Valley Water

Clean Water • Healthy Environment • Flood Protection

# SCVWD Water Reliability Program
# WIFIA Loan Application

**Title:** Santa Clara Valley Water District Operating and Capital Budget for Fiscal Year 2018 - 2019

**File Name:** B.5.h_SCVWD FY18-19 Operating and Capital Budget

**Description:** Operating and Capital Budget of Santa Clara Valley Water District for Fiscal Year 2018 - 2019

## April 2022

FY 2018-19

Santa Clara Valley Water District

# Operating and Capital Budget

# Santa Clara Valley Water District

# Adopted
# Fiscal Year 2018-19
# Annual Budget

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Chair, District 3

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District 6

**Gary Kremen**
District 7

*Submitted by*

**Norma Camacho**
Chief Executive Officer

May 8, 2018

Santa Clara Valley
Water District

# Santa Clara Valley Water District

# Adopted
# Fiscal Year 2018-19 Annual Budget

*Prepared by*

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Chief Financial Officer

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**Rick Callender, Anil Comelo**

# Santa Clara Valley Water District

# Adopted
# Fiscal Year 2018-19
# Annual Budget

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Santa Clara Valley Water District

# Budget Transmittal Letter for 2018-19

May 8, 2018

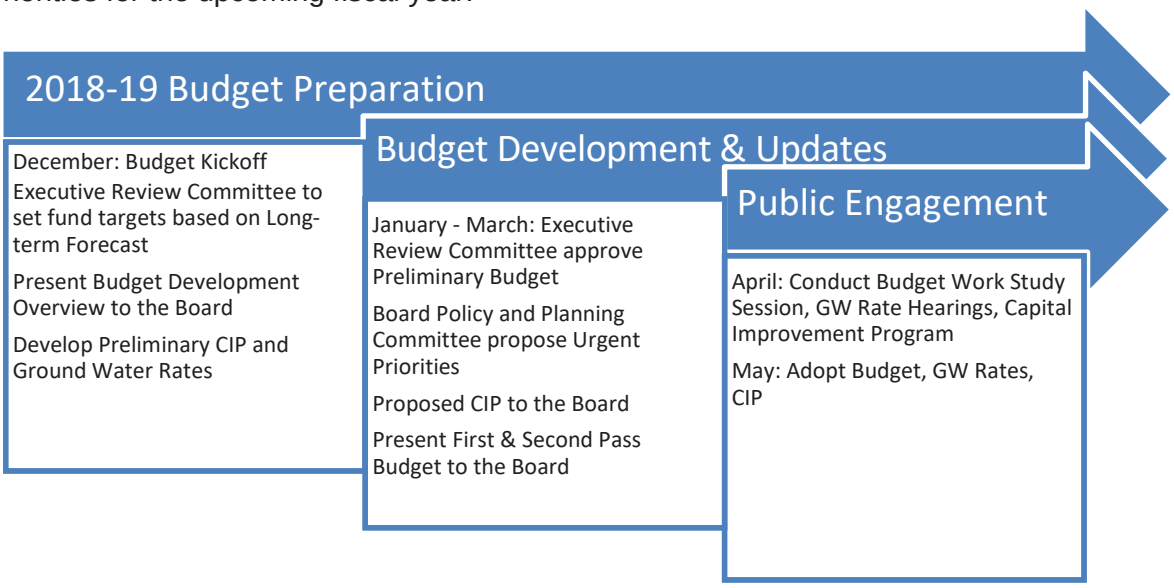
Honorable Members of the Board of Directors of the Santa Clara Valley Water District:

In accordance with the District Policy, I am submitting the 2018-19 Adopted Budget for the Santa Clara Valley Water District (District). This budget represents the District's mission of providing Silicon Valley safe, clean water for a healthy life, environment, and economy. It also provides a comprehensive financial plan that includes a forecast of operating and non-operating revenues and expenditures; financing of long-term capital improvement plans to support infrastructure needs; and funding for the repayment of long-term debt.

## Financial Overview

The accounts of the District 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.

The budget development process begins in December of each year and concludes on June 30, with the posting of the budget. The budget development process for 2018-19 included several process improvements and numerous public hearings, as well as input from the Board on urgent priorities for the upcoming fiscal year.



## District Priorities

In developing the budget, the Board directed its Board Policy and Planning Committee (Committee) to identify and summarize the Board's priorities. This budget is the culmination of the Committee's final recommendation, which ultimately resulted in Board action to accept and adopt the Committee's recommendation. In developing this budget, management identified where resources could shift and scrutinized additional funding requests that help the organization achieve results toward the identified priorities as a part of the budget process.

This budget demonstrates a fiscally responsible, balanced budget that meets the community's expectations of the District. This budget focuses on 9 priorities, and these are not in order of priority.

1. Make key decisions regarding the **California WaterFix**
2. Provide for a watershed-wide **regulatory planning and permitting** effort
3. Foster a coordinated approach to **environmental stewardship** efforts
4. Advance the **Anderson Dam Seismic Retrofit** Project
5. Advance **recycled and purified water** efforts with the City of San José and other agencies
6. Finalize the **Fisheries and Aquatic Habitat Collaborative Effort (**FAHCE)
7. Actively pursue efforts to increase **water storage** opportunities
8. Advance **diversity and inclusion** efforts
9. Ensure immediate emergency action plans and flood protection are provided for **Coyote Creek**

The District is responding to these challenges in several ways, including expanded efforts possible with the help of 4 new positions discussed in greater detail in the sections that follow.

The organization will incorporate specific activities that address the Board's urgent priorities into its workplan and periodically update the Board Policy and Planning Committee and the full Board throughout the fiscal year and bring adjustments back to the Board if needed.

## Revenue

The 2018-19 budget includes projected revenues of approximately $448.0 million. These revenues are a net increase of $3.9 million from the $444.1 million included in 2017-18 adopted budget. The net $3.9 million increase is primarily derived from increases in water revenue ($31.0 million), 1% ad valorem property taxes ($6.6 million), and special parcel tax ($1.5 million) offset by a decrease in State Water Project property tax (-$8.0 million), capital reimbursement revenue (-$26.9 million) and a net decrease to other revenues (-$0.3 million).

## Appropriations/Outlays

Net total operating and capital outlays for the 2018-19 budget is $509.9 million. This figure does not include capital carry forward that was appropriated by the Board in prior years and is net of General Fund intra-district reimbursements and Internal Service Fund charges.

## Net Operating Outlays

Net operating outlays for the 2018-19 budget is $304.8 million, an increase of $21.9 million from the 2017-18 adopted budget. The increase in net outlays reflects continued efforts to maintain service levels that support key strategic objectives and the Board priorities

## Capital Outlays

2018-19 capital project appropriations total $205.1 million, a decrease of $13.2 million from the 2017-18 adopted budget. It is anticipated that $90.3 million of the 2017-18 adjusted budget for capital projects also will carry forward into 2018-19 at the close of the current fiscal year as most capital improvement projects will require multiple years to complete. The capital budget represents those projects that have been identified and prioritized in the Five-Year Capital Improvement Program (CIP).

## Intra-district Reimbursements

The primary funding sources for the General Fund and Service Funds are intra-district reimbursements. For 2018-19, the total is $85.5 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. In general, 50% of intra-district charges are paid by the Water Utility Enterprise, 36% Watersheds, 6% General Fund, and 8% Internal Service Funds.

## Other Financing Sources/Uses

Other financing sources include debt financing proceeds to fund capital improvements. For 2018-19, planned Bond Proceeds of $64.2 million and Commercial Paper proceeds of $110.0 million are to finance Water Utility ($109.2 million) and Safe, Clean Water & Natural Flood Protection ($37.2 million) capital improvement programs.

**Reserves**

There are nine major restricted reserves in the District, further detail is found in the summary budget document pages 3−40. The Water Utility Enterprise Fund had six restricted reserves prior to 2018-19: Rate Stabilization Reserve for Bond Covenant, San Felipe Emergency Reserve, Silicon Valley Advanced Water Purification Center Reserve, Supplemental Water Supply Reserve, Drought Reserve, and the State Water Project Tax Reserve. Staff proposes adding the seventh restricted reserve starting in 2018-19: Public-Private Partnership (P3). This special purpose reserve would provide a funding source for costs associated with the District's Public-Private Partnership (P3) to design, build, finance, operate and maintain the Expedited Purified Water Program. The Safe, Clean Water Fund has two restricted reserves for the Currently Authorized Projects Reserve and Operating and Capital Reserve.

The District has four major committed reserves. The committed reserves are Liability/Workers' Compensation Self-Insurance Reserve - Risk Fund, Property Self- Insurance/Catastrophic Reserve - Risk Fund, Operating & Capital Reserve (not including Safe, Clean Water & Natural Flood Protection Fund), and Currently Authorized Projects Reserve (not including Safe, Clean Water & Natural Flood Protection Fund).

Overall, budgeted reserves for 2018-19 are expected to decrease $25.4 million to $334.0 million. The decrease primarily occurs in the committed reserve portion in the Water Enterprise Funds ($19.4 million) and restricted reserve portion in the Safe, Clean Water & Natural Flood Protection fund ($22.7 million) and other funds ($1.6 million). Please see the summary table below for the FY 2019 reserve budget.

| ($ in Thousands) | Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from Adopted $ Diff | Change from 2017-18 % Diff |
|---|---|---|---|---|---|---|
| **Restricted Reserves** | | | | | | |
| Safe, Clean Water & Natural Flood Protection Fund | 129,650 | 162,071 | 85,473 | 139,404 | (22,667) | (14%)↓ |
| Water Enterprise Funds | 50,018 | 45,625 | 51,352 | 56,919 | 11,294 | 25%↑ |
| **Subtotal** | **179,668** | **207,696** | **136,825** | **196,323** | **(11,373)** | **(5%)↓** |
| **Committed Reserves** | | | | | | |
| General Fund | 5,962 | 5,152 | 4,281 | 4,565 | (587) | (11%)↓ |
| Watershed Stream Stewardship Fund | 64,898 | 69,558 | 90,731 | 76,588 | 7,030 | 10%↑ |
| Water Enterprise Funds | 61,417 | 63,272 | 57,191 | 43,878 | (19,394) | (31%)↓ |
| Internal Service Funds | 24,879 | 13,703 | 23,007 | 12,640 | (1,063) | (8%)↓ |
| **Subtotal** | **157,156** | **151,685** | **175,210** | **137,671** | **(14,014)** | (9%)↓ |
| **Grand Total** | **336,824** | **359,381** | **312,035** | **333,994** | **(25,387)** | **(7%)↓** |

**Debt Overview**

The 2018-19 debt portfolio total outstanding principal of $877.3 million includes $82.3 million for Watersheds, $655 million for the Water Utility Enterprise, and $140 million of Commercial Paper for Safe, Clean Water & Natural Flood Protection and Water Utility Enterprise projects. Annual debt service budget of $59.2 million includes repayment of principal, interest and various banking and legal fees for the debt portfolio.

The District's debt management strategy includes the use of a short term Commercial Paper (CP) Program with a maximum program capacity of $225 million, supported by a $150 million Letter of Credit (LOC) from Bank of Tokyo Mitsubishi UFJ, LTD. (BTMU) and a $75 million Revolving Line of Credit from Wells Fargo Bank, National Association (WFB).

The long-term strategy is to issue CP to provide short-term just-in-time funding for capital expenditures. As the outstanding CP reaches the program capacity, the outstanding CP is refunded with long-term debt to be repaid over the remaining of life of the assets. For the Water Utility Program, the issuance of long-term debt helps keep water charges stable over the long-term while resulting in inter-generational equity and allows for the completion of capital projects in a timely manner. The water charge study shows that Water Utility finances will be healthy despite the issuance of debt, assuming that forecasted water charge increases are implemented.

For the Safe, Clean Water Program, issuing debt allows the projects to be completed earlier as it bridges the timing difference between when the voter approved special parcel tax revenues are collected versus the desired project delivery schedule based on the Board approved CIP. The Safe, Clean Water special parcel tax was approved by voters on November 6, 2012 and has a sunset date of June 30, 2028.

The Santa Clara Valley Water District 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.

**Bond Ratings**

The bond ratings for the District's outstanding debt reflect high grade investment quality debt. They are based on the District'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.

Please see table below for ratings going into 2018-19.

**Bond Rating**

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

**Staffing**

The 2018-19 budget includes 813 regular positions and 4 fellowships, an increase of four new positions from the 2017-18 Adjusted Budget. The new positions' cost totals $0.7 million. The new positions support the District's Fisheries Aquatic Habitat Collaborative Effort (FAHCE), and support the review of external development proposals, such as the BART extension, High Speed Rail and San Jose downtown Google development that affect the District facilities.

**Position Count by Organization Area**

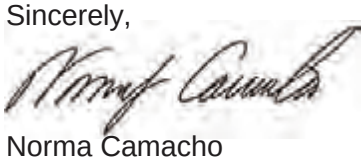
| | Regular Positions | | | | |
|---|---|---|---|---|---|
| | **Adjusted Budget 2016-17** | **Adjusted Budget 2017-18** | **Adopted Budget 2018-19** | **Change* from 2017-18** | **% Change from 2017-18** |
| Board Appointed Officers & Financial Planning & Mgmt Div | 82 | 80 | 77 | (3) | (3.8%)↓ |
| External Affairs | 25 | 28 | 32 | 4 | 14.3%↑ |
| Water Utility | 333 | 332 | 334 | 2 | 0.6%↑ |
| Watersheds | 209 | 219 | 221 | 2 | 0.9%↑ |
| Administration | 142 | 150 | 149 | (1) | (0.7%)↓ |
| **Districtwide** | **791** | **809** | **813** | **4** | **0.5%↑** |

**Future Outlook**

It is important to maintain a long-term outlook given the major infrastructure investments planned for the next 10 years. The District has an ambitious capital program to help ensure a reliable and safe water supply. Planning for the future means acting now. Some of the major infrastructure investments included in this budget are to ensure dam safety, secure imported water supply, manage infrastructure reliability through maintenance asset management, complete flood protection projects and step up sediment removal and erosion protection to maintain the conveyance capacity of completed flood protection projects.

This budget positions the organization well to deliver much needed services and facility improvements to the community over the next several years

Sincerely,



Norma Camacho
Chief Executive Officer

NB:ls

GOVERNMENT FINANCE OFFICERS ASSOCIATION

# *Distinguished Budget Presentation Award*

**PRESENTED TO**

## Santa Clara Valley Water District

## California

For the Fiscal Year Beginning

**July 1, 2017**

Christopher P. Morrill

Executive Director

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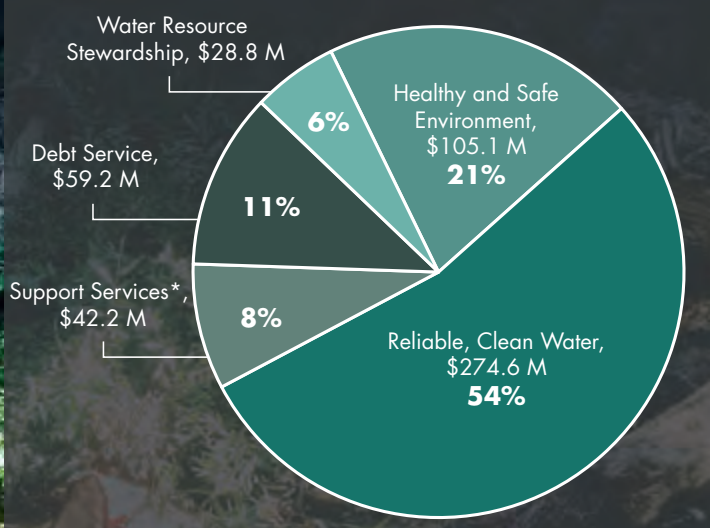
# BUDGET IN BRIEF

# District budget focuses on providing core services

## FY 2018-19 Total Net Outlays: $509.9 Million



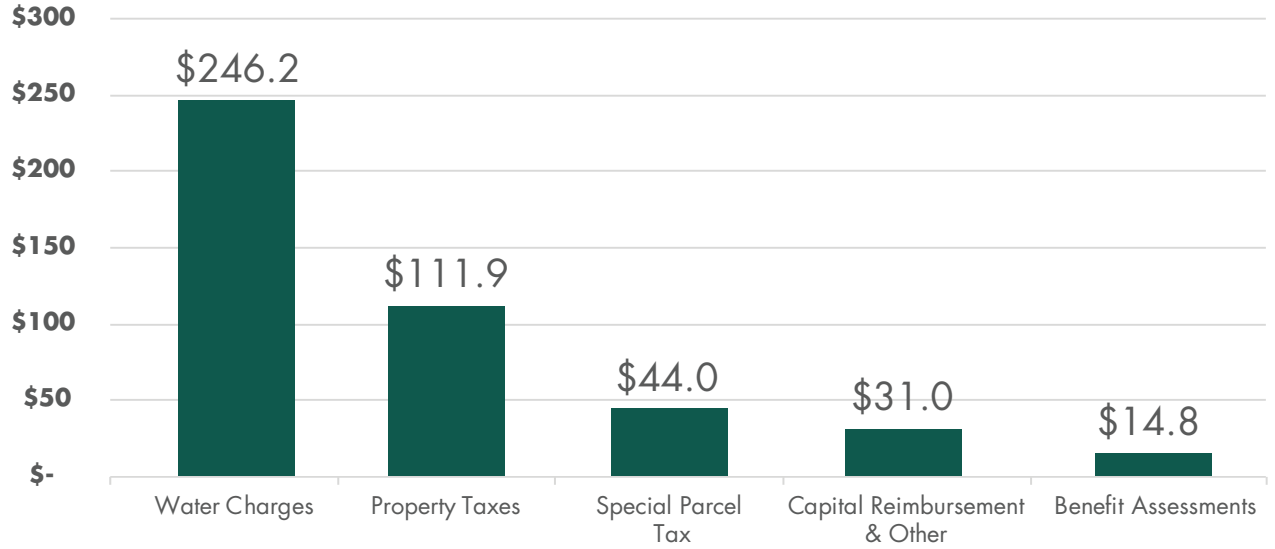

*Support Services total is net of intra-district reimbursements. (e.g., overhead costs charged to projects for administrative support services such as human resources and information technology, etc.)

| Board Long Term Goals | FY2018-19 Work Plan |
|---|---|
| **Water Supply** | |
| **Goal:** Ensure current and future water supply for municipalities, industries, agriculture and the environment is reliable<br>**Goal:** Raw water transmission and distribution assets are managed to ensure efficiency and reliability<br>**Goal:** Reliable high quality drinking water is delivered | • Advance Anderson Dam Seismic Retrofit Project<br>• Finalize Fisheries and Aquatic Habitat Collaborative Effort (FAHCE)<br>• Actively pursue efforts to increase water storage opportunities<br>• Actively participate in decisions regarding the CA Waterfix*<br>• Advance recycled and purified water efforts with the City of San Jose and other agencies<br>*This has been updated from what was originally adopted by the Board. |
| **Natural Flood Protection** | |
| **Goal:** Provide natural flood protection for residents, businesses and visitors as well for future generations<br>**Goal:** Reduce potential for flood damages | • Provide for watershed-wide regulatory planning and permitting efforts<br>• Ensure Immediate Emergency Action Plans and Flood Protection are Provided for Coyote Creek |
| **Environmental Stewardship** | |
| **Goal:** Protect and restore creek, bay and other aquatic systems<br>**Goal:** Improved quality of life in Santa Clara County through appropriate public access to trails, open space, and District facilities<br>**Goal:** Strive for zero net greenhouse gas emissions to achieve carbon neutrality by 2020 | • Foster a coordinated approach to environmental stewardship efforts |
| **Business Management** | |
| **Goal**: Ensure a work environment that is diverse, inclusive, free of discrimination and harassment, and that provides equal opportunity employment | • Advance Diversity and Inclusion Efforts |

## The water district relies on a diverse array of funding sources (Revenues)

The Santa Clara Valley Water District receives funding from a variety of sources, including treated water, surface/recycled water and groundwater production charges; proceeds from ad valorem property taxes; the Safe, Clean Water and Natural Flood Protection Program special parcel tax; benefit assessments; interest earnings; cost-sharing agreements and grants.

### Fiscal Year 2018-19 Revenues*: $447.9 Million




* Other Financing Sources are not shown which comprises mostly of debt financing and provides funding for the FY 2019-23 Five-Year Capital Improvement Program.

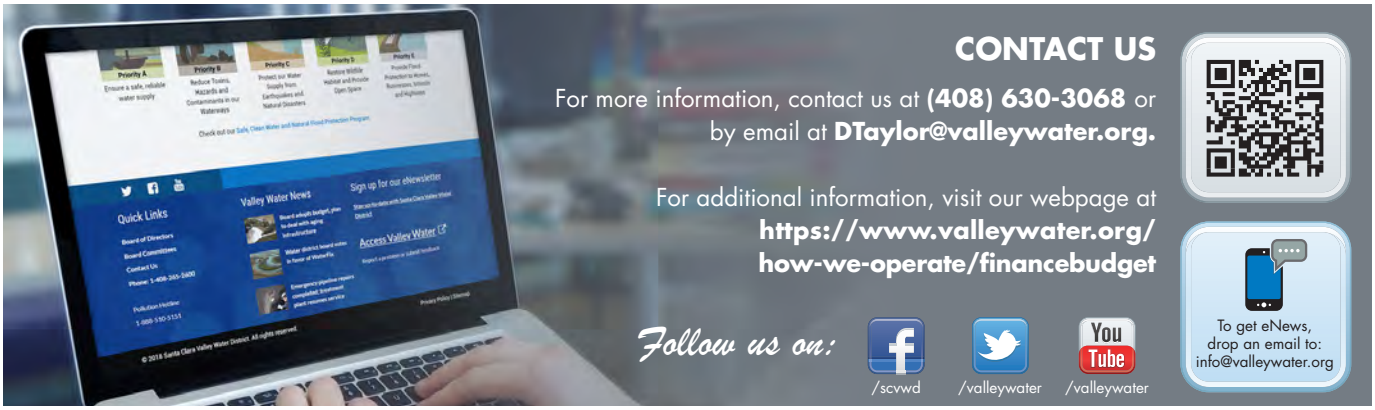
**Water Charges** include charges for groundwater production, which is water produced by pumping from the underground water basins; treated water, which has been processed through a water district water treatment plant; surface water, which has been diverted from streams, creeks, reservoirs, or raw water distribution lines; and recycled water, which is treated wastewater used in crop irrigation, landscaping and industrial uses.

**Property Taxes** comprise an allocated share of countywide 1% ad valorem property tax receipts, and a voter-approved levy for State Water Project contract obligations.

**Special Parcel Tax** provides funding for the Safe, Clean Water and Natural Flood Protection Program, passed by voters in 2012, and expires in 2028.

**Benefit Assessment** is for flood protection and will continue until 2030.

**Capital Reimbursements and Other** is primarily comprised of reimbursements from other agencies, grant revenue and interest earnings.



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# DISTRICT OVERVIEW

# District Overview

The Santa Clara Valley Water District is the largest multi-purpose water supply, watershed stewardship and flood management special district in California. The District 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.

The water district's unique multi-purposes enable 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, the water district encompasses all of the county's 1,300 square miles and serves the area's 15 cities: Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga and Sunnyvale. The District also serves the unincorporated areas of the county.

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

Community action created the District, 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 the District its authority to operate as a state special district, with jurisdiction throughout Santa Clara County.

**Our mission is to provide Silicon Valley safe, clean water for a healthy life, environment, and economy.**

The District Act authorizes the District to: "…provide comprehensive water management for all beneficial uses and protection from flooding within Santa Clara County. The District 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;

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

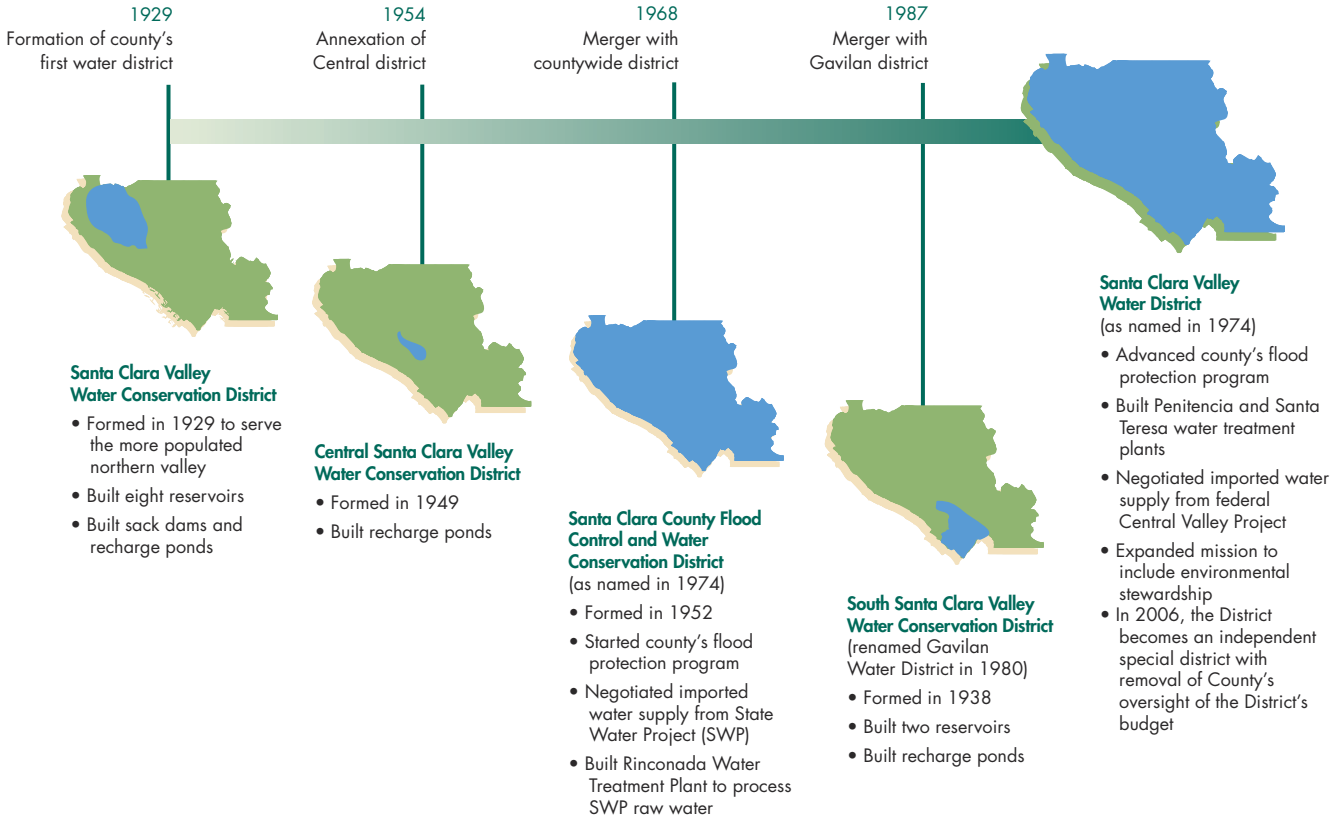
(f) to obtain, retain, reclaim, protect, and recycle drainage, storm, flood waters or treated wastewaters, or other waters from any sources, within or outside the watershed in which the district is located for any beneficial uses within the district;

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

## Governance and Board of Directors

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

## Evolution of the Santa Clara Valley Water District




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

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

The Board sets direction for the District through its policy governance structure. Through adopted policies, the Board determines the District'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 **http://www.valleywater.org/how-we-operate/board-governance-policies**

## Board directorial districts

# History Timeline

For 80 years, the water district has improved and expanded its products and services to meet the growing needs of Santa Clara County residents

## Early 1900s

Nearly 14,000 acres of orchards and vineyards are under irrigation in Santa Clara Valley. Local farmers begin noticing a significant drop in well water levels.

## 1920s

Concern over land subsidence from overpumping the groundwater basin leads farmers and business leaders to push for the formation of the Santa Clara Valley Water Conservation Committee.

**1929:** The Santa Clara Valley Water Conservation District is formed by the State Legislature.

## 1930s

Calero, Almaden, Guadalupe, Vasona, Stevens Creek and Coyote reservoirs are completed. Recharging of the underground aquifers begins.

**1931, 1937 and 1938:** Floods occur in the midst of drought and land subsidence.

## 1940s

Explosive post-war population growth.

**1940-46:** Major drought. Land subsidence worsens in north San Jose due to overpumping. Voters pass construction bonds for Lexington and Anderson dams for water storage and percolation.

**1940, 1942 and 1943:** Floods occur in the midst of drought and land subsidence.

## 1950s

Increased growth shifts county's water use from primarily agricultural to domestic and industrial. The South Santa Clara Valley Water Conservation District builds the Chesbro and Uvas dams.

The Central Santa Clara Valley Water Conservation District is annexed to the Santa Clara Valley Water Conservation District. Water conservation education begins in earnest.

**1952:** The County Board of Supervisors forms the Santa Clara County Flood Control and Water Conservation District to protect the county from flooding and supplement local water supply with imported water. The "Christmas Week" floods of 1955 leave thousands homeless. The Guadalupe River alone floods 8,300 acres, the worst flood on that river in recorded history.

## 1960s

**1960:** The county's population swells to 642,000.

**1962:** President John F. Kennedy and Gov. Edmund G. "Pat" Brown dedicate the San Luis Dam and Reservoir west of Los Baños.

**1965:** The state of California begins delivering water from the Sacramento-San Joaquin River Delta to Santa Clara County via the South Bay Aqueduct. Slowly, the addition of imported water to recharge efforts begins to reverse land subsidence; by 1969 it is halted for the first time in 40 years. Rinconada Water Treatment Plant begins drinking water treatment and distribution operations in Los Gatos.

**1968:** The Santa Clara Valley Water Conservation District and the Santa Clara County Flood Control and Water Conservation District merge to manage water supply and flood programs for most of the county.

## 1970s

The Santa Clara Valley Flood Control and Water District changes its name to the Santa Clara Valley Water District. Penitencia Water Treatment Plant comes on line.

**1976-77:** Historic drought years reduce deliveries from the State Water Project; Delta water is too salty to be percolated into local aquifers, but is still used by the treatment plants. Conservation efforts achieve a 22 percent drop in water usage.

## 1980s

Environmental mitigation for project impacts becomes a normal 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.

## 1990s

The county's population nears 1.7 million. The 1987-93 drought drives the District 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:** The District 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.

**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 the District into the 21st Century.

## 2000-18

The District takes a lead role in the fight against MTBE water contamination, addresses perchlorate contamination of more than 1000 South County well 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 endorse 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 the District's first ozonated water, providing customers better-tasting, more healthful tap water.

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

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

**2010:** Board called for 10% mandatory conservation in July, then 10% voluntary conservation in September. District implements protest procedure in accordance with proposition 218. New Board directorial boundaries are drawn. Directorial boundaries changed from five to seven.

**2012:** County voters endorse the Safe, Clean Water (Measure B) and approve 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 county-wide water use reduction of 30% compared to 2013. The resolution also included a two day per week watering restriction. In November, the Board extended that call to June 2016. The District began a large scale modernization of the Rinconada Water Treatment Plant, the second-largest of the District's plants.

**2016:** Mid-year, the Board voted to reduce the water use reduction target to 20%, compared to 2013 water use, and increased the days per week watering restriction to three days. The implementation of fluoridation was completed in December 2016 for the 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. The District continues to make substantial progress towards designing seismic retrofits at four of its major dams including Anderson and Calero dams.

**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.

## Board Committees

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

**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; and
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.

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

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

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

## Board Ad Hoc Committees

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

**FAHCE Ad Hoc Committee:**

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

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

**Coyote Flood Risk Reduction Ad Hoc Committee:** Develop short-term, immediate solutions to the February 21, 2017 (President's Day Weekend) Coyote Creek Flood event.

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

## 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 as well as in the annual review of groundwater production charges.

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

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

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

## 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 the District 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 a term in the City–District 40-year Integration Agreement. The Committee shall tender its advice to the District'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 the District 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.

**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 So. Co. Recycled Water Master Plan;
4. Facilitating policy discussion and sharing of technical information on furthering development and use of recycled water in South County; and
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.

## External Monitoring Committee

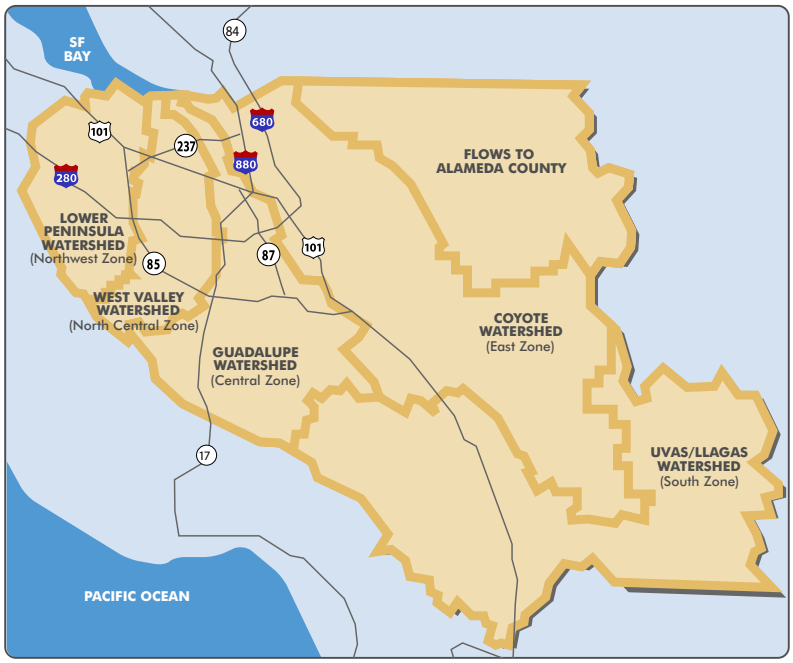
Committee made up of members of the community nominated by the Directors

**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.

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

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

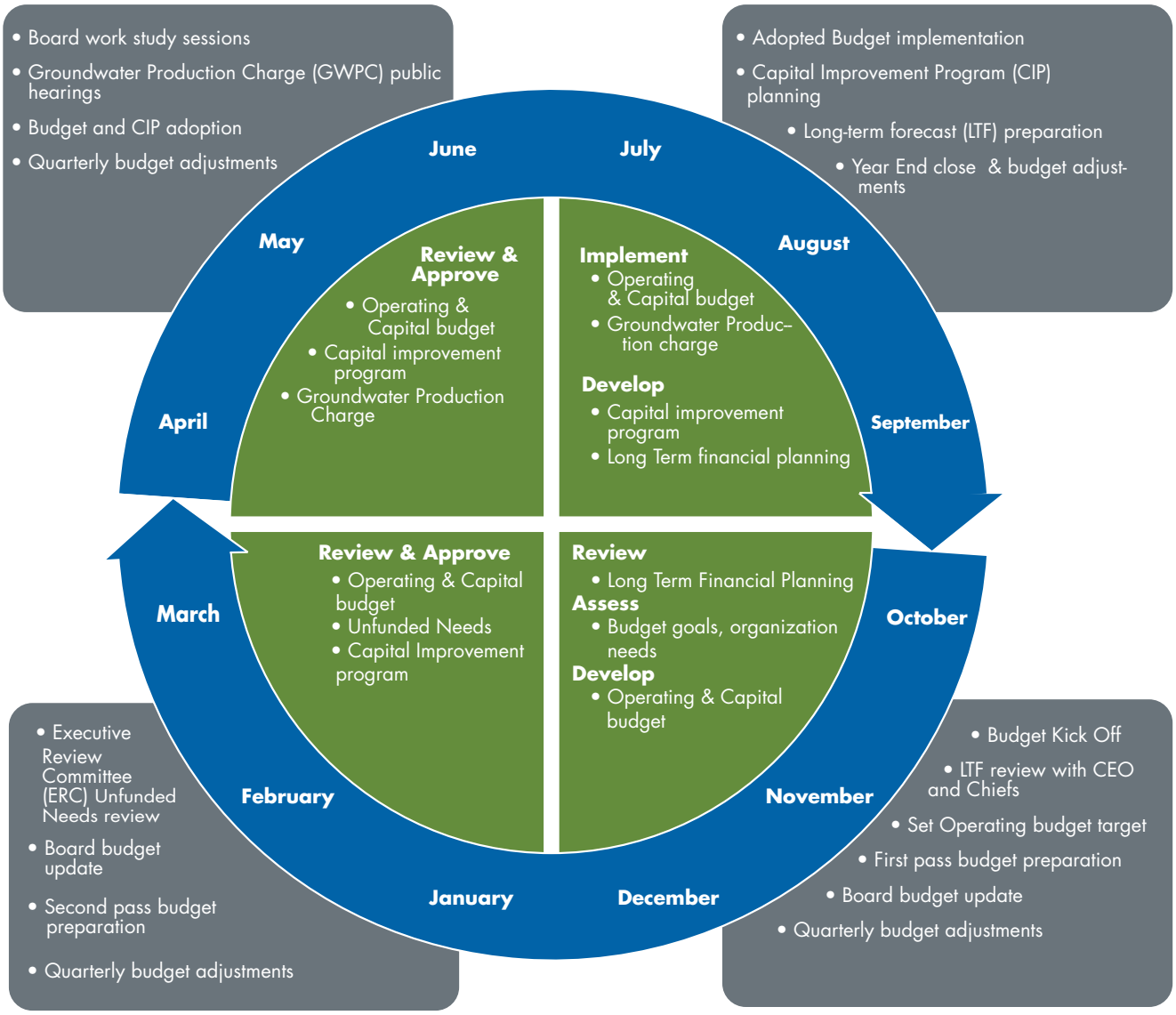
## Watershed areas and flood control zones of Santa Clara County




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

# FINANCIAL OVERVIEW

## Budget Process Overview



## Financial Planning and Rate Setting

Every year staff prepare a rolling ten-year expenditure forecast that provides the basis for developing the budget targets and for analyzing the long term financial sustainability of the various district funds. For the Water Utility Enterprise funds, the district 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 timeframe. 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 resolutions 12-10 and 12-11, 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 the district, future capital and operating requirements, benefits and services provided by the district, financing methods and water charges by zone. A series of public hearings and meetings with advisory committees and stakeholders ensure feedback is gathered for the Board to consider in establishing water charges each year.

## Capital Improvement Plan

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

For detail capital expenditure and impact of capital investments on operating budget, please visit: http://aqua.gov/business-mgt-policies/capital-improvement-program.

## Other Planning Documents

The District's budget is informed by many planning documents including but not limited to:

- Protection and Augmentation of Water Supplies Report
- Water Utility Enterprise Operations Plan
- Water Utility Enterprise Maintenance Work Plan
- Water Supply Master Plan
- Stream Maintenance Program Manual
- Safe, Clean Water and Natural Flood Protection Program
- Safe, Clean Water and Natural Flood Protection 5-Year Implementation Plan
- Requests of the 115th Congress
- Engaging Our Diversity: 2015-2019

## District Fund Structure

### Government Fund Type

**General Fund**
is the District's primary operating Fund. It accounts for all financial resources not accounted for through other funds.

- General Fund

**Special Revenue Funds**
are used to account for specific revenue sources for which expenditures are restricted by law or regulation to finance particular watershed functions or activities of the District.

- Watershed and Stream Stewardship Fund
  - Safe, Clean Water and Natural Flood Protection
    - Benefit Assessment
    - Lower Peninsula Watershed
    - West Valley Watershed
    - Guadalupe Watershed
    - Coyote Watershed
    - Uvas/Llagas Watershed

### Proprietary Fund Type

**Enterprise Fund**
is used to account 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.

- Water Enterprise Fund
  - State Water Project Fund

**Internal Services Funds**
are used to account for the financing of goods or services provided by one department or agency of the District to other departments or agencies on a cost-reimbursement basis.

- Fleet Management Fund
  - Risk Insurance Fund
    - Information Technology Fund

## Basis of Budgeting

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

The accounts of the District 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 the District's long-range planning documents. These planning tools are continuously updated based on the best information available. They are formalized annually in the Annual Report on the Protection and Augmentation of Water Supplies, the Flood Control Benefit Assessments Report, and the Safe, Clean Water and Natural Flood Protection Report.

The FY 2018-19 budget includes projected revenues of approximately $448.0 million. These revenues are a net increase of 1% from the $444.1 million included in the FY 2017-18 adopted budget. The net $3.9 million increase is primarily derived from increases in water revenue ($31.0 million), 1% ad valorem property taxes ($6.7 million), and special parcel tax ($1.5 million), offset by a decrease in capital reimbursement revenue (-$26.9 million), State Water Project property tax (-$8 million) and other revenue (-$0.4 million).

The specific categories of revenue include:

### Water Revenue

The main source of District revenue is from water charges which are projected for FY 2018-19 at $246.2 million. Charges for water that is processed through District treatment plants (treated water) continue to be the largest contributor with an estimate of $152.8 million. Groundwater production charges are estimated at $90.8 million, and surface/recycled water sales are projected at approximately $2.6 million. Staff is recommending a 9.7% increase in municipal & industrial groundwater charges for Zone W-2 and a 7.7% increase for Zone W-5 in the FY 2018-19 budget.

### Property Tax

Property taxes for FY 2018-19 are estimated at $111.9 million, a decrease of 1.2% from the FY 2017-18 adopted budget. The District benefits from two types of property taxes - 1% ad valorem ($93.9 million) and levies for State Water Project (SWP) indebtedness ($18.0 million). More information can be found in the Major Sources of Revenue section later in this chapter.

### Special Parcel Tax

The Safe, Clean Water Program special parcel tax was approved by the voters in November 2012. The Special Parcel Tax estimated for FY 2018-19 is $44.0 million, an increase of 3.5% over FY 2017-18.

### 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 in FY 2018-19 is forecasted to be $14.8 million.

### Capital Reimbursements

Capital reimbursements are from local, state and federal agencies for specified capital projects that the District has completed, initiated or will undertake in this budget period. District-wide capital reimbursements are budgeted at approximately $22.9 million for FY 2018-19. More specific information is provided in the Major Sources of Revenue section.

### Interest

Interest earnings are estimated to be $4.0 million in FY 2018-19.

### Other Revenue

Other Revenue, comprised of revenue 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 2018-19 budget is $509.9 million. This figure does not include capital carry forward that was appropriated by the Board in prior years and is net of General Fund intra-district reimbursements and Internal Service Funds charges.

FY 2018-19 net operating outlays are $304.8 million, an increase of approximately $21.9 million compared to the FY 2017-18 adopted budget of $282.9 million.

The increase in net outlays reflects continued efforts to maintain service levels that support key strategic objectives. Objectives and issues facing the District include:

- Infrastructure maintenance and construction needs (ensuring dam safety, managing infrastructure for reliability, care of district facilities and assets)
- Funding for capital projects (shortage of federal funding, coordinated planning of permitting efforts, environmental stewardship efforts)
- Advancing the District's interests in countywide stormwater resource planning
- Coyote Creek flood response
- Making key decisions regarding the California WaterFix
- Advancing recycled and purified water efforts
- Finalizing the Fisheries and the Aquatic Habitat Collaborative Effort (FAHCE)
- Pursuing efforts to increase water storage opportunities
- Advancing diversity and inclusion efforts

The District is responding to these challenges in several ways, including expanding efforts with the help of 4 new positions, as discussed in greater detail 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 2018-19, the total is $85.5 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, 50% of intra-district charges is paid by the Water Utility Enterprise, 36% by Watersheds, 6% by General Fund, and 8% by Internal Service Funds.

## Capital Outlays

FY 2018-19 capital project appropriations total $205.1 million, a decrease of $13.2 million from the FY 2017-18 adopted budget. It is anticipated that $90.3 million of the FY 2017-18 adjusted budget for capital projects will carry forward into FY 2018-19 at the close of the current fiscal year as most capital improvement projects will require multiple years to complete. The capital budget represents those projects that have been identified and prioritized in the Five-Year Capital Improvement Program (CIP).

## Other Financing Sources/Uses

Other financing sources and uses include debt financing proceeds to fund capital improvements. For FY 2018-19, Bond Proceeds of $64.2 million and Commercial Paper proceeds of $110 million are projected to be received to finance Water Utility and Watersheds capital improvement projects.

## Reserves

Overall, budgeted reserves for FY 2018-19 are estimated at $334.1 million, a decrease of $25.3 million compared to the FY 17-18 budget. The decrease is primarily due to decreases in the currently authorized projects reserves (-$23.4 million) and the operating and capital reserves (-$12.5 million), offset by increases in the Water Utility public-private-partnership reserve ($4 million), Water Utility drought reserve ($2 million) and the state water project tax reserve ($4.7 million).

## Staffing

The FY 2018-19 budget includes 813 authorized positions and four management fellows, an increase of 4 new positions from the prior year. The new positions costs total approximately $690,000. The new positions support the District's Fisheries and Aquatic Habitat Collaborative Effort (FAHCE), and support the review of external development proposals that affect District facilities., such as the BART extension, High Speed Rail,  and San Jose downtown Google development. For a comprehensive schedule of district-wide salaries and benefits, please refer to the salaries & benefits section in this chapter.

## Combined Fund Summary - All Funds

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **REVENUE** | | | | | | |
| GroundWater | $ 67,936,832 | $ 78,943,000 | $ 78,943,000 | $ 90,696,000 | $ 11,753,000 | 14.9% |
| Treated Water | 122,212,497 | 133,875,000 | 133,875,000 | 152,787,000 | 18,912,000 | 14.1% |
| Surface/Recycled | 747,007 | 2,424,000 | 2,424,000 | 2,653,000 | 229,000 | 9.4% |
| Benefit Assessment | 14,790,953 | 14,777,514 | 14,777,514 | 14,778,000 | 486 | 0.0% |
| Property Tax | 127,011,647 | 113,249,700 | 118,601,589 | 111,866,326 | (1,383,374) | (1.2)% |
| Parcel Tax | 41,098,834 | 42,510,582 | 42,510,582 | 43,998,000 | 1,487,418 | 3.5% |
| Intergovermental Services | 2,531,133 | 1,189,000 | 1,189,000 | 625,000 | (564,000) | (47.4)% |
| Operating Other | 928,397 | 968,166 | 968,166 | 975,000 | 6,834 | 0.7% |
| Capital Reimbursements | 19,344,737 | 49,846,000 | 51,577,000 | 22,924,000 | (26,922,000) | (54.0)% |
| Interest Income * | 5,222,018 | 3,500,000 | 3,500,000 | 4,000,000 | 500,000 | 14.3% |
| Non-Operating Other | 5,059,924 | 2,816,656 | 2,816,656 | 2,626,000 | (190,656) | (6.8)% |
| **TOTAL REVENUE** | **$ 406,883,979** | **$ 444,099,618** | **$ 451,182,507** | **$ 447,928,326** | **$ 3,828,708** | **0.9%** |
| **OUTLAYS** | | | | | | |
| **Operating Outlays** | | | | | | |
| Operations ** | $ 279,345,459 | $ 307,834,475 | $ 310,594,987 | $ 323,517,389 | $ 15,682,914 | 5.1% |
| Operating Project | 8,242,741 | 6,774,970 | 7,484,970 | 7,621,255 | 846,286 | 12.5% |
| Debt Service | 34,820,132 | 49,750,357 | 49,750,357 | 59,189,136 | 9,438,779 | 19.0% |
| **Total Operating Outlays** | **$ 322,408,332** | **$ 364,359,802** | **$ 367,830,314** | **$ 390,327,780** | **$ 25,967,979** | **7.1%** |
| **Capital Outlays** | | | | | | |
| Capital Projects | $ 209,387,992 | $ 218,301,234 | $ 243,980,011 | $ 205,072,687 | $ (13,228,546) | (6.1)% |
| Carry Forward Capital Projects | — | 98,812,000 | 94,087,533 | 90,305,126 | (8,506,874) | (8.6)% |
| **Total Capital Outlays** | **$ 209,387,992** | **$ 317,113,234** | **$ 338,067,544** | **$ 295,377,813** | **$ (21,735,420)** | **(6.9)%** |
| **TOTAL OUTLAYS****** | **$ 531,796,324** | **$ 681,473,036** | **$ 705,897,858** | **$ 685,705,593** | **$ 4,232,557** | **0.6%** |
| Less Intra-District Reimb | (63,159,603) | (81,442,097) | (81,427,601) | (85,543,321) | (4,101,224) | 5.0% |
| **NET OUTLAYS** | **$ 468,636,721** | **$ 600,030,939** | **$ 624,470,257** | **$ 600,162,272** | **$ 131,333** | **0.0%** |
| **OTHER FINANCING SOURCES/(USES)** | | | | | | |
| Bond Proceeds | $ — | $ 62,000,000 | $ 110,000,000 | $ 64,193,000 | $ 2,193,000 | 3.5% |
| Commercial Paper Proceeds | 24,230,000 | 140,000,000 | 30,000,000 | 110,000,000 | (30,000,000) | (21.4)% |
| Certificates of Participation | 1,443,987 | 8,500,000 | 8,500,000 | — | (8,500,000) | (100.0)% |
| Transfers In | 7,628,126 | 16,914,831 | 18,033,609 | 12,629,471 | (4,285,360) | (25.3)% |
| Transfers Out | (7,628,126) | (16,914,831) | (18,033,609) | (12,629,471) | 4,285,360 | (25.3)% |
| **Total Other Financing Sources (Uses)** | **$ 25,673,987** | **$ 210,500,000** | **$ 148,500,000** | **$ 174,193,000** | **$ (36,307,000)** | **(17.2)%** |
| **BALANCE AVAILABLE** | **$ (36,078,755)** | **$ 54,568,679** | **$ (24,787,750)** | **$ 21,959,054** | **$ (32,609,625)** | **(59.8)%** |

## Combined Fund Summary - All Funds (Continued)

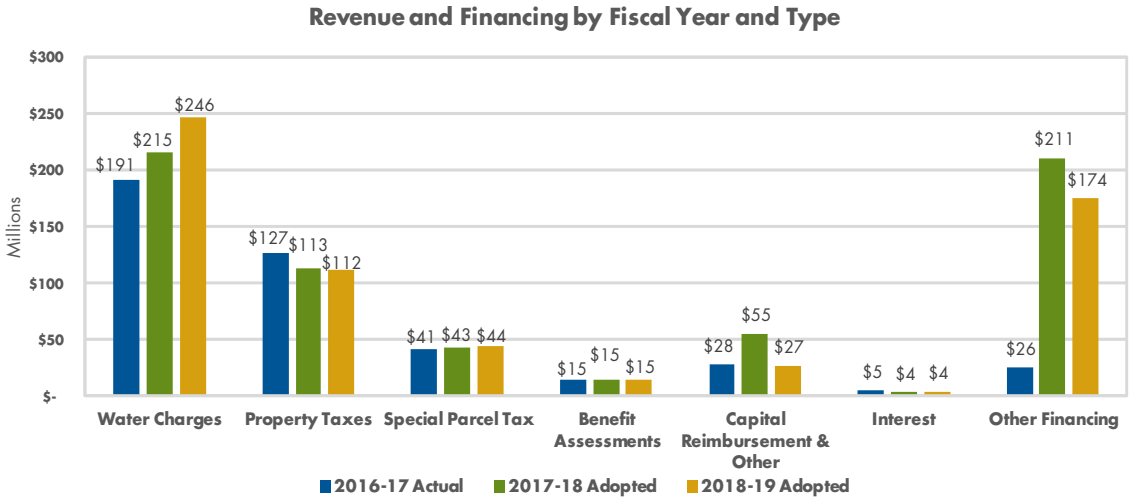
| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted $ Diff | Change from 2017-18 Adopted % Diff |
|---|---|---|---|---|---|---|
| **YEAR-END RESERVES** | | | | | | |
| **Restricted Reserves** | | | | | | |
| WUE Rate Stabilization | $ 19,973,809 | $ 21,066,011 | $ 21,066,011 | $ 22,477,551 | $ 1,411,540 | 6.7% |
| WUE San Felipe Emergency | 2,953,130 | 2,976,275 | 3,003,130 | 3,053,130 | 76,855 | 2.6% |
| WUE State Water Project Tax Reserve | 7,908,331 | — | 6,620,109 | 4,725,400 | 4,725,400 | — |
| WUE Public-Private Partnership (P3) Reserve | — | — | — | 4,000,000 | 4,000,000 | — |
| WUE Water Supply | 14,277,014 | 14,677,141 | 14,677,141 | 14,677,000 | (141) | (0.0)% |
| WUE SVAWPC | 1,906,000 | 1,906,000 | 986,000 | 986,000 | (920,000) | (48.3)% |
| WUE Drought Reserve | 3,000,000 | 5,000,000 | 5,000,000 | 7,000,000 | 2,000,000 | 40.0% |
| SCW Currently Authorized Projects | 129,018,840 | 15,357,000 | 68,665,756 | 16,134,748 | 777,748 | 5.1% |
| SCW Operating and Capital Reserve | 631,179 | 146,714,094 | 16,807,181 | 123,269,436 | (23,444,658) | (16.0)% |
| **Total Restricted Reserves** | **$ 179,668,303** | **$ 207,696,521** | **$ 136,825,328** | **$ 196,323,265** | **$ (11,373,256)** | **(5.5)%** |
| **Committed Reserves** | | | | | | |
| Currently Authorized Projects *** | $ 84,906,704 | $ 37,575,326 | $ 27,601,371 | $ 13,398,137 | $ (24,177,189) | (64.3)% |
| Operating and Capital Reserve | 58,893,178 | 102,443,956 | 135,943,100 | 113,259,257 | 10,815,301 | 10.6% |
| Workers Compensation Liability | 5,666,000 | 5,666,000 | 5,666,000 | 6,000,000 | 334,000 | 5.9% |
| Catastrophy - Property Self-Insurance | 7,689,364 | 6,000,000 | 6,000,000 | 5,014,194 | (985,806) | (16.4)% |
| **Total Committed Reserves** | **$ 157,155,246** | **$ 151,685,282** | **$ 175,210,471** | **$ 137,671,588** | **$ (14,013,694)** | **(9.2)%** |
| **TOTAL YEAR-END RESERVES** | **$ 336,823,549** | **$ 359,381,803** | **$ 312,035,799** | **$ 333,994,853** | **$ (25,386,950)** | **(7.1)%** |
| **Uncommited Funds** | | | | | | |
| **Outlay Summary by Account Type** | | | | | | |
| **OPERATING OUTLAY** | | | | | | |
| Salaries & Benefits | $ 108,810,671 | $ 119,111,888 | $ 119,111,888 | $ 125,163,731 | $ 6,051,843 | 5.1% |
| Salary Savings Factor | — | (3,213,991) | (3,213,991) | (3,338,375) | (124,385) | 3.9% |
| Services & Supplies | 130,495,879 | 138,917,967 | 142,402,975 | 146,742,728 | 7,824,761 | 5.6% |
| Intra-District Charges | 48,281,651 | 59,793,581 | 59,779,085 | 62,570,561 | 2,776,980 | 4.6% |
| **OPERATING OUTLAY TOTAL** | **$ 287,588,200** | **$ 314,609,445** | **$ 318,079,957** | **$ 331,138,645** | **$ 16,529,199** | **5.3%** |
| **DEBT SERVICE** | | | | | | |
| Services & Supplies | $ 989,906 | $ 2,198,870 | $ 2,198,870 | $ 3,241,959 | $ 1,043,089 | 47.4% |
| Debt Service | 33,830,226 | 47,551,487 | 47,551,487 | 55,947,177 | 8,395,690 | 17.7% |
| **DEBT SERVICE TOTAL** | **$ 34,820,132** | **$ 49,750,357** | **$ 49,750,357** | **$ 59,189,136** | **$ 9,438,779** | **19.0%** |
| **CAPITAL PROJECTS** | | | | | | |
| Salaries & Benefits | $ 26,761,345 | $ 33,796,308 | $ 33,796,308 | $ 37,524,810 | $ 3,728,502 | 11.0% |
| Salary Savings Factor | — | (930,696) | (930,696) | (1,033,537) | (102,840) | 11.1% |
| Services & Supplies | 167,748,695 | 163,787,107 | 189,465,884 | 145,608,654 | (18,178,453) | (11.1)% |
| Carry Forward Capital Projects | — | 98,812,000 | 94,087,533 | 90,305,126 | (8,506,874) | (8.6)% |
| Intra-District Charges | 14,877,953 | 21,648,516 | 21,648,516 | 22,972,760 | 1,324,245 | 6.1% |
| **CAPITAL PROJECTS TOTAL** | **$ 209,387,993** | **$ 317,113,235** | **$ 338,067,545** | **$ 295,377,813** | **$ (21,735,420)** | **(6.9)%** |
| **TOTAL OUTLAYS****** | **$ 531,796,325** | **$ 681,473,037** | **$ 705,897,859** | **$ 685,705,594** | **$ 4,232,558** | **0.6%** |

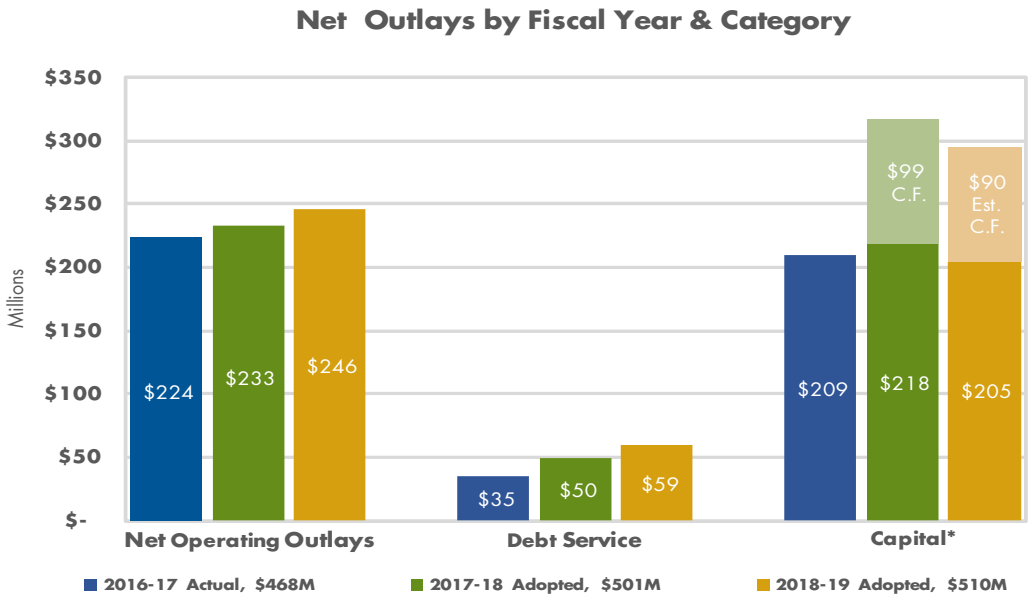
## Combined Fund Summary - All Funds (Continued)

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |

(*) 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

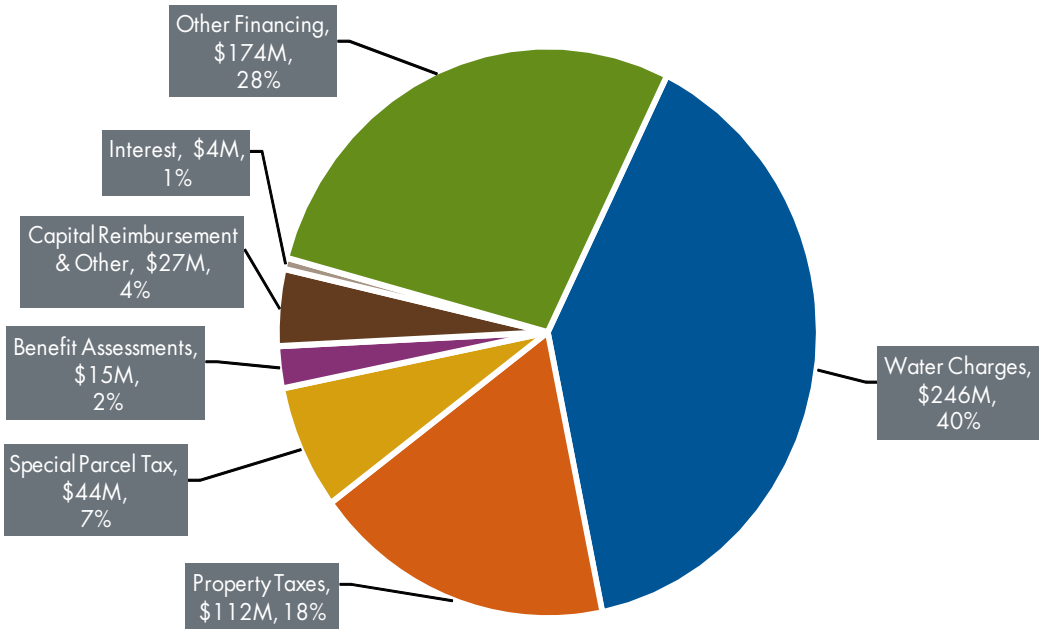
## Revenue and Outlays



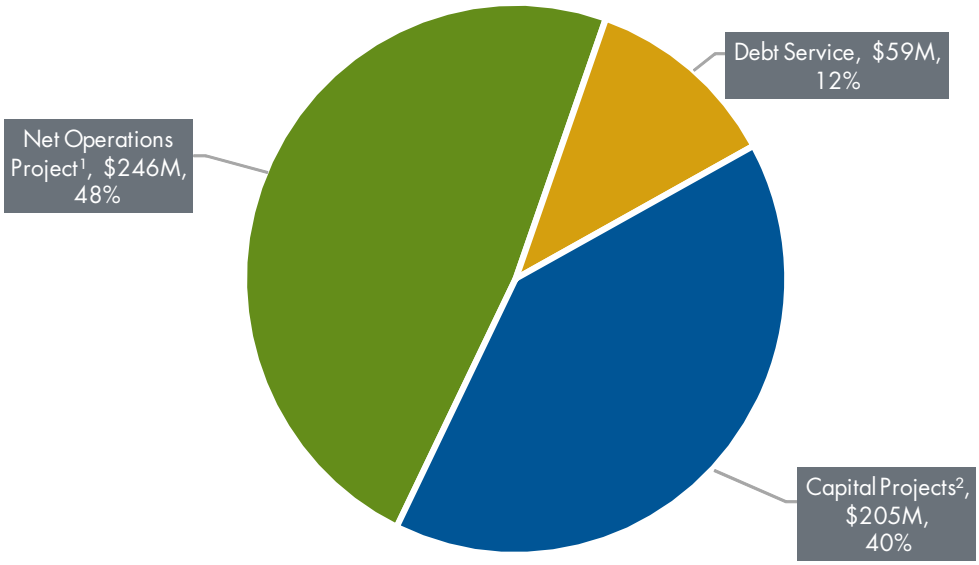




* Capital budget includes current year budget and prior year capital budget carry forward in the lighter shade

## FY 2018-19 Revenue and Financing, $622 Million



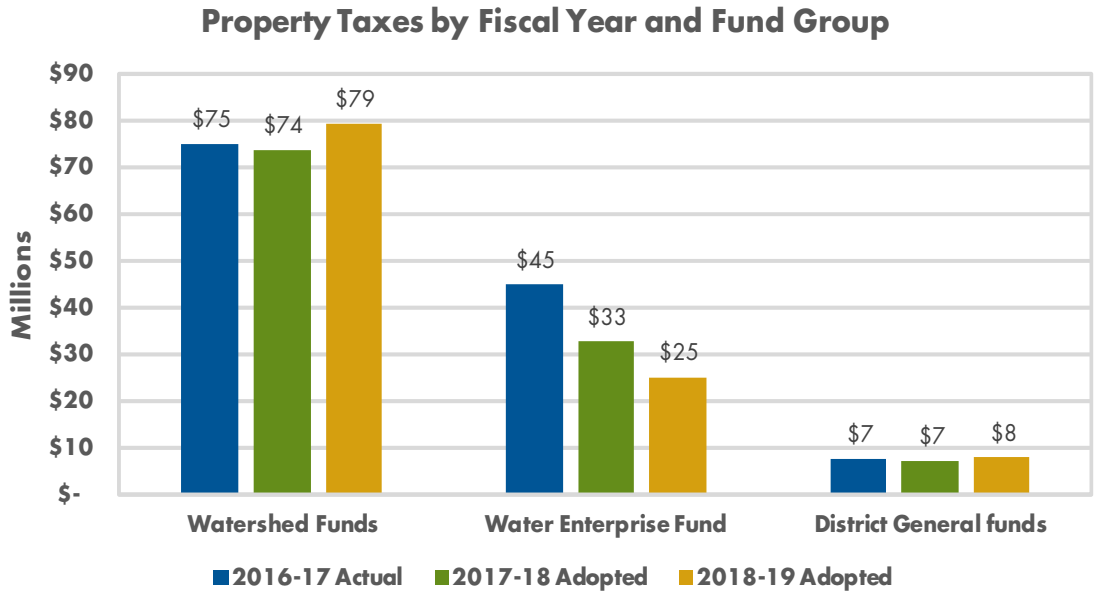

## FY 2018-19 Net Outlays By Category, $510 Million

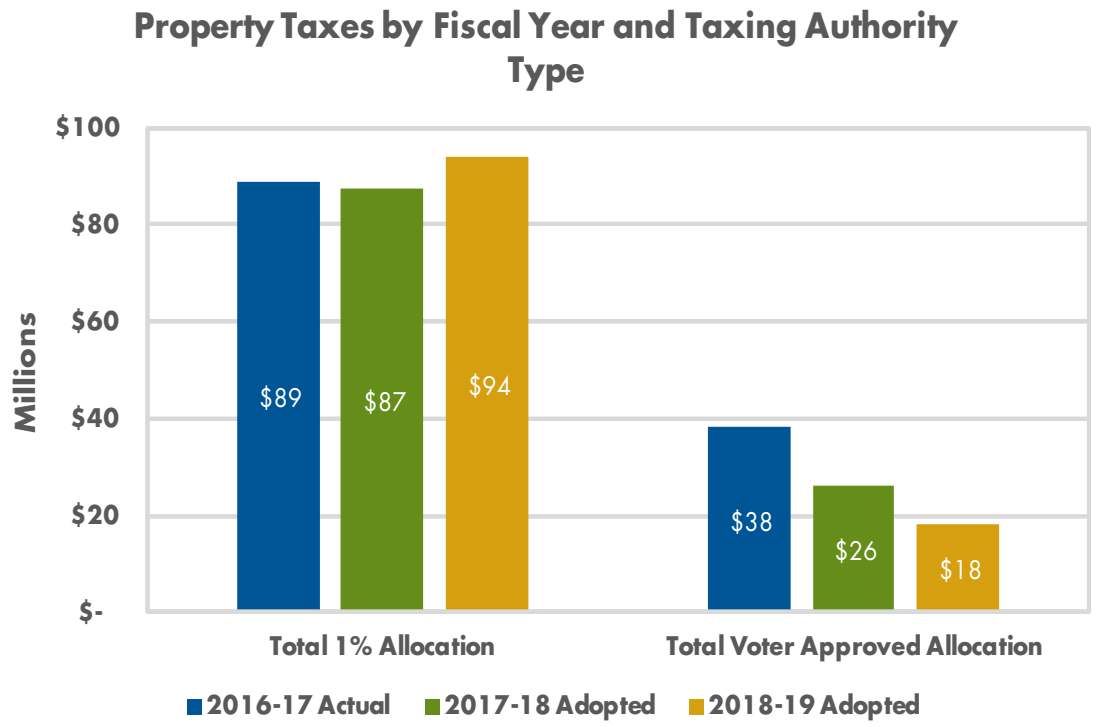



[1]Operations are net of intra-district reimbursements.
[2]Capital Projects Outlay does not include capital budget estimated to be carried forward from prior year.

# MAJOR SOURCES OF REVENUES

## Property Taxes



## Property Taxes

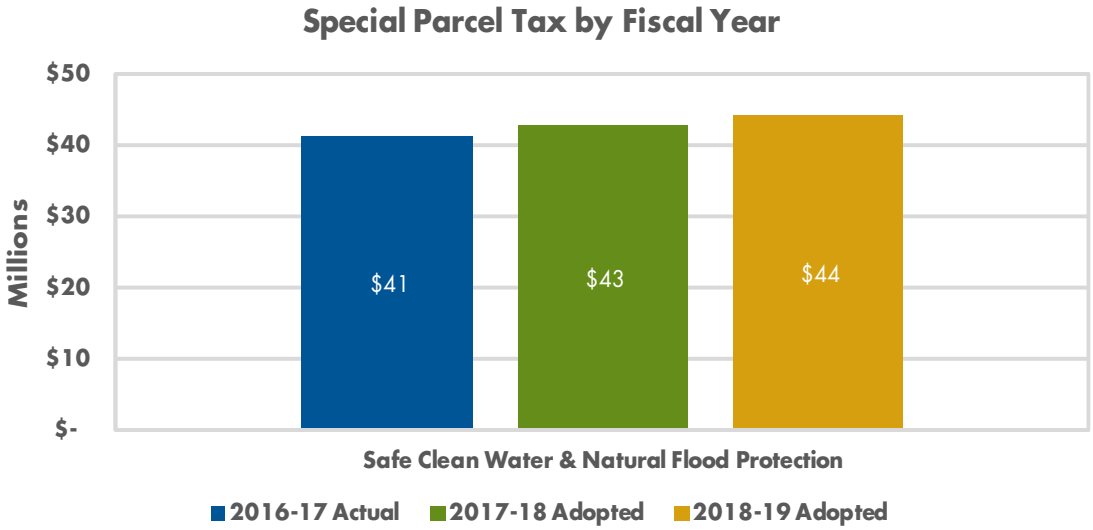
The District's property tax revenues are comprised of two distinct categories: an allocated share of countywide 1% Ad Valorem property tax receipts, and a voter-approved levy for State Water Project (SWP) contract obligations.

For FY 2018-19, the District is projecting $93.9 million in Ad Valorem tax revenues, a 7.6% increase over the FY 2017-18 adopted budget. The increase is based on updates from Santa Clara County staff and is tied to the increase in the assessed value of all property in Santa Clara County. Property sales and new construction were principal contributors to assessment roll growth.

The District also directly levies a property tax based on annual indebtedness to the State of California pursuant to its water supply contract dated November 20, 1961. Such indebtedness is reflected in the District SWP water purchase costs and pays for construction, maintenance and operation of SWP infrastructure and facilities. The amount of District taxes to be collected is estimated at $18.0 million for FY 2018-19. This is a decrease of $8.0 million over the FY 2017-18 adopted budget. The decrease is primarily due to lower SWP costs.

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **Property Tax** | | | | | | |
| **1 % Ad Valorem Property Tax** | | | | | | |
| Watershed Funds | $ 74,805,680 | $ 73,638,000 | $ 78,080,178 | $ 79,160,985 | $ 5,522,985 | 7.5% |
| Water Enterprise Fund | 6,682,112 | 6,509,600 | 6,837,470 | 6,962,471 | 452,871 | 7.0% |
| District General Fund | 7,419,980 | 7,102,100 | 7,683,941 | 7,742,870 | 640,770 | 9.0% |
| **Total 1% Allocation** | **$ 88,907,772** | **$ 87,249,700** | **$ 92,601,589** | **$ 93,866,326** | **$ 6,616,626** | **7.6%** |
| **State Water Project Voter-approved Levy** | **$ 38,103,875** | **$ 26,000,000** | **$ 26,000,000** | **$ 18,000,000** | **$ (8,000,000)** | **(30.8)%** |
| **Total Property Tax** | **$ 127,011,647** | **$ 113,249,700** | **$ 118,601,589** | **$ 111,866,326** | **$ (1,383,374)** | **(1.2)%** |

## Special Parcel Tax



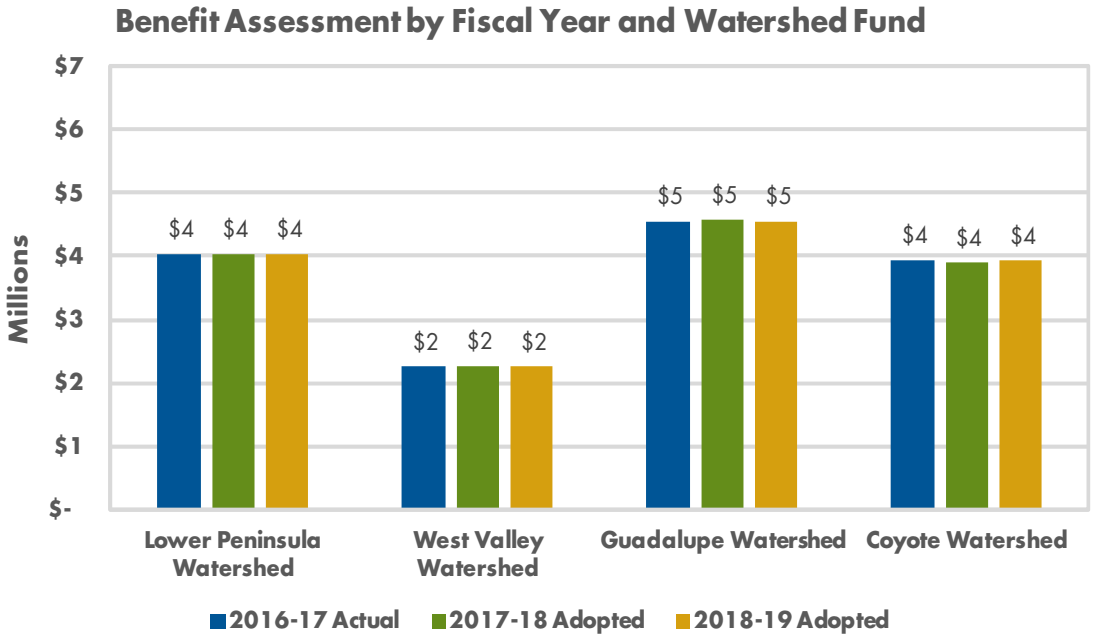
## Special Parcel Tax

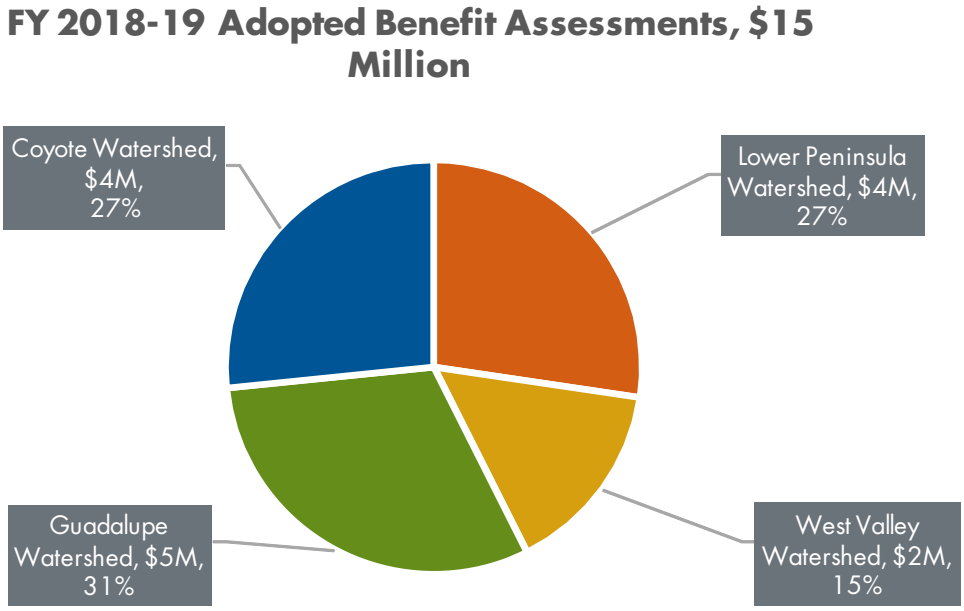
In November 2000, over two-thirds of Santa Clara County voters approved the original 15-year special parcel tax to fund the District's countywide Clean, Safe Creeks and Natural Flood Protection Program (Clean, Safe Creeks). In November 2012, more than two-thirds of the voters approved the Safe, Clean Water and Natural Flood Protection program that builds upon the success of its predecessor Clean, Safe Creeks program and extends the special parcel tax another 15 years. The special parcel tax levy is based on the proportionate distribution of storm water runoff per parcel, and may be increased annually by either the prior year's San Francisco-Oakland-San Jose Consumer Price Index for all Urban Consumers (CPI) or 3%, whichever is greater.

For FY 2018-19, special parcel tax revenues are expected to increase by $1.5 million or 3.5% over the FY 2017-18 adopted budget. The increase is mainly due to the increase in the special tax rates, and partially due to an anticipated increase in eligible parcel count from economic growth within the county.

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **Special Parcel Tax** | | | | | | |
| Safe Clean Water & Natural Flood Protection | $ 41,098,834 | $ 42,510,582 | $ 42,510,582 | $ 43,998,000 | $ 1,487,418 | 3.5% |
| **Total Special Parcel Tax** | **$ 41,098,834** | **$ 42,510,582** | **$ 42,510,582** | **$ 43,998,000** | **$ 1,487,418** | **3.5%** |

## Benefit Assessment



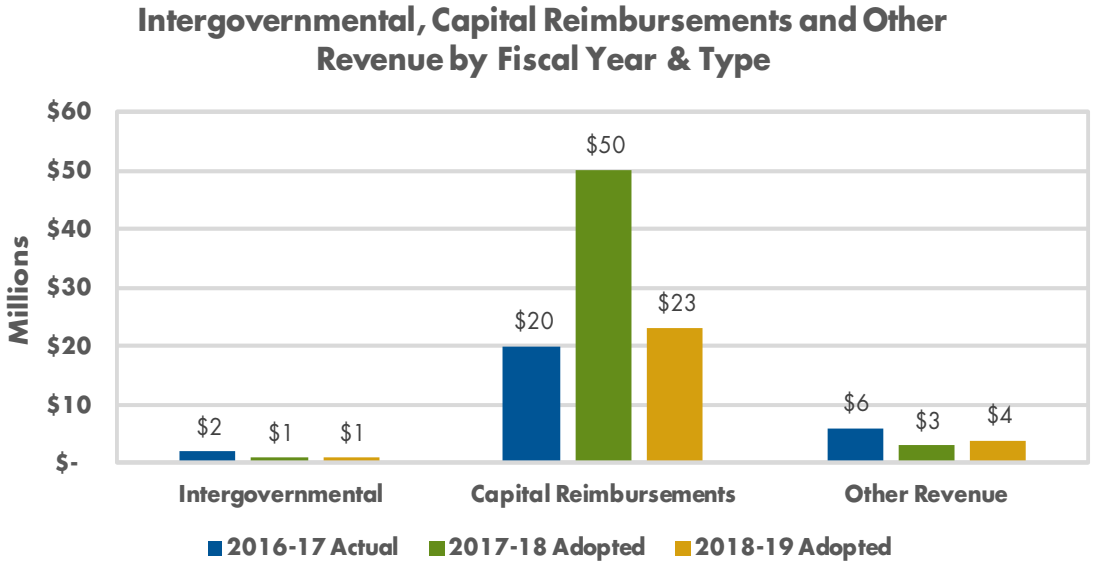
## Benefit Assessment

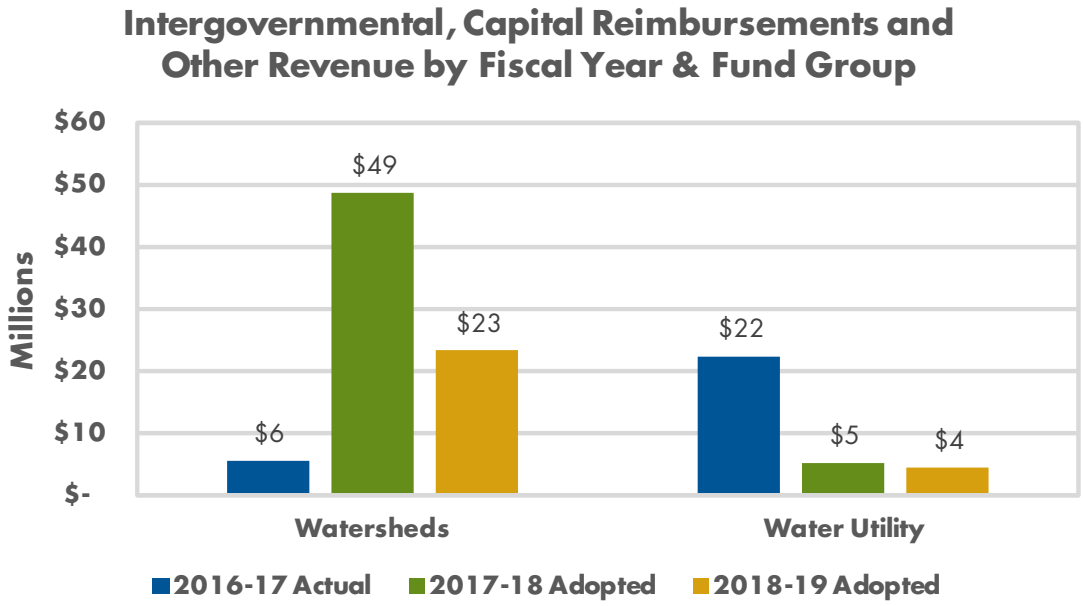
The Flood Control Benefit Assessment was first authorized by the District Board of Directors in 1981, and then by ballot measures in 1982, 1986, and 1990. The program had a sunset date of 2000 but the assessment will continue until 2030, when the District will pay off the bonds associated with it.

FY 2018-19 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 2018-19, the Benefit Assessment revenue receipts are anticipated to come in at $14.8 million. As the District pays down principal, the amount collected decreases.

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **Benefit Assessment** | | | | | | |
| Lower Peninsula Watershed | $ 4,037,346 | $ 4,038,079 | $ 4,038,079 | $ 4,039,000 | $ 921 | 0.0% |
| West Valley Watershed | 2,256,521 | 2,265,508 | 2,265,508 | 2,255,000 | (10,508) | (0.5)% |
| Guadalupe Watershed | 4,552,181 | 4,578,702 | 4,578,702 | 4,552,000 | (26,702) | (0.6)% |
| Coyote Watershed | 3,944,906 | 3,895,225 | 3,895,225 | 3,932,000 | 36,775 | 0.9% |
| **Total Benefit Assessments** | **$ 14,790,954** | **$ 14,777,514** | **$ 14,777,514** | **$ 14,778,000** | **$ 486** | **0.0%** |

## Intergovernmental, Capital Reimbursements and Other Revenue



### Intergovernmental Services

The District anticipates receiving intergovernmental services revenue of $0.6 million for the Water Utility.

### Capital Reimbursement Revenue

The District anticipates capital reimbursement revenue in the amount of $22.9 million.

Water Enterprise receipts are budgeted at $1.4 million comprised of $0.7 million from San Benito Water District (SBWD) for small capital improvements on the San Felipe pipeline, $0.3 million from SBWD for the Pacheco/Santa Clara Conduit ROW acquisition, and $0.4 million from SBWD for SCADA remote architecture and communications upgrades and Coyote Pumping Plant ASD replacement.

Total Watersheds capital reimbursements are budgeted at $21.5 million. Of this, $12.4 million is budgeted in the Watershed and Stream Stewardship Fund and $9.1 million is budgeted in the Safe, Clean Water Fund.

Watershed and Stream Stewardship reimbursements are comprised of $6.6 million from Department of Water Resources (DWR) Proposition 1E funds, $4.3 million from the DWR Natural Resource Conservation Service (NRCS), $1.4 million from Joint Powers Authority, and $0.1 million from State Subventions.

Safe, Clean Water reimbursements are comprised of $6.1 million from State Subventions: Berryessa Creek, Calaveras Blvd. to I-680 and Llagas Creek – Upper, Buena Vista to Wright ; and $3.0 million from DWR Proposition 1E: Berryessa Creek, Calaveras Blvd to I-680.

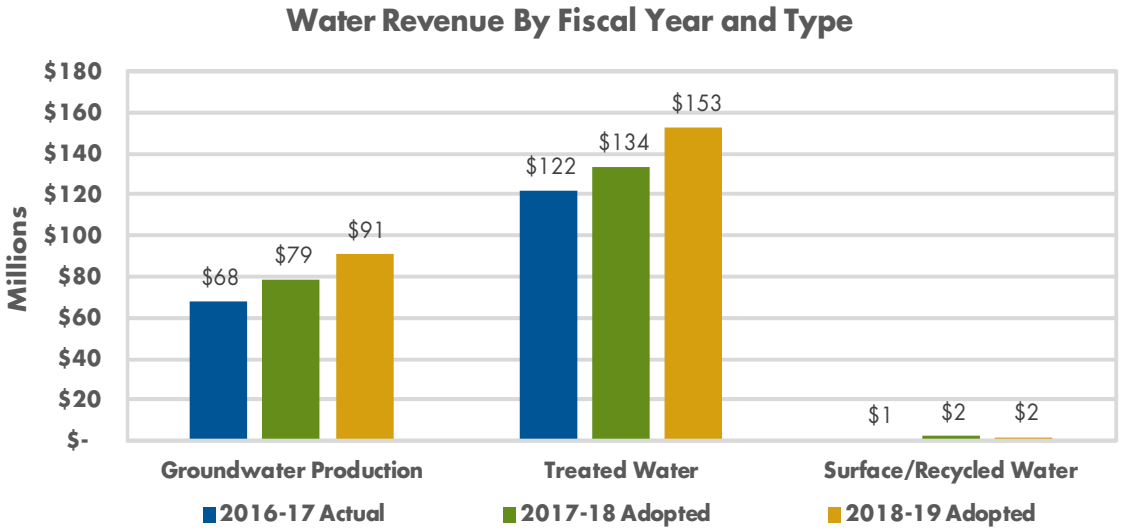
### Other Revenue

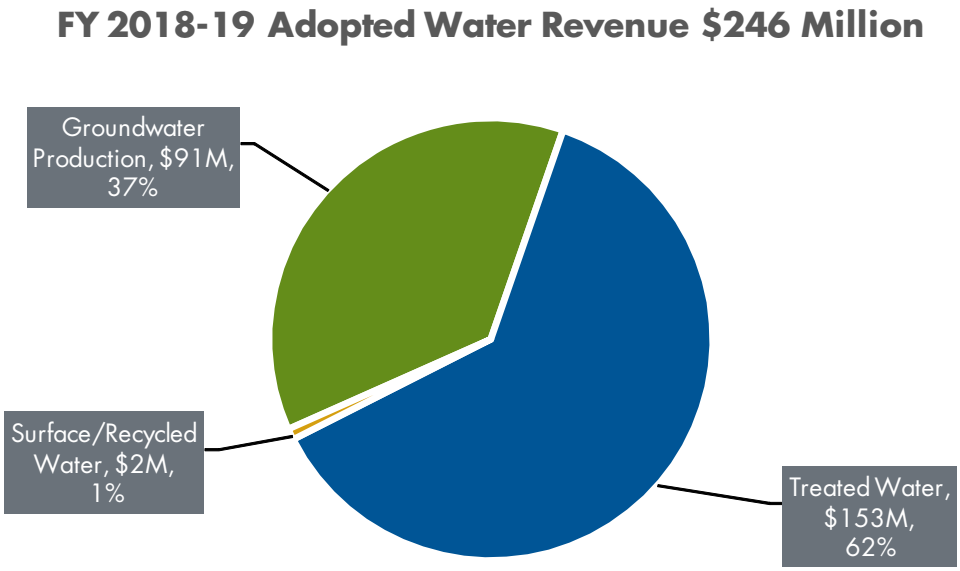
The Other Revenue category totals $3.6 million for FY 2018-19. Approximately $1.6 million is budgeted for the Watersheds, $1.9 million for Water Utility and $0.1 million for the Internal Service Funds.

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **Intergovernmental Services** | | | | | | |
| Watershed Funds | $ 491,870 | $ — | $ — | $ — | $ — | — |
| Safe Clean Water & Natural Flood Protection | 2,662 | — | — | — | — | — |
| Water Enterprise Fund | 2,036,601 | 1,189,000 | 1,189,000 | 625,000 | (564,000) | (47.4)% |
| **Total Intergovernmental Services** | **$ 2,531,133** | **$ 1,189,000** | **$ 1,189,000** | **$ 625,000** | **$ (564,000)** | **(47.4)%** |
| **Capital Reimbursements** | | | | | | |
| Watershed Funds | $ 29 | $ 28,000,000 | $ 33,938,000 | $ 12,443,000 | $ (15,557,000) | (55.6)% |
| Safe Clean Water & Natural Flood Protection | 1,818,009 | 19,158,000 | 13,523,000 | 9,126,000 | (10,032,000) | (52.4)% |
| Water Enterprise Fund | 17,526,700 | 2,688,000 | 4,116,000 | 1,355,000 | (1,333,000) | (49.6)% |
| **Total Capital Reimbursements** | **$ 19,344,738** | **$ 49,846,000** | **$ 51,577,000** | **$ 22,924,000** | **$ (26,922,000)** | **(54.0)%** |

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **Other** | | | | | | |
| Watershed Funds | $ 2,904,346 | $ 1,568,758 | $ 1,568,758 | $ 1,616,000 | $ 47,242 | 3.0% |
| Safe Clean Water & Natural Flood Protection | 294,020 | — | — | — | — | — |
| Water Enterprise Fund | 1,315,408 | 1,114,064 | 1,114,064 | 935,000 | (179,064) | (16.1)% |
| State Water Project Fund | 1,209,801 | 1,000,000 | 1,000,000 | 1,000,000 | — | — |
| District General Fund | 95,987 | — | — | — | — | — |
| Internal Service Funds | 168,759 | 102,000 | 102,000 | 50,000 | (52,000) | (51.0)% |
| **Total Other** | **$ 5,988,321** | **$ 3,784,822** | **$ 3,784,822** | **$ 3,601,000** | **$ (183,822)** | **(4.9)%** |
| **Total Intergov'l & Other Revenues** | **$ 27,864,192** | **$ 54,819,822** | **$ 56,550,822** | **$ 27,150,000** | **$ (27,669,822)** | **(50.5)%** |

## Water Revenue



## Water Revenue

The District's water revenue is comprised of charges for the following types of water usage:

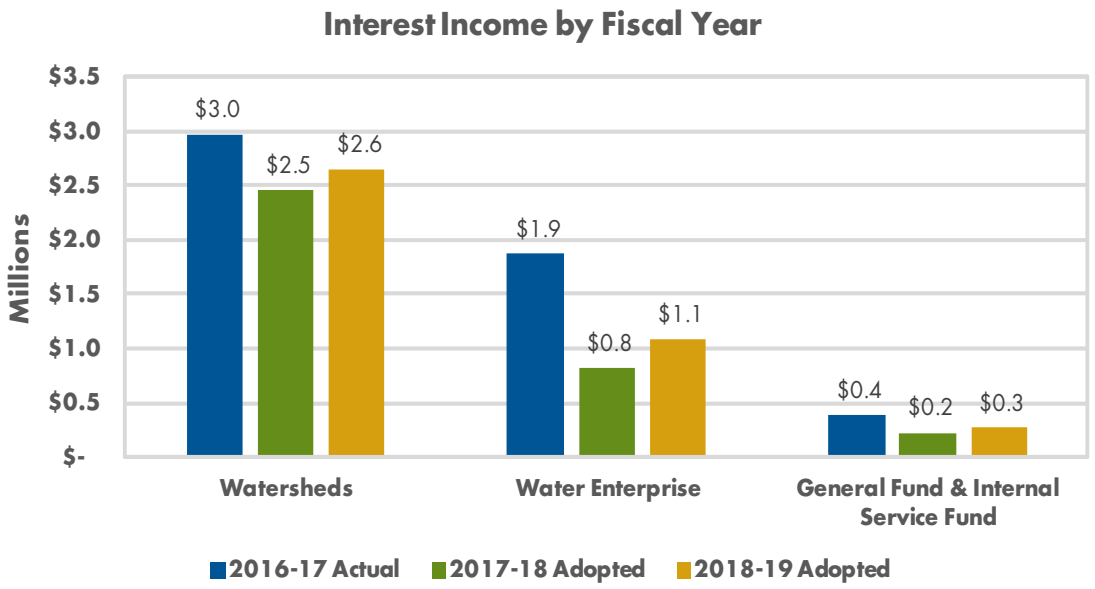
- **Groundwater Production** - Water produced by pumping from the underground water basins
- **Treated Water** - Water which has been processed through a District water treatment plant
- **Surface Water** - Water diverted from streams, creeks, reservoirs, or raw water distribution lines
- **Recycled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

Water revenues budgeted for FY 2018-19 are based on staff's recommendation to the District's Board of Directors for water charges in the North County and South County zones of benefit. Revenue estimates reflect a 9.7% and 7.7% increase in groundwater production charges for the North County (Zone W-2) and South County (Zone W-5) respectively, relative to FY 2017-18. These increases in water charges are necessary to pay for critical investments in water supply infrastructure rehabilitation and upgrades, and the development of future drought-proof supplies, most notably purified water. In addition, staff projects lower water usage than pre-drought averages, which results in lower revenues and puts upward pressure on water charges in the near term. The water charges are shown in the accompanying Water Enterprise Fund schedules.

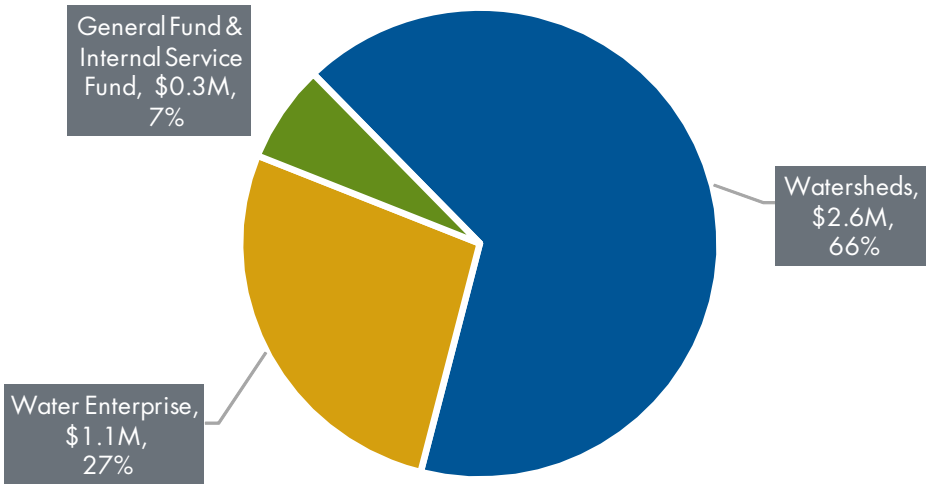
The FY 2018-19 revenue projection assumes water usage of roughly 226,000 acre-feet; Treated water demand comprises 49%, groundwater comprises 49%, and surface water and District-delivered recycled water comprise approximately 2% of the assumed water use. Compared to the historical District managed water usage of 286,000 acre-feet in calendar year 2013, this projection equates to a 21% reduction. In addition, other sources, such as Hetch Hetchy and local water supply companies like San Jose Water Company, Stanford and South Bay Water Recycling, provide approximately 70,000 acre-feet of water to Santa Clara County. The District does not receive revenue for these other sources of supply.

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **Water Revenue** | | | | | | |
| Groundwater Production | $ 67,936,832 | $ 78,943,000 | $ 78,943,000 | $ 90,696,000 | $ 11,753,000 | 14.9% |
| Treated Water | 122,212,497 | 133,875,000 | 133,875,000 | 152,787,000 | 18,912,000 | 14.1% |
| Surface/Recycled Water | 747,007 | 2,424,000 | 2,424,000 | 2,653,000 | 229,000 | 9.4% |
| **Total Water Revenue** | **$ 190,896,336** | **$ 215,242,000** | **$ 215,242,000** | **$ 246,136,000** | **$ 30,894,000** | **14.4%** |

## Interest Income




### FY 2018-19 Adopted Interest Earnings, $4.0 Million



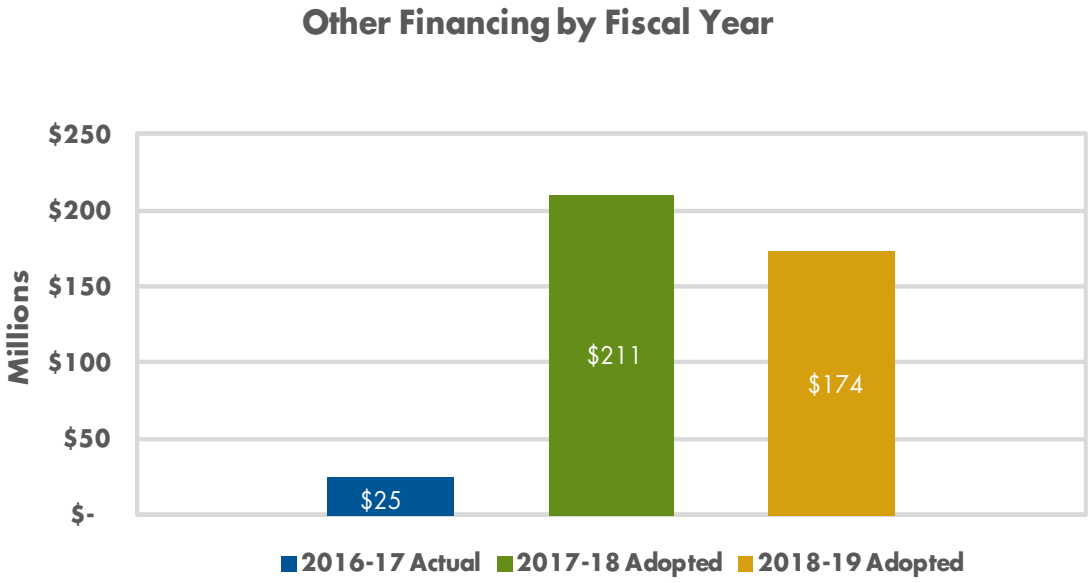
## Interest Income

The District invests funds not immediately required for daily operations in various securities as authorized by California Government Code 53600 et.al. The District'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 District's investment policy, please visit: https://www.valleywater.org/how-we-operate/financebudget/investor-relations

The FY 2018-19 interest revenue is expected to be approximately $4 million. The estimates are using an average portfolio yield of 1% which is a reflection of the overall market environment. The market, coupled with expected short-term liquidity needs for the 5-year Capital Improvement Plan will result in $4 million in projected earnings.

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **Interest Income** | | | | | | |
| Watershed Funds | $ 1,090,936 | $ 783,000 | $ 783,000 | $ 978,000 | $ 195,000 | 24.9% |
| Safe Clean Water & Natural Flood Protection | 1,882,260 | 1,670,000 | 1,670,000 | 1,670,000 | — | — |
| Water Enterprise Fund | 1,866,077 | 820,000 | 820,000 | 1,084,000 | 264,000 | 32.2% |
| General Fund | 116,793 | 80,000 | 80,000 | 85,000 | 5,000 | 6.3% |
| Service Funds | 265,952 | 147,000 | 147,000 | 183,000 | 36,000 | 24.5% |
| **Total Interest Income** | **$ 5,222,018** | **$ 3,500,000** | **$ 3,500,000** | **$ 4,000,000** | **$ 500,000** | **14.3%** |

## Other Financing




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

Overall, the District anticipates issuing approximately $174.2 million in bonds and commercial paper in FY 2018-19 comprised of $64.2 million for the Water Utility Enterprise fund and $110 million for the Safe, Clean Water program.

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

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **Other Financing** | | | | | | |
| Bond Proceeds | $ — | $ 62,000,000 | $ 110,000,000 | $ 64,193,000 | $ 2,193,000 | 3.5% |
| Commercial Paper Proceeds | 24,230,000 | 140,000,000 | 30,000,000 | 110,000,000 | (30,000,000) | (21.4)% |
| Certificates of Participation | 1,443,987 | 8,500,000 | 8,500,000 | — | (8,500,000) | (100.0)% |
| **Total Other Financing** | **$ 25,673,987** | **$ 210,500,000** | **$ 148,500,000** | **$ 174,193,000** | **$ (36,307,000)** | **(17.2)%** |

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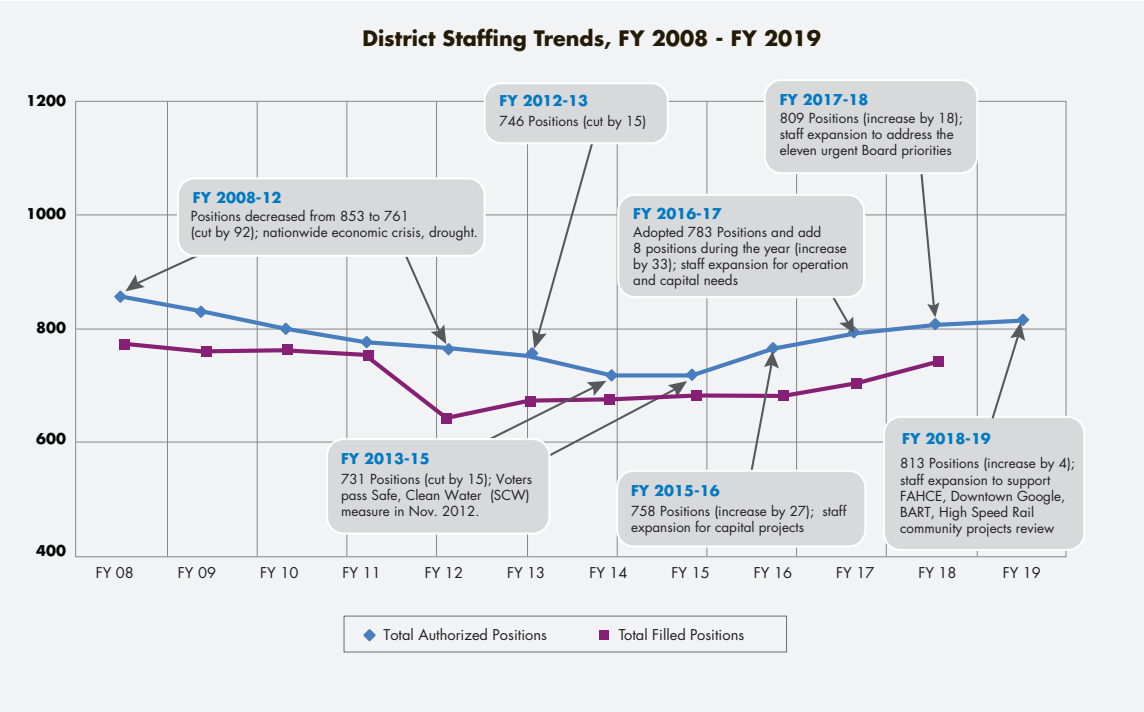
# SALARIES AND BENEFITS

## Salaries and Benefits

The FY 2018-19 salary budget contains 813 authorized positions and four management fellows. The total salaries budgeted for these positions are $103.1 million, an increase of $5.9 million from the FY 2017-18 adopted budget. The increase is primarily due to a 4% cost of living adjustment, and funding for 4 new positions ($690,000). Total salaries for FY 2018-19 include $103.5 million in regular salaries less $4.4 million salary savings, and $4.0 million in overtime and special pay.

Total benefits are budgeted at $55.2 million, a 7% increase over the FY 2017-18 adopted budget, which includes a $6.0 million increase in CalPERS contributions, a $0.6 million increase in medical costs for active and retired employees, offset by a $3.0 million decrease in the Other Post Employment Benefits contribution.

A comprehensive organizational chart and detail information by division can be found in the Division Summaries chapter.



## Salaries and Benefits

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| Salaries-Regular Employee | $ 86,548,330 | $ 97,954,360 | $ 97,954,360 | $ 103,536,995 | $ 5,582,635 | 5.7% |
| Overtime | 2,469,879 | 2,561,718 | 2,561,718 | 2,969,864 | 408,146 | 15.9% |
| Special Pays | 630,293 | 825,695 | 825,695 | 932,651 | 106,956 | 13.0% |
| Salary Savings | — | (4,144,687) | (4,144,687) | (4,371,912) | (227,225) | 5.5% |
| **Total Salaries** | **$ 89,648,502** | **$ 97,197,086** | **$ 97,197,086** | **$ 103,067,598** | **$ 5,870,512** | **6.0%** |
| **BENEFITS** | | | | | | |
| Fed & State Taxes & Benefits | $ 1,288,238 | $ 1,242,959 | $ 1,242,959 | $ 1,308,854 | $ 65,895 | 5.3% |
| Retirement Contributions | 19,487,300 | 22,137,797 | 22,137,797 | 28,120,304 | 5,982,507 | 27.0% |
| Group Ins-Active Employees | 13,379,066 | 16,130,666 | 16,130,666 | 15,436,161 | (694,505) | (4.3)% |
| Group Ins-Retired Employees | 8,644,250 | 9,055,000 | 9,055,000 | 10,383,712 | 1,328,712 | 14.7% |
| Other Post Employment Benefits (OPEB) | 3,000,000 | 3,000,000 | 3,000,000 | — | (3,000,000) | (100.0)% |
| **Total Benefits** | **$ 45,798,854** | **$ 51,566,422** | **$ 51,566,422** | **$ 55,249,031** | **$ 3,682,609** | **7.1%** |
| **Net Total Salary & Benefits** | **$ 135,447,356** | **$ 148,763,508** | **$ 148,763,508** | **$ 158,316,629** | **$ 9,553,121** | **6.4%** |

## Budget Hours

| | Labor Hours 2016-2017 | Labor Hours 2017-18 | Labor Hours 2017-18 | Labor Hours 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | # Diff | % Diff |
| Salaries-Regular Employee | 1,259,759 | 1,425,040 | 1,425,040 | 1,432,456 | 7,416 | 0.5% |
| Overtime | 24,098 | 28,378 | 28,378 | 30,724 | 2,346 | 8.3% |
| Compensated Absences | 226,325 | 252,104 | 252,104 | 260,371 | 8,267 | 3.3% |
| **Total Salaries** | **1,510,182** | **1,705,522** | **1,705,522** | **1,723,551** | **18,029** | **1.1%** |

## Summary of Positions

| | Adopted Budget FY 2016-2017 | Adopted Budget FY 2017-18 | Adjusted Budget FY 2017-18** | Adopted Budget FY 2018-19 | Position Change |
|---|---|---|---|---|---|
| Board Appointed Officers* | 61 | 35 | 80 | 77 | -3 |
| External Affairs | — | 28 | 28 | 32 | 4 |
| Administration | 183 | 195 | 150 | 149 | -1 |
| Water Utility | 320 | 332 | 332 | 334 | 2 |
| Watersheds | 219 | 219 | 219 | 221 | 2 |
| **Total Authorized Positions** | **783** | **809** | **809** | **813** | **4** |
| Fellowships*** | — | 4 | 4 | 4 | — |
| **Total** | **783** | **813** | **813** | **817** | **4** |

(*) Board Appointed Officers Include: Chief Executive Officer, District Counsel and Clerk of the Board
(**) In FY 17-18, the Financial Planning and Management Services Division was transferred from Administration to the Office of the CEO
(***) The Fellowship program is a pilot program, for FY2018-19, total authorized positions are 813, plus 4 fellowships

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# DEBT SERVICE

## Debt Service Overview

Provisions of the state constitution, laws, and various portions of Sections 14 and 25 of the District Act authorize the Board of Directors (Board) to incur debt under certain conditions and to issue bonds in a form designated by resolution of the Board, including designation of which participating watersheds are affected by the issuance of new debt. Sections 25.1 and 25.2 of the District Act authorize the Board to issue revenue bonds for the Water Enterprise Fund. The District'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, the District 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, the District may issue notes for principal and interest which do not exceed 85% of the uncollected revenues of the District 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 the District 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 the District, 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 District Debt Policies that are consistent with Board policies and provide guidance to District staff in regards to administering the debt programs and agreements, including consideration for the appropriate level of debt for the District to carry and structuring debt repayment to address intergenerational benefits;
- 4.7.5. Be consistent with the District's Debt Policies and any addendums when issuing debt;
- 4.7.6. Maintain strong credit ratings and good investor relations.

## Debt Policy

The Santa Clara Valley Water District 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, the District shall periodically review the cost of its outstanding liabilities for opportunities to appropriately reduce these costs through refinancing or restructuring. The CEO shall present the results of these periodic reviews to the Board of Directors.

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

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. The District is in compliance with all coverage ratio requirements for all outstanding debt. For additional information regarding the District's debt policy, please visit: https://www.valleywater.org/how-we-operate/financebudget/investor-relations.

## Bond Ratings

The bond ratings for the District's outstanding debt reflect high grade investment quality debt. They are based on the District'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 $877 million as of June 30, 2018. Scheduled annual debt service for FY 2018-19 is approximately $59 million including fees. There are no balloon payments in the future years or significant fluctuations in annual debt service.

Currently outstanding for the Watersheds are Series 2017A COPs, with a final maturity of 2030 and the 2012A COPs, with a final maturity of 2024. Debt service for these COPs is paid via benefit assessments, which are collected based on 125% of the annual debt service. Currently outstanding for the Water Utility are 2006B Water Revenue Refunding Bonds with a final maturity of 2035, the 2007B Revenue Certificates of Participation with a final maturity of 2037, the Water System Refunding Revenue Bonds 2016A/B with a final maturity of 2046, the Revenue Certificates of Participation 2016C/D with a final maturity of 2029, the Water System Refunding Revenue Bonds 2017A with a final maturity of 2037, and the Commercial Paper Certificates which are secured by Tax and Revenue Anticipation Notes that are subject to annual reauthorization by the District Board.

## Planned Issuances

The District is planning the issuance of debt to finance the Safe, Clean Water program and the Water Utility Enterprise to finance the long-term capital improvement plan. The source of debt service repayment for the Safe, Clean Water program will be the special parcel tax approved by Santa Clara County voters in the November 6, 2012 election. Debt service for the Water Utility Enterprise is paid from water revenues. Bond covenants stipulate that the District 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 2018-19: 2.39
- FY 2019-20: 2.89
- FY 2020-21: 2.76
- FY 2021-22: 2.59
- FY 2022-23: 2.40

(Source: FY 2018-19 Annual Report on the Protection and Augmentation of Water Supplies)

## Investment Portfolio

The District's investment portfolio is invested with the following three priorities in mind: safety, liquidity and yield. Safeguarding taxpayers' money and ensuring that the District has funds available when needed to meet expenditures are the two most important goals. Once those goals have been satisfied, the District strives to earn a market rate of return on its investments. About 80% of the portfolio is invested in government securities, such as federal agency notes and US

treasury notes. The remainder of the portfolio is invested in instruments of the highest credit quality and in highly liquid instruments such as the Local Agency Investment Fund and money market mutual funds.

The investment holdings are reviewed for compliance with the District's investment policy and California State Government Code by accounting staff on a monthly basis and by the District's independent auditor on an annual basis. In addition, the District'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) related to investment:

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

- Not invest or hold funds of the District 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 the District should, to the extent reasonably possible, be prudently invested or deposited to produce revenue for the District 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 Utitily | | Watershed |
|---|---|---|---|
| | Senior Debt | Parity Debt | Debt |
| Moody's | Aa1 | Aa1 | Aa1 |
| Standard & Poor's | AA- | N/A | AA+ |
| Fitch | AA+ | AA+ | AA+ |

## Debt Service Payments Schedule

| | Principal | Interest | Total[1] |
|---|---|---|---|
| **Watersheds Certificates of Participation** | | | |
| 2018/19 | $ 8,715,000 | $ 3,921,950 | $ 12,636,950 |
| 2019/20 | 8,075,000 | 3,486,200 | 11,561,200 |
| 2020/21 | 8,485,000 | 3,082,450 | 11,567,450 |
| 2021/22 | 8,860,000 | 2,703,500 | 11,563,500 |
| 2022/23 and thereafter | 48,150,000 | 9,525,700 | 57,675,700 |
| **Total** | **$ 82,285,000** | **$ 22,719,800** | **$ 105,004,800** |
| **Water Utility Revenue Bonds / Certificates of Participation** [2] | | | |
| 2018/19 | $ 12,670,000 | $ 23,113,367 | $ 35,783,367 |
| 2019/20 | 15,720,000 | 30,724,732 | 46,444,732 |
| 2020/21 | 16,375,000 | 30,069,820 | 46,444,820 |
| 2021/22 | 17,055,000 | 29,371,174 | 46,426,174 |
| 2022/23 and thereafter | 593,180,000 | 400,705,971 | 993,885,971 |
| **Total**[3] | **$ 655,000,000** | **$ 513,985,064** | **$ 1,168,985,064** |
| **Commercial Paper** | | | |
| 2018/19 | $ 140,000,000 | $ 5,920,000 | $ 145,920,000 |
| 2019/20 | — | 9,849,000 | 9,849,000 |
| 2020/21 | — | 11,218,000 | 11,218,000 |
| 2021/22 | — | 11,845,000 | 11,845,000 |
| 2022/23 and thereafter | — | 47,225,000 | 47,225,000 |
| **Total** | **$ 140,000,000** | **$ 86,057,000** | **$ 226,057,000** |
| **Total All Outstanding Debt** | | | |
| 2018/19 | $ 161,385,000 | $ 32,955,317 | $ 194,340,317 |
| 2019/20 | 23,795,000 | 44,059,932 | 67,854,932 |
| 2020/21 | 24,860,000 | 44,370,270 | 69,230,270 |
| 2021/22 | 25,915,000 | 43,919,674 | 69,834,674 |
| 2022/23 and thereafter | 641,330,000 | 457,456,671 | 1,098,786,671 |
| **Total** | **$ 877,285,000** | **$ 622,761,864** | **$ 1,500,046,864** |

(1) Annual debt service payments reflect principal and interest only and exclude fees.
(2) Water Utility projected principal and interest payments include the anticipated issuances of Series 2018A, 2018B, 2019A, 2019B, and 2019C
(3) TTL WU principal = 6/30/18 Outstanding $386,335+ 2018AB $124,470 + 2019 ABC $144,195 = $655M

# Status of Bonded Indebtedness, Certificates of Participation, and Commercial Paper

| | Total Amount Sold | Date of Issue | True Interest Rate | Outstanding as of 6/30/18 | 2018-2019 Debt Service Payments[1] Principal | Interest | Total |
|---|---|---|---|---|---|---|---|
| **Watersheds Indebtedness** | | | | | | | |
| 2017A COPs[2] | $ 59,390,000 | 3/7/2017 | 2.555% | $ 54,640,000 | $ 4,610,000 | $ 2,732,000 | $ 7,342,000 |
| 2012A COPs | 52,955,000 | 11/20/2012 | 1.409% | 27,645,000 | 4,105,000 | 1,189,950 | 5,294,950 |
| Safe, Clean Water Commercial Paper[3] | | various | 3.500% | 30,000,000 | — | 3,637,000 | 3,637,000 |
| **Total Watersheds** | **$ 112,345,000** | | | **$ 112,285,000** | **$ 8,715,000** | **$ 7,558,950** | **$ 16,273,950** |
| **Water Utility Indebtedness** | | | | | | | |
| **2006 Water Utility Refunding Revenue Bonds** | | | | | | | |
| Series B - taxable | $ 25,570,000 | 12/21/2006 | 5.356% | $ 18,930,000 | $ 775,000 | $ 1,003,049 | $ 1,778,049 |
| **Total** | **$ 25,570,000** | | | **$ 18,930,000** | **$ 775,000** | **$ 1,003,049** | **$ 1,778,049** |
| **2007 Water Utility Revenue Certificates of Participation** | | | | | | | |
| Series B - taxable/floating[3] | $ 53,730,000 | 10/1/2007 | 2.000% | $ 39,370,000 | $ 1,390,000 | $ 1,999,000 | $ 3,389,000 |
| **Total** | **$ 53,730,000** | | | **$ 39,370,000** | **$ 1,390,000** | **$ 1,999,000** | **$ 3,389,000** |
| **2016 Water Utility Refunding Revenue Bonds** | | | | | | | |
| Series A | $ 106,315,000 | 3/30/2016 | 3.252% | $ 106,315,000 | $ — | $ 5,315,750 | $ 5,315,750 |
| Series B - taxable | 75,215,000 | 3/30/2016 | 4.319% | 75,215,000 | — | 3,229,621 | 3,229,621 |
| **Total** | **$ 181,530,000** | | | **$ 181,530,000** | **$ —** | **$ 8,545,371** | **$ 8,545,371** |
| **2016 Water Utility Revenue Certificates of Participation** | | | | | | | |
| Series C | $ 43,075,000 | 3/30/2016 | 2.128% | $ 41,055,000 | $ 3,010,000 | $ 2,022,650 | $ 5,032,650 |
| Series D- taxable | 54,970,000 | 3/30/2016 | 3.136% | 52,340,000 | 3,915,000 | 1,536,973 | 5,451,973 |
| **Total** | **$ 98,045,000** | | | **$ 93,395,000** | **$ 6,925,000** | **$ 3,559,623** | **$ 10,484,623** |
| **2017 Water Utility Revenue Bonds** | | | | | | | |
| Series A | $ 54,710,000 | 5/2/2017 | 3.126% | $ 53,110,000 | $ 1,700,000 | $ 2,655,500 | $ 4,355,500 |
| **2018 Water Utility Refunding Revenue Bonds** | | | | | | | |
| Series A | $ 54,265,000 | 12/1/2018 | 4.097% | $ — | $ 750,000 | $ 2,487,146 | $ 3,237,146 |
| Series B - taxable | 70,205,000 | 12/1/2018 | 4.640% | — | 1,130,000 | 2,863,678 | 3,993,678 |
| **Total** | **$ 124,470,000** | | | **$ —** | **$ 1,880,000** | **$ 5,350,824** | **$ 7,230,824** |
| **2019 Water Utility Refunding Revenue Bonds** | | | | | | | |
| Series A | $ 23,295,000 | 12/1/2019 | 4.441% | $ — | $ — | $ 800,000 | $ 800,000 |
| Series B - taxable | 36,580,000 | 12/1/2019 | 5.148% | — | — | 800,000 | 800,000 |
| Series C - New Money | 84,320,000 | 12/1/2019 | 4.441% | — | — | — | — |
| **Total** | **$ 144,195,000** | | | **$ —** | **$ —** | **$ 1,600,000** | **$ 1,600,000** |
| Commercial Paper[3] | — | various | 3.500% | — | — | 2,283,000 | 2,283,000 |
| **Total Water Utility** | **$ 682,250,000** | | | **$ 386,335,000** | **$ 12,670,000** | **$ 26,996,367** | **$ 39,666,367** |
| **Combined Total** | **$ 794,595,000** | | | **$ 498,620,000** | **$ 21,385,000** | **$ 34,555,317** | **$ 55,940,317** |

(1) Annual debt service payments reflect principal and interest only and exclude fees.
(2) Approximately $0.5M of the 2017A COPs annual debt service is funded by the general fund.
(3) The interest rates shown for the 2007B Water Utility COPs and Commercial Paper reflect the planning rates for variable rate bonds for budgeting purposes. The actual rates are subject to change pending actual market conditions throughout the fiscal year.

# RESERVE POLICY AND FUND BALANCES

## District Reserve Policy

The District 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 the District'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, the District, 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, Information Technology and Risk).

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, the District 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 which allows the District 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. The District 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.

District 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:

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

## Restricted Reserves

### Debt Service Reserve

These reserves were established for various bond issues. The funds are not available for general needs of the District and must be maintained as dictated in the bond covenants of the various issues. Not all bond issuances may have all of the following reserves, but the primary debt reserves are: Debt Service Reserve Fund (to fund payments should the District 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 District revenues to meet debt service coverage requirements. The minimum funding level is 10% of annual debt service due on all senior and parity obligations plus one month of adopted budget operations outlays. The specific level is to be financially prudent and based on reasonably anticipated needs.

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

This special purpose reserve is required by District 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 is set in FY 2013-14 at $2.6 million and is to be adjusted by 3% for inflation annually thereafter. The reserve cap is based on a five-year replacement schedule for the micro-filtration modules and reverse osmosis elements. The specific level of this reserve is to be set based on reasonably anticipated needs and uses.

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

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

**Drought Reserve - Water Utility Enterprise Fund**

This special purpose reserve funds drought response costs necessary to protect the residents, industry and riparian ecosystems of Santa Clara County, and to minimize water charge impacts during a drought emergency (as determined by the Board). To minimize water rate impacts, this reserve may be funded by Board direction to allocate actual surplus revenue that may have occurred during the prior year. Surplus revenue is defined as the positive difference between actual Water Utility operating revenue and budgeted Water Utility operating revenue. This reserve may also be funded by planned appropriations, which would be paid for by water rates and approved by the Board during annual water rate adoption. Drought response costs may include but not be limited to: water purchases and exchanges; special studies or system improvements related to delivery of water purchases; incremental conservation activities; and accelerated or opportunistic operations and maintenance activities spurred by the drought. The maximum funding level is set at 10% of adopted budget operating outlays.

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

This special purpose reserve provides a funding source for costs associated with the District'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 $4 million, 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-budgeted 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 fund balance is available for subsequent year expenditures based on the encumbered appropriation authority carried over to the next fiscal year. The funding level of this reserve will be adjusted annually, at year-end, based on the remaining balance of encumbrances still outstanding as of the end of the fiscal year.

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

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

## Committed Reserves

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

The Liability/Workers' Compensation Self-Insurance Reserve is to ensure that the District'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 the District'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 independent actuarial evaluations conducted bi-annually for general liability and workers compensation. 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 Fund

The Property Self-Insurance/Catastrophic Reserve purposes are to provide for uninsured property losses to District facilities such as pipelines and levees and to provide sufficient funds to initiate repair and recovery of damage to District facilities in advance of FEMA activation and reimbursement. The reserve may be used to pay for uninsured/uninsurable property losses which would adversely impact District 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 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 will be funded initially at 10% of the floating rate debt service interest payment. The maximum amount is no more than 20% of total floating rate debt service interest payments for a fiscal year. Excess funds over 20% will be used to pay down floating rate debt when advisable (i.e., based on market conditions, future issuance plans, etc.). The minimum amount is 0. Should payments for floating rate interest in a given fiscal year exceed budgeted amounts, this reserve will be drawn down to provide stabilization of debt service interest payments.

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

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

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

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

A portion of these reserves are automatically re-budgeted 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 fund 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 the District'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 the District 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. Because of this requirement, investment income must be adjusted to reflect the fair value change from one fiscal year to the next fiscal year. However, the District's investment policy dictates a buy-and-hold strategy in which, with very few exceptions, the District holds all securities to their maturity, thereby not incurring 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.

## Reserve Schedule

| | Estimated Balances | | | | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | Year-End 2016-17 | Adopted 2017-18 | Projected YE 2017-18 | Adopted Budget 2018-19 | $ Diff | % Diff |
| **GENERAL FUND** | | | | | | |
| **Committed Reserves** | | | | | | |
| Operating & Capital Reserve | $ 5,961,836 | $ 4,091,403 | $ 4,281,420 | $ 4,565,381 | $ 473,978 | 11.6% |
| Currently Authorized Projects | — | 1,060,326 | — | — | (1,060,326) | (100.0)% |
| **Total General Fund Reserves** | **$ 5,961,836** | **$ 5,151,729** | **$ 4,281,420** | **$ 4,565,381** | **$ (586,348)** | **(11.4)%** |
| **SPECIAL REVENUE FUNDS (WATERSHEDS)** | | | | | | |
| **Restricted Reserves** | | | | | | |
| Operating & Capital Reserve | $ 631,179 | $ 146,714,094 | $ 16,807,181 | $ 123,269,436 | $ (23,444,658) | (16.0)% |
| Currently Authorized Projects | 129,018,840 | 15,357,000 | 68,665,756 | 16,134,748 | 777,748 | 5.1% |
| **Total Resticted Reserves** | **$ 129,650,019** | **$ 162,071,094** | **$ 85,472,937** | **$ 139,404,184** | **$ (22,666,910)** | **(14.0)%** |
| **Committed Reserves** | | | | | | |
| Operating & Capital Reserve | $ 30,522,489 | $ 60,189,191 | $ 67,804,497 | $ 70,230,488 | $ 10,041,297 | 16.7% |
| Currently Authorized Projects | 34,375,681 | 9,369,000 | 22,926,371 | 6,357,396 | (3,011,604) | (32.1)% |
| **Total Committed Reserves** | **$ 64,898,170** | **$ 69,558,191** | **$ 90,730,868** | **$ 76,587,884** | **$ 7,029,693** | **10.1%** |
| **Total Special Revenue Funds Reserves** | **$ 194,548,189** | **$ 231,629,285** | **$ 176,203,805** | **$ 215,992,068** | **$ (15,637,217)** | **(6.8)%** |
| **Total Governmental Funds** | **$ 200,510,025** | **$ 236,781,014** | **$ 180,485,225** | **$ 220,557,449** | **$ (16,223,565)** | **(6.9)%** |
| **WATER ENTERPRISE & STATE WATER PROJECT FUNDS** | | | | | | |
| **Restricted Reserves** | | | | | | |
| WUE- Rate Stabilization Reserve for Bond Covenant | $ 19,973,809 | $ 21,066,011 | $ 21,066,011 | $ 22,477,551 | $ 1,411,540 | 6.7% |
| San Felipe Emergency Reserve | 2,953,130 | 2,976,275 | 3,003,130 | 3,053,130 | 76,855 | 2.6% |
| State Water Project Tax Reserve | 7,908,331 | — | 6,620,109 | 4,725,400 | 4,725,400 | — |
| WUE Public-Private Partnership (P3) Reserve | — | — | — | 4,000,000 | 4,000,000 | — |
| WUE- Supplemental Water Supply | 14,277,014 | 14,677,141 | 14,677,141 | 14,677,000 | (141) | (0.0)% |
| SV Advanced Water Purification Center | 1,906,000 | 1,906,000 | 986,000 | 986,000 | (920,000) | (48.3)% |
| Drought Reserve | 3,000,000 | 5,000,000 | 5,000,000 | 7,000,000 | 2,000,000 | 40.0% |
| **Total Restricted Reserves** | **$ 50,018,284** | **$ 45,625,427** | **$ 51,352,391** | **$ 56,919,081** | **$ 11,293,654** | **24.8%** |
| **Committed Reserves** | | | | | | |
| Operating & Capital Reserve | $ 17,140,170 | $ 36,126,107 | $ 35,977,869 | $ 37,278,868 | $ 1,152,761 | 3.2% |
| Currently Authorized Projects | 44,276,441 | 27,146,000 | 21,213,594 | 6,599,468 | (20,546,532) | (75.7)% |
| **Total Committed Reserves** | **$ 61,416,611** | **$ 63,272,107** | **$ 57,191,463** | **$ 43,878,336** | **$ (19,393,771)** | **(30.7)%** |
| **Total Water Enterprise Funds Reserves** | **$ 111,434,895** | **$ 108,897,534** | **$ 108,543,854** | **$ 100,797,417** | **$ (8,100,117)** | **(7.4)%** |

## Reserve Schedule (Continued)

| | Estimated Balances | | | | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | Year-End 2016-17 | Adopted 2017-18 | Projected YE 2017-18 | Adopted Budget 2018-19 | $ Diff | % Diff |
| **INTERNAL SERVICE FUNDS:** | | | | | | |
| **Committed Reserves** | | | | | | |
| Operating & Capital Reserve | $ 5,268,684 | $ 2,037,255 | $ 4,308,432 | $ 1,184,522 | $ (852,733) | (41.9)% |
| Currently Authorized Projects | 6,254,582 | — | 7,032,290 | 441,273 | 441,273 | — |
| Liability/Workers' Comp Self Insurance | 5,666,000 | 5,666,000 | 5,666,000 | 6,000,000 | 334,000 | 5.9% |
| Property Self Insurance/Catastrophic | 7,689,364 | 6,000,000 | 6,000,000 | 5,014,194 | (985,806) | (16.4)% |
| **Total Committed Reserves** | **$ 24,878,630** | **$ 13,703,255** | **$ 23,006,722** | **$ 12,639,989** | **$ (1,063,266)** | **(7.8)%** |
| **Total Internal Service Funds Reserves** | **$ 24,878,630** | **$ 13,703,255** | **$ 23,006,722** | **$ 12,639,989** | **$ (1,063,266)** | **(7.8)%** |
| **Total Proprietary Funds** | **$ 136,313,525** | **$ 122,600,789** | **$ 131,550,576** | **$ 113,437,406** | **$ (9,163,383)** | **(7.5)%** |
| **TOTAL RESERVE SUMMARIES** | | | | | | |
| Total Proprietary Funds | $ 136,313,525 | $ 122,600,789 | $ 131,550,576 | $ 113,437,406 | $ (9,163,383) | (7.5)% |
| Total Governmental Funds | 200,510,025 | 236,781,014 | 180,485,225 | 220,557,449 | (16,223,565) | (6.9)% |
| **Total Year-End Reserves** | **$ 336,823,550** | **$ 359,381,803** | **$ 312,035,801** | **$ 333,994,855** | **$ (25,386,948)** | **(7.1)%** |
| Total Restricted Reserves | 179,668,303 | 207,696,521 | 136,825,328 | 196,323,265 | (11,373,256) | (5.5)% |
| Total Committed Reserves | 157,155,247 | 151,685,282 | 175,210,473 | 137,671,590 | (14,013,692) | (9.2)% |
| **Total Year-End Reserves** | **$ 336,823,550** | **$ 359,381,803** | **$ 312,035,801** | **$ 333,994,855** | **$ (25,386,948)** | **(7.1)%** |

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# ENDS POLICIES AND OUTCOMES

# Ends Policies and Outcomes

## Introduction

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

Under the District's form of Policy Governance, these "Ends" policies describe the mission, outcomes or results to be achieved by District 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 District staff's accountability in using budgeted resources to accomplish those ends.

This chapter describes the District's budget by Ends policies and outcomes, showing the alignment of resources with Board policies and goals that relate to those policies.

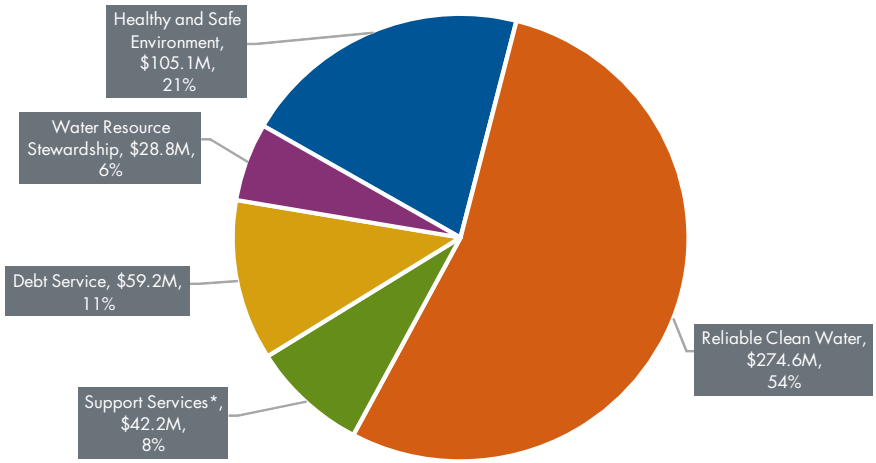
The Fiscal Year 2018-19 table below displays the latest version of the Ends Policies of the Santa Clara Valley Water District Board of Directors.

## District wide budget by Ends and Support Services

| Ends Code | Ends Description | FY 2018-19 Adopted Budget |
|---|---|---|
| E2 | Reliable, clean water supply for current and future generations | 274,567,826 |
| E3 | Healthy and safe environment for residents, businesses, and visitors, as well as for future generations | 105,118,625 |
| E4 | Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County. | 28,750,627 |
| SS | Support Services | 127,774,253 |
| DS | Debt Service | 59,189,136 |
| Grand Total | | 595,400,468 |
| Minus Intradistrict Reimbursements | | (85,543,321) |
| Net Budget | | 509,857,147 |

# Ends Policies and Outcomes

**FY 2018-19 Total Net Outlays $509.9 Million**




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

| Goal Code | Goal Description | FY 2018-19 Adopted Budget |
|---|---|---|
| E2.1 | Current and future water supply for municipalities, industries, agriculture and the environment is reliable. | 148,708,431 |
| E2.2 | Raw water transmission and distribution assets are managed to ensure efficiency and reliability. | 33,946,636 |
| E2.3 | Reliable high quality drinking water is delivered. | 91,912,760 |
| E3.1 | Provide natural flood protection for residents, businesses, and visitors | 91,944,927 |
| E3.2 | Reduce potential for flood damages | 13,173,698 |
| E4.1 | Protect and restore creek, bay, and other aquatic ecosystems. | 24,418,454 |
| E4.2 | Improved quality of life in Santa Clara County through appropriate Public access to trails, open space and District facilities. | 3,147,756 |
| E4.3 | Strive for zero net greenhouse gas emission or carbon neutrality. | 1,184,416 |
| SS.1 | BAO & District Leadership | 28,641,457 |
| SS.2 | Financial Planning & Management Services | 13,152,591 |
| SS.3 | Human Resources Services | 14,102,685 |
| SS.4 | Information Management Services | 20,611,446 |
| SS.5 | Corporate Business Assets | 29,326,524 |
| SS.6 | General Management & Administration | 26,311,462 |
| SS.7 | Salary Savings | (4,371,912) |
| DS.1 | Debt Service | 59,189,136 |
| Grand Total | | 595,400,468 |
| Minus Intradistrict Reimbursements | | (85,543,321) |
| Net Budget | | 509,857,147 |

| Goal Code | Goal Description | FY 2018-19 Adopted Budget |
|---|---|---|
| **E2.1** | **Current and future water supply for municipalities, industries, agriculture and the environment is reliable.** | **148,708,431** |

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

The largest budget item is for imported water purchases from the federal Central Valley Project (CVP) and the State Water Project (SWP) for a total amount of $47.7 million. Groundwater banking expenses of $2.4 million are budgeted for annual operations and maintenance costs associated with participating in Semitropic Water Storage District water banking activities. Also included is funding for key decisions regarding the California Water Fix. On average, about 40% of the District's water supply is from imported water resources.

Locally, the District owns and operates 10 surface reservoirs, 17 miles of canals, four water supply diversion dams, 393 acres of recharge ponds 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.

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

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

The FY 2018-19 budget requires a significant investment to continue expanding the Recycled and Purified Water Program (RPWP). District staff began developing the Countywide Water Reuse Master Plan (Countywide Master Plan) by using other current individual master plans such as, South Bay Water Recycling, South County Regional Wastewater Authority, City of Sunnyvale, City of Palo Alto, and City of Mountain View. The Countywide Master Plan (CMP) will include quantification of the available treated

wastewater from each producer; propose system integration strategies/inter-ties; prepare updates to the South Bay Water Recycling (SBWR) Master Plan, develop a residuals management plan, a regulatory framework, recommended project alternatives, a governance framework, and a master plan report.

Further investments are needed to identify a comprehensive solution for Reserve Osmosis Concentrate – a key challenge in potable reuse, as well as to assist the capital project team's implementation of preliminary engineering, design, and construction of recycled and purified water projects. One of the important components of the planned expansion of RPWP is proper management of the Reverse Osmosis Concentrate (ROC). The overall objective of the ROC Management is to evaluate viable alternatives for managing ROC generated from advanced water purification facilities to be potentially built throughout the County (e.g., San José, Sunnyvale, Palo Alto, Gilroy, and Morgan Hill).

The continuation of the work coordination is necessary to expand the recycled and purified water systems in Palo Alto/Mountain View, Sunnyvale, San José, Morgan Hill and Gilroy. Additional planned work includes research activities pertinent to the Potable Reuse Test Plan as well as other similar studies involving Bay Area universities, Water Research Foundation, WateReuse California, and San Francisco Estuary Institute (SFEI).

The budget for this section also includes funds for the Fish and Aquatic Habitat Collaborative Effort (FAHCE). The District has been working to resolve a water rights complaint in Coyote Creek, the Guadalupe River, and Stevens Creek. Resolution of the complaint includes filing water rights change petitions, finalizing a Fish Habitat Restoration Plan (FHRP) and Environmental Impact Report (EIR) and obtaining federal and state permits from several regulatory agencies. This year's budget includes funds to support the completion of the FHRP and EIR; continuing with the water rights change petition and biological monitoring; and, planning for application for Lake and Stream Alteration Agreements.

| Goal Code | Goal Description | FY 2018-19 Adopted Budget |
|---|---|---|
| **E2.2** | **Raw water transmission and distribution assets are managed to ensure efficiency and reliability.** | **33,946,636** |

The budget for this section includes funds for the safe operation and maintenance of the raw water system to distribute raw water to the three water treatment plants and groundwater recharge facilities. This includes the inspection, monitoring, and repair of 77 miles of large diameter pre-stressed concrete cylinder pipe (PCCP) to mitigate the risk of catastrophic pipeline failure.

| Goal Code | Goal Description | FY 2018-19 Adopted Budget |
|---|---|---|
| **E2.3** | **Reliable high quality drinking water is delivered.** | **91,912,760** |

The budget for this section includes funds for operating and maintaining the three water treatment plants, the treated water transmission and distribution system, the Campbell well field and the SFPUC/SCVWD intertie facility. In FY2018-19, approximately 110,000 acre-feet of water is expected to be treated by the District's three water treatment plants and delivered to the treated water retailers. Also included are funds for treatment plant water quality process support and the operation of the District's water quality laboratory.

The largest planned operating budget expenditure is to operate and maintain the District's three water treatment plants.

A total of $47.0 million capital funding is for the fourth year of construction for the Rinconada Water Treatment Plant Reliability Improvement Project.

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| Goal Code | Goal Description | FY 2018-19 Adopted Budget |
|---|---|---|
| **E3.1** | **Provide natural flood protection for residents, businesses, and visitors** | **91,944,927** |

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 2018-19, 12 flood protection projects will be in construction and 5 projects will be in planning/ design, of which some projects have multiple phases or reaches with different schedules and may have activities in both design and construction. Other efforts to maintain flood conveyance capacity include sediment removal of approximately 93,276 cubic yards, debris removal and the control of 2,720 acres of upland vegetation for access and 619 acres of in-stream vegetation for stream capacity. In addition, watershed facility conditions will be assessed, and levees will be inspected (113 miles) and maintained (28,155 LF).

The FY 2018-19 budget also includes: development of a comprehensive tree maintenance program to provide a streamlined environmental and permitting process to facilitate the pruning, removal and mediation of hazards associated with trees; and pursuance of modifications to the Stream Maintenance Program permit to ensure sustainability of county flood protection improvements.

| Goal Code | Goal Description | FY 2018-19 Adopted Budget |
|---|---|---|
| **E3.2** | **Reduce potential for flood damages** | **13,173,698** |

This section provides for activities that reduce the potential for flood damages. Such activities include a floodplain mailer and a countywide flood awareness campaign, both of which help businesses and residents be prepared before, during and after a flood.

Additional efforts include, implementing the Water Resource Protection Ordinance; implementing the Encroachment Remediation and Prevention Plan; consulting with and supporting external agencies for floodplain management; and maintaining and improving our flood warning system. A major component in this section is flood emergency planning and response. To ensure readiness, staff will participate in inter-agency training exercises at the state and countywide level as well as those specific to our emergency operations.

In addition, the District 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 2018-19 Adopted Budget |
|---|---|---|
| **E4.1** | **Protect and restore creek, bay, and other aquatic ecosystems.** | **24,418,454** |

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

With the 2012 passage of Safe, Clean Water and Natural Flood Protection Program, continued programs for FY 2018-19 include: establishing service indices for streams; reducing contaminants such as mercury; re-vegetating sites for mitigation; minimizing the use of pesticides where feasible; regularly removing trash in and around streams; providing grants for environmental enhancement and pollution prevention projects; creating fish habitat and passage; and reusing sediment whenever possible. In addition, projects are planned to stabilize stream banks and protect water quality. Funds include partnerships and grants to support efforts to prevent pollution, encourage cleanup efforts and education and restore habitat.

FY 2018-19 work includes providing up to $200,000 per year for partnerships with municipalities for programs specific to reducing contaminants in groundwater or surface water; $500,000 for partnerships and $200,000 for mini-grants for wildlife habitat restoration. The work also includes administering 35 existing grants and partnerships, and the development of Stream Stewardship Plans Stream Corridor Priority Plans.

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

| Goal Code | Goal Description | FY 2018-19 Adopted Budget |
|---|---|---|
| **E4.2** | **Improved quality of life in Santa Clara County through appropriate Public access to trails, open space and District facilities.** | **3,147,756** |

This section promotes and supports access to trails and open space through various grants and community partnerships for planning, design, construction and maintenance. In FY 2018-19, the District will solicit proposals and execute agreements, including $571,000 grant funds for trails and open space, and administer 6 existing open space and trail grants projects awarded since 2014. In addition, the District is working with cities on trail implementation.

| Goal Code | Goal Description | FY 2018-19 Adopted Budget |
|---|---|---|
| **E4.3** | **Strive for zero net greenhouse gas emission or carbon neutrality.** | **1,184,416** |

This section provides for activities to identify and inventory the District's greenhouse gas emissions and to create various means to reduce our carbon footprint.

Efforts will also be underway to better understand potential global climate change impacts and develop guidelines to respond to future challenges such as sea level rise.

| Goal Code | Goal Description | FY 2018-19 Adopted Budget |
|---|---|---|
| **SS.1** | **BAO & District Leadership** | **28,641,457** |

Board Appointed Officers (BAOs) and District Leadership includes the budgets for the Board of Directors and its Advisory Committees, the Board Appointed Officers and their supporting operations,

and the District's risk management including Health and Safety related functions and activities for Watersheds and Water Utility Enterprise. The BAOs are District 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 the District's mission. The CEO provides executive leadership to the District and support to the Board of Directors to ensure that the District efficiently implements the Board's Ends policies and complies with Executive Limitations. Among the operational areas reporting directly to the CEO are Labor Relations and the Financial Planning and Management Services Division.

**District Counsel**: Represents the District'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 the District implements strategies to streamline operations and increase accountability. District Counsel also oversees the Risk Management Program, whose mission is to protect District assets by identifying and evaluating loss exposures and applying effective risk management and risk financing techniques to reduce or eliminate risk.

**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, District 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. The Clerk of the Board also oversees Records & Library Services Unit that provides: the administration of the Records Management Center and the District Library, administration of the District's Records Management Program, and the provision of District's responses to legal demands for records.

| Goal Code | Goal Description | FY 2018-19 Adopted Budget |
|---|---|---|
| **SS.2** | **Financial Planning & Management Services** | **13,152,591** |

Financial Planning and Management Services provide management oversight, leadership and strategic support to ensure effective and efficient financial planning and performance. This includes promoting efficiencies and fiscal accountability District-wide and within the Financial Planning and Management Services Division. The following units and programs operate within this Division: Treasury/Debt Management Program; Financial Planning Program; Budget and Financial Analyses; Continual Improvement; General Accounting; and Revenue/Grants Management.

| Goal Code | Goal Description | FY 2018-19 Adopted Budget |
|---|---|---|
| **SS.3** | **Human Resources Services** | **14,102,685** |

Human Resources Services are primarily linked to human resource planning, development and management. These services include District-wide funding for recruitment, professional development, training, employee wellness, internship, the ethics and equal employment opportunity programs. HR Division includes three units: Workforce Development; Environmental, Health and Safety; and, Employee Recruitment and Benefits.

| Goal Code | Goal Description | FY 2018-19 Adopted Budget |
|---|---|---|
| **SS.4** | **Information Management Services** | **20,611,446** |

The Information Technology Division serves the technology needs of the District, enabling business users to carry out their work efficiently, effectively, and securely. We do so by providing planning, design, and operational support and maintenance of the District's: (1) physical technology infrastructure and cyber security posture; and (2) software application portfolio.

| Goal Code | Goal Description | FY 2018-19 Adopted Budget |
|---|---|---|
| **SS.5** | **Corporate Business Assets** | **29,326,524** |

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

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

| Goal Code | Goal Description | FY 2018-19 Adopted Budget |
|---|---|---|
| **SS.6** | **General Management & Administration** | **26,311,462** |

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 2018-19 Adopted Budget |
|---|---|---|
| **SS.7** | **Salary Savings** | **(4,371,912)** |

This salary savings budget represents 4% of regular employee salaries and benefits district-wide. This budget represents the budgeted savings from vacant positions projected to occur during the year.

| Goal Code | Goal Description | FY 2018-19 Adopted Budget |
|---|---|---|
| **DS.1** | **Debt Service** | **59,189,136** |

Debt Service includes the budget used to pay interest and principal on long term debt.

# 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 | Adopted FY 2018–19 Budget |
|---|---|---|
| 26061008 | Water Conservation Grants | 130,299 |
| 26061010 | Nitrate Treatment Systm Rebate | 53,012 |
| 26764001 | IRP2 AddLine Valves | 1,089,798 |
| 60041003 | Hollister Groundwater Mgmt | 38,043 |
| 60042001 | Pacheco Res Prop 1 App Study | 121,705 |
| 60061007 | Drought Emergency Response | 14,242 |
| 60954001 | Pacheco Reservoir ExpansnStudy | 12,809,339 |
| 91041012 | Water Operations Planning | 505,833 |
| 91041018 | Groundwater Management Program | 4,265,095 |
| 91081007 | Dam Safety Program | 1,716,562 |
| 91084019 | Dam Safety Seismic Stability | 1,093,043 |
| 91101004 | Recycled & Purified Water Prog | 6,657,557 |
| 91111001 | Water Rights | 394,569 |
| 91131004 | Imported Water Program | 17,650,715 |
| 91131006 | IW San Felipe Division Delvrs | 18,275,157 |
| 91131007 | IW South Bay Aqueduct Delvrs | 5,375,500 |
| 91131008 | State Water Project Costs | 20,894,709 |
| 91151001 | Water Conservation Program | 6,185,507 |
| 91151012 | Recycled/Purified Water Public Engagement | 821,900 |
| 91154007 | Water Purchases Captl Project | 10,056,930 |
| 91211004 | San Felipe Reach 1 Operation | 755,184 |
| 91211005 | SFD Reach 1 Administration | 10,100 |
| 91211084 | San Felipe Reach1 Ctrl and Ele | 438,899 |
| 91211085 | SF Reach 1-Engineering - Other | 76,360 |
| 91211099 | San Felipe Reach 1 Gen Maint | 824,035 |
| 91221002 | San Felipe Reach 2 Operation | 141,049 |
| 91221006 | SF Reach 2-Engineering - Other | 232,014 |
| 91221099 | San Felipe Reach 2 Gen Maint | 153,105 |
| 91224010 | Small Caps, San Felipe R2 | 595,125 |
| 91231002 | San Felipe Reach 3 Operation | 479,349 |
| 91231084 | San Felipe Reach3 Ctrl and Ele | 446,302 |
| 91231085 | SF Reach 3-Engineering - Other | 196,591 |
| 91281007 | SVAWPC Facility Operations | 2,546,168 |
| 91281008 | SVAWPC Facility Maintenance | 1,385,208 |
| 91304001 | Indirect Potable Reuse-Plan | 3,493,141 |
| 91451002 | Well Ordinance Program | 1,436,643 |
| 91451005 | Source Water Quality Mgmt | 321,500 |
| 91451011 | Invasive Mussel Prevention | 598,544 |
| 91761001 | Local Res/Div Plan & Analysis | 1,388,235 |
| 91761099 | Dams / Reservoir Gen Maint | 2,573,100 |

# 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 | Adopted FY 2018–19 Budget |
|---|---|---|
| 91854001 | Almaden Dam Improvements | 3,764,122 |
| 91864005 | Anderson Dam Seismic Retrofit | 10,561,864 |
| 91874004 | Calero Dam SeisRetrfit Des&Con | 1,712,856 |
| 91894002 | Guadalupe Dam SeisRetf Des&Con | 198,525 |
| 92041014 | FAHCE/Three Creeks HCP Project | 3,911,659 |
| 95061043 | WUE O&M Support | 271,828 |
| 95111003 | Water Use Measurement | 2,047,409 |
| E2.1 Total | | 148,708,431 |

# 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.

| Job Number | Project Name | Adopted FY 2018–19 Budget |
|---|---|---|
| 26564001 | Main/Madrone PL Restoration | 291,555 |
| 91214010 | Small Caps, San Felipe R1 | 2,901,283 |
| 91231099 | San Felipe Reach 3 Gen Maint | 904,947 |
| 91234002 | Coyote Pumping Plant ASD Rplcm | 697,862 |
| 91234010 | Small Caps, San Felipe R3 | 205,000 |
| 91234011 | Coyote Pumping Plant Warehouse | 1,033,913 |
| 92144001 | Pacheco/SC Conduit ROW ACQ | 1,513,821 |
| 92261099 | Vasona Pump Station Gen Main | 137,263 |
| 92264001 | Vasona Pump Station Upgrade | 549,175 |
| 92374005 | SCADA Remote Arch&Comm Upgrade | 251,238 |
| 92761001 | Raw Water T&D Gen'l Oper | 1,652,861 |
| 92761008 | Recycled Water T&D Genrl Maint | 280,223 |
| 92761009 | Recharge/RW Field Ops | 3,002,986 |
| 92761010 | Rchrg / RW Field Fac Maint | 2,009,403 |
| 92761012 | Untreated Water Prog Plan | 270,987 |
| 92761082 | Raw Water T&D Ctrl and Electr | 740,990 |
| 92761083 | Raw Water T&D Eng Other | 144,244 |
| 92761085 | Anderson Hydrelctrc Fclty Main | 149,697 |
| 92761099 | Raw Water T / D Gen Maint | 2,250,634 |
| 92764009 | Small Caps, Raw Water T&D | 848,643 |
| 92781002 | Raw Water Corrosion Control | 244,499 |
| 95084002 | 10-Yr PL Inspection and Rehab | 13,865,414 |
| **E2.2 Total** | | **33,946,636** |

# E2 Reliable, clean water supply for current and future generations

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

| Job Number | Project Name | Adopted FY 2018–19 Budget |
|---|---|---|
| 00761013 | SCADA Systems Upgrades | 516,601 |
| 93081008 | W T General Water Quality | 2,153,992 |
| 93081009 | Water Treatment Plant Engineer | 135,207 |
| 93231007 | PWTP Landslide Monitoring | 48,701 |
| 93231009 | PWTP General Operations | 5,317,647 |
| 93231099 | Penitencia WTP General Maint | 2,590,445 |
| 93281005 | STWTP - General Operations | 5,033,928 |
| 93281099 | Santa Teresa WTP General Maint | 3,229,259 |
| 93291012 | RWTP General Operations | 8,106,029 |
| 93291099 | Rinconada WTP General Maint | 3,526,121 |
| 93294056 | RWTP Treated Water Valves Upgd | 9,426 |
| 93294057 | RWTP Reliability Improvement | 46,977,734 |
| 93401002 | Water District Laboratory | 4,880,956 |
| 93761001 | SF/SCVWD Intertie General Ops | 217,112 |
| 93761004 | Campbell Well Field Operations | 145,273 |
| 93761005 | Campbell Well Field Maint | 95,763 |
| 93761006 | Treated Water Ctrl & Elec Eng | 2,596,336 |
| 93761099 | SF/SCVWD Intertie Gen Maint | 94,932 |
| 93764004 | Small Caps, Water Treatment | 3,577,164 |
| 94084007 | Treated Wtr Isolation Valves | 528,770 |
| 94084008 | Westside Retailer Interties | 66,880 |
| 94761005 | TW T&D - Engineering - Other | 156,044 |
| 94761099 | Treated Water T/D Gen Maint | 1,220,644 |
| 94781001 | Treated Water T/D Corrosion | 222,216 |
| 95151002 | WU Customer Relations & Outreach | 465,581 |
| **E2.3 Total** | | **91,912,760** |
| **E2 Total** | | **274,567,826** |

# 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

| Job Number | Project Name | Adopted FY 2018–19 Budget |
|---|---|---|
| 00041022 | Stream Maint Prog Mgmt | 2,872,007 |
| 00761023 | Watershed Sediment Removal | 7,073,053 |
| 00761078 | Vegetation Mangmnt for Access | 3,174,300 |
| 00762011 | Tree Maintenance Program | 1,129,613 |
| 26154003 | Guadalupe Rv-Upr, SPRR-BH 7-12 | 6,516,491 |
| 26164001 | HaleCreekEnhancementPilotStudy | 2,581,476 |
| 26174042 | Berryessa Calav/Old Pied LER | 209,000 |
| 26174043 | Coyote Creek, Montague-Tully | 1,752,173 |
| 26174054 | U.Llagas Ck Design B. Vsta Rd | 5,239,930 |
| 26244001 | Permanente Ck, Bay-Fthill CSC | 5,281,455 |
| 26284002 | San Francisquito Early Implemt | 3,109,935 |
| 26324001 | U Penitncia Crk Corp Coord SCW | 1,524,802 |
| 26444001 | SFBS EIA 11 Desgn & Part Const | 6,721,838 |
| 26771067 | Stream Capacity Vegetation Con | 1,566,499 |
| 40174005 | Berryessa Crk, Lwr. Pen Phs 2 | 17,473,333 |
| 40264008 | Lwr Silver-R4-6 N Babb-Cunni | 507,097 |
| 40264011 | Cunningham Fld Detention Cert | 1,289,575 |
| 40334005 | Lwr Penitencia Crk Improvemnts | 1,881,880 |
| 62021004 | Vegetation Mgmt Tech Support | 763,189 |
| 62021009 | Watershds O&M Eng&Insp Support | 883,837 |
| 62042050 | Watershd Maint Guideline Updte | 1,309,486 |
| 62061029 | Field Operations Support | 643,825 |
| 62084001 | Watersheds Asset Rehabilitatio | 9,892,564 |
| 62761006 | Invasive Plant Management Prog | 1,186,262 |
| 62761024 | Wtrshd Facility Cndtion Assmnt | 1,881,115 |
| 62761025 | Watershed General Field Maint | 1,569,653 |
| 62761026 | Watershed Debris Removal | 1,359,444 |
| 62761028 | Watershed Levee Maintenance | 1,284,440 |
| 62761074 | Corps Local Sponsor O&M | 1,241,151 |
| 62761080 | Non SMP Veg Removal for Convey | 25,502 |
| **E3.1 Total** | | **91,944,927** |

# E3 Healthy and safe environment for residents, businesses, and visitors, as well as for future generations

## E3.2 Reduce potential for flood damages

| Job Number | Project Name | Adopted FY 2018–19 Budget |
|---|---|---|
| 00811043 | Hydrologic Data Msrmt & Mgmt | 1,707,704 |
| 10394001 | PA Flood Basin Tide Gate Imprv | 1,315,730 |
| 26041023 | Emergency Response Upgrades | 343,888 |
| 26041024 | Flood Risk Reduction Studies | 819,370 |
| 26061005 | Flood Emrgncy Respnse Planning | 216,898 |
| 62011002 | Watershed Asset Protection Sup | 4,589,081 |
| 62021003 | CPRU Tech Support | 389,531 |
| 62041023 | Community Rating System (CRS) | 506,406 |
| 62061005 | WS Customer Relations&Outreach | 515,385 |
| 62061008 | Hydrology&Hydraulics Tech Supp | 1,200,583 |
| 62761008 | Sandbag Program | 620,485 |
| 95011003 | WU Asset Protection Support | 948,638 |
| E3.2 Total | | 13,173,698 |
| **E3 Total** | | **105,118,625** |

# 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.

| Job Number | Project Name | Adopted FY 2018–19 Budget |
|---|---|---|
| 00041047 | Ecolgcal Data Collectn & Analy | 1,327,710 |
| 00061012 | Facilities Env Compliance | 837,402 |
| 00061019 | Supp Volunteer Cleanup Effort | 398,614 |
| 00741042 | Water Resorcs EnvPlng & Permtg | 436,621 |
| 00761022 | Watershed Good Neighbor Maint | 1,349,350 |
| 00761075 | Mgmt of Revegetation Projects | 1,974,370 |
| 00771011 | Inter Agency Urban Runoff Prog | 2,185,869 |
| 00771031 | HAZMAT Emergency Response | 204,363 |
| 20444001 | Salt Ponds A5-11 Restoration | 95,262 |
| 26042002 | Fish Habitat Improvements | 602,891 |
| 26044001 | Almaden Lake Improvement | 190,757 |
| 26044002 | SCW Fish Passage Improvement | 391,865 |
| 26061006 | Pollution Prvtn Prtnrshp & Grt | 449,902 |
| 26072008 | SCW D7 Conservation Habitat | 1,000,000 |
| 26752043 | Impaired Water Bodies Imprvmts | 1,713,810 |
| 26761076 | Rev, Riprn, Uplnd, & Wtlnd Hab | 1,558,017 |
| 26771027 | Encampment Cleanup Program | 927,131 |
| 30151026 | Guad Rvr Mitgtn Monitoring Prg | 685,702 |
| 40212032 | Coyote Creek Mitgtn Monitoring | 276,832 |
| 60061058 | Drought Induced Tree Removal | 291,734 |
| 60171002 | Education & Volunteer Program | 1,256,613 |
| 62041043 | Environmental Srvcs Tech Suppt | 342,926 |
| 62042032 | Multiple Sm Prjcts Mitgtn Mont | 349,903 |
| 62042047 | Mitigation & Stwdshp Land Mgmt | 237,920 |
| 62042051 | Plant Pathogen Management | 379,096 |
| 62044001 | Watershed Habitat Enhancemnt S | 1,016,026 |
| 62181005 | SMP Mitigation Site Mgmt | 524,303 |
| 62761009 | Pond A4 Operations | 219,084 |
| 62761027 | Watershed Erosion Protection | 3,194,383 |
| **E4.1 Total** | | **24,418,454** |

# 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.

| Job Number | Project Name | Adopted FY 2018–19 Budget |
|---|---|---|
| 26061007 | Grants to Rest Habitat Access | 3,147,756 |
| **E4.2 Total** | | **3,147,756** |

# 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.

| Job Number | Project Name | Adopted FY 2018–19 Budget |
|---|---|---|
| 00021008 | Energy Management | 309,271 |
| 00061048 | Climate Change Adaptation/Mtg. | 875,145 |
| **E4.3 Total** | | **1,184,416** |
| **E4 Total** | | **28,750,627** |

# SS Support Services

## SS.1 BAO & District Leadership

| Job Number | Project Name | Adopted FY 2018–19 Budget |
|---|---|---|
| 00761071 | Emergency Management | 1,674,610 |
| 60091001 | Directors Fees / Expenses | 375,662 |
| 60131007 | Ofc of Chief Executive Officer | 952,195 |
| 60131014 | Continual Improvement | 458,313 |
| 60141001 | District Counsel | 3,262,859 |
| 60171009 | Community Relations | 323,983 |
| 60231002 | Communications | 2,158,389 |
| 60231003 | Federal Government Relations | 925,995 |
| 60231004 | State Government Relations | 984,735 |
| 60231005 | Local Government Relations | 1,522,763 |
| 60231006 | Office of Chief of Ext Affairs | 845,978 |
| 60241026 | Quality and Env Mgmt Sys Prog | 801,782 |
| 60281003 | Ethics & EEO Programs | 593,633 |
| 60281004 | Diversity & Inclusion Program | 1,147,306 |
| 60281006 | Reasonable Accommodation | 278,517 |
| 60291003 | Labor Relations | 765,943 |
| 60291032 | Bargaining Unit Representation | 87,479 |
| 60301001 | Clerk of the Board Serv | 3,200,092 |
| 60311001 | Records & Library Services | 1,249,478 |
| 65051001 | Risk Management | 2,634,136 |
| 65051002 | Workers Compensation Program | 841,334 |
| 65051003 | Health&Safety Program Mgt | 3,056,275 |
| 65052001 | 2017 President Day Flood | 500,000 |
| **SS.1 Total** | | **28,641,457** |

# SS Support Services

## SS.2 Financial Planning & Management Services

| Job Number | Project Name | Adopted FY 2018–19 Budget |
|---|---|---|
| 00031001 | Watershed Revenue | 114,666 |
| 00031002 | Grants Management | 763,033 |
| 00061045 | Asset Management Program | 3,909,561 |
| 00121003 | LT Financial Planning & Rate S | 756,701 |
| 26001090 | Unscoped Projects-Budget Only | 100,000 |
| 60001090 | CEOUnscoped Projects-BudgtOnly | 100,000 |
| 60001091 | COO Unscoped Projects-BdgtOnly | 100,000 |
| 60001092 | CEA UnscopedProject-BudgetOnly | 100,000 |
| 60111002 | General Accounting Services | 3,075,249 |
| 60221001 | Budget and Financial Analyses | 1,936,735 |
| 60221002 | Debt & Treasury Management | 647,788 |
| 62001090 | Unscoped Projects-Budget Only | 100,000 |
| 95001090 | Unscoped Projects-Budget Only | 100,000 |
| 95101003 | W2 W5 Water Revenue Program | 1,348,858 |
| **SS.2 Total** | | **13,152,591** |

# SS Support Services

## SS.3 Human Resources Services

| Job Number | Project Name | Adopted FY 2018–19 Budget |
|---|---|---|
| 00074030 | Capital Training & Dvlpment | 1,403,074 |
| 60291001 | Recruitment and Examination | 1,721,092 |
| 60291002 | Benefits and Wellness Admin | 1,227,302 |
| 60291004 | Talent Management Program | 1,843,109 |
| 60291005 | Classification&CompensationPgm | 278,205 |
| 60291011 | HR Program Admin | 791,478 |
| 60291038 | GF Training & Development | 1,580,362 |
| 60291040 | Rotation Program | 306,000 |
| 60291041 | Internship Program | 715,290 |
| 62061028 | WS Training & Development | 1,389,335 |
| 95061037 | WUE Training & Development | 1,577,516 |
| 95061047 | WUE Technical Training Program | 1,269,921 |
| SS.3 Total | | 14,102,685 |

# SS Support Services

## SS.4 Information Management Services

| Job Number | Project Name | Adopted FY 2018–19 Budget |
|---|---|---|
| 73271001 | Telecommunications Sys Opr/M | 2,023,657 |
| 73271002 | Technical Infrastructure Services | 742,427 |
| 73271003 | Network Administration | 2,382,157 |
| 73271004 | Information Security Admin | 376,608 |
| 73271005 | Offce Cmptr Maint/Help Dsk Sup | 1,707,619 |
| 73271007 | Emerging IT Technologies | 102,669 |
| 73271008 | Software Maint & License | 1,171,150 |
| 73271009 | Software Services | 4,770,804 |
| 73274002 | ERP System Implementation | 3,660,158 |
| 73274004 | Network Equipment | 1,185,799 |
| 73274006 | Office Computers Replace Equipment | 1,024,703 |
| 73274008 | Software Upgrades & Enhancement | 559,358 |
| 73274009 | Data Consolidation | 83,591 |
| 95274003 | WU Computer Network Modrnization | 501,788 |
| 95761003 | SCADA Network Administration | 318,957 |
| SS.4 Total | | 20,611,446 |

# SS Support Services

## SS.5 Corporate Business Assets

| Job Number | Project Name | Adopted FY 2018–19 Budget |
|---|---|---|
| 00071041 | Welding Services | 676,387 |
| 00074036 | Survey Mgmt & Tech Support | 560,458 |
| 00811046 | Warehouse Services | 2,379,323 |
| 00811049 | Subsidence Monitoring | 592,799 |
| 00811054 | District Real Property Adminis | 614,947 |
| 10291002 | Rental Expense Stevens Creek | 351,354 |
| 26061002 | Rent Exp Clean Safe Ck 7/1/01+ | 158,332 |
| 30061004 | Rent Exp Guadalupe & Coyote | 210,956 |
| 60101001 | Purchasing Services | 1,574,085 |
| 60101002 | Building and Grounds | 6,720,264 |
| 60101008 | District Security Services | 1,883,686 |
| 60111006 | Contract Services | 1,385,184 |
| 60204016 | Facility Mgmt-Sm Cap Improv | 2,072,000 |
| 60351001 | Business & Customer SupportSvc | 3,373,725 |
| 70004002 | Replacement Vehicle & Equip | 1,817,000 |
| 70011099 | Class I Equip Oper / Maint | 779,757 |
| 70021099 | Class II Equip Oper / Maint | 945,769 |
| 70031099 | Class III Equip Oper / Maint | 315,575 |
| 70041099 | Class IV Equip Oper / Maint | 1,242,903 |
| 70061003 | Vehicle & Equipment Admin&Mgmt | 1,527,944 |
| 95061012 | Rental Expense San Pedro,MH | 31,879 |
| 95074001 | Capital Warranty Services | 112,197 |
| SS.5 Total | | 29,326,524 |

# SS Support Services

## SS.6 General Management & Administration

| Job Number | Project Name | Adopted FY 2018–19 Budget |
|---|---|---|
| 00041039 | Integrated Regional Water Mgmt | 186,659 |
| 00074033 | CIP Development & Admin | 1,474,229 |
| 00074038 | Capital Progrm Srvcs Admin | 5,968,058 |
| 26061012 | Safe Clean Water Implementatn | 782,527 |
| 60061018 | General Services Div Admin | 500,755 |
| 60101017 | CADD System Tech Support | 135,852 |
| 60131004 | Ofc of Chief Admin Officer | 814,751 |
| 60221003 | FPMD Administration | 498,251 |
| 62041027 | Integrated Wtr Resrce Mstr Pln | 1,353,826 |
| 62061001 | Watersheds Administration | 4,891,384 |
| 73271006 | Info Technology Div Admin | 877,771 |
| 95061038 | WUE Administration | 7,610,817 |
| 95741001 | Water Supply Planning | 1,216,580 |
| SS.6 Total | | 26,311,462 |

# SS Support Services

## SS.7 Salary Savings

| Job Number | Project Name | Adopted FY 2018–19 Budget |
|---|---|---|
| 26061004 | Districtwide Salary Savings-26 | (139,083) |
| 26064023 | Districtwide Salary Savings | (283,259) |
| 60061023 | Districtwide Salary Savings-11 | (1,166,751) |
| 60064023 | Districtwide Salary Savings | (96,739) |
| 62061002 | Districtwide Salary Savings-12 | (630,636) |
| 62064023 | Districtwide Salary Savings | (233,888) |
| 91061007 | Districtwide Salary Savings-61 | (1,401,905) |
| 95064011 | Districtwide Salary Savings-61 | (419,651) |
| SS.7 Total | | (4,371,912) |
| **SS Total** | | **127,774,253** |

# DS Debt Service

## DS.1 Debt Service

| Job Number | Project Name | Adopted FY 2018–19 Budget |
|---|---|---|
| 10993008 | 2017A COP Refunding LP WS | 3,362,476 |
| 20993007 | 2012A COP Refunding WV WS | 1,172,053 |
| 20993008 | 2017A COP Refunding WV WS | 683,857 |
| 26993001 | Commercial Paper Tax Exmpt SCW | 4,616,400 |
| 30993007 | 2012A COP Refunding Guad WS | 2,931,615 |
| 30993008 | 2017A COP Refunding Guad WS | 792,441 |
| 40993007 | 2012A COP Refunding Coyote WS | 1,216,286 |
| 40993008 | 2017A COP Refunding Coyote WS | 2,052,144 |
| 60993009 | 2017A COP Refunding GF | 476,094 |
| 95993007 | Commercial Paper Tax Exempt | 1,631,200 |
| 95993008 | Commercial Paper Taxable | 1,631,200 |
| 95993012 | 2006B WUE Refunding (Taxable) | 1,803,050 |
| 95993014 | 2007B WU Revenue COPs (Taxable) | 3,414,000 |
| 95993015 | 2016A WU Ref Rev Bond (Tax-Exempt) | 5,340,750 |
| 95993016 | 2016B WU Ref Rev Bond (Taxable) | 3,254,622 |
| 95993017 | WU COP 2016C (Tax-Exempt) | 5,057,650 |
| 95993018 | WU COP 2016D (Taxable) | 5,476,973 |
| 95993019 | WU Rev Bond 2017A (Tax Exempt) | 4,380,500 |
| 95993020 | WU Rev Bond 2018A ((Tax-Exempt) | 3,497,146 |
| 95993021 | WU Rev Bond 2018B (Taxable) | 4,253,679 |
| 95993022 | WU Rev Bond 2019A (Tax-Exempt) | 825,000 |
| 95993023 | WU Rev Bond 2019B (Taxable) | 1,060,000 |
| 95993024 | WU Rev Bond 2019C (Tax-Exempt) | 260,000 |
| DS.1 Total | | 59,189,136 |
| **DS Total** | | **59,189,136** |

# 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** | | **7,801,433** |
| OM 2.1.1.a. | Greater than 278,000 acre-feet of projected end-of-year groundwater storage in the Santa Clara Plain. | |
| OM 2.1.1.b. | Greater than 5,000 acre-feet of projected end-of-year groundwater storage in the Coyote Valley. | |
| OM 2.1.1.c. | Greater than 17,000 acre-feet of projected end-of-year groundwater storage in the Llagas Subbasin. | |
| OM 2.1.1.d. | 100% of subsidence index wells with groundwater levels above subsidence thresholds. | |
| OM 2.1.1.e. | At least 95% of countywide water supply wells meet primary drinking water standards. | |
| OM 2.1.1.f. | At least 90% of South County wells meet Basin Plan agricultural objectives. | |
| OM 2.1.1.g. | At least 90% of wells in both the shallow and principal aquifer zones have stable or decreasing concentrations of nitrate, chloride, and total dissolved solids. | |
| OM 2.1.1.h. | Reduce number of private well water users exposed to nitrate above drinking water standards by awarding 100% of eligible rebate requests for the installation of nitrate removal systems; a maximum of 1,000 rebates up to $702,000 through 2023. (SCW A2) | |
| 2.1.2. Protect, maintain, and develop local surface water. | | **28,862,116** |
| OM 2.1.2.a | 100% of local water identified in annual operations plan utilized to meet annual County water needs. | |
| OM 2.1.2.b. | 100% of required reports to the State Water Resources Control Board for District water rights permits and licenses submitted on time | |
| OM 2.1.2.c. | 100% of operational capacity restored at Almaden Reservoir by October 2016 | |
| OM 2.1.2.d. | 100% of operational capacity restored at Anderson Reservoir by November 2018 and provide portion of funds, up to $45 million, to help restore full operating capacity of 90,373 feet (SCW C1). | |
| OM 2.1.2.e. | 100% of operational capacity restored at Calero Reservoir by December 2019. | |
| OM 2.1.2.f. | 100% of operational capacity restored at Guadalupe Reservoir by December 2019. | |
| OM 2.1.2.g. | 100% of dams judged safe for continued use following all annual DSOD inspections. | |
| OM 2.1.2.h. | The petition to resolve 100% of the water rights licenses addressed in the FAHCE/Three Creeks Habitat Conservation Plan project is submitted to the State Water Resources Control Board by December 2015. | |
| 2.1.3. Protect, maintain, and develop imported water. | | **88,815,339** |
| 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. | | **15,499,099** |
| OM 2.1.4.a. | At least 10% of annual recycled water production as a percentage of total County water demands by 2025. | |
| 2.1.5. Maximize water use efficiency, water conservation, and demand management opportunities. | | **6,368,818** |
| OM 2.1.5.a. | At least 98,500 acre-feet of annual County-wide water conservation savings by 2030. | |
| OM 2.1.5.b | Award up to $1 million to test new conservation activities through 2023. (SCW A2) | |
| 2.1.6. Prepare for and respond effectively to water utility emergencies. | | **1,361,626** |

## 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 2.1.6.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 | | 148,708,431 |

## 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 | | 33,946,636 |
| OM 2.2.1.a. | 100% of annual maintenance work plans completed for all transmission and distribution facilities. | |
| OM 2.2.1.b. | Restore transmission pipelines to full operating capacity of 37 cubic feet per second from Anderson Reservoir by 2018. (SCW A1) | |
| OM 2.2.1.c. | Restore ability to deliver 20 cubic feet per second to Madrone Channel by 2018. (SCW A1) | |
| E2.2 Subtotal | | 33,946,636 |

## 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. | | 90,930,578 |
| 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) | |
| **2.3.2. Maintain effective relationships with the retailer and other stakeholders to ensure high quality,reliable drinking water.** | | 982,182 |
| OM 2.3.2.a. | 100% of retailers give an average rating of good to excellent on each of their individual annual treated water retailer surveys. | |
| OM 2.3.2.b. | Increase number of schools in Santa Clara County in compliance with State Education Code, Section 38086, and the Healthy Hunger-Free Kids Act, regarding access to drinking water by awarding 100% of eligible grant requests through 2023 for the installation of hydration stations; a maximum of 250 grants up to $245,000. (SCW A2) | |
| E2.3 Subtotal | | 91,912,760 |
| **E2 Budget Total** | | **274,567,826** |

E3 — Healthy and safe environment for residents, businesses, and visitors, as well as for future generations

# 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. | 51,507,511 |
|---|---|
| OM 3.1.1.a. | Approximately 31,500 parcels are protected and/or eligible for removal from the flood hazard zone as specified in the 5-year Capital Improvement Plan. |
| OM 3.1.1.b. | With federal and local funding, construct a flood protection project on Upper Penitencia Creek to provide 1 percent flood protection to 5,000 homes and public buildings by 2026. (SCW E4)) |
| OM 3.1.1.c. | With local funding only, acquire all necessary right-of-ways and construct a 1 percent flood protection project on Upper Penitencia Creek from Coyote Creek confluence to King Road by 2026. (SCW E4) |
| OM 3.1.1.d. | With federal and local funding, protect more than 3,000 parcels by providing 1 percent flood protection on San Francisquito Creek by 2020. (SCW E5) |
| OM 3.1.1.e. | With local funding only, protect approximately 3,000 parcels from flooding (100-year protection downstream of HWY 101, 50-year protection upstream of HWY 101) on San Francisquito Creek by 2020. (SCW E5) |
| OM 3.1.1.f. | With federal and local funding, provide flood protection to 1,100 homes, 500 businesses, and 1,300 agricultural acres, while improving stream habitat on Upper Llagas Creek by 2017. (SCW E6) |
| OM 3.1.1.g. | With local funding only, provide 100-year flood protection for Reach 7 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) |
| 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) |
| OM 3.1.1.i. | Provide portion of local share of funding toward estimated cost of initial project phase (Economic Impact Area 11) on the San Francisco Bay Shoreline by 2019. (SCW E7) |
| OM 3.1.1.j. | With federal and local funding, construct a flood protection project on Upper Guadalupe River to provide 1 percent flood protection to 6,280 homes, 320 businesses, and 10 schools and institutions by 2019. (SCW E8) |
| OM 3.1.1.k. | With local funding only, construct flood protection improvements along 4,100 feet of Guadalupe River between SPRR crossing, downstream of Willow Stet, to UPRR crossing, downstream of Padres Drive by 2019. Flood damage will be reduced however, protection from the 1 percent flood is not provided until completion of the entire Upper Guadalupe River Project. (SCW E8) |
| OM 3.1.1.l. | 100% of flood protection projects include multi-purpose objectives that enhance ecological functions, improve water quality, or provide for trails & open space. |
| OM 3.1.1.m. | Complete engineering studies on 7 creek reaches to address 1% flood risk by 2022. (SCW E3) |
| OM 3.1.1.n. | Update floodplain maps on a minimum of 2 creek reaches in accordance with new FEMA standards by 2022. (SCW E3) |
| 3.1.2. Preserve flood conveyance capacity and structural integrity of stream banks, while minimizing impacts on the environment and protecting habitat values. | 40,437,416 |
| OM 3.1.2.a. | 50% of assets are assessed and have their condition documented annually. |
| OM 3.1.2.b. | 100% of levees inspected and maintained annually. |
| OM 3.1.2.c. | Maintain 90 percent of improved channels at design capacity. (SCW E1) |
| OM 3.1.2.d. | Complete a minimum of 2900 acres of upland and in stream vegetation management in all watersheds annually |
| OM 3.1.2.e. | 100% of maintenance projects comply with the Stream Maintenance Program permit best management practices |

## 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 3.1.2.f. | 100% of stream bank erosion sites on District property are repaired that pose an imminent threat to public safety |
| OM 3.1.2.g. | Construct 3 geomorphic designed projects to restore stability and stream function by preventing incision and promoting sediment balance throughout the watershed by 2021. (SCW D6) |
| OM 3.1.2.h. | Provide vegetation management for 6,120 acres along levee and maintenance roads through 2028. (SCW E1) |
| OM 3.1.2.i. | Maintain a minimum of 300 acres of revegetation projects annually to meet regulatory requirements and conditions through 2028. (SCW D1) |
| **E3.1 Subtotal** | **91,944,927** |

## 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. | **7,242,980** |
| 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. | **1,021,790** |
| 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 | **4,908,928** |
| OM 3.2.3.a. | 40,000 filled sandbags stocked by Nov. 30th annually. |
| OM 3.2.3.b. | The ALERT Alarm program is maintained and tested 4 times annually for all watersheds. |
| OM 3.2.3.c. | Emergency Action Plans updated annually for all watersheds. |
| OM 3.2.3.d. | Two preparedness exercises conducted per year to respond to flood emergencies. |
| OM 3.2.3.e. | Maintain NOAA StormReady designation annually. |
| OM 3.2.3.f. | Conduct multi-jurisdiction Winter Emergency Operations and Preparedness Workshops annually. |
| OM 3.2.3.g. | Coordinate with agencies to incorporate District-endorsed flood emergency procedures into their Emergency Operations Center plans annually. (SCW E2) |
| OM 3.2.3.h | 90% of required employees receive required FEMA/CAL-EMA NIMS/SEMS training. |

## E3 Healthy and safe environment for residents, businesses, and visitors, as well as for future generations

### E3.2 Reduce potential for flood damages

| | | |
|---|---|---|
| OM 3.2.3.i. | Complete 5 flood-fighting action plans (one per major watershed) by 2028. (SCW E2) | |
| OM 3.2.3.j. | Map, install, and maintain gauging stations and computer software on seven flood-prone reaches to generate and disseminate flood warnings through 2023. (SCW C2) | |
| **E3.2 Subtotal** | | **13,173,698** |
| **E3 Budget Total** | | **105,118,625** |

## 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. | | **17,693,229** |
| OM 4.1.1.a. | Establish new or track existing ecological levels of service for streams in 5 watersheds by 2028. (SCW D5) | |
| OM 4.1.1.b. | Re-assess streams in 5 watersheds to determine if ecological levels of service are maintained or improved by 2028. (SCW D5) | |
| OM 4.1.1.c. | Fish tissue concentration of methyl mercury that meets Total Maximum Daily Load (TMDL) objectives (target = 1.5 ng total methyl mercury per liter water). | |
| OM 4.1.1.d. | Five watersheds meet all Stream Maintenance Program and other mitigation commitments including the management of 300 acres of existing revegetation plantings. | |
| OM 4.1.1.e. | Respond to requests on litter or graffiti cleanup within 5 working days through 2028. (SCW B6) | |
| OM 4.1.1.f. | 100% of pesticide products used in lowest toxicity category. | |
| OM 4.1.1.g. | Operate and maintain existing treatment systems in 4 reservoirs to remediate regulated contaminants, including mercury through 2028. (SCW B1) | |
| OM 4.1.1.h. | Prepare plan for the prioritization of pollution prevention and reduction activities by 2015. (SCW B1) | |
| OM 4.1.1.i. | Implement priority pollution prevention and reduction activities identified in the plan in 10 creeks through 2028. (SCW B1) | |
| OM 4.1.1.j. | Install at least 2, by 2014, and operate 4, through 2028, trash capture devices at stormwater outfalls in Santa Clara County. (SCW B2) | |
| OM 4.1.1.k. | Perform 52 annual clean-ups for the duration of the Safe, Clean Water program to reduce the amount of trash and pollutants entering the streams. (SCW B4, Illegal Encampments) | |
| OM 4.1.1.l. | Conduct 60 clean-up events (4 per year) through 2028. (SCW B6, Graffiti and Trash) | |
| OM 4.1.1.m. | Provide up to $8 million for the acquisition of property for the conservation of habitat lands, total through 2028. (SCW D7) | |
| 4.1.2. Improve watersheds, streams, and natural resources. | | **1,235,109** |
| OM 4.1.2.a. | Establish agreement with the US Fish and Wildlife Service to reuse sediment at locations to improve the success of Salt Pond restoration activities by 2017. (SCW D8) | |
| OM 4.1.2.b. | Update 3 creek hydrology models annually. | |
| OM 4.1.2.c. | Develop 5 Stream Corridor Priority Plans to prioritize stream restoration activities by 2028. (SCW D3) | |

# 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.d. | Revitalize at least 21 acres guided by the 5 Stream Corridor Priority Plans, through native plant revegetation and removal of invasive exotic species by 2028. (SCW D2) | |
| OM 4.1.2.e. | Provide funding for revitalization of at least 7 of 21 acres through community partnerships through 2028. (SCW D2) | |
| OM 4.1.2.f. | Develop at least 2 plant palettes for use on revegetation projects to support birds and other wildlife by 2017. (SCW D2) | |
| OM 4.1.2.g. | Complete planning and design for two creek/lake separations by 2019. (SCW D4) | |
| OM 4.1.2.h. | Construct one creek/lake separation project in partnership with local agencies by 2019. (SCW D4) | |
| OM 4.1.2.i. | Use $6 million for fish passage improvements through 2019. (SCW D4) | |
| OM 4.1.2.j. | Conduct study of all major steelhead streams in the County to identify priority locations for installation of large woody debris and gravel as appropriate by 2019. (SCW D4) | |
| OM 4.1.2.k. | Install large woody debris and/or gravel at a minimum of 5 sites (1 per each of 5 major watersheds) by 2019. (SCW D4) | |
| OM 4.1.2.l. | Construct site improvements up to $4 million to allow for transportation and placement of future sediment by 2017. (SCW D8) | |
| 4.1.3. | Promote the protection of creeks, bay, and other aquatic ecosystems from threats of pollution and degradation. | **2,635,771** |
| OM 4.1.3.a. | Three instream habitat features protected by 2017. | |
| OM 4.1.3.b. | Maintain partnership with cities and County to address surface water quality improvements through 2028. (SCW B2) | |
| OM 4.1.3.c. | Support 5 pollution prevention activities to improve surface water quality in Santa Clara County either independently or collaboratively with south county organizations through 2028. (SCW B2) | |
| OM 4.1.3.d. | Provide 7 grant cycles and 5 partnerships that follow pre-established competitive criteria related to preventing or removing pollution through 2028. (SCW B3) | |
| 4.1.4. | Engage and educate the community in the protection of water quality and stream stewardship. | **1,655,226** |
| OM 4.1.4.a. | 100% of Clean, Safe Creeks stewardship grant agreements are signed, according to schedule. | |
| OM 4.1.4.b. | Fund District support of annual National River Cleanup day, California Coastal Cleanup Day, the Great American Pick Up, and fund the Adopt-A-Creek Program through 2028. (SCW B7) | |
| OM 4.1.4.c. | Provide 7 grant cycles and 3 partnerships that follow pre-established competitive criteria related to cleanups, education and outreach, and stewardship activities through 2028. (SCW B7) | |
| 4.1.5. | Prepare and respond to emergencies that threaten local waterways. | **204,363** |
| OM 4.1.5.a. | Respond to 100% of hazardous materials reports requiring urgent on-site inspection in two hours or less through 2028. (SCW B5) | |
| 4.1.6. | To the extent within practicable control of the District, adopt a strategy to restore the salmonid fishery on identified salmonid streams within fifteen years of strategy adoption by creating suitable accessible spawning and rearing. | **994,756** |
| **E4.1 Subtotal** | | **24,418,454** |

# 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.** | | **3,147,756** |
| 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) | |
| E4.2 Subtotal | | 3,147,756 |

# E4

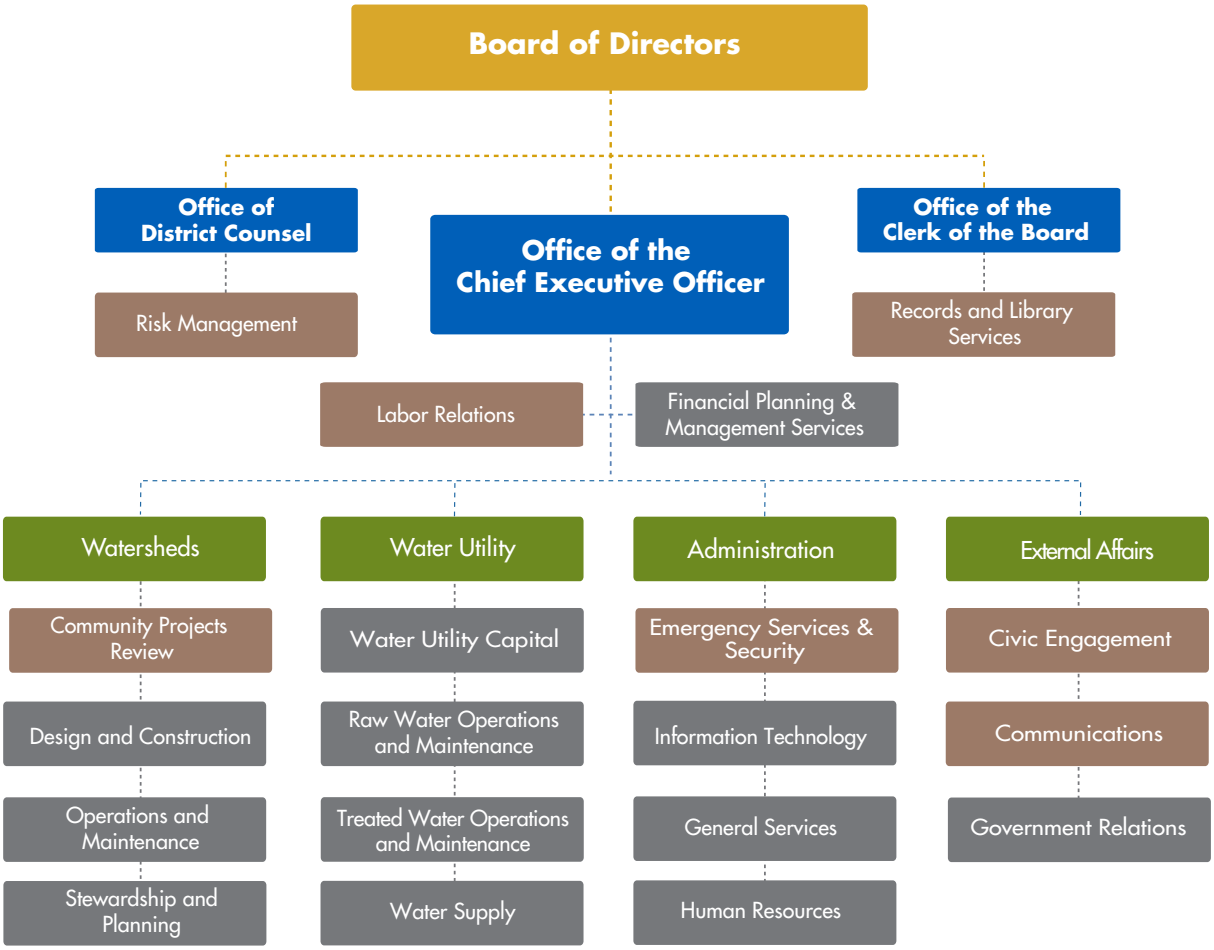
## Water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.

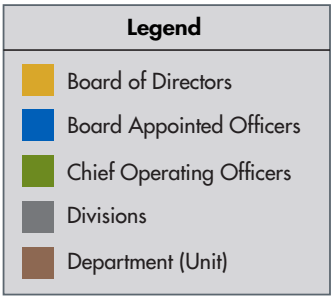
### E4.3 Strive for zero net greenhouse gas emission or carbon neutrality.

| | | |
|---|---|---|
| 4.3.1. Reduce greenhouse gas emissions to achieve carbon neutrality by 2020. | | 1,184,416 |
| OM 4.3.1.a. | Maintain California Green Business Certification. | |
| OM 4.3.1.b. | By 2020, the amount of District greenhouse gas emissions is equal to or less than carbon offsets as calculated by the District carbon offset methodology. | |
| **E4.3 Subtotal** | | **1,184,416** |
| **E4 Total** | | **28,750,627** |

# DIVISION SUMMARY

## District Organizational Chart



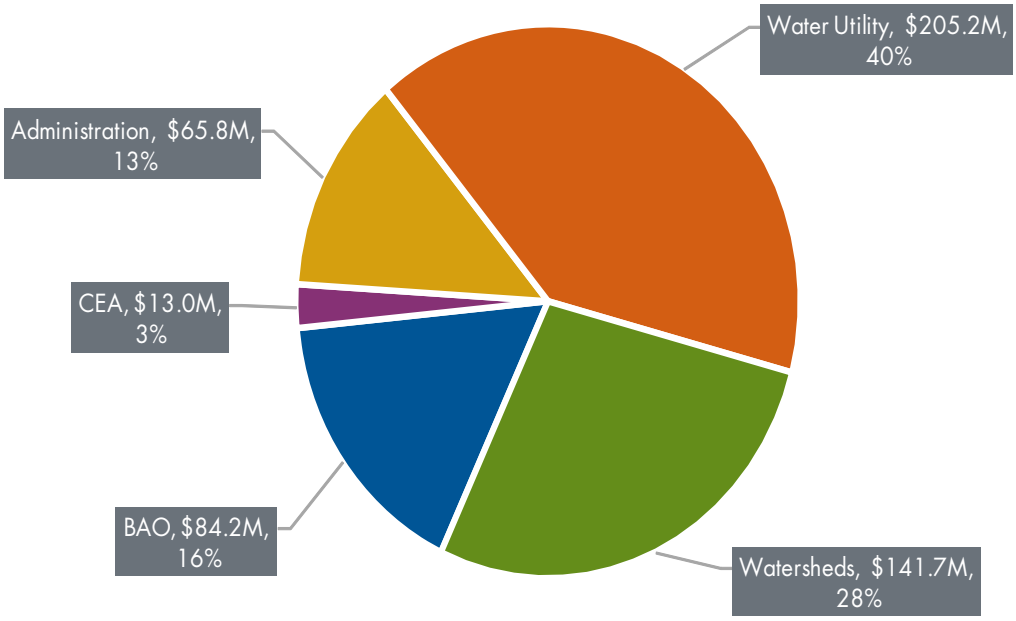
## Description

The Santa Clara Valley Water District utilizes a project-based budget to accurately appropriate budget to the various funds and assess precise water rates. The project-based budget is presented by ends outcomes and at the fund level in chapters 4 and 6.

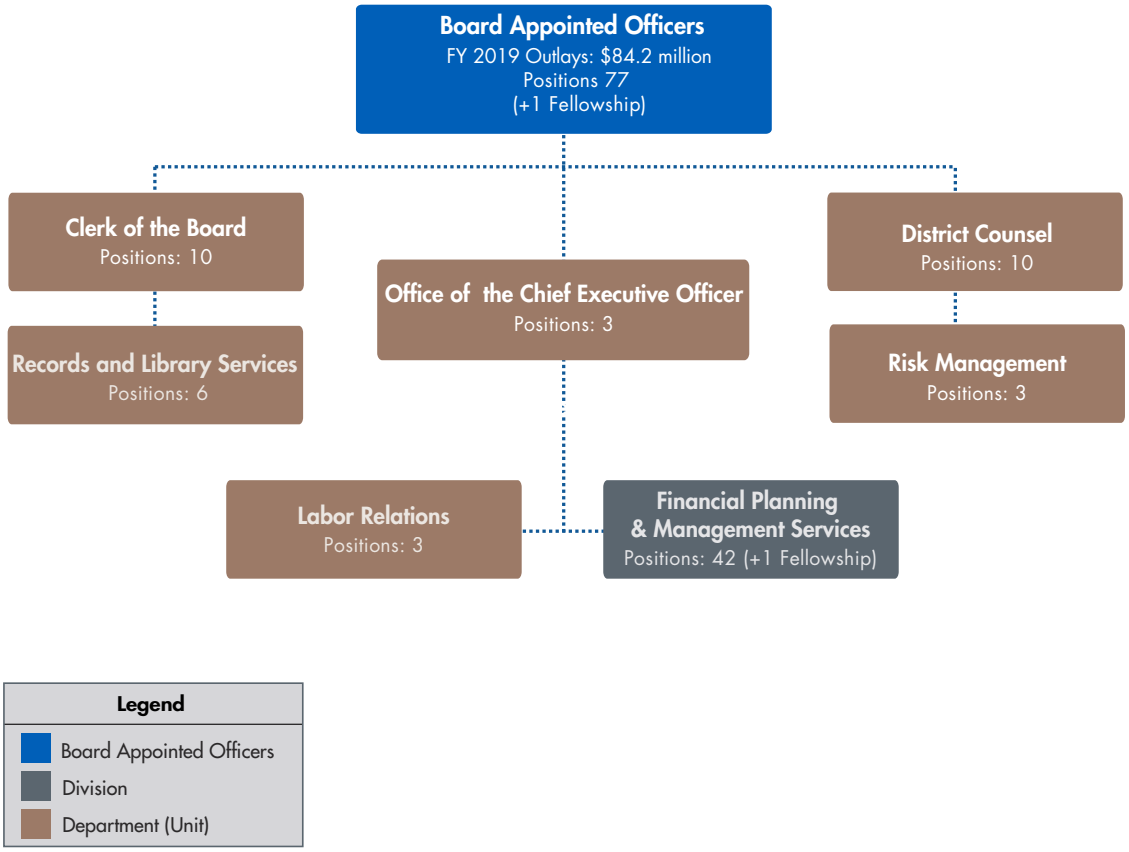
The Division Summary chapter is another way of looking at the District's budget. This chapter represents a functional view of the District displaying all expenses that are charged by the organization area, division, and department by project type and account category.

The first financial table that displays expenses by project type includes "Operations" capturing on-going costs and "Operating" capturing one-time, non-capital expenses. The chapter also includes authorized position counts for three fiscal years. Organization areas and their division and departments begin with an organization chart showing the FY 2019 budget and positions. Each area also has an overview of the services they provide, their objectives, accomplishments, and milestones.

**FY 2018-19 Adopted Budget Summary by Org Area, $509.9 Million**



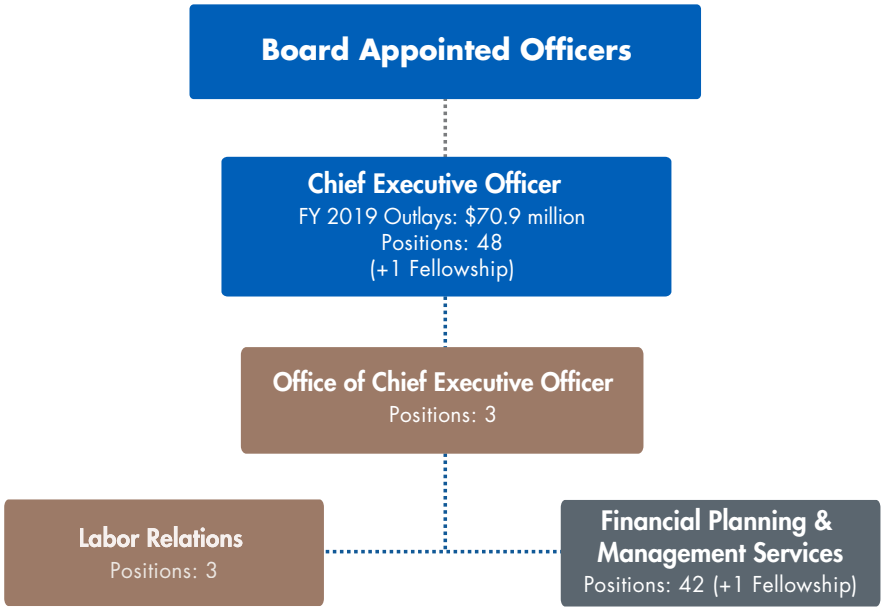
# Board Appointed Officers

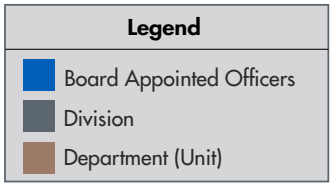



## Description

Board Appointed Officers (BAOs) support the mission of the Santa Clara Valley Water District, to provide Silicon Valley safe, clean water for a healthy life, environment, and economy through essential core services for the District, and include the Chief Executive Office, the District Counsel and the Clerk of the Board. The BAOs provide executive leadership of the District; support to the Board of Directors and ensure that the District efficiently implements the Board's Ends policies in conformance with Executive Limitations policies; high quality trustworthy and responsive legal counsel to the Santa Clara Valley Water District in a manner that creatively assists in accomplishing the District's mission; and maximize public access to the citizens of Santa Clara County in accordance with the State of California Ralph M. Brown Act.

# Office of the CEO




## Division Description and Objectives

The Office of the Chief Executive Officer (CEO) provides strategic direction and oversight to lead the District in implementing its mission and achieving its vision; fosters cooperative and collaborative working relationships with other government agencies, retailers, stakeholders, and the community; supports to the Board of Directors to ensure that the District meets the Board's Ends policies and complies with Boards' Executive Limitations Policies in a transparent, cost-effective, and efficient manner. The Office of CEO also oversees Labor Relations and the Financial Planning and Management Services Division.

### Labor Relations

Labor Relations promotes a proactive, and positive labor relations program, in compliance with legal mandates, negotiated agreements, and constructive management principles. Labor Relations represents District management in all matters involving labor relations. Labor Relations negotiates, interprets, applies, and enforces contracts and

regulations and acts as a resource in the areas of administrative policies and procedures.

## FY 2018 Accomplishments

During FY 2018, the Office of the CEO completed the following activities:

- Provided executive leadership to the District and support to the Board of Directors to ensure that the District meets the Board's Ends policies and complies with Boards' Executive Limitations Policies in a transparent, cost-effective, and efficient manner.
- Fostered cooperative and collaborative working relationships with other agencies. Examples include: Developing an Joint Emergency Action Plan with the City of San Jose, an MOU between the District and the City of Milpitas, and continuing to focus on critical projects outlined in the 2018 Board Priorities.
- Maintained transparency by sending out organization-wide communications regarding key Board decisions such as the California WaterFix and P3 Procurement. In addition to organization-wide communications, the Office of the CEO posts to the weekly CEO Corner on aqua.gov to keep staff informed through MLT and Chief's meeting summaries.
- Focused on Diversity and Inclusion efforts through the D&I Program's involvement in the FY19 summer internship program application vetting process during FY18 and quarterly District diversity updates to the Board. Additionally, per Board direction, established the Diversity and Inclusion Ad Hoc Committee.
- Served on Board for monthly Delta Habitat Conservation and Conveyance Program (DHCCP), State and Federal Contractors Water Agency (SFCWA) meetings, and California Urban Water Agencies (CUWA) bi-monthly meetings.
- Successfully negotiated a four-year contract (MOU) with all three bargaining units.
- On track for implementation of the District's Classification/Compensation Study results for the Engineers Society and the Employees Association.
- Negotiated process change with the bargaining units regarding new employee orientation per California State Assembly Bill 119.
- Provided access to 10 management workshops to District staff (approximately 100 attendees) through a partnership with Liebert Cassidy Whitmore.
- Negotiated process change with the bargaining units to implement paperless paychecks for the District.

## FY 2019 Milestones

- Ensure organizational fiscal accountability and transparency through June 2019.
- Maintain and ensure approved audit recommendations are fully implemented through June 2019.
- Ensure that a systematic workforce development and succession planning process is implemented by June 2019.
- Monitor and report on Diversity and Inclusion Program implementation by June 2019.
- Establish a process and receive half-yearly compliance status memo from Chiefs stating Executive Limitation policy compliance and identification of any known non-compliance issue with corrective action stated through June 2019.
- Report on labor relation issues at the Management-Leadership Team meetings (quarterly).
- Collaborate with Workforce Development Unit to develop training programs, as appropriate, by 6/30/19.
- Provide coaching and training to managers according to policies and MOU, as needed, by 6/30/19.

# Office of the CEO — Budget Summary

| Project Type (Category) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Operations | 2,258,785 | 2,377,378 | 1,666,720 | (710,658) | -30% |
| Operating | 3,836 | 0 | 0 | 0 | -30% |
| **Total** * | **2,262,620** | **2,377,378** | **1,666,720** | **(710,658)** | **-30%** |

| Department (Unit) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Office of Ethics & Corporate Governance | 1,298,628 | 860,341 | 0 | (860,341) | -100% |
| Labor Relations | 579,013 | 693,368 | 702,310 | 8,942 | 1% |
| Office of the CEO | 384,980 | 823,670 | 964,410 | 140,740 | 17% |
| **Total** * | **2,262,620** | **2,377,378** | **1,666,720** | **(710,658)** | **-30%** |

* Totals do not include intra-district reimbursement charges.

**Authorized Positions (excluding fellowships)**

| | | | | |
|---|---|---|---|---|
| Office of the CEO | 13 | 8 | 6 | (2)** |

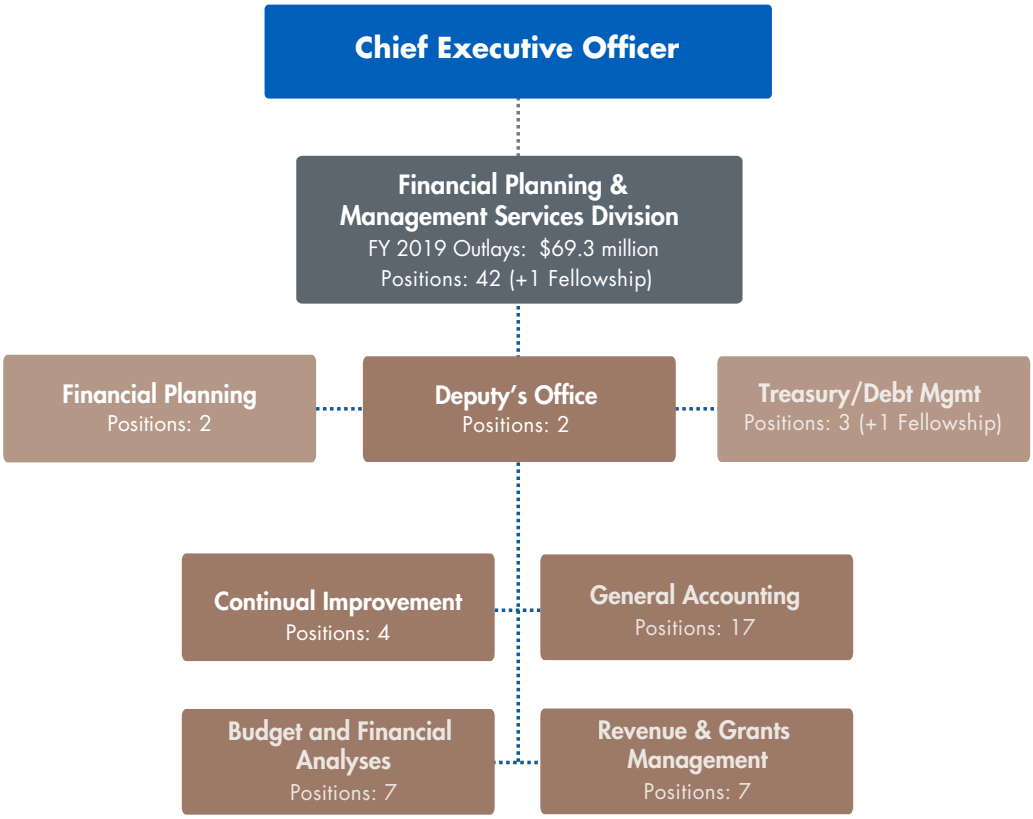
** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

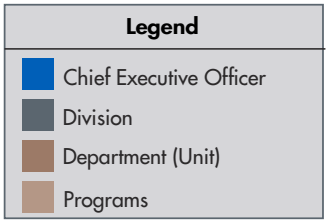
## Operations Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Office of the CEO** | | | | | |
| | Salaries & Benefits | 351,726 | 676,557 | 818,110 | 141,553 |
| | Direct Services | 1,746 | 2,000 | 2,000 | 0 |
| | Supplies | 1,221 | 1,300 | 1,300 | 0 |
| | Other Expenses | 30,286 | 143,813 | 143,000 | (813) |
| **Office of the CEO (102) Total** | | **384,980** | **823,670** | **964,410** | **140,740** |
| **Office of Ethics & Corporate Governance** | | | | | |
| | Salaries & Benefits | 897,787 | 612,491 | 0 | (612,491) |
| | Consultants | 244,879 | 235,000 | 0 | (235,000) |
| | Direct Services | 123,204 | 2,000 | 0 | (2,000) |
| | Supplies | 8,866 | 850 | 0 | (850) |
| | Other Expenses | 23,891 | 10,000 | 0 | (10,000) |
| **Office of Ethics & Corporate Governance (105) Total** | | **1,298,628** | **860,341** | **0** | **(860,341)** |
| **Labor Relations** | | | | | |
| | Salaries & Benefits | 548,044 | 604,205 | 647,410 | 43,205 |
| | Consultants | 5,165 | 40,000 | 40,000 | 0 |
| | Direct Services | 11,224 | 33,638 | 0 | (33,638) |
| | Supplies | 3,708 | 3,400 | 2,400 | (1,000) |
| | Other Expenses | 10,873 | 12,125 | 12,500 | 375 |
| **Labor Relations (917) Total** | | **579,013** | **693,368** | **702,310** | **8,942** |
| **Operations Total*** | | **2,262,620** | **2,377,378** | **1,666,720** | **(710,658)** |
| **Division Total*** | | **2,262,620** | **2,377,378** | **1,666,720** | **(710,658)** |

* Totals reflect the net budget and do not include intra-district reimbursement charges.

# Financial Planning and Management Services Division



## Division Description and Objectives

Under the direction of the Chief Financial Officer, the Financial Planning and Management Services Division (FPMSD) serves as a partner to assist other departments in achieving their objectives. The primary roles of FPMSD are to facilitate necessary financial transactions, provide analyses and recommendations on decisions brought forth by operations, establish controls that minimize financial risks, and drive change or improvements in business processes or practices in order to improve productivity.

### Treasury/Debt Management

Treasury manages the District-wide treasury and debt financing programs.

### Budget and Financial Analyses

Budget and Financial Analyses provides timely and accurate financial information and analyses throughout the year. The department captures the cost of the resources needed for managing, planning and implementing, District-wide processes that culminate with the production of the annual operating and capital budget document, provides District-wide financial analyses, and high level monitoring of financial results, and ensures that financial information provided to Board, the public, and staff is accurate, reliable and in accordance with District policy.

### Continual Improvement

Continual Improvement supports the CEO's ability to lead the organization and ensure the Board is informed and supported in its work, which is accomplished through multiple means of organizational performance monitoring. The Continual Improvement department carries out this support through the District's Quality and Environmental Management System, facilitating Board-commissioned, CEO-commissioned, and/or internal audits, and communicating monitoring data to the Board on the status of achieving its Ends Policies.

### General Accounting

This department includes the areas of General Ledger, Accounts Payable, Payroll, and Accounting Systems. The General Ledger area focuses on accounting and financial reporting in compliance with laws, regulations, District policies and accounting professional standards. Accounts Payable is charged with processing payment disbursements to the District's contractors, consultants, and vendors, administering petty cash, and filing payment documents. Payroll processes the bi-weekly payroll, employee benefits accounting, payroll tax withholdings and submission of Federal and State reporting requirements. Accounting Systems provides for the maintenance and security of the processes and information within the enterprise resource planning software.

### Revenue and Grants Management

This department collects water revenue and property taxes/assessments for the District. Water revenue is comprised of charges for treated, ground, recycled and surface water usage. Property taxes/assessments collected are the voter-approved Safe Clean Water Special Tax, Flood Control Benefit Assessment, and State Water Project levy, and the allocated share of countywide 1% ad valorem property tax receipts. Grants Management manages the application for and administration of local, state and federal grants and cost-sharing agreements for capital projects.

**Financial Planning**

This team prepares and manages long term financial plans and forecasts and drives the groundwater production charge setting process, which includes the preparation of the annual report on the Protection and Augmentation of Water Supplies (PAWS).

## FY 2018 Accomplishments

- Assisted with implementing the progressive public-private partnership (P3) project delivery method for the Expedited Purified Water Program and developed the draft P3 Term sheet (ongoing activity)
- Assisted with issuing the Request for Qualification and selected qualified Proposers for the P3 in May 2018
- Met all debt compliance legal requirements such as the Annual Continuing Disclosure filing on EMMA as required by the Securities Exchange Commission, and California State Treasurer's Annual Debt Transparency Report
- Extended municipal financial advisory contract with PRAG to December 31, 2025 (approved by the Board on March 21, 2018).
- Implemented the Socially Responsible Investment Policy, Wells Fargo Bank Suspension to September 2018 (approved by the Board on Dec 12, 2017)
- Renewed the Bank of Tokyo Letter of Credit in the amount of $150M, effective 2/12/2018 – 2/11/2019 to support the Commercial Paper Program
- Completed 47th annual PAWS report and well owner notices mailed on 2/23/18
- Upgraded its ISO certification to the new ISO 9001:2015 and ISO 14001:2015 requirements. The ISO Program also remained on-track through regular internal audits, monthly management review of CPARs, and District-wide communications
- Initiated and conducted Risk Assessments of operations to plan future audits for Board consideration and direction
- Monitored organizational performance through the quarterly reporting of the achievement of Ends policies
- Received GFOA distinguished budget award for the FY2018 budget document
- Finalized the FY 2016-17 Comprehensive Annual Financial Report in accordance with the Governmental Finance Officers Association standards for excellence
- Continued to grow the accounts for the low income senior exemption for the Safe, Clean Water special parcel tax by having the county include our information on every single tax bill
- Grants Management assisted in the awarding of FEMA funding for Steven's Creek Erosion Repair and Pope/ Chaucer Street Bridge Replacement Flood Mitigation projects of approximately $5M

## FY 2019 Milestones

**Below are the major milestones for Financial Planning and Management Division's staff:**

- Manage $500M investment portfolio, $877M debt portfolio, and provide financial analysis support for California Water Fix, as well as other District-wide capital projects including the public-private-partnership for the $600M+ Expedited Purified Water Program
- Complete Water Utility bond issuance (Series 2018A/B) to refund outstanding Commercial Paper -expected closing date in September 2018

- Timely and accurate billing of water revenue and the appropriate application of property taxes
- Completion of the 48th annual Protection and Augmentation of Water Supplies report and mail well owner notices
- Completion of the FY 2017-18 Comprehensive Annual Financial Report
- Ensure summary budget document is ready for Board adoption on or prior to June 30th
- Review and refine process and procedures for planning, coordinating, and monitoring of CEO and Board-commissioned audits and organizational performance reporting
- Prepare and submit quarterly Ends Policy Performance Reports to the Board through June 30, 2019
- Commence ERP Upgrade Project in 2nd quarter
- Completion of Water Utility Fixed Charge Implementation Study

# Financial Planning and Management Services Division — Budget Summary

| Project Type (Category) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Operations | 9,064,841 | 8,735,657 | 9,263,250 | 527,593 | 6% |
| Operating | 7,155 | 0 | 0 | 0 | 6% |
| Debt Service | 34,820,132 | 49,750,357 | 59,189,136 | 9,438,779 | 19% |
| Capital | 299,723 | 387,232 | 825,272 | 438,040 | 113% |
| **Total** * | **44,191,851** | **58,873,246** | **69,277,659** | **10,404,412** | **18%** |

| Department (Unit) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Office of CFO | 36,355,576 | 51,341,535 | 61,713,724 | 10,372,189 | 20% |
| Continual Improvement | 1,950,854 | 904,816 | 1,036,746 | 131,930 | 15% |
| Budget & Financial Analyses | 1,469,210 | 1,844,633 | 1,697,785 | (146,848) | -8% |
| General Accounting | 2,833,314 | 3,057,723 | 3,386,714 | 328,991 | 11% |
| Revenue and Grants Management | 1,582,896 | 1,724,539 | 1,442,690 | (281,849) | -16% |
| **Total** * | **44,191,851** | **58,873,246** | **69,277,659** | **10,404,412** | **18%** |

* Totals do not include intra-district reimbursement charges.

**Authorized Positions (excluding fellowships)**

| | | | | |
|---|---|---|---|---|
| Financial Planning and Management Division | 42 | 43 | 42 | (1)** |

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

## Operations Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Office of CFO** | | | | | |
| | Salaries & Benefits | 1,280,236 | 1,322,563 | 1,515,385 | 192,823 |
| | Consultants | 20,595 | 0 | 0 | 0 |
| | Direct Services | 115,020 | 143,001 | 854,080 | 711,079 |
| | Supplies | 887 | 5,300 | 5,500 | 200 |
| | Other Expenses | 3,732 | 8,110 | 20,650 | 12,540 |
| **Office of CFO (106) Total** | | **1,420,470** | **1,478,974** | **2,395,615** | **916,642** |
| **Continual Improvement** | | | | | |
| | Salaries & Benefits | 912,185 | 798,516 | 856,507 | 57,991 |
| | Consultants | 20,000 | 25,000 | 164,000 | 139,000 |
| | Direct Services | 22,862 | 62,700 | 2,700 | (60,000) |
| | Supplies | 4,776 | 6,400 | 6,400 | 0 |
| | Other Expenses | 640,400 | 12,200 | 7,139 | (5,061) |
| | Cost Sharing & Rebates | 350,000 | 0 | 0 | 0 |
| **Continual Improvement (120) Total** | | **1,950,223** | **904,816** | **1,036,746** | **131,930** |
| **Budget & Financial Analyses** | | | | | |
| | Salaries & Benefits | 1,224,231 | 1,369,994 | 1,413,237 | 43,242 |
| | Consultants | 37,935 | 210,000 | 55,000 | (155,000) |
| | Direct Services | 41,408 | 180,800 | 120,000 | (60,800) |
| | Supplies | 994 | 0 | 0 | 0 |
| | Other Expenses | 7,799 | 32,200 | 15,300 | (16,900) |
| **Budget & Financial Analyses (606) Total** | | **1,312,368** | **1,792,994** | **1,603,537** | **(189,458)** |
| **General Accounting** | | | | | |
| | Salaries & Benefits | 2,705,302 | 2,701,309 | 2,616,913 | (84,396) |
| | Consultants | 2,270 | 1,600 | 1,600 | 0 |
| | Direct Services | 80,162 | 106,600 | 140,500 | 33,900 |
| | Supplies | 9,794 | 8,500 | 9,200 | 700 |
| | Other Expenses | 8,509 | 16,325 | 16,450 | 125 |
| **General Accounting (673) Total** | | **2,806,039** | **2,834,334** | **2,784,663** | **(49,671)** |
| **Revenue and Grants Management** | | | | | |
| | Salaries & Benefits | 1,418,904 | 1,420,539 | 1,258,290 | (162,249) |
| | Consultants | 14,568 | 9,600 | 10,000 | 400 |
| | Direct Services | 137,803 | 287,400 | 164,400 | (123,000) |
| | Supplies | 10,077 | 2,000 | 5,000 | 3,000 |
| | Other Expenses | 1,545 | 5,000 | 5,000 | 0 |
| **Revenue and Grants Management (683) Total** | | **1,582,896** | **1,724,539** | **1,442,690** | **(281,849)** |
| **Operations Total*** | | **9,071,996** | **8,735,657** | **9,263,250** | **527,593** |

## Debt Service Budget by Department and Account Category

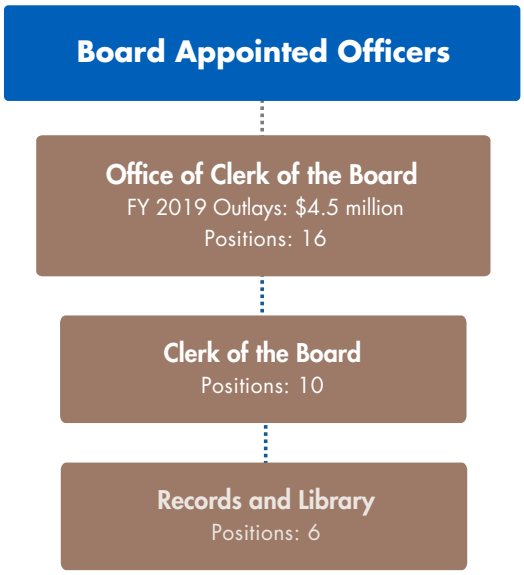
| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Office of CFO** | | | | | |
| | **Consultants** | 170,402 | 200,000 | 203,429 | 3,429 |
| | **Direct Services** | 817,682 | 1,998,870 | 3,038,530 | 1,039,660 |
| | **Other Expenses** | 1,823 | 0 | 0 | 0 |
| | **Debt** | 33,830,226 | 47,551,487 | 55,947,177 | 8,395,690 |
| **Office of CFO (106) Total** | | **34,820,132** | **49,750,357** | **59,189,136** | **9,438,779** |
| **Debt Service Total*** | | **34,820,132** | **49,750,357** | **59,189,136** | **9,438,779** |

## Capital Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Office of CFO** | | | | | |
| | **Salaries & Benefits** | 78,203 | 112,205 | 128,973 | 16,768 |
| | **Consultants** | 14,010 | 0 | 0 | 0 |
| | **Direct Services** | 22,050 | 0 | 0 | 0 |
| | **Other Expenses** | 711 | 0 | 0 | 0 |
| **Office of CFO (106) Total** | | **114,974** | **112,205** | **128,973** | **16,768** |
| **Continual Improvement** | | | | | |
| | **Salaries & Benefits** | 631 | 0 | 0 | 0 |
| **Continual Improvement (120) Total** | | **631** | **0** | **0** | **0** |
| **Budget & Financial Analyses** | | | | | |
| | **Salaries & Benefits** | 156,842 | 51,639 | 94,248 | 42,610 |
| **Budget & Financial Analyses (606) Total** | | **156,842** | **51,639** | **94,248** | **42,610** |
| **General Accounting** | | | | | |
| | **Salaries & Benefits** | 26,285 | 223,389 | 602,051 | 378,662 |
| | **Other Expenses** | 990 | 0 | 0 | 0 |
| **General Accounting (673) Total** | | **27,275** | **223,389** | **602,051** | **378,662** |
| **Capital Total*** | | **299,723** | **387,232** | **825,272** | **438,040** |
| **Division Total*** | | **44,191,851** | **58,873,246** | **69,277,659** | **10,404,412** |

* Totals reflect the net budget and do not include intra-district reimbursement charges.

# Office of Clerk of the Board



## Division Description and Objectives

The Office of the Clerk of the Board (COB) directly supports the work of the District'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 Advisory, Ad Hoc and Joint Committees with other public agencies, the Safe, Clean Water and Natural Flood Protection Program's Independent Monitoring Committee, Board Appointed Officers, and District staff.

The Office of the Clerk of the Board facilitates the public's access to Board information, including Board and 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 District 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 Office of the Clerk of the Board also oversees Records & Library Services.

### Records & Library Services

Records & Library Services Unit provides: the administration of the Records Management Center and the District

Library (including secure storage, retrieval, and proper disposition of District's records and reference materials), administration of the District's Records Management Program, and the provision of District's responses to legal demands for records.

## FY 2018 Accomplishments

During FY18, the COB completed the following activities.

- Successfully managed over 40 Regular and Special Board Meeting in accordance with the District Act, Board Policies, and the Ralph M. Brown Act.
- Successfully managed over 70 Board Committee Meetings in accordance with Board Policies and the Ralph M. Brown Act.
- Successfully scheduled over 1100 meetings for individual Directors.
- Coordinated the Groundwater Production and Surface Water Charge protest and verification process.
- Tracked, monitored and reported on the registration of external lobbyists in accordance with Ordinance 10-01.
- Assigned tracked and monitored approximately 400 Board Correspondences.
- Assigned and tracked approximately 25 Board Member Requests and 10 Individual Board Member Request in accordance with Board Governance Policy EL-2.6.
- Processed approximately 300 requests for records services from District staff.
- Responded to approximately 400 requests for access to or copies of District records from members of the public.
- Processed approximately 1000 Engineering drawings and 200-300 boxes of records.
- Supported the redesign of the external website with user search behavior analysis, the development of the "Popular Documents and Data" resource, and enhanced metadata development.
- Supported the redesign and upgrade of our Engineering Drawings Management System

## FY 2019 Milestones

- Schedule presentation of Board Advisory Committee Accomplishment Reports to the Board of Directors by February 2019.
- Coordinate the Groundwater Production Charge protest and verification process to be completed no later than May 2019.
- Provide Board of Directors with a report of registered external lobbyists by August 2018 and February 2019.
- Coordinate and consolidate with County Registrar of Voters office to conduct District Elections in November 2018, for Districts 1, 4, 6, and 7.
- Assign, track and monitor Board Member Requests, responses and staff performance to ensure compliance with Governance Policy EL-7.9.
- Assign, track and monitor Board Correspondence to ensure compliance with Governance Policy EL-2.6.
- Post Board and Board Committee meeting agendas in accordance with District Act, Board Governance Policies and the Ralph M. Brown Act with 100% compliance.
- Review inventory and policies annually to ensure appropriate disposition of records by June 30.

# Office of Clerk of the Board — Budget Summary

| Project Type (Category) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Operations | 3,111,798 | 3,187,819 | 4,506,659 | 1,318,840 | 41% |
| Operating | 35,373 | 0 | 0 | 0 | 41% |
| Capital | 0 | 17,450 | 0 | (17,450) | -100% |
| **Total** * | **3,147,171** | **3,205,269** | **4,506,659** | **1,301,390** | **41%** |

| Department (Unit) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Office of Clerk of the Board | 2,205,759 | 2,138,506 | 3,368,562 | 1,230,056 | 58% |
| Records and Library Services | 941,412 | 1,066,763 | 1,138,097 | 71,334 | 7% |
| **Total** * | **3,147,171** | **3,205,269** | **4,506,659** | **1,301,390** | **41%** |

* Totals do not include intra-district reimbursement charges.

**Authorized Positions (excluding fellowships)**

| | | | | |
|---|---|---|---|---|
| Office of Clerk of the Board | 14 | 16 | 16 | 0** |

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

## Operations Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Office of Clerk of the Board** | | | | | |
| | Salaries & Benefits | 1,509,806 | 1,649,471 | 1,776,061 | 126,590 |
| | Consultants | 3,109 | 3,000 | 3,000 | 0 |
| | Direct Services | 5,414 | 74,250 | 79,250 | 5,000 |
| | Supplies | 3,177 | 5,300 | 5,300 | 0 |
| | Other Expenses | 684,254 | 406,485 | 1,504,951 | 1,098,466 |
| **Office of Clerk of the Board (604) Total** | | **2,205,759** | **2,138,506** | **3,368,562** | **1,230,056** |
| **Records and Library Services** | | | | | |
| | Salaries & Benefits | 807,242 | 920,753 | 998,897 | 78,144 |
| | Consultants | 184 | 0 | 0 | 0 |
| | Direct Services | 101,100 | 92,760 | 102,500 | 9,740 |
| | Supplies | 31,810 | 33,300 | 31,500 | (1,800) |
| | Other Expenses | 1,076 | 2,500 | 5,200 | 2,700 |
| **Records and Library Services (765) Total** | | **941,412** | **1,049,313** | **1,138,097** | **88,784** |
| **Operations Total*** | | **3,147,171** | **3,187,819** | **4,506,659** | **1,318,840** |

## Capital Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Records and Library Services** | | | | | |
| | Salaries & Benefits | 0 | 17,450 | 0 | (17,450) |
| **Records and Library Services (765) Total** | | **0** | **17,450** | **0** | **(17,450)** |
| **Capital Total*** | | **0** | **17,450** | **0** | **(17,450)** |
| **Division Total*** | | **3,147,171** | **3,205,269** | **4,506,659** | **1,301,390** |

* Totals reflect the net budget and do not include intra-district reimbursement charges.

# Office of District Counsel

## Division Description and Objectives

The District Counsel provides for professional, timely, and strategic legal advice to and representation of the District and its officers and employees, and, for the management of the legal services and the related risk management functions. It includes both internal legal services and management of the external legal services provided to the District. The District Counsel also oversees the Risk Management Administration.

### Risk Management

The mission of Risk Management is to protect assets by identifying and evaluating loss exposures and applying effective risk management techniques to reduce or eliminate risk. Specifically, the department is tasked with management of the District's Workers Compensation program and risk retention (self-insurance) and risk transfer (insurance) programs to cost-effectively maximize coverage and to comply with Board Governance policies.

## FY 2018 Accomplishments

During FY 2018, the Office of District Counsel completed the following activities:

- Provided timely legal advice to the District, the District Board, officers, and employees
- Provided representation to the District relating to annual groundwater production charges
- Provided environmental legal advice and representation as to the FAHCE complaint
- Provided legal advice regarding imported water matters including water transfer agreements and litigation
- Provided legal advice to the District regarding on-going capital projects
- Provided legal advice to the Human Resources Division regarding on-going personnel and labor relations matters
- Administered the Workers Compensation program in a manner that increased employee awareness of potential dangers and sought to reduce employee injuries and accidents
- Administered the Liability and Property programs in a manner that provided prompt and fair adjustment of claims and losses
- Managed safety, ergonomics and industrial hygiene programs in compliance with regulatory requirements and industry best practices

## FY 2019 Milestones

- Provide quarterly Executive Monitoring Report (current litigation) to the Board of Directors
- Placement of Workers Compensation Insurance Policy by February 2019
- Provide Public Self Insurer's Annual Report for prior fiscal year by October 1, 2018
- Post Cal/OSHA Log 300 February 1 through April 30, 2019
- Interface with TPA and state governmental entities to ensure District compliance with new medical set-aside regulations
- Secure Non-Owned Aircraft Policy by February 1, 2019
- Secure Crime Policy by April 1, 2019
- Secure 1st, 2nd, and 3rd Excess Liability Policies by May 1, 2019
- Secure Cyber Liability Policy by June 1, 2019; Secure Property Insurance Policy by June 30; Review all policies for coverage and accuracy by June 30 2019
- Provide support for activity with TPA and track costs for Presidents Day Flood

# Office of District Counsel — Budget Summary

| Project Type (Category) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Operations | 4,615,184 | 6,849,534 | 7,331,263 | 481,729 | 7% |
| Operating | 344,908 | 2,350,000 | 500,000 | (1,850,000) | -79% |
| Capital | 231,535 | 165,967 | 883,124 | 717,157 | 432% |
| **Total** * | **5,191,627** | **9,365,501** | **8,714,387** | **(651,114)** | **-7%** |

| Department (Unit) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Risk Management | 2,113,489 | 5,288,844 | 3,761,247 | (1,527,597) | -29% |
| Office of District Counsel | 3,078,138 | 4,076,657 | 4,953,141 | 876,484 | 22% |
| **Total** * | **5,191,627** | **9,365,501** | **8,714,387** | **(651,114)** | **-7%** |

* Totals do not include intra-district reimbursement charges.

**Authorized Positions (excluding fellowships)**

| | | | | |
|---|---|---|---|---|
| Office of District Counsel | 13 | 13 | 13 | 0** |

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

## Operations Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Office of District Counsel** | | | | | |
| | Salaries & Benefits | 2,530,549 | 2,471,200 | 2,550,817 | 79,616 |
| | Consultants | 254,647 | 1,360,000 | 1,440,000 | 80,000 |
| | Direct Services | 5,093 | 500 | 3,500 | 3,000 |
| | Supplies | 32,836 | 39,500 | 35,500 | (4,000) |
| | Other Expenses | 23,519 | 39,490 | 40,200 | 710 |
| **Office of District Counsel (112) Total** | | **2,846,644** | **3,910,690** | **4,070,017** | **159,326** |
| **Risk Management** | | | | | |
| | Salaries & Benefits | 675,399 | 592,024 | 627,697 | 35,673 |
| | Consultants | 479,519 | 1,935,290 | 1,437,000 | (498,290) |
| | Direct Services | 7,396 | 72,080 | 81,100 | 9,020 |
| | Supplies | 2,400 | 2,700 | 2,700 | 0 |
| | Other Expenses | 948,734 | 2,686,750 | 1,612,750 | (1,074,000) |
| **Risk Management (113) Total** | | **2,113,448** | **5,288,844** | **3,761,247** | **(1,527,597)** |
| **Operations Total*** | | **4,960,092** | **9,199,534** | **7,831,263** | **(1,368,271)** |

## Capital Budget by Department and Account Category

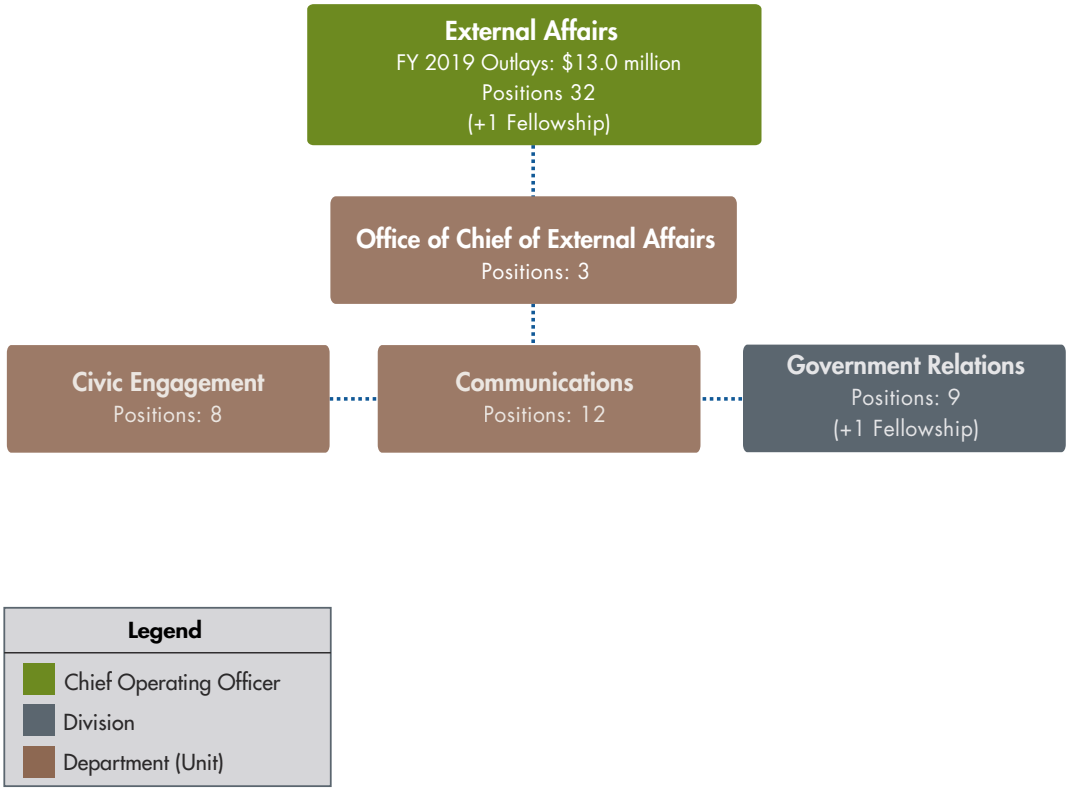
| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Office of District Counsel** | | | | | |
| | Salaries & Benefits | 0 | 21,967 | 49,124 | 27,157 |
| | Consultants | 231,494 | 144,000 | 834,000 | 690,000 |
| **Office of District Counsel (112) Total** | | **231,494** | **165,967** | **883,124** | **717,157** |
| **Risk Management** | | | | | |
| | Salaries & Benefits | 41 | 0 | 0 | 0 |
| **Risk Management (113) Total** | | **41** | **0** | **0** | **0** |
| **Capital Total*** | | **231,535** | **165,967** | **883,124** | **717,157** |
| **Division Total*** | | **5,191,627** | **9,365,501** | **8,714,387** | **(651,114)** |

* Totals reflect the net budget and do not include intra-district reimbursement charges.

## External Affairs

External Affairs is responsible for programs that increase community awareness and engagement about District programs, projects, and challenges. External Affairs provides the strategic planning and integration of external policies and legislation as it relates to the business interests of the District and is responsible for managing the District's relationships with the community, government officials, the media, and other key stakeholders.

# Office of Chief of External Affairs




## Division Description and Objectives

The Office of External Affairs provides management and strategic planning oversight and integration of the Office of Communication, Office of Civic Engagement and Office of Government Relations. The Division is responsible for leading the efforts in developing the strategy and execution of internal and external communications to the media, community, and the public; and community engagement in the areas of education, volunteerism, and through grant programs. In addition, External Affairs leads all government relations efforts in local, regional, state, and federal levels, and is responsible for keeping the CEO, the Board and other District staff informed of public policies that directly affect operations.

### Office of Civic Engagement

The Office of Civic Engagement partners with the community through grants, volunteer opportunities, and educational activities, including staffing a board-appointed advisory youth commission, to raise public awareness and interest in water management resource issues, water pollution prevention, water conservation and build understanding, trust and support of the District's goals and mission.

### Office of Government Relations

Government Relations serves as the internal and external connection for legislation, development of strategic support and opposition, and supplemental funding opportunities for the District.

### Office of Communications

Communications informs, engages and educates the community and District employees about water supply and quality, flood protection and stream stewardship issues.

## FY 2018 Accomplishments

During FY 2018, External Affairs completed the following activities:

- Youth Commission: Launched new Board Advisory Youth Commission and received over 100 applications from eager high school students throughout the county. Board appointed 21-youth to the commission.
- Creek Stewardship: Through the Creek Cleanup Stewardship programs, volunteers gave a total of 13,116 hours of their time and helped to remove 101,092 pounds of trash from over 133 miles of creeks in Santa Clara County, which included the Coyote Creek Cleanup in September 2017. Volunteers were recognized for all their efforts in the first Volunteer Recognition Event in August 2017.
- Safe, Clean Water Grants & Partnership: District awarded over $1.5 million in grants and partnerships under the Safe, Clean Water program to support cleanup, outreach, pollution prevention, and access to new trails and open space, including launching a successful new mini-grants program to help fund small scale projects throughout the county.
- First Lego League: supported requests from over 125 First Lego League teams by providing tours of district facilities, research support and presentation panels with access to water experts to support their "Hydrodynamics" research; reached over 500 students and parent coaches.
- Media relations highlights included a successful media tour of invasive plant removal and a news conference commemorating the one-year anniversary of the Coyote Creek flood.
- The external website redesign was launched in January 2018.
- The annual flood awareness campaign was launched and the annual flood plain mailer, in four languages, was delivered.
- Over 4,600 groundwater and surface water mailers were sent at the end of February 2018.
- Worked with Senator Dianne Feinstein, Senator Kamala Harris, and others in the County's Congressional delegation to advocate for the South San Francisco Bay Shoreline Project to receive a Construction New Start Authorization.
- Worked with the County's Congressional delegation to advocate for the South San Francisco Bay Shoreline Project to receive a Construction New Start Authorization, and to advocate for the Fiscal Year 2017 and 2018 funding needs for the District's flood protection projects, including funding for a Coyote Creek study.
- The District secured passage of the District-sponsored bill AB 851 (Caballero) which expands the District's authorization to use design-build contracting.
- Educated, engaged, and advanced support for the Board's and District's priorities with communities across Santa Clara County by facilitating District participation in two dozen community events and sponsorship of over 50 community events that have a nexus to and advance the District's mission, vision, and goals.

## FY 2019 Milestones

In addition to division-wide administrative milestones, External Affairs has the following FY 2019 milestones:

- Meeting 100% of the 5-year implementation plan for SCW grants program.
- Development of a District-wide Volunteer Project and Coordinate and implement organized creek stewardship projects (Adopt-A-Creek, National River Cleanup, Coastal Clean-Up Day).
- Reach at least 10,000 students per fiscal year through hands on lessons, field trips, and tours.
- Water conservation campaign is launched by May 2019.
- During the flood awareness campaign, flood tips and resources webpages are viewed at least 20,000 times.
- Achieve at least 250,000 social media impressions, 5,000 engagements and 2,000 link clicks per quarter.
- Advance District-sponsored legislation (including SB 881, SB 1301, and AB 1889).
- Secure federal funding for District flood protection and water supply projects through the FY 18 Work Plan and FY 19 budget process.
- Advance key District projects through advocacy efforts focused on, among others, the Pacheco Reservoir Expansion Project, the Shoreline Project, and the Coyote Creek Feasibility Study.
- Educate, engage, and advance support for the Board's and District's priorities with communities across Santa Clara County by facilitating District participation in and sponsorship of community events.

# Office of Chief of External Affairs — Budget Summary

| Project Type (Category) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Operations | 6,638,792 | 9,716,480 | 12,674,906 | 2,958,426 | 30% |
| Operating | 40,876 | 3,679 | 2,138 | (1,541) | -42% |
| Capital | 316,523 | 239,336 | 310,918 | 71,582 | 30% |
| **Total** * | **6,996,191** | **9,959,496** | **12,987,962** | **3,028,467** | **30%** |

| Department (Unit) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Government Relations | 2,645,536 | 2,779,270 | 3,126,631 | 347,361 | 12% |
| Civic Engagement | 285,032 | 3,182,968 | 5,381,249 | 2,198,281 | 69% |
| Office of Chief of External Affairs | 52,728 | 590,099 | 837,741 | 247,643 | 42% |
| District Communications | 4,012,895 | 3,407,159 | 3,642,341 | 235,183 | 7% |
| **Total** * | **6,996,191** | **9,959,496** | **12,987,962** | **3,028,467** | **30%** |

* Totals do not include intra-district reimbursement charges.

**Authorized Positions (excluding fellowships)**

| | | | | |
|---|---|---|---|---|
| Office of Chief of External Affairs | 25 | 28 | 32 | 4** |

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

## Operations Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Office of Chief of External Affairs** | | | | | |
| | Salaries & Benefits | 51,325 | 472,599 | 705,831 | 233,232 |
| | Direct Services | 225 | 0 | 5,820 | 5,820 |
| | Supplies | 0 | 1,500 | 1,500 | 0 |
| | Other Expenses | 0 | 116,000 | 118,500 | 2,500 |
| **Office of Chief of External Affairs (107) Total** | | **51,550** | **590,099** | **831,651** | **241,552** |
| **Government Relations** | | | | | |
| | Salaries & Benefits | 1,618,650 | 1,713,910 | 1,938,921 | 225,011 |
| | Consultants | 366,620 | 494,550 | 512,550 | 18,000 |
| | Direct Services | 108,055 | 16,560 | 16,560 | 0 |
| | Supplies | 20,392 | 34,400 | 38,600 | 4,200 |
| | Other Expenses | 518,512 | 519,850 | 620,000 | 100,150 |
| **Government Relations (152) Total** | | **2,632,229** | **2,779,270** | **3,126,631** | **347,361** |
| **Civic Engagement** | | | | | |
| | Salaries & Benefits | 223,717 | 846,771 | 1,577,551 | 730,780 |
| | Consultants | 0 | 15,000 | 294,000 | 279,000 |
| | Direct Services | 34,637 | 163,267 | 394,408 | 231,141 |
| | Supplies | 24,088 | 74,500 | 103,100 | 28,600 |
| | Other Expenses | 2,591 | 2,083,430 | 3,012,190 | 928,760 |
| **Civic Engagement (153) Total** | | **285,032** | **3,182,968** | **5,381,249** | **2,198,281** |
| **District Communications** | | | | | |
| | Salaries & Benefits | 2,062,362 | 1,839,016 | 2,015,097 | 176,081 |
| | Consultants | 902,606 | 797,300 | 829,400 | 32,100 |
| | Direct Services | 636,035 | 509,696 | 460,502 | (49,194) |
| | Supplies | 78,113 | 13,750 | 6,750 | (7,000) |
| | Other Expenses | 31,264 | 8,060 | 25,765 | 17,705 |
| | Fixed Assets | 477 | 0 | 0 | 0 |
| **District Communications (172) Total** | | **3,710,857** | **3,167,822** | **3,337,514** | **169,692** |
| **Operations Total*** | | **6,679,668** | **9,720,159** | **12,677,044** | **2,956,885** |

## Capital Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Office of Chief of External Affairs** | | | | | |

## Capital Budget by Department and Account Category (Continued)

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| | Salaries & Benefits | 1,178 | 0 | 6,091 | 6,091 |
| **Office of Chief of External Affairs (107) Total** | | **1,178** | **0** | **6,091** | **6,091** |
| **Government Relations** | | | | | |
| | Salaries & Benefits | 13,307 | 0 | 0 | 0 |
| **Government Relations (152) Total** | | **13,307** | **0** | **0** | **0** |
| **Civic Engagement** | | | | | |
| **Civic Engagement (153) Total** | | **0** | **0** | **0** | **0** |
| **District Communications** | | | | | |
| | Salaries & Benefits | 298,230 | 239,336 | 304,827 | 65,491 |
| | Consultants | 372 | 0 | 0 | 0 |
| | Direct Services | 2,427 | 0 | 0 | 0 |
| | Supplies | 840 | 0 | 0 | 0 |
| | Other Expenses | 170 | 0 | 0 | 0 |
| **District Communications (172) Total** | | **302,039** | **239,336** | **304,827** | **65,491** |
| **Capital Total*** | | **316,523** | **239,336** | **310,918** | **71,582** |
| **Division Total*** | | **6,996,191** | **9,959,496** | **12,987,962** | **3,028,467** |

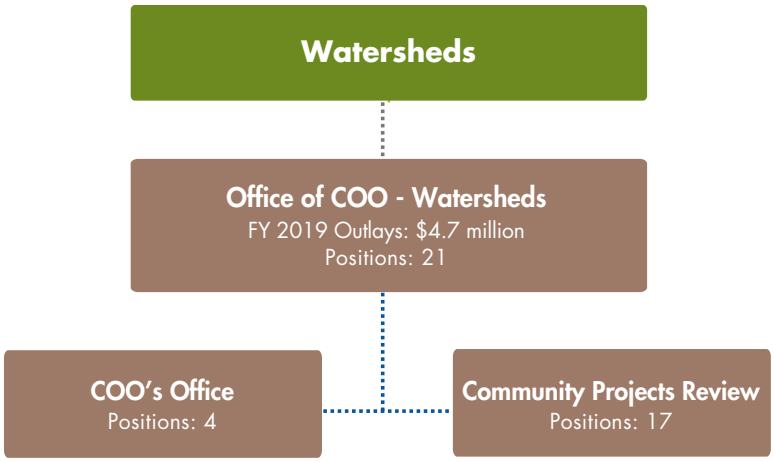
* Totals reflect the net budget and do not include intra-district reimbursement charges.

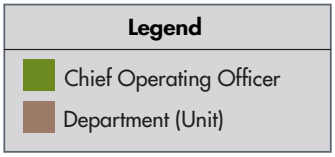
# Watersheds

## Description

Watersheds Operations (Watersheds) oversees five distinct watershed areas in Santa Clara County and is responsible for overall stewardship of these geographic areas, providing flood protection and field operations and mitigating environmental impacts, while enhancing positive environmental aspects.

# Office of COO Watersheds




## Division Description and Objectives

Watersheds Operations (Watersheds) oversees five distinct watershed areas in Santa Clara County and is responsible for overall stewardship of these geographic areas, providing flood protection and field operations and mitigating environmental impacts, while enhancing positive environmental aspects. Lead and manage Watersheds to achieve the Board's Ends, Goals and Objectives. This includes providing Watersheds the leadership, staff and funding to conduct the administrative nature of Watersheds functions. In general, provides for management activities that promote communication, human resources development, budgeting, project efficiencies and process improvement, mentoring and recruitment, and supporting district-wide and special events/efforts that benefit the whole organization.

**Community Projects Review**

The Community Projects Review Department provides for protection of District watershed, water utility assets and interests from external activities and threats as defined by the Water Resources Protection Ordinance through the issuance of approximately 200 to 250 encroachment permits for activities on District rights of way and ordinance enforcement for activities undertaken without appropriate permits. The department projects include implementation of the Underground Service Alert program that entails reviewing approximately 3000 tickets per year. The department also reviews proposed developments within the planning stages as they interface with the District mission and interests. The department also includes specialized maintenance and development of approximately 10,000 map pages showing District land rights and flooding and the dissemination of information to the public.

## FY 2018 Accomplishments

- Creation of the Google coordination meeting to discuss several Google initiated projects
- Initiation of draft High Speed Rail Reimbursement Agreement
- Initiation of three layers in GIS - Joint Use Agreements (JUA) layer, Other Agreements layer, and CIP layer.
- Completion of Alviso Pump Station License Agreement
- Completion of Sonterra Bridge Maintenance Agreement
- Participation in TAC meetings and coordination meetings in the review of several proposed trails on District property.
- Continue to work with neighbors and the County in San Martin to remove unpermitted bridges and fences in a flood-prone area.
- Worked on a new licensing option as a part of the Encroachment Remediation Program scheduled to be presented to the BOD in May.
- Worked with neighbors to remediate hazmat areas and offered District assistance to remove trash in the area.

## FY 2019 Milestones

- CPRU Oracle Upgrade/Replacement Database
- Complete High Speed Reimbursement Agreement.
- Complete at least two GIS layers of the three layers initiated in 2018 accomplishments.
- Complete Residence Inn Land Rights Transfer.
- Implement new licensing option.
- Move forward on remediating encroachments that have been on hold pending policy decision.
- Continue to host the collaborative forum of the Encroachment remediation task force to establish coordinated communication with our neighbors on projects areas containing encroachments.

# Office of COO Watersheds — Budget Summary

| Project Type (Category) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Operations | 3,346,322 | 4,588,456 | 4,578,616 | (9,840) | 0% |
| Operating | 4,159 | 2,682 | 3,098 | 416 | 16% |
| Capital | 184,266 | 176,534 | 159,637 | (16,897) | -10% |
| **Total** * | **3,534,747** | **4,767,672** | **4,741,351** | **(26,320)** | **-1%** |

| Department (Unit) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Office of COO Watersheds | 1,106,213 | 1,630,899 | 1,288,160 | (342,738) | -21% |
| Community Projects Review | 2,428,534 | 3,136,773 | 3,453,191 | 316,418 | 10% |
| **Total** * | **3,534,747** | **4,767,672** | **4,741,351** | **(26,320)** | **-1%** |

* Totals do not include intra-district reimbursement charges.

**Authorized Positions (excluding fellowships)**

| | | | | |
|---|---|---|---|---|
| Office of COO Watershed | **20** | **20** | **21** | **1**** |

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

## Operations Budget by Department and Account Category

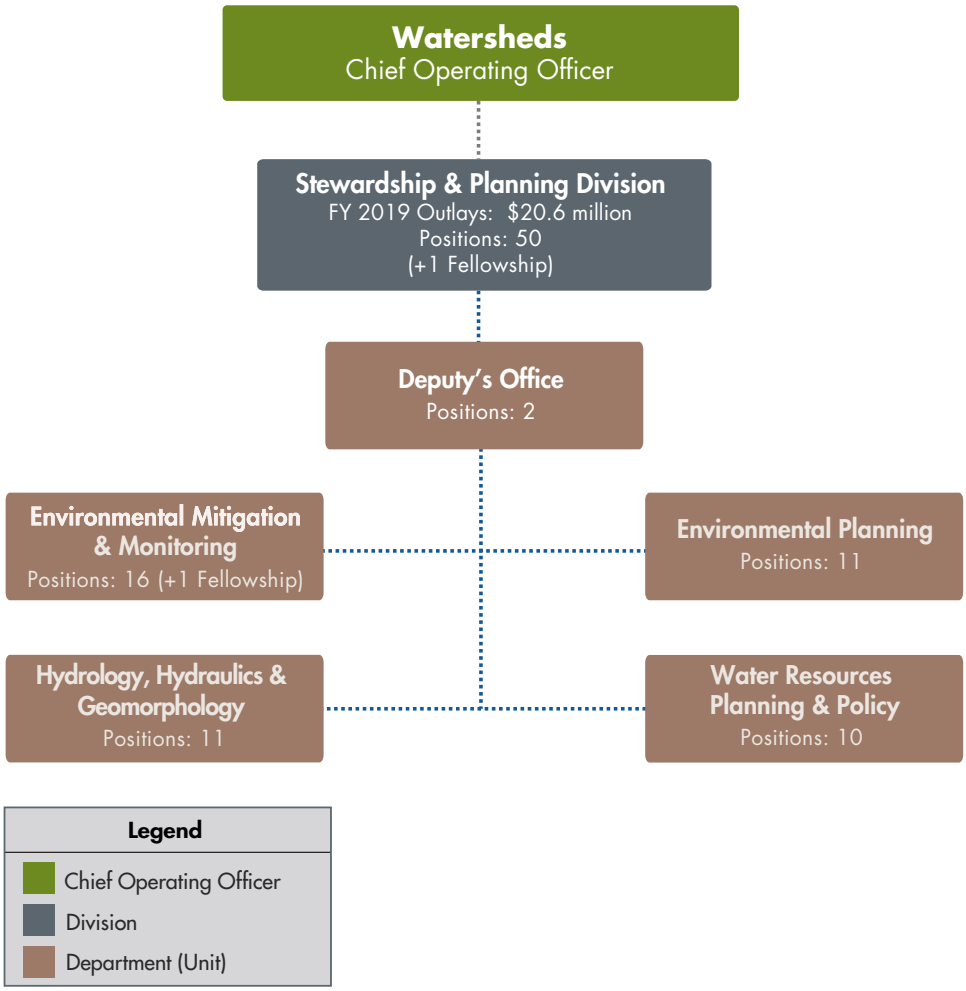
| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Office of COO Watersheds** | | | | | |
| | Salaries & Benefits | 850,931 | 1,055,024 | 978,430 | (76,593) |
| | Consultants | 55 | 0 | 50,000 | 50,000 |
| | Direct Services | 96,281 | 1,900 | 2,500 | 600 |
| | Supplies | 1,398 | 1,200 | 12,000 | 10,800 |
| | Other Expenses | 37,083 | 572,775 | 245,230 | (327,545) |
| **Office of COO Watersheds (215) Total** | | **985,749** | **1,630,899** | **1,288,160** | **(342,738)** |
| **Community Projects Review** | | | | | |
| | Salaries & Benefits | 2,162,515 | 2,714,160 | 3,075,544 | 361,383 |
| | Consultants | 1,154 | 0 | 0 | 0 |
| | Direct Services | 182,367 | 189,860 | 168,860 | (21,000) |
| | Supplies | 1,434 | 2,659 | 150 | (2,509) |
| | Other Expenses | 12,866 | 18,560 | 9,000 | (9,560) |
| | Fixed Assets | 4,396 | 35,000 | 40,000 | 5,000 |
| **Community Projects Review (294) Total** | | **2,364,732** | **2,960,239** | **3,293,554** | **333,314** |
| **Operations Total*** | | **3,350,481** | **4,591,138** | **4,581,714** | **(9,424)** |

## Capital Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Office of COO Watersheds** | | | | | |
| | Salaries & Benefits | 120,465 | 0 | 0 | 0 |
| **Office of COO Watersheds (215) Total** | | **120,465** | **0** | **0** | **0** |
| **Community Projects Review** | | | | | |
| | Salaries & Benefits | 63,801 | 52,795 | 35,637 | (17,158) |
| | Cost Sharing & Rebates | 0 | 123,739 | 124,000 | 261 |
| **Community Projects Review (294) Total** | | **63,801** | **176,534** | **159,637** | **(16,897)** |
| **Capital Total*** | | **184,266** | **176,534** | **159,637** | **(16,897)** |
| **Division Total*** | | **3,534,747** | **4,767,672** | **4,741,351** | **(26,320)** |

* Totals reflect the net budget and do not include intra-district reimbursement charges.

# Watershed Stewardship & Planning Division




## Division Description and Objectives

Plan, organize, and manage the Watershed Stewardship & Planning Division, overseeing four departments with approximately 50 staff members and 1 Fellowship. Lead a cross-organization special initiative called FAHCE to resolve a long-standing water right complaint. Provide key decision making support for the departments to accomplish their goals. Communicate key Board, District and Executive goals and provide timely information.

### Environmental Mitigation & Monitoring

The Environmental Mitigation and Monitoring Unit is responsible for: managing all the long-term mitigation monitoring programs for the District; two ecology oriented Safe Clean Water Programs (D2 and D5); land management and easement monitoring for mitigation lands; oversight of the plant pathogen program; biological subject matter expertise to support over 40 capital projects and long range planning programs; and manages the FAHCE program.

### Water Resources Planning & Policy

The Water Resources Policy and Planning Department primarily conducts long range planning for watersheds. The primary tool for that is the integrated water resources master plan (One Water plan), which attempts to develop an integrated watershed-based plan to enhance water resources management for the District. The department also conducts detailed watersheds planning studies for flood protection and environmental stewardship such as: the Salt Ponds A5-11 study to realign Calabazas and San Tomas Aquino Creeks into the restored Salt Ponds; the Upper Penitencia Creek Flood Protection and Stewardship project; and the Coyote Creek Flood Protection and Stewardship project. Additionally, the department is: reporting on policy developments related to watersheds; maintaining the Community Rating System program; conducting the gravel augmentation and large woody debris fisheries study; and coordinating the District partnership on the Salt Pond Restoration Project.

### Environmental Planning

The Environmental Planning Department provides overall project planning, environmental document preparation, CEQA compliance and permitting services to Watershed Capital and Operation and Maintenance, manages the Safe Clean Water Projects B1 and B2, and provides surface water quality expertise.

### Hydrology, Hydraulics & Geomorphology

The Hydrology, Hydraulics and Geomorphology Department builds the foundation of our flood protection work, and it also provides the essential data for groundwater recharge and reservoir release analysis for environmental purposes. The department begins with the measurement of rainfall and stream flow gauge data; the analysis of which provides the flood flow frequency that determines the flood-control projects' design basis; routing the flood flow through the creeks then determines the creek size and height of levees and floodwalls; developing flood forecast and flood warning system to send flood warning messages to the community for potential flood risks; and the geomorphologic analysis that provides the basis for channel modification that minimizes maintenance needs and sustains long-term stability.

## FY 2018 Accomplishments

- Maintained District compliance with all mitigation monitoring requirements.
- Executed 3 long-term MOUs with California Coastal Conservancy, Midpeninsula Regional Open Space District, and the City of San Jose for invasive plant control and habitat restoration under Safe Clean Water D2.
- Coyote Creek Project – Restarted planning study for revised project; planned, designed, and constructed interim flood protection for Rock Springs neighborhood; and developed MOA with US Army Corps of Engineer's for a partnership study.
- Upper Penitencia Creek Project – Held landscape vision session and developed problem definition report.

- One Water Project – Completed metrics development and stakeholder outreach for Countywide framework report and developed initial draft Coyote Creek watershed plan.
- Operated and maintained oxygenation treatment systems in four reservoirs and reduced methylmercury in the bottom of the reservoir by an average of 70% below historical summer concentrations (Safe Clean Water Project B1). Received a State grant to develop a Storm Water Resource Plan for the Santa Clara Basin, which will prioritize green stormwater infrastructure projects for future funding (Safe Clean Water Project B2).
- Completed environmental review of Lower Penitencia Creek Improvements, Cunningham Flood Detention Facility Certification, and Coyote Warehouse projects.
- Completed Coyote creek hydrology and hydraulics update for Coyote Watershed Master Plan and Mid-Coyote project.
- Provided technical data and added additional gauge for Coyote Emergency Action Plan.
- Created a new Flood Watch web site to support flood emergency monitor and response.

## FY 2019 Milestones

- Provide biological support for capital projects program during design and construction phases.
- Draft Coyote Creek watershed plan (under One Water framework) by July 2018. Final report by December 2018.
- Feasibility study for the Calabazas and San Tomas Creek realignment project by July 2018.
- Final Gravel Augmentation and Large Woody Debris study for all steelhead creeks by Dec 2018.
- Continue to operate and maintain oxygenation treatment systems in four reservoirs (Safe Clean Water Project B1) by June 2019.
- Collaborate with the City of San Jose on trash mapping and removal for Coyote Creek and Guadalupe River (Safe Clean Water B1) by June 2019.
- Complete Storm Water Resource Plan (Safe Clean Water B2) by December 2018.
- Maintain and improve the District's hydrologic data measurement and management.
- Complete Ross Creek feasibility study by Dec. 2019.
- Continue improving flood forecast system and expand flood forecast points by June 2019.

## Budget Issues and Constraints

The division has overall staffing shortages and adequately supporting the service demands of internal customers is difficult. Retention and recruitment of knowledge specialists has also been challenging. Retirements and departures have left several vacancies, and recent recruitments have not resulted in a high number of competitive candidates.

# Watershed Stewardship & Planning Division — Budget Summary

| Project Type (Category) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Operations | 8,839,740 | 11,080,497 | 13,125,975 | 2,045,478 | 18% |
| Operating | 2,321,700 | 2,280,693 | 2,546,841 | 266,148 | 12% |
| Capital | 2,593,111 | 3,801,095 | 4,891,400 | 1,090,306 | 29% |
| **Total** * | **13,754,551** | **17,162,285** | **20,564,217** | **3,401,932** | **20%** |

| Department (Unit) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Safe Clean Water Implementation | 30,562 | 0 | 0 | 0 | 0% |
| Water Resources Planning & Policy | 3,372,899 | 4,642,799 | 5,467,385 | 824,586 | 18% |
| Hydrology, Hydraulics & Geomorphology | 3,378,639 | 2,782,141 | 2,849,821 | 67,680 | 2% |
| Office of WS Stwdship &Planning Div | 543,842 | 697,777 | 915,458 | 217,682 | 31% |
| Environmental Planning | 3,483,559 | 4,492,079 | 4,624,913 | 132,834 | 3% |
| Environmental Mitigation & Monitoring | 2,945,050 | 4,547,489 | 6,706,639 | 2,159,150 | 47% |
| **Total** * | **13,754,551** | **17,162,285** | **20,564,217** | **3,401,932** | **20%** |

* Totals do not include intra-district reimbursement charges.

**Authorized Positions (excluding fellowships)**

| | | | | |
|---|---|---|---|---|
| **Watershed Stewardship & Planning Division** | **45** | **49** | **50** | **1**** |

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

## Operations Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Office of WS Stwdship &Planning Div** | | | | | |
| | Salaries & Benefits | 532,606 | 679,507 | 451,688 | (227,818) |
| | Consultants | 0 | 0 | 430,000 | 430,000 |
| | Direct Services | 846 | 0 | 0 | 0 |
| | Supplies | 1,064 | 1,000 | 0 | (1,000) |
| | Other Expenses | 9,326 | 17,270 | 33,770 | 16,500 |
| **Office of WS Stwdship &Planning Div (241) Total** | | **543,842** | **697,777** | **915,458** | **217,682** |
| **Environmental Mitigation & Monitoring** | | | | | |
| | Salaries & Benefits | 1,560,053 | 2,096,244 | 2,655,225 | 558,981 |
| | Consultants | 523,720 | 1,150,000 | 1,770,000 | 620,000 |
| | Direct Services | 15,095 | 60,000 | 263,100 | 203,100 |
| | Supplies | 36,296 | 55,450 | 202,000 | 146,550 |
| | Other Expenses | 34,143 | 89,600 | 43,650 | (45,950) |
| | Utilities | 8,627 | 6,000 | 0 | (6,000) |
| | Cost Sharing & Rebates | 237,052 | 450,000 | 900,000 | 450,000 |
| **Environmental Mitigation & Monitoring (244) Total** | | **2,414,984** | **3,907,294** | **5,833,975** | **1,926,681** |
| **Water Resources Planning & Policy** | | | | | |
| | Salaries & Benefits | 1,350,244 | 1,399,436 | 1,156,777 | (242,660) |
| | Consultants | 269,444 | 683,000 | 845,000 | 162,000 |
| | Direct Services | 59,581 | 72,000 | 106,500 | 34,500 |
| | Supplies | 42,341 | 75,600 | 75,000 | (600) |
| | Other Expenses | 231,052 | 9,605 | 12,100 | 2,495 |
| **Water Resources Planning & Policy (245) Total** | | **1,952,663** | **2,239,641** | **2,195,377** | **(44,265)** |
| **Safe Clean Water Implementation** | | | | | |
| | Direct Services | 30,562 | 0 | 0 | 0 |
| **Safe Clean Water Implementation (246) Total** | | **30,562** | **0** | **0** | **0** |
| **Environmental Planning** | | | | | |
| | Salaries & Benefits | 1,049,733 | 1,361,298 | 1,488,125 | 126,826 |
| | Consultants | 279,202 | 415,000 | 450,000 | 35,000 |
| | Direct Services | 133,373 | 442,074 | 442,074 | 0 |
| | Supplies | 8,442 | 10,650 | 18,150 | 7,500 |
| | Other Expenses | 18,296 | 33,600 | 27,400 | (6,200) |
| | Utilities | 0 | 75,000 | 100,000 | 25,000 |
| | Cost Sharing & Rebates | 1,421,127 | 1,433,806 | 1,433,806 | 0 |
| | Fixed Assets | 28,485 | 50,000 | 25,000 | (25,000) |
| **Environmental Planning (247) Total** | | **2,938,657** | **3,821,428** | **3,984,555** | **163,126** |

## Operations Budget by Department and Account Category (Continued)

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Hydrology, Hydraulics & Geomorphology** | | | | | |
| | Salaries & Benefits | 1,780,652 | 1,880,200 | 1,976,800 | 96,600 |
| | Consultants | 1,146,352 | 538,500 | 464,500 | (74,000) |
| | Direct Services | 79,366 | 109,000 | 121,716 | 12,716 |
| | Supplies | 49,668 | 22,990 | 22,536 | (454) |
| | Other Expenses | 17,949 | 2,500 | 0 | (2,500) |
| | Cost Sharing & Rebates | 93,200 | 102,860 | 119,400 | 16,540 |
| | Fixed Assets | 113,545 | 39,000 | 38,500 | (500) |
| **Hydrology, Hydraulics & Geomorphology (296) Total** | | **3,280,732** | **2,695,050** | **2,743,452** | **48,402** |
| **Operations Total*** | | **11,161,440** | **13,361,190** | **15,672,816** | **2,311,626** |

## Capital Budget by Department and Account Category

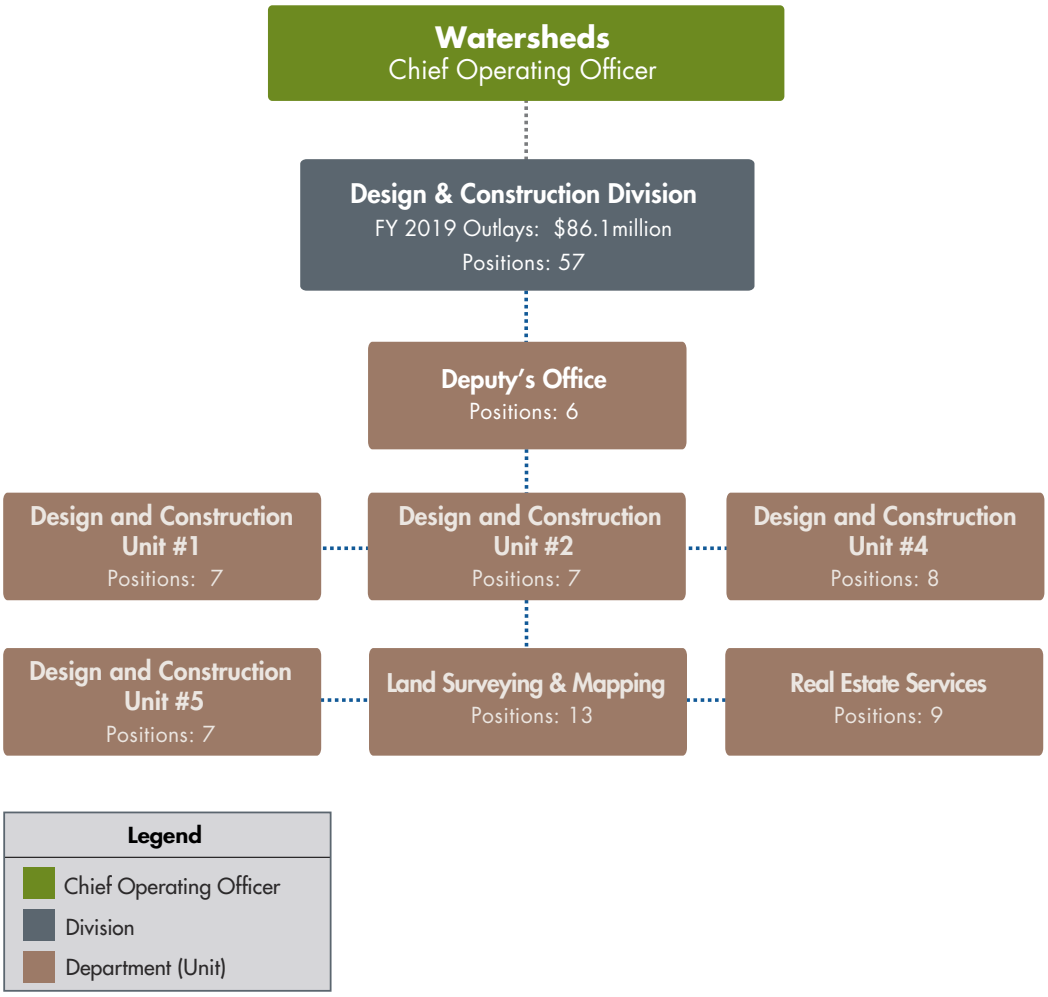
| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Office of WS Stwdship &Planning Div** | | | | | |
| **Office of WS Stwdship &Planning Div (241) Total** | | **0** | **0** | **0** | **0** |
| **Environmental Mitigation & Monitoring** | | | | | |
| | Consultants | 1,489 | 0 | 30 | 30 |
| | Supplies | 41,524 | 100,000 | 100,000 | 0 |
| | Other Expenses | 0 | 20,000 | 20,000 | 0 |
| | Salaries & Benefits | 485,558 | 420,196 | 652,634 | 232,439 |
| | Direct Services | 1,495 | 100,000 | 100,000 | 0 |
| **Environmental Mitigation & Monitoring (244) Total** | | **530,065** | **640,196** | **872,664** | **232,469** |
| **Water Resources Planning & Policy** | | | | | |
| | Consultants | 35,606 | 1,300,000 | 2,340,000 | 1,040,000 |
| | Other Expenses | 30,111 | 1,000 | 0 | (1,000) |
| | Salaries & Benefits | 566,502 | 601,658 | 932,009 | 330,351 |
| | Direct Services | 18 | 0 | 0 | 0 |
| | Fixed Assets | 3,000 | 500 | 0 | (500) |
| | Cost Sharing & Rebates | 785,000 | 500,000 | 0 | (500,000) |
| **Water Resources Planning & Policy (245) Total** | | **1,420,237** | **2,403,158** | **3,272,009** | **868,851** |
| **Safe Clean Water Implementation** | | | | | |
| **Safe Clean Water Implementation (246) Total** | | **0** | **0** | **0** | **0** |
| **Environmental Planning** | | | | | |
| | Consultants | 0 | 50,000 | 0 | (50,000) |

## Capital Budget by Department and Account Category (Continued)

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| | Other Expenses | 2 | 0 | 0 | 0 |
| | Salaries & Benefits | 544,652 | 620,650 | 630,358 | 9,708 |
| | Direct Services | 247 | 0 | 10,000 | 10,000 |
| **Environmental Planning (247) Total** | | **544,902** | **670,650** | **640,358** | **(30,292)** |
| **Hydrology, Hydraulics & Geomorphology** | | | | | |
| | Salaries & Benefits | 97,907 | 87,091 | 86,369 | (722) |
| | Fixed Assets | 0 | 0 | 20,000 | 20,000 |
| **Hydrology, Hydraulics & Geomorphology (296) Total** | | **97,907** | **87,091** | **106,369** | **19,278** |
| **Capital Total*** | | **2,593,111** | **3,801,095** | **4,891,400** | **1,090,306** |
| **Division Total*** | | **13,754,551** | **17,162,285** | **20,564,217** | **3,401,932** |

* Totals reflect the net budget and do not include intra-district reimbursement charges.

# Watershed Design & Construction Division




## Division Description and Objectives

The Watersheds Design and Construction Division plans, designs, and constructs capital projects related to Watersheds operations. This includes delivery of projects in the District's rolling 5-year Capital Improvement Program and 15-year Safe, Clean Water and Natural Flood Protection Program. The objectives of the Watersheds Design and Construction Division are to provide natural flood protection for residents, businesses, and visitors; and to protect and restore creek, bay, and other aquatic ecosystems.

### Design & Construction Department 1

The department is responsible for design and construction of the following projects: San Francisquito Creek Flood Protection, Permanente Creek Flood Protection, Hale Creek Pilot, and Bolsa Fish Passage Modification.

### Design & Construction Department 2

The department is responsible for design and construction of the following projects: Lower Berryessa Creek Phase II, Cunningham Flood Detention Certification, Upper Guadalupe River Flood Protection - Reaches 7-12, Upper Guadalupe River Reach 6, Upper Berryessa Creek - Calaveras / Old Pied Cor, and Upper Berryessa Creek - Calaveras/Old Pied LER.

### Design & Construction Department 4

The department is responsible for design and construction of the Lower Penitencia Creek and Almaden Lake Improvements projects as well as the South San Francisco Bay Shoreline Protection effort along the Santa Clara County shoreline.

### Design & Construction Department 5

The department is responsible for design and construction of the following projects: Coyote Creek Levee Rodent Damage Repair downstream of SR 237, Stevens Creek Bank and Access/Trail Road Repair downstream of El Camino Real, Uvas Creek Levee Animal Damage Repair (Watersheds Asset Rehabilitation Program), and design of the Palo Alto Basin Flood Gate Replacement projects.

### Land Surveying and Mapping

The responsibilities of the Land Surveying and Mapping Department include professional land surveying and mapping services in support of planning, design, construction, and maintenance of District water resource facilities. This is accomplished by accurately locating existing and proposed District facilities, providing graphical representations of land features, boundaries, and fixed works, and complying with applicable state and local laws and ordinances.

### Real Estate Services

The Real Estate Department provides real estate services which includes buying and selling property, database maintenance and reporting, non-residential and residential leasing and licensing program, negotiation, appraisal, title and relocation services. The department also covers administrative support of Real Estate services which include database input, maintenance and reporting.

## FY 2018 Accomplishments

- Completed year one of two of construction of the Permanente Creek Flood Protection Project including channel improvements, Rancho San Antonio Flood Detention Facility, and McKelvey Park Flood Detention Facility.
- Completed year two of three of construction of San Francisquito Creek Flood Protection Project from the Bay to Hwy. 101.
- Completed channel improvements construction for Upper Berryessa Creek Flood Risk Management project, a partnership with the U.S. Army Corps of Engineers (USACE).

- Completed the design for the Cunningham Flood Detention Certification Project.
- Completed Final Environmental Impact Report and 60% design for Lower Penitencia Creek Project.
- Completed 90% design and obtained regulatory agency permits for Reach 1 levee construction, completed 30% design of Reaches 2 and 3, and submitted grant application for San Francisco Bay Restoration Authority Measure AA funds for San Francisco Bay Shoreline Project EIA 11.
- Completed construction of the El Camino Storm Drain Emergency Erosion Repair and El Camino Storm Drain Erosion Repair.
- Finalized designs and bid advertisements for Coyote Creek Levee Rodent Damage Repair downstream of SR 237, Coyote Creek Levee Rodent Damage Repair upstream of SR 237, Stevens Creek Bank and Access/Trail Road Repair, and Uvas Creek Levee Animal Damage Rehabilitation from Miller Avenue to end of levee.
- Performed deformation monitoring of Rinconada Water Treatment Plant, Coyote Dam and Tunnel, Vasona Dam, Chesbro Dam, Penitencia Water Treatment Plant Landslide, Anderson Dam, Santa Clara Conduit Fault Crossing, Uvas Dam, Stevens Creek Dam, Almaden Dam and Guadalupe Dam.
- Performed photogrammetric and volumetric surveys of Chesbro and Uvas Reservoirs, and emergency survey of Stevens Creek Trail slide/erosion.
- Completed the sale of 3 excess land parcels and working towards the sale of an additional excess land parcel near the completed Lower Silver Creek Project.
- Completed 36 recorded real estate transactions supporting multiple capital and water utility projects.

## FY 2019 Milestones

- Complete year two construction of channel improvements, Rancho San Antonio Park Detention Facility, and McKelvey Park Detention Facility for Permanente Creek Flood Protection Project.
- Complete year three construction of San Francisquito Creek Flood Protection Project between S.F. Bay and Highway 101 by June 2019.
- Complete design and advertise for bids for Bolsa Fish Passage Modification Project by March 2019.
- Prepare final EIR for San Francisquito Creek Flood Protection Project between Highway 101 and Middlefield Road by December 2018.
- Complete construction of Lower Berryessa Creek Project and complete design and award of construction contract for the Lower Calera Creek Project by December 2018.
- Complete design, obtain permit and award construction contract for Cunningham Flood Detention Certification Project by fourth quarter of FY 19.
- Continue obtaining the necessary right of ways, complete design of bridge extension for of Willow Street and Alma Avenue vehicular bridges and begin gravel placement for Reach 6 for Upper Guadalupe Flood Control Project (Reaches 6-12).
- Complete design, receive regulatory permits, and advertise project for construction on Lower Penitencia Creek Improvements Project by January 2019.
- Complete Final Environmental Impact Report for Almaden Lake Improvements Project by August 2018.
- Complete construction of El Camino Strom Drain Erosion Repair, Coyote Creek rodent damage repair downstream of SR 237, Coyote Creek rodent damage repair upstream of SR 237, and Uvas Creek Levee Rodent Damage Repair by December 2018.
- Complete annual Benchmark Maintenance Area surveying by June 2019.

## Budget Issues and Constraints

Annual allocation of federal funding for USACE for the Upper Guadalupe River Flood Protection Project continues to be a challenge. USACE needs additional federal funding to complete design and begin construction of Reaches 7 and 8 that includes bridge extensions of Willow Street Bridge, Alma Avenue Bridge, and channel improvements.

# Watershed Design & Construction Division — Budget Summary

| Project Type (Category) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Operations | 2,124,634 | 2,337,650 | 2,490,069 | 152,418 | 7% |
| Operating | 326,787 | 52,104 | 44,482 | (7,621) | -15% |
| Capital | 69,173,988 | 101,021,118 | 83,580,982 | (17,440,137) | -17% |
| **Total** * | **71,625,408** | **103,410,872** | **86,115,533** | **(17,295,339)** | **-17%** |

| Department (Unit) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Design & Construction Unit 1 | 40,301,192 | 25,646,596 | 10,353,372 | (15,293,224) | -60% |
| Design & Construction Unit 5 | 1,356,215 | 13,188,788 | 10,619,829 | (2,568,959) | -19% |
| Design & Construction Unit 2 | 21,463,797 | 42,550,916 | 44,939,141 | 2,388,225 | 6% |
| Office of WS Design & Const Div | 1,434,212 | 1,883,106 | 2,354,191 | 471,086 | 25% |
| Design & Construction Unit 4 | 3,081,774 | 15,591,769 | 13,154,558 | (2,437,212) | -16% |
| Land Surveying and Mapping | 2,338,170 | 2,820,748 | 2,972,138 | 151,391 | 5% |
| Real Estate Services | 1,650,047 | 1,728,949 | 1,722,303 | (6,646) | 0% |
| **Total** * | **71,625,408** | **103,410,872** | **86,115,533** | **(17,295,339)** | **-17%** |

* Totals do not include intra-district reimbursement charges.

**Authorized Positions (excluding fellowships)**

| | | | | |
|---|---|---|---|---|
| Watershed Design & Construction Division | **57** | **58** | **57** | **(1)**** |

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

## Operations Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Office of WS Design & Const Div** | | | | | |
| | Salaries & Benefits | 227,135 | 181,841 | 207,105 | 25,264 |
| | Consultants | 21,026 | 0 | 0 | 0 |
| | Direct Services | 22,579 | 0 | 35,000 | 35,000 |
| **Office of WS Design & Const Div (316) Total** | | **270,740** | **181,841** | **242,105** | **60,264** |
| **Design & Construction Unit 1** | | | | | |
| | Salaries & Benefits | 20,869 | 30,440 | 8,617 | (21,823) |
| | Direct Services | 1,091 | 0 | 0 | 0 |
| **Design & Construction Unit 1 (331) Total** | | **21,960** | **30,440** | **8,617** | **(21,823)** |
| **Design & Construction Unit 2** | | | | | |
| | Salaries & Benefits | 82,967 | 15,660 | 3,968 | (11,692) |
| | Direct Services | 396 | 0 | 0 | 0 |
| **Design & Construction Unit 2 (332) Total** | | **83,363** | **15,660** | **3,968** | **(11,692)** |
| **Design & Construction Unit 4** | | | | | |
| | Salaries & Benefits | 175,389 | 134,997 | 31,154 | (103,843) |
| | Direct Services | 900 | 0 | 0 | 0 |
| | Supplies | 15 | 0 | 0 | 0 |
| | Other Expenses | 17 | 0 | 0 | 0 |
| **Design & Construction Unit 4 (334) Total** | | **176,321** | **134,997** | **31,154** | **(103,843)** |
| **Design & Construction Unit 5** | | | | | |
| | Salaries & Benefits | 91,649 | 18,283 | 94,182 | 75,899 |
| | Consultants | 17,771 | 0 | 0 | 0 |
| | Direct Services | 5,344 | 0 | 0 | 0 |
| | Supplies | 0 | 1,000 | 0 | (1,000) |
| | Fixed Assets | 1,000 | 0 | 0 | 0 |
| **Design & Construction Unit 5 (336) Total** | | **115,764** | **19,283** | **94,182** | **74,899** |
| **Land Surveying and Mapping** | | | | | |
| | Salaries & Benefits | 812,636 | 996,834 | 1,144,583 | 147,749 |
| | Consultants | 273,025 | 333,000 | 352,500 | 19,500 |
| | Direct Services | 89,977 | 35,000 | 5,000 | (30,000) |
| | Supplies | 0 | 5,000 | 7,500 | 2,500 |
| **Land Surveying and Mapping (367) Total** | | **1,175,638** | **1,369,834** | **1,509,583** | **139,749** |
| **Real Estate Services** | | | | | |
| | Salaries & Benefits | 584,350 | 594,298 | 589,542 | (4,757) |
| | Direct Services | 8,491 | 42,600 | 39,600 | (3,000) |
| | Supplies | 1,217 | 0 | 0 | 0 |

## Operations Budget by Department and Account Category (Continued)

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| | Other Expenses | 0 | 800 | 800 | 0 |
| | Fixed Assets | 13,575 | 0 | 15,000 | 15,000 |
| Real Estate Services (369) Total | | **607,634** | **637,698** | **644,942** | **7,243** |
| Operations Total* | | **2,451,421** | **2,389,754** | **2,534,551** | **144,797** |

## Capital Budget by Department and Account Category

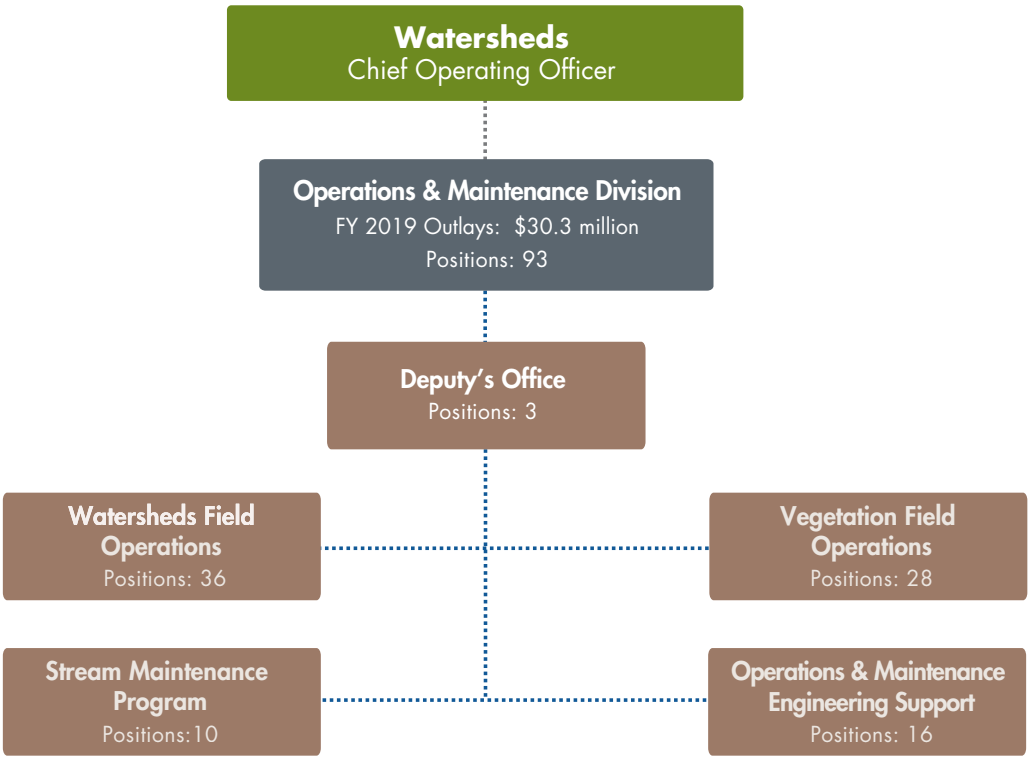
| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| Office of WS Design & Const Div | | | | | |
| | Salaries & Benefits | 534,780 | 873,814 | 1,254,786 | 380,972 |
| | Consultants | 26,983 | 800,000 | 800,000 | 0 |
| | Direct Services | 7,402 | 0 | 35,000 | 35,000 |
| | Supplies | 303 | 250 | 300 | 50 |
| | Other Expenses | 8,334 | 27,200 | 22,000 | (5,200) |
| | Fixed Assets | 585,670 | 0 | 0 | 0 |
| Office of WS Design & Const Div (316) Total | | **1,163,472** | **1,701,264** | **2,112,086** | **410,822** |
| Design & Construction Unit 1 | | | | | |
| | Salaries & Benefits | 980,691 | 1,326,730 | 1,382,955 | 56,225 |
| | Consultants | 36,129,119 | 21,001 | 1,250,000 | 1,228,999 |
| | Direct Services | 44,190 | 31,000 | 22,000 | (9,000) |
| | Supplies | 9,309 | 10,575 | 50,000 | 39,425 |
| | Other Expenses | 282,869 | 166,850 | 45,800 | (121,050) |
| | Fixed Assets | 2,445,233 | 23,892,000 | 7,314,000 | (16,578,000) |
| | Utilities | 235,820 | 1 | 100,000 | 99,999 |
| | Cost Sharing & Rebates | 152,000 | 168,000 | 180,000 | 12,000 |
| Design & Construction Unit 1 (331) Total | | **40,279,232** | **25,616,157** | **10,344,755** | **(15,271,402)** |
| Design & Construction Unit 2 | | | | | |
| | Salaries & Benefits | 1,201,159 | 1,536,456 | 1,441,372 | (95,084) |
| | Consultants | 3,654,953 | 7,497,200 | 1,595,000 | (5,902,200) |
| | Direct Services | 55,317 | 479,600 | 561,000 | 81,400 |
| | Supplies | 28,661 | 16,500 | 30,000 | 13,500 |
| | Other Expenses | 91,971 | 1,450,700 | 1,752,000 | 301,300 |
| | Fixed Assets | 16,036,200 | 19,188,000 | 23,454,000 | 4,266,000 |
| | Utilities | 312,173 | 366,800 | 601,800 | 235,000 |
| | Cost Sharing & Rebates | 0 | 12,000,000 | 15,500,000 | 3,500,000 |
| Design & Construction Unit 2 (332) Total | | **21,380,434** | **42,535,256** | **44,935,172** | **2,399,916** |

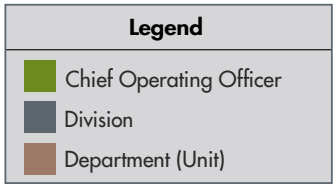
## Capital Budget by Department and Account Category (Continued)

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Design & Construction Unit 4** | | | | | |
| | Salaries & Benefits | 1,294,197 | 1,361,292 | 1,525,073 | 163,781 |
| | Consultants | 31,122 | 20,000 | 25,000 | 5,000 |
| | Direct Services | 32,315 | 147,000 | 93,000 | (54,000) |
| | Supplies | 320 | 400 | 0 | (400) |
| | Other Expenses | 1,615 | 428,080 | 420,330 | (7,750) |
| | Fixed Assets | 500 | 5,000,000 | 5,060,000 | 60,000 |
| | Cost Sharing & Rebates | 1,545,384 | 8,500,000 | 6,000,000 | (2,500,000) |
| **Design & Construction Unit 4 (334) Total** | | **2,905,453** | **15,456,772** | **13,123,403** | **(2,333,369)** |
| **Design & Construction Unit 5** | | | | | |
| | Salaries & Benefits | 1,088,320 | 1,276,905 | 1,358,648 | 81,743 |
| | Consultants | 64,058 | 1,900,000 | 2,090,000 | 190,000 |
| | Direct Services | 34,968 | 84,000 | 70,000 | (14,000) |
| | Supplies | 656 | 48,000 | 56,000 | 8,000 |
| | Other Expenses | 8,985 | 260,600 | 251,000 | (9,600) |
| | Fixed Assets | 43,464 | 9,600,000 | 6,700,000 | (2,900,000) |
| **Design & Construction Unit 5 (336) Total** | | **1,240,451** | **13,169,505** | **10,525,648** | **(2,643,857)** |
| **Land Surveying and Mapping** | | | | | |
| | Salaries & Benefits | 947,820 | 1,084,713 | 1,087,755 | 3,042 |
| | Consultants | 60,969 | 61,000 | 61,000 | 0 |
| | Direct Services | 83,458 | 144,800 | 127,300 | (17,500) |
| | Supplies | 51,913 | 125,900 | 150,000 | 24,100 |
| | Other Expenses | 18,372 | 34,500 | 36,500 | 2,000 |
| **Land Surveying and Mapping (367) Total** | | **1,162,532** | **1,450,913** | **1,462,555** | **11,642** |
| **Real Estate Services** | | | | | |
| | Salaries & Benefits | 1,012,339 | 1,057,073 | 1,053,102 | (3,971) |
| | Consultants | 910 | 0 | 0 | 0 |
| | Direct Services | 769 | 2,070 | 90 | (1,980) |
| | Supplies | 716 | 0 | 0 | 0 |
| | Other Expenses | 24,230 | 32,108 | 24,170 | (7,938) |
| | Fixed Assets | 3,450 | 0 | 0 | 0 |
| **Real Estate Services (369) Total** | | **1,042,413** | **1,091,251** | **1,077,362** | **(13,889)** |
| **Capital Total*** | | **69,173,988** | **101,021,118** | **83,580,982** | **(17,440,137)** |
| **Division Total*** | | **71,625,408** | **103,410,872** | **86,115,533** | **(17,295,339)** |

* Totals reflect the net budget and do not include intra-district reimbursement charges.

# Watershed Operations & Maintenance Division




## Division Description and Objectives

The division is comprised of four departments that provide field maintenance, engineering support, vegetation management, and management of the Stream Maintenance Program (SMP) in the Guadalupe, Lower Peninsula, West Valley, Coyote and Uvas/Llagas watersheds. The office of Watersheds Operations and Maintenance provides administrative leadership and support for the four units that comprise the division. The division objective is to assure that maintenance work is performed in accordance with regulatory permits and maintenance guidelines and is coordinated and consistent throughout the division.

### Watershed Field Operations

The Watershed Field Operations Department is responsible for coordination and management of field construction and maintenance activities within the Watersheds, budget development, coordination of emergency response services and monitoring of safety procedures. Assure that work is performed efficiently, effectively, with minimal environmental impact and with the highest regard for the safety of the public and staff.

### Vegetation Field Operations

The Vegetation Field Operations Department is responsible for the budget development, coordination, and management of integrated vegetation management programs, riparian planting and invasive plant management mitigation projects and the sandbag program in the Lower Peninsula, West Valley, Guadalupe, Coyote, and Uvas/Llagas Watersheds including capital projects and water utility sites.

### Stream Maintenance Program

The Stream Maintenance Program (SMP) Department manages and coordinates routine maintenance activities to ensure that stream maintenance work is consistent with the environmental regulatory permits, in a manner that minimizes the environmental impact to the stream systems. This program supports the maintenance of streams to maintain the flow conveyance capacity of District channels and the structural and functional integrity of District facilities. This department also provides coordination and delivery of materials, equipment and labor (EML) services for Field Operations; and for validation and processing of related invoices and payments.

### Operations & Maintenance Engineering Support

The Watersheds O&M Engineering Support Department is responsible for providing engineering support for operations and maintenance activities for streams, levees, and other watersheds assets within Santa Clara County over which SCVWD has responsibility. This work supports the flood protection and watershed stewardship components of SCVWD's mission.

## FY 2018 Accomplishments

*Watershed Field Operations*

- 14 Sediment Removal Projects (36,631 CY)
- 3,881 Linear Feet of Erosion
- 1,028 Cubic Yards Good Neighbor Maintenance
- 85,766 Linear Feet of Levee Maintenance
- 3,755 Linear Feet of Corrective Maintenance
- 4,050 Cubic Yards Debris Removal

*Vegetation Field Operations*

- 324 Acres of mitigation site maintenance
- 2,976 Acres of upland access maintenance: weed abatement, access pruning, upland herbicide.
- 391 Acres of instream vegetation removal for flow conveyance: hand removal and aquatic herbicide.
- 109 Acres of invasive plant management.

- 228 6 - 12" DBH trees removed
- 39 Hazard trees removed
- 218,784 Sandbags made

*Stream Maintenance Program*

- Approximately 650 Biological Service request for the Division.
- Submitted the (NPW) Notice of Proposed Work.
- Completed the Annual Summary Report.
- Completed SMP Manual Update.

*Operations and Maintenance Engineering Support*

- Engineering support and construction oversight for the Stream Maintenance Program (SMP).
- Responded to Creekside customers and others via Access Valley Water within five days or less.
- Inspected 785,988 Linear Feet of Creeks and Levees.

## FY 2019 Milestones

- U.S. Army Corps of Engineers (USACE)-constructed reaches of Guadalupe River, Coyote Creek, and Uvas Creek: (a) Conduct semi-annual inspections by November 1 and May 30; (b) Prepare and submit annual inspection reports to USACE by August 1.
- Natural Resources Conservation Service (NRCS)-constructed reaches of Lower Llagas Creek Flood Protection Project (PL-566); (a) Conduct annual inspections; (b) Prepare and submit annual inspection reports to NRCS.
- Conduct inspections of creeks and levees (ongoing).
- Research and respond to customer requests via Access Valley Water (AVW) communications system (ongoing).
- Prepare work orders for corrective and preventive stream maintenance activities (ongoing).
- Engineering support for Stream Maintenance Program (SMP) projects: (a) Prepare necessary information to ensure SMP annual Notice of Proposed Work occurs by April 15; (b) Provide engineering and construction support for SMP bank protection, sediment removal, vegetation management, and levee maintenance projects (generally between June 15 and October 15); (c) Prepare necessary information to ensure SMP Annual Summary Report occurs by January 31.
- Update/develop five stream maintenance guidelines by December 31.

## Budget Issues and Constraints

- Limited funding (Illegal Encampment)
- The extent of maintenance work completed annually is constrained by staff resources, funding and regulatory permit requirements.

# Watershed Operations & Maintenance Division — Budget Summary

| Project Type (Category) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Operations | 23,591,347 | 26,582,133 | 27,322,515 | 740,382 | 3% |
| Operating | 2,626,517 | 1,028,133 | 2,242,342 | 1,214,209 | 118% |
| Capital | 651,392 | 599,431 | 695,514 | 96,083 | 16% |
| **Total** * | **26,869,255** | **28,209,697** | **30,260,371** | **2,050,674** | **7%** |

| Department (Unit) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Vegetation Field Operations | 7,102,593 | 8,300,668 | 8,300,807 | 138 | 0% |
| Watersheds Field Operations | 12,178,255 | 12,672,754 | 14,193,389 | 1,520,635 | 12% |
| Stream Maintenance Program | 2,505,534 | 3,162,145 | 2,696,206 | (465,939) | -15% |
| O&M Engineering Support | 4,445,838 | 3,480,810 | 4,459,424 | 978,614 | 28% |
| Ofc of Watershed O&M Division | 637,035 | 593,320 | 610,546 | 17,226 | 3% |
| **Total** * | **26,869,255** | **28,209,697** | **30,260,371** | **2,050,674** | **7%** |

* Totals do not include intra-district reimbursement charges.

**Authorized Positions (excluding fellowships)**

| | | | | |
|---|---|---|---|---|
| Watershed Operations & Maintenance Division | 87 | 92 | 93 | 1** |

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

## Operations Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Ofc of Watershed O&M Division** | | | | | |
| | Salaries & Benefits | 394,932 | 590,924 | 609,546 | 18,622 |
| | Direct Services | 241,687 | 0 | 0 | 0 |
| | Supplies | 91 | 500 | 0 | (500) |
| | Other Expenses | 325 | 1,000 | 1,000 | 0 |
| **Ofc of Watershed O&M Division (251) Total** | | **637,035** | **592,424** | **610,546** | **18,122** |
| **Watersheds Field Operations** | | | | | |
| | Salaries & Benefits | 5,304,209 | 5,463,429 | 5,632,199 | 168,770 |
| | Consultants | 32,480 | 55,000 | 185,000 | 130,000 |
| | Direct Services | 4,956,962 | 5,039,667 | 5,305,279 | 265,612 |
| | Supplies | 581,918 | 1,102,050 | 1,073,500 | (28,550) |
| | Other Expenses | 7,840 | 22,450 | 19,950 | (2,500) |
| | Fixed Assets | 6,000 | 0 | 0 | 0 |
| | Utilities | 1,147,930 | 632,000 | 1,633,000 | 1,001,000 |
| **Watersheds Field Operations (253) Total** | | **12,037,338** | **12,314,596** | **13,848,928** | **1,534,332** |
| **Vegetation Field Operations** | | | | | |
| | Salaries & Benefits | 3,739,624 | 4,329,150 | 4,596,849 | 267,699 |
| | Consultants | 15,000 | 65,000 | 13,000 | (52,000) |
| | Direct Services | 2,987,921 | 3,228,662 | 3,224,500 | (4,162) |
| | Supplies | 229,436 | 492,493 | 246,350 | (246,143) |
| | Other Expenses | 25,047 | 31,333 | 28,474 | (2,859) |
| | Fixed Assets | 500 | 0 | 0 | 0 |
| | Utilities | 42,745 | 59,000 | 51,000 | (8,000) |
| **Vegetation Field Operations (295) Total** | | **7,040,273** | **8,205,638** | **8,160,173** | **(45,465)** |
| **Stream Maintenance Program** | | | | | |
| | Salaries & Benefits | 1,501,965 | 1,753,751 | 1,829,774 | 76,024 |
| | Consultants | 17,878 | 610,000 | 210,000 | (400,000) |
| | Direct Services | 344,627 | 499,900 | 285,000 | (214,900) |
| | Supplies | 12,288 | 6,700 | 5,000 | (1,700) |
| | Other Expenses | 210,337 | 217,000 | 270,000 | 53,000 |
| | Utilities | 0 | 750 | 750 | 0 |
| **Stream Maintenance Program (297) Total** | | **2,087,096** | **3,088,101** | **2,600,524** | **(487,576)** |
| **O&M Engineering Support** | | | | | |
| | Salaries & Benefits | 2,633,143 | 2,799,807 | 2,785,686 | (14,121) |
| | Consultants | 1,638,439 | 85,500 | 1,096,000 | 1,010,500 |
| | Direct Services | 97,598 | 311,000 | 311,000 | 0 |
| | Supplies | 27,957 | 23,200 | 22,000 | (1,200) |

## Operations Budget by Department and Account Category (Continued)

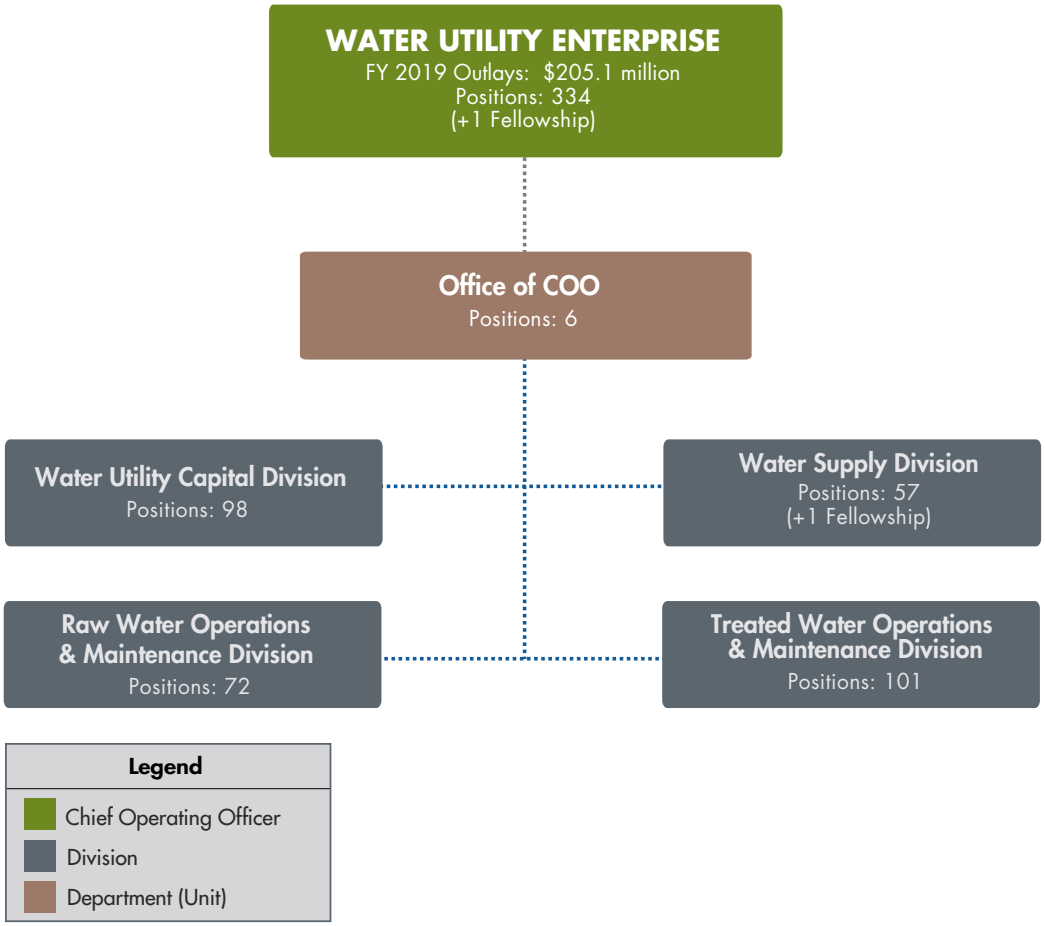
| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| | Other Expenses | 18,184 | 190,000 | 130,000 | (60,000) |
| | Fixed Assets | 800 | 0 | 0 | 0 |
| **O&M Engineering Support (298) Total** | | **4,416,121** | **3,409,507** | **4,344,686** | **935,179** |
| **Operations Total*** | | **26,217,863** | **27,610,265** | **29,564,857** | **1,954,591** |

## Capital Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Ofc of Watershed O&M Division** | | | | | |
| | Salaries & Benefits | 0 | 895 | 0 | (895) |
| **Ofc of Watershed O&M Division (251) Total** | | **0** | **895** | **0** | **(895)** |
| **Watersheds Field Operations** | | | | | |
| | Salaries & Benefits | 107,123 | 268,158 | 314,461 | 46,303 |
| | Direct Services | 31,235 | 50,000 | 20,000 | (30,000) |
| | Supplies | 2,517 | 40,000 | 10,000 | (30,000) |
| | Utilities | 43 | 0 | 0 | 0 |
| **Watersheds Field Operations (253) Total** | | **140,917** | **358,158** | **344,461** | **(13,697)** |
| **Vegetation Field Operations** | | | | | |
| | Salaries & Benefits | 46,415 | 95,031 | 134,634 | 39,603 |
| | Direct Services | 15,828 | 0 | 6,000 | 6,000 |
| | Utilities | 77 | 0 | 0 | 0 |
| **Vegetation Field Operations (295) Total** | | **62,320** | **95,031** | **140,634** | **45,603** |
| **Stream Maintenance Program** | | | | | |
| | Salaries & Benefits | 442 | 14,044 | 35,682 | 21,638 |
| | Other Expenses | 417,996 | 60,000 | 60,000 | 0 |
| **Stream Maintenance Program (297) Total** | | **418,438** | **74,044** | **95,682** | **21,638** |
| **O&M Engineering Support** | | | | | |
| | Salaries & Benefits | 29,398 | 71,304 | 114,738 | 43,434 |
| | Direct Services | 143 | 0 | 0 | 0 |
| | Supplies | 176 | 0 | 0 | 0 |
| **O&M Engineering Support (298) Total** | | **29,717** | **71,304** | **114,738** | **43,434** |
| **Capital Total*** | | **651,392** | **599,431** | **695,514** | **96,083** |
| **Division Total*** | | **26,869,255** | **28,209,697** | **30,260,371** | **2,050,674** |

* Totals reflect the net budget and do not include intra-district reimbursement charges.

# Water Utility

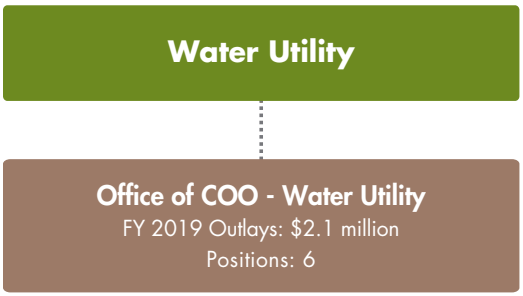


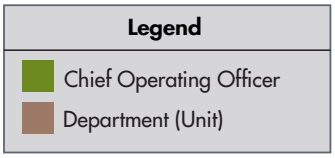

## Description

The Water Utility Enterprise is primarily responsible for carrying out the core services related to Ends Policy 2 - There is a reliable, clean water supply for current and future generations.

Directed by Chief Operating Officer, the district's Water Utility Enterprise (WUE) is comprised of four management divisions, each of which includes functional departments that carry out the work of the division and the enterprise.

# Office of COO Water Utility




The Office of the Chief Operating Officer Water Utility oversees Water Utility Capital, Water Supply, Raw Water Operations & Maintenance and Treated Water Operations & Maintenance divisions. The Water Utility Enterprise (WUE) is primarily responsible for carrying out the core services related to Ends Policy 2 - There is a reliable, clean water supply for current and future generations. The COO leads and manages the WUE to achieve the Board's Ends Goals and Objectives. This includes providing WUE the leadership, staff, and funding to conduct the administrative nature of the WUE functions. In general, the COO Office provides for management activities that promote communication, human resources development, budgeting, project efficiencies and process improvement, mentoring and recruitment, and supporting district-wide and special events/efforts that benefit the whole organization.

# Office of COO Water Utility — Budget Summary

| Project Type (Category) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Operations | 1,501,945 | 2,876,344 | 2,100,459 | (775,884) | -27% |
| Operating | 2,642 | 0 | 0 | 0 | -27% |
| Capital | 2,212 | 0 | 0 | 0 | -27% |
| **Total** * | **1,506,799** | **2,876,344** | **2,100,459** | **(775,884)** | **-27%** |

| Department (Unit) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Office of COO Water Utility | 1,506,799 | 2,876,344 | 2,100,459 | (775,884) | -27% |
| **Total** * | **1,506,799** | **2,876,344** | **2,100,459** | **(775,884)** | **-27%** |

* Totals do not include intra-district reimbursement charges.

**Authorized Positions (excluding fellowships)**

| | | | | |
|---|---|---|---|---|
| Office of COO Water Utility | 4 | 5 | 6 | 1** |

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

## Operations Budget by Department and Account Category

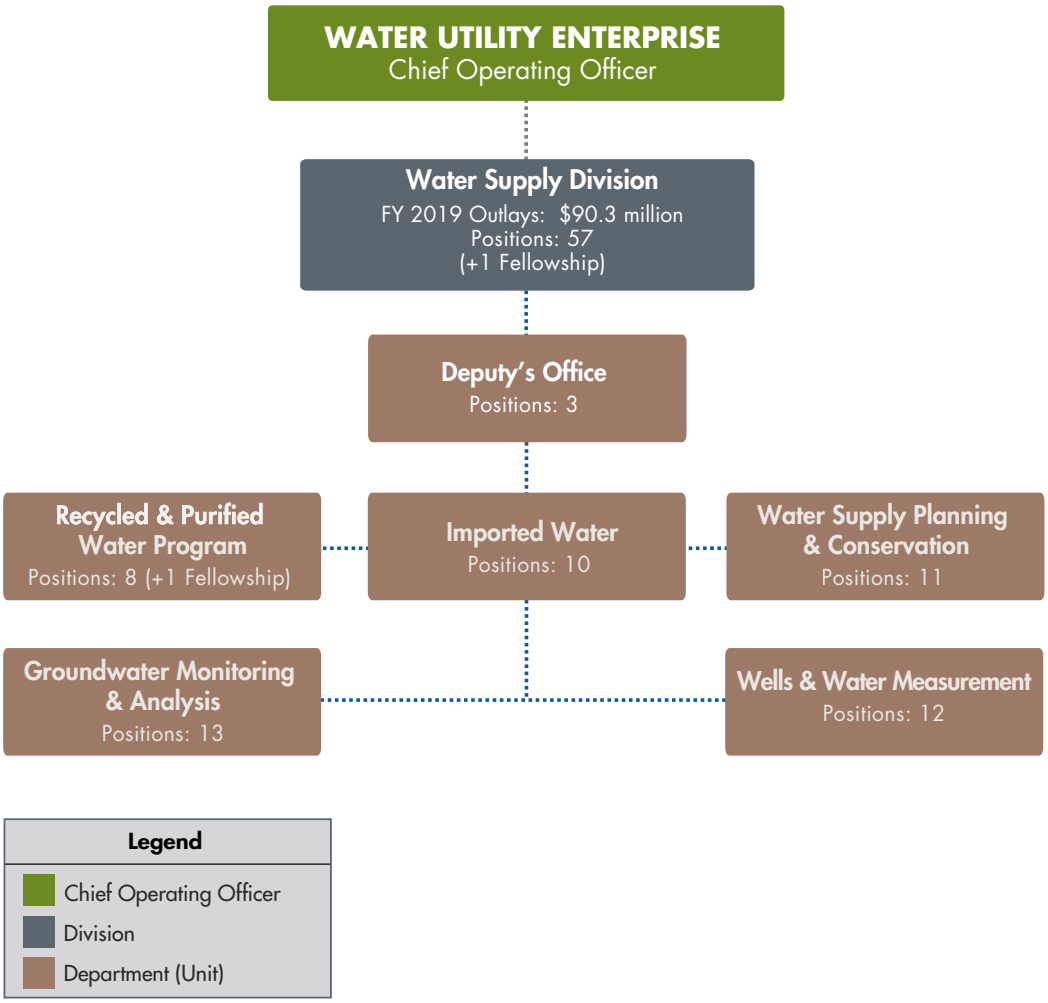
| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| Office of COO Water Utility | | | | | |
| | Salaries & Benefits | 1,004,155 | 1,192,844 | 1,480,959 | 288,116 |
| | Consultants | 172,040 | 738,500 | 135,000 | (603,500) |
| | Direct Services | 21,071 | 178,000 | 0 | (178,000) |
| | Supplies | 1,848 | 257,000 | 9,000 | (248,000) |
| | Other Expenses | 305,473 | 440,000 | 475,500 | 35,500 |
| | Fixed Assets | 0 | 70,000 | 0 | (70,000) |
| Office of COO Water Utility (402) Total | | **1,504,587** | **2,876,344** | **2,100,459** | **(775,884)** |
| Operations Total* | | **1,504,587** | **2,876,344** | **2,100,459** | **(775,884)** |

## Capital Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| Office of COO Water Utility | | | | | |
| | Salaries & Benefits | 1,429 | 0 | 0 | 0 |
| | Supplies | 28 | 0 | 0 | 0 |
| | Other Expenses | 754 | 0 | 0 | 0 |
| Office of COO Water Utility (402) Total | | **2,212** | **0** | **0** | **0** |
| Capital Total* | | **2,212** | **0** | **0** | **0** |
| **Division Total*** | | **1,506,799** | **2,876,344** | **2,100,459** | **(775,884)** |

* Totals reflect the net budget and do not include intra-district reimbursement charges.

# Water Supply Division




## Division Description and Objectives

The Water Supply Division is responsible for identifying future water supply needs, managing the groundwater basins and imported water supplies, and implementing water conservation and recycled water programs. The 10 objectives of the Water Supply Division are to: 1) Sustain future drought proof, reliable water supply; 2) Expand and develop recycled and purified water projects; 3) Manage annual imported water supplies; 4) Minimize imported water costs; 5) Participate and complete various water supply reliability planning studies; 6) Implement programs and provide support needed to maximize water conservation/demand management to reach the District's goal of saving nearly 100,000 acre-feet per year by 2030 and any short-term reduction called for by the Board; 7) Provide accurate and timely information on current and future groundwater supply conditions; 8) Comply with state sustainable groundwater management requirements; 9) Protect the quality and quantity of the county's groundwater resources by ensuring that wells are constructed, destroyed, modified and maintained per policy; and,

10) Provide accurate and dependable water measuring devices for verifying water production for groundwater, surface water, treated water and recycled water accounts.

### Recycled and Purified Water Program

The Recycled and Purified Water Department supports expansion of recycled and purified water in Santa Clara County by collaborating, negotiating and executing long-term agreements with various partners, and by leading various planning and research studies such as the Reverse Osmosis Concentrate Management Plan, and the Countywide Recycled and Purified Water Master Plan.

### Imported Water

The Imported Water Department protects, manages and develops the District's imported water assets, including the Central Valley Project, State Water Project, and other contract rights; meets current year operational needs for imported supplies; develops water transfers, exchanges and banking agreements; and controls imported water costs.

Water Supply Planning and Conservation

The Water Supply Planning and Conservation Department supports the District mission by developing long-term water supply planning studies to ensure there is a reliable water supply, by participating in various regional water supply planning efforts, and by designing, implementing, and evaluating demand management programs to meet District short-term and long-term water supply reliability goals.

### Groundwater Monitoring & Analysis

The Groundwater Management Department supports the District mission to protect and augment local groundwater resources by providing accurate and timely information on current and future groundwater supply conditions, implementing sustainable groundwater management programs, complying with state groundwater sustainability requirements, and assessing potential groundwater impacts from proposed projects and policies.

### Wells and Water Measurement

The Wells and Water Measurement Department is responsible for the implementation of two programs: The Well Ordinance Program and Water Measurement Program. The Well Ordinance Program helps protect the District's groundwater resource by providing staff, services, and supplies used for the implementation of the District's Well Ordinance (Ordinance 90-1). Implementation of the well ordinance includes well permitting, well inspection, well data management, and violation enforcement for all wells located in Santa Clara County. The Water Measurement Program provides staff time, services, and supplies for the operation of the District's meter test facility, for meter reading, for meter installation, for the test and overhaul of meters, and for the preventative and corrective maintenance of approximately 1,000 groundwater, treated water, and raw water meters.

## FY 2018 Accomplishments

- Negotiated and completed Memorandum of Understanding agreements with the cities of Mountain View and Palo Alto for assessing feasibility of water reuse alternatives.
- Initiated Countywide Water Reuse Master Plan Project, including stakeholder workshops.

- Prepared and presented four Board Agenda Items on California WaterFix (CWF) leading up to the Board declaring conditional support of CWF.
- Participated in CWF negotiations and development of SCVWD's participation approach.
- Submitted Proposition 1 application to California Water Commission (CWC) for the Pacheco Reservoir Expansion Project requesting $484.5M in funding Long-term conservation program savings of approximately 74,000 acre-feet in FY18 to stay on target to meet our goal of saving nearly 100,000 acre-feet per year by 2030.
- Completed the Central Valley Project Improvement Act Water Management Plan.
- Held the Annual Landscape Summit Workshop.
- Groundwater storage recovery to pre-drought levels.
- With stakeholders, developed process to regulate pumping under the Sustainable Groundwater Management Act, if needed.
- Completed Zones of Benefit technical report.
- Completed 3,853 meter reads; completed 172 meter tests; completed 175 meter maintenance events; installed 5 new meters; completed 93 backflow prevention device tests; completed 13 backflow prevention device repairs.
- Issued 775 Well Permits.

## FY 2019 Milestones

- Complete draft Countywide Recycled & Purified Water Master Plan by December 2018.
- Evaluate, plan and implement potable reuse projects from various recent Master Planning efforts in the county; such as the 2014 South Bay Water Recycling Strategic and Master Planning report.
- Identify potential sources of supplemental water.
- Submit initial Central Valley Project and State Water Project delivery schedules by December 2018.
- Complete the update to the district's Water Supply Master Plan by December 2018.
- Provide rebates for the conversion on 500,000 square feet of turf by June 2019.
- Analyze groundwater conditions to support water supply operations and long-term planning efforts. Ensure compliance with state groundwater sustainability requirements.
- 100% of 26 treated water meters at active treated water turnouts are read on a weekly basis.
- 100% of well construction/destruction activities (approximately 1,300 annually) are inspected.

## Budget Issues and Constraints

Available resources, hydrology, and imported water availability.

# Water Supply Division — Budget Summary

| Project Type (Category) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Operations | 79,832,635 | 75,556,992 | 76,989,129 | 1,432,137 | 2% |
| Operating | 1,124,123 | 57,578 | 107,422 | 49,844 | 87% |
| Capital | 9,831,136 | 10,098,068 | 13,243,961 | 3,145,893 | 31% |
| **Total** * | **90,787,894** | **85,712,638** | **90,340,512** | **4,627,874** | **5%** |

| Department (Unit) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Groundwater Management | 2,749,085 | 2,689,489 | 2,825,477 | 135,987 | 5% |
| Deputy's Office of Water Supply Division | 654,074 | 634,504 | 661,641 | 27,137 | 4% |
| Imported Water | 72,279,645 | 69,364,866 | 70,179,376 | 814,510 | 1% |
| Water Supply Planning and Conservation | 7,211,960 | 6,131,329 | 7,189,383 | 1,058,054 | 17% |
| Recycled and Purified Water Program | 5,707,901 | 4,641,433 | 7,106,311 | 2,464,879 | 53% |
| Wells and Water Measurement | 2,185,229 | 2,251,017 | 2,378,324 | 127,307 | 6% |
| **Total** * | **90,787,894** | **85,712,638** | **90,340,512** | **4,627,874** | **5%** |

* Totals do not include intra-district reimbursement charges.

**Authorized Positions (excluding fellowships)**

| | | | | |
|---|---|---|---|---|
| **Water Supply Division** | **56** | **57** | **57** | **0**** |

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

## Operations Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Recycled and Purified Water Program** | | | | | |
| | Salaries & Benefits | 1,401,833 | 1,469,711 | 1,695,740 | 226,029 |
| | Consultants | 1,597,966 | 2,758,500 | 2,115,000 | (643,500) |
| | Direct Services | 180,078 | 224,258 | 284,147 | 59,889 |
| | Supplies | 52,543 | 0 | 0 | 0 |
| | Other Expenses | 13,761 | 14,500 | 14,500 | 0 |
| | Utilities | 44 | 0 | 0 | 0 |
| | Cost Sharing & Rebates | 1,819,327 | 70,000 | 40,000 | (30,000) |
| **Recycled and Purified Water Program (410) Total** | | **5,065,551** | **4,536,969** | **4,149,387** | **(387,582)** |
| **Deputy's Office of Water Supply Division** | | | | | |
| | Salaries & Benefits | 633,822 | 630,254 | 657,391 | 27,137 |
| | Direct Services | 13,547 | 0 | 0 | 0 |
| | Supplies | 736 | 0 | 0 | 0 |
| | Other Expenses | 5,968 | 4,250 | 4,250 | 0 |
| **Deputy's Office of Water Supply Division (415) Total** | | **654,074** | **634,504** | **661,641** | **27,137** |
| **Imported Water** | | | | | |
| | Salaries & Benefits | 1,642,180 | 1,888,997 | 2,034,182 | 145,185 |
| | Consultants | 1,399,676 | 0 | 0 | 0 |
| | Direct Services | 16,922 | 31,501 | 39,500 | 7,999 |
| | Supplies | 1,258 | 500 | 500 | 0 |
| | Other Expenses | 194,732 | 187,750 | 187,900 | 150 |
| | Cost Sharing & Rebates | 1,122,017 | 2,667,000 | 11,994,468 | 9,327,468 |
| | Water Purchases | 58,962,087 | 54,873,949 | 45,839,401 | (9,034,548) |
| **Imported Water (425) Total** | | **63,338,872** | **59,649,697** | **60,095,951** | **446,254** |
| **Water Supply Planning and Conservation** | | | | | |
| | Salaries & Benefits | 1,897,218 | 1,912,019 | 2,057,312 | 145,293 |
| | Consultants | 1,159,791 | 477,500 | 477,500 | 0 |
| | Direct Services | 405,613 | 251,300 | 338,500 | 87,200 |
| | Supplies | 63,768 | 84,310 | 95,300 | 10,990 |
| | Other Expenses | 5,527 | 19,000 | 26,970 | 7,970 |
| | Cost Sharing & Rebates | 3,632,012 | 3,257,850 | 4,070,000 | 812,150 |
| **Water Supply Planning and Conservation (445) Total** | | **7,163,929** | **6,001,979** | **7,065,582** | **1,063,603** |
| **Groundwater Management** | | | | | |
| | Salaries & Benefits | 2,332,101 | 2,334,204 | 2,529,427 | 195,223 |
| | Consultants | 98,712 | 85,000 | 98,000 | 13,000 |
| | Direct Services | 44,061 | 71,000 | 75,300 | 4,300 |
| | Supplies | 26,730 | 15,300 | 17,650 | 2,350 |

## Operations Budget by Department and Account Category (Continued)

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| | Other Expenses | 12,499 | 34,900 | 30,000 | (4,900) |
| | Cost Sharing & Rebates | 35,000 | 0 | 0 | 0 |
| Groundwater Management (465) Total | | **2,549,103** | **2,540,404** | **2,750,377** | **209,973** |
| Wells and Water Measurement | | | | | |
| | Salaries & Benefits | 2,018,744 | 2,028,167 | 2,140,162 | 111,995 |
| | Consultants | 4,485 | 23,000 | 74,250 | 51,250 |
| | Direct Services | 73,029 | 81,100 | 81,000 | (100) |
| | Supplies | 47,317 | 81,600 | 57,000 | (24,600) |
| | Other Expenses | 860 | 4,450 | 4,850 | 400 |
| | Utilities | 431 | 1,200 | 600 | (600) |
| | Fixed Assets | 40,363 | 31,500 | 15,750 | (15,750) |
| Wells and Water Measurement (475) Total | | **2,185,229** | **2,251,017** | **2,373,612** | **122,595** |
| Operations Total* | | **80,956,758** | **75,614,570** | **77,096,551** | **1,481,981** |

## Capital Budget by Department and Account Category

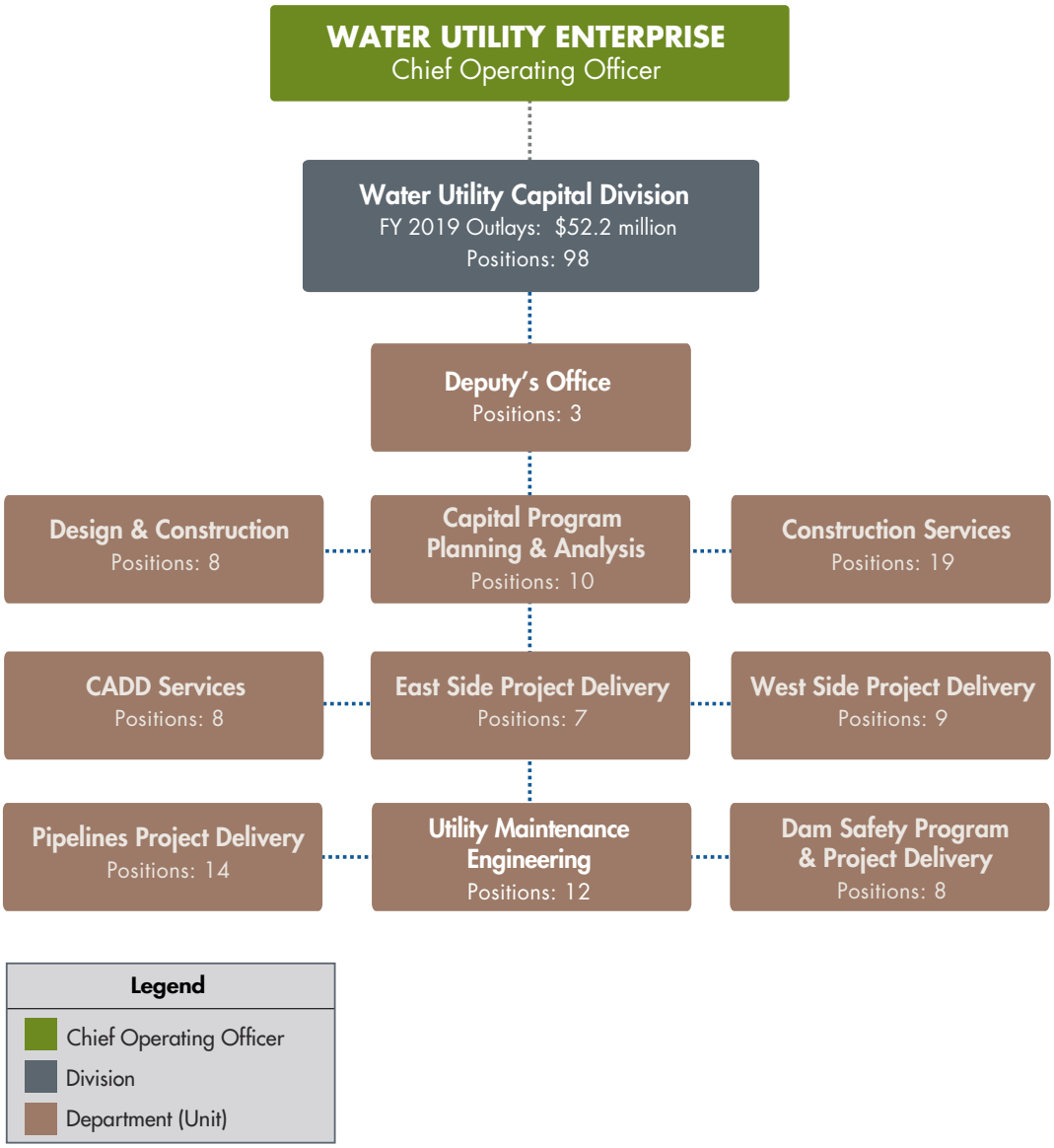
| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| Recycled and Purified Water Program | | | | | |
| | Salaries & Benefits | 282,943 | 104,464 | 156,924 | 52,460 |
| | Consultants | 0 | 0 | 2,800,000 | 2,800,000 |
| | Cost Sharing & Rebates | 359,407 | 0 | 0 | 0 |
| Recycled and Purified Water Program (410) Total | | **642,350** | **104,464** | **2,956,924** | **2,852,460** |
| Deputy's Office of Water Supply Division | | | | | |
| Deputy's Office of Water Supply Division (415) Total | | **0** | **0** | **0** | **0** |
| Imported Water | | | | | |
| | Salaries & Benefits | 0 | 0 | 26,494 | 26,494 |
| | Water Purchases | 8,940,774 | 9,715,169 | 10,056,930 | 341,761 |
| Imported Water (425) Total | | **8,940,774** | **9,715,169** | **10,083,424** | **368,255** |
| Water Supply Planning and Conservation | | | | | |
| | Salaries & Benefits | 48,031 | 129,350 | 123,801 | (5,549) |
| Water Supply Planning and Conservation (445) Total | | **48,031** | **129,350** | **123,801** | **(5,549)** |
| Groundwater Management | | | | | |
| | Salaries & Benefits | 180,023 | 149,085 | 75,099 | (73,986) |
| | Consultants | 10,015 | 0 | 0 | 0 |

## Capital Budget by Department and Account Category (Continued)

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| | Direct Services | 1,745 | 0 | 0 | 0 |
| | Other Expenses | 370 | 0 | 0 | 0 |
| | Supplies | 7,828 | 0 | 0 | 0 |
| Groundwater Management (465) Total | | **199,982** | **149,085** | **75,099** | **(73,986)** |
| Wells and Water Measurement | | | | | |
| | Salaries & Benefits | 0 | 0 | 4,712 | 4,712 |
| Wells and Water Measurement (475) Total | | **0** | **0** | **4,712** | **4,712** |
| Capital Total* | | **9,831,136** | **10,098,068** | **13,243,961** | **3,145,893** |
| **Division Total*** | | **90,787,894** | **85,712,638** | **90,340,512** | **4,627,874** |

* Totals reflect the net budget and do not include intra-district reimbursement charges.

# Water Utility Capital Division




## Division Description and Objectives

The Water Utility Capital Division is responsible for planning, implementation and management of the Water Utility's portion of the District's rolling 5-year Capital Improvement Program (CIP). The objective of the Water Utility Capital program is to ensure that there is a reliable, clean water supply for current and future generations.

### Design & Construction

The Design and Construction Department work on Capital Watershed Projects (Flood Protection and Fish Passage).

### Capital Program Planning and Analysis

The Capital Program Planning and Analysis Department provides analytical support for both Water Utility Enterprise and Watershed capital projects including benchmarking and status reports. Runs the advertise and award process for all public works projects over $25,000 and provides support during construction. Assists with preparing and processing consultant agreements. Develops and produces the annual 5-year CIP including maintaining all backup data, managing the Staff CIP committee and the Board Ad Hoc CIP Committee.

### Construction Services

The Construction Services Department provides construction management and inspection for capital construction projects.

### CADD Services

The responsibilities of the CADD Department include the production of engineering drafting and minor design work, field investigations, management of CADD related software, in support of the District's water resources facilities, flood control and pipeline infrastructure, and watershed management.

### East Side Project Delivery

The East Side Project Delivery Department supports the implementation of the District's 5-Year Capital Improvement Program. Department staff manage and oversee the planning, design, and construction of various water supply capital projects, including those at the treatment plants and pumping plants.

### West Side Project Delivery

The West Side Project Delivery Department provides engineering services for the planning, design and construction of capital projects at the Rinconada Water Treatment Plant and other facilities as needed. In addition, the department prepares annual project and department budget requests and revises and adds to the Five-Year CIP as needed.

### Pipelines Project Delivery

The Pipelines Project Delivery Department is responsible for the planning, design and construction of the District's pipeline infrastructure defined in the District's 5 year CIP as well as other District documents. The department also provides structural and geotechnical engineering services and support District-wide. Majority of the staff are comprised of civil, structural and geotechnical engineers.

### Utility Maintenance Engineering

The Utility Maintenance Engineering Department provides sound civil and mechanical engineering as well as corrosion control services in support of Water Utility Operations and Maintenance Programs. The department also manages several Capital Projects related to large diameter pipeline inspection and rehabilitation and Pre-stressed Concrete Cylinder Pipe (PCCP) risk mitigation.

**Dam Safety Program and Project Delivery**

The Dam Safety Program and Project Delivery Department manages maintenance, inspections, regulatory compliance, and safety of the District dams. In addition, the department also delivers all capital projects related to the dams. The dam safety and dam maintenance activities are carried out through the department's Dam Safety Program (91081007) and the Dams and Reservoirs Maintenance Program (91761099). Capital projects currently being managed by the department include - Anderson Dam Seismic Retrofit Project (91864005), Calero Dam Seismic Retrofit Project (91874004) and the Guadalupe Dam Seismic Retrofit Project (91894002). Other dam-related projects currently managed by the department include Almaden Intake Project (91854001), Dam Safety Evaluation - Phase 1 Project (91084019), and Penitencia Water Treatment Plant Landslide Monitoring (93231007).

## FY 2018 Accomplishments

- Geotechnical investigations for the Calero and Guadalupe Dams Seismic Retrofit and Almaden Dam Improvement Projects were completed.
- 60% design plans completed for Anderson and Guadalupe Dams Seismic Retrofit Projects.
- Construction was completed for the Penitencia Delivery and Force Main Seismic Retrofit Project.
- Several construction projects were completed at the Penitencia Water Treatment Plant (PWTP): the seismic retrofit of the operations building; the clearwell recoating and repair; and installation of a fluoridation system.
- A new fluoridation system was installed and brought online at the Santa Teresa Water Treatment Plant.
- The Wolfe Road Recycled Water Facilities Project installed approximately 13,300 lineal feet of 24" inch diameter recycled water pipeline and appurtenances to expand the recycled water distribution system in the City of Sunnyvale and provide recycled water service to the Apple 2 campus.
- Eighty (80) distressed segments of the Almaden Valley Pipeline were successfully repaired using carbon fiber wrap in a 2-month emergency repair period.
- An expanded shortlist for the P3 procurement for the Expedited Purified Water Program was developed through a second RFQ process.

## FY 2019 Milestones

- Complete Phase II of the Rinconada Water Treatment Plant Reliability Improvement Project.
- Release Draft Environmental Impact Reports (EIR) for the Anderson and Guadalupe Dams Seismic Retrofit Projects for public review.
- Request Board certification of the Final EIR for the Anderson Dam Seismic Retrofit Project
- Complete 90% design for the Anderson, Calero, and Guadalupe Dam Seismic Retrofit Projects.
- Complete construction of the Main/Madrone Pipelines Restoration Project.
- Complete construction of the Coyote Warehouse.
- Initiate planning and preliminary design of the Vasona Pumping Plant Upgrade and Coyote Pumping Plant Adjustable Speed Drive Projects.
- Continue 10-Year Pipeline Inspection and Rehabilitation Program work.

- Complete the RFP process for the Expedited Purified Water Program and execute a Development Period Agreement with the highest-ranked P3 entity.

## Budget Issues and Constraints

The amount of funding available, derived from groundwater production charges in both North and South County, will determine the number of Capital Projects which will be funded in a given year. Current staffing levels will preclude the implementation of projects not already identified within the 5-year CIP. Staff availability and support outside of the Water Utility Capital Division is also a factor affecting completion of the projected milestones and the volume of work that can be accomplished. Project progress can be greatly affected by external factors outside of the District (i.e., securing permits; obtaining timely reviews and approvals of project deliverables; timely development and execution of agreements with external agencies).

# Water Utility Capital Division — Budget Summary

| Project Type (Category) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Operations | 3,764,570 | 3,837,469 | 3,417,932 | (419,537) | -11% |
| Operating | 20,416 | 9,493 | 7,093 | (2,400) | -25% |
| Capital | 95,394,292 | 51,421,358 | 48,792,346 | (2,629,013) | -5% |
| **Total** * | **99,179,278** | **55,268,320** | **52,217,370** | **(3,050,950)** | **-6%** |

| Department (Unit) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Capital Prog Plan and Analysis | 1,160,482 | (128,365,338) | (111,136,321) | 17,229,017 | -13% |
| West Side Project Delivery | 45,986,830 | 62,453,471 | 50,433,723 | (12,019,748) | -19% |
| Pipelines Project Delivery | 19,491,503 | 15,817,472 | 29,354,614 | 13,537,142 | 86% |
| Dam Safety Program and project delivery | 3,644,347 | 13,693,909 | 21,323,850 | 7,629,941 | 56% |
| East Side Project Delivery | 4,558,688 | 6,657,146 | 15,770,708 | 9,113,561 | 137% |
| Deputy's Office of Water Utility Capital Division | 961,215 | 820,004 | 1,066,949 | 246,945 | 30% |
| Utility Maintenance Engineering | 5,862,796 | 22,584,698 | 12,672,823 | (9,911,875) | -44% |
| CADD Services | 1,171,958 | 1,266,307 | 1,334,206 | 67,899 | 5% |
| Construction Services | 3,902,714 | 6,855,516 | 7,451,695 | 596,178 | 9% |
| Design & Construction Unit 3 | 12,438,744 | 53,485,136 | 23,945,123 | (29,540,013) | -55% |
| **Total** * | **99,179,278** | **55,268,321** | **52,217,370** | **(3,050,950)** | **-6%** |

* Totals do not include intra-district reimbursement charges.

**Authorized Positions (excluding fellowships)**

| | | | | |
|---|---|---|---|---|
| Water Utility Capital Division | **100** | **97** | **98** | **1**** |

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

## Operations Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Deputy's Office of Water Utility Capital Division** | | | | | |
| | Salaries & Benefits | 118,275 | 150,684 | 2,346 | (148,338) |
| | Direct Services | 1,821 | 0 | 0 | 0 |
| | Supplies | 89 | 0 | 0 | 0 |
| | Other Expenses | 304 | 0 | 0 | 0 |
| **Deputy's Office of Water Utility Capital Division (315) Total** | | **120,489** | **150,684** | **2,346** | **(148,338)** |
| **Design & Construction Unit 3** | | | | | |
| | Salaries & Benefits | 4,113 | 19,608 | 8,022 | (11,586) |
| | Direct Services | 11,915 | 0 | 0 | 0 |
| | Supplies | 19 | 0 | 0 | 0 |
| **Design & Construction Unit 3 (333) Total** | | **16,047** | **19,608** | **8,022** | **(11,586)** |
| **Capital Prog Plan and Analysis** | | | | | |
| | Salaries & Benefits | 33,685 | 28,622 | 5,317 | (23,305) |
| **Capital Prog Plan and Analysis (335) Total** | | **33,685** | **28,622** | **5,317** | **(23,305)** |
| **Construction Services** | | | | | |
| | Salaries & Benefits | 132,061 | 21,901 | 43,915 | 22,014 |
| | Direct Services | 10,821 | 0 | 0 | 0 |
| | Supplies | 465 | 0 | 0 | 0 |
| | Consultants | 3,230 | 23,000 | 0 | (23,000) |
| **Construction Services (351) Total** | | **146,576** | **44,901** | **43,915** | **(986)** |
| **CADD Services** | | | | | |
| | Salaries & Benefits | 239,433 | 165,601 | 158,839 | (6,762) |
| | Direct Services | 44,314 | 49,000 | 56,000 | 7,000 |
| | Supplies | 0 | 500 | 300 | (200) |
| **CADD Services (366) Total** | | **283,747** | **215,101** | **215,139** | **38** |
| **East Side Project Delivery** | | | | | |
| | Salaries & Benefits | 198,976 | 70,235 | 61,651 | (8,585) |
| **East Side Project Delivery (375) Total** | | **198,976** | **70,235** | **61,651** | **(8,585)** |
| **West Side Project Delivery** | | | | | |
| | Salaries & Benefits | 57,065 | 6,020 | 5,125 | (895) |
| | Direct Services | 2,700 | 0 | 0 | 0 |
| **West Side Project Delivery (376) Total** | | **59,765** | **6,020** | **5,125** | **(895)** |
| **Pipelines Project Delivery** | | | | | |
| | Salaries & Benefits | 39,231 | 92,140 | 32,073 | (60,066) |
| | Direct Services | 7,327 | 0 | 0 | 0 |

## Operations Budget by Department and Account Category (Continued)

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| | Supplies | 285 | 0 | 0 | 0 |
| **Pipelines Project Delivery (385) Total** | | **46,842** | **92,140** | **32,073** | **(60,066)** |
| **Utility Maintenance Engineering** | | | | | |
| | Salaries & Benefits | 1,329,828 | 1,474,904 | 1,101,813 | (373,092) |
| | Direct Services | 200,280 | 62,500 | 44,000 | (18,500) |
| | Supplies | 15,507 | 71,500 | 5,000 | (66,500) |
| | Other Expenses | 68,087 | 5,000 | 10,000 | 5,000 |
| | Consultants | 55,281 | 260,000 | 0 | (260,000) |
| | Utilities | 13,397 | 11,400 | 3,200 | (8,200) |
| **Utility Maintenance Engineering (435) Total** | | **1,682,380** | **1,885,304** | **1,164,013** | **(721,292)** |
| **Dam Safety Program and project delivery** | | | | | |
| | Salaries & Benefits | 719,032 | 638,866 | 831,093 | 192,227 |
| | Direct Services | 195,259 | 304,300 | 374,650 | 70,350 |
| | Supplies | 24,284 | 42,000 | 42,000 | 0 |
| | Other Expenses | 222,097 | 214,180 | 254,680 | 40,500 |
| | Consultants | 35,012 | 135,000 | 385,000 | 250,000 |
| | Utilities | 794 | 0 | 0 | 0 |
| **Dam Safety Program and project delivery (595) Total** | | **1,196,478** | **1,334,346** | **1,887,423** | **553,077** |
| **Operations Total*** | | **3,784,986** | **3,846,962** | **3,425,024** | **(421,938)** |

## Capital Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Deputy's Office of Water Utility Capital Division** | | | | | |
| | Salaries & Benefits | 745,132 | 659,519 | 820,503 | 160,983 |
| | Consultants | 994 | 0 | 0 | 0 |
| | Direct Services | 18,322 | 0 | 0 | 0 |
| | Supplies | 1,400 | 600 | 1,400 | 800 |
| | Other Expenses | 73,409 | 9,200 | 242,700 | 233,500 |
| | Fixed Assets | 1,469 | 0 | 0 | 0 |
| **Deputy's Office of Water Utility Capital Division (315) Total** | | **840,726** | **669,319** | **1,064,603** | **395,283** |
| **Design & Construction Unit 3** | | | | | |
| | Salaries & Benefits | 1,375,956 | 1,527,378 | 1,645,001 | 117,623 |
| | Consultants | 4,556,310 | 2,680,000 | 6,987,000 | 4,307,000 |
| | Direct Services | 78,857 | 659,000 | 1,387,000 | 728,000 |
| | Supplies | 298,853 | 5,100 | 30,000 | 24,900 |

## Capital Budget by Department and Account Category (Continued)

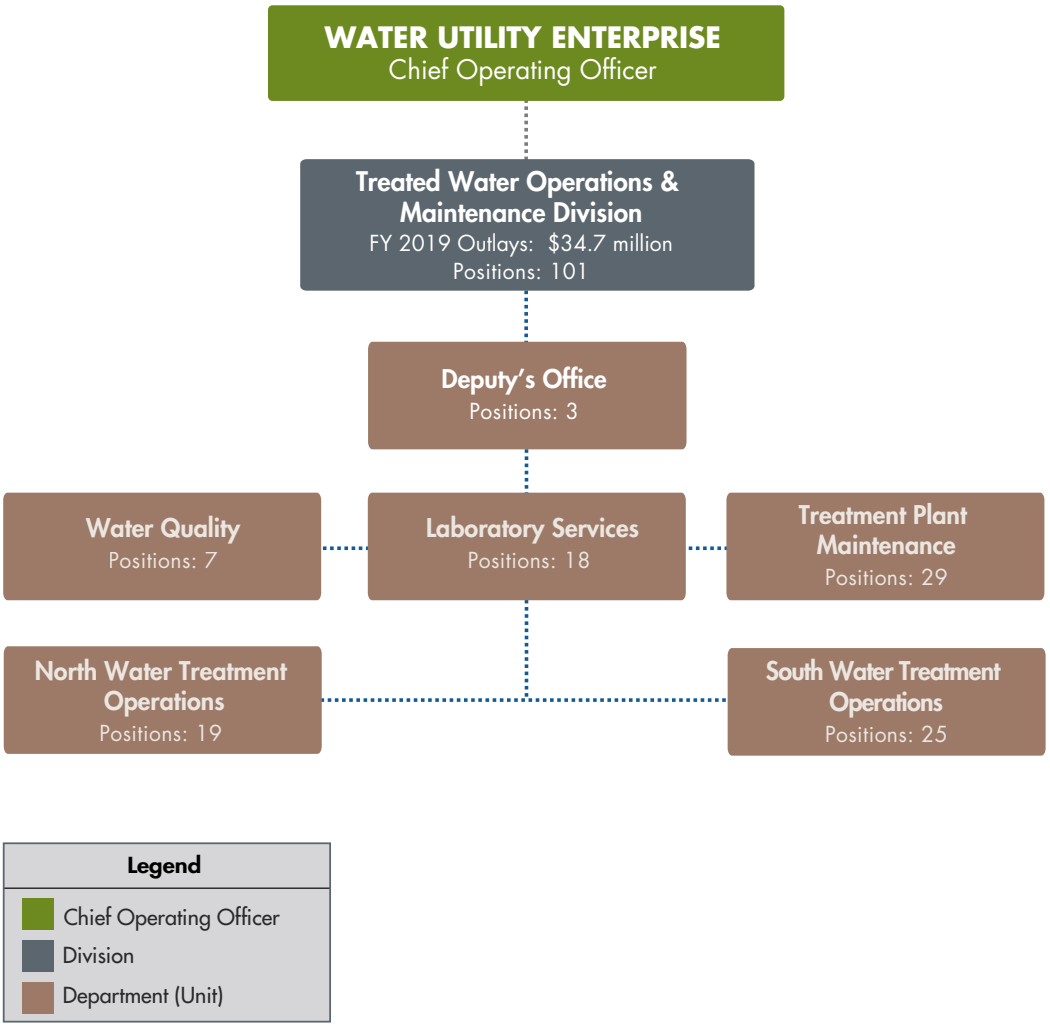
| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| | Other Expenses | 177,094 | 30,531,550 | 2,978,100 | (27,553,450) |
| | Fixed Assets | 5,852,284 | 17,257,500 | 10,710,000 | (6,547,500) |
| | Utilities | 83,342 | 805,000 | 200,000 | (605,000) |
| **Design & Construction Unit 3 (333) Total** | | **12,422,697** | **53,465,528** | **23,937,101** | **(29,528,427)** |
| **Capital Prog Plan and Analysis** | | | | | |
| | Salaries & Benefits | 1,099,496 | 1,760,004 | 1,873,955 | 113,952 |
| | Consultants | 18,107 | 3,500 | 22,500 | 19,000 |
| | Direct Services | 2,967 | 2,500 | 3,000 | 500 |
| | Supplies | 804 | 1,200 | 1,100 | (100) |
| | Other Expenses | 5,423 | (130,161,163) | (113,042,193) | 17,118,970 |
| **Capital Prog Plan and Analysis (335) Total** | | **1,126,797** | **(128,393,959)** | **(111,141,637)** | **17,252,322** |
| **Construction Services** | | | | | |
| | Salaries & Benefits | 3,163,344 | 3,406,315 | 3,853,079 | 446,764 |
| | Consultants | 370,976 | 3,291,000 | 3,350,000 | 59,000 |
| | Direct Services | 211,539 | 89,300 | 185,500 | 96,200 |
| | Supplies | 1,206 | 5,000 | 5,000 | 0 |
| | Other Expenses | 9,072 | 19,000 | 14,200 | (4,800) |
| **Construction Services (351) Total** | | **3,756,137** | **6,810,615** | **7,407,779** | **597,164** |
| **CADD Services** | | | | | |
| | Salaries & Benefits | 884,076 | 1,047,906 | 1,113,417 | 65,511 |
| | Supplies | 56 | 100 | 400 | 300 |
| | Other Expenses | 4,079 | 3,200 | 5,250 | 2,050 |
| **CADD Services (366) Total** | | **888,211** | **1,051,206** | **1,119,067** | **67,861** |
| **East Side Project Delivery** | | | | | |
| | Salaries & Benefits | 1,360,037 | 1,428,411 | 1,487,257 | 58,846 |
| | Consultants | 286,804 | 694,800 | 13,430,100 | 12,735,300 |
| | Direct Services | 48,964 | 130,000 | 140,000 | 10,000 |
| | Supplies | 25,265 | 40,400 | 40,400 | 0 |
| | Other Expenses | 47,072 | 166,000 | 104,000 | (62,000) |
| | Fixed Assets | 2,591,481 | 4,127,300 | 507,300 | (3,620,000) |
| | Utilities | 88 | 0 | 0 | 0 |
| **East Side Project Delivery (375) Total** | | **4,359,712** | **6,586,911** | **15,709,057** | **9,122,146** |
| **West Side Project Delivery** | | | | | |
| | Salaries & Benefits | 1,273,432 | 1,623,451 | 1,797,597 | 174,146 |
| | Consultants | 3,772,736 | 12,225,000 | 10,464,000 | (1,761,000) |
| | Direct Services | 517,254 | 100,000 | 785,000 | 685,000 |
| | Supplies | 121,684 | 42,000 | 0 | (42,000) |

## Capital Budget by Department and Account Category (Continued)

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| | Other Expenses | 20,376 | 0 | 12,000 | 12,000 |
| | Fixed Assets | 40,218,482 | 48,457,000 | 37,370,000 | (11,087,000) |
| | Utilities | 3,101 | 0 | 0 | 0 |
| **West Side Project Delivery (376) Total** | | **45,927,065** | **62,447,451** | **50,428,597** | **(12,018,854)** |
| **Pipelines Project Delivery** | | | | | |
| | Salaries & Benefits | 2,064,741 | 2,333,107 | 2,516,016 | 182,909 |
| | Consultants | 8,488,915 | 1,200,000 | 2,720,000 | 1,520,000 |
| | Direct Services | 89,462 | 75,325 | 604,625 | 529,300 |
| | Supplies | 1,172 | 700 | 700 | 0 |
| | Other Expenses | 73,493 | 41,200 | 171,200 | 130,000 |
| | Fixed Assets | 8,720,753 | 12,075,000 | 23,310,000 | 11,235,000 |
| | Utilities | 6,125 | 0 | 0 | 0 |
| **Pipelines Project Delivery (385) Total** | | **19,444,661** | **15,725,332** | **29,322,541** | **13,597,209** |
| **Utility Maintenance Engineering** | | | | | |
| | Salaries & Benefits | 674,362 | 805,994 | 1,271,810 | 465,817 |
| | Consultants | 2,568,565 | 4,956,000 | 3,545,000 | (1,411,000) |
| | Direct Services | 13,215 | 11,798,500 | 4,100,000 | (7,698,500) |
| | Supplies | 540,129 | 3,052,500 | 2,400,000 | (652,500) |
| | Other Expenses | 48,645 | 86,400 | 192,000 | 105,600 |
| | Fixed Assets | 335,501 | 0 | 0 | 0 |
| **Utility Maintenance Engineering (435) Total** | | **4,180,417** | **20,699,394** | **11,508,810** | **(9,190,583)** |
| **Dam Safety Program and project delivery** | | | | | |
| | Salaries & Benefits | 914,677 | 1,117,362 | 1,258,301 | 140,939 |
| | Consultants | 1,493,170 | 10,122,000 | 15,235,326 | 5,113,326 |
| | Direct Services | 6,073 | 85,200 | 28,800 | (56,400) |
| | Supplies | 306 | 0 | 0 | 0 |
| | Other Expenses | 33,643 | 85,000 | 2,064,000 | 1,979,000 |
| | Fixed Assets | 0 | 950,000 | 850,000 | (100,000) |
| **Dam Safety Program and project delivery (595) Total** | | **2,447,869** | **12,359,562** | **19,436,427** | **7,076,865** |
| **Capital Total*** | | **95,394,292** | **51,421,358** | **48,792,346** | **(2,629,013)** |
| **Division Total*** | | **99,179,278** | **55,268,320** | **52,217,370** | **(3,050,950)** |

* Totals reflect the net budget and do not include intra-district reimbursement charges.

# Treated Water Operations & Maintenance Division




## Division Description and Objectives

The Treated Water Operations and Maintenance Division operates and maintains the District's three drinking Water Treatment Plants (WTP) – 100 MGD Santa Teresa WTP in south San Jose, 40 MGD Penitencia WTP in east San Jose and 80 MGD Rinconada WTP in Los Gatos; an advanced water purification center in North San Jose; a state-of-the-art water quality laboratory that performs close to 200,000 tests annually; 140 miles of large transmission pipelines; 400 acres of ponds that recharge the groundwater basin, which is our storage facility, and holds more water than our 10 reservoirs combined; and a three MGD wellfield in Campbell that is can be used to supplement treated water from Rinconada. The division is also the operator of a 40 MGD joint intertie facility in Milpitas co-owned with the San Francisco Public Utilities Commission.

### Water Quality

The Water Quality Department has eight full-time staff made up of a manager, water quality engineers and a water quality specialist. The main focus of the Department is to provide process engineering support to our drinking water treatment plants and source water protection and monitoring to ensure quality drinking water for our customers.

### Laboratory Services

The Laboratory Services Department purchases of all necessary laboratory supplies and equipment to meet water quality monitoring requirements. It supports all sampling and analysis of surface and treated water, transmission & distribution systems, recycled water, process control for treatment plants, local groundwater basins, and groundwater recharge facilities, for State regulatory compliance. It also maintains lab certification with the California Regional Water Quality Control Board, Environmental Laboratory Accreditation Program.

### Treatment Plant Maintenance

The Treatment Plant Maintenance Department has skilled-craft maintenance staff, service contracts, parts and equipment required to sustain operations of the Santa Teresa (STWTP), Penitencia (PWTP), Rinconada (RWTP) water treatment plants, Campbell Well Field (CWF), and San Francisco Intertie (SFI) to produce drinking water.

### North Water Treatment Operations

The North Water Treatment Operations Department is responsible for operating one District's drinking water treatment plant (Penitencia Water Treatment Plant), the joint intertie facility with San Francisco Public Utilities Commission (SFPUC), as well as operations and maintenance of the Silicon Valley Advanced Water Purification Center (SVAWPC).

### South Water Treatment Operations

The South Water Treatment Operations Department is responsible for the efficient operations and management of the District's Rinconada Water Treatment Plant (RWTP) and Santa Teresa Water Treatment Plant (STWTP) and the Campbell Well Field.

## FY 2018 Accomplishments

- Startup of fluoridation at our Penitencia Water Treatment Plant.
- Completed updated ELAP lab certification to comply with the more stringent revised standards.
- Completed a disinfection of the joint SFPUC/District Intertie Pump Station.
- Completed preventive maintenance activities as prescribed and all high priority CM's.
- STWTP completed critical repair activities for the aqueous ammonia and sodium hypochlorite chemical systems during the shutdown from October 2017 to March 2018.
- Modified the microeffleunt pumps at SVAWPC to resolve resonant vibration issues.
- Reviewed, updated and created new emergency response standard operating procedures for PWTP, STWTP, and RWTP in line with recommendations from the Infrastructure Reliability Project.
- 100% of treated water met drinking water standards (No water quality violation or unplanned treated water delivery interruption). Overall retailer survey results were good or excellent

- RWTP completed a second year of operation without any plant interruptions or water quality violations while undergoing Reliability Improvement Project construction.

## FY 2019 Milestones

- Supply approximately 110,000 acre-feet of treated water by contract annually to 7 treated water retailers.
- 100% of treated water meets or surpasses drinking water standards.
- Surface Water Treatment Rule Monitoring report is submitted to Division of Drinking Water (DDW) on time - by the 10th of each month.
- Submit annual Source & Treated Water reports to WUE staff, treated water retailers, and DDW by 2/15/2018. This includes the Consumer Confidence Report (CCR).
- Maintain state certification through the California Environmental Laboratory Accreditation Program (CA ELAP) for all fields of testing, including performance testing, by 11/2019.
- Complete review of the Water Treatment Plants' Operations Plans for Rinconada, Santa Teresa, Penitencia and the SVAWPC by February of each year and update as needed and submit to DDW by June of each year.
- Complete and submit the annual reservoir monitoring report to the DDW annually by August 31 of each year.
- Work with Santa Clara County Parks to maintain an ongoing invasive mussel vessel inspection program on District reservoirs.
- Operate the SFPUC-SCVWD Intertie during emergencies or when needed for maintenance activities for both parties. Treated water is traded and water balance is kept to a minimum at the end of each year.
- Supply purified water that has been treated by microfiltration, reverse osmosis and ultraviolet light disinfection, up to 8-million gallons per day, to South Bay Water Recycling in accordance with the Operations and Maintenance Agreement with the City of San Jose.

## Budget Issues and Constraints

Maintenance resources continue to be constrained as a result of staff support necessary for capital projects under construction such as the Reliability Improvement Project and Residuals Management Project. The impact of the resource constraint is that completion rates for preventive maintenance, corrective maintenance and planned work under the Annual Maintenance Work Plan may come in below the target of 90%, 80%, and 100%, respectively.

# Treated Water Operations & Maintenance Division — Budget Summary

| Project Type (Category) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Operations | 27,982,385 | 30,375,817 | 31,146,323 | 770,506 | 3% |
| Operating | 4,416 | 0 | 0 | 0 | 3% |
| Capital | 1,822,475 | 3,424,037 | 3,569,527 | 145,490 | 4% |
| **Total** * | **29,809,276** | **33,799,854** | **34,715,850** | **915,996** | **3%** |

| Department (Unit) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Water Quality | 2,181,672 | 2,497,972 | 1,861,041 | (636,932) | -25% |
| Deputy's Office of WU Operations & Maintenance Div | 803,034 | 812,996 | 723,904 | (89,092) | -11% |
| South Water Treatment Operations | 9,042,768 | 10,549,695 | 10,933,012 | 383,318 | 4% |
| Treatment Plant Maintenance | 7,844,343 | 8,484,411 | 9,574,253 | 1,089,841 | 13% |
| North Water Treatment Operations | 6,266,863 | 7,262,512 | 7,139,291 | (123,221) | -2% |
| Laboratory Services | 3,670,596 | 4,192,268 | 4,484,349 | 292,081 | 7% |
| **Total** * | **29,809,276** | **33,799,854** | **34,715,850** | **915,996** | **3%** |

* Totals do not include intra-district reimbursement charges.

**Authorized Positions (excluding fellowships)**

| | | | | |
|---|---|---|---|---|
| Treated Water Operations & Maintenance Division | **101** | **101** | **101** | **0**** |

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

## Operations Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Deputy's Office of WU Operations & Maintenance Div** | | | | | |
| | Salaries & Benefits | 604,043 | 730,300 | 640,946 | (89,354) |
| | Direct Services | 8,055 | 0 | 0 | 0 |
| | Supplies | 3,440 | 0 | 0 | 0 |
| | Other Expenses | 5,286 | 6,850 | 6,850 | 0 |
| **Deputy's Office of WU Operations & Maintenance Div (515) Total** | | **620,824** | **737,150** | **647,796** | **(89,354)** |
| **Water Quality** | | | | | |
| | Salaries & Benefits | 1,335,552 | 1,409,531 | 1,341,485 | (68,046) |
| | Consultants | 194,080 | 6,200 | 3,200 | (3,000) |
| | Direct Services | 53,675 | 65,280 | 52,000 | (13,280) |
| | Supplies | 4,424 | 4,750 | 2,000 | (2,750) |
| | Other Expenses | 80,751 | 104,050 | 104,050 | 0 |
| | Cost Sharing & Rebates | 464,390 | 485,000 | 0 | (485,000) |
| **Water Quality (525) Total** | | **2,132,872** | **2,074,811** | **1,502,735** | **(572,076)** |
| **Laboratory Services** | | | | | |
| | Salaries & Benefits | 2,781,933 | 2,879,934 | 3,271,197 | 391,263 |
| | Consultants | 119,909 | 85,000 | 88,000 | 3,000 |
| | Direct Services | 211,548 | 218,160 | 252,320 | 34,160 |
| | Supplies | 345,826 | 310,000 | 327,750 | 17,750 |
| | Other Expenses | 20,503 | 27,400 | 12,000 | (15,400) |
| | Cost Sharing & Rebates | 0 | 0 | 475,000 | 475,000 |
| | Fixed Assets | 52,277 | 49,500 | 49,500 | 0 |
| **Laboratory Services (535) Total** | | **3,531,995** | **3,569,994** | **4,475,767** | **905,773** |
| **Treatment Plant Maintenance** | | | | | |
| | Salaries & Benefits | 4,193,245 | 4,310,212 | 4,330,275 | 20,063 |
| | Consultants | 378,846 | 0 | 0 | 0 |
| | Direct Services | 471,835 | 698,000 | 928,000 | 230,000 |
| | Supplies | 1,554,684 | 1,545,000 | 1,533,000 | (12,000) |
| | Other Expenses | 759 | 0 | 1,000 | 1,000 |
| | Cost Sharing & Rebates | 0 | 25,000 | 25,000 | 0 |
| | Fixed Assets | 3,072 | 10,000 | 10,000 | 0 |
| **Treatment Plant Maintenance (555) Total** | | **6,602,441** | **6,588,212** | **6,827,275** | **239,063** |
| **North Water Treatment Operations** | | | | | |
| | Salaries & Benefits | 3,178,757 | 3,683,250 | 3,712,791 | 29,542 |
| | Consultants | 112,261 | 193,000 | 230,000 | 37,000 |
| | Direct Services | 194,589 | 217,000 | 230,500 | 13,500 |
| | Supplies | 2,218,231 | 1,934,500 | 1,783,500 | (151,000) |

## Operations Budget by Department and Account Category (Continued)

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| | Other Expenses | 5,926 | 33,500 | 33,500 | 0 |
| | Utilities | 558,916 | 1,178,000 | 1,149,000 | (29,000) |
| **North Water Treatment Operations (565) Total** | | **6,268,680** | **7,239,250** | **7,139,291** | **(99,958)** |
| **South Water Treatment Operations** | | | | | |
| | Salaries & Benefits | 4,320,008 | 4,316,700 | 4,547,758 | 231,058 |
| | Consultants | 10,734 | 12,500 | 12,500 | 0 |
| | Direct Services | 82,819 | 218,778 | 189,000 | (29,778) |
| | Supplies | 2,779,527 | 4,121,422 | 4,071,200 | (50,222) |
| | Other Expenses | 9,945 | 51,000 | 27,000 | (24,000) |
| | Utilities | 1,626,955 | 1,446,000 | 1,706,000 | 260,000 |
| **South Water Treatment Operations (566) Total** | | **8,829,988** | **10,166,400** | **10,553,458** | **387,058** |
| **Operations Total*** | | **27,986,801** | **30,375,817** | **31,146,323** | **770,506** |

## Capital Budget by Department and Account Category

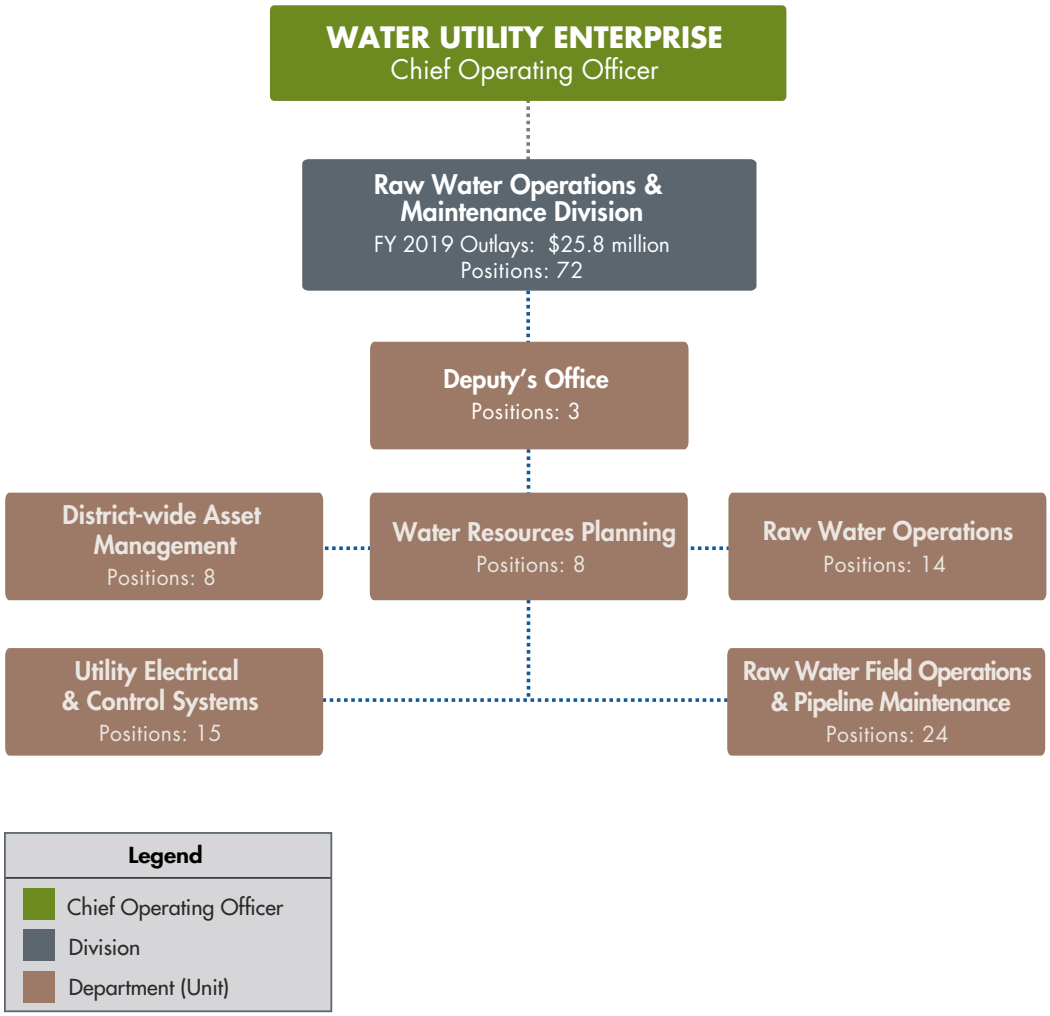
| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Deputy's Office of WU Operations & Maintenance Div** | | | | | |
| | Salaries & Benefits | 182,210 | 75,845 | 76,108 | 263 |
| **Deputy's Office of WU Operations & Maintenance Div (515) Total** | | **182,210** | **75,845** | **76,108** | **263** |
| **Water Quality** | | | | | |
| | Salaries & Benefits | 42,929 | 148,161 | 108,306 | (39,856) |
| | Consultants | 5,871 | 275,000 | 250,000 | (25,000) |
| **Water Quality (525) Total** | | **48,800** | **423,161** | **358,306** | **(64,856)** |
| **Laboratory Services** | | | | | |
| | Salaries & Benefits | 3,296 | 2,274 | 8,582 | 6,308 |
| | Other Expenses | 720 | 0 | 0 | 0 |
| | Fixed Assets | 134,585 | 620,000 | 0 | (620,000) |
| **Laboratory Services (535) Total** | | **138,601** | **622,274** | **8,582** | **(613,692)** |
| **Treatment Plant Maintenance** | | | | | |
| | Salaries & Benefits | 458,388 | 520,199 | 976,977 | 456,778 |
| | Consultants | 13,570 | 0 | 0 | 0 |
| | Direct Services | 63,064 | 68,000 | 264,000 | 196,000 |
| | Supplies | 636,798 | 413,000 | 906,000 | 493,000 |
| | Other Expenses | 40 | 0 | 0 | 0 |

## Capital Budget by Department and Account Category (Continued)

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| | Fixed Assets | 70,041 | 895,000 | 600,000 | (295,000) |
| **Treatment Plant Maintenance (555) Total** | | **1,241,902** | **1,896,199** | **2,746,977** | **850,778** |
| **North Water Treatment Operations** | | | | | |
| | Salaries & Benefits | 685 | 23,263 | 0 | (23,263) |
| | Supplies | (2,502) | 0 | 0 | 0 |
| **North Water Treatment Operations (565) Total** | | **(1,817)** | **23,263** | **0** | **(23,263)** |
| **South Water Treatment Operations** | | | | | |
| | Salaries & Benefits | 211,339 | 383,295 | 379,554 | (3,741) |
| | Direct Services | 1,440 | 0 | 0 | 0 |
| **South Water Treatment Operations (566) Total** | | **212,780** | **383,295** | **379,554** | **(3,741)** |
| **Capital Total*** | | **1,822,475** | **3,424,037** | **3,569,527** | **145,490** |
| **Division Total*** | | **29,809,276** | **33,799,854** | **34,715,850** | **915,996** |

* Totals reflect the net budget and do not include intra-district reimbursement charges.

# Raw Water Operations & Maintenance Division




## Division Description and Objectives

The Raw Water Operations and Maintenance Division maintains and/or operates 142 miles of large diameter transmission pipelines including 85 miles of raw water pipelines, three pumping plants and 393 acres of ponds used to recharge the groundwater basin. The use of local and imported raw water supplies are maximized to meet treated water, groundwater recharge and environmental needs.

The Division also provides District-wide electrical, control and SCADA systems engineering to enable the continued operation of critical District Facilities. The Division manages the District's Asset Management programs for Water Utility, Watershed, and Administration.

The Division also oversees the Computerized Maintenance Management System (CMMS), and the Environmental

Services program for the Water Utility Enterprise (WUE) to ensure coordinated compliance with provisions of the California Environmental Quality Act (CEQA), as well as applicable regulatory requirements and permitting. This also includes supervision of District compliance with the Valley Habitat Plan permit, which provides ESA and CESA clearance for Water Utility operations, maintenance and capital projects. The Division's District-wide Energy Management program effectively reduces electricity costs by approximately one million dollars annually.

### District-wide Asset Management

The District-wide Asset Management Department implements and continually improves asset management standards and information systems based on industry best practices. The Department manages the District's Water Utility, Watershed, and Administration Asset management programs, and supports the users of the District's Computerized Maintenance Management System (CMMS), Maximo.

### Water Resources Planning

The Water Resources Planning Department provides the environmental services program for the Water Utility Enterprise (WUE). The services ensure coordinated compliance with provisions of the California Environmental Quality Act (CEQA), applicable regulatory requirements, and managing District compliance with the Valley Habitat Plan permit which provides ESA and CESA clearance for WUE operations, maintenance and capital projects. These services include environmental planning and review, preparation of CEQA documents, regulatory permit acquisition and monitoring, biological support and CEQA mitigation monitoring.

### Raw Water Operations

The Raw Water Operations Department performs the day-to-day operations planning and remote operations of the District's Raw Water System consisting of:

- 10 water supply reservoirs with a combined storage capacity of about 169,000 acre-feet
- 3 Raw Water Pump Stations with over 37,000 combined horsepower
- 1 hydro-electric facility
- 94 miles of large diameter raw water pipelines and tunnels
- 99 groundwater recharge ponds
- 86 miles of streams managed for groundwater recharge.

The department also performs the required water right and regulatory compliance reporting to maintain and protect local water supply operations.

### Utility Electrical & Control Systems

The Utility Electrical & Control Systems Department provides electrical and control systems engineering services to the District's treated water facilities: Penitencia, Santa Teresa, and Rinconada water treatment plants, 40 miles of treated water pipelines, the Campbell Well Field, and a pump station jointly owned and operated with the San Francisco Public Utilities Commission. Service is also provided to the Silicon Valley Advanced Water Purification Center and the following raw water facilities, 10 reservoirs, three pumping plants, 94 miles of large transmission pipelines and 393 acres of groundwater recharge ponds. The department manages the District-wide energy management program.

**Raw Water Field Operations & Pipeline Maintenance**

The Raw Water Field Operations and Pipeline Maintenance Department is responsible for the mechanical, electrical and control system preventive, corrective, and rehabilitative maintenance of the pipeline infrastructure which includes three pump stations (Pacheco, Coyote and Vasona) and 142 miles of pipeline. Also included is the operation of recharge and water distribution systems for groundwater basins, reservoirs, canals, spreader dams, and other water supply infrastructure.

## FY 2018 Accomplishments

- Completed FY 19-23 Water Utility Maintenance Work Plan.
- Reported quarterly on environmental and biological review and permit requirements.
- Planned and executed on work projects identified in the 5 Year Maintenance Work Plan.
- Maintained reliable raw water and pipeline facilities by performing scheduled preventative maintenance.

## FY 2019 Milestones

- Complete FY 20-24 Water Utility Maintenance Work Plan.
- Report quarterly on environmental and biological review and permit requirements.
- Plan and execute on work projects identified in the 5 Year Maintenance Work Plan.
- Maintain reliable raw water and pipeline facilities by performing scheduled preventative maintenance.

## Budget Issues and Constraints

Limited resources and an increase in operational, maintenance and regulatory requirements which escalate the demands on staff time and resources.

## Raw Water Operations & Maintenance Division — Budget Summary

| Project Type (Category) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Operations | 17,835,679 | 17,081,093 | 18,909,505 | 1,828,412 | 11% |
| Operating | 145,158 | 0 | 1,000,000 | 1,000,000 | 11% |
| Capital | 2,469,713 | 4,896,587 | 5,930,367 | 1,033,780 | 21% |
| **Total** * | **20,450,550** | **21,977,679** | **25,839,872** | **3,862,193** | **18%** |

| Department (Unit) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Water Resources Planning | 3,758,337 | 1,824,751 | 2,910,520 | 1,085,769 | 60% |
| District-wide Asset Management | 2,060,939 | 2,234,420 | 2,968,757 | 734,337 | 33% |
| Raw Water Operations | 3,223,435 | 3,279,907 | 3,575,257 | 295,351 | 9% |
| Utility Electrical & Control Systems | 3,630,656 | 4,344,764 | 4,470,050 | 125,286 | 3% |
| Deputy's Office of Raw Water Ops & Maint Division | 404,294 | 643,459 | 629,992 | (13,466) | -2% |
| Raw Wtr Field Ops & Pipe Maint | 7,372,889 | 9,650,379 | 11,285,296 | 1,634,917 | 17% |
| **Total** * | **20,450,550** | **21,977,679** | **25,839,872** | **3,862,193** | **18%** |

* Totals do not include intra-district reimbursement charges.

**Authorized Positions (excluding fellowships)**

| | | | | |
|---|---|---|---|---|
| Raw Water Operations & Maintenance Division | **72** | **72** | **72** | **0**** |

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

# Operations Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Deputy's Office of Raw Water Ops & Maint Division** | | | | | |
| | Salaries & Benefits | 400,468 | 639,659 | 623,992 | (15,666) |
| | Consultants | 261 | 0 | 0 | 0 |
| | Direct Services | 321 | 0 | 1,000 | 1,000 |
| | Supplies | 2,363 | 300 | 0 | (300) |
| | Other Expenses | 790 | 3,500 | 5,000 | 1,500 |
| **Deputy's Office of Raw Water Ops & Maint Division (408) Total** | | **404,201** | **643,459** | **629,992** | **(13,466)** |
| **District-wide Asset Management** | | | | | |
| | Salaries & Benefits | 1,652,834 | 1,618,058 | 1,599,723 | (18,335) |
| | Consultants | 339,995 | 415,000 | 1,015,000 | 600,000 |
| | Direct Services | 36,667 | 150,000 | 150,000 | 0 |
| | Supplies | 14,021 | 10,000 | 60,000 | 50,000 |
| | Other Expenses | 11,694 | 16,000 | 17,500 | 1,500 |
| | Fixed Assets | 0 | 10,000 | 0 | (10,000) |
| **District-wide Asset Management (411) Total** | | **2,055,212** | **2,219,058** | **2,842,223** | **623,165** |
| **Water Resources Planning** | | | | | |
| | Salaries & Benefits | 1,060,173 | 1,098,068 | 942,272 | (155,796) |
| | Consultants | 516,259 | 0 | 0 | 0 |
| | Direct Services | 117,739 | 188,000 | 188,000 | 0 |
| | Supplies | 3,091 | 4,000 | 4,000 | 0 |
| | Other Expenses | 1,591,341 | 4,000 | 3,200 | (800) |
| | Cost Sharing & Rebates | 0 | 40,000 | 1,040,000 | 1,000,000 |
| **Water Resources Planning (412) Total** | | **3,288,604** | **1,334,068** | **2,177,472** | **843,404** |
| **Raw Water Operations** | | | | | |
| | Salaries & Benefits | 2,616,763 | 2,823,257 | 3,034,239 | 210,982 |
| | Consultants | 95,314 | 20,000 | 25,000 | 5,000 |
| | Direct Services | 14,173 | 82,500 | 87,500 | 5,000 |
| | Supplies | 17,067 | 36,000 | 13,500 | (22,500) |
| | Other Expenses | 34,274 | 30,850 | 34,850 | 4,000 |
| | Fixed Assets | 4,647 | 0 | 0 | 0 |
| | Utilities | 431,041 | 287,300 | 362,300 | 75,000 |
| **Raw Water Operations (455) Total** | | **3,213,279** | **3,279,907** | **3,557,389** | **277,482** |
| **Utility Electrical & Control Systems** | | | | | |
| | Salaries & Benefits | 2,433,935 | 2,577,179 | 2,720,855 | 143,676 |
| | Consultants | 65,365 | 239,600 | 580,000 | 340,400 |
| | Direct Services | 321,374 | 532,664 | 510,250 | (22,414) |
| | Supplies | 3,775 | 0 | 0 | 0 |

## Operations Budget by Department and Account Category (Continued)

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| | Other Expenses | 36,247 | 29,000 | 30,000 | 1,000 |
| | Fixed Assets | 13 | 0 | 0 | 0 |
| | Utilities | 58,622 | 0 | 0 | 0 |
| Utility Electrical & Control Systems (545) Total | | **2,919,332** | **3,378,443** | **3,841,105** | **462,662** |
| Raw Wtr Field Ops & Pipe Maint | | | | | |
| | Salaries & Benefits | 3,981,944 | 3,694,799 | 4,256,964 | 562,165 |
| | Consultants | 177,650 | 152,000 | 164,000 | 12,000 |
| | Direct Services | 620,005 | 1,209,000 | 1,209,000 | 0 |
| | Supplies | 883,587 | 842,500 | 842,500 | 0 |
| | Other Expenses | 360,980 | 20,000 | 20,000 | 0 |
| | Cost Sharing & Rebates | 0 | 30,000 | 96,000 | 66,000 |
| | Utilities | 76,042 | 277,860 | 272,860 | (5,000) |
| Raw Wtr Field Ops & Pipe Maint (585) Total | | **6,100,208** | **6,226,159** | **6,861,324** | **635,165** |
| Operations Total* | | **17,980,837** | **17,081,093** | **19,909,505** | **2,828,412** |

## Capital Budget by Department and Account Category

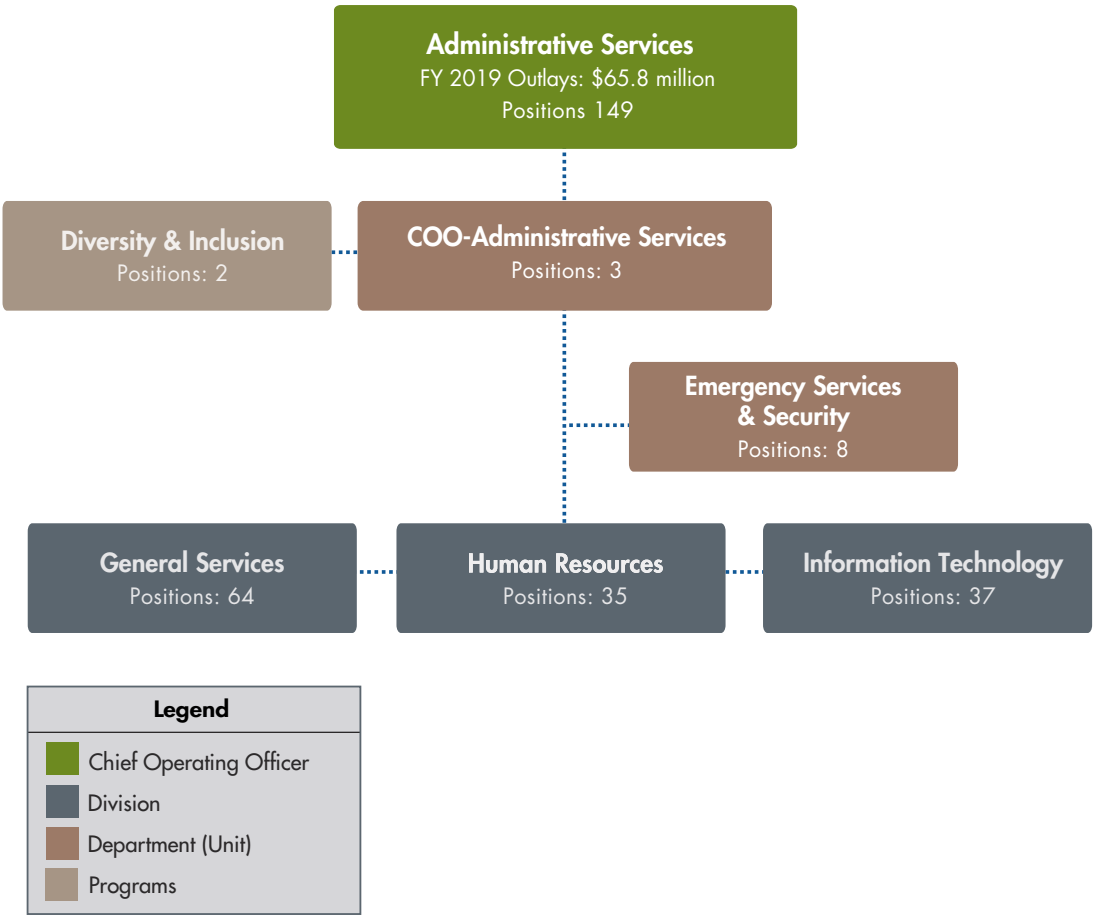
| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| Deputy's Office of Raw Water Ops & Maint Division | | | | | |
| | Supplies | 92 | 0 | 0 | 0 |
| Deputy's Office of Raw Water Ops & Maint Division (408) Total | | **92** | **0** | **0** | **0** |
| District-wide Asset Management | | | | | |
| | Salaries & Benefits | 5,727 | 15,362 | 126,534 | 111,171 |
| District-wide Asset Management (411) Total | | **5,727** | **15,362** | **126,534** | **111,171** |
| Water Resources Planning | | | | | |
| | Salaries & Benefits | 448,206 | 443,683 | 686,048 | 242,364 |
| | Direct Services | 21,527 | 47,000 | 47,000 | 0 |
| Water Resources Planning (412) Total | | **469,733** | **490,683** | **733,048** | **242,364** |
| Raw Water Operations | | | | | |
| | Salaries & Benefits | 10,155 | 0 | 17,869 | 17,869 |
| Raw Water Operations (455) Total | | **10,155** | **0** | **17,869** | **17,869** |
| Utility Electrical & Control Systems | | | | | |
| | Salaries & Benefits | 533,915 | 876,321 | 628,945 | (247,376) |
| | Direct Services | 51,894 | 10,000 | 0 | (10,000) |

## Capital Budget by Department and Account Category (Continued)

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| | Consultants | 125,000 | 80,000 | 0 | (80,000) |
| | Other Expenses | 515 | 0 | 0 | 0 |
| **Utility Electrical & Control Systems (545) Total** | | **711,325** | **966,321** | **628,945** | **(337,376)** |
| **Raw Wtr Field Ops & Pipe Maint** | | | | | |
| | Supplies | 570,619 | 740,000 | 250,000 | (490,000) |
| | Salaries & Benefits | 207,125 | 620,220 | 238,972 | (381,248) |
| | Direct Services | 405,284 | 1,989,000 | 2,660,000 | 671,000 |
| | Consultants | 87,491 | 75,000 | 875,000 | 800,000 |
| | Other Expenses | 0 | 0 | 400,000 | 400,000 |
| | Utilities | 2,162 | 0 | 0 | 0 |
| **Raw Wtr Field Ops & Pipe Maint (585) Total** | | **1,272,681** | **3,424,220** | **4,423,972** | **999,752** |
| **Capital Total*** | | **2,469,713** | **4,896,587** | **5,930,367** | **1,033,780** |
| **Division Total*** | | **20,450,550** | **21,977,679** | **25,839,872** | **3,862,193** |

* Totals reflect the net budget and do not include intra-district reimbursement charges.

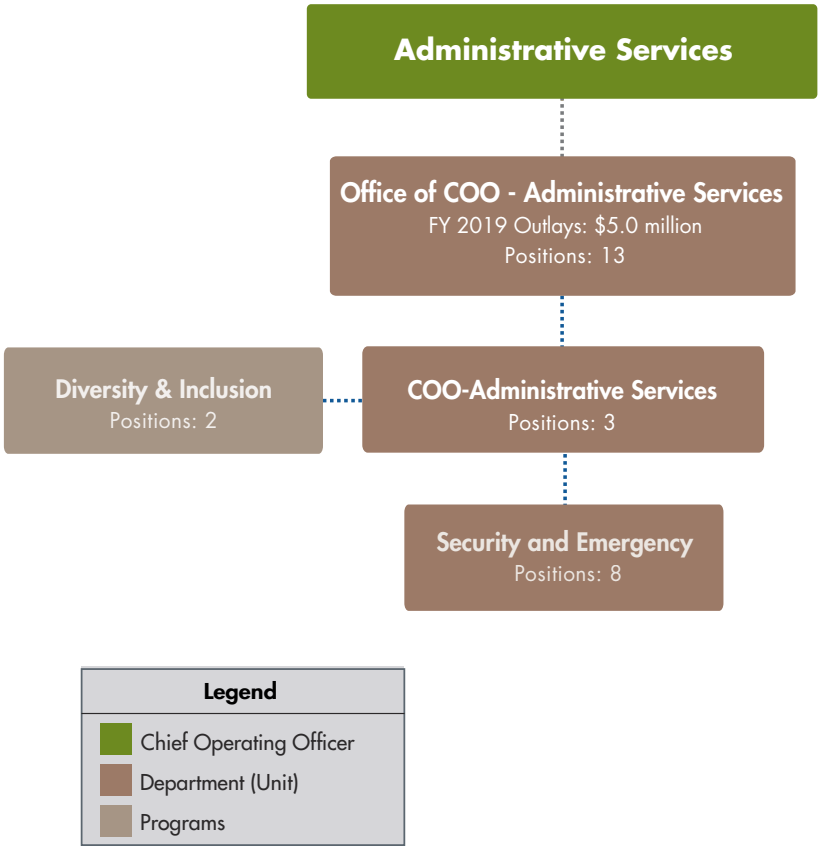
# Administrative Services




## Description

Administrative Services support the mission of the Santa Clara Valley Water District - to provide Silicon Valley safe, clean water for a healthy life, environment, and economy - by providing essential business services for the District including general services such as equipment and facilities maintenance, human resources programs and services, and information technology services and support. Administrative Services are vital to District operations and capital programs.

# Office of COO Administrative Services




## Division Description and Objectives

The Office of the Chief Operating Officer (COO) of Administrative Services (AS)provides executive leadership and direct oversight to District administrative business areas including Human Resources, General Services, and Information Technology. Office of the COO-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-AS administers the Diversity & Inclusion program and oversees the Emergency and Security Services.

### Diversity & Inclusion Program

The Diversity & Inclusion Program fosters diversity and inclusion in the workforce through various avenues including providing data on industry best practices, providing expertise on outreach efforts, and engaging the District's workforce. The Program supports the eleven Employee Resource Groups which provide information sharing, support, educational opportunities and career development as well as the promotion of cultural awareness. The Program also implements a variety of inclusion and recognition programs including Service Awards, the Employee Recognition Program, and the All Employee Meeting.

### Emergency Services and Security

The Emergency Services is responsible for ensuring comprehensive, integrated, emergency management for the staff and critical infrastructure of the Santa Clara Valley Water District. Emergency Services also leads the Districtwide development of applicable preparedness capabilities across prevention, preparedness, hazard mitigation, response, and recovery. The Security function provides risk-based security capabilities to protect the District's critical infrastructure and staff from terrorism, sabotage, vandalism, theft, violence, and other malicious acts.

## FY 2018 Accomplishments

- Provided leadership and support for all the administrative needs of the District including oversight over Human Resources, Information Technology, General Services, Emergency Management and Security Services, and Diversity and Inclusion.
- Coordinated development of Joint EAP for Coyote Creek between City of San Jose and the District.
- Renewed StormReady Certification and conducted annual inter-agency Winter Preparedness Workshop.
- Obtained FEMA Approval for current Local Hazard Mitigation Plan.
- Conducted EOC Section Training for all positions (Management, Planning and Intelligence, Operations, Logistics, Finance and Administration).
- Completed vulnerability assessments for Anderson Dam, Santa Teresa Water Treatment Plant, Pacheco Pass Pumping Plant, Coyote Pumping Plant, Penitencia Water Treatment Plant, Silicon Valley Advanced Water Treatment Plant, and Vasona Metering Station.
- Created the physical security measure plan for the Winfield Warehouse Trailers, Nature Quality Site, and Coyote Warehouse.
- Complied with written FERC security requirements for Anderson Dam.
- Executed the All Employee Meeting which gathered all staff to hear from the Board and Chiefs on the direction of the organization.
- Executed the Employee Recognition Program, Service Awards, FLOW awards and other employee recognition.

## FY 2019 Milestones

- Review, approve and present the status of Administrative Services quarterly performance.
- Complete Annual Employee Evaluations.
- Complete mid-year reviews of employee work plans.
- Review and revise the Chief Operating Officer of Administrative Services' work plan and ensure alignment with Deputies work plans.
- Review EAPs for possible updates or development and establish strategy for completing
- Develop and deliver EAP and EOC exercises as identified in Training and Exercise Plan
- Maintain the District's Emergency Operations Center (EOC) and Alternate EOC in a perpetual state of operational readiness
- Conduct inter-agency Winter Preparation Workshop
- Complete assessment of current access control and monitoring system
- Complete vulnerability assessment of Vasona Pumping Plant, and other facilities as identified and prioritized

# Office of COO Administrative Services — Budget Summary

| Project Type (Category) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Operations | 3,474,004 | 4,862,905 | 4,980,984 | 118,079 | 2% |
| Operating | 31,026 | 0 | 0 | 0 | 2% |
| Capital | 0 | 0 | 10,000 | 10,000 | 2% |
| **Total** * | **3,505,030** | **4,862,905** | **4,990,984** | **128,079** | **3%** |

| Department (Unit) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Security & Emergency Services | 2,519,241 | 3,023,784 | 3,581,522 | 557,738 | 18% |
| Office of COO-Administrative Services | 985,788 | 1,839,122 | 1,409,462 | (429,659) | -23% |
| **Total** * | **3,505,030** | **4,862,905** | **4,990,984** | **128,079** | **3%** |

* Totals do not include intra-district reimbursement charges.

**Authorized Positions (excluding fellowships)**

| | | | | |
|---|---|---|---|---|
| Office of Chief Administrative Officer | 8 | 12 | 13 | 1** |

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

## Operations Budget by Department and Account Category

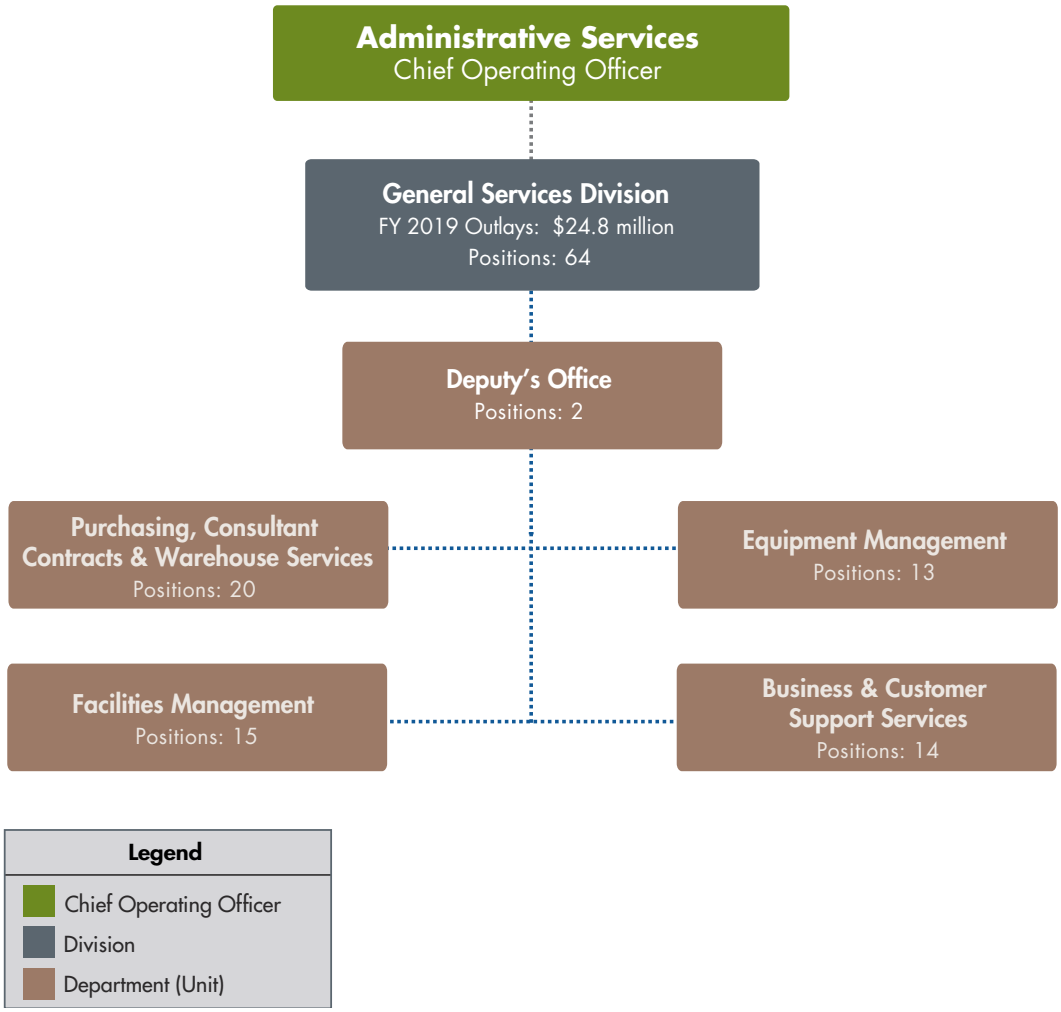
| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Security & Emergency Services** | | | | | |
| | Salaries & Benefits | 941,085 | 1,145,746 | 1,547,422 | 401,676 |
| | Consultants | 74,610 | 214,000 | 240,000 | 26,000 |
| | Direct Services | 1,307,439 | 1,268,738 | 1,333,000 | 64,262 |
| | Supplies | 185,887 | 374,300 | 424,500 | 50,200 |
| | Other Expenses | 10,220 | 21,000 | 26,600 | 5,600 |
| **Security & Emergency Services (219) Total** | | **2,519,241** | **3,023,784** | **3,571,522** | **547,738** |
| **Office of COO-Administrative Services** | | | | | |
| | Salaries & Benefits | 776,614 | 1,206,822 | 1,009,812 | (197,009) |
| | Consultants | 145,065 | 328,500 | 100,000 | (228,500) |
| | Direct Services | 8,122 | 1,600 | 1,600 | 0 |
| | Supplies | 22,559 | 112,500 | 88,550 | (23,950) |
| | Other Expenses | 33,428 | 189,700 | 209,500 | 19,800 |
| **Office of COO-Administrative Services (602) Total** | | **985,788** | **1,839,122** | **1,409,462** | **(429,659)** |
| **Operations Total*** | | **3,505,030** | **4,862,905** | **4,980,984** | **118,079** |

## Capital Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Security & Emergency Services** | | | | | |
| | Supplies | 0 | 0 | 10,000 | 10,000 |
| **Security & Emergency Services (219) Total** | | **0** | **0** | **10,000** | **10,000** |
| **Capital Total*** | | **0** | **0** | **10,000** | **10,000** |
| **Division Total*** | | **3,505,030** | **4,862,905** | **4,990,984** | **128,079** |

* Totals reflect the net budget and do not include intra-district reimbursement charges.

# General Services Division




## Division Description and Objectives

The General Services Division provides management and administration of the following departments:

### Business and Customer Support Services

Business and Customer Support Services provides receptionist/switchboard, mail delivery, reprographic, word processing and forms management services.

### Purchasing, Consultant Contracts and Warehouse Services

Purchasing, Consultant Contract and Warehouse Services Department purchases all goods and services, procures consultant contracts, and serves as the central receiving and distribution point for the organization.

**Equipment Management**

Equipment Management Department provides District-wide fleet and welding services.

**Facilities Management**

Facilities Management Department maintains, renews, and upgrades District buildings and grounds.

## FY 2018 Accomplishments

- The Business and Customer Support Department provided business services efficiently to support District business needs.
- The Purchasing, Consultant Contract and Warehouse Services Department hosted Business Open House in August 2017 to share information on upcoming business opportunities in support of District projects and programs. The Warehouse Team helped support the Levanta Puerto Rico organization to secure the pick-up and storage of 23 pallets of provisions, which were later shipped to Puerto Rico to assist with recovery efforts from Hurricane Maria.
- The Equipment Management Department surpluses, replaced 15 vehicles and 28 pieces of construction equipment in accordance with the 12-year or 125,000-mile replacement criteria, and achieved 97.9% preventive maintenance compliance on light duty vehicles.
- The Facilities Department's one-time small capital improvement projects included: continued major work on new Employee Workspace project; expansion of 8 electric vehicle charging stations; Sacramento office remodel and expansion; Completion of Santa Teresa office renovations and moved 44 district staff; mobile workspaces for staff at Winfield; new furniture for Rinconada Water treatment Operations building and repair of sinkhole in driveway of the Water Quality Lab.

## FY 2019 Milestones

*Highlights of the General Services Division milestones include the following.*

- The Business Services Department will produce high quality reprographics and word processing deliverables per customer deadlines.
- Purchasing and Contracts Services Department will continue to host the annual Business Open House and continue to promote the District's business opportunities at vendor outreach events.
- The Warehouse program will continue to improve the current storage process and conduct the annual physical inventory.
- The Equipment Management Department will surplus and replace 12 vehicles and 23 pieces of construction equipment in accordance with the 12-year or 125,000-mile replacement criteria.
- The Facilities Management Unit for FY2019 include Facilities and Heating Ventilation Air Conditioning preventative maintenance and district space activities. Construction of hot water loop at Headquarters Building. Design phase of HQ generator replacement project. Construction for security fencing in corporation yard & along Almaden Expressway. Completion of repairs to Rinconada Water Treatment Plant controls building roof. Evaluate Winfield property as to best use of land. Collection of rent on all residential properties monthly and conduct periodic inspection of homes. Produce an annual report of earnings & expenses as of June 30, 2018 to be reported by Sept 30, 2018.

## Budget Issues and Constraints

Constraints of the General Services Division include funding to address deferred small capital projects. The District's facilities are fully occupied thus there is absolutely no extra space to locate new employees. This constraint on the space requires that the District consider new approaches taking into consideration cost of adding new work space, use of technology, new approaches to work including remote-work and telecommuting. Uncertainty of fuel costs, unexpected natural disasters such as flooding or wildfires to provide support to field operations.

# General Services Division — Budget Summary

| Project Type (Category) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Operations | 16,431,539 | 18,384,280 | 19,467,005 | 1,082,725 | 6% |
| Operating | 24,260 | 0 | 0 | 0 | 6% |
| Capital | 6,753,026 | 3,814,114 | 5,380,817 | 1,566,703 | 41% |
| **Total** * | **23,208,824** | **22,198,394** | **24,847,822** | **2,649,428** | **12%** |

| Department (Unit) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Facilities Management | 8,347,250 | 8,197,485 | 10,072,443 | 1,874,958 | 23% |
| Business and Customer Support Services | 2,457,261 | 2,978,148 | 3,112,946 | 134,798 | 5% |
| Deputy's Office of General Services Division | 255,119 | 446,384 | 440,460 | (5,924) | -1% |
| Equipment Management | 8,005,296 | 5,632,403 | 6,058,369 | 425,966 | 8% |
| Purchasing, Consultant Contracts Warehouse Services | 4,143,899 | 4,943,973 | 5,163,604 | 219,631 | 4% |
| **Total** * | **23,208,824** | **22,198,394** | **24,847,822** | **2,649,428** | **12%** |

* Totals do not include intra-district reimbursement charges.

**Authorized Positions (excluding fellowships)**

| | | | | |
|---|---|---|---|---|
| General Services Division | 63 | 65 | 64 | (1)** |

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

# Operations Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Business and Customer Support Services** | | | | | |
| | Salaries & Benefits | 1,790,233 | 1,986,705 | 1,991,240 | 4,535 |
| | Consultants | 198 | 0 | 0 | 0 |
| | Direct Services | 637,744 | 966,506 | 1,099,481 | 132,975 |
| | Supplies | 7,628 | 9,410 | 9,500 | 90 |
| | Other Expenses | 1,635 | 11,450 | 12,725 | 1,275 |
| | Fixed Assets | 17,652 | 0 | 0 | 0 |
| **Business and Customer Support Services (775) Total** | | **2,455,089** | **2,974,071** | **3,112,946** | **138,875** |
| **Deputy's Office of General Services Division** | | | | | |
| | Salaries & Benefits | 253,363 | 412,049 | 421,960 | 9,911 |
| | Direct Services | 525 | 0 | 0 | 0 |
| | Supplies | 1,231 | 3,050 | 4,500 | 1,450 |
| | Other Expenses | 0 | 12,000 | 14,000 | 2,000 |
| **Deputy's Office of General Services Division (802) Total** | | **255,119** | **427,099** | **440,460** | **13,361** |
| **Purchasing, Consultant Contracts Warehouse Services** | | | | | |
| | Salaries & Benefits | 3,072,926 | 2,740,431 | 3,036,839 | 296,408 |
| | Consultants | 64,578 | 55,000 | 55,000 | 0 |
| | Direct Services | 167,320 | 471,527 | 487,925 | 16,398 |
| | Supplies | 806,519 | 1,063,000 | 1,012,000 | (51,000) |
| | Other Expenses | 15,045 | 55,997 | 53,620 | (2,377) |
| **Purchasing, Consultant Contracts Warehouse Services (820) Total** | | **4,126,388** | **4,385,955** | **4,645,384** | **259,429** |
| **Equipment Management** | | | | | |
| | Salaries & Benefits | 1,862,486 | 1,897,093 | 2,040,201 | 143,108 |
| | Direct Services | 690,066 | 918,275 | 948,178 | 29,903 |
| | Supplies | 896,723 | 1,229,946 | 1,230,990 | 1,044 |
| | Other Expenses | 17,235 | 18,849 | 22,000 | 3,151 |
| **Equipment Management (885) Total** | | **3,466,510** | **4,064,163** | **4,241,369** | **177,206** |
| **Facilities Management** | | | | | |
| | Salaries & Benefits | 2,209,003 | 2,450,621 | 2,562,527 | 111,906 |
| | Consultants | 89,964 | 185,000 | 185,000 | 0 |
| | Direct Services | 2,540,278 | 2,201,433 | 2,384,785 | 183,352 |
| | Supplies | 181,519 | 153,950 | 188,750 | 34,800 |
| | Other Expenses | 366,821 | 520,908 | 526,608 | 5,700 |
| | Fixed Assets | 68,458 | 100,000 | 120,000 | 20,000 |
| | Utilities | 696,649 | 921,080 | 929,287 | 8,207 |

## Operations Budget by Department and Account Category (Continued)

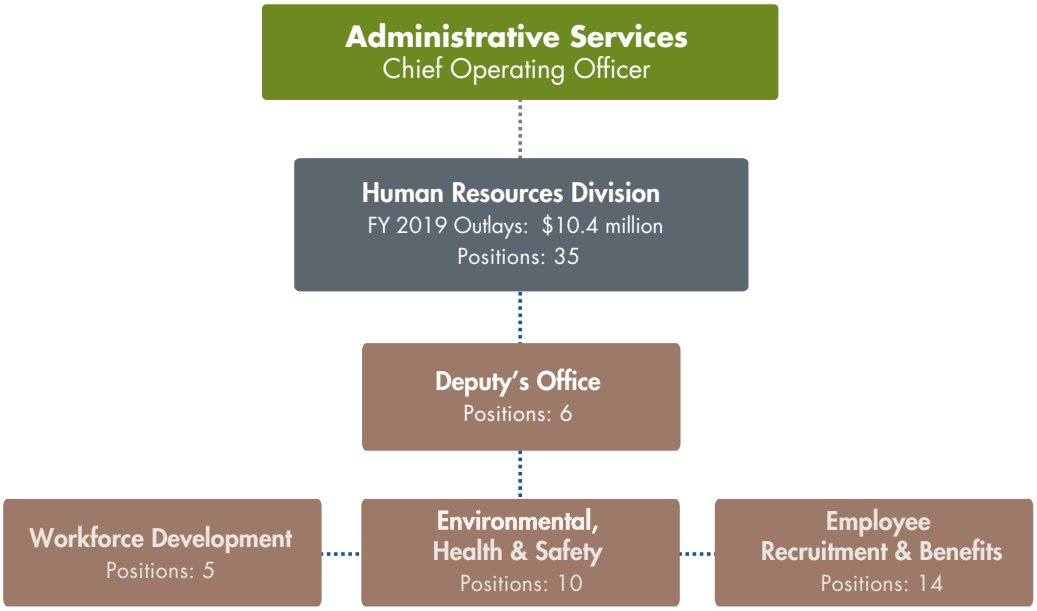
| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| | Cost Sharing & Rebates | 0 | 0 | 129,889 | 129,889 |
| Facilities Management (887) Total | | **6,152,692** | **6,532,992** | **7,026,846** | **493,854** |
| Operations Total* | | **16,455,799** | **18,384,280** | **19,467,005** | **1,082,725** |

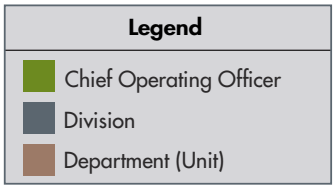
## Capital Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| Business and Customer Support Services | | | | | |
| | Salaries & Benefits | 2,132 | 4,078 | 0 | (4,078) |
| | Other Expenses | 40 | 0 | 0 | 0 |
| Business and Customer Support Services (775) Total | | **2,172** | **4,078** | **0** | **(4,078)** |
| Deputy's Office of General Services Division | | | | | |
| | Salaries & Benefits | 0 | 19,285 | 0 | (19,285) |
| Deputy's Office of General Services Division (802) Total | | **0** | **19,285** | **0** | **(19,285)** |
| Purchasing, Consultant Contracts Warehouse Services | | | | | |
| | Salaries & Benefits | 17,511 | 558,018 | 518,220 | (39,798) |
| Purchasing, Consultant Contracts Warehouse Services (820) Total | | **17,511** | **558,018** | **518,220** | **(39,798)** |
| Equipment Management | | | | | |
| | Salaries & Benefits | 23,034 | 22,629 | 0 | (22,629) |
| | Fixed Assets | 4,515,752 | 1,485,612 | 1,757,000 | 271,388 |
| | Supplies | 0 | 60,000 | 60,000 | 0 |
| Equipment Management (885) Total | | **4,538,786** | **1,568,241** | **1,817,000** | **248,759** |
| Facilities Management | | | | | |
| | Salaries & Benefits | 61,806 | 69,819 | 36,997 | (32,822) |
| | Fixed Assets | 11,608 | 0 | 0 | 0 |
| | Supplies | (302) | 0 | 0 | 0 |
| | Consultants | 45,214 | 0 | 0 | 0 |
| | Direct Services | 2,076,232 | 1,594,674 | 3,008,600 | 1,413,926 |
| Facilities Management (887) Total | | **2,194,557** | **1,664,493** | **3,045,597** | **1,381,104** |
| Capital Total* | | **6,753,026** | **3,814,114** | **5,380,817** | **1,566,703** |
| **Division Total*** | | **23,208,824** | **22,198,394** | **24,847,822** | **2,649,428** |

* Totals reflect the net budget and do not include intra-district reimbursement charges.

# Human Resources Division




## Division Description and Objectives

The Human Resources Division is responsible for planning, managing, directing and coordinating Division staff and providing District-wide assistance in the areas of human resources. The Division includes the following programs: Recruitment, Classification and Compensation, Benefits, Talent Management, Environmental Health and Safety, and Equal Employment Opportunity.

### Workforce Development

This department administers the District-wide Talent Management Program and Rotation Programs established to provide a capable workforce by meeting the training and professional development needs of the District. The program will equip employees with the tools to promote continuous learning and professional growth. The program also provides leadership development, performance management, succession development, general training, health and safety training, and the administration of training records in compliance with QEMS ISO processes.

### Environmental, Health & Safety

As part of the District's Administration function, the Environmental, Health & Safety Unit provides services for all District Divisions and staff. These services cover a wide range of activities including environmental, health and safety written program development and maintenance, incident investigation services, inspection and audit services and support, hazard analysis and risk prevention services, alcohol and drug abuse prevention and testing services, hazardous materials and hazardous waste management, regulatory permit compliance management, 24/7 hazardous materials emergency response capabilities, ergonomic evaluations and workspace modifications, and liaison with regulatory agencies when required. Additionally, the Environmental, Health and Safety (EH&S) Unit responds to requests from customers for specific health and safety services or program assistance to ensure that the District's health and safety programs are functional and sustainable.

### Employee Recruitment and Benefits

This department includes Recruitment & Examination, Internship Programs, Benefits & Wellness, and Classification & Compensation. These units are responsible for providing oversight of the recruitment and selection processes district-wide including year round and summer internship programs, partnering with community organizations and colleges for workforce planning, maintaining accurate classification specifications and job descriptions, conducting compensation surveys, providing classification and compensation advise to management, administration of employee and retiree benefit plans, conducting new hire orientations and separations, processing payroll and HR transactions, and administration of the award winning Wellness Program (includes on-site fitness classes, ongoing employee education on overall various health initiatives, annual well-being fair, lunch and learns, employee rewards, etc.)

## FY 2018 Accomplishments

- Created and launched several programs geared towards employee development including, Coaching, Competency Training and Emerging Leaders Certification Program.
- Improved internal processes, forms, and websites to provide a more efficient and streamlined service to employees & managers.
- Upgraded the District's online training portal to provide updated training content and maintain employee training records.
- Implemented a new Memorandum of Understanding for each of the three Bargaining Units.
- Completed the classification and compensation studies for the Engineers Society and Employees Association Bargaining Units.
- Received several awards for the Wellness program and reached 82% employee engagement.

- Completed annual Disparate Impact Analysis and Form 700 filings.
- EH&S effectively responded to a fuel spill at Canoas Creek San Jose and oversaw cleanup activities.
- EH&S addressed numerous fall protection hazards and rolled out mitigation efforts including providing enhanced training for field maintenance staff.
- Increased recruitment efforts to reach underserved members of the community by participating in recruitment events such as Bay Area Silicon Valley Bilingual & Diversity Job fair, San Jose State University 's Diversity Career Fair and MESA SJSU Mock Interviews.
- Increased summer internships, both college and high school, for a total of 65 internships.

## FY 2019 Milestones

- Implement and administer various employee development programs including, two rotation programs for Engineers Society and Employees Association Bargaining Units.
- Launch an online new employee onboarding module to help automate the collection and management of new-hire paperwork.
- Conduct regulatory HR compliance training.
- Enhance leadership and management training for supervisors and managers.
- Implement a new Learning Management System.
- Conduct a minimum of 30 required safety training classes in-house.
- Prepare two, biannual, District environmental compliance reports.

## Budget Issues and Constraints

The workload in Human Resources has increased significantly in all units due to a high volume of retirements and the business need to develop our current employees for management positions. This has resulted in unplanned work with the existing staff.

## Human Resources Division — Budget Summary

| Project Type (Category) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Operations | 7,693,313 | 9,450,479 | 9,901,957 | 451,477 | 5% |
| Operating | 461 | 0 | 0 | 0 | 5% |
| Capital | 10,790 | 225,760 | 494,100 | 268,340 | 119% |
| **Total** * | **7,704,564** | **9,676,239** | **10,396,056** | **719,818** | **7%** |

| Department (Unit) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Employee Recruitment and Benefits | 3,078,006 | 3,459,745 | 4,096,271 | 636,526 | 18% |
| Deputy's Office of HR division | 1,071,918 | 1,401,353 | 1,490,017 | 88,664 | 6% |
| Workforce Development | 1,172,883 | 2,212,210 | 2,029,981 | (182,229) | -8% |
| Environmental, Health & Safety | 2,381,757 | 2,602,931 | 2,779,787 | 176,856 | 7% |
| **Total** * | **7,704,563** | **9,676,239** | **10,396,056** | **719,818** | **7%** |

* Totals do not include intra-district reimbursement charges.

**Authorized Positions (excluding fellowships)**

| | | | | |
|---|---|---|---|---|
| Human Resources Division | 33 | 34 | 35 | 1** |

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

## Operations Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Workforce Development** | | | | | |
| | Salaries & Benefits | 770,172 | 811,998 | 833,531 | 21,533 |
| | Consultants | 152,511 | 351,600 | 480,000 | 128,400 |
| | Direct Services | 172,511 | 184,500 | 224,500 | 40,000 |
| | Supplies | 14,520 | 60,750 | 67,450 | 6,700 |
| | Other Expenses | 63,168 | 772,300 | 424,500 | (347,800) |
| **Workforce Development (623) Total** | | **1,172,883** | **2,181,148** | **2,029,981** | **(151,167)** |
| **Deputy's Office of HR division** | | | | | |
| | Salaries & Benefits | 1,013,460 | 1,125,379 | 1,213,051 | 87,672 |
| | Consultants | 25,000 | 150,000 | 160,000 | 10,000 |
| | Direct Services | 14,049 | 61,750 | 50,100 | (11,650) |
| | Supplies | 4,902 | 7,200 | 7,000 | (200) |
| | Other Expenses | 12,073 | 4,060 | 6,435 | 2,375 |
| **Deputy's Office of HR division (915) Total** | | **1,069,484** | **1,348,389** | **1,436,586** | **88,197** |
| **Environmental, Health & Safety** | | | | | |
| | Salaries & Benefits | 1,698,712 | 1,887,367 | 1,931,078 | 43,711 |
| | Consultants | 156,092 | 232,948 | 291,540 | 58,592 |
| | Direct Services | 183,320 | 118,375 | 175,625 | 57,250 |
| | Supplies | 247,243 | 279,441 | 291,946 | 12,505 |
| | Other Expenses | 92,709 | 84,800 | 84,800 | 0 |
| **Environmental, Health & Safety (916) Total** | | **2,378,076** | **2,602,931** | **2,774,989** | **172,058** |
| **Employee Recruitment and Benefits** | | | | | |
| | Salaries & Benefits | 2,239,980 | 2,265,917 | 2,397,093 | 131,176 |
| | Consultants | 169,433 | 52,000 | 167,000 | 115,000 |
| | Direct Services | 536,568 | 799,344 | 889,058 | 89,714 |
| | Supplies | 4,419 | 21,000 | 12,000 | (9,000) |
| | Other Expenses | 122,930 | 179,750 | 195,250 | 15,500 |
| **Employee Recruitment and Benefits (927) Total** | | **3,073,331** | **3,318,011** | **3,660,401** | **342,390** |
| **Operations Total*** | | **7,693,774** | **9,450,479** | **9,901,957** | **451,477** |

## Capital Budget by Department and Account Category

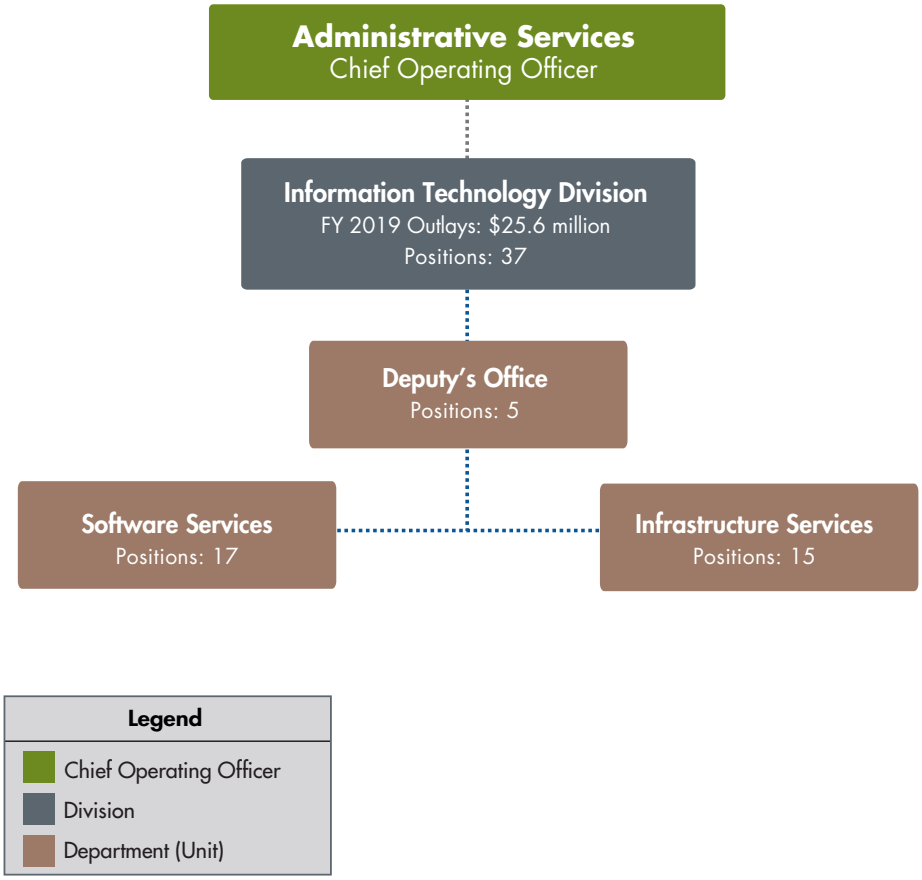
| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Workforce Development** | | | | | |

## Capital Budget by Department and Account Category (Continued)

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| | Salaries & Benefits | 0 | 31,062 | 0 | (31,062) |
| **Workforce Development (623) Total** | | **0** | **31,062** | **0** | **(31,062)** |
| **Deputy's Office of HR division** | | | | | |
| | Salaries & Benefits | 2,434 | 52,965 | 53,432 | 467 |
| **Deputy's Office of HR division (915) Total** | | **2,434** | **52,965** | **53,432** | **467** |
| **Environmental, Health & Safety** | | | | | |
| | Salaries & Benefits | 3,681 | 0 | 4,798 | 4,798 |
| **Environmental, Health & Safety (916) Total** | | **3,681** | **0** | **4,798** | **4,798** |
| **Employee Recruitment and Benefits** | | | | | |
| | Salaries & Benefits | 4,554 | 141,733 | 435,870 | 294,137 |
| | Supplies | 121 | 0 | 0 | 0 |
| **Employee Recruitment and Benefits (927) Total** | | **4,675** | **141,733** | **435,870** | **294,137** |
| **Capital Total*** | | **10,790** | **225,760** | **494,100** | **268,340** |
| **Division Total*** | | **7,704,563** | **9,676,239** | **10,396,056** | **719,818** |

* Totals reflect the net budget and do not include intra-district reimbursement charges.

# Information Technology Division




## Division Description and Objectives

The Information Technology Division serves the technology needs of the District, enabling business users to carry out their work efficiently, effectively, and securely. We do so by providing planning, design, and operational support and maintenance of the District's: (1) physical technology infrastructure; (2) cyber security posture; and (3) software application portfolio.

The Division's objectives are:

- Effectively manage the delivery of District's technology services;
- Guide technology decision-making to ensure consistency with the District's business direction;
- Ensure a skilled, responsive, and innovative workforce that keeps current with critical evolving business technologies; and
- Provide high quality customer service.

### Administration

The Information Technology Division Administration provides management oversight, leadership and strategic support of Infrastructure and Information Security Services, and Software Services, to ensure effectiveness and fiscal accountability.

### Infrastructure Services

Infrastructure Services is responsible for: (1) implementing and maintaining the network and data center, cyber security posture, District's computers, systems software, and connectivity (e.g., servers, networks, etc.); (2) serving as the first point of contact for staff to report problems and seek answers to questions related to their personal computers, network access, email, personal productivity software, and business application software; and (3) triaging, resolving, and escalating problems.

### Software Services

Software Services develops (where appropriate), supports, and maintains the District's business applications. These include Enterprise Resources Planning (ERP) system, work and asset management system (Maximo), geographic information system (GIS), in-house applications, and the District's internet and intranet.

## FY 2018 Accomplishments

- Upgraded the board room audio visual environment and systems.
- Supported Office of Communications to modernize the District website.
- Completed SMP2 application enhancements. Generated Annual Summary Report and Notice of Proposed Work.
- Completed Flood Forecast/Warning application enhancements.
- Redesigned existing system for housing water supply and consumption data for flexible reporting and better planning and modeling; validated and consolidated data.
- Recommended to the Board and received Board's direction to stop the PeopleSoft upgrade project; and begin the RFP process to implement a new Enterprise Resource Planning (ERP) system.
- Supported the Budget Office to complete Vena system's enhancements for the District's Budgeting module; supported Capital Program department to complete the implementation of the Capital Planning module to replace the obsolete Capital Dashboard tool.
- Expanded and developed the environmental database with Fisheries module and migrate historical data into Wildlife.
- Reviewed the findings of the Cyber Security Vulnerability Assessment report and progressively implemented the recommendations, thereby improving the security of the District network.
- Implemented Proof of Concept for water utility engineering technical infrastructure network upgrade.

## FY 2019 Milestones

- Develop and acquire resources to begin implementing a three-year IT strategic plan.
- Complete the RFP process, finalize the selection of a Consultant and an Enterprise Resource Planning (ERP) system, and begin the implementation of the system.
- Support Finance department to implement the Financial Forecasting module within the Vena system.
- Implement geographic information system (GIS) roadmap Phase 1 and 2.
- Complete implementation of e-litigation and e-discovery system.
- Support Records Management Office and begin the RFP process for an Electronic Content Management (ECM) system implementation.
- Complete the last phase of a multiyear wireless networking project, providing wireless networking at all District facilities.
- Prepare plans and implement IT disaster recovery systems and real-time cutover in the event of a major disaster.
- Expanded wireless network to Santa Teresa Water Treatment Plant, Vasona Pump Plant, and Coyote Pump Plant.
- Continue to replace desktop computers based on a four-year computer replacement cycle, upgrading the operating systems to the latest standards.
- Continue addressing the findings of the Cyber Security Vulnerability Assessment report and implement the recommendations, thereby improving the security of the District network.
- Complete upgrade for water utility engineering technical infrastructure network.

## Budget Issues and Constraints

The Information Technology Division budget issues and constraints pertain to balancing resources to accomplish both short- and long-term goals of the District:

- Having sufficient and appropriate staffing resources to support the District's growing technology infrastructure and to become a more digital organization.
- Having sufficient and appropriate staffing resources to support the District's cyber security improvement program.
- Engagement and capacity of business partners to support planned projects.
- Decision-making support to balance a demanding and growing project portfolio.

# Information Technology Division — Budget Summary

| Project Type (Category) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Operations | 9,938,743 | 11,150,518 | 12,241,400 | 1,090,882 | 10% |
| Operating | 195,808 | 0 | 0 | 0 | 10% |
| Capital | 4,605,478 | 16,364,632 | 13,331,962 | (3,032,670) | -19% |
| **Total** * | **14,740,029** | **27,515,150** | **25,573,362** | **(1,941,788)** | **-7%** |

| Department (Unit) | FY 2017 Budgetary Actuals | FY 2018 Adopted Budget | FY 2019 Adopted Budget | FY 2019 Change $ | FY 2019 Change % |
|---|---|---|---|---|---|
| Software Services | 4,653,979 | 5,494,807 | 5,954,476 | 459,669 | 8% |
| Infrastructure Services | 8,552,702 | 12,780,551 | 10,372,824 | (2,407,728) | -19% |
| Deputy's Office of Information Technology Division | 1,533,348 | 9,239,792 | 9,246,062 | 6,271 | 0% |
| **Total** * | **14,740,029** | **27,515,150** | **25,573,362** | **(1,941,788)** | **-7%** |

* Totals do not include intra-district reimbursement charges.

**Authorized Positions (excluding fellowships)**

| | | | | |
|---|---|---|---|---|
| Information Technology Division | **38** | **39** | **37** | **(2)**** |

** The position change may reflect positions transfer between departments, reorganization, or new positions. New positions are discussed in the Fund Summaries Chapter.

## Operations Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Deputy's Office of Information Technology Division** | | | | | |
| | Salaries & Benefits | 669,184 | 657,278 | 643,884 | (13,394) |
| | Consultants | 0 | 58,000 | 0 | (58,000) |
| | Direct Services | 4,039 | 50,720 | 25,793 | (24,927) |
| | Supplies | 2,608 | 1,030 | 1,050 | 20 |
| | Other Expenses | 18,609 | 30,800 | 39,000 | 8,200 |
| **Deputy's Office of Information Technology Division (715) Total** | | **694,440** | **797,828** | **709,727** | **(88,101)** |
| **Software Services** | | | | | |
| | Salaries & Benefits | 3,040,951 | 2,950,836 | 3,221,948 | 271,112 |
| | Consultants | 259,518 | 500,000 | 720,000 | 220,000 |
| | Direct Services | 926,593 | 1,044,033 | 1,131,827 | 87,794 |
| | Supplies | 1,531 | 0 | 0 | 0 |
| | Other Expenses | 28,957 | 50,000 | 50,000 | 0 |
| **Software Services (725) Total** | | **4,257,551** | **4,544,869** | **5,123,775** | **578,906** |
| **Infrastructure Services** | | | | | |
| | Salaries & Benefits | 2,438,028 | 2,346,730 | 2,474,388 | 127,659 |
| | Consultants | 185,893 | 546,750 | 972,000 | 425,250 |
| | Direct Services | 2,305,320 | 2,589,175 | 2,725,675 | 136,500 |
| | Supplies | 30,742 | 39,750 | 51,000 | 11,250 |
| | Other Expenses | 220,592 | 285,416 | 184,835 | (100,581) |
| | Fixed Assets | 1,986 | 0 | 0 | 0 |
| **Infrastructure Services (735) Total** | | **5,182,560** | **5,807,821** | **6,407,898** | **600,078** |
| **Operations Total*** | | **10,134,551** | **11,150,518** | **12,241,400** | **1,090,882** |

## Capital Budget by Department and Account Category

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| **Deputy's Office of Information Technology Division** | | | | | |
| | Salaries & Benefits | 258,347 | 271,567 | 350,439 | 78,872 |
| | Consultants | 24,900 | 6,913,396 | 6,913,396 | 0 |
| | Direct Services | 553,312 | 1,150,000 | 1,165,500 | 15,500 |
| | Other Expenses | 2,348 | 5,000 | 5,000 | 0 |
| | Fixed Assets | 0 | 102,000 | 102,000 | 0 |
| **Deputy's Office of Information Technology Division (715) Total** | | **838,908** | **8,441,963** | **8,536,335** | **94,372** |
| **Software Services** | | | | | |

## Capital Budget by Department and Account Category (Continued)

| Department | Account Category | FY 2017 Budgetary Actual | FY 2018 Adopted $ | FY 2019 Adopted $ | FY 2019 Change $ |
|---|---|---|---|---|---|
| | Salaries & Benefits | 193,693 | 574,938 | 355,701 | (219,237) |
| | Consultants | 198,450 | 375,000 | 475,000 | 100,000 |
| | Direct Services | 4,286 | 0 | 0 | 0 |
| **Software Services (725) Total** | | **396,428** | **949,938** | **830,701** | **(119,237)** |
| **Infrastructure Services** | | | | | |
| | Salaries & Benefits | 189,664 | 503,761 | 238,425 | (265,336) |
| | Consultants | 267,840 | 942,670 | 125,000 | (817,670) |
| | Direct Services | 200,925 | 695,600 | 278,600 | (417,000) |
| | Other Expenses | 21 | 0 | 0 | 0 |
| | Fixed Assets | 2,711,692 | 4,830,700 | 3,322,900 | (1,507,800) |
| **Infrastructure Services (735) Total** | | **3,370,142** | **6,972,731** | **3,964,925** | **(3,007,806)** |
| **Capital Total*** | | **4,605,478** | **16,364,632** | **13,331,962** | **(3,032,670)** |
| **Division Total*** | | **14,740,029** | **27,515,150** | **25,573,362** | **(1,941,788)** |

* Totals reflect the net budget and do not include intra-district reimbursement charges.

# WATERSHED MANAGEMENT FUNDS

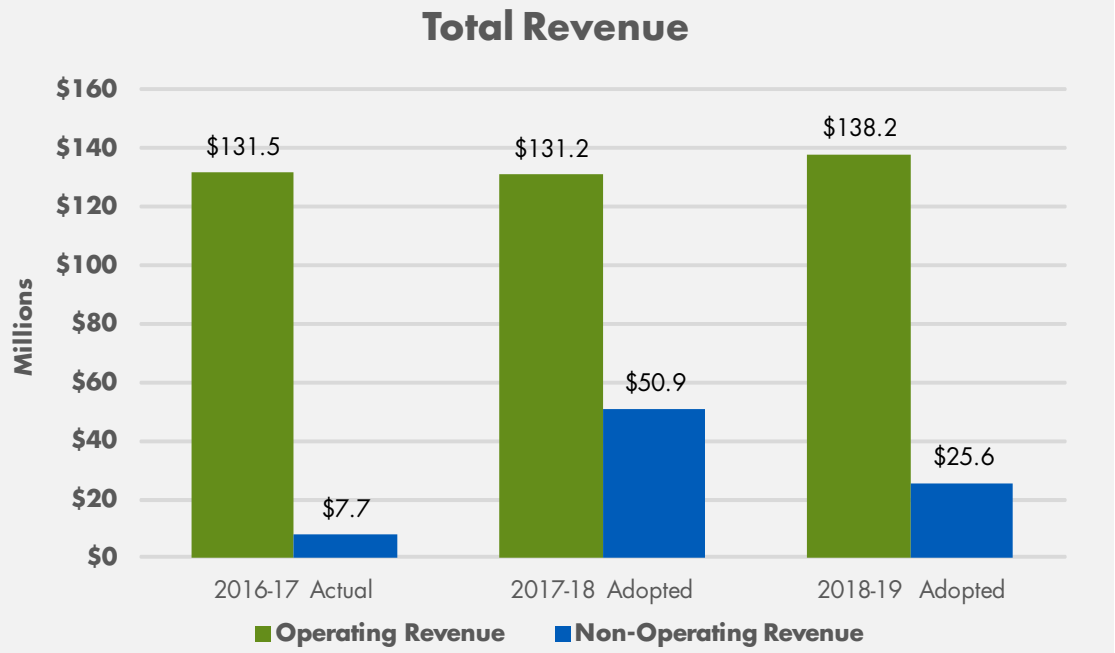
## Overview

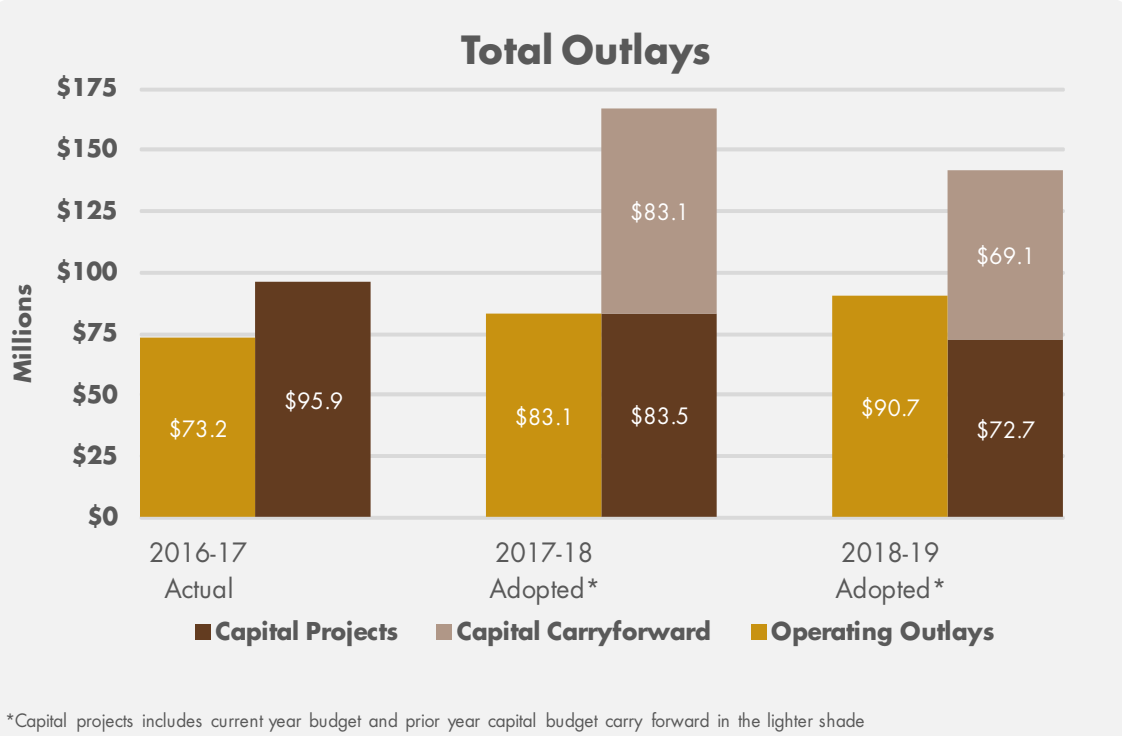
The Board of Directors defines Watershed stewardship as the management of natural resources in a manner that fosters ecosystem health, improved water quality, flood protection and compatible recreational opportunities. The Watersheds Chief Operating Officer leads the implementation of the watershed stewardship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

## Watershed Management Funds



# Watershed Management Funds Summary

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted $ Diff | Change from 2017-18 Adopted % Diff |
|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | |
| **Operating Revenue** | | | | | | |
| Benefit Assessment | $ 14,790,954 | $ 14,777,514 | $ 14,777,514 | $ 14,778,000 | $ 486 | 0.0% |
| Property Tax | 115,904,514 | 116,148,582 | 120,590,760 | 123,158,985 | 7,010,403 | 6.0% |
| Intergovermental Services | 494,532 | — | — | — | — | — |
| Operating Other | 302,711 | 233,166 | 233,166 | 240,000 | 6,834 | 2.9% |
| **Total Operating Revenue** | **$ 131,492,711** | **$ 131,159,262** | **$ 135,601,440** | **$ 138,176,985** | **$ 7,017,723** | **5.4%** |
| **Non-Operating Revenue** | | | | | | |
| Capital Reimbursements | $ 1,818,038 | $ 47,158,000 | $ 47,461,000 | $ 21,569,000 | $ (25,589,000) | (54.3)% |
| Interest Income * | 2,973,196 | 2,453,000 | 2,453,000 | 2,648,000 | 195,000 | 7.9% |
| Non-Operating Other | 2,895,655 | 1,335,592 | 1,335,592 | 1,376,000 | 40,408 | 3.0% |
| **Total Non-Operating Revenue** | **$ 7,686,889** | **$ 50,946,592** | **$ 51,249,592** | **$ 25,593,000** | **$ (25,353,592)** | **(49.8)%** |
| **TOTAL REVENUE** | **$ 139,179,600** | **$ 182,105,854** | **$ 186,851,032** | **$ 163,769,985** | **$ (18,335,869)** | **(10.1)%** |
| **OUTLAYS** | | | | | | |
| **Operating Outlays** | | | | | | |
| Operations ** | $ 54,494,584 | $ 64,429,933 | $ 64,429,933 | $ 67,250,422 | $ 2,820,489 | 4.4% |
| Operating Project | 6,524,489 | 4,066,665 | 4,066,665 | 6,660,666 | 2,594,001 | 63.8% |
| Debt Service | 12,173,224 | 14,622,041 | 14,622,041 | 16,827,272 | 2,205,231 | 15.1% |
| **Total Operating Outlays** | **$ 73,192,297** | **$ 83,118,639** | **$ 83,118,639** | **$ 90,738,360** | **$ 7,619,721** | **9.2%** |
| **Capital Outlays** | | | | | | |
| Capital Projects | $ 95,942,943 | $ 83,473,374 | $ 168,025,768 | $ 72,661,202 | $ (10,812,172) | (13.0)% |
| Carry Forward Capital Projects | — | 83,111,000 | — | 69,099,983 | (14,011,017) | (16.9)% |
| **Total Capital Outlays** | **$ 95,942,943** | **$ 166,584,374** | **$ 168,025,768** | **$ 141,761,185** | **$ (24,823,189)** | **(14.9)%** |
| **TOTAL OUTLAYS****** | **$ 169,135,240** | **$ 249,703,013** | **$ 251,144,407** | **$ 232,499,545** | **$ (17,203,468)** | **(6.9)%** |
| **OTHER FINANCING SOURCES/(USES)** | | | | | | |
| Certificates of Participation | $ 1,443,987 | $ 8,500,000 | $ 8,500,000 | $ — | $ (8,500,000) | (100.0)% |
| Commercial Paper Proceeds | — | 140,000,000 | 30,000,000 | 110,000,000 | (30,000,000) | (21.4)% |
| Transfers In | 2,647,044 | 11,921,163 | 11,921,163 | 4,596,128 | (7,325,035) | (61.4)% |
| Transfers Out | (3,947,545) | (4,472,172) | (4,472,172) | (6,078,305) | (1,606,133) | 35.9% |
| **TOTAL OTHER SOURCES/(USES)** | **$ 143,486** | **$ 155,948,991** | **$ 45,948,991** | **$ 108,517,823** | **$ (47,431,168)** | **(30.4)%** |
| **BALANCE AVAILABLE** | **$ (29,812,154)** | **$ 88,351,832** | **$ (18,344,384)** | **$ 39,788,263** | **$ (48,563,569)** | **(55.0)%** |
| **YEAR-END RESERVES** | | | | | | |
| **Restricted Reserves** | | | | | | |
| SCW Currently Authorized Projects | $ 129,018,840 | $ 15,357,000 | $ 68,665,756 | $ 16,134,748 | $ 777,748 | 5.1% |
| SCW Operating and Capital Reserve | 631,179 | 146,714,094 | 16,807,181 | 123,269,436 | (23,444,658) | (16.0)% |
| **Total Restricted Reserves** | **$ 129,650,019** | **$ 162,071,094** | **$ 85,472,937** | **$ 139,404,184** | **$ (22,666,910)** | **(14.0)%** |

# Watershed Management Funds Summary (Continued)

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted $ Diff | Change from 2017-18 Adopted % Diff |
|---|---|---|---|---|---|---|
| **Committed Reserves** | | | | | | |
| Currently Authorized Projects *** | $ 34,375,681 | $ 9,369,000 | $ 22,926,371 | $ 6,357,396 | $ (3,011,604) | (32.1)% |
| Operating and Capital Reserve | 30,522,489 | 60,189,191 | 67,804,496 | 70,230,488 | 10,041,297 | 16.7% |
| **Total Committed Reserves** | **$ 64,898,170** | **$ 69,558,191** | **$ 90,730,867** | **$ 76,587,884** | **$ 7,029,693** | **10.1%** |
| **TOTAL YEAR-END RESERVES** | **$ 194,548,189** | **$ 231,629,285** | **$ 176,203,804** | **$ 215,992,068** | **$ (15,637,217)** | **(6.8)%** |
| **UNCOMMITED FUNDS** | | | **$ 1** | **$ (1)** | | |
| **Outlay Summary by Account Type** | | | | | | |
| **OPERATING OUTLAY** | | | | | | |
| Salaries & Benefits | $ 24,551,010 | $ 27,325,292 | $ 27,325,292 | $ 28,497,148 | $ 1,171,856 | 4.3% |
| Salary Savings Factor | — | (739,647) | (739,647) | (769,719) | (30,072) | 4.1% |
| Services & Supplies | 20,075,109 | 22,905,609 | 22,905,609 | 26,875,962 | 3,970,353 | 17.3% |
| Intra-District Charges | 16,392,954 | 19,005,344 | 19,005,344 | 19,307,697 | 302,353 | 1.6% |
| **OPERATING OUTLAY TOTAL** | **$ 61,019,073** | **$ 68,496,598** | **$ 68,496,598** | **$ 73,911,088** | **$ 5,414,490** | **7.9%** |
| **DEBT SERVICE** | | | | | | |
| Salary Savings Factor | $ — | $ — | $ — | $ — | $ — | — |
| Services & Supplies | 60,450 | 784,247 | 784,247 | 1,020,942 | 236,695 | 30.2% |
| Debt Service | 12,112,773 | 13,837,794 | 13,837,794 | 15,806,330 | 1,968,536 | 14.2% |
| **DEBT SERVICE TOTAL** | **$ 12,173,223** | **$ 14,622,041** | **$ 14,622,041** | **$ 16,827,272** | **$ 2,205,231** | **15.1%** |
| **CAPITAL PROJECTS** | | | | | | |
| Salaries and Benefits | $ 13,472,558 | $ 16,829,838 | $ 16,829,838 | $ 18,732,002 | $ 1,902,164 | 11.3% |
| Salary Savings Factor | — | (469,753) | (469,753) | (517,147) | (47,394) | 10.1% |
| Services & Supplies | 74,882,620 | 56,187,125 | 140,739,519 | 42,747,487 | (13,439,638) | (23.9)% |
| Carry Forward Capital Projects | — | 83,111,000 | — | 69,099,983 | (14,011,017) | (16.9)% |
| Intra-District Charges | 7,587,765 | 10,926,163 | 10,926,163 | 11,698,860 | 772,697 | 7.1% |
| **CAPITAL PROJECTS TOTAL** | **$ 95,942,943** | **$ 166,584,373** | **$ 168,025,767** | **$ 141,761,185** | **$ (24,823,188)** | **(14.9)%** |
| **TOTAL OUTLAYS****** | **$ 169,135,239** | **$ 249,703,012** | **$ 251,144,406** | **$ 232,499,545** | **$ (17,203,467)** | **(6.9)%** |

(*) 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

# 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 the District'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 District's 1% ad valorem property tax allocation, except the portion allocated to District General Fund and Water Enterprise Fund
- Benefit assessments
- Capital reimbursement
- Intergovernmental revenue
- Interest revenue
- The revenues in the Watershed and Stream Stewardship Fund are used to provide:
- Environmentally responsible maintenance and construction of flood conveyance and ecological assets to preserve or improve flood protection, water quality, or environmental values including sediment removal; levee maintenance; erosion protection; debris removal; vegetation management; invasive species removal and control; Good Neighbor Maintenance, trash and graffiti removal; corrective maintenance, property, fence and road repairs
- Administration of the Water Resources Protection Ordinance to protect District assets
- Consultation with other agencies to manage flood risk and to protect ecological assets
- Emergency preparedness/response including sandbags and efforts to respond to or reduce the threat of floods
- Protection and improvement of water quality from urban runoff and other stream impairments
- Monitoring and assessing the condition and performance of both flood conveyance and environmental assets in the watersheds
- Public outreach and education
- Other program activities such as work improvement efforts, floodplain management, hydrology, safety training and workforce development

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

The FY 2018-19 budget includes a new position to support review of external development proposals, such as the BART extension, High Speed Rail and San Jose downtown Google development, that affect the District facilities. Furthermore, three additional positions are partially funded by the Watershed and Stream Stewardship Fund to help meet the additional requirements of the SMP-2 permits, support improved Watersheds workflow processes; as well as support the Board priority to finalize the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE).

Programs and projects are designed to fulfill each goal. Following each goal statement is a list of projects that are included in the FY 2018-19 budget.

## 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:*

- Berryessa Creek Phase 2 from Lower Penitencia Creek to Calaveras Boulevard
- Lower Silver Creek Reaches 4-6, I-680 to Cunningham Avenue
- Cunningham Flood Detention Certification
- Berryessa Creek Phase 2B on lower Calera Creek
- Watersheds Asset Rehabilitation Program: Stevens Creek downstream of El Camino Real Erosion Repair; Coyote Creek Levee Repair, Upstream of SR 237; Coyote Creek Levee Repair Downstream of SR 237, San Tomas Aquino Creek concrete repair; Matadero Creek Concrete Repair and Sediment removal; and Uvas Creek Levee Repair
- Sunnyvale East Channel, Guadalupe Slough to I-280
- Sunnyvale West Channel, Guadalupe Slough to Hwy 101
- Upper Llagas Creek, Buena Vista Road to Llagas Road

*Major Capital Projects in planning and design:*

- Palo Alto Flood Basin Structure Improvements
- Lower Penitencia Creek Improvements, Coyote Creek to San Andreas Drive
- Watersheds Asset Rehabilitation Program: Calabazas Creek (Miller Ave. to Bollinger Rd.) Erosion Repair
- Upper Penitencia Creek, Coyote Creek to Dorel Drive
- Coyote Creek, Montague Expressway to Tully Road

*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.

- Remove an estimated 93,276 cubic yards of sediment
- Control over 2,720 acres of upland vegetation to allow access for sediment removal and levee maintenance
- Inspect approximately 281 miles of creeks
- Inspect approximately 113 miles of levees
- Perform maintenance on approximately 28,155 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. To support implementation of Water Resources Protection Ordinance, a new position has been included in FY 2019. This additional resource will support review of external development proposals, such as the BART extension, High Speed Rail and San Jose downtown Google development, that affect the District facilities. This function is a key aspect of a coordinated approach to environmental stewardship and protection of District assets as the unit reviews and coordinates external development proposals and proposed trail projects with external stakeholders, project proponents, agencies and internal District staff.

- Provide approximately 40,000 filled bags
- Send floodplain mailer to approximately 53,243 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 stormwater runoff pollution prevention activities and continuing Good Neighbor Maintenance will remove trash from visible creek reaches, repair fences as needed for public safety, respond to requests for trash and graffiti removal within 5 working days and respond to Adopt-A-Creek trash pickups.

- Stabilize approximately 1,129 linear feet of stream banks

*Capital Projects:*

- SMP Mitigation, Stream and Watershed Protection Program

**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**

Identify and inventory the district's carbon footprint and develop reduction strategies and support the county Green Business Program.

## Fiscal Status

Property tax revenue is projected at $79.2 million, a 7.5% or $5.5 million increase from FY 2017-18.

Interest earnings are projected at $0.9 million, a 24.9% or $195k increase from FY 2017-18.

Other Income of $1.6 million is budgeted for rental and other miscellaneous income.

Capital Reimbursement of $12.4 million is budgeted as follows:

- $6.6 million for Department of Water Resources (DWR) Proposition 1E; Berryessa Creek, Lower Penitencia Creek – Calaveras Blvd. ($1.6 million); Lower Silver Creek, I-680 to Cunningham, Reaches 4-6 ($3.0 million); Lower Penitencia Creek Improvements, Berryessa to Coyote Creeks ($1.0 million); and Cunningham Flood Detention Certification ($1.0 million)
- $110k for State Subventions: Guadalupe River – DT, I-880 to I-280
- $1.4 million for San Francisquito Creek, SF Bay-Searsville Dam from Joint Powers Authority
- $4.3 million for DWR-NRCS; Cunningham Flood Detention Certification

Operating Transfers in from Benefit Assessment Fund for the excess amount over the debt obligations is budgeted at $2.6 million

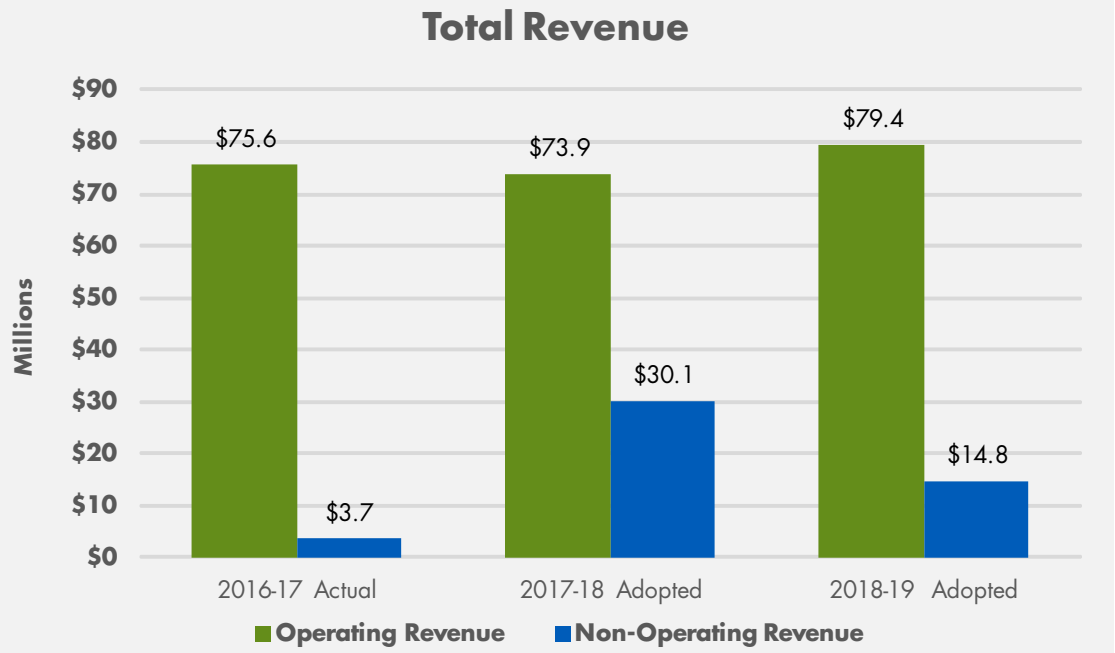
Operating Transfers out of $3.5 million from WSS fund is budgeted as follows:

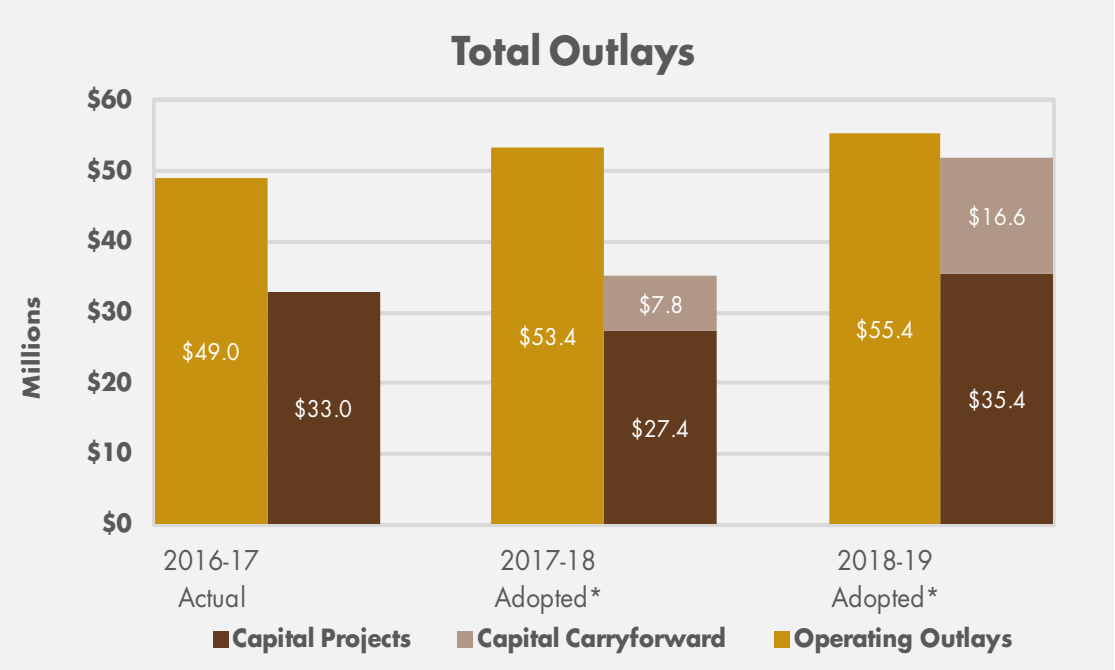
- $0.3 million to General Fund (11) for Drought Induced Tree Removal
- $0.6 million to Water Enterprise Fund (61) for Open Space Credit
- $2.6 million to Information Technology Fund (73) for IT capital projects costs

## Budget Issues

- Implementation of the Stream Maintenance Program-2 continues to result in increasing demands for staff resources from multiple Operations and Maintenance units and mitigation requirements.
- Hazardous Tree program budget may require an adjustment if tree mortality rates continue to rise.
- The Watershed and Stream Stewardship fund is limited, and every year staff has identified more work than the fund can support. Funding a high demand for cleanup of homeless encampments continues to be a challenge.
- If there is significant increase in sale of surplus properties or addressing encroachments because of change in Board policy, additional resources would be required.

## Watershed and Stream Stewardship Fund




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

# Watershed and Stream Stewardship Fund Summary

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted $ Diff | Change from 2017-18 Adopted % Diff |
|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | |
| **Operating Revenue** | | | | | | |
| Property Tax | $ 74,805,680 | $ 73,638,000 | $ 78,080,178 | $ 79,160,985 | $ 5,522,985 | 7.5% |
| Intergovernmental Services | 491,870 | — | — | — | — | — |
| Operating Other | 302,711 | 233,166 | 233,166 | 240,000 | 6,834 | 2.9% |
| **Total Operating Revenue** | **$ 75,600,261** | **$ 73,871,166** | **$ 78,313,344** | **$ 79,400,985** | **$ 5,529,819** | **7.5%** |
| **Non-Operating Revenue** | | | | | | |
| Capital Reimbursements | $ 29 | $ 28,000,000 | $ 33,938,000 | $ 12,443,000 | $ (15,557,000) | (55.6)% |
| Interest Income * | 1,090,936 | 783,000 | 783,000 | 978,000 | 195,000 | 24.9% |
| Nonoperating Other | 2,601,635 | 1,335,592 | 1,335,592 | 1,376,000 | 40,408 | 3.0% |
| **Total Non-Operating Revenue** | **$ 3,692,600** | **$ 30,118,592** | **$ 36,056,592** | **$ 14,797,000** | **$ (15,321,592)** | **(50.9)%** |
| **TOTAL REVENUE** | **$ 79,292,861** | **$ 103,989,758** | **$ 114,369,936** | **$ 94,197,985** | **$ (9,791,773)** | **(9.4)%** |
| **OUTLAYS** | | | | | | |
| **Operating Outlays** | | | | | | |
| Operations ** | $ 44,146,020 | $ 51,294,155 | $ 51,294,155 | $ 52,043,565 | $ 749,410 | 1.5% |
| Operating Project | 4,887,980 | 2,080,287 | 2,080,287 | 3,343,965 | 1,263,678 | 60.7% |
| **Total Operating Outlays** | **$ 49,034,000** | **$ 53,374,442** | **$ 53,374,442** | **$ 55,387,530** | **$ 2,013,088** | **3.8%** |
| **Capital Outlays** | | | | | | |
| Capital Projects | $ 32,980,835 | $ 27,385,641 | $ 38,834,951 | $ 35,440,414 | $ 8,054,773 | 29.4% |
| Carry Forward Capital Projects | — | 7,790,000 | $ | 16,568,975 | 8,778,975 | 112.7% |
| **Total Capital Outlays** | **$ 32,980,835** | **$ 35,175,641** | **$ 38,834,951** | **$ 52,009,389** | **$ 16,833,748** | **47.9%** |
| **TOTAL OUTLAYS****** | **$ 82,014,835** | **$ 88,550,083** | **$ 92,209,393** | **$ 107,396,919** | **$ 18,846,836** | **21.3%** |
| **OTHER FINANCING SOURCES/(USES)** | | | | | | |
| Certificates of Participation | $ — | $ 3,000,000 | $ 3,000,000 | $ — | $ (3,000,000) | (100.0)% |
| Transfers In | 2,647,044 | 2,572,163 | 2,572,163 | 2,567,128 | (5,035) | (0.2)% |
| Transfers Out | (1,300,500) | (1,900,009) | (1,900,009) | (3,511,177) | (1,611,168) | 84.8% |
| **TOTAL OTHER SOURCES/(USES)** | **$ 1,346,544** | **$ 3,672,154** | **$ 3,672,154** | **$ (944,049)** | **$ (4,616,203)** | **(125.7)%** |
| **BALANCE AVAILABLE** | **$ (1,375,430)** | **$ 19,111,829** | **$ 25,832,697** | **$ (14,142,983)** | **$ (33,254,812)** | **(174.0)%** |
| **YEAR-END RESERVES** | | | | | | |
| **Committed Reserves** | | | | | | |
| Currently Authorized Projects *** | $ 34,375,681 | $ 9,369,000 | $ 22,926,371 | $ 6,357,396 | $ (3,011,604) | (32.1)% |
| Operating and Capital Reserve | 30,522,489 | 60,189,191 | 67,804,496 | 70,230,488 | 10,041,297 | 16.7% |
| **Total Committed Reserves** | **$ 64,898,170** | **$ 69,558,191** | **$ 90,730,867** | **$ 76,587,884** | **$ 7,029,693** | **10.1%** |
| **TOTAL YEAR-END RESERVES** | **$ 64,898,170** | **$ 69,558,191** | **$ 90,730,867** | **$ 76,587,884** | **$ 7,029,693** | **10.1%** |
| **UNCOMMITED FUNDS** | | | **$ —** | **$ —** | | |

# Watershed and Stream Stewardship Fund Summary (Continued)

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **Outlay Summary by Account Type** | | | | | | |
| **OPERATING OUTLAY** | | | | | | |
| Salaries & Benefits | $ 20,874,268 | $ 22,595,046 | $ 22,595,046 | $ 23,400,997 | $ 805,951 | 3.6% |
| Salaries Savings Factor | — | (610,062) | (610,062) | (630,636) | (20,574) | 3.4% |
| Services & Supplies | 14,357,584 | 15,805,402 | 15,805,402 | 16,874,893 | 1,069,491 | 6.8% |
| Intra-District Charges | 13,802,149 | 15,584,056 | 15,584,056 | 15,742,276 | 158,220 | 1.0% |
| **OPERATING OUTLAY TOTAL** | **$ 49,034,001** | **$ 53,374,442** | **$ 53,374,442** | **$ 55,387,530** | **$ 2,013,088** | **3.8%** |
| **CAPITAL PROJECTS** | | | | | | |
| Salaries & Benefits | $ 6,291,298 | $ 7,487,831 | $ 7,487,831 | $ 8,508,617 | $ 1,020,786 | 13.6% |
| Salaries Savings Factor | — | (208,775) | (208,775) | (233,888) | (25,113) | 12.0% |
| Services & Supplies | 23,119,116 | 15,248,439 | 26,697,749 | 21,858,454 | 6,610,015 | 43.3% |
| Carry Forward Capital Projects | — | 7,790,000 | — | 16,568,975 | 8,778,975 | 112.7% |
| Intra-District Charges | 3,570,421 | 4,858,145 | 4,858,145 | 5,307,231 | 449,086 | 9.2% |
| **CAPITAL PROJECTS TOTAL** | **$ 32,980,835** | **$ 35,175,640** | **$ 38,834,950** | **$ 52,009,389** | **$ 16,833,749** | **47.9%** |
| **TOTAL OUTLAYS****** | **$ 82,014,836** | **$ 88,550,082** | **$ 92,209,392** | **$ 107,396,919** | **$ 18,846,837** | **21.3%** |

(*) 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

# Total Outlays - Watershed and Stream Stewardship Fund

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| **Operations** | | | | | | | |
| | 10291002 | Rental Expense Stevens Creek | 254,312 | 377,721 | 351,354 | | General Services Division |
| | 30061004 | Rent Exp Guadalupe & Coyote | 176,240 | 214,818 | 210,956 | | General Services Division |
| | 30151026 | Guad Rvr Mitgtn Monitoring Prg | 316,435 | 831,532 | 685,702 | | Watershed Stewardship & Planning Division |
| | 62001090 | Unscoped Projects-Budget Only | | 300,000 | 100,000 | | Office of COO Watersheds |
| | 62011002 | Watershed Asset Protection Sup | 3,120,759 | 4,103,371 | 4,589,081 | | Office of COO Watersheds |
| ** | 62021002 | Watershed Emergency Operations | 94,346 | | | | Watershed Operations & Maintenance Division |
| | 62021003 | CPRU Tech Support | 349,787 | 398,634 | 389,531 | | Office of COO Watersheds |
| | 62021004 | Vegetation Mgmt Tech Support | 652,044 | 738,673 | 763,189 | | Watershed Operations & Maintenance Division |
| ** | 62021007 | Geomorphic Data Analysis | 129,998 | | | | Watershed Stewardship & Planning Division |
| * | 62021008 | Energy Management | 4,323 | 8,337 | 6,185 | | Raw Water Operations & Maintenance Division |
| | 62021009 | Watershds O&M Eng&Insp Support | 907,270 | 885,433 | 883,837 | | Watershed Operations & Maintenance Division |
| * | 62031001 | Watershed Revenue | 49,459 | 63,226 | 34,400 | | Financial Planning and Management Services Division |
| * | 62031002 | Grants Management | 327,972 | 368,967 | 381,517 | | Financial Planning and Management Services Division |
| * | 62041022 | Stream Maint Prog Mgmt | 2,525,049 | 3,048,513 | 2,872,007 | | Watershed Operations & Maintenance Division |
| | 62041023 | Community Rating System (CRS) | 333,159 | 402,927 | 506,406 | | Watershed Stewardship & Planning Division |
| | 62041026 | Watersheds Asset Mgt Plng Prgm | 623,819 | 920,061 | | | Raw Water Operations & Maintenance Division |
| | 62041027 | Integrated Wtr Resrce Mstr Pln | 1,009,615 | 1,630,898 | 1,353,826 | | Watershed Stewardship & Planning Division |
| * | 62041039 | Integrated Regional Water Mgmt | 38,748 | 111,606 | 93,329 | | Water Supply Division |
| | 62041043 | Environmental Srvcs Tech Suppt | 350,397 | 267,234 | 342,926 | | Watershed Stewardship & Planning Division |
| ** | 62041046 | Survey Record Management | 11,208 | | | | Watershed Design & Construction Division |
| * | 62041047 | Ecolgcal Data Collectn & Analy | 291,807 | 379,466 | 438,144 | | Watershed Stewardship & Planning Division |
| | 62061001 | Watersheds Administration | 5,251,314 | 5,138,396 | 4,891,384 | | Office of COO Watersheds |
| | 62061002 | Districtwide Salary Savings-12 | | (610,062) | (630,636) | | |
| | 62061005 | WS Customer Relations&Outreach | 332,714 | 493,715 | 515,385 | | Office of Chief of External Affairs |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

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

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| | 62061008 | Hydrology&Hydraulics Tech Supp | 608,070 | 1,211,084 | 1,200,583 | | Watershed Stewardship & Planning Division |
| * | 62061019 | Supp Volunteer Cleanup Effort | 77,173 | 172,618 | 179,376 | | Office of Chief of External Affairs |
| ** | 62061022 | Watershed Ops Safety Implement | 234,005 | | | | Human Resources Division |
| ** | 62061023 | Watershed Ops Safety Training | 388,355 | | | | Human Resources Division |
| | 62061028 | WS Training & Development | 818,559 | 1,693,319 | 1,389,335 | | Office of COO Watersheds |
| | 62061029 | Field Operations Support | 468,158 | 618,061 | 643,825 | | Watershed Operations & Maintenance Division |
| ** | 62061042 | Watershed Customer Relations | 236,912 | | | | Office of Chief of External Affairs |
| * | 62061045 | AM Systems and Standards | 172,747 | 187,774 | 1,172,868 | | Raw Water Operations & Maintenance Division |
| * | 62061046 | CMMS Admin | | | | | Raw Water Operations & Maintenance Division |
| * | 62061048 | Climate Change Adaptation/ Mtg. | 91,982 | 240,411 | 437,573 | | Watershed Stewardship & Planning Division |
| * | 62071041 | Welding Services | 68,339 | 76,544 | 87,930 | | General Services Division |
| | 62181005 | SMP Mitigation Site Mgmt | 244,956 | 524,232 | 524,303 | | Watershed Stewardship & Planning Division |
| * | 62741042 | Water Resorcs EnvPlng & Permtg | 19,627 | 74,186 | 43,662 | | Raw Water Operations & Maintenance Division |
| | 62761006 | Invasive Plant Management Prog | 849,045 | 1,029,170 | 1,186,262 | | Watershed Operations & Maintenance Division |
| | 62761008 | Sandbag Program | 656,258 | 661,907 | 620,485 | | Watershed Operations & Maintenance Division |
| | 62761009 | Pond A4 Operations | 89,670 | 154,995 | 219,084 | | Watershed Operations & Maintenance Division |
| ** | 62761010 | Watersheds Tree Maintenance | 578,007 | | | | Watershed Operations & Maintenance Division |
| * | 62761022 | Watershed Good Neighbor Maint | 608,117 | 839,124 | 809,610 | | Watershed Operations & Maintenance Division |
| * | 62761023 | Watershed Sediment Removal | 5,985,872 | 5,309,149 | 6,082,826 | | Watershed Operations & Maintenance Division |
| | 62761024 | Wtrshd Facility Cndtion Assmnt | 1,015,349 | 1,847,158 | 1,881,115 | | Watershed Operations & Maintenance Division |
| | 62761025 | Watershed General Field Maint | 1,922,590 | 1,535,519 | 1,569,653 | | Watershed Operations & Maintenance Division |
| | 62761026 | Watershed Debris Removal | 1,849,091 | 1,493,713 | 1,359,444 | | Watershed Operations & Maintenance Division |
| | 62761027 | Watershed Erosion Protection | 2,086,424 | 2,875,914 | 3,194,383 | | Watershed Operations & Maintenance Division |
| | 62761028 | Watershed Levee Maintenance | 763,839 | 1,569,942 | 1,284,440 | | Watershed Operations & Maintenance Division |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

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

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| * | 62761071 | Emergency Management | 684,860 | 905,318 | 837,305 | | Office of COO Administrative Services |
| * | 62761072 | Business Continuity Program | 21,490 | | | | Office of COO Administrative Services |
| | 62761074 | Corps Local Sponsor O&M | 185,819 | 1,400,542 | 1,241,151 | | Watershed Operations & Maintenance Division |
| * | 62761075 | Mgmt of Revegetation Projects | 480,578 | 909,549 | 829,235 | | Watershed Operations & Maintenance Division |
| * | 62761078 | Vegetation Mangmnt for Access | 2,502,415 | 2,103,614 | 2,698,155 | | Watershed Operations & Maintenance Division |
| | 62761080 | Non SMP Veg Removal for Convey | 30,863 | 366,071 | 25,502 | | Watershed Operations & Maintenance Division |
| * | 62771011 | Inter Agency Urban Runoff Prog | 952,751 | 995,383 | 1,027,358 | | Watershed Stewardship & Planning Division |
| * | 62771031 | HAZMAT Emergency Response | 104,001 | 57,532 | 91,963 | | Human Resources Division |
| * | 62811043 | Hydrologic Data Msrmt & Mgmt | 746,843 | 842,548 | 853,852 | | Watershed Stewardship & Planning Division |
| * | 62811046 | Warehouse Services | 859,151 | 1,000,885 | 1,046,902 | | General Services Division |
| * | 62811049 | X Valley Subsidence Survey | | 172,039 | 296,400 | | Watershed Design & Construction Division |
| ** | 62811050 | Benchmark Maint (Countywide | 141,035 | | | | Watershed Design & Construction Division |
| * | 62811054 | District Real Property Adminis | 452,290 | 352,387 | 430,463 | | Watershed Design & Construction Division |
| | **Total Operations** | | **44,146,020** | **51,294,155** | **52,043,565** | | |
| | **Operating** | | | | | | |
| | 40212032 | Coyote Creek Mitgtn Monitoring | 77,008 | 202,078 | 276,832 | | Watershed Stewardship & Planning Division |
| ** | 40262033 | Lwr Silver Mitigation & Monitr | 21,128 | | | | Watershed Stewardship & Planning Division |
| | 62042032 | Multiple Sm Prjcts Mitgtn Mont | 142,259 | 279,680 | 349,903 | | Watershed Stewardship & Planning Division |
| | 62042047 | Mitigation & Stwdshp Land Mgmt | 136,964 | 195,362 | 237,920 | | Watershed Stewardship & Planning Division |
| ** | 62042049 | Flood Risk Mapping | 975,031 | | | | Watershed Stewardship & Planning Division |
| | 62042050 | Watershd Maint Guideline Updte | 1,664,787 | 270,141 | 1,309,486 | | Watershed Operations & Maintenance Division |
| | 62042051 | Plant Pathogen Management | 299,345 | 451,672 | 379,096 | | Watershed Stewardship & Planning Division |
| * | 62062003 | El Nino Flood Emrgncy Response | 1,561,072 | | | | Office of COO Watersheds |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

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

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| * | 62762011 | Tree Maintenance Program | 10,387 | 681,354 | 790,729 | | Watershed Operations & Maintenance Division |
| | **Total Operating** | | **4,887,980** | **2,080,287** | **3,343,965** | | |
| | **Capital** | | | | | | |
| ** | 10244001 | Permanente Ck, SF Bay-Foothill | | | | 177,931 | Watershed Design & Construction Division |
| | 10394001 | PA Flood Basin Tide Gate Imprv | 144,005 | 458,005 | 1,315,730 | 763,820 | Watershed Design & Construction Division |
| | 20194005 | San Tomas Ck, Quito Rd Bridges | | 123,739 | | | Office of COO Watersheds |
| ** | 20374002 | El Camino Strm Drain Erosn Rpr | 231,262 | | | | Watershed Design & Construction Division |
| | 20444001 | Salt Ponds A5-11 Restoration | 1,184,189 | 753,926 | 95,262 | 450,228 | Watershed Stewardship & Planning Division |
| | 30114002 | Canoas Crk, Rodent Damage Repr | 632,868 | | | 30,305 | Watershed Design & Construction Division |
| | 30154015 | Guadalupe Rv-DT, Coleman-SClra | 1,800 | | | 8,000 | Watershed Design & Construction Division |
| | 40174004 | L. Berryessa Ck, L.Penit-Calav | 784,158 | | | 73,150 | Watershed Design & Construction Division |
| | 40174005 | Berryessa Crk, Lwr. Pen Phs 2 | 21,252,176 | | 17,473,333 | 1,640,197 | Watershed Design & Construction Division |
| | 40214021 | ERP-Coyote Crk, U/S Hwy 237 | 415,432 | | | | Watershed Design & Construction Division |
| | 40214022 | ERP-Coyote Crk, D/S Hwy 237 | 299,530 | | | | Watershed Design & Construction Division |
| | 40264008 | Lwr Silver-R4-6 N Babb-Cunni | 3,465,172 | 1,980,884 | 507,097 | 519,228 | Water Utility Capital Division |
| | 40264011 | Cunningham Fld Detention Cert | 982,107 | 1,673,841 | 1,289,575 | | Watershed Design & Construction Division |
| | 40264012 | Low Silver 680-Cunningham Reim | 79,536 | | | 85,690 | Water Utility Capital Division |
| ** | 40324003 | U Penitencia Cr-Corps Coord | 354,600 | | | | Watershed Stewardship & Planning Division |
| ** | 40324005 | U Penitencia, Coyt-Dorel LERRD | 112,889 | | | 4,956,138 | Watershed Stewardship & Planning Division |
| | 40334005 | Lwr Penitencia Crk Improvemnts | 932,760 | 4,814,866 | 1,881,880 | 6,177,320 | Watershed Design & Construction Division |
| | 50184003 | ERP-Uvas Crk, Wren-Levee end | 237,966 | | | | Watershed Design & Construction Division |
| | 50284010 | Lower Llagas Capacity Restore | 11,252 | | | 1,515,000 | Water Utility Capital Division |
| | 50314001 | ERP-West Branch Llagas Creek | (117) | | | | Watershed Design & Construction Division |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

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

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| | 62044001 | Watershed Habitat Enhancemnt S | 24,365 | 1,166,914 | 1,016,026 | 65,549 | Watershed Design & Construction Division |
| * | 62044026 | San Francisco Bay Shoreline | 125,411 | 2,721,261 | | 106,420 | Watershed Design & Construction Division |
| | 62064023 | Districtwide Salary Savings | | (208,775) | (233,888) | | |
| * | 62074030 | Capital Training & Dvlpment | | | 42,092 | | Water Utility Capital Division |
| * | 62074033 | CIP Development & Admin | 171,517 | 350,964 | 398,042 | | Water Utility Capital Division |
| * | 62074036 | Survey Mgmt & Tech Support | 53,400 | 159,894 | 151,324 | | Watershed Design & Construction Division |
| * | 62074038 | Capital Progrm Srvcs Admin | | 1,834,502 | 1,611,376 | | Water Utility Capital Division |
| ** | 62074045 | Technical Review Committee | 41,045 | | | | Water Utility Capital Division |
| * | 62074051 | WS Capital Training & Dvlpment | 189,087 | | | | Office of COO Watersheds |
| * | 62074052 | WS Capital Program Srvcs Admin | 787,982 | | | | Office of COO Watersheds |
| * | 62074053 | WS Capital Hlth & Safety Trng | 11,709 | | | | Office of COO Watersheds |
| | 62084001 | Watersheds Asset Rehabilitatio | 333,169 | 11,046,551 | 9,892,564 | | Watershed Design & Construction Division |
| | 62184001 | SMP Mit-Stream Wtrshd Land Acq | 121,567 | 509,068 | | | Watershed Stewardship & Planning Division |
| | **Total Capital** | | **32,980,835** | **27,385,641** | **35,440,414** | **16,568,976** | |
| | **Total** | | **82,014,835** | **80,760,083** | **90,827,945** | **16,568,976** | |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

# Safe, Clean Water and Natural Flood Protection Fund

## Description

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

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

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

The program supplements other available but limited resources to provide stream stewardship activities and flood protection improvements. The program supports activities that benefit not only the community at large but that also provide relief to Water Utility rate payers. For example, the fund will pay towards the project to restore the Main Avenue and Madrone pipelines that otherwise would need to be paid by water utility rate payers. The project will restore the water transmission pipelines to full operating capacity from Anderson Reservoir for groundwater recharge.

The FY 2018-19 budget includes additional positions that are partially funded by the SCW Fund to support the following projects:

- One position to support the Grants and Partnerships to Restore Wildlife Habitat and Access to Trails; Support Volunteer Cleanup Efforts and Education and the Pollution Prevention Partnerships and Grants projects.
- One position to support vegetation management activities to reduce flood risk by maintaining design conveyance capacity of flood protection projects, to provide access for maintenance personnel and equipment.as well as to maintain existing revegetation projects and future revegetation sites.
- One position to help manage the SCW program, including ) developing, implementing and executing the processes, reports, measurements, and plans required to safeguard the delivery of its 5-year and 15-year key performance indicators; preparing the annual SCW report and the 5-year implementation plan, providing administrative support to the SCW Independent Monitoring Committee and coordinating the completion of independent audits during the 15-year program.
- Following each priority statement is a list of projects that are included in the FY 2018-19 budget.

## Outcomes

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

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

*Major Capital Projects starting or continuing construction:*

- San Francisquito Creek, San Francisco Bay to HWY 101 (SCW Priority E5)

- Upper Llagas Creek, Buena Vista Road to Wright Avenue (SCW Priority E6)
- Berryessa Creek, Calaveras Boulevard to I-680 (continue CSC)
- Permanente Creek, San Francisco Bay to Foothill Expressway (continue CSC)
- Upper Guadalupe River, I-280 to Blossom Hill Road (SCW Priority E8)
- Sunnyvale East Channel, Guadalupe Slough to I-280 (continue CSC)
- Sunnyvale West Channel, Guadalupe Slough to Hwy 101 (continue CSC)

*Major Capital Projects in planning and design:*

- Upper Penitencia Creek, Coyote Creek to Dorel Drive (SCW Priority E4)
- San Francisquito Creek, HWY 101 to El Camino Real (SCW Priority E5)
- San Francisco Bay Shoreline (SCW Priority E7)
- Upper Guadalupe River, I-280 to Blossom Hill Road (SCW Priority E8)
- Coyote Creek, Montague Expressway to Tully Road (continue CSC)

*SCW Priority E1:*

The Vegetation Control and Sediment Removal for Flood Protection – This effort supports the District's ongoing vegetation control and sediment removal activities that reduce flood risk by maintaining design conveyance capacity of flood protection projects.

An additional position has been included in the FY 2018-19 budget to help address a backlog of this critical work resulting, in part, from staffing shortages, additional requirements of the SMP-2 permits, and the increasing demands of the public's online and phone requests for service, which the District is committed to responding to within five (5) business days.

- Provides 16% of funding for removal of approximately 93,276 cubic yards of sediment
- Control 408 acres of upland vegetation (program total is 6,120 acres over 15 years)
- Control 619 acres of in-stream vegetation to provide flood protection in all five watersheds

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

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

*SCW Priority C2:*

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

*SCW Priority E2:*

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

*SCW Priority E3:*

- Implement risk reduction strategies consistent with FEMA's Community Rating System as appropriate
- Provide more accurate flood plain mapping and potentially change FEMA regulatory floodplain
- Conduct hydrologic and hydraulic study for Ross Creek to evaluate 1% flood risk

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

*SCW Priority B1:*

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

*SCW Priority B2:*

- Interagency Urban Runoff Program - Support collaborative efforts with other agencies and non-profit organizations to protect surface water quality, including development of a Storm Water Resource Plan as part of a state planning grant for the Santa Clara Basin to prioritize green storm water infrastructure.
- Support pollution prevention and reduction activities such as the Pajaro River watershed pathogen and microbial source tracking study to determine sources of pollutants and the nutrient loading analysis for the Uvas/Llagas watershed.
- Operate and maintain four (4) trash capture devices throughout the county

*SCW Priority B3:*

- Administer 12 Pollution Prevention grants and partnership projects awarded since 2014
- Provide up to $200,000 per year for partnerships with municipalities for programs specific to reducing contaminants in groundwater or surface water
- Solicit new proposals to support pollution prevention efforts
- Develop and implement new grant agreements

*SCW Priority B4:*

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

*SCW Priority B5:*

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

*SCW Priority B6:*

- Good Neighbor Program - Fund 40% of the Good Neighbor Maintenance activity for all watersheds for graffiti and litter removal

*SCW Priority B7:*

- Administer 7 grants projects for Support Volunteer Clean Up and Education Effort projects awarded since 2014
- Continue to develop and implement partnership agreements
- Solicit new proposals for support volunteer cleanup and education projects as directed by the board

*SCW Priority D1:*

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

*SCW Priority D2:*

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

*SCW Priority D3:*

- Develop Stream Corridor Priority Plans to prioritize stream restoration activities
- Conduct proposal solicitation and execute agreements, which includes $500,000 for partnerships and $200,000 for mini-grants for wildlife habitat restoration
- Continue to develop and implement partnership agreements
- Administer over 16 wildlife habitat restoration grants and partnership projects awarded since 2014

*SCW Priority D4:*

- Restore and maintain healthy fisheries populations by improving fish passage and habitat such as installing large woody debris and/or gravel in steelhead streams
- Almaden Lake Improvement - creek/lake separation (Capital project)
- Planning Phase study of Ogier Ponds creek/lake separation
- Feasibility study of Metcalf Ponds creek/lake separation
- Evaluation of fish passage barriers along Stevens Creek
- Bolsa Bridge Fish Passage Improvement design (Capital project)

*SCW Priority D5:*

- Create a comprehensive watershed database that tracks stream ecosystem functions
- Establish a baseline ecological level of service for the West Valley Watershed
- Reassess streams to determine if ecological levels of service are maintained or improved

*SCW Priority D6:*

Increase the stability through channel improvement projects based on sound geomorphic science principles

- Hale Creek

*SCW Priority D7:*

- Provide up to $8 million for the acquisition of property for the conservation of habitat lands to preserve local ecosystems
- Between FY 2014 - 2018, the District worked with partner agencies to establish the criteria to identify partnerships; project funding is expected to begin in FY 2018 - 19

*SCW Priority D8:*

- Reuse local stream sediments to build and rehabilitate tidal habitat
- South Bay Salt Ponds Restoration (Capital project)

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

*SCW Priority D3:*

- Conduct proposal solicitation and execute agreements, which includes $571,000 grant funds for trails and open space
- Administer 6 open space and trail grants projects awarded since 2014

## Fiscal Status

The special parcel tax is budgeted at $44.0 million, reflecting a 3.5% increase from the FY 2017-18 budget. This special tax is based on the land use and parcel size rather than assessed property value. Consequently, the annual rates of change are different than for the other property taxes in the Watershed Stream and Stewardship Fund.

Interest earnings are projected at $1.7 million, which is flat relative to the FY 2017-18 budget.

Capital Reimbursement of $9.1 million is budgeted as follows:

- $6.1 million for State Subventions: Berryessa Creek, Calaveras Blvd. to I-680 and ($.8 million) Llagas Creek – Upper, Buena Vista to Wright ($5.3 million)
- $3.0 million for Department of Water Resources Proposition 1E: Berryessa Creek, Calaveras Blvd to I-680

New debt proceeds of $110 million is planned to be issued in FY 2018-19.

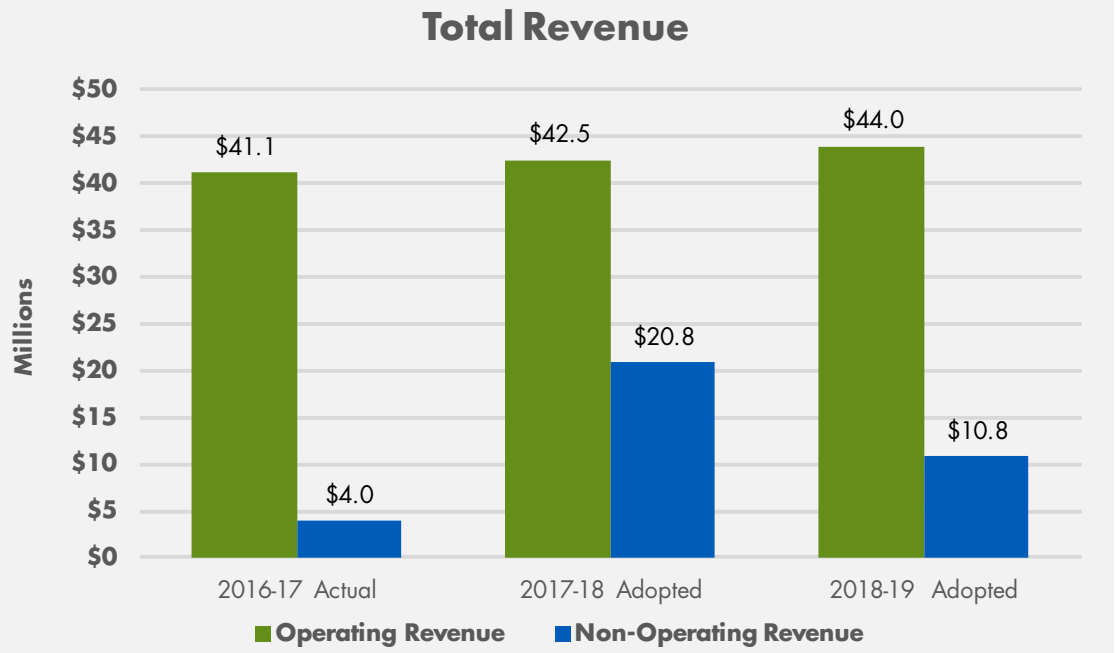
$2.0 million is budgeted to be transferred in from Water Enterprise Fund for the Main / Madrone project in FY 2018-19.

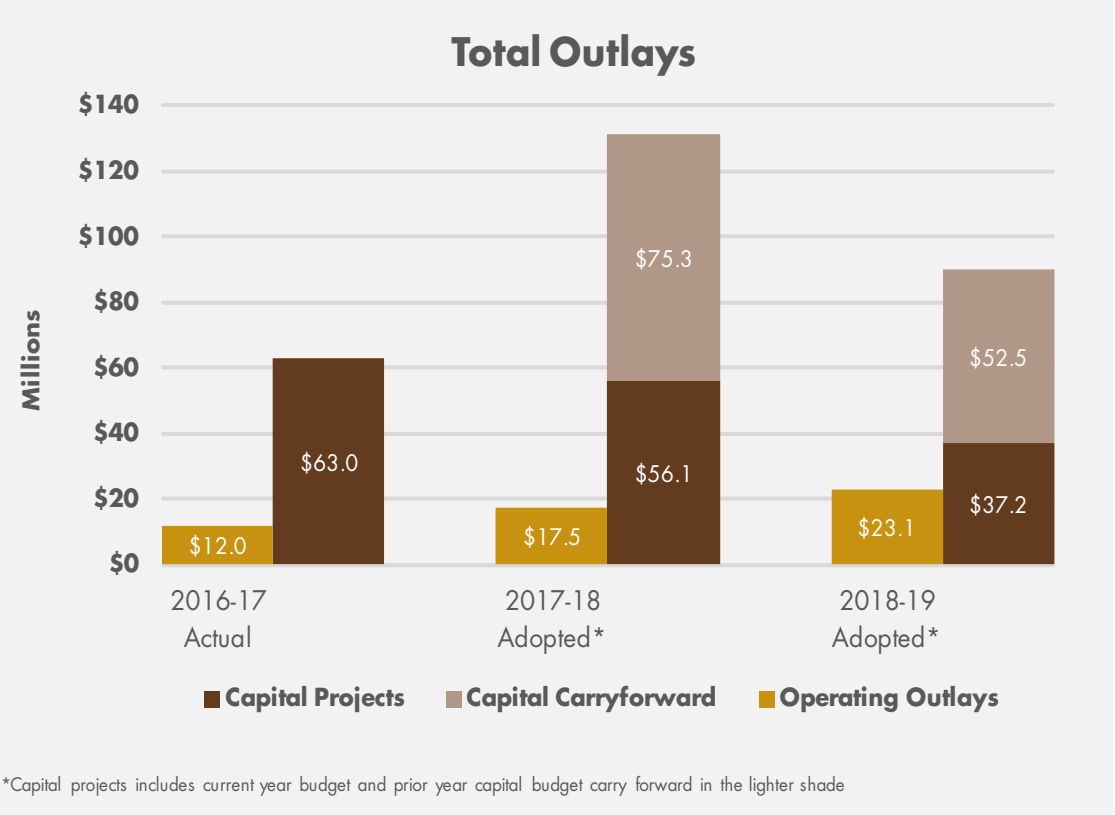
## Budget Issues

Staff continues to work aggressively with the USACE to obtain Federal funding. Flood protection projects continue to the extent possible with local funding.

- Due to uncertainty in USACE funding for capital flood protection projects, staff continues to explore other capital funding options.
- Good Neighbor Program: Although the District has exceeded the key performance indicators for the Encampment Cleanup project, there continues to be an increased community demand for encampment cleanups. As a result, the project does not have adequate funding to meet the increased demand for services from the community and partner agencies.
- Stream Stewardship Activities: There is limited funds to meet the demands for stream stewardship activities.

## Safe, Clean Water and Natural Flood Protection Fund



# Safe, Clean Water and Natural Flood Protection Fund Summary

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **REVENUE** | | | | | | |
| **Operating Revenue** | | | | | | |
| Special Parcel Tax | $ 41,098,834 | $ 42,510,582 | $ 42,510,582 | $ 43,998,000 | $ 1,487,418 | 3.5% |
| Intergovernmental Services | 2,662 | — | — | — | — | — |
| **Total Operating Revenue** | **$ 41,101,496** | **$ 42,510,582** | **$ 42,510,582** | **$ 43,998,000** | **$ 1,487,418** | **3.5%** |
| **Non-Operating Revenue** | | | | | | |
| Capital Reimbursements | $ 1,818,009 | $ 19,158,000 | $ 13,523,000 | $ 9,126,000 | $ (10,032,000) | (52.4)% |
| Interest Income * | 1,882,260 | 1,670,000 | 1,670,000 | 1,670,000 | — | — |
| Nonoperating Other | 294,020 | — | — | — | — | — |
| **Total Non-Operating Revenue** | **$ 3,994,289** | **$ 20,828,000** | **$ 15,193,000** | **$ 10,796,000** | **$ (10,032,000)** | **(48.2)%** |
| **TOTAL REVENUE** | **$ 45,095,785** | **$ 63,338,582** | **$ 57,703,582** | **$ 54,794,000** | **$ (8,544,582)** | **(13.5)%** |
| **OUTLAYS** | | | | | | |
| **Operating Outlays** | | | | | | |
| Operations ** | $ 10,348,564 | $ 13,135,778 | $ 13,135,778 | $ 15,206,856 | $ 2,071,078 | 15.8% |
| Operating Project | 1,636,508 | 1,986,379 | 1,986,379 | 3,316,701 | 1,330,322 | 67.0% |
| Debt Service | 29,315 | 2,416,690 | 2,416,690 | 4,616,400 | 2,199,710 | 91.0% |
| **Total Operating Outlays** | **$ 12,014,387** | **$ 17,538,847** | **$ 17,538,847** | **$ 23,139,957** | **$ 5,601,110** | **31.9%** |
| **Capital Outlays** | | | | | | |
| Capital Projects | $ 62,962,108 | $ 56,087,733 | $ 129,190,817 | $ 37,220,788 | $ (18,866,945) | (33.6)% |
| Carry Forward Capital Projects | — | 75,321,000 | $ | 52,531,008 | (22,789,992) | (30.3)% |
| **Total Capital Outlays** | **$ 62,962,108** | **$ 131,408,733** | **$ 129,190,817** | **$ 89,751,796** | **$ (41,656,937)** | **(31.7)%** |
| **TOTAL OUTLAYS****** | **$ 74,976,495** | **$ 148,947,580** | **$ 146,729,664** | **$ 112,891,753** | **$ (36,055,827)** | **(24.2)%** |
| **OTHER FINANCING SOURCES/(USES)** | | | | | | |
| Certificates of Participation | $ 1,443,987 | $ 5,500,000 | $ 5,500,000 | $ — | $ (5,500,000) | (100.0)% |
| Commercial Paper Proceeds | — | 140,000,000 | 30,000,000 | 110,000,000 | (30,000,000) | (21.4)% |
| Transfers In | — | 9,349,000 | 9,349,000 | 2,029,000 | (7,320,000) | (78.3)% |
| **TOTAL OTHER SOURCES/(USES)** | **$ 1,443,987** | **$ 154,849,000** | **$ 44,849,000** | **$ 112,029,000** | **$ (42,820,000)** | **(27.7)%** |
| **BALANCE AVAILABLE** | **$ (28,436,723)** | **$ 69,240,002** | **$ (44,177,082)** | **$ 53,931,247** | **$ (15,308,755)** | **(22.1)%** |
| **YEAR-END RESERVES** | | | | | | |
| **Restricted Reserves** | | | | | | |
| SCW Currently Authorized Projects | $ 129,018,840 | $ 15,357,000 | $ 68,665,756 | $ 16,134,748 | $ 777,748 | 5.1% |
| SCW Operating and Capital Reserve | 631,179 | 146,714,094 | 16,807,181 | 123,269,436 | (23,444,658) | (16.0)% |
| **Total Restricted Reserves** | **$ 129,650,019** | **$ 162,071,094** | **$ 85,472,937** | **$ 139,404,184** | **$ (22,666,910)** | **(14.0)%** |
| **TOTAL YEAR-END RESERVES** | **$ 129,650,019** | **$ 162,071,094** | **$ 85,472,937** | **$ 139,404,184** | **$ (22,666,910)** | **(14.0)%** |
| **UNCOMMITED FUNDS** | | | **$ —** | **$ —** | | |

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

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **Outlay Summary by Account Type** | | | | | | |
| **OPERATING OUTLAY** | | | | | | |
| Salaries & Benefits | $ 3,676,742 | $ 4,730,246 | $ 4,730,246 | $ 5,096,151 | $ 365,905 | 7.7% |
| Salaries Savings Factor | — | (129,585) | (129,585) | (139,083) | (9,498) | 7.3% |
| Services & Supplies | 5,717,525 | 7,100,207 | 7,100,207 | 10,001,068 | 2,900,861 | 40.9% |
| Intra-District Charges | 2,590,805 | 3,421,288 | 3,421,288 | 3,565,421 | 144,133 | 4.2% |
| **OPERATING OUTLAY TOTAL** | **$ 11,985,072** | **$ 15,122,156** | **$ 15,122,156** | **$ 18,523,557** | **$ 3,401,401** | **22.5%** |
| **DEBT SERVICE** | | | | | | |
| Services & Supplies | $ 29,315 | $ 740,690 | $ 740,690 | $ 979,400 | $ 238,710 | 32.2% |
| Debt Service | — | 1,676,000 | 1,676,000 | 3,637,000 | 1,961,000 | 117.0% |
| **DEBT SERVICE TOTAL** | **$ 29,315** | **$ 2,416,690** | **$ 2,416,690** | **$ 4,616,400** | **$ 2,199,710** | **91.0%** |
| **CAPITAL PROJECTS** | | | | | | |
| Salaries & Benefits | $ 7,181,260 | $ 9,342,007 | $ 9,342,007 | $ 10,223,384 | $ 881,377 | 9.4% |
| Salaries Savings Factor | — | (260,977) | (260,977) | (283,259) | (22,282) | 8.5% |
| Services & Supplies | 51,763,504 | 40,938,686 | 114,041,770 | 20,889,033 | (20,049,653) | (49.0)% |
| Carry Forward Capital Projects | — | 75,321,000 | — | 52,531,008 | (22,789,992) | (30.3)% |
| Intra-District Charges | 4,017,344 | 6,068,017 | 6,068,017 | 6,391,629 | 323,612 | 5.3% |
| **CAPITAL PROJECTS TOTAL** | **$ 62,962,108** | **$ 131,408,733** | **$ 129,190,817** | **$ 89,751,795** | **$ (41,656,938)** | **(31.7)%** |
| **TOTAL OUTLAYS****** | **$ 74,976,495** | **$ 148,947,579** | **$ 146,729,663** | **$ 112,891,752** | **$ (36,055,827)** | **(24.2)%** |

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

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

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| **Operations** | | | | | | | |
| | 26001090 | Unscoped Projects-Budget Only | | 100,000 | 100,000 | | Office of COO Watersheds |
| * | 26031001 | Watershed Revenue | 115,404 | 147,528 | 80,266 | | Financial Planning and Management Services Division |
| | 26041023 | Emergency Response Upgrades | 306,932 | 369,565 | 343,888 | | Watershed Stewardship & Planning Division |
| | 26041024 | Flood Risk Reduction Studies | 681,721 | 663,790 | 819,370 | | Watershed Stewardship & Planning Division |
| * | 26041047 | Ecolgcal Data Collectn & Analy | 592,456 | 770,430 | 889,566 | | Watershed Stewardship & Planning Division |
| | 26061002 | Rent Exp Clean Safe Ck 7/1/01+ | 103,575 | 163,498 | 158,332 | | General Services Division |
| ** | 26061003 | Stwardshp Grnts/Partnrshp Admn | 8,269 | 71,663 | | | Office of Chief of External Affairs |
| | 26061004 | Districtwide Salary Savings-26 | | (129,585) | (139,083) | | |
| | 26061005 | Flood Emrgncy Respnse Planning | 454,142 | 321,349 | 216,898 | | Office of COO Administrative Services |
| | 26061006 | Pollution Prvtn Prtnrshp & Grt | 363,172 | 764,176 | 449,902 | | Office of Chief of External Affairs |
| | 26061007 | Grants to Rest Habitat Access | 674,091 | 1,441,508 | 3,147,756 | | Office of Chief of External Affairs |
| | 26061008 | Water Conservation Grants | 116,466 | 129,314 | 130,299 | | Water Supply Division |
| | 26061010 | Nitrate Treatment Systm Rebate | 16,873 | 29,000 | 53,012 | | Water Supply Division |
| | 26061012 | Safe Clean Water Implementatn | 431,366 | 581,372 | 782,527 | | Watershed Design & Construction Division |
| * | 26061019 | Supp Volunteer Cleanup Effort | 94,323 | 210,978 | 219,238 | | Office of Chief of External Affairs |
| * | 26761022 | Watershed Good Neighbor Maint | 405,411 | 559,416 | 539,740 | | Watershed Operations & Maintenance Division |
| * | 26761023 | Watershed Sediment Removal | 974,444 | 864,280 | 990,227 | | Watershed Operations & Maintenance Division |
| * | 26761075 | Mgmt of Revegetation Projects | 663,656 | 1,256,045 | 1,145,135 | | Watershed Operations & Maintenance Division |
| | 26761076 | Rev, Riprn, Uplnd, & Wtlnd Hab | 597,918 | 916,631 | 1,558,017 | | Watershed Stewardship & Planning Division |
| * | 26761078 | Vegetation Mangmnt for Access | 441,603 | 371,226 | 476,145 | | Watershed Operations & Maintenance Division |
| * | 26771011 | Inter Agency Urban Runoff Prog | 668,952 | 698,886 | 721,337 | | Watershed Stewardship & Planning Division |
| | 26771027 | Encampment Cleanup Program | 1,018,873 | 907,984 | 927,131 | | Watershed Operations & Maintenance Division |
| * | 26771031 | HAZMAT Emergency Response | 34,667 | 19,177 | 30,654 | | Human Resources Division |
| | 26771067 | Stream Capacity Vegetation Con | 1,584,249 | 1,907,549 | 1,566,499 | | Watershed Operations & Maintenance Division |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

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

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| **Total Operations** | | | **10,348,564** | **13,135,778** | **15,206,856** | | |
| **Operating** | | | | | | | |
| | 26042002 | Fish Habitat Improvements | 426,052 | 500,142 | 602,891 | | Watershed Stewardship & Planning Division |
| | 26072008 | SCW D7 Conservation Habitat | | | 1,000,000 | | Raw Water Operations & Maintenance Division |
| | 26752043 | Impaired Water Bodies Imprvmts | 1,210,456 | 1,486,236 | 1,713,810 | | Watershed Stewardship & Planning Division |
| **Total Operating** | | | **1,636,508** | **1,986,379** | **3,316,701** | | |
| **Debt Service** | | | | | | | |
| | 26993001 | Commercial Paper Tax Exmpt SCW | 29,315 | 2,416,690 | 4,616,400 | | Financial Planning and Management Services Division |
| **Total Debt Service** | | | **29,315** | **2,416,690** | **4,616,400** | | |
| **Capital** | | | | | | | |
| | 26044001 | Almaden Lake Improvement | 424,336 | 653,638 | 190,757 | 1,009,948 | Watershed Design & Construction Division |
| | 26044002 | SCW Fish Passage Improvement | 71,375 | 224,223 | 391,865 | 933,010 | Watershed Design & Construction Division |
| | 26064023 | Districtwide Salary Savings | | (260,977) | (283,259) | | |
| | 26074002 | Sunnyvale East & West Channel | 1,860,198 | 4,820,232 | | 9,743,000 | Water Utility Capital Division |
| * | 26074030 | Capital Training & Dvlpment | 14,718 | | 42,092 | | Water Utility Capital Division |
| * | 26074033 | CIP Development & Admin | 231,176 | 415,957 | 471,753 | | Water Utility Capital Division |
| * | 26074036 | Survey Mgmt & Tech Support | 71,975 | 189,505 | 179,346 | | Watershed Design & Construction Division |
| * | 26074038 | Capital Program Services Admin | 77,939 | 2,174,225 | 1,909,779 | | Water Utility Capital Division |
| ** | 26074045 | Technical Review Committee | 55,323 | | | | Water Utility Capital Division |
| ** | 26074046 | WU Captl Health & Safety Trng | 874 | | | | Water Utility Capital Division |
| * | 26074051 | WS Capital Training & Dvlpment | 247,614 | | | | Office of COO Watersheds |
| * | 26074052 | WS Capital Program Srvcs Admin | 1,031,883 | | | | Office of COO Watersheds |
| * | 26074053 | WS Capital Hlth & Safety Trng | 15,333 | | | | Office of COO Watersheds |
| | 26154002 | Guadalupe Rv-Upr, 280-SPRR(R6 | 288,333 | | | 829,000 | Watershed Design & Construction Division |
| | 26154003 | Guadalupe Rv-Upr, SPRR-BH 7-12 | 1,800,424 | 6,543,945 | 6,516,491 | 17,681,334 | Watershed Design & Construction Division |
| | 26164001 | HaleCreekEnhancementPilotStudy | 323,585 | 1,305,856 | 2,581,476 | 21,474 | Watershed Design & Construction Division |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

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

| Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|
| 26174041 | Berryessa Calav/Old Pied Cor | 791,826 | | | 5,761,250 | Watershed Design & Construction Division |
| 26174042 | Berryessa Calav/Old Pied LER | 74,259 | | 209,000 | | Watershed Design & Construction Division |
| 26174043 | Coyote Creek, Montague-Tully | 128,259 | | 1,752,173 | 505,027 | Watershed Stewardship & Planning Division |
| 26174051 | U. Llagas Ck, Reimburse E6b | 4,356,917 | 105,824 | | 5,225,000 | Water Utility Capital Division |
| 26174052 | U. Llagas Ck, Nonreimburse E6a | 4,685,825 | 2,354 | | 9,045,000 | Water Utility Capital Division |
| 26174054 | U.Llagas Ck Design B. Vsta Rd | 979,754 | 1,039,957 | 5,239,930 | | Water Utility Capital Division |
| 26244001 | Permanente Ck, Bay-Fthill CSC | 39,989,950 | 16,905,770 | 5,281,455 | | Watershed Design & Construction Division |
| 26284001 | San Francisquito Ck,BaySer CSC | 554,661 | | | 26,824 | Watershed Design & Construction Division |
| 26284002 | San Francisquito Early Implemt | 1,062,703 | 7,337,635 | 3,109,935 | 320,565 | Watershed Design & Construction Division |
| 26324001 | U Penitncia Crk Corp Coord SCW | | | 1,524,802 | 384,577 | Watershed Stewardship & Planning Division |
| 26444001 | SFBS EIA 11 Desgn & Part Const | 1,817,688 | | 6,721,838 | | Watershed Design & Construction Division |
| 26444002 | SFBS Other EIAs Planning | 376,007 | | | 1,045,000 | Watershed Design & Construction Division |
| 26444003 | SBSP Restoration Partnership | 14,425 | 12,700 | | | Watershed Stewardship & Planning Division |
| 26564001 | Main/Madrone PL Restoration | 1,614,747 | 14,616,888 | 291,555 | | Water Utility Capital Division |
| 26764001 | IRP2 AddLine Valves | | | 1,089,798 | | Water Utility Capital Division |
| **Total Capital** | | **62,962,108** | **56,087,733** | **37,220,788** | **52,531,008** | |
| **Total** | | **74,976,496** | **73,626,579** | **60,360,745** | **52,531,008** | |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

## Benefit Assessment Funds Overview

The Flood Control Benefit Assessment was first authorized by the District 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 the District will pay off the bonds associated with it. The Benefit Assessment funds are in place to account for both revenue received and expenditures by zone.

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

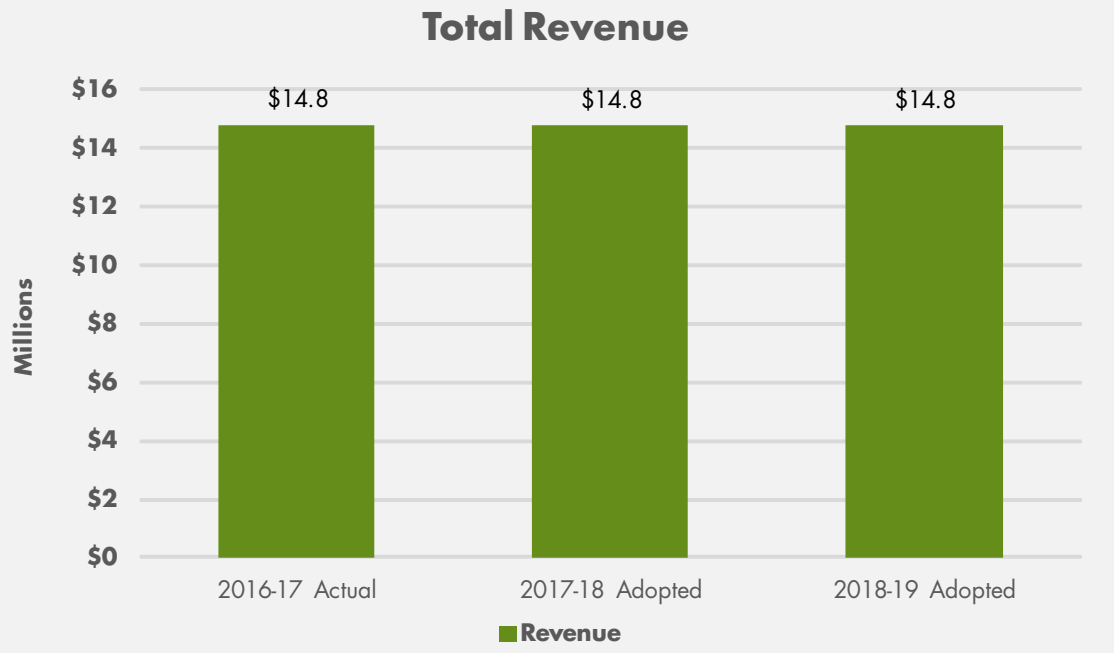
- The Lower Peninsula Watershed (Fund 21) is defined by geographic boundaries encompassing the tributaries and watersheds of San Francisquito Creek, Matadero Creek, Barron Creek, Adobe Creek, Stevens Creek, and Permanente Creek. The geographic area includes the cities of Palo Alto, Los Altos, Los Altos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

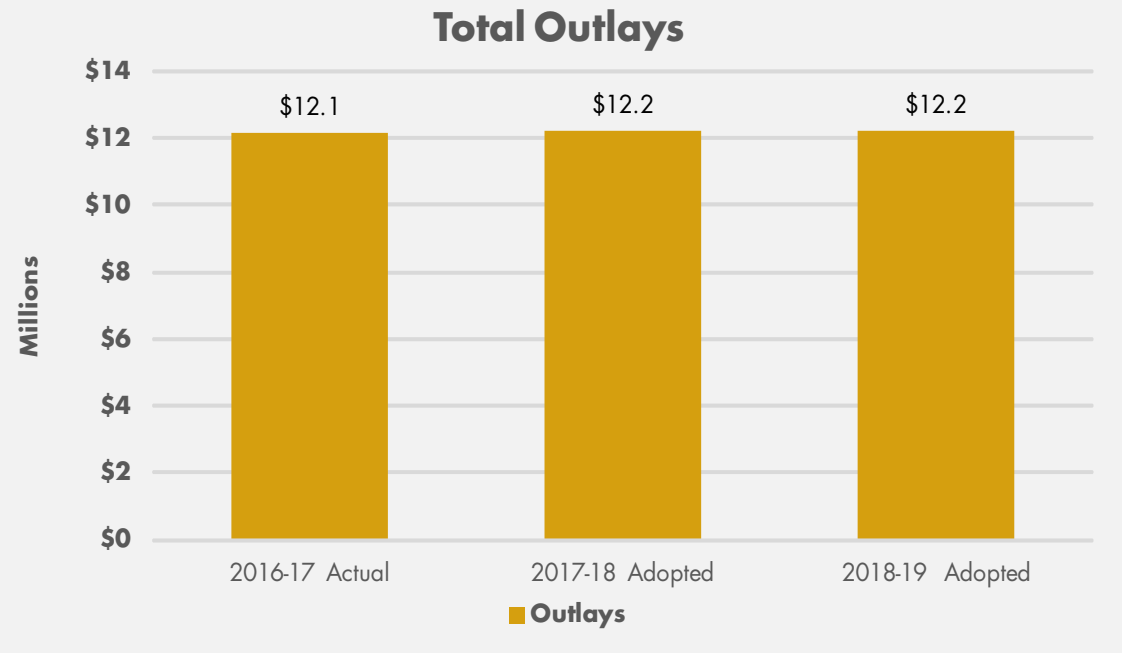
These funds are redefined as the benefit assessment funds comprised of voter-approved debt repayment phase of the benefit assessment program, with benefit assessment levied at 1.25 times the annual debt service. The excess amount over annual debt service will be transferred out to the consolidated Watershed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

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

- $40.90/year for Lower Peninsula Watershed
- $13.21/year for West Valley Watershed
- $21.05/year for Guadalupe Watershed
- $20.91/year for Coyote Watershed
- $0.00/year for Uvas/Llagas Watershed. The debt has been paid off

## Benefit Assessment Funds



## Benefit Assessment Funds

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted $ Diff | Change from 2017-18 Adopted % Diff |
|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | |
| Lower Peninsula Watershed | $ 4,037,346 | $ 4,038,079 | $ 4,038,079 | $ 4,039,000 | $ 921 | 0.0% |
| West Valley Watershed | 2,256,521 | 2,265,508 | 2,265,508 | 2,255,000 | (10,508) | (0.5)% |
| Guadalupe Watershed | 4,552,181 | 4,578,702 | 4,578,702 | 4,552,000 | (26,702) | (0.6)% |
| Coyote Watershed | 3,944,906 | 3,895,225 | 3,895,225 | 3,932,000 | 36,775 | 0.9% |
| **TOTAL REVENUE** | **$ 14,790,954** | **$ 14,777,514** | **$ 14,777,514** | **$ 14,778,000** | **$ 486** | **0.0%** |
| **OUTLAYS** | | | | | | |
| **Debt Service** | | | | | | |
| Lower Peninsula Watershed | $ 3,363,905 | $ 3,361,126 | $ 3,361,126 | $ 3,362,476 | $ 1,350 | 0.0% |
| West Valley Watershed | 1,842,093 | 1,855,206 | 1,855,206 | 1,855,910 | 704 | 0.0% |
| Guadalupe Watershed | 3,686,124 | 3,721,829 | 3,721,829 | 3,724,056 | 2,227 | 0.1% |
| Coyote Watershed | 3,251,787 | 3,267,190 | 3,267,190 | 3,268,430 | 1,240 | 0.0% |
| **TOTAL OUTLAYS****** | **$ 12,143,909** | **$ 12,205,351** | **$ 12,205,351** | **$ 12,210,872** | **$ 5,521** | **0.0%** |
| **OTHER FINANCING SOURCES/(USES)** | | | | | | |
| **Transfers Out to WSS Fund** | | | | | | |
| Lower Peninsula Watershed | $ (673,441) | $ (676,953) | $ (676,953) | $ (676,524) | $ 429 | (0.1)% |
| West Valley Watershed | (414,428) | (410,302) | (410,302) | (409,090) | 1,212 | (0.3)% |
| Guadalupe Watershed | (866,057) | (856,873) | (856,873) | (853,944) | 2,929 | (0.3)% |
| Coyote Watershed | (693,119) | (628,035) | (628,035) | (627,570) | 465 | (0.1)% |
| **TOTAL OTHER SOURCES/(USES)** | **$ (2,647,045)** | **$ (2,572,163)** | **$ (2,572,163)** | **$ (2,567,128)** | **$ 5,035** | **(0.2)%** |
| **BALANCE AVAILABLE** | **$ —** | **$ —** | **$ —** | **$ —** | **$ —** | **—** |

## Outlay Summary by Account Type

| | | | | | | |
|---|---|---|---|---|---|---|
| **OUTLAYS** | | | | | | |
| **Services & Supplies** | | | | | | |
| Lower Peninsula Watershed | $ 10,676 | $ 10,276 | $ 10,276 | $ 4,565 | $ (5,711) | (55.6)% |
| West Valley Watershed | 5,248 | 7,047 | 7,047 | 7,830 | 783 | 11.1% |
| Guadalupe Watershed | 8,434 | 14,818 | 14,818 | 16,467 | 1,649 | 11.1% |
| Coyote Watershed | 6,777 | 11,416 | 11,416 | 12,680 | 1,264 | 11.1% |
| **Total Services & Supplies** | **$ 31,135** | **$ 43,557** | **$ 43,557** | **$ 41,542** | **$ (2,015)** | **(4.6)%** |
| **Debt Service** | | | | | | |
| Lower Peninsula Watershed | $ 3,353,229 | $ 3,350,850 | $ 3,350,850 | $ 3,357,911 | $ 7,061 | 0.2% |
| West Valley Watershed | 1,836,845 | 1,848,159 | 1,848,159 | 1,848,080 | (79) | (0.0)% |
| Guadalupe Watershed | 3,677,690 | 3,707,011 | 3,707,011 | 3,707,589 | 578 | 0.0% |
| Coyote Watershed | 3,245,009 | 3,255,774 | 3,255,774 | 3,255,750 | (24) | (0.0)% |
| **Total Debt Service** | **$ 12,112,773** | **$ 12,161,794** | **$ 12,161,794** | **$ 12,169,330** | **$ 7,536** | **0.1%** |
| **TOTAL OUTLAYS****** | **$ 12,143,908** | **$ 12,205,351** | **$ 12,205,351** | **$ 12,210,872** | **$ 5,521** | **0.0%** |

(*) 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

# Total Outlays - Lower Peninsula Watershed Fund

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| | **Debt Service** | | | | | | |
| ** | 10993005 | 2004A COP Lower Peninsula WS | 1,085,868 | | | | Financial Planning and Management Services Division |
| ** | 10993006 | 2007 COP Refunding LP WS | 2,278,037 | | | | Financial Planning and Management Services Division |
| | 10993008 | 2017A COP Refunding LP WS | | 3,361,126 | 3,362,476 | | Financial Planning and Management Services Division |
| | **Total Debt Service** | | **3,363,905** | **3,361,126** | **3,362,476** | | |
| | **Total** | | **3,363,905** | **3,361,126** | **3,362,476** | | |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

# Total Outlays - West Valley Watershed Fund

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| | **Debt Service** | | | | | | |
| ** | 20993006 | 2007 COP Refunding WV WS | 684,754 | | | | Financial Planning and Management Services Division |
| | 20993007 | 2012A COP Refunding WV WS | 1,157,339 | 1,171,611 | 1,172,053 | | Financial Planning and Management Services Division |
| | 20993008 | 2017A COP Refunding WV WS | | 683,595 | 683,857 | | Financial Planning and Management Services Division |
| | **Total Debt Service** | | **1,842,093** | **1,855,206** | **1,855,910** | | |
| | **Total** | | **1,842,093** | **1,855,206** | **1,855,910** | | |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

# Total Outlays - Guadalupe Watershed Fund

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| | **Debt Service** | | | | | | |
| ** | 30993005 | 2004A COP Guadalupe WS | 33,204 | | | | Financial Planning and Management Services Division |
| ** | 30993006 | 2007 COP Refunding Guad WS | 760,871 | | | | Financial Planning and Management Services Division |
| | 30993007 | 2012A COP Refunding Guad WS | 2,892,049 | 2,930,510 | 2,931,615 | | Financial Planning and Management Services Division |
| | 30993008 | 2017A COP Refunding Guad WS | | 791,319 | 792,441 | | Financial Planning and Management Services Division |
| | **Total Debt Service** | | **3,686,124** | **3,721,829** | **3,724,056** | | |
| | **Total** | | **3,686,124** | **3,721,829** | **3,724,056** | | |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

# Total Outlays - Coyote Watershed Fund

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| | **Debt Service** | | | | | | |
| ** | 40993006 | 2007 COP Refunding Coyote WS | 2,050,837 | | | | Financial Planning and Management Services Division |
| | 40993007 | 2012A COP Refunding Coyote WS | 1,200,950 | 1,215,829 | 1,216,286 | | Financial Planning and Management Services Division |
| | 40993008 | 2017A COP Refunding Coyote WS | | 2,051,361 | 2,052,144 | | Financial Planning and Management Services Division |
| | **Total Debt Service** | | **3,251,787** | **3,267,190** | **3,268,430** | | |
| | **Total** | | **3,251,787** | **3,267,190** | **3,268,430** | | |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

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# WATER ENTERPRISE AND STATE WATER PROJECT FUNDS

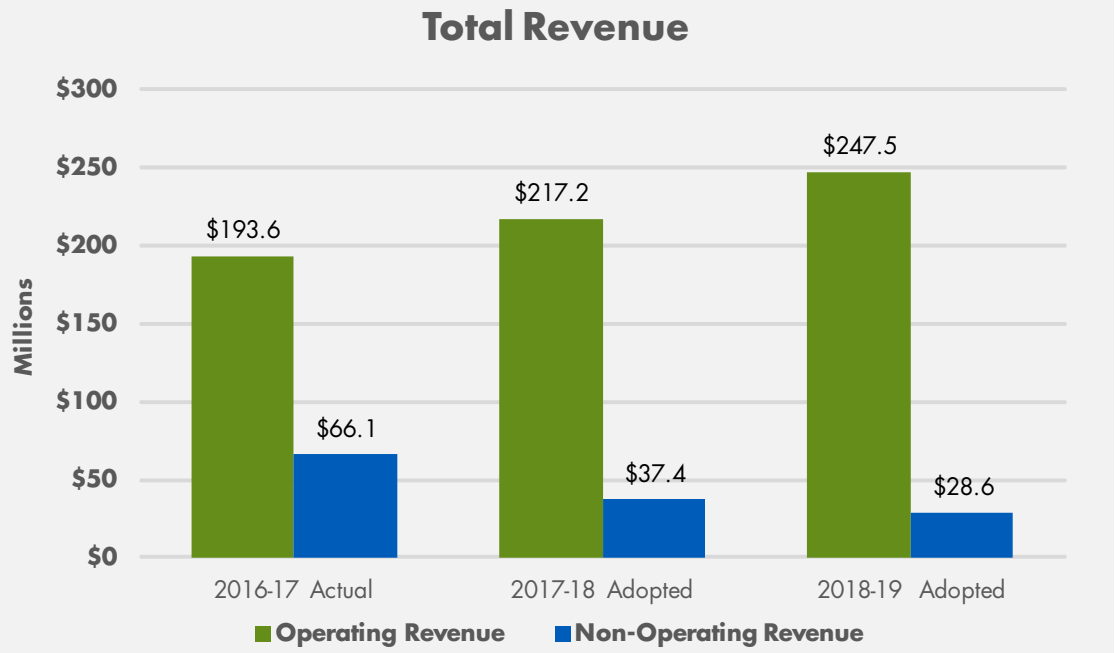
## Overview

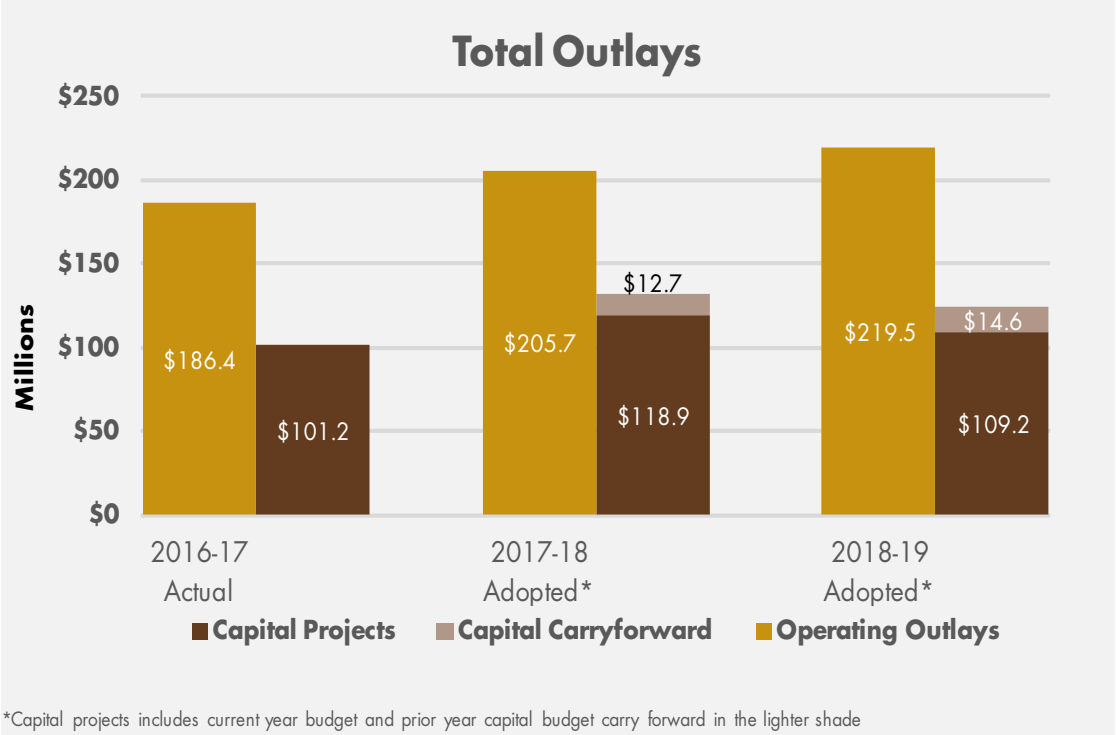
As the water management agency and principal water wholesaler for Santa Clara County, the Santa Clara Valley Water District manages a sustainable water supply through conjunctive use of surface and groundwater resources. The Chief Operating Officer - Water Utility implements the program to protect and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

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

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

## Water Enterprise and State Water Project Funds



# Water Enterprise and State Water Projects Combined Fund Summary

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **REVENUE** | | | | | | |
| **Operating Revenue** | | | | | | |
| GroundWater | $ 67,936,832 | $ 78,943,000 | $ 78,943,000 | $ 90,696,000 | $ 11,753,000 | 14.9% |
| Treated Water | 122,212,497 | 133,875,000 | 133,875,000 | 152,787,000 | 18,912,000 | 14.1% |
| Surface/Recycled | 747,007 | 2,424,000 | 2,424,000 | 2,653,000 | 229,000 | 9.4% |
| Intergovermental Services | 2,036,601 | 1,189,000 | 1,189,000 | 625,000 | (564,000) | (47.4)% |
| Operating Other | 625,686 | 735,000 | 735,000 | 735,000 | — | — |
| **Total Operating Revenue** | **$ 193,558,623** | **$ 217,166,000** | **$ 217,166,000** | **$ 247,496,000** | **$ 30,330,000** | **14.0%** |
| **Non-Operating Revenue** | | | | | | |
| Property Tax | $ 44,785,987 | $ 32,509,600 | $ 32,837,470 | $ 24,962,471 | $ (7,547,129) | (23.2)% |
| Capital Reimbursements | 17,526,700 | 2,688,000 | 4,116,000 | 1,355,000 | (1,333,000) | (49.6)% |
| Interest Income * | 1,866,077 | 820,000 | 820,000 | 1,084,000 | 264,000 | 32.2% |
| Non-Operating Other | 1,899,523 | 1,379,064 | 1,379,064 | 1,200,000 | (179,064) | (13.0)% |
| **Total Non-Operating Revenue** | **$ 66,078,287** | **$ 37,396,664** | **$ 39,152,534** | **$ 28,601,471** | **$ (8,795,193)** | **(23.5)%** |
| **TOTAL REVENUE** | **$ 259,636,910** | **$ 254,562,664** | **$ 256,318,534** | **$ 276,097,471** | **$ 21,534,807** | **8.5%** |
| **OUTLAYS** | | | | | | |
| **Operating Outlays** | | | | | | |
| Operations ** | $ 164,289,337 | $ 170,714,192 | $ 173,599,610 | $ 177,272,714 | $ 6,558,522 | 3.8% |
| Operating Project | 4,463 | 292,009 | 292,009 | 338,884 | 46,875 | 16.1% |
| Debt Service | 22,111,384 | 34,656,167 | 34,656,167 | 41,885,770 | 7,229,603 | 20.9% |
| **Total Operating Outlays** | **$ 186,405,184** | **$ 205,662,368** | **$ 208,547,786** | **$ 219,497,368** | **$ 13,835,000** | **6.7%** |
| **Capital Outlays** | | | | | | |
| Capital Projects | $ 101,220,550 | $ 118,906,728 | $ 154,385,352 | $ 109,216,248 | $ (9,690,480) | (8.2)% |
| Carry Forward Capital Projects | — | 12,676,000 | — | 14,614,126 | 1,938,126 | 15.3% |
| **Total Capital Outlays** | **$ 101,220,550** | **$ 131,582,728** | **$ 154,385,352** | **$ 123,830,374** | **$ (7,752,354)** | **(5.9)%** |
| **TOTAL OUTLAYS****** | **$ 287,625,734** | **$ 337,245,096** | **$ 362,933,138** | **$ 343,327,742** | **$ 6,082,646** | **1.8%** |
| **OTHER FINANCING SOURCES/(USES)** | | | | | | |
| Bond Proceeds | $ — | $ 62,000,000 | $ 110,000,000 | $ 64,193,000 | $ 2,193,000 | 3.5% |
| Commercial Paper Proceeds | 24,230,000 | — | — | — | — | — |
| Transfers In | 4,282,308 | 4,540,222 | 3,252,000 | 1,228,000 | (3,312,222) | (73.0)% |
| Transfers Out | (2,380,082) | (10,816,659) | (9,528,437) | (5,937,166) | 4,879,493 | (45.1)% |
| **TOTAL OTHER SOURCES/(USES)** | **$ 26,132,226** | **$ 55,723,563** | **$ 103,723,563** | **$ 59,483,834** | **$ 3,760,271** | **6.7%** |
| **BALANCE AVAILABLE** | **$ (1,856,598)** | **$ (26,958,869)** | **$ (2,891,041)** | **$ (7,746,437)** | **$ 19,212,432** | **(71.3)%** |

# Water Enterprise and State Water Projects Combined Fund Summary

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted $ Diff | Change from 2017-18 Adopted % Diff |
|---|---|---|---|---|---|---|
| **YEAR-END RESERVES** | | | | | | |
| **Restricted Reserves** | | | | | | |
| WUE Rate Stabilization | $ 19,973,809 | $ 21,066,011 | $ 21,066,011 | $ 22,477,551 | $ 1,411,540 | 6.7% |
| WUE San Felipe Emergency | 2,953,130 | 2,976,275 | 3,003,130 | 3,053,130 | 76,855 | 2.6% |
| WUE State Water Project Tax Reserve | 7,908,331 | — | 6,620,109 | 4,725,400 | 4,725,400 | — |
| WUE Public-Private Partnership (P3) Reserve | — | — | — | 4,000,000 | 4,000,000 | — |
| WUE Water Supply | 14,277,014 | 14,677,141 | 14,677,141 | 14,677,000 | (141) | (0.0)% |
| WUE SVAWPC | 1,906,000 | 1,906,000 | 986,000 | 986,000 | (920,000) | (48.3)% |
| WUE Drought Reserve | 3,000,000 | 5,000,000 | 5,000,000 | 7,000,000 | 2,000,000 | 40.0% |
| **Total Restricted Reserves** | **$ 50,018,284** | **$ 45,625,427** | **$ 51,352,391** | **$ 56,919,081** | **$ 11,293,654** | **24.8%** |
| **Committed Reserves** | | | | | | |
| Currently Authorized Projects *** | $ 44,276,441 | $ 27,146,000 | $ 21,213,594 | $ 6,599,468 | $ (20,546,532) | (75.7)% |
| Operating and Capital Reserve | 17,140,170 | 36,126,107 | 35,977,869 | 37,278,868 | 1,152,761 | 3.2% |
| **Total Committed Reserves** | **$ 61,416,611** | **$ 63,272,107** | **$ 57,191,463** | **$ 43,878,336** | **$ (19,393,771)** | **(30.7)%** |
| **TOTAL YEAR-END RESERVES** | **$ 111,434,895** | **$ 108,897,534** | **$ 108,543,854** | **$ 100,797,417** | **$ (8,100,117)** | **(7.4)%** |
| **UNCOMMITED FUNDS** | | | **$ —** | **$ —** | | |

## Outlay Summary by Account Type

| | | | | | | |
|---|---|---|---|---|---|---|
| **OPERATING OUTLAY** | | | | | | |
| Salaries & Benefits | $ 46,015,146 | $ 49,909,486 | $ 49,881,592 | $ 53,041,446 | $ 3,131,960 | 6.3% |
| Salary Savings Factor | — | (1,340,805) | (1,340,805) | (1,401,905) | (61,100) | 4.6% |
| Services & Supplies | 91,334,408 | 89,716,622 | 92,648,631 | 92,736,281 | 3,019,659 | 3.4% |
| Intra-District Charges | 26,944,245 | 32,720,898 | 32,702,202 | 33,235,776 | 514,878 | 1.6% |
| **OPERATING OUTLAY TOTAL** | **$ 164,293,799** | **$ 171,006,201** | **$ 173,891,620** | **$ 177,611,598** | **$ 6,605,397** | **3.9%** |
| **DEBT SERVICE** | | | | | | |
| Services & Supplies | $ 927,396 | $ 1,413,180 | $ 1,413,180 | $ 2,219,400 | $ 806,220 | 57.0% |
| Debt Service | 21,183,988 | 33,242,987 | 33,242,987 | 39,666,370 | 6,423,383 | 19.3% |
| **DEBT SERVICE TOTAL** | **$ 22,111,384** | **$ 34,656,167** | **$ 34,656,167** | **$ 41,885,770** | **$ 7,229,603** | **20.9%** |
| **CAPITAL PROJECTS** | | | | | | |
| Salaries & Benefits | $ 12,170,697 | $ 14,332,459 | $ 14,332,459 | $ 15,277,567 | $ 945,108 | 6.6% |
| Salary Savings Factor | — | (388,197) | (388,197) | (419,651) | (31,454) | 8.1% |
| Services & Supplies | 82,290,745 | 95,756,642 | 131,235,266 | 84,694,745 | (11,061,897) | (11.6)% |
| Carry Forward Capital Projects | — | 12,676,000 | — | 14,614,126 | 1,938,126 | 15.3% |
| Intra-District Charges | 6,759,108 | 9,205,824 | 9,205,824 | 9,663,587 | 457,763 | 5.0% |
| **CAPITAL PROJECTS TOTAL** | **$ 101,220,550** | **$ 131,582,728** | **$ 154,385,352** | **$ 123,830,374** | **$ (7,752,354)** | **(5.9)%** |
| **TOTAL OUTLAYS****** | **$ 287,625,733** | **$ 337,245,096** | **$ 362,933,139** | **$ 343,327,742** | **$ 6,082,646** | **1.8%** |

(*) 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

# Water Enterprise Fund

## Description

Water Enterprise Fund ensures the availability of water to 15 cities, farmers, and individual well owners spread over 1,300 square miles, with District-managed usage estimated to total 226,000 acre-feet (AF) in FY 2018-19.

This requires the operation of the following facilities:

- 10 surface reservoirs with a total operationally restricted storage capacity of 113,667 AF
- 17 miles of canals
- 4 water supply diversion dams
- 99 groundwater recharge ponds
- 86 miles of controlled in-stream recharge in the county
- 142 miles of pipelines
- 3 water treatment plants
- 1 Advanced Water Purification Center
- 3 Raw Water Pump Stations with over 37,000 combined horsepower
- 1 well field

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

The FY 2018-19 adopted budget includes North County (Zone W-2) groundwater production charges that reflect a 9.7% increase over the prior year for municipal and industrial water and a 7.7% increase for agricultural water. The approved Municipal and Industrial groundwater production charge is $1,289 per AF. The approved total treated water contract charge is $1,389 per AF. The approved agricultural groundwater production charge in North County is $27.02 per AF.

Also included in the FY 2018-19 adopted budget are South County (Zone W-5) groundwater production charges that reflect a 7.7% increase over the prior year for both municipal and industrial as well as agricultural water. The approved Municipal and Industrial groundwater production charge is $450 per AF, and the approved agricultural groundwater production charge is $27.02 per AF.

Estimated total revenue for FY 2018-19 is $276.1 million ($257.1 million for fund 61 and $19.0 million for fund 63), or 8.5% more than the FY 2017-18 budget. Operations costs (excluding debt service) are expected to be $177.6 million for both funds. This represents a (3.9%) increase from the FY 2017-18 budget. The cost of purchased water from the federal and state projects continues to be the largest expense item at $16.8 million and $20.9 million, respectively. The budget also includes $10.1 million to pay the District's capital cost obligations for the federal San Felipe Division of the Central Valley Project.

Debt service is budgeted at $41.9 million.

In FY 2018-19 the capital appropriation is estimated to be $109.2 million and capital carry forward is estimated at $14.6 million. For FY 2018-19, total requirements of $343.3 million are to be met from a combination of current revenues, reserves, and debt.

The approved water charges will generate $245.1 million in revenues from water usage. Property tax revenues are projected to be $26.0 million, and interest earnings and other revenue are estimated to be $5.0 million for a total of $276.1 million.

Total reserves for both funds are $100.8 million, a decrease of $8.1 million relative to FY 2017-18.

## Significant Business Challenges/ Opportunities

- Support the Board in achieving the Board Budget Priorities for FY 2018-19 with funding from the Water Utility Enterprise including: Priority 1 Make Key decisions regarding the California WaterFix; Priority 3 Advance the District's interest in countywide storm water resource planning; Priority 6 Advance the Anderson Dam Seismic Retrofit Project; Priority 7 Advance recycled and purified water efforts with San Jose and other agencies; Priority 8 Finalize the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE); and Priority 9 Actively pursue efforts to increase water storage opportunities.
- Continuing to resolve issues and pursuing regulatory actions conducive to the best possible opportunity for the District to participate in the California WaterFix project.
- Participating in the planning and evaluation of storage projects, including Sites Reservoir, Los Vaqueros Reservoir, and although funded by the General Fund, the Pacheco Reservoir. This includes evaluation of potential benefits to the District as well as seeking funding opportunities to offset potential project costs.
- Managing operation of local reservoirs with regard to seismic stability issues.
- Within approved budgets, providing the required level of supply, treatment, delivery, and renewal of aging infrastructure.
- 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 and SFPUC/SCVWD Intertie to deliver treated water during scheduled outages for planned inspection/rehabilitation of the Cross Valley and Calero Pipelines.
- Continuing construction of the Rinconada Water Treatment Plant Reliability Improvement Project according to approved schedule and budget.
- Continuing seismic retrofit design of Anderson, Calero, and Guadalupe dams; design of improvements at Almaden Dam; and seismic evaluations of Chesbro, Coyote, and Uvas dams.
- Expediting development of purified water supply systems to enhance long-term reliability of supply.
- Resolving the Three Creeks water rights issues through meeting the FAHCE settlement agreement commitments; focusing on completion of the Fish Habitat Restoration Plan and CEQA documentation to support an application to the State Water Resources Control Board.

## Major Capital Projects

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

- Anderson Dam Seismic Retrofit – Design
- Calero and Guadalupe Dams Seismic Retrofits – Design
- Dam Safety Program Seismic Stability – Continuing evaluation
- Expedited Purified Water Program - Public-Private Partnership (P3) Procurement
- Coyote Pumping Plant ASD Replacement - Planning

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

- Cross Valley and Calero Pipeline - Rehabilitation Project – Inspection/Construction
- Main & Madrone Pipelines Restoration – Construction
- Vasona Pumping Plant Upgrades – Planning/ Design

- Raw Water Transmission Small Capital Improvements – Ongoing

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

- RWTP Reliability Improvement – Construction
- RWTP Residuals Remediation – Planning/Design
- Water Treatment Small Capital Improvements – Ongoing

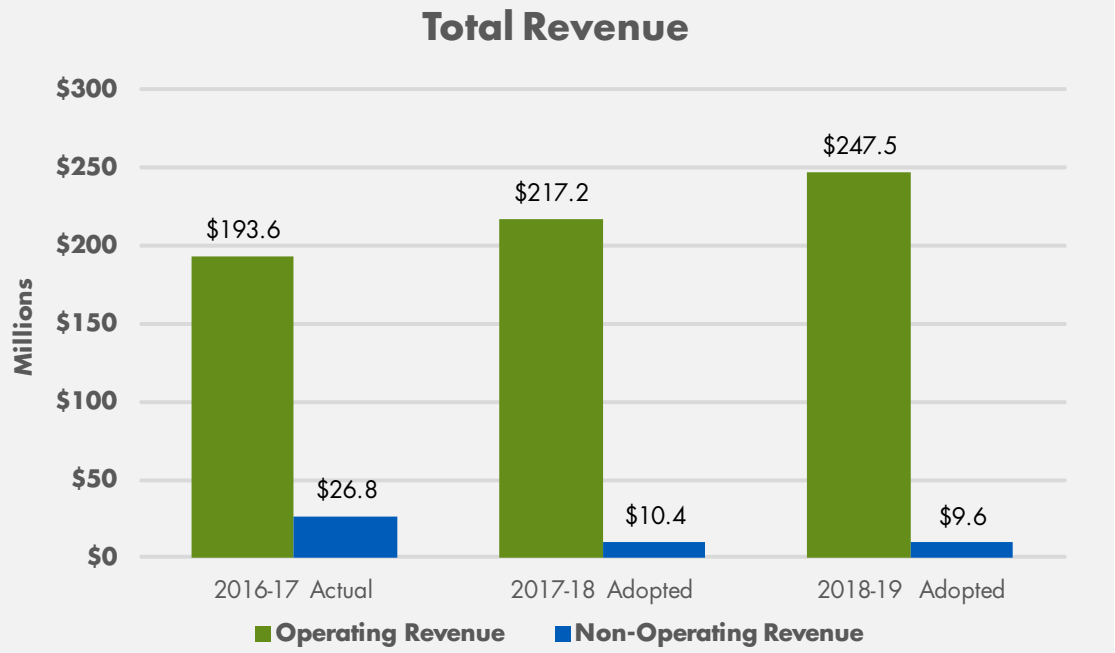
## Fiscal Status

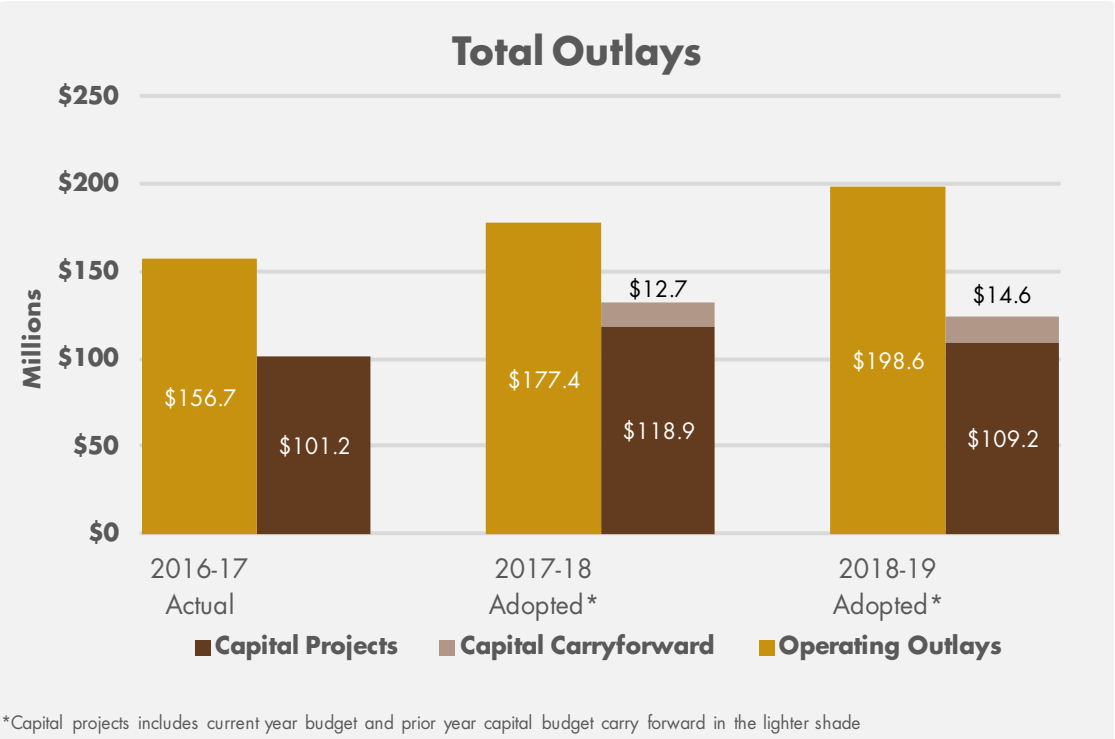
The debt service coverage ratio is targeted at 2.0 or higher to help ensure financial stability and continued high credit ratings. Discretionary reserves are targeted at a minimum per the District's policy.

## Budget Issues

Staff assumed that revenue from water charges is based on District water use of 226,000 AF. This represents a 4% increase year over year, but also represents a 21% reduction relative to calendar year 2013 actual. Staff also assumed a debt issuance of $64.2 million to help finance critical investments in water supply infrastructure.

## Water Enterprise Fund (Fund 61)



# Water Enterprise Fund Summary (Fund 61)

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **REVENUE** | | | | | | |
| **Operating Revenue** | | | | | | |
| Groundwater Production Charges | $ 67,936,832 | $ 78,943,000 | $ 78,943,000 | $ 90,696,000 | $ 11,753,000 | 14.9% |
| Treated Water Charges | 122,212,497 | 133,875,000 | 133,875,000 | 152,787,000 | 18,912,000 | 14.1% |
| Surface&Recycled Water Charges | 747,007 | 2,424,000 | 2,424,000 | 2,653,000 | 229,000 | 9.4% |
| Intergovernmental Services | 2,036,601 | 1,189,000 | 1,189,000 | 625,000 | (564,000) | (47.4)% |
| Operating Other | 625,686 | 735,000 | 735,000 | 735,000 | — | — |
| **Total Operating Revenue** | **$ 193,558,623** | **$ 217,166,000** | **$ 217,166,000** | **$ 247,496,000** | **$ 30,330,000** | **14.0%** |
| **Non-Operating Revenue** | | | | | | |
| Property Tax | $ 6,682,112 | $ 6,509,600 | $ 6,837,470 | $ 6,962,471 | $ 452,871 | 7.0% |
| Capital Reimbursements | 17,526,700 | 2,688,000 | 4,116,000 | 1,355,000 | (1,333,000) | (49.6)% |
| Interest Income * | 1,866,077 | 820,000 | 820,000 | 1,084,000 | 264,000 | 32.2% |
| Nonoperating Other | 689,722 | 379,064 | 379,064 | 200,000 | (179,064) | (47.2)% |
| **Total Non-Operating Revenue** | **$ 26,764,611** | **$ 10,396,664** | **$ 12,152,534** | **$ 9,601,471** | **$ (795,193)** | **(7.6)%** |
| **TOTAL REVENUE** | **$ 220,323,234** | **$ 227,562,664** | **$ 229,318,534** | **$ 257,097,471** | **$ 29,534,807** | **13.0%** |
| **OUTLAYS** | | | | | | |
| **Operating Outlays** | | | | | | |
| Operations ** | $ 134,565,300 | $ 142,425,970 | $ 145,311,388 | $ 156,378,005 | $ 13,952,035 | 9.8% |
| Operating Project | 4,463 | 292,009 | 292,009 | 338,884 | 46,875 | 16.1% |
| Debt Service | 22,111,384 | 34,656,167 | 34,656,167 | 41,885,770 | 7,229,603 | 20.9% |
| **Total Operating Outlays** | **$ 156,681,147** | **$ 177,374,146** | **$ 180,259,564** | **$ 198,602,659** | **$ 21,228,513** | **12.0%** |
| **Capital Outlays** | | | | | | |
| Capital Projects | $ 101,220,550 | $ 118,906,728 | $ 154,385,352 | $ 109,216,248 | $ (9,690,480) | (8.2)% |
| Carry Forward Capital Projects | — | 12,676,000 | $ | 14,614,126 | 1,938,126 | 15.3% |
| **Total Capital Outlays** | **$ 101,220,550** | **$ 131,582,728** | **$ 154,385,352** | **$ 123,830,374** | **$ (7,752,354)** | **(5.9)%** |
| **TOTAL OUTLAYS****** | **$ 257,901,697** | **$ 308,956,874** | **$ 334,644,916** | **$ 322,433,033** | **$ 13,476,159** | **4.4%** |
| **OTHER FINANCING SOURCES/(USES)** | | | | | | |
| Bond Proceeds | $ — | $ 62,000,000 | $ 110,000,000 | $ 64,193,000 | $ 2,193,000 | 3.5% |
| Commercial Paper Proceeds | 24,230,000 | — | — | — | — | — |
| Transfers In | 4,282,308 | 3,252,000 | 3,252,000 | 1,228,000 | (2,024,000) | (62.2)% |
| Transfers Out | (698,774) | (10,816,659) | (9,528,437) | (5,937,166) | 4,879,493 | (45.1)% |
| **TOTAL OTHER SOURCES/(USES)** | **$ 27,813,534** | **$ 54,435,341** | **$ 103,723,563** | **$ 59,483,834** | **$ 5,048,493** | **9.3%** |
| **BALANCE AVAILABLE** | **$ (9,764,929)** | **$ (26,958,869)** | **$ (1,602,819)** | **$ (5,851,728)** | **$ 21,107,141** | **(78.3)%** |

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

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted $ Diff | Change from 2017-18 Adopted % Diff |
|---|---|---|---|---|---|---|
| **YEAR-END RESERVES** | | | | | | |
| **Restricted Reserves** | | | | | | |
| WUE Rate Stabilization | $ 19,973,809 | $ 21,066,011 | $ 21,066,011 | $ 22,477,551 | $ 1,411,540 | 6.7% |
| WUE San Felipe Emergency | 2,953,130 | 2,976,275 | 3,003,130 | 3,053,130 | 76,855 | 2.6% |
| WUE Public-Private Partnership (P3) Reserve | — | — | — | 4,000,000 | 4,000,000 | — |
| WUE Water Supply | 14,277,014 | 14,677,141 | 14,677,141 | 14,677,000 | (141) | (0.0)% |
| WUE SVAWPC | 1,906,000 | 1,906,000 | 986,000 | 986,000 | (920,000) | (48.3)% |
| WUE Drought Reserve | 3,000,000 | 5,000,000 | 5,000,000 | 7,000,000 | 2,000,000 | 40.0% |
| **Total Restricted Reserves** | **$ 42,109,953** | **$ 45,625,427** | **$ 44,732,282** | **$ 52,193,681** | **$ 6,568,254** | **14.4%** |
| **Committed Reserves** | | | | | | |
| Currently Authorized Projects *** | $ 44,276,441 | $ 27,146,000 | $ 21,213,594 | $ 6,599,468 | $ (20,546,532) | (75.7)% |
| Operating and Capital Reserve | 17,140,170 | 36,126,107 | 35,977,869 | 37,278,868 | 1,152,761 | 3.2% |
| **Total Committed Reserves** | **$ 61,416,611** | **$ 63,272,107** | **$ 57,191,463** | **$ 43,878,336** | **$ (19,393,771)** | **(30.7)%** |
| **TOTAL YEAR-END RESERVES** | **$ 103,526,564** | **$ 108,897,534** | **$ 101,923,745** | **$ 96,072,017** | **$ (12,825,517)** | **(11.8)%** |
| **UNCOMMITED FUNDS** | | | **$ —** | **$ —** | | |

## Outlay Summary by Account Type

| | | | | | | |
|---|---|---|---|---|---|---|
| **OPERATING OUTLAY** | | | | | | |
| Salaries & Benefits | $ 46,015,146 | $ 49,909,486 | $ 49,881,592 | $ 53,041,446 | $ 3,131,960 | 6.3% |
| Salaries Savings Factor | — | (1,340,805) | (1,340,805) | (1,401,905) | (61,100) | 4.6% |
| Services & Supplies | 61,610,371 | 61,428,400 | 64,360,409 | 71,841,572 | 10,413,172 | 17.0% |
| Intra-District Charges | 26,944,245 | 32,720,898 | 32,702,202 | 33,235,776 | 514,878 | 1.6% |
| **OPERATING OUTLAY TOTAL** | **$ 134,569,762** | **$ 142,717,979** | **$ 145,603,398** | **$ 156,716,889** | **$ 13,998,910** | **9.8%** |
| **DEBT SERVICE** | | | | | | |
| Services & Supplies | $ 927,396 | $ 1,413,180 | $ 1,413,180 | $ 2,219,400 | $ 806,220 | 57.0% |
| Debt Service | 21,183,988 | 33,242,987 | 33,242,987 | 39,666,370 | 6,423,383 | 19.3% |
| **DEBT SERVICE TOTAL** | **$ 22,111,384** | **$ 34,656,167** | **$ 34,656,167** | **$ 41,885,770** | **$ 7,229,603** | **20.9%** |
| **CAPITAL PROJECTS** | | | | | | |
| Salaries & Benefits | $ 12,170,697 | $ 14,332,459 | $ 14,332,459 | $ 15,277,567 | $ 945,108 | 6.6% |
| Services & Supplies | 82,290,745 | 95,756,642 | 131,235,266 | 84,694,745 | (11,061,897) | (11.6)% |
| Carry Forward Capital Projects | — | 12,676,000 | — | 14,614,126 | 1,938,126 | 15.3% |
| Intra-District Charges | 6,759,108 | 9,205,824 | 9,205,824 | 9,663,587 | 457,763 | 5.0% |
| **CAPITAL PROJECTS TOTAL** | **$ 101,220,550** | **$ 131,582,728** | **$ 154,385,352** | **$ 123,830,374** | **$ (7,752,354)** | **(5.9)%** |
| **TOTAL OUTLAYS****** | **$ 257,901,696** | **$ 308,956,874** | **$ 334,644,917** | **$ 322,433,033** | **$ 13,476,159** | **4.4%** |

(*) 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

## Water Enterprise Charge Summary

| | Adopted 2014/15 | Adopted 2015/16 | Adopted 2016/17 | Adopted 2017/18 | Adopted 2018/19 |
|---|---|---|---|---|---|
| **Groundwater Production** | | | | | |
| **Zone W-2** | | | | | |
| Agricultural | 19.14 | 21.36 | 23.59 | 25.09 | 27.02 |
| Non-Agricultural | 747.00 | 894.00 | 1,072.00 | 1,175.00 | 1,289.00 |
| **Zone W-5** | | | | | |
| Agricultural | 19.14 | 21.36 | 23.59 | 25.09 | 27.02 |
| Non-Agricultural | 319.00 | 356.00 | 393.00 | 418.00 | 450.00 |
| **Treated Water** | | | | | |
| Contract (Scheduled)(2) | 847.00 | 994.00 | 1,172.00 | 1,275.00 | 1,389.00 |
| Non-Contract(3) | 897.00 | 1,094.00 | 1,122.00 | 1,225.00 | 1,339.00 |
| **Untreated Water (Basic User Charge)** | | | | | |
| **Zone W-2** | | | | | |
| Agricultural | 19.14 | 21.36 | 23.59 | 25.09 | 27.02 |
| Non-Agricultural | 747.00 | 894.00 | 1,072.00 | 1,175.00 | 1,289.00 |
| **Zone W-5** | | | | | |
| Agricultural | 19.14 | 21.36 | 23.59 | 25.09 | 27.02 |
| Non-Agricultural | 319.00 | 356.00 | 393.00 | 418.00 | 450.00 |
| Water Master(1) | 18.60 | 22.60 | 27.46 | 33.36 | 35.93 |
| **Minimum Charge** | | | | | |
| Zone W-2 Non-Agricultural | 560.25 | 670.50 | 804.00 | 881.25 | 966.75 |
| Zone W-5 Non-Agricultural | 239.25 | 267.00 | 294.75 | 313.50 | 337.50 |
| Zone W-2 Agricultural | 14.35 | 16.02 | 17.69 | 18.82 | 20.27 |
| Zone W-5 Agricultural | 14.35 | 16.02 | 17.69 | 18.82 | 20.27 |
| **Reclaimed Water** | | | | | |
| **Gilroy Reclamation Facility** | | | | | |
| Agricultural | 42.94 | 45.16 | 47.38 | 48.88 | 54.41 |
| Non-Agricultural | 299.00 | 336.00 | 373.00 | 398.00 | 430.00 |

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

## Water Utility Cost Allocation

| Job # | Job Description | South County % | South County Cost $ | North County Cost $ | Adopted 2018-2019 | Basis of Allocation to the South |
|---|---|---|---|---|---|---|
| **Operations** | | | | | | |
| 91041012 | Water Operations Planning | 17.3% | $ 87,509 | $ 418,324 | $ 505,833 | Raw Water Deliveries |
| 91041018 | Groundwater Management Program | 40.9% | 1,744,424 | 2,520,671 | 4,265,095 | Groundwater Production Ratio |
| 91061012 | Facilities Env Compliance | 17.3% | 7,244 | 34,627 | 41,870 | Raw Water Deliveries |
| 91081007 | Dam Safety Program | 14.4% | 247,185 | 1,469,377 | 1,716,562 | Program Benefit Calculation |
| 91101004 | Recycled Water Program | 5.9% | 392,796 | 6,264,761 | 6,657,557 | Population |
| 91111001 | Water Rights | 17.3% | 68,260 | 326,308 | 394,569 | Raw Water Deliveries |
| 91131004 | Imported Water Program | 12.9% | 2,276,942 | 15,373,773 | 17,650,715 | Imported Water Ratio |
| 91131006 | IW San Felipe Division Delvrs | 20.0% | 3,655,031 | 14,620,126 | 18,275,157 | Program Benefit Calculation |
| 91131007 | IW South Bay Aqueduct Delvrs | — | — | 5,375,500 | 5,375,500 | No South County Benefit |
| 91131008 | State Water Project Costs | — | — | 20,894,709 | 20,894,709 | No South County Benefit |
| 91151001 | Water Conservation Program | 7.3% | 451,542 | 5,733,965 | 6,185,507 | Program Benefit Calculation |
| 91151012 | Recycled/Purified Water Public Engagement | 5.9% | 48,492 | 773,408 | 821,900 | Population |
| 91211004 | San Felipe Reach 1 Operation | 21.0% | 158,589 | 596,595 | 755,184 | CVP Imported Water Ratio |
| 91211005 | SFD Reach 1 Administration | 21.0% | 2,121 | 7,979 | 10,100 | CVP Imported Water Ratio |
| 91211084 | San Felipe Reach1 Ctrl and Ele | 21.0% | 92,169 | 346,730 | 438,899 | CVP Imported Water Ratio |
| 91211085 | SF Reach 1-Engineering - Other | 21.0% | 16,036 | 60,324 | 76,360 | CVP Imported Water Ratio |
| 91211099 | San Felipe Reach 1 Gen Maint | 21.0% | 173,047 | 650,987 | 824,035 | CVP Imported Water Ratio |
| 91221002 | San Felipe Reach 2 Operation | 21.0% | 29,620 | 111,429 | 141,049 | CVP Imported Water Ratio |
| 91221006 | SF Reach 2-Engineering - Other | 21.0% | 48,723 | 183,291 | 232,014 | CVP Imported Water Ratio |
| 91221099 | San Felipe Reach 2 Gen Maint | 21.0% | 32,152 | 120,953 | 153,105 | CVP Imported Water Ratio |
| 91231002 | San Felipe Reach 3 Operation | 21.0% | 50,332 | 429,017 | 479,349 | CVP Imported Water Ratio |
| 91231084 | San Felipe Reach3 Ctrl and Ele | 21.0% | 46,862 | 399,441 | 446,302 | CVP Imported Water Ratio |
| 91231085 | SF Reach 3-Engineering - Other | 21.0% | 20,642 | 175,949 | 196,591 | CVP Imported Water Ratio |
| 91231099 | San Felipe Reach 3 Gen Maint | 21.0% | 142,529 | 762,418 | 904,947 | CVP Imported Water Ratio |
| 91281007 | SVAWPC Facility Operations | — | — | 2,546,168 | 2,546,168 | No South County Benefit |

## Water Utility Cost Allocation (Continued)

| Job # | Job Description | South County % | South County Cost $ | North County Cost $ | Adopted 2018-2019 | Basis of Allocation to the South |
|---|---|---|---|---|---|---|
| 91281008 | SVAWPC Facility Maintenance | — | — | 1,385,208 | 1,385,208 | No South County Benefit |
| 91451002 | Well Ordinance Program | 22.1% | 317,498 | 1,119,145 | 1,436,643 | Well Permits and Inpections |
| 91451005 | Source Water Quality Mgmt | 13.2% | 42,438 | 279,062 | 321,500 | M&I Water Usage Ratio |
| 91451011 | Invasive Mussel Prevention | 17.3% | 103,548 | 494,996 | 598,544 | Raw Water Deliveries |
| 91761001 | Local Res / Div Plan & Analysis | 21.9% | 300,738 | 1,072,497 | 1,373,235 | Total Water Deliveries Ratio |
| 91761013 | SCADA Systems Upgrades | 21.0% | 30,376 | 114,272 | 144,648 | CVP Imported Water Ratio |
| 91761099 | Dams / Reservoir Gen Maint | 22.0% | 566,082 | 2,007,018 | 2,573,100 | Program Benefit Calculation |
| 91061007 | Districtwide Salary Savings | 13.2% | (185,051) | (1,216,853) | (1,401,905) | M&I Water Usage Ratio |
| 92041014 | FAHCE/Three Creeks HCP Project | 7.0% | 273,816 | 3,637,843 | 3,911,659 | Coyote Water Supply Ratio |
| 92061012 | Facilities Env Compliance | 17.3% | 13,038 | 62,328 | 75,366 | Raw Water Deliveries |
| 92261099 | Vasona Pump Station Gen Main | — | — | 137,263 | 137,263 | No South County Benefit |
| 92761001 | Raw Water T and D Genrl Oper | 17.3% | 285,945 | 1,366,916 | 1,652,861 | Raw Water Deliveries |
| 92761006 | Rchrg / RW Field Fac Asset Mgt | 43.0% | 4,300 | 5,700 | 10,000 | Groundwater Recharge Ratio |
| 92761007 | Rchrg / RW Field Ops Pln& Anlys | 43.0% | 2,150 | 2,850 | 5,000 | Groundwater Recharge Ratio |
| 92761008 | Recycled Water T&D Genrl Maint | 100.0% | 280,223 | — | 280,223 | Benefits only South County |
| 92761009 | Recharge/RW Field Ops | 43.0% | 1,291,284 | 1,711,702 | 3,002,986 | Groundwater Recharge Ratio |
| 92761010 | Rchrg / RW Field Fac Maint | 43.0% | 864,043 | 1,145,359 | 2,009,403 | Groundwater Recharge Ratio |
| 92761012 | Untreated Water Prog Plan&Analysis | 52.5% | 142,268 | 128,719 | 270,987 | Untreated Water Deliveries Ratio |
| 92761013 | SCADA Systems Upgrades | 17.3% | 14,300 | 68,357 | 82,656 | Raw Water Deliveries |
| 92761082 | Raw Water T&D Ctrl and Electr | 17.3% | 128,191 | 612,798 | 740,990 | Raw Water Deliveries |
| 92761083 | Raw Water T&D Eng Other | 17.3% | 24,954 | 119,290 | 144,244 | Raw Water Deliveries |
| 92761085 | Anderson Hydrelctrc Fclty Main | 22.8% | 34,131 | 115,566 | 149,697 | Anderson Water Deliveries Ratio |
| 92761099 | Raw Water T / D Gen Maint | 17.3% | 389,360 | 1,861,274 | 2,250,634 | Raw Water Deliveries |
| 92781002 | RW Corrosion Control | 17.3% | 42,298 | 202,200 | 244,499 | Raw Water Deliveries |
| 93061012 | Facilities Env Compliance | — | — | 510,815 | 510,815 | No South County Benefit |
| 93081008 | W T General Water Quality | — | — | 2,153,992 | 2,153,992 | No South County Benefit |

## Water Utility Cost Allocation (Continued)

| Job # | Job Description | South County % | South County Cost $ | North County Cost $ | Adopted 2018-2019 | Basis of Allocation to the South |
|---|---|---|---|---|---|---|
| 93081009 | Water Treatment Plant Engineering | — | — | 135,207 | 135,207 | No South County Benefit |
| 93231007 | PWTP Landslide Monitoring | — | — | 48,701 | 48,701 | No South County Benefit |
| 93231009 | PWTP General Operations | — | — | 5,317,647 | 5,317,647 | No South County Benefit |
| 93231099 | Penitencia WTP General Maint | — | — | 2,590,445 | 2,590,445 | No South County Benefit |
| 93281005 | STWTP - General Operations | — | — | 5,033,928 | 5,033,928 | No South County Benefit |
| 93281099 | Santa Teresa WTP General Maint | — | — | 3,229,259 | 3,229,259 | No South County Benefit |
| 93291012 | RWTP General Operations | — | — | 8,106,029 | 8,106,029 | No South County Benefit |
| 93291099 | Rinconada WTP General Maint | — | — | 3,526,121 | 3,526,121 | No South County Benefit |
| 93401002 | Water District Laboratory | 8.2% | 400,238 | 4,480,718 | 4,880,956 | Lab Analyses |
| 93761001 | SF/SCVWD Intertie General Ops | — | — | 217,112 | 217,112 | No South County Benefit |
| 93761004 | Campbell Well Field Operations | — | — | 145,273 | 145,273 | No South County Benefit |
| 93761005 | Campbell Well Field Maintenance | — | — | 95,763 | 95,763 | No South County Benefit |
| 93761006 | Treated Water Ctrl & Elec Eng | — | — | 2,596,336 | 2,596,336 | No South County Benefit |
| 93761013 | SCADA Systems Upgrades | — | — | 242,802 | 242,802 | No South County Benefit |
| 93761099 | SF/SCVWD Intertie Gen Maint | — | — | 94,932 | 94,932 | No South County Benefit |
| 94761005 | TW T&D - Engineering - Other | — | — | 156,044 | 156,044 | No South County Benefit |
| 94761013 | SCADA Systems Upgrades | — | — | 46,494 | 46,494 | No South County Benefit |
| 94761099 | Treated Water T/D Gen Maint | — | — | 1,220,644 | 1,220,644 | No South County Benefit |
| 94781001 | Treated Water T/D Corrosion | — | — | 222,216 | 222,216 | No South County Benefit |
| 95001090 | Unscoped Projects-Budget Only | 13.2% | 13,200 | 86,800 | 100,000 | M&I Water Usage Ratio |
| 95011003 | WU Asset Protection Support | 2.4% | 22,767 | 925,871 | 948,638 | Program Benefit Calculation |
| 95021008 | Electrical Power Support | 1.5% | 3,218 | 207,087 | 210,304 | Labor Hours |
| 95031002 | Grants Management | 44.4% | 169,393 | 212,123 | 381,517 | Program Benefit Calculation |
| 95041039 | Integrated Regional Water Mgmt | 13.2% | 12,319 | 81,010 | 93,329 | M&I Water Usage Ratio |
| 95061012 | Rental Expense San Pedro,MH | 100.0% | 31,879 | — | 31,879 | Benefits only South County |
| 95061037 | WUE Training & Development | 13.2% | 208,232 | 1,369,284 | 1,577,516 | M&I Water Usage Ratio |

## Water Utility Cost Allocation (Continued)

| Job # | Job Description | South County % | South County Cost $ | North County Cost $ | Adopted 2018-2019 | Basis of Allocation to the South |
|---|---|---|---|---|---|---|
| 95061038 | WUE Administration | 13.2% | 1,004,628 | 6,606,189 | 7,610,817 | M&I Water Usage Ratio |
| 95061043 | WUE ER Response Plan & Implement | — | — | 271,828 | 271,828 | No South County Benefit |
| 95061045 | AM Framework Implementation | 13.2% | 283,834 | 1,866,424 | 2,150,259 | M&I Water Usage Ratio |
| 95061047 | WUE Technical Training Program | 13.2% | 167,630 | 1,102,291 | 1,269,921 | M&I Water Usage Ratio |
| 95061048 | Climate Change Adaptation/Mtg. | 13.2% | 57,760 | 379,813 | 437,573 | M&I Water Usage Ratio |
| 95071041 | Welding Services | 1.5% | 7,356 | 499,934 | 507,290 | Program Benefit Calculation |
| 95101003 | W2 W5 Wtr Revenue Program | 63.0% | 849,780 | 499,077 | 1,348,858 | Labor Hours |
| 95111003 | Water Use Measurement | 44.5% | 911,097 | 1,136,312 | 2,047,409 | Labor Hours |
| 95121003 | Long Term Financial Planning | 13.2% | 75,912 | 499,181 | 575,093 | M&I Water Usage Ratio |
| 95151002 | Water Utility Customer Relations | 5.9% | 27,469 | 438,112 | 465,581 | Population |
| 95741001 | WUE Long-term Planning | 13.2% | 160,589 | 1,055,992 | 1,216,580 | M&I Water Usage Ratio |
| 95741042 | Water Resources EnvPlng & Permtg | 18.0% | 70,733 | 322,227 | 392,959 | Program Benefit Calculation |
| 95761003 | SCADA Network Administration | 2.8% | 8,931 | 310,026 | 318,957 | Program Benefit Calculation |
| 95761071 | Emergency Preparedness Prog | 5.9% | 49,401 | 787,904 | 837,305 | Population |
| 95771011 | InterAgency Urban Runoff Program | 17.3% | 75,631 | 361,543 | 437,174 | Raw Water Deliveries |
| 95771031 | HAZMAT Emergency Response | 8.3% | 6,785 | 74,960 | 81,745 | Emergency Response Events |
| 95811043 | Hydrologic Data Msrmt & Mgmt | 17.0% | 145,155 | 708,697 | 853,852 | Stream Gauge location |
| 95811046 | Warehouse Services | 13.2% | 87,940 | 578,271 | 666,210 | M&I Water Usage Ratio |
| 95811049 | X Valley Subsidence Survey | — | — | 296,400 | 296,400 | No South County Benefit |
| 95811054 | District Real Property Administration | — | — | 184,484 | 184,484 | Program Benefit Calculation |
| **Operations Total** | | | **$ 19,610,054** | **$ 157,662,658** | **$ 177,272,712** | |
| **Operating Projects** | | | | | | |
| 95762011 | Tree Maintenance Program | 13.2% | $ 44,733 | $ 294,151 | $ 338,884 | M&I Water Usage Ratio |
| **Operating Projects Total** | | | **$ 44,733** | **$ 294,151** | **$ 338,884** | |
| **TOTAL** | **OPERATIONS AND OPERATING** | | **$ 19,654,787** | **$ 157,956,809** | **$ 177,611,596** | |

## Total Outlays - Source of Supply

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| **Operations** | | | | | | | |
| | 91041012 | Water Operations Planning | 426,035 | 613,200 | 505,833 | | Raw Water Operations & Maintenance Division |
| | 91041018 | Groundwater Management Program | 3,744,446 | 4,027,886 | 4,265,095 | | Water Supply Division |
| | 91061007 | Districtwide Salary Savings-61 | | (1,340,805) | (1,401,905) | | |
| * | 91061012 | Facilities Env Compliance | 34,550 | 41,560 | 41,870 | | Human Resources Division |
| | 91081007 | Dam Safety Program | 1,414,198 | 1,407,025 | 1,716,562 | | Water Utility Capital Division |
| | 91101004 | Recycled & Purified Water Prog | 6,306,574 | 6,383,874 | 6,657,557 | | Water Supply Division |
| | 91111001 | Water Rights | 357,514 | 320,002 | 394,569 | | Raw Water Operations & Maintenance Division |
| | 91131004 | Imported Water Program | 9,992,090 | 7,289,171 | 17,650,715 | | Water Supply Division |
| | 91131006 | IW San Felipe Division Delvrs | 20,338,793 | 23,033,465 | 18,275,157 | | Water Supply Division |
| | 91131007 | IW South Bay Aqueduct Delvrs | 3,129,025 | 3,053,971 | 5,375,500 | | Water Supply Division |
| | 91151001 | Water Conservation Program | 6,497,325 | 5,251,415 | 6,185,507 | | Water Supply Division |
| ** | 91151007 | Water Conservation-Residential | (4) | | | | Water Supply Division |
| ** | 91151008 | Water Conservation-Commercial | (35) | | | | Water Supply Division |
| ** | 91151009 | Water Conservation - AG | (4) | | | | Water Supply Division |
| ** | 91151010 | Water Conservation-Landscape | (133) | | | | Water Supply Division |
| ** | 91151011 | Water Conservation Campaign | 211,312 | | | | Office of Chief of External Affairs |
| | 91151012 | Recycled/Purified Water Public Engagement | 392,460 | 899,693 | 821,900 | | Office of Chief of External Affairs |
| | 91211004 | San Felipe Reach 1 Operation | 582,648 | 653,230 | 755,184 | | Raw Water Operations & Maintenance Division |
| | 91211005 | SFD Reach 1 Administration | 9,121 | 9,771 | 10,100 | | Water Supply Division |
| | 91211084 | San Felipe Reach1 Ctrl and Ele | 313,711 | 412,208 | 438,899 | | Raw Water Operations & Maintenance Division |
| | 91211085 | SF Reach 1-Engineering - Other | 113,230 | 93,673 | 76,360 | | Water Utility Capital Division |
| | 91211099 | San Felipe Reach 1 Gen Maint | 743,450 | 792,365 | 824,035 | | Raw Water Operations & Maintenance Division |
| | 91221002 | San Felipe Reach 2 Operation | 56,448 | 131,353 | 141,049 | | Raw Water Operations & Maintenance Division |
| | 91221006 | SF Reach 2-Engineering - Other | 168,295 | 126,189 | 232,014 | | Water Utility Capital Division |
| | 91221099 | San Felipe Reach 2 Gen Maint | 299,570 | 188,845 | 153,105 | | Raw Water Operations & Maintenance Division |
| | 91231002 | San Felipe Reach 3 Operation | 328,482 | 381,955 | 479,349 | | Raw Water Operations & Maintenance Division |
| | 91231084 | San Felipe Reach3 Ctrl and Ele | 231,132 | 381,344 | 446,302 | | Raw Water Operations & Maintenance Division |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

## Total Outlays - Source of Supply (Continued)

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| | 91231085 | SF Reach 3-Engineering - Other | 20,908 | 152,926 | 196,591 | | Water Utility Capital Division |
| | 91231099 | San Felipe Reach 3 Gen Maint | 874,238 | 641,788 | 904,947 | | Raw Water Operations & Maintenance Division |
| | 91281007 | SVAWPC Facility Operations | 2,516,757 | 2,568,927 | 2,546,168 | | Treated Water Operations & Maintenance Division |
| | 91281008 | SVAWPC Facility Maintenance | 1,068,890 | 1,594,725 | 1,385,208 | | Treated Water Operations & Maintenance Division |
| | 91441003 | Desalination | 7,356 | 23,310 | | | Water Supply Division |
| | 91451002 | Well Ordinance Program | 1,439,915 | 1,588,748 | 1,436,643 | | Water Supply Division |
| | 91451005 | Source Water Quality Mgmt | 580,743 | 373,443 | 321,500 | | Treated Water Operations & Maintenance Division |
| | 91451011 | Invasive Mussel Prevention | 553,316 | 607,455 | 598,544 | | Treated Water Operations & Maintenance Division |
| ** | 91551001 | Groundwater Monitoring | 165 | | | | Water Supply Division |
| ** | 91551002 | Groundwater Supply Managemen | (1) | | | | Water Supply Division |
| | 91761001 | Local Res/Div Plan & Analysis | 1,085,285 | 956,689 | 1,388,235 | | Raw Water Operations & Maintenance Division |
| * | 91761013 | SCADA Systems Upgrades | 52,499 | 52,251 | 144,648 | | Raw Water Operations & Maintenance Division |
| | 91761099 | Dams / Reservoir Gen Maint | 1,291,104 | 1,984,005 | 2,573,100 | | Water Utility Capital Division |
| ** | 91791012 | Groundwater Quality Manageme | (2) | | | | Water Supply Division |
| | **Total Operations** | | **65,181,404** | **64,695,658** | **75,540,344** | | |
| | **Operating** | | | | | | |
| ** | 91792001 | Domestic Well Testing Program | 11 | | | | Water Supply Division |
| | **Total Operating** | | **11** | | | | |
| | **Capital** | | | | | | |
| | 91084019 | Dam Safety Seismic Stability | 417,665 | | 1,093,043 | 32,889 | Water Utility Capital Division |
| | 91084020 | Calero-Guad Dams Seismic Retro | (4,693) | 119 | | 209,000 | Water Utility Capital Division |
| | 91094009 | SoCo Rcyld Wtr PL Short-Trm 1B | 948,752 | | | 6,303,000 | Water Utility Capital Division |
| | 91094010 | So. County Recycled Water Fund | 467,011 | | | 331,507 | Water Supply Division |
| | 91154007 | Water Purchases Captl Project | 8,940,774 | 9,715,169 | 10,056,930 | | Water Supply Division |
| | 91184008 | SV Adv Wtr Purification Ctr | 59,168 | 32,277 | | | Water Utility Capital Division |
| | 91214001 | Pacheco Conduit Rehabilitation | 2,959,605 | 97,004 | | | Water Utility Capital Division |
| | 91214010 | Small Caps, San Felipe R1 | 833,867 | 2,408,824 | 2,901,283 | | Raw Water Operations & Maintenance Division |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

## Total Outlays - Source of Supply (Continued)

| Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|
| 91224010 | Small Caps, San Felipe R2 | 443,044 | 48,466 | 595,125 | | Raw Water Operations & Maintenance Division |
| 91234002 | Coyote Pumping Plant ASD Rplcm | | 535,963 | 697,862 | 435,963 | Water Utility Capital Division |
| 91234010 | Small Caps, San Felipe R3 | 146,535 | | 205,000 | | Raw Water Operations & Maintenance Division |
| 91234011 | Coyote Pumping Plant Warehouse | 216,872 | 2,903,902 | 1,033,913 | | Water Utility Capital Division |
| 91244001 | Wolfe Rd Recycled Wtr Facility | 1,463,493 | 197,963 | | | Water Utility Capital Division |
| 91284009 | SVAWPC Expansion Project | 24,971 | (403) | | | Water Utility Capital Division |
| 91304001 | Indirect Potable Reuse-Plan | 1,979,792 | | 3,493,141 | 1,146,659 | Water Supply Division |
| 91384001 | Purified Water Pipeline | 33,221 | | | | Water Utility Capital Division |
| 91854001 | Almaden Dam Improvements | 527,742 | 519,999 | 3,764,122 | | Water Utility Capital Division |
| 91864005 | Anderson Dam Seismic Retrofit | 2,483,306 | 7,913,297 | 10,561,864 | | Water Utility Capital Division |
| 91874004 | Calero Dam SeisRetrfit Des&Con | 3,545,646 | 2,187,989 | 1,712,856 | 1,731,464 | Water Utility Capital Division |
| 91894002 | Guadalupe Dam SeisRetf Des&Con | 3,110,386 | 1,160,810 | 198,525 | 1,724,275 | Water Utility Capital Division |
| 91954001 | Pacheco PP ASD Replacement | 2,760 | | | | Water Utility Capital Division |
| **Total Capital** | | **28,599,915** | **27,721,383** | **36,313,662** | **11,914,758** | |
| **Total** | | **93,781,330** | **92,417,040** | **111,854,005** | **11,914,758** | |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

# Total Outlays - Raw Water Transmission and Distribution

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| **Operations** | | | | | | | |
| | 92041014 | FAHCE/Three Creeks HCP Project | 3,781,107 | 3,458,903 | 3,911,659 | | Watershed Stewardship & Planning Division |
| * | 92061012 | Facilities Env Compliance | 62,190 | 74,808 | 75,366 | | Human Resources Division |
| | 92261099 | Vasona Pump Station Gen Main | 170,390 | 89,171 | 137,263 | | Raw Water Operations & Maintenance Division |
| | 92761001 | Raw Water T&D Gen'l Oper | 1,424,839 | 1,680,313 | 1,652,861 | | Raw Water Operations & Maintenance Division |
| | 92761006 | Rchrg / RW Field Fac Asset Mgt | 56,298 | 93,623 | | | Raw Water Operations & Maintenance Division |
| | 92761007 | Rchrg / RW Fld Ops Pln & Anlys | 163,214 | 91,117 | | | Raw Water Operations & Maintenance Division |
| | 92761008 | Recycled Water T&D Genrl Maint | 134,900 | 100,490 | 280,223 | | Raw Water Operations & Maintenance Division |
| | 92761009 | Recharge/RW Field Ops | 2,956,990 | 2,851,026 | 3,002,986 | | Raw Water Operations & Maintenance Division |
| | 92761010 | Rchrg / RW Field Fac Maint | 2,008,204 | 1,840,633 | 2,009,403 | | Raw Water Operations & Maintenance Division |
| | 92761012 | Untreated Water Prog Plan | 17,781 | 117,459 | 270,987 | | Raw Water Operations & Maintenance Division |
| * | 92761013 | SCADA Systems Upgrades | 29,999 | 29,858 | 82,656 | | Raw Water Operations & Maintenance Division |
| | 92761082 | Raw Water T&D Ctrl and Electr | 716,822 | 748,950 | 740,990 | | Raw Water Operations & Maintenance Division |
| | 92761083 | Raw Water T&D Eng Other | 211,636 | 200,329 | 144,244 | | Water Utility Capital Division |
| | 92761085 | Anderson Hydrelctrc Fclty Main | 169,920 | 233,554 | 149,697 | | Raw Water Operations & Maintenance Division |
| | 92761099 | Raw Water T / D Gen Maint | 1,727,467 | 1,862,131 | 2,250,634 | | Raw Water Operations & Maintenance Division |
| | 92781002 | Raw Water Corrosion Control | 303,848 | 481,335 | 244,499 | | Water Utility Capital Division |
| **Total Operations** | | | **13,935,605** | **13,953,701** | **14,953,467** | | |
| **Capital** | | | | | | | |
| | 92144001 | Pacheco/SC Conduit ROW ACQ | 261,605 | 251,556 | 1,513,821 | | Water Utility Capital Division |
| | 92224001 | Pen Force Main Seismic Retrofi | 8,552,334 | 441,770 | | | Water Utility Capital Division |
| | 92264001 | Vasona Pump Station Upgrade | 810 | 712,050 | 549,175 | 480,150 | Water Utility Capital Division |
| | 92374005 | SCADA Remote Arch&Comm Upgrade | 75,397 | 185,960 | 251,238 | 361,132 | Water Utility Capital Division |
| | 92764009 | Small Caps, Raw Water T&D | | 321,385 | 848,643 | | Raw Water Operations & Maintenance Division |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

## Total Outlays - Raw Water Transmission and Distribution (Continued)

| Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|
| Total Capital | | 8,890,146 | 1,912,720 | 3,162,877 | 841,281 | |
| **Total** | | **22,825,750** | **15,866,421** | **18,116,344** | **841,281** | |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

# Total Outlays - Water Treatment

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| **Operations** | | | | | | | |
| * | 93061012 | Facilities Env Compliance | 421,510 | 507,029 | 510,815 | | Human Resources Division |
| | 93081008 | W T General Water Quality | 1,662,438 | 1,866,724 | 2,153,992 | | Treated Water Operations & Maintenance Division |
| | 93081009 | Water Treatment Plant Engineer | 148,551 | 658,910 | 135,207 | | Water Utility Capital Division |
| | 93231007 | PWTP Landslide Monitoring | 36,949 | 217,485 | 48,701 | | Water Utility Capital Division |
| | 93231009 | PWTP General Operations | 3,875,427 | 5,563,176 | 5,317,647 | | Treated Water Operations & Maintenance Division |
| | 93231099 | Penitencia WTP General Maint | 2,544,340 | 2,579,658 | 2,590,445 | | Treated Water Operations & Maintenance Division |
| | 93281005 | STWTP - General Operations | 5,100,349 | 4,865,555 | 5,033,928 | | Treated Water Operations & Maintenance Division |
| | 93281099 | Santa Teresa WTP General Maint | 2,696,409 | 3,348,219 | 3,229,259 | | Treated Water Operations & Maintenance Division |
| | 93291012 | RWTP General Operations | 7,012,876 | 7,594,962 | 8,106,029 | | Treated Water Operations & Maintenance Division |
| | 93291099 | Rinconada WTP General Maint | 3,554,431 | 3,307,387 | 3,526,121 | | Treated Water Operations & Maintenance Division |
| | 93401002 | Water District Laboratory | 4,145,833 | 4,675,738 | 4,880,956 | | Treated Water Operations & Maintenance Division |
| | 93761001 | SF/SCVWD Intertie General Ops | 99,663 | 213,522 | 217,112 | | Treated Water Operations & Maintenance Division |
| | 93761004 | Campbell Well Field Operations | 179,370 | 188,663 | 145,273 | | Treated Water Operations & Maintenance Division |
| | 93761005 | Campbell Well Field Maint | 146,613 | 101,451 | 95,763 | | Treated Water Operations & Maintenance Division |
| | 93761006 | Treated Water Ctrl & Elec Eng | 1,883,209 | 2,520,054 | 2,596,336 | | Raw Water Operations & Maintenance Division |
| * | 93761013 | SCADA Systems Upgrades | 88,124 | 87,708 | 242,802 | | Raw Water Operations & Maintenance Division |
| | 93761099 | SF/SCVWD Intertie Gen Maint | 57,236 | 36,200 | 94,932 | | Treated Water Operations & Maintenance Division |
| **Total Operations** | | | **33,653,326** | **38,332,440** | **38,925,318** | | |
| **Capital** | | | | | | | |
| | 93084011 | Fluoridation at WTPs | 3,121,107 | 276,958 | | | Water Utility Capital Division |
| | 93234043 | PWTP Clearwell Recoat & Repair | 562,019 | | | | Water Utility Capital Division |
| | 93234044 | PWTP Residuals Management | | | | | Treated Water Operations & Maintenance Division |
| | 93294051 | RWTP FRP Residuals Management | 3,153,713 | 17,053,401 | | | Water Utility Capital Division |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

## Total Outlays - Water Treatment (Continued)

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| | 93294056 | RWTP Treated Water Valves Upgd | 209,251 | 170,276 | 9,426 | | Water Utility Capital Division |
| | 93294057 | RWTP Reliability Improvement | 44,633,482 | 48,143,577 | 46,977,734 | 176,766 | Water Utility Capital Division |
| | 93294058 | RWTP Residuals Remediation | | | | 1,600,000 | Water Utility Capital Division |
| ** | 93504001 | Infrst Reliability Master Plan | 1,466 | | | | Raw Water Operations & Maintenance Division |
| | 93764003 | IRP2 WTP Blds Seismic Retrofit | 1,010,795 | 345,964 | | | Water Utility Capital Division |
| | 93764004 | Small Caps, Water Treatment | 1,398,667 | 2,511,976 | 3,577,164 | | Treated Water Operations & Maintenance Division |
| | **Total Capital** | | **54,090,501** | **68,502,152** | **50,564,324** | **1,776,766** | |
| | **Total** | | **87,743,826** | **106,834,592** | **89,489,641** | **1,776,766** | |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

# Total Outlays - Treated Water Transmission and Distribution

| Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|
| **Operations** | | | | | | |
| 94761005 | TW T&D - Engineering - Other | 142,023 | 162,303 | 156,044 | | Water Utility Capital Division |
| * 94761013 | SCADA Systems Upgrades | 16,875 | 16,795 | 46,494 | | Raw Water Operations & Maintenance Division |
| 94761099 | Treated Water T/D Gen Maint | 1,010,305 | 1,173,558 | 1,220,644 | | Raw Water Operations & Maintenance Division |
| 94781001 | Treated Water T/D Corrosion | 326,472 | 549,948 | 222,216 | | Water Utility Capital Division |
| **Total Operations** | | **1,495,675** | **1,902,604** | **1,645,398** | | |
| **Capital** | | | | | | |
| 94084007 | Treated Wtr Isolation Valves | | | 528,770 | | Water Utility Capital Division |
| 94084008 | Westside Retailer Interties | | | 66,880 | | Water Utility Capital Division |
| 94384002 | Pen Del Main Seismic Retrofit | 4,080,609 | 231,965 | | | Water Utility Capital Division |
| **Total Capital** | | **4,080,609** | **231,965** | **595,650** | | |
| **Total** | | **5,576,284** | **2,134,569** | **2,241,048** | | |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

# Total Outlays - Administration and General

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| | **Operations** | | | | | | |
| | 95001090 | Unscoped Projects-Budget Only | | 100,000 | 100,000 | | Office of COO Water Utility |
| | 95011003 | WU Asset Protection Support | 556,920 | 1,004,031 | 948,638 | | Office of COO Watersheds |
| * | 95021008 | Energy Management | 146,971 | 283,449 | 210,304 | | Raw Water Operations & Maintenance Division |
| * | 95031002 | Grants Management | 327,972 | 368,967 | 381,517 | | Financial Planning and Management Services Division |
| * | 95041039 | Integrated Regional Water Mgmt | 38,749 | 111,606 | 93,329 | | Water Supply Division |
| ** | 95041046 | Survey Record Management | 11,208 | | | | Watershed Design & Construction Division |
| | 95061007 | WUE Asset Management Plng Prgm | 1,243,035 | 1,218,301 | | | Raw Water Operations & Maintenance Division |
| | 95061012 | Rental Expense San Pedro,MH | 16,399 | 32,163 | 31,879 | | General Services Division |
| ** | 95061027 | Water Utility Health & Safety | 372,826 | | | | Human Resources Division |
| ** | 95061032 | Water Utility Safety Training | 368,021 | | | | Human Resources Division |
| | 95061037 | WUE Training & Development | 1,027,363 | 1,357,539 | 1,577,516 | | Office of COO Water Utility |
| | 95061038 | WUE Administration | 6,420,408 | 7,362,010 | 7,610,817 | | Office of COO Water Utility |
| | 95061043 | WUE O&M Support | 34,192 | 265,413 | 271,828 | | Treated Water Operations & Maintenance Division |
| * | 95061045 | Asset Management Program | 518,241 | 563,322 | 2,150,259 | | Raw Water Operations & Maintenance Division |
| * | 95061046 | CMMS Admin | | | | | Raw Water Operations & Maintenance Division |
| | 95061047 | WUE Technical Training Program | 642,708 | 1,112,585 | 1,269,921 | | Office of COO Water Utility |
| * | 95061048 | Climate Change Adaptation/ Mtg. | 91,984 | 240,411 | 437,573 | | Watershed Stewardship & Planning Division |
| * | 95071041 | Welding Services | 394,265 | 441,603 | 507,290 | | General Services Division |
| | 95101003 | W2 W5 Water Revenue Program | 1,489,989 | 1,648,693 | 1,348,858 | | Financial Planning and Management Services Division |
| | 95111003 | Water Use Measurement | 1,717,947 | 1,755,569 | 2,047,409 | | Water Supply Division |
| ** | 95121001 | Fin/Economic Water Rate Stud | 348,764 | | | | Financial Planning and Management Services Division |
| * | 95121003 | LT Financial Planning & Rate S | | 626,924 | 575,093 | | Financial Planning and Management Services Division |
| | 95151002 | WU Customer Relations & Outreach | 195,183 | | 465,581 | | Office of Chief of External Affairs |
| ** | 95731001 | Water Supply Modeling/ Analysis | (65) | | | | Water Supply Division |
| | 95741001 | Water Supply Planning | 977,403 | 1,005,582 | 1,216,580 | | Water Supply Division |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

## Total Outlays - Administration and General (Continued)

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| * | 95741042 | Water Resorcs EnvPlng & Permtg | 176,648 | 667,671 | 392,959 | | Raw Water Operations & Maintenance Division |
| | 95761003 | SCADA Network Administration | 178,926 | 193,164 | 318,957 | | Information Technology Division |
| * | 95761071 | Emergency Management | 684,866 | 905,318 | 837,305 | | Office of COO Administrative Services |
| * | 95761072 | Business Continuity Program | 21,491 | | | | Office of COO Administrative Services |
| * | 95771011 | Inter Agency Urban Runoff Prog | 405,426 | 423,567 | 437,174 | | Watershed Stewardship & Planning Division |
| * | 95771031 | HAZMAT Emergency Response | 92,445 | 51,139 | 81,745 | | Human Resources Division |
| * | 95811043 | Hydrologic Data Msrmt & Mgmt | 746,845 | 842,548 | 853,852 | | Watershed Stewardship & Planning Division |
| * | 95811046 | Warehouse Services | 546,733 | 636,927 | 666,210 | | General Services Division |
| * | 95811049 | X Valley Subsidence Survey | 170,552 | 172,039 | 296,400 | | Watershed Design & Construction Division |
| ** | 95811050 | Benchmark Maint (Countywide | 141,035 | | | | Watershed Design & Construction Division |
| * | 95811054 | District Real Property Adminis | 193,839 | 151,023 | 184,484 | | Watershed Design & Construction Division |
| | **Total Operations** | | **20,299,290** | **23,541,567** | **25,313,479** | | |
| | **Operating** | | | | | | |
| * | 95762011 | Tree Maintenance Program | 4,451 | 292,009 | 338,884 | | Watershed Operations & Maintenance Division |
| | **Total Operating** | | **4,451** | **292,009** | **338,884** | | |
| | **Debt Service** | | | | | | |
| | 95993007 | Commercial Paper Tax Exempt | 457,742 | 2,735,340 | 1,631,200 | | Financial Planning and Management Services Division |
| | 95993008 | Commercial Paper Taxable | 528,122 | 2,735,340 | 1,631,200 | | Financial Planning and Management Services Division |
| | 95993012 | 2006B WUE Refunding (Taxable) | 1,780,567 | 1,803,689 | 1,803,050 | | Financial Planning and Management Services Division |
| ** | 95993013 | 2007A WU Revenue COPs Tax Ex | 5,109,360 | | | | Financial Planning and Management Services Division |
| | 95993014 | 2007B WU Revenue COPs (Taxable) | 1,781,978 | 2,800,500 | 3,414,000 | | Financial Planning and Management Services Division |
| | 95993015 | 2016A WU Ref Rev Bond (Tax-Exempt) | 2,659,000 | 5,338,250 | 5,340,750 | | Financial Planning and Management Services Division |
| | 95993016 | 2016B WU Ref Rev Bond (Taxable) | 5,887,496 | 3,252,121 | 3,254,622 | | Financial Planning and Management Services Division |
| | 95993017 | WU COP 2016C (Tax-Exempt) | 2,106,575 | 4,145,950 | 5,057,650 | | Financial Planning and Management Services Division |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

## Total Outlays - Administration and General (Continued)

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| | 95993018 | WU COP 2016D (Taxable) | 1,580,185 | 4,230,685 | 5,476,973 | | Financial Planning and Management Services Division |
| | 95993019 | WU Rev Bond 2017A (Tax Exempt) | 220,360 | 4,730,630 | 4,380,500 | | Financial Planning and Management Services Division |
| | 95993020 | WU Rev Bond 2018A ((Tax-Exempt) | | 1,445,250 | 3,497,146 | | Financial Planning and Management Services Division |
| | 95993021 | WU Rev Bond 2018B (Taxable) | | 1,438,412 | 4,253,679 | | Financial Planning and Management Services Division |
| | 95993022 | WU Rev Bond 2019A (Tax-Exempt) | | | 825,000 | | Financial Planning and Management Services Division |
| | 95993023 | WU Rev Bond 2019B (Taxable) | | | 1,060,000 | | Financial Planning and Management Services Division |
| | 95993024 | WU Rev Bond 2019C (Tax-Exempt) | | | 260,000 | | Financial Planning and Management Services Division |
| | **Total Debt Service** | | **22,111,384** | **34,656,167** | **41,885,770** | | |
| | **Capital** | | | | | | |
| | 95064011 | Districtwide Salary Savings-61 | | (388,197) | (419,651) | | |
| | 95074001 | Capital Warranty Services | 76,011 | 185,912 | 112,197 | 47,024 | Water Utility Capital Division |
| * | 95074030 | Capital Training & Dvlpment | 461,175 | | 1,318,889 | | Water Utility Capital Division |
| * | 95074033 | CIP Development & Admin | 328,120 | 519,946 | 589,692 | | Water Utility Capital Division |
| * | 95074036 | Survey Mgmt & Tech Support | 102,158 | 236,881 | 224,183 | | Watershed Design & Construction Division |
| * | 95074038 | Capital Progrm Srvcs Admin | 2,442,077 | 2,717,781 | 2,387,223 | | Water Utility Capital Division |
| ** | 95074045 | Technical Review Committee | 78,521 | | | | Water Utility Capital Division |
| ** | 95074046 | WU Captl Health & Safety Trng | 27,403 | | | | Water Utility Capital Division |
| ** | 95084001 | 5-Year Pipeline Rehabilitation | 1,876,623 | | | | Water Utility Capital Division |
| | 95084002 | 10-Yr PL Inspection and Rehab | | 15,965,207 | 13,865,414 | | Water Utility Capital Division |
| | 95274003 | WU Computer Network Modrnization | 167,293 | 1,300,979 | 501,788 | 34,297 | Information Technology Division |
| | **Total Capital** | | **5,559,381** | **20,538,509** | **18,579,736** | **81,321** | |
| | **Total** | | **47,974,506** | **79,028,251** | **86,117,868** | **81,321** | |

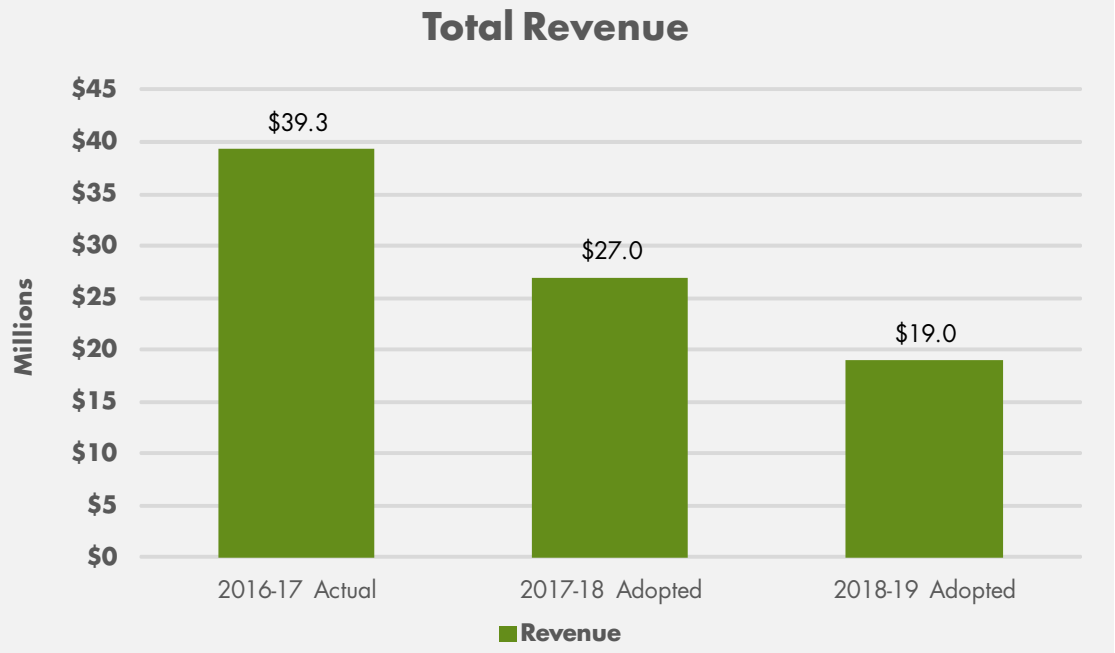
*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

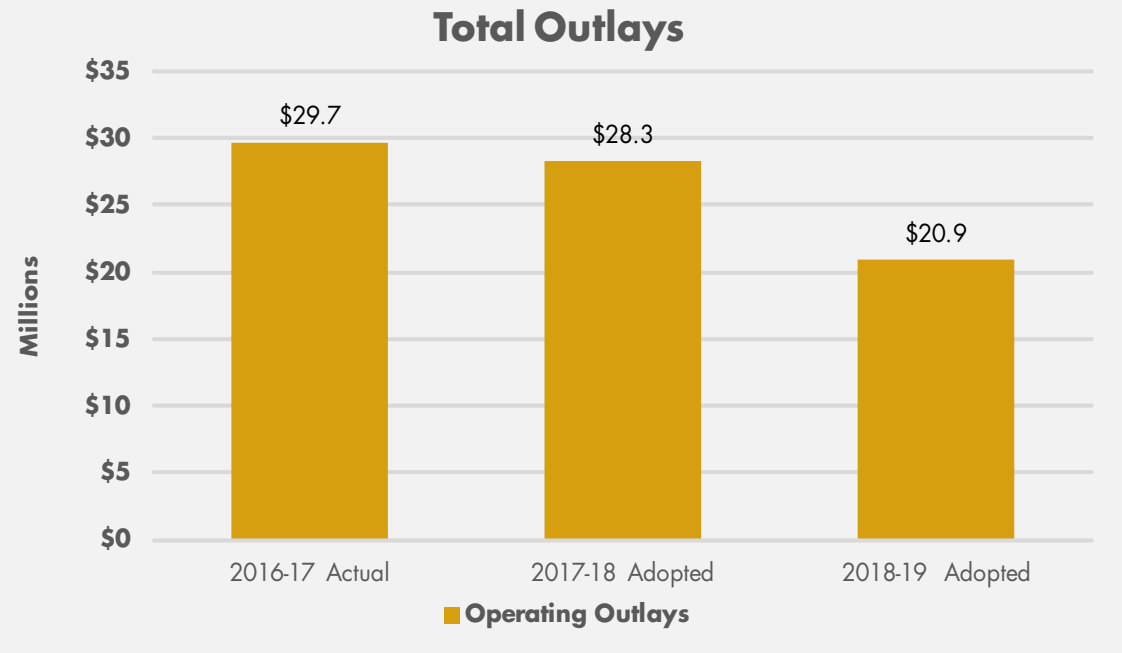
## State Water Project Fund

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

Staff proposes that the State Water Project Tax revenue be set at $18.0 million for FY 2018-19, which when combined with other revenue (refunds from Department of Water Resources), and the State Water Project Reserve would fund projected contractual obligations of $20.9 million.

## State Water Project Fund (Fund 63)



# State Water Project Fund (Fund 63)

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted $ Diff | Change from 2017-18 Adopted % Diff |
|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | |
| Property Tax | $ 38,103,875 | $ 26,000,000 | $ 26,000,000 | $ 18,000,000 | $ (8,000,000) | (30.8)% |
| Nonoperating Other | 1,209,801 | 1,000,000 | 1,000,000 | 1,000,000 | — | — |
| **TOTAL REVENUE** | **$ 39,313,676** | **$ 27,000,000** | **$ 27,000,000** | **$ 19,000,000** | **$ (8,000,000)** | **(29.6)%** |
| **OUTLAYS** | | | | | | |
| **Operating Outlays** | | | | | | |
| Operations ** | $ 29,724,037 | $ 28,288,222 | $ 28,288,222 | $ 20,894,709 | $ (7,393,513) | (26.1)% |
| **Total Operating Outlays** | **$ 29,724,037** | **$ 28,288,222** | **$ 28,288,222** | **$ 20,894,709** | **$ (7,393,513)** | **(26.1)%** |
| **TOTAL OUTLAYS****** | **$ 29,724,037** | **$ 28,288,222** | **$ 28,288,222** | **$ 20,894,709** | **$ (7,393,513)** | **(26.1)%** |
| **OTHER FINANCING SOURCES/(USES)** | | | | | | |
| Transfers In | $ — | $ 1,288,222 | $ — | $ — | $ (1,288,222) | (100.0)% |
| Transfers Out | (1,681,308) | — | — | — | — | — |
| **TOTAL OTHER SOURCES/(USES)** | **$ (1,681,308)** | **$ 1,288,222** | **$ —** | **$ —** | **$ (1,288,222)** | **(100.0)%** |
| **BALANCE AVAILABLE** | **$ 7,908,331** | **$ —** | **$ (1,288,222)** | **$ (1,894,709)** | **$ (1,894,709)** | **—** |
| **YEAR-END RESERVES** | | | | | | |
| **Restricted Reserves** | | | | | | |
| WUE State Water Project Tax Reserve | $ 7,908,331 | $ — | $ 6,620,109 | $ 4,725,400 | $ 4,725,400 | — |
| **Total Restricted Reserves** | **$ 7,908,331** | **$ —** | **$ 6,620,109** | **$ 4,725,400** | **$ 4,725,400** | **—** |
| **TOTAL YEAR-END RESERVES** | **$ 7,908,331** | **$ —** | **$ 6,620,109** | **$ 4,725,400** | **$ 4,725,400** | **—** |
| **UNCOMMITED FUNDS** | | | **$ —** | **$ —** | | |
| **Outlay Summary by Account Type** | | | | | | |
| Services & Supplies | $ 29,724,037 | $ 28,288,222 | $ 28,288,222 | $ 20,894,709 | $ (7,393,513) | (26.1)% |
| **OPERATING OUTLAY** | | | | | | |
| Services & Supplies | $ 29,724,037 | $ 28,288,222 | $ 28,288,222 | $ 20,894,709 | $ (7,393,513) | (26.1)% |
| **OPERATING OUTLAY TOTAL** | **$ 29,724,037** | **$ 28,288,222** | **$ 28,288,222** | **$ 20,894,709** | **$ (7,393,513)** | **(26.1)%** |
| **TOTAL OUTLAYS****** | **$ 29,724,037** | **$ 28,288,222** | **$ 28,288,222** | **$ 20,894,709** | **$ (7,393,513)** | **(26.1)%** |

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

## Water Enterprise Summary by Zone

| | Budgetary Basis Basis Actual 2016-2017 | Adopted Budget 2017-18 | Estimated Actual 2017-18 | Adopted Budget 2018-19 | Percent Change |
|---|---|---|---|---|---|
| **Zone W2 North County** | | | | | |
| **Allocated Revenue** | | | | | |
| Operating Revenue | $ 183,485,377 | $ 205,633,398 | $ 205,633,398 | $ 234,646,044 | 14.1% |
| Non-operating Revenue | 62,357,551 | 34,461,857 | 36,110,835 | 25,988,112 | (24.6)% |
| **Total Allocated Revenue** | **$ 245,842,928** | **$ 240,095,255** | **$ 241,744,233** | **$ 260,634,156** | **8.6%** |
| **Allocated Operating Outlays** | | | | | |
| Operations | $ 148,275,381 | $ 153,164,848 | $ 155,675,163 | $ 157,662,660 | 2.9% |
| Operating Projects | 3,887 | 254,048 | 254,048 | 294,151 | 15.8% |
| Debt Service | 22,111,382 | 34,656,166 | 34,656,165 | 41,885,768 | 20.9% |
| **Total Allocated Operating Outlays** | **$ 170,390,650** | **$ 188,075,062** | **$ 190,585,376** | **$ 199,842,579** | **6.3%** |
| Balance Available for Capital/Reserve | 75,452,278 | 52,020,193 | 51,158,857 | 60,791,577 | 16.9% |
| **Capital Appropriations** | **$ 101,220,552** | **$ 131,582,727** | **$ 154,385,352** | **$ 123,830,374** | **(5.9)%** |
| **Other Financing Resources** | | | | | |
| Commercial Paper Proceeds | $ 24,230,000 | $ 62,000,000 | $ 110,000,000 | $ 64,193,000 | 3.5% |
| Transfers In | 4,282,308 | 4,540,222 | 3,252,000 | 1,228,000 | (73.0)% |
| Transfers Out | (2,380,082) | (10,816,659) | (9,528,437) | (5,937,166) | (45.1)% |
| **Total Other Financing Sources/(Uses)** | **$ 26,132,226** | **$ 55,723,563** | **$ 103,723,563** | **$ 59,483,834** | **6.7%** |
| Zone W5 Open Space Credit | (6,720,752) | (7,528,788) | (7,550,263) | (6,990,213) | (7.2)% |
| Zone W5 Capital Amortization | 3,818,474 | 4,652,071 | 4,536,657 | 5,912,769 | 27.1% |
| Zone W5 Interest (Earnings)/Payments | (83,914) | (65,134) | (85,695) | (96,404) | 48.0% |
| **Balance Available for W2** | **$ (2,622,240)** | **$ (26,780,822)** | **$ (2,602,233)** | **$ (4,728,811)** | **(82.3)%** |
| **Zone W5 South County** | | | | | |
| **Allocated Revenue** | | | | | |
| Operating Revenue | $ 10,073,246 | $ 11,532,602 | $ 11,532,602 | $ 12,849,956 | 11.4% |
| Non-operating Revenue | 3,720,736 | 2,934,807 | 3,041,699 | 2,613,359 | (11.0)% |
| **Total Allocated Revenue** | **$ 13,793,982** | **$ 14,467,409** | **$ 14,574,301** | **$ 15,463,315** | **6.9%** |
| Open Space Credit | 6,720,752 | 7,528,788 | 7,550,263 | 6,990,213 | (7.2)% |
| **Total Current Resources** | **$ 20,514,734** | **$ 21,996,197** | **$ 22,124,564** | **$ 22,453,528** | **2.1%** |
| **Allocated Costs** | | | | | |
| Operations | $ 12,230,941 | $ 13,011,751 | $ 13,386,855 | $ 15,955,024 | 22.6% |
| Operating Projects | 575 | 37,961 | 37,961 | 44,733 | 17.8% |
| Imported Water Purchases | 3,783,015 | 4,537,593 | 4,537,593 | 3,655,031 | (19.4)% |
| **Total Allocated Outlays** | **$ 16,014,531** | **$ 17,587,305** | **$ 17,962,409** | **$ 19,654,788** | **11.8%** |
| Balance Available for Capital/Reserve | 4,500,203 | 4,408,892 | 4,162,155 | 2,798,740 | (36.5)% |
| Interest (earned)/due Utility Reserves | (83,914) | (65,134) | (85,695) | (96,404) | 48.0% |
| Total Capital Amortization | 3,818,474 | 4,652,071 | 4,536,657 | 5,912,769 | 27.1% |
| **Balance Available/(Deficit) for Zone W5** | **$ 765,643** | **$ (178,045)** | **$ (288,807)** | **$ (3,017,625)** | **1,594.9%** |
| **Total Balance Available/(Deficit)** | **$ (1,856,597)** | **$ (26,958,867)** | **$ (2,891,040)** | **$ (7,746,436)** | **(71.3)%** |

## South County Capital Amortization

| (In Thousands $) | | | | | | |
|---|---|---|---|---|---|---|
| Job Description | Total Project Cost | South County % | South County Cost | FY -19 Cost Recovery | Year Cost Recovery is Complete | Basis of Allocation to the South |
| Uvas Dam & Reservoir | $ 1,124 | 100.0% | 1,124 | 88 | 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 32 | 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 34 | Benefits only South County |
| Water Banking Rights | 6,226 | 8.0% | 498 | 33 | FY 35 | Total Imported Water Ratio |
| Dam Instrumentation | 6,243 | 21.0% | 1,311 | 87 | FY 41 | Program benefit calculation |
| Geodetic Control Maintenance | 236 | 41.0% | 97 | 6 | FY 36 | Survey Analysis |
| Dam Maintenance Mitigation | 244 | 22.0% | 54 | 4 | FY 45 | Program benefit calculation |
| SC Recycled Water Masterplan - Immediate Term | 3,257 | 100.0% | 3,257 | 216 | FY 37 | Benefits only South County |
| SC Recycled Water Masterplan - Short Term Implementation 1A | 4,314 | 100.0% | 4,314 | 286 | FY 42 | Benefits only South County |
| Water Banking FY 06 | 18,895 | 9.0% | 1,701 | 113 | FY 36 | Total Imported Water Ratio |
| San Felipe Division Capital | 10,057 | 15.4% | 1,549 | 1,549 | N/A | Repayment Cost Distribution |
| Pacheco Conduit Inspection and Rehab | 8,163 | 19.1% | 1,559 | 98 | FY 48 | CVP Imported Water Ratio |
| Pacheco Pumping Plant Regulating Tank Recoating | 2,550 | 17.0% | 434 | 29 | FY 42 | CVP Imported Water Ratio |
| San Felipe Communications Cable Replacement | 235 | 17.0% | 40 | 3 | FY 42 | CVP Imported Water Ratio |
| Small Caps, San Felipe | 2,330 | 21.0% | 489 | 489 | N/A | CVP Imported Water Ratio |
| Santa Clara Tunnel Landslide | 4,509 | 15.1% | 681 | 45 | FY 39 | CVP Imported Water Ratio |
| SC Tunnel Landslide Mitigation | 217 | 16.9% | 37 | 2 | FY 39 | CVP Imported Water Ratio |
| Small Caps, San Felipe Reach 2 | 595 | 21.0% | 125 | 125 | N/A | CVP Imported Water Ratio |
| Small Caps, San Felipe Reach 3 | 209 | 21.0% | 44 | 44 | N/A | CVP Imported Water Ratio |
| Water Infrastructure Reliability Program | 2,134 | 1.5% | 32 | 2 | FY 36 | Program benefit calculation |
| Water Infrastructure Baseline Improvement | 2,403 | 3.6% | 87 | 6 | FY 38 | Spare pipe usage |
| Coyote Dam Control Building Improvements | 576 | 19.6% | 113 | 7 | FY 42 | Anderson deliveries ratio |
| Pacheco Pumping Plant ASD Replace | 19,169 | 18.6% | 3,565 | 236 | FY 45 | CVP Imported Water Ratio |
| Radio Repeater Infill | 5 | 11.1% | 1 | — | FY 42 | M&I Water Usage Ratio |
| Santa Clara Conduit Rehab | 1,814 | 17.0% | 308 | 20 | FY 42 | CVP Imported Water Ratio |
| Raw Water Control System | 9,188 | 4.3% | 399 | 26 | FY 37 | Program benefit calculation |
| Small Caps, Raw Water T&D | 881 | 17.3% | 152 | 152 | N/A | Raw Water Usage |
| Main-Madrone PL Restoration | 11,378 | 100.0% | 11,378 | 715 | FY 48 | Benefits only South County |
| Inf Reliability Master Plan | 2,065 | 12.3% | 254 | 16 | FY 46 | M&I Water Usage Ratio |
| Water Protection | 11,387 | 2.3% | 261 | 17 | FY 45 | Program benefit calculation |
| Microwave Telecomunications | 4,595 | 11.5% | 528 | 35 | FY 44 | M&I Water Usage Ratio |
| Capital Warranty Services | 162 | 13.2% | 21 | 21 | N/A | M&I Water Usage Ratio |
| 5-year Pipeline Rehabilitation | 28,879 | 4.6% | 1,328 | 83 | FY 47 | Program benefit calculation |
| Pipeline Hydraulic Reliability Upgrades | 335 | 2.3% | 8 | 1 | FY 45 | Program benefit calculation |
| WTP_WQL Network Equipment | 503 | 13.2% | 66 | 66 | N/A | M&I Water Usage Ratio |
| Winfield Capital Improvement | 497 | 12.7% | 63 | 4 | FY 48 | M&I Water Usage Ratio |
| Corp Yard Relocation | 26 | 10.2% | 3 | — | FY 40 | M&I Water Usage Ratio |
| Information Systems Management | 5,802 | 9.8% | 569 | 38 | FY 40 | M&I Water Usage Ratio |
| Peoplesoft Upgrade | 78 | 9.8% | 8 | 1 | FY 39 | M&I Water Usage Ratio |
| Peoplesoft System Upgrade & Expansion | 1,217 | 12.3% | 150 | 9 | FY 46 | M&I Water Usage Ratio |

## South County Capital Amortization (Continued)

| (In Thousands $) | | | | | | |
|---|---|---|---|---|---|---|
| Job Description | Total Project Cost | South County % | South County Cost | FY -19 Cost Recovery | Year Cost Recovery is Complete | Basis of Allocation to the South |
| Uvas Property Acquisition | 1,251 | 100.0% | 1,251 | 79 | FY 46 | Benefits only South County |
| Capital Program Administration | 3,483 | 6.2% | 216 | 216 | N/A | Total Capital Cost Ratio |
| **Grand Total** | **$ 188,885** | | **49,728** | **5,765** | | |

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

# Total Outlays - State Water Project Fund

| Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|
| **Operations** | | | | | | |
| 91131008 | State Water Project Costs | 29,724,037 | 28,288,222 | 20,894,709 | | Water Supply Division |
| **Total Operations** | | **29,724,037** | **28,288,222** | **20,894,709** | | |
| **Total** | | **29,724,037** | **28,288,222** | **20,894,709** | | |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

# DISTRICT GENERAL FUND

# District General Fund

## Overview

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

The main purposes of the resources budgeted to the General Fund are to provide:

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

These administrative and strategic services are described below by the organization areas that follow. More detail about these areas is in the division chapter four, page 4-1.

### Office of the Chief Executive Officer

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

### Office of District Counsel

The District Counsel represents the District's interests in a variety of court and administrative matters and provides timely legal advice to the Board and management as the District 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) budgets funds that directly support the work of the District'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 Advisory, Ad Hoc and Joint Committees with other public agencies, the Safe, Clean Water and Natural Flood Protection Program's Independent Monitoring Committee, Board Appointed Officers, District 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 District Ordinance 02-01, Resolution 11-73, and Board Governance Policy GP-10, and maintains the integrity of the Board's legislative records, processes, and actions. The COB also oversees Records & Library Services.

### Office of the Chief of External Affairs

The Chief of External Affairs (CEA) reports directly to the Chief Executive Officer and serves as a key member of the executive leadership team and represents the CEO and the District 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 the District and is responsible for

managing the District's relationships with the community, government officials, the media, and other key stakeholders. The Office of the CEA oversees the Civic Engagement, Government Relations, and District Communications.

**Office of the Chief Operating Officer of Administrative Services**

The Office of the Chief Operating Officer (COO) of Administrative Services (AS) provides executive leadership and direct oversight to District administrative business areas including Human Resources, General Services, and Information Technology. Office of the COO-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-AS also administers the Diversity & Inclusion program and oversees Emergency Services and Security.

## Major Capital Projects

The FY 2018-19 Capital Outlay budget in the General Fund is approximately $14.9 million, increased $13.2 million from FY 2017-18; $12.8 million for Pacheco Reservoir Expansion Study and $2.1 million to maintain existing buildings, grounds and services through several small capital improvement projects.

## Fiscal Status

Intra-district reimbursements (overhead) are the primary source of funding in the General Fund. They are budgeted at $61.5 million in FY 2018-19, an 8.9% increase from FY 2017-18. The Intra-district reimbursements rate for FY 2018-19 is 88.7%. The CEO, District Counsel, Clerk of the Board and District Administration costs funded in the General Fund provides services to Watershed and Water Utility Enterprise operations and capital programs. Generally, the intra-district reimbursements are paid for 60% from Water Utility Enterprise and the remainder from Watershed Funds reflecting the level of service provided to each respective operation.

Property tax revenue is projected at $7.7 million. The projection reflects an increase of $0.6 million which is a 9.0% increase from FY 2017-18 adopted budget. The increase in property tax revenues is based on updates received from Santa Clara County that project continued growth in the real estate market. Interest income is projected to be $85K which is an increase of $5K from FY 2017-18 adopted budget.

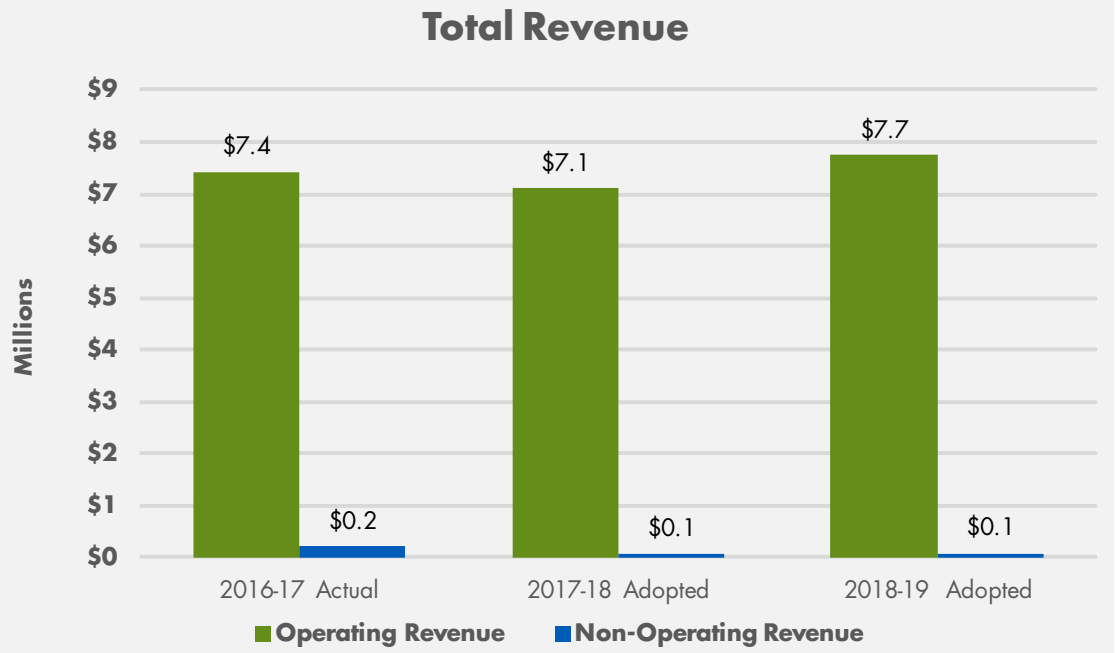
Operating Transfers In of $0.3 million are from the Watershed and Stream Stewardship Fund for Drought Induced Tree Removal

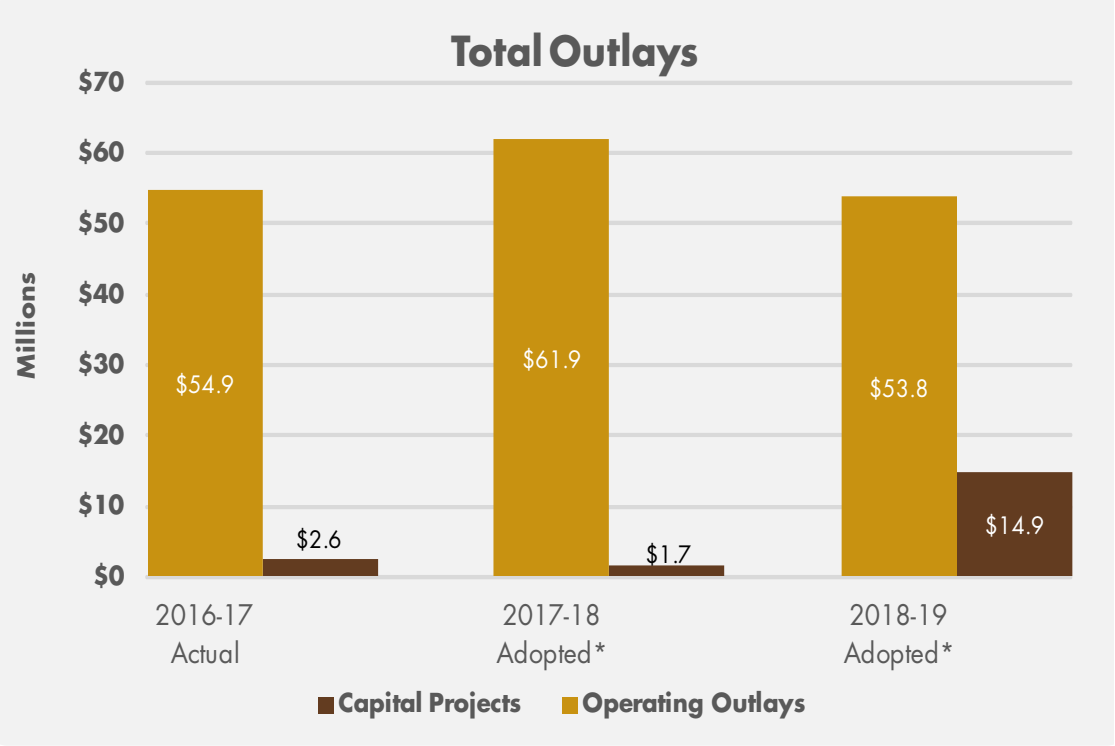
Operating Transfers Out of $0.6 million are to the Water Utility Enterprise Fund to offset lost agricultural water revenue associated with the Board's policy of setting low agricultural charges to preserve open space.

Operating costs for the services provided to Watersheds and Water Utility Enterprise operations total $53.8 million for FY 2018-19. This is a decrease of $8.1 million which is a 13.1% decrease versus the FY 2017-18 adopted level. This change is primarily comprised of: costs for eight projects reprogrammed to Information Technology Fund (-$11 million), net of salary increases per MOU and one position moved to Water Utility ($1.2 million), increase in Board of Directors election cost ($1.1 million) as well as $0.6 million increase in services and supplies for various projects and programs.

General Fund reserves are estimated at approximately $4.6 million and are in compliance with the District Reserve Policy.

## District General Fund



## District General Fund Summary

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **REVENUE** | | | | | | |
| **Operating Revenue** | | | | | | |
| Property Tax | $ 7,419,980 | $ 7,102,100 | $ 7,683,941 | $ 7,742,870 | $ 640,770 | 9.0% |
| **Total Operating Revenue** | **$ 7,419,980** | **$ 7,102,100** | **$ 7,683,941** | **$ 7,742,870** | **$ 640,770** | **9.0%** |
| **Non-Operating Revenue** | | | | | | |
| Interest Income * | $ 116,793 | $ 80,000 | $ 80,000 | $ 85,000 | $ 5,000 | 6.3% |
| Non-Operating Other | 95,987 | — | — | — | — | — |
| **Total Non-Operating Revenue** | **$ 212,780** | **$ 80,000** | **$ 80,000** | **$ 85,000** | **$ 5,000** | **6.3%** |
| **TOTAL REVENUE** | **$ 7,632,760** | **$ 7,182,100** | **$ 7,763,941** | **$ 7,827,870** | **$ 645,770** | **9.0%** |
| **OUTLAYS** | | | | | | |
| **Operating Outlays** | | | | | | |
| Operations ** | $ 52,966,728 | $ 61,360,076 | $ 61,235,170 | $ 53,215,553 | $ (8,144,523) | (13.3)% |
| Operating Project | 1,368,881 | 66,296 | 776,296 | 121,705 | 55,409 | 83.6% |
| Debt Service | 535,524 | 472,149 | 472,149 | 476,094 | 3,945 | 0.8% |
| **Total Operating Outlays** | **$ 54,871,133** | **$ 61,898,521** | **$ 62,483,615** | **$ 53,813,352** | **$ (8,085,169)** | **(13.1)%** |
| **Capital Outlays** | | | | | | |
| Capital Projects | $ 2,555,425 | $ 1,704,374 | $ 4,310,374 | $ 14,864,627 | $ 13,160,253 | 772.1% |
| **Total Capital Outlays** | **$ 2,555,425** | **$ 1,704,374** | **$ 4,310,374** | **$ 14,864,627** | **$ 13,160,253** | **772.1%** |
| **TOTAL OUTLAYS****** | **$ 57,426,558** | **$ 63,602,895** | **$ 66,793,989** | **$ 68,677,979** | **$ 5,075,084** | **8.0%** |
| Less Intra-District Reimb | (45,191,746) | (56,443,682) | (56,429,186) | (61,456,337) | (5,012,655) | 8.9% |
| **NET OUTLAYS** | **$ 12,234,812** | **$ 7,159,213** | **$ 10,364,803** | **$ 7,221,642** | **$ 62,429** | **0.9%** |
| **OTHER FINANCING SOURCES/(USES)** | | | | | | |
| Transfers In | $ 698,774 | $ 453,446 | $ 2,703,446 | $ 291,733 | $ (161,713) | (35.7)% |
| Transfers Out | (1,300,500) | (1,626,000) | (1,783,000) | (614,000) | 1,012,000 | (62.2)% |
| **TOTAL OTHER SOURCES/(USES)** | **$ (601,726)** | **$ (1,172,554)** | **$ 920,446** | **$ (322,267)** | **$ 850,287** | **(72.5)%** |
| **BALANCE AVAILABLE** | **$ (5,203,778)** | **$ (1,149,667)** | **$ (1,680,416)** | **$ 283,961** | **$ 1,433,628** | **(124.7)%** |
| **YEAR-END RESERVES** | | | | | | |
| **Committed Reserves** | | | | | | |
| Currently Authorized Projects *** | $ — | $ 1,060,326 | $ — | $ — | $ (1,060,326) | (100.0)% |
| Operating and Capital Reserve | 5,961,836 | 4,091,403 | 4,281,420 | 4,565,381 | 473,978 | 11.6% |
| **Total Committed Reserves** | **$ 5,961,836** | **$ 5,151,729** | **$ 4,281,420** | **$ 4,565,381** | **$ (586,348)** | **(11.4)%** |
| **TOTAL YEAR-END RESERVES** | **$ 5,961,836** | **$ 5,151,729** | **$ 4,281,420** | **$ 4,565,381** | **$ (586,348)** | **(11.4)%** |
| **UNCOMMITED FUNDS** | | | **$ —** | **$ —** | | |

# District General Fund Summary (Continued)

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **Outlay Summary by Account Type** | | | | | | |
| **OPERATING OUTLAY** | | | | | | |
| Salaries & Benefits | $ 35,072,208 | $ 37,974,754 | $ 38,002,648 | $ 33,880,356 | $ (4,094,398) | (10.8)% |
| Salaries Savings Factor | — | (1,133,539) | (1,133,539) | (1,166,751) | (33,212) | 2.9% |
| Services & Supplies | 15,873,186 | 18,886,393 | 19,439,393 | 15,950,237 | (2,936,156) | (15.5)% |
| Intra-District Charges | 3,390,216 | 5,698,763 | 5,702,963 | 4,673,416 | (1,025,347) | (18.0)% |
| **OPERATING OUTLAY TOTAL** | **$ 54,335,610** | **$ 61,426,371** | **$ 62,011,465** | **$ 53,337,258** | **$ (8,089,113)** | **(13.2)%** |
| **DEBT SERVICE** | | | | | | |
| Services & Supplies | $ 2,060 | $ 1,443 | $ 1,443 | $ 1,617 | $ 174 | 12.1% |
| Debt Service | 533,464 | 470,706 | 470,706 | 474,477 | 3,771 | 0.8% |
| **DEBT SERVICE TOTAL** | **$ 535,524** | **$ 472,149** | **$ 472,149** | **$ 476,094** | **$ 3,945** | **0.8%** |
| **CAPITAL PROJECTS** | | | | | | |
| Salaries & Benefits | $ 227,570 | $ 142,193 | $ 142,193 | $ 844,584 | $ 702,391 | 494.0% |
| Services & Supplies | 2,250,753 | 1,590,258 | 4,196,258 | 13,983,102 | 12,392,844 | 779.3% |
| Intra-District Charges | 77,102 | 44,670 | 44,670 | 133,680 | 89,010 | 199.3% |
| **CAPITAL PROJECTS TOTAL** | **$ 2,555,425** | **$ 1,704,375** | **$ 4,310,375** | **$ 14,864,627** | **$ 13,160,252** | **772.1%** |
| **TOTAL OUTLAYS****** | **$ 57,426,559** | **$ 63,602,895** | **$ 66,793,989** | **$ 68,677,979** | **$ 5,075,084** | **8.0%** |

(*) 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

# Total Outlays - District General Fund

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| **Operations** | | | | | | | |
| | 60001090 | CEOUnscoped Projects-BudgtOnly | | 100,000 | 100,000 | | Office of the CEO |
| | 60001091 | COO Unscoped Projects-BdgtOnly | | 100,000 | 100,000 | | Office of COO Administrative Services |
| | 60001092 | CEA UnscopedProject-BudgetOnly | | 100,000 | 100,000 | | Office of Chief of External Affairs |
| * | 60021008 | Energy Management | 64,840 | 125,051 | 92,781 | | Raw Water Operations & Maintenance Division |
| | 60041003 | Hollister Groundwater Mgmt | 36,466 | | 38,043 | | Water Supply Division |
| | 60061007 | Drought Emergency Response | 698,774 | 199,170 | 14,242 | | Water Supply Division |
| * | 60061012 | Facilities Env Compliance | 172,750 | 207,799 | 209,351 | | Human Resources Division |
| ** | 60061017 | Info Technology Div Admin | 863,088 | 709,261 | | | Information Technology Division |
| | 60061018 | General Services Div Admin | 614,958 | 489,049 | 500,755 | | General Services Division |
| ** | 60061019 | Employee Recognition Program | 61,684 | | | | Office of COO Administrative Services |
| | 60061023 | Districtwide Salary Savings-11 | | (1,133,539) | (1,166,751) | | |
| ** | 60061026 | IT Strategic Plan and Analysis | 327,999 | | | | Information Technology Division |
| ** | 60061032 | Internal Communications | 164,376 | | | | Office of Chief of External Affairs |
| * | 60061053 | Asset Management Program | 270,170 | 364,111 | | | Raw Water Operations & Maintenance Division |
| * | 60061055 | AM Systems and Standards | 129,560 | 140,831 | 390,956 | | Raw Water Operations & Maintenance Division |
| * | 60061056 | Asset Management Program | | | | | Raw Water Operations & Maintenance Division |
| | 60061058 | Drought Induced Tree Removal | | 274,003 | 291,734 | | Watershed Operations & Maintenance Division |
| * | 60071041 | Welding Services | 15,771 | 17,664 | 20,292 | | Human Resources Division |
| | 60091001 | Directors Fees / Expenses | 369,571 | 364,196 | 375,662 | | Office of Clerk of the Board |
| | 60101001 | Purchasing Services | 1,580,419 | 1,542,824 | 1,574,085 | | General Services Division |
| | 60101002 | Building and Grounds | 5,719,080 | 6,204,880 | 6,720,264 | | General Services Division |
| ** | 60101006 | Telecommunications Sys Opr/M | 1,846,476 | 1,896,404 | | | Information Technology Division |
| | 60101008 | District Security Services | 1,160,121 | 1,422,765 | 1,883,686 | | Office of COO Administrative Services |
| ** | 60101011 | Technical Infrastructure Services | 344,556 | 699,601 | | | Information Technology Division |
| | 60101017 | CADD System Tech Support | 84,520 | 104,205 | 135,852 | | Water Utility Capital Division |
| ** | 60101018 | Local Hazard Mitigation Progrm | 18,357 | | | | Office of COO Watersheds |
| | 60111002 | General Accounting Services | 1,130,636 | 3,255,980 | 3,075,249 | | Financial Planning and Management Services Division |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

## Total Outlays - District General Fund (Continued)

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| ** | 60111003 | Accounts Payable Services | 858,418 | | | | Financial Planning and Management Services Division |
| ** | 60111004 | Payroll Services | 618,134 | | | | Financial Planning and Management Services Division |
| | 60111006 | Contract Services | 822,924 | 1,444,737 | 1,385,184 | | General Services Division |
| * | 60121003 | LT Financial Planning & Rate S | | 197,976 | 181,608 | | Financial Planning and Management Services Division |
| | 60131004 | Ofc of Chief Admin Officer | 718,073 | 910,774 | 814,751 | | Office of COO Administrative Services |
| | 60131007 | Ofc of Chief Executive Officer | 456,110 | 823,915 | 952,195 | | Office of the CEO |
| | 60131014 | Continual Improvement | 561,132 | 170,694 | 458,313 | | Financial Planning and Management Services Division |
| ** | 60131015 | CEO Management Audit Program | 267,405 | | | | Financial Planning and Management Services Division |
| ** | 60131016 | Office of CEO & Board Support | 421,931 | 1,022,239 | | | Office of the CEO |
| | 60141001 | District Counsel | 2,884,894 | 3,234,213 | 3,262,859 | | Office of District Counsel |
| ** | 60151001 | Software Development & Support | 862,163 | | | | Information Technology Division |
| ** | 60161001 | Software Maint & License | 885,926 | 1,073,884 | | | Information Technology Division |
| ** | 60161003 | Internet/Intranet Maintenance | 280,167 | | | | Information Technology Division |
| ** | 60161004 | Software Services | | 3,273,449 | | | Information Technology Division |
| | 60171002 | Education & Volunteer Program | 509,863 | 1,261,258 | 1,256,613 | | Office of Chief of External Affairs |
| | 60171009 | Community Relations | 168,353 | 626,370 | 323,983 | | Office of Chief of External Affairs |
| ** | 60181002 | Network Administration | 999,074 | 1,680,145 | | | Information Technology Division |
| ** | 60191001 | Data Center Operations | 469,083 | | | | Information Technology Division |
| ** | 60201001 | District HVAC Services | (117) | | | | General Services Division |
| | 60221001 | Budget and Financial Analyses | 1,453,494 | 2,114,631 | 1,936,735 | | Financial Planning and Management Services Division |
| | 60221002 | Debt & Treasury Management | 461,704 | 544,404 | 647,788 | | Financial Planning and Management Services Division |
| | 60221003 | FPMD Administration | 561,207 | 465,029 | 498,251 | | Financial Planning and Management Services Division |
| ** | 60221005 | Fin Forecasting & CIP Analysis | 180,160 | | | | Financial Planning and Management Services Division |
| ** | 60221007 | Credit Card Services Fees | | 75,000 | | | Financial Planning and Management Services Division |
| | 60231002 | Communications | 1,336,947 | 1,473,940 | 2,158,389 | | Office of Chief of External Affairs |
| | 60231003 | Federal Government Relations | 650,607 | 884,125 | 925,995 | | Office of Chief of External Affairs |
| | 60231004 | State Government Relations | 678,591 | 911,078 | 984,735 | | Office of Chief of External Affairs |
| | 60231005 | Local Government Relations | 940,070 | 1,207,501 | 1,522,763 | | Office of Chief of External Affairs |
| | 60231006 | Office of Chief of Ext Affairs | | 577,466 | 845,978 | | Office of Chief of External Affairs |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

## Total Outlays - District General Fund (Continued)

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| | 60241026 | Quality and Env Mgmt Sys Prog | 725,260 | 739,230 | 801,782 | | Financial Planning and Management Services Division |
| ** | 60271007 | Payroll & Financial Sys Maint | 457,371 | | | | Financial Planning and Management Services Division |
| ** | 60271010 | GIS Maintenance & Support | 534,556 | | | | Information Technology Division |
| ** | 60271011 | Computerized Maint Mgmt Syst | 439,317 | | | | Information Technology Division |
| ** | 60271060 | ERP System Maint & Support | 430,892 | | | | Information Technology Division |
| ** | 60271062 | Information Security Admin | 244,055 | 440,179 | | | Information Technology Division |
| ** | 60271064 | Offce Cmptr Maint/Help Dsk Sup | 1,176,694 | 1,222,395 | | | Information Technology Division |
| ** | 60281001 | EEO Mandatory Training | 74,989 | | | | Human Resources Division |
| | 60281003 | Ethics & EEO Programs | 276,899 | 616,520 | 593,633 | | Human Resources Division |
| | 60281004 | Diversity & Inclusion Program | 439,995 | 1,284,329 | 1,147,306 | | Office of COO Administrative Services |
| | 60281006 | Reasonable Accommodation | | 228,648 | 278,517 | | Human Resources Division |
| | 60291001 | Recruitment and Examination | 1,496,148 | 1,615,957 | 1,721,092 | | Human Resources Division |
| | 60291002 | Benefits and Wellness Admin | 1,047,010 | 1,079,985 | 1,227,302 | | Human Resources Division |
| | 60291003 | Labor Relations | 360,108 | 775,832 | 765,943 | | Office of the CEO |
| | 60291004 | Talent Management Program | 1,076,051 | 1,576,792 | 1,843,109 | | Human Resources Division |
| | 60291005 | Classification&CompensationPgm | 370,389 | 321,594 | 278,205 | | Human Resources Division |
| ** | 60291007 | Deferred Compensation Committe | 85,043 | | | | Human Resources Division |
| | 60291011 | HR Program Admin | 911,180 | 733,464 | 791,478 | | Human Resources Division |
| ** | 60291016 | Ethics | 278,169 | | | | Human Resources Division |
| ** | 60291017 | Meet and Confer | 286,428 | | | | Office of the CEO |
| | 60291032 | Bargaining Unit Representation | 111,885 | 355,262 | 87,479 | | Office of the CEO |
| | 60291038 | GF Training & Development | 612,648 | 634,674 | 1,580,362 | | Office of COO Administrative Services |
| ** | 60291039 | Professional & Assn Membrships | 353,818 | | | | Financial Planning and Management Services Division |
| | 60291040 | Rotation Program | 727,838 | 723,228 | 306,000 | | Human Resources Division |
| | 60291041 | Internship Program | 336,330 | 713,450 | 715,290 | | Human Resources Division |
| | 60291042 | Skilled Trades Internship Prgm | | 142,562 | | | Human Resources Division |
| | 60301001 | Clerk of the Board Serv | 1,558,035 | 1,959,429 | 3,200,092 | | Office of Clerk of the Board |
| ** | 60301003 | Board Committees | 382,868 | | | | Office of Clerk of the Board |
| | 60311001 | Records & Library Services | 415,559 | 1,163,860 | 1,249,478 | | Office of Clerk of the Board |
| ** | 60311002 | Request for Public Records | 241,799 | | | | Information Technology Division |
| ** | 60331001 | Research / Library Services | 254,263 | | | | Office of Clerk of the Board |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

## Total Outlays - District General Fund (Continued)

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| | 60351001 | Business & Customer SupportSvc | 2,467,767 | 3,261,426 | 3,373,725 | | General Services Division |
| ** | 60361002 | Graphic Services | 364,302 | | | | Office of Chief of External Affairs |
| ** | 60411002 | GF Safety Training & Admin | 181,367 | | | | Human Resources Division |
| * | 60811046 | Warehouse Services | 527,207 | 614,180 | 642,417 | | General Services Division |
| | **Total Operations** | | **52,966,728** | **61,360,076** | **53,215,553** | | |
| | **Operating** | | | | | | |
| | 60042001 | Pacheco Res Prop 1 App Study | 1,125,401 | 66,296 | 121,705 | | Water Supply Division |
| ** | 60272001 | IS Consolidation & Integration | 210,249 | | | | Information Technology Division |
| ** | 60312001 | Microfiche Conversion | 33,231 | | | | Office of Clerk of the Board |
| | **Total Operating** | | **1,368,881** | **66,296** | **121,705** | | |
| | **Debt Service** | | | | | | |
| ** | 60993005 | 2004A COP General Fund | 535,524 | | | | Financial Planning and Management Services Division |
| | 60993009 | 2017A COP Refunding GF | | 472,149 | 476,094 | | Financial Planning and Management Services Division |
| | **Total Debt Service** | | **535,524** | **472,149** | **476,094** | | |
| | **Capital** | | | | | | |
| | 60064023 | Districtwide Salary Savings | | (72,746) | (96,739) | | |
| ** | 60074030 | WU Capital Training & Dvlpment | 14,718 | | | | Water Utility Capital Division |
| * | 60074033 | CIP Development & Admin | 14,915 | 12,999 | 14,742 | | Water Utility Capital Division |
| * | 60074036 | Survey Mgmt & Tech Support | 4,644 | 5,922 | 5,605 | | Watershed Design & Construction Division |
| * | 60074038 | Capital Progrm Srvcs Admin | 77,938 | 67,945 | 59,681 | | Water Utility Capital Division |
| ** | 60074045 | Technical Review Committee | 3,569 | | | | Water Utility Capital Division |
| ** | 60074046 | WU Captl Health & Safety Trng | 875 | | | | Water Utility Capital Division |
| * | 60074051 | WS Capital Training & Dvlpment | 13,506 | | | | Office of COO Watersheds |
| * | 60074052 | WS Capital Program Srvcs Admin | 56,284 | | | | Office of COO Watersheds |
| * | 60074053 | WS Capital Hlth & Safety Trng | 836 | | | | Office of COO Watersheds |
| | 60204016 | Facility Mgmt-Sm Cap Improv | 2,187,059 | 1,690,255 | 2,072,000 | | General Services Division |
| ** | 60204021 | Winfield Capital Improvements | 180,988 | | | | Water Utility Capital Division |
| | 60204032 | Headquarters Operations Bldg | 93 | | | | Water Utility Capital Division |
| | 60954001 | Pacheco Reservoir ExpansnStudy | | | 12,809,339 | | Water Utility Capital Division |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

## Total Outlays - District General Fund (Continued)

| Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|
| Total Capital | | 2,555,425 | 1,704,374 | 14,864,627 | | |
| **Total** | | **57,426,558** | **63,602,895** | **68,677,980** | | |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

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# SERVICE FUNDS

## Service Funds Overview

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

## Fleet Management Fund

The Fleet Management Fund was established to capture the operations, maintenance and replacement costs of District-owned vehicles and equipment such as: sedans, vans, pickup trucks and field equipment (Class I); heavy duty trucks and trailers (Class II); heavy construction equipment (Class III); and, portable equipment including large pumps, electrical panels, hose and fittings, air compressors, chain saws, weed whackers, generators, etc. (Class IV). Reimbursement charges for FY 2018-19 total $5.1 million. The reimbursement rate is 6% for FY 2018-19.

### Key Highlights

The following are key highlights for the upcoming fiscal year:

- Surplus and replacement of 15 vehicles and 28 pieces of construction equipment in accordance with the 12-year or 125,000 mile replacement criteria.
- Evaluate and implement industry best practices within operation.
- Conduct a vehicle utilization study in collaboration with user department to reduce underutilized assets.

## Risk Insurance Fund

This fund was established to provide for liability, property, Workers' Compensation insurance and self-insurance costs. Included in this fund are various health and safety programs designed to ensure the safety and well-being of employees, a reserve for catastrophic uninsured property loss, and self-insurance reserves for both known and unreported Workers Compensation and liability claims set at levels prescribed by actuarial studies. Currently, loss prevention efforts are being integrated with other performance-based objectives such as quality and cost-control to ensure that health and safety activities are integrated into the day-to-day operations of District business. The District supports the philosophy that all accidents and injuries are preventable through establishment of and compliance with safe work procedures and best management practices for our industry. Reimbursement charges for FY 2018-19 total $5.3 million with a reimbursement rate of 6.2%.

### Key Highlights

The following are key highlights for the upcoming fiscal year:

- Continuing to administer the Workers Compensation program in a manner that increases employee awareness of potential dangers and seeks to reduce employee injuries and accidents.
- Continuing to administer the Liability and Property programs in a manner that provides prompt and fair adjustment of claims and losses.
- Continuing 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 the District. It accounts for all network, data center, telecom, servers, computers, and business and support applications. Intra-District charges for this fund are set to recover the current operating costs. For FY 2018-19, $13.6 million will be recovered through Intra-District charges, the reimbursement rate is 16.4%.

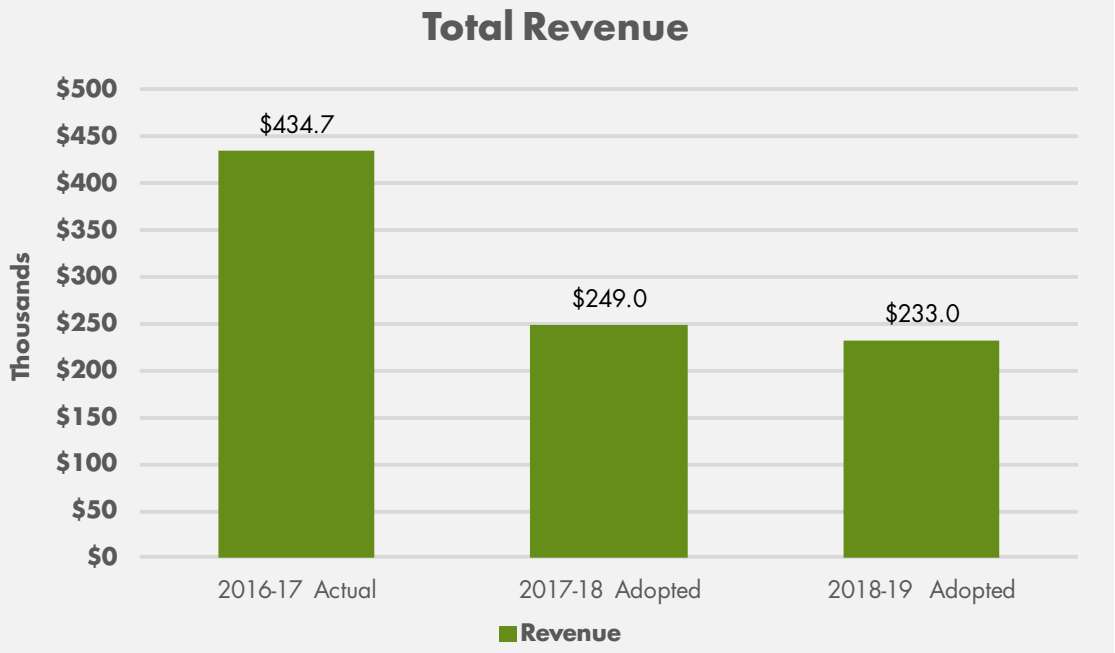
Major planned capital projects will be funded by operating transfers from the Watershed Stream Stewardship Fund and Water Utility Enterprise Fund. For FY 2018-19 total transfer amount is $6.5 million.

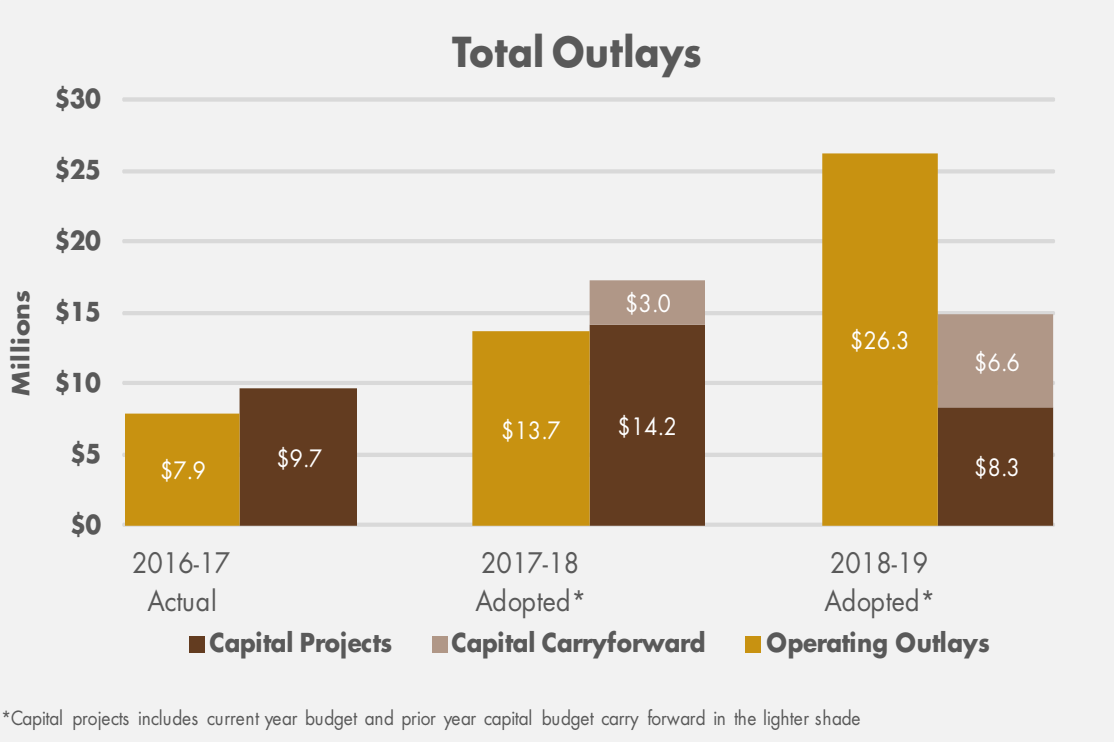
### Key Highlights

The following are key highlights for the upcoming fiscal year:

- Develop and acquire resources to begin implementing a three-year IT strategic plan.
- Complete the RFP process, finalize the selection of a Consultant and an Enterprise Resource Planning (ERP) system, and begin the implementation of the system.
- Operations and Operating projects, such as Network Administration, Software Services & Telecommunication Infrastructure Services, etc have been reprogrammed from District General Fund to provide a more comprehensive Information Technology program cost in one fund.nt geographic information system (GIS) roadmap Phase 1 and 2.
- Complete implementation of e-litigation and e-discovery system.
- Support Records Management Office and begin the RFP process for an Electronic Content Management (ECM) system implementation.
- Complete the last phase of a multiyear wireless networking project, providing wireless networking at all District facilities.
- Prepare plans and implement IT disaster recovery systems and real-time cutover in the event of a major disaster.
- Continue addressing the findings of the Cyber Security Vulnerability Assessment report and implement the recommendations, thereby improving the security of the District network.
- Complete upgrade of the water utility engineering technical infrastructure network.

## Service Funds Combined




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

## Service Funds Combined Summary

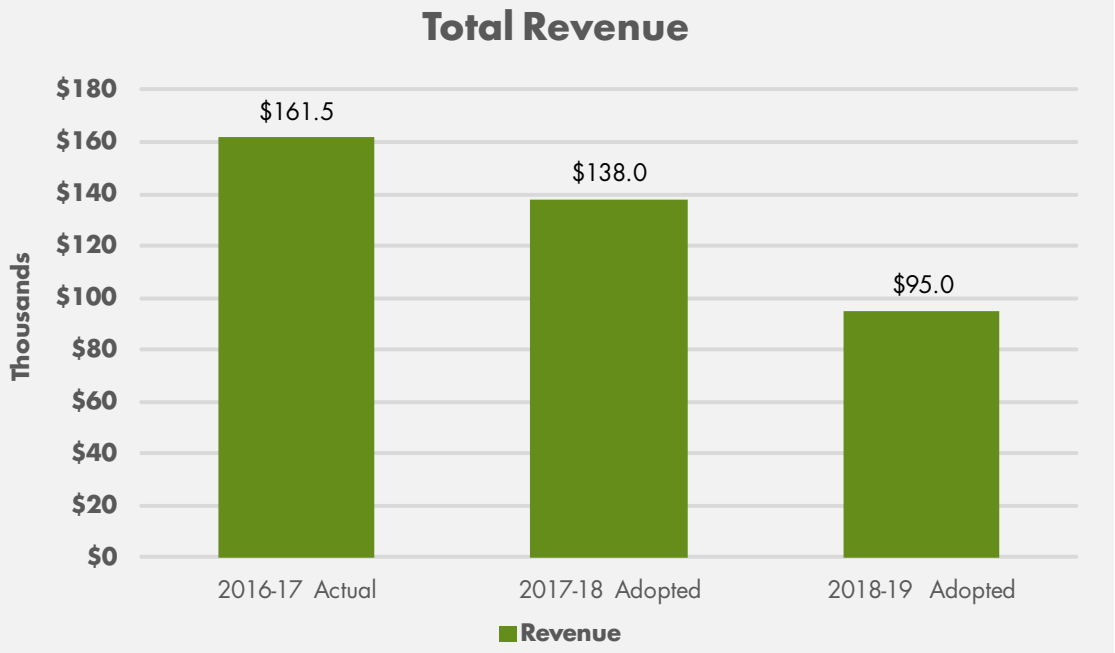
| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **REVENUE** | | | | | | |
| Interest Income * | $ 265,952 | $ 147,000 | $ 147,000 | $ 183,000 | $ 36,000 | 24.5% |
| Non-Operating Other | 168,759 | 102,000 | 102,000 | 50,000 | (52,000) | (51.0)% |
| **TOTAL REVENUE** | **$ 434,711** | **$ 249,000** | **$ 249,000** | **$ 233,000** | **$ (16,000)** | **(6.4)%** |
| **OUTLAYS** | | | | | | |
| **Operating Outlays** | | | | | | |
| Operations ** | $ 7,594,811 | $ 11,330,274 | $ 11,330,274 | $ 25,778,700 | $ 14,448,426 | 127.5% |
| Operating Project | 344,908 | 2,350,000 | 2,350,000 | 500,000 | (1,850,000) | (78.7)% |
| **Total Operating Outlays** | **$ 7,939,719** | **$ 13,680,274** | **$ 13,680,274** | **$ 26,278,700** | **$ 12,598,426** | **92.1%** |
| **Capital Outlays** | | | | | | |
| Capital Projects | $ 9,669,074 | $ 14,216,757 | $ 11,346,049 | $ 8,330,610 | $ (5,886,147) | (41.4)% |
| Carry Forward Capital Projects | — | 3,025,000 | — | 6,591,017 | 3,566,017 | 117.9% |
| **Total Capital Outlays** | **$ 9,669,074** | **$ 17,241,757** | **$ 11,346,049** | **$ 14,921,627** | **$ (2,320,130)** | **(13.5)%** |
| **TOTAL OUTLAYS****** | **$ 17,608,793** | **$ 30,922,031** | **$ 25,026,323** | **$ 41,200,327** | **$ 10,278,296** | **33.2%** |
| Less Intra-District Reimb | (17,967,857) | (24,998,415) | (24,998,415) | (24,086,984) | 911,431 | (3.6)% |
| **NET OUTLAYS** | **$ (359,064)** | **$ 5,923,616** | **$ 27,908** | **$ 17,113,343** | **$ 11,189,727** | **188.9%** |
| **OTHER FINANCING SOURCES/(USES)** | | | | | | |
| Transfers In | $ — | $ — | $ 157,000 | $ 6,513,610 | $ 6,513,610 | — |
| Transfers Out | — | — | (2,250,000) | — | — | — |
| **TOTAL OTHER SOURCES/(USES)** | **$ —** | **$ —** | **$ (2,093,000)** | **$ 6,513,610** | **$ 6,513,610** | **—** |
| **BALANCE AVAILABLE** | **$ 793,775** | **$ (5,674,616)** | **$ (1,871,908)** | **$ (10,366,733)** | **$ (4,692,117)** | **82.7%** |
| **YEAR-END RESERVES** | | | | | | |
| **Committed Reserves** | | | | | | |
| Currently Authorized Projects *** | $ 6,254,582 | $ — | $ 7,032,290 | $ 441,273 | $ 441,273 | — |
| Operating and Capital Reserve | 5,268,684 | 2,037,255 | 4,308,432 | 1,184,522 | (852,733) | (41.9)% |
| Catastrophy - Property Self-Insurance | 7,689,364 | 6,000,000 | 6,000,000 | 5,014,194 | (985,806) | (16.4)% |
| Workers Compensation Liability | 5,666,000 | 5,666,000 | 5,666,000 | 6,000,000 | 334,000 | 5.9% |
| **Total Committed Reserves** | **$ 24,878,630** | **$ 13,703,255** | **$ 23,006,722** | **$ 12,639,989** | **$ (1,063,266)** | **(7.8)%** |
| **TOTAL YEAR-END RESERVES** | **$ 24,878,630** | **$ 13,703,255** | **$ 23,006,722** | **$ 12,639,989** | **$ (1,063,266)** | **(7.8)%** |
| **UNCOMMITED FUNDS** | | | **$ —** | **$ —** | | |

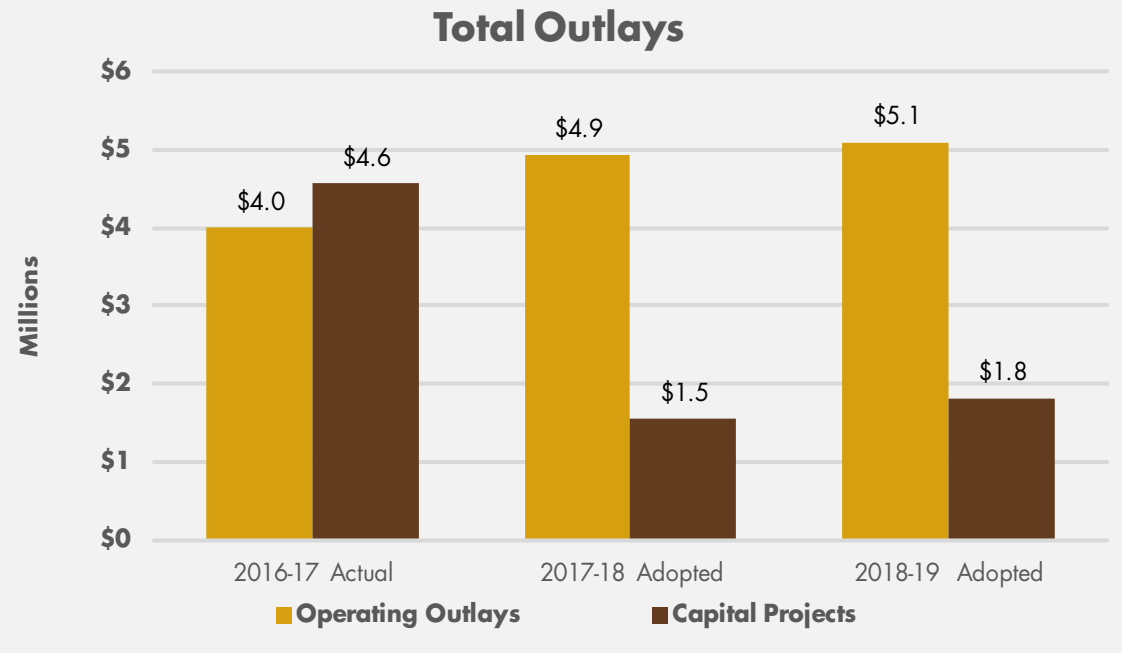
## Service Funds Combined Summary (Continued)

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **Outlay Summary by Account Type** | | | | | | |
| **OPERATING OUTLAY** | | | | | | |
| Salaries & Benefits | $ 3,172,306 | $ 3,902,355 | $ 3,902,355 | $ 9,744,781 | $ 5,842,426 | 149.7% |
| Services & Supplies | 3,213,176 | 7,409,344 | 7,409,344 | 11,180,248 | 3,770,904 | 50.9% |
| Intra-District Charges | 1,554,236 | 2,368,576 | 2,368,576 | 5,353,672 | 2,985,096 | 126.0% |
| **OPERATING OUTLAY TOTAL** | **$ 7,939,718** | **$ 13,680,275** | **$ 13,680,275** | **$ 26,278,701** | **$ 12,598,426** | **92.1%** |
| **CAPITAL PROJECTS** | | | | | | |
| Salaries & Benefits | $ 890,520 | $ 2,491,817 | $ 2,491,817 | $ 2,670,656 | $ 178,839 | 7.2% |
| Services & Supplies | 8,324,577 | 10,253,082 | 7,382,374 | 4,183,320 | (6,069,762) | (59.2)% |
| Carry Forward Capital Projects | — | 3,025,000 | — | 6,591,017 | 3,566,017 | 117.9% |
| Intra-District Charges | 453,978 | 1,471,858 | 1,471,858 | 1,476,633 | 4,775 | 0.3% |
| **CAPITAL PROJECTS TOTAL** | **$ 9,669,075** | **$ 17,241,757** | **$ 11,346,049** | **$ 14,921,626** | **$ (2,320,131)** | **(13.5)%** |
| **TOTAL OUTLAYS****** | **$ 17,608,793** | **$ 30,922,032** | **$ 25,026,324** | **$ 41,200,327** | **$ 10,278,295** | **33.2%** |

(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

## Fleet Management Fund



# Fleet Management Fund Summary

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted $ Diff | Change from 2017-18 Adopted % Diff |
|---|---|---|---|---|---|---|
| **REVENUE** | | | | | | |
| Interest Income * | $ 56,468 | $ 36,000 | $ 36,000 | $ 45,000 | $ 9,000 | 25.0% |
| Nonoperating Other | 105,016 | 102,000 | 102,000 | 50,000 | (52,000) | (51.0)% |
| **TOTAL REVENUE** | **$ 161,484** | **$ 138,000** | **$ 138,000** | **$ 95,000** | **$ (43,000)** | **(31.2)%** |
| **OUTLAYS** | | | | | | |
| **Operating Outlays** | | | | | | |
| Operations ** | $ 3,992,442 | $ 4,933,602 | $ 4,933,602 | $ 5,092,094 | $ 158,492 | 3.2% |
| **Total Operating Outlays** | **$ 3,992,442** | **$ 4,933,602** | **$ 4,933,602** | **$ 5,092,094** | **$ 158,492** | **3.2%** |
| **Capital Outlays** | | | | | | |
| Capital Projects | $ 4,561,268 | $ 1,545,000 | $ 1,545,000 | $ 1,817,000 | $ 272,000 | 17.6% |
| **Total Capital Outlays** | **$ 4,561,268** | **$ 1,545,000** | **$ 1,545,000** | **$ 1,817,000** | **$ 272,000** | **17.6%** |
| **TOTAL OUTLAYS****** | **$ 8,553,710** | **$ 6,478,602** | **$ 6,478,602** | **$ 6,909,094** | **$ 430,492** | **6.6%** |
| Less Intra-District Reimb | (7,340,602) | (4,929,990) | (4,929,990) | (5,199,093) | (269,103) | 5.5% |
| **NET OUTLAYS** | **$ 1,213,108** | **$ 1,548,612** | **$ 1,548,612** | **$ 1,710,001** | **$ 161,389** | **10.4%** |
| **BALANCE AVAILABLE** | **$ (1,051,624)** | **$ (1,410,612)** | **$ (1,410,612)** | **$ (1,615,001)** | **$ (204,389)** | **14.5%** |
| **YEAR-END RESERVES** | | | | | | |
| **Committed Reserves** | | | | | | |
| Operating and Capital Reserve | $ 3,402,009 | $ 869,601 | $ 1,991,397 | $ 376,396 | $ (493,205) | (56.7)% |
| **Total Committed Reserves** | **$ 3,402,009** | **$ 869,601** | **$ 1,991,397** | **$ 376,396** | **$ (493,205)** | **(56.7)%** |
| **TOTAL YEAR-END RESERVES** | **$ 3,402,009** | **$ 869,601** | **$ 1,991,397** | **$ 376,396** | **$ (493,205)** | **(56.7)%** |
| **UNCOMMITED FUNDS** | | | **$ —** | **$ —** | | |

## Outlay Summary by Account Type

| | | | | | | |
|---|---|---|---|---|---|---|
| **OPERATING OUTLAY** | | | | | | |
| Salaries & Benefits | $ 1,643,417 | $ 1,752,875 | $ 1,752,875 | $ 1,831,720 | $ 78,845 | 4.5% |
| Services & Supplies | 1,568,619 | 2,109,760 | 2,109,760 | 2,176,807 | 67,047 | 3.2% |
| Intra-District Charges | 780,406 | 1,070,968 | 1,070,968 | 1,083,567 | 12,599 | 1.2% |
| **OPERATING OUTLAY TOTAL** | **$ 3,992,442** | **$ 4,933,603** | **$ 4,933,603** | **$ 5,092,094** | **$ 158,491** | **3.2%** |
| **CAPITAL PROJECTS** | | | | | | |
| Salaries & Benefits | $ 23,034 | $ — | $ — | $ — | $ — | — |
| Services & Supplies | 4,527,360 | 1,545,000 | 1,545,000 | 1,817,000 | 272,000 | 17.6% |
| Intra-District Charges | 10,875 | — | — | — | — | — |
| **CAPITAL PROJECTS TOTAL** | **$ 4,561,269** | **$ 1,545,000** | **$ 1,545,000** | **$ 1,817,000** | **$ 272,000** | **17.6%** |
| **TOTAL OUTLAYS****** | **$ 8,553,711** | **$ 6,478,603** | **$ 6,478,603** | **$ 6,909,094** | **$ 430,491** | **6.6%** |

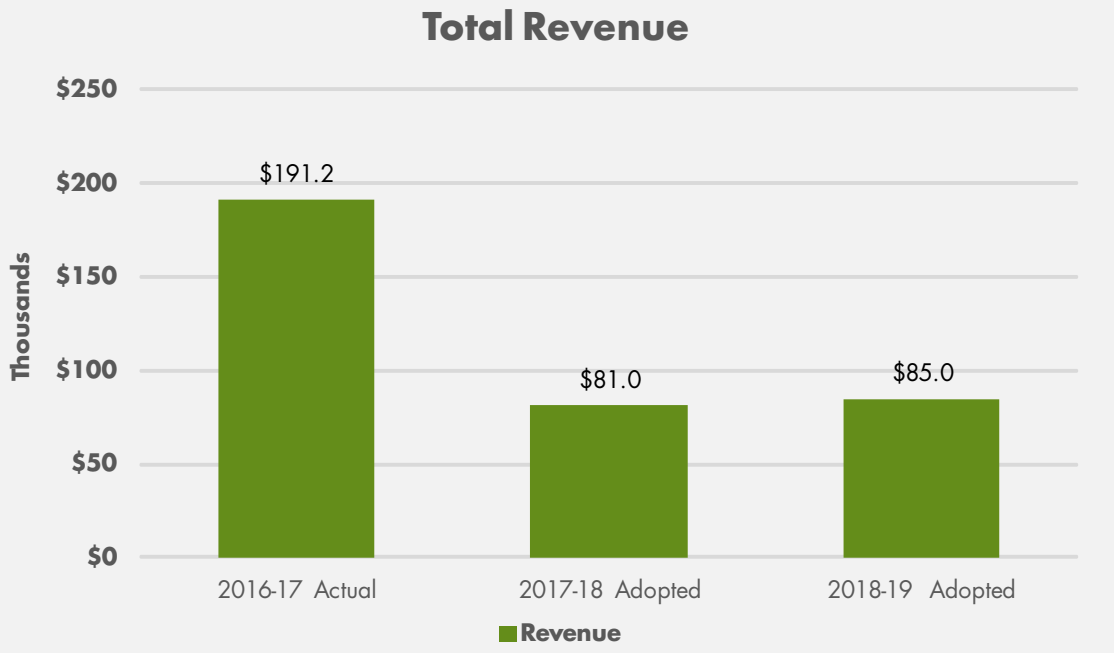
(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

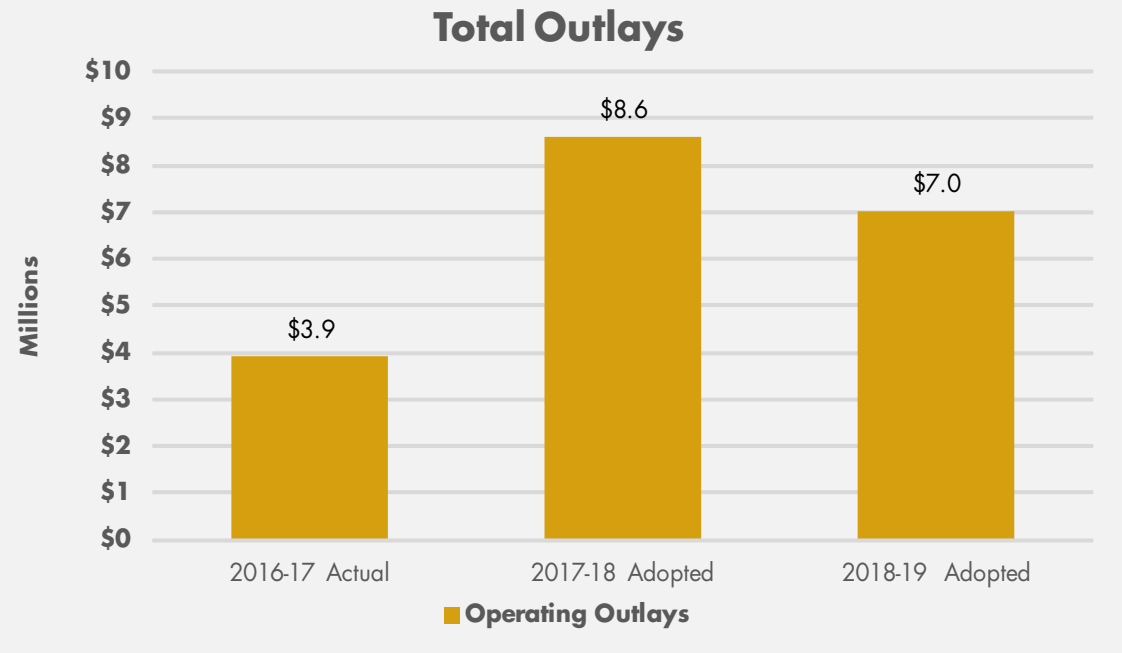
# Total Outlays - Fleet Management Fund

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| **Operations** | | | | | | | |
| | 70011099 | Class I Equip Oper / Maint | 621,207 | 866,844 | 779,757 | | General Services Division |
| | 70021099 | Class II Equip Oper / Maint | 760,817 | 857,289 | 945,769 | | General Services Division |
| | 70031099 | Class III Equip Oper / Maint | 277,027 | 389,359 | 315,575 | | General Services Division |
| | 70041099 | Class IV Equip Oper / Maint | 897,204 | 1,157,700 | 1,242,903 | | General Services Division |
| | 70061003 | Vehicle & Equipment Admin&Mgmt | 1,236,106 | 1,418,357 | 1,527,944 | | General Services Division |
| * | 70061045 | Asset Management Program | 43,187 | 46,944 | 195,478 | | Raw Water Operations & Maintenance Division |
| * | 70061046 | CMMS Admin | | | | | Raw Water Operations & Maintenance Division |
| * | 70061053 | CMMS Admin | 90,057 | 121,370 | | | Raw Water Operations & Maintenance Division |
| * | 70071041 | Welding Services | 47,312 | 52,992 | 60,875 | | General Services Division |
| * | 70811046 | Warehouse Services | 19,526 | 22,747 | 23,793 | | General Services Division |
| **Total Operations** | | | **3,992,442** | **4,933,602** | **5,092,094** | | |
| **Capital** | | | | | | | |
| | 70004001 | New Vehicle Equip Acquisitio | 579,685 | | | | General Services Division |
| | 70004002 | Replacement Vehicle & Equip | 3,981,583 | 1,545,000 | 1,817,000 | | General Services Division |
| **Total Capital** | | | **4,561,268** | **1,545,000** | **1,817,000** | | |
| **Total** | | | **8,553,710** | **6,478,602** | **6,909,094** | | |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

## Risk Insurance Fund



# Risk Insurance Fund Summary

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **REVENUE** | | | | | | |
| Interest Income * | $ 127,418 | $ 81,000 | $ 81,000 | $ 85,000 | $ 4,000 | 4.9% |
| Nonoperating Other | 63,743 | — | — | — | — | — |
| **TOTAL REVENUE** | **$ 191,161** | **$ 81,000** | **$ 81,000** | **$ 85,000** | **$ 4,000** | **4.9%** |
| **OUTLAYS** | | | | | | |
| **Operating Outlays** | | | | | | |
| Operations ** | $ 3,577,629 | $ 6,275,176 | $ 6,275,176 | $ 6,531,744 | $ 256,568 | 4.1% |
| Operating Project | 344,908 | 2,350,000 | 2,350,000 | 500,000 | (1,850,000) | (78.7)% |
| **Total Operating Outlays** | **$ 3,922,537** | **$ 8,625,176** | **$ 8,625,176** | **$ 7,031,744** | **$ (1,593,432)** | **(18.5)%** |
| **TOTAL OUTLAYS****** | **$ 3,922,537** | **$ 8,625,176** | **$ 8,625,176** | **$ 7,031,744** | **$ (1,593,432)** | **(18.5)%** |
| Less Intra-District Reimb | (3,509,137) | (7,842,800) | (7,842,800) | (5,306,950) | 2,535,850 | (32.3)% |
| **NET OUTLAYS** | **$ 413,400** | **$ 782,376** | **$ 782,376** | **$ 1,724,794** | **$ 942,418** | **120.5%** |
| **BALANCE AVAILABLE** | **$ (222,239)** | **$ (701,376)** | **$ (701,376)** | **$ (1,639,794)** | **$ (938,418)** | **133.8%** |
| **YEAR-END RESERVES** | | | | | | |
| **Committed Reserves** | | | | | | |
| Operating and Capital Reserve | $ — | $ 65,904 | $ 987,988 | $ 0 | $ (65,904) | (100.0)% |
| Catastrophy - Property Self-Insurance | 7,689,364 | 6,000,000 | 6,000,000 | 5,014,194 | (985,806) | (16.4)% |
| Workers Compensation Liability | 5,666,000 | 5,666,000 | 5,666,000 | 6,000,000 | 334,000 | 5.9% |
| **Total Committed Reserves** | **$ 13,355,364** | **$ 11,731,904** | **$ 12,653,988** | **$ 11,014,194** | **$ (717,710)** | **(6.1)%** |
| **TOTAL YEAR-END RESERVES** | **$ 13,355,364** | **$ 11,731,904** | **$ 12,653,988** | **$ 11,014,194** | **$ (717,710)** | **(6.1)%** |
| **UNCOMMITED FUNDS** | | | **$ —** | **$ 0** | | |

## Outlay Summary by Account Type

| | | | | | | |
|---|---|---|---|---|---|---|
| **OPERATING OUTLAY** | | | | | | |
| Salaries & Benefits | $ 1,528,890 | $ 2,135,857 | $ 2,135,857 | $ 2,088,878 | $ (46,979) | (2.2)% |
| Services & Supplies | 1,619,817 | 5,199,584 | 5,199,584 | 3,695,661 | (1,503,923) | (28.9)% |
| Intra-District Charges | 773,830 | 1,289,735 | 1,289,735 | 1,247,206 | (42,529) | (3.3)% |
| **OPERATING OUTLAY TOTAL** | **$ 3,922,537** | **$ 8,625,176** | **$ 8,625,176** | **$ 7,031,745** | **$ (1,593,431)** | **(18.5)%** |
| **TOTAL OUTLAYS****** | **$ 3,922,537** | **$ 8,625,176** | **$ 8,625,176** | **$ 7,031,745** | **$ (1,593,431)** | **(18.5)%** |

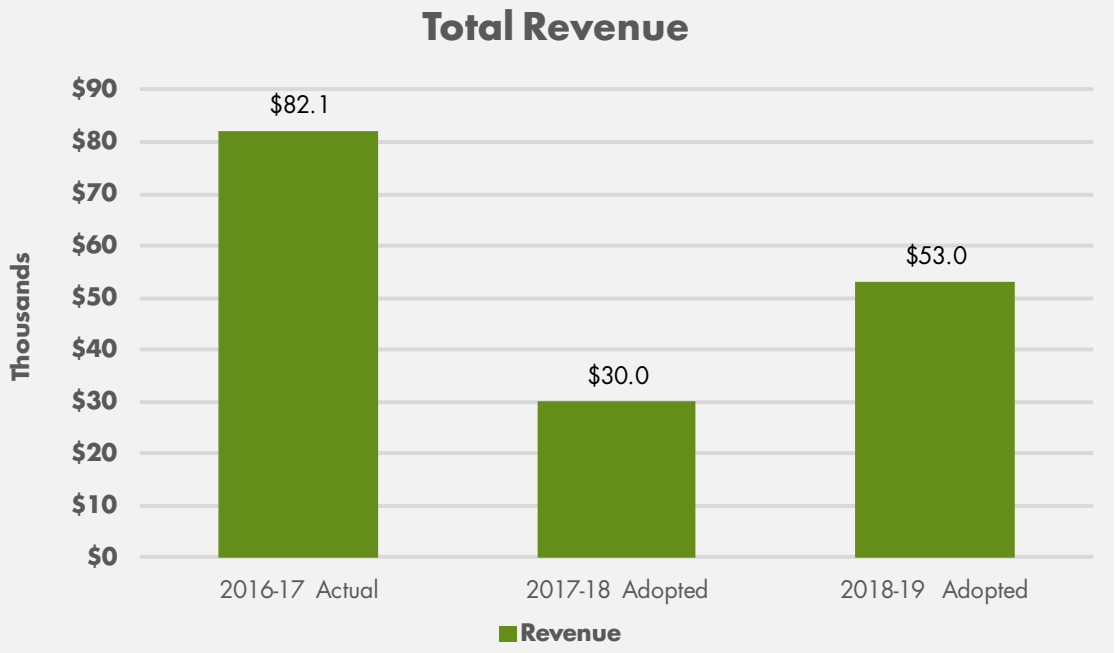
(*) Interest revenue does not include GASB31 market value adjustment
(**) Operations outlay does not include OPEB Expense-unfunded liability
(***)Currently Authorized Projects Reserve is unspent budget for authorized capital projects
(****)Total Outlays amounts may have a slight variance due to rounding

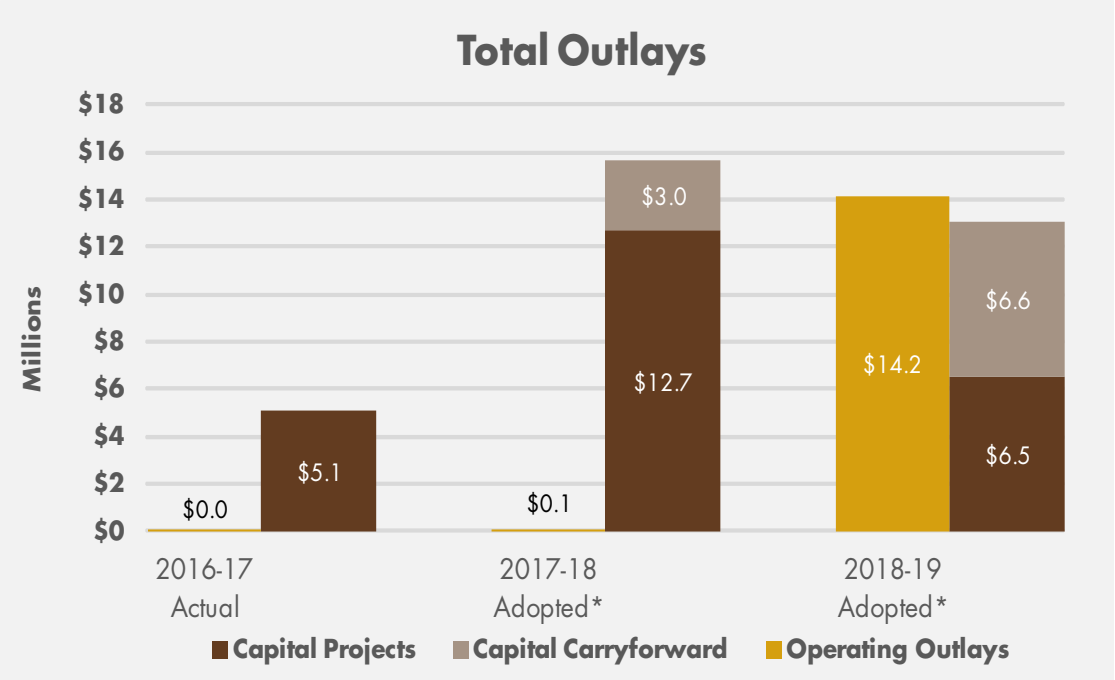
# Total Outlays - Risk Insurance Fund

| | Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|---|
| **Operations** | | | | | | | |
| | 65051001 | Risk Management | 828,757 | 2,351,239 | 2,634,136 | | Office of District Counsel |
| | 65051002 | Workers Compensation Program | 729,057 | 821,495 | 841,334 | | Office of District Counsel |
| | 65051003 | Health&Safety Program Mgt | 1,058,122 | 3,102,442 | 3,056,275 | | Human Resources Division |
| ** | 65051004 | Risk Management Program Admi | 406,937 | | | | Office of District Counsel |
| ** | 65051009 | District Ergonomics Program | 178,092 | | | | Human Resources Division |
| ** | 65051011 | Industrial Hygiene Program | 376,663 | | | | Human Resources Division |
| **Total Operations** | | | **3,577,629** | **6,275,176** | **6,531,744** | | |
| **Operating** | | | | | | | |
| | 65052001 | 2017 President Day Flood | 344,908 | 2,350,000 | 500,000 | | Office of District Counsel |
| **Total Operating** | | | **344,908** | **2,350,000** | **500,000** | | |
| **Total** | | | **3,922,537** | **8,625,176** | **7,031,744** | | |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

## Information Technology Fund




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

# Information Technology Fund Summary

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **REVENUE** | | | | | | |
| Interest Income * | $ 82,067 | $ 30,000 | $ 30,000 | $ 53,000 | $ 23,000 | 76.7% |
| **TOTAL REVENUE** | **$ 82,067** | **$ 30,000** | **$ 30,000** | **$ 53,000** | **$ 23,000** | **76.7%** |
| **OUTLAYS** | | | | | | |
| **Operating Outlays** | | | | | | |
| Operations ** | $ 24,740 | $ 121,496 | $ 121,496 | $ 14,154,862 | $ 14,033,366 | — |
| **Total Operating Outlays** | **$ 24,740** | **$ 121,496** | **$ 121,496** | **$ 14,154,862** | **$ 14,033,366** | — |
| **Capital Outlays** | | | | | | |
| Capital Projects | $ 5,107,806 | $ 12,671,757 | $ 9,801,049 | $ 6,513,610 | $ (6,158,147) | (48.6)% |
| Carry Forward Capital Projects | — | 3,025,000 | $ | 6,591,017 | 3,566,017 | 117.9% |
| **Total Capital Outlays** | **$ 5,107,806** | **$ 15,696,757** | **$ 9,801,049** | **$ 13,104,627** | **$ (2,592,130)** | **(16.5)%** |
| **TOTAL OUTLAYS****** | **$ 5,132,546** | **$ 15,818,253** | **$ 9,922,545** | **$ 27,259,489** | **$ 11,441,236** | **72.3%** |
| Less Intra-District Reimb | (7,118,119) | (12,225,625) | (12,225,625) | (13,580,941) | (1,355,316) | 11.1% |
| **NET OUTLAYS** | **$ (1,985,573)** | **$ 3,592,628** | **$ (2,303,080)** | **$ 13,678,548** | **$ 10,085,920** | **280.7%** |
| **OTHER FINANCING SOURCES/(USES)** | | | | | | |
| Transfers In | $ — | $ — | $ 157,000 | $ 6,513,610 | $ 6,513,610 | — |
| Transfers Out | — | — | (2,250,000) | — | — | — |
| **TOTAL OTHER SOURCES/(USES)** | **$ —** | **$ —** | **$ (2,093,000)** | **$ 6,513,610** | **$ 6,513,610** | **—** |
| **BALANCE AVAILABLE** | **$ 2,067,640** | **$ (3,562,628)** | **$ 240,080** | **$ (7,111,938)** | **$ (3,549,310)** | **99.6%** |
| **YEAR-END RESERVES** | | | | | | |
| **Committed Reserves** | | | | | | |
| Currently Authorized Projects *** | $ 6,254,582 | $ — | $ 7,032,290 | $ 441,273 | $ 441,273 | — |
| Operating and Capital Reserve | 1,866,675 | 1,101,750 | 1,329,047 | 808,126 | (293,624) | (26.7)% |
| **Total Committed Reserves** | **$ 8,121,257** | **$ 1,101,750** | **$ 8,361,337** | **$ 1,249,399** | **$ 147,649** | **13.4%** |
| **TOTAL YEAR-END RESERVES** | **$ 8,121,257** | **$ 1,101,750** | **$ 8,361,337** | **$ 1,249,399** | **$ 147,649** | **13.4%** |
| **UNCOMMITED FUNDS** | | | **$ —** | **$ —** | | |

# Information Technology Fund Summary (Continued)

| | Budgetary Basis Actual 2016-17 | Adopted Budget 2017-18 | Projected Year End 2017-18 | Adopted Budget 2018-19 | Change from 2017-18 Adopted | |
|---|---|---|---|---|---|---|
| | | | | | $ Diff | % Diff |
| **Outlay Summary by Account Type** | | | | | | |
| **OPERATING OUTLAY** | | | | | | |
| Salaries & Benefits | $ — | $ 13,623 | $ 13,623 | $ 5,824,183 | $ 5,810,560 | — |
| Services & Supplies | 24,740 | 100,000 | 100,000 | 5,307,780 | 5,207,780 | — |
| Intra-District Charges | — | 7,873 | 7,873 | 3,022,899 | 3,015,026 | — |
| **OPERATING OUTLAY TOTAL** | **$ 24,740** | **$ 121,496** | **$ 121,496** | **$ 14,154,862** | **$ 14,033,366** | — |
| **CAPITAL PROJECTS** | | | | | | |
| Salaries & Benefits | $ 867,486 | $ 2,491,817 | $ 2,491,817 | $ 2,670,656 | $ 178,839 | 7.2% |
| Services & Supplies | 3,797,217 | 8,708,082 | 5,837,374 | 2,366,320 | (6,341,762) | (72.8)% |
| Carry Forward Capital Projects | — | 3,025,000 | — | 6,591,017 | 3,566,017 | 117.9% |
| Intra-District Charges | 443,103 | 1,471,858 | 1,471,858 | 1,476,633 | 4,775 | 0.3% |
| **CAPITAL PROJECTS TOTAL** | **$ 5,107,806** | **$ 15,696,757** | **$ 9,801,049** | **$ 13,104,626** | **$ (2,592,131)** | **(16.5)%** |
| **TOTAL OUTLAYS****** | **$ 5,132,546** | **$ 15,818,253** | **$ 9,922,545** | **$ 27,259,488** | **$ 11,441,235** | **72.3%** |

(*) 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

# Total Outlays - Information Technology Fund

| Project # | Project Description | Budgetary Basis Actual 2016-2017 | Adopted Budget 2017-2018 | Adopted Budget 2018-2019 | Estimated Carry Forward Budget 2018-2019*** | Project Managed By |
|---|---|---|---|---|---|---|
| **Operations** | | | | | | |
| 73271001 | Telecommunications Sys Opr/M | | | 2,023,657 | | Information Technology Division |
| 73271002 | Technical Infrastructure Services | | | 742,427 | | Information Technology Division |
| 73271003 | Network Administration | | | 2,382,157 | | Information Technology Division |
| 73271004 | Information Security Admin | | | 376,608 | | Information Technology Division |
| 73271005 | Offce Cmptr Maint/Help Dsk Sup | | | 1,707,619 | | Information Technology Division |
| 73271006 | Info Technology Div Admin | | | 877,771 | | Information Technology Division |
| 73271007 | Emerging IT Technologies | 24,740 | 121,496 | 102,669 | | Information Technology Division |
| 73271008 | Software Maint & License | | | 1,171,150 | | Information Technology Division |
| 73271009 | Software Services | | | 4,770,804 | | Information Technology Division |
| **Total Operations** | | **24,740** | **121,496** | **14,154,862** | | |
| **Capital** | | | | | | |
| 73274001 | IT Disaster Recovery | 41,078 | 440,947 | | | Information Technology Division |
| 73274002 | ERP System Implementation | 642,357 | 7,319,644 | 3,660,158 | 6,145,077 | Information Technology Division |
| 73274004 | Network Equipment | 2,035,745 | 1,690,975 | 1,185,799 | | Information Technology Division |
| 73274006 | Office Computers Replace Equipment | 1,182,140 | 967,980 | 1,024,703 | | Information Technology Division |
| 73274007 | Vena Software Implementation | 891,776 | | | | Information Technology Division |
| | | 263,311 | 610,672 | 559,358 | 268,282 | |
| 73274009 | Data Consolidation | 50,131 | 278,996 | 83,591 | 177,659 | Information Technology Division |
| 73274010 | Boardroom Technology Upgrade | 1,267 | 817,554 | | | Information Technology Division |
| 73274011 | E-Discovery Management System | | 544,990 | | | Information Technology Division |
| **Total Capital** | | **5,107,806** | **12,671,757** | **6,513,610** | **6,591,017** | |
| **Total** | | **5,132,546** | **12,793,253** | **20,668,473** | **6,591,017** | |

*Recipient projects
**Closed, combined or no current year funding
***Represents estimated unspent capital project budget from FY 2017-18 that will be carried forward to FY2018-19

# RESOLUTIONS

**BOARD OF DIRECTORS**
**SANTA CLARA VALLEY WATER DISTRICT**

**RESOLUTION NO. 18-** 25

**ESTABLISHING LAND USE CATEGORIES, CONFIRMING A LEVY OF BENEFIT ASSESSMENTS TO MEET DULY AUTHORIZED DEBT OBLIGATIONS FOR FISCAL YEAR 2018-2019 IN FLOOD CONTROL ZONES OF SANTA CLARA VALLEY WATER DISTRICT, IN ACCORDANCE WITH RESOLUTION NOS. 86-54, 86-55, 86-56, 86-57, AND 90-7, AND AUTHORIZING A PROCEDURE FOR CORRECTING ASSESSMENTS**

BE IT RESOLVED, by the Board of Directors of Santa Clara Valley Water District as follows:

FIRST: In accordance with the requirements of law and of the terms of District Resolutions 86-54, 86-55, 86-56, 86-57, and 90-7, the Chief Executive Officer (CEO) of the District has caused a written report to be prepared and filed for the fiscal year 2018-19, setting forth the annual amounts to be collected through benefit assessment rates in each established flood control zone of the District, pursuant to a voter-approved program.

SECOND: Upon receiving and filing the report, the Clerk of the Board gave notice of a hearing on the same by posting at least three copies of the notice in each established flood control zone of the District and by publication pursuant to Section 6066 of the Government Code.

THIRD: The Board, having heard the matter as scheduled or as postponed or duly continued, does hereby:

A. Fix and establish land use categories for each parcel of land to be assessed in the District as follows:

Group A: Land used for commercial or industrial purposes.

Group B: Land used for apartments or institutional purposes such as churches and schools.

Group C: The first 0.25 acre of a parcel of land used for single- and multiple-family residences up to four units, and each townhouse or condominium unit in a complex.

Group D:
(1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses, and similar uses.

(2) The portion of land, if any, in excess of 0.25 acre of a parcel used for single family residential purposes.

Group E: Vacant, undisturbed land (1) in urban areas and (2) in rural areas including dry farmland, grazing and pastureland, forest and brushland, salt ponds, and parcels used exclusively as well sites.

Establishing Land Use Categories, Confirming a Levy of Benefit Assessments to Meet Duly Authorized Debt Obligations for Fiscal Year 2018-2019 in Flood Control Zones of Santa Clara Valley Water District, in Accordance With Resolution Nos. 86-54, 86-55, 86-56, 86-57, and 90-7, and Authorizing a Procedure for Correcting Assessments

Resolution No. 18-225

B. Levy, fix, and establish flood control benefit assessments for fiscal year 2018–19 commencing July 1, 2018, and ending June 30, 2019, on each parcel of real property in each established flood control zone of the District, at the benefit assessment rates and minimum charges for each of the established land use categories to raise sufficient proceeds to meet duly authorized debt obligations of each flood control zone as follows:

**FLOOD CONTROL BENEFIT ASSESSMENTS TO BE COLLECTED IN 2018-2019**

| Flood Control Zone | Debt Obligation |
|---|---|
| Northwest | $4,079,626 |
| North Central | $2,277,340 |
| Central | $4,598,072 |
| East | $3,971,383 |
| South | $0 |

C. The actual 2018-2019 rates shall be determined by the CEO or her designee, once updated parcel land use and area information is received from the Santa Clara County Assessor's Office. These rates shall be used to prepare the benefit assessments for each parcel and shall be submitted to the Santa Clara County Tax Collector for collection.

FOURTH: Benefit assessments found to be in error and that result in an over assessment to property owners may be corrected by a check or checks drawn upon the appropriate Benefit Assessment Fund upon approval by the Chief Financial Officer and pursuant to procedures approved by the District's CEO and the District Counsel.

FIFTH: Paragraph D of the SECOND section of Resolutions 86-54, 86-55, 86-56, 86-57 and 90-7 are hereby amended to provide as follows:

> Upon receiving and filing the report the Clerk of the Board shall fix a time, date and place for a hearing on the report, preceded by notice published pursuant to Section 6066 of the California Government Code and by posting the notice as provided by law.

SIXTH: The Clerk of the Board shall file certified copies of this resolution with both the Tax Roll Control Office of County of Santa Clara and with the Recorder of said County.

Establishing Land Use Categories, Confirming a Levy of Benefit Assessments to Meet Duly Authorized Debt Obligations for Fiscal Year 2018-2019 in Flood Control Zones of Santa Clara Valley Water District, in Accordance With Resolution Nos. 86-54, 86-55, 86-56, 86-57, and 90-7, and Authorizing a Procedure for Correcting Assessments

Resolution No. 18-25

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 8, 2018:

| | | |
|---|---|---|
| AYES: | Directors | L. LeZotte, T. Estremera, N. Hsueh, B. Keegan, G. Kremen, R. Santos |
| NOES: | Directors | None |
| ABSENT: | Directors | J. Varela |
| ABSTAIN: | Directors | None |

SANTA CLARA VALLEY WATER DISTRICT

RICHARD P. SANTOS
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk/Board of Directors

**BOARD OF DIRECTORS**
**SANTA CLARA VALLEY WATER DISTRICT**

**RESOLUTION NO. 18-** 26

**PROVIDING FOR LEVY OF THE SPECIAL TAX PURSUANT TO THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION MEASURE IN THE COMBINED FLOOD CONTROL ZONE OF THE SANTA CLARA VALLEY WATER DISTRICT AND AUTHORIZING A PROCEDURE FOR CORRECTING SPECIAL TAX AMOUNTS FOR FISCAL YEAR 2018-2019**

WHEREAS, the Santa Clara Valley Water District (District) owns property and builds, operates and maintains infrastructure in Santa Clara County to: ensure a safe, reliable water supply for the future; reduce toxins, hazards and contaminants, such as mercury and pharmaceuticals, in our waterways; protect our water supply and local dams from the impacts of earthquakes and natural disasters; restore fish, bird and wildlife habitat, and provide open space access; and provide flood protection to homes, business, schools, streets and highways; and

WHEREAS, over two-thirds of the electors voting in the Santa Clara County did favor a special tax measure in the November 6, 2012, General Election thereby approving the special tax specified in Resolution No. 12-62 for designated purposes.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of Santa Clara Valley Water District (Board) as follows:

FIRST: The Chief Executive Officer (CEO) of the District has directed a summary report to be prepared for fiscal year July 1, 2018, through June 30, 2019, that includes the proposed special tax rates for that year ("Report"), and presented that Report on May 8, 2018, as an attachment to an agenda memorandum with the subject "Safe, Clean Water and Natural Flood Protection Special Tax Summary Report and Resolution Setting the Special Tax Rates for Fiscal Year 2018-2019 (FY 2018-19)."

SECOND: A special tax is hereby levied on each parcel of real property in the Combined Zone consisting of the aggregate metes and bounds of District Zones One, Two, Three, Four, and Five as presently existing ("Combined Zone") for the purposes stated in the Report, and as authorized according to the minimums and methods described in this resolution. Except for the minimum special tax as hereinafter indicated, the special tax for each parcel of real property in the Combined Zone is computed by determining that parcel's area in acres or fractions thereof, its land use category (as hereinafter defined) and then multiplying the area by the special tax rate applicable to land in such land use category. A minimum special tax shall be levied on each parcel of real property having a land area up to: (i) 0.25 acre for Groups A, B, and C; and (ii) up to 10 acres for Groups D and E Urban. For Group E Rural, the minimum special tax shall be that as calculated for the E Urban category, but shall apply to parcels of 80 acres or less. A minimum special tax shall be levied in Group B per unit for condominiums and townhouses without regard to parcel size.

Providing for Levy of the Special Tax Pursuant to the Safe, Clean Water and Natural Flood Protection Measure in the Combined Flood Control Zone of the Santa Clara Valley Water District and Authorizing a Procedure for Correcting Special Tax Amounts for Fiscal Year 2018-2019

Resolution No. 18-26

THIRD: Special tax rates for land use categories for each parcel of land in the Combined Zone are defined and established as follows:

Group A: Land used for commercial or industrial purposes: $523.13 per acre, $130.77 minimum for parcels up to 0.25 acre.

Group B: Land used for institutional purposes such as churches and schools or multiple dwellings in excess of four units, including (1) apartment complexes, mobile home parks, and recreational vehicle parks: $392.35 per acre, $98.09 minimum for parcels up to 0.25 acre; and (2) condominiums and townhouses: $31.82 per unit.

Group C: Parcels up to 0.25 acre used for single family residences and multiple family units up to four units: $65.36. The first 0.25 acre of a parcel of land used for single family residential purposes: $65.36.

Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses and similar uses: $3.36 per acre, $33.52 minimum on parcels less than 10 acres. (2) The portion of a parcel, if any, in excess of 0.25 acre used for single family residential purposes: $3.36 per acre.

Group E: Vacant undisturbed land (1) in urban areas: $0.99 per acre, $9.88 minimum on parcels less than 10 acres; and (2) in rural areas: $0.13 per acre, with a $9.88 minimum.

Group F: Parcels used exclusively as well sites for residential uses are exempt from the special tax.

Parcels owned by federal, state, or local government agencies are exempt from this special tax.

FOURTH: The District will provide an exemption from the special tax for low income owner-occupied residential properties for taxpayer-owners 65 years of age or older as follows:

Residential parcels where the total annual household income does not exceed 75 percent of the latest available figure for state median income at the time the annual tax is set, and where such parcel is owned and occupied by at least one person who is aged 65 years or older, shall be exempt from the applicable special tax for fiscal year 2018-2019 upon requesting such exemption from the District prior to or during fiscal year 2018-2019. Granting similar exemptions for fiscal years beyond Fiscal Year 2018-2019 will be made at the discretion of the Board.

Providing for Levy of the Special Tax Pursuant to the Safe, Clean Water and Natural Flood Protection Measure in the Combined Flood Control Zone of the Santa Clara Valley Water District and Authorizing a Procedure for Correcting Special Tax Amounts for Fiscal Year 2018-2019

Resolution No. 18-26

FIFTH: Any special tax amount found to be in error and that results in an overstatement of tax to a property owner may be corrected by a check or checks drawn upon the Safe, Clean Water and Natural Flood Protection Fund upon approval by the District Chief Financial Officer and pursuant to procedures approved by the District's CEO and District Counsel.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 8, 2018.

| | | |
|---|---|---|
| AYES: | Directors | T. Estremera, L. LeZotte, N. Hsueh, B. Keegan, G. Kremen, R. Santos |
| NOES: | Directors | None |
| ABSENT: | Directors | J. Varela |
| ABSTAIN: | Directors | None |

SANTA CLARA VALLEY WATER DISTRICT

By: Richard P. Santos

RICHARD P. SANTOS
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

Michele L. King

Clerk/Board of Directors

**BOARD OF DIRECTORS**
**SANTA CLARA VALLEY WATER DISTRICT**

**RESOLUTION NO. 18-27**

**APPROVING FISCAL YEARS 2019–2023 FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM**

WHEREAS, the District has determined that it is in its best interest to prepare a Five-Year Capital Improvement Program (CIP) and to have it reviewed by the County of Santa Clara and cities do to having land use jurisdiction within Santa Clara County; and

WHEREAS, the Board of Directors of the Santa Clara Valley Water District was presented with a draft Fiscal Years (FY) 2019–2023 Five-Year CIP on February 27, 2018; and

WHEREAS, the draft CIP was transmitted to the cities and towns in Santa Clara County and to the County of Santa Clara for their review on February 29, 2018, and District staff conducted subsequent meetings regarding the Draft CIP with several of these agencies; and

WHEREAS, following a 60-day review period, all cities and the County have found that the District's FY 2019-23 Five -Year CIP is consistent with their General Plans; and

WHEREAS, on April 24, 26, 27, and May 8, 2018, the District conducted a public hearing for purposes of receiving input with regard to the draft FY 2019–23 Five-Year CIP, and considered the inclusion of appropriate comments as input to the FY 2019–23 Five-Year CIP.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District does hereby approve the FY 2019–23 Five-Year Capital Improvement Program.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 8, 2018:

AYES: Directors T. Estremera, N. Hsueh, B. Keegan, G. Kremen, L. LeZotte, R. Santos

NOES: Directors None

ABSENT: Directors J. Varela

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: Richard P. Santos
RICHARD P. SANTOS
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

Michele L. King
Clerk/Board of Directors

**BOARD OF DIRECTORS**
**SANTA CLARA VALLEY WATER DISTRICT**

**RESOLUTION NO. 18-28**

**DETERMINING GROUNDWATER PRODUCTION CHARGES**
**FOR FISCAL YEAR 2018-2019**

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (District) does find and declare as follows:

1. That pursuant to Section 26.5 of the Santa Clara Valley Water District Act ("District Act"), a written report detailing the District's activities in the protection and augmentation of the water supplies of the District, has been prepared including: a financial analysis of the District's water utility system, information as to the present and future water requirements of the District, the water supply available to the District, and future capital improvements and maintenance and operating requirements, a method of financing such requirements, a recommendation as to whether or not the groundwater production charge should continue to be levied in any zone or zones of the District during the ensuing fiscal year and, a proposal of a rate per acre-foot for agricultural water and a rate per acre-foot for all water other than agricultural water for Zones W2 and W5;

2. That on the 23rd day of February 2018, said report was duly delivered to the Clerk of the District Board;

3. That the Clerk, pursuant to Section 26.6 of the District Act, gave due notice of the receipt of the report and of a public hearing to be held commencing on the 10th day of April 2018, at the Santa Clara Valley Water District at the address and at the time stated;

4. That on February 23, 2018, written notice was mailed to all owners and operators of water-producing facilities within the District's boundaries, advising of the proposed groundwater production charge rates to be levied, and of the opportunities to be heard concerning such charges, including the right to file a written protest objecting to any applicable proposed increase;

5. That pursuant to Section 26.6 of the District Act, on the 10th day of April 2018, at 1 p.m. in the Santa Clara Valley Water District Boardroom located at 5700 Almaden Expressway, San Jose, a public hearing upon said report was duly commenced and was continued for further hearing to the evening of April 12, 2018 (in Gilroy) and again to the evening of April 24, 2018 (in San Jose), whereupon the hearing was concluded, more than 45 days after notice of the hearing was given;

6. That during said public hearing, additional information and evidence was provided that was considered by the Board in making its decision on groundwater production charges, and the public and all persons subject to groundwater production charges were invited to speak or present written comments at each session of the hearing;

7. The record owners of water producing facilities were given the opportunity to file a written protest objecting to the proposed groundwater production charge increase;

8. That the charges established by this resolution are for the purpose of paying the cost of constructing, maintaining and operating facilities to import water into the District, paying the cost of purchasing imported water, paying the cost of constructing, maintaining and operating facilities for groundwater recharge, surface distribution, and the purification and treatment of water, and paying the principal and interest of any bonded indebtedness or other financial obligations of the District incurred for those purposes;

9. That this Board considered all protests objecting to the proposed groundwater production charge increases for Zones W-2 and W-5, respectively, and after the close of the hearing determined that written protests were not received from more than 50 percent of the record owners of groundwater production facilities in either Zone W-2 or Zone W-5;

10. That this Board, based on the whole record before it, finds that the revenues derived from the groundwater production charges will not exceed the funds required to provide services to Zones W-2 and W-5, as authorized under the District Act, and that the amount levied does not and will not exceed the proportional cost of service; and

11. That CEQA does not apply to approval of these charges pursuant to the statutory exemption set forth in California Code of Regulations Title 14, Chapter 3, Section 15273 because, as identified in the District's annual report on the protection and augmentation of the water supplies of the District, the charges are expressly made for the purpose of:

    a. Meeting operating expenses, including employee wage rates and fringe benefits,

    b. Purchasing or leasing supplies, equipment or materials,

    c. Meeting financial reserve needs, and

    d. Obtaining funds for capital projects necessary to maintain service within existing service areas.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

**FIRST**: District activities in the geographic area identified as Zone W-2 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; and District activities in the geographic area of the District identified as Zone W-5 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone. Revenues derived from groundwater production charges shall be used only for such activities as authorized under the District Act.

**SECOND**: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2017-2018 groundwater production charges per acre-foot for agricultural water and water other than agricultural water should be extended and increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-2 of the District for fiscal year 2018-2019 (July 1, 2018–June 30, 2019) at the following per acre-foot rates:

| Water Other Than Agricultural | Agricultural Water |
|---|---|
| $1,289.00 | $27.02 |

**THIRD**: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal

Determining Groundwater Production Charges for Fiscal Year 2018-2019

Resolution No. 18-28

year 2017-2018 groundwater production charges per acre-foot for agricultural water and water other than agricultural water should be extended and increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-5 of the District for fiscal year 2018-2019 (July 1, 2018–June 30, 2019) at the following per acre-foot rates:

| Water Other Than Agricultural | Agricultural Water |
|---|---|
| $450.00 | $27.02 |

**FOURTH**: Notice of the setting of groundwater production charges in the identified rates shall be given as provided in Section 26.8 of the District Act.

**FIFTH**: The groundwater production charges set forth in this resolution shall be in effect until subsequent action of this Board modifying them.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 8, 2018:

AYES: Directors N. Hsueh, B. Keegan, T. Estremera, G. Kremen, L. LeZotte, R. Santos

NOES: Directors None

ABSENT: Directors J. Varela

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: Richard P. Santos

RICHARD P. SANTOS
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

Michele L. King

Clerk/Board of Directors

**BOARD OF DIRECTORS**
**SANTA CLARA VALLEY WATER DISTRICT**

**RESOLUTION NO. 18-29**

**DETERMINING SURFACE WATER, TREATED WATER, AND SOUTH COUNTY RECYCLED WATER CHARGES FOR FISCAL YEAR 2018-2019**

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (District) does find and declare as follows:

1. That pursuant to Section 26.5 of the Santa Clara Valley Water District Act ("District Act"), a written report detailing the District's activities in the protection and augmentation of the water supplies of the District, including a recommendation as to charges for surface water that should be imposed in any zones W-2 and W-5 of the District during the ensuing fiscal year; and

2. That on February 23, 2018, written notice was mailed to all owners and operators of water-producing facilities within the District's boundaries, advising of the proposed raw surface water charge rates to be levied, and of the opportunities to be heard concerning such charges, including the right to file a written protest objecting to any applicable proposed increase; and

3. That pursuant to Section 26.6 of the District Act, on the 10th day of April 2018, at 1 p.m. in the Santa Clara Valley Water District Boardroom located at 5700 Almaden Expressway, San Jose, a public hearing upon said report was duly commenced and was continued for further hearing to the evening of April 12, 2018 (in Gilroy) and again to the evening of April 24, 2018 (in San Jose), whereupon the hearing was concluded; and

4. That during said public hearing, additional information and evidence was provided that was considered by the Board in making this decision; and

5. That the charges established by this resolution are for the purpose of paying the cost of constructing, maintaining and operating facilities to import water into the District, paying the cost of purchasing imported water, paying the cost of constructing, maintaining and operating facilities for groundwater recharge, surface distribution, and the purification and treatment of water, and paying the principal and interest of any bonded indebtedness or other financial obligations of the District incurred for those purposes; and

6. The record owners of water producing facilities were given the opportunity to file a written protest objecting to the proposed raw surface water charge increase; and

7. That this Board considered all protests objecting to the proposed raw surface water charge increases for Zones W-2 and W-5, respectively, and after the close of the hearing determined that written protests were not received from more than 50 percent of the record owners of surface water facilities in either Zone W2 or Zone W5; and

8. That CEQA does not apply to approval of these charges pursuant to statutory exemption California Code of Regulations Title 14, Chapter 3, Section 15273 because, as identified in the District's annual report on the protection and augmentation of the water supplies of the District, the charges are expressly made for the purpose of:

Determining Surface Water, Treated Water, and South County Recycled Water Charges for Fiscal Year 2018-2019

Resolution No. 18-29

a. Meeting operating expenses, including employee wage rates and fringe benefits,

b. Purchasing or leasing supplies, equipment or materials,

c. Meeting financial reserve needs, and

d. Obtaining funds for capital projects necessary to maintain service within existing service areas.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of Santa Clara Valley Water District that, subject to the provisions of a minimum charge as set forth in Item 5 below, the charges to be applied in fiscal year 2018-2019 (July 1, 2018–June 30, 2019) for surface-delivered water of the District, for District watermaster service and, where applicable for capital cost repayment, and the area within which such charges shall be applied will be as follows:

1. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-2 is:

| Water Other Than Agricultural | Agricultural Water |
|---|---|
| $1,289.00 | $27.02 |

2. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-5 is:

| Water Other Than Agricultural | Agricultural Water |
|---|---|
| $450.00 | $27.02 |

3. The charge for watermaster service throughout the District whether such service is for agricultural water or for water other than agricultural water shall be $35.93 per acre-foot.

4. The minimum charge for water other than agricultural water in Zone W-2 shall be $966.75 per fiscal year or part thereof, and in Zone W-5 shall be $337.50 per fiscal year or part thereof; and

5. The minimum charge for agricultural water in Zone W-2 shall be $20.27 per fiscal year or part thereof, and in Zone W-5 shall be $20.27 per fiscal year or part thereof; and

6. Charges (including minimum charges) per acre-foot for surface water delivered to users in the District outside of either Zone W-2 or Zone W-5 shall be the same as those imposed within the zone to which the user's turnout is most nearly located.

Determining Surface Water, Treated Water, and South County Recycled Water Charges for Fiscal Year 2018-2019

Resolution No. 18-29

BE IT FURTHER RESOLVED that upon due review of anticipated costs and revenues of the District, the following rate schedule in dollars per acre-foot for the delivery of treated water is hereby established as the Contract Treated Water Charge, which is comprised of the Basic User Charge and the Treated Water Surcharge for the 2018-2019 fiscal year (July 1, 2018–June 30, 2019):

| Charge | Amount |
|---|---|
| Basic User Charge | $1,289.00 |
| Treated Water Surcharge | $ 100.00 |
| Contract Treated Water Charge | $1,389.00 |

BE IT FURTHER RESOLVED that the price to be charged per acre-foot for recycled water from the South County Regional Wastewater Authority Facility at Gilroy shall be the following for the 2018-2019 fiscal year (July 1, 2018–June 30, 2019):

| Water Other Than Agricultural | Agricultural Water |
|---|---|
| $430.00 | $54.41 |

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 8, 2018.

AYES: Directors N. Hsueh, B. Keegan, T. Estremera, G. Kremen, L. LeZotte R. Santos

NOES: Directors None

ABSENT: Directors J. Varela

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: Richard P. Santos

RICHARD P. SANTOS
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

Michele L. King

Clerk/Board of Directors

**BOARD OF DIRECTORS**
**SANTA CLARA VALLEY WATER DISTRICT**

**RESOLUTION NO. 18-30**

**APPROVING AND ADOPTING THE OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2018–19**

WHEREAS, on April 26, 2018, the Board of Directors of the Santa Clara Valley Water District (District) held its annual budget work study sessions to review and consider the Proposed Operating and Capital Budget (Budget) for Fiscal Year (FY) 2018–19; and

WHEREAS, such budget work study sessions were open to the general public to appear and be heard regarding any item of the proposed budget or for the inclusion of additional items; and

WHEREAS, Section 20 of the District Act requires that after conclusion of the public meeting(s) to hear general public comments on the proposed budget, the Board shall by resolution adopt the budget as finally determined including any revisions that the Board determines advisable during or after the meeting(s) and not later than June 30 of each year; and

WHEREAS, the Budget for FY 2018–19 was developed in accordance with the Board's Executive Limitations EL-4 that the District's financial planning for any fiscal year shall be aligned with the Board's Ends, not risk fiscal jeopardy, and be derived from a multi-year plan; and

WHEREAS, the Board was provided a comprehensive overview of the budget development process and assumptions, a District-wide financial review and a presentation of fund and business area financial allocations in the Proposed Budget for FY 2018–19; and

WHEREAS, the Board of Directors has previously created the following Special Purpose Funds (as such term is defined in Resolution 16-10, adopted on February 23, 2016) : San Felipe Emergency Reserve, Silicon Valley Advanced Water Purification Center Reserve, Supplemental Water Supply Reserve, and Drought Reserve; and

WHEREAS, the Board was provided assurance that the Proposed Budget for FY 2018–19 meets Board priorities, realizes efficiencies and cost savings, demonstrates fiscal accountability and value to customers, is balanced and ensures future financial sustainability.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that the Budget for FY 2018–19, plus any changes or modifications made at the time of adoption, and including the terms of this Resolution, is hereby approved and adopted; and

BE IT FURTHER RESOLVED that the total appropriations approved by the Board of Directors, which include all operating and capital outlays, interfund transfers, and budgeted reserves, are limited within each fund as follows (plus any changes or modifications made at the time of adoption):

Approving and Adopting the Operating and Capital Budget for Fiscal Year 2018-19
Resolution No. 18-30

| | | |
|---|---|---|
| 1. | District General Fund (11) | $ 73,857,360 |
| 2. | Watershed and Stream Stewardship Fund (12) | $ 170,927,005 |
| 3. | Lower Peninsula Watershed Fund (21) | $ 4,039,000 |
| 4. | West Valley Watershed Fund (22) | $ 2,255,000 |
| 5. | Guadalupe Watershed (23) | $ 4,552,000 |
| 6. | Coyote Watershed Fund (24) | $ 3,932,000 |
| 7. | Clean, Safe Creeks and Natural Flood Protection Fund (26) | $ 199,764,929 |
| 8. | Water Enterprise Fund (61) | $ 409,828,090 |
| 9. | State Water Project Fund (63) | $ 25,620,109 |
| 10. | Fleet Management Fund (71) | $ 7,285,490 |
| 11. | Risk Insurance Fund (72) | $ 18,045,938 |
| 12. | Information Technology Fund (73) | $ 21,917,871 |

BE IT FURTHER RESOLVED, that:

1. Any subsequent changes to the Adopted Santa Clara Valley Water District FY 2018–19 Operating and Capital Budget shall occur as follows:

   (a) By District Board of Directors action for all budget adjustments that either increase or decrease a fund's total operating, capital, or operating transfer budget or reserve appropriations.

   (b) By District Board of Directors action for all budget adjustments between capital projects within a fund that exceed $100,000 per project within the fiscal year.

   (c) Delegation of authority is hereby conferred to the Chief Executive Officer (CEO), or his/her designee to approve budget transfers from the Supplemental Water Supply Reserve for amounts not to exceed 20% of the annual imported water purchases budget. The CEO shall inform the Board of any such budget transfers on a timely basis.

   (d) By the Chief Executive Officer (CEO), or his/her designee, for all other changes.

2. With the exception of those capital projects that have been closed or those related to capital program management and administrative services, any unexpended or unencumbered appropriation balances remaining at the end of FY 2017–18 for capital projects are hereby reappropriated to FY 2018–19 for continued use in those same projects, up to $100,000 above the planned expenditure amounts for each project identified in the draft Five-Year CIP for FY 2018–19. The portion of the balances that are not reappropriated to FY 2018–19 will remain as designated reserves for Current Authorized Projects to be reappropriated in future years in accordance with the Five-Year CIP expenditure schedule.

3. Any variances at the end of FY 2017–18 in Committed Reserves, Restricted Reserves and Other Reserves from those estimated in this FY 2018–19 Budget not otherwise reappropriated above shall result in corresponding adjustments to the FY 2018–19 estimated reserve appropriations in accordance with District Reserve Policy. These adjustments shall be made in the following order:

Approving and Adopting the Operating and Capital Budget for Fiscal Year 2018-19
Resolution No. 18- 30

(a) First, to restore Restricted Reserves.

(b) Second, to restore Risk Fund Commited Reserves.

(c) Third, to restore other Committed Reserves excluding Operating and Capital Reserves.

(d) Fourth, to restore Operating and Capital Reserves.

4. If at the commencement of FY 2018–19, the appropriations applicable to that year have not been finally determined and adopted by the Board of Directors in accordance with the District Act, the District shall proceed in accordance with the following authorizations:

(a) Except as otherwise provided in Section 4(b), the amounts set forth in the proposed budget for operating outlays, including existing debt service requirements, and capital outlays and the purposes therein specified, except funding for fixed assets, and residual equity transfers, are deemed appropriated until the final adoption of the budget by the Board of Directors.

(b) Funding for fixed assets and residual equity transfers are deemed appropriated until the adoption for the final budget if specifically approved by the Board of Directors.

5. BE IT FURTHER RESOLVED that an additional Special Purpose Fund named the "Public-Private Partnership (P3) Special Purpose Reserve" is hereby approved and $4 million is allocated to such Special Purpose Fund.

AYES: Directors T. Estremera, N. Hsueh, B. Keegan, G. Kremen, L. LeZotte, R. Santos

NOES: Directors None

ABSENT: Directors J. Varela

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: Richard P. Santos
RICHARD P. SANTOS
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

Michele L. King
Clerk/Board of Directors

**BOARD OF DIRECTORS**
**SANTA CLARA VALLEY WATER DISTRICT**

**RESOLUTION NO. 18-** 31

**PROVIDING FOR A LEVY OF AD VALOREM REAL PROPERTY TAXES IN FISCAL YEAR 2018–19 TO MEET THE COST OF ITS WATER SUPPLY CONTRACT WITH THE STATE OF CALIFORNIA**

WHEREAS, the Santa Clara Valley Water District (District) incurs an annual indebtedness to the State of California (State) pursuant to its Water Supply Contract With The State Of California dated November 20, 1961 (State Water Supply Contract), and such indebtedness was approved by the voters prior to July 1, 1978 within the meaning of Article XIIIA of the California Constitution; and

WHEREAS, the District anticipates that its contractual indebtedness to the State under the State Water Supply Contract during the fiscal year beginning July 1, 2018 and ending June 30, 2019 (Fiscal Year 2018–19), will be at least $18 million; and

WHEREAS, Section 11652 of the California Water Code requires the District Board of Directors (Board) to levy a tax sufficient to assure payment of sums due under the District's Water Supply Contract; and

WHEREAS, Section 1(b) of Article XIIIA of the California Constitution exempts ad valorem property tax levies to make payments upon indebtedness approved by the voters prior to July 1, 1978, from the limitation set forth in Section 1(a) of Article XIIIA; and

WHEREAS, the District's indebtedness from its Water Supply Contract falls within such exemption; and

WHEREAS, the District's Water Supply Contract is protected against impairment under the provisions of Article I, Section 10 of the Constitution of the United States and Article I, Section 9 of the California Constitution prohibiting the impairment of the obligation of contracts; and

WHEREAS, the Board, after reviewing and considering all the facts, information and reports provided by District staff, and information communicated to the Board during public meetings in which the District's Fiscal Year 2018–19 budget and proposed increase of rates and charges were considered, has determined that it is necessary to raise the amounts hereinafter specified as an ad valorem real property tax, and that it is not practicable to raise said sums from water rates or other sources; and

WHEREAS, said ad valorem real property tax is consistent with the District's past practice and is consistent with (Goodman v. County of Riverside (1983) 140 C.A. 3d quo), the approach of other water districts and agencies that maintain water supply contracts with the State.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

1. That said Board has determined that the amounts necessary to be raised by taxation during the District's Fiscal Year 2018-19 to pay indebtedness approved by the voters prior to July 1, 1978, and/or for which a tax levy is required under Article I, Section 10 of

Providing for a Levy of Ad Valorem Real Property Taxes in District Fiscal Year 2018–19 to Meet the Cost of its Water Supply Contract With the State of California

Resolution No. 18-31

the United States Constitution and Article I, Section 9 of the California Constitution is $18 million for payments on the District's State Water Supply Contract dated November 20, 1961.

2. That consistent with the requirements of law and specifically within the limitations imposed by Article XIIIA of the Constitution of the State of California there shall be levied in Fiscal Year 2018–19 an ad valorem real property tax within the District, sufficient to raise the sum of $18 million to meet that portion of the District's Water Supply Contract obligation which may be lawfully so raised.

3. That the funds received by the District pursuant to the aforementioned ad valorem tax levy shall be placed in a separate fund indentified for the indebteness set forth above.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 8, 2018.

| | | |
|---|---|---|
| AYES: | Directors | T. Estremera, N. Hsueh, B. Keegan, G. Kremen, L. LeZotte R. Santos |
| NOES: | Directors | None |
| ABSENT: | Directors | J. Varela |
| ABSTAIN: | Directors | None |

SANTA CLARA VALLEY WATER DISTRICT

By: Richard P. Santos
RICHARD P. SANTOS
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

Michele L. King
Clerk/Board of Directors

**BOARD OF DIRECTORS**
**SANTA CLARA VALLEY WATER DISTRICT**

**RESOLUTION NO. 18-35**

**DELEGATING AUTHORITY TO DEPOSIT AND INVEST FUNDS TO THE TREASURER OR HIS OR HER DESIGNEE**

WHEREAS, the Board of Directors (Board) of the Santa Clara Valley Water District (District), in accordance with Executive Limitation 4.9, believes that public funds should be prudently invested or deposited consistent with applicable laws and the policies of the Board to produce revenue for the District; and

WHEREAS, from time to time, there are District funds available for the purpose of investment or deposit; and

WHEREAS, the Board of this District has, pursuant to the provisions of California Government Code Sections 53607 and 53608, determined to delegate to the Treasurer/Chief Financial Officer (CFO), designated by the Chief Executive Officer (CEO), authority to invest or deposit such funds in accordance with the provisions of the Government Code; and

WHEREAS, it will be more convenient in the handling of said bonds or other securities so purchased that they be kept in safekeeping by said banks while they are the property of this District.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that the Treasurer/Chief Financial Officer, designated by the CEO, pursuant to California Government Code Sections 53607 and 53608, is hereby authorized to invest, deposit, or deposit for safekeeping, as far as possible, all money belonging to, or in the custody of, the District pursuant to the Title 5, Division 2, Part 1, Chapter 4, Articles 1 and 2 of the Government Code, as amended from time to time and as directed by the policies of the Board.

BE IT FURTHER RESOLVED that the Treasurer and his or her designee (the Treasury/Debt Officer) be and are hereby authorized to invest in permissible investments, or to deposit in interest-bearing accounts with authorized financial institutions, funds in a sinking fund or funds of this District from any of the various accounts of this District when such funds will not be needed for the immediate necessities of the District.

BE IT FURTHER RESOLVED that the resolution shall be effective for fiscal year 2018-19, and shall be reconsidered by the Board at a public meeting annually.

Delegating Authority to Deposit and Invest Funds to the Treasurer or His or Her Designee
Resolution No. 18-35

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 8, 2018:

AYES: Directors L. LeZotte, T. Estremera, N. Hsueh, B. Keegan, G. Kremen, R. Santos

NOES: Directors None

ABSENT: Directors J. Varela

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: Richard P. Santos
RICHARD P. SANTOS
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

Michele L. King
Clerk/Board of Directors

**BOARD OF DIRECTORS**
**SANTA CLARA VALLEY WATER DISTRICT**

**RESOLUTION NO. 18-36**

**INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS**

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (the "Issuer") desires to finance the costs of acquiring certain public facilities and improvements, as provided in Exhibit A attached hereto and incorporated herein (the "Project"); and

WHEREAS, the Issuer intends to finance the acquisition of the Project or portions of the Project with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"); and

WHEREAS, prior to the issuance of the Obligations the Issuer desires to incur certain expenditures with respect to the Project from available monies of the Issuer which expenditures are desired to be reimbursed by the Issuer from a portion of the proceeds of the sale of the Obligations.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District:

**Section 1**. The Issuer hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations. Exhibit A describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

**Section 2**. The reasonably expected maximum principal amount of the Obligations is $37,201,072.

**Section 3**. This resolution is being adopted no later than 60 days subsequent to the first date (each day of expenditure referred to herein as the "Expenditures Date or Dates") that the Issuer will expend monies for the portion of the Project costs to be reimbursed from proceeds of the Obligations.

**Section 4**. Except as described below, the expected date of issue of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, the reimbursement may not be made more than three years after the original expenditure is paid. For Obligations subject to the small issuer exception of Section 148(f)(4)(D) of the Internal Revenue Code, the "eighteen-month limit" of the previous sentence is changed to "three years" and the limitation of the previous sentence beginning with "; provided, . . . ." is not applicable.

**Section 5**. Proceeds of the Obligations to be used to reimburse for Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the Issuer [other than the Obligations]) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the Issuer or any entity related in any manner to the Issuer, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

**Section 6**. This resolution is consistent with the budgetary and financial circumstances of the Issuer, as of the date hereof. No monies from sources other than the Obligation issue are, or

Regarding Intention to Issue Tax-Exempt Obligations

Resolution No. 18-36

are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the Issuer (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board of Directors is not aware of the previous adoption of official intents by the Issuer that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

**Section 7**. The limitations described in Section 3 and Section 4 do not apply to (a) costs of issuance of the Obligations, (b) an amount not in excess of the lesser of $100,000 or five percent (5%) of the proceeds of the Obligations, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

**Section 8**. This resolution is adopted as official action of the Issuer in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Issuer expenditures incurred prior to the date of issue of the Obligations, is part of the Issuer's official proceedings, and will be available for inspection by the general public at the main administrative office of the Issuer.

**Section 9**. All the recitals in this Resolution are true and correct and this Board of Directors so finds, determines and represents.

**Section 10**. This resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 8, 2018:

| | | |
|---|---|---|
| AYES: | Directors | N. Hsueh, L.LeZotte, T. Estremera, B. Keegan, G. Kremen R. Santos |
| NOES: | Directors | None |
| ABSENT: | Directors | J. Varela |
| ABSTAIN: | Directors | None |

SANTA CLARA VALLEY WATER DISTRICT

By: Richard P. Santos

RICHARD P. SANTOS
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

Michele L. King

Clerk/Board of Directors

**BOARD OF DIRECTORS**
**SANTA CLARA VALLEY WATER DISTRICT**

**RESOLUTION NO. 18-37**

**AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE AND A TAXABLE TAX AND REVENUE ANTICIPATION NOTE TO SUPPORT A COMMERCIAL PAPER PROGRAM IN A COMBINED AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $225 MILLION**

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (the "District"), a flood control and water district duly organized and existing under and pursuant to the Constitution and laws of the State of California (the "State"), has previously undertaken a commercial paper program; and

WHEREAS, in order to continue the commercial paper program, the District has determined to issue in fiscal year 2018-2019 tax-exempt tax and revenue anticipation notes (the "Tax-Exempt Notes") and taxable tax and revenue anticipation notes (the "Taxable Notes," and together with the Tax-Exempt Notes, the "Notes") in a combined aggregate principal amount not to exceed $325,000,000 pursuant to Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code on the terms set forth herein.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District:

**SECTION 1. DEFINITIONS**

Unless the context otherwise requires, the terms defined in this Section have the meanings herein specified.

"Authorizing Law" means Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the California Government Code.

"Bonds" means all revenue bonds or notes of the District authorized, executed, issued and delivered by the District, which are secured by a pledge of and lien on the Water Utility System Revenues in accordance with Section 2.1 and are payable from Net Water Utility System Revenues in accordance with Section 2.2(b) of the Master Resolution.

"Chief Executive Officer" means the duly appointed Interim Chief Executive Officer of the District.

"Chief Financial Officer" means the duly appointed Chief Financial Officer of the District.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder.

Authorizing the Execution and Delivery of a Tax-Exempt Tax and Revenue Anticipation Note and a Taxable Tax and Revenue Anticipation Note to Support a Commercial Paper Program in a Combined Aggregate Principal Amount Not to Exceed $225 Million

Resolution No. 18- 37

"Contract" means all installment purchase agreements or other contracts of the District authorized and executed by the District, which are secured by a pledge and lien on the Water Utility System Revenues in accordance with Section 2.1 and are payable from Net Water Utility System Revenues in accordance with Section 2.2(b) of the Master Resolution.

"District" means the Santa Clara Valley Water District.

"Master Resolution" means the Water Utility Parity System Master Resolution No. 16-10 adopted by the Board of Directors of the Santa Clara Valley Water District on February 23, 2016.

"Net Water Utility System Revenues" has the meaning set forth in the Master Resolution.

"Notes" means the Tax-Exempt Notes and the Taxable Notes.

"Regulations" means the income tax regulations promulgated or proposed by the Department of the Treasury pursuant to the Code from time to time, including temporary regulations, to the extent applicable.

"Tax-Exempt Notes" means the Santa Clara Valley Water District 2018-2019 Tax-Exempt Tax and Revenue Anticipation Notes to be issued hereunder.

"Taxable Notes" means the Santa Clara Valley Water District 2018-2019 Taxable Tax and Revenue Anticipation Notes to be issued hereunder.

**SECTION 2. ISSUANCE OF THE NOTES; AMOUNT; TERMS; INTEREST RATE; PLACE OF PAYMENT; USE OF PROCEEDS**

Pursuant to the Authorizing Law, the Tax-Exempt Notes and the Taxable Notes shall be issued in a combined aggregate principal amount not to exceed $325,000,000, which when added to the interest payable thereon, will not exceed 85 percent of the estimated amount of the then uncollected taxes, income, revenue, cash receipts, and other moneys of the District which will be available for the payment therefor. A certificate of the Chief Executive Officer or Chief Financial Officer certifying to such effect, in the form attached hereto as "Exhibit B", shall be completed on or prior and as a condition to, the delivery of the Notes. The Tax-Exempt Notes shall be designated "Santa Clara Valley Water District 2018-2019 Tax-Exempt Tax and Revenue Anticipation Notes" and the Taxable Notes shall be designated "Santa Clara Valley Water District 2018-2019 Taxable Tax and Revenue Anticipation Notes". The Notes shall be dated the date of issuance thereof. The Notes shall be payable at the office of the District at such times and in such amounts as set forth in the respective Notes. The Notes shall mature and be payable no later than October 1, 2019. The Notes shall bear a rate of interest which shall be determined on the date of issuance of the commercial paper notes or other short term obligations to which

Authorizing the Execution and Delivery of a Tax-Exempt Tax and Revenue Anticipation Note and a Taxable Tax and Revenue Anticipation Note to Support a Commercial Paper Program in a Combined Aggregate Principal Amount Not to Exceed $225 Million

Resolution No. 18- 37

such Notes are pledged and shall be a rate which when multiplied by the principal amount of such Notes outstanding on such day will be equal to the interest accruing with respect to the commercial paper or other short-term obligations to which such Notes are pledged outstanding on such date and shall be payable in accordance with the terms thereof. Each Note shall be prepayable in whole or in part on any day on which the commercial paper or other short-term obligations to which such Note is pledged is due and payable in the event that the District declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of the Notes will be used for any District purpose, including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of the District.

**SECTION 3. EXECUTION OF THE NOTES**

The Chief Executive Officer and Chief Financial Officer are hereby authorized and directed to sign the Notes, by such officer's manual, printed, lithographed or facsimile signatures.

**SECTION 4. FORM OF THE NOTES**

The Notes shall be issued in substantially the form set forth in "Exhibit A" attached hereto and incorporated herein and may be issued in typewritten form.

**SECTION 5. PAYABLE FROM NET WATER UTILITY SYSTEM REVENUES**

The obligation of the District to make payments of principal of and interest on the Notes is a general obligation of the District. The District hereby pledges Net Water Utility System Revenues of the District on a subordinate basis to all payment of Bonds and Contracts of the District to additionally secure the payment of the principal of and interest on the Notes, all in accordance with the Master Resolution. The Notes do not constitute a debt of the District or the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

**SECTION 6. CERTIFIED COPIES**

The District Clerk of the Board shall provide a certified copy of this document to the Chief Executive Officer who shall take such action as shall be necessary to assure compliance by the District with the terms and conditions hereof.

**SECTION 7. EFFECTIVE DATE**

This resolution shall take effect immediately.

Authorizing the Execution and Delivery of a Tax-Exempt Tax and Revenue Anticipation Note and a Taxable Tax and Revenue Anticipation Note to Support a Commercial Paper Program in a Combined Aggregate Principal Amount Not to Exceed $225 Million

Resolution No. 18- 37

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 8, 2018:

| | | |
|---|---|---|
| AYES: | Directors | T. Estremera, N. Hsueh, B. Keegan, G. Kremen, L. LeZotte, R. Santos |
| NOES: | Directors | None |
| ABSENT: | Directors | J. Varela |
| ABSTAIN: | Directors | None |

SANTA CLARA VALLEY WATER DISTRICT

By: Richard P. Santos
RICHARD P. SANTOS
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

Michele L. King
Clerk/Board of Directors

**EXHIBIT A**

**SANTA CLARA VALLEY WATER DISTRICT**
**2018-2019 TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE**

FOR VALUE RECEIVED, the Santa Clara Valley Water District acknowledges itself indebted to and promises to pay to Santa Clara Valley Water District Public Facilities Financing Corporation $190,000,000 in lawful money of the United States of America, on October 1, 2019, together with interest thereon at the offices of the District in like lawful money from the date hereof until payment in full of said principal sum. Interest on the Note shall be determined on a daily basis and shall be a rate which when multiplied by the principal amount of the Note outstanding on such day will be equal to the interest accruing with respect to the commercial paper or other short-term obligations to which the Note is pledged outstanding on such day. Interest on the Note shall be payable on any date on which interest is payable with respect to the commercial paper or other short-term obligations to which the Note is pledged. The Note shall be prepayable in whole or in part on any day on which the Corporation notifies the District that the principal with respect to the commercial paper or other short-term obligations to which the Note is pledged is due and payable in the event that the District declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of the Note will be used for any District purpose, including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of the District.

It is hereby certified, recited and declared that this Note is issued by authority of Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the District, does not exceed any limit prescribed by the Constitution or laws of the State.

The Note shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the District for fiscal year 2018-2019 and which are lawfully available for the payment of current expenses and other obligations of the District. The obligation of the District to make payments of principal of and interest on the Note is a general obligation of the District and is additionally payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts (as such terms are defined in the Resolution). The Note does not constitute a debt of the District or of the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

IN WITNESS WHEREOF, the Santa Clara Valley Water District has caused this Note to be executed by the manual or facsimile signature of its Chief Executive Officer or Chief Financial Officer and the General Counsel or the General Counsel's designee, all as of July 1, 2018.

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Norma J. Camacho
Chief Executive Officer

APPROVED AS TO FORM:

By: _____
Stanly Yamamoto
District Counsel

**SANTA CLARA VALLEY WATER DISTRICT**
**2018-2019 TAXABLE TAX AND REVENUE ANTICIPATION NOTE**

FOR VALUE RECEIVED, the Santa Clara Valley Water District acknowledges itself indebted to and promises to pay to Santa Clara Valley Water District Public Facilities Financing Corporation $135,000,000 in lawful money of the United States of America, on October 1, 2019, together with interest thereon at the offices of the District in like lawful money from the date hereof until payment in full of said principal sum. Interest on the Note shall be determined on a daily basis and shall be a rate which when multiplied by the principal amount of the Note outstanding on such day will be equal to the interest accruing with respect to the commercial paper or other short-term obligations to which the Note is pledged outstanding on such day. Interest on the Note shall be payable on any date on which interest is payable with respect to the commercial paper or other short-term obligations to which the Note is pledged. The Note shall be prepayable in whole or in part on any day on which the Corporation notifies the District that the principal with respect to the commercial paper or other short-term obligations to which the Note is pledged is due and payable in the event that the District declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of the Note will be used for any District purpose, including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of the District.

It is hereby certified, recited and declared that this Note is issued by authority of Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the District, does not exceed any limit prescribed by the Constitution or laws of the State.

The Note shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the District for fiscal year 2018-2019 and which are lawfully available for the payment of current expenses and other obligations of the District. The obligation of the District to make payments of principal of and interest on the Note is a general obligation of the District and is additionally payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts (as such terms are defined in the Resolution). The Note does not constitute a debt of the District or of the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

IN WITNESS WHEREOF, the Santa Clara Valley Water District has caused this Note to be executed by the manual or facsimile signature of its Chief Executive Officer or Chief Financial Officer, and the General Counsel or the General Counsel's designee, all as of July 1, 2018.

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Norma J. Camacho
Chief Executive Officer

APPROVED AS TO FORM:

By: _____
Stanly Yamamoto
District Counsel

**EXHIBIT B**

**$225,000,000**
**SANTA CLARA VALLEY WATER DISTRICT**
**2018-2019 TAX AND REVENUE ANTICIPATION NOTES**
**CALCULATION OF 85% AMOUNT**

Pursuant to the Authorizing Law, the Tax-Exempt Notes and the Taxable Notes shall be issued in a combined aggregate principal amount not to exceed $330,000,000, which when added to the interest payable thereon, will not exceed 85 percent of the estimated amount of the then uncollected taxes, income, revenue, cash receipts, and other moneys of the District, as determined by the following calculation:

| | |
|---|---|
| FY 2018-19 District-wide Estimated Uncollected Taxes, Income, Revenue, Cash Receipts and Other Money[1] (A) | $448,028,326 |
| FY 2018-19 Tax and Revenue Anticipation Notes: | |
| Principal amount of the Notes[2] | 325,000,000 |
| Interest on the Notes[3] | 49,616,667 |
| Total (B) | 374,616,667 |
| Percentage (B)/(A) | 83.61% |

Dated: July 1, 2018

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Darin Taylor
Chief Financial Officer

[1] *Source: FY 2018-19 Proposed Budget*
[2] *Up to $190 million in Tax-Exempt Notes and $135 million of Taxable Notes may be issued to support a Commercial Paper Program in a combined aggregate principal amount not to exceed $225 Million*
[3] *Assumes maximum interest rate of 12% calculated based on actual/360-day basis*

**BOARD OF DIRECTORS**
**SANTA CLARA VALLEY WATER DISTRICT**

**RESOLUTION NO. 18-** 38

**INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS**

WHEREAS, the Santa Clara Valley Water District (the "District") is a flood control and water district duly organized and existing under and pursuant to the Constitution and laws of the State of California; and

WHEREAS, the Board of Directors of the District intends to finance the costs of acquiring certain public facilities and improvements, as provided in Exhibit A attached hereto and incorporated herein (collectively, the "Project"); and

WHEREAS, the District expects to finance the acquisition of the Project or portions of the Project with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"); and

WHEREAS, prior to the execution and delivery of the Obligations, the District desires to incur certain expenditures with respect to the Project from available monies of the District, which expenditures are desired to be reimbursed by the District from a portion of the proceeds of the sale of the Obligations.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District does hereby finds, determines, declares, and resolves as follows:

1. The District hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the execution and delivery of the Obligations with proceeds of the Obligations. Exhibit A describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

2. The reasonably expected maximum principal amount of the Obligations is $124,543,818.

3. This resolution is being adopted on or prior to the date (the "Expenditure Date or Dates") that the District will expend monies for the portion of the Project costs to be reimbursed from proceeds of the Obligations.

4. Except as described below, the expected date of execution and delivery of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, however, that the reimbursement may not be made more than three years after the original expenditure is paid.

5. Proceeds of the Obligations to be used to reimburse for Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the District [other than the Obligations]) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the District or any entity related in any manner to the District, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

6. This resolution is consistent with the budgetary and financial circumstances of the District as of the date hereof. No monies from sources other than the Obligation issue

Intention to Issue Tax-Exempt Obligations

Resolution No. 18-38

are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the District (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board of Directors is not aware of the previous adoption of official intents by the District that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

7. The limitations described in Section 3 and Section 4 of this Resolution do not apply to: (a) costs of issuance with respect to the Obligations; (b) an amount not in excess of the lesser of $100,000 or five percent (5%) of the proceeds of the Obligations; or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

8. This resolution is adopted as official action of the District in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of District expenditures incurred prior to the date of execution and delivery of the Obligations, is part of the District's official proceedings, and will be available for inspection by the general public at the main administrative office of the District.

9. All the recitals in this Resolution are true and correct and this Board of Directors so finds, determines and represents.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 8, 2018:

AYES: Directors T. Estremera, N. Hsueh, B. Keegan, G. Kremen, L. LeZotte, R. Santos

NOES: Directors None

ABSENT: Directors J. Varela

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: Richard P. Santos
RICHARD P. SANTOS
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

Michele L King
Clerk/Board of Directors

**BOARD OF DIRECTORS**
**SANTA CLARA VALLEY WATER DISTRICT**

**RESOLUTION NO. 18- 45**

**ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2018-19**

WHEREAS, Article XIII B of the California Constitution and Government Code Sections 7901-7914 provide that the State and each local agency shall be subject to an annual Appropriations Limit as defined therein; and

WHEREAS, Article XIII B Section 8(e)(2) requires each local government entity to select its methodology annually by a recorded vote of the governing body; and

WHEREAS, the District has selected the percentage change in California per capita personal income as the factor to be used in the calculation of the Appropriations Limit; and

WHEREAS, the District has prepared the applicable documentation as intended by Article XIII B of the California Constitution, and such documents pursuant to Government Code Section 7910(a) were made available fifteen (15) days prior to adoption for public review in the Office of the Clerk of the Board during regular business hours.

NOW, THEREFORE BE IT RESOLVED that the Appropriations Limit for Fiscal Year 2018-19 is hereby established at $153,750,158 by applying the percentage change in California per capita personal income of 3.67 percent and, the Santa Clara County population percentage change over prior year of 0.99 percent as shown on Exhibit A. This limit may be adjusted at a later date in accordance with Sections 3 and 11 of Article XIII B of the California Constitution.

BE IT FURTHER RESOLVED that any judicial action or proceeding to attack, review, set aside, void, or annul the Fiscal Year 2018-19 Appropriations Limit established by this resolution shall be commenced within forty-five (45) days from the date of this resolution in accordance with Section 7910(b) of the Government Code.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on June 26, 2018:

AYES: Directors N. Hsueh, G. Kremen, T. Estremera, B. Keegan, L. LeZotte, J. Varela, R. Santos

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: Richard P. Santos
RICHARD P. SANTOS
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

Michele L. King
Clerk/Board of Directors

**EXHIBIT A**

**Santa Clara Valley Water District**
**Fiscal Year 2018-19**
**Appropriations Limit on the Proceeds of Taxes ***

| | FY 2017-18 Appropriations Limit | Ratio of Change | FY 2018-19** Appropriations Limit | FY 2018-19 Budgeted Proceeds of Taxes | Amount Under/(Over) Limit |
|---|---|---|---|---|---|
| **Watershed & Stream Stewardship** | **$146,848,288** | **1.0470** | **$153,750,158** | **$30,239,496** | **$123,510,662** |

Article XIII B of the California Constitution specifies that local jurisdictions may select either the percentage change in California per capita personal Income or the percentage change in the local assessment roll due to the addition of local non-residential new construction. The percentage change in the California per capita personal income has been selected by the District and is 3.67%.

The population percentage change minus exclusions as reported by the State Department of Finance and prepared pursuant to Government Code Section 7901 (b) is calculated for Santa Clara County for the period from January 1, 2017 to January 1, 2018 to be used in setting the Appropriations Limit for Fiscal Year 2018-19. That change is 0.99%.

| | | | |
|---|---|---|---|
| Per Capita Personal Income: | 3.67% | converted to a factor | = 1.0367 |
| Population: (Santa Clara County) | 0.99% | converted to a factor | = 1.0099 |
| | Ratio of Change: | (1.0367 x 1.0099) | = 1.0470 |

*Other watershed funds, Lower Peninsula and West Valley, and the Water Enterprise Fund were exempt from the Appropriations Limit under Article XIII B because they did not meet the criteria.

**Commencing with the FY 2009-10 Adopted Budget, the discretionary 1% ad valorem property taxes and other revenues (excluding benefit assessment charges) for Guadalupe, Coyote, and Uvas/Llagas watershed funds have been consolidated, as one, into the Watershed and Stream Stewardship Fund.

# APPENDIX A - GLOSSARY

# Appendix A - Glossary

**Accrual Basis of Accounting**

The basis of accounting under which revenues are recorded when earned and expenditures (or expenses) are recorded as soon as they result in liabilities for benefits received, notwithstanding that the receipt of cash or the payment of cash may take place, in whole or in part, in another accounting period.

**Acre Feet (AF)**

The volume of water required to cover 1 acre of land (43,560 square feet) to a depth of 1 foot.

**Ad Valorem Tax**

A tax based on value (e.g., a property tax).

**Adjusted Budget**

The prior year's Adopted Budget, plus adjustments approved by the Board and Chief Executive Officer (CEO) through publication date of the current year's Requested Budget. Does not include prior year balance carry forward for multi-year Capital Project budgets.

**Adopted Budget**

The Adopted Budget represents estimated revenues and appropriations for the next year that are adopted by the District's Board of Directors.

**Agreements, Contractual**

Contractual agreements made by the District with other governmental agencies for cost sharing or project cost reimbursement.

**Allocated Project**

Projects whose budget and actual charges are distributed between one or more projects. The projects may be in a single fund or they can be in multiple funds. Allocated projects are distributed based on formulas set during annual budget preparation. These formulas are not static and they can vary every fiscal year. Every attempt is made to maintain the percent distribution fixed within a given fiscal year.

Americans with Disabilities Act (ADA)

Americans with Disabilities Act, Public Law 336 of the 101st Congress, enacted July 26, 1990. The ADA prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities and transportation.

**Appropriation**

A legal authorization granted through the Santa Clara Valley Water District Act that allows the District to expend funds and incur obligations in accordance with the purpose of the Act. An appropriation could include all reserves, transfers, allocations, and supplemental appropriations, and is typically limited in amount and the time it may be expended.

**Assessed Valuation**

An official government value placed upon real estate or other property as a basis for levying taxes.

**Asset**

A probable future economic benefit obtained or controlled by a particular entity as a result of past transactions or events. Examples of assets are cash, receivables, and equipment.

**Balanced Budget**

A budget is balanced when budgeted expenditures are equal to or less than the amount of budgeted revenues plus other available sources.

**Beginning Balance**

The beginning balance is comprised of residual funds brought forward from the previous fiscal year (ending balance).

**Benefit Assessment**

Determination of benefits derived from District activities within particular watersheds and the levying of a proportionate share of taxes to each parcel subject to voter-approved limitations.

# Appendix A - Glossary

**Benefits**

District-funded employee health insurance, vision insurance, dental insurance, basic life insurance, medical insurance reimbursement, Medicare coverage, long-term disability, Workers' Compensation, unemployment insurance, and the PERS Retirement Program.

**Bonds**

A long-term debt source that provides borrowed monies that can be used to pay for specific capital facilities. Bonds are a written promise to pay a specified sum of money at a predetermined date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

**Bond Proceeds**

Funds derived from the sale of bonds for the purpose of constructing major capital facilities.

**Bond Rating**

A methodology used to measure the fiscal health of a borrowing entity. Generally, analyst firms such as Standard and Poor's, Moody's Investor Service, and Fitch Ratings provide bond ratings to governmental agencies. Bonds rated AAA/Aaa are judged to be the best quality and carry the smallest degree of risk, and together with AA/Aa bonds comprise high grade bonds. Ratings including "+" or "1" designate the strongest bonds in the rating category. Generally, highly rated bonds result in lower interest rates.

**Budget**

The planned use of expenditures and revenues over a given period of time

**Budget Adjustment**

A procedure to revise a budget appropriation, usually completed by either of two methods: (1)The Board of Directors approves the adjustment through the transfer of appropriations between funds, or through additional revenues or appropriations or (2) the CEO authorizes the adjustment of appropriations within a fund and within Operating Budget or within Capital Budget.

**Budgetary Basis**

This refers to the form of accounting utilized throughout the budget process. These generally take one of three forms: GAAP, Cash, Modified Accrual or some type of statutory form. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that (a) encumbrances are considered to be an expenditure chargeable to appropriations, (b) no depreciation is budgeted for in enterprise funds, (c) certain accruals (primarily accrued and sick leave pay) are excluded from the budgetary basis, (d) operating transfers are not budgeted. Unencumbered appropriations for Operations lapse at the close of the fiscal year. The basis of accounting used by the District Governmental Funds is Modified Accrual. The basis of accounting used by the District Enterprise Funds is Accrual.

**Budget Document**

The instrument used by the budget-making authority to present a comprehensive financial plan to the appropriating governing body.

**Budgetary Control**

The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

**Budget Process**

The schedule of key dates or milestones which the District follows in the preparation, adoption, and administration of the budget.

**Bureau Repayment Appropriation**

The Bureau Repayment Appropriation is a provision for voluntary payment of costs to the Bureau of Reclamation, subject to negotiation, for a long-term contractual obligation in excess of current payments.

**Budget Year**

A consecutive 12-month period for recording financial transactions. The Santa Clara Valley Water District's budget and fiscal year is July 1 through June 30 of the following calendar year.

**Capital Budget**

The Capital Budget is comprised of all Capital Projects within a fund. See Capital Project.

**Capital Expenditure**

Capital expenditures generally create assets or extend the useful lives of existing assets, and can be made with regard to tangible and intangible assets. The work product results in a long-term benefit greater than 2 years and involves an expenditure of District resources greater than $50,000. The general categories of capital expenditures are: Rehabilitation, Major Repairs, Improvements/Betterments/Upgrades, Replacements, Expansions/Additions, and Ancillary Expenditures.

**Capital Projects**

Projects that are budgeted within the Capital Budget and fall within the definition of Capital Expenditures, meaning they (1) create or extend the lives of assets, (2) their work products have a useful life of greater than two years, and (3) they involve an expenditure of District resources in excess of $50,000.

Capital Improvement Program (CIP)

Capital projects are multi-year budgeted projects. Capital projects exceed $50,000 in cost, have long-term life spans and are generally non-recurring.

**Carry-Forward**

A portion or total of the unspent balance of an appropriation that is made available for expenditure in the succeeding fiscal year.

**Certificates of Participation (COPs)**

A form of lease revenue bond that permits the investor to participate in a stream of lease payments, installment payments or loan payments relating to the acquisition or construction of specific equipment, land or facilities.

**CEQA**

California Environmental Quality Act

**CIP**

See Capital Improvement Plan

**Commercial Paper**

Short term debt (1-270 days) issued primarily to fund capital expenditures.

**Comprehensive Annual Financial Report (CAFR)**

The official annual financial report of the District, prepared by the General Accounting Unit, and is usually referred to by its abbreviation, the report summarizes financial data for the previous fiscal year in a standardized format. The CAFR is organized by fund and contains two basic types of information: a balance sheet that compares assets with liabilities and fund balance; and an operating statement that compares revenues with expenditures.

**Contingency Appropriation**

A provision for unforeseen expenditures.

# Appendix A - Glossary

**Cost Center**

Cost Centers are separate financial accounting centers in which costs are accumulated because of legal and accounting requirements. The first two digits of a project number identify the cost center.

**CVP**

Central Valley Project, the imported water supply infrastructure operated by the federal Bureau of Reclamation.

**Debt Proceeds**

The difference between the face amount of debt and the issuance discount or the sum of the face amount and the issuance premium.

**Debt Service**

Payment of interest and principal on long term debt.

**District Act**

The Santa Clara Valley Water District was created by an act of the California Legislature, and operates as a state of California Special District, with jurisdiction throughout Santa Clara County.

**DWR**

State Department of Water Resources

**EIR**

Environmental Impact Report

**Encumbrances**

Commitments related to unperformed (executory) contracts for goods or services. Encumbrances represent the estimated amount of expenditures that will result if unperformed contracts in process are completed.

**Ends**

Board established policies that describe the mission, outcomes, and results to be achieved by the District.

**Enterprise Fund**

A fund established to finance and account for the acquisition, operations, and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges; or where the governing body of the governmental unit has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate.

**Executive Limitations (EL)**

Constraints on the Board Appointed Officers, set by the Board, establishing the prudence and ethics boundaries within which all executive activity and decisions must take place.

**Expenditure/Expense**

Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements, and shared revenues. The major expenditure categories used by the District are labor and overhead, services & supplies, land and structures, equipment, and debt service.

**FAHCE**

Fisheries and Aquatic Habitat Collaborative Effort

**Fixed Assets**

Long-lived tangible assets such as automobiles, computers and software, furniture, communications equipment, hydrologic equipment, office equipment, and other equipment with a value of $2,000 or more, or the combined value of like or related units (aggregate value) is greater than $5,000 if the unit value is less than $2,000.

**Fiscal Year**

A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The District's fiscal year is July 1 through June 30.

**Full Time Equivalent (FTE)**

The number of equivalent staff positions actually available, after adjusting for estimated vacancies. It is equal to the total labor hours divided by the standard annual labor hours of 2,080 for a full time employee.

**Fund**

A reserve of money set aside for some purpose; a fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

**Fund Balance**

The net effect of assets less liabilities at any given point in time.

**Gann Limit (Proposition 4)**

Under this article of the California Constitution, the District must compute an annual appropriations limit, which places a ceiling on the total amount of tax revenues the District can actually appropriate annually.

**GASB**

Governmental Accounting Standards Board

**General Fund**

A fund used to account for major operating revenues and expenditures, except for those financial transactions that are required to be accounted for in another fund. General Fund revenues are derived primarily from property and other taxes.

**Generally Accepted Accounting Principles (GAAP)**

Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

**General Obligation Debt**

Secured by the full faith and credit of the issuer. It is repaid with General Revenue and borrowings.

**GFOA**

Government Finance Officers Association

**Government Finance Officers Association (GFOA) Distinguished Budget Award**

Highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by the management, staff, and elected officials of recipients. Budgets are evaluated for effectiveness as a policy document, a financial plan, an operations guide, and as a communication device.

**Grants**

Contributions or gifts of cash or other assets from another government entity to be used or expended for a specified purpose, activity, or facility.

**Groundwater**

Water pumped from underground aquifers

**HAZMAT**

Hazardous Materials

**Interfund Transfers**

A transfer of funds for specific purposes as approved by the appropriate authority.

**Intergovernmental Revenue**

Funds received from federal, state and other local government sources in the form of grants, shared revenues, and reimbursements.

**International Organization for Standardization (ISO)**

An international standard-setting body composed of representatives from various national standards organizations.

**Interfund Transfers**

A transfer of funds for specific purposes as approved by the appropriate authority.

**Intra-District Reimbursement**

To provide reimbursement to the District Fund for general costs incurred on behalf of other cost centers.

**ISMP**

Information Systems Master Plan, a District document which provides objectives, justification and plans for improving the District's use of information system and information technology infrastructure.

**IWRP**

Integrated Water Resources Plan. This long-term District water supply plan was first completed in 1977, and was updating 2003 (IWRP 2003). The goal of IWRP 2003 is to develop a balanced, flexible, long-term water supply plan that can provide a mix of water resources to meet the needs of Santa Clara County through the year 2040.

**Levy**

(1. Verb) To impose taxes, special assessments, or service charges for the support of government activities; (2. Noun) The total amount of taxes, special assessments, or service charges imposed by a governmental agency.

**Long-Term Debt**

Debt with a maturity of more than one year after the date of issuance.

**MTBE**

Methyl-Tert Butyl Ether, an oxygenate added to gasoline in California prior to 2004, which can contaminate groundwater.

**Modified Accrual Basis of Accounting**

Under the modified accrual basis of accounting, required for use by governmental funds, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

**Operating Expenditure**

Operating expenditures are system costs required for the daily process of providing water and watershed management services, including the administrative and overhead costs to support these services. Operating expenditures are costs necessary to maintain the systems in good operating condition. This includes the repair and replacement of minor property components. The American Waterworks Association (AWWA) says that these property components should be smaller than a retirement unit; a retirement unit is a readily separable and separately useful item that is part of a larger assembly. The benefit and life of such repairs should be less than 2 years. Any repairs that recur on an annual basis are considered operating activities of a maintenance nature. Operating expenditures are often separated into fixed and variable costs for purposes of understanding operating leverage and structuring service charge rates.

**Operations**

Expenditures required for the daily process of providing water and watershed management services, including the administrative and overhead costs to support these services. Operations include work that is generally of an ongoing or recurring nature. Any District work that is not a project is, by definition, an Operation. Operations, although recurring, require close coordination and a high degree of management oversight, however, they can be accomplished without the application of the full range of tools and processes used for managing projects.

**Operating Budget**

The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, and fuel.

**Operating Projects**

Projects are budgeted within the Operating Budget and fall within the definition of Operating Expenditures. Although Operating Projects may, in some cases, create or extend the life of an asset and may have a useful life greater than two years, their costs may be under $50,000. District management may still decide to designate some Operating Projects as Capital Projects for purposes of giving the work visibility, control, and resources beyond a normal operating budget.

**Other Post Employment Benefits (OPEB)**

Large state and local governments were required to begin accounting for these obligations on December 15, 2006. OPEB obligations are primarily for retiree health care costs but also can include other benefits such as insurance. Currently the District pays a portion of the OPEB obligations out of current revenues on a pay-as you- go method. The annual cost of OPEB is what it costs to cover specific retirees in that year without regard to how this obligation might change as the number of retirees changes or the cost of providing the benefits changes in the future.

**Outlays**

See Expenditure/Expense.

**Overhead**

General Fund expenses that cannot be specifically associated with a given service, program, project or operational unit (i.e. accounting, information management, human resources, organizational development). Overhead expenses are allocated to programs and/or projects via an overhead rate that is calculated as a percentage of direct program/project salaries. The overhead rate provides a mechanism to reimburse the General Fund for costs incurred.

**Overtime**

Hours worked in excess of 40 hours per work week or hours worked in excess of those scheduled in a shift.

**Perchlorate**

Perchlorate is a salt used as an oxidizer for rocket fuel, highway flares, matches, air bag inflators and for other uses. Perchlorate can contaminate groundwater and surface water supplies.

**Projects**

At the Santa Clara Valley Water District, a project is any undertaking which has (1) a beginning and an ending, (2) a one-time occurrence. Projects can require expenditure of capital or operating funds and, at the District, are called Capital or Operating Projects, accordingly. Projects usually, but not always, relate to a District facility or facilities (a creek, a reservoir, a dam, a water treatment plant, a pipeline, etc.). Projects may include studies, design, construction, maintenance, or implementation of systems such as Records Management or Financial Management Systems.

**Property Tax**

An "ad valorem" tax on real property, based upon the value of the property. In accordance with Proposition 13, secured property is taxed at the rate of 1% of assessed valuation, plus a rate sufficient to generate revenue necessary to pay for voter approved indebtedness.

**Property Tax Assessment**

The process of setting the official valuation of property for taxation; the valuation placed upon property as a result of this process.

**Proposed Budget**

The District CEO submits a Proposed Budget for the District's financial operations, including an estimate of proposed expenditures and revenues, to the Santa Clara Valley Water District's Board of Directors for approval. The Board Adopted Budget is submitted by the Chairman of the District's Board of Directors to the Santa Clara County Board of Supervisors.

**Purchased Water**

Water imported from other agencies to supplement local water supplies.

**Recycled Water**

Wastewater which has been treated for reuse; used for irrigation of crops, toilet flushing, industrial uses or landscaping, depending on its level of treatment.

**Replacement Appropriation**

Provides funds to meet future major repair costs to Water Enterprise facilities, which would cause interruption of water services (Water Enterprise Fund), and to replace existing equipment due to obsolescence (Equipment Fund).

**Requested Budget**

This summary budget outlines new programs, program changes, and identifiable goals and objectives.

**Revenue**

Monies the District receives in exchange for services or sales provided. Revenue items include water sales, property tax revenues, benefit assessment revenues, interest income, intergovernmental reimbursement.

**Revenue Bonds**

Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

**Reserve**

An account used to indicate that a portion of a fund's assets are legally restricted for a specific purpose and is, therefore, not available for general appropriation.

**Resolution**

A special or temporary order of a legislative body requiring less legal formality than an ordinance or statute.

**Rolling Biennial Budget**

A rolling biennial budget is a two-year spending document, created and adopted through successive annual appropriations with any necessary budget amendments made in the second year. The objective of a rolling biennial budget is to stabilize operating expenditures from year to year to ensure that operating expenditures are within generally agreed upon levels and to align operating and capital expenditures with fairly stable and predictable revenue sources.

**Safe, Clean Water and Natural Flood Protection Program (SCW)**

A 15-year program resulting from voter approved special parcel tax initiative in November 2012.

**Salaries**

Salaries are defined as the amount of money paid to District employees for the performance of services.

**San Felipe Appropriation**

Provides funds necessary for extraordinary maintenance under the San Felipe contract.

**Self-Insurance Appropriation**

The term "self insurance" is used to define the retention by an entity of a risk of loss arising out of the ownership of property or from other causes and obligations, instead of transferring that risk to an insurance company. The Self-Insurance Appropriation provides funds to meet such losses.

**Services and Supplies**

Services and Supplies include expenditures for insurance, maintenance, materials and supplies, memberships, office expenses, training and seminars, travel, contract services, communications, equipment leases, and utilities.

**Special District**

An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes.

Supplemental Water Supply Appropriation

Provides funds for specific purposes such as water transfer, purchase, or reclamation.

**Subsidence**

The sinking of land surface that occurs when underground aquifers are over-pumped.

**State Water Project**

The State Water Project is a water and power system operated by the California Department of Water Resources.

**Taxes**

Compulsory charges levied by a government to finance services performed for the common benefit.

**Transmittal Letter**

Introductory letter to the Budget document that provides the District and public with information on the major accomplishments in the current year and plans, programs, and activities for the future Budget year.

**Treated Water**

Water which has been processed through a District water treatment plant.

**TWIP**

Treated Water Improvement Project is the former name of the Water Treatment Improvement Project

**Water Treatment Improvement Project**

Also referred to as WTIP, this project is upgrading the District's three drinking water treatment plants to meet future stringent state and federal water regulations, using ozonation as the primary means of disinfection.

**Watershed**

A watershed is the land area from which surface runoff drains into a stream channel, lake reservoir or other body of water, such as the San Francisco Bay. See Watershed and Flood Control Zones.

**Watershed and Flood Control Zones**

Much of Santa Clara County is divided into five watershed areas with corresponding flood control zones Each zone has separate programs, revenues and expenditures. They are: The Lower Peninsula Watersheds (Northwest Zone); the West Valley Watersheds (Central Zone); the Coyote Watershed (East Zone); and the Uvas/Llagas Watersheds (South Zone).

**WMI**

Watershed Management Initiative. The Santa Clara Basin Watershed Management Initiative, established in 1996 by the U. S. Environmental Protection Agency, the State Water Resources Control Board and The San Francisco Bay Regional Water Quality Control Board. A major aim of the WMI is to coordinate existing regulatory activities on a basin-wide scale, ensuring that problems are addressed efficiently and effectively.

**Zone W-1**

Encompasses the groundwater basin in northern Santa Clara County and small peripheral areas outside the groundwater basin, with the retail service areas of privately-owned public utilities and municipal water departments using water pumped from the groundwater basin. This area provides the security for General Obligation bonds. Zone W-1 comprises an area of approximately 290 square miles and includes all or portions of 13 of the County's 15 cities, plus some unincorporated territory.

**Zone W-2**

Encompasses the Santa Clara Valley groundwater basin north of Metcalf Road. It includes those groundwater producing facilities that benefit from recharge of the basin with local and imported water. A charge is levied for all groundwater extracted from this zone.

**Zone W-3**

Encompasses the Coyote and Llagas groundwater basins in the area from Metcalf Road in the north to just south of the City of Morgan Hill. Part of the County property tax within the 1 percent limit is allocated to this zone.

**Zone W-4**

Contains all of Zone W-2 and lands outside Zone W-2 that use or otherwise benefit from locally conserved water and from the importation and distribution of water from the South Bay Aqueduct. This area also receives an allocation of County taxes.

**Zone W-5**

Is comprised of the entire groundwater basin from Metcalf Road south to the Pajaro River. Charges are levied for all groundwater extracted from this zone.

**Zone W-6**

Represents the old Gavilan Water Conservation District and is within Zone W-5.

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# Appendix B - Closed Projects

| Status of Project | | |
|---|---|---|
| **Project** | **Project Description** | **Explanation** |
| 00061046 | District CMMS Administration | Closed, consolidated into 00061045. |
| 00061053 | Admin Asset Mgmt Program | Closed, consolidated into 00061045. |
| 26061003 | Stwardshp Grnts/Partnrshp Admin | Closed, consolidated into 26061006 |
| 26062009 | Hydration Station Grants | Project completed |
| 60061017 | Info Technology Division Admin | Closed, this project is moved into Information Technology Fund 73271006 |
| 60101006 | Telecommunications Sys Opr/M | Closed, this project is moved into Information Technology Fund 73271001 |
| 60101011 | Technical Infrastructure Services | Closed, this project is moved into Information Technology Fund 73271002 |
| 60131016 | Office of CEO & Board Support | Closed, consolidated into 60241026 |
| 60161001 | Software Maint & License | Closed, this project is moved into Information Technology Fund 73271008 |
| 60161004 | Software Services | Closed, this project is moved into Information Technology Fund 73271009 |
| 60181002 | Network Administration | Closed, this project is moved into Information Technology Fund 73271003 |
| 60201001 | District HVAC Services | Closed, consolidated into 60101002 Building and Grounds |
| 60221007 | Credit Card Services Fees | Closed, consolidated into 60111002 General Accounting Services |
| 60271062 | Information Security Admin | Closed, this project is moved into Information Technology Fund 73271004 |
| 60271064 | Office Cmptr Maint/Help Desk Support | Closed, this project is moved into Information Technology Fund 73271005 |
| 62041026 | Watersheds Asset Mgt Plng Prgm | Closed, consolidated into 00061045. |
| 73274007 | Vena Software Implementation | Project completed |
| 91151007 | Water Conservation-Residential | Closed, consolidated into project 91151001 |
| 91151009 | Water Conservation - AG | Closed, consolidated into project 91151001 |
| 91151010 | Water Conservation-Landscape | Closed, consolidated into project 91151001 |
| 91284009 | SVAWPC Expansion Project | Closed, project changed from design-build to P3. |
| 91384001 | Purified Water Pipeline | Closed, project changed from design-build to P3. |
| 92761006 | Rchrg / RW Field Fac Asset Mgt | Closed, consolidated into 91761001 |
| 92761007 | Rchrg / RW Fld Ops Pln & Anlys | Closed, consolidated into 91761002 |
| 93234028 | PWTP Improvement, Stage 2 | Closed, project completed. |
| 95061007 | WUE Asset Management Plng Prgm | Closed, consolidated into 00061045. |
| 95084001 | 5-Year Pipeline Rehabilitation | Closed, consolidated into 95084002 10-Yr PL Inspection and Rehabilitation |

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