



Santa Clara Valley Water District

File No.: 19-0281

Agenda Date: 3/26/2019

Item No.: 8.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Fiscal Year 2019-2020 Second Pass Budget Development Process Overview.

RECOMMENDATION:

Receive and discuss the overview of the Santa Clara Valley Water District's FY 2019-20 Second Pass Budget Development Process.

SUMMARY:

The Santa Clara Valley Water District (Valley Water) develops the annual budget to allocate the public's funds that are necessary to provide Silicon Valley with safe, clean water for a healthy life, environment and economy. The development of Valley Water's budget is accomplished in an open transparent process providing opportunity for Board and public input. This report presents the second pass budget update and schedule for development of the final FY 2019-20 Budget. The process includes over nine (9) open session discussions providing the Board and public significant opportunity for input. The Board has scheduled Budget work study sessions for April 24 and 25. The process is scheduled to conclude with the adoption of the budget on May 14, 2019.

The Second Pass budget update includes the various assumptions that support the second pass results (See Attachment 1). The update includes the impact of 18 new positions proposed by the CEO to address various Board and workload priorities, including five new positions to provide construction management for capital projects. These positions would be recruited immediately to provide construction management support for the following projects:

1. RWTP Reliability Improvement Project
2. Watershed Asset Rehabilitation Program
3. Upper Llagas Creek Flood Protection Project
4. 10-Year Pipeline Inspection and Rehabilitation Program

Greater involvement by District construction services staff is expected to address the recently-experienced construction challenges and difficulties. A detailed analysis of this issue is described in Attachment 2.

In addition, the Second Pass budget includes requested higher funding for various Services and Supplies expense categories as detailed in Attachment 1.

Valley Water's financial planning and budget development processes are governed by the District Act, Section 13 for taxation and Section 20 for adoption of the budget. In addition, state and federal laws require annual examinations of financial records. Board Governance Policies EL-4 guide financial management, planning, budgeting and ongoing financial activities.

FINANCIAL IMPACT:

There is no fiscal impact related to the agenda. It is presented for information only.

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 changes in the environment

ATTACHMENTS:

Attachment 1: PowerPoint

Attachment 2: Construction Management Resources Needs

*Handout 8.1-A: Budget Overview Replacement, Pages 8 and 9

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068