

FY2024-25 Second Pass Biennial Budget Development Update

March 12, 2024

Topics

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- **Budget Schedule**
- **Financial Model Status**
 - **Watersheds, Safe Clean Water, Water Utility**
- ***Questions Pause***
- **2nd Pass Revenue**
- **Districtwide Outlays**
- **Operating and Capital Budget by Fund**
- **Estimated Reserve Balances**
- **Salaries & Benefits**
- ***Questions Pause***
- **Positions Update**
- **Next Steps**

Budget Schedule Update

Operating and Capital Budget Development Updates:

- ✓ January 23, 2024 – 1st Pass Budget Update
- ➔ • March 12, 2024 – 2nd Pass Budget Update
- April 24 to 25, 2024 – Budget Work Study Sessions

Groundwater Production Charge (GWP):

- ✓ January 9, 2024 – Preliminary GWP Analysis
- March 26, 2024 – 40-year Financial Forecast Review
- April 9 to 23, 2024 – GWP Public Hearings

Capital Improvement Program (CIP):

- ✓ January 9, 2024 – Preliminary CIP
- ✓ February 27, 2024 – Draft CIP
- April 9 to 24, 2024 – CIP Public Hearings

Operating and Capital Budget, GWP and CIP

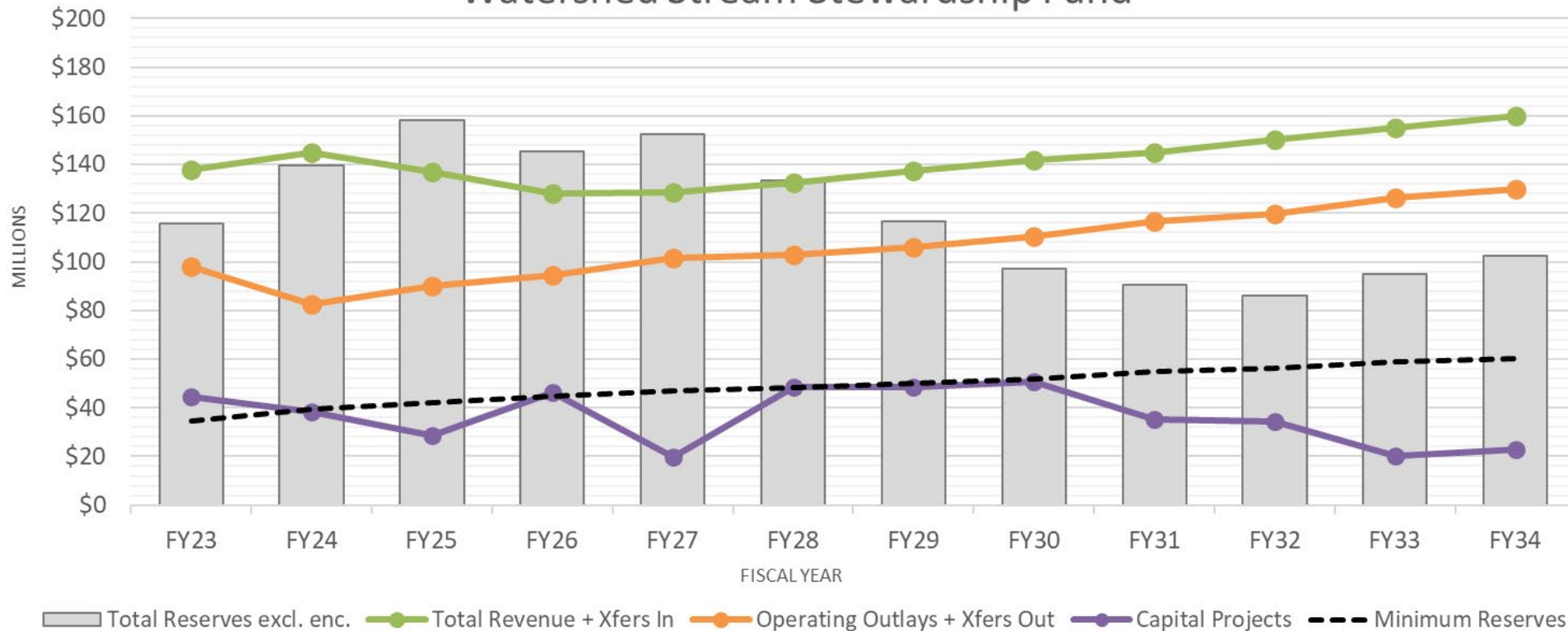
- May 14, 2024 – Board Adoption

Watershed Stream Stewardship Fund – As of Jan 9, 2024

+ WARP CIP updates (additional \$11M FY25 & FY26)

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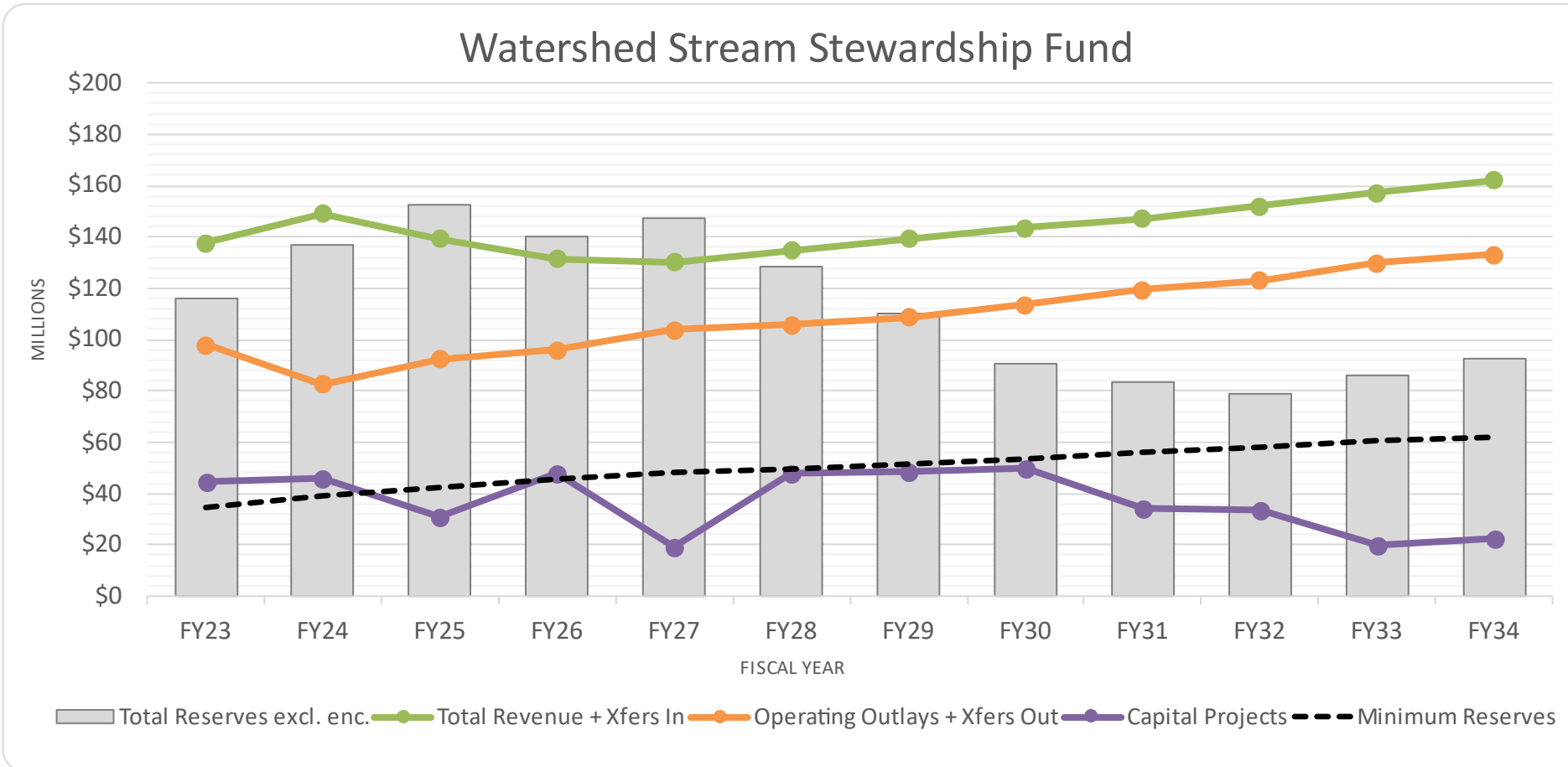
Watershed Stream Stewardship Fund



- 1% property tax growth at 3.5% per year
- O&M Maintenance placeholder
 - \$5M/yr FY 27 to FY 34
- \$137M Watershed Asset Rehabilitation Program (WARP) for FY 25 thru FY 34
- Lower Llagas Creek Capacity Restoration Project is unfunded

Watershed Stream Stewardship Fund – As of March 12, 2024

- + WARP CIP updates (additional \$11M FY25 & FY26)
- + Encampment Management Program at \$2.1M/year
- + 2nd Pass Budget proposed adjustments

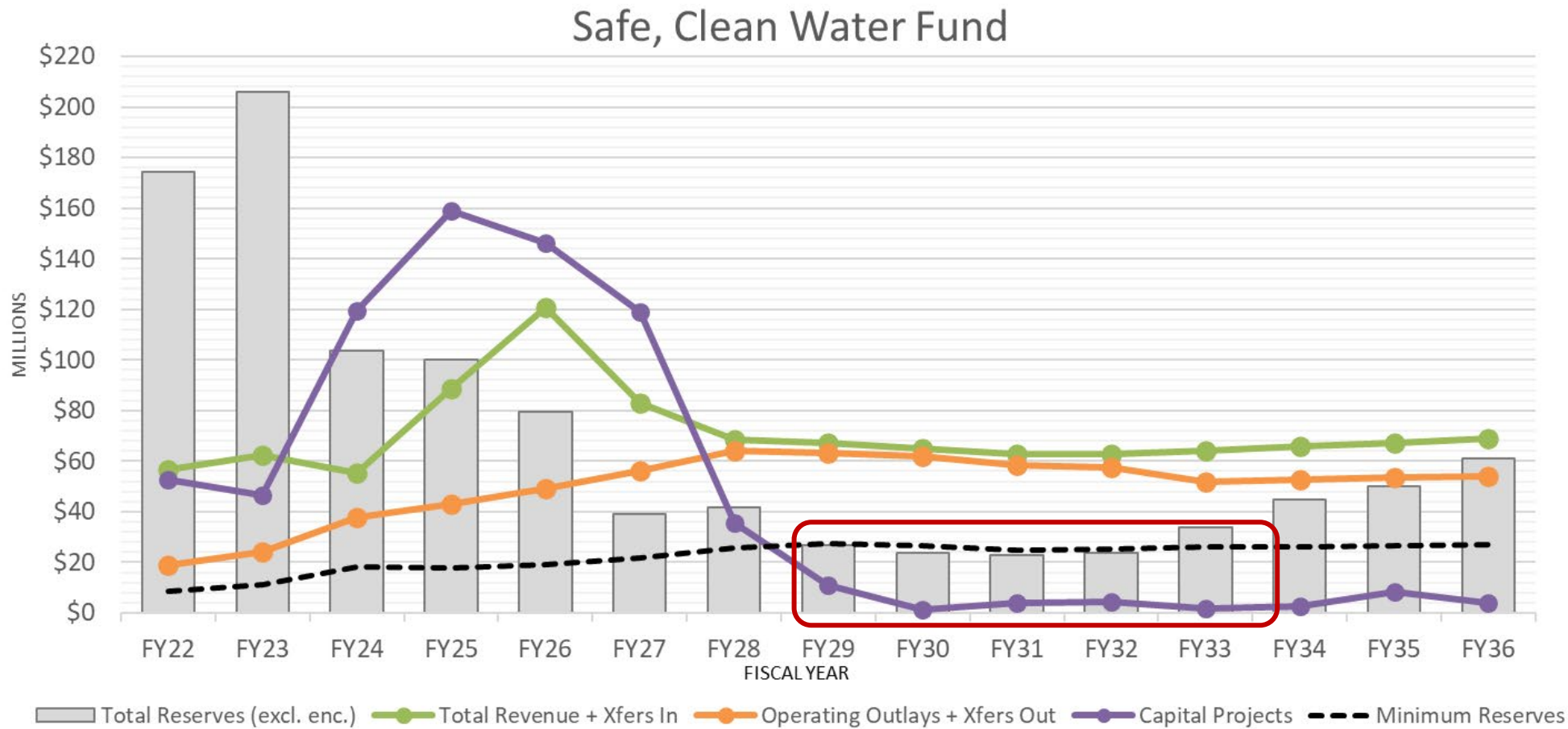


- 1% property tax growth at 3.5% per year
- O&M Maintenance placeholder
 - \$5M/yr FY 27 to FY 34
- \$137M Watershed Asset Rehabilitation Program (WARP) for FY 25 thru FY 34
- Lower Llagas Creek Capacity Restoration Project is unfunded
- Encampment Management Program at \$2.1M per year
- Does not reflect additional funding needs for unhoused encampments, deferred maintenance, ERP replacement, etc.



Minimal financial buffer for additional projects

Safe, Clean Water Fund – As of Jan 9, 2024

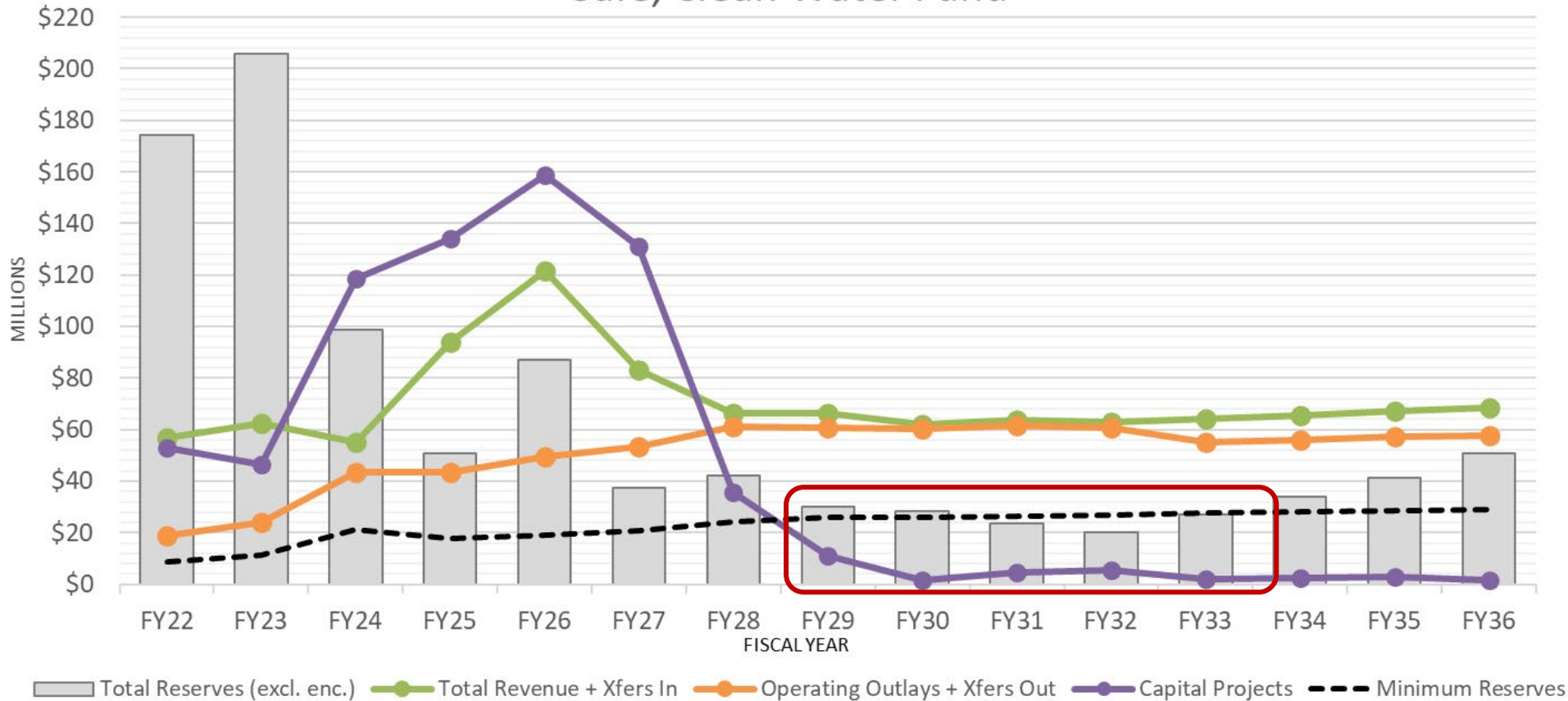


- Special Property tax growth at 2% per year
- Includes \$146M WIFIA loan
- Assumes \$80M NRCS reimbursements for Upper Llagas Creek to fully construct Phase 2B
- Assumes receipt of San Francisquito Creek outside funding sources, including \$30M from grants and partnerships through SFCJPA
- Placed on hold pending funding availability
 - Upper Penitencia Creek Flood Protection
 - Sunnyvale East Flood Protection
- Pending grant applications:
 - Coyote Creek Flood Protection (\$50M BRIC, \$50M FMA, \$50M HMGP)
 - Sunnyvale East Flood Protection (\$23.5M HMGP)

Safe Clean Water Fund – As of March 12, 2024

- + 2nd Pass Budget proposed adjustments
- + Enhanced Encampment Management Program (\$750K/yr)

Safe, Clean Water Fund



- Special Property tax growth at 2% per year
- Includes \$146M WIFIA loan
- Assumes \$80M NRCS reimbursements for Upper Llagas Creek to fully construct Phase 2B
- Assumes receipt of San Francisquito Creek outside funding sources, including \$30M from grants and partnerships through SFCJPA
- Placed on hold pending funding availability
 - Upper Penitencia Creek Flood Protection
 - Sunnyvale East Flood Protection
- Pending grant applications:
 - Coyote Creek Flood Protection (\$50M BRIC, \$50M FMA, \$50M HMGP) **would only receive \$50 maximum**
 - Sunnyvale East Flood Protection (\$23.5M HMGP)



Grant decisions expected in Fall 2024, would provide additional financial capacity if successful

Water Utility Fund – as of Jan 9, 2024

Preliminary Groundwater Charge Increase Projection

Baseline Scenario

M&I Groundwater Charge Year to Year Growth %

Baseline Scenario	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
North County Zone W-2	14.5%	12.4%	12.4%	12.4%	12.4%	12.4%	7.0%	7.0%	5.0%	5.0%
<i>Prior Year</i>	14.5%	9.9%	9.9%	9.9%	9.9%	9.9%	6.3%	6.3%	6.3%	
South County Zone W-5	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
<i>Prior Year</i>	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
South County Zone W-7	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
<i>Prior Year</i>	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	
South County Zone W-8	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
<i>Prior Year</i>	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	

Water Utility Fund – as of Jan 9, 2024

Preliminary Groundwater Charge Increase Projection

Scenarios

M&I Groundwater Charge Year to Year Growth %

North County Zone W-2		FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Scenario #1	Baseline	14.5%	12.4%	12.4%	12.4%	12.4%	12.4%	7.0%	7.0%	5.0%	5.0%
Scenario #2	Baseline with Lower Water Use	15.9%	15.9%	15.9%	15.9%	15.9%	15.9%	6.5%	6.5%	5.0%	5.0%
Scenario #3	Baseline excluding Pacheco	14.5%	12.4%	12.4%	12.4%	12.4%	12.4%	4.5%	4.5%	4.5%	4.5%
Scenario #4	Baseline with 0% PREP Partnership Funding	14.5%	13.0%	13.0%	13.0%	13.0%	13.0%	8.0%	8.0%	5.0%	5.0%
Scenario #5	Baseline excluding PAPWP via P3 Plus prelim. projection for Dam Safety Program	14.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	5.0%	5.0%
Scenario #6	Baseline excluding PAPWP via P3; Plus prelim. projection for SJPWP – Phase 2; Plus prelim. projection for Dam Safety Program	14.5%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	7.0%	7.0%

Water Utility Fund – as of March 12, 2024

Preliminary Groundwater Charge Increase Projection

PAWS Report (Based on Scenario 6)

M&I Groundwater Charge Year to Year Growth %

Baseline Scenario		FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
North County Zone W-2		12.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	7.0%
	<i>Prior Year</i>	14.5%	9.9%	9.9%	9.9%	9.9%	9.9%	6.3%	6.3%	6.3%	
South County Zone W-5		6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%	6.6%
	<i>Prior Year</i>	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
South County Zone W-7		14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%
	<i>Prior Year</i>	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	
South County Zone W-8		8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
	<i>Prior Year</i>	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	

Lower water use rebound would add more upward pressure on water rates

Questions

2nd Pass Revenue

Water Charges and Capital Reimbursements revenue updated vs 1st pass

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Revenue (\$ in millions)	FY24 Adopted	FY25 2nd Pass	FY26 2nd Pass	FY25 vs FY24	FY26 vs FY25
Water Charges	\$ 328.6	\$ 400.4	\$ 473.9	71.8	\$ 73.5
1% Ad-valorem Property Tax	138.0	145.2	149.3	7.2	4.1
SCW Special Parcel Tax	52.3	53.4	54.6	1.1	1.2
State Water Project Tax	27.0	28.0	28.0	1.0	-
Benefit Assessment	6.9	7.1	6.9	0.2	(0.2)
Capital Reimbursements	67.8	42.4	61.1	(25.4)	18.7
Interest Income & Other	13.1	15.3	23.1	2.2	7.8
Total Revenue	\$ 633.7	\$ 691.8	\$ 796.9	\$ 58.1	\$ 105.1

Revenue (\$ in millions)	FY24 Adopted	FY25 2nd Pass	FY26 2nd Pass	FY25 vs FY24	FY26 vs FY25
General Fund	\$ 11.4	\$ 12.3	\$ 12.6	0.9	\$ 0.3
Watershed & Stream Stewardship Fund	154.1	138.0	130.5	(16.1)	(7.5)
Safe Clean Water Fund	77.6	85.9	117.5	8.3	31.6
Water Utility Enterprise Fund	383.3	448.0	528.8	64.7	80.8
Service Funds	0.5	0.5	0.6	-	0.1
Benefit Assessment Funds	6.9	7.1	6.9	0.2	(0.2)
Total Revenue	\$ 633.7	\$ 691.8	\$ 796.9	\$ 58.1	\$ 105.1

Observations

- **Total Revenue – FY25 \$691.8M & FY26 \$796.9M**
- **Water charges – FY25 \$403.6M & FY26 \$484.0M**
 - VW Water Usage: 222KAF in FY25 and 238KAF in FY26
 - M&I Ground Water Production Charge:
 1. North County increase of 12.9% in FY25 and 9.9% in FY26 in Zone W-2
 2. South County
 - a) 6.6% increase in Zone W-5
 - b) 14.2% increase in Zone W-7
 - c) 8.0% increase in Zone W-8
- **1% Ad-valorem Property Taxes – FY25 \$145.2M & FY26 \$149.3M**
 - Santa Clara County assessor growth assumptions
- **SCW Special Parcel Tax – FY25 \$53.4M & FY26 \$54.6M**
 - 2% per year, Bay Area CPI could be greater for FY25
- **Capital Reimbursement – FY25 \$42.4M & FY26 \$61.1M**
 - Timing of capital reimbursement schedule updated due to timing of NRCS reimbursement

2nd Pass Districtwide Outlays

Capital Projects outlays updated to align with most recent draft CIP

Outlays (\$ in millions)	FY24 Adopted	FY25 2nd Pass	FY26 2nd Pass	FY25 vs FY24	FY26 vs FY25
Operations	\$ 470.4	\$ 524.9	\$ 530.7	\$ 54.5	\$ 5.8
Operating Project	6.6	5.3	5.1	(1.3)	(0.2)
Debt Service	97.4	103.7	124.4	6.3	20.7
Operating Outlays	574.4	633.9	660.2	59.5	26.3
Capital Outlays	407.1	488.5	624.5	81.4	136.0
Total Gross Outlays	981.5	1,122.4	1,284.7	140.9	162.3
Intra-District Reimbursements*	(124.9)	(130.5)	(137.1)	(5.6)	(6.6)
Net Outlays	\$ 856.6	\$ 991.8	\$ 1,147.7	\$ 135.2	\$ 155.9

* Intra-District reimbursements represent cost recovery for support services such as human resources and information technology, etc.

Observations

- Net total operating and capital outlays for the FY25 Budget are \$991.8M, a 15.8% increase vs FY24, which includes \$103.7M in debt service outlays
- For the FY26 Plan, net total operating and capital outlays is \$1,147.7M, a 15.7% increase vs FY25, which includes \$124.4M in debt service outlays
- Net outlays do 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

2nd Pass Operating Expenditures

Operating project expenditures include new positions

Operations & Operating Projects (\$ in millions)	FY24 Adopted	FY25 2nd Pass	FY26 2nd Pass	FY25 vs FY24	FY26 vs FY25
General Fund	\$ 85.0	\$ 91.9	\$ 93.3	\$ 6.9	\$ 1.4
Watershed Stream Stewardship Fund	78.0	85.2	91.1	7.2	5.9
Safe, Clean Water Fund	26.3	25.1	25.5	(1.2)	0.4
Water Enterprise Fund	244.1	280.7	276.5	36.6	(4.2)
Fleet Management Fund	5.0	5.4	5.6	0.4	0.2
Risk Management Fund	10.9	11.6	12.3	0.7	0.7
Information Technology Fund	27.7	30.3	31.4	2.6	1.1
Total	\$ 477.0	\$ 530.2	\$ 535.7	\$ 53.2	\$ 5.5

Note: This table reflects gross figures that have not been adjusted for intra-district reimbursements

Observations

- **FY25 Operating Expenditure Outlays of \$530.2M, increase of \$53.2M or 11.2% over FY24 and \$535.7M in FY26, increase of \$5.5M or 1.0% over FY25**
 - Labor cost increases impact all funds FY over FY, including all new positions recommended in second pass
 - General Fund FY25 \$6.9M increase driven by funding for district election costs, District Security Services project and new positions recommended
 - Watershed and Stream Stewardship Fund FY25 \$7.2M increase driven by the Encampment Management Program project, Watersheds Administration project; FY26 increase primarily driven by the Non SMP Veg Removal for Conveyance project
 - Water Enterprise Fund FY25 \$36.6M increase primarily due to increases for the B.F. Sisk Dam Raise (\$10M) and Palo Alto Water Reuse Agreement (\$12.6M)
 - Information Technology Fund FY25 \$2.6M increase due to Technical Infrastructure Services project, Software Services project; including new positions recommended

2nd Pass Capital Expenditures

Capital outlays aligned with draft Capital Improvement Program

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Capital Outlays (\$ in millions)	FY24 Adopted	FY25 2nd Pass	FY26 2nd Pass	FY25 vs FY24	FY26 vs FY25
General Fund	\$ 4.4	\$ 5.9	\$ 10.7	\$ 1.5	\$ 4.8
Watershed Stream Stewardship Fund	22.7	30.9	47.7	8.2	16.8
Safe, Clean Water Fund	46.2	125.7	147.7	79.5	22.0
Water Enterprise Fund	325.5	316.8	412.2	(8.7)	95.4
Fleet Management Fund	2.0	2.1	2.5	0.1	-
Information Technology Fund	6.3	7.1	3.7	0.8	(3.4)
Total	\$ 407.1	\$ 488.5	\$ 624.5	\$ 81.4	\$ 136.0

Note: 2nd Pass Budget is based on Preliminary FY25-29 Five-Year CIP

Observations

- FY25 Capital Outlays of \$488.5M, increase of \$81.4M, or 20.0% versus FY24**
 - Watershed Stream Stewardship Fund \$8.2M increase primarily due to the Watersheds Asset Rehabilitation project (\$11.3M)
 - Safe Clean Water Fund \$79.5M increase primarily due to the Llagas Creek Phase 2B (\$33.6M), San Francisquito Early Implementation (\$17.9M), Coyote Creek Montague (\$12M), Sunnyvale East and West Channel (\$9.4M) projects
 - Water Enterprise Fund \$8.7M decrease primarily due to Anderson Dam (+\$18.4M), RWTP Reliability Improvement (+\$44M), Pacheco Reservoir (-\$23M), Coyote Creek Flood Management (-\$22.6M), Anderson Tunnel (-\$17.2M), Coyote Percolation Dam Replacement (-\$12.4M) projects
- FY26 Capital Outlays of \$624.5M, increase of \$136.0M, or 27.8% over FY25**
 - Watershed Stream Stewardship Fund \$16.8M increase primarily due to SF Bay Shoreline (\$15.9M), Palo Alto Flood Basin Tide Gate Replacement (\$2.6M), Watersheds Asset Rehabilitation (-\$6.4M) projects
 - Safe Clean Water Fund \$22.0M increase primarily due to the Coyote Creek Montague-Tully (+\$81M), Llagas Creek Phase 2B (-\$44.8M), San Francisquito Early Implementation (-\$13.3M), projects
 - Water Enterprise Fund \$95.4M increase primarily due to Anderson Dam Seismic Retrofit (\$114.7M), RWTP Reliability Improvement (\$55.2M), Anderson Dam Tunnel (-\$41.5M), Coyote Creek Flood Mgmt (-\$30.9M), 10-Yr Pipeline Insp & Rehab (-\$10.5M) projects

2nd Pass Reserve Balances

Reserve balances in FY25 and FY26 remain healthy

Reserves <i>(\$ in millions)</i>	FY24 Adopted	FY25 Estimate	FY26 Estimate	FY25 vs FY24	FY26 vs FY25
Restricted Reserves					
Safe, Clean Water Fund	\$ 185.8	\$ 119.7	\$ 86.9	\$ (66.1)	\$ (32.8)
Water Utility Enterprise Fund	28.4	37.8	61.3	9.4	23.5
Restricted Sub-total	\$ 214.2	\$ 157.5	\$ 148.2	\$ (56.7)	\$ (9.3)
Committed Reserves					
General Fund	12.0	14.7	16.6	2.7	1.9
Watershed Stream Stewardship Fund	159.9	152.3	140.3	(7.6)	(12.0)
Water Utility Enterprise Fund	67.2	78.9	85.4	11.7	6.5
Internal Service Funds	20.7	24.4	22.5	3.7	(1.9)
Committed Sub-total	\$ 259.8	\$ 270.3	\$ 264.8	\$ 10.5	\$ (5.5)
Total Reserves	\$ 474.0	\$ 427.8	\$ 413.0	\$ (46.2)	\$ (14.8)

2nd Pass Salaries & Benefits

Includes 12 new positions for FY25 & 8 new positions in FY26 Plan

Salary and Benefits (\$ in millions)	FY24 Adopted	FY25 2nd Pass	FY26 2nd Pass	FY25 vs FY24	FY26 vs FY25
Salaries					
Salaries - Regular Employees	\$ 144.6	\$ 152.4	\$ 160.9	\$ 7.8	\$ 8.5
Overtime and Special Pays	5.0	5.2	5.1	0.2	(0.1)
Salary Savings	(3.6)	(3.8)	(4.0)	(0.2)	(0.2)
Total Salaries	146.0	153.8	162.0	7.8	8.2
Benefits					
Fed & State Taxes	2.1	2.3	2.4	0.2	0.1
Retirement Contribution	45.0	48.3	51.7	3.3	3.4
Group Insurance - Active Employees	19.4	21.7	24.9	2.3	3.2
Health Insurance - Retired Employees	13.4	14.6	15.3	1.2	0.7
Total Benefits	79.9	86.9	94.3	7.0	7.4
Total Salary & Benefits	\$ 225.9	\$ 240.7	\$ 256.3	\$ 14.8	\$ 15.6
Regular Positions	921	933	941		
Limited Term Positions	5	4	4		

Observations

Salaries budget - FY25: \$153.8M and FY26: \$162.0M

- FY25 salary budget includes an additional 12 regular positions for a total of 933 regular and 4 limited-term positions
- 3% COLA and step increase for eligible positions
- FY26 salary plan includes an additional 8 regular positions

Benefits budget - FY25: \$86.9M and FY26: \$94.3M

- Retirement Contribution: includes, both, CalPERS employer contribution plus \$3.0M redirect from OPEB and additional 2% of salaries, or \$3.0M of employer contributions towards CalPERS unfunded liability.
- Group Insurance for Active Employees: assumes annual increase of 17.5% in FY25 (primarily driven by Kaiser) and 15% in FY26 for medical plans and 3% increase for Dental and Vision plan
- Group Insurance for retirees: 5% increase per year based on actuarial report

2nd Pass Temps, Interns and Professional Services Expenses

Professional Services budget primarily due to capital projects

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(\$ in millions)	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed	FY26 Plan	FY25 vs FY24	% Change
Operating								
Temporary Staffing	\$ 3.8	\$ 4.2	\$ 3.1	\$ 4.1	\$ 4.7	\$ 4.6	\$ 0.6	14.6%
Student Interns	1.1	2.0	2.3	3.3	3.0	3.0	(0.3)	(9.1%)
Professional Services	17.6	21.5	21.5	30.1	33.4	32.2	3.3	11.0%
Operating Outlays	22.5	27.7	26.9	37.5	41.1	39.8	3.6	9.6%
Capital								
Temporary Staffing	\$ 0.7	\$ 0.7	\$ 0.4	\$ 1.2	\$ 0.8	\$ 0.8	\$ (0.4)	(33.3%)
Student Interns	0.0	0.1	0.2	0.5	0.3	0.2	(0.2)	(40.0%)
Professional Services	38.5	75.5	110.2	132.6	108.7	125.5	(23.9)	(18.0%)
Capital Outlays	\$ 39.2	\$ 76.3	\$ 110.8	\$ 134.3	\$ 109.8	\$ 126.5	\$ (24.5)	(18.2%)
Total	\$ 61.7	\$ 104.0	\$ 137.7	\$ 171.8	\$ 150.9	\$ 166.3	\$ (20.9)	(12.2%)

- Professional Services expense driven by expertise required to deliver operating and capital projects
- Temporary Staffing expense driven by short term nature of certain work

2nd Pass Position Count

Positions to address workload priorities and achieve key outcomes in projects

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Organization Division	Adopted Budget FY22	Adopted Budget FY23	Adopted Budget FY24	Adjusted Budget FY24 ^(b)	Proposed Positions FY25	Proposed Budget FY25	Proposed Positions FY26	Planned Budget FY26
Board Appointed Officers ^(a)	74	78	79	79	2	81	1	82
Office of Integrated Water Mgmt / Dam Safety	40	56	56	70		70		70
External Affairs	46	46	47	47		47		47
Administrative Services	162	163	163	164	3	167		167
Water Utility	297	301	305	304	2	306	3	309
Watersheds	265	265	269	257	5	262	4	266
Total Regular Positions	884	909	919	921	12	933	8	941
Limited Term Positions	8	9	5	5		4		4
Total	892	918	924	926		937		945

a) Board Appointed Officers include: Office of CEO, District Counsel and Clerk of the Board

b) Adjusted Budget includes all approved position movement during the Fiscal Year including additions, deletions, reorganizations, and reclassifications which occurred subsequent to the development of Budget for that Fiscal Year.

Questions

FY25 2nd Pass Proposed Budget Positions

District Counsel

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Position	1.0 FTE Senior Management Analyst
Funding Source	General Fund (100%)
Business Justification	<p>One Senior Management Analyst position to serve as the point person for legal operations. The position will develop and oversee processes to improve efficiency, ensure timeline accountability, and lower expenditures on outside counsel. This position will modernize the workflows of the legal department, ensuring client expectations on scope, schedule, and budget are met. Without a dedicated position to oversee legal operations and modernize the legal department's workflows, inefficiencies in internal operations will likely persist. Tracking and reducing outside counsel expenditures will be a crucial aspect of this role.</p>

FY25 2nd Pass Proposed Budget Positions

Financial Planning & Management Services Division

Position	1.0 FTE Senior Management Analyst
Funding Source	General Fund (100%)
Business Justification	<p>One Senior Management Analyst position to support new grant applications planned for both WS and Water Utility divisions. Level of effort for pre-award activity continues to grow, as does post-award activity due to success in securing grants. Per the Watersheds Roadmap, 11 major grants are planned for FY 2025, an additional 10 grants are planned for FY 2026, and more are planned in FY 2027 and beyond, totaling over \$350M in potential grant revenues to fund 8 key Watershed capital projects. Additional watersheds grants may also be sought as new opportunities arise for roadmap priorities and others. Furthermore, a Water Utility Enterprise Roadmap for future grant funding direction is currently being developed, which will identify further opportunities for funding and require additional support. This position is needed to lead these upcoming grant applications as well as coordinate the compliance review and ongoing grants administration for these new grant programs.</p>



FY25 2nd Pass Proposed Budget Positions

Administrative Services Division

Position	1.0 FTE Information System Analyst III
Funding Source	Information Technology Fund (100%)
Business Justification	One Information System Analyst III position specializing in Geographic Information Systems (GIS) to support the Good Neighbor Program: Encampment Cleanup (including staff safety) and Stream Maintenance Program (SMP). This position will provide support for data analysis and public outreach by leveraging geospatial data, applications, and web mapping; as well as provide support for mobile data collection and navigation. This work would help provide staff with the ability to safely navigate to a work site, collect data, and display that data in real time using internal or public facing applications. This position would also help convey geospatial information to staff and regulatory agencies on bird nesting occurrences -- data which needs to be tracked and managed annually per SMP permit conditions. Moreover, the GIS analyst will provide assistance in incorporating geospatial information into the SMP3 system.

FY25 2nd Pass Proposed Budget Positions

Administrative Services Division

Position	2.0 FTEs Network Architect
Funding Source	Information Technology Fund (100%)
Business Justification	Two Network Architect positions to replace networking managed services. This will eliminate security risks due to current rotating nature of contracted work for networking managed services for administration of Valley Water network. In addition to the security risks and managed services cost, there is internal Valley Water staff resource impact to train outsourced services assigned staff for a period of months to only encounter high turn over of assigned staff leading to ongoing repeated trainings and service and operational impact. Bringing the contracted managed service positions in-house will result in cost savings as well as anticipated higher levels of service from consistent assigned staff resources.



FY25 2nd Pass Proposed Budget Positions

Watershed Design & Construction Division

Position	1.0 FTE Assistant Engineer II - Civil
Funding Source	Safe Clean Water Fund (100%)
Business Justification	One Assistant Engineer II – Civil will assist with work on the Sunnyvale East-West Channels Flood Protection Project and will be instrumental in helping with the coordination with the City of Sunnyvale, Wastewater Pollution Control Plant, Google, and the various utility companies, including supporting the permit process with the various Resource Agencies and completion of the construction contract documents.

FY25 2nd Pass Proposed Budget Positions

Watershed Design & Construction Division

Position	1.0 FTE Associate Engineer Civil
Funding Source	Safe Clean Water Fund (100%)
Business Justification	One Associate Engineer – Civil to have a project manager for the design and construction improvements of the Safe Clean Water Priority D4.3 for Fish Passage Improvements Project and the new high priority Regnart Creek Rehabilitation Project. Along with management of these high priority projects, this position will also be instrumental in the support of the WARP projects that were paused due to lack of staff resources.

FY25 2nd Pass Proposed Budget Positions

Watershed Design & Construction Division

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Position	1.0 FTE Associate Engineer Civil
Funding Source	Safe Clean Water Fund (83%) Watershed Fund (17%)
Business Justification	<p>The Watersheds Design and Construction Division is actively pursuing about \$250M in grants and partnerships that require significant engineering support to apply for grants that include: estimating Benefit-to-Cost ratios, development of project descriptions and impacts to disadvantaged communities, environmental benefits, and development of project features. The one Associate Engineer Civil will provide support and evaluation at critical steps during the grant application process or these pursuits will likely fail. After the intent to award the grant, significant efforts in review of the project plans, specifications and environmental documentation will be required of this position. Support is currently provided by the project manager resulting in inconsistencies across various grant applications and this also takes away resources for other projects. The position will support the Division's pursuit of grants and partnerships and the reporting and compliance requirements for the approved grants.</p>

FY25 2nd Pass Proposed Budget Positions

Watersheds Maintenance & Operations Division

Position	1.0 FTE: Engineering Technician I
Funding Source	Safe Clean Water Fund (100%)
Business Justification	<p>One Engineering Technician I needed to support annual planning and implementation of instream vegetation control work including D-List priorities. The position will support the Veg Prog Specialist I/II with field investigations, GIS, work order prep/tracking, and annual NPW/ASR submittals. SCW KPIs are currently underperforming in this project and need additional technician support to identify priority work areas and improve performance. Planning, implementing, documenting, and reporting on instream veg control work requires full time support. The work window is limited, and additional resources are needed to plan priority work for crews to complete each year before rains return. Not funding this position will require ongoing use of temp and contract staff to supplement needs of project, which would be more efficiently staffed with a full time employee.</p>

FY25 2nd Pass Proposed Budget Positions

Watersheds Maintenance & Operations Division

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Position	1.0 FTE: Watershed Operations & Maintenance Manager
Funding Source	Safe Clean Water Fund – (50%) Water Utility Fund – (50%)
Business Justification	<p>One Watershed Operations & Maintenance Manager is needed to allow the creation of a new unit and to oversee the two encampment cleanup crews, the water utility maintenance crew, and the field administrative staff. Additionally, there is a desire to create another water utility crew due to current maintenance needs, and those positions are in WU's request for new positions. That is a total of 14-16 staff who require management oversight.</p> <p>Without a new manager, the AOO would directly oversee the encampment cleanup crews and water utility maintenance crews, 14-16 staff, which would reduce the AOO's effectiveness in high-level strategic planning and external coordination.</p>

FY25 2nd Pass Proposed Budget Positions

Dam Safety and Capital Delivery Division

Position	1.0 FTE Administrative Assistant
Funding Source	Water Utility Fund (100%)
Business Justification	One Administrative Assistant will provide administrative support to both Water Utility Capital and Dam Safety & Capital Delivery Divisions. The Administrative Assistant would support the Deputies, allowing for timely delivery of Water Utility and Dam Safety and Capital Delivery projects such as Anderson Dam Retrofit, Rinconada Water Treatment Plant Reliability Improvement, and the 10-Year Pipeline Inspection and Rehabilitation projects.

FY25 2nd Pass Proposed Budget Positions

Water Utility Treated Water Division

Position	1.0 FTE Chemist I
Funding Source	Water Utility Fund (100%)
Business Justification	<p>One Chemist I will support laboratory operations to comply with new Environmental Laboratory Accreditation Program (ELAP) regulations effective January 1, 2024 which require accredited laboratories to implement quality management system per the NELAC Institute (TNI) standard. The position also will provide much needed support for new compliance requirements related to regulatory reporting, traceability, sample control, document control, auditing, increase efficiency, and retain institutional knowledge through reduced need of temporary staffing.</p> <p>Impact of not funding include potential for violations, fines, threats to accreditation, and greater risk for non-conformance during ELAP audits. Any non-conformance observed during an ELAP audit can potentially lead to violations with fines and may impact the laboratory's accreditation and credibility with regulatory agencies.</p>



FY26 2nd Pass Proposed Budget Positions

District Counsel

32

Position	1.0 FTE Senior Assistant District Counsel
Funding Source	General Fund (100%)
Business Justification	One Senior Assistant District Counsel position to support agency efforts in contracting, including real estate transactions, and consultant services. This position will improve operational efficiency and reduce reliance on outside counsel, thereby reducing costs.

FY26 2nd Pass Proposed Budget Positions

Water Utility Treated Water Division

Position	1.0 FTE Assistant Engineer II - Mechanical
Funding Source	Water Utility Fund (100%)
Business Justification	<p>One Assistant Engineer II will support mechanical engineering work required at three treatment plants, the purification center, three pump stations, the SFPUC Intertie, and other related transmission facilities and infrastructures. The position will:</p> <ul style="list-style-type: none">• Provide mechanical engineering support to maintenance staff in completing the annual maintenance workplan work,• Troubleshoot mechanical engineering issues and respond to unplanned emergency mechanical related events,• Plan, coordinate and administer small cap projects, and support various other water treatment capital projects. <p>Not funding this position would mean that work will need to be prioritized based on the availability of the staffing resources and certain requested work will be delayed and/or not completed.</p>



FY26 2nd Pass Proposed Budget Positions

Water Utility Raw Water Division

34

Position	1.0 FTE Program Administrator
Funding Source	Water Utility Fund (100%)
Business Justification	<p>One Program Administrator will provide specialized technical and engineering services for Water Utility and Watershed Operations, Maintenance, Asset Management and Capital Improvement Corrosion Control (CC)/Cathodic Protection (CP) Program work.</p> <p>As the CC/CP subject matter expert, the position will plan, coordinate, and oversee routine and project specific CC/CP maintenance, improvements, and condition assessments; plan and coordinate External Corrosion Direct Assessments (ECDA) as precursors for pipeline rehabilitation work; and establish routine CC/CP efforts at pump stations and treatment plants.</p> <p>Industry experience has proven proactive CC/CP efforts are critical to the long-term reliability and extended useful life of infrastructure. Failure to fund the position could result in insufficient CC/CP oversight leading to premature degradation of the existing infrastructure. The lack of oversight could precipitate the need for costly repairs and premature Capital replacement and/or improvement projects.</p>



FY26 2nd Pass Proposed Budget Positions

Water Utility Raw Water Division

Position	1.0 FTE Supervising Well Ordinance Compliance Inspector
Funding Source	Water Utility Fund (100%)
Business Justification	One Supervising Well Ordinance compliance Inspector will lead the enforcement of abandoned wells (current back log is 100 abandoned wells). This will aid in addressing the backlog and potential poor-quality groundwater as the abandoned or improperly constructed wells are a conduit to groundwater. Timely actions to correct these violation cases must be enforced.

FY26 2nd Pass Proposed Budget Positions

Watersheds Maintenance & Operations Division

Position	4.0 FTEs: Field Construction Supervisor / Heavy Equipment Operator Maintenance Worker III / Senior Maintenance Worker
Funding Source	Water Utility Fund – Water Charges
Business Justification	<p>Water Utility, Raw Water Field Operations and Pipeline Maintenance Unit requests a second crew of 4.0 FTEs in Watershed Operations and Maintenance to support Water Utility work. There is currently a substantial backlog of high-priority maintenance work. Without the additional support from a Watershed crew, critical maintenance will be deferred and delayed, resulting in a potential loss of water supply and revenue.</p> <p>The four positions will report to Watersheds Operations and Maintenance Division Deputy’s Office. The 4.0 FTEs will charge 100% to Water Utility Fund.</p>

Next Steps

Operating and Capital Budget Development Updates:

- April 24 to 25, 2024 – Budget Work Study Sessions

Groundwater Production Charge (GWP):

- March 26, 2024 – 40-year Financial Forecast Review
- April 9 to 23, 2024 – GWP Public Hearings

Capital Improvement Program (CIP):

- April 9 to 24, 2024 – CIP Public Hearings

Operating and Capital Budget, GWP and CIP

- May 14, 2024 – Board Adoption

Questions

2nd Pass vs 1st Pass Supporting Slides

2nd Pass vs 1st Pass Revenue

Capital reimbursements increased due to updated timing of projects

40

Revenue (\$ in millions)	FY24 Adopted	FY25 1st Pass	FY26 1st Pass	FY25 2nd Pass	FY26 2nd Pass	FY25 2nd Pass vs 1st Pass	FY26 2nd Pass vs 1st Pass
Water Charges	\$ 328.6	\$ 405.5	\$ 490.2	\$ 400.4	\$ 473.9	(5.1)	(16.3)
1% Ad-valorem Property Tax	138.0	146.4	150.4	145.2	149.3	(1.2)	(1.1)
SCW Special Parcel Tax	52.3	53.4	54.6	53.4	54.6	-	-
State Water Project Tax	27.0	28.0	28.0	28.0	28.0	-	-
Benefit Assessment	6.9	7.1	6.9	7.1	6.9	-	-
Capital Reimbursements	67.8	42.4	61.1	42.4	61.1	-	-
Interest Income & Other	13.1	16.5	23.7	15.3	23.1	(1.2)	(0.6)
Total Revenue	\$ 633.7	\$ 699.3	\$ 814.9	\$ 691.8	\$ 796.9	\$ (7.5)	\$ (18.0)

Revenue (\$ in millions)	FY24 Adopted	FY24 1st Pass	FY25 1st Pass	FY25 2nd Pass	FY25 2nd Pass	FY25 2nd Pass vs 1st Pass	FY26 2nd Pass vs 1st Pass
General Fund	\$ 11.4	\$ 12.1	\$ 12.4	\$ 12.3	\$ 12.6	0.2	\$ 0.2
Watershed & Stream Stewardship Fund	154.1	141.0	132.1	138.0	130.5	(3.0)	(1.6)
Safe Clean Water Fund	77.6	85.9	117.5	85.9	117.5	-	-
Water Utility Enterprise Fund	383.2	452.7	545.4	448.0	528.8	(4.7)	(16.6)
Service Funds	0.5	0.5	0.6	0.5	0.6	-	-
Benefit Assessment Funds	6.9	7.1	6.9	7.1	6.9	-	-
Total Revenue	\$ 633.7	\$ 699.3	\$ 814.9	\$ 691.8	\$ 796.9	\$ (7.5)	\$ (18.0)

2nd Pass vs 1st Pass Salaries & Benefits

Increase in Salaries & Benefits due to new positions

41

Salary and Benefits (\$ in millions)	FY24 Adopted	FY25 1st Pass	FY26 1st Pass	FY25 2nd Pass	FY26 2nd Pass	FY25 2nd Pass vs 1st Pass	FY26 2nd Pass vs 1st Pass
Salaries							
Salaries - Regular Employees	\$ 144.6	\$ 150.2	\$ 157.4	\$ 152.4	\$ 160.9	\$ 2.2	\$ 3.5
Overtime and Special Pays	5.0	5.2	5.2	5.2	5.1	-	(0.1)
Salary Savings	(3.6)	(3.8)	(4.0)	(3.8)	(4.0)	-	-
Total Salaries	146.0	151.6	158.6	153.8	162.0	2.2	3.4
Benefits							
Federal & State Taxes	2.1	2.2	2.3	2.3	2.4	0.1	0.1
Retirement Contribution (CalPERS)	45.0	48.0	51.2	48.3	51.7	0.3	0.5
Group Insurance - Active Employees	19.4	22.1	24.8	21.7	24.9	(0.4)	0.1
Health Insurance - Retired Employees	13.4	14.6	14.9	14.6	15.3	-	0.4
Total Benefits	79.9	86.9	93.2	86.9	94.3	-	1.1
Total Salary & Benefits	\$ 225.9	\$ 238.5	\$ 251.8	\$ 240.7	\$ 256.3	\$ 2.2	\$ 4.5
Regular Positions	919	921	924	933	941		
Limited Term Positions	5	4	4	4	4		

FY25 2nd Pass Proposed Budget Positions Cost

Increase in Salaries & Benefits - \$2.9M in FY25 and \$3.0M in FY26 – 12 FTEs

Position	FY25 Labor	FY25 Benefits	FY25 Total	FY26 Labor	FY26 Benefits	FY26 Total
District Counsel						
Senior Management Analyst	\$127,123	\$116,345	\$243,468	\$130,936	\$123,932	\$254,868
	127,123	116,345	243,468	130,936	123,932	254,868
Financial Planning and Management Services						
Senior Management Analyst	127,123	116,345	243,468	130,936	123,932	254,868
	127,123	116,345	243,468	130,936	123,932	254,868
Administrative Services						
Information Systems Analyst III	127,123	116,345	243,468	130,937	123,931	254,868
Network Architect	154,613	130,937	285,550	159,251	139,117	298,368
Network Architect	154,613	130,937	285,550	159,251	139,117	298,368
	436,349	378,219	814,568	449,439	402,164	851,603
Watersheds						
Assistant Engineer II - Civil	114,955	109,885	224,840	118,403	117,210	235,613
Associate Engineer - Civil	133,354	119,654	253,008	137,355	127,374	264,729
Associate Engineer - Civil	133,354	119,654	253,008	137,355	127,374	264,729
Engineering Technician I	75,702	88,841	164,543	77,973	95,347	173,320
Watersheds Operations & Maintenance Manager	156,696	133,243	289,939	161,396	141,468	302,864
	614,061	571,276	1,185,337	632,482	608,773	1,241,255
Water Utility						
Administrative Assistant	79,500	90,904	170,404	81,855	97,523	179,378
Chemist I	101,828	102,916	204,744	104,882	109,958	214,840
	181,328	193,820	375,148	186,737	207,482	394,219
Total	\$1,485,984	\$1,376,005	\$2,861,989	\$1,530,530	\$1,466,283	\$2,996,813

FY26 2nd Pass Proposed Budget Positions Cost

Increase in Salaries & Benefits - \$2.1M starting in FY26 – 8 FTEs

43

Position	FY26 Labor	FY26 Benefits	FY26 Total
District Counsel			
Senior Assistant District Counsel	\$234,767	\$199,742	\$434,509
	234,767	199,742	434,509
Water Utility			
Assistant Engineer II - Mechanical	118,403	117,210	235,613
Program Administrator	134,241	125,704	259,945
Supervising Well Ordinance Compliance Inspector	127,784	122,241	250,025
	380,428	365,155	745,583
Watersheds			
Field Construction Supervisor	134,241	125,704	259,945
Heavy Equipment Operator	104,882	109,958	214,840
Maintenance Worker III	94,988	104,652	199,640
Senior Maintenance Worker	107,503	111,364	218,866
	441,614	451,678	893,292
Total	\$1,056,809	\$1,016,575	\$2,073,384

2nd Pass vs 1st Pass Districtwide Outlays

Capital Projects outlays updated to align with most recent draft CIP

- Operating Outlays 2nd Pass vs 1st Pass changes primarily due to new position requests, retiming of projects and additional services and supplies requests
- Capital Projects 2nd Pass vs 1st Pass updated to align funding with the most recent CIP

Outlays (\$ in millions)	FY24	FY25		FY26		FY25	FY26
	Adopted	1st Pass	1st Pass	2nd Pass	2nd Pass	2nd Pass vs 1st Pass	2nd Pass vs 1st Pass
Operations	\$ 470.4	\$ 513.2	\$ 533.2	\$ 524.9	\$ 530.8	\$ 11.7	\$ (2.4)
Operating Project	6.6	5.1	4.9	5.3	5.1	0.2	0.2
Debt Service	97.4	103.7	124.4	103.7	124.4	-	-
Operating Outlays	574.4	622.0	662.5	633.9	660.3	11.9	(2.2)
Capital Projects	407.1	474.8	593.0	488.4	624.5	13.6	31.5
Total Outlays	981.5	1,096.8	1,255.5	1,122.3	1,284.8	25.5	29.3
Intra-District Reimbursements*	(124.9)	(128.7)	(134.2)	(130.5)	(137.1)	(1.8)	(2.9)
Net Outlays	\$ 856.6	\$ 968.1	\$ 1,121.3	\$ 991.8	\$ 1,147.7	\$ 23.7	\$ 26.4

* Intra-District reimbursements represent cost recovery for support services such as human resources and information technology, etc.

2nd Pass vs 1st Pass Operating Expenditures

2nd Pass increase due to new positions and services & supplies requests

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- Includes the increase of twelve (12) regular positions in FY25 and eight (8) regular positions in FY26 to address various Board and workload priorities and help achieve key outcomes in operating projects
- Second Pass budget includes additional funding for various services and supplies expenses such as the One Water Plan, arborist services, crew equipment support, well ordinance compliance support, long-term conservation goals and documentation preparation for WIFIA/CWIFP loans, debt, and grant claims
- Watershed Stream Stewardship increase due to Encampment Management Program project
- Water Enterprise \$9.2M FY25 increase / \$6.1M FY26 decrease due to timing of Palo Alto Water Reuse Agreement project timing

Operations & Operating Projects (\$ in millions)	FY24	FY25		FY26		FY25	FY26
	Adopted	1st Pass	1st Pass	2nd Pass	2nd Pass	2nd Pass vs 1st Pass	2nd Pass vs 1st Pass
General Fund	\$ 85.0	\$ 91.1	\$ 91.9	\$ 91.9	\$ 93.3	\$ 0.8	\$ 1.4
Watershed Stream Stewardship Fund	78.0	82.4	88.6	85.2	91.1	2.8	2.5
Safe, Clean Water Fund	26.3	26.8	26.7	25.1	25.5	(1.7)	(1.2)
Water Enterprise Fund	244.1	271.5	282.6	280.7	276.5	9.2	(6.1)
Fleet Management Fund	5.0	5.0	5.4	5.4	5.6	0.4	0.2
Risk Management Fund	10.9	11.6	12.4	11.6	12.3	-	(0.1)
Information Technology Fund	27.7	29.6	30.5	30.3	31.4	0.7	0.9
Total	\$ 477.0	\$ 518.0	\$ 538.1	\$ 530.2	\$ 535.7	\$ 12.2	\$ (2.4)



Note: This table reflects gross figures that have not been adjusted for intra-district reimbursements

2nd Pass vs 1st Pass Capital Expenditures

2nd Pass increase primarily due to construction delays in capital projects

- Watershed and Stream Stewardship Fund increases primarily due to the Watersheds Asset Rehabilitation and Coyote 10B Freshwater Wetland projects
- Safe, Clean Water Fund FY26 \$9.4M increase due to SCW Regnart Creek Rehabilitation Project (F8) and SCW D4.3 Fish Passage Improvements projects
- Water Enterprise Fund FY26 \$6.7M due to Calero Dam Seismic Retrofit - Design & Construction and San Jose Purified Water Project - Phase I

Capital Outlays (\$ in millions)	FY24	FY25		FY26		FY25	FY26
	Adopted	1st Pass	1st Pass	2nd Pass	2nd Pass	2nd Pass vs 1st Pass	2nd Pass vs 1st Pass
General Fund	\$ 4.4	\$ 4.4	\$ 9.8	\$ 5.9	\$ 10.7	\$ 1.5	\$ 0.9
Watershed Stream Stewardship Fund	22.7	22.0	33.3	30.9	47.7	8.9	14.4
Safe, Clean Water Fund	46.2	124.8	138.3	125.7	147.7	0.9	9.4
Water Enterprise Fund	325.5	314.6	405.5	316.8	412.2	2.2	6.7
Fleet Management Fund	2.0	2.1	2.5	2.1	2.5	-	-
Information Technology Fund	6.3	7.1	3.7	7.1	3.7	-	-
Total	\$ 407.1	\$ 475.0	\$ 593.1	\$ 488.5	\$ 624.5	\$ 13.5	\$ 31.4

Note: 2nd Pass Budget is based on draft FY25-29 Five-Year CIP

Major Capital Appropriations for FY25 and FY26

Watersheds Asset Rehabilitation project increased by \$17.9M due to scope change

Capital Outlays (\$ in millions)	Fund	FY23 Actuals	FY24 Adopted	FY25 1st Pass	FY26 1st Pass	FY25 + FY26 Combined	FY25 2nd Pass	FY26 2nd Pass	FY25 + FY26 Combined	FY25 vs FY 24	FY26 vs FY25
Anderson Dam Seismic Retrofit	WU	\$ 31.9	\$ 26.7	\$ 45.1	\$ 159.8	\$ 204.9	\$ 45.1	\$ 159.4	\$ 204.5	\$ 18.4	\$ 114.3
RWTP Reliability Improvement	WU	3.2	22.2	66.2	121.4	187.6	66.2	121.5	\$ 187.7	44.0	55.3
Coyote Creek, Montague-Tully	SCW	3.2	1.6	13.6	94.5	108.1	13.6	94.5	\$ 108.1	12.0	80.9
Llagas Creek Phase 2B Construction	SCW	-	22.4	56.0	11.2	67.2	56.0	11.2	\$ 67.2	33.6	(44.8)
Anderson Dam Tunnel Project	WU	97.8	59.6	42.4	1.0	43.4	42.4	1.0	\$ 43.4	(17.2)	(41.4)
Pacheco Reservoir Expansion	WU	30.7	42.0	19.0	16.3	35.4	19.0	16.3	\$ 35.3	(23.0)	(2.7)
San Francisquito Early Implemt	SCW	1.5	4.9	22.8	9.5	32.2	22.8	9.5	\$ 32.3	17.9	(13.3)
Coyote Creek Flood Management Measures	WU	21.4	54.0	31.4	0.6	32.0	31.4	0.5	\$ 31.9	(22.6)	(30.9)
Coyote Pumping Plant ASD	WU	5.0	13.1	21.0	9.8	30.9	21.0	9.8	\$ 30.8	7.9	(11.2)
10-Yr PL Inspection and Rehab	WU	21.8	27.3	19.6	9.2	28.8	19.6	9.2	\$ 28.8	(7.7)	(10.4)
PWTP Residuals Management	WU	1.7	1.5	9.4	17.5	26.9	9.4	17.6	\$ 27.0	7.9	8.2
San Felipe Division Capital	WU	11.5	12.0	12.4	12.8	25.2	12.4	12.8	\$ 25.2	0.4	0.4
Watersheds Asset Rehabilitation	WSS	14.5	8.4	12.9	6.5	19.4	19.7	17.6	\$ 37.3	11.3	(2.1)
Small Caps, Water Treatment	WU	2.3	3.4	6.9	11.0	17.9	6.9	11.1	\$ 18.0	3.5	4.2
WU Capital Prog Admin Support	WU	5.0	6.3	8.1	8.0	16.1	8.3	8.3	\$ 16.6	2.0	-
San Francisco Bay Shoreline	WSS	9.2	2.8	0.1	16.0	16.0	0.1	16.0	\$ 16.1	(2.7)	15.9
Sunnyvale East & West Channel	SCW	5.0	-	9.4	5.1	14.4	9.4	5.1	\$ 14.5	9.4	(4.3)
Water Infrastructure Reliability Plan, Phase 2	SCW	1.1	3.6	9.5	3.8	13.3	9.5	3.8	\$ 13.3	5.9	(5.7)
Watershed Capital Program Servcs Admin	SCW / WSS	2.9	4.0	5.9	5.9	11.7	5.8	5.8	\$ 11.6	1.8	-
Purified Water Project	WU	9.7	10.2	5.8	5.5	11.3	5.8	5.5	\$ 11.3	(4.4)	(0.3)
Total		\$ 279.4	\$ 325.8	\$ 417.5	\$ 525.3	\$ 942.8	\$ 424.4	\$ 536.5	\$ 960.9	\$ 98.6	\$ 112.1

Note: 2nd Pass Budget is based on Draft FY25-29 Five-Year CIP



Major Capital Project Professional Services Expenses

Primarily due to large capital projects

48

<i>(\$ in millions)</i>	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed	FY26 Plan	FY25 vs FY24	% Change
91864005 (Anderson Dam Seismic Retrofit)	\$16,309,891	\$18,436,259	\$23,884,884	\$20,759,592	\$23,104,000	\$31,714,000	2,344,408	10.1%
91234002 (Coyote Pumping Plant ASD)	12,708	95,958	4,363,918	11,667,500	21,174,809	7,049,000	9,507,309	44.9%
93294057 (RWTP Reliability Improvement)	4,542,542	11,555,699	1,178,786	8,862,600	10,216,531	21,983,140	1,353,931	13.3%
91954002 (Pacheco Reservoir ExpansionPrj)	193,120	10,052,473	27,415,129	30,070,000	9,082,000	10,049,000	(20,988,000)	(231.1%)
91864006 (Anderson Dam Tunnel Project)	-	495	15,309,135	16,386,809	8,419,000	-	(7,967,809)	(94.6%)
91304001 (Purified Water Project)	1,756,498	2,802,338	8,151,422	7,980,000	4,184,000	3,888,000	(3,796,000)	(90.7%)
91864007 (Coyote Creek Flood Management Measures)	-	-	5,305,413	5,615,000	3,710,000	165,000	(1,905,000)	(51.3%)
92764009 (Small Caps, Raw Water T&D)	-	2,237,721	-	108,000	2,300,800	200,000	2,192,800	95.3%
30154019 (Lower Guadalupe River Capacity Restoration Project)	252,276	108,737	66,296	178,724	2,000,000	2,750,000	1,821,276	91.1%
93234044 (PWTP Residuals Management)	-	1,575,240	1,058,247	836,000	1,778,700	1,880,510	942,700	53.0%
62084001 (Watersheds Asset Rehabilitatio)	77,000	215,323	438,656	510,000	1,730,000	2,170,000	1,220,000	70.5%
26174043 (Coyote Creek, Montague-Tully)	1,007,596	843,411	2,583,793	981,350	1,650,000	10,565,000	668,650	40.5%
91214010 (Small Caps, San Felipe R1)	(951)	580	-	1,500,000	1,500,000	1,500,000	-	0.0%
20444001 (Calabazas/San Tomas Aquino Creek-Marsh Connection)	6,338	6,814	2,340,395	950,000	1,401,000	1,401,000	451,000	32.2%
95084002 (10-Yr PL Inspection and Rehab)	2,048,999	336,285	2,812,263	4,190,000	1,400,000	184,284	(2,790,000)	(199.3%)
92264001 (Vasona Pump Station Upgrade)	-	-	643	50,000	1,097,307	735,037	1,047,307	95.4%
26174054 (U.Llagas Ck Design B. Vsta Rd)	-	-	-	1,047,499	1,050,000	1,000,000	2,501	0.2%
20444002 (Pond A4 Resilient Habitat Restoration)	-	-	-	2,821,500	800,000	-	(2,021,500)	(252.7%)
93084004 (Wtr Trtmnt Plnt Electr Imprv)	-	150,000	41,450	50,000	692,546	51,040	642,546	92.8%
26174055 (Llagas Creek Phase 2B Construction)	-	-	-	1,110,000	660,000	660,000	(450,000)	(68.2%)
26174052 (Llagas Ck - Upper Construction)	22,262	104,401	119,950	4,055,000	650,000	600,000	(3,405,000)	(523.8%)
26444004 (San Francisco Bay Shoreline EIAs 5-10)	-	-	-	83,797	500,000	70,000	416,203	83.2%

Major Operating Project Professional Services Expenses

(\$ in millions)	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed	FY26 Plan	FY25 vs FY24	% Change
91151001 (Water Conservation Program)	1,265,729	1,274,435	2,133,281	1,669,000	4,210,000	4,192,500	2,541,000	60.4%
91101004 (Recycled & Purified Water Prog)	1,113,131	1,242,285	930,295	2,037,000	1,859,500	1,859,500	(177,500)	(9.5%)
73271009 (Software Services)	915,240	732,239	719,225	1,185,000	1,405,000	1,405,000	220,000	15.7%
92041014 (FAHCE/Three Creeks Project)	688,287	1,288,487	846,234	1,050,000	1,280,000	615,000	230,000	18.0%
91131004 (Imported Water Program)	137,052	766,920	123,800	1,175,000	1,175,000	950,000	-	0.0%
60131004 (AS Administration)	-	5,400	271,646	678,000	898,000	898,000	220,000	24.5%
62181006 (Instream Habitat Complexity)	10,398	20,141	-	400,000	800,000	400,000	400,000	50.0%
95741042 (Water Resorcs EnvPlng & Permtg)	6,224	7,841	90,000	721,800	690,300	180,000	(31,500)	(4.6%)
65051003 (Health&Safety Program Mgt)	274,319	184,856	139,299	299,950	685,800	685,800	385,850	56.3%
60291001 (Recruitment and Selection Program)	259,423	348,699	153,582	680,000	680,000	721,000	-	0.0%
65051001 (Risk Management)	321,231	394,934	390,166	618,000	618,000	618,000	-	0.0%
95741001 (Water Supply Planning)	350	26,001	373,656	750,000	600,000	550,000	(150,000)	(25.0%)
95061038 (WUE Administration)	119,070	153,306	242,439	670,500	570,500	687,450	(100,000)	(17.5%)
92761083 (Raw Water T&D Eng Other)	154,024	184,379	235,886	560,000	560,000	560,000	-	0.0%
91761001 (Local Res/Div Plan & Analysis)	37,263	173,656	178,181	406,000	555,000	543,600	149,000	26.8%
30151026 (Guad Rvr Mitgtn Monitoring Prg)	-	-	502,015	36,000	483,000	50,000	447,000	92.5%
73271004 (Information Security Admin)	130,478	223,710	54,308	480,000	480,000	420,000	-	0.0%
91761099 (Dams / Reservoir Gen Maint)	202,954	160,837	217,453	560,000	480,000	480,000	(80,000)	(16.7%)
60131014 (Continual Improvement)	400,358	20,470	268,121	350,000	400,000	400,000	50,000	12.5%
60141001 (District Counsel)	312,814	319,152	372,896	400,000	400,000	400,000	-	0.0%
60231002 (Communications)	410,578	616,074	294,892	317,000	372,860	384,046	55,860	15.0%
62041022 (Stream Maint Prog Mgmt)	2,427,988	295,351	728,009	365,000	365,000	365,000	-	0.0%
60231003 (Federal Government Relations)	240,000	136,000	296,796	339,500	339,500	339,500	-	0.0%
93081008 (W T General Water Quality)	141,763	273,852	35,663	325,000	325,000	325,000	-	0.0%
26042002 (Fish Habitat Improvements)	8,346	24,424	-	-	300,000	-	300,000	100.0%

2nd Pass and Actuals - Revenue

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Revenue (\$ in millions)	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed	FY26 Plan	FY25 vs FY24	FY26 vs FY25
Water Charges	\$ 266.9	\$ 289.8	\$ 272.4	\$ 268.1	\$ 328.6	\$ 400.4	\$ 473.9	\$ 71.8	\$ 73.5
1% Ad-valorem Property Tax	110.6	117.3	127.3	138.8	138.0	145.2	149.3	7.2	4.1
SCW Special Parcel Tax	46.1	46.1	47.0	49.5	52.3	53.4	54.6	1.1	1.2
State Water Project Tax	21.8	21.4	30.1	28.9	27.0	28.0	28.0	1.0	-
Benefit Assessment	13.4	12.4	13.4	13.2	6.9	7.1	6.9	0.2	(0.2)
Capital Reimbursements	33.8	19.9	21.4	35.2	67.8	42.4	61.1	(25.4)	18.7
Interest Income & Other	23.9	17.7	20.4	27.7	13.1	15.3	23.1	2.2	7.8
Total Revenue	\$ 516.5	\$ 524.6	\$ 532.0	\$ 561.4	\$ 633.7	\$ 691.8	\$ 796.9	\$ 58.1	\$ 105.1

2nd Pass and Actuals – Salaries & Benefits

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Salaries and Benefits (\$ in millions)	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed	FY26 Plan	FY25 vs FY24	FY26 vs FY25
Salaries									
Salaries - Regular Employees	\$ 103.6	\$ 116.5	\$ 128.3	\$ 130.5	\$ 144.6	\$ 152.4	\$ 160.9	\$ 7.8	\$ 8.5
Overtime and Special Pays	4.3	4.3	5.8	6.2	5.0	5.2	5.1	0.2	(0.1)
Salary Savings	-	-	-	-	(3.6)	(3.8)	(4.0)	(0.2)	(0.2)
Total Salaries	\$ 107.9	\$ 120.8	\$ 134.1	\$ 136.7	\$ 146.0	\$ 153.8	\$ 162.0	\$ 7.8	\$ 8.2
Benefits									
Fed and State Taxes & Benefits	1.5	1.8	1.9	2.0	2.1	2.3	2.4	0.2	0.1
Retirement Contributions	29.5	32.8	36.7	42.1	45.0	48.3	51.7	3.3	3.4
Group Insurance - Active Employees	14.0	14.5	15.1	16.0	19.4	21.7	24.9	2.3	3.2
Group Insurance - Retired Employees	10.8	11.0	12.1	13.9	13.4	14.6	15.3	1.2	0.7
Total Benefits	\$ 55.8	\$ 60.1	\$ 65.8	\$ 74.0	\$ 79.9	\$ 86.9	\$ 94.3	\$ 7.0	\$ 7.4
Total Salaries & Benefits	\$163.7	\$180.9	\$199.9	\$210.7	\$225.9	\$240.7	\$256.3	\$14.8	\$15.6

2nd Pass and Actuals – Districtwide Outlays

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Outlays (\$ in millions)	FY20 Actuals	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Proposed	FY26 Plan	FY25 vs FY24	FY26 vs FY25
Operations	\$ 308.2	\$ 366.7	\$ 414.2	\$ 417.0	\$ 470.4	\$ 524.9	\$ 530.7	54.5	\$ 5.8
Operating Project	11.8	3.6	8.5	4.6	6.6	5.3	5.1	(1.3)	(0.2)
Debt Service	46.3	51.4	58.1	65.1	97.4	103.7	124.4	6.3	20.7
Operating Outlays	\$ 366.3	\$ 421.7	\$ 480.8	\$ 486.7	\$ 574.4	\$ 633.9	\$ 660.2	\$ 59.5	\$ 26.3
Capital Projects	234.9	284.3	372.7	414.1	407.1	488.5	624.5	81.4	136.0
Total Outlays	\$ 601.2	\$ 706.0	\$ 853.5	\$ 900.8	\$ 981.5	\$ 1,122.4	\$ 1,284.7	\$ 140.9	\$ 162.3
Intra-District Reimbursement*	(77.9)	(87.4)	(97.3)	(107.2)	(124.9)	(130.5)	(137.1)	(5.6)	(6.6)
Net Outlays	\$ 523.3	\$ 618.6	\$ 756.2	\$ 793.6	\$ 856.6	\$ 991.8	\$ 1,147.7	135.2	\$ 155.9

* Intra-District reimbursements represent cost recovery for support services provided such as Human Resources, Information Technology, Finance and Facilities.

2nd Pass and Actuals – Ops Expenditures by Fund

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(\$ in millions)	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY25	FY26
	Actuals	Actuals	Actuals	Actuals	Adopted	Proposed	Plan	VS FY24	VS FY25
General Fund	\$ 58.6	\$ 68.0	\$ 74.3	\$ 74.8	\$ 85.0	\$ 91.9	\$ 93.3	\$ 6.9	\$ 1.4
Watershed Stream Stewardship Fund	51.7	59.2	62.5	69.3	78.0	85.2	91.1	7.2	5.9
Safe Clean Water Fund	20.5	14.9	16.2	19.2	26.3	25.1	25.5	(1.2)	0.4
Water Utility Enterprise Fund	165.3	197.6	235.3	224.0	244.1	280.7	276.5	36.6	(4.2)
Fleet Management Fund	3.8	3.9	3.8	5.0	5.0	5.4	5.6	0.4	0.2
Risk Insurance Fund	6.1	6.8	9.5	6.8	10.9	11.6	12.3	0.7	0.7
Information Technology Fund	14.0	19.9	21.1	22.4	27.7	30.3	31.4	2.6	1.1
Total Operating Expenditures	\$ 320.0	\$ 370.3	\$ 422.7	\$ 421.5	\$ 477.0	\$ 530.2	\$ 535.7	\$ 53.2	\$ 5.5

Note: This table reflects gross figures that have not been adjusted for intra-district reimbursements

2nd Pass and Actuals – Capital Outlays by Fund

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(\$ in millions)	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY25	FY26
	Actuals	Actuals	Actuals	Actuals	Adopted	Proposed	Plan	VS FY24	VS FY25
General Fund	\$ 1.5	\$ 3.3	\$ 3.2	\$ 4.2	\$ 4.4	\$ 5.9	\$ 10.7	\$ 1.5	\$ 4.8
Watershed Stream Stewardship Fund	19.0	63.5	66.2	44.5	22.7	30.9	47.7	8.2	16.8
Safe, Clean Water Fund	70.9	71.7	52.8	46.6	46.2	125.7	147.7	79.5	22.0
Water Utility Enterprise Fund	132.2	136.0	238.0	311.9	325.5	316.8	412.2	(8.7)	95.4
Fleet Management Fund	1.9	2.5	2.8	2.2	2.0	2.1	2.5	0.1	0.4
Information Technology Fund	9.4	7.2	9.7	4.7	6.3	7.1	3.7	0.8	(3.4)
Total Capital Expenditures	\$ 234.9	\$ 284.2	\$ 372.7	\$ 414.1	\$ 407.1	\$ 488.5	\$ 624.5	\$ 81.4	\$ 136.0

Note: FY25 Proposed budget and FY 26 Plan is based on Draft FY25-29 CIP