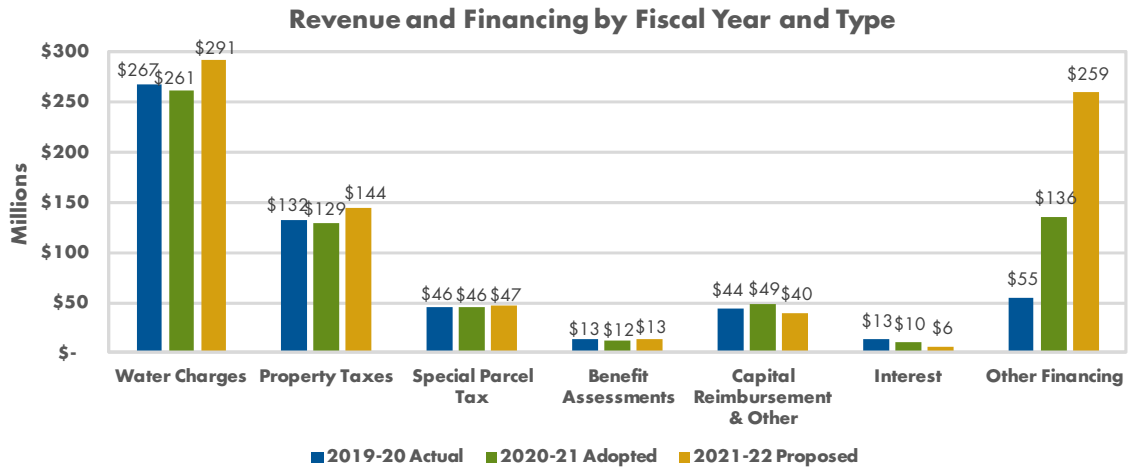
(\*\*) Operations outlay does not include OPEB Expense-unfunded liability

(\*\*\*) 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

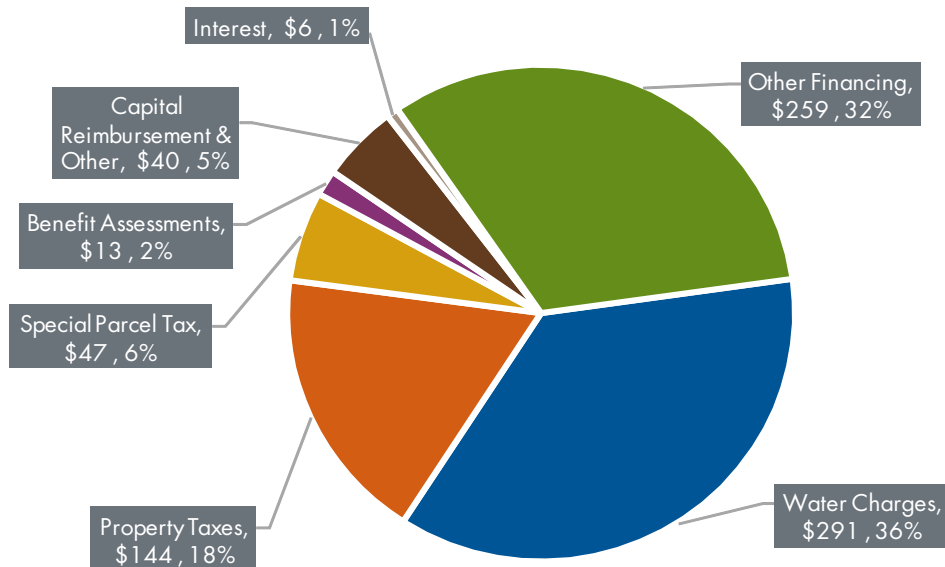


\* Capital budget includes current year budget and prior year capital budget carry forward in the lighter shade

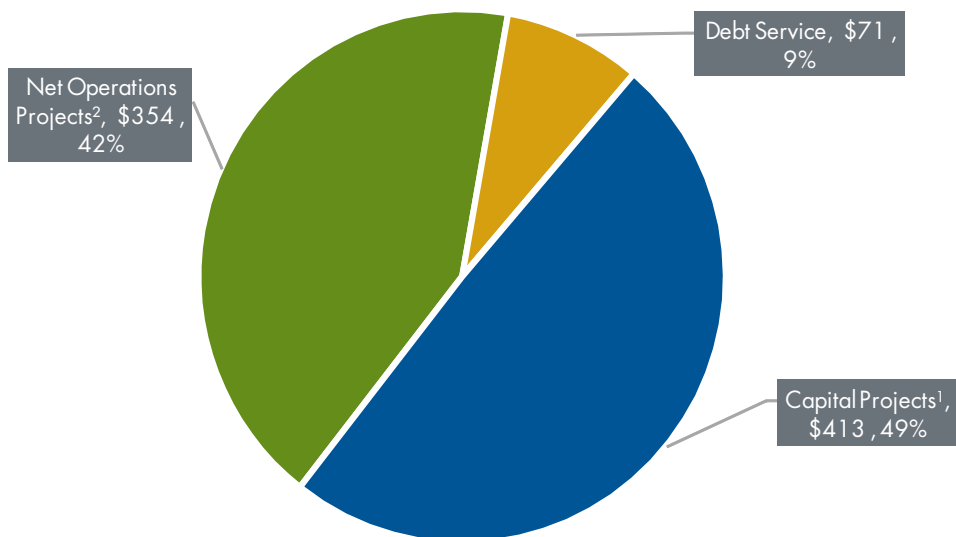


# Financial Overview

**FY 2021-22 Proposed Revenue and Debt Financing, \$800 Million**



**FY 2021-22 Proposed Net Outlays By Category, \$838 Million**



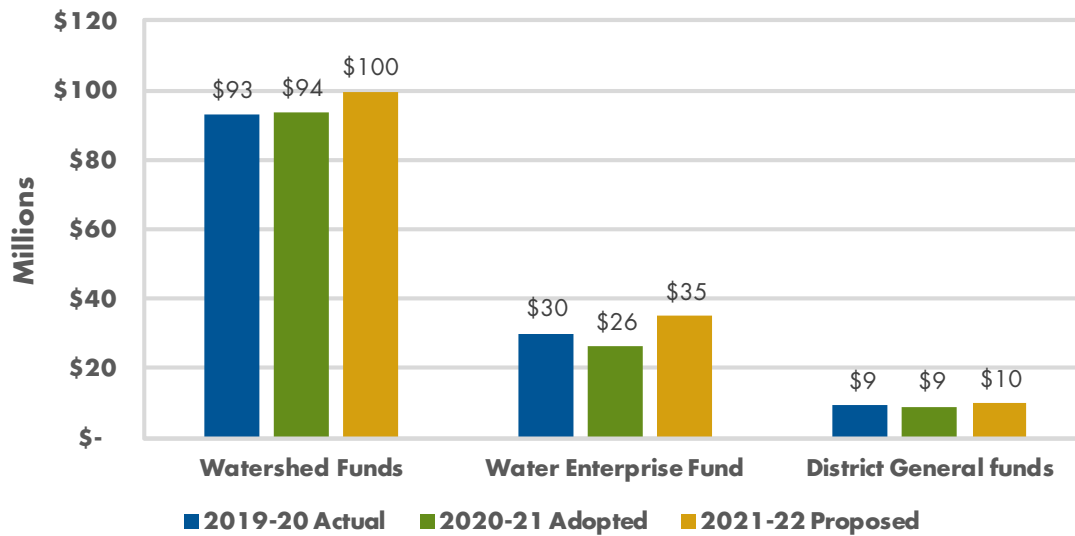
<sup>1</sup>Capital Projects Outlay does not include capital budget estimated to be carried forward from prior year  
<sup>2</sup>Operations are net of intra-district reimbursements.

## MAJOR SOURCES OF REVENUES

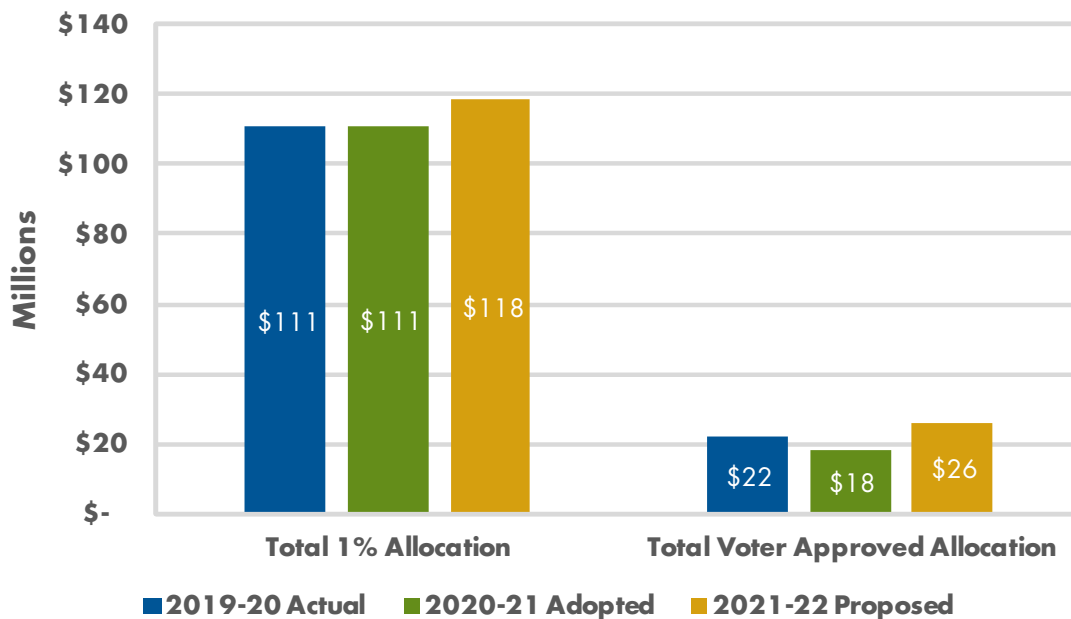
# Financial Overview

## 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 2021-22, Valley Water is projecting \$118.4 million in 1% Ad Valorem tax revenues, a 6.8% increase over the FY 2020-21 Adopted Budget. The increase reflects the assessed valuation growth of all property in Santa Clara County.

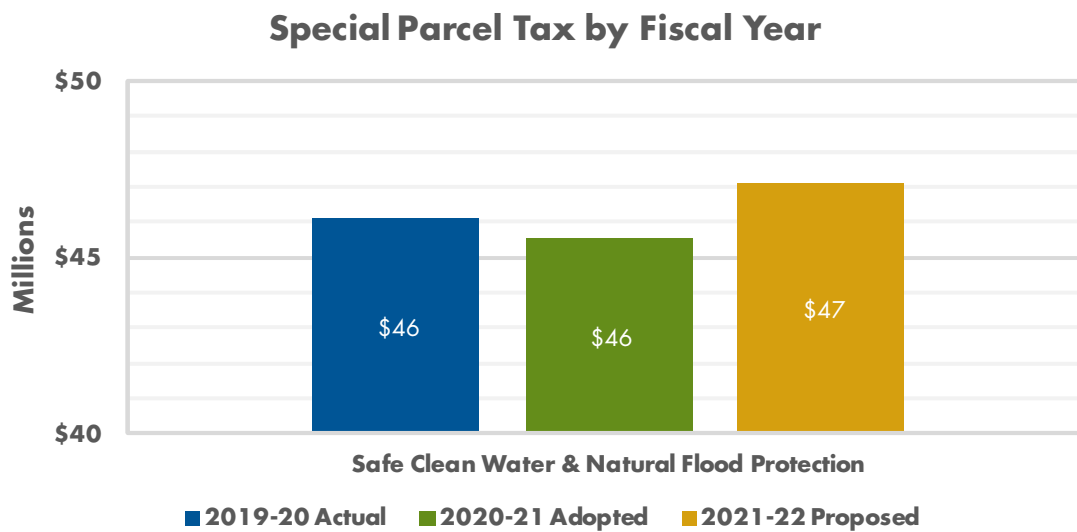
Valley Water also levies a State Water Project property tax based on its annual indebtedness to the State

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 2021-22, Valley Water expects to collect \$26.0 million, based on the projected operation costs for the fiscal year.

|   | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |              |
|---|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|--------------|
|   |                                      |                              |                                  |                               | \$ Diff                        | % Diff       |
| <b>Property Tax</b>                     |                                      |                              |                                  |                               |                                |              |
| <b>1 % Ad Valorem Property Tax</b>      |                                      |                              |                                  |                               |                                |              |
| Watershed Funds                         | \$ 93,054,481                        | \$ 93,520,000                | \$ 96,623,384                    | \$ 99,651,159                 | \$ 6,131,159                   | 6.6%         |
| Water Enterprise Fund                   | 8,350,178                            | 8,217,000                    | 8,647,378                        | 8,927,304                     | 710,304                        | 8.6%         |
| District General Fund                   | 9,224,367                            | 9,165,000                    | 9,527,570                        | 9,832,832                     | 667,832                        | 7.3%         |
| <b>Total 1% Allocation</b>              | <b>\$ 110,629,026</b>                | <b>\$ 110,902,000</b>        | <b>\$ 114,798,332</b>            | <b>\$ 118,411,295</b>         | <b>\$ 7,509,295</b>            | <b>6.8%</b>  |
| <b>State Water Project Debt Service</b> | <b>\$ 21,818,191</b>                 | <b>\$ 18,000,000</b>         | <b>\$ 18,000,000</b>             | <b>\$ 26,000,000</b>          | <b>\$ 8,000,000</b>            | <b>44.4%</b> |
| <b>Total Property Tax</b>               | <b>\$ 132,447,217</b>                | <b>\$ 128,902,000</b>        | <b>\$ 132,798,332</b>            | <b>\$ 144,411,295</b>         | <b>\$ 15,509,295</b>           | <b>12.0%</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 Program). In November 2012, the voters approved the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) that built upon the success of its predecessor Clean, Safe Creeks Program. In November 2020, voters overwhelmingly approved Measure S, a renewal of Safe, Clean Water Program. The special parcel tax levy is based on the proportionate distribution of storm

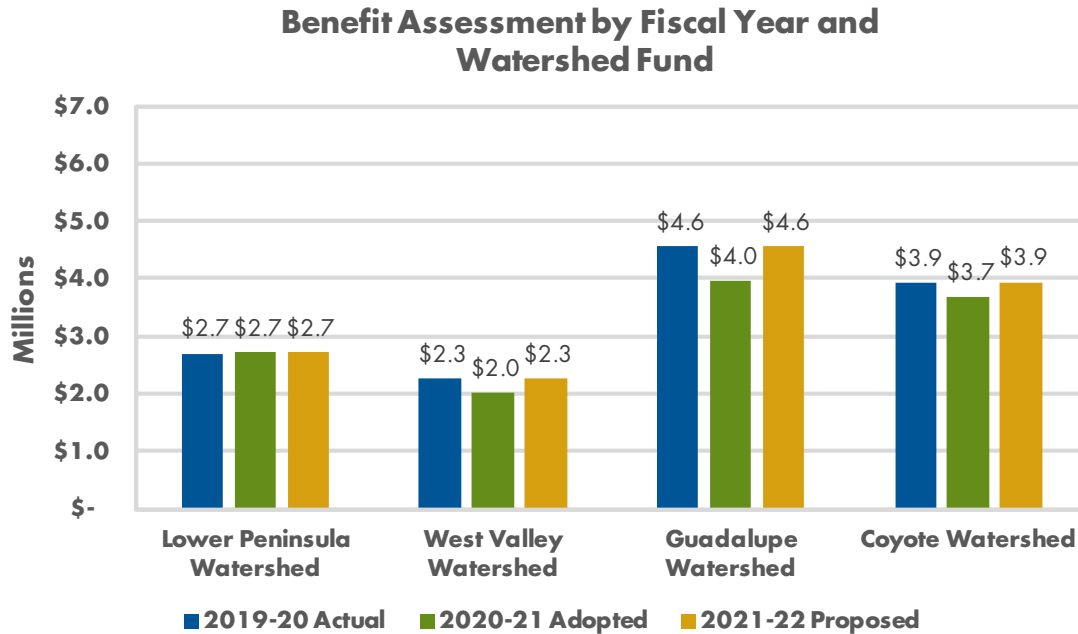
water runoff per parcel, and may be increased annually by either the prior year's San Francisco-Oakland-San Jose Consumer Price Index for all Urban Consumers (CPI) or 2%, whichever is greater.

A report released by the Bureau of Labor Statistics indicates that the change in CPI from February 2020 to February 2021 is 1.57 percent. For FY 2021-22, special parcel tax revenues are expected to be set 3.4 percent higher from FY 2020-21.

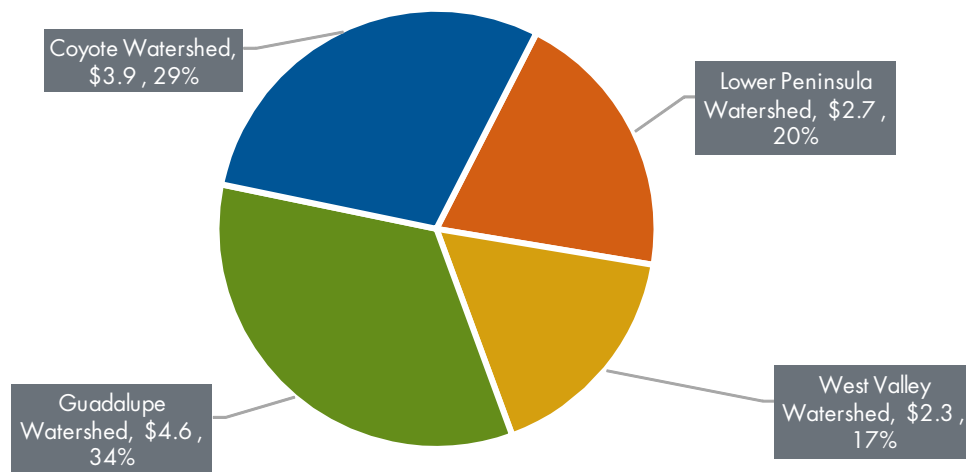
|   | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |             |
|---|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|-------------|
|   |                                      |                              |                                  |                               | \$ Diff                        | % Diff      |
| <b>Special Parcel Tax</b>                   |                                      |                              |                                  |                               |                                |             |
| Safe Clean Water & Natural Flood Protection | \$ 46,091,377                        | \$ 45,537,000                | \$ 46,093,772                    | \$ 47,105,387                 | \$ 1,568,387                   | 3.4%        |
| <b>Total Special Parcel Tax</b>             | <b>\$ 46,091,377</b>                 | <b>\$ 45,537,000</b>         | <b>\$ 46,093,772</b>             | <b>\$ 47,105,387</b>          | <b>\$ 1,568,387</b>            | <b>3.4%</b> |

# Financial Overview

## Benefit Assessment



### FY 2021-22 Proposed Benefit Assessments, \$13.5 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 Valley Water will pay-off the bonds associated with this program.

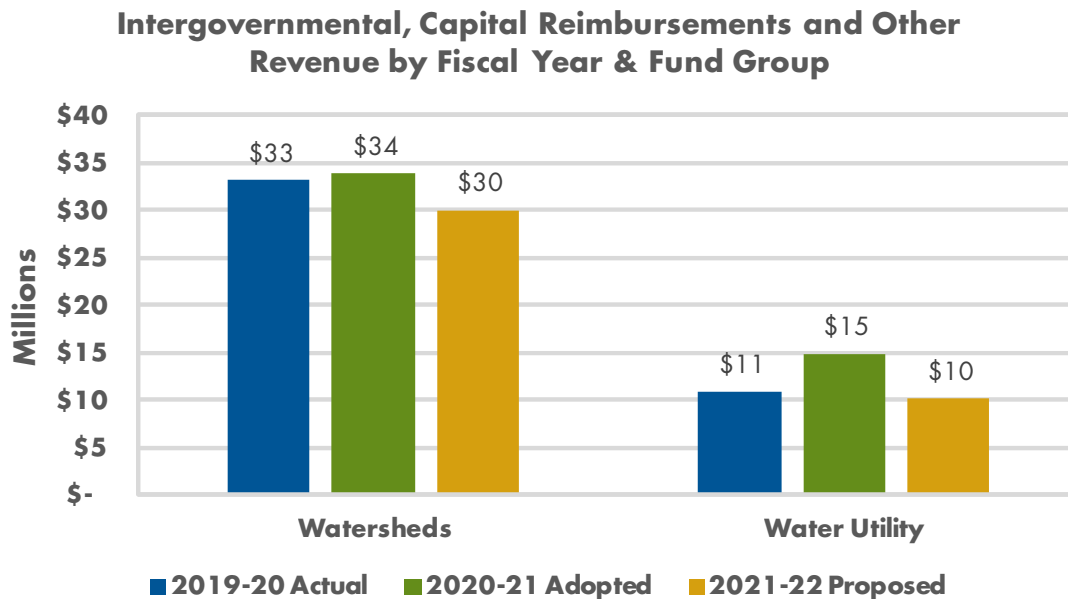
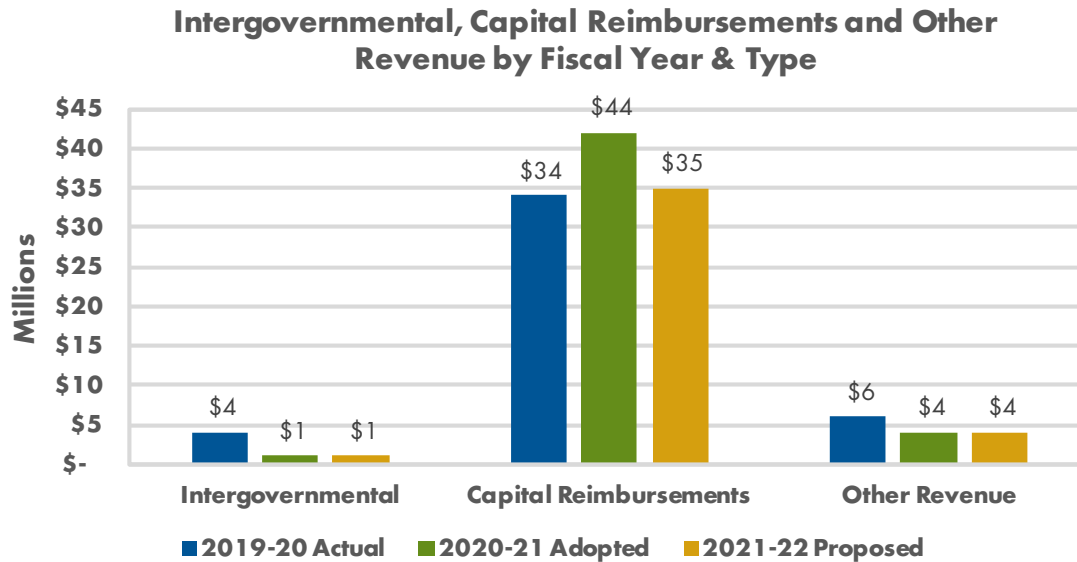
FY 2021-22 continues under this debt repayment phase of the Benefit Assessment program with benefit assessments levied at 1.25 times the annual debt

service. For FY 2021-22, the Benefit Assessment revenue receipts are anticipated to come in at \$13.5 million. As Valley Water continues to pay down principal, the amount collected will decrease.

|                           | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |        |  |
|---------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|--------|--|
|                           |                                      |                              |                                  |                               | \$ Diff                        | % Diff |  |
| Benefit Assessment        |                                      |                              |                                  |                               |                                |        |  |
| Lower Peninsula Watershed | \$ 2,704,095                         | \$ 2,707,674                 | \$ 2,707,674                     | \$ 2,707,552                  | \$ (122)                       | (0.0)% |  |
| West Valley Watershed     | 2,254,581                            | 2,017,606                    | 2,017,606                        | 2,256,627                     | 239,021                        | 11.8%  |  |
| Guadalupe Watershed       | 4,551,128                            | 3,955,671                    | 3,955,671                        | 4,553,263                     | 597,592                        | 15.1%  |  |
| Coyote Watershed          | 3,930,465                            | 3,688,266                    | 3,688,266                        | 3,936,220                     | 247,954                        | 6.7%   |  |
| Total Benefit Assessments | \$ 13,440,269                        | \$ 12,369,217                | \$ 12,369,217                    | \$ 13,453,662                 | \$ 1,084,445                   | 8.8%   |  |

# Financial Overview

## Intergovernmental, Capital Reimbursements and Other Revenue



# Financial Overview

## Intergovernmental, Capital Reimbursements and Other Revenue

### Intergovernmental Services

Valley Water anticipates receiving intergovernmental services revenue of \$1.2 million for the Water Utility. These funds are primarily for reimbursement from the San Benito County Water District (SBCWD) for operating maintenance of the San Felipe Division Reach 1, and for conservation rebate programs funded by state grants and local cost sharing agreements.

### Capital Reimbursement Revenue

Valley Water anticipates capital reimbursement revenue of \$35.1 million.

Water Utility Enterprise receipts are budgeted at \$6.6 million comprised of \$0.8 million from SBCWD for small capital improvements on the San Felipe pipeline, \$3.8 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.

Watershed and Stream Stewardship fund capital reimbursement are budgeted at \$20.9 million for the San Francisco Bay Shoreline Project.

Safe, Clean Water fund reimbursements are comprised of State Subventions for Berryessa Creek, Calaveras Blvd. to I-680 (\$0.8 million), and Llagas Creek - Upper, Buena Vista Rd. to Wright Ave. Project (\$6.7 million).

### Other Revenue

The other operating and non-operating revenue category totals \$3.6 million. Approximately \$1.6 million is budgeted for Watersheds, \$1.9 million for Water Utility and \$0.1 million for the Internal Service Funds.

# Financial Overview

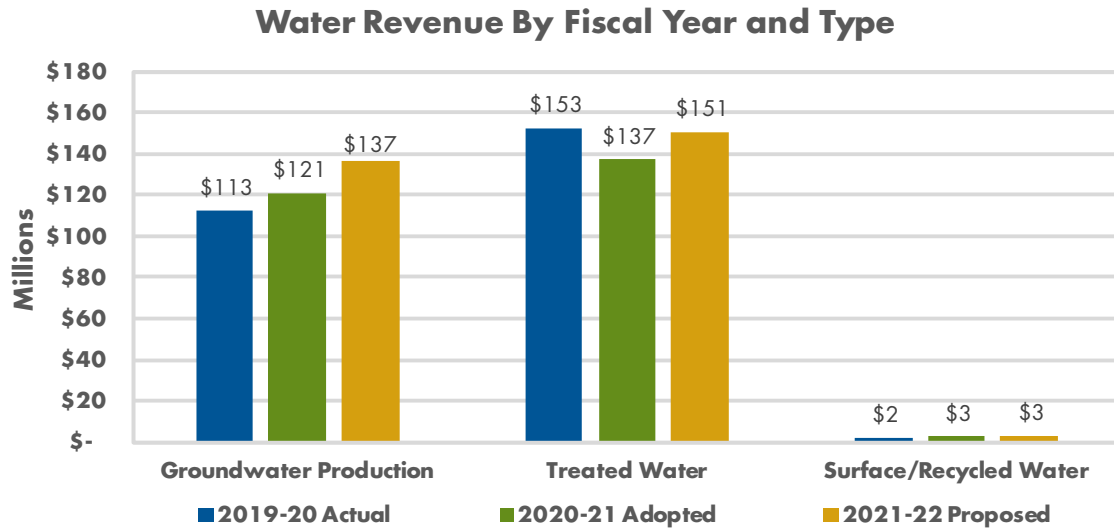
## Intergovernmental, Capital Reimbursements and Other Revenue

|  | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |         |
|--|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|---------|
|  |                                      |                              |                                  |                               | \$ Diff                        | % Diff  |
| Intergovernmental Services                     |                                      |                              |                                  |                               |                                |         |
| Watershed Funds                                | \$ 503,078                           | \$ —                         | \$ —                             | \$ —                          | \$ —                           | —       |
| Safe Clean Water & Natural Flood<br>Protection | 67,430                               | —                            | —                                | —                             | —                              | —       |
| Water Enterprise Fund                          | 3,721,199                            | 1,242,326                    | 1,177,326                        | 1,242,326                     | —                              | —       |
| Internal Service Funds                         | 516                                  | —                            | —                                | —                             | —                              | —       |
| Total Intergovernmental Services               | \$ 4,292,223                         | \$ 1,242,326                 | \$ 1,177,326                     | \$ 1,242,326                  | \$ —                           | —       |
| Capital Reimbursements                         |                                      |                              |                                  |                               |                                |         |
| Watershed Funds                                | \$ 15,230,851                        | \$ 20,072,000                | \$ 18,794,000                    | \$ 20,886,000                 | \$ 814,000                     | 4.1%    |
| Safe Clean Water & Natural Flood<br>Protection | 14,250,264                           | 12,178,000                   | 14,477,000                       | 7,560,000                     | (4,618,000)                    | (37.9)% |
| Water Enterprise Fund                          | 4,345,234                            | 11,358,000                   | 17,274,000                       | 6,613,000                     | (4,745,000)                    | (41.8)% |
| Total Capital Reimbursements                   | \$ 33,826,349                        | \$ 43,608,000                | \$ 50,545,000                    | \$ 35,059,000                 | \$ (8,549,000)                 | (19.6)% |
| Other  |                                      |                              |                                  |                               |                                |         |
| Watershed Funds                                | \$ 2,811,625                         | \$ 1,661,831                 | \$ 1,602,189                     | \$ 1,622,567                  | \$ (39,264)                    | (2.4)%  |
| Safe Clean Water & Natural Flood<br>Protection | 358,979                              | —                            | —                                | —                             | —                              | —       |
| Water Enterprise Fund                          | 1,335,578                            | 1,100,554                    | 937,448                          | 945,217                       | (155,337)                      | (14.1)% |
| State Water Project Fund                       | 1,370,072                            | 1,000,000                    | 1,000,000                        | 1,000,000                     | —                              | —       |
| District General Fund                          | 75,915                               | —                            | —                                | —                             | —                              | —       |
| Internal Service Funds                         | 207,564                              | 80,000                       | 80,000                           | 50,000                        | (30,000)                       | (37.5)% |
| Total Other                                    | \$ 6,159,733                         | \$ 3,842,385                 | \$ 3,619,637                     | \$ 3,617,784                  | \$ (224,601)                   | (5.8)%  |
| Total Intergov'l & Other Revenues              | \$ 44,278,305                        | \$ 48,692,711                | \$ 55,341,963                    | \$ 39,919,110                 | \$ (8,773,601)                 | (18.0)% |

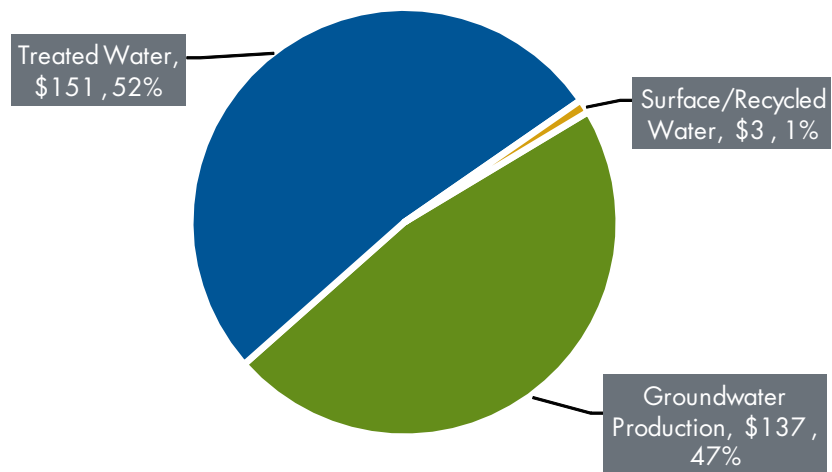


# Financial Overview

## Water Revenue



**FY 2021-22 Proposed Water Revenue  
\$291 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 2021-22 are based on staff's recommendations to the Board.

Revenue estimates reflect an increase of 9.6% in groundwater production charges for the North County (Zone W-2) when compared to FY 2020-21. In the Llagas Subbasin (Zone W-5), revenue estimates reflect an increase of 4.6% in the groundwater production charge when compared to FY 2020-21. In the Coyote Valley (Zone W-7) revenue estimates reflect an increase of 10.3% in the groundwater production charge when

compared to FY 2020-21. In the Foothills below the Uvas and Chesbro reservoirs (Zone W-8), revenue estimates reflect an increase of 4.4% to the groundwater production charge relative to FY 2020-21.

The FY 2021-22 revenue projection assumes water sales of roughly 232,000 acre-feet. 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.

Water charges are necessary to pay for drought preparation, critical investments in water system infrastructure rehabilitation and upgrades, expanded storage capacity, water imported via California's state and federal water systems and the development of future supplies including purified water. The water charges are shown in the accompanying Water Enterprise Fund schedules.

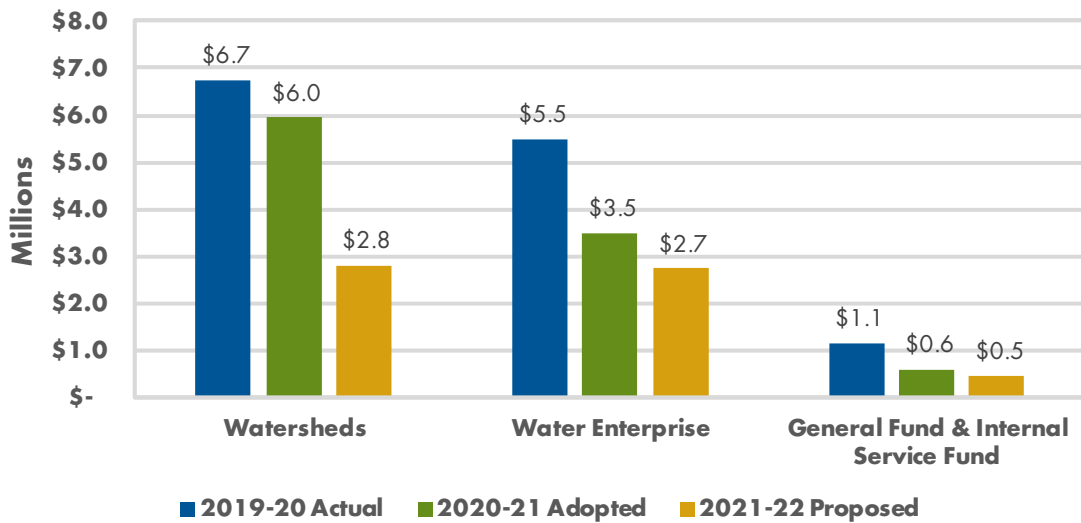
## Water Revenue

|                                | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |        |
|--------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|--------|
|                                |                                      |                              |                                  |                               | \$ Diff                        | % Diff |
| Water Revenue                  |                                      |                              |                                  |                               |                                |        |
| Groundwater Production Charges | \$ 112,560,186                       | \$ 121,105,000               | \$ 121,105,000                   | \$ 137,161,000                | \$ 16,056,000                  | 13.3%  |
| Treated Water Charges          | 152,621,750                          | 137,399,000                  | 137,399,000                      | 151,102,000                   | 13,703,000                     | 10.0%  |
| Surface&Recycled Water Charges | 1,713,303                            | 2,562,000                    | 2,562,000                        | 2,880,000                     | 318,000                        | 12.4%  |
| Total Water Revenue            | \$ 266,895,239                       | \$ 261,066,000               | \$ 261,066,000                   | \$ 291,143,000                | \$ 30,077,000                  | 11.5%  |

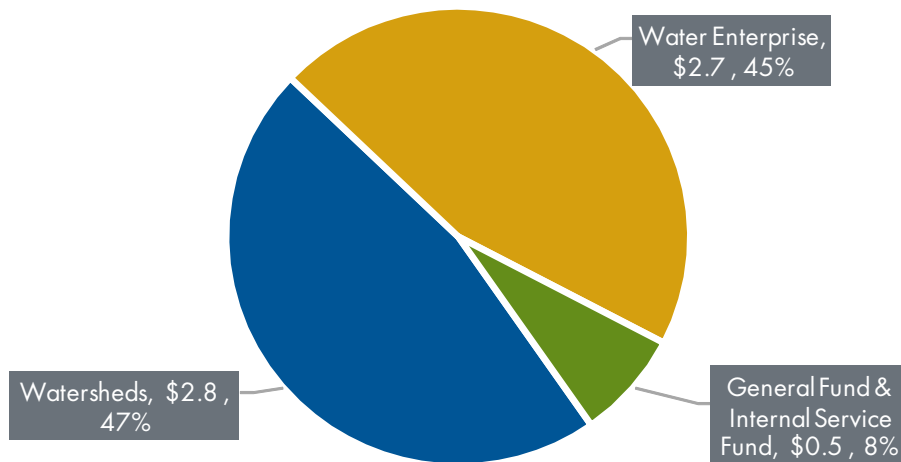
# Financial Overview

## Interest Income

Interest Income by Fiscal Year



FY 2021-22 Proposed Interest Earnings,  
\$6.0 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> and select District Debt and Investment Management.

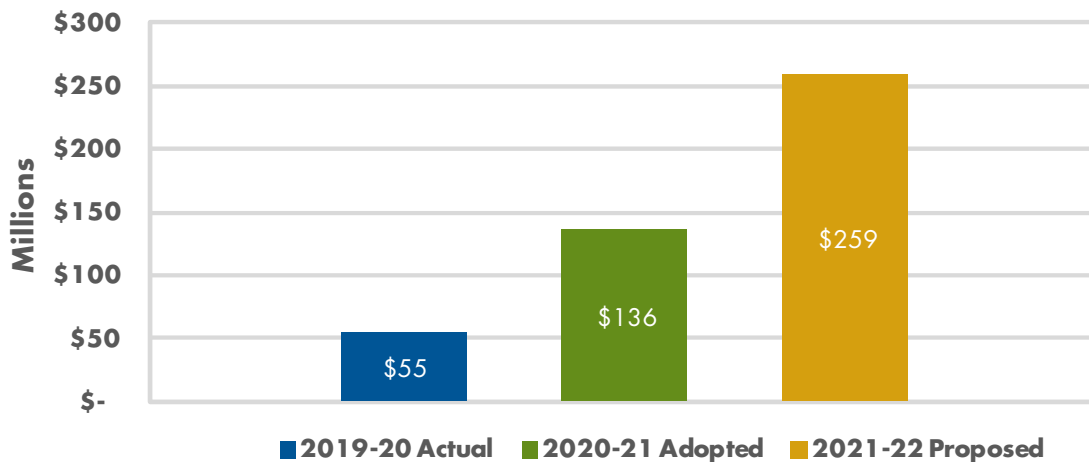
The FY 2021-22 interest earnings revenue are estimated to be \$6.0 million, a decrease of \$4.1 million from the FY 2020-21 Adopted Budget. The estimates assume an average portfolio yield of 1.0% which reflects the trend of declining rates in the current market environment.

|  | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |                |
|--|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|----------------|
|  |                                      |                              |                                  |                               | \$ Diff                        | % Diff         |
| <b>Interest Income</b>                         |                                      |                              |                                  |                               |                                |                |
| Watershed Funds                                | \$ 3,131,163                         | \$ 2,550,000                 | \$ 2,550,000                     | \$ 1,250,000                  | \$ (1,300,000)                 | (51.0)%        |
| Safe Clean Water & Natural Flood<br>Protection | 3,617,379                            | 3,400,000                    | 3,400,000                        | 1,561,000                     | (1,839,000)                    | (54.1)%        |
| Water Enterprise Fund                          | 5,500,357                            | 3,500,000                    | 3,500,000                        | 2,731,500                     | (768,500)                      | (22.0)%        |
| General Fund                                   | 361,328                              | 200,000                      | 200,000                          | 150,000                       | (50,000)                       | (25.0)%        |
| Service Funds                                  | 781,608                              | 400,000                      | 400,000                          | 307,500                       | (92,500)                       | (23.1)%        |
| <b>Total Interest Income</b>                   | <b>\$ 13,391,835</b>                 | <b>\$ 10,050,000</b>         | <b>\$ 10,050,000</b>             | <b>\$ 6,000,000</b>           | <b>\$ (4,050,000)</b>          | <b>(40.3)%</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, short-term debt obligations, refunding 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 Safe, Clean Water and Water Utility capital projects.

Valley Water anticipates issuing approximately \$259.3

million in debt proceeds in FY 2021-22, of which \$159.3 million is for the Water Utility Enterprise fund and \$100 million is for the Safe Clean Water fund.

All planned debt financing is factored in 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.

Interfund transfers are also included in this category. They are monies transferred internally between Valley Water Funds. They net to zero at the District-wide total, and therefore, are not displayed in the table below.

|                                | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |        |
|--------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|--------|
|                                |                                      |                              |                                  |                               | \$ Diff                        | % Diff |
| OTHER FINANCING SOURCES/(USES) |                                      |                              |                                  |                               |                                |        |
| Bond Proceeds                  | \$ 54,760,476                        | \$ 135,500,000               | \$ 162,075,000                   | \$ 259,288,000                | \$ 123,788,000                 | 91.4%  |
| TOTAL OTHER SOURCES/(USES)     | \$ 54,760,476                        | \$ 135,500,000               | \$ 162,075,000                   | \$ 259,288,000                | \$ 123,788,000                 | 91.4%  |

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# SALARIES AND BENEFITS



# Financial Overview

## Salaries and Benefits

The FY 2021-22 salaries and benefits budget is based on a total of 892 positions, which includes 879 permanent positions, 8 limited term positions, and 5 management fellows.

The total salaries budget is \$135.0 million, an increase of \$14.6 million from the FY 2020-21 Adopted Budget. The increase is primarily due to a 4% cost of living adjustment, step increases for eligible positions, extra pay period and funding for 21 new positions in FY 2021-22.

Total salaries of \$135.0 million includes regular salaries \$134.3 million less \$3.4 million in salary savings, plus \$4.1 million in overtime and special pay.

Total benefits are budgeted at \$68.8 million, a \$5.7 million increase over the FY 2020-21 Adopted Budget, which includes a \$4.9 million increase in CalPERS and deferred compensation contributions, a \$0.3 million increase in healthcare insurance costs and \$0.5 million increase in payroll taxes and other benefits.

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

# Financial Overview

## Summary of Positions

|                                       | Adopted Budget<br>FY 2019-20 | Adjusted Budget<br>FY 2019-20 <sup>2</sup> | Adopted Budget<br>FY 2020-21 | Adjusted Budget<br>FY 2020-21 <sup>3</sup> | Proposed Budget<br>FY 2021-22 <sup>4</sup> | Position<br>Change |
|---------------------------------------|------------------------------|--|------------------------------|--|--|--------------------|
| Board Appointed Officers <sup>1</sup> | 104                          | 77   | 77                           | 73   | 73   | —                  |
| Office of Integrated Water Mgmt       | —                            | —  | —                            | 38   | 39   | 1                  |
| External Affairs                      | 36                           | 39   | 39                           | 42   | 45   | 3                  |
| IT & Administrative Services          | 122                          | 160  | 160                          | 159  | 162  | 3                  |
| Water Utility                         | 341                          | 309  | 309                          | 293  | 296  | 3                  |
| Watersheds                            | 239                          | 274  | 274                          | 254  | 264  | 10                 |
| <b>Total Permanent Positions</b>      | <b>842</b>                   | <b>859</b>                                 | <b>859</b>                   | <b>859</b>                                 | <b>879</b>                                 | <b>20</b>          |
| Fellowships                           | 4                            | 4  | 4                            | 4  | 5  | 1                  |
| Limited Term Positions                | —                            | 8  | 8                            | 12   | 8  | —                  |
| <b>Total</b>                          | <b>846</b>                   | <b>871</b>                                 | <b>871</b>                   | <b>875</b>                                 | <b>892</b>                                 | <b>21</b>          |

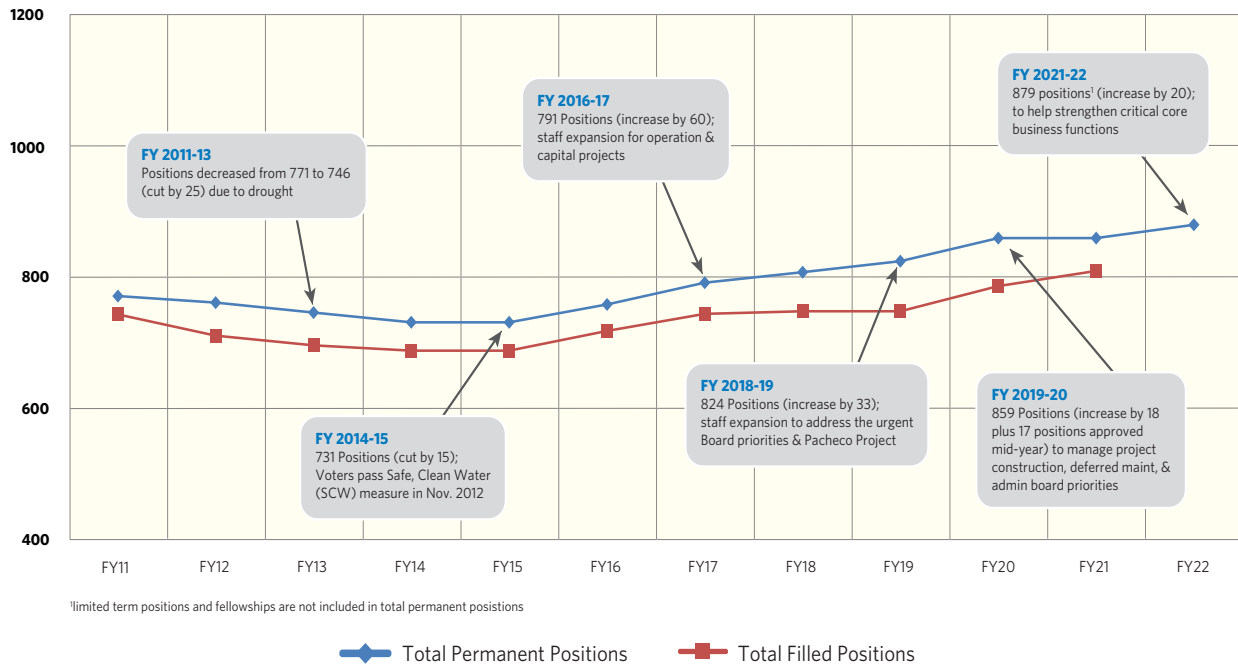
(1) Board Appointed Officers Include: Office of Chief Executive Office, District Counsel and Clerk of the Board.

(2) During FY 2019-20, the Board approved additional 17 positions to strengthen core business functions.

(3) In FY 2020-21, A new Office of Integrated Water Management was created. A new Racial Equity, Diversity and Inclusion Unit was created.

(4) For FY 2021-22, Staff proposed 21 new positions, to the Board, to strengthen critical core business functions.

### Valley Water Staffing Trends, FY 2011-2022



# Financial Overview

## Salaries and Benefits

|                           | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |              |
|---------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|--------------|
|                           |                                      |                              |                                  |                               | \$ Diff                        | % Diff       |
| Salaries-Regular Employee | \$ 103,635,499                       | \$ 121,216,118               | \$ 121,216,118                   | \$ 134,274,831                | \$ 13,058,713                  | 10.8%        |
| Overtime                  | 3,508,126                            | 3,164,361                    | 3,164,361                        | 3,076,115                     | (88,246)                       | (2.8)%       |
| Special Pays              | 831,339                              | 923,214                      | 923,214                          | 1,051,100                     | 127,886                        | 13.9%        |
| Salary Savings            | —                                    | (4,919,121)                  | (4,919,121)                      | (3,419,776)                   | 1,499,345                      | (30.5)%      |
| <b>Total Salaries</b>     | <b>\$ 107,974,964</b>                | <b>\$ 120,384,572</b>        | <b>\$ 120,384,572</b>            | <b>\$ 134,982,270</b>         | <b>\$ 14,597,698</b>           | <b>12.1%</b> |

### BENEFITS

|  |                       |                       |                       |                       |                      |              |
|--|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|--------------|
| Fed & State Taxes & Benefits           | \$ 1,557,837          | \$ 1,531,985          | \$ 1,531,985          | \$ 1,992,985          | \$ 461,000           | 30.1%        |
| Retirement Contributions               | 29,444,317            | 32,620,914            | 32,620,914            | 37,503,937            | 4,883,023            | 15.0%        |
| Group Ins-Active Employees             | 14,019,326            | 16,775,938            | 16,775,938            | 16,859,752            | 83,814               | 0.5%         |
| Group Ins-Retired Employees            | 10,757,161            | 12,192,800            | 12,192,800            | 12,427,400            | 234,600              | 1.9%         |
| <b>Total Benefits</b>                  | <b>\$ 55,778,641</b>  | <b>\$ 63,121,637</b>  | <b>\$ 63,121,637</b>  | <b>\$ 68,784,074</b>  | <b>\$ 5,662,437</b>  | <b>9.0%</b>  |
| <b>Net Total Salary &amp; Benefits</b> | <b>\$ 163,753,605</b> | <b>\$ 183,506,209</b> | <b>\$ 183,506,209</b> | <b>\$ 203,766,344</b> | <b>\$ 20,260,135</b> | <b>11.0%</b> |

## Budget Hours

|                           | Labor Hours<br>2019-20 | Labor Hours<br>2020-21 | Labor Hours<br>2020-21 | Labor Hours<br>2021-22 | Change from<br>2020-21 Adopted |             |
|---------------------------|------------------------|------------------------|------------------------|------------------------|--------------------------------|-------------|
|                           |                        |                        |                        |                        | Hours Diff                     | % Diff      |
| Salaries-Regular Employee | 1,329,599              | 1,529,140              | 1,529,140              | 1,630,304              | 101,164                        | 6.6%        |
| Overtime                  | 40,445                 | 30,637                 | 30,637                 | 27,964                 | -2,673                         | (8.7)%      |
| Compensated Absences      | 232,168                | 276,111                | 276,111                | 286,458                | 10,347                         | 3.7%        |
| <b>Total Salaries</b>     | <b>1,602,212</b>       | <b>1,835,888</b>       | <b>1,835,888</b>       | <b>1,944,726</b>       | <b>108,838</b>                 | <b>5.9%</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 short and long term 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.
- 4.7.7 Valley Water shall not do business with banks who do not have an Environmental, Social and Governance (ESG) ranking at or better than the "Average/Medium" category by at least one of the professional ESG research companies such as Sustainalytics, or other equivalent rankings published by other ESG research firms. Small and local banks/credit unions located within the nine Bay Area counties with total assets at or below \$10 billion are exempt from this provision.

## 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

# Financial Overview

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 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 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 \$746.9 million as of June 30, 2021. Scheduled annual debt service for FY 2021-22 is approximately \$71.3 million including financing and legal 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 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, 2019C with a final maturity of 2036, the Water System Refunding Revenue Bonds 2020A/B with a final maturity of 2050, the Revenue Certificates of Participation 2020C/D with a final maturity of 2041 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 initially approved by Santa Clara County voters in the November 6, 2012 election and renewed in the November 3, 2020 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 2021-22: 2.08
- FY 2022-23: 2.14
- FY 2023-24: 2.12
- FY 2024-25: 2.52
- FY 2025-26: 2.66

# Financial Overview

(Source: FY 2021-22 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 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 60% of the portfolio is invested in government securities, such as federal agency notes and US treasury notes. The remainder 40% of the portfolio is invested in instruments of the highest credit quality and in highly liquid instruments such as the Local Agency Investment Fund, money market mutual funds and Certificates of Deposit as well as supranational/corporate medium term notes.

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> |
|---|-----------|---------------|----------|-------------|----------------------|
| Watersheds Certificates of Participation / Safe, Clean Water Revenue Bonds <sup>(2)</sup> |           |               |          |             |                      |
| 2021/22   | \$        | 10,860,000    | \$       | 4,393,500   | \$ 15,253,500        |
| 2022/23   |           | 11,805,000    |          | 6,716,635   | 18,521,635           |
| 2023/24   |           | 12,310,000    |          | 6,214,735   | 18,524,735           |
| 2024/25   |           | 7,030,000     |          | 5,690,925   | 12,720,925           |
| 2025/26 and thereafter  |           | 145,960,000   |          | 68,839,650  | 214,799,650          |
| Total   | \$        | 187,965,000   | \$       | 91,855,445  | \$ 279,820,445       |
| Water Utility Revenue Bonds / Certificates of Participation <sup>(2)</sup>                |           |               |          |             |                      |
| 2021/22   | \$        | 20,915,000    | \$       | 27,074,940  | \$ 47,989,940        |
| 2022/23   |           | 23,705,000    |          | 32,167,908  | 55,872,908           |
| 2023/24   |           | 24,465,000    |          | 31,384,931  | 55,849,931           |
| 2024/25   |           | 25,290,000    |          | 30,554,779  | 55,844,779           |
| 2025/26 and thereafter  |           | 724,847,600   |          | 391,625,105 | 1,116,472,705        |
| Total   | \$        | 819,222,600   | \$       | 512,807,663 | \$ 1,332,030,263     |
| Commercial Paper  |           |               |          |             |                      |
| 2021/22   | \$        | —             | \$       | 4,756,000   | \$ 4,756,000         |
| 2022/23   |           | —             |          | 4,114,000   | 4,114,000            |
| 2023/24   |           | —             |          | 3,159,000   | 3,159,000            |
| 2024/25   |           | —             |          | 5,875,000   | 5,875,000            |
| 2025/26 and thereafter  |           | —             |          | 39,086,000  | 39,086,000           |
| Total   | \$        | —             | \$       | 56,990,000  | \$ 56,990,000        |
| Total All Outstanding Debt  |           |               |          |             |                      |
| 2021/22   | \$        | 31,775,000    | \$       | 36,224,440  | \$ 67,999,440        |
| 2022/23   |           | 35,510,000    |          | 42,998,543  | 78,508,543           |
| 2023/24   |           | 36,775,000    |          | 40,758,666  | 77,533,666           |
| 2024/25   |           | 32,320,000    |          | 42,120,704  | 74,440,704           |
| 2025/26 and thereafter  |           | 870,807,600   |          | 499,550,755 | 1,370,358,355        |
| Total   | \$        | 1,007,187,600 | \$       | 661,653,108 | \$ 1,668,840,708     |

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

(2) Includes projected principal and interest payments for the anticipated issuances of Water Utility Series 2022A, 2022B and Safe, Clean Water Series 2022A

# Financial Overview

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

|  | Total<br>Amount Sold | Date of Issue | True<br>Interest<br>Rate | Outstanding<br>as of<br>6/30/21 | 2021-2022 Debt Service Payments |              |               |
|--|----------------------|---------------|--------------------------|---------------------------------|---------------------------------|--------------|---------------|
|  |                      |               |                          |                                 | Principal                       | Interest     | Total         |
| Watersheds Indebtedness                                  |                      |               |                          |                                 |                                 |              |               |
| 2017A COPs <sup>(2)</sup>                                | \$ 59,390,000        | 3/7/2017      | 2.56%                    | \$ 42,310,000                   | \$ 4,150,000                    | \$ 2,115,500 | \$ 6,265,500  |
| 2012A COPs   | 52,955,000           | 11/20/2012    | 1.41%                    | 14,700,000                      | 4,710,000                       | 588,000      | 5,298,000     |
| 2022A Safe, Clean Water<br>Revenue Bonds                 | 130,000,000          | 3/30/2022     | 3.40%                    |                                 | 2,000,000                       | 1,690,000    | 3,690,000     |
| Safe, Clean Water<br>Commercial Paper -TE <sup>(3)</sup> | 30,000,000           | various       | variable                 | 30,000,000                      | —                               | 1,939,000    | 1,939,000     |
| Total Watersheds   | \$ 272,345,000       |               |                          | \$ 87,010,000                   | \$ 10,860,000                   | \$ 6,332,500 | \$ 17,192,500 |
| Water Utility Indebtedness                               |                      |               |                          |                                 |                                 |              |               |
| 2006 Water Utility Refunding Revenue Bonds               |                      |               |                          |                                 |                                 |              |               |
| Series B - taxable                                       | \$ 25,570,000        | 12/21/2006    | 5.39%                    | \$ 16,480,000                   | \$ 905,000                      | \$ 875,418   | \$ 1,780,418  |
| Subtotal   | \$ 25,570,000        |               |                          | \$ 16,480,000                   | \$ 905,000                      | \$ 875,418   | \$ 1,780,418  |
| 2016 Water Utility Refunding Revenue Bonds               |                      |               |                          |                                 |                                 |              |               |
| Series A   | \$ 106,315,000       | 3/30/2016     | 3.25%                    | \$ 106,315,000                  | \$ —                            | \$ 5,315,750 | \$ 5,315,750  |
| Series B - taxable                                       | 75,215,000           | 3/30/2016     | 4.32%                    | 75,215,000                      | —                               | 3,229,621    | 3,229,621     |
| Subtotal   | \$ 181,530,000       |               |                          | \$ 181,530,000                  | \$ —                            | \$ 8,545,371 | \$ 8,545,371  |
| 2016 Water Utility Certificates of Participation         |                      |               |                          |                                 |                                 |              |               |
| Series C   | \$ 43,075,000        | 3/30/2016     | 2.13%                    | \$ 31,565,000                   | \$ 3,405,000                    | \$ 1,578,250 | \$ 4,983,250  |
| Series D- taxable  | 54,970,000           | 3/30/2016     | 3.14%                    | 40,020,000                      | 4,430,000                       | 1,273,613    | 5,703,613     |
| Subtotal   | \$ 98,045,000        |               |                          | \$ 71,585,000                   | \$ 7,835,000                    | \$ 2,851,863 | \$ 10,686,863 |
| 2017 Water Utility Refunding Revenue Bonds               |                      |               |                          |                                 |                                 |              |               |
| Series A   | \$ 54,710,000        | 5/2/2017      | 3.13%                    | \$ 47,750,000                   | \$ 1,980,000                    | \$ 2,387,500 | \$ 4,367,500  |
| 2019 Water Utility Refunding Revenue Bonds               |                      |               |                          |                                 |                                 |              |               |
| Series A   | \$ 15,225,000        | 4/25/2019     | 3.75%                    | \$ 14,755,000                   | \$ 255,000                      | \$ 737,750   | \$ 992,750    |
| Series B - taxable                                       | 80,030,000           | 4/25/2019     | 3.81%                    | 76,730,000                      | 1,710,000                       | 2,793,995    | 4,503,995     |
| Series C - taxable                                       | 38,280,000           | 11/26/2019    | 2.76%                    | 35,130,000                      | 2,140,000                       | 881,736      | 3,021,736     |
| Subtotal   | \$ 133,535,000       |               |                          | \$ 126,615,000                  | \$ 4,105,000                    | \$ 4,413,481 | \$ 8,518,481  |
| 2020 Water Utility Refunding Revenue Bonds               |                      |               |                          |                                 |                                 |              |               |
| Series A   | \$ 24,120,000        | 10/14/2020    | 3.33%                    | \$ 24,120,000                   | \$ —                            | \$ 1,206,000 | \$ 1,206,000  |
| Series B - taxable                                       | 68,530,000           | 10/14/2020    | 2.98%                    | 68,530,000                      | —                               | 2,033,285    | 2,033,285     |
| Subtotal   | \$ 92,650,000        |               |                          | \$ 92,650,000                   | \$ —                            | \$ 3,239,285 | \$ 3,239,285  |
| 2020 Water Utility Certificates of Participation         |                      |               |                          |                                 |                                 |              |               |
| Series C   | \$ 41,765,000        | 10/14/2020    | 2.07%                    | \$ 41,765,000                   | \$ 1,685,000                    | \$ 2,088,250 | \$ 3,773,250  |
| Series D - taxable                                       | 81,560,000           | 10/14/2020    | 2.20%                    | 81,560,000                      | 3,240,000                       | 1,495,688    | 4,735,688     |
| Subtotal   | \$ 123,325,000       |               |                          | \$ 123,325,000                  | \$ 4,925,000                    | \$ 3,583,938 | \$ 8,508,938  |
| 2022 Water Utility Certificates of Participation         |                      |               |                          |                                 |                                 |              |               |
| Series A   | \$ 107,198,400       | 3/30/2022     | 3.40%                    | \$ —                            | \$ 582,500                      | \$ 585,214   | \$ 1,167,714  |
| Series B - taxable                                       | 52,089,200           | 3/30/2022     | 4.30%                    | —                               | 582,500                         | 592,871      | 1,175,371     |
| Subtotal   | \$ 159,287,600       |               |                          | \$ —                            | \$ 1,165,000                    | \$ 1,178,085 | \$ 2,343,085  |

# Financial Overview

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

|                                 | Total<br>Amount Sold | Date of Issue | True<br>Interest<br>Rate | Outstanding<br>as of<br>6/30/21 | 2021-2022 Debt Service Payments |               |               |
|---------------------------------|----------------------|---------------|--------------------------|---------------------------------|---------------------------------|---------------|---------------|
|                                 |                      |               |                          |                                 | Principal                       | Interest      | Total         |
| WU Commercial Paper             |                      |               |                          |                                 |                                 |               |               |
| Commercial Paper <sup>(3)</sup> |                      | — various     | variable                 | —                               | —                               | 2,817,000     | 2,817,000     |
| Total Water Utility             | \$ 868,652,600       |               |                          | \$ 659,935,000                  | \$ 20,915,000                   | \$ 29,891,940 | \$ 50,806,940 |
| Combined Total                  | \$ 1,140,997,600     |               |                          | \$ 746,945,000                  | \$ 31,775,000                   | \$ 36,224,440 | \$ 67,999,440 |

(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) Commercial Paper incurs variable rates that are subject to change pending actual market conditions at time of issuance.

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# 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 Annual Financial Report (AFR) where it is appropriate to recognize actual cash transactions that are recorded in the AFR 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 AFR.
- 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 issuances. The funds are not available for general needs of Valley Water and must be maintained as dictated in the bond covenants of the various issuances. 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.

### 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 FY 2018-19 and subsequent years. The minimum funding level for this reserve is \$0. The specific level is



# Financial Overview

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 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 was 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.

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## **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.

## **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.

## **Safe, Clean Water (SCW) Rate Stabilization Reserve - Voter Approved Safe, Clean Water Fund**

The SCW Rate Stabilization Reserve is required to offset timing differences between expenses and collection of the SCW special parcel tax to meet debt service coverage requirements. The minimum funding level is \$0. The specific level is to be financially prudent and based on reasonably anticipated needs. The annual amount to contribute or withdraw will be determined as financial conditions warrant and as approved by the Valley Water Board of Directors.

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## **Contingency Reserve - Voter Approved Safe, Clean Water Fund**

The Contingency Reserve for the Safe, Clean Water Fund is established and maintained as financial or other business conditions warrant. Funds accumulated in this reserve are used to ensure that Valley Water delivers on the commitments made in the November 2020 ballot. The minimum funding level is \$0. The specific level is to be financially prudent and based on reasonably anticipated needs. The annual amount to contribute or withdraw will be determined as financial or other business conditions warrant and as approved by the Valley Water Board of Directors.

## **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' 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.

# Financial Overview

## **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 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.

## **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 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.

# Financial Overview

## Reserves Schedule

|   | Estimated Balances    |                       |                         |                               | Change from<br>2020-21 Adopted |                |
|---|-----------------------|-----------------------|-------------------------|-------------------------------|--------------------------------|----------------|
|   | Year-End<br>2019-20   | Adopted<br>2020-21    | Projected YE<br>2020-21 | Proposed<br>Budget<br>2021-22 | \$ Diff                        | % Diff         |
| <b>GENERAL FUND</b>                                     |                       |                       |                         |                               |                                |                |
| <b>Committed Reserves</b>                               |                       |                       |                         |                               |                                |                |
| Operating & Capital Reserve                             | \$ 8,235,014          | \$ 5,732,805          | \$ 5,794,154            | \$ 6,575,512                  | \$ 842,707                     | 14.7%          |
| <b>Total General Fund Reserves</b>                      | <b>\$ 8,235,014</b>   | <b>\$ 5,732,805</b>   | <b>\$ 5,794,154</b>     | <b>\$ 6,575,512</b>           | <b>\$ 842,707</b>              | <b>14.7%</b>   |
| <b>SPECIAL REVENUE FUNDS (WATERSHEDS)</b>               |                       |                       |                         |                               |                                |                |
| <b>Restricted Reserves</b>                              |                       |                       |                         |                               |                                |                |
| CP Debt Service   | \$ 26,107             | \$ —                  | \$ —                    | \$ —                          | \$ —                           | —              |
| SCW Rate Stabilization Reserve                          | —                     | —                     | —                       | 25,000,000                    | 25,000,000                     | 100.0%         |
| SCW Contingency Reserve                                 | —                     | —                     | —                       | 5,000,000                     | 5,000,000                      | 100.0%         |
| SCW Operating & Capital Reserve                         | 71,279,858            | 57,903,219            | 53,258,394              | 54,254,365                    | (3,648,854)                    | (6.3)%         |
| SCW Currently Authorized Projects                       | 82,078,451            | 22,477,299            | 51,918,583              | 39,599,917                    | 17,122,618                     | 76.2%          |
| <b>Total Restricted Reserves</b>                        | <b>\$ 153,384,416</b> | <b>\$ 80,380,518</b>  | <b>\$ 105,176,977</b>   | <b>\$ 123,854,282</b>         | <b>\$ 43,473,764</b>           | <b>54.1%</b>   |
| <b>Committed Reserves</b>                               |                       |                       |                         |                               |                                |                |
| Benefit Reserve   | \$ 1,097,604          | \$ —                  | \$ —                    | \$ —                          | \$ —                           | —              |
| Operating & Capital Reserve                             | 97,687,518            | 103,370,090           | 68,075,315              | 68,457,190                    | (34,912,900)                   | (33.8)%        |
| Currently Authorized Projects                           | 62,843,789            | 12,142,988            | 24,515,424              | 5,866,617                     | (6,276,371)                    | (51.7)%        |
| <b>Total Committed Reserves</b>                         | <b>\$ 161,628,911</b> | <b>\$ 115,513,078</b> | <b>\$ 92,590,739</b>    | <b>\$ 74,323,807</b>          | <b>\$ (41,189,271)</b>         | <b>(35.7)%</b> |
| <b>Total Special Revenue Funds Reserves</b>             | <b>\$ 315,013,327</b> | <b>\$ 195,893,596</b> | <b>\$ 197,767,716</b>   | <b>\$ 198,178,089</b>         | <b>\$ 2,284,493</b>            | <b>1.2%</b>    |
| <b>Total Governmental Funds</b>                         | <b>\$ 323,248,341</b> | <b>\$ 201,626,401</b> | <b>\$ 203,561,870</b>   | <b>\$ 204,753,601</b>         | <b>\$ 3,127,200</b>            | <b>1.6%</b>    |
| <b>WATER ENTERPRISE &amp; STATE WATER PROJECT FUNDS</b> |                       |                       |                         |                               |                                |                |
| <b>Restricted Reserves</b>                              |                       |                       |                         |                               |                                |                |
| WUE- Rate Stabilization Reserve for Bond Covenant       | \$ 23,466,551         | \$ 25,878,053         | \$ 25,069,620           | \$ 28,332,567                 | \$ 2,454,514                   | 9.5%           |
| San Felipe Emergency Reserve                            | 3,260,045             | 3,249,972             | 3,310,045               | 3,360,045                     | 110,073                        | 3.4%           |
| State Water Project Tax Reserve                         | 13,768,393            | —                     | 3,132,132               | 2,523,006                     | 2,523,006                      | 100.0%         |
| CP Debt Service   | 102,289               | —                     | —                       | —                             | —                              | —              |
| WUE Public-Private Partnership (P3) Reserve             | 8,000,000             | —                     | —                       | —                             | —                              | —              |
| WUE- Supplemental Water Supply                          | 15,077,000            | 15,477,000            | 15,477,000              | 7,877,000                     | (7,600,000)                    | (49.1)%        |
| SV Advanced Water Purification Center                   | 1,298,138             | 908,138               | 908,138                 | 908,138                       | —                              | —              |
| Drought Reserve   | 10,000,000            | 10,000,000            | 10,000,000              | 10,000,000                    | —                              | —              |
| GP5   | 6,609,637             | 3,613,000             | 5,873,358               | 7,106,660                     | 3,493,660                      | 96.7%          |
| <b>Total Restricted Reserves</b>                        | <b>\$ 81,582,053</b>  | <b>\$ 59,126,163</b>  | <b>\$ 63,770,293</b>    | <b>\$ 60,107,416</b>          | <b>\$ 981,253</b>              | <b>1.7%</b>    |
| <b>Committed Reserves</b>                               |                       |                       |                         |                               |                                |                |
| Operating & Capital Reserve                             | \$ 47,569,150         | \$ 61,994,081         | \$ 110,561,046          | \$ 50,435,364                 | \$ (11,558,717)                | (18.6)%        |
| Currently Authorized Projects                           | 39,201,340            | 9,385,922             | 30,561,198              | 8,957,446                     | (428,476)                      | (4.6)%         |
| <b>Total Committed Reserves</b>                         | <b>\$ 86,770,490</b>  | <b>\$ 71,380,003</b>  | <b>\$ 141,122,244</b>   | <b>\$ 59,392,810</b>          | <b>\$ (11,987,193)</b>         | <b>(16.8)%</b> |
| <b>Total Water Enterprise Funds Reserves</b>            | <b>\$ 168,352,543</b> | <b>\$ 130,506,166</b> | <b>\$ 204,892,537</b>   | <b>\$ 119,500,226</b>         | <b>\$ (11,005,940)</b>         | <b>(8.4)%</b>  |

# Financial Overview

## Reserves Schedule (Continued)

|  | Estimated Balances    |                       |                         |                               | Change from<br>2020-21 Adopted |                |
|--|-----------------------|-----------------------|-------------------------|-------------------------------|--------------------------------|----------------|
|  | Year-End<br>2019-20   | Adopted<br>2020-21    | Projected YE<br>2020-21 | Proposed<br>Budget<br>2021-22 | \$ Diff                        | % Diff         |
| <b>INTERNAL SERVICE FUNDS:</b>               |                       |                       |                         |                               |                                |                |
| <b>Committed Reserves</b>                    |                       |                       |                         |                               |                                |                |
| Operating & Capital Reserve                  | \$ 4,095,833          | \$ 3,583,615          | \$ 3,361,983            | \$ 1,861,852                  | \$ (1,721,763)                 | (48.0)%        |
| Currently Authorized Projects                | 9,306,263             | 169,275               | 2,025,982               | —                             | (169,275)                      | (100.0)%       |
| Liability/Workers' Comp Self Insurance       | 7,483,500             | 7,085,600             | 6,621,000               | 6,621,000                     | (464,600)                      | (6.6)%         |
| Property Self Insurance/Catastrophic         | 6,134,455             | 6,196,433             | 6,817,466               | 6,230,869                     | 34,436                         | 0.6%           |
| <b>Total Committed Reserves</b>              | <b>\$ 27,020,051</b>  | <b>\$ 17,034,923</b>  | <b>\$ 18,826,431</b>    | <b>\$ 14,713,721</b>          | <b>\$ (2,321,202)</b>          | <b>(13.6)%</b> |
| <b>Total Internal Service Funds Reserves</b> | <b>\$ 27,020,051</b>  | <b>\$ 17,034,923</b>  | <b>\$ 18,826,431</b>    | <b>\$ 14,713,721</b>          | <b>\$ (2,321,202)</b>          | <b>(13.6)%</b> |
| <b>Total Proprietary Funds</b>               | <b>\$ 195,372,594</b> | <b>\$ 147,541,089</b> | <b>\$ 223,718,968</b>   | <b>\$ 134,213,947</b>         | <b>\$ (13,327,142)</b>         | <b>(9.0)%</b>  |
| <b>TOTAL RESERVE SUMMARIES</b>               |                       |                       |                         |                               |                                |                |
| Total Proprietary Funds                      | \$ 195,372,594        | \$ 147,541,089        | \$ 223,718,968          | \$ 134,213,947                | \$ (13,327,142)                | (9.0)%         |
| Total Governmental Funds                     | 323,248,341           | 201,626,401           | 203,561,870             | 204,753,601                   | 3,127,200                      | 1.6%           |
| <b>Total Year-End Reserves</b>               | <b>\$ 518,620,935</b> | <b>\$ 349,167,490</b> | <b>\$ 427,280,838</b>   | <b>\$ 338,967,548</b>         | <b>\$ (10,199,942)</b>         | <b>(2.9)%</b>  |
| Total Restricted Reserves                    | 234,966,469           | 139,506,681           | 168,947,270             | 183,961,698                   | 44,455,017                     | 31.9%          |
| Total Committed Reserves                     | 283,654,466           | 209,660,809           | 258,333,568             | 155,005,850                   | (54,654,959)                   | (26.1)%        |
| <b>Total Year-End Reserves</b>               | <b>\$ 518,620,935</b> | <b>\$ 349,167,490</b> | <b>\$ 427,280,838</b>   | <b>\$ 338,967,548</b>         | <b>\$ (10,199,942)</b>         | <b>(2.9)%</b>  |

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# Ends Policies and Outcomes

**FY 2021-22**

**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.

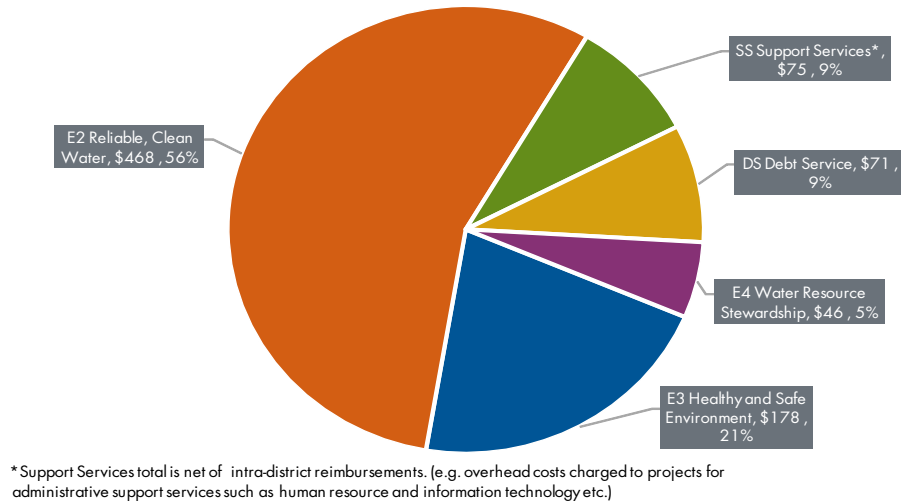
The Fiscal Year 2021-22 table below displays the latest version of the Ends Policies of the Santa Clara Valley Water District Board of Directors.

## District wide budget by Ends and Support Services

| Ends Code                          | Ends Description  | FY 2021-22<br>Proposed Budget |
|------------------------------------|---|-------------------------------|
| E2                                 | Reliable, clean water supply for current and future generations   | \$467,534,952                 |
| E3                                 | Healthy and safe environment for residents, businesses, and visitors, as well as for future generations                                       | 178,286,213                   |
| E4                                 | Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County. | 45,827,713                    |
| SS                                 | Support Services  | 177,990,422                   |
| DS                                 | Debt Service  | 71,264,693                    |
| Grand Total                        |   | \$940,903,994                 |
| Minus Intradistrict Reimbursements |   | (103,345,913)                 |
| Net Budget                         |   | \$837,558,081                 |

# Ends Policies and Outcomes

## FY 2021-22 Total Net Outlays \$838 Million



| Goal Code                                 | Goal Description   | FY 2021-22 Proposed Budget |
|---|--|----------------------------|
| <b>E2.1</b>                               | <b>Current and future water supply for municipalities, industries, agriculture and the environment is reliable.</b>                    | <b>\$330,206,541</b>       |
| <b>E2.2</b>                               | <b>Raw water transmission and distribution assets are managed to ensure efficiency and reliability.</b>                                | <b>41,249,069</b>          |
| <b>E2.3</b>                               | <b>Reliable high quality drinking water is delivered.</b>  | <b>96,079,342</b>          |
| <b>E3.1</b>                               | <b>Provide natural flood protection for residents, businesses, and visitors</b>  | <b>161,251,094</b>         |
| <b>E3.2</b>                               | <b>Reduce potential for flood damages</b>  | <b>17,035,120</b>          |
| <b>E4.1</b>                               | <b>Protect and restore creek, bay, and other aquatic ecosystems.</b>   | <b>45,144,653</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>0**</b>                 |
| <b>E4.3</b>                               | <b>Strive for zero net greenhouse gas emission or carbon neutrality.</b>   | <b>683,060</b>             |
| <b>SS.1</b>                               | <b>BAO &amp; District Leadership</b>   | <b>30,199,420</b>          |
| <b>SS.2</b>                               | <b>Financial Planning &amp; Management Services</b>  | <b>16,143,760</b>          |
| <b>SS.3</b>                               | <b>Human Resources Services</b>  | <b>12,384,276</b>          |
| <b>SS.4</b>                               | <b>Information Management Services</b>   | <b>28,007,499</b>          |
| <b>SS.5</b>                               | <b>Corporate Business Assets</b>   | <b>48,274,430</b>          |
| <b>SS.6</b>                               | <b>General Management &amp; Administration</b>   | <b>46,400,813</b>          |
| <b>SS.7</b>                               | <b>Salary Savings</b>  | <b>(3,419,776)</b>         |
| <b>DS.1</b>                               | <b>Debt Service</b>  | <b>71,264,693</b>          |
| <b>Grand Total</b>                        |  | <b>\$940,903,994</b>       |
| <b>Minus Intradistrict Reimbursements</b> |  | <b>(103,345,913)</b>       |
| <b>Net Budget</b>                         |  | <b>\$837,558,081</b>       |

\*\* The consolidated SCW grants program is affiliated with more than one Ends Code Goal, including Goal E4.2; however, the consolidated program is under Goal E4.1 for the 2020 Renewed SCW Program and, therefore \$0 is reflected under this Goal 4.2.

# Ends Policies and Outcomes

| Goal Code   | Goal Description  | FY 2021-22<br>Proposed Budget |
|-------------|---|-------------------------------|
| <b>E2.1</b> | <b>Current and future water supply for municipalities, industries, agriculture and the environment is reliable.</b> | <b>\$330,206,541</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 FY 2021-22, the combined total is \$66.2 million, which includes \$7.6 million for supplemental CVP water purchases. An additional \$14.1 million also is planned for supplemental water purchases from the water market. The supplemental purchases are in response to a very dry FY 2020-21 and diminished storage capacity due to reconstruction of Valley Water's largest dam, Anderson. Groundwater banking expenses of \$7.1 million are budgeted to draw upon 32,000 acre-feet of water banked at Semitropic Water Storage District (SWSD) and for annual operations and maintenance costs associated with participating in SWSD 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, 102 recharge ponds, one advanced recycled water purification center providing enhanced recycled water for irrigation and industrial uses 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.

Funding to support the 2019 partnership agreement with Palo Alto on expanded recycled and purified water infrastructure also is included.

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 demand and supply options, regulatory reporting, implementing the 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,

## Ends Policies and Outcomes

and landscape rebates, and technical assistance, as well as water conservation grants, and a water conservation outreach campaign. Valley Water's long-term water conservation programs have saved over 74,000 acre-feet in calendar year 2020 compared to the water consumed in baseline year 1992. This is in addition to short-term savings achieved during water shortages.

Valley Water supports development of recycled and purified water as a drought resilient water supply in the county. This includes the partnership with San Jose on the Silicon Valley Advanced Water Purification Center as well as partnerships with other wastewater agencies in the county. This budget includes funds to implement the Purified Water Project which will replenish groundwater with purified water.

The FY 2021-22 Budget requires a significant investment to secure local reservoir storage. Valley Water continues to work to address seismic concerns with Anderson Dam to better ensure public safety, as well as restore the county's largest local supply. Valley Water is advancing the design of the Anderson Dam Seismic Retrofit Project (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 for Coyote Creek, 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, the negotiation of a memorandum of agreement with parties involved in the complaint, the implementation of pilot flow projects in Guadalupe and Stevens Creek, meetings of the newly formed Board Committee, Stewardship Planning and Operations Committee and the FAHCE adaptive management team. The Budget also includes funds to continue coordination with the Anderson Dam Seismic Retrofit project for restoration measures in the Coyote watershed; the water rights change petitions, modeling and biological monitoring; and the applications for Lake and Streambed Alteration Agreements.

| Goal Code | Goal Description   | FY 2021-22<br>Proposed Budget |
|-----------|--|-------------------------------|
| E2.2      | Raw water transmission and distribution assets are managed to ensure efficiency and reliability. | \$41,249,069                  |

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.

# Ends Policies and Outcomes

| Goal Code   | Goal Description  | FY 2021-22<br>Proposed Budget |
|-------------|---|-------------------------------|
| <b>E2.3</b> | <b>Reliable high quality drinking water is delivered.</b> | <b>\$96,079,342</b>           |

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/Valley Water intertie facility. In FY 2021-22, 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, operation of Valley Water's water quality laboratory, capital process and commissioning support as well as electrical, instrumentation, and control systems engineering support.

| Goal Code   | Goal Description  | FY 2021-22<br>Proposed Budget |
|-------------|---|-------------------------------|
| <b>E3.1</b> | <b>Provide natural flood protection for residents, businesses, and visitors</b> | <b>\$161,251,094</b>          |

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 2021-22, one (1) flood protection project will continue construction, and five (5) new flood protection projects and one (1) watershed asset rehabilitation project will be in construction. Additionally, eleven (11) 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, 190 miles of creek will be inspected, watershed facility conditions will be assessed, and levees will be inspected (approximately 100 miles) and maintained (approximately 30,000 LF).

The FY 2021-22 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 regulatory permits and environmental clearances to continue the Stream Maintenance Program to ensure sustainability of county flood protection improvements.

| Goal Code   | Goal Description                          | FY 2021-22<br>Proposed Budget |
|-------------|---|-------------------------------|
| <b>E3.2</b> | <b>Reduce potential for flood damages</b> | <b>\$17,035,120</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.

Valley Water also participates in the Community Rating System under FEMA's National Flood Insurance Program. Communities that participate in the program earn points for activities that promote good flood risk reduction practices. Valley Water's points are passed onto participating communities in Santa Clara County to help increase their points, which increases the discounts for property owners who pay flood insurance

# Ends Policies and Outcomes

premiums throughout the county.

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. In FY 2021-22, two additional flood forecast points will be developed as part of the 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 2021-22<br>Proposed Budget |
|-----------|---|-------------------------------|
| E4.1      | Protect and restore creek, bay, and other aquatic ecosystems. | \$45,144,653                  |

This goal 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.

In November 2020, Santa Clara County voters overwhelmingly approved Measure S, a renewal of Valley Water's Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water) that was approved in 2012. The renewed Safe, Clean Water Program will become effective in FY 2021-2022, and includes the following key elements: protecting and ensuring water supply reliability, repairing aging infrastructure, bolstering resources for long-term maintenance, operations, and mitigation needs; supporting more multi-benefit projects and incorporating climate change adaptation strategies across projects; supporting trash and homeless encampment cleanups; expanding grant funding for hydration stations, water conservation, pollution prevention, and wildlife habitat/open space; continuing support for environmental stewardship and habitat restoration; and supporting flood protection projects to protect communities from flooding.

FY 2021-22 Safe, Clean Water projects include the Early Detection and Rapid Response program for

invasive species, Uvas Creek fish habitat enhancement, Bolsa Road Fish Passage Improvements, Hale Creek Enhancement Pilot Study, San Francisco Bay Shoreline planning, and design of Almaden Lake Improvements.

In FY 2021-22, Valley Water will provide up to \$2.0 million in grant and partnership funding for qualified projects under the renewed Safe, Clean Water Program. This includes up to \$100,000 for mini-grants, \$100,000 for water-to-go stations and partnership funding for small cities. Additionally, Valley Water will continue to manage the administration of over 70 active grants and partnerships.

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.



# Ends Policies and Outcomes

| Goal Code   | Goal Description   | FY 2021-22<br>Proposed Budget |
|-------------|--|-------------------------------|
| <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>\$0</b>                    |

This goal promotes and supports access to trails and open space through various grants and community partnerships for planning, design, construction, and maintenance. In FY 2021-22, Valley Water will provide funding for projects that supports access to trails and open space through the renewed Safe, Clean Water Program. Additionally, Valley Water will continue to manage the administration of nine (9) active open space and trails grants (note: the consolidated SCW

grants program is affiliated with more than one Ends Code Goal, including this Goal 4.2; however, the consolidated program is under Goal E4.1 for the 2020 Renewed SCW Program and, therefore, \$0 is reflected under this Goal 4.2). In addition, Valley Water continues to work with cities on trail implementation through Joint Use Agreements, in accordance with the Trails Policy Criteria and Guidance.

| Goal Code   | Goal Description   | FY 2021-22<br>Proposed Budget |
|-------------|--|-------------------------------|
| <b>E4.3</b> | <b>Strive for zero net greenhouse gas emission or carbon neutrality.</b> | <b>\$683,060</b>              |

This goal 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 implement Valley Water's Climate Change Action

Plan (CCAP) by developing workplans for priority actions and reviewing the greenhouse gas calculation methodology.

| Goal Code   | Goal Description                     | FY 2021-22<br>Proposed Budget |
|-------------|--------------------------------------|-------------------------------|
| <b>SS.1</b> | <b>BAO &amp; District Leadership</b> | <b>\$30,199,420</b>           |

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, and Security related functions and activities. 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 supports 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 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



# Ends Policies and Outcomes

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 communication 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, grants, water supply outreach, and the community rating system program as well as oversight of the Youth Commission; government relations efforts at the local, regional state, and federal levels; and ensuring that racial equity and inclusion are addressed and incorporated into existing policies, programs, and practices.

| Goal Code | Goal Description                         | FY 2021-22<br>Proposed Budget |
|-----------|--|-------------------------------|
| SS.2      | Financial Planning & Management Services | \$16,143,760                  |

Financial Planning and Management Services provides 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 2021-22<br>Proposed Budget |
|-----------|--------------------------|-------------------------------|
| SS.3      | Human Resources Services | \$12,384,276                  |

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

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

| Goal Code | Goal Description                | FY 2021-22<br>Proposed Budget |
|-----------|---------------------------------|-------------------------------|
| SS.4      | Information Management Services | \$28,007,499                  |

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 Valley Water's:

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

| Goal Code | Goal Description          | FY 2021-22<br>Proposed Budget |
|-----------|---------------------------|-------------------------------|
| SS.5      | Corporate Business Assets | \$48,274,430                  |

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

# Ends Policies and Outcomes

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 2021-22<br>Proposed Budget |
|-------------|--|-------------------------------|
| <b>SS.6</b> | <b>General Management &amp; Administration</b> | <b>\$46,400,813</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 2021-22<br>Proposed Budget |
|-------------|-----------------------|-------------------------------|
| <b>SS.7</b> | <b>Salary Savings</b> | <b>\$(3,419,776)</b>          |

This salary savings budget represents 2% 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 2021-22<br>Proposed Budget |
|-------------|---------------------|-------------------------------|
| <b>DS.1</b> | <b>Debt Service</b> | <b>\$71,264,693</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.

| Job Number | Project Name                        | Proposed<br>FY 2021–22 Budget |
|------------|-------------------------------------|-------------------------------|
| 26151001   | Water Conservation Rebates and Prog | 1,012,792                     |
| 26764001   | IRP2 AddLine Valves                 | 314,921                       |
| 60041003   | Hollister Groundwater Mgmt          | 69,176                        |
| 91041012   | Water Operations Planning           | 655,170                       |
| 91041018   | Groundwater Management Program      | 5,815,217                     |
| 91081007   | Dam Safety Program                  | 2,032,888                     |
| 91084019   | Dam Safety Seismic Stability        | 64,917                        |
| 91084020   | Calero-Guad Dams Seismic Retro      | 1,969,802                     |
| 91094001   | Land Rights-SC Recycled Water       | 344,228                       |
| 91094009   | SoCo Rcyld Wtr PL Short-Trm 1B      | 15,309,887                    |
| 91101004   | Recycled & Purified Water Prog      | 5,429,037                     |
| 91111001   | Water Rights                        | 677,614                       |
| 91131004   | Imported Water Program              | 5,206,404                     |
| 91131006   | IW San Felipe Division Delvrs       | 27,403,555                    |
| 91131007   | IW South Bay Aqueduct Delvrs        | 14,962,242                    |
| 91131008   | State Water Project Costs           | 27,609,126                    |
| 91151001   | Water Conservation Program          | 7,197,162                     |
| 91151012   | Recycld/PurifiedWaterPublicEng      | 1,227,505                     |
| 91151013   | Water Banking Operations            | 7,142,117                     |
| 91151014   | GP5 Reimbursement Program           | 2,927,650                     |
| 91154007   | Water Purchases Captl Project       | 11,156,053                    |
| 91211004   | San Felipe Reach 1 Operation        | 652,604                       |
| 91211005   | SFD Reach 1 Administration          | 11,000                        |
| 91211084   | San Felipe Reach1 Ctrl and Ele      | 369,164                       |
| 91211085   | SF Reach 1-Engineering - Other      | 298,825                       |
| 91211099   | San Felipe Reach 1 Gen Maint        | 858,825                       |
| 91221002   | San Felipe Reach 2 Operation        | 53,472                        |
| 91221006   | SF Reach 2-Engineering - Other      | 160,132                       |
| 91221099   | San Felipe Reach 2 Gen Maint        | 178,027                       |
| 91224010   | Small Caps, San Felipe R2           | 930,461                       |
| 91231002   | San Felipe Reach 3 Operation        | 104,144                       |
| 91231084   | San Felipe Reach3 Ctrl and Ele      | 320,637                       |
| 91231085   | SF Reach 3-Engineering - Other      | 115,624                       |
| 91231099   | San Felipe Reach 3 Gen Maint        | 1,125,496                     |
| 91241001   | Wolfe Road Recycled Water Facility  | 150,000                       |
| 91251001   | Transfer-Bethany Pipeline           | 1,000,000                     |
| 91261001   | PaloAlto Water Reuse Agreement      | 3,108,000                     |
| 91281007   | SVAWPC Facility Operations          | 2,677,747                     |
| 91281008   | SVAWPC Facility Maintenance         | 2,255,802                     |
| 91304001   | Indirect Potable Reuse-Plan         | 1,509,480                     |

# 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<br>FY 2021–22 Budget |
|-------------------|--------------------------------|-------------------------------|
| 91451002          | Well Ordinance Program         | 2,261,818                     |
| 91451005          | Source Water Quality Mgmt      | 422,800                       |
| 91451011          | Invasive Mussel Prevention     | 625,231                       |
| 91601001          | Delta Conveyance Project       | 3,165,000                     |
| 91761001          | Local Res/Div Plan & Analysis  | 2,436,562                     |
| 91761099          | Dams / Reservoir Gen Maint     | 2,783,920                     |
| 91864005          | Anderson Dam Seismic Retrofit  | 126,936,894                   |
| 91951001          | San Luis Low Point Improvement | 339,959                       |
| 91954002          | Pacheco Reservoir ExpansionPrj | 30,549,692                    |
| 92041014          | FAHCE/Three Creeks HCP Project | 4,088,700                     |
| 95111003          | Water Use Measurement          | 2,189,062                     |
| <b>E2.1 Total</b> |                                | <b>330,206,541</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<br/>FY 2021–22 Budget</b> |
|-------------------|--------------------------------|---------------------------------------|
| 91214010          | Small Caps, San Felipe R1      | 2,256,052                             |
| 91234010          | Small Caps, San Felipe R3      | 1,331,099                             |
| 91234011          | Coyote Warehouse               | 72,546                                |
| 92144001          | Pacheco/SC Conduit ROW ACQ     | 1,659,393                             |
| 92261099          | Vasona Pump Station Gen Main   | 158,974                               |
| 92264001          | Vasona Pump Station Upgrade    | 715,417                               |
| 92304001          | Almaden Valley Pipeline        | 827,840                               |
| 92761001          | Raw Water T&D Gen'l Oper       | 1,733,748                             |
| 92761008          | Recycled Water T&D Genrl Maint | 225,009                               |
| 92761009          | Recharge/RW Field Ops          | 3,244,010                             |
| 92761010          | Rchrg / RW Field Fac Maint     | 1,865,831                             |
| 92761012          | Untreated Water Prog Plan      | 444,281                               |
| 92761082          | Raw Water T&D Ctrl and Electr  | 721,825                               |
| 92761083          | Raw Water T&D Eng Other        | 1,134,808                             |
| 92761085          | Anderson Hydrelctrc Fclty Main | 160,398                               |
| 92761099          | Raw Water T / D Gen Maint      | 2,361,283                             |
| 92764009          | Small Caps, Raw Water T&D      | 2,572,434                             |
| 92781002          | Raw Water Corrosion Control    | 664,159                               |
| 95044001          | Distribution Systems Implement | 2,857,224                             |
| 95084002          | 10-Yr PL Inspection and Rehab  | 16,242,739                            |
| <b>E2.2 Total</b> |                                | <b>41,249,069</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<br/>FY 2021-22 Budget</b> |
|-------------------|--------------------------------|---------------------------------------|
| 00761013          | SCADA Systems Upgrades         | 881,549                               |
| 93044001          | WTP Implementation             | 3,275,383                             |
| 93081002          | Treatment Plant Process & Comm | 527,651                               |
| 93081008          | W T General Water Quality      | 2,463,927                             |
| 93081009          | Water Treatment Plant Engineer | 363,091                               |
| 93084004          | Wtr Trtmnt Plnt Electr Imprv   | 883,841                               |
| 93231009          | PWTP General Operations        | 6,175,291                             |
| 93231099          | Penitencia WTP General Maint   | 2,841,923                             |
| 93234044          | PWTP Residuals Management      | 1,593,363                             |
| 93281005          | STWTP - General Operations     | 6,837,498                             |
| 93281099          | Santa Teresa WTP General Maint | 3,248,390                             |
| 93284013          | STWTP Filter Media Replace     | 2,812,531                             |
| 93291012          | RWTP General Operations        | 9,515,774                             |
| 93291099          | Rinconada WTP General Maint    | 3,316,994                             |
| 93294056          | RWTP Treated Water Valves Upgd | 4,297                                 |
| 93294057          | RWTP Reliability Improvement   | 20,616,887                            |
| 93294058          | RWTP Residuals Remediation     | 5,350,669                             |
| 93401002          | Water District Laboratory      | 5,970,979                             |
| 93761001          | SF/SCVWD Intertie General Ops  | 235,434                               |
| 93761004          | Campbell Well Field Operations | 102,077                               |
| 93761005          | Campbell Well Field Maint      | 109,941                               |
| 93761006          | Treated Water Ctrl & Elec Eng  | 2,543,649                             |
| 93761099          | SF/SCVWD Intertie Gen Maint    | 147,375                               |
| 93764004          | Small Caps, Water Treatment    | 10,140,806                            |
| 94761005          | TW T&D - Engineering - Other   | 566,247                               |
| 94761099          | Treated Water T/D Gen Maint    | 1,529,246                             |
| 94764006          | Small Caps,Treated Water T&D   | 131,110                               |
| 94781001          | Treated Water T/D Corrosion    | 532,906                               |
| 95044002          | SCADA Implementation           | 2,383,568                             |
| 95151002          | WU Customer Relations&Outreach | 976,943                               |
| <b>E2.3 Total</b> |                                | <b>96,079,342</b>                     |
| <b>E2 Total</b>   |                                | <b>467,534,952</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<br/>FY 2021–22 Budget</b> |
|-------------------|---------------------------------------|---------------------------------------|
| 00041022          | Stream Maint Prog Mgmt                | 4,763,142                             |
| 00044026          | San Francisco Bay Shoreline           | 21,632,403                            |
| 00761023          | Watershed Sediment Removal            | 6,126,513                             |
| 00761078          | Vegetation Mangmnt for Access         | 4,429,604                             |
| 00762011          | Tree Maintenance Program              | 948,125                               |
| 00811049          | Subsidence Monitoring                 | 891,774                               |
| 20194005          | San Tomas Ck, Quito Rd Bridges        | 330,000                               |
| 26154002          | Guadalupe Rv-Upr, 280-SPRR(R6         | 562,596                               |
| 26164001          | HaleCreekEnhancementPilotStudy        | 3,824,108                             |
| 26174043          | Coyote Creek, Montague-Tully          | 1,596,067                             |
| 26174052          | U. Llagas Ck, Nonreimburse E6a        | 58,291,926                            |
| 26284002          | San Francisquito Early Implemt        | 12,720,864                            |
| 26324001          | U Penitncia Crk Corp Coord SCW        | 114,384                               |
| 26444002          | SFBS EIAs 1-4                         | 1,358,701                             |
| 26444004          | San Francisco Bay Shoreline EIAs 5-10 | 1,044,530                             |
| 26771067          | Stream Capacity Vegetation Con        | 3,395,189                             |
| 30154019          | Guadalupe R Tasman Dr-I880            | 2,669,034                             |
| 40174005          | Berryessa Crk, Lwr. Pen Phs 2         | 12,287,895                            |
| 40264008          | Lwr Silver-R4-6 N Babb-Cunni          | 25,866                                |
| 40264011          | Cunningham Fld Detention Cert         | 30,478                                |
| 40334005          | Lwr Penitencia Crk Improvemnts        | 231,094                               |
| 62021009          | Watershds O&M Eng&Insp Support        | 1,562,218                             |
| 62042050          | Watershd Maint Guideline Updte        | 754,066                               |
| 62061029          | Field Operations Support              | 668,179                               |
| 62084001          | Watersheds Asset Rehabilitatio        | 10,910,934                            |
| 62761006          | Invasive Plant Management Prog        | 2,348,446                             |
| 62761024          | Wtrshd Facility Cndtion Assmnt        | 2,299,196                             |
| 62761025          | Watershed General Field Maint         | 2,734,974                             |
| 62761026          | Watershed Debris Removal              | 1,545,689                             |
| 62761028          | Watershed Levee Maintenance           | 826,865                               |
| 62761080          | Non SMP Veg Removal for Convey        | 326,233                               |
| <b>E3.1 Total</b> |                                       | <b>161,251,094</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<br/>FY 2021–22 Budget</b> |
|-------------------|--------------------------------|---------------------------------------|
| 00811043          | Hydrologic Data Msrmt & Mgmt   | 2,173,017                             |
| 10394001          | PA Flood Basin Tide Gate Replc | 3,061,308                             |
| 26041023          | Emergency Response Upgrades    | 511,398                               |
| 26041024          | Flood Risk Reduction Studies   | 1,270,495                             |
| 26061005          | Flood Emrgncy Respns Planning  | 217,633                               |
| 62011002          | Watershed Asset Protection Sup | 5,099,156                             |
| 62021003          | CPRU Tech Support              | 183,319                               |
| 62041023          | Community Rating System (CRS)  | 529,808                               |
| 62061005          | WS Customer Relations&Outreach | 1,074,386                             |
| 62061008          | Hydrology&Hydraulics Tech Supp | 1,164,139                             |
| 62761008          | Sandbag Program                | 645,448                               |
| 95011003          | WU Asset Protection Support    | 1,105,013                             |
| <b>E3.2 Total</b> |                                | <b>17,035,120</b>                     |
| <b>E3 Total</b>   |                                | <b>178,286,213</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<br/>FY 2021–22 Budget</b> |
|-------------------|---|---------------------------------------|
| 00041047          | Ecological Data Collectn & Analy          | 1,174,447                             |
| 00061012          | Facilities Env Compliance                 | 905,817                               |
| 00061019          | Supp Volunteer Cleanup Effort             | 327,978                               |
| 00741042          | Water Resorcs EnvPlng & Permtg            | 1,729,342                             |
| 00761022          | Watershed Good Neighbor Maint             | 1,538,120                             |
| 00761075          | Mgmt of Revegetation Projects             | 3,325,831                             |
| 00771011          | Inter Agency Urban Runoff Prog            | 2,501,229                             |
| 00771031          | HAZMAT Emergency Response                 | 216,932                               |
| 20444001          | Salt Ponds A5-11 Restoration              | 584,979                               |
| 26042002          | Fish Habitat Improvements                 | 865,206                               |
| 26044001          | Almaden Lake Improvement                  | 9,325,478                             |
| 26044002          | SCW Fish Passage Improvement              | 980,179                               |
| 26044003          | Ogier Ponds Planning Study                | 1,051,098                             |
| 26044004          | D6 Bolsa Road Fish Passage Improvement    | 2,205,000                             |
| 26061020          | F6 Public Arts                            | 157,140                               |
| 26061021          | F9 Safe Clean Water Grants & Partnerships | 3,109,070                             |
| 26441003          | D3 SCW Sed Reuse to Support Shoreline     | 234,344                               |
| 26752043          | Impaired Water Bodies Imprvmts            | 1,685,990                             |
| 26761076          | Rev, Riprn, Uplnd, & Wtlnd Hab            | 1,010,882                             |
| 26771027          | Encampment Cleanup Program                | 1,923,736                             |
| 30151026          | Guad Rvr Mitgtn Monitoring Prg            | 485,906                               |
| 40212032          | Coyote Creek Mitgtn Monitoring            | 227,852                               |
| 60061058          | Drought Induced Tree Removal              | 1,617,294                             |
| 60171002          | Education & Volunteer Program             | 2,175,168                             |
| 62041043          | Environmental Svcs Tech Suppt             | 674,287                               |
| 62042032          | Multiple Sm Prjcts Mitgtn Mont            | 706,036                               |
| 62042047          | Mitigation & Stwdshp Land Mgmt            | 205,513                               |
| 62042051          | Plant Pathogen Management                 | 330,146                               |
| 62181005          | SMP Mitigation Site Mgmt                  | 655,752                               |
| 62181006          | Instream Habitat Complexity               | 200,987                               |
| 62761009          | Pond A4 Operations                        | 91,908                                |
| 62761027          | Watershed Erosion Protection              | 2,921,008                             |
| <b>E4.1 Total</b> |   | <b>45,144,653</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<br/>FY 2021–22 Budget</b> |
|-------------------|---------------------|---------------------------------------|
| <b>E4.2 Total</b> |                     | <b>0**</b>                            |

\*\* The consolidated SCW grants program is affiliated with more than one Ends Code Goal, including Goal E4.2; however, the consolidated program is under Goal E4.1 for the 2020 Renewed SCW Program and, therefore \$0 is reflected under this Goal 4.2.

## 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<br/>FY 2021–22 Budget</b> |
|-------------------|--------------------------------|---------------------------------------|
| 00021008          | Energy Management              | 402,781                               |
| 00061048          | Climate Change Adaptation/Mtg. | 280,279                               |
| <b>E4.3 Total</b> |                                | <b>683,060</b>                        |
| <b>E4 Total</b>   |                                | <b>45,827,713</b>                     |

# Ends Policies and Outcomes

**SS**

## Support Services

### SS.1 BAO & District Leadership

| Job Number        | Project Name                     | Proposed<br>FY 2021-22 Budget |
|-------------------|----------------------------------|-------------------------------|
| 00761071          | Emergency Management             | 2,670,550                     |
| 60091001          | Directors Fees / Expenses        | 529,350                       |
| 60131007          | Ofc of Chief Executive Officer   | 1,274,840                     |
| 60131014          | Continual Improvement            | 1,106,939                     |
| 60141001          | District Counsel                 | 4,635,640                     |
| 60171009          | Community Relations              | 478,505                       |
| 60231002          | Communications                   | 2,249,175                     |
| 60231003          | Federal Government Relations     | 787,688                       |
| 60231004          | State Government Relations       | 1,189,249                     |
| 60231005          | Local Government Relations       | 1,919,265                     |
| 60231006          | Office of Chief of Ext Affairs   | 1,502,741                     |
| 60241026          | Quality and Env Mgmt Sys Prog    | 526,752                       |
| 60281004          | Racial Equity Diversity& Includn | 1,576,699                     |
| 60301001          | Clerk of the Board Serv          | 2,778,374                     |
| 65051001          | Risk Management                  | 2,822,452                     |
| 65051002          | Workers Compensation Program     | 888,119                       |
| 65051003          | Health&Safety Program Mgt        | 3,213,083                     |
| 65052001          | 2017 President Day Flood         | 50,000                        |
| <b>SS.1 Total</b> |                                  | <b>30,199,420</b>             |

# Ends Policies and Outcomes

**SS**

## Support Services

### SS.2 Financial Planning & Management Services

| <b>Job Number</b> | <b>Project Name</b>            | <b>Proposed<br/>FY 2021–22 Budget</b> |
|-------------------|--------------------------------|---------------------------------------|
| 00031001          | Watershed Revenue              | 161,786                               |
| 00031002          | Grants Management              | 1,151,747                             |
| 00061045          | Asset Management Program       | 3,175,229                             |
| 00121003          | LT Financial Planning & Rate S | 742,574                               |
| 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    | 4,426,686                             |
| 60221001          | Budget and Financial Analyses  | 2,747,608                             |
| 60221002          | Debt & Treasury Management     | 1,076,296                             |
| 62001090          | Unscoped Projects-Budget Only  | 150,000                               |
| 95001090          | Unscoped Projects-Budget Only  | 150,000                               |
| 95101003          | Water Revenue Program          | 1,961,835                             |
| <b>SS.2 Total</b> |                                | <b>16,143,760</b>                     |

# Ends Policies and Outcomes

**SS**

## Support Services

### SS.3 Human Resources Services

| <b>Job Number</b> | <b>Project Name</b>            | <b>Proposed<br/>FY 2021-22 Budget</b> |
|-------------------|--------------------------------|---------------------------------------|
| 60281003          | Ethics & EEO Programs          | 578,678                               |
| 60281006          | Reasonable Accommodation       | 112,011                               |
| 60291001          | Recruitment and Examination    | 2,335,361                             |
| 60291002          | Benefits and Wellness Admin    | 1,697,231                             |
| 60291003          | Labor Relations                | 1,002,972                             |
| 60291004          | Talent Development Program     | 2,674,672                             |
| 60291011          | HR Program Admin               | 641,313                               |
| 60291030          | HR Systems Management Program  | 578,218                               |
| 60291032          | Bargaining Unit Representation | 267,274                               |
| 60291040          | Rotation Program               | 600,000                               |
| 60291041          | Internship Program             | 1,253,310                             |
| 95061047          | WUE Technical Training Program | 643,236                               |
| <b>SS.3 Total</b> |                                | <b>12,384,276</b>                     |

# Ends Policies and Outcomes

**SS**

## Support Services

### SS.4 Information Management Services

| <b>Job Number</b> | <b>Project Name</b>                     | <b>Proposed<br/>FY 2021–22 Budget</b> |
|-------------------|---|---------------------------------------|
| 00074040          | Capital Project Mgmt Information System | 1,915,119                             |
| 60311001          | Records & Library Services              | 1,251,619                             |
| 73271001          | Telecommunications Sys Opr/M            | 3,207,913                             |
| 73271002          | Technical Infrastructure Servi          | 565,236                               |
| 73271003          | Network Administration                  | 3,132,706                             |
| 73271004          | Information Security Admin              | 1,167,875                             |
| 73271005          | Office Cmptr Maint/Help Dsk Sup         | 2,508,192                             |
| 73271006          | Info Technology Div Admin               | 877,598                               |
| 73271007          | Emerging IT Technologies                | 104,000                               |
| 73271008          | Software Maint & License                | 3,120,919                             |
| 73271009          | Software Services                       | 6,615,800                             |
| 73274001          | IT Disaster Recovery                    | 206,045                               |
| 73274002          | ERP System Implementation               | 464,280                               |
| 73274004          | Network Equipment                       | 595,401                               |
| 73274006          | Office Computers Replace Equip          | 1,511,287                             |
| 73274008          | Software Upgrades & Enhancemen          | 344,805                               |
| 73274009          | Data Consolidation                      | 75,000                                |
| 95274003          | WU Computer Network Modrnizatr          | 88,731                                |
| 95761003          | SCADA Network Administration            | 254,973                               |
| <b>SS.4 Total</b> |   | <b>28,007,499</b>                     |

# Ends Policies and Outcomes

**SS**

## Support Services

### SS.5 Corporate Business Assets

| Job Number        | Project Name                            | Proposed<br>FY 2021-22 Budget |
|-------------------|---|-------------------------------|
| 00061056          | F8 SCW Sustainable Creek Infrastructure | 639,313                       |
| 00071041          | Welding Services                        | 703,378                       |
| 00074036          | Survey Mgmt & Tech Support              | 2,121,335                     |
| 00811046          | Warehouse Services                      | 2,824,689                     |
| 00811054          | District Real Property Adminis          | 1,461,779                     |
| 10291002          | Rental Expense Stevens Creek            | 390,106                       |
| 26061002          | Rent Exp Clean Safe Ck 7/1/01+          | 144,873                       |
| 30061004          | Rent Exp Guadalupe & Coyote             | 158,356                       |
| 60061018          | General Services Div Admin              | 626,589                       |
| 60101001          | Purchasing Services                     | 2,426,026                     |
| 60101002          | Building and Grounds                    | 10,967,938                    |
| 60101005          | Districtwide Signage                    | 160,630                       |
| 60101008          | District Security Services              | 3,552,260                     |
| 60111006          | Contract Services                       | 2,389,428                     |
| 60204016          | Small Caps, Facility Mgmt               | 4,000,000                     |
| 60204032          | Headquarters Operations Bldg            | 2,000,000                     |
| 60351001          | Business & Customer SupportSvc          | 3,286,893                     |
| 60361002          | Graphics Services                       | 1,074,940                     |
| 70004001          | New Vehicle Equip Acquisitio            | 1,591,000                     |
| 70004002          | Replacement Vehicle & Equip             | 2,170,000                     |
| 70011099          | Class I Equip Oper / Maint              | 829,426                       |
| 70021099          | Class II Equip Oper / Maint             | 992,465                       |
| 70031099          | Class III Equip Oper / Maint            | 347,701                       |
| 70041099          | Class IV Equip Oper / Maint             | 1,067,967                     |
| 70061003          | Vehicle & Equipment Admin&Mgmt          | 1,275,892                     |
| 95061012          | Rental Expense San Pedro,MH             | 33,888                        |
| 95074001          | Capital Warranty Services               | 1,037,558                     |
| <b>SS.5 Total</b> |   | <b>48,274,430</b>             |



# Ends Policies and Outcomes

**SS**

## Support Services

### SS.6 General Management & Administration

| Job Number        | Project Name                          | Proposed<br>FY 2021–22 Budget |
|-------------------|---------------------------------------|-------------------------------|
| 00041039          | Integrated Regional Water Mgmt        | 121,432                       |
| 00061050          | Office of Integrated Wtr Mgmt         | 2,026,266                     |
| 00061051          | Lands Management Program              | 695,851                       |
| 00074033          | CIP Development & Admin               | 1,441,401                     |
| 00074038          | Watersheds Capital Program Svcs Admin | 4,036,648                     |
| 00074041          | Construction Contracts & Support      | 2,563,799                     |
| 26041049          | D5 SCW Watershed Plans                | 100,896                       |
| 26061012          | Safe Clean Water Implementatn         | 879,350                       |
| 60101017          | CADD System Tech Support              | 158,273                       |
| 60131004          | IT & AS Administration                | 1,972,362                     |
| 60221003          | FPMD Administration                   | 507,115                       |
| 62041027          | Integrated Wtr Resrce Mstr Pln        | 2,779,903                     |
| 62061001          | Watersheds Administration             | 8,652,881                     |
| 73271010          | IT Projects & Bus Operations          | 1,536,097                     |
| 95061038          | WUE Administration                    | 11,238,031                    |
| 95074005          | WU Capital Program Admin Support      | 5,227,466                     |
| 95741001          | Water Supply Planning                 | 2,463,046                     |
| <b>SS.6 Total</b> |                                       | <b>46,400,813</b>             |

# Ends Policies and Outcomes

**SS**

## Support Services

### SS.7 Salary Savings

| Job Number        | Project Name                   | Proposed<br>FY 2021-22 Budget |
|-------------------|--------------------------------|-------------------------------|
| 26061004          | Districtwide Salary Savings-26 | (129,536)                     |
| 26064023          | Districtwide Salary Savings    | (168,198)                     |
| 60061023          | Districtwide Salary Savings-11 | (723,346)                     |
| 60064023          | Districtwide Salary Savings    | (608)                         |
| 62061002          | Districtwide Salary Savings-12 | (526,597)                     |
| 62064023          | Districtwide Salary Savings    | (135,199)                     |
| 65061004          | Districtwide Salary Savings-72 | (39,039)                      |
| 70061004          | Districtwide Salary Savings-71 | (27,992)                      |
| 73061004          | Salary Savings-Fund 73         | (139,941)                     |
| 73064004          | Salary Savings-Fund 73         | (7,656)                       |
| 91061007          | Districtwide Salary Savings-61 | (1,024,172)                   |
| 95064011          | Districtwide Salary Savings-61 | (497,490)                     |
| <b>SS.7 Total</b> |                                | <b>(3,419,776)</b>            |
| <b>SS Total</b>   |                                | <b>177,990,422</b>            |

# Ends Policies and Outcomes

| DS | Debt Service      |                                 |                               |
|----|-------------------|---------------------------------|-------------------------------|
|    | DS.1 Debt Service |                                 |                               |
|    | Job Number        | Project Name                    | Proposed<br>FY 2021–22 Budget |
|    | 10993008          | 2017A COP Refunding LP WS       | 2,294,801                     |
|    | 20993007          | 2012A COP Refunding WV WS       | 1,177,130                     |
|    | 20993008          | 2017A COP Refunding WV WS       | 686,399                       |
|    | 26993001          | Commercial Paper Tax Exmpt SCW  | 2,840,130                     |
|    | 26993002          | SCW Rev Bond 2022A (Tax-Exempt) | 4,210,000                     |
|    | 30993007          | 2012A COP Refunding Guad WS     | 2,944,314                     |
|    | 30993008          | 2017A COP Refunding Guad WS     | 793,516                       |
|    | 40993007          | 2012A COP Refunding Coyote WS   | 1,221,556                     |
|    | 40993008          | 2017A COP Refunding Coyote WS   | 2,059,774                     |
|    | 60993009          | 2017A COP Refunding GF          | 476,012                       |
|    | 95993007          | Commercial Paper Tax Exmpt      | 1,859,060                     |
|    | 95993008          | Commercial Paper Taxable        | 1,859,060                     |
|    | 95993012          | 2006B WUE Refunding (Taxable)   | 1,825,418                     |
|    | 95993015          | 2016A WU Ref Rev Bond(TxExmpt)  | 5,360,750                     |
|    | 95993016          | 2016B WU Ref Rev Bond(Taxable)  | 3,249,621                     |
|    | 95993017          | WU COP 2016C (Tax-Exempt)       | 5,028,250                     |
|    | 95993018          | WU COP 2016D (Taxable)          | 5,723,613                     |
|    | 95993019          | WU Rev Bond 2017A (Tax Exempt)  | 4,412,500                     |
|    | 95993022          | WU Rev Bond 2019A (Tax-Exempt)  | 1,037,750                     |
|    | 95993023          | WU Rev Bond 2019B (Taxable)     | 4,523,995                     |
|    | 95993024          | WU Rev Bond 2019C (Taxable)     | 3,041,736                     |
|    | 95993025          | WU Rev Bond 2020A (Tax-Exempt)  | 1,251,000                     |
|    | 95993026          | WU Rev Bond 2020B (Taxable)     | 2,053,285                     |
|    | 95993027          | WU COP 2020C (Tax-Exempt)       | 3,818,250                     |
|    | 95993028          | WU COP 2020D (Taxable)          | 4,755,688                     |
|    | 95993029          | WU Rev Bond 2022A (Tax-Exempt)  | 1,389,214                     |
|    | 95993030          | WU Rev Bond 2022B (Taxable)     | 1,371,871                     |
|    | DS.1 Total        |                                 | 71,264,693                    |
|    | DS Total          |                                 | 71,264,693                    |

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# 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. **10,335,273**

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)<sup>(a)</sup>

2.1.2. Protect, maintain, and develop local surface water. **142,705,498**

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.<sup>(b)</sup>

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).<sup>(b)</sup>

OM 2.1.2.e. 100% of operational capacity restored at Calero Reservoir by December 2019.<sup>(b)</sup>

OM 2.1.2.f. 100% of operational capacity restored at Guadalupe Reservoir by December 2019.<sup>(b)</sup>

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.<sup>(b)</sup>

2.1.3. Protect, maintain, and develop imported water. **102,221,406**

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. **32,942,147**

(a) This Measure reflects the current Safe, Clean Water (SCW) program requirements, which will sunset in at the conclusion of FY21. In November 2020, voters approved Measure S, the SCW program renewal, effective FY22. This Measure will update to reflect the new SCW program requirements in the FY22 Proposed Budget to align with the new Program's performance period.

(b) Adjustment Pending - This Objective or Measure is under review and will be adjusted for the next Fiscal Year to align with the current goals and strategies.

# 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. **11,137,604**

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)<sup>(a)</sup>

2.1.6. Prepare for and respond effectively to water utility emergencies. **30,864,613**

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 330,206,541**

## 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 **41,249,069**

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)<sup>(a)</sup>

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

**E2.2 Subtotal 41,249,069**

## 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. **94,220,850**

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)<sup>(a)</sup>

(a) This Measure reflects the current Safe, Clean Water (SCW) program requirements, which will sunset in at the conclusion of FY21. In November 2020, voters approved Measure S, the SCW program renewal, effective FY22. This Measure will update to reflect the new SCW program requirements in the FY22 Proposed Budget to align with the new Program's performance period.

(b) Adjustment Pending - This Objective or Measure is under review and will be adjusted for the next Fiscal Year to align with the current goals and strategies.

# 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. **1,858,492**

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)<sup>(a)</sup>

**E2.3 Subtotal 96,079,342**

**E2 Budget Total 467,534,952**

## 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. **113,787,610**

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)<sup>(a)</sup>

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)<sup>(a)</sup>

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)<sup>(a)</sup>

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)<sup>(a)</sup>

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)<sup>(a)</sup>

OM 3.1.1.g. With local funding only, provide 100-year flood protection for Reach 7 only (up to W. Dunne Avenue in Morgan Hill) on Upper Llagas Creek by 2017. A limited number of homes and businesses will be protected. (SCW E6)<sup>(a)</sup>

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)<sup>(a)</sup>

(a) This Measure reflects the current Safe, Clean Water (SCW) program requirements, which will sunset in at the conclusion of FY21. In November 2020, voters approved Measure S, the SCW program renewal, effective FY22. This Measure will update to reflect the new SCW program requirements in the FY22 Proposed Budget to align with the new Program's performance period.

(b) Adjustment Pending - This Objective or Measure is under review and will be adjusted for the next Fiscal Year to align with the current goals and strategies.

# 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)<sup>(a)</sup>
- 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)<sup>(a)</sup>
- 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)<sup>(a)</sup>
- 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)<sup>(a)</sup>
- 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)<sup>(a)</sup>
- 3.1.2. Preserve flood conveyance capacity and structural integrity of stream banks, while minimizing impacts on the environment and protecting habitat values. **47,463,483**
- 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)<sup>(a)</sup>
- 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)<sup>(a)</sup>
- OM 3.1.2.h. Provide vegetation management for 6,120 acres along levee and maintenance roads through 2028. (SCW E1)<sup>(a)</sup>
- 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)<sup>(a)</sup>

#### E3.1 Subtotal

**161,251,094**

(a) This Measure reflects the current Safe, Clean Water (SCW) program requirements, which will sunset in at the conclusion of FY21. In November 2020, voters approved Measure S, the SCW program renewal, effective FY22. This Measure will update to reflect the new SCW program requirements in the FY22 Proposed Budget to align with the new Program's performance period.

(b) Adjustment Pending - This Objective or Measure is under review and will be adjusted for the next Fiscal Year to align with the current goals and strategies.



# 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.  | 9,448,797          |
| 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.  | 1,604,194          |
| 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. All county CRS Communities with more than 100 flood policies participate in 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   | 5,982,129          |
| 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) <sup>(a)</sup>             |                    |
| 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) <sup>(a)</sup>   |                    |
| 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) <sup>(a)</sup> |                    |
| <b>E3.2 Subtotal</b>  | <b>17,035,120</b>  |
| <b>E3 Budget Total</b>  | <b>178,286,213</b> |

(a) This Measure reflects the current Safe, Clean Water (SCW) program requirements, which will sunset in at the conclusion of FY21. In November 2020, voters approved Measure S, the SCW program renewal, effective FY22. This Measure will update to reflect the new SCW program requirements in the FY22 Proposed Budget to align with the new Program's performance period.

(b) Adjustment Pending - This Objective or Measure is under review and will be adjusted for the next Fiscal Year to align with the current goals and strategies.

# 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. **31,229,401**

- OM 4.1.1.a. Establish new or track existing ecological levels of service for streams in 5 watersheds by 2028. (SCW D5)<sup>(a)</sup>
- 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)<sup>(a)</sup>
- 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)<sup>(a)</sup>
- 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)<sup>(a)</sup>
- OM 4.1.1.h. Prepare plan for the prioritization of pollution prevention and reduction activities by 2015. (SCW B1)<sup>(a)</sup>
- OM 4.1.1.i. Implement priority pollution prevention and reduction activities identified in the plan in 10 creeks through 2028. (SCW B1)<sup>(a)</sup>
- 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)<sup>(a)</sup>
- 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, Illegal Encampments)<sup>(a)</sup>
- OM 4.1.1.l. Conduct 60 clean-up events (4 per year) through 2028. (SCW B6, Graffiti and Trash)<sup>(a)</sup>
- 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)<sup>(a)</sup>

4.1.2. Improve watersheds, streams, and natural resources. **3,582,350**

- 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)<sup>(a)</sup>
- 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)<sup>(a)</sup>
- 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)<sup>(a)</sup>
- OM 4.1.2.e. Provide funding for revitalization of at least 7 of 21 acres through community partnerships through 2028. (SCW D2)<sup>(a)</sup>
- OM 4.1.2.f. Develop at least 2 plant palettes for use on revegetation projects to support birds and other wildlife by 2017. (SCW D2)<sup>(a)</sup>
- OM 4.1.2.g. Complete planning and design for two creek/lake separations by 2019. (SCW D4)<sup>(a)</sup>

(a) This Measure reflects the current Safe, Clean Water (SCW) program requirements, which will sunset in at the conclusion of FY21. In November 2020, voters approved Measure S, the SCW program renewal, effective FY22. This Measure will update to reflect the new SCW program requirements in the FY22 Proposed Budget to align with the new Program's performance period.

(b) Adjustment Pending - This Objective or Measure is under review and will be adjusted for the next Fiscal Year to align with the current goals and strategies.

# 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.h. Construct one creek/lake separation project in partnership with local agencies by 2019 (SCW D4)<sup>(a)</sup>

OM 4.1.2.i. Use \$6 million for fish passage improvements through 2019. (SCW D4)<sup>(a)</sup>

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)<sup>(a)</sup>

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)<sup>(a)</sup>

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)<sup>(a)</sup>

4.1.3. Promote the protection of creeks, bay, and other aquatic ecosystems from threats of pollution and degradation. **2,501,229**

OM 4.1.3.a. Three instream habitat features protected by 2017.<sup>(b)</sup>

OM 4.1.3.b. Maintain partnership with cities and County to address surface water quality improvements through 2028. (SCW B2)<sup>(a)</sup>

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)<sup>(a)</sup>

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)<sup>(a)</sup>

4.1.4. Engage and educate the community in the protection of water quality and stream stewardship. **5,769,357**

OM 4.1.4.a. 100% of Clean, Safe Creeks stewardship grant agreements are signed, according to schedule.<sup>(a)</sup>

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)<sup>(a)</sup>

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)<sup>(a)</sup>

4.1.5. Prepare and respond to emergencies that threaten local waterways. **216,932**

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)<sup>(a)</sup>

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 habitats. **1,845,384**

**E4.1 Subtotal 45,144,653**

(a) This Measure reflects the current Safe, Clean Water (SCW) program requirements, which will sunset in at the conclusion of FY21. In November 2020, voters approved Measure S, the SCW program renewal, effective FY22. This Measure will update to reflect the new SCW program requirements in the FY22 Proposed Budget to align with the new Program's performance period.

(b) Adjustment Pending - This Objective or Measure is under review and will be adjusted for the next Fiscal Year to align with the current goals and strategies.

# 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.

0\*\*

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)<sup>(a)</sup>

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**

0\*\*

(a) This Measure reflects the current Safe, Clean Water (SCW) program requirements, which will sunset in at the conclusion of FY21. In November 2020, voters approved Measure S, the SCW program renewal, effective FY22. This Measure will update to reflect the new SCW program requirements in the FY22 Proposed Budget to align with the new Program's performance period.

(b) Adjustment Pending - This Objective or Measure is under review and will be adjusted for the next Fiscal Year to align with the current goals and strategies.

\*\* The consolidated SCW grants program is affiliated with more than one Ends Code Goal, including this Goal 4.2; however, the consolidated program is under Goal E4.1 for the 2020 Renewed SCW Program and, therefore, \$0 is reflected under this Goal 4.2

# 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.<sup>(b)</sup> **683,060**

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.<sup>(b)</sup>

**E4.3 Subtotal 683,060**

**E4 Total 45,827,713**

(a) This Measure reflects the current Safe, Clean Water (SCW) program requirements, which will sunset in at the conclusion of FY21. In November 2020, voters approved Measure S, the SCW program renewal, effective FY22. This Measure will update to reflect the new SCW program requirements in the FY22 Proposed Budget to align with the new Program's performance period.

(b) Adjustment Pending - This Objective or Measure is under review and will be adjusted for the next Fiscal Year to align with the current goals and strategies.

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# Ends Outcome Measures

## Performance

Outcome Measures are one way that Board monitors the degree to which the Board policies are met by the Chief Executive Officer. Measures are reported to the Board quarterly consistent with Board policy. These reports and further information on Outcome Measure performance is located at <https://www.valleywater.org/how-we-operate/board-governance-policies/quarterly-performance-reports-board-directors>.

The following statistics reflect the percent of the Outcome Measures met by each Policy Objective. Each Ends Policy Objective is monitored by one or more Outcome Measures; the results of which are reported as a percentage in the following tables. Valley Water strives to meet all measures to achieve 100% performance. Actuals represent fourth quarter results, and the projected represents the second quarter year-to-date status of the current year.

# Ends Outcome Measures

| Ends / Goal / Objective   | FY19<br>Actuals     | FY20<br>Actuals     | FY21<br>Projected   | FY22<br>Target | Organizational<br>Area |
|---|---------------------|---------------------|---------------------|----------------|------------------------|
| <b>E2 Water Supply - There is a reliable, clean water supply for current and future generations.</b>  |                     |                     |                     |                |                        |
| <b>2.1. Current and future water supply for municipalities, industries, agriculture, and the environment is reliable.</b>   |                     |                     |                     |                | <b>Water Utility</b>   |
| 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. | 75%                 | 75%                 | 75%                 | 100%           |                        |
| 2.1.2. Protect, maintain, and develop local surface water.  | 100% <sup>(1)</sup> | 100% <sup>(1)</sup> | 100% <sup>(1)</sup> | 100%           |                        |
| 2.1.3. Protect, maintain, and develop imported water.   | 100%                | 100%                | 100%                | 100%           |                        |
| 2.1.4. Protect, maintain, and develop recycled water.   | 100% <sup>(1)</sup> | 100%                | 100%                | 100%           |                        |
| 2.1.5. Maximize water use efficiency, water conservation, and demand management opportunities.  | 100%                | 100%                | 100%                | 100%           |                        |
| 2.1.6. Prepare for and respond effectively to water utility emergencies.  | 100%                | 100%                | 100%                | 100%           |                        |
| <b>2.2. Raw water transmission and distribution assets are managed to ensure efficiency and reliability.</b>  |                     |                     |                     |                | <b>Water Utility</b>   |
| 2.2.1. Raw water transmission and distribution assets are managed to ensure efficiency and reliability.   | 67% <sup>(1)</sup>  | 100% <sup>(1)</sup> | 100%                | 100%           |                        |
| <b>2.3. Reliable high quality drinking water is delivered.</b>  |                     |                     |                     |                | <b>Water Utility</b>   |
| 2.3.1. Meet or exceed all applicable water quality regulatory standards.  | 67%                 | 100% <sup>(1)</sup> | 100% <sup>(1)</sup> | 100%           |                        |
| 2.3.2. Maintain effective relationships with the retailer and other stakeholders to ensure high quality, reliable drinking water.   | 100%                | 100%                | 100%                | 100%           |                        |

<sup>(1)</sup> The performance reflects an adjusted target. Please reference the Quarterly Outcome Measures Report for further details.



# Ends Outcome Measures

| Ends / Goal / Objective  | FY19<br>Actuals     | FY20<br>Actuals     | FY21<br>Projected   | FY22<br>Target | Organizational<br>Area |
|--|---------------------|---------------------|---------------------|----------------|------------------------|
| <b>E3 Natural Flood Protection - There is a healthy and safe environment for residents, businesses and visitors, as well as for future generations.</b>        |                     |                     |                     |                |                        |
| <b>3.1. Provide natural flood protection for residents, businesses, and visitors.</b>  | <b>Watersheds</b>   |                     |                     |                |                        |
| 3.1.1. Protect parcels from flooding by applying an integrated watershed management approach that balances environmental quality and protection from flooding. | 100% <sup>(1)</sup> | 100% <sup>(1)</sup> | 100% <sup>(1)</sup> | 100%           |                        |
| 3.1.2. Preserve flood conveyance capacity and structural integrity of stream banks, while minimizing impacts on the environment and protecting habitat values. | 78%                 | 100% <sup>(1)</sup> | 100% <sup>(1)</sup> | 100%           |                        |
| <b>3.2. Reduce potential for flood damages.</b>  | <b>Watersheds</b>   |                     |                     |                |                        |
| 3.2.1. Promote the preservation of flood plain functions.  | 75%                 | 100%                | 75%                 | 100%           |                        |
| 3.2.2. Reduce flood risks through public engagement.   | 100%                | 100%                | 100%                | 100%           |                        |
| 3.2.3. Prepare and respond effectively to flood emergencies countywide to protect life and property.   | 100%                | 100%                | 100%                | 100%           |                        |

<sup>(1)</sup> The performance reflects an adjusted target. Please reference the Quarterly Outcome Measures Report for further details.

# Ends Outcome Measures

| Ends / Goal / Objective   | FY19<br>Actuals     | FY20<br>Actuals     | FY21<br>Projected   | FY22<br>Target | Organizational<br>Area                |
|---|---------------------|---------------------|---------------------|----------------|---------------------------------------|
| <b>E4 Water Resources Stewardship - There is water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.</b>  |                     |                     |                     |                |                                       |
| <b>4.1. Protect and restore creek, bay, and other aquatic ecosystems.</b>   |                     |                     |                     |                | <b>Watersheds &amp; Water Utility</b> |
| 4.1.1. Preserve creeks, bay, and ecosystems through environmental stewardship.  | 100%                | 100%                | 92% <sup>(1)</sup>  | 100%           |                                       |
| 4.1.2. Improve watersheds, streams, and natural resources.  | 100% <sup>(1)</sup> | 100% <sup>(1)</sup> | 100% <sup>(1)</sup> | 100%           |                                       |
| 4.1.3. Promote the protection of creeks, bay, and other aquatic ecosystems from threats of pollution and degradation.   | 100%                | 100%                | 100%                | 100%           |                                       |
| 4.1.4. Engage and educate the community in the protection of water quality and stream stewardship.  | 100%                | 100%                | 100%                | 100%           |                                       |
| 4.1.5. Prepare and respond to emergencies that threaten local waterways.  | 100%                | 100%                | 100%                | 100%           |                                       |
| 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 habitats. | 100%                | N/A <sup>(2)</sup>  | N/A <sup>(2)</sup>  | 100%           |                                       |
| <b>4.2. Improved quality of life in Santa Clara County through appropriate public access to trails, open space, and District facilities.</b>  |                     |                     |                     |                | <b>Watersheds</b>                     |
| 4.2.1. Support healthy communities by providing access to additional trails, parks, and open space along creeks and in the watersheds.  | 100%                | 100%                | 100%                | 100%           |                                       |
| 4.2.2. Support healthy communities by providing appropriate public access to District facilities.   | 0%                  | 100%                | 100%                | 100%           |                                       |
| <b>4.3. Strive for zero net greenhouse gas emission or carbon neutrality.</b>   |                     |                     |                     |                | <b>Water Utility</b>                  |
| 4.3.1. Reduce greenhouse gas emissions to achieve carbon neutrality by 2020. <sup>(2)</sup>   | 100%                | 100% <sup>(1)</sup> | 100% <sup>(1)</sup> | 100%           |                                       |

<sup>(1)</sup> The performance reflects an adjusted target. Please reference the Quarterly Outcome Measures Report for further details.

<sup>(2)</sup> The Outcome Measure for this objective was pending board review. Please reference the Quarterly Outcome Measures Report for further details.



# Division Summaries

**FY 2021-22**

**Operating and Capital Budget**

## Division Summaries

**Division Summaries chapter will be published  
in the Adopted Budget.**





# Fund Summaries

**FY 2021-22**

## **Operating and Capital Budget**

# **WATERSHED MANAGEMENT FUNDS**

# Fund Summaries

## Overview

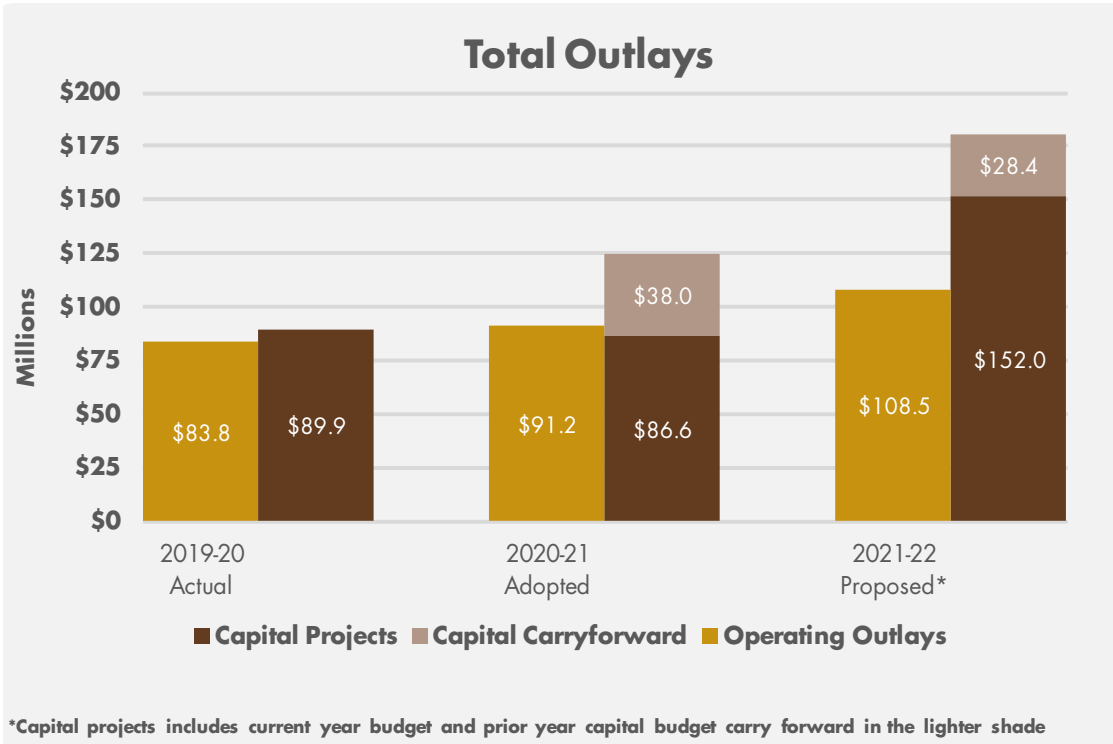
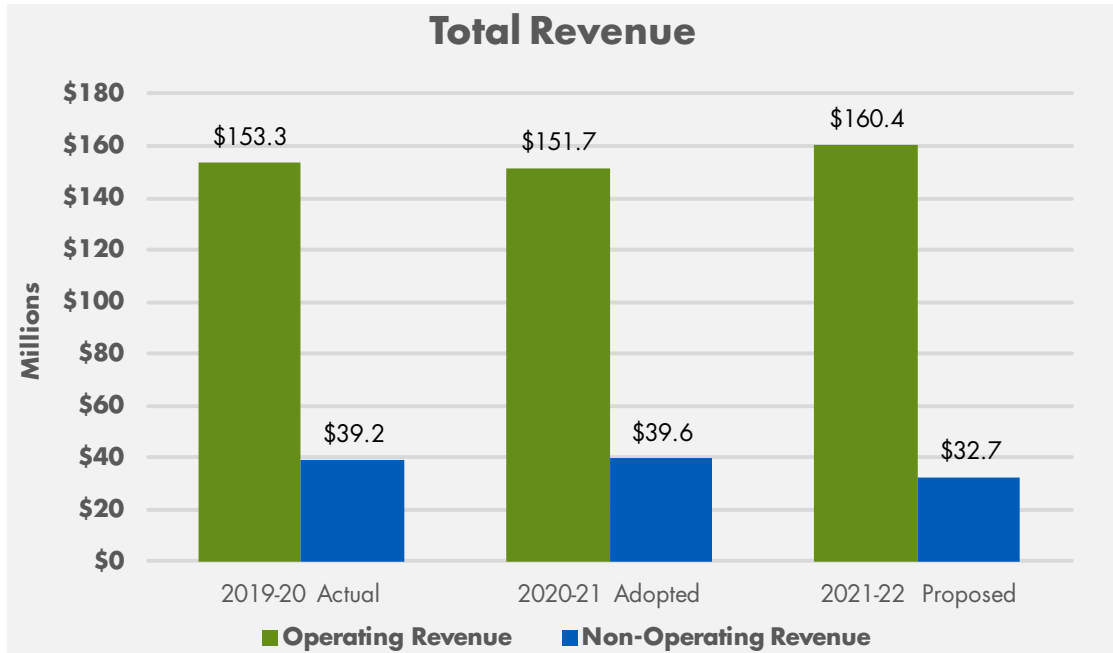
The Board of Directors defines Watershed stewardship as the management of natural resources in a manner that fosters ecosystem health, improved water quality, flood protection and compatible recreational opportunities. The Watersheds Chief Operating Officer leads the implementation of the watershed stewardship 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<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |                 |
|---------------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|-----------------|
|                                       |                                      |                              |                                  |                               | \$ Diff                        | % Diff          |
| <b>REVENUE</b>                        |                                      |                              |                                  |                               |                                |                 |
| <b>Operating Revenue</b>              |                                      |                              |                                  |                               |                                |                 |
| Benefit Assessment                    | \$ 13,440,269                        | \$ 12,369,217                | \$ 12,369,217                    | \$ 13,453,662                 | \$ 1,084,445                   | 8.8%            |
| Property Tax                          | 93,054,481                           | 93,520,000                   | 96,623,384                       | 99,651,159                    | 6,131,159                      | 6.6%            |
| Special Parcel Tax                    | 46,091,377                           | 45,537,000                   | 46,093,772                       | 47,105,387                    | 1,568,387                      | 3.4%            |
| Intergovernmental Services            | 570,508                              | —                            | —                                | —                             | —                              | —               |
| Operating Other                       | 189,095                              | 254,410                      | 194,768                          | 200,611                       | (53,799)                       | (21.1)%         |
| <b>Total Operating Revenue</b>        | <b>\$ 153,345,730</b>                | <b>\$ 151,680,627</b>        | <b>\$ 155,281,141</b>            | <b>\$ 160,410,819</b>         | <b>\$ 8,730,192</b>            | <b>5.8%</b>     |
| <b>Non-Operating Revenue</b>          |                                      |                              |                                  |                               |                                |                 |
| Capital Reimbursements                | \$ 29,481,115                        | \$ 32,250,000                | \$ 33,271,000                    | \$ 28,446,000                 | \$ (3,804,000)                 | (11.8)%         |
| Interest Income *                     | 6,748,541                            | 5,950,000                    | 5,950,000                        | 2,811,000                     | (3,139,000)                    | (52.8)%         |
| Non-Operating Other                   | 2,981,509                            | 1,407,421                    | 1,407,421                        | 1,421,957                     | 14,536                         | 1.0%            |
| <b>Total Non-Operating Revenue</b>    | <b>\$ 39,211,165</b>                 | <b>\$ 39,607,421</b>         | <b>\$ 40,628,421</b>             | <b>\$ 32,678,957</b>          | <b>\$ (6,928,464)</b>          | <b>(17.5)%</b>  |
| <b>TOTAL REVENUE</b>                  | <b>\$ 192,556,895</b>                | <b>\$ 191,288,048</b>        | <b>\$ 195,909,562</b>            | <b>\$ 193,089,776</b>         | <b>\$ 1,801,728</b>            | <b>0.9%</b>     |
| <b>OUTLAYS</b>                        |                                      |                              |                                  |                               |                                |                 |
| <b>Operating Outlays</b>              |                                      |                              |                                  |                               |                                |                 |
| Operations **                         | \$ 61,687,638                        | \$ 73,084,109                | \$ 76,727,392                    | \$ 84,860,974                 | \$ 11,776,865                  | 16.1%           |
| Operating Project                     | 10,465,890                           | 5,240,630                    | 5,282,007                        | 5,438,497                     | 197,867                        | 3.8%            |
| Debt Service                          | 11,650,108                           | 12,911,367                   | 12,911,367                       | 18,227,620                    | 5,316,253                      | 41.2%           |
| <b>Total Operating Outlays</b>        | <b>\$ 83,803,636</b>                 | <b>\$ 91,236,106</b>         | <b>\$ 94,920,766</b>             | <b>\$ 108,527,091</b>         | <b>\$ 17,290,985</b>           | <b>19.0%</b>    |
| <b>Capital Outlays</b>                |                                      |                              |                                  |                               |                                |                 |
| Capital Projects                      | \$ 89,911,096                        | \$ 86,603,149                | \$ 210,921,572                   | \$ 151,981,222                | \$ 65,378,073                  | 75.5%           |
| Carry Forward Capital Projects        | —                                    | 37,987,340                   | —                                | 28,445,928                    | (9,541,412)                    | (25.1)%         |
| <b>Total Capital Outlays</b>          | <b>\$ 89,911,096</b>                 | <b>\$ 124,590,489</b>        | <b>\$ 210,921,572</b>            | <b>\$ 180,427,150</b>         | <b>\$ 55,836,661</b>           | <b>44.8%</b>    |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 173,714,732</b>                | <b>\$ 215,826,595</b>        | <b>\$ 305,842,338</b>            | <b>\$ 288,954,241</b>         | <b>\$ 73,127,646</b>           | <b>33.9%</b>    |
| <b>OTHER FINANCING SOURCES/(USES)</b> |                                      |                              |                                  |                               |                                |                 |
| Debt Proceeds                         | \$ 2,040,476                         | \$ —                         | \$ —                             | \$ 100,000,000                | \$ 100,000,000                 | 100.0%          |
| Transfers In                          | 22,931,251                           | 13,172,427                   | 12,987,427                       | 4,797,716                     | (8,374,711)                    | (63.6)%         |
| Transfers Out                         | (25,239,973)                         | (20,485,263)                 | (20,300,263)                     | (8,522,877)                   | 11,962,386                     | (58.4)%         |
| <b>TOTAL OTHER SOURCES/(USES)</b>     | <b>\$ (268,246)</b>                  | <b>\$ (7,312,836)</b>        | <b>\$ (7,312,836)</b>            | <b>\$ 96,274,839</b>          | <b>\$ 103,587,675</b>          | <b>(1,417)%</b> |
| <b>BALANCE AVAILABLE</b>              | <b>\$ 18,573,917</b>                 | <b>\$ (31,851,383)</b>       | <b>\$ (117,245,612)</b>          | <b>\$ 410,374</b>             | <b>\$ 32,261,757</b>           | <b>(101.3)%</b> |

# Fund Summaries

## Watershed Management Funds Summary (Continued)

|                                       | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |                |
|---------------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|----------------|
|                                       |                                      |                              |                                  |                               | \$ Diff                        | % Diff         |
| <b>YEAR-END RESERVES</b>              |                                      |                              |                                  |                               |                                |                |
| <b>Restricted Reserves</b>            |                                      |                              |                                  |                               |                                |                |
| CP Debt Service                       | \$ 26,107                            | \$ —                         | \$ —                             | \$ —                          | \$ —                           | —              |
| SCW Rate Stabilization Reserve        | —                                    | —                            | —                                | 25,000,000                    | 25,000,000                     | 100.0%         |
| SCW Contingency Reserve               | —                                    | —                            | —                                | 5,000,000                     | 5,000,000                      | 100.0%         |
| SCW Currently Authorized Projects     | 82,078,451                           | 22,477,299                   | 51,918,583                       | 39,599,917                    | 17,122,618                     | 76.2%          |
| SCW Operating and Capital Reserve     | 71,279,858                           | 57,903,219                   | 53,258,394                       | 54,254,365                    | (3,648,854)                    | (6.3)%         |
| <b>Total Restricted Reserves</b>      | <b>\$ 153,384,416</b>                | <b>\$ 80,380,518</b>         | <b>\$ 105,176,977</b>            | <b>\$ 123,854,282</b>         | <b>\$ 43,473,764</b>           | <b>54.1%</b>   |
| <b>Committed Reserves</b>             |                                      |                              |                                  |                               |                                |                |
| Currently Authorized Projects ***     | \$ 62,843,789                        | \$ 12,142,988                | \$ 24,515,424                    | \$ 5,866,617                  | \$ (6,276,371)                 | (51.7)%        |
| Benefit Assessment Reserve            | 1,097,604                            | —                            | —                                | —                             | —                              | —              |
| Operating and Capital Reserve         | 97,687,518                           | 103,370,090                  | 68,075,314                       | 68,457,190                    | (34,912,900)                   | (33.8)%        |
| <b>Total Committed Reserves</b>       | <b>\$ 161,628,911</b>                | <b>\$ 115,513,078</b>        | <b>\$ 92,590,738</b>             | <b>\$ 74,323,807</b>          | <b>\$ (41,189,271)</b>         | <b>(35.7)%</b> |
| <b>TOTAL YEAR-END RESERVES</b>        | <b>\$ 315,013,327</b>                | <b>\$ 195,893,596</b>        | <b>\$ 197,767,715</b>            | <b>\$ 198,178,089</b>         | <b>\$ 2,284,493</b>            | <b>1.2%</b>    |
| <b>Outlay Summary by Account Type</b> |                                      |                              |                                  |                               |                                |                |
| <b>OPERATING OUTLAY</b>               |                                      |                              |                                  |                               |                                |                |
| Salaries and Benefits                 | \$ 28,265,301                        | \$ 33,741,784                | \$ 33,807,960                    | \$ 39,562,243                 | \$ 5,820,459                   | 17.3%          |
| Salary Savings Factor                 | —                                    | (877,692)                    | (877,692)                        | (656,133)                     | 221,559                        | (25.2)%        |
| Services & Supplies                   | 27,620,108                           | 24,775,720                   | 28,356,626                       | 26,426,968                    | 1,651,248                      | 6.7%           |
| Intra-District Charges                | 16,268,119                           | 20,684,927                   | 20,722,506                       | 24,966,394                    | 4,281,467                      | 20.7%          |
| <b>OPERATING OUTLAY TOTAL</b>         | <b>\$ 72,153,528</b>                 | <b>\$ 78,324,739</b>         | <b>\$ 82,009,400</b>             | <b>\$ 90,299,472</b>          | <b>\$ 11,974,733</b>           | <b>15.3%</b>   |
| <b>DEBT SERVICE</b>                   |                                      |                              |                                  |                               |                                |                |
| Services & Supplies                   | \$ 351,205                           | \$ 722,456                   | \$ 722,456                       | \$ 1,508,223                  | \$ 785,767                     | 108.8%         |
| Debt Service                          | 11,298,902                           | 12,188,911                   | 12,188,911                       | 16,719,397                    | 4,530,486                      | 37.2%          |
| <b>DEBT SERVICE TOTAL</b>             | <b>\$ 11,650,107</b>                 | <b>\$ 12,911,367</b>         | <b>\$ 12,911,367</b>             | <b>\$ 18,227,620</b>          | <b>\$ 5,316,253</b>            | <b>41.2%</b>   |
| <b>CAPITAL PROJECTS</b>               |                                      |                              |                                  |                               |                                |                |
| Salaries and Benefits                 | \$ 17,954,374                        | \$ 21,095,881                | \$ 21,051,292                    | \$ 18,104,449                 | \$ (2,991,432)                 | (14.2)%        |
| Salary Savings Factor                 | —                                    | (565,272)                    | (565,272)                        | (303,397)                     | 261,875                        | (46.3)%        |
| Services & Supplies                   | 62,629,570                           | 54,247,196                   | 178,635,802                      | 123,672,265                   | 69,425,069                     | 128.0%         |
| Carry Forward Capital Projects        | —                                    | 37,987,340                   | —                                | 28,445,928                    | (9,541,412)                    | (25.1)%        |
| Intra-District Charges                | 9,327,152                            | 11,825,344                   | 11,799,749                       | 10,507,906                    | (1,317,438)                    | (11.1)%        |
| <b>CAPITAL PROJECTS TOTAL</b>         | <b>\$ 89,911,096</b>                 | <b>\$ 124,590,489</b>        | <b>\$ 210,921,571</b>            | <b>\$ 180,427,151</b>         | <b>\$ 55,836,662</b>           | <b>44.8%</b>   |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 173,714,731</b>                | <b>\$ 215,826,595</b>        | <b>\$ 305,842,338</b>            | <b>\$ 288,954,243</b>         | <b>\$ 73,127,648</b>           | <b>33.9%</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 Utility Enterprise Fund
- Benefit assessments
- Capital reimbursements
- 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; 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-2.5 (SMP-2.5) 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 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 workload quantities in this fund summary are subject to change.

The FY 2021-22 Budget includes twelve (12.0) positions that are partially funded from the Watershed and Stream Stewardship Fund. Six (6.0) of these positions are necessary to meet the commitment of the 2020 Renewed Safe, Clean Water Program (SCW) to manage at least 300 acres of existing riparian planting projects throughout the five watersheds, meet two new key performance indicators to manage invasive plant removals countywide, and strengthen the reliability and sustainability of flood protection infrastructure. The remaining six (6.0) positions are needed to support capital projects investment so that our infrastructure is resilient for years to come.

Programs and projects are designed to fulfill each goal. Following each goal statement is a list of projects that are included in the FY 2021-22 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:*

- Palo Alto Flood Basin Structure Improvements
- 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:*

- Guadalupe River Flood Protection, Tasman Drive to I-880
- Upper Penitencia Creek, Coyote Creek to Dorel Drive

*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 190 miles of creeks
- Inspect approximately 100 miles of levees
- 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**

Implement Climate Change Action Plan including greenhouse gas reduction strategies and climate change adaptation strategies.

## **Fiscal Status**

Property tax revenue is projected at \$99.7 million, a 6.6% or \$6.1 million increase from the FY 2020-21 Adopted Budget.

Capital Reimbursement of \$20.9 million is budgeted as follows:

- \$11.2 million Measure AA grant for San Francisco Bay Shoreline
- \$9.7 million State Subvention funds for San Francisco Bay Shoreline

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

Interest earnings are projected at \$1.25 million, a 51.0% or \$1.3 million decrease from the FY 2020-21 Adopted Budget due to current and projected financial market conditions.

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

Operating Transfers out of \$6.2 million from the Watershed and Stream Stewardship Fund is budgeted as follows:

- \$2.5 million to the Safe Clean Water Fund for Upper Penitencia Creek
- \$1.6 million to the General Fund for Drought Induced Tree Removal

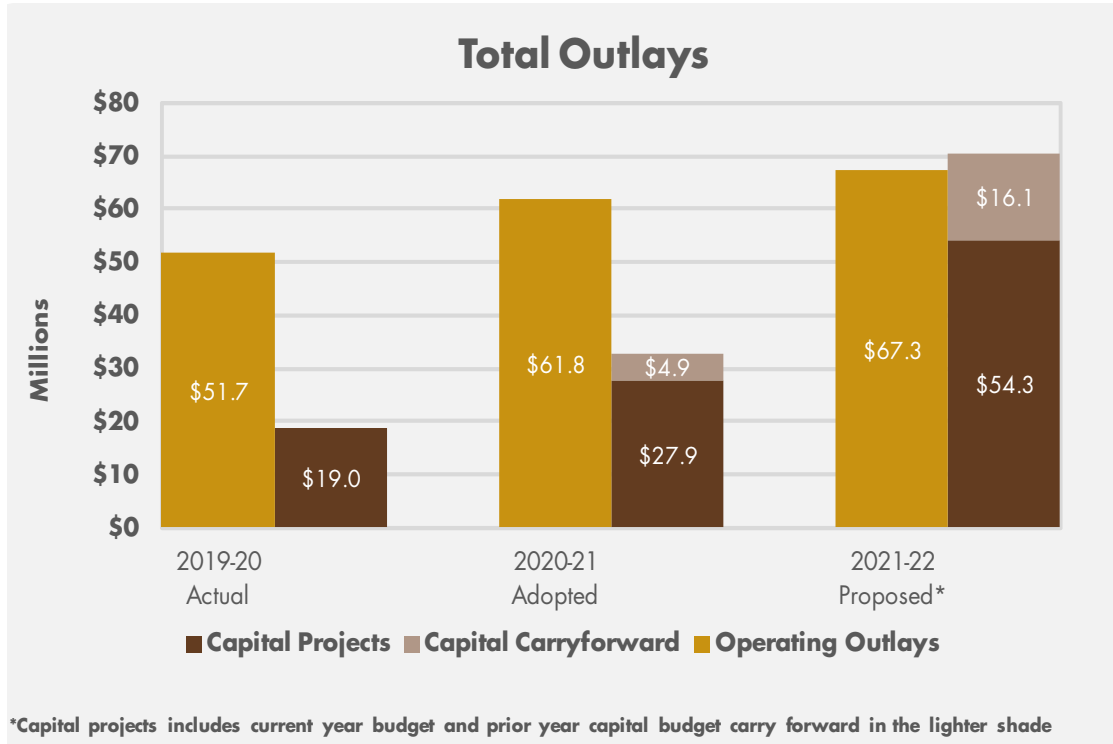
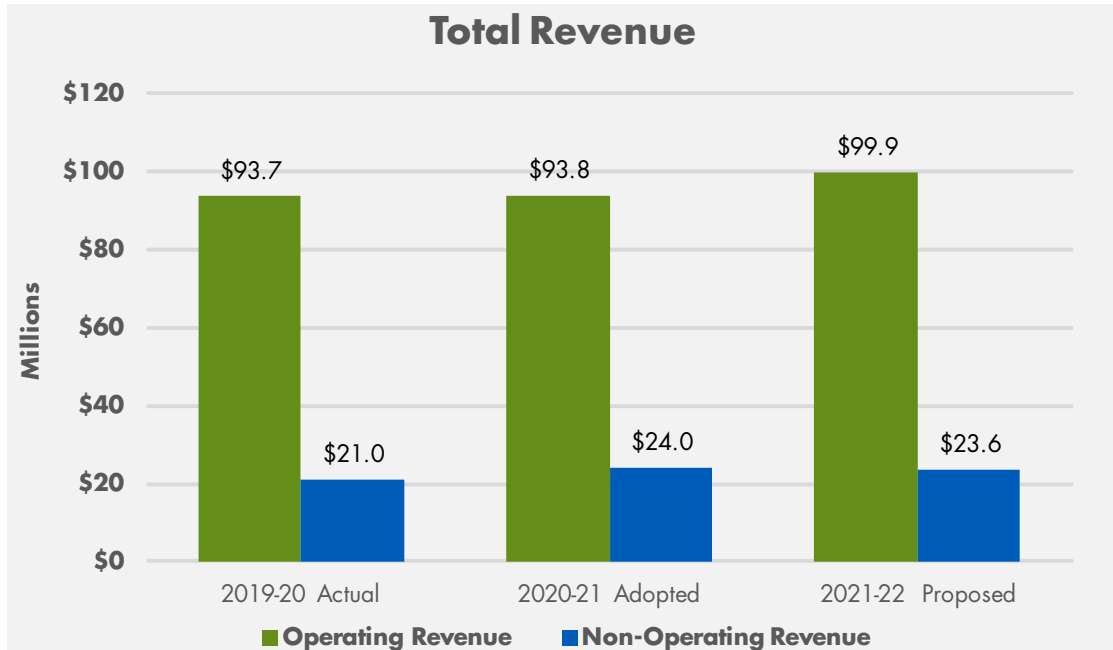
- \$1.3 million to Information Technology Fund for IT capital projects costs
- \$0.8 million for the Headquarters Operations Building

## **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 over the 10 year forecast.
- Stream Maintenance Program-2 (SMP-2) is scheduled to sunset in December of 2023. Development and environmental evaluation of the SMP-3 has begun and will continue in FY 2021-22. 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.

# Fund Summaries

## Watershed and Stream Stewardship Fund



# Fund Summaries

## Watershed and Stream Stewardship Fund Summary

|                                       | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |                 |
|---------------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|-----------------|
|                                       |                                      |                              |                                  |                               | \$ Diff                        | % Diff          |
| <b>REVENUE</b>                        |                                      |                              |                                  |                               |                                |                 |
| <b>Operating Revenue</b>              |                                      |                              |                                  |                               |                                |                 |
| Property Tax                          | \$ 93,054,481                        | \$ 93,520,000                | \$ 96,623,384                    | \$ 99,651,159                 | \$ 6,131,159                   | 6.6%            |
| Intergovernmental Services            | 503,078                              | —                            | —                                | —                             | —                              | —               |
| Operating Other                       | 189,095                              | 254,410                      | 194,768                          | 200,611                       | (53,799)                       | (21.1)%         |
| <b>Total Operating Revenue</b>        | <b>\$ 93,746,654</b>                 | <b>\$ 93,774,410</b>         | <b>\$ 96,818,152</b>             | <b>\$ 99,851,770</b>          | <b>\$ 6,077,360</b>            | <b>6.5%</b>     |
| <b>Non-Operating Revenue</b>          |                                      |                              |                                  |                               |                                |                 |
| Capital Reimbursements                | \$ 15,230,851                        | \$ 20,072,000                | \$ 18,794,000                    | \$ 20,886,000                 | \$ 814,000                     | 4.1%            |
| Interest Income *                     | 3,131,163                            | 2,550,000                    | 2,550,000                        | 1,250,000                     | (1,300,000)                    | (51.0)%         |
| Nonoperating Other                    | 2,622,530                            | 1,407,421                    | 1,407,421                        | 1,421,957                     | 14,536                         | 1.0%            |
| <b>Total Non-Operating Revenue</b>    | <b>\$ 20,984,544</b>                 | <b>\$ 24,029,421</b>         | <b>\$ 22,751,421</b>             | <b>\$ 23,557,957</b>          | <b>\$ (471,464)</b>            | <b>(2.0)%</b>   |
| <b>TOTAL REVENUE</b>                  | <b>\$ 114,731,198</b>                | <b>\$ 117,803,831</b>        | <b>\$ 119,569,573</b>            | <b>\$ 123,409,727</b>         | <b>\$ 5,605,896</b>            | <b>4.8%</b>     |
| <b>OUTLAYS</b>                        |                                      |                              |                                  |                               |                                |                 |
| <b>Operating Outlays</b>              |                                      |                              |                                  |                               |                                |                 |
| Operations **                         | \$ 50,235,032                        | \$ 59,007,811                | \$ 59,235,189                    | \$ 64,368,580                 | \$ 5,360,769                   | 9.1%            |
| Operating Project                     | 1,440,501                            | 2,768,507                    | 2,768,507                        | 2,887,301                     | 118,794                        | 4.3%            |
| <b>Total Operating Outlays</b>        | <b>\$ 51,675,533</b>                 | <b>\$ 61,776,318</b>         | <b>\$ 62,003,696</b>             | <b>\$ 67,255,881</b>          | <b>\$ 5,479,563</b>            | <b>8.9%</b>     |
| <b>Capital Outlays</b>                |                                      |                              |                                  |                               |                                |                 |
| Capital Projects                      | \$ 18,993,922                        | \$ 27,860,688                | \$ 110,914,135                   | \$ 54,322,981                 | \$ 26,462,293                  | 95.0%           |
| Carry Forward Capital Projects        | —                                    | 4,897,984                    | —                                | 16,127,263                    | 11,229,279                     | 229.3%          |
| <b>Total Capital Outlays</b>          | <b>\$ 18,993,922</b>                 | <b>\$ 32,758,672</b>         | <b>\$ 110,914,135</b>            | <b>\$ 70,450,244</b>          | <b>\$ 37,691,572</b>           | <b>115.1%</b>   |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 70,669,455</b>                 | <b>\$ 94,534,990</b>         | <b>\$ 172,917,831</b>            | <b>\$ 137,706,125</b>         | <b>\$ 43,171,135</b>           | <b>45.7%</b>    |
| <b>OTHER FINANCING SOURCES/(USES)</b> |                                      |                              |                                  |                               |                                |                 |
| Debt Proceeds                         | \$ 1,559,006                         | \$ —                         | \$ —                             | \$ —                          | \$ —                           | —               |
| Transfers In                          | 2,545,451                            | 2,305,174                    | 2,305,174                        | 2,276,172                     | (29,002)                       | (1.3)%          |
| Transfers Out                         | (22,787,306)                         | (18,180,089)                 | (17,995,089)                     | (6,246,705)                   | 11,933,384                     | (65.6)%         |
| <b>TOTAL OTHER SOURCES/(USES)</b>     | <b>\$ (18,682,849)</b>               | <b>\$ (15,874,915)</b>       | <b>\$ (15,689,915)</b>           | <b>\$ (3,970,533)</b>         | <b>\$ 11,904,382</b>           | <b>(75.0)%</b>  |
| <b>BALANCE AVAILABLE</b>              | <b>\$ 25,378,894</b>                 | <b>\$ 7,393,926</b>          | <b>\$ (69,038,173)</b>           | <b>\$ (18,266,931)</b>        | <b>\$ (25,660,857)</b>         | <b>(347.1)%</b> |
| <b>YEAR-END RESERVES</b>              |                                      |                              |                                  |                               |                                |                 |
| <b>Committed Reserves</b>             |                                      |                              |                                  |                               |                                |                 |
| Currently Authorized Projects ***     | \$ 62,843,789                        | \$ 12,142,988                | \$ 24,515,424                    | \$ 5,866,617                  | \$ (6,276,371)                 | (51.7)%         |
| Benefit Assessment Reserve            | 1,097,604                            | —                            | —                                | —                             | —                              | —               |
| Operating and Capital Reserve         | 97,687,518                           | 103,370,090                  | 68,075,314                       | 68,457,190                    | (34,912,900)                   | (33.8)%         |
| <b>Total Committed Reserves</b>       | <b>\$ 161,628,911</b>                | <b>\$ 115,513,078</b>        | <b>\$ 92,590,738</b>             | <b>\$ 74,323,807</b>          | <b>\$ (41,189,271)</b>         | <b>(35.7)%</b>  |
| <b>TOTAL YEAR-END RESERVES</b>        | <b>\$ 161,628,911</b>                | <b>\$ 115,513,078</b>        | <b>\$ 92,590,738</b>             | <b>\$ 74,323,807</b>          | <b>\$ (41,189,271)</b>         | <b>(35.7)%</b>  |

# Fund Summaries

## Watershed and Stream Stewardship Fund Summary (Continued)

|                                       | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |               |
|---------------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|---------------|
|                                       |                                      |                              |                                  |                               | \$ Diff                        | % Diff        |
| <b>Outlay Summary by Account Type</b> |                                      |                              |                                  |                               |                                |               |
| <b>OPERATING OUTLAY</b>               |                                      |                              |                                  |                               |                                |               |
| Salaries and Benefits                 | \$ 23,288,618                        | \$ 28,424,012                | \$ 28,463,900                    | \$ 31,779,939                 | \$ 3,355,927                   | 11.8%         |
| Salary Savings Factor                 | —                                    | (739,094)                    | (739,094)                        | (526,597)                     | 212,497                        | (28.8)%       |
| Services & Supplies                   | 15,079,594                           | 16,870,140                   | 17,035,140                       | 16,100,160                    | (769,980)                      | (4.6)%        |
| Intra-District Charges                | 13,307,321                           | 17,221,259                   | 17,243,749                       | 19,902,380                    | 2,681,121                      | 15.6%         |
| <b>OPERATING OUTLAY TOTAL</b>         | <b>\$ 51,675,533</b>                 | <b>\$ 61,776,317</b>         | <b>\$ 62,003,695</b>             | <b>\$ 67,255,882</b>          | <b>\$ 5,479,565</b>            | <b>8.9%</b>   |
| <b>CAPITAL PROJECTS</b>               |                                      |                              |                                  |                               |                                |               |
| Salaries and Benefits                 | \$ 7,549,057                         | \$ 9,702,005                 | \$ 9,695,312                     | \$ 8,094,223                  | \$ (1,607,782)                 | (16.6)%       |
| Salary Savings Factor                 | —                                    | (259,219)                    | (259,219)                        | (135,199)                     | 124,020                        | (47.8)%       |
| Services & Supplies                   | 7,513,819                            | 12,962,129                   | 96,026,045                       | 41,631,444                    | 28,669,315                     | 221.2%        |
| Carry Forward Capital Projects        | —                                    | 4,897,984                    | —                                | 16,127,263                    | 11,229,279                     | 229.3%        |
| Intra-District Charges                | 3,931,046                            | 5,455,773                    | 5,451,997                        | 4,732,514                     | (723,259)                      | (13.3)%       |
| <b>CAPITAL PROJECTS TOTAL</b>         | <b>\$ 18,993,922</b>                 | <b>\$ 32,758,672</b>         | <b>\$ 110,914,135</b>            | <b>\$ 70,450,245</b>          | <b>\$ 37,691,573</b>           | <b>115.1%</b> |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 70,669,455</b>                 | <b>\$ 94,534,989</b>         | <b>\$ 172,917,830</b>            | <b>\$ 137,706,127</b>         | <b>\$ 43,171,138</b>           | <b>45.7%</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

## Total Outlays - Watershed and Stream Stewardship Fund

| Project #         | Project Description            | Budgetary Basis Actual 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022 *** | Project Managed By                                  |
|-------------------|--------------------------------|----------------------------------|--------------------------|---------------------------|--|---|
| <b>Operations</b> |                                |                                  |                          |                           |  |   |
| 10291002          | Rental Expense Stevens Creek   | 294,669                          | 370,349                  | 390,106                   |  | Watershed Design & Construction Division            |
| 30061004          | Rent Exp Guadalupe & Coyote    | 243,866                          | 116,986                  | 158,356                   |  | Watershed Design & Construction Division            |
| 30151026          | Guad Rvr Mitgtn Monitoring Prg | 947,721                          | 607,295                  | 485,906                   |  | Watershed Stewardship & Planning Division           |
| 62001090          | Unscoped Projects-Budget Only  | 4,100                            | 100,000                  | 150,000                   |  | Office of Integrated Water Management               |
| 62011002          | Watershed Asset Protection Sup | 3,895,988                        | 4,593,001                | 5,099,156                 |  | Watershed Design & Construction Division            |
| 62021003          | CPRU Tech Support              | 159,620                          | 78,980                   | 183,319                   |  | Watershed Design & Construction Division            |
| ** 62021004       | Vegetation Mgmt Tech Support   | 494                              |                          |                           |  | Watershed Operations & Maintenance Division         |
| * 62021008        | Energy Management              | 4,886                            | 9,415                    | 8,056                     |  | Treated Water Division                              |
| 62021009          | Watershds O&M Eng&Insp Support | 997,679                          | 1,386,668                | 1,562,218                 |  | Watershed Operations & Maintenance Division         |
| * 62031001        | Watershed Revenue              | 19,478                           | 53,216                   | 48,536                    |  | Financial Planning and Management Services Division |
| * 62031002        | Grants Management              | 367,972                          | 529,834                  | 575,874                   |  | Financial Planning and Management Services Division |
| * 62041022        | Stream Maint Prog Mgmt         | 3,482,433                        | 5,066,473                | 4,763,142                 |  | Watershed Operations & Maintenance Division         |
| 62041023          | Community Rating System (CRS)  | 383,173                          | 463,004                  | 529,808                   |  | Office of Chief of External Affairs                 |
| 62041027          | Integrated Wtr Resrce Mstr Pln | 412,515                          | 1,593,857                | 2,779,903                 |  | Watershed Stewardship & Planning Division           |
| * 62041039        | Integrated Regional Water Mgmt | 29,023                           | 19,382                   | 30,358                    |  | Water Supply Division                               |
| 62041043          | Environmental Srvcs Tech Suppt | 222,484                          | 506,667                  | 674,287                   |  | Watershed Stewardship & Planning Division           |
| * 62041047        | Ecolgcal Data Collectn & Analy | 178,424                          | 256,364                  | 387,567                   |  | Watershed Stewardship & Planning Division           |
| 62061001          | Watersheds Administration      | 8,107,902                        | 9,741,096                | 8,652,881                 |  | Office of COO Watersheds                            |
| 62061002          | Districtwide Salary Savings-12 |                                  | (739,094)                | (526,597)                 |  | Financial Planning and Management Services Division |
| 62061005          | WS Customer Relations&Outreach | 519,969                          | 1,041,056                | 1,074,386                 |  | Office of Chief of External Affairs                 |
| 62061008          | Hydrology&Hydraulics Tech Supp | 929,435                          | 1,458,172                | 1,164,139                 |  | Watershed Stewardship & Planning Division           |
| * 62061019        | Supp Volunteer Cleanup Effort  | 57,153                           | 168,184                  | 147,590                   |  | Office of Chief of External Affairs                 |

\*Recipient projects

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# Fund Summaries

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

| Project # | Project Description                              | Budgetary Basis Actual 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022*** | Project Managed By                          |
|-----------|--|----------------------------------|--------------------------|---------------------------|---|---|
| **        | 62061028 WS Training & Development               | 19,856                           |                          |                           |   | Office of COO Watersheds                    |
|           | 62061029 Field Operations Support                | 502,171                          | 606,882                  | 668,179                   |   | Watershed Operations & Maintenance Division |
| *         | 62061045 Asset Management Program                | 805,604                          | 1,092,333                | 952,569                   |   | Office of Integrated Water Management       |
| *         | 62061048 Climate Change Adaptation/Mtg.          | 92,278                           | 94,374                   | 140,139                   |   | Watershed Stewardship & Planning Division   |
|           | 62061049 Safe Clean Water Renewal                | 958,819                          | 45,000                   |                           |   | Office of the CEO                           |
| *         | 62061050 Office of Integrated Wtr Mgmt           |                                  |                          | 1,013,133                 |   | Office of Integrated Water Management       |
| *         | 62061051 Lands Management Program                |                                  |                          | 229,631                   |   | Office of Integrated Water Management       |
| *         | 62061056 F8 SCW Sustainable Creek Infrastructure |                                  |                          | 319,657                   |   | Office of Integrated Water Management       |
| *         | 62071041 Welding Services                        | 68,299                           | 85,182                   | 91,439                    |   | General Services Division                   |
|           | 62181005 SMP Mitigation Site Mgmt                | 341,798                          | 606,690                  | 655,752                   |   | Watershed Stewardship & Planning Division   |
|           | 62181006 Instream Habitat Complexity             | 482,957                          | 259,169                  | 200,987                   |   | Watershed Operations & Maintenance Division |
| *         | 62741042 Water Resorcs EnvPlng & Permtg          | 79,678                           | 201,141                  | 172,934                   |   | Watershed Operations & Maintenance Division |
|           | 62761006 Invasive Plant Management Prog          | 2,208,472                        | 2,183,976                | 2,348,446                 |   | Watershed Operations & Maintenance Division |
|           | 62761008 Sandbag Program                         | 487,297                          | 614,903                  | 645,448                   |   | Watershed Operations & Maintenance Division |
|           | 62761009 Pond A4 Operations                      | 73,172                           | 157,561                  | 91,908                    |   | Watershed Operations & Maintenance Division |
| *         | 62761022 Watershed Good Neighbor Maint           | 1,089,905                        | 1,056,879                | 922,872                   |   | Watershed Operations & Maintenance Division |
| *         | 62761023 Watershed Sediment Removal              | 5,110,211                        | 5,199,706                | 5,268,801                 |   | Watershed Operations & Maintenance Division |
|           | 62761024 Wtrshd Facility Cndtion Assmnt          | 1,761,180                        | 2,196,428                | 2,299,196                 |   | Watershed Operations & Maintenance Division |
|           | 62761025 Watershed General Field Maint           | 1,659,416                        | 1,841,289                | 2,734,974                 |   | Watershed Operations & Maintenance Division |
|           | 62761026 Watershed Debris Removal                | 1,562,862                        | 1,221,724                | 1,545,689                 |   | Watershed Operations & Maintenance Division |
|           | 62761027 Watershed Erosion Protection            | 2,334,382                        | 2,877,748                | 2,921,008                 |   | Watershed Operations & Maintenance Division |
|           | 62761028 Watershed Levee Maintenance             | 697,345                          | 924,117                  | 826,865                   |   | Watershed Operations & Maintenance Division |

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# Fund Summaries

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

| Project #                      | Project Description            | Budgetary Basis Actual 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022*** | Project Managed By                          |
|--------------------------------|--------------------------------|----------------------------------|--------------------------|---------------------------|---|---|
| * 62761071                     | Emergency Management           | 787,519                          | 1,162,880                | 1,335,275                 |   | Office of COO IT and Admin Services         |
| ** 62761074                    | Corps Local Sponsor O&M        | 269,565                          |                          |                           |   | Watershed Operations & Maintenance Division |
| * 62761075                     | Mgmt of Revegetation Projects  | 651,566                          | 651,609                  | 1,396,849                 |   | Watershed Operations & Maintenance Division |
| * 62761078                     | Vegetation Mangmnt for Access  | 3,051,303                        | 3,296,410                | 3,765,164                 |   | Watershed Operations & Maintenance Division |
| 62761080                       | Non SMP Veg Removal for Convey | 12,775                           | 256,381                  | 326,233                   |   | Watershed Operations & Maintenance Division |
| * 62771011                     | Inter Agency Urban Runoff Prog | 1,013,085                        | 1,218,444                | 1,175,578                 |   | Watershed Stewardship & Planning Division   |
| * 62771031                     | HAZMAT Emergency Response      | 75,416                           | 94,678                   | 97,619                    |   | Office of COO IT and Admin Services         |
| * 62811043                     | Hydrologic Data Msrmt & Mgmt   | 928,331                          | 1,019,096                | 1,086,508                 |   | Watershed Stewardship & Planning Division   |
| * 62811046                     | Warehouse Services             | 943,902                          | 1,215,771                | 1,327,604                 |   | General Services Division                   |
| * 62811049                     | X Valley Subsidence Survey     | 338,000                          | 422,575                  | 445,887                   |   | Watershed Design & Construction Division    |
| * 62811054                     | District Real Property Adminis | 568,884                          | 983,958                  | 1,023,246                 |   | Watershed Design & Construction Division    |
| <b>Total Operations</b>        |                                | <b>50,235,032</b>                | <b>59,007,811</b>        | <b>64,368,580</b>         |   |   |
| <b>Operating Project</b>       |                                |                                  |                          |                           |   |   |
| 40212032                       | Coyote Creek Mitgtn Monitoring | 142,196                          | 258,937                  | 227,852                   |   | Watershed Stewardship & Planning Division   |
| 62042032                       | Multiple Sm Prjcts Mitgtn Mont | 200,245                          | 711,620                  | 706,036                   |   | Watershed Stewardship & Planning Division   |
| 62042047                       | Mitigation & Stwdshp Land Mgmt | 81,083                           | 215,999                  | 205,513                   |   | Watershed Stewardship & Planning Division   |
| 62042050                       | Watershd Maint Guideline Updte | 334,204                          | 546,946                  | 754,066                   |   | Watershed Operations & Maintenance Division |
| 62042051                       | Plant Pathogen Management      | 101,977                          | 376,113                  | 330,146                   |   | Watershed Stewardship & Planning Division   |
| ** 62062003                    | El Nino Flood Emrgncy Response | 3,906                            |                          |                           |   | Office of COO Watersheds                    |
| * 62762011                     | Tree Maintenance Program       | 576,889                          | 658,893                  | 663,688                   |   | Watershed Operations & Maintenance Division |
| <b>Total Operating Project</b> |                                | <b>1,440,501</b>                 | <b>2,768,507</b>         | <b>2,887,301</b>          |   |   |

### Capital

\*Recipient projects

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# Fund Summaries

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

| Project #   | Project Description                     | Budgetary Basis Actual 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022*** | Project Managed By                                  |
|-------------|---|----------------------------------|--------------------------|---------------------------|---|---|
| 10394001    | PA Flood Basin Tide Gate Replc          | 898,635                          | 83,408                   | 3,061,308                 | 552,265                                     | Watershed Design & Construction Division            |
| 20194005    | San Tomas Ck, Quito Rd Bridges          |                                  |                          | 330,000                   |   | Watershed Design & Construction Division            |
| 20444001    | Salt Ponds A5-11 Restoration            | 668,778                          | 170,502                  | 584,979                   | 221   | Watershed Stewardship & Planning Division           |
| 30114002    | Canoas Crk, Rodent Damage Repr          | 37,025                           |                          |                           |   | Watershed Design & Construction Division            |
| 30154015    | Guadalupe Rv-DT, Coleman-SClra          | 1,900                            |                          |                           |   | Watershed Design & Construction Division            |
| 30154019    | Guadalupe R Tasman Dr-I880              | 789,917                          | 1,837,500                | 2,669,034                 | 583   | Watershed Design & Construction Division            |
| 40174004    | L. Berryessa Ck, L.Penit-Calav          | 28,844                           |                          |                           | 104,500                                     | Watershed Design & Construction Division            |
| 40174005    | Berryessa Crk, Lwr. Pen Phs 2           | 1,893,283                        | 42,308                   | 12,287,895                | 555   | Watershed Design & Construction Division            |
| 40264008    | Lwr Silver-R4-6 N Babb-Cunni            | 463,743                          | 166,648                  | 25,866                    | 26,384                                      | Watershed Design & Construction Division            |
| 40264011    | Cunningham Fld Detention Cert           | 760,271                          | 3,735                    | 30,478                    | 872   | Watershed Design & Construction Division            |
| 40264012    | Low Silver 680-Cunningham Reim          | 31,867                           |                          |                           |   | Watershed Design & Construction Division            |
| ** 40324005 | U Penitencia, Coyt-Dorel LERRD          | 4,411                            |                          |                           |   | Watershed Stewardship & Planning Division           |
| 40334005    | Lwr Penitencia Crk Improvemnts          | 847,644                          | 7,744,565                | 231,094                   | 7,501,406                                   | Watershed Design & Construction Division            |
| 50284010    | Lower Llagas Capacity Restore           |                                  |                          |                           | 129,580                                     | Watershed Design & Construction Division            |
| 62044001    | Watershed Habitat Enhancemnt            | 733,876                          | 532,403                  |                           |   | Watershed Stewardship & Planning Division           |
| * 62044026  | San Francisco Bay Shoreline             | 6,358,459                        | 11,143,080               | 21,632,403                | 2,421                                       | Watershed Design & Construction Division            |
| 62064023    | Districtwide Salary Savings             |                                  | (259,219)                | (135,199)                 |   | Financial Planning and Management Services Division |
| * 62074033  | CIP Development & Admin                 | 241,208                          | 336,783                  | 216,210                   |   | Office of Integrated Water Management               |
| * 62074036  | Survey Mgmt & Tech Support              | 112,736                          | 215,131                  | 318,200                   |   | Watershed Design & Construction Division            |
| * 62074038  | Watersheds Capital Program Svcs Admin   | 1,978,982                        | 1,923,501                | 1,009,162                 |   | Watershed Design & Construction Division            |
| * 62074040  | Capital Project Mgmt Information System |                                  |                          | 766,048                   |   | Office of Integrated Water Management               |

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# Fund Summaries

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

| Project #            | Project Description              | Budgetary<br>Basis<br>Actual<br>2019-2020 | Adopted<br>Budget<br>2020-2021 | Proposed<br>Budget<br>2021-2022 | Estimated<br>Carry Forward<br>Budget<br>2021-2022*** | Project Managed By                        |
|----------------------|----------------------------------|---|--------------------------------|---------------------------------|--|---|
| * 62074041           | Construction Contracts & Support |   | 388,945                        | 384,570                         |  | General Services Division                 |
| 62084001             | Watersheds Asset Rehabilitatio   | 2,625,699                                 | 3,531,397                      | 10,910,934                      | 7,808,476  | Watershed Design & Construction Division  |
| 62184001             | SMP Mit-Stream Wtrshd Land Acq   | 516,644                                   |                                |                                 |  | Watershed Stewardship & Planning Division |
| <b>Total Capital</b> |                                  | <b>18,993,922</b>                         | <b>27,860,688</b>              | <b>54,322,981</b>               | <b>16,127,263</b>                                    |   |
| <b>Total</b>         |                                  | <b>70,669,455</b>                         | <b>89,637,006</b>              | <b>121,578,862</b>              | <b>16,127,263</b>                                    |   |

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## Safe, Clean Water and Natural Flood Protection Fund

### Description

The Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) Fund accounts for the program that Santa Clara County voters approved in November 2020 to address six (6) community priorities and replaces the 2012 Safe, Clean Water Program. The renewed Safe, Clean Water (SCW) Program is funded by a combination of revenues from the continuation of an annual special parcel tax; carryover of the reserves from unspent funds of the 2012 Safe, Clean Water Program; state and federal funding; and interest earnings. It includes a debt financing component that will help fund capital projects earlier in the program rather than later. A Rate Stabilization Reserve will be created to offset timing differences between expenses and collection of the SCW parcel tax. Additionally, a Contingency Reserve will also be established to ensure that Valley Water delivers on the commitments made in the November 2020 ballot. The renewed SCW Program funds will be used to fulfill the following community priorities identified in the renewed SCW 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 and Dams from Earthquakes and Other Natural Disasters
- Priority D: Restore Wildlife Habitat and Provide Open Space
- Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets and Highways
- Priority F: Support Public Health and Public Safety for Our Community

The Safe, Clean Water Program supplements other available, but limited, resources to provide stream stewardship activities and flood protection improvements. It 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 Pacheco Reservoir Expansion, Water Conservation Rebates and Programs, and the Anderson Dam Seismic Retrofit projects, which would otherwise need to be fully paid by water utility rate payers.

The FY 2021-22 Budget includes funding for two (2.0) positions, one (1.0) fellow, and partial funding for nine (9.0) positions from the Safe Clean Water (SCW) fund. The two (2.0) positions that are fully funded by the SCW Fund and six (6.0) positions that are partially funded from this fund are necessary to meet commitments of the 2020 Renewed SCW Program to manage at least 300 acres of existing riparian planting projects throughout the five watersheds, meet two new key performance indicators to manage invasive plant removals countywide, address the extensive maintenance needed to ensure design flow capacity, and to strengthen the reliability and sustainability of flood protection infrastructure. The fellow (1.0) is needed to support the Independent Monitoring Committee's (IMC's) enhanced role in the 2020 Renewed SCW Program to ensure transparency, accountability, and fiscal responsibility. Finally, three (3.0) remaining positions that are partially funded by this fund are needed to support capital project investment so that our infrastructure is resilient for years to come.

Following each goal statement is a list of projects that are included in the FY 2021-22 Budget.

### Outcomes

#### **Goal 3.1: Provide 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;

# Fund Summaries

and preserve flood conveyance capacity and structural integrity of stream banks, while minimizing impacts on the environment and protecting habitat values.

Goal 3.1 is delivered through the renewed Safe, Clean Water Program's flood protection projects under Priority E.

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

In addition to the SCW flood protection projects under Priority E, Goal 3.1 is delivered through other Clean, Safe Creeks Plan flood protection projects that were continued under the 2012 SCW Program.

## *Major Capital Projects starting construction:*

- Sunnyvale East and Sunnyvale West Channels Flood Protection Project (Project E2)

## *Major Capital Projects continuing construction:*

- Upper Llagas Creek, Buena Vista Road to Wright Avenue (Project E6)

## *Major Capital Projects closing out construction:*

- San Francisquito Creek, San Francisco Bay to HWY 101 – closing-out construction in FY24 (Project E5)
- Permanente Creek, San Francisco Bay to Foothill Expressway and Rancho San Antonio Park Flood Detention Basin (2012 Safe, Clean Water cont.)

## *Major Capital Projects in planning and design:*

- Coyote Creek, Montague Expressway to Tully Road – design (Project E1)
- Upper Penitencia Creek, Coyote Creek to Dorel Drive – design (Project E4)
- San Francisco Bay Shoreline Economic Impact Areas (EIAs) 1-4 and 5-9 – planning (Project E7)

Goal 3.1 is also in part delivered through the following projects under the renewed Safe, Clean Water Program's Priority F.

## *F1: Vegetation Control and Sediment Removal for Capacity*

This project supports Valley Water's ongoing vegetation control and sediment removal activities that reduce risk by maintaining design conveyance capacity of flood protection projects. It entails:

- Maintaining completed flood protection projects for flow conveyance.

## *F8: Sustainable Creek Infrastructure for Continued Public Safety*

Ensure that existing flood protection infrastructure continues to function sustainably and provide the level of service originally intended, as climate and other conditions evolve. It entails:

- Planning, designing, and constructing projects identified through watersheds asset management plans.

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

Reduce flood risks through public engagement.

Goal 3.2 is delivered through the renewed Safe, Clean Water Program's projects under Priority F.

## *F2: Emergency Response Planning and Preparedness*

This project enables Valley Water to work with local municipalities to clearly delineate and communicate roles and responsibilities for floodplain management and flood emergency management. It includes:

- Coordinating with local municipalities to merge Valley Water-endorsed flood emergency processes with their own emergency response plans and processes.
- Completing and testing flood management plans/procedures to ensure effectiveness.
- Training Valley Water staff and partner municipalities annually on disaster procedures.



# Fund Summaries

## *F3: Flood Risk Assessment Studies*

This project enables Valley Water to update custom software models of local creeks for most current and accurate understanding of potential flood risks and then develop options for managing those risks. It includes:

- Updating floodplain maps to provide more current and accurate mapping of areas at risk of floods.
- Conducting engineering studies on creek reaches to address 1% (100 year) flood risk.

## *F4: Vegetation Management for Access and Fire Safety*

This project reduces fire risk and ensure access for creek maintenance by managing vegetation. It entails:

- Providing vegetation management for access and fire risk reduction on an average of 495 acres per year along levee, property lines and maintenance roads.

## *F7: Emergency Response Upgrades*

This project supports ongoing development and maintenance of a robust flood forecasting system. The system facilitates the efficient dissemination of information to emergency responders and the public. It includes:

- Improving the accuracy of flood forecasting services with the use of stream gauges and hydrological, hydraulic, and geotechnical studies.
- Implementing risk reduction strategies consistent with FEMA's Community Rating System as appropriate.
- Enhancing inter-agency response to storm-related emergencies.

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

Preserve creeks, bay, and ecosystems through environmental stewardship; improve watersheds, streams, and natural resources; promote the protection of creeks, bay, and other aquatic ecosystems from threats of pollution and degradation; engage and educate the community in the protection of water quality and stream stewardship; prepare and respond to emergencies that threaten local waterways; and to

the extent within practicable control of Valley Water, adopt a strategy to restore the salmonid fishery on identified salmonid streams by creating suitable accessible spawning and rearing habitats.

Goal 4.1 is delivered through the renewed Safe, Clean Water Program's projects under Priorities B, D and F.

## *B1: Impaired Water Bodies Improvement:*

This project reduces pollutants in streams, reservoirs, and groundwater of Santa Clara County by supporting surface water quality pollution prevention activities. It includes:

- Investigating, developing, and implementing actions to reduce methylmercury in fish and other organisms in the Guadalupe River Watershed.
- Preparing and updating a plan for the prioritization of surface water quality improvement activities, such as addressing trash and other pollutants.
- Implementing priority surface water quality improvement activities.

## *B2: Interagency Urban Runoff Program*

This project maintains Valley Water compliance with regulatory requirements for stormwater quality and support green stormwater infrastructure. It includes:

- Addressing trash in creeks by maintaining trash capture devices or other litter control programs.
- Maintaining Valley Water's municipal stormwater compliance program and partner with cities to address surface water quality improvements.
- Supporting stormwater quality improvement activity, including the implementation of green stormwater infrastructure consistent with Santa Clara Basin and South County Stormwater Resource Plans.

## *B3: Hazardous Materials Management and Response*

This project protects streams, groundwater, and reservoirs from hazardous material releases. It entails:

- Responding to 100% of hazardous materials reports requiring urgent on-site inspection in two (2) hours or less.



# Fund Summaries

## *B4: Support Volunteer Cleanup Efforts*

This project supports volunteer cleanup activities and creekwise education. It entails:

- Funding Valley Water's creek stewardship program to support volunteer cleanup activities such as annual National River Cleanup Day, California Coastal Cleanup Day, the Great American Litter Pick Up; and the Adopt-A-Creek Program.

## *D1: Management of Riparian Planting and Invasive Plant Removal*

This project supports the management and maintenance of existing riparian planting projects and invasive plant removal projects throughout the five (5) watersheds and targeted control of damaging non-native invasive plant species. It includes:

- Maintaining a minimum of 300 acres of riparian planting projects annually to meet regulatory requirements and conditions.
- Maintaining a minimum of 200 acres of invasive plant management projects annually to meet regulatory requirements and conditions.
- Removing 25 acres of *Arundo donax* throughout the county over a 15- year period.

## *D2: Revitalize Riparian, Upland and Wetland Habitat*

This project improves habitat for rare, threatened, or endangered species or vegetation, and creates a more contiguous corridor for wildlife, including pollinators. It includes:

- Revitalizing through native plant revegetation and/or removal of invasive exotic species.
- Developing an Early Detection and Rapid Response Program Manual.
- Identifying and treating occurrences of emergent invasive species.

## *D3: Sediment Reuse to Support Shoreline Restoration*

This project reuses local sediment removed through Valley Water's stream maintenance activities and capital projects to create and restore tidal marsh habitat. It entails:

- Maintaining partnership agreements to reuse sediment to improve the success of salt pond and tidal marsh restoration projects and activities.
- Providing funding to support activities necessary for sediment reuse.

## *D4: Fish Habitat and Passage Improvement*

This project helps restore and maintain healthy fish populations, especially steelhead, by improving fish passage and habitat. It includes:

- Planning and design for one (1) creek/lake separation.
- Working towards construct one (1) creek/lake separation project in partnership with local agencies.
- Providing funding for fish passage improvements.
- Updating study of major steelhead streams in the county to identify priority locations for fish migration barrier removal and installation of large woody debris and gravel as appropriate.
- Undertaking habitat enhancement projects based on studies that identify high priority locations for large wood, boulders, gravel and/or other habitat enhancement features.

## *D5: Ecological Data Collection and Analysis*

This project is to track stream ecosystem conditions, helping Valley Water and other county agencies and organizations make informed watershed, asset management and natural resource decisions. It entails:

- Reassessing and tracking stream ecological conditions and habitats in each of the county's watersheds.
- Providing funding towards the development and updates of watershed plans.
- Improves natural resource, watershed, and asset management decisions
- Provides a systematic, scientific guide for decisions and actions to improve stream conditions
- Provides reliable data on countywide stream conditions and basis for measuring the success of past mitigation and environmental stewardship project projects
- Facilitates a watershed approach to resource management, permitting and restoration planning

# Fund Summaries

## *D6: Restoration of Natural Creek Functions*

This project is to restore and improve the natural functions and stability of stream channels by designing and constructing projects based on local hydrologic and geomorphic data. It includes the following major capital projects:

- Bolsa Road Fish Passage Improvements – starting construction (Project D6.2)
- Hale Creek Enhancement Pilot Study – design (Project D6.1)

## *D7: Partnerships for the Conservation of Habitat Lands*

This project is to acquire, restore and protect important habitat land to preserve local ecosystems through multi-agency agreements that pool mitigation or conservation dollars. It entails providing funding for the acquisition or enhancement of property for the conservation of habitat lands.

## *F5: Good Neighbor Program: Encampment Cleanup*

This project supports Valley Water’s coordination with local organizations to clean up encampments near waterways to improve water quality, safety, and aesthetics, and cooperate with local social services and nonprofit groups to help provide alternatives to homelessness. It includes:

- Performing 300 annual cleanups to reduce the amount of trash and pollutants entering the streams.
- Providing up to \$500,000 per year in cost-share with other agencies for services related to encampment cleanups, including services supporting staff safety, discouraging re-encampments along waterways, or addressing the homelessness crisis with the goal of reducing the need for encampment cleanups.

## *F6: Good Neighbor Program: Graffiti and Litter Removal and Public Art*

This project allows Valley Water to maintain the aesthetic condition of Valley Water assets by removing trash from creeks, repairing/installing fencing and removing graffiti. It also funds installation and maintenance of public art projects, such as murals, to beautify Valley Water property and infrastructure, to

help deter graffiti and litter. It entails:

- Cleaning up identified trash and graffiti hotspots at approximately 80 sites four (4) times per year.
- Responding to requests on litter or graffiti cleanup within five (5) working days.
- Providing funding to implement public art projects on Valley Water property and infrastructure.

## *F9: Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship*

This project provides grants and partnerships for agencies, organizations and individuals for pollution prevention, creek cleanups, education, wildlife habitat restoration and other activities. It includes:

- Providing grants and partnerships for projects related to safe, clean drinking water, flood protection and environmental stewardship.
- Providing mini grants for projects related to safe, clean drinking water, flood protection and environmental stewardship.

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

Improved quality of life in Santa Clara County through appropriate public access to trails, open space, and Valley Water facilities.

Goal 4.2 is delivered through the renewed Safe, Clean Water Program’s grant projects under Priority F.

## *F9: Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship*

This project provides grants and partnerships for agencies, organizations and individuals for projects that access to trails and open space.

## **Fiscal Status**

The Safe, Clean Water Program special parcel tax is budgeted at \$47.1 million, which is an increase of 3.4%, or \$1.6 million from the FY 2020-21 Adopted Budget. This special tax is based on the land use and parcel size rather than assessed property value, and the Valley Water Board of Directors may adjust it

# Fund Summaries

annually to account for inflation (using the San Francisco-Oakland-San Jose Consumer Price Index for all Urban Consumers, with a minimum of 2%). Consequently, the annual rates of change are different than for the other property taxes in the Watershed and Stream Stewardship (WSS) Fund.

Capital Reimbursements of \$7.5 million is budgeted as follows:

- \$6.7 million State Subvention funds for Llagas Creek – Upper, Buena Vista to Wright
- \$0.8 million State Subvention funds for Berryessa Creek, Calaveras Blvd. to I-680.

Interest earnings are projected at \$1.6 million reflecting a 54.1% decrease from the FY 2020-21 Adopted Budget due to current and projected financial market conditions.

Operating Transfers In of \$2.5 million is budgeted as follows:

- \$2.5 million from the Watershed and Stream Stewardship Fund (Fund 12) for Upper Penitencia Creek

\$100 million in Debt Proceeds is also planned for FY 2021-22 to fund capital outlays.

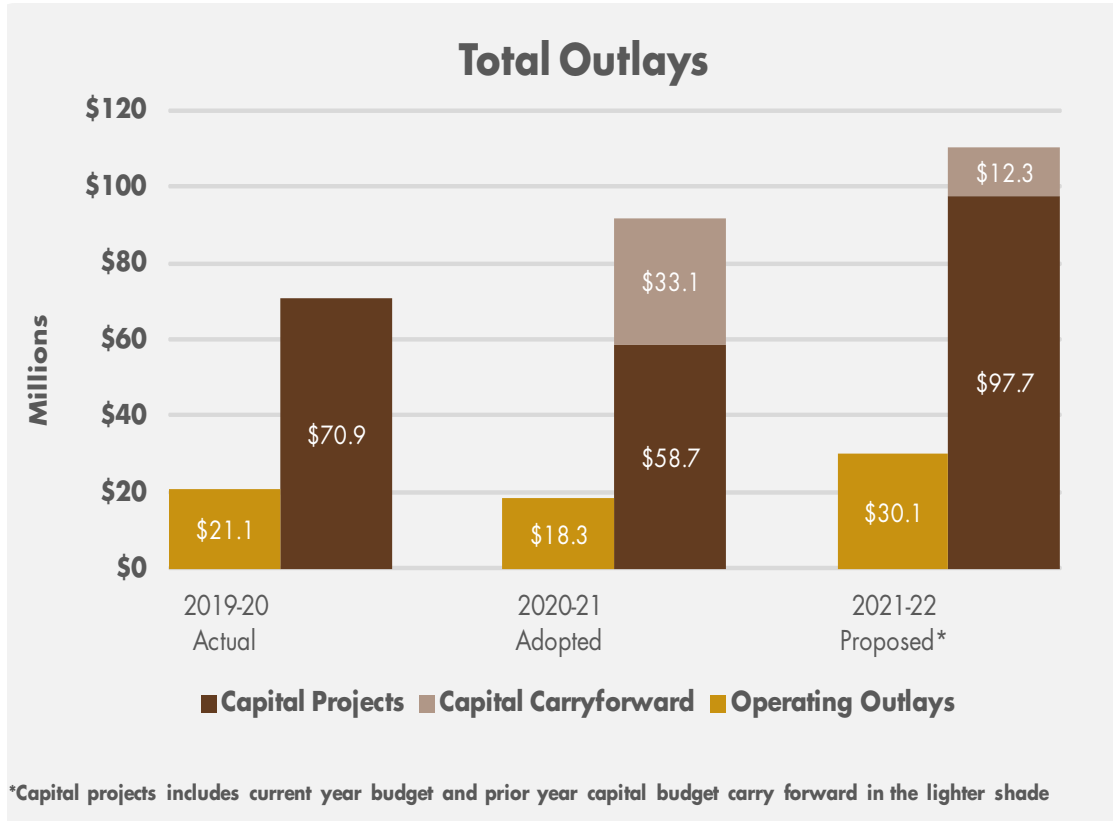
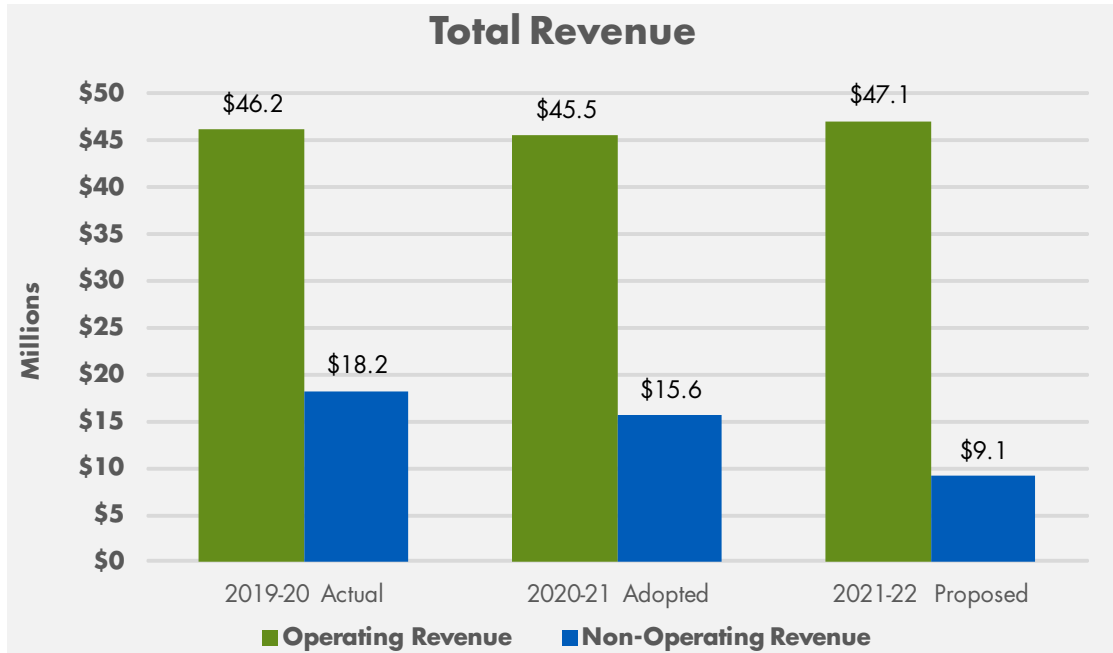
## Budget Issues

*Safe, Clean Water Program Priority E flood protection projects:*

- Staff continues to work aggressively with the U.S. Army Corps of Engineers (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 as planned with local funding.

# Fund Summaries

## Safe, Clean Water and Natural Flood Protection Fund



# Fund Summaries

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

|                                       | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |                 |
|---------------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|-----------------|
|                                       |                                      |                              |                                  |                               | \$ Diff                        | % Diff          |
| <b>REVENUE</b>                        |                                      |                              |                                  |                               |                                |                 |
| <b>Operating Revenue</b>              |                                      |                              |                                  |                               |                                |                 |
| Special Parcel Tax                    | \$ 46,091,377                        | \$ 45,537,000                | \$ 46,093,772                    | \$ 47,105,387                 | \$ 1,568,387                   | 3.4%            |
| Intergovernmental Services            | 67,430                               | —                            | —                                | —                             | —                              | —               |
| <b>Total Operating Revenue</b>        | <b>\$ 46,158,807</b>                 | <b>\$ 45,537,000</b>         | <b>\$ 46,093,772</b>             | <b>\$ 47,105,387</b>          | <b>\$ 1,568,387</b>            | <b>3.4%</b>     |
| <b>Non-Operating Revenue</b>          |                                      |                              |                                  |                               |                                |                 |
| Capital Reimbursements                | \$ 14,250,264                        | \$ 12,178,000                | \$ 14,477,000                    | \$ 7,560,000                  | \$ (4,618,000)                 | (37.9)%         |
| Interest Income *                     | 3,617,379                            | 3,400,000                    | 3,400,000                        | 1,561,000                     | (1,839,000)                    | (54.1)%         |
| Nonoperating Other                    | 358,979                              | —                            | —                                | —                             | —                              | —               |
| <b>Total Non-Operating Revenue</b>    | <b>\$ 18,226,622</b>                 | <b>\$ 15,578,000</b>         | <b>\$ 17,877,000</b>             | <b>\$ 9,121,000</b>           | <b>\$ (6,457,000)</b>          | <b>(41.4)%</b>  |
| <b>TOTAL REVENUE</b>                  | <b>\$ 64,385,429</b>                 | <b>\$ 61,115,000</b>         | <b>\$ 63,970,772</b>             | <b>\$ 56,226,387</b>          | <b>\$ (4,888,613)</b>          | <b>(8.0)%</b>   |
| <b>OUTLAYS</b>                        |                                      |                              |                                  |                               |                                |                 |
| <b>Operating Outlays</b>              |                                      |                              |                                  |                               |                                |                 |
| Operations **                         | \$ 11,452,605                        | \$ 14,076,298                | \$ 17,492,204                    | \$ 20,492,394                 | \$ 6,416,096                   | 45.6%           |
| Operating Project                     | 9,025,389                            | 2,472,123                    | 2,513,500                        | 2,551,196                     | 79,073                         | 3.2%            |
| Debt Service                          | 662,507                              | 1,749,720                    | 1,749,720                        | 7,050,130                     | 5,300,410                      | 302.9%          |
| <b>Total Operating Outlays</b>        | <b>\$ 21,140,501</b>                 | <b>\$ 18,298,141</b>         | <b>\$ 21,755,424</b>             | <b>\$ 30,093,720</b>          | <b>\$ 11,795,579</b>           | <b>64.5%</b>    |
| <b>Capital Outlays</b>                |                                      |                              |                                  |                               |                                |                 |
| Capital Projects                      | \$ 70,917,174                        | \$ 58,742,461                | \$ 100,007,436                   | \$ 97,658,241                 | \$ 38,915,780                  | 66.2%           |
| Carry Forward Capital Projects        | —                                    | 33,089,356                   | —                                | 12,318,665                    | (20,770,691)                   | (62.8)%         |
| <b>Total Capital Outlays</b>          | <b>\$ 70,917,174</b>                 | <b>\$ 91,831,817</b>         | <b>\$ 100,007,436</b>            | <b>\$ 109,976,906</b>         | <b>\$ 18,145,089</b>           | <b>19.8%</b>    |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 92,057,675</b>                 | <b>\$ 110,129,958</b>        | <b>\$ 121,762,860</b>            | <b>\$ 140,070,626</b>         | <b>\$ 29,940,668</b>           | <b>27.2%</b>    |
| <b>OTHER FINANCING SOURCES/(USES)</b> |                                      |                              |                                  |                               |                                |                 |
| Debt Proceeds                         | \$ 481,470                           | \$ —                         | \$ —                             | \$ 100,000,000                | \$ 100,000,000                 | 100.0%          |
| Transfers In                          | 20,385,800                           | 9,769,649                    | 9,584,649                        | 2,521,544                     | (7,248,105)                    | (74.2)%         |
| <b>TOTAL OTHER SOURCES/(USES)</b>     | <b>\$ 20,867,270</b>                 | <b>\$ 9,769,649</b>          | <b>\$ 9,584,649</b>              | <b>\$ 102,521,544</b>         | <b>\$ 92,751,895</b>           | <b>949.4%</b>   |
| <b>BALANCE AVAILABLE</b>              | <b>\$ (6,804,976)</b>                | <b>\$ (39,245,309)</b>       | <b>\$ (48,207,439)</b>           | <b>\$ 18,677,305</b>          | <b>\$ 57,922,614</b>           | <b>(147.6)%</b> |
| <b>YEAR-END RESERVES</b>              |                                      |                              |                                  |                               |                                |                 |
| <b>Restricted Reserves</b>            |                                      |                              |                                  |                               |                                |                 |
| CP Debt Service                       | \$ 26,107                            | \$ —                         | \$ —                             | \$ —                          | \$ —                           | —               |
| SCW Rate Stabilization Reserve        | —                                    | —                            | —                                | 25,000,000                    | 25,000,000                     | 100.0%          |
| SCW Contingency Reserve               | —                                    | —                            | —                                | 5,000,000                     | 5,000,000                      | 100.0%          |
| SCW Currently Authorized Projects     | 82,078,451                           | 22,477,299                   | 51,918,583                       | 39,599,917                    | 17,122,618                     | 76.2%           |
| SCW Operating and Capital Reserve     | 71,279,858                           | 57,903,219                   | 53,258,394                       | 54,254,365                    | (3,648,854)                    | (6.3)%          |
| <b>Total Restricted Reserves</b>      | <b>\$ 153,384,416</b>                | <b>\$ 80,380,518</b>         | <b>\$ 105,176,977</b>            | <b>\$ 123,854,282</b>         | <b>\$ 43,473,764</b>           | <b>54.1%</b>    |
| <b>TOTAL YEAR-END RESERVES</b>        | <b>\$ 153,384,416</b>                | <b>\$ 80,380,518</b>         | <b>\$ 105,176,977</b>            | <b>\$ 123,854,282</b>         | <b>\$ 43,473,764</b>           | <b>54.1%</b>    |

# Fund Summaries

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

|                                       | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |               |
|---------------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|---------------|
|                                       |                                      |                              |                                  |                               | \$ Diff                        | % Diff        |
| <b>Outlay Summary by Account Type</b> |                                      |                              |                                  |                               |                                |               |
| <b>OPERATING OUTLAY</b>               |                                      |                              |                                  |                               |                                |               |
| Salaries and Benefits                 | \$ 4,976,683                         | \$ 5,317,772                 | \$ 5,344,060                     | \$ 7,782,305                  | \$ 2,464,533                   | 46.3%         |
| Salary Savings Factor                 | —                                    | (138,599)                    | (138,599)                        | (129,536)                     | 9,063                          | (6.5)%        |
| Services & Supplies                   | 12,540,514                           | 7,905,580                    | 11,321,486                       | 10,326,808                    | 2,421,228                      | 30.6%         |
| Intra-District Charges                | 2,960,798                            | 3,463,668                    | 3,478,757                        | 5,064,014                     | 1,600,346                      | 46.2%         |
| <b>OPERATING OUTLAY TOTAL</b>         | <b>\$ 20,477,995</b>                 | <b>\$ 16,548,421</b>         | <b>\$ 20,005,704</b>             | <b>\$ 23,043,591</b>          | <b>\$ 6,495,170</b>            | <b>39.2%</b>  |
| <b>DEBT SERVICE</b>                   |                                      |                              |                                  |                               |                                |               |
| Services & Supplies                   | \$ 343,893                           | \$ 654,720                   | \$ 654,720                       | \$ 1,421,130                  | \$ 766,410                     | 117.1%        |
| Debt Service                          | 318,613                              | 1,095,000                    | 1,095,000                        | 5,629,000                     | 4,534,000                      | 414.1%        |
| <b>DEBT SERVICE TOTAL</b>             | <b>\$ 662,506</b>                    | <b>\$ 1,749,720</b>          | <b>\$ 1,749,720</b>              | <b>\$ 7,050,130</b>           | <b>\$ 5,300,410</b>            | <b>302.9%</b> |
| <b>CAPITAL PROJECTS</b>               |                                      |                              |                                  |                               |                                |               |
| Salaries and Benefits                 | \$ 10,405,317                        | \$ 11,393,876                | \$ 11,355,980                    | \$ 10,010,226                 | \$ (1,383,650)                 | (12.1)%       |
| Salary Savings Factor                 | —                                    | (306,053)                    | (306,053)                        | (168,198)                     | 137,855                        | (45.0)%       |
| Services & Supplies                   | 55,115,751                           | 41,285,067                   | 82,609,757                       | 82,040,821                    | 40,755,754                     | 98.7%         |
| Carry Forward Capital Projects        | —                                    | 33,089,356                   | —                                | 12,318,665                    | (20,770,691)                   | (62.8)%       |
| Intra-District Charges                | 5,396,105                            | 6,369,571                    | 6,347,752                        | 5,775,392                     | (594,179)                      | (9.3)%        |
| <b>CAPITAL PROJECTS TOTAL</b>         | <b>\$ 70,917,173</b>                 | <b>\$ 91,831,817</b>         | <b>\$ 100,007,436</b>            | <b>\$ 109,976,906</b>         | <b>\$ 18,145,089</b>           | <b>19.8%</b>  |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 92,057,674</b>                 | <b>\$ 110,129,958</b>        | <b>\$ 121,762,860</b>            | <b>\$ 140,070,627</b>         | <b>\$ 29,940,669</b>           | <b>27.2%</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 - Safe, Clean Water & Natural Flood Protection Fund

| Project #         | Project Description                       | Budgetary Basis Actual 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022 *** | Project Managed By                                  |
|-------------------|---|----------------------------------|--------------------------|---------------------------|--|---|
| <b>Operations</b> |   |                                  |                          |                           |  |   |
| 26001090          | Unscoped Projects-Budget Only             |                                  | 100,000                  | 100,000                   |  | Office of Integrated Water Management               |
| * 26031001        | Watershed Revenue                         | 45,449                           | 124,170                  | 113,250                   |  | Financial Planning and Management Services Division |
| 26041023          | Emergency Response Upgrades               | 293,719                          | 354,234                  | 511,398                   |  | Watershed Stewardship & Planning Division           |
| 26041024          | Flood Risk Reduction Studies              | 995,564                          | 1,183,502                | 1,270,495                 |  | Watershed Stewardship & Planning Division           |
| * 26041047        | Ecological Data Collectn & Analy          | 362,255                          | 520,496                  | 786,879                   |  | Watershed Stewardship & Planning Division           |
| 26041049          | D5 SCW Watershed Plans                    |                                  |                          | 100,896                   |  | Watershed Stewardship & Planning Division           |
| 26061002          | Rent Exp Clean Safe Ck 7/1/01+            | 107,260                          | 243,559                  | 144,873                   |  | Watershed Design & Construction Division            |
| 26061004          | Districtwide Salary Savings-26            |                                  | (138,599)                | (129,536)                 |  | Financial Planning and Management Services Division |
| 26061005          | Flood Emrgncy Rspnse Planning             | 158,225                          | 236,125                  | 217,633                   |  | Office of COO IT and Admin Services                 |
| ** 26061006       | Pollution Prvtn Prtnrshp & Grt            | 173,002                          | 356,376                  |                           |  | Office of Chief of External Affairs                 |
| ** 26061007       | Grants to Rest Habitat Access             | 440,732                          | 1,726,512                |                           |  | Office of Chief of External Affairs                 |
| ** 26061008       | Water Conservation Grants                 | 19,100                           | 136,654                  |                           |  | Office of Chief of External Affairs                 |
| ** 26061010       | Nitrate Treatment Systm Rebate            | 2,593                            | 4,000                    |                           |  | Raw Water Division                                  |
| 26061012          | Safe Clean Water Implementatn             | 553,348                          | 607,595                  | 879,350                   |  | Office of Integrated Water Management               |
| * 26061019        | Supp Volunteer Cleanup Effort             | 69,854                           | 205,559                  | 180,388                   |  | Office of Chief of External Affairs                 |
| 26061020          | F6 Public Arts                            |                                  |                          | 157,140                   |  | Office of Chief of External Affairs                 |
| 26061021          | F9 Safe Clean Water Grants & Partnerships |                                  |                          | 3,109,070                 |  | Office of Chief of External Affairs                 |
| * 26061051        | Lands Management Program                  |                                  |                          | 229,631                   |  | Office of Integrated Water Management               |
| * 26061056        | F8 SCW Sustainable Creek Infrastructure   |                                  |                          | 319,657                   |  | Office of Integrated Water Management               |
| 26151001          | Water Conservation Rebates and Prog       |                                  |                          | 1,012,792                 |  | Water Supply Division                               |
| 26441003          | D3 SCW Sed Reuse to Support Shoreline     |                                  |                          | 234,344                   |  | Watershed Operations & Maintenance Division         |
| * 26761022        | Watershed Good Neighbor Maint             | 726,603                          | 704,586                  | 615,248                   |  | Watershed Operations & Maintenance Division         |

\*Recipient projects

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

\*\*\*Represents estimated unspent capital project budget from FY 2020-21 that will be carried forward to FY 2021-22. A negative carryforward amount is based on the CIP approved expenditure in FY 2020-21. If the actual FY 2020-21 expenditure matches with the CIP approved FY 2020-21 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 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022*** | Project Managed By                                  |
|--------------------------------|--|----------------------------------|--------------------------|---------------------------|---|---|
| *                              | 26761023 Watershed Sediment Removal      | 831,895                          | 846,464                  | 857,712                   |   | Watershed Operations & Maintenance Division         |
| *                              | 26761075 Mgmt of Revegetation Projects   | 899,781                          | 899,841                  | 1,928,982                 |   | Watershed Operations & Maintenance Division         |
|                                | 26761076 Rev, Riprn, Uplnd, & Wtlnd Hab  | 692,318                          | 979,940                  | 1,010,882                 |   | Watershed Stewardship & Planning Division           |
| *                              | 26761078 Vegetation Mangmnt for Access   | 538,466                          | 581,719                  | 664,440                   |   | Watershed Operations & Maintenance Division         |
| *                              | 26771011 Inter Agency Urban Runoff Prog  | 711,315                          | 855,504                  | 825,406                   |   | Watershed Stewardship & Planning Division           |
|                                | 26771027 Encampment Cleanup Program      | 845,455                          | 922,108                  | 1,923,736                 |   | Watershed Operations & Maintenance Division         |
| *                              | 26771031 HAZMAT Emergency Response       | 25,139                           | 31,559                   | 32,540                    |   | Office of COO IT and Admin Services                 |
|                                | 26771067 Stream Capacity Vegetation Con  | 2,826,639                        | 2,528,905                | 3,395,189                 |   | Watershed Operations & Maintenance Division         |
| **                             | 26771068 SCW E1.3-Flow Conveyance, Veg   | 133,894                          | 65,492                   |                           |   | Watershed Operations & Maintenance Division         |
| <b>Total Operations</b>        |  | <b>11,452,605</b>                | <b>14,076,298</b>        | <b>20,492,394</b>         |   |   |
| <b>Operating Project</b>       |  |                                  |                          |                           |   |   |
|                                | 26042002 Fish Habitat Improvements       | 624,304                          | 696,382                  | 865,206                   |   | Watershed Stewardship & Planning Division           |
| **                             | 26072008 SCW D7 Conservation Habitat     | 7,002,082                        |                          |                           |   | Watershed Stewardship & Planning Division           |
|                                | 26752043 Impaired Water Bodies Imprvmts  | 1,399,004                        | 1,775,742                | 1,685,990                 |   | Watershed Stewardship & Planning Division           |
| <b>Total Operating Project</b> |  | <b>9,025,389</b>                 | <b>2,472,123</b>         | <b>2,551,196</b>          |   |   |
| <b>Debt Service</b>            |  |                                  |                          |                           |   |   |
|                                | 26993001 Commercial Paper Tax Exmpt SCW  | 662,507                          | 1,749,720                | 2,840,130                 |   | Financial Planning and Management Services Division |
|                                | 26993002 SCW Rev Bond 2022A (Tax-Exempt) |                                  |                          | 4,210,000                 |   | Financial Planning and Management Services Division |
| <b>Total Debt Service</b>      |  | <b>662,507</b>                   | <b>1,749,720</b>         | <b>7,050,130</b>          |   |   |
| <b>Capital</b>                 |  |                                  |                          |                           |   |   |
|                                | 26044001 Almaden Lake Improvement        | 1,418,364                        | 1,710,449                | 9,325,478                 | 544,722                                     | Watershed Design & Construction Division            |
|                                | 26044002 SCW Fish Passage Improvement    | 583,028                          |                          | 980,179                   | 251   | Watershed Design & Construction Division            |
|                                | 26044003 Ogier Ponds Planning Study      | 162                              |                          | 1,051,098                 | 511,322                                     | Watershed Stewardship & Planning Division           |

\*Recipient projects

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

\*\*\*Represents estimated unspent capital project budget from FY 2020-21 that will be carried forward to FY 2021-22. A negative carryforward amount is based on the CIP approved expenditure in FY 2020-21. If the actual FY 2020-21 expenditure matches with the CIP approved FY 2020-21 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 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022*** | Project Managed By                                  |
|-------------|--|----------------------------------|--------------------------|---------------------------|---|---|
| 26044004    | D6 Bolsa Road Fish Passage Improvement |                                  |                          | 2,205,000                 |   | Watershed Design & Construction Division            |
| 26064023    | Districtwide Salary Savings            |                                  | (306,053)                | (168,198)                 |   | Financial Planning and Management Services Division |
| 26074002    | Sunnyvale East & West Channel          | 840,895                          | 2,033,272                |                           | 3,271,300                                   | Watershed Design & Construction Division            |
| * 26074030  | CPS Training and Development           |                                  |                          |                           |   | Water Utility Capital Division                      |
| * 26074033  | CIP Development & Admin                | 285,877                          | 498,938                  | 331,522                   |   | Office of Integrated Water Management               |
| * 26074036  | Survey Mgmt & Tech Support             | 133,613                          | 318,713                  | 487,907                   |   | Watershed Design & Construction Division            |
| * 26074038  | Watersheds Capital Program Srvcs Admin | 2,345,457                        | 2,849,631                | 3,027,486                 |   | Watershed Design & Construction Division            |
| * 26074041  | Construction Contracts & Support       |                                  | 576,215                  | 589,674                   |   | General Services Division                           |
| 26154002    | Guadalupe Rv-Upr, 280-SPRR(R6          | 299,861                          |                          | 562,596                   | 1,094,404                                   | Watershed Design & Construction Division            |
| 26154003    | Guadalupe Rv-Upr, SPRR-BH 7-12         | 669,585                          |                          |                           | 888,250                                     | Watershed Design & Construction Division            |
| 26164001    | HaleCreekEnhancementPilotStudy         | 845,933                          | 170,072                  | 3,824,108                 | (333)                                       | Watershed Design & Construction Division            |
| 26174041    | Berryessa Calav/Old Pied Cor           | 414,290                          | 26,609                   |                           |   | Watershed Design & Construction Division            |
| 26174042    | Berryessa Calav/Old Pied LER           | 95,153                           |                          |                           |   | Watershed Design & Construction Division            |
| 26174043    | Coyote Creek, Montague-Tully           | 1,276,721                        | 2,199,295                | 1,596,067                 | 2,529,593                                   | Watershed Design & Construction Division            |
| 26174051    | U. Llagas Ck, Reimburse E6b            | 2,552,175                        |                          |                           | 20,900                                      | Watershed Design & Construction Division            |
| 26174052    | U. Llagas Ck, Nonreimburse E6a         | 38,666,207                       | 46,274,138               | 58,291,926                | 2,854                                       | Watershed Design & Construction Division            |
| 26174054    | U.Llagas Ck Design B. Vista Rd         | 104,157                          |                          |                           | 940,500                                     | Watershed Design & Construction Division            |
| ** 26204001 | Los Gatos Creek Strm Restore           | 427                              |                          |                           |   | Watershed Stewardship & Planning Division           |
| 26244001    | Permanente Ck, Bay-Fthill CSC          | 7,187,916                        |                          |                           |   | Watershed Design & Construction Division            |
| 26284001    | San Francisquito Ck,BaySer CSC         | 727                              |                          |                           |   | Watershed Design & Construction Division            |
| 26284002    | San Francisquito Early Implemt         | 1,470,311                        | 370,158                  | 12,720,864                | 440   | Watershed Design & Construction Division            |

\*Recipient projects

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

\*\*\*Represents estimated unspent capital project budget from FY 2020-21 that will be carried forward to FY 2021-22. A negative carryforward amount is based on the CIP approved expenditure in FY 2020-21. If the actual FY 2020-21 expenditure matches with the CIP approved FY 2020-21 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 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022*** | Project Managed By                        |
|----------------------|---------------------------------------|----------------------------------|--------------------------|---------------------------|---|---|
| 26324001             | U Penitencia Crk Corp Coord SCW       | 523,084                          | 1,381,884                | 114,384                   | 2,514,836                                   | Watershed Design & Construction Division  |
| 26444001             | SFBS EIA 11 Desgn & Part Const        | 9,380,659                        | 5,310                    |                           |   | Watershed Design & Construction Division  |
| 26444002             | SFBS EIAs 1-4                         | 868,700                          |                          | 1,358,701                 | (201)                                       | Watershed Design & Construction Division  |
| ** 26444003          | SBSP Restoration Partnership          | 2,394                            |                          |                           |   | Watershed Stewardship & Planning Division |
| 26444004             | San Francisco Bay Shoreline EIAs 5-10 |                                  |                          | 1,044,530                 |   | Watershed Design & Construction Division  |
| 26564001             | Main/Madrone PL Restoration           | 280,236                          |                          |                           |   | Water Utility Capital Division            |
| 26764001             | IRP2 AddLine Valves                   | 671,243                          | 633,829                  | 314,921                   | (173)                                       | Water Utility Capital Division            |
| <b>Total Capital</b> |                                       | <b>70,917,174</b>                | <b>58,742,461</b>        | <b>97,658,241</b>         | <b>12,318,665</b>                           |   |
| <b>Total</b>         |                                       | <b>92,057,675</b>                | <b>77,040,603</b>        | <b>127,751,961</b>        | <b>12,318,665</b>                           |   |

\*Recipient projects

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

\*\*\*Represents estimated unspent capital project budget from FY 2020-21 that will be carried forward to FY 2021-22. A negative carryforward amount is based on the CIP approved expenditure in FY 2020-21. If the actual FY 2020-21 expenditure matches with the CIP approved FY 2020-21 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 in FY 2008-09, the following watershed funds were 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.

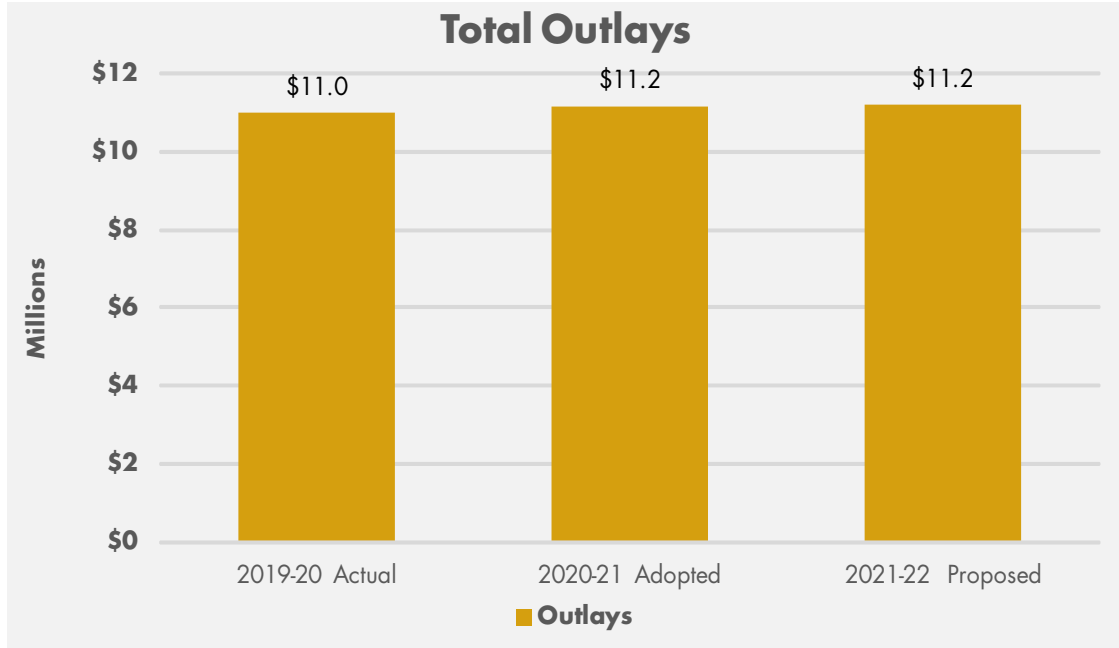
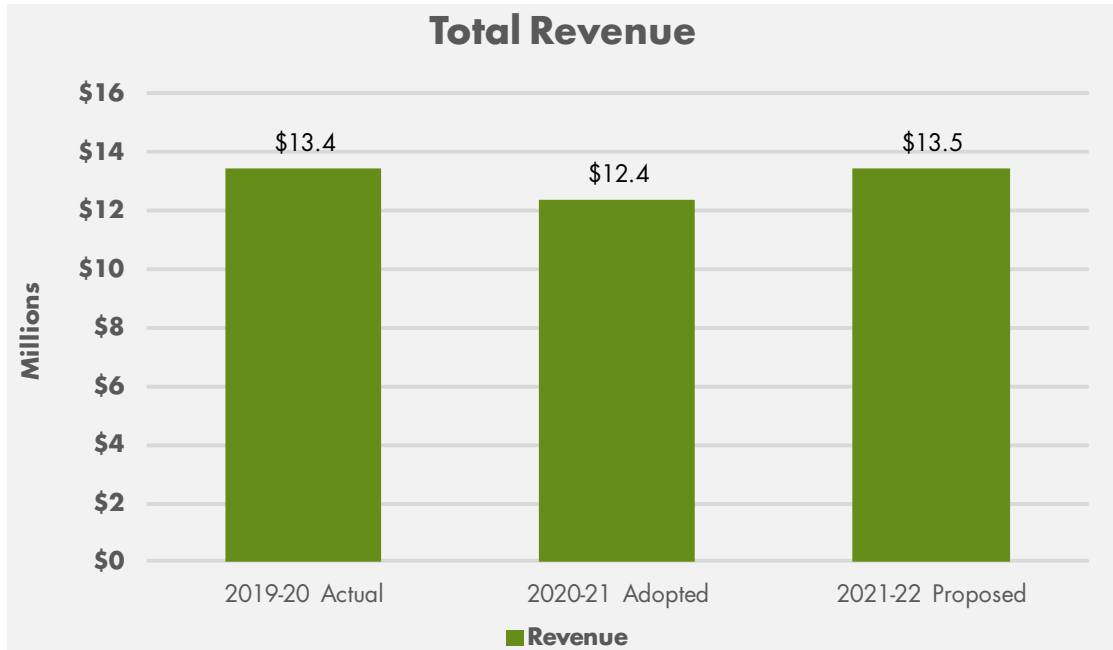
These benefit assessment funds now are comprised of the voter-approved debt repayment phase of the benefit assessments program, levied at 1.25 times the annual debt service. The excess amount over annual debt service is transferred out to the consolidated Watershed and Stream Stewardship Fund (Fund 12) for the maintenance of the flood protection infrastructure. For FY 2021-22, this transfer to the Watershed and Stream Stewardship Fund is expected at \$2.3 million.

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

- \$26.63/year for Lower Peninsula Watershed
- \$13.09/year for West Valley Watershed
- \$21.07/year for Guadalupe Watershed
- \$20.73/year for Coyote Watershed

# Fund Summaries

## Benefit Assessment Funds



# Fund Summaries

## Benefit Assessment Funds

|                                       | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |                 |
|---------------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|-----------------|
|                                       |                                      |                              |                                  |                               | \$ Diff                        | % Diff          |
| <b>REVENUE</b>                        |                                      |                              |                                  |                               |                                |                 |
| Lower Peninsula Watershed             | \$ 2,704,095                         | \$ 2,707,674                 | \$ 2,707,674                     | \$ 2,707,552                  | \$ (122)                       | (0.0)%          |
| West Valley Watershed                 | 2,254,581                            | 2,017,606                    | 2,017,606                        | 2,256,627                     | 239,021                        | 11.8%           |
| Guadalupe Watershed                   | 4,551,128                            | 3,955,671                    | 3,955,671                        | 4,553,263                     | 597,592                        | 15.1%           |
| Coyote Watershed                      | 3,930,465                            | 3,688,266                    | 3,688,266                        | 3,936,220                     | 247,954                        | 6.7%            |
| <b>TOTAL REVENUE</b>                  | <b>\$ 13,440,269</b>                 | <b>\$ 12,369,217</b>         | <b>\$ 12,369,217</b>             | <b>\$ 13,453,662</b>          | <b>\$ 1,084,445</b>            | <b>8.8%</b>     |
| <b>OUTLAYS</b>                        |                                      |                              |                                  |                               |                                |                 |
| <b>Debt Service</b>                   |                                      |                              |                                  |                               |                                |                 |
| Lower Peninsula Watershed             | \$ 2,274,685                         | \$ 2,291,025                 | \$ 2,291,025                     | \$ 2,294,801                  | \$ 3,776                       | 0.2%            |
| West Valley Watershed                 | 1,849,233                            | 1,860,898                    | 1,860,898                        | 1,863,529                     | 2,631                          | 0.1%            |
| Guadalupe Watershed                   | 3,709,906                            | 3,732,482                    | 3,732,482                        | 3,737,830                     | 5,348                          | 0.1%            |
| Coyote Watershed                      | 3,153,777                            | 3,277,242                    | 3,277,242                        | 3,281,330                     | 4,088                          | 0.1%            |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 10,987,601</b>                 | <b>\$ 11,161,647</b>         | <b>\$ 11,161,647</b>             | <b>\$ 11,177,490</b>          | <b>\$ 15,843</b>               | <b>0.1%</b>     |
| <b>OTHER FINANCING SOURCES/(USES)</b> |                                      |                              |                                  |                               |                                |                 |
| <b>Transfers In from WSS Fund</b>     | <b>\$ —</b>                          | <b>\$ 1,097,604</b>          | <b>\$ 1,097,604</b>              | <b>\$ —</b>                   | <b>\$ (1,097,604)</b>          | <b>(100.0)%</b> |
| <b>Transfer Out to WSS Fund</b>       |                                      |                              |                                  |                               |                                |                 |
| Lower Peninsula Watershed             | \$ (429,410)                         | \$ (416,648)                 | \$ (416,648)                     | \$ (412,751)                  | \$ 3,897                       | (0.9)%          |
| West Valley Watershed                 | (405,348)                            | (398,510)                    | (398,510)                        | (393,098)                     | 5,412                          | (1.4)%          |
| Guadalupe Watershed                   | (841,222)                            | (828,079)                    | (828,079)                        | (815,433)                     | 12,646                         | (1.5)%          |
| Coyote Watershed                      | (776,687)                            | (661,937)                    | (661,937)                        | (654,890)                     | 7,047                          | (1.1)%          |
| <b>TOTAL OTHER SOURCES/(USES)</b>     | <b>\$ (2,452,667)</b>                | <b>\$ (1,207,570)</b>        | <b>\$ (1,207,570)</b>            | <b>\$ (2,276,172)</b>         | <b>\$ (1,068,602)</b>          | <b>88.5%</b>    |
| <b>BALANCE AVAILABLE</b>              | <b>\$ —</b>                          | <b>\$ —</b>                  | <b>\$ —</b>                      | <b>\$ —</b>                   | <b>\$ —</b>                    | <b>—</b>        |
| <b>Outlay Summary by Account Type</b> |                                      |                              |                                  |                               |                                |                 |
| <b>OUTLAYS</b>                        |                                      |                              |                                  |                               |                                |                 |
| <b>Services &amp; Supplies</b>        |                                      |                              |                                  |                               |                                |                 |
| Lower Peninsula Watershed             | \$ 2,188                             | \$ 15,974                    | \$ 15,974                        | \$ 20,539                     | \$ 4,565                       | 28.6%           |
| West Valley Watershed                 | 1,053                                | 10,960                       | 10,960                           | 14,092                        | 3,132                          | 28.6%           |
| Guadalupe Watershed                   | 1,885                                | 23,051                       | 23,051                           | 29,638                        | 6,587                          | 28.6%           |
| Coyote Watershed                      | 2,186                                | 17,751                       | 17,751                           | 22,824                        | 5,073                          | 28.6%           |
| <b>Total Services &amp; Supplies</b>  | <b>\$ 7,312</b>                      | <b>\$ 67,736</b>             | <b>\$ 67,736</b>                 | <b>\$ 87,093</b>              | <b>\$ 19,357</b>               | <b>28.6%</b>    |
| <b>Debt Service</b>                   |                                      |                              |                                  |                               |                                |                 |
| Lower Peninsula Watershed             | \$ 2,272,497                         | \$ 2,275,051                 | \$ 2,275,051                     | \$ 2,274,262                  | \$ (789)                       | (0.0)%          |
| West Valley Watershed                 | 1,848,181                            | 1,849,938                    | 1,849,938                        | 1,849,437                     | (501)                          | (0.0)%          |
| Guadalupe Watershed                   | 3,708,020                            | 3,709,431                    | 3,709,431                        | 3,708,192                     | (1,239)                        | (0.0)%          |
| Coyote Watershed                      | 3,151,591                            | 3,259,491                    | 3,259,491                        | 3,258,506                     | (985)                          | (0.0)%          |
| <b>Total Debt Service</b>             | <b>\$ 10,980,289</b>                 | <b>\$ 11,093,911</b>         | <b>\$ 11,093,911</b>             | <b>\$ 11,090,397</b>          | <b>\$ (3,514)</b>              | <b>(0.0)%</b>   |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 10,987,601</b>                 | <b>\$ 11,161,647</b>         | <b>\$ 11,161,647</b>             | <b>\$ 11,177,490</b>          | <b>\$ 15,843</b>               | <b>0.1%</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 - Lower Peninsula Watershed Fund

| Project #                 | Project Description       | Budgetary Basis Actual<br>2019-2020 | Adopted Budget<br>2020-2021 | Proposed Budget<br>2021-2022 | Estimated Carry Forward Budget<br>2021-2022 | Project Managed By                                  |
|---------------------------|---------------------------|-------------------------------------|-----------------------------|------------------------------|---|---|
| <b>Debt Service</b>       |                           |                                     |                             |                              |   |   |
| 10993008                  | 2017A COP Refunding LP WS | 2,274,685                           | 2,291,025                   | 2,294,801                    |   | Financial Planning and Management Services Division |
| <b>Total Debt Service</b> |                           | <b>2,274,685</b>                    | <b>2,291,025</b>            | <b>2,294,801</b>             |   |   |
| <b>Total</b>              |                           | <b>2,274,685</b>                    | <b>2,291,025</b>            | <b>2,294,801</b>             |   |   |

# Fund Summaries

## Total Outlays - West Valley Watershed Fund

| Project #                 | Project Description       | Budgetary Basis Actual<br>2019-2020 | Adopted Budget<br>2020-2021 | Proposed Budget<br>2021-2022 | Estimated Carry Forward Budget<br>2021-2022 | Project Managed By                                  |
|---------------------------|---------------------------|-------------------------------------|-----------------------------|------------------------------|---|---|
| <b>Debt Service</b>       |                           |                                     |                             |                              |   |   |
| 20993007                  | 2012A COP Refunding WV WS | 1,166,985                           | 1,175,191                   | 1,177,130                    |   | Financial Planning and Management Services Division |
| 20993008                  | 2017A COP Refunding WV WS | 682,249                             | 685,707                     | 686,399                      |   | Financial Planning and Management Services Division |
| <b>Total Debt Service</b> |                           | <b>1,849,233</b>                    | <b>1,860,898</b>            | <b>1,863,529</b>             |   |   |
| <b>Total</b>              |                           | <b>1,849,233</b>                    | <b>1,860,898</b>            | <b>1,863,529</b>             |   |   |

# Fund Summaries

## Total Outlays - Guadalupe Watershed Fund

| Project #                 | Project Description            | Budgetary<br>Basis<br>Actual<br>2019-2020 | Adopted<br>Budget<br>2020-2021 | Proposed<br>Budget<br>2021-2022 | Estimated<br>Carry Forward<br>Budget<br>2021-2022 | Project Managed By                                     |
|---------------------------|--------------------------------|---|--------------------------------|---------------------------------|---|--|
| <b>Debt Service</b>       |                                |   |                                |                                 |   |  |
| 30993007                  | 2012A COP Refunding Guad<br>WS | 2,918,938                                 | 2,939,465                      | 2,944,314                       |   | Financial Planning and<br>Management Services Division |
| 30993008                  | 2017A COP Refunding Guad<br>WS | 790,967                                   | 793,017                        | 793,516                         |   | Financial Planning and<br>Management Services Division |
| <b>Total Debt Service</b> |                                | <b>3,709,906</b>                          | <b>3,732,482</b>               | <b>3,737,830</b>                |   |  |
| <b>Total</b>              |                                | <b>3,709,906</b>                          | <b>3,732,482</b>               | <b>3,737,830</b>                |   |  |



# Fund Summaries

## Total Outlays - Coyote Watershed Fund

| Project #                 | Project Description           | Budgetary Basis Actual<br>2019-2020 | Adopted Budget<br>2020-2021 | Proposed Budget<br>2021-2022 | Estimated Carry Forward Budget<br>2021-2022 | Project Managed By                                  |
|---------------------------|-------------------------------|-------------------------------------|-----------------------------|------------------------------|---|---|
| <b>Debt Service</b>       |                               |                                     |                             |                              |   |   |
| 40993007                  | 2012A COP Refunding Coyote WS | 1,106,934                           | 1,219,544                   | 1,221,556                    |   | Financial Planning and Management Services Division |
| 40993008                  | 2017A COP Refunding Coyote WS | 2,046,843                           | 2,057,698                   | 2,059,774                    |   | Financial Planning and Management Services Division |
| <b>Total Debt Service</b> |                               | <b>3,153,777</b>                    | <b>3,277,242</b>            | <b>3,281,330</b>             |   |   |
| <b>Total</b>              |                               | <b>3,153,777</b>                    | <b>3,277,242</b>            | <b>3,281,330</b>             |   |   |

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

# Fund Summaries

## Overview

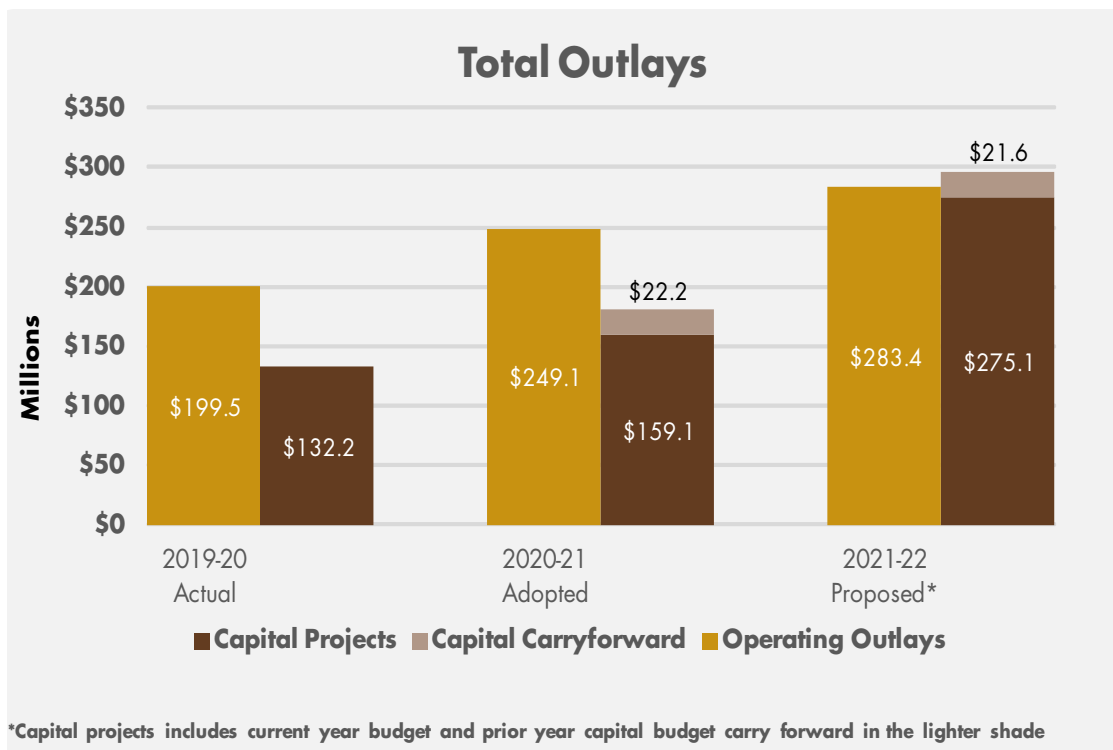
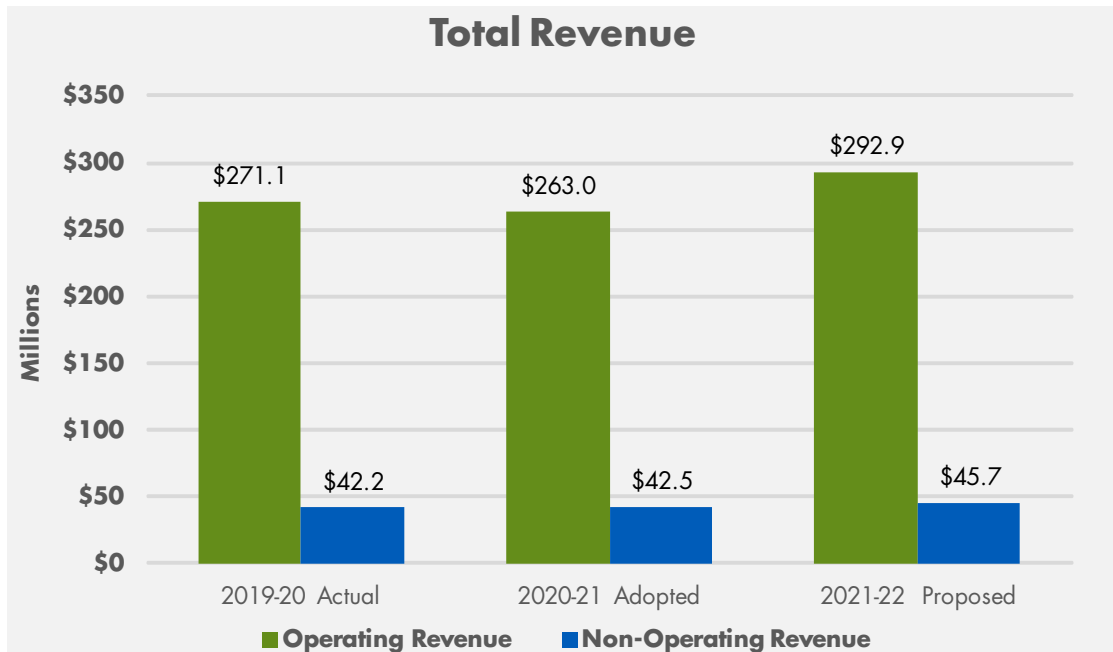
As the water management agency and principal water wholesaler for Santa Clara County, Valley Water manages a sustainable water supply through conjunctive use of surface and groundwater resources. The Chief Operating Officer of the Water Utility implements the programs and projects described and listed in this chapter with the aim of protecting and augmenting water supplies. Two funds are used to account for these activities:

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

Financial summaries and descriptions of programs and outcomes 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<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |                 |
|---------------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|-----------------|
|                                       |                                      |                              |                                  |                               | \$ Diff                        | % Diff          |
| <b>REVENUE</b>                        |                                      |                              |                                  |                               |                                |                 |
| <b>Operating Revenue</b>              |                                      |                              |                                  |                               |                                |                 |
| Groundwater Production Charges        | \$ 112,560,186                       | \$ 121,105,000               | \$ 121,105,000                   | \$ 137,161,000                | \$ 16,056,000                  | 13.3%           |
| Treated Water Charges                 | 152,621,750                          | 137,399,000                  | 137,399,000                      | 151,102,000                   | 13,703,000                     | 10.0%           |
| Surface&Recycled Water Charges        | 1,713,303                            | 2,562,000                    | 2,562,000                        | 2,880,000                     | 318,000                        | 12.4%           |
| Intergovernmental Services            | 3,721,199                            | 1,242,326                    | 1,177,326                        | 1,242,326                     | —                              | —               |
| Operating Other                       | 484,257                              | 700,000                      | 536,894                          | 536,894                       | (163,106)                      | (23.3)%         |
| <b>Total Operating Revenue</b>        | <b>\$ 271,100,695</b>                | <b>\$ 263,008,326</b>        | <b>\$ 262,780,220</b>            | <b>\$ 292,922,220</b>         | <b>\$ 29,913,894</b>           | <b>11.4%</b>    |
| <b>Non-Operating Revenue</b>          |                                      |                              |                                  |                               |                                |                 |
| Property Tax                          | \$ 30,168,368                        | \$ 26,217,000                | \$ 26,647,378                    | \$ 34,927,304                 | \$ 8,710,304                   | 33.2%           |
| Capital Reimbursements                | 4,345,234                            | 11,358,000                   | 17,274,000                       | 6,613,000                     | (4,745,000)                    | (41.8)%         |
| Interest Income *                     | 5,500,357                            | 3,500,000                    | 3,500,000                        | 2,731,500                     | (768,500)                      | (22.0)%         |
| Non-Operating Other                   | 2,221,393                            | 1,400,554                    | 1,400,554                        | 1,408,323                     | 7,769                          | 0.6%            |
| <b>Total Non-Operating Revenue</b>    | <b>\$ 42,235,352</b>                 | <b>\$ 42,475,554</b>         | <b>\$ 48,821,932</b>             | <b>\$ 45,680,127</b>          | <b>\$ 3,204,573</b>            | <b>7.5%</b>     |
| <b>TOTAL REVENUE</b>                  | <b>\$ 313,336,047</b>                | <b>\$ 305,483,880</b>        | <b>\$ 311,602,152</b>            | <b>\$ 338,602,347</b>         | <b>\$ 33,118,467</b>           | <b>10.8%</b>    |
| <b>OUTLAYS</b>                        |                                      |                              |                                  |                               |                                |                 |
| <b>Operating Outlays</b>              |                                      |                              |                                  |                               |                                |                 |
| Operations **                         | \$ 165,118,089                       | \$ 200,390,388               | \$ 201,508,592                   | \$ 230,530,438                | \$ 30,140,050                  | 15.0%           |
| Operating Project                     | 247,239                              | 282,383                      | 282,383                          | 284,438                       | 2,055                          | 0.7%            |
| Debt Service                          | 34,175,002                           | 48,424,345                   | 48,424,345                       | 52,561,061                    | 4,136,716                      | 8.5%            |
| <b>Total Operating Outlays</b>        | <b>\$ 199,540,330</b>                | <b>\$ 249,097,116</b>        | <b>\$ 250,215,320</b>            | <b>\$ 283,375,937</b>         | <b>\$ 34,278,821</b>           | <b>13.8%</b>    |
| <b>Capital Outlays</b>                |                                      |                              |                                  |                               |                                |                 |
| Capital Projects                      | \$ 132,224,424                       | \$ 159,126,986               | \$ 182,648,449                   | \$ 275,141,567                | \$ 116,014,581                 | 72.9%           |
| Carry Forward Capital Projects        | —                                    | 22,211,117                   | —                                | 21,603,754                    | (607,363)                      | (2.7)%          |
| <b>Total Capital Outlays</b>          | <b>\$ 132,224,424</b>                | <b>\$ 181,338,103</b>        | <b>\$ 182,648,449</b>            | <b>\$ 296,745,321</b>         | <b>\$ 115,407,218</b>          | <b>63.6%</b>    |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 331,764,754</b>                | <b>\$ 430,435,219</b>        | <b>\$ 432,863,769</b>            | <b>\$ 580,121,258</b>         | <b>\$ 149,686,039</b>          | <b>34.8%</b>    |
| <b>OTHER FINANCING SOURCES/(USES)</b> |                                      |                              |                                  |                               |                                |                 |
| Debt Proceeds                         | \$ 52,720,000                        | \$ 135,500,000               | \$ 162,075,000                   | \$ 159,288,000                | \$ 23,788,000                  | 17.6%           |
| Transfers In                          | 1,064,430                            | 1,941,774                    | 593,000                          | —                             | (1,941,774)                    | (100.0)%        |
| Transfers Out                         | (2,570,784)                          | (6,215,163)                  | (4,866,389)                      | (3,161,400)                   | 3,053,763                      | (49.1)%         |
| <b>TOTAL OTHER SOURCES/(USES)</b>     | <b>\$ 51,213,646</b>                 | <b>\$ 131,226,611</b>        | <b>\$ 157,801,611</b>            | <b>\$ 156,126,600</b>         | <b>\$ 24,899,989</b>           | <b>19.0%</b>    |
| <b>BALANCE AVAILABLE</b>              | <b>\$ 32,784,939</b>                 | <b>\$ 6,275,272</b>          | <b>\$ 36,539,994</b>             | <b>\$ (85,392,311)</b>        | <b>\$ (91,667,583)</b>         | <b>(1,461)%</b> |

# Fund Summaries

## Water Enterprise and State Water Projects Combined Fund Summary

|   | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |                |
|---|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|----------------|
|   |                                      |                              |                                  |                               | \$ Diff                        | % Diff         |
| <b>YEAR-END RESERVES</b>                    |                                      |                              |                                  |                               |                                |                |
| <b>Restricted Reserves</b>                  |                                      |                              |                                  |                               |                                |                |
| WUE Rate Stabilization                      | \$ 23,466,551                        | \$ 25,878,053                | \$ 25,069,620                    | \$ 28,332,567                 | \$ 2,454,514                   | 9.5%           |
| WUE San Felipe Emergency                    | 3,260,045                            | 3,249,972                    | 3,310,045                        | 3,360,045                     | 110,073                        | 3.4%           |
| WUE State Water Project Tax Reserve         | 13,768,393                           | —                            | 3,132,132                        | 2,523,006                     | 2,523,006                      | —              |
| CP Debt Service                             | 102,289                              | —                            | —                                | —                             | —                              | —              |
| WUE Public-Private Partnership (P3) Reserve | 8,000,000                            | —                            | —                                | —                             | —                              | —              |
| WUE Water Supply                            | 15,077,000                           | 15,477,000                   | 15,477,000                       | 7,877,000                     | (7,600,000)                    | (49.1)%        |
| WUE SVAWPC                                  | 1,298,138                            | 908,138                      | 908,138                          | 908,138                       | —                              | —              |
| WUE Drought Reserve                         | 10,000,000                           | 10,000,000                   | 10,000,000                       | 10,000,000                    | —                              | —              |
| GP5 Reserve                                 | 6,609,637                            | 3,613,000                    | 5,873,358                        | 7,106,660                     | 3,493,660                      | 96.7%          |
| <b>Total Restricted Reserves</b>            | <b>\$ 81,582,053</b>                 | <b>\$ 59,126,163</b>         | <b>\$ 63,770,293</b>             | <b>\$ 60,107,416</b>          | <b>\$ 981,253</b>              | <b>1.7%</b>    |
| <b>Committed Reserves</b>                   |                                      |                              |                                  |                               |                                |                |
| Currently Authorized Projects ***           | \$ 39,201,340                        | \$ 9,385,922                 | \$ 30,561,198                    | \$ 8,957,446                  | \$ (428,476)                   | (4.6)%         |
| Operating and Capital Reserve               | 47,569,150                           | 61,994,081                   | 110,561,046                      | 50,435,364                    | (11,558,717)                   | (18.6)%        |
| <b>Total Committed Reserves</b>             | <b>\$ 86,770,490</b>                 | <b>\$ 71,380,003</b>         | <b>\$ 141,122,244</b>            | <b>\$ 59,392,810</b>          | <b>\$ (11,987,193)</b>         | <b>(16.8)%</b> |
| <b>TOTAL YEAR-END RESERVES</b>              | <b>\$ 168,352,543</b>                | <b>\$ 130,506,166</b>        | <b>\$ 204,892,537</b>            | <b>\$ 119,500,226</b>         | <b>\$ (11,005,940)</b>         | <b>(8.4)%</b>  |
| <b>Outlay Summary by Account Type</b>       |                                      |                              |                                  |                               |                                |                |
| <b>OPERATING OUTLAY</b>                     |                                      |                              |                                  |                               |                                |                |
| Salaries and Benefits                       | \$ 54,277,128                        | \$ 60,033,689                | \$ 59,887,526                    | \$ 62,887,371                 | \$ 2,853,682                   | 4.8%           |
| Salary Savings Factor                       | —                                    | (1,541,842)                  | (1,541,842)                      | (1,024,172)                   | 517,670                        | (33.6)%        |
| Services & Supplies                         | 83,081,568                           | 107,502,473                  | 108,848,813                      | 131,838,340                   | 24,335,867                     | 22.6%          |
| Intra-District Charges                      | 28,006,632                           | 34,678,451                   | 34,596,478                       | 37,113,337                    | 2,434,886                      | 7.0%           |
| <b>OPERATING OUTLAY TOTAL</b>               | <b>\$ 165,365,328</b>                | <b>\$ 200,672,771</b>        | <b>\$ 201,790,975</b>            | <b>\$ 230,814,876</b>         | <b>\$ 30,142,105</b>           | <b>15.0%</b>   |
| <b>DEBT SERVICE</b>                         |                                      |                              |                                  |                               |                                |                |
| Services & Supplies                         | \$ 415,071                           | \$ 2,289,720                 | \$ 2,289,720                     | \$ 1,754,120                  | \$ (535,600)                   | (23.4)%        |
| Debt Service                                | 33,759,931                           | 46,134,625                   | 46,134,625                       | 50,806,941                    | 4,672,316                      | 10.1%          |
| <b>DEBT SERVICE TOTAL</b>                   | <b>\$ 34,175,002</b>                 | <b>\$ 48,424,345</b>         | <b>\$ 48,424,345</b>             | <b>\$ 52,561,061</b>          | <b>\$ 4,136,716</b>            | <b>8.5%</b>    |
| <b>CAPITAL PROJECTS</b>                     |                                      |                              |                                  |                               |                                |                |
| Salaries and Benefits                       | \$ 14,852,163                        | \$ 19,603,802                | \$ 19,758,761                    | \$ 29,629,969                 | \$ 10,026,167                  | 51.1%          |
| Salary Savings Factor                       | —                                    | (527,201)                    | (527,201)                        | (497,490)                     | 29,711                         | (5.6)%         |
| Services & Supplies                         | 109,891,083                          | 128,911,849                  | 152,187,955                      | 228,650,965                   | 99,739,116                     | 77.4%          |
| Carry Forward Capital Projects              | —                                    | 22,211,117                   | —                                | 21,603,754                    | (607,363)                      | (2.7)%         |
| Intra-District Charges                      | 7,481,179                            | 11,138,536                   | 11,228,934                       | 17,358,124                    | 6,219,588                      | 55.8%          |
| <b>CAPITAL PROJECTS TOTAL</b>               | <b>\$ 132,224,425</b>                | <b>\$ 181,338,103</b>        | <b>\$ 182,648,449</b>            | <b>\$ 296,745,322</b>         | <b>\$ 115,407,219</b>          | <b>63.6%</b>   |
| <b>TOTAL OUTLAYS****</b>                    | <b>\$ 331,764,755</b>                | <b>\$ 430,435,219</b>        | <b>\$ 432,863,769</b>            | <b>\$ 580,121,259</b>         | <b>\$ 149,686,040</b>          | <b>34.8%</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 232,000 acre-feet (AF) in FY 2021-22. This entails operation, maintenance and construction of the following facilities:

- 10 surface reservoirs with a total, operationally restricted storage capacity of 62,362 AF while Valley Water's largest reservoir, Anderson, is offline while its dam is undergoing extensive retrofit
- 17 miles of canals
- Five water supply diversion dams
- 102 groundwater recharge ponds
- 91 miles of controlled in-stream recharge in the county
- 142 miles of pipeline
- Three water treatment plants
- An Advanced Water Purification Center
- Three raw water pump stations with over 37,000 combined horsepower
- A well field

Revenue for the Water Utility Enterprise Funds is derived from treated, surface and recycled water sales; groundwater production charges; federal, state, and local grants; interest earnings; ad valorem taxes; and, State Water Project (SWP) taxes as provided by law. The Water Utility Enterprise Fund (Fund 61) 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 Water Utility related revenue, expenses and financing except those

of the State Water Project Fund (Fund 63). The State Water Project Fund accounts specifically for SWP tax revenue and SWP contractual costs and is further touched upon separately later in this Chapter.

### FY 2021-22 Budget

The Water Utility Enterprise protects and augments water supplies for the health, welfare, and safety of the community. The Utility is primarily responsible for carrying out the core services related to Valley Water's Ends Policy 2 - There is a reliable, clean water supply for current and future generations. Groundwater production charges are the primary source of Enterprise revenue. The activities, programs and services undertaken with funding from groundwater production charges include ensuring adequate water supplies and water quality; operating and maintaining dams, pipelines, recharge ponds, treatment plants and pumping stations to help sustain the groundwater basins; and, planning for and constructing of related facilities. Funding for these activities is presented in this Chapter's financial statements and described in the paragraphs below.

Estimated total revenue for FY 2020-21 is \$338.6 million (\$311.6 million for Fund 61 and \$27.0 million for Fund 63), or 10.8% more than the FY 2020-21 budget. The approved water charges will generate \$291.1 million in revenues from groundwater production charges and sales of treated, recycled and surface water totaling 232,000 acre-feet. After holding water rates flat for FY 2020-21 in response to the economic hardships caused by the global pandemic, Valley Water is raising groundwater production rates to provide funding for critical infrastructure and operational needs. More information on groundwater charges is found later in this chapter.

## Fund Summaries

Property taxes for the Water Utility Enterprise are the second largest source of funds for FY 2021-22. They total an estimated \$34.9 million, of which \$26 million is for State Water Project taxes accounted for in the State Water Project Fund (Fund 63) and used to fund water purchases from the State Water Project, and another \$8.9 million in ad valorem property taxes recorded in the Water Enterprise Fund (Fund 61) for general use. FY 2021-22 revenues also include \$6.6 million in capital reimbursements from three main sources – the California Water Commission for the Pacheco Reservoir Expansion Project, the United States Bureau of Reclamation for the South County Recycled Water Pipeline, and funds from San Benito County Water District for small capital improvements on the shared San Felipe Division Reach 1. Interest, intergovernmental services and other revenue round out Water Utility Enterprise revenues at \$6.0 million for FY 2021-22. Staff also assumed a debt issuance of \$159.3 million to help finance critical investments in water supply infrastructure.

Operating costs (excluding debt service) are expected to be \$230.8 million for both funds. This represents \$30.1 million increase, or 15.0%, from the FY 2020-21 Adopted Budget. Of this, \$25.1 million is attributable to cost changes related to water purchases and water banking. The next largest increase is \$3.1 million of additional funding to implement the recycled water agreement with the City of Palo Alto executed December 2019. Recognizing the importance of water conservation during droughts, the FY2021-22 Budget includes \$2.0 million in additional conservation rebate funding, \$1 million funded by the Water Utility Enterprise Fund plus another \$1.0 million funded by the Safe, Clean Water (SCW) Fund and found in the Watersheds Chapter, SCW Fund section of this document. The Water Utility Enterprise operating budget category also includes \$655,000 in new services and supplies funding for a temporary laboratory technician, and consultants for various studies including those on PFAS and out of county water

storage.

The immediate challenges facing Valley Water is responding to widespread drought conditions that are persisting into spring, and the recent lowering of water levels at Anderson Reservoir, the county's largest surface water supply source. In order to continue to provide the community with a reliable supply of safe, clean water, the FY 2021-22 budget also funds \$21.7 million of supplemental water to import into our county which is a \$20.1 million increase over FY 2020-21. An additional \$3.3 million in water banking expenses to bring approximately 32,000 acre-feet of water banked at Semitropic Water Storage District in the county is included. The cost of contract water purchases from federal and state water projects continues to be the largest Water Utility Enterprise expense at \$19.8 million and \$27.6 million, respectively. In addition to operating budget water expenses, the capital budget also includes \$11.2 million to pay Valley Water's capital cost obligations for the federal San Felipe Division of the Central Valley Project.

To fund the construction of new facilities, Valley Water historically relies on both pay-as-you-go financing as well as short-term and long-term debt financing. Water utility debt service will increase by roughly \$4.1 million in FY 2021–22 to \$52.6 million. The debt service coverage ratio is targeted at 2.0 or higher to help ensure financial stability and continued high credit ratings.

In FY 2021-22 capital projects are budgeted at \$275.1 million and capital carry forward is estimated at \$21.6 million bringing total planned capital spending to \$296.7 million. This is a \$115.4 million increase, or 63.6%, over the prior year and represents the largest single year capital budget in the Water Utility Enterprise Fund's history. The increase is primarily attributed to the start of construction of the Anderson Dam Seismic Retrofit Project and related improvements in the Coyote Creek Watershed. The capital budget category also includes funding for 3.0 FTE Construction Inspectors. One was added to assist with inspection



# Fund Summaries

services for the Rinconada Residuals, Santa Teresa Water Treatment Plant Filter Media Replacement, and 10-Year Pipeline capital projects. Two were added to support Watersheds' capital projects. More information about Valley Water's capital program can be found in the FY 2022-26 Capital Improvement Program. The following provides the project phase of major capital projects by Ends Policy.

## **E 2.1 Current and future water supply for municipalities, industries, agriculture, and the environment is reliable**

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

## **E 2.2 Raw water transmission and distribution assets are managed to ensure efficiency and reliability**

- 10-Yr Pipeline Inspection and Rehabilitation – Planning, Design, Construction
- Distribution Systems Implementation Project – Planning, Design
- Pacheco/SC Conduit ROW ACQ – Design, Construction

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

- RWTP Reliability Improvement – Design, Construction
- RWTP Residuals Remediation – Construction
- Water Treatment Plant Implementation Project – Planning, Design
- SCADA Implementation Project – Planning, Design

Total reserves for both funds are \$119.5 million, a decrease of \$11.0 million relative to FY 2020-21 Adopted Budget. Given the dry conditions the state experienced this winter, and to avoid any impact to

previously developed groundwater production charges and debt coverage constraints, the FY 2021-22 budget draws down the Supplemental Water Supply Reserve by \$8.0 million to \$7.9 million. Staff believes there may potentially be need to drawdown the reserve further during the year if dry conditions persist into FY 2021-22.

## **Significant Business Challenges/ Opportunities**

While supporting the Board in achieving the Board Budget Goals and ensuring current and future water supply for municipalities, industries, agriculture, and the environment is reliable, the Water Utility Enterprise faces challenges and opportunities in the upcoming year. Major ones are as follows:

- Responding to developing drought conditions and existing water system operational constraints related to the outage of Valley Water's largest reservoir, Anderson, through the purchase of additional imported water supplies and assessment of the need to call for greater conservation measures.
- 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.

# 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 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/Valley Water Intertie as may be needed during outages.
- Initiating the 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, including implementation of the Purified Water Project for indirect potable reuse.
- Complete water conservation strategic plan to continue to meet water conservation goals
- Coordinating the completion of the Fish Habitat Restoration Plan and CEQA documentation for fulfilling the 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.

## Groundwater Production Charges

Valley Water's groundwater production charges are the primary source of funding for the Water Utility Enterprise. They pay for activities that benefit groundwater benefit zones. Valley Water's two main groundwater production charges are for Municipal and Industrial (M&I) use and for agricultural use.

After holding water rates flat for FY 2020-21 in response to the economic hardships caused by the global pandemic, the FY 2021-22 Budget includes a North County (Zone W-2) Municipal and Industrial (M&I) groundwater production charge of \$1,506 per acre-foot (AF) that reflects a 9.6% increase from FY 2020-21. A 10.0% increase to contract treated water charges, or \$1,621 per AF, and an 8.4% increase to non-contract treated water, or \$1,706 per AF, also are included in this budget. An increase to the contract treated water surcharge from \$100 per AF to \$115 per AF is included to be more aligned with the cost that retailers would incur to treat and deliver water pumped from their own wells. The non-contract surcharge remains at \$200 per AF. The average household would experience an increase in their monthly bill ranging from \$4.55 to \$5.06. Customers may also experience

## Fund Summaries

additional charge increases enacted by their retail water provider.

The FY 2021-22 Budget also includes groundwater production charges for the South County region. The Llagas Subbasin (Zone W-5) M&I groundwater production charge reflects a 4.6% increase over the prior year, or \$488.50 per AF. The average household would experience an increase in their monthly bill of \$0.74. The Coyote Valley (Zone W-7) M&I charge reflects a 10.3% increase from the prior year, or \$530.50 per AF. The average household would experience an increase in their monthly bill of \$1.70. For residents and customers in the foothills below the Uvas and Chesbro Reservoirs (Zone W-8), the groundwater production charge reflects a 4.4% increase over the prior year, or \$341.50 per AF for M&I water. The average household would experience an increase in their monthly bill of \$0.50.

The agricultural groundwater production charge in any groundwater benefit zone is \$85.38 per AF, which would be up to a 195.8% increase, or roughly a \$9.41 increase per month per acre for the average agricultural water user (assuming 2 (two) acre-feet of water usage per acre per year). The agricultural groundwater production charge is calculated at 25% of the lowest M&I charge which is Zone W-8.

The surface water master charge increased 9.6% from \$37.50 per AF to \$41.10 per AF to align revenues with the costs related to managing, operating and billing for surface water diversions.

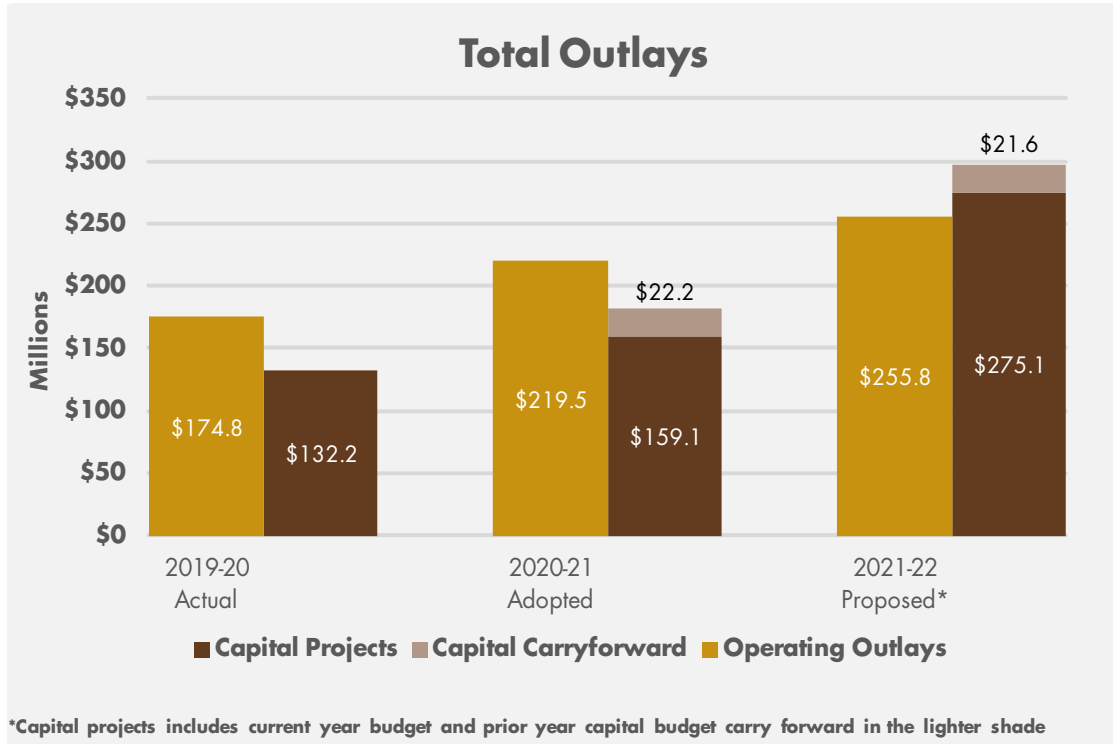
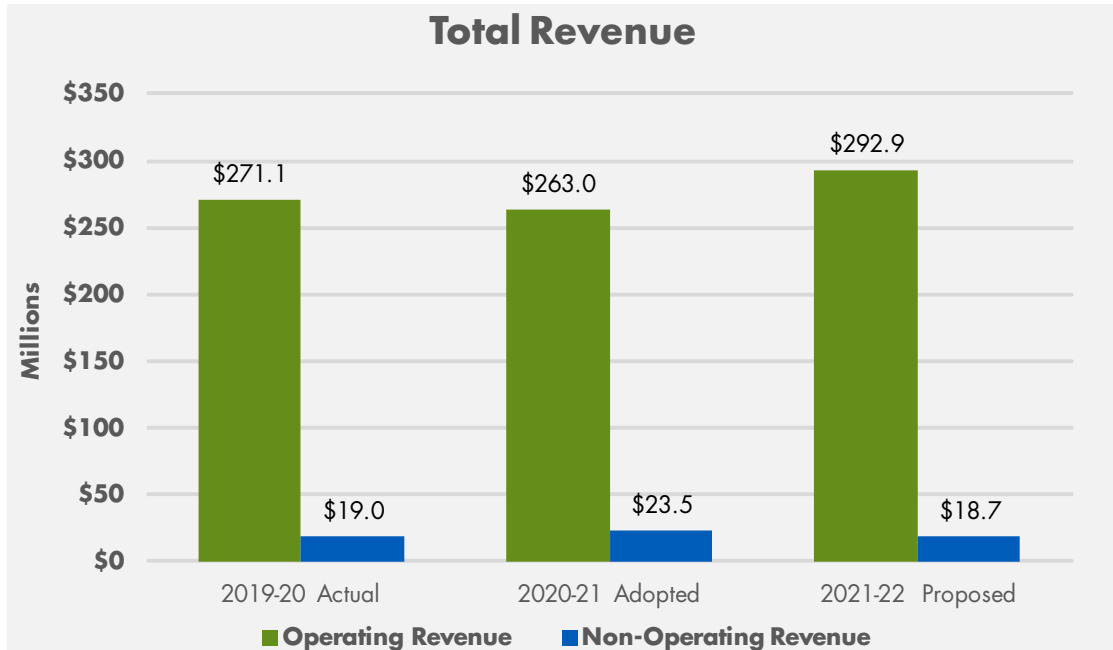
For recycled water, M&I charge increased 4.8% to \$468.50 per AF. Agricultural recycled water increased 100.5% to \$112.78 per AF. These charges maximize cost recovery while concurrently providing an economic incentive to use recycled water.

The FY 2021-22 water use estimate of 232,000 AF represents a 2,000 AF, or 0.9%, increase compared to the FY 2020-21 adopted water budget usage amount of 230,000.

A table with historical and current water charges is included in the pages that follow, and more information on groundwater charges can be found in the FY2021-22 Production and Augmentation of Water Supplies (PAWS) Annual Report.

# Fund Summaries

## Water Enterprise Fund (Fund 61)



# Fund Summaries

## Water Enterprise Fund Summary (Fund 61)

|                                       | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |                 |
|---------------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|-----------------|
|                                       |                                      |                              |                                  |                               | \$ Diff                        | % Diff          |
| <b>REVENUE</b>                        |                                      |                              |                                  |                               |                                |                 |
| <b>Operating Revenue</b>              |                                      |                              |                                  |                               |                                |                 |
| Groundwater Production Charges        | \$ 112,560,186                       | \$ 121,105,000               | \$ 121,105,000                   | \$ 137,161,000                | \$ 16,056,000                  | 13.3%           |
| Treated Water Charges                 | 152,621,750                          | 137,399,000                  | 137,399,000                      | 151,102,000                   | 13,703,000                     | 10.0%           |
| Surface&Recycled Water Charges        | 1,713,303                            | 2,562,000                    | 2,562,000                        | 2,880,000                     | 318,000                        | 12.4%           |
| Intergovernmental Services            | 3,721,199                            | 1,242,326                    | 1,177,326                        | 1,242,326                     | —                              | —               |
| Operating Other                       | 484,257                              | 700,000                      | 536,894                          | 536,894                       | (163,106)                      | (23.3)%         |
| <b>Total Operating Revenue</b>        | <b>\$ 271,100,695</b>                | <b>\$ 263,008,326</b>        | <b>\$ 262,780,220</b>            | <b>\$ 292,922,220</b>         | <b>\$ 29,913,894</b>           | <b>11.4%</b>    |
| <b>Non-Operating Revenue</b>          |                                      |                              |                                  |                               |                                |                 |
| Property Tax                          | \$ 8,350,178                         | \$ 8,217,000                 | \$ 8,647,378                     | \$ 8,927,304                  | \$ 710,304                     | 8.6%            |
| Capital Reimbursements                | 4,345,234                            | 11,358,000                   | 17,274,000                       | 6,613,000                     | (4,745,000)                    | (41.8)%         |
| Interest Income *                     | 5,500,357                            | 3,500,000                    | 3,500,000                        | 2,731,500                     | (768,500)                      | (22.0)%         |
| Nonoperating Other                    | 851,321                              | 400,554                      | 400,554                          | 408,323                       | 7,769                          | 1.9%            |
| <b>Total Non-Operating Revenue</b>    | <b>\$ 19,047,090</b>                 | <b>\$ 23,475,554</b>         | <b>\$ 29,821,932</b>             | <b>\$ 18,680,127</b>          | <b>\$ (4,795,427)</b>          | <b>(20.4)%</b>  |
| <b>TOTAL REVENUE</b>                  | <b>\$ 290,147,785</b>                | <b>\$ 286,483,880</b>        | <b>\$ 292,602,152</b>            | <b>\$ 311,602,347</b>         | <b>\$ 25,118,467</b>           | <b>8.8%</b>     |
| <b>OUTLAYS</b>                        |                                      |                              |                                  |                               |                                |                 |
| <b>Operating Outlays</b>              |                                      |                              |                                  |                               |                                |                 |
| Operations **                         | \$ 140,343,151                       | \$ 170,754,127               | \$ 171,872,331                   | \$ 202,921,312                | \$ 32,167,185                  | 18.8%           |
| Operating Project                     | 247,239                              | 282,383                      | 282,383                          | 284,438                       | 2,055                          | 0.7%            |
| Debt Service                          | 34,175,002                           | 48,424,345                   | 48,424,345                       | 52,561,061                    | 4,136,716                      | 8.5%            |
| <b>Total Operating Outlays</b>        | <b>\$ 174,765,392</b>                | <b>\$ 219,460,855</b>        | <b>\$ 220,579,059</b>            | <b>\$ 255,766,811</b>         | <b>\$ 36,305,956</b>           | <b>16.5%</b>    |
| <b>Capital Outlays</b>                |                                      |                              |                                  |                               |                                |                 |
| Capital Projects                      | \$ 132,224,424                       | \$ 159,126,986               | \$ 182,648,449                   | \$ 275,141,567                | \$ 116,014,581                 | 72.9%           |
| Carry Forward Capital Projects        | —                                    | 22,211,117                   | —                                | 21,603,754                    | (607,363)                      | (2.7)%          |
| <b>Total Capital Outlays</b>          | <b>\$ 132,224,424</b>                | <b>\$ 181,338,103</b>        | <b>\$ 182,648,449</b>            | <b>\$ 296,745,321</b>         | <b>\$ 115,407,218</b>          | <b>63.6%</b>    |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 306,989,816</b>                | <b>\$ 400,798,958</b>        | <b>\$ 403,227,508</b>            | <b>\$ 552,512,132</b>         | <b>\$ 151,713,174</b>          | <b>37.9%</b>    |
| <b>OTHER FINANCING SOURCES/(USES)</b> |                                      |                              |                                  |                               |                                |                 |
| Debt Proceeds                         | \$ 52,720,000                        | \$ 135,500,000               | \$ 162,075,000                   | \$ 159,288,000                | \$ 23,788,000                  | 17.6%           |
| Transfers In                          | 1,064,430                            | 593,000                      | 593,000                          | —                             | (593,000)                      | (100.0)%        |
| Transfers Out                         | (2,570,784)                          | (6,215,163)                  | (4,866,389)                      | (3,161,400)                   | 3,053,763                      | (49.1)%         |
| <b>TOTAL OTHER SOURCES/(USES)</b>     | <b>\$ 51,213,646</b>                 | <b>\$ 129,877,837</b>        | <b>\$ 157,801,611</b>            | <b>\$ 156,126,600</b>         | <b>\$ 26,248,763</b>           | <b>20.2%</b>    |
| <b>BALANCE AVAILABLE</b>              | <b>\$ 34,371,615</b>                 | <b>\$ 15,562,759</b>         | <b>\$ 47,176,255</b>             | <b>\$ (84,783,185)</b>        | <b>\$ (100,345,944)</b>        | <b>(644.8)%</b> |

# Fund Summaries

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

|  | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |                |
|--|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|----------------|
|  |                                      |                              |                                  |                               | \$ Diff                        | % Diff         |
| <b>YEAR-END RESERVES</b>                       |                                      |                              |                                  |                               |                                |                |
| <b>Restricted Reserves</b>                     |                                      |                              |                                  |                               |                                |                |
| WUE Rate Stabilization                         | \$ 23,466,551                        | \$ 25,878,053                | \$ 25,069,620                    | \$ 28,332,567                 | \$ 2,454,514                   | 9.5%           |
| WUE San Felipe Emergency                       | 3,260,045                            | 3,249,972                    | 3,310,045                        | 3,360,045                     | 110,073                        | 3.4%           |
| CP Debt Service                                | 102,289                              | —                            | —                                | —                             | —                              | —              |
| WUE Public-Private Partnership (P3)<br>Reserve | 8,000,000                            | —                            | —                                | —                             | —                              | —              |
| WUE Water Supply                               | 15,077,000                           | 15,477,000                   | 15,477,000                       | 7,877,000                     | (7,600,000)                    | (49.1)%        |
| WUE SVAWPC                                     | 1,298,138                            | 908,138                      | 908,138                          | 908,138                       | —                              | —              |
| WUE Drought Reserve                            | 10,000,000                           | 10,000,000                   | 10,000,000                       | 10,000,000                    | —                              | —              |
| GP5 Reserve                                    | 6,609,637                            | 3,613,000                    | 5,873,358                        | 7,106,660                     | 3,493,660                      | 96.7%          |
| <b>Total Restricted Reserves</b>               | <b>\$ 67,813,660</b>                 | <b>\$ 59,126,163</b>         | <b>\$ 60,638,161</b>             | <b>\$ 57,584,410</b>          | <b>\$ (1,541,753)</b>          | <b>(2.6)%</b>  |
| <b>Committed Reserves</b>                      |                                      |                              |                                  |                               |                                |                |
| Currently Authorized Projects ***              | \$ 39,201,340                        | \$ 9,385,922                 | \$ 30,561,198                    | \$ 8,957,446                  | \$ (428,476)                   | (4.6)%         |
| Operating and Capital Reserve                  | 47,569,150                           | 61,994,081                   | 110,561,046                      | 50,435,364                    | (11,558,717)                   | (18.6)%        |
| <b>Total Committed Reserves</b>                | <b>\$ 86,770,490</b>                 | <b>\$ 71,380,003</b>         | <b>\$ 141,122,244</b>            | <b>\$ 59,392,810</b>          | <b>\$ (11,987,193)</b>         | <b>(16.8)%</b> |
| <b>TOTAL YEAR-END RESERVES</b>                 | <b>\$ 154,584,150</b>                | <b>\$ 130,506,166</b>        | <b>\$ 201,760,405</b>            | <b>\$ 116,977,220</b>         | <b>\$ (13,528,946)</b>         | <b>(10.4)%</b> |
| <b>Outlay Summary by Account Type</b>          |                                      |                              |                                  |                               |                                |                |
| <b>OPERATING OUTLAY</b>                        |                                      |                              |                                  |                               |                                |                |
| Salaries and Benefits                          | \$ 54,277,128                        | \$ 60,033,689                | \$ 59,887,526                    | \$ 62,887,371                 | \$ 2,853,682                   | 4.8%           |
| Salary Savings Factor                          | —                                    | (1,541,842)                  | (1,541,842)                      | (1,024,172)                   | 517,670                        | (33.6)%        |
| Services & Supplies                            | 58,306,629                           | 77,866,212                   | 79,212,552                       | 104,229,214                   | 26,363,002                     | 33.9%          |
| Intra-District Charges                         | 28,006,632                           | 34,678,451                   | 34,596,478                       | 37,113,337                    | 2,434,886                      | 7.0%           |
| <b>OPERATING OUTLAY TOTAL</b>                  | <b>\$ 140,590,389</b>                | <b>\$ 171,036,510</b>        | <b>\$ 172,154,714</b>            | <b>\$ 203,205,750</b>         | <b>\$ 32,169,240</b>           | <b>18.8%</b>   |
| <b>DEBT SERVICE</b>                            |                                      |                              |                                  |                               |                                |                |
| Services & Supplies                            | \$ 415,071                           | \$ 2,289,720                 | \$ 2,289,720                     | \$ 1,754,120                  | \$ (535,600)                   | (23.4)%        |
| Debt Service                                   | 33,759,931                           | 46,134,625                   | 46,134,625                       | 50,806,941                    | 4,672,316                      | 10.1%          |
| <b>DEBT SERVICE TOTAL</b>                      | <b>\$ 34,175,002</b>                 | <b>\$ 48,424,345</b>         | <b>\$ 48,424,345</b>             | <b>\$ 52,561,061</b>          | <b>\$ 4,136,716</b>            | <b>8.5%</b>    |
| <b>CAPITAL PROJECTS</b>                        |                                      |                              |                                  |                               |                                |                |
| Salaries and Benefits                          | \$ 14,852,163                        | \$ 19,603,802                | \$ 19,758,761                    | \$ 29,629,969                 | \$ 10,026,167                  | 51.1%          |
| Salary Savings Factor                          | —                                    | (527,201)                    | (527,201)                        | (497,490)                     | 29,711                         | (5.6)%         |
| Services & Supplies                            | 109,891,083                          | 128,911,849                  | 152,187,955                      | 228,650,965                   | 99,739,116                     | 77.4%          |
| Carry Forward Capital Projects                 | —                                    | 22,211,117                   | —                                | 21,603,754                    | (607,363)                      | (2.7)%         |
| Intra-District Charges                         | 7,481,179                            | 11,138,536                   | 11,228,934                       | 17,358,124                    | 6,219,588                      | 55.8%          |
| <b>CAPITAL PROJECTS TOTAL</b>                  | <b>\$ 132,224,425</b>                | <b>\$ 181,338,103</b>        | <b>\$ 182,648,449</b>            | <b>\$ 296,745,322</b>         | <b>\$ 115,407,219</b>          | <b>63.6%</b>   |
| <b>TOTAL OUTLAYS****</b>                       | <b>\$ 306,989,816</b>                | <b>\$ 400,798,958</b>        | <b>\$ 403,227,508</b>            | <b>\$ 552,512,133</b>         | <b>\$ 151,713,175</b>          | <b>37.9%</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

| Rate per Acre-Foot (\$/AF)                        | Adopted<br>2017/18 | Adopted<br>2018/19 | Adopted<br>2019/20 | Adopted<br>2020/21 | Proposed<br>2021/22 |
|---|--------------------|--------------------|--------------------|--------------------|---------------------|
| <b>Basic User / Groundwater Production Charge</b> |                    |                    |                    |                    |                     |
| <b>Non-Agricultural</b>                           |                    |                    |                    |                    |                     |
| Zone W-2  | 1,175.00           | 1,289.00           | 1,374.00           | 1,374.00           | 1,506.00            |
| Zone W-5  | 418.00             | 450.00             | 481.00             | 467.00             | 488.50              |
| Zone W-7  | 418.00             | 450.00             | 481.00             | 481.00             | 530.50              |
| Zone W-8  | 418.00             | 450.00             | 481.00             | 327.00             | 341.50              |
| <b>Agricultural</b>                               |                    |                    |                    |                    |                     |
| All Zones   | 25.09              | 27.02              | 28.86              | 28.86              | 85.38               |
| <b>Surface Water<sup>(1)</sup></b>                |                    |                    |                    |                    |                     |
| Surface Water Master Charge                       | 33.36              | 35.93              | 37.50              | 37.50              | 41.10               |
| <b>Total Surface Water Charge<sup>(1)</sup></b>   |                    |                    |                    |                    |                     |
| All Zones Agricultural                            | 58.45              | 62.95              | 66.36              | 66.36              | 126.48              |
| Zone W-2 Non-Agricultural                         | 1,208.36           | 1,324.93           | 1,411.50           | 1,411.50           | 1,547.10            |
| Zone W-5 Non-Agricultural                         | 451.36             | 485.93             | 518.50             | 504.50             | 529.60              |
| Zone W-7 Non-Agricultural                         | 451.36             | 485.93             | 518.50             | 518.50             | 571.60              |
| Zone W-8 Non-Agricultural                         | 451.36             | 485.93             | 518.50             | 364.50             | 382.60              |
| <b>Minimum Surface Water Charge<sup>(2)</sup></b> |                    |                    |                    |                    |                     |
| All Zones Agricultural                            | 18.82              | 20.27              | 21.65              | 21.65              | 64.03               |
| Zone W-2 Non-Agricultural                         | 881.25             | 966.75             | 1,030.50           | 1,030.50           | 1,129.50            |
| Zone W-5 Non-Agricultural                         | 313.50             | 337.50             | 360.75             | 350.25             | 366.38              |
| Zone W-7 Non-Agricultural                         | 313.50             | 337.50             | 360.75             | 360.75             | 397.88              |
| Zone W-8 Non-Agricultural                         | 313.50             | 337.50             | 360.75             | 245.25             | 256.12              |
| <b>Treated Water</b>                              |                    |                    |                    |                    |                     |
| Contract (Scheduled) <sup>(3)</sup>               | 1,275.00           | 1,389.00           | 1,474.00           | 1,474.00           | 1,621.00            |
| Non-Contract <sup>(4)</sup>                       | 1,225.00           | 1,339.00           | 1,574.00           | 1,574.00           | 1,706.00            |
| <b>Reclaimed Water</b>                            |                    |                    |                    |                    |                     |
| Gilroy Reclamation Facility                       |                    |                    |                    |                    |                     |
| Agricultural                                      | 48.88              | 54.41              | 56.26              | 56.26              | 112.82              |
| Non-Agricultural                                  | 398.00             | 430.00             | 461.00             | 447.00             | 468.50              |

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

(2) The minimum surface water charge is 75% of the basic user charge (which equals the groundwater production charge); additional surface water master charges apply

(3) The total treated water contract charge is the sum of the basic user charge for Zone W-2 (which equals the groundwater production charge) plus the contract surcharge (\$115/AF in FY2021-22, \$100/AF in years prior)

(4) The total treated water non-contract charge is the sum of the basic user charge for Zone W-2 (which equals the groundwater production charge) plus the non-contract surcharge (\$200/AF)

# Fund Summaries

## Water Enterprise Cost Center Summary (Fund 61 & Fund 63)

|  | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Adjusted<br>Budget<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |               |
|--|--------------------------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|---------------|
|  |                                      |                              |                               |                               |                                | % Diff        |
| <b>SOURCE OF SUPPLY</b>                            |                                      |                              |                               |                               |                                |               |
| Operations   | \$ 88,126,623                        | \$ 108,137,109               | \$ 109,116,176                | \$ 132,913,827                | \$ 24,776,718                  | 22.9%         |
| Capital  | 68,273,415                           | 59,823,472                   | 88,227,386                    | 192,431,111                   | 132,607,639                    | 221.7%        |
| <b>Total</b>                                       | <b>\$ 156,400,038</b>                | <b>\$ 167,960,581</b>        | <b>\$ 197,343,562</b>         | <b>\$ 325,344,938</b>         | <b>\$ 157,384,357</b>          | <b>93.7%</b>  |
| <b>RAW WATER TRANSMISSION AND DISTRIBUTION</b>     |                                      |                              |                               |                               |                                |               |
| Operations   | \$ 13,100,951                        | \$ 15,330,932                | \$ 15,492,784                 | \$ 17,052,044                 | \$ 1,721,112                   | 11.2%         |
| Capital  | 1,048,973                            | 2,472,980                    | 2,474,402                     | 5,775,083                     | 3,302,103                      | 133.5%        |
| <b>Total</b>                                       | <b>\$ 14,149,924</b>                 | <b>\$ 17,803,912</b>         | <b>\$ 17,967,186</b>          | <b>\$ 22,827,127</b>          | <b>\$ 5,023,215</b>            | <b>28.2%</b>  |
| <b>WATER TREATMENT</b>                             |                                      |                              |                               |                               |                                |               |
| Operations   | \$ 37,685,613                        | \$ 43,914,012                | \$ 43,477,105                 | \$ 45,481,472                 | \$ 1,567,460                   | 3.6%          |
| Capital  | 39,074,258                           | 46,795,224                   | 55,033,843                    | 44,677,778                    | (2,117,446)                    | (4.5)%        |
| <b>Total</b>                                       | <b>\$ 76,759,871</b>                 | <b>\$ 90,709,236</b>         | <b>\$ 98,510,948</b>          | <b>\$ 90,159,250</b>          | <b>\$ (549,986)</b>            | <b>(0.6)%</b> |
| <b>TREATED WATER TRANSMISSION AND DISTRIBUTION</b> |                                      |                              |                               |                               |                                |               |
| Operations   | \$ 1,680,794                         | \$ 2,608,381                 | \$ 2,608,381                  | \$ 2,681,293                  | \$ 72,912                      | 2.8%          |
| Capital  | 11,747                               | 0                            | 0                             | 131,110                       | 131,110                        | —             |
| <b>Total</b>                                       | <b>\$ 1,692,541</b>                  | <b>\$ 2,608,381</b>          | <b>\$ 2,608,381</b>           | <b>\$ 2,812,403</b>           | <b>\$ 204,022</b>              | <b>7.8%</b>   |
| <b>ADMINISTRATION AND GENERAL</b>                  |                                      |                              |                               |                               |                                |               |
| Operations   | \$ 24,524,110                        | \$ 30,399,953                | \$ 30,814,145                 | \$ 32,401,803                 | \$ 2,001,850                   | 6.6%          |
| Operating Projects                                 | 247,239                              | 282,383                      | 282,383                       | 284,438                       | 2,055                          | 0.7%          |
| Debt   | 34,175,002                           | 48,424,345                   | 48,424,345                    | 52,561,061                    | 4,136,716                      | 8.5%          |
| Capital  | 23,816,032                           | 50,035,310                   | 28,897,689                    | 32,126,485                    | (17,908,825)                   | (35.8)%       |
| <b>Total</b>                                       | <b>\$ 82,762,383</b>                 | <b>\$ 129,141,991</b>        | <b>\$ 108,418,562</b>         | <b>\$ 117,373,787</b>         | <b>\$ (11,768,204)</b>         | <b>(9.1)%</b> |
| <b>TOTAL WATER ENTERPRISE FUND</b>                 | <b>\$ 331,764,757</b>                | <b>\$ 408,224,101</b>        | <b>\$ 424,848,639</b>         | <b>\$ 558,517,505</b>         | <b>\$ 150,293,404</b>          | <b>36.8%</b>  |
| <b>Carried Forward Capital Projects</b>            | <b>\$ —</b>                          | <b>\$ 22,211,117</b>         | <b>\$ 8,015,128</b>           | <b>\$ 21,603,754</b>          | <b>\$ (607,363)</b>            | <b>(2.7)%</b> |
| <b>WUE FUND WITH CARRYFOWARD</b>                   | <b>\$ 331,764,757</b>                | <b>\$ 430,435,218</b>        | <b>\$ 432,863,767</b>         | <b>\$ 580,121,259</b>         | <b>\$ 149,686,041</b>          | <b>34.8%</b>  |
| <b>FUND SUMMARY BY CATEGORY</b>                    |                                      |                              |                               |                               |                                |               |
| Operations   | \$ 165,118,089                       | \$ 200,390,388               | \$ 201,508,592                | \$ 230,530,438                | \$ 30,140,052                  | 15.0%         |
| Operating Projects                                 | 247,239                              | 282,383                      | 282,383                       | 284,438                       | 2,055                          | 0.7%          |
| Debt   | 34,175,002                           | 48,424,345                   | 48,424,345                    | 52,561,061                    | 4,136,716                      | 8.5%          |
| Capital  | 132,224,424                          | 159,126,986                  | 174,633,321                   | 275,141,567                   | 116,014,581                    | 72.9%         |
| Carried Forward Capital Projects                   | —                                    | 22,211,117                   | 8,015,128                     | 21,603,754                    | (607,363)                      | (2.7)%        |
| <b>Total</b>                                       | <b>\$ 331,764,754</b>                | <b>\$ 430,435,219</b>        | <b>\$ 432,863,769</b>         | <b>\$ 580,121,258</b>         | <b>\$ 149,686,041</b>          | <b>34.8%</b>  |



# Fund Summaries

## Total Outlays - Source of Supply

| Project #         | Project Description                | Budgetary Basis Actual 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022 *** | Project Managed By                                  |
|-------------------|------------------------------------|----------------------------------|--------------------------|---------------------------|--|---|
| <b>Operations</b> |                                    |                                  |                          |                           |  |   |
| 91041012          | Water Operations Planning          | 519,268                          | 633,199                  | 655,170                   |  | Raw Water Division                                  |
| 91041018          | Groundwater Management Program     | 4,222,457                        | 4,941,336                | 5,815,217                 |  | Raw Water Division                                  |
| 91061007          | Districtwide Salary Savings-61     |                                  | (1,541,842)              | (1,024,172)               |  | Financial Planning and Management Services Division |
| * 91061012        | Facilities Env Compliance          | 39,784                           | 40,067                   | 45,291                    |  | Office of COO IT and Admin Services                 |
| 91081007          | Dam Safety Program                 | 1,302,877                        | 1,723,238                | 2,032,888                 |  | Dam Safety and Capital Delivery Division            |
| 91101004          | Recycled & Purified Water Prog     | 4,619,303                        | 5,874,536                | 5,429,037                 |  | Water Supply Division                               |
| 91111001          | Water Rights                       | 530,919                          | 661,764                  | 677,614                   |  | Raw Water Division                                  |
| 91131004          | Imported Water Program             | 3,104,860                        | 5,549,068                | 5,206,404                 |  | Water Supply Division                               |
| 91131006          | IW San Felipe Division Delvrs      | 22,134,613                       | 17,833,695               | 27,403,555                |  | Water Supply Division                               |
| 91131007          | IW South Bay Aqueduct Delvrs       | 316,056                          | 756,828                  | 14,962,242                |  | Water Supply Division                               |
| 91131008          | State Water Project Costs          | 24,774,938                       | 29,636,261               | 27,609,126                |  | Water Supply Division                               |
| 91151001          | Water Conservation Program         | 5,923,256                        | 6,197,825                | 7,197,162                 |  | Water Supply Division                               |
| 91151012          | Recycld/PurifiedWaterPublicEng     | 668,850                          | 1,287,138                | 1,227,505                 |  | Office of Chief of External Affairs                 |
| 91151013          | Water Banking Operations           | 3,730,880                        | 3,815,605                | 7,142,117                 |  | Water Supply Division                               |
| 91151014          | GP5 Reimbursement Program          |                                  |                          | 2,927,650                 |  | Water Supply Division                               |
| 91211004          | San Felipe Reach 1 Operation       | 606,333                          | 641,395                  | 652,604                   |  | Raw Water Division                                  |
| 91211005          | SFD Reach 1 Administration         | 4,011                            | 5,164                    | 11,000                    |  | Raw Water Division                                  |
| 91211084          | San Felipe Reach1 Ctrl and Ele     | 249,496                          | 315,874                  | 369,164                   |  | Treated Water Division                              |
| 91211085          | SF Reach 1-Engineering - Other     | 372,865                          | 289,392                  | 298,825                   |  | Raw Water Division                                  |
| 91211099          | San Felipe Reach 1 Gen Maint       | 1,052,190                        | 856,050                  | 858,825                   |  | Raw Water Division                                  |
| 91221002          | San Felipe Reach 2 Operation       | 59,133                           | 62,966                   | 53,472                    |  | Raw Water Division                                  |
| 91221006          | SF Reach 2-Engineering - Other     | 8,418                            | 177,786                  | 160,132                   |  | Raw Water Division                                  |
| 91221099          | San Felipe Reach 2 Gen Maint       | 269,842                          | 161,666                  | 178,027                   |  | Raw Water Division                                  |
| 91231002          | San Felipe Reach 3 Operation       | 310,480                          | 329,568                  | 104,144                   |  | Raw Water Division                                  |
| 91231084          | San Felipe Reach3 Ctrl and Ele     | 221,776                          | 313,977                  | 320,637                   |  | Treated Water Division                              |
| 91231085          | SF Reach 3-Engineering - Other     | 10,387                           | 110,540                  | 115,624                   |  | Raw Water Division                                  |
| 91231099          | San Felipe Reach 3 Gen Maint       | 1,004,658                        | 1,047,805                | 1,125,496                 |  | Raw Water Division                                  |
| 91241001          | Wolfe Road Recycled Water Facility |                                  |                          | 150,000                   |  | Treated Water Division                              |
| 91251001          | Transfer-Bethany Pipeline          |                                  | 1,020,858                | 1,000,000                 |  | Water Supply Division                               |
| 91261001          | PaloAlto Water Reuse Agreement     |                                  |                          | 3,108,000                 |  | Water Supply Division                               |

\*Recipient projects

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

\*\*\*Represents estimated unspent capital project budget from FY 2020-21 that will be carried forward to FY 2021-22. A negative carryforward amount is based on the CIP approved expenditure in FY 2020-21. If the actual FY 2020-21 expenditure matches with the CIP approved FY 2020-21 expenditure, budget adjustments will be processed to address overspending.

# Fund Summaries

## Total Outlays - Source of Supply (Continued)

| Project #               | Project Description            | Budgetary Basis Actual 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022*** | Project Managed By                       |
|-------------------------|--------------------------------|----------------------------------|--------------------------|---------------------------|---|--|
| 91281007                | SVAWPC Facility Operations     | 2,580,694                        | 2,514,643                | 2,677,747                 |   | Treated Water Division                   |
| 91281008                | SVAWPC Facility Maintenance    | 1,922,854                        | 2,379,062                | 2,255,802                 |   | Treated Water Division                   |
| 91441003                | Desalination                   | 126                              | 63,692                   |                           |   | Water Supply Division                    |
| 91451002                | Well Ordinance Program         | 1,725,985                        | 1,846,619                | 2,261,818                 |   | Water Supply Division                    |
| 91451005                | Source Water Quality Mgmt      | 344,476                          | 700,279                  | 422,800                   |   | Treated Water Division                   |
| 91451011                | Invasive Mussel Prevention     | 485,612                          | 618,228                  | 625,231                   |   | Treated Water Division                   |
| 91601001                | Delta Conveyance Project       | 232,163                          | 11,645,071               | 3,165,000                 |   | Water Supply Division                    |
| 91761001                | Local Res/Div Plan & Analysis  | 1,541,495                        | 1,687,755                | 2,436,562                 |   | Raw Water Division                       |
| * 91761013              | SCADA Systems Upgrades         | 130,275                          | 108,313                  | 132,232                   |   | Treated Water Division                   |
| 91761099                | Dams / Reservoir Gen Maint     | 2,951,371                        | 3,509,019                | 2,783,920                 |   | Dam Safety and Capital Delivery Division |
| 91951001                | San Luis Low Point Improvement | 153,922                          | 322,671                  | 339,959                   |   | Dam Safety and Capital Delivery Division |
| <b>Total Operations</b> |                                | <b>88,126.623</b>                | <b>108,137.109</b>       | <b>132,913,827</b>        |   |  |
| <b>Capital</b>          |                                |                                  |                          |                           |   |  |
| 91084019                | Dam Safety Seismic Stability   | 300,993                          | 427,385                  | 64,917                    | 353,083                                     | Dam Safety and Capital Delivery Division |
| 91084020                | Calero-Guad Dams Seismic Retro | 157,063                          | 1,365,690                | 1,969,802                 | (220)                                       | Dam Safety and Capital Delivery Division |
| 91094001                | Land Rights-SC Recycled Water  |                                  | 203,352                  | 344,228                   | 203,352                                     | Water Utility Capital Division           |
| 91094009                | SoCo Rcyld Wtr PL Short-Trm 1B | 112,597                          | 247,563                  | 15,309,887                | 66,903                                      | Water Utility Capital Division           |
| 91094010                | So. County Recycled Water Fund | 53,590                           |                          |                           | 10,450                                      | Water Supply Division                    |
| 91154007                | Water Purchases Captl Project  | 10,410,713                       | 10,776,941               | 11,156,053                |   | Water Supply Division                    |
| 91214010                | Small Caps, San Felipe R1      | 1,420,723                        | 2,061,193                | 2,256,052                 |   | Raw Water Division                       |
| 91224010                | Small Caps, San Felipe R2      | 186,159                          | 859,032                  | 930,461                   |   | Raw Water Division                       |
| 91234002                | Coyote Pumping Plant ASD       | 638,487                          | 2,116,473                |                           | 1,607,555                                   | Water Utility Capital Division           |
| 91234010                | Small Caps, San Felipe R3      | 2,303                            | 206,344                  | 1,331,099                 |   | Raw Water Division                       |
| 91234011                | Coyote Warehouse               | 3,435,044                        | 284,504                  | 72,546                    | 604   | Water Utility Capital Division           |
| 91244001                | Wolfe Rd Recycled Wtr Facility | 39,823                           |                          |                           |   | Dam Safety and Capital Delivery Division |
| 91304001                | Indirect Potable Reuse-Plan    | 1,907,140                        | 1,770,985                | 1,509,480                 | 1,416,520                                   | Water Supply Division                    |
| 91854001                | Almaden Dam Improvements       |                                  | 167,789                  |                           | 104,500                                     | Dam Safety and Capital Delivery Division |
| 91864005                | Anderson Dam Seismic Retrofit  | 13,381,088                       | 10,109,204               | 126,936,894               | (437)                                       | Dam Safety and Capital Delivery Division |
| 91874004                | Calero Dam SeisRetrfit Des&Con | 410,938                          | 900,613                  |                           | 209,000                                     | 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<br>Basis<br>Actual<br>2019-2020 | Adopted<br>Budget<br>2020-2021 | Proposed<br>Budget<br>2021-2022 | Estimated<br>Carry Forward<br>Budget<br>2021-2022*** | Project Managed By                          |
|----------------------|----------------------------------|---|--------------------------------|---------------------------------|--|---|
| 91894002             | Guadalupe Dam SeisRef<br>Des&Con | 408,924                                   | 542,614                        |                                 | 871,530  | Dam Safety and Capital Delivery<br>Division |
| 91954002             | Pacheco Reservoir ExpansionPrj   | 35,407,830                                | 27,783,791                     | 30,549,692                      | 126,632  | Dam Safety and Capital Delivery<br>Division |
| <b>Total Capital</b> |                                  | <b>68,273,415</b>                         | <b>59,823,472</b>              | <b>192,431,111</b>              | <b>4,969,472</b>                                     |   |
| <b>Total</b>         |                                  | <b>156,400,038</b>                        | <b>167,960,581</b>             | <b>325,344,938</b>              | <b>4,969,472</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 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022*** | Project Managed By                        |
|-------------------------|--------------------------------|----------------------------------|--------------------------|---------------------------|---|---|
| <b>Operations</b>       |                                |                                  |                          |                           |   |   |
| 92041014                | FAHCE/Three Creeks HCP Project | 1,578,104                        | 2,452,432                | 4,088,700                 |   | Watershed Stewardship & Planning Division |
| * 92061012              | Facilities Env Compliance      | 71,612                           | 72,121                   | 81,524                    |   | Office of COO IT and Admin Services       |
| 92261099                | Vasona Pump Station Gen Main   | 83,786                           | 140,000                  | 158,974                   |   | Raw Water Division                        |
| 92761001                | Raw Water T&D Gen'l Oper       | 1,687,088                        | 1,602,491                | 1,733,748                 |   | Raw Water Division                        |
| 92761008                | Recycled Water T&D Gen'l Maint | 135,734                          | 282,352                  | 225,009                   |   | Raw Water Division                        |
| 92761009                | Recharge/RW Field Ops          | 2,831,563                        | 3,324,883                | 3,244,010                 |   | Raw Water Division                        |
| 92761010                | Rchrg / RW Field Fac Maint     | 2,342,874                        | 2,281,474                | 1,865,831                 |   | Raw Water Division                        |
| 92761012                | Untreated Water Prog Plan      | 99,290                           | 395,702                  | 444,281                   |   | Raw Water Division                        |
| * 92761013              | SCADA Systems Upgrades         | 74,443                           | 137,196                  | 167,494                   |   | Treated Water Division                    |
| 92761082                | Raw Water T&D Ctrl and Electr  | 798,195                          | 566,837                  | 721,825                   |   | Treated Water Division                    |
| 92761083                | Raw Water T&D Eng Other        | 486,787                          | 936,244                  | 1,134,808                 |   | Raw Water Division                        |
| 92761085                | Anderson Hydrelctrc Fclty Main | 211,656                          | 168,438                  | 160,398                   |   | Raw Water Division                        |
| 92761099                | Raw Water T / D Gen Maint      | 2,189,232                        | 2,325,503                | 2,361,283                 |   | Raw Water Division                        |
| 92781002                | Raw Water Corrosion Control    | 510,586                          | 645,259                  | 664,159                   |   | Raw Water Division                        |
| <b>Total Operations</b> |                                | <b>13,100,951</b>                | <b>15,330,932</b>        | <b>17,052,044</b>         |   |   |
| <b>Capital</b>          |                                |                                  |                          |                           |   |   |
| 92144001                | Pacheco/SC Conduit ROW ACQ     | 129,122                          | 506,531                  | 1,659,393                 | 2,793                                       | Water Utility Capital Division            |
| 92264001                | Vasona Pump Station Upgrade    | 231,195                          | 1,217,053                | 715,417                   | 1,454                                       | Water Utility Capital Division            |
| 92304001                | Almaden Valley Pipeline        |                                  | 667,800                  | 827,840                   | (200)                                       | Dam Safety and Capital Delivery Division  |
| ** 92374005             | SCADA Remote Arch&Comm Upgrade | 75,760                           |                          |                           |   | Water Utility Capital Division            |
| 92764009                | Small Caps, Raw Water T&D      | 612,897                          | 81,597                   | 2,572,434                 |   | Raw Water Division                        |
| <b>Total Capital</b>    |                                | <b>1,048,973</b>                 | <b>2,472,980</b>         | <b>5,775,083</b>          | <b>4,047</b>                                |   |
| <b>Total</b>            |                                | <b>14,149,924</b>                | <b>17,803,912</b>        | <b>22,827,128</b>         | <b>4,047</b>                                |   |

\*Recipient projects

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# Fund Summaries

## Total Outlays - Water Treatment

| Project #               | Project Description            | Budgetary Basis Actual 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022 *** | Project Managed By                  |
|-------------------------|--------------------------------|----------------------------------|--------------------------|---------------------------|--|-------------------------------------|
| <b>Operations</b>       |                                |                                  |                          |                           |  |                                     |
| * 93061012              | Facilities Env Compliance      | 485,367                          | 488,818                  | 552,548                   |  | Office of COO IT and Admin Services |
| 93081002                | Treatment Plant Process & Comm |                                  | 387,104                  | 527,651                   |  | Treated Water Division              |
| 93081008                | W T General Water Quality      | 1,823,051                        | 2,415,834                | 2,463,927                 |  | Treated Water Division              |
| 93081009                | Water Treatment Plant Engineer | 87,174                           | 394,746                  | 363,091                   |  | Raw Water Division                  |
| 93231009                | PWTP General Operations        | 5,243,639                        | 5,868,631                | 6,175,291                 |  | Treated Water Division              |
| 93231099                | Penitencia WTP General Maint   | 2,801,144                        | 3,086,137                | 2,841,923                 |  | Raw Water Division                  |
| 93281005                | STWTP - General Operations     | 5,806,633                        | 6,475,583                | 6,837,498                 |  | Treated Water Division              |
| 93281099                | Santa Teresa WTP General Maint | 2,767,374                        | 3,464,488                | 3,248,390                 |  | Raw Water Division                  |
| 93291012                | RWTP General Operations        | 7,964,580                        | 9,064,337                | 9,515,774                 |  | Treated Water Division              |
| 93291099                | Rinconada WTP General Maint    | 2,920,911                        | 3,647,362                | 3,316,994                 |  | Raw Water Division                  |
| 93401002                | Water District Laboratory      | 5,240,652                        | 5,519,347                | 5,970,979                 |  | Treated Water Division              |
| 93761001                | SF/SCVWD Intertie General Ops  | 65,205                           | 227,598                  | 235,434                   |  | Treated Water Division              |
| 93761004                | Campbell Well Field Operations | 33,600                           | 103,653                  | 102,077                   |  | Treated Water Division              |
| 93761005                | Campbell Well Field Maint      | 85,661                           | 112,364                  | 109,941                   |  | Raw Water Division                  |
| 93761006                | Treated Water Ctrl & Elec Eng  | 2,100,359                        | 2,112,457                | 2,543,649                 |  | Treated Water Division              |
| * 93761013              | SCADA Systems Upgrades         | 218,676                          | 433,251                  | 528,929                   |  | Treated Water Division              |
| 93761099                | SF/SCVWD Intertie Gen Maint    | 41,587                           | 112,302                  | 147,375                   |  | Raw Water Division                  |
| <b>Total Operations</b> |                                | <b>37,685,613</b>                | <b>43,914,012</b>        | <b>45,481,472</b>         |  |                                     |
| <b>Capital</b>          |                                |                                  |                          |                           |  |                                     |
| 93044001                | WTP Implementation             |                                  | 1,024,008                | 3,275,383                 | 393  | Treated Water Division              |
| 93084004                | Wtr Trtmnt Plnt Electr Imprv   | 34,749                           | 447,001                  | 883,841                   | (4,996)                                      | Water Utility Capital Division      |
| 93234044                | PWTP Residuals Management      | 4                                | 682,500                  | 1,593,363                 | (500)  | Water Utility Capital Division      |
| 93284013                | STWTP Filter Media Replace     | 22,773                           | 444,841                  | 2,812,531                 | 679  | Water Utility Capital Division      |
| 93294051                | RWTP FRP Residuals Management  | 118,029                          |                          |                           | 1,045  | Water Utility Capital Division      |
| 93294056                | RWTP Treated Water Valves Upgd | 54,392                           |                          | 4,297                     | 6,153  | Water Utility Capital Division      |
| 93294057                | RWTP Reliability Improvement   | 33,627,855                       | 30,845,499               | 20,616,887                | 223,683                                      | Water Utility Capital Division      |
| 93294058                | RWTP Residuals Remediation     | 914,587                          | 10,315,904               | 5,350,669                 | 10,393,556                                   | Water Utility Capital Division      |

\*Recipient projects

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# Fund Summaries

## Total Outlays - Water Treatment (Continued)

| Project #            | Project Description            | Budgetary<br>Basis<br>Actual<br>2019-2020 | Adopted<br>Budget<br>2020-2021 | Proposed<br>Budget<br>2021-2022 | Estimated<br>Carry Forward<br>Budget<br>2021-2022*** | Project Managed By             |
|----------------------|--------------------------------|---|--------------------------------|---------------------------------|--|--------------------------------|
| 93764003             | IRP2 WTP Bldg Seismic Retrofit | 8,458                                     |                                |                                 |  | Water Utility Capital Division |
| 93764004             | Small Caps, Water Treatment    | 4,293,412                                 | 3,035,471                      | 10,140,806                      |  | Raw Water Division             |
| <b>Total Capital</b> |                                | <b>39,074,258</b>                         | <b>46,795,224</b>              | <b>44,677,778</b>               | <b>10,620,013</b>                                    |                                |
| <b>Total</b>         |                                | <b>76,759,870</b>                         | <b>90,709,236</b>              | <b>90,159,250</b>               | <b>10,620,013</b>                                    |                                |

\*Recipient projects

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# Fund Summaries

## Total Outlays - Treated Water Transmission and Distribution

| Project #               | Project Description            | Budgetary Basis Actual 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022 *** | Project Managed By             |
|-------------------------|--------------------------------|----------------------------------|--------------------------|---------------------------|--|--------------------------------|
| <b>Operations</b>       |                                |                                  |                          |                           |  |                                |
| 94761005                | TW T&D - Engineering - Other   | 361,709                          | 549,867                  | 566,247                   |  | Raw Water Division             |
| * 94761013              | SCADA Systems Upgrades         | 41,874                           | 43,325                   | 52,893                    |  | Treated Water Division         |
| 94761099                | Treated Water T/D Gen Maint    | 1,020,598                        | 1,485,798                | 1,529,246                 |  | Raw Water Division             |
| 94781001                | Treated Water T/D Corrosion    | 256,613                          | 529,391                  | 532,906                   |  | Raw Water Division             |
| <b>Total Operations</b> |                                | <b>1,680,794</b>                 | <b>2,608,381</b>         | <b>2,681,293</b>          |  |                                |
| <b>Capital</b>          |                                |                                  |                          |                           |  |                                |
| 94084007                | Treated Water Isolation Valves | 11,747                           |                          |                           | 990,660                                      | Water Utility Capital Division |
| 94764006                | Small Caps, Treated Water T&D  |                                  |                          | 131,110                   |  | Raw Water Division             |
| <b>Total Capital</b>    |                                | <b>11,747</b>                    |                          | <b>131,110</b>            | <b>990,660</b>                               |                                |
| <b>Total</b>            |                                | <b>1,692,541</b>                 | <b>2,608,381</b>         | <b>2,812,403</b>          | <b>990,660</b>                               |                                |

\*Recipient projects

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# Fund Summaries

## Total Outlays - Administration and General

| Project #         | Project Description             | Budgetary Basis Actual 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022*** | Project Managed By                                  |
|-------------------|---------------------------------|----------------------------------|--------------------------|---------------------------|---|---|
| <b>Operations</b> |                                 |                                  |                          |                           |   |   |
| 95001090          | Unscoped Projects-Budget Only   |                                  | 100,000                  | 150,000                   |   | Office of Integrated Water Management               |
| 95011003          | WU Asset Protection Support     | 918,461                          | 1,122,392                | 1,105,013                 |   | Watershed Design & Construction Division            |
| * 95021008        | Energy Management               | 166,131                          | 320,117                  | 273,891                   |   | Treated Water Division                              |
| * 95031002        | Grants Management               | 367,973                          | 529,834                  | 575,874                   |   | Financial Planning and Management Services Division |
| * 95041039        | Integrated Regional Water Mgmt  | 29,024                           | 58,147                   | 91,074                    |   | Water Supply Division                               |
| 95061012          | Rental Expense San Pedro, MH    | 18,206                           | 21,900                   | 33,888                    |   | Watershed Design & Construction Division            |
| ** 95061037       | WUE Training & Development      | 22,673                           |                          |                           |   | Office of COO Water Utility                         |
| 95061038          | WUE Administration              | 8,179,899                        | 8,439,173                | 11,238,031                |   | Office of COO Water Utility                         |
| ** 95061043       | WUE TW Div Admin Support        | 2,460,801                        | 3,334,008                |                           |   | Treated Water Division                              |
| * 95061045        | Asset Management Program        | 1,476,940                        | 2,002,611                | 1,746,376                 |   | Office of Integrated Water Management               |
| 95061047          | WUE Technical Training Program  | 461,128                          | 497,525                  | 643,236                   |   | Office of COO IT and Admin Services                 |
| * 95061048        | Climate Change Adaptation/ Mtg. | 92,279                           | 94,374                   | 140,139                   |   | Watershed Stewardship & Planning Division           |
| * 95061050        | Office of Integrated Wtr Mgmt   |                                  |                          | 1,013,133                 |   | Office of Integrated Water Management               |
| * 95061051        | Lands Management Program        |                                  |                          | 236,589                   |   | Office of Integrated Water Management               |
| * 95071041        | Welding Services                | 394,035                          | 491,437                  | 527,534                   |   | General Services Division                           |
| 95101003          | Water Revenue Program           | 1,407,825                        | 1,587,852                | 1,961,835                 |   | Financial Planning and Management Services Division |
| 95111003          | Water Use Measurement           | 1,803,392                        | 1,970,018                | 2,189,062                 |   | Water Supply Division                               |
| * 95121003        | LT Financial Planning & Rate S  | 558,524                          | 592,002                  | 512,376                   |   | Financial Planning and Management Services Division |
| 95151002          | WU Customer Relations&Outreach  | 427,181                          | 956,912                  | 976,943                   |   | Office of Chief of External Affairs                 |
| 95741001          | Water Supply Planning           | 1,342,591                        | 1,851,054                | 2,463,046                 |   | Water Supply Division                               |
| * 95741042        | Water Resorcs EnvPlng & Permtg  | 717,102                          | 1,810,270                | 1,556,408                 |   | Watershed Operations & Maintenance Division         |
| 95761003          | SCADA Network Administration    | 283,480                          | 241,278                  | 254,973                   |   | Information Technology Division                     |
| * 95761071        | Emergency Management            | 787,520                          | 1,162,880                | 1,335,275                 |   | Office of COO IT and Admin Services                 |

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# Fund Summaries

## Total Outlays - Administration and General (Continued)

| Project #                      | Project Description            | Budgetary Basis Actual 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022*** | Project Managed By                                  |
|--------------------------------|--------------------------------|----------------------------------|--------------------------|---------------------------|---|---|
| * 95771011                     | Inter Agency Urban Runoff Prog | 431,100                          | 518,487                  | 500,246                   |   | Watershed Stewardship & Planning Division           |
| * 95771031                     | HAZMAT Emergency Response      | 67,036                           | 84,158                   | 86,773                    |   | Office of COO IT and Admin Services                 |
| * 95811043                     | Hydrologic Data Msrmt & Mgmt   | 928,332                          | 1,019,096                | 1,086,508                 |   | Watershed Stewardship & Planning Division           |
| * 95811046                     | Warehouse Services             | 600,665                          | 750,157                  | 819,160                   |   | General Services Division                           |
| * 95811049                     | X Valley Subsidence Survey     | 338,001                          | 422,575                  | 445,887                   |   | Watershed Design & Construction Division            |
| * 95811054                     | District Real Property Adminis | 243,808                          | 421,696                  | 438,534                   |   | Watershed Design & Construction Division            |
| <b>Total Operations</b>        |                                | <b>24,524,110</b>                | <b>30,399,953</b>        | <b>32,401,803</b>         |   |   |
| <b>Operating Project</b>       |                                |                                  |                          |                           |   |   |
| * 95762011                     | Tree Maintenance Program       | 247,239                          | 282,383                  | 284,438                   |   | Watershed Operations & Maintenance Division         |
| <b>Total Operating Project</b> |                                | <b>247,239</b>                   | <b>282,383</b>           | <b>284,438</b>            |   |   |
| <b>Debt Service</b>            |                                |                                  |                          |                           |   |   |
| 95993007                       | Commercial Paper Tax Exempt    | 236,861                          | 1,690,860                | 1,859,060                 |   | Financial Planning and Management Services Division |
| 95993008                       | Commercial Paper Taxable       | 487,455                          | 1,690,860                | 1,859,060                 |   | Financial Planning and Management Services Division |
| 95993012                       | 2006B WUE Refunding (Taxable)  | 1,781,296                        | 1,816,101                | 1,825,418                 |   | Financial Planning and Management Services Division |
| ** 95993014                    | 2007B WU Revenue COPs(Taxable) | 512,614                          |                          |                           |   | Financial Planning and Management Services Division |
| 95993015                       | 2016A WU Ref Rev Bond(TxExmpt) | 5,316,800                        | 5,350,750                | 5,360,750                 |   | Financial Planning and Management Services Division |
| 95993016                       | 2016B WU Ref Rev Bond(Taxable) | 3,230,671                        | 3,244,621                | 3,249,621                 |   | Financial Planning and Management Services Division |
| 95993017                       | WU COP 2016C (Tax-Exempt)      | 5,088,650                        | 5,073,000                | 5,028,250                 |   | Financial Planning and Management Services Division |
| 95993018                       | WU COP 2016D (Taxable)         | 5,596,141                        | 5,665,657                | 5,723,613                 |   | Financial Planning and Management Services Division |
| 95993019                       | WU Rev Bond 2017A (Tax Exempt) | 4,352,750                        | 4,396,500                | 4,412,500                 |   | Financial Planning and Management Services Division |
| 95993022                       | WU Rev Bond 2019A (Tax-Exempt) | 994,000                          | 1,024,750                | 1,037,750                 |   | Financial Planning and Management Services Division |
| 95993023                       | WU Rev Bond 2019B (Taxable)    | 4,504,682                        | 4,519,910                | 4,523,995                 |   | Financial Planning and Management Services Division |

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# Fund Summaries

## Total Outlays - Administration and General (Continued)

| Project #                 | Project Description                     | Budgetary Basis Actual 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022*** | Project Managed By                                  |
|---------------------------|---|----------------------------------|--------------------------|---------------------------|---|---|
| 95993024                  | WU Rev Bond 2019C (Taxable)             | 2,071,556                        | 2,790,179                | 3,041,736                 |   | Financial Planning and Management Services Division |
| 95993025                  | WU Rev Bond 2020A (Tax-Exempt)          | 763                              | 2,686,670                | 1,251,000                 |   | Financial Planning and Management Services Division |
| 95993026                  | WU Rev Bond 2020B (Taxable)             | 763                              | 5,164,487                | 2,053,285                 |   | Financial Planning and Management Services Division |
| 95993027                  | WU COP 2020C (Tax-Exempt)               |                                  | 1,660,000                | 3,818,250                 |   | Financial Planning and Management Services Division |
| 95993028                  | WU COP 2020D (Taxable)                  |                                  | 1,650,000                | 4,755,688                 |   | Financial Planning and Management Services Division |
| 95993029                  | WU Rev Bond 2022A (Tax-Exempt)          |                                  |                          | 1,389,214                 |   | Financial Planning and Management Services Division |
| 95993030                  | WU Rev Bond 2022B (Taxable)             |                                  |                          | 1,371,871                 |   | Financial Planning and Management Services Division |
| <b>Total Debt Service</b> |   | <b>34,175,002</b>                | <b>48,424,345</b>        | <b>52,561,061</b>         |   |   |
| <b>Capital</b>            |   |                                  |                          |                           |   |   |
| 95044001                  | Distribution Systems Implement          |                                  | 2,000,000                | 2,857,224                 | 383,321                                     | Water Supply Division                               |
| 95044002                  | SCADA Implementation                    |                                  | 1,365,200                | 2,383,568                 | 200   | Treated Water Division                              |
| 95064011                  | Districtwide Salary Savings-61          |                                  | (527,201)                | (497,490)                 |   | Financial Planning and Management Services Division |
| 95074001                  | Capital Warranty Services               | 89,506                           | 26,316,821               | 1,037,558                 | (254)                                       | Water Utility Capital Division                      |
| 95074005                  | WU Capital Program Admin Support        |                                  |                          | 5,227,466                 |   | Water Utility Capital Division                      |
| * 95074030                | WU Capital Training & Dvlpmnt           |                                  |                          |                           |   | Water Utility Capital Division                      |
| * 95074033                | CIP Development & Admin                 | 357,346                          | 411,624                  | 864,840                   |   | Office of Integrated Water Management               |
| * 95074036                | Survey Mgmt & Tech Support              | 167,016                          | 262,938                  | 1,272,801                 |   | Watershed Design & Construction Division            |
| * 95074038                | Capital Progrm Srvc Admin               | 2,931,823                        | 2,350,946                |                           |   | Watershed Design & Construction Division            |
| ** 95074039               | Cap Construction Mgmt System            | 61,384                           | 156,511                  |                           |   | Office of Integrated Water Management               |
| * 95074040                | Capital Project Mgmt Information System |                                  |                          | 1,110,769                 |   | Office of Integrated Water Management               |
| * 95074041                | Construction Contracts & Support        |                                  | 475,378                  | 1,538,279                 |   | General Services Division                           |
| 95084002                  | 10-Yr PL Inspection and Rehab           | 20,095,047                       | 17,223,093               | 16,242,739                | 4,636,201                                   | Water Utility Capital Division                      |
| 95274003                  | WU Computer Network Modrnizatin         | 113,910                          |                          | 88,731                    | 94  | Information Technology Division                     |

\*Recipient projects

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

\*\*\*Represents estimated unspent capital project budget from FY 2020-21 that will be carried forward to FY 2021-22. A negative carryforward amount is based on the CIP approved expenditure in FY 2020-21. If the actual FY 2020-21 expenditure matches with the CIP approved FY 2020-21 expenditure, budget adjustments will be processed to address overspending.

# Fund Summaries

## Total Outlays - Administration and General (Continued)

| Project #            | Project Description | Budgetary<br>Basis<br>Actual<br>2019-2020 | Adopted<br>Budget<br>2020-2021 | Proposed<br>Budget<br>2021-2022 | Estimated<br>Carry Forward<br>Budget<br>2021-2022*** | Project Managed By |
|----------------------|---------------------|---|--------------------------------|---------------------------------|--|--------------------|
| <b>Total Capital</b> |                     | <b>23,816,032</b>                         | <b>50,035,310</b>              | <b>32,126,485</b>               | <b>5,019,562</b>                                     |                    |
| <b>Total</b>         |                     | <b>82,762,383</b>                         | <b>129,141,991</b>             | <b>117,373,786</b>              | <b>5,019,562</b>                                     |                    |

\*Recipient projects

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

\*\*\*Represents estimated unspent capital project budget from FY 2020-21 that will be carried forward to FY 2021-22. A negative carryforward amount is based on the CIP approved expenditure in FY 2020-21. If the actual FY 2020-21 expenditure matches with the CIP approved FY 2020-21 expenditure, budget adjustments will be processed to address overspending.

# Fund Summaries

## Water Enterprise Summary by Zone

|   | Budgetary Basis<br>Basis Actual<br>2019-2020 | Adopted<br>Budget<br>2020-21 | Estimated<br>Actual<br>2020-21 | Proposed<br>Budget<br>2021-22 | Percent<br>Change |
|---|--|------------------------------|--------------------------------|-------------------------------|-------------------|
| <b>Zone W2 North County</b>                 |  |                              |                                |                               |                   |
| <b>Allocated Revenue</b>                    |  |                              |                                |                               |                   |
| Operating Revenue                           | \$ 254,406,682                               | \$ 247,649,090               | \$ 247,441,016                 | \$ 275,141,440                | 11.1%             |
| Non-operating Revenue                       | 39,111,784                                   | 39,991,513                   | 46,337,891                     | 42,471,062                    | 6.2%              |
| <b>Total Allocated Revenue</b>              | <b>\$ 293,518,466</b>                        | <b>\$ 287,640,603</b>        | <b>\$ 293,778,907</b>          | <b>\$ 317,612,502</b>         | <b>10.4%</b>      |
| <b>Allocated Operating Outlays</b>          |  |                              |                                |                               |                   |
| Operations                                  | \$ 146,691,959                               | \$ 178,898,507               | \$ 179,699,828                 | \$ 205,714,367                | 15.0%             |
| Operating Projects                          | 213,614                                      | 218,282                      | 282,383                        | 219,066                       | 0.4%              |
| Debt Service                                | 34,175,002                                   | 48,424,345                   | 48,424,345                     | 52,561,061                    | 8.5%              |
| <b>Total Allocated Operating Outlays</b>    | <b>\$ 181,080,575</b>                        | <b>\$ 227,541,134</b>        | <b>\$ 228,406,556</b>          | <b>\$ 258,494,494</b>         | <b>13.6%</b>      |
| Balance Available for Capital/Reserve       | 112,437,891                                  | 60,099,469                   | 65,372,351                     | 59,118,008                    | (1.6)%            |
| <b>Capital Appropriations</b>               | <b>\$ 132,224,424</b>                        | <b>\$ 181,338,103</b>        | <b>\$ 182,648,449</b>          | <b>\$ 296,745,321</b>         | <b>63.6%</b>      |
| <b>Other Financing Sources</b>              |  |                              |                                |                               |                   |
| Bond Proceeds                               | \$ 52,720,000                                | \$ 135,500,000               | \$ 162,075,000                 | \$ 159,288,000                | 17.6%             |
| Commercial Paper Proceeds                   | —  | —                            | —                              | —                             | —                 |
| Transfers In                                | 1,064,430                                    | 1,941,774                    | 593,000                        | —                             | (100.0)%          |
| Transfers Out                               | (2,570,784)                                  | (6,215,163)                  | (4,866,389)                    | (3,161,400)                   | (49.1)%           |
| <b>Total Other Financing Sources/(Uses)</b> | <b>\$ 51,213,646</b>                         | <b>\$ 131,226,611</b>        | <b>\$ 157,801,611</b>          | <b>\$ 156,126,600</b>         | <b>19.0%</b>      |
| South County Open Space Credit              | (5,983,905)                                  | (8,710,885)                  | (5,154,721)                    | (5,601,494)                   | (35.7)%           |
| South County Capital Amortization           | 5,566,967                                    | 6,845,914                    | 7,315,045                      | 6,323,369                     | (7.6)%            |
| South County Interest (Earnings)/Payments   | (302,567)                                    | (252,927)                    | (255,179)                      | (171,536)                     | (32.2)%           |
| <b>Balance Available for W2</b>             | <b>\$ 30,707,608</b>                         | <b>\$ 7,870,079</b>          | <b>\$ 42,430,658</b>           | <b>\$ (80,950,374)</b>        | <b>(1,128.6)%</b> |
| <b>Historical Zone W5 South County</b>      |  |                              |                                |                               |                   |
| <b>Allocated Revenue</b>                    |  |                              |                                |                               |                   |
| Operating Revenue                           | \$ 16,694,013                                | \$ —                         | \$ —                           | \$ —                          | —                 |
| Non-operating Revenue                       | 3,123,569                                    | —                            | —                              | —                             | —                 |
| <b>Total Allocated Revenue</b>              | <b>\$ 19,817,582</b>                         | <b>\$ —</b>                  | <b>\$ —</b>                    | <b>\$ —</b>                   | <b>—</b>          |
| <b>Zone W5 South County</b>                 |  |                              |                                |                               |                   |
| <b>Allocated Revenue</b>                    |  |                              |                                |                               |                   |
| Operating Revenue                           | \$ 16,694,013                                | \$ 10,447,532                | \$ 10,428,280                  | \$ 12,182,528                 | 16.6%             |
| Non-operating Revenue                       | 3,123,569                                    | 1,889,005                    | 1,889,005                      | 2,440,459                     | 29.2%             |
| <b>Total Allocated Revenue</b>              | <b>\$ 19,817,582</b>                         | <b>\$ 12,336,537</b>         | <b>\$ 12,317,285</b>           | <b>\$ 14,622,987</b>          | <b>18.5%</b>      |
| <b>Zone W7 South County</b>                 |  |                              |                                |                               |                   |
| <b>Allocated Revenue</b>                    |  |                              |                                |                               |                   |
| Operating Revenue                           | \$ —   | \$ 4,751,325                 | \$ 4,751,208                   | \$ 5,401,399                  | 13.7%             |
| Non-operating Revenue                       | —  | 550,102                      | 550,102                        | 709,985                       | 29.1%             |
| <b>Total Allocated Revenue</b>              | <b>\$ —</b>                                  | <b>\$ 5,301,427</b>          | <b>\$ 5,301,310</b>            | <b>\$ 6,111,384</b>           | <b>15.3%</b>      |

# Fund Summaries

## Water Enterprise Summary by Zone (Continued)

|   | Budgetary Basis<br>Basis Actual<br>2019-2020 |            | Adopted<br>Budget<br>2020-21 | Estimated<br>Actual<br>2020-21 | Proposed<br>Budget<br>2021-22 | Percent<br>Change |
|---|--|------------|------------------------------|--------------------------------|-------------------------------|-------------------|
| Zone W8 South County                    |  |            |                              |                                |                               |                   |
| Allocated Revenue                       |  |            |                              |                                |                               |                   |
| Operating Revenue                       | \$   | —          | \$ 160,378                   | \$ 159,716                     | \$ 196,854                    | 22.7%             |
| Non-operating Revenue                   |  | —          | 44,935                       | 44,935                         | 58,620                        | 30.5%             |
| Total Allocated Revenue                 | \$   | —          | \$ 205,313                   | \$ 204,651                     | \$ 255,474                    | 24.4%             |
| Total South County Revenue              |  |            |                              |                                |                               |                   |
| Operating Revenue                       | \$   | 16,694,013 | \$ 15,359,235                | \$ 15,339,204                  | \$ 17,780,780                 | 15.8%             |
| Non-operating Revenue                   |  | 3,123,569  | 2,484,042                    | 2,484,042                      | 3,209,064                     | 29.2%             |
| Total Allocated Revenue                 | \$   | 19,817,582 | \$ 17,843,277                | \$ 17,823,246                  | \$ 20,989,845                 | 17.6%             |
| Open Space Credit                       |  | 5,983,905  | 8,710,885                    | 5,154,721                      | 5,601,494                     | (35.7)%           |
| Total Current Resources                 | \$   | 25,801,487 | \$ 26,554,162                | \$ 22,977,967                  | \$ 26,591,339                 | 0.1%              |
| Allocated Costs                         |  |            |                              |                                |                               |                   |
| Operations                              | \$   | 13,844,266 | \$ 18,328,184                | \$ 18,665,816                  | \$ 20,086,289                 | 9.6%              |
| Operating Projects                      |  | 33,625     | 64,101                       | —                              | 65,371                        | 2.0%              |
| Imported Water Purchases                |  | 4,581,865  | 3,163,697                    | 3,078,050                      | 4,729,783                     | 49.5%             |
| Total Allocated Outlays                 | \$   | 18,459,756 | \$ 21,555,982                | \$ 21,743,866                  | \$ 24,881,443                 | 15.4%             |
| Balance Available for Capital/Reserve   |  | 7,341,731  | 4,998,180                    | 1,169,203                      | 1,709,896                     | (65.8)%           |
| Interest (earned)/due Utility Reserves  |  | (302,567)  | (252,927)                    | (255,179)                      | (171,536)                     | (32.2)%           |
| Total Capital Amortization              |  | 5,566,967  | 6,845,914                    | 7,315,045                      | 6,323,369                     | (7.6)%            |
| Balance Available/(Deficit) for Zone W5 | \$   | 2,077,331  | \$ (1,594,807)               | \$ (5,890,663)                 | \$ (4,441,937)                | 178.5%            |
| Total Balance Available/(Deficit)       | \$   | 32,784,939 | \$ 6,275,272                 | \$ 36,539,995                  | \$ (85,392,311)               | (1,460.8)%        |

# Fund Summaries

## Water Utility Cost Allocation

| Project #  | Project Name                              | South County Share by Zone |           |          | North County Share | Proposed 2021-2022 | Basis of Allocation          |
|------------|---|----------------------------|-----------|----------|--------------------|--------------------|------------------------------|
|            |   | Zone W-5                   | Zone W-7  | Zone W-8 | Zone W-2           |                    |                              |
| Operations |   |                            |           |          |                    |                    |                              |
| 91041012   | Water Operations Planning                 | \$ 69,218                  | \$ 37,635 | \$ 348   | \$ 547,970         | \$ 655,170         | Raw Water Deliveries         |
| 91041018   | Groundwater Management Program            | 1,989,905                  | 528,808   | 54,138   | 3,242,366          | 5,815,217          | Groundwater Production Ratio |
| 91061007   | Districtwide Salary Savings               | (179,930)                  | (51,605)  | (3,847)  | (788,791)          | (1,024,172)        | Water Usage Ratio            |
| 91061012   | Facilities Environmental Compliance       | 4,785                      | 2,602     | 24       | 37,880             | 45,291             | Raw Water Deliveries         |
| 91081007   | Dam Safety Program                        | 410,063                    | 37,560    | 8,132    | 1,577,134          | 2,032,888          | Program Benefit Calculation  |
| 91101004   | Recycled & Purified Water Program         | 352,887                    | —         | —        | 5,076,149          | 5,429,037          | Population                   |
| 91111001   | Water Rights and Accounting               | 71,589                     | 38,924    | 360      | 566,741            | 677,614            | Raw Water Deliveries         |
| 91131004   | Imported Water Program                    | 252,618                    | 306,635   | —        | 4,647,151          | 5,206,404          | Imported Water Ratio         |
| 91131006   | San Felipe Division Deliveries            | 2,136,473                  | 2,593,310 | —        | 22,673,772         | 27,403,555         | Program Benefit Calculation  |
| 91131007   | South Bay Aqueduct Deliveries             | —                          | —         | —        | 14,962,242         | 14,962,242         | No South County Benefit      |
| 91131008   | State Water Project Costs                 | —                          | —         | —        | 27,609,126         | 27,609,126         | No South County Benefit      |
| 91151001   | Water Conservation Program                | 626,153                    | 28,789    | 28,789   | 6,513,431          | 7,197,162          | Program Benefit Calculation  |
| 91151012   | Recycled/Purified Water Public Engagement | 79,788                     | —         | —        | 1,147,718          | 1,227,505          | Population                   |
| 91151013   | Water Banking Operations                  | 346,540                    | 420,640   | —        | 6,374,937          | 7,142,117          | Imported Water Ratio         |
| 91151014   | GP5 Reimbursement Program                 | —                          | —         | —        | 2,927,650          | 2,927,650          | No South County Benefit      |
| 91211004   | San Felipe Reach 1 Operations             | 52,846                     | 64,145    | —        | 535,613            | 652,604            | CVP Imported Water Ratio     |
| 91211005   | SFD Reach 1 Administration                | 891                        | 1,081     | —        | 9,028              | 11,000             | CVP Imported Water Ratio     |
| 91211084   | San Felipe Reach1 Ctrl and Ele            | 29,894                     | 36,286    | —        | 302,984            | 369,164            | CVP Imported Water Ratio     |
| 91211085   | San Felipe Reach 1 Eng Other              | 24,198                     | 29,372    | —        | 245,255            | 298,825            | CVP Imported Water Ratio     |
| 91211099   | San Felipe Reach 1 Gen Maint              | 69,545                     | 84,415    | —        | 704,865            | 858,825            | CVP Imported Water Ratio     |
| 91221002   | San Felipe Reach 2 Operations             | 4,330                      | 5,256     | —        | 43,887             | 53,473             | CVP Imported Water Ratio     |
| 91221006   | San Felipe Reach 2 Eng Other              | 12,967                     | 15,740    | —        | 131,425            | 160,132            | CVP Imported Water Ratio     |
| 91221099   | San Felipe Reach 2 Gen Maint              | 14,416                     | 17,499    | —        | 146,113            | 178,027            | CVP Imported Water Ratio     |
| 91231002   | San Felipe Reach 3 Operations             | 340                        | 8,995     | —        | 94,809             | 104,144            | CVP Imported Water Ratio     |

# Fund Summaries

## Water Utility Cost Allocation (Continued)

| Project # | Project Name  | South County Share by Zone |          |          | North County Share | Proposed 2021-2022 | Basis of Allocation              |
|-----------|---|----------------------------|----------|----------|--------------------|--------------------|----------------------------------|
|           |   | Zone W-5                   | Zone W-7 | Zone W-8 | Zone W-2           |                    |                                  |
| 91231084  | San Felipe Reach3 Ctrl and Ele                      | 1,047                      | 27,693   | —        | 291,897            | 320,637            | CVP Imported Water Ratio         |
| 91231085  | San Felipe Reach 3 Eng Other                        | 378                        | 9,986    | —        | 105,260            | 115,624            | CVP Imported Water Ratio         |
| 91231099  | San Felipe Reach 3 Gen Maint                        | 47,408                     | 103,916  | —        | 974,172            | 1,125,496          | CVP Imported Water Ratio         |
| 91241001  | Wolfe Road Recycled Water Facility                  | 9,750                      | —        | —        | 140,250            | 150,000            | Population                       |
| 91251001  | Los Vaqueros-Bethany Transfer PL Placeholder        | —                          | —        | —        | 1,000,000          | 1,000,000          | No South County Benefit          |
| 91261001  | Palo Alto Water Reuse Agreement                     | —                          | —        | —        | 3,108,000          | 3,108,000          | No South County Benefit          |
| 91281007  | SVAWPC Facility Operations                          | —                          | —        | —        | 2,677,747          | 2,677,747          | No South County Benefit          |
| 91281008  | SVAWPC Facility Maintenance                         | —                          | —        | —        | 2,255,802          | 2,255,802          | No South County Benefit          |
| 91441003  | Desalination  | —                          | —        | —        | —                  | —                  | Water Usage Ratio                |
| 91451002  | Well Ordinance Program                              | 226,182                    | 67,855   | —        | 1,967,782          | 2,261,818          | Well Permits and Inspections     |
| 91451005  | Source Water Quality Management                     | 74,279                     | 21,304   | 1,588    | 325,630            | 422,801            | Water Usage Ratio                |
| 91451011  | Invasive Mussel Prevention                          | 66,055                     | 35,915   | 332      | 522,930            | 625,231            | Raw Water Deliveries             |
| 91601001  | Delta Conveyance                                    | 153,568                    | 186,405  | —        | 2,825,027          | 3,165,000          | Imported Water Ratio             |
| 91761001  | Local Reservoir & Diversion Ops Planning & Analysis | 428,063                    | 122,770  | 9,151    | 1,876,577          | 2,436,562          | Water Usage Ratio                |
| 91761013  | SCADA Systems Upgrade                               | 13,970                     | 7,596    | 70       | 110,596            | 132,232            | Raw Water Deliveries             |
| 91761099  | Dams & Reservoir Gen Maint                          | 536,031                    | 49,098   | 10,630   | 2,188,161          | 2,783,920          | Program Benefit Calculation      |
| 91951001  | San Luis Lowpoint Improvement Program               | 27,529                     | 33,415   | —        | 279,016            | 339,959            | CVP Imported Water Ratio         |
| 92041014  | FAHCE/Three Creeks HCP Project                      | 110,363                    | 133,961  | —        | 3,844,376          | 4,088,700          | Coyote Water Supply Ratio        |
| 92061012  | Facilities Environmental Compliance                 | 8,613                      | 4,683    | 43       | 68,184             | 81,524             | Raw Water Deliveries             |
| 92261099  | Vasona Pump Station General Maintenance             | —                          | —        | —        | 158,974            | 158,974            | No South County Benefit          |
| 92761001  | Raw Water T&D Gen'l Oper                            | 183,168                    | 99,591   | 921      | 1,450,069          | 1,733,748          | Raw Water Deliveries             |
| 92761008  | Recycled Water T&D General Maint                    | 225,009                    | —        | —        | —                  | 225,009            | Benefits Only South County       |
| 92761009  | Recharge/RW Field Ops                               | 789,487                    | 409,038  | 3,216    | 2,042,269          | 3,244,010          | Groundwater Recharge Ratio       |
| 92761010  | Recharge/RW Field Fac Maint                         | 454,083                    | 235,263  | 1,850    | 1,174,635          | 1,865,831          | Groundwater Recharge Ratio       |
| 92761012  | Untreated Surface Water Program                     | 131,071                    | 141,640  | 4,089    | 167,480            | 444,281            | Untreated Water Deliveries Ratio |
| 92761013  | SCADA Systems Upgrade                               | 17,696                     | 9,621    | 89       | 140,089            | 167,494            | Raw Water Deliveries             |

# Fund Summaries

## Water Utility Cost Allocation (Continued)

| Project # | Project Name                              | South County Share by Zone |          |          | North County Share | Proposed 2021-2022 | Basis of Allocation             |
|-----------|---|----------------------------|----------|----------|--------------------|--------------------|---------------------------------|
|           |   | Zone W-5                   | Zone W-7 | Zone W-8 | Zone W-2           |                    |                                 |
| 92761082  | Raw Water T&D Ctrl and Elec Eng           | 76,260                     | 41,463   | 383      | 603,719            | 721,825            | Raw Water Deliveries            |
| 92761083  | Raw Water T&D Eng Othr                    | 119,891                    | 65,186   | 603      | 949,129            | 1,134,808          | Raw Water Deliveries            |
| 92761085  | Anderson Hydroelectrc Fclty Main          | 12,988                     | 15,766   | —        | 131,644            | 160,398            | Anderson Water Deliveries Ratio |
| 92761099  | Raw Water Trans & Dist Gen Mnt            | 249,466                    | 135,638  | 1,254    | 1,974,926          | 2,361,283          | Raw Water Deliveries            |
| 92781002  | RW Corrosion Control                      | 70,167                     | 38,151   | 353      | 555,488            | 664,159            | Raw Water Deliveries            |
| 93061012  | Environmental Compliance Support          | —                          | —        | —        | 552,548            | 552,548            | No South County Benefit         |
| 93081002  | Treatment Plant Process & Commissioning   | —                          | —        | —        | 527,651            | 527,651            | No South County Benefit         |
| 93081008  | W T General Water Quality                 | —                          | —        | —        | 2,463,927          | 2,463,927          | No South County Benefit         |
| 93081009  | Water Treatment Plant - Engineering Other | —                          | —        | —        | 363,091            | 363,091            | No South County Benefit         |
| 93231009  | PWTP Operations General                   | —                          | —        | —        | 6,175,291          | 6,175,291          | No South County Benefit         |
| 93231099  | Penitencia WTP General Maint              | —                          | —        | —        | 2,841,923          | 2,841,923          | No South County Benefit         |
| 93281005  | STWTP - General Operations                | —                          | —        | —        | 6,837,498          | 6,837,498          | No South County Benefit         |
| 93281099  | Santa Teresa Wtr General Maint            | —                          | —        | —        | 3,248,390          | 3,248,390          | No South County Benefit         |
| 93291012  | RWTP General Operations                   | —                          | —        | —        | 9,515,774          | 9,515,774          | No South County Benefit         |
| 93291099  | Rinconada WTP General Maint               | —                          | —        | —        | 3,316,994          | 3,316,994          | No South County Benefit         |
| 93401002  | Wtr District Laboratory                   | 433,562                    | 30,905   | 1,791    | 5,504,721          | 5,970,979          | Lab Analyses                    |
| 93761001  | SF/SCVWD Intertie General Oper            | —                          | —        | —        | 235,434            | 235,434            | No South County Benefit         |
| 93761004  | Campbell Wellfield Operations             | —                          | —        | —        | 102,077            | 102,077            | No South County Benefit         |
| 93761005  | Campbell Wellfield Maintenance            | —                          | —        | —        | 109,941            | 109,941            | No South County Benefit         |
| 93761006  | Treated Water Ctrl & Elec Eng             | —                          | —        | —        | 2,543,649          | 2,543,649          | No South County Benefit         |
| 93761013  | SCADA Systems Upgrade                     | —                          | —        | —        | 528,929            | 528,929            | No South County Benefit         |
| 93761099  | SF/SCVWD Intertie General Maint           | —                          | —        | —        | 147,375            | 147,375            | No South County Benefit         |
| 94761005  | Treated Water T&D IPU Ops Eng             | —                          | —        | —        | 566,247            | 566,247            | No South County Benefit         |
| 94761013  | SCADA Systems Upgrade                     | —                          | —        | —        | 52,893             | 52,893             | No South County Benefit         |
| 94761099  | Treated Water T&D Gen Maint               | —                          | —        | —        | 1,529,246          | 1,529,246          | No South County Benefit         |
| 94781001  | TW T&D Corrosion Control                  | —                          | —        | —        | 532,906            | 532,906            | No South County Benefit         |



# Fund Summaries

## Water Utility Cost Allocation (Continued)

| Project # | Project Name                              | South County Share by Zone |          |          | North County Share | Proposed 2021-2022 | Basis of Allocation         |
|-----------|---|----------------------------|----------|----------|--------------------|--------------------|-----------------------------|
|           |   | Zone W-5                   | Zone W-7 | Zone W-8 | Zone W-2           |                    |                             |
| 95001090  | Unscoped Operations Activities            | 26,353                     | 7,558    | 563      | 115,526            | 150,000            | Water Usage Ratio           |
| 95011003  | Asset Protection Support                  | 21,327                     | 6,078    | 442      | 1,077,167          | 1,105,013          | Program Benefit Calculation |
| 95021008  | Energy Management                         | 3,177                      | 931      | 110      | 269,673            | 273,891            | Labor Hours                 |
| 95031002  | Grants Management                         | 167,699                    | 48,097   | 3,585    | 356,493            | 575,874            | Program Benefit Calculation |
| 95041039  | Integrated Regional Water Mgmt            | 16,000                     | 4,589    | 342      | 70,143             | 91,074             | Water Usage Ratio           |
| 95061012  | Residentl Rental Exp San Pedro, MH        | 33,888                     | —        | —        | —                  | 33,888             | Benefits only South County  |
| 95061038  | WUE Administration                        | 1,974,335                  | 566,247  | 42,208   | 8,655,240          | 11,238,031         | Water Usage Ratio           |
| 95061045  | WUE TW Div Admin Support                  | 306,809                    | 87,994   | 6,559    | 1,345,014          | 1,746,376          | No South County Benefit     |
| 95061047  | WU Technical Training Program             | 113,006                    | 32,411   | 2,416    | 495,404            | 643,236            | Water Usage Ratio           |
| 95061048  | Climate Change Adaptation/Mitg            | 24,620                     | 7,061    | 526      | 107,932            | 140,139            | Water Usage Ratio           |
| 95061050  | Office of Integrated Wtr Mgmt             | 177,991                    | 51,048   | 4,053    | 780,041            | 1,013,133          | Program Benefit Calculation |
| 95061051  | Lands Management Program                  | 41,565                     | 11,921   | 946      | 182,157            | 236,589            | Program Benefit Calculation |
| 95071041  | Welding Services                          | 6,613                      | 1,897    | 141      | 518,883            | 527,534            | Program Benefit Calculation |
| 95101003  | Water Revenue Program                     | 940,896                    | 275,049  | 20,011   | 725,879            | 1,961,835          | Labor Hours                 |
| 95111003  | Water Use Measurement General             | 722,391                    | 207,961  | 15,323   | 1,243,387          | 2,189,062          | Labor Hours                 |
| 95121003  | Long Term Financial Planning              | 90,016                     | 25,817   | 1,924    | 394,619            | 512,376            | Water Usage Ratio           |
| 95151002  | Water Utility Customer Relations          | 63,501                     | —        | —        | 913,442            | 976,943            | Population                  |
| 95741001  | Water Supply Planning                     | 432,716                    | 124,105  | 9,251    | 1,896,974          | 2,463,046          | Water Usage Ratio           |
| 95741042  | Water Resources EnvPlng and Permitting    | 69,883                     | 20,389   | 1,556    | 1,464,580          | 1,556,408          | Program Benefit Calculation |
| 95761003  | SCADA Network Administration              | 26,938                     | 14,646   | 135      | 213,254            | 254,973            | Raw Water Deliveries        |
| 95761071  | Emergency Preparednes Prog (50% WU)       | 86,793                     | —        | —        | 1,248,482          | 1,335,275          | Population                  |
| 95771011  | InterAgency Urban Runoff Program          | 52,850                     | 28,735   | 266      | 418,395            | 500,246            | Raw Water Deliveries        |
| 95771031  | HAZMAT Emergency Response                 | 5,361                      | 584      | 268      | 80,559             | 86,773             | Emergency Response Events   |
| 95811043  | Hydrologic Data Msrmt & Mgmt Alloc-50% WU | 54,325                     | 119,516  | 97,786   | 814,881            | 1,086,508          | Stream Gauge Location       |
| 95811046  | Warehouse Svcs 50% WU                     | 143,913                    | 41,275   | 3,077    | 630,896            | 819,160            | Water Usage Ratio           |
| 95811049  | X Valley Subsidence Survey                | 18,406                     | 5,279    | 393      | 421,809            | 445,887            | Program Benefit Calculation |

# Fund Summaries

## Water Utility Cost Allocation (Continued)

| Project #                             | Project Name                 | South County Share by Zone |                     |                   | North County Share   | Proposed<br>2021-2022 | Basis of Allocation         |
|---------------------------------------|------------------------------|----------------------------|---------------------|-------------------|----------------------|-----------------------|-----------------------------|
|                                       |                              | Zone W-5                   | Zone W-7            | Zone W-8          | Zone W-2             |                       |                             |
| 95811054                              | District Real Property Admin | 77,043                     | 22,096              | 1,647             | 337,747              | 438,534               | Program Benefit Calculation |
| <b>Operations Projects Total</b>      |                              | <b>\$ 16,534,009</b>       | <b>\$ 7,944,228</b> | <b>\$ 337,834</b> | <b>\$205,714,367</b> | <b>\$230,530,438</b>  |                             |
| <b>Operating Projects</b>             |                              |                            |                     |                   |                      |                       |                             |
| 95762011                              | Tree Maintenance Program     | \$ 49,971                  | \$ 14,332           | \$ 1,068          | \$ 219,066           | \$ 284,438            | Water Usage Ratio           |
| <b>Operating Projects Total</b>       |                              | <b>\$ 49,971</b>           | <b>\$ 14,332</b>    | <b>\$ 1,068</b>   | <b>\$ 219,066</b>    | <b>\$ 284,438</b>     |                             |
| <b>Operations and Operating Total</b> |                              | <b>\$ 16,583,980</b>       | <b>\$ 7,958,560</b> | <b>\$ 338,903</b> | <b>\$205,933,433</b> | <b>\$230,814,876</b>  |                             |

# Fund Summaries

## South County Capital Amortization - Zone W-5

| (In Thousands \$)  |                    |                |                   |                          |                                |                                  |
|--|--------------------|----------------|-------------------|--------------------------|--------------------------------|----------------------------------|
| Project Name   | Total Project Cost | Zone W-5       |                   | FY 2021-22 Cost Recovery | Year Cost Recovery is Complete | Basis of Allocation to the South |
|  |                    | South County % | South County Cost |                          |                                |                                  |
| Uvas Dam and Reservoir   | \$ 1,124           | 97.7%          | \$ 1,099          | \$ 86                    | 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               | 47                       | 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               | 8                        | FY 33                          | Benefits Only South County       |
| Recycled Water Improvements III                                      | 1,721              | 100.0%         | 1,721             | 115                      | FY 33                          | Benefits Only South County       |
| Water Banking Rights   | 6,226              | 3.6%           | 225               | 15                       | 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%          | 41                | 3                        | FY 45                          | Program Benefit Calculation      |
| South County Recycled Water Masterplan, Immediate Term               | 3,257              | 100.0%         | 3,257             | 216                      | 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             | 450                      | FY 50                          | Benefits Only South County       |
| Water Banking FY 2006  | 18,895             | 4.1%           | 769               | 51                       | FY 36                          | Total Imported Water Ratio       |
| San Felipe Division Capital  | 11,158             | 5.5%           | 609               | 609                      | N/A                            | Repayment Cost Distribution      |
| Pacheco Conduit Inspection and Rehabilitation                        | 6,696              | 8.1%           | 542               | 28                       | FY 48                          | CVP Imported Water Ratio         |
| Pacheco Pumping Plant Regulating Tank Recoating                      | 2,550              | 7.7%           | 196               | 13                       | 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                                       | 1,123              | 8.1%           | 91                | 91                       | N/A                            | CVP Imported Water Ratio         |
| Santa Clara Tunnel Landslide   | 4,509              | 6.8%           | 308               | 20                       | FY 39                          | CVP Imported Water Ratio         |
| Santa Clara Tunnel Landslide Mitigation                              | 217                | 7.6%           | 17                | 1                        | FY 39                          | CVP Imported Water Ratio         |
| Small Caps, San Felipe Reach 2                                       | 10                 | 8.1%           | 1                 | 1                        | N/A                            | CVP Imported Water Ratio         |
| Small Caps, San Felipe Reach 3                                       | 1,370              | 8.1%           | 111               | 111                      | N/A                            | CVP Imported Water Ratio         |
| Water Infrastructure Reliability Program                             | 2,134              | 1.1%           | 24                | 2                        | FY 36                          | Program Benefit Calculation      |
| Water Infrastructure Baseline Improvement                            | 2,403              | 2.7%           | 66                | 4                        | FY 38                          | Spare Pipe Usage                 |
| Coyote Dam Control Building Improvement                              | 576                | 8.9%           | 51                | 3                        | FY 42                          | Anderson Deliveries Ratio        |
| Pacheco Pumping Plant ASD Replacement                                | 18,518             | 8.4%           | 1,557             | 103                      | FY 45                          | CVP Imported Water Ratio         |
| Radio Repeater Infill  | 5                  | 8.5%           | 0                 | 0                        | 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                  | 169                | 10.6%          | 18                | 18                       | N/A                            | Raw Water Usage                  |
| Main and Madrone Pipeline Restoration                                | 11,378             | 87.9%          | 10,001            | 519                      | FY 48                          | Benefits Only South County       |
| Inf Reliability Master Plan  | 2,065              | 9.4%           | 194               | 12                       | FY 46                          | Water Usage Ratio                |
| Water Protection   | 11,387             | 1.8%           | 200               | 13                       | FY 45                          | Program Benefit Calculation      |
| Microwave Telecommunications   | 4,595              | 8.8%           | 403               | 27                       | FY 44                          | Water Usage Ratio                |
| Capital Warranty Services  | 228                | 17.6%          | 40                | 40                       | N/A                            | Water Usage Ratio                |
| 5-Year Pipeline Rehabilitation                                       | 22,059             | 3.5%           | 775               | 49                       | FY 47                          | Program Benefit Calculation      |
| Pipeline Hydraulic Reliability Upgrade                               | 335                | 1.8%           | 6                 | 0                        | FY 45                          | Program Benefit Calculation      |

# Fund Summaries

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

| (In Thousands \$)                       |                    |                |                   |                 |                          |                                |
|---|--------------------|----------------|-------------------|-----------------|--------------------------|--------------------------------|
| Project Name                            | Total Project Cost | South County % | Zone W-5          |                 | FY 2021-22 Cost Recovery | Year Cost Recovery is Complete |
|   |                    |                | South County Cost |                 |                          |                                |
| WTP WQL Network Equipment               | 116                | 17.6%          | 20                |                 | 16                       | N/A                            |
| Winfield Capital Improvement            | 481                | 9.7%           | 47                |                 | 2                        | FY 48                          |
| Corp Yard Relocation                    | 26                 | 7.8%           | 2                 |                 | 0                        | FY 40                          |
| Information Systems Management          | 5,802              | 7.5%           | 433               |                 | 29                       | FY 40                          |
| PeopleSoft Upgrade                      | 78                 | 7.5%           | 6                 |                 | 0                        | FY 39                          |
| PeopleSoft System Upgrade and Expansion | 1,217              | 9.4%           | 114               |                 | 7                        | FY 46                          |
| Uvas Property Acquisition               | 1,251              | 97.7%          | 1,223             |                 | 77                       | FY 46                          |
| IT Capital Fund Transfers               | 2,143              | 17.6%          | 377               |                 | 377                      | N/A                            |
| Capital Program Administration          | 2,472              | 16.7%          | 412               |                 | 412                      | N/A                            |
| <b>Grand Total</b>                      | <b>\$ 189,179</b>  |                | <b>\$ 49,358</b>  | <b>\$ 4,587</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 - Zone W-7

| (In Thousands \$)                                      |                    |                |                   |      |                          |                                |
|--|--------------------|----------------|-------------------|------|--------------------------|--------------------------------|
| Project Name   | Total Project Cost | South County % | Zone W-7          |      | FY 2021-22 Cost Recovery | Year Cost Recovery is Complete |
|  |                    |                | South County Cost |      |                          |                                |
| Uvas Dam and Reservoir                                 | \$ 1,124           | —              | \$ —              | \$ — | —                        | FY 22                          |
| San Pedro Recharge Facility                            | 1,882              | —              | —                 | —    | —                        | FY 22                          |
| San Pedro Recharge House                               | 700                | —              | —                 | —    | —                        | FY 31                          |
| Recycled Water Improvements I                          | 7,232              | —              | —                 | —    | —                        | FY 31                          |
| Recycled Water Improvements II                         | 118                | —              | —                 | —    | —                        | FY 33                          |
| Recycled Water Improvements III                        | 1,721              | —              | —                 | —    | —                        | FY 33                          |
| Water Banking Rights                                   | 6,226              | 4.4%           | 273               | 18   | FY 35                    | Total Imported Water Ratio     |
| Dam Instrumentation                                    | 6,243              | 4.6%           | 289               | 19   | FY 41                    | Program Benefit Calculation    |
| Geodetic Control Maintenance                           | 236                | 14.0%          | 33                | 2    | FY 36                    | Survey Analysis                |
| Dam Maintenance Mitigation                             | 244                | 4.8%           | 12                | 1    | FY 45                    | Program Benefit Calculation    |
| South County Recycled Water Masterplan, Immediate Term | 3,257              | —              | —                 | —    | —                        | FY 37                          |
| South County Recycled Water Masterplan, Short-Term     |                    |                |                   |      |                          |                                |
| Implementation 1A                                      | 4,314              | —              | —                 | —    | —                        | FY 42                          |
| South County Recycled Water Fund                       | 8,678              | —              | —                 | —    | —                        | FY 50                          |
| Water Banking FY 2006                                  | 18,895             | 4.9%           | 932               | 62   | FY 36                    | Total Imported Water Ratio     |
| San Felipe Division Capital                            | 11,158             | 6.6%           | 740               | 740  | N/A                      | Repayment Cost Distribution    |
| Pacheco Conduit Inspection and Rehabilitation          | 6,696              | 10.9%          | 727               | 34   | FY 48                    | CVP Imported Water Ratio       |
| Pacheco Pumping Plant Regulating Tank Recoating        | 2,550              | 9.3%           | 238               | 16   | FY 42                    | CVP Imported Water Ratio       |
| San Felipe Communications Cable Replacement            | 235                | 9.3%           | 22                | 1    | FY 42                    | CVP Imported Water Ratio       |
| Small Caps, San Felipe Reach 1                         | 1,123              | 9.8%           | 110               | 110  | N/A                      | CVP Imported Water Ratio       |
| Santa Clara Tunnel Landslide Mitigation                | 4,509              | 8.3%           | 373               | 25   | FY 39                    | CVP Imported Water Ratio       |
| Small Caps, San Felipe Reach 2                         | 217                | 9.3%           | 20                | 1    | FY 39                    | CVP Imported Water Ratio       |
| Small Caps, San Felipe Reach 3                         | 10                 | 9.8%           | 1                 | 1    | N/A                      | CVP Imported Water Ratio       |
|  | 1,370              | 9.8%           | 135               | 135  | N/A                      | CVP Imported Water Ratio       |

# Fund Summaries

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

| (In Thousands \$)                                   |                    |                |                            |                          |                                |                                  |
|---|--------------------|----------------|----------------------------|--------------------------|--------------------------------|----------------------------------|
| Project Name  | Total Project Cost | South County % | Zone W-7 South County Cost | FY 2021-22 Cost Recovery | Year Cost Recovery is Complete | Basis of Allocation to the South |
| Water Infrastructure Reliability Program            | 2,134              | 0.3%           | 7                          | 0                        | FY 36                          | Program Benefit Calculation      |
| Water Infrastructure Baseline Improvement           | 2,403              | 0.8%           | 19                         | 1                        | FY 38                          | Spare Pipe Usage                 |
| Coyote Dam Control Building Improvement             | 576                | 10.7%          | 62                         | 4                        | FY 42                          | Anderson Deliveries Ratio        |
| Pacheco Pumping Plant ASD Replacement               | 18,518             | 10.2%          | 1,888                      | 125                      | FY 45                          | CVP Imported Water Ratio         |
| Radio Repeater Infill                               | 5                  | 2.4%           | 0                          | 0                        | FY 42                          | Water Usage Ratio                |
| Santa Clara Conduit Rehabilitation                  | 1,814              | 9.3%           | 169                        | 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 | 169                | 5.7%           | 10                         | 10                       | N/A                            | Raw Water Usage                  |
| Main and Madrone Pipeline Restoration               | 11,378             | 12.1%          | 1,377                      | 71                       | FY 48                          | Benefits Only South County       |
| Inf Reliability Master Plan                         | 2,065              | 2.7%           | 56                         | 4                        | FY 46                          | Water Usage Ratio                |
| Water Protection                                    | 11,387             | 0.5%           | 58                         | 4                        | FY 45                          | Program Benefit Calculation      |
| Microwave Telecommunications                        | 4,595              | 2.0%           | 93                         | 8                        | FY 44                          | Water Usage Ratio                |
| Capital Warranty Services                           | 228                | 5.0%           | 11                         | 11                       | N/A                            | Water Usage Ratio                |
| 5-Year Pipeline Rehabilitation                      | 22,059             | 1.0%           | 221                        | 14                       | FY 47                          | Program Benefit Calculation      |
| Pipeline Hydraulic Reliability Upgrade              | 335                | 0.5%           | 2                          | 0                        | FY 45                          | Program Benefit Calculation      |
| WTP WQL Network Equipment                           | 116                | 5.0%           | 6                          | 4                        | N/A                            | Water Usage Ratio                |
| Winfield Capital Improvement                        | 481                | 2.8%           | 13                         | 1                        | FY 48                          | Water Usage Ratio                |
| Corp Yard Relocation                                | 26                 | 7.8%           | 2                          | 0                        | FY 40                          | Water Usage Ratio                |
| Information Systems Management                      | 5,802              | 2.2%           | 125                        | 8                        | FY 40                          | Water Usage Ratio                |
| PeopleSoft Upgrade                                  | 78                 | 2.2%           | 2                          | 0                        | FY 39                          | Water Usage Ratio                |
| PeopleSoft System Upgrade and Expansion             | 1,217              | 2.7%           | 33                         | 2                        | FY 46                          | Water Usage Ratio                |
| Uvas Property Acquisition                           | 1,251              | —              | —                          | —                        | FY 46                          | Benefits Only South County       |
| IT Capital Fund Transfers                           | 2,143              | 5.0%           | 108                        | 108                      | N/A                            | Water Usage Ratio                |
| Capital Program Administration                      | 2,472              | 6.2%           | 154                        | 154                      | N/A                            | Total Capital Cost Ratio         |
| <b>Grand Total</b>                                  | <b>\$ 189,179</b>  |                | <b>\$ 8,455</b>            | <b>\$ 1,716</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 - Zone W-8

| (In Thousands \$)               |                    |                |                            |                          |                                |                                  |
|---------------------------------|--------------------|----------------|----------------------------|--------------------------|--------------------------------|----------------------------------|
| Project Name                    | Total Project Cost | South County % | Zone W-8 South County Cost | FY 2021-22 Cost Recovery | Year Cost Recovery is Complete | Basis of Allocation to the South |
| Uvas Dam and Reservoir          | \$ 1,124           | 2.3%           | \$ 25                      | \$ 2                     | 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                         | 2                        | FY 41                          | Program Benefit Calculation      |
| Geodetic Control Maintenance    | 236                | 0.3%           | 1                          | 0                        | FY 36                          | Survey Analysis                  |

# Fund Summaries

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

| (In Thousands \$)  |                    |                |                            |                          |                                |                                  |
|--|--------------------|----------------|----------------------------|--------------------------|--------------------------------|----------------------------------|
| Project Name   | Total Project Cost | South County % | Zone W-8 South County Cost | FY 2021-22 Cost Recovery | Year Cost Recovery is Complete | Basis of Allocation to the South |
| Dam Maintenance Mitigation   | 244                | 0.4%           | 1                          | 0                        | 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             | —              | —                          | —                        | FY 36                          | Total Imported Water Ratio       |
| San Felipe Division Capital  | 11,158             | —              | —                          | —                        | 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                                       | 1,123              | —              | —                          | —                        | 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                                       | 10                 | —              | —                          | —                        | N/A                            | CVP Imported Water Ratio         |
| Small Caps, San Felipe Reach 3                                       | 1,370              | —              | —                          | —                        | N/A                            | CVP Imported Water Ratio         |
| Water Infrastructure Reliability Program                             | 2,134              | 0.0%           | 1                          | 0                        | FY 36                          | Program Benefit Calculation      |
| Water Infrastructure Baseline Improvement                            | 2,403              | 0.1%           | 2                          | 0                        | 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%           | 0                          | 0                        | 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                          | 0                        | FY 37                          | Program Benefit Calculation      |
| Small Caps, Raw Water Transmission and Distribution                  | 169                | 0.1%           | 0                          | 0                        | 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                          | 0                        | FY 46                          | Water Usage Ratio                |
| Water Protection   | 11,387             | 0.0%           | 5                          | 0                        | FY 45                          | Program Benefit Calculation      |
| Microwave Telecommunications   | 4,595              | 0.2%           | 7                          | 1                        | FY 44                          | Water Usage Ratio                |
| Capital Warranty Services  | 228                | 0.4%           | 1                          | 1                        | 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%           | 0                          | 0                        | FY 45                          | Program Benefit Calculation      |
| WTP WQL Network Equipment  | 116                | 0.4%           | 0                          | 0                        | N/A                            | Water Usage Ratio                |
| Winfield Capital Improvement   | 481                | 0.2%           | 1                          | 0                        | FY 48                          | Water Usage Ratio                |
| Corp Yard Relocation   | 26                 | 7.8%           | 2                          | 0                        | FY 40                          | Water Usage Ratio                |
| Information Systems Management                                       | 5,802              | 0.2%           | 10                         | 1                        | FY 40                          | Water Usage Ratio                |
| PeopleSoft Upgrade   | 78                 | 0.2%           | 0                          | 0                        | FY 39                          | Water Usage Ratio                |
| PeopleSoft System Upgrade and Expansion                              | 1,217              | 0.2%           | 3                          | 0                        | FY 46                          | Water Usage Ratio                |
| Uvas Property Acquisition  | 1,251              | 2.3%           | 28                         | 2                        | FY 46                          | Benefits Only South County       |
| IT Capital Fund Transfers  | 2,143              | 0.4%           | 8                          | 8                        | N/A                            | Water Usage Ratio                |

# Fund Summaries

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

| (In Thousands \$)              |                    |                |                            |                          |                                |                                  |
|--------------------------------|--------------------|----------------|----------------------------|--------------------------|--------------------------------|----------------------------------|
| Project Name                   | Total Project Cost | South County % | Zone W-8 South County Cost | FY 2021-22 Cost Recovery | Year Cost Recovery is Complete | Basis of Allocation to the South |
| Capital Program Administration | 2,472              | 0.1%           | 2                          | 2                        | N/A                            | Total Capital Cost Ratio         |
| <b>Grand Total</b>             | <b>\$ 189,179</b>  |                | <b>\$ 145</b>              | <b>\$ 20</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 - Summary

| Zone               | South County Amortized Costs | FY 2022 Cost Recovery Amount |
|--------------------|------------------------------|------------------------------|
| Zone W-5           | \$ 49,358                    | \$ 4,587                     |
| Zone W-7           | 8,455                        | 1,716                        |
| Zone W-8           | 145                          | 20                           |
| <b>Grand Total</b> | <b>\$ 57,958</b>             | <b>\$ 6,323</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

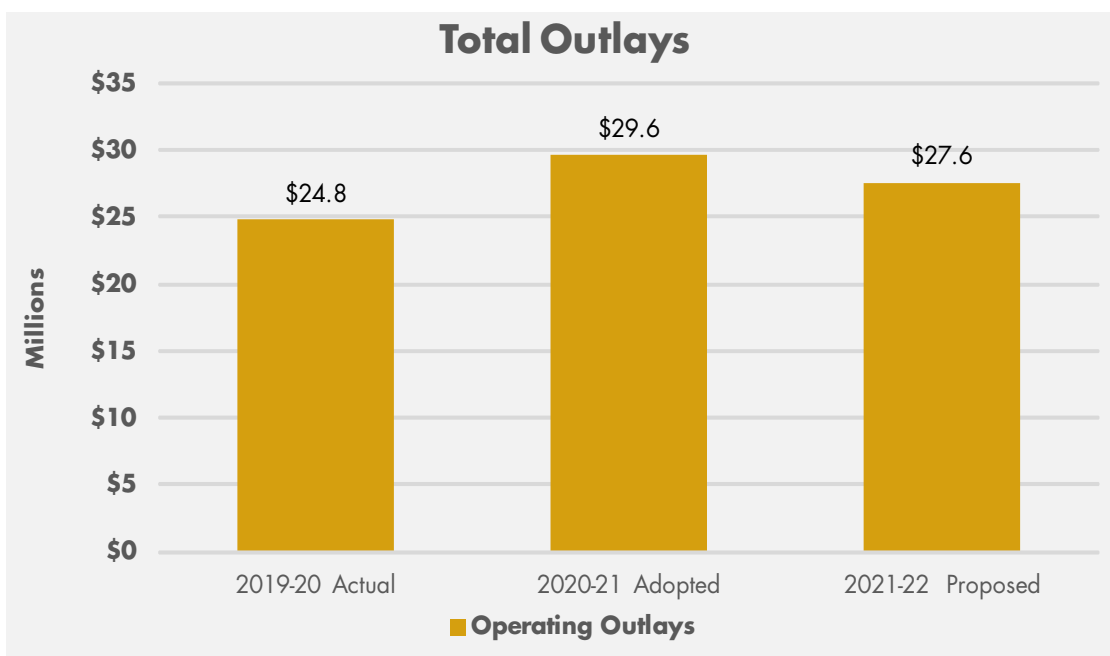
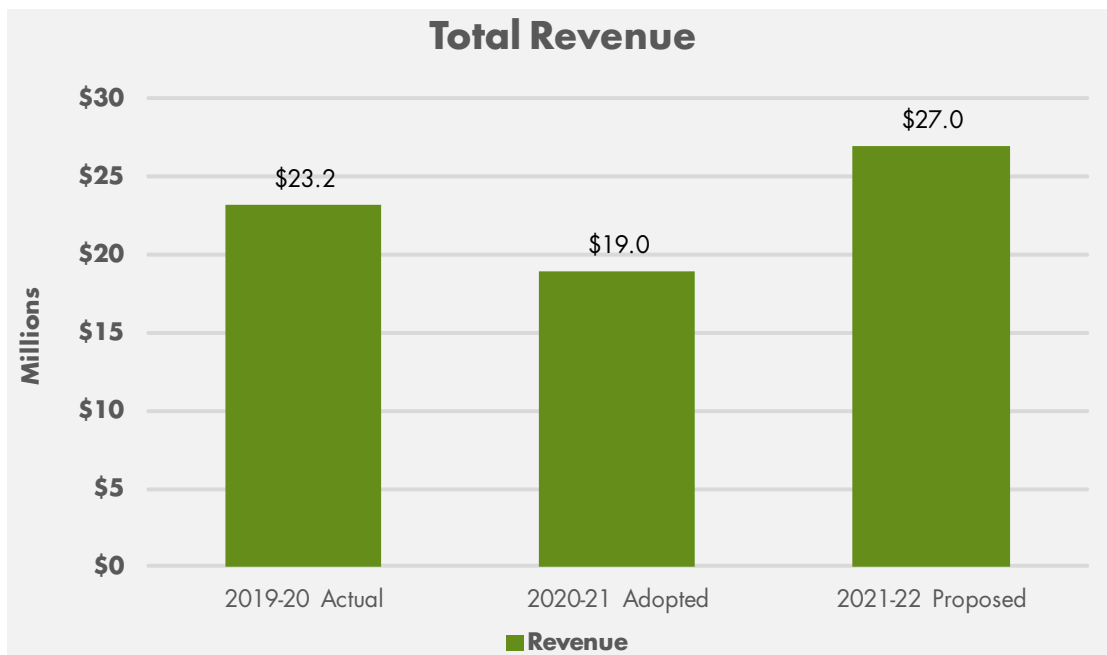
The State Water Project Fund was created in October 2010 to improve transparency and ensure compliance with Water Code Section 11654. The State Water Project Fund accounts specifically for State Water Project Tax revenue and State Water Project contractual costs. State Water Project Tax revenue can only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

Staff proposes that the State Water Project Tax revenue be set at \$26.0 million for FY 2021-22, which when combined with other revenue, would fund projected contractual obligations of \$27.6 million.



# Fund Summaries

## State Water Project Fund (Fund 63)



# Fund Summaries

## State Water Project Fund (Fund 63)

|                                       | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |                 |
|---------------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|-----------------|
|                                       |                                      |                              |                                  |                               | \$ Diff                        | % Diff          |
| <b>REVENUE</b>                        |                                      |                              |                                  |                               |                                |                 |
| Property Tax                          | \$ 21,818,191                        | \$ 18,000,000                | \$ 18,000,000                    | \$ 26,000,000                 | \$ 8,000,000                   | 44.4%           |
| Nonoperating Other                    | 1,370,072                            | 1,000,000                    | 1,000,000                        | 1,000,000                     | —                              | —               |
| <b>TOTAL REVENUE</b>                  | <b>\$ 23,188,263</b>                 | <b>\$ 19,000,000</b>         | <b>\$ 19,000,000</b>             | <b>\$ 27,000,000</b>          | <b>\$ 8,000,000</b>            | <b>42.1%</b>    |
| <b>OUTLAYS</b>                        |                                      |                              |                                  |                               |                                |                 |
| <b>Operating Outlays</b>              |                                      |                              |                                  |                               |                                |                 |
| Operations **                         | \$ 24,774,938                        | \$ 29,636,261                | \$ 29,636,261                    | \$ 27,609,126                 | \$ (2,027,135)                 | (6.8)%          |
| <b>Total Operating Outlays</b>        | <b>\$ 24,774,938</b>                 | <b>\$ 29,636,261</b>         | <b>\$ 29,636,261</b>             | <b>\$ 27,609,126</b>          | <b>\$ (2,027,135)</b>          | <b>(6.8)%</b>   |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 24,774,938</b>                 | <b>\$ 29,636,261</b>         | <b>\$ 29,636,261</b>             | <b>\$ 27,609,126</b>          | <b>\$ (2,027,135)</b>          | <b>(6.8)%</b>   |
| <b>OTHER FINANCING SOURCES/(USES)</b> |                                      |                              |                                  |                               |                                |                 |
| Transfers In                          | \$ —                                 | \$ 1,348,774                 | \$ —                             | \$ —                          | \$ (1,348,774)                 | (100.0)%        |
| <b>TOTAL OTHER SOURCES/(USES)</b>     | <b>\$ —</b>                          | <b>\$ 1,348,774</b>          | <b>\$ —</b>                      | <b>\$ —</b>                   | <b>\$ (1,348,774)</b>          | <b>(100.0)%</b> |
| <b>BALANCE AVAILABLE</b>              | <b>\$ (1,586,675)</b>                | <b>\$ (9,287,487)</b>        | <b>\$ (10,636,261)</b>           | <b>\$ (609,126)</b>           | <b>\$ 8,678,361</b>            | <b>(93.4)%</b>  |
| <b>YEAR-END RESERVES</b>              |                                      |                              |                                  |                               |                                |                 |
| <b>Restricted Reserves</b>            |                                      |                              |                                  |                               |                                |                 |
| WUE State Water Project Tax Reserve   | \$ 13,768,393                        | \$ —                         | \$ 3,132,132                     | \$ 2,523,006                  | \$ 2,523,006                   | —               |
| <b>Total Restricted Reserves</b>      | <b>\$ 13,768,393</b>                 | <b>\$ —</b>                  | <b>\$ 3,132,132</b>              | <b>\$ 2,523,006</b>           | <b>\$ 2,523,006</b>            | <b>—</b>        |
| <b>TOTAL YEAR-END RESERVES</b>        | <b>\$ 13,768,393</b>                 | <b>\$ —</b>                  | <b>\$ 3,132,132</b>              | <b>\$ 2,523,006</b>           | <b>\$ 2,523,006</b>            | <b>—</b>        |
| <b>Outlay Summary by Account Type</b> |                                      |                              |                                  |                               |                                |                 |
| Services & Supplies                   | \$ 24,774,938                        | \$ 29,636,261                | \$ 29,636,261                    | \$ 27,609,126                 | \$ (2,027,135)                 | (6.8)%          |
| <b>OPERATING OUTLAY</b>               |                                      |                              |                                  |                               |                                |                 |
| Services & Supplies                   | \$ 24,774,938                        | \$ 29,636,261                | \$ 29,636,261                    | \$ 27,609,126                 | \$ (2,027,135)                 | (6.8)%          |
| <b>OPERATING OUTLAY TOTAL</b>         | <b>\$ 24,774,938</b>                 | <b>\$ 29,636,261</b>         | <b>\$ 29,636,261</b>             | <b>\$ 27,609,126</b>          | <b>\$ (2,027,135)</b>          | <b>(6.8)%</b>   |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 24,774,938</b>                 | <b>\$ 29,636,261</b>         | <b>\$ 29,636,261</b>             | <b>\$ 27,609,126</b>          | <b>\$ (2,027,135)</b>          | <b>(6.8)%</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 - State Water Project Fund

| Project #               | Project Description       | Budgetary<br>Basis<br>Actual<br>2019-2020 | Adopted<br>Budget<br>2020-2021 | Proposed<br>Budget<br>2021-2022 | Estimated<br>Carry Forward<br>Budget<br>2021-2022 | Project Managed By    |
|-------------------------|---------------------------|---|--------------------------------|---------------------------------|---|-----------------------|
| <b>Operations</b>       |                           |   |                                |                                 |   |                       |
| 91131008                | State Water Project Costs | 24,774,938                                | 29,636,261                     | 27,609,126                      |   | Water Supply Division |
| <b>Total Operations</b> |                           | <b>24,774,938</b>                         | <b>29,636,261</b>              | <b>27,609,126</b>               |   |                       |
| <b>Total</b>            |                           | <b>24,774,938</b>                         | <b>29,636,261</b>              | <b>27,609,126</b>               |   |                       |

# GENERAL FUND

# Fund Summaries

## 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 the 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; and, serves as the primary liaison between the Board and staff. The CEO provides executive leadership to Valley Water and supports 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 is 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.

# Fund Summaries

## 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 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. In addition, the CEA is responsible for ensuring that racial equity and inclusion are addressed and incorporated into existing policies, programs, and practices. The Office of the CEA oversees the Civic Engagement, Government Relations, Communications, and Racial Equity, Diversity and Inclusion 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 Emergency, Safety, and Security, General Services, 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 Labor Relations.

## Major Capital Projects

The FY 2021-22 Capital Outlay budget in the General Fund is approximately \$6.1 million to improve and maintain existing buildings, grounds, and services through several small capital improvement projects.

The General Fund Capital Outlay increased \$3.1 million from FY 2020-21 due to the workplace study to reconfigure workspaces more efficiently and building infrastructure repairs and enhancements.

## Fiscal Status

Intra-district reimbursements (overhead) are the primary source of funding in the General Fund. They are budgeted at \$67.7 million in FY 2021-22, a 20.0% increase from FY 2020-21. The Intra-district reimbursements rate for FY 2021-22 is 75%. The CEO, District Counsel, Clerk of the Board, and District Administration costs funded in the General Fund provide services to the Watersheds and Water Utility Enterprise operations and capital programs. Generally, the intra-district reimbursements are paid 60% from Water Utility Enterprise and 40% from Watershed Fund.

Property tax revenue is projected at \$9.8 million. The projection reflects an increase of \$0.7 million which is a 7.3% increase from the FY 2020-21 Adopted Budget. The increase in property tax revenues is based on updates received from Santa Clara County. Interest income is projected to be \$150,000 which is a decrease of \$50,000 from the FY 2020-21 Adopted Budget.

Operating Transfers In of \$3.6 million are: from the Watershed and Stream Stewardship (WSS) Fund for Drought Induced Tree Removal (\$1.6 million) and the Water Utility Enterprise Fund (60%) and the WSS Fund (40%) for the Headquarters Operations Building (\$2.0 million).

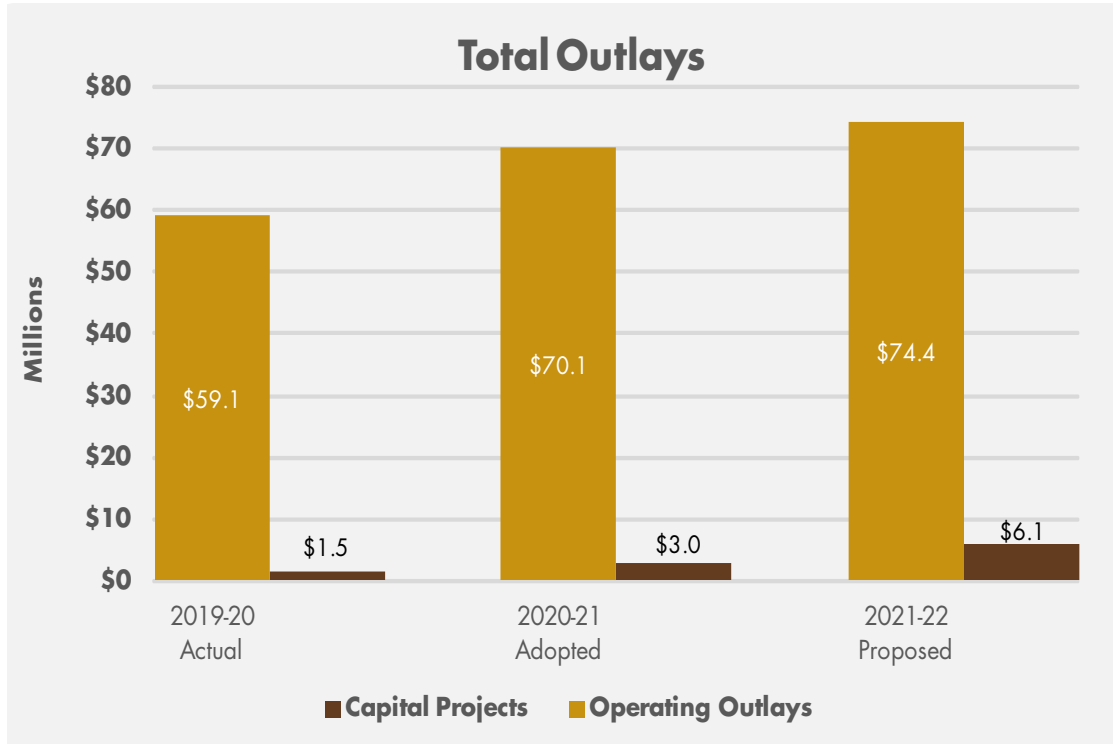
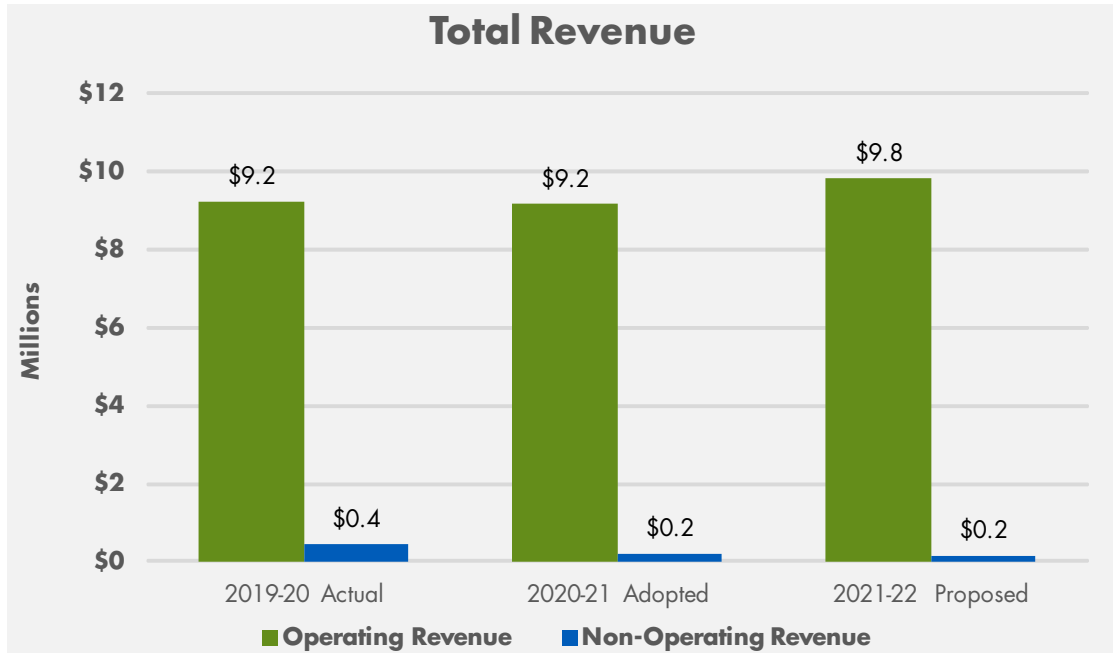
## Fund Summaries

Operating costs for the services provided to Watersheds and Water Utility Enterprise operations total \$74.4 million for FY 2021-22. This is an increase of \$4.3 million or a 6.1% increase versus the FY 2020-21 Adopted Budget. This change is primarily comprised of: Increase in salary and related costs per MOU and additional positions approved by the Board during FY 2021-22 (\$3.2 million), increase of intra-district charges to fund Equipment management, Risk Management, and IT Technology funds' operation expenses (\$0.3 million), and a net increase in services and supplies for various projects and programs (\$0.8 million).

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<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |                 |
|---------------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|-----------------|
|                                       |                                      |                              |                                  |                               | \$ Diff                        | % Diff          |
| <b>REVENUE</b>                        |                                      |                              |                                  |                               |                                |                 |
| <b>Operating Revenue</b>              |                                      |                              |                                  |                               |                                |                 |
| Property Tax                          | \$ 9,224,367                         | \$ 9,165,000                 | \$ 9,527,570                     | \$ 9,832,832                  | \$ 667,832                     | 7.3%            |
| Intergovernmental Services            | 416                                  | —                            | —                                | —                             | —                              | —               |
| <b>Total Operating Revenue</b>        | <b>\$ 9,224,783</b>                  | <b>\$ 9,165,000</b>          | <b>\$ 9,527,570</b>              | <b>\$ 9,832,832</b>           | <b>\$ 667,832</b>              | <b>7.3%</b>     |
| <b>Non-Operating Revenue</b>          |                                      |                              |                                  |                               |                                |                 |
| Interest Income *                     | \$ 361,328                           | \$ 200,000                   | \$ 200,000                       | \$ 150,000                    | \$ (50,000)                    | (25.0)%         |
| Non-Operating Other                   | 76,015                               | —                            | —                                | —                             | —                              | —               |
| <b>Total Non-Operating Revenue</b>    | <b>\$ 437,343</b>                    | <b>\$ 200,000</b>            | <b>\$ 200,000</b>                | <b>\$ 150,000</b>             | <b>\$ (50,000)</b>             | <b>(25.0)%</b>  |
| <b>TOTAL REVENUE</b>                  | <b>\$ 9,662,126</b>                  | <b>\$ 9,365,000</b>          | <b>\$ 9,727,570</b>              | <b>\$ 9,982,832</b>           | <b>\$ 617,832</b>              | <b>6.6%</b>     |
| <b>OUTLAYS</b>                        |                                      |                              |                                  |                               |                                |                 |
| <b>Operating Outlays</b>              |                                      |                              |                                  |                               |                                |                 |
| Operations **                         | \$ 58,613,881                        | \$ 69,641,331                | \$ 69,345,553                    | \$ 73,953,243                 | \$ 4,311,912                   | 6.2%            |
| Operating Project                     | 16,141                               | —                            | —                                | —                             | —                              | —               |
| Debt Service                          | 476,178                              | 475,801                      | 475,801                          | 476,012                       | 211                            | 0.0%            |
| <b>Total Operating Outlays</b>        | <b>\$ 59,106,200</b>                 | <b>\$ 70,117,132</b>         | <b>\$ 69,821,354</b>             | <b>\$ 74,429,255</b>          | <b>\$ 4,312,123</b>            | <b>6.2%</b>     |
| <b>Capital Outlays</b>                |                                      |                              |                                  |                               |                                |                 |
| Capital Projects                      | \$ 1,459,648                         | \$ 3,015,593                 | \$ 3,019,450                     | \$ 6,079,809                  | \$ 3,064,216                   | 101.6%          |
| <b>Total Capital Outlays</b>          | <b>\$ 1,459,648</b>                  | <b>\$ 3,015,593</b>          | <b>\$ 3,019,450</b>              | <b>\$ 6,079,809</b>           | <b>\$ 3,064,216</b>            | <b>101.6%</b>   |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 60,565,848</b>                 | <b>\$ 73,132,725</b>         | <b>\$ 72,840,804</b>             | <b>\$ 80,509,064</b>          | <b>\$ 7,376,339</b>            | <b>10.1%</b>    |
| Less Intra-District Reimb             | (52,218,726)                         | (56,429,203)                 | (56,566,149)                     | (67,690,029)                  | (11,260,826)                   | 20.0%           |
| <b>NET OUTLAYS</b>                    | <b>\$ 8,347,122</b>                  | <b>\$ 16,703,522</b>         | <b>\$ 16,274,655</b>             | <b>\$ 12,819,035</b>          | <b>\$ (3,884,487)</b>          | <b>(23.3)%</b>  |
| <b>OTHER FINANCING SOURCES/(USES)</b> |                                      |                              |                                  |                               |                                |                 |
| Transfers In                          | \$ 394,376                           | \$ 4,402,725                 | \$ 4,402,725                     | \$ 3,617,561                  | \$ (785,164)                   | (17.8)%         |
| Transfers Out                         | (709,300)                            | (296,500)                    | (296,500)                        | —                             | 296,500                        | (100.0)%        |
| <b>TOTAL OTHER SOURCES/(USES)</b>     | <b>\$ (314,924)</b>                  | <b>\$ 4,106,225</b>          | <b>\$ 4,106,225</b>              | <b>\$ 3,617,561</b>           | <b>\$ (488,664)</b>            | <b>(11.9)%</b>  |
| <b>BALANCE AVAILABLE</b>              | <b>\$ 1,000,080</b>                  | <b>\$ (3,232,297)</b>        | <b>\$ (2,440,860)</b>            | <b>\$ 781,358</b>             | <b>\$ 4,013,655</b>            | <b>(124.2)%</b> |
| <b>YEAR-END RESERVES</b>              |                                      |                              |                                  |                               |                                |                 |
| <b>Committed Reserves</b>             |                                      |                              |                                  |                               |                                |                 |
| Operating and Capital Reserve         | \$ 8,235,014                         | \$ 5,732,805                 | \$ 5,794,154                     | \$ 6,575,512                  | \$ 842,707                     | 14.7%           |
| <b>Total Committed Reserves</b>       | <b>\$ 8,235,014</b>                  | <b>\$ 5,732,805</b>          | <b>\$ 5,794,154</b>              | <b>\$ 6,575,512</b>           | <b>\$ 842,707</b>              | <b>14.7%</b>    |
| <b>TOTAL YEAR-END RESERVES</b>        | <b>\$ 8,235,014</b>                  | <b>\$ 5,732,805</b>          | <b>\$ 5,794,154</b>              | <b>\$ 6,575,512</b>           | <b>\$ 842,707</b>              | <b>14.7%</b>    |

# Fund Summaries

## District General Fund Summary (Continued)

|                                       | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |               |
|---------------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|---------------|
|                                       |                                      |                              |                                  |                               | \$ Diff                        | % Diff        |
| <b>Outlay Summary by Account Type</b> |                                      |                              |                                  |                               |                                |               |
| <b>OPERATING OUTLAY</b>               |                                      |                              |                                  |                               |                                |               |
| Salaries and Benefits                 | \$ 38,146,522                        | \$ 40,930,026                | \$ 40,539,271                    | \$ 43,792,427                 | \$ 2,862,401                   | 7.0%          |
| Salary Savings Factor                 | —                                    | (1,069,148)                  | (1,069,148)                      | (723,346)                     | 345,802                        | (32.3)%       |
| Services & Supplies                   | 14,871,150                           | 22,966,408                   | 23,141,408                       | 23,764,972                    | 798,564                        | 3.5%          |
| Intra-District Charges                | 5,612,350                            | 6,814,046                    | 6,734,023                        | 7,119,191                     | 305,145                        | 4.5%          |
| <b>OPERATING OUTLAY TOTAL</b>         | <b>\$ 58,630,022</b>                 | <b>\$ 69,641,332</b>         | <b>\$ 69,345,554</b>             | <b>\$ 73,953,244</b>          | <b>\$ 4,311,912</b>            | <b>6.2%</b>   |
| <b>DEBT SERVICE</b>                   |                                      |                              |                                  |                               |                                |               |
| Services & Supplies                   | \$ 388                               | \$ 2,262                     | \$ 2,262                         | \$ 2,908                      | \$ 646                         | 28.6%         |
| Debt Service                          | 475,790                              | 473,539                      | 473,539                          | 473,104                       | (435)                          | (0.1)%        |
| <b>DEBT SERVICE TOTAL</b>             | <b>\$ 476,178</b>                    | <b>\$ 475,801</b>            | <b>\$ 475,801</b>                | <b>\$ 476,012</b>             | <b>\$ 211</b>                  | <b>0.0%</b>   |
| <b>CAPITAL PROJECTS</b>               |                                      |                              |                                  |                               |                                |               |
| Salaries and Benefits                 | \$ 137,884                           | \$ 13,802                    | \$ 13,553                        | \$ 36,532                     | \$ 22,730                      | 164.7%        |
| Salary Savings Factor                 | —                                    | (373)                        | (373)                            | (608)                         | (235)                          | 63.0%         |
| Services & Supplies                   | 1,279,373                            | 3,000,000                    | 3,004,246                        | 6,022,867                     | 3,022,867                      | 100.8%        |
| Intra-District Charges                | 42,390                               | 2,165                        | 2,025                            | 21,018                        | 18,853                         | 870.9%        |
| <b>CAPITAL PROJECTS TOTAL</b>         | <b>\$ 1,459,647</b>                  | <b>\$ 3,015,594</b>          | <b>\$ 3,019,451</b>              | <b>\$ 6,079,809</b>           | <b>\$ 3,064,215</b>            | <b>101.6%</b> |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 60,565,847</b>                 | <b>\$ 73,132,727</b>         | <b>\$ 72,840,806</b>             | <b>\$ 80,509,065</b>          | <b>\$ 7,376,338</b>            | <b>10.1%</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 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022 | Project Managed By                                  |
|-------------------|--------------------------------|----------------------------------|--------------------------|---------------------------|--|---|
| <b>Operations</b> |                                |                                  |                          |                           |  |   |
| 60001090          | CEOUnscoped Projects-BudgtOnly |                                  | 100,000                  | 100,000                   |  | Office of the CEO                                   |
| 60001091          | Unscoped Projects-Budget Only  |                                  | 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              | 73,293                           | 141,228                  | 120,834                   |  | Treated Water Division                              |
| 60041003          | Hollister Groundwater Mgmt     | 11,574                           | 85,773                   | 69,176                    |  | Raw Water Division                                  |
| ** 60061007       | Drought Emergency Response     | 643                              |                          |                           |  | Water Supply Division                               |
| * 60061012        | Facilities Env Compliance      | 198,921                          | 200,335                  | 226,454                   |  | Office of COO IT and Admin Services                 |
| 60061018          | General Services Div Admin     | 425,145                          | 566,158                  | 626,589                   |  | General Services Division                           |
| 60061023          | Districtwide Salary Savings-11 |                                  | (1,069,148)              | (723,346)                 |  | Financial Planning and Management Services Division |
| * 60061055        | Asset Management Program       | 268,534                          | 364,111                  | 317,523                   |  | Office of Integrated Water Management               |
| 60061058          | Drought Induced Tree Removal   | 984,158                          | 1,254,798                | 1,617,294                 |  | Watershed Operations & Maintenance Division         |
| * 60071041        | Welding Services               | 15,761                           | 19,657                   | 21,101                    |  | General Services Division                           |
| 60091001          | Directors Fees / Expenses      | 540,614                          | 528,622                  | 529,350                   |  | Office of Clerk of the Board                        |
| 60101001          | Purchasing Services            | 2,007,599                        | 2,311,520                | 2,426,026                 |  | General Services Division                           |
| 60101002          | Building and Grounds           | 7,410,735                        | 9,100,691                | 10,967,938                |  | General Services Division                           |
| 60101005          | Districtwide Signage           | 95,312                           | 614,073                  | 160,630                   |  | General Services Division                           |
| 60101008          | District Security Services     | 1,896,143                        | 2,744,084                | 3,552,260                 |  | Office of COO IT and Admin Services                 |
| 60101017          | CADD System Tech Support       | 116,815                          | 94,555                   | 158,273                   |  | Watershed Design & Construction Division            |
| 60111002          | General Accounting Services    | 3,540,696                        | 4,011,293                | 4,426,686                 |  | Financial Planning and Management Services Division |
| 60111006          | Contract Services              | 1,849,480                        | 2,705,273                | 2,389,428                 |  | General Services Division                           |
| * 60121003        | IT Financial Planning & Rate S | 176,376                          | 265,972                  | 230,198                   |  | Financial Planning and Management Services Division |
| 60131004          | IT & AS Administration         | 1,092,227                        | 1,751,428                | 1,972,362                 |  | Office of COO IT and Admin Services                 |
| 60131007          | Ofc of Chief Executive Officer | 1,095,591                        | 1,201,430                | 1,274,840                 |  | Office of the CEO                                   |
| 60131014          | Continual Improvement          | 297,167                          | 931,051                  | 1,106,939                 |  | Financial Planning and Management Services Division |
| 60141001          | District Counsel               | 3,521,427                        | 4,090,539                | 4,635,640                 |  | Office of District Counsel                          |
| 60171002          | Education & Volunteer Program  | 1,448,426                        | 2,024,275                | 2,175,168                 |  | Office of Chief of External Affairs                 |

\*Recipient projects

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

# Fund Summaries

## Total Outlays - District General Fund (Continued)

| Project # | Project Description                       | Budgetary Basis Actual 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022 | Project Managed By                                  |
|-----------|---|----------------------------------|--------------------------|---------------------------|--|---|
| 60171009  | Community Relations                       | 448,040                          | 573,930                  | 478,505                   |  | Office of Chief of External Affairs                 |
| 60221001  | Budget and Financial Analyses             | 2,035,628                        | 2,373,400                | 2,747,608                 |  | Financial Planning and Management Services Division |
| 60221002  | Debt & Treasury Management                | 935,855                          | 1,069,870                | 1,076,296                 |  | Financial Planning and Management Services Division |
| 60221003  | FPMD Administration                       | 558,603                          | 455,681                  | 507,115                   |  | Financial Planning and Management Services Division |
| 60231002  | Communications                            | 2,472,307                        | 2,393,047                | 2,249,175                 |  | Office of Chief of External Affairs                 |
| 60231003  | Federal Government Relations              | 682,406                          | 985,160                  | 787,688                   |  |   |
| 60231004  | State Government Relations                | 1,040,695                        | 1,114,302                | 1,189,249                 |  |   |
| 60231005  | Local Government Relations                | 1,565,951                        | 2,018,585                | 1,919,265                 |  |   |
| 60231006  | Office of Chief of Ext Affairs            | 1,189,918                        | 1,385,810                | 1,502,741                 |  | Office of the CEO                                   |
| 60241026  | Quality and Env Mgmt Sys Prog             | 388,344                          | 524,308                  | 526,752                   |  | Financial Planning and Management Services Division |
| **        | 60271064 Office Cmptr Maint/Help Dsk Sup  | 334                              |                          |                           |  | Information Technology Division                     |
|           | 60281003 Ethics & EEO Programs            | 949,705                          | 1,002,294                | 578,678                   |  | Office of Talent and Inclusion                      |
|           | 60281004 Racial Equity Diversity& Includn | 300,969                          | 843,901                  | 1,576,699                 |  | Office of Chief of External Affairs                 |
|           | 60281006 Reasonable Accommodation         | 14,318                           | 274,324                  | 112,011                   |  | Office of Talent and Inclusion                      |
|           | 60291001 Recruitment and Examination      | 1,882,777                        | 1,842,284                | 2,335,361                 |  | Office of Talent and Inclusion                      |
|           | 60291002 Benefits and Wellness Admin      | 1,459,204                        | 1,687,458                | 1,697,231                 |  | Office of Talent and Inclusion                      |
|           | 60291003 Labor Relations                  | 848,403                          | 968,175                  | 1,002,972                 |  | Office of COO IT and Admin Services                 |
|           | 60291004 Talent Development Program       | 1,232,237                        | 1,539,256                | 2,674,672                 |  | Office of Talent and Inclusion                      |
| **        | 60291005 Classification&CompensationPg m  | 2,491                            |                          |                           |  | Office of Talent and Inclusion                      |
|           | 60291011 HR Program Admin                 | 630,390                          | 606,676                  | 641,313                   |  | Office of Talent and Inclusion                      |
|           | 60291030 HR Systems Management Program    | 503,001                          | 550,794                  | 578,218                   |  | Office of Talent and Inclusion                      |
|           | 60291032 Bargaining Unit Representation   | 118,741                          | 138,461                  | 267,274                   |  | Office of COO IT and Admin Services                 |
| **        | 60291038 GF Training & Development        | (113)                            |                          |                           |  | Office of COO IT and Admin Services                 |
|           | 60291040 Rotation Program                 | 440,810                          | 600,000                  | 600,000                   |  | Office of Talent and Inclusion                      |
|           | 60291041 Internship Program               | 501,030                          | 678,200                  | 1,253,310                 |  | Office of Talent and Inclusion                      |
|           | 60291043 Succession Planning              | 258,853                          | 486,796                  |                           |  | Office of Talent and Inclusion                      |
|           | 60301001 Clerk of the Board Serv          | 2,100,315                        | 6,115,605                | 2,778,374                 |  | Office of Clerk of the Board                        |
|           | 60311001 Records & Library Services       | 1,189,346                        | 1,328,063                | 1,251,619                 |  | Office of Clerk of the Board                        |
|           | 60351001 Business & Customer SupportSvc   | 2,615,805                        | 3,226,413                | 3,286,893                 |  | General Services Division                           |

\*Recipient projects

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

# Fund Summaries

## Total Outlays - District General Fund (Continued)

| Project #                      | Project Description                              | Budgetary Basis Actual 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022 | Project Managed By                                  |
|--------------------------------|--|----------------------------------|--------------------------|---------------------------|--|---|
| 60361002                       | Graphics Services                                |                                  |                          | 1,074,940                 |  | Office of the CEO                                   |
| **                             | 60601010 Emergency Activation                    | 1,819                            |                          |                           |  | Office of COO IT and Admin Services                 |
| **                             | 60601011 Emergency Activation                    | 172,820                          |                          |                           |  | Office of COO IT and Admin Services                 |
| **                             | 60601012 Emergency Activation                    | 90,613                           |                          |                           |  | Office of COO IT and Admin Services                 |
| **                             | 60601013 Covid 19                                | 4,336,412                        |                          |                           |  | Office of COO IT and Admin Services                 |
| *                              | 60811046 Warehouse Services                      | 579,213                          | 620,819                  | 677,925                   |  | General Services Division                           |
| <b>Total Operations</b>        |  | <b>58,613,881</b>                | <b>69,641,331</b>        | <b>73,953,244</b>         |  |   |
| <b>Operating Project</b>       |  |                                  |                          |                           |  |   |
| **                             | 60042001 Pacheco Res Prop 1 App Study            | 16,141                           |                          |                           |  | Dam Safety and Capital Delivery Division            |
| <b>Total Operating Project</b> |  | <b>16,141</b>                    |                          |                           |  |   |
| <b>Debt Service</b>            |  |                                  |                          |                           |  |   |
|                                | 60993009 2017A COP Refunding GF                  | 476,178                          | 475,801                  | 476,012                   |  | Financial Planning and Management Services Division |
| <b>Total Debt Service</b>      |  | <b>476,178</b>                   | <b>475,801</b>           | <b>476,012</b>            |  |   |
| <b>Capital</b>                 |  |                                  |                          |                           |  |   |
|                                | 60064023 Districtwide Salary Savings             |                                  | (373)                    | (608)                     |  | Financial Planning and Management Services Division |
| *                              | 60074033 CIP Development & Admin                 | 8,934                            |                          | 14,414                    |  | Office of Integrated Water Management               |
| *                              | 60074036 Survey Mgmt & Tech Support              | 4,175                            |                          | 21,213                    |  | Watershed Design & Construction Division            |
| *                              | 60074038 Capital Progm Srvc Admin                | 73,295                           |                          |                           |  | Watershed Design & Construction Division            |
| *                              | 60074040 Capital Project Mgmt Information System |                                  |                          | 19,151                    |  | Office of Integrated Water Management               |
| *                              | 60074041 Construction Contracts & Support        |                                  |                          | 25,638                    |  | General Services Division                           |
|                                | 60204016 Small Caps, Facility Mgmt               | 1,373,244                        | 3,015,966                | 4,000,000                 |  | General Services Division                           |
|                                | 60204032 Headquarters Operations Bldg            |                                  |                          | 2,000,000                 |  | General Services Division                           |
| <b>Total Capital</b>           |  | <b>1,459,648</b>                 | <b>3,015,593</b>         | <b>6,079,809</b>          |  |   |
| <b>Total</b>                   |  | <b>60,565,849</b>                | <b>73,132,725</b>        | <b>80,509,064</b>         |  |   |

\*Recipient projects

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

## SERVICE FUNDS

# Fund Summaries

## Service Funds Overview

Valley Water manages three Internal Service Funds - the Fleet Management Fund, the Risk Management 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 (also known as overhead costs). 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). Intra-district reimbursements for FY 2021-22 total \$6.5 million. The overhead rate is 6.0%.

### Key Highlights

The following are key highlights for the upcoming fiscal year:

- Surplus and replacement of 30 vehicles and one piece 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 Management 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 the Valley Water business. Valley Water supports the philosophy that all accidents and injuries are preventable through the establishment of and compliance with safe work procedures and best management practices for our industry. Intra-district reimbursements for FY 2021-22 total \$6.2 million with an overhead rate of 5.5%.

### 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.

## 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

# Fund Summaries

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 2021-22, \$22.9 million will be recovered through Intra-district reimbursements, the overhead 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 2021-22 total transfer amount is \$3.3 million.

## Key Highlights

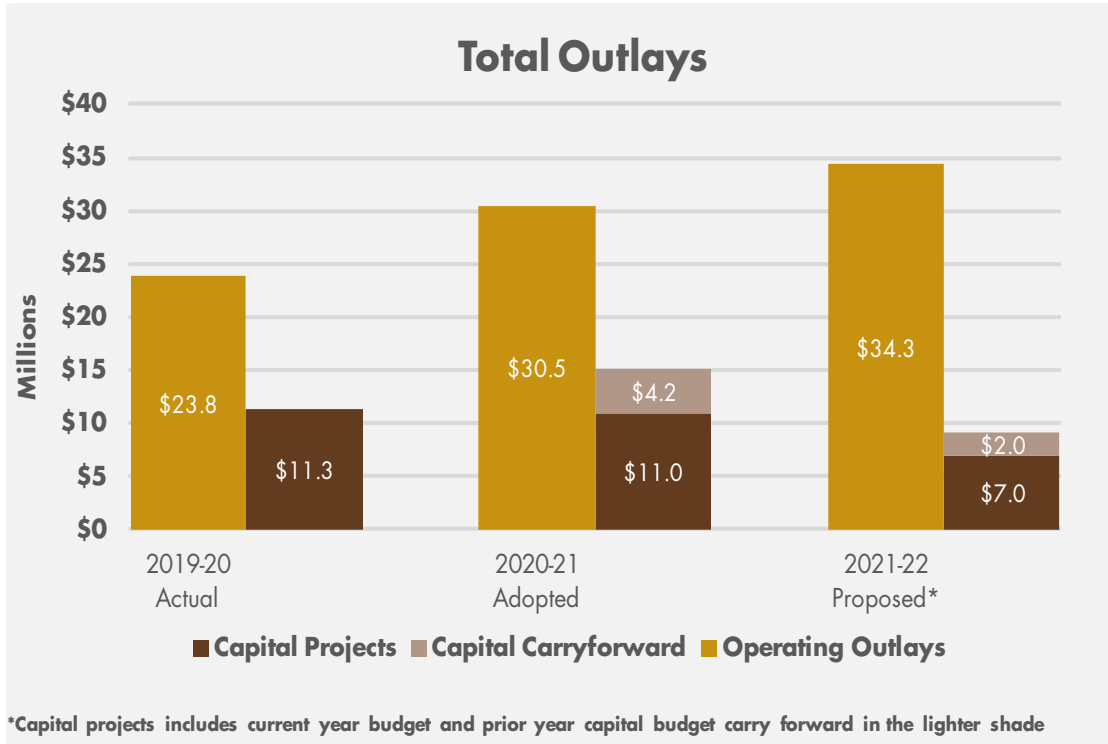
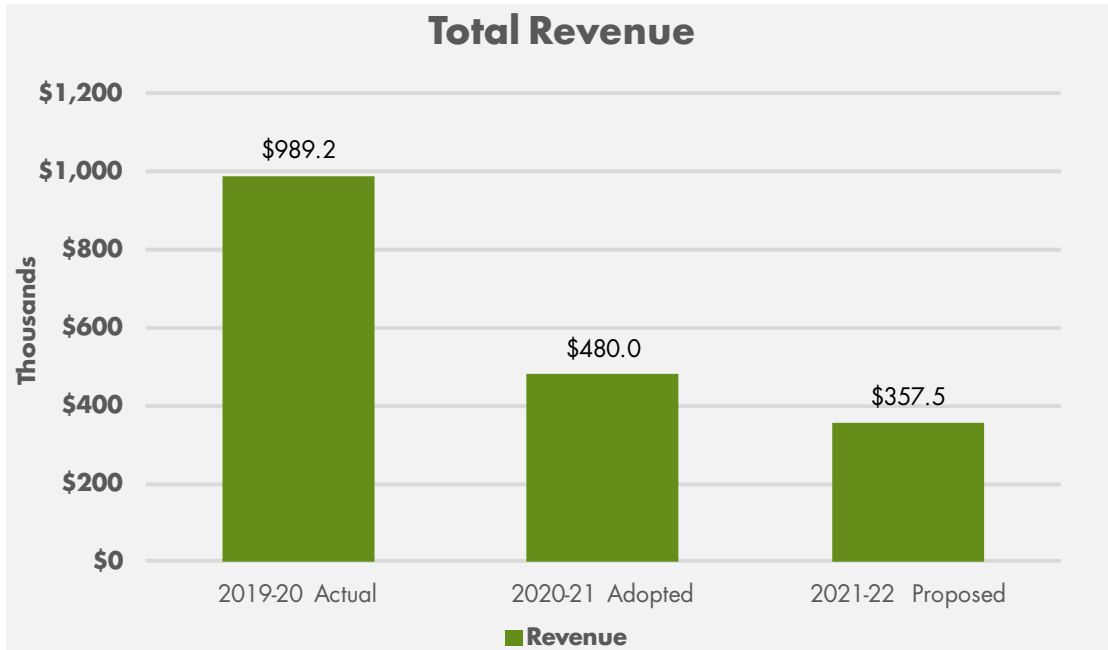
The following are key highlights for the upcoming fiscal year:

- 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
- Complete transition to the new ERP for Finance, Human Resources, Purchasing and Contract Services
- Complete transition to Laptops and Tablets as primary machines
- Complete transition to new public web-accessible Intranet
- Implement Disaster Recovery Plan and Technologies
- Initiate Proof of Concept (POC) of Hyland OnBase for Content Management
- Complete Water Utility Server Virtualization/Refresh Project
- Complete conversion to Voice Over IP Telephones
- Upgrade Maximo Asset Management to Latest Version
- Complete Virtual Desktop Proof of Concept for GIS Users and Interns
- Implement Various Cybersecurity Projects including Physical Infrastructure Upgrades and Multi-Factor Authentication



# Fund Summaries

## Service Funds Combined



# Fund Summaries

## Service Funds Combined Summary

|                                       | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |                |
|---------------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|----------------|
|                                       |                                      |                              |                                  |                               | \$ Diff                        | % Diff         |
| <b>REVENUE</b>                        |                                      |                              |                                  |                               |                                |                |
| Interest Income *                     | \$ 781,608                           | \$ 400,000                   | \$ 400,000                       | \$ 307,500                    | \$ (92,500)                    | (23.1)%        |
| Non-Operating Other                   | 207,564                              | 80,000                       | 80,000                           | 50,000                        | (30,000)                       | (37.5)%        |
| <b>TOTAL REVENUE</b>                  | <b>\$ 989,172</b>                    | <b>\$ 480,000</b>            | <b>\$ 480,000</b>                | <b>\$ 357,500</b>             | <b>\$ (122,500)</b>            | <b>(25.5)%</b> |
| <b>OUTLAYS</b>                        |                                      |                              |                                  |                               |                                |                |
| <b>Operating Outlays</b>              |                                      |                              |                                  |                               |                                |                |
| Operations **                         | \$ 22,723,179                        | \$ 29,839,732                | \$ 31,599,637                    | \$ 34,288,534                 | \$ 4,448,802                   | 14.9%          |
| Operating Project                     | 1,093,187                            | 646,000                      | 746,000                          | 50,000                        | (596,000)                      | (92.3)%        |
| <b>Total Operating Outlays</b>        | <b>\$ 23,816,366</b>                 | <b>\$ 30,485,732</b>         | <b>\$ 32,345,637</b>             | <b>\$ 34,338,534</b>          | <b>\$ 3,852,802</b>            | <b>12.6%</b>   |
| <b>Capital Outlays</b>                |                                      |                              |                                  |                               |                                |                |
| Capital Projects                      | \$ 11,324,596                        | \$ 10,958,088                | \$ 18,493,581                    | \$ 7,030,578                  | \$ (3,927,510)                 | (35.8)%        |
| Carry Forward Capital Projects        | —                                    | 4,163,731                    | —                                | 2,025,982                     | (2,137,749)                    | (51.3)%        |
| <b>Total Capital Outlays</b>          | <b>\$ 11,324,596</b>                 | <b>\$ 15,121,819</b>         | <b>\$ 18,493,581</b>             | <b>\$ 9,056,560</b>           | <b>\$ (6,065,259)</b>          | <b>(40.1)%</b> |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 35,140,962</b>                 | <b>\$ 45,607,551</b>         | <b>\$ 50,839,218</b>             | <b>\$ 43,395,094</b>          | <b>\$ (2,212,457)</b>          | <b>(4.9)%</b>  |
| Less Intra-District Reimb             | (25,700,523)                         | (34,702,382)                 | (34,685,598)                     | (35,655,884)                  | (953,502)                      | 2.7%           |
| <b>NET OUTLAYS</b>                    | <b>\$ 9,440,439</b>                  | <b>\$ 10,905,169</b>         | <b>\$ 16,153,620</b>             | <b>\$ 7,739,210</b>           | <b>\$ (3,165,959)</b>          | <b>(29.0)%</b> |
| <b>OTHER FINANCING SOURCES/(USES)</b> |                                      |                              |                                  |                               |                                |                |
| Transfers In                          | \$ 4,130,000                         | \$ 7,480,000                 | \$ 7,480,000                     | \$ 3,269,000                  | \$ (4,211,000)                 | (56.3)%        |
| <b>TOTAL OTHER SOURCES/(USES)</b>     | <b>\$ 4,130,000</b>                  | <b>\$ 7,480,000</b>          | <b>\$ 7,480,000</b>              | <b>\$ 3,269,000</b>           | <b>\$ (4,211,000)</b>          | <b>(56.3)%</b> |
| <b>BALANCE AVAILABLE</b>              | <b>\$ (4,321,267)</b>                | <b>\$ (2,945,169)</b>        | <b>\$ (8,193,620)</b>            | <b>\$ (4,112,710)</b>         | <b>\$ (1,167,541)</b>          | <b>39.6%</b>   |
| <b>YEAR-END RESERVES</b>              |                                      |                              |                                  |                               |                                |                |
| <b>Committed Reserves</b>             |                                      |                              |                                  |                               |                                |                |
| Currently Authorized Projects ***     | \$ 9,306,263                         | \$ 169,275                   | \$ 2,025,982                     | \$ —                          | \$ (169,275)                   | (100.0)%       |
| Operating and Capital Reserve         | 4,095,833                            | 3,583,615                    | 3,361,983                        | 1,861,852                     | (1,721,763)                    | (48.0)%        |
| Catastrophy - Property Self-Insurance | 6,134,455                            | 6,196,433                    | 6,817,466                        | 6,230,869                     | 34,436                         | 0.6%           |
| Workers Compensation Liability        | 7,483,500                            | 7,085,600                    | 6,621,000                        | 6,621,000                     | (464,600)                      | (6.6)%         |
| <b>Total Committed Reserves</b>       | <b>\$ 27,020,051</b>                 | <b>\$ 17,034,923</b>         | <b>\$ 18,826,431</b>             | <b>\$ 14,713,721</b>          | <b>\$ (2,321,202)</b>          | <b>(13.6)%</b> |
| <b>TOTAL YEAR-END RESERVES</b>        | <b>\$ 27,020,051</b>                 | <b>\$ 17,034,923</b>         | <b>\$ 18,826,431</b>             | <b>\$ 14,713,721</b>          | <b>\$ (2,321,202)</b>          | <b>(13.6)%</b> |

# Fund Summaries

## Service Funds Combined Summary (Continued)

|                                | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |         |
|--------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|---------|
|                                |                                      |                              |                                  |                               | \$ Diff                        | % Diff  |
| Outlay Summary by Account Type |                                      |                              |                                  |                               |                                |         |
| OPERATING OUTLAY               |                                      |                              |                                  |                               |                                |         |
| Salaries and Benefits          | \$ 9,697,041                         | \$ 11,131,816                | \$ 11,269,708                    | \$ 12,688,907                 | \$ 1,557,091                   | 14.0%   |
| Salary Savings Factor          | —                                    | (287,962)                    | (287,962)                        | (206,973)                     | 80,989                         | (28.1)% |
| Services & Supplies            | 10,163,052                           | 14,600,634                   | 16,261,134                       | 15,809,799                    | 1,209,165                      | 8.3%    |
| Intra-District Charges         | 3,956,272                            | 5,041,244                    | 5,102,757                        | 6,046,801                     | 1,005,557                      | 19.9%   |
| OPERATING OUTLAY TOTAL         | \$ 23,816,365                        | \$ 30,485,732                | \$ 32,345,637                    | \$ 34,338,534                 | \$ 3,852,802                   | 12.6%   |
| CAPITAL PROJECTS               |                                      |                              |                                  |                               |                                |         |
| Salaries and Benefits          | \$ 414,878                           | \$ 1,874,530                 | \$ 1,874,530                     | \$ 484,223                    | \$ (1,390,307)                 | (74.2)% |
| Salary Savings Factor          | —                                    | (49,631)                     | (49,631)                         | (7,656)                       | 41,975                         | (84.6)% |
| Services & Supplies            | 10,711,234                           | 8,186,317                    | 15,721,810                       | 6,340,868                     | (1,845,449)                    | (22.5)% |
| Carry Forward Capital Projects | —                                    | 4,163,731                    | —                                | 2,025,982                     | (2,137,749)                    | (51.3)% |
| Intra-District Charges         | 198,484                              | 946,872                      | 946,872                          | 213,142                       | (733,730)                      | (77.5)% |
| CAPITAL PROJECTS TOTAL         | \$ 11,324,596                        | \$ 15,121,819                | \$ 18,493,581                    | \$ 9,056,559                  | \$ (6,065,260)                 | (40.1)% |
| TOTAL OUTLAYS****              | \$ 35,140,961                        | \$ 45,607,551                | \$ 50,839,218                    | \$ 43,395,093                 | \$ (2,212,458)                 | (4.9)%  |

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

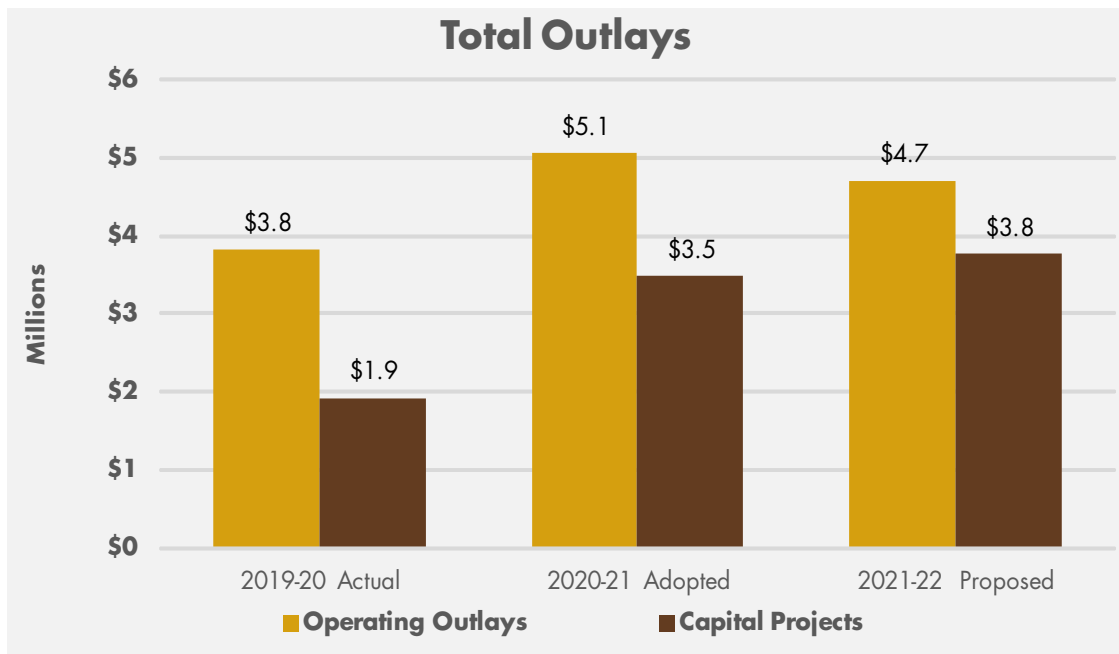
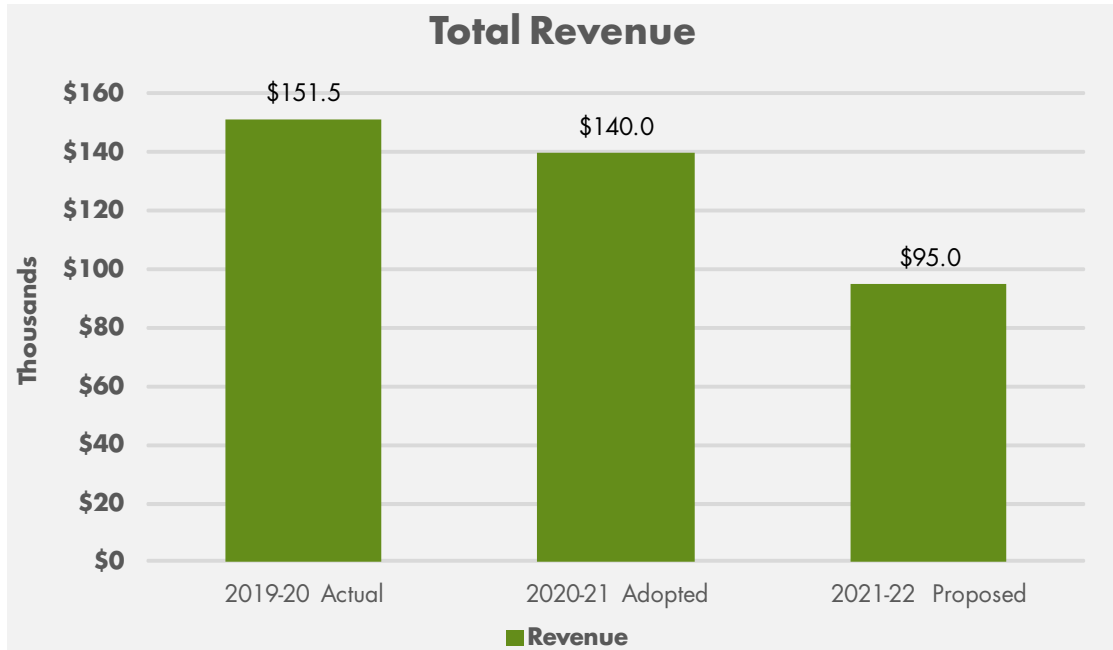
(\*\*) Operations outlay does not include OPEB Expense-unfunded liability

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

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

# Fund Summaries

## Fleet Management Fund



# Fund Summaries

## Fleet Management Fund Summary

|                                       | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |                |
|---------------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|----------------|
|                                       |                                      |                              |                                  |                               | \$ Diff                        | % Diff         |
| <b>REVENUE</b>                        |                                      |                              |                                  |                               |                                |                |
| Interest Income *                     | \$ 83,547                            | \$ 60,000                    | \$ 60,000                        | \$ 45,000                     | \$ (15,000)                    | (25.0)%        |
| Nonoperating Other                    | 67,906                               | 80,000                       | 80,000                           | 50,000                        | (30,000)                       | (37.5)%        |
| <b>TOTAL REVENUE</b>                  | <b>\$ 151,453</b>                    | <b>\$ 140,000</b>            | <b>\$ 140,000</b>                | <b>\$ 95,000</b>              | <b>\$ (45,000)</b>             | <b>(32.1)%</b> |
| <b>OUTLAYS</b>                        |                                      |                              |                                  |                               |                                |                |
| <b>Operating Outlays</b>              |                                      |                              |                                  |                               |                                |                |
| Operations **                         | \$ 3,821,544                         | \$ 5,058,251                 | \$ 5,048,654                     | \$ 4,707,524                  | \$ (350,727)                   | (6.9)%         |
| <b>Total Operating Outlays</b>        | <b>\$ 3,821,544</b>                  | <b>\$ 5,058,251</b>          | <b>\$ 5,048,654</b>              | <b>\$ 4,707,524</b>           | <b>\$ (350,727)</b>            | <b>(6.9)%</b>  |
| <b>Capital Outlays</b>                |                                      |                              |                                  |                               |                                |                |
| Capital Projects                      | \$ 1,922,465                         | \$ 3,478,000                 | \$ 3,729,000                     | \$ 3,761,000                  | \$ 283,000                     | 8.1%           |
| <b>Total Capital Outlays</b>          | <b>\$ 1,922,465</b>                  | <b>\$ 3,478,000</b>          | <b>\$ 3,729,000</b>              | <b>\$ 3,761,000</b>           | <b>\$ 283,000</b>              | <b>8.1%</b>    |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 5,744,009</b>                  | <b>\$ 8,536,251</b>          | <b>\$ 8,777,654</b>              | <b>\$ 8,468,524</b>           | <b>\$ (67,727)</b>             | <b>(0.8)%</b>  |
| Less Intra-District Reimb             | (5,687,785)                          | (7,638,086)                  | (7,638,086)                      | (6,548,359)                   | 1,089,727                      | (14.3)%        |
| <b>NET OUTLAYS</b>                    | <b>\$ 56,224</b>                     | <b>\$ 898,165</b>            | <b>\$ 1,139,568</b>              | <b>\$ 1,920,165</b>           | <b>\$ 1,022,000</b>            | <b>113.8%</b>  |
| <b>BALANCE AVAILABLE</b>              | <b>\$ 95,229</b>                     | <b>\$ (758,165)</b>          | <b>\$ (999,568)</b>              | <b>\$ (1,825,165)</b>         | <b>\$ (1,067,000)</b>          | <b>140.7%</b>  |
| <b>YEAR-END RESERVES</b>              |                                      |                              |                                  |                               |                                |                |
| <b>Committed Reserves</b>             |                                      |                              |                                  |                               |                                |                |
| Operating and Capital Reserve         | \$ 3,362,778                         | \$ 1,493,465                 | \$ 2,363,210                     | \$ 538,045                    | \$ (955,420)                   | (64.0)%        |
| <b>Total Committed Reserves</b>       | <b>\$ 3,362,778</b>                  | <b>\$ 1,493,465</b>          | <b>\$ 2,363,210</b>              | <b>\$ 538,045</b>             | <b>\$ (955,420)</b>            | <b>(64.0)%</b> |
| <b>TOTAL YEAR-END RESERVES</b>        | <b>\$ 3,362,778</b>                  | <b>\$ 1,493,465</b>          | <b>\$ 2,363,210</b>              | <b>\$ 538,045</b>             | <b>\$ (955,420)</b>            | <b>(64.0)%</b> |
| <b>Outlay Summary by Account Type</b> |                                      |                              |                                  |                               |                                |                |
| <b>OPERATING OUTLAY</b>               |                                      |                              |                                  |                               |                                |                |
| Salaries and Benefits                 | \$ 1,408,730                         | \$ 1,740,084                 | \$ 1,726,033                     | \$ 1,783,262                  | \$ 43,178                      | 2.5%           |
| Salary Savings Factor                 | —                                    | (43,292)                     | (43,292)                         | (27,992)                      | 15,299                         | (35.3)%        |
| Services & Supplies                   | 1,773,134                            | 2,481,440                    | 2,493,940                        | 2,004,245                     | (477,195)                      | (19.2)%        |
| Intra-District Charges                | 639,680                              | 880,019                      | 871,972                          | 948,009                       | 67,990                         | 7.7%           |
| <b>OPERATING OUTLAY TOTAL</b>         | <b>\$ 3,821,544</b>                  | <b>\$ 5,058,251</b>          | <b>\$ 5,048,653</b>              | <b>\$ 4,707,524</b>           | <b>\$ (350,728)</b>            | <b>(6.9)%</b>  |
| <b>CAPITAL PROJECTS</b>               |                                      |                              |                                  |                               |                                |                |
| Services & Supplies                   | \$ 1,922,465                         | \$ 3,478,000                 | \$ 3,729,000                     | \$ 3,761,000                  | \$ 283,000                     | 8.1%           |
| <b>CAPITAL PROJECTS TOTAL</b>         | <b>\$ 1,922,465</b>                  | <b>\$ 3,478,000</b>          | <b>\$ 3,729,000</b>              | <b>\$ 3,761,000</b>           | <b>\$ 283,000</b>              | <b>8.1%</b>    |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 5,744,009</b>                  | <b>\$ 8,536,251</b>          | <b>\$ 8,777,653</b>              | <b>\$ 8,468,524</b>           | <b>\$ (67,728)</b>             | <b>(0.8)%</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

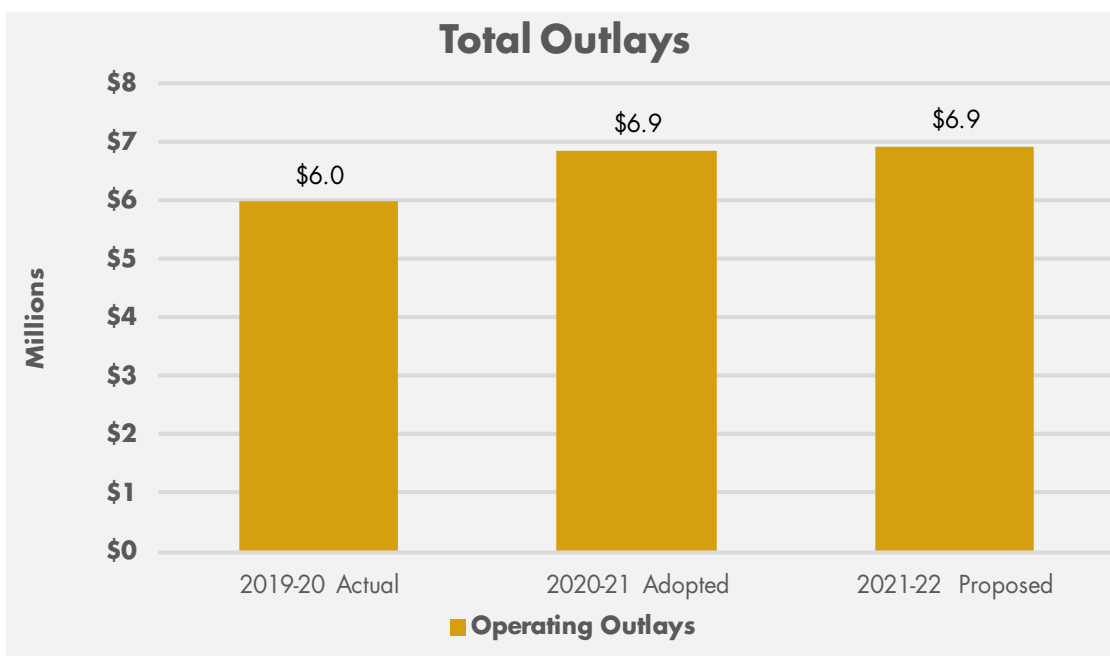
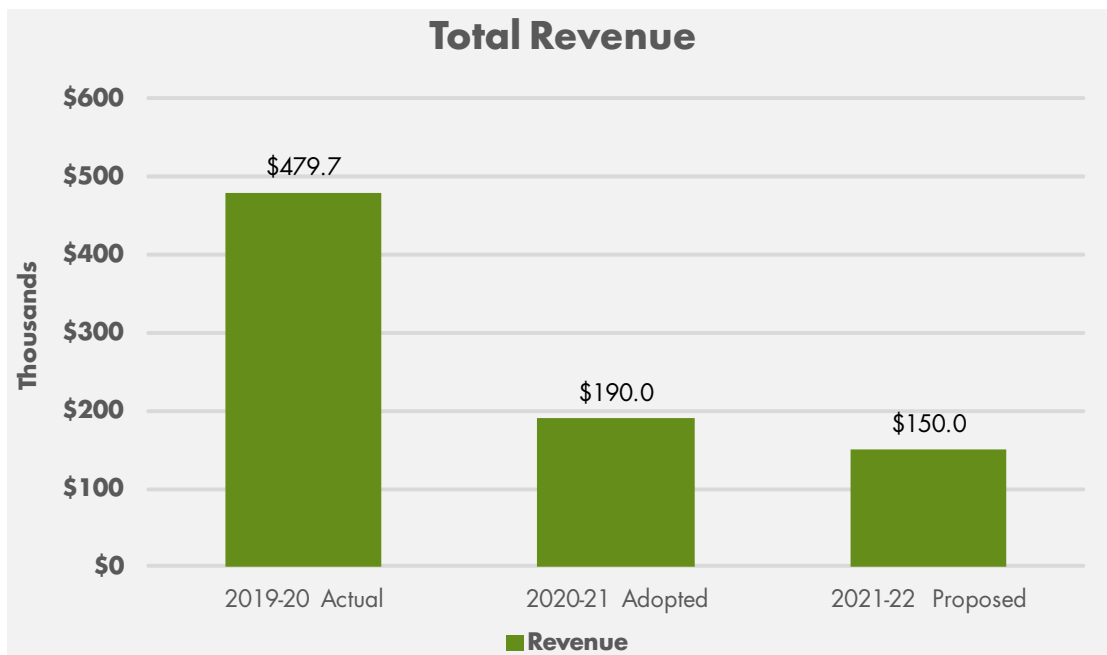
## Total Outlays - Fleet Management Fund

| Project #               | Project Description            | Budgetary Basis Actual<br>2019-2020 | Adopted Budget<br>2020-2021 | Proposed Budget<br>2021-2022 | Estimated Carry Forward Budget<br>2021-2022 | Project Managed By                                  |
|-------------------------|--------------------------------|-------------------------------------|-----------------------------|------------------------------|---|---|
| <b>Operations</b>       |                                |                                     |                             |                              |   |   |
| 70011099                | Class I Equip Oper / Maint     | 712,573                             | 825,647                     | 829,426                      |   | General Services Division                           |
| 70021099                | Class II Equip Oper / Maint    | 859,887                             | 950,825                     | 992,465                      |   | General Services Division                           |
| 70031099                | Class III Equip Oper / Maint   | 218,725                             | 342,468                     | 347,701                      |   | General Services Division                           |
| 70041099                | Class IV Equip Oper / Maint    | 1,037,385                           | 1,494,678                   | 1,067,967                    |   | General Services Division                           |
| 70061003                | Vehicle & Equipment Admin&Mgmt | 789,971                             | 1,246,897                   | 1,275,892                    |   | General Services Division                           |
| 70061004                | Districtwide Salary Savings-71 |                                     | (43,292)                    | (27,992)                     |   | Financial Planning and Management Services Division |
| * 70061045              | Asset Management Program       | 134,267                             | 182,056                     | 158,761                      |   | Office of Integrated Water Management               |
| * 70071041              | Welding Services               | 47,284                              | 58,972                      | 63,304                       |   | General Services Division                           |
| * 70811046              | Warehouse Services             | 21,452                              |                             |                              |   | General Services Division                           |
| <b>Total Operations</b> |                                | <b>3,821,544</b>                    | <b>5,058,251</b>            | <b>4,707,524</b>             |   |   |
| <b>Capital</b>          |                                |                                     |                             |                              |   |   |
| 70004001                | New Vehicle Equip Acquisitio   | 457,883                             | 1,545,000                   | 1,591,000                    |   | General Services Division                           |
| 70004002                | Replacement Vehicle & Equip    | 1,464,581                           | 1,933,000                   | 2,170,000                    |   | General Services Division                           |
| <b>Total Capital</b>    |                                | <b>1,922,465</b>                    | <b>3,478,000</b>            | <b>3,761,000</b>             |   |   |
| <b>Total</b>            |                                | <b>5,744,009</b>                    | <b>8,536,251</b>            | <b>8,468,524</b>             |   |   |

\*Recipient projects

# Fund Summaries

## Risk Management Fund



# Fund Summaries

## Risk Management Fund Summary

|                                       | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |                |
|---------------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|----------------|
|                                       |                                      |                              |                                  |                               | \$ Diff                        | % Diff         |
| <b>REVENUE</b>                        |                                      |                              |                                  |                               |                                |                |
| Interest Income *                     | \$ 292,088                           | \$ 190,000                   | \$ 190,000                       | \$ 150,000                    | \$ (40,000)                    | (21.1)%        |
| Nonoperating Other                    | 187,646                              | —                            | —                                | —                             | —                              | —              |
| <b>TOTAL REVENUE</b>                  | <b>\$ 479,734</b>                    | <b>\$ 190,000</b>            | <b>\$ 190,000</b>                | <b>\$ 150,000</b>             | <b>\$ (40,000)</b>             | <b>(21.1)%</b> |
| <b>OUTLAYS</b>                        |                                      |                              |                                  |                               |                                |                |
| <b>Operating Outlays</b>              |                                      |                              |                                  |                               |                                |                |
| Operations **                         | \$ 4,879,554                         | \$ 6,208,862                 | \$ 6,208,862                     | \$ 6,884,615                  | \$ 675,753                     | 10.9%          |
| Operating Project                     | 1,093,187                            | 646,000                      | 746,000                          | 50,000                        | (596,000)                      | (92.3)%        |
| <b>Total Operating Outlays</b>        | <b>\$ 5,972,741</b>                  | <b>\$ 6,854,862</b>          | <b>\$ 6,954,862</b>              | <b>\$ 6,934,615</b>           | <b>\$ 79,753</b>               | <b>1.2%</b>    |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 5,972,741</b>                  | <b>\$ 6,854,862</b>          | <b>\$ 6,954,862</b>              | <b>\$ 6,934,615</b>           | <b>\$ 79,753</b>               | <b>1.2%</b>    |
| Less Intra-District Reimb             | (4,869,985)                          | (6,585,373)                  | (6,585,373)                      | (6,198,018)                   | 387,355                        | (5.9)%         |
| <b>NET OUTLAYS</b>                    | <b>\$ 1,102,756</b>                  | <b>\$ 269,489</b>            | <b>\$ 369,489</b>                | <b>\$ 736,597</b>             | <b>\$ 467,108</b>              | <b>173.3%</b>  |
| <b>BALANCE AVAILABLE</b>              | <b>\$ (623,022)</b>                  | <b>\$ (79,489)</b>           | <b>\$ (179,489)</b>              | <b>\$ (586,597)</b>           | <b>\$ (507,108)</b>            | <b>638.0%</b>  |
| <b>YEAR-END RESERVES</b>              |                                      |                              |                                  |                               |                                |                |
| <b>Committed Reserves</b>             |                                      |                              |                                  |                               |                                |                |
| Catastrophy - Property Self-Insurance | \$ 6,134,455                         | \$ 6,196,433                 | \$ 6,817,466                     | \$ 6,230,869                  | \$ 34,436                      | 0.6%           |
| Workers Compensation Liability        | 7,483,500                            | 7,085,600                    | 6,621,000                        | 6,621,000                     | (464,600)                      | (6.6)%         |
| <b>Total Committed Reserves</b>       | <b>\$ 13,617,955</b>                 | <b>\$ 13,282,033</b>         | <b>\$ 13,438,466</b>             | <b>\$ 12,851,869</b>          | <b>\$ (430,164)</b>            | <b>(3.2)%</b>  |
| <b>TOTAL YEAR-END RESERVES</b>        | <b>\$ 13,617,955</b>                 | <b>\$ 13,282,033</b>         | <b>\$ 13,438,466</b>             | <b>\$ 12,851,869</b>          | <b>\$ (430,164)</b>            | <b>(3.2)%</b>  |
| <b>Outlay Summary by Account Type</b> |                                      |                              |                                  |                               |                                |                |
| <b>OPERATING OUTLAY</b>               |                                      |                              |                                  |                               |                                |                |
| Salaries and Benefits                 | \$ 1,977,158                         | \$ 2,122,852                 | \$ 2,122,852                     | \$ 2,336,562                  | \$ 213,710                     | 10.1%          |
| Salary Savings Factor                 | —                                    | (56,077)                     | (56,077)                         | (39,039)                      | 17,037                         | (30.4)%        |
| Services & Supplies                   | 3,047,937                            | 3,665,921                    | 3,765,921                        | 3,333,450                     | (332,471)                      | (9.1)%         |
| Intra-District Charges                | 947,646                              | 1,122,166                    | 1,122,166                        | 1,303,642                     | 181,476                        | 16.2%          |
| <b>OPERATING OUTLAY TOTAL</b>         | <b>\$ 5,972,741</b>                  | <b>\$ 6,854,862</b>          | <b>\$ 6,954,862</b>              | <b>\$ 6,934,615</b>           | <b>\$ 79,752</b>               | <b>1.2%</b>    |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 5,972,741</b>                  | <b>\$ 6,854,862</b>          | <b>\$ 6,954,862</b>              | <b>\$ 6,934,615</b>           | <b>\$ 79,752</b>               | <b>1.2%</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



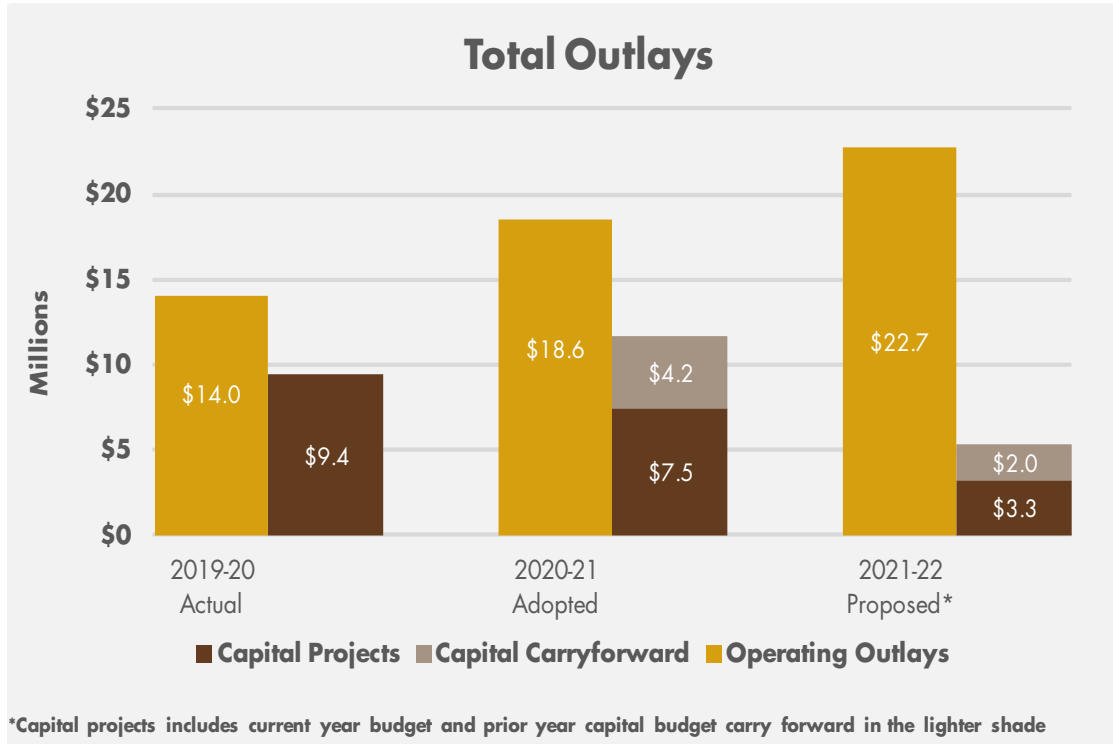
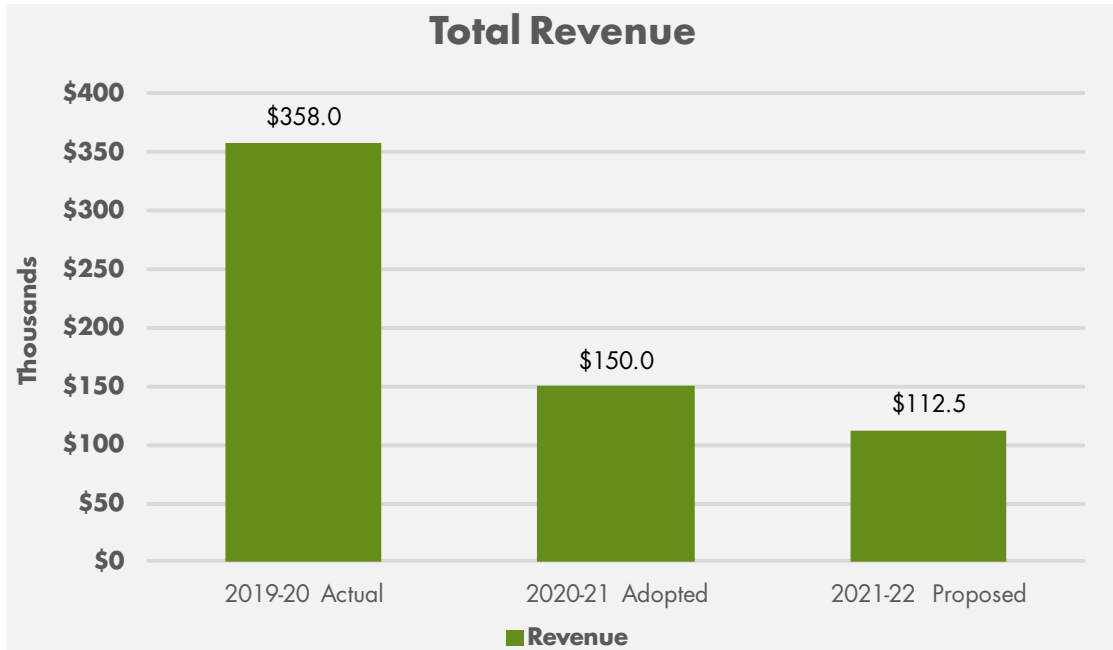
# Fund Summaries

## Total Outlays - Risk Management Fund

| Project #                      | Project Description            | Budgetary Basis Actual 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022 | Project Managed By                                  |
|--------------------------------|--------------------------------|----------------------------------|--------------------------|---------------------------|--|---|
| <b>Operations</b>              |                                |                                  |                          |                           |  |   |
| 65051001                       | Risk Management                | 1,512,106                        | 2,483,497                | 2,822,452                 |  | Office of District Counsel                          |
| 65051002                       | Workers Compensation Program   | 846,347                          | 865,171                  | 888,119                   |  | Office of District Counsel                          |
| 65051003                       | Health&Safety Program Mgt      | 2,521,100                        | 2,916,271                | 3,213,083                 |  | Office of COO IT and Admin Services                 |
| 65061004                       | Districtwide Salary Savings-72 |                                  | (56,077)                 | (39,039)                  |  | Financial Planning and Management Services Division |
| <b>Total Operations</b>        |                                | <b>4,879,554</b>                 | <b>6,208,862</b>         | <b>6,884,615</b>          |  |   |
| <b>Operating Project</b>       |                                |                                  |                          |                           |  |   |
| 65052001                       | 2017 President Day Flood       | 1,093,187                        | 646,000                  | 50,000                    |  | Office of District Counsel                          |
| <b>Total Operating Project</b> |                                | <b>1,093,187</b>                 | <b>646,000</b>           | <b>50,000</b>             |  |   |
| <b>Total</b>                   |                                | <b>5,972,740</b>                 | <b>6,854,862</b>         | <b>6,934,615</b>          |  |   |

# Fund Summaries

## Information Technology Fund



# Fund Summaries

## Information Technology Fund Summary

|                                       | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |                |
|---------------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|----------------|
|                                       |                                      |                              |                                  |                               | \$ Diff                        | % Diff         |
| <b>REVENUE</b>                        |                                      |                              |                                  |                               |                                |                |
| Interest Income *                     | \$ 357,986                           | \$ 150,000                   | \$ 150,000                       | \$ 112,500                    | \$ (37,500)                    | (25.0)%        |
| <b>TOTAL REVENUE</b>                  | <b>\$ 357,986</b>                    | <b>\$ 150,000</b>            | <b>\$ 150,000</b>                | <b>\$ 112,500</b>             | <b>\$ (37,500)</b>             | <b>(25.0)%</b> |
| <b>OUTLAYS</b>                        |                                      |                              |                                  |                               |                                |                |
| <b>Operating Outlays</b>              |                                      |                              |                                  |                               |                                |                |
| Operations **                         | \$ 14,022,081                        | \$ 18,572,619                | \$ 20,342,121                    | \$ 22,696,395                 | \$ 4,123,776                   | 22.2%          |
| <b>Total Operating Outlays</b>        | <b>\$ 14,022,081</b>                 | <b>\$ 18,572,619</b>         | <b>\$ 20,342,121</b>             | <b>\$ 22,696,395</b>          | <b>\$ 4,123,776</b>            | <b>22.2%</b>   |
| <b>Capital Outlays</b>                |                                      |                              |                                  |                               |                                |                |
| Capital Projects                      | \$ 9,402,131                         | \$ 7,480,088                 | \$ 14,764,581                    | \$ 3,269,578                  | \$ (4,210,510)                 | (56.3)%        |
| Carry Forward Capital Projects        | —                                    | 4,163,731                    |                                  | 2,025,982                     | (2,137,749)                    | (51.3)%        |
| <b>Total Capital Outlays</b>          | <b>\$ 9,402,131</b>                  | <b>\$ 11,643,819</b>         | <b>\$ 14,764,581</b>             | <b>\$ 5,295,560</b>           | <b>\$ (6,348,259)</b>          | <b>(54.5)%</b> |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 23,424,212</b>                 | <b>\$ 30,216,438</b>         | <b>\$ 35,106,702</b>             | <b>\$ 27,991,955</b>          | <b>\$ (2,224,483)</b>          | <b>(7.4)%</b>  |
| Less Intra-District Reimb             | (15,142,753)                         | (20,478,923)                 | (20,462,139)                     | (22,909,507)                  | (2,430,584)                    | 11.9%          |
| <b>NET OUTLAYS</b>                    | <b>\$ 8,281,459</b>                  | <b>\$ 9,737,515</b>          | <b>\$ 14,644,563</b>             | <b>\$ 5,082,448</b>           | <b>\$ (4,655,067)</b>          | <b>(47.8)%</b> |
| <b>OTHER FINANCING SOURCES/(USES)</b> |                                      |                              |                                  |                               |                                |                |
| Transfers In                          | \$ 4,130,000                         | \$ 7,480,000                 | \$ 7,480,000                     | \$ 3,269,000                  | \$ (4,211,000)                 | (56.3)%        |
| <b>TOTAL OTHER SOURCES/(USES)</b>     | <b>\$ 4,130,000</b>                  | <b>\$ 7,480,000</b>          | <b>\$ 7,480,000</b>              | <b>\$ 3,269,000</b>           | <b>\$ (4,211,000)</b>          | <b>(56.3)%</b> |
| <b>BALANCE AVAILABLE</b>              | <b>\$ (3,793,473)</b>                | <b>\$ (2,107,515)</b>        | <b>\$ (7,014,563)</b>            | <b>\$ (1,700,948)</b>         | <b>\$ 406,567</b>              | <b>(19.3)%</b> |
| <b>YEAR-END RESERVES</b>              |                                      |                              |                                  |                               |                                |                |
| <b>Committed Reserves</b>             |                                      |                              |                                  |                               |                                |                |
| Currently Authorized Projects ***     | \$ 9,306,263                         | \$ 169,275                   | \$ 2,025,982                     | \$ —                          | \$ (169,275)                   | (100.0)%       |
| Operating and Capital Reserve         | 733,055                              | 2,090,150                    | 998,773                          | 1,323,807                     | (766,343)                      | (36.7)%        |
| <b>Total Committed Reserves</b>       | <b>\$ 10,039,318</b>                 | <b>\$ 2,259,425</b>          | <b>\$ 3,024,755</b>              | <b>\$ 1,323,807</b>           | <b>\$ (935,618)</b>            | <b>(41.4)%</b> |
| <b>TOTAL YEAR-END RESERVES</b>        | <b>\$ 10,039,318</b>                 | <b>\$ 2,259,425</b>          | <b>\$ 3,024,755</b>              | <b>\$ 1,323,807</b>           | <b>\$ (935,618)</b>            | <b>(41.4)%</b> |

# Fund Summaries

## Information Technology Fund Summary (Continued)

|                                       | Budgetary<br>Basis Actual<br>2019-20 | Adopted<br>Budget<br>2020-21 | Projected<br>Year End<br>2020-21 | Proposed<br>Budget<br>2021-22 | Change from<br>2020-21 Adopted |                |
|---------------------------------------|--------------------------------------|------------------------------|----------------------------------|-------------------------------|--------------------------------|----------------|
|                                       |                                      |                              |                                  |                               | \$ Diff                        | % Diff         |
| <b>Outlay Summary by Account Type</b> |                                      |                              |                                  |                               |                                |                |
| <b>OPERATING OUTLAY</b>               |                                      |                              |                                  |                               |                                |                |
| Salaries and Benefits                 | \$ 6,311,154                         | \$ 7,268,880                 | \$ 7,420,823                     | \$ 8,569,082                  | \$ 1,300,202                   | 17.9%          |
| Salary Savings Factor                 | —                                    | (188,594)                    | (188,594)                        | (139,941)                     | 48,652                         | (25.8)%        |
| Services & Supplies                   | 5,341,981                            | 8,453,273                    | 10,001,273                       | 10,472,104                    | 2,018,831                      | 23.9%          |
| Intra-District Charges                | 2,368,947                            | 3,039,059                    | 3,108,618                        | 3,795,151                     | 756,092                        | 24.9%          |
| <b>OPERATING OUTLAY TOTAL</b>         | <b>\$ 14,022,082</b>                 | <b>\$ 18,572,618</b>         | <b>\$ 20,342,120</b>             | <b>\$ 22,696,396</b>          | <b>\$ 4,123,777</b>            | <b>22.2%</b>   |
| <b>CAPITAL PROJECTS</b>               |                                      |                              |                                  |                               |                                |                |
| Salaries and Benefits                 | \$ 414,878                           | \$ 1,874,530                 | \$ 1,874,530                     | \$ 484,223                    | \$ (1,390,307)                 | (74.2)%        |
| Salary Savings Factor                 | —                                    | (49,631)                     | (49,631)                         | (7,656)                       | 41,975                         | (84.6)%        |
| Services & Supplies                   | 8,788,769                            | 4,708,317                    | 11,992,810                       | 2,579,868                     | (2,128,449)                    | (45.2)%        |
| Carry Forward Capital Projects        | —                                    | 4,163,731                    | —                                | 2,025,982                     | (2,137,749)                    | (51.3)%        |
| Intra-District Charges                | 198,484                              | 946,872                      | 946,872                          | 213,142                       | (733,730)                      | (77.5)%        |
| <b>CAPITAL PROJECTS TOTAL</b>         | <b>\$ 9,402,131</b>                  | <b>\$ 11,643,819</b>         | <b>\$ 14,764,581</b>             | <b>\$ 5,295,559</b>           | <b>\$ (6,348,260)</b>          | <b>(54.5)%</b> |
| <b>TOTAL OUTLAYS****</b>              | <b>\$ 23,424,213</b>                 | <b>\$ 30,216,437</b>         | <b>\$ 35,106,701</b>             | <b>\$ 27,991,955</b>          | <b>\$ (2,224,483)</b>          | <b>(7.4)%</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 - Information Technology Fund

| Project #               | Project Description                     | Budgetary Basis Actual 2019-2020 | Adopted Budget 2020-2021 | Proposed Budget 2021-2022 | Estimated Carry Forward Budget 2021-2022 *** | Project Managed By                                  |
|-------------------------|---|----------------------------------|--------------------------|---------------------------|--|---|
| <b>Operations</b>       |   |                                  |                          |                           |  |   |
| 73061004                | Salary Savings-Fund 73                  |                                  | (188,594)                | (139,941)                 |  | Financial Planning and Management Services Division |
| 73271001                | Telecommunications Sys Opr/M            | 2,645,118                        | 2,421,069                | 3,207,913                 |  | Information Technology Division                     |
| 73271002                | Technical Infrastructure Servi          | 405,615                          | 759,531                  | 565,236                   |  | Information Technology Division                     |
| 73271003                | Network Administration                  | 1,885,511                        | 2,550,031                | 3,132,706                 |  | Information Technology Division                     |
| 73271004                | Information Security Admin              | 150,166                          | 851,215                  | 1,167,875                 |  | Information Technology Division                     |
| 73271005                | Office Cmptr Maint/Help Dsk Sup         | 1,656,655                        | 2,056,188                | 2,508,192                 |  | Information Technology Division                     |
| 73271006                | Info Technology Div Admin               | 1,009,799                        | 786,636                  | 877,598                   |  | Information Technology Division                     |
| 73271007                | Emerging IT Technologies                | 64,082                           | 100,000                  | 104,000                   |  | Information Technology Division                     |
| 73271008                | Software Maint & License                | 1,244,523                        | 2,658,758                | 3,120,919                 |  | Information Technology Division                     |
| 73271009                | Software Services                       | 4,960,611                        | 5,701,253                | 6,615,800                 |  | Information Technology Division                     |
| 73271010                | IT Projects & Bus Operations            |                                  | 876,530                  | 1,536,097                 |  | Information Technology Division                     |
| <b>Total Operations</b> |   | <b>14,022,081</b>                | <b>18,572,619</b>        | <b>22,696,396</b>         |  |   |
| <b>Capital</b>          |   |                                  |                          |                           |  |   |
| 73064004                | Salary Savings-Fund 73                  |                                  | (49,631)                 | (7,656)                   |  | Financial Planning and Management Services Division |
| * 73074033              | CIP Development & Admin                 |                                  |                          | 14,414                    |  | Office of Integrated Water Management               |
| * 73074036              | Survey Mgmt & Tech Support              |                                  |                          | 21,213                    |  | Watershed Design & Construction Division            |
| * 73074040              | Capital Project Mgmt Information System |                                  |                          | 19,151                    |  | Office of Integrated Water Management               |
| * 73074041              | Construction Contracts & Support        |                                  |                          | 25,638                    |  | General Services Division                           |
| 73274001                | IT Disaster Recovery                    | 227,482                          |                          | 206,045                   | (45)   | Information Technology Division                     |
| 73274002                | ERP System Implementation               | 6,425,630                        | 2,258,092                | 464,280                   | 1,815,910                                    | Information Technology Division                     |
| 73274004                | Network Equipment                       | 783,051                          | 2,527,604                | 595,401                   | 209,029                                      | Information Technology Division                     |
| 73274006                | Office Computers Replace Equip          | 1,533,575                        | 1,666,713                | 1,511,287                 | (287)  | Information Technology Division                     |
| 73274008                | Software Upgrades & Enhancemen          | 393,195                          | 871,046                  | 344,805                   | 305  | Information Technology Division                     |
| 73274009                | Data Consolidation                      |                                  | 74,384                   | 75,000                    | 190  | Information Technology Division                     |
| 73274011                | E-Discovery Management System           | 39,198                           |                          |                           |  | Information Technology Division                     |

\*Recipient projects

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

\*\*\*Represents estimated unspent capital project budget from FY 2020-21 that will be carried forward to FY 2021-22. A negative carryforward amount is based on the CIP approved expenditure in FY 2020-21. If the actual FY 2020-21 expenditure matches with the CIP approved FY 2020-21 expenditure, budget adjustments will be processed to address overspending.

# Fund Summaries

## Total Outlays - Information Technology Fund (Continued)

| Project #            | Project Description            | Budgetary<br>Basis<br>Actual<br>2019-2020 | Adopted<br>Budget<br>2020-2021 | Proposed<br>Budget<br>2021-2022 | Estimated<br>Carry Forward<br>Budget<br>2021-2022*** | Project Managed By              |
|----------------------|--------------------------------|---|--------------------------------|---------------------------------|--|---------------------------------|
| 73274012             | Telephone System Voice Over IP |   | 131,880                        |                                 | 880  | Information Technology Division |
| <b>Total Capital</b> |                                | <b>9,402,131</b>                          | <b>7,480,088</b>               | <b>3,269,578</b>                | <b>2,025,982</b>                                     |                                 |
| <b>Total</b>         |                                | <b>23,424,212</b>                         | <b>26,052,707</b>              | <b>25,965,974</b>               | <b>2,025,982</b>                                     |                                 |

\*Recipient projects

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

\*\*\*Represents estimated unspent capital project budget from FY 2020-21 that will be carried forward to FY 2021-22. A negative carryforward amount is based on the CIP approved expenditure in FY 2020-21. If the actual FY 2020-21 expenditure matches with the CIP approved FY 2020-21 expenditure, budget adjustments will be processed to address overspending.

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# Resolutions

**FY 2021-22**

## **Operating and Capital Budget**



# Resolutions

**Resolutions chapter will be published  
in the Adopted Budget.**



# Appendices

**FY 2021-22**

## **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.

## **Accrual**

The accumulation or increase of something over time, especially payments or benefits.

## **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.

## **Annual Financial Report (AFR)**

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 AFR 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.

## **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.

# Appendix A - Glossary

## **Audit**

An independent examination of financial information.

## **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.

## **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.

# Appendix A - Glossary

## **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.

## **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.



# Appendix A - Glossary

## **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.

## **Contingency Appropriation**

A provision for unforeseen expenditures.

## **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.

## **Depreciation**

1) Expiration in the service life of capital assets attributable to wear and tear, deterioration and or action of the physical elements. (2) That portion of the cost of capital asset which is charged as an expense during a particular period.

## **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.

# Appendix A - Glossary

## **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.

## **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.



# Appendix A - Glossary

## **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.

## **Governmental Funds**

Fund for activities that are primarily tax-supported operations or other mandatory payments.

## **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.

## **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.

# Appendix A - Glossary

## **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.

## **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.

# Appendix A - Glossary

## **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.

## **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.

## **Proprietary Fund**

Account for activities that are primarily funded by income from operations resulting from payments for goods and services provided to users.

## **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.

# Appendix A - Glossary

## **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.

## **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.

# Appendix A - Glossary

## **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.

## **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.

## Appendix A - Glossary

### **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**

Encompasses the valley floor of the Llagas subbasin from approximately East Main Avenue in Morgan Hill south to the Pajaro River.

### **Zone W-7**

Encompasses the Coyote Valley south of Metcalf Road to just north of East Main Avenue.

### **Zone W-8**

Encompasses portions of the outlying areas south of the Uvas and Chesbro reservoirs, east of Santa Teresa Boulevard, and generally north of Hecker Pass Highway.





# Valley Water

Clean Water • Healthy Environment • Flood Protection

Santa Clara Valley Water District  
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[www.valleywater.org](http://www.valleywater.org)

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