



# Santa Clara Valley Water District

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**File No.:** 18-0542

**Agenda Date:** 8/28/2018

**Item No.:** 3.1.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Central Budget Adjustments for 2018-19.

### **RECOMMENDATION:**

Approve the central budget adjustments to the 2018-19 Budget as adopted by the Board per Resolution 18-30.

### **SUMMARY:**

In adhering to Governance Policies of the Board and specifically Executive Limitations EL-4, staff respectfully submits central budget adjustments to the 2018-19 Budget which are necessary in order to better align limited allocated resources with the Board's Ends, meet Board priorities, and continue to provide for a balanced budget.

A brief description of the 2018-19 central budget adjustments are presented below:

1. Project: 65052001 Presidents Day Flood (\$980,000 Increase): Funds had been previously allocated to provide outside counsel expertise for defense and litigation expenses. This adjustment would carryforward unspent 2017-18 Budget to the 2018-19 Budget.
2. Project: 26061019 Support Volunteer Cleanup - B7 (\$429,000 Increase), Project 26061006 Pollution Prevention - B3 (\$697,000 Increase, Project 26061007 Grants to Rest Habitat - D3 (\$571,000 Increase): On March 13 and May 8, 2018, the Board approved funding for new grant awards, however, the agreements have not been executed as budgeted in 2017-18 and reallocation of these funds were not formulated as part of the 2018-19 Budget. This adjustment would carryforward unspent 2017-18 Budget to the 2018-19 Budget. These adjustments are critical in order to meet grant cycle targets set by the Safe, Clean Water program.
3. Project: 26061010 Nitrate Treatment System Rebate (\$49,012 Decrease): On May 23, 2018, the Board approved modification to the Nitrate Treatment System Rebate Program of the Safe, Clean Water Partnerships and Grants Program to reduce the Nitrate Rebate Program to \$141,000 for the 15-year life of the program. Per Board direction, the reduced Nitrate Rebate Program budget will help offset the demand from the cities and community for encampment

cleanups.

4. Project: 91041018 Groundwater Management Program (\$29,013 Increase): On May 23, 2018, the Board approved modification to the Nitrate Treatment System Rebate Program of the Safe, Clean Water Partnerships and Grants Program to reduce the Nitrate Rebate Program to \$141,000 for the 15-year life of the program. This adjustment is to transfer labor that had been budgeted to support the Nitrate Program to the Ground Water Management Program as is necessary to implement Board direction. This adjustment decreases the Water Utility Enterprise Operating and Capital Reserve.

#### **FINANCIAL IMPACT:**

Approval of the central budget adjustments, amends the 2018-19 Budget which was adopted by the Board per Resolution 18-30 on May 8, 2018 and subsequent changes to the Adopted Operating and Capital Budget were authorized by this resolution. The table below summarizes the changes.

#### **2018-19 Operating and Capital Budget**

<b>Fund</b>	<b>Adopted</b>	<b>Change</b>	<b>Adjusted</b>
<i>Watershed and Stream Stewardship Fund (12)</i>	94,339,121	193,050	94,532,171
<i>Safe, Clean Water (26)</i>	60,360,745	1,454,938	61,815,683
<i>Water Enterprise Fund (61)</i>	313,756,073	29,013	313,785,086
<i>Risk Insurance Fund (72)</i>	7,031,744	980,000	8,011,744
<i>All Other Funds</i>	132,542,255	-	132,542,255
<b>Total Appropriations</b>	<b>608,029,937</b>	<b>2,657,001</b>	<b>610,686,938</b>

#### **2018-19 Reserves Budget**

<b>Fund</b>	<b>Adopted</b>	<b>Change</b>	<b>Adjusted</b>
<i>Watershed and Stream Stewardship Fund (12)</i>	76,587,884	(193,050)	76,394,834
<i>Safe, Clean Water (26)</i>	139,404,184	(1,454,938)	137,949,246
<i>Water Enterprise Fund (61)</i>	96,072,017	(29,013)	96,043,004
<i>Risk Insurance Fund (72)</i>	11,014,194	(980,000)	10,034,194
<i>All Other Funds</i>	10,916,575	-	10,916,575
<b>Total Appropriations</b>	<b>333,994,855</b>	<b>(2,657,001)</b>	<b>331,337,854</b>

#### **CEQA:**

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

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**ATTACHMENTS:**

Attachment 1: SCVWD Resolution No. 18-30

**UNCLASSIFIED MANAGER:**

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