



SANTA CLARA VALLEY WATER DISTRICT

NON-AGENDA

June 3, 2022

Board Policy EL-7 Communication and Support to the Board
The BAOs shall inform and support the Board in its work.

Page	<u>CEO BULLETIN & NEWSLETTERS</u>
	CEO Bulletin: None
	<u>BOARD MEMBER REQUESTS & INFORMATIONAL ITEMS</u>
	BMR/IBMR Weekly Reports: None
4	Memo from Darin Taylor, CFO, to the Board of Directors, dated 05/27/22, regarding Third Quarter Fiscal Year 2021-22 Financial Status Update.
14	Memo from David Cahen, Risk Manager, to the Board of Directors, dated 05/26/22, regarding Risk Management Communication.
	<u>INCOMING BOARD CORRESPONDENCE</u>
21	Board Correspondence Weekly Report: 06/02/22
22	Email from Sharon Luna, to the Board of Directors, dated 05/27/22, regarding Water Quality Ratings (C-22-0092).
24	Email from Atif Hashmi to the Board of Directors, dated 05/31/22, regarding Homeless Encampments within Guadalupe Creek (C-22-0093).
33	Email from Rea Freedom, to the Board of Directors, dated 05/31/22, regarding the Lexington Reservoir (C-22-0094).
34	Email from Mike Erickson, to the Board of Directors, dated 05/31/22, regarding Coyote-Alamitos canal graffiti (C-22-0095).
	<u>OUTGOING BOARD CORRESPONDENCE</u>
36	Email from Director Hsueh, to Akash Bansal, dated 05/31/22, regarding Regnart Creek Trail Fencing (C-22-0088).
38	Email from Director Linda J. Lezotte, to Atif Hashmi, dated 05/31/22, regarding Homeless Encampments within Guadalupe Creek (C-22-0091).

Board correspondence has been removed from the online posting of the Non-Agenda to protect personal contact information. Lengthy reports/attachments may also be removed due to file size limitations. Copies of board correspondence and/or reports/attachments are available by submitting a public records request to publicrecords@valleywater.org.

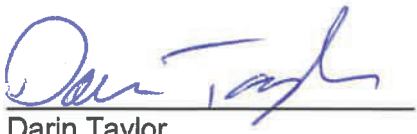
CEO BULLETIN

BOARD MEMBER REQUESTS and Informational Items

TO: Board of Directors**FROM:** Darin Taylor, CFO**SUBJECT:** Third Quarter Fiscal Year 2021-22
Financial Status Update**DATE:** May 27, 2022

Valley Water's third quarter Fiscal Year 2021-22 closed on March 31, 2022. The third quarter financial status update presentation, attached, summarizes cash and investment balances, the debt portfolio and includes a detailed comparison, and analysis, of the budget to actual status of revenues and expenditures for all funds as of March 31, 2022.

The presentation was provided to the Board Audit Committee on May 23, 2022 and is being provided to the Board via this non-agenda item and an accompanying CEO bulletin.



Darin Taylor
Chief Financial Officer

Q3 YTD FY2021-22 Financial Status Update

May 23, 2022

Agenda

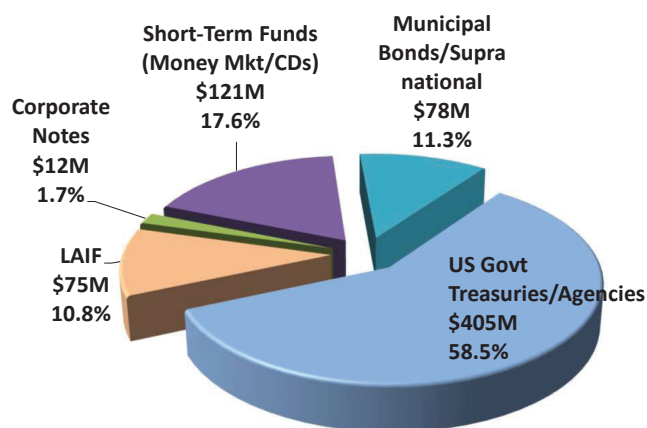
- **Financial Status**
 - **Cash and Investments**
 - **Debt Portfolio**
- **Q3 YTD FY22 Financial Status Update**
 - **Revenue**
 - **Operating and Capital Expenditures**
 - **Reserves**

Financial Status Update – Cash & Investments

\$292M or 42% of portfolio very liquid (<1-year maturity)

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SCVWD Investment Portfolio Composition

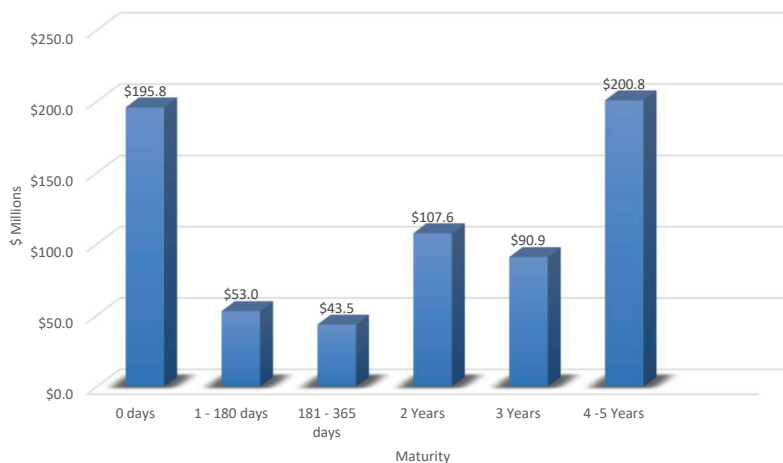


SCVWD Portfolio Book Value as of Mar 31, 2022: \$691.6Million

Valley Water Portfolio Aging Report

March 31, 2022

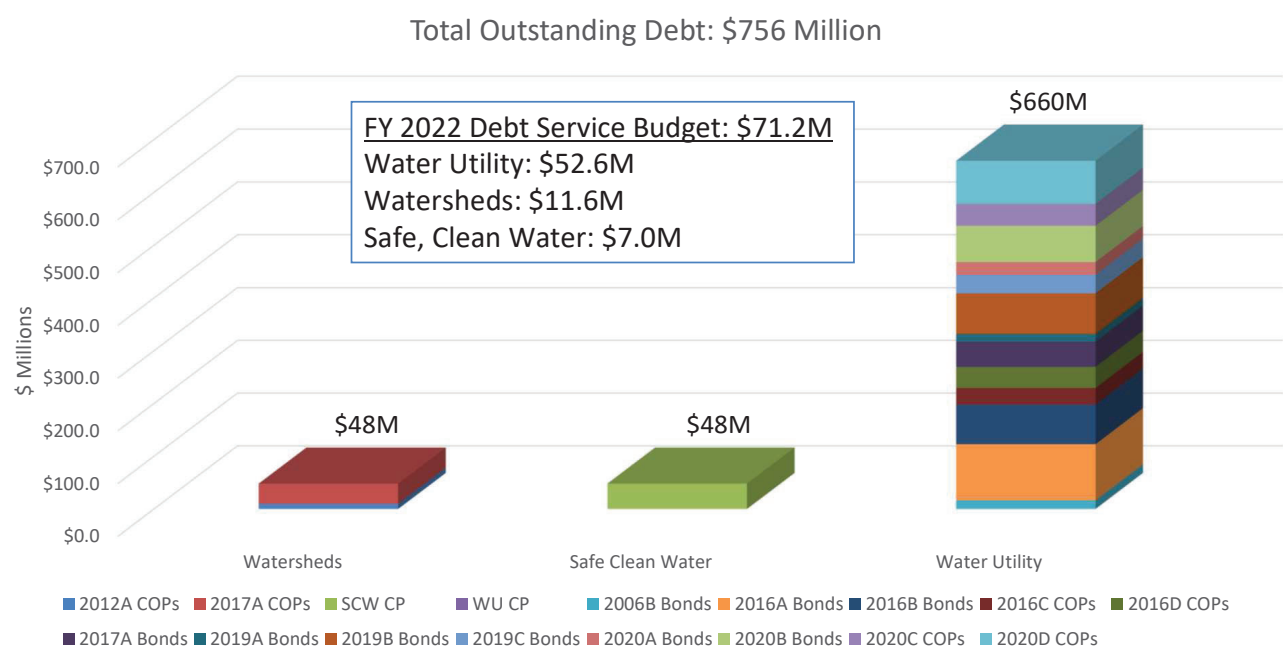
Portfolio Book Value: \$691.6 Million



valleywater.org



Financial Status Update - Outstanding Debt (3/31/22)



Financial Status Update – Debt Portfolio

Ample access to cash at low interest rates

\$320M short-term credit facilities

- \$150M Commercial Paper – ongoing program
- \$170M Bank Line of Credit (\$150M Lead + \$20M Small/Local)
 - US Bank Lead (\$150M), Community Bank of the Bay (\$5M), Bank of SF (\$7M), and First Foundation Bank (8M)

FY 2022 & FY 2023 Financing Plan

- Defease WU 2006B by June (~\$20M)
- Refund SCW and WU outstanding short-term debt by November 2022, pending CIP expenditures

WIFIA Loan Program Update: \$80M SCW + \$1.2B Pacheco



Q3 YTD Revenue by Category and Fund

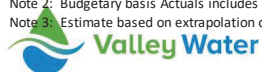
Water revenues affected by conservation measures

(\$ in millions)	FY22 Adj Budget	Q3 FY22 Actuals	Q3 FY22 % Rec'd	FY22 Estimate	FY22 Estimate vs Adj Budget	Observations
Groundwater Production Charges	\$ 135.3	\$ 75.3	56%	\$129.2	\$ (6.1)	<ul style="list-style-type: none"> Q3 FY22 YTD revenue was \$329.7M or 61% of FY22 Budget Remainder SCW Special Parcel, Benefit Assessment and State Water Project Tax revenues will be received in Q4 Groundwater production charges \$75.3M or 56% of Budget and \$3.2M lower than Q3 FY21 actuals <ul style="list-style-type: none"> FY22 projected to be \$129.2 million due to conservation Surface/Recycle Water revenue projected to meet budget Treated water revenue \$95.9M or 64% of Budget and \$7.6M lower than Q3 FY21 actuals <ul style="list-style-type: none"> FY22 projected to be \$140.5 million due to conservation Capital reimbursements of \$9.7M, which varies year-over-year depending on progress of grant-funded projects <ul style="list-style-type: none"> \$15.9M received through April YTD Submitting claims for additional \$17M before 6/30
Treated Water Revenue	150.5	95.9	64%	140.5	(10.0)	
Surface/Recycled Water Revenue	2.8	1.0	36%	2.8	-	
1% Ad-valorem Property Tax	118.4	80.7	68%	123.5	5.1	
Safe Clean Water Special Parcel Tax	47.1	26.9	57%	47.1	-	
Benefit Assessment	13.5	7.7	57%	13.5	-	
State Water Project Tax	26.0	16.9	65%	26.0	-	
Capital Reimbursements	35.1	9.7	28%	32.8	(2.3)	
Interest Income & Other	10.8	15.7	145%	15.7	4.9	
Total Revenue	\$ 539.4	\$ 329.7	61%	\$531.1	\$ (8.3)	
(\$ in millions)	FY22 Adj Budget	Q3 FY22 Actuals	Q3 FY22 % Rec'd	FY22 Estimate	FY22 Estimate vs Adj Budget	
General Fund	\$ 10.0	\$ 7.6	76%	\$ 10.2	\$ 0.2	
Watershed Stream Stewardship Fund	123.4	74.6	60%	126.5	3.1	
Safe Clean Water Fund	56.2	31.7	56%	55.8	(0.4)	
Water Utility Enterprise Fund	335.9	207.3	62%	324.3	(11.6)	
Service Funds	0.4	0.8	200%	0.8	0.4	
Benefit Assessment Funds	13.5	7.7	57%	13.5	-	
Total Revenue	\$ 539.4	\$ 329.7	61%	\$531.1	\$ (8.3)	

Q3 YTD Operating and Capital Expenditures

Operating & Capital expenditures estimated to end FY within budgeted levels

(\$ in millions)	FY22 Adj Budget	Q3 FY22 Actuals	Q3 FY22 % Spent	FY22 Estimate	FY22 Estimate vs Adj Budget	Observations
General Fund	\$ 76.5	\$ 53.0	69%	\$ 73.5	\$ (3.0)	<ul style="list-style-type: none">Q3 FY22 Operating Expenditures of \$342.0M or 66% of FY22 Adjusted BudgetSafe Clean Water Fund expenses lower than budget due to delay in CP issuance, deferral of the 2022A bond issuance and F9 Safe Clean Water Grants and Partnerships (Board approval on May 24th)
Watershed Stream Stewardship Fund	68.6	46.2	67%	63.4	(5.2)	
Safe Clean Water Fund	30.2	12.6	42%	20.4	(9.8)	
Water Utility Enterprise Fund	299.4	198.0	66%	285.8	(13.6)	
Service Funds	34.8	21.2	61%	30.3	(4.5)	
Benefit Assessment Funds	11.2	11.0	98%	11.0	(0.2)	<ul style="list-style-type: none">Q3 FY22 Capital Expenditures of \$292.1M or 57% of Adjusted Budget; spending trend is 20% higher vs Budget as compared to the same period of FY21GF Fund lower due to HQ Ops Building project delay (\$2.0M)WSS Fund lower due to Watersheds Asset Rehab (\$16.5M) and Lower Penitencia Creek Improvements (\$7.7M)SCW Fund lower due to Llagas Creek – Upper Construction (\$27.7M), San Francisquito Early Implementation (\$11.7M), and Almaden Lake Improvement (\$8.9M)
Total Operating Expenditures	\$ 520.7	\$ 342.0	66%	\$ 484.4	\$ (36.3)	
Note 1: Operating Adjusted Budget includes Adopted Budget and current year budget adjustments						
Note 2: Budgetary basis Actuals includes actuals and encumbrances as of 3/31/22						
Note 3: Estimate based on extrapolation of Q3 YTD actuals result based FY19 to FY21 actuals results						
(\$ in millions)	FY22 Adj Budget	Q3 FY22 Actuals	Q3 FY22 % Spent	FY22 Estimate	FY22 Estimate vs Adj Budget	
General Fund	\$ 6.1	\$ 2.0	33%	\$ 5.7	\$ (0.4)	
Watershed Stream Stewardship Fund	87.5	47.4	54%	67.5	(20.1)	
Safe Clean Water Fund	117.8	44.3	38%	59.6	(58.2)	
Water Utility Enterprise Fund	287.2	189.1	66%	247.6	(39.6)	
Service Funds	15.3	9.3	61%	12.3	(3.0)	
Total Capital Expenditures	\$ 513.9	\$ 292.1	57%	\$ 392.7	\$ (121.2)	
Note 1: Capital Adjusted Budget includes Adopted Budget and prior year capital carryforward						
Note 2: Budgetary basis Actuals includes actuals and encumbrances as of 3/31/22						
Note 3: Estimate based on extrapolation of Q3 YTD actuals result based FY19 to FY21 actuals results						



Reserve Balances

Projected FY22 year-end reserve balances higher than Adopted Budget

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(\$ in millions)	FY22 Adopted Budget	FY22 Projected Year-end	Projected YE vs Adopted
Restricted Reserves			
Safe Clean Water Fund	\$ 123.9	\$ 155.6	\$ 31.7
Water Utility Enterprise Fund	60.1	92.9	32.8
Restricted Subtotal	\$ 184.0	\$ 248.5	\$ 64.5
Committed Reserves			
General Fund	\$ 6.6	\$ 7.0	\$ 0.4
Watershed & Stream Stewardship Fund	74.3	110.7	36.4
Water Utility Enterprise Fund	56.7	86.4	29.7
Service Funds	14.7	18.9	4.2
Committed Subtotal	\$ 152.3	\$ 223.0	\$ 70.7
Total Reserves	\$ 336.3	\$ 471.5	\$ 135.2

Observations

- FY22 projected year-end total reserve balance of \$471.5M, based on FY21 Actual reserve, FY22 projected Revenue and Expenditures
- Safe Clean Water Fund reserve \$31.7M higher than Adopted Budget primarily due to carryover of higher unspent capital project reserve balances in FY21 to FY22
- Watershed & Stream Stewardship Fund year-end reserve, \$36.4M higher than Adopted Budget due to carryover of higher Actual reserve balance in FY21 (\$38.9M) to FY22 and higher Property Tax Revenue (\$3.2M) in FY22
- Water Utility Enterprise Fund reserve \$62.5M higher than Adopted budget due to carryover of higher Actual reserve balance in FY21 (\$92.7M) to FY22 and increase in FY22 Debt Proceeds (\$12.2M) offset by a decrease in FY22 Water Revenue (\$16.1M)



Q3 YTD Financial Update Summary

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- Performance of revenues inline with expectations due to conservation
- Operating expenditures estimated to end FY within budgeted levels
- Q3 YTD capital expenditures trending higher than prior years
- Highlight any significant developments as well as identify any potential budget actions necessary in second half of fiscal year



MEMORANDUM

FC 14 (02-08-19)

TO: Board of Directors

FROM: David Cahen
Risk Manager

SUBJECT: Risk Management Communication

DATE: May 26, 2022

The purpose of this memorandum is to provide you a copy of recent Risk Management staff's communication with parties/individuals that have filed a claim against Valley Water.

Please find the following:

- 1) May 24, 2022 – Settlement Letter to Mr. Ning Ding (District 5)
- 2) May 26, 2022 – Late Claim Letter to Mr. Dan B. Holm (District 1)

For additional information, please contact me at 408-630-2213.

DocuSigned by:

David Cahen

62E0CF69C3DD435...

David Cahen
Risk Manager



Clean Water • Healthy Environment • Flood Protection

May 24, 2022

Ning Ding
19688 Vicksburg Drive
Cupertino, CA 95014

Re: Settlement – L2120011

Dear Mr. Ding:

Enclosed is the final settlement check regarding the above-mentioned claim. The total amount of the settlement is \$8,500.00.

On behalf of Valley Water, I apologize for any inconvenience this incident caused and thank you for your cooperation.

Sincerely,

DocuSigned by:

A handwritten signature in blue ink that reads "David Cahen".

62E0EF68C38D435...
David Cahen
Risk Manager

Enc: Settlement Check #404513





Clean Water • Healthy Environment • Flood Protection

May 26, 2022

Dan B. Holm
17765 Holiday Drive
Morgan Hill, CA 95037

Re: Claim

Dear Mr. Holm:

The claim which was presented to the Santa Clara Valley Water District on May 23, 2022 is being returned because it was not presented within six (6) months after the event or occurrence as required by law. See sections 901 and 911.2 of the Government Code. Because the claim was not presented within the time allowed by law, no action was taken on the claim. Furthermore, the claim lacks your signature and is undated.

WARNING

Your only recourse at this time is to apply without delay to Valley Water's Board of Directors for leave to present a late claim. See sections 911.4 to 912.2, inclusive, and section 946.6 of the Government Code. Under some circumstances, leave to present a late claim may be granted. See Government Code section 911.6.

If you have any questions, you can contact me at (408) 630-2213.

Sincerely,

DocuSigned by:

David Cahen

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David Cahen
Risk Manager

Enc: Claim





CLAIM AGAINST THE SANTA CLARA VALLEY WATER DISTRICT
California Government Code Sections 900 and following

Page 1 of 2

<p>The completed form can be mailed, sent electronically or hand delivered. Mail or deliver to:</p> <p>Clerk of the Board Santa Clara Valley Water District-HQ 5700 Almaden Expressway San Jose, CA 95118</p> <p>Or submit the completed form electronically to: clerkoftheboard@valleywater.org</p>	Clerk of the Board's Date Stamp 22 MAY 23 PM 2:22												
	<p>For SCVWD Use Only</p> <table border="1"> <tr> <td>Date Received: 5/23/22</td> <td>ROUTING</td> </tr> <tr> <td><input checked="" type="checkbox"/> Via U.S. Mail:</td> <td><input checked="" type="checkbox"/> CEO:</td> </tr> <tr> <td><input type="checkbox"/> Hand Delivered:</td> <td><input checked="" type="checkbox"/> District Counsel</td> </tr> <tr> <td><input type="checkbox"/> E-mail:</td> <td><input checked="" type="checkbox"/> Risk Management</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td><input checked="" type="checkbox"/> COB</td> </tr> <tr> <td></td> <td><input checked="" type="checkbox"/> BOD (District #): 1</td> </tr> </table>		Date Received: 5/23/22	ROUTING	<input checked="" type="checkbox"/> Via U.S. Mail:	<input checked="" type="checkbox"/> CEO:	<input type="checkbox"/> Hand Delivered:	<input checked="" type="checkbox"/> District Counsel	<input type="checkbox"/> E-mail:	<input checked="" type="checkbox"/> Risk Management	<input type="checkbox"/> Other:	<input checked="" type="checkbox"/> COB	
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<input type="checkbox"/> E-mail:	<input checked="" type="checkbox"/> Risk Management												
<input type="checkbox"/> Other:	<input checked="" type="checkbox"/> COB												
	<input checked="" type="checkbox"/> BOD (District #): 1												

With certain exceptions, claims for personal injury or property damage MUST be filed within six months of the incident giving rise to the claim. Claimant must complete each section. If information is unknown, write "unknown" in the appropriate box. Please use additional pages if necessary. Please attach itemized receipts, witness statements, photos and all other documentation that you believe will be helpful to process your claim. Claimant MUST sign and date the form; see last page.

Name of Claimant: Dan B Holm			
Address of Claimant: 17765 Holiday Dr		City: Morgan Hill	State: CA
Mailing Address to Which Notices Should be Sent if Different From Above:		City:	State:
Home Phone Number: 269 408 0		Cell Phone Number: 408 639 2030	Work Phone Number:
Is this claim being filed on behalf of a minor? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		If so, please indicate minor's date of birth: _____ Relationship to the minor: _____	
Date and time of incident or loss: Oct 10, 2021	Location of incident or loss (address): home address lawn		Is there a police report? <input type="checkbox"/> Yes If Yes, Police Report #: _____ <input checked="" type="checkbox"/> No

Describe how the incident or loss happened, and the reason you believe the Santa Clara Valley Water District is responsible for your damages (Please attach additional sheets if necessary):

Due to the draining of lake Anderson, wild boars have invaded the neighborhood and destroyed my lawn, along with the lawns of several of my neighbors

**17 Boars may
Night late.**



CLAIM AGAINST THE SANTA CLARA VALLEY WATER DISTRICT
California Government Code Sections 900 and following

Page 2 of 2

In detail, describe the damage or injury (Please attach additional sheets if necessary):

*No injury, just extensive lawn damage
see attached picture*

List Name(s) and contact information of any witness(es) or District employee involved (if any):

DAMAGES CLAIMED: Basis for computation of amounts claimed (include copies of bills, invoices, estimates, receipts, photos, police case # or other documentation.) Note: If your claim is more than \$10,000, you need not fill in an amount, but must state whether jurisdiction for the claim would be in the Limited Jurisdiction (up to \$25,000) or Unlimited jurisdiction of the Superior Court.

Is the amount of the claim under \$10,000?



Yes

☐ No

Court Jurisdiction: (Check One)



Limited Civil



Unlimited Civil

ITEMS	CLAIM AMOUNT
1.	\$
2.	\$
3.	\$
4.	\$
TOTAL AMOUNT	\$

WARNING: IT IS A CRIMINAL OFFENSE TO FILE A FALSE OR FRAUDULENT CLAIM (Penal Code Section 72 and 550)

I have read the matters and statements made in the above claim and I know the same to be true of my own knowledge, except to those matters stated upon information and belief and as to such matters I believe the same to be true. I certify under penalty of perjury that the foregoing is TRUE and CORRECT.

Signed this _____ day of _____, 20____

Claimant's signature

Government Code Section 945.6 provides that, with limited exceptions, any suit brought against a public entity must be commenced:

- (1) If written notice is given of a denial of claim in accordance with **Section 913**, not later than six months after the date such notice is personally delivered or deposited in the mail.
- (2) If written notice is not given of a denial of claim in accordance with **Section 913**, within two years from the accrual of the cause of action.

