

Valley Water

FY 2025-26 & FY 2026-27

Operating and Capital Rolling Biennial Budget

Santa Clara Valley Water District

Adopted
FY 2025-26 & FY 2026-27
Operating and Capital
Rolling Biennial Budget

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Submitted by

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Interim Chief Executive Officer

Valley Water

Santa Clara Valley Water District

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Rolling Biennial Budget

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Santa Clara Valley Water District

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Rolling Biennial Budget

Recognitions

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Todd Bridgen

Hortencia Gonzalez

Emily Gross

Robert Harvie

Katrina Holden

Peggy Lam

Sadie Lum

Becky Manchester

Jennifer Martin

Carmen Narayanan

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Distinguished Budget Presentation Award

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Santa Clara Valley Water District
California

For the Fiscal Year Beginning

July 01, 2024

Christopher P. Morrill

Executive Director

BUDGET TRANSMITTAL LETTER FOR FISCAL YEAR 2025-26 & 2026-27 ROLLING BIENNIAL BUDGET

May 27, 2025

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

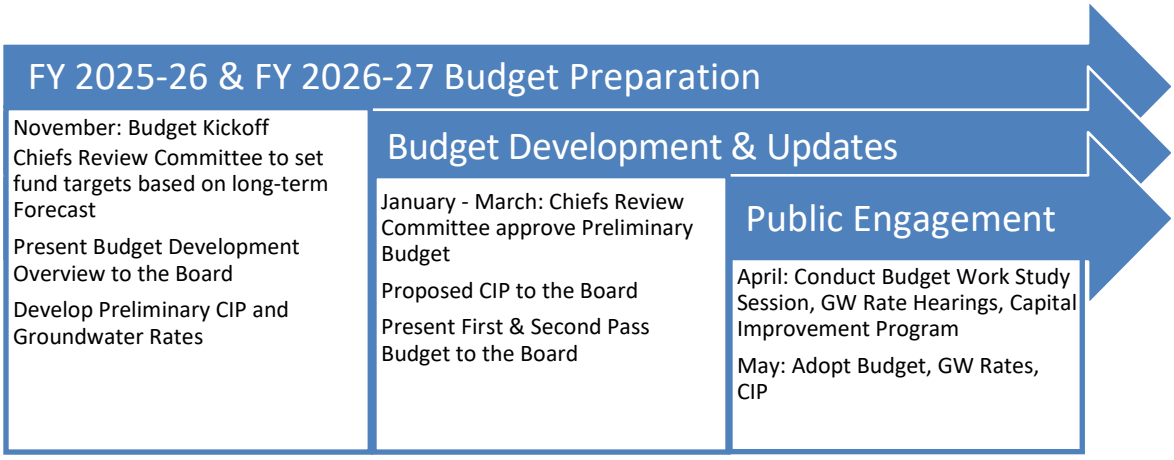
In accordance with Valley Water Policy, I am submitting the Fiscal Years 2025-26 (FY26) & 2026-27 (FY27) Proposed Operating and Capital Rolling Biennial Budget for the Santa Clara Valley Water District (Valley Water). This Budget represents Valley Water's rolling biennial budget, in which the Board adopts a one-year budget and approves a second year Plan, with the FY27 Plan serving as a starting point for the next biennial budget cycle. The rolling biennial budget is updated annually, which is aligned with the guiding State, District Act and Valley Water Policies, and is conducive to long-term planning while remaining responsive to the dynamic and ever-changing needs of the organization. Additionally, it represents Valley Water's mission of providing Santa Clara County safe, clean water for a healthy community, environment, and economy. This Budget 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.

In FY26 & FY27, Valley Water will continue to focus on its core mission to provide safe, clean water, flood protection and environmental stewardship to the community. Valley Water will prioritize financial sustainability and making strategic investments in our water supply and flood protection infrastructure to ensure Santa Clara County has sufficient safe, clean water for every person, business, and farm now and into the future as well as to protect our communities from flooding. Valley Water will also pursue new funding sources to maintain service and advance key projects and continue to deliver our promises with a fiscally responsible budget.

FINANCIAL OVERVIEW

The accounts of Valley Water are organized based on fund types and account groups. Each fund is an independent accounting entity with a self-balancing set of accounts comprised of its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. Fund accounting allows government resources to be segregated and accounted for their intended purposes, aiding management in demonstrating compliance with finance-related legal and contractual provisions.

The budget development process begins in November of each year and concludes on June 30, with the posting of the adopted budget. The budget development process for the FY26 and FY27 Biennial Budget includes numerous public hearings, as well as input from the Board on urgent priorities for the upcoming fiscal year.



VALLEY WATER PRIORITIES

This budget demonstrates a fiscally responsible, balanced budget that meets the community's expectations of Valley Water. The Budget was developed based on the Board's current strategies; the FY 2025-26 Board Work Plan will be approved in the near future. 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.

Given the challenges posed by ongoing economic uncertainty, it is essential for Valley Water to remain grounded in its core mission while also emphasizing strategic sustainability. This budget addresses financial pressures by formally incorporating a hiring pause that began in early 2024, delaying lower priority capital projects, and seeking additional low-cost federal loans, helping to ease the burden on ratepayers while also enabling continued investment in critical infrastructure projects. Valley Water remains committed to operating as efficiently as possible, ensuring the delivery of safe, clean water to Silicon Valley to support a healthy community, environment, and economy — all while maintaining a focus on long-term sustainability.

REVENUE

The FY 2025-26 & 2026-27 Proposed Rolling Biennial Budget includes projected revenues of approximately $745.9 million in FY 2025-26, a net increase of $50.7 million from the $695.2 million included in the FY 2024-25 Adopted Budget. This 7.3% increase is primarily derived from the increase in water charges revenue ($22.9 million), capital reimbursements ($13.9 million), property taxes ($9.3 million), interest and other operating and non-operating revenues ($3.4 million), and special parcel taxes ($1.6 million), partially offset by decreases in intergovernmental services (-$0.2 million) and benefit assessment taxes (-$0.1 million). In FY 2026-27, revenues are estimated to be $768.1 million, a net increase of $22.2 million from the FY 2025-26 budget. The 3.0% growth is primarily attributed to an increase in water charges revenue ($54.5 million), property taxes ($3.4 million), interest and other operating and non-operating revenues ($1.5 million), special parcel tax ($1.2 million), offset by a reduction in capital reimbursements (-$38.3 million), and intergovernmental service (-0.1 million).

APPROPRIATIONS/OUTLAYS

Net total operating and capital outlays for the FY 2025-26 Proposed Budget is $948.1 million, which includes $116.9 million in debt service outlays. For the FY 2026-27 Plan, net total operating and capital outlays is $1.215 billion, which includes $136.6 million in debt service outlays. 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 FY 2025-26 Proposed Budget total $436.2 million, an increase of $6.3 million from the FY 2024-25 Adopted Budget. The increase in net outlays is primarily due to Imported Water (IW) South Bay Aqueduct Delivery, Palo Alto Water Reuse Agreement, Management of Revegetation, Water Rate Assistance Program (WRAP), Watersheds Administration, Silicon Valley Advanced Water Purification Center (SVAWPC) Facility Maintenance, and Dam Safety Program projects. Net operating outlays for the FY 2026-27 Plan total $461.0 million, an increase of $24.8 million from the FY 2025-26 Budget.

NET CAPITAL OUTLAYS

Net capital project appropriations total $394.9 million in the FY 2025-26 Proposed Budget, a decrease of $35.2 million from the 2024-25 Adopted Budget. It is anticipated that $137.0 million of the FY 2024-25 Adjusted Budget for capital projects also will carry forward into FY 2025-26 at the close of the current fiscal year as most capital improvement projects will require multiple years to complete. For the FY 2026-27 Plan, net capital project appropriations total $617.4 million, an increase of $222.4 million from the FY 2025-26 Budget; $13.8 million of the FY 2025-26 Budget for capital projects is estimated to be carried forward into the FY 2026-27 Budget. 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, totaling $131.7 million in FY 2025-26 and $147.3 million in FY 2026-27. 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.

OTHER FINANCING SOURCES/USES

Other financing sources include debt financing proceeds to fund capital projects. For FY 2025-26, Valley Water anticipates issuing approximately $264.8 million in debt proceeds, of which $220.2 million is to finance the Water Utility system infrastructure improvements and $44.6 million is for Safe, Clean Water (SCW) capital projects.

RESERVES

Valley Water reserves are comprised of Restricted Fund Balance reserves, Committed Fund Balance reserves and Assigned Fund Balance reserves. Within these categories are budgeted reserves and special purpose reserves; further detail is found in the FY 2025-26 & FY 2026-27 Rolling Biennial Operating and Capital Budget document beginning on page 3−50. Overall, budgeted reserves for Fiscal Year 2025-26 are expected to total of $540.5 million and $538.2 million in Fiscal Year 2026-27. Budget reserve balances are affected by the true up of actual revenues, unspent operating and capital project funds, carryforward amounts and budget adjustments throughout the fiscal year.

($ in Thousands)	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Proposed Budget 2025-26	Change from 2024-25 $ Diff	Change from 2024-25 % Diff	Planned Budget 2026-27	Change from 2025-26 $ Diff	Change from 2025-26 % Diff
Restricted Reserves									
Safe, Clean Water & Natural Flood Protection Fund	$ 191,827	$ 114,854	$ 200,161	$ 177,840	$ 62,986	55%↑	$ 151,024	$ (26,816)	(15%)↓
Water Enterprise Funds	60,795	37,828	44,682	65,525	27,697	73%↑	71,029	5,504	8%↑
Subtotal	**$ 252,622**	**$ 152,682**	**$ 244,843**	**$ 243,365**	**$ 90,683**	**59%↑**	**$ 222,053**	**$ (21,312)**	**(9%)↓**
Committed Reserves									
General Fund	$ 25,905	$ 14,780	$ 24,280	$ 19,689	$ 4,909	33%↑	$ 18,340	$ (1,349)	(7%)↓
Watershed Stream Stewardship Fund	150,585	150,650	154,082	161,123	10,473	7%↑	164,882	3,759	2%↑
Water Enterprise Funds	179,744	73,088	166,264	92,849	19,761	27%↑	108,473	15,624	17%↑
Internal Service Funds	30,214	22,293	25,322	23,440	1,147	5%↑	24,463	1,023	4%↑
Subtotal	**$ 386,448**	**$ 260,811**	**$ 369,948**	**$ 297,101**	**$ 36,290**	**14%↑**	**$ 316,158**	**$ 19,057**	**6%↑**
Grand Total	**$ 639,070**	**$ 413,493**	**$ 614,791**	**$ 540,466**	**$ 126,973**	**31%↑**	**$ 538,211**	**$ (2,255)**	**0%↓**

DEBT OVERVIEW

The FY 2025-26 debt portfolio total outstanding principal of $1.518 billion includes $202.2 million for Watersheds and $1.316 billion for the Water Utility Enterprise. The annual debt service budget of $116.9 million includes repayment of principal, interest and various banking and legal fees for the debt portfolio.

The long-term strategy is to issue short-term debt to provide just-in-time funding for eligible capital projects as actual expenditures are incurred. As the outstanding short-term debt obligations reach the program capacity, the outstanding short-term debt will be refunded with long-term debt to be repaid over 30 years. For the Water Utility Program, the issuance of long-term debt helps keep water charges stable over the long-term while ensuring inter-generational equity by matching the timing of the debt service repayment to the useful life of the asset and allowing for the completion of capital projects in a timely manner. The FY 2025-26 Protection and Augmentation of Water Supplies (PAWS) report demonstrates that Water Utility finances will be sustainable, including the issuance of debt, assuming the forecasted water charge increases are adopted.

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, approved by voters on November 3, 2020, authorized Valley Water to levy the special parcel tax with periodic Board review of the amount necessary to fund ongoing operations, maintenance and capital project costs planned under the SCW program.

The Santa Clara Valley Water District proactively manages its debt portfolio to ensure access to the public finance credit markets at the lowest available borrowing cost, preserve strong credit ratings, fulfill its fiduciary responsibility to its customers, and provide high quality water service, stream stewardship and flood protection at the lowest possible cost.

BOND RATINGS

The bond ratings for Valley Water's outstanding debt reflect high grade investment quality debt. They are based on Valley Water's positive fiscal policy and financial strengths. The bond ratings are either the highest for a water related governmental entity in the State of California or among the highest. Bonds issued at this credit rating result in lower interest rates and corresponding lower debt service payments.

Please see table below for ratings going into FY 2025-26.

	Water Utility Parity Debt	Watershed Debt	Safe Clean Water Debt	WIFIA Debt
Moody's	Aa1	Aa1	Aa1	N/A
Standard & Poor's	N/A	AAA	N/A	N/A
Fitch	AA+	AA+	AA+	AA+

STAFFING

The FY 2025-26 & FY 2026-27 Proposed Rolling Biennial Budget includes 880 positions composed of 876 regular positions and 4 limited term positions for both FY 2025-26 and FY 2026-27. In FY 2025-26, 45 positions were paused which resulted in a decrease of positions from 921 positions in FY 2024-25 to 876 positions in FY 2025-26. The pausing of positions minimized the salary and related costs increase in FY 2025-26. For a comprehensive schedule of district-wide salaries and benefits, please refer to the *Salaries & Benefits* in the "Financial Overview" section.

Regular Position Count by Organization Area

	Adopted Budget 2023-24	Adopted Budget 2024-25[2]	Change from 2024-25	Proposed Budget 2025-26[3,4]	Change from 2025-26	Proposed Plan 2026-27
Board Appointed Officers[1]	79	78	-7	71	0	71
Office of Integrated Water Management	56	70	0	70	0	70
External Affairs	47	46	-3	43	0	43
Administrative Services	163	166	-6	160	0	160
Water Utility	305	304	-13	291	0	291
Watersheds	269	257	-16	241	0	241
Districtwide	**919**	**921**	**-45**	**876**	**0**	**876**

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

[2] Two positions were added during FY 2023-24.

[3] Library and Records were moved from BAO to Admin Services in FY2024-25.

[4] 45 positions are paused for FY 2025-26 & FY 2026-27.

FUTURE OUTLOOK

Valley Water is responding to the uncertainty in our economy and the associated financial pressure by continuing to pause 45 positions, delaying lower priority capital projects, seeking additional low-cost loans, and making strategic investments to enhance efficiency. Despite these challenges, this budget continues to strongly support our core mission by advancing crucial investments in water storage, water conservation, water recycling, and other infrastructure projects to ensure our community and water supply are protected from natural disasters. Valley Water remains dedicated to fulfilling its commitments to the public, delivering safe, clean water, protecting the environment, and providing effective flood protection while also focusing on strategic sustainability to proactively prepare for future challenges.



Melanie Richardson, P.E.
Interim Chief Executive Officer

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Budget in Brief

FY 2025–26 & FY 2026–27
Operating and Capital Rolling Biennial Budget

Fiscal Year 2025-26

Budget in Brief

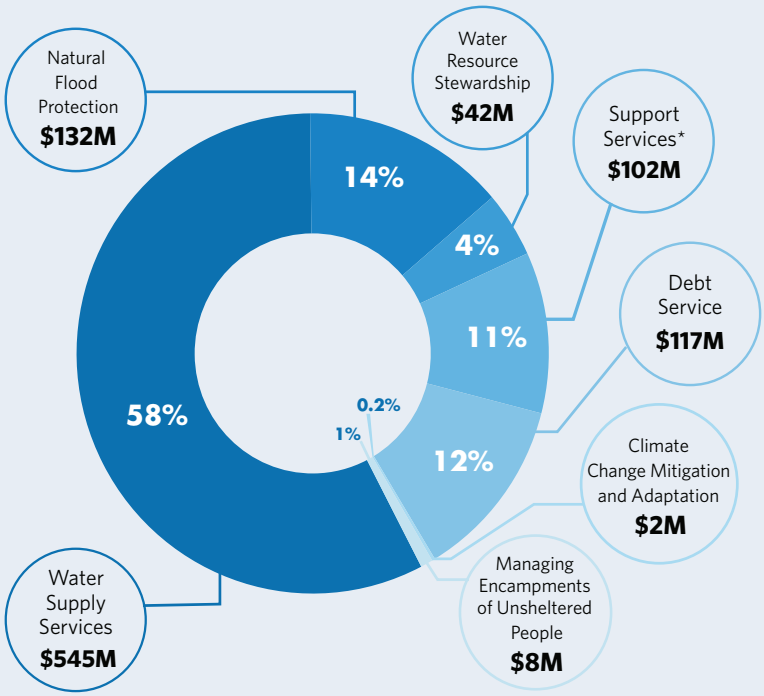
Valley Water



FY 2025-26 Adopted Budget of $948 million

Valley Water manages an integrated water resources system that provides a reliable supply of safe, clean water, flood protection and environmental stewardship on behalf of Santa Clara County's 2 million residents.

In May 2025, the Valley Water Board of Directors adopted a budget for Fiscal Year 2025–26 of $948 million to provide these critical services.



*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.)

Valley Water Budget

As part of the annual budgeting process, the Board conducts planning sessions to develop strategies to accomplish Valley Water's long-term goals and objectives. Valley Water utilizes a rolling biennial budget, which provides a budget for FY 2025-26 and a plan for FY 2026-27. This fiscally responsible and balanced budget meets the community's expectations and invests in water infrastructure to ensure a reliable water supply for future generations.



San Tomas Aquino Creek



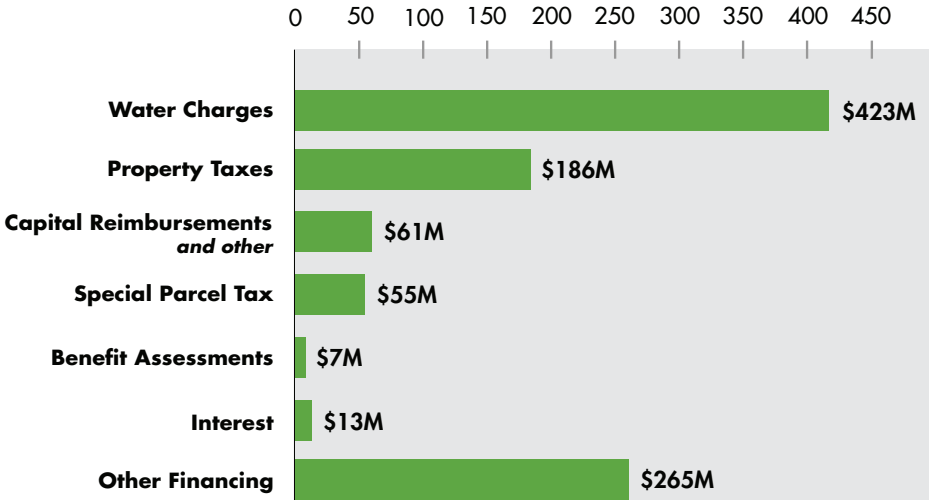
Balancing Act

This online budget simulation tool allows the public to explore Valley Water's anticipated sources of revenue and planned spending. Most importantly, the tool provides an opportunity for the public to provide direct input to the Board of Directors on spending priorities. Balancing Act can be found at ***ValleyWater.abalancingact.com***.

Valley Water relies on multiple types of funding sources

Valley Water receives funding from a variety of sources including: charges for treated water, surface/recycled water, and groundwater production; proceeds from property taxes, the Safe, Clean Water and Natural Flood Protection Program special parcel tax, benefit assessments, interest earnings from cash investments, cost-sharing agreements with other agencies, grants and debt proceeds.

FY 2025–26 Adopted Revenue and Debt Financing of $1.011 billion



Subtotal of individual categories shown above may be slightly off due to rounding.

Water Charges include charges for groundwater production, which is water produced by pumping from the underground basins; treated water, which has been processed through a 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 are comprised of an allocated share of countywide 1% property tax receipts and a voter-approved levy for State Water Project contract obligations.

Capital Reimbursements and other is primarily comprised of reimbursements from other agencies and grants.

Special Parcel Tax provides funding for the Safe, Clean Water and Natural Flood Protection Program passed by voters in 2020.

Benefit Assessments pay for debt service associated with flood protection projects and will continue through February 2030.

Other Financing includes debt proceeds that provide upfront funding for the Capital Improvement Program (CIP).

Safe, Clean, Drinking Water Projects

The Water Utility Enterprise is primarily responsible for providing communities in Santa Clara County with a safe, reliable and affordable water supply. The Fiscal Year 2025-26 budget includes critical investments in infrastructure and technology to help ensure water continues to flow from your tap now and into the future.

Anderson Dam Seismic Retrofit and Tunnel Projects

Valley Water is retrofitting and strengthening Anderson Dam in Morgan Hill so it can safely withstand a large earthquake. This critical work will ensure public safety and allow us to fill Anderson Reservoir to capacity. The Federal Energy Regulatory Commission ordered Valley Water to drain the reservoir to about 3% capacity as we build a new, higher-capacity outlet tunnel that will allow us to release water more quickly during major storms or emergencies. Valley Water is building the tunnel first and will then begin retrofitting the existing dam.

Key deliverables: Complete construction of the outlet tunnel. Advertise and award the retrofit project.



A view inside the new outlet tunnel being built next to Anderson Dam.

Rinconada Water Treatment Plant Reliability Improvement Project

Valley Water will upgrade, retrofit and replace aging equipment to increase the Rinconada Water Treatment Plant's capacity from 80 million gallons per day to 100 million gallons per day. The upcoming work includes the construction of new facilities for raw water ozonation, dual media filtration and chlorine contact. This project will allow Valley Water to continue to provide safe, clean, drinking water to the west side of Santa Clara County.

Key deliverables: Complete demolition of existing clarifiers. Begin construction on the chlorine contact building and ozone generation building.



Phase 4 construction progress includes building structures that will make up the Dual Media Filters, Chlorine Contact Basin, Ozone Generation Building, and Liquid Oxygen Facility.

Coyote Pumping Plant Adjustable Speed Drive Replacement Project

The Coyote Pumping Plant Adjustable Speed Drive Replacement Project will replace key equipment and rehabilitate existing pump motors at the Coyote Pumping Plant in Morgan Hill. This facility, an important part of Valley Water's infrastructure, allows the delivery of imported water supplies to treatment plants and percolation ponds in Santa Clara County. The plant receives water from San Luis Reservoir and has six pumps that allow for its distribution through our vast infrastructure system.

Key deliverables: Complete 100% of plans and specifications. Complete negotiations for the Phase 2 construction contract.



Existing pump gallery at the Coyote Pumping Plant. The existing pump motor on the left side of the picture will be rehabilitated as a part of the Coyote Pumping Plant Adjustable Speed Drive Replacement Project.

San Jose Purified Water Project, Phase 1

The San Jose Purified Water Project, Phase 1, seeks to ensure a reliable future water supply by developing a drought resilient, locally controlled supply through direct potable reuse (DPR). Phase 1 includes plans to build a demonstration facility that will allow us to perform studies required by regulations that show this water will always be safe to drink. It will also inform the design of the most cost-effective full scale facility and to continue educating the public on the need and safety of potable reuse.

Key deliverables: Procure a design consultant for the demonstration facility and develop a framework for the full-scale agreements.



Water Purification Center reverse osmosis.

Environmental and Watershed Projects

Valley Water protects residents and businesses through flood protection initiatives, while also preserving the environment by maintaining and restoring habitats along our creeks and the San Francisco Bay shoreline. Below are key watershed priorities included in the Fiscal Year 2025–26 budget.

Coyote Creek Flood Protection Project

The Coyote Creek Flood Protection Project will build flood protection along approximately nine miles of Coyote Creek between Montague Expressway and Tully Road in San José. The primary objective is to provide protection from floods up to the level that occurred in February 2017.

Key deliverables: Complete construction of Phase 1 (Coyote Creek Flood Management Measures Project) by June 2025. Begin construction of Phase 2 (Coyote Creek Flood Protection Project) by summer 2026.

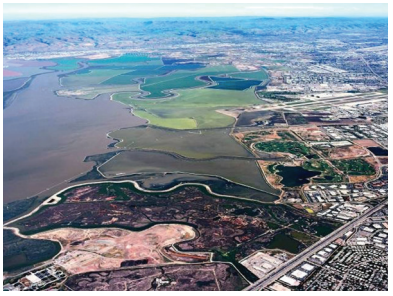


A view from a Phase 1 floodwall looking north from Berryessa Road Bridge.

Greenhouse Gas (GHG) Reduction Plan

The GHG Reduction Plan will provide a baseline of Valley Water's average annual emissions by source (e.g., vehicle fleet, construction, natural gas use), a forecast of future emissions, and specific actions to reduce GHG emissions. Actions include increasing the use of zero-emission fuels in Valley Water and contractor fleets, electrifying existing facilities, and implementing carbon sequestration projects. The GHG Reduction Plan establishes targets for a 40% reduction from baseline annual GHG emissions by 2030 and carbon neutrality by 2045.

Key deliverables: Complete the GHG Reduction Plan and CEQA document and prepare planning document for Carbon Sequestration Program.



Future tidal marsh restoration projects in the Baylands will provide greater carbon sequestration on an acre-per-acre basis than planting trees.

Stream Maintenance Program

Each summer, Valley Water crews perform essential maintenance across 333 miles of the county's 800-mile stream network. This work includes routine maintenance activities such as managing sediment and vegetation and stabilizing streambanks. These activities are carried out under the Stream Maintenance Program (SMP), which is governed by a comprehensive set of regulatory permits. The program is now entering its third phase, SMP-3, which will define maintenance operations for the period of 2027 through 2036.

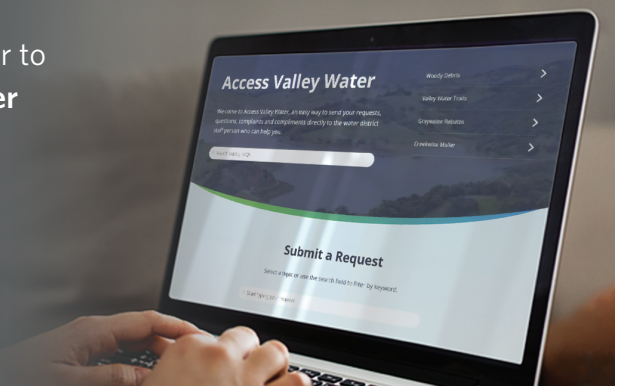
Key deliverables: Complete the Subsequent Environmental Impact Report (SEIR) for SMP-3 to ensure full compliance with the California Environmental Quality Act (CEQA).



Streambed and banks stabilized on Regnart Creek as part of the Stream Maintenance Program.

CONTACT US

To find out the latest information on Valley Water projects or to submit questions or comments, use our **Access Valley Water** customer request system at ***access.valleywater.org***.



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Valley Water Overview

FY 2025–26 & FY 2026–27 Operating and Capital Rolling Biennial Budget

Valley Water Overview

Valley Water (Santa Clara Valley Water District) is the largest multi-purpose water supply, watershed stewardship and flood management special district in California. Valley Water serves nearly 2 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.
- Partnering with other agencies to provide trails, parks and open space for community recreation.

Valley Water's role as a multi-purpose agency enables it to use a comprehensive regional approach to water resources management and environmental protection that would not be possible if these services were fragmented among several agencies.



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

Located at the southern end of the San Francisco Bay, Santa Clara County is home to Silicon Valley. As the county's primary water resources agency, Valley Water serves 15 cities and towns, including Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, San José, Santa Clara, Saratoga and Sunnyvale. Valley Water also serves the county's unincorporated areas.

Collaboration with the community we serve is important and has proven to result in more successful outcomes. By seeking public input, Valley Water is respecting the fact that our operations and projects have a direct impact on people's lives.

Community action created Valley Water when farmers and business representatives formed the Santa Clara Valley Water Conservation Committee in the 1920s. At that time, groundwater supplies were being overpumped, causing the land to subside or sink. The committee pursued creation of an organization to manage and replenish groundwater supplies, and the resulting Santa Clara Valley Water Conservation District later constructed reservoirs throughout the county to conserve water. The 1929 Santa Clara Valley Water District Act gives Valley Water its authority to operate as a state special district, with jurisdiction throughout Santa Clara County.

The District Act authorizes Valley Water "To provide comprehensive water management for all beneficial uses and protection from flooding within Santa Clara County. Valley Water may take action to carry out all of the following purposes:

(a) to protect Santa Clara County from flood and storm waters of the district, including tidal flood waters and the flood and storm waters of streams that have their sources outside the district, but flow into the district;

(b) to protect from those flood or storm waters the public highways, life and property in the district, and the watercourses and watersheds of streams flowing within the district;

(c) to provide for the conservation and management of flood, storm, reclaimed, or recycled waters, or other waters from any sources within or outside the watershed in which the district is located for beneficial and useful purposes, including spreading, storing, retaining, and causing the waters to percolate into the soil within the district;

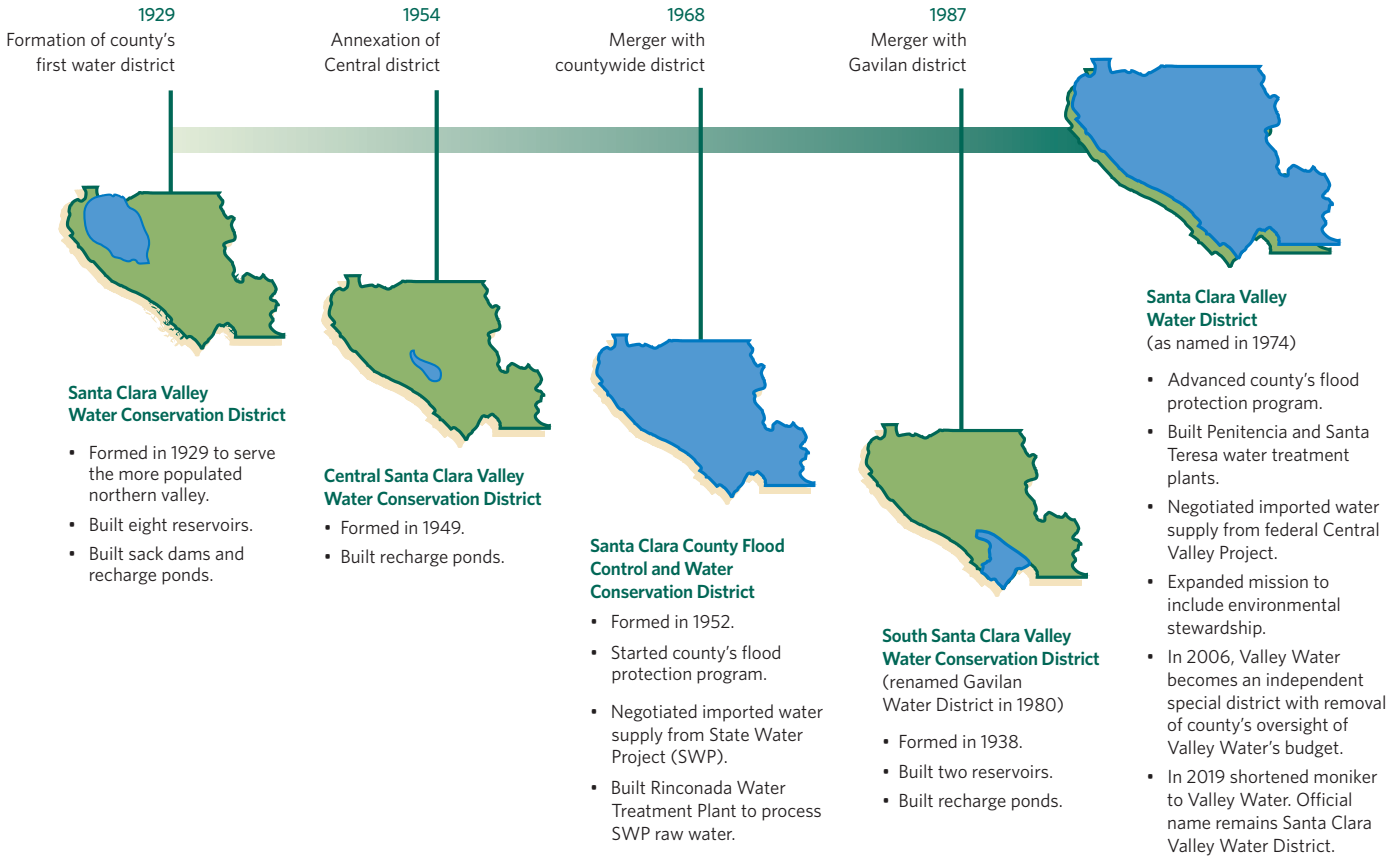
(d) to protect, save, store, recycle, distribute, transfer, exchange, manage, and conserve in any manner any of the waters;

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

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

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

Evolution of Valley Water



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

Local Economy

Over the past year, the U.S. economy experienced steady growth, as the national GDP increased at an annual rate of 2.3% while inflation dropped significantly to 2.9% at the end of 2024.[1,2] Following the change in the presidential administration in January 2025, major policy shifts may alter this economic trajectory. The administration's proposals include raising tariffs on imports from trading partners such as China, Mexico and Canada, increasing enforcement at worksites employing undocumented workers, laying off federal employees and freezing federal funding and grants. These policies could potentially lead to economic uncertainty for Silicon Valley and the nation.

Silicon Valley continues to have the highest income and wealth gaps in the nation, along with the most expensive housing. Recent economic indicators suggest signs of weakness in Silicon Valley's economy. The unemployment

rate is slowly increasing, and inflation remains persistent. It is important for us to continue monitoring our region's economy.

The San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area's March 2025 unemployment rate was 4.1%, down from a revised 4.2% in February 2025, and unchanged from the year-ago estimate of 4.1%.[3] This rate is lower than California's overall unemployment rate of 5.3% and the national rate of 4.2% during the same period.

Silicon Valley's employment remains mostly unchanged from the previous year and is just slightly above 2019 levels. By contrast, San Francisco remains 8% below its 2019 mark. Despite this slowdown, the region's community infrastructure and services sector has added 155,000 jobs since 2020, which accounts for 51% of the workforce. Employment at startup companies has grown 9.3%, with the software and biotechnology industries seeing the largest growth. Software developers represent the largest occupational group in Silicon Valley, followed by engineers. Remote work is more common in the Bay Area than elsewhere, with workers spending an average of 37% of their workdays at home.[4]

The Consumer Price Index for All Urban Consumers (CPI-U) in San Francisco-Oakland-Hayward rose 0.4% from February 2025 to April 2025. The index for all items, excluding food and energy, increased by 0.2%, the food index rose by 0.5%, and the energy index increased by 3.2% during the same period. The region's CPI-U advanced 1.3% for the 12 months ending in April 2025. The food index rose 2.1% while the energy index fell 6.2%. The index for all items, excluding food and energy, increased by 1.6% for the past 12 months ending in April 2025.[5]

The national CPI-U increased 0.2% on a seasonally adjusted basis in April 2025, after falling 0.1% in March 2025. On a year-over-year basis, the index increased 2.3%. The index for shelter rose 0.3% in April, the energy index also rose 0.7% over the month, as increases in the natural gas index and the electricity index offset a decline in the gasoline index. The index for food fell 0.1% as the food at home index decreased 0.4% and the food away from home index rose 0.4% over the month. The index for all items less food and energy rose 0.2% in April, following a 0.1% increase in March. Indexes that increased over the month include household furnishings and operations, medical care, motor vehicle insurance, education, and personal care. The indexes for airline fares, used cars and trucks, communication, and apparel were among the major indexes that decreased in April.[6]

In the latest Federal Open Market Committee (FOMC) statement released on May 7, 2025, the FOMC stated that although swings in net exports have affected the data, recent economic indicators suggest the U.S. economic activity has continued to expand at a solid pace. The unemployment rate remains relatively low, and labor market conditions are still solid. Inflation remains somewhat elevated. The FOMC seeks to achieve maximum employment and an inflation rate of 2% over the long term. However, uncertainty around the economic outlook has increased further, and the committee is attentive to the risks to both sides of its dual mandate and judges that the risks of higher unemployment and higher inflation have risen. To support its goals, the committee decided to maintain the target range for the federal funds rate at 4.25% to 4.5%. The committee will carefully assess incoming data, the evolving outlook, and the balance of risks when determining any future changes to the target federal funds rate.[7]

According to the U.S. Bureau of Economic Analysis' estimate on April 30, 2025, the real gross domestic product (GDP) decreased at an annual rate of 0.3% in the first quarter of 2025. In the fourth quarter, real GDP increased by 2.4%.[1] Compared to the fourth quarter, the downturn in real GDP in the first quarter reflected an upturn in imports, a deceleration in consumer spending, and a downturn in government spending that were partly offset by upturns in investment and exports.

Silicon Valley has the largest wealth gap in the nation, and it continues to grow. The per capita income has reached an all-time high of $157,000, more than double the national average. The region is home to 89 billionaires and 145,000 millionaires. The top 10% of earners hold roughly 71% of the collective wealth. If Silicon Valley's liquid wealth were evenly distributed, it would amount to $1 million per household. Silicon Valley's income divide has grown twice

as quickly as that of the state and nation since the end of the Great Recession in 2012. The gap between residents of varying educational attainment levels is also wider here than elsewhere. There is also a significant gender wage gap: women earn 77 cents for every dollar earned by men. Alarmingly, 30% of Silicon Valley households cannot meet their basic needs without assistance. More than a third of children live in households at risk for food insecurity.[4]

The population in Silicon Valley has stabilized after experiencing six years of decline. In 2024, it saw a slight increase of 0.2%. Approximately 41% of the population is foreign-born; this percentage increases to 48% among employed residents. In the tech industry, a significant 66% of workers are foreign-born. Additionally, the region is experiencing an aging population; the share of residents aged 65 and older has grown by 28% since 2013, while the number of children has declined by 14% over the same period. Public school enrollment has also dropped by 9% since 2020.

In 2024, the median home price in the region hit $1.92 million, making homeownership unaffordable for many residents; only 25% of first-time home buyers can afford a median-priced home. Despite a persistent housing shortage, 2024 marked the lowest number of permitted housing units in 12 years (4,900 units). The average rent for a multi-family unit is $3,210, and nearly half of Silicon Valley renters spend more than 30% of their income on rent. Moreover, the cost of building affordable housing has surged 83% since 2019, reaching $765,600 per unit. In Santa Clara and San Mateo counties, the number of unlawful detainer evictions increased by 132% in the fiscal year 2022-23 due to the end of the statewide moratorium on evictions.[4]

Silicon Valley's public agencies are working towards regaining financial stability following the challenges posed by the pandemic. After a 12% decline in expenses between 2020 and 2022, expenses increased by 7% in 2023. This suggests a gradual rebound in spending as the agencies recover from the initial budget-tightening measures taken during the height of the pandemic.[4]

Valley Water's budget for FY 2025-26 and FY 2026-27 continues our practice of a rolling biennial budget. This method helps us plan for the coming years, gives the public a clearer view of our plans, and supports our financial stability.

Valley Water will continue to plan wisely for projects that benefit the public as we navigate severe weather, changes in our local economy and shifts in political and environmental conditions.

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1. U.S. Bureau of Economic Analysis (BEA), Apr. 30, 2025, News Release
2. US BLS, Consumer Price Index: 2024 in review, Jan. 24, 2025
3. State of California Employment Development Department (EDD), Labor Market Info, Apr. 18, 2025
4. Joint Venture Silicon Valley Institute for Regional Studies, 2025 Silicon Valley Index
5. US Bureau of Labor Statistics (BLS) Western Information Office, CPI, San Francisco Area – April 2025
6. US BLS, Consumer Price Index Summary, Economic News Release, May 13, 2025
7. Federal Reserve FOMC statement, May 7, 2025

Valley Water Overview

Governance and Board of Directors

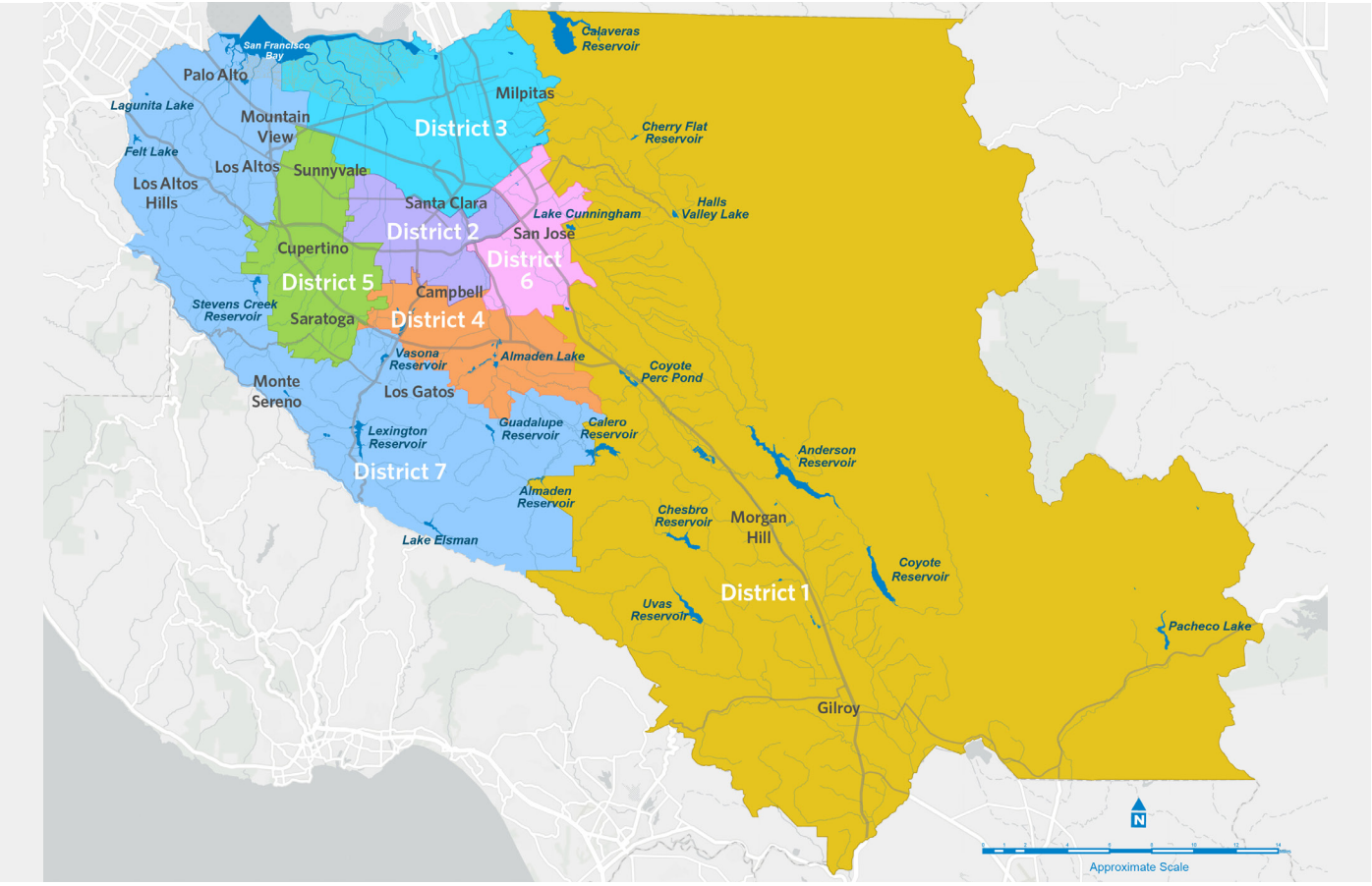
The District Act outlines the structure, function and operations of Valley Water's Board of Directors, which governs Valley Water and directs the board appointed officers. Valley Water's Board of Directors is comprised of seven members each elected from equally-divided districts drawn through a formal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

The Board sets direction for Valley Water through its policy governance structure. Through adopted policies, the Board determines Valley Water's mission, 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 and affordable source of water; natural flood protection; water resources stewardship; and climate change mitigation and adaptation. 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 regularly reviews and updates Ends and Executive Limitations policies to ensure they reflect the Board's collective values and perspectives. The Board's Policies can be viewed at:

https://www.valleywater.org/how-we-operate/board-governance-policies.

Board directorial districts



History Timeline

For 93 years, Valley Water 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

Significant post-war population growth.

1940-46: Major drought. Land subsidence worsens in north San José 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.

Valley Water Overview

1980s

Environmental concerns are addressed as part of every construction project. Underground storage tanks are discovered leaking and potentially contaminating drinking water. The Santa Teresa Water Treatment Plant begins operation. Severe flooding occurs; voters approve funding for much-needed flood protection projects through benefit assessments.

1980: The South Santa Clara Valley Water Conservation District is renamed the Gavilan Water District.

1987: South County voters approve annexing Gavilan Water District to the Santa Clara Valley Water District. The federal Central Valley Project, San Felipe Division, begins delivery of imported water to the county from San Luis Reservoir just as the valley enters a seven-year drought period. The county's population nears 1.7 million.

1990s

The 1987-93 drought drives Valley Water to seek new sources of water through recycling, water banking and aggressive water conservation.

1995: Flooding in the county highlights the need for flood protection, especially on the Guadalupe River in downtown San José.

1997: Valley Water completes the IWRP long-term water supply planning process and initiates the Water Treatment Improvement Project (WTIP) to address increasingly stringent state and federal water quality standards. Coyote Creek flooded several sites between Morgan Hill and San José, causing damage to homes and businesses.

1998: Flooding occurs on San Francisquito Creek and in the county. Changing community priorities, a growing commitment to staff diversity, strict state and federal regulations and an evolving environmental ethic lead Valley Water into the 21st Century.

2000-2023

Valley Water takes a lead role in the fight against MTBE water contamination, addresses perchlorate contamination of more than 1000 South County wells and partners with local wastewater agencies to increase recycling. The first phase of the WTIP is completed and the second phase launched.

2000: County voters approved the Clean, Safe Creeks and Natural Flood Protection Plan (Measure B) and approve a special tax to ensure continuity of flood protection and stream stewardship services for 15 more years.

2005: The 15-year, $346 million Downtown Guadalupe Flood Protection Project is completed, protecting an estimated 95,000 people from flooding and restoring critical endangered species habitat.

2006: Santa Teresa Water Treatment Plant delivers Valley Water's first ozonated water, providing customers better-tasting, more healthful tap water.

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

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

2010: Assembly Bill 466 enacted, increasing the boundaries for the Board of Directors from five to seven districts.

2012: 74% of county voters approve the Safe, Clean Water (Measure B), a special tax to ensure continuity of flood protection, dam maintenance and stream stewardship services for 15 more years.

2014: The Silicon Valley Advanced Water Purification Center is completed, producing 8 million gallons a day of purified recycled water to enhance the quality of recycled "purple pipe" water used for non-potable purposes and demonstrating technologies that can be used to purify water to augment drinking water supplies.

2015: Entering the fourth year of drought, the Board adopted a resolution calling for a countywide water use reduction of 30% compared to 2013. Valley Water began a large-scale modernization of the Rinconada Water Treatment Plant, the second-largest of Valley Water's plants.

2016: Mid-year, the Board voted to reduce the water use reduction target to 20%. The implementation of fluoridation was completed in December 2016 for South, East and North San José, and Milpitas.

2017: In January, the Board adopted a resolution continuing the 20% water use reduction target and three day per week watering restriction.

2018: After a 2017 flood impacted neighborhoods along Coyote Creek, the Board approved changes to Anderson Reservoir operations to reduce the risk of flooding downstream. Crews completed short-term flood protection improvements in the Rock Springs neighborhood before the winter began.

2019: The California Water Commission awarded the Pacheco Reservoir Expansion Project $484.55 million under Proposition 1, and approved Valley Water's request for early funding of $24.2 million to proceed with next steps, such as completing environmental documents and permit applications.

2020: In November, Santa Clara County voters overwhelmingly approved Measure S, a renewal of Valley Water's Safe, Clean Water and Natural Flood Protection Program that will continue to provide the funding for local projects that support Valley Water's mission.

2021: As Santa Clara County endures a second year of drought, the Valley Water Board declared a drought emergency in June and called for 15% mandatory conservation. In July, Valley Water held a groundbreaking ceremony for the Anderson Dam Tunnel Project.

2022: In April, Valley Water held a groundbreaking ceremony to commemorate the start of construction on the first phase of the South San Francisco Bay Shoreline Project.

2023: In August, the Valley Water Board of Directors certified the Fish and Aquatic Habitat Collaborative Effort's final environmental impact report. The document details how Valley Water proposes to release water from our reservoirs to balance water supply needs while also providing habitat for steelhead in Stevens Creek and both steelhead and Chinook salmon in the Guadalupe watershed.

2024: In September, Valley Water reached a milestone in its work to rebuild Anderson Dam when crews finished excavating a 1,736-foot-long tunnel. The new tunnel will help Valley Water release more water from the reservoir during an emergency.

Board Committees

Committees are comprised of board members that advise the Board on an ongoing basis for an assigned subject purpose.

Board Policy and Monitoring Committee: Provides support to the Board in areas of:

1. Board planning process.
2. Board Committees' principles and structures.
3. Board and organization performance monitoring.
4. Board and Director identified issues related to Diversity and Inclusion.
5. 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 Ad Hoc 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.

Environmental Creek Cleanup Committee: Discuss homelessness and encampment issues and bring discussion and recommendations back to the Board.

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

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

Water Supply and Demand Management Committee: Receive and discuss information on issues related to additional water storage options. 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.

Board Advisory Committees

Committees made up of constituents/elected officials that are formed and managed in accordance with Board resolution.

Agricultural Water Advisory Committee: To assist the Board with policies and issues pertaining to agricultural water supply and use, and in the annual review of groundwater production charges.

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

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

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

Joint Committees

Committees made up of board members and other agency staff that are formed to advise the Board and or in accordance with agreements, contracts, etc.

Joint Recycled Water Advisory Committee with the City of Sunnyvale: Develop a long-term proposal for how Valley Water and City of Sunnyvale can work together on recycled water opportunities, to establish a collaborative process to facilitate policy discussion and sharing of technical information on recycled water issues.

Joint Recycled Water Policy Advisory Committee with the City of San José/Santa Clara/TPAC: Required per term in the City–Valley Water 40-year Integration Agreement. The Committee shall tender its advice to Valley Water's Board of Directors and the City Council of the City of San José with respect to policy matters relating to the production, distribution and use of recycled water from facilities under administration by these agencies.

Joint Recycled Water Policy Committee with the Cities of Palo Alto, East Palo Alto, and Mountain View: Develop a long-term proposal for how Valley Water and the Palo Alto Regional Water Quality Control Plant (RWQCP) partner agencies, other stakeholders, and interested parties, can work together on recycled water opportunities, to advance common interest, and to establish a collaborative process to facilitate policy discussion and sharing of technical information on recycled water issues.

Joint Water Resources Committee with the Cities of Morgan Hill and Gilroy: Advance common South County water interests and receive input from stakeholders and interested parties when undertaking the following:

1. Reviewing current practices and future needs for groundwater management in the Llagas groundwater sub-basin.
2. Facilitating policy discussion and sharing of technical information on water supply planning for South County.
3. Identifying the current and future demand for recycled water as well as jointly identifying funding sources for implementation of the South County Recycled Water Master Plan.

4. Facilitating policy discussion and sharing of technical information on furthering development and use of recycled water in South County.
5. Facilitating policy discussion and sharing of socio-economic information on homelessness in South County.

San Felipe Division Reach One Committee: Discuss the Initial Asset Evaluation Report, attempt to reach a joint recommendation for a Condition Level, and discuss policy issues.

Board Working Groups

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

Delta Conveyance Authority Group: Information sharing.

Environmental Stakeholder Group: Information sharing.

External Monitoring Committee

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

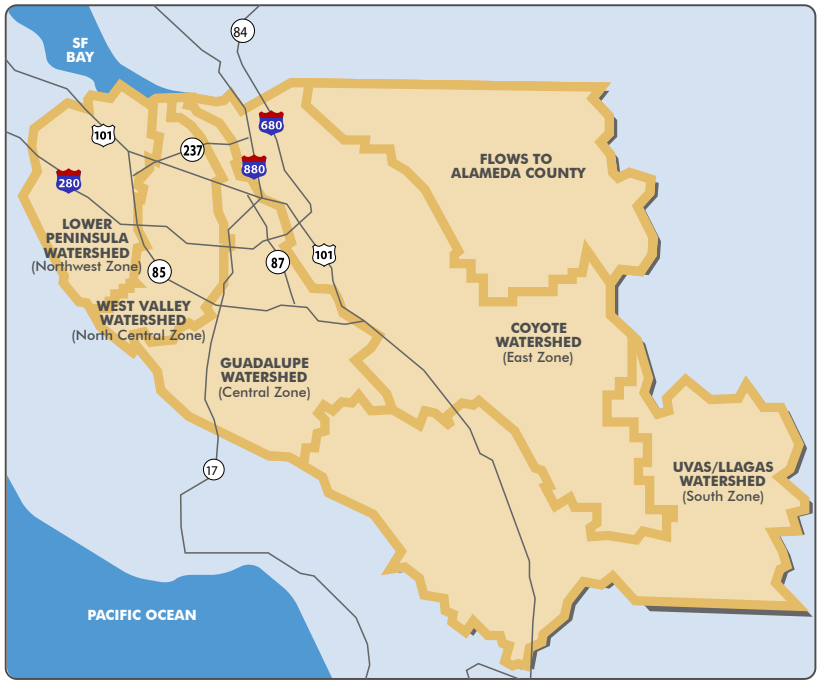
Safe, Clean Water Independent Monitoring Committee: Annually reviews the implementation of the intended results of the program and reports its findings to the Board, which makes the Committee report available to the residents and voters of Santa Clara County.

Groundwater Benefit Zones in Santa Clara County



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

Watershed Areas and Flood Control Zones of Santa Clara County



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

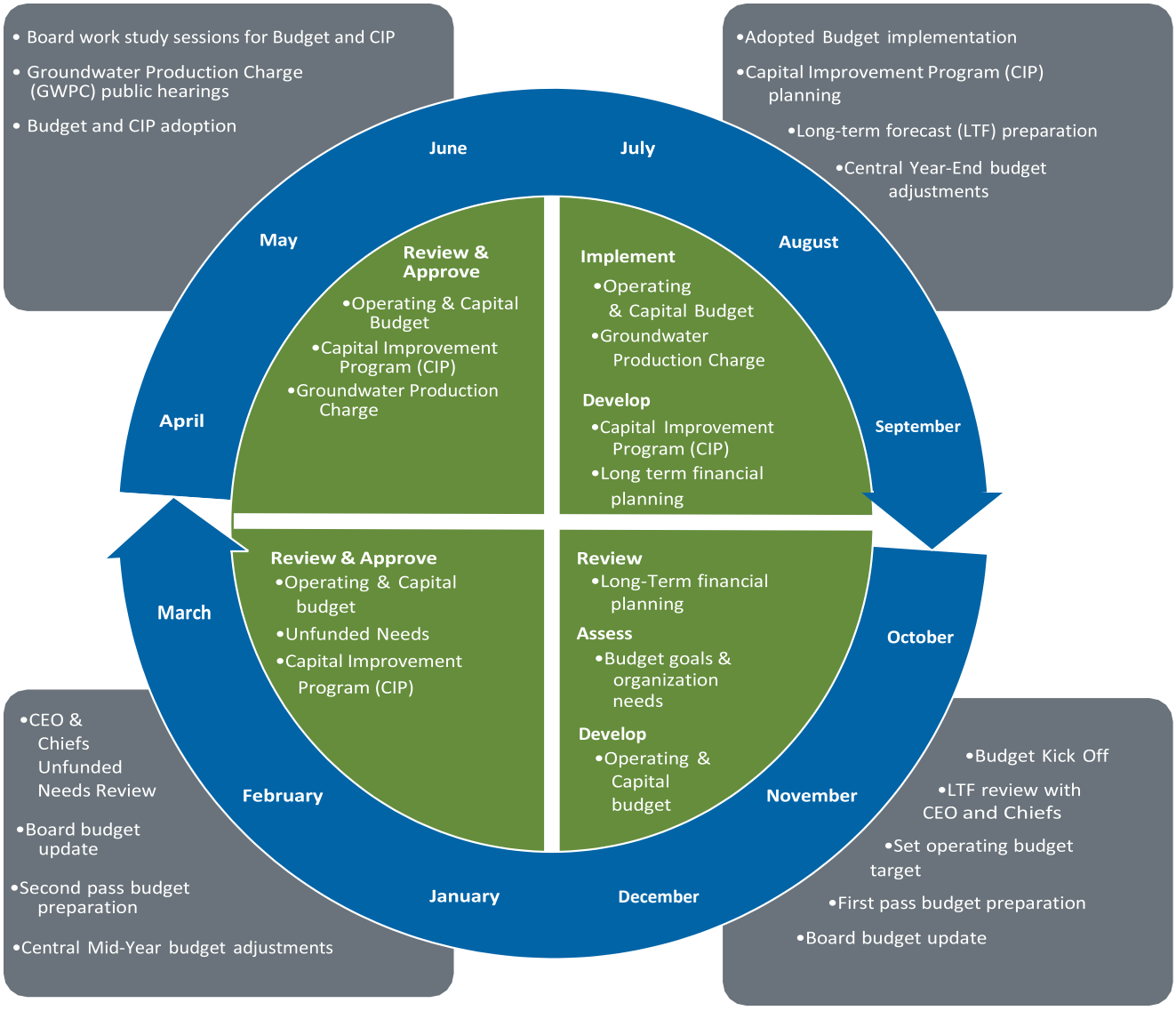


Financial Overview

FY 2025–26 & FY 2026–27
Operating and Capital Rolling Biennial Budget

FINANCIAL OVERVIEW

Budget Process Overview



Financial Overview

Budget Development

In accordance with the District Act and Valley Water Board of Directors' Governance Policies, Valley Water prepares and adopts an Operating and Capital Budget annually. The budget is developed in coordination with and including the Financial Planning and Rate Setting, and Capital Improvement Plan (CIP) processes. The FY 2025-26 & FY 2026-27 Operating and Capital Rolling Biennial Budget includes the FY 2025-26 budget and a subsequent fiscal year plan for FY 2026-27. The second fiscal year serves as a planning tool and will set the framework for the preparation of the FY 2026-27 Operating and Capital Rolling Biennial Budget in the following year.

Financial Planning and Rate Setting

Every year staff prepares a rolling ten-year expenditure forecast that provides the basis for developing the budget targets and for analyzing the long-term financial sustainability of the various Valley Water funds. For the Water Utility Enterprise funds, Valley Water uses the "revenue requirements" methodology to set the groundwater production charge and other water charges for each zone. In general, costs associated with operations, capital, debt service, and reserve requirements are estimated over a 10-year time frame. The amount not funded by property taxes, interest earnings, debt proceeds, and other income is covered by water charges. A water charge projection is calculated for each zone to recover the revenue requirements over a 10-year time frame in accordance with the pricing policy (Board Resolution 99-21). The water charge setting process is conducted in accordance with the District Act and Board Resolution 12-10 and includes the preparation of an annual report on the Protection and Augmentation of Water Supplies (PAWS). The report provides information on present and future water requirements for the County, water supply available to Valley Water, future capital and operating requirements, benefits and services provided by Valley Water, financing methods, and water charges by zone. A series of public hearings and meetings are conducted with advisory committees and stakeholders to ensure that feedback is gathered for the Board's consider in establishing water charges each year.

Capital Improvement Plan

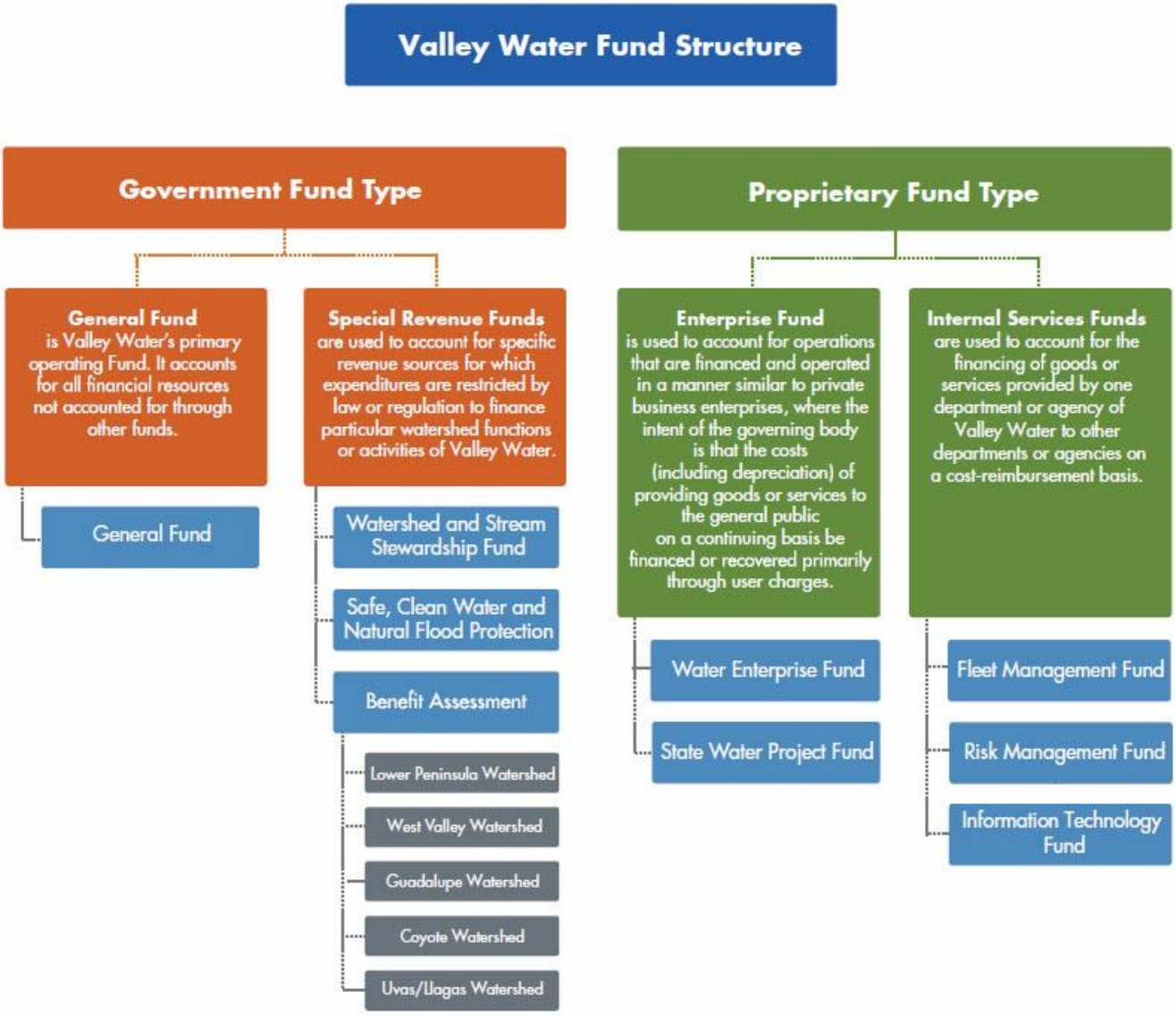
Valley Water prepares a Capital Improvement Program (CIP) annually. It is a five-year rolling CIP, updated annually and covers the upcoming five-year period. The CIP is approved by the Board each year and is publicly available for review. The CIP includes project descriptions, schedules, and forecasts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

For detail of capital expenditures and the impact of capital investments on the operating budget, please visit: https://www.valleywater.org/public-review-documents.

Other Planning Documents

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

- Countywide Water Reuse Master Plan (CoRe Plan)
- Protection and Augmentation of Water Supplies Report 2025-26
- Requests of the 119th Congress
- Safe, Clean Water and Natural Flood Protection 5-Year Implementation Plan
- Stream Maintenance Program Manual
- Water Utility Enterprise Five Year Operations and Maintenance Plan
- Water Utility Water Supply Master Plan
- Watersheds Five Year Operations and Maintenance Plan


Valley Water Fund Structure
Government Fund Type
General Fund
is Valley Water'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 Valley Water.
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 Valley Water to other departments or agencies on a cost-reimbursement basis.
Fleet Management Fund
Risk Management Fund
Information Technology Fund

Financial Overview

Basis of Budgeting

The Budget is prepared using the modified accrual basis. Revenues are recognized only when they become measurable and available to finance expenditures of the fiscal period. Expenditures are recognized when the payments are incurred, or an encumbrance is made.

Valley Water chart of accounts 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 according to their intended purposes, aiding management in demonstrating compliance with finance-related legal and contractual provisions.

Revenue

Revenue projections are, in general, taken from Valley Water's long-range planning documents. These planning tools are updated annually based on the best information available. They are documented annually as part of the Annual Report on the Protection and Augmentation of Water Supplies (PAWS), the Flood Control Benefit Assessments Report, and the Safe, Clean Water and Natural Flood Protection Annual Report.

The FY 2025-26 Budget includes projected revenues of $745.9 million. These revenues reflect a net increase of 7.3% from the $695.2 million included in the FY 2024-25 Adopted Budget. The net $50.7 million increase is derived from an increase in water charges revenue ($22.9 million), capital reimbursements ($13.9 million), property taxes ($9.3 million), interest and other operating and non-operating revenues ($3.4 million), and special parcel tax ($1.6 million), partially offset by decreases in intergovernmental services (-$0.2 million) and benefit assessment taxes (-$0.1 million).

The FY 2026-27 planned revenue of $768.1 million reflects a net increase of $22.2 million over the FY 2025-26 Budget. The 3.0% growth is primarily attributed to an increase in water charges revenue ($54.4 million), property taxes ($3.4 million), interest and other operating and non-operating revenues ($1.5 million), special parcel tax ($1.2 million), offset by a reduction in capital reimbursements (-$38.2 million), and intergovernmental services (-$0.1 million).

The specific categories of revenue include:

Water Revenue

The main source of Valley Water revenue is from water charges which is projected at $423.3 million for FY 2025-26, an increase of 5.7% over the FY 2024-25 Adopted Budget. The FY 2026-27 water revenue estimate of $477.8 million is an 12.9% increase over FY 2025-26. Revenues from treated water are the largest source with an estimated amount of $220.4 million in FY 2025-26 and increasing by $21.8 million to an estimated $242.2 million in FY 2026-27. Groundwater production charges are budgeted at $200.3 million growing to $232.7 million, and surface/recycled water sales are projected at $2.6 million in FY 2025-26 and increasing to $2.8 million for FY 2026-27. These estimates include rate increases of 9.9% in Zone W-2, 7.9% in Zone W-5, 11.2% in Zone W-7, and 8.0% in Zone W-8 for municipal and industrial groundwater charges in each fiscal year of the biennial budget. Furthermore, staff estimates water usage decreasing (-1.4%) in FY 2026 versus the FY 2025 projection used in the Adopted Budget. This reflects a more modest rebound in water usage than previously estimated. A minimal increase of 5,000 AF of water use is projected from 219,000 AF in FY 2025-26 to 224,000 in FY 2026-27, mimicking the slower water use rebound that Valley Water has observed.

Additional information on groundwater production charges is provided in the Water Utility Enterprise Fund Summary section of this budget and in the FY 2025-26 PAWS Report.

Property Tax

Property tax revenues are estimated at $185.6 million for FY 2025-26, an increase of 5.3% from the FY 2024-25 Adopted Budget. The planned FY 2026-27 amount assumes a 1.8% increase totaling $189.0 million. Valley Water benefits from two types of property taxes: 1% ad valorem and levies for State Water Project (SWP) indebtedness. The 1% ad valorem is estimated at $157.6 million in FY 2025-26 and $161.0 million in FY 2026-27. Levies for State Water Project (SWP) indebtedness are budgeted at $28.0 million in FY 2025-26 and $28.0 million in FY 2026-27. More information on property tax revenue is included in the Major Sources of Revenue section later in this chapter.

Special Parcel Tax

The Safe, Clean Water and Natural Flood Protection Program special parcel tax was approved in 2000 as the Clean, Safe Creeks and Natural Flood Protection Plan, then again in 2012 as the Safe, Clean Water and Natural Flood Protection Program; most recently, an ongoing Safe, Clean Water and Natural Flood Protection Program was approved by voters in November 2020. The Special Parcel Tax for FY 2025-26 is budgeted at $55.1 million, and FY 2026-27 projected revenue is $56.3 million reflecting an increase of 2.9% in FY 2025-26 and 2.2% in FY 2026-27, respectively. Further details on the Special Parcel Tax and its uses can be located in the Major Sources of Revenues section, the Safe, Clean Water & Natural Flood Protection Fund summary, and the Safe, Clean Water & Natural Flood Protection Annual Report.

Benefit Assessments

Benefit assessment revenue consists of levies approved by voters in 1986 and 1990 to support financing for flood control capital improvements and are set at 1.25 times the duly authorized annual debt service requirements for assessed parcels in each watershed. Benefit Assessment revenue budget is $6.9 million for both FY 2025-26 and FY 2026-27. Benefit Assessment taxes are described further in the Major Sources of Revenue and in the Watershed Management Fund Summary sections.

Capital Reimbursements

Capital reimbursements are from local, state, and federal agencies for specified capital projects that are already completed or would be undertaken during this budget period. District-wide capital reimbursements are budgeted at $56.3 million for FY 2025-26 and reduce to $18.0 million in FY 2026-27. See the Major Sources of Revenue section for further details.

Interest

Overall interest earnings are estimated at $13.5 million in FY 2025-26 and $15.0 million in FY 2026-27. The increases of $3.5 million in the first year and $1.5 million in the second year are primarily due to the expectation of a moderately higher interest rate earned by the portfolio.

Intergovernmental Services

Intergovernmental Services revenue are reimbursements from cost sharing agreements with local cities and agencies. The FY 2025-26 Budget includes $1.5 million and FY 2026-27 Plan includes $1.4 million in this category. These amounts are comprised of reimbursements from local agencies for conservation incentive programs such as the Lawn Rebate Program, Greywater Program, and Home Water Use Reports, and for reimbursements from the San Benito Water District for O&M San Felipe Reach 1 projects.

Other Revenue

Other Operating and Non-Operating Revenues comprised of receipts from minor sources such as rental income and the sale of vehicles totals $3.6 million in FY 2025-26 and FY 2026-27.

Appropriations/Outlays

Total FY 2025-26 operating and capital outlays are budgeted at $1,079.8 million, which includes intra-district reimbursements of $131.7 million, and these net to total operating and capital outlays of $948.1 million. These figures do not include capital carry forward ($137.0 million) appropriated by the Board in prior years. The $131.7 million of intra-district charges are comprised of General Fund reimbursements (64%) and Internal Service Funds charges (36%). Of the total FY 2025-26 net outlays, operating outlays (including debt service) accounts for $553.1 million, reflecting an increase of $19.6 million compared to the FY 2024-25 Adopted Budget of $533.5 million. The total net capital outlays make up $394.9 million compared to the FY 2024-25 Adopted Budget of $430.1 million, accounting for a $35.2 million decrease.

The planned FY 2026-27 total operating and capital outlays are projected to increase by $282.5 million over FY 2025-26, reaching $1,362.3 million. The total net of intra-district reimbursements is $1,215.0 million, of which $597.6 million is net operating expenses and $617.4 million are net capital expenses. These amounts do not include the projected capital projects carryforward of $13.8 million and is net of an estimated $147.3 million in intra-district reimbursements comprised of General Fund reimbursements (61%) and Internal Service Funds charges (39%).

The increase in net outlays over the Biennial Budget reflects continued efforts to maintain service levels that support key strategic objectives. Objectives and issues facing Valley Water include but are not limited to:

- Maintaining optimal conditions in all Valley Water infrastructure such as levees, channels, culverts, percolation ponds, dams and reservoirs, water distribution systems, water treatment plants, various operations buildings, and other facilities
- Delivering an ambitious capital program on time and within budget
- Advancing Valley Water's interests in countywide stormwater resource planning
- Actively participating in decisions regarding California Delta Conveyance
- Leading efforts to advance recycled and purified water efforts within Santa Clara County
- Pursuing new water supply and increased water storage opportunities
- Providing safe, clean water and natural flood protection equitably to all Santa Clara County while protecting ecosystem functions and enhancing habitats
- Attaining net positive impact on the environment when completing projects
- Addressing future impacts of climate change to Valley Water's mission and operations
- Addressing encampments and the unhoused population in coordination with regional partners

Intra-district Reimbursements

The primary funding sources for the General Fund and Service Funds are intra-district reimbursements. FY 2025-26 budgeted levels are $131.7 million, and $147.3 million planned in FY 2026-27. Intra-district charges reimburse the General Fund and Service Funds for functions such as finance, accounting, payroll, human resources, information technology, facilities, organizational leadership, and fleet management. Approximately, 60% of intra-district charges is paid by the Water Utility Enterprise, 40% by Watersheds Funds.

Capital Outlays

The capital budget represents the projects that have been identified and prioritized in the Five-Year Capital Improvement Program (CIP). FY 2025-26 net capital project outlays total $394.9 million, a decrease of $35.2 million as compared to the net FY 2024-25 Adopted Budget of $430.1 million. It is anticipated that $137.0 million of the FY 2024-25 Adjusted Budget for capital projects will be carried forward to FY 2025-26 as most capital projects require multiple years to complete.

Net Capital Outlays are planned to reach $617.4 million in FY 2026-27 reflecting a $222.4 million increase over the prior year budgeted level and assumes $13.8 million of the prior year's capital funds will carry forward to FY 2026-27.

Other Financing Sources/Uses

Other financing sources and uses include proceeds from debt issuance. Valley Water anticipates issuing bonds or commercial paper for approximately $264.8 million in FY 2025-26, and $458.4 million in FY 2026-27, to finance various Water Utility and Safe, Clean Water and Natural Flood Protection capital improvement projects.

Reserves

Overall, budgeted reserves for FY 2025-26 are estimated at $540.5 million, an increase of $127.0 million compared to the FY 2024-25 Adopted Budget level. Projections for FY 2026-27 show reserves decreasing slightly by $2.3 million for a total of $538.2 million.

Staffing

The FY 2025-26 funding level reflects 876 authorized positions and four limited-term position for a total of 880. This includes the reduction of 45 authorized positions which are paused to minimize salary related expenditures. This staffing level reflects 45 less budgeted positions than the prior year's Adopted Budget. For a comprehensive schedule of district-wide salaries and benefits, please refer to the Salaries and Benefits section in this chapter.

Combined Fund Summary - All Funds

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Groundwater Production Charges	$ 148,743,728	$ 184,722,000	$ 176,252,000	$ 200,333,000	$ 15,611,000	8.5%
Treated Water Charges	169,632,794	211,703,000	211,703,000	220,403,000	8,700,000	4.1%
Surface & Recycled Water Charges	2,261,406	4,040,000	4,040,000	2,582,000	(1,458,000)	-36.1%
Benefit Assessment	6,889,358	7,052,737	7,052,740	6,923,750	(128,987)	-1.8%
Property Tax	174,128,508	176,354,500	180,269,100	185,648,800	9,294,300	5.3%
Special Parcel Tax	52,175,089	53,531,667	53,531,667	55,094,792	1,563,125	2.9%
Intergovernmental Services	7,148,592	1,687,880	1,662,880	1,493,295	(194,585)	-11.5%
Operating Other	971,633	781,137	806,137	815,426	34,290	4.4%
Capital Reimbursements	10,009,908	42,356,000	37,158,000	56,284,000	13,928,000	32.9%
Interest Income *	28,681,917	10,000,000	12,000,000	13,499,000	3,499,000	35.0%
Non-Operating Other	10,384,106	2,943,714	2,806,411	2,791,257	(152,457)	-5.2%
TOTAL REVENUE	**$ 611,027,039**	**$ 695,172,635**	**$ 687,281,936**	**$ 745,868,320**	**$ 50,695,685**	**7.3%**
OUTLAYS						
Operating Outlays						
Operations **	$ 423,690,968	$ 518,936,118	$ 559,184,843	$ 528,703,484	$ 9,767,366	1.9%
Operating Project	9,524,429	5,301,661	6,751,537	6,230,376	928,715	17.5%
Debt Service	74,977,674	103,673,639	103,673,639	116,941,621	13,267,982	12.8%
Total Operating Outlays	**$ 508,193,071**	**$ 627,911,417**	**$ 669,610,018**	**$ 651,875,481**	**$ 23,964,063**	**3.8%**
Capital Outlays						
Capital Projects	$ 389,704,290	$ 464,841,690	$ 477,376,088	$ 427,903,103	$ (36,938,587)	-7.9%
Carryforward Capital Projects	-	46,371,112	-	136,961,493	90,590,381	195.4%
Total Capital Outlays	**$ 389,704,290**	**$ 511,212,802**	**$ 477,376,088**	**$ 564,864,596**	**$ 53,651,794**	**10.5%**
TOTAL OUTLAYS	**$ 897,897,361**	**$ 1,139,124,219**	**$ 1,146,986,107**	**$ 1,216,740,076**	**$ 77,615,857**	**6.8%**
Less Intra-District Reimb	(116,754,992)	(129,113,429)	(129,113,429)	(131,720,474)	(2,607,045)	2.0%
NET OUTLAYS	**$ 781,142,369**	**$ 1,010,010,790**	**$ 1,017,872,677**	**$ 1,085,019,602**	**$ 75,008,812**	**7.4%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 173,600,000	$ 345,920,030	$ 306,311,001	$ 264,826,296	$ (81,093,734)	-23.4%
Transfers In	18,325,537	26,501,310	30,788,755	26,394,397	(106,913)	-0.4%
Transfers Out	(12,791,560)	(26,501,307)	(30,788,755)	(26,394,397)	106,910	-0.4%
TOTAL OTHER SOURCES/(USES)	**$ 179,133,977**	**$ 345,920,033**	**$ 306,311,001**	**$ 264,826,296**	**$ (81,093,737)**	**-23.4%**
BALANCE AVAILABLE	**$ 9,018,647**	**$ 31,081,878**	**$ (24,279,741)**	**$ (74,324,986)**	**$ (105,406,864)**	**-339.1%**

Combined Fund Summary - All Funds

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 6,066,971	$ 19,996,328	$ 20,571,906	$ 40,504,668	$ 20,508,340	102.6%
WUE San Felipe Emergency Reserve	3,651,454	3,580,832	3,701,454	3,751,454	170,622	4.8%
WUE State Water Project Tax Reserve	17,693,556	8,973,390	15,131,486	11,591,690	2,618,300	29.2%
WUE Supplemental Water Supply Reserve	5,277,000	5,277,000	5,277,000	8,677,000	3,400,000	64.4%
WUE SVAWPC Reserve	1,292,735	-	-	-	-	0.0%
WUE Drought Reserve	-	-	-	1,000,000	1,000,000	0.0%
WUE Guiding Principal #5 (GP5) Reserve	25,813,404	-	-	-	-	0.0%
SCW Rate Stabilization Reserve	25,000,000	25,000,000	25,000,000	25,000,000	-	0.0%
SCW Contingency Reserve	5,000,000	5,000,000	5,000,000	5,000,000	-	0.0%
SCW Currently Authorized Projects Reserve***	112,252,107	25,336,118	141,916,731	71,376,703	46,040,585	181.7%
SCW Operating and Capital Reserve	49,575,332	59,517,635	28,244,554	76,463,210	16,945,575	28.5%
Total Restricted Reserves	**$ 251,622,559**	**$ 152,681,303**	**$ 244,843,131**	**$ 243,364,725**	**$ 90,683,422**	**59.4%**
Committed Reserves						
Currently Authorized Projects Reserve***	$ 112,915,052	$ 9,927,136	$ 66,535,716	$ 18,818,885	$ 8,891,749	89.6%
Operating and Capital Reserve	258,326,124	228,275,841	282,411,839	253,130,037	24,854,196	10.9%
Liability/Workers' Comp Self-Insurance	8,337,000	8,337,000	8,337,000	11,476,000	3,139,000	37.7%
Excess ERAF Contingency Reserve	-	6,862,516	5,818,227	7,145,907	283,391	4.1%
WUE San Jose Water Purification Reserve	1,000,000	-	-	-	-	0.0%
Property Self-Insurance/Catastrophic	6,869,456	7,409,352	6,844,537	6,529,910	(879,442)	-11.9%
Total Committed Reserves	**$ 387,447,632**	**$ 260,811,845**	**$ 369,947,320**	**$ 297,100,740**	**$ 36,288,895**	**13.9%**
TOTAL YEAR-END RESERVES	**$ 639,070,191**	**$ 413,493,148**	**$ 614,790,451**	**$ 540,465,465**	**$ 126,972,317**	**30.7%**

Combined Fund Summary - All Funds

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
Outlay Summary by Account type						
OPERATING OUTLAY						
Salaries and Benefits	$ 171,226,428	$ 190,193,557	$ 190,193,557	$ 198,274,181	$ 8,080,624	4.2%
Salary Savings Factor	-	(2,901,035)	(2,901,035)	(1,963,412)	937,624	-32.3%
Services & Supplies	175,161,457	242,575,325	284,273,926	239,895,904	(2,679,421)	-1.1%
Intra-District Charges	86,827,513	94,369,932	94,369,932	98,727,186	4,357,254	4.6%
OPERATING OUTLAY TOTAL	**$ 433,215,398**	**$ 524,237,778**	**$ 565,936,379**	**$ 534,933,859**	**$ 10,696,081**	**2.0%**
DEBT SERVICE						
Services & Supplies	$ 1,538,736	$ 5,033,001	$ 5,033,001	$ 5,431,880	$ 398,879	7.9%
Debt Service	73,438,938	98,640,638	98,640,638	111,509,741	12,869,103	13.0%
DEBT SERVICE TOTAL	**$ 74,977,674**	**$ 103,673,639**	**$ 103,673,639**	**$ 116,941,621**	**$ 13,267,982**	**12.8%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 48,380,747	$ 56,126,806	$ 57,013,806	$ 53,800,056	$ (2,326,750)	-4.1%
Salary Savings Factor	-	(890,129)	(890,129)	(556,363)	333,766	-37.5%
Services & Supplies	311,396,064	374,861,512	386,508,911	341,666,122	(33,195,390)	-8.9%
Carryforward Capital Projects	-	46,371,112	-	136,961,493	90,590,381	195.4%
Intra-District Charges	29,927,479	34,743,500	34,743,500	32,993,288	(1,750,213)	-5.0%
CAPITAL PROJECTS TOTAL	**$ 389,704,290**	**$ 511,212,802**	**$ 477,376,088**	**$ 564,864,596**	**$ 53,651,794**	**10.5%**
TOTAL OUTLAYS	**$ 897,897,361**	**$ 1,139,124,219**	**$ 1,146,986,107**	**$ 1,216,740,076**	**$ 77,615,857**	**6.8%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations outlays do not include OPEB Expense-unfunded liability

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

Combined Fund Summary - All Funds

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
REVENUE						
Groundwater Production Charges	$ 148,743,728	$ 184,722,000	$ 200,333,000	$ 232,697,000	$ 32,364,000	16.2%
Treated Water Charges	169,632,794	211,703,000	220,403,000	242,243,000	21,840,000	9.9%
Surface & Recycled Water Charges	2,261,406	4,040,000	2,582,000	2,825,000	243,000	9.4%
Benefit Assessment	6,889,358	7,052,737	6,923,750	6,921,250	(2,500)	0.0%
Property Tax	174,128,508	176,354,500	185,648,800	189,047,300	3,398,500	1.8%
Special Parcel Tax	52,175,089	53,531,667	55,094,792	56,306,876	1,212,084	2.2%
Intergovernmental Services	7,148,592	1,687,880	1,493,295	1,364,295	(129,000)	-8.6%
Operating Other	971,633	781,137	815,426	824,994	9,568	1.2%
Capital Reimbursements	10,009,908	42,356,000	56,284,000	18,028,000	(38,256,000)	-68.0%
Interest Income *	28,681,917	10,000,000	13,499,000	15,000,000	1,501,000	11.1%
Non-Operating Other	10,384,106	2,943,714	2,791,257	2,823,453	32,195	1.2%
TOTAL REVENUE	**$ 611,027,039**	**$ 695,172,635**	**$ 745,868,320**	**$ 768,081,168**	**$ 22,212,848**	**3.0%**
OUTLAYS						
Operating Outlays						
Operations **	$ 423,690,968	$ 518,936,118	$ 528,703,484	$ 564,955,463	$ 36,251,980	6.9%
Operating Project	9,524,429	5,301,661	6,230,376	7,468,931	1,238,555	19.9%
Debt Service	74,977,674	103,673,639	116,941,621	136,614,437	19,672,816	16.8%
Total Operating Outlays	**$ 508,193,071**	**$ 627,911,417**	**$ 651,875,481**	**$ 709,038,831**	**$ 57,163,351**	**8.8%**
Capital Outlays						
Capital Projects	$ 389,704,290	$ 464,841,690	$ 427,903,103	$ 653,212,738	$ 225,309,636	52.7%
Carryforward Capital Projects	-	46,371,112	136,961,493	13,827,293	(123,134,200)	-89.9%
Total Capital Outlays	**$ 389,704,290**	**$ 511,212,802**	**$ 564,864,596**	**$ 667,040,031**	**$ 102,175,436**	**18.1%**
TOTAL OUTLAYS	**$ 897,897,361**	**$ 1,139,124,219**	**$ 1,216,740,076**	**$ 1,376,078,862**	**$ 159,338,786**	**13.1%**
Less Intra-District Reimb	(116,754,992)	(129,113,429)	(131,720,474)	(147,293,392)	(15,572,918)	11.8%
NET OUTLAYS	**$ 781,142,369**	**$ 1,010,010,790**	**$ 1,085,019,602**	**$ 1,228,785,471**	**$ 143,765,869**	**13.3%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ 173,600,000	$ 345,920,030	$ 264,826,296	$ 458,449,717	$ 193,623,421	73.1%
Transfers In	18,325,537	26,501,310	26,394,397	42,154,622	15,760,225	59.7%
Transfers Out	(12,791,560)	(26,501,307)	(26,394,397)	(42,154,623)	(15,760,226)	59.7%
TOTAL OTHER SOURCES/(USES)	**$ 179,133,977**	**$ 345,920,033**	**$ 264,826,296**	**$ 458,449,716**	**$ 193,623,420**	**73.1%**
BALANCE AVAILABLE	**$ 9,018,647**	**$ 31,081,878**	**$ (74,324,986)**	**$ (2,254,587)**	**$ 72,070,399**	**-97.0%**

Combined Fund Summary - All Funds

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 6,066,971	$ 19,996,328	$ 40,504,668	$ 44,725,459	$ 4,220,791	10.4%
WUE San Felipe Emergency Reserve	3,651,454	3,580,832	3,751,454	3,801,454	50,000	1.3%
WUE State Water Project Tax Reserve	17,693,556	8,973,390	11,591,690	6,424,905	(5,166,785)	-44.6%
WUE Supplemental Water Supply Reserve	5,277,000	5,277,000	8,677,000	12,077,000	3,400,000	39.2%
WUE SVAWPC Reserve	1,292,735	-	-	-	-	0.0%
WUE Drought Reserve	-	-	1,000,000	4,000,000	3,000,000	300.0%
WUE Guiding Principal #5 (GP5) Reserve	25,813,404	-	-	-	-	0.0%
SCW Rate Stabilization Reserve	25,000,000	25,000,000	25,000,000	25,000,000	-	0.0%
SCW Contingency Reserve	5,000,000	5,000,000	5,000,000	5,000,000	-	0.0%
SCW Currently Authorized Projects Reserve***	112,252,107	25,336,118	71,376,703	61,401,092	(9,975,611)	-14.0%
SCW Operating and Capital Reserve	49,575,332	59,517,635	76,463,210	59,622,776	(16,840,433)	-22.0%
Total Restricted Reserves	**$ 251,622,559**	**$ 152,681,303**	**$ 243,364,725**	**$ 222,052,687**	**$ (21,312,038)**	**-8.8%**
Committed Reserves						
Currently Authorized Projects Reserve***	$ 112,915,052	$ 9,927,136	$ 18,818,885	$ 14,967,202	$ (3,851,683)	-20.5%
Operating and Capital Reserve	258,326,124	228,275,841	253,130,037	273,889,489	20,759,452	8.2%
Liability/Workers' Comp Self-Insurance	8,337,000	8,337,000	11,476,000	11,476,000	-	0.0%
Excess ERAF Contingency Reserve	-	6,862,516	7,145,907	8,473,767	1,327,860	18.6%
WUE San Jose Water Purification Reserve	1,000,000	-	-	-	-	0.0%
Property Self-Insurance/Catastrophic	6,869,456	7,409,352	6,529,910	7,351,733	821,823	12.6%
Total Committed Reserves	**$ 387,447,632**	**$ 260,811,845**	**$ 297,100,740**	**$ 316,158,191**	**$ 19,057,452**	**6.4%**
TOTAL YEAR-END RESERVES	**$ 639,070,191**	**$ 413,493,148**	**$ 540,465,465**	**$ 538,210,879**	**$ (2,254,586)**	**-0.4%**

Combined Fund Summary - All Funds

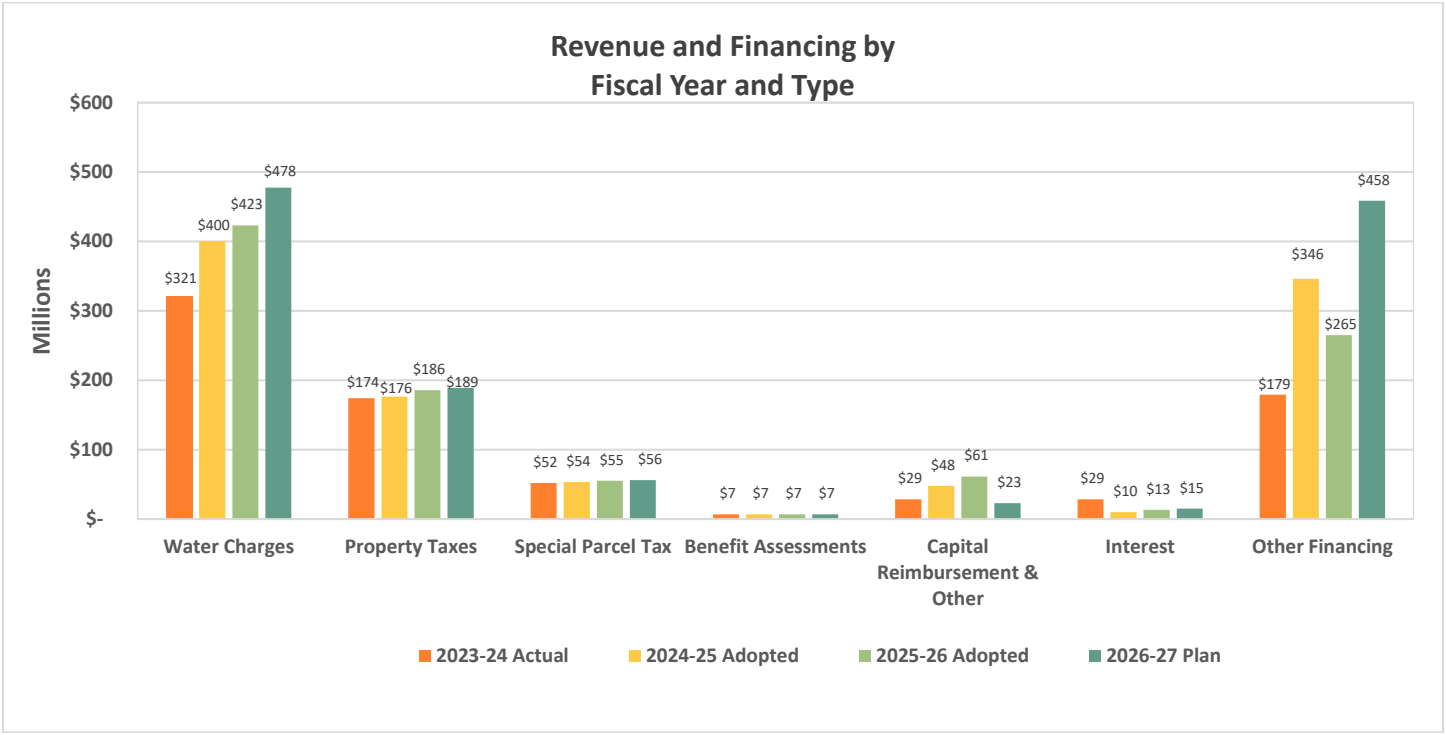
	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
Outlay Summary by Account type						
OPERATING OUTLAY						
Salaries and Benefits	$ 171,226,428	$ 190,193,557	$ 198,274,181	$ 211,555,881	$ 13,281,701	6.7%
Salary Savings Factor	-	(2,901,035)	(1,963,412)	(2,068,517)	(105,106)	5.4%
Services & Supplies	175,161,457	242,575,325	239,895,904	251,504,630	11,608,726	4.8%
Intra-District Charges	86,827,513	94,369,932	98,727,186	111,432,401	12,705,214	12.9%
OPERATING OUTLAY TOTAL	**$ 433,215,398**	**$ 524,237,778**	**$ 534,933,859**	**$ 572,424,394**	**$ 37,490,535**	**7.0%**
DEBT SERVICE						
Services & Supplies	$ 1,538,736	5,033,001	5,431,880	4,991,880	$ (440,000)	-8.1%
Debt Service	73,438,938	$ 98,640,638	$ 111,509,741	$ 131,622,557	20,112,816	18.0%
DEBT SERVICE TOTAL	**$ 74,977,674**	**$ 103,673,639**	**$ 116,941,621**	**$ 136,614,437**	**$ 19,672,816**	**16.8%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 48,380,747	$ 56,126,806	$ 53,800,056	$ 55,506,384	$ 1,706,328	3.2%
Salary Savings Factor	-	(890,129)	(556,363)	(566,729)	(10,366)	1.9%
Services & Supplies	311,396,064	374,861,512	341,666,122	562,412,093	220,745,971	64.6%
Carry Forward Capital Projects	-	46,371,112	136,961,493	13,827,293	(123,134,200)	-89.9%
Intra-District Charges	29,927,479	34,743,500	32,993,288	35,860,991	2,867,703	8.7%
CAPITAL PROJECTS TOTAL	**$ 389,704,290**	**$ 511,212,802**	**$ 564,864,596**	**$ 667,040,031**	**$ 102,175,436**	**18.1%**
TOTAL OUTLAYS	**$ 897,897,361**	**$ 1,139,124,219**	**$ 1,216,740,076**	**$ 1,376,078,862**	**$ 159,338,786**	**13.1%**

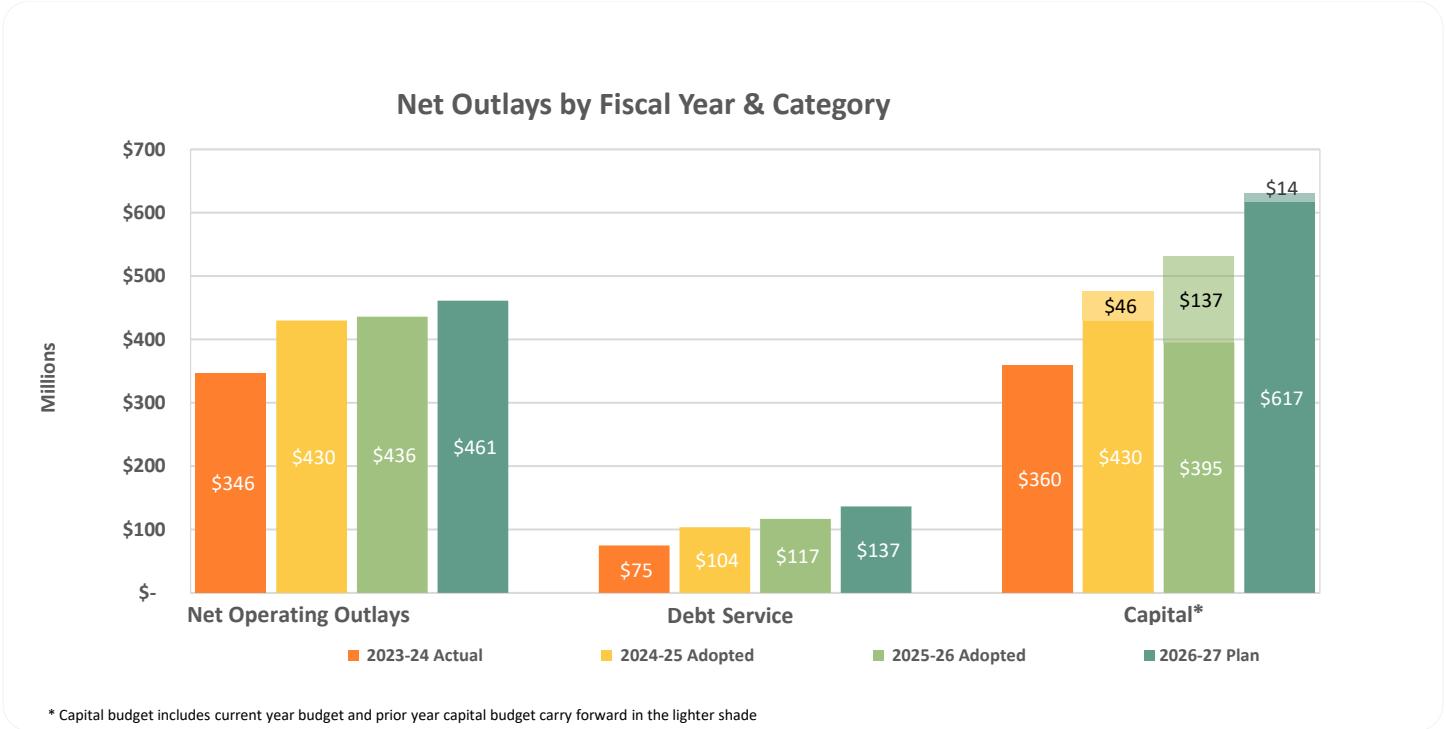
(*) Interest income does not include GASB31 market value adjustment

(**) Operations outlays do not include OPEB Expense-unfunded liability

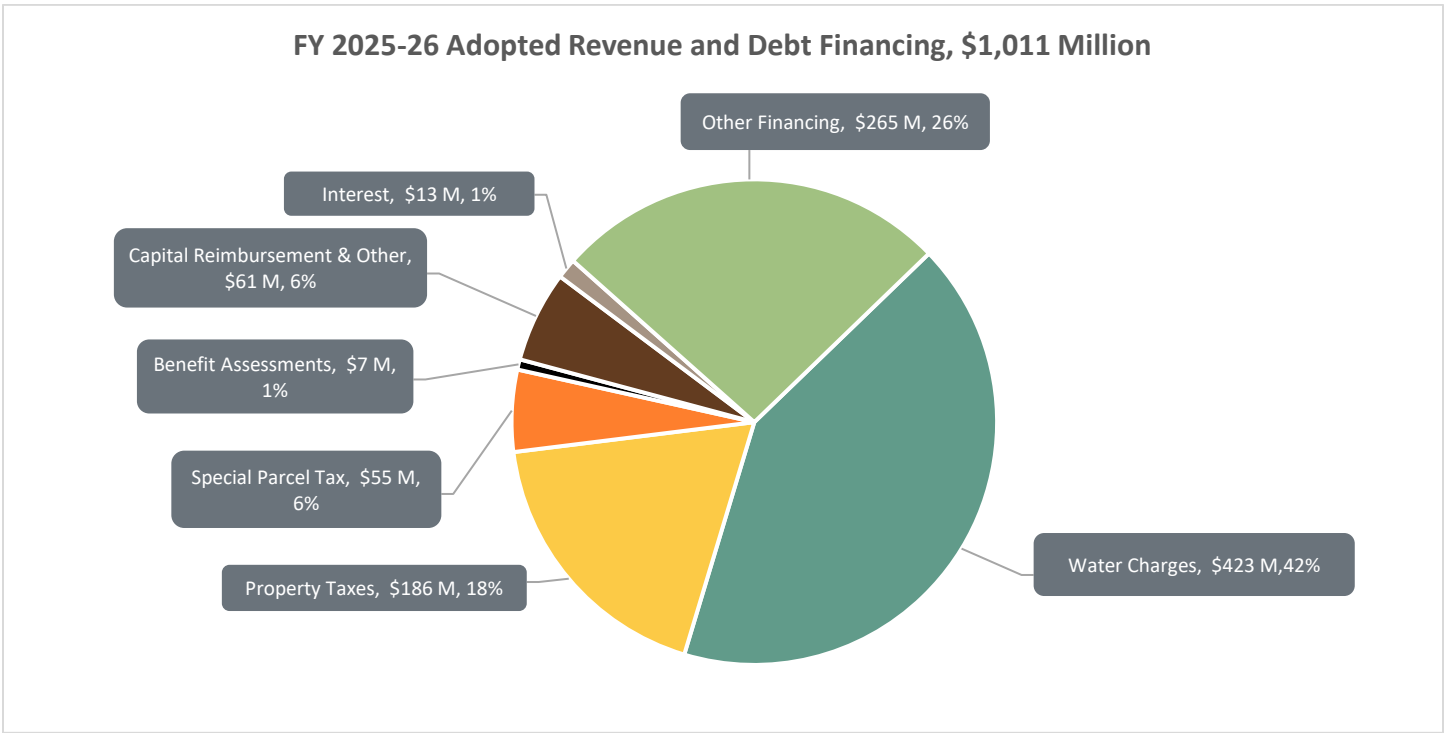
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

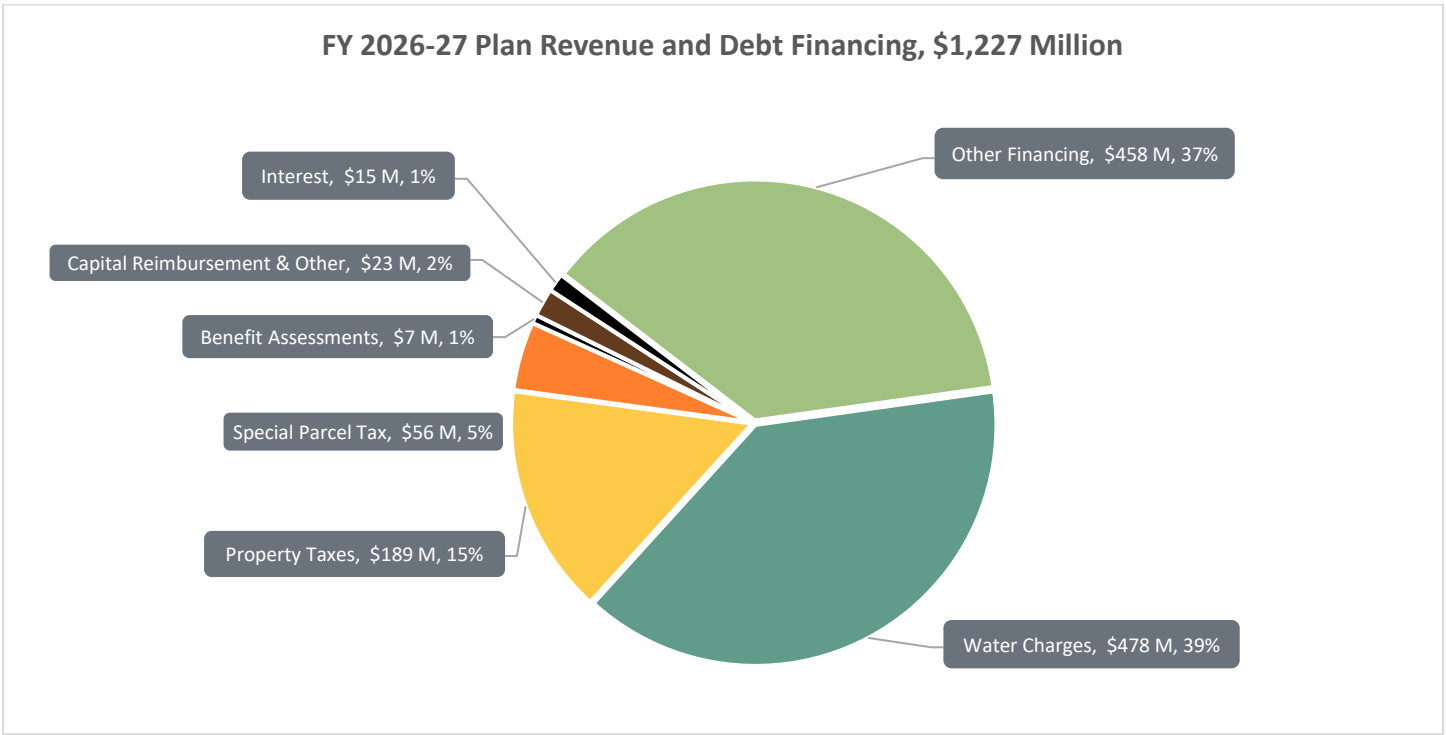
Revenue and Outlays



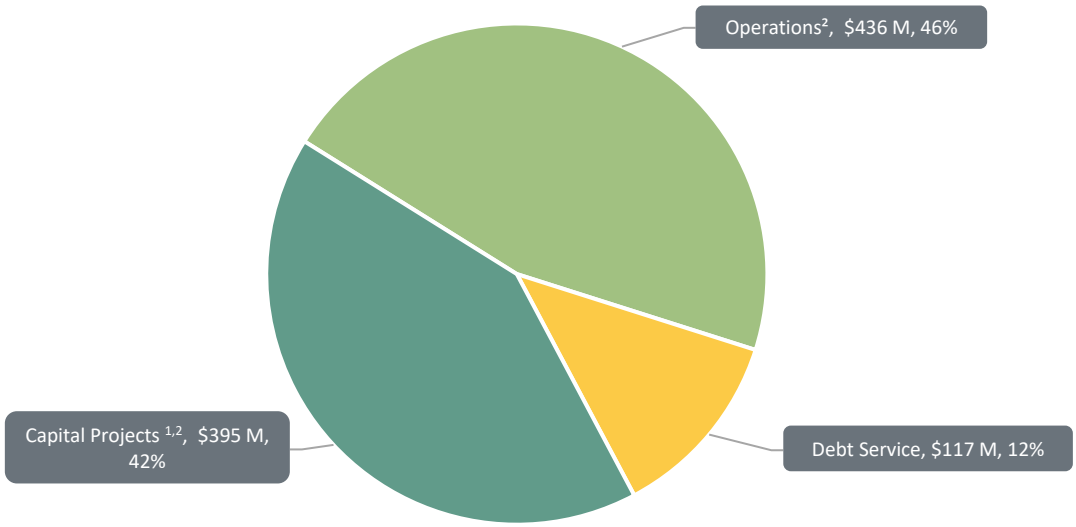


* Capital budget includes current year budget and prior year capital budget carry forward in the lighter shade


FY 2025-26 Adopted Revenue and Debt Financing, $1,011 Million
Other Financing, $265 M, 26%
Interest, $13 M, 1%
Capital Reimbursement & Other, $61 M, 6%
Benefit Assessments, $7 M, 1%
Special Parcel Tax, $55 M, 6%
Property Taxes, $186 M, 18%
Water Charges, $423 M,42%

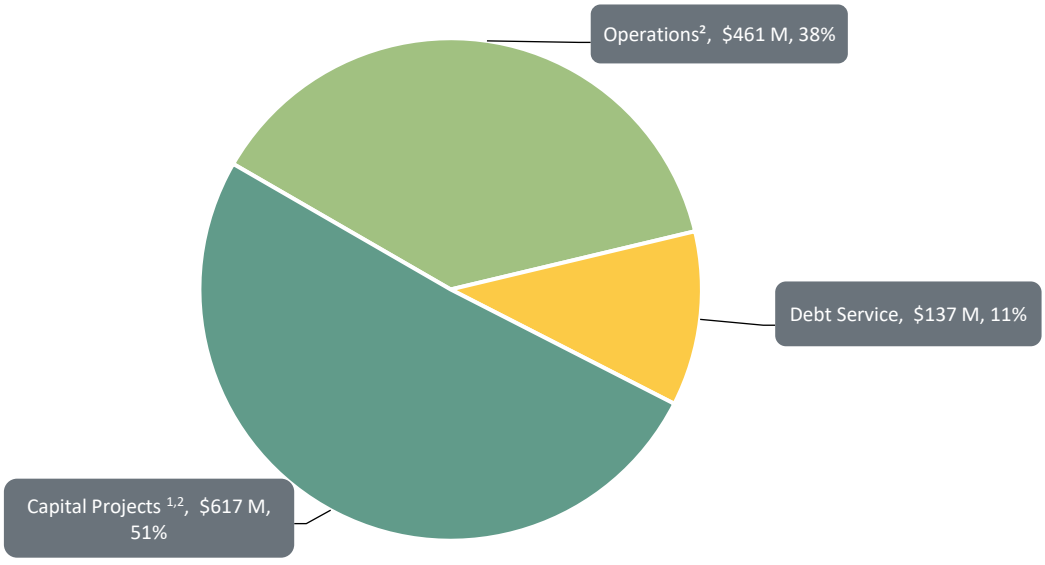

FY 2026-27 Plan Revenue and Debt Financing, $1,227 Million
Other Financing, $458 M, 37%
Interest, $15 M, 1%
Capital Reimbursement & Other, $23 M, 2%
Benefit Assessments, $7 M, 1%
Special Parcel Tax, $56 M, 5%
Property Taxes, $189 M, 15%
Water Charges, $478 M, 39%

FY 2025-26 Adopted Net Outlays By Category, $948 Million



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

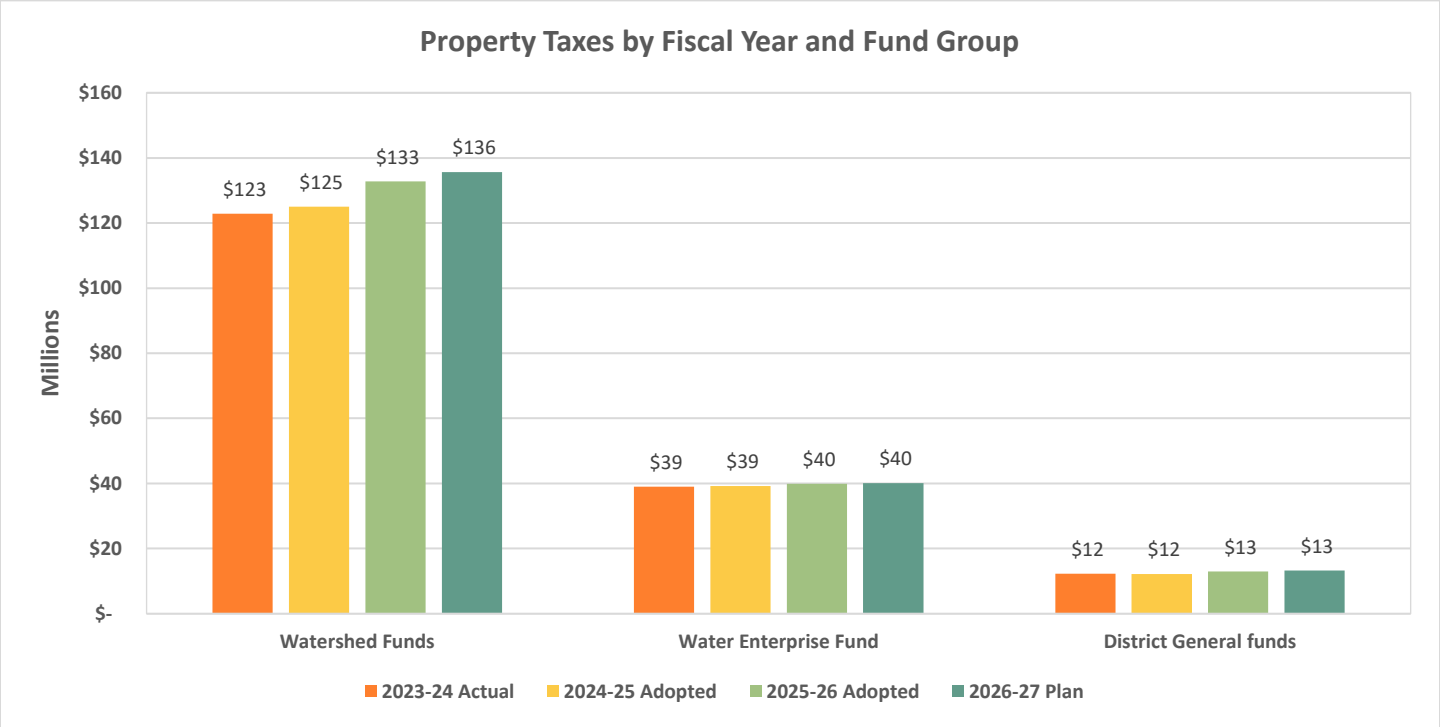
FY 2026-27 Plan Net Outlays By Category, $1,215 Million

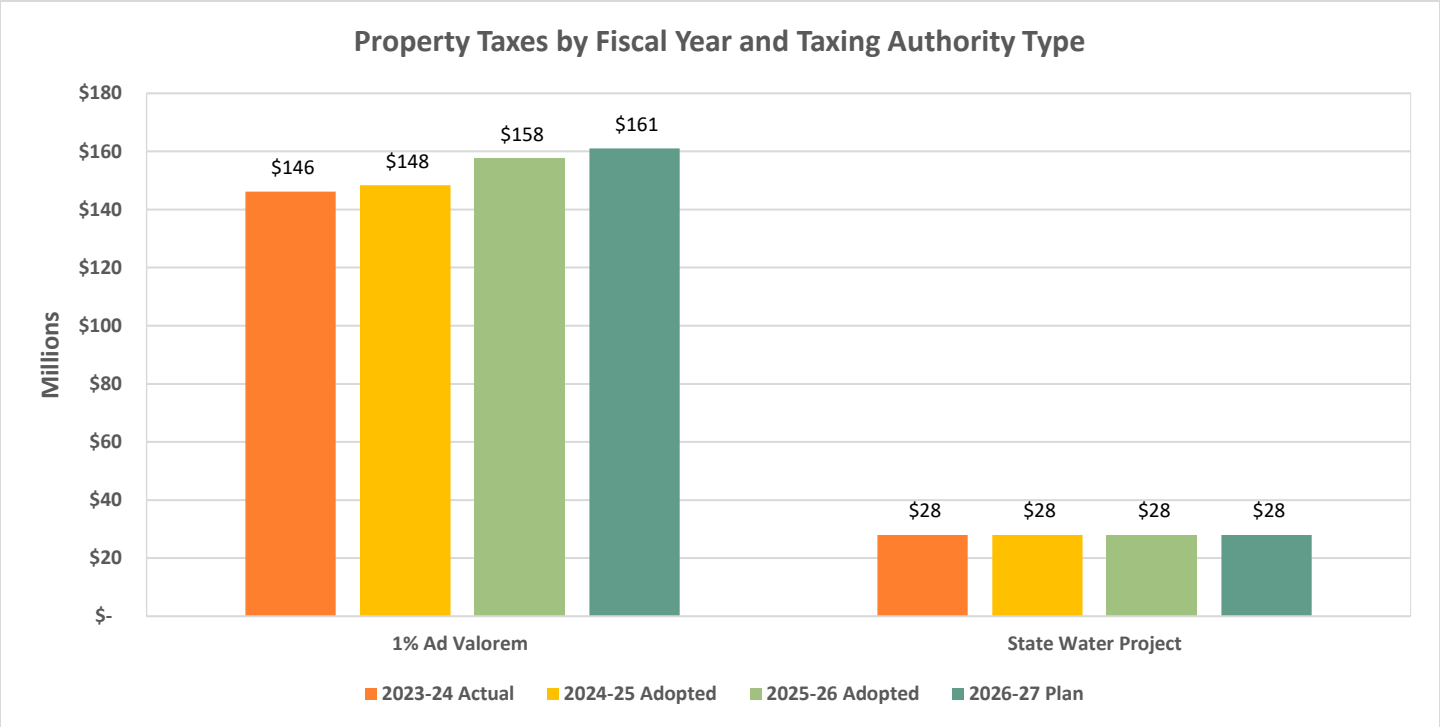


[1]Capital Projects Outlay does not include capital budget estimated to be carried forward from prior year
[2]Capital and Operations are net of intra-district reimbursements.

MAJOR SOURCES OF REVENUE

Property Taxes





Property Taxes

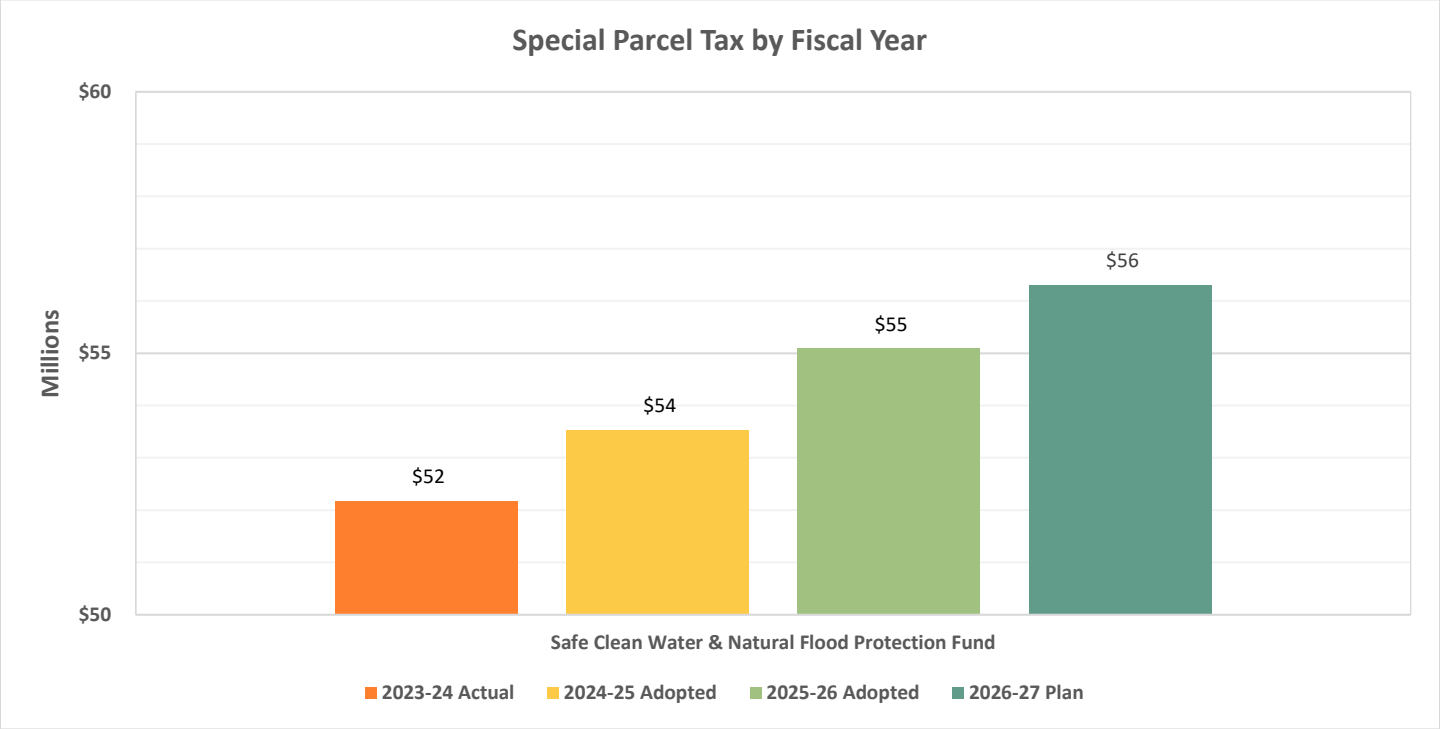
Valley Water's property tax revenues are comprised of two distinct categories: an allocated share of countywide 1% Ad Valorem property tax receipts and a voter-approved levy for State Water Project (SWP) contract obligations.

For FY 2025-26, Valley Water is projecting $157.6 million in 1% Ad Valorem tax revenue, a 6.3% increase over the FY 2024-25 Adopted Budget. The increase reflects the growth in the assessed value of all property in Santa Clara County. For FY 2026-27, 1% Ad Valorem tax is projected to increase 2.2% to $161.0 million.

Valley Water also levies a State Water Project property tax based on its annual indebtedness to the State pursuant to its water supply contract dated November 20, 1961. This indebtedness is part of Valley Water's SWP water purchase costs and pays for construction, maintenance, and operation of SWP infrastructure and facilities. For FY 2025-26 and FY 2026-27, based on the projected operation costs, SWP taxes are projected at $28.0 million for each fiscal year.

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27
Property Tax					
1 % Ad Valorem Property Tax					
Watershed Stream Stewardship Fund	$ 122,830,223	$ 124,993,000	$ 128,289,000	$ 132,785,000	$ 135,648,000
Water Enterprise Fund	11,045,199	11,163,000	11,456,000	11,871,000	12,122,000
District General Fund	12,240,054	12,198,500	12,524,100	12,992,800	13,277,300
Total 1% Allocation	**$ 146,115,477**	**$ 148,354,500**	**$ 152,269,100**	**$ 157,648,800**	**$ 161,047,300**
State Water Project Debt Service	**$ 28,013,031**	**$ 28,000,000**	**$ 28,000,000**	**$ 28,000,000**	**$ 28,000,000**
Total Property Tax	**$ 174,128,508**	**$ 176,354,500**	**$ 180,269,100**	**$ 185,648,800**	**$ 189,047,300**

Special Parcel Tax



Special Parcel Tax

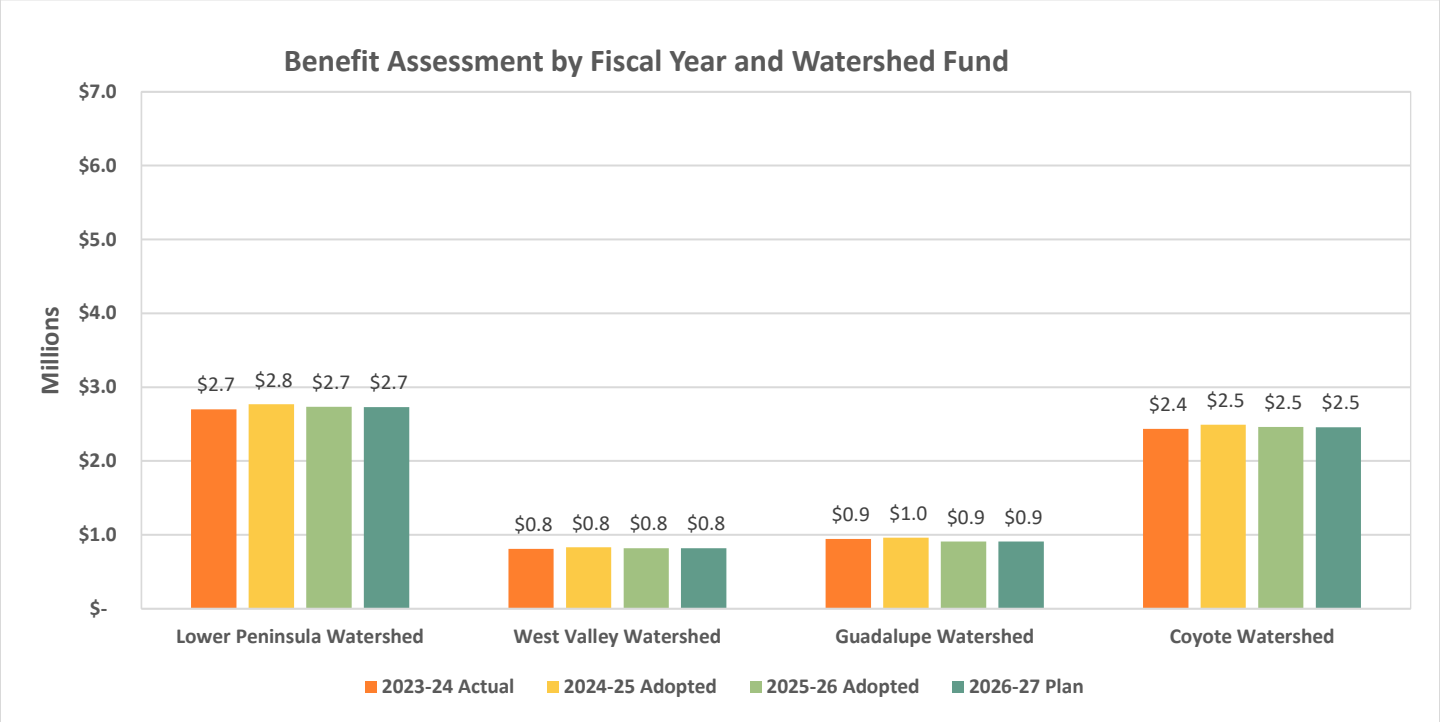
In November 2000, over two-thirds of Santa Clara County voters approved the original 15-year special parcel tax to fund Valley Water's countywide Clean, Safe Creeks and Natural Flood Protection Program (Clean, Safe Creeks Program). In November 2012, the voters approved the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) that built upon the success of its predecessor Clean, Safe Creeks Program. In November 2020, voters overwhelmingly approved Measure S, a renewal of the Safe, Clean Water Program. The special parcel tax levy is based on the land use and parcel size rather than assessed property value. The Board of Directors may adjust it annually by either the prior year's San Francisco-Oakland-Hayward Consumer Price Index for all Urban Consumers (CPI) or 2%, whichever is greater.

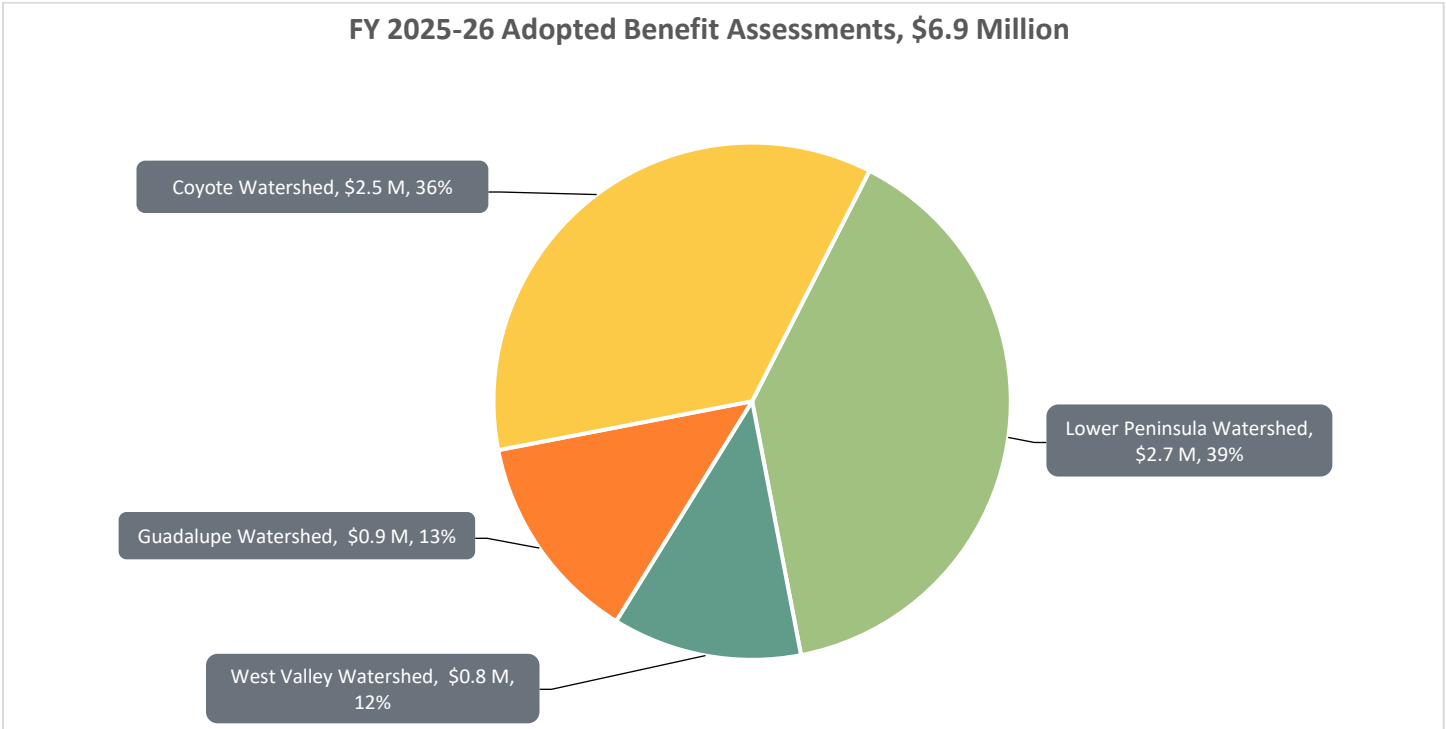
A report released by the Bureau of Labor Statistics indicated that the change in CPI for the last year (from February 2024 to February 2025) was 2.7%. For FY 2025-26, the Board of Directors approved an increase in the special parcel tax to equal the change in CPI of 2.7%. The FY 2025-26 budgeted estimates for the special parcel tax include the adopted 2.7% CPI increase and an anticipated increase in eligible parcels, for a total of 2.9% growth over the 2024-25 Adopted Budget.

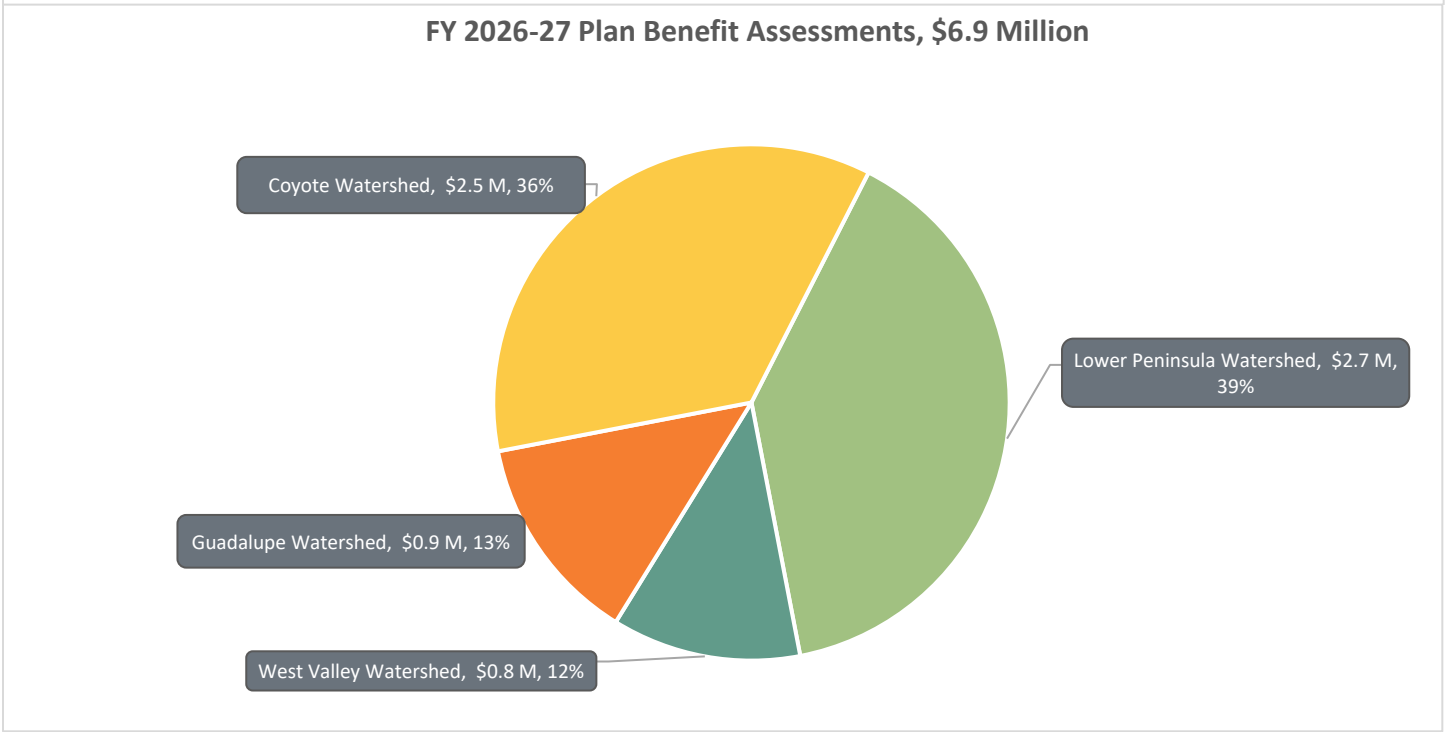
FY 2026-27 Planned amount assumes an increase of 2.2% each year, which reflects the Board adopted 2% increase in the special parcel tax rate, and an anticipated increase in eligible parcels based on construction activity in the county. An assessment of the CPI and recommendation will be provided to the Board of Directors in May 2025. Staff will reevaluate the revenue assumptions during the development of FY 2026-27 & FY 2027-28 Operating and Capital Rolling Biennial Budget.

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27
Special Parcel Tax					
Safe Clean Water & Natural Flood Protection Fund	$ 52,175,089	$ 53,531,667	$ 53,531,667	$ 55,094,792	$ 56,306,876
Total Special Parcel Tax	**$ 52,175,089**	**$ 53,531,667**	**$ 53,531,667**	**$ 55,094,792**	**$ 56,306,876**

Benefit Assessment




FY 2025-26 Adopted Benefit Assessments, $6.9 Million
Coyote Watershed, $2.5 M, 36%
Lower Peninsula Watershed, $2.7 M, 39%
Guadalupe Watershed, $0.9 M, 13%
West Valley Watershed, $0.8 M, 12%


FY 2026-27 Plan Benefit Assessments, $6.9 Million
Coyote Watershed, $2.5 M, 36%
Lower Peninsula Watershed, $2.7 M, 39%
Guadalupe Watershed, $0.9 M, 13%
West Valley Watershed, $0.8 M, 12%

Benefit Assessment

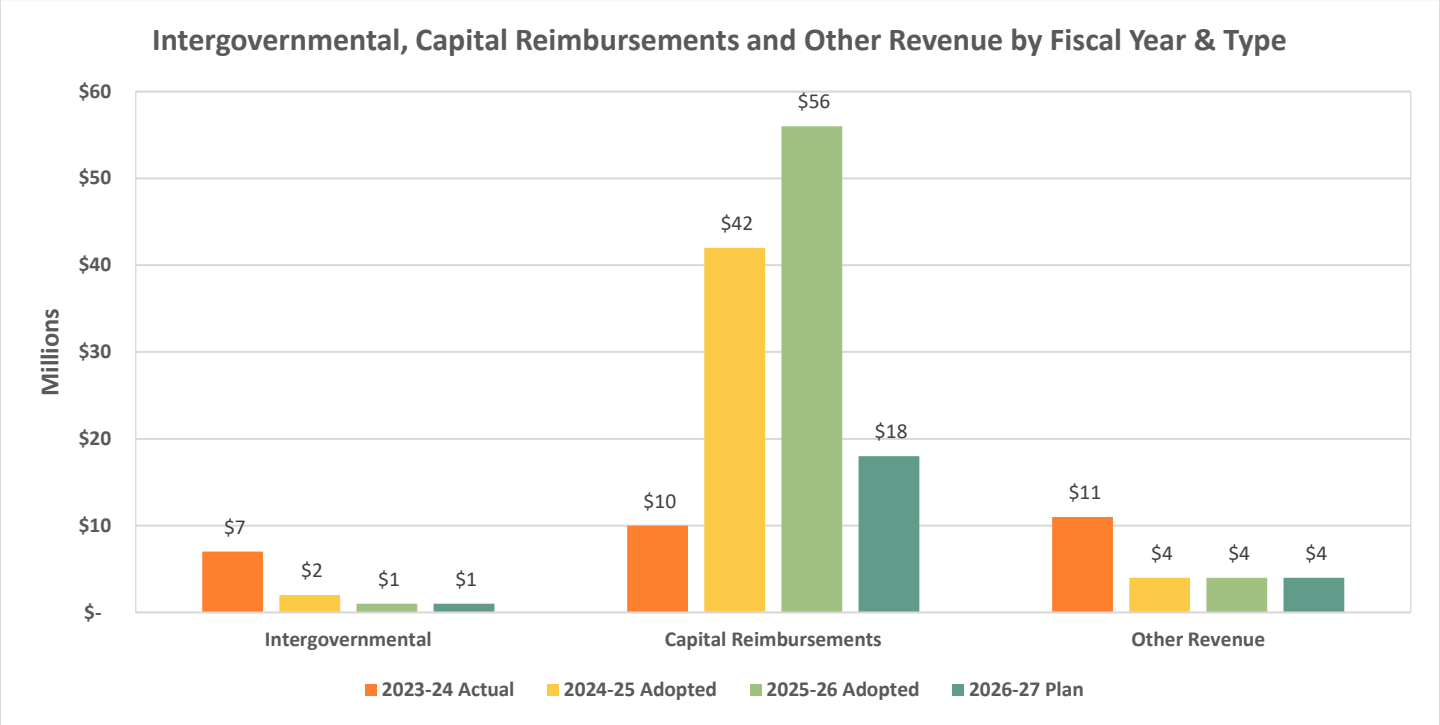
The Flood Control Benefit Assessment was first authorized by the Valley Water Board of Directors in 1981, and later by ballot measures in 1982, 1986, and 1990. The program had a sunset date of 2000, but the assessment will continue until 2030, when Valley Water will pay off the bonds associated with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

FY 2025-26 and FY 2026-27 continue under this debt repayment phase of the Benefit Assessment program with benefit assessments levied at 1.25 times the annual debt service.

For FY 2025-26 and FY 2026-27, the Benefit Assessment revenue receipts are projected at $6.9 million each year. As Valley Water continues to pay down principal, the amount collected will decrease.

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27
Benefit Assessment					
Lower Peninsula Watershed	$ 2,700,462	$ 2,767,793	$ 2,767,796	$ 2,732,804	$ 2,731,817
West Valley Watershed	810,281	830,268	830,268	819,772	819,476
Guadalupe Watershed	944,843	963,171	963,171	911,166	910,837
Coyote Watershed	2,433,773	2,491,505	2,491,505	2,460,008	2,459,120
Total Benefit Assessments	**$ 6,889,358**	**$ 7,052,737**	**$ 7,052,740**	**$ 6,923,750**	**$ 6,921,250**

Intergovernmental, Capital Reimbursements and Other Revenue



Intergovernmental, Capital Reimbursements and Other Revenue

Intergovernmental Services

Valley Water anticipates receiving intergovernmental services revenue of $1.5 million in FY 2025-26 and $1.4 million in FY 2026-27 in the Water Utility Enterprise Fund. These funds are primarily for reimbursement from the San Benito County Water District (SBCWD) for operating maintenance of the San Felipe Division Reach 1, and for conservation activities funded by local cost sharing agreements.

Capital Reimbursement Revenue

Capital reimbursement revenue are expected at $56.3 million in FY 2025-26 and $18.0 million in FY 2026-27.

Water Utility Enterprise receipts in FY 2025-26 are budgeted at $0.7 million and $0.8 million in FY 2026-27 from San Benito County Water District for small capital improvements on the San Felipe Division Reach 1.

Watershed and Stream Stewardship Fund capital reimbursement are expected to be $5.0 million in FY 2025-26, comprised of $3.2 million Measure AA grant funding and $1.8 million in State Coastal Conservancy funds (Grants A and B) for the San Francisco Bay Shoreline project. In FY 2026-27, reimbursements totaling $3.0 million comprised of $2.0 million Measure AA grant funding and $1.0 million in State Coastal Conservancy funds for the San Francisco Bay Shoreline project.

Safe, Clean Water Fund reimbursements of $50.6 million in FY 2025-26, comprised of: $50.0 million from Natural Resources Conservation Service (NRCS) for Llagas Creek - Phase 2B Construction project; and, $0.5 million from the City of Morgan Hill and $0.1 million in State Subventions for the work on Llagas Creek, Upper Buena Vista to Wright Project. In FY 2026-27, reimbursements total $14.2 million, comprised of: $10.0 million from NRCS for the Upper Llagas Creek - Phase 2B Construction project, $4.1 million from the City of Morgan Hill and $0.1 million in State Subventions for the work on Llagas Creek, Upper Buena Vista to Wright Project.

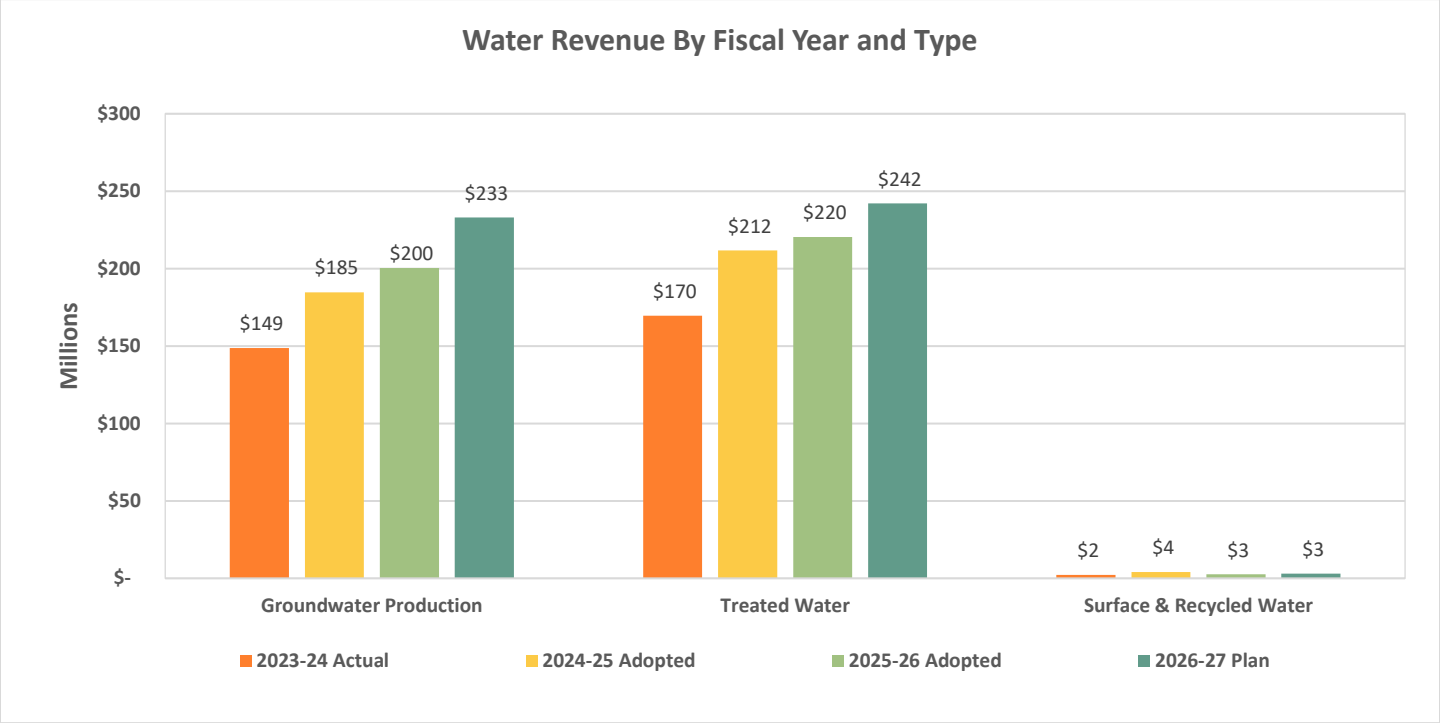
Other Revenue

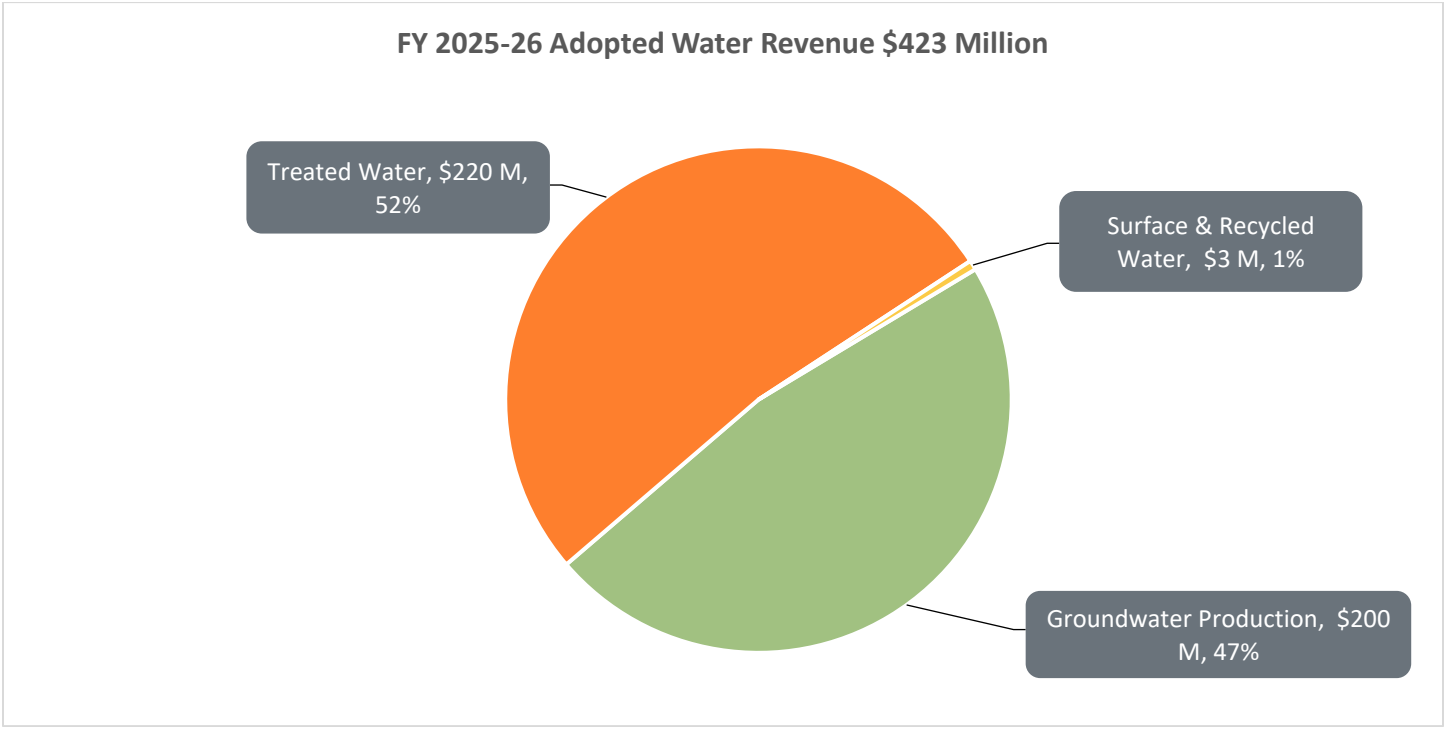
The other operating and non-operating revenue total $3.6 million per fiscal year which includes rental income, well permit fees, refunds, and adjustments. Approximately $1.8 million is budgeted for Watersheds, $1.7 million for Water Utility and $0.1 million for the General and Internal Service funds.

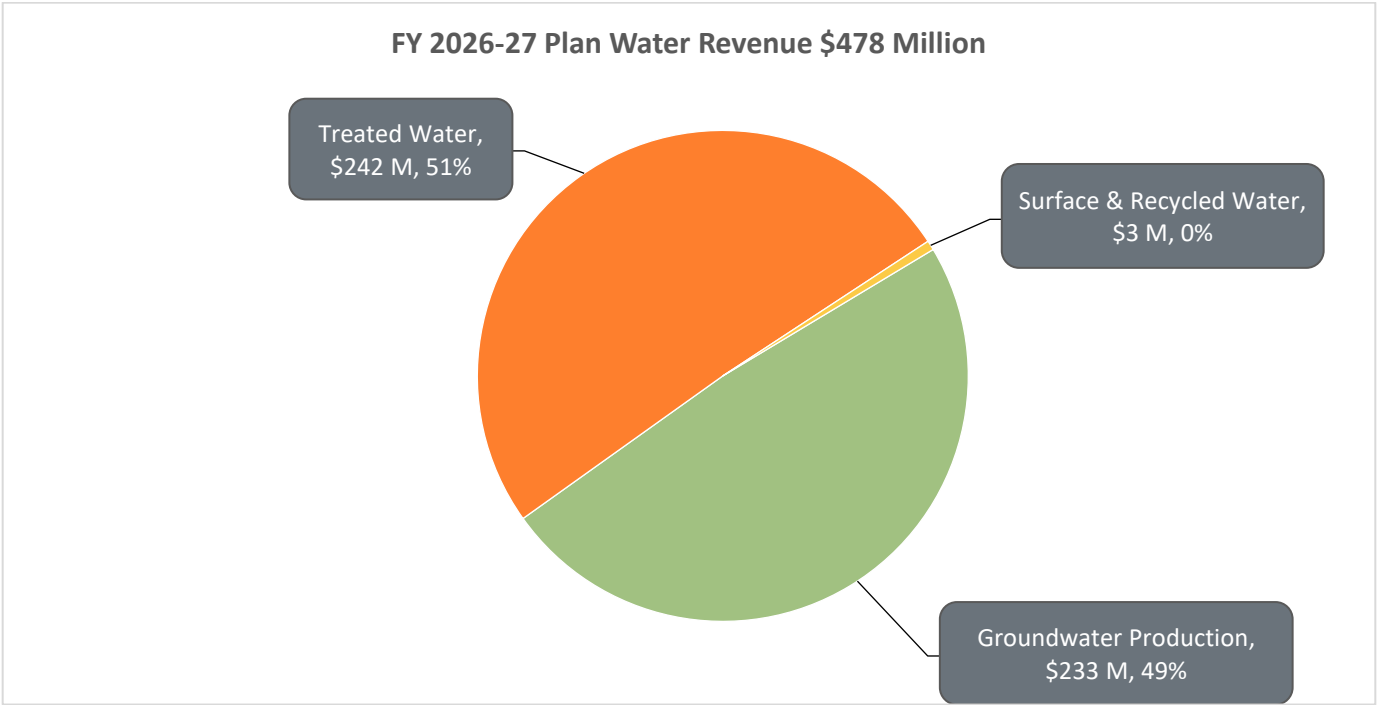
Intergovernmental, Capital Reimbursements and Other Revenue

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27
Intergovernmental Services					
Watershed Stream Stewardship Fund	$ 1,871,134	$ –	$ –	$ –	$ –
Safe Clean Water & Natural Flood Protection Fund	93,333	–	–	–	–
Water Enterprise Fund	5,184,126	1,687,880	1,662,880	1,493,295	1,364,295
Total Intergovernmental Services	**$ 7,148,592**	**$ 1,687,880**	**$ 1,662,880**	**$ 1,493,295**	**$ 1,364,295**
Capital Reimbursements					
Watershed Stream Stewardship Fund	$ 3,064,039	$ 11,900,000	$ 10,188,000	$ 5,000,000	$ 3,000,000
Safe Clean Water & Natural Flood Protection Fund	3,401,968	30,000,000	22,625,000	50,600,000	14,228,000
Water Enterprise Fund	3,543,901	456,000	4,345,000	684,000	800,000
Total Capital Reimbursements	**$ 10,009,908**	**$ 42,356,000**	**$ 37,158,000**	**$ 56,284,000**	**$ 18,028,000**
Other					
Watershed Stream Stewardship Fund	$ 2,540,528	$ 1,863,459	$ 1,725,656	$ 1,777,425	$ 1,830,405
Safe Clean Water & Natural Flood Protection Fund	443,877	–	–	–	–
Water Enterprise Fund	1,548,315	810,892	835,892	726,158	735,442
State Water Project Fund	6,145,065	1,000,000	1,000,000	1,000,000	1,000,000
District General Fund	198,747	30,000	30,000	61,600	61,600
Internal Service Funds	479,208	20,500	21,000	41,500	21,000
Total Other	**$ 11,355,740**	**$ 3,724,851**	**$ 3,612,548**	**$ 3,606,683**	**$ 3,648,447**
Total Intergov'l & Other Revenues	**$ 28,514,240**	**$ 47,768,731**	**$ 42,433,429**	**$ 61,383,978**	**$ 23,040,742**

Water Revenue




FY 2025-26 Adopted Water Revenue $423 Million
Treated Water, $220 M, 52%
Surface & Recycled Water, $3 M, 1%
Groundwater Production, $200 M, 47%


FY 2026-27 Plan Water Revenue $478 Million
Treated Water, $242 M, 51%
Surface & Recycled Water, $3 M, 0%
Groundwater Production, $233 M, 49%

Water Revenue

Valley Water's water revenue is comprised of charges for the following types of water usage:

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

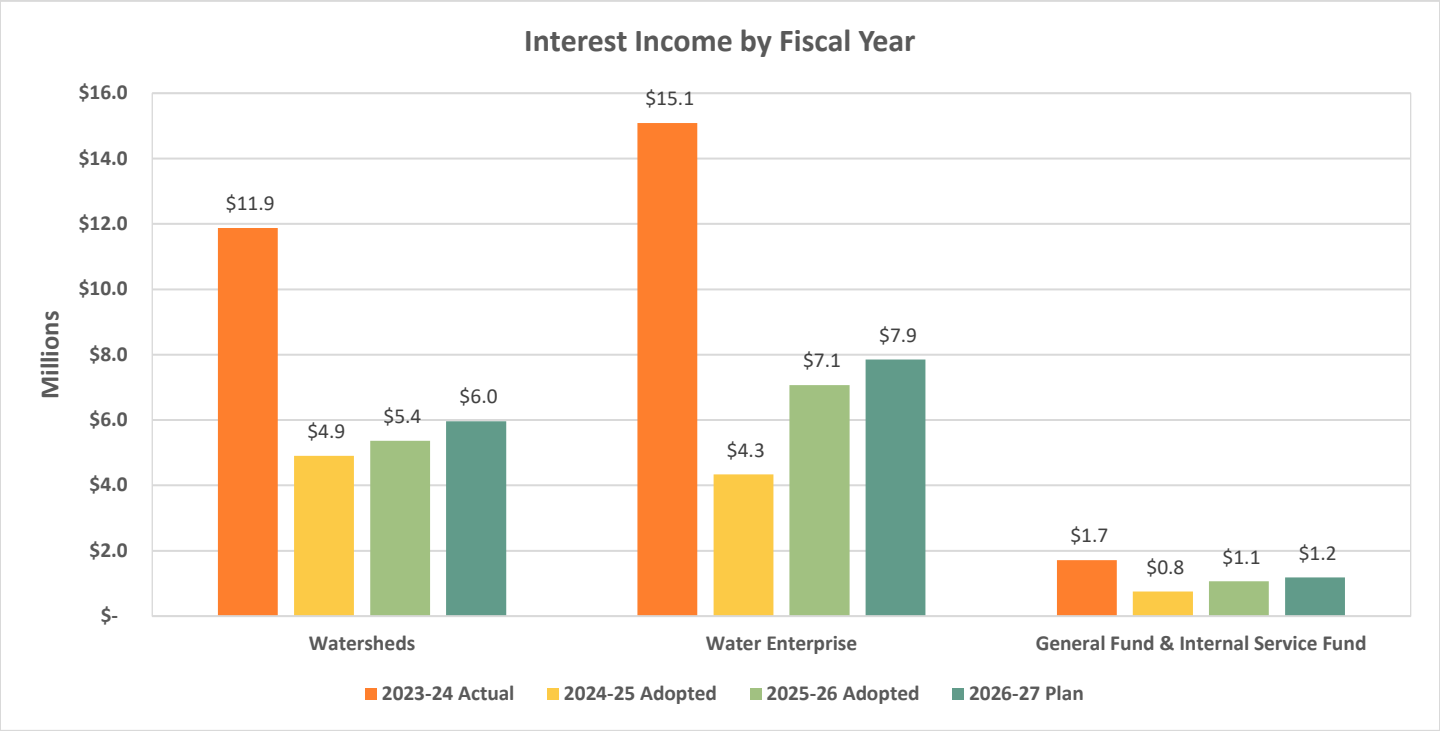
Water revenues in FY 2025-26 Budget and FY 2026-27 Plan are based on staff's recommendations to the Board. Water charges are necessary to provide funding for critical infrastructure and operational needs, water imported via California's state and federal water systems, and the development of future supplies and storage. The water charges are shown in the accompanying Water Utility Charge Summary schedule found in the Water Enterprise Fund Summary section of this book.

FY 2025-26 revenue estimates reflect an increase of 9.9% in groundwater production charges for the North County (Zone W-2) when compared to FY 2024-25. In the Llagas Subbasin (Zone W-5), revenue estimates reflect an increase of 7.9% in the groundwater production charge when compared to FY 2024-25. In the Coyote Valley (Zone W-7) revenue estimates reflect an increase of 11.2% in the groundwater production charge when compared to FY 2024-25. In the foothills below the Uvas and Chesbro reservoirs (Zone W-8), revenue estimates reflect an increase of 8.0% to the groundwater production charge relative to FY 2024-25. In FY 2026-27 revenue estimates project the same annual rate increases as scheduled in FY 2025-26.

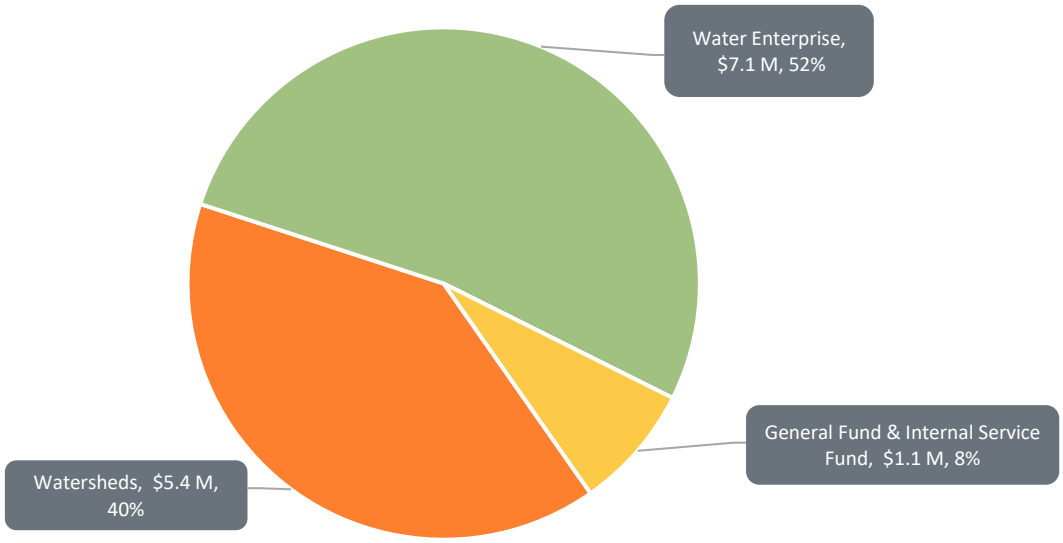
The FY 2025-26 water use estimate of 219,000 AF represents a (3,000) AF, or (1.4%) decrease compared to the FY 2024-25 adopted water budget usage amount of 222,000 AF. FY 2026-27, the water use estimate increases to 224,000 AF, consistent with a more moderate rebound from the 2023 drought. Additionally, other sources such as Hetch Hetchy and local retail water supplies like San Jose Water Company, Stanford, and South Bay Water Recycling provide approximately 72,000 acre-feet of water per year to Santa Clara County. Valley Water does not receive revenue for these sources of supply.

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27
Water Revenue					
Groundwater Production Charges	$ 148,743,728	$ 184,722,000	$ 176,252,000	$ 200,333,000	$ 232,697,000
Treated Water Charges	169,632,794	211,703,000	211,703,000	220,403,000	242,243,000
Surface & Recycled Water Charges	2,261,406	4,040,000	4,040,000	2,582,000	2,825,000
Total Water Revenue	**$ 320,637,928**	**$ 400,465,000**	**$ 391,995,000**	**$ 423,318,000**	**$ 477,765,000**

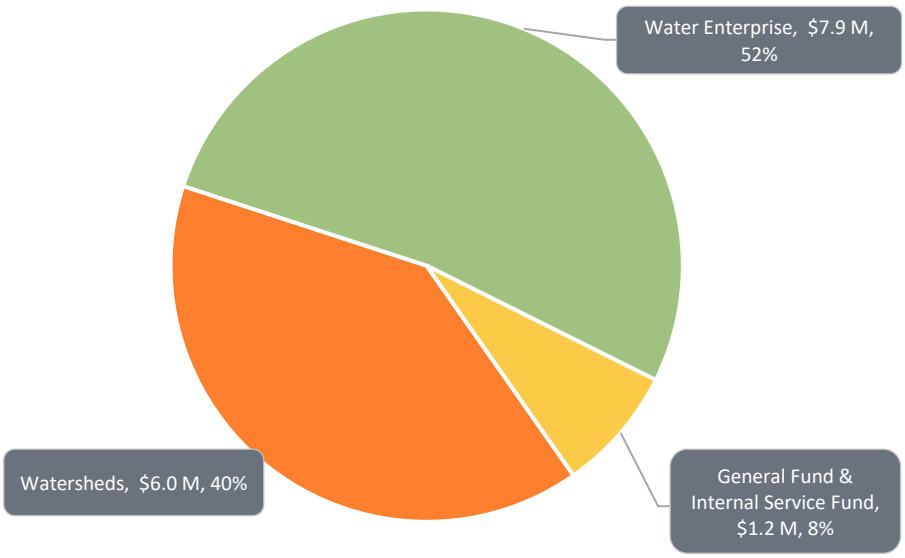
Interest Income



FY 2025-26 Adopted Interest Earnings, $13.5 Million



FY 2026-27 Plan Interest Earnings, $15.0 Million



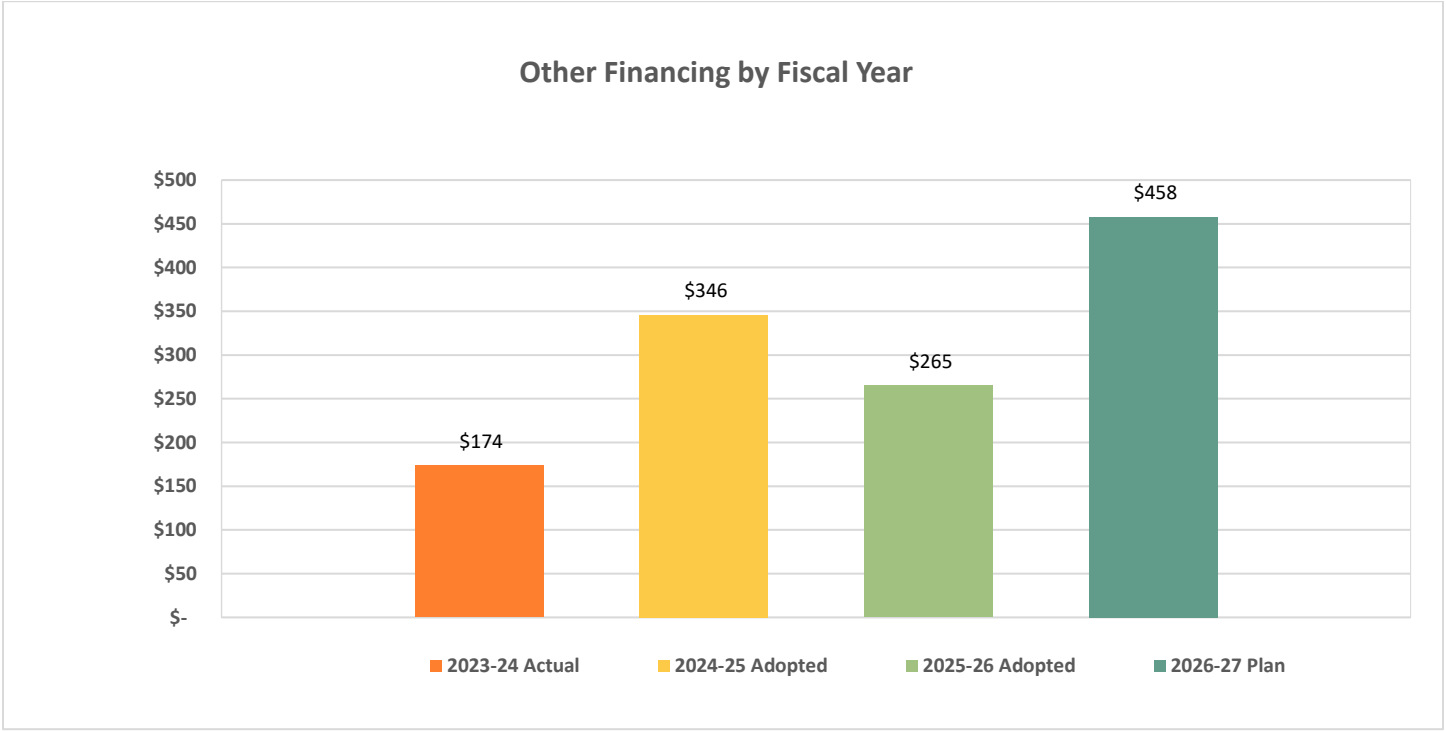
Interest Income

Valley Water invests funds not immediately required for daily operations in various securities as authorized by California Government Code 53600 et al. Valley Water's investment policy limits portfolio holdings to obligations of the U.S. Treasury, U.S. federal agencies, the state of California's Local Agency Investment Fund, bankers acceptances, negotiable and time certificates of deposit, commercial paper, corporate notes and bonds, repurchase agreements, municipal obligations, mutual funds, and supranational obligations. Prohibited investments include securities not listed above, as well as fossil fuel companies, inverse floaters, range notes, interest-only strips derived from a pool of mortgages and any security that could result in zero interest accrual if held to maturity, as specified in Section 53601.6 of the California Government Code. For additional information regarding Valley Water's investment policy, please visit: https://www.valleywater.org/how-we-operate/financebudget/investor-relations and select District Debt and Investment Management.

Interest earnings are projected at $13.5 million for FY 2025-26 and $15.0 million for FY 2026-27. The estimates assume an average portfolio yield of 2.25% for FY 2025-26 and 2.50% for FY 2026-27.

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27
Interest Income					
Watershed Stream Stewardship Fund	$ 4,198,209	$ 2,264,000	$ 1,960,000	$ 2,204,000	$ 2,449,000
Safe Clean Water & Natural Flood Protection Fund	7,678,367	2,639,000	2,811,000	3,162,000	3,514,000
Water Enterprise Fund	15,089,997	4,340,000	6,280,000	7,066,000	7,851,000
General Fund	474,828	146,000	394,000	443,000	492,000
Service Funds	1,240,515	611,000	555,000	624,000	694,000
Total Interest Income	**$ 28,681,917**	**$ 10,000,000**	**$ 12,000,000**	**$ 13,499,000**	**$ 15,000,000**

Other Financing



The Other Financing includes Debt instruments such as commercial paper, short-term debt obligations, refunding revenue bonds, and certificates of participation (COPs). These financing instruments may be issued to assist in refunding and financing the costs of acquisition, design, construction, improvement, and installation of certain Water Utility and Safe, Clean Water and Natural Flood Protection Program capital projects.

Valley Water anticipates issuing approximately $264.8 million in debt proceeds in FY 2025-26, of which $220.2 million is for Water Utility and $44.6 million is for the Safe, Clean Water program. In FY 2026-27, planned issuance is approximately $458.4 million, $330.4 million for Water Utility and $128.0 million for Safe, Clean Water program, respectively.

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

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27
OTHER FINANCING					
Debt Proceeds	$ 173,600,000	$ 345,920,030	$ 306,311,001	$ 264,826,296	$ 458,449,717
TOTAL OTHER FINANCING	**$ 173,600,000**	**$ 345,920,030**	**$ 306,311,001**	**$ 264,826,296**	**$ 458,449,717**

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SALARIES AND BENEFITS

Salaries and Benefits

The FY 2025-26 salary and benefit budget is based on a total of 880 positions, which includes 876 regular positions and 4 limited term positions. In FY 2025-26, 45 positions were paused which results in a decrease of positions from 921 positions in FY 2024-25 to 876 positions in FY 2025-26. The pausing of positions minimized the salary and related costs increase in FY 2025-26. The total salaries and benefits budget is $249.6 million, an increase of $7.0 million or 2.9% from the FY 2024-25 Adopted Budget. The increase is primarily due to a 3% cost of living adjustment (COLA), an estimated $2.0 million increase in CalPERS contribution, and a $3.6 million increase in health insurance costs, offset by 45 paused positions.

In FY 2026-27, salaries and benefits are projected at $264.4 million, an increase of $14.9 million or 6.0% increase compared to the FY 2025-26 budget. The increase is primarily attributed to a 3% COLA, and an estimated $3.5 million increase in CalPERS, and a $3.9 million increase in health insurance costs. The salaries and benefits increase in FY2026-27 compared to FY2025-26 is larger than the increase from FY2024-25 to FY2025-26 primarily due to the 45 paused positions.

Summary of Positions

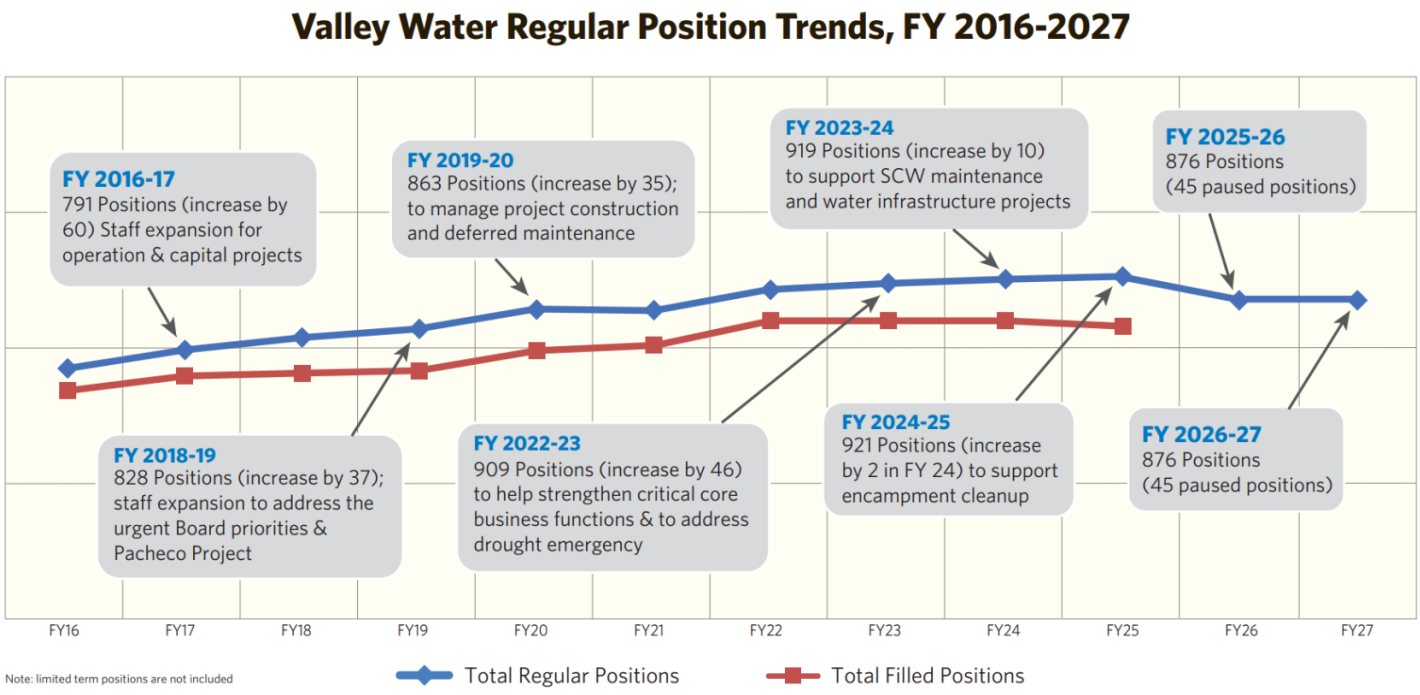
	Adopted Budget FY 2023-24	Adopted Budget FY 2024-25 [2]	Adopted Budget FY 2025-26 [3,4]	Proposed Plan FY 2026-27[3]
Board Appointed Officers [1]	79	78	71	71
Office of Integrated Water Mgmt	56	70	70	70
External Affairs	47	46	43	43
Administrative Services	163	166	160	160
Water Utility	305	304	291	291
Watersheds	269	257	241	241
Total Regular Positions	**919**	**921**	**876**	**876**
Limited Term Positions	5	4	4	4
Total	**924**	**925**	**880**	**880**

[1] Board Appointed Officers include: Office of Chief Executive Office, District Counsel, and Clerk of the Board.

[2] 2 positions were added during FY 2023-24.

[3] Library and Records were moved from BAO to Admin Services in FY 2024-25.

[4] 45 positions are paused for FY 2025-26 & FY 2026-27.



Salaries and Benefits

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27
Salaries					
Salaries	$ 135,347,114	$ 150,627,470	$ 151,514,470	$ 150,330,252	$ 157,304,416
Overtime	5,175,110	3,949,212	3,949,212	4,292,067	4,427,364
Special Pays	1,118,812	1,101,549	1,101,549	1,119,099	1,164,099
Salary Savings	–	(3,791,164)	(3,791,164)	(2,519,774)	(2,635,247)
Total Salaries	**$ 141,641,036**	**$ 151,887,067**	**$ 152,774,067**	**$ 153,221,644**	**$ 160,260,632**
Benefits					
Fed & State Taxes	$ 2,107,126	$ 2,243,098	$ 2,243,098	$ 2,240,559	$ 2,341,684
Retirement Contributions	43,712,385	49,040,946	49,040,946	51,003,609	54,520,788
Group Ins-Active Employees	17,574,578	24,545,317	24,545,317	28,126,551	31,992,014
Group Ins-Retired Employees	14,570,695	14,812,769	14,812,769	14,964,100	15,313,900
Total Benefits	**$ 77,964,784**	**$ 90,642,130**	**$ 90,642,130**	**$ 96,334,819**	**$ 104,168,386**
Total Salary & Benefits	**$ 219,605,820**	**$ 242,529,197**	**$ 243,416,197**	**$ 249,556,463**	**$ 264,429,018**

Labor Hours	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27
Regular Hours	1,678,221	1,615,195	1,615,195	1,535,302	1,534,196
Overtime	52,382	31,861	31,861	34,820	34,585
Compensated Absences	291,450	306,101	306,101	293,330	294,436
Total Hours	**2,022,053**	**1,953,157**	**1,953,157**	**1,863,452**	**1,863,217**

DEBT & INVESTMENTS

Debt Service Overview

Provisions of the state constitution, laws, and various portions of Sections 14 and 25 of the District Act authorize the Board of Directors (Board) to incur short and long term debt under certain conditions and to issue bonds in a form designated by resolution of the Board, including designation of which participating watersheds are affected by the issuance of new debt. Sections 25.1 and 25.2 of District Act authorize the Board to issue revenue bonds for the Water Enterprise Fund. Valley Water's debt issuance practices are governed under the California Government and Water codes.

Valley Water may issue short term notes under the tax and revenue anticipation note statute included in the California Government Code (Sections 53850-53858). Under the tax and revenue anticipation note statute, Valley Water may issue notes for principal and interest which do not exceed 85% of the uncollected revenues of Valley Water on the date such notes are issued (and subject to certain other limitations including a 15-month maturity provision). Section 53851 provides that the tax and revenue anticipation note statute is a separate authority for Valley Water to issue notes and any amount borrowed under the tax and revenue anticipation note statute is not limited by any other provision of law.

On September 8, 2023, Governor Newsom signed into state law Assembly Bill 939, which made numerous changes to the District Act, including amending the limit on short-term debt Valley Water could issue without holding an election. Consistent with the California Constitution, Valley Water may issue short term debt (with maturities up to five years) that is payable in any fiscal year in an amount, when added to the interest thereon, not to exceed 85% of the estimated amount of revenues, charges, taxes, and assessments that will be available in that fiscal year for the payment of principal and interest on the debt.

Board Policies - Executive Limitations

In addition to statutory requirements, the Board has adopted policies (Executive Limitations) related to debt:

EL-4.7 states that a Board Appointed Officer (BAO) shall: "Not indebt the organization, except as provided in the District Act, and in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 90 days, or prior to the close of the fiscal year." Furthermore, the BAO shall:

- 4.7.1. Not issue debt (long or short-term obligations that are sold within the financial marketplace) that conflicts with the District Act or the legal authority of Valley Water, and without Board authorization;

- 4.7.2. Not issue debt without a demonstrated financial need;

- 4.7.3. Meet debt repayment schedules and covenants of bond documents;

- 4.7.4. Establish prudent Valley Water Debt Policies that are consistent with Board policies and provide guidance to employees in regards to administering the debt programs and agreements, including consideration for the appropriate level of debt for Valley Water to carry and structuring debt repayment to address intergenerational benefits;

- 4.7.5. Be consistent with Valley Water's Debt Policy and any addendums when issuing debt;

- 4.7.6. Maintain strong credit ratings and good investor relations;

- 4.7.7. Valley Water shall not do business with banks who do not have an Environmental, Social and Governance (ESG) ranking at or better than the "Average/Medium" category by at least one of the professional ESG research companies such as Sustainalytics, or other equivalent rankings published by other ESG research firms. Small and local banks/ credit unions located within the nine Bay Area counties with total assets at or below $10 billion are exempt from this provision.

Financial Overview

Debt Policy

Valley Water proactively manages its outstanding liabilities to ensure access to the credit markets at the lowest available borrowing cost, to preserve strong credit standing with the municipal rating agencies, to fulfill its fiduciary responsibility to its customers, and to provide high quality water service, stream stewardship and flood protection at the lowest possible cost. Consistent with these commitments, Valley Water shall 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 Water Utility Certificates of Participation and Revenue Bonds are encompassed within the Parity Master Resolution adopted on February 23, 2016 (as amended from time to time). Water Utility coverage ratios required for debt service are set at a minimum of 1.25 times the annual debt service for parity lien debt. Valley Water is in compliance with all coverage ratio requirements for all outstanding debt. For additional information regarding Valley Water's debt policy, please visit https:/ www.valleywater.org/ how-we-operate/finance budget/investor-relations.

Bond Ratings

The bond ratings for Valley Water's outstanding debt reflect high grade investment quality debt. They are based on Valley Water's positive fiscal policy and financial strengths. The bond ratings are either the highest for a water related governmental entity in the State of California or among the highest. Bonds issued at this credit rating result in lower interest rates and corresponding lower debt service payments.

Outstanding Debt

Total debt includes Certificates of Participation (COPs), Commercial Paper, Revolving Line of Credit, Revenue Bonds, and WIFIA loans. Scheduled annual debt service for FY 2025-26 is approximately $116.9 million including financing and legal fees. The WIFIA loans for the SCW program and Anderson Dam Seismic Retrofit Project have deferred interest payment that start in FY 2028 and FY 2030, respectively, and principal payments that are scheduled for FY 2049 through FY 2062. The WIFIA loans may be prepaid early without penalty, which will reduce total interest payments, with Board approval at any time.

Currently outstanding debt are summarized below:

- Watersheds fund: Series 2017A COPs with a final maturity of 2030. Debt service for these COPs is paid via benefit assessments, which are collected based on 125% of the annual debt service.

- Safe Clean Water fund: (1) Series 2022A Refunding Revenue bonds with a final maturity of 2049; (2) Series 2022B Revenue COPs with a final maturity of 2026; and (3) WIFIA loan (N21116CA) with a final maturity of 8/1/2061.

- Water Utility fund: (1) Water System Refunding Revenue Bonds Series 2016A/B with a final maturity of 2046, the Revenue COP Series 2016C/D with a final maturity of 2029; (2) Water System Refunding Revenue Bonds Series 2017A with a final maturity of 2037; (3) Water System Refunding Revenues Bonds Series 2019A/B with a final maturity of 2049, and Series 2019C with a final maturity of 2036; (4) Water System Refunding Revenue Bonds Series 2020A/B with a final maturity of 2050, and the Revenue COP Series 2020C/D with a final maturity of 2041; (5) Water System Refunding Revenue Bonds Series 2023A/B with a final maturity of 2052, and the Revenue COP Series 2023C-1 with a final maturity of 2026, Series 2023C-2 with a final maturity of 2041, and Series 2023D with a final maturity of 2026; (6) Water System Refunding Revenue Bonds Series 2024A-1/B-1 with a final maturity of 2054, the Refunding Revenue Notes Series 2024A-2 and B-2 with a final maturity of 2026, and the Revenue Bonds Series 2024C with a final maturity of 2038; (7) Commercial Paper Certificates; (8) Revolving Line of Credit which are secured by Tax and Revenue Anticipation Notes that are subject to annual reauthorization by the Valley Water Board; and (9) WIFIA loan (N22115CA) with a final maturity of 6/1/2059.

Financial Overview

On February 14, 2023, Valley Water executed two Water Infrastructure Finance and Innovation Act (WIFIA) Master Agreements (WMA) with the U.S. Environmental Protection Agency (EPA) to provide up to $580 million of WIFIA loan capacity to fund the Anderson Dam Seismic Retrofit and Coyote Percolation Dam projects and up to $147 million of WIFIA loan capacity to fund the Coyote Creek, Sunnyvale East and West Channels, and Upper Penitencia Creek flood protection projects. The initial loan for the Safe Clean Water program was executed on February 14, 2023 for $41 million at 3.77% interest rate to fund the planning and design costs for the eligible projects as well as construction costs for the Sunnyvale East and West Channels project. The initial loan for the Anderson Dam and Coyote Percolation Dam projects was executed on February 14, 2023 for $74 million at 3.77% interest rate to fund the planning and design costs.

On October 30, 2023, Valley Water executed a third WIFIA Master Agreement with the EPA to provide up to $1.45 billion of WIFIA loan capacity to fund the Pacheco Reservoir Expansion Project. The initial loan for the Pacheco project was executed on October 30, 2023, for $92 million at 5.08% interest rate to fund the planning and design costs.

Valley Water has begun drawing on the WIFIA loans for the Anderson Dam Seismic Retrofit Project and the SCW projects in FY 2025. No WIFIA loans have been drawn for the Pacheco Reservoir Expansion Project in FY 2025.

Planned Issuances

Valley Water is planning the issuance of debt to finance the Safe, Clean Water program and the Water Utility Enterprise to finance the long-term capital improvement plan. The source of debt service repayment for the Safe, Clean Water program will be the special parcel tax initially approved by Santa Clara County voters in the November 6, 2012 election and renewed in the November 3, 2020 election. Debt service for the Water Utility Enterprise is paid from water revenues. Bond covenants stipulate that Valley Water must maintain a minimum 1.25 debt service coverage ratio on all parity bonds. Based on the financial models from the Water Utility Enterprise Finance organization, the projected debt service coverage ratios are as follows:

- FY 2025-26: 2.04
- FY 2026-27: 2.14
- FY 2027-28: 2.13
- FY 2028-29: 2.21
- FY 2029-30: 2.33

(Source: FY 2025-26 Annual Report on the Protection and Augmentation of Water Supplies)

Investment Portfolio

Valley Water's investment portfolio is invested with the following three priorities in mind: safety, liquidity, and yield. Safeguarding taxpayers' money and ensuring that Valley Water has funds available when needed to meet expenditures are the two most important goals. Once those goals are satisfied, Valley Water strives to earn a market rate of return on its investments. About 60% of the portfolio is invested in government securities, such as federal agency notes and US treasury notes. The remaining 40% of the portfolio is invested in instruments of the highest credit quality and in highly liquid instruments such as the Local Agency Investment Fund, money market mutual funds and Certificates of Deposit, as well as supranational/corporate medium-term notes.

The investment holdings are reviewed for compliance with Valley Water's investment policy and California State Government Code by accounting staff on a monthly basis, and by the Valley Water's independent auditor on an annual basis. In addition, Valley Water's investment committee holds meetings at least quarterly to review the portfolio performance.

In addition to statutory requirements, the Board has adopted policies (Executive Limitations or EL) related to investment:

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

- Not invest or hold funds of Valley Water in accounts or instruments that are inconsistent with the following statement of investment policies:
- 4.9.1. Public funds not needed for the immediate necessities of Valley Water should, to the extent reasonably possible, be prudently invested or deposited to produce revenue for Valley Water consistent with the Board Investment Policy and applicable law.
- 4.9.2. The Treasurer or his or her designee shall submit quarterly investment reports to the Board as specified under Government Code Section 53646.
- 4.9.3. No investments will be made in fossil fuel companies with significant carbon emissions potential.

Bond Ratings

	Water Utility Parity Debt	Watershed Debt	Safe Clean Water Debt	WIFIA Debt
Moody's	Aa1	Aa1	Aa1	N/A
Standard & Poor's	N/A	AAA	N/A	N/A
Fitch	AA+	AA+	AA+	AA+

Status of Bonded Indebtedness, Certificates of Participation, and Commercial Paper[1]

	Total Amount Sold	Date of Issue	True Interest Cost	Outstanding as of 6/30/25	2025-2026 Debt Service Payments Principal	Interest	Total
Watersheds Indebtedness							
2017A COPs	$59,390,000	3/7/2017	2.56%	$24,940,000	$4,515,000	$1,247,000	$5,762,000
2022A Safe, Clean Water Revenue Bonds	75,295,000	12/6/2022	4.13%	72,920,000	1,530,000	3,607,750	5,137,750
2022B Safe, Clean Water COPs	46,445,000	12/6/2022	3.01%	46,445,000	-	-	-
Short-Term Debt (est.) [2]	50,000,000	various	variable	50,000,000	-	6,719,000	6,719,000
SCW WIFIA Loan (21116CA) [3]	7,930,825	2/14/2023	3.77%	7,930,825	-	-	-
Total Watersheds	239,060,825			202,235,825	6,045,000	11,573,750	17,618,750
Water Utility Indebtedness							
2016 Water Utility Refunding Revenue Bonds							
Series A	106,315,000	3/30/2016	3.25%	106,315,000	-	5,315,750	5,315,750
Series B - taxable	75,215,000	3/30/2016	4.32%	75,215,000	-	3,229,621	3,229,621
Subtotal	181,530,000			181,530,000	-	8,545,371	8,545,371
2016 Water Utility Certificates of Participation							
Series C	43,075,000	3/30/2016	2.13%	17,060,000	4,035,000	853,000	4,888,000
Series D- taxable	54,970,000	3/30/2016	3.14%	21,385,000	5,060,000	740,452	5,800,452
Subtotal	98,045,000			38,445,000	9,095,000	1,593,452	10,688,452
2017 Water Utility Refunding Revenue Bonds							
Series A	54,710,000	5/2/2017	3.13%	39,255,000	2,440,000	1,962,750	4,402,750
2019 Water Utility Refunding Revenue Bonds							
Series A	15,225,000	4/25/2019	3.75%	13,665,000	305,000	683,250	988,250
Series B - taxable	80,030,000	4/25/2019	3.81%	69,635,000	1,895,000	2,609,160	4,504,160
Series C - taxable	38,280,000	11/26/2019	2.76%	26,345,000	2,245,000	710,363	2,955,363
Subtotal	133,535,000			109,645,000	4,445,000	4,002,772	8,447,772
2020 Water Utility Refunding Revenue Bonds							
Series A	24,120,000	10/14/2020	3.33%	24,120,000	-	1,206,000	1,206,000
Series B - taxable	68,530,000	10/14/2020	2.98%	68,530,000	-	2,033,285	2,033,285
Subtotal	92,650,000			92,650,000	-	3,239,285	3,239,285
2020 Water Utility Certificates of Participation							
Series C	38,360,000	10/14/2020	2.07%	34,820,000	1,830,000	1,741,000	3,571,000
Series D - taxable	75,020,000	10/14/2020	2.20%	68,215,000	3,510,000	1,428,250	4,938,250
Subtotal	113,380,000			103,035,000	5,340,000	3,169,250	8,509,250

Status of Bonded Indebtedness, Certificates of Participation, and Commercial Paper[1]

	Total Amount Sold	Date of Issue	True Interest Cost	Outstanding as of 6/30/25	2025-2026 Debt Service Payments Principal	Interest	Total
2023 Water Utility Refunding Revenue Bonds							
Series A	52,090,000	1/19/2023	4.19%	52,090,000	-	2,604,500	2,604,500
Series B - taxable	69,045,000	1/19/2023	5.11%	66,640,000	1,280,000	3,250,304	4,530,304
2023 Water Utility Certificates of Participation							
Series C1	117,365,000	1/19/2023	2.35%	64,185,000	-	-	-
Series C2	42,285,000	1/19/2023	3.22%	39,150,000	1,655,000	1,957,500	3,612,500
Series D- taxable	62,615,000	1/19/2023	4.33%	37,495,000	-	-	-
Subtotal	343,400,000			259,560,000	2,935,000	7,812,304	10,747,304
2024 Water Utility Revenue Bonds							
Series A-1	104,765,000	9/24/2024	4.10%	104,765,000	-	5,238,250	5,238,250
Series B-1 taxable	90,500,000	9/24/2024	4.80%	87,385,000	-	4,065,673	4,065,673
Series A-2	50,590,000	9/24/2024	2.49%	50,590,000	-	2,529,500	2,529,500
Series B-2 taxable	25,025,000	9/24/2024	4.25%	25,025,000	-	970,970	970,970
Series C	43,155,000	9/24/2024	2.73%	41,265,000	2,330,000	2,063,250	4,393,250
Subtotal	314,035,000			309,030,000	2,330,000	14,867,643	17,197,643
2025 Water Utility Revenue Bonds (est.) [5]							
Series A	TBD	TBD	TBD	-	1,625,000	6,242,958	7,867,958
Series B - taxable	TBD	TBD	TBD	-	955,000	6,674,208	7,629,208
Subtotal	TBD			-	2,580,000	12,917,165	15,497,165
Short-Term Debt (est.) [2]	150,310,000	various	variable	150,310,000	-	6,616,000	6,616,000
WU WIFIA Loan (22115CA Anderson)[4]	32,218,070	2/14/2023	3.77%	32,218,070	-	-	-
Total Water	**1,513,813,070**			**1,315,678,070**	**29,165,000**	**64,725,991**	**93,890,991**
Combined	**$1,752,873,895**			**$1,517,913,895**	**$35,210,000**	**$76,299,741**	**$111,509,741**

[1] Annual debt service payments reflect principal and interest only and exclude fees.

[2] Short-term debt incurs variable rates that are subject to change pending actual market conditions at time of issuance.

[3] SCW WIFIA Loan interest payment is deferred to 2/1/2028 and principal payment is deferred to 8/1/2050

[4] WU WIFIA Loan interest payment is deferred to 12/1/2029 and principal payment is deferred to 6/1/2049

[5] The debt service payments for the 2025 WU Revenue Bonds are estimates, pending sale anticipated in September 2025.

Debt Service Payment Schedule

	Principal	Interest [1]	Total
Watersheds Certificates of Participation/Safe, Clean Water Revenue Bonds[2]			
2025/26	$ 6,045,000	$ 4,854,750	$ 10,899,750
2026/27	6,345,000	9,306,690	15,651,690
2027/28	8,645,000	17,386,708	26,031,708
2028/29	36,700,000	19,708,926	56,408,926
2029/30 and thereafter	387,794,116	279,906,111	667,700,227
Total	**$ 445,529,116**	**$ 331,163,186**	**$ 776,692,301**
Water Utility Revenue Bonds / Certificates of Participation[2]			
2025/26	$ 29,165,000	$ 58,109,991	$ 87,274,991
2026/27	36,160,000	69,561,040	105,721,040
2027/28	38,620,000	66,869,667	105,489,667
2028/29	40,215,000	62,562,815	102,777,815
2029/30 and thereafter	1,503,497,987	1,087,963,597	2,591,461,584
Total	**$ 1,647,657,987**	**$ 1,345,067,111**	**$ 2,992,725,098**
Commercial Paper			
2025/26	$ -	$ 13,335,000	$ 13,335,000
2026/27	-	10,249,827	10,249,827
2027/28	-	8,928,000	8,928,000
2028/29	-	6,076,000	6,076,000
2029/30 and thereafter	-	85,984,000	85,984,000
Total	**$ -**	**$ 124,572,827**	**$ 124,572,827**
WIFIA Loans [3]			
2027/28	-	149,496	149,496
2028/29	-	149,496	149,496
2029/30 and thereafter	40,148,895	39,167,480	79,316,375
Total	**$ 40,148,895**	**$ 39,466,472**	**$ 79,615,367**
Total All Outstanding Debt			
2025/26	$ 35,210,000	$ 76,299,741	$ 111,509,741
2026/27	42,505,000	89,117,557	131,622,557
2027/28	47,265,000	93,333,872	140,598,872
2028/29	76,915,000	88,497,237	165,412,237
2029/30 and thereafter	1,931,440,998	1,493,021,188	3,424,462,186
Total	**$ 2,133,335,998**	**$ 1,840,269,596**	**$ 3,973,605,593**

[1] Annual debt service payments reflect principal and interest only and exclude fees.

[2] Includes projected principal and interest payments for the anticipated debt issuances for FY 2026 and FY 2027 and WIFIA loans for both Safe Clean Water and Water Utility Funds

[3] WIFIA debt service payments based on the amortization schedules for draw #2 in March 2025.

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RESERVE POLICY AND FUND BALANCES

Valley Water Reserve Policy

Valley Water's Reserve Policy is reviewed annually with the Board of Directors pursuant to Executive Limitation 4.6 – Financial Planning and Budgeting – "At least annually present the Board with information about Valley Water's financial reserves and schedule an opportunity for the public to comment thereon."

The Governmental Accounting Standards Board (GASB) 54 statement, issued in March 2009, required that governmental agencies adopt new standards of reporting fund balance no later than the first fiscal year beginning after June 15, 2010. While the GASB 54 requirement was specifically issued for governmental type funds, Valley Water, under its conservative and prudent fiscal policy, extended the requirement to include the enterprise and internal service funds (Water Utility Enterprise, State Water Project, Fleet Management, Information Technology, and Risk Management).

Key objectives of prudent financial planning are to ensure sufficient resources for current services and obligations, and to prepare for future anticipated funding requirements and unforeseen events. To meet these objectives, Valley Water will strive to have sufficient funding available to meet its operating, capital, and debt service cost obligations. Reserve funds will be accumulated and managed in a manner that allows Valley Water to fund expenditures consistent with the Capital Improvement Program, Water Supply Master Plan, and long-range financial plans while avoiding significant water charge fluctuations due to changes in cash flow requirements. Valley Water will also maintain a cash reserve position that may be utilized to fund unexpected fluctuations in revenues and operating/capital expenditures.

Reserve levels and reserve policies are reviewed annually with the Board of Directors during budget deliberations.

Definitions

According to a GASB 54 statement issued in March 2009, the following are categories for reporting of fund balances depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

A. **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.

B. **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.

C. **Assigned fund balance** – these are amounts that 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.

D. **Non-spendable fund balance** – these are 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 the spendable fund balances are considered.

E. **Unassigned fund balance** – these are amounts that are residual resources which have not been restricted, committed, or assigned. NOTE: by policy, fund balances which are not restricted or assigned are committed for fiscal transparency.

Valley Water reserves are composed 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 Annual Comprehensive Financial Report (ACFR) where it is appropriate to recognize actual cash transactions that are recorded in the ACFR 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 ACFR.
- **Special Purpose Reserves, Water Utility Enterprise Fund** – These reserves are per the Parity Master Resolution, which allows establishment of special purpose reserves by District Board Resolution. Amounts in the Special Purpose Reserves may be used to offset extraordinary expenses and to supplement Valley Water revenues to meet debt service coverage requirements. Special purpose reserves are restricted per debt financing agreements which are in accordance with bond covenants.

A. Restricted Reserves

1. **Debt Service Reserve**

   These reserves were established for various bond issuances. The funds are not available for general needs of Valley Water and must be maintained as dictated in the bond covenants of the various issuances. Not all bond issuances may have all of the following reserves, but the primary debt reserves are Debt Service Reserve Fund (to fund payments should Valley Water not be able to make debt service payments due to cash shortfalls), Arbitrage Rebate (to accumulate funds to offset the potential liability from excess earnings) and Debt Service Payment Fund (a pass-through reserve for initiating debt service payments).

2. **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.

3. **Rate Stabilization Reserve for Bond Covenant – Water Utility Enterprise Fund**

   The Parity Master Resolution for the Water Utility Enterprise requires the provision of a Rate Stabilization Reserve to offset expenses and revenue shortfalls, and to supplement Valley Water revenues to meet debt service coverage requirements. The minimum funding level is 10% of annual debt service due on all senior and parity obligations plus one month of adopted budget operations outlays. The specific level is to be financially prudent and based on reasonably anticipated needs.

A. Restricted Reserves (Continued)

4. Guiding Principle #5 (GP5) Reserve – Water Utility Enterprise Fund

In May 2018, the Board of Directors approved a resolution establishing Guiding Principle 5, GP5 – Equity and Costs are Important, was established to allow certain communities/agencies to receive Valley Water contributions in the form of additional, incremental, dedicated and segregated funds exclusively for water conservation programs, recycled water, purified water, wastewater treatment plant updates, automatic meter infrastructure (AMI) updates or dedicated environmental focused grants. The funding is limited to FY 2019 through FY 2024, subject to 20% matching funds from the communities receiving Valley Water contributions and is limited to communities/agencies that currently pay State Water Project tax but receive an average of 85% of their water supply from non-District managed supplies. Valley Water's contributions shall not exceed the State Water Project taxes paid by these communities/agencies. If an eligible agency had not gained Valley Water approval for a project by June 30, 2024, the dedicated, segregated funds would go back to Valley Water by FY 2026.

The GP5 reserve was established in FY 2019-20 as a sub-category of the Rate Stabilization Fund to set aside the unspent/unencumbered balances beginning in FY 2018-19 and subsequent years. Funds in this reserve, including interest earned, are to reimburse eligible GP5 expenditures through the completion of each agreement.

5. San Felipe Emergency Reserve – Water Utility Enterprise Fund

This special purpose reserve is required by Valley Water contractual obligations with the U.S. Bureau of Reclamation for the operation and maintenance of the San Felipe Division of the Central Valley Project. The purpose of the reserve is to provide resources for unusual operation and maintenance costs incurred during periods of special stress caused by damaging droughts, storms, earthquakes, floods, or emergencies threatening or causing interruption of water service.

Use of this reserve requires authorization by the U.S. Department of the Interior. Per contract, the funding level was accumulated in annual deposits of $200,000 until the reserve totaled $1.75 million, after which interest earned on the reserve is deposited annually.

6. Silicon Valley Advanced Water Purification Center (SVAWPC) Reserve – Water Utility Enterprise Fund

This special purpose reserve serves as a fund for replacement of micro filtration modules, reverse osmosis elements, and ultraviolet lamps at the Silicon Valley Advanced Water Purification Center (SVAWPC). Per the Recycled Water Facilities and Programs Integration Agreement between the City of San Jose and the Santa Clara Valley Water District dated March 2010, the annual contribution to the reserve may be up to $810,000 starting in FY 2009-10 and adjusted annually by 3% for inflation, thereafter, until such time that the reserve reaches the reserve cap. The reserve cap was set in FY 2013-14 at $2.6 million and is to be adjusted by 3% for inflation annually thereafter. The reserve cap is based on a five-year replacement schedule for the micro filtration modules and reverse osmosis elements. The specific level of this reserve is to be set based on reasonably anticipated needs and uses. The reserve will sunset once the funds are fully expended, which is currently anticipated in FY 2025-26.

7. 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.

A. Restricted Reserves (Continued)

8. 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.

9. 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 support State Water Project contract obligations in subsequent years.

10. 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 each 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 re-appropriated at the beginning of the new fiscal year consistent with capital appropriations included in the CIP to provide funding in that fiscal year. The remaining authorized project reserve is available for future budget adjustments for the respective appropriations; after a capital project is closed, the remaining authorized project reserves are moved to the operating and capital reserve balance.

11. Encumbrance Reserves – Voter Approved Safe, Clean Water Fund and State Water Project Fund

This reserve represents the balance of outstanding encumbrances (contractual commitments) at year end, for which the goods or services have not been received. The reserved balance is available for subsequent year expenditures based on the encumbered appropriation authority carried over to the next fiscal year. The funding level of this reserve will be adjusted annually, at year-end, based on the remaining balance of encumbrances still outstanding as of the end of the fiscal year.

12. Operating and Capital Reserve – Voter Approved Safe, Clean Water Fund

This reserve ensures adequate working capital for cash flow needs and provides 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.

A. Restricted Reserves (Continued)

13. Safe, Clean Water (SCW) Rate Stabilization Reserve – Voter Approved Safe, Clean Water Fund

The SCW Rate Stabilization Reserve is required to offset timing differences between expenses and collection of the SCW special parcel tax to meet debt service coverage requirements. There is no minimum funding requirement for this reserve. The specific level is to be financially prudent and based on reasonably anticipated needs. The annual amount to contribute or withdraw will be determined as financial conditions warrant and as approved by the Valley Water Board of Directors.

14. Contingency Reserve – Voter Approved Safe, Clean Water Fund

The Contingency Reserve for the Safe, Clean Water Fund is established and maintained as financial or other business conditions warrant. Funds accumulated in this reserve are used to ensure that Valley Water delivers on the commitments made in the November 2020 ballot. There is no minimum funding requirement for this reserve. The specific level is to be financially prudent and based on reasonably anticipated needs. The annual amount to contribute or withdraw will be determined as financial or other business conditions warrant and as approved by the Valley Water Board of Directors.

B. Committed Reserves

1. Liability/Workers' Compensation Self-Insurance Reserve – Risk Management Fund

The Liability/Workers' Compensation Self-Insurance Reserve is to ensure that Valley Water's self-insurance programs have adequate resources for general liability and workers' compensation ultimate payouts for both known and incurred but not reported claims.

Additionally, because of Valley Water's high self-insured retention, and low claims volume, it also provides for reserve funds to cover one large liability loss which would otherwise virtually deplete existing reserves. The reserve is based on independent actuarial evaluations conducted bi-annually for general liability and workers' compensation programs. The reserve level is set each year based on the actuarially determined confidence level for total claims liabilities discounted to present value. The reserve is intended to be used for claim payouts greater than those budgeted.

The Board of Directors approved funding of the Workers' Compensation Reserve at 90 percent actuarial confidence level and funding of the General Liability Reserve at 90 percent confidence level at the April 28, 2009, board meeting.

2. Property Self-Insurance/Catastrophic Reserve – Risk Management Fund

The Property Self-Insurance/Catastrophic Reserve purposes are to provide for uninsured property losses to Valley Water facilities such as pipelines and levees and provide sufficient funds to initiate repair and recovery of damage to Valley Water facilities in advance of FEMA activation and reimbursement. The reserve may be used to pay for uninsured/uninsurable property losses which would adversely impact Valley Water operations and/or to cover all or a portion of District-paid expenses necessary to initiate immediate service restoration efforts. It is anticipated that in most cases, the reserves would be replenished from later reimbursement by FEMA for costs initially paid from this reserve. The reserve funding level is a minimum of $5 million adjusted for outstanding reimbursements.

When this reserve is used, the corresponding reimbursements are deposited in the Risk Management Fund to replenish the reserve directly or through subsequent adjustments to intra-district Risk Management Fund charges.

B. Committed Reserves (Continued)

3. Excess ERAF Contingency Reserve

The Excess ERAF Contingency Reserve sets aside 22% of Valley Water's Excess Educational Revenue Augmentation Fund (ERAF) receipts from FY 2020-21 to FY 2023-24, 20% of receipts in FY 2024-25, and 18% thereafter, in anticipation of a repayment to the state. This is a result of the State of California Proposed FY 2024-25 Budget which retroactively amends the current calculation of the disbursement of Excess ERAF funds to also include Charter Schools, reducing the amount of funds returned to agencies in five counties (Marin, San Francisco, Santa Clara, San Mateo, and Napa), including Valley Water. Santa Clara County and Marin County have filed lawsuits to attempt to block these changes. If successful, the reserve funds will not have to be repaid and will remain with Valley Water. If the lawsuits are not successful, and the state budget proposal is approved, then Valley Water must refund the reserved funds. This reserve will no longer be necessary after a favorable ruling or the repayment to the state, contingent on the outcome of the pending litigation.

4. Floating Rate Debt Payment Stabilization Reserve – Water Utility Enterprise Fund

This reserve is intended to stabilize the debt service payments on floating rate debt which by its nature fluctuates constantly. This reserve will be for long-term floating rate debt and not short-term floating rate debt (i.e., commercial paper). The reserve may be funded at 10% of the floating rate debt service interest payment. The maximum amount is no more than 20% of total floating rate debt service interest payments for a fiscal year. Excess funds over 20% will be used to pay down floating rate debt when advisable (i.e., based on market conditions, future issuance plans, etc.). There is no minimum funding requirement for this reserve. 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.

5. 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 reserve level is to be set based on reasonably anticipated needs.

6. 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 each 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 re-appropriated at the beginning of the new fiscal year consistent with capital appropriations included in the CIP to provide funding in that fiscal year. The remaining authorized project reserve is available for future budget adjustments for the respective appropriations; after a capital project is closed, the remaining authorized project reserves are moved to the operating and capital reserve balance.

C. Assigned Reserves

1. **Encumbrance Reserves – except for Safe, Clean Water Fund and State Water Project Fund**

   These reserves represent the balance of outstanding encumbrances (contractual commitments) at year-end, for which the goods or services have not been received. The reserved balance is available for subsequent year expenditures based on the encumbered appropriation authority carried over to the next fiscal year. The funding level of these reserves will be adjusted annually, at year-end, based on the remaining balance of encumbrances still outstanding as of the end of the fiscal year.

2. **Market Valuation Reserves**

   These reserves for market valuation represent the increase/gain (only) in the market value of Valley Water's pooled investments as of the end of the fiscal year as a result of its compliance with the provisions of Government Accounting Standard Board Statement No. 31 (GASB 31), Accounting and Financial Reporting for Certain Investments and for External Investment Pools. GASB 31 requires Valley Water to report investments at fair market value in the Statement of Net Assets, the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

   Due to this requirement, investment income must be adjusted to reflect the fair value change from one fiscal year to the next fiscal year. However, Valley Water's investment policy dictates a buy-and-hold strategy in which, with very few exceptions, Valley Water holds all securities to their maturity, thereby not incurring any loss or gain that could impact the size and yield of the investment portfolio. These reserves do not represent cash available for appropriation and were established to ensure that the increase in the investment value does not result in an overstatement of funding available for expenditure.

Reserve Schedule

	Estimated Balances				
	Year-End 2023-24	Adopted 2024-25	Projected YE 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27
Governmental Funds					
GENERAL FUND					
Committed Reserves					
Excess ERAF Contingency Reserve	$ -	$ 666,631	$ 565,224	$ 694,104	$ 822,984
Operating & Capital Reserve	21,785,605	14,113,585	19,223,235	18,994,571	17,517,197
Currently Authorized Projects Reserve***	4,118,943	-	4,491,484	-	-
Total General Fund Reserves	**$ 25,904,548**	**$ 14,780,216**	**$ 24,279,943**	**$ 19,688,675**	**$ 18,340,181**
SPECIAL REVENUE FUNDS (WATERSHEDS)					
Restricted Reserves					
SCW Rate Stabilization Reserve	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ 25,000,000
SCW Contingency Reserve	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
SCW Operating & Capital Reserve	49,575,332	59,517,635	28,244,554	76,463,210	59,622,776
SCW Currently Authorized Projects Reserve***	112,252,107	25,336,118	141,916,731	71,376,703	61,401,092
Total Restricted Reserves	**$ 191,827,439**	**$ 114,853,753**	**$ 200,161,285**	**$ 177,839,913**	**$ 151,023,869**
Committed Reserves					
Excess ERAF Contingency Reserve	$ -	$ 5,605,897	$ 4,752,110	$ 5,836,610	$ 6,921,290
Operating & Capital Reserve	139,225,177	145,010,893	143,822,030	154,256,929	157,960,529
Currently Authorized Projects***	11,360,020	33,303	5,508,140	1,029,024	-
Total Committed Reserves	**$ 150,585,197**	**$ 150,650,093**	**$ 154,082,280**	**$ 161,122,563**	**$ 164,881,819**
Total Special Revenue Funds Reserves	**$ 342,412,636**	**$ 265,503,846**	**$ 354,243,565**	**$ 338,962,475**	**$ 315,905,687**
Total Governmental Funds	**$ 368,317,184**	**$ 280,284,062**	**$ 378,523,508**	**$ 358,651,150**	**$ 334,245,868**
Proprietary Funds					
WATER ENTERPRISE & STATE WATER PROJECT FUNDS					
Restricted Reserves					
WUE Rate Stabilization Reserve	$ 6,066,971	$ 19,996,328	$ 20,571,906	$ 40,504,668	$ 44,725,459
WUE San Felipe Emergency Reserve	3,651,454	3,580,832	3,701,454	3,751,454	3,801,454
WUE State Water Project Tax Reserve	17,693,556	8,973,390	15,131,486	11,591,690	6,424,905
WUE Supplemental Water Supply Reserve	5,277,000	5,277,000	5,277,000	8,677,000	12,077,000
WUE SVAWPC Reserve	1,292,735	-	-	-	-
WUE Drought Reserve	-	-	-	1,000,000	4,000,000
WUE Guiding Principle #5 (GP5) Reserve	25,813,404	-	-	-	-
Total Restricted Reserves	**$ 59,795,120**	**$ 37,827,550**	**$ 44,681,846**	**$ 65,524,812**	**$ 71,028,818**
Committed Reserves					
WUE San Jose Water Purification Reserve	1,000,000	-	-	-	-
Excess ERAF Contingency Reserve	$ -	$ 589,988	$ 500,893	$ 615,193	$ 729,493
Operating & Capital Reserve	82,663,857	62,727,361	85,193,063	74,567,165	92,899,438
Currently Authorized Projects Reserve***	97,080,427	9,770,707	80,569,594	17,666,735	14,844,076
Total Committed Reserves	**$ 180,744,284**	**$ 73,088,056**	**$ 166,263,550**	**$ 92,849,093**	**$ 108,473,007**
Total Water Enterprise Funds Reserves	$ 240,539,404	$ 110,915,606	$ 210,945,396	$ 158,373,906	$ 179,501,825

Reserve Schedule

	Estimated Balances				
	Year-End 2023-24	Adopted 2024-25	Projected YE 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27
INTERNAL SERVICE FUNDS					
Committed Reserves					
Operating & Capital Reserve	$ 14,651,485	$ 6,424,002	$ 10,016,430	$ 5,311,373	$ 5,512,327
Currently Authorized Projects***	355,662	123,126	123,580	123,126	123,126
Liability/Workers' Comp Self-Insurance Reserve	8,337,000	8,337,000	8,337,000	11,476,000	11,476,000
Property Self-Insurance/Catastrophic Reserve	6,869,456	7,409,352	6,844,537	6,529,910	7,351,733
Total Committed Reserves	**$ 30,213,603**	**$ 22,293,480**	**$ 25,321,547**	**$ 23,440,410**	**$ 24,463,186**
Total Internal Service Funds Reserves	**$ 30,213,603**	**$ 22,293,480**	**$ 25,321,547**	**$ 23,440,410**	**$ 24,463,186**
Total Proprietary Funds	**$ 270,753,007**	**$ 133,209,086**	**$ 236,266,943**	**$ 181,814,315**	**$ 203,965,011**
TOTAL RESERVE SUMMARIES					
Total Proprietary Funds	$ 270,753,007	$ 133,209,086	$ 236,266,943	$ 181,814,315	$ 203,965,011
Total Governmental Funds	368,317,184	280,284,062	378,523,508	358,651,150	334,245,868
Total Year-End Reserves by Fund Type	**$ 639,070,191**	**$ 413,493,148**	**$ 614,790,451**	**$ 540,465,465**	**$ 538,210,879**
Total Restricted Reserves	$ 251,622,559	$ 152,681,303	$ 244,843,131	$ 243,364,725	$ 222,052,687
Total Committed Reserves	387,447,632	260,811,845	369,947,320	297,100,740	316,158,192
Total Year-End Reserves By Reserve Type	**$ 639,070,191**	**$ 413,493,148**	**$ 614,790,451**	**$ 540,465,465**	**$ 538,210,879**

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



Ends Policies and Outcomes

FY 2025–26 & FY 2026–27 Operating and Capital Rolling Biennial Budget

END POLICIES AND OUTCOMES

Ends Policies and Outcomes

Introduction

The Valley Water Board of Directors has an established Governance Process by which it conducts its business, as well as organizes, delegates and limits authority to the Board Appointed Officers (BAOs). The Governance Process also outlines "Ends" policies, which describe the mission, outcomes or results to be achieved by Valley Water BAOs. Balancing the Ends policies are Executive Limitations, which set limits on BAO activities in fulfilling the Ends, set by the Board, establishing the prudence and ethics boundaries within which all executive activity and decisions must take place. Alignment of plans and resources with the Ends policies helps the Board fulfill the critical responsibility of defining, balancing, and prioritizing "what benefits, for what people, at what cost," and enhances Valley Water staff's accountability in using budgeted resources to accomplish those ends.

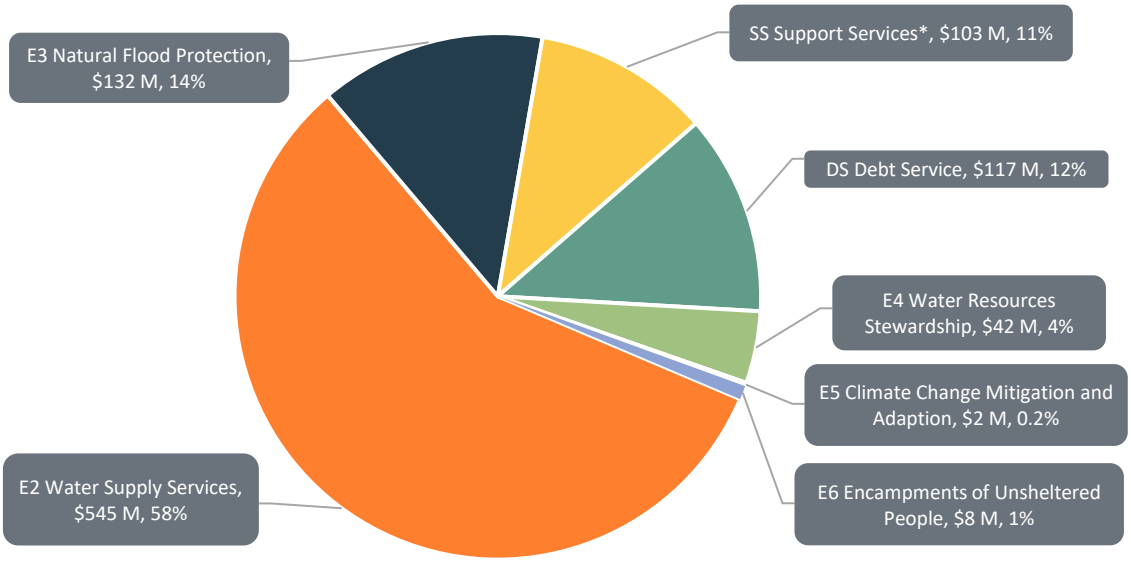
Ends Governance Policies of the Board are organized into three levels of detail. The highest level is the Ends Policy, of which the Board has six: E-1 Mission and General Principles, E-2 Water Supply Services, E-3 Natural Flood Protection, E-4 Water Resources Stewardship, E-5 Climate Change Mitigation and Adaptation, and E-6 Encampments of Unsheltered People (EUP). These policies each go into greater detail in the form of a goal, the second level of detail, and within the goal, the objective to meet, which is the lowest level of detail.

In this chapter, Valley Water's budget is broken out by the Ends policies, goals and objectives showing how resources align with the Board's Ends Governance Policies. At the end of this chapter are the Outcome Measures, which report performance in each Ends Goal in order to measure Valley Water's ability to achieve the Ends Governance Polices of the Board.

District wide budget by Ends and Support Services

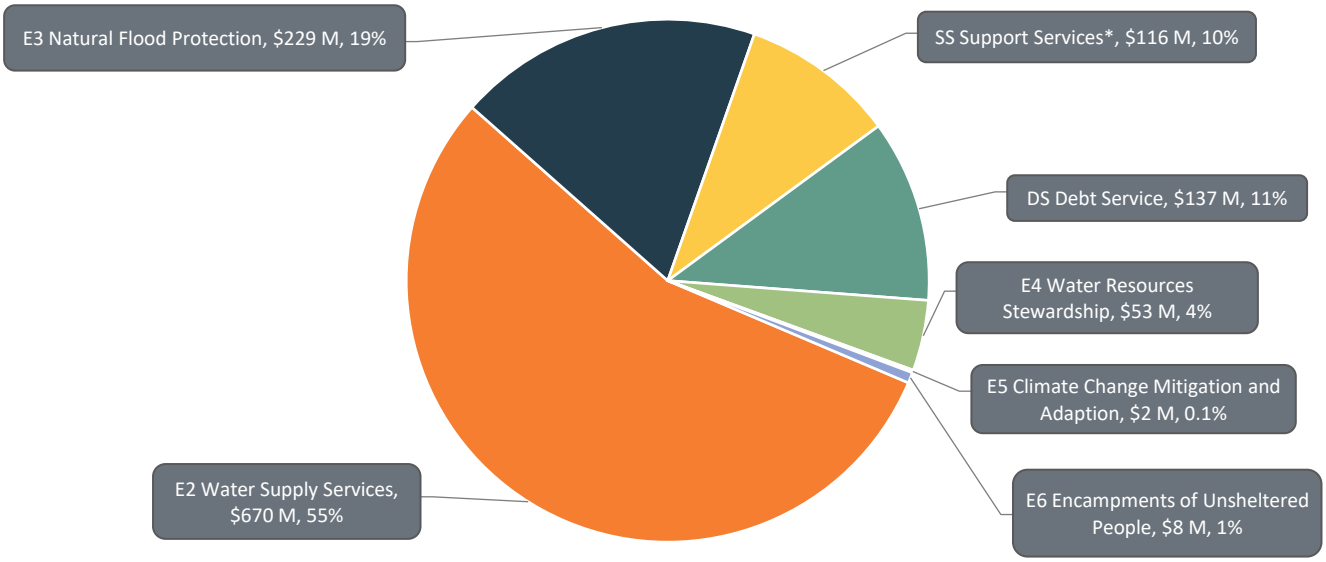
Ends Code	Ends Description	Adopted Budget 2025-26	Proposed Plan 2026-27
E2	Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.	$ 544,728,686	$ 670,415,272
E3	Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.	131,553,541	228,752,932
E4	Water resources stewardship protects and enhances ecosystem health.	41,527,223	53,111,061
E5	Valley Water is carbon neutral and provides equitable, climate-resilient water supply, flood protection, and water resource stewardship to all communities in Santa Clara County. This will be accomplished through the implementation of the Climate Change Action Plan.	1,848,198	1,819,094
E6	Valley Water is committed, through a regional approach, to address the human health, safety, operational and environmental challenges posed by encampments of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities.	8,363,614	8,473,379
SS	Support Services	234,815,700	263,065,394
DS	Debt Services	116,941,621	136,614,437
Grand Total		$ 1,079,778,583	$ 1,362,251,569
Less Intra-District Reimbursements		(131,720,474)	(147,293,392)
Net Budget		**$ 948,058,109**	**$ 1,214,958,178**

FY 2025-26 Total Net Outlays $948 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.)

FY 2026-27 Total Net Outlays $1,215 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.)

Ends Policies and Outcomes

Ends Code	Ends Description	Adopted Budget 2025-26	Proposed Plan 2026-27
E2.1	Meet 100 percent of annual water demand during non-drought years and at least 80 percent of demand in drought years.	$ -	$ -
E2.2	Protect and sustain the county's existing, diverse water supplies.	168,296,087	181,707,664
E2.3	Protect and maintain existing water infrastructure.	320,326,555	423,930,069
E2.4	Increase regional self-reliance through water conservation and reuse.	44,241,833	53,575,423
E2.5	Manage water resources using an integrated, science-based approach.	9,300,997	8,579,270
E2.6	Promote access to equitable and affordable water supplies.	2,563,214	2,622,846
E3.1	Maintain flood protection facilities to design levels of protection.	66,102,584	72,974,099
E3.2	Assist people, businesses, schools, and communities to prepare for, respond to, and recover from flooding through equitable and effective engagement.	10,897,821	8,321,956
E3.3	Increase the health and safety of residents countywide by reducing community flood risk.	54,553,135	147,456,877
E4.1	Use a science-based, inclusive approach to protect Santa Clara County's watersheds and aquatic ecosystems for current and future generations.	5,810,491	6,337,551
E4.2	Sustain ecosystem health while managing local water resources for flood protection and water supply.	14,878,902	24,769,316
E4.3	Encourage inclusive, sustainable management of water resources in the Bay-Delta and its watersheds to protect imported water supply.	-	-
E4.4	Prevent and address pollution of local streams, reservoirs, and the Bay, equitably across all communities. Protect waterbodies from pollution and degradation.	7,653,598	8,077,325
E4.5	Engage the community to promote watershed stewardship by providing meaningful engagement in Valley Water programs for all people regardless of race, color, gender identity, disability status, national origin, tribe, culture, income, immigration status, or English language proficiency.	13,184,232	13,926,868
E5.1	Minimize greenhouse gas emissions from Valley Water's operations.	982,652	963,354
E5.2	Adapt Valley Water's assets and operations to reduce climate change impacts.	865,546	855,741
E6.1	Achieve a functional zero level of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities.	8,363,614	8,473,379
SS.1	BAO & District Leadership	35,607,959	40,954,110
SS.2	Financial Planning & Management Services	22,219,342	24,584,619
SS.3	Human Resources Services	18,226,137	19,023,807
SS.4	Information Management Services	38,116,346	47,527,980
SS.5	Corporate Business Assets	62,634,641	67,174,146
SS.6	General Management & Administration	60,531,050	66,435,980
SS.7	Salary Savings	(2,519,774)	(2,635,247)
DS.1	Debt Service	116,941,621	136,614,437
Grand Total		$ 1,079,778,583	$ 1,362,251,569
Less Intra-district Reimbursements		(131,720,474)	(147,293,392)
Net Budget		$ 948,058,109	$ 1,214,958,179

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
E2.1	Meet 100 percent of annual water demand during non-drought years and at least 80 percent of demand in drought years.	$ -	$ -

A reliable supply of clean water is necessary for the social, economic, and environmental well-being of Santa Clara County. The Water Supply Master Plan (Master Plan) explains Valley Water's strategy for providing a reliable and sustainable water supply in a cost-effective manner. The Master Plan adopted by the Board in 2019 informs investment decisions by describing the type and level of water supply investments Valley Water is planning to make through 2040. The Master Plan discusses the adopted water supply level of service goal to develop supplies to meet at least 100 percent of annual water demand identified in the Master Plan during non-drought years and at least 80 percent of annual water demand in drought years. This is an overarching goal to support the more specific goals described below to which projects are assigned. The Master Plan is currently being updated to include new goals for potable and non-potable reuse, as well as conservation savings by 2050.

This Ends Goal supports Valley Water's objective of ensuring residents' access to water. This goal is supported in further detail under Ends Goals 2.2-2.6 and project related costs are identified respectively under each Ends Goal.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
E2.2	Protect and sustain the county's existing, diverse water supplies.	$ 168,296,087	$ 181,707,664

The projects assigned to this goal provide resources for Valley Water activities needed to manage groundwater to ensure sustainable supplies and avoid land subsidence; aggressively protect groundwater from the threat of contamination; protect imported water supplies and associated contracts and partnerships; protect and manage local surface water supplies and associated water rights; and deliver reliable, high quality drinking water from water treatment plants.

The largest appropriation for this goal is water imported by Valley Water, which provides about 40% of Valley Water's water supply, on average. The FY 2025-26 budget includes over $64.1 million for the contractual obligations of water purchases with the federal Central Valley Project (CVP) and the State Water Project (SWP). In addition to contract water, Valley Water's budget includes approximately $6.4 million for water banking activity with the Semitropic Water Storage District water bank located in Kern County, and an additional $9.0 million in supplemental water purchases to help mitigate the impact on water supply of the storage capacity loss of Valley Water's largest dam at Anderson Reservoir. Also included in the budget is $5.5 million for Valley Water's share of planning costs in the B.F. Sisk Dam Raise and Reservoir Expansion Project, $2.0 million to continue participation in the planning process for the Delta Conveyance Project, and $0.1 million for Sites Reservoir to maintain minimum 0.2% participation at 3,117-acre feet of storage. Diversification of groundwater banking is also an important strategy to meet Ends Goal E2.2.

Local groundwater resources make up the foundation of water supply in Santa Clara County, but they need to be augmented to reliably meet the needs of county residents, businesses, agriculture, and the environment. The use of imported and local surface water supplies for treated water deliveries and groundwater recharge is essential for continued groundwater sustainability and to avoid resumed land subsidence in northern Santa Clara County. The budget for this goal includes funding for Valley Water's groundwater management, water quality protection, water operations planning, protection of water rights, and operational costs to distribute raw water to the three water treatment plants and groundwater recharge facilities. Investments in surface water and groundwater quality monitoring, as well as Valley Water's well ordinance compliance program, help sustain water quality for current and future beneficial uses.

On average, Valley Water's three drinking water treatment plants deliver approximately 80,000 to 90,000 acre-feet of water each year to water retailers. The provision of treated surface water reduces demands on groundwater and helps ensure reliable water supplies. The budget for this goal includes funds to operate the three drinking water treatment plants, the treated water transmission and distribution system, the Campbell Well Field, Valley Water's water quality laboratory, and the SFPUC/Valley Water intertie facility. This includes related engineering and technical support for operations and capital projects.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
E2.3	Protect and maintain existing water infrastructure.	$ 320,326,555	$ 423,930,069

Projects categorized under this goal include resources for Valley Water to plan for infrastructure maintenance and replacement to reduce risk of failure; prioritize funding for maintenance and replacement of existing water infrastructure over investments in new infrastructure; and prepare for and respond effectively to water utility emergencies.

Providing safe, clean water to Silicon Valley requires a vast and complex network of infrastructure. Valley Water owns and operates 10 surface water reservoirs, three drinking water treatment plants, 11 miles of active canals, five water supply diversion dams, three raw water pump stations, 102 recharge ponds, one advanced recycled water purification center in partnership with the City of San Jose, and various infrastructure to connect these facilities. This goal provides funding for maintenance activities related to the water supply system as well as engineering and environmental support. This includes the inspection, monitoring, and repair of 94 miles of raw water pipelines and 40 miles of treated water pipelines to mitigate the risk of catastrophic pipeline failure.

This goal also includes funds to address aging infrastructure, a growing need given that much of Valley Water's key water supply infrastructure is more than 50 years old. Budget is included to address infrastructure upgrades needed to ensure continued water supply reliability, including major rehabilitation of Valley Water's largest water treatment plant, Rinconada.

The FY 2025-26 Budget requires a significant investment to secure local reservoir storage both from a water supply and public safety perspective. This section includes significant funding needed to advance the Anderson Dam Seismic Retrofit Project (Seismic Retrofit Project) and interim risk reduction measures to ensure public safety and continued water supply reliability prior to the start of construction for the Seismic Retrofit Project. Anderson is the county's largest reservoir and critical to our water supply infrastructure. In conjunction with the San Benito County Water District and Pacheco Pass Water District, Valley Water continues to explore the possibility of expanding the existing Pacheco Reservoir in southeast Santa Clara County. Funds in this goal are also used to implement the Dam Safety Program, including monitoring and maintenance of all dams, electrical and computerized systems that support operations.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
E2.4	Increase regional self-reliance through water conservation and reuse.	$ 44,241,833	$ 53,575,423

Projects categorized under this goal provide resources for Valley Water to maximize utilization of all demand management tools; incentivize water use efficiency and water conservation; promote, protect, and expand potable and non-potable water reuse; and promote storm water capture and reuse.

Valley Water's existing long-range plan, the Water Supply Master Plan 2040, provides a long-term strategy for ensuring Valley Water's water supply sustainability through 2040, which includes increasing water reuse and conservation. Projects include developing up to 24,000 acre-feet of potable reuse and meeting the water conservation savings target of 110,000 acre-feet per year by 2040. In addition, the Water Supply Master Plan 2050, anticipated to be completed in 2025, includes a new goal of up to 32,000 acre-feet of water reuse, and conservation savings target of 126,000 acre-feet per year by 2050.

Funding is included for Valley Water's water conservation program, which helps reduce water use during shortages and promotes water conservation as a California way of life. This includes residential, commercial/industrial, agricultural, and landscape rebates and related technical assistance, as well as water conservation grants, water waste enforcement, and a water conservation outreach campaign. Valley Water's long-term water conservation programs are estimated to save approximately 86,000 acre-feet per year in Fiscal Year 2024 compared to the water consumed in baseline year 1992. This is in addition to short-term savings achieved during water shortages.

Valley Water supports development of recycled and purified water as a locally controlled, drought resilient water supply in the county. This includes the partnership with the City of San Jose on the Silicon Valley Advanced Water Purification Center, including

operation and maintenance of the facility. It also involves partnerships with other wastewater agencies and various capital projects throughout the county. Funding is included for these partnerships. Also funded is the San Jose Purified Water Project – Phase 1 Demonstration Facility to ensure a future full-scale direct potable reuse facility would be designed in the most cost-effective way to meet regulatory requirements for protection of public health and providing reliable drought-proof water supplies.

Also included under this policy is funding for the Guiding Principle 5 program, which supports water recycling and conservation programs through partnership with retailers who receive most of their water from sources other than Valley Water.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
E2.5	Manage water resources using an integrated, science-based approach.	$ 9,300,997	$ 8,579,270

Projects include funding for Valley Water to plan for future water supply needs; promote efficient and reliable operation of water supply systems; promote water supply projects with multiple benefits, including environmental stewardship and flood protection; invest in and rely on science to support planning and decision-making; and build and maintain effective partnerships to achieve water supply goals.

Valley Water conducts both short-term and long-term water supply planning. These planning activities include: coordinating operations among other agencies with shared supplies or infrastructure, identifying and evaluating short- term and long-term water demand and supply options, complying with regulatory reporting, implementing the Water Shortage Contingency Plan in times of drought, and optimizing the use of available supplies. These planning efforts guide Valley Water's operations and investments to ensure water supply reliability and prevent adverse impacts like permanent land subsidence.

This goal also provides resources for Valley Water to engage with stakeholders and the public on water utility operations, projects, and long-term planning efforts.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
E2.6	Promote access to equitable and affordable water supplies.	$ 2,563,214	$ 2,622,846

Projects assigned to this overarching goal promote equal access to clean, safe, and affordable water supply across all communities served; maintain affordable water rates through cost-effective water supply investments and management; and continue customer assistance and incentive programs.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
E3.1	Maintain flood protection facilities to design levels of protection.	$ 66,102,584	$ 72,974,099

Projects assigned to this goal provide for the preservation of flood conveyance capacity of streams and other channels, and the best available science is utilized to minimize the effects on the environment and protect habitat.

Valley Water is committed to reducing the risk of flooding to homes, businesses, and schools and improving the environment by performing work to remove sediment build-up, manage vegetation, clear trash and debris, and stabilize creek banks that have eroded during high water flows. Other annual efforts include the Safe, Clean Water and Natural Flood Protection (Safe, Clean Water) Program's Project F1 to help maintain flood conveyance capacity with sediment removal of approximately 20,000 to 50,000 cubic yards and management of approximately 1,000 acres of in-stream vegetation control to maintain design conveyance capacity. Additionally, under Project F4, Valley Water conducts annual upland vegetation management of approximately 3,000 acres for access and fire code compliance, inspection of approximately 190 miles of creeks, assessment of watershed facility conditions, inspection of levees (approximately 100 miles) and maintenance of levees (approximately 15,000 linear feet).

The FY 2025-26 Budget includes a comprehensive tree maintenance program to provide a streamlined environmental and permitting process to facilitate the pruning, removal, and mediation of hazards associated with trees. Valley Water will also prepare a new Environmental Impact Report and pursue regulatory permits and environmental clearances to continue the next version of the Stream Maintenance Program (SMP-3) to ensure the sustainability of county flood protection improvements. In addition, Valley Water's Capital Improvement Program includes several projects to maintain existing flood protection infrastructure, including the Watershed Asset Rehabilitation Program and Guadalupe River – Tasman to I-880 Project.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
E3.2	Assist people, businesses, schools, and communities to prepare for, respond to, and recover from flooding through equitable and effective engagement.	$ 10,897,821	$ 8,321,956

Projects assigned to this goal provide for activities that reduce the potential for flood damages. These activities include the creation and distribution of a floodplain mailer as part of an annual countywide flood awareness campaign. These efforts help inform businesses and residents with preparedness tips on what to do before, during, and after a flood event.

Valley Water also partners with communities in Santa Clara County that participate in the Community Rating System under FEMA's National Flood Insurance Program. Communities that participate in the program earn points for activities that promote and implement good flood risk reduction practices. Valley Water's existing activities help participating communities gain points, which increases the discounts for property owners who pay FEMA-required flood insurance premiums.

A major component of this goal is flood emergency planning and response under Safe, Clean Water (SCW) Program's Project F2. Office of Emergency Services (OES) leads the development of Flood Emergency Action Plans (EAPs), in coordination with impacted municipal jurisdictions. Flood EAPs identify flood hot spots, as well as the roles and responsibilities for emergency response by Valley Water and impacted cities and county. OES also leads training and exercise efforts between Valley Water and the impacted municipal jurisdiction to validate and improve the Flood EAPs. 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. Valley Water partners with other public agencies for a unified approach when providing flood response.

In addition, a minimum of 40,000 filled sandbags and locations with sand piles and empty bags for the public to fill their own as an alternative, are provided as a courtesy to the public and other local agencies.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
E3.3	Increase the health and safety of residents countywide by reducing community flood risk.	$ 54,553,135	$ 147,456,877

Projects assigned to this goal provide for activities that deliver equitable flood risk reduction throughout Santa Clara County. Valley Water conducts comprehensive long-range planning for flood protection and environmental stewardship that integrates water supply goals and objectives. This integrated planning process, the Watershed Master Planning process, is conducted at the watershed scale and includes extensive stakeholder input, including targeted outreach to historically underrepresented communities.

FY 2025-26 efforts include completing the Lower Peninsula and West Valley watersheds 100-year floodplain map, implementing the Encroachment Remediation and Prevention Plan, consulting with and supporting external agencies for floodplain management, and maintaining and improving Valley Water's flood warning system.

Valley Water's Capital Improvement Program also includes several projects to construct new flood protection infrastructure to reduce flood risk in the future. The majority of these projects are a part of the Safe, Clean Water Program.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
E4.1	Use a science-based, inclusive approach to protect Santa Clara County's watersheds and aquatic ecosystems for current and future generations.	$ 5,810,491	$ 6,337,551

Projects assigned to this goal provide for the stewardship of the County's streams and associated habitats and species through watershed master planning, preservation of upper watershed lands, restoring natural processes to managed streams, removing impediments to fish passage, pollution prevention, and engaging/educating the public.

Valley Water's watershed master plans are developed using a data-centered decision-making process that incorporates water supply goals and objectives into watershed management actions, resulting in multi-benefit projects. This type of long-term planning allows Valley Water to assess current opportunities, meet future challenges, and move water resource management actions in a more sustainable direction over time. The planning process is driven by community engagement, providing education, and ensuring broad community support.

In FY 2025-26, Valley Water will substantially complete the Watershed Master plans for the final two watersheds in Santa Clara County – the Lower Peninsula and West Valley watersheds. Additionally, SCW Project D5 tracks stream ecosystem conditions, helping Valley Water and other county agencies and organizations make informed watershed, asset management, and natural resource decisions. Furthermore, Project D7 provides funding to acquire, restore, and protect important habitat land to preserve local ecosystems through multi-agency agreements that pool mitigation or conservation dollars.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
E4.2	Sustain ecosystem health while managing local water resources for flood protection and water supply.	$ 14,878,902	$ 24,769,316

Projects assigned to this goal provide for the protection of aquatic and streamside ecosystems through incorporating biological impact avoidance measures into capital project design, restoring natural stream processes and features to provide suitable habitat for native species, and enhancing habitat connectivity.

SCW Project D1 supports Valley Water management of at least 300 acres of existing riparian planting projects and 200 acres of invasive plant removal projects throughout the five watersheds. Funding for this project ensures that all required riparian planting and invasive plant removal projects are maintained as functional habitat that can support wildlife. In addition, this project includes targeted control of especially damaging non-native, invasive plant species making the natural habitat less vulnerable and more resilient to climate change.

Additionally, SCW Project D3: Sediment Reuse to Support Restoration Projects reuses local sediment removed through Valley Water's stream maintenance activities and capital projects to create and restore tidal marsh, riparian, or wetland habitats. It entails reusing sediment meeting applicable screening criteria at available Valley Water or partnership project sites to support restoration.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
E4.3	Encourage inclusive, sustainable management of water resources in the Bay-Delta and its watersheds to protect imported water supply.	$ -	$ -

This goal provides for the protection of our imported water supplies by encouraging inclusive, sustainable management of water resources in the Bay-Delta and its watersheds, which is where Valley Water's imported water (IW) supplies originate. FY 2025-26 projects that support this goal are the Imported Water Program, IW San Felipe Division deliveries, IW South Bay Aqueduct Deliveries, State Water Project Costs, San Felipe Division Capital, Water Banking Operations, and Delta Conveyance Project.*

Specific Goal E4.3 work funded in these imported water projects includes holistic ecosystem management through science-based decision-making, protection of source water quality, and meeting future water supply demand through diverse and coordinated

water supply planning. This includes participation in the planning and development of water storage and supply projects, groundwater banking opportunities, and the Delta Conveyance Project.

*Note: protecting imported water supply is affiliated with more than one Ends Code Goal, including this Goal E4.3; however, the imported water projects listed are under Goal E2.2 – "Protect and sustain the county's existing, diverse water supplies" and, therefore, $0 is reflected under Goal E4.3.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
E4.4	Prevent and address pollution of local streams, reservoirs, and the Bay, equitably across all communities. Protect waterbodies from pollution and degradation.	$ 7,653,598	$ 8,077,325

Valley Water's Safe, Clean Water (SCW) Program Projects B1 and B2 reduce pollutants in streams, reservoirs, and groundwater of Santa Clara County by supporting surface water quality pollution prevention activities. These projects address water quality concerns currently identified by local and state regulatory agencies, as well as contaminants of emerging concern. Initiatives under these projects are consistent with the Regional Water Quality Control Board impaired water bodies designation and Total Maximum Daily Loads, which are the maximum amount of a pollutant that a water body can receive and still safely meet water quality standards. Under this project, Valley Water studies and implements methods to reduce methyl mercury formation in reservoirs and helps create and carry out realistic plans to reduce contaminants, such as nutrients, bacteria, pesticides, polychlorinated biphenyls, and others, in local creeks and reservoirs.

Additionally, the SCW Good Neighbor Program Project F6 supports Valley Water's graffiti and litter removal efforts, including quarterly cleanups of problem trash sites to help reduce waterway pollution and keep creeks and riparian areas free of debris.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
E4.5	Engage the community to promote watershed stewardship by providing meaningful engagement in Valley Water programs for all people regardless of race, color, gender identity, disability status, national origin, tribe, culture, income, immigration status, or English language proficiency.	$ 13,184,232	$ 13,926,868

Projects assigned to this goal promote and support access to trails and open space through various grants and community partnerships for planning, design, construction, and maintenance.

In FY 2025-26 Valley Water will fund up to $2 million in grant and partnership funding for qualified projects under the renewed Safe, Clean Water Program, which includes projects that provide access to trails and open space. This includes up to $1.4 million for standard grants, $100,000 for mini-grants, $100,000 for water bottle refill stations, up to $200,000 for standards partnerships, and additional funding for partnerships with small cities. Additionally, Valley Water will continue to manage the administration of nearly 100 active grants and partnerships.

Valley Water continues to work with cities on trail implementation through joint use agreements, in accordance with the Trails Policy Criteria and Guidance.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
E5.1	Minimize greenhouse gas emissions from Valley Water's operations.	$ 982,652	$ 963,354

Projects assigned to this goal provide for activities to identify and inventory Valley Water's greenhouse gas (GHG) emissions and to create various means to reduce our carbon footprint and achieve carbon neutrality.

Reducing GHG emissions is a major focus of the Climate Change Action Plan (CCAP) which was adopted by the Board in 2021. In FY 2025-26, Valley Water will complete a qualified GHG Reduction Plan (GHGRP) consistent with the California Environmental Quality

Act (CEQA) and develop a CEQA streamlining checklist for future projects covered by the plan. The GHGRP aims to reduce Valley Water's emissions and achieve a carbon neutrality target by 2045. The GHGRP updates Valley Water's GHG emissions inventory through 2021, creates a forecast of future GHG emissions, and introduces a list of measures to achieve GHG reduction targets.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
E5.2	Adapt Valley Water's assets and operations to reduce climate change impacts.	$ 865,546	$ 855,741

Valley Water's Climate Change Action Plan includes four goals to improve the resiliency of Valley Water's assets and operations to climate change, including Water Supply Adaptation, Flood Protection Adaptation, Ecosystem Adaptation, and Emergency Preparedness. Projects assigned to this goal also provide for the development of a Drought Response Plan to improve water supply reliability in Santa Clara County during times of future shortage to evaluate new approaches for water use reductions from the public and develop a response framework to employ during future droughts.

The Water Supply Master Plan 2050 will be completed in FY 2025-26 and will recommend a suite of water supply and infrastructure projects to respond to future projected demand and adapt to climate-related risks and vulnerabilities. Also, Valley Water will complete construction of Reaches 1-3 of Phase 1 of the Shoreline Project, complete Planning Study Reports for Calabazas/San Tomas Aquino Creeks Reconnection and Coyote Pond 10B Freshwater Wetlands, and will receive permits for the Pond A4 Resilient Habitat Restoration project. Furthermore, Valley Water's Wildfire Resiliency Plan will be finalized to set priorities to reduce fire severity while protecting and supporting sensitive ecological resources and other identified Valley Water infrastructure.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
E6.1	Achieve a functional zero level of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities.	$ 8,363,614	$ 8,473,379

Projects assigned to this goal support Valley Water's commitment, through a regional approach, to address the human health, safety, operational, and environmental challenges posed by encampments of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities. This includes efforts to identify Valley Water-owned land that may be suitable for the development of housing for unsheltered people, as well as Valley Water's efforts to increase its level of service for encampment cleanups based on need and resource availability, and enforcement of the Water Resources Protection Zones Ordinance per the framework set out in the Ordinance Implementation Plan.

SCW Program Project F5: Good Neighbor Program: Encampment Cleanup supports encampment cleanups. Valley Water performs cleanups of encampment-generated trash, debris, and hazardous pollutants independently or in coordination with local municipalities and other agencies for services related to encampment cleanups and to help provide alternatives to homelessness.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
SS.1	BAO & District Leadership	$ 35,607,959	$ 40,954,110

Board Appointed Officers (BAOs) and Valley Water Leadership includes the budgets for the Board of Directors and its Advisory Committees, the Board Appointed Officers, Office of External Affairs, and Valley Water's risk management including Emergency Management, Health and Safety, and Security related functions and activities. The BAOs are Valley Water staff that report directly to the Board of Directors and include the positions of Chief Executive Officer (CEO), District Counsel, and the Clerk of the Board.

Chief Executive Officer: Provides strategic direction and oversight to lead the organization in implementing Valley Water's mission. The CEO provides executive leadership to Valley Water and supports the Board of Directors to ensure that Valley Water efficiently implements the Board's Ends policies and complies with Executive Limitations.

Clerk of the Board: Provides regulatory and administrative services required to support the Board of Directors' functions and activities, including support to the Board's Advisory and Ad Hoc Committees, BAOs, Valley Water staff, and constituents. The Clerk of the Board supports executive management and the public by ensuring the Board meetings are kept open and public in accordance with the Ralph M. Brown Act.

District Counsel: Represents Valley Water's interests in a variety of legal and administrative matters and provides timely and useful legal advice to the Board of Directors and management as Valley Water implements strategies to streamline operations and increase accountability.

External Affairs: Provides strategic planning and integration of external policies and legislation as it relates to the business interests of Valley Water as well as for communication and outreach efforts. External Affairs is responsible for internal and external communications to the media, community, and the public; community engagement in the areas of education, volunteerism, grants, and water supply outreach as well as oversight of the Youth Commission; government relations efforts at the local, regional, state, and federal levels.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
SS.2	Financial Planning & Management Services	$ 22,219,342	$ 24,584,619

Financial Planning and Management Services provides management oversight, leadership and strategic support to ensure effective and efficient financial planning and performance. This includes promoting efficiencies and fiscal accountability District-wide and within the Financial Planning and Management Services Division.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
SS.3	Human Resources Services	$ 18,226,137	$ 19,023,807

Human Resources Services are primarily linked to human resource planning, development, and management. These services include District-wide funding for recruitment, professional development, technical training, employee wellness, internships, and the ethics and equal employment opportunity programs.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
SS.4	Information Management Services	$ 38,116,346	$ 47,527,980

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

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
SS.5	Corporate Business Assets	$ 62,634,641	$ 67,174,146

Corporate Business Assets includes the functions and activities of Construction Contracts & Support, Purchasing, Consultant Contract Services, Equipment Management, Facilities Management, Business Support, and Warehouse Services in the General Services Division. Also included in this category are a few of support 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).

Ends Policies and Outcomes

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
SS.6	General Management & Administration	$ 60,531,050	$ 66,435,980

Funds in this category provide necessary resources to effectively administer and manage organization-wide support services, including unit, division office, 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	Adopted Budget 2025-26	Proposed Plan 2026-27
SS.7	Salary Savings	$ (2,519,774)	$ (2,635,247)

Salary savings budget is 2% of total regular employee salaries District-wide. This budget represents the budgeted savings from vacant positions projected to occur during the year.

Goal Code	Goal Description	Adopted Budget 2025-26	Proposed Plan 2026-27
DS.1	Debt Service	$ 116,941,621	$ 136,614,437

Debt Service includes the budget to pay interest, principal, and fees associated with the debt.

E2

Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.

E2.1 Meet 100 percent of annual water demand during non-drought years and at least 80 percent of demand in drought years.

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
-	-	-	-
E2.1 Total		**-**	**-**

E2

Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.

E2.2 Protect and sustain the county's existing, diverse water supplies.

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
60041003	Hollister Groundwater Mgmt	43,125	44,345
91041012	Water Operations Planning	665,458	678,106
91041018	Groundwater Management Program	6,744,538	7,122,454
91111001	Water Rights	536,985	580,221
91131004	Imported Water Program	6,386,132	6,827,508
91131006	IW San Felipe Division Delvrs	27,269,976	29,818,394
91131007	IW South Bay Aqueduct Delvrs	7,968,181	8,207,226
91131008	State Water Project Costs	32,539,796	34,166,785
91151013	Water Banking Operations	6,448,740	6,771,177
91154007	San Felipe Division Capital	12,810,639	13,261,292
91211004	San Felipe Reach 1 Operation	746,931	794,579
91211084	San Felipe Reach1 Ctrl and Ele	383,170	409,911
91221002	San Felipe Reach 2 Operation	78,875	83,701
91231002	San Felipe Reach 3 Operation	339,997	348,973
91231084	San Felipe Reach3 Ctrl and Ele	255,190	271,841
91451002	Well Ordinance Program	2,850,164	3,153,657
91451005	Source Water Quality Mgmt	694,148	478,028
91451011	Invasive Mussel Prevention	756,140	766,643
91601001	Delta Conveyance Project	2,028,000	4,950,490
91761001	Local Res/Div Plan & Analysis	2,464,432	2,466,716
92041014	FAHCE/Three Creeks Project	3,980,894	3,751,692
92761009	Recharge/RW Field Ops	4,404,034	4,605,332
92761082	Raw Water T&D Ctrl and Electr	782,705	822,095
93081002	Plant Maintenance Engineering & Commissioning Project	970,630	1,035,157
93081008	W T General Water Quality	2,274,445	2,431,166
93231009	PWTP General Operations	8,270,202	7,948,188
93281005	STWTP - General Operations	8,557,479	8,928,108
93291012	RWTP General Operations	11,423,748	11,826,357
93294059	RWTP Ammonia Storage Facility Upgrade Project	527,342	2,742,103
93401002	Water District Laboratory	7,756,288	8,246,703
93761001	SF/SCVWD Intertie General Ops	62,052	64,306
93761004	Campbell Well Field Operations	67,804	70,817
93761006	Treated Water Ctrl & Elec Eng	3,023,932	3,521,414
95011003	WU Asset Protection Support	1,355,577	1,446,606
95111003	Water Use Measurement	2,828,340	3,065,573
E2.2 Total		**168,296,087**	**181,707,664**

E2

Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.

E2.3 Protect and maintain existing water infrastructure.

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
26764001	IRP2 AddLine Valves	10,809,258	5,814,216
91081007	Dam Safety Program	2,971,327	2,162,581
91084019	Dam Safety Seismic Stability	-	22,277
91084020	Calero-Guad Dams Seismic Retro	-	102,534
91211005	SFD Reach 1 Administration	8,721	9,356
91211085	SF Reach 1-Engineering - Other	980,589	437,340
91211099	San Felipe Reach 1 Gen Maint	1,201,967	1,277,052
91214010	Small Caps, San Felipe R1	2,289,091	149,235
91221006	SF Reach 2-Engineering - Other	343,851	356,185
91221099	San Felipe Reach 2 Gen Maint	183,918	193,923
91231085	SF Reach 3-Engineering - Other	464,143	472,676
91231099	San Felipe Reach 3 Gen Maint	1,429,233	1,517,872
91234002	Coyote Pumping Plant ASD	1,047,344	1,178,209
91234010	Small Caps, San Felipe R3	3,166,551	458,418
91761099	Dams / Reservoir Gen Maint	3,757,867	4,167,645
91854001	Almaden Dam Improvements	93,896	162,709
91854003	Almaden Calero Canal Rehab	658,539	17,538,487
91864005	Anderson Dam Seismic Retrofit	24,182,979	146,274,550
91864006	Anderson Dam Tunnel Project	42,682,090	546,013
91864008	Coyote Creek Chillers	337,169	-
91874004	Calero Dam SeisRetrfit Des&Con	6,311,916	6,462,604
91884003	Coyote Dam Seismic Stability Project	867,350	1,452,393
91894002	Guadalupe Dam SeisRetf Des&Con	4,027,960	1,971,105
91954002	Pacheco Reservoir ExpansionPrj	1,426,716	11,090,332
92144001	Pacheco/SC Conduit ROW ACQ	54,963	39,313
92261099	Vasona Pump Station Gen Main	223,824	239,175
92264001	Vasona Pump Station Upgrade	1,697,620	10,333,536
92304001	Almaden Valley Pipeline	3,134,116	10,873,457
92761008	Recycled Water T&D Genrl Maint	256,848	265,071
92761010	Rchrg / RW Field Fac Maint	2,456,384	2,516,460
92761083	Raw Water T&D Eng Other	1,633,660	1,553,981
92761085	Anderson Hydrelctrc Fclty Main	20,740	22,008
92761099	Raw Water T / D Gen Maint	3,238,475	3,531,770
92764009	Small Caps, Raw Water T&D	1,100,000	1,100,000
92781002	Raw Water Corrosion Control	726,496	748,900
93044001	WTP Master Plan Implementation	272,475	-
93081009	Water Treatment Plant Engineer	532,806	454,558
93084004	Wtr Trtmnt Plnt Electr Imprv	648,191	6,068,402
93231099	Penitencia WTP General Maint	3,586,803	3,823,932
93234044	PWTP Residuals Management	15,773,101	15,923,259
93281099	Santa Teresa WTP General Maint	4,559,566	4,913,243
93291099	Rinconada WTP General Maint	5,061,808	5,431,203
93294057	RWTP Reliability Improvement	120,804,256	125,253,355
93761005	Campbell Well Field Maint	157,372	165,424
93761099	SF/SCVWD Intertie Gen Maint	617,447	223,346
93764004	Small Caps, Water Treatment	11,185,519	7,728,814
94084007	Treated Water Isolation Valves	2,530,715	841,951
94761005	TW T&D - Engineering - Other	1,076,697	1,113,711

E2

Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.

E2.3 Protect and maintain existing water infrastructure.

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
94761099	Treated Water T/D Gen Maint	1,695,134	1,776,641
94764006	Small Caps,Treated Water T&D	292,000	292,000
94781001	Treated Water T/D Corrosion	745,924	789,695
95044001	Distribution System Master Plan Implementation	634,154	130,497
95044002	SCADA Master Plan Implementation	509,889	211,853
95044004	SMPIP Upgrades - Phase 1	-	431,255
95084002	10-Yr PL Inspection and Rehab	20,254,339	2,747,502
95084003	Pipeline Maintenance Program	627,000	546,000
95084004	East Pipeline I&R	1,991,760	4,184,723
95084005	Penitencia Delivery and Force Main I&R	1,780,000	3,301,000
95084006	Santa Teresa Force Main I&R	587,000	730,000
95084007	Milpitas Pipeline I&R	617,000	1,205,709
95084008	Santa Clara & Campbell Distributary	-	600,614
E2.3 Total		**320,326,555**	**423,930,069**

E2

Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.

E2.4 Increase regional self-reliance through water conservation and reuse.

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
91094001	Land Rights-SC Recycled Water	151,963	-
91094009	SoCo Rcyld Wtr PL Short-Trm 1B	129,540	30,577
91101004	Recycled & Purified Water Prog	5,351,577	5,478,964
91151001	Water Conservation Program	13,502,883	13,513,702
91241001	Wolfe Road Recycled Water Facility	265,636	272,612
91261001	PaloAlto Water Reuse Agreement	7,846,000	7,846,000
91281007	SVAWPC Facility Operations	4,546,908	4,680,915
91281008	SVAWPC Facility Maintenance	4,564,672	4,098,608
91294001	San Jose Purified Water Project - Phase 1	7,394,355	16,989,506
91441003	Desalination	488,298	664,538
E2.4 Total		**44,241,833**	**53,575,423**

Ends Policies and Outcomes

E2

Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.

E2.5 Manage water resources using an integrated, science-based approach.

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
62061005	WS Customer Relations&Outreach	1,302,233	1,364,345
91151012	Recycld/PurifiedWaterPublicEng	1,253,990	1,348,277
91864011	Coyote Percolation Dam Phase 2	4,382,926	3,337,320
92761001	Raw Water T&D Gen'l Oper	2,103,489	2,257,400
92761012	Untreated Water Prog Plan	258,360	271,929
E2.5 Total		**9,300,997**	**8,579,270**

E2

Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.

E2.6 Promote access to equitable and affordable water supplies.

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
60232001	Water Rate Assistance Program	1,333,333	1,333,333
95151002	WU Customer Relations&Outreach	1,229,881	1,289,513
E2.6 Total		**2,563,214**	**2,622,846**

E2 Total	**544,728,686**	**670,415,272**

E3

Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.

E3.1 Maintain flood protection facilities to design levels of protection.

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
00041022	Stream Maint Prog Mgmt	6,428,084	7,071,369
00761023	Watershed Sediment Removal	7,901,274	8,168,507
00761078	Vegetation Mangmnt for Access	5,893,994	6,272,944
00762011	Tree Maintenance Program	1,509,289	1,840,002
00811049	Subsidence Monitoring	1,219,269	2,097,323
26044056	Regnart Creek Rehabilitation Project - F8	31,297	7,811,721
26164001	HaleCreekEnhancementPilotStudy	39,000	-
26771067	Stream Capacity Vegetation Con	5,165,697	5,392,035
30154019	Lower Guadalupe River Capacity Restoration	3,134,524	3,276,075
40214023	Coyote 10B Freshwater Wetland	-	606,821
62021009	Watershds O&M Eng&Insp Support	2,762,387	2,969,400
62061029	Field Operations Support	895,249	983,841
62084001	Watersheds Asset Rehabilitatio	16,561,116	8,940,539
62761024	Wtrshd Facility Cndtion Assmnt	2,986,217	3,220,425
62761025	Watershed General Field Maint	3,390,238	3,674,144
62761026	Watershed Debris Removal	2,289,483	2,506,034
62761027	Watershed Erosion Protection	3,398,079	3,611,543
62761028	Watershed Levee Maintenance	1,833,142	1,940,606
62761080	Non SMP Veg Removal for Convey	664,244	2,590,771
E3.1 Total		**66,102,584**	**72,974,099**

E3

Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.

E3.2 Assist people, businesses, schools, and communities to prepare for, respond to, and recover from flooding through equitable and effective engagement.

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
00811043	Hydrologic Data Msrmt & Mgmt	2,773,722	2,985,201
10394001	PA Flood Basin Tide Gate Replc	3,046,583	49,141
26041023	Emergency Response Upgrades	780,563	820,069
26041024	Flood Risk Reduction Studies	1,201,058	1,317,046
26061005	Flood Emrgncy Respnse Planning	220,121	230,448
62041023	Community Rating System (CRS)	219,266	232,775
62061008	Hydrology&Hydraulics Tech Supp	1,774,256	1,925,549
62761008	Sandbag Program	882,252	761,726
E3.2 Total		**10,897,821**	**8,321,956**

E3

Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.

E3.3 Increase the health and safety of residents countywide by reducing community flood risk.

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
00044026	San Francisco Bay Shoreline	4,771,168	5,061,536
26074002	Sunnyvale East & West Channel	-	19,289,435
26174043	Coyote Creek, Montague-Tully	21,686,087	71,278,472
26174051	U. Llagas Ck, Reimburse E6b	42,031	22,277
26174055	Llagas Creek Phase 2B Construction	26,547,392	48,660,125
26444004	San Francisco Bay Shoreline EIAs 5-10	1,404,624	3,123,191
40334005	Lwr Penitencia Crk Improvemnts	101,834	21,841
E3.3 Total		**54,553,135**	**147,456,877**

E3 Total	**131,553,541**	**228,752,932**

E4

Water resources stewardship protects and enhances ecosystem health.

E4.1 Use a science-based, inclusive approach to protect Santa Clara County's watersheds and aquatic ecosystems for current and future generations.

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
00041047	Ecolgcal Data Collectn & Analy	617,950	381,218
20444001	Calabazas/San Tomas Aquino Creek-Marsh Connection	1,653,636	1,634,434
20444002	Pond A4 Resilient Habitat Restoration	-	576,642
26044004	D6 Bolsa Road Fish Passage Improvement	27,184	70,365
26072008	SCW D7 Conservation Habitat	12,845	338,667
26752043	Impaired Water Bodies Imprvmts	1,428,972	1,452,835
26761076	Rev, Riprn, Uplnd, & Wtlnd Hab	641,529	563,518
62042047	Mitigation & Stwdshp Land Mgmt	231,439	243,673
62042051	Plant Pathogen Management	306,757	318,249
62181005	SMP Mitigation Site Mgmt	890,180	757,950
E4.1 Total		**5,810,491**	**6,337,551**

E4

Water resources stewardship protects and enhances ecosystem health.

E4.2 Sustain ecosystem health while managing local water resources for flood protection and water supply.

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
00061012	Facilities Env Compliance	1,078,842	1,140,097
00741042	Water Resorcs EnvPlng & Permtg	2,701,275	2,924,736
00761075	Mgmt of Revegetation Projects	7,466,973	7,946,282
26042002	Fish Habitat Improvements	856,708	1,327,253
26044005	SCW D4.3 Fish Passage Improvements	-	6,992,744
26441003	D3 SCW Sed Reuse to Support Shoreline	267,670	273,418
30151026	Guad Rvr Mitgtn Monitoring Prg	548,606	1,183,672
40212032	Coyote Creek Mitgtn Monitoring	247,374	167,915
62041043	Environmental Srvcs Tech Suppt	758,714	862,541
62042032	Multiple Sm Prjcts Mitgtn Mont	303,658	447,003
62181006	Instream Habitat Complexity	649,082	1,503,654
E4.2 Total		**14,878,902**	**24,769,316**

E4

Water resources stewardship protects and enhances ecosystem health.

E4.3 Encourage inclusive, sustainable management of water resources in the Bay-Delta and its watersheds to protect imported water supply.

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
-	-	-	-
E4.3 Total		**-**	**-**

*Note: The imported water projects are listed under Goal E2.2; therefore, $0 is reflected under Goal E4.3.

E4

Water resources stewardship protects and enhances ecosystem health.

E4.4 Prevent and address pollution of local streams, reservoirs, and the Bay, equitably across all communities. Protect waterbodies from pollution and degradation.

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
00761022	Watershed Good Neighbor Maint	1,623,125	1,750,405
00771011	Inter Agency Urban Runoff Prog	2,830,327	2,992,396
00771031	HAZMAT Emergency Response	278,834	290,313
26771027	Encampment Cleanup Program	2,921,313	3,044,212
E4.4 Total		**7,653,598**	**8,077,325**

E4

Water resources stewardship protects and enhances ecosystem health.

E4.5 Engage the community to promote watershed stewardship by providing meaningful engagement in Valley Water programs for all people regardless of race, color, gender identity, disability status, national origin, tribe, culture, income, immigration status, or English language proficiency.

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
00061019	Creek Stewardship	572,526	607,043
26061020	F6 Public Arts	34,022	36,985
26061021	F9 Safe Clean Water Grants and Partnerships	3,588,517	3,690,990
26061022	Creekside Neighbor Rebate Program F9.4	657,469	683,022
60171002	Education & Volunteer Program	1,153,546	1,229,992
62011002	Watershed Asset Protection Sup	6,807,987	7,284,304
62021003	CPRU Tech Support	370,165	394,533
E4.5 Total		**13,184,232**	**13,926,868**

E4 Total	**41,527,223**	**53,111,061**

E5

Valley Water is carbon neutral and provides equitable, climate-resilient water supply, flood protection, and water resource stewardship to all communities in Santa Clara County. This will be accomplished through the implementation of the Climate Change Action Plan.

E5.1 Minimize greenhouse gas emissions from Valley Water's operations.

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
00021008	Energy Management	404,102	432,818
00061048	Climate Change Adaptation/Mtg.	578,550	530,535
E5.1 Total		**982,652**	**963,354**

E5

Valley Water is carbon neutral and provides equitable, climate-resilient water supply, flood protection, and water resource stewardship to all communities in Santa Clara County. This will be accomplished through the implementation of the Climate Change Action Plan.

E5.2 Adapt Valley Water's assets and operations to reduce climate change impacts.

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
60061058	Drought Induced Tree Removal	865,546	855,741
E5.2 Total		**865,546**	**855,741**

E5 Total	**1,848,198**	**1,819,094**

E6

Valley Water is committed, through a regional approach, to address the human health, safety, operational and environmental challenges posed by encampments of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities.

E6.1 Achieve a functional zero level of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities.

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
62771027	Encampment Management Program	8,363,614	8,473,379
E6.1 Total		**8,363,614**	**8,473,379**
E6 Total		**8,363,614**	**8,473,379**

SS Support Services

SS.1 BAO & District Leadership

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
60091001	Directors Fees / Expenses	639,800	639,800
60131007	Ofc of Chief Executive Officer	1,792,100	1,943,732
60131014	Continual Improvement	882,735	912,875
60141001	District Counsel	6,174,306	6,582,827
60171009	Community Relations	265,011	275,994
60171010	Community Benefits Project	1,309,553	1,397,606
60231002	Communications	1,756,507	1,836,984
60231003	Federal Government Relations	1,200,120	1,260,873
60231004	State Government Relations	1,542,323	1,651,997
60231005	Local Government Relations	2,129,142	2,207,380
60231006	Office of Chief of Ext Affairs	1,394,566	1,498,099
60231007	Internal Communications	768,262	818,468
60241026	Quality and Env Mgmt Sys Prog	675,980	691,411
60301001	Clerk of the Board Serv	2,925,533	6,047,377
65051001	Risk Management	6,980,060	7,658,207
65051002	Workers Compensation Program	1,110,067	1,169,932
65051003	Health&Safety Program Mgt	4,061,894	4,360,548
SS.1 Total		**35,607,959**	**40,954,110**

SS Support Services

SS.2 Financial Planning & Management Services

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
00031001	Watershed Revenue	224,341	231,731
00031002	Grants Management	2,861,251	3,036,009
00061045	Asset Management Program	5,171,169	6,495,860
00121003	LT Financial Planning & Rate S	834,116	885,674
26001090	Unscoped Projects-Budget Only	100,000	100,000
60001090	CEOUnscoped Projects-BudgtOnly	100,000	100,000
60001091	Unscoped Projects-Budget Only	100,000	100,000
60001092	CEA UnscopedProject-BudgetOnly	100,000	100,000
60111002	General Accounting Services	6,237,114	6,653,562
60221001	Budget and Financial Analyses	2,435,460	2,597,035
60221002	Debt & Treasury Management	1,657,577	1,782,266
62001090	Unscoped Projects-Budget Only	150,000	150,000
95001090	Unscoped Projects-Budget Only	150,000	150,000
95101003	Water Revenue Program	2,098,313	2,202,482
SS.2 Total		**22,219,342**	**24,584,619**

SS Support Services

SS.3 Human Resources Services

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
60281003	Ethics & EEO Programs	930,938	977,865
60281004	REDI	1,676,197	1,729,383
60281006	Reasonable Accommodation	60,000	60,000
60291001	Recruitment and Selection Program	2,873,128	3,030,710
60291002	Benefits and Wellness Program	1,762,564	1,867,643
60291003	Labor Relations	901,549	905,141
60291004	Workforce Development Program	3,894,795	4,014,569
60291005	Classification & Compensation Pgm	195,000	170,000
60291011	HR Program Admin	2,048,440	2,208,142
60291030	HRIS Admin & Data Analytics Pgm	1,406,441	1,502,937
60291032	Bargaining Unit Representation	135,200	143,040
60291041	Internship Program	1,035,550	1,035,550
60291044	Next-Gen Program	1,306,336	1,378,827
SS.3 Total		**18,226,137**	**19,023,807**

SS Support Services

SS.4 Information Management Services

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
60311001	Records & Library Services	1,257,285	1,323,561
73271001	Telecommunications Sys Opr/M	2,166,220	2,228,065
73271002	Technical Infrastructure Servi	7,022,455	7,352,164
73271003	Network Administration	4,390,000	4,430,290
73271004	Information Security Admin	1,417,000	1,469,810
73271005	Offce Cmptr Maint/Help Dsk Sup	689,000	864,170
73271006	Info Technology Div Admin	1,248,567	1,339,720
73271007	Emerging IT Technologies	104,000	107,120
73271008	Software Maint & License	4,465,500	4,686,150
73271009	Software Services	8,780,962	9,257,133
73271011	Technology Innovation	649,227	711,992
73274004	Network Equipment	1,309,000	2,651,000
73274006	Office Computers Replace Equip	1,644,000	1,677,000
73274008	Software Upgrades & Enhancemen	608,546	686,805
73274013	ERP Replacement	-	8,743,000
95274003	WU Computer Network Modrnizatn	2,364,583	-
SS.4 Total		**38,116,346**	**47,527,980**

SS Support Services

SS.5 Corporate Business Assets

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
00071041	Welding Services	844,466	889,964
00074042	Capital Project Mgmt & Controls	1,349,550	1,442,420
00761071	Emergency Management	3,029,962	3,221,885
00811046	Warehouse Services	2,510,151	2,662,205
00811054	District Real Property Adminis	2,131,624	2,458,212
10291002	Rental Expense Stevens Creek	458,976	475,036
26061002	Rent Exp Clean Safe Ck 7/1/01+	253,038	265,280
30061004	Rent Exp Guadalupe & Coyote	443,290	455,897
60061018	General Services Div Admin	1,795,283	1,915,036
60101001	Purchasing Services	2,485,820	2,633,919
60101002	Building and Grounds	11,210,652	11,823,163
60101005	Districtwide Signage	460,726	470,234
60101008	District Security Services	5,911,104	6,139,138
60111006	Contract Services	2,592,658	2,716,466
60204016	Small Caps, Facility Mgmt	4,006,000	4,000,000
60204022	Security Upgrades and Enhancement	5,219,152	4,245,426
60204032	Headquarters Operations Bldg	4,025,130	5,359,000
60351001	Business & Customer SupportSvc	3,455,697	3,715,433
60361002	Graphic Services	1,473,761	1,571,579
70004001	New Vehicle Equip Acquisitio	580,000	615,000
70004002	Replacement Vehicle & Equip	1,500,000	2,823,000
70011099	Class I Equip Oper / Maint	1,469,105	1,540,537
70021099	Class II Equip Oper / Maint	1,088,120	1,154,017
70031099	Class III Equip Oper / Maint	611,024	646,199
70041099	Class IV Equip Oper / Maint	1,489,663	1,556,009
70061003	Vehicle & Equipment Admin&Mgmt	1,899,110	2,025,542
95061012	Rental Expense San Pedro,MH	49,794	51,371
95061035	Rent Exp Coyote	290,785	302,178
SS.5 Total		**62,634,641**	**67,174,146**

SS Support Services

SS.6 General Management & Administration

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
00061050	Office of Integrated Water Management	4,270,692	4,607,690
00061051	Lands Management Program	1,002,382	1,072,970
00074033	CIP Development & Admin	1,628,431	1,760,957
00074036	Survey Mgmt & Tech Support	673,856	701,234
00074038	Watershed Capital Program Servcs Admin	5,020,741	6,005,942
00074041	Construction Contracts and Support	1,905,728	2,462,448
00074047	Computer-Aided Design for Engineering	1,751,651	1,974,803
26041049	D5 SCW Watershed Plans	216,464	9,229
26061012	Safe Clean Water Implementatn	1,179,113	1,248,655
60131004	AS Administration	2,597,348	2,703,350
60221003	FPMD Administration	696,298	767,228
62041027	Integrated Wtr Resrce Mstr Pln	873,946	920,676
62061001	Watersheds Administration	12,793,613	13,832,488
73271010	IT Projects & Bus Operations	2,104,869	2,235,040
95061038	WUE Administration	12,194,118	12,960,396
95074005	WU Capital Prog Admin Support	8,034,899	9,088,956
95741001	Water Supply Planning	2,681,710	2,813,255
95761003	SCADA Network Administration	905,191	1,270,663
SS.6 Total		**60,531,050**	**66,435,980**

SS Support Services

SS.7 Salary Savings

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
26061004	Districtwide Salary Savings-26	(94,400)	(97,969)
26064023	Districtwide Salary Savings	(123,447)	(127,336)
60061023	Districtwide Salary Savings-11	(522,031)	(549,912)
60064023	Districtwide Salary Savings	(4,104)	(485)
62061002	Districtwide Salary Savings-12	(429,428)	(455,338)
62064023	Districtwide Salary Savings	(81,282)	(77,628)
65061004	Districtwide Salary Savings-72	(26,696)	(27,900)
70061004	Districtwide Salary Savings-71	(22,041)	(23,040)
73061004	Districtwide Salary Savings-73	(116,492)	(121,626)
91061007	Districtwide Salary Savings-61	(752,323)	(792,732)
95064011	Districtwide Salary Savings-61	(347,530)	(361,281)
SS.7 Total		**(2,519,774)**	**(2,635,247)**

SS Total	**234,815,700**	**263,065,394**

DS Debt Services

DS.1 Debt Service

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
10993008	2017A COP Refunding LP WS	2,292,023	2,291,727
20993008	2017A COP Refunding WV WS	687,549	687,460
26993001	Commercial Paper Tax Exmpt SCW	7,360,560	5,141,560
26993002	SCW Rev Bond 2022A (Tax-Exempt)	5,182,750	5,179,375
26993003	SCW COP 2022B (Tax-Exempt)	45,000	45,000
26993004	W WIFIA Loan 1 (ID 21116CA	65,000	45,000
26993005	SCW Rev Bond 2026A (Tax-Exempt)	-	1,721,452
26993006	W Rev Bond 2027A (Tax-Exempt)	-	2,879,590
26993007	W WIFIA Loan 2	70,000	70,000
26993008	SCW WIFIA Loan 3	-	80,000
26993009	SCW Rev Note 2026B	-	740,023
26993010	SCW Rev Bond 2027B (Tax-Exempt)	-	195,000
30993008	2017A COP Refunding Guad WS	764,201	764,103
40993008	2017A COP Refunding Coyote WS	2,063,227	2,062,961
95993007	Commercial Paper Tax Exempt	4,148,160	3,715,074
95993008	Commercial Paper Taxable	3,998,160	3,565,074
95993015	2016A WU Ref Rev Bond(TxExmpt)	5,360,750	5,360,750
95993016	2016B WU Ref Rev Bond(Taxable)	3,274,621	3,274,621
95993017	WU COP 2016C (Tax-Exempt)	4,933,000	4,891,250
95993018	WU COP 2016D (Taxable)	5,845,452	5,875,546
95993019	WU Rev Bond 2017A (Tax Exempt)	4,447,750	4,415,750
95993022	WU Rev Bond 2019A (Tax-Exempt)	1,033,250	1,033,000
95993023	WU Rev Bond 2019B (Taxable)	4,549,160	4,550,114
95993024	WU Rev Bond 2019C (Taxable)	3,000,363	3,026,624
95993025	WU Rev Bond 2020A (Tax-Exempt)	1,251,000	1,251,000
95993026	WU Rev Bond 2020B (Taxable)	2,078,285	2,078,285
95993027	WU COP 2020C (Tax-Exempt)	3,616,000	3,564,500
95993028	WU COP 2020D (Taxable)	4,983,250	5,036,710
95993029	WU Rev Bond 2023A (Tax-Exempt)	2,649,500	2,649,500
95993030	WU Rev Bond 2023B (Taxable)	4,575,304	4,576,544
95993031	WU Rev Bond 2024A (Tax-Exempt)	5,658,250	5,283,250
95993032	WU Rev Bond 2024B (Taxable)	4,110,673	5,775,673
95993033	WU WIFIA Project 1 (ID 22115CA) Anderson	45,000	45,000
95993034	WU COP 2023C1 (Tax-Exempt)	45,000	45,000
95993035	WU COP 2023D (Taxable)	45,000	45,000
95993036	WU WIFIA Project 1 (ID 20114CA) Pacheco	45,000	45,000
95993037	WU Rev Bond 2024C (Tax-Exempt)	4,438,250	4,436,750
95993038	WU Rev Bond 2024A-2 (TE NOTE)	2,574,500	45,000
95993039	WU Rev Bond 2025A (Tax-Exempt)	8,037,958	8,878,175
95993040	WU Rev Bond 2025B (Taxable)	7,799,208	8,293,010
95993041	WU WIFIA Project 1 (Anderson Constr)	75,000	45,000
95993042	WU COP 2023C2 (Tax-Exempt)	3,657,500	3,654,750
95993043	WU Rev Bond 2025C (Tax-Exempt)	170,000	45,000
95993044	WU Rev Bond 2024B-2 (TX NOTE)	1,015,970	45,000
95993045	WU Rev Bond 2026A (Tax-Exempt)	170,000	4,333,438
95993046	CWIFP Dam Safety#1	270,000	45,000
95993047	WU Rev Bond 2026B (Taxable)	170,000	7,045,038
95993048	WU Rev Note 2026C	170,000	2,976,825
95993049	WU Rev Bond 2026D (Tax- Exempt)	170,000	4,764,938

DS — Debt Services

DS.1 Debt Service

Project Number	Project Name	Adopted Budget 2025-26	Proposed Plan 2026-27
DS.1 Total		116,941,621	136,614,437
DS Total		**116,941,621**	**136,614,437**

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Ends Policies Objectives

Ends Policies and Objectives

E2	Valley Water provides reliable, safe, and affordable water supply for current and future generations in all communities served.		
	E2.1 Meet 100 percent of annual water demand during non-drought years and at least 80 percent of demand in drought years.	**Adopted Budget FY 2025-26**	**Proposed Plan FY 2026-27**
	E2.1 Subtotal	**-**	**-**

E2	Valley Water provides reliable, safe, and affordable water supply for current and future generations in all communities served.			
	E2.2 Protect and sustain the county's existing, diverse water supplies.		**Adopted Budget FY 2025-26**	**Proposed Plan FY 2026-27**
	2.2.001	Manage groundwater to ensure sustainable supplies and avoid land subsidence.	6,787,662	7,166,799
	2.2.002	Aggressively protect groundwater from the threat of contamination.	5,678,504	6,219,230
	2.2.003	Protect imported water supplies and associated contracts and partnerships.	98,038,330	106,733,971
	2.2.004	Protect and manage local surface water supplies and associated water rights.	14,857,667	14,773,344
	2.2.005	Deliver reliable, high quality drinking water from water treatment plants.	42,933,924	46,814,319
	E2.2 Subtotal		**168,296,087**	**181,707,664**

E2	Valley Water provides reliable, safe, and affordable water supply for current and future generations in all communities served.			
	E2.3 Protect and maintain existing water infrastructure.		**Adopted Budget FY 2025-26**	**Proposed Plan FY 2026-27**
	2.3.001	Plan for infrastructure maintenance and replacement to reduce risk of failure.	305,551,145	406,174,214
	2.3.002	Prioritize funding for maintenance and replacement of existing water infrastructure over investments in new infrastructure.	8,721	9,356
	2.3.003	Prepare for and respond effectively to water utility emergencies.	14,766,689	17,746,499
	E2.3 Subtotal		**320,326,555**	**423,930,069**

E2	Valley Water provides reliable, safe, and affordable water supply for current and future generations in all communities served.			
	E2.4 Increase regional self-reliance through water conservation and reuse.		**Adopted Budget FY 2025-26**	**Proposed Plan FY 2026-27**
	2.4.001	Maximize utilization of all demand management tools.	-	-
	2.4.002	Incentivize water use efficiency and water conservation.	13,502,883	13,513,702
	2.4.003	Promote, protect and expand potable and non-potable water reuse.	30,250,651	39,397,182
	2.4.004	Promote stormwater capture and reuse.	488,298	664,538
	E2.4 Subtotal		**44,241,833**	**53,575,423**

Ends Policies and Objectives

E2	Valley Water provides reliable, safe, and affordable water supply for current and future generations in all communities served.			
	E2.5 Manage water resources using an integrated, science-based approach.		**Adopted Budget FY 2025-26**	**Proposed Plan FY 2026-27**
	2.5.001	Plan for future water supply needs.	-	-
	2.5.002	Promote efficient and reliable operation of water supply systems.	2,361,848	2,529,329
	2.5.003	Promote water supply projects with multiple benefits, including environmental stewardship and flood protection.	6,939,149	6,049,941
	2.5.004	Invest in and rely on science to support planning and decision-making.	-	-
	2.5.005	Build and maintain effective partnerships to achieve water supply goals.	-	-
	E2.5 Subtotal		**9,300,997**	**8,579,270**

E2	Valley Water provides reliable, safe, and affordable water supply for current and future generations in all communities served.			
	E2.6 Promote access to equitable and affordable water supplies.		**Adopted Budget FY 2025-26**	**Proposed Plan FY 2026-27**
	2.6.001	Promote equal access to clean, safe, and affordable water supply across all communities served.	1,229,881	1,289,513
	2.6.002	Maintain affordable water rates through cost-effective water supply investments and management.	-	-
	2.6.003	Continue customer assistance and incentive programs.	1,333,333	1,333,333
	E2.6 Subtotal		**2,563,214**	**2,622,846**

E2 Budget Total	**544,728,686**	**670,415,272**

E3	Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.			
	E3.1 Maintain flood protection facilities to design levels of protection.		**Adopted Budget FY 2025-26**	**Proposed Plan FY 2026-27**
	3.1.001	Prioritize maintenance of existing facilities over construction of new capital projects.	5,049,334	15,775,890
	3.1.002	Inspect and maintain facilities on a regular basis.	59,220,108	55,257,603
	3.1.003	Perform maintenance using maintenance guidelines updated on a regular basis.	1,833,142	1,940,606
	E3.1 Subtotal		**66,102,584**	**72,974,099**

E3	Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.			
	E3.2 Assist people, businesses, schools, and communities to prepare for, respond to, and recover from flooding through equitable and effective engagement.		**Adopted Budget FY 2025-26**	**Proposed Plan FY 2026-27**
	3.2.001	Develop, maintain, and communicate emergency action plans.	4,148,956	1,041,315
	3.2.002	Develop, maintain, and communicate flood information to the community.	2,992,988	3,217,976
	3.2.003	Provide expertise in flood forecasting and flood warning systems to municipalities.	780,563	820,069
	3.2.004	Provide expertise to encourage public agencies to reduce flood risk and protect floodplain benefits.	2,975,314	3,242,595
	E3.2 Subtotal		**10,897,821**	**8,321,956**

E3	Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.			
	E3.3 Increase the health and safety of residents countywide by reducing community flood risk.		**Adopted Budget FY 2025-26**	**Proposed Plan FY 2026-27**
	3.3.001	Provide equitable, timely, and achievable flood protection for health and safety.	26,691,257	67,993,678
	3.3.002	Protect people and property from flooding by applying a comprehensive, integrated watershed management approach that balances environmental quality, sustainability, and cost.	27,861,878	79,463,200
	E3.3 Subtotal		**54,553,135**	**147,456,877**

E3 Budget Total		**131,553,541**	**228,752,932**

E4	Water resources stewardship protects and enhances ecosystem health.			
	E4.1 Use a science-based, inclusive approach to protect Santa Clara County's watersheds and aquatic ecosystems for current and future generations.		**Adopted Budget FY 2025-26**	**Proposed Plan FY 2026-27**
	4.1.001	Develop and share data to support resilient ecosystems and healthy populations of native species.	2,846,206	3,675,183
	4.1.002	Monitor stream, reservoir, and Bay ecosystem health.	1,535,314	1,209,533
	4.1.003	Use data to prioritize and equitably implement actions to reduce pollution, restore endangered species habitat, and enhance ecosystem function.	1,428,972	1,452,835
	E4.1 Subtotal		**5,810,491**	**6,337,551**

E4	Water resources stewardship protects and enhances ecosystem health.			
	E4.2 Sustain ecosystem health while managing local water resources for flood protection and water supply.		**Adopted Budget FY 2025-26**	**Proposed Plan FY 2026-27**
	4.2.001	Plan and design projects with multiple benefits, including protecting ecosystem functions, enhancing habitat, and improving connectivity, equitably in all regions of the county.	1,883,092	9,455,956
	4.2.002	Operate Valley Water facilities to balance water supply, flood protection, and ecosystem sustainability.	12,995,810	15,313,360
	E4.2 Subtotal		**14,878,902**	**24,769,316**

E4	Water resources stewardship protects and enhances ecosystem health.			
	E4.3 Encourage inclusive, sustainable management of water resources in the Bay-Delta and its watersheds to protect imported water supply.		**Adopted Budget FY 2025-26**	**Proposed Plan FY 2026-27**
	4.3.001	Meet future water supply demand through diverse and coordinated water supply planning.	-	-
	4.3.002	Promote holistic ecosystem management through science-based decision-making.	-	-
	4.3.003	Actively engage in the protection of source water quality through collaboration and funding.	-	-
	E4.3 Subtotal		**-**	**-**

*Note: The imported water projects are listed under Goal E2.2; therefore, $0 is reflected under Goal E4.3.

E4	Water resources stewardship protects and enhances ecosystem health.			
	E4.4 Prevent and address pollution of local streams, reservoirs, and the Bay, equitably across all communities. Protect waterbodies from pollution and degradation.		**Adopted Budget FY 2025-26**	**Proposed Plan FY 2026-27**
	4.4.001	Encourage stormwater capture, treatment, and reuse.	2,830,327	2,992,396
	4.4.002	Prepare and respond to spills and dumping that threaten local waterways.	1,901,958	2,040,718
	4.4.003	Collaborate with agencies and nonprofits to address homelessness, including supporting the provision of affordable housing by these agencies and nonprofits, and its impacts to Santa Clara County Waterways.	2,921,313	3,044,212
	E4.4 Subtotal		**7,653,598**	**8,077,325**

E4	Water resources stewardship protects and enhances ecosystem health.			
	E4.5 Engage the community to promote watershed stewardship by providing meaningful engagement in Valley Water programs for all people regardless of race, color, gender identity, disability status, national origin, tribe, culture, income, immigration status, or English language proficiency.		**Adopted Budget FY 2025-26**	**Proposed Plan FY 2026-27**
	4.5.001	Provide appropriate and equal public access to Valley Water's streamside and watershed lands.	7,178,151	7,678,837
	4.5.002	Engage and educate the community in stream and watershed protection.	1,760,094	1,874,020
	4.5.003	Build partnerships to protect and enhance watersheds and aquatic ecosystems.	4,245,986	4,374,011
	E4.5 Subtotal		**13,184,232**	**13,926,868**
	E4 Budget Total		**41,527,223**	**53,111,061**

E5	Valley Water is carbon neutral and provides equitable, climate-resilient water supply, flood protection, and water resource stewardship to all communities in Santa Clara County. This will be accomplished through the implementation of the Climate Change Action Plan.		
	E5.1 Minimize greenhouse gas emissions from Valley Water's operations.	Adopted Budget FY 2025-26	Proposed Plan FY 2026-27
	5.1.001 Expand the use of clean technology in vehicles, equipment, and buildings, and develop carbon-efficient construction and service delivery practices.	578,550	530,535
	5.1.002 Optimize energy use and expand renewable energy portfolio.	404,102	432,818
	5.1.003 Incentivize low carbon practices, projects, and efforts by employees, contractors, and partners.	-	-
	E5.1 Subtotal	982,652	963,354

E5	Valley Water is carbon neutral and provides equitable, climate-resilient water supply, flood protection, and water resource stewardship to all communities in Santa Clara County. This will be accomplished through the implementation of the Climate Change Action Plan.		
	E5.2 Adapt Valley Water's assets and operations to reduce climate change impacts.	Adopted Budget FY 2025-26	Proposed Plan FY 2026-27
	5.2.001 Improve the resiliency of Santa Clara County's water supply to drought and other climate change impacts	865,546	855,741
	5.2.002 Provide equitable protection from sea level rise and flooding, prioritizing disadvantaged communities.	-	-
	5.2.003 Improve ecosystem resiliency through water resources stewardship.	-	-
	5.2.004 Prepare for climate-related emergencies and provide equal access to information and services, particularly to disadvantaged communities.	-	-
	E5.2 Subtotal	865,546	855,741

E5 Budget Total	**1,848,198**	**1,819,094**

E6

Valley Water is committed, through a regional approach, to address the human health, safety, operational and environmental challenges posed by encampments of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities.

E6.1 Achieve a functional zero level of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities.		Adopted Budget FY 2025-26	Proposed Plan FY 2026-27
6.1.001	Actively participate in a collaborative regional approach with the County, cities, and other service providers to support their efforts in addressing the challenges posed by encampments of unsheltered people.	8,363,614	8,473,379
6.1.002	Increase the level of service for encampment cleanup efforts based on need and resource availability.	-	-
6.1.003	Identify Valley Water lands for regional partners to use for housing or other services for unsheltered people.	-	-
E6.1 Subtotal		**8,363,614**	**8,473,379**

E6 Budget Total	**8,363,614**	**8,473,379**

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Outcome Measures

Ends Outcome Measures

Performance – Outcome Measures

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

The performance of the Outcome Measures is regularly monitored to ensure that they are achieved and meet the Board's expectations. The report summarizes the status of 17 Outcome Measures, grouped by Board Ends Policy. These performance areas are monitored by Watersheds, Water Utility, and Administrative Services divisions and their status is reported to the CEO. The new report format provides information that management can use to determine the current status and redirect the effort as needed based on the current situation and/or anticipated challenges.

BOARD ENDS POLICIES - OUTCOME MEASURES			
	2023-24 Outcome Actual	**2024-25 Outcome Estimated**	**2025-26 Outcome Target**
E-2: Valley Water provides reliable, safe, and affordable water supply for current and future generations in all communities served.			
Did Valley Water meet its annual water demand?			
	100% of annual water demand was met. FY23-24 demand was down 7% compared to 2019.	100% of annual water demand projected to be met for FY24-25.	100% of annual water demand is met without calling for more than 20% water use reduction.
Total acre-feet of groundwater storage			
	Total groundwater storage is 423,000 acre-feet (as of June 2024).	Total groundwater storage is 414,000 acre-feet (as of December 2024).	Total groundwater storage is greater than 300,000 acre-feet .
Percentage of subsidence index wells with groundwater levels above subsidence thresholds			
	100% of subsidence index wells with groundwater levels above subsidence thresholds.	100% of subsidence index wells with groundwater levels above subsidence thresholds.	100% of subsidence index wells with groundwater levels above subsidence thresholds.
Percentage of water supply wells that meet or exceeds quality standards			
	79% of water supply wells tested meet all primary drinking water standards (based on calendar year 2023 data). Short of target outcome due to elevated nitrate (primarily in South County domestic wells from historic and current sources like fertilizer and septic systems) and PFAS. VW continues to implement Salt and Nutrient Management Plans and engage with regulatory and land use agencies as needed.	79% of water supply wells tested meet all primary drinking water standards (based on calendar year 2023 data). Short of target outcome due to elevated nitrate (primarily in South County domestic wells from historic and current sources like fertilizer and septic systems) and PFAS. VW continues to implement Salt and Nutrient Management Plans and engage with regulatory and land use agencies as needed.	95% of water supply wells meet or exceeds quality standards.
Percentage of treated water that meets or exceeds primary drinking water standards.			
	100% of treated water delivered met or exceeded all primary drinking water standards.	100% of treated water delivered met or exceeded all primary drinking water standards.	100% of treated water meets or exceeds primary drinking water standards.

Ends Outcome Measures

BOARD ENDS POLICIES - OUTCOME MEASURES			
	2023-24 Outcome Actual	2024-25 Outcome Estimated	2025-26 Outcome Target
Percentage of total annual maintenance work plans completed for water transmission and distribution facilities on schedule			
	Completed 40% of planned work at the water treatment facilities by end of FY 24-25 due to work carried over from prior fiscal years. Additionally staff completed large scale refurbishments initally planned for future years during the shutdown at Santa Teresea Water Treatment Plant. The remaining projects have been rescheduled for FY25-26. Staff projects to complete 70% of annual maintenance work plans for transmission and distribution facilities.	Staff projects to complete 60% of planned work at the water treatment plants by end of FY 24-25 due to work carried over from prior fiscal years. Staff projects to complete 70% of annual maintenance work plans for transmission and distribution facilities.	Complete at least 70% of total annual maintenance work plans completed for transmission and distribution facilities on schedule
Acre-feet of water supply portfolio from recycled and purified water			
	Achieved approximately 18,000 acre-feet of recycled water by end of FY24. Ability to achieve target outcome of 24,000 acre-feet by 2028 is contingent on implementing a potable reuse project.	On target to achieve approximately 18,000 acre-feet of recycled water by end of FY25. Ability to achieve target outcome of 24,000 acre-feet by 2035 is contingent on implementing a potable reuse project.	24,000 acre-feet by 2028.

BOARD ENDS POLICIES - OUTCOME MEASURES			
	2023-24 Outcome Actual	2024-25 Outcome Estimated	2025-26 Outcome Target
E-3 Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.			
Prioritize rehabilitation of existing creek facilities to restore design levels of service, beyond routine maintenance, by ensuring annual funds budgeted for Watersheds Asset Rehabilitation Program (WARP) and Safe, Clean Water (SCW) F8 are included in the Watersheds Operation & Maintenance (O&M) budget.			
	Annual budget for WARP and SCW F8 projects amounted to 15.7% of annual Watersheds O&M budget.	Annual budget for WARP and SCW F8 projects amounted to 26.0% of annual Watersheds O&M budget.	Budget for WARP and SCW F8 projects is equivalent to at least 15% of Watersheds O&M Division annual budget.
Percent of flood protection facilities inspected annually.			
	99% of levees were inspected and maintained in FY24. Regarding the 1% of levee not inspected, inspections of said levee were deemed unsafe and infeasible due to eroded access road conditions. Staff is considering options for how best to address erosion to enable resumption of inspections at this location. Overall, staff's ability to conduct creek and levee inspections continues to be compromised in certain high-risk areas due to safety concerns and at times, insufficient law enforcement support.	On track for 100% of levees and 50% of other flood protection facilities to be inspected and maintained in FY25. Notwithstanding the progress that has been made in relation to the adoption of the Water Resources Protection Zones ordinance in Nov. 2024, it is also noted that with the ongoing effects of encampment abatements having been previously paused, staff's ability to conduct creek and levee inspections continues to be compromised in certain high-risk areas due to safety concerns and at times, insufficient law enforcement support.	100% of levees and at least 50% of other flood protection facilities inspected annually.
Percent of flood protection projects that incorporate natural flood protection features.			
	93% of Capital flood protection projects in the CIP incorporate NFP features.	93% of Capital flood protection projects in the CIP incorporate NFP features.	90% of flood protection projects incorporate natural flood protection (NFP) features that enhance the physical, hydrologic, and ecologic functions and process of streams within the community setting.

Ends Outcome Measures

BOARD ENDS POLICIES - OUTCOME MEASURES			
	2023-24 Outcome Actual	**2024-25 Outcome Estimated**	**2025-26 Outcome Target**
E-4 Water resources stewardship protects and enhances ecosystem health.			
Ecological data are made available to the public through the Valley Water webpage annually and the EcoAtlas tool.			
	100% of VW's data on ecosystem health are available to the public on EcoAtlas, and the related watershed reports are on the Valley Water webpage.	100% of VW's data on ecosystem health are available to the public on EcoAtlas, and the related watershed reports are on the Valley Water webpage.	100% of Valley Water annual ecological monitoring reports are made available to the public.
Percent of stewardship projects that include objectives that enhance ecological functions, improve water quality, or provide for trails & Open Space			
	100% based on FY23-27 CIP Report	100% based on FY23-27 CIP Report	All stewardship projects include objectives that enhance ecological functions, improve water quality, or provide for trails & open space.
Percent of new Joint Use Agreements (JUAs) that comply with the Trails Policy Criteria and Guidance.			
	100% of new Joint Use Agreements (2 in FY24) comply with the Trails Policy Criteria and Guidance.	On target for 3 compliant Joint Use Agreements by end of FY25.	100% of new Joint Use Agreements comply with the Trails Policy Criteria and Guidance.

Ends Outcome Measures

BOARD ENDS POLICIES - OUTCOME MEASURES			
	2023-24 Outcome Actual	2024-25 Outcome Estimated	2025-26 Outcome Target
E-5 Valley Water is carbon neutral and provides equitable, climate-resilient water supply, flood protection, and water resource stewardship to all communities in Santa Clara County. This will be accomplished through the implementation of the Climate Change Action Plan.			
Maintain Valley Water's California Green Business Certification.			
	Yes, Valley Water is certified as a California Green Business.	Yes, Valley Water is certified as a California Green Business.	Valley Water is certified as a California Green Business.
Percent of Valley Water's operating facilities are equipped with Electric Vehicle (EV) charging infrastructure.			
	56% of Valley Water's operating facilities are equipped with EV charging infrastructure.	56% of Valley Water's operating facilities are equipped with EV charging infrastructure.	100% of Valley Water's operating facilities are equipped with EV charging infrastructure.
Percent of Valley Water's passenger vehicle portfolio that have been converted to electric vehicles (EVs).			
	Valley Water's passenger vehicle fleet is 47% Hybrid and 5% EVs.	Valley Water's passenger vehicle fleet is 47% Hybrid and 5% EVs.	100% of Valley Water's passenger vehicles are EVs.

Ends Outcome Measures

BOARD ENDS POLICIES - OUTCOME MEASURES		
2023-24 Outcome Actual	**2024-25 Outcome Estimated**	**2025-26 Outcome Target**
E-6 Valley Water is committed, through a regional approach, to address the human health, safety,		
Overall reduction in the number of encampments of unsheltered people located where Valley Water holds land rights, achieved through regional collaboration with the County, cities, and other service providers, as well as internal programmatic efforts.		
Valley Water implemented new geospatial encampment mapping capability in February 2024. The first year-over-year comparison data will be available after the next annual count in February 2025.	In FY25, Valley Water reduced the number of encampments by 243 compared to FY24, resulting in a 52% year-over-year reduction in encampments located where Valley Water holds land rights.	7% year-over-year reduction in encampments located where Valley Water holds land rights, per annual Valley Water count.
Number of people who have transitioned into housing or shelter opportunities that were made possible through Valley Water's partnerships or agreements to support housing and shelter development.		
86 individuals exited to Emergency Interim Housing sites, bridge housing communities, or other temporary shelter through Valley Water's agreement with City of San Jose to relocate encampments for the Coyote Creek Flood Protection Project. 2 households have been enrolled and housed in a Permanent Supportive Housing program through Valley Water's Outreach Services Agreement with County of Santa Clara.	By the end of FY25, an estimated 38 individuals will have exited to Emergency Interim Housing sites, bridge housing communities, or other temporary shelter through Valley Water's agreement with City of San Jose to relocate encampments for the Coyote Creek Flood Protection Project. An estimated 4-6 households will have been enrolled and housed in a Permanent Supportive Housing program through Valley Water's Outreach Services Agreement with County of Santa Clara.	Annually, at least 50 people transitioned into housing or shelter opportunities through Valley Water efforts.

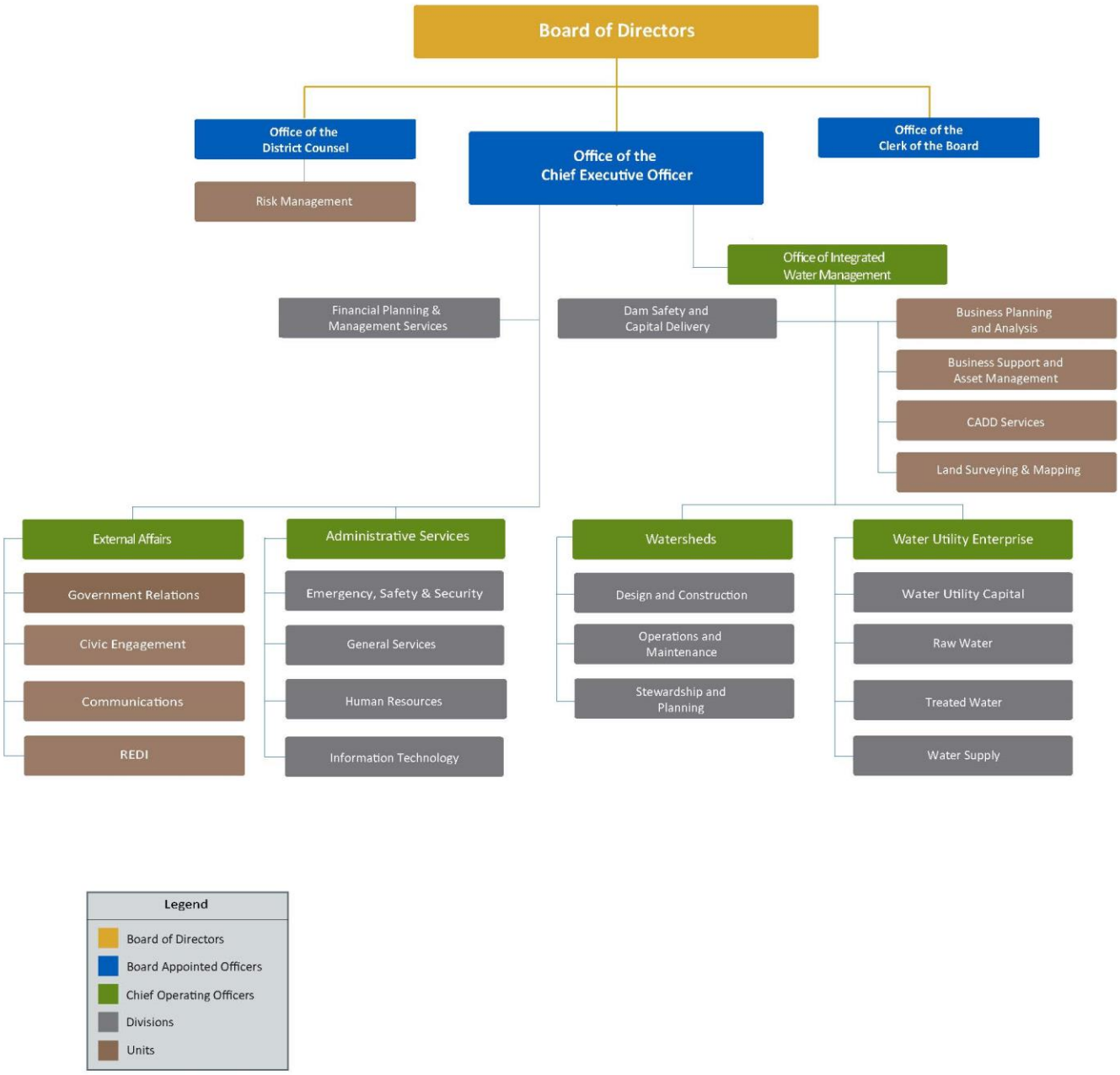


Division Summaries

FY 2025–26 & FY 2026–27 Operating and Capital Rolling Biennial Budget

DIVISION SUMMARIES

Division Summaries



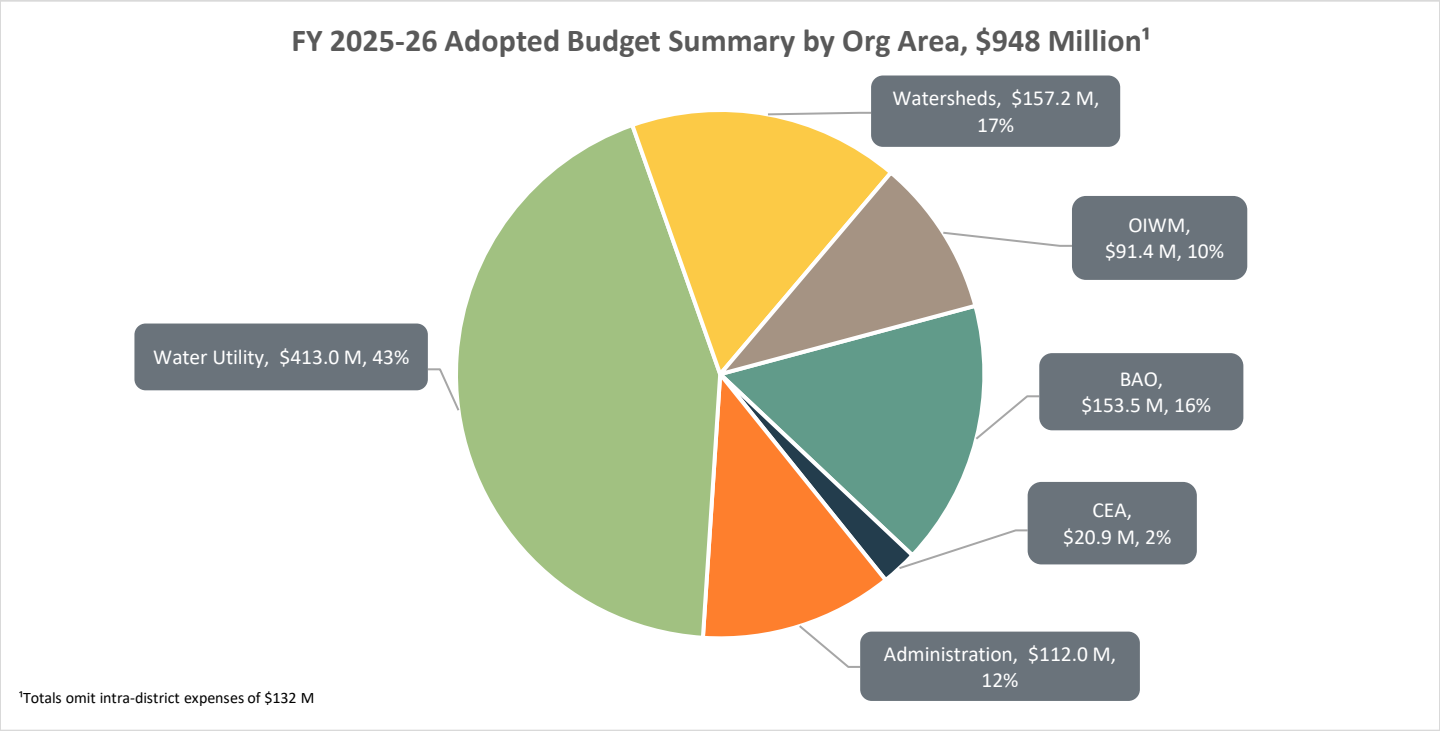
Division Summaries

Description

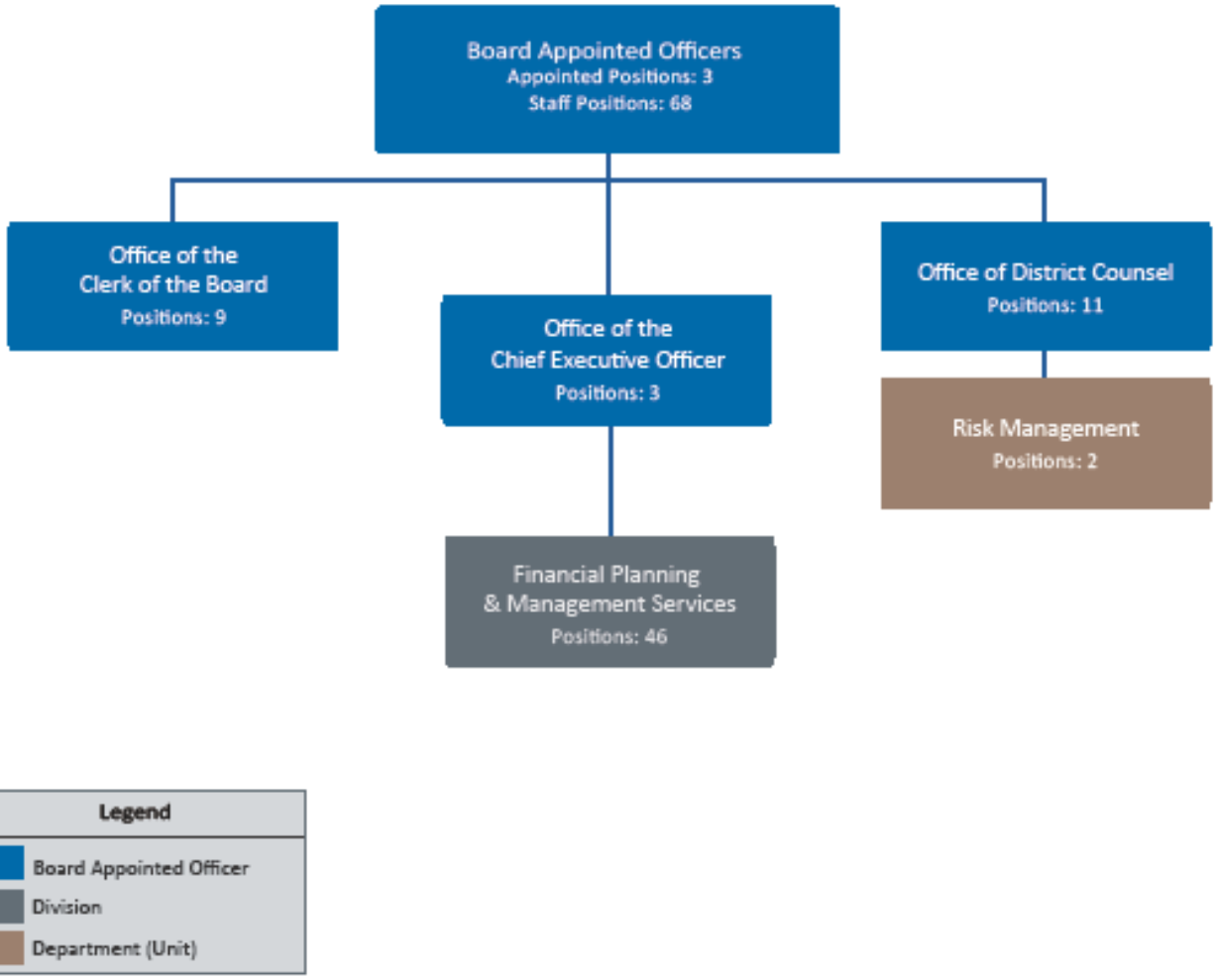
Valley Water utilizes a project-based budget to accurately appropriate budget to the various funds and assess precise water rates. The project-based budget is presented by ends outcomes and at the fund level in chapters 4 and 6.

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

Organizational areas and their division sections begin with an organizational chart showing the FY 2025-26 budget and positions. Each area then includes an overview of the services they provide, their objectives, accomplishments, and milestones. This is followed by a series of financial tables which display the budget by project type, account category, department, and the authorized position counts for four fiscal years.



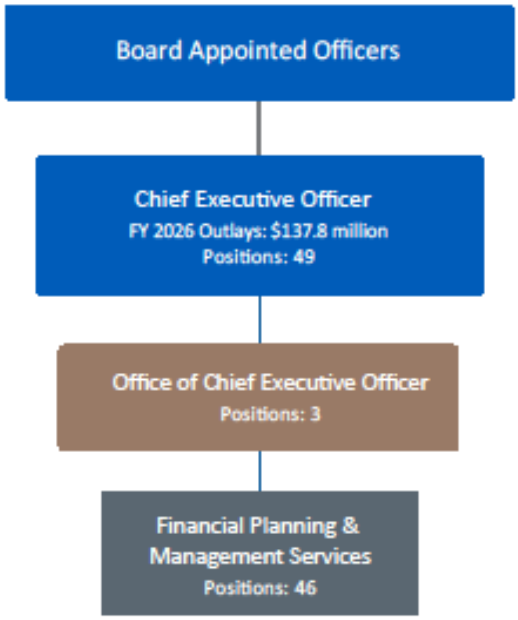
Division Summaries

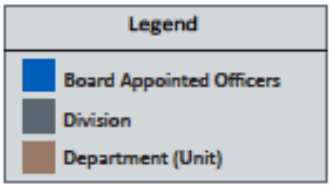


Description

Board Appointed Officers support the mission of Valley Water, to provide Silicon Valley safe, clean water for a healthy life, environment, and economy and include the Chief Executive Officer, District Counsel, and Clerk of the Board. Board Appointed Officers provide executive leadership of Valley Water; support to the Board of Directors ensuring that Valley Water efficiently implements the Board's Ends policies in conformance with Executive Limitations policies; deliver high quality, trustworthy, and responsive counsel to Valley Water in a manner that assists in accomplishing Valley Water'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 Valley Water in implementing its mission and achieving its vision; fosters cooperative and collaborative working relationships with other government agencies, retailers, stakeholders, and the community; supports the Board of Directors to ensure that Valley Water meets the Board's Ends policies; and complies with the Boards' Executive Limitations Policies in a transparent, cost-effective, and efficient manner. The Office of the CEO also oversees the Financial Planning and Management Services Division.

FY 2025 Accomplishments

- Successfully held Management Leadership Team meetings for management team building and development and communication, discussion, and presentations of real-time issues affecting the agency.
- Regularly held Leadership Team meetings to engage in dialogue on processes, issues, and activities impacting Valley Water and to inform the Leadership Team of upcoming issues and challenges.
- Fostered cooperative and collaborative working relationships with other agencies.
- Regularly held all-employee Town Halls to share agency-wide updates and strategic direction, key Board decisions, and improve transparency and employee engagement.
- Ensured organizational fiscal accountability and transparency through an open and transparent budget process.

FY 2026 Milestones

- Continue to provide leadership and organizational guidance, prioritizing investments in our critical infrastructure and the safety of Valley Water staff, while providing safe, clean, reliable water to Santa Clara County.
- Provide oversight of the organization's budget and ensure organizational fiscal accountability through an open and transparent budget development process.
- Continue to hold regular all-employee Town Hall meetings, Management Leadership Team meetings, and Executive Team meetings to foster open communication, transparency, and information sharing on key updates, projects, and policies pertinent to Valley Water employees.
- Maintain and ensure approved audit recommendations are fully implemented through the end of the fiscal year.
- Further develop and establish working relationships with partner agencies, retailers, stakeholders, and the community.
- Coordinate the annual Board Strategic Planning Retreat to support the development of the Board's Annual Work Plan.
- Advance workforce development and succession planning programs.
- Implement new technology tools that increase productivity and business efficiency.

FY 2027 Milestones

- Continue to provide leadership and organizational guidance, prioritizing investments in our critical infrastructure and the safety of Valley Water staff, while providing safe, clean, reliable water to Santa Clara County.
- Provide oversight of the organization's budget and ensure organizational fiscal accountability through an open and transparent budget development process.
- Continue to hold regular all-employee Town Hall meetings, Management Leadership Team meetings, and Executive Team meetings to foster open communication, transparency, and information sharing on key updates, projects, and policies pertinent to Valley Water employees.
- Maintain and ensure approved audit recommendations are fully implemented through the end of the fiscal year.
- Further develop and establish working relationships with partner agencies, retailers, stakeholders, and the community.
- Coordinate the annual Board Strategic Planning Retreat to support the development of the Board's Annual Work Plan.
- Advance workforce development and succession planning programs.
- Implement new technology tools that increase productivity and business efficiency.

Office of the CEO — Budget Summary

Project Type (Category)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	1,797,041	1,796,134	1,884,281	2,034,755
Total [1]	**1,797,041**	**1,796,134**	**1,884,281**	**2,034,755**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Office of the CEO	1,797,041	1,796,134	1,884,281	2,034,755
Total [1]	**1,797,041**	**1,796,134**	**1,884,281**	**2,034,755**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

Office of the CEO - Position Summary

	FY 2023-24 Adjusted Budget[2]	FY 2024-25 Adopted Budget[2]	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Authorized Positions [1]	**3**	**3**	**3**	**3**

(1) Authorized positions exclude limited term positions.

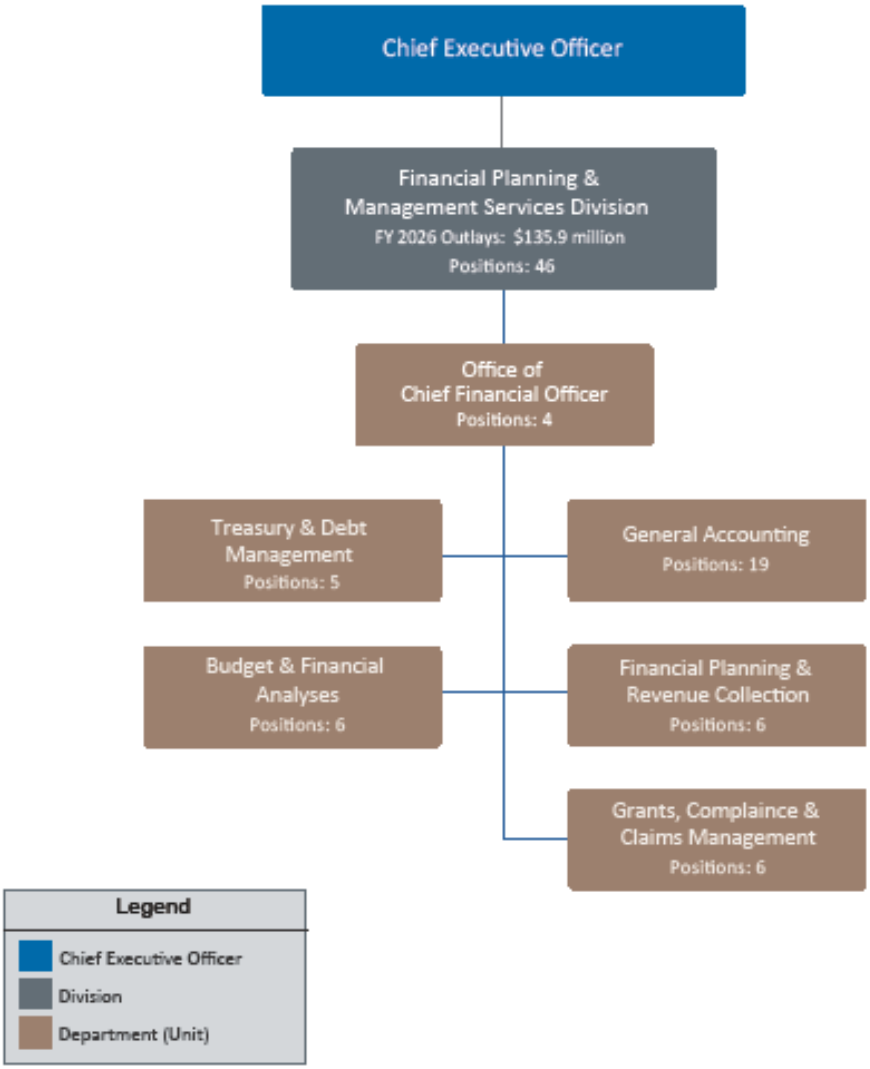
(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY 2026 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Office of Chief Executive Officer					
	Salaries & Benefits	1,371,026	1,343,206	1,400,270	1,509,813
	Services & Supplies	205,720	211,800	211,920	211,920
	Intra District Charges	220,295	241,127	272,091	313,022
Office of Chief Executive Officer Total		1,797,041	1,796,134	1,884,281	2,034,755
Operations Total [(1)]		**1,797,041**	**1,796,134**	**1,884,281**	**2,034,755**
Division Total [(1)]		**1,797,041**	**1,796,134**	**1,884,281**	**2,034,755**

(1) Totals reflect the gross budget and includes 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 units 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. The division is organized functionally as summarized below.

Continual Improvement

The Continual Improvement Unit supports the CEO's ability to lead the organization and ensure the Board is informed and supported in its work. The Continual Improvement team carries out this support through Valley Water's Quality and Environmental Management System, facilitating Board-commissioned, CEO-commissioned, and/or internal audits, and communicating monitoring data to the Board through Semi-Annual Performance Reports.

Treasury and Debt Management

Treasury and Debt Management manages the District-wide treasury and debt management programs. The key roles performed by the unit include the following: (1) Ensure sufficient liquidity is maintained to meet all of Valley Water's financial obligations, as well as ensuring a reasonable portfolio yield is attained while maintaining the safety of the investment portfolio; (2) Manage the District-wide debt service budget, which includes principal and interest payments for the Watersheds, Water Utility, and Safe, Clean Water funds, as well as the related financial, legal, and banking services associated with the debt program; (3) Prepare all legally required reports to meet debt covenants as well as state and federal requirements to ensure compliance with securities laws; (4) Work with external municipal advisor and bond/disclosure counsel to lead debt issuance activities to provide the necessary funding to pay for capital projects; (5) Provide professional financial advisory to support the financing requirements for the Capital Improvement Program, including but not limited to, the Board's priorities for the Delta Conveyance, Pacheco Reservoir Expansion Project, Anderson Dam, Sisk Dam Raise, Sites Reservoir, Recycled and Purified Water, among others; and (6) Manage the Water Infrastructure Finance and Innovation Act (WIFIA) Program for the Water Utility and Safe Clean Water capital programs.

Budget and Financial Analyses

Budget and Financial Analyses Unit provides timely and accurate financial information and analyses throughout the year. The unit oversees 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 analysis, 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.

General Accounting

General Accounting unit includes the areas of General Ledger, Accounts Payable, Payroll, and Financial Systems. The General Ledger area focuses on accounting and financial reporting functions to provide relevant, accurate and timely financial reporting of Valley Water's financial condition in compliance with laws, regulations, Valley Water policies and professional standards. Accounts Payable is charged with processing payment disbursements to Valley Water's contractors, consultants, and vendors, administering petty cash, and maintaining payment documents, in compliance with Valley Water procedures. Payroll processes the bi-weekly payroll, employee benefits accounting, payroll tax withholdings and submission of Federal and State reporting requirements. Financial Systems provide for the maintenance and security of the payroll, benefits, human resources and financial systems, including the implementation of system upgrades, MOU changes, and salary and benefit changes.

Financial Planning and Revenue Collection

Financial Planning 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). Revenue Collection collects water revenue, property taxes and benefit assessments for Valley Water. Water revenue is comprised of charges for groundwater, treated, recycled, and surface water usage. Property taxes and benefit assessments collected are the voter-approved Safe Clean Water Special Tax, Flood Control Benefit Assessment, State Water Project levy, and the allocated share of countywide 1% ad valorem property tax receipts.

Grants, Compliance & Claims Management

The Grants, Compliance & Claims Management Unit manages Valley Water's grant applications as grantee. The Unit does not assist with grantor grants. The Unit is responsible for researching grant opportunities, matching projects to grants, submitting creative and compelling funding applications, working with applicable divisions to develop and submit competitive proposals, establishing and implementing timely grant reporting, and ensuring that accuracy and compliance are adhered to throughout the process until project closeout.

FY 2025 Accomplishments

- Earned more than $15 million in interest income from the investment portfolio.
- 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.
- Provided ongoing financial support for various projects, such as the Delta Conveyance, Expedited and Purified Water program, Pacheco Reservoir, Anderson Dam, Sites Reservoir, and Sisk Dam Raise.
- Initiated the $105 million Loan #2 for the Coyote Creek Flood Protection Project construction, under the $146 million SCW WIFIA Master Agreement.
- Submitted the application to increase the Anderson WIFIA Master Agreement to $1.2 billion to correspond with increases in the total project cost estimate; initiated $407 million Loan #2 for the Anderson Dam Seismic Retrofit Project construction.
- Managed more than $1 billion debt portfolio, paid $104 million debt service, legal, financial and banking fees for the Water Utility, Safe Clean Water, and Watersheds funds.
- Issued $314 million of Water Utility Revenue Bonds on September 24, 2024, at 4.16% all in true interest cost.
- Submitted $653 million application for the Corps Water Infrastructure Financing Program (CWIFP) loan for the Dam Safety Projects.
- Updated and maintained Balancing Act online budget simulation to engage community.
- Produced FY 2025-26 Rolling Biennial Adopted Summary Document prior to June 30, 2025.
- Finalized the FY2024 Annual Comprehensive Financial Report in accordance with the Governmental Finance Officers Association standards for excellence by December 2024.
- Completed the submission of the FY2024 State Controller's Report by January 2025.
- Completed the FY2024 audits for Water Utility Funds and the Advance Water Treatment Facility by June 2025.
- Processed the month-end close by the 10th of the following month.
- Prepared Board expense reimbursement reports on a quarterly basis.
- Printed weekly vendor checks by Thursday afternoon and sent to mailroom by Friday morning.
- Met State and Federal tax reporting requirements for calendar year 2024 1099s by January 2025.
- Completed the California Employment Development Department Independent Contractor Report DE542 by the end of each month.
- Processed the bi-weekly payroll and generated payroll checks by Thursday of each pay week.
- Processed vacation leave pay-outs by October 2024.
- Processed sick leave pay-outs in March 2025.

- Carried over and issued absence leave balances by July 2024.
- Implemented new COLA changes by July 2024.
- Implemented and tested tax updates by December 2024.
- Completed calendar year 2024 W-2 Tax Reporting by January 31, 2025.
- Issued employee W-2's for calendar year 2024 by January 31, 2025.
- Submitted compensation report for calendar year 2024 to the State Controller's Office by April 2025.
- Filed PAWS report with Clerk of Board on time.
- Prepared annual groundwater production charge analysis, ensuring water charges were adopted for next fiscal year on time.
- Continued enhancements to MuniBilling for groundwater, recycled water, and surface water accounts. Began implementation of replacement utility billing system.
- Effectively executed the Safe, Clean Water Senior Exemption Program. Enrolled nearly 400 additional seniors while maintaining number of active seniors in the program (4,900).
- Implemented $80 million NRCS grant for Upper Llagas Phase 2B project.
- Submitted a $2 million USBR WaterSMART Water and Energy Efficiency grant for Landscape Rebate Program.
- Submitted requests for CalOES/FEMA FMA and HMGP grant applications for Coyote Creek ($50Million) and East Sunnyvale ($24.2 million).
- Grants Unit was expanded and staffed to full capacity for both Pre-Award and Post-Award positions.
- Provided ongoing support to BAC Liaison in preparation for the monthly BAC meeting.
- Facilitated three (3) Board-directed audits, one (1) Program-requested audit, and one (1) consulting effort for OES/EOC team.
- Provided the Semi-annual Performance Report to the Board in August 2024 and March 2025.
- Ongoing maintenance and operation of the QEMS Document Control database.

FY 2026 Milestones

- Negotiate and execute $653 million CWIFP Loan for the Dam Safety Project.
- Implement the WIFIA and CWIFP loan administration program for the Safe, Clean Water program, Anderson, Pacheco Reservoir Expansion projects.
- Prudently invest District funds while maintaining safety, liquidity and optimizing interest income.
- Manage the District's debt portfolio as well as implementing financing strategies to fund the District's capital improvement plan.
- Produce a structurally balanced budget throughout the budget process and finalize the Adopted Biennial Budget Summary Book in time for Board Adoption on or before June 30 on an annual basis. Additionally, distribute the Adopted Budget Summary within one month after Board Adoption or before July 1.
- Address Budget requests during the fiscal year for projects, services, or staff requests that are unbudgeted as part of the Adopted Budget; identify spending offset or funding source at the time of the request and ensure that the request has a net-zero effect, a balanced transaction, on the budget.
- Ensure that all Valley Water Funds maintain adequate reserves per the District Reserve policy and prudent financial planning to ensure sufficient resources for current services and obligations and to prepare for future anticipated funding requirements and unforeseen events.
- In preparation for each budget pass, produce the position file, overhead, and benefit rates. After each budget pass, produce proforma reports, trend data information on selected items, fund target analysis results, and detailed budget files (reports are produced in March, April, and May).
- Produce a rolling biennial budget process to be updated annually, which is aligned with the guiding State, District Act and Valley Water Policies, and is conducive to long-term planning while remaining responsive to the dynamic and ever-changing needs of the organization.
- Load the Adopted Budget to Financial System by July 1 and publish it on Valley Water's website by June 30. Additionally, ensure Birst monthly financial reports are correct within one week of the accounting period closing, and finalize and post the Encumbrance and Capital Carryforward budget.

- Review Board Agenda materials for accuracy and consistency with financial policy and practices.
- Finalize the FY2025 Annual Comprehensive Financial Report in accordance with the Governmental Finance Officers Association standards for excellence by December 2025.
- Complete the submission of the FY2025 State Controller's Report by January 2026.
- Complete the FY2025 audits for Water Utility Funds and the Advance Water Treatment Facility by June 2026.
- Process the month-end close by the 10th of the following month.
- Prepare Board expense reimbursement reports on a quarterly basis.
- Print weekly vendor checks by Thursday afternoon and send to mailroom by Friday morning.
- Meet State and Federal tax reporting requirements for calendar year 2025 1099s by January 2026.
- Process the bi-weekly payroll and generate payroll checks by Thursday of each pay week.
- Process vacation leave pay outs by October 2025.
- Process sick leave pay outs in March 2026.
- Implement new COLA changes by July 2025.
- Complete calendar year 2025 W-2 Tax Reporting by January 31, 2026.
- Issue employee W-2's for calendar year 2025 by January 31, 2026.
- Submit compensation report for calendar year 2025 to the State Controller's Office by April 2026.
- File PAWS report with Clerk of Board on time.
- Prepare annual groundwater production charge analysis, ensuring water charges are adopted for next fiscal year on time.
- Complete the annual water utility audit by June 30th.
- Complete the water production audit for all water producing facilities located within District Charge Zones and ensure correct revenue is collected for all water produced.
- Levy property taxes with County Assessor's Office, ensuring correct revenue is collected.
- Submit Local, State and Federal grant applications and reports.
- Update Grants Unit policies and procedures.
- Update Grants staff training modules and associated compliance documents.
- Provide ongoing support to BAC Liaison in preparation for the monthly BAC meetings.
- Facilitate audits identified in the Annual Audit Plan, requested by management, or dictated by Program requirements.
- Provide the Semi-annual Performance Report to the Board in August and February.
- Provide ongoing maintenance and operational support of the QEMS Document Control database.

FY 2027 Milestones

- Implement the WIFIA and CWIFP loan administration program for the Safe, Clean Water program, Anderson, Pacheco Reservoir Expansion projects.
- Prudently invest District funds while maintaining safety, liquidity and optimizing interest income.
- Manage the District's debt portfolio as well as implementing financing strategies to fund the District's capital improvement plan.
- Produce a structurally balanced budget throughout the budget process and finalize the Adopted Biennial Budget Summary Book in time for Board Adoption on or before June 30 on an annual basis. Additionally, distribute the Adopted Budget Summary within one month after Board Adoption or before July 1.
- Address Budget requests during the fiscal year for projects, services, or staff requests that are unbudgeted as part of the Adopted Budget; identify spending offset or funding source at the time of the request and ensure that the request has a net-zero effect, a balanced transaction, on the budget.
- Ensure that all Valley Water Funds maintain adequate reserves per the District Reserve policy and prudent financial planning to ensure sufficient resources for current services and obligations and to prepare for future anticipated funding requirements and unforeseen events.
- In preparation for each budget pass, produce the position file, overhead, and benefit rates. After each budget pass, produce proforma reports, trend data information on selected items, fund target analysis results, and detailed budget files (reports are

produced in March, April, and May).

- Produce a rolling biennial budget process to be updated annually, which is aligned with the guiding State, District Act and Valley Water Policies, and is conducive to long-term planning while remaining responsive to the dynamic and ever-changing needs of the organization.
- Load the Adopted Budget to Financial System by July 1 and publish it on Valley Water's website by June 30. Additionally, ensure Birst monthly financial reports are correct within one week of the accounting period closing, and finalize and post the Encumbrance and Capital Carryforward budget.
- Review Board Agenda materials for accuracy and consistency with financial policy and practices.
- Finalize the FY2026 Annual Comprehensive Financial Report in accordance with the Governmental Finance Officers Association standards for excellence by December 2026.
- Complete the submission of the FY2026 State Controller's Report by January 2027.
- Complete the FY2026 audits for Water Utility Funds and the Advance Water Treatment Facility by June 2027.
- Process the month-end close by the 10th of the following month.
- Prepare Board expense reimbursement reports on a quarterly basis.
- Print weekly vendor checks by Thursday afternoon and send to mailroom by Friday morning.
- Meet State and Federal tax reporting requirements for calendar year 2026 1099s by January 2027.
- Process the bi-weekly payroll and generate payroll checks by Thursday of each pay week.
- Process vacation leave pay outs by October 2026.
- Process sick leave pay outs in March 2027.
- Implement new COLA changes by July 2026.
- Complete calendar year 2026 W-2 Tax Reporting by January 31, 2027.
- Issue employee W-2’s for calendar year 2026 by January 31, 2027.
- Submit compensation report for calendar year 2026 to the State Controller’s Office by April 2027.
- File PAWS report with Clerk of Board on time.
- Prepare annual groundwater production charge analysis, ensuring water charges are adopted for next fiscal year on time.
- Complete the annual water utility audit by June 30th.
- Complete the water production audit for all water producing facilities located within District Charge Zones and ensure correct revenue is collected for all water produced.
- Levy property taxes with County Assessor's Office, ensuring correct revenue is collected.
- Submit Local, State and Federal grant applications and reports.
- Provide ongoing support to BAC Liaison in preparation for the monthly BAC meetings.
- Facilitate audits identified in the Annual Audit Plan, requested by management, or dictated by Program requirements.
- Provide the Semi-annual Performance Report to the Board in August and February.
- Provide ongoing maintenance and operational support of the QEMS Document Control database.

Financial Planning and Management Services Division — Budget Summary

Project Type (Category)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	16,508,802	17,421,653	18,717,912	19,721,549
Debt services	74,977,674	103,673,639	116,941,621	136,614,437
Capital	150,845	357,082	239,083	226,083
Total [1]	**91,637,321**	**121,452,374**	**135,898,617**	**156,562,069**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Budget & Financial Analyses	2,269,374	2,767,449	2,416,924	2,577,791
Continual Improvement	949	–	–	–
Financial Planning and Revenue Collection	3,340,137	3,358,047	3,156,145	3,319,851
General Accounting	5,455,107	5,748,794	6,196,715	6,610,920
Grants and Claims	940,603	1,866,523	2,768,546	2,942,238
Office of the CFO	2,018,078	2,125,077	2,391,107	2,356,832
Treasury and Debt Management	77,613,072	105,586,484	118,969,180	138,754,437
Total [1]	**91,637,321**	**121,452,374**	**135,898,617**	**156,562,069**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

Financial Planning and Management Services Division - Position Summary

	FY 2023-24 Adjusted Budget[2]	FY 2024-25 Adopted Budget[2]	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Authorized Positions [1]	**47**	**47**	**46**	**46**

(1) Authorized positions exclude limited term positions.

(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY 2027 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Budget & Financial Analyses					
	Salaries & Benefits	1,863,657	2,178,927	1,886,815	1,991,003
	Services & Supplies	60,292	210,000	193,000	213,000
	Intra District Charges	345,425	378,523	337,109	373,788
Budget & Financial Analyses Total		2,269,374	2,767,449	2,416,924	2,577,791
Continual Improvement					
	Services & Supplies	949	–	–	–
Continual Improvement Total		949	–	–	–
Financial Planning and Revenue Collection					
	Salaries & Benefits	1,862,053	1,890,179	1,757,701	1,838,999
	Services & Supplies	395,160	339,900	361,300	351,300
	Intra District Charges	1,082,924	1,127,968	1,037,144	1,129,552
Financial Planning and Revenue Collection Total		3,340,137	3,358,047	3,156,145	3,319,851
General Accounting					
	Salaries & Benefits	4,184,416	4,586,825	4,909,200	5,222,709
	Services & Supplies	584,978	436,950	445,858	445,858
	Intra District Charges	685,713	725,019	841,657	942,353
General Accounting Total		5,455,107	5,748,794	6,196,715	6,610,920
Grants and Claims					
	Salaries & Benefits	538,185	1,022,984	1,623,758	1,715,506
	Services & Supplies	117,037	204,000	160,000	142,000
	Intra District Charges	285,381	639,538	984,788	1,084,733
Grants and Claims Total		940,603	1,866,523	2,768,546	2,942,238
Office of the CFO					
	Salaries & Benefits	1,218,568	1,208,184	1,367,189	1,462,688
	Services & Supplies	591,293	694,000	771,340	609,340
	Intra District Charges	208,218	222,893	252,578	284,804
Office of the CFO Total		2,018,078	2,125,077	2,391,107	2,356,832
Treasury and Debt Management					
	Salaries & Benefits	1,503,032	1,077,785	1,254,437	1,349,303
	Services & Supplies	478,375	276,403	283,241	283,241
	Intra District Charges	503,147	201,575	250,798	281,373
Treasury and Debt Management Total		2,484,554	1,555,763	1,788,475	1,913,917
Operations Total [(1)]		**16,508,802**	**17,421,653**	**18,717,912**	**19,721,549**

Debt Service Budget by Department and Account Category

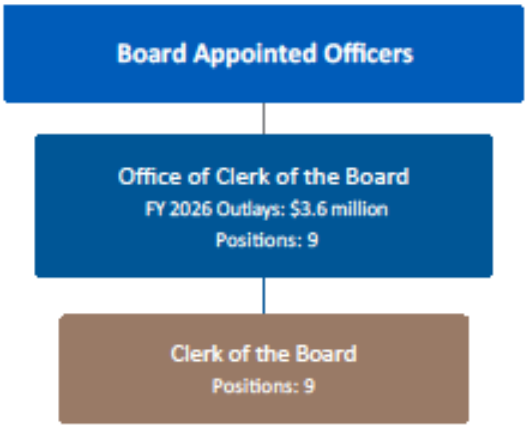
Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Treasury and Debt Management					–
	Services & Supplies	74,977,674	103,673,639	116,941,621	136,614,437
Treasury and Debt Management Total		74,977,674	103,673,639	116,941,621	136,614,437
Debt Service Total [(1)]		**74,977,674**	**103,673,639**	**116,941,621**	**136,614,437**

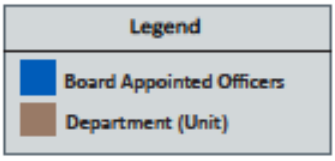
Capital Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Treasury and Debt Management					
	Salaries & Benefits	61,387	223,523	151,200	140,806
	Services & Supplies	51,098	–	–	–
	Intra District Charges	38,360	133,559	87,883	85,277
Treasury and Debt Management Total		150,845	357,082	239,083	226,083
Capital Total [(1)]		**150,845**	**357,082**	**239,083**	**226,083**
Division Total [(1)]		**91,637,321**	**121,452,374**	**135,898,617**	**156,562,069**

(1) Totals reflect the gross budget and includes 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 Valley Water 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 Valley Water 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, Board Governance Policy GP- 10, and maintains the integrity of the Board's legislative records, processes, and actions.

FY 2025 Accomplishments

- Successfully managed over 30 Regular and Special Board Meetings in accordance with the District Act, Board Policies, and the Ralph M. Brown Act.
- Successfully managed over 100 Board Committee Meetings in accordance with Board Policies and the Ralph M. Brown Act.
- Successfully scheduled over 1,000 meetings for individual Directors.
- Tracked, monitored, and reported on the registration of external lobbyists in accordance with Ordinance 10-01.
- Assigned tracked and monitored approximately 350 Board Correspondences.
- Assigned and tracked approximately 40 Board Member Requests and 60 Individual Board Member Request in accordance with Board Governance Policy EL-2.6.
- Successfully scheduled presentation of Board Committee Accomplishment reports in the third quarter of fiscal year.
- Successfully managed review revisions to the Board Governance Policies.
- Successfully managed November 2024 District Elections.

FY 2026 Milestones

- Successfully manage Regular and Special Board Meeting in accordance with the District Act, Board Policies, and the Ralph M. Brown Act.
- Successfully manage Board Committee Meetings in accordance with Board Policies and the Ralph M. Brown Act.
- Successfully manage meetings for individual Directors.
- Track, monitor, and report the registration of external lobbyists in accordance with Ordinance 10-01.
- Assign, track, and monitor Board Correspondences.
- Assign and track Board Member Requests and Individual Board Member Request in accordance with Board Governance Policy EL-2.6.
- Successfully schedule presentation of Board Advisory Committee Accomplishment reports in the third quarter of fiscal year.
- Successfully track and present Board-approved Board Performance Management process.
- Manage review and revisions of the Board Governance Policies as necessary.

FY 2027 Milestones

- Successfully manage Regular and Special Board Meeting in accordance with the District Act, Board Policies, and the Ralph M. Brown Act.
- Successfully manage Board Committee Meetings in accordance with Board Policies and the Ralph M. Brown Act.
- Successfully manage meetings for individual Directors.
- Track, monitor, and report the registration of external lobbyists in accordance with Ordinance 10-01.
- Assign, track, and monitor Board Correspondences.
- Assign and track Board Member Requests and Individual Board Member Request in accordance with Board Governance Policy EL-2.6.
- Successfully schedule presentation of Board Advisory Committee Accomplishment reports in the third quarter of fiscal year.
- Successfully track and present Board-approved Board Performance Management process.
- Manage review and revisions of the Board Governance Policies as necessary.
- Manage November 2026 District Elections.

Office of Clerk of the Board — Budget Summary

Project Type (Category)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	3,658,450	4,996,479	3,564,246	6,686,737
Total [1]	**3,658,450**	**4,996,479**	**3,564,246**	**6,686,737**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Plan Budget
Office of Clerk of the Board	3,658,450	4,996,479	3,564,246	6,686,737
Total [1]	**3,658,450**	**4,996,479**	**3,564,246**	**6,686,737**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

Office of Clerk of the Board - Position Summary

	FY 2023-24 Adjusted Budget[2]	FY 2024-25 Adopted Budget[2]	FY 2025-26 Adopted Budget[3]	FY 2026-27 Proposed Plan
Authorized Positions [1]	**15**	**15**	**9**	**9**

(1) Authorized positions exclude limited term positions.

(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY 2026 Organizational Chart.

(3) 5 positions from Records & Library Services Unit were moved from Clerk of the Board to IT division during FY 2025.

Operations Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Office of the Clerk of the Board					
	Salaries & Benefits	2,299,137	2,319,293	2,363,204	2,522,176
	Services & Supplies	958,657	2,271,160	766,155	3,675,240
	Intra District Charges	400,657	406,026	434,887	489,320
Office of the Clerk of the Board Total		3,658,450	4,996,479	3,564,246	6,686,737
Operations Total [(1)]		**3,658,450**	**4,996,479**	**3,564,246**	**6,686,737**
Division Total [(1)]		**3,658,450**	**4,996,479**	**3,564,246**	**6,686,737**

(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

Office of District Counsel





Division Description and Objectives

The Office of District Counsel provides professional, timely, and strategic legal advice, representation of Valley Water and its officers and employees, and 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 Valley Water. The Office of District Counsel also oversees the Risk Management program.

Risk Management

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

FY 2025 Accomplishments

- 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 ongoing capital projects.
- Provided legal advice to the Human Resources Division regarding ongoing personnel and labor relations matters.
- Administered the Liability and Property programs in a manner that provided prompt and fair adjustment of claims and losses.
- Main Point of Contact related for claim activity; conducted other claim and cost research as necessary.
- Successfully negotiated and secured Valley Water’s various insurance policies.
- Assisted staff with the RFP for Valley Water’s first Owner Controlled Insurance Program (OCIP).

FY 2026 Milestones

- Provide timely legal advice to the District, the District Board, officers, and employees.
- Provide representation to the District relating to annual groundwater production charges.
- Provide environmental legal advice and representation as to the FAHCE complaint.
- Provide legal advice regarding imported water matters including water transfer agreements and litigation.
- Provide legal advice to the District regarding ongoing capital projects.
- Provide legal advice to the Human Resources Division regarding ongoing personnel and labor relations matters.
- Successfully negotiate and secure Valley Water’s various insurance policies.
- Conduct monthly Open Liability Claims Review.
- Interface with Third-Party Administrator (TPA) and state governmental entities to ensure District compliance with new medical set-aside regulations on a regular basis.

FY 2027 Milestones

- Provide timely legal advice to the District, the District Board, officers, and employees.
- Provide representation to the District relating to annual groundwater production charges.
- Provide environmental legal advice and representation as to the FAHCE complaint.
- Provide legal advice regarding imported water matters including water transfer agreements and litigation.
- Provide legal advice to the District regarding ongoing capital projects.
- Provide legal advice to the Human Resources Division regarding ongoing personnel and labor relations matters.
- Successfully negotiate and secure Valley Water’s various insurance policies.

Office of District Counsel — Budget Summary

Project Type (Category)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	14,605,842	14,032,790	15,154,670	15,938,109
Capital	1,379,809	1,176,000	2,712,000	1,020,000
Total [1]	**15,985,652**	**15,208,790**	**17,866,670**	**16,958,109**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Plan Budget
Office of District Counsel	9,077,940	8,723,959	10,892,953	9,306,499
Risk Management Program	6,907,711	6,484,831	6,973,716	7,651,610
Total [1]	**15,985,652**	**15,208,790**	**17,866,670**	**16,958,109**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

Office of District Counsel - Position Summary

	FY 2023-24 Adjusted Budget[2]	FY 2024-25 Adopted Budget[2]	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Authorized Positions [1]	**14**	**13**	**13**	**13**

(1) Authorized positions exclude limited term positions.

(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY 2026 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Office of the District Counsel					
	Salaries & Benefits	4,309,319	4,376,213	4,399,730	4,732,167
	Services & Supplies	2,626,612	2,358,300	2,914,270	2,564,270
	Intra District Charges	762,200	813,445	866,953	990,063
Office of the District Counsel Total		7,698,131	7,547,959	8,180,953	8,286,499
Risk Management Program					
	Salaries & Benefits	722,909	603,372	606,199	639,806
	Services & Supplies	5,832,229	5,556,286	6,034,577	6,638,632
	Intra District Charges	352,574	325,173	332,941	373,171
Risk Management Program Total		6,907,711	6,484,831	6,973,716	7,651,610
Operations Total [1]		**14,605,842**	**14,032,790**	**15,154,670**	**15,938,109**

Capital Budget by Department and Account Category

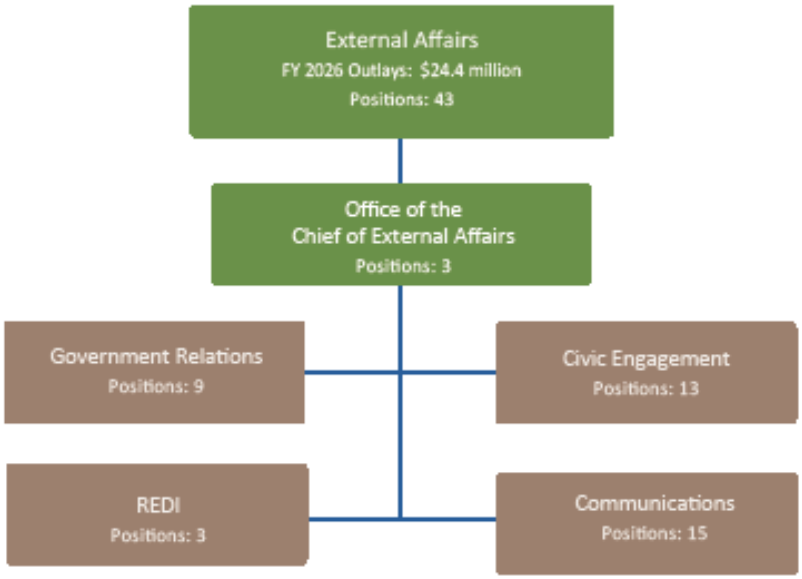
Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Office of the District Counsel					
	Services & Supplies	1,379,809	1,176,000	2,712,000	1,020,000
Office of the District Counsel Total		1,379,809	1,176,000	2,712,000	1,020,000
Capital Total [1]		**1,379,809**	**1,176,000**	**2,712,000**	**1,020,000**
Division Total [1]		**15,985,652**	**15,208,790**	**17,866,670**	**16,958,109**

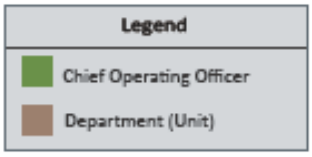
(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

External Affairs

External Affairs is responsible for programs that increase employee and community awareness and engagement on Valley Water 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 Valley Water and is responsible for managing Valley Water's relationships with the community, government officials, the media, and other key stakeholders. External Affairs also manages REDI initiatives that comply with anti-discrimination laws and support fairness in the workplace, including social responsibility and community engagement.

Office of Chief of External Affairs





Division Description and Objectives

The Office of External Affairs provides leadership and management of planning, integration, and execution of strategic external affairs efforts through the Office of Communications, Office of Civic Engagement, Office of Government Relations, and Office of REDI.

Office of Government Relations

The Office of Government Relations advocates at the local, regional, state, and federal levels to promote and advance the water supply, flood protection, revenue enhancement, and environmental stewardship interests of Valley Water and the residents of Santa Clara County, in alignment with the Board's legislative priorities. Major activities include robust advocacy with elected and appointed officials and key advocacy stakeholders, execution of strategic partnerships, and community engagement through events and sponsorships. Government Relations serves as the internal and external connection for legislation, development of strategic support and opposition, and supplemental funding opportunities for Valley Water.

Office of Civic Engagement

The Office of Civic Engagement (OCE) engages with the community through partnerships, grants, educational activities, and community service opportunities to build understanding, trust, and support for Valley Water's goals and mission. OCE oversees the following programs: Safe, Clean Water Grants & Partnerships Program, Public Art, Education Outreach, Water 101 Academy/Ambassadors Program, Creek Stewardship, Water Supply Outreach, and Community Rating System through the 2021 Multi-Jurisdictional Program for Public Information. OCE also provides programmatic oversight and coordination for the Board Advisory Youth Commission and the Residential Water Rate Assistance Program.

Office of REDI

The Office of REDI strives to strengthen Valley Water's attainment of fair outcomes for all communities served through the development, implementation, and advancement of organizational norms that foster fair employment opportunities and outcomes for all current and future employees in accordance with applicable non-discrimination laws and fair outcomes for all communities we serve. Through collaboration with internal interest-holders, REDI supports initiatives to attract, retain, and promote a talented workforce that can realize and contribute its full potential. REDI also leads capacity-building activities, including training, educational offerings, and community-building to raise self-awareness, shared understanding, and respect for all.

Office of Communications

The Office of Communications informs, engages, and educates the community, including Valley Water employees, on water conservation, water supply and quality, flood protection, and environmental stream stewardship efforts. In addition to being responsive to the community regarding updates on all Valley Water projects and programs, Communications provides timely responses to media inquiries on relevant topics such as Valley Water's approach to extreme weather conditions or its future planning to secure more clean, safe, reliable water in the face of climate change or public emergencies. Through social media platforms, marketing campaigns, and public relations efforts, Communications highlights the work of Valley Water and its Board of Directors.

FY 2025 Accomplishments

- Secured $80 million in federal funding to complete Phase 2B of the Upper Llagas Creek Flood Protection Project.
- Secured $1.1 million in federal funding to complete the Upper Guadalupe River Project General Reevaluation Report.
- Coordinated a successful fall advocacy trip to Washington, D.C., that included more than 20 meetings with Members of Congress, staff, and key agency officials to advocate for Valley Water projects and priorities.
- Advocated for Valley Water projects and priorities with Members of Congress and staff by conducting tours of key water supply and flood protection projects, including the Shoreline Phase I Project and the Anderson Dam Seismic Retrofit Project.
- On November 5, voters approved Proposition 4, the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024. This measure offers significant opportunities for Valley Water, including $3.8 billion for safe drinking water, drought preparedness, and flood resilience. Key allocations include $480 million for dam safety, $150 million for state flood control subventions, $387.25 million for recycled water, and $1.2 billion for sea level rise and climate resilience.
- The Governor signed AB 2501 (Alvarez), which allows the State Water Resources Control Board to contract with public agencies to process the permitting of public infrastructure projects.
- The Governor signed AB 2875 (Friedman), which establishes in statute state policy to ensure no net loss and long-term gain in the quantity, quality, and permanence of wetlands acreage and values in California. Staff successfully negotiated amendments to help with the permitting of public infrastructure projects while preventing the loss of habitat due to inundation from sea level rise and other impacts associated with climate change.
- Secured 24 letters of support (to date in FY 25) from local elected officials and key advocacy stakeholders to advance Valley Water projects and priorities, including state legislation and budget advocacy, water use efficiency and conservation goals, the Anderson Dam Seismic Retrofit Project, Water Resources Protection Zones Ordinance.
- Coordinated the VIP Water Walk Tour, which hosted 30 elected officials, staff, as well as key advocacy stakeholders on a tour of Valley Water's critical water infrastructure in Santa Clara County. The tour served as an opportunity to educate and engage regional stakeholders on the projects' benefits and to advocate for legislative needs. Tour guests included elected officials across ten cities, County and special district staff, as well as State and Federal representatives and business leaders.
- Hosted the Unhoused People and Environment Summit, which drew more than 300 attendees virtually and in person and convened local elected representatives, state agency officials, nonprofit groups, and advocacy organizations to discuss addressing encampments of unsheltered people living along Valley Water's waterways and working together towards solutions for those experiencing homelessness. Also secured support for the passage of the Water Resources Protection Zones (WRPZ) Ordinance.
- Continued fostering beneficial working relationships with members of the local media so they are receptive to covering Valley Water news/events.
- Safe, Clean Water Grants & Partnerships Program - Developed and began implementing the redesigned grants program for refill station grants, mini-grants and standard grants. Awarded $15,000 for three refill station projects, $20,000 for two mini-grant projects, and launched the FY25 standard grant cycle with $1.87 million in available funding (as of February 2025).
- Public Art Program – Continued developing the Public Art Strategic Plan.
- Community Rating System (CRS) Program - Developed and began implementing the PPI activities and the transition to a CRS partnership model with the participating communities in Santa Clara County.
- Youth Commission - Administered the Youth Commission and the Board-approved work plan, which included the Creekside Community Care Project, Education Project, and Water Quality and Creek Stewardship Project.
- Water Supply Outreach Program - Continued a comprehensive outreach plan to support the expanded purified water project, including engagement with 704 public tour attendees and distributing 2,696 purified demonstration water samples (as of November 2024).
- Education Outreach Program - Engaged with 4,889 students and youth in Santa Clara County through 82 classroom lessons, 16 assemblies, and 2 field trips (as of November 2024).
- Creek Stewardship Program - Successfully hosted Coastal Cleanup Day on September 21, 2024, and continued to administer the Adopt-A-Creek Program, which resulted in 1,123 volunteers participating in removing 36,867 pounds of trash and recyclables from 67.3 miles of creeks and waterways in Santa Clara County (as of November 2024).

- Water Ambassadors / Water 101 Academy – Implemented enhanced engagement with the Water Ambassadors from all cohort years.
- Residential Water Rate Assistance Program (WRAP) – Administered community relief funding with a community-based organization for residents in Santa Clara County.
- Initiated implementation of agency-wide strategy, including the development of action plans with several units to strengthen unit-specific outcomes of employees and the impact of their work to the broader community.
- Conducted agency-wide completion assessment of Board Agenda Memo's Environmental Justice process.

FY 2026 Milestones

- Annually convene a policy and legislative development meeting; establish priorities; bring guiding principles and legislative proposals to the Board for review and adoption by November on an as-needed/directed basis.
- Coordinate D.C. advocacy trips with our federal officials and a Sacramento advocacy trip with our state officials to advocate for Valley Water's funding and legislative priorities.
- Safe, Clean Water Grants & Partnerships Program - Continue to implement the audit recommendations, complete the redesign of the program, and continue to administer the program, making $2 million in funding available to the public for community-led projects each year. In FY25-FY27, a total of $2.07 million is available.
- Public Art Program – the program will be on hold due to budget constraints and will resume in FY30-FY36.
- CRS Program - Partner with Santa Clara County communities participating in the Community Rating System to reduce National Flood Insurance Program flood insurance premiums through the 2021 Multi-jurisdictional Program for Public Information.
- Youth Commission – Foster greater involvement of youth in local government through this youth-led advisory group to the Board of Directors, which includes completing an annual work plan by end of fiscal year.
- Creek Stewardship - Support volunteer cleanup activities, such as National River Cleanup Day (NRCD), California Coastal Cleanup Day (CCCD), the Great American Litter Pick Up, Adopt-A-Creek and the Creek Connections Action Group; along with creekwise education and regional coordination efforts.
- Education Outreach - Educate and engage at least 8,000 youth and 300 educators in Santa Clara County. This project is a comprehensive education outreach program for early childhood, elementary, middle, and high school students.
- Water Supply Outreach - Educate and inform the public about recycled and purified water as one of several water supply strategies is key to its expansion in the future, particularly for the potential use of highly purified recycled water to expand drinking water supplies.
- Water Ambassadors / Water 101 Academy – Host Water 101 cohort leadership program for 21 County residents to develop a holistic understanding of Valley Water and its goal to provide safe, clean water and natural flood protection. In the alternate year (FY27), implement enhanced engagement with the Water Ambassadors from all cohort years.
- Residential Water Rate Assistance Program (WRAP) – Re-establish the framework to continue administering community relief funding with a community-based organization for water bills for residents in Santa Clara County.
- Continue implementation of agency-wide strategic initiatives by assisting in developing division/unit-specific action plans to enhance employee and community engagement outcomes by June 30, 2026.
- Initiate process to evaluate agency-wide strategic implementation by June 30, 2026.
- Host a series of learning and capacity-building events, including but not limited to panels, lunch & learns, and training, for interested employees by June 30, 2026.
- Continue to develop mechanisms for employee feedback on relevant content in collaboration with employee groups and partners and provide recommendations as appropriate.
- Conduct ongoing outreach to local Tribal groups and support relevant agency compliance efforts with Section 106, CA AB 52, and other applicable laws by June 30, 2026.
- Continue to manage effective PR campaigns and media outreach to communicate Valley Water projects, programs, and responses.

- Continue community outreach through public meetings and other forums to inform the public and stakeholders about projects impacting their communities.
- Develop and draft the next edition of Valley Water's history book, which documents major milestones the agency has recorded from 2005 to 2025.

FY 2027 Milestones

- Annually convene a policy and legislative development meeting; establish priorities; bring guiding principles and legislative proposals to the Board for review and adoption by November on an as needed/directed basis.
- Coordinate D.C. advocacy trips with our federal officials and a Sacramento advocacy trip with our state officials to advocate for Valley Water's funding and legislative priorities.
- Safe, Clean Water Grants & Partnerships Program - Continue administering the redesigned program and make $1.8 million in funding available to the public for community-led projects each year. In FY25-FY27, a total of $2.07 million is available.
- Public Art Program - This program will be on hold due to budget constraints and will resume in FY30-FY36.
- CRS Program - Partner with Santa Clara County communities participating in the Community Rating System to reduce National Flood Insurance Program flood insurance premiums through the 2021 Multi-jurisdictional Program for Public Information.
- Youth Commission – Foster greater involvement of youth in local government through this youth-led advisory group to the Board of Directors, which includes completing an annual work plan by end of fiscal year.
- Creek Stewardship - Support volunteer cleanup activities, such as National River Cleanup Day (NRCD), California Coastal Cleanup Day (CCCD), the Great American Litter Pick Up, Adopt-A-Creek and the Creek Connections Action Group; along with creekwise education and regional coordination efforts.
- Education Outreach - Educate and engage at least 8,000 youth and 300 educators in Santa Clara County. This project is a comprehensive education outreach program for early childhood, elementary, middle and high school students.
- Water Supply Outreach - Educate and inform the public about recycled and purified water as one of several water supply strategies is key to its expansion in the future, particularly for the potential use of highly purified recycled water to expand drinking water supplies.
- Water Ambassadors / Water 101 Academy – Implement enhanced engagement with the Water Ambassadors from all cohort years. In the alternate year (FY28), host Water 101 cohort leadership program for 21 County residents to develop a holistic understanding of Valley Water and its goal to provide safe, clean water and natural flood protection.
- Residential Water Rate Assistance Program (WRAP) – Administer community relief funding with a community-based organization for water bills for residents in Santa Clara County.
- Continue agency-wide initiative implementation by assisting in developing division/unit-specific action plans to enhance employee and fair community outcomes by June 30, 2027.
- Monitor agency-wide initiatives implementation and assessment of key performance indicators by June 30, 2027.
- Host a series of learning and capacity-building opportunities, including but not limited to panels, lunch and learns, and training, by June 30, 2027.
- Conduct ongoing outreach to local Tribal groups and support agency compliance with relevant laws by June 30, 2027.
- Continue to manage effective PR campaigns and media outreach to communicate Valley Water projects, programs, and responses.
- Continue community outreach through public meetings and other forums to inform the public and stakeholders about projects impacting their communities.

Office of Chief of External Affairs — Budget Summary

Project Type (Category)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	19,710,688	22,126,849	22,795,444	23,954,331
Operating Project	870,261	–	1,333,333	1,333,333
Capital	254,622	311,668	281,793	241,217
Total [1]	**20,835,571**	**22,438,517**	**24,410,571**	**25,528,880**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Civic Engagement	2,013,726	–	–	–
District Communications	6,994,760	6,851,120	7,253,914	7,615,451
Government Relations	4,535,933	5,102,728	4,990,448	5,252,184
Office of Chief of External Affairs	1,861,884	1,602,471	1,482,892	1,585,750
Office of Civic Engagement	4,120,368	7,449,886	9,399,720	9,759,577
Office of REDI	1,308,900	1,432,312	1,283,596	1,315,919
Total [1]	**20,835,571**	**22,438,517**	**24,410,571**	**25,528,880**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

Office of the Chief of External Affairs - Position Summary

	FY 2023-24 Adjusted Budget [2]	FY 2024-25 Adopted Budget [2]	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Authorized Positions [1]	**47**	**46**	**43**	**43**

(1) Authorized positions exclude limited term positions.

(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY 2026 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Civic Engagement [1]					
	Salaries & Benefits	901,744	–	–	–
	Services & Supplies	665,490	–	–	–
	Intra District Charges	446,492	–	–	–
Civic Engagement Total		2,013,726	–	–	–
Communications					
	Salaries & Benefits	3,600,902	3,726,652	4,002,890	4,235,660
	Services & Supplies	2,100,823	1,738,061	1,770,980	1,770,980
	Intra District Charges	1,038,661	1,148,722	1,246,003	1,372,786
Communications Total		6,740,386	6,613,435	7,019,873	7,379,426
Government Relations					
	Salaries & Benefits	2,407,991	3,041,836	2,890,435	3,084,548
	Services & Supplies	1,667,363	1,552,100	1,588,504	1,588,504
	Intra District Charges	460,579	508,792	511,509	579,132
Government Relations Total		4,535,933	5,102,728	4,990,448	5,252,184
Office of the Chief of External Affairs					
	Salaries & Benefits	1,531,515	1,220,862	1,100,764	1,176,116
	Services & Supplies	59,911	167,600	170,280	170,280
	Intra District Charges	270,458	214,009	211,849	239,354
Office of the Chief of External Affairs Total		1,861,884	1,602,471	1,482,892	1,585,750
Office of Civic Engagement					
	Salaries & Benefits	1,552,331	3,075,403	3,390,362	3,643,742
	Services & Supplies	2,015,313	3,144,075	4,651,675	4,619,100
	Intra District Charges	552,708	1,168,526	1,309,932	1,491,543
Office of Civic Engagement Total		4,120,352	7,388,004	9,351,968	9,754,385
Office of REDI					
	Salaries & Benefits	775,411	1,070,829	900,502	960,660
	Services & Supplies	362,181	157,200	209,150	159,150
	Intra District Charges	171,075	192,182	173,944	196,109
Office of REDI Total		1,308,668	1,420,211	1,283,596	1,315,919
Operations Total [2]		**20,580,949**	**22,126,849**	**24,128,777**	**25,287,664**
Division Total [2]		**20,835,571**	**22,126,849**	**24,128,777**	**25,287,664**

(1) In FY24, Civic Engagement Unit was reintegrated with the Office of Community Benefits and renamed to "Office of Civic Engagement".

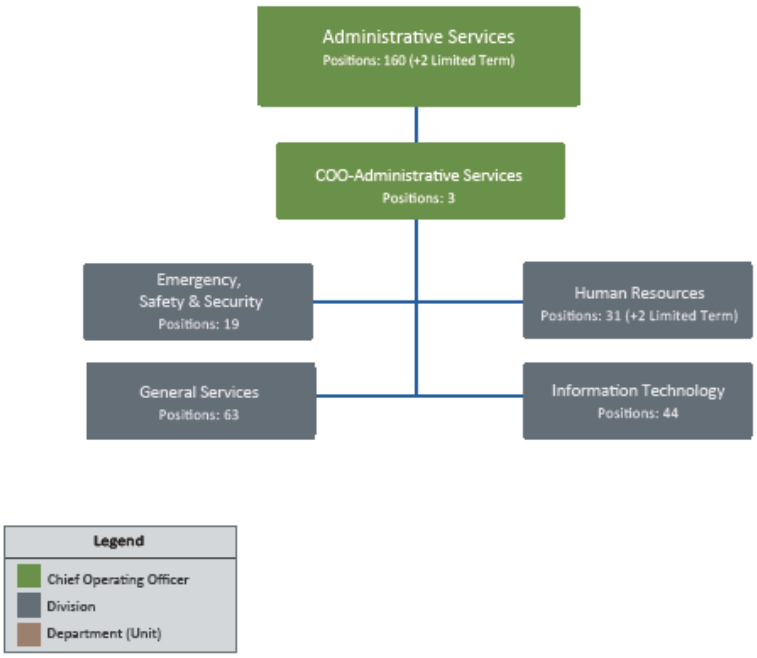
(2) Totals reflect the gross budget and includes intra-district reimbursement charges.

Capital Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Communications					
	Salaries & Benefits	120,313	131,185	135,465	141,835
	Services & Supplies	61,930	30,000	16,800	5,000
	Intra District Charges	72,131	76,500	81,776	89,190
Communications Total		254,374	237,685	234,041	236,025
Office of Civic Engagement					
	Salaries & Benefits	–	26,596	29,250	3,121
	Services & Supplies	16	18,400	–	–
	Intra District Charges	–	16,886	18,502	2,071
Office of Civic Engagement Total		16	61,882	47,752	5,192
Office of REDI					
	Salaries & Benefits	138	7,466	–	–
	Intra District Charges	94	4,635	–	–
Office of REDI Total		232	12,101	–	–
Capital Total [(1)]		**254,622**	**311,668**	**281,793**	**241,217**
Division Total [(1)]		**20,835,571**	**22,438,517**	**24,410,571**	**25,528,880**

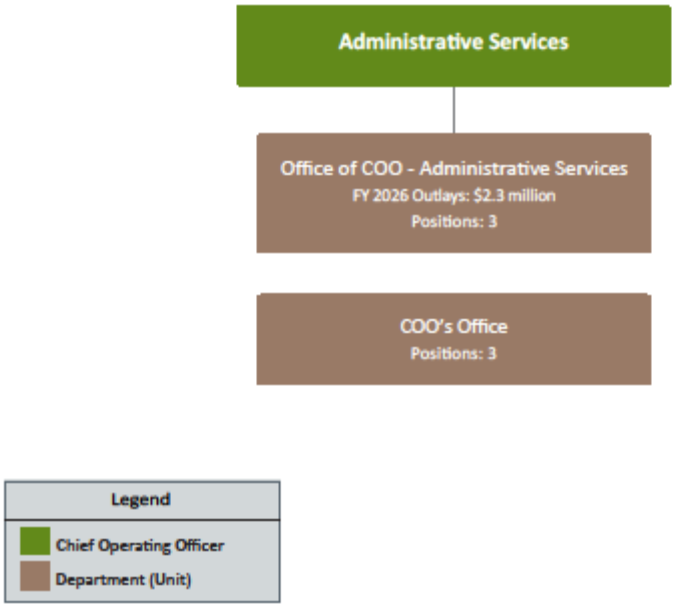
(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

Administrative Services



The Administrative Services (AS) business area supports the mission of Valley Water—to provide Silicon Valley with safe, clean water for a healthy life, environment, and economy—by providing essential business services for Valley Water. Administrative services are vital to Valley Water operations and capital programs. Directed by the Chief Operating Officer, Administrative Services comprises four management divisions, each including functional units that carry out the division's work.

Office of COO Administrative Services



Division Description and Objectives

Administrative Services support the mission of Valley Water - to provide Silicon Valley with safe, clean water for a healthy life, environment, and economy. Administrative Services are vital to Valley Water's operations and capital programs.

The Office of the Chief Operating Officer (COO) of Administrative Services (AS) provides executive leadership and direct oversight to Valley Water administrative business areas, including Information Technology, General Services, Human Resources and Labor Relations, Emergency, Environmental Health and Safety, and Security Services. The Office of the COO-AS is responsible for ensuring that administrative functions are operated efficiently and effectively, following the goals and policies established by the Board of Directors and the Chief Executive Officer.

FY 2025 Accomplishments

- Provided leadership and support for all the administrative needs of Valley Water, including oversight over Information Technology, General Services, Emergency, Environmental Health & Safety and & Security Services, Human Resources and Labor Relations.
- Aligned Administrative Services with Board goals by providing executive leadership to realign departmental objectives with the Board Work Plan, enhancing coordination across IT, HR, General Services, Labor Relations, and Security.
- Improved operational efficiency and service delivery by leading initiatives to enhance internal operations and customer service, resulting in greater responsiveness, reliability, and stakeholder satisfaction.
- Launched the Innovations Unit under IT to lead Valley Water into a new era of innovation by implementing multiple AI tools to assist and guide staff.
- Enhanced management effectiveness by implementing training programs to improve communication, project execution, and continuous improvement, fostering a more engaged and agile workforce.
- Conducted Emergency Action Plan (EAP) training and exercises with the Multi-Agency Coordination group.
- Leveraged partnerships with learning organizations to expand Valley Water programs and increase knowledge of infrastructure and careers in the water industry.
- Launched advanced workforce analytics initiatives using VEMO, a tool that provides workforce analytics and supports data-driven business decisions.
- Provided Labor Relations (LR), Ethics, and Equal Opportunity (EEO) training to supervisors and managers as part of the Supervisor Core Training Program.

FY 2026 Milestones

- Provide executive leadership and direct oversight to the Administrative Services business area.
- Increase operational and customer service levels.
- Provide management training activities that promote communication, project efficiencies, and process improvement.
- Support human resources development, mentoring, and recruitment that benefit the organization.
- Provide special team-building events and efforts for the Administrative Services business area.

FY 2027 Milestones

- Provide executive leadership and direct oversight to the Administrative Services business area.
- Increase operational and customer service levels.
- Provide management training activities that promote communication, project efficiencies, and process improvement.
- Support human resources development, mentoring, and recruitment that benefit the whole organization.
- Provide special team-building events and efforts for the Administrative Services business area.

Office of COO Administrative Services — Budget Summary

Project Type (Category)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	1,333,699	2,155,510	2,253,338	2,358,283
Capital	2,064	–	–	–
Total [1]	**1,335,763**	**2,155,510**	**2,253,338**	**2,358,283**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Office of COO Administrative Services	1,335,763	2,155,510	2,253,338	2,358,283
Total [1]	**1,335,763**	**2,155,510**	**2,253,338**	**2,358,283**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

Office of COO Administrative Services - Position Summary

	FY 2023-24 Adjusted Budget [2]	FY 2024-25 Adopted Budget [2]	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Authorized Positions [1]	**3**	**3**	**3**	**3**

(1) Authorized positions exclude limited term positions.

(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

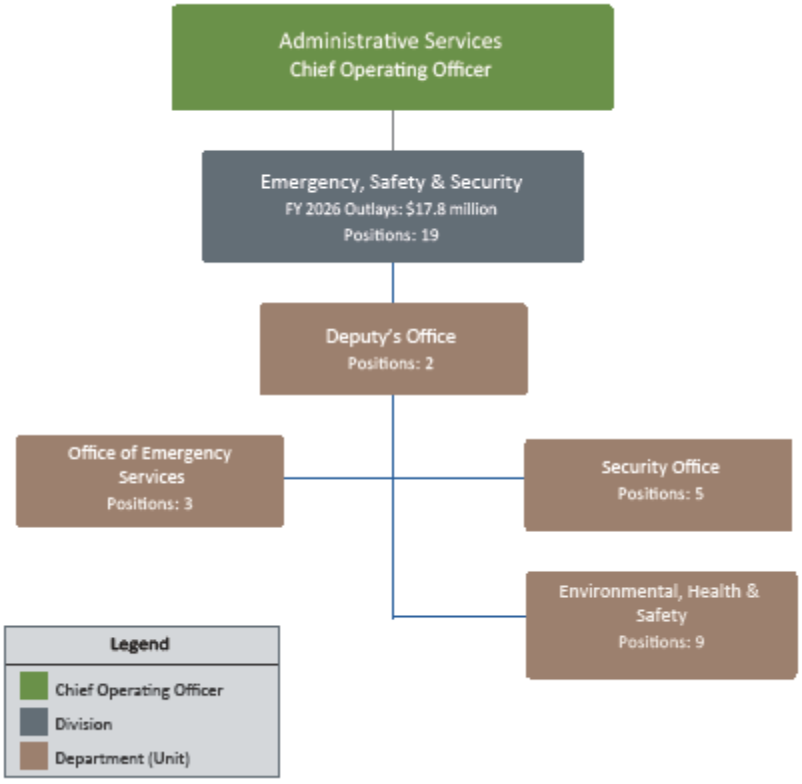
Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Office of COO Administrative Services					
	Salaries & Benefits	1,055,775	1,065,987	1,134,615	1,211,704
	Services & Supplies	93,212	897,760	904,120	904,120
	Intra District Charges	184,712	191,763	214,603	242,460
Office of COO Administrative Services Total		1,333,699	2,155,510	2,253,338	2,358,283
Operations Total [(1)]		**1,333,699**	**2,155,510**	**2,253,338**	**2,358,283**
Division Total [(1)]		**1,335,763**	**2,155,510**	**2,253,338**	**2,358,283**

(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

Capital Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Office of COO Admin Services					
	Salaries & Benefits	1,760	–	–	–
	Intra District Charges	304	–	–	–
Office of COO Admin Services Total		2,064	–	–	–
Capital Total [(1)]		**2,064**	**–**	**–**	**–**
Division Total [(1)]		**1,335,763**	**2,155,510**	**2,253,338**	**2,358,283**

Emergency, Safety and Security Division



Division Description and Objectives

The Emergency, Safety and Security Division includes the Office of Emergency Services (OES), Environmental Health and Safety Unit (EH&S), and the Security Office (SO). The Division provides a safe and secure environment for Valley Water infrastructure and staff, while maintaining a level of preparedness to respond to unplanned incidents and events to maintain business continuity for the agency.

Office of Emergency Services

The Office of Emergency Services (OES) is responsible for ensuring comprehensive, integrated, risk-based, emergency management for Valley Water staff and the critical infrastructure. OES also leads agency-wide development of applicable preparedness capabilities across prevention, preparedness, hazard mitigation, business continuity, response, and recovery.

Environmental, Health & Safety Services

As part of Valley Water's Administration function, the Environmental, Health & Safety (EH&S) Unit provides services for all of Valley Water. These services cover a wide range of activities including environmental, health and safety written program development and maintenance, incident safety investigation services, inspection and audit services and support, hazard analysis and risk prevention services, alcohol and drug abuse reasonable suspicion and testing services, contractor safety program evaluation, hazardous materials and hazardous waste management, regulatory permit compliance management, 24/7 hazardous materials pollution prevention response capabilities, ergonomic evaluations and workspace modifications, liaison with regulatory agencies when required, and administration of Valley Water's Workers' Compensation Program. The EH&S Unit works with Water Utility Enterprise during winter maintenance activities to ensure hazardous materials storage tanks are emptied, cleaned, and integrity tested per the required maintenance schedule. Additionally, the EH&S Unit responds to requests from customers for EH&S services or program assistance to ensure that Valley Water's EH&S programs are functional and sustainable.

Security Office

The Security Office (SO) delivers risk-based security capabilities through a continuous cycle of analysis, development, planning, and verification. These capabilities leverage a combination of guard forces, patrols, remote monitoring technologies, and a centralized Security Operations Center to safeguard Valley Water's personnel and critical infrastructure against threats such as terrorism, sabotage, vandalism, theft, violence, and other malicious acts. Additionally, the SO serves as Valley Water's liaison to local, regional, state, and federal law enforcement and intelligence agencies, ensuring seamless coordination and information sharing.

FY 2025 Accomplishments

Office of Emergency Services

- Conducted Annual Winter Preparedness Workshop with external stakeholders.
- Developed Valley Water's agency-wide business continuity strategy.
- Conducted Emergency Action Plan (EAP) Training and Exercise events; San Francisquito Multi-Agency Coordination group, annual City of San Jose JEAP update, Lower Penitencia EAP exercise - City of Milpitas, All Dam Call-Down Drill.
- Completed Flood EAP for Lower Penitencia Creek and a JEAP flood response procedure appendix for Berryessa Creek.
- Continue to manage and facilitate meetings for the Valley Water Emergency Steering Committee.
- Coordinated EOC Activations as required and requested by Crisis Management Team(s).

Environmental, Health & Safety Services

- Tier I Facility Safety Inspections 100% Complete.
- Tier II Facility Safety Audits 100% Complete.
- Development and implementation of Naloxone Availability Bystander Use Program.
- Continued EH&S support of CIPs.
- Completion of Cal/ARP requirements, including compliance audit, PHAs, and RMPs.
- Completion of required evacuation drills.
- Administration of the Workers' Compensation program previously managed in another business area.

Security Office

- Completed annual review and update to the Leroy-Anderson dam FERC security compliance inspection.
- Maintained Valley Water's security systems.
- Active collaboration and leadership with local and regional law enforcement and security threat assessment working groups.
- Provided Active Shooter Training.
- Completed Annual District Threat Assessment Update.
- Implemented enhanced security resources such as new communication tool agency wide to enhance security services to employee.

FY 2026 Milestones

Office of Emergency Services

- Conduct Annual Winter Preparedness Workshop with external stakeholders.
- Conduct review of Emergency Operations Plan and update as appropriate.
- Produce Hazard Mitigation Plan status report according to cadence directed by the County (MJHMP).
- Continue development of Flood EAPs.
- Conduct EOC and Emergency Action Plan (EAP) Training and Exercise events.
- Manage Emergency Steering Committee for Valley Water.

Environmental, Health & Safety Services

- Conduct a Tier II safety inspection for all manned District facilities.
- Complete annual fire evacuation drills for all manned District facilities.
- Coordinate, schedule, and complete all required safety-related training.
- Support business units hosting monthly Local Safety Committee meetings.
- Each EH&S Specialist is to conduct a minimum of 6 Jobsite Inspections, bi-monthly.
- Complete the required Facility Hazardous Material Compliance tasks.
- Establish and implement a Job Hazard Assessment program.
- Update and train all Valley Water employees on the safety module of the learning management system.
- Develop an Integrated Pest Management Policy Valley-wide and develop guidelines and practices for non-Watershed affected business units.

Security Office

- Support the Security Upgrades and Enhancements Project.
- Continue to offer security training to staff.
- Provide annual Workplace Violence Prevention Plan training to all Valley Water employees.
- Generate the security component for Federal Energy Regulatory Commission (FERC) compliance of Anderson Dam.
- FY 2026 Valley Water-Wide Threat Assessment.

FY 2027 Milestones

Office of Emergency Services

- Conduct Annual Winter Preparedness Workshop with external stakeholders.
- Conduct review of Emergency Operations Plan and update as appropriate.
- Produce Hazard Mitigation Plan status report according to cadence directed by the County (MJHMP).
- Maintain EOC Facilities and Systems.
- Continue development of Flood EAPs.
- Conduct EOC and Emergency Action Plan (EAP) Training and Exercise events.
- Manage Emergency Steering Committee for Valley Water.

Environmental, Health & Safety Services

- Conduct a Tier II safety inspection for all manned District facilities.
- Complete annual fire evacuation drills for all manned District facilities.
- Coordinate, schedule, and complete all required safety-related training.
- Support business units hosting monthly Local Safety Committee meetings.
- Each EH&S Specialist is to conduct a minimum of 6 Jobsite Inspections, bi-monthly.
- Complete the required Facility Hazardous Material Compliance tasks.

Security Office

- Support the Security Upgrades and Enhancements Project.
- Continue to offer security training to staff.
- Provide annual Workplace Violence Prevention Plan training to all Valley Water employees.
- Generate the security component for Federal Energy Regulatory Commission (FERC) compliance of Anderson Dam.
- FY 2027 Valley Water-Wide Threat Assessment.

Budget Issues and Constraints

Constraints of Emergency, Safety and Security Division include the Enhanced Safety and Security measures that are required to support staff safety in response to increased number of incidents and threats to staff. Staff and contracted security services cost have increased as a result.

Emergency, Safety and Security Division — Budget Summary

Project Type (Category)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	12,577,825	16,910,197	17,542,256	18,401,052
Capital	221,783	679,458	250,461	252,838
Total [1]	**12,799,608**	**17,589,655**	**17,792,717**	**18,653,890**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Emergency Safety & Security Division Deputy's Office	1,234,128	964,494	994,512	1,094,138
Environmental, Health & Safety	4,086,391	6,512,320	6,544,566	6,976,944
Office of Emergency Services	1,931,538	2,133,477	2,248,110	2,349,479
Security Office	5,547,551	7,979,364	8,005,530	8,233,329
Total [1]	**12,799,608**	**17,589,655**	**17,792,717**	**18,653,890**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

Emergency, Safety and Security Division - Position Summary

	FY 2023-24 Adjusted Budget [2]	FY 2024-25 Adopted Budget [2]	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Authorized Positions [1]	**19**	**20**	**19**	**19**

(1) Authorized positions exclude limited term positions.

(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

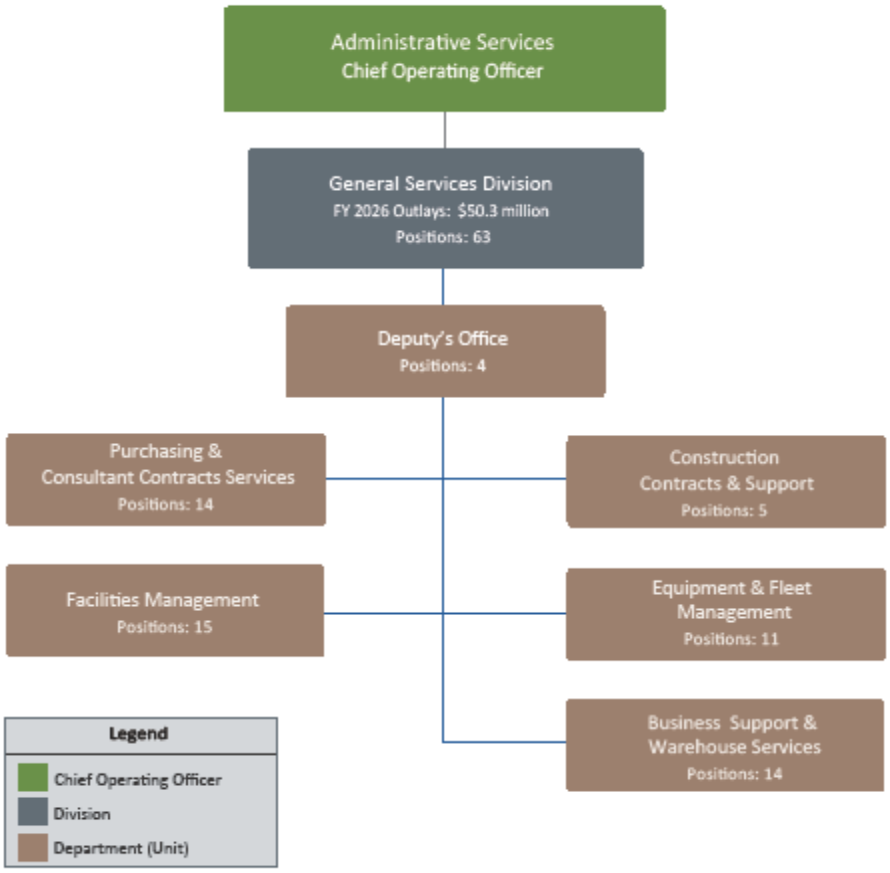
Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Emergency, Safety & Security Division Deputy's Office					
	Salaries & Benefits	559,441	588,814	611,302	660,021
	Services & Supplies	337,509	7,500	7,500	7,500
	Intra District Charges	337,178	368,180	375,710	426,617
Emergency, Safety & Security Division Deputy's Office Total		1,234,128	964,494	994,512	1,094,138
Environmental, Health & Safety					
	Salaries & Benefits	2,038,560	2,511,822	2,593,611	2,757,342
	Services & Supplies	827,429	2,398,300	2,466,629	2,535,736
	Intra District Charges	1,198,900	1,424,739	1,458,584	1,655,748
Environmental, Health & Safety Total		4,064,890	6,334,861	6,518,824	6,948,825
Office of Emergency Services					
	Salaries & Benefits	844,771	872,306	961,636	1,011,380
	Services & Supplies	634,494	768,500	768,500	768,500
	Intra District Charges	452,273	492,672	517,973	569,599
Office of Emergency Services Total		1,931,538	2,133,477	2,248,110	2,349,479
Security Office					
	Salaries & Benefits	1,318,071	1,321,394	1,530,325	1,602,454
	Services & Supplies	3,799,314	5,934,575	5,972,080	6,095,012
	Intra District Charges	229,884	221,396	278,405	311,143
Security Office Total		5,347,269	7,477,365	7,780,810	8,008,609
Operations Total [(1)]		**12,577,825**	**16,910,197**	**17,542,256**	**18,401,052**

Capital Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Security Office					
	Salaries & Benefits	6,995	182,513	–	–
	Services & Supplies	192,121	284,720	224,720	224,720
	Intra District Charges	1,166	34,766	–	–
Security Office Total		200,282	501,999	224,720	224,720
Environmental, Health & Safety					
	Salaries & Benefits	5,185	109,351	15,881	17,023
	Services & Supplies	13,054	–	–	–
	Intra District Charges	3,263	68,108	9,860	11,095
Environmental, Health & Safety Total		21,501	177,459	25,741	28,118
Capital Total [(1)]		**221,783**	**679,458**	**250,461**	**252,838**
Division Total [(1)]		**12,799,608**	**17,589,655**	**17,792,717**	**18,653,890**

(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

General Services Division



Division Description and Objectives

The General Services Division is responsible for the procurement of goods, general services and consultant services, construction contract advertisement, award and compliance, facility and fleet management, and business support and warehouse services in support of Valley Water's mission, business, and operational needs.

Construction Contracts and Support

The Construction Contracts and Support Unit provides support to Valley Water staff and facilitates the advertisement, bid and award process for all capital construction projects over $50,000. This unit also monitors capital construction contracts for post-award compliance with pertinent laws, codes and regulations, and provides ongoing support through project close-out.

Business Support, and Warehouse Services

The Business Customer Support and Warehouse Services Unit provides critical services that support Valley Water operations. This project covers the following business areas:

Business Customer Support Services include a centralized cashiering location and phone payment system; switchboard operations, incoming/outgoing mail processing; reprographics services for Valley Water publications and other documents; and word processing and forms management services.

Warehouse Services serves as the central receiving, stock inventory management, and distribution point for Valley Water. Warehouse Services provides additional shipping services, delivery of goods, storage services, mail courier services, management of Valley Water's Uniform Program, internal use only Drip Store, and oversees the recycling program for waste tires.

Purchasing and Consultant Contracts Services

The Purchasing and Consultant Contracts Unit provides strategic and technical sourcing for the purchase and acquisition of all goods, general services, and professional consulting services. The unit also manages non-competitive solicitations and competitive solicitations for all goods, services, and professional services contracts exceeding $50,000. The unit also provides guidance and support for post-award contract administration.

Equipment and Fleet Management

Equipment Management staff provide overall planning, management, administrative oversight, maintenance, and repairs for agency-wide equipment and fleet, which includes 335 sedans, SUVs, light, medium, and heavy trucks, construction equipment and forklifts, and approximately 600 pieces of equipment including tools, generators, boats, trailers, etc.

Facilities Management

Facilities Management Unit provides maintenance and repair services for approximately 24 Valley Water facilities, including the renovations to buildings and grounds. Staff also provide welding services to support operations for Valley Water.

FY 2025 Accomplishments

Construction Contracts and Support

- Advertised, Bid, Award for approximately 11 Capital Projects and monitor Compliance for 26 Capital Projects.
- Documented processes for monitoring and enforcing Labor Compliance and Project Labor Agreement requirements for CIP construction projects.
- Implemented the Small Business Enterprise Outreach Program for CIP construction projects.
- Developed initiatives to increase Small Business participation in Valley Water procurement opportunities.

Business Support, and Warehouse Services

- Updated and standardized unit intranet sites to ensure information is accurate and easy to locate.
- Completed the upgrade of Mail Center Equipment for more efficient performance and cost savings.

Purchasing and Consultant Contracts Services

- Improved contract processes to respond efficiently and effectively to consultant contract needs.
- Identified process improvements to align with industry best practices.
- Developed a Vendor Performance Evaluation program to evaluate vendors providing services to Valley Water.

Equipment and Fleet Management

- Replaced vehicles and construction equipment in accordance with the 12-year or 125,000-mile replacement criteria.
- Achieved 97.9% preventive maintenance compliance on light duty vehicles.
- Provided Fleet Management oversight effectively meeting district needs using industry best practices.
- Met CARB diesel emission replacement requirements ahead of mandate.

Facilities Management

- Completed Asphalt Maintenance Projects at Almaden Campus (BHA, HQ back parking lot and fleet motor pool).
- Completed office renovations at various locations.

FY 2026 Milestones

Construction Contracts and Support

- Advertise, Bid, Award for Capital Projects, and monitor Compliance for Capital Projects.
- Increase Small Business participation in Valley Water procurement opportunities.

Business Support, and Warehouse Services

- Complete general job requests within established metrics
- Produce high-quality deliverables within customer deadlines.
- Perform an annual physical inventory and complete associated reports.

Purchasing and Consultant Contracts Services

- Update contract templates for all contracts and solicitations.
- Update desktop manual for procurement staff purchase request.
- Execute all competitive solicitations within timelines set per approved QEMS work instructions.

Equipment and Fleet Management

- Replace vehicles in accordance with the 12-year or 125,000-mile replacement criteria.
- Replace Class IV equipment in accordance with Valley Water replacement criteria.
- Acquire new vehicles approved in the budget to meet operational needs.
- Achieve 90% or higher on preventive maintenance workorders on vehicles.
- Provide Fleet Management oversight effectively meeting Valley Water needs using industry best practices.
- Meet CARB diesel emission replacement requirements to meet mandate.

Facilities Management

- Complete office renovations at various locations
- Repair and maintain HVAC systems in accordance with industry standards.
- Respond to repair, maintenance, and event support requests within established metrics.

FY 2027 Milestones

Construction Contracts and Support

- Advertise, Bid, Award for Capital Projects and monitor Compliance for Capital Projects.
- Increase Small Business participation in Valley Water procurement opportunities.

Business Support, and Warehouse Services

- Complete general job requests within established metrics
- Produce high-quality deliverables within customer deadlines.
- Perform an annual physical inventory and complete associated reports.

Purchasing and Consultant Contracts Services

- Update contract templates for all contracts and solicitations.
- Update desktop manual for procurement staff.
- Execute all competitive solicitations within timelines set per approved QEMS work instructions.

Equipment and Fleet Management

- Replace vehicles in accordance with the 12-year or 125,000-mile replacement criteria.
- Replace Class IV equipment in accordance with Valley Water replacement criteria.
- Acquire new vehicles approved in the budget to meet operational needs.
- Achieve 90% or higher on preventive maintenance workorders on vehicles.
- Provide Fleet Management oversight effectively meeting Valley Water needs using industry best practices.
- Meet CARB diesel emission replacement requirements to meet mandate.

Facilities Management

- Complete office renovations at various locations.
- Repair and maintain HVAC systems in accordance with industry standards.
- Respond to repair, maintenance, and event support requests within established metrics.
- Facilitate space planning, moves, and set-ups to meet Valley Water operational needs.

Budget Issues and Constraints

Unknown and unplanned customer requests may require deviation from planned activities.

General Services Division — Budget Summary

Project Type (Category)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	27,948,735	32,176,071	32,383,292	34,217,689
Capital	6,407,847	12,046,463	17,893,738	20,132,056
Total [1]	**34,356,582**	**44,222,534**	**50,277,031**	**54,349,745**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Business Support & Warehouse	4,908,988	6,378,877	5,943,766	6,354,725
Construction Contracts and Support	3,038,922	4,311,380	2,916,645	3,108,798
Equipment Management	6,859,136	8,320,507	9,201,861	10,953,472
Facilities Management	14,152,965	18,423,523	25,136,273	26,463,029
General Services Division Deputy's Office	1,210,960	1,401,897	1,810,299	1,930,439
Purchasing & Consultant Contracts Services	4,185,612	5,386,350	5,268,187	5,539,281
Total [1]	**34,356,582**	**44,222,534**	**50,277,031**	**54,349,745**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

General Services Division - Position Summary

	FY 2023-24 Adjusted Budget [2]	FY 2024-25 Adopted Budget [2]	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Authorized Positions [1]	**71**	**71**	**63**	**63**

(1) Authorized positions exclude limited term positions.

(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

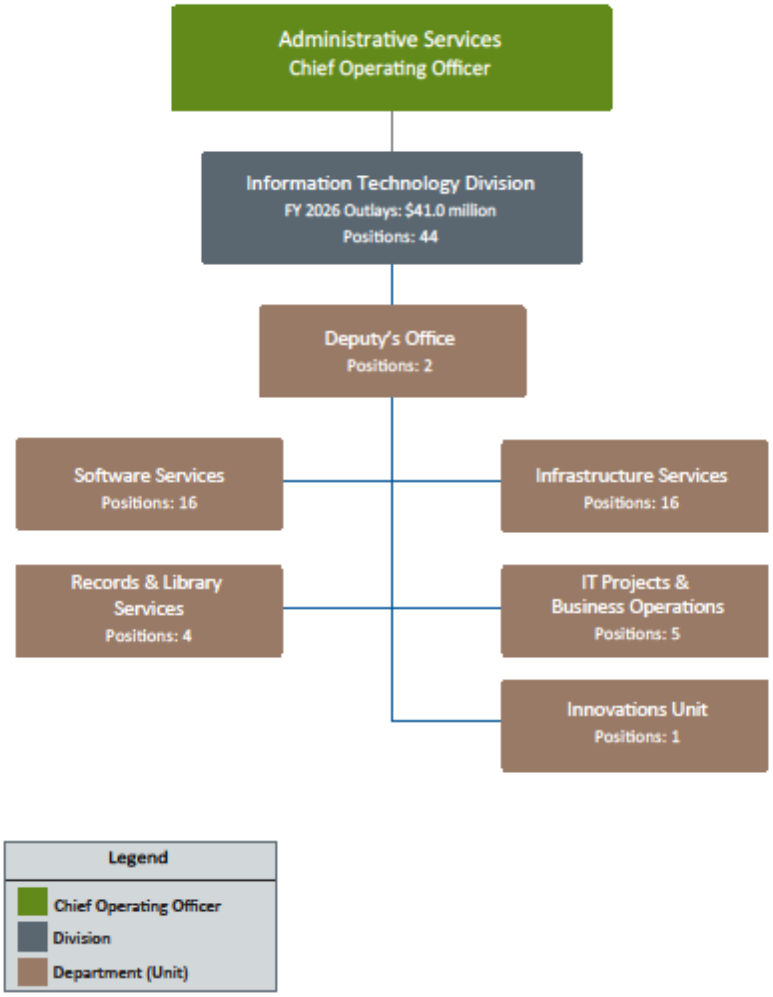
Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Business Support & Warehouse					
	Salaries & Benefits	2,924,559	3,356,427	3,187,637	3,378,621
	Services & Supplies	1,004,108	1,833,881	1,448,401	1,476,797
	Intra District Charges	980,321	1,153,148	1,307,728	1,499,307
Business Support & Warehouse Total		4,908,988	6,343,456	5,943,766	6,354,725
Construction Contracts and Support					
	Salaries & Benefits	23,493	13,248	9,143	9,678
	Services & Supplies	8,765	7,500	7,500	7,500
	Intra District Charges	6,799	2,360	1,695	1,885
Construction Contracts and Support Total		39,058	23,108	18,338	19,063
Equipment Management					
	Salaries & Benefits	2,309,639	2,457,728	2,632,065	2,794,272
	Services & Supplies	2,430,366	2,441,270	3,061,710	3,144,315
	Intra District Charges	1,291,704	1,371,509	1,428,087	1,576,886
Equipment Management Total		6,031,710	6,270,507	7,121,861	7,515,472
Facilities Management					
	Salaries & Benefits	3,155,299	3,956,802	3,865,245	4,117,368
	Services & Supplies	7,542,253	8,111,000	7,435,793	7,645,866
	Intra District Charges	874,953	845,175	919,804	1,095,474
Facilities Management Total		11,572,505	12,912,977	12,220,842	12,858,708
General Services Division Deputy's Office					
	Salaries & Benefits	940,555	949,407	1,284,425	1,374,234
	Services & Supplies	112,677	285,500	285,500	285,500
	Intra District Charges	157,728	166,990	240,373	270,706
General Services Division Deputy's Office Total		1,210,960	1,401,897	1,810,299	1,930,439
Purchasing & Consultant Contracts Services					
	Salaries & Benefits	3,369,396	3,742,734	3,839,142	4,036,145
	Services & Supplies	202,001	834,365	734,715	734,715
	Intra District Charges	614,118	647,026	694,330	768,421
Purchasing & Consultant Contracts Services Total		4,185,515	5,224,126	5,268,187	5,539,281
Operations Total [(1)]		**27,948,735**	**32,176,071**	**32,383,292**	**34,217,689**

Capital Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Business Support & Warehouse					
	Salaries & Benefits	–	21,627	–	–
	Intra District Charges	–	13,794	–	–
Business Support & Warehouse Total		–	35,421	–	–
Construction Contracts and Support					
	Salaries & Benefits	1,772,555	2,418,348	1,573,741	1,662,797
	Services & Supplies	80,647	412,000	427,000	427,000
	Intra District Charges	1,146,662	1,457,924	897,566	999,938
Construction Contracts and Support Total		2,999,864	4,288,272	2,898,307	3,089,735
Equipment Management					
	Salaries & Benefits	1,860	–	–	–
	Services & Supplies	824,569	2,050,000	2,080,000	3,438,000
	Intra District Charges	997	–	–	–
Equipment Management Total		827,426	2,050,000	2,080,000	3,438,000
Facilities Management					
	Salaries & Benefits	–	38,068	89,204	3,268
	Services & Supplies	2,580,460	5,464,054	12,803,871	13,598,859
	Intra District Charges	–	8,423	22,356	2,194
Facilities Management Total		2,580,460	5,510,545	12,915,431	13,604,321
Purchasing & Consultant Contracts Services					
	Salaries & Benefits	–	99,914	–	–
	Services & Supplies	97	–	–	–
	Intra District Charges	–	62,311	–	–
Purchasing & Consultant Contracts Services Total		97	162,225	–	–
Capital Total [1]		**6,407,847**	**12,046,463**	**17,893,738**	**20,132,056**
Division Total [1]		**34,356,582**	**44,222,534**	**50,277,031**	**54,349,745**

(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

Information Technology Division



Division Description and Objectives

The Information Technology Division Administration provides management oversight, leadership and strategic support for Information Technology Infrastructure, Information Security Services, and Software Services, to ensure operational effectiveness and fiscal accountability. The Information Technology Division serves the technology needs of Valley Water. The division delivers and maintains effective IT services that meet current and future needs of Valley Water. The division also provide oversight of effective, efficient, and implementation of major Information Technology initiatives.

Administration

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

Infrastructure Services

Infrastructure Services is responsible for implementing and maintaining the network and data-center, cyber security posture, telephone systems, radios, cellular devices, tablets, computers, laptops systems software, and connectivity (e.g., servers, networks, Wi-Fi, etc.); 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 problem triage, resolution, and escalation. Supports Audio/Visual needs enterprise-wide, including Board Room.

Software Services

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

IT Projects and Business Operations

The Information Technology Project and Business Operations Unit manages IT project management, strategic planning and alignment, complex analysis, program development, compliance, policy development, budget, reporting, and financial planning. The unit strives to ensure innovative technologies are effectively utilized across the organization; prioritizes and sequences technology projects; and leads, plans, oversees, and participates in the more complex and challenging work of staff responsible for providing administrative, human resources, financial, and compliance support to the Information Technology division.

Records and Library Services

Records and Library Services Unit provides: the administration of the Records Management Center and Valley Water Library (including secure storage, retrieval, and proper disposition of Valley Water's records and reference materials), and the provision of Valley Water's responses to legal demands for records. The Records Management Center holds records dating from the late 1800s to the present in various fixed media. Collections include engineering drawings, project files, accounting records, construction photographs, maps, and other records. Valley Water Library is responsible for providing access to district-generated information assets (such as engineering reports) and externally created information sources (such as books, subscription data sources, and technical journals). This project also provides reference, research, and current news awareness services. This project also offers prompt and legal responses to requests from members of the public for access to or copies of District records in accordance with the California Public Records Act. This project provides operational transparency to the public and provides access to the public's information assets. This project may also be used to provide responses to subpoenas, grand jury requests, and other legal demands for documents from external customers, if needed.

Innovation Unit

Innovation Unit boosts operational efficiency and water management by strategically deploying AI (Artificial Intelligence), BI (Business Intelligence), ML (Machine Learning), predictive analytics, and other emerging technologies.

FY 2025 Accomplishments

Infrastructure Services

- Refreshed 25% of desktop and laptop computers.
- Responded to 90% of monthly IT service desk requests with 24 hours.
- Achieved a monthly customer satisfaction rating of 90% or higher.
- Achieved a monthly IT service desk closure rate of 90% or higher.
- Achieved maintenance and operations monthly performance target rate of 99% availability for: (1) Voice mail and phone system; (2) Internet service; (3) Computer network; (4) Electronic Mail; and (5) Production storage system.
- Completed SCADA technical infrastructure buildout.
- Completed Disaster Recovery Phase I buildout.
- Completed Internet capacity upgrade.
- Completed Internet HA upgrade.
- Upgrade VPN.
- Upgrade remote site servers & storage.

Software Services

- Evaluated desktop and web application needs and provided solutions (Ongoing).
- Supported help desk tickets as well as hotline calls and emails (Ongoing).
- Migrated Internal ColdFusion applications (developed by SSU) to APEX or Drupal Web Forms.
- Implemented interactive and self-service features on the external website.
- Reviewed existing spatial data and updated as necessary.
- Provided technical support for Infor CloudSuite.

IT Projects and Business Operations

- Supported IT ERP Project.
- Formalized IT Project Management Office.
- Supported Information Technology Projects as necessary.

Records and Library Services

- Provided secure storage, retrieval, and proper disposition of Valley Water's records and reference materials as required.
- Processed approximately 300 requests for records services from staff.
- Responded to approximately 400 requests from the public.
- Processed approximately 3,000 Engineering drawings and 500-600 boxes of records.
- Migrated legacy databases to cloud-based systems,
- Relocated hardcopy Library collections.

Innovation Unit

- Successfully supported the deployment of past trials and pilots, including ChatGPT, Grammarly, and Kudo, by developing implementation plans and conducting employee surveys and training to ensure effective adoption.
- Successfully engaged with over 20 different units and teams to gain insight into their operations.

- Identified six promising opportunities where technology could provide meaningful support or solutions.
- Progressing with 3 to 5 high-impact projects, demonstrating strong alignment with workforce priorities and a commitment to driving value.
- Proactively established connections with local technology companies to explore innovative solutions.
- Participated in numerous technology demonstrations, gaining valuable insight into both existing and emerging tools.
- Became actively involved in relevant technology associations and water industry initiatives to stay at the forefront of advancements.
- Attended several local conferences, further expanding industry knowledge and building strategic relationships.

FY 2026 Milestones

Infrastructure Services

- Refresh 25% of Valley Water's desktop and laptop computers.
- Respond to 90% of monthly IT service desk requests within 24 hours.
- Achieve a monthly customer satisfaction rating of 90% or higher.
- Achieve a monthly IT service desk closure rate of 90% or higher.
- Achieve maintenance and operations monthly performance target rate of 99% availability for: (1) Voice mail and phone system; (2) Internet service; (3) Computer network; (4) Electronic Mail; and (5) Production storage system.
- Roll out Virtual Desktop Infrastructure (VDI).
- Complete Satellite Buildout for at least 5 sites.
- Complete Workstation Encryption.
- Complete Security Information and Event Monitoring (SIEM) implementation.

Software Services

- Complete upgrades of various applications, implement new tools, retire legacy applications, etc., in alignment with the IT Strategic Plan.

IT Projects and Business Operations

- Continue support of IT Projects and Operations as needed and in support of the refreshed IT Master Plan.

Records and Library Services

- Provide high-quality research, library, and records management customer services.
- Manage collections effectively and efficiently.
- Respond to all legal demands for documents within statutory requirements.

Innovation Unit

- Evaluate previous projects, trials, demos, and pilots to assess return on investment (ROI) and overall impact.
- Transition existing proofs of concept (POCs) into full-scale implementations and activations.
- Reassess and broaden the current understanding of employee technology needs and challenges to align future initiatives.
- Review existing systems and applications to identify opportunities for integrating emerging technology features for enhanced future use.
- Build new and expand existing collaboration and partnership opportunities.
- Identify potential operational technology infrastructure and capital needs to drive greater efficiencies.
- Elevate the work of Valley Water, IT, and the TIU by showcasing efforts that enhance workforce efficiency.

FY 2027 Milestones

Infrastructure Services

- Refresh 25% of District's desktop and laptop computers.
- Respond to 90% of monthly IT service desk requests with 24 hours.
- Achieve a monthly customer satisfaction rating of 90% or higher.
- Achieve a monthly IT service desk closure rate of 90% or higher.
- Achieve maintenance and operations monthly performance target rate of 99% availability for: (1) Voice mail and phone system; (2) Internet service; (3) Computer network; (4) Electronic Mail; and (5) Production storage system.
- Migrate Virtual Desktop Infrastructure (VDI).
- Complete planning phase of the Microwave upgrade.
- Complete Security Information and Event Monitoring (SIEM) implementation.

Software Services

- Complete upgrades of various applications, implement new tools, retire legacy applications, etc., in alignment with the IT Strategic Plan.

IT Projects and Business Operations

- Continue support of IT Projects and Operations as needed and in support of the refreshed IT Master Plan.

Records and Library Services

- Provide high-quality research, library, and records management customer services.
- Manage collections effectively and efficiently.
- Respond to all legal demands for documents within statutory requirements.

Innovation Unit

- Evaluate previous projects, trials, demos, and pilots to assess return on investment (ROI) and overall impact.
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- Build new and expand existing collaboration and partnership opportunities.
- Identify potential operational technology infrastructure and capital needs to drive greater efficiencies.
- Elevate the work of Valley Water, IT, and the TIU by showcasing efforts that enhance workforce efficiency.

Budget Issues and Constraints

There are staffing challenges for modernization projects. Many projects overlap with each other, centralized IT governance of IT Service Catalog (to be accomplished during Master Planning process) and approval of projects is needed.

Information Technology Division — Budget Summary

Project Type (Category)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	27,983,867	32,895,355	35,117,201	37,190,594
Capital	6,641,422	9,022,706	5,926,129	13,757,805
Total [1]	**34,625,289**	**41,918,060**	**41,043,331**	**50,948,399**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Information Technology Division Deputy's Office	786,514	1,576,110	1,969,172	2,141,837
Infrastructure Services	19,556,965	23,556,035	21,855,757	21,891,818
IT Project & Business Ops	713,039	1,384,394	2,104,798	2,234,868
Records and Library Services	1,276,797	1,620,294	1,247,231	1,313,143
Software Services	12,291,736	13,781,228	13,221,638	22,659,600
Innovations Unit	238	–	644,734	707,133
Total [1]	**34,625,289**	**41,918,060**	**41,043,331**	**50,948,399**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

Information Technology Division - Position Summary

	FY 2023-24 Adjusted Budget [2]	FY 2024-25 Adopted Budget [2]	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Authorized Positions [1]	**39**	**40**	**44**	**44**

(1) Authorized positions exclude limited term positions.

(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY 2025 Organizational Chart.

Operations Budget by Department and Account Category

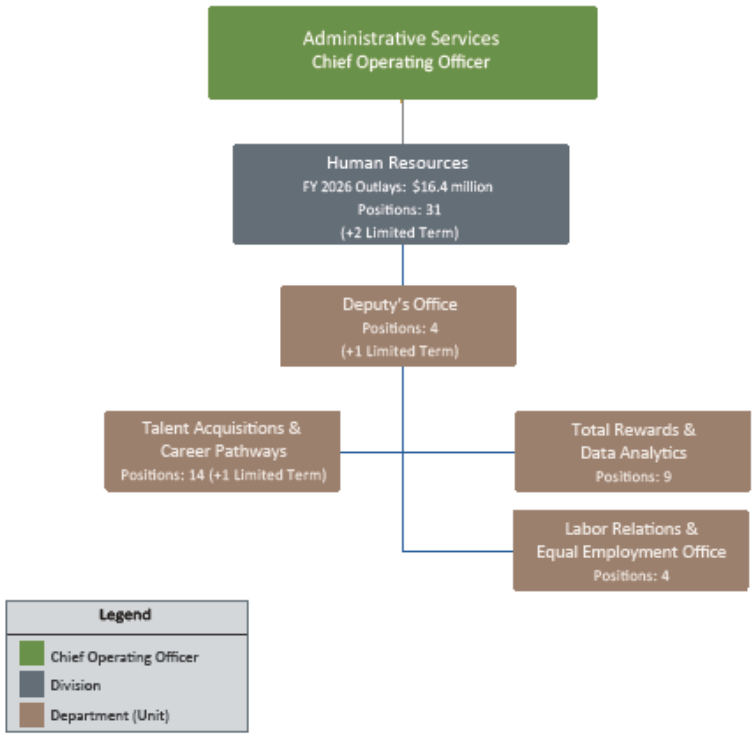
Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Information Technology Division Deputy's Office					
	Salaries & Benefits	496,915	1,047,456	664,754	715,523
	Services & Supplies	27,827	383,000	383,000	394,250
	Intra District Charges	261,772	508,200	312,872	345,260
Information Technology Division Deputy's Office Total		786,514	1,938,656	1,360,626	1,455,032
Infrastructure Services					
	Salaries & Benefits	3,639,088	4,230,873	4,416,654	4,688,168
	Services & Supplies	8,614,911	9,009,000	10,092,160	10,677,155
	Intra District Charges	1,716,624	1,969,910	2,029,360	2,198,494
Infrastructure Services Total		13,970,622	15,209,783	16,538,174	17,563,818
IT Project & Business Ops					
	Salaries & Benefits	456,084	769,173	1,265,680	1,340,636
	Services & Supplies	38,544	235,500	235,500	242,340
	Intra District Charges	218,411	379,721	603,618	651,892
IT Project & Business Ops Total		713,039	1,384,394	2,104,798	2,234,868
Innovation Unit					
	Salaries & Benefits	–	–	437,075	474,985
	Services & Supplies	238	–	–	–
	Intra District Charges	–	–	207,659	232,148
Innovation Unit Total		238	–	644,734	707,133
Records and Library Services					
	Salaries & Benefits	1,006,536	1,274,515	950,566	996,946
	Services & Supplies	91,012	118,900	113,400	113,400
	Intra District Charges	179,249	226,880	183,265	202,797
Records and Library Services Total		1,276,797	1,620,294	1,247,231	1,313,143
Software Services					
	Salaries & Benefits	3,934,971	4,652,678	4,868,605	5,129,420
	Services & Supplies	5,346,218	5,778,950	6,047,500	6,314,860
	Intra District Charges	1,955,467	2,310,600	2,305,533	2,472,320
Software Services Total		11,236,656	12,742,228	13,221,638	13,916,600
Operations Total [(1)]		**27,983,867**	**32,895,355**	**35,117,201**	**37,190,594**

Capital Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Information Technology Division Deputy's Office					
	Services & Supplies	–	(362,546)	608,546	686,805
Information Technology Division Deputy's Office Total		–	(362,546)	608,546	686,805
Infrastructure Services					
	Services & Supplies	5,586,342	8,346,252	5,317,583	4,328,000
Infrastructure Services Total		5,586,342	8,346,252	5,317,583	4,328,000
Software Services					
	Services & Supplies	1,055,080	1,039,000	–	8,743,000
Software Services Total		1,055,080	1,039,000	–	8,743,000
Capital Total [(1)]		**6,641,422**	**9,022,706**	**5,926,129**	**13,757,805**
Division Total [(1)]		**34,625,289**	**41,918,060**	**41,043,331**	**50,948,399**

(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

Human Resources Division



Division Description and Objectives

The Human Resources and Labor Relations Division is the people-focused strategic management arm of the organization's workforce. The division is responsible for planning, managing, directing, and coordinating programs and services to elevate Valley Water and its greatest asset, our employees. The division includes three units, the Total Reward and Data Analytics, Labor Relations/EEO and Talent Acquisition and Career Pathways unit. The three units provide functional support in the areas of Labor Relations/EEO, Recruitment and Selection, Next Gen Career Pathways, Workforce Development, Technical Training, Benefits and Wellness, Classification Compensation and Human Resources System Management.

Total Rewards and Data Analytics

The Total Rewards unit is charged with developing and implementing programs and services that contribute to employee satisfaction, retention, and attraction. The Total Rewards unit includes the areas of Benefits and Wellness, Human Resources Information Management Systems (HRIS), and Data Analytics.

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 Valley Water management in all matters involving labor and employee relations. Labor Relations negotiates, interprets, applies, and enforces contracts and regulations and acts as a resource in the areas of administrative policies and procedures.

Talent Acquisition and Career Pathways

The Talent Acquisition and Career Pathways Unit is responsible for designing, planning, and providing oversight of four mission-critical programs that include Recruitment and Selection, Next Gen Career Pathways, Workforce Development, and Technical Training. Efforts in this unit support management in attracting and hiring the best talent, feeding the pipeline of a diverse workforce, developing the workforce of the future, contributing to succession development of staff, and ensuring staff has the professional and technical skills needed to achieve Valley Water's mission.

FY 2025 Accomplishments

Total Rewards and Data Analytics

- Launched Advanced workforce analytics initiatives by utilizing VEMO, a tool which provides people/workforce analytics and supports data driven business decisions.
- Launched two open enrollments, one for FSA and the other for health benefits for respective active employees, Board of Directors, retirees and COBRA participants.
- Provided an award-winning Wellness Program, including providing virtual and in-person events, flu shots, annual Wellbeing Day and biometrics.

Talent Acquisition and Career Pathways

- Enhanced sourcing tools to reach passive candidates and market Valley Water as an employer of choice, maintaining a vacancy rate of 7% or lower to ensure Valley Water is staffed to achieve our mission.
- Leveraged partnerships with learning organizations to expand Valley Water programs to increase the knowledge of infrastructure and careers in the water industry.
- Researched, selected, and/or created professional development programs for competency trainings and leadership programs to expand staff skills and knowledge.
- Implemented Watershed Ed Season 3 to foster knowledge sharing and transfer in the organization.

Labor Relations

- Provided Labor Relations (LR) and Ethics and Equal Opportunity (EEO) training to supervisors and managers for the Supervisor Core Training Program.
- Facilitated and provided external coaching resources to employees and/or units where development needs were identified.
- Provided agency-wide support for all matters related to employee-employer relations (i.e., reorganizations, policy updates, etc.)
- Offered multiple free training opportunities for supervisors and managers.
- Began preparing for MOU negotiations with all three bargaining groups.
- Re-organized LR and EEO by splitting them into separate units to ensure there is a clear separation between the two areas and avoid any conflicts.
- Created a new position that will help employees access various resources to resolve and mediate workplace conflict.

FY 2026 Milestones

Total Rewards and Data Analytics

- Move Reasonable Accommodation process from Labor Relations to Total Rewards.
- Implement the ERP/Bolt-On that will address HRIS challenges with system implementation and integration.
- Maintaining a market-based benefited staff salary system through salary surveys, research and analyses.
- Create a valuable reporting system that provides accurate HR Data and data analytics, improving the quality of business decisions.
- Provide increased efficiency streamlining and standardizing electronic process of key processes.

Talent Acquisition and Career Pathways

- Provide ongoing recruitment support to our Management and Leadership teams through the mission-critical process and continue to advance programs geared toward expanding our applicant pools.
- Continue to Expand Internship Opportunities Across Diverse Educational Levels.
- The NextGen program will continue to launch and scale multiple internship tracks, including high school, college, and skilled trades internships. These expansions provide tailored, hands-on learning experiences for over 100 students annually (summer and year-round interns), bridging the gap between education and the water industry.
- Continue to Strengthen Partnerships with Educational Institutions.
- The NextGen program will continue to establish strategic partnerships. These collaborations have significantly increased the pipeline of diverse talent and enriched the candidate pool for Valley Water's future workforce.
- Workforce Development's key milestones for the upcoming year include achieving a 90% completion rate for Supervisor Core Training to strengthen leadership across all levels, ensuring apprentices successfully progress through their program by providing structured support and mentorship, and enhancing employee engagement. The team will also focus on maintaining comprehensive documentation of probationary employees in the ATMS system to support talent development and retention, expanding marketing and outreach efforts to increase awareness and participation in training initiatives, and implementing training content development metrics to measure effectiveness in capturing and sharing institutional knowledge.
- Continue advancing equitable pay practices and maintaining transparent, competitive salary structures. Building on previous studies, conduct additional classification reviews and pay equity analyses to ensure alignment with evolving organizational needs. By refining our processes and implementing data-driven adjustments, we aim to foster a workplace where all employees feel valued and fairly compensated for their contributions.

Labor Relations

- Continue to provide Labor Relations (LR) and Ethics and Equal Opportunity (EEO) training to supervisors and managers for the Supervisor Core Training Program.
- Continue to provide external coaching resources to employees and/or units where development needs are identified.
- Continue to provide agency-wide support for all matters related to employee-employer relations.
- Continue to offer free training opportunities for supervisors and managers.

- Identify and provide other LR and EEO training needs based on data-supported trends.
- Complete a successful MOU negotiation with all bargaining units.

FY 2027 Milestones

Total Rewards and Data Analytics

- Maintain a Benefits and Wellness program that supports employee retention and continually track related performance indicators with support from HRIS/Data analytics to ensure objectives are met.

Talent Acquisition and Career Pathways

- Provide ongoing recruitment support to management and leadership teams through the Mission Critical process to maintain or reduce the district-wide vacancy rate. Continue executing and enhancing strategic sourcing techniques to expand applicant pools.
- Continue to Expand Internship Opportunities Across Various Educational Levels: The Next Gen Career Pathways Program will continue to launch and scale multiple internship tracks, including high school, college, and skilled trades internships. These expansions provide tailored, hands-on learning experiences for over 100 students annually (summer and year-round interns), bridging the gap between education and the water industry. Strengthen Partnerships with Educational Institutions and Industry Organizations: The Next Gen Career Pathways Program will deepen collaborations with local universities (e.g., SJSU), community colleges (e.g., Evergreen, Foothill, West Valley), high schools (e.g., SVCTE), and mission-driven institutions to expand the talent pipeline and build a workforce that reflects our community. The program will also strengthen partnerships with industry organizations like CUWA, ACWA, and regional water agencies to align workforce strategies, share initiatives, and promote sustainable talent development. Active engagement through presentations, panels, and strategic forums will ensure transparent communication and foster collective impact.
- Workforce Development's key milestones for the upcoming year include the launch of the next cohort of Emerging Leaders, expanding our coaching program to support managers and supervisors, enhancing our technical training, continuing to achieve a 90% completion rate for Supervisor Core Training to strengthen leadership across all levels, ensuring apprentices successfully progress through their program by providing structured support and mentorship, and advancing employee engagement with LinkedIn Learning by tracking course completion metrics and expanding marketing efforts. The team will also focus on maintaining comprehensive documentation of probationary employees in the ATMS system to support talent development and retention, expanding marketing and outreach efforts to increase awareness and participation in training initiatives, and implementing training content development metrics to measure effectiveness in capturing and sharing institutional knowledge.
- Continue advancing equitable pay practices and maintaining transparent, competitive salary structures. Building on previous studies, conduct additional classification reviews and pay equity analyses to ensure alignment with evolving organizational needs. By refining our processes and implementing data-driven adjustments, aim to foster a workplace where all employees feel valued and fairly compensated for their contributions.

Labor Relations

- Maintain critical partnership with bargaining group leadership to collaborate on executed MOU agreements.
- Continue to provide Labor Relations (LR) and Ethics and Equal Opportunity (EEO) training to supervisors and managers for the Supervisor Core Training Program.
- Continue to provide external coaching resources to employees and/or units where development needs are identified.
- Continue to provide agency-wide support for all matters related to employee-employer relations.
- Continue to offer free training opportunities for supervisors and managers.
- Identify and provide other LR and EEO training needs based on data-supported trends.

Human Resources Division — Budget Summary

Project Type (Category)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	11,214,502	15,973,417	16,379,744	17,114,682
Capital	20,607	–	–	–
Total [1]	**11,235,109**	**15,973,417**	**16,379,744**	**17,114,682**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Talent Acquisition & Career Pathways	6,601,346	9,910,032	9,288,503	9,612,053
Labor Relations & Equal Employment Office	1,145,983	1,825,379	1,938,324	1,990,154
Labor Relations & Total Rewards	106,143	–	–	–
Human Resources Division Deputy's Office	1,178,664	1,410,981	2,042,956	2,201,699
Total Rewards & Data Analytics	2,178,434	2,827,025	3,109,961	3,310,775
Workforce Development Unit	24,540	–	–	–
Total [1]	**11,235,109**	**15,973,417**	**16,379,744**	**17,114,682**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

Human Resources Division - Position Summary

	FY 2023-24 Adjusted Budget [2]	FY 2024-25 Adopted Budget [2]	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Authorized Positions [1]	**31**	**32**	**31**	**31**

(1) Authorized positions exclude limited term positions.

(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY 2025 Organizational Chart.

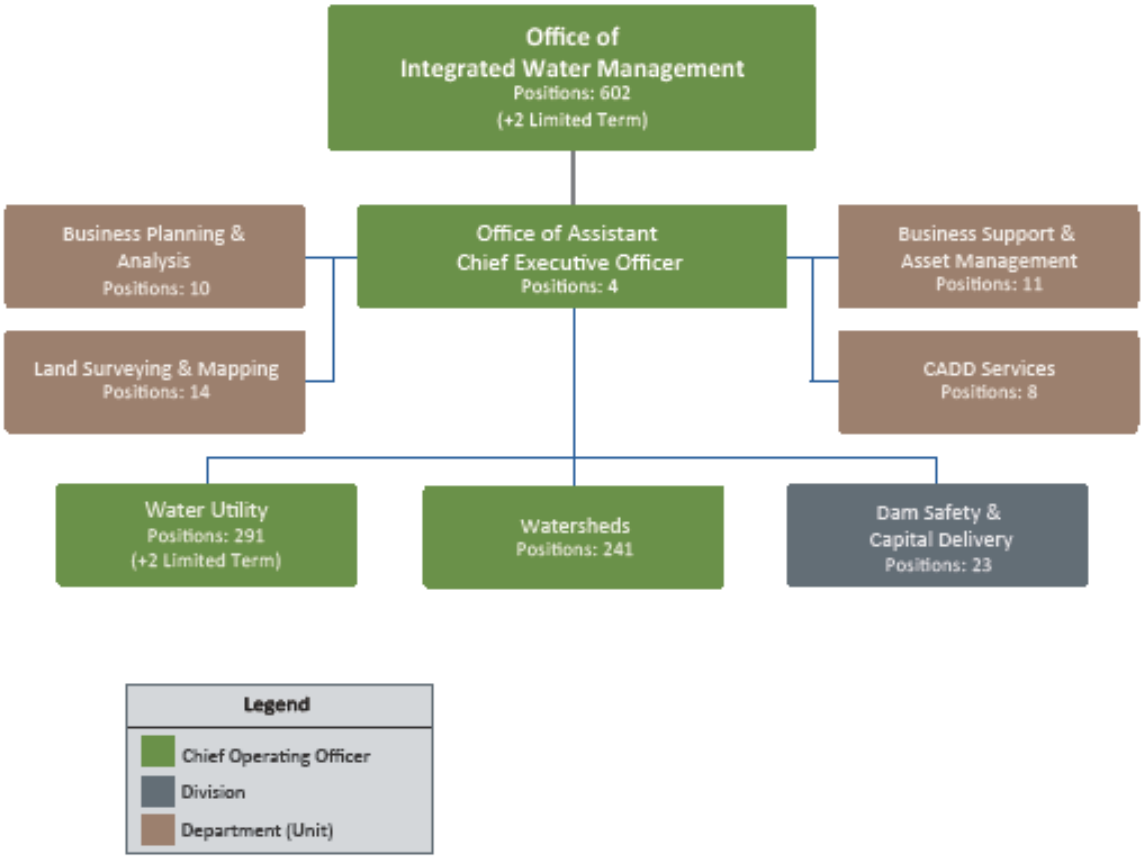
Operations Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Total Rewards and Data Analytics					
	Salaries & Benefits	1,650,330	2,103,381	2,374,999	2,523,517
	Services & Supplies	179,665	353,000	297,000	297,000
	Intra District Charges	348,439	370,644	437,962	490,258
Total Rewards and Data Analytics Total		2,178,434	2,827,025	3,109,961	3,310,775
Labor Relations & Equal Employment Office					
	Salaries & Benefits	924,523	1,226,240	1,299,251	1,345,572
	Services & Supplies	37,809	392,400	412,500	392,400
	Intra District Charges	183,651	206,739	226,574	252,182
Labor Relations & Equal Employment Office Total		1,145,983	1,825,379	1,938,324	1,990,154
Human Resources Division Deputy's Office					
	Salaries & Benefits	568,241	1,056,195	1,586,357	1,707,377
	Services & Supplies	490,365	175,000	175,000	175,000
	Intra District Charges	115,371	179,786	281,599	319,322
Human Resources Division Deputy's Office Total		1,173,977	1,410,981	2,042,956	2,201,699
Talent Acquisition and Career Pathways					
	Salaries & Benefits	3,842,687	4,594,572	4,116,881	4,356,175
	Services & Supplies	1,764,125	4,284,413	4,399,513	4,399,513
	Intra District Charges	978,613	1,031,047	772,109	856,364
Talent Acquisition and Career Pathways Total		6,585,425	9,910,032	9,288,503	9,612,053
Labor Relations & Total Rewards					
	Salaries & Benefits	99,782	–	–	–
	Intra District Charges	6,361	–	–	–
Labor Relations & Total Rewards Total		106,143	–	–	–
Workforce Development Unit					
	Services & Supplies	24,540	–	–	–
Workforce Development Unit Total		24,540	–	–	–
Operations Total [(1)]		**11,214,502**	**15,973,417**	**16,379,744**	**17,114,682**

Capital Budget by Department and Account Category

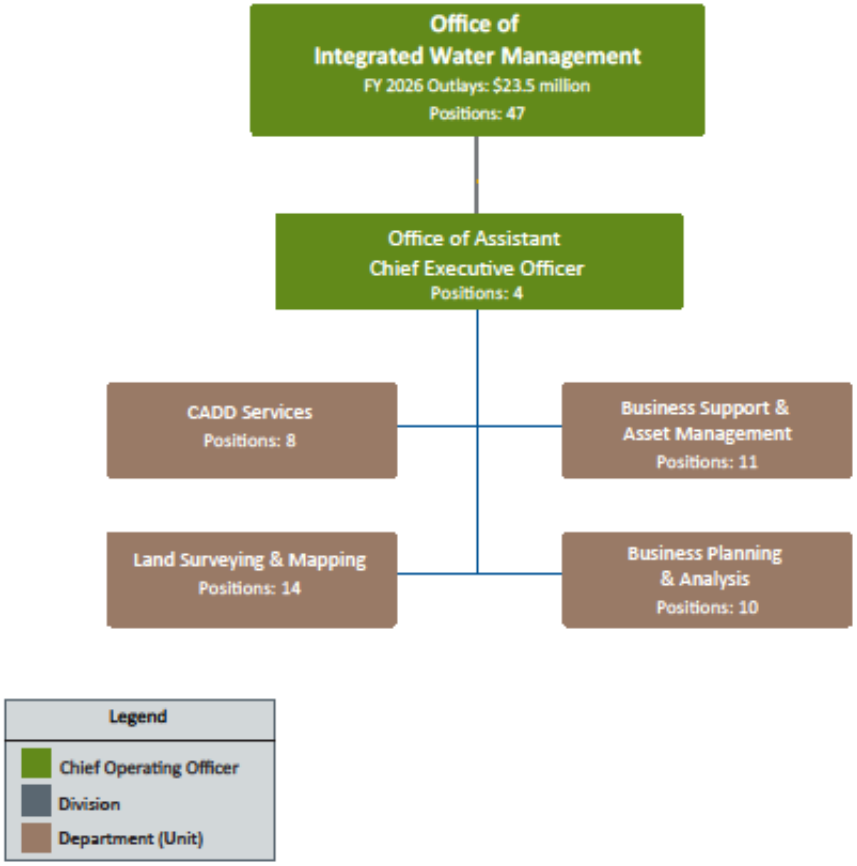
Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Office of Human Resources Division					
	Salaries & Benefits	2,953	–	–	–
	Intra District Charges	1,733	–	–	–
Office of Human Resources Division Total		4,686	–	–	–
Talent Acquisition and Career Pathways					
	Services & Supplies	15,921	–	–	–
Talent Acquisition and Career Pathways Total		15,921	–	–	–
Capital Total [1]		**20,607**	**–**	**–**	**–**
Division Total [1]		**11,235,109**	**15,973,417**	**16,379,744**	**17,114,682**

Office of Integrated Water Management



The Office of Integrated Water Management (OIWM) provides strategic leadership and coordination across Valley Water's Watersheds and Water Utility business areas. It includes the Office of the Assistant Chief Executive Officer, which encompasses four district-wide capital and operations support units, as well as the Dam Safety and Capital Delivery Division. OIWM's role is to ensure strong alignment and effective collaboration between the two major business areas.

Office of Assistant Chief Executive Officer



Division Description and Objectives

The Office of the Assistant Chief Executive Officer leads and oversees Valley Water's Office of Integrated Water Management, fostering coordination between the Watersheds and Water Utility business areas to advance the Board's Ends, Goals, and Objectives. The department provides strategic leadership, as well as managerial and administrative support, to ensure the efficient and effective delivery of Valley Water's projects and programs.

Business Planning and Analysis

The Business Planning and Analysis Unit leads and oversees three major, district-wide programs at Valley Water. It manages the implementation of the Five-Year planning process for the Capital Improvement Program (CIP), which includes an annual development cycle, project validation and evaluation, and change management. The CIP Five-Year Plan is a rolling financial plan that guides funding for Valley Water's capital projects. The unit also administers the Capital Project Management and Project Controls (CPMPC) Program, which supports the CIP Committee, manages the Capital Quality and Environmental Management System (QEMS) document control and training, and oversees Projectmates, a project management information system (PMIS) designed to improve oversight and delivery of capital projects. Additionally, the unit is responsible for implementing the Safe, Clean Water and Natural Flood Protection Program. This includes developing implementation plans and annual reports, managing the Change Control Process, supporting the Independent Monitoring Committee, and tracking project progress toward meeting Key Performance Indicators (KPIs).

Business Support and Asset Management

The Business Support and Asset Management Unit plays a key role in maintaining and improving Valley Water's infrastructure. The unit leads the development and continuous refinement of asset management programs and information systems, ensuring alignment with industry best practices. It oversees asset management efforts across Valley Water's Water Utility and Watersheds businesses, including facilities and fleet, and provides support for users of the Computerized Maintenance Management System (CMMS), Maximo. The unit also manages three major infrastructure master planning efforts: the Water Treatment Plant, Distribution System, and SCADA System Master Plan Implementation Projects. These projects help shape the capital improvement program for Water Utility to ensure the continued reliability of Valley Water's systems and the delivery of safe, clean drinking water.

CADD Services

The CADD (Computer-Aided Design and Drafting) Services Unit is responsible for producing engineering drafting and design work across Valley Water, as well as maintaining plan production standards and managing CAD software. Its work supports a wide range of Valley Water infrastructure, including water resources facilities, flood protection systems, pipeline infrastructure, and watershed management facilities. The unit participates in quality control reviews at key milestones in capital projects, ensuring compliance with Valley Water's CADD standards and industry best practices. Additionally, it manages digital design files and drawing archives in coordination with Records Management.

Land Surveying & Mapping

The Land Surveying and Mapping Unit provides professional surveying and mapping services to support the planning, design, construction, and maintenance of Valley Water facilities. Its work includes accurately locating existing and proposed infrastructure, producing detailed graphical representations of land features, boundaries and fixed works, as well as ensuring compliance with all relevant state and local laws and regulations.

FY 2025 Accomplishments

Business Planning and Analysis

Capital Improvement Program (CIP):
- Developed the FY 2026-30 CIP Five-Year Plan through implementation of the Annual CIP Development Cycle.
- Engaged in outreach with local cities and the county to support CIP development and coordination.

Capital Project Management and Project Controls Program (CPMPC):
- Managed Projectmates, Valley Water's capital project management information system.
- Reviewed and updated the Capital Quality and Environmental Management System (QEMS) documentation; and coordinated and conducted the Capital QEMS Biennial Training.
- Continued the development and implementation of the Program's project controls framework to enhance oversight and delivery of capital projects.

Safe, Clean Water Program:
- Developed the FY 2023-24 Annual Report for the renewed Safe, Clean Water Program, including coordination of Independent Monitoring Committee (IMC) and subcommittee meetings, and prepared the IMC Report and the Management Response.
- Launched the review cycle for the FY2024-25 Safe, Clean Water Program.
- Began implementation of Board-approved IMC recommendations for FY2023-24, aligned with the updated Change Control Process.
- Executed program changes, including modifications and adjustments, in accordance with the Board-approved Change Control Process.
- Maintained and regularly updated the Safe, Clean Water Program and project webpages.
- Coordinated and responded to the first independent audit of the renewed Safe, Clean Water Program.

Business Support and Asset Management

District-Wide Asset Management and Business Support:
- Implemented new Computerized Maintenance Management System site and workflows for Facilities.
- Completed Valley Water's America's Water Infrastructure Act (AWIA) Risk and Resilience Assessment (RRA) recertification.

Watersheds Asset Management Program:
- Completed the FY 2026-30 Watersheds Asset Renewal Plan.
- Initiated the Watersheds Asset Management Plan update.

Water Utility Asset Management Program:
- Completed the FY 2026-30 Water Utility Asset Renewal Plan.
- Developed the list of asset renewal activities for FY 2026-27 Water Utility Small Capital Improvement Projects, including resource and budget planning support.

Water Utility Infrastructure Master Plan Implementation Projects:

Water Treatment Plants (WTPMPIP)
- Completed Planning Study Report.

Distribution System (DSMPIP)
- Completed pipelines and pump stations asset condition assessments.

Supervisory Control and Data Acquisition/SCADA (SMPIP)
- Completed Early Implementation Projects planning for use in the SMPIP Upgrades - Phase 1 project.

CADD Services

- Maintained a monthly CADD service request completion rate of over 90% compared to incoming submittals.
- Maintained the CADD Standards Training Program, including updates to the website, training videos, and user guidelines.
- Successfully completed more than 200 CADD service requests.
- Continued district-wide upgrade of Civil 3D software from Version 2021 to Version 2024.
- Provided Autodesk software support, including installation, troubleshooting, and license management, to over 150 users of Civil 3D, Revit, and AutoCAD Electrical across the district.

Land Surveying & Mapping

- Conducted deformation monitoring at multiple critical sites, including Rinconada and Penitencia Water Treatment Plants, Coyote and Anderson Dams and Tunnels, and Vasona, Chesbro, Uvas, Stevens Creek, Almaden, and Guadalupe Dams, as well as the Santa Clara Conduit Fault Crossing.
- Completed photogrammetric and volumetric surveys of Almaden and Guadalupe Reservoirs.
- Performed a Cross Valley Level Circuit Subsidence Survey, covering over 100 miles of high-precision leveling.
- Completed right-of-way surveying and developed a digital terrain model for erosion repair along approximately two miles of Calabazas Creek (Blaney Road to Miller Road).
- Provided right-of-way support for construction activities at Permanente/Hale Creek and McKelvey Park.
- Supported construction monitoring for the Upper Llagas Floodplain Protection Project, covering approximately seven miles of creek.
- Provided surveying support for ADSRP using UAVs, InSAR, and terrestrial survey methods.

FY 2026 Milestones

Business Planning and Analysis

- Develop the CIP FY 2027-31 Five-Year Plan through the implementation of the annual cycle.
- Develop the FY 2024-25 Safe, Clean Water Annual Report.
- Develop the Safe, Clean Water and Natural Flood Protection Program's 5-Year Implementation Plan for Fiscal Year 2027-31.
- Provide updates and annual training on CIP Development workflows and Capital QEMS policies and document control.
- For the Capital Project Management and Project Controls Program, continue implementation of Projectmates, the project management information system, and continue development and implementation of the project controls component of the Program.
- Implement Independent Monitoring Committee (IMC) recommendations as approved by the Board and in accordance with the program Change Control Process.

Business Support and Asset Management

- Develop FY 2027-31 Watersheds and Water Utility Asset Renewal Plans.
- Complete the Watersheds Asset Management Plan update.
- Develop FY 2027-28 Water Utility Small Capital Improvement Project plans.
- Complete the WTPMPIP Implementation Plan and initiate CIP program management activities.
- Complete the DSMPIP Problem Definition Report and Planning Study Report.
- Complete the SMPIP platform selection and Design and Implementation Standards.

CADD Services

- Maintain a CADD Standards Training Program (website updates, training videos, guidelines, etc.)
- Update CADD Standards Manual for Contractors and Consultants.

- Improve and/or maintain the CADD Request on-time completion rating at 85% or higher.
- Develop Standard Details Manual
- Create Operations & Maintenance Project CADD Manual and Templates

Land Surveying & Mapping
- Perform Cross Valley Level Circuit and deliver data.
- Complete one zone per year of the Benchmark Maintenance project and post results to web.
- Complete 100% of all Survey Requests received in timely and efficient manner.

FY 2027 Milestones

Business Planning and Analysis
- Develop the FY2028-32 Capital Improvement Program (CIP) Five-Year Plan through the annual planning cycle.
- Prepare the FY2025-26 Safe, Clean Water Annual Report.
- Provide regular updates and conduct annual training on CIP development workflows, as well as Capital QEMS policies and document control procedures.
- For the Capital Project Management and Project Controls Program, continue the implementation of Projectmates, Valley Water's project management information system, and advance the development and rollout of the program's project controls framework.
- Implement Independent Monitoring Committee (IMC) recommendations as approved by the Board, in accordance with the Program's Change Control Process.

Business Support and Asset Management
- Develop FY 2028-32 Watersheds and Water Utility Asset Renewal Plans.
- Create business case reports for planning studies or larger-scale renewal projects from the Watersheds Asset Management Plan.
- Develop FY 2028-29 Water Utility Small Capital Improvement Project plans.
- Lead WTPMPIP CIP program management activities.
- Complete the DSMPIP Implementation Plan.
- Complete the SMPIP Planning Study Report and Implementation Plan.

CADD Services
- Maintain the CADD Standards Training Program, including website updates, training videos, and user guidelines.
- Update the CADD Standards Manual for Contractors and Consultants to reflect current best practices.
- Improve or maintain an on-time completion rate of 85% or higher for CADD service requests.

Land Surveying & Mapping
- Perform the Cross Valley Level Circuit
- Perform one zone of the Benchmark Maintenance Program.
- Provide right-of-way mapping for the Pacheco Reservoir Expansion Project.
- Conduct ongoing deformation monitoring at key facilities and infrastructure, including Rinconada and Penitencia Water Treatment Plants; Coyote Dam and Tunnel; Vasona, Chesbro, Anderson, Uvas, Stevens Creek, Almaden, and Guadalupe Dams; and Santa Clara Conduit Fault Crossing.
- Complete photogrammetric and volumetric surveys of Almaden and Guadalupe Reservoirs.
- Perform a Cross Valley Level Circuit Subsidence Survey, covering over 100 miles of high-precision leveling.
- Conduct right-of-way surveys and develop digital terrain models for Coyote Creek, ADSRP, and PREP.

- Provide construction monitoring and support for the Upper Llagas Floodplain Protection Project, covering approximately seven miles of creek.
- Support ADSRP surveying using UAVs, InSAR, and terrestrial methods.

Budget Issues and Constraints

- Balancing the budgetary requirements of Valley Water's core missions—water supply, environmental stewardship, and flood protection.
- Addressing funding gaps by seeking supplemental sources such as grants, partnerships, and federal contributions.
- Managing over 20,000 assets, which necessitates prioritizing and analyzing subsets of assets each year rather than evaluating all assets annually.
- Relying on collaboration and support from operations, maintenance, and engineering staff across all Valley Water business areas.

Office of Assistant Chief Executive Officer — Budget Summary

Project Type (Category)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	11,153,221	12,917,994	14,362,693	17,073,299
Operating Project	38,686	22,293	23,502	33,512
Capital	11,959,290	9,935,768	9,087,712	8,567,882
Total [1]	**23,151,197**	**22,876,055**	**23,473,907**	**25,674,693**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Business Planning and Analysis Unit	4,563,811	4,803,967	4,892,375	5,243,913
Business Support & Asset Management	8,860,421	6,900,986	6,398,974	7,329,245
CADD Services	2,463,541	2,597,760	2,975,870	3,231,580
Land Surveying & Mapping	5,259,946	5,735,993	6,041,182	6,464,195
Office of Integrated Water Management	2,003,479	2,837,349	3,165,506	3,405,760
Total [1]	**23,151,197**	**22,876,056**	**23,473,907**	**25,674,693**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

Office of Assistant Chief of Executive Officer - Position Summary

	FY 2023-24 Adjusted Budget [2]	FY 2024-25 Adopted Budget [2]	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Authorized Positions [1]	**49**	**47**	**47**	**47**

(1) Authorized positions exclude limited term positions.

(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY 2026 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	2026-27 Proposed Plan
Business Planning and Analysis					
	Salaries & Benefits	1,302,670	1,119,202	1,204,388	1,266,903
	Services & Supplies	38,702	352,940	43,440	36,440
	Intra District Charges	791,893	694,062	730,432	804,341
Business Planning and Analysis Total		2,133,265	2,166,203	1,978,260	2,107,685
Business Support & Asset Management					
	Salaries & Benefits	2,315,364	2,550,754	2,791,987	3,556,148
	Services & Supplies	525,830	950,500	920,000	920,000
	Intra District Charges	1,468,126	1,593,385	1,723,746	2,295,892
Business Support & Asset Management Total		4,309,320	5,094,638	5,435,733	6,772,040
CADD Services					
	Salaries & Benefits	243,136	107,789	232,169	240,183
	Services & Supplies	437	5,000	12,000	12,000
	Intra District Charges	151,840	68,378	137,688	149,638
CADD Services Total		395,412	181,167	381,856	401,820
Land Surveying & Mapping					
	Salaries & Benefits	1,381,166	1,600,415	1,980,664	2,532,072
	Services & Supplies	170,540	62,000	231,900	231,900
	Intra District Charges	798,725	1,017,780	1,232,312	1,676,706
Land Surveying & Mapping Total		2,350,431	2,680,196	3,444,876	4,440,678
Office of Integrated Water Management					
	Salaries & Benefits	1,271,733	1,396,134	1,587,534	1,699,312
	Services & Supplies	30,278	548,300	560,300	560,300
	Intra District Charges	701,468	873,649	997,635	1,124,976
Office of Integrated Water Management Total		2,003,479	2,818,083	3,145,469	3,384,588
Operations Total [(1)]		**11,191,907**	**12,940,287**	**14,386,195**	**17,106,812**

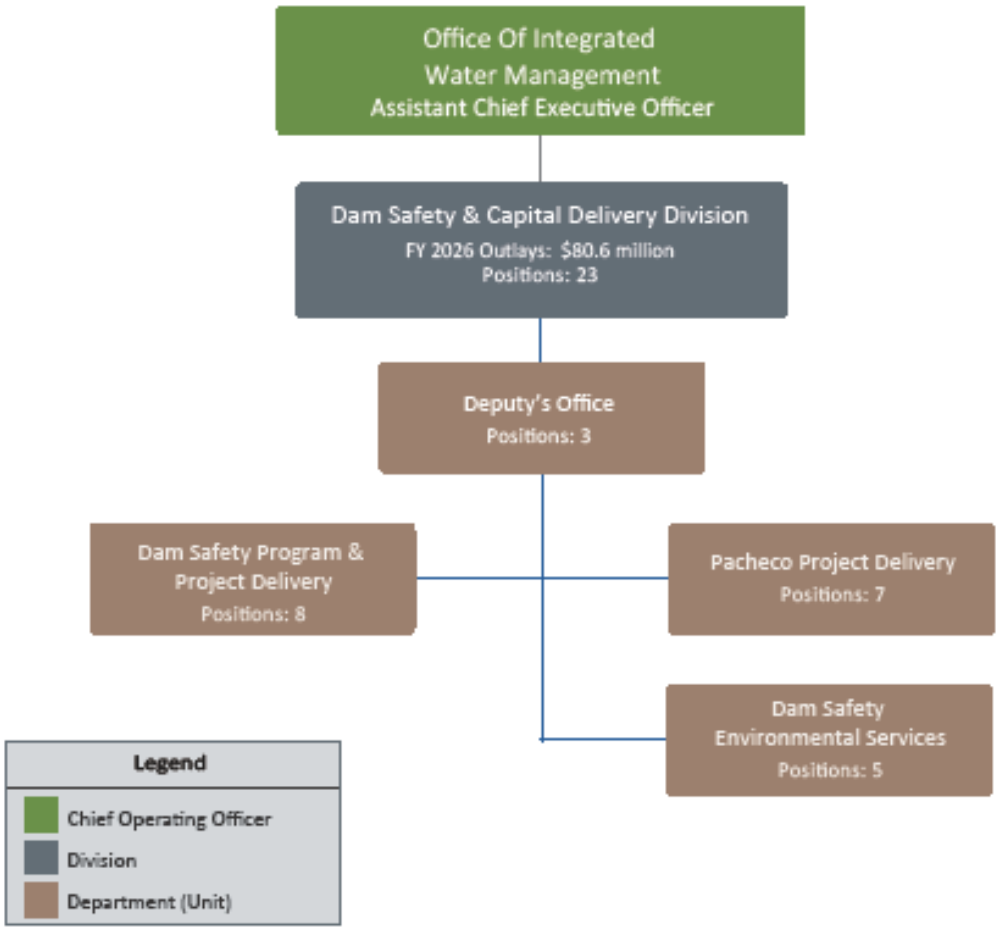
Capital Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Business Planning and Analysis					
	Salaries & Benefits	1,475,024	1,507,568	1,619,716	1,716,315
	Services & Supplies	46,391	218,674	335,910	361,100
	Intra District Charges	909,131	911,521	958,489	1,058,813
Business Planning and Analysis Total		2,430,546	2,637,764	2,914,115	3,136,228
Business Support & Asset Management					
	Salaries & Benefits	665,424	723,269	693,742	108,485
	Services & Supplies [(1)]	3,464,203	630,692	(159,217)	378,619
	Intra District Charges	421,474	452,387	428,716	70,102
Business Support & Asset Management Total		4,551,100	1,806,348	963,241	557,205
CADD Services					
	Salaries & Benefits	1,242,545	1,458,756	1,605,991	1,744,465
	Services & Supplies	42,394	33,440	36,640	–
	Intra District Charges	783,189	924,397	951,383	1,085,294
CADD Services Total		2,068,128	2,416,593	2,594,013	2,829,760
Land Surveying & Mapping					
	Salaries & Benefits	1,601,627	1,593,241	1,390,941	1,019,736
	Services & Supplies	329,927	437,000	314,850	314,850
	Intra District Charges	977,961	1,025,557	890,515	688,930
Land Surveying & Mapping Total		2,909,515	3,055,798	2,596,306	2,023,517
Office of Integrated Water Management					
	Salaries & Benefits	–	11,843	12,295	12,729
	Intra District Charges	–	7,423	7,742	8,443
Office of Integrated Water Management Total		–	19,266	20,037	21,172
Capital Total [(1),(2)]		**11,959,290**	**9,935,768**	**9,087,712**	**8,567,882**
Division Total [(1),(2)]		**23,151,197**	**22,876,055**	**23,473,907**	**25,674,693**

(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

(2) Negative Services & Supplies (S&S) balances reflect capital budget offsets used to reduce current-year appropriations by applying available carryforward balances. This budget reconciliation aligns project funding with the Capital Improvement Plan and accounts for appropriations budgeted in other departments within the same project.

Dam Safety and Capital Delivery Division



Division Description and Objectives

The Dam Safety and Capital Delivery Division is responsible for planning, implementation, and management for maintenance of the dam facilities and for capital projects at the dam facilities as part of Valley Water's 5-year Capital Improvement Program (CIP). The objective of the Dam Safety and Capital Delivery Division is to ensure the dam facilities remain safe, compliant, and in good condition. This Division consists of three units— the Pacheco Project Delivery unit, the Dam Safety Program & Project Delivery unit, and the Dam Safety Environmental Services unit. Valley Water's dams continue to be Water Utility Enterprise (WUE) assets and all post-construction operations will remain the responsibility of the WUE business area.

Dam Safety Program & Project Delivery

The Dam Safety Program and Project Delivery unit manages maintenance, inspections, regulatory compliance, and safety of the twelve Valley Water dams. In addition, the unit also delivers all capital improvement projects related to the dams. The dam safety and dam maintenance activities are carried out through the unit's Dam Safety Program and the Dams and Reservoirs Maintenance Program. Major capital projects currently managed by the unit include the Anderson Dam Seismic Retrofit Project (ADSRP), Calero Dam Seismic Retrofit Project (CDSRP), and Guadalupe Dam Seismic Retrofit Project (GDSRP). The unit also manages several other projects including dam seismic evaluations, early planning/design for future dam safety projects, and projects related to ADSRP.

Pacheco Project Delivery

The Pacheco Project Delivery unit is responsible for implementation of the Pacheco Reservoir Expansion Project, including capital efforts of planning, design, and environmental documentation and permitting. The Pacheco Reservoir Expansion Project will expand the existing Pacheco reservoir to provide up to 140,000 acre-feet of storage capacity. This expansion will provide emergency water supply, fisheries habitat improvement, operational flexibility for managing Valley Water's federal imported water supplies, and incidental flood risk reduction. Unit staff coordinate with the California Water Commission, the U.S. Bureau of Reclamation, and other agencies regarding funding and partnering opportunities for the project.

Dam Safety Environmental Services

The Dam Safety Environmental Services unit was formed in FY 2024 to address critical business needs in the Dam Safety and Capital Delivery Division. The unit provides environmental and regulatory compliance for the ADSRP, CDSRP, GDSRP, and any other needs for the Division.

FY 2025 Accomplishments

Anderson Dam Seismic Retrofit Project (ADSRP):

- Partial recirculation of the Draft EIR and Board certification of the Final EIR.
- Submitted permit applications to Natural Resources Agencies.
- Released a Request for Prequalification Applications and hosted an Industry Day for construction contractors.
- Periodic submittals to Federal Energy Regulatory Commission (FERC) the California Department of Water Resources, Division of Safety of Dams (DSOD), and the Independent Board of Consultants (BOC) on updates to 100% design documents.

Pacheco Reservoir Expansion Project (PREP):

- Progressed the 60% Design.
- Released the Draft Environmental Impact Report (EIR) for Design Level Geotechnical Investigations.

Other Dam Seismic Retrofit Project:

- Completed DSOD/FERC inspections for all dams.
- Completed annual surveillance/monitoring reports for all dams.
- Developed a Dam Safety Master Plan for other retrofit projects (Almaden, Calero, Coyote, Guadalupe).
- Reinitiated work on CDSRP and GDSRP by advancing the design and developing environmental documents.
- Continued construction and made significant progress on the Anderson Dam Tunnel Project (ADTP).

FY 2026 Milestones

Anderson Dam Seismic Retrofit Project (ADSRP):

- Obtain authorization to advertise and award the construction contract.
- Complete CEQA, NEPA, and all permit activities.

Pacheco Reservoir Expansion Project (PREP):

- Complete Phase 2 environmental and geotechnical investigations.
- Distribute the 60% design for Valley Water and DSOD review.
- Release the recirculated Draft EIR.
- Implement geotechnical investigations in accordance with environmental regulatory authorizations.

Other Dam Safety Program Projects:

- Complete substantial construction of the Anderson Dam Tunnel Project.
- Complete 50% design of the dam embankment, spillway, and breaching of Fellow's Dike (Package A) for the CDSRP.
- Release the Draft EIR and submit permit applications for the CDSRP.
- Complete 60% design of the dam embankment, spillway, and intake rehabilitation (Package A) for the GDSRP.
- Produce annual FERC/DSOD reports summarizing dam surveillance/monitoring results; participate in FERC/DSOD annual inspections and address maintenance issues identified during these inspections.

FY 2027 Milestones

Anderson Dam Seismic Retrofit Project (ADSRP):

- Issue administrative notice to proceed.
- Commence construction groundbreaking and Year 1 work activities.

Pacheco Reservoir Expansion Project (PREP):

- Commence 90% design.
- Complete the Final EIR for Board Certification.
- Prepare environmental permit and water rights applications.

Other Dam Safety Program Projects:

- Complete 100% design of dam embankment, spillway, and breaching of Fellow's Dike (Package A) for CDSRP.
- Release the Final EIR and obtain permits for the CDSRP.
- Complete 90% design of dam embankment, spillway, and intake rehabilitation (Package A) for GDSRP.
- Release the Draft EIR and submit permit applications for the GDSRP.
- Produce annual FERC/DSOD reports summarizing dam surveillance/monitoring results; participate in FERC/DSOD annual inspections and address maintenance issues identified during these inspections.

Budget Issues and Constraints

Progress on all projects can be greatly affected by external forces such as coordination with external agencies and regulatory bodies, securing permits, and negotiation of various agreements between Valley Water and other agencies or regulators. Projects are faced with compressed timelines. Staffing challenges, both within the Division and support from other Valley Water units may present obstacles to the achievement of Division objectives.

Dam Safety and Capital Delivery Division — Budget Summary

Project Type (Category)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	2,724,231	3,368,802	3,994,595	3,348,254
Capital	103,975,470	83,597,873	76,624,178	165,185,703
Total [1]	**106,699,702**	**86,966,675**	**80,618,773**	**168,533,957**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Dam Safety Program & Project Delivery	70,881,968	96,866,517	105,501,963	152,164,830
Dam Safety Environmental Services	285,759	1,711,913	1,255,411	2,020,415
Office of Dam Safety and Capital Delivery Division [2]	1,799,687	(9,489,232)	(30,056,005)	1,991,821
Pacheco Project Delivery [2]	33,732,289	(2,122,522)	3,917,404	12,356,891
Total [1][2]	**106,699,702**	**86,966,675**	**80,618,773**	**168,533,957**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

(2) Negative balances reflect capital budget offsets used to reduce current-year appropriations by applying available carryforward balances. This budget reconciliation aligns project funding with the Capital Improvement Plan and accounts for appropriations budgeted in other departments within the same project.

Dam Safety and Capital Delivery Division - Position Summary

	FY 2023-24 Adjusted Budget[2]	FY 2024-25 Adopted Budget[2]	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Authorized Positions [1]	**21**	**23**	**23**	**23**

(1) Authorized positions exclude limited term positions.

(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY Adopted Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	2026-27 Proposed Plan
Dam Safety Program & Project Delivery					
	Salaries & Benefits	975,681	979,833	989,033	1,031,406
	Services & Supplies	1,066,139	1,555,200	2,381,200	1,631,200
	Intra District Charges	632,081	615,520	624,362	685,649
Dam Safety Program & Project Delivery Total		2,673,900	3,150,553	3,994,595	3,348,254
Dam Safety Environmental Services					
	Salaries & Benefits	1,607	137,591	–	–
	Services & Supplies	450	–	–	–
	Intra District Charges	897	80,658	–	–
Dam Safety Environmental Services Total		2,955	218,249	–	–
Office of Dam Safety and Capital Delivery Division					
	Salaries & Benefits	5,692	–	–	–
	Services & Supplies	375	–	–	–
	Intra District Charges	3,880	–	–	–
Office of Dam Safety and Capital Delivery Division Total		9,947	–	–	–
Pacheco Project Delivery					
	Salaries & Benefits	21,088	–	–	–
	Services & Supplies	6,130	–	–	–
	Intra District Charges	10,211	–	–	–
Pacheco Project Delivery Total		37,430	–	–	–
Operations Total [(1)]		**2,724,231**	**3,368,802**	**3,994,595**	**3,348,254**

(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

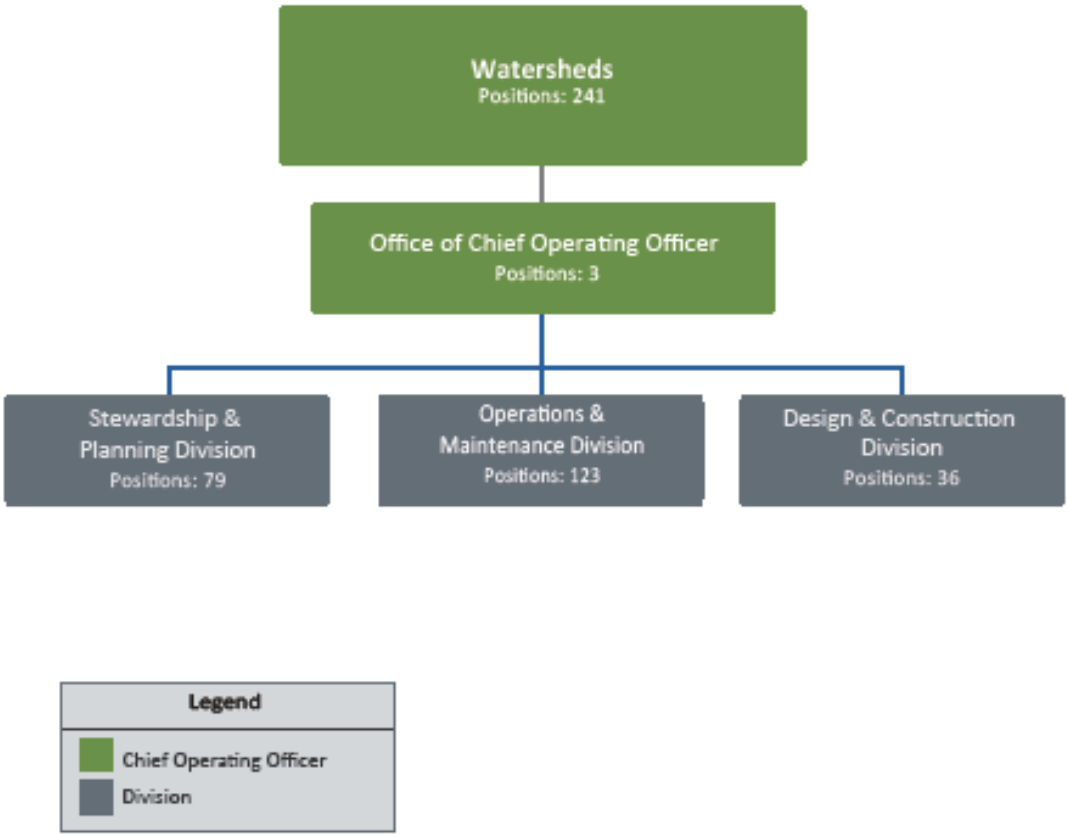
Capital Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Dam Safety Program & Project Delivery					
	Salaries & Benefits	1,309,166	1,703,523	1,515,063	1,610,416
	Services & Supplies	66,055,409	90,934,304	99,031,491	146,136,024
	Intra District Charges	843,493	1,078,138	960,814	1,070,136
Dam Safety Program & Project Delivery Total		68,208,067	93,715,964	101,507,369	148,816,576
Office of Dam Safety and Capital Delivery Division					
	Salaries & Benefits	947,104	1,091,028	1,188,214	1,282,527
	Services & Supplies	200,144	(11,270,074)	(31,983,925)	(130,886)
	Intra District Charges	642,492	689,814	739,705	840,179
Office of Dam Safety and Capital Delivery Division Total		1,789,740	(9,489,232)	(30,056,005)	1,991,821
Dam Safety Environmental Services					
	Salaries & Benefits	172,458	926,464	1,502,753	1,597,915
	Services & Supplies	14,623	9,150	(1,184,664)	(613,421)
	Intra District Charges	95,724	558,050	937,321	1,035,921
Dam Safety Environmental Services Total		282,804	1,493,664	1,255,411	2,020,415
Pacheco Project Delivery					
	Salaries & Benefits	1,904,584	2,052,075	2,221,380	2,357,126
	Services & Supplies	30,638,997	(5,434,758)	371,868	8,534,495
	Intra District Charges	1,151,277	1,260,161	1,324,157	1,465,270
Pacheco Project Delivery Total		33,694,859	(2,122,522)	3,917,404	12,356,891
Capital Total [(1),(2)]		**103,975,470**	**83,597,873**	**76,624,178**	**165,185,703**
Division Total [(1),(2)]		**106,699,702**	**86,966,675**	**80,618,773**	**168,533,957**

(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

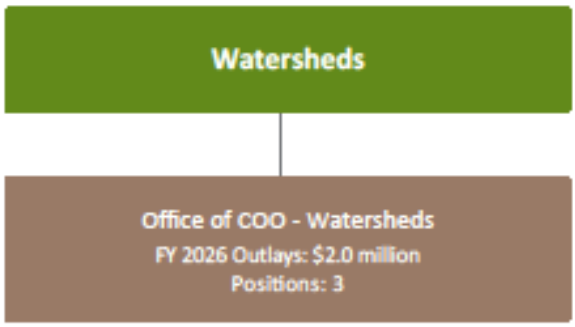
(2) Negative Services & Supplies (S&S) balances reflect capital budget offsets used to reduce current-year appropriations by applying available carryforward balances. This budget reconciliation aligns project funding with the Capital Improvement Plan and accounts for appropriations budgeted in other departments within the same project.

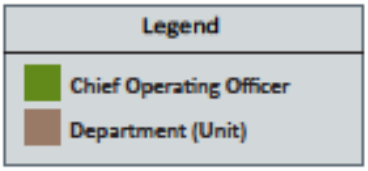
Watersheds



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





The Office of the Chief Operating Officer leads and manages Watersheds to achieve the Board's Ends, Goals, and Objectives. This includes providing Watersheds the leadership, staff, and funding to conduct the administrative aspects of Watersheds functions. In general, this provides for management activities that promote communication, human resources development, budgeting, project efficiencies and process improvement, mentoring and recruitment, and supporting Valley Water-wide special events/efforts that benefit the whole organization.

Office of COO Watersheds — Budget Summary

Project Type (Category)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	1,977,028	1,841,346	1,957,421	2,111,446
Capital	26,590	–	–	–
Total [1]	**2,003,618**	**1,841,346**	**1,957,421**	**2,111,446**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Office of the COO	2,003,618	1,841,346	1,957,421	2,111,446
Total [1]	**2,003,618**	**1,841,346**	**1,957,421**	**2,111,446**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

Office of the COO Watersheds - Position Summary

	FY 2023-24 Adjusted Budget [2]	FY 2024-25 Adopted Budget [2]	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Authorized Positions [1]	**2**	**3**	**3**	**3**

(1) Authorized positions exclude limited term positions.

(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY 2026 Organizational Chart.

Operations Budget by Department and Account Category

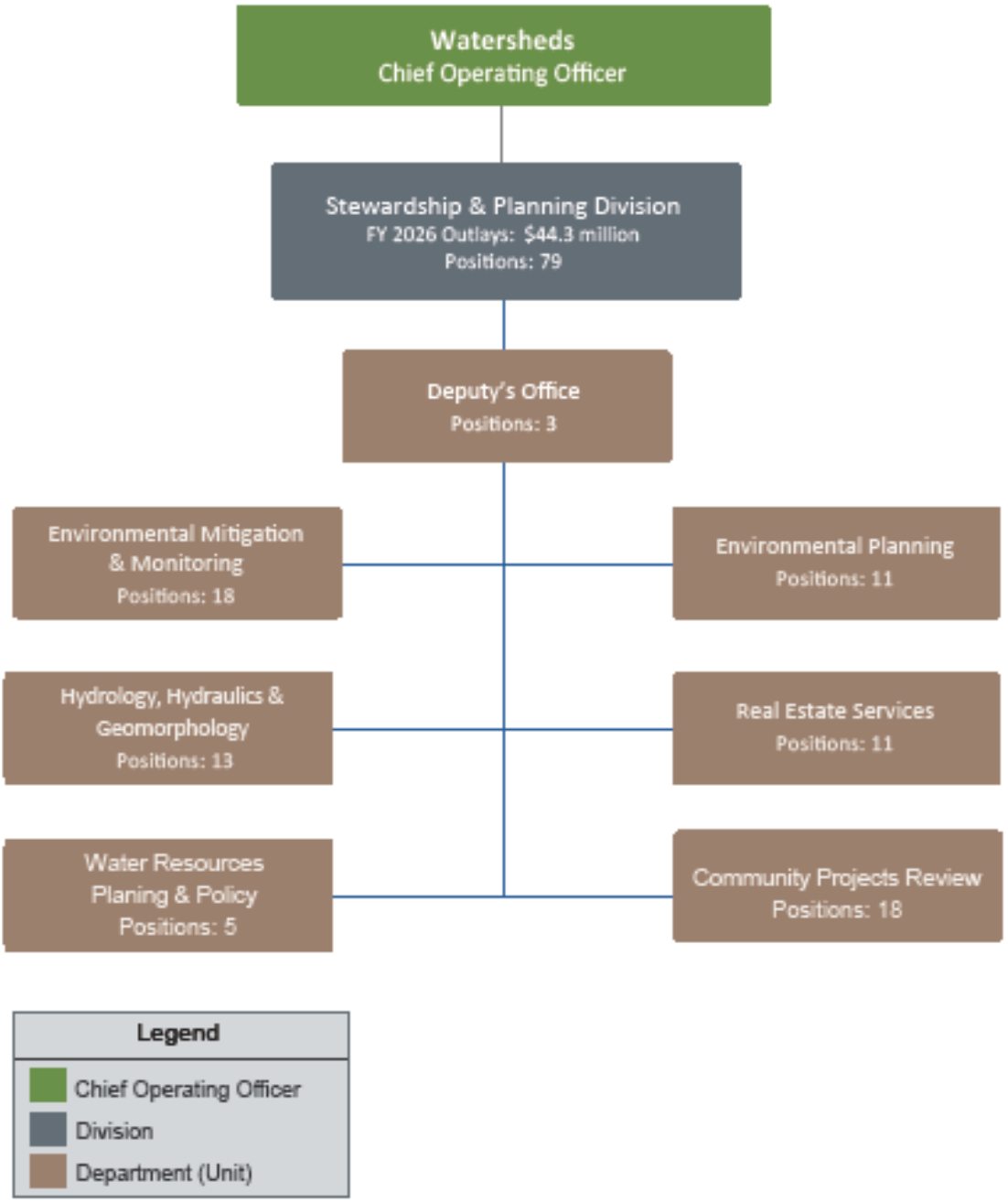
Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	2026-27 Proposed Plan
Office of the COO					
	Salaries & Benefits	1,205,055	1,018,338	1,105,390	1,176,034
	Services & Supplies	206,086	185,115	185,115	185,115
	Intra District Charges	565,888	637,893	666,915	750,297
Office of the COO Total		1,977,028	1,841,346	1,957,421	2,111,446
Operations Total [1]		**1,977,028**	**1,841,346**	**1,957,421**	**2,111,446**

Capital Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Office of the COO					
	Salaries & Benefits	19,310	–	–	–
	Intra District Charges	7,280	–	–	–
Office of the COO Total		26,590	–	–	–
Capital Total [1]		**26,590**	**–**	**–**	**–**
Division Total [1]		**2,003,618**	**1,841,346**	**1,957,421**	**2,111,446**

(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

Watershed Stewardship & Planning Division



Division Description and Objectives

The Watershed Stewardship and Planning Division is composed of six units and provides project planning for environmental stewardship projects; long-range planning for integrated watershed management; implementation of Valley Water's Climate Change Action Plan; the integration of biological, hydrological, water quality, and geomorphological data into the planning, design, and construction of capital projects and operational programs; oversight of real estate services including acquisition, disposition, and management of property; environmental planning, permitting, and monitoring services; and ensuring Valley Water's compliance with the regional stormwater quality permit. In addition, the Division co-leads the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) and ensures timely completion of Key Performance Indicators for the Safe, Clean Water and Natural Flood Protection Program's surface water quality, environmental monitoring, and habitat enhancement and restoration priorities.

Community Projects Review

The Community Projects Review Unit (CPRU) provides for protection of Valley Water's Watershed, Water Utility assets and interests from external activities and violations as defined by the Water Resources Protection Ordinance through the review of approximately 1,407 projects and issuance of approximately 150 encroachment permits for activities on Valley Water right of way and ordinance enforcement for activities undertaken without appropriate permits. The unit projects include implementation of the Underground Service Alert program that entails reviewing approximately 2,407 tickets per year. The unit also reviews proposed developments within the planning stages as they interface with Valley Water and interests. The unit also includes specialized maintenance and development of approximately 10,000 map pages and the Geographic Information System (GIS) layers showing Valley Water land rights, USA facility marking zones, encroachment prioritization, and CPRU project file information, as well as providing FEMA, flooding, and water resource information to the public and responding to Public Records Act requests. Provides technical assistance for and assists in the negotiation of real estate transactions, including joint use agreements, licenses, right of way dedications and sales, and agreements related to land development, public agency projects, or other construction on Valley Water property.

Environmental Planning

The Environmental Planning Unit provides project planning, environmental document preparation, California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) compliance, and natural resource agency permitting services for water utility and watershed capital projects. Additionally, the unit supports CEQA lead and responsible agency actions for Valley Water permit and grant programs. Finally, the unit manages Safe, Clean Water Projects B1 Impaired Water Bodies Improvement and B2 Inter-agency Urban Runoff Program and provides surface water quality regulatory expertise.

Environmental Mitigation & Monitoring

The Environmental Mitigation and Monitoring Unit is responsible for: managing long-term mitigation monitoring programs for Valley Water; three ecology-oriented stewardship Safe Clean Water Programs (D2, D5, and D7); administering two on-call biological services consultant agreements; land management and easement monitoring for mitigation lands; oversight of the plant pathogen program; providing biological subject matter expertise to support over 30 capital projects and long range planning programs; managing the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE); and mitigation monitoring commitments for the Anderson Dam Seismic Retrofit project. The unit also provides ecological and biological expertise supporting Valley Water activities, projects, and programs to effectively manage natural resources, stewardship, and comply with environmental laws and regulations. The unit specializes in special-status species, jurisdictional habitats, impact and habitat function assessments, avoidance and minimization measures, mitigation design and monitoring, environmental permitting, and stewardship.

Hydrology, Hydraulics & Geomorphology

The Hydrology, Hydraulics and Geomorphology Unit builds the foundation of Valley Water's flood protection work and provides the essential data for groundwater recharge and reservoir release analysis for environmental purposes. The unit begins with the measurement of rainfall, reservoir, 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, and then determines the creek size and height of levees and floodwalls. The unit manages a flood forecast and flood warning system to send flood warning messages to the community for potential flood risks and develops the geomorphologic analysis that provides the basis for channel modification to minimize maintenance needs and sustain long-term stability.

Real Estate Services

The Real Estate Services Unit provides professional real estate expertise in the areas of negotiation and acquisition for permanent and temporary land rights for capital improvement and other projects, disposition of real estate assets, appraisal services, relocation of homeowners, businesses and agricultural operations, and asset management, including property management activities for Valley Water (VW) owned residential and commercial properties. The unit is a key proponent of VW's GIS system and coordinates integration of data and layer to provide up-to-date system information for agency-wide operational and project requirements. Recently integrated into the unit, the Land Management Program is tasked with determining various land rights, analysis of surplus VW property in relation to the disposition of real estate, coordination of interagency joint use agreements, expansion of the On Base Enterprise Content Management System (ECM), and deployment of an agency-level wildfire resilience plan.

Water Resources Planning & Policy

The Water Resources Planning and Policy Unit conducts long-range watershed planning and watershed stewardship project planning, develops and seeks funding for stewardship projects, manages and reports on Valley Water's response to climate change, and collaborates with regional partners to promote a coordinated approach to water resources stewardship. The unit leads development on several projects including Calabazas/San Tomas Aquino Creek - Marsh Connection, Pond A4 Resilient Habitat Restoration, the Ogier Ponds Separation from Coyote Creek, the Coyote Pond 10B Freshwater Wetlands, and the Stevens Creek Fish Passage Improvement FAHCE projects, such as the Moffett Fish Ladder Improvement Project. Long-range planning efforts include the Climate Change Action Plan, Greenhouse Gas Reduction Plan, the Watershed Master Plans, and the fish passage barrier prioritization studies. The unit is also developing a carbon sequestration program for Valley Water to support its net-zero emissions goal. The unit participates on County-wide and regional planning efforts, such as the Santa Clara County Climate Collaborative, Coyote Valley Coordination meetings, Pajaro River Watershed Resilience Planning Advisory Group, the Santa Cruz Mountain Network, and the Pajaro Compass. Finally, the unit is responsible for implementation of Safe Clean Water Priority D-4 Fish Passage and Habitat Enhancement, directly overseeing project planning and studies to achieve all five Key Performance Indicators.

FY 2025 Accomplishments

- Executed partnership MOUs with CA Coastal Conservancy, Midpeninsula Regional Open Space District, and the Valley Habitat Agency for invasive plant control and habitat restoration.
- Completed the draft and final Environmental Impact Reports for the Pipeline Maintenance Program and Coyote Creek Flood Protection projects, and draft and final Mitigated Negative Declaration for the Penitencia Water Treatment Plant Residuals Management Project.
- Completed natural resource agency permitting of Palo Alto Tide Gate and Santa Clara and Pacheco Conduits Right-of-Way Acquisition projects.
- Completed feasible alternatives reports for Ogier Ponds Separation from Coyote Creek, Moffett Fish Ladder, and Calabazas/San Tomas Aquino Creeks Reconnection Projects.
- Completed the Project Definition and Conceptual Alternatives Reports for Coyote Pond 10B Freshwater Wetlands, an SMP mitigation project.
- Signed $5M State Coastal Conservancy grant funding agreement for the Pond A4 Resilient Habitat Restoration project.
- Completed the Google West Channel Enhancement Agreement and the Bordeaux-Borregas bridge agreement.
- Completed hydrology and hydraulics update for Guadalupe Watershed Master Plan.
- Provided technical data and added additional gauge for Lower Peninsula Watershed Emergency Action Plan.
- Continued updating Flood Watch web site to support flood emergency monitor and response.
- Completed real estate acquisitions for Coyote Creek Flood Management Measures Project (CCFMMP).
- Terminated Santa Teresa and Day Care leases, resulting in cost savings and the return of staff to main campus.

FY 2026 Milestones

- Provide environmental and lead biological support for several capital, flood protection and water utility projects (e.g., Anderson Dam Seismic Retrofit, San Francisquito Creek, Permanente Creek, Upper Guadalupe River Project, Upper and Lower Berryessa Creek, Mid-Coyote Creek, South County Right-of-Way, 10-Year Pipeline Inspection, Groundwater Management Program, Pacheco Reservoir Expansion Project, etc.).
- Complete Planning Study Reports for Calabazas/San Tomas Aquino Creeks Reconnection and Coyote Pond 10B Freshwater Wetlands.
- Develop concept designs for Guadalupe, Alamitos, and Arroyo Calero high priority fish passage improvements.
- Complete 30% Plans, Specifications, and Estimates (PS&E) for the Ogier Ponds and Moffett Fish Ladder projects.
- Complete the Existing Conditions Report, metric and target development, and draft priority action identification for the Lower Peninsula and West Valley Watershed Master Plans.
- Complete the Greenhouse Gas Reduction Plan and Carbon Sequestration Program development.
- Receive permits for the Pond A4 Resilient Habitat Restoration project and complete contracting for implementation.
- Implement new Oracle Upgrade and Customer Relationship Management System (Cityworks) and Document Storage system (OnBase), including creation of new work processes, forms, and applications for the new system.
- Implement approved encroachment remediation licensing program and new proactive encroachment planning.
- Update San Tomas Creek design flows by completing a calibrated Hydrologic Modeling System (HEC-HMS) model.
- Complete Lower Peninsula and West Valley watersheds 100-year floodplain update.
- Enhance a new Flood Watch website to support flood emergency monitor and response.
- Continue processing several licenses, agreements, and easements in/out for both Valley Water-owned properties and Valley Water project required real estate.
- Continue monitoring and renewal of several leases on Valley Water owned property and continued management of Valley Water-owned residential lease properties.

FY 2027 Milestones

- Provide environmental and lead biological support for several capital, flood protection and water utility projects (e.g., Anderson Dam Seismic Retrofit, San Francisquito Creek, Permanente Creek, Upper Guadalupe River Project, Upper and Lower Berryessa Creek, Mid-Coyote Creek, South County Right-of-Way, 10-Year Pipeline Inspection, Groundwater Management Program, Pacheco Reservoir Expansion Project, etc.).
- Support project design for Calabazas/San Tomas Aquino Creeks Reconnection, Moffett Fish Ladder, and Coyote Pond 10B Freshwater Wetlands and continue seeking grant funding.
- Complete reconnaissance and survey of two additional creeks for fish passage barriers under SCW D4 KPI#4.
- Complete the Lower Peninsula and West Valley Watershed Master Plans and begin the Coyote Watershed Master Plan update.
- Complete the Climate Change Action Plan annual update and conduct follow-up greenhouse gas inventory.
- Close out CPRU Board Audit Findings.
- Review proposed trails for potential joint use agreement (JUA) as needed and new ones as they come up, for trails in design.
- Update Llagas Creek design flows by completing a calibrated HEC-HMS model.
- Collect sediment and flow data to provide calibration dataset for hydrologic, hydraulic and sediment models.
- Continue processing capital project real estate related requests for acquisition of full fee acquisitions, licenses, easements, etc.
- Dispose of residential properties owned by Valley Water and no longer required for project purposes.
- Continue monitoring, renewing, and terminating leases on Valley Water fee owned real estate.

Budget Issues and Constraints

- Internal staffing shortages, including the loss of entry-level position codes, have limited the ability to service project demands, especially seismic retrofit projects, and delayed responses to encroachment submittals.
- Workload pressures, jurisdictional complexity, and limited design and operations staff continue to constrain project implementation timelines and require increased reliance on other departments.
- Regulatory compliance remains a major challenge, with unpredictable authorization processes, evolving natural resource management requirements, and difficult negotiations with resource agencies on permits and mitigation.
- Increased volume and complexity of encroachment requests are driving up operations and maintenance (O&M) time and costs, while also impacting the delivery of new capital projects.
- External factors, including water rights complaints, regulatory permit conditions, and external party requests for reevaluation, continue to introduce delays and require significant staff attention.
- Funding limitations from external partners and federal agencies, coupled with instability and staffing challenges among federal partners, present ongoing risks to project advancement and long-term planning.

Watershed Stewardship & Planning Division — Budget Summary

Project Type (Category)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	28,243,935	33,596,997	33,950,993	35,899,982
Operating Project	6,028,095	3,750,072	3,302,891	4,182,590
Capital	15,667,076	14,015,223	7,091,341	14,325,971
Total [1]	**49,939,106**	**51,362,292**	**44,345,225**	**54,408,543**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Community Projects Review	7,255,609	7,534,169	8,242,176	8,829,953
Environmental Mitigation & Monitoring	13,534,507	11,988,149	10,738,733	11,596,073
Environmental Planning	12,147,048	9,053,833	7,986,931	8,303,747
Environmental Planning #1	16,844	–	–	–
Hydrology, Hydraulics & Geomor	6,815,507	7,261,319	7,558,928	8,000,030
Office of Watersheds Stewardship & Pln Div	3,588,692	2,208,827	1,343,539	1,224,113
Real Estate Services	4,419,355	5,068,949	5,694,542	6,038,759
Water Resources Planning & Policy	2,161,544	8,247,046	2,780,375	10,415,867
Total [1]	**49,939,106**	**51,362,292**	**44,345,225**	**54,408,543**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

Watershed Stewardship & Planning Division - Position Summary

	FY 2023-24 Adjusted Budget [2]	FY 2024-25 Adopted Budget [2]	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Authorized Positions [1]	**91**	**90**	**79**	**79**

(1) Authorized positions exclude limited term positions.

(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY 2027 Organizational Chart.

Operations Budget by Department and Account Category

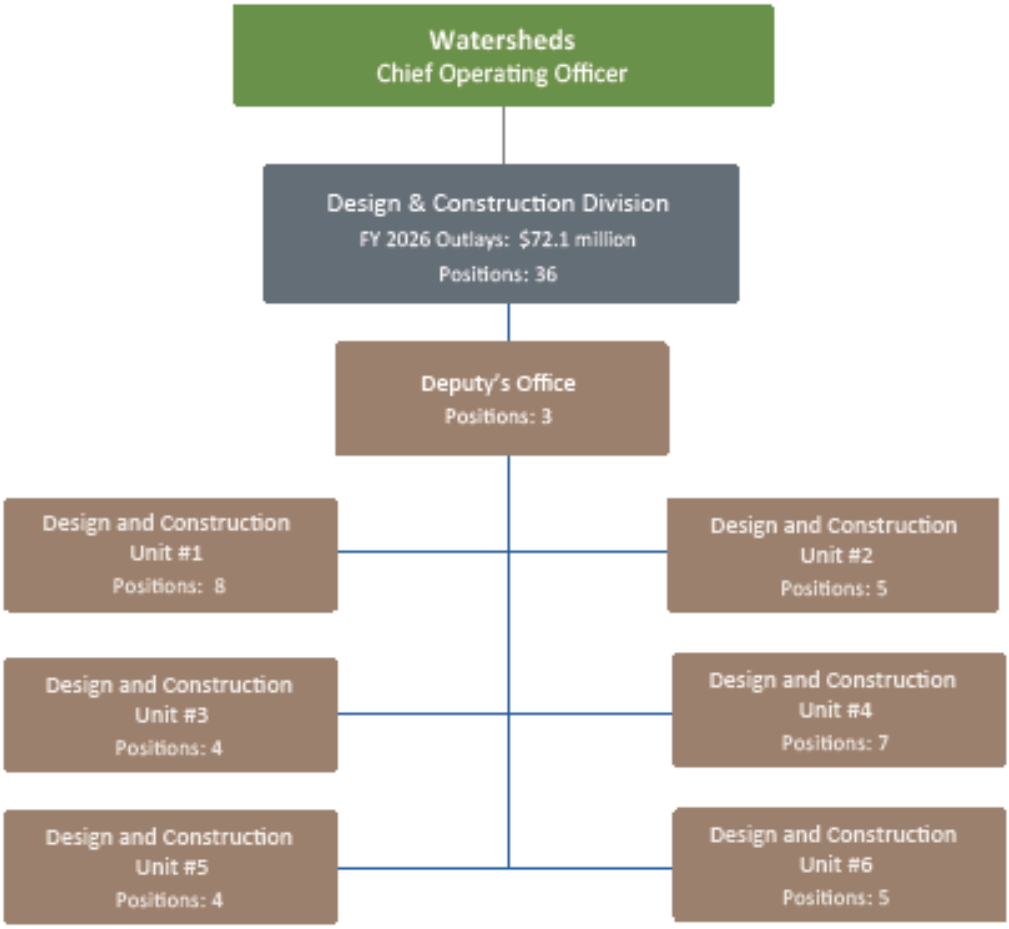
Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Community Projects Review					
	Salaries & Benefits	4,320,700	4,430,444	4,730,744	4,994,152
	Services & Supplies	246,022	256,922	551,581	551,581
	Intra District Charges	2,678,029	2,764,912	2,889,929	3,194,966
Community Projects Review Total		7,244,751	7,452,278	8,172,253	8,740,698
Environmental Mitigation & Monitoring					
	Salaries & Benefits	3,168,907	3,539,798	3,312,860	3,336,885
	Services & Supplies	5,149,509	2,974,441	2,251,759	2,601,950
	Intra District Charges	1,928,180	2,192,817	2,054,869	2,168,029
Environmental Mitigation & Monitoring Total		10,246,597	8,707,056	7,619,489	8,106,864
Environmental Planning					
	Salaries & Benefits	1,502,498	2,180,233	1,842,889	1,986,282
	Services & Supplies	2,385,777	2,458,537	2,823,250	2,846,090
	Intra District Charges	1,017,155	1,392,644	1,158,973	1,310,559
Environmental Planning Total		4,905,430	6,031,413	5,825,113	6,142,931
Environmental Planning #1					
	Services & Supplies	16,844	–	–	–
Environmental Planning #1 Total		16,844	–	–	–
Hydrology, Hydraulics & Geomor					
	Salaries & Benefits	3,086,077	3,671,925	3,722,720	3,910,456
	Services & Supplies	1,158,371	975,016	1,272,636	1,241,084
	Intra District Charges	1,889,660	2,271,561	2,274,602	2,515,445
Hydrology, Hydraulics & Geomor Total		6,134,108	6,918,502	7,269,958	7,666,986
Office of Watersheds Stewardship & Pln Div					
	Salaries & Benefits	1,379,186	1,097,521	1,158,850	1,255,765
	Services & Supplies	47,936	7,000	7,000	7,000
	Intra District Charges	963,600	693,082	722,729	824,729
Office of Watersheds Stewardship & Pln Div Total		2,390,722	1,797,603	1,888,578	2,087,494
Real Estate Services					
	Salaries & Benefits	1,448,362	2,047,331	2,464,094	2,712,918
	Services & Supplies	808,900	687,371	964,850	964,850
	Intra District Charges	851,023	1,264,357	1,483,107	1,705,658
Real Estate Services Total		3,108,285	3,999,059	4,912,050	5,383,426
Water Resources Planning & Policy					
	Salaries & Benefits	123,930	1,070,659	694,676	738,208
	Services & Supplies	32,196	692,750	434,000	730,000
	Intra District Charges	69,168	677,749	437,767	485,965
Water Resources Planning & Policy Total		225,294	2,441,157	1,566,442	1,954,173
Operations Total [(1)]		**34,272,030**	**37,347,069**	**37,253,884**	**40,082,572**

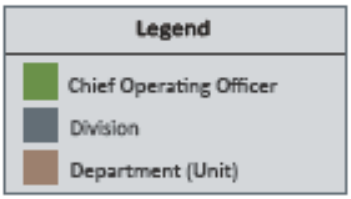
Capital Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Community Projects Review					
	Salaries & Benefits	5,799	50,401	27,756	39,064
	Services & Supplies	1,052	–	25,216	25,216
	Intra District Charges	4,006	31,490	16,951	24,975
Community Projects Review Total		10,858	81,891	69,923	89,255
Environmental Mitigation & Monitoring					
	Salaries & Benefits	2,033,965	2,000,422	1,856,929	2,106,377
	Services & Supplies	8,796	28,000	100,000	–
	Intra District Charges	1,245,150	1,252,672	1,162,316	1,382,833
Environmental Mitigation & Monitoring Total		3,287,910	3,281,093	3,119,245	3,489,210
Environmental Planning					
	Salaries & Benefits	1,973,535	1,699,330	1,252,516	1,281,471
	Services & Supplies	3,935,921	232,000	115,000	25,000
	Intra District Charges	1,332,162	1,091,089	794,302	854,346
Environmental Planning Total		7,241,617	3,022,419	2,161,818	2,160,816
Hydrology, Hydraulics & Geomor					
	Salaries & Benefits	417,923	208,848	177,217	200,400
	Services & Supplies	1,834	–	–	–
	Intra District Charges	261,643	133,969	111,753	132,645
Hydrology, Hydraulics & Geomor Total		681,400	342,817	288,970	333,045
Office of Watersheds Stewardship & Pln Div					
	Salaries & Benefits	565,393	–	–	–
	Services & Supplies	271,586	411,224	(545,039)	(863,381)
	Intra District Charges	360,991	–	–	–
Office of Watersheds Stewardship & Pln Div Total		1,197,970	411,224	(545,039)	(863,381)
Real Estate Services					
	Salaries & Benefits	793,304	638,361	419,082	334,360
	Services & Supplies	43,868	35,700	114,000	114,000
	Intra District Charges	473,898	395,829	249,409	206,973
Real Estate Services Total		1,311,070	1,069,890	782,492	655,332
Water Resources Planning & Policy					
	Salaries & Benefits	370,648	904,499	860,672	897,271
	Services & Supplies	1,355,164	4,328,813	(189,209)	6,973,642
	Intra District Charges	210,438	572,577	542,469	590,781
Water Resources Planning & Policy Total		1,936,251	5,805,889	1,213,933	8,461,694
Capital Total [(1),(2)]		**15,667,076**	**14,015,223**	**7,091,341**	**14,325,971**
Division Total [(1),(2)]		**49,939,106**	**51,362,292**	**44,345,225**	**54,408,543**

[(1)] Totals reflect the gross budget and includes intra-district reimbursement charges.
[(2)] Negative Services & Supplies (S&S) balances reflect capital budget offsets used to reduce current-year appropriations by applying available carryforward balances. This budget reconciliation aligns project funding with the Capital Improvement Plan and accounts for appropriations budgeted in other departments within the same project.

Watershed Design & Construction Division





Division Description and Objectives

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

The Division has six units responsible for planning, design and construction of various watershed and water resource stewardship capital projects, as well as repair work on existing watersheds facilities.

These projects include, but are not limited to:

- Coyote Creek Flood Protection Project
- Coyote Creek Flood Management Measures Project
- Bolsa Road Fish Passage Improvements Project
- Lower Berryessa Creek Phase II (including Lower Calera Creek) Project
- Upper Guadalupe River Flood Risk Management Project
- Upper Guadalupe River Reach 6 Project
- Lower Guadalupe River Capacity Restoration Project
- Berryessa Creek, Calaveras Boulevard to Interstate 680 Project
- Palo Alto Tide Gate Structure Seismic Retrofit and Rehabilitation Project
- South Babb Creek Flood Mitigation Project
- Stevens Creek Evelyn Fish Passage Improvements Project
- Lower Penitencia Creek Improvements Project
- Upper Penitencia Creek Phase 1 and 2 Project
- South San Francisco Bay Shoreline Phase I Project
- South San Francisco Bay Shoreline Phase III (Shoreline Sunnyvale) Project
- Upper Llagas Creek Flood Protection Project
- Sunnyvale East and West Channels Project
- Coyote Percolation Dam Replacement Project

The Division is also responsible for implementation of the Watersheds Asset Rehabilitation Program (WARP) projects, which includes repair and rehabilitation of several segments of levees and flood walls along Calabazas Creek, Guadalupe River, Permanente Creek, and Coyote Creek. Projects are identified and prioritized annually by the Operations and Maintenance (O&M) engineering staff who identify rehabilitation needs that are beyond the everyday maintenance capability of O&M staff and require development of engineering designs to restore damaged sections.

Valley Water's Watershed Capital program has a significant portion of the program implemented in partnership with other local and federal partners, such as the United States Army Corps of Engineers (USACE) and San Francisquito Creek Joint Powers Authority. With significant funding and technical lead or support roles, Valley Water plays a vital role in advancing and implementing these projects.

The Division plays a key role in advancing projects which include:

- Upper Guadalupe River Flood Protection Project (Planning)
- San Francisco Bay Shoreline, Phase I, Reaches 1-3 (Construction)
- San Francisco Bay Shoreline, Phase I, Reaches 4-5 (Planning/Design)
- San Francisco Bay Shoreline, Phase III/Sunnyvale (Planning)
- San Francisquito Creek Flood Protection Project (Design)

FY 2025 Accomplishments

- Supported the USACE in completing the first milestone in their planning process for the San Francisco Bay Shoreline Phase III/Sunnyvale Project.
- Completed construction of Coyote Creek Flood Management Measures Project.
- Completed the final design and final Environmental Impact Report (EIR) for Coyote Creek Flood Protection Project.
- Completed construction work of the Coyote Percolation Dam Replacement Project.
- Completed third year of the general re-evaluation study with the USACE for the Upper Guadalupe River Flood Risk Management Project.
- Completed final design for the Palo Alto Tide Gate Phase 1 (Seismic Retrofit and Rehabilitation) Project.
- Completed final design for the WARP South Babb Creek Flood Mitigation Project.
- Completed final design for the WARP Stevens Creek Evelyn Fish Passage Improvements Project.
- Completed construction of Upper Llagas Phase 2A Project.
- Completed post construction 3-year native revegetation establishment period for the Upper Llagas Phase 1 Project.
- Awarded the construction contract and began construction of Upper Llagas Creek Flood Protection Project, Phase 2B.
- Completed construction of WARP Calabazas Creek – Miller to Bollinger Road Project.
- Completed construction of WARP Coyote Creek Levee Animal Damage Repair Project.
- Completed 90% design of WARP Upper Guadalupe River at Malone and Blossom Hill Road Erosion Repairs Project.

FY 2026 Milestones

- Begin construction of Coyote Creek Flood Protection Project.
- Complete year 1 (civil work) construction of the Palo Alto Tide Gate Seismic Retrofit and Rehabilitation Project.
- Complete the plant establishment and maintenance phase for Lower Calera Creek Flood Protection Project.
- Complete flood risk management levee construction for Shoreline Phase I Project, Reaches 1-3.
- Complete construction of the WARP South Babb Creek Flood Mitigation Project.
- Complete year 1 (civil work) of WARP Stevens Creek Evelyn Fish Passage Improvements Project.
- Continue construction of Upper Llagas Creek Flood Protection Project, Phase 2B.
- Begin construction of Sunnyvale East and West Channels Project.
- Begin construction of WARP Upper Guadalupe River at Malone Road and Blossom Hill Road Erosion Repairs Project.
- Complete civil construction of Permanente/Hale Creek U-frame Wall Repair Project.
- Begin design of the following WARP projects:
  - Guadalupe River at San Carlos Erosion Repair
  - Lower Penitencia Creek at Great Mall Parkway Erosion Repair
  - Creek in Pipe Program Repairs
  - Randol Creek Levee Repair Project
- Begin design of Regnart Creek Rehabilitation Project.

FY 2027 Milestones

- Achieve 40% of construction completion of the Coyote Creek Flood Protection Project.
- Complete the 90% design of Regnart Creek Rehabilitation Project.
- Continue General Re-evaluation Study of the Upper Guadalupe River Flood Risk Management Project.
- Complete year 2 (civil work) of WARP Stevens Creek Evelyn Fish Passage Improvements Project.
- Complete year 2 (hydraulic flap gate replacement) for Palo Alto Tide Gate Seismic Retrofit and Rehabilitation Project.
- Continue construction of Upper Llagas Creek Flood Protection Project, Phase 2B.
- Continue construction of Sunnyvale East and West Channels Project.
- Complete plant establishment and maintenance phase for the Lower Penitencia Creek Improvements Project.
- Complete design and begin construction of the WARP Randol Creek Levee Repair Project.
- Complete design and begin construction of the WARP Guadalupe River at San Carlos Erosion Repair Project.
- Complete design and begin construction of the WARP Lower Penitencia Creek at Great Mall Parkway Erosion Repair Project.
- Continue design and implementation of the Creek in Pipe Program.

Budget Issues and Constraints

- Certain projects are led by external agencies (Shoreline Phase I and III; Upper Guadalupe Flood Risk Management Project: USACE, San Francisquito Flood Protection Project: SFCJPA) and are therefore subject to their respective schedules, funding, and approval processes.
- Project implementation is constrained by external funding availability, including federal and local sources, and timing of future authorizations, such as the federal WRDA approval needed for the Upper Guadalupe River Flood Risk Management Project.
- Environmental permitting remains a major challenge, including CEQA, obtaining permits from regulatory agencies (California Department of Fish and Wildlife, Regional Board), and securing timely approval for action under SMP permits.
- Seasonal construction work windows, especially for in-creek work during summer months limit flexibility and can vary depending on permits.
- Limited right of way in project corridors and increasing real estate acquisition costs are significant constraints, especially in highly urbanized areas.
- Environmental factors, including special status species, limit feasible design options.
- Availability of internal resources due to staffing shortages in areas such as engineering, real estate, and construction services staff, present challenges to project development and delivery timelines.

Watershed Design & Construction Division — Budget Summary

Project Type (Category)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	953,743	270,322	96,853	112,465
Operating Project	1,252	–	–	–
Capital	122,619,846	160,585,041	71,967,554	165,342,471
Total [1]	**123,574,840**	**160,855,363**	**72,064,407**	**165,454,936**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Design & Construction Unit #1	69,970,212	68,670,493	21,060,974	70,890,992
Design & Construction Unit #2	15,352,561	4,797,695	8,988,361	8,221,571
Design & Construction Unit #3	18,483,997	63,896,781	21,441,966	63,496,429
Design & Construction Unit #4	10,849,560	2,069,365	7,017,489	7,518,426
Design & Construction Unit #5	2,959,455	14,461,690	7,362,531	7,487,561
Design & Construction Unit #6	4,565,382	5,482,374	4,593,389	6,089,314
Office of WS Design&Const Div	1,393,673	1,476,966	1,599,697	1,750,643
Total [1]	**123,574,840**	**160,855,363**	**72,064,407**	**165,454,936**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

Watershed Design & Construction Division - Position Summary

	FY 2023-24 Adjusted Budget [2]	FY 2024-25 Adopted Budget [2]	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Authorized Positions [1]	**42**	**41**	**36**	**36**

(1) Authorized positions exclude limited term positions.

(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY 2027 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Design & Construction Unit #1					
	Salaries & Benefits	4,318	4,099	4,403	4,585
	Services & Supplies	17,646	–	–	–
	Intra District Charges	1,481	2,580	2,758	3,008
Design & Construction Unit #1 Total		23,444	6,679	7,161	7,593
Design & Construction Unit #2					
	Salaries & Benefits	517	2,149	2,315	2,424
	Services & Supplies	3,745	–	–	–
	Intra District Charges	11	1,322	1,379	1,504
Design & Construction Unit #2 Total		4,273	3,471	3,693	3,928
Design & Construction Unit #3					
	Salaries & Benefits	474	7,460	–	–
	Services & Supplies	1,039	2,000	2,000	–
	Intra District Charges	279	2,622	–	–
Design & Construction Unit #3 Total		1,793	12,082	2,000	–
Design & Construction Unit #4					
	Salaries & Benefits	5,920	3,260	3,432	3,587
	Services & Supplies	1,949	900	900	900
	Intra District Charges	726	1,992	2,078	2,266
Design & Construction Unit #4 Total		8,596	6,153	6,410	6,753
Design & Construction Unit #5					
	Salaries & Benefits	355	–	–	–
	Services & Supplies	3,211	–	–	–
	Intra District Charges	58	–	–	–
Design & Construction Unit #5 Total		3,623	–	–	–
Design & Construction Unit #6					
	Salaries & Benefits	415,425	150,077	52,259	61,672
	Services & Supplies	211,193	–	–	–
	Intra District Charges	260,927	91,861	25,330	32,520
Design & Construction Unit #6 Total		887,544	241,938	77,589	94,191
Office of WS Design&Const Div					
	Salaries & Benefits	16,600	–	–	–
	Intra District Charges	9,122	–	–	–
Office of WS Design&Const Div Total		25,721	–	–	–
Operations Total [1]		**954,994**	**270,322**	**96,853**	**112,465**

[1] Totals reflect the gross budget and includes intra-district reimbursement charges.

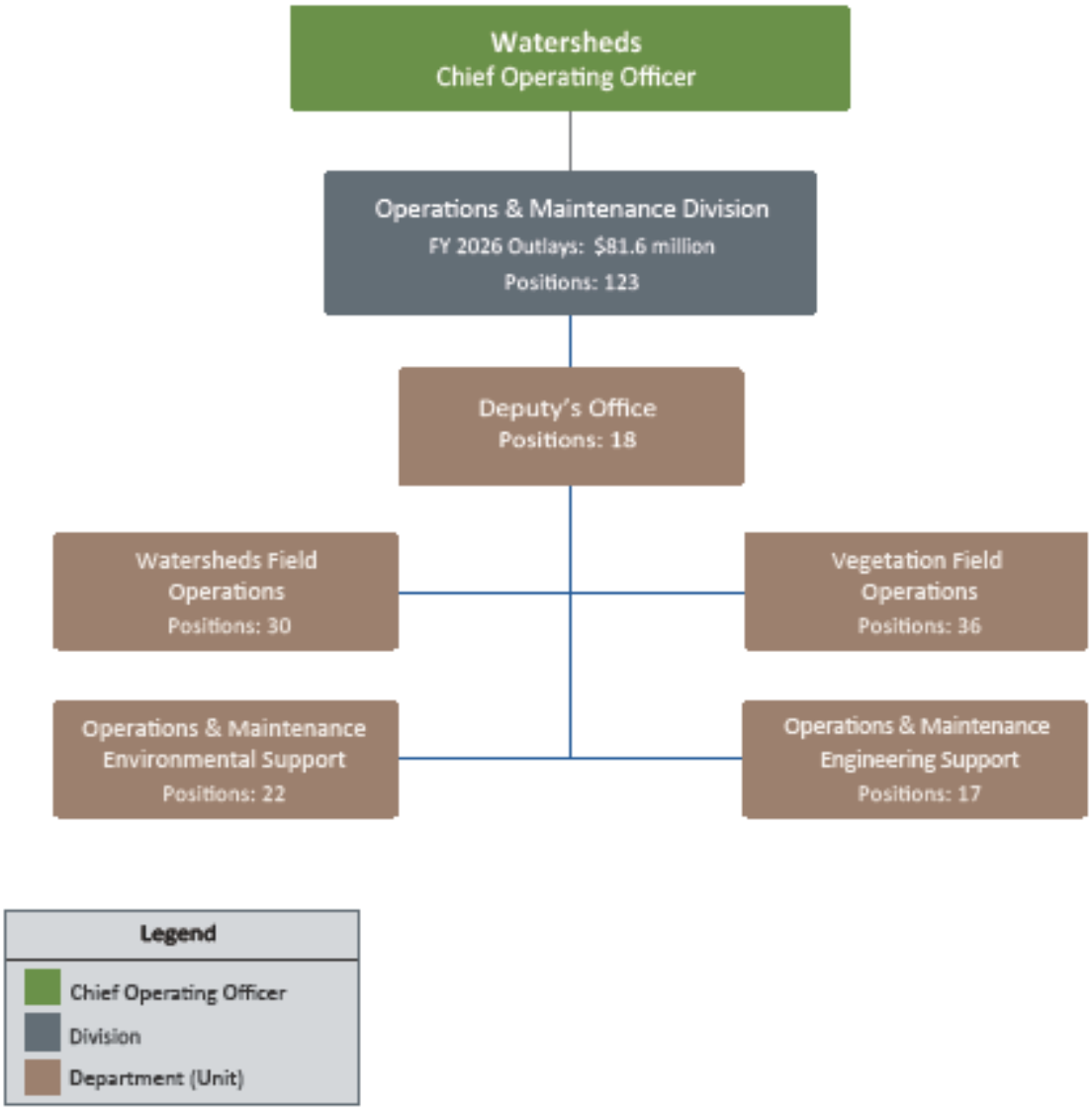
Capital Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Design & Construction Unit #1					
	Salaries & Benefits	1,915,366	2,137,706	2,253,279	2,389,285
	Services & Supplies	66,833,802	65,179,349	17,388,045	66,925,552
	Intra District Charges	1,197,600	1,346,760	1,412,489	1,568,562
Design & Construction Unit #1 Total		69,946,767	68,663,814	21,053,813	70,883,399
Design & Construction Unit #2					
	Salaries & Benefits	1,891,390	2,133,800	1,478,827	1,554,467
	Services & Supplies	12,312,870	1,346,245	6,624,399	5,698,230
	Intra District Charges	1,144,028	1,314,179	881,442	964,946
Design & Construction Unit #2 Total		15,348,288	4,794,224	8,984,668	8,217,643
Design & Construction Unit #3					
	Salaries & Benefits	1,338,334	1,376,365	1,245,009	1,301,750
	Services & Supplies	16,293,512	61,630,314	19,417,971	61,344,120
	Intra District Charges	850,358	878,020	776,986	850,558
Design & Construction Unit #3 Total		18,482,204	63,884,699	21,439,966	63,496,429
Design & Construction Unit #4					
	Salaries & Benefits	1,583,325	1,614,096	1,985,038	2,092,677
	Services & Supplies	8,287,107	(537,480)	3,824,195	4,096,710
	Intra District Charges	970,532	986,596	1,201,846	1,322,285
Design & Construction Unit #4 Total		10,840,964	2,063,212	7,011,079	7,511,673
Design & Construction Unit #5					
	Salaries & Benefits	1,371,162	1,176,987	1,282,125	1,348,453
	Services & Supplies	803,360	12,590,000	5,280,000	5,260,000
	Intra District Charges	781,311	694,703	800,407	879,108
Design & Construction Unit #5 Total		2,955,832	14,461,690	7,362,531	7,487,561
Design & Construction Unit #6					
	Salaries & Benefits	1,196,751	1,676,649	1,455,764	1,536,725
	Services & Supplies	1,719,075	2,501,844	2,140,340	3,440,883
	Intra District Charges	762,012	1,061,943	919,696	1,017,515
Design & Construction Unit #6 Total		3,677,838	5,240,436	4,515,800	5,995,123
Office of WS Design&Const Div					
	Salaries & Benefits	858,210	925,878	1,000,705	1,075,504
	Services & Supplies	2,932	7,650	7,650	7,650
	Intra District Charges	506,809	543,438	591,342	667,489
Office of WS Design&Const Div Total		1,367,951	1,476,966	1,599,697	1,750,643
Capital Total [(1),(2)]		**122,619,846**	**160,585,041**	**71,967,554**	**165,342,471**
Division Total [(1),(2)]		**123,574,840**	**160,855,363**	**72,064,407**	**165,454,936**

(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

(2) Negative Services & Supplies (S&S) balances reflect capital budget offsets used to reduce current-year appropriations by applying available carryforward balances. This budget reconciliation aligns project funding with the Capital Improvement Plan and accounts for appropriations budgeted in other departments within the same project.

Watershed Operations & Maintenance Division



Division Description and Objectives

The Watersheds Operations and Maintenance Division (O&M) maintains 333 miles of the County's 800 miles of streams across all five watersheds for flow conveyance, flood risk reduction, water quality, habitat protection, and fire risk reduction. The Division is composed of four units that provide field maintenance, vegetation management, engineering support, and environmental services for Watershed and Raw Water Facilities and lands managed under the Stream Maintenance Program (SMP). Additionally, the Deputy's Office provides administrative leadership and support for the Division and is home to the Good Neighbor Program: Encampment Cleanup which works to address the impacts of encampments of unsheltered individuals located on Valley Water lands. The Division also oversees the Stream Maintenance Program to ensure work is performed according to regulatory permits and stream maintenance guidelines.

Watershed Field Operations

The Watersheds Field Operations unit is responsible for coordination and management of field construction and routine maintenance activities on Watersheds facilities, coordination of storm response services, and monitoring of safety procedures. The unit ensures 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 Unit (VFO) is responsible for the coordination and management of integrated vegetation management programs to control instream vegetation to maintain flow conveyance, upland vegetation management for maintenance access and fire code compliance, the Watersheds hazard tree program, SMP riparian planting and invasive plant management mitigation projects, and mitigation site maintenance on Valley Water facilities including Capital projects. VFO also provides design and installation of geo-textile components and hydro-seeding for projects completed under the Stream Maintenance Program (SMP). VFO is responsible for managing and implementing the Sandbag Program to build and deliver a supply of filled sandbags or sand and empty bags to the public during the winter storm season, and to supply sandbags for maintenance projects as needed.

Operations & Maintenance Environmental Support

The Operations and Maintenance Environmental Support Unit provides environmental and logistics support to Valley Water operations and maintenance activities in both Watersheds and Water Utility Enterprise. The unit supports the Stream Maintenance Program, Hazard Tree Program, Dam Maintenance Program and Pipeline Maintenance Program, as well as numerous other O&M activities that occur outside these major programs. Environmental support includes preparation of California Environmental Quality Act (CEQA) analysis, permitting, and mitigation monitoring and reporting. Logistics support includes implementation of the Equipment Material and Labor program, as well as delivery of Valley Water-wide services such as sediment and water quality sampling/testing, rodent control, archeological consulting, and landfill disposal.

Operations & Maintenance Engineering Support

The Watersheds Operations and Maintenance Engineering Support unit is responsible for conducting creek and levee inspections, preparing work orders, and providing engineering support for operations and maintenance activities for streams, levees, and other watersheds assets within Santa Clara County over which Valley Water has responsibility. This work supports the flood protection and watershed stewardship components of Valley Water's mission.

FY 2025 Accomplishments

- Reduced the risk of flooding to homes, businesses, and schools and ensured stream and levee flow conveyance by performing work to remove sediment build-up (approximately 20,000 total cubic yards), manage vegetation (approximately 2,000 acres), clear trash and debris (approximately 2,000 cubic yards), and stabilize creek banks that eroded during high water flows (approximately 2,000 linear feet).
- Facilitated the passage of the Water Resources Protection Zones Ordinance (Ordinance) by the Board of Directors in November 2024 which established regulations prohibiting camping and related activities on Valley Water lands and addresses the environmental, health, and safety impacts caused by encampment activity.
- Initiated the Ordinance Implementation Plan to reduce and eliminate the most serious encampment-related environmental, health, and safety impacts.
- Managed over 300 acres of trash, debris, and hazardous pollutants generated from encampments to reduce the amount of these pollutants entering streams.
- Completed the Little Arthur Dam Removal Project in collaboration with Amah Mutsun Tribe, National Marine Fisheries Service, CDFW, and various fisheries stakeholder groups including Trout Unlimited providing South Central California Coast Steelhead access to more than three miles of high-quality spawning and rearing habitat.
- Completed and distributed the Draft Stream Maintenance Program 3 (SMP-3) Manual which will guide the planning and implementation of stream maintenance activities to comply with CEQA and environmental permits for 2027-2036.
- Engineering teams inspected approximately 190 miles of creeks and 100 miles of levees.
- Provided engineering support and construction oversight for Stream Maintenance Program (SMP) bank protection, levee maintenance, and sediment removal projects.
- Conducted approximately 2,000 acres of vegetation management for access and fire risk reduction along levee, property lines and maintenance roads.
- Managed over 300 acres of riparian planting projects and maintained over 200 acres of invasive plant management in all five watersheds.
- Managed vegetation at seven dam sites.
- Removed more than one acre of giant reed Arundo donax at more than 15 sites throughout the county for habitat protection, flood control and fire risk reduction.
- Distributed approximately 75,000 sandbags throughout the County.
- Continued collaboration with the County of Santa Clara, providing $200,000 to the County to coordinate and provide human services to the unsheltered population residing on Valley Water lands.
- Removed more than 75,000 square feet of graffiti.
- Installed or repaired approximately 3,000 linear feet of fencing.
- Submitted annual inspection reports to U.S. Army Corps of Engineers for Guadalupe River, Coyote Creek, Upper Berryessa Creek, and Uvas Creek Flood Protection Projects.
- Provided inspection, engineering, and Field Information Team (FIT)-related support prior to, during, and following winter storm events and emergency operations activations.
- Completed the SMP Notice of Proposed Work (NPW) in preparation for the June-October 2025 stream maintenance season.
- Completed the SMP Annual Summary Report (ASR).

FY 2026 Milestones

- Manage 300 acres annually to clean up trash, debris, and hazardous pollutants generated from encampments and to reduce the amount of these pollutants entering streams.
- Provide up to $500,000 per year in cost-share with local agencies for services related to encampment cleanups, including services supporting staff safety, discouraging re- encampments along waterways, or addressing the homelessness crisis with the goal of reducing the need for encampment cleanups.
- Perform sediment removal activities to maintain completed flood protection projects for flow conveyance.
- Clean up identified trash and graffiti hotspots at approximately 80 sites four times per year.
- Respond to litter and graffiti requests within five working days.
- Manage 300 acres of riparian planting projects and at least 200 acres of invasive plant management mitigation sites.
- Perform instream vegetation control activities to maintain completed flood protection projects for flow conveyance.
- Manage 2,970 acres of upland vegetation for fire code compliance and maintenance access.
- Hazard tree removals to protect people and property.
- Make and distribute 40,000 sandbags to sites countywide by November 30th.
- Complete Notice of Proposed Work (NPW) by April 15th.
- Complete Annual Summary Report by January 31st.
- Submit regulatory permit applications for SMP-3 for the 2027-2036 program.
- Publish Draft EIR CEQA document for Canal Maintenance Program by October 2025.
- Publish Draft EIR CEQA document for Almaden Calero Canal Project by March 2026.
- Regulatory permits for SBA 37-47 repairs by August 2025.
- PAC restoration permit compliance to include geomorphic work on Elephant Head Creek by June 2026.
- Publish Draft EIR CEQA document for Invasive Plant Management Program by May 2026.
- Complete Draft Subsequent EIR and MMRP for SMP3 by October 2025.
- For 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.
- For Natural Resources Conservation Service (NRCS)-constructed reaches of Lower Llagas Creek Flood Protection Project (PL-566): (a) Conduct annual inspection; (b) Prepare and submit annual inspection report to NRCS.
- Conduct inspections of creeks and levees (ongoing).
- Provide engineering support for Stream Maintenance Program (SMP) projects as follows: (a) Prepare necessary information to ensure SMP annual Notice of Proposed Work occurs by April 15th and ensure SMP Annual Summary Report occurs by January 31st; (b) Provide engineering and construction support for SMP bank protection, sediment removal, vegetation management, and levee maintenance projects (generally between June 15th and October 15th); (c) Provide engineering and inspection input as part of development of SMP-3.
- Review and provide feedback on Watersheds Capital Improvement Plan (CIP) projects' designs and Community Projects Review Unit submittals.

FY 2027 Milestones

- Manage 300 acres annually to clean up trash, debris, and hazardous pollutants generated from encampments and to reduce the amount of these pollutants entering streams.
- Provide up to $500,000 per year in cost-share with local agencies for services related to encampment cleanups, including services supporting staff safety, discouraging re- encampments along waterways, or addressing the homelessness crisis with the goal of reducing the need for encampment cleanups.
- Perform sediment removal activities to maintain completed flood protection projects for flow conveyance.
- Clean up identified trash and graffiti hotspots at approximately 80 sites four times per year.
- Respond to litter and graffiti requests within five working days.
- Manage at least 300 acres of mitigation sites.
- Perform instream vegetation control activities to maintain completed flood protection projects for flow conveyance.
- Manage 2,970 acres of upland vegetation for fire code compliance and maintenance access.
- Manage at least 200 acres of invasive plant management mitigation sites.
- Hazard tree removals to protect people and property.
- Make and distribute 40,000 sandbags to sites countywide by November 30th.
- Final EIR CEQA document Invasive Plant Management Program by December 2026.
- Complete EML post-season lessons learned meeting with internal customers by November 15th.
- Complete EML assessment of Operations equipment, materials, and services needs by January 16th.
- Complete EML development or update of contracts specifications and terms and conditions by February 20th.
- Complete EML review of all contracts documents to ensure accuracy prior to going to bid no later than March 5th.
- Obtain final regulatory permits for SMP-3 for 2027-2036.
- Kick off SMP-3 go live date of January 2027.
- For 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.
- For Natural Resources Conservation Service (NRCS)-constructed reaches of Lower Llagas Creek Flood Protection Project (PL-566): (a) Conduct annual inspection; (b) Prepare and submit annual inspection reports to NRCS.
- Provide engineering support for Stream Maintenance Program (SMP) projects as follows: (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; (d) Provide engineering and inspection input as part of development of SMP-3.
- Review and provide feedback on Watersheds Capital Improvement Plan (CIP) projects' designs and Community Projects Review Unit submittals.

Budget Issues and Constraints

- Ongoing systemic Watersheds O&M issues (e.g., erosion, burrowing rodents, infrastructure failure, vegetation and/or sediment compromising design flow conveyance capacity, and flood protection capital projects that may require redesign and reconstruction to restore levels of service).
- Continued lack of available housing and shelter options in Santa Clara County means that the Water Resources Protection Zones Ordinance implementation will follow a progressive and phased approach.
- Seasonal maintenance work windows limit the extent of maintenance work completed annually.
- Regulatory compliance remains a challenge, with lack of timely response, unpredictable authorization processes, evolving permit requirements, and difficult negotiations with resource agencies on permits and mitigation.

Watershed Operations & Maintenance Division — Budget Summary

Project Type (Category)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	63,451,312	75,420,519	78,901,347	86,357,701
Operating Project	2,578,155	1,529,296	1,570,650	1,919,496
Capital	2,225,761	1,308,857	1,127,689	962,147
Total [1]	**68,255,227**	**78,258,673**	**81,599,685**	**89,239,344**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Office of Watershed O&M Division	3,081,721	17,994,747	16,437,508	17,069,520
Operations & Maintenance Engineering Support	6,924,926	7,405,891	7,783,307	9,350,359
Operations & Maintenance Environmental Support	10,111,383	12,779,444	12,871,820	15,716,913
Vegetation Field Operations	21,702,796	21,321,461	23,404,281	24,777,232
Watersheds Field Operations	26,434,401	18,757,131	21,102,770	22,325,320
Total [1]	**68,255,227**	**78,258,673**	**81,599,685**	**89,239,344**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

Watershed Operations & Maintenance Division - Position Summary

	FY 2023-24 Adjusted Budget [2]	FY 2024-25 Adopted Budget [2]	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Authorized Positions [1]	**120**	**123**	**123**	**123**

(1) Authorized positions exclude limited term positions.

(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY 2027 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Office of Watershed O&M Division					
	Salaries & Benefits	1,867,110	4,145,155	4,533,051	4,842,117
	Services & Supplies	142,637	11,080,050	9,046,900	9,046,900
	Intra District Charges	1,027,742	2,629,150	2,660,836	2,971,556
Office of Watershed O&M Division Total		3,037,489	17,854,355	16,240,787	16,860,574
Operations & Maintenance Engineering Support					
	Salaries & Benefits	3,967,876	4,192,628	4,449,435	4,730,879
	Services & Supplies	433,306	476,500	451,500	1,451,500
	Intra District Charges	2,482,400	2,598,768	2,758,498	3,068,787
Operations & Maintenance Engineering Support Total		6,883,582	7,267,895	7,659,433	9,251,166
Operations & Maintenance Environmental Support					
	Salaries & Benefits	5,143,568	5,022,291	5,729,942	6,188,038
	Services & Supplies	1,143,942	2,891,500	1,999,000	3,773,860
	Intra District Charges	3,248,671	4,022,302	4,447,524	5,219,146
Operations & Maintenance Environmental Support		9,536,180	11,936,093	12,176,467	15,181,044
Vegetation Field Operations					
	Salaries & Benefits	7,924,932	8,427,813	9,172,594	9,718,481
	Services & Supplies	7,500,825	7,096,700	8,036,200	8,007,700
	Intra District Charges	5,293,748	5,629,828	6,107,049	6,956,764
Vegetation Field Operations Total		20,719,506	21,154,341	23,315,843	24,682,946
Watersheds Field Operations					
	Salaries & Benefits	7,566,865	6,687,847	7,456,207	7,910,671
	Services & Supplies	12,208,853	7,357,150	8,495,673	8,495,673
	Intra District Charges	6,076,992	4,692,134	5,127,587	5,895,123
Watersheds Field Operations Total		25,852,710	18,737,131	21,079,467	22,301,468
Operations Total [(1)]		**66,029,467**	**76,949,815**	**80,471,997**	**88,277,197**

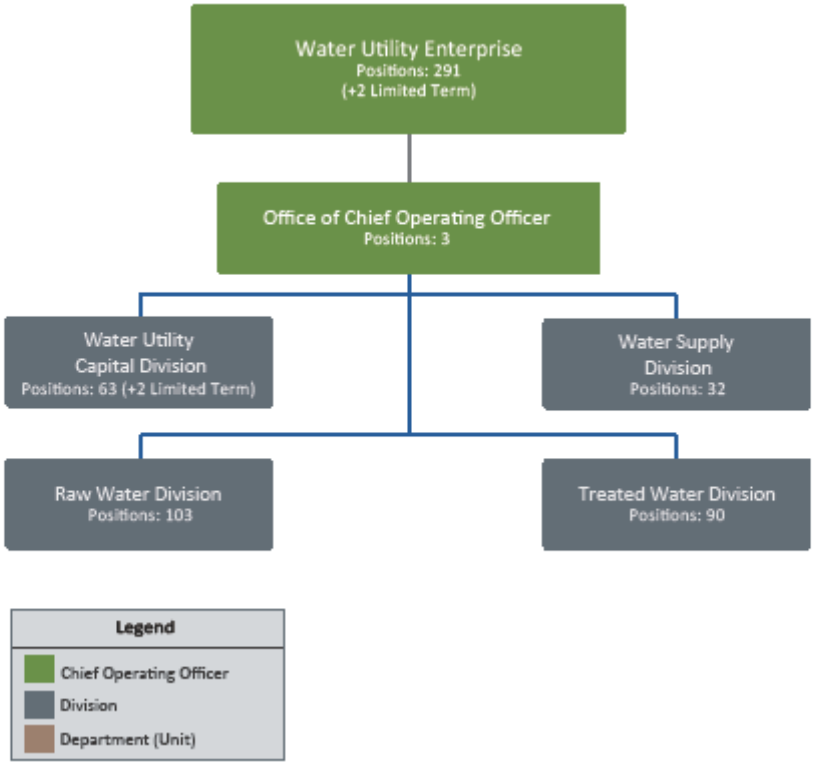
(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

Capital Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Office of Watershed O&M Division					
	Salaries & Benefits	28,610	84,217	123,516	128,994
	Services & Supplies	76	–	–	–
	Intra District Charges	15,546	56,175	73,205	79,952
Office of Watershed O&M Division Total		44,232	140,392	196,721	208,946
Operations & Maintenance Engineering Support					
	Salaries & Benefits	25,574	85,172	76,476	60,198
	Intra District Charges	15,771	52,824	47,398	38,994
Operations & Maintenance Engineering Support Total		41,345	137,996	123,874	99,193
Operations & Maintenance Environmental Support					
	Salaries & Benefits	94,161	443,566	369,272	279,516
	Services & Supplies	422,398	45,000	40,000	20,000
	Intra District Charges	58,644	354,784	286,081	236,353
Operations & Maintenance Environmental Support		575,203	843,351	695,354	535,870
Vegetation Field Operations					
	Salaries & Benefits	28,295	80,719	51,723	54,893
	Services & Supplies	942,257	32,000	2,000	–
	Intra District Charges	12,739	54,400	34,715	39,394
Vegetation Field Operations Total		983,290	167,119	88,438	94,287
Watersheds Field Operations					
	Salaries & Benefits	177,488	–	1,876	2,220
	Services & Supplies	272,057	20,000	20,000	20,000
	Intra District Charges	132,146	–	1,426	1,632
Watersheds Field Operations Total		581,691	20,000	23,303	23,852
Capital Total [(1)]		**2,225,761**	**1,308,857**	**1,127,689**	**962,147**
Division Total [(1)]		**68,255,227**	**78,258,673**	**81,599,685**	**89,239,344**

(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

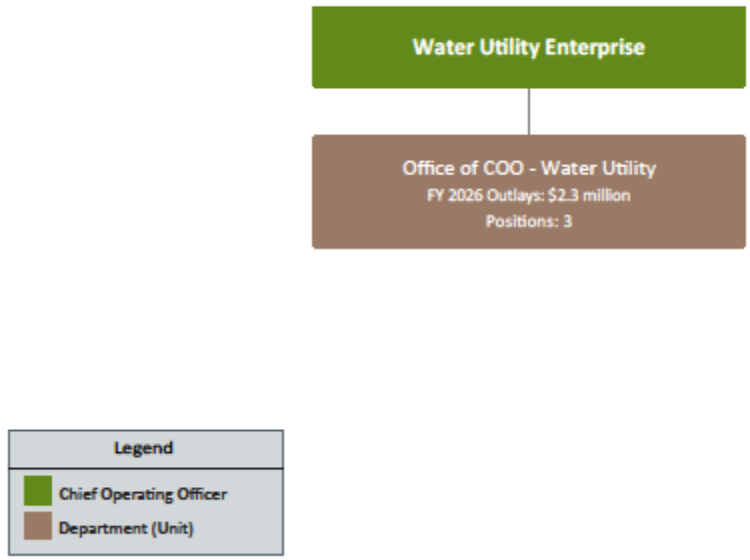
Water Utility



The Water Utility Enterprise is primarily responsible for carrying out the core services related to Ends Policy 2 - Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.

Directed by the Chief Operating Officer, Valley Water'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



Division Description and Objectives

The Office of the Chief Operating Officer (COO) Water Utility oversees the Water Utility Capital, Water Supply, Raw Water, and Treated Water divisions. The Water Utility Enterprise (WUE) is primarily responsible for carrying out the core services related to Ends Policy 2 - Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served. 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 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	1,971,285	2,124,646	2,288,415	2,456,976
Capital	1,498	74,778	–	–
Total [1]	**1,972,782**	**2,199,425**	**2,288,415**	**2,456,976**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Office of COO Water Utility	1,972,782	2,199,425	2,288,415	2,456,976
Total [1]	**1,972,782**	**2,199,425**	**2,288,415**	**2,456,976**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

Office of COO Water Utility - Position Summary

	FY 2023-24 Adjusted Budget [2]	FY 2024-25 Adopted Budget [2]	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Authorized Positions [1]	**3**	**3**	**3**	**3**

(1) Authorized positions exclude limited term positions.

(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY 2026 Organizational Chart.

Operations Budget by Department and Account Category

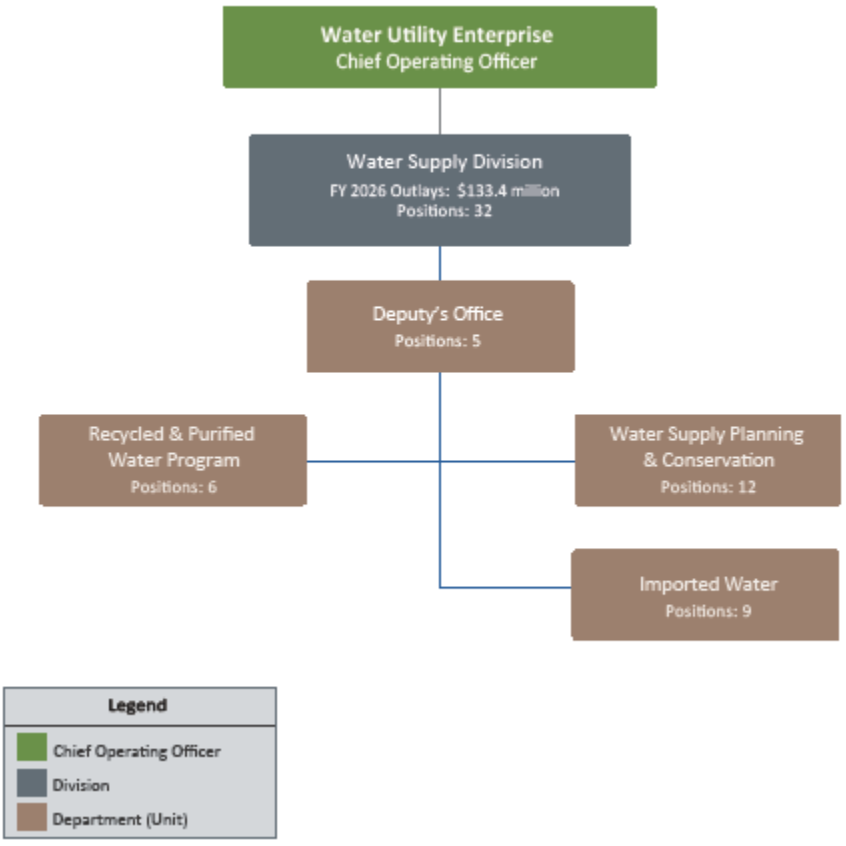
Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Office of COO Water Utility					
	Salaries & Benefits	1,006,765	1,079,702	1,173,757	1,256,293
	Services & Supplies	386,799	415,500	429,540	429,540
	Intra District Charges	577,720	629,444	685,118	771,143
Office of COO Water Utility Total		1,971,285	2,124,646	2,288,415	2,456,976
Operations Total [(1)]		**1,971,285**	**2,124,646**	**2,288,415**	**2,456,976**

Capital Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Office of COO Water Utility					
	Salaries & Benefits	–	47,220	–	–
	Services & Supplies	1,498	–	–	–
	Intra District Charges	–	27,559	–	–
Office of COO Water Utility Total		1,498	74,778	–	–
Capital Total [(1)]		**1,498**	**74,778**	**–**	**–**
Division Total [(1)]		**1,972,782**	**2,199,425**	**2,288,415**	**2,456,976**

(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

Water Supply Division



Division Description and Objectives

The Water Supply Division is responsible for identifying and planning for future water supply needs, managing imported water supplies, and implementing water conservation and recycled and purified water programs. The Division is comprised of the Recycled & Purified Water, Imported Water, and Water Supply Planning & Conservation Departments.

Recycled & Purified Water

The Recycled and Purified Water (R&PW) Unit supports expansion and development of recycled and purified water in Santa Clara County by collaborating, negotiating, and executing long-term agreements with various project partners and implementing the Countywide Water Reuse Master Plan (CoRe Plan), including a potable reuse project in partnership with the Cities of San José and Santa Clara. The San José Purified Water Project (SJPWP) elements include the design and construction of a direct potable reuse (DPR) Demonstration facility adjacent to the Silicon Valley Advanced Water Purification Center (SVAWPC) as the first step towards the design and construction of a Full-Scale Facility that would deliver up to 24,000 Acre-Foot per Year (AFY) of purified water. In addition, the Unit is responsible for evaluating the feasibility of desalination and implementing planning and technical studies in support of expansion efforts such as the Reverse Osmosis (RO) Concentrate Management, coordinating review and feedback from the Independent Advisory Panel and participating in the regulatory processes and grant opportunities. The Unit works with all wastewater partners to advance recycled water, including working with South County partners on master planning and recycled water expansion, working with Sunnyvale and Palo Alto on reuse expansion, and also implementing and managing the cost-sharing reimbursement processes known as Guiding Principle 5 (GP5) to provide funding to other agencies (that get on average 85% of their water supply from sources other than Valley Water) to fund water conservation, recycled or purified water, and wastewater treatment plant upgrades.

Imported Water

The Imported Water Unit protects, manages and develops Valley Water's imported water assets, including the Central Valley Project, State Water Project, and other contract rights; meets current year operational needs for imported supplies; represents Valley Water in joint efforts to develop statewide and regional water supply projects; participates in Bay-Delta policy development and regulatory processes; manages and develops Valley Water’s groundwater banking programs; evaluates and makes recommendations regarding participation in water supply planning projects; develops water transfers, exchanges and banking agreements; and, manages imported water costs.

Water Supply Planning & Conservation

The Water Supply Planning and Conservation Unit supports Valley Water's mission by developing the Water Supply Master Plan, Valley Water’s strategy to achieve long-term water supply reliability in Santa Clara County, by developing state and federally required plans, by participating in and supporting project planning and evaluation of various regional water supply planning efforts, and by evaluating, designing, and implementing over 20 water conservation and demand management programs for the residential, commercial, industrial, institutional and agricultural sectors to meet Valley Water long-term water conservation goals.

FY 2025 Accomplishments

- Initiated the work on major portions of the partnership agreements with the cities of San Jose and Santa Clara for Land, Operations & Maintenance, and Treated Wastewater to allow further progress of planning and design for a DPR Demonstration Facility adjacent to SVAWPC and amended agreement with Project Management Consultant.
- Received grant funding for two feasibility studies for the San Jose Purified Water Project in the amount of $381,249, and $299,180 for planning/feasibility studies to advance South County water reuse.
- Reviewed and provided feedback on the design work for an advanced RO facility (Local Desalting Facility) to be constructed in Palo Alto to enhance the recycled water quality.
- Supported the Recycled Water Committee and Board in adopting potable reuse goals as part of Water Supply Master Plan 2050 development.
- Worked with Cities of Gilroy and Morgan Hill in collaboration with South County Regional Wastewater Authority to expand recycled water in South County (continuous through FY 2025).
- Conducted virtual and in-person technical tours of Silicon Valley Advanced Water Purification Center for elected officials, researchers, students, and the public.
- Effectively managed imported water supplies in CY 2024, including coordination with DWR and USBR on annual operations and securing water transfers and agreements to optimize use of Valley Water's SWP and CVP contract supplies.
- Continued participation in Delta Conveyance Project, Sites Reservoir, and B.F. Sisk Dam Raise and Reservoir Expansion Project, and worked on the wind-down of the Los Vaqueros Reservoir Expansion Project.
- Received Board approval for continued funding of the Delta Conveyance Project and B.F. Sisk Dam Raise and Reservoir Expansion Project.
- Continued evaluation of Semitropic operations related to water quality trends, future recovery costs, SGMA implementation, and development of new water banking opportunities.
- Finalized agreement with Irvine Ranch Water District (IRWD) for a 2:1 exchange program that allows Valley Water to store supplies in IRWD's bank in Kern County through 2035; this program provides a cost-effective option to manage wet year supplies that otherwise would spill, since there is no upfront capital payment or commitments.
- Worked with multiple CVP water agencies and the U.S. Bureau of Reclamation to develop a plan for enhancing reliability of the Central Valley Project.
- Reviewed and commented on environmental documentation including the Delta Conveyance Project Final Incidental Take Statement, Sacramento Bay-Delta Plan of Implementation, Long-Term Operations Final Environmental Impact Statement, Draft and Final Biological Opinions from the U.S. Fish and Wildlife Service and National Marine Fisheries Service on the Long-Term Operations of the State Water Project and Central Valley Project, and tracked progress on permits for the Delta Conveyance Project water rights petition and Delta Stewardship Council Constituency Determination.
- Continued participation in statewide efforts to balance water supply and ecosystem needs through State Water Resources Control Board processes (i.e., development of Agreements to Support Healthy Rivers and Landscapes), including participating in Science Committee, Systemwide Governance Committee, and Funding Implementation Subgroup.
- Participated in all financial aspects of imported water (SWP, CVP, SLDMWA, Semitropic, financial analyses, project unit cost analyses, stakeholder meetings, budgeting and tracking, forecasting, invoices, annual reconciliations, etc.
- Saved approximately 87,000 acre-feet in FY 2024 from Valley Water's long-term conservation program that began in 1992.
- Continued the comprehensive update of the WSMP including delivering regular updates on the WSMP development to the Board and committees.
- Completed and submitted annual CVPIA BMP reports to USBR (legal requirement).
- Competed and submitted the UWMP Annual Water Supply and Demand Assessment to DWR (legal requirement).
- Continued refining the Drought Response Plan.
- Progressed on the development of the SFPUC water supply partnership; continued support of the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) and Anderson Dam Seismic Retrofit Project (ADSRP) modeling and analysis efforts.

- Executed an agreement with City of Mountain View to install Advanced Metering Infrastructure (AMI) in addition to executing four other agreements and amendments with four retailers; launched a CII pilot program to increase commercial property participation rates.
- Collaborated with Bay Area Water Supply and Conservation Agency (BAWSCA) to develop resources for retailers to remain in compliance with the State's Water Conservation Framework (AB 1668/SB 606).
- Conducted nine Request For Proposals (RFPs) to support the Water Conservation program.
- Launched the on-site demonstration garden program.
- Held the 10th annual Landscape Summit.
- Received a second consecutive Environmental Protection Agency WaterSense Partner of the Year Award.
- Supported the Board in adopting the 2050 Water Conservation Goal of 126,000 acre-feet per year.

FY 2026 Milestones

- Issue the RFP for the design for the DPR demonstration facility in San José.
- Complete Engineering Feasibility Study that includes potential location, sizing and cost elements for a desalination project in the South Bay. Complete the Agreements with the Cities of San Jose and Santa Clara pertinent to the San Jose Purified Water Project (SJPWP).
- Seek out local, state, and federal funding sources for recycled and purified water projects (by the end of 3rd quarter).
- Identify potential sources of supplemental water by January 1, 2026, and provide timely support for the annual water supply planning process.
- Provide monthly updates to the Board and public on imported water management agreements through the Water Tracker (EL-7.3 compliance).
- Submit initial Central Valley Project and State Water Project delivery schedules by December 2025.
- Update and maintain FY 2026 expenditure forecasts quarterly.
- Save approximately 90,000 acre-feet in FY 2025 from Valley Water's long-term conservation program (baseline year is 1992).
- Deliver the WSMP to the Board.
- Complete the 2025 Urban Water Management Plan (legal requirement).
- Submit the UWMP Annual Water Supply and Demand Assessment to DWR (legal requirement) and annual CVPIA BMP reports to USBR (legal requirement).
- Complete the Drought Response Plan.
- Monitor progress towards long-term water conservation targets.
- Support water retailers in compliance with the statewide Making Water Conservation a California Way of Life regulatory framework.
- Refine conservation programs to position ourselves to demonstrate our leadership in water-use efficiency through innovation, award recognition, and appearing on subject matter panels or webinars as appropriate.
- Complete conservation program benchmarking projects.
- Continue to maintain and optimize cost-sharing agreements with water retailers and cities.
- Continue a several-year trend of a new AMI agreement every fiscal year.
- Work with the Office of Government Relations to secure one jurisdiction to adopt elements of the Model Water Efficient New Development Ordinance (MWENDO).
- Kick off a project to update and modernize the Water Conservation Savings Model and the next iteration of the Water Conservation Strategic Plan, among other planning tools.
- Continue supporting the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) and the Anderson Dam Seismic Retrofit Project (ADSRP) modeling and analysis efforts.
- Complete on-site demonstration garden design.

FY 2027 Milestones

- Complete the design for the DPR Demonstration Facility for San Jose Purified Water Project.
- Issue the invitation to bid (ITB) for the construction phase of the DPR Demonstration facility project for San José Purified Water Project.
- Complete Phase 2 of the RO Concentrate Studies with Ora Loma Sanitary District, UC Berkley, and other project partners.
- Seek out local, state, and federal funding sources for recycled and purified water projects.
- Identify potential sources of supplemental water by January 1, 2027, and provide timely support for the annual water supply planning process.
- Provide monthly updates to the Board and public on imported water management agreements through the Water Tracker (EL-7.3 compliance).
- Submit initial Central Valley Project and State Water Project delivery schedules by December 2026.
- Update and maintain FY27 expenditures forecasts at least quarterly.
- Save approximately 92,000 acre-feet in FY 2026 from Valley Water's long-term conservation program (baseline year is 1992).
- Deliver the annual WSMP Monitoring and Assessment Plan (MAP) update to the Board.
- Submit the UWMP Annual Water Supply and Demand Assessment to DWR (legal requirement) and annual CVPIA BMP reports to USBR (legal requirement).
- Monitor progress towards long-term water conservation targets.
- Finalize timelines to complete updates for the Water Conservation Savings Model and Water Conservation Strategic Plan among other planning tools.
- Develop tools and resources to support water retailers when penalties and enforcement of statewide conservation regulations begin (January 1, 2027).
- Continue support of the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) as well as the Anderson Dam Seismic Retrofit Project (ADSRP) modeling and analysis efforts.
- Install a Demonstration Garden at Valley Water’s Almaden campus is expected to be completed in FY 2027 or early FY 2028.

Budget Issues and Constraints

Budget issues and constraints for the Division include insufficient staff and funding to achieve all proposed Division goals in the future. Units have experienced challenges with vacancies due to position pauses and promotions. For the Recycled and Purified Water Unit, insufficient staff resources may result in delays due to complex and lengthy negotiations with external agencies and the need to manage regulatory requirements, impacting the ability to meet compressed schedules. For the Imported Water Unit, limited staff resources could impact analysis and contract negotiations for potential water supply and storage projects, engagement with potential partners for groundwater banking opportunities, Bay-Delta science efforts, and SWP and CVP financial matters. In drought years, an increased budget may be necessary for the purchase of additional emergency imported water supplies.

To meet the board-approved 2030 water conservation goals, the Water Supply Planning and Conservation Unit would need to secure an additional $2.5 million in funding to maintain the Landscape Rebate Program rebate at the drought-level rebate amount of $2 per square foot (compared to $1/sq ft). An additional three full-time staff would be needed to increase program participation, especially in the CII sector, which requires sustained relationship building, customized programming, and program administration.

Water Supply Division — Budget Summary

Project Type (Category)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	77,752,660	122,463,261	113,398,781	122,165,814
Capital	14,546,678	13,223,591	20,015,990	30,197,329
Total [1]	**92,299,338**	**135,686,852**	**133,414,771**	**152,363,142**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Imported Water	72,150,507	101,675,759	94,481,405	103,003,490
Recycled & Purified Water Prog	4,866,010	15,110,767	19,542,731	29,489,299
Water Supply Admin	3,365,270	3,490,469	3,225,023	3,509,030
Water Supply Planning & Consrv	11,917,551	15,409,857	16,165,612	16,361,323
Total [1]	**92,299,338**	**135,686,852**	**133,414,771**	**152,363,142**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

Water Supply Division - Position Summary

	FY 2023-24 Adjusted Budget [2]	FY 2024-25 Adopted Budget [2]	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Authorized Positions [1]	**36**	**36**	**32**	**32**

(1) Authorized positions exclude limited term positions.

(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY 2026 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Imported Water					
	Salaries & Benefits	2,610,705	2,902,450	2,768,705	2,934,601
	Services & Supplies	55,772,862	84,545,394	77,188,147	84,905,711
	Intra District Charges	1,675,174	1,820,936	1,698,885	1,882,266
Imported Water Total		60,058,741	89,268,780	81,655,737	89,722,578
Recycled & Purified Water Prog					
	Salaries & Benefits	1,769,921	1,615,082	1,654,669	1,801,311
	Services & Supplies	1,131,586	12,728,798	10,742,650	10,742,650
	Intra District Charges	1,088,892	988,695	1,007,949	1,144,774
Recycled & Purified Water Prog Total		3,990,399	15,332,575	13,405,269	13,688,736
Water Supply Division					
	Salaries & Benefits	1,194,067	1,492,836	1,289,193	1,404,681
	Services & Supplies	82,360	112,200	138,700	138,700
	Intra District Charges	741,054	912,044	754,591	860,759
Water Supply Division Total		2,017,481	2,517,080	2,182,484	2,404,140
Water Supply Planning & Consrv					
	Salaries & Benefits	2,971,892	3,257,225	3,369,204	3,565,196
	Services & Supplies	6,805,343	10,006,650	10,704,650	10,476,650
	Intra District Charges	1,908,804	2,080,952	2,081,438	2,308,514
Water Supply Planning & Consrv Total		11,686,039	15,344,826	16,155,291	16,350,360
Operations Total [(1)]		**77,752,660**	**122,463,261**	**113,398,781**	**122,165,814**

(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

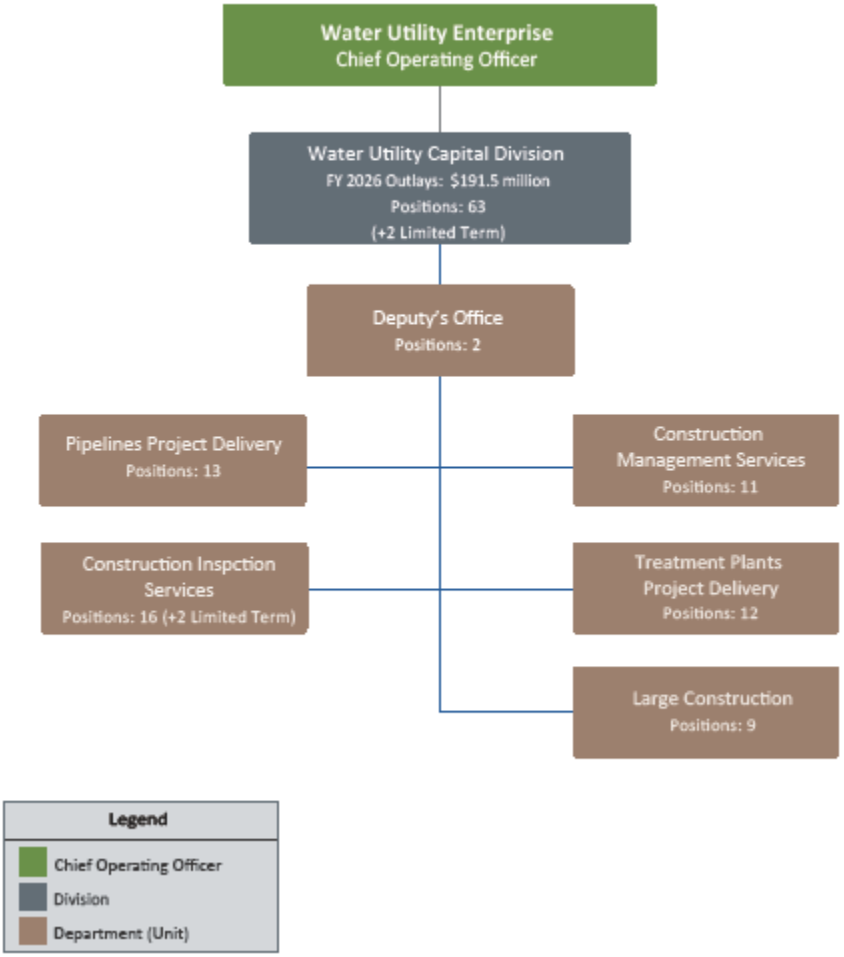
Capital Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Imported Water					
	Salaries & Benefits	82,466	19,429	9,301	11,937
	Services & Supplies	11,954,755	12,375,300	12,810,639	13,261,292
	Intra District Charges	54,544	12,250	5,728	7,684
Imported Water Total		12,091,765	12,406,979	12,825,668	13,280,913
Recycled & Purified Water Prog					
	Salaries & Benefits	205,558	452,498	353,256	314,095
	Services & Supplies	542,907	(951,246)	5,569,023	15,286,856
	Intra District Charges	127,146	276,941	215,183	199,612
Recycled & Purified Water Prog Total		875,611	(221,808)	6,137,462	15,800,563
Water Supply Division					
	Salaries & Benefits	804,115	604,127	657,469	684,903
	Services & Supplies	44,714	–	–	–
	Intra District Charges	498,961	369,262	385,070	419,987
Water Supply Division Total		1,347,789	973,389	1,042,539	1,104,890
Water Supply Planning & Consrv					
	Salaries & Benefits	140,163	39,674	6,383	6,659
	Intra District Charges	91,350	25,357	3,937	4,304
Water Supply Planning & Consrv Total		231,512	65,031	10,320	10,963
Capital Total [(1),(2)]		**14,546,678**	**13,223,591**	**20,015,990**	**30,197,329**
Division Total [(1),(2)]		**92,299,338**	**135,686,852**	**133,414,771**	**152,363,142**

(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

(2) Negative Services & Supplies (S&S) balances reflect capital budget offsets used to reduce current-year appropriations by applying available carryforward balances. This budget reconciliation aligns project funding with the Capital Improvement Plan and accounts for appropriations budgeted in other departments within the same project.

Water Utility Capital Division



Division Description and Objectives

The Water Utility Capital (WUC) Division is responsible for planning, design and construction of Water Utility capital projects in Valley Water's rolling 5-year Capital Improvement Program (CIP). This division also works across the agency with other departments, executives and elected officials, and coordinates with various local, state and federal agencies. Below are the units that the Water Utility Capital Division oversees.

Construction Management Services

The Construction Management Services Unit is responsible for management and administration of Capital construction projects included in the Water Utility, Watersheds, and Dam Safety Capital Improvement Program. Unit staff ensures contractors comply with the project requirements, including environmental compliance and operational requirements during construction of VW's water supply (storage, transmission, treatment, recycled water), flood protection and water resources stewardship facilities.

Construction Inspection Services

The Construction Inspection Services Unit is responsible for inspection, and administration of Capital construction projects, in Plant Establishment Phase, included in the Water Utility, Watershed, and Dam Safety Capital Improvement Program. Unit staff ensures contractors comply with the project requirements, including environmental compliance and operational requirements during construction of VW's water supply (storage, transmission, treatment, recycled water), flood protection and water resources stewardship facilities.

Large Construction Projects

The Large Construction Projects Unit is responsible for providing and performing construction management oversight functions for Valley Water's large construction projects managed by external consultant management firms hired by Valley Water to manage and administer, including the Water Utility, Watershed, and Dam Safety Capital Improvement Program. These consultants, on behalf of Valley Water, ensure that contractors comply with the project requirements, including environmental compliance and operational requirements during construction of VW's water supply (storage, transmission, treatment, recycled water), flood protection and water resources stewardship facilities.

Treatment Plants Project Delivery

The Treatment Plants Project Delivery Unit is responsible for the planning, design, and engineering support services for the implementation of Valley Water's Capital Improvement Program for Water Utility treatment plant infrastructure projects and provides expert treatment plant design services throughout the District. Unit staff perform project management in addition to the planning, design, and engineering support services during construction for various water utility capital projects including expansion and rehabilitation of treatment plants, major maintenance, and other improvements.

Pipelines Project Delivery

The Pipelines Project Delivery Unit is responsible for the planning, design, and engineering support services for the implementation of Valley Water's Capital Improvement Program for Water Utility distribution and pipeline, and pump station infrastructure projects and provides expert pipeline and pump station design services throughout the District. Unit staff perform project management in addition to the planning, design, and engineering support services during construction, structural engineering for various water utility distribution, pipeline, pump station/plant, and capital projects. The Unit also manages the Pipeline Maintenance Program, including the 10-Year Pipeline Inspection and Rehabilitation Program.

FY 2025 Accomplishments

- Initiated Phase 4 construction of the Rinconada Water Treatment Plant (RWTP) Reliability Improvement Project, Phases 3-6.
- Completed construction of the Rinconada Water Treatment Plant Residuals Remediation Project.
- Completed final design of the Penitencia Water Treatment Plant (PWTP) Residuals Management Project.
- Continued the design of West Pipeline Phase 2 Inspection & Rehabilitation Project, Phase 2.
- Completed the construction of Santa Clara Conduit Inspection & Rehabilitation Project, Phase 2.
- Completed the construction of Snell Inspection & Rehabilitation Project.
- Completed Milestone 3 for Upper Llagas Creek Flood Protection Project, Phase 1
- Continued the design of the Almaden Valley Pipeline Replacement Project.
- Approved an amendment to the Design-Build Agreement for Phase 2 (Construction) of the Coyote Pumping Plant Adjustable Speed Drives (ASD) Replacement Project.
- Completed construction of the South County Recycled Water Project, Phases 1B, 2A and 2B.
- Completed construction of the Santa Teresa Water Treatment Plant (STWTP) Filter Media Replacement Project.
- Began the construction of West Pipeline Inspection & Rehabilitation Project, Phase 1.
- Continued the design of the Infrastructure Reliability Program Portfolio 2 (IRP2) Line Valve Project at West Pipeline.
- Completed the Final Program EIR (PEIR) for the Pipeline Maintenance Program.
- Continued the design for the Penitencia Delivery and Force Main Inspection and Rehabilitation Project.
- Continued the design for East Pipeline Inspection & Rehabilitation Project.
- Continued the design for Santa Teresa Force Main Inspection & Rehabilitation Project.
- Continued the design for Almaden Calero Canal Rehabilitation Project.
- Continued the design of Vasona Pump Station Upgrades Project.

Provided primary construction management and primary construction inspection services for Water Utility, Watershed, Maintenance, Dam Safety, and General Services projects such as:

- Federal Energy Regulatory Commission Order Compliance Project (FOCP) Cross Valley Pipeline Extension
- Lower Penitencia Creek Improvements
- South County Recycled Water Pipeline
- WARP Coyote Creek Levee Rodent Damage Repair
- Santa Clara Conduit Inspection and Rehabilitation, Phase 2
- RWTP Residuals Remediation
- WARP Calabazas Creek Rehabilitation, Phases 1 & 2
- FOCP Coyote Percolation Dam Replacement
- Snell Pipeline Inspection and Rehabilitation, Phase 1
- FOCP Coyote Creek Chillers
- Upper Llagas Creek Flood Protection, Phase 2B
- STWTP Filter Media Replacement
- Lower Calera Creek Flood Protection
- RWTP Reliability Improvement Project, Phases 3-6
- FOCP Anderson Dam Tunnel
- West Pipeline Inspection & Rehabilitation, Phase 1
- Security Upgrades & Enhancements
- IRP2 Line Valves
- Coyote Creek Flood Management Measures
- WARP Permanente and Hale Creeks Concrete Channel Repair
- Bolsa Road Fish Passage

- Lower Calera Creek Improvements

Provided construction management oversight functions for the following active construction projects:

- Anderson Dam Tunnel Project
- Coyote Creek Flood Measures Management Project
- RWTP Reliability Improvement Project, Phases 3-6

FY 2026 Milestones

- Begin construction of the Penitencia Water Treatment Plant Residuals Management Project.
- Complete 90% design of the Water Treatment Plants (WTP) Electrical Improvement Project.
- Complete the construction of West Pipeline Inspection & Rehabilitation Project, Phase 1.
- Complete the installation IRP2 Line Valve Project at West Pipeline, Phase 1.
- Begin construction of the Almaden Valley Pipeline Replacement Project, Phase 1.
- Begin the installation of the Treated Water Isolation Valve Project at West Pipeline.
- Complete the design for Almaden Calero Canal Rehabilitation Project.
- Complete the design for Penitencia Delivery and Force Main Inspection & Rehabilitation Project.
- Complete the design for Santa Teresa Force Main Inspection & Rehabilitation Project.
- Complete construction of the South County Recycled Water Project, Phase 1C.
- Begin construction of East Pipeline Inspection & Rehabilitation Project, Phase 1.
- Continue design of the Milpitas (PMP) Inspection & Rehabilitation Project.
- Continue design of the Treated Water Isolation Valve Project at Milpitas Pipeline.
- Complete construction of FOCP Coyote Creek Chillers Project.

Provide primary construction management and primary construction inspection services for Water Utility, Watershed, Maintenance, Dam Safety, and General Services projects such as:

- FOCP Coyote Percolation Dam Removal, Phase 2
- FOCP Coyote Creek Chillers
- Upper Llagas Creek Flood Protection, Phase 2B
- Sunnyvale East & West Channel
- West Pipeline Inspection & Rehabilitation, Phase 1 and 2
- WARP Stevens Creek Evelyn Fish Passage
- South Babb Creek Flood Mitigation
- Calabazas Creek Erosion Repairs Project, Miller Avenue to Bollinger Road
- PWTP Residuals Management
- Phase 1 Palo Alto Tide Gate Seismic Retrofit & Rehabilitation
- Penitencia Creek Improvements
- Lower Calera Creek Flood Protection
- South County Recycled Water Pipeline
- FOCP Anderson Dam Tunnel
- RWTP Reliability Improvement Project, Phases 3-6
- FOCP Coyote Creek Flood Management Measure, Phase 1
- Security Upgrades & Enhancements
- Almaden Valley Pipeline Replacement
- West Pipeline Inspection & Rehabilitation, Phase 2
- East Pipeline Inspection & Rehabilitation

- IRP2 Line Valves
- WARP Permanente and Hale Creeks Concrete Channel Repair
- WARP Guadalupe River Erosion Repair at Malone Road and Blossom Hill Road
- Maintenance Office Renovation

Provide construction management oversight functions for the following construction projects:

- Anderson Dam Tunnel Project
- Coyote Creek Flood Measures Management Project
- RWTP Reliability Improvement Project, Phases 3-6
- Anderson Dam Seismic Retrofit Project
- Coyote Creek Flood Protection Project
- Other construction projects as assigned

FY 2027 Milestones

- Initiate construction of the Penitencia Water Treatment Plant Residuals Management Project.
- Complete final design of the Water Treatment Plants Electrical Improvement Project.
- Begin construction of West Pipeline Inspection & Rehabilitation Project, Phase 1.
- Complete the installation of the IRP2 Line Valve Project at West Pipeline, Phase 2.
- Complete construction of the Coyote Pumping Plant ASD Replacement Project.
- Complete Phase 4 construction of the Rinconada Water Treatment Plant Reliability Improvement Project, Phases 3-6.
- Begin construction of the Vasona Pump Station Upgrades Project.
- Complete the installation of the IRP2 Line Valve Project at East Pipeline.
- Complete 90% design of Almaden Valley Pipeline Replacement Project, Phase 2.
- Initiate design for the Santa Clara and Campbell Distributary Inspection & Rehabilitation Project.
- Complete the construction of West Pipeline Inspection & Rehabilitation Project, Phase 2.
- Complete the construction of the Treated Water Isolation Valve Project at West Pipeline, Phase 2.
- Begin construction of the Santa Teresa Force Main Inspection & Rehabilitation Project.
- Continue design of the Milpitas Pipeline (PMP) Inspection and Rehabilitation Project.
- Continue design of the Treated Water Isolation Valve Project at Milpitas Pipeline.

Provide primary construction management and primary construction inspection services for Water Utility, Watershed, Maintenance, Dam Safety, and General Services projects such as:

- WTP Electrical Improvement
- Upper Llagas Creek Flood Protection, Phase 2B
- Sunnyvale East & West Channels Flood Protection
- West Pipeline Inspection & Rehabilitation, Phases 1 and 2
- WARP Guadalupe River Erosion Repair at Malone Road and Blossom Hill Road
- WARP Permanente Creek & Hale Creeks Concrete Channel Repair
- WARP Levee Rehabilitation, Llagas Creek
- WARP Stevens Creek Evelyn Fish Passage
- South Babb Creek Flood Mitigation Project
- WARP Erosion Repair at Julian, Coyote Creek
- PWTP Residuals Management
- WARP Coyote Creek Rodent Damage Repair
- WARP Calabazas Creek Rehabilitation
- RWTP Reliability Improvement Project, Phases 3-6

- Anderson Dam Seismic Retrofit
- Almaden Valley Pipeline Replacement
- Coyote Percolation Dam Removal, Phase 2
- Pond A4 Resilient Habitat Restoration
- East Pipeline Inspection & Rehabilitation
- Santa Teresa Force Main Inspection & Rehabilitation
- San Jose Water, Phase 1
- Bolsa Road Fish Passage
- FOCP Cross Valley Pipeline Extension

Provide construction management oversight functions for the following construction projects:

- Anderson Dam Tunnel Project
- RWTP Reliability Improvement Project, Phases 3-6
- Anderson Dam Seismic Retrofit Project
- Coyote Creek Flood Protection Project
- Other construction projects as assigned

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 Valley Water (i.e., securing permits; obtaining timely reviews and approvals of project deliverables; timely development and execution of agreements with external agencies; securing long lead time items from suppliers; and tariffs on imported goods).

Water Utility Capital Division — Budget Summary

Project Type (Category)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	356,438	155,721	122,495	133,172
Capital	90,226,100	140,253,950	191,399,232	217,666,446
Total [1]	**90,582,538**	**140,409,671**	**191,521,728**	**217,799,618**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Construction Management Services	5,983,504	5,971,554	5,357,916	5,783,683
Construction Inspection Services	7,175,578	7,264,215	7,439,931	8,140,128
Large Construction	1,232,160	3,392,703	4,477,410	4,803,435
Pipelines Project Delivery	30,961,401	50,524,786	41,981,888	54,611,246
Treatment Plants Project Delivery	43,740,076	72,014,358	130,910,200	142,989,695
Water Utility Capital Division	1,489,820	1,242,054	1,354,383	1,471,431
Total [1]	**90,582,538**	**140,409,671**	**191,521,728**	**217,799,618**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

Water Utility Capital Division - Position Summary

	FY 2023-24 Adjusted Budget [2]	FY 2024-25 Adopted Budget [2]	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Authorized Positions [1]	**68**	**68**	**65**	**65**

(1) Authorized positions exclude limited term positions.

(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY 2026 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Construction Management Services					
	Salaries & Benefits	115,265	24,549	1,940	2,027
	Services & Supplies	8,397	–	–	–
	Intra District Charges	16,597	11,197	1,248	1,373
Construction Management Services Total		140,259	35,746	3,188	3,400
Construction Inspection Services					
	Salaries & Benefits	4,319	16,373	19,889	22,522
	Services & Supplies	4,628	–	–	–
	Intra District Charges	2,210	10,692	12,825	15,305
Construction Inspection Services Total		11,157	27,065	32,714	37,827
Large Construction					
	Services & Supplies	1,050	–	–	–
Large Construction Total		1,050	–	–	–
Pipelines Project Delivery					
	Salaries & Benefits	27,463	55,343	50,163	52,305
	Services & Supplies	5,457	–	–	–
	Intra District Charges	10,352	29,893	30,007	32,754
Pipelines Project Delivery Total		43,272	85,236	80,170	85,058
Treatment Plants Project Delivery					
	Salaries & Benefits	90,441	6,474	5,358	5,688
	Services & Supplies	12,120	–	–	–
	Intra District Charges	55,294	1,199	1,065	1,199
Treatment Plants Project Delivery Total		157,855	7,674	6,424	6,887
Water Utility Capital Division					
	Salaries & Benefits	2,341	–	–	–
	Services & Supplies	244	–	–	–
	Intra District Charges	259	–	–	–
Water Utility Capital Division Total		2,844	–	–	–
Operations Total [(1)]		**356,438**	**155,721**	**122,495**	**133,172**

(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

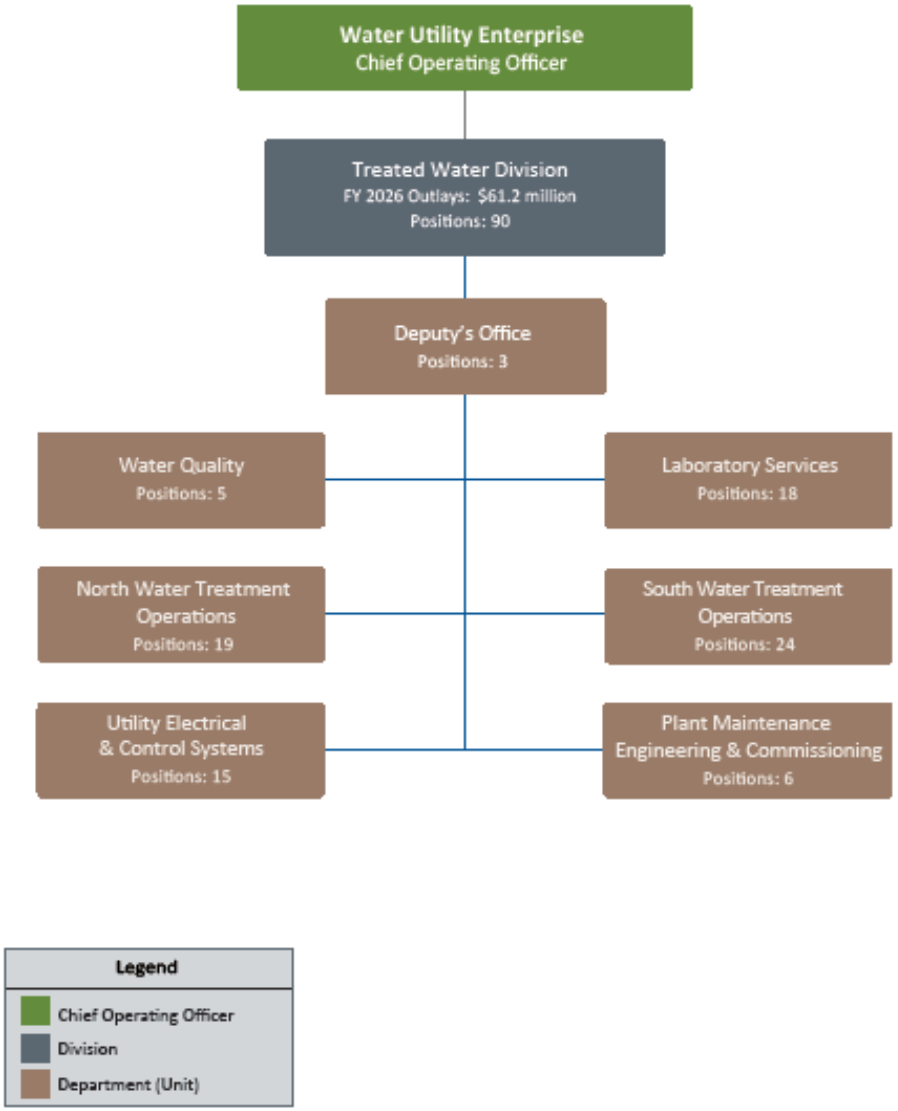
Capital Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Construction Management Services					
	Salaries & Benefits	3,481,056	3,508,007	3,239,330	3,417,618
	Services & Supplies	72,658	124,589	68,149	33,335
	Intra District Charges	2,289,531	2,303,211	2,047,248	2,329,330
Construction Management Services Total		5,843,245	5,935,808	5,354,728	5,780,283
Construction Inspection Services					
	Salaries & Benefits	4,355,028	4,371,478	4,535,218	4,813,510
	Services & Supplies	352,297	32,700	7,700	7,700
	Intra District Charges	2,457,096	2,832,971	2,864,300	3,281,091
Construction Inspection Services Total		7,164,421	7,237,150	7,407,217	8,102,301
Large Construction					
	Salaries & Benefits	803,608	2,044,385	2,735,620	2,888,287
	Services & Supplies	360	55,470	64,040	64,040
	Intra District Charges	427,142	1,292,848	1,677,749	1,851,108
Large Construction Total		1,231,110	3,392,703	4,477,410	4,803,435
Pipelines Project Delivery					
	Salaries & Benefits	3,183,114	3,657,408	3,554,429	3,789,341
	Services & Supplies	25,640,896	44,431,123	36,107,804	48,235,133
	Intra District Charges	2,094,119	2,351,019	2,239,485	2,501,714
Pipelines Project Delivery Total		30,918,129	50,439,550	41,901,718	54,526,188
Treatment Plants Project Delivery					
	Salaries & Benefits	3,115,344	3,792,172	3,359,887	3,568,731
	Services & Supplies	38,384,896	65,811,012	125,425,751	137,054,515
	Intra District Charges	2,081,981	2,403,501	2,118,139	2,359,562
Treatment Plants Project Delivery Total		43,582,221	72,006,685	130,903,776	142,982,808
Water Utility Capital Division					
	Salaries & Benefits	957,395	807,804	854,778	909,762
	Services & Supplies	25,064	(34,884)	7,600	7,600
	Intra District Charges	504,517	469,134	492,005	554,069
Water Utility Capital Division Total		1,486,976	1,242,054	1,354,383	1,471,431
Capital Total [(1),(2)]		**90,226,100**	**140,253,950**	**191,399,232**	**217,666,446**
Division Total [(1),(2)]		**90,582,538**	**140,409,671**	**191,521,728**	**217,799,618**

(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

(2) Negative Services & Supplies (S&S) balances reflect capital budget offsets used to reduce current-year appropriations by applying available carryforward balances. This budget reconciliation aligns project funding with the Capital Improvement Plan and accounts for appropriations budgeted in other departments within the same project.

Treated Water Division



Division Description and Objectives

The Treated Water Division (Division) is responsible for managing the operation of Valley Water's three conventional drinking water treatment plants and the Campbell Well Field to provide a reliable, high-quality drinking water supply to the Santa Clara County residents. The Division also manages the operation and maintenance of the Silicon Valley Advanced Water Purification Center to enhance the quality and advance the use of recycled water in the county.

In addition, the Division manages business units that provide leadership and technical support in areas of laboratory services; water quality process engineering; electrical and control systems engineering; and plant maintenance engineering to improve the overall safety, quality, and reliability of current facilities and the commissioning of new facilities upon capital construction handover to Operations and Maintenance (O&M). Furthermore, the Division regularly communicates with Valley Water's drinking water retailers to maintain a collaborative working relationship and conducts annual check-ins and ad-hoc meetings with the State Water Resources Control Board (SWRCB) for ongoing and annual updates of drinking and recycled water regulations.

Laboratory Services

The Laboratory Services Unit is responsible for providing analytical testing and sampling services to the Water Utility Enterprise. Our state-of-the-art laboratory is accredited with the California Environmental Laboratory Accreditation Program (ELAP), maintains a robust quality assurance and quality control program, and tests water produced from each of our drinking water treatment plants, the Silicon Valley Advanced Water Purification Center, surface water reservoirs, and groundwater basins.

Water Quality

The Water Quality Unit is responsible for providing operational, process, and project support to the treatment plants as well as other Valley Water units regarding source water quality and water treatment. The unit is also responsible for tracking drinking water-related regulatory development, providing recommendations for regulatory compliance strategy, and communicating with the Division of Drinking Water (DDW), under the jurisdiction of the SWRCB, on various regulatory issues. In addition, the unit oversees Source Water Quality Management and Invasive Mussel Prevention Programs in collaboration with internal and external groups.

Plant Maintenance Engineering and Commissioning

The Plant Maintenance Engineering and Commissioning Unit leads and coordinates the commissioning and start-up activities at Valley Water's treatment plants and treated water pipelines. The unit supports and implements the integration of large capital projects, throughout all phases, to our treatment plants and treated water pipelines. The unit also provides mechanical engineering support services for operations, maintenance, asset management and capital improvements at the treatment plants and pump stations.

North Water Treatment Operations

The North Water Treatment Operations Unit provides safe, clean, and high-quality drinking water to Valley Water's three (3) treated water retailers along the East/Milpitas Pipelines, including San Jose Water Company, City of San Jose, and City of Milpitas. The unit is responsible for providing safe and cost-effective operations (24 hours a day, 7 days a week) and management of the Penitencia Water Treatment Plant (PWTP), the joint San Francisco Public Utilities Commission (SFPUC)-Valley Water (VW) Intertie facility, and the East/Milpitas Pipeline turnouts. The unit is also responsible for cost-effective operations and maintenance of the Silicon Valley Advanced Water Purification Center (SVAWPC).

South Water Treatment Operations

The South Water Treatment Operations Unit provides safe, clean, and high-quality drinking water and a backup supply of drinking water to Valley Water's seven (7) treated water retailers, and ultimately to the residents of Santa Clara County. The unit is responsible

for providing safe and cost-effective operations (24 hours a day, 7 days a week) and management of the Santa Teresa Water Treatment Plant (STWTP), the Rinconada Water Treatment Plant (RWTP), the Campbell Well Field, and the West and Snell/East Pipeline turnouts.

Utility Electrical and Control Systems Engineering

The Utility Electrical and Control Systems Engineering Unit provides electrical, control systems, Supervisory Control and Data Acquisition (SCADA), and imported electricity management engineering services, including direct technical services, in support of Valley Water's critical infrastructure and systems used in the day-to-day (24 hours a day, 7 days a week) operations and maintenance of its complex, countywide raw and treated water conveyance system (including three raw water pump stations and pipelines), three drinking water treatment plants, one advanced purified water processing plant, the headquarters office campus and watershed facilities. The imported electricity management saves Valley Water a significant amount in annual electrical energy expenditures and is 100% carbon-free.

FY 2025 Accomplishments

- 100% of the treated water delivered to customers met and surpassed all applicable primary drinking water standards.
- Managed the effective operation and maintenance of the STWTP, PWTP, RWTP, SFPUC-Valley Water Intertie facility, Campbell Well Field, and East and West Pipeline turnouts to deliver treated water to our customers which met and/or surpassed all applicable primary drinking water quality regulatory standards.
- Timely submittal of operational and compliance reports to DDW, SWQCB, water retailers, and internal stakeholders, as required, and upon request.
- 100% of the purified water produced from SVAWPC met Title 22 recycled water standards and O&M agreement targets.
- Water Quality Lab successfully met ELAP requirements for laboratory accreditation, quality control, and proficiency testing and completed over 150,000 tests to support ongoing Valley Water operations.
- Continued the implementation of a web-based document management system to organize, maintain, update laboratory standard operating procedures and track employee trainings and electronic signatures.
- Continued the upgrade of Laboratory Information Management System (LIMS) and implementation of new Environmental Information Management (EIM) System.
- Supported construction of the RWTP and Residuals Remediation and Reliability Improvement Phase 3-6 Projects and the STWTP Filter Media Replacement Project.
- Resolved warranty issues for the RWTP Reliability Improvement and Residuals Remediation Projects.
- Provided design review for treatment plant capital projects including the PWTP & STWTP Electrical Improvement Project and the PWTP Residuals Management Project.
- Supported treatment plant, distribution system pipeline, and pump station equipment condition assessment and replacement/rehabilitation projects.
- Supported the Water Treatment Plant, Distribution System and SCADA Master Plan Projects.
- Provided regular communication with water retailers on pertinent water quality activities, operational issues, and held successful, quarterly Water Retailer Meetings.
- Provided regular communications with DDW on pertinent water quality activities, regulatory compliance and held a successful annual meeting with DDW.
- Met with water retailers on a regular basis during various emergencies to address concerns and provide operational updates.
- Provided electrical, instrumentation and control, and SCADA engineering support for all water treatment plants, Campbell Well Field, SFPUC-Valley Water Intertie, pump stations, and pipelines to support day-to-day operations and maintenance, capital improvements and upgrades, and master planning.
- Improved reliability and maintainability of water treatment plants and water substations.
- Provided support to Water Utility and Watersheds CIP projects.

- Continued to successfully manage treatment plant operations and address water quality issues under various extreme weather conditions and chemical supply chain challenges.
- Water Quality Lab passed annual performance evaluations in a wide variety of chemical and microbiological analyses.
- Represented Valley Water on ACWA panel related to PFAS, CUWA committees in Operations and Water Quality, CA/NV AWWA Regulatory committee and Utility Council.
- Successfully managed a district wide cost-effective and carbon-free imported electricity program.

FY 2026 Milestones

- 100% of the treated water delivered to customers meets and/or surpasses all applicable primary drinking water standards.
- Meet all sampling and reporting requirements established by regulatory agencies and Valley Water operational needs. Timely submittal of all operational and compliance reports to regulatory agencies, water retailers, and internal stakeholders.
- Maintain laboratory accreditation with ELAP.
- Provide support to capital improvement efforts at all water treatment plants.
- Support treatment plant and pump station equipment condition assessment and replacement/rehabilitation efforts.
- Collaborate and communicate with DDW on pertinent current and upcoming regulatory developments and compliance requirements.
- Provide regular communications with water retailers on pertinent water quality issues (taste and odor, distribution system water quality), conduct quarterly water retailer meetings, and receive an average of “good” or “excellent” rating in the annual retailer surveys.
- Support the development of the Water Treatment Plant, Distribution System and SCADA Master Plans.
- Participate and support the development of SCADA implementation plan as the subject matter experts.
- Provide Electrical & Control Systems (SCADA) Engineering support to district wide capital improvement efforts.
- Manage a district wide cost-effective and carbon-free imported electricity program. Complete the planning of the new Solar projects at Almaden Campus and Silicon Valley Advanced Water Purification Center.
- Complete the replacement of operational data management system.

FY 2027 Milestones

- 100% of the treated water delivered to customers meets and/or surpasses all applicable primary drinking water standards.
- Meet all sampling and reporting requirements established by regulatory agencies and Valley Water operational needs. Timely submittal of all operational and compliance reports to regulatory agencies, water retailers, and internal stakeholders.
- Maintain laboratory accreditation with ELAP.
- Provide support to capital improvement efforts at all water treatment plants.
- Support treatment plant and pump station equipment condition assessment and replacement/rehabilitation efforts.
- Collaborate and communicate with DDW on pertinent current and upcoming regulatory developments and compliance requirements.
- Provide regular communications with water retailers on pertinent water quality issues (taste and odor, distribution system water quality), conduct quarterly water retailer meetings, and receive an average of “good” or “excellent” rating in the annual retailer surveys.
- Support the development of the Water Treatment Plant, Distribution System and SCADA Master Plans.
- Participate and support the development of SCADA implementation plan as the subject matter experts.
- Provide Electrical & Control Systems (SCADA) Engineering support to district wide capital improvement efforts.
- Manage a district wide cost-effective and carbon-free imported electricity program.

Budget Issues and Constraints

- Deteriorating source water quality due to extreme weather conditions challenge continual water treatment operations.
- Aging infrastructure that can impact operations.
- Maintaining adequate level of operational service during extreme weather conditions, chemical supply issues, wildfire events, power outages, etc.
- Hiring qualified and certified staff to support capital and large projects.
- Staffing and resources assignment to keep up with increasing regulatory requirements, and track regulatory compliance related to PFAS, CEC, microplastics and others.
- Limited pool of journey-level water treatment plant operators, electrical and control system/SCADA, mechanical and process engineering talent available locally.

Treated Water Division — Budget Summary

Project Type (Category)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	50,993,520	53,411,504	56,927,650	58,419,898
Capital	2,600,297	3,869,841	4,312,485	4,583,170
Total [1]	**53,593,816**	**57,281,345**	**61,240,135**	**63,003,067**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Laboratory Services	8,237,517	8,598,952	9,271,609	9,870,176
North Water Treatment Operations	14,164,677	15,238,850	16,602,198	15,858,174
Plant Maintenance Engineering & Commissioning	2,864,043	2,851,369	3,046,281	3,253,291
South Water Treatment Operations	16,039,740	17,996,223	19,049,583	19,831,336
Treated Water Division Deputy's Office	1,495,506	1,534,188	1,596,767	1,736,806
Utility Electrical & Control Systems	6,889,598	6,522,764	7,630,425	8,466,111
Water Quality	3,902,735	4,538,998	4,043,272	3,987,174
Total [1]	**53,593,816**	**57,281,345**	**61,240,135**	**63,003,067**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

Treated Water Division - Position Summary

	FY 2023-24 Adjusted Budget [2]	FY 2024-25 Adopted Budget [2]	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Authorized Positions **	**93**	**92**	**90**	**90**

(1) Authorized positions exclude limited term positions.

(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY 2026 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Laboratory Services					
	Salaries & Benefits	4,374,461	4,537,736	4,816,531	5,087,376
	Services & Supplies	1,093,270	1,207,500	1,446,500	1,456,000
	Intra District Charges	2,742,924	2,782,200	2,945,026	3,261,908
Laboratory Services Total		8,210,655	8,527,437	9,208,058	9,805,283
North Water Treatment Operations					
	Salaries & Benefits	4,733,236	4,776,369	5,059,712	5,386,495
	Services & Supplies	6,685,803	7,405,732	8,443,282	7,051,682
	Intra District Charges	2,697,708	2,869,986	2,972,754	3,342,831
North Water Treatment Operations Total		14,116,748	15,052,087	16,475,748	15,781,008
Plant Maintenance Engineering & Commissioning					
	Salaries & Benefits	883,945	791,736	902,458	951,039
	Services & Supplies	283,668	86,500	87,500	87,500
	Intra District Charges	565,774	496,797	553,240	608,714
Plant Maintenance Engineering & Commissioning Total		1,733,387	1,375,033	1,543,198	1,647,253
South Water Treatment Operations					
	Salaries & Benefits	5,530,839	5,699,093	6,362,950	6,747,114
	Services & Supplies	7,357,203	8,611,000	8,983,000	8,983,000
	Intra District Charges	3,055,905	3,216,687	3,511,776	3,909,815
South Water Treatment Operations Total		15,943,947	17,526,780	18,857,726	19,639,930
Treated Water Division Deputy's Office					
	Salaries & Benefits	881,941	899,975	960,991	1,028,669
	Services & Supplies	30,468	78,500	53,500	53,500
	Intra District Charges	583,096	555,713	582,276	654,637
Treated Water Division Deputy's Office Total		1,495,506	1,534,188	1,596,767	1,736,806
Utility Electrical & Control Systems					
	Salaries & Benefits	3,174,167	2,872,700	3,058,342	3,409,713
	Services & Supplies	632,778	589,800	590,800	568,800
	Intra District Charges	1,842,922	1,723,749	1,789,684	2,099,351
Utility Electrical & Control Systems Total		5,649,867	5,186,249	5,438,827	6,077,864
Water Quality					
	Salaries & Benefits	1,797,132	1,811,358	1,434,658	1,514,471
	Services & Supplies	939,291	1,288,600	1,510,100	1,267,100
	Intra District Charges	1,106,987	1,109,771	862,570	950,182
Water Quality Total		3,843,409	4,209,730	3,807,328	3,731,754
Operations Total [(1)]		**50,993,520**	**53,411,504**	**56,927,650**	**58,419,898**

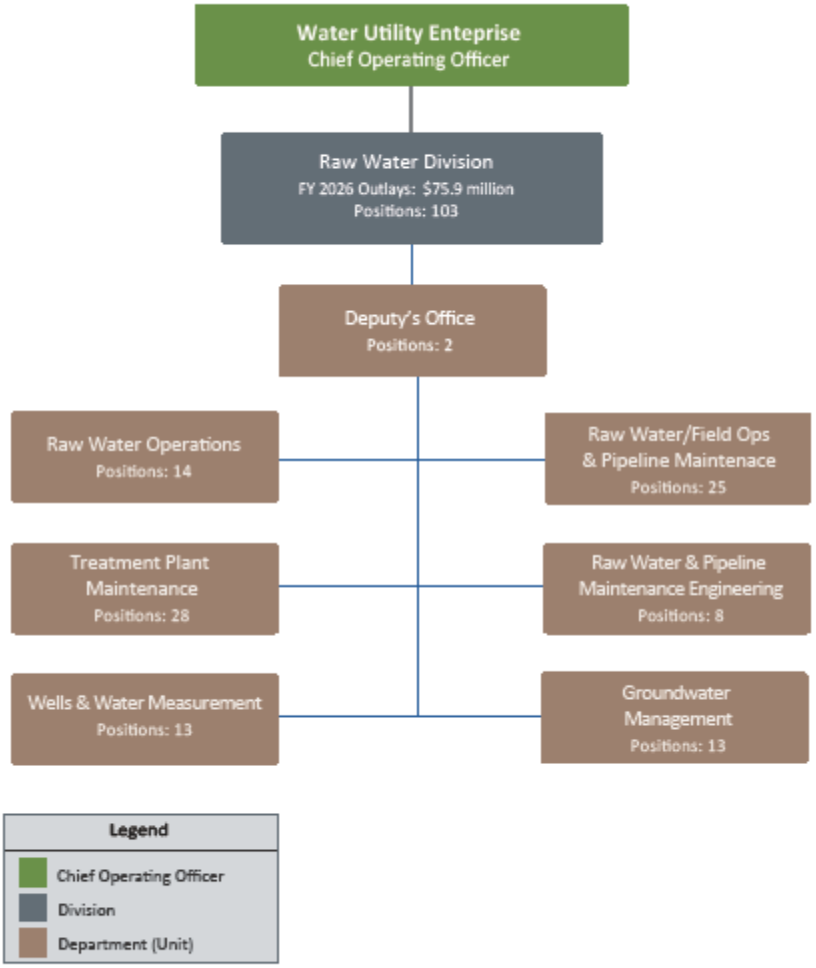
(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

Capital Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Laboratory Services					
	Salaries & Benefits	16,734	44,182	39,303	39,405
	Intra District Charges	10,128	27,333	24,248	25,488
Laboratory Services Total		26,862	71,515	63,552	64,893
North Water Treatment Operations					
	Salaries & Benefits	23,911	114,027	78,108	46,700
	Services & Supplies	16,674	–	–	–
	Intra District Charges	7,344	72,736	48,342	30,466
North Water Treatment Operations Total		47,929	186,763	126,450	77,166
Plant Maintenance Engineering & Commissioning					
	Salaries & Benefits	707,817	907,054	931,765	979,186
	Intra District Charges	422,839	569,282	571,318	626,852
Plant Maintenance Engineering & Commissioning Total		1,130,656	1,476,336	1,503,083	1,606,038
South Water Treatment Operations					
	Salaries & Benefits	60,474	289,670	119,802	117,467
	Services & Supplies	3,352	–	–	–
	Intra District Charges	31,967	179,774	72,055	73,939
South Water Treatment Operations Total		95,793	469,443	191,857	191,406
Utility Electrical & Control Systems					
	Salaries & Benefits	767,931	1,325,494	1,576,774	1,497,101
	Services & Supplies	713	(821,107)	(358,832)	(76,164)
	Intra District Charges	471,087	832,128	973,657	967,310
Utility Electrical & Control Systems Total		1,239,731	1,336,515	2,191,599	2,388,247
Water Quality					
	Salaries & Benefits	36,869	203,660	146,516	156,054
	Intra District Charges	22,457	125,608	89,428	99,366
Water Quality Total		59,326	329,269	235,944	255,420
Capital Total [1]		**2,600,297**	**3,869,841**	**4,312,485**	**4,583,170**
Division Total [1]		**53,593,816**	**57,281,345**	**61,240,135**	**63,003,067**

(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

Raw Water Division



Division Description and Objectives

The Raw Water Division (Division) maintains the Water Utility infrastructure, operates the Raw Water System, and ensures continued groundwater sustainability. This includes the operations and maintenance of Valley Water's ten reservoirs, three raw water pump stations, 94 miles of large-diameter raw water transmission pipelines and tunnels, and a multifaceted groundwater recharge system including 98 miles of managed creeks and 102 recharge ponds. The Division also maintains Valley Water's three water treatment plants, the Silicon Valley Advanced Water Purification Center (SVAWPC), Campbell Well Field, 17 miles of recycled water pipelines in South County, and 40 miles of large diameter treated water distribution pipelines. The Division also prepares the Annual Water Supply Operations Plan (Operations Plan) for the water supply of the county, manages local water rights and groundwater basins, administers the Well Ordinance and Water Measurement programs, and ensures compliance with regulators for Raw Water Operations as described below.

Groundwater Management

The Groundwater Management Unit helps ensure continued groundwater sustainability by providing accurate and timely information on current and forecasted groundwater conditions, ensuring Valley Water compliance with Sustainable Groundwater Management Act (SGMA) requirements, and implementing programs to protect groundwater resources. Related programs include groundwater level, groundwater quality, and land subsidence monitoring; evaluation of groundwater data and the use of numerical models to inform operational decisions and long-term water supply planning; activities to protect groundwater quality; and the maintenance and implementation of a comprehensive groundwater management plan for compliance with the District Act and SGMA.

Raw Water Operations Unit

The Raw Water Operations Unit performs the day-to-day operations planning and 24/7 remote operations of Valley Water's Raw Water System that comprises local surface water reservoirs, raw water pipelines, pump stations, and appurtenances. The Operations Plan guides the beneficial use of local and imported water throughout the Santa Clara County. The unit is responsible for the implementation of the Fish and Aquatic Habitat Collaborative Effort (FAHCE) flows from the reservoirs in the Guadalupe River and Stevens Creek watersheds. In addition, the unit administers the Untreated Surface Water Program. The unit also performs the required water rights and regulatory compliance reporting to maintain and protect local water supply operations.

Raw Water and Pipeline Maintenance Engineering Unit

The Raw Water and Pipeline Maintenance Engineering Unit provides civil and corrosion control engineering in support of Water Utility operations, maintenance, and capital programs and projects. The unit also supports the 10-year pipeline rehabilitation capital project and oversees the implementation of the management strategy for large diameter water conveyance and transmission pipelines. This includes the inspection of Welded Steel, bar-wrapped and Pre-stressed Concrete Cylinder Pipe (PCCP) as well as the development of seismic and risk management tools for pipelines. In addition, the unit provides engineering support for the three water treatment plants, SVAWPC, three raw water pump stations, San Francisco Public Utilities Commission (SFPUC) Intertie, and other related infrastructure and facilities.

Raw Water/Field Operations and Pipeline Maintenance Unit

The Raw Water Field Operations and Pipeline Maintenance Unit is responsible for the mechanical, electrical, and raw water control system along with 24/7 on-call support for Valley Water facilities. This includes the preventive, corrective, and rehabilitative maintenance of the pipeline infrastructure, which includes three pump stations – Pacheco, Coyote, and Vasona – and over 150 miles of pipelines. Also included are the operation and maintenance of recharge and water distribution systems for groundwater basins, reservoirs, canals, and other water supply infrastructure.

Treatment Plant Maintenance Unit

The Treatment Plant Maintenance Unit conducts predictive, preventive, corrective, and rehabilitative maintenance required to sustain operations of the Santa Teresa Water Treatment Plant, Penitencia Water Treatment Plant, Rinconada Water Treatment Plant, Advanced Purification Center, Campbell Well Field, and San Francisco Intertie to produce and distribute treated water.

Wells & Water Measurement

The Wells and Water Measurement Unit is responsible for the Well Ordinance Program and Water Measurement Program. The Well Ordinance Program helps protect Valley Water's groundwater resource by providing services needed for the implementation of Valley Water's Well Ordinance (Ordinance 90-1). Implementation of the well ordinance includes well permitting, well inspection, well data management, and violation enforcement for wells located in Santa Clara County. The Water Measurement Program provides services and supplies for the operation of Valley Water'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 2025 Accomplishments

- Completed the work projects identified in the Five-Year Maintenance Work Plan.
- Submitted the Water Year 2024 Report for the Santa Clara and Llagas Subbasins by the Department of Water Resources annual April 1 deadline for continued SGMA compliance.
- End-of-year 2024 groundwater storage within Stage 1 (Normal).
- Maintained reliable raw water and pipeline facilities by performing scheduled preventative maintenance.
- Developed annual Water Supply Operations Plans during FY 2025.
- Operated the raw water conveyance system 24/7/365 without any major incidents.
- Safely operated Valley Water's 10 reservoirs during the rainy season.
- Operated the Almaden-Calero Canal during the rainy season to transfer excess water from Almaden Reservoir to Calero Reservoir and maximize the beneficial use of local water.
- Continued coordination on FAHCE, prepared the annual FAHCE report for Water Year 2023-24, and implemented FAHCE-Plus flows for North County reservoirs in Water Year 2024-25.
- Supported the development of the Anderson Dam Seismic Retrofit Project's Draft Environmental Impact Report.
- Submitted the 2024 Water Rights reports to the new State Water Resources Control Board by February 1, 2025 deadline.
- Continued the work on the Lake and Streambed Alteration Agreement (LSAA) renewals and submitted them to CDFW for review.
- Submitted LSAA compliance reports by June 30, 2025 deadline.
- Provided civil and corrosion control engineering support for Water Utility O&M efforts.
- Responded to and supported pipeline emergency repair efforts.
- Maintained, monitored, and adjusted cathodic protection and corrosion control equipment.
- Supported capital improvement projects, including the 10-Year Pipeline Rehabilitation Program and treatment plant and pump station pump replacement/rehabilitation projects.
- Issued approximately 650 well permits and completed approximately 602 well inspections.
- Conducted enforcement on 67 abandoned wells in accordance with the plan per the Wells Ordinance.
- Entered into an agreement in FY 2025 to improve some of the capabilities and reports for CityWorks public payment portal.
- Completed maintenance of 468 Valley Water meters and backflow devices. Read meters weekly for 32 Treated Water sites, monthly for 215 meters along 10 routes for groundwater well sites, and semi-annually for 802 meters along 23 routes for groundwater well sites.
- Supported Asset Management unit with the Mobile Maximo implementation.

FY 2026 Milestones

- Plan, execute, and complete work projects identified in the Five-Year Maintenance Work Plan.
- Maintain reliable water treatment, raw water, and pipeline facilities by performing corrective and scheduled preventative maintenance.
- Manage Cathodic Protection and Corrosion Control Systems (maintenance, surveys, troubleshooting and repairs).
- Operate the raw water conveyance system 24/7/365.
- Safely operate Valley Water's 10 reservoirs during the rainy season.
- Operate recharge facilities, canals, ditches, and low-pressure pipelines as required by the operations plan and regulatory agency requirements.
- Meet and collaborate with the FAHCE Initialing Parties and Adaptive Management Team.
- Prepare the annual FAHCE-Plus Modified report.
- Complete the Water Year 2025 Report for the Santa Clara and Llagas Subbasins for SGMA compliance.
- Complete the 2024 Annual Groundwater Report.
- Complete the annual water rights reports by the February 1, 2026 deadline.
- Complete the workflow processes for both permitting and field inspections for Cityworks. Continue to issue well permits, perform inspections, and conduct enforcement of abandoned wells.
- Continue to read meters weekly for 32 Treated Water sites, monthly for 227 meters along 10 routes for groundwater well sites, and semi-annually for 815 meters along 23 routes for groundwater well sites.
- Continue to install meters and perform treated water verifications.
- Start installing Advanced Metering Infrastructure for Valley Water meters.
- Continue to test and repair Valley Water backflow devices per California Code of Regulations Title 17.

FY 2027 Milestones

- Plan, execute, and complete work projects identified in the Five-Year Maintenance Work Plan.
- Maintain reliable water treatment, raw water, and pipeline facilities by performing corrective and scheduled preventative maintenance.
- Manage Cathodic Protection and Corrosion Control Systems (maintenance, surveys, troubleshooting and repairs).
- Develop and follow the annual Water Supply Operations Plan.
- Operate the raw water conveyance system 24/7/365.
- Safely operate Valley Water's 10 reservoirs during the rainy season.
- Operate recharge facilities, canals, ditches, and low-pressure pipelines as required by the operations plan and regulatory agency requirements.
- Complete the Water Year 2026 Report for the Santa Clara and Llagas Subbasins for SGMA compliance.
- Complete the 2025 Annual Groundwater Report.
- Complete the annual water rights reports by the February 1, 2027 deadline.
- Complete the annual LSAA reports for North and South County by their respective deadlines.
- Support capital improvement projects.
- Continue to issue well permits, perform inspections, and conduct enforcement of abandoned wells.
- Continue to read meters weekly for 32 Treated Water sites, monthly for 227 meters along 10 routes for groundwater well sites, and semi-annually for 815 meters along 23 routes for groundwater well sites.
- Continue to install meters and perform treated water verifications.
- Continue to install Advanced Metering Infrastructure for Valley Water meters.
- Continue to test and repair Valley Water backflow devices per California Code of Regulations Title 17.

Budget Issues and Constraints

- Aging infrastructure, climate change, and potential water quality challenges that threaten uninterrupted operations and groundwater management.
- Existing wells permit fee structure does not allow for full cost recovery. Staff is evaluating protocols and options to recover costs.
- Regulatory requirements for Water Supply Operations, including the FERC order to draw down Anderson to deadpool.
- Ongoing staffing and resource assignment constraints to: support operations, maintenance, capital, and large projects; track and engage on contaminants that may affect groundwater supplies including PFAS; and support the FAHCE-Plus Modified Program and coordination efforts with regulatory agencies.

Raw Water Division — Budget Summary

Project Type (Category)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Operations	46,774,147	52,880,551	56,909,854	59,258,676
Operating Project	7,981	–	–	–
Capital	10,776,684	14,383,390	18,973,716	10,751,622
Total [1]	**57,558,811**	**67,263,941**	**75,883,570**	**70,010,298**

Department (Unit)	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Groundwater Monitoring & Analy	5,638,547	5,976,109	6,570,928	6,938,625
Raw Water Division Deputy's Office	930,481	1,010,585	1,054,928	1,152,189
Raw Water Operations	6,935,087	7,576,422	7,718,039	8,117,234
Raw Wtr-Field Ops & Pipeline Maint.	13,665,896	21,444,550	21,540,273	17,406,413
Treatment Plant Maintenance	15,714,927	19,880,227	26,174,626	23,377,679
Utility Maintenance Engineering	9,956,217	5,959,922	7,042,882	6,688,155
Wells & Water Measurement	4,717,655	5,416,126	5,781,892	6,330,002
Total [1]	**57,558,811**	**67,263,941**	**75,883,570**	**70,010,298**

(1) Totals include intra-district reimbursement charges. FY2024 and FY2025 department expenditures are presented according to the FY 2026 Division Organizational Chart.

Raw Water Division - Position Summary

	FY 2023-24 Adjusted Budget***	FY 2024-25 Adopted Budget***	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
**Authorized Positions ** **	**105**	**105**	**103**	**103**

(1) Authorized positions exclude limited term positions.

(2) For comparison purposes, FY 2024 and FY 2025 position count lists all positions according to the FY 2026 Organizational Chart.

Operations Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Groundwater Management					
	Salaries & Benefits	3,325,397	3,470,842	3,766,945	3,981,965
	Services & Supplies	236,371	324,300	470,300	376,800
	Intra District Charges	2,071,605	2,142,615	2,309,957	2,554,338
Groundwater Management Total		5,633,372	5,937,757	6,547,202	6,913,103
Raw Water Division Deputy's Office					
	Salaries & Benefits	577,342	618,588	649,461	699,311
	Services & Supplies	8,279	11,500	11,500	7,500
	Intra District Charges	344,260	380,496	393,968	445,377
Raw Water Division Deputy's Office Total		929,881	1,010,585	1,054,928	1,152,189
Raw Water Operations					
	Salaries & Benefits	3,981,012	4,098,139	3,986,596	4,145,348
	Services & Supplies	486,048	862,050	1,124,400	1,076,200
	Intra District Charges	2,320,660	2,354,893	2,266,238	2,468,712
Raw Water Operations Total		6,787,720	7,315,081	7,377,234	7,690,260
Raw Wtr-Field Ops & Pipeline Maint.					
	Salaries & Benefits	5,543,537	6,020,499	6,344,949	6,733,842
	Services & Supplies	2,390,777	4,058,660	4,218,260	4,226,860
	Intra District Charges	3,779,867	3,960,543	4,102,323	4,622,277
Raw Wtr-Field Ops & Pipeline Maint. Total		11,714,180	14,039,702	14,665,533	15,582,979
Treatment Plant Maintenance					
	Salaries & Benefits	6,164,241	6,374,339	6,648,363	7,050,843
	Services & Supplies	2,617,615	3,296,500	3,724,500	3,324,500
	Intra District Charges	4,053,242	4,360,163	4,651,742	5,346,934
Treatment Plant Maintenance Total		12,835,099	14,031,002	15,024,606	15,722,277
Raw Water & Pipeline Maintenance Engineering					
	Salaries & Benefits	1,243,464	1,665,266	1,982,292	1,982,681
	Services & Supplies	2,143,630	2,401,800	3,217,300	2,557,300
	Intra District Charges	777,126	1,063,232	1,258,867	1,327,884
Raw Water & Pipeline Maintenance Engineering Total		4,164,219	5,130,298	6,458,459	5,867,866
Wells & Water Measurement					
	Salaries & Benefits	2,754,811	3,080,801	3,298,582	3,508,258
	Services & Supplies	156,780	360,300	359,800	424,300
	Intra District Charges	1,806,065	1,975,025	2,123,511	2,397,445
Wells & Water Measurement Total		4,717,655	5,416,126	5,781,892	6,330,002
Operations Total [(1)]		**46,782,127**	**52,880,551**	**56,909,854**	**59,258,676**

(1) Totals reflect the gross budget and includes intra-district reimbursement charges.

Capital Budget by Department and Account Category

Department	Account Category	FY 2023-24 Budgetary Actuals	FY 2024-25 Adopted Budget	FY 2025-26 Adopted Budget	FY 2026-27 Proposed Plan
Groundwater Management					
	Salaries & Benefits	3,255	23,643	14,667	15,506
	Intra District Charges	1,920	14,709	9,059	10,016
Groundwater Management Total		5,175	38,353	23,726	25,522
Raw Water Division Deputy's Office					
	Salaries & Benefits	408	–	–	–
	Intra District Charges	192	–	–	–
Raw Water Division Deputy's Office Total		600	–	–	–
Raw Water Operations					
	Salaries & Benefits	90,929	161,144	211,564	260,506
	Intra District Charges	56,438	100,196	129,241	166,468
Raw Water Operations Total		147,367	261,341	340,806	426,974
Raw Wtr-Field Ops & Pipeline Maint.					
	Salaries & Benefits	502,990	214,063	234,224	250,330
	Services & Supplies	1,186,246	7,044,404	6,482,000	1,392,000
	Intra District Charges	262,480	146,380	158,517	181,104
Raw Wtr-Field Ops & Pipeline Maint. Total		1,951,716	7,404,848	6,874,741	1,823,434
Treatment Plant Maintenance					
	Salaries & Benefits	111,425	532,647	561,357	576,047
	Services & Supplies	2,696,340	4,927,186	10,164,208	6,606,000
	Intra District Charges	72,064	389,392	424,456	473,356
Treatment Plant Maintenance Total		2,879,829	5,849,225	11,150,020	7,655,402
Raw Water & Pipeline Maintenance Engineering					
	Salaries & Benefits	950,536	513,516	361,320	494,317
	Services & Supplies	4,331,797	–	–	–
	Intra District Charges	509,665	316,108	223,103	325,973
Raw Water & Pipeline Maintenance Engineering Total		5,791,998	829,624	584,423	820,290
Capital Total [(1)]		**10,776,684**	**14,383,390**	**18,973,716**	**10,751,622**
Division Total [(1)]		**57,558,811**	**67,263,941**	**75,883,570**	**70,010,298**

(1) Totals reflect the gross budget and includes intra-district reimbursement charges.



Fund Summaries

FY 2025–26 & FY 2026–27 Operating and Capital Rolling Biennial Budget

WATERSHED MANAGEMENT FUNDS

Fund Summaries

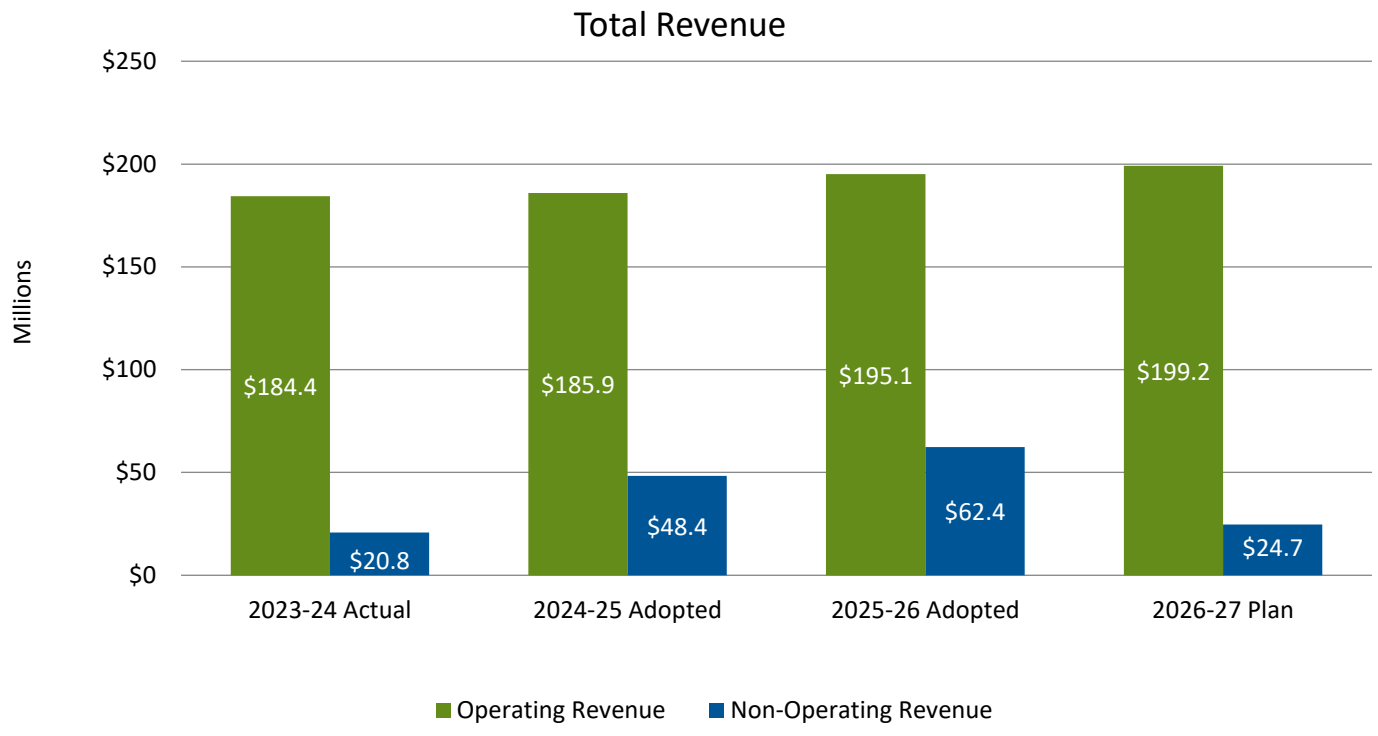
Overview

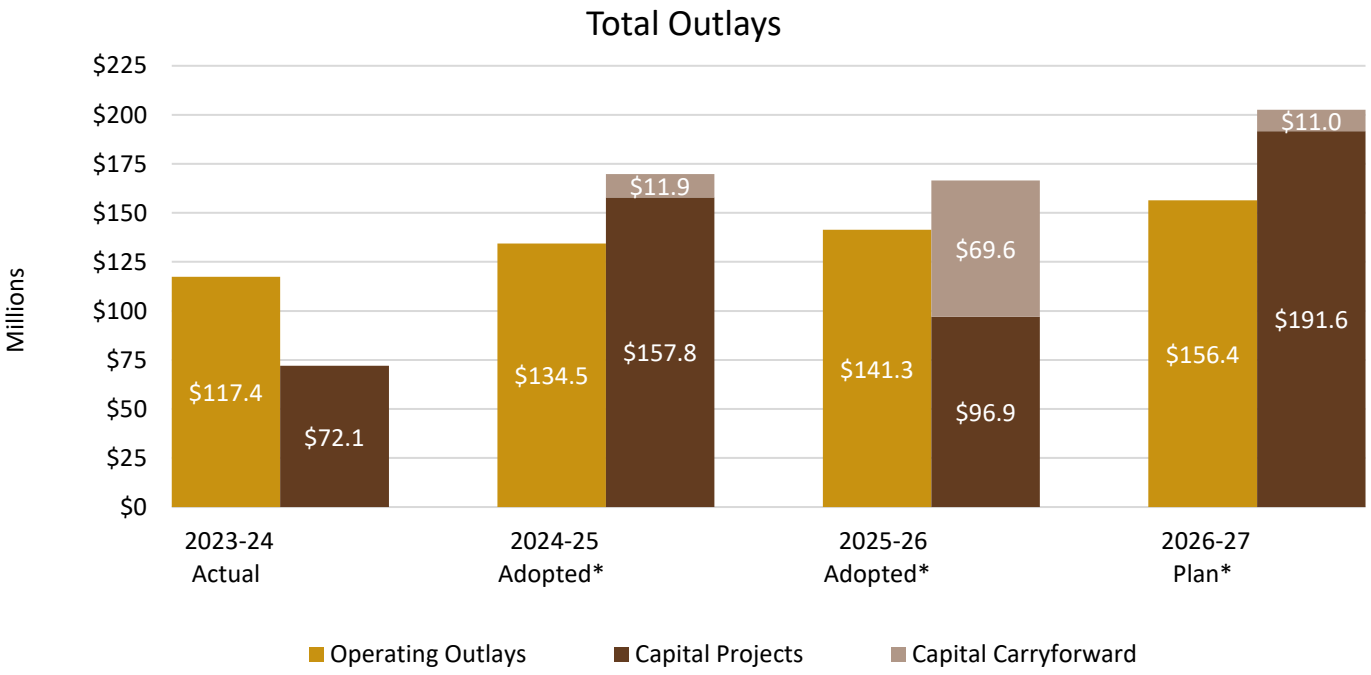
The Board of Directors defines Watershed stewardship as the management of natural resources in a manner that fosters ecosystem health, improved water quality, flood protection, and compatible recreational opportunities. The Watersheds Chief Operating Officer leads the implementation of the watershed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





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

Watershed Management Funds

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Operating Revenue						
Benefit Assessment	$ 6,889,358	$ 7,052,737	$ 7,052,740	$ 6,923,750	$ (128,987)	-1.8%
Property Tax	122,830,223	124,993,000	128,289,000	132,785,000	7,792,000	6.2%
Special Parcel Tax	52,175,089	53,531,667	53,531,667	55,094,792	1,563,125	2.9%
Intergovernmental Services	1,964,467	-	-	-	-	0.0%
Operating Other	524,633	309,649	309,649	318,938	9,289	3.0%
Total Operating Revenue	**$ 184,383,770**	**$ 185,887,053**	**$ 189,183,056**	**$ 195,122,480**	**$ 9,235,427**	**5.0%**
Non-Operating Revenue						
Capital Reimbursements	$ 6,466,007	$ 41,900,000	$ 32,813,000	$ 55,600,000	$ 13,700,000	32.7%
Interest Income *	11,876,576	4,903,000	4,771,000	5,366,000	463,000	9.4%
Non-Operating Other	2,459,771	1,553,810	1,416,007	1,458,487	(95,323)	-6.1%
Total Non-Operating Revenue	**$ 20,802,354**	**$ 48,356,810**	**$ 39,000,007**	**$ 62,424,487**	**$ 14,067,677**	**29.1%**
TOTAL REVENUE	**$ 205,186,124**	**$ 234,243,863**	**$ 228,183,063**	**$ 257,546,967**	**$ 23,303,104**	**9.9%**
OUTLAYS						
Operating Outlays						
Operations **	$ 92,814,963	$ 113,524,662	$ 117,375,247	$ 118,364,072	$ 4,839,410	4.3%
Operating Project	8,188,361	4,856,421	4,856,421	4,444,256	(412,165)	-8.5%
Debt Service	16,378,232	16,069,027	16,069,027	18,530,310	2,461,283	15.3%
Total Operating Outlays	**$ 117,381,557**	**$ 134,450,110**	**$ 138,300,695**	**$ 141,338,638**	**$ 6,888,527**	**5.1%**
Capital Outlays						
Capital Projects	$ 72,067,755	$ 157,824,633	$ 134,344,419	$ 96,937,602	$ (60,887,030)	-38.6%
Carry Forward Capital Projects	-	11,922,094	-	69,566,695	57,644,601	483.5%
Total Capital Outlays	**$ 72,067,755**	**$ 169,746,727**	**$ 134,344,419**	**$ 166,504,297**	**$ (3,242,429)**	**-1.9%**
TOTAL OUTLAYS	**$ 189,449,311**	**$ 304,196,837**	**$ 272,645,115**	**$ 307,842,935**	**$ 3,646,098**	**1.2%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ -	$ 109,609,029	$ 70,000,000	$ 44,609,029	$ (65,000,000)	-59.3%
Transfers In	8,917,463	4,250,988	4,250,989	5,116,750	865,762	20.4%
Transfers Out	(8,864,860)	(16,243,007)	(17,958,008)	(14,710,901)	1,532,106	-9.4%
TOTAL OTHER SOURCES/(USES)	**$ 52,603**	**$ 97,617,010**	**$ 56,292,981**	**$ 35,014,878**	**$ (62,602,132)**	**-64.1%**
BALANCE AVAILABLE	**$ 15,789,416**	**$ 27,664,036**	**$ 11,830,930**	**$ (15,281,090)**	**$ (42,945,126)**	**-155.2%**
YEAR-END RESERVES						
Restricted Reserves						
SCW Rate Stabilization Reserve	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ -	0.0%
SCW Contingency Reserve	5,000,000	5,000,000	5,000,000	5,000,000	-	0.0%
SCW Currently Authorized Projects Reserve***	112,252,107	25,336,118	141,916,731	71,376,703	46,040,585	181.7%
SCW Operating and Capital Reserve	49,575,332	59,517,635	28,244,554	76,463,210	16,945,575	28.5%
Total Restricted Reserves	**$ 191,827,439**	**$ 114,853,753**	**$ 200,161,285**	**$ 177,839,913**	**$ 62,986,160**	**54.8%**
Committed Reserves						
Currently Authorized Projects Reserve***	$ 11,360,020	$ 33,303	$ 5,508,140	$ 1,029,024	$ 995,721	2989.9%
Operating and Capital Reserve	139,225,177	145,010,893	143,822,030	154,256,929	9,246,036	6.4%
Excess ERAF Contingency Reserve	-	5,605,897	4,752,110	5,836,610	230,713	4.1%
Total Committed Reserves	**$ 150,585,197**	**$ 150,650,093**	**$ 154,082,280**	**$ 161,122,563**	**$ 10,472,470**	**7.0%**
TOTAL YEAR-END RESERVES	**$ 342,412,636**	**$ 265,503,846**	**$ 354,243,565**	**$ 338,962,475**	**$ 73,458,629**	**27.7%**

Watershed Management Funds

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 43,556,713	$ 49,551,343	$ 49,551,343	$ 52,339,150	$ 2,787,808	5.6%
Salary Savings Factor	-	(764,943)	(764,943)	(523,828)	241,115	-31.5%
Services & Supplies	28,858,998	37,485,712	41,336,297	37,335,848	(149,864)	-0.4%
Intra-District Charges	28,587,614	32,108,972	32,108,972	33,657,157	1,548,185	4.8%
OPERATING OUTLAY TOTAL	**$ 101,003,325**	**$ 118,381,083**	**$ 122,231,668**	**$ 122,808,328**	**$ 4,427,244**	**3.7%**
DEBT SERVICE						
Services & Supplies	$ 629,552	$ 1,198,901	$ 1,198,901	$ 911,560	$ (287,341)	-24.0%
Debt Service	15,748,680	14,870,126	14,870,126	17,618,750	2,748,624	18.5%
DEBT SERVICE TOTAL	**$ 16,378,232**	**$ 16,069,027**	**$ 16,069,027**	**$ 18,530,310**	**$ 2,461,283**	**15.3%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 16,352,164	$ 19,282,856	$ 19,282,856	$ 19,778,729	$ 495,873	2.6%
Salary Savings Factor	-	(304,554)	(304,554)	(204,729)	99,825	-32.8%
Services & Supplies	45,621,980	126,965,906	103,485,693	65,195,450	(61,770,456)	-48.7%
Carry Forward Capital Projects	-	11,922,094	-	69,566,695	57,644,601	483.5%
Intra-District Charges	10,093,611	11,880,424	11,880,424	12,168,153	287,729	2.4%
CAPITAL PROJECTS TOTAL	**$ 72,067,755**	**$ 169,746,727**	**$ 134,344,419**	**$ 166,504,297**	**$ (3,242,429)**	**-1.9%**
TOTAL OUTLAYS	**$ 189,449,311**	**$ 304,196,837**	**$ 272,645,115**	**$ 307,842,935**	**$ 3,646,098**	**1.2%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations outlays do not include OPEB Expense-unfunded liabilities

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

Watershed Management Funds

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
REVENUE						
Operating Revenue						
Benefit Assessment	$ 6,889,358	$ 7,052,737	$ 6,923,750	$ 6,921,250	$ (2,500)	0.0%
Property Tax	122,830,223	124,993,000	132,785,000	135,648,000	2,863,000	2.2%
Special Parcel Tax	52,175,089	53,531,667	55,094,792	56,306,876	1,212,084	2.2%
Intergovernmental Services	1,964,467	-	-	-	-	0.0%
Operating Other	524,633	309,649	318,938	328,506	9,568	3.0%
Total Operating Revenue	**$ 184,383,770**	**$ 185,887,053**	**$ 195,122,480**	**$ 199,204,632**	**$ 4,082,153**	**2.1%**
Non-Operating Revenue						
Capital Reimbursements	$ 6,466,007	$ 41,900,000	$ 55,600,000	$ 17,228,000	$ (38,372,000)	-69.0%
Interest Income *	11,876,576	4,903,000	5,366,000	5,963,000	597,000	11.1%
Non-Operating Other	2,459,771	1,553,810	1,458,487	1,501,899	43,412	3.0%
Total Non-Operating Revenue	**$ 20,802,354**	**$ 48,356,810**	**$ 62,424,487**	**$ 24,692,899**	**$ (37,731,589)**	**-60.4%**
TOTAL REVENUE	**$ 205,186,124**	**$ 234,243,863**	**$ 257,546,967**	**$ 223,897,531**	**$ (33,649,436)**	**-13.1%**
OUTLAYS						
Operating Outlays						
Operations **	$ 92,814,963	$ 113,524,662	$ 118,364,072	$ 128,957,452	$ 10,593,380	8.9%
Operating Project	8,188,361	4,856,421	4,444,256	5,583,597	1,139,342	25.6%
Debt Service	16,378,232	16,069,027	18,530,310	21,903,250	3,372,940	18.2%
Total Operating Outlays	**$ 117,381,557**	**$ 134,450,110**	**$ 141,338,638**	**$ 156,444,299**	**$ 15,105,662**	**10.7%**
Capital Outlays						
Capital Projects	$ 72,067,755	$ 157,824,633	$ 96,937,602	$ 191,616,530	$ 94,678,927	97.7%
Carry Forward Capital Projects	-	11,922,094	69,566,695	11,004,634	(58,562,061)	-84.2%
Total Capital Outlays	**$ 72,067,755**	**$ 169,746,727**	**$ 166,504,297**	**$ 202,621,164**	**$ 36,116,866**	**21.7%**
TOTAL OUTLAYS	**$ 189,449,311**	**$ 304,196,837**	**$ 307,842,935**	**$ 359,065,463**	**$ 51,222,528**	**16.6%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ -	$ 109,609,029	$ 44,609,029	$ 128,053,129	$ 83,444,100	187.1%
Transfers In	8,917,463	4,250,988	5,116,750	6,215,000	1,098,250	21.5%
Transfers Out	(8,864,860)	(16,243,007)	(14,710,901)	(22,156,985)	(7,446,084)	50.6%
TOTAL OTHER SOURCES/(USES)	**$ 52,603**	**$ 97,617,010**	**$ 35,014,878**	**$ 112,111,144**	**$ 77,096,266**	**220.2%**
BALANCE AVAILABLE	**$ 15,789,416**	**$ 27,664,036**	**$ (15,281,090)**	**$ (23,056,788)**	**$ (7,775,698)**	**50.9%**
YEAR-END RESERVES						
Restricted Reserves						
SCW Rate Stabilization Reserve	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ -	0.0%
SCW Contingency Reserve	5,000,000	5,000,000	5,000,000	5,000,000	-	0.0%
SCW Currently Authorized Projects Reserve***	112,252,107	25,336,118	71,376,703	61,401,092	(9,975,611)	-14.0%
SCW Operating and Capital Reserve	49,575,332	59,517,635	76,463,210	59,622,776	(16,840,433)	-22.0%
Total Restricted Reserves	**$ 191,827,439**	**$ 114,853,753**	**$ 177,839,913**	**$ 151,023,869**	**$ (26,816,044)**	**-15.1%**
Committed Reserves						
Currently Authorized Projects Reserve***	$ 11,360,020	$ 33,303	$ 1,029,024	$ -	$ (1,029,024)	-100.0%
Operating and Capital Reserve	139,225,177	145,010,893	154,256,929	157,960,529	3,703,600	2.4%
Excess ERAF Contingency Reserve	-	5,605,897	5,836,610	6,921,290	1,084,680	18.6%
Total Committed Reserves	**$ 150,585,197**	**$ 150,650,093**	**$ 161,122,563**	**$ 164,881,819**	**$ 3,759,256**	**2.3%**
TOTAL YEAR-END RESERVES	**$ 342,412,636**	**$ 265,503,846**	**$ 338,962,475**	**$ 315,905,687**	**$ (23,056,788)**	**-6.8%**

Watershed Management Funds

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 43,556,713	$ 49,551,343	$ 52,339,150	$ 56,007,942	$ 3,668,792	7.0%
Salary Savings Factor	-	(764,943)	(523,828)	(553,308)	(29,479)	5.6%
Services & Supplies	28,858,998	37,485,712	37,335,848	40,828,308	3,492,460	9.4%
Intra-District Charges	28,587,614	32,108,972	33,657,157	38,258,106	4,600,949	13.7%
OPERATING OUTLAY TOTAL	**$ 101,003,325**	**$ 118,381,083**	**$ 122,808,328**	**$ 134,541,049**	**$ 11,732,722**	**9.6%**
DEBT SERVICE						
Services & Supplies	$ 629,552	$ 1,198,901	$ 911,560	$ 1,751,560	$ 840,000	92.1%
Debt Service	15,748,680	14,870,126	17,618,750	20,151,690	2,532,940	14.4%
DEBT SERVICE TOTAL	**$ 16,378,232**	**$ 16,069,027**	**$ 18,530,310**	**$ 21,903,250**	**$ 3,372,940**	**18.2%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 16,352,164	$ 19,282,856	$ 19,778,729	$ 20,059,428	$ 280,699	1.4%
Salary Savings Factor	-	(304,554)	(204,729)	(204,964)	(235)	0.1%
Services & Supplies	45,621,980	126,965,906	65,195,450	158,847,385	93,651,935	143.6%
Carry Forward Capital Projects	-	11,922,094	69,566,695	11,004,634	(58,562,061)	-84.2%
Intra-District Charges	10,093,611	11,880,424	12,168,153	12,914,681	746,528	6.1%
CAPITAL PROJECTS TOTAL	**$ 72,067,755**	**$ 169,746,727**	**$ 166,504,297**	**$ 202,621,164**	**$ 36,116,866**	**21.7%**
TOTAL OUTLAYS	**$ 189,449,311**	**$ 304,196,837**	**$ 307,842,935**	**$ 359,065,463**	**$ 51,222,528**	**16.6%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations outlays do not include OPEB Expense-unfunded liabilities

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

Watershed and Stream Stewardship Fund

Description

The Watershed and Stream Stewardship Fund was created in FY 2000-01 as part of the Board of Directors' direction to balance the overall Flood Protection and Stream Stewardship Program. When created, this fund supported specific stewardship activities within the watersheds from a portion of Valley Water's ad valorem property tax allocation. Beginning in FY 2008-09, this fund was redefined to support all activities from the five watersheds funds supported by revenue from:

- Valley Water's 1% ad valorem property tax allocation, except the portion allocated to the Valley Water General Fund and Water Utility Enterprise Fund
- Benefit assessments
- Capital reimbursements
- Intergovernmental revenue
- Interest revenue

The revenues in the Watershed and Stream Stewardship Fund are used to provide:

- Environmentally responsible maintenance and construction of flood conveyance and ecological assets to preserve or improve flood protection, water quality, or environmental values, including sediment removal, levee maintenance, erosion protection, debris removal, vegetation management, invasive species removal and control, corrective maintenance, property, fence, and road repairs
- Administration of the Water Resources Protection Ordinance to protect Valley Water assets
- Consultation with other agencies to manage flood risk and to protect ecological assets
- Emergency preparedness/response including sandbags and efforts to respond to or reduce the threat of floods
- Protection and improvement of water quality from urban runoff and other stream impairments
- Monitoring and assessing the condition and performance of both flood conveyance and environmental assets in the watersheds
- Public outreach and education
- Encampment cleanups and management
- Other program activities such as work improvement efforts, floodplain management, hydrology, safety training, and workforce development

Preliminary targets for sediment removal, vegetation management, levee maintenance, and erosion protection are based on field condition assessments for the Stream Maintenance Program-2.5 (SMP-2.5) Notice of Proposed Work (NPW). The NPW consists of all potential work activities identified for that season and is submitted annually for approval by regulatory agencies in April. While Valley Water intends to complete all work listed in the NPW, some of the work may not be completed for various reasons. Limitations for completion include the ability to implement required mitigation, timely approval from regulatory agencies, changed site conditions, environmental restrictions, and other factors. Furthermore, an additional NPW may be submitted due to work identified caused by late-occurring winter/spring storms. Therefore, the proposed workload quantities in this fund summary are subject to change.

Outcomes

Programs and projects are designed to fulfill each goal. Following each goal statement is a list of projects that are included in the FY 2025-26 Rolling Biennial Budget.

Goal 3.1: Maintain flood protection facilities to design levels of protection

Prioritize maintenance of existing facilities over construction of new capital projects; inspect and maintain facilities on a regular basis; and perform maintenance using maintenance guidelines updated on a regular basis.

- Effectively and efficiently maintain and operate flood water conveyance channels to design specifications, including sustainable sediment management, vegetation management, and debris removal
- In conjunction with the Safe, Clean Water (SCW) Fund, provide partial funding to remove an estimated 20,000 to 50,000 cubic yards of sediment
- In conjunction with the Safe, Clean Water (SCW) Fund, provide partial funding to control approximately 3,700 acres of upland vegetation to allow safe access for maintenance and fire risk reduction
- Inspect approximately 190 miles of creeks
- Inspect approximately 100 miles of levees
- Perform maintenance on approximately 15,000 linear feet of levees
- Watersheds Asset Rehabilitation Program: Calabazas Creek, Guadalupe River and Coyote Creek
- Lower Guadalupe Capacity Restoration Project

Goal 3.2: Assist people, businesses, schools, and communities to prepare for, respond to, and recover from flooding through equitable and effective engagement

Reduce the potential for flood damages through the following activities:

- 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 Valley Water's flood warning system

This includes providing a minimum of 40,000 filled sandbags to the public and sending floodplain mailers to approximately 55,000 homes and businesses in flood-prone areas.

Goal 3.3: Increase the health and safety of residents countywide by reducing community flood risk

Provide flood protection to the county's growing community by building flood protection projects and maintaining conveyance capacity of modified channels.

Major Capital Project starting or continuing construction:

- San Francisco Bay Shoreline Phase I

Major Capital Project in planning and design:

- Lower Guadalupe Capacity Restoration

Goal 4.1: Use a science-based, inclusive approach to protect Santa Clara County's watersheds and aquatic ecosystems for current and future generations

Protect and restore creek and bay ecosystems through an integrated master planning process, which strategizes providing protection and restoration of watersheds through the following activities:

- 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

Watershed Master Plans for each of the five watersheds in Santa Clara County are driven by community input to ensure broad support.

Major Capital Projects:

- Calabazas/San Tomas Aquino Creek-Marsh Connection
- Pond A4 Resilient Habitat Restoration
- Coyote 10B Freshwater Wetlands
- Ogier Ponds
- Moffett Fish Ladder

Goal 4.2: Sustain ecosystem health while managing local water resources for flood protection and water supply

- Implement stewardship projects such as the Integrated Invasive Plant Management Program for invasive species control, Calabazas/San Tomas Aquino Creek-Marsh Connection, Coyote Pond 10B Freshwater Wetlands, and Ogier Ponds
- Continue to implement the FAHCE flow measures in the Stevens Creek and Guadalupe watersheds
- Complete planning studies for FAHCE nonflow measures such as Moffett Fish Ladder
- Manage at least 300 acres of riparian planting projects and 200 acres of invasive plant removal projects

Goal 4.3: Encourage inclusive, sustainable management of water resources in the Bay-Delta and its watersheds to protect imported water supply

Protecting imported water supply is affiliated with more than one Ends Code Goal, including this Goal E4.3; however, the imported water projects listed are under Goal Objective E2.2.3 – "Protect imported water supplies and associated contracts and partnerships." Please refer to the summary of that goal in the Water Utility Enterprise (Fund 61) Summary.

Goal 4.4: Prevent and address pollution of local streams, reservoirs, and the Bay, equitably across all communities. Protect waterbodies from pollution and degradation

- Continue sampling and analysis to estimate reservoirs' contribution of greenhouse gasses, especially methane, to the atmosphere
- Continue study to evaluate the use of different mercury sorbent materials and methods as an alternative to hypolimnetic oxygenation systems for mitigating mercury bioaccumulation in reservoirs
- Continue a collaborative effort between Palo Alto and Valley Water to maintain and operate trash booms in two creek locations to capture trash before it enters San Francisco Bay
- Conduct stormwater runoff pollution prevention activities
- Conduct encampment cleanup and management of at least 700 acres annually to remove trash, debris, and hazardous pollutants generated by encampments near waterways or on Valley Water property
- Continue Good Neighbor Maintenance to remove trash from waterways
- Repair fences as needed for public safety; and respond to requests for trash and graffiti removal within five working days

Goal 4.5: Engage the community to promote watershed stewardship by providing meaningful engagement in Valley Water programs for all people regardless of race, color, gender identity, disability status, national origin, tribe, culture, income, immigration status, or English language proficiency

- Provide additional recreational opportunities by promoting and supporting access to create creekside trails and open space through various grants and community partnerships for planning, design, construction, and maintenance
- Provide additional opportunities to engage the community in stewardship through Adopt-A-Creek trash pickups
- Continue to work with cities on trail implementation through Joint Use Agreements, in accordance with the Trails Policy Criteria and Guidance

Goal 5.1: Minimize greenhouse gas emissions from Valley Water's operations

Complete and implement a qualified Green House Gas Reduction Plan (GHGRP) consistent with the California Environmental Quality Act (CEQA) and develop a CEQA streamlining checklist for future projects covered by the plan. The GHGRP aims to reduce Valley Water's emissions and achieve carbon neutrality by 2045.

Goal 5.2: Adapt Valley Water's assets and operations to reduce climate change impacts

- Improve the resiliency of Valley Water's assets and operations to climate change through the Climate Change Action Plan (CCAP), which includes Water Supply Adaptation, Flood Protection Adaptation, Ecosystem Adaptation, and Emergency Preparedness
- Develop a Drought Response Plan to improve water supply reliability in Santa Clara County during times of future shortage to evaluate new approaches for water use reductions from the public and develop a response framework to employ during future droughts

Goal 6.1: Achieve a functional zero level of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities

- Actively participate in a collaborative regional approach with the County, cities, and other service providers to support their efforts in addressing the challenges posed by encampments of unsheltered people
- Increase the level of service for encampment cleanup efforts based on need and resource availability
- Identify Valley Water lands for regional partners to use for housing or other services for unsheltered people and, as resources allow, work in consultation with local cities or the County to facilitate construction of low-barrier navigation centers, supportive housing, transitional housing, affordable housing, or other facilities to assist unsheltered people

Fiscal Status

Property Tax revenue is projected at $132.8 million for FY 2025-26. The projection reflects an increase of $7.8 million, a 6.2% increase from the FY 2024-25 Adopted Budget. The increase in Property Tax revenue is based on updates received from the Santa Clara County assessor's office. In FY 2026-27, Property Tax revenue is projected to increase an additional 2.2% to $135.6 million.

For FY 2025-26, Capital Reimbursements are projected at $5.0 million, a decrease of $6.9 million from the FY 2024-25 Adopted Budget, which is made up of $3.2 million in Measure AA and $1.8 million for State Coastal Conservancy Grants for the San Francisco Bay Shoreline project. For FY 2026-27, the projected Capital Reimbursement is $3.0 million, which is made up of $2.0 million in Measure AA grant and $1.0 million in State Coastal Conservancy funds for the San Francisco Bay Shoreline project.

Other Income of $1.8 million in FY 2025-26 and FY 2026-27 is budgeted for rental and other miscellaneous Income.

Interest Income is projected to be $2.2 million for FY 2025-26 and $2.4 million for FY 2026-27. The estimates assume an average portfolio yield of 2.25% for FY 2025-26 and 2.50% for FY 2026-27.

Operating Transfers In from the Benefit Assessment Funds for the excess amount over the debt obligations is budgeted at $1.1 million for FY 2025-26 and FY 2026-27.

For FY 2025-26, Operating Transfers Out of $5.1 million from the Watershed and Stream Stewardship Fund is budgeted as follows:

- $1.4 million to the Information Technology Fund for IT capital projects costs
- $3.7 million to the General Fund for Drought Induced Tree Removal ($0.9 million) and Security Upgrades and HQ Building Capital Project ($2.8 million)

For FY 2026-27, Operating Transfers Out of $11.4 million from the Watershed and Stream Stewardship Fund is budgeted as follows:

- $4.6 million to the Information Technology Fund for ERP Replacement ($2.6 million) and IT capital projects ($2.0 million)
- $3.7 million to the General Fund for Drought Induced Tree Removal ($0.9 million) and Security Upgrades and HQ Building Capital Project ($2.8 million)
- $2.0 million to the Water Enterprise Fund for Open Space Credit
- $1.1 million to the Safe, Clean Water and Natural Flood Protection Fund for Regnart Creek Project

Total Operating Outlays are budgeted at $95.1 million for FY 2025-26, an increase of $1.3 million or 1.4% relative to the FY 2024-25 Adopted Budget. This change is primarily comprised of increases in salary and related costs ($2.5 million), intra-district charges ($1.3 million), and a net decrease in Services and Supplies (S&S) from various projects and programs ($2.5 million). Due to the pausing of 45 positions districtwide in FY2025-26, the salary and related costs increase was relatively lower in FY 2025-26 than FY 2026-27. In FY 2026-27, Total Operating Outlays are projected to increase an additional 10.7% or $10.2 million to $105.3 million. This change is primarily comprised of increases in salary and related costs ($3.2 million), intra-district charges ($3.9 million), and a net increase in S&S from various projects and programs ($3.1 million).

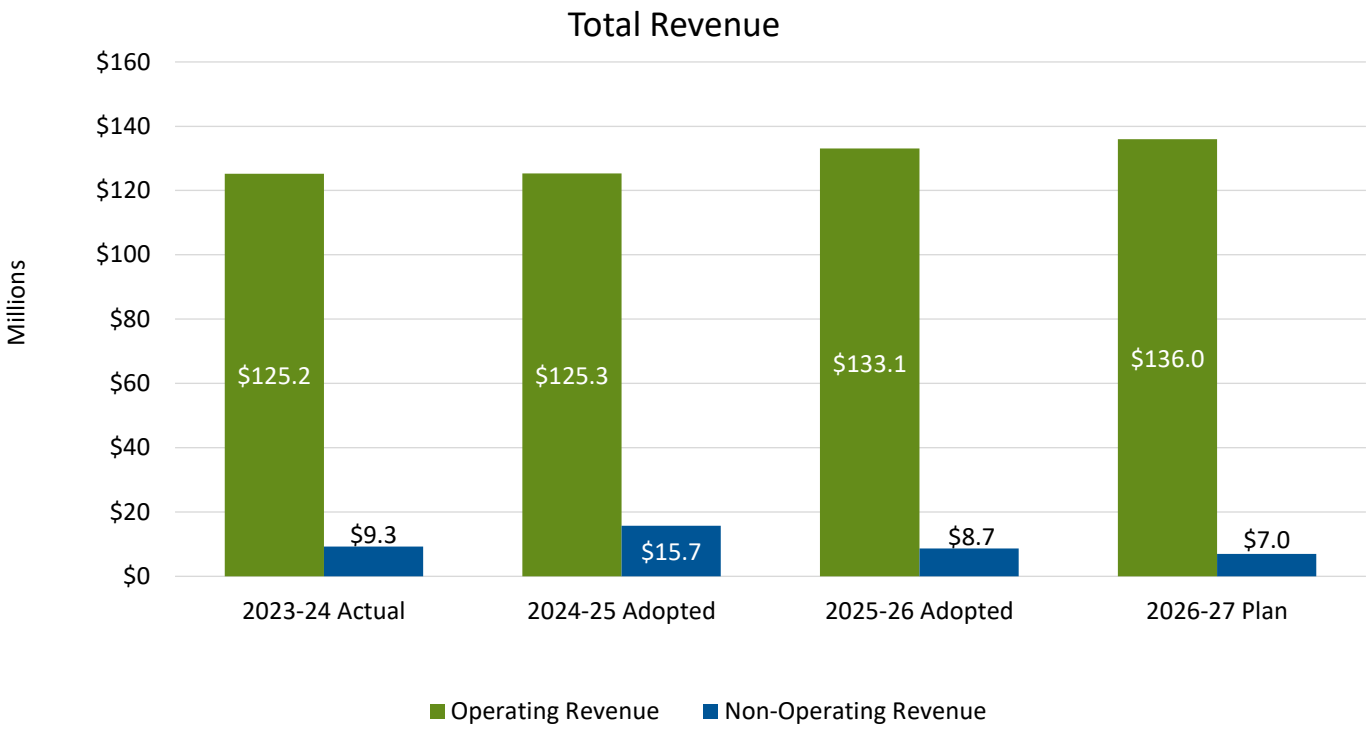
Total Capital Outlays are budgeted at $35.7 million for FY 2025-26, an increase of $4.7 million or 15.1% relative to the FY 2024-25 Adopted Budget. In FY 2026-27, total Capital Outlays are projected to decrease by 34.0% to $23.5 million. A detailed overview of projects in the Watershed and Stream Stewardship Fund is explained in the Outcomes section above.

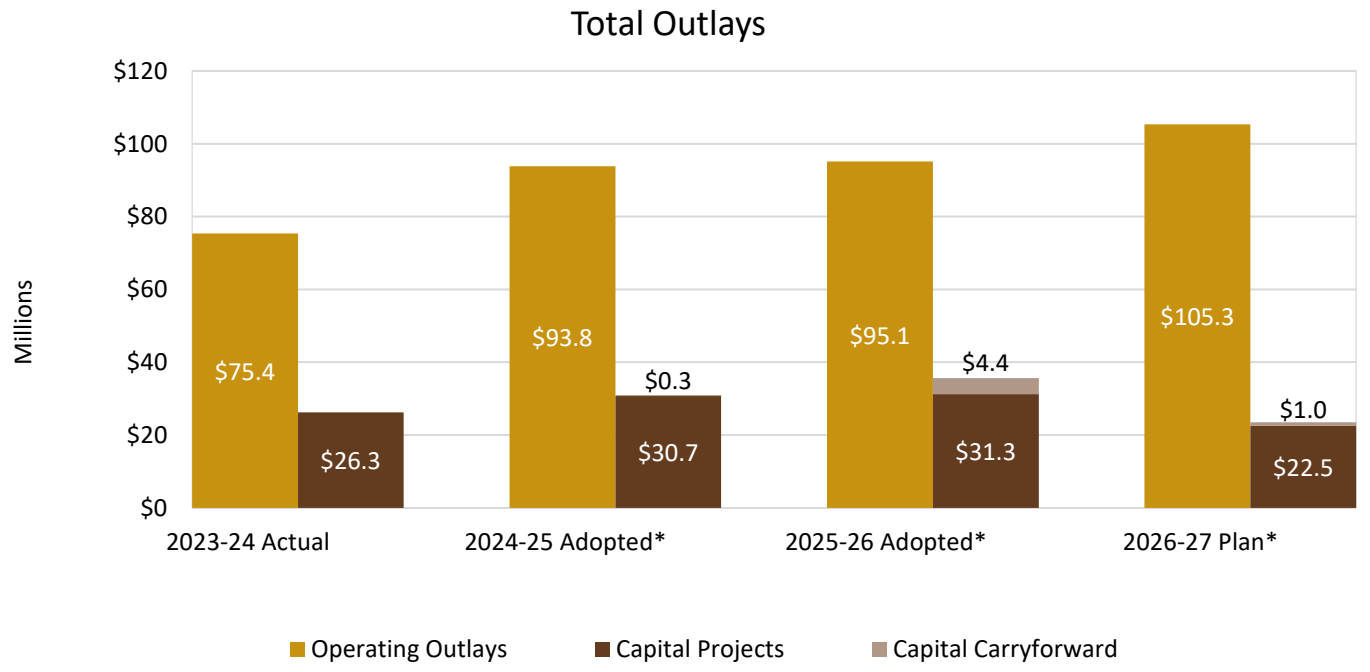
Total Watershed and Stream Stewardship reserves for FY 2025-26 are estimated at approximately $161.1 million and $164.9 million for FY 2026-27 and are in compliance with the Valley Water Reserve Policy.

Budget Issues and Constraints

- Capital infrastructure rehabilitation projects costs continue to increase, creating challenges with funding construction of these projects as labor and construction costs rise. We are also experiencing longer timelines for negotiating right-of-way needs to proceed with projects.
- Designing and implementing permittable projects with competing priorities between agencies and limited mitigation options.
- The presence of encampments of unsheltered people on lands where Valley Water holds property rights and has maintenance obligations continues to impact field operations and maintenance activities and threatens Valley Water's ability to ensure the safety of its staff. This has translated into year-over-year increases in the costs for cleanup operations and security services to ensure staff safety.

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 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 122,830,223	$ 124,993,000	$ 128,289,000	$ 132,785,000	$ 7,792,000	6.2%
Intergovernmental Services	1,871,134	-	-	-	-	0.0%
Operating Other	524,633	309,649	309,649	318,938	9,289	3.0%
Total Operating Revenue	**$ 125,225,991**	**$ 125,302,649**	**$ 128,598,649**	**$ 133,103,938**	**$ 7,801,289**	**6.2%**
Non-Operating Revenue						
Capital Reimbursements	$ 3,064,039	$ 11,900,000	$ 10,188,000	$ 5,000,000	$ (6,900,000)	-58.0%
Interest Income *	4,198,209	2,264,000	1,960,000	2,204,000	(60,000)	-2.7%
Non-Operating Other	2,015,894	1,553,810	1,416,007	1,458,487	(95,323)	-6.1%
Total Non-Operating Revenue	**$ 9,278,143**	**$ 15,717,810**	**$ 13,564,007**	**$ 8,662,487**	**$ (7,055,323)**	**-44.9%**
TOTAL REVENUE	**$ 134,504,134**	**$ 141,020,459**	**$ 142,162,656**	**$ 141,766,425**	**$ 745,966**	**0.5%**
OUTLAYS						
Operating Outlays						
Operations **	$ 72,846,206	$ 91,514,271	$ 91,934,271	$ 92,966,696	$ 1,452,426	1.6%
Operating Project	2,526,392	2,317,502	2,317,502	2,145,731	(171,771)	-7.4%
Total Operating Outlays	**$ 75,372,598**	**$ 93,831,773**	**$ 94,251,773**	**$ 95,112,428**	**$ 1,280,655**	**1.4%**
Capital Outlays						
Capital Projects	$ 26,275,157	$ 30,718,255	$ 37,020,136	$ 31,265,224	$ 546,969	1.8%
Carry Forward Capital Projects	-	266,395	-	4,401,792	4,135,397	1552.4%
Total Capital Outlays	**$ 26,275,157**	**$ 30,984,650**	**$ 37,020,136**	**$ 35,667,016**	**$ 4,682,366**	**15.1%**
TOTAL OUTLAYS	**$ 101,647,755**	**$ 124,816,422**	**$ 131,271,908**	**$ 130,779,444**	**$ 5,963,021**	**4.8%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 3,383,486	$ 1,250,988	$ 1,250,989	$ 1,116,750	$ (134,238)	-10.7%
Transfers Out	(4,294,597)	(7,001,400)	(8,644,653)	(5,063,449)	1,937,951	-27.7%
TOTAL OTHER SOURCES/(USES)	**$ (911,111)**	**$ (5,750,412)**	**$ (7,393,664)**	**$ (3,946,699)**	**$ 1,803,713**	**-31.4%**
BALANCE AVAILABLE	**$ 31,945,268**	**$ 10,453,625**	**$ 3,497,084**	**$ 7,040,282**	**$ (3,413,342)**	**-32.7%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects Reserve***	$ 11,360,020	$ 33,303	$ 5,508,140	$ 1,029,024	$ 995,721	2989.9%
Operating and Capital Reserve	139,225,177	145,010,893	143,822,030	154,256,929	9,246,036	6.4%
Excess ERAF Contingency Reserve	-	5,605,897	4,752,110	5,836,610	230,713	4.1%
Total Committed Reserves	**$ 150,585,197**	**$ 150,650,093**	**$ 154,082,280**	**$ 161,122,563**	**$ 10,472,470**	**7.0%**
TOTAL YEAR-END RESERVES	**$ 150,585,197**	**$ 150,650,093**	**$ 154,082,280**	**$ 161,122,563**	**$ 10,472,470**	**7.0%**

Watershed and Stream Stewardship Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 35,831,604	$ 40,563,146	$ 40,433,146	$ 42,851,135	$ 2,287,989	5.6%
Salary Savings Factor	-	(626,945)	(626,945)	(429,428)	197,517	-31.5%
Services & Supplies	16,036,871	27,616,630	28,166,630	25,116,224	(2,500,406)	-9.1%
Intra-District Charges	23,504,122	26,278,941	26,278,941	27,574,496	1,295,555	4.9%
OPERATING OUTLAY TOTAL	**$ 75,372,598**	**$ 93,831,773**	**$ 94,251,773**	**$ 95,112,428**	**$ 1,280,655**	**1.4%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 6,732,048	$ 6,567,858	$ 6,567,858	$ 7,865,137	$ 1,297,279	19.8%
Salary Savings Factor	-	(103,186)	(103,186)	(81,282)	21,904	-21.2%
Services & Supplies	15,478,685	20,234,590	26,536,471	18,644,400	(1,590,191)	-7.9%
Carry Forward Capital Projects	-	266,395	-	4,401,792	4,135,397	1552.4%
Intra-District Charges	4,064,424	4,018,993	4,018,993	4,836,970	817,977	20.4%
CAPITAL PROJECTS TOTAL	**$ 26,275,157**	**$ 30,984,650**	**$ 37,020,136**	**$ 35,667,016**	**$ 4,682,366**	**15.1%**
TOTAL OUTLAYS	**$ 101,647,755**	**$ 124,816,422**	**$ 131,271,908**	**$ 130,779,444**	**$ 5,963,021**	**4.8%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations outlays do not include OPEB Expense-unfunded liabilities

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

Watershed and Stream Stewardship Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 122,830,223	$ 124,993,000	$ 132,785,000	$ 135,648,000	$ 2,863,000	2.2%
Intergovernmental Services	1,871,134	-	-	-	-	0.0%
Operating Other	524,633	309,649	318,938	328,506	9,568	3.0%
Total Operating Revenue	**$ 125,225,991**	**$ 125,302,649**	**$ 133,103,938**	**$ 135,976,506**	**$ 2,872,568**	**2.2%**
Non-Operating Revenue						
Capital Reimbursements	$ 3,064,039	$ 11,900,000	$ 5,000,000	$ 3,000,000	$ (2,000,000)	-40.0%
Interest Income *	4,198,209	2,264,000	2,204,000	2,449,000	245,000	11.1%
Non-Operating Other	2,015,894	1,553,810	1,458,487	1,501,899	43,412	3.0%
Total Non-Operating Revenue	**$ 9,278,143**	**$ 15,717,810**	**$ 8,662,487**	**$ 6,950,899**	**$ (1,711,589)**	**-19.8%**
TOTAL REVENUE	**$ 134,504,134**	**$ 141,020,459**	**$ 141,766,425**	**$ 142,927,405**	**$ 1,160,980**	**0.8%**
OUTLAYS						
Operating Outlays						
Operations **	$ 72,846,206	$ 91,514,271	$ 92,966,696	$ 102,824,585	$ 9,857,889	10.6%
Operating Project	2,526,392	2,317,502	2,145,731	2,464,842	319,111	14.9%
Total Operating Outlays	**$ 75,372,598**	**$ 93,831,773**	**$ 95,112,428**	**$ 105,289,427**	**$ 10,177,000**	**10.7%**
Capital Outlays						
Capital Projects	$ 26,275,157	$ 30,718,255	$ 31,265,224	$ 22,518,507	$ (8,746,717)	-28.0%
Carry Forward Capital Projects	-	266,395	4,401,792	1,029,024	(3,372,768)	-76.6%
Total Capital Outlays	**$ 26,275,157**	**$ 30,984,650**	**$ 35,667,016**	**$ 23,547,531**	**$ (12,119,485)**	**-34.0%**
TOTAL OUTLAYS	**$ 101,647,755**	**$ 124,816,422**	**$ 130,779,444**	**$ 128,836,959**	**$ (1,942,485)**	**-1.5%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 3,383,486	$ 1,250,988	$ 1,116,750	$ 1,115,000	$ (1,750)	-0.2%
Transfers Out	(4,294,597)	(7,001,400)	(5,063,449)	(11,446,190)	(6,382,741)	126.1%
TOTAL OTHER SOURCES/(USES)	**$ (911,111)**	**$ (5,750,412)**	**$ (3,946,699)**	**$ (10,331,190)**	**$ (6,384,491)**	**161.8%**
BALANCE AVAILABLE	**$ 31,945,268**	**$ 10,453,625**	**$ 7,040,282**	**$ 3,759,256**	**$ (3,281,026)**	**-46.6%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects Reserve***	$ 11,360,020	$ 33,303	$ 1,029,024	$ -	$ (1,029,024)	-100.0%
Operating and Capital Reserve	139,225,177	145,010,893	154,256,929	157,960,529	3,703,600	2.4%
Excess ERAF Contingency Reserve	-	5,605,897	5,836,610	6,921,290	1,084,680	18.6%
Total Committed Reserves	**$ 150,585,197**	**$ 150,650,093**	**$ 161,122,563**	**$ 164,881,819**	**$ 3,759,256**	**2.3%**
TOTAL YEAR-END RESERVES	**$ 150,585,197**	**$ 150,650,093**	**$ 161,122,563**	**$ 164,881,819**	**$ 3,759,256**	**2.3%**

Watershed and Stream Stewardship Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 35,831,604	$ 40,563,146	$ 42,851,135	$ 46,023,847	$ 3,172,712	7.4%
Salary Savings Factor	-	(626,945)	(429,428)	(455,338)	(25,911)	6.0%
Services & Supplies	16,036,871	27,616,630	25,116,224	28,263,379	3,147,155	12.5%
Intra-District Charges	23,504,122	26,278,941	27,574,496	31,457,540	3,883,043	14.1%
OPERATING OUTLAY TOTAL	**$ 75,372,598**	**$ 93,831,773**	**$ 95,112,428**	**$ 105,289,427**	**$ 10,177,000**	**10.7%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 6,732,048	$ 6,567,858	$ 7,865,137	$ 7,606,971	$ (258,166)	-3.3%
Salary Savings Factor	-	(103,186)	(81,282)	(77,628)	3,654	-4.5%
Services & Supplies	15,478,685	20,234,590	18,644,400	10,110,365	(8,534,035)	-45.8%
Carry Forward Capital Projects	-	266,395	4,401,792	1,029,024	(3,372,768)	-76.6%
Intra-District Charges	4,064,424	4,018,993	4,836,970	4,878,800	41,830	0.9%
CAPITAL PROJECTS TOTAL	**$ 26,275,157**	**$ 30,984,650**	**$ 35,667,016**	**$ 23,547,531**	**$ (12,119,485)**	**-34.0%**
TOTAL OUTLAYS	**$ 101,647,755**	**$ 124,816,422**	**$ 130,779,444**	**$ 128,836,959**	**$ (1,942,485)**	**-1.5%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations outlays do not include OPEB Expense-unfunded liabilities

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

Total Outlays - Watershed and Stream Stewardship

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
Operations						
10291002	Rental Expense Stevens Creek	239,766	353,198	458,976	475,036	Watersheds Stewardship & Planning Div
30061004	Rent Exp Guadalupe & Coyote	188,169	283,073	443,290	455,897	Watersheds Stewardship & Planning Div
30151026	Guad Rvr Mitgtn Monitoring Prg	147,552	927,017	548,606	1,183,672	Watersheds Stewardship & Planning Div
62001090	Unscoped Projects-Budget Only	–	150,000	150,000	150,000	Office of Integrated Water Management
62011002	Watershed Asset Protection Sup	6,701,380	6,685,422	6,807,987	7,284,304	Watersheds Stewardship & Planning Div
62021003	CPRU Tech Support	459,447	442,926	370,165	394,533	Watersheds Stewardship & Planning Div
62021008	Energy Management	5,185	7,391	8,082	8,656	Treated Water Division
62021009	Watershds O&M Eng&Insp Support	1,961,097	2,673,295	2,762,387	2,969,400	Watersheds Operations & Maint Division
62031001	Watershed Revenue	85,499	49,457	67,302	69,519	Financial Planning & Mgmt Div
62031002	Grants Management	985,290	949,870	1,430,626	1,518,005	Financial Planning & Mgmt Div
62041022	Stream Maint Prog Mgmt	4,448,608	5,889,161	6,428,084	7,071,369	Watersheds Operations & Maint Division
62041023	Community Rating System (CRS)	401,926	229,691	219,266	232,775	Office of the CEA
62041027	Integrated Wtr Resrce Mstr Pln	1,078,264	1,594,125	873,946	920,676	Watersheds Stewardship & Planning Div
62041039	Integrated Regional Water Mgmt	6,225	31,524	–	–	Water Supply Division
62041043	Environmental Srvcs Tech Suppt	561,406	851,460	758,714	862,541	Watersheds Stewardship & Planning Div
62041047	Ecolgcal Data Collectn & Analy	89,070	319,889	203,923	125,802	Watersheds Stewardship & Planning Div
62061001	Watersheds Administration	10,573,215	11,608,019	12,793,613	13,832,488	Office of COO Watersheds
62061002	Districtwide Salary Savings-12	–	(626,945)	(429,428)	(455,338)	Financial Planning & Mgmt Div
62061005	WS Customer Relations&Outreach	1,322,632	1,241,371	1,302,233	1,364,345	Office of the CEA
62061008	Hydrology&Hydraulics Tech Supp	1,434,429	1,479,273	1,774,256	1,925,549	Watersheds Stewardship & Planning Div
62061019	Creek Stewardship	232,208	242,156	257,637	273,169	Office of the CEA
62061029	Field Operations Support	725,559	818,474	895,249	983,841	Watersheds Operations & Maint Division
62061045	Asset Management Program	1,544,701	1,943,875	2,068,468	2,598,344	Office of Integrated Water Management
62061048	Climate Change Adaptation/Mtg.	149,279	264,848	289,275	265,268	Watersheds Stewardship & Planning Div
62061051	Lands Management Program	516,008	585,864	501,191	536,485	Watersheds Stewardship & Planning Div
62061056	F8 SCW Sustainable Creek	127,649	–	–	–	Office of Integrated Water Management
62071041	Welding Services	84,699	107,480	109,781	115,695	General Services Division
62181005	SMP Mitigation Site Mgmt	874,515	814,261	890,180	757,950	Watersheds Stewardship & Planning Div
62181006	Instream Habitat Complexity	1,285,952	1,040,994	649,082	1,503,654	Watersheds Operations & Maint Division
62741042	Water Resorcs EnvPlng & Permtg	303,757	307,535	270,128	292,474	Watersheds Operations & Maint Division
62761006	Invasive Plant Management Prog	1,269,369	2,427,005	–	–	Watersheds Operations & Maint Division
62761008	Sandbag Program	775,925	593,152	882,252	761,726	Watersheds Operations & Maint Division
62761009	Pond A4 Operations	58,922	81,480	–	–	Watersheds Operations & Maint Division
62761022	Watershed Good Neighbor Maint	688,535	852,007	973,875	1,050,243	Watersheds Operations & Maint Division
62761023	Watershed Sediment Removal	6,460,876	5,504,662	6,242,007	6,453,120	Watersheds Operations & Maint Division
62761024	Wtrshd Facility Cndtion Assmnt	2,489,218	2,822,970	2,986,217	3,220,425	Watersheds Operations & Maint Division
62761025	Watershed General Field Maint	3,626,756	2,801,182	3,390,238	3,674,144	Watersheds Operations & Maint Division
62761026	Watershed Debris Removal	2,218,909	2,116,050	2,289,483	2,506,034	Watersheds Operations & Maint Division
62761027	Watershed Erosion Protection	2,227,090	3,719,739	3,398,079	3,611,543	Watersheds Operations & Maint Division
62761028	Watershed Levee Maintenance	1,517,799	1,356,616	1,833,142	1,940,606	Watersheds Operations & Maint Division
62761071	Emergency Management	1,277,878	1,448,010	1,514,981	1,610,943	Emergency, Safety and Security Division
62761075	Mgmt of Revegetation Projects	1,695,209	1,940,625	4,256,175	4,529,381	Watersheds Operations & Maint Division
62761078	Vegetation Mangmnt for Access	5,393,582	4,446,244	5,009,895	5,332,003	Watersheds Operations & Maint Division
62761080	Non SMP Veg Removal for Convey	43,679	573,859	664,244	2,590,771	Watersheds Operations & Maint Division
62771011	Inter Agency Urban Runoff Prog	1,108,407	1,310,723	1,330,254	1,406,426	Watersheds Stewardship & Planning Div
62771031	HAZMAT Emergency Response	63,223	120,432	125,475	130,641	Emergency, Safety and Security Division
62811043	Hydrologic Data Msrmt & Mgmt	1,252,365	1,339,591	1,386,861	1,492,601	Watersheds Stewardship & Planning Div
62811046	Warehouse Services	843,866	1,283,490	1,179,771	1,251,237	General Services Division
62811049	X Valley Subsidence Survey	179,403	305,482	609,634	1,048,661	Office of Integrated Water Management
62811054	District Real Property Adminis	1,248,758	1,219,124	1,492,137	1,720,748	Watersheds Stewardship & Planning Div
62061050	Office of Integrated Water	1,449,567	1,921,002	2,135,346	2,303,845	Office of Integrated Water Management
62771027	Encampment Management Program	–	11,523,509	8,363,614	8,473,379	Watersheds Operations & Maint Division

Total Outlays - Watershed and Stream Stewardship

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
62061059	Technical Training Program	423,382	542,614	–	–	Human Resources Division
Total Operations		**72,846,206**	**91,514,271**	**92,966,696**	**102,824,585**	
Operating Project						
40212032	Coyote Creek Mitgtn Monitoring	93,241	259,247	247,374	167,915	Watersheds Stewardship & Planning Div
62042032	Multiple Sm Prjcts Mitgtn Mont	175,654	464,015	303,658	447,003	Watersheds Stewardship & Planning Div
62042047	Mitigation & Stwdshp Land Mgmt	148,723	247,610	231,439	243,673	Watersheds Stewardship & Planning Div
62042050	Watershd Maint Guideline Updte	981,928	–	–	–	Watersheds Operations & Maint Division
62042051	Plant Pathogen Management	39,962	307,737	306,757	318,249	Watersheds Stewardship & Planning Div
62762011	Tree Maintenance Program	1,086,884	1,038,893	1,056,503	1,288,001	Watersheds Operations & Maint Division
Total Operating Projects		**2,526,392**	**2,317,502**	**2,145,731**	**2,464,842**	
Capital *						
10394001	PA Flood Basin Tide Gate Replc	703,634	649,778	3,046,583	49,141	Watersheds Desn & Construction Division
30154015	Guadalupe Rv-DT, Coleman-SClra	2,200	–	–	–	Watersheds Desn & Construction Division
40174004	L. Berryessa Ck, L.Penit-Calav	10,271	–	–	–	Watersheds Desn & Construction Division
40174005	Berryessa Crk, Lwr. Pen Phs 2	1,776,133	170,115	–	–	Watersheds Desn & Construction Division
40264008	Lwr Silver-R4-6 N Babb-Cunni	6,590	–	–	–	Watersheds Desn & Construction Division
40334005	Lwr Penitencia Crk Improvemnts	493,645	–	101,834	21,841	Watersheds Desn & Construction Division
50284010	Lower Llagas Capacity Restore	1,285,169	–	–	–	Watersheds Desn & Construction Division
62044026	San Francisco Bay Shoreline	9,146,068	51,720	4,771,168	5,061,536	Watersheds Desn & Construction Division
62064023	Districtwide Salary Savings	–	(103,186)	(81,282)	(77,628)	Financial Planning & Mgmt Div
62074033	CIP Development & Admin	240,732	246,231	227,980	246,534	Office of Integrated Water Management
62074036	Survey Mgmt & Tech Support	74,480	83,177	94,340	98,173	Office of Integrated Water Management
62084001	Watersheds Asset Rehabilitatio	7,436,946	19,678,034	16,561,116	8,940,539	Watersheds Desn & Construction Division
10244001	Permanente Ck, SF Bay-Foothill	197,461	21,702	–	–	Watersheds Desn & Construction Division
20444001	Calabazas/San Tomas Aquino Creek-	1,453,432	1,649,207	1,653,636	1,634,434	Watersheds Stewardship & Planning Div
62074041	Construction Contracts and Support	409,144	493,791	266,802	344,743	General Services Division
20444002	Pond A4 Resilient Habitat	1,163,021	966,500	–	576,642	Watersheds Stewardship & Planning Div
62074047	Computer-Aided Design for Engineering	159,384	286,856	245,231	276,472	Office of Integrated Water Management
62074042	Capital Project Mgmt & Controls	201,697	187,899	188,937	201,939	Office of Integrated Water Management
40214023	Coyote 10B Freshwater Wetland	–	2,236,000	–	606,821	Watersheds Stewardship & Planning Div
30154019	Lower Guadalupe River Capacity	824,524	3,121,549	3,134,524	3,276,075	Watersheds Desn & Construction Division
Total Capital		**26,275,157**	**30,718,255**	**31,265,224**	**22,518,507**	
Total		**101,647,755**	**124,550,027**	**126,377,652**	**127,807,935**	

* Capital Outlays table reflects new funding and does not include capital carryforward funding from prior year.

Safe, Clean Water and Natural Flood Protection Fund

Description

The Safe, Clean Water and Natural Flood Protection Program (SCW Program) Fund accounts for the program that Santa Clara County voters approved in November 2020 to address six community priorities and replaces the 2012 Safe, Clean Water (2012 SCW) Program. The renewed SCW Program is funded by a combination of revenues from the continuation of an annual special parcel tax; carryover of the reserves from unspent funds of the 2012 SCW Program; state and federal funding; and interest earnings. It includes a debt financing component that will help fund capital projects earlier in the program rather than later. A Rate Stabilization Reserve has been created to offset timing differences between expenses and the collection of the SCW parcel tax. Additionally, a Contingency Reserve was established to ensure that Valley Water delivers on the commitments made in the November 2020 ballot. The renewed SCW Program funds will be used to fulfill the following community priorities:

- Priority A: Ensure a Safe, Reliable Water Supply
- Priority B: Reduce Toxins, Hazards and Contaminants in our Waterways
- Priority C: Protect Our Water Supply and Dams from Earthquakes and Other Natural Disasters
- Priority D: Restore Wildlife Habitat and Provide Open Space
- Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets and Highways
- Priority F: Support Public Health and Public Safety

The SCW Program supplements other available, but limited, resources to provide stream stewardship activities and flood protection improvements. It supports activities that benefit not only the community at large, but also provide relief to Water Utility ratepayers. For example, the fund will contribute toward the Anderson Dam Seismic Retrofit projects, which would otherwise need to be fully paid by water utility ratepayers.

Outcomes

Goal 2.3: Protect and maintain existing water infrastructure

Plan for infrastructure maintenance and replacement to reduce the risk of failure and prepare for and respond effectively to water utility emergencies.

Goal 2.3 is delivered through the SCW Program's projects under Priority A: Ensure a Safe, Reliable Water Supply and Priority C: Protect our Water Supply from Earthquakes and Other Natural Disasters.

- A3: Pipeline Reliability – This project constructs four line valves at various locations along the East, West and Snell treated water pipelines in Saratoga, Cupertino, and San José. Once constructed, this project will allow Valley Water to isolate sections of pipelines for scheduled maintenance and repairs following a catastrophic event, such as a major earthquake, and allow the network of emergency wells to operate, even when there is damage upstream and downstream of individual wells.
- C1: Anderson Dam Seismic Retrofit – The SCW Program provides a portion of the funds required to help restore Anderson Reservoir's full operating capacity. The reservoir, the largest in the county, is an important water source for drinking water treatment plants and the recharge of the groundwater basin.

Goal 2.4: Increase regional self-reliance through water conservation and reuse

Incentivize water use efficiency and water conservation.

Goal 2.4 is delivered through the SCW Program project under Priority A: Ensure a Safe, Reliable Water Supply.

- A2: Water Conservation Rebates and Programs – This project, which provides funding to help meet and exceed long-term water conservation and reliability goals, will increase water-use efficiency in the landscape, residential, schools and commercial sectors through water conservation rebates, technical assistance, and public education.

Goal 3.1: Maintain flood protection facilities to design levels of protection

Prioritize maintenance of existing facilities over construction of new capital projects; inspect and maintain facilities on a regular basis; and perform maintenance using maintenance guidelines updated on a regular basis.

Goal 3.1 is delivered through the SCW Program's projects under Priority F: Support Public Health and Public Safety for Community.

- F1: Vegetation Control and Sediment Removal for Capacity – This effort supports Valley Water's ongoing vegetation control and sediment removal activities that reduce flood risk by maintaining the design conveyance capacity of flood protection projects. Under this project Valley Water manages a minimum of 100 miles of improved channels annually by removing sediment or instream vegetation to maintain design conveyance capacity.
- F4: Vegetation Management for Access and Fire Safety – This project supports Valley Water's ongoing vegetation management activities that reduce fire risk by maintaining creekside lands. These activities also ensure access for emergency personnel and equipment as well as maintenance access of flood protection projects. The project requires providing vegetation management for access and fire risk reduction on an average of 495 acres per year.
- F8: Sustainable Creek Infrastructure for Continued Public Safety – This project supports Valley Water's long-term efforts to ensure that existing flood protection infrastructure continues to function sustainably and provide the intended level of service. The project includes assessing and prioritizing existing creek and watershed infrastructure, preparing watershed and/or creek asset management plans, and implementing recommendations of asset management plans.

Goal 3.2: Assist people, businesses, schools, and communities to prepare for, respond to, and recover from flooding through equitable and effective engagement

Develop, maintain, and communicate emergency action plans; develop, maintain, and communicate flood information to the community; provide expertise in flood forecasting and flood warning systems to municipalities; and provide expertise to encourage public agencies to reduce flood risk and protect floodplain benefits.

Goal 3.2 is delivered through the SCW Program's projects under Priority F: Support Public Health and Public Safety for Community.

- F2: Emergency Response Planning and Preparedness – This project enables Valley Water to work with local municipalities to clearly delineate and communicate roles and responsibilities for floodplain and flood emergency management. The project supports Valley Water's countywide emergency response, preparedness, and mitigation activities, develops communication processes, and disseminates web-based flood forecasting information. It includes coordinating with local municipalities to merge Valley Water-endorsed flood emergency processes with their own emergency response plans and processes, completing flood management plans/procedures, training Valley Water staff and partner municipalities on disaster procedures and testing flood management plans/procedures.
- F3: Flood Risk Assessment Studies – This project enables Valley Water to update custom software models of local creeks for the most current and accurate understanding of potential flood risks in high-priority flood-prone areas and then develop options for managing those risks. It requires completing engineering studies to address 1% (100-year) flood risk and annually updating floodplain maps per new FEMA standards.
- F7: Emergency Response Upgrades – This project supports the ongoing development and maintenance of a robust flood forecasting system. The system facilitates the efficient dissemination of information to emergency responders and the public. The project includes maintaining existing flood forecasting and warning capabilities and improving flood forecast accuracy and emergency response time. It provides a real-time website that tracks and offers public access to local weather and flood forecasting information.

Goal 3.3: Increase the health and safety of residents countywide by reducing community flood risk

Provide equitable, timely, and achievable flood protection for health and safety and protect people and property from flooding by applying a comprehensive, integrated watershed management approach that balances environmental quality, sustainability, and cost.

Goal 3.3 is delivered through the Safe, Clean Water Program's Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways.

Major Capital Projects Starting Construction:

- Sunnyvale East and Sunnyvale West Channels Flood Protection – Begin construction in FY26 (Project E2)
- Coyote Creek Montague Expressway to Tully Road, Phase 2 – Begin construction in FY26 (Project E1)

Major Capital Projects Continuing Construction:

- Upper Llagas Creek Flood Protection Project – Phase 2B (Project E6)

Major Capital Projects Closing out Construction:

- Permanente Creek Flood Protection – San Francisco Bay to Foothill Expressway (2012 Safe, Clean Water Program)
- Upper Llagas Creek Flood Protection Project – Phase 1

Major Capital Projects in Planning and Design:

- Upper Penitencia Creek, Coyote Creek to Dorel Drive – Design (Project E4)
- South San Francisco Bay Shoreline Economic Impact Areas (EIAs) 5-9 – Feasibility/Planning (Project E7)
- San Francisquito Creek, San Francisco Bay to Upstream of Highway 101 (Project E5) (The San Francisco Bay to Highway 101 reach phase was completed in FY19)

Goal 4.1: Use a science-based, inclusive approach to protect Santa Clara County's watersheds and aquatic ecosystems for current and future generations

Develop and share data to support resilient ecosystems and healthy populations of native species; monitor stream, reservoir, and Bay ecosystem health; and use data to prioritize and equitably implement actions to reduce pollution, restore endangered species habitat, and enhance ecosystem function.

Goal 4.1 is delivered through the SCW Program's projects under Priority D: Restore Wildlife Habitat and Provide Open Space.

- D2: Revitalize Riparian, Upland and Wetland Habitat – This project improves habitat for rare, threatened, or endangered species or vegetation and creates a more contiguous corridor for wildlife, including pollinators. It includes revitalizing through native plant revegetation and/or removal of invasive exotic species, developing an Early Detection and Rapid Response Program Manual, and identifying and treating occurrences of emergent invasive species.
- D5: Ecological Data Collection and Analysis – This project is to track stream ecosystem conditions, helping Valley Water and other county agencies and organizations make informed watershed, asset management and natural resource decisions. It entails reassessing and tracking stream ecological conditions and habitats in each of the county's watersheds every 15 years and providing funding toward the development and updates of five watershed plans that include identifying priority habitat enhancement opportunities in Santa Clara County.
- D7: Partnerships for the Conservation of Habitat Lands – This project is to acquire, restore and protect important habitat land to preserve local ecosystems through multi-agency agreements that pool mitigation or conservation dollars. It entails providing funding for acquiring or enhancing property to conserve habitat lands.

Goal 4.2: Sustain ecosystem health while managing local water resources for flood protection and water supply

Plan and design projects with multiple benefits, including protecting ecosystem functions, enhancing habitat, and improving connectivity, equitably in all regions of the county; and operate Valley Water facilities to balance water supply, flood protection, and ecosystem sustainability.

Goal 4.2 is delivered through the SCW Program's projects under Priority D: Restore Wildlife Habitat and Provide Open Space.

- D1: Management of Riparian Planting and Invasive Plant Removal – This project supports the management and maintenance of existing riparian planting projects and invasive plant removal projects throughout the five (5) watersheds and targeted control of damaging non-native invasive plant species. It requires maintaining a minimum of 300 acres of riparian planting projects annually to meet regulatory requirements and conditions; maintaining a minimum of 200 acres of invasive plant management projects annually to meet regulatory requirements and conditions; and removing 25 acres of Arundo donax throughout the county over a 15-year period.
- D3: Sediment Reuse to Support Restoration – This project reuses local sediment removed through Valley Water's stream maintenance activities, capital projects, and other local sources to create and restore tidal marsh, riparian or wetland habitats. It entails reusing sediment meeting applicable screening criteria at available Valley Water or partnership project sites to support restoration. It also provides funding to support other activities necessary for sediment reuse.

- D4: Fish Habitat and Passage Improvements – This project helps restore and maintain healthy fish populations, especially steelhead, by improving fish passage and habitat. It includes completing planning and design for one (1) creek/lake separation project and partially funding the construction of one (1) creek/lake separation project in partnership with local agencies. It also requires using $8 million for fish passage improvements by June 30, 2028; updating study of all major steelhead streams in the county to identify priority locations for fish migration barrier removal and installation of large woody debris and gravel as appropriate; and completing five (5) habitat enhancement projects during the first 15 years.
- D6: Restoration of Natural Creek Functions – This project is to restore and improve the natural functions and stability of stream channels by designing and constructing projects based on local hydrologic and geomorphic data. It currently includes the following major capital projects:
    - Hale Creek Enhancement Pilot Study – Completed construction in FY23 (Project D6.1); under three-year plant establishment and monitoring period and closeout is scheduled for FY26
    - Bolsa Road Fish Passage Improvements – Completed construction in FY24 (Project D6.2); under three-year plant establishment and monitoring period and closeout is scheduled for FY27

Goal 4.4: Prevent and address pollution of local streams, reservoirs, and the Bay, equitably across all communities. Protect waterbodies from pollution and degradation

Encourage stormwater capture, treatment, and reuse, prepare, and respond to spills and dumping that threaten local waterways, and collaborate with agencies and nonprofits to address homelessness and its impacts to Santa Clara County Waterways.

Goal 4.4 is delivered through the SCW Program's projects under Priorities B: Reduce Toxins, Hazards, and Contaminants in Our Waterways, and F: Support Public Health and Public Safety for Community.

- B1: Impaired Water Bodies Improvement – This project reduces pollutants in streams, reservoirs, and groundwater of Santa Clara County by supporting surface water quality pollution prevention activities. The activities include investigating, developing, and implementing actions to reduce methylmercury in fish and other organisms in the Guadalupe River Watershed, preparing and updating a plan to prioritize surface water quality improvement activities, and implementing priority surface water quality improvement activities.
- B2: Inter-Agency Urban Runoff Program – This project maintains Valley Water compliance with regulatory requirements for stormwater quality and supports green stormwater infrastructure. It includes addressing trash in creeks by maintaining trash capture devices or other litter control programs, maintaining Valley Water's municipal stormwater compliance program, partnering with cities to address surface water quality improvements, and supporting stormwater quality improvement activity.
- B3: Hazardous Materials Management and Response – This project protects streams, groundwater, and reservoirs from hazardous material releases. It requires responding to 100% of hazardous materials reports requiring urgent on-site inspection in two (2) hours or less.
- F5: Good Neighbor Program: Encampment Cleanup – This project supports Valley Water's independent efforts and ongoing coordination with local cities and agencies to clean up trash, debris and hazardous pollutants generated by encampments near waterways or on Valley Water property. Such encampments contribute to contamination of waterways and damage to Valley Water facilities. It requires managing 300 acres annually to clean up trash, debris, and hazardous pollutants generated from encampments and to reduce the amount of these pollutants entering streams; and providing up to $500,000 per year in cost-share with local agencies for services related to encampment cleanups, including services supporting staff safety, discouraging re-encampments along waterways, or addressing the socio-environmental crisis with the goal of reducing the need for encampment cleanups.

- F6: Good Neighbor Program: Graffiti and Litter Removal and Public Art – This project allows Valley Water to maintain the aesthetic condition of Valley Water assets by removing trash from creeks, repairing/installing fencing and removing graffiti. It also funds the installation and maintenance of public art projects, such as murals, to beautify Valley Water property and infrastructure, to help deter graffiti and litter.

Goal 4.5: Engage the community to promote watershed stewardship by providing meaningful engagement in Valley Water programs for all people regardless of race, color, gender identity, disability status, national origin, tribe, culture, income, immigration status, or English language proficiency

Provide appropriate and equal public access to Valley Water's streamside and watershed lands, engage, and educate the community in stream and watershed protection, and build partnerships to protect and enhance watersheds and aquatic ecosystems.

Goal 4.5 is delivered through the SCW Program's projects under Priorities B: Reduce Toxins, Hazards, and Contaminants in Our Waterways, and F: Support Public Health and Public Safety for Community.

- B4: Support Volunteer Cleanup Efforts – This project supports volunteer cleanup activities and creekwise education. It entails funding Valley Water's creek stewardship program to support volunteer cleanup activities such as annual National River Cleanup Day, California Coastal Cleanup Day, the Great American Litter Pick Up; and the Adopt-A-Creek Program.
- F6: Good Neighbor Program: Graffiti and Litter Removal and Public Art – This project allows Valley Water to maintain the aesthetic condition of Valley Water assets by removing trash from creeks, repairing/installing fencing and removing graffiti. It also funds the installation and maintenance of public art projects, such as murals, to beautify Valley Water property and infrastructure, to help deter graffiti and litter.
- F9: Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship – This project provides grants, including mini-grants, partnerships, and rebates for agencies, organizations and individuals for water conservation, pollution prevention, creek cleanups and education, wildlife habitat restoration and wildlife corridors and crossings, and access to trails and open space. It includes providing up to $3 million per 15-year period for a Creekside Neighbor Rebate Program for watershed activities, including bank repair, sediment removal, and downed tree management.

Goal 6.1: Achieve a functional zero level of unsheltered people on Valley Water lands along waterways and at water supply and flood risk reduction facilities

Actively participate in a collaborative regional approach with the County, cities, and other service providers to support their efforts in addressing the challenges posed by encampments of unsheltered people; increase the level of service for encampment cleanup efforts based on need and resource availability; and identify Valley Water lands for regional partners to use for housing or other services for unsheltered people.

Goal 6.1 is delivered through the SCW Program's Priority F: Support Public Health and Public Safety for Community.

- F5: Good Neighbor Program: Encampment Cleanup – This project supports Valley Water's independent efforts and ongoing coordination with local cities and agencies to clean up trash, debris, and hazardous pollutants generated by encampments near waterways or on Valley Water property. Such encampments contribute to contamination of waterways and damage to Valley Water facilities. It includes managing 300 acres annually to clean up trash, debris, and hazardous pollutants generated from encampments to reduce the amount of these pollutants entering streams and providing up to $500,000 per year in cost-share with local agencies for services related to encampment cleanups, including services supporting staff safety, discouraging re-encampments along waterways, or addressing the socio-environmental crisis with the goal of reducing the need for encampment cleanups.

Fiscal Status

The Safe, Clean Water Program special parcel tax is budgeted at $55.1 million in FY 2025-26, an increase of 2.9%, or $1.6 million from the FY 2024-25 Adopted Budget. This special parcel tax is based on the land use and parcel size rather than the assessed property value, and the Valley Water Board of Directors may adjust it annually to account for inflation (using the San Francisco-Oakland-Hayward Consumer Price Index for all Urban Consumers) or 2%, whichever is greater. The FY 2025-26 budgeted estimates for the special parcel tax include the adopted 2.7% CPI increase and an anticipated increase in eligible parcels. For FY 2026-27, the special parcel tax is projected at $56.3 million, or an increase of 2.2%, which reflects a 2% increase in the special parcel tax rate and an anticipated increase in eligible parcels based on construction activity in the county.

For FY 2025-26, Capital Reimbursements are projected at $50.6 million, an increase of $20.6 million from the FY 2024-25 Adopted Budget: $50.0 million in Natural Resources Conservation Service (NRCS) funding for the Llagas Creek, Upper (Phase 2B) Project and $0.5 million from the City of Morgan Hill and $0.1 million in State Subventions for the work on Llagas Creek, Upper Buena Vista to Wright Project. In FY 2026-27, Capital Reimbursements are projected at $14.2 million: $10.0 million in NRCS funding for the Llagas Creek, Upper (Phase 2B) Project and $4.1 million from the City of Morgan Hill and $0.1 million in State Subventions for the work on Llagas Creek, Upper Buena Vista to Wright Project.

Interest income is projected to be $3.2 million in FY 2025-26 and $3.5 million in FY 2026-27. The estimates assume an average portfolio yield of 2.25% for FY 2025-26 and 2.50% for FY 2026-27.

Operating Transfers In for FY 2025-26 is projected to be $4.0 million from the Water Enterprise Fund for the Water Infrastructure Reliability Plan, Phase 2 (IRP2) project. In FY 2026-27, Operating Transfers In is projected at $5.1 million which includes $4.0 million from the Water Enterprise Fund for IRP2 and $1.1 million from the Watershed and Stream Stewardship Fund for the Regnart Creek Project.

In FY 2025-26, Operating Transfers Out of $8.5 million is budgeted as follows:

- $1.2 million to the Water Enterprise Fund for Conservation Program
- $6.4 million to the Water Enterprise Fund for the Anderson Dam Seismic Retrofit Project
- $0.9 million to the General Fund for Security Upgrades and HQ Building capital projects

In FY 2026-27, Operating Transfers Out of $9.6 million is budgeted as follows:

- $6.6 million to the Water Enterprise Fund for the Anderson Dam Seismic Retrofit Project
- $1.2 million to the Water Enterprise Fund for Conservation Program
- $0.9 million to the General Fund for Security Upgrades and HQ Building capital projects
- $0.9 million to the Information Technology Fund for ERP Replacement

Debt Proceeds are also planned to fund capital outlays at $44.6 million for FY 2025-26 and $128.1 million in FY 2026-27.

Total Operating Outlays are budgeted at $40.4 million for FY 2025-26, an increase of $5.6 million or 16.1% relative to the FY 2024-25 Adopted Budget. This change is primarily comprised of increases in debt service ($2.5 million) and a net increase in various operating projects and programs ($3.1 million). In FY 2026-27, Total Operating Outlays are projected to increase an additional 12.2% or $4.9 million to $45.3 million. This change is primarily comprised of increases in debt service ($3.4 million) and a net increase in various operating projects and programs ($1.5 million).

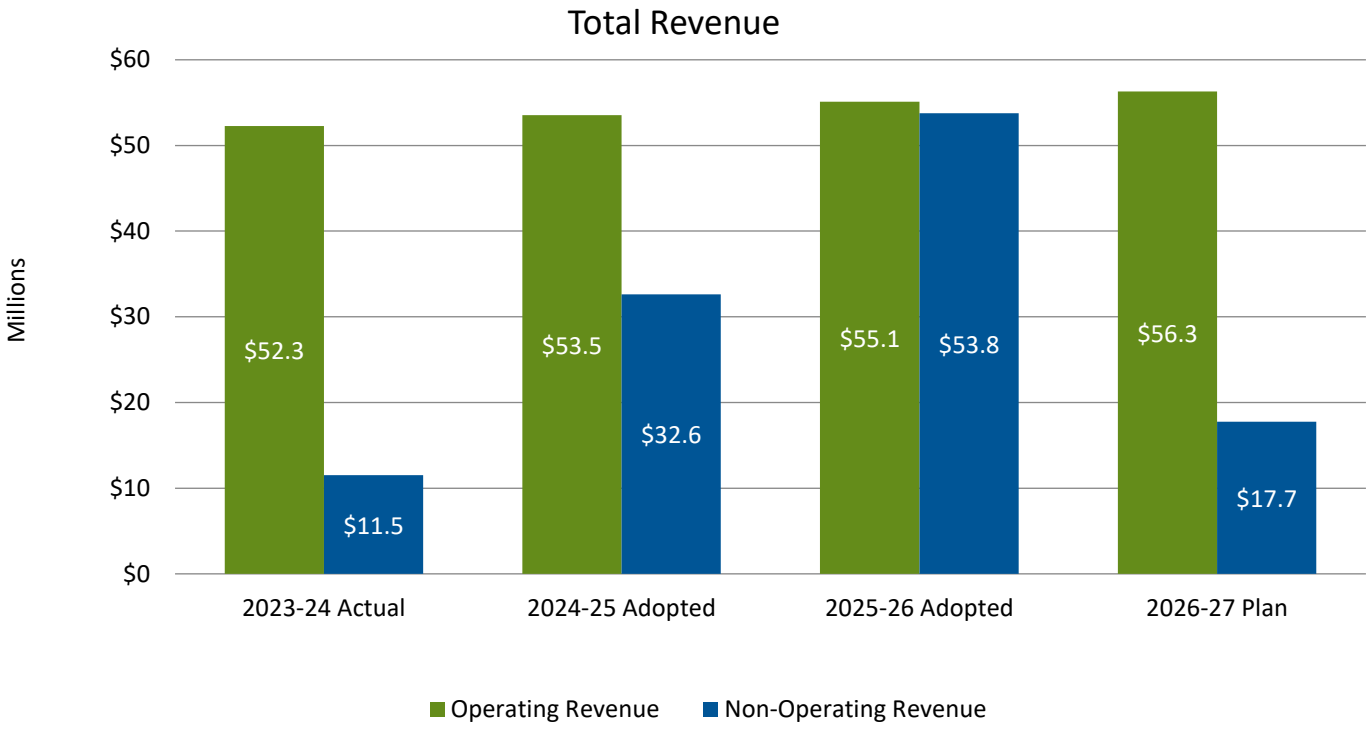
Total Capital Outlays are budgeted at $130.8 million for FY 2025-26, a decrease of $7.9 million or 5.7% relative to the FY 2024-25 Adopted Budget. In FY 2026-27, Total Capital Outlays are projected to increase to $179.1 million.

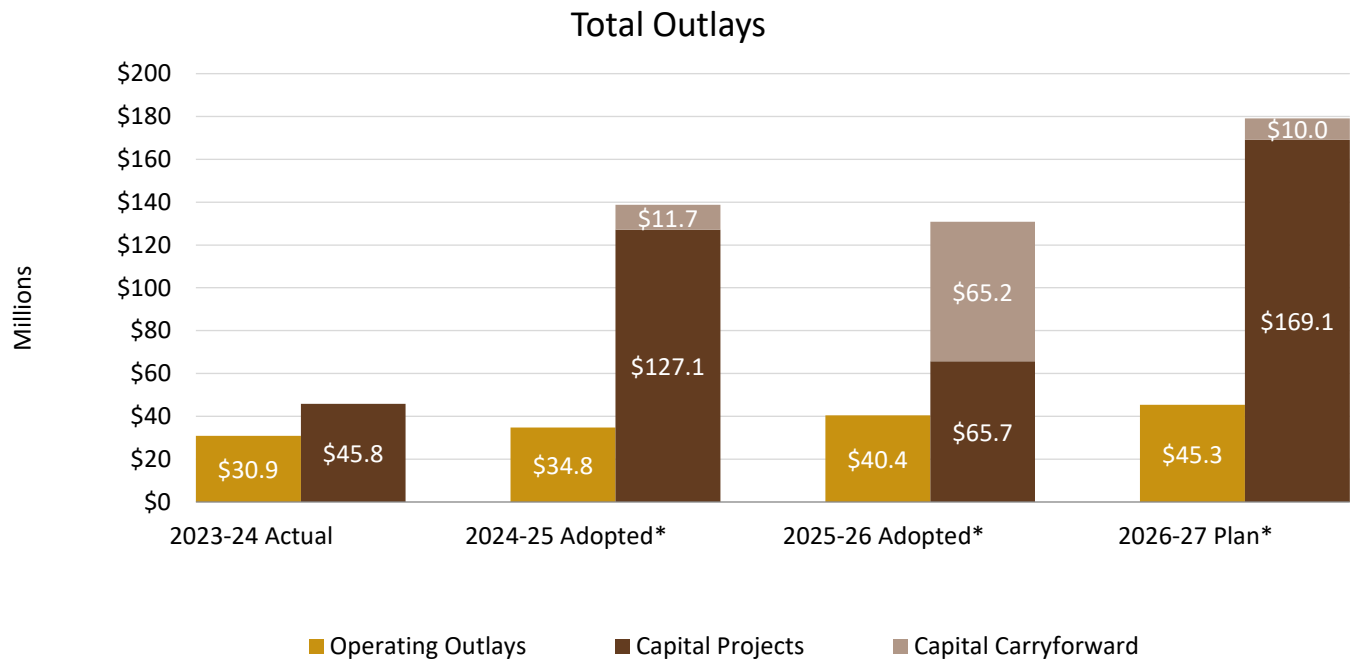
Total Safe, Clean Water & Natural Flood Protection Fund Reserves for FY 2025-26 are estimated at approximately $177.8 million and $151.0 million for FY 2026-27 and are in compliance with the Valley Water Reserve Policy.

Budget Issues and Constraints

- Safe, Clean Water Program Priority E flood protection projects: Project costs are escalating due to various factors, including inflationary pressures and supply chain and labor issues which have resulted in project modifications.
- Safe, Clean Water Program Priority F5: Good Neighbor Program: Encampment Cleanup: Sustained rates of homelessness in Santa Clara County contribute to large numbers of encampments along waterways within Valley Water's jurisdiction. The need for enhanced service levels in response to encampment-generated impacts and heightened community expectations have strained resources for cleanup operations.
- Safe, Clean Water Program Priority D1, F1, F4: Dry years followed by years of intense late season storm events have caused challenges for vegetation management including an increase in diseased and dead trees, increased spread of invasive plants, and pressures of completing weed abatement work in anticipation of fire season with later rainfall contributing to fuel loads. Additionally, weed abatement work footprints have increased to reduce fire risk around encampments.

Safe, Clean Water and Natural Flood Protection Fund





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

Safe, Clean Water and Natural Flood Protection Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Operating Revenue						
Special Parcel Tax	$ 52,175,089	$ 53,531,667	53,531,667	$ 55,094,792	$ 1,563,125	2.9%
Intergovernmental Services	93,333	-	-	-	-	0.0%
Total Operating Revenue	**$ 52,268,422**	**$ 53,531,667**	**$ 53,531,667**	**$ 55,094,792**	**$ 1,563,125**	**2.9%**
Non-Operating Revenue						
Capital Reimbursements	$ 3,401,968	$ 30,000,000	$ 22,625,000	$ 50,600,000	$ 20,600,000	68.7%
Interest Income *	7,678,367	2,639,000	2,811,000	3,162,000	523,000	19.8%
Non-Operating Other	443,877	-	-	-	-	0.0%
Total Non-Operating Revenue	**$ 11,524,211**	**$ 32,639,000**	**$ 25,436,000**	**$ 53,762,000**	**$ 21,123,000**	**64.7%**
TOTAL REVENUE	**$ 63,792,633**	**$ 86,170,667**	**$ 78,967,667**	**$ 108,856,792**	**$ 22,686,125**	**26.3%**
OUTLAYS						
Operating Outlays						
Operations **	$ 19,968,757	$ 22,010,392	$ 25,440,977	$ 25,397,376	$ 3,386,984	15.4%
Operating Project	5,661,970	2,538,919	2,538,919	2,298,524	(240,394)	-9.5%
Debt Service	5,285,352	10,267,275	10,267,275	12,723,310	2,456,035	23.9%
Total Operating Outlays	**$ 30,916,079**	**$ 34,816,586**	**$ 38,247,171**	**$ 40,419,210**	**$ 5,602,624**	**16.1%**
Capital Outlays						
Capital Projects	$ 45,792,598	$ 127,106,378	$ 97,324,284	$ 65,672,378	$ (61,434,000)	-48.3%
Carry Forward Capital Projects	-	11,655,699	-	65,164,903	53,509,204	459.1%
Total Capital Outlays	**$ 45,792,598**	**$ 138,762,077**	**$ 97,324,284**	**$ 130,837,281**	**$ (7,924,796)**	**-5.7%**
TOTAL OUTLAYS	**$ 76,708,677**	**$ 173,578,663**	**$ 135,571,454**	**$ 171,256,491**	**$ (2,322,171)**	**-1.3%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ -	$ 109,609,029	$ 70,000,000	$ 44,609,029	$ (65,000,000)	-59.3%
Transfers In	-	3,000,000	3,000,000	4,000,000	1,000,000	33.3%
Transfers Out	(3,239,808)	(7,990,622)	(8,062,367)	(8,530,702)	(540,080)	6.8%
TOTAL OTHER SOURCES/(USES)	**$ (3,239,808)**	**$ 104,618,407**	**$ 64,937,633**	**$ 40,078,327**	**$ (64,540,080)**	**-61.7%**
BALANCE AVAILABLE	**$ (16,155,852)**	**$ 17,210,412**	**$ 8,333,846**	**$ (22,321,373)**	**$ (39,531,784)**	**-229.7%**
YEAR-END RESERVES						
Restricted Reserves						
SCW Rate Stabilization Reserve	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ -	0.0%
SCW Contingency Reserve	5,000,000	5,000,000	5,000,000	5,000,000	-	0.0%
SCW Currently Authorized Projects Reserve***	112,252,107	25,336,118	141,916,731	71,376,703	46,040,585	181.7%
SCW Operating and Capital Reserve	49,575,332	59,517,635	28,244,554	76,463,210	16,945,575	28.5%
Total Restricted Reserves	**$ 191,827,439**	**$ 114,853,753**	**$ 200,161,285**	**$ 177,839,913**	**$ 62,986,160**	**54.8%**
TOTAL YEAR-END RESERVES	**$ 191,827,439**	**$ 114,853,753**	**$ 200,161,285**	**$ 177,839,913**	**$ 62,986,160**	**54.8%**

Safe, Clean Water and Natural Flood Protection Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 7,725,109	$ 8,988,197	$ 9,118,197	$ 9,488,015	$ 499,819	5.6%
Salary Savings Factor	-	(137,999)	(137,999)	(94,400)	43,598	-31.6%
Services & Supplies	12,822,127	9,869,081	13,169,666	12,219,624	2,350,543	23.8%
Intra-District Charges	5,083,491	5,830,031	5,830,031	6,082,661	252,630	4.3%
OPERATING OUTLAY TOTAL	**$ 25,630,727**	**$ 24,549,311**	**$ 27,979,896**	**$ 27,695,900**	**$ 3,146,589**	**12.8%**
DEBT SERVICE						
Services & Supplies	$ 623,602	$ 1,153,900	$ 1,153,900	$ 866,560	$ (287,340)	-24.9%
Debt Service	4,661,750	9,113,375	9,113,375	11,856,750	2,743,375	30.1%
DEBT SERVICE TOTAL	**$ 5,285,352**	**$ 10,267,275**	**$ 10,267,275**	**$ 12,723,310**	**$ 2,456,035**	**23.9%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 9,620,116	$ 12,714,998	$ 12,714,998	$ 11,913,592	$ (801,407)	-6.3%
Salary Savings Factor	-	(201,368)	(201,368)	(123,447)	77,921	-38.7%
Services & Supplies	30,143,295	106,731,316	76,949,222	46,551,050	(60,180,266)	-56.4%
Carry Forward Capital Projects	-	11,655,699	-	65,164,903	53,509,204	459.1%
Intra-District Charges	6,029,187	7,861,432	7,861,432	7,331,183	(530,248)	-6.7%
CAPITAL PROJECTS TOTAL	**$ 45,792,598**	**$ 138,762,077**	**$ 97,324,284**	**$ 130,837,281**	**$ (7,924,796)**	**-5.7%**
TOTAL OUTLAYS	**$ 76,708,677**	**$ 173,578,663**	**$ 135,571,454**	**$ 171,256,491**	**$ (2,322,171)**	**-1.3%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations outlays do not include OPEB Expense-unfunded liabilities

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

Safe, Clean Water and Natural Flood Protection Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
REVENUE						
Operating Revenue						
Special Parcel Tax	$ 52,175,089	$ 53,531,667	$ 55,094,792	$ 56,306,876	$ 1,212,084	2.2%
Intergovernmental Services	93,333	-	-	-	-	0.0%
Total Operating Revenue	**$ 52,268,422**	**$ 53,531,667**	**$ 55,094,792**	**$ 56,306,876**	**$ 1,212,084**	**2.2%**
Non-Operating Revenue						
Capital Reimbursements	$ 3,401,968	$ 30,000,000	$ 50,600,000	$ 14,228,000	$ (36,372,000)	-71.9%
Interest Income *	7,678,367	2,639,000	3,162,000	3,514,000	352,000	11.1%
Non-Operating Other	443,877	-	-	-	-	0.0%
Total Non-Operating Revenue	**$ 11,524,211**	**$ 32,639,000**	**$ 53,762,000**	**$ 17,742,000**	**$ (36,020,000)**	**-67.0%**
TOTAL REVENUE	**$ 63,792,633**	**$ 86,170,667**	**$ 108,856,792**	**$ 74,048,876**	**$ (34,807,916)**	**-32.0%**
OUTLAYS						
Operating Outlays						
Operations **	$ 19,968,757	$ 22,010,392	$ 25,397,376	$ 26,132,867	$ 735,491	2.9%
Operating Project	5,661,970	2,538,919	2,298,524	3,118,755	820,231	35.7%
Debt Service	5,285,352	10,267,275	12,723,310	16,097,000	3,373,690	26.5%
Total Operating Outlays	**$ 30,916,079**	**$ 34,816,586**	**$ 40,419,210**	**$ 45,348,622**	**$ 4,929,412**	**12.2%**
Capital Outlays						
Capital Projects	$ 45,792,598	$ 127,106,378	$ 65,672,378	$ 169,098,022	$ 103,425,644	157.5%
Carry Forward Capital Projects	-	11,655,699	65,164,903	9,975,610	(55,189,293)	-84.7%
Total Capital Outlays	**$ 45,792,598**	**$ 138,762,077**	**$ 130,837,281**	**$ 179,073,632**	**$ 48,236,351**	**36.9%**
TOTAL OUTLAYS	**$ 76,708,677**	**$ 173,578,663**	**$ 171,256,491**	**$ 224,422,254**	**$ 53,165,763**	**31.0%**
OTHER FINANCING SOURCES/(USES)						
Debt Proceeds	$ -	$ 109,609,029	$ 44,609,029	$ 128,053,129	$ 83,444,100	187.1%
Transfers In	-	3,000,000	4,000,000	5,100,000	1,100,000	27.5%
Transfers Out	(3,239,808)	(7,990,622)	(8,530,702)	(9,595,795)	(1,065,093)	12.5%
TOTAL OTHER SOURCES/(USES)	**$ (3,239,808)**	**$ 104,618,407**	**$ 40,078,327**	**$ 123,557,334**	**$ 83,479,007**	**208.3%**
BALANCE AVAILABLE	**$ (16,155,852)**	**$ 17,210,412**	**$ (22,321,373)**	**$ (26,816,044)**	**$ (4,494,672)**	**20.1%**
YEAR-END RESERVES						
Restricted Reserves						
SCW Rate Stabilization Reserve	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ 25,000,000	$ -	0.0%
SCW Contingency Reserve	5,000,000	5,000,000	5,000,000	5,000,000	-	0.0%
SCW Currently Authorized Projects Reserve***	112,252,107	25,336,118	71,376,703	61,401,092	(9,975,611)	-14.0%
SCW Operating and Capital Reserve	49,575,332	59,517,635	76,463,210	59,622,776	(16,840,433)	-22.0%
Total Restricted Reserves	**$ 191,827,439**	**$ 114,853,753**	**$ 177,839,913**	**$ 151,023,869**	**$ (26,816,044)**	**-15.1%**
TOTAL YEAR-END RESERVES	**$ 191,827,439**	**$ 114,853,753**	**$ 177,839,913**	**$ 151,023,869**	**$ (26,816,044)**	**-15.1%**

Safe, Clean Water and Natural Flood Protection Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 7,725,109	$ 8,988,197	$ 9,488,015	$ 9,984,095	$ 496,080	5.2%
Salary Savings Factor	-	(137,999)	(94,400)	(97,969)	(3,569)	3.8%
Services & Supplies	12,822,127	9,869,081	12,219,624	12,564,930	345,305	2.8%
Intra-District Charges	5,083,491	5,830,031	6,082,661	6,800,567	717,906	11.8%
OPERATING OUTLAY TOTAL	**$ 25,630,727**	**$ 24,549,311**	**$ 27,695,900**	**$ 29,251,622**	**$ 1,555,722**	**5.6%**
DEBT SERVICE						
Services & Supplies	$ 623,602	$ 1,153,900	$ 866,560	$ 1,706,560	$ 840,000	96.9%
Debt Service	4,661,750	9,113,375	11,856,750	14,390,440	2,533,690	21.4%
DEBT SERVICE TOTAL	**$ 5,285,352**	**$ 10,267,275**	**$ 12,723,310**	**$ 16,097,000**	**$ 3,373,690**	**26.5%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 9,620,116	$ 12,714,998	$ 11,913,592	$ 12,452,457	$ 538,865	4.5%
Salary Savings Factor	-	(201,368)	(123,447)	(127,336)	(3,889)	3.2%
Services & Supplies	30,143,295	106,731,316	46,551,050	148,737,020	102,185,970	219.5%
Carry Forward Capital Projects	-	11,655,699	65,164,903	9,975,610	(55,189,293)	-84.7%
Intra-District Charges	6,029,187	7,861,432	7,331,183	8,035,881	704,698	9.6%
CAPITAL PROJECTS TOTAL	**$ 45,792,598**	**$ 138,762,077**	**$ 130,837,281**	**$ 179,073,632**	**$ 48,236,351**	**36.9%**
TOTAL OUTLAYS	**$ 76,708,677**	**$ 173,578,663**	**$ 171,256,491**	**$ 224,422,254**	**$ 53,165,763**	**31.0%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations outlays do not include OPEB Expense-unfunded liabilities

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

Total Outlays - Safe, Clean Water & Natural Flood Protection

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
Operations						
26001090	Unscoped Projects-Budget Only	–	100,000	100,000	100,000	Office of Integrated Water Management
26031001	Watershed Revenue	199,498	115,400	157,039	162,212	Financial Planning & Mgmt Div
26041023	Emergency Response Upgrades	708,131	766,984	780,563	820,069	Watersheds Stewardship & Planning Div
26041024	Flood Risk Reduction Studies	1,234,173	1,266,163	1,201,058	1,317,046	Watersheds Stewardship & Planning Div
26041047	Ecolgcal Data Collectn & Analy	180,839	649,473	414,026	255,416	Watersheds Stewardship & Planning Div
26041049	D5 SCW Watershed Plans	11,433	109,000	216,464	9,229	Watersheds Stewardship & Planning Div
26061002	Rent Exp Clean Safe Ck 7/1/01+	68,533	215,323	253,038	265,280	Watersheds Stewardship & Planning Div
26061004	Districtwide Salary Savings-26	–	(137,999)	(94,400)	(97,969)	Financial Planning & Mgmt Div
26061005	Flood Emrgncy Respnse Planning	207,943	209,342	220,121	230,448	Emergency, Safety and Security Division
26061012	Safe Clean Water Implementatn	1,146,900	1,122,772	1,179,113	1,248,655	Office of Integrated Water Management
26061019	Creek Stewardship	283,811	295,968	314,889	333,874	Office of the CEA
26061056	F8 SCW Sustainable Creek	127,649	–	–	–	Office of Integrated Water Management
26761022	Watershed Good Neighbor Maint	459,023	568,005	649,250	700,162	Watersheds Operations & Maint Division
26761023	Watershed Sediment Removal	1,717,449	1,463,265	1,659,268	1,715,386	Watersheds Operations & Maint Division
26761075	Mgmt of Revegetation Projects	2,341,005	2,679,911	3,210,798	3,416,901	Watersheds Operations & Maint Division
26761076	Rev, Riprn, Uplnd, & Wtlnd Hab	643,926	713,176	641,529	563,518	Watersheds Stewardship & Planning Div
26761078	Vegetation Mangmnt for Access	951,812	784,631	884,099	940,942	Watersheds Operations & Maint Division
26771011	Inter Agency Urban Runoff Prog	778,243	920,295	934,008	987,491	Watersheds Stewardship & Planning Div
26771027	Encampment Cleanup Program	3,585,660	2,797,220	2,921,313	3,044,212	Watersheds Operations & Maint Division
26771031	HAZMAT Emergency Response	21,075	40,144	41,825	43,547	Emergency, Safety and Security Division
26771067	Stream Capacity Vegetation Con	3,048,419	3,678,111	5,165,697	5,392,035	Watersheds Operations & Maint Division
26061020	F6 Public Arts	95,575	32,651	34,022	36,985	Office of the CEA
26061021	F9 Safe Clean Water Grants and Partnerships	2,155,475	3,323,116	3,588,517	3,690,990	Office of the CEA
26441003	D3 SCW Sed Reuse to Support Shoreline	2,186	297,442	267,670	273,418	Watersheds Operations & Maint Division
26061022	Creekside Neighbor Rebate Program F9.4	–	–	657,469	683,022	Watersheds Stewardship & Planning Div
Total Operations		**19,968,757**	**22,010,392**	**25,397,376**	**26,132,867**	
Operating Project						
26042002	Fish Habitat Improvements	240,479	1,140,855	856,708	1,327,253	Watersheds Stewardship & Planning Div
26072008	SCW D7 Conservation Habitat	4,012,184	12,268	12,845	338,667	Watersheds Stewardship & Planning Div
26752043	Impaired Water Bodies Imprvmts	1,409,306	1,385,795	1,428,972	1,452,835	Watersheds Stewardship & Planning Div
Total Operating Projects		**5,661,970**	**2,538,919**	**2,298,524**	**3,118,755**	
Debt Service						
26993001	Commercial Paper Tax Exmpt SCW	550,834	4,744,900	7,360,560	5,141,560	Financial Planning & Mgmt Div
26993002	SCW Rev Bond 2022A (Tax-Exempt)	4,673,700	5,182,375	5,182,750	5,179,375	Financial Planning & Mgmt Div
26993003	SCW COP 2022B (Tax-Exempt)	14,700	45,000	45,000	45,000	Financial Planning & Mgmt Div
26993004	SCW WIFIA Loan 1 (ID 21116CA)	46,119	65,000	65,000	45,000	Financial Planning & Mgmt Div
26993010	SCW Rev Bond 2027B (Tax-Exempt)	–	–	–	195,000	Financial Planning & Mgmt Div
26993008	SCW WIFIA Loan 3	–	–	–	80,000	Financial Planning & Mgmt Div
26993009	SCW Rev Note 2026B	–	–	–	740,023	Financial Planning & Mgmt Div
26993007	SCW WIFIA Loan 2	–	120,000	70,000	70,000	Financial Planning & Mgmt Div
26993006	SCW Rev Bond 2027A (Tax-Exempt)	–	–	–	2,879,590	Financial Planning & Mgmt Div
26993005	SCW Rev Bond 2026A (Tax-Exempt)	–	110,000	–	1,721,452	Financial Planning & Mgmt Div
Total Debt Service		**5,285,352**	**10,267,275**	**12,723,310**	**16,097,000**	

Total Outlays - Safe, Clean Water & Natural Flood Protection

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
Capital*						
26044001	Almaden Lake Improvement	23,030	–	–	–	Watersheds Desn & Construction Division
26044002	SCW Fish Passage Improvement	46,742	–	–	–	Watersheds Stewardship & Planning Div
26064023	Districtwide Salary Savings	–	(201,368)	(123,447)	(127,336)	Financial Planning & Mgmt Div
26074002	Sunnyvale East & West Channel	1,820,927	9,362,668	–	19,289,435	Watersheds Desn & Construction Division
26074033	CIP Development & Admin	280,854	215,452	276,833	299,363	Office of Integrated Water Management
26074036	Survey Mgmt & Tech Support	86,893	72,780	114,556	119,210	Office of Integrated Water Management
26154002	Guadalupe Rv-Upr, 280-SPRR(R6	85,506	–	–	–	Watersheds Desn & Construction Division
26154003	Guadalupe Rv-Upr, SPRR-BH 7-12	338,847	–	–	–	Watersheds Desn & Construction Division
26164001	HaleCreekEnhancementPilotStudy	295,159	–	39,000	–	Watersheds Desn & Construction Division
26174041	Berryessa Calav/Old Pied Cor	946,793	–	–	–	Watersheds Desn & Construction Division
26174043	Coyote Creek, Montague-Tully	7,455,687	16,064,197	21,686,087	71,278,472	Watersheds Desn & Construction Division
26174051	U. Llagas Ck, Reimburse E6b	2,374,218	–	42,031	22,277	Watersheds Desn & Construction Division
26174054	U.Llagas Ck Design B. Vsta Rd	143,807	–	–	–	Watersheds Desn & Construction Division
26244001	Permanente Ck, Bay-Fthill CSC	24,162	–	–	–	Watersheds Desn & Construction Division
26284002	San Francisquito Early Implemt	1,320,324	22,781,902	–	–	Watersheds Desn & Construction Division
26324001	U Penitncia Crk Corp Coord SCW	649,602	–	–	–	Watersheds Desn & Construction Division
26764001	IRP2 AddLine Valves	1,044,631	9,486,047	10,809,258	5,814,216	Water Utility Capital Division
26044004	D6 Bolsa Road Fish Passage	5,872,040	25,262	27,184	70,365	Watersheds Desn & Construction Division
26444002	SFBS EIAs 1-4	500,026	1,025,381	–	–	Watersheds Desn & Construction Division
26074038	Watershed Capital Program Servcs Admin	3,371,895	4,459,353	3,966,386	4,744,694	Watersheds Desn & Construction Division
26074041	Construction Contracts and Support	477,335	432,067	323,974	418,616	General Services Division
26174052	Llagas Ck - Upper Construction	15,430,010	2,635,902	–	–	Watersheds Desn & Construction Division
26444004	San Francisco Bay Shoreline EIAs 5-10	1,781,474	1,065,000	1,404,624	3,123,191	Watersheds Desn & Construction Division
26044005	SCW D4.3 Fish Passage	52,277	1,514,400	–	6,992,744	Watersheds Stewardship & Planning Div
26074047	Computer-Aided Design for	185,948	250,999	297,781	335,717	Office of Integrated Water Management
26044003	SCW Ogier Ponds Separation from	926,705	1,056,423	–	–	Watersheds Stewardship & Planning Div
26174055	Llagas Creek Phase 2B Construction	22,392	56,000,000	26,547,392	48,660,125	Watersheds Desn & Construction Division
26074042	Capital Project Mgmt & Controls	235,312	164,411	229,424	245,211	Office of Integrated Water Management
26044056	Regnart Creek Rehabilitation Project - F8	–	695,500	31,297	7,811,721	Watersheds Desn & Construction Division
Total Capital		**45,792,598**	**127,106,378**	**65,672,378**	**169,098,022**	
Total		**76,708,677**	**161,922,964**	**106,091,588**	**214,446,644**	

* Capital Outlays table reflects new funding and does not include capital carryforward funding from prior year.

Benefit Assessment Funds Overview

The Flood Control Benefit Assessment was first authorized by Valley Water Board of Directors in 1981, and then by ballot measures in 1982, 1986, and 1990. The program had a sunset date of 2000 but the assessment will continue until 2030, when Valley Water will pay off the bonds associated with it. The Benefit Assessment funds are in place to account for both revenue received and expenditures by zone.

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

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

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

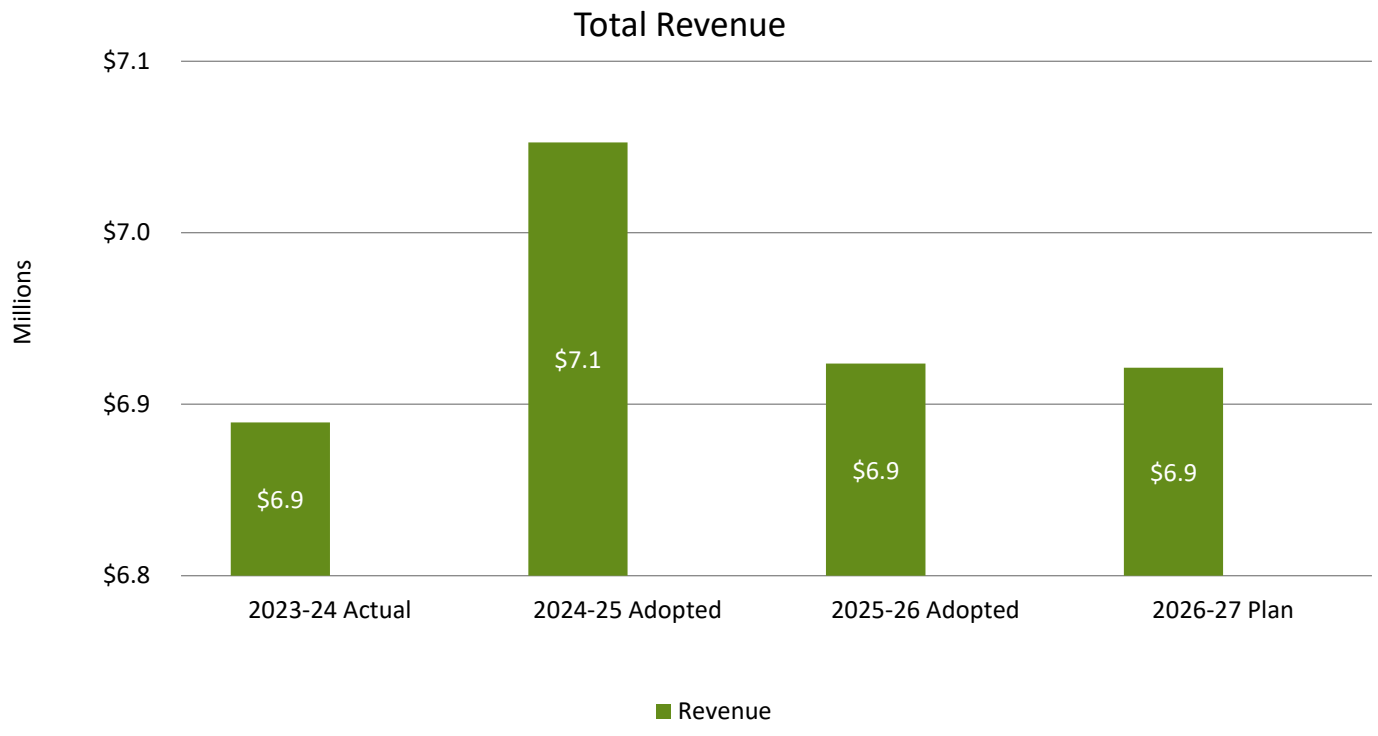
For FY 2025-26 and FY 2026-27, the Benefit Assessment revenue receipts are projected at $6.9 million each year. As Valley Water continues to pay down the principal, the amount collected will decrease.

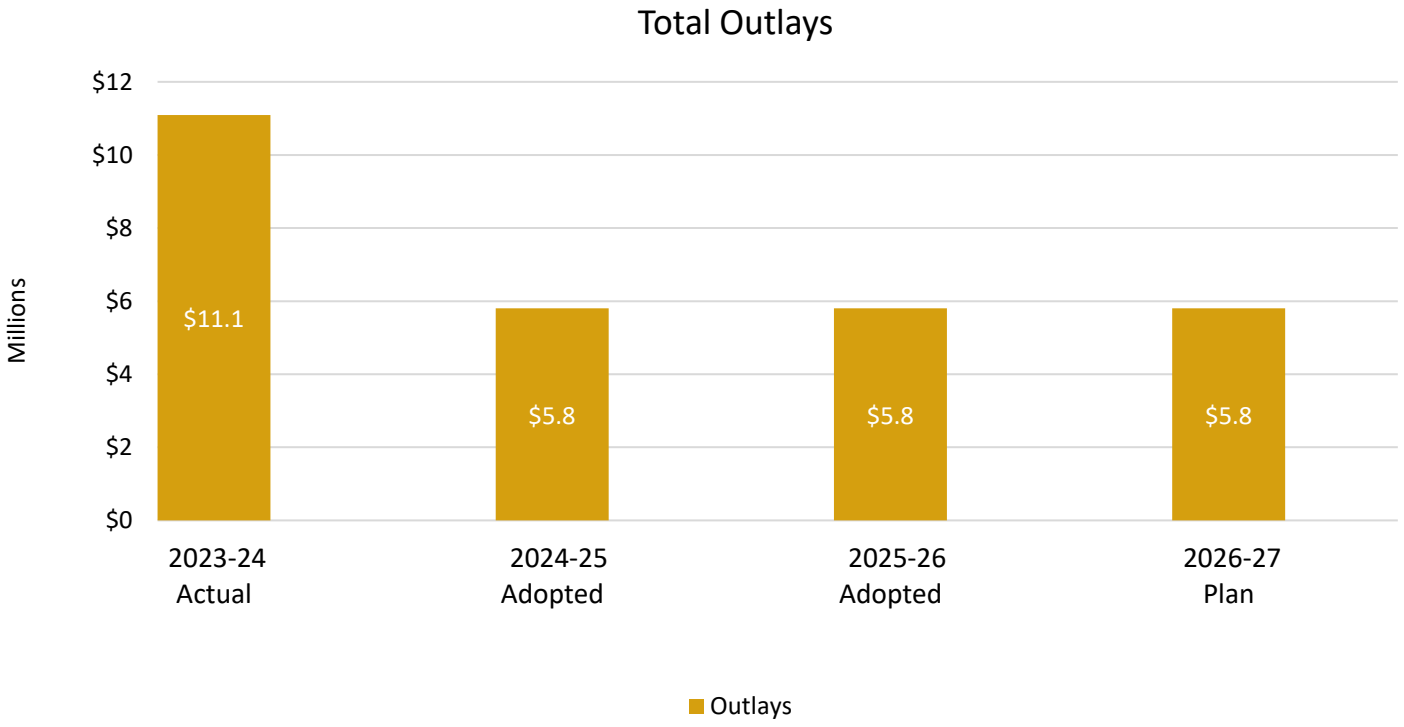
For FY 2025-26 and FY 2026-27, the transfer to the Watershed and Stream Stewardship Fund is expected at $1.1 million each year. Debt that was issued in 2017 (2017A Certificates of Participation, or 2017A COPs) is scheduled to be fully repaid on February 1, 2030.

The FY 2025-26 benefit assessment for a single family residence is expected at approximately:

- $26.55/year for Lower Peninsula Watershed
- $4.71/year for West Valley Watershed
- $4.17/year for Guadalupe Watershed
- $12.89/year for Coyote Watershed

Benefit Assessment Funds





Benefit Assessment Funds Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Lower Peninsula Watershed	$ 2,700,462	$ 2,767,793	$ 2,767,796	$ 2,732,804	$ (34,989)	-1.3%
West Valley Watershed	810,281	830,268	830,268	819,772	(10,496)	-1.3%
Guadalupe Watershed	944,843	963,171	963,171	911,166	(52,005)	-5.4%
Coyote Watershed	2,433,773	2,491,505	2,491,505	2,460,008	(31,497)	-1.3%
TOTAL REVENUE	**$ 6,889,358**	**$ 7,052,737**	**$ 7,052,740**	**$ 6,923,750**	**$ (128,987)**	**-1.8%**
OUTLAYS						
Debt Service						
Lower Peninsula Watershed	$ 2,275,521	$ 2,289,952	$ 2,289,952	$ 2,292,023	$ 2,071	0.1%
West Valley Watershed	1,849,339	686,927	686,927	687,549	622	0.1%
Guadalupe Watershed	3,708,883	763,510	763,510	764,201	691	0.1%
Coyote Watershed	3,259,137	2,061,363	2,061,363	2,063,227	1,864	0.1%
TOTAL OUTLAYS	**$ 11,092,880**	**$ 5,801,752**	**$ 5,801,752**	**$ 5,807,000**	**$ 5,248**	**0.1%**
OTHER FINANCING SOURCES/(USES)						
Transfer In						
From Debt Service Reserve Fund	$ 5,533,977	$ -	$ -	$ -	$ -	0.0%
Transfers Out						
To Watershed & Stream Stewardship Fund	$ (1,330,455)	$ (1,250,985)	$ (1,250,988)	$ (1,116,750)	$ 134,235	-10.7%
TOTAL OTHER SOURCES/(USES)	**$ 4,203,522**	**$ (1,250,985)**	**$ (1,250,988)**	**$ (1,116,750)**	**$ 134,235**	**-10.7%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

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

Benefit Assessment Funds Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
REVENUE						
Lower Peninsula Watershed	$ 2,700,462	$ 2,767,793	$ 2,732,804	$ 2,731,817	$ (987)	0.0%
West Valley Watershed	810,281	830,268	819,772	819,476	(296)	0.0%
Guadalupe Watershed	944,843	963,171	911,166	910,837	(330)	0.0%
Coyote Watershed	2,433,773	2,491,505	2,460,008	2,459,120	(888)	0.0%
TOTAL REVENUE	**$ 6,889,358**	**$ 7,052,737**	**$ 6,923,750**	**$ 6,921,250**	**$ (2,500)**	**0.0%**
OUTLAYS						
Debt Service						
Lower Peninsula Watershed	$ 2,275,521	$ 2,289,952	$ 2,292,023	$ 2,291,727	$ (296)	0.0%
West Valley Watershed	1,849,339	686,927	687,549	687,460	(89)	0.0%
Guadalupe Watershed	3,708,883	763,510	764,201	764,103	(99)	0.0%
Coyote Watershed	3,259,137	2,061,363	2,063,227	2,062,961	(266)	0.0%
TOTAL OUTLAYS	**$ 11,092,880**	**$ 5,801,752**	**$ 5,807,000**	**$ 5,806,250**	**$ (750)**	**0.0%**
OTHER FINANCING SOURCES/(USES)						
Transfer In						
From Debt Service Reserve Fund	$ 5,533,977	$ -	$ -	$ -	$ -	0%
Transfers Out						
To Watershed & Stream Stewardship Fund	$ (1,330,455)	$ (1,250,985)	$ (1,116,750)	$ (1,115,000)	$ 1,750	-0.2%
TOTAL OTHER SOURCES/(USES)	**$ 4,203,522**	**$ (1,250,985)**	**$ (1,116,750)**	**$ (1,115,000)**	**$ 1,750**	**-0.2%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations outlays do not include OPEB Expense-unfunded liabilities

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

Total Outlays - Lower Peninsula Watershed

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
Debt Service						
10993008	2017A COP Refunding LP WS	2,275,521	2,289,952	2,292,023	2,291,727	Financial Planning & Mgmt Div
Total Debt Service		**2,275,521**	**2,289,952**	**2,292,023**	**2,291,727**	
Total		**2,275,521**	**2,289,952**	**2,292,023**	**2,291,727**	

Total Outlays - West Valley Watershed

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
Debt Service						
20993007	2012A COP Refunding WV WS	1,166,742	–	–	–	Financial Planning & Mgmt Div
20993008	2017A COP Refunding WV WS	682,596	686,927	687,549	687,460	Financial Planning & Mgmt Div
Total Debt Service		**1,849,339**	**686,927**	**687,549**	**687,460**	
Total		**1,849,339**	**686,927**	**687,549**	**687,460**	

Total Outlays - Guadalupe Watershed

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
Debt Service						
30993007	2012A COP Refunding Guad WS	2,918,332	–	–	–	Financial Planning & Mgmt Div
30993008	2017A COP Refunding Guad WS	790,551	763,510	764,201	764,103	Financial Planning & Mgmt Div
Total Debt Service		**3,708,883**	**763,510**	**764,201**	**764,103**	
Total		**3,708,883**	**763,510**	**764,201**	**764,103**	

Total Outlays - Coyote Watershed

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
Debt Service						
40993007	2012A COP Refunding Coyote WS	1,210,776	–	–	–	Financial Planning & Mgmt Div
40993008	2017A COP Refunding Coyote WS	2,048,361	2,061,363	2,063,227	2,062,961	Financial Planning & Mgmt Div
Total Debt Service		**3,259,137**	**2,061,363**	**2,063,227**	**2,062,961**	
Total		**3,259,137**	**2,061,363**	**2,063,227**	**2,062,961**	

WATER UTILITY ENTERPRISE AND STATE WATER PROJECT FUNDS

Fund Summaries

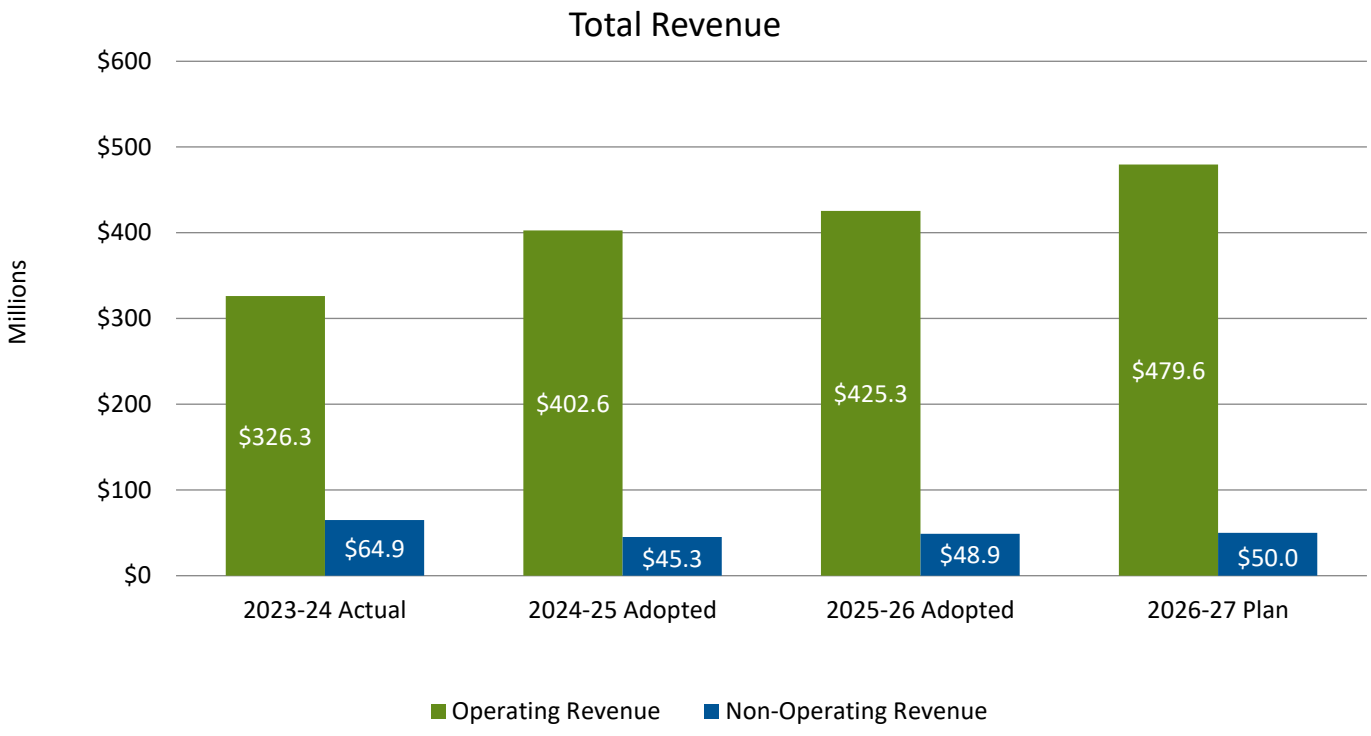
Overview

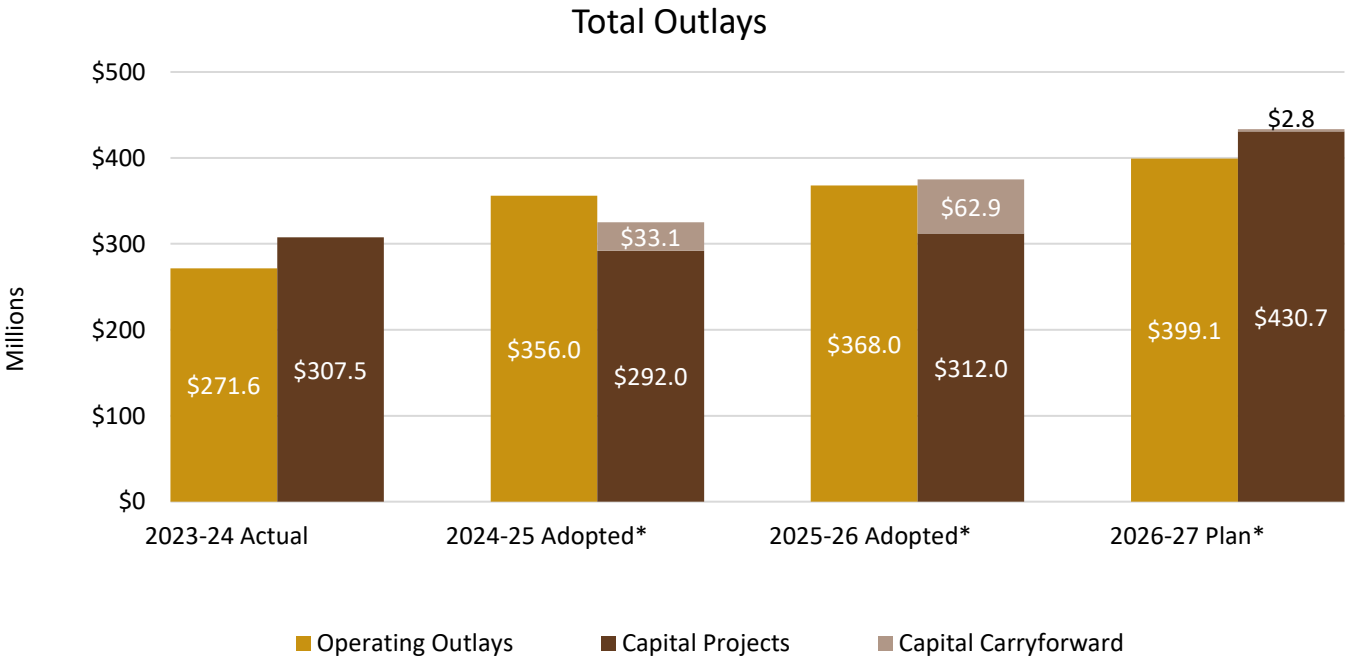
As the water management agency and principal water wholesaler for Santa Clara County, Valley Water manages a sustainable water supply through conjunctive use of surface and groundwater resources. The Chief Operating Officer of the Water Utility implements the programs and projects described and listed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

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

Financial summaries and descriptions of programs and outcomes can be found in this chapter.

Water Utility Enterprise and State Water Project Funds





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

Water Enterprise and State Water Project Funds Combined

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 148,743,728	$ 184,722,000	$ 176,252,000	$ 200,333,000	$ 15,611,000	8.5%
Treated Water Charges	169,632,794	211,703,000	211,703,000	220,403,000	8,700,000	4.1%
Surface & Recycled Water Charges	2,261,406	4,040,000	4,040,000	2,582,000	(1,458,000)	-36.1%
Intergovernmental Services	5,184,126	1,687,880	1,662,880	1,493,295	(194,585)	-11.5%
Operating Other	447,000	471,488	496,488	496,488	25,001	5.3%
Total Operating Revenue	**$ 326,269,054**	**$ 402,624,368**	**$ 394,154,368**	**$ 425,307,783**	**$ 22,683,416**	**5.6%**
Non-Operating Revenue						
Property Tax	$ 39,058,230	$ 39,163,000	$ 39,456,000	$ 39,871,000	$ 708,000	1.8%
Capital Reimbursements	3,543,901	456,000	4,345,000	684,000	228,000	50.0%
Interest Income *	15,089,997	4,340,000	6,280,000	7,066,000	2,726,000	62.8%
Non-Operating Other	7,246,380	1,339,404	1,339,404	1,229,670	(109,734)	-8.2%
Total Non-Operating Revenue	**$ 64,938,508**	**$ 45,298,404**	**$ 51,420,404**	**$ 48,850,670**	**$ 3,552,266**	**7.8%**
TOTAL REVENUE	**$ 391,207,562**	**$ 447,922,772**	**$ 445,574,773**	**$ 474,158,453**	**$ 26,235,682**	**5.9%**
OUTLAYS						
Operating Outlays						
Operations **	$ 213,005,243	$ 267,907,551	$ 303,765,691	$ 269,098,346	$ 1,190,795	0.4%
Operating Project	465,807	445,240	445,240	452,787	7,547	1.7%
Debt Service	58,127,295	87,604,612	87,604,612	98,411,311	10,806,699	12.3%
Total Operating Outlays	**$ 271,598,346**	**$ 355,957,403**	**$ 391,815,543**	**$ 367,962,445**	**$ 12,005,042**	**3.4%**
Capital Outlays						
Capital Projects	$ 307,492,837	$ 292,016,896	$ 320,248,113	$ 312,004,684	$ 19,987,789	6.8%
Carry Forward Capital Projects	-	33,055,148	-	62,902,860	29,847,712	90.3%
Total Capital Outlays	**$ 307,492,837**	**$ 325,072,044**	**$ 320,248,113**	**$ 374,907,544**	**$ 49,835,501**	**15.3%**
TOTAL OUTLAYS	**$ 579,091,183**	**$ 681,029,446**	**$ 712,063,656**	**$ 742,869,989**	**$ 61,840,542**	**9.1%**
OTHER FINANCING SOURCES/(USES)						
Debt proceeds	$ 173,600,000	$ 236,311,001	$ 236,311,001	$ 220,217,267	$ (16,093,734)	-6.8%
Transfers In	1,092,727	11,428,122	11,428,122	7,606,274	(3,821,848)	-33.4%
Transfers Out	(3,926,700)	(8,271,800)	(10,844,247)	(11,683,496)	(3,411,696)	41.2%
TOTAL OTHER SOURCES/(USES)	**$ 170,766,027**	**$ 239,467,323**	**$ 236,894,876**	**$ 216,140,045**	**$ (23,327,278)**	**-9.7%**
BALANCE AVAILABLE	**$ (17,117,595)**	**$ 6,360,648**	**$ (29,594,008)**	**$ (52,571,491)**	**$ (58,932,139)**	**-926.5%**

Water Enterprise and State Water Project Funds Combined

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 6,066,971	$ 19,996,328	$ 20,571,906	$ 40,504,668	$ 20,508,340	102.6%
WUE San Felipe Emergency Reserve	3,651,454	3,580,832	3,701,454	3,751,454	170,622	4.8%
WUE State Water Project Tax Reserve	17,693,556	8,973,390	15,131,486	11,591,690	2,618,300	29.2%
WUE Supplemental Water Supply Reserve	5,277,000	5,277,000	5,277,000	8,677,000	3,400,000	64.4%
WUE SVAWPC Reserve	1,292,735	-	-	-	-	0.0%
WUE Drought Reserve	-	-	-	1,000,000	1,000,000	0.0%
WUE Guiding Principle #5 (GP5) Reserve	25,813,404	-	-	-	-	0.0%
Total Restricted Reserves	**$ 59,795,120**	**$ 37,827,550**	**$ 44,681,846**	**$ 65,524,812**	**$ 27,697,262**	**73.2%**
Committed Reserves						
WUE San Jose Water Purification Reserve	$ 1,000,000	$ -	$ -	$ -	$ -	0.0%
Currently Authorized Projects Reserve***	97,080,427	9,770,707	80,569,594	17,666,735	7,896,028	80.8%
Excess ERAF Contingency Reserve	-	589,988	500,893	615,193	25,205	4.3%
Operating and Capital Reserve	82,663,857	62,727,361	85,193,063	74,567,165	11,839,804	18.9%
Total Committed Reserves	**$ 180,744,284**	**$ 73,088,056**	**$ 166,263,550**	**$ 92,849,093**	**$ 19,761,037**	**27.0%**
TOTAL YEAR-END RESERVES	**$ 240,539,404**	**$ 110,915,606**	**$ 210,945,396**	**$ 158,373,906**	**$ 47,458,300**	**42.8%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 69,470,773	$ 73,186,911	$ 73,186,911	$ 76,556,701	$ 3,369,790	4.6%
Salary Savings Factor	-	(1,110,050)	(1,110,050)	(752,323)	357,727	-32.2%
Services & Supplies	101,028,185	151,255,438	187,113,578	147,162,816	(4,092,622)	-2.7%
Intra-District Charges	42,972,092	45,020,493	45,020,493	46,583,940	1,563,447	3.5%
OPERATING OUTLAY TOTAL	**$ 213,471,051**	**$ 268,352,791**	**$ 304,210,931**	**$ 269,551,133**	**$ 1,198,342**	**0.4%**
DEBT SERVICE						
Services & Supplies	$ 909,183	$ 3,834,100	$ 3,834,100	$ 4,520,320	$ 686,220	17.9%
Debt Service	57,218,112	83,770,512	83,770,512	93,890,991	10,120,479	12.1%
DEBT SERVICE TOTAL	**$ 58,127,295**	**$ 87,604,612**	**$ 87,604,612**	**$ 98,411,311**	**$ 10,806,699**	**12.3%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 31,947,117	$ 36,532,079	$ 37,419,079	$ 33,617,155	$ (2,914,924)	-8.0%
Salary Savings Factor	-	(580,627)	(580,627)	(347,530)	233,098	-40.1%
Services & Supplies	255,757,655	233,298,076	260,642,293	258,014,111	24,716,036	10.6%
Carry Forward Capital Projects	-	33,055,148	-	62,902,860	29,847,712	90.3%
Intra-District Charges	19,788,065	22,767,368	22,767,368	20,720,948	(2,046,421)	-9.0%
CAPITAL PROJECTS TOTAL	**$ 307,492,837**	**$ 325,072,044**	**$ 320,248,113**	**$ 374,907,544**	**$ 49,835,501**	**15.3%**
TOTAL OUTLAYS	**$ 579,091,183**	**$ 681,029,446**	**$ 712,063,656**	**$ 742,869,989**	**$ 61,840,542**	**9.1%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

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

Water Enterprise and State Water Project Funds Combined

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 148,743,728	$ 184,722,000	$ 200,333,000	$ 232,697,000	$ 32,364,000	16.2%
Treated Water Charges	169,632,794	211,703,000	220,403,000	242,243,000	21,840,000	9.9%
Surface & Recycled Water Charges	2,261,406	4,040,000	2,582,000	2,825,000	243,000	9.4%
Intergovernmental Services	5,184,126	1,687,880	1,493,295	1,364,295	(129,000)	-8.6%
Operating Other	447,000	471,488	496,488	496,488	-	0.0%
Total Operating Revenue	**$ 326,269,054**	**$ 402,624,368**	**$ 425,307,783**	**$ 479,625,783**	**$ 54,318,000**	**12.8%**
Non-Operating Revenue						
Property Tax	$ 39,058,230	$ 39,163,000	$ 39,871,000	$ 40,122,000	$ 251,000	0.6%
Capital Reimbursements	3,543,901	456,000	684,000	800,000	116,000	17.0%
Interest Income *	15,089,997	4,340,000	7,066,000	7,851,000	785,000	11.1%
Non-Operating Other	7,246,380	1,339,404	1,229,670	1,238,954	9,284	0.8%
Total Non-Operating Revenue	**$ 64,938,508**	**$ 45,298,404**	**$ 48,850,670**	**$ 50,011,954**	**$ 1,161,284**	**2.4%**
TOTAL REVENUE	**$ 391,207,562**	**$ 447,922,772**	**$ 474,158,453**	**$ 529,637,737**	**$ 55,479,284**	**11.7%**
OUTLAYS						
Operating Outlays						
Operations **	$ 213,005,243	$ 267,907,551	$ 269,098,346	$ 283,811,827	$ 14,713,480	5.5%
Operating Project	465,807	445,240	452,787	552,001	99,214	21.9%
Debt Service	58,127,295	87,604,612	98,411,311	114,711,187	16,299,876	16.6%
Total Operating Outlays	**$ 271,598,346**	**$ 355,957,403**	**$ 367,962,445**	**$ 399,075,014**	**$ 31,112,570**	**8.5%**
Capital Outlays						
Capital Projects	$ 307,492,837	$ 292,016,896	$ 312,004,684	$ 430,713,044	$ 118,708,360	38.0%
Carry Forward Capital Projects	-	33,055,148	62,902,860	2,822,659	(60,080,201)	-95.5%
Total Capital Outlays	**$ 307,492,837**	**$ 325,072,044**	**$ 374,907,544**	**$ 433,535,703**	**$ 58,628,159**	**15.6%**
TOTAL OUTLAYS	**$ 579,091,183**	**$ 681,029,446**	**$ 742,869,989**	**$ 832,610,717**	**$ 89,740,728**	**12.1%**
OTHER FINANCING SOURCES/(USES)						
Debt proceeds	$ 173,600,000	$ 236,311,001	$ 220,217,267	$ 330,396,588	$ 110,179,321	50.0%
Transfers In	1,092,727	11,428,122	7,606,274	11,721,650	4,115,376	54.1%
Transfers Out	(3,926,700)	(8,271,800)	(11,683,496)	(18,017,339)	(6,333,843)	54.2%
TOTAL OTHER SOURCES/(USES)	**$ 170,766,027**	**$ 239,467,323**	**$ 216,140,045**	**$ 324,100,899**	**$ 107,960,854**	**49.9%**
BALANCE AVAILABLE	**$ (17,117,595)**	**$ 6,360,648**	**$ (52,571,491)**	**$ 21,127,919**	**$ 73,699,410**	**-140.2%**

Water Enterprise and State Water Project Funds Combined

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 6,066,971	$ 19,996,328	$ 40,504,668	$ 44,725,459	$ 4,220,791	10.4%
WUE San Felipe Emergency Reserve	3,651,454	3,580,832	3,751,454	3,801,454	50,000	1.3%
WUE State Water Project Tax Reserve	17,693,556	8,973,390	11,591,690	6,424,905	(5,166,785)	-44.6%
WUE Supplemental Water Supply Reserve	5,277,000	5,277,000	8,677,000	12,077,000	3,400,000	39.2%
WUE SVAWPC Reserve	1,292,735	-	-	-	-	0.0%
WUE Drought Reserve	-	-	1,000,000	4,000,000	3,000,000	300.0%
WUE Guiding Principle #5 (GP5) Reserve	25,813,404	-	-	-	-	0.0%
Total Restricted Reserves	**$ 59,795,120**	**$ 37,827,550**	**$ 65,524,812**	**$ 71,028,818**	**$ 5,504,006**	**8.4%**
Committed Reserves						
WUE San Jose Water Purification Reserve	$ 1,000,000	$ -	$ -	$ -	$ -	0.0%
Currently Authorized Projects Reserve***	97,080,427	9,770,707	17,666,735	14,844,076	(2,822,659)	-16.0%
Excess ERAF Contingency Reserve	-	589,988	615,193	729,493	114,300	18.6%
Operating and Capital Reserve	82,663,857	62,727,361	74,567,165	92,899,438	18,332,272	24.6%
Total Committed Reserves	**$ 180,744,284**	**$ 73,088,056**	**$ 92,849,093**	**$ 108,473,007**	**$ 15,623,913**	**16.8%**
TOTAL YEAR-END RESERVES	**$ 240,539,404**	**$ 110,915,606**	**$ 158,373,906**	**$ 179,501,825**	**$ 21,127,919**	**13.3%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 69,470,773	$ 73,186,911	$ 76,556,701	$ 81,769,288	$ 5,212,587	6.8%
Salary Savings Factor	-	(1,110,050)	(752,323)	(792,732)	(40,409)	5.4%
Services & Supplies	101,028,185	151,255,438	147,162,816	150,871,019	3,708,204	2.5%
Intra-District Charges	42,972,092	45,020,493	46,583,940	52,516,253	5,932,312	12.7%
OPERATING OUTLAY TOTAL	**$ 213,471,051**	**$ 268,352,791**	**$ 269,551,133**	**$ 284,363,827**	**$ 14,812,694**	**5.5%**
DEBT SERVICE						
Services & Supplies	$ 909,183	$ 3,834,100	$ 4,520,320	$ 3,240,320	$ (1,280,000)	-28.3%
Debt Service	57,218,112	83,770,512	93,890,991	111,470,867	17,579,876	18.7%
DEBT SERVICE TOTAL	**$ 58,127,295**	**$ 87,604,612**	**$ 98,411,311**	**$ 114,711,187**	**$ 16,299,876**	**16.6%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 31,947,117	$ 36,532,079	$ 33,617,155	$ 35,397,517	$ 1,780,362	5.3%
Salary Savings Factor	-	(580,627)	(347,530)	(361,281)	(13,751)	4.0%
Services & Supplies	255,757,655	233,298,076	258,014,111	372,759,015	114,744,903	44.5%
Carry Forward Capital Projects	-	33,055,148	62,902,860	2,822,659	(60,080,201)	-95.5%
Intra-District Charges	19,788,065	22,767,368	20,720,948	22,917,793	2,196,845	10.6%
CAPITAL PROJECTS TOTAL	**$ 307,492,837**	**$ 325,072,044**	**$ 374,907,544**	**$ 433,535,703**	**$ 58,628,159**	**15.6%**
TOTAL OUTLAYS	**$ 579,091,183**	**$ 681,029,446**	**$ 742,869,989**	**$ 832,610,717**	**$ 89,740,728**	**12.1%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

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

Water Utility Enterprise Funds

Overview

The Water Utility Enterprise is committed to providing safe, reliable water to Santa Clara County now and for future generations. Presently, it ensures the availability of water to 15 cities and towns, farmers, and individual well owners spread over 1,300 square miles, with Valley Water managed usage estimated to total 219,000 acre-feet (AF) in FY 2025-26 and 224,000 AF in FY 2026-27. This entails operation, maintenance and construction of the following facilities:

- 10 surface reservoirs with a total operationally restricted storage capacity of 62,701 AF while Valley Water's largest reservoir, Anderson, is offline due to an extensive retrofit of its dam
- 11 miles of active canals
- Five water supply diversion dams
- 102 groundwater recharge ponds
- 98 miles of controlled in-stream recharge in the county
- 134 miles of raw and treated water pipelines
- Three water treatment plants
- An advanced water purification center
- Three raw water pump stations with over 37,000 combined horsepower
- A well field

The Water Utility Enterprise Fund (Fund 61) accounts for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Water Utility Enterprise Fund accounts for all Water Utility related revenue, expenses and financing except those of the State Water Project Fund (Fund 63). The State Water Project (SWP) Fund accounts specifically for SWP tax revenue and SWP contractual costs. It is discussed separately later in this chapter.

FY 2025-26 and FY 2026-27 Budgets

The Water Utility Enterprise protects and augments water supplies for the health, welfare, and safety of the community. The Utility is primarily responsible for carrying out the core services related to Valley Water's Ends Policy E2 – "Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served." Groundwater production charges are the primary source of Utility revenue. The activities, programs and services undertaken with funding from groundwater production charges include ensuring adequate water supplies and water quality; operating and maintaining dams, pipelines, recharge ponds, treatment plants and pumping stations to help sustain the groundwater basins; and, planning for and constructing related facilities. Funding for these activities is presented in this chapter's financial statements and described in the paragraphs below.

Revenue

Revenue for the Water Utility Enterprise Funds is derived from treated, surface and recycled water sales; groundwater production charges; capital reimbursements; federal, state, and local grants; interest earnings; ad valorem taxes; and State Water Project (SWP) taxes as provided by law. Estimated total revenue for FY 2025-26 is $474.2 million ($445.2 million for Fund 61 and $29.0 million for Fund 63), or 5.9% more than the FY 2024-25 Adopted Budget. FY 2026-27 total revenue is projected at $529.6 million ($500.6 million for Fund 61 and $29.0 million for Fund 63), or an increase of 11.7% from FY 2025-26.

The approved FY 2025-26 water charges will generate $423.3 million in revenues from groundwater production charges and the sale of treated, recycled and surface water totaling 219,000 acre-feet of usage, which is a 5.7% increase in revenue versus the FY 2024-25 Adopted Budget. This revenue estimate also accounts for water rate increases of 9.9% in North County Zone W-2, 7.9% in South County Zone W-5, 11.2% in Zone W-7, and 8.0% in Zone W-8. Rate increases are primarily necessary to cover the notable capital investments Valley Water is making to ensure the safety and reliability of water for residents. Rates maintain the same level of increases year over year in FY 2026-27. Due to these rate increases and an estimated water usage of 224,000 acre-feet, water revenue for FY 2026-27 is expected to grow by approximately $54.4 million, totaling $477.8 million. More information on groundwater charges is found later in this chapter and in the FY 2025-26 Protection and Augmentation of Water Supplies Report.

Property taxes for the Water Utility Enterprise are the second largest source of funds for FY 2025-26. They total an estimated $39.9 million, of which $28.0 million is for State Water Project (SWP) taxes accounted for in the SWP Fund (Fund 63) and used to fund water purchases from the State Water Project, and the remaining $11.9 million are ad valorem property taxes recorded in the Water Utility Enterprise Fund (Fund 61) for general use. In FY 2026-27, combined property taxes are projected to increase 0.6% to $40.1 million. Capital reimbursements of $0.7 million in FY 2025-26 and $0.8 million in FY 2026-27 are from the San Benito County Water District (SBCWD) for small capital improvements on the shared San Felipe Division Reach 1 (SFDR1).

Interest, intergovernmental services and other operating and non-operating revenues round out Water Utility Enterprise proceeds at $10.3 million in FY 2025-26. For FY 2026-27, budgeted levels increase by $0.7 million primarily due to higher rate of interest earnings on investments.

Operating Budget

Operating costs (excluding debt service) for FY 2025-26 are expected to be $269.6 million for both funds. This represents a $1.2 million increase, or 0.4%, from the FY 2024-25 Adopted Budget. The increase is primarily attributable to $10.2 million for water purchases to match 10-year average historical acquisition levels, professional and technical services, equipment and maintenance for infrastructure, water conservation rebates to work toward the Water Master Plan conservation goals, and various services and supplies. Other increases include $5.3 million for salaries, benefits and overhead. These increases are offset by a reduction of $14.3 million in cost sharing, such as discontinuing participation in Los Vaqueros, a decrease in Delta conveyance gap funding estimates, the fully allocated GP5 project, and the revised estimates for participation in Sisk Dam Raise.

The FY 2026-27 Budget increases to $284.4 million, an increase of $14.8 million compared to FY 2025-26. The largest increase is $11.1 million for salaries, benefits and overhead, $5.0 million for cost sharing for the Delta Conveyance Gap Funding and the start of the construction and debt payments for the Sisk Dam Raise project, $2.7 million for water purchases reflecting the increase costs of the State Water Project purchases and water banking, offset by a reduction of $4.0 million for services, equipment and supplies, including lower anticipated need for chemicals reflecting the Penitencia Water Treatment Plant partial year shut down.

The cost of contractually obligated water purchases from federal and state water projects in FY 2025-26 and FY 2026-27 continue to be the largest Water Utility Enterprise expense at $18.8 million and $32.5 million, respectively. In addition to operating budget water expenses, the capital budget also includes $12.8 million to pay Valley Water's capital cost obligations for the federal San Felipe Division of the Central Valley Project.

Debt Service Budget

To fund the construction of new facilities, Valley Water historically relies on both pay-as-you-go financing as well as short-term and long-term debt financing. Water utility debt service will increase by roughly $10.8 million in FY 2025-26 to $98.4 million, and by an additional $16.3 million in FY 2026-27 to $114.7 million. The debt service coverage ratio is projected to remain above the minimum target of 2.0 or higher to help ensure financial stability and continued high credit ratings.

Capital Budget

In FY 2025-26, capital projects are budgeted at $312.0 million and capital carryforward is estimated at $62.9 million bringing total planned capital spending to $374.9 million. This is a $49.8 million increase, or 15.3%, from the prior year. This fiscal year has significant investments in our Water Treatment Plants including the construction of new facilities at the Rinconada Water Treatment Plant and the enhancements to the Penitencia Water Treatment Plant. Anderson Dam projects also have significant funding for continued construction on the Anderson Dam Tunnel and completing design and awarding the contract for the Anderson Dam Seismic Retrofit Project. Finally, pipelines continue to be a top funding priority to continue to ensure the quality, safety and delivery of water through the Santa Clara Valley. For FY 2026-27, $430.7 million in planned funding is anticipated with an additional capital carryforward of $2.8 million for a total planned budget of $433.5 million. More information about Valley Water's Capital Program can be found in the FY 2026-30 Capital Improvement Program.

Debt Financing and Interfund Transfers

Staff is planning debt issuances in FY 2025-26 of $220.2 million and in FY 2026-27 of $330.4 million to help finance critical investments in major water supply infrastructure projects.

For FY 2025-26, interfund transfers into the Water Utility Enterprise Fund total $7.6 million including $6.4 million from the Safe Clean Water Fund for the Anderson Dam Seismic Retrofit Project, and $1.2 million for conservation programs. Transfers out total $11.7 million including $4.0 million to the Safe Clean Water Fund for the IRP2 Add Valve lines project, $3.2 million for the IT Disaster Recover and the Security Upgrades project, $2.4 million for the Headquarter Operations Building project, and $2.1 million for IT equipment. Transfers in planned for FY 2026-27 total $11.7 million to contribute to funding of $6.5 million for the Anderson Dam Seismic Retrofit Project, $4.0 million for the Open Space Credit, and $1.2 million for the conservation programs. Transfers out to other funds total $18.0 million including $5.2 million for ERP replacement, $4.0 million for the Safe Clean Water Fund for the IRP2 Add Valve Lines, $3.2 million for the Headquarter Operations Building project, $3.0 for IT equipment, and finally $2.6 million for the Security Upgrades and Enhancements project.

Reserves

Total FY 2025-26 ending reserves for both funds (Fund 61 and 63) are projected to be $158.4 million, an increase of $47.5 million relative to the FY 2024-25 Adopted Budget. Having recovered from the drought, this budget reflects an effort to restore the Water Supply Reserve and the Drought Reserve from $5.3 million to $9.7 million in FY 2025-26 and to $16.1 in the following fiscal year. For FY 2026-27, reserves are projected to continue to increase by $21.1 million to $179.5 million.

Significant Business Challenges/Opportunities

The Water Utility Enterprise faces the following major challenges and opportunities in the upcoming year in its efforts to ensure a reliable, safe, and affordable water supply for current and future generations in all communities served.

- Operating raw and treated water systems based on water supply needs and constraints including the outage of Valley Water's largest reservoir, Anderson. This includes adapting to dynamic changes in local rainfall, imported water allocations, regulations, and water use to deliver safe, clean drinking water and ensure continued sustainable groundwater supplies.
- Continuing to advance the design, permitting and construction of the Anderson Dam Seismic Retrofit Project, and comply with a Federal Energy Regulatory Commission directive received on February 20, 2020.
- In conjunction with the San Benito County Water District and Pacheco Pass Water District, continuing to explore the possibility of expanding the existing Pacheco Reservoir on the North Fork Pacheco Creek in south-east Santa Clara County. The Project is envisioned to expand the 5,500 acre-foot reservoir to 140,000 acre-feet, thereby increasing water reliability by reducing the frequency and severity of water shortages, increasing emergency water supplies, improving water quality, providing flood protection for disadvantaged communities, and protecting and growing the native steelhead fish population.
- Ensuring construction of Phase 3-6 of the Rinconada Water Treatment Plant Reliability Improvement Project continues successfully on schedule while operating the plant to continue serving water that meets all state water quality standards.
- Continuing to deliver treated water that meets or surpasses all drinking water standards under supply chain and source water quality challenges.
- Developing necessary direct potable reuse implementation project agreements with the cities of San José and Santa Clara, seeking external funding opportunities, and beginning Phase 1 of the San José Purified Water Project (Demonstration Facility).
- Continuing to develop and implement water recycling agreements with other wastewater agency partners to develop and enhance long-term supply reliability.
- Continuing to participate in multi-agency partnerships for the B.F. Sisk Dam Raise Project, Delta Conveyance Project, and Sites Reservoir Project, to ensure that each project's benefits merit Valley Water investment.
- Continuing to pursue and assess suitable, cost-effective groundwater banking projects to bolster water supply reliability and diversify resources to meet our future needs.
- Completing the Water Supply Master Plan 2050 to guide the Board's investment in water supply and infrastructure projects.
- Adapting and expanding conservation programs to make water a conservation way of life and achieve the Board's long-term water conservation targets adopted as part of the Water Supply Master Plan.
- Decommissioning inactive canals.
- Continuing PFAS, microplastics, golden mussel monitoring and surveillance along with continued coordination with retailers, regulators and stakeholders.
- Continuing to negotiate with suppliers of long lead items to commit to accurate delivery times to be able to install during planned outage windows.
- Managing impacts of tariffs on imported goods.

Groundwater Production Charges

Valley Water's groundwater production charges are the primary source of funding for the Water Utility Enterprise. They pay for activities that benefit groundwater benefit zones. Valley Water levies two groundwater production charges, one for Municipal and Industrial (M&I) use, and one for Agricultural use. The FY 2025-26 Budget includes a North County (Zone W-2) M&I groundwater production charge of $2,450 per acre-foot (AF) that reflects a 9.9% increase from FY 2024-25 Adopted Budget. A 9.4% increase to contract treated water charges, or $2,565 per AF, and a 9.1% increase to non-contract treated water, or $2,650 per AF, also are included in this budget. In FY 2026-27, the Zone W-2 M&I rate also reflects a 9.9% increase, a 9.4% increase for contract treated water charges and a 9.1% increase for non-contract treated water charges when compared to FY 2025-26.

Maintaining the contract treated water surcharge at $115 per AF in both FY 2025-26 and FY 2026-27 is in alignment with the cost that retailers would incur to treat and deliver water pumped from their own wells. The non-contract surcharge remains at $200 per AF in both FY 2025-26 and FY 2026-27. The average household in Zone W-2 would experience an increase in their monthly bill of around $7.60 in FY 2025-26. Customers may also experience additional charge increases enacted by their retail water provider.

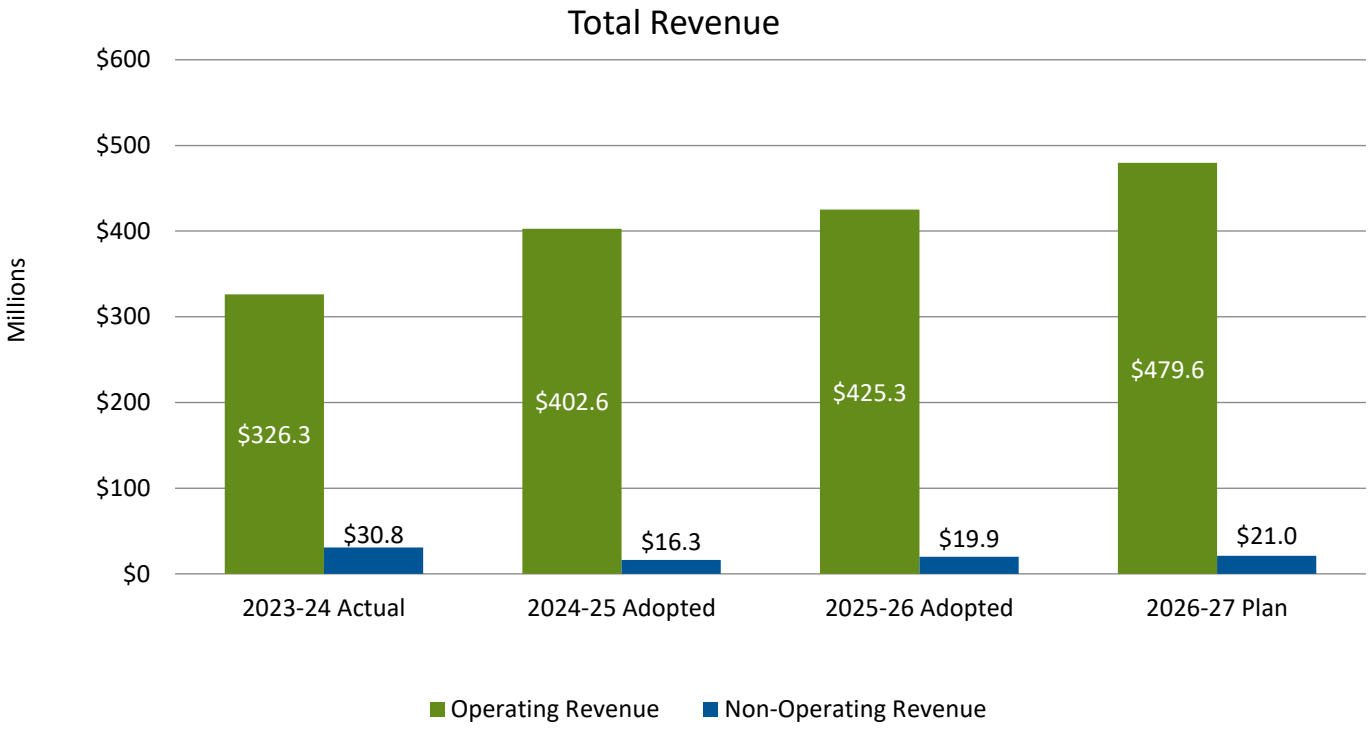
The FY 2025-26 Budget also includes groundwater production charges for the South County region. The Llagas Subbasin (Zone W-5) M&I groundwater production charge reflects a 7.9% increase over the prior year, or $624.50 per AF. The average household in this zone would experience an increase in their monthly bill of $1.58. The Coyote Valley (Zone W-7) M&I groundwater production charge reflects an 11.2% increase from the prior year, or $834.50 per AF. The average household in this zone would experience an increase in their monthly bill of $2.89. For residents and customers in the foothills below the Uvas and Chesbro Reservoirs (Zone W-8), the groundwater production charge reflects an 8.0% increase over the prior year, or $464.00 per AF. The average household in this zone would experience an increase in their monthly bill of $1.18. For all zones in the South County region (W-5, W-7 and W-8), the rate increase projected for FY 2026-27 is the same as FY 2025-26.

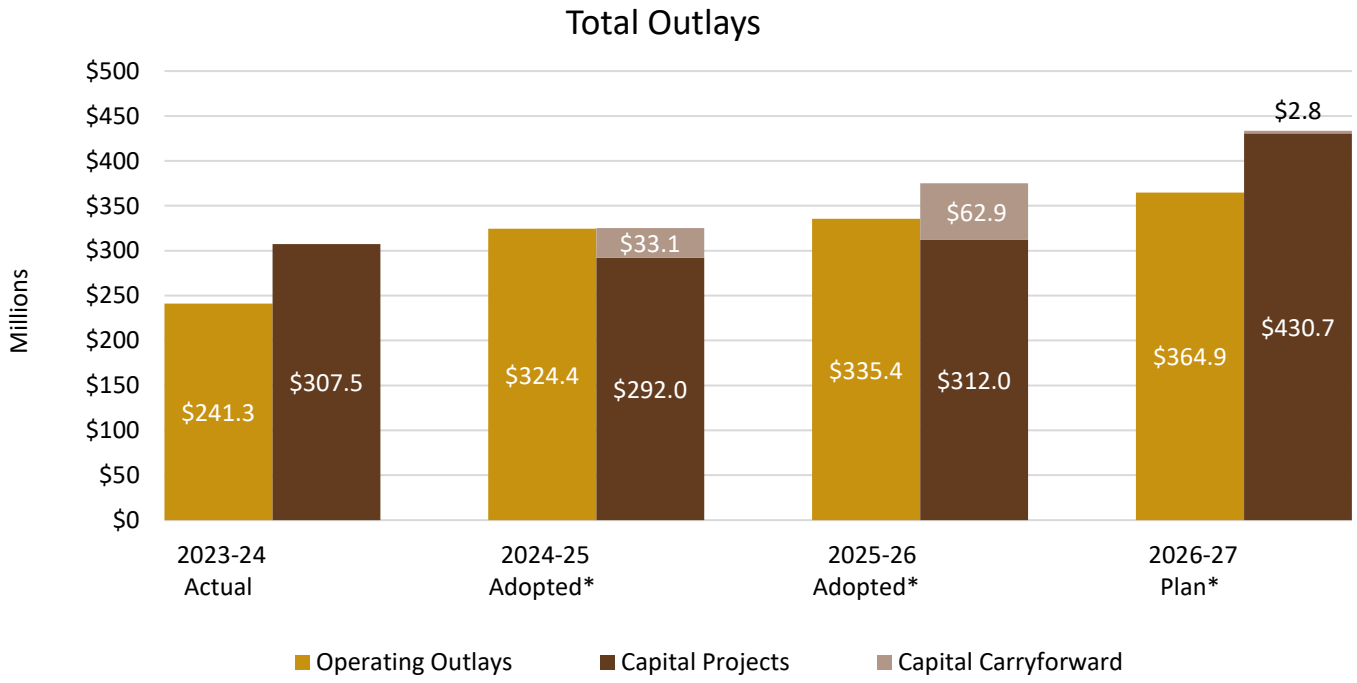
The agricultural groundwater production charge in any groundwater benefit zone for FY 2025-26 is $43.00 per AF. The agricultural groundwater production charge is usually calculated at or below 10% of the lowest M&I charge which is Zone W-8. This methodology is anticipated to be followed for FY 2026-27. The surface water master charge increased 9.9% from $61.00 per AF to $67.00 per AF in FY 2025-26 to help align revenues with the costs related to managing, operating and billing for surface water diversions. A rate increase of 9.9% is projected for FY 2026-27.

For recycled water in FY 2025-26, the M&I charge increased 8.1% to $604.50 per AF. Agricultural recycled water increased 4.6% to $73.35 per AF. These charges maximize cost recovery while concurrently providing an economic incentive to use recycled water. Rate increases for FY 2026-27 are also expected to be the same as FY 2025-26.

The FY 2025-26 water use estimate of 219,000 AF represents a 3,000 AF decrease, or 1.4%, compared to the FY 2024-25 adopted water budget usage amount of 222,000 AF which reflects a slight reduction when compared to the budgeted amount for FY 2024-25. The FY 2026-27 water use estimate increases to 224,000 AF, based on the assumption that water use will continue to rebound to below pre-drought levels over time.

Water Utility Enterprise Fund (Fund 61)





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

Water Utility Enterprise Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 148,743,728	$ 184,722,000	$ 176,252,000	$ 200,333,000	$ 15,611,000	8.5%
Treated Water Charges	169,632,794	211,703,000	211,703,000	220,403,000	8,700,000	4.1%
Surface & Recycled Water Charges	2,261,406	4,040,000	4,040,000	2,582,000	(1,458,000)	-36.1%
Intergovernmental Services	5,184,126	1,687,880	1,662,880	1,493,295	(194,585)	-11.5%
Operating Other	447,000	471,488	496,488	496,488	25,001	5.3%
Total Operating Revenue	**$ 326,269,054**	**$ 402,624,368**	**$ 394,154,368**	**$ 425,307,783**	**$ 22,683,416**	**5.6%**
Non-Operating Revenue						
Property Tax	$ 11,045,199	$ 11,163,000	$ 11,456,000	$ 11,871,000	$ 708,000	6.3%
Capital Reimbursements	3,543,901	456,000	4,345,000	684,000	228,000	50.0%
Interest Income *	15,089,997	4,340,000	6,280,000	7,066,000	2,726,000	62.8%
Non-Operating Other	1,101,315	339,404	339,404	229,670	(109,734)	-32.3%
Total Non-Operating Revenue	**$ 30,780,412**	**$ 16,298,404**	**$ 22,420,404**	**$ 19,850,670**	**$ 3,552,266**	**21.8%**
TOTAL REVENUE	**$ 357,049,466**	**$ 418,922,772**	**$ 416,574,773**	**$ 445,158,453**	**$ 26,235,682**	**6.3%**
OUTLAYS						
Operating Outlays						
Operations **	$ 182,680,243	$ 236,345,481	$ 272,203,621	$ 236,558,551	$ 213,070	0.1%
Operating Project	465,807	445,240	445,240	452,787	7,547	1.7%
Debt Service	58,127,295	87,604,612	87,604,612	98,411,311	10,806,699	12.3%
Total Operating Outlays	**$ 241,273,346**	**$ 324,395,333**	**$ 360,253,473**	**$ 335,422,649**	**$ 11,027,316**	**3.4%**
Capital Outlays						
Capital Projects	$ 307,492,837	$ 292,016,896	$ 320,248,113	$ 312,004,684	$ 19,987,789	6.8%
Carry Forward Capital Projects	-	33,055,148	-	62,902,860	29,847,712	90.3%
Total Capital Outlays	**$ 307,492,837**	**$ 325,072,044**	**$ 320,248,113**	**$ 374,907,544**	**$ 49,835,501**	**15.3%**
TOTAL OUTLAYS	**$ 548,766,183**	**$ 649,467,376**	**$ 680,501,586**	**$ 710,330,193**	**$ 60,862,817**	**9.4%**
OTHER FINANCING SOURCES/(USES)						
Debt proceeds	$ 173,600,000	$ 236,311,001	$ 236,311,001	$ 220,217,267	$ (16,093,734)	-6.8%
Transfers In	1,092,727	11,428,122	11,428,122	7,606,274	(3,821,848)	-33.4%
Transfers Out	(3,926,700)	(8,271,800)	(10,844,247)	(11,683,496)	(3,411,696)	41.2%
TOTAL OTHER SOURCES/(USES)	**$ 170,766,027**	**$ 239,467,323**	**$ 236,894,876**	**$ 216,140,045**	**$ (23,327,278)**	**-9.7%**
BALANCE AVAILABLE	**$ (20,950,691)**	**$ 8,922,718**	**$ (27,031,938)**	**$ (49,031,695)**	**$ (57,954,413)**	**-649.5%**

Water Utility Enterprise Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 6,066,971	$ 19,996,328	$ 20,571,906	$ 40,504,668	$ 20,508,340	102.6%
WUE San Felipe Emergency Reserve	3,651,454	3,580,832	3,701,454	3,751,454	170,622	4.8%
WUE Supplemental Water Supply Reserve	5,277,000	5,277,000	5,277,000	8,677,000	3,400,000	64.4%
WUE SVAWPC Reserve	1,292,735	-	-	-	-	0.0%
WUE Drought Reserve	-	-	-	1,000,000	1,000,000	0.0%
WUE Guiding Principle #5 (GP5) Reserve	25,813,404	-	-	-	-	0.0%
Total Restricted Reserves	**$ 42,101,564**	**$ 28,854,160**	**$ 29,550,360**	**$ 53,933,122**	**$ 25,078,962**	**86.9%**
Committed Reserves						
WUE San Jose Water Purification Reserve	$ 1,000,000	$ -	$ -	$ -	$ -	0.0%
Currently Authorized Projects Reserve***	97,080,427	9,770,707	80,569,594	17,666,735	7,896,028	80.8%
Excess ERAF Contingency Reserve	-	589,988	500,893	615,193	25,205	4.3%
Operating and Capital Reserve	82,663,857	62,727,361	85,193,063	74,567,165	11,839,804	18.9%
Total Committed Reserves	**$ 180,744,284**	**$ 73,088,056**	**$ 166,263,550**	**$ 92,849,093**	**$ 19,761,037**	**27.0%**
TOTAL YEAR-END RESERVES	**$ 222,845,848**	**$ 101,942,216**	**$ 195,813,910**	**$ 146,782,215**	**$ 44,839,999**	**44.0%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 69,470,773	$ 73,186,911	$ 73,186,911	$ 76,556,701	$ 3,369,790	4.6%
Salary Savings Factor	-	(1,110,050)	(1,110,050)	(752,323)	357,727	-32.2%
Services & Supplies	70,703,185	119,693,368	155,551,508	114,623,020	(5,070,347)	-4.2%
Intra-District Charges	42,972,092	45,020,493	45,020,493	46,583,940	1,563,447	3.5%
OPERATING OUTLAY TOTAL	**$ 183,146,051**	**$ 236,790,721**	**$ 272,648,861**	**$ 237,011,338**	**$ 220,617**	**0.1%**
DEBT SERVICE						
Services & Supplies	$ 909,183	$ 3,834,100	$ 3,834,100	$ 4,520,320	$ 686,220	17.9%
Debt Service	57,218,112	83,770,512	83,770,512	93,890,991	10,120,479	12.1%
DEBT SERVICE TOTAL	**$ 58,127,295**	**$ 87,604,612**	**$ 87,604,612**	**$ 98,411,311**	**$ 10,806,699**	**12.3%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 31,947,117	$ 36,532,079	$ 37,419,079	$ 33,617,155	$ (2,914,924)	-8.0%
Salary Savings Factor	-	(580,627)	(580,627)	(347,530)	233,098	-40.1%
Services & Supplies	255,757,655	233,298,076	260,642,293	258,014,111	24,716,036	10.6%
Carry Forward Capital Projects	-	33,055,148	-	62,902,860	29,847,712	90.3%
Intra-District Charges	19,788,065	22,767,368	22,767,368	20,720,948	(2,046,421)	-9.0%
CAPITAL PROJECTS TOTAL	**$ 307,492,837**	**$ 325,072,044**	**$ 320,248,113**	**$ 374,907,544**	**$ 49,835,501**	**15.3%**
TOTAL OUTLAYS	**$ 548,766,183**	**$ 649,467,376**	**$ 680,501,586**	**$ 710,330,193**	**$ 60,862,817**	**9.4%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

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

Water Utility Enterprise Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
REVENUE						
Operating Revenue						
Groundwater Production Charges	$ 148,743,728	$ 184,722,000	$ 200,333,000	$ 232,697,000	$ 32,364,000	16.2%
Treated Water Charges	169,632,794	211,703,000	220,403,000	242,243,000	21,840,000	9.9%
Surface & Recycled Water Charges	2,261,406	4,040,000	2,582,000	2,825,000	243,000	9.4%
Intergovernmental Services	5,184,126	1,687,880	1,493,295	1,364,295	(129,000)	-8.6%
Operating Other	447,000	471,488	496,488	496,488	-	0.0%
Total Operating Revenue	**$ 326,269,054**	**$ 402,624,368**	**$ 425,307,783**	**$ 479,625,783**	**$ 54,318,000**	**12.8%**
Non-Operating Revenue						
Property Tax	11,045,199	$ 11,163,000	$ 11,871,000	$ 12,122,000	$ 251,000	2.1%
Capital Reimbursements	$ 3,543,901	456,000	684,000	800,000	116,000	17.0%
Interest Income *	15,089,997	4,340,000	7,066,000	7,851,000	785,000	11.1%
Non-Operating Other	1,101,315	339,404	229,670	238,954	9,284	4.0%
Total Non-Operating Revenue	**$ 30,780,412**	**$ 16,298,404**	**$ 19,850,670**	**$ 21,011,954**	**$ 1,161,284**	**5.9%**
TOTAL REVENUE	**$ 357,049,466**	**$ 418,922,772**	**$ 445,158,453**	**$ 500,637,737**	**$ 55,479,285**	**12.5%**
OUTLAYS						
Operating Outlays						
Operations **	$ 182,680,243	$ 236,345,481	$ 236,558,551	$ 249,645,041	$ 13,086,491	5.5%
Operating Project	465,807	445,240	452,787	552,001	99,214	21.9%
Debt Service	58,127,295	87,604,612	98,411,311	114,711,187	16,299,876	16.6%
Total Operating Outlays	**$ 241,273,346**	**$ 324,395,333**	**$ 335,422,649**	**$ 364,908,229**	**$ 29,485,580**	**8.8%**
Capital Outlays						
Capital Projects	$ 307,492,837	$ 292,016,896	$ 312,004,684	$ 430,713,044	$ 118,708,360	38.0%
Carry Forward Capital Projects	-	33,055,148	62,902,860	2,822,659	(60,080,201)	-95.5%
Total Capital Outlays	**$ 307,492,837**	**$ 325,072,044**	**$ 374,907,544**	**$ 433,535,703**	**$ 58,628,159**	**15.6%**
TOTAL OUTLAYS	**$ 548,766,183**	**$ 649,467,376**	**$ 710,330,193**	**$ 798,443,932**	**$ 88,113,739**	**12.4%**
OTHER FINANCING SOURCES/(USES)						
Debt proceeds	$ 173,600,000	$ 236,311,001	$ 220,217,267	$ 330,396,588	$ 110,179,321	50.0%
Transfers In	1,092,727	11,428,122	7,606,274	11,721,650	4,115,376	54.1%
Transfers Out	(3,926,700)	(8,271,800)	(11,683,496)	(18,017,339)	(6,333,843)	54.2%
TOTAL OTHER SOURCES/(USES)	**$ 170,766,027**	**$ 239,467,323**	**$ 216,140,045**	**$ 324,100,899**	**$ 107,960,854**	**49.9%**
BALANCE AVAILABLE	**$ (20,950,691)**	**$ 8,922,718**	**$ (49,031,695)**	**$ 26,294,704**	**$ 75,326,399**	**-153.6%**

Water Utility Enterprise Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
YEAR-END RESERVES						
Restricted Reserves						
WUE Rate Stabilization Reserve	$ 6,066,971	$ 19,996,328	$ 40,504,668	$ 44,725,459	$ 4,220,791	10.4%
WUE San Felipe Emergency Reserve	3,651,454	3,580,832	3,751,454	3,801,454	50,000	1.3%
WUE Supplemental Water Supply Reserve	5,277,000	5,277,000	8,677,000	12,077,000	3,400,000	39.2%
WUE SVAWPC Reserve	1,292,735	-	-	-	-	0.0%
WUE Drought Reserve	-	-	1,000,000	4,000,000	3,000,000	300.0%
WUE Guiding Principle #5 (GP5) Reserve	25,813,404	-	-	-	-	0.0%
Total Restricted Reserves	**$ 42,101,564**	**$ 28,854,160**	**$ 53,933,122**	**$ 64,603,913**	**$ 10,670,791**	**19.8%**
Committed Reserves						
WUE San Jose Water Purification Reserve	$ 1,000,000	$ -	$ -	$ -	$ -	0.0%
Currently Authorized Projects Reserve***	97,080,427	9,770,707	17,666,735	14,844,076	(2,822,659)	-16.0%
Excess ERAF Contingency Reserve	-	589,988	615,193	729,493	114,300	18.6%
Operating and Capital Reserve	82,663,857	62,727,361	74,567,165	92,899,438	18,332,272	24.6%
Total Committed Reserves	**$ 180,744,284**	**$ 73,088,056**	**$ 92,849,093**	**$ 108,473,007**	**$ 15,623,913**	**16.8%**
TOTAL YEAR-END RESERVES	**$ 222,845,848**	**$ 101,942,216**	**$ 146,782,215**	**$ 173,076,920**	**$ 26,294,704**	**17.9%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 69,470,773	$ 73,186,911	$ 76,556,701	$ 81,769,288	$ 5,212,587	6.8%
Salary Savings Factor	-	(1,110,050)	(752,323)	(792,732)	(40,409)	5.4%
Services & Supplies	70,703,185	119,693,368	114,623,020	116,704,234	2,081,214	1.8%
Intra-District Charges	42,972,092	45,020,493	46,583,940	52,516,253	5,932,312	12.7%
OPERATING OUTLAY TOTAL	**$ 183,146,051**	**$ 236,790,721**	**$ 237,011,338**	**$ 250,197,042**	**$ 13,185,704**	**5.6%**
DEBT SERVICE						
Services & Supplies	$ 909,183	$ 3,834,100	$ 4,520,320	$ 3,240,320	$ (1,280,000)	-28.3%
Debt Service	57,218,112	83,770,512	93,890,991	111,470,867	17,579,876	18.7%
DEBT SERVICE TOTAL	**$ 58,127,295**	**$ 87,604,612**	**$ 98,411,311**	**$ 114,711,187**	**$ 16,299,876**	**16.6%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 31,947,117	$ 36,532,079	$ 33,617,155	$ 35,397,517	$ 1,780,362	5.3%
Salary Savings Factor	-	(580,627)	(347,530)	(361,281)	(13,751)	4.0%
Services & Supplies	255,757,655	233,298,076	258,014,111	372,759,015	114,744,903	44.5%
Carry Forward Capital Projects	-	33,055,148	62,902,860	2,822,659	(60,080,201)	-95.5%
Intra-District Charges	19,788,065	22,767,368	20,720,948	22,917,793	2,196,845	10.6%
CAPITAL PROJECTS TOTAL	**$ 307,492,837**	**$ 325,072,044**	**$ 374,907,544**	**$ 433,535,703**	**$ 58,628,159**	**15.6%**
TOTAL OUTLAYS	**$ 548,766,183**	**$ 649,467,376**	**$ 710,330,193**	**$ 798,443,932**	**$ 88,113,739**	**12.4%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

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

Water Utility Water Charge Summary

Rate per Acre-Foot ($/AF)	Adopted 2022-23	Adopted 2023-24	Adopted 2024-25	Adopted 2025-26	Projected [1] 2026-27
Basic User / Groundwater Production Charge					
Non-Agricultural					
Zone W-2	$ 1724.00	$ 1974.00	$ 2229.00	$ 2450.00	$ 2693.00
Zone W-5	513.00	543.50	579.00	624.50	673.50
Zone W-7	582.50	657.50	750.50	834.50	927.50
Zone W-8	368.50	398.00	430.00	464.00	501.00
Agricultural					
All Zones	$ 36.85	$ 36.85	$ 39.80	$ 43.00	$ 46.00
Surface Water[2]					
Surface Water Master Charge	$ 47.10	$ 54.00	$ 61.00	$ 67.00	$ 74.00
Total Surface Water Charge[2]					
All Zones Agricultural	$ 83.95	$ 90.85	$ 100.80	$ 110.00	$ 120.00
Zone W-2 Non-Agricultural	1771.10	2028.00	2290.00	2517.00	2767.00
Zone W-5 Non-Agricultural	560.10	597.50	640.00	691.50	747.50
Zone W-7 Non-Agricultural	629.60	711.50	811.50	901.50	1001.50
Zone W-8 Non-Agricultural	415.60	452.00	491.00	531.00	575.00
Treated Water					
Contract (Scheduled)[3]	$ 1839.00	$ 2089.00	$ 2344.00	$ 2565.00	$ 2808.00
Non-Contract[4]	1924.00	2174.00	2429.00	2650.00	2893.00
Recycled Water					
Gilroy Recycled Facility					
Agricultural	$ 64.25	$ 67.20	$ 70.15	$ 73.35	$ 76.35
Non-Agricultural	493.00	523.50	559.00	604.50	653.50

1. Water charges are adopted by the Board annually. The projected FY 2026-27 water charges are the best current estimate and may change based on developing circumstances throughout the coming fiscal year.

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

3. The total treated water contract charge is the sum of the basic user charge for Zone W-2 (which equals the groundwater production charge) plus the contract surcharge ($115/AF).

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

Water Utility Enterprise Cost Center Combined Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
SOURCE OF SUPPLY						
Operations	$ 103,678,876	$ 151,264,944	$ 185,373,084	$ 147,620,050	$ (3,644,894)	-2.4%
Capital	202,462,414	162,745,893	173,526,911	111,961,024	(50,784,869)	-31.2%
Total	**$ 306,141,290**	**$ 314,010,836**	**$ 358,899,995**	**$ 259,581,074**	**$ (54,429,763)**	**-17.3%**
RAW WATER TRANSMISSION AND DISTRIBUTION						
Operations	$ 20,835,814	$ 18,901,768	$ 19,401,768	$ 20,183,003	$ 1,281,235	6.8%
Capital	3,425,144	6,730,559	6,794,559	5,986,699	(743,860)	-11.1%
Total	**$ 24,260,958**	**$ 25,632,327**	**$ 26,196,327**	**$ 26,169,702**	**$ 537,375**	**2.1%**
WATER TREATMENT						
Operations	$ 52,037,575	$ 54,882,640	$ 55,882,640	$ 57,580,477	$ 2,697,837	4.9%
Capital	52,687,454	84,153,244	85,111,244	149,210,884	65,057,640	77.3%
Total	**$ 104,725,029**	**$ 139,035,884**	**$ 140,993,884**	**$ 206,791,361**	**$ 67,755,477**	**48.7%**
TREATED WATER TRANSMISSION AND DISTRIBUTION						
Operations	$ 2,919,500	$ 3,074,565	$ 3,074,565	$ 3,517,754	$ 443,189	14.4%
Capital	556,794	2,360,478	2,360,478	2,822,715	462,237	19.6%
Total	**$ 3,476,294**	**$ 5,435,043**	**$ 5,435,043**	**$ 6,340,469**	**$ 905,426**	**16.7%**
ADMINISTRATION & GENERAL						
Operations	$ 33,533,478	$ 39,783,635	$ 40,033,635	$ 40,197,062	$ 413,428	1.0%
Operating Projects	465,807	445,240	445,240	452,787	7,547	1.7%
Debt	58,127,295	87,604,612	87,604,612	98,411,311	10,806,699	12.3%
Capital	48,361,032	36,026,721	35,943,721	42,023,362	5,996,641	16.6%
Total	**$ 140,487,612**	**$ 163,860,208**	**$ 164,027,208**	**$ 181,084,523**	**$ 17,224,315**	**10.5%**
TOTAL WATER ENTERPRISE FUND	**$ 579,091,183**	**$ 647,974,298**	**$ 695,552,457**	**$ 679,967,129**	**$ 31,992,831**	**4.9%**
Carried Forward Capital Projects	$ -	$ 33,055,148	$ 16,511,200	$ 62,902,860	$ 29,847,712	90.3%
TOTAL FUND WITH CARRYFORWARD	**$ 579,091,183**	**$ 681,029,446**	**$ 712,063,657**	**$ 742,869,989**	**$ 61,840,542**	**9.1%**
FUND SUMMARY BY CATEGORY						
Operations	$ 213,005,243	$ 267,907,551	$ 303,765,691	$ 269,098,346	$ 1,190,795	0.4%
Operating Projects	465,807	445,240	445,240	452,787	7,547	1.7%
Debt	58,127,295	87,604,612	87,604,612	98,411,311	10,806,699	12.3%
Capital	307,492,837	292,016,896	303,736,914	312,004,684	19,987,789	6.8%
Carried Forward Capital Projects	-	33,055,148	16,511,200	62,902,860	29,847,712	90.3%
TOTAL WATER ENTERPRISE FUND	**$ 579,091,183**	**$ 681,029,446**	**$ 712,063,657**	**$ 742,869,989**	**$ 61,840,542**	**9.1%**

Water Utility Enterprise Cost Center Combined Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
SOURCE OF SUPPLY						
Operations	$ 103,678,876	$ 151,264,944	$ 147,620,050	$ 155,658,926	$ 8,038,876	5.4%
Capital	202,462,414	162,745,893	111,961,024	221,027,558	109,066,534	97.4%
Total	**$ 306,141,290**	**$ 314,010,836**	**$ 259,581,074**	**$ 376,686,485**	**$ 117,105,410**	**45.1%**
RAW WATER TRANSMISSION AND DISTRIBUTION						
Operations	$ 20,835,814	$ 18,901,768	$ 20,183,003	$ 20,688,423	$ 505,420	2.5%
Capital	3,425,144	6,730,559	5,986,699	22,346,306	16,359,607	273.3%
Total	**$ 24,260,958**	**$ 25,632,327**	**$ 26,169,702**	**$ 43,034,730**	**$ 16,865,027**	**64.4%**
WATER TREATMENT						
Operations	$ 52,037,575	$ 54,882,640	$ 57,580,477	$ 59,779,381	$ 2,198,904	3.8%
Capital	52,687,454	84,153,244	149,210,884	157,715,933	8,505,049	5.7%
Total	**$ 104,725,029**	**$ 139,035,884**	**$ 206,791,361**	**$ 217,495,315**	**$ 10,703,953**	**5.2%**
TREATED WATER TRANSMISSION AND DISTRIBUTION						
Operations	$ 2,919,500	$ 3,074,565	$ 3,517,754	$ 3,680,047	$ 162,293	4.6%
Capital	556,794	2,360,478	2,822,715	1,133,951	(1,688,764)	-59.8%
Total	**$ 3,476,294**	**$ 5,435,043**	**$ 6,340,469**	**$ 4,813,999**	**$ (1,526,471)**	**-24.1%**
ADMINISTRATION & GENERAL						
Operations	$ 33,533,478	$ 39,783,635	$ 40,197,062	$ 44,005,049	$ 3,807,986	9.5%
Operating Projects	465,807	445,240	452,787	552,001	99,214	21.9%
Debt	58,127,295	87,604,612	98,411,311	114,711,187	16,299,876	16.6%
Capital	48,361,032	36,026,721	42,023,362	28,489,294	(13,534,068)	-32.2%
Total	**$ 140,487,612**	**$ 163,860,208**	**$ 181,084,523**	**$ 187,757,530**	**$ 6,673,008**	**3.7%**
TOTAL WATER ENTERPRISE FUND	**$ 579,091,183**	**$ 647,974,298**	**$ 679,967,129**	**$ 829,788,058**	**$ 149,820,927**	**22.0%**
Carried Forward Capital Projects	**$** -	$ 33,055,148	**$** 62,902,860	$ 2,822,659	$ (60,080,201)	-95.5%
TOTAL FUND WITH CARRYFORWARD	**$ 579,091,183**	**$ 681,029,446**	**$ 742,869,989**	**$ 832,610,717**	**$ 89,740,726**	**12.1%**
FUND SUMMARY BY CATEGORY						
Operations	$ 213,005,243	$ 267,907,551	$ 269,098,346	$ 283,811,827	$ 14,713,480	5.5%
Operating Projects	465,807	445,240	452,787	552,001	99,214	21.9%
Debt	58,127,295	87,604,612	98,411,311	114,711,187	16,299,876	16.6%
Capital	307,492,837	292,016,896	312,004,684	430,713,044	118,708,358	38.0%
Carried Forward Capital Projects	-	33,055,148	62,902,860	2,822,659	(60,080,201)	-95.5%
TOTAL WATER ENTERPRISE FUND	**$ 579,091,183**	**$ 681,029,446**	**$ 742,869,989**	**$ 832,610,718**	**$ 89,740,728**	**12.1%**

Fund 61 Total Outlays - Source of Supply

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
Operations						
91041012	Water Operations Planning	629,486	726,838	665,458	678,106	Raw Water Division
91041018	Groundwater Management Program	5,878,385	6,122,538	6,744,538	7,122,454	Raw Water Division
91061012	Facilities Env Compliance	45,510	49,476	53,942	57,005	Emergency, Safety and Security
91081007	Dam Safety Program	1,951,111	1,934,714	2,971,327	2,162,581	Dam Safety and Capital Delivery
91101004	Recycled & Purified Water Prog	3,763,151	5,376,152	5,351,577	5,478,964	Water Supply Division
91111001	Water Rights	622,169	619,305	536,985	580,221	Raw Water Division
91131004	Imported Water Program	4,624,434	6,129,588	6,386,132	6,827,508	Water Supply Division
91131006	IW San Felipe Division Delvrs	17,138,756	32,419,137	27,269,976	29,818,394	Water Supply Division
91131007	IW South Bay Aqueduct Delvrs	629,085	4,531,469	7,968,181	8,207,226	Water Supply Division
91151001	Water Conservation Program	8,368,563	12,553,044	13,502,883	13,513,702	Water Supply Division
91151012	Recycld/PurifiedWaterPublicEn	953,086	1,143,509	1,253,990	1,348,277	Office of the CEA
91151013	Water Banking Operations	3,762,110	5,624,186	6,448,740	6,771,177	Water Supply Division
91151014	GP5 Reimbursement Program	–	5,307,648	–	–	Water Supply Division
91211004	San Felipe Reach 1 Operation	694,519	712,080	746,931	794,579	Raw Water Division
91211005	SFD Reach 1 Administration	3,996	11,707	8,721	9,356	Raw Water Division
91211084	San Felipe Reach1 Ctrl and Ele	269,798	353,362	383,170	409,911	Treated Water Division
91211085	SF Reach 1-Engineering - Other	372,037	408,804	980,589	437,340	Raw Water Division
91211099	San Felipe Reach 1 Gen Maint	744,784	1,078,085	1,201,967	1,277,052	Raw Water Division
91221002	San Felipe Reach 2 Operation	63,770	75,554	78,875	83,701	Raw Water Division
91221006	SF Reach 2-Engineering - Other	212,255	326,209	343,851	356,185	Raw Water Division
91221099	San Felipe Reach 2 Gen Maint	50,793	175,217	183,918	193,923	Raw Water Division
91231002	San Felipe Reach 3 Operation	99,626	138,270	339,997	348,973	Raw Water Division
91231084	San Felipe Reach3 Ctrl and Ele	331,039	213,040	255,190	271,841	Treated Water Division
91231085	SF Reach 3-Engineering - Other	469,525	393,847	464,143	472,676	Raw Water Division
91231099	San Felipe Reach 3 Gen Maint	551,628	1,377,212	1,429,233	1,517,872	Raw Water Division
91241001	Wolfe Road Recycled Water Facility	206,000	195,000	265,636	272,612	Treated Water Division
91281007	SVAWPC Facility Operations	4,069,811	4,659,245	4,546,908	4,680,915	Treated Water Division
91281008	SVAWPC Facility Maintenance	2,795,240	3,395,073	4,564,672	4,098,608	Treated Water Division
91441003	Desalination	42,729	88,758	488,298	664,538	Water Supply Division
91451002	Well Ordinance Program	2,253,676	2,747,255	2,850,164	3,153,657	Raw Water Division
91451005	Source Water Quality Mgmt	406,689	440,970	694,148	478,028	Treated Water Division
91451011	Invasive Mussel Prevention	812,088	806,191	756,140	766,643	Treated Water Division
91601001	Delta Conveyance Project	3,597,198	5,833,087	2,028,000	4,950,490	Water Supply Division
91761001	Local Res/Div Plan & Analysis	2,322,164	2,496,119	2,464,432	2,466,716	Raw Water Division
91761013	SCADA Systems Upgrades	781	–	–	–	Treated Water Division
91761099	Dams / Reservoir Gen Maint	2,888,832	3,604,237	3,757,867	4,167,645	Dam Safety and Capital Delivery
91951001	San Luis Low Point	18,745	–	–	–	Dam Safety and Capital Delivery
91261001	PaloAlto Water Reuse	250,000	4,746,000	7,846,000	7,846,000	Water Supply Division
91061008	Drought Emergency	49,955	–	–	–	Water Supply Division
91251001	Los Vaqueros Reservoir Expansion	1,410,352	4,000,000	–	–	Water Supply Division
Total Operations		**73,353,876**	**119,702,874**	**115,080,255**	**121,492,141**	

Fund 61 Total Outlays - Source of Supply

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
Capital						
91084019	Dam Safety Seismic Stability	319,676	298,688	–	22,277	Dam Safety and Capital Delivery Division
91084020	Calero-Guad Dams Seismic Retro	101,809	–	–	102,534	Dam Safety and Capital Delivery Division
91094001	Land Rights-SC Recycled Water	25,003	8,233	151,963	–	Water Utility Capital Division
91094009	SoCo Rcyld Wtr PL Short-Trm 1B	817,948	147,183	129,540	30,577	Water Utility Capital Division
91214010	Small Caps, San Felipe R1	298,877	3,110,179	2,289,091	149,235	Raw Water Division
91224010	Small Caps, San Felipe R2	256	–	–	–	Raw Water Division
91234002	Coyote Pumping Plant ASD	1,075,854	21,021,999	1,047,344	1,178,209	Water Utility Capital Division
91234010	Small Caps, San Felipe R3	563,350	1,347,254	3,166,551	458,418	Raw Water Division
91234011	Coyote Warehouse	26,311	–	–	–	Water Utility Capital Division
91854001	Almaden Dam Improvements	49,586	–	93,896	162,709	Dam Safety and Capital Delivery Division
91864005	Anderson Dam Seismic Retrofit	22,727,177	45,111,166	24,182,979	146,274,550	Dam Safety and Capital Delivery Division
91874004	Calero Dam SeisRetrfit Des&Con	2,676,116	3,016,000	6,311,916	6,462,604	Dam Safety and Capital Delivery Division
91894002	Guadalupe Dam SeisRetf Des&Con	308,375	103,834	4,027,960	1,971,105	Dam Safety and Capital Delivery Division
91954002	Pacheco Reservoir ExpansionPrj	27,594,392	–	1,426,716	11,090,332	Dam Safety and Capital Delivery Division
91864010	Cross Valley Pipeline Extension Project	1,323,987	–	–	–	Dam Safety and Capital Delivery Division
91304001	Purified Water Project	1,732,473	–	–	–	Water Supply Division
91864009	Coyote Percolation Dam Replacement	10,650,657	73,031	–	–	Watersheds Desn & Construction Division
91864008	Coyote Creek Chillers	7,639,029	554,647	337,169	–	Dam Safety and Capital Delivery Division
91154007	San Felipe Division Capital	11,954,755	12,375,300	12,810,639	13,261,292	Water Supply Division
91864007	Coyote Creek Flood Management Measures	58,130,739	31,419,088	–	–	Watersheds Desn & Construction Division
91864006	Anderson Dam Tunnel Project	53,596,629	42,425,291	42,682,090	546,012	Dam Safety and Capital Delivery Division
91094010	So. County Recycled Water	547,914	–	–	–	Water Supply Division
91854003	Almaden Calero Canal Rehab	301,502	694,000	658,539	17,538,487	Water Utility Capital Division
91864011	Coyote Percolation Dam Phase 2	–	–	4,382,926	3,337,320	Dam Safety and Capital Delivery Division
91294001	San Jose Purified Water Project - Phase 1	–	1,040,000	7,394,355	16,989,506	Water Supply Division
91884003	Coyote Dam Seismic Stability Project	–	–	867,350	1,452,393	Dam Safety and Capital Delivery Division
Total Capital		**202,462,414**	**162,745,893**	**111,961,024**	**221,027,558**	
Total		**275,816,290**	**282,448,766**	**227,041,279**	**342,519,699**	

Fund 61 Total Outlays - Raw Water Transmission and Distribution

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
Operations						
92061012	Facilities Env Compliance	81,919	89,057	97,096	102,609	Emergency, Safety and Security Division
92261099	Vasona Pump Station Gen Main	115,142	180,661	223,824	239,175	Raw Water Division
92761001	Raw Water T&D Gen'l Oper	1,939,240	2,047,232	2,103,489	2,257,400	Raw Water Division
92761008	Recycled Water T&D Genrl Maint	130,353	242,195	256,848	265,071	Raw Water Division
92761009	Recharge/RW Field Ops	4,093,543	4,069,175	4,404,034	4,605,332	Raw Water Division
92761010	Rchrg / RW Field Fac Maint	2,867,594	1,935,571	2,456,384	2,516,460	Raw Water Division
92761012	Untreated Water Prog Plan	212,744	284,811	258,360	271,929	Raw Water Division
92761013	SCADA Systems Upgrades	989	–	–	–	Treated Water Division
92761082	Raw Water T&D Ctrl and Electr	945,037	759,490	782,705	822,095	Treated Water Division
92761083	Raw Water T&D Eng Other	932,828	1,454,919	1,633,660	1,553,981	Raw Water Division
92761085	Anderson Hydrelctrc Fclty Main	12,382	19,294	20,740	22,008	Raw Water Division
92761099	Raw Water T / D Gen Maint	3,909,162	3,128,629	3,238,475	3,531,770	Raw Water Division
92781002	Raw Water Corrosion Control	785,995	699,316	726,496	748,900	Raw Water Division
92041014	FAHCE/Three Creeks Project	4,808,887	3,991,418	3,980,894	3,751,692	Watersheds Stewardship & Planning Div
Total Operations		**20,835,814**	**18,901,768**	**20,183,003**	**20,688,423**	
Capital						
92144001	Pacheco/SC Conduit ROW ACQ	217,418	227,350	54,963	39,313	Water Utility Capital Division
92264001	Vasona Pump Station Upgrade	286,275	1,169,524	1,697,620	10,333,536	Water Utility Capital Division
92304001	Almaden Valley Pipeline	1,902,016	2,128,879	3,134,116	10,873,457	Water Utility Capital Division
92764009	Small Caps, Raw Water T&D	1,019,434	3,204,807	1,100,000	1,100,000	Raw Water Division
Total Capital		**3,425,144**	**6,730,559**	**5,986,699**	**22,346,306**	
Total		**24,260,958**	**25,632,327**	**26,169,702**	**43,034,730**	

Fund 61 Total Outlays - Water Treatment

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
Operations						
93061012	Facilities Env Compliance	555,225	603,606	658,094	695,459	Emergency, Safety and Security Division
93081008	W T General Water Quality	2,666,719	2,851,478	2,274,445	2,431,166	Treated Water Division
93081009	Water Treatment Plant Engineer	237,558	458,698	532,806	454,558	Raw Water Division
93231009	PWTP General Operations	8,475,642	7,861,659	8,270,202	7,948,188	Treated Water Division
93231099	Penitencia WTP General Maint	3,211,181	3,616,353	3,586,803	3,823,932	Raw Water Division
93281005	STWTP - General Operations	6,224,844	7,859,476	8,557,479	8,928,108	Treated Water Division
93281099	Santa Teresa WTP General Maint	4,436,974	4,333,733	4,559,566	4,913,243	Raw Water Division
93291012	RWTP General Operations	10,991,956	10,899,291	11,423,748	11,826,357	Treated Water Division
93291099	Rinconada WTP General Maint	4,247,112	4,769,025	5,061,808	5,431,203	Raw Water Division
93401002	Water District Laboratory	6,887,807	7,187,527	7,756,288	8,246,703	Treated Water Division
93761001	SF/SCVWD Intertie General Ops	27,451	55,815	62,052	64,306	Treated Water Division
93761004	Campbell Well Field Operations	38,472	59,851	67,804	70,817	Treated Water Division
93761005	Campbell Well Field Maint	97,664	159,465	157,372	165,424	Raw Water Division
93761006	Treated Water Ctrl & Elec Eng	3,114,492	3,066,738	3,023,932	3,521,414	Treated Water Division
93761013	SCADA Systems Upgrades	3,123	–	–	–	Treated Water Division
93761099	SF/SCVWD Intertie Gen Maint	61,625	223,915	617,447	223,346	Raw Water Division
93081002	Plant Maintenance Engineering & Commissioning Project	759,728	876,010	970,630	1,035,157	Treated Water Division
Total Operations		**52,037,575**	**54,882,640**	**57,580,477**	**59,779,381**	
Capital						
93084004	Wtr Trtmnt Plnt Electr Imprv	578,057	672,006	648,191	6,068,402	Water Utility Capital Division
93234044	PWTP Residuals Management	1,657,177	9,395,630	15,773,101	15,923,259	Water Utility Capital Division
93284013	STWTP Filter Media Replace	3,977,792	575,660	–	–	Water Utility Capital Division
93294051	RWTP FRP Residuals Management	262,101	–	–	–	Water Utility Capital Division
93294057	RWTP Reliability Improvement	38,377,518	66,210,007	120,804,256	125,253,355	Water Utility Capital Division
93294058	RWTP Residuals Remediation	1,306,184	–	–	–	Water Utility Capital Division
93764004	Small Caps, Water Treatment	3,792,211	6,307,255	11,185,519	7,728,814	Raw Water Division
93044001	WTP Master Plan Implementation	2,699,252	516,144	272,475	–	Office of Integrated Water Management
93294059	RWTP Ammonia Storage Facility Upgrade Project	37,162	476,543	527,342	2,742,103	Water Utility Capital Division
Total Capital		**52,687,454**	**84,153,244**	**149,210,884**	**157,715,933**	
Total		**104,725,029**	**139,035,884**	**206,791,361**	**217,495,315**	

Fund 61 Total Outlays - Treated Water Transmission and Distribution

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
Operations						
94761005	TW T&D - Engineering - Other	514,390	937,920	1,076,697	1,113,711	Raw Water Division
94761013	SCADA Systems Upgrades	312	–	–	–	Treated Water Division
94761099	Treated Water T/D Gen Maint	2,009,461	1,561,113	1,695,134	1,776,641	Raw Water Division
94781001	Treated Water T/D Corrosion	395,338	575,532	745,924	789,695	Raw Water Division
Total Operations		**2,919,500**	**3,074,565**	**3,517,754**	**3,680,047**	
Capital						
94084007	Treated Water Isolation Valves	553,290	2,010,978	2,530,715	841,951	Water Utility Capital Division
94764006	Small Caps,Treated Water T&D	3,504	349,500	292,000	292,000	Raw Water Division
Total Capital		**556,794**	**2,360,478**	**2,822,715**	**1,133,951**	
Total		**3,476,294**	**5,435,043**	**6,340,469**	**4,813,999**	

Fund 61 Total Outlays - Administration and General

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
Operations						
95001090	Unscoped Projects-Budget Only	–	150,000	150,000	150,000	Office of Integrated Water Management
95011003	WU Asset Protection Support	558,494	1,318,392	1,355,577	1,446,606	Watersheds Stewardship & Planning Div
95021008	Energy Management	176,296	251,278	274,789	294,317	Treated Water Division
95031002	Grants Management	985,289	949,870	1,430,626	1,518,005	Financial Planning & Mgmt Div
95041039	Integrated Regional Water Mgmt	18,676	94,572	–	–	Water Supply Division
95061012	Rental Expense San Pedro,MH	9,813	48,161	49,794	51,371	Watersheds Stewardship & Planning Div
95061038	WUE Administration	10,685,108	11,646,046	12,194,118	12,960,396	Office of COO Water Utility
95061045	Asset Management Program	1,930,876	2,429,844	2,585,585	3,247,930	Office of Integrated Water Management
95061048	Climate Change Adaptation/Mtg.	149,278	264,848	289,275	265,268	Watersheds Stewardship & Planning Div
95061051	Lands Management Program	516,007	585,864	501,191	536,485	Watersheds Stewardship & Planning Div
95071041	Welding Services	488,646	620,074	633,349	667,473	General Services Division
95101003	Water Revenue Program	2,051,530	2,418,647	2,098,313	2,202,482	Financial Planning & Mgmt Div
95111003	Water Use Measurement	2,350,731	2,628,746	2,828,340	3,065,573	Raw Water Division
95121003	LT Financial Planning & Rate S	579,995	543,668	575,540	611,115	Financial Planning & Mgmt Div
95151002	WU Customer Relations&Outreach	813,350	1,175,564	1,229,881	1,289,513	Office of the CEA
95741001	Water Supply Planning	2,486,027	3,218,290	2,681,710	2,813,255	Water Supply Division
95741042	Water Resorcs EnvPlng & Permtg	2,733,816	2,767,818	2,431,148	2,632,262	Watersheds Operations & Maint Division
95761003	SCADA Network Administration	702,476	958,792	905,191	1,270,663	Information Technology Division
95761071	Emergency Management	1,277,876	1,448,010	1,514,981	1,610,943	Emergency, Safety and Security Division
95771011	Inter Agency Urban Runoff Prog	471,662	557,754	566,065	598,479	Watersheds Stewardship & Planning Div
95771031	HAZMAT Emergency Response	56,198	107,051	111,533	116,125	Emergency, Safety and Security Division
95811043	Hydrologic Data Msrmt & Mgmt	1,252,364	1,339,591	1,386,861	1,492,601	Watersheds Stewardship & Planning Div
95811046	Warehouse Services	520,683	791,940	727,944	772,040	General Services Division
95811049	X Valley Subsidence Survey	179,402	305,482	609,634	1,048,661	Office of Integrated Water Management
95811054	District Real Property Adminis	535,182	522,482	639,487	737,464	Watersheds Stewardship & Planning Div
95061035	Rent Exp Coyote	130,758	177,233	290,785	302,178	Watersheds Stewardship & Planning Div
95061050	Office of Integrated Water Management	1,449,565	1,921,002	2,135,346	2,303,845	Office of Integrated Water Management
95061059	Technical Training Program	423,381	542,614	–	–	Human Resources Division
Total Operations		**33,533,478**	**39,783,635**	**40,197,062**	**44,005,049**	

Fund 61 Total Outlays - Administration and General

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
Operating Project						
95762011	Tree Maintenance Program	465,807	445,240	452,787	552,001	Watersheds Operations & Maint Division
Total Operating		**465,807**	**445,240**	**452,787**	**552,001**	
Debt Service						
95993007	Commercial Paper Tax Exempt	782,528	3,721,550	4,148,160	3,715,074	Financial Planning & Mgmt Div
95993008	Commercial Paper Taxable	2,695,524	3,721,550	3,998,160	3,565,074	Financial Planning & Mgmt Div
95993015	2016A WU Ref Rev Bond(TxExmpt)	5,318,125	5,360,750	5,360,750	5,360,750	Financial Planning & Mgmt Div
95993016	2016B WU Ref Rev Bond(Taxable)	3,230,871	3,274,621	3,274,621	3,274,621	Financial Planning & Mgmt Div
95993017	WU COP 2016C (Tax-Exempt)	4,919,025	4,972,000	4,933,000	4,891,250	Financial Planning & Mgmt Div
95993018	WU COP 2016D (Taxable)	5,773,819	5,808,808	5,845,452	5,875,546	Financial Planning & Mgmt Div
95993019	WU Rev Bond 2017A (Tax Exempt)	4,381,950	4,396,500	4,447,750	4,415,750	Financial Planning & Mgmt Div
95993022	WU Rev Bond 2019A (Tax-Exempt)	993,850	1,032,750	1,033,250	1,033,000	Financial Planning & Mgmt Div
95993023	WU Rev Bond 2019B (Taxable)	4,504,998	4,545,348	4,549,160	4,550,114	Financial Planning & Mgmt Div
95993024	WU Rev Bond 2019C (Taxable)	2,995,754	3,058,192	3,000,363	3,026,624	Financial Planning & Mgmt Div
95993025	WU Rev Bond 2020A (Tax-Exempt)	1,210,250	1,251,000	1,251,000	1,251,000	Financial Planning & Mgmt Div
95993026	WU Rev Bond 2020B (Taxable)	2,035,285	2,078,285	2,078,285	2,078,285	Financial Planning & Mgmt Div
95993027	WU COP 2020C (Tax-Exempt)	3,672,200	3,665,500	3,616,000	3,564,500	Financial Planning & Mgmt Div
95993028	WU COP 2020D (Taxable)	4,847,418	4,933,840	4,983,250	5,036,710	Financial Planning & Mgmt Div
95993039	WU Rev Bond 2025A (Tax-Exempt)	–	–	8,037,958	8,878,175	Financial Planning & Mgmt Div
95993032	WU Rev Bond 2024B (Taxable)	–	5,220,908	4,110,673	5,775,673	Financial Planning & Mgmt Div
95993031	WU Rev Bond 2024A (Tax-Exempt)	–	3,730,250	5,658,250	5,283,250	Financial Planning & Mgmt Div
95993042	WU COP 2023C2 (Tax-Exempt)	3,644,962	3,693,000	3,657,500	3,654,750	Financial Planning & Mgmt Div
95993040	WU Rev Bond 2025B (Taxable)	–	–	7,799,208	8,293,010	Financial Planning & Mgmt Div
95993033	WU WIFIA Project 1 (ID 22115CA) Anderson	(16,063)	45,000	45,000	45,000	Financial Planning & Mgmt Div
95993036	WU WIFIA Project 1 (ID 20114CA) Pacheco	(28,951)	45,000	45,000	45,000	Financial Planning & Mgmt Div
95993029	WU Rev Bond 2023A (Tax-Exempt)	2,612,600	2,649,500	2,649,500	2,649,500	Financial Planning & Mgmt Div
95993044	WU Rev Bond 2024B-2 (TX NOTE)	–	45,000	1,015,970	45,000	Financial Planning & Mgmt Div
95993030	WU Rev Bond 2023B (Taxable)	4,539,414	4,571,754	4,575,304	4,576,544	Financial Planning & Mgmt Div

Fund 61 Total Outlays - Administration and General

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
95993048	WU Rev Note 2026C	–	–	170,000	2,976,825	Financial Planning & Mgmt Div
95993047	WU Rev Bond 2026B (Taxable)	–	–	170,000	7,045,038	Financial Planning & Mgmt Div
95993046	CWIFP Dam Safety#1	–	270,000	270,000	45,000	Financial Planning & Mgmt Div
95993045	WU Rev Bond 2026A (Tax-Exempt)	–	270,000	170,000	4,333,438	Financial Planning & Mgmt Div
95993038	WU Rev Bond 2024A-2 (TE NOTE)	–	6,792,506	2,574,500	45,000	Financial Planning & Mgmt Div
95993035	WU COP 2023D (Taxable)	4,775	45,000	45,000	45,000	Financial Planning & Mgmt Div
95993034	WU COP 2023C1 (Tax-Exempt)	8,962	45,000	45,000	45,000	Financial Planning & Mgmt Div
95993049	WU Rev Bond 2026D (Tax-Exempt)	–	–	170,000	4,764,938	Financial Planning & Mgmt Div
95993043	WU Rev Bond 2025C (Tax-Exempt)	–	45,000	170,000	45,000	Financial Planning & Mgmt Div
95993041	WU WIFIA Project 1 (Anderson Constr)	–	–	75,000	45,000	Financial Planning & Mgmt Div
95993037	WU Rev Bond 2024C (Tax-Exempt)	–	8,316,000	4,438,250	4,436,750	Financial Planning & Mgmt Div
Total Debt Service		**58,127,295**	**87,604,612**	**98,411,311**	**114,711,187**	
Capital						
95074001	Capital Warranty Services	330,515	–	–	–	Water Utility Capital Division
95074033	CIP Development & Admin	789,065	1,046,480	1,107,333	1,197,450	Office of Integrated Water Management
95074036	Survey Mgmt & Tech Support	244,126	353,503	458,222	476,839	Office of Integrated Water Management
95084002	10-Yr PL Inspection and Rehab	36,840,896	19,610,264	20,254,339	2,747,502	Water Utility Capital Division
95274003	WU Computer Network Modrnizatn	2,177	2,021,252	2,364,583	–	Information Technology Division
95044001	Distribution System Master Plan Implementation	1,758,262	630,577	634,154	130,497	Office of Integrated Water Management
95044002	SCADA Master Plan Implementation	349,474	49,401	509,889	211,853	Treated Water Division
95074042	Capital Project Mgmt & Controls	661,116	798,569	917,694	980,846	Office of Integrated Water Management
95074005	WU Capital Prog Admin Support	5,521,891	8,193,553	8,034,899	9,088,956	Water Utility Capital Division
95074047	Computer-Aided Design for Engineering	522,425	1,219,139	1,191,123	1,342,866	Office of Integrated Water Management
95074041	Construction Contracts and Support	1,341,083	2,098,610	1,295,895	1,674,465	General Services Division
95044004	SMPIP Upgrades - Phase 1	–	586,000	–	431,255	Office of Integrated Water Management
95084006	Santa Teresa Force Main I&R	–	–	587,000	730,000	Water Utility Capital Division
95084008	Santa Clara & Campbell Distributary	–	–	–	600,614	Water Utility Capital Division

Fund 61 Total Outlays - Administration and General

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
95084005	Penitencia Delivery and Force Main I&R	–	–	1,780,000	3,301,000	Water Utility Capital Division
95084003	Pipeline Maintenance Program	–	–	627,000	546,000	Water Utility Capital Division
95084007	Milpitas Pipeline I&R	–	–	617,000	1,205,709	Water Utility Capital Division
95084004	East Pipeline I&R	–	–	1,991,760	4,184,723	Water Utility Capital Division
Total Capital		**48,361,032**	**36,026,721**	**42,023,362**	**28,489,294**	
Total		**140,487,612**	**163,860,208**	**181,084,523**	**187,757,531**	

Fund 61 and 63 Outlays - Combined Total

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27
Outlays Summary by Account Type				
Operations				
Source of Supply	103,678,876	151,264,944	147,620,050	155,658,926
Raw Water Transmission & Distribution	20,835,814	18,901,768	20,183,003	20,688,423
Water Treatment	52,037,575	54,882,640	57,580,477	59,779,381
Treated Water Transmission & Distribution	2,919,500	3,074,565	3,517,754	3,680,047
Administration and General	33,533,478	39,783,635	40,197,062	44,005,049
Total Operations	**$213,005,243**	**$267,907,551**	**$269,098,346**	**$283,811,827**
Operating				
Administration and General	465,807	445,240	452,787	552,001
Total Operating	**$465,807**	**$445,240**	**$452,787**	**$552,001**
Debt				
Administration and General	58,127,295	87,604,612	98,411,311	114,711,187
Total Debt Service	**$58,127,295**	**$87,604,612**	**$98,411,311**	**$114,711,187**
Capital				
Source of Supply	202,462,414	162,745,893	111,961,024	221,027,558
Raw Water Transmission & Distribution	3,425,144	6,730,559	5,986,699	22,346,306
Water Treatment	52,687,454	84,153,244	149,210,884	157,715,933
Treated Water Transmission & Distribution	556,794	2,360,478	2,822,715	1,133,951
Administration and General	48,361,032	36,026,721	42,023,362	28,489,294
Total Capital	**$307,492,837**	**$292,016,896**	**$312,004,684**	**$430,713,044**
Total Fund 61 & 63 Outlays	**$579,091,183**	**$647,974,298**	**$679,967,129**	**$829,788,058**
Total Water Utility Enterprise Outlays	**$579,091,183**	**$647,974,298**	**$679,967,129**	**$829,788,058**

Water Enterprise Summary by Zone

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year-End 2024-25	Adopted Budget 2025-26	% Change from 2024-25	Proposed Plan 2026-27	% Change from 2025-26
North County - Zone W2							
Allocated Revenue							
Operating Revenue	307,112,090	383,484,839	372,093,463	400,524,423	4%	452,583,963	13%
Non-operating Revenue	60,890,650	41,399,254	47,521,391	44,965,204	9%	46,059,320	2%
Total Allocated Revenue	368,002,740	424,884,093	419,614,854	445,489,626	5%	498,643,283	12%
Allocated Operating Outlays							
Operations	188,348,219	240,045,829	272,393,085	238,745,252	-1%	251,522,995	5%
Operating Projects	357,193	335,730	339,245	341,943	2%	416,869	22%
Debt Service	58,127,295	87,604,612	87,604,612	98,411,311	12%	114,711,187	17%
Total Allocated Operating Outlays	246,832,707	327,986,171	360,336,941	337,498,507	3%	366,651,051	9%
Balance Available for Capital/Reserve	121,170,033	96,897,923	59,277,913	107,991,120	11%	131,992,233	22%
Total Capital Appropriations	307,492,837	325,072,044	320,248,113	374,907,544	15%	433,535,703	16%
Other Financing Sources							
Revenue Bond Proceeds	173,600,000	236,311,001	236,311,001	220,217,267	-7%	330,396,588	50%
Transfers In	1,092,727	11,428,122	11,428,122	7,606,274	-33%	11,721,650	54%
Transfers Out	(3,926,700)	(8,271,800)	(10,844,247)	(11,683,496)	41%	(18,017,339)	54%
Total Other Financing Sources/(Uses)	170,766,027	239,467,323	236,894,876	216,140,045	-10%	324,100,899	50%
Other Intra-Zone Allocations							
South County Open Space Credit	(7,595,202)	(9,554,335)	(10,789,946)	(7,525,530)	-21%	(13,258,084)	76%
South County Capital Amortization	6,752,423	11,263,604	8,778,945	8,764,987	-22%	9,403,208	7%
South County Interest	(126,293)	(22,680)	(106,427)	(93,475)	312%	(98,757)	6%
Balance Available for W2	(16,525,850)	12,979,791	(26,192,752)	(49,630,398)	-482%	18,603,796	-137%
South County - Zones W5, W-7 & W-8							
Zone W5 - Llagas Subbasin							
Allocated Revenue							
Operating Revenue	11,249,678	12,138,731	12,235,459	13,642,848	12%	14,647,543	7%
Non-operating Revenue	2,968,874	2,966,872	2,861,314	2,852,947	-4%	2,900,542	2%
Total Allocated Revenue	14,218,552	15,105,603	15,096,773	16,495,795	9%	17,548,084	6%
Zone W7 - Coyote Valley							
Allocated Revenue							
Operating Revenue	7,751,709	6,799,142	9,619,336	10,914,907	61%	12,154,954	11%
Non-operating Revenue	1,009,900	861,158	970,916	965,794	12%	984,404	2%
Total Allocated Revenue	8,761,609	7,660,300	10,590,251	11,880,700	55%	13,139,358	11%
Zone W8 - Foothills below Uvas & Chesbro Reservoirs							
Allocated Revenue							
Operating Revenue	155,577	201,656	206,110	225,605	12%	239,323	6%
Non-operating Revenue	69,084	71,119	66,784	66,726	-6%	67,688	1%
Total Allocated Revenue	224,661	272,776	272,894	292,331	7%	307,011	5%
Total South County Revenue							
Operating Revenue	19,156,964	19,139,529	22,060,905	24,783,360	29%	27,041,820	9%
Non-operating Revenue	4,047,858	3,899,150	3,899,013	3,885,467	0%	3,952,634	2%

Water Enterprise Summary by Zone

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year-End 2024-25	Adopted Budget 2025-26	% Change from 2024-25	Proposed Plan 2026-27	% Change from 2025-26
Total Allocated Revenue	23,204,822	23,038,679	25,959,918	28,668,827	24%	30,994,454	8%
Open Space Credit	7,595,202	9,554,335	10,789,946	7,525,530	-21%	13,258,084	76%
Total Current Resources	30,800,024	32,593,014	36,749,864	36,194,357	11%	44,252,538	22%
Total South County Costs							
Operations	21,717,728	23,871,115	27,527,724	26,619,544	12%	28,452,053	7%
Operating Projects	108,614	109,510	105,995	110,844	1%	135,131	22%
Imported Water Purchases	2,939,297	3,990,606	3,844,882	3,733,551	-6%	3,836,779	3%
Total Allocated Costs	24,765,639	27,971,232	31,478,602	30,463,938	9%	32,423,964	6%
Balance Available for Capital/Reserve	6,034,385	4,621,782	5,271,263	5,730,419	24%	11,828,574	106%
Interest (earned)/due Utility Reserves	(126,293)	(22,680)	(106,427)	(93,475)	312%	(98,757)	6%
Total Capital Amortization	6,752,423	11,263,604	8,778,945	8,764,987	-22%	9,403,208	7%
Balance Available/(Deficit) for South County	(591,745)	(6,619,142)	(3,401,255)	(2,941,093)	-56%	2,524,123	-186%
Total Balance Available/(Deficit)	(17,117,595)	6,360,648	(29,594,008)	(52,571,491)	-927%	21,127,919	-140%

Water Utility Cost Allocation

Project #	Project Description	South County Share by Zone			North County Share	Adopted Budget 2025-26	Basis of Allocation
		Zone W-5	Zone W-7	Zone W-8	Zone W-2		
Operations							
91041012	Water Operations Planning	66,546	41,924	-	556,988	665,458	Raw Water Deliveries
91041018	Groundwater Management Program	2,360,588	660,965	60,701	3,662,284	6,744,538	Groundwater Production Ratio
91061007	Districtwide Salary Savings	(141,002)	(40,344)	(2,825)	(568,152)	(752,323)	Water Usage Ratio
91061012	Facilities Environmental Compliance	5,399	3,415	25	45,102	53,942	Raw Water Deliveries
91081007	Dam Safety Program	598,511	60,999	11,885	2,299,932	2,971,327	Program Benefit Calculation
91101004	Recycled & Purified Water Program	347,853	-	-	5,003,724	5,351,577	Population
91111001	Water Rights and Accounting	53,698	33,830	-	449,456	536,985	Raw Water Deliveries
91131004	Imported Water Program	256,084	395,302	-	5,734,746	6,386,132	Imported Water Ratio
91131006	San Felipe Division Deliveries	1,837,996	2,838,804	-	22,593,175	27,269,976	Program Benefit Calculation
91131007	South Bay Aqueduct Deliveries	-	-	-	7,968,181	7,968,181	No South County Benefit
91131008	State Water Project Costs	-	-	-	32,539,796	32,539,796	No South County Benefit
91151001	Water Conservation Program	1,174,751	54,012	54,012	12,220,109	13,502,883	Program Benefit Calculation
91151012	Recycled/Purified Water Public Engagement	81,509	-	-	1,172,481	1,253,990	Population
91151013	Water Banking Operations	258,594	399,177	-	5,790,969	6,448,740	Imported Water Ratio
91211004	San Felipe Reach 1 Operations	56,020	80,669	-	610,243	746,931	CVP Imported Water Ratio
91211005	SFD Reach 1 Administration	656	942	-	7,122	8,721	CVP Imported Water Ratio
91211084	San Felipe Reach1 Ctrl and Ele	28,840	41,401	-	312,928	383,170	CVP Imported Water Ratio
91211085	San Felipe Reach 1 Eng Other	73,807	105,952	-	800,830	980,589	CVP Imported Water Ratio
91211099	San Felipe Reach 1 Gen Maint	90,469	129,872	-	981,626	1,201,967	CVP Imported Water Ratio
91221002	San Felipe Reach 2 Operations	5,916	8,518	-	64,440	78,875	CVP Imported Water Ratio
91221006	San Felipe Reach 2 Eng Other	25,881	37,153	-	280,817	343,851	CVP Imported Water Ratio
91221099	San Felipe Reach 2 Gen Maint	13,843	19,872	-	150,203	183,918	CVP Imported Water Ratio
91231002	San Felipe Reach 3 Operations	25,500	36,720	-	277,777	339,997	CVP Imported Water Ratio
91231084	San Felipe Reach3 Ctrl and Ele	19,208	27,573	-	208,409	255,190	CVP Imported Water Ratio

Water Utility Cost Allocation

Project #	Project Description	South County Share by Zone			North County Share	Adopted Budget 2025-26	Basis of Allocation
		Zone W-5	Zone W-7	Zone W-8	Zone W-2		
91231085	San Felipe Reach 3 Eng Other	34,935	50,150	-	379,058	464,143	CVP Imported Water Ratio
91231099	San Felipe Reach 3 Gen Maint	107,575	154,428	-	1,167,230	1,429,233	CVP Imported Water Ratio
91241001	Wolfe Road Recycled Water Facility	-	-	-	265,636	265,636	No South County Benefit
91261001	Palo Alto Water Reuse Agreement	-	-	-	7,846,000	7,846,000	No South County Benefit
91281007	SVAWPC Facility Operations	-	-	-	4,546,908	4,546,908	No South County Benefit
91281008	SVAWPC Facility Maintenance	-	-	-	4,564,672	4,564,672	No South County Benefit
91441003	Desalination	91,518	26,185	1,834	368,761	488,298	Water Usage Ratio
91451002	Well Ordinance Program	165,310	51,303	-	2,633,552	2,850,164	Well Permits and Inpections
91451005	Source Water Quality Management	130,099	37,224	2,607	524,218	694,148	Water Usage Ratio
91451011	Invasive Mussel Prevention	75,684	47,876	352	632,229	756,140	Raw Water Deliveries
91601001	Delta Conveyance	81,323	125,533	-	1,821,144	2,028,000	Imported Water Ratio
91761001	Local Reservoir & Diversion Ops Planning & Analysis	461,890	132,157	9,254	1,861,132	2,464,432	Water Usage Ratio
91761099	Dams & Resevoir Gen Maint	722,536	73,640	14,348	2,947,343	3,757,867	Program Benefit Calculation
92041014	FAHCE/Three Creeks HCP Project	104,527	144,612	-	3,731,756	3,980,894	Coyote Water Supply Ratio
92061012	Facilities Environmental Compliance	9,719	6,148	45	81,184	97,096	Raw Water Deliveries
92261099	Vasona Pump Station General Maintenance	22,403	14,172	104	187,145	223,824	No South County Benefit
92761001	Raw Water T&D Gen'l Oper	210,349	132,520	-	1,760,620	2,103,489	Raw Water Deliveries
92761008	Recycled Water T&D General Maint	256,848	-	-	-	256,848	Benefits Only South County
92761009	Recharge/RW Field Ops	1,011,776	607,501	4,036	2,780,720	4,404,034	Groundwater Recharge Ratio
92761010	Recharge/RW Field Fac Maint	564,326	338,838	2,251	1,550,968	2,456,384	Groundwater Recharge Ratio
92761012	Untreated Surface Water Program	76,216	79,833	-	102,310	258,360	Untreated Water Deliveries Ratio
92761082	Raw Water T&D Ctrl and Elec Eng	78,342	49,558	364	654,441	782,705	Raw Water Deliveries
92761083	Raw Water T&D Eng Othr	163,516	103,436	760	1,365,947	1,633,660	Raw Water Deliveries
92761085	Anderson Hydrelectrc Fclty Main	1,561	2,241	-	16,938	20,740	Anderson Water Deliveries Ratio
92761099	Raw Water Trans & Dist Gen Mnt	324,145	205,046	1,506	2,707,777	3,238,475	Raw Water Deliveries

Water Utility Cost Allocation

Project #	Project Description	South County Share by Zone			North County Share	Adopted Budget 2025-26	Basis of Allocation
		Zone W-5	Zone W-7	Zone W-8	Zone W-2		
92781002	RW Corrosion Control	72,716	45,999	338	607,443	726,496	Raw Water Deliveries
93061012	Environmental Compliance Support	-	-	-	658,094	658,094	No South County Benefit
93081002	Treatment Plant Process & Commissioning	-	-	-	970,630	970,630	No South County Benefit
93081008	W T General Water Quality	-	-	-	2,274,445	2,274,445	No South County Benefit
93081009	Water Treatment Plant - Engineering Other	-	-	-	532,806	532,806	No South County Benefit
93231009	PWTP Operations General	-	-	-	8,270,202	8,270,202	No South County Benefit
93231099	Penitencia WTP General Maint	-	-	-	3,586,803	3,586,803	No South County Benefit
93281005	STWTP - General Operations	-	-	-	8,557,479	8,557,479	No South County Benefit
93281099	Santa Teresa Wtr General Maint	-	-	-	4,559,566	4,559,566	No South County Benefit
93291012	RWTP General Operations	-	-	-	11,423,748	11,423,748	No South County Benefit
93291099	Rinconada WTP General Maint	-	-	-	5,061,808	5,061,808	No South County Benefit
93401002	Wtr District Laboratory	642,202	54,435	4,743	7,054,909	7,756,288	Lab Analyses
93761001	SF/SCVWD Intertie General Oper	-	-	-	62,052	62,052	No South County Benefit
93761004	Campbell Wellfield Operations	-	-	-	67,804	67,804	No South County Benefit
93761005	Campbell Wellfield Maintenance	-	-	-	157,372	157,372	No South County Benefit
93761006	Treated Water Ctrl & Elec Eng	-	-	-	3,023,932	3,023,932	No South County Benefit
93761099	SF/SCVWD Intertie General Maint	-	-	-	617,447	617,447	No South County Benefit
94761005	Treated Water T&D IPU Ops Eng	-	-	-	1,076,697	1,076,697	No South County Benefit
94761099	Treated Water T&D Gen Maint	-	-	-	1,695,134	1,695,134	No South County Benefit
94781001	TW T&D Corrosion Control	-	-	-	745,924	745,924	No South County Benefit
95001090	Unscoped Operations	28,113	8,044	563	113,280	150,000	Water Usage Ratio
95011003	Asset Protection Support	52,592	14,743	1,070	1,287,171	1,355,577	Program Benefit Calculation
95021008	Energy Management	3,188	934	110	270,558	274,789	Labor Hours
95031002	Grants Management	465,761	129,826	9,567	825,471	1,430,626	Program Benefit Calculation
95061012	Residntl Rental Exp San Pedro, MH	49,794	-	-	-	49,794	Benefits only South County
95061035	Rental Expense Coyote	-	290,785	-	-	290,785	No South County Benefit

Water Utility Cost Allocation

Project #	Project Description	South County Share by Zone			North County Share	Adopted Budget 2025-26	Basis of Allocation
		Zone W-5	Zone W-7	Zone W-8	Zone W-2		
95061038	WUE Administration	2,285,450	653,918	45,789	9,208,961	12,194,118	Water Usage Ratio
95061045	WUE TW Div Admin Support	484,596	138,654	9,709	1,952,626	2,585,585	No South County Benefit
95061048	Climate Change Adaptation/Mitg	54,217	15,513	1,086	218,459	289,275	Water Usage Ratio
95061050	Office of Integrated Wtr Mgmt	400,211	114,509	8,018	1,612,607	2,135,346	Program Benefit Calculation
95061051	Lands Management Program	93,934	26,877	1,882	378,498	501,191	Program Benefit Calculation
95071041	Welding Services	8,265	2,317	168	622,599	633,349	Program Benefit Calculation
95101003	Water Revenue Program	1,006,351	294,183	21,403	776,376	2,098,313	Labor Hours
95111003	Water Use Measurement General	1,143,102	149,732	54,530	1,480,975	2,828,340	Labor Hours
95121003	Long Term Financial Planning	107,869	30,864	2,161	434,646	575,540	Water Usage Ratio
95151002	Water Utlity Customer Relations	79,942	-	-	1,149,939	1,229,881	Population
95741001	Water Supply Planning	502,612	143,809	10,070	2,025,219	2,681,710	Water Usage Ratio
95741042	Water Resources EnvPlng and Permitting	112,238	31,426	2,351	2,285,133	2,431,148	Program Benefit Calculation
95761003	SCADA Network Administration	90,602	57,313	421	756,855	905,191	Raw Water Deliveries
95761071	Emergency Preparednes Prog (50% WU)	98,474	-	-	1,416,507	1,514,981	Population
95771011	InterAgency Urban Runoff Program	56,659	35,841	263	473,303	566,065	Raw Water Deliveries
95771031	HAZMAT Emergency Response	7,230	788	361	103,154	111,533	Emergency Response Events
95811043	Hydrologic Data Msrmt & Mgmt Alloc-50% WU	81,825	227,445	165,036	912,555	1,386,861	Stream Gauge Location
95811046	Warehouse Svcs 50% WU	136,433	39,036	2,733	549,741	727,944	Water Usage Ratio
95811049	X Valley Subsidence Survey	18,252	6,834	4,585	579,965	609,634	Program Benefit Calculation
95811054	District Real Property Admin	119,854	34,293	2,401	482,939	639,487	Program Benefit Calculation
Operations Projects Total		**20,137,747**	**9,867,272**	**510,619**	**238,582,709**	**269,098,346**	
Operating Projects							
95762011	Tree Maintenance Program	84,862	24,281	1,700	341,943	452,787	Water Usage Ratio
Operating Projects Total		**84,862**	**24,281**	**1,700**	**341,943**	**452,787**	
Operations and Operating Total		**20,222,609**	**9,891,553**	**512,319**	**238,924,652**	**269,551,133**	

South County Capital

(In Thousands $)

Project Name	Total Project Cost	South County Zone W-5 %	South County Zone W-5 Cost	FY 2026 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to South County Zone W-5
San Pedro Recharge House	700	100.0%	700	47	FY 31	Benefits Only South County Zone W-5
South County Recycling I	7,232	100.0%	7,232	481	FY 31	Benefits Only South County Zone W-5
South County Recycling II	118	100.0%	118	8	FY 33	Benefits Only South County Zone W-5
South County Recycling III	1,721	100.0%	1,721	115	FY 33	Benefits Only South County Zone W-5
Water Banking Rights	6,226	3.6%	225	15	FY 35	Total Imported Water Ratio
Dam Instrumentation	6,243	16.0%	999	66	FY 41	Program Benefit Calculation
Geodetic Control Maintenance	236	26.7%	63	4	FY 36	Survey Analysis
Dam Maintenance Mitigation	244	16.7%	41	3	FY 45	Program Benefit Calculation
South County Recycled Water Masterplan, Immediate Term, SCRWA Filter Upgrade	3,257	100.0%	3,257	216	FY 37	Benefits Only South County Zone W-5
South County Recycled Water Masterplan, Short-Term Implementation 1A	4,314	100.0%	4,314	286	FY 42	Benefits Only South County Zone W-5
South County Recycled Water Masterplan, Short-Term Implementation 1B	46,889	100.0%	46,889	-	FY 57	Benefits Only South County Zone W-5
South County Recycled Water Fund	8,678	100.0%	8,678	450	FY 50	Benefits Only South County Zone W-5
Water Banking FY 2006	18,895	4.1%	769	51	FY 36	Total Imported Water Ratio
San Felipe Division Capital	12,811	5.4%	692	692	N/A	Repayment Cost Distribution
Pacheco Conduit Inspection and Rehabilitation	6,696	7.5%	504	26	FY 49	CVP Imported Water Ratio
Pacheco Pumping Plant Regulating Tank Recoating	2,550	7.7%	196	13	FY 42	CVP Imported Water Ratio
San Felipe Communications Cable Replacement	235	7.7%	18	1	FY 42	CVP Imported Water Ratio
Small Caps, San Felipe Reach 1	1,766	7.5%	133	133	N/A	CVP Imported Water Ratio
Santa Clara Tunnel Landslide	4,509	6.8%	308	20	FY 39	CVP Imported Water Ratio
Santa Clara Tunnel Landslide Mitigation	217	7.6%	17	1	FY 39	CVP Imported Water Ratio
Small Caps, San Felipe Reach 3	3,167	7.5%	238	238	N/A	CVP Imported Water Ratio
Coyote Pumping Plant Warehouse	9,844	18.7%	1,845	95	FY 53	Water Usage Ratio
Water Infrastructure Reliability Program	2,134	1.1%	24	2	FY 36	Program Benefit Calculation
Water Infrastructure Baseline Improvement	2,403	2.7%	66	4	FY 38	Spare Pipe Usage
Coyote Creek SAFPM - Chillers Plant	28,754	7.5%	2,164	133	FY 55	CVP Imported Water Ratio

South County Capital

(In Thousands $)

Project Name	Total Project Cost	South County Zone W-5 %	South County Zone W-5 Cost	FY 2026 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to South County Zone W-5
Coyote Percolation Dam Replacement	21,727	7.5%	1,635	100	FY 55	CVP Imported Water Ratio
Cross Valley Pipeline Extension	13,925	7.5%	1,048	54	FY 55	CVP Imported Water Ratio
Coyote Dam Control Building Improvements	576	8.9%	51	3	FY 42	Anderson Deliveries Ratio
Pacheco Pumping Plant ASD Replacement	18,518	8.4%	1,557	103	FY 45	CVP Imported Water Ratio
South County Recycled Water Pipeline Land Rights	7,448	100.0%	7,448	-	FY 56	Benefits Only South County Zone W-5
Radio Repeater Infill	5	8.5%	-	-	FY 42	Water Usage Ratio
Santa Clara Conduit Rehabilitation	1,814	7.7%	139	9	FY 42	CVP Imported Water Ratio
Raw Water Control System	9,188	2.8%	260	17	FY 37	Program Benefit Calculation
Small Caps, Raw Water Transmission and Distribution	1,100	10.0%	110	110	N/A	Raw Water Usage
Main and Madrone Pipeline Restoration	11,378	87.9%	10,001	519	FY 48	Benefits Only South County
Inf Reliability Master Plan	2,065	9.4%	194	12	FY 46	Water Usage Ratio
Water Protection	11,387	1.7%	199	13	FY 45	Program Benefit Calculation
Microwave Telecomunications	4,595	7.0%	320	21	FY 44	Water Usage Ratio
5-year Pipeline Rehabilitation	22,059	3.5%	775	49	FY 47	Program Benefit Calculation
Pipeline Hydraulic Reliability Upgrades	335	1.7%	6	-	FY 45	Program Benefit Calculation
WTP WQL Network Equipment	2,365	18.7%	443	443	N/A	Water Usage Ratio
Winfield Capital Improvement	481	9.7%	47	2	FY 48	Water Usage Ratio
Corp Yard Relocation	26	7.8%	2	-	FY 40	Water Usage Ratio
ISMP CMMS/ERP/WRIS	5,802	7.5%	433	29	FY 40	Water Usage Ratio
Peoplesoft Upgrade	78	7.5%	6	-	FY 39	Water Usage Ratio
Fleet Building Improvement	2,512	8.6%	216	14	FY 44	Water Usage Ratio
Fleet and Facility Annex Improvements	3,023	18.7%	566	29	FY 54	Water Usage Ratio
Peoplesoft System Upgrade & Expansion	1,217	9.4%	114	7	FY 46	Water Usage Ratio
Capital Construction Management System	2,806	18.7%	526	28	FY 52	Water Usage Ratio
Uvas Property Acquisition	1,251	97.7%	1,223	77	FY 46	Benefits Only South County
IT Capital Fund Transfers	2,137	18.7%	401	401	N/A	Water Usage Ratio
CPSD/TSD Admin Amortization	5,015	11.7%	587	587	N/A	Total Capital Cost Ratio
Total Zone W-5	**$332,671**		**$109,518**	**$5,729**		

* Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

South County Capital Amortization Zone W-7

(In Thousands $)

Project Name	Total Project Cost	South County Zone W-7 %	South County Zone W-7 Cost	FY 2026 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to South County Zone W-7
San Pedro Recharge House	700	0.0%	-	-	FY 31	Benefits Only South County Zone W-5
South County Recycling I	7,232	0.0%	-	-	FY 31	Benefits Only South County Zone W-5
South County Recycling II	118	0.0%	-	-	FY 33	Benefits Only South County Zone W-5
South County Recycling III	1,721	0.0%	-	-	FY 33	Benefits Only South County Zone W-5
Water Banking Rights	6,226	4.4%	273	18	FY 35	Total Imported Water Ratio
Dam Instrumentation	6,243	4.6%	289	19	FY 41	Program Benefit Calculation
Geodetic Control Maintenance	236	14.0%	33	2	FY 36	Survey Analysis
Dam Maintenance Mitigation	244	4.8%	12	1	FY 45	Program Benefit Calculation
South County Recycled Water Masterplan, Immediate Term, SCRWA Filter Upgrade	3,257	0.0%	-	-	FY 37	Benefits Only South County Zone W-5
South County Recycled Water Masterplan, Short-Term Implementation 1A	4,314	0.0%	-	-	FY 42	Benefits Only South County Zone W-5
South County Recycled Water Masterplan, Short-Term Implementation 1B	46,889	0.0%	-	-	FY 57	Benefits Only South County Zone W-5
South County Recycled Water Fund	8,678	0.0%	-	-	FY 50	Benefits Only South County Zone W-5
Water Banking FY 2006	18,895	4.9%	932	62	FY 36	Total Imported Water Ratio
San Felipe Division Capital	12,811	7.4%	948	948	N/A	Repayment Cost Distribution
Pacheco Conduit Inspection and Rehabilitation	6,696	10.8%	723	38	FY 49	CVP Imported Water Ratio
Pacheco Pumping Plant Regulating Tank Recoating	2,550	9.3%	238	16	FY 42	CVP Imported Water Ratio
San Felipe Communications Cable Replacement	235	9.3%	22	1	FY 42	CVP Imported Water Ratio
Small Caps, San Felipe Reach 1	1,766	10.8%	191	191	N/A	CVP Imported Water Ratio
Santa Clara Tunnel Landslide	4,509	8.3%	373	25	FY 39	CVP Imported Water Ratio
Santa Clara Tunnel Landslide Mitigation	217	9.3%	20	1	FY 39	CVP Imported Water Ratio
Small Caps, San Felipe Reach 3	3,167	10.8%	342	342	N/A	CVP Imported Water Ratio
Coyote Pumping Plant Warehouse	9,844	5.4%	528	27	FY 53	Water Usage Ratio
Water Infrastructure Reliability Program	2,134	0.3%	7	-	FY 36	Program Benefit Calculation
Water Infrastructure Baseline Improvement	2,403	0.8%	19	1	FY 38	Spare Pipe Usage

South County Capital Amortization Zone W-7

	(In Thousands $)					
Project Name	Total Project Cost	South County Zone W-7 %	South County Zone W-7 Cost	FY 2026 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to South County Zone W-7
Coyote Creek SAFPM - Chillers Plant	28,754	10.8%	3,107	191	FY 55	CVP Imported Water Ratio
Coyote Percolation Dam Replacement	21,727	10.8%	2,348	144	FY 55	CVP Imported Water Ratio
Cross Valley Pipeline Extension	13,925	10.8%	1,505	78	FY 55	CVP Imported Water Ratio
Coyote Dam Control Building Improvements	576	10.7%	62	4	FY 42	Anderson Deliveries Ratio
Pacheco Pumping Plant ASD Replacement	18,518	10.2%	1,888	125	FY 45	CVP Imported Water Ratio
South County Recycled Water Pipeline Land Rights	7,448	0.0%	-	-	FY 56	Benefits Only South County Zone W-5
Radio Repeater Infill	5	2.4%	-	-	FY 42	Water Usage Ratio
Santa Clara Conduit Rehabilitation	1,814	9.3%	169	11	FY 42	CVP Imported Water Ratio
Raw Water Control System	9,188	1.5%	136	9	FY 37	Program Benefit Calculation
Small Caps, Raw Water Transmission and Distribution	1,100	6.3%	70	70	N/A	Raw Water Usage
Main and Madrone Pipeline Restoration	11,378	12.1%	1,377	71	FY 48	Benefits Only South County
Inf Reliability Master Plan	2,065	2.7%	56	4	FY 46	Water Usage Ratio
Water Protection	11,387	0.5%	57	4	FY 45	Program Benefit Calculation
Microwave Telecomunications	4,595	2.0%	93	6	FY 44	Water Usage Ratio
5-year Pipeline Rehabilitation	22,059	1.0%	221	14	FY 47	Program Benefit Calculation
Pipeline Hydraulic Reliability Upgrades	335	0.5%	2	-	FY 45	Program Benefit Calculation
WTP WQL Network Equipment	2,365	5.4%	127	127	N/A	Water Usage Ratio
Winfield Capital Improvement	481	2.8%	13	1	FY 48	Water Usage Ratio
Corp Yard Relocation	26	2.2%	1	-	FY 40	Water Usage Ratio
ISMP CMMS/ERP/WRIS	5,802	2.2%	125	8	FY 40	Water Usage Ratio
Peoplesoft Upgrade	78	2.2%	2	-	FY 39	Water Usage Ratio
Fleet Building Improvement	2,512	2.5%	63	4	FY 44	Water Usage Ratio
Fleet and Facility Annex Improvements	3,023	5.4%	162	8	FY 54	Water Usage Ratio
Peoplesoft System Upgrade & Expansion	1,217	2.7%	33	2	FY 46	Water Usage Ratio
Capital Construction Management System	2,806	5.4%	150	8	FY 52	Water Usage Ratio
Uvas Property Acquisition	1,251	0.0%	-	-	FY 46	Benefits Only South County
IT Capital Fund Transfers	2,137	5.4%	115	115	N/A	Water Usage Ratio
CPSD/TSD Admin Amortization	5,015	6.1%	308	308	N/A	Total Capital Cost Ratio
Total Zone W-7	**$332,671**		**$17,137**	**$3,004**		

* Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

South County Capital Amortization Zone W-8

(In Thousands $)

Project Name	Total Project Cost	South County Zone W-8 %	South County Zone W-8 Cost	FY 2026 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to South County Zone W-8
San Pedro Recharge House	700	0.0%	-	-	FY 31	Benefits Only South County Zone W-5
South County Recycling I	7,232	0.0%	-	-	FY 31	Benefits Only South County Zone W-5
South County Recycling II	118	0.0%	-	-	FY 33	Benefits Only South County Zone W-5
South County Recycling III	1,721	0.0%	-	-	FY 33	Benefits Only South County Zone W-5
Water Banking Rights	6,226	0.0%	-	-	FY 35	Total Imported Water Ratio
Dam Instrumentation	6,243	0.4%	23	2	FY 41	Program Benefit Calculation
Geodetic Control Maintenance	236	0.3%	1	-	FY 36	Survey Analysis
Dam Maintenance Mitigation	244	0.4%	1	-	FY 45	Program Benefit Calculation
South County Recycled Water Masterplan, Immediate Term, SCRWA Filter Upgrade	3,257	0.0%	-	-	FY 37	Benefits Only South County Zone W-5
South County Recycled Water Masterplan, Short-Term Implementation 1A	4,314	0.0%	-	-	FY 42	Benefits Only South County Zone W-5
South County Recycled Water Masterplan, Short-Term Implementation 1B	46,889	0.0%	-	-	FY 57	Benefits Only South County Zone W-5
South County Recycled Water Fund	8,678	0.0%	-	-	FY 50	Benefits Only South County Zone W-5
Water Banking FY 2006	18,895	0.0%	-	-	FY 36	Total Imported Water Ratio
San Felipe Division Capital	12,811	0.0%	-	-	N/A	Repayment Cost Distribution
Pacheco Conduit Inspection and Rehabilitation	6,696	0.0%	-	-	FY 49	CVP Imported Water Ratio
Pacheco Pumping Plant Regulating Tank Recoating	2,550	0.0%	-	-	FY 42	CVP Imported Water Ratio
San Felipe Communications Cable Replacement	235	0.0%	-	-	FY 42	CVP Imported Water Ratio
Small Caps, San Felipe Reach 1	1,766	0.0%	-	-	N/A	CVP Imported Water Ratio
Santa Clara Tunnel Landslide	4,509	0.0%	-	-	FY 39	CVP Imported Water Ratio
Santa Clara Tunnel Landslide Mitigation	217	0.0%	-	-	FY 39	CVP Imported Water Ratio
Small Caps, San Felipe Reach 3	3,167	0.0%	-	-	N/A	CVP Imported Water Ratio
Coyote Pumping Plant Warehouse	9,844	0.4%	37	2	FY 53	Water Usage Ratio
Water Infrastructure Reliability Program	2,134	0.0%	1	-	FY 36	Program Benefit Calculation
Water Infrastructure Baseline Improvement	2,403	0.1%	2	-	FY 38	Spare Pipe Usage

South County Capital Amortization Zone W-8

(In Thousands $)

Project Name	Total Project Cost	South County Zone W-8 %	South County Zone W-8 Cost	FY 2026 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to South County Zone W-8
Coyote Creek SAFPM - Chillers Plant	28,754	0.0%	-	-	FY 55	CVP Imported Water Ratio
Coyote Percolation Dam Replacement	21,727	0.0%	-	-	FY 55	CVP Imported Water Ratio
Cross Valley Pipeline Extension	13,925	0.0%	-	-	FY 55	CVP Imported Water Ratio
Coyote Dam Control Building Improvements	576	0.0%	-	-	FY 42	Anderson Deliveries Ratio
Pacheco Pumping Plant ASD Replacement	18,518	0.0%	-	-	FY 45	CVP Imported Water Ratio
South County Recycled Water Pipeline Land Rights	7,448	0.0%	-	-	FY 56	Benefits Only South County Zone W-5
Radio Repeater Infill	5	0.2%	-	-	FY 42	Water Usage Ratio
Santa Clara Conduit Rehabilitation	1,814	0.0%	-	-	FY 42	CVP Imported Water Ratio
Raw Water Control System	9,188	0.0%	2	-	FY 37	Program Benefit Calculation
Small Caps, Raw Water Transmission and Distribution	1,100	0.0%	1	1	N/A	Raw Water Usage
Main and Madrone Pipeline Restoration	11,378	0.0%	-	-	FY 48	Benefits Only South County
Inf Reliability Master Plan	2,065	0.2%	4	-	FY 46	Water Usage Ratio
Water Protection	11,387	0.0%	5	-	FY 45	Program Benefit Calculation
Microwave Telecomunications	4,595	0.2%	7	-	FY 44	Water Usage Ratio
5-year Pipeline Rehabilitation	22,059	0.1%	18	1	FY 47	Program Benefit Calculation
Pipeline Hydraulic Reliability Upgrades	335	0.0%	-	-	FY 45	Program Benefit Calculation
WTP WQL Network Equipment	2,365	0.4%	9	9	N/A	Water Usage Ratio
Winfield Capital Improvement	481	0.2%	1	-	FY 48	Water Usage Ratio
Corp Yard Relocation	26	0.2%	-	-	FY 40	Water Usage Ratio
ISMP CMMS/ERP/WRIS	5,802	0.2%	10	1	FY 40	Water Usage Ratio
Peoplesoft Upgrade	78	0.2%	-	-	FY 39	Water Usage Ratio
Fleet Building Improvement	2,512	0.0%	-	-	FY 44	Water Usage Ratio
Fleet and Facility Annex Improvements	3,023	0.4%	11	1	FY 54	Water Usage Ratio
Peoplesoft System Upgrade & Expansion	1,217	0.2%	3	-	FY 46	Water Usage Ratio
Capital Construction Management System	2,806	0.4%	11	1	FY 52	Water Usage Ratio
Uvas Property Acquisition	1,251	2.3%	28	2	FY 46	Benefits Only South County
IT Capital Fund Transfers	2,137	0.4%	8	8	N/A	Water Usage Ratio
CPSD/TSD Admin Amortization	5,015	0.1%	6	3	N/A	Total Capital Cost Ratio
Total Zone W-8	**$332,671**		**$189**	**$29**		

* Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

South County Capital Amortization Zone Summary

Summary	South County Amortized Costs (In Thousands $)	FY 2026 Cost Recovery Amount (In Thousands $)
Zone W-5	$ 109,518	$ 5,729
Zone W-7	17,137	3,004
Zone W-8	189	29
Grand Total	**$ 126,844**	**$ 8,762**

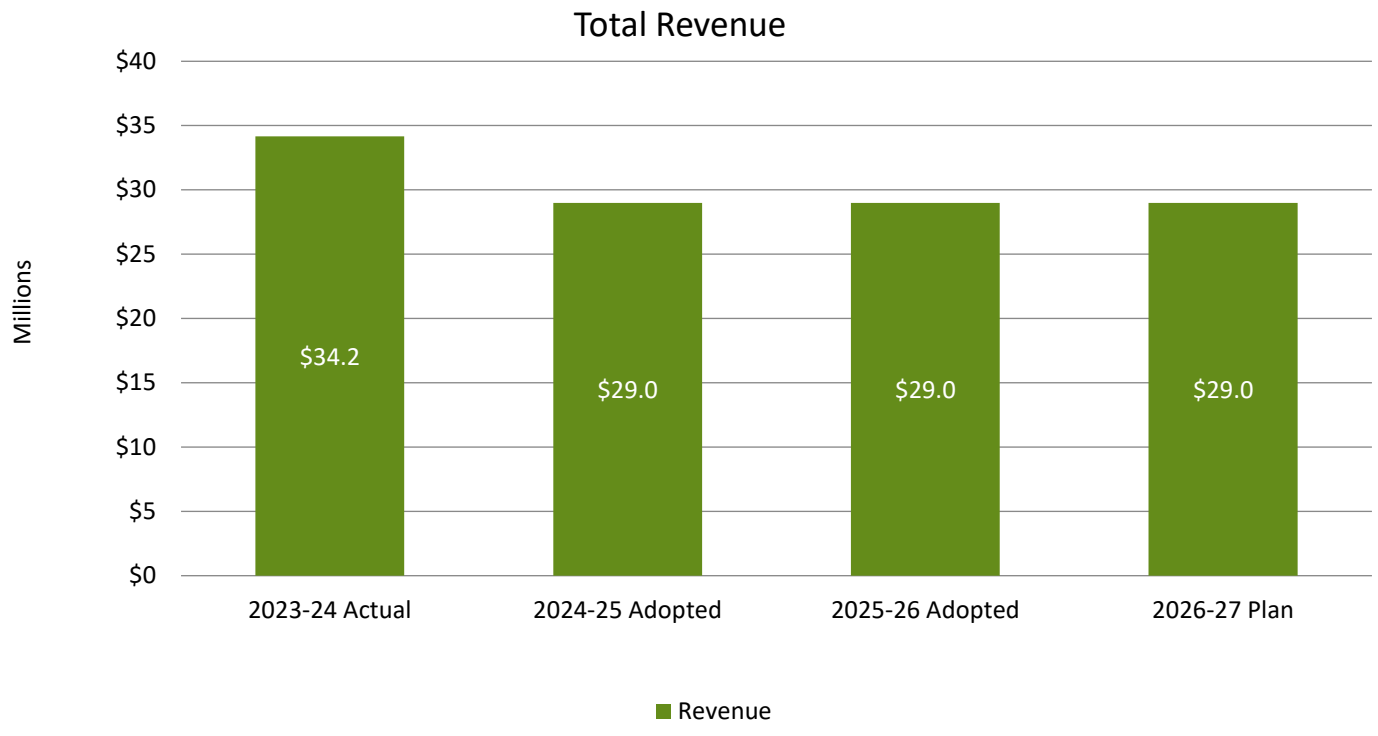
Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

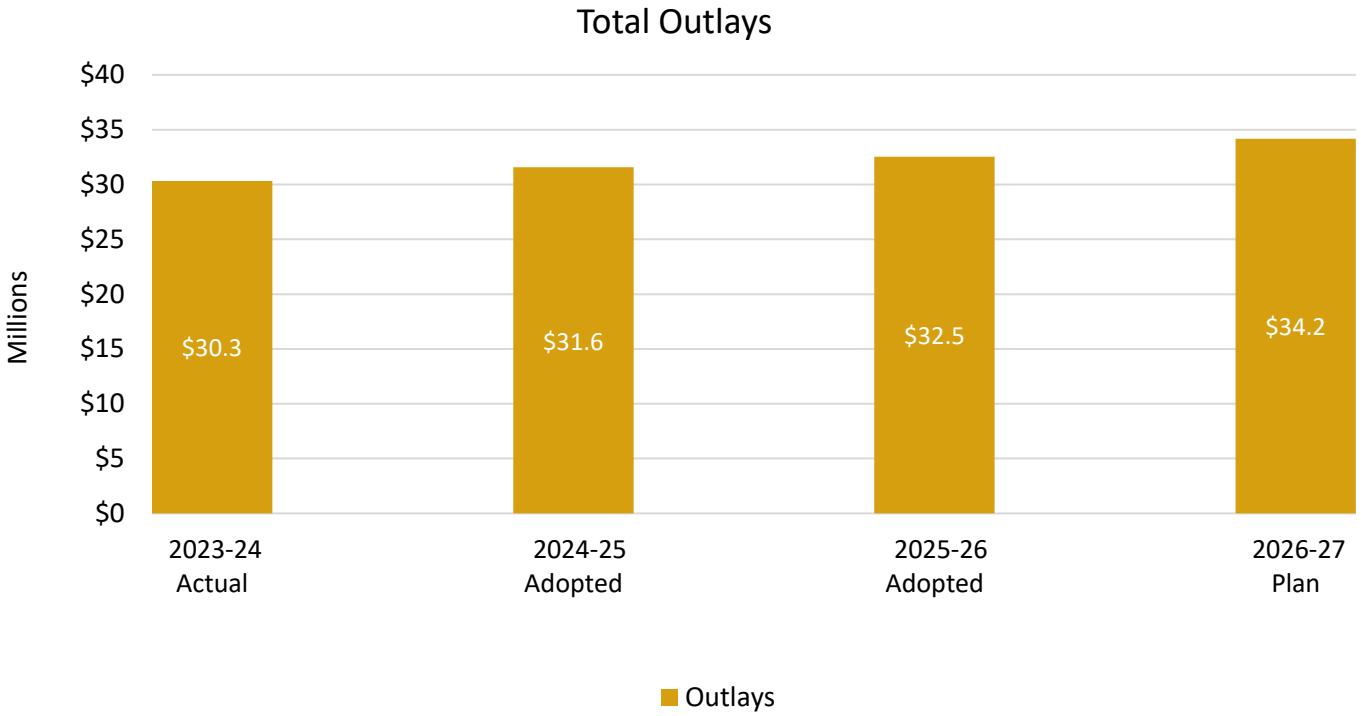
State Water Project Fund

Valley Water incurs an annual indebtedness to the State of California pursuant to its Water Supply Contract dated November 20, 1961. Such indebtedness is proportional to Valley Water's allocation of water from the State Water Project and pays for construction, maintenance and operation of state water project infrastructure and facilities. Staff's recommendation regarding the State Water Project tax is consistent with Valley Water's past practice and with the approach of other water districts and agencies that maintain State Water Project supply contracts. The State Water Project Fund was created in October 2010 to improve transparency and ensure compliance with Water Code Section 11654.

For FY 2025-26 and FY 2026-27, staff recommends setting the State Water Project tax at $28.0 million each year. This translates to a property tax bill for the average single-family residence in Santa Clara County of roughly $42.00 per year. Staff anticipates that Valley Water's contractual indebtedness to the State of California under the State Water Supply Contract will be approximately $32.5 million for FY 2025-26, rising to $34.2 million in FY 2026-27. The State Water Project Tax may be set lower than anticipated contractual indebtedness in any given year in order to draw down accumulated fund reserves.

State Water Project Fund (Fund 63)





State Water Project Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Property Tax	$ 28,013,031	$ 28,000,000	$ 28,000,000	$ 28,000,000	$ -	0.0%
Non-Operating Other	6,145,065	1,000,000	1,000,000	1,000,000	-	0.0%
TOTAL REVENUE	**$ 34,158,096**	**$ 29,000,000**	**$ 29,000,000**	**$ 29,000,000**	**$ -**	**0.0%**
OUTLAYS						
Operating Outlays						
Operations **	$ 30,325,000	$ 31,562,070	$ 31,562,070	$ 32,539,796	$ 977,726	3.1%
Total Operating Outlays	**$ 30,325,000**	**$ 31,562,070**	**$ 31,562,070**	**$ 32,539,796**	**$ 977,726**	**3.1%**
TOTAL OUTLAYS****	**$ 30,325,000**	**$ 31,562,070**	**$ 31,562,070**	**$ 32,539,796**	**$ 977,726**	**3.1%**
BALANCE AVAILABLE	**$ 3,833,096**	**$ (2,562,070)**	**$ (2,562,070)**	**$ (3,539,796)**	**$ (977,726)**	**38.2%**
YEAR-END RESERVES						
Restricted Reserves						
WUE State Water Project Tax Reserve	$ 17,693,556	$ 8,973,390	$ 15,131,486	$ 11,591,690	$ 2,618,300	29.2%
Total Restricted Reserves	**$ 17,693,556**	**$ 8,973,390**	**$ 15,131,486**	**$ 11,591,690**	**$ 2,618,300**	**29.2%**
TOTAL YEAR-END RESERVES	**$ 17,693,556**	**$ 8,973,390**	**$ 15,131,486**	**$ 11,591,690**	**$ 2,618,300**	**29.2%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Services & Supplies	$ 30,325,000	$ 31,562,070	$ 31,562,070	$ 32,539,796	$ 977,726	3.1%
OPERATING OUTLAY TOTAL	**$ 30,325,000**	**$ 31,562,070**	**$ 31,562,070**	**$ 32,539,796**	**$ 977,726**	**3.1%**
TOTAL OUTLAYS	**$ 30,325,000**	**$ 31,562,070**	**$ 31,562,070**	**$ 32,539,796**	**$ 977,726**	**3.1%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

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

State Water Project Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
REVENUE						
Property Tax	$ 28,013,031	$ 28,000,000	$ 28,000,000	$ 28,000,000	$ -	0.0%
Non-Operating Other	6,145,065	1,000,000	1,000,000	1,000,000	-	0.0%
TOTAL REVENUE	**$ 34,158,096**	**$ 29,000,000**	**$ 29,000,000**	**$ 29,000,000**	**$ -**	**0.0%**
OUTLAYS						
Operating Outlays						
Operations **	$ 30,325,000	$ 31,562,070	$ 32,539,796	$ 34,166,785	$ 1,626,989	5.0%
Total Operating Outlays	**$ 30,325,000**	**$ 31,562,070**	**$ 32,539,796**	**$ 34,166,785**	**$ 1,626,989**	**5.0%**
TOTAL OUTLAYS	**$ 30,325,000**	**$ 31,562,070**	**$ 32,539,796**	**$ 34,166,785**	**$ 1,626,989**	**5.0%**
BALANCE AVAILABLE	**$ 3,833,096**	**$ (2,562,070)**	**$ (3,539,796)**	**$ (5,166,785)**	**$ (1,626,989)**	**46.0%**
YEAR-END RESERVES						
Restricted Reserves						
WUE State Water Project Tax Reserve	$ 17,693,556	$ 8,973,390	$ 11,591,690	$ 6,424,905	$ (5,166,785)	-44.6%
Total Restricted Reserves	**$ 17,693,556**	**$ 8,973,390**	**$ 11,591,690**	**$ 6,424,905**	**$ (5,166,785)**	**-44.6%**
TOTAL YEAR-END RESERVES	**$ 17,693,556**	**$ 8,973,390**	**$ 11,591,690**	**$ 6,424,905**	**$ (5,166,785)**	**-44.6%**
Outlay Summary by Account Type						
OPERATING OUTLAY						
Services & Supplies	$ 30,325,000	$ 31,562,070	$ 32,539,796	$ 34,166,785	$ 1,626,989	5.0%
OPERATING OUTLAY TOTAL	**$ 30,325,000**	**$ 31,562,070**	**$ 32,539,796**	**$ 34,166,785**	**$ 1,626,989**	**5.0%**
TOTAL OUTLAYS	**$ 30,325,000**	**$ 31,562,070**	**$ 32,539,796**	**$ 34,166,785**	**$ 1,626,989**	**5.0%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

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

Fund 63 Total Outlays - Source of Supply

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
Operations						
91131008	State Water Project Costs	30,325,000	31,562,070	32,539,796	34,166,785	Water Supply Division
Total Operations		**30,325,000**	**31,562,070**	**32,539,796**	**34,166,785**	
Total		**30,325,000**	**31,562,070**	**32,539,796**	**34,166,785**	

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GENERAL FUND

Fund Summaries

General Fund Overview

The General Fund is Valley Water's primary funding source for administrative and strategic support services. These services are provided to the Water Utility Enterprise and Watershed programs and projects. They are necessary for the governance and delivery of vital water management and watershed stewardship services to the community. The main purposes of the resources budgeted to the General Fund are to provide:

- Executive leadership and oversight.
- Long and short-term financial planning.
- A capable and knowledgeable workforce.
- Sustainable assets, equipment, and infrastructure.

More details about these administrative and strategic services are described in the Chapter 5 Division Summaries.

Office of the Chief Executive Officer

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

Office of District Counsel

The Office of District Counsel provides professional, timely, and strategic legal advice, representation of Valley Water and its officers and employees, and 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 Valley Water. The Office of District Counsel also oversees the Risk Management program.

Office of the Clerk of the Board

The Office of the Clerk of the Board (COB) directly supports the work of the Valley Water Board of Directors, including Board Governance Policy management, Board performance monitoring, lobbyist reporting, and tracking elections. The COB also provides 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 Valley Water staff.

Office of the Chief of External Affairs

The Office of External Affairs (CEA) provides strategic planning and integration of external policies and legislation as it relates to the business interests of Valley Water and is responsible for managing Valley Water's relationships with the community, government officials, the media, and other key stakeholders. The CEA also oversees the Civic Engagement, Government Relations, Communications, and REDI offices.

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 administrative business areas including Emergency, Safety, and Security, General Services, Human Resources, and Information Technology. 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.

Major Capital Projects

Capital Outlay budget in the General Fund is approximately $13.3 million in fiscal year 2025-2026 and $13.7 million in fiscal year 2026-27 to improve and maintain existing buildings, grounds, and services through several small capital improvement projects. The increase of $7.5 million in FY 2025-26 is due to the Security Upgrades and Enhancement and Headquarters Building projects.

Fiscal Status

Intra-District Reimbursements (overhead) are the primary source of funding in the General Fund. They are budgeted at $80.5 million in FY 2025-26, a 2.1% decrease from FY 2024-25. In FY 2026-27, the reimbursements are projected to increase 10.3% to $88.8 million. The Intra-District Reimbursements rates for FY 2025-26 and FY 2026-27 are 80.4% and 84.8%. The CEO, District Counsel, Clerk of the Board, and Administration costs funded in the General Fund provide services to the Watersheds and Water Utility Enterprise operations and capital programs. Generally, intra-district reimbursements are paid 60% from Water Utility Enterprise and 40% from Watershed Funds.

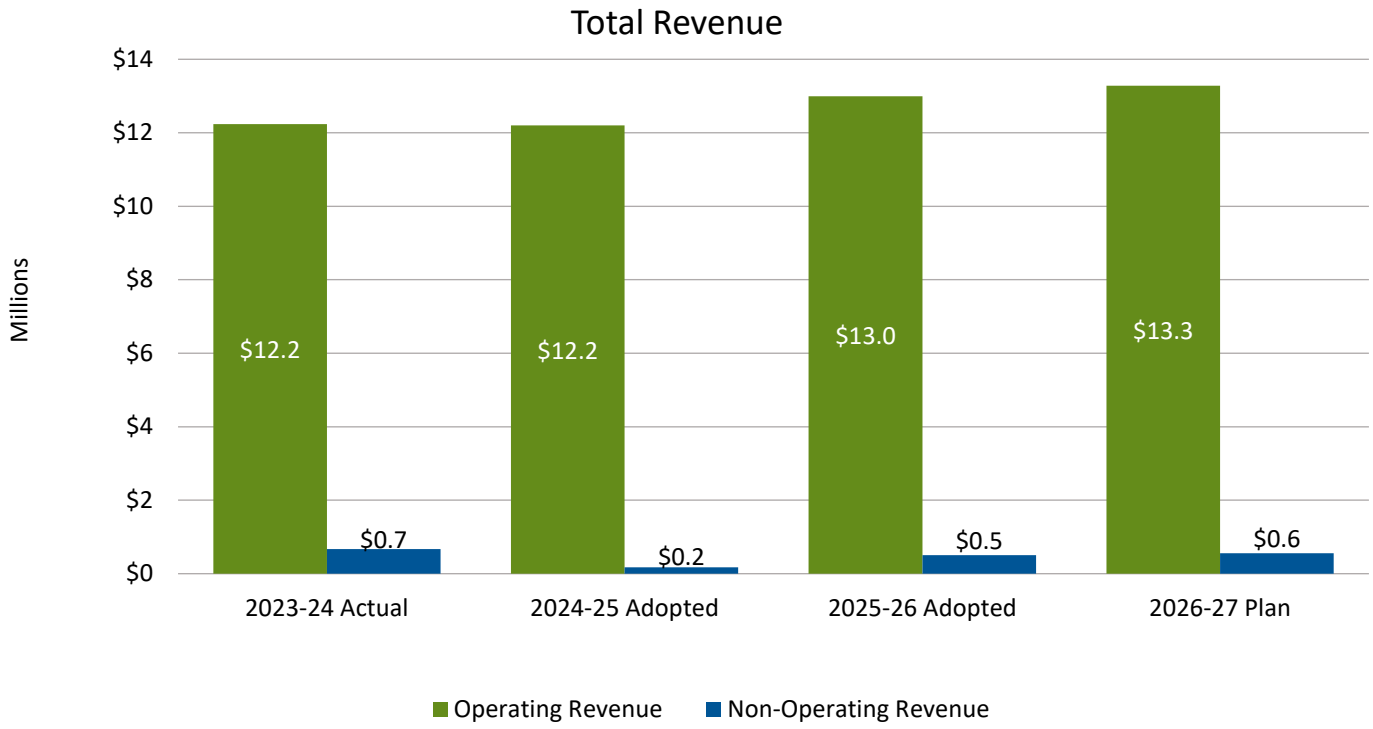
Property Tax revenue is projected at $13.0 million for FY 2025-26. The projection reflects an increase of $0.8 million or a 6.5% increase from the FY 2024-25 Adopted Budget. The increase in Property Tax revenue is based on property tax roll updates received from Santa Clara County. In FY 2026-27, Property Tax revenue is projected to increase an additional 2.2% to $13.3 million. Interest Income is $443,000 in FY 2025-26 and projected to increase to $492,000 in FY 2026-27.

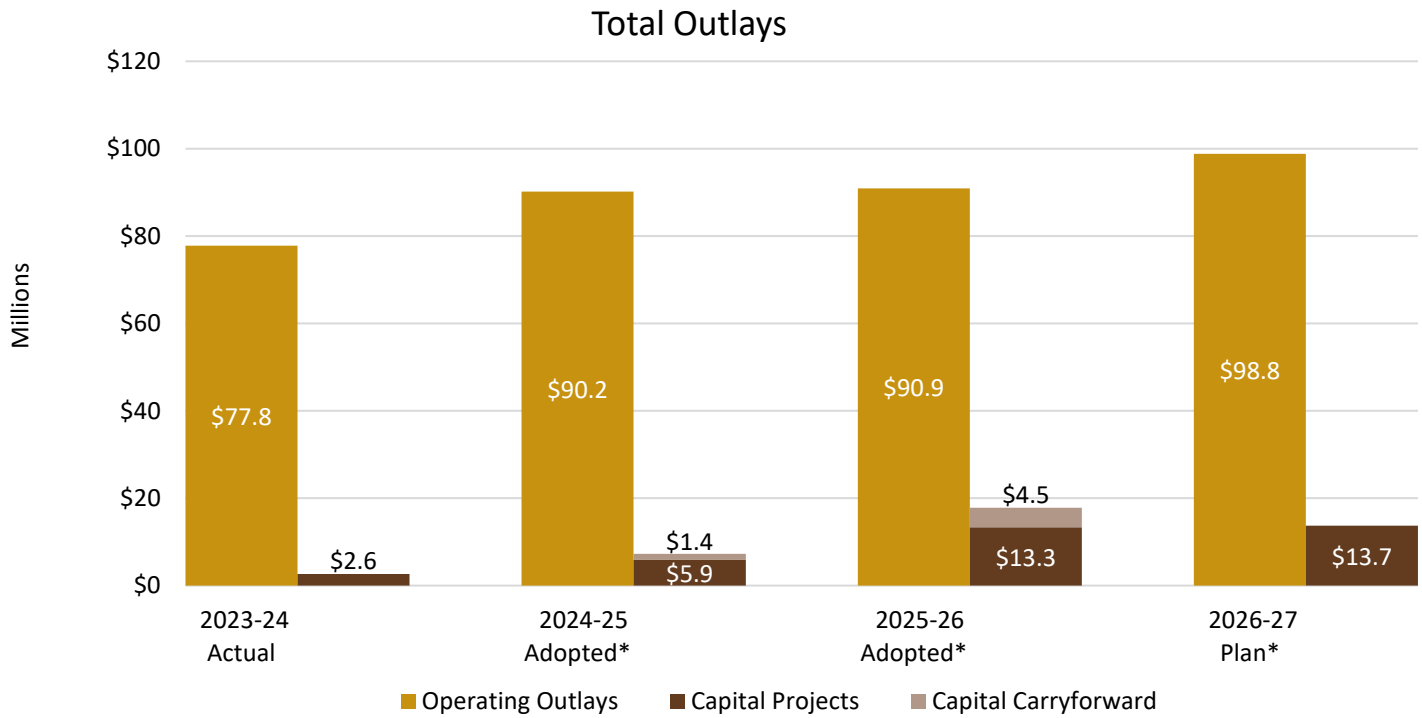
Operating Outlays for the services provided to Watersheds and Water Utility Enterprise total $90.9 million for FY 2025-26. This is an increase of $0.7 million or a 0.8% increase from the FY 2024-25 Adopted Budget. This change is primarily comprised of: increases in Water Rate Assistance Program costs ($1.3 million), increases in salary and related costs per MOU ($0.9 million), increases in intra-district costs ($0.8 million), decreases in services and supplies for Clerk of the Board election costs (-$1.5 million), Drought Induced Tree Removal costs (-$0.9 million), and a net increase in various projects and programs ($0.1 million). In FY 2026-27, Operating Outlays are projected to increase an additional 8.7% to $98.8 million. This is mainly due to increases in services and supplies for Clerk of the Board election costs in November 2026 ($2.9 million) and salary and benefits ($3.4 million). In FY 2025-26, 45 positions are paused which is a decrease from 921 positions in FY 2024-25 to 876 positions in FY 2025-26. The pausing of positions minimized the salary and related costs increase in FY 2025-26. Out of the 45 paused positions, nine positions were funded by the General Fund.

Operating Transfers In for FY 2025-26 are $10.1 million made up of Security Upgrades and Enhancements Capital Project ($5.2 million) from the Safe Clean Water Fund (10%), the Watershed and Stream Stewardship (WSS) Fund (30%), and Water Utility Enterprise Fund (60%), Headquarter Operations Building Project ($4.0 million) from the Safe Clean Water Fund (10%), the WSS Fund (30%), and Water Utility Enterprise Fund (60%), and Drought Induced Tree Removal ($0.9 million) from the WSS Fund; and there is no Operating Transfer Out. For FY 2026-27, Operating Transfers In are projected to be $10.5 million made up of Headquarter Operations Building Project ($5.4 million) from the Safe Clean Water Fund (10%), the WSS Fund (30%), and Water Utility Enterprise Fund (60%), the Security Upgrades and Enhancements Capital Project ($4.2 million) from the Safe Clean Water Fund (10%), the WSS Fund (30%), and Water Utility Enterprise Fund (60%), and the Drought Induced Tree Removal Project ($0.9 million) from the WSS Fund; and Operating Transfers Out are projected to be $2.0 million for the Open Space Credit to the Water Utility Enterprise Fund.

General Fund reserves are estimated at approximately $19.7 million for FY 2025-26 and $18.3 million for FY 2026-27 and are in compliance with the Valley Water Reserve Policy.

General Fund





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

General Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 12,240,054	$ 12,198,500	$ 12,524,100	$ 12,992,800	$ 794,300	6.5%
Total Operating Revenue	**$ 12,240,054**	**$ 12,198,500**	**$ 12,524,100**	**$ 12,992,800**	**$ 794,300**	**6.5%**
Non-Operating Revenue						
Interest Income *	$ 474,828	$ 146,000	$ 394,000	$ 443,000	$ 297,000	203.4%
Non-Operating Other	198,747	30,000	30,000	61,600	31,600	105.3%
Total Non-Operating Revenue	**$ 673,575**	**$ 176,000**	**$ 424,000**	**$ 504,600**	**$ 328,600**	**186.7%**
TOTAL REVENUE	**$ 12,913,630**	**$ 12,374,500**	**$ 12,948,100**	**$ 13,497,400**	**$ 1,122,900**	**9.1%**
OUTLAYS						
Operating Outlays						
Operations **	$ 76,457,541	$ 90,181,922	$ 90,371,922	$ 89,583,448	$ (598,475)	-0.7%
Operating Project	870,261	-	250,000	1,333,333	1,333,333	0.0%
Debt Service	472,146	-	-	-	-	0.0%
Total Operating Outlays	**$ 77,799,947**	**$ 90,181,922**	**$ 90,621,922**	**$ 90,916,781**	**$ 734,858**	**0.8%**
Capital Outlays						
Capital Projects	$ 2,618,871	$ 5,868,266	$ 12,332,178	$ 13,319,270	$ 7,451,004	127.0%
Carry Forward Capital Projects	-	1,394,069	-	4,491,484	3,097,415	222.2%
Total Capital Outlays	**$ 2,618,871**	**$ 7,262,335**	**$ 12,332,178**	**$ 17,810,754**	**$ 10,548,419**	**145.2%**
TOTAL OUTLAYS	**$ 80,418,818**	**$ 97,444,257**	**$ 102,954,100**	**$ 108,727,535**	**$ 11,283,277**	**11.6%**
Less Intra-District Reimbursements	(73,184,975)	(82,259,551)	(82,259,551)	(80,529,040)	1,730,511	-2.1%
NET OUTLAYS	**$ 7,233,843**	**$ 15,184,707**	**$ 20,694,550**	**$ 28,198,495**	**$ 13,013,788**	**85.7%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 2,084,347	$ 3,820,900	$ 8,108,344	$ 10,109,827	$ 6,288,927	164.6%
Transfers Out	-	(1,986,500)	(1,986,500)	-	1,986,500	-100.0%
TOTAL OTHER SOURCES/(USES)	**$ 2,084,347**	**$ 1,834,400**	**$ 6,121,844**	**$ 10,109,827**	**$ 8,275,427**	**451.1%**
BALANCE AVAILABLE	**$ 7,764,134**	**$ (975,807)**	**$ (1,624,606)**	**$ (4,591,268)**	**$ (3,615,461)**	**370.5%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 4,118,943	$ -	$ 4,491,484	$ -	$ -	0.0%
Operating and Capital Reserve	21,785,605	14,113,585	19,223,235	18,994,571	4,880,986	34.6%
Excess ERAF Contingency Reserve	-	666,631	565,224	694,104	27,473	4.1%
Total Committed Reserves	**$ 25,904,548**	**$ 14,780,216**	**$ 24,279,943**	**$ 19,688,675**	**$ 4,908,459**	**33.2%**
TOTAL YEAR-END RESERVES	**$ 25,904,548**	**$ 14,780,216**	**$ 24,279,943**	**$ 19,688,675**	**$ 4,908,459**	**33.2%**

General Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 45,511,922	$ 51,997,635	$ 51,997,635	$ 52,670,799	$ 673,164	1.3%
Salary Savings Factor	-	(791,104)	(791,104)	(522,031)	269,073	-34.0%
Services & Supplies	23,036,771	29,434,010	29,874,010	28,437,914	(996,096)	-3.4%
Intra-District Charges	8,779,108	9,541,382	9,541,382	10,330,099	788,717	8.3%
OPERATING OUTLAY TOTAL	**$ 77,327,801**	**$ 90,181,922**	**$ 90,621,922**	**$ 90,916,781**	**$ 734,858**	**0.8%**
DEBT SERVICE						
Debt Service	$ 472,146	$ -	$ -	$ -	$ -	0.0%
DEBT SERVICE TOTAL	**$ 472,146**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 46,519	$ 268,020	$ 268,020	$ 404,173	$ 136,153	50.8%
Salary Savings Factor	-	(4,267)	(4,267)	(4,104)	163	-3.8%
Services & Supplies	2,548,544	5,535,065	11,998,977	12,815,014	7,279,949	131.5%
Carry Forward Capital Projects	-	1,394,069	-	4,491,484	3,097,415	222.2%
Intra-District Charges	23,808	69,448	69,448	104,187	34,739	50.0%
CAPITAL PROJECTS TOTAL	**$ 2,618,871**	**$ 7,262,335**	**$ 12,332,178**	**$ 17,810,754**	**$ 10,548,419**	**145.2%**
TOTAL OUTLAYS	**$ 80,418,818**	**$ 97,444,257**	**$ 102,954,100**	**$ 108,727,535**	**$ 11,283,277**	**11.6%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations outlays do not include OPEB Expense-unfunded liabilities

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

General Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
REVENUE						
Operating Revenue						
Property Tax	$ 12,240,054	$ 12,198,500	$ 12,992,800	$ 13,277,300	$ 284,500	2.2%
Total Operating Revenue	**$ 12,240,054**	**$ 12,198,500**	**$ 12,992,800**	**$ 13,277,300**	**$ 284,500**	**2.2%**
Non-Operating Revenue						
Interest Income *	$ 474,828	$ 146,000	$ 443,000	$ 492,000	$ 49,000	11.1%
Non-Operating Other	198,747	30,000	61,600	61,600	-	0.0%
Total Non-Operating Revenue	**$ 673,575**	**$ 176,000**	**$ 504,600**	**$ 553,600**	**$ 49,000**	**9.7%**
TOTAL REVENUE	**$ 12,913,630**	**$ 12,374,500**	**$ 13,497,400**	**$ 13,830,900**	**$ 333,500**	**2.5%**
OUTLAYS						
Operating Outlays						
Operations **	$ 76,457,541	$ 90,181,922	$ 89,583,448	$ 97,486,009	$ 7,902,561	8.8%
Operating Project	870,261	-	1,333,333	1,333,333	-	0.0%
Debt Service	472,146	-	-	-	-	0.0%
Total Operating Outlays	**$ 77,799,947**	**$ 90,181,922**	**$ 90,916,781**	**$ 98,819,342**	**$ 7,902,561**	**8.7%**
Capital Outlays						
Capital Projects	$ 2,618,871	$ 5,868,266	$ 13,319,270	$ 13,687,360	$ 368,090	2.8%
Carry Forward Capital Projects	-	1,394,069	4,491,484	-	(4,491,484)	-100.0%
Total Capital Outlays	**$ 2,618,871**	**$ 7,262,335**	**$ 17,810,754**	**$ 13,687,360**	**$ (4,123,394)**	**-23.2%**
TOTAL OUTLAYS	**$ 80,418,818**	**$ 97,444,257**	**$ 108,727,535**	**$ 112,506,702**	**$ 3,779,167**	**3.5%**
Less Intra-District Reimbursements	(73,184,975)	(82,259,551)	(80,529,040)	(88,847,440)	(8,318,400)	10.3%
NET OUTLAYS	**$ 7,233,843**	**$ 15,184,707**	**$ 28,198,495**	**$ 23,659,262**	**$ (4,539,233)**	**-16.1%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 2,084,347	$ 3,820,900	$ 10,109,827	$ 10,460,167	$ 350,340	3.5%
Transfers Out	-	(1,986,500)	-	(1,980,299)	(1,980,299)	0.0%
TOTAL OTHER SOURCES/(USES)	**$ 2,084,347**	**$ 1,834,400**	**$ 10,109,827**	**$ 8,479,868**	**$ (1,629,959)**	**-16.1%**
BALANCE AVAILABLE	**$ 7,764,134**	**$ (975,807)**	**$ (4,591,268)**	**$ (1,348,494)**	**$ 3,242,774**	**-70.6%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects ***	$ 4,118,943	$ -	$ -	$ -	$ -	0.0%
Operating and Capital Reserve	21,785,605	14,113,585	18,994,571	17,517,197	(1,477,374)	-7.8%
Excess ERAF Contingency Reserve	-	666,631	694,104	822,984	128,880	18.6%
Total Committed Reserves	**$ 25,904,548**	**$ 14,780,216**	**$ 19,688,675**	**$ 18,340,181**	**$ (1,348,494)**	**-6.8%**
TOTAL YEAR-END RESERVES	**$ 25,904,548**	**$ 14,780,216**	**$ 19,688,675**	**$ 18,340,181**	**$ (1,348,494)**	**-6.8%**

General Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 45,511,922	$ 51,997,635	$ 52,670,799	$ 56,064,030	$ 3,393,231	6.4%
Salary Savings Factor	-	(791,104)	(522,031)	(549,912)	(27,881)	5.3%
Services & Supplies	23,036,771	29,434,010	28,437,914	31,571,308	3,133,394	11.0%
Intra-District Charges	8,779,108	9,541,382	10,330,099	11,733,916	1,403,817	13.6%
OPERATING OUTLAY TOTAL	$ **77,327,801**	$ **90,181,922**	$ **90,916,781**	$ **98,819,342**	$ **7,902,561**	**8.7%**
DEBT SERVICE						
Debt Service	$ 472,146	$ -	$ -	$ -	$ -	0.0%
DEBT SERVICE TOTAL	$ **472,146**	$ **-**	$ **-**	$ **-**	$ **-**	**0.0%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 46,519	$ 268,020	$ 404,173	$ 49,439	$ (354,734)	-87.8%
Salary Savings Factor	-	(4,267)	(4,104)	(485)	3,620	-88.2%
Services & Supplies	2,548,544	5,535,065	12,815,014	13,609,889	794,874	6.2%
Carry Forward Capital Projects	-	1,394,069	4,491,484	-	(4,491,484)	-100.0%
Intra-District Charges	23,808	69,448	104,187	28,517	(75,670)	-72.6%
CAPITAL PROJECTS TOTAL	$ **2,618,871**	$ **7,262,335**	$ **17,810,754**	$ **13,687,360**	$ **(4,123,394)**	**-23.2%**
TOTAL OUTLAYS	$ **80,418,818**	$ **97,444,257**	$ **108,727,535**	$ **112,506,702**	$ **3,779,167**	**3.5%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations outlays do not include OPEB Expense-unfunded liabilities

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

Total Outlays - General Fund

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
Operations						
60001090	CEOUnscoped Projects-BudgtOnly	–	100,000	100,000	100,000	Office of the CEO
60001091	Unscoped Projects-Budget Only	–	100,000	100,000	100,000	Office of the COO Admin Services
60001092	CEA UnscopedProject-BudgetOnly	–	100,000	100,000	100,000	Office of the CEA
60021008	Energy Management	77,778	110,858	121,231	129,846	Treated Water Division
60041003	Hollister Groundwater Mgmt	9,534	52,499	43,125	44,345	Raw Water Division
60061012	Facilities Env Compliance	227,552	247,379	269,711	285,024	Emergency, Safety and Security Division
60061018	General Services Div Admin	1,103,674	1,390,378	1,795,283	1,915,036	General Services Division
60061023	Districtwide Salary Savings-11	–	(791,104)	(522,031)	(549,912)	Financial Planning & Mgmt Div
60061055	Asset Management Program	386,175	485,969	517,117	649,586	Office of Integrated Water Management
60061058	Drought Induced Tree Removal	1,808,586	2,035,899	865,546	855,741	Watersheds Operations & Maint Division
60071041	Welding Services	19,546	24,803	25,334	26,699	General Services Division
60091001	Directors Fees / Expenses	423,568	616,750	639,800	639,800	Office of the Clerk of the Board
60101001	Purchasing Services	1,814,962	1,884,785	2,485,820	2,633,919	General Services Division
60101002	Building and Grounds	10,900,712	12,335,142	11,210,652	11,823,163	General Services Division
60101005	Districtwide Signage	117,096	370,029	460,726	470,234	General Services Division
60101008	District Security Services	3,294,608	5,499,196	5,911,104	6,139,138	Emergency, Safety and Security Division
60111002	General Accounting Services	5,437,870	5,808,835	6,237,114	6,653,562	Financial Planning & Mgmt Div
60111006	Contract Services	2,163,909	3,171,531	2,592,658	2,716,466	General Services Division
60121003	LT Financial Planning & Rate S	260,577	244,257	258,576	274,559	Financial Planning & Mgmt Div
60131007	Ofc of Chief Executive Officer	1,774,003	1,710,717	1,792,100	1,943,732	Office of the CEO
60131014	Continual Improvement	741,276	763,592	882,735	912,875	Financial Planning & Mgmt Div
60141001	District Counsel	5,676,118	5,838,410	6,174,306	6,582,827	Office of the District Counsel
60171002	Education & Volunteer Program	1,199,647	1,058,139	1,153,546	1,229,992	Office of the CEA
60171009	Community Relations	245,723	250,492	265,011	275,994	Office of the CEA
60221001	Budget and Financial Analyses	2,290,929	2,801,492	2,435,460	2,597,035	Financial Planning & Mgmt Div
60221002	Debt & Treasury Management	1,448,182	1,464,452	1,657,577	1,782,266	Financial Planning & Mgmt Div
60221003	FPMD Administration	625,438	623,385	696,298	767,228	Financial Planning & Mgmt Div
60231002	Communications	1,882,330	1,721,743	1,756,507	1,836,984	Office of the CEA
60231003	Federal Government Relations	995,699	1,122,377	1,200,120	1,260,873	Office of the CEA
60231004	State Government Relations	1,267,484	1,446,413	1,542,323	1,651,997	Office of the CEA
60231005	Local Government Relations	2,254,719	2,443,977	2,129,142	2,207,380	Office of the CEA
60231006	Office of Chief of Ext Affairs	1,396,084	1,350,674	1,394,566	1,498,099	Office of the CEA
60241026	Quality and Env Mgmt Sys Prog	575,650	608,181	675,980	691,411	Financial Planning & Mgmt Div
60281003	Ethics & EEO Programs	7,005	173,100	930,938	977,865	Human Resources Division
60281004	REDI	1,400,776	1,848,881	1,676,197	1,729,383	Office of the CEA
60281006	Reasonable Accommodation	11,739	60,000	60,000	60,000	Human Resources Division
60291003	Labor Relations	1,127,126	1,473,889	901,549	905,141	Human Resources Division
60291011	HR Program Admin	865,117	1,417,189	2,048,440	2,208,142	Human Resources Division
60291032	Bargaining Unit Representation	101,690	212,307	135,200	143,040	Human Resources Division
60291040	Rotation Program	306,979	–	–	–	Human Resources Division
60291041	Internship Program	804,947	1,417,584	1,035,550	1,035,550	Human Resources Division
60301001	Clerk of the Board Serv	3,176,099	4,398,041	2,925,533	6,047,377	Office of the Clerk of the Board
60311001	Records & Library Services	1,319,842	1,640,644	1,257,285	1,323,561	Information Technology Division
60351001	Business & Customer SupportSvc	2,964,643	3,644,018	3,455,697	3,715,433	General Services Division
60601010	Emergency Activation	10,762	–	–	–	Emergency, Safety and Security Division
60601013	Covid 19	812,476	–	–	–	Emergency, Safety and Security Division
60811046	Warehouse Services	430,910	655,399	602,436	638,929	General Services Division
60131004	AS Administration	1,613,546	2,511,145	2,597,348	2,703,350	Office of the COO Admin Services
60231007	Internal Communications	650,080	731,328	768,262	818,468	Office of the CEA

Total Outlays - General Fund

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
60361002	Graphic Services	1,321,660	1,369,558	1,473,761	1,571,579	Office of the CEA
60601015	EOC - Storm 2022-12-30	878,993	–	–	–	Emergency, Safety and Security Division
60291001	Recruitment and Selection Program	2,544,965	3,435,476	2,873,128	3,030,710	Human Resources Division
60291002	Benefits and Wellness Program	1,136,991	1,638,955	1,762,564	1,867,643	Human Resources Division
60291004	Workforce Development Program	1,814,560	3,142,944	3,894,795	4,014,569	Human Resources Division
60291005	Classification & Compensation Pgm	134,801	109,864	195,000	170,000	Human Resources Division
60291030	HRIS Admin & Data Analytics Pgm	996,138	1,160,520	1,406,441	1,502,937	Human Resources Division
60291044	Next-Gen Program	749,710	870,217	1,306,336	1,378,827	Human Resources Division
60171010	Community Benefits Project	759,996	1,279,614	1,309,553	1,397,606	Office of the CEA
60601016	EOC – Storm 2023-03/09	3,687	–	–	–	Emergency, Safety and Security Division
60601017	EOC - Storm 2024-02/04	92,875	–	–	–	Emergency, Safety and Security Division
Total Operations		**76,457,541**	**90,181,922**	**89,583,448**	**97,486,009**	
Operating Project						
60232001	Water Rate Assistance Program	870,261	–	1,333,333	1,333,333	Office of the CEA
Total Operating Projects		**870,261**	**–**	**1,333,333**	**1,333,333**	
Debt Service						
60993009	2017A COP Refunding GF	472,146	–	–	–	Financial Planning & Mgmt Div
Total Debt Service		**472,146**	**–**	**–**	**–**	
Capital						
60064023	Districtwide Salary Savings	–	(4,267)	(4,104)	(485)	Financial Planning & Mgmt Div
60074033	CIP Development & Admin	13,374	15,389	16,284	17,610	Office of Integrated Water Management
60074036	Survey Mgmt & Tech Support	4,138	5,199	6,739	7,012	Office of Integrated Water Management
60204016	Small Caps, Facility Mgmt	2,333,942	4,006,000	4,006,000	4,000,000	General Services Division
60204032	Headquarters Operations Bldg	26,592	1,485,315	4,025,129	5,359,000	General Services Division
60204022	Security Upgrades and	198,034	300,096	5,219,152	4,245,426	General Services Division
60074041	Construction Contracts and Support	22,730	30,862	19,057	24,624	General Services Division
60074042	Capital Project Mgmt & Controls	11,205	11,744	13,496	14,424	Office of Integrated Water Management
60074047	Computer-Aided Design for Engineering	8,855	17,929	17,517	19,748	Office of Integrated Water Management
Total Capital		**2,618,871**	**5,868,266**	**13,319,270**	**13,687,360**	
Total		**80,418,818**	**96,050,188**	**104,236,051**	**112,506,702**	

SERVICE FUNDS

Fund Summaries

Service Funds Overview

Valley Water manages three Internal Service Funds - the Fleet Management Fund, the Risk Management Fund, and the Information Technology Fund. These funds provide goods and services to the entire organization and recover costs through intra-district reimbursements (also known as overhead costs). Intra-district reimbursements are charges to other departments for services equal to the cost of operations and to maintain adequate reserves in accordance with the Valley Water Reserve Policy. Further information on each fund is provided below and in the pages that follow.

Fleet Management Fund

The Fleet Management Fund was established to capture the operations, maintenance and replacement costs of vehicles and equipment such as: sedans, vans, pickup trucks and field equipment (Class I); heavy duty trucks and trailers (Class II); heavy construction equipment (Class III); and, portable equipment including large pumps, electrical panels, hose and fittings, air compressors, chain saws, weed whackers, generators, etc. (Class IV). Intra-district reimbursements for FY 2025-26 total $7.4 million with an overhead rate of 5.9% and $9.6 million for FY 2026-27 with an overhead rate of 7.3%.

Key Highlights

The following are key highlights for the upcoming fiscal year:

- Replacement of vehicles and equipment in accordance with Valley Water's vehicle and equipment replacement criteria (i.e., 12-year or 125,000-miles).
- Expand Valley Water's Electric Vehicle Fleet portfolio and increase access to vehicle charging facilities.
- Compliance with California Air Resources Board regulations to reduce air pollution caused by diesel-powered equipment.
- Continue technical training for Equipment Management Unit Technicians in current and up and coming technologies.

Risk Management Fund

This fund was established to provide for liability, property, workers' compensation, terrorism, cyber, drone, non-owned aircraft, crime insurance, and self-insurance costs. Included in this fund is a reserve for catastrophic uninsured property loss and liability claims set at levels prescribed by actuarial studies.

Intra-district reimbursements for FY 2025-26 total $14.7 million with an overhead rate of 11.8% and $13.7 million for FY 2026-27 with an overhead rate of 10.5%.

Key Highlights

The following are key highlights for the upcoming fiscal year:

- Continue to administer the Liability and Property programs in a manner that provides prompt and fair adjustment of claims and losses.
- Continue to protect assets by identifying and evaluating loss exposures and applying effective risk management techniques to reduce or eliminate risk.

Information Technology Fund

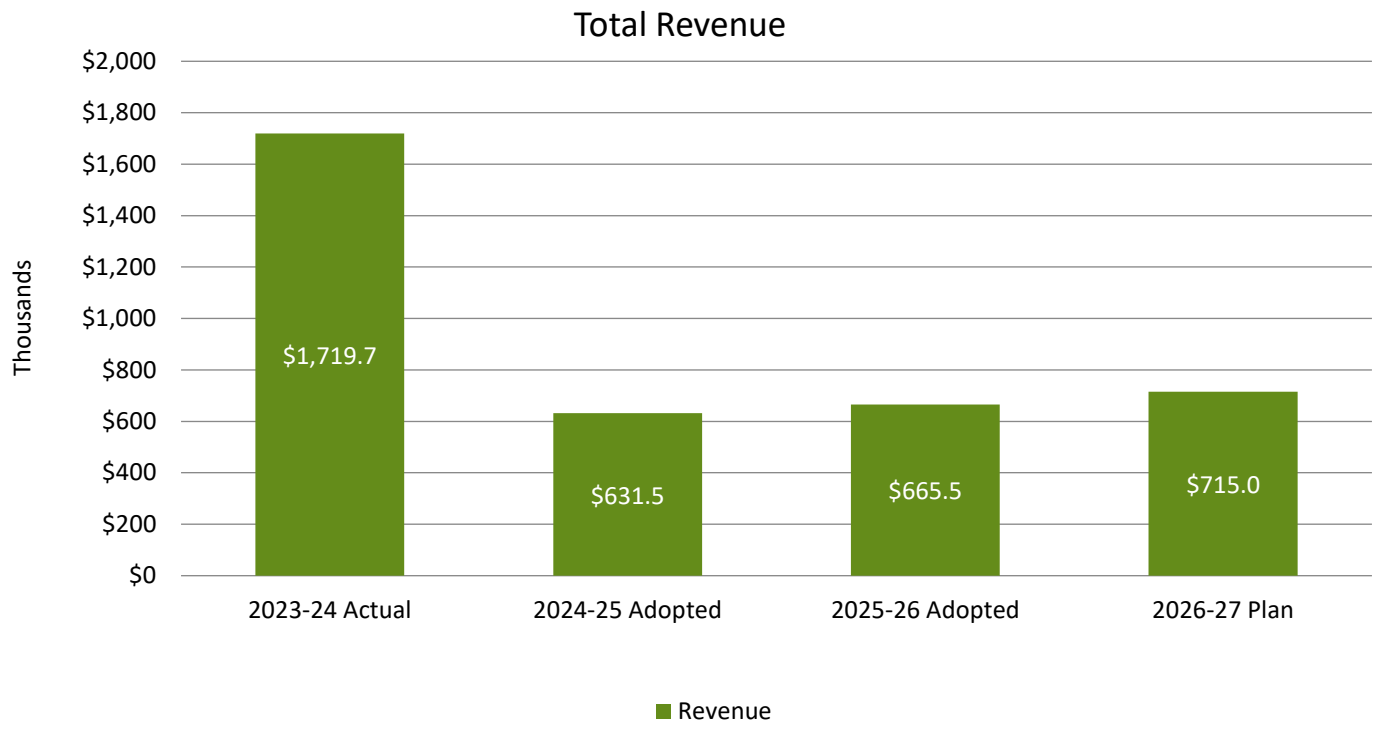
The Information Technology Fund was established to capture the operation, maintenance, and replacement costs to support the technology and information security needs of Valley Water. It accounts for all network, data center, telecom, servers, computers, and business and support applications. Intra-district reimbursements for FY 2025-26 total $29.1 million with an overhead rate of 24.2%, and $35.2 million for FY 2026-27 with an overhead rate of 28.0%.

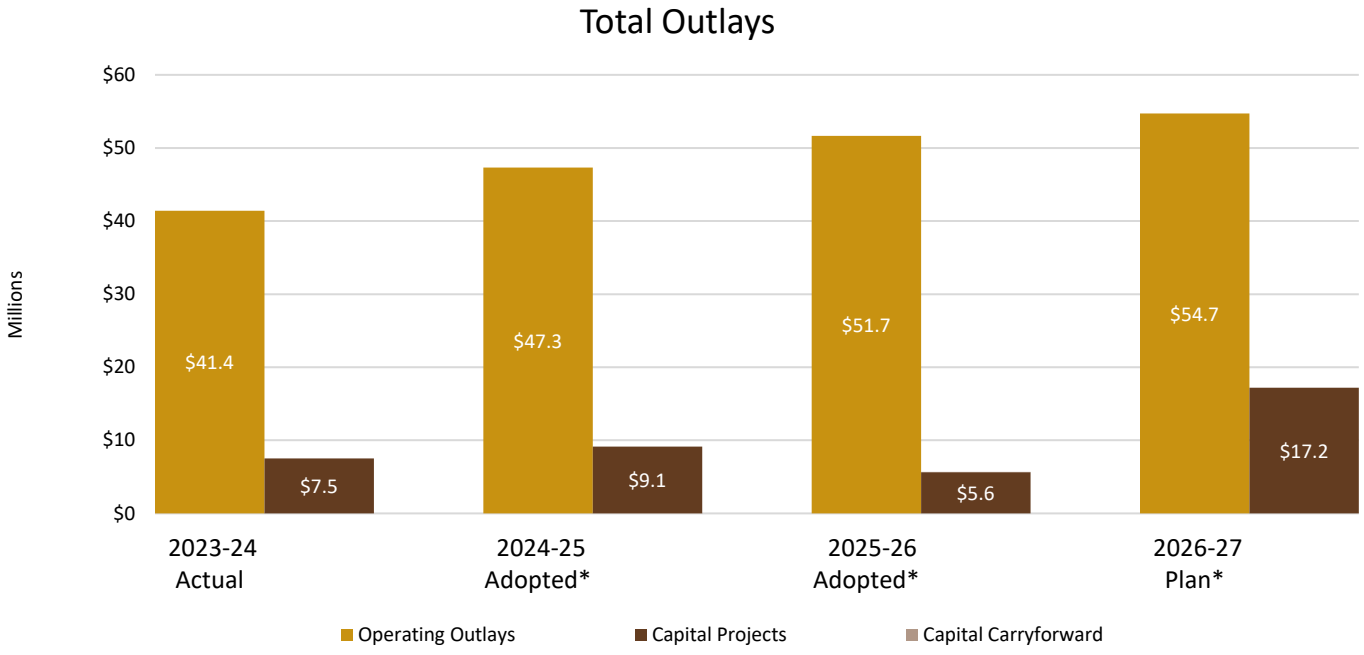
Key Highlights

The following are key highlights for the upcoming fiscal year:

- Improve existing ERP systems, including Payroll, Procurement, and Expense management, to achieve higher operational efficiency.
- Continue improving Valley Water cybersecurity posture, tools, and safeguards, reducing the likelihood of a security breach or ransomware attack.
- Provide AI-based tools and services to improve employee efficiency and quality of work.
- Provide education in technology, specific applications, and general concepts to Valley Water staff.
- Automate publishing key performance indicators, promoting transparency of IT operations.
- Improve IT Disaster Recovery services and modernize backup technologies to enhance resiliency and redundancy.
- Create standardized IT Project Management processes, practices, and metrics.
- Modernize Valley Water's website, www.valleywater.org, and enhance internal digital signage.
- Upgrade desktop applications and hardware to enhance usability, reliability, and supportability.
- Enhance virtual desktop infrastructure, providing greater performance, service, and functionality for Valley Water employees.
- Increase IT's value to Valley Water through right-sizing application licensing, application rationalization, and continued partnership with procurement.
- Launch a new billing platform to enhance how we track, bill, and process customer payments.
- Develop a long-term strategy for communication, collaboration, and file storage.
- Standardize conference room technology (AV) across all Valley Water sites.
- Develop a long-term strategy for remote communications at Water Utility Enterprise sites.

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 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Interest Income *	$ 1,240,515	$ 611,000	$ 555,000	$ 624,000	$ 13,000	2.1%
Non-Operating Other	479,208	20,500	21,000	41,500	21,000	102.4%
TOTAL REVENUE	**$ 1,719,723**	**$ 631,500**	**$ 576,000**	**$ 665,500**	**$ 34,000**	**5.4%**
OUTLAYS						
Operating Outlays						
Operations **	$ 41,413,221	$ 47,321,982	$ 47,671,982	$ 51,657,617	$ 4,335,636	9.2%
Operating Project	-	-	1,199,876	-	-	0.0%
Total Operating Outlays	**$ 41,413,221**	**$ 47,321,982**	**$ 48,871,858**	**$ 51,657,617**	**$ 4,335,636**	**9.2%**
Capital Outlays						
Capital Projects	$ 7,524,827	$ 9,131,896	$ 10,451,378	$ 5,641,546	$ (3,490,350)	-38.2%
Carry Forward Capital Projects	-	(199)	-	454	653	-328.1%
Total Capital Outlays	**$ 7,524,827**	**$ 9,131,697**	**$ 10,451,378**	**$ 5,642,000**	**$ (3,489,697)**	**-38.2%**
TOTAL OUTLAYS	**$ 48,938,048**	**$ 56,453,678**	**$ 59,323,236**	**$ 57,299,618**	**$ 845,939**	**1.5%**
Less Intra-District Reimbursements	(43,570,017)	(46,853,879)	(46,853,879)	(51,191,434)	(4,337,555)	9.3%
NET OUTLAYS	**$ 5,368,031**	**$ 9,599,799**	**$ 12,469,357**	**$ 6,108,183**	**$ (3,491,616)**	**-36.4%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 6,231,000	$ 7,001,300	$ 7,001,300	$ 3,561,546	$ (3,439,754)	-49.1%
TOTAL OTHER SOURCES/(USES)	**$ 6,231,000**	**$ 7,001,300**	**$ 7,001,300**	**$ 3,561,546**	**$ (3,439,754)**	**-49.1%**
BALANCE AVAILABLE	**$ 2,582,692**	**$ (1,966,999)**	**$ (4,892,057)**	**$ (1,881,137)**	**$ 85,862**	**-4.4%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects	$ 355,662	$ 123,126	$ 123,580	$ 123,126	$ -	0.0%
Operating and Capital Reserve	14,651,485	6,424,002	10,016,430	5,311,373	(1,112,629)	-17.3%
Liability/Workers' Comp Self-Insurance	8,337,000	8,337,000	8,337,000	11,476,000	3,139,000	37.7%
Property Self-Insurance/Catastrophic	6,869,456	7,409,352	6,844,537	6,529,910	(879,442)	-11.9%
Total Committed Reserves	**$ 30,213,603**	**$ 22,293,480**	**$ 25,321,547**	**$ 23,440,410**	**$ 1,146,930**	**5.1%**
TOTAL YEAR-END RESERVES	**$ 30,213,603**	**$ 22,293,480**	**$ 25,321,547**	**$ 23,440,410**	**$ 1,146,930**	**5.1%**

Service Funds Combined Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 12,687,020	$ 15,457,668	$ 15,457,668	$ 16,707,530	$ 1,249,862	8.1%
Salary Savings Factor	-	(234,937)	(234,937)	(165,229)	69,708	-29.7%
Services & Supplies	22,237,503	24,400,166	25,950,042	26,959,326	2,559,160	10.5%
Intra-District Charges	6,488,699	7,699,085	7,699,085	8,155,990	456,905	5.9%
OPERATING OUTLAY TOTAL	**$ 41,413,221**	**$ 47,321,982**	**$ 48,871,858**	**$ 51,657,617**	**$ 4,335,636**	**9.2%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 34,946	$ 43,851	$ 43,851	$ -	$ (43,851)	-100.0%
Salary Savings Factor	-	(680)	(680)	-	680	-100.0%
Services & Supplies	7,467,885	9,062,465	10,381,947	5,641,546	(3,420,919)	-37.7%
Carry Forward Capital Projects	-	(199)	-	454	653	-328.1%
Intra-District Charges	21,996	26,260	26,260	-	(26,260)	-100.0%
CAPITAL PROJECTS TOTAL	**$ 7,524,827**	**$ 9,131,697**	**$ 10,451,378**	**$ 5,642,000**	**$ (3,489,697)**	**-38.2%**
TOTAL OUTLAYS	**$ 48,938,048**	**$ 56,453,678**	**$ 59,323,236**	**$ 57,299,618**	**$ 845,939**	**1.5%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

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

Service Funds Combined Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 $ Diff	Change from 2025-26 % Diff
REVENUE						
Interest Income *	$ 1,240,515	$ 611,000	$ 624,000	$ 694,000	$ 70,000	11.2%
Non-Operating Other	479,208	20,500	41,500	21,000	(20,500)	-49.4%
TOTAL REVENUE	**$ 1,719,723**	**$ 631,500**	**$ 665,500**	**$ 715,000**	**$ 49,500**	**7.4%**
OUTLAYS						
Operating Outlays						
Operations **	$ 41,413,221	$ 47,321,982	$ 51,657,617	$ 54,700,176	$ 3,042,558	5.9%
Total Operating Outlays	**$ 41,413,221**	**$ 47,321,982**	**$ 51,657,617**	**$ 54,700,176**	**$ 3,042,558**	**5.9%**
Capital Outlays						
Capital Projects	$ 7,524,827	$ 9,131,896	$ 5,641,546	$ 17,195,805	$ 11,554,259	204.8%
Carry Forward Capital Projects	-	(199)	454	-	(454)	-100.0%
Total Capital Outlays	**$ 7,524,827**	**$ 9,131,697**	**$ 5,642,000**	**$ 17,195,805**	**$ 11,553,805**	**204.8%**
TOTAL OUTLAYS	**$ 48,938,048**	**$ 56,453,678**	**$ 57,299,618**	**$ 71,895,981**	**$ 14,596,363**	**25.5%**
Less Intra-District Reimbursements	(43,570,017)	(46,853,879)	(51,191,434)	(58,445,951)	(7,254,517)	14.2%
NET OUTLAYS	**$ 5,368,031**	**$ 9,599,799**	**$ 6,108,183**	**$ 13,450,029**	**$ 7,341,846**	**120.2%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 6,231,000	$ 7,001,300	$ 3,561,546	$ 13,757,805	$ 10,196,259	286.3%
TOTAL OTHER SOURCES/(USES)	**$ 6,231,000**	**$ 7,001,300**	**$ 3,561,546**	**$ 13,757,805**	**$ 10,196,259**	**286.3%**
BALANCE AVAILABLE	**$ 2,582,692**	**$ (1,966,999)**	**$ (1,881,137)**	**$ 1,022,776**	**$ 2,903,913**	**-154.4%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects	$ 355,662	$ 123,126	$ 123,126	$ 123,126	$ -	0.0%
Operating and Capital Reserve	14,651,485	6,424,002	5,311,373	5,512,327	200,953	3.8%
Liability/Workers' Comp Self-Insurance	8,337,000	8,337,000	11,476,000	11,476,000	-	0.0%
Property Self-Insurance/Catastrophic	6,869,456	7,409,352	6,529,910	7,351,733	821,823	12.6%
Total Committed Reserves	**$ 30,213,603**	**$ 22,293,480**	**$ 23,440,410**	**$ 24,463,186**	**$ 1,022,776**	**4.4%**
TOTAL YEAR-END RESERVES	**$ 30,213,603**	**$ 22,293,480**	**$ 23,440,410**	**$ 24,463,186**	**$ 1,022,776**	**4.4%**

Service Funds Combined Summary

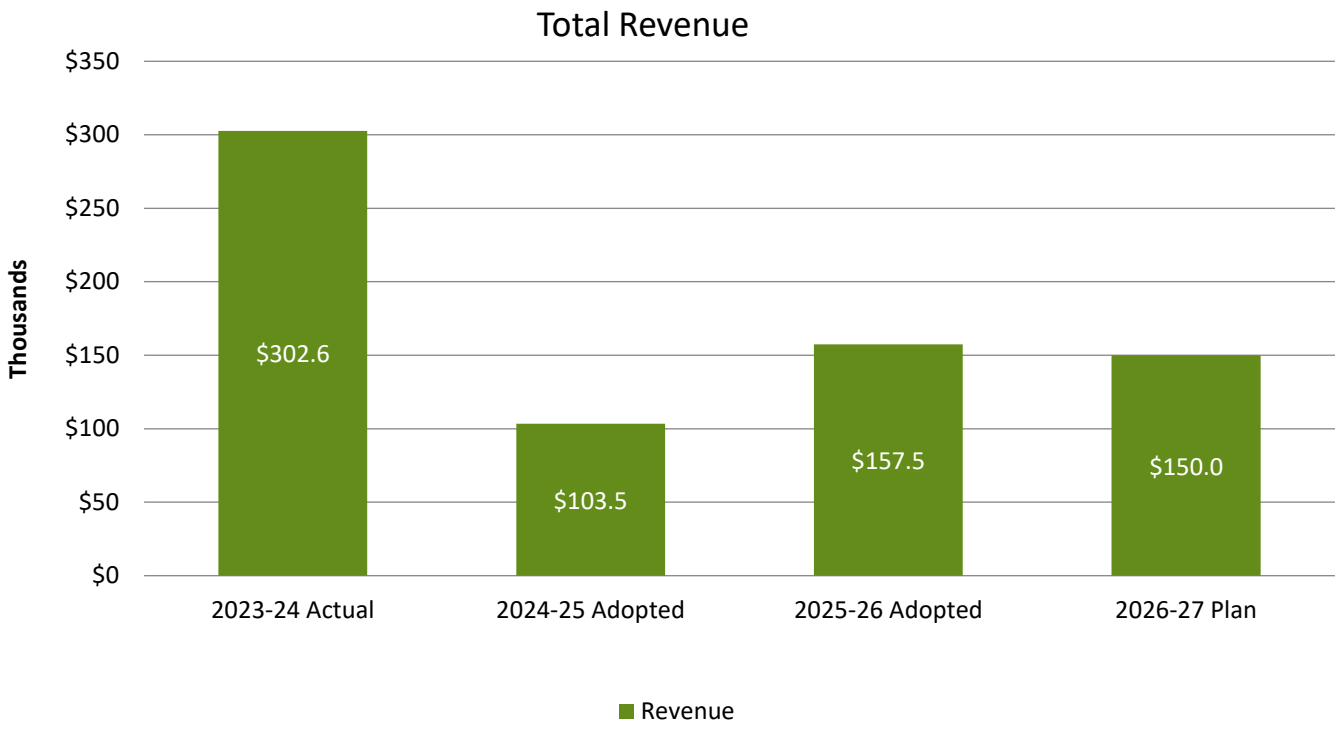
	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 $ Diff	Change from 2025-26 % Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 12,687,020	$ 15,457,668	$ 16,707,530	$ 17,714,621	$ 1,007,091	6.0%
Salary Savings Factor	-	(234,937)	(165,229)	(172,566)	(7,337)	4.4%
Services & Supplies	22,237,503	24,400,166	26,959,326	28,233,994	1,274,668	4.7%
Intra-District Charges	6,488,699	7,699,085	8,155,990	8,924,126	768,136	9.4%
OPERATING OUTLAY TOTAL	**$ 41,413,221**	**$ 47,321,982**	**$ 51,657,617**	**$ 54,700,176**	**$ 3,042,558**	**5.9%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 34,946	$ 43,851	$ -	$ -	$ -	0.0%
Salary Savings Factor	-	(680)	-	-	-	0.0%
Services & Supplies	7,467,885	9,062,465	5,641,546	17,195,805	11,554,259	204.8%
Carry Forward Capital Projects	-	(199)	454	-	(454)	-100.0%
Intra-District Charges	21,996	26,260	-	-	-	0.0%
CAPITAL PROJECTS TOTAL	**$ 7,524,827**	**$ 9,131,697**	**$ 5,642,000**	**$ 17,195,805**	**$ 11,553,805**	**204.8%**
TOTAL OUTLAYS	**$ 48,938,048**	**$ 56,453,678**	**$ 57,299,618**	**$ 71,895,981**	**$ 14,596,363**	**25.5%**

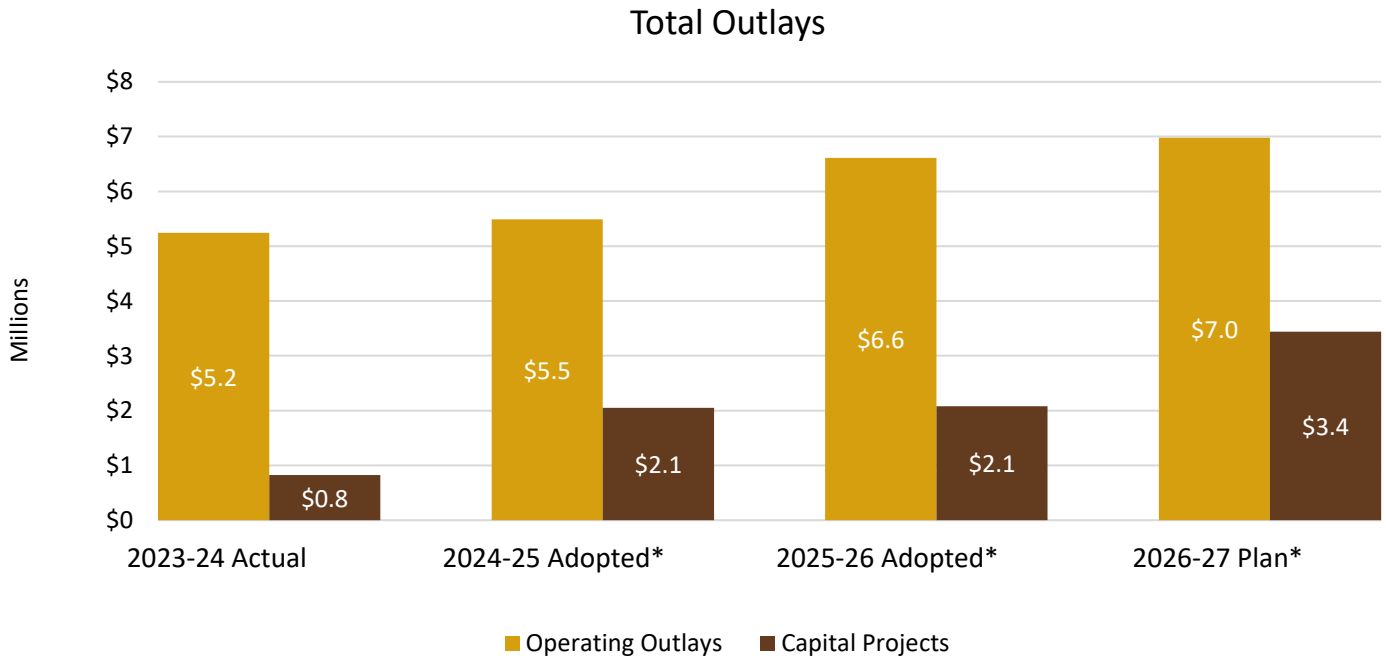
(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

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

Fleet Management Fund





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

Fleet Management Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Interest Income *	$ 248,413	$ 83,000	$ 103,000	$ 116,000	$ 33,000	39.8%
Non-Operating Other	54,234	20,500	21,000	41,500	21,000	102.4%
Total Non - Operating Revenue	**$ 302,647**	**$ 103,500**	**$ 124,000**	**$ 157,500**	**$ 54,000**	**52.2%**
TOTAL REVENUE	**$ 302,647**	**$ 103,500**	**$ 124,000**	**$ 157,500**	**$ 54,000**	**52.2%**
OUTLAYS						
Operating Outlays						
Operations **	$ 5,244,594	$ 5,487,855	$ 5,487,855	$ 6,610,985	$ 1,123,130	20.5%
Total Operating Outlays	**$ 5,244,594**	**$ 5,487,855**	**$ 5,487,855**	**$ 6,610,985**	**$ 1,123,130**	**20.5%**
Capital Outlays						
Capital Projects	$ 824,569	$ 2,050,000	$ 3,144,472	$ 2,080,000	$ 30,000	1.5%
Total Capital Outlays	**$ 824,569**	**$ 2,050,000**	**$ 3,144,472**	**$ 2,080,000**	**$ 30,000**	**1.5%**
TOTAL OUTLAYS	**$ 6,069,163**	**$ 7,537,855**	**$ 8,632,327**	**$ 8,690,985**	**$ 1,153,130**	**15.3%**
Less Intra-District Reimbursements	(6,361,167)	(6,553,955)	(6,553,955)	(7,390,985)	(837,030)	12.8%
NET OUTLAYS	**$ (292,004)**	**$ 983,900**	**$ 2,078,372**	**$ 1,300,000**	**$ 316,100**	**32.1%**
BALANCE AVAILABLE	**$ 594,651**	**$ (880,400)**	**$ (1,954,372)**	**$ (1,142,500)**	**$ (262,100)**	**29.8%**
YEAR-END RESERVES						
Committed Reserves						
Operating and Capital Reserve	$ 5,058,696	$ 2,827,950	$ 3,104,324	$ 1,961,824	$ (866,126)	-30.6%
Total Committed Reserves	**$ 5,058,696**	**$ 2,827,950**	**$ 3,104,324**	**$ 1,961,824**	**$ (866,126)**	**-30.6%**
TOTAL YEAR-END RESERVES	**$ 5,058,696**	**$ 2,827,950**	**$ 3,104,324**	**$ 1,961,824**	**$ (866,126)**	**-30.6%**
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 1,842,083	$ 2,073,099	$ 2,073,099	$ 2,392,370	$ 319,271	15.4%
Salary Savings Factor	-	(29,567)	(29,567)	(22,041)	7,526	-25.5%
Services & Supplies	2,376,199	2,310,920	2,310,920	2,957,750	646,830	28.0%
Intra-District Charges	1,026,312	1,133,403	1,133,403	1,282,906	149,503	13.2%
OPERATING OUTLAY TOTAL	**$ 5,244,594**	**$ 5,487,855**	**$ 5,487,855**	**$ 6,610,985**	**$ 1,123,130**	**20.5%**
CAPITAL PROJECTS						
Services & Supplies	$ 824,569	$ 2,050,000	$ 3,144,472	$ 2,080,000	$ 30,000	1.5%
CAPITAL PROJECTS TOTAL	**$ 824,569**	**$ 2,050,000**	**$ 3,144,472**	**$ 2,080,000**	**$ 30,000**	**1.5%**
TOTAL OUTLAYS	**$ 6,069,163**	**$ 7,537,855**	**$ 8,632,327**	**$ 8,690,985**	**$ 1,153,130**	**15.3%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

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

Fleet Management Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
REVENUE						
Interest Income *	$ 248,413	$ 83,000	$ 116,000	$ 129,000	$ 13,000	11.2%
Non-Operating Other	54,234	20,500	41,500	21,000	(20,500)	-49.4%
Total Non - Operating Revenue	**$ 302,647**	**$ 103,500**	**$ 157,500**	**$ 150,000**	**$ (7,500)**	**-4.8%**
TOTAL REVENUE	**$ 302,647**	**$ 103,500**	**$ 157,500**	**$ 150,000**	**$ (7,500)**	**-4.8%**
OUTLAYS						
Operating Outlays						
Operations **	$ 5,244,594	$ 5,487,855	$ 6,610,985	$ 6,979,361	$ 368,376	5.6%
Total Operating Outlays	**$ 5,244,594**	**$ 5,487,855**	**$ 6,610,985**	**$ 6,979,361**	**$ 368,376**	**5.6%**
Capital Outlays						
Capital Projects	$ 824,569	$ 2,050,000	$ 2,080,000	$ 3,438,000	$ 1,358,000	65.3%
Total Capital Outlays	**$ 824,569**	**$ 2,050,000**	**$ 2,080,000**	**$ 3,438,000**	**$ 1,358,000**	**65.3%**
TOTAL OUTLAYS	**$ 6,069,163**	**$ 7,537,855**	**$ 8,690,985**	**$ 10,417,361**	**$ 1,726,376**	**19.9%**
Less Intra-District Reimbursements	(6,361,167)	(6,553,955)	(7,390,985)	(9,591,361)	(2,200,376)	29.8%
NET OUTLAYS	**$ (292,004)**	**$ 983,900**	**$ 1,300,000**	**$ 826,000**	**$ (474,000)**	**-36.5%**
BALANCE AVAILABLE	**$ 594,651**	**$ (880,400)**	**$ (1,142,500)**	**$ (676,000)**	**$ 466,500**	**-40.8%**
YEAR-END RESERVES						
Committed Reserves						
Operating and Capital Reserve	$ 5,058,696	$ 2,827,950	$ 1,961,824	$ 1,285,824	$ (676,000)	-34.5%
Total Committed Reserves	**$ 5,058,696**	**$ 2,827,950**	**$ 1,961,824**	**$ 1,285,824**	**$ (676,000)**	**-34.5%**
TOTAL YEAR-END RESERVES	**$ 5,058,696**	**$ 2,827,950**	**$ 1,961,824**	**$ 1,285,824**	**$ (676,000)**	**-34.5%**
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 1,842,083	$ 2,073,099	$ 2,392,370	$ 2,544,766	$ 152,396	6.4%
Salary Savings Factor	-	(29,567)	(22,041)	(23,040)	(999)	4.5%
Services & Supplies	2,376,199	2,310,920	2,957,750	3,037,461	79,711	2.7%
Intra-District Charges	1,026,312	1,133,403	1,282,906	1,420,173	137,267	10.7%
OPERATING OUTLAY TOTAL	**$ 5,244,594**	**$ 5,487,855**	**$ 6,610,985**	**$ 6,979,361**	**$ 368,376**	**5.6%**
CAPITAL PROJECTS						
Services & Supplies	$ 824,569	$ 2,050,000	$ 2,080,000	$ 3,438,000	$ 1,358,000	65.3%
CAPITAL PROJECTS TOTAL	**$ 824,569**	**$ 2,050,000**	**$ 2,080,000**	**$ 3,438,000**	**$ 1,358,000**	**65.3%**
TOTAL OUTLAYS	**$ 6,069,163**	**$ 7,537,855**	**$ 8,690,985**	**$ 10,417,361**	**$ 1,726,376**	**19.9%**

(*) Interest income does not include GASB31 market value adjustment

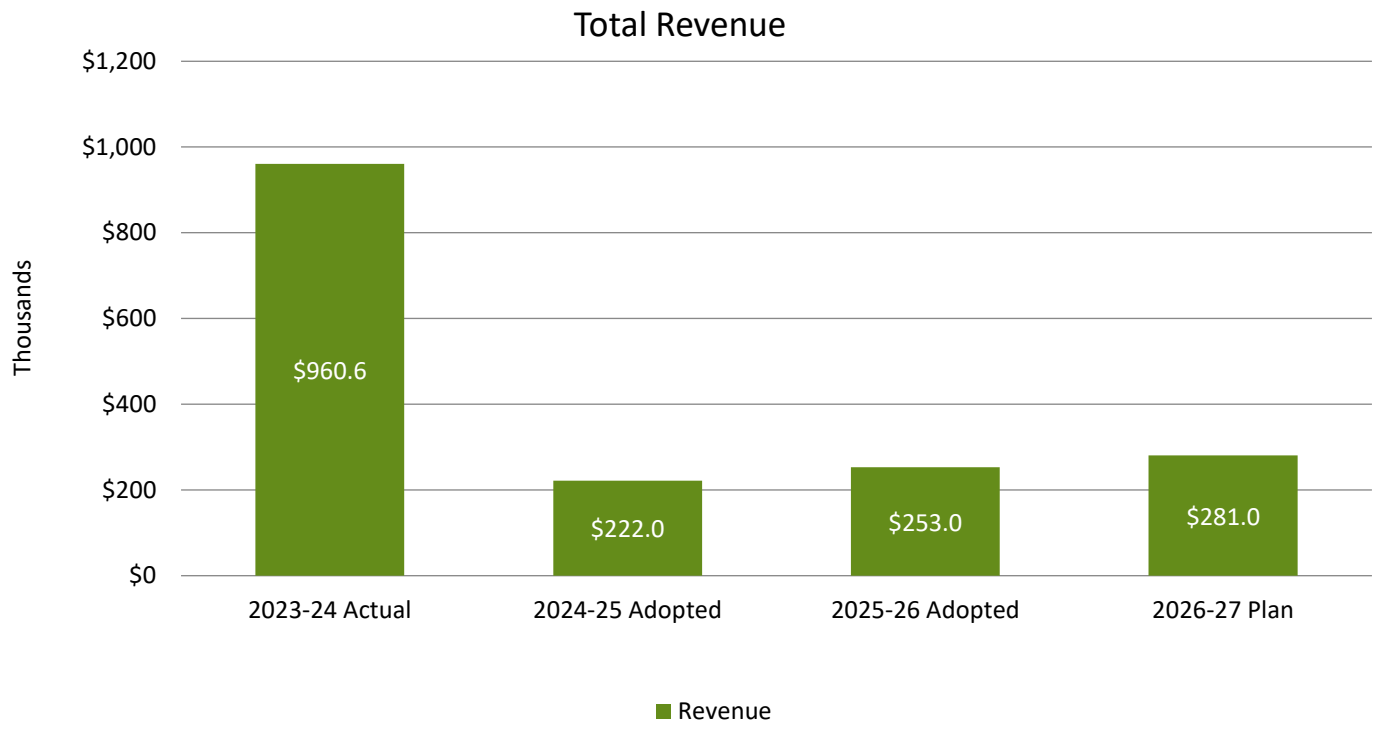
(**) Operations Outlays do not include OPEB Expense-unfunded liability

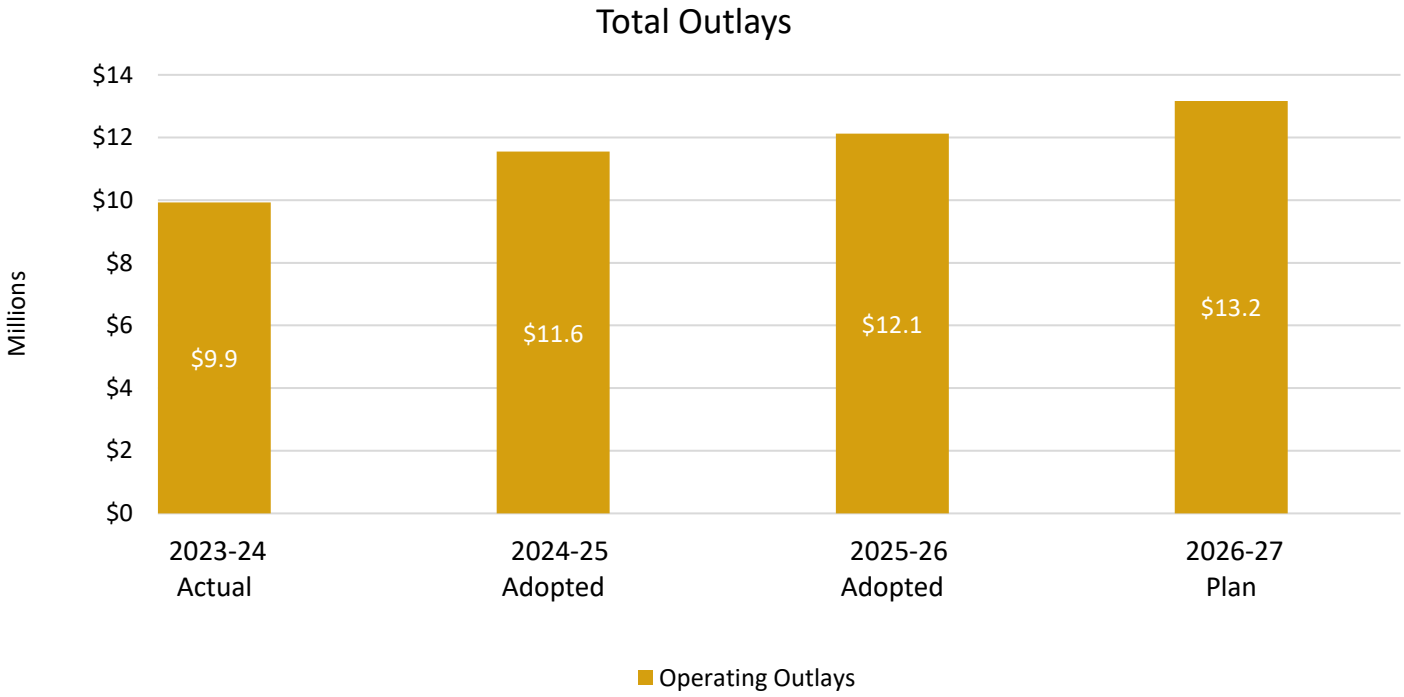
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Total Outlays - Fleet Management Fund

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
Operations						
70011099	Class I Equip Oper / Maint	1,039,485	1,238,486	1,469,105	1,540,537	General Services Division
70021099	Class II Equip Oper / Maint	1,110,900	1,135,494	1,088,120	1,154,017	General Services Division
70031099	Class III Equip Oper / Maint	300,058	385,078	611,024	646,199	General Services Division
70041099	Class IV Equip Oper / Maint	1,393,311	1,152,674	1,489,663	1,556,009	General Services Division
70061003	Vehicle & Equipment Admin&Mgmt	1,342,203	1,531,280	1,899,110	2,025,542	General Services Division
70061004	Districtwide Salary Savings-71	–	(29,567)	(22,041)	(23,040)	Financial Planning & Mgmt Div
70071041	Welding Services	58,637	74,409	76,002	80,097	General Services Division
Total Operations		**5,244,594**	**5,487,855**	**6,610,985**	**6,979,361**	
Capital						
70004001	New Vehicle Equip Acquisitio	476,341	580,000	580,000	615,000	General Services Division
70004002	Replacement Vehicle & Equip	348,228	1,470,000	1,500,000	2,823,000	General Services Division
Total Capital		**824,569**	**2,050,000**	**2,080,000**	**3,438,000**	
Total		**6,069,163**	**7,537,855**	**8,690,985**	**10,417,361**	

Risk Management Fund





Risk Management Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Interest Income *	$ 535,668	$ 222,000	$ 225,000	$ 253,000	$ 31,000	14.0%
Non-Operating Other	424,974	-	-	-	-	0.0%
Total Non - Operating Revenue	**$ 960,642**	**$ 222,000**	**$ 225,000**	**$ 253,000**	**$ 31,000**	**14.0%**
TOTAL REVENUE	**$ 960,642**	**$ 222,000**	**$ 225,000**	**$ 253,000**	**$ 31,000**	**14.0%**
OUTLAYS						
Operating Outlays						
Operations **	$ 9,927,380	$ 11,555,236	$ 11,555,236	$ 12,125,325	$ 570,089	4.9%
Operating Project	-	-	1,199,876	-	-	0.0%
Total Operating Outlays	**$ 9,927,380**	**$ 11,555,236**	**$ 12,755,112**	**$ 12,125,325**	**$ 570,089**	**4.9%**
TOTAL OUTLAYS	**$ 9,927,380**	**$ 11,555,236**	**$ 12,755,112**	**$ 12,125,325**	**$ 570,089**	**4.9%**
Less Intra-District Reimbursements	(11,528,702)	(12,505,192)	(12,505,192)	(14,696,698)	(2,191,506)	17.5%
NET OUTLAYS	**$ (1,601,323)**	**$ (949,957)**	**$ 249,919**	**$ (2,571,373)**	**$ (1,621,416)**	**170.7%**
BALANCE AVAILABLE	**$ 2,561,965**	**$ 1,171,957**	**$ (24,919)**	**$ 2,824,373**	**$ 1,652,416**	**141.0%**
YEAR-END RESERVES						
Committed Reserves						
Liability/Workers' Comp Self-Insurance	$ 8,337,000	$ 8,337,000	$ 8,337,000	$ 11,476,000	$ 3,139,000	37.7%
Property Self-Insurance/Catastrophic	6,869,456	7,409,352	6,844,537	6,529,910	(879,442)	-11.9%
Total Committed Reserves	**$ 15,206,456**	**$ 15,746,352**	**$ 15,181,537**	**$ 18,005,910**	**$ 2,259,558**	**14.3%**
TOTAL YEAR-END RESERVES	**$ 15,206,456**	**$ 15,746,352**	**$ 15,181,537**	**$ 18,005,910**	**$ 2,259,558**	**14.3%**
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 2,317,453	$ 2,605,144	$ 2,605,144	$ 2,636,647	$ 31,503	1.2%
Salary Savings Factor	-	(39,606)	(39,606)	(26,696)	12,910	-32.6%
Services & Supplies	6,307,823	7,547,986	8,747,862	8,057,856	509,870	6.8%
Intra-District Charges	1,302,103	1,441,712	1,441,712	1,457,518	15,806	1.1%
OPERATING OUTLAY TOTAL	**$ 9,927,380**	**$ 11,555,236**	**$ 12,755,112**	**$ 12,125,325**	**$ 570,089**	**4.9%**
TOTAL OUTLAYS	**$ 9,927,380**	**$ 11,555,236**	**$ 12,755,112**	**$ 12,125,325**	**$ 570,089**	**4.9%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

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

Risk Management Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
REVENUE						
Interest Income *	$ 535,668	$ 222,000	$ 253,000	$ 281,000	$ 28,000	11.1%
Non-Operating Other	424,974	-	-	-	-	0.0%
Total Non - Operating Revenue	**$ 960,642**	**$ 222,000**	**$ 253,000**	**$ 281,000**	**$ 28,000**	**11.1%**
TOTAL REVENUE	**$ 960,642**	**$ 222,000**	**$ 253,000**	**$ 281,000**	**$ 28,000**	**11.1%**
OUTLAYS						
Operating Outlays						
Operations **	$ 9,927,380	$ 11,555,236	$ 12,125,325	$ 13,160,787	$ 1,035,462	8.5%
Total Operating Outlays	**$ 9,927,380**	**$ 11,555,236**	**$ 12,125,325**	**$ 13,160,787**	**$ 1,035,462**	**8.5%**
TOTAL OUTLAYS	**$ 9,927,380**	**$ 11,555,236**	**$ 12,125,325**	**$ 13,160,787**	**$ 1,035,462**	**8.5%**
Less Intra-District Reimbursements	(11,528,702)	(12,505,192)	(14,696,698)	(13,701,610)	995,088	-6.8%
NET OUTLAYS	**$ (1,601,323)**	**$ (949,957)**	**$ (2,571,373)**	**$ (540,823)**	**$ 2,030,550**	**-79.0%**
BALANCE AVAILABLE	**$ 2,561,965**	**$ 1,171,957**	**$ 2,824,373**	**$ 821,823**	**$ (2,002,550)**	**-70.9%**
YEAR-END RESERVES						
Committed Reserves						
Liability/Workers' Comp Self-Insurance	$ 8,337,000	$ 8,337,000	$ 11,476,000	$ 11,476,000	$ -	0.0%
Property Self-Insurance/Catastrophic	6,869,456	7,409,352	6,529,910	7,351,733	821,823	12.6%
Total Committed Reserves	**$ 15,206,456**	**$ 15,746,352**	**$ 18,005,910**	**$ 18,827,733**	**$ 821,823**	**4.6%**
TOTAL YEAR-END RESERVES	**$ 15,206,456**	**$ 15,746,352**	**$ 18,005,910**	**$ 18,827,733**	**$ 821,823**	**4.6%**
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 2,317,453	$ 2,605,144	$ 2,636,647	$ 2,796,766	$ 160,118	6.1%
Salary Savings Factor	-	(39,606)	(26,696)	(27,900)	(1,204)	4.5%
Services & Supplies	6,307,823	7,547,986	8,057,856	8,739,368	681,512	8.5%
Intra-District Charges	1,302,103	1,441,712	1,457,518	1,652,553	195,035	13.4%
OPERATING OUTLAY TOTAL	**$ 9,927,380**	**$ 11,555,236**	**$ 12,125,325**	**$ 13,160,787**	**$ 1,035,462**	**8.5%**
TOTAL OUTLAYS	**$ 9,927,380**	**$ 11,555,236**	**$ 12,125,325**	**$ 13,160,787**	**$ 1,035,462**	**8.5%**

(*) Interest income does not include GASB31 market value adjustment

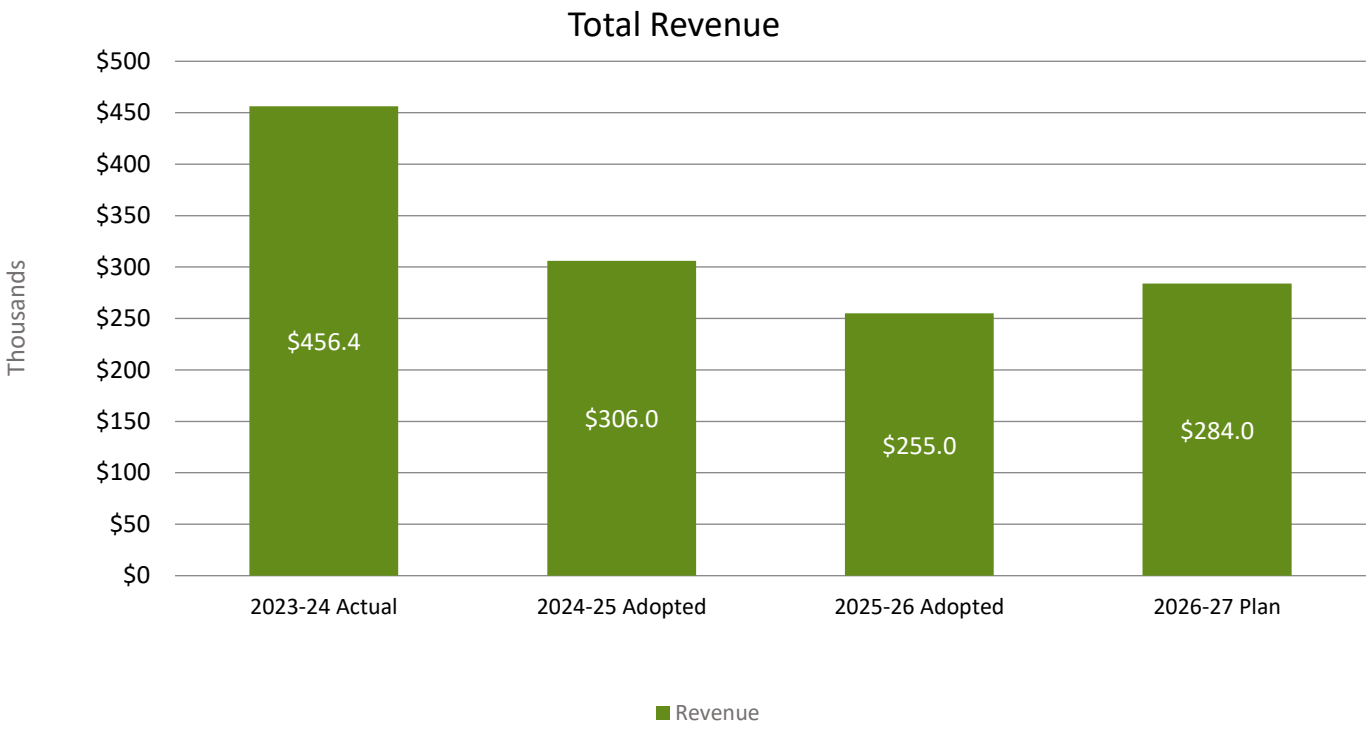
(**) Operations Outlays do not include OPEB Expense-unfunded liability

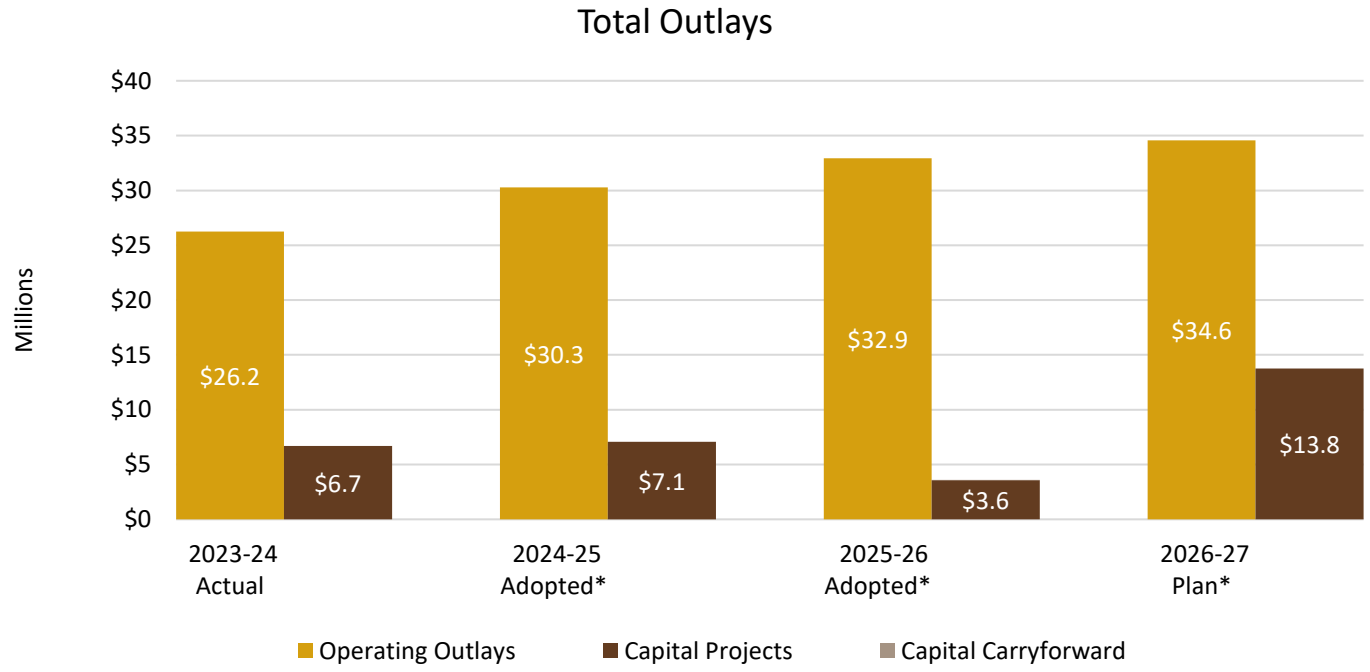
(***) Currently Authorized Projects Reserve is unspent budget for authorized capital projects

Total Outlays - Risk Management Fund

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
Operations						
65051001	Risk Management	6,198,018	6,494,093	6,980,060	7,658,207	Office of the District Counsel
65051002	Workers Compensation Program	580,604	1,067,829	1,110,067	1,169,932	Emergency, Safety and Security Division
65051003	Health&Safety Program Mgt	3,148,757	4,032,919	4,061,894	4,360,548	Emergency, Safety and Security Division
65061004	Districtwide Salary Savings-72	–	(39,606)	(26,696)	(27,900)	Financial Planning & Mgmt Div
Total Operations		**9,927,380**	**11,555,236**	**12,125,325**	**13,160,787**	
Total		**9,927,380**	**11,555,236**	**12,125,325**	**13,160,787**	

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 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
REVENUE						
Interest Income *	$ 456,434	$ 306,000	$ 227,000	$ 255,000	$ (51,000)	-16.7%
Total Non - Operating Revenue	**$ 456,434**	**$ 306,000**	**$ 227,000**	**$ 255,000**	**$ (51,000)**	**-16.7%**
TOTAL REVENUE	**$ 456,434**	**$ 306,000**	**$ 227,000**	**$ 255,000**	**$ (51,000)**	**-16.7%**
OUTLAYS						
Operating Outlays						
Operations **	$ 26,241,247	$ 30,278,891	$ 30,628,891	$ 32,921,308	$ 2,642,417	8.7%
Total Operating Outlays	**$ 26,241,247**	**$ 30,278,891**	**$ 30,628,891**	**$ 32,921,308**	**$ 2,642,417**	**8.7%**
Capital Outlays						
Capital Projects	$ 6,700,258	$ 7,081,896	$ 7,306,906	$ 3,561,546	$ (3,520,350)	-49.7%
Carry Forward Capital Projects	-	(199)	-	454	653	-328.1%
Total Capital Outlays	**$ 6,700,258**	**$ 7,081,697**	**$ 7,306,906**	**$ 3,562,000**	**$ (3,519,697)**	**-49.7%**
TOTAL OUTLAYS	**$ 32,941,505**	**$ 37,360,588**	**$ 37,935,797**	**$ 36,483,308**	**$ (877,280)**	**-2.3%**
Less Intra-District Reimbursements	(25,680,147)	(27,794,732)	(27,794,732)	(29,103,752)	(1,309,020)	4.7%
NET OUTLAYS	**$ 7,261,358**	**$ 9,565,856**	**$ 10,141,065**	**$ 7,379,556**	**$ (2,186,300)**	**-22.9%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 6,231,000	$ 7,001,300	$ 7,001,300	$ 3,561,546	$ (3,439,754)	-49.1%
TOTAL OTHER SOURCES/(USES)	**$ 6,231,000**	**$ 7,001,300**	**$ 7,001,300**	**$ 3,561,546**	**$ (3,439,754)**	**-49.1%**
BALANCE AVAILABLE	**$ (573,925)**	**$ (2,258,556)**	**$ (2,912,765)**	**$ (3,563,010)**	**$ (1,304,454)**	**57.8%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects	$ 355,662	$ 123,126	$ 123,580	$ 123,126	$ -	0.0%
Operating and Capital Reserve	9,592,789	3,596,052	6,912,106	3,349,549	(246,503)	-6.9%
Total Committed Reserves	**$ 9,948,451**	**$ 3,719,178**	**$ 7,035,686**	**$ 3,472,675**	**$ (246,503)**	**-6.6%**
TOTAL YEAR-END RESERVES	**$ 9,948,451**	**$ 3,719,178**	**$ 7,035,686**	**$ 3,472,675**	**$ (246,503)**	**-6.6%**

Information Technology Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Change from 2024-25 Adopted $ Diff	Change from 2024-25 Adopted % Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 8,527,484	$ 10,779,425	$ 10,779,425	$ 11,678,513	$ 899,089	8.3%
Salary Savings Factor	-	(165,764)	(165,764)	(116,492)	49,272	-29.7%
Services & Supplies	13,553,480	14,541,260	14,891,260	15,943,720	1,402,460	9.6%
Intra-District Charges	4,160,283	5,123,971	5,123,971	5,415,566	291,596	5.7%
OPERATING OUTLAY TOTAL	**$ 26,241,247**	**$ 30,278,891**	**$ 30,628,891**	**$ 32,921,308**	**$ 2,642,417**	**8.7%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 34,946	$ 43,851	$ 43,851	$ -	$ (43,851)	-100.0%
Salary Savings Factor	-	(680)	(680)	-	680	-100.0%
Services & Supplies	6,643,316	7,012,465	7,237,475	3,561,546	(3,450,919)	-49.2%
Carry Forward Capital Projects	-	(199)	-	454	653	-328.1%
Intra-District Charges	21,996	26,260	26,260	-	(26,260)	-100.0%
CAPITAL PROJECTS TOTAL	**$ 6,700,258**	**$ 7,081,697**	**$ 7,306,906**	**$ 3,562,000**	**$ (3,519,697)**	**-49.7%**
TOTAL OUTLAYS	**$ 32,941,505**	**$ 37,360,588**	**$ 37,935,797**	**$ 36,483,308**	**$ (877,280)**	**-2.3%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

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

Information Technology Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
REVENUE						
Interest Income *	$ 456,434	$ 306,000	$ 255,000	$ 284,000	$ 29,000	11.4%
Total Non - Operating Revenue	**$ 456,434**	**$ 306,000**	**$ 255,000**	**$ 284,000**	**$ 29,000**	**11.4%**
TOTAL REVENUE	**$ 456,434**	**$ 306,000**	**$ 255,000**	**$ 284,000**	**$ 29,000**	**11.4%**
OUTLAYS						
Operating Outlays						
Operations **	$ 26,241,247	$ 30,278,891	$ 32,921,308	$ 34,560,028	$ 1,638,720	5.0%
Total Operating Outlays	**$ 26,241,247**	**$ 30,278,891**	**$ 32,921,308**	**$ 34,560,028**	**$ 1,638,720**	**5.0%**
Capital Outlays						
Capital Projects	$ 6,700,258	$ 7,081,896	$ 3,561,546	$ 13,757,805	$ 10,196,259	286.3%
Carry Forward Capital Projects	-	(199)	454	-	(454)	-100.0%
Total Capital Outlays	**$ 6,700,258**	**$ 7,081,697**	**$ 3,562,000**	**$ 13,757,805**	**$ 10,195,805**	**286.2%**
TOTAL OUTLAYS	**$ 32,941,505**	**$ 37,360,588**	**$ 36,483,308**	**$ 48,317,833**	**$ 11,834,525**	**32.4%**
Less Intra-District Reimbursements	(25,680,147)	(27,794,732)	(29,103,752)	(35,152,981)	(6,049,229)	20.8%
NET OUTLAYS	**$ 7,261,358**	**$ 9,565,856**	**$ 7,379,556**	**$ 13,164,852**	**$ 5,785,296**	**78.4%**
OTHER FINANCING SOURCES/(USES)						
Transfers In	$ 6,231,000	$ 7,001,300	$ 3,561,546	$ 13,757,805	$ 10,196,259	286.3%
TOTAL OTHER SOURCES/(USES)	**$ 6,231,000**	**$ 7,001,300**	**$ 3,561,546**	**$ 13,757,805**	**$ 10,196,259**	**286.3%**
BALANCE AVAILABLE	**$ (573,925)**	**$ (2,258,556)**	**$ (3,563,010)**	**$ 876,953**	**$ 4,439,963**	**-124.6%**
YEAR-END RESERVES						
Committed Reserves						
Currently Authorized Projects	$ 355,662	$ 123,126	$ 123,126	$ 123,126	$ -	0.0%
Operating and Capital Reserve	9,592,789	3,596,052	3,349,549	4,226,503	876,953	26.2%
Total Committed Reserves	**$ 9,948,451**	**$ 3,719,178**	**$ 3,472,675**	**$ 4,349,629**	**$ 876,953**	**25.3%**
TOTAL YEAR-END RESERVES	**$ 9,948,451**	**$ 3,719,178**	**$ 3,472,675**	**$ 4,349,629**	**$ 876,953**	**25.3%**

Information Technology Fund Summary

	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Change from 2025-26 Adopted $ Diff	Change from 2025-26 Adopted % Diff
Outlay Summary By Account Type						
OPERATING OUTLAY						
Salaries and Benefits	$ 8,527,484	$ 10,779,425	$ 11,678,513	$ 12,373,090	$ 694,576	5.9%
Salary Savings Factor	-	(165,764)	(116,492)	(121,626)	(5,135)	4.4%
Services & Supplies	13,553,480	14,541,260	15,943,720	16,457,165	513,445	3.2%
Intra-District Charges	4,160,283	5,123,971	5,415,566	5,851,399	435,833	8.0%
OPERATING OUTLAY TOTAL	**$ 26,241,247**	**$ 30,278,891**	**$ 32,921,308**	**$ 34,560,028**	**$ 1,638,720**	**5.0%**
CAPITAL PROJECTS						
Salaries and Benefits	$ 34,946	$ 43,851	$ -	$ -	$ -	0.0%
Salary Savings Factor	-	(680)	-	-	-	0.0%
Services & Supplies	6,643,316	7,012,465	3,561,546	13,757,805	10,196,259	286.3%
Carry Forward Capital Projects	-	(199)	454	-	(454)	-100.0%
Intra-District Charges	21,996	26,260	-	-	-	0.0%
CAPITAL PROJECTS TOTAL	**$ 6,700,258**	**$ 7,081,697**	**$ 3,562,000**	**$ 13,757,805**	**$ 10,195,805**	**286.2%**
TOTAL OUTLAYS	**$ 32,941,505**	**$ 37,360,588**	**$ 36,483,308**	**$ 48,317,833**	**$ 11,834,525**	**32.4%**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations Outlays do not include OPEB Expense-unfunded liability

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

Total Outlays - Information Technology Fund

Project #	Project Description	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Adopted Budget 2025-26	Proposed Plan 2026-27	Project Managed By
Operations						
73061004	Salary Savings-Fund 73	–	(165,764)	(116,492)	(121,626)	Financial Planning & Mgmt Div
73271001	Telecommunications Sys Opr/M	2,203,373	2,101,310	2,166,220	2,228,065	Information Technology Division
73271002	Technical Infrastructure Servi	5,564,053	6,263,988	7,022,455	7,352,164	Information Technology Division
73271003	Network Administration	2,751,782	3,953,000	4,390,000	4,430,290	Information Technology Division
73271004	Information Security Admin	1,356,425	1,315,000	1,417,000	1,469,810	Information Technology Division
73271005	Offce Cmptr Maint/Help Dsk Sup	530,233	689,000	689,000	864,170	Information Technology Division
73271006	Info Technology Div Admin	766,808	1,836,839	1,248,567	1,339,720	Information Technology Division
73271007	Emerging IT Technologies	13,895	104,000	104,000	107,120	Information Technology Division
73271008	Software Maint & License	4,753,383	4,196,950	4,465,500	4,686,150	Information Technology Division
73271009	Software Services	7,589,358	8,595,343	8,780,962	9,257,133	Information Technology Division
73271010	IT Projects & Bus Operations	711,936	1,389,225	2,104,869	2,235,040	Information Technology Division
73271011	Technology Innovation	–	–	649,227	711,992	Information Technology Division
Total Operations		**26,241,247**	**30,278,891**	**32,921,308**	**34,560,028**	
Capital						
73064004	Salary Savings-Fund 73	–	(680)	–	–	Financial Planning & Mgmt Div
73274004	Network Equipment	2,870,488	4,255,000	1,309,000	2,651,000	Information Technology Division
73274006	Office Computers Replace Equip	1,831,683	2,070,000	1,644,000	1,677,000	Information Technology Division
73274008	Software Upgrades & Enhancemen	1,436,715	642,454	608,546	686,805	Information Technology Division
73274009	Data Consolidation	501,071	34,000	–	–	Information Technology Division
73074036	Survey Mgmt & Tech Support	4,138	5,199	–	–	Office of Integrated Water Management
73074033	CIP Development & Admin	13,374	15,389	–	–	Office of Integrated Water Management
73074047	Computer-Aided Design for	8,854	17,929	–	–	Office of Integrated Water Management
73074041	Construction Contracts and Support	22,730	30,862	–	–	General Services Division
73074042	Capital Project Mgmt & Controls	11,205	11,744	–	–	Office of Integrated Water Management
73274013	ERP Replacement	–	–	–	8,743,000	Information Technology Division
Total Capital		**6,700,258**	**7,081,896**	**3,561,546**	**13,757,805**	
Total		**32,941,505**	**37,360,787**	**36,482,854**	**48,317,833**	



Resolutions

FY 2025–26 & FY 2026–27
Operating and Capital Rolling Biennial Budget

Resolutions

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 2025-36

APPROVING THE CAPITAL IMPROVEMENT PROGRAM
FISCAL YEARS 2026-2030 FIVE-YEAR PLAN

WHEREAS, the Santa Clara Valley Water District (Valley Water) has determined that it is in its best interest to prepare a Capital Improvement Program (CIP) Five-Year Plan and to have it reviewed by the County of Santa Clara and cities having land use jurisdiction within Santa Clara County; and

WHEREAS, the Valley Water Board of Directors was provided with the CIP Draft Fiscal Years (FY) 2026-2030 Five-Year Plan for review and discussion at its meeting held on March 11, 2025; and

WHEREAS, on March 12, 2025, the CIP Draft FY 2026-30 Five-Year Plan was provided to the County of Santa Clara and all cities within Valley Water's jurisdiction, for their review; and

WHEREAS, Valley Water staff conducted subsequent meetings with public works staff at the City of Santa Clara regarding the CIP Draft FY 2026-30 Five-Year Plan; and

WHEREAS, on April 8, April 22-23, May 16, and May 27, 2025, Valley Water conducted a public hearing for purposes of receiving input with regard to the CIP Draft FY 2026-30 Five-Year Plan; and

WHEREAS, on May 27, 2025, the Valley Water Board of Directors directed staff to include appropriate changes to finalize the CIP FY 2026-30 Five-Year Plan by June 30, 2025.

NOW, THEREFORE BE IT RESOLVED that Valley Water's Board of Directors does hereby approve the Capital Improvement Program FY 2026-30 Five-Year Plan.

PASSED AND ADOPTED by the Santa Clara Valley Water District Board of Directors by the following vote on May 27, 2025:

AYES: Directors Santos, Varela, Ballard, Beall, Estremera

NOES: Director Eisenberg

ABSENT: Director Hsueh

ABSTAIN: None.

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
Tony Estremera
197E6EBCAE23405...

TONY ESTREMERA
Chair, Board of Directors

ATTEST: CANDICE KWOK-SMITH

DocuSigned by:
Candice Kwok-Smith
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Clerk, Board of Directors

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 2025-37

ESTABLISHING LAND USE CATEGORIES, CONFIRMING A LEVY OF BENEFIT ASSESSMENTS TO MEET DULY AUTHORIZED DEBT OBLIGATIONS FOR FISCAL YEAR 2025-2026 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 the Santa Clara Valley Water District (Valley Water) as follows:

FIRST: In accordance with the requirements of law and of the terms of Valley Water Resolutions 86-54, 86-55, 86-56, 86-57, and 90-7, the Chief Executive Officer (CEO) of Valley Water has caused a written report to be prepared and filed for the fiscal year 2025–26, setting forth the annual amounts to be collected through benefit assessment rates in each established flood control zone of Valley Water, 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 Valley Water 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 Valley Water 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.

B. Levy, fix, and establish flood control benefit assessments for fiscal year 2025–26 commencing July 1, 2025, and ending June 30, 2026, on each parcel of real property in each established flood control zone of Valley Water, 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 2025–2026

Flood Control Zone	Debt Obligation
Northwest	$2,732,804
North Central	$819,772
Central	$911,166
East	$2,460,008
South	$0

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C. The actual 2025–2026 rates shall be determined by the CEO or his 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 Valley Water's CEO and 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.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 27, 2025:

AYES: Directors Santos, Varela, Ballard, Beall, Eisenberg, Estremera

NOES: None.

ABSENT: Director Hsueh

ABSTAIN: None.

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
Tony Estremera
197E6FBCAE23405...

TONY ESTREMERA
Chair, Board of Directors

ATTEST: CANDICE KWOK-SMITH

DocuSigned by:
Candice Kwok-Smith
26D1BFCB9B714BE...

Clerk, Board of Directors

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I hereby certify that the foregoing is a full, true and correct copy of the original thereof on file in my office.

DATED: May 27, 2025

DocuSigned by:
Candice Kwok-Smith
26D1BFCB9B714BE...

CANDICE KWOK-SMITH
Clerk, Board of Directors
Santa Clara Valley Water District

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 2025-38

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 2025-2026

WHEREAS, the Santa Clara Valley Water District (Valley Water) 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, more than two-thirds of the electors voting in Santa Clara County did favor a special tax measure in the November 3, 2020, General Election thereby approving the special tax specified in Resolution No. 20-64 for designated purposes.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors (Board) of the Santa Clara Valley Water District as follows:

FIRST: The Chief Executive Officer (CEO) of Valley Water has directed a summary report to be prepared for fiscal year July 1, 2025, through June 30, 2026, that includes the proposed special tax rates for that year ("Report"), and presented that Report on May 27, 2025, 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 2025-2026 (FY 2025-26)."

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: (1) 0.25 acre for Groups A, B, and C; and (2) 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.

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: $643.51 per acre, $160.86 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: $482.63 per acre, $120.66 minimum for parcels up to 0.25 acre; and (2) condominiums and townhouses: $39.15 per unit.

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Group C: Parcels up to 0.25 acre used for single-family residences and multiple-family units up to four units: $80.40. The first 0.25 acre of a parcel of land used for single-family residential purposes: $80.40.

Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses, and similar uses: $4.13 per acre, $41.23 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: $4.13 per acre.

Group E: Vacant undisturbed land (1) in urban areas: $1.22 per acre, $12.15 minimum on parcels less than 10 acres; and (2) in rural areas: $0.16 per acre, with a $12.15 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: Valley Water 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 2025-2026 upon requesting such exemption from Valley Water prior to or during fiscal year 2025-2026. Granting similar exemptions for fiscal years beyond fiscal year 2025-2026 will be made at the discretion of the Board.

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 Valley Water Chief Financial Officer and pursuant to procedures approved by Valley Water's CEO and District Counsel.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 27, 2025:

AYES: Directors Santos, Varela, Ballard, Beall, Eisenberg, Estremera

NOES: Directors

ABSENT: Director Hsueh

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
Tony Estremera
197E6FBCAE23405...

TONY ESTREMERA
Chair, Board of Directors

ATTEST: CANDICE KWOK-SMITH

DocuSigned by:
Candice Kwok-Smith
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Clerk, Board of Directors

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I hereby certify that the foregoing is a full, true and correct copy of the original thereof on file in my office.

DATED: May 27, 2025

DocuSigned by:
Candice Kwok-Smith
26D1BFCB9B714BE...

CANDICE KWOK-SMITH
Clerk, Board of Directors
Santa Clara Valley Water District

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 2025-39

DETERMINING GROUNDWATER PRODUCTION CHARGES FOR FISCAL YEAR 2025–2026

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (Valley Water) 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 Valley Water's activities in the protection and augmentation of the water supplies of Valley Water has been prepared including: a financial analysis of Valley Water's water utility system, information as to the present and future water requirements of Valley Water, the water supply available to Valley Water, 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 Valley Water 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 W-2, W-5, W-7, and W-8;

2. That on the 28th day of February 2025, said report was duly delivered to the Clerk of the Valley Water 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 8th day of April 2025, by teleconference, videoconference, or both and in-person attendance at the time stated;

4. That on February 28, 2025, written notice was mailed to all owners and operators of water-producing facilities within Valley Water's boundaries, advising of the proposed groundwater production charge rates to be levied, and of the opportunities to be heard concerning such charges;

5. That pursuant to Section 26.6 of the District Act, on the 8th day of April 2025, at 1 p.m. a public hearing upon said report was duly commenced, and was continued for further hearing to the evening of April 25, 2025, in Morgan Hill, California, and continued again to the afternoon of May 16, 2025, 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 the public hearing;

7. 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 Valley Water; 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 Valley Water incurred for those purposes;

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8. That this Board considered all comments objecting to the proposed groundwater production charge increases for Zones W-2, W-5, W-7, and W-8;

9. 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, W-5, W-7, and W-8, as authorized under the District Act, and that the amount levied does not and will not exceed the proportional cost of service; and

10. That the California Environmental Quality Act does not apply to approval of these charges.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

FIRST: Valley Water 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; Valley Water activities in the geographic area of Valley Water 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; Valley Water activities in the geographic area of Valley Water identified as Zone W-7 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; and Valley Water activities in the geographic area of Valley Water identified as Zone W-8 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 2025–2026 groundwater production charge (per acre-foot) for agricultural water and for all water other than agricultural water should be increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-2 of Valley Water for fiscal year 2025–2026 (July 1, 2025–June 30, 2026) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$2,450.00	$43.00

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 year 2025–2026 groundwater production charge (per acre-foot) for agricultural water and for all water other than agricultural water should be increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-5 of Valley Water for fiscal year 2025–2026 (July 1, 2025–June 30, 2026) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$624.50	$43.00

FOURTH: 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 2025–2026 groundwater production charge (per acre-foot) for agricultural water and for all water other than agricultural water should be increased. Accordingly, such charges shall be, and

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are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-7 of Valley Water for fiscal year 2025–2026 (July 1, 2025–June 30, 2026) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$834.50	$43.00

FIFTH: 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 2025–2026 groundwater production charge (per acre-foot) for agricultural water and for all water other than agricultural water should be increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-8 of Valley Water for fiscal year 2025–2026 (July 1, 2025–June 30, 2026) at the following per acre-foot rates:

Water Other Than Agricultural	Agricultural Water
$464.00	$43.00

SIXTH: 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.

SEVENTH: 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 the Santa Clara Valley Water District by the following vote on May 27, 2025:

AYES: Directors Santos, Varela, Ballard, Beall, Estremera

NOES: Director Eisenberg

ABSENT: Director Hsueh

ABSTAIN: None.

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
Tony Estremera
197E6FBCAE23405...

TONY ESTREMERA
Chair, Board of Directors

ATTEST: CANDICE KWOK-SMITH

DocuSigned by:
Candice Kwok-Smith
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Clerk, Board of Directors

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 2025-40

DETERMINING SURFACE WATER, TREATED WATER, AND SOUTH COUNTY RECYCLED WATER CHARGES FOR FISCAL YEAR 2025-2026

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (Valley Water) 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 Valley Water's activities in the protection and augmentation of the water supplies of Valley Water, including a recommendation as to charges for surface water that should be imposed in Zones W-2, W-5, W-7, and W-8 of Valley Water during the ensuing fiscal year;

2. That on February 28, 2025, written notice was mailed to all owners and operators of water-producing facilities within Valley Water'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;

3. That pursuant to Section 26.6 of the District Act, on the 8th day of April 2025, at 1 p.m. a public hearing upon said report was duly commenced, and was continued for further hearing to the evening of April 25, 2025 in Morgan Hill, California, and again continued to the afternoon of May 16, 2025, whereupon the hearing was concluded, more than 45 days after notice of the hearing was given;

4. That during said public hearing, additional information and evidence was provided that was considered by the Board in making this decision;

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 Valley Water; 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 Valley Water incurred for those purposes;

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;

7. That this Board considered all protests objecting to the proposed raw surface water charge increases for Zones W-2, W-5, W-7, and W-8, 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 Zone W-2, W-5, W-7, and W-8; and

8. That the California Environmental Quality Act does not apply to approval of these charges.

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NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that the charges to be applied in fiscal year 2025–2026 (July 1, 2025–June 30, 2026) for raw surface water delivered by Valley Water, the following charges shall apply:

1. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-2 is:

Water Other Than Agricultural	Agricultural Water
$2,450.00	$43.00

2. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-5 is:

Water Other Than Agricultural	Agricultural Water
$624.50	$43.00

3. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-7 is:

Water Other Than Agricultural	Agricultural Water
$834.50	$43.00

4. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-8 is:

Water Other Than Agricultural	Agricultural Water
$464.00	$43.00

5. The charge for watermaster service throughout Valley Water whether such service is for agricultural water or for water other than agricultural water, shall be $67.00 per acre-foot; and

6. Charges per acre-foot for raw surface water delivered to raw surface water permittees outside of Zone W-2, Zone W-5, Zone W-7, or Zone W-8 shall be the same as those imposed within the zone to which the user's turnout is most nearly located.

BE IT FURTHER RESOLVED that upon due review of anticipated costs and revenues of Valley Water, 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 2025–2026 fiscal year (July 1, 2025–June 30, 2026):

Charge	Amount
Basic User Charge	$2,450.00
Treated Water Surcharge	115.00
Contract Treated Water Charge	$2,565.00

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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 2025–2026 fiscal year (July 1, 2025–June 30, 2026):

Water Other Than Agricultural	Agricultural Water
$604.50	$73.35

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 27, 2025:

AYES: Directors Santos, Varela, Ballard, Beall, Estremera

NOES: Director Eisenberg

ABSENT: Director Hsueh

ABSTAIN: None.

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
Tony Estremera
197E6FBCAE23405...

TONY ESTREMERA
Chair, Board of Directors

ATTEST: CANDICE KWOK-SMITH

DocuSigned by:
Candice Kwok-Smith
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Clerk, Board of Directors

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 2025-41

APPROVING AND ADOPTING THE OPERATING AND CAPITAL ROLLING BIENNIAL BUDGET FOR FISCAL YEAR 2025-26

WHEREAS, on April 23, 2025, the Board of Directors of the Santa Clara Valley Water District (Valley Water) held its annual budget work study session to review and consider the Proposed Operating and Capital Rolling Biennial Budget (Budget) for Fiscal Year (FY) 2025-26; and

WHEREAS, such budget work study session was 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 2025-26 was developed in accordance with the Board's Executive Limitations EL-4 that the Valley Water'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, Valley Water-wide financial review and a presentation of fund and business area financial allocations in the Proposed Budget for FY 2025-26; 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, Supplemental Water Supply Reserve, and Drought Reserve; and

WHEREAS, the Board was provided assurance that the Proposed Budget for FY 2025-26 meets Board priorities, realizes efficiencies and cost savings, demonstrates fiscal accountability and value to customers, is balanced and helps ensure 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 2025-26, 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, debt service payments and interfund transfers, and budgeted reserves, are limited within each fund as follows (plus any changes or modifications made at the time of adoption):

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FY 2025-26 Operating, Capital, and Interfund Transfer Budget

1.	General Fund (11)	$ 104,236,051
2.	Watershed and Stream Stewardship Fund (12)	$ 131,441,101
3.	Lower Peninsula Watershed Fund (21)	$ 2,732,804
4.	West Valley Watershed Fund (22)	$ 819,772
5.	Guadalupe Watershed (23)	$ 911,165
6.	Coyote Watershed Fund (24)	$ 2,460,009
7.	Safe, Clean Water and Natural Flood Protection Fund (26)	$ 114,622,290
8.	Water Enterprise Fund (61)	$ 659,110,829
9.	State Water Project Fund (63)	$ 32,539,796
10.	Fleet Management Fund (71)	$ 8,690,985
11.	Risk Management Fund (72)	$ 12,125,325
12.	Information Technology Fund (73)	$ 36,482,854

FY 2025-26 Reserves Budget

1.	General Fund (11)	$ 19,688,675
2.	Watershed and Stream Stewardship Fund (12)	$ 161,122,563
3.	Safe, Clean Water and Natural Flood Protection Fund (26)	$ 177,839,913
4.	Water Enterprise Fund (61)	$ 146,782,215
5.	State Water Project Fund (63)	$ 11,591,690
6.	Fleet Management Fund (71)	$ 1,961,824
7.	Risk Management Fund (72)	$ 18,005,910
8.	Information Technology Fund (73)	$ 3,472,675

BE IT FURTHER RESOLVED that:

1. Any subsequent changes to the Adopted Valley Water FY 2025-26 Operating, Capital and Interfund Transfer Budget shall occur as follows:

   (a) By Valley Water Board of Directors action for all budget adjustments that either increase or decrease a fund's total operating, capital, or interfund transfer budget or reserve appropriations.

   (b) By Valley Water 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 percent 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 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 2024-25 for capital projects are hereby reappropriated to FY 2025-26 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 2025-26. The portion of the balances that are not reappropriated to FY 2025-26 will remain as designated reserves for Current Authorized Projects to be reappropriated in future years in accordance with the Five-Year CIP expenditure schedule.

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3. Any variances at the end of FY 2025-26 in Committed Reserves, Restricted Reserves and Other Reserves from those estimated in this FY 2025-26 Budget not otherwise reappropriated above shall result in corresponding adjustments to the FY 2025-26 estimated reserve appropriations in accordance with the Valley Water Reserve Policy. These adjustments shall be made in the following order:

   (a) First, to restore Restricted Reserves.

   (b) Second, to restore Risk Fund Committed 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 2026-27, the appropriations applicable to that year have not been finally determined and adopted by the Board of Directors in accordance with the District Act, Valley Water 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 of the final budget if specifically approved by the Board of Directors.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 27, 2025:

AYES: Directors Santos, Varela, Ballard, Beall, Estremera

NOES: Director Eisenberg

ABSENT: Director Hsueh

ABSTAIN: None.

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
Tony Estremera
197E6FBCAE23405...
TONY ESTREMERA
Chair, Board of Directors

ATTEST: CANDICE KWOK-SMITH

DocuSigned by:
Candice Kwok-Smith
26D1BFCB9B714BE...
Clerk, Board of Directors

Docusign Envelope ID: 82FDF7C9-3F5E-4406-BCA7-120EA80CF8EB

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 2025-42

PROVIDING FOR A LEVY OF AD VALOREM REAL PROPERTY TAXES IN FISCAL YEAR 2025-26 TO MEET THE COST OF ITS WATER SUPPLY CONTRACT WITH THE STATE OF CALIFORNIA

WHEREAS, the Santa Clara Valley Water District (Valley Water) 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, Valley Water anticipates that its contractual indebtedness to the State under the State Water Supply Contract during the fiscal year beginning July 1, 2025, and ending June 30, 2026 (Fiscal Year 2025-26), will be at least $28 million; and

WHEREAS, Section 11652 of the California Water Code requires the Valley Water Board of Directors (Board) to levy a tax sufficient to assure payment of sums due under Valley Water'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, Valley Water's indebtedness from its Water Supply Contract falls within such exemption; and

WHEREAS, Valley Water'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 has previously considered, in a public hearing, Staff's recommendation that anticipated Fiscal Year 2025-26 State Water Project (SWP) expenses of approximately $28 million be paid for through the setting of the SWP Tax at $28 million rather than through further increases to groundwater production charges over and above Staff's recommended FY 2025-2026 groundwater charge increases; and

WHEREAS, this Board is concurrently approving rate increases to all of Valley Water's groundwater, surface water, and recycled water charges for Fiscal Year 2025-26, including a 9.9% increase to North County (Zone W-2)'s municipal and industrial (M&I) groundwater production charge and increases between 7.9% to 11.2% in all other groundwater benefit zones and in the agricultural groundwater charge; and

WHEREAS, if anticipated SWP expenses were not paid through imposition of a $28 million SWP Tax but rather were paid for through groundwater charges, then Valley Water's North County (Zone W-2) municipal and industrial (M&I) groundwater production charge would have needed to be increased by $162/AF or approximately 17% (to $2,612/AF) rather than 9.9%. Similarly, absent paying for SWP charges with the SWP tax, in South County, the M&I charges would have necessitated additional increases of: $31/AF in Zone W-5 (to $655.50/AF), $50/AF in Zone W-7 (to $884.50/AF), and $31/AF in Zone W-8 (to $495/AF). The agricultural groundwater charge would have necessitated an increase of $46.00/AF in all zones, and the Open Space Credit would have necessitated an increase of roughly $689,316; and

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WHEREAS, the Board, after reviewing and considering all the facts, information and reports provided by Valley Water staff, and information communicated to the Board during public meetings in which Valley Water's Fiscal Year 2025-26 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 feasible to raise said sums from further one-year water rates increases; and

WHEREAS, said ad valorem real property tax is consistent with Valley Water's past practice and is consistent with (Goodman v. County of Riverside (1983) 140 Cal.App.3d 900), 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 Valley Water's Fiscal Year 2025-26 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 the United States Constitution and Article I, Section 9 of the California Constitution is $28 million for payments on Valley Water's State Water Supply Contract dated November 20, 1961.

2. That, for the reasons stated above, said Board determines that it is infeasible to further increase or raise groundwater production charges or other water charges or rates to pay the $28 million in expenses associated with Valley Water's State Water Supply Contract dated November 20, 1961.

3. 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 2025-26 an ad valorem real property tax within Valley Water sufficient to raise the sum of $28 million to meet that portion of Valley Water's Water Supply Contract obligation which may be lawfully so raised.

4. That the funds received by Valley Water pursuant to the aforementioned ad valorem tax levy shall be placed in a separate fund identified for the indebtedness set forth above.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 27, 2025:

AYES: Directors Santos, Varela, Ballard, Beall, Estremera

NOES: Director Eisenberg

ABSENT: Director Hsueh

ABSTAIN: None.

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
Tony Estremera
197E6FBCAE23405...

TONY ESTREMERA
Chair, Board of Directors

ATTEST: CANDICE KWOK-SMITH

DocuSigned by:
Candice Kwok-Smith
26D1BFCB9B714BE...

Clerk, Board of Directors

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 2025-34

DELEGATING AUTHORITY TO DEPOSIT AND INVEST FUNDS TO THE TREASURER OR THEIR DESIGNEES

WHEREAS, the Board of Directors (Board) of the Santa Clara Valley Water District (Valley Water), 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 Valley Water; and

WHEREAS, from time to time, there are Valley Water funds available for the purpose of investment or deposit; and

WHEREAS, the Board of Valley Water has, pursuant to the provisions of California Government Code Sections 53607 and 53608, determined to delegate to the Treasurer (Chief Financial Officer), or their designees (Treasury and Debt Officer), 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 Valley Water.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that the Treasurer, or their designees, 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, Valley Water 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, or their designees, 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 Valley Water from any of the various accounts of Valley Water when such funds will not be needed for the immediate necessities of Valley Water.

BE IT FURTHER RESOLVED that the resolution shall be effective for fiscal year 2025-26 and shall be reconsidered by the Board at a public meeting annually.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 16, 2025:

AYES: Directors Varela, Hsueh, Ballard, Beall, Eisenberg, Santos, Estremera

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
Tony Estremera
197E6FBCAE23405...

TONY ESTREMERA
Chair, Board of Directors

ATTEST: CANDICE KWOK-SMITH

DocuSigned by:
Candice Kwok-Smith
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Clerk, Board of Directors

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 2025-31

AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE AND A TAXABLE TAX AND REVENUE ANTICIPATION NOTE TO SUPPORT SHORT-TERM OBLIGATIONS

WHEREAS, the Board of Directors of the Santa Clara Valley Water District ("Valley Water"), a flood control and water district duly organized and existing under and pursuant to the Constitution and laws of the State of California ("State"), has previously undertaken a short-term financing program; and

WHEREAS, in order to continue the short-term financings from time to time, Valley Water has determined to issue in fiscal year 2025-2026 tax-exempt tax and revenue anticipation notes ("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 $150,000,000 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 Valley Water authorized, executed, issued and delivered by Valley Water, 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(d) of the Master Resolution.

"Chief Executive Officer" means the duly-appointed Chief Executive Officer or any duly appointed Acting or Interim Chief Executive Officer of Valley Water.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder.

"Contract" means all installment purchase agreements or other contracts of Valley Water authorized and executed by Valley Water, 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(d) of the Master Resolution.

"Master Resolution" means the Water Utility Parity System Master Resolution No. 16-10 adopted by the Board of Directors of Valley Water on February 23, 2016, as amended.

"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 2025-2026 Tax-Exempt Tax and Revenue Anticipation Notes to be issued hereunder.

"Taxable Notes" means the Santa Clara Valley Water District 2025-2026 Taxable Tax and Revenue Anticipation Notes to be issued hereunder.

"Valley Water" means the Santa Clara Valley Water District.

"Water Utility System Revenues" has the meaning set forth in the Master Resolution.

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 $150,000,000, 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 Valley Water which will be available for the payment therefor. A certificate of the Chief Executive Officer or their designees 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 2025-2026 Tax-Exempt Tax and Revenue Anticipation Notes" and the Taxable Notes shall be designated "Santa Clara Valley Water District 2025-2026 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 Valley Water 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, 2026. The Notes shall bear a rate of interest which shall be determined on the date of issuance of the short-term obligations to which 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 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 short-term obligations to which such Note is pledged is due and payable in the event that Valley Water declines to cause additional short-term obligations to be sold to repay such maturing short-term obligations.

The proceeds of the Notes will be used for any Valley Water purpose including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

SECTION 3. EXECUTION OF THE NOTES

The Chief Executive Officer or their designees 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 Valley Water to make payments of principal of and interest on the Notes is a general obligation of Valley Water. Valley Water hereby pledges Net Water Utility System Revenues of Valley Water on a subordinate basis to all payment of Bonds and Contracts of Valley Water to additionally secure the portion of the payment of the principal of and interest on the Notes which support short-term obligations, all in accordance with the Master Resolution. Valley Water may pledge Net Water Utility System Revenues of Valley Water on a subordinate basis to all payment of Bonds and Contracts of Valley Water to additionally secure the portion of the payment of the principal of and interest on the Notes which support other short-term obligations, such pledge to be set forth in such short-term obligations. The Notes do not constitute a debt of Valley Water 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 Valley Water 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 Valley Water with the terms and conditions hereof.

SECTION 7. EFFECTIVE DATE

This resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 16, 2025:

AYES: Directors Varela, Santos, Ballard, Beall, Eisenberg, Hsueh, Estremera

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

TONY ESTREMERA
Chair, Board of Directors

ATTEST: CANDICE KWOK-SMITH

Clerk, Board of Directors

CLERK'S CERTIFICATE

STATE OF CALIFORNIA)
) SS
COUNTY OF SANTA CLARA)

I, Candice Kwok-Smith, Clerk, Board of Directors of Santa Clara Valley Water District ("Valley Water"), Santa Clara County, California, hereby certify as follows:

The foregoing is a full, true, and correct copy of a resolution duly adopted at a regular Valley Water Board of Directors meeting, duly and regularly and legally held at the regular meeting place thereof on May 16, 2025, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof were present.

At said meeting said resolution was adopted by the following vote:

AYES: Directors Varela, Santos, Ballard, Beall, Eisenberg, Hsueh, Estremera

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

I have carefully compared the same with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true, and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified, or rescinded since the date of its adoption, and same is now in full force and effect.

Dated: May 16, 2025

SANTA CLARA VALLEY WATER DISTRICT

By: _____
CANDICE KWOK-SMITH
Clerk, Board of Directors

EXHIBIT A
COVERSHEET

SANTA CLARA VALLEY WATER DISTRICT
2025–2026 TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE
AND 2025–2026 TAXABLE TAX AND REVENUE ANTICIPATION NOTE

No. of Pages: 4

Exhibit Attachments: None

EXHIBIT A

SANTA CLARA VALLEY WATER DISTRICT
2025–2026 TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE

FOR VALUE RECEIVED, the Santa Clara Valley Water District ("Valley Water") acknowledges itself indebted to and promises to pay to Santa Clara Valley Water District Public Facilities Financing Corporation ("Corporation") $75,000,000 in lawful money of the United States of America, on October 1, 2026, together with interest thereon at the offices of Valley Water in like lawful money from the date hereof until payment in full of said principal sum. Interest on this Note shall be determined on a daily basis and shall be a rate which when multiplied by the principal amount of this Note outstanding on such day will be equal to the interest accruing with respect to the short-term obligations to which the Note is pledged outstanding on such day. Interest on this Note shall be payable on any date on which interest is payable with respect to the short-term obligations to which this Note is pledged. This Note shall be prepayable in whole or in part on any day on which the Corporation notifies Valley Water that the principal with respect to the short-term obligations to which this Note is pledged is due and payable in the event that Valley Water declines to cause additional short-term obligations to be sold to repay such maturing short-term obligations.

The proceeds of this Note will be used for any Valley Water purpose including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

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 Valley Water, does not exceed any limit prescribed by the Constitution or laws of the State.

This Note shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by Valley Water for fiscal year 2025-2026 and which are lawfully available for the payment of current expenses and other obligations of Valley Water. The obligation of Valley Water to make payments of principal of and interest on this Note is a general obligation of Valley Water. The portion of payments on this Note which support the short-term financing program 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 adopted by the Board of Directors of Valley Water on May 16, 2025, authorizing the issuance of this Note). The portion of payments on this Note which support other short-term obligations may also be payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts to the extent set forth in such short-term obligation. This Note does not constitute a debt of Valley Water 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 their designee, and the General Counsel or the General Counsel's designee, all as of May 16, 2025.

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Melanie Richardson
Interim Chief Executive Officer

APPROVED AS TO FORM:

By: _____
Brian Hopper
Senior Assistant District Counsel

SANTA CLARA VALLEY WATER DISTRICT
2025–2026 TAXABLE TAX AND REVENUE ANTICIPATION NOTE

FOR VALUE RECEIVED, the Santa Clara Valley Water District ("Valley Water") acknowledges itself indebted to and promises to pay to Santa Clara Valley Water District Public Facilities Financing Corporation ("Corporation") $75,000,000 in lawful money of the United States of America, on October 1, 2026, together with interest thereon at the offices of Valley Water in like lawful money from the date hereof until payment in full of said principal sum. Interest on this Note shall be determined on a daily basis and shall be a rate which when multiplied by the principal amount of this Note outstanding on such day will be equal to the interest accruing with respect to the short-term obligations to which this Note is pledged outstanding on such day. Interest on this Note shall be payable on any date on which interest is payable with respect to the short-term obligations to which this Note is pledged. This Note shall be prepayable in whole or in part on any day on which the Corporation notifies Valley Water that the principal with respect to the short-term obligations to which this Note is pledged is due and payable in the event that Valley Water declines to cause additional short-term obligations to be sold to repay such maturing short-term obligations.

The proceeds of this Note will be used for any Valley Water purpose including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

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 Valley Water, does not exceed any limit prescribed by the Constitution or laws of the State.

This Note shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by Valley Water for fiscal year 2025-2026 and which are lawfully available for the payment of current expenses and other obligations of Valley Water. The obligation of Valley Water to make payments of principal of and interest on this Note is a general obligation of Valley Water. The portion of payments on this Note which support the short-term financing program 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 adopted by the Board of Directors of Valley Water on May 16, 2025, authorizing the issuance of this Note). The portion of payments on this Note which support other short-term obligations may also be payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts to the extent set forth in such short-term obligation. This Note does not constitute a debt of Valley Water 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 their designee, and the General Counsel or the General Counsel's designee, all as of May 16, 2025.

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Melanie Richardson
Interim Chief Executive Officer

APPROVED AS TO FORM:

By: _____
Brian Hopper
Senior Assistant District Counsel

EXHIBIT B
COVERSHEET

$150,000,000
SANTA CLARA VALLEY WATER DISTRICT
2025–2026 TAX AND REVENUE ANTICIPATION NOTES
CALCULATION OF 85 PERCENT AMOUNT

No. of Pages: 1

Exhibit Attachments: None

EXHIBIT B

$150,000,000
SANTA CLARA VALLEY WATER DISTRICT
2025–2026 TAX AND REVENUE ANTICIPATION NOTES
CALCULATION OF 85 PERCENT 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 $150,000,000, 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 Santa Clara Valley Water District ("Valley Water"), as determined by the following calculation:

FY 2025–26 Valley Water-wide Estimated Uncollected Taxes, Income, Revenue, Cash Receipts and Other Money[1] (A)	$744,000,000
FY 2025-26 Tax and Revenue Anticipation Notes:	
Principal Amount of the Notes[2]	$150,000,000
Interest on the Notes[3]	22,850,000
Total (B)	$172,850,000
Percentage (B)/(A)	23.23%

Dated: May 16, 2025

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Darin Taylor
Chief Financial Officer

[1] Source: *FY 2025-26 Preliminary Budget.*
[2] Up to $75 million in Tax-Exempt Notes and $75 million of Taxable Notes may be issued to support the short-term obligations.
[3] Assumes maximum interest rate of 12% calculated based on actual/360-day basis.

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 2025-32

INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS FOR WATER UTILITY ENTERPRISE

WHEREAS, the Santa Clara Valley Water District ("Valley Water") 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 Valley Water intends to finance the costs of acquiring certain public facilities and improvements, as provided in Exhibit A attached hereto and incorporated herein (collectively, "Project"); and

WHEREAS, Valley Water 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 ("Obligations"); and

WHEREAS, prior to the execution and delivery of the Obligations, Valley Water desires to incur certain expenditures with respect to the Project from available monies of Valley Water, which expenditures are desired to be reimbursed by Valley Water 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 hereby finds, determines, declares, and resolves as follows:

1. Valley Water 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 $350,745,000.

3. This resolution is being adopted on or prior to the date ("Expenditure Date or Dates") that Valley Water will expend monies for the portion of the Project costs to be reimbursed from proceeds of the Obligations. 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.

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 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 Valley Water) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of Valley Water or any entity related in any manner to Valley Water, 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 Valley Water as of the date hereof. No monies from sources other than the Obligation issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by Valley Water (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 Valley Water 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 Valley Water 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 Valley Water expenditures incurred prior to the date of execution and delivery of the Obligations, is part of the Valley Water's official proceedings, and will be available for inspection by the general public at the main administrative office of Valley Water.

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 the Santa Clara Valley Water District by the following vote on May 16, 2025:

AYES: Directors Varela, Santos, Ballard, Beall, Eisenberg, Hsueh, Estremera

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

By: Tony Estremera
TONY ESTREMERA
Chair, Board of Directors

ATTEST: CANDICE KWOK-SMITH

Clerk, Board of Directors

CLERK'S CERTIFICATE

STATE OF CALIFORNIA)
) SS
COUNTY OF SANTA CLARA)

I, Candice Kwok-Smith, Clerk, Board of Directors of Santa Clara Valley Water District ("Valley Water"), Santa Clara County, California, hereby certify as follows:

The foregoing is a full, true, and correct copy of a resolution duly adopted at a regular Valley Water Board of Directors meeting, duly and regularly and legally held at the regular meeting place thereof on May 16, 2025, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof were present.

At said meeting said resolution was adopted by the following vote:

AYES: Directors Varela, Santos, Ballard, Beall, Eisenberg, Hsueh, Estremera

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

I have carefully compared the same with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true, and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified, or rescinded since the date of its adoption, and same is now in full force and effect.



Dated: May 16, 2025

SANTA CLARA VALLEY WATER DISTRICT

By: _____
CANDICE KWOK-SMITH
Clerk, Board of Directors

EXHIBIT A
COVERSHEET

DESCRIPTION OF PROJECT

No. of Pages: 1

Exhibit Attachments: None

EXHIBIT A

DESCRIPTION OF PROJECT

Various capital improvements set forth in the Fiscal Year 2026-30 Capital Improvement Plan (the "CIP") for water supply infrastructure, including storage, transmission, treatment, and recycled water facilities, and water resources stewardship, as such CIP may be modified from time-to-time. The current CIP is incorporated herein by reference.

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 2025-33

INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS FOR SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION AND WATERSHED AND STREAM STEWARDSHIP PROGRAMS

WHEREAS, the Board of Directors of the Santa Clara Valley Water District ("Issuer") desires to finance the costs of acquiring certain public facilities and improvements, as provided in Exhibit A attached hereto and incorporated herein ("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 ("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 $218,336,000.

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 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) 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 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 the Santa Clara Valley Water District by the following vote on May 16, 2025:

AYES: Directors Varela, Santos, Ballard, Beall, Eisenberg, Hsueh, Estremera

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

By: _____
TONY ESTREMERA
Chair, Board of Directors

ATTEST: CANDICE KWOK-SMITH

_____
Clerk, Board of Directors

CLERK'S CERTIFICATE

STATE OF CALIFORNIA)
) SS
COUNTY OF SANTA CLARA)

I, Candice Kwok-Smith, Clerk, Board of Directors of Santa Clara Valley Water District ("Valley Water"), Santa Clara County, California, hereby certify as follows:

The foregoing is a full, true, and correct copy of a resolution duly adopted at a regular Valley Water Board of Directors meeting, duly and regularly and legally held at the regular meeting place thereof on May 16, 2025, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof were present.

At said meeting said resolution was adopted by the following vote:

AYES: Directors Varela, Santos, Ballard, Beall, Eisenberg, Hsueh, Estremera

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

I have carefully compared the same with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true, and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified, or rescinded since the date of its adoption, and same is now in full force and effect.

Dated: May 16, 2025

SANTA CLARA VALLEY WATER DISTRICT

By: _____
CANDICE KWOK-SMITH
Clerk, Board of Directors

EXHIBIT A
COVERSHEET

DESCRIPTION OF PROJECT

No. of Pages: 1

Exhibit Attachments: None

EXHIBIT A

DESCRIPTION OF PROJECT

Various Safe, Clean Water and Natural Flood Protection and Watershed and Stream Stewardship program capital improvements set forth in the Fiscal Year 2026-30 Capital Improvement Plan (the "CIP"), as such CIP may be modified from time-to-time. The current CIP is incorporated herein by reference.

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 2025-47

ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2025-26

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 Santa Clara Valley Water District (Valley Water) 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, Valley Water 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 by the Board of Directors of the Santa Clara Valley Water District that the Appropriations Limit for Fiscal Year 2025-26 is hereby established at $215,324,646 by applying the percentage change in California per capita personal income of 6.44 percent, and the Santa Clara County population percentage change over prior year of 0.04 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 2025-26 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 the Santa Clara Valley Water District by the following vote on June 10, 2025:

AYES: Directors Varela, Santos, Ballard, Beall, Eisenberg, Hsueh, Estremera

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:
Tony Estremera
197E6FBCAE23405...

TONY ESTREMERA
Chair, Board of Directors

ATTEST: CANDICE KWOK-SMITH

DocuSigned by:
Candice Kwok-Smith
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Clerk, Board of Directors

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EXHIBIT A
COVERSHEET

FISCAL YEAR 2025-26 APPROPRIATIONS LIMIT ON THE PROCEEDS OF TAXES

No. of Pages: 1

Exhibit Attachments: None

Docusign Envelope ID: 974B8DD4-BF4D-4617-AB21-2E34125103E0

EXHIBIT A

Santa Clara Valley Water District Fiscal Year 2025-26
Appropriations Limit on the Proceeds of Taxes*

	FY 2024-25 Appropriations Limit	Ratio of Change	FY 2025-26** Appropriations Limit	FY 2025-26 Budgeted Proceeds of Taxes	Amount Under/(Over) Limit
Watershed & Stream Stewardship	$202,220,742	1.0648	$215,324,646	$51,226,965	$164,097,681

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 Santa Clara Valley Water District and is 6.44 percent.

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, 2024, to January 1, 2025, to be used in setting the Appropriations Limit for Fiscal Year 2025-26. That change is 0.04 percent.

Per Capita Personal Income:	6.44%	converted to a factor	= 1.0644
Population (Santa Clara County):	0.04%	converted to a factor	= 1.0004
	Ratio of Change:	**(1.0644 x 1.0004)**	= **1.0648**

*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 percent 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.

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 2025-29

AUTHORIZING THE ISSUANCE OF WATER SYSTEM REFUNDING REVENUE BONDS AND REVENUE BONDS, AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS AND CERTAIN ACTS IN CONNECTION THEREWITH

WHEREAS, the Santa Clara Valley Water District ("Valley Water"), is a water supply and flood protection special district duly organized and existing under and pursuant to the Constitution and laws of the State of California; and

WHEREAS, Valley Water has previously financed the planning, design, acquisition and/or construction of certain capital improvements to the water utility system of Valley Water by causing the execution and delivery of the Commercial Paper Notes, Series A (Tax-Exempt), the Commercial Paper Notes, Series B (Taxable), the Santa Clara Valley Water District Revolving Certificates, Series C (Tax-Exempt) (Non-Syndicated) and the Santa Clara Valley Water District Revolving Certificates, Series D (Taxable) (Non-Syndicated) (collectively, the "Outstanding ABCD Obligations"); and

WHEREAS, Valley Water has previously financed and refinanced the planning, design, acquisition and/or construction of certain capital improvements to the water utility system equipment and facilities of Valley Water by causing issuance of its Water System Refunding Revenue Bonds, Series 2016A and Taxable Series 2016B, and the execution and delivery of its Revenue Certificates of Participation (Water Utility System Improvement Projects), Series 2016C and Taxable Series 2016D (collectively, the "Outstanding 2016 Obligations"); and

WHEREAS, Valley Water has determined that it would be in the best interests of Valley Water and citizens of the community to authorize refunding bonds in one or more series (the "Refunding Bonds") pursuant to Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Bond Law") to refund all or a portion of the Outstanding ABCD Obligations and the Outstanding 2016 Obligations outstanding from time-to-time; and

WHEREAS, pursuant to the Santa Clara Valley Water District Act, as amended by Assembly Bill 939 (as amended, the "District Act"), Valley Water is authorized to issue revenue bonds to finance the planning, design, acquisition and/or construction by Valley Water of certain capital improvements to the water utility system of Valley Water to provide water service and purification, groundwater protection and dam safety; and

WHEREAS, the Board of Directors of Valley Water (the "Board") proposes to plan, design, acquire or construct additional water utility system capital improvements and to reimburse Valley Water for costs previously expended to plan, design, acquire or construct certain water utility system capital improvements; and

WHEREAS, Valley Water has determined that it would be in the best interests of Valley Water and citizens of the community to issue revenue bonds in one or more series (the "Revenue Bonds") pursuant to the District Act and the Revenue Bond Law of 1941 (commencing with Section 54300 of the Government Code), as supplemented by the District Act (the "Bond Law"), to finance the planning, design, acquisition and/or construction of, and to reimburse the costs of, facilities for water service and purification, groundwater protection and dam safety; and

WHEREAS, it is proposed that each series of Refunding Bonds and Revenue Bonds be sold in competitive sales pursuant to official notices of sale unless otherwise determined in accordance with this Resolution; and

WHEREAS, as to projects for which Valley Water has not yet completed its review and approval in accordance with the California Environmental Quality Act ("CEQA"), adoption of this Resolution to authorize execution of the agreements and documents referred to in this Resolution and implementation of actions necessary to accomplish the intention of this Resolution do not commit Valley Water to a definite course of action with regard to any particular project and do not limit Valley Water in exercising any discretion following CEQA review of the project, including (i) considering other feasible alternatives and mitigation measures to avoid or minimize project impacts, (ii) making modifications deemed necessary to reduce project impacts, or (iii) determining not to proceed with one or more component of a project; and

WHEREAS, Valley Water desires to authorize the sale and delivery of the Refunding Bonds and Revenue Bonds as set forth in this Resolution, provided that the aggregate principal amount of such obligations shall not exceed $520,000,000; and

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District does hereby find, determine, declare, and resolve as follows:

Section 1. **Authorization of Refunding Bonds**. This Board hereby authorizes the issuance, sale and delivery of one or more series of Refunding Bonds in accordance with the Refunding Bond Law and the terms and provisions of the Indenture of Trust with respect to the Refunding Bonds referred to in Section 2 below and the Water Utility Parity System Master Resolution, the interest on which may be taxable or tax-exempt. The purposes for which the proceeds of the sale of the Refunding Bonds shall be expended are to pay all or a portion of the Outstanding ABCD Obligations and the Outstanding 2016 Obligations, and to pay the costs of the sale and delivery of the Refunding Bonds.

Section 2. **Refunding Bonds Documents.** The Indenture of Trust and Continuing Disclosure Agreement with respect to the Refunding Bonds, in substantially the forms on file with Valley Water, are hereby approved. The Chief Executive Officer (or any acting or interim of such position, the "Chief Executive Officer") and the Clerk of the Board or the designee of each of the foregoing (each an "Authorized Officer" and together the "Authorized Officers"), are hereby each individually authorized and directed to execute and deliver the Indenture of Trust and Continuing Disclosure Agreement with respect to the Refunding Bonds with such changes, insertions and omissions as may be approved by such Authorized Officer executing the same, said execution being conclusive evidence of such approval.

Section 3. **Authorization of Revenue Bonds**. This Board hereby authorizes the issuance, sale and delivery of one or more series of Revenue Bonds in accordance with the Bond Law and the terms and provisions of the Indenture of Trust with respect to the Revenue Bonds referred to in Section 4 below and the Water Utility Parity System Master Resolution, the interest on which may be taxable or tax-exempt. The purposes for which the proceeds of the sale of the Revenue Bonds shall be expended are to finance the planning, design, acquisition and/or construction by Valley Water of certain capital improvements to the water utility system of Valley Water to provide water service and purification, groundwater protection and dam safety and to reimburse Valley Water for, and/or refinance, costs previously expended to plan, design, acquire and/or construct such water utility system capital improvements as described in the related Indenture of Trust, and to pay the costs of the sale and delivery of the Revenue Bonds.

Section 9. **Trustee**. U.S. Bank Trust Company, National Association is hereby appointed to act as trustee under the Indenture of Trusts with respect to the Refunding Bonds and the Revenue Bonds.

Section 10. **Good Faith Estimate of Certain Costs**. The Board acknowledges that the good faith estimates of certain costs required by Section 5852.1 of the California Government Code with respect to each of the Refunding Bonds and Revenue Bonds are disclosed in the staff report and are available to the public at the meeting at which this Resolution is approved.

Section 11. **Other Actions**. The Authorized Officers and such other officers and staff of Valley Water are authorized and directed, acting singly, to do any and all things and to execute and deliver any and all documents which such officers may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Refunding Bonds and the Revenue Bonds, and the delivery of the documents approved by this Resolution with respect thereto, and otherwise effectuate the purposes of this Resolution, and such actions in connection therewith previously taken by such officers and staff are hereby ratified and confirmed.

Section 12. **Definitions**. Unless otherwise defined in this Resolution, all terms used by the Resolution and not otherwise defined shall have the meanings given to such terms in the Indenture of Trusts with respect to the Refunding Bonds and the Revenue Bonds, as applicable, unless the context otherwise clearly requires.

Section 13. **Effect**. This Resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 16, 2025:

AYES: Directors Varela, Santos, Ballard, Beall, Eisenberg, Hsueh, Estremera

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

Tony Estremera

TONY ESTREMERA
Chair, Board of Directors

ATTEST: CANDICE KWOK-SMITH

Clerk, Board of Directors

Section 4. Revenue Bonds Documents. The Indenture of Trust and Continuing Disclosure Agreement with respect to the Revenue Bonds, in substantially the forms on file with Valley Water, are hereby approved. Each Authorized Officer is individually authorized and directed to execute and deliver the foregoing documents with respect to the Revenue Bonds, with such changes, insertions and omissions as may be approved by such Authorized Officer executing the same, said execution being conclusive evidence of such approval.

Section 5. Notices of Sale. One or more Notices of Sale relating to the Refunding Bonds and the Revenue Bonds, in substantially the form on file with Valley Water, are hereby approved, with such changes, insertions and omissions as may be approved by an Authorized Officer or the designee thereof. Each Authorized Officer or the designee thereof is individually authorized and directed to cause to be published notices of intention to sell Refunding Bonds or the Revenue Bonds (a) once at least five (5) days prior to the date set for receipt of bids, in a financial publication generally circulated throughout the State of California or reasonably expected to be disseminated among prospective bidders, in accordance with Section 53692 of the California Government Code, and/or (b) once at least ten (10) days prior to the date set for receipt of bids in a newspaper of general circulation circulated within the boundaries of Valley Water's service area, in accordance with Section 53583(c)(2)(A) of the California Government Code, as applicable. The Authorized Officers or the Treasury and Debt Officer, in cooperation with Public Resources Advisory Group, as Municipal Advisor, shall cause the applicable Notice of Sale to be circulated among prospective bidders.

As an alternative to competitive sales, if the Chief Executive Officer, or the designee thereof, determines to sell any of the Refunding Bonds or the Revenue Bonds by one or more negotiated sales, each Authorized Officer is individually authorized and directed to execute and deliver one or more purchase contracts for such sales in substantially the forms approved by this Board pursuant to Resolution No. 22-105 adopted on November 8, 2022, with the underwriters to be named therein as determined by the Chief Executive Officer or the designee thereof, and with such changes, insertions and omissions as may be approved by such Authorized Officer executing the same, said execution being conclusive evidence of such approval.

Section 6. Total Principal Amount Authorized. The aggregate principal amount of the Refunding Bonds and Revenue Bonds as authorized by this Resolution shall not exceed $520,000,000.

Section 7. Escrow Agreement. The Escrow Agreement relating to the Outstanding 2016 Obligations (the "Escrow Agreement"), in substantially the form on file with Valley Water and, upon execution as authorized below, made a part hereof as though set forth in full herein, are hereby approved. Each Authorized Officer is individually authorized and directed to execute and deliver one or more Escrow Agreements with respect to the Outstanding 2016 Obligations to be refunded, with such changes, insertions and omissions as may be approved by such Authorized Officer executing the same, said execution being conclusive evidence of such approval.

Section 8. Payment of Outstanding ABCD Obligations and Outstanding 2016 Obligations. Each Authorized Officer and such other officers and staff of Valley Water are authorized and directed, acting singly, to do any and all things and to execute and deliver any and all documents which such officers may deem necessary or advisable in order to pay all or a portion of the Outstanding ABCD Obligations and Outstanding 2016 Obligations from a portion of the proceeds of the Refunding Bonds.

I hereby certify that the foregoing is a full, true and correct copy of the original thereof on file in my office.

DATED: May 16, 2025

Candice Kwok-Smith
Clerk, Board of Directors

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 2025-30

AUTHORIZING THE ISSUANCE OF WATER SYSTEM REVENUE BONDS TO FINANCE CERTAIN COSTS OF THE SAN JOSE WATER PURIFICATION PROJECT (PHASE I), AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS AND CERTAIN ACTS IN CONNECTION THEREWITH

WHEREAS, the Santa Clara Valley Water District ("Valley Water"), is a water supply and flood protection special district duly organized and existing under and pursuant to the Constitution and laws of the State of California; and

WHEREAS, pursuant to the Santa Clara Valley Water District Act, as amended by Assembly Bill 939 (as amended, the "District Act"), Valley Water is authorized to issue revenue bonds to finance the planning, design, acquisition and/or construction by Valley Water of certain capital improvements to the water utility system of Valley Water to provide water service and purification, groundwater protection and dam safety; and

WHEREAS, the Board of Directors of Valley Water (the "Board") proposes to finance certain costs of the San Jose Purified Water Project (Phase I) (the "Project") and to reimburse Valley Water for costs previously expended to plan, design, acquire or construct the Project; and

WHEREAS, Valley Water has determined that it would be in the best interests of Valley Water and citizens of the community to issue revenue bonds in one or more series (the "Revenue Bonds") pursuant to the District Act and the Revenue Bond Law of 1941 (commencing with Section 54300 of the Government Code), as supplemented by the District Act (the "Bond Law"), to finance the costs of the Project; and

WHEREAS, it is proposed that the Revenue Bonds be sold in a competitive sale pursuant to an official notice of sale unless otherwise determined in accordance with this Resolution; and

WHEREAS, while Valley Water has not yet completed its review and approval in accordance with the California Environmental Quality Act ("CEQA") for the Project, adoption of this Resolution to authorize execution of the agreements and documents referred to in this Resolution and implementation of actions necessary to accomplish the intention of this Resolution do not commit Valley Water to a definite course of action with regard to the Project and do not limit Valley Water in exercising any discretion following CEQA review of the Project, including (i) considering other feasible alternatives and mitigation measures to avoid or minimize project impacts, (ii) making modifications deemed necessary to reduce project impacts, or (iii) determining not to proceed with one or more component of the Project.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District does hereby find, determine, declare, and resolve as follows:

Section 1. **Authorization of Revenue Bonds**. This Board hereby authorizes the issuance, sale and delivery of one or more series of Revenue Bonds, in a principal amount not to exceed $100 million, in accordance with the Bond Law and the terms and provisions of the Indenture of Trust with respect to the Revenue Bonds referred to in Section 2 below and the Water Utility Parity System Master Resolution, the interest on which may be taxable or tax-exempt. The purposes for which the proceeds of the sale of the Revenue Bonds shall be expended are to finance the planning, design, acquisition and/or construction by Valley Water of the Project and to reimburse Valley Water for, and/or refinance, costs previously expended on the Project as described in the Indenture of Trust, and to pay the costs of the sale and delivery of the Revenue Bonds.

Section 2. **Revenue Bonds Documents**. The Indenture of Trust and Continuing Disclosure Agreement with respect to the Revenue Bonds, in substantially the forms on file with Valley Water, are hereby approved. Each of the Chief Executive Officer (or any acting or interim of such position, the "Chief Executive Officer") and the Clerk of the Board or the designee of each of the foregoing (each an "Authorized Officer" and together the "Authorized Officers") is individually authorized and directed to execute and deliver the foregoing documents with respect to the Revenue Bonds, with such changes, insertions and omissions as may be approved by such Authorized Officer executing the same, said execution being conclusive evidence of such approval.

Section 3. **Notice of Sale**. The Notice of Sale relating to the Revenue Bonds, in substantially the form on file with Valley Water, is hereby approved, with such changes, insertions and omissions as may be approved by an Authorized Officer or the designee thereof. Each Authorized Officer or the designee thereof is individually authorized and directed to cause to be published a notice of intention to sell the Revenue Bonds (a) once at least five (5) days prior to the date set for receipt of bids, in a financial publication generally circulated throughout the State of California or reasonably expected to be disseminated among prospective bidders, in accordance with Section 53692 of the California Government Code, and/or (b) once at least ten (10) days prior to the date set for receipt of bids in a newspaper of general circulation circulated within the boundaries of Valley Water's service area, in accordance with Section 53583(c)(2)(A) of the California Government Code, as applicable. The Authorized Officers or the Treasury and Debt Officer, in cooperation with Public Resources Advisory Group, as Municipal Advisor, shall cause the applicable Notice of Sale to be circulated among prospective bidders.

As an alternative to a competitive sale, if the Chief Executive Officer, or the designee thereof, determines to sell the Revenue Bonds by negotiated sale, each Authorized Officer is individually authorized and directed to execute and deliver a purchase contract for such sale in substantially the form approved by this Board pursuant to Resolution No. 22-105 adopted on November 8, 2022, with the underwriters to be named therein as determined by the Chief Executive Officer or the designee thereof, and with such changes, insertions and omissions as may be approved by such Authorized Officer executing the same, said execution being conclusive evidence of such approval.

Section 4. **Trustee**. U.S. Bank Trust Company, National Association is hereby appointed to act as trustee under the Indenture of Trust.

Section 5. **Good Faith Estimate of Certain Costs**. The Board acknowledges that the good faith estimates of certain costs required by Section 5852.1 of the California Government Code with respect the Revenue Bonds are disclosed in the staff report and are available to the public at the meeting at which this Resolution is approved.

Section 6. **Other Actions**. The Authorized Officers and such other officers and staff of Valley Water are authorized and directed, acting singly, to do any and all things and to execute and deliver any and all documents which such officers may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Revenue Bonds, and the delivery of the documents approved by this Resolution with respect thereto, and otherwise effectuate the purposes of this Resolution, and such actions in connection therewith previously taken by such officers and staff are hereby ratified and confirmed.

Section 7. **Definitions**. Unless otherwise defined in this Resolution, all terms used by the Resolution and not otherwise defined shall have the meanings given to such terms in the Indenture of Trust, unless the context otherwise clearly requires.

Section 8. **Effect**. This Resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 16, 2025:

AYES: Directors Varela, Santos, Ballard, Beall, Eisenberg, Hsueh, Estremera

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

TONY ESTREMERA
Chair, Board of Directors

ATTEST: CANDICE KWOK-SMITH

Clerk, Board of Directors

I hereby certify that the foregoing is a full, true and correct copy of the original thereof on file in my office.

DATED: May 16, 2025

CANDICE KWOK-SMITH
Clerk, Board of Directors



Appendices

FY 2025–26 & FY 2026–27
Operating and Capital Rolling Biennial Budget

Appendix A - Glossary

Appendix A - Glossary

Accrual

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

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 or Acre Foot (AF)

The volume of water required to cover 1 acre of land (43,560 square feet) to a depth of 1 foot, equivalent to 325,851 gallons.

Ad Valorem Tax

A direct tax calculated "according to value" of property. Ad valorem tax is based on an assigned valuation (market or assessed) or real property and, in certain cases, on a valuation of tangible or intangible personal property. In virtually all jurisdictions, ad valorem tax is a lien on the property enforceable by seizure and sale of the property. An ad valorem tax is normally the one substantial tax that may be raised or lowered by a local governing body without the sanction of superior levels of government (although constitutional or statutory restrictions such as tax rate limitations may limit this right).

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 carryforward for multi-year Capital Project budgets.

Adopted Budget

The Adopted Budget represents estimated revenues and appropriations for the next year that are adopted by Valley Water's Board of Directors.

Annual Comprehensive Financial Report (ACFR)

The official annual financial report of Valley Water, prepared by the General Accounting Unit. The report provides a comprehensive overview of the financial position and activities for the previous fiscal year. The ACFR adheres to the standards set by the Governmental Accounting Standards Board (GASB) and typically includes three main sections: 1. Introductory Section: General information about Valley Water, including a letter of transmittal and organizational details; 2. Financial Section: Audited financial statements, notes, and required supplementary information; 3. Statistical Section: Data on financial trends, revenue capacity, debt capacity, and other key metrics.

Agreements, Contractual

Contractual agreements made by Valley Water 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 are 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.

Appendix A - Glossary

Appropriation

A legal authorization granted through the Santa Clara Valley Water District Act that allows Valley Water 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 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.

Audit

An independent examination of financial information.

Balanced Budget

A budget is balanced when budgeted expenditures are equal to or less than the amount of budgeted revenues plus other available sources.

Beginning Balance

The beginning balance is comprised of residual funds brought forward from the previous fiscal year (ending balance).

Benefit Assessment

Determination of benefits derived from District activities within particular watersheds and the levying of a proportionate share of taxes to each parcel subject to voter-approved limitations.

Benefits

District-funded employee health insurance, vision insurance, dental insurance, basic life insurance, medical insurance reimbursement, Medicare coverage, long-term disability, Workers' Compensation, unemployment insurance, and the PERS Retirement Program.

Bonds

A long-term debt source that provides borrowed monies that can be used to pay for specific capital facilities. Bonds are a written promise to pay a specified sum of money at a predetermined date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

Bond Proceeds

Funds derived from the sale of bonds for the purpose of constructing major capital facilities.

Bond Rating

A methodology used to measure the fiscal health of a borrowing entity. Generally, analyst firms such as Standard and Poor's, Moody's Investor Service, and Fitch Ratings provide bond ratings to governmental agencies. Bonds rated AAA/Aaa are judged to be the best quality and carry the smallest degree of risk, and together with AA/Aa bonds comprise high grade bonds. Ratings including "+" or "1" designate the strongest bonds in the rating category. Generally, highly rated bonds result in lower interest rates.

Budget

The planned use of expenditures and revenues over a given period of time.

Appendix A - Glossary

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 Valley Water Governmental Funds is Modified Accrual. The basis of accounting used by Valley Water 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 Valley Water 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 two 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.

Appendix A - Glossary

Capital Improvement Program (CIP)

Capital projects span multiple years and managed in the Capital Improvement Program. Detailed information on each capital project is presented in the Capital Improvement Program Five-Year Plan presented to the Board of Directors annually.

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 Program

Commercial Paper

Short term debt (1-270 days) issued primarily to fund capital expenditures.

Contingency Appropriation

A provision for unforeseen expenditures.

Cost Center

Cost Centers are separate financial accounting centers in which costs are accumulated because of legal and accounting requirements. The first two digits of a project number identify the cost center.

CVP

Central Valley Project, the imported water supply infrastructure operated by the federal Bureau of Reclamation.

Debt Proceeds

The difference between the face amount of debt and the issuance discount or the sum of the face amount and the issuance premium.

Debt Service

Payment of interest and principal on short- and long-term debt.

Depreciation

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

District Act

The Santa Clara Valley Water District was created by an act of the California Legislature, and operates as a state of California Special District, with jurisdiction throughout Santa Clara County.

DWR

California Department of Water Resources

Appendix A - Glossary

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 Valley Water.

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, intergovernmental grants, entitlements, and shared revenues. The major expenditure categories used by Valley Water 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. Valley Water'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

(1) A reserve of money set aside for some purpose; (2) 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, Valley Water must compute an annual appropriations limit, which places a ceiling on the total amount of tax revenues Valley Water 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)

GAAP is a common set of accounting rules, requirements, and practices issued by the Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB) to standardize the classifications, assumptions and procedures used in the recording of financial transactions.

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 a communication device.

Governmental Funds

Governmental funds have a short-term emphasis and are used for tracking the inflows, outflows, and balances of readily spendable assets and short-term liabilities.

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

Interest

The amount paid by a borrower as compensation for the use of borrowed money. Issuers of municipal bonds pay interest on funds borrowed from purchasers of their bonds. This amount is generally calculated as an annual percentage of the principal amount.

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.

Intra-District Reimbursement

To provide reimbursement to Valley Water 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 Valley Water's use of information system and information technology infrastructure.

Levy

To impose taxes, special assessments, or service charges for the support of government activities; or 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 Water Works 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 two 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 Valley Water 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.

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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 Valley Water 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

Expenditure/Expense.

Overhead

General 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, airbag inflators and 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 Valley Water, 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.

Appendix A - Glossary

Proposed Budget

Valley Water CEO submits a Proposed Budget for Valley Water'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 Valley Water's Board of Directors to the Santa Clara County Board of Supervisors.

Proprietary Fund

Proprietary funds are used to account for the business-like activities of government whose operations are supported primarily with self-generated revenues.

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).

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 net 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 (SCW)

In November 2012, Santa Clara County voters approved the Safe, Clean Water and Natural Flood Protection Program (2012 Safe, Clean Water) to address water supply, flood protection and environmental stewardship priorities. In 2020, voters approved the renewal of the Safe, Clean Water Program, replacing the 2012 Safe, Clean Water Program in entirety and is set to begin in FY 2021-22. Unlike the first two special parcel taxes, which were set to sunset in 15-years from the date of implementation, the renewed Safe, Clean Water Program will continue until repealed by voters or until the Board determines the funding is no longer needed.

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 Valley Water 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.

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).

Watershed Master Plans

Watershed Master Plans are Valley Water's public planning process to identify watershed management needs related to environmental stewardship, flood protection, and water supply in each of Valley Water's five watersheds and identify actions to address them. The Watershed Master Planning program consists of an overarching countywide framework and individual Master Plans for the Coyote, Guadalupe, Pajaro, West Valley, and Lower Peninsula watersheds. These plans deliver a science-based decision-making process that enables Valley Water to strategically allocate limited resources toward actions that achieve its mission and service to the community.

WIFIA

The Water Infrastructure Finance and Innovation Act of 2014 (WIFIA) established the WIFIA program, a federal loan program administered by United States Environmental Protection Agency for eligible water and wastewater infrastructure projects.

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 provided the security for General Obligation bonds that have since been paid off. 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

Pre-1978 tax zone that 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. Valley Water no longer receives specific taxes that were established prior to the passage of Proposition 13 in 1978, but instead receives a portion of the 1 percent tax based on the proportionate share of pre-1978 tax levies.

Zone W-4

Pre-1978 tax zone that 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. Valley Water no longer receives specific taxes that were established prior to the passage of Proposition 13 in 1978, but instead receives a portion of the 1 percent tax based on the proportionate share of pre-1978 tax levies.

Zone W-5

Encompasses the valley floor of the Llagas subbasin from approximately East Main Avenue in Morgan Hill south to the Pajaro River. 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-7

Encompasses the Coyote Valley south of Metcalf Road to just north of East Main Avenue. 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-8

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

Appendix B – Capital Project Estimated Carryforward Budget

Appendix B – Capital Project Estimated Carryforward Budget

Project Number	Project Description	Estimated Carryforward Budget 2025-26	Estimated Carryforward Budget 2026-27
60204022	Security Upgrades and Enhancement	96	-
60204032	Headquarters Operations Building	4,491,388	-
General Fund Carryforward Budget		**$ 4,491,484**	**$ -**

Note: Estimated Carryforward Budget represents estimated unspent capital project budget from prior fiscal year that will be carried forward to FY 2025-26 or FY 2026-27. A negative carryforward amount is based on the CIP approved expenditures in FY 2024-25. If the actual FY 2024-25 expenditure exceeds the CIP approved FY 2024-25 expenditure, budget adjustments will be processed to address overspending.

Appendix B – Capital Project Estimated Carryforward Budget

Project Number	Project Description	Estimated Carryforward Budget 2025-26	Estimated Carryforward Budget 2026-27
10394001	Palo Alto Flood Basin Tide Gate Replcement	187	-
20444001	Calabazas/San Tomas Aquino Creek-Marsh Connection	(132)	-
20444002	Pond A4 Resilient Habitat Restoration	3,463,000	165,979
30154019	Lower Guadalupe River Capacity Restoration	476	-
40174005	Berryessa Creek, Lower Penetencia Phase 2	73,150	-
40214023	Coyote 10B Freshwater Wetland	834,955	863,045
40334005	Lower Penitencia Creek Improvements	33,389	-
62044026	San Francisco Bay Shoreline	(1,867)	-
62084001	Watersheds Asset Rehabilitation	(1,366)	-
Watersheds and Stream Stewardship Fund Carryforward Budget		**$ 4,401,792**	**$ 1,029,024**

Note: Estimated Carryforward Budget represents estimated unspent capital project budget from prior fiscal year that will be carried forward to FY 2025-26 or FY 2026-27. A negative carryforward amount is based on the CIP approved expenditures in FY 2024-25. If the actual FY 2024-25 expenditure exceeds the CIP approved FY 2024-25 expenditure, budget adjustments will be processed to address overspending.

Appendix B – Capital Project Estimated Carryforward Budget

Project Number	Project Description	Estimated Carryforward Budget 2025-26	Estimated Carryforward Budget 2026-27
26044003	SCW Ogier Ponds Separation from Coyote Creek (Planning &	472,340	1,092
26044004	D6 Bolsa Road Fish Passage Improvement	(641)	-
26044005	SCW D4.3 Fish Passage Improvements	1,349,226	187,647
26044056	Regnart Creek Rehabilitation Project - F8	695,500	-
26074002	Sunnyvale East & West Channel	11,388,459	2,529,584
26154002	Guadalupe River-Upper, 280-SPRR(R6	31,350	174,724
26154003	Guadalupe River-Upper, SPRR-BH 7-12	10,887,855	3,148,308
26164001	Hale Creek Enhancement Pilot Study	75,950	-
26174041	Berryessa Calaveras to Old Piedmont	6,797,500	1,596,012
26174043	Coyote Creek, Montague-Tully	4,125,413	-
26174051	Upper Llagas Creek, Reimburse E6b	480,469	-
26174052	Llagas Creek - Upper Construction	731,500	273,006
26174054	Upper Llagas Creek Design Buena Vista Rd	261,250	273,006
26174055	Llagas Creek Phase 2B Construction	22,377,608	-
26284002	San Francisquito Early Implementation	1,716,300	1,792,231
26444002	San Francisco Bay Shoreline EIAs 1-4	52,250	-
26444004	San Francisco Bay Shoreline EIAs 5-10	758,526	-
26764001	IRP2 AddLine Valves	2,964,048	-
Safe Clean Water Fund Carryforward Budget		**$ 65,164,903**	**$ 9,975,610**

Note: Estimated Carryforward Budget represents estimated unspent capital project budget from prior fiscal year that will be carried forward to FY 2025-26 or FY 2026-27. A negative carryforward amount is based on the CIP approved expenditures in FY 2024-25. If the actual FY 2024-25 expenditure exceeds the CIP approved FY 2024-25 expenditure, budget adjustments will be processed to address overspending.

Appendix B – Capital Project Estimated Carryforward Budget

Project Number	Project Description	Estimated Carryforward Budget 2025-26	Estimated Carryforward Budget 2026-27
91084019	Dam Safety Seismic Stability	104,500	32,324
91084020	Calero-Guadelupe Dams Seismic Retrofit	1,175,625	622,571
91094001	Land Rights-South County Recycled Water	3,388,497	-
91094009	South County Recycled Water Pipeline Short-Term 1B	(1,005)	-
91094010	South County Recycled Water	435,452	-
91234002	Coyote Pumping Plant ASD	(254)	-
91294001	San Jose Purified Water Project - Phase 1	45,000	-
91854001	Almaden Dam Improvements	62,331	-
91864005	Anderson Dam Seismic Retrofit	28,122,406	-
91864006	Anderson Dam Tunnel Project	5,873,195	-
91864007	Coyote Creek Flood Management Measures	819,280	840,859
91864008	Coyote Creek Chillers	9,771	-
91874004	Calero Dam Seismic Stability Project	(116)	-
91894002	Guadalupe Dam Seismic Retrofit Design & Construction	144,725	-
91954002	Pacheco Reservoir Expansion Project	10,819,639	-
92144001	Pacheco/South County Conduit ROW ACQ	1,987,082	-
92264001	Vasona Pump Station Upgrade	(275)	-
92304001	Almaden Valley Pipeline	884	-
93044001	Water Treatment Plant Master Plan Implementation	(252)	-
93084004	Water Treatment Plant Electrical Improvements	2,074,444	-
93234044	PWTP Residuals Management	1,324	-
93294057	RWTP Reliability Improvement	1,032	-
93294059	RWTP Ammonia Storage Facility Upgrade Project	(662)	-
94084007	Treated Water Isolation Valves	683,110	-
95044001	Distribution System Master Plan Implementation	(362)	-
95044002	SCADA Master Plan Implementation	208,026	-
95044004	SMPIP Upgrades - Phase 1	351,120	234,880
95074001	Capital Warranty Services	1,045,000	1,092,025
95084002	10-Year Pipeline Inspection and Rehabilitaion	5,553,091	-
95274003	Water Utility Computer Network Modernization	252	-
Water Utility Funds Carryforward Budget		**$ 62,902,860**	**$ 2,822,659**

Note: Estimated Carryforward Budget represents estimated unspent capital project budget from prior fiscal year that will be carried forward to FY 2025-26 or FY 2026-27. A negative carryforward amount is based on the CIP approved expenditures in FY 2024-25. If the actual FY 2024-25 expenditure exceeds the CIP approved FY 2024-25 expenditure, budget adjustments will be processed to address overspending.

Appendix B – Capital Project Estimated Carryforward Budget

Project Number	Project Description	Estimated Carryforward Budget 2025-26	Estimated Carryforward Budget 2026-27
73274008	Software Upgrades & Enhancement	454	-
Information Technology Fund Carryforward Budget		**$ 454**	**$ -**

Note: Estimated Carryforward Budget represents estimated unspent capital project budget from prior fiscal year that will be carried forward to FY 2025-26 or FY 2026-27. A negative carryforward amount is based on the CIP approved expenditures in FY 2024-25. If the actual FY 2024-25 expenditure exceeds the CIP approved FY 2024-25 expenditure, budget adjustments will be processed to address overspending.

Appendix C – Water Utility Enterprise Long Term Forecast

Appendix C – Water Utility Enterprise Long Term Forecast

(In Thousands $)

(See Note 1)	Adopted 2024-25	Adopted 2025-26	Plan 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30	Projected 2030-31
Operating Revenues							
Groundwater Production Charges	$ 184,722	$ 200,333	$ 232,697	$ 256,519	$ 282,766	$ 311,707	$ 344,130
Treated Water Charges	211,703	220,403	242,243	266,387	293,007	322,251	355,285
Surface & Recycled Water Charges	4,040	2,582	2,825	3,090	3,381	4,230	4,622
Inter-governmental Services	1,688	1,493	1,364	10,280	13,125	13,142	13,177
Other	471	496	496	471	471	471	471
Total Operating Revenue	$ 402,624	$ 425,308	$ 479,626	$ 536,748	$ 592,751	$ 651,801	$ 717,686
Non-Operating Revenues							
Property Taxes	$ 39,163	39,871	40,122	$ 43,200	$ 49,127	$ 54,069	$ 57,527
Capital Contributions	456	684	800	8,140	31,560	61,117	65,368
Interest	4,340	7,066	7,851	2,044	2,500	2,644	2,810
Other	1,339	1,230	1,239	1,249	1,259	1,270	1,281
Total Non-Operating Revenues	$ 45,298	$ 48,851	$ 50,012	$ 54,632	$ 84,446	$ 119,099	$ 126,985
Total Revenue	$ 447,923	$ 474,158	$ 529,638	$ 591,380	$ 677,197	$ 770,901	$ 844,671
Operating Outlays							
Operations	$ 267,908	$ 269,098	283,812	$ 297,516	$ 317,362	$ 331,994	$ 357,590
Operating Projects	445	$ 453	552	619	647	662	692
Debt Service	87,605	$ 98,411	114,711	136,836	154,245	166,880	183,292
Total Operating Outlays	$ 355,957	$ 367,962	$ 399,075	$ 434,971	$ 472,254	$ 499,537	$ 541,574
Capital Outlays							
Capital Projects	$ 325,072	$ 374,908	$ 433,536	$ 489,849	$ 631,261	$ 922,133	$ 1,076,792
Total Capital Outlays	$ 325,072	$ 374,908	$ 433,536	$ 489,849	$ 631,261	$ 922,133	$ 1,076,792
Total Outlays	$ 681,029	$ 742,870	$ 832,611	$ 924,821	$ 1,103,516	$ 1,421,670	$ 1,618,366
Other Financing Sources/(Uses)							
Operating Transfers In/(Out)	$ 3,156	$ (4,077)	$ (6,296)	$ (539)	$ 10,233	$ 10,990	$ 13,209
Debt Proceeds	236,311	220,217	330,397	306,542	432,267	653,146	774,436
Total Other Financing Sources/(Uses)	$ 239,467	$ 216,140	$ 324,101	$ 306,003	$ 442,500	$ 664,136	$ 787,645
Balance Available	$ 6,361	$ (52,571)	$ 21,128	$ (27,437)	$ 16,181	$ 13,366	$ 13,950
Restricted Reserves							
Drought Contingency Reserve	$ 0	$ 1,000	$ 4,000	$ 8,000	$ 12,000	$ 16,000	$ 20,000
WUE - Rate Stabilization Reserve	19,996	40,505	44,725	50,362	55,210	58,747	63,460
San Felipe Emergency Reserve	3,581	3,751	3,801	3,851	3,901	3,951	4,001
Supplemental Water Supply	5,277	8,677	12,077	15,477	18,877	19,277	19,677
State Water Project Tax Reserve	8,973	11,592	6,425	1,919	161	314	730
Total Restricted Reserves	$ 37,828	$ 65,525	$ 71,029	$ 79,610	$ 90,149	$ 98,290	$ 107,869
Committed Reserves							
Currently Authorized Projects	$ 9,771	$ 17,667	$ 14,844	$ 0	$ 0	$ 0	$ 0
Excess ERAF Reserve	590	615	730	730	730	730	730
Designated for Operating and Capital	62,727	74,567	92,899	71,725	77,367	82,593	86,963
Total Committed Reserves	$ 73,088	$ 92,849	$ 108,473	$ 72,455	$ 78,097	$ 83,323	$ 87,693
Total Year-End Reserves	$ 110,916	$ 158,374	$ 179,502	$ 152,065	$ 168,246	$ 181,613	$ 195,562
Senior & Parity Debt Service Coverage	1.90	2.04	2.14	2.13	2.21	2.33	2.36

Appendix C – Water Utility Enterprise Long Term Forecast

Note (1): The water utility financial forecast set forth herein represents the estimate of projected financial results of certain funds related to Valley Water's water utility and is based upon Valley Water's judgment of the most probable occurrence of certain future events at the time this forecast is published. Such projected financial forecast is based on a variety of assumptions which are material in the development thereof, and variations in the assumptions may produce substantially different forecast results. Actual operating results achieved during the projection period may vary from those presented in the forecast and such variations may be material. Revenues, operating outlays and other amounts set forth above (i) are presented on a budgetary basis which is not consistent with generally accepted accounting principles in all respects, and (ii) may not be presented consistent with the requirements of other statutes, regulations or contractual obligations applicable to or entered into by Valley Water, including but not limited to bonds, notes or other obligations issued by or on behalf of Valley Water and payable from the Water Enterprise Fund and the State Water Project Fund. The Debt Service Coverage calculation included herein is prepared for general reference and may not conform to the debt service coverage calculation formulas pursuant to the Water Utility Parity Master Resolutions or other calculations applicable to the Water Enterprise Fund and the State Water Project Fund individually. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of District bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rule making Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained at https://emma.msrb.org/. GP5 funds are fully appropriated in the adjusted FY 2024-25 budget and are not reflected in this schedule.

Appendix D – Summary By Fund

Appendix D – *Summary By Fund*

	Watersheds Funds (Fund 12, 21-25 & 26)				Water Utility Enterprise Funds (Fund 61 & 63)			
	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26
REVENUE								
Groundwater Production Charges	$ -	$ -	$ -	$ -	$ 148,743,728	$ 184,722,000	$ 176,252,000	$ 200,333,000
Treated Water Charges	-	-	-	-	169,632,794	211,703,000	211,703,000	220,403,000
Surface & Recycled Water Charges	-	-	-	-	2,261,406	4,040,000	4,040,000	2,582,000
Benefit Assessment	6,889,358	7,052,737	7,052,740	6,923,750	-	-	-	-
Property Tax	122,830,223	124,993,000	128,289,000	132,785,000	39,058,230	39,163,000	39,456,000	39,871,000
Special Parcel Tax	52,175,089	53,531,667	53,531,667	55,094,792	-	-	-	-
Intergovernmental Services	1,964,467	-	-	-	5,184,126	1,687,880	1,662,880	1,493,295
Operating Other	524,633	309,649	309,649	318,938	447,000	471,488	496,488	496,488
Capital Reimbursements	6,466,007	41,900,000	32,813,000	55,600,000	3,543,901	456,000	4,345,000	684,000
Interest Income *	11,876,576	4,903,000	4,771,000	5,366,000	15,089,997	4,340,000	6,280,000	7,066,000
Non-Operating Other	2,459,771	1,553,810	1,416,007	1,458,487	7,246,380	1,339,404	1,339,404	1,229,670
TOTAL REVENUE	**$ 205,186,124**	**$ 234,243,863**	**$ 228,183,063**	**$ 257,546,967**	**$ 391,207,562**	**$ 447,922,772**	**$ 445,574,773**	**$ 474,158,453**
OUTLAYS								
Operating Outlays								
Operations **	$ 92,814,963	$ 113,524,662	$ 117,375,247	$ 118,364,072	$ 213,005,243	$ 267,907,551	$ 303,765,691	$ 269,098,346
Operating Project	8,188,361	4,856,421	4,856,421	4,444,256	465,807	445,240	445,240	452,787
Debt Service	16,378,232	16,069,027	16,069,027	18,530,310	58,127,295	87,604,612	87,604,612	98,411,311
Total Operating Outlays	**117,381,557**	**134,450,110**	**138,300,695**	**141,338,638**	**271,598,346**	**355,957,403**	**391,815,543**	**367,962,445**
Capital Outlays								
Capital Projects	$ 72,067,755	$ 157,824,633	$ 134,344,419	$ 96,937,602	$ 307,492,837	$ 292,016,896	$ 320,248,113	$ 312,004,684
Carry Forward Capital Projects	-	11,922,094	-	69,566,695	-	33,055,148	-	62,902,860
Total Capital Outlays	**$ 72,067,755**	**$ 169,746,727**	**$ 134,344,419**	**$ 166,504,297**	**$ 307,492,837**	**$ 325,072,044**	**$ 320,248,113**	**$ 374,907,544**
TOTAL OUTLAYS	**$ 189,449,311**	**$ 304,196,837**	**$ 272,645,115**	**$ 307,842,935**	**$ 579,091,183**	**$ 681,029,446**	**$ 712,063,656**	**$ 742,869,989**
Less Intra-District Reimbursements	-	-	-	-	-	-	-	-
NET OUTLAYS	**$ 189,449,311**	**$ 304,196,837**	**$ 272,645,115**	**$ 307,842,935**	**$ 579,091,183**	**$ 681,029,446**	**$ 712,063,656**	**$ 742,869,989**
OTHER FINANCING SOURCES/(USES)								
Debt Proceeds	$ -	$ 109,609,029	$ 70,000,000	$ 44,609,029	$ 173,600,000	$ 236,311,001	$ 236,311,001	$ 220,217,267
Transfers In	8,917,463	4,250,988	4,250,989	5,116,750	1,092,727	11,428,122	11,428,122	7,606,274
Transfers Out	(8,864,860)	(16,243,007)	(17,958,008)	(14,710,901)	(3,926,700)	(8,271,800)	(10,844,247)	(11,683,496)
TOTAL OTHER SOURCES/(USES)	**$ 52,603**	**$ 97,617,010**	**$ 56,292,981**	**$ 35,014,878**	**$ 170,766,027**	**$ 239,467,323**	**$ 236,894,876**	**$ 216,140,045**
BALANCE AVAILABLE	**15,789,416**	**27,664,036**	**11,830,930**	**(15,281,090)**	**(17,117,595)**	**6,360,648**	**(29,594,008)**	**(52,571,491)**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations outlays do not include OPEB Expense-unfunded liability

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

Appendix D – *Summary By Fund*

	Watershed Funds (Fund 12,21-25 & 26)				Water Utility Enterprise Funds (Fund 61 & 63)			
	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26
YEAR-END RESERVES								
Restricted Reserves								
WUE Rate Stabilization Reserve	$ -	$ -	$ -	$ -	$ 6,066,971	$ 19,996,328	$ 20,571,906	$ 40,504,668
WUE San Felipe Emergency Reserve	-	-	-	-	3,651,454	3,580,832	3,701,454	3,751,454
WUE State Water Project Tax Reserve	-	-	-	-	17,693,556	8,973,390	15,131,486	11,591,690
WUE Supplemental Water Supply Reserve	-	-	-	-	5,277,000	5,277,000	5,277,000	8,677,000
WUE SVAWPC Reserve	-	-	-	-	1,292,735	-	-	-
WUE Drought Reserve	-	-	-	-	-	-	-	1,000,000
WUE Guiding Principle #5 (GP5) Reserve	-	-	-	-	25,813,404	-	-	-
SCW Rate Stabilization Reserve	25,000,000	25,000,000	25,000,000	25,000,000	-	-	-	-
SCW Contingency Reserve	5,000,000	5,000,000	5,000,000	5,000,000	-	-	-	-
SCW Currently Authorized Projects Reserve***	112,252,107	25,336,118	141,916,731	71,376,703	-	-	-	-
SCW Operating and Capital Reserve	49,575,332	59,517,635	28,244,554	76,463,210	-	-	-	-
Total Restricted Reserves	**$ 191,827,439**	**$ 114,853,753**	**$ 200,161,285**	**$ 177,839,913**	**$ 59,795,120**	**$ 37,827,550**	**$ 44,681,846**	**$ 65,524,812**
Committed Reserves								
Currently Authorized Projects Reserve***	$ 11,360,020	$ 33,303	$ 5,508,140	$ 1,029,024	$ 97,080,427	$ 9,770,707	$ 80,569,594	$ 17,666,735
Operating and Capital Reserve	139,225,177	145,010,893	143,822,030	154,256,929	82,663,857	62,727,361	85,193,063	74,567,165
WUE San Jose Water Purification Reserve	-	-	-	-	1,000,000	-	-	-
Excess ERAF Contingency Reserve	-	5,605,897	4,752,110	5,836,610	-	589,988	500,893	615,193
Total Committed Reserves	**$ 150,585,197**	**$ 150,650,093**	**$ 154,082,280**	**$ 161,122,563**	**$ 180,744,284**	**$ 73,088,056**	**$ 166,263,550**	**$ 92,849,093**
TOTAL YEAR-END RESERVES	**$ 342,412,636**	**$ 265,503,846**	**$ 354,243,565**	**$ 338,962,476**	**$ 240,539,404**	**$ 110,915,606**	**$ 210,945,396**	**$ 158,373,905**
OPERATING OUTLAY								
Salaries and Benefits	$ 43,556,713	$ 49,551,343	$ 49,551,343	$ 52,339,150	$ 69,470,773	$ 73,186,911	$ 73,186,911	$ 76,556,701
Salary Savings Factor	-	(764,943)	(764,943)	(523,828)	-	(1,110,050)	(1,110,050)	(752,323)
Services & Supplies	28,858,998	37,485,712	41,336,297	37,335,848	101,028,185	151,255,438	187,113,578	147,162,816
Intra-District Charges	28,587,614	32,108,972	32,108,972	33,657,157	42,972,092	45,020,493	45,020,493	46,583,940
OPERATING OUTLAY TOTAL	**$ 101,003,325**	**$ 118,381,083**	**$ 122,231,668**	**$ 122,808,328**	**$ 213,471,051**	**$ 268,352,791**	**$ 304,210,931**	**$ 269,551,133**
DEBT SERVICE								
Services & Supplies	$ 629,552	$ 1,198,901	$ 1,198,901	$ 911,560	$ 909,183	$ 3,834,100	$ 3,834,100	$ 4,520,320
Debt Service	15,748,680	14,870,126	14,870,126	17,618,750	57,218,112	83,770,512	83,770,512	93,890,991
DEBT SERVICE TOTAL	**$ 16,378,232**	**$ 16,069,027**	**$ 16,069,027**	**$ 18,530,310**	**$ 58,127,295**	**$ 87,604,612**	**$ 87,604,612**	**$ 98,411,311**
CAPITAL PROJECTS								
Salaries and Benefits	$ 16,352,164	$ 19,282,856	$ 19,282,856	$ 19,778,729	$ 31,947,117	$ 36,532,079	$ 37,419,079	$ 33,617,155
Salary Savings Factor	-	(304,554)	(304,554)	(204,729)	-	(580,627)	(580,627)	(347,530)
Services & Supplies	45,621,980	126,965,906	103,485,693	65,195,450	255,757,655	233,298,076	260,642,293	258,014,111
Carry Forward Capital Projects	-	11,922,094	-	69,566,695	-	33,055,148	-	62,902,860
Intra-District Charges	10,093,611	11,880,424	11,880,424	12,168,153	19,788,065	22,767,368	22,767,368	20,720,948
CAPITAL PROJECTS TOTAL	**$ 72,067,755**	**$ 169,746,727**	**$ 134,344,419**	**$ 166,504,297**	**$ 307,492,837**	**$ 325,072,044**	**$ 320,248,113**	**$ 374,907,544**
TOTAL OUTLAYS	**$ 189,449,311**	**$ 304,196,837**	**$ 272,645,115**	**$ 307,842,935**	**$ 579,091,183**	**$ 681,029,446**	**$ 712,063,656**	**$ 742,869,989**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations outlays do not include OPEB Expense-unfunded liability

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

Appendix D – *Summary By Fund*

	Administration Funds (Fund 11, 71-73)				Total District-wide			
	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26
REVENUE								
Groundwater Production Charges	$ -	$ -	$ -	$ -	$ 148,743,728	$ 184,722,000	$ 176,252,000	$ 200,333,000
Treated Water Charges	-	-	-	-	169,632,794	211,703,000	211,703,000	220,403,000
Surface & Recycled Water Charges	-	-	-	-	2,261,406	4,040,000	4,040,000	2,582,000
Benefit Assessment	-	-	-	-	6,889,358	7,052,737	7,052,740	6,923,750
Property Tax	12,240,054	12,198,500	12,524,100	12,992,800	174,128,508	176,354,500	180,269,100	185,648,800
Special Parcel Tax	-	-	-	-	52,175,089	53,531,667	53,531,667	55,094,792
Intergovernmental Services	-	-	-	-	7,148,592	1,687,880	1,662,880	1,493,295
Operating Other	-	-	-	-	971,633	781,137	806,137	815,426
Capital Reimbursements	-	-	-	-	10,009,908	42,356,000	37,158,000	56,284,000
Interest Income *	1,715,343	757,000	949,000	1,067,000	28,681,917	10,000,000	12,000,000	13,499,000
Non-Operating Other	677,955	50,500	51,000	103,100	10,384,106	2,943,714	2,806,411	2,791,257
TOTAL REVENUE	**$ 14,633,353**	**$ 13,006,000**	**$ 13,524,100**	**$ 14,162,900**	**$ 611,027,039**	**$ 695,172,635**	**$ 687,281,936**	**$ 745,868,320**
OUTLAYS								
Operating Outlays								
Operations **	$ 117,870,762	$ 137,503,904	$ 138,043,904	$ 141,241,065	$ 423,690,968	$ 518,936,118	$ 559,184,843	$ 528,703,484
Operating Project	870,261	-	1,449,876	1,333,333	9,524,429	5,301,661	6,751,537	6,230,376
Debt Service	472,146	-	-	-	74,977,674	103,673,639	103,673,639	116,941,621
Total Operating Outlays	**$ 119,213,169**	**$ 137,503,904**	**$ 139,493,780**	**$ 142,574,398**	**$ 508,193,071**	**$ 627,911,417**	**$ 669,610,018**	**$ 651,875,481**
Capital Outlays								
Capital Projects	$ 10,143,698	$ 15,000,162	$ 22,783,556	$ 18,960,816	$ 389,704,290	$ 464,841,690	$ 477,376,088	$ 427,903,103
Carry Forward Capital Projects	-	1,393,870	-	4,491,938	-	46,371,112	-	136,961,493
Total Capital Outlays	**$ 10,143,698**	**$ 16,394,032**	**$ 22,783,556**	**$ 23,452,754**	**$ 389,704,290**	**$ 511,212,802**	**$ 477,376,088**	**$ 564,864,596**
TOTAL OUTLAYS	**$ 129,356,867**	**$ 153,897,936**	**$ 162,277,336**	**$ 166,027,152**	**$ 897,897,361**	**$ 1,139,124,219**	**$ 1,146,986,107**	**$ 1,216,740,076**
Less Intra-District Reimbursements	(116,754,992)	(129,113,430)	(129,113,429)	(131,720,474)	(116,754,992)	(129,113,430)	(129,113,429)	(131,720,474)
NET OUTLAYS	**$ 12,601,875**	**$ 24,784,506**	**$ 33,163,907**	**$ 34,306,678**	**$ 781,142,369**	**$ 1,010,010,789**	**$ 1,017,872,678**	**$ 1,085,019,602**
OTHER FINANCING SOURCES/(USES)								
Debt Proceeds	$ -	$ -	$ -	$ -	$ 173,600,000	$ 345,920,030	$ 306,311,001	$ 264,826,296
Transfers In	8,315,347	10,822,200	15,109,644	13,671,373	18,325,537	26,501,310	30,788,755	26,394,397
Transfers Out	-	(1,986,500)	(1,986,500)	-	(12,791,560)	(26,501,307)	(30,788,755)	(26,394,397)
TOTAL OTHER SOURCES/(USES)	**$ 8,315,347**	**$ 8,835,700**	**$ 13,123,144**	**$ 13,671,373**	**$ 179,133,977**	**$ 345,920,033**	**$ 306,311,001**	**$ 264,826,296**
BALANCE AVAILABLE	**$ 10,346,826**	**$ (2,942,806)**	**$ (6,516,663)**	**$ (6,472,405)**	**$ 9,018,647**	**$ 31,081,878**	**$ (24,279,741)**	**$ (74,324,986)**

(*) Interest income does not include GASB31 market value adjustment

(**) Operations outlays do not include OPEB Expense-unfunded liability

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

Appendix D – *Summary By Fund*

	Administration Funds (Fund 11,71-73)				Total District-wide			
	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26	Budgetary Basis Actual 2023-24	Adopted Budget 2024-25	Projected Year End 2024-25	Adopted Budget 2025-26
YEAR-END RESERVES								
Restricted Reserves								
WUE Rate Stabilization Reserve	$ -	$ -	$ -	$ -	$ 6,066,971	$ 19,996,328	$ 20,571,906	$ 40,504,668
WUE San Felipe Emergency Reserve	-	-	-	-	3,651,454	3,580,832	3,701,454	3,751,454
WUE State Water Project Tax Reserve	-	-	-	-	17,693,556	8,973,390	15,131,486	11,591,690
WUE Supplemental Water Supply Reserve	-	-	-	-	5,277,000	5,277,000	5,277,000	8,677,000
WUE SVAWPC Reserve	-	-	-	-	1,292,735	-	-	-
WUE Drought Reserve	-	-	-	-	-	-	-	1,000,000
WUE Guiding Principle #5 (GP5) Reserve	-	-	-	-	25,813,404	-	-	-
SCW Rate Stabilization Reserve	-	-	-	-	25,000,000	25,000,000	25,000,000	25,000,000
SCW Contingency Reserve	-	-	-	-	5,000,000	5,000,000	5,000,000	5,000,000
SCW Currently Authorized Projects Reserve***	-	-	-	-	112,252,107	25,336,118	141,916,731	71,376,703
SCW Operating and Capital Reserve	-	-	-	-	49,575,332	59,517,635	28,244,554	76,463,210
Total Restricted Reserves	**$ -**	**$ -**	**$ -**	**$ -**	**$ 251,622,559**	**$ 152,681,303**	**$ 244,843,131**	**$ 243,364,725**
Committed Reserves								
Currently Authorized Projects Reserve***	$ 4,474,605	$ 123,126	$ 4,615,064	$ 123,126	$ 112,915,052	$ 9,927,136	$ 90,692,798	$ 18,818,885
Operating and Capital Reserve	36,437,090	20,537,587	29,239,664	24,305,944	258,326,124	228,275,841	258,254,757	253,130,038
Property Self-Insurance/Catastrophic	6,869,456	7,409,352	6,844,537	6,529,910	6,869,456	7,409,352	6,844,537	6,529,910
WUE San Jose Water Purification Reserve	-	-	-	-	1,000,000	-	-	-
Excess ERAF Contingency Reserve	-	666,631	565,224	694,104	-	6,862,516	5,818,227	7,145,907
Liability/Workers' Comp Self-Insurance	8,337,000	8,337,000	8,337,000	11,476,000	8,337,000	8,337,000	8,337,000	11,476,000
Total Committed Reserves	**$ 56,118,151**	**$ 37,073,696**	**$ 49,601,489**	**$ 43,129,084**	**$ 387,447,632**	**$ 260,811,845**	**$ 369,947,319**	**$ 297,100,740**
TOTAL YEAR-END RESERVES	**$ 56,118,151**	**$ 37,073,696**	**$ 49,601,489**	**$ 43,129,084**	**$ 639,070,191**	**$ 413,493,148**	**$ 614,790,450**	**$ 540,465,465**
OPERATING OUTLAY								
Salaries and Benefits	$ 58,198,942	$ 67,455,303	$ 67,455,303	$ 69,378,329	$ 171,226,428	$ 190,193,557	$ 190,193,557	$ 198,274,181
Salary Savings Factor	-	(1,026,042)	(1,026,042)	(687,260)	-	(2,901,035)	(2,901,035)	(1,963,412)
Services & Supplies	45,274,274	53,834,176	55,824,052	55,397,240	175,161,457	242,575,325	284,273,926	239,895,904
Intra-District Charges	15,267,807	17,240,467	17,240,467	18,486,089	86,827,513	94,369,932	94,369,932	98,727,186
OPERATING OUTLAY TOTAL	**$ 118,741,023**	**$ 137,503,904**	**$ 139,493,780**	**$ 142,574,398**	**$ 433,215,398**	**$ 524,237,778**	**$ 565,936,379**	**$ 534,933,859**
DEBT SERVICE								
Services & Supplies	$ -	$ -	$ -	$ -	$ 1,538,736	$ 5,033,001	$ 5,033,001	$ 5,431,880
Debt Service	472,146	-	-	-	73,438,938	98,640,638	98,640,638	111,509,741
DEBT SERVICE TOTAL	**$ 472,146**	**$ -**	**$ -**	**$ -**	**$ 74,977,674**	**$ 103,673,639**	**$ 103,673,639**	**$ 116,941,621**
CAPITAL PROJECTS								
Salaries and Benefits	$ 81,466	$ 311,871	$ 311,871	$ 404,173	$ 48,380,747	$ 56,126,806	$ 57,013,806	$ 53,800,056
Salary Savings Factor	-	(4,948)	(4,948)	(4,104)	-	(890,129)	(890,129)	(556,363)
Services & Supplies	10,016,429	14,597,530	22,380,924	18,456,561	311,396,064	374,861,512	386,508,911	341,666,122
Carry Forward Capital Projects	-	1,393,870	-	4,491,938	-	46,371,112	-	136,961,493
Intra-District Charges	45,804	95,708	95,708	104,187	29,927,479	34,743,500	34,743,500	32,993,288
CAPITAL PROJECTS TOTAL	**$ 10,143,698**	**$ 16,394,032**	**$ 22,783,556**	**$ 23,452,754**	**$ 389,704,290**	**$ 511,212,802**	**$ 477,376,088**	**$ 564,864,596**
TOTAL OUTLAYS	**$ 129,356,867**	**$ 153,897,936**	**$ 162,277,336**	**$ 166,027,152**	**$ 897,897,361**	**$ 1,139,124,219**	**$ 1,146,986,107**	**$ 1,216,740,076**

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(**) Operations outlays do not include OPEB Expense-unfunded liability

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



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