

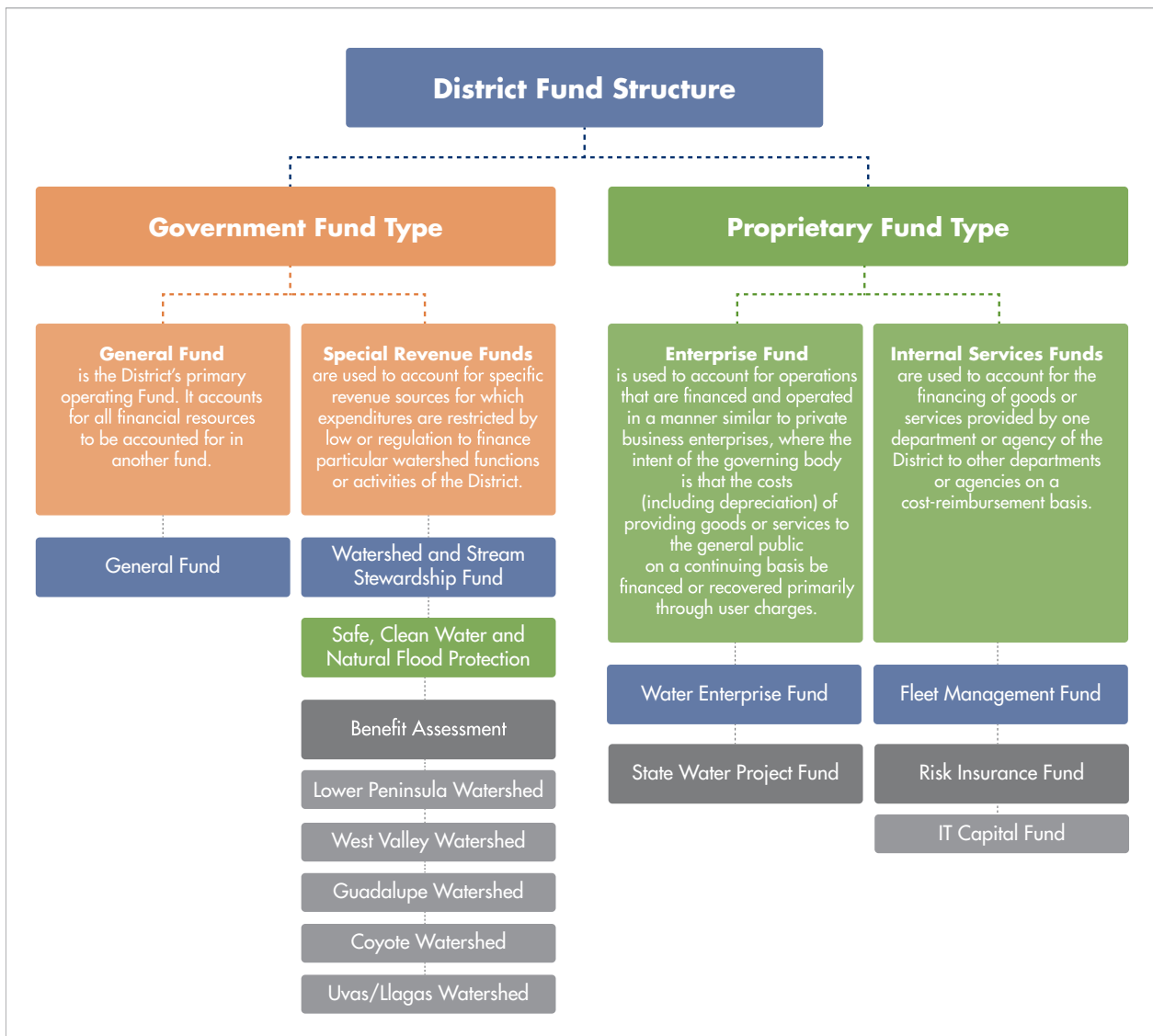
## FINANCIAL OVERVIEW

# Financial Summaries

## Financial Overview

The accounts of the District are organized on the basis of 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.

Fund types in the District are illustrated in the following chart.



# Financial Summaries

## Revenue

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

The FY 2014-15 budget includes projected revenues of approximately \$373.9 million. These revenues are a net increase of 15.6% from the \$323.4 million included in the FY 2013-14 adopted budget. They are primarily derived from increases in capital reimbursements (\$26.7 million), groundwater production charges (\$18.0 million), and property taxes (\$7.1 million).

The specific categories of revenue include:

### Water Revenue

The main source of District revenue is from water charges at approximately 45% of total revenues in FY 2014-15. Charges for water that is processed through District treatment plants (treated water) continue to be the largest contributor with an estimate of \$88.1 million. Groundwater production charges are estimated at \$81.0 million, while surface/ recycled water sales are projected at approximately \$1.6 million. Staff is recommending a 9.9% increase in water charges for Zone W-2 and a 4.6% increase for Zone W-5 in the FY 2014-15 budget.

## Property Tax

Santa Clara County allocates property tax revenue to the District from the 1% ad valorem taxes levied on land within the County. The amount from ad valorem taxes is estimated at \$64.7 million. The District is projecting a 12.3% increase over the FY 2013-14 budget based on Santa Clara County's staff reports that the county's real estate market continues to be recovering from the economic downturn.

The District also directly levies taxes to meet debt service obligations in the Water Enterprise Fund. The amount of taxes to be collected due to debt service obligations is estimated at \$21 million, the same amount as FY 2013-14. This revenue line is calculated based on principal and interest payments related to Water Utility debt service and is not impacted by real estate market fluctuations.

In total property taxes are 22.9% of total revenue. The FY 2014-15 amount estimated at \$85.7 million represents a 9% increase from FY 2013-14.

## Special Parcel Tax

The Safe, Clean Water Program special parcel tax was approved by the voters in November 2012. The Special Parcel Tax estimated for FY 2014-15 is \$38.8 million, representing 10.4% of total revenues, and an increase of 3.5% from FY 2013-14.

## Benefit Assessments

Benefit assessment revenue consists of levies approved by voters in 1986 and 1990 to support financing for flood control capital improvements. The FY 2014-15 budget amount is approximately 1.25 times the duly authorized annual debt service requirements for each watershed. Benefit assessment revenue represents \$16.1 million or 4.3% of total revenue in FY 2014-15.

# Financial Summaries

## Intergovernmental Revenues

Intergovernmental revenues consist chiefly of grants from local, state and federal agencies for various operating programs expected to be claimed by the District in this budget period. Representing less than 1% of total revenues. Intergovernmental revenues are budgeted at \$1.4 million for FY 2014-15.

## Capital Reimbursements

Capital reimbursement revenues are from local, state and federal agencies for capital projects that the District will undertake in this budget period. Capital reimbursements are budgeted at approximately \$55.2 million for FY 2014-15 or 14.8% of total revenues.

## Interest

Interest earnings are expected at \$2.0 million in FY 2014-15. This revenue category constitutes 0.5% of total revenues.

## Other Revenue

Revenue from other sources, like sale of equipment, vehicles, computers, rental income, and surplus, totals \$4 million or 1.1% of total revenues.

## Appropriations/Outlays

Net total operating and capital outlays for the FY 2014-15 budget is \$469.1 million. This figure does not include capital carry forward that was appropriated by the Board in prior years and does not include General Fund intra-district reimbursements and Internal Service Fund charges.

A \$5.5 million payment to the Other Post Employment Benefits (OPEB) Trust Fund is now part of the benefits budget appropriation. This budget was distributed in each fund in proportion to budgeted salaries.

FY 2014-15 net operating outlays have increased by approximately \$5.6 million or 2.4% compared to the FY 2013-14 adopted budget.

The increase in net outlays reflects continued efforts to contain cost increases while striving to maintain service levels that support key strategic objectives. Among the issues facing the District are:

- Local, state and national economic impacts
- Scarcity of water supplies (Drought, Delta environmental issues)
- Infrastructure maintenance and construction needs
- Funding for capital projects
- Ongoing climate changes planning
- Succession planning
- Rising health care costs

Growth within the appropriation category is limited to essential services that support Districtwide strategic objectives and effective use of reserves for one-time costs or priority activities.

## General Fund Intra-district reimbursements

The primary source of inflows for the General Fund is the recovery of Intra-district reimbursements (also known as General Fund Overhead). For Fiscal 2014-15, the General Fund overhead recovery is calculated by applying 89% to regular salaries budgeted outside the General Fund itself. This calculation yields approximately \$46.6 million which is the amount needed to bring the fund to minimum reserves and to appropriately fund activities paid for by this fund.

This methodology reimburses the General Fund for administrative costs that cannot be directly charged to other funds. These administrative costs include functions such as: accounting, payroll, human resources, information management and organizational development.

# Financial Summaries

## Capital Outlays

Capital project appropriations decrease \$8.4 million from the FY 2013-14 adopted budget to \$232.8 million in the FY 2014-15 budget. The FY 2014-15 capital budget represents those projects that have been identified and prioritized in the Five-Year Capital Improvement Program (CIP). It is anticipated that \$29.3 million of the FY 2013-14 adjusted budget for capital projects will carry forward into FY 2014-15 at the close of the current fiscal year as most capital improvement projects will require multiple years to complete.

## Other Financing Sources/Uses

Other financing sources include debt financing proceeds to fund capital improvements. For FY 2014-15, Certificates of Participation (COPs) are planned for approximately \$109.9 million to finance Water Utility capital improvements. In addition, approximately \$7 million in debt proceeds from the 2012A refunding COP will be claimed in Safe, Clean Water Fund.

## Reserves

With the exception of reserves for encumbrances, market valuation adjustments, and debt proceeds, all other restricted and committed reserves are appropriated in the District's FY 2014-15 budget. Overall, budgeted reserves are expected to increase \$48.2 million to \$211.8 million. The increase is primarily due to increases in Proposition 1E capital reimbursements and groundwater production charges.

The District's reserve policy can be found in the financial summaries chapter in the District Reserve Policy section.

## Staffing

The FY 2014-15 budget contains labor hours for 731 authorized positions. Overall salaries and benefits increased by \$2.0 million. The increase is the net of negotiated salary increases of 2%, increase in health benefits costs, retirement contribution and a reduction in the District's contributions for Other Post Employment Benefits.

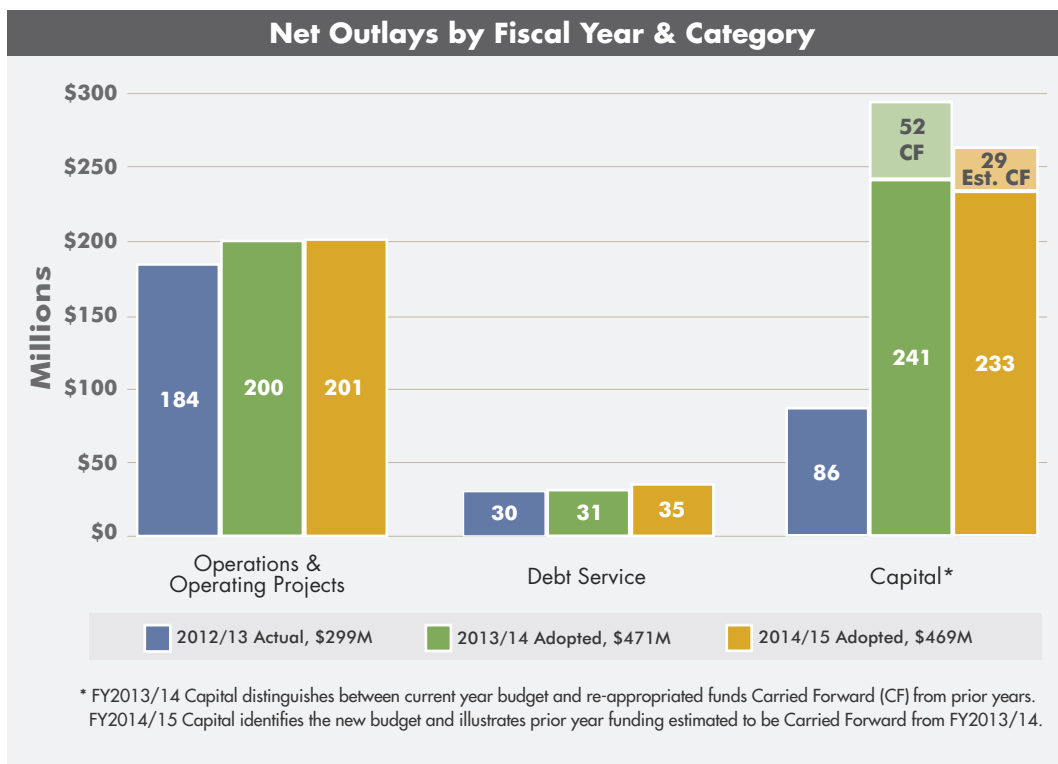
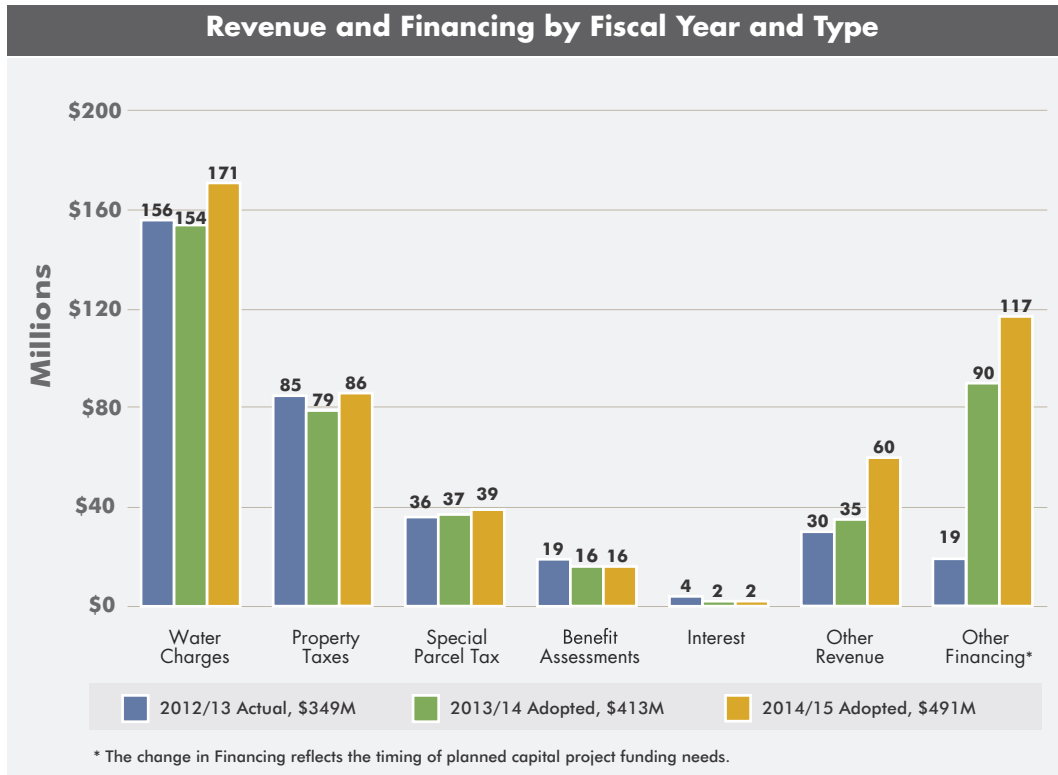
No vacancy pool was estimated in the FY 2014-15 budget. All vacant positions have been assigned to managed units throughout the District.

Total salaries are budgeted at approximately \$86.2 million (\$83.5 million in regular salaries and the remainder \$2.7 million in overtime and special pay), which overall is about \$2.7 million increase over FY 2013-14. The increase is a result of several factors: a) regular step increases caused base salaries to increase by approximately 0.2%, b) 2.0% cost of living adjustment was applied as dictated by MOU requirements, c) approximately \$0.4 million increase in overtime budget.

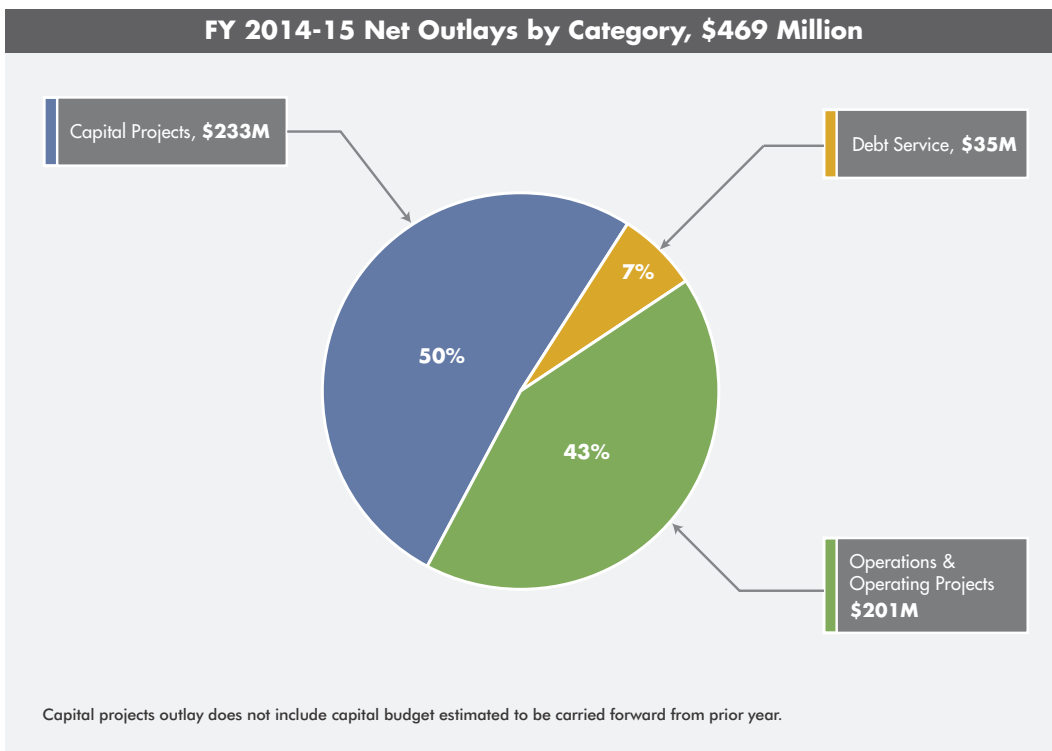
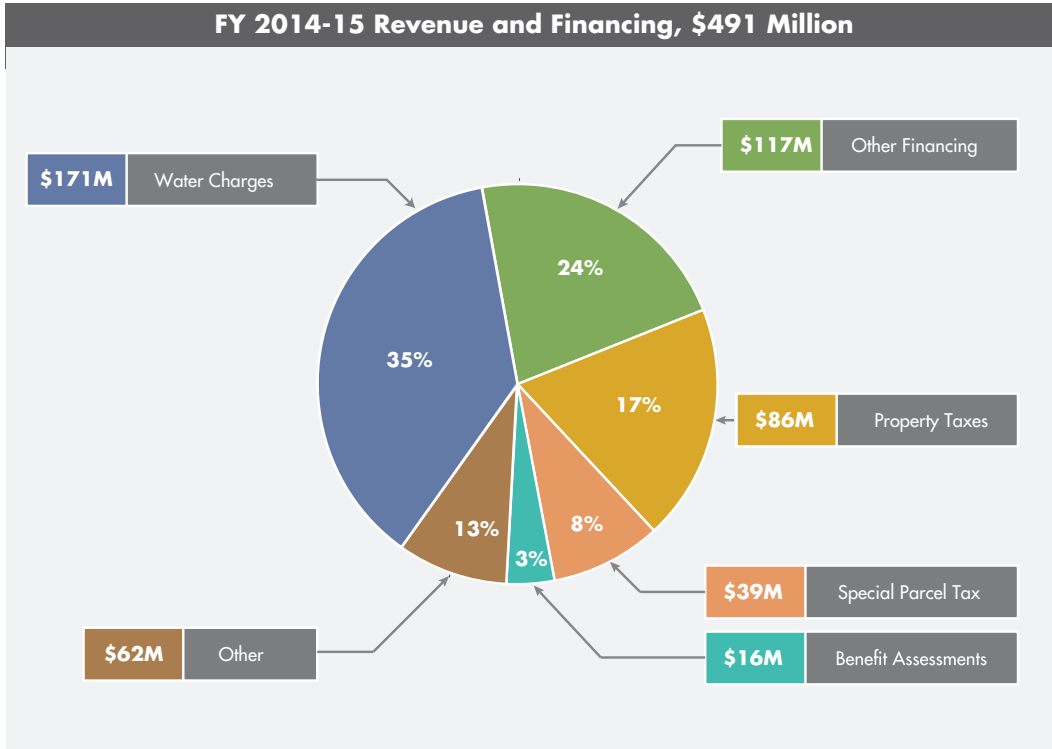
Total benefits are budgeted at approximately \$42.2 million, a \$0.7 million decrease over the \$42.9 million in the FY 2013-14 budget. The decrease is the net of a reduction in the District's contribution for Other Post Employment Benefits (OPEB) of \$4.0 million, an increase in CALPERS contributions of approximately \$2.0 million and a \$1.3 million increase in medical costs for active and retired employees. The FY 2014-15 budget assumes 100% funding of the District's actuarial annual required contribution and marks the 3rd and final installment of approximately \$4 million each towards fully funding the phase-in portion where the district contributed less than the annual required contribution.

# Financial Summaries

## Combined Fund Summary Graphs



# Financial Summaries



# Financial Summaries

## Combined Fund Summary – All Funds

	Budgetary Basis Actual 2012-13	Adopted Budget 2013-14	Projected Year End 2013-14	Adopted Budget 2014-15	Change from 2013-14 Adopted	
					\$ Diff	% Diff
<b>Revenue Sources:</b>						
Property Taxes	\$ 85,333,222	\$ 78,620,000	\$ 85,997,000	\$ 85,726,140	\$ 7,106,140	9.0%
Special Parcel Tax	36,092,777	37,456,000	37,456,000	38,766,960	1,310,960	3.5%
Benefit Assessments	19,178,824	16,148,630	16,148,630	16,078,545	(70,085)	(0.4%)
Inter-governmental services	2,760,546	1,889,285	2,164,285	1,366,448	(522,837)	(27.7%)
Groundwater Production Charges	62,083,741	63,035,000	63,035,000	80,994,000	17,959,000	28.5%
Treated Water Charges	92,358,588	89,699,000	89,699,000	88,088,000	(1,611,000)	(1.8%)
Surface/Recycled Water Revenue	1,275,359	1,571,000	1,571,000	1,603,000	32,000	2.0%
Interest*	3,896,272	2,000,000	2,000,000	2,000,000	-	0.0%
Capital Reimbursements	20,367,566	28,532,000	35,019,000	55,189,000	26,657,000	93.4%
Other	6,713,459	4,453,248	4,453,248	4,048,852	(404,396)	(9.1%)
<b>Total Revenue</b>	<b>330,060,354</b>	<b>323,404,163</b>	<b>337,543,163</b>	<b>373,860,945</b>	<b>50,456,782</b>	<b>15.6%</b>
<b>Operating Outlays:</b>						
Operations	225,557,292	247,933,542	249,414,672	258,151,052	10,217,510	4.1%
Operating Projects	9,578,603	6,276,632	6,507,876	5,937,246	(339,386)	(5.4%)
Debt Service	30,253,213	31,444,824	30,033,160	35,274,664	3,829,840	12.2%
<b>Total Operating Outlays</b>	<b>265,389,108</b>	<b>285,654,998</b>	<b>285,955,708</b>	<b>299,362,962</b>	<b>13,707,964</b>	<b>4.8%</b>
Less: Intra-District Reimb	(51,271,729)	(54,988,968)	(54,988,968)	(63,092,638)	(8,103,670)	14.7%
<b>Net Outlays</b>	<b>214,117,379</b>	<b>230,666,030</b>	<b>230,966,740</b>	<b>236,270,324</b>	<b>5,604,294</b>	<b>2.4%</b>
Capital Projects	86,271,663	241,224,464	256,384,464	232,797,617	(8,426,847)	(3.5%)
Carried Forward Capital Projects	-	51,679,130	57,224,154	29,340,927	(22,338,203)	(43.2%)
<b>Total Capital Outlays</b>	<b>86,271,663</b>	<b>292,903,594</b>	<b>313,608,618</b>	<b>262,138,544</b>	<b>(30,765,050)</b>	<b>(10.5%)</b>
<b>Other Financing Sources/(Uses) :</b>						
Debt Proceeds	19,435,000	89,853,000	62,966,000	116,902,000	27,049,000	30.1%
Transfers In	8,782,972	23,915,035	23,915,035	12,527,885	(11,387,150)	(47.6%)
Transfers Out	(8,780,608)	(23,915,035)	(23,915,035)	(12,527,885)	11,387,150	(47.6%)
<b>Total Other Financing</b>	<b>19,437,364</b>	<b>89,853,000</b>	<b>62,966,000</b>	<b>116,902,000</b>	<b>27,049,000</b>	<b>30.1%</b>
<b>Balance Available</b>	<b>\$ 49,108,676</b>	<b>\$ (110,312,461)</b>	<b>\$(144,066,195)</b>	<b>\$ (7,645,923)</b>		



# Financial Summaries

	Estimated Balances				Change from	
	Year-End	Adopted	Projected YE	Adopted	2013-14 Adopted	
	2012-13	2013-14	2013-14	2014-15	\$ Diff	% Diff
<b>Year-End Reserves:</b>						
<b>Restricted Reserves</b>						
WUE- Restricted Operating Reserve	12,597,570	13,139,620	13,139,620	13,893,128	753,508	5.7%
WUE- Rate Stabilization	1,538,700	1,750,866	1,750,866	2,139,431	388,564	22.2%
San Felipe Emergency Reserve	3,980,534	3,957,728	3,957,728	3,980,534	22,806	0.6%
State Revolving Fund Reserve	401,263	401,263	401,263	401,263	-	0.0%
State Water Project Tax Reserve	2,737,013	714,518	1,462,290	1,611,815	897,297	125.6%
WU Debt Service Reserve	5,934,365	4,744,938	5,934,365	5,934,365	1,189,427	25.1%
CSC- Maint of Newly Improved Creeks	5,392,971	0	0	0	-	**
CSC- Other Activities	2,098,416	0	0	0	-	**
CSC- Environmental Enhancement	17,940,542	0	0	0	-	**
CSC- Open Space & Trails Program	7,599,654	0	0	0	-	**
Currently Authorized Projects***	64,839,805	9,698,000	26,770,747	21,188,000	11,490,000	118.5%
Operating & Capital Reserve	64,568,511	32,984,421	25,691,512	17,911,523	(15,072,898)	(45.7%)
<b>Total Restricted Reserves</b>	<b>189,629,344</b>	<b>67,391,354</b>	<b>79,108,391</b>	<b>67,060,059</b>	<b>(331,296)</b>	<b>(0.5%)</b>
<b>Committed Reserves</b>						
Operating & Capital Reserve	98,114,053	65,240,536	77,535,481	105,014,895	39,774,360	61.0%
Supplemental Water Supply	3,125,552	9,728,974	9,728,974	9,861,838	132,864	1.4%
Currently Authorized Projects***	59,192,276	8,677,889	40,037,180	16,279,000	7,601,111	87.6%
Floating Rate Debt Stabilization	461,889	353,000	353,000	148,400	(204,600)	(58.0%)
Liability/Workers' Comp Self Insurance	6,679,000	7,011,000	7,011,000	7,011,000	-	0.0%
Property Self Insurance/Catastrophic	6,319,637	5,191,345	5,681,530	5,495,441	304,096	5.9%
SV Advanced Water Purification Center	0	0	0	939,000	939,000	**
<b>Total Committed Reserves</b>	<b>173,892,407</b>	<b>96,202,744</b>	<b>140,347,165</b>	<b>144,749,574</b>	<b>48,546,831</b>	<b>50.5%</b>
<b>Total Year-End Reserves</b>	<b>\$363,521,751</b>	<b>\$ 163,594,098</b>	<b>\$ 219,455,556</b>	<b>\$211,809,633</b>	<b>\$ 48,215,535</b>	<b>29.5%</b>
<b>Uncommitted Funds</b>			<b>\$ 0</b>	<b>\$ 0</b>		

\* Interest revenue does not include GASB31 market valuation adjustment

\*\*Operations outlay does not include OPEB Expense-unfunded liability

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

# Financial Summaries

## Financial Overview by Account Object: 2014-2015

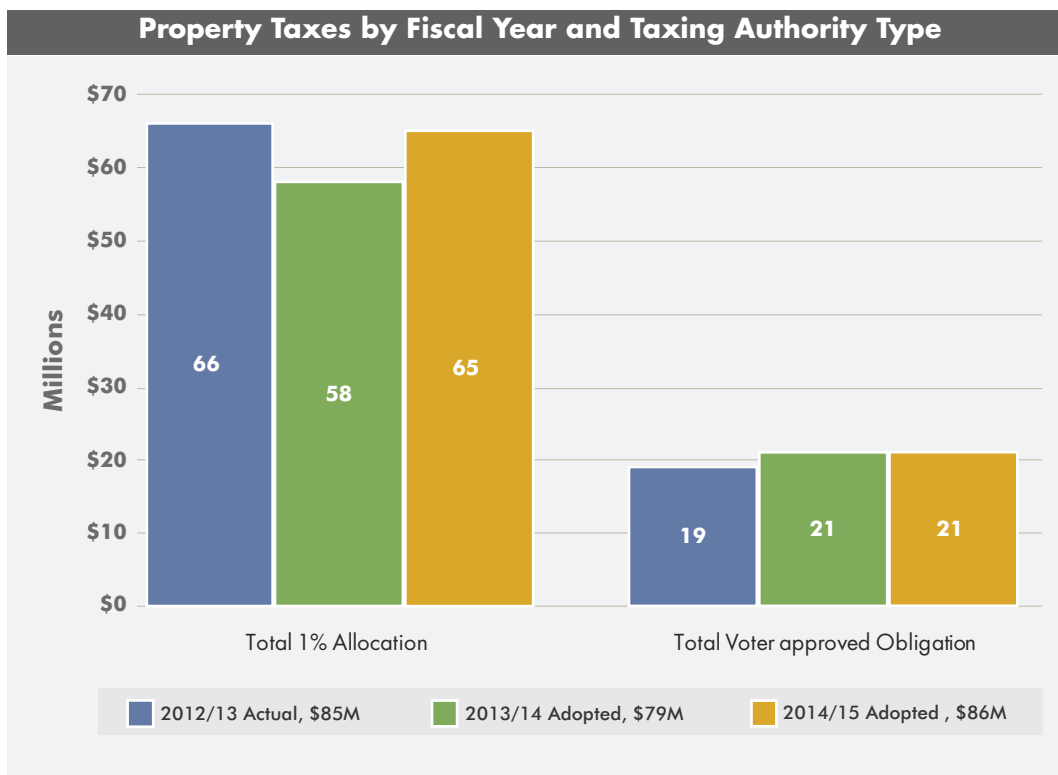
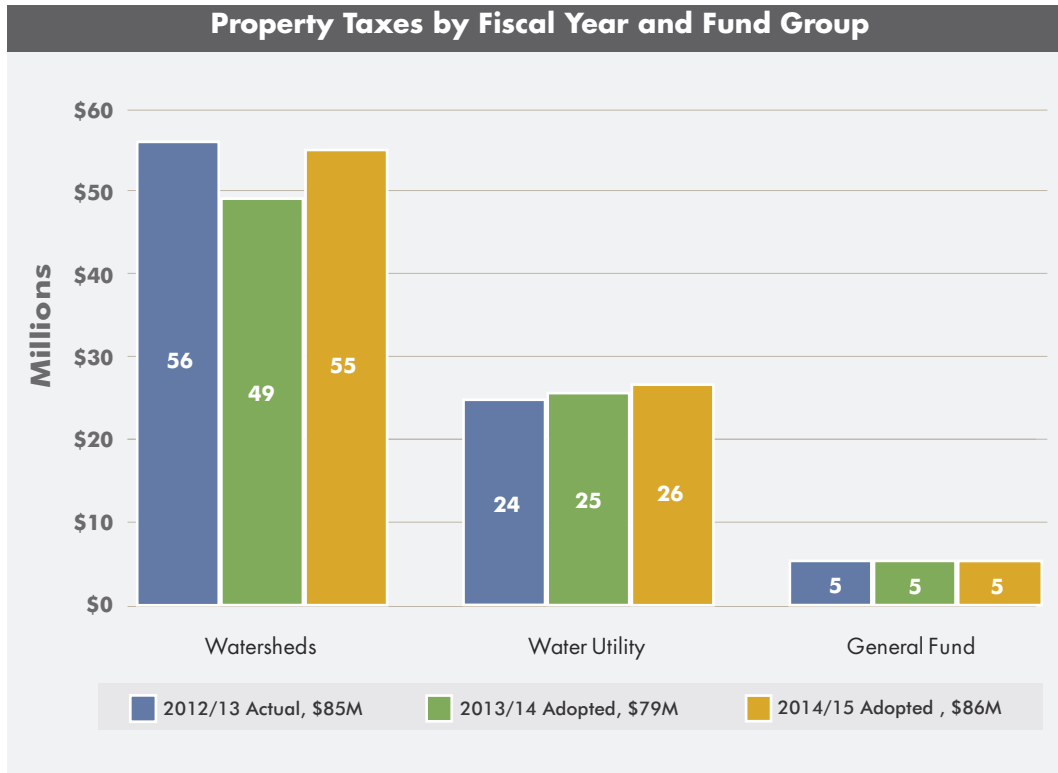
	Governmental Funds		Proprietary Funds		FY2014-15
	General	Watershed	Water Enterprise	Internal Service	District Total
<b>REVENUE SUMMARY</b>					
Property Taxes	5,368,260	54,641,400	25,716,480	-	85,726,140
Special Parcel Tax	-	38,766,960	-	-	38,766,960
Benefit Assessments	-	16,078,545	-	-	16,078,545
Intergovernmental Services	-	400,000	966,448	-	1,366,448
Groundwater Charges	-	-	80,994,000	-	80,994,000
Treated Water Charges	-	-	88,088,000	-	88,088,000
Surface / Recycled Water Sales	-	-	1,603,000	-	1,603,000
Interest	50,112	1,328,337	556,826	64,725	2,000,000
Capital Reimbursements/Contributions	-	53,793,000	1,396,000	-	55,189,000
Other	-	2,160,110	1,808,742	80,000	4,048,852
<b>Total Revenues</b>	<b>5,418,372</b>	<b>167,168,352</b>	<b>201,129,496</b>	<b>144,725</b>	<b>373,860,945</b>
<b>OUTLAY SUMMARY</b>					
Salaries and Employee Benefits	33,037,494	36,429,251	55,056,328	3,821,725	128,344,798
Services and Supplies	21,335,420	18,888,344	152,272,583	8,274,481	200,770,828
Fixed Assets	6,598,000	104,701,500	54,124,790	4,608,200	170,032,490
Debt Service	622,637	13,212,719	19,177,107	-	33,012,463
<b>Total Fund Outlays</b>	<b>61,593,551</b>	<b>173,231,814</b>	<b>280,630,808</b>	<b>16,704,406</b>	<b>532,160,579</b>
Intra-District Reimbursements	(46,561,250)			(16,531,388)	(63,092,638)
<b>Net Fund Outlays</b>	<b>15,032,301</b>	<b>173,231,814</b>	<b>280,630,808</b>	<b>173,018</b>	<b>469,067,941</b>
<b>Excess (deficit) Revenues Over Outlays</b>	<b>(9,613,929)</b>	<b>(6,063,462)</b>	<b>(79,501,312)</b>	<b>(28,293)</b>	<b>(95,206,996)</b>
<b>OTHER FINANCING SOURCES/(USES)</b>					
Certificates of Participation (COPs)	-	7,000,000	109,902,000	-	116,902,000
Transfer In	7,822,324	2,825,561	1,880,000	-	12,527,885
Transfer Out	(940,000)	(9,611,681)	(1,949,880)	(26,324)	(12,527,885)
<b>Total Other financing Sources/(Uses)</b>	<b>6,882,324</b>	<b>213,880</b>	<b>109,832,120</b>	<b>(26,324)</b>	<b>116,902,000</b>
<b>Change to Reserves</b>	<b>\$ (2,731,605)</b>	<b>\$ (5,849,582)</b>	<b>\$ 30,330,808</b>	<b>\$ (54,617)</b>	<b>\$ 21,695,004</b>
<b>YEAR-END RESERVES</b>					
<b>Restricted Reserves</b>					
WUE-Restricted Operating Reserve	-	-	13,893,128	-	13,893,128
WUE-Rate Stabilization	-	-	2,139,431	-	2,139,431
San Felipe Emergency Reserve	-	-	3,980,534	-	3,980,534
State Revolving Fund Reserve	-	-	401,263	-	401,263
State Water Project Tax Reserve	-	-	1,611,815	-	1,611,815
WU Debt Service Reserve	-	-	5,934,365	-	5,934,365
Currently Authorized Projects	-	21,188,000	-	-	21,188,000
Operating & Capital Reserve	-	17,911,523	-	-	17,911,523
<b>Total Restricted Reserves</b>	<b>-</b>	<b>39,099,523</b>	<b>27,960,536</b>	<b>-</b>	<b>67,060,059</b>
<b>Committed Reserves</b>					
Floating Rate Debt Stabilization	-	-	148,400	-	148,400
Operating & Capital Reserve	2,991,195	68,227,770	33,269,758	526,172	105,014,895
Supplemental Water Supply	-	-	9,861,838	-	9,861,838
Currently Authorized Projects	-	12,667,000	3,612,000	-	16,279,000
Liability/Workers' Comp Self Insurance	-	-	-	7,011,000	7,011,000
Property Self Insurance/Catastrophic	-	-	-	5,495,441	5,495,441
SV Advanced Water Purification Center	-	-	939,000	-	939,000
<b>Total Committed Reserves</b>	<b>2,991,195</b>	<b>80,894,770</b>	<b>47,830,996</b>	<b>13,032,613</b>	<b>144,749,574</b>
<b>Total Year End Reserves</b>	<b>2,991,195</b>	<b>119,994,293</b>	<b>75,791,532</b>	<b>13,032,613</b>	<b>211,809,633</b>
<i>Ending Unreserved Fund Balance</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>

The figures on the table above do not include Capital Carry forward budget

## **MAJOR SOURCES OF REVENUES**

# Financial Summaries

## Property Taxes



# Financial Summaries

The District's property tax revenues are comprised of two distinct categories: an allocated share of countywide 1% ad valorem property tax receipts, and voter-approved debt service levies including the State Water Project contract obligations.

For FY 2014-15, the District is projecting a 12% increase in ad valorem tax revenues over the FY 2013-14 Adopted budget. The increase is based on updates from Santa Clara County staff and is tied to improved overall valuation of the Santa Clara County real estate market. A significant number of properties, both residential and commercial are valued at a pre-recession levels.

The voter-approved levy is expected to be \$21 million. This revenue line is calculated based on principal and interest payments related to Water Utility debt service and is not affected by the real estate market valuation.

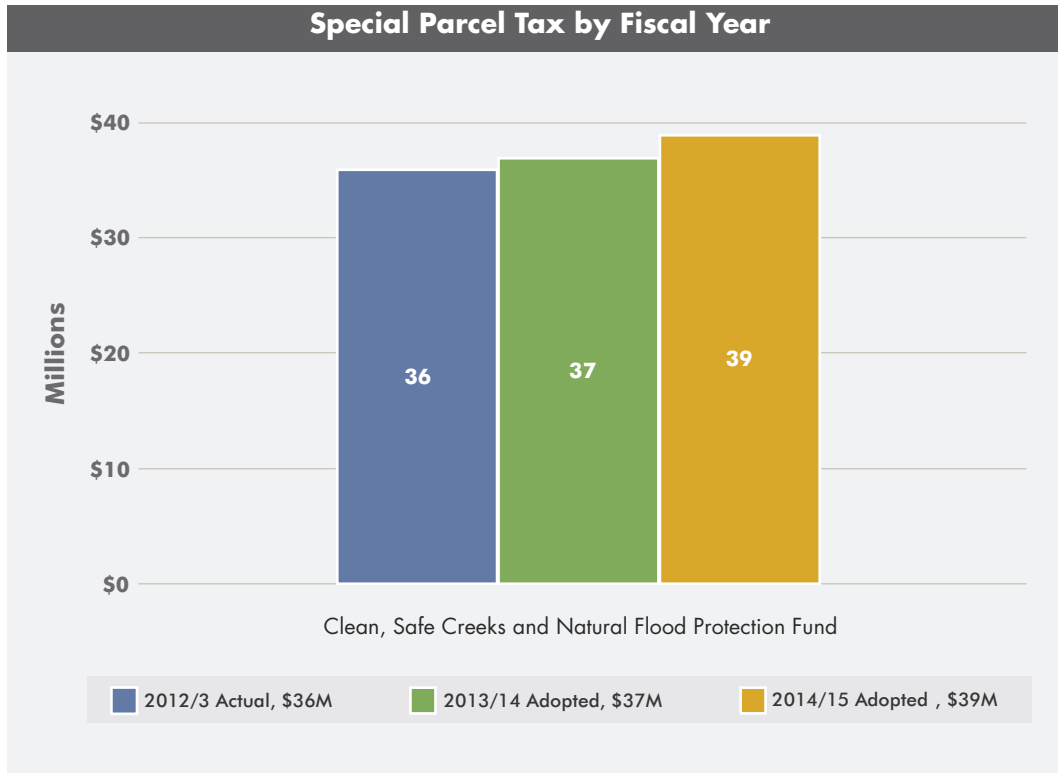
Property Taxes by District Funds	Budgetary Basis Actual	Adopted Budget	Projected Year End	Adopted Budget	Change from 2013-14 Adopted	
	2012-13	2013-14	2013-14	2014-15	\$ Diff	% Diff
<b>Watershed Fund - 1% Allocation</b>						
Watershed & Stream Stewardship	\$55,646,954	\$48,700,000	\$54,770,000	\$54,641,400	\$ 5,941,400	12.2%
<b>District General Fund - 1% Allocation</b>	5,485,845	4,710,000	5,403,000	5,368,260	658,260	14.0%
<b>Water Enterprise - 1% Allocation</b>						
Zone W-3	756,526	555,000	750,000	646,480	91,480	16.5%
Zone W-4	3,539,201	3,295,000	3,700,000	3,700,000	405,000	12.3%
Gavilan Water Conservation District	382,606	360,000	374,000	370,000	10,000	2.8%
Subtotal Water Enterprise	4,678,333	4,210,000	4,824,000	4,716,480	506,480	12.0%
<b>Water Enterprise - Voter Approved Obligations</b>						
State Water Project Debt Service	19,515,100	21,000,000	21,000,000	21,000,000	-	0.0%
Debt Service Zone W-1	6,990	-	-	-	-	**
Subtotal Water Enterprise	19,522,090	21,000,000	21,000,000	21,000,000	0	0.0%
<b>Total Water Enterprise Fund</b>	<b>24,200,423</b>	<b>25,210,000</b>	<b>25,824,000</b>	<b>25,716,480</b>	<b>506,480</b>	<b>2.0%</b>
<b>Total Property Taxes</b>	<b>\$85,333,222</b>	<b>\$78,620,000</b>	<b>\$85,997,000</b>	<b>\$85,726,140</b>	<b>\$7,106,140</b>	<b>9.0%</b>

## Property Tax Summary

Total 1% Allocation	65,811,132	57,620,000	64,997,000	64,726,140	7,106,140	12.3%
Total Voter Approved Obligations	19,522,090	21,000,000	21,000,000	21,000,000	-	0.0%
<b>Total Property Taxes</b>	<b>\$85,333,222</b>	<b>\$78,620,000</b>	<b>\$85,997,000</b>	<b>\$85,726,140</b>	<b>\$7,106,140</b>	<b>9.0%</b>

# Financial Summaries

## Special Parcel Tax



# Financial Summaries

In November 2000, over two thirds of Santa Clara County voters approved the original 15-year special parcel tax to fund the District's countywide Clean, Safe Creeks and Natural Flood Protection Program. The levy is based on the proportionate distribution of storm water runoff per parcel, and may be increased annually by either the prior year's San Francisco-Oakland-San Jose Consumer Price Index for all Urban Consumers (CPI) or 3%, whichever is greater. The levy of this special parcel tax became effective July 1, 2001.

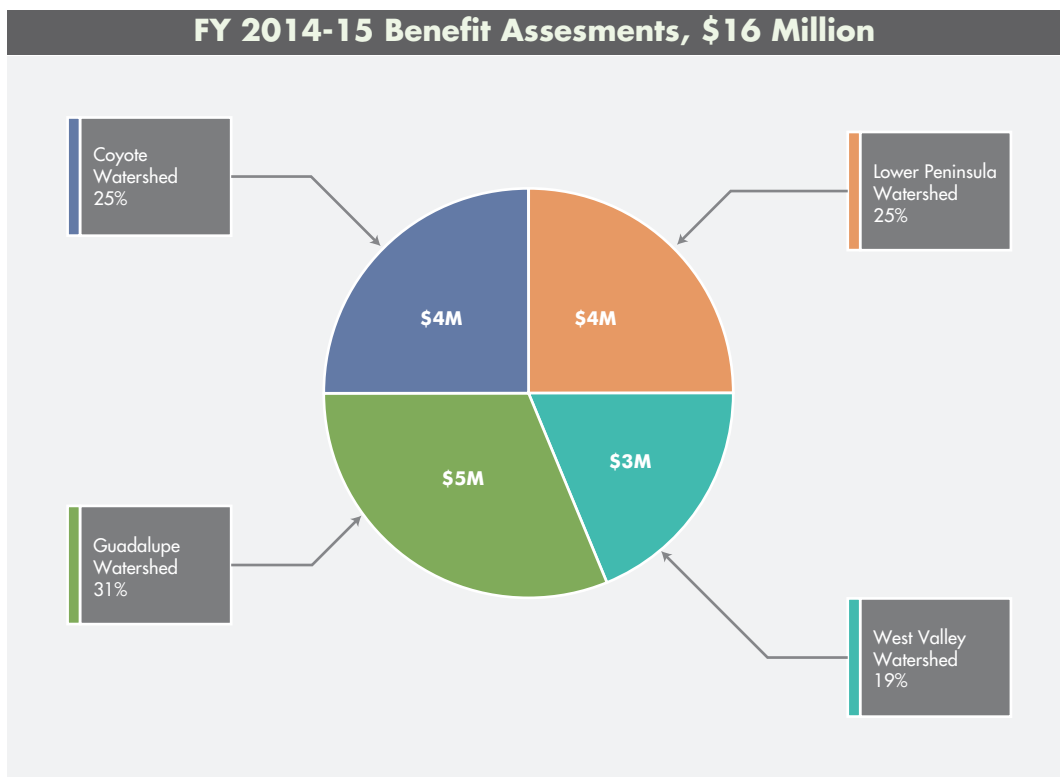
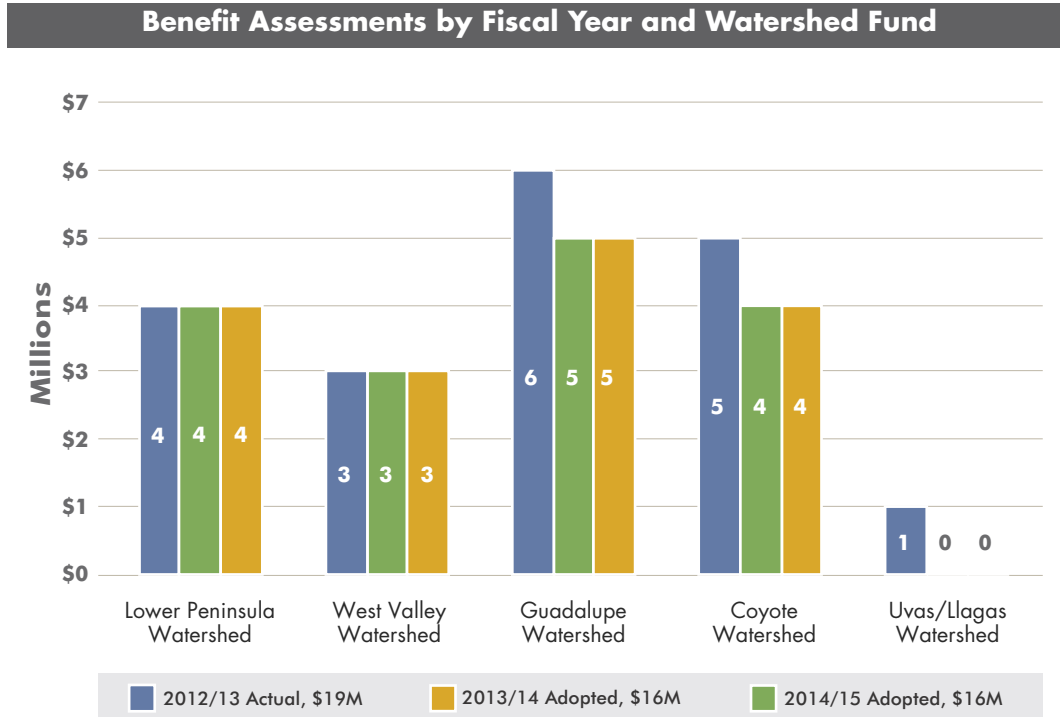
In November 2012, more than two thirds of the voters approved the passage of the Safe, Clean Water, Measure B Special Parcel Tax for another 15 years. The program builds upon the success of its predecessor: the 15-year Clean, Safe Creeks and Natural Flood Protection plan (Clean, Safe Creeks).

For FY 2014-15, special parcel tax revenues are expected to increase by 3.5% over the FY 2013-14 revenue. The increase is partially due to new and additional parcels coming online to the eligible parcel count within the county.

Special Parcel Taxes	Budgetary Basis Actual 2012-13	Adopted Budget 2013-14	Projected Year End 2013-14	Adopted Budget 2014-15	Change from 2013-14 Adopted	
					\$ Diff	% Diff
Safe Clean Water & Natural Flood Protection	\$36,092,777	\$37,456,000	\$37,456,000	\$38,766,960	\$1,310,960	3.5%
<b>Total Special Parcel Tax</b>	<b>\$36,092,777</b>	<b>\$37,456,000</b>	<b>\$37,456,000</b>	<b>\$38,766,960</b>	<b>\$1,310,960</b>	<b>3.5%</b>

# Financial Summaries

## Benefit Assessments





# Financial Summaries

Benefit Assessment revenue partially funds the District's flood control program and is part of a comprehensive approach to water management for all of Santa Clara County. This revenue provides resources for the protection against flooding in a manner that maintains the desired quality of life in the various communities.

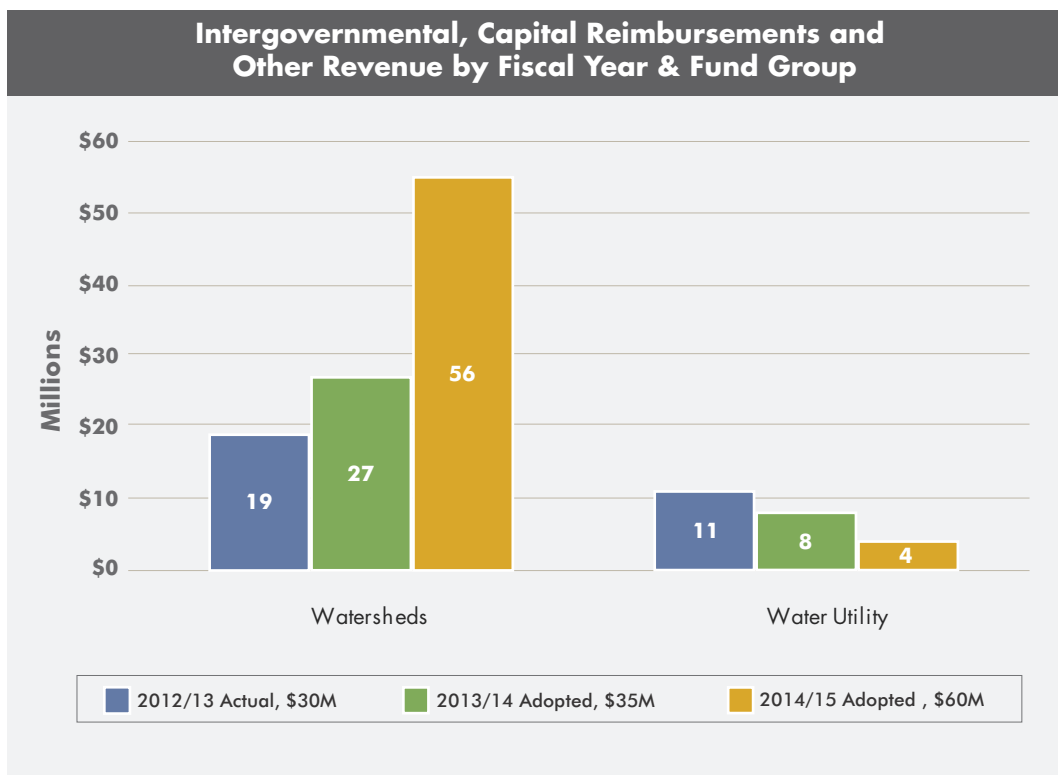
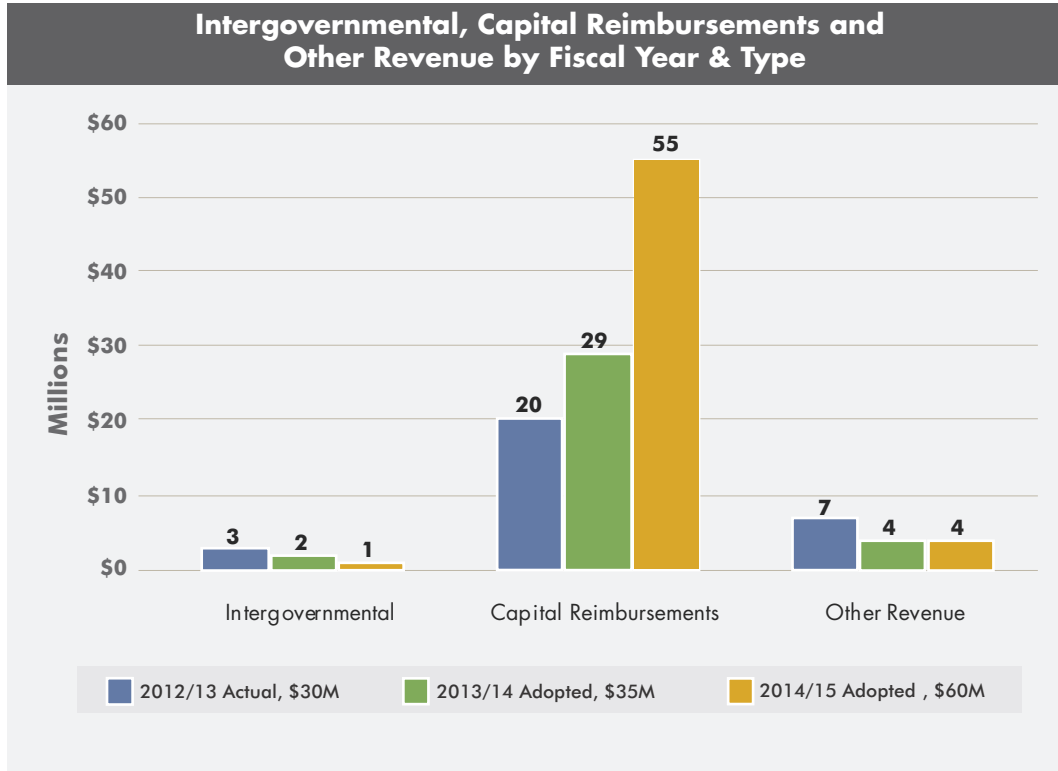
The Flood Control Benefit Assessment was first authorized by the District Board of Directors in 1981, and then by ballot measures in 1982, 1986, and 1990. The program had a sunset date of 2000 but the assessment will continue until 2030, when the District will pay off the bonds associated with it.

FY 2014-15 continues under this debt repayment phase of the benefit assessment program with benefit assessments levied at 1.25 times the annual debt service. For FY 2014-15 the Benefit Assessment revenue receipts are anticipated to come in at \$16.1 million. As the District pays down principal, the amount collected becomes slightly lower.

Benefit Assessments	Budgetary Basis Actual	Adopted Budget	Projected Year End	Adopted Budget	Change from 2013-14 Adopted	
	2012-13	2013-14	2013-14	2014-15	\$ Diff	% Diff
<b>Watershed Funds:</b>						
Lower Peninsula Watershed	\$ 4,631,586	\$ 4,278,953	\$ 4,278,953	\$ 4,262,832	\$ (16,121)	(0.4%)
West Valley Watershed	2,936,308	2,485,305	2,485,305	2,482,950	(2,355)	(0.1%)
Guadalupe Watershed	6,215,949	5,244,635	5,244,635	5,195,221	(49,414)	(0.9%)
Coyote Watershed	4,639,295	4,139,737	4,139,737	4,137,542	(2,195)	(0.1%)
Uvas/Llagas Watershed	755,686	-	-	-	-	**
<b>Total Benefit Assessments</b>	<b>\$ 19,178,824</b>	<b>\$ 16,148,630</b>	<b>\$ 16,148,630</b>	<b>\$ 16,078,545</b>	<b>\$ (70,085)</b>	<b>(0.4%)</b>

# Financial Summaries

## Intergovernmental and Other Revenues



# Financial Summaries

Intergovernmental Services and Capital Contributions/Reimbursements are derived from grants, subventions, reimbursements, and cost sharing agreements with other governmental agencies. Other Revenue includes sales of surplus equipment, and rental income from District-owned properties purchased as part of project land acquisitions.

In total, the Intergovernmental Services, Capital Contributions and Other Revenue budget is expected to be approximately \$60.6 million. This is an increase of approximately \$26 million compared to the FY 2013-14 adopted Budget.

## **Intergovernmental Services Revenue:**

The District anticipates to receive the intergovernmental services revenue \$1.4 million.

The budget is made up of the following receipts: City of Palo Alto Cost Sharing Agreement for conservation \$130 thousand; Cal Water Cost Sharing Agreement (CSA) for conservation \$50 thousand; City of Santa Clara CSA for conservation \$6 thousand; City of Morgan Hill CSA for conservation \$40 thousand; Stanford CSA for conservation \$2 thousand; Proposition 84 for conservation \$340 thousand; City of San Jose CSA for conservation \$30 thousand, San Francisco/Santa Clara Valley Water District intertie for \$24 thousand and County of San Benito for conservation \$344 thousand. Additional \$400 thousand in Watershed, Stream Stewardship fund.

## **Capital Reimbursements Revenue:**

Water Enterprise receipts are budgeted at \$1.4 million, and are as follows: \$649 thousand from San Benito County for small capital improvements; San Felipe Reach 1; \$400 thousand for Proposition 13 for San Luis Reservoir Low Point Improvement. Additionally, \$343 thousand is from the City of Sunnyvale for Wolfe Road recycled water pipeline and, \$4 thousand from San Benito Water District for Water Protection project.

Watersheds receipts are budgeted at \$53.8 million in total and are as follows: Fund 12, Watershed Stream Stewardship: \$0.3 million state subvention for Downtown Guadalupe; \$2.5 million in State Subventions for Lower Silver Creek project; \$10 million from the Department of Water Resources State Bond for Lower Silver Creek project. \$15M from Proposition 1E for Berryessa; \$5 million from Proposition 1E for Lower Peninsula; \$4 million from Joint Powers Authority for San Francisco Projects. Fund 26, Safe, Clean Water: \$4.4 million in Subventions for Guadalupe River project; \$2.6M in State Subventions for Upper Llagas and \$10 million from Proposition 1E for Berryessa Creek.

## **Other Revenue:**

Other revenue category amounts to \$4.0 million and the breakdown is as follows:

Approximately \$2.2 million is budgeted in the Watershed Funds (Funds 12 and 26): \$1.4 million for rental income, approximately \$0.6 million for Home Owners' Property Tax Relief. (HOPTR) and, \$0.2 million for Encroachment Cost Recovery.

# Financial Summaries

Approximately \$1.8 million is expected in Water Enterprise Fund as follows: PGE refunds \$25 thousand, State Water Project refunds \$1 million, Home Owners' Property Tax Relief Act income \$35 thousand, rental income \$89 thousand, miscellaneous income and refunds in the amount of \$0.2 million. An additional \$0.5 million is being budgeted to recognize Well Permits income.

An additional \$80 thousand is expected from proceeds of sale of surplus equipment sales in Internal Services funds.

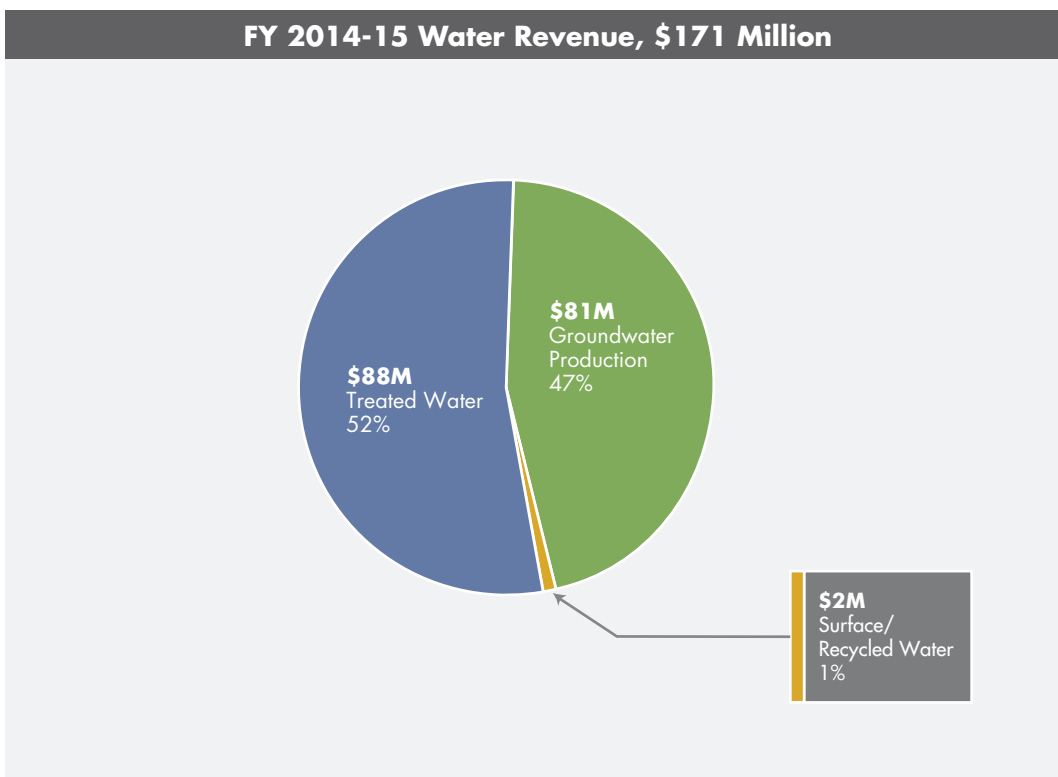
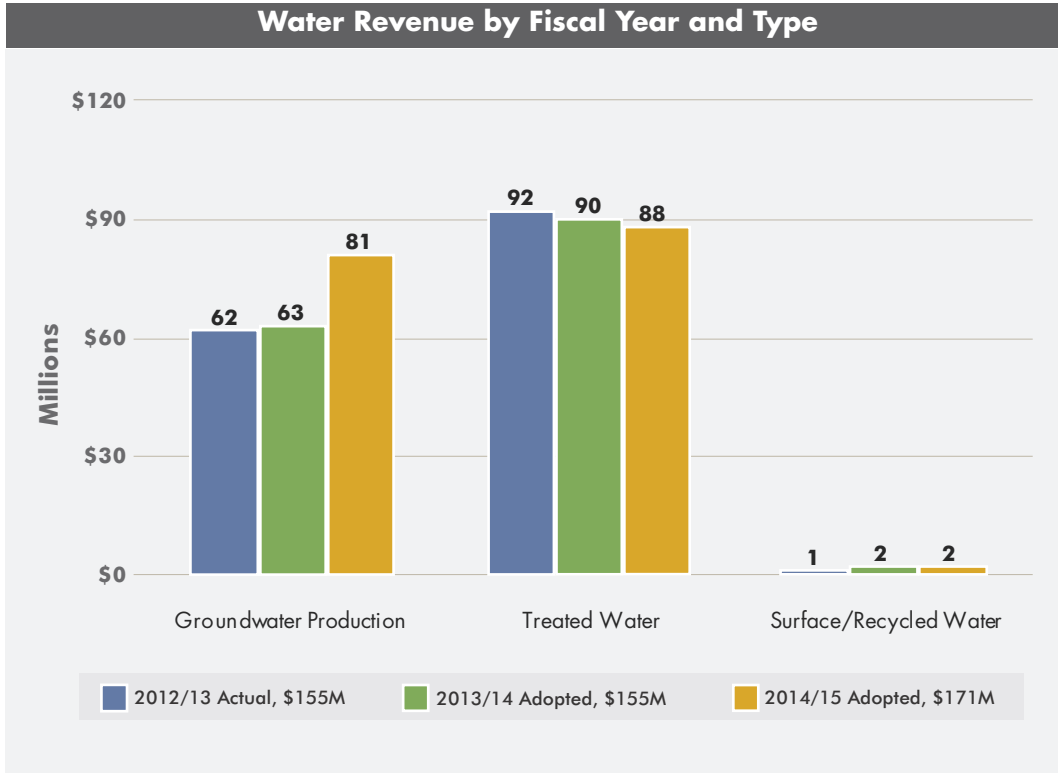
Intergovernmental and Other Revenues	Budgetary Basis Actual 2012-13	Adopted Budget 2013-14	Projected Year End 2013-14	Adopted Budget 2014-15	Change from 2013-14 Adopted	
					\$ Diff	% Diff
<b>Intergovernmental Services:</b>						
Watershed Funds	\$ 834,501	\$ 258,000	\$ 258,000	\$ 400,000	\$ 142,000	55%
Water Enterprise Fund	1,926,045	1,631,285	1,906,285	966,448	(664,837)	(40.8%)
<b>Total Intergovernmental Services</b>	<b>2,760,546</b>	<b>1,889,285</b>	<b>2,164,285</b>	<b>1,366,448</b>	<b>(522,837)</b>	<b>(27.7%)</b>
<b>Capital Reimbursements:</b>						
Watershed Funds	15,757,298	24,472,000	31,610,000	53,793,000	29,321,000	119.8%
Water Enterprise Fund	4,610,268	4,060,000	3,409,000	1,396,000	(2,664,000)	(65.6%)
<b>Total Capital Reimbursements</b>	<b>20,367,566</b>	<b>28,532,000</b>	<b>35,019,000</b>	<b>55,189,000</b>	<b>26,657,000</b>	<b>93.4%</b>
<b>Other:</b>						
Watershed Funds	1,942,163	2,011,909	2,011,909	2,160,110	148,201	7.4%
Water Enterprise Fund	4,614,743	2,272,511	2,272,511	1,808,742	(463,769)	(20.4%)
District General Fund	60,913	88,828	88,828	-	(88,828)	(100.0%)
Internal Service Funds	95,640	80,000	80,000	80,000	-	0.0%
<b>Total Other</b>	<b>6,713,459</b>	<b>4,453,248</b>	<b>4,453,248</b>	<b>4,048,852</b>	<b>(404,396)</b>	<b>(9.1%)</b>
<b>Total Intergov'l &amp; Other Revenues</b>	<b>\$ 29,841,571</b>	<b>\$ 34,874,533</b>	<b>\$ 41,636,533</b>	<b>\$ 60,604,300</b>	<b>\$ 25,729,767</b>	<b>73.8%</b>

# Financial Summaries

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# Financial Summaries

## Water Revenue



# Financial Summaries

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

**Groundwater Production** - Water produced by pumping from the underground water basins

**Treated Water** - Water which has been processed through a District water treatment plant

**Surface Water** - Water diverted from streams, creeks, reservoirs, or raw water distribution lines

**Recycled Water** - Wastewater which has been treated for use in crop irrigation, landscaping and industrial uses.

Water revenues budgeted for FY 2014-15 are based on staff's recommendation to the District's Board of Directors for water charges in the North County and South County zones of benefit. Revenue estimates reflect a 9.9% and 4.6% increase in groundwater production charges for the North County (Zone W-2) and South County (Zone W-5) respectively, relative to FY 2013-14. These charges are shown in the accompanying Water Enterprise Fund schedules.

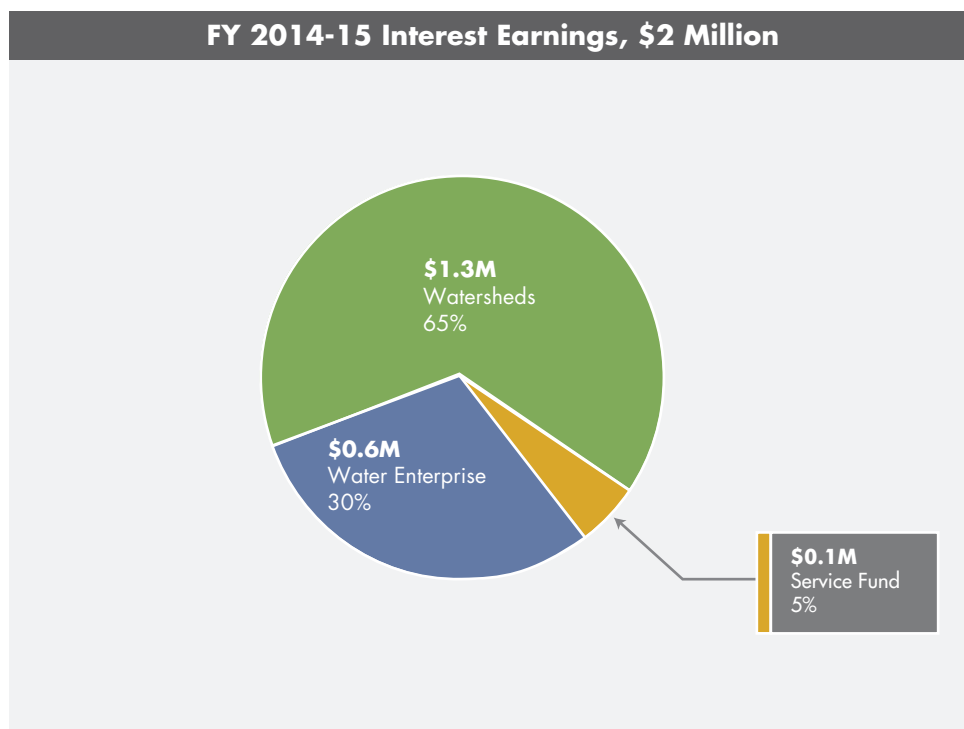
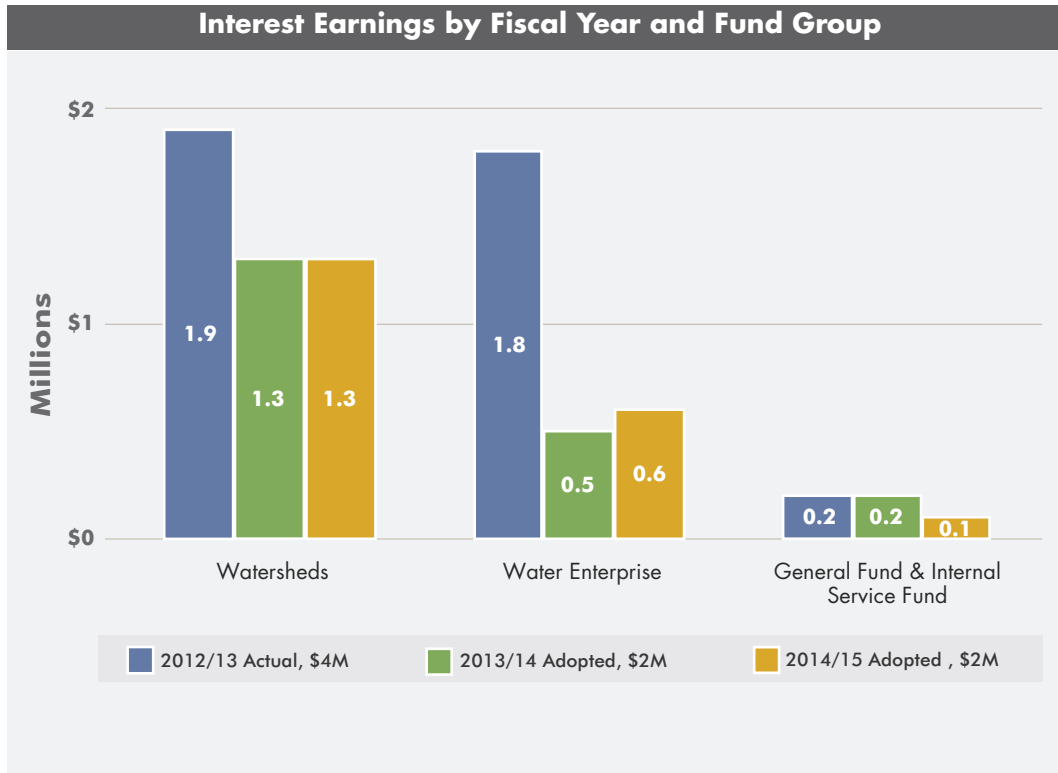
The FY 2014-15 revenue projection assumes water usage of roughly 260,000 acre-feet, Treated water demand comprises 40%; groundwater comprises 58%; and surface water and District-delivered recycled water comprise approximately 2% of the assumed water use.

In addition, other sources such as Hetch Hetchy and local water supply companies like San Jose Water Company, Stanford and South Bay Water Recycling provide approximately 83,000 acre-feet of water to Santa Clara County.

Water Revenue	Budgetary Basis Actual 2012-13	Adopted Budget 2013-14	Projected Year End 2013-14	Adopted Budget 2014-15	Change from 2013-14 Adopted	
					\$ Diff	% Diff
Groundwater Production	\$ 62,083,741	\$ 63,035,000	\$ 63,035,000	\$ 80,994,000	\$ 17,959,000	28.5%
Treated Water	92,358,588	89,699,000	89,699,000	88,088,000	(1,611,000)	(1.8%)
Surface/Recycled Water	1,275,359	1,571,000	1,571,000	1,603,000	32,000	2.0%
<b>Total Water Revenue</b>	<b>\$ 155,717,688</b>	<b>\$ 154,305,000</b>	<b>\$ 154,305,000</b>	<b>\$ 170,685,000</b>	<b>\$ 16,380,000</b>	<b>10.6%</b>

# Financial Summaries

## Interest Income





# Financial Summaries

The District invests funds not immediately required for daily operations in a number of money market instruments authorized by statute. The District's investment policy limits portfolio holdings to obligations of the U.S. Treasury, U.S. federal agencies, the state of California's Local Agency Investment Fund, bankers acceptances, negotiable and time certificates of deposit, commercial paper, corporate notes and bonds, and repurchase agreements. The portfolio does not use reverse repurchase agreements as an investment tool.

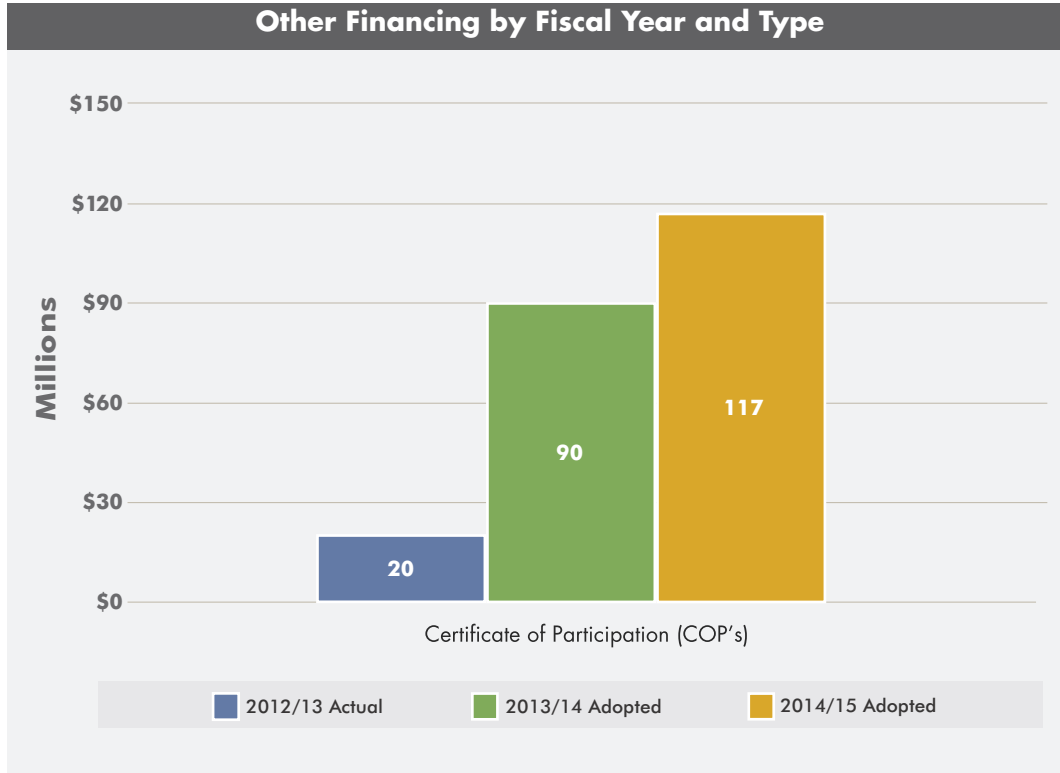
The FY 2014-15 interest revenue is expected to be approximately \$2.0 million. The estimates are due to a reduced average portfolio yield estimated to be just under 1% which is a reflection of the overall market environment. The market, coupled with expected short-term liquidity needs for the 5-year Capital Improvement Plan will result in flat interest earnings compared to FY 2013-14 budget.

Interest Income	Budgetary Basis Actual	Adopted Budget	Projected Year End	Adopted Budget	Change from 2013-14 Adopted	
	2012-13	2013-14	2013-14	2014-15	\$ Diff	% Diff
Watershed Funds	\$ 1,870,084	\$ 1,346,847	\$ 1,346,847	\$ 1,328,337	\$ (18,510)	(1.4%)
Water Enterprise Fund	1,838,801	525,092	525,092	556,826	31,734	6.0%
General Fund	91,769	50,425	50,425	50,112	(313)	(0.6%)
Service Funds	95,618	77,636	77,636	64,725	(12,911)	(16.6%)
<b>Total Interest Income</b>	<b>\$ 3,896,272</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 0</b>	<b>0.0%</b>

\* Excludes market valuation adjustments that are required to be recorded in the comprehensive Annual Financial Report

# Financial Summaries

## Other Financing Sources/Uses



# Financial Summaries

The Other Financing Sources and Uses category typically includes one-time or ongoing non-revenue financial transactions. Debt financing instruments in this category include revenue bonds, commercial paper, and certificates of participation (COPs). Bonds and commercial paper may be issued to assist in financing the costs of acquisition, design, construction, improvement, and installation of certain flood control facilities, Safe, Clean Water projects and the District's water utility system. At times, the District Board may authorize short-term loans or transfers between funds to facilitate interim cash flow requirements.

Overall, the District anticipates to issue approximately \$109.9 million in debt for the Water Utility Enterprise fund. In addition, approximately \$7 million in debt proceeds from the 2012A Refunding COP will be claimed in FY2015 in Safe, Clean Water fund.

All planned debt financing has been factored into the District's long-term financial forecast models and are at or above the targeted debt service coverage ratio.

Other Financing	Budgetary Basis Actual 2012-13	Adopted Budget 2013-14	Projected Year End 2013-14	Adopted Budget 2014-15	Change from 2013-14 Adopted	
					\$ Diff	% Diff
Debt Proceeds	19,435,000	89,853,000	62,966,000	116,902,000	27,049,000	30.1%
<b>Total Other Financing</b>	<b>\$ 19,435,000</b>	<b>\$ 89,853,000</b>	<b>\$ 62,966,000</b>	<b>\$ 116,902,000</b>	<b>\$ 27,049,000</b>	<b>30.1%</b>

# Financial Summaries

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**STATUS OF BONDED INDEBTEDNESS & CERTIFICATES OF PARTICIPATION**

# Financial Summaries

## Debt Service Overview

Provisions of the state constitution, laws, and various portions of Sections 14 and 25 of the District Act authorize the Board of Directors (Board) to incur debt under certain conditions and to issue bonds in a form designated by resolution of the Board, including designation of which participating watersheds are affected by the issuance of new debt. Sections 25.1 and 25.2 authorize the Board to issue revenue bonds for the Water Enterprise Fund. The District's debt issuance practices are governed under the California Government and Water Codes. The District Act authorizes short-term debt (maturity of less than five years) of up to a limit of \$8 million. Other provisions of state law authorize the issuance of short-term debt up to a specified percentage of revenue anticipated within a period of time.

## Board Policies - Executive Limitations

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

EL-4.7 states that a Board Appointed Officer (BAO) shall:

*" Not indebt the organization, except as provided in the District Act, and in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 90 days, or prior to the close of the fiscal year. "*

Furthermore, the BAO shall:

- 4.7.1. Not issue debt (long or short-term obligations that are sold within the financial marketplace) that conflicts with the District Act or the legal authority of the District, and without Board authorization;
- 4.7.2. Not issue debt without a demonstrated financial need;
- 4.7.3. Meet debt repayment schedules and covenants of bond documents;

- 4.7.4. Establish prudent District Debt Policies that are consistent with Board policies and provide guidance to District staff in regards to administering the debt programs and agreements, including consideration for the appropriate level of debt for the District to carry and structuring debt repayment to address intergenerational benefits;
- 4.7.5. Be consistent with the District's Debt Policies and any addendums when issuing debt;
- 4.7.6. Maintain strong credit ratings and good investor relations.

## Debt Policy

The Santa Clara Valley Water District proactively manages its outstanding liabilities to ensure access to the credit markets at the lowest available borrowing cost, to preserve strong credit standing with the municipal rating agencies, to fulfill its fiduciary responsibility to its customers, and to provide high quality water service, stream stewardship and flood protection at the lowest possible cost. Consistent with these commitments, the District shall periodically review the cost of its outstanding liabilities for opportunities to appropriately reduce these costs through refinancing or restructuring. The CEO shall present the results of these periodic reviews to the Board of Directors.

Covenants and agreements related to outstanding Certificates of Participation and Revenue Bonds are encompassed within the criteria of Master Resolutions adopted on June 23, 1994. Coverage ratios required for debt service are set at 1.25 times the annual debt service for senior lien debt. The District is in compliance with all coverage ratio requirements for all outstanding debt.

# Financial Summaries

## Bond Ratings

The bond ratings for the District's outstanding debt reflect high grade investment quality debt. They are based on the District's positive fiscal policy and financial strengths. The bond ratings below are either the highest for a water related governmental entity in the State of California or among the highest.

	Bond Ratings				
	COPs			Revenue Refunding Bond 2006	2007 Revenue COPs
	2004A	2003A	2007		
Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
Standard & Poor's	AA+	AA+	AA+	AA	AA
Fitch	AAA	N/A	AAA	N/A	N/A

Bonds issued at this credit rating result in lower interest rates and corresponding lower debt service payments.

## Outstanding Debt

Total debt includes Certificates of Participations (COPs), Commercial Paper and Revenue Bonds of \$417 million as of June 30, 2014. Scheduled annual debt service for FY 2014-15 is approximately \$35.3 million including fees. There are no balloon payments in the future years or significant fluctuations in annual debt service.

Currently outstanding for the Watersheds are Series 2007A COPs, with a final maturity of 2030 and the 2004A and 2012A COPs, both with a final maturity of 2024. Debt service for these COPs is paid via benefit assessments at 125% of the annual debt service. Currently outstanding for the Water Utility are 2006A/B Water Revenue Refunding Bonds with a final maturity of 2035, the 2007A/B Revenue Certificates of Participation with a final maturity of 2037, and the Commercial Paper Certificates which are secured by Tax and Revenue Anticipation Notes that are subject to annual reauthorization by the District Board.

## Planned Issuances

The District is planning the issuance of debt to finance the Safe Clean Water program and the Water Utility Enterprise to finance the long-term capital improvement plan. The source of debt service repayment for the Safe Clean Water program will be the special parcel tax approved by Santa Clara County voters in the November 6, 2012 election.

Debt service for the Water Utility Enterprise long-term issuance and Commercial Paper Certificates is paid from water revenues. Bond covenants stipulate that the District must maintain a minimum 1.25 debt coverage ratio on all parity bonds. Based on the financial models from the Water Utility Enterprise Finance organization, the projected debt coverage ratios are as follows:

- FY 2014-15: 2.70
- FY 2015-16: 2.81
- FY 2016-17: 2.50
- FY 2017-18: 1.96
- FY 2018-19: 1.82

(Source: FY 2014-15 Annual Report on the Protection and Augmentation of Water Supplies)

## Investment Portfolio

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

# Financial Summaries

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

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

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

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



# Financial Summaries

## Debt Service Payments Schedule

As of June 30, 2014

	<u>Principal</u>	<u>Interest</u>	<u>Total <sup>(1)</sup></u>
<b>Watersheds Certificates of Participation</b>			
2014/15	8,355,000	5,480,350	13,835,350
2015/16	7,630,000	5,062,600	12,692,600
2016/17	8,020,000	4,681,100	12,701,100
2017/18	8,385,000	4,309,900	12,694,900
2018/19 and thereafter	<u>82,655,000</u>	<u>22,703,825</u>	<u>105,358,825</u>
<b>Total</b>	<b>115,045,000</b>	<b>42,237,775</b>	<b>157,282,775</b>
<b>Water Utility Revenue Bonds / Revenue Certificates of Participation/State Revolving Loan/Commercial Paper</b>			
2014/15	8,621,025	10,556,080	19,177,104
2015/16	9,152,901	11,929,982	21,082,884
2016/17	8,964,944	12,678,030	21,642,974
2017/18	8,847,155	13,334,841	22,181,996
2018/19 and thereafter	<u>267,006,735</u>	<u>170,897,501</u>	<u>437,904,236</u>
<b>Total</b>	<b>302,592,760 *</b>	<b>219,396,433</b>	<b>521,989,193</b>
<b>Total All Outstanding Long Term Debt</b>			
2014/15	16,976,025	16,036,430	33,012,454
2015/16	16,782,901	16,992,582	33,775,484
2016/17	16,984,944	17,359,130	34,344,074
2017/18	17,232,155	17,644,741	34,876,896
2018/19 and thereafter	<u>349,661,735</u>	<u>193,601,326</u>	<u>543,263,061</u>
<b>Total</b>	<b><u>417,637,760</u></b>	<b><u>261,634,208</u></b>	<b><u>679,271,968</u></b>

(1) Annual debt service payment reflects principal and interest only and excludes fees.

\* Includes increase in principal related to the anticipated refunding of the \$100 million Commercial Paper to long-term debt in FY2014-15.

# Financial Summaries

## All Outstanding Debt to Maturity

	Total Amount Sold	Date of Issue	Average Interest Rate	Outstanding as of 6/30/14	2014-2015 Debt Service Payments <sup>(1)</sup>		
					Principal	Interest	Total
<b><u>Watersheds Indebtedness</u></b>							
2004A COPs	32,965,000	1/29/2004	3.544%	9,340,000	1,505,000	467,000	1,972,000 <sup>(2)</sup>
2007A COPs	78,780,000	2/27/2007	4.901%	62,735,000	2,705,000	3,057,150	5,762,150
2012A COPs	52,955,000	11/20/2012	4.365%	42,970,000	4,145,000	1,956,200	6,101,200
	<u>164,700,000</u>			<u>115,045,000</u>	<u>8,355,000</u>	<u>5,480,350</u>	<u>13,835,350</u>
<b><u>Water Utility Indebtedness</u></b>							
2006 Water Utility Revenue Bonds							
Series A	74,265,000	12/21/2006	4.154%	59,475,000	2,205,000	2,530,725	4,735,725
Series B - taxable	<u>25,570,000</u>	12/21/2006	5.279%	<u>21,675,000</u>	<u>635,000</u>	<u>1,144,527</u>	<u>1,779,527</u>
	99,835,000			81,150,000	2,840,000	3,675,252	6,515,252
2007 Water Utility Revenue Certificates of Participation							
Series A	77,270,000	10/1/2007	5.170%	70,070,000	1,690,000	3,397,300	5,087,300
Series B - taxable/floating	<u>53,730,000</u>	10/1/2007 <sup>(3)</sup>	2.8% - 6%	<u>45,825,000</u>	<u>1,155,000</u>	<u>742,000</u>	<u>1,897,000</u>
	131,000,000			115,895,000	2,845,000	4,139,300	6,984,300
2014 Water Utility Revenue Certificates of Participation <sup>(5)</sup>							
Series A	50,330,000	11/1/2014	FR 4.880%	-	715,000	1,432,727	2,147,727
Series B - taxable/floating	<u>50,325,000</u>	11/1/2014	VR 1.0% to 5.4%	-	<u>1,935,000</u>	<u>293,563</u>	<u>2,228,563</u>
	100,655,000			-	2,650,000	1,726,290	4,376,290
Commercial Paper <sup>(4)</sup>	100,000,000	various <sup>(3)</sup>	1.20%	<u>100,000,000</u>	-	<u>900,000</u>	<u>900,000</u>
State Revolving Loan Fund	6,350,000	11/19/2004	2.39%	4,892,760	286,025	115,238	401,263
<b>Total Water Utility</b>	<u>337,185,000</u>			<u>301,937,760</u>	<u>8,621,025</u>	<u>10,556,079</u>	<u>19,177,104</u>
<b>Combined Total</b>	<u><b>\$ 501,885,000</b></u>			<u><b>\$ 416,982,760</b></u>	<u><b>\$ 16,976,025</b></u>	<u><b>\$ 16,036,429</b></u>	<u><b>\$ 33,012,454</b></u>

(1) Annual debt service payment reflects principal and interest only and excludes fees.

(2) Approximately \$0.6M of the 2004A COPs annual debt service is funded by the general fund.

(3) The interest rates shown for the 2007B Water Utility COPs and Commercial Paper reflect the planning rates for variable rate bonds for budgeting purposes. The actual rates are subject to change pending actual market conditions throughout the fiscal year.

(4) The total outstanding amount and debt service shown for Commercial Paper are estimates only. The final amounts will be determined prior to 6/30/2014

(5) The District anticipates issuing the 2014 Water Utility Revenue COP to refund outstanding CP in late FY 2014-15. The final par amount and debt service payment terms are subject to change pending final sale.

**DISTRICT SALARIES, BENEFITS, AND RESERVE POLICY**

# Financial Summaries

## District Salaries and Benefits

	Actuals 2012-13	Adopted Budget 2013-14	Adopted Budget 2014-15	Change from 2013-14 Adopted	
				\$ Diff	% Diff
<b>SALARIES</b>					
Salaries-Regular Employee	77,204,159	81,192,375	83,501,651	2,309,276	2.8%
Overtime	1,227,737	1,381,131	1,793,548	412,417	29.9%
Special Pays	757,235	879,202	877,146	(2,056)	(0.2%)
<b>Total Salaries</b>	<b>79,189,131</b>	<b>83,452,708</b>	<b>86,172,345</b>	<b>2,719,637</b>	<b>3.3%</b>
<b>BENEFITS</b>					
Fed & State Taxes & Benefits	1,126,434	1,223,525	1,259,414	35,889	2.9%
Retirement Contributions	11,032,735	12,511,686	14,420,814	1,909,128	15.3%
Group Ins-Active Employees	10,878,953	12,319,050	12,962,856	643,806	5.2%
Group Ins-Retired Employees	6,242,594	7,316,579	8,029,304	712,725	9.7%
Other Post Employment Benefits (OPEB)	9,100,625	9,500,015	5,499,969	(4,000,046)	(42.1%)
<b>Total Benefits</b>	<b>38,381,341</b>	<b>42,870,855</b>	<b>42,172,357</b>	<b>(698,498)</b>	<b>(1.6%)</b>
<b>Net Total Salary &amp; Benefits</b>	<b>\$117,570,472</b>	<b>\$126,323,563</b>	<b>\$128,344,702</b>	<b>\$2,021,139</b>	<b>1.6%</b>
<b>LABOR HOURS</b>					
	Actual Labor Hours 2012-13	Adopted Labor Hours 2013-14	Adopted Labor Hours 2014-15	Change from 2013-14 Adopted	
Salaries-Regular Employee	1,191,672	1,272,740	1,274,640	1,900	0.1%
Overtime	14,738	15,042	19,227	4,185	27.8%
Compensated Absences	237,177	238,125	240,991	2,866	1.2%
<b>Total Hours</b>	<b>1,443,587</b>	<b>1,525,907</b>	<b>1,534,858</b>	<b>8,951</b>	<b>0.6%</b>
<b>Budgeted Regular Positions</b>	<b>746</b>	<b>731</b>	<b>731</b>	<b>-</b>	<b>0.0%</b>

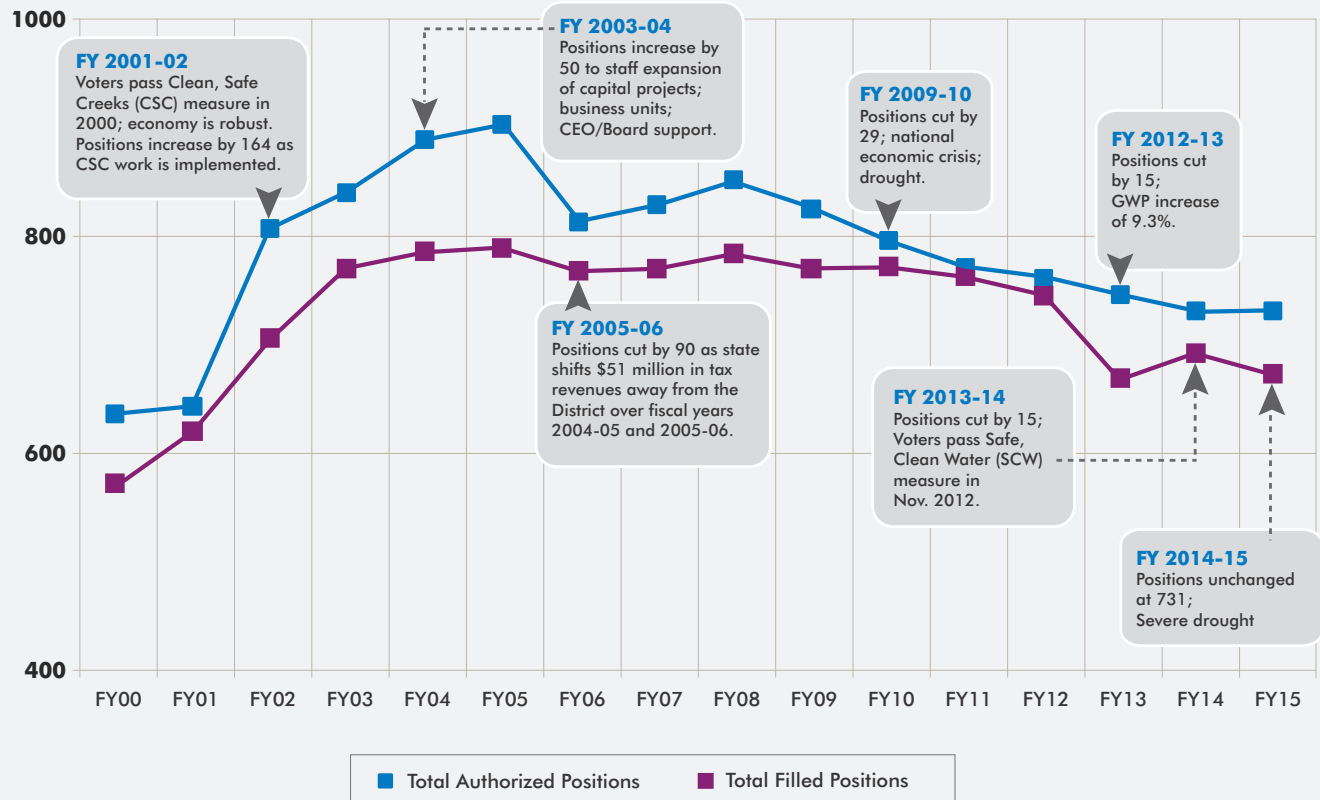
# Financial Summaries

## Summary of Positions

Position Count by Organization Division	Adopted Budget FY 2012-13	Adopted Budget FY 2013-14	Adopted Budget FY 2014-15	Position Change	% Change
<b>Board Appointed Officers*</b>	55	59	59	-	0.0%
<b>Administration</b>	174	163	173	10	5.6%
<b>Water Utility</b>	298	298	299	1	0.3%
<b>Watersheds</b>	219	211	200	(11)	(4.9%)
<b>Total</b>	<b>746</b>	<b>731</b>	<b>731</b>	<b>-</b>	<b>0.0%</b>

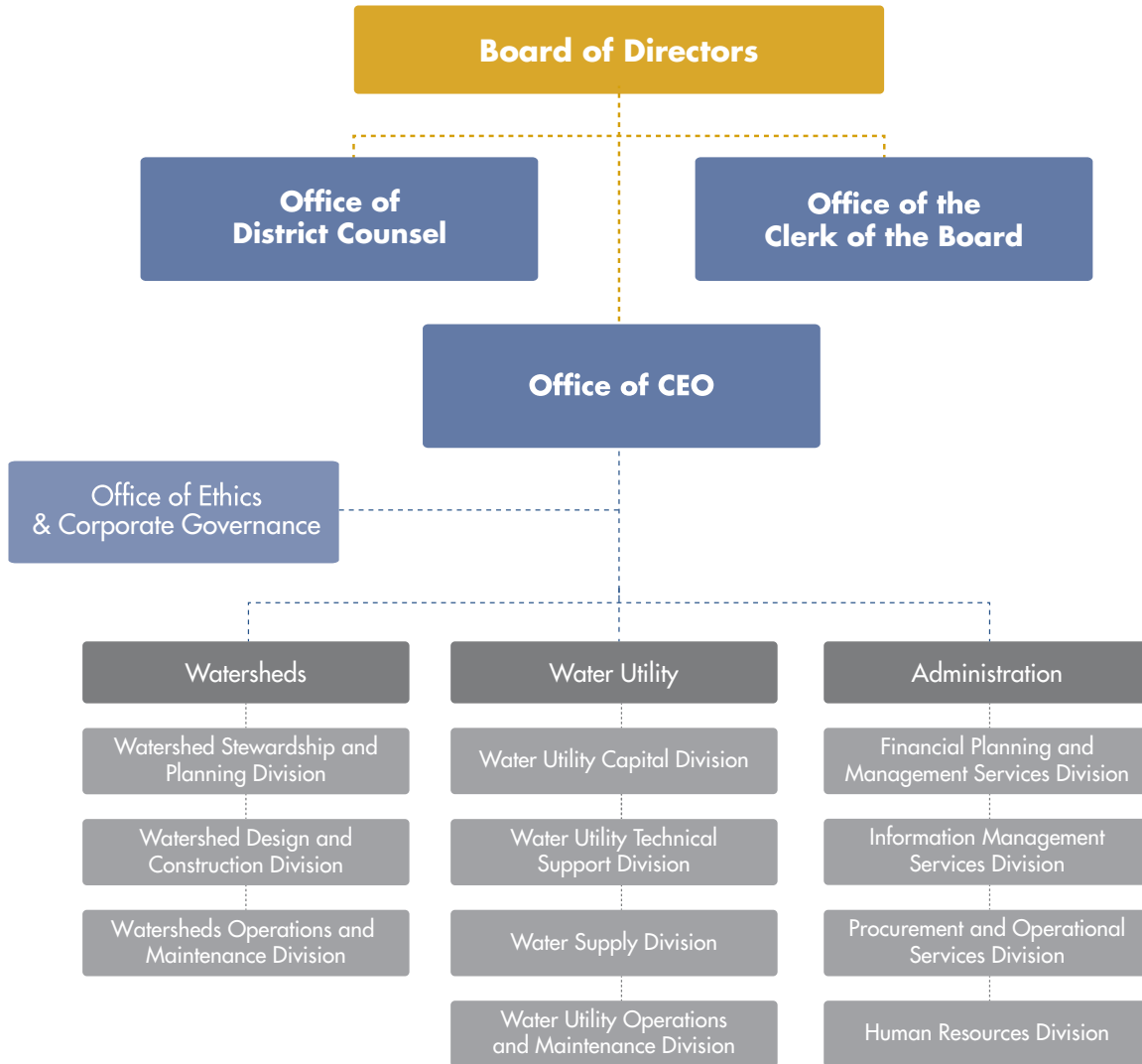
\* Board Appointed Officers Include Chief Executive Officer, District Counsel and Clerk of the Board.

### District Staffing Trends, FY2000 - FY2015



# Financial Summaries

## Organizational Chart



# Financial Summaries

## Budget Summary

	Adopted Budget 2012-13	Adopted Budget 2013-14	Adopted Budget 2014-15	Change from 2013-14 Adopted	
				\$ Diff	% Diff
<b>CEO AND BOARD APPOINTED OFFICERS</b>					
Salaries and Benefits	8,871,882	9,329,091	10,941,233	1,612,142	17.3%
Services and Supplies	6,162,655	7,339,084	10,635,492	3,296,408	44.9%
<b>Subtotal</b>	<b>15,034,537</b>	<b>16,668,175</b>	<b>21,576,725</b>	<b>4,908,550</b>	<b>29.4%</b>
<b>Total</b>	<b>15,034,537</b>	<b>16,668,175</b>	<b>21,576,725</b>	<b>4,908,550</b>	<b>29.4%</b>
<b>ADMINISTRATION</b>					
Salaries and Benefits	28,379,851	27,610,336	28,853,738	1,243,402	4.5%
Services and Supplies	18,513,729	22,387,591	26,054,045	3,666,454	16.4%
<b>Subtotal</b>	<b>46,893,580</b>	<b>49,997,927</b>	<b>54,907,783</b>	<b>4,909,856</b>	<b>9.8%</b>
Fixed Assets	3,181,943	4,356,724	5,133,200	776,476	17.8%
Debt Service	31,848,993	30,756,620	33,012,463	2,255,843	7.3%
<b>Total</b>	<b>81,924,516</b>	<b>85,111,271</b>	<b>93,053,446</b>	<b>7,942,175</b>	<b>9.3%</b>
<b>WATER ENTERPRISE</b>					
Salaries and Benefits	52,095,001	53,588,104	54,171,043	582,939	1.1%
Services and Supplies	89,586,772	87,402,510	97,350,871	9,948,361	11.4%
<b>Subtotal</b>	<b>141,681,773</b>	<b>140,990,614</b>	<b>151,521,914</b>	<b>10,531,300</b>	<b>7.5%</b>
Fixed Assets	8,495,750	32,892,799	60,023,290	27,130,491	82.5%
<b>Total</b>	<b>150,177,523</b>	<b>173,883,413</b>	<b>211,545,204</b>	<b>37,661,791</b>	<b>21.7%</b>
<b>WATERSHEDS</b>					
Salaries and Benefits	36,807,346	35,795,898	34,378,784	(1,417,114)	(4.0%)
Services and Supplies	45,117,992	72,669,005	66,730,420	(5,938,585)	(8.2%)
<b>Subtotal</b>	<b>81,925,338</b>	<b>108,464,903</b>	<b>101,109,204</b>	<b>(7,355,699)</b>	<b>(6.8%)</b>
Fixed Assets	10,890,000	142,751,700	104,876,000	(37,875,700)	(26.5%)
<b>Total</b>	<b>92,815,338</b>	<b>251,216,603</b>	<b>205,985,204</b>	<b>(45,231,399)</b>	<b>(18.0%)</b>
<b>DISTRICT WIDE</b>					
Salaries and Benefits	126,154,080	126,323,429	128,344,798	2,021,369	1.6%
Services and Supplies	159,381,148	189,798,190	200,770,828	10,972,638	5.8%
<b>Subtotal</b>	<b>285,535,228</b>	<b>316,121,619</b>	<b>329,115,626</b>	<b>12,994,007</b>	<b>4.1%</b>
Fixed Assets	22,567,693	180,001,223	170,032,490	(9,968,733)	(5.5%)
Debt Service	31,848,993	30,756,620	33,012,463	2,255,843	7.3%
<b>Total</b>	<b>339,951,914</b>	<b>526,879,462</b>	<b>532,160,579</b>	<b>\$ 5,281,117</b>	<b>1.0%</b>

*These figures include overhead charges. Therefore, they do not represent net expenditures.*

*The figures on the table above do not include Capital Carryforward.*

# Financial Summaries

## District Reserve Policy

The District Reserve policy is reviewed annually with the Board of Directors pursuant to Executive Limitation 4.4 - Financial Planning and Budgeting. "...the CEO shall not: Fail to at least annually present the Board with information about the District's financial reserves and schedule an opportunity for the public to comment thereon."

In March 2008, the Board of Directors approved a new reserve policy language. The new policy requirements were first implemented in the FY 2009-10 budget. In October 2010, the Board added the State Water Project Reserves. Additionally, 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. The District's Comprehensive Annual Financial Report was issued under those requirements for the fiscal year closing June 30, 2011 and, for FY 2012-13, the Budget Reserve Policy is organized under the new GASB 54 requirements.

While the GASB requirement was specifically issued for governmental type funds, the District, under its conservative and prudent fiscal policy extended the requirement to include the enterprise funds (Water Enterprise, State Water Project, Equipment and Risk funds).

Key objectives of prudent financial planning are to ensure sufficient resources for current services and obligations, and to prepare for future anticipated funding requirements and unforeseen events. To meet these objectives, the District will at all times strive to have sufficient funding available to meet its operating, capital, and debt service cost obligations. Reserve funds will be accumulated and managed in a manner

which allows the District to fund costs consistent with the Capital Improvement Program, Integrated Water Resources Plan, and long range financial plans while avoiding significant water charge fluctuations due to changes in cash flow requirements.

The District will also maintain a cash reserve position that may be utilized to fund unexpected fluctuations in revenues and operating/capital expenditures. The level of reserves maintained and policies behind them are reviewed annually with the Board of Directors during budget deliberations.

## DEFINITIONS

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

**Non-spendable fund balance** - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund). NOTE: For the purpose of this reserve policy, only spendable fund balances are considered.

**Restricted fund balance** - these are externally imposed legal restrictions or amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

**Committed fund balance** - these are self imposed limitations or amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.



# Financial Summaries

**Assigned fund balance** - these are amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

The District Reserves are comprised of Restricted Fund Balance reserves, Committed Fund Balance reserves and Assigned Fund Balance reserves. In addition to these reserves, the District has budgeted reserves, as defined below:

**Budgeted Reserves-** Budgeted reserves may vary from those of the Comprehensive Annual Financial Report (CAFR) where it is appropriate to recognize actual cash transactions that are recorded in the CAFR as liabilities. Such adjustments include recognizing inter-fund loans, debt financing, and certain accruals as funding sources available for appropriation or as funding uses that reduce funds available for other purposes. These adjustments must be annually reconciled to the audited CAFR.

## RESTRICTED RESERVES

### Debt Service Reserve

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

### Debt Proceeds Reserve

Bond covenants prescribe the use of debt financing proceeds. Debt proceeds typically fund capital projects as described in various bond issues. Debt proceeds, however, are not claimed until project expenses are incurred. Unclaimed debt proceeds are held in trust and identified in Debt Proceeds Reserves.

### Restricted Operating Reserve - Water Utility Enterprise Fund

Revenue Bond covenants for the Water Utility Enterprise require the provision of an Operating Reserve that is only to be used to meet operating needs if there are no other funding sources available. The minimum funding level required by bond covenants is one month of maintenance and operations costs. Any amounts in excess of the minimum are discretionary and therefore held in the Designated Operating Reserve.

### Rate Stabilization Reserve - Water Utility Enterprise Fund

Revenue Bond covenants for the Water Utility Enterprise require the provision of a Rate Stabilization Reserve to offset extraordinary expenses and revenue shortfalls, and to supplement District revenues to meet Debt Service Coverage requirements. The minimum funding level required by bond covenants is 10% of annual debt service due on all Parity Obligations with the maximum capped at the 20% level per this policy. The specific level set within this range is to be financially prudent and based on reasonably anticipatable needs.

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

This reserve is required by District contractual obligations with the U.S. Bureau of Reclamation for the operation and maintenance of the San Felipe Division of the Central Valley Project. The purpose of the reserve is to provide resources for unusual operation and

# Financial Summaries

maintenance costs incurred during periods of special stress caused by damaging droughts, storms, earthquakes, floods, or emergencies threatening or causing interruption of water service. Use of this reserve requires authorization by the U.S. Department of the Interior. Per contract, the funding level is accumulated in annual deposits of \$200,000 until the reserve totals \$1.75 million after which interest earned on the reserve is deposited annually.

## **State Water Project Tax Reserve - Water Utility Enterprise Fund**

The purpose of the State Water Project Tax Reserve is to accumulate unspent funds for voter approved State Water Project contract obligations. Funds accumulated in this reserve will be available to fund State Water Project contract obligations in subsequent years.

## **Maintenance of Newly Improved Creeks - Clean, Safe Creeks Fund**

This Clean Safe Creeks and Natural Flood Protection reserve is established to appropriate special tax revenues for future maintenance of the nine flood protection projects approved by the voters. Funds accumulated in this reserve will be available for maintenance of the creek facilities in subsequent years upon the completion of the specified flood protection projects.

## **Other Activities - Clean, Safe Creeks Fund**

This Clean Safe Creeks and Natural Flood Protection Reserve is established to accumulate unspent funds for voter approved maintenance activities: Sediment Removal; District urban runoff pollution prevention; Hazardous materials management and incident response including reservoirs; Impaired water bodies improvement; Good neighbor maintenance; Pollution

prevention programs; and vegetation management. Funds accumulated in this reserve at the end of the 15-Year Clean Safe Creeks and Natural Flood Protection Program will be available for these purposes in subsequent years.

## **Special Purpose Reserve for Environmental Enhancement Program - Clean, Safe Creeks Fund**

This Clean Safe Creeks and Natural Flood Protection reserve is established to accumulate unspent funds for voter approved environmental restoration, fisheries management, and restoration activities. These funds are used to support a grant funding process whereby proposals for environmental enhancements projects are solicited and selected for Board approval.

## **Special Purpose Reserve for Open Space & Trails Program - Clean, Safe Creeks Fund**

This Clean Safe Creeks and Natural Flood Protection reserve is established to accumulate funds for voter approved Open Space and Trails programs. These funds are used to support a grant funding process whereby proposals for open space and trails projects are solicited and selected for Board approval.

## **Operating and Capital Reserve - Clean, Safe Creeks Fund and Safe, Clean Water Fund**

This reserve serves several purposes: to ensure adequate working capital for cash flow needs; to provide a funding source for operating & capital needs that arise during the year. The funding level for Clean, Safe Creeks is a minimum of 50% of budgeted operations outlays. The minimum level for each fund includes remaining available resources after the needs of all other reserves within those funds have been met. The specific level of this reserve is to be set based on reasonably anticipated needs.

# Financial Summaries

## **Currently Authorized Projects Reserve - Clean, Safe Creeks Fund and Safe, Clean Water Fund**

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

A portion of these reserves are automatically re-budgeted at the beginning of the following fiscal year consistent with those projects that have been identified in the 5-Year CIP for funding in that year. All remaining amounts shall stay in these reserves during the fiscal year unless a budget adjustment requiring the use of these reserves is approved by the Board. At the end of each fiscal year, these reserves shall also be adjusted for any capital projects that are closed out consistent with the 5-Year CIP

## **Encumbrance Reserves - Clean Safe Creek Fund, Safe Clean Water Fund, and Water Enterprise Fund**

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

## **COMMITTED RESERVES**

### **Market Valuation Reserve**

The reserve for market valuation represents the increase/gain (only) in the market value of the District's pooled investments as of the end of the fiscal year as a result of its compliance with the provisions of Government Accounting Standard Board Statement No. 31 (GASB 31), Accounting and Financial Reporting for Certain Investments and for External Investment Pools. GASB 31 requires the District to report investments at fair market value in the Statement of Net Assets, the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Because of this requirement, investment income must be adjusted to reflect the fair value change from one fiscal year to the next fiscal year. However, the District's investment policy dictates a buy-and-hold strategy in which, with very few exceptions, the District holds all securities to their maturity, thereby not incurring loss or gain that could impact the size and yield of the investment portfolio. This reserve does not represent cash available for appropriation and was established to ensure that the increase in the investment value does not result in an overstatement of funding available for expenditure.

### **Liability/Workers' Compensation Self-Insurance Reserve**

The Liability/Workers' Compensation Self-Insurance Reserve is to ensure that the District's self-insurance programs have adequate resources for general liability and workers compensation ultimate payouts for both known and incurred but not reported claims. Additionally, because of the District's high self-insured retention, and low claims volume, it also provides for reserve funds to cover one large liability loss which would otherwise virtually deplete existing reserves. The

# Financial Summaries

reserve is based on independent actuarial evaluations conducted bi-annually for general liability and workers compensation. The reserve level is set each year based on the actuarial- determined confidence level for total claims liabilities discounted to present value. The reserve is intended to be used for claim payouts that are greater than those budgeted.

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

## **Property Self-Insurance/Catastrophic Reserve**

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

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

## **Floating Rate Debt Payment Stabilization Reserve**

This reserve is intended to stabilize the debt service payments on floating rate debt which by its nature fluctuates constantly. This reserve will be for long-term floating rate debt and not short-term floating rate debt (i.e., commercial paper). The reserve will be funded initially at 10% of the floating rate debt service interest payment.

The maximum amount is no more than 20% of total floating rate debt service interest payments for a fiscal year. Excess funds over 20% will be used to pay down floating rate debt when advisable (i.e., based on market conditions, future issuance plans, etc.). The minimum amount is 0. Should payments for floating rate interest in a given fiscal year exceeds budgeted amounts, this reserve will be drawn down to provide stabilization of debt service interest payments.

## **Silicon Valley Advanced Water Purification Center Reserve - Water Utility Enterprise Fund**

This reserve serves as a fund for replacement of microfiltration modules, reverse osmosis elements, and ultra violet 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 FY2009-10 and adjusted annually by 3% for inflation, thereafter, until such time that the reserve reaches the reserve cap. The reserve cap is set in FY2013-14 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 microfiltration modules and reverse osmosis elements. The specific level of this reserve is to be set based on reasonably anticipated needs and uses.

# Financial Summaries

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

The purpose of this reserve is to fund 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 reserve 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.

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

This reserve serves several purposes: to ensure adequate working capital for cash flow needs; to provide a funding source for operating & 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 budgeted 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 budgeted operations outlays. The minimum level for each fund includes remaining available resources after the needs of all other reserves within those funds have been met. The specific level of this reserve is to be set based on reasonably anticipated needs.

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

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

A portion of these reserves are automatically re-budgeted at the beginning of the following fiscal year consistent with those projects that have been identified in the 5-Year CIP for funding in that year. All remaining amounts shall stay in these reserves during the fiscal year unless a budget adjustment requiring the use of these reserves is approved by the Board. At the end of each fiscal year, these reserves shall also be adjusted for any capital projects that are closed out consistent with the 5-Year CIP.

## **ASSIGNED RESERVES**

### **Encumbrance Reserves - except for Clean Safe Creek Fund, Safe Clean Water Fund, and Water Enterprise Fund**

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

# Financial Summaries

## Appropriated To/(From) Reserves

GENERAL FUND	Estimated Balances				Increases/(Decreases)	
	Year-End 2012-13	Adopted 2013-14	Projected YE 2013-14	Adopted 2014-15	from 2013-14 Adopted	
					\$ Diff	% Diff
<b>Committed Reserves</b>						
Operating & Capital Reserve	\$ 7,234,173	\$ 3,231,594	\$ 5,722,800	\$ 2,991,195	\$ (240,399)	(7.4%)
Currently Authorized Projects	22,623	-	-	-	-	**
<b>Total Committed Reserves</b>	<b>7,256,796</b>	<b>3,231,594</b>	<b>5,722,800</b>	<b>2,991,195</b>	<b>\$ (240,399)</b>	<b>(7.4%)</b>
<b>Total General Fund Reserves</b>	<b>7,256,796</b>	<b>3,231,594</b>	<b>5,722,800</b>	<b>2,991,195</b>	<b>(240,399)</b>	<b>(7.4%)</b>
<b>SPECIAL REVENUE FUNDS (WATERSHEDS)</b>						
<b>Restricted Reserves</b>						
Operating & Capital Reserve	64,568,511	32,984,421	25,691,512	17,911,523	(15,072,898)	(45.7%)
CSC- Newly Improved Creeks	5,392,971	-	-	-	-	**
CSC- Other Activities	2,098,416	-	-	-	-	**
CSC- Environmental Enhancement	17,940,542	-	-	-	-	**
CSC- Open Space & Trails Program	7,599,654	-	-	-	-	**
Currently Authorized Projects	64,839,805	9,698,000	26,770,747	21,188,000	11,490,000	118.5%
<b>Total Restricted Reserves</b>	<b>162,439,899</b>	<b>42,682,421</b>	<b>52,462,259</b>	<b>39,099,523</b>	<b>(3,582,898)</b>	<b>(8.4%)</b>
<b>Committed Reserves</b>						
Operating & Capital Reserve	62,578,113	35,907,734	66,297,363	68,227,770	32,320,036	90.0%
Currently Authorized Projects	35,556,022	4,770,889	28,189,552	12,667,000	7,896,111	165.5%
<b>Total Committed Reserves</b>	<b>98,134,135</b>	<b>40,678,623</b>	<b>94,486,915</b>	<b>80,894,770</b>	<b>40,216,147</b>	<b>98.9%</b>
<b>Total Special Revenue Funds Reserves</b>	<b>260,574,034</b>	<b>83,361,044</b>	<b>146,949,174</b>	<b>119,994,293</b>	<b>36,633,249</b>	<b>43.9%</b>
<b>Total Governmental Funds</b>	<b>\$ 267,830,830</b>	<b>\$ 86,592,638</b>	<b>\$ 152,671,974</b>	<b>\$ 122,985,488</b>	<b>\$ 36,392,850</b>	<b>42.0%</b>

# Financial Summaries

	Estimated Balances				Increases/(Decreases)	
	Year-End	Adopted	Projected YE	Adopted	from 2013-14 Adopted	
	2012-13	2013-14	2013-14	2014-15	\$ Diff	% Diff
<b>WATER ENTERPRISE &amp; STATE WATER PROJECT FUNDS</b>						
<b>Restricted Reserves</b>						
Restricted Operating Reserve	\$ 12,597,570	\$ 13,139,620	\$ 13,139,620	\$ 13,893,128	\$ 753,508	5.7%
Rate Stabilization	1,538,700	1,750,866	1,750,866	2,139,431	388,564	22.2%
San Felipe Emergency Reserve	3,980,534	3,957,728	3,957,728	3,980,534	22,806	0.6%
State Revolving Debt Service Reserve	401,263	401,263	401,263	401,263	-	0.0%
State Water Project Tax Reserve	2,737,013	714,518	1,462,290	1,611,815	897,297	125.6%
Debt Service Reserve	5,934,365	4,744,938	5,934,365	5,934,365	1,189,427	25.1%
<b>Total Restricted Reserves</b>	<b>27,189,445</b>	<b>24,708,933</b>	<b>26,646,132</b>	<b>27,960,536</b>	<b>3,251,603</b>	<b>13.2%</b>
<b>Committed Reserves</b>						
Operating & Capital Reserve	27,030,793	25,526,977	5,120,618	33,269,758	7,742,781	30.3%
WUE- Supplemental Water Supply	3,125,552	9,728,974	9,728,974	9,861,838	132,864	1.4%
Floating Rate Debt Stabilization	461,889	353,000	353,000	148,400	(204,600)	(58.0%)
Currently Authorized Projects	23,613,631	3,907,000	11,847,628	3,612,000	(295,000)	(7.6%)
SV Advanced Water Purification Center	-	-	-	939,000		
<b>Total Committed Reserves</b>	<b>54,231,865</b>	<b>39,515,951</b>	<b>27,050,220</b>	<b>47,830,996</b>	<b>8,315,045</b>	<b>21.0%</b>
<b>Total Water Enterprise Funds Reserves</b>	<b>81,421,310</b>	<b>64,224,884</b>	<b>53,696,352</b>	<b>75,791,532</b>	<b>11,566,648</b>	<b>18.0%</b>
<b>INTERNAL SERVICE FUNDS:</b>						
<b>Committed Reserves</b>						
Operating & Capital Reserve	1,270,974	574,231	394,700	526,172	(48,059)	(8.4%)
Liability/Workers' Comp Self Insurance	6,679,000	7,011,000	7,011,000	7,011,000	-	0.0%
Property Self Insurance/Catastrophic	6,319,637	5,191,345	5,681,530	5,495,441	304,096	5.9%
<b>Total Committed Reserves</b>	<b>14,269,611</b>	<b>12,776,576</b>	<b>13,087,230</b>	<b>13,032,613</b>	<b>256,037</b>	<b>2.0%</b>
<b>Total Internal Service Funds Reserves</b>	<b>14,269,611</b>	<b>12,776,576</b>	<b>13,087,230</b>	<b>13,032,613</b>	<b>256,037</b>	<b>2.0%</b>
<b>Total Proprietary Funds</b>	<b>\$ 95,690,921</b>	<b>\$ 77,001,460</b>	<b>\$ 66,783,582</b>	<b>\$ 88,824,145</b>	<b>\$ 11,822,685</b>	<b>15.4%</b>
<b>TOTAL RESERVE SUMMARIES</b>						
Total Proprietary Funds	95,690,921	77,001,460	66,783,582	88,824,145	11,822,685	15.4%
Total Governmental Funds	267,830,830	86,592,638	152,671,974	122,985,488	36,392,850	42.0%
<b>Total Year-End Reserves</b>	<b>\$ 363,521,751</b>	<b>\$ 163,594,098</b>	<b>\$ 219,455,556</b>	<b>\$ 211,809,633</b>	<b>\$ 48,215,535</b>	<b>29.5%</b>
Total Restricted Reserves	189,629,344	67,391,354	79,108,391	67,060,059	(331,296)	(0.5%)
Total Committed Reserves	173,892,407	96,202,744	140,347,165	144,749,574	48,546,830	50.5%
<b>Total Year-End Reserves</b>	<b>\$ 363,521,751</b>	<b>\$ 163,594,098</b>	<b>\$ 219,455,556</b>	<b>\$ 211,809,633</b>	<b>\$ 48,215,535</b>	<b>29.5%</b>

# Financial Summaries

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## **WATERSHED MANAGEMENT FUNDS**

## **Watershed Management Funds**

### **Overview**

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

- Watershed and Stream Stewardship (Fund 12)
- Safe, Clean Water and Natural Flood Protection (Fund 26)
- Benefit Assessment Funds (Fund 21, 22, 23, 24, and 25)

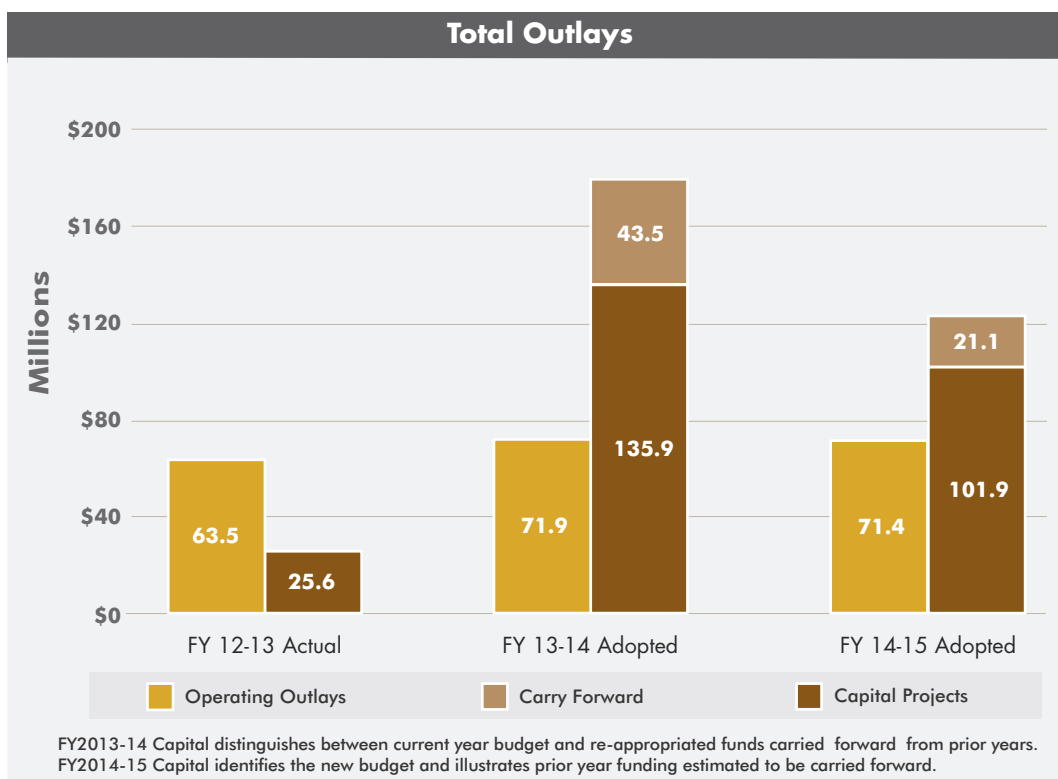
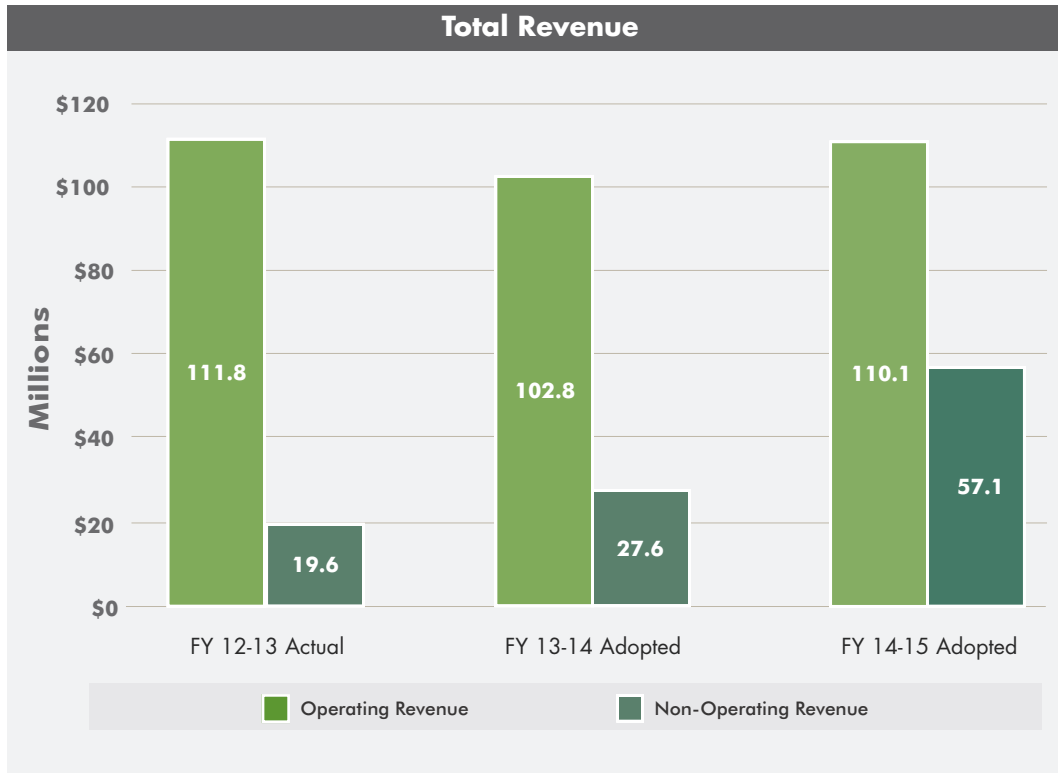
Financial summaries and a description of programs and outcomes from these funds can be found in this chapter.

# Financial Summaries

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# Financial Summaries

## Watershed Management Funds



# Financial Summaries

## Watershed Management Funds Summary

	Budgetary Basis Actual 2012-13	Adopted Budget 2013-14	Projected Year End 2013-14	Adopted Budget 2014-15	Change from 2013-14 Adopted	
					\$ Diff	% Diff
<b>Revenue Sources:</b>						
Operating Revenue:						
Property Taxes	\$ 55,646,954	\$ 48,700,000	54,770,000	\$ 54,641,400	\$ 5,941,400	12.2%
Special Parcel Tax	36,092,777	37,456,000	37,456,000	38,766,960	1,310,960	3.5%
Benefit Assessments	19,178,824	16,148,630	16,148,630	16,078,545	(70,085)	(0.4%)
Intergovernmental Services	834,501	258,000	258,000	400,000	142,000	55.0%
Other	-	200,000	200,000	206,000	6,000	3.0%
<b>Total Operating Rev</b>	<b>111,753,056</b>	<b>102,762,630</b>	<b>108,832,630</b>	<b>110,092,905</b>	<b>7,330,275</b>	<b>7.1%</b>
Non-Operating Income						
Interest*	1,870,084	1,346,847	1,346,847	1,328,337	(18,510)	(1.4%)
Capital Reimb	15,757,298	24,472,000	31,610,000	53,793,000	29,321,000	119.8%
Other	1,942,163	1,811,909	1,811,909	1,954,110	142,201	7.8%
<b>Total Non-Operating Income</b>	<b>19,569,545</b>	<b>27,630,756</b>	<b>34,768,756</b>	<b>57,075,447</b>	<b>29,444,691</b>	<b>106.6%</b>
<b>Total Revenue</b>	<b>131,322,601</b>	<b>130,393,386</b>	<b>143,601,386</b>	<b>167,168,352</b>	<b>36,774,966</b>	<b>28.2%</b>
<b>Operating Outlays:</b>						
Operations	40,713,469	53,469,071	53,160,606	53,786,021	316,950	0.6%
Operating Projects	7,353,098	5,122,232	5,332,232	4,341,918	(780,314)	(15.2%)
Debt Service	15,453,812	13,303,015	13,303,015	13,252,984	(50,031)	(0.4%)
<b>Total Operating Outlays</b>	<b>63,520,379</b>	<b>71,894,318</b>	<b>71,795,853</b>	<b>71,380,923</b>	<b>(513,395)</b>	<b>(0.7%)</b>
Capital Projects	25,634,763	135,850,409	136,450,409	101,850,891	(33,999,518)	(25.0%)
Carried Forward Capital Projects	-	43,509,742	45,435,528	21,105,299	(22,404,443)	(51.5%)
<b>Total Capital Outlays</b>	<b>25,634,763</b>	<b>179,360,151</b>	<b>181,885,937</b>	<b>122,956,190</b>	<b>(56,403,961)</b>	<b>(31.4%)</b>
<b>Other Financing Sources/(Uses):</b>						
Certificates of Participation	-	7,000,000	-	7,000,000	-	0.0%
Transfers In	4,853,781	15,694,395	15,694,395	2,825,561	(12,868,834)	(82.0%)
Transfers Out	(6,803,493)	(19,238,851)	(19,238,851)	(9,611,681)	9,627,170	(50.0%)
<b>Total Other Sources/(Uses)</b>	<b>(1,949,712)</b>	<b>3,455,544</b>	<b>(3,544,456)</b>	<b>213,880</b>	<b>(3,241,664)</b>	<b>(93.8%)</b>
<b>Balance Available</b>	<b>\$ 40,217,747</b>	<b>\$ (117,405,539)</b>	<b>\$(113,624,860)</b>	<b>\$ (26,954,881)</b>		

	Estimated Balances				Change from 2013-14 Adopted	
	Year-End 2012-13	Adopted 2013-14	Projected YE 2013-14	Adopted 2014-15	\$ Diff	% Diff
<b>Year-End Reserves:</b>						
<b>Restricted Reserves</b>						
CSC- Maint of Newly Improved Creeks	5,392,971	-	-	-	-	**
CSC- Other Activities	2,098,416	-	-	-	-	**
CSC- Environmental Enhancement Prog	17,940,542	-	-	-	-	**
CSC- Open Space & Trails Program	7,599,654	-	-	-	-	**
Currently Authorized Projects***	64,839,805	9,698,000	26,770,747	21,188,000	11,490,000	118.5%
Operating & Capital Reserve	64,568,511	32,984,421	25,691,512	17,911,523	(15,072,898)	(45.7%)
<b>Total Restricted Reserves</b>	<b>162,439,899</b>	<b>42,682,421</b>	<b>52,462,259</b>	<b>39,099,523</b>	<b>(3,582,898)</b>	<b>(8.4%)</b>
<b>Committed Reserves</b>						
Operating & Capital Reserve	62,578,113	35,907,734	66,297,363	68,227,770	32,320,036	90.0%
Currently Authorized Projects***	35,556,022	4,770,889	28,189,552	12,667,000	7,896,111	165.5%
<b>Total Committed Reserves</b>	<b>98,134,135</b>	<b>40,678,623</b>	<b>94,486,915</b>	<b>80,894,770</b>	<b>40,216,147</b>	<b>98.9%</b>
<b>Total Year-End Reserves</b>	<b>\$ 260,574,034</b>	<b>\$ 83,361,044</b>	<b>\$ 146,949,174</b>	<b>\$ 119,994,293</b>	<b>36,633,249</b>	<b>43.9%</b>
<b>Uncommitted Funds</b>			<b>\$ 0</b>	<b>\$ 0</b>		

\* Interest revenue does not include GASB31 market valuation adjustment

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

# Financial Summaries

## Watershed and Stream Stewardship Fund

### Description

The Watershed and Stream Stewardship Fund was created in FY 2000-01 as part of the Board of Directors' direction to balance the overall Flood Protection and Stream Stewardship Program. When created, this fund supported specific stewardship activities within the watersheds from a portion of the District's ad valorem property tax allocation. Beginning in FY 2008-09, this fund was redefined to support all activities from the five watersheds funds supported by revenue from:

- All District's 1% ad valorem property tax allocation, except the portion allocated to District General Fund and Water Enterprise Fund
- Benefit assessments
- Capital reimbursement
- Intergovernmental revenue
- Interest revenue

The revenues in the Watershed and Stream Stewardship Fund are used to provide:

- Environmentally responsible maintenance of flood conveyance and ecological assets to preserve or improve flood protection, water quality, or environmental values including sediment removal; levee maintenance; erosion protection; debris removal; vegetation management; invasive species removal and control; Good Neighbor Maintenance - trash and graffiti removal; corrective maintenance - property, fence and road repairs
- Administration of the Water Resources Protection Ordinance to protect District assets
- Consultation with other agencies to manage flood risk and to protect ecological assets
- Emergency preparedness/response including sandbags and efforts to respond to or reduce the threat of fires
- Protection and improvement of water quality from urban runoff and other stream impairments
- Monitoring and assessing the condition and performance of both flood conveyance and environmental assets in the watersheds

- Public outreach and education
- Other program activities such as work improvement efforts, floodplain management, hydrology, safety training and workforce development

Programs and projects are designed to fulfill each goal. Following each goal statement is a list of projects that are included in the FY 2014-15 budget.

Quantities are based on proposed work submitted to the regulatory agencies.

### Outcomes

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

*Major Capital Projects:*

- Berryessa Creek, Lower Penitencia Creek to Calaveras Boulevard
- Lower Penitencia Creek Capacity Restoration, Berryessa Creek to Coyote Creek
- Lower Silver Creek Reaches 4-6, I-680 to Cunningham Avenue
- Lower Llagas Creek Capacity Restoration, Buena Vista Road to Pajaro River
- Lake Cunningham Improvements
- Palo Alto Flood Basin Structure Improvements
- Upper Penitencia Creek, Coyote Creek to Dorel Drive
- San Francisco Bay Shoreline

Maintain conveyance capacity of modified channels: Effectively and efficiently maintain and operate flood water conveyance channels to design specifications including sustainable sediment management and debris removal.

Sediment Removal:

- 6,100 cubic yards estimated for Lower Peninsula Watershed

# Financial Summaries

- 16,020 cubic yards estimated for West Valley Watershed
- 2,880 cubic yards estimated for Guadalupe Watershed
- No sediment removal is planned for Coyote Watershed
- 1,000 cubic yards estimated for Pajaro Watershed

Field Condition Assessment Creek Inspection of approximately:

- 246,696 linear feet (47 miles) for Lower Peninsula Watershed
- 322,082 linear feet (61 miles) for West Valley Watershed
- 282,704 linear feet (54 miles) for Guadalupe Watershed
- 298,680 linear feet (57 miles) for Coyote Watershed
- 517,936 linear feet (98 miles) for Pajaro Watershed

Levee Maintenance: Inspection and maintenance will be performed on approximately

- 96,125 linear feet (18 miles) for Lower Peninsula Watershed
- 164,405 linear feet (31 miles) for West Valley Watershed
- 119,365 linear feet (23 miles) of inspection, 300 linear feet of repair for Guadalupe Watershed
- 108,531 linear feet (21 miles) of inspection, 155 linear feet of repair for Coyote Watershed
- 114,600 linear feet (22 miles) for Pajaro Watershed

Watershed Property Vegetation: Control of 1,682 acres of upland vegetation

## **Goal 3.2: Reduced potential for flood damages**

Reduce the risk of flooding from creeks : preparing for and responding to flood emergencies; implementing the Water Resources Protection Ordinance; consulting with and supporting external agencies for floodplain management; maintaining rain and stream gage system.

Sandbags: Provide approximately 40,000 filled bags

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

Protect and restore creek and bay ecosystems : managing mitigation and enhancement sites; monitoring the biological values along the creeks and bay; understanding the natural hydrology of the watersheds; responding to hazardous material incidents; educating residents on creek stewardship; conducting stormwater runoff pollution prevention activities and continuing Good Neighbor Maintenance will remove trash from visible creek reaches, repair fences as needed for public safety, coordinate with the cities for cleanup of illegal encampments, respond to requests for trash and graffiti removal within 5 working days and respond to Adopt-A-Creek trash pickups.

Watershed Erosion Protection (stream bank stabilization): approximately

- 273 linear feet for West Valley Watershed
- 335 linear feet for Guadalupe Watershed
- 25 linear feet for Coyote Watershed
- 60 linear feet for Pajaro Watershed

*Capital Projects:*

- SMP Mitigation, Stream and Watershed Land Preservation

# Financial Summaries

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

Provides for additional recreational opportunities through partnering with cities and the county for the creation of creekside trails and open space

### *Capital Projects:*

- Alviso Slough Design Construction

## **Goal: 4.3: Strive for zero net greenhouse gas emission or carbon neutrality**

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

## **Fiscal Status**

Property tax revenue is projected at \$54.6 million, a 12.2% increase from FY 2013-14.

Interest earnings are projected at \$0.6 million, a 2.8% increase from FY 2013-14.

\$36.8million is budgeted as Capital Reimbursement for the following:

- \$2.8 million for State Subventions (Downtown Guadalupe River and Lower Silver, Coyote Creek to I-680)
- \$10.0 million for State Bond (Lower Silver Creek)
- \$20.0 million for Department of Water Resources (DWR) Prop 1E round 2 Stormwater Flood Management Grant Agreement (Berryessa and Lower Peninsula)
- \$4.0 million for Joint Powers Authority (San Francisquito)

\$1.6 million is budgeted as Other Non Operating Income for the following:

- \$0.5 million for HOPTR and Other misc. income
- \$1.1 million for Rental income

\$2.8 million is budgeted to be transferred in from Benefit Assessment Fund for the excess amount over the debt obligations.

\$5.8million is budgeted to be transferred out from Watershed and Stream Stewardship fund as follows:

- \$4.9 million to General Fund (11) for Winfield Capital Improvement Project (\$4.8m) and HQ Operations Building (\$0.1m)
- \$0.9 million to Water Enterprise fund (61) for Open Space Credit

## **Budget Issues**

- Lengthened permit renewal process has the potential to delay capital construction.
- Implementation of the new Stream Maintenance Program regulatory permits will be a high priority.
- Concern for increased regulatory fees and mitigation requirements as part of permit renewal continues.
- Efforts continue in updating the hydrological and geomorphological databases to provide critical information for the foundation for core business.

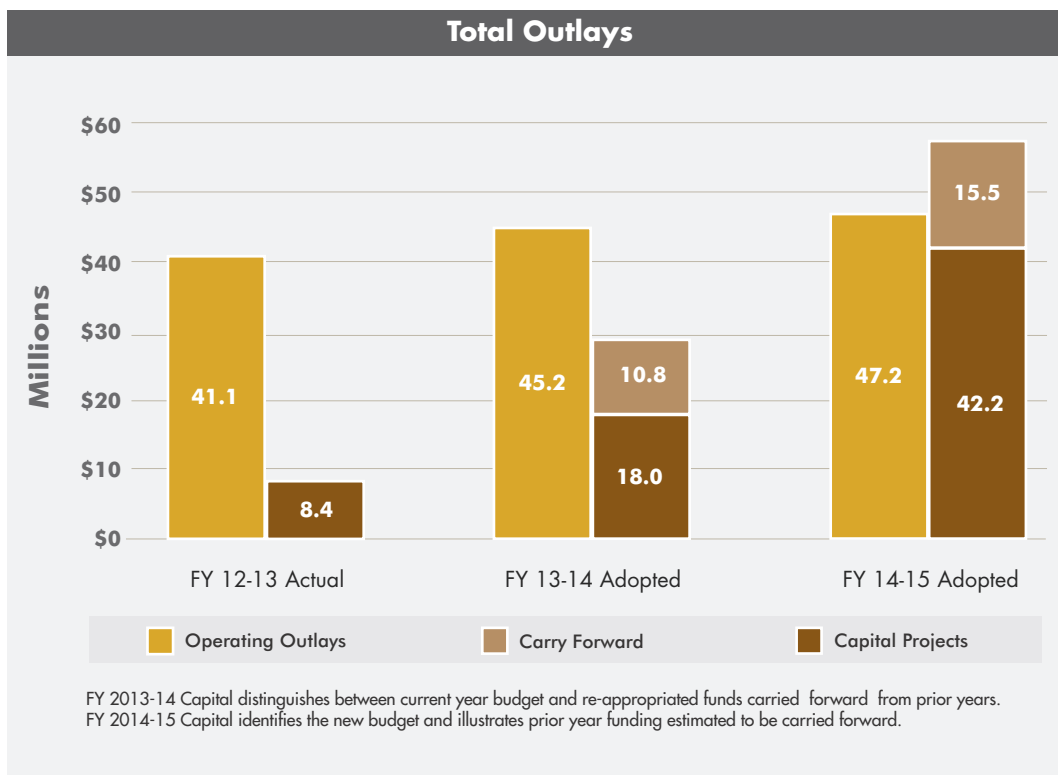
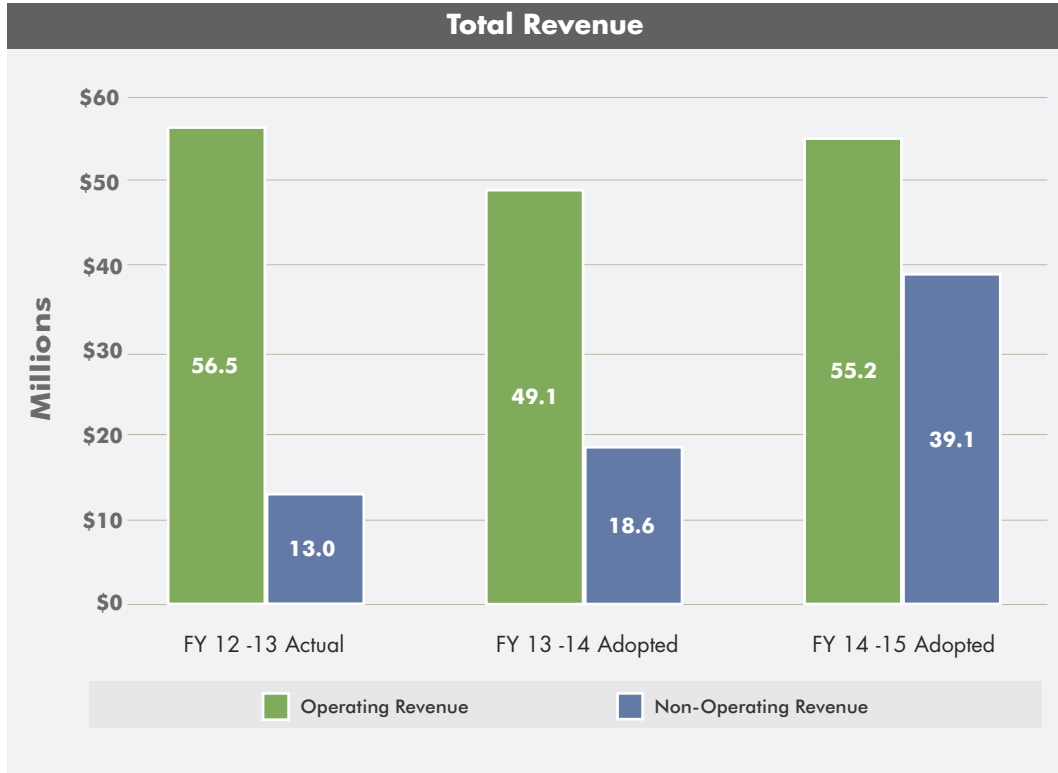


# Financial Summaries

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# Financial Summaries

## Watershed and Stream Stewardship Fund



# Financial Summaries

## Watershed and Stream Stewardship Fund Summary

	Budgetary Basis Actual 2012-13	Adopted Budget 2013-14	Projected Year End 2013-14	Adopted Budget 2014-15	Change from 2013-14 Adopted	
					\$ Diff	% Diff
<b>Revenue Sources:</b>						
Operating Revenue:						
Property Taxes	\$55,646,954	\$ 48,700,000	\$ 54,770,000	\$ 54,641,400	\$5,941,400	12.2%
Intergovernmental Services	834,501	258,000	258,000	400,000	142,000	55.0%
Other	-	200,000	200,000	206,000	6,000	3.0%
<b>Total Operating Revenue</b>	<b>56,481,455</b>	<b>49,158,000</b>	<b>55,228,000</b>	<b>55,247,400</b>	<b>6,089,400</b>	<b>12.4%</b>
Non Operating Income						
Interest*	934,204	538,294	538,294	553,329	15,035	2.8%
Capital Reimb	10,336,215	16,378,000	22,878,000	36,837,000	20,459,000	124.9%
Other	1,700,227	1,648,000	1,648,000	1,697,440	49,440	3.0%
<b>Total Non-Operating Income</b>	<b>12,970,646</b>	<b>18,564,294</b>	<b>25,064,294</b>	<b>39,087,769</b>	<b>20,523,475</b>	<b>110.6%</b>
<b>Total Revenue</b>	<b>69,452,101</b>	<b>67,722,294</b>	<b>80,292,294</b>	<b>94,335,169</b>	<b>26,612,875</b>	<b>39.3%</b>
<b>Operating Outlays:</b>						
Operations	36,417,907	42,078,767	41,770,302	44,530,157	2,451,390	5.8%
Operating Projects	4,668,629	3,159,666	3,369,666	2,687,438	(472,228)	(14.9%)
<b>Total Operating Outlays</b>	<b>41,086,536</b>	<b>45,238,433</b>	<b>45,139,968</b>	<b>47,217,595</b>	<b>1,979,162</b>	<b>4.4%</b>
Capital Projects	8,421,979	17,999,531	17,999,531	42,211,618	24,212,087	134.5%
Carried Forward Capital Projects	-	10,858,146	7,366,470	15,522,552	4,664,406	43.0%
<b>Total Capital Outlays</b>	<b>8,421,979</b>	<b>28,857,677</b>	<b>25,366,001</b>	<b>57,734,170</b>	<b>28,876,493</b>	<b>100.1%</b>
<b>Other Financing Sources/(Uses):</b>						
Transfer in from Benefit Assess Fund	3,727,373	2,845,615	2,845,615	2,825,561	(20,054)	(0.7%)
Transfers In	444,783	57,038	57,038	-	(57,038)	**
Transfers Out	(2,633,700)	(16,336,198)	(16,336,198)	(5,801,110)	10,535,088	(64.5%)
<b>Total Other Sources/(Uses)</b>	<b>1,538,456</b>	<b>(13,433,545)</b>	<b>(13,433,545)</b>	<b>(2,975,549)</b>	<b>10,457,996</b>	<b>(77.8%)</b>
<b>Balance Available</b>	<b>\$21,482,042</b>	<b>\$ (19,807,361)</b>	<b>\$ (3,647,220)</b>	<b>\$ (13,592,145)</b>		

	Estimated Balances				Change from 2013-14 Adopted	
	Year-End 2012-13	Adopted 2013-14	Projected YE 2013-14	Adopted 2014-15	\$ Diff	% Diff
<b>Year-End Reserves:</b>						
<b>Committed Reserves</b>						
Operating & Capital Reserve	62,578,113	\$ 35,907,734	\$ 66,297,363	\$ 68,227,770	32,320,036	90.0%
Currently Authorized Projects***	35,556,022	4,770,889	28,189,552	12,667,000	7,896,111	165.5%
<b>Total Committed Reserves</b>	<b>98,134,135</b>	<b>40,678,623</b>	<b>94,486,915</b>	<b>80,894,770</b>	<b>40,216,147</b>	<b>98.9%</b>
<b>Total Year-End Reserves</b>	<b>\$98,134,135</b>	<b>\$ 40,678,623</b>	<b>\$ 94,486,915</b>	<b>\$ 80,894,770</b>	<b>40,216,147</b>	<b>98.9%</b>
<b>Uncommitted Funds</b>			<b>\$ 0</b>	<b>\$ 0</b>		

\* Interest revenue does not include GASB31 market valuation adjustment

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

# Financial Summaries

## Total Outlays by Watershed and Stream Stewardship Fund

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
<b>Operations:</b>				
10291002	Rental Expense Stevens Creek	\$ 244,839	\$ 299,935	\$ 350,186
10811042	West Watershed Technical Support	269,681	349,391	
20081008	LP/WV/Guad Fac Condition Assmnt	718,490	723,563	
20761011	LP/WV/Guad Gen Field Maint	827,052	1,098,948	
20761021	LP/WV/Guad Debris Removal	523,884	620,347	
20761041	LP/WV/Guad Erosion Protection	1,246,578	1,663,434	
20771022*	LP/WV/Guad Wtrshd Gd Neighbor	294,505	398,741	
20771052*	LP/WV/Guad Sediment Removal	1,790,112	2,283,450	
20811011	LP/WV/Guad Levee Maintenance	551,937	1,273,253	
30061004	Rent Exp Guadalupe Prior7/1/01	205,491	204,369	220,782
30151026	Gud Rvr Mitgtn Moni Prog	965,693	747,722	635,053
30771026*	Illegal Encampment Cleanup Prg	224,225		
30811042	Guad Watershed Technical Suppt	277,064	305,421	
40061004	Rental Expense Coyote Wtrshd	12,078	16,491	18,006
40081008	Coy/Pajaro Facilities Condition Assmt	460,691	211,595	
40761011	Coy/Pajaro General Field Maint	713,339	502,183	
40761021	Coy/Pajaro Wtrshd Debris Rmvl	616,100	609,047	
40761041	Coy/Pajaro Wtrshd Erosion Protection	610,222	617,914	
40771024*	Coy/Pajaro Wtrshd Gd Neighbor	245,869	414,785	
40771054*	Coy/Pajaro Wtrshd Sediment Rmvl	747,553	1,590,797	
40811011	Coy/Pajaro Wtrshd Levee Maint	446,775	620,371	
40811042	Coy Watrshd Technical Support	937,579	403,266	
50811042	Pajaro Watershed Tech Supp	193,882	282,490	
62001090	Unscoped Projects-Budget Only		300,000	300,000
62011002	Watershed Asset Protection Supp	3,063,273	2,968,696	3,152,190
62021002	Watershed Emergency Operations		133,956	182,634
62021003	CPRU Tech Support	339,917	357,976	400,813
62021004	Vegetation Mgmt Tech Support	654,445	667,165	672,356
62021005	Stewardship & Planning Technical Support	503,786	381,146	
62021007	Geomorphic Data Analysis	53,762	186,894	209,853
62021008*	Electrical Power Support	7,548	5,127	7,235
62021009	Watersheds O&M Eng&Insp Supp			933,300
62031001*	Watershed Revenue	145,025	117,284	116,641
62031002*	Grants Management	274,084	348,936	378,247
62041003	Ecological Monitoring Prog	418,355		
62041022*	Stream Maint Prog Mgmt	779,665	1,071,368	2,103,035
62041023	Watershed Stewardship Policy & Coord	81,664	348,382	470,974

\* Recipient projects

# Financial Summaries

## Total Outlays by Watershed and Stream Stewardship Fund - (continued)

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
62041025*	SMP Biodiversity Monitoring	93,757		
62041026	Watersheds Asset Mgt Png Prgm	554,702	857,180	800,991
62041027	Watersheds Long Term Planning	347,971	536,704	1,743,321
62041039*	Integrated Regional Water Mgmt	128,590	116,828	105,516
62041042*	Llagas Fire Mgmt	95,848		
62041043	Environmental Services Tech Supp	178,046	200,786	304,641
62041046*	Survey Record Mgmt	19,664	61,094	79,326
62041047*	Ecological Data Collection and Analysis		272,157	244,515
62061001	Watersheds Administration	5,449,881	4,877,433	4,699,760
62061005	Flood Awareness	320,011	343,223	353,481
62061008	Basic Hydrology	402,986	605,089	469,842
62061022	Watershed Ops Safety Implement	294,945	294,634	308,993
62061023	Watershed Ops Safety Training	546,109	606,351	559,762
62061028	WS Training & Development	561,938	694,183	475,116
62061029	Field Operations Support	441,522	436,976	455,719
62061030	Special Tax Outcome Monitoring	74,407	114,501	
62061042	Watershed Customer Relations	268,303	164,579	207,387
62061045*	AM Framework Implementation	258,468	276,154	225,444
62061046*	District CMMS Administration	309,988	295,295	240,891
62061048*	Climate Change Adaptation/Mitg			127,339
62061054*	Safe Clean Water Implementation	467,168	896,881	761,426
62071041*	Welding Services	38,334	54,933	58,402
62181005	SMP Mitigation Site Mgmt	96,314	167,709	117,231
62741042*	Water Resources EnvPng & Permtg		64,740	101,880
62761008	Sandbag Program	202,417	226,427	277,318
62761009	Pond A4 Operations	143,926	148,279	155,072
62761010	Watersheds Tree Maintenance	138,220	220,870	205,470
62761022*	Watershed Good Neighbor Maint			720,632
62761023*	Watershed Sediment Removal			3,462,833
62761024	Wtrshd Facility Condition Assmnt			1,126,893
62761025	Wtrsh General Field Maint			1,741,805
62761026	Watershed Debris Removal			1,430,258
62761027	Watershed Erosion Protection			2,171,020
62761028	Watershed Levee Maintenance			2,540,323
62761071*	Emergency Preparedness Prog	724,562	632,713	634,884
62761072*	Business Continuity Program	114,320	128,401	242,818
62761074	Corps Local Sponsor O&M		870,843	1,316,208

\* Recipient projects

# Financial Summaries

## Total Outlays by Watershed and Stream Stewardship Fund (continued)

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
62761075*	Mgmt of Revegetation Projects		475,043	548,063
62761078*	Vegetation Management for Access		2,027,851	1,898,694
62771011*	InterAgency Urban Runoff Program	198,595	997,980	1,001,531
62771031*	HAZMAT Emergency Response	161,642	100,621	98,670
62771068	Watershed Property Vegetation	2,023,052		
62811043*	Hydrologic Data Msrmt & Mgmt	837,688	816,292	851,831
62811046*	Warehouse Services	905,133	1,019,226	994,961
62811049*	X Valley Subsidence Survey	226,958		
62811050*	Benchmark Maintenance (Countywide)		90,190	155,135
62811054*	District Real Property Administration	347,281	262,158	363,450
<b>Total Operations:</b>		<b>36,417,907</b>	<b>42,078,767</b>	<b>44,530,157</b>
<b>Operating:</b>				
10102002	Adobe Creek Mitigation Monitoring	13,917	58,196	38,859
10212011	Matadero Overflow Ch Mit Mon		6,945	12,672
20102019	Bollinger Bridge Mit Mon	5,492	24,470	
40212032	Coyote Creek Mitgtn Monitoring	97,452	306,013	299,172
40262033	Lwr Silver Mitigation & Monitr	12,210	242,693	72,122
62022007*	SMP Program Permit Renewal	758,595	186,096	
62022008	Flood Warning System developmnt	69,761		
62042026	Watersheds Asset Mgt Plng Prgm	244		
62042032	Island Pond Mitigation & Monit	50,423	47,721	72,676
62042037*	Safe, Clean Water	1,204,098		
62042045	Stream Gauge Study	31,614	201,507	236,551
62042047	Mitigation&Stwdship Lands Mgmt	12,996	58,294	228,476
62042049	Flood Risk Mapping	239,200	491,030	708,124
62042050	Watersheds Maint Guidelines Update		338,194	337,335
62742041*	SCV Habitat Conservation Plan	333,348		
62762016	Arundo Control Program	757,678	776,756	550,695
62762073	LwrGuad Veg Mgmt for Fld Conveyance		421,751	130,756
62792003	Inter Agency Urban Runoff Prog	1,081,600		
<b>Total Operating:</b>		<b>4,668,629</b>	<b>3,159,666</b>	<b>2,687,438</b>
<b>Capital:</b>				
10104011	Adobe CK Upper Reach 5 Restore	57,184		
10394001	Palo Alto Flood Basin Imprmnt			472,956
30154013	Guadalupe Rv-DT, 880-280	3,282		

\* Recipient projects

# Financial Summaries

## Total Outlays by Watershed and Stream Stewardship Fund (continued)

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
30154014	Guadalupe Rv-DT, Hedding-Colem	2,508		
30154015	Guadalupe Rv-DT, Coleman-SCLra	289,180		
30154028	Gold Street Educational Center	20,502	75,525	
30154030	Alviso Slough Design Construct	305,697	2,336,806	(1)
40174004	L. Berryessa Ck, L.Penit-Calav	1,307,516	464,000	27,812,111
40264008	Lwr Silver-R4-6 N Babb-Cunni	2,689,250	50,000	4,729,524
40264011	Improv Cunningham Park	324,190	2,174,739	1,741,331
40264012	Low Silver 680-Cunningham Reim	199,813	54,000	
40324003	U Penitencia Cr-Corps Coord	35,692		
40324005	U Penitencia, Coyt-Dorel LERRD	16,418	80,000	
40334005	Lower Penitencia Ck Improv	212,161	1,784,338	1,894,595
50164009	Soap Lake Floodplain Prot'y Acq	36,162		
50284010	Lower Llagas Capacity Restore	285,113	6,931,310	
62044026*	San Francisco Bay Shoreline	937,061	337,000	1,016,000
62074030*	Capital Training and Development	107,772	105,513	219,324
62074033*	CIP Development & Admin	153,342	209,256	217,812
62074036*	Survey Tech Support		45,843	109,708
62074038*	Capital Program Services Admin	775,861	680,112	753,625
62074045*	Technical Review Committee	89,213	115,969	115,434
62074046*	Capital Health & Safety Training	22,038	60,340	53,199
62184001	SMP Mit-Stream Wtrshd Land Acq	552,024	2,494,780	3,076,000
<b>Total Capital:</b>		<b>8,421,979</b>	<b>17,999,531</b>	<b>42,211,618</b>
<b>TOTAL</b>		<b>\$ 49,508,515</b>	<b>\$ 63,237,964</b>	<b>\$ 89,429,213</b>

\* Recipient projects

# Financial Summaries

## Safe, Clean Water & Natural Flood Protection Fund

### Description

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

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

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

The program supplements other available but limited resources to provide stream stewardship activities and flood protection improvements. supports activities that benefit not only the community at large but that also provide relief to Water Utility rate payers. For example, the fund will pay for a portion of the Anderson Dam Seismic Retrofit project that otherwise would need to be paid by water utility rate payers. Following each priority statement is a list of projects that are included in the FY2015 budget.

### Outcomes

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

Ensure continued coordination with and funding support from the US Army Corps of Engineers (USACE); continue projects to maintain channel conveyance capacity.

##### Major Capital Projects:

- Upper Penitencia Creek, Coyote Creek to Dorel Drive (SCW Priority E4)
- San Francisquito Creek, San Francisco Bay to Searsville Dam (SCW Priority E5)
- Upper Llagas Creek, Buena Vista Road to Wright Avenue (SCW Priority E6)
- San Francisco Bay Shoreline (SCW Priority E7)
- Upper Guadalupe River, I-280 to Blossom Hill Road (SCW Priority E8)
- Berryessa Creek, Calaveras Boulevard to I-680 (continue CSC)
- Coyote Creek, Montague Expressway to I-280 (continue CSC)
- Permanente Creek, San Francisco Bay to Foothill Expressway (continue CSC)
- Sunnyvale East & West Channel, Guadalupe Slough to I- 280 & I-101(continue CSC)

##### SCW Priority E1:

- Sediment Removal: provides 16% of funding for 26,000 cubic yards of sediment
- Property Vegetation: Control of 408 acres of upland vegetation (program total is 6,120 acres over 15 years)
- Stream Capacity Vegetation Control: Control of 619 acres of in-stream vegetation to provide flood protection in all five watersheds

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

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



# Financial Summaries

## *SCW Priority C2:*

- Improve the accuracy of flood forecasting services with the use of stream gages and hydrological, hydraulic and geotechnical studies

## *SCW Priority E2:*

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

## *SCW Priority E3:*

- Implement risk reduction strategies consistent with FEMA's Community Rating System as appropriate
- Provide more accurate flood plain mapping and potentially remove hundreds of parcels from FEMA regulatory flood plain

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

### *SCW Priority B1:*

- Improve impaired water bodies -improves water quality and fisheries by reducing contaminants such as mercury

### *SCW Priority B2:*

- Pollution Prevention Partnership Program - identifies and supports collaborative efforts with other agencies and non-profit organizations to protect surface water quality
- Urban Runoff Pollution Prevention Program - identifies opportunities for the District and local agencies to implement pollution prevention activities; includes the Pajaro Watershed
- Install and maintain trash capture devices at storm water outfalls throughout the county

- Maintains district compliance with RWQCB and National Pollutant Discharge Elimination System (NPDES) permits

### *SCW Priority B3:*

- Oversee the implementation of grants for the three (3) selected Pollution Prevention projects with a total award of \$433,200
- Provide up to \$200,000 per year for partnerships with municipalities for programs specific to reducing contaminants in groundwater or surface water

### *SCW Priority B4:*

- Good Neighbor Illegal Encampment Cleanup: Funds 100% of 52 annual cleanups for all watersheds

### *SCW Priority B5:*

- Hazardous Material Response Program - provides a minimum two-hour response time to reports of pollution in creeks requiring immediate response; includes the Pajaro Watershed

### *SCW Priority B6:*

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

### *SCW Priority B7:*

- Oversee the implementation of grants for the seven (7) selected Clean Up and Education Effort projects with a total award of \$354,390

### *SCW Priority D1:*

- Manage and monitor 364 acres of revegetation planting to meet regulatory requirements and conditions throughout the five watersheds

### *SCW Priority D2:*

- Revitalize stream, upland and wetland habitat by removing invasive plants like Arundo Donax and revegetating habitat with native species
- Implement the Stream Corridor Priority Plans

# Financial Summaries

## SCW Priority D3:

- Develop Stream Corridor Priority Plans to prioritize stream restoration activities
- Oversee the implementation of grants for the five (5) selected Partnerships and Grants to Restore Wildlife Habitat with a total award of \$1.3M
- Monitor completion of Board authorized district Environmental Enhancement grants (continue CSC projects)
  1. *Guadalupe River Invasive Exotic Vegetation Removal*
  2. *Invasive Spartina monitoring and control*

## SCW Priority D4:

- Restore and maintain healthy steelhead trout populations by improving fish passage and habitat such as installing large woody debris and/or gravel in steelhead streams
- Lake Almaden/Guadalupe River/Los Alamitos Creek Restoration (Capital project)

## SCW Priority D5:

- Create a comprehensive watershed database that tracks stream ecosystem functions
- Establish new or track existing ecological levels of service
- Reassess streams to determine if ecological levels of service are maintained or improved

## SCW Priority D6:

- Increase the stability of eroding stream banks through channel improvement projects based on sound geomorphic science principles
  1. Calabazas Creek (Comer debris basin)
  2. Stevens Creek
  3. Uvas Creek

## SCW Priority D7:

- Provide up to \$8 million for the acquisition of property for the conservation of habitat lands to preserve local ecosystems (Projected to begin in FY 2015-16)

## SCW Priority D8:

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

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

### SCW Priority D3:

- Conduct a grant cycle to fund work that provides access to creekside trails or trails that provide a significant link to the creekside trail network
- Monitor current grants and associated agreements

## **Fiscal Status**

The special parcel taxes are budgeted at \$38.8 million, reflecting a 4% increase from the FY 2013-14 budget. This special tax is based on the land use and parcel size rather than assessed property value and consequently the annual rates of change are different than for the other property taxes in the Watershed Stream and Stewardship Fund.

Interest earnings are projected at \$0.8 million, a 4.1% decrease over the FY 2013-14 budget.

\$17.0 million is budgeted as Capital Reimbursement for the following:

- State Subventions (Upper Llagas: \$2.5 million, and Guadalupe \$4.4 million)
- Department of Water Resources: \$10 million for Berryessa Creek

\$7 million debt financing is budgeted for FY15

\$1.0 million is budgeted as Operating Transfers out to District General Fund for Winfield Capital Improvement Project

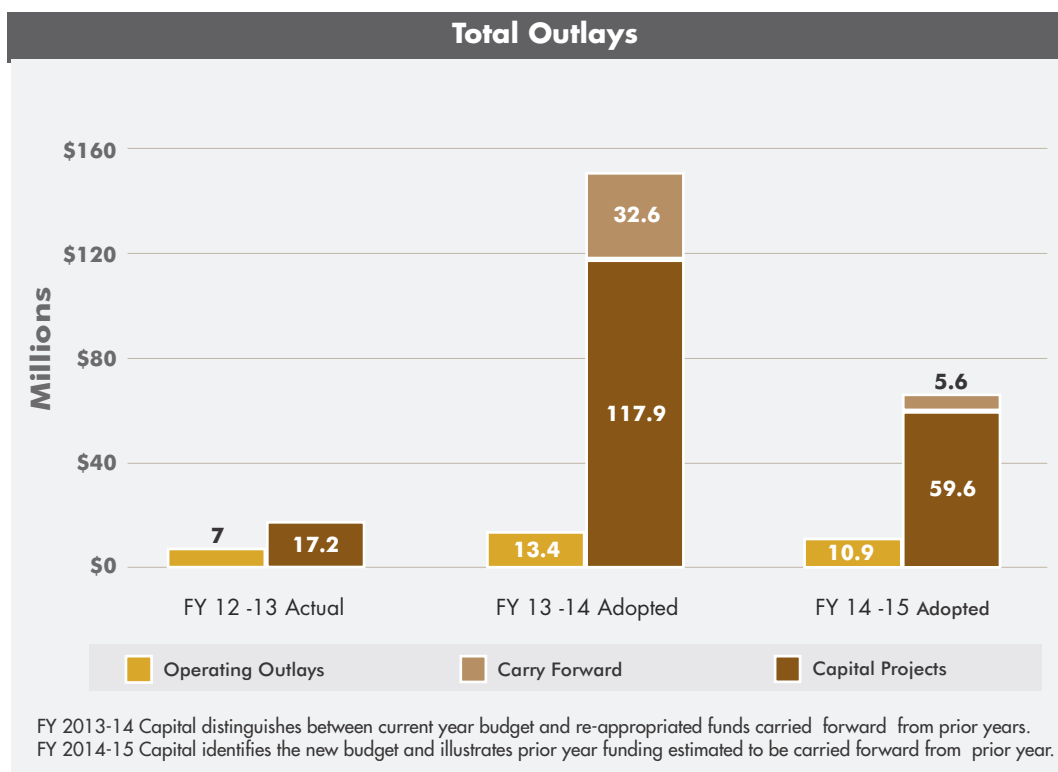
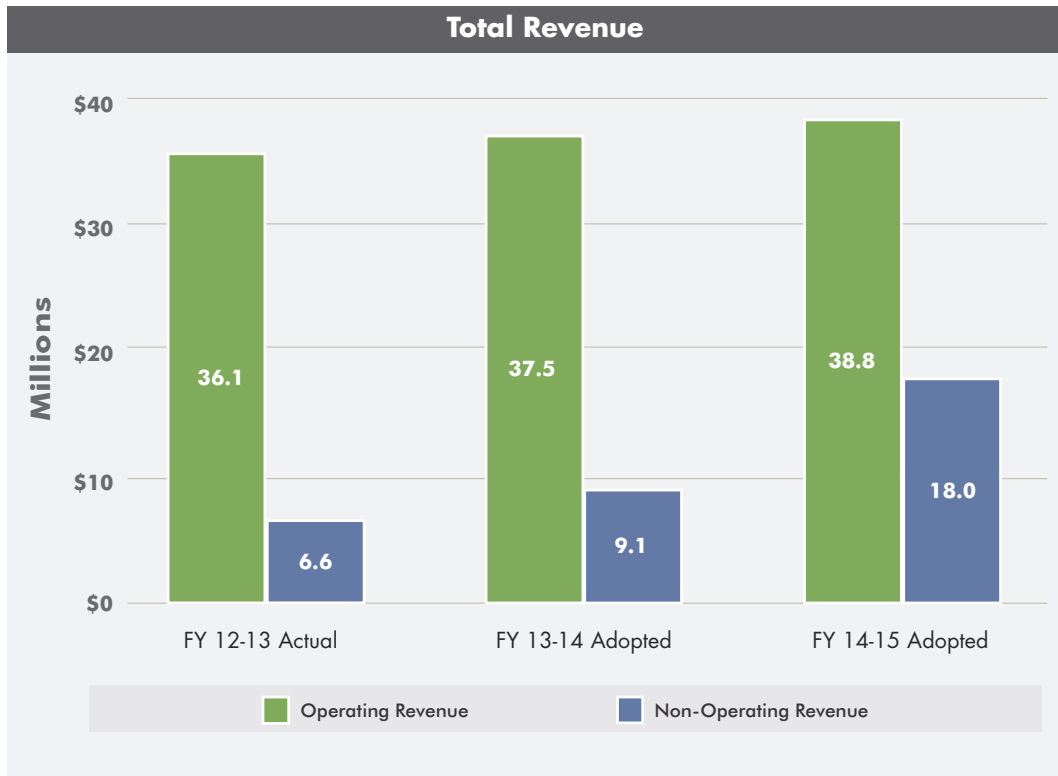
# Financial Summaries

## Budget Issues

- Staff continues to work aggressively with the USACE to obtain Federal funding. Flood protection projects continue to the extent possible with local funding.
- Staff is exploring other capital funding options by working with other federal agencies.
- Lengthened permit renewal process has the potential to delay capital construction.
- The funding for the current drought situation has overshadowed flood protection funding.

# Financial Summaries

## Safe, Clean Water & Natural Flood Protection Fund



# Financial Summaries

## Safe, Clean Water & Natural Flood Protection Fund Summary

	Budgetary Basis Actual 2012-13	Adopted Budget 2013-14	Projected Year End 2013-14	Adopted Budget 2014-15	Change from 2013-14 Adopted	
					\$ Diff	% Diff
<b>Revenue Sources:</b>						
Operating Revenue:						
Special Parcel Tax	\$ 36,092,777	\$ 37,456,000	\$ 37,456,000	\$ 38,766,960	\$ 1,310,960	3.5%
Total Operating Revenue	36,092,777	37,456,000	37,456,000	38,766,960	1,310,960	3.5%
Non-Operating Income:						
Interest*	935,880	808,553	808,553	775,008	(33,545)	(4.1%)
Capital Reimb	5,421,083	8,094,000	8,732,000	16,956,000	8,862,000	109.5%
Other	241,936	163,909	163,909	256,670	92,761	56.6%
Total Non-Operating Income	6,598,899	9,066,462	9,704,462	17,987,678	8,921,216	98.4%
<b>Total Revenue</b>	<b>42,691,676</b>	<b>46,522,462</b>	<b>47,160,462</b>	<b>56,754,638</b>	<b>10,232,176</b>	<b>22.0%</b>
<b>Operating Outlays:</b>						
Operations	4,295,562	11,390,304	11,390,304	9,255,864	(2,134,440)	(18.7%)
Operating Projects	2,684,469	1,962,566	1,962,566	1,654,480	(308,086)	(15.7%)
<b>Total Operating Outlays</b>	<b>6,980,031</b>	<b>13,352,870</b>	<b>13,352,870</b>	<b>10,910,344</b>	<b>(2,442,526)</b>	<b>(18.3%)</b>
Capital Projects	17,212,784	117,850,878	118,450,878	59,639,273	(58,211,605)	(49.4%)
Carry Forward Capital Projects	-	32,651,596	38,069,058	5,582,747	(27,068,849)	(82.9%)
<b>Total Capital Outlays</b>	<b>17,212,784</b>	<b>150,502,474</b>	<b>156,519,936</b>	<b>65,222,020</b>	<b>(85,280,454)</b>	<b>(56.7%)</b>
<b>Other Financing Sources (Uses):</b>						
Certificates of Participation	-	7,000,000	-	7,000,000	-	0.0%
Transfers In	681,625	12,791,742	12,791,742	-	(12,791,742)	(100.0%)
Transfers Out	(444,781)	(57,038)	(57,038)	(985,010)	(927,972)	1626.9%
<b>Total Other Sources/(Uses)</b>	<b>236,844</b>	<b>19,734,704</b>	<b>12,734,704</b>	<b>6,014,990</b>	<b>(13,719,714)</b>	<b>(69.5%)</b>
<b>Balance Available</b>	<b>\$ 18,735,705</b>	<b>\$ (97,598,178)</b>	<b>\$ (109,977,640)</b>	<b>\$ (13,362,736)</b>		

	Estimated Balances				Change from 2013-14 Adopted	
	Year-End 2012-13	Adopted 2013-14	Projected YE 2013-14	Adopted 2014-15	\$ Diff	% Diff
	<b>Year-End Reserves:</b>					
<b>Restricted Reserves</b>						
CSC- Newly Improved Creeks	5,392,971	-	-	-	-	**
CSC- Other Activities	2,098,416	-	-	-	-	**
CSC- Environmental Enhancement	17,940,542	-	-	-	-	**
CSC- Open Space & Trails Prog	7,599,654	-	-	-	-	**
Currently Authorized Projects***	64,839,805	9,698,000	26,770,747	21,188,000	11,490,000	118.5%
Operating & Capital Reserve	\$ 64,568,511	\$ 32,984,421	\$ 25,691,512	\$ 17,911,523	(15,072,898)	(45.7%)
<b>Total Restricted Reserves</b>	<b>162,439,899</b>	<b>42,682,421</b>	<b>52,462,259</b>	<b>39,099,523</b>	<b>(3,582,898)</b>	<b>(8.4%)</b>
<b>Total Year-End Reserves</b>	<b>\$ 162,439,899</b>	<b>\$ 42,682,421</b>	<b>\$ 52,462,259</b>	<b>\$ 39,099,523</b>	<b>\$ (3,582,898)</b>	<b>(8.4%)</b>
<b>Uncommitted Funds</b>			<b>\$ 0</b>	<b>\$ 0</b>		

\* Interest revenue does not include GASB31 market valuation adjustment

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

On November 6, 2012, the voters approved the Safe, Clean Water and Natural Flood Protection program to continue the Clean, Safe Creeks and Natural Flood Protection (CSC) Tax and replace the CSC Plan.

# Financial Summaries

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

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
<b>Operations:</b>				
26001090	Unscoped Projects-Budget Only	\$	\$ 100,000	\$ 100,000
26031001*	Watershed Revenue	226,834	183,446	182,434
26041022*	Stream Maint Prog Mgmt	86,630		
26041023	Emergency Response Upgrades		215,366	384,224
26041024	Flood Risk Reduction Studies		433,911	908,729
26041047*	Ecological Data Collection and Analysis		552,570	496,437
26061002	Rent Exp Clean Safe Ck 7/1/01+	110,651	157,731	167,342
26061003	Stewardship grants and partnerships admin		952,415	60,246
26061005	Flood Communication and Coordination		101,940	117,548
26061006	Pollution Prvtn Partnerships & Grants		778,611	239,280
26061007	Grants to Rest Habitat Access to Trails		2,666,772	881,369
26061008	Water Conservation Grants		128,031	129,345
26061010	Nitrate Treatment System Rebate		89,905	63,988
26061011	Cleanup Efforts and Education			17,782
26061078	Supp Volunteer Cleanup Eff&Ed		405,195	115,844
26071042	Enhancement Program Admin	65,763		
26091002	Open Spaces and Trail Admin	87,900		
26761022*	Watershed Good Neighbor Maint			480,421
26761023*	Watershed Sediment Removal			563,720
26761075*	Mgmt of Revegetation Projects		656,009	756,852
26761076	Revitalize Riparian, Upland, & Wetland Habitat		107,582	310,139
26761078*	Vegetation Management for Access		357,860	335,062
26771011*	InterAgency Urban Runoff Program		700,709	703,205
26771022*	LP/WV/Guad Wtrshd Gd Neighbor	441,758	265,829	
26771024*	Coy/Pajaro Wtrshd Gd Neighbor	368,803	276,524	
26771026*	Illegal Encampment Cleanup Prg	336,337		
26771027	Illegal Encampment Cleanup Program		393,234	1,084,825
26771031*	HAZMAT Emergency Response		33,541	32,893
26771052*	LP/WV/Guad Sediment Removal	198,902	371,715	
26771054*	Coy/Pajaro Wtrshd Sediment Rmvl	83,062	258,970	
26771066	Reveg-Mitigation Maintenance	1,147,260		
26771067	Stream Capacity Vegetation Con	996,436	1,202,438	1,124,179
26811054*	District Real Property Administration	145,226		
<b>Total Operations:</b>		<b>4,295,562</b>	<b>11,390,304</b>	<b>9,255,864</b>
<b>Operating:</b>				
26042001	Fish Passage Improvements			489,015
26062009	Hydration Station Grants		125,912	125,877

\* Recipient projects

# Financial Summaries

## Total Outlays by Safe, Clean Water & Natural Flood Protection Fund (continued)

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
26072003	Guad River Aquatic Enhancement	49,754		
26072004	Tick Creek Riparian Enchnment	14,059		
26072005	Uvas Crk Fish Passage at Silva	9,436		
26072006	Uvas Crk Bolsa Rd Fish Ladder	7,989		
26072044	Guad R Invasiv Exotic Veg Remv	142,052	123,482	
26072046	Invasive Spartina Monit&Cntrl	20,953		
26752021	Pollution Prevention Activity	536,658		
26752043	Impaired Water Bodies Improvements	1,678,567	1,713,172	1,039,588
26752044	Trash Capture Device Installation	140,771		
26792001	Urban Runoff Program So County	84,229		
<b>Total Operating:</b>		<b>2,684,469</b>	<b>1,962,566</b>	<b>1,654,480</b>
<b>Capital:</b>				
26044001	Lk Alm/Guad Rv/Almts Ck Plan	357,116		696,017
26074002	Sunnyvale East & West Channel	1,540,338	13,712,000	17,644,000
26074009	Soap Lake Easement Acquisition	250,000		
26074036*	Survey Tech Support		79,627	175,531
26074038*	Capital Program Services Admin	1,034,475	1,181,236	1,205,789
26104001	Calabazas Ck Miller to Wardell	215,116		
26154002	Guadalupe Rv-Upr, 280-SPRR(R6)	536,270		386,000
26154003	Guadalupe Rv-Upr, SPRR-BH 7-12	1,602,919		
26174041	Berryessa Calav/Old Pied Cor	1,682,273	76,000	
26174042	Berryessa Calav/Old Pied LER	61,283	14,173,000	
26174043	Coyote Ck, Montague to I-280	436,182	14,990,000	
26174051	U.Llagas Ck B.Vista-Llagas Rd Rem	368,761	32,275,577	337,000
26174052	U. Llagas Ck Buena Vista - Llagas Rd	9,127	1,110,348	15,375,000
26174054	U.Llagas Ck Design B.Vista-Llagas Rd	3,407,517	1,155,090	936,000
26244001	Permanente Ck, Bay-Fthill CSC	2,646,394	19,074,000	9,013,000
26284001	SanFrancisquito Ck, BaySer CSC	2,321,715	2,765,000	
26284002	San Francisquito Early Implemt	743,297	17,071,000	6,440,000
26444001	SFBS EIA 11 Desgn & Part Const			6,239,009
26444002	SFBS Other EIAs Planning			233,384
26444003	SBSP Restoration Partnership		188,000	328,543
26564001	Main/Madrone PL Restoration			630,000
<b>Total Capital:</b>		<b>17,212,784</b>	<b>117,850,878</b>	<b>59,639,273</b>
<b>TOTAL</b>		<b>\$ 24,192,815</b>	<b>\$ 131,203,748</b>	<b>\$ 70,549,617</b>

\* Recipient projects

# Financial Summaries

## Benefit Assessment Funds

### Overview

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

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

- The Lower Peninsula Watershed (Fund 21) is defined by geographic boundaries encompassing the tributaries and watersheds of San Francisquito Creek, Matadero Creek, Barron Creek, Adobe Creek, Stevens Creek, and Permanente Creek. The geographic area includes the cities of Palo Alto, Los Altos, Los Altos Hills, Mountain View, and portions of Cupertino.
- The West Valley Watershed (Fund 22) is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe Slough, Sunnyvale West Outfall, Sunnyvale East Outfall, Calabazas Creek, San Tomas Aquino Creek, and Saratoga Creek. The geographic area includes portions of the cities of Sunnyvale, Cupertino, Monte Sereno, San Jose, Santa Clara, Campbell, Saratoga and the Town of Los Gatos.
- The Guadalupe Watershed (Fund 23) is defined by geographic boundaries encompassing the tributaries and watersheds of the Guadalupe River. The major tributaries are Los Gatos Creek, Canoas Creek, Ross Creek, Guadalupe Creek, and Alamos Creek. The geographic area includes portions of the cities of Santa Clara, San Jose, Campbell, Monte Sereno, and the Town of Los Gatos.

- The Coyote Watershed (Fund 24) is defined by geographic boundaries encompassing the tributaries and watersheds of Coyote Creek. The major tributaries are Lower Penitencia Creek, Scott Creek, Berryessa Creek, Upper Penitencia Creek, Silver Creek, Thompson Creek, Fisher Creek, and Packwood Creek. The geographic area includes the city of Milpitas and portions of the cities of San Jose and Morgan Hill.
- The Uvas/Llagas Watershed (Fund 25) is defined by geographic boundaries encompassing the tributaries and watersheds of the Pajaro River in Santa Clara County. The major tributaries are Little Llagas Creek, Llagas Creek, the west branch of Llagas Creek, Uvas-Carnadero Creek, Pescadero Creek, and Pacheco Creek. The Uvas/Llagas Watershed Fund is comprised of mostly unincorporated area and includes the city of Gilroy and portions of the cities of San Jose and Morgan Hill.

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

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

- \$47.77/year for Lower Peninsula Watershed
- \$14.70/year for West Valley Watershed
- \$24.44/year for Guadalupe Watershed
- \$22.46/year for Coyote Watershed
- \$0.00/year for Uvas/Llagas Watershed. The debt has been paid off



# Financial Summaries

## Benefit Assessment Funds Summary

	Budgetary Basis Actual 2012-13	Adopted Budget 2013-14	Projected Year End 2013-14	Adopted Budget 2014-15	Change from 2013-14 Adopted	
					\$ Diff	% Diff
<b>Revenue Sources:</b>						
Benefit Assessments						
Lower Peninsula Watershed	\$ 4,631,586	\$ 4,278,953	\$ 4,278,953	\$ 4,262,832	\$ (16,121)	(0.4%)
West Valley Watershed	2,936,308	2,485,305	2,485,305	2,482,950	(2,355)	(0.1%)
Guadalupe Watershed	6,215,949	5,244,635	5,244,635	5,195,221	(49,414)	(0.9%)
Coyote Watershed	4,639,295	4,139,737	4,139,737	4,137,542	(2,195)	(0.1%)
Uvas/Llagas Watershed	755,686	-	-	-	-	**
<b>Total Revenue</b>	<b>19,178,824</b>	<b>16,148,630</b>	<b>16,148,630</b>	<b>16,078,545</b>	<b>(70,085)</b>	<b>(0.4%)</b>
<b>Operating Outlays:</b>						
Debt Service						
Lower Peninsula Watershed	3,838,086	3,559,660	3,559,660	3,548,101	\$ (11,559)	(0.3%)
West Valley Watershed	2,337,173	2,032,284	2,032,284	2,031,492	(792)	(0.0%)
Guadalupe Watershed	4,898,008	4,260,467	4,260,467	4,222,437	(38,030)	(0.9%)
Coyote Watershed	3,767,880	3,450,604	3,450,604	3,450,954	350	0.0%
Uvas/Llagas Watershed	612,665	-	-	-	-	**
<b>Total Operating Outlays</b>	<b>15,453,812</b>	<b>13,303,015</b>	<b>13,303,015</b>	<b>13,252,984</b>	<b>(50,031)</b>	<b>(0.4%)</b>
<b>Other Financing Sources/(Uses):</b>						
Transfers Out to WSS fund	(3,725,012)	(2,845,615)	(2,845,615)	(2,825,561)		
<b>Balance Available</b>		<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>		

# Financial Summaries

## Total Outlays by Benefit Assessment Fund - Lower Peninsula Watershed

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
<b>Debts:</b>				
10993005	2004A COP Lower Peninsula WS	\$ 1,563,783	\$ 1,281,404	\$ 1,267,858
10993006	2007 COP Refunding LP WS	2,274,303	2,278,256	2,280,243
<b>Total Debts:</b>		<b>3,838,086</b>	<b>3,559,660</b>	<b>3,548,101</b>
<b>TOTAL</b>		<b>\$ 3,838,086</b>	<b>\$ 3,559,660</b>	<b>\$ 3,548,101</b>

# Financial Summaries

## Total Outlays by Benefit Assessment Fund - West Valley Watershed Fund

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
<b>Debts:</b>				
20993004	2003A COPS West Valley Watrshd	\$ 189,773	\$	\$
20993005	2004A COP West Valley WS	45,256		
20993006	2007 COP Refunding WV WS	682,232	683,420	684,015
20993007	2012A COP Refunding WV WS	1,419,912	1,348,864	1,347,477
<b>Total Debts:</b>		<b>2,337,173</b>	<b>2,032,284</b>	<b>2,031,492</b>
<b>TOTAL</b>		<b>\$ 2,337,173</b>	<b>\$ 2,032,284</b>	<b>\$ 2,031,492</b>

# Financial Summaries

## Total Outlays by Benefit Assessment Fund - Guadalupe Watershed

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
<b>Debts:</b>				
30993004	2003A COPS Guadalupe Watershed	\$ 474,632	\$	\$
30993005	2004A COP Guadalupe WS	113,237	126,991	91,769
30993006	2007 COP Refunding Guad WS	758,293	759,612	760,273
30993007	2012A COP Refunding Guad WS	3,551,847	3,373,864	3,370,395
<b>Total Debts:</b>		<b>4,898,008</b>	<b>4,260,467</b>	<b>4,222,437</b>
<b>TOTAL</b>		<b>\$ 4,898,008</b>	<b>\$ 4,260,467</b>	<b>\$ 4,222,437</b>

# Financial Summaries

## Total Outlays by Benefit Assessment Fund - Coyote Watershed

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
<b>Debts:</b>				
40993004	2003A COPS Coyote Watershed	\$ 196,923	\$	\$
40993005	2004A COP Coyote WS	50,350		
40993006	2007 COP Refunding Coyote WS	2,047,277	2,050,835	2,052,623
40993007	2012A COP Refunding Coyote WS	1,473,330	1,399,769	1,398,331
<b>Total Debts:</b>		<b>3,767,880</b>	<b>3,450,604</b>	<b>3,450,954</b>
<b>TOTAL</b>		<b>\$ 3,767,880</b>	<b>\$ 3,450,604</b>	<b>\$ 3,450,954</b>

# Financial Summaries

## Total Outlays by Benefit Assessment Fund - Uvas/Llagas Watershed

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
<b>Debts:</b>				
50993005	2004A COP Uvas/Llagas WS	\$ 612,665	\$	\$
<b>TOTAL</b>		<b>\$ 612,665</b>	<b>\$ 0</b>	<b>\$ 0</b>

## **WATER ENTERPRISE AND STATE WATER PROJECT FUNDS**

# Financial Summaries

## **Water Enterprise and State Water Project Funds**

### **Overview**

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

The Water Utility Enterprise Fund (Fund 61)

The State Water Project Fund (Fund 63)

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

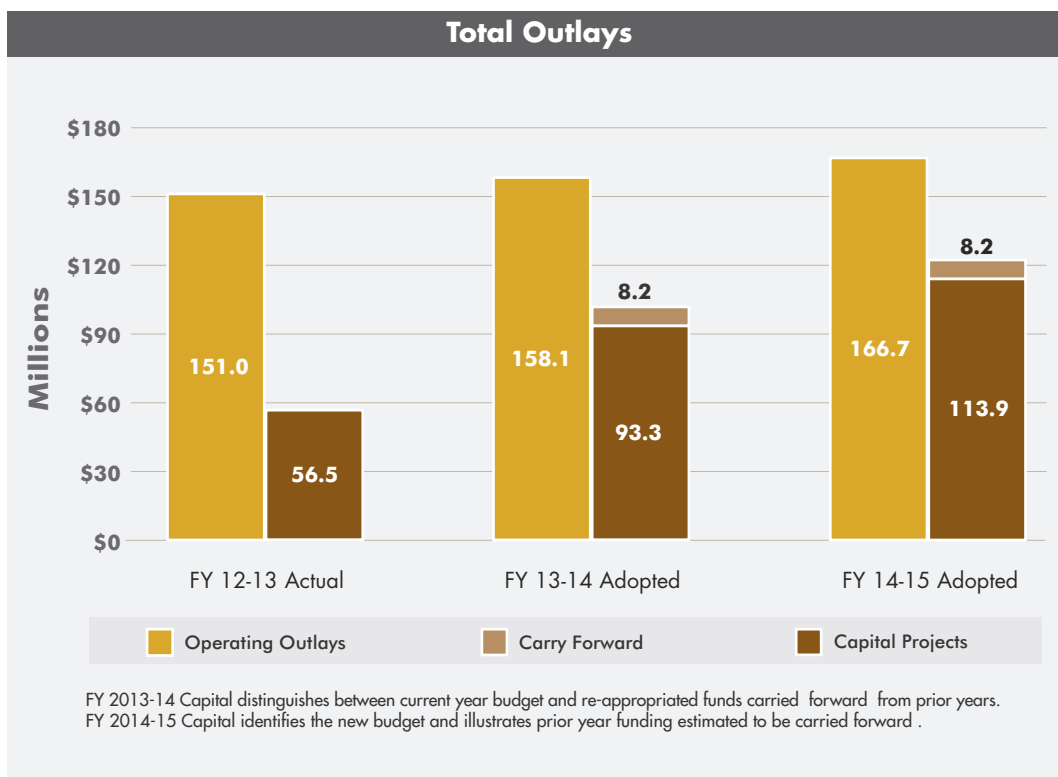
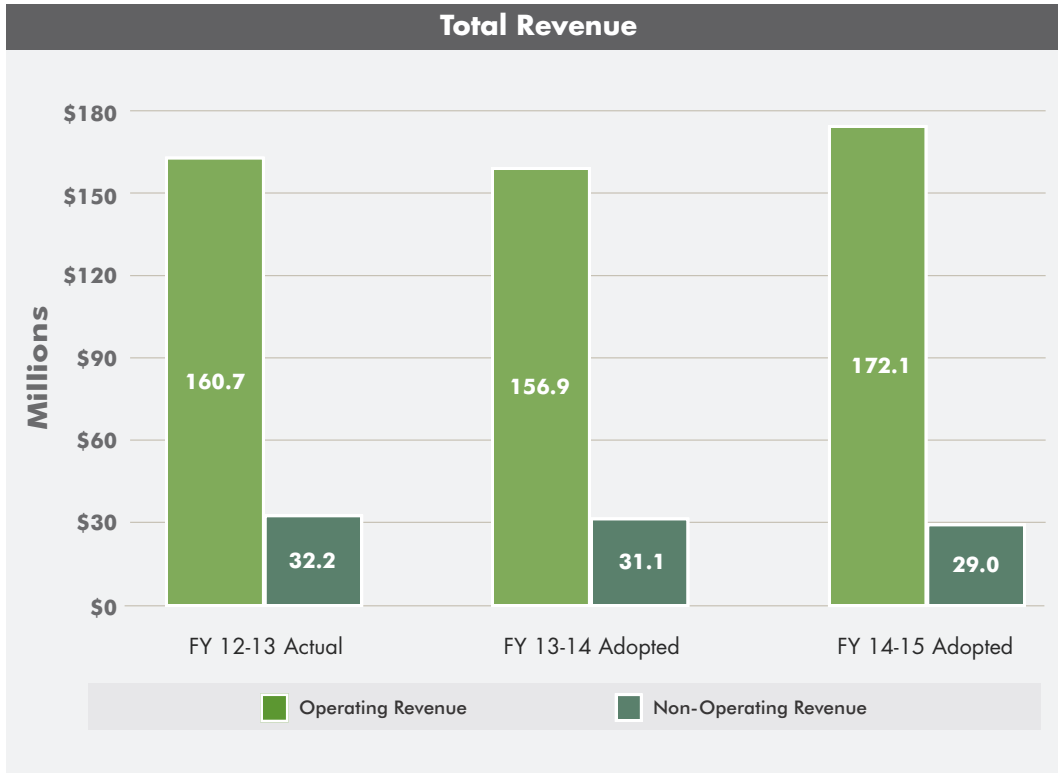


# Financial Summaries

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# Financial Summaries

## Water Enterprise and State Water Project Funds



# Financial Summaries

## Water Enterprise and State Water Project Funds Summary

	Budgetary Basis Actual 2012-13	Adopted Budget 2013-14	Projected Year End 2013-14	Adopted Budget 2014-15	Change from 2013-14 Adopted	
					\$ Diff	% Diff
<b>Revenue Sources:</b>						
Operating Revenue:						
Groundwater Production Charges	\$ 62,083,741	\$63,035,000	\$ 63,035,000	\$ 80,994,000	\$ 17,959,000	28.5%
Treated Water Charges	92,358,588	\$89,699,000	89,699,000	88,088,000	(1,611,000)	(1.8%)
Surface/Recycled Water Revenue	1,275,359	\$ 1,571,000	1,571,000	1,603,000	32,000	2.0%
Inter-governmental services	1,926,045	\$ 1,631,285	1,906,285	966,448	(664,837)	(40.8%)
Other	3,074,355	\$ 949,855	949,855	460,000	(489,855)	(51.6%)
<b>Total Operating Revenue</b>	<b>160,718,088</b>	<b>156,886,140</b>	<b>157,161,140</b>	<b>172,111,448</b>	<b>15,225,308</b>	<b>9.7%</b>
Non-Operating Income:						
Property Taxes	24,200,423	25,210,000	25,824,000	25,716,480	506,480	2.0%
Interest*	1,838,801	525,092	525,092	556,826	31,734	6.0%
Capital Reimbursements	4,610,268	4,060,000	3,409,000	1,396,000	(2,664,000)	(65.6%)
Other	1,540,388	1,322,656	1,322,656	1,348,742	26,086	2.0%
<b>Total Non-Operating Income</b>	<b>32,189,880</b>	<b>31,117,748</b>	<b>31,080,748</b>	<b>29,018,048</b>	<b>(2,099,700)</b>	<b>(6.7%)</b>
<b>Total Revenue</b>	<b>192,907,968</b>	<b>188,003,888</b>	<b>188,241,888</b>	<b>201,129,496</b>	<b>13,125,608</b>	<b>7.0%</b>
<b>Operating Outlays:</b>						
Operations**	134,760,088	139,708,389	141,497,984	144,092,631	4,384,242	3.1%
Operating Projects	2,225,505	882,400	903,644	1,230,601	348,201	39.5%
Debt Service	14,026,767	17,508,664	16,097,000	21,394,307	3,885,643	22.2%
<b>Total Operating Outlays</b>	<b>151,012,360</b>	<b>158,099,453</b>	<b>158,498,628</b>	<b>166,717,539</b>	<b>8,618,086</b>	<b>5.5%</b>
Capital Projects	56,463,817	93,275,031	107,835,031	113,913,269	20,638,238	22.1%
Carry Forward Capital Projects		8,169,388	11,766,003	8,235,628	66,240	0.8%
<b>Total Capital Outlays</b>	<b>56,463,817</b>	<b>101,444,419</b>	<b>119,601,034</b>	<b>122,148,897</b>	<b>20,704,478</b>	<b>20.4%</b>
<b>Other Financing Sources (Uses) :</b>						
Debt Proceeds	19,435,000	82,853,000	62,966,000	109,902,000	27,049,000	32.6%
Transfers In	3,804,000	2,562,000	2,562,000	1,880,000	(682,000)	(26.6%)
Transfers Out	(75,115)	(3,395,184)	(3,395,184)	(1,949,880)	1,445,304	(42.6%)
<b>Total Other Sources/(Uses)</b>	<b>23,163,885</b>	<b>82,019,816</b>	<b>62,132,816</b>	<b>109,832,120</b>	<b>27,812,304</b>	<b>33.9%</b>
<b>Balance Available</b>	<b>\$ 8,595,676</b>	<b>\$10,479,832</b>	<b>\$ (27,724,958)</b>	<b>\$ 22,095,180</b>		
<b>Year-End Reserves:</b>						
	Estimated Balances				Change from 2013-14 Adopted	
	Year-End 2012-13	Adopted 2013-14	Projected YE 2013-14	Adopted 2014-15	\$ Diff	% Diff
<b>Restricted Reserves</b>						
WUE-Restricted Operating Reserve	12,597,570	13,139,620	13,139,620	13,893,128	753,508	5.7%
WUE-Rate Stabilization Reserve	1,538,700	1,750,866	1,750,866	2,139,431	388,564	22.2%
San Felipe Emergency Reserve	3,980,534	3,957,728	3,957,728	3,980,534	22,806	0.6%
State Revolving Fund Reserve	401,263	401,263	401,263	401,263	-	0.0%
State Water Project Tax Reserve	2,737,013	714,518	1,462,290	1,611,815	897,297	125.6%
WU Debt Service Reserve	5,934,365	4,744,938	5,934,365	5,934,365	1,189,427	25.1%
<b>Total Restricted Reserves</b>	<b>27,189,445</b>	<b>24,708,933</b>	<b>26,646,132</b>	<b>27,960,536</b>	<b>3,251,603</b>	<b>13.2%</b>
<b>Committed Reserves</b>						
Floating Rate Debt Stabilization	461,889	353,000	353,000	148,400	(204,600)	(58.0%)
Operating & Capital Reserve	27,030,793	25,526,977	5,120,618	33,269,758	7,742,781	30.3%
Supplemental Water Supply	3,125,552	9,728,974	9,728,974	9,861,838	132,864	1.4%
SV Advanced Water Purification Ctr	-	-	-	939,000	939,000	**
Currently Authorized Projects***	23,613,631	3,907,000	11,847,628	3,612,000	(295,000)	(7.6%)
<b>Total Committed Reserves</b>	<b>54,231,865</b>	<b>39,515,951</b>	<b>27,050,220</b>	<b>47,830,996</b>	<b>8,315,045</b>	<b>21.0%</b>
<b>Total Year-End Reserves</b>	<b>\$ 81,421,310</b>	<b>\$64,224,884</b>	<b>\$ 53,696,352</b>	<b>\$ 75,791,532</b>	<b>\$ 11,566,648</b>	<b>18.0%</b>
<b>Uncommitted Funds</b>			<b>\$ 0</b>	<b>\$ 0</b>		

\* Interest revenue does not include GASB31 market valuation adjustment

\*\*Operations outlay does not include OPEB expenses-unfunded liability

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

# Financial Summaries

## Water Enterprise Fund Overview

### Description

Water Enterprise Fund ensures the availability of water to 15 cities, farmers, and individual well owners spread over 1,300 square miles, with District-managed usage estimated to total 260,000 acre-feet (AF) in FY 2014-15.

This requires the operation of the following facilities:

10 surface reservoirs with a total operationally restricted storage capacity of 122,924 AF

17 miles of canals

4 water supply diversion dams

393 acres of recharge ponds

91 miles of controlled in-stream recharge in the county

142 miles of pipelines

3 water treatment plants

1 Advanced Water Purification Center

3 pumping stations

1 well field

Accounts related to activities of the Water Utility are segregated into the Water Utility Funds comprised of the Water Utility Enterprise Fund and the State Water Project Fund. For the Water Utility Enterprise Fund, revenue accounts include: groundwater production, treated water, property taxes, surface water, recycled water, interest earnings, reimbursements, grants and other. Cost accounts include both direct and indirect or overhead costs associated with Water Utility projects and activities. The State Water Project Fund accounts specifically for state water project tax revenue and state water project contractual costs.

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

The recommended FY 2014-15 North County (Zone W-2) groundwater production charges reflect a 9.9% increase over the prior year for municipal and industrial water and 4.6% for agricultural water. The recommended Municipal and Industrial groundwater production charge is \$747 per AF. The recommended agricultural groundwater production charge in North County is \$19.14 per AF, and the recommended total treated water contract charge is \$847 per AF.

The recommended FY 2014-15 South County (Zone W-5) groundwater production charges reflect a 4.6% increase over the prior year for both municipal and industrial, as well as agricultural water. The recommended Municipal and Industrial groundwater production charge is \$319 per AF, and the recommended agricultural groundwater production charge is \$19.14 per AF.

Estimated total revenue for FY 2014-15 is \$201.1 million (\$179.1 million for fund 61 and \$22 million for fund 63), or 7.0% more than the FY 2013-14 budget. Operations costs (excluding debt service) are expected to be \$145.3 million for both funds, 3.4% more than the FY 2013-14 budget. The cost of purchased water from the federal and state projects continues to be the

# Financial Summaries

largest expense item at \$16.7 million and \$21.9 million, respectively. The budget also includes \$7.9 million to pay the District's capital cost obligations for the federal San Felipe Division of the Central Valley Project. Debt service is budgeted at \$21.4 million.

In FY 2014-15 the capital appropriation is estimated to be \$113.9 million and capital carryforward is estimated at \$8.2 million. For FY 2014-15, total requirements of \$288.9 million are to be met from a combination of current revenues, reserves, and debt. The recommended water charges will generate \$170.7 million in revenues from water usage. Property tax revenues are projected to be \$25.7 million, and interest earnings and other revenue are estimated to be \$4.7 million for a total of \$201.1 million.

Total reserves for both funds are \$75.8 million, and are expected to increase by \$11.6 million relative to projected end balances for FY 2013-14. The majority of the increase is driven by the \$109.9 million long term debt issuance offset by planned capital expenditures.

## Significant Business Challenges

- Providing continued water supply reliability while controlling expenditures with adopted groundwater and other water charge increases.
- Managing imported water supplies by planning for contingencies due to both hydrologic uncertainties and regulatory restrictions on imported and local supplies.
- Future reliability and levels of imported water supplies are being addressed through development of a Bay Delta Conservation Plan that is likely to increase imported water costs.
- Meeting or exceeding all drinking water standards and delivering approximately 90,000 acre feet of water to fulfill treated water contracts.
- Managing reservoirs with operating restrictions of 46,085 AF due to seismic stability issues may impact current and future operating budgets, such as the need to purchase additional water because of an inability to capture and utilize local runoff or store imported water.
- Seismic retrofit of Anderson, Calero, and the Guadalupe Dams as well as seismic evaluations of Coyote, Chesbro and Uvas Dams as they may require seismic retrofit work in the future.
- Providing continued water delivery reliability while maintaining and renewing aging infrastructure.
- 2013 was one of the driest on record in California underscoring the importance of investing in the expansion of recycled water, an all-weather water supply.

## Major Capital Projects

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

- Almaden Dam Improvements - Planning to Design
- Anderson Dam Seismic Retrofit - Design
- Calero and Guadalupe Dams Seismic Retrofits - Planning
- Dam Safety Program Seismic Stability - continuing evaluation
- Pacheco Pumping Plant ASD Replacement - Close-Out
- San Felipe Division Reach 1-3 Facility Renewal - ongoing rehabilitation work
- Silicon Valley Advanced Water Purification Center - Commissioning to Full Operation
- South County Water Recycled Pipeline - Design to Construction

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

- 5-Year Pipeline Rehabilitation - ongoing rehabilitation work
- Pacheco/Santa Clara Conduit Right of Way Acquisition - Design

# Financial Summaries

- Penitencia Delivery Main/Force Main Seismic Retrofits - Planning
- Raw Water Transmission Small Capital Improvements - ongoing

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

- IRP2 Seismic Retrofit of WTP Ops Bldgs - Design to Construction
- Infrastructure Reliability- Planning
- PWTP Clearwell Recoating & Repair - Design to Construction
- PWTP Water Pumps Modification - Design
- RWTP Residuals Management - Construction
- RWTP Reliability Improvement - Design
- RWTP Treated Water Valves Upgrade - Construction
- Water Treatment Small Capital Improvements - ongoing
- STWTP Incompatible Materials - Close-Out
- Water Protection - Close-Out

Staff also assumed a long term debt issuance of \$109.9 million and an increase in 1% ad valorem property tax revenue of 12% in FY 2014-15 versus the adopted budget for FY 2013-14 based on recent increases in local real estate valuation.

## **Fiscal Status**

The debt service coverage ratio is targeted at 2.0 to help ensure financial stability and continued high credit ratings.

Discretionary reserves targeted at minimum per policy.

## **Budget Issues**

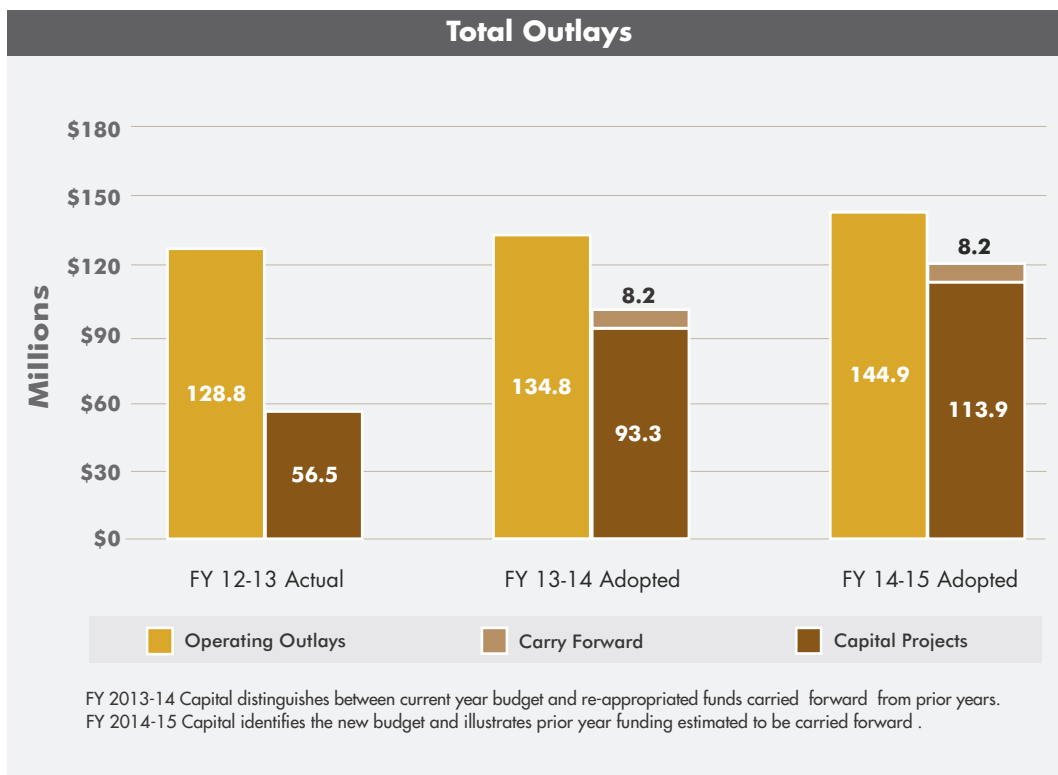
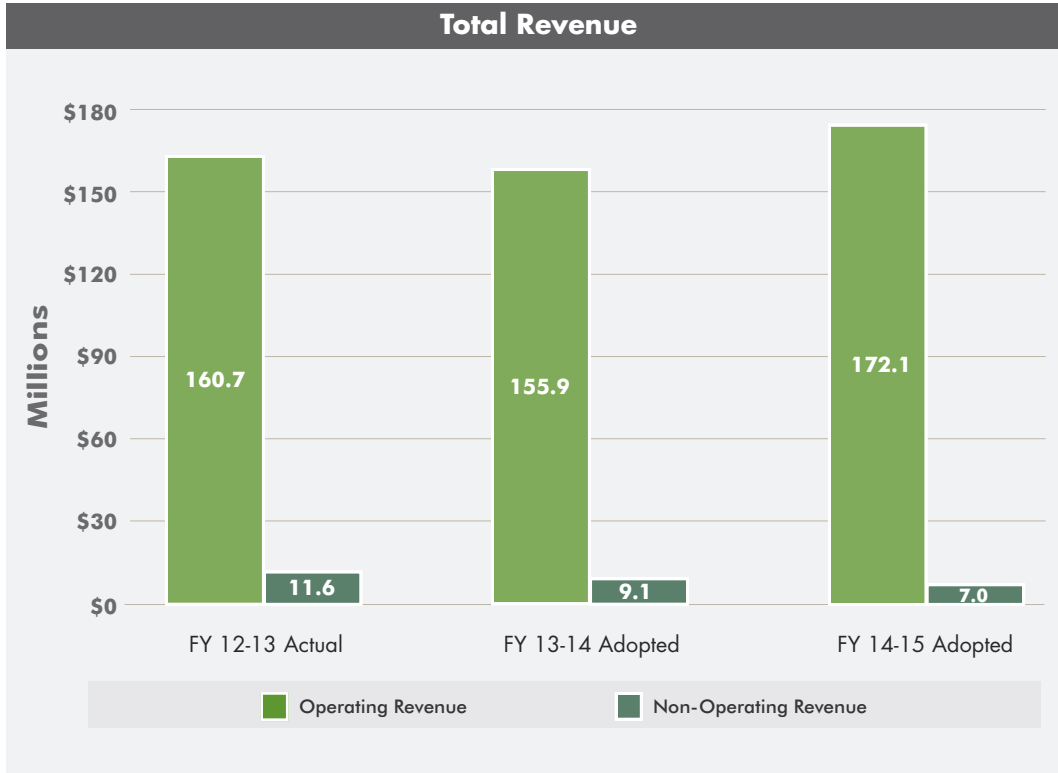
Staff assumed that revenue from water charges is based on District water use of 260,000 Acre Feet. However, on January 17, 2014, the Governor declared a drought emergency. Implementation of water use reduction measures pursuant to the District's Water Shortage Contingency plans are expected to reduce water usage for FY 2013-14 relative to the current trend, and to also impact water usage for FY2014-15.

# Financial Summaries

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# Financial Summaries

## Water Enterprise Fund (Fund 61)





# Financial Summaries

## Water Enterprise Fund Summary

	Budgetary Basis Actual 2012-13	Adopted Budget 2013-14	Projected Year End 2013-14	Adopted Budget 2014-15	Change from 2013-14 Adopted	
					\$ Diff	% Diff
<b>Revenue Sources:</b>						
Operating Revenue:						
Groundwater Production Charges	\$62,083,741	\$63,035,000	\$ 63,035,000	\$ 80,994,000	\$ 17,959,000	28.5%
Treated Water Charges	92,358,588	89,699,000	89,699,000	88,088,000	(1,611,000)	(1.8%)
Surface/Recycled Water Revenue	1,275,359	1,571,000	1,571,000	1,603,000	32,000	2.0%
Inter-governmental services	1,926,045	1,631,285	1,906,285	966,448	(664,837)	(40.8%)
Other	3,074,355	949,855	949,855	460,000	(489,855)	(51.6%)
<b>Total Operating Revenue</b>	<b>160,718,088</b>	<b>156,886,140</b>	<b>157,161,140</b>	<b>172,111,448</b>	<b>15,225,308</b>	<b>9.7%</b>
Non-Operating Income:						
Property Taxes	4,685,323	4,210,000	4,824,000	4,716,480	506,480	12.0%
Interest*	1,838,801	525,092	525,092	556,826	31,734	6.0%
Capital Reimbursements	4,610,268	4,060,000	3,409,000	1,396,000	(2,664,000)	(65.6%)
Other	417,624	322,656	322,656	348,742	26,086	8.1%
<b>Total Non-Operating Income</b>	<b>11,552,016</b>	<b>9,117,748</b>	<b>9,080,748</b>	<b>7,018,048</b>	<b>(2,099,700)</b>	<b>(23.0%)</b>
<b>Total Revenue</b>	<b>172,270,104</b>	<b>166,003,888</b>	<b>166,241,888</b>	<b>179,129,496</b>	<b>13,125,608</b>	<b>7.9%</b>
<b>Operating Outlays:</b>						
Operations**	112,512,984	116,433,666	118,223,261	122,242,156	5,808,490	5.0%
Operating Projects	2,225,505	882,400	903,644	1,230,601	348,201	39.5%
Debt Service	14,026,767	17,508,664	16,097,000	21,394,307	3,885,643	22.2%
<b>Total Operating Outlays</b>	<b>128,765,256</b>	<b>134,824,730</b>	<b>135,223,905</b>	<b>144,867,064</b>	<b>10,042,334</b>	<b>7.4%</b>
Capital Projects	56,463,817	93,275,031	107,835,031	113,913,269	20,638,238	22.1%
Carry Forward Capital Projects	-	8,169,388	11,766,003	8,235,628	66,240	0.8%
<b>Total Capital Outlays</b>	<b>56,463,817</b>	<b>101,444,419</b>	<b>119,601,034</b>	<b>122,148,897</b>	<b>20,704,478</b>	<b>20.4%</b>
<b>Other Financing Sources (Uses) :</b>						
Certificates of Participation	19,435,000	82,853,000	62,966,000	109,902,000	27,049,000	32.6%
Transfers In	3,804,000	2,562,000	2,562,000	1,880,000	(682,000)	(26.6%)
Transfers Out	(75,115)	(3,395,184)	(3,395,184)	(1,949,880)	1,445,304	(42.6%)
<b>Total Other Sources/(Uses)</b>	<b>23,163,885</b>	<b>82,019,816</b>	<b>62,132,816</b>	<b>109,832,120</b>	<b>27,812,304</b>	<b>33.9%</b>
<b>Balance Available</b>	<b>\$10,204,916</b>	<b>\$11,754,555</b>	<b>\$(26,450,235)</b>	<b>\$21,945,655</b>		
<b>Year-End Reserves:</b>						
<b>Estimated Balances</b>					<b>Change from 2013-14 Adopted</b>	
	<b>Year-End 2012-13</b>	<b>Adopted 2013-14</b>	<b>Projected YE 2013-14</b>	<b>Adopted 2014-15</b>	<b>\$ Diff</b>	<b>% Diff</b>
<b>Restricted Reserves</b>						
WUE-Restricted Operating Reserve	12,597,570	13,139,620	13,139,620	13,893,128	753,508	5.7%
WUE-Rate Stabilization Reserve	1,538,700	1,750,866	1,750,866	2,139,431	388,564	22.2%
San Felipe Emergency Reserve	3,980,534	3,957,728	3,957,728	3,980,534	22,806	0.6%
State Revolving Fund Reserve	401,263	401,263	401,263	401,263	-	0.0%
WU Debt Service Reserve	5,934,365	4,744,938	5,934,365	5,934,365	1,189,427	25.1%
<b>Total Restricted Reserves</b>	<b>24,452,432</b>	<b>23,994,415</b>	<b>25,183,842</b>	<b>26,348,721</b>	<b>2,354,305</b>	<b>9.8%</b>
<b>Committed Reserves</b>						
Floating Rate Debt Stabilization	461,889	353,000	353,000	148,400	(204,600)	(58.0%)
Operating & Capital Reserve	27,030,793	25,526,977	5,120,618	33,269,758	7,742,782	30.3%
Supplemental Water Supply	3,125,552	9,728,974	9,728,974	9,861,838	132,864	1.4%
SV Advanced Water Purification Center	-	-	-	939,000	939,000	**
Currently Authorized Projects***	23,613,631	3,907,000	11,847,628	3,612,000	(295,000)	(7.6%)
<b>Total Committed Reserves</b>	<b>54,231,865</b>	<b>39,515,951</b>	<b>27,050,220</b>	<b>47,830,996</b>	<b>8,315,046</b>	<b>21.0%</b>
<b>Total Year-End Reserves</b>	<b>\$78,684,297</b>	<b>\$63,510,366</b>	<b>\$ 52,234,062</b>	<b>\$74,179,717</b>	<b>\$ 10,669,351</b>	<b>16.8%</b>
<b>Uncommitted Funds</b>			<b>\$ 0</b>	<b>\$ 0</b>		

\* Interest revenue does not include GASB31 market valuation adjustment

\*\*Operations outlay does not include OPEB expenses-unfunded liability

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

# Financial Summaries

## Water Enterprise Cost Center Summary

	Budgetary Basis Actuals 2012-13	Adopted Budget 2013-14	Adopted Budget 2014-15	Change from 2013-14 Adopted % Diff
<b>SOURCE OF SUPPLY</b>				
Operations	54,079,576	51,353,078	53,324,758	3.8%
Operating Projects	1,332,377	521,979	431,926	(17.3%)
Capital	20,036,001	33,729,204	45,864,896	36.0%
<b>Total</b>	<b>75,447,954</b>	<b>85,604,261</b>	<b>99,621,580</b>	<b>16.4%</b>
<b>RAW WATER TRANSMISSION AND DISTRIBUTION</b>				
Operations	9,381,949	10,372,931	10,689,727	3.1%
Operating Projects	-	-	-	0.0%
Capital	2,716,650	2,198,484	978,750	(55.5%)
<b>Total</b>	<b>12,098,599</b>	<b>12,571,415</b>	<b>11,668,477</b>	<b>(7.2%)</b>
<b>WATER TREATMENT</b>				
Operations	29,387,463	33,020,031	34,324,502	4.0%
Operating Projects	-	-	-	0.0%
Capital	18,710,218	51,036,195	57,126,237	11.9%
<b>Total</b>	<b>48,097,681</b>	<b>84,056,226</b>	<b>91,450,739</b>	<b>8.8%</b>
<b>TREATED WATER TRANSMISSION AND DISTRIBUTION</b>				
Operations	1,439,733	1,396,015	1,601,848	14.7%
Operating Projects	573,958	-	597,037	-
Capital	8,110,717	576,342	401,000	(30.4%)
<b>Total</b>	<b>10,124,408</b>	<b>1,972,357</b>	<b>2,599,885</b>	<b>31.8%</b>
<b>ADMINISTRATION AND GENERAL</b>				
Operations	17,951,406	20,291,611	22,301,321	9.9%
Operating Projects	319,170	360,421	201,638	(44.1%)
Debt	14,026,767	17,508,664	21,394,307	22.2%
Capital	6,890,231	5,734,806	9,542,386	66.4%
<b>Total</b>	<b>39,187,574</b>	<b>43,895,502</b>	<b>53,439,652</b>	<b>21.7%</b>
<b>TOTAL WATER ENTERPRISE FUND</b>	<b>184,956,216</b>	<b>228,099,761</b>	<b>258,780,333</b>	<b>13.5%</b>
<b>FUND SUMMARY BY CATEGORY</b>				
Operations	112,240,127	116,433,666	122,242,156	5.0%
Operating Projects	2,225,505	882,400	1,230,601	39.5%
Debt	14,026,767	17,508,664	21,394,307	22.2%
Capital	56,463,817	93,275,031	113,913,269	22.1%
<b>Total</b>	<b>184,956,216</b>	<b>228,099,761</b>	<b>258,780,333</b>	<b>13.5%</b>

# Financial Summaries

## Water Enterprise Charge Summary

	Adopted 2010/11	Adopted 2011/12	Adopted 2012/13	Adopted 2013/14	Adopted 2014/15
<b>Groundwater Production</b>					
Zone W-2					
Agricultural	\$ 16.50	17.10	17.70	18.30	19.14
Non-Agricultural	520.00	569.00	622.00	680.00	747.00
Zone W-5					
Agricultural	16.50	17.10	17.70	18.30	19.14
Non-Agricultural	275.00	285.00	295.00	305.00	319.00
<b>Treated Water</b>					
Contract (Scheduled)	620.00	669.00	722.00	780.00	847.00
Non-Contract	570.00	619.00	672.00	755.00	897.00
<b>Untreated Water (Basic User Charge)</b>					
Zone W-2					
Agricultural	16.50	17.10	17.70	18.30	19.14
Non-Agricultural	520.00	569.00	622.00	680.00	747.00
Zone W-5					
Agricultural	16.50	17.10	17.70	18.30	19.14
Non-Agricultural	275.00	285.00	295.00	305.00	319.00
<b>Water Master</b>	11.75	12.17	12.60	15.31	18.60
<b>Minimum Charge</b>					
Zone W-2 Non-Agricultural	390.00	426.75	466.50	510.00	560.25
Zone W-5 Non-Agricultural	206.25	213.75	221.25	228.75	239.25
Zone W-2 Agricultural <sup>1</sup>	390.00	426.75	13.28	13.72	14.35
Zone W-5 Agricultural <sup>1</sup>	206.25	213.75	13.28	13.72	14.35
<b>Reclaimed Water</b>					
Gilroy Reclamation Facility					
Agricultural	41.50	41.50	41.50	42.10	42.94
Non-Agricultural	275.00	275.00	275.00	285.00	299.00

Note: The surface water charge is the sum of the basic user charge plus the water master charge.

1. Beginning in FY 2012/13, the ag minimum charge is now 75% of the agricultural basic user charge rather than the M&I basic user charge.

# Financial Summaries

## Total Outlays by Water Enterprise Fund - Source of Supply

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
<b>Operations:</b>				
91041012	Water Operations Planning	\$ 329,811	\$ 313,890	\$ 391,681
91041014	Urban Water Management Plan	24,043	99,582	
91041018	Groundwater Management Program	279,590	670,487	529,460
91061001	Env Planning and Compliance	361,524		
91061005	Water Supply Accounting	276,979		
91061012*	Facilities Env Compliance	31,686	33,154	32,360
91081007	Dam Safety Program	1,302,498	1,386,606	1,455,589
91081012	Dam Maintenance EIR	194,136		
91101004	Recycled Water Program	3,351,848	3,081,913	3,589,751
91111001	Water Rights	187,891	451,659	493,274
91131004	Imported Water Program	4,460,272	4,995,846	5,446,563
91131006	IW San Felipe Division Delvrs	21,420,074	20,836,807	20,641,284
91131007	IW South Bay Aqueduct Delvrs	4,829,429	672,500	677,500
91151001	Water Conservation Program	600,570	857,590	926,373
91151007	Water Conservation-Residential	1,845,806	1,772,534	1,486,687
91151008	Water Conservation-Commercial/Ind	1,427,331	987,951	928,026
91151009	Water Conservation-AG	142,233	156,792	143,066
91151010	Water Conservation-Landscape	817,314	1,395,705	1,477,207
91151011	Water Conservation Campaign		219,875	218,775
91151012	Recycled/Purified Water Public Engagement			511,602
91181001	Water Recycling - General	2,158		
91181007	SVAWPC Facility Operations	964,555	1,926,173	
91181008	SVAWPC Facility Maintenance	580,776	953,152	
91211004	San Felipe Reach 1 Operation	497,781	459,287	501,990
91211005	SFD Reach 1 Administration	13,718	26,661	9,636
91211084	San Felipe Reach1 Ctrl and Ele	235,041	291,955	301,829
91211085	SF Reach 1-Engineering - Other	87,694	180,754	184,717
91211099	San Felipe Reach 1 Gen Maint	892,799	699,492	606,605
91221002	San Felipe Reach 2 Operation	56,008	42,622	44,455
91221006	SF Reach 2-Engineering - Other	99,716	82,269	108,151
91221099	San Felipe Reach 2 Gen Maint	57,779	146,327	317,725
91231002	San Felipe Reach 3 Operation	111,447	184,209	189,015
91231084	San Felipe Reach3 Ctrl and Ele	201,712	296,348	245,807
91231085	SF Reach 3-Engineering - Other	75,318	104,087	139,909
91231099	San Felipe Reach 3 Gen Maint	873,725	739,575	919,609
91281007	SVAWPC Facility Operations			2,369,035
91281008	SVAWPC Facility Maintenance			1,129,553

\* Recipient projects

# Financial Summaries

## Total Outlays by Water Enterprise Fund - Source of Supply (continued)

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
91441003	Desalination	85,280	60,775	65,753
91451002	Well Ordinance Program	1,183,092	1,206,244	1,290,327
91451005	Source Water Quality Mgmt	381,548	384,011	385,088
91451011	Invasive Mussel Prevention	531,737	629,190	616,540
91551001	Groundwater Monitoring	810,937	814,670	971,527
91551002	Groundwater Supply Managemen	1,011,929	948,949	907,101
91761001	Local Res / Div Plan & Analysis	507,237	560,334	612,741
91761002	Local Reservoir/Diversion Ops	210,118	180,103	85,715
91761099	Dams / Reservoir Gen Maint	1,531,857	1,501,940	1,334,630
91791012	Groundwater Quality Management	1,192,583	1,001,060	1,038,102
<b>Total Operations:</b>		<b>54,079,576</b>	<b>51,353,078</b>	<b>53,324,758</b>
<b>Operating:</b>				
91042008	Infrstr Reliability Program	120,405		
91152007	Water Conservation Campaign	156,863		
91182002	Integrate AWT with supplies	156,489		
91452042	Salt & Nutrient MP	273,431	137,356	
91742041*	SCV Habitat Conservation Plan	333,349		
91792001	Domestic Well Testing Program	291,840	384,623	431,926
<b>Total Operating:</b>		<b>1,332,377</b>	<b>521,979</b>	<b>431,926</b>
<b>Capital:</b>				
91084018	Dam Maint Plan Mitigation	625		
91084019	Dam Safety Seismic Stability	308,425	2,388,992	6,524,000
91084020	Calero-Guad Dams Seismic Retro	348,981	682,000	7,270,000
91094009	SoCo Rcyld Wtr PL Short-Trm 1B	1,089,318	1,356,583	3,211,619
91124001	San Thomas Well Field	127,608		
91154005	Water Banking Project	1,076,150		
91154007	Water Purchases Captl Project	7,388,962	7,649,839	7,919,926
91184008	SV Adv Wtr Purification Ctr	4,992,625	699,000	1,477,000
91214007	San Luis Low Point Improvement	355,235		
91214008	Pacheco PP Reg Tank Recoating	22,016		
91214010	Small Caps, San Felipe R1	637,089	2,950,399	11,360
91234010	Small Caps, San Felipe R3	120,771	1,709,377	1,546,546
91234011	Coyote Pumping Plant Warehouse			416,000
91244001	Wolfe Rd Recycled Wtr Facility			9,808,000
91854001	Almaden Dam Improv	1,907,935	1,782,000	1,213,000

\* Recipient projects

# Financial Summaries

## Total Outlays by Water Enterprise Fund - Source of Supply (continued)

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
91854002	Jacques Gulch Restoration	3,093		7,445
91864005	Anderson Dam Seismic Retrofit	564,743	12,620,000	6,460,000
91884002	Coyote Dam Control Buld Improv	32,143		
91904005	Lenihan Dam Outlet Mods	122,559		
91914001	Stevens Crk Dam Retrofit Proj	31,595	1,605,014	
91954001	Pacheco PP ASD Replacement	906,129	286,000	
<b>Total Capital:</b>		<b>20,036,001</b>	<b>33,729,204</b>	<b>45,864,896</b>
<b>TOTAL</b>		<b>\$ 75,447,955</b>	<b>\$ 85,604,261</b>	<b>\$ 99,621,580</b>

# Financial Summaries

## Total Outlays by Water Enterprise Fund - Raw Water Transmission and Distribution

<u>Job#</u>	<u>Job Description</u>	<b>Budgetary Actual 2012-2013</b>	<b>Adopted Budget 2013-2014</b>	<b>Adopted Budget 2014-2015</b>
<b>Operations:</b>				
92041014	FAHCE/Three Creeks HCP Project	\$ 1,623,119	\$ 1,804,982	\$ 1,937,994
92061012*	Facilities Env Compliance	58,090	60,784	59,331
92261099	Vasona Pump Station Gen Main	114,152	120,207	141,432
92761001	Raw Water T and D Genrl Oper	1,172,899	1,162,716	1,253,788
92761006	Rchrg / RW Field Fac Asset Mgt	177,718	192,549	213,591
92761007	Rchrg / RW Field Ops Pln& Anlys	196,854	239,371	250,482
92761008	Recycled Water T&D Genrl Maint	72,883	78,176	92,032
92761009	Recharge/RW Field Ops	1,719,440	2,633,849	2,534,458
92761010	Rchrg / RW Field Fac Maint	1,768,237	1,304,990	1,375,721
92761011	Untreated Water Field Ops	17,508	45,645	28,289
92761012	Untreated Water Prog Plan&Analysis	10,545	34,080	104,230
92761082	Raw Water T&D Ctrl and Electr	615,945	632,815	546,125
92761083	Raw Water T&D Eng Other	118,343	214,296	200,868
92761085	Anderson Hydrelctrc Fclty Main	68,431	221,511	87,019
92761086	Anderson Hydrelctrc Facilty Ops	46,202		
92761099	Raw Water T / D Gen Maint	1,234,571	1,263,046	1,173,242
92781002	RW Corrosion Control	367,011	363,914	691,125
<b>Total Operations:</b>		<b>9,381,949</b>	<b>10,372,931</b>	<b>10,689,727</b>
<b>Capital:</b>				
92144001	Pacheco/SC Conduit ROW ACQ	230,677	1,008,758	178,000
92224001	Pen Force Main Seismic Retrofi	458,524	381,764	333,000
92374005	SCADA Remote Arch&Comm Upg		369,626	
92404003	Alamitos Diversion Dam Imprvmt	1,136		
92484003	Coyote Diversion Dam Imprvmt	912		
92534003	Kirk Diversion Dam Improvement	1,650,182	395,000	
92764009	Small Caps, Raw Water T&D	375,219	43,336	467,750
<b>Total Capital:</b>		<b>2,716,650</b>	<b>2,198,484</b>	<b>978,750</b>
<b>TOTAL</b>		<b>\$ 12,098,598</b>	<b>\$ 12,571,415</b>	<b>\$ 11,668,477</b>

\* Recipient projects

# Financial Summaries

## Total Outlays by Water Enterprise Fund - Water Treatment

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
<b>Operations:</b>				
93061012*	Facilities Env Compliance	\$ 374,946	\$ 392,337	\$ 382,963
93081008	W T General Water Quality	1,398,486	1,613,000	1,597,185
93081009	Water Treatment Plant Engineering	379,980	512,050	556,092
93231007	PWTP Landslide Monitoring	135,008	70,665	138,585
93231009	PWTP General Operations	4,382,308	4,265,549	4,680,641
93231099	Penitencia WTP General Maint	1,979,865	2,828,536	2,236,192
93281005	STWTP - General Operations	4,355,670	4,883,517	5,121,225
93281099	Santa Teresa WTP General Maint	2,081,376	2,257,134	2,593,679
93291012	RWTP General Operations	6,334,764	6,581,488	6,908,939
93291099	Rinconada WTP General Maint	2,788,808	3,115,086	3,136,371
93401002	Water District Laboratory	3,490,839	3,555,305	3,874,630
93761001	SF/SCVWD Intertie General Ops	13,178	153,841	128,858
93761004	Campbell Well Field Operations	34,114	300,152	296,277
93761005	Campbell Well Field Maintenance	34,059	64,391	59,211
93761006	Treated Water Ctrl & Elec Eng	1,531,673	2,314,008	2,564,735
93761099	SF/SCVWD Intertie Gen Maint	72,389	112,972	48,919
<b>Total Operations:</b>		<b>29,387,463</b>	<b>33,020,031</b>	<b>34,324,502</b>
<b>Capital:</b>				
93084009	I/O Cards&Trunk Cables Upgrade	34,276		
93084011	Fluoridation at WTPs		356,877	790,876
93234028	PWTP Improvement, Stage 2	12,159	15,000	
93234031	PWTP Maintenance Building	396,514		
93234036	PWTP Backwash Pump Replacement	6,657		
93234042	PWTP Water Pump Modifications	301,577	291,000	151,000
93234043	PWTP Clearwell Recoat and Repair	613,044		2,922,142
93284028	STWTP Improvement, Stage 2	843		
93284030	STWTP Incompatible Materials	4,286,252	1,183,043	157,000
93294029	RWTP Chemical System Upgrade	20,612		
93294035	RWTP Standby Power Sys Upgrade	33,109		
93294051	RWTP FRP Residuals Management	408,702	21,060,000	1,038,000
93294054	RTWP FRP Primary Elec System	243,471		
93294056	RWTP Treated Water Valves Upgd	853,342	6,117,230	130,000
93294057	RWTP Reliability Improvement	8,612,424	7,923,000	46,394,396
93504001	Infrst Reliability Master Plan	73,775	1,313,895	474,000



# Financial Summaries

## Total Outlays by Water Enterprise Fund - Water Treatment (continued)

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
93764003	IRP2 WTP Blds Seismic Retrofit	2,121,927	9,477,562	2,893,684
93764004	Small Caps, Water Treatment	691,534	3,298,588	2,175,139
<b>Total Capital:</b>		<b>18,710,218</b>	<b>51,036,195</b>	<b>57,126,237</b>
<b>TOTAL</b>		<b>\$ 48,097,681</b>	<b>\$ 84,056,226</b>	<b>\$ 91,450,739</b>

# Financial Summaries

## Total Outlays by Water Enterprise Fund - Treated Water Transmission and Distribution

<u>Job#</u>	<u>Job Description</u>	<b>Budgetary Actual <u>2012-2013</u></b>	<b>Adopted Budget <u>2013-2014</u></b>	<b>Adopted Budget <u>2014-2015</u></b>
<b>Operations:</b>				
94761005	TW T&D - Engineering - Other	\$ 180,901	\$ 176,881	\$ 201,687
94761099	Treated Water T/D Gen Maint	1,036,931	862,172	821,834
94781001	Treated Water T/D Corrosion	221,901	356,962	578,327
<b>Total Operations:</b>		<b>1,439,733</b>	<b>1,396,015</b>	<b>1,601,848</b>
<b>Operating:</b>				
94762007	SCADA Systems Upgrades	573,958		597,037
<b>Total Operating:</b>		<b>573,958</b>	<b>0</b>	<b>597,037</b>
<b>Capital:</b>				
94084005	Water Protection	6,950,638	175,000	62,000
94084006	Microwave Telecommunications	17,517	22,000	
94384002	Pen Del Main Seismic Retrofit	461,061	379,342	339,000
94764006	Small Caps, Treated Water T&D	681,500		
<b>Total Capital:</b>		<b>8,110,717</b>	<b>576,342</b>	<b>401,000</b>
<b>TOTAL</b>		<b>\$ 10,124,408</b>	<b>\$ 1,972,357</b>	<b>\$ 2,599,885</b>

# Financial Summaries

## Total Outlays by Water Enterprise Fund - Administration and General

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
<b>Operations:</b>				
95001090	Unscoped Projects-Budget Only	\$	\$ 350,000	\$ 350,000
95011003	WU Asset Protection Support	1,166,254	922,965	482,703
95021008*	Electrical Power Support	256,628	174,372	245,968
95021009	Pipeline Monumentation	29,076	125,496	144,476
95031002*	Grants Management	68,521	87,235	94,561
95041025*	SMP Biodiversity Monitoring	10,418		
95041039*	Integrated Regional Water Mgmt	128,591	116,823	105,514
95041042*	Llagas Fire Mgmt	95,848		
95041046*	Survey Record Management	19,664	61,101	79,328
95061007	WUE Asset Management Plng Prgm	946,959	878,056	670,169
95061012	Rental Expense San Pedro,MH	14,288	25,583	25,802
95061027	Water Utility Health & Safety	258,317	332,700	355,724
95061032	Water Utility Ops Safety Training	450,001	670,943	680,995
95061037	WUE Training & Development	524,675	684,229	1,105,241
95061038	WUE Administration	6,074,835	6,831,822	7,651,309
95061041	WU As-Built Drawing Control	126,170	146,556	
95061043	WUE ER Response Plan & Implement	76,969	208,768	221,019
95061045*	AM Framework Implementation	387,701	414,227	338,162
95061046*	District CMMS Administration	464,982	442,942	361,339
95061047	WUE Technical Training Program			411,416
95061048*	Climate Change Adaptation/Mitg			127,341
95061054*	Safe Clean Water Implementation	76,051	145,996	123,961
95071041*	Welding Services	349,795	224,721	238,918
95101003	W2 W5 Wtr Revenue Program	986,547	1,093,337	1,298,606
95111003	Water Use Measurement	1,383,042	1,425,949	1,485,512
95121001	Fin/Economic Water Rate Study	442,998	471,757	448,837
95151002	Water Utility Customer Relations	286,981	165,111	315,241
95731001	Water Supply Modeling/Analys	334,822	360,546	297,339
95741001	Water Supply Planning	355,970	222,616	208,709
95741042*	Water Resources EnvPlng & Permtg		582,645	916,896
95761003	SCADA Network Administration	128,251	142,359	162,330
95761071*	Emergency Preparedness Prog	724,573	632,676	634,839
95761072*	Business Continuity Program	114,321	128,393	242,809
95771011*	InterAgency Urban Runoff Program	49,649	424,660	426,189
95771031*	HAZMAT Emergency Response	17,960	89,438	87,707
95811043*	Hydrologic Data Msrmt & Mgmt	837,691	816,296	851,817
95811046*	Warehouse Services	396,988	439,327	428,861

\* Recipient projects

# Financial Summaries

## Total Outlays by Water Enterprise Fund - Administration and General (continued)

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
95811049*	X Valley Subsidence Survey	226,959	249,428	370,782
95811050*	Benchmark Maintenance (Countywide)		90,185	155,135
95811054*	District Real Property Administration	138,912	112,353	155,766
<b>Total Operations:</b>		<b>17,951,406</b>	<b>20,291,611</b>	<b>22,301,321</b>
<b>Operating:</b>				
95042037*	Safe, Clean Water	196,016		
95062012	WUE Maint Audit Impl Plan	123,154	360,421	201,638
<b>Total Operating:</b>		<b>319,170</b>	<b>360,421</b>	<b>201,638</b>
<b>Debts:</b>				
95993007	Commercial Paper Tax Exempt	371,725	1,569,000	1,436,000
95993008	Commercial Paper Taxable	240,849	1,046,000	1,619,000
95993010	WU Revlmg 4310027-06SRF01CX114	402,353	403,463	403,464
95993011	2006 WUE Refunding Tax Exempt	4,749,400	4,751,450	4,750,725
95993012	2006 WUE Refunding Taxable	1,780,086	1,780,951	1,784,527
95993013	2007A WU Revenue COPs Tax Ex	5,056,550	5,067,300	5,102,300
95993014	2007B WU Revenue COPs	1,425,805	2,890,500	1,902,000
95993015	2014A WU Revenue COP (TE)			2,162,728
95993016	2014B WU Revenue COP (TX)			2,233,563
<b>Total Debts:</b>		<b>14,026,767</b>	<b>17,508,664</b>	<b>21,394,307</b>
<b>Capital:</b>				
95074030*	Capital Training and Development	256,422	247,472	482,523
95074033*	CIP Development & Admin	364,847	490,677	479,183
95074036*	Survey Tech Support		110,987	246,838
95074038*	Capital Program Services Admin	1,847,296	1,646,586	1,695,641
95074045*	Technical Review Committee	212,265	271,921	253,966
95074046*	Capital Healty & Safety Training	52,436	141,471	117,011
95084001	5-Year Pipeline Rehabilitation	4,153,886	2,825,692	5,794,000
95144001	PL Hydraulic Reliability Upgrd	3,078		
95274003	WU Computer Network Modernization			473,224
<b>Total Capital:</b>		<b>6,890,231</b>	<b>5,734,806</b>	<b>9,542,386</b>
<b>TOTAL</b>		<b>\$ 39,187,573</b>	<b>\$ 43,895,502</b>	<b>\$ 53,439,652</b>

\* Recipient projects

# Financial Summaries

## Water Enterprise Summary by Zone

	Budgetary Basis Actual 2012-2013	Adopted Budget 2013-2014	Estimated Actual 2013-2014	Adopted Budget 2014-2015	% Change
<b><u>Zone W2 North County</u></b>					
Allocated Revenue					
Operating Revenue	149,486,004	146,222,535	146,462,163	160,761,450	10%
Non-operating Revenue	30,256,167	28,929,053	28,700,068	26,614,923	-8%
Total Allocated Revenue	179,742,171	175,151,588	175,162,231	187,376,373	7%
Allocated Operating Outlays					
Operations	123,045,571	126,845,920	128,559,640	130,192,413	3%
Operating Projects	1,639,942	441,657	421,145	850,188	92%
Debt Service	14,026,768	17,508,664	16,097,000	21,394,307	22%
Total Allocated Operating Outlays	138,712,281	144,796,241	145,077,785	152,436,908	5%
Balance Available for Capital/Reserve	41,029,890	30,355,347	30,084,446	34,939,465	15%
Total Capital Appropriations	56,463,817	101,444,419	119,601,034	122,148,897	20%
Other Financing Resources					
Certificates of Participation	19,435,000	82,853,000	62,966,000	109,902,000	33%
Transfers In	3,804,000	2,847,482	2,562,000	1,880,000	-34%
Transfers Out	(75,115)	(3,680,666)	(3,395,184)	(1,949,880)	-47%
Total Other Financing Sources/(Uses)	23,163,885	82,019,816	62,132,816	109,832,120	34%
Other Intra-Zone Allocations					
Zone W5 Open Space Credit	(7,076,201)	(5,590,000)	(6,011,643)	(5,299,375)	-5%
Zone W5 Capital Amortization	2,947,498	3,742,645	3,697,551	3,607,972	-4%
Zone W5 Interest (Earnings)/Payments	(10,028)	(14,242)	(29,558)	(32,621)	129%
Balance Available for W2	3,591,227	9,069,146	(29,727,422)	20,898,664	130%
<b><u>Zone W5 South County</u></b>					
Allocated Revenue					
Operating Revenue	10,842,723	10,663,605	10,698,959	11,349,998	6%
Non-operating Revenue	2,323,074	2,188,696	2,380,698	2,403,125	10%
Total Allocated Revenue	13,165,797	12,852,301	13,079,657	13,753,123	7%
Open Space Credit	7,076,201	5,590,000	6,011,643	5,299,375	-5%
Total Current Resources	20,241,998	18,442,301	19,091,300	19,052,498	3%
Allocated Costs					
Operations	8,908,487	9,778,622	9,854,497	10,576,971	8%
Operating Projects	585,562	440,743	482,499	380,413	-14%
Imported Water Purchases	2,806,030	3,083,847	3,083,847	3,323,247	8%
Total Allocated Outlays	12,300,079	13,303,212	13,420,843	14,280,631	7%
Balance Available for Capital/Reserve	7,941,919	5,139,089	5,670,456	4,771,867	-7%
Interest (earned)/due Utility Reserves	(10,028)	(14,242)	(29,558)	(32,621)	129%
Total Capital Amortization	2,947,498	3,742,645	3,697,551	3,607,972	-4%
Balance Available/(Deficit) for Zone W5	5,004,449	1,410,686	2,002,463	1,196,516	-15%
Total Balance Available/(Deficit)	8,595,676	10,479,832	(27,724,958)	22,095,180	111%

# Financial Summaries

## Water Utility Cost Allocation between Zone W-2 (North County) and Zone W-5 (South County)

Job #	Job Description	South County Allocation %	South County Cost, \$	North County Cost, \$	Adopted Budget FY 2014-15	Basis of Allocation to South
<b>Operations:</b>						
91041012	Water Operations Planning	16.1%	63,061	328,620	391,681	Raw Water Deliveries
91041018	Groundwater Management Program	37.5%	198,548	330,913	529,460	Groundwater Production Ratio
91061012	Facilities Env Compliance	16.1%	5,210	27,150	32,360	Raw Water Deliveries
91081007	Dam Safety Program	14.4%	209,605	1,245,984	1,455,589	Program Benefit Calculation
91101004	Recycled Water Program	5.9%	211,795	3,377,956	3,589,751	Population
91111001	Water Rights	16.1%	79,417	413,857	493,274	Raw Water Deliveries
91131004	Imported Water Program	11.8%	642,694	4,803,869	5,446,563	Imported Water Ratio
91131006	IW San Felipe Division Delvrs	16.1%	3,323,247	17,318,037	20,641,284	Program Benefit Calculation
91131007	IW South Bay Aqueduct Delvrs	0.0%	-	677,500	677,500	No South County Benefit
91131008	State Water Project Costs	0.0%	-	21,850,475	21,850,475	No South County Benefit
91151001	Water Conservation Program	5.9%	54,656	871,717	926,373	Population
91151007	Water Conservation-Residential Water Conservation-	4.9%	72,848	1,413,839	1,486,687	Program Benefit Calculation
91151008	Commercial/Ind	3.4%	31,553	896,473	928,026	Program Benefit Calculation
91151009	Water Conservation-AG	97.5%	139,489	3,577	143,066	Ag Production Ratio
91151010	Water Conservation-Landscape	7.0%	103,404	1,373,803	1,477,207	Program Benefit Calculation
91151011	Water Conservation Campaign	5.9%	12,908	205,867	218,775	Population
91151012	Recycled/Purified Water Public Engagement	5.9%	30,185	481,417	511,602	Population
91211004	San Felipe Reach 1 Operation	18.8%	94,374	407,616	501,990	CVP Imported Water Ratio
91211005	SFD Reach 1 Administration	18.8%	1,812	7,824	9,636	CVP Imported Water Ratio
91211084	San Felipe Reach1 Ctrl and Ele	18.8%	56,744	245,085	301,829	CVP Imported Water Ratio
91211085	SF Reach 1-Engineering - Other	18.8%	34,727	149,990	184,717	CVP Imported Water Ratio
91211099	San Felipe Reach 1 Gen Maint	18.8%	114,042	492,563	606,605	CVP Imported Water Ratio
91221002	San Felipe Reach 2 Operation	18.8%	8,358	36,097	44,455	CVP Imported Water Ratio
91221006	SF Reach 2-Engineering - Other	18.8%	20,332	87,819	108,151	CVP Imported Water Ratio
91221099	San Felipe Reach 2 Gen Maint	18.8%	59,732	257,993	317,725	CVP Imported Water Ratio
91231002	San Felipe Reach 3 Operation	9.4%	17,767	171,248	189,015	CVP Imported Water Ratio adjusted for Coyote PP
91231084	San Felipe Reach3 Ctrl and Ele	9.4%	23,106	222,701	245,807	CVP Imported Water Ratio adjusted for Coyote PP
91231085	SF Reach 3-Engineering - Other	9.4%	13,151	126,758	139,909	CVP Imported Water Ratio adjusted for Coyote PP
91231099	San Felipe Reach 3 Gen Maint	14.1%	129,665	789,944	919,609	CVP Imported Water Ratio adjusted for Coyote PP
91281007	SVAWPC Facility Operations	0.0%	-	2,369,035	2,369,035	No South County Benefit
91281008	SVAWPC Facility Maintenance	0.0%	-	1,129,553	1,129,553	No South County Benefit
91441003	Desalination	11.9%	7,825	57,928	65,753	M&I Water Usage Ratio
91451002	Well Ordinance Program	12.9%	166,452	1,123,875	1,290,327	Well Permits and Inspections
91451005	Source Water Quality Mgmt	11.9%	45,825	339,263	385,088	M&I Water Usage Ratio
91451011	Invasive Mussel Prevention	16.1%	99,263	517,277	616,540	Raw Water Deliveries
91551001	Groundwater Monitoring	37.5%	364,323	607,204	971,527	Groundwater Production Ratio
91551002	Groundwater Supply Management	37.5%	340,163	566,938	907,101	Groundwater Production Ratio
91761001	Local Res / Div Plan & Analysis	20.4%	124,999	487,742	612,741	Total Water Deliveries Ratio
91761002	Local Reservoir/Diversion Ops	20.4%	17,486	68,229	85,715	Total Water Deliveries Ratio
91761099	Dams / Reservoir Gen Maint	22.0%	293,619	1,041,011	1,334,630	Program Benefit Calculation

# Financial Summaries

## Water Utility Cost Allocation (continued)

Job #	Job Description	South County Allocation %	South County Cost, \$	North County Cost, \$	Adopted Budget FY 2014-15	Basis of Allocation to South
91791012	Groundwater Quality Management	37.5%	389,288	648,814	1,038,102	Groundwater Production Ratio
92041014	FAHCE/Three Creeks HCP Project	4.3%	83,334	1,854,660	1,937,994	Coyote Water Supply Ratio
92061012	Facilities Env Compliance	16.1%	9,552	49,779	59,331	Raw Water Deliveries
92261099	Vasona Pump Station Gen Main	0.0%	-	141,432	141,432	No South County Benefit
92761001	Raw Water T and D Genrl Oper	16.1%	201,860	1,051,928	1,253,788	Raw Water Deliveries
92761006	Rchrg / RW Field Fac Asset Mgt	39.7%	84,796	128,795	213,591	Groundwater Recharge Ratio
92761007	Rchrg / RW Field Ops Pln& Anlys	39.7%	99,441	151,041	250,482	Groundwater Recharge Ratio
92761008	Recycled Water T&D Genrl Maint	100.0%	92,032	-	92,032	Benefits only South County
92761009	Recharge/RW Field Ops	39.7%	1,006,180	1,528,278	2,534,458	Groundwater Recharge Ratio
92761010	Rchrg / RW Field Fac Maint	39.7%	546,161	829,560	1,375,721	Groundwater Recharge Ratio
92761011	Untreated Water Field Ops	45.3%	12,815	15,474	28,289	Untreated Water Deliveries Ratio
92761012	Untreated Water Prog Plan&Anlys	45.3%	47,216	57,014	104,230	Untreated Water Deliveries Ratio
92761082	Raw Water T&D Ctrl and Electr	16.1%	87,926	458,199	546,125	Raw Water Deliveries
92761083	Raw Water T&D Eng Other	16.1%	32,340	168,528	200,868	Raw Water Deliveries
92761085	Anderson Hydrelctrc Fclty Main	21.3%	18,535	68,484	87,019	Anderson Water Deliveries Ratio
92761099	Raw Water T / D Gen Maint	16.1%	188,892	984,350	1,173,242	Raw Water Deliveries
92781002	RW Corrosion Control	16.1%	111,271	579,854	691,125	Raw Water Deliveries
93061012	Facilities Env Compliance	0.0%	-	382,963	382,963	No South County Benefit
93081008	W T General Water Quality	0.0%	-	1,597,185	1,597,185	No South County Benefit
93081009	Water Treatment Plant Engineering	0.0%	-	556,092	556,092	No South County Benefit
93231007	PWTP Landslide Monitoring	0.0%	-	138,585	138,585	No South County Benefit
93231009	PWTP General Operations	0.0%	-	4,680,641	4,680,641	No South County Benefit
93231099	Penitencia WTP General Maint	0.0%	-	2,236,192	2,236,192	No South County Benefit
93281005	STWTP - General Operations	0.0%	-	5,121,225	5,121,225	No South County Benefit
93281099	Santa Teresa WTP General Maint	0.0%	-	2,593,679	2,593,679	No South County Benefit
93291012	RWTP General Operations	0.0%	-	6,908,939	6,908,939	No South County Benefit
93291099	Rinconada WTP General Maint	0.0%	-	3,136,371	3,136,371	No South County Benefit
93401002	Water District Laboratory	0.5%	19,179	3,855,451	3,874,630	Lab Analyses
93761001	SF/SCVWD Intertie General Ops	0.0%	-	128,858	128,858	No South County Benefit
93761004	Campbell Well Field Operations	0.0%	-	296,277	296,277	No South County Benefit
93761005	Campbell Well Field Maintenance	0.0%	-	59,211	59,211	No South County Benefit
93761006	Treated Water Ctrl & Elec Eng	0.0%	-	2,564,735	2,564,735	No South County Benefit
93761099	SF/SCVWD Intertie Gen Maint	0.0%	-	48,919	48,919	No South County Benefit
94761005	TW T&D - Engineering - Other	0.0%	-	201,687	201,687	No South County Benefit
94761099	Treated Water T/D Gen Maint	0.0%	-	821,834	821,834	No South County Benefit
94781001	Treated Water T/D Corrosion	0.0%	-	578,327	578,327	No South County Benefit
95001090	Unscoped Projects-Budget Only	11.9%	41,650	308,350	350,000	M&I Water Usage Ratio
95011003	WU Asset Protection Support	2.3%	11,102	471,601	482,703	Program Benefit Calculation
95021008	Electrical Power Support	1.5%	3,763	242,205	245,968	Labor Hours
95021009	Pipeline Monumentation	11.9%	17,193	127,283	144,476	M&I Water Usage Ratio
95031002	Grants Management	11.9%	11,253	83,308	94,561	M&I Water Usage Ratio
95041039	Integrated Regional Water Mgmt	11.9%	12,556	92,958	105,514	M&I Water Usage Ratio

# Financial Summaries

## Water Utility Cost Allocation (continued)

Job #	Job Description	South County Allocation %	South County Cost, \$	North County Cost, \$	Adopted Budget FY 2014-15	Basis of Allocation to South
95041046	Survey Record Mgmt	11.9%	9,440	69,888	79,328	M&I Water Usage Ratio
95061007	WUE Asset Management PIng Prg	2.3%	15,414	654,755	670,169	Program Benefit Calculation
95061012	Rental Expense San Pedro, MH	100.0%	25,802	-	25,802	Benefits only South County
95061027	Water Utility Health & Safety	11.9%	42,331	313,393	355,724	M&I Water Usage Ratio
95061032	Water Utility Ops Safety Training	11.9%	81,038	599,957	680,995	M&I Water Usage Ratio
95061037	WUE Training & Development	11.9%	131,524	973,717	1,105,241	M&I Water Usage Ratio
95061038	WUE Administration	11.9%	910,506	6,740,803	7,651,309	M&I Water Usage Ratio
95061043	WUE ER Response Plan & Implement	5.9%	13,040	207,979	221,019	Population
95061045	AM Framework Implementation	11.9%	40,241	297,921	338,162	M&I Water Usage Ratio
95061046	District CMMS Administration	11.9%	42,999	318,340	361,339	M&I Water Usage Ratio
95061047	WUE Technical Training Program	11.9%	48,959	362,457	411,416	M&I Water Usage Ratio
95061048	Climate Change Adaptation/Mitg	11.9%	15,154	112,187	127,341	M&I Water Usage Ratio
95061054	Safe Clean Water Implementation	11.9%	14,751	109,210	123,961	M&I Water Usage Ratio
95071041	Welding Services	1.5%	3,464	235,454	238,918	Program Benefit Calculation
95101003	W2 W5 Wtr Revenue Program	69.0%	896,038	402,568	1,298,606	Labor Hours
95111003	Water Use Measurement	39.8%	591,234	894,278	1,485,512	Labor Hours
95121001	Fin/Economic Water Rate Study	11.9%	53,412	395,425	448,837	M&I Water Usage Ratio
95151002	Water Utility Customer Relations	5.9%	18,599	296,642	315,241	Population
95731001	Water Supply Modeling/Analys	11.9%	35,383	261,956	297,339	M&I Water Usage Ratio
95741001	Water Supply Planning	11.9%	24,836	183,873	208,709	M&I Water Usage Ratio
95741042	Water Resources EnvPIng & Permi	18.0%	165,041	751,855	916,896	Program Benefit Calculation
95761003	SCADA Network Administration	2.2%	3,620	158,710	162,330	Program Benefit Calculation
95761071	Emergency Preparedness Prog	5.9%	37,456	597,383	634,839	Population
95761072	Business Continuity Program	5.9%	14,326	228,483	242,809	Population
95771011	InterAgency Urban Runoff Program	16.1%	68,616	357,573	426,189	Raw Water Deliveries
95771031	HAZMAT Emergency Response	10.0%	8,771	78,936	87,707	Emergency Response Events
95811043	Hydrologic Data Msmt & Mgmt	17.0%	144,809	707,008	851,817	Stream Gauge location
95811046	Warehouse Services	11.9%	51,034	377,827	428,861	M&I Water Usage Ratio
95811049	X Valley Subsidence Survey	0.0%	-	370,782	370,782	No South County Benefit
95811050	Benchmark Maintenance (Countyw	33.3%	51,660	103,475	155,135	Program Benefit Calculation
95811054	District Real Property Administratio	0.0%	-	155,766	155,766	Program Benefit Calculation
<b>Total Operations</b>			<b>13,900,218</b>	<b>130,192,413</b>	<b>144,092,631</b>	
<b>Operating Projects:</b>						
91792001	Domestic Well Testing Program	87.0%	375,776	56,150	431,926	Program benefit Calcuation
94762007	SCADA Systems Upgrades	0.0%	-	597,037	597,037	No South County Benefit
95062012	WUE Maint Audit Impl Plan	2.3%	4,638	197,000	201,638	Program benefit Calcuation
<b>Total Operating Projects</b>			<b>380,413</b>	<b>850,188</b>	<b>1,230,601</b>	
<b>TOTAL</b>			<b>14,280,631</b>	<b>131,042,601</b>	<b>145,323,232</b>	



# Financial Summaries

## South County Capital Amortization

Job Description	(In Thousands \$)		South County Cost	FY 15 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to the South
	Total Project Cost	South County %				
Uvas Dam & Reservoir	1,124	100.0%	1,124	88	FY 22	Benefits only South County
San Pedro Recharge Facility	1,882	100.0%	1,882	147	FY 22	Benefits only South County
San Pedro Recharge house	700	100.0%	700	47	FY 31	Benefits only South County
Recycled Water Improvements I	7,232	100.0%	7,232	481	FY 32	Benefits only South County
Recycled Water Improvements II	118	100.0%	118	8	FY 33	Benefits only South County
Recycled Water Improvements III	1,721	100.0%	1,721	115	FY 34	Benefits only South County
Water Banking Rights	6,226	8.0%	498	33	FY 35	Total Imported Water Ratio
Dam Instrumentation	6,243	21.0%	1,311	87	FY 41	Program benefit calculation
Geodetic Control Maintenance	236	41.0%	97	6	FY 36	Survey Analysis
Dam Maintenance Mitigation	3,504	22.0%	771	51	FY 44	Program benefit calculation
SC Recycled Water Masterplan - Immediate Term	3,257	100.0%	3,257	216	FY 37	Benefits only South County
SC Recycled Water Masterplan - Short Term						
Implementation 1A	4,314	100.0%	4,314	286	FY 42	Benefits only South County
Water Banking FY 06	18,895	9.0%	1,701	113	FY 36	Total Imported Water Ratio
San Felipe Division Capital	7,920	13.1%	1,038	1,038	N/A	Repayment Cost Distribution
Pacheco Pumping Plant Regulating Tank Recoating	2,550	17.0%	434	29	FY 42	CVP Imported Water Ratio
San Felipe Communications Cable Replacement	235	17.0%	40	3	FY 42	CVP Imported Water Ratio
Small Caps, San Felipe	11	18.8%	(120)	(120)	N/A	CVP Imported Water Ratio
Santa Clara Tunnel Landslide	4,509	15.1%	681	45	FY 39	CVP Imported Water Ratio
SC Tunnel Landslide Mitigation	217	16.9%	37	2	FY 39	CVP Imported Water Ratio
Small Caps, San Felipe Reach 3	1,547	18.8%	291	291	N/A	CVP Imported Water Ratio
Water Infrastructure Reliability Program	2,134	1.5%	32	2	FY 36	Program benefit calculation
Water Infrastructure Baseline Improvement	2,403	3.6%	87	6	FY 38	Spare pipe usage
Coyote Dam Control Building Improvement	576	19.6%	113	7	FY 42	Anderson deliveries ratio
Pacheco Pumping Plant ASD Replacement	17,302	18.8%	3,253	216	FY 44	CVP Imported Water Ratio
Radio Repeater Infill	5,423	11.1%	602	0	FY 42	M&I Water Usage Ratio
Santa Clara Conduit Rehab	1,814	17.0%	308	20	FY 42	CVP Imported Water Ratio
Raw Water Control System	9,188	4.3%	399	26	FY 37	Program benefit calculation
Small Caps, Raw Water	468	16.1%	75	75	N/A	Raw Water Usage
Microwave Telecommunications	4,907	11.9%	584	39	FY 44	M&I Water Usage Ratio
Pipeline Hydraulic Reliability Upgrades	307	2.2%	7	0	FY 44	Program benefit calculation
Information Systems Management	5,802	9.8%	569	38	FY 40	M&I Water Usage Ratio
Peoplesoft Upgrade	78	9.8%	8	1	FY 39	M&I Water Usage Ratio
Corp Yard Relocation	26	10.2%	3	0	FY 40	M&I Water Usage Ratio
Capital Program Administration	3,275	6.5%	212	212	N/A	Total Capital Cost Ratio
<b>Grand Total</b>	<b>126,143</b>		<b>33,375</b>	<b>3,608</b>		

\* 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 (Fund 63)

### Overview

The State Water Project Fund was created in October 2010 to improve transparency and ensure compliance with water code section 11654. The State Water Project Fund accounts specifically for State Water Project Tax revenue and State Water Project contractual costs. State Water Project Tax revenue can only be spent on State Water Project contractual costs.

Staff proposes that the State Water Project Tax revenue be set at \$21 million for FY 2014-15, which when combined with other revenue (refunds from Department of Water Resources) and the State Water Project Reserve would fund projected contractual obligations of \$21.9 million.

# Financial Summaries

## State Water Project Fund Summary

	Budgetary Basis Actual 2012-13	Adopted Budget 2013-14	Projected Year End 2013-14	Adopted Budget 2014-15	Change from 2013-14 Adopted	
					\$ Diff	% Diff
<b>Revenue Sources:</b>						
Non-Operating Income:						
Property Taxes	\$ 19,515,100	\$ 21,000,000	\$ 21,000,000	\$ 21,000,000	\$ -	0.0%
Other revenues	1,122,764	1,000,000	1,000,000	1,000,000	-	0.0%
Total Non-Operating Income	20,637,864	22,000,000	22,000,000	22,000,000	0	0.0%
<b>Total Revenue</b>	<b>20,637,864</b>	<b>22,000,000</b>	<b>22,000,000</b>	<b>22,000,000</b>	<b>-</b>	<b>0.0%</b>
<b>Operating Outlays:</b>						
Operations**	22,247,104	23,274,723	23,274,723	21,850,475	(1,424,248)	(6.1%)
Operating Projects	-	-	-	-	-	**
<b>Total Operating Outlays</b>	<b>22,247,104</b>	<b>23,274,723</b>	<b>23,274,723</b>	<b>21,850,475</b>	<b>(1,424,248)</b>	<b>(6.1%)</b>
<b>Other Financing Sources (Uses) :</b>						
Transfers In	-	-	-	-	-	**
Transfers Out	-	-	-	-	-	**
<b>Total Other Sources/(Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>**</b>
<b>Balance Available</b>	<b>\$ (1,609,240)</b>	<b>\$ (1,274,723)</b>	<b>\$ (1,274,723)</b>	<b>\$ 149,525</b>		
<b>Year-End Reserves:</b>						
	Estimated Balances				Change from 2013-14 Adopted	
	Year-End 2012-13	Adopted 2013-14	Projected YE 2013-14	Adopted 2014-15	\$ Diff	% Diff
<b>Restricted Reserves</b>						
State Water Project Tax	2,737,013	714,518	1,462,290	1,611,815	897,297	125.6%
<b>Total Restricted Reserves</b>	<b>2,737,013</b>	<b>714,518</b>	<b>1,462,290</b>	<b>1,611,815</b>	<b>897,297</b>	<b>125.6%</b>
<b>Total Year-End Reserves</b>	<b>\$ 2,737,013</b>	<b>\$ 714,518</b>	<b>\$ 1,462,290</b>	<b>\$ 1,611,815</b>	<b>\$ 897,297</b>	<b>125.6%</b>
<b>Uncommitted Funds</b>			<b>\$ 0</b>	<b>\$ 0</b>		

# Financial Summaries

## Total Outlays by State Water Project Fund - Source of Supply

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
<b>Operations:</b> 91131008	State Water Project Cost	\$22,247,104	23,274,723	21,850,475
<b>TOTAL</b>		<b>\$22,247,104</b>	<b>23,274,723</b>	<b>21,850,475</b>

**DISTRICT GENERAL FUND**

# Financial Summaries

## District General Fund Overview

### Description

The General Fund is the District's primary operating fund that supports all administrative and strategic support services costs for the organization. It accounts for all financial resources except those required to be accounted for in other funds.

The principal funding source of the General Fund is the collection of overhead charges from other District funds in the amount of \$46.6 million. Additional sources of revenue include property taxes and interest income in the amount of \$5.4 million.

Total operating and capital expenditures budgeted in the General Fund are \$61.6 million. In order to provide the funding for Winfield capital improvements and Headquarters Operations Building projects, staff has proposed a transfer of \$7.8 million from the Water Utility Enterprise Fund and Watershed Stream Stewardship Fund to the General Fund. In addition, as part of the annual groundwater production charge setting process, staff has proposed a transfer of \$0.9 million of property taxes from the General Fund to the Water Utility Enterprise Fund to offset lost agricultural water revenue associated with the Board's policy of setting low agricultural charges to preserve open space.

Services provided with resources from the General Fund are performed within the following organizational offices or divisions:

#### Office of the Chief Executive Officer

- Office of Ethics & Corporate Governance
- Office of CEO Support & Communications
- Office of Government Relations
- Ethics & Equal Opportunity Program

#### Office of the District Counsel

- Legal Services
- Risk Management

#### Office of the Clerk of the Board

#### Office of the Chief Administrative Officer

- Human Resources
- Procurement and Operational Services
- Information Management Services
- Financial Planning and Management Services

### Outcomes

The main purpose of the resources budgeted to the General Fund is to provide:

- Executive leadership and oversight
- Long and short-term financial planning
- Capable and knowledgeable workforce
- Sustainable assets, equipment and infrastructure

### OFFICE OF THE CHIEF EXECUTIVE OFFICER

The FY 2014-15 operations budget managed by the Office of the Chief Executive Officer and the units directly under his supervision is \$9,846,408 of which \$7,998,201 is allocated to the General Fund.

The Office of the Chief Executive Officer (CEO) provides strategic direction and oversight to lead the organization in implementing the mission; fosters cooperative and collaborative working relationships with other government agencies, retailers, stakeholders, and the community; supports the Board, advises and informs the Board, provides interface between the Board and staff, and supports the Board's evaluation of the CEO. This project also provides executive leadership to the District and support to the Board of Directors to ensure that the District efficiently implements the Board's Ends policies and complies with executive limitations. The budget allocated for the Office of the CEO is \$814,095.

# Financial Summaries

## **Office of Ethics & Corporate Governance**

The FY 2014-15 operations budget managed by the Office of Ethics & Corporate Governance is \$1,656,753.

The Office of Ethics & Corporate Governance oversees several operations related to ethical values and principles that promote the public's trust in government. The office provides direct oversight to the Ethics and Equal Opportunity Program, Diversity and Inclusion Program, CEO Management Audit Program, Office of CEO Support & District Communications, and Office of Government Relations.

The District's Ethics and Equal Opportunity Programs provide services to support and sustain a workplace that demonstrates the highest standards of ethical conduct and that is free of discrimination, harassment, and retaliation. These programs ensure compliance with state and federal laws and District policies, provide reasonable accommodations to qualified individuals with disabilities, and provide guidance regarding ethical behavior in the workplace.

The Diversity and Inclusion Program provides services to build an inclusive and engaged workforce that will strengthen the District's ability to deliver the products and services to the community. Through strategic initiatives the program helps facilitate integration of diverse perspectives and expertise in response to challenges facing the District. The Diversity and Inclusion Program is also responsible for maintaining strong relationships with diverse communities to increase understanding of the Water District's business and services.

The CEO Management Audit Program establishes a systematic process to conduct management audits and monitor implementation for continual improvement.

## **Office of CEO Support & Communications**

### **Office of CEO Support**

The FY 2014-15 operations budget managed by the Office of CEO Support (OCEOS) is \$1,033,324.

The OCEOS delivers strategic and tactical support for the CEO and Board, facilitates and enhances the understanding and transparency of the Board's governance policies, and leads the District's Quality and Environmental System (QEMS) to meet customer requirements, provide for an active, uniform, and systematic deployment of key processes, and to establish a culture of continual improvement. The OCEOS also facilitates strategic planning to address District challenges and opportunities and reports organizational performance and achievements to the Board and public.

The OCEOS' key deliverables include strategic planning, policy governance planning and updates, quarterly performance reporting to the Board and public, maintaining ISO 9001 and ISO14001 certification, and facilitating weekly communication of organizational priorities from the CEO to the Board.

### **District Communications**

The FY 2014-15 operations budget managed by the District Communications is \$3,615,316 of which \$1,767,109 is allocated to the General Fund. The unit's goal is to effectively communicate the water district's programs, projects and challenges to the community in order to foster public engagement and promote transparency.

# Financial Summaries

The unit is designed to help build the District's image and reputation through effective communications, media and public relations, and stakeholder engagement. Key components include working with the Board, Water Utility, Watersheds Operation, Capital Program and Administration to communicate the District's mission and value while strengthening its relationships with the community and other partners.

The District Communications Unit is responsible for educating and informing the county's diverse community and District employees on major water-related issues. Staff accomplishes this goal through an effective media relations program; an updated external website and intranet; utilizing social media; implementing public information and marketing campaigns; stakeholder engagement; internal communications and District publications; graphics services; managing customer relations for the District's external customers, including utility and watershed operations customers. The unit also manages creek cleanup and volunteer programs, a Youth Stewardship Commission, and an education outreach program that visits classrooms from grade school to college, reaching 16,000 - 20,000 students each year.

## **Office of Government Relations**

The FY 2014-15 operations budget managed by the Office of Government Relations (OGR) is \$2,061,920. The OGR is responsible for influencing external policy to the benefit of the District through legislative efforts and engagement with stakeholder organizations, opinion leaders and organized groups. The OGR's primary responsibilities include: representing and building support for District interests at the local, regional, state and federal level; ensuring the introduction and passage of District-sponsored legislation; securing state and federal funds for high priority projects; supporting, opposing, or pursuing

amendments to state and federal legislation; advancing the District's interests with external stakeholder organizations, and supporting Board outreach to other elected officials, policy makers, opinion leaders, and local community organizations and groups.

FY 2014-15 deliverables include implementing a systematic effort to update the District Act, providing tours for elected officials and strategic stakeholders, protecting District revenues; supporting beneficial legislative efforts and preventing or mitigating any adverse legislative efforts at the local, state and federal level, and acquiring federal and state funding for local projects, to the ability the budget allows.

## **OFFICE OF DISTRICT COUNSEL**

The FY 2014-15 operations budget for the Office of District Counsel is \$2,762,206. The Office of the District Counsel represents the District's interests in a variety of court and administrative matters and provides timely legal advice to the Board and management as the District implements strategies to streamline operations and increase accountability.

The District Counsel also oversees Risk Management Administration. The mission of Risk Management is to protect District assets by identifying and evaluating loss exposures and applying cost effective risk management and risk financing techniques to reduce or eliminate risk. The operations budget managed by the Risk Management Unit is \$3,763,594, which is charged to the Risk Insurance Fund, broken down into three projects: (1) Liability Property Program consisting primarily of insurance premiums, claims payments, and project specific reviews; (2) Workers' Compensation Program consisting primarily of insurance premiums, claims payments, administering outside vendors and the District's return to work program; and (3) Risk



# Financial Summaries

Management Program Administration. Key areas of focus of the Risk Management Unit for FY 2014-15 include risk control and loss assessment, risk transfer and assisting individual units to reduce the cost of risk to the District.

## **OFFICE OF CLERK OF THE BOARD**

The FY 2014-15 operations budget managed by the Office of the Clerk of the Board (COB) is \$3,019,649. The COB budgets funds that directly support the work of the District's Board of Directors, including elections. This includes regulatory, administrative, and liaison support services to the Board, its Advisory, Ad Hoc and Joint Committees with other public agencies, the Safe, Clean Water and Natural Flood Protection Program's Independent Monitoring Committee, Board Appointed Officers, District staff, and the public.

The COB also facilitates the public's access to Board information, including Board meetings and related committee meetings in accordance with the California Ralph M. Brown Act. Additionally, the COB monitors the Board budget and Board members expenses in accordance with District Ordinance 02-01, Resolution 11-78, and Board Governance Policy GP-10, and maintains integrity of the Board's legislative records, processes, and actions.

## **OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER**

The FY 2014-15 operations budget for the Office of the Chief Administrative Officer is \$680,603.

The Office of the CAO provides executive leadership and direct oversight to all District administrative business areas. This office is responsible for ensuring that administrative functions are operated efficiently and effectively and conducted in accordance with the goals and policies established by the Board of Directors and the Chief Executive Officer.

## **HUMAN RESOURCES DIVISION**

The FY 2014-15 operations budget managed by the Human Resources Division is \$12.2 million. The Human Resources Division program and business units include: Human Resources Program Administration, Workforce Development Unit, Environmental Health and Safety Unit, Labor Relations Unit, and Employee Recruitment and Benefits Unit.

The Human Resources Program Administration FY 2014-15 operations budget is \$850,419. The goal of this program is to ensure that the units within the Human Resources Division efficiently and effectively provide Districtwide assistance in the areas of human resources.

### **Workforce Development Unit**

The FY 2014-15 operations budget managed by Workforce Development is \$2,007,291. The Workforce Development Unit coordinates the Districtwide Talent Management Program, Rotation Program, and Employee Recognition Program.

The Talent Management Program provides a sustainable and capable workforce by meeting the training and professional development needs of the District. The program will equip managers with the tools to promote continuous learning, professional growth, and accountability. The program also provides for the development, prioritization, and updating of individual, unit and division training plans as well as provide ongoing training records management for District ISO certified units in preparation of four ISO Audits annually.

The Rotation Program allows employees the opportunity to rotate into other units for career development opportunities, to increase their knowledge of district operations, and to promote succession development.

# Financial Summaries

The Employee Recognition Program consists of the Employee Discount Program, On-The-Spot Program, and the Annual Employee Recognition. The awards honor employee commitment to the mission of the District and serves as a conduit to continual improvement in Districtwide performance and workplace commitment

## **Environmental, Health & Safety Unit**

The FY 2014-15 operations budget managed by the Environmental, Health & Safety Unit is \$5,391,167 of which \$406,241 is allocated to the General Fund. The Environmental, Health & Safety Unit services cover a wide range of activities including environmental, health and safety program development and maintenance including assisting with ISO 14001 registration, general consultation services, communications, technical support, training services and support, incident investigation services, inspection and audit services and support, hazard analysis services, hazardous materials and hazardous waste management, regulatory permit compliance management, hazardous materials emergency response, EH&S committee support activities, and liaison with regulatory agencies when required. Additionally, the EH&S Unit responds to requests from customers for specific environmental, health and safety services or program assistance to ensure that the district's environmental compliance, health and safety programs are functional and sustainable.

## **Labor Relations Unit**

The FY 2014-15 operations budget managed by the Labor Relations Unit is \$1,216,204 and includes Labor Relations, Negotiate MOUs, and Bargaining Unit Representation. This unit promotes a proactive and positive labor relations program in compliance with

legal mandates, negotiated agreements, and constructive management principles. Labor Relations negotiates, interprets, applies, and enforces contracts and regulations and acts as a resource in the areas of administrative policies and procedures.

## **Employee Recruitment and Benefits Unit**

The FY 2014-15 operations budget managed by the Employee Recruitment and Benefits Unit is \$2,711,653 of which \$2,618,321 is allocated to the General Fund. The Employee Recruitment and Benefits Unit consists of eight programs, which includes Recruitment and Examination, Skilled Trades Internship, Summer Internship Program, Classification, Compensation, Benefits Administration, Employee Wellness Program and the Deferred Compensation Committee.

The Recruitment and Examination provides oversight of the recruitment and timely selection process for regular employees and temporary staff including the Skilled Trades Internship and Summer Internship Programs. This project is also responsible for the development of recruitment documents to ensure hiring practices are fair and transparent.

The Classification Program is responsible for administering the District's classification program. Administration of the classification program includes ensuring the body of work is properly documented in class specifications and assisting management on the interpretation and application of class specifications.

The Compensation Program is responsible for administering the District's compensation program. Administration of the compensation program includes conducting compensation research and analysis with the District's comparator agencies and making recommendations on pay practices.

# Financial Summaries

Benefits Administration is responsible for the administration of the District's benefit plans including medical, dental, vision, employee assistance program, life and disability for approximately 700 employees, over 300 retirees and the seven (7) board of directors. Administration includes annual contract renewals, open enrollment, leaves of absence, translation services pay program, new hire orientations and separations or retirements of employment. This project is also responsible for processing employee transactions for generating the District's bi-weekly payroll and responding to over 400 benefits hotline calls per month.

The Employee Wellness Program promotes employee health and fitness by encouraging healthy lifestyles through coordinating monthly/quarterly wellness-related activities, promotion of wellness resources and education, organizing health fairs/events and monitoring of program effectiveness.

The Deferred Compensation Committee is a supplemental District Retirement Plan which is offered to employees of the Santa Clara Valley Water District as part of the District's compensation program and as an enhancement to their retirement benefit package. The District has an approved Deferred Compensation Plan administered by an employee committee appointed by the Chief Administrative Officer (CAO). The Deferred Compensation Committee works towards administering the Plan within legal requirements.

## Key Highlights: Human Resources Division

- Provide ongoing training records management for District ISO certified units in preparation of four ISO Audits.
- Design and develop District specific training (based on continual Districtwide training needs analysis and in conjunction with the CEO's Core Management Training Committee Report by 6/30/15.
- Complete annual fire evacuation drill at each applicable District facility (10 total) by 6/30/15.
- Complete MOU negotiations with the three bargaining units by 12/31/14.
- Implement the Diversity & Inclusion Audit Recruitment recommendations in compliance with the audit completion schedule.
- Process annual plan renewals for Districtwide medical benefits by April 1, 2015.
- By end of Q4, implement the applicable provisions of the new MOUs by the date established in the MOUs.
- By the end Q4, obtain the consultants recommended manual and policies for the classification program and implement as appropriate.
- Coordinate a Health and Wellness Fair by 10/1/14.
- Hire 20 summer college interns to work a maximum of 480 hours by 7/1/14.
- Conduct RFP for District Deferred Compensation Program vendors by 6/30/15.

## PROCUREMENT AND OPERATIONAL SERVICES DIVISION

The FY 2014-15 budget managed by the Procurement and Operational Services Division is \$18.8 million of which \$11.1 million is allocated to the General Fund.

The business units in this division include the Purchasing, Contracts and Warehouse Services Unit, the Equipment Management Unit, and the Facilities Management Unit.

The FY 2014-15 budget managed by the Office of the Procurement and Operational Services is \$606,161, all of which is allocated to the General Fund.

## Purchasing, Contracts and Warehouse Services Unit

The FY 2014-15 budget managed by the Purchasing, Contracts and Warehouse Services Unit is \$4,162,553 of which \$2,721,574 is allocated to the General Fund.

# Financial Summaries

The Purchasing team is responsible for the purchasing of goods and general services needed to support District operations, as well as construction services for public works projects up to \$25,000 and consulting services up to \$5,000. As a public agency, the District's purchasing practices are regulated by local, state and federal laws and regulations and District policies. The Purchasing unit administers a fair and open sourcing process for vendors who wish to do business with the District. Annually, Purchasing processes approximately 3,500 transactions.

The Consultant Contracts Services program is responsible for managing and supporting all aspects of consultant solicitations for the District's operations over \$5,000. Staff provide support during development of the request for proposal and agreement. Annually, the Consultant Contracts Services program processes approximately 50 contracts and amendments worth nearly \$26 million.

The Warehouse team is the central receiving and distribution point for the organization. Warehouse staff is responsible for cost effective management of inventory and replenishment of materials and supplies used to support District operations. In addition, the staff administers the following District-wide programs such as the Uniform program, Coverall Program, DripShopping Company Store, Metal Recycling, Waste Tire Recycling, Printer Toner Recycling, and is the liaison with Purchasing for the Surplus program.

## **Business and Customer Support Services Unit**

The FY 2014-15 budget for the Business and Customer Support Services Unit is \$2,817,223, all of which is allocated to the General Fund. The Business and Customer Support Services Unit provides Districtwide support such as word processing, template-based graphics, and forms services; full-time mail services; reprographics services which includes full-service

photocopying, digital printing, scanning, binding and other professional finishing services; receptionist/switchboard services to internal and external customers; and Emergency Operations Center (EOC) Switchboard Preparedness services which includes EOC training of switchboard staff during an emergency event.

## **Equipment Management Unit**

The FY 2014-15 budget managed by the Equipment Management Unit is \$6,681,591 of which \$10,619 is allocated to the General Fund.

The Equipment Management Unit is responsible for managing the District's fleet assets, which includes approximately 259 vehicles and 713 pieces of equipment. These vehicles and equipment range from hybrid light duty vehicles and crew trucks to large generators, pumps, and construction equipment.

## **Facilities Management Unit**

The FY 2014-15 budget managed by the Facilities Management Unit is \$7,179,995 of which \$6,397,877 is allocated from the General Fund. The capital budget for FY 2014-15 is \$2,080,000 which is allocated to the General Fund.

The Facilities Management Unit is responsible for the maintenance, repair and operation of District buildings, campus grounds, HVAC systems, and generators. The unit is also responsible for space planning and management of contracted services such as electrical, plumbing, and janitorial services. The unit manages small capital improvement projects at the Almaden and Winfield campuses and the residential real estate program for District owned residential properties.

## **Key Highlights: Procurement and Operational Services Division**

# Financial Summaries

Key efforts and deliverables for the Procurement and Operational Services Division in FY 2014-15 include:

- Purchasing and Contracts Services will continue to host the annual Business Open House and continue to promote the District's business opportunities at vendor outreach events.
- Warehouse will continue to improve the current storage process and conduct the annual physical inventory.
- Crane, trash compactors, portable generators will be recertified or issued new permits annually in accordance with regulatory requirements.
- 42 existing vehicles will be surplus and replaced and 21 pieces of equipment will be purchased in accordance with the 12-year or 125,000 mile replacement criteria.
- The Facilities unit's small capital improvement project staff will include replacement of the south campus emergency generator and upgrades to electrical switchyard; repair/ re-roof of Maintenance Office Building and replace its HVAC units; complete design for security enhancements to Almaden campus and award construction contract by March 2015; complete design phase of HQ generator replacement project and award construction contract by May 2015; and complete identified electrical upgrades and service improvements to Almaden/Winfield campus.

## **INFORMATION MANAGEMENT SERVICES DIVISION**

The FY 2014-15 budget for the Information Management Services Division (IMSD) is \$18.5 million of which \$14.1 million is allocated to the General Fund. The business units and programs in IMSD include Information Systems Solutions, Information Technology, Records and Library, Business and Customer Support Services.

The FY 2014-15 budget for the Office of Information Management is \$3,236,992, including \$1.2 million for the PeopleSoft Upgrade and Expansion project. Approximately, \$1.8 million is allocated to the General Fund.

One important function of the Office of Information Management is Information Security Management. This function is responsible for administration of and adherence to Districtwide security standards, procedures, and policies for the District's information technology (IT) systems and IT related elements of the District's Industrial Control System. This includes following best practices that strengthen information security protection from people, processes, and technology. This program ensures that appropriate technology, systems, and processes are in place for effective monitoring of District IT systems. This includes identifying and protecting against weaknesses and potential intrusions from outside computer hackers, and tightening workstation computer security.

## **Information Systems Solutions (ISS) Unit**

The FY 2014-15 budget for the ISS Unit is \$3,086,726, all of which is allocated to the General Fund. The ISS Unit develops, maintains and supports district business and engineering software systems which include in-house developed and enterprise-wide systems such as Geographic Information Systems (GIS), PeopleSoft HR/Financials and Maximo Asset Management System. The ISS Unit also supports the District's ability to communicate with and inform the public, District staff, and other agencies via the internet and intranet software systems.

## **Information Technology (IT) Unit**

The FY 2014-15 budget for the IT Unit is \$7,895,2720 of which \$4,290,322 is allocated to the General Fund. IT is responsible for implementation, management, support, and protection of the District's network infrastructure, business computing and communication hardware and software, and electronic data storage and protection. This includes the District's wide-area-network (WAN) from Sacramento to San Jose and to Pacheco Pumping Plant in Merced County.

# Financial Summaries

The District's network serves as the backbone of electronic communication and connectivity between District locations, systems, and people, and is vital for conducting all business operations - including the distribution and treatment of water. Servers and network storage devices managed by the IT unit host all software applications and systems, and backup devices and tools are used to archive and protect District information.

Desktop and laptop computers and related peripheral hardware are maintained by the unit to meet District-wide computing needs. End users are assisted via a staffed Help Desk which serves as the first line of support to address computer problems and help with the standard suite of desktop software and tools. Two-way radio systems, telecommunications, microwave stations, and related components are administered and maintained by the IT unit to support District office staff, crews in the field, and emergency operations. The audio / visual services provided by IT support Board meetings, internal staff meetings and public/community meetings.

## Records & Library (RL) Unit

The FY 2014-15 budget for the Records and Library Unit is \$1,264,689, all of which is allocated to the General Fund. The RL Unit provides support services such as storage, disposition, and research services for District records as well as processing of legal requests for records. The unit also helps staff gain access to externally-created reference materials such as books, journals, articles, and subscription data services. Additional responsibilities of this unit include: Archival preservation of documents by microfilming and media conservation; reproduction services for maps and engineering drawings; training for District staff on content management policies, procedures, laws and best practices; and management of Administrative policies and procedures.

## Key Highlights: Information Management Services Division

Key efforts and deliverables for the Information Management Services Division in 2014-15 include:

- Continue the PeopleSoft Upgrade capital project, including the selection and securing consultant services to perform project management and system implementation.
- Begin planning and consultant selection for the Information Technology Disaster Recovery project.
- Convert microfiche records to electronic media for the Wells and Community Project Review units, the Records and Library unit's main active microfiche users.
- Modernization of the District's computer network backbone at all locations to accommodate the demands of current and future technology.

## FINANCIAL PLANNING AND MANAGEMENT SERVICES DIVISION

The FY 2014-15 operations budget managed by the Financial Planning and Management Services Division (FPMSD) is \$8.1 million, of which \$5.5 million is allocated to the General Fund.

The business programs and units in this division include Treasury/Debt Management, Financial Planning, Budget Planning, Financial Controls, General Accounting and Revenue Management. FPMSD also manages debt service payments Districtwide of \$35.3 million.

The FY 2014-15 budget for Office of the Chief Financial Officer, FPMD Administration Project is \$434,363.

**Financial Planning:** preparation of long term forecasts; financial analyses that support the annual groundwater production charge recommendation as required by section 26.5 of the District Act. The budget for this function is \$598,655 of which \$149,818 is in General Fund.

# Financial Summaries

**Debt and Treasury Management:** responsible for investing District funds in compliance with Board approved investment policies to maintain safety and liquidity of District cash resources and to manage debt service. Investment reports are provided to management and the Board on a periodic basis. Treasury transactions are audited annually by an external audit firm. The budget for this function is \$253,893.

## **General Accounting Unit**

The operations budget managed by the General Accounting Unit is \$3,071,990. General Accounting staff provides general accounting and financial reporting functions including general ledger, accounts receivable, accounts payable, payroll, cash collections, bank depositing, tax reporting, fixed asset capitalization, and audits. General Accounting prepares the Comprehensive Annual Financial Report in accordance with Governmental Finance Officers Associations standards for excellence.

## **Revenue Management Unit**

The budget for the Revenue Management Unit is \$2,070,489 of which is 100% allocated to the Watershed and Water Utility Fund. The Revenue Management Unit staff reviews water production data and invoices accordingly to ensure that revenue owed to the District is collected on a timely basis. The Unit also manages all claims and reimbursements. Grants and Claims Reimbursement staff seeks opportunities to expand project options or offset operating costs by identifying and securing supplemental funding for priority projects.

## **Budget and Financial Control Unit**

Coordinate the annual budget development process; preparation of the budget; budget administration, monthly monitoring of District finances and financial analyses. The budget for this function is \$1,627,191.

The Budget and Financial Control Services Unit provides technical and administrative resources in the areas of:

- Budget preparation and project planning districtwide
- Benefits and Overhead Long-term forecasting districtwide
- Fund monitoring and financial accountability process implementation

## **Key Highlights: Financial Planning and Management Services Division**

The Financial Planning and Management Services Division continued to implement effective business practices to ensure fiscal accountability, enhance transparency and strengthen oversight of public resources. The division has also prepared updated financial plans to forecast potential financial risks to infrastructure reliability, water supply and economic conditions. The division has continually been implementing an annual budget that very carefully examines reductions in spending, fosters efficiencies and promotes effectiveness in the preparation of program plans across the District.

# Financial Summaries

## Major Capital Projects

The FY 2014-15 Capital Outlay budget in the General Fund is approximately \$10.1 million. Of this amount, \$2.1 million can be attributed to the Almaden Winfield Small Capital Improvements project which provides funds to maintain existing buildings, grounds and services through a number of small capital improvement projects that contribute to the maintenance and upkeep of buildings, grounds and services to existing District facilities.

The Winfield Capital Improvements project initiated earlier is budgeted at \$7.6 million for FY 2014-15. Additionally, one new capital project is funded in FY 2014-15 for \$219,000, the start of the Administration Building II new construction.

Approximately \$210,000 of the total \$10.1 million is for Capital Program Services administration projects.

## Fiscal Status

Total General Fund property tax revenue in FY 2014-15 is projected at \$5.4 million and reflects an increase of \$658,260 relative to the FY 2013-14 adopted budget. The increase in property tax revenues is based on updates received from Santa Clara County staff that the real estate market in Santa Clara County is recovering from the downturn. In addition, as part of the annual groundwater production charge setting process, staff has proposed a transfer of \$940,000 to the Water Utility Enterprise Fund to offset lost agricultural water revenue associated with the Board's policy of setting low agricultural charges to preserve open space.

The General Fund's non-operating income includes interest income of \$50,000 in FY 2014-15.

The General Fund intra-district reimbursements (overhead) is the primary source of funding for this fund. The CEO, District Counsel, Clerk of the Board and District Administration costs funded in the General Fund are primarily supported by intra-district reimbursements for services provided to Watershed and Water Utility operations and capital programs. The General Fund will recover approximately \$46.6 million in FY 2014-15 through overhead reimbursement. The General Fund overhead rate for FY 2014-15 is 89%.

General Fund reserves are estimated at approximately \$3.0 million and are in compliance with District reserve policy.

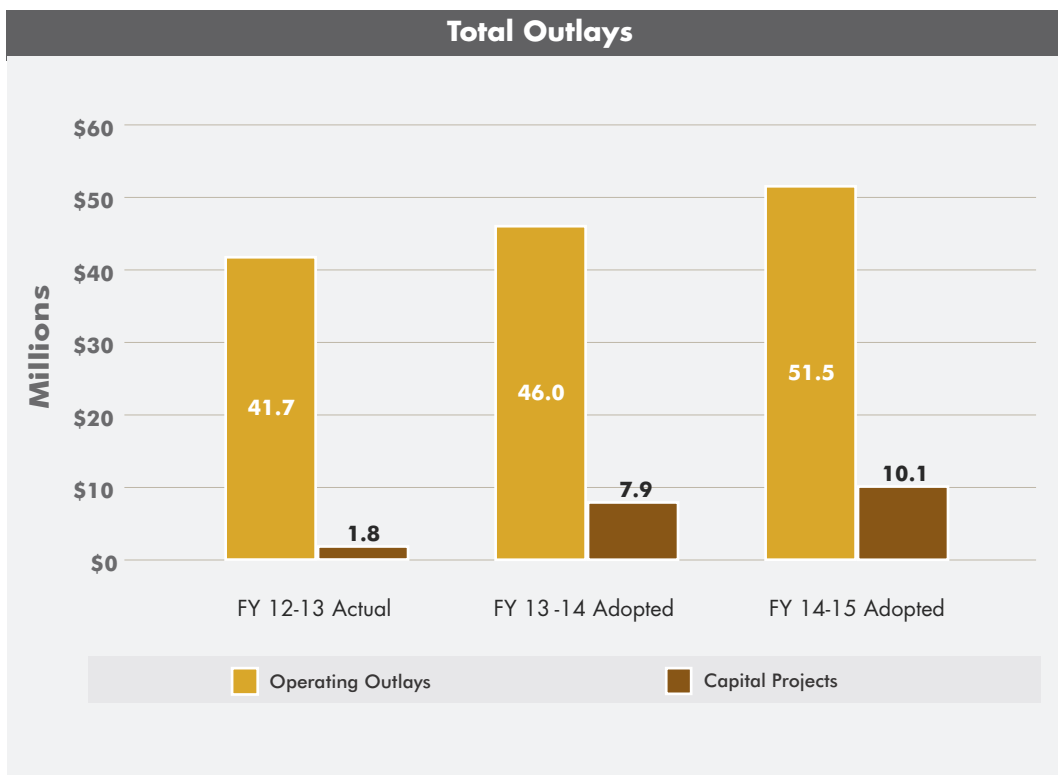
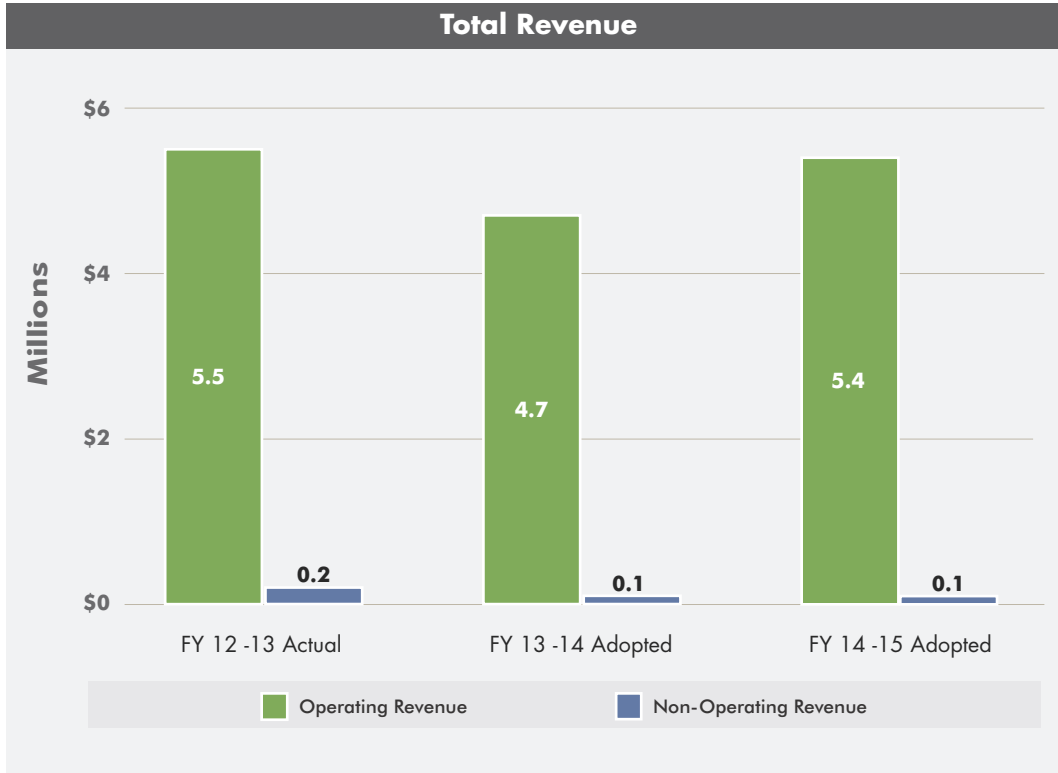


# Financial Summaries

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# Financial Summaries

## District General Fund



# Financial Summaries

## District General Fund Summary

	Budgetary Basis Actual 2012-13	Adopted Budget 2013-14	Projected Year End 2013-14	Adopted Budget 2014-15	Change from 2013-14 Adopted	
					\$ Diff	% Diff
<b>Revenue Sources:</b>						
Operating Revenue:						
Property Taxes	\$ 5,485,845	\$ 4,710,000	\$ 5,403,000	\$ 5,368,260	\$ 658,260	14.0%
Total Operating Revenue	5,485,845	4,710,000	5,403,000	5,368,260	658,260	14.0%
Non-Operating Income:						
Interest*	91,769	50,425	50,425	50,112	(313)	(0.6%)
Other	60,913	88,828	88,828	-	(88,828)	(100.0%)
Total Non-Operating Income	152,682	139,253	139,253	50,112	(89,141)	(64.0%)
<b>Total Revenue</b>	<b>5,638,527</b>	<b>4,849,253</b>	<b>5,542,253</b>	<b>5,418,372</b>	<b>569,119</b>	<b>11.7%</b>
<b>Operating Outlays:</b>						
Operations	40,925,158	45,381,760	45,381,760	50,515,195	5,133,435	11.3%
Operating Projects	-	-	-	364,727	364,727	**
Debt Service	772,634	633,145	633,145	627,373	(5,772)	(0.9%)
<b>Total Operating Outlays</b>	<b>41,697,792</b>	<b>46,014,905</b>	<b>46,014,905</b>	<b>51,507,295</b>	<b>5,492,390</b>	<b>11.9%</b>
Less Intra-District Reimbursements	(41,953,240)	(42,449,505)	(42,449,505)	(46,561,250)	(4,111,745)	9.7%
<b>Net Outlays</b>	<b>(255,448)</b>	<b>3,565,400</b>	<b>3,565,400</b>	<b>4,946,045</b>	<b>1,380,645</b>	<b>38.7%</b>
Capital Projects	1,849,820	7,865,866	7,865,866	10,086,256	2,220,390	28.2%
Carry Forward Capital Projects	-	-	22,623	-	-	**
<b>Total Capital Outlays</b>	<b>1,849,820</b>	<b>7,865,866</b>	<b>7,888,489</b>	<b>10,086,256</b>	<b>2,220,390</b>	<b>28.2%</b>
<b>Other Financing Sources/(Uses):</b>						
Transfers In	125,191	5,658,640	5,658,640	7,822,324	2,163,684	38.2%
Transfer Out	(1,902,000)	(1,281,000)	(1,281,000)	(940,000)	341,000	(26.6%)
<b>Total Other Sources (Uses)</b>	<b>(1,776,809)</b>	<b>4,377,640</b>	<b>4,377,640</b>	<b>6,882,324</b>	<b>2,504,684</b>	<b>57.2%</b>
<b>Balance Available</b>	<b>\$ 2,267,346</b>	<b>\$(2,204,373)</b>	<b>\$(1,533,996)</b>	<b>\$(2,731,605)</b>		
<b>Year-End Reserves:</b>						
<b>Committed Reserves</b>					<b>Change from 2013-14 Adopted</b>	
Operating & Capital Reserve	7,234,173	3,231,594	5,722,800	2,991,195	(240,399)	(7.4%)
Currently Authorized Projects***	22,623	-	-	-	-	**
<b>Total Committed Reserves</b>	<b>7,256,796</b>	<b>3,231,594</b>	<b>5,722,800</b>	<b>2,991,195</b>	<b>(240,399)</b>	<b>(7.4%)</b>
<b>Total Year-End Reserves</b>	<b>\$ 7,256,796</b>	<b>\$ 3,231,594</b>	<b>\$ 5,722,800</b>	<b>\$ 2,991,195</b>	<b>(240,399)</b>	<b>(7.4%)</b>
<b>Uncommitted Funds</b>			<b>\$ 0</b>	<b>\$ 0</b>		

\* Interest revenue does not include GASB31 market valuation adjustment

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

# Financial Summaries

## Total Outlays by District General Fund

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
<b>Operations:</b>				
60001090	Unscoped Projects-Budget Only	\$	\$ 365,000	\$ 665,000
60021003	Environmental Mgmt Sys	224,591	201,290	91,445
60021008*	Electrical Power Support	113,218	76,930	108,513
60061002	Contract Auditing Financial	55,105	64,628	51,967
60061012*	Facilities Env Compliance	63,371	66,309	64,728
60061017	Info Mgmt Services Div Admin	1,248,568	987,114	1,184,972
60061018	Procur& Operational Div Admin	592,742	658,581	606,161
60061019	Employee Recognition Program	12,421	31,371	59,272
60061026	IMSD - Strategic Plan and Analysis	175,741	298,282	208,274
60061032	Internal Communications	244,871	182,940	201,087
60061050	District Financial Control	1,121,857	1,125,620	1,162,388
60061053*	Admin Asset Mgmt Program	124,359	329,896	269,675
60071041*	Welding Services	9,583	9,988	10,619
60091001	Directors Fees / Expenses	442,545	384,216	362,376
60101001	Purchasing Services	1,604,101	1,761,837	1,826,724
60101002	Building Services	2,457,790	3,079,800	3,162,088
60101006	Telecommunications Sys Opr/M	1,410,981	1,513,230	1,614,080
60101008	District Security Services	544,003	612,593	985,142
60101011	Audio/Visual Maint / Support	462,056	318,212	408,878
60101017	CADD System Tech Support	17,752	23,799	118,887
60101018	Local Hazard Mitigation Program		73,943	51,425
60111002	General Accounting Services	1,158,887	1,198,810	1,055,247
60111003	Accounts Payable Services	620,751	755,819	929,350
60111004	Payroll Services	426,612	579,651	622,029
60111006	Contract Services	701,585	549,653	620,378
60131004	Ofc of Chief Admin Officer	621,928	623,847	680,603
60131007	Office of Chief Executive Officer	586,725	776,309	814,095
60131014	Office of the CEO Support	520,950	605,751	488,474
60131015	CEO Management Audit Program	196,213	265,967	261,428
60131016	Office of Ethics and Corp. Gov		259,973	385,380
60141001	District Counsel	2,174,846	2,613,871	2,762,206
60151001	Software Development and Support	703,174	772,696	714,034
60161001	Software Maint & License	1,189,481	1,431,927	749,454
60161003	Internet/Intranet Maint	357,686	423,517	412,783
60171002	Water Education Program	419,746	450,672	460,510
60171009	Community Relations			114,300
60181002	Network Administration	609,224	745,174	709,883

\* Recipient projects

# Financial Summaries

## Total Outlays by District General Fund (continued)

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
60191001	Data Center Operations	464,484	482,100	504,513
60201001	District HVAC Services	697,696	716,593	727,073
60201021	District Space Allocation	336,876	390,953	428,716
60221001	Budget Development & Analysis	339,815	414,355	464,803
60221002	Debt & Treasury Management	255,378	244,679	253,893
60221003	FPMD Administration	541,274	412,416	434,363
60221005	Fin Forecasting & CIP Analysis	164,292	153,334	149,818
60231002	Communications	874,429	728,278	697,900
60231003	Local & Federal Govt Relations	1,229,146	1,221,641	1,269,783
60231004	State Government Relations	672,310	740,931	792,137
60241026	Quality and Env Mgmt Sys Prog	515,707	587,641	544,850
60271007	Payroll & Financial Sys Maint	369,864	380,490	413,397
60271010	GIS Maintenance & Support	282,422	497,047	440,947
60271011	Computerized Maint Mgmt Syst	378,517	439,017	395,916
60271060	ERP System Maint & Support	385,956	538,915	373,592
60271062	Information Security Admin	200,174	208,473	216,314
60271063	Information Mgmt Program Imp	257,090	232,907	217,432
60271064	Office Computer Maint& Helpdesk Support			1,052,968
60281001	EEO Mandatory Training	44,303	99,997	88,046
60281003	Equal Opportunity Prog	267,534	188,806	109,710
60281004	Diversity and Inclusion Program	379,930	698,381	680,534
60281006	Reasonable Accommodation	89,611	37,774	45,079
60291001	Recruitment and Examination	705,681	648,659	926,055
60291002	Benefits Administration	915,316	908,796	866,016
60291003	Labor Relations	593,245	247,585	219,322
60291004	Talent Management Program	932,453	993,047	1,194,976
60291005	Classification Program	344,304	614,811	159,278
60291007	Deferred Compensation Committee	31,524	121,491	140,629
60291011	HR Program Admin	499,224	753,277	850,419
60291016	Ethics	31,884	43,096	86,576
60291017	Negotiate MOUs	26,866	374,326	828,330
60291018	Compensation Program	28,490	73,354	76,005
60291032	Bargaining Unit Representation	171,447	152,807	168,552
60291033	Translation Pay Program	9,178		
60291038	GF Training & Development	238,138	418,261	996,418
60291039	Professional and Association Memberships	184,314	295,531	311,289
60291040	Rotation Program			753,043

# Financial Summaries

## Total Outlays by District General Fund (continued)

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
60291041	College Internship Program			225,169
60291042	Skilled Trades Internship Program			225,169
60301001	Clerk of the Board Serv	1,873,977	1,196,492	2,354,812
60301003	Board Adv. Comm & Ad Hoc Comm	401,046	313,915	302,461
60301004	Wtrshd Stewardship Grant Prog	53,535		
60311001	Records Management Services	446,846	440,246	431,556
60311002	Request for Public Records	136,850	170,909	191,180
60321001	Word Processing Services	369,888	384,878	401,728
60331001	Research / Library Services	253,331	255,337	277,226
60341001	Mail Services	605,102	796,169	888,837
60351001	Reprographic Services	687,409	858,518	847,170
60361001	Forms Management	298,824	279,815	235,466
60361002	Graphics Services	270,263	282,338	293,312
60361004	Receptionists/Switchboard Sevs	354,149	408,220	432,739
60361005	EOC Switchboard Preparedness	7,630	11,749	11,283
60411002	GF Safety Training & Admin	224,028	423,024	250,068
60811046*	Warehouse Services	269,952	281,165	274,472
<b>Total Operations:</b>		<b>40,925,158</b>	<b>45,381,760</b>	<b>50,515,195</b>
<b>Operating:</b>				
60312001	Microfiche Conversion			364,727
<b>Total Operating:</b>		<b>0</b>	<b>0</b>	<b>364,727</b>
<b>Debts:</b>				
60993005	2004A COP General Fund	772,634	633,145	627,373
<b>Total Debts:</b>		<b>772,634</b>	<b>633,145</b>	<b>627,373</b>
<b>Capital:</b>				
60074030*	Capital Training and Development	7,432	10,922	29,239
60074033*	CIP Development & Admin	10,575	21,648	29,038
60074036*	Survey Tech Support		4,827	16,460
60074038*	Capital Program Services Admin	36,945	71,592	113,052
60074045*	Technical Review Committee	6,153	12,000	15,387
60074046*	Capital Healty & Safety Training	1,520	6,237	7,080
60204016	Almaden&Winfield-Sm Cap Improv	1,650,560	2,080,000	2,080,000
60204021	Winfield Capital Improvements	103,735	1,560,000	7,577,000
60204032	Headquarters Operations Building			219,000

\* Recipient projects

# Financial Summaries

## Total Outlays by District General Fund (continued)

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
60274057	ISMP-Water Resources Info Sy	32,900		
60274062	PeopleSoft Upgrade & Expansion		4,098,640	
<b>Total Capital:</b>		<b>1,849,820</b>	<b>7,865,866</b>	<b>10,086,256</b>
<b>TOTAL</b>		<b>\$ 43,547,612</b>	<b>\$ 53,880,771</b>	<b>\$ 61,593,551</b>

# Financial Summaries

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## **SERVICE FUNDS**

# Financial Summaries

## Service Funds Overview

### Fleet Management Fund

This fund was established for the purpose of operating, maintaining, and replacing certain District-owned vehicles and equipment.

#### Vehicles and Field Equipment & Services

- Sedans, vans, and pickup trucks (Class I)
- Heavy duty trucks and trailers (Class II)
- Heavy construction equipment (Class III)
- Portable equipment such as: large pumps, electrical panels, hose and fittings, air compressors, chain saws, weed whackers, generators, etc. (Class IV)

#### Cost Recovery

The Fleet Management Fund is operated on a charge back basis. Replacement and maintenance costs for Class I and IV equipment are recovered through Intra-District charges. The budgeted Intra-District charges are evaluated each budget year with the purpose of balancing the fund and to be consistent with the District's Reserve policy.

Expenses for vehicles and field equipment (Class II & III) are budgeted by each individual unit that utilizes the equipment in its operation. The budget is based on percentage of vehicles and equipment assigned to each Unit, and the Budget Office makes final cost determinations. The Fleet Management Fund is reimbursed by the amount budgeted.

The budgeted Fleet Management Fund overhead rate is 9% for FY2014-15.

### Risk Insurance Service Fund

This fund was established to provide for liability, property, Workers' Compensation insurance and self-insurance costs. Included in this fund are self-insurance reserves for both known and unreported claims, and a reserve for catastrophic uninsured property loss. Also included are annual appropriations for liability/property, Workers' Compensation and Safety Program administration and a Districtwide ergonomic program.

#### Cost Recovery

The District allocates these costs through Intra-District charges. Interest credited to fund reserves is used to offset program administrative costs. Reserves for liability and Workers' Compensation self-insurance programs are based on actuarial evaluations.

The principal source of funding is through the assessment of the Risk Fund charge to other District funds. Management and budget staff forecast the amount needed to fund annual activities and to maintain appropriate reserve levels. Other minor sources of income are Interest Income and Other.

#### Significant Business Challenges

In FY 2005-06, the District completed an assessment of the District's Employee Health and Safety Management System and associated program elements as a status check and to recommend improvement opportunities in an effort to strive towards exemplary health and safety performance. The final assessment report revealed that numerous health and safety elements at the District needed improvement in order to meet and exceed regulatory and best management practices.

Currently, our loss prevention efforts are being integrated with other performance-based objectives such as quality and cost-control to ensure that health and safety activities are integrated into the day-to-day operations of our business. The District supports the

# Financial Summaries

philosophy that all accidents and injuries are preventable through establishment of and compliance with safe work procedures and best management practices for our industry. Our vision of "We are a fiscally responsible water resources agency valued by the community" calls on every employee and contractor working for the District to strive for incident-free operations and to manage risks to prevent injuries, illnesses and accidents.

Throughout FY 2012-13, the District has applied a systematic approach to health and safety management improvement designed to ensure compliance with the applicable laws and regulations and to achieve continuous performance improvement in terms of loss prevention.

These efforts will continue in FY 2014-15 and will be accomplished through increased safety training, hazard recognition and mitigation, and further health and safety program development.

Additionally, in accordance with Executive Limitation 6.1, the District provides adequate Liability Insurance coverage for its Board of Directors. The budgeted Risk Fund overhead rate is 8%.

## Information Technology (IT) Capital Fund

The Information Technology Capital Fund accounts for the costs to acquire, and install capital information technology projects with District-wide benefit. Projects include acquisition and replacement of computers, networks, and communications systems as well as major investments in enterprise software systems.

## Cost Recovery

Costs are billed to user departments as Intra-District Computer Equipment Charges. For FY 2014-15, Intra-District charges are set to recover the FY 2014-15 budget. The rate for this year is set at 7%. In future years, billing rates will be set to smooth charges over time by recovering current costs and accumulating reserves for major planned future projects. Current year charges or a combination of current year charges and reserves may be used to fund authorized projects. The purpose of this fund is to provide adequate resources while avoiding peaks and valleys in charges to user departments.

## Capital Projects

The IT Capital Fund provides financial resources for three routine capital projects and three major information technology capital projects this year. They are as follows:

Office Computers Replacement Equipment - This project provides the funds to purchase replacement office computers, network printers, computer equipment, and software for replacement and upgrades to outdated equipment and software.

Office Computer New Equipment - This project provides the funds to purchase new computers, accessories, and software licenses for new positions, programs or newly defined requirements for existing positions.

Network Equipment - This project provides staff time, services, and supplies for the replacement and routine upgrade of computer server, network hardware, software, and storage hardware utilized District-wide.

Computer Network Modernization - This project provides labor, services and supplies to upgrade the district computer network that provides enterprise-wide data communications supporting the day-to-day business operations. The project replaces 10-15 year

# Financial Summaries

old computer network equipment with modern equipment that delivers greater access speeds, restores vendor maintenance, improves software application performance, and provides a path to meet future data communication needs.

PeopleSoft Upgrade & Expansion - This project upgrades the district enterprise human resource and financial management system (PeopleSoft), procures and implements new modules, and initiates a long-term support contract. The project delivers needed functionality and reengineers business processes for improved effectiveness and efficiency.

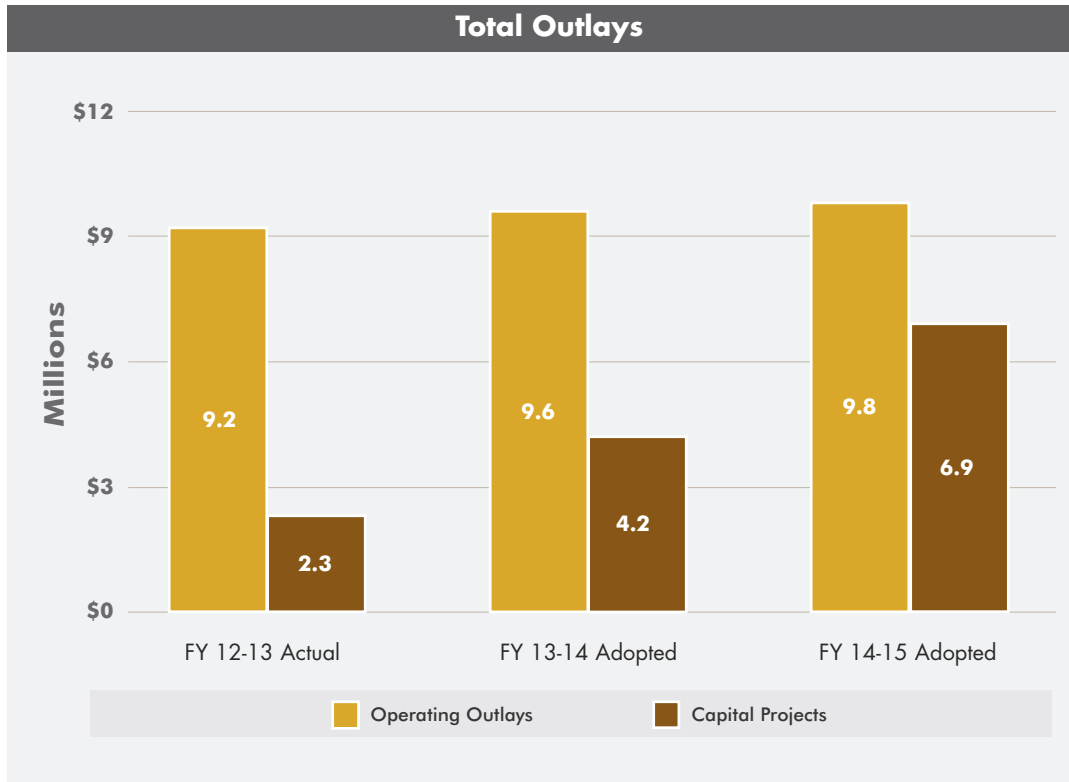
Information Technology Disaster Recovery - This project is to design an Information Technology Disaster Recovery Plan that includes a business impact analysis report identifying critical business technology systems and their interdependencies. Once a clear business impact analysis report is defined, the project will implement solutions that will protect the District from disruptive events by allowing it to resume IT operations (people, processes, and technologies) for services required to operate critical business functions.

# Financial Summaries

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# Financial Summaries

## Service Funds Combined



# Financial Summaries

## Service Funds Combined Fund Summary

	Budgetary Basis Actual 2012-13	Adopted Budget 2013-14	Projected Year End 2013-14	Adopted Budget 2014-15	Change from 2013-14 Adopted	
					\$ Diff	% Diff
<b>Revenue Sources:</b>						
Non-Operating Income:						
Interest*	\$ 95,618	\$ 77,636	\$ 77,636	\$ 64,725	\$ (12,911)	(16.6%)
Other	95,640	80,000	80,000	80,000	-	0.0%
<b>Total Revenue</b>	<b>191,258</b>	<b>157,636</b>	<b>157,636</b>	<b>144,725</b>	<b>(12,911)</b>	<b>(8.2%)</b>
<b>Operating Outlays:</b>						
Operations**	9,158,577	9,374,322	9,374,322	9,757,205	382,883	4.1%
Operating project	-	272,000	272,000	-	(272,000)	(100.0%)
<b>Total Operating Outlays</b>	<b>9,158,577</b>	<b>9,646,322</b>	<b>9,646,322</b>	<b>9,757,205</b>	<b>110,883</b>	<b>1.1%</b>
Less Intra-District Reimbursements	(9,318,489)	(12,539,463)	(12,539,463)	(16,531,388)	(3,991,925)	31.8%
<b>Net Outlays</b>	<b>(159,912)</b>	<b>(2,893,141)</b>	<b>(2,893,141)</b>	<b>(6,774,183)</b>	<b>(3,881,042)</b>	<b>134.1%</b>
Capital Projects	2,323,263	4,233,158	4,233,158	6,947,201	2,714,043	64.1%
Carried Forward Capital Projects	-	-	-	-	-	-
<b>Total Capital Outlays</b>	<b>2,323,263</b>	<b>4,233,158</b>	<b>4,233,158</b>	<b>6,947,201</b>	<b>2,714,043</b>	<b>64.1%</b>
<b>Other Financing Sources (Uses) :</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	(26,324)	(26,324)	**
<b>Total Other Sources/(Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(26,324)</b>	<b>(26,324)</b>	<b>**</b>
<b>Balance Available</b>	<b>\$ (1,972,093)</b>	<b>\$ (1,182,381)</b>	<b>\$ (1,182,381)</b>	<b>\$ (54,617)</b>		

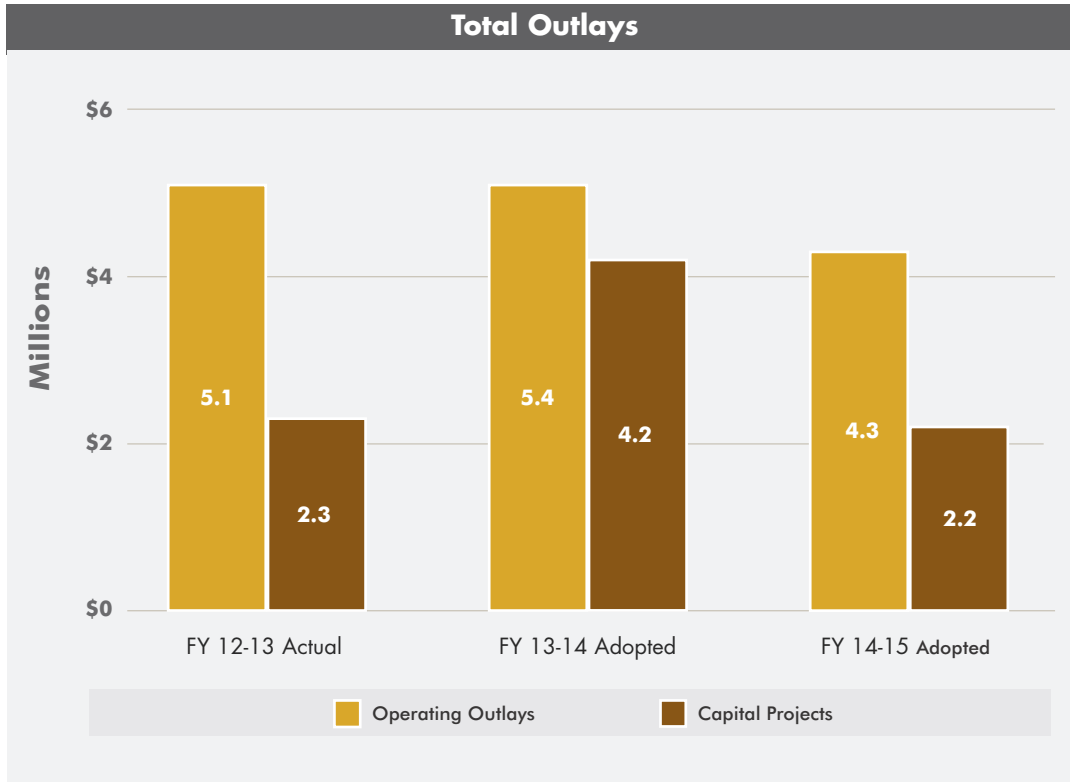
	Estimated Balances				Change from 2013-14 Adopted	
	Year-End 2012-13	Adopted 2013-14	Projected YE 2013-14	Adopted 2014-15	\$ Diff	% Diff
<b>Year-End Reserves:</b>						
<b>Committed Reserves</b>						
Operating & Capital Reserve	\$ 1,270,974	\$ 574,231	\$ 394,700	\$ 526,172	(48,059)	(8.4%)
Liability/Workers' Comp Self Insurance	6,679,000	7,011,000	7,011,000	7,011,000	-	0.0%
Property Self Insurance/Catastrophic	6,319,637	5,191,345	5,681,530	5,495,441	304,096	5.9%
<b>Total Committed Reserves</b>	<b>14,269,611</b>	<b>12,776,576</b>	<b>13,087,230</b>	<b>13,032,613</b>	<b>256,037</b>	<b>2.0%</b>
<b>Total Year-End Reserves</b>	<b>\$ 14,269,611</b>	<b>\$ 12,776,576</b>	<b>\$ 13,087,230</b>	<b>\$ 13,032,613</b>	<b>\$ 256,037</b>	<b>2.0%</b>
<b>Uncommitted Funds</b>			<b>\$ 0</b>	<b>\$ 0</b>		

\* Interest revenue does not include GASB31 market valuation adjustment

\*\*Operations outlay does not include OPEB expenses-unfunded liability

# Financial Summaries

## Fleet Management Fund





# Financial Summaries

## Fleet Management Fund Summary

	Budgetary Basis Actual 2012-13	Adopted Budget 2013-14	Projected Year End 2013-14	Adopted Budget 2014-15	Change from 2013-14 Adopted	
					\$ Diff	% Diff
<b>Revenue Sources:</b>						
Non-Operating Income:						
Interest*	\$ 20,762	\$ 16,224	\$ 16,224	\$ 10,437	\$ (5,787)	(35.7%)
Other	83,037	80,000	80,000	80,000	-	0.0%
<b>Total Revenue</b>	<b>103,799</b>	<b>96,224</b>	<b>96,224</b>	<b>90,437</b>	<b>(5,787)</b>	<b>(6.0%)</b>
<b>Operating Outlays:</b>						
Operations**	5,098,705	5,151,583	5,151,583	4,273,403	(878,180)	(17.0%)
Operating Projects	-	272,000	272,000	-	(272,000)	(100.0%)
<b>Total Operating Outlays</b>	<b>5,098,705</b>	<b>5,423,583</b>	<b>5,423,583</b>	<b>4,273,403</b>	<b>(1,150,180)</b>	<b>(21.2%)</b>
Less Intra-District Reimbursements	(6,177,630)	(8,684,243)	(8,684,243)	(6,521,737)	2,162,506	(24.9%)
<b>Net Outlays</b>	<b>(1,078,925)</b>	<b>(3,260,660)</b>	<b>(3,260,660)</b>	<b>(2,248,334)</b>	<b>1,012,326</b>	<b>(31.0%)</b>
Capital Projects	2,323,263	4,233,158	4,233,158	2,207,299	(2,025,859)	(47.9%)
Carried Forward Capital Projects	-	-	-	-	-	-
<b>Total Capital Outlays</b>	<b>2,323,263</b>	<b>4,233,158</b>	<b>4,233,158</b>	<b>2,207,299</b>	<b>(2,025,859)</b>	<b>(47.9%)</b>
<b>Other Financing Sources/(Uses):</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
<b>Total Other Sources/(Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>Balance Available</b>	<b>\$(1,140,539)</b>	<b>\$ (876,274)</b>	<b>\$ (876,274)</b>	<b>\$ 131,472</b>		

	Estimated Balances				Change from 2013-14 Adopted	
	Year-End 2012-13	Adopted 2013-14	Projected YE 2013-14	Adopted 2014-15	\$ Diff	% Diff
	<b>Year-End Reserves:</b>					
<b>Committed Reserves</b>						
Operating & Capital Reserve	1,270,974	574,231	394,700	526,172	(48,059)	(8.4%)
<b>Total Year-End Reserves</b>	<b>\$ 1,270,974</b>	<b>\$ 574,231</b>	<b>\$ 394,700</b>	<b>\$ 526,172</b>	<b>(48,059)</b>	<b>(8.4%)</b>
<b>Uncommitted Funds</b>			<b>\$ 0</b>	<b>\$ 0</b>		

\* Interest revenue does not include GASB31 market valuation adjustment

\*\*Operations outlay does not include OPEB expenses-unfunded liability

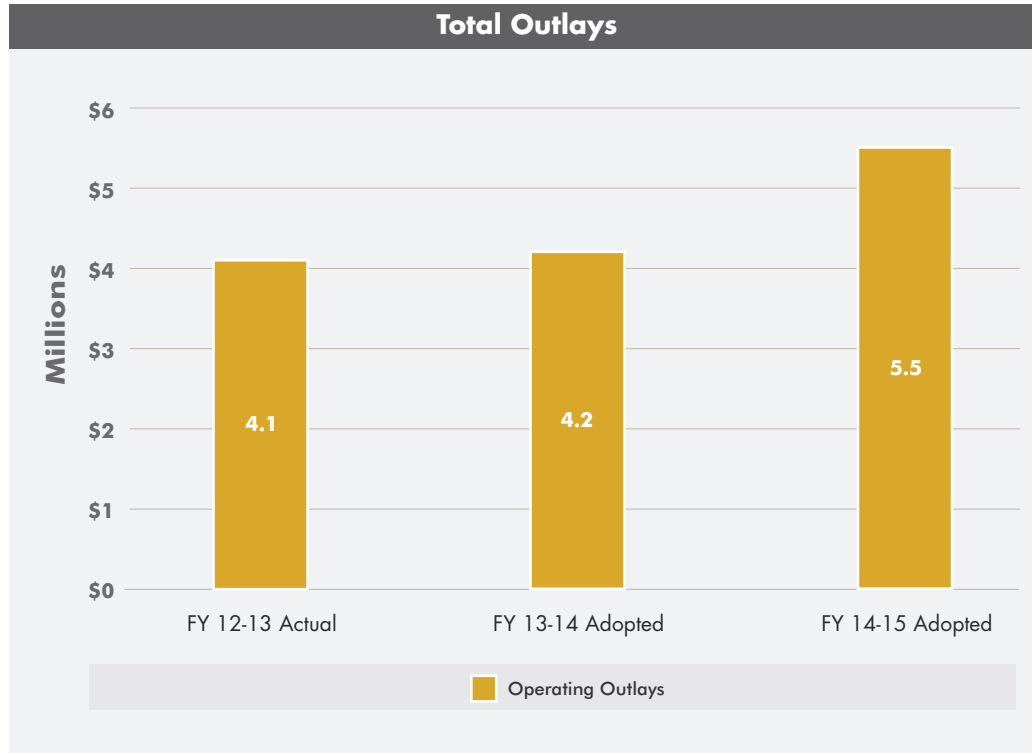
# Financial Summaries

## Total Outlays by Fleet Management Fund

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
<b>Operations:</b>				
70011099	Class I Equip Oper / Maint	\$ 896,663	\$ 731,425	\$ 1,014,712
70021099	Class II Equip Oper / Maint	589,360	597,369	686,892
70031099	Class III Equip Oper / Maint	268,407	258,541	357,437
70041099	Class IV Equip Oper / Maint	850,604	841,926	920,001
70061003	Vehicle & Equipment Admin&Mgmt	813,874	889,630	964,322
70061053*	Admin Asset Mgmt Program	41,453	109,964	89,893
70071041*	Welding Services	81,459	209,745	222,989
70811046*	Warehouse Services	15,880	17,571	17,157
75011001	Office Computer Maint& Helpdesk Support	1,541,005	1,495,412	
<b>Total Operations:</b>		<b>5,098,705</b>	<b>5,151,583</b>	<b>4,273,403</b>
<b>Operating:</b>				
70062002	Replace Fuel Management System		272,000	
<b>Total Operating:</b>		<b>0</b>	<b>272,000</b>	<b>0</b>
<b>Capital:</b>				
70004001	New Vehicle Equip Acquisitio	125,561	236,776	73,824
70004002	Replacement Vehicle & Equip	1,286,354	2,049,499	2,133,475
75004001	Office Computers New Equipme	929	16,583	
75004002	Office Computers Replace Equ	575,825	1,371,554	
75004004	Network Equipment	334,593	558,746	
<b>Total Capital:</b>		<b>2,323,263</b>	<b>4,233,158</b>	<b>2,207,299</b>
<b>TOTAL</b>		<b>\$ 7,421,968</b>	<b>\$ 9,656,741</b>	<b>\$ 6,480,702</b>

# Financial Summaries

## Risk Insurance Service Fund



# Financial Summaries

## Risk Insurance Service Fund Summary

	Budgetary	Adopted	Projected	Adopted	Change from	
	Basis Actual	Budget	Year End	Budget	2013-14	2013-14
	2012-13	2013-14	2013-14	2014-15	\$ Diff	% Diff
<b>Revenue Sources:</b>						
Interest*	\$ 74,856	\$ 61,412	\$ 61,412	\$ 54,288	\$ (7,124)	(11.6%)
Other	12,603	-	-	-	-	-
Total Non-Operating Income	87,459	61,412	61,412	54,288	(7,124)	(11.6%)
<b>Total Revenue</b>	<b>87,459</b>	<b>61,412</b>	<b>61,412</b>	<b>54,288</b>	<b>(7,124)</b>	<b>(11.6%)</b>
<b>Operating Outlays:</b>						
Operations**	4,059,872	4,222,739	4,222,739	5,483,802	1,261,063	29.9%
<b>Total Operating Outlays</b>	<b>4,059,872</b>	<b>4,222,739</b>	<b>4,222,739</b>	<b>5,483,802</b>	<b>1,261,063</b>	<b>29.9%</b>
Less Intra-District Reimbursements	(3,140,859)	(3,855,220)	(3,855,220)	(5,243,425)	(1,388,205)	36.0%
<b>Net Outlays</b>	<b>919,013</b>	<b>367,519</b>	<b>367,519</b>	<b>240,377</b>	<b>(127,142)</b>	<b>(34.6%)</b>
<b>Other Financing Sources/(Uses):</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
<b>Total Other Sources/(Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance Available</b>	<b>\$ (831,554)</b>	<b>\$ (306,107)</b>	<b>\$ (306,107)</b>	<b>\$ (186,089)</b>		

	Estimated Balances				Change from	
	Year-End	Adopted	Projected YE	Adopted	2013-14	2013-14
	2012-13	2013-14	2013-14	2014-15	\$ Diff	% Diff
<b>Year-End Reserves:</b>						
<b>Committed Reserves</b>						
Liability/Workers' Compensation	6,679,000	7,011,000	7,011,000	7,011,000	-	0.0%
Property Self Insure/Catastrophic	6,319,637	5,191,345	5,681,530	5,495,441	304,096	5.9%
<b>Total Year-End Reserves</b>	<b>\$12,998,637</b>	<b>\$12,202,345</b>	<b>\$12,692,530</b>	<b>\$12,506,441</b>	<b>\$ 304,096</b>	<b>2.5%</b>
<b>Uncommitted Funds</b>			<b>\$ 0</b>	<b>\$ 0</b>		

\* Interest revenue does not include GASB31 market valuation adjustment

\*\*Operations outlay does not include OPEB expenses-unfunded liability

# Financial Summaries

## Total Outlays by Risk Insurance Service Fund

<u>Job#</u>	<u>Job Description</u>	<u>Budgetary Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
<b>Operations:</b>				
65051001	Liability Property Program	\$ 2,110,508	\$ 1,425,043	\$ 2,499,184
65051002	Workers Compensation Program	102,141	792,408	811,629
65051003	Safety Program Admin	879,941	939,479	979,188
65051004	Risk Management Program Admi	369,688	434,207	452,781
65051005	Safety Committee	89,340	85,937	81,966
65051008	Employee Wellness Program			93,332
65051009	District Ergonomics Program	160,561	183,822	187,130
65051011	Industrial Hygiene Program	347,692	361,843	378,592
<b>Total Operations:</b>		<b>4,059,872</b>	<b>4,222,739</b>	<b>5,483,802</b>
<b>TOTAL</b>		<b>\$ 4,059,872</b>	<b>\$ 4,222,739</b>	<b>\$ 5,483,802</b>

# Financial Summaries

## IT Capital Fund Summary

	Budgetary Basis Actual 2012-13	Adopted Budget 2013-14	Projected Year End 2013-14	Adopted Budget 2014-15	Change from 2013-14 Adopted	
					\$ Diff	% Diff
<b>Revenue Sources:</b>						
Non-Operating Income:						
Interest*	\$ -	\$ -	\$ -	\$ -	\$ -	**
Other	-	-	-	-	-	**
<b>Total Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>**</b>
Capital Projects	-	-	-	4,739,902	4,739,902	**
<b>Total Capital Outlays</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,739,902</b>	<b>4,739,902</b>	<b>**</b>
Less Intra-District Reimbursements	-	-	-	(4,766,226)	(4,766,226)	**
<b>Net Outlays</b>				<b>(26,324)</b>		
<b>Other Financing Sources/(Uses):</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	(26,324)	(26,324)	-
<b>Total Other Sources/(Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(26,324)</b>	<b>(26,324)</b>	<b>-</b>
<b>Balance Available</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>		

	Estimated Balances				Change from 2013-14 Adopted	
	Year-End 2012-13	Adopted 2013-14	Projected YE 2013-14	Adopted 2014-15	\$ Diff	% Diff
<b>Year-End Reserves:</b>						
<b>Committed Reserves</b>						
Operating & Capital Reserve	-	-	-	-	-	**
<b>Total Year-End Reserves</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>**</b>
<b>Uncommitted Funds</b>			<b>\$ 0</b>	<b>\$ 0</b>		

# Financial Summaries

## Total Outlays by IT Capital Fund

<u>Job#</u>	<u>Job Description</u>	<b>Budgetary Actual <u>2012-2013</u></b>	<b>Adopted Budget <u>2013-2014</u></b>	<b>Adopted Budget <u>2014-2015</u></b>
<b>Capital:</b>				
73274001	IT Disaster Recovery	\$	\$	\$ 208,000
73274002	PeopleSoft Upgrade & Expansion			1,562,506
73274003	Computer Network Modernization			1,144,633
73274004	Network Equipment			601,509
73274005	Office Computers New Equipme			31,259
73274006	Office Computers Replace Equ			1,191,995
<b>Total Capital:</b>		<b>0</b>	<b>0</b>	<b>4,739,902</b>
<b>TOTAL</b>		<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 4,739,902</b>

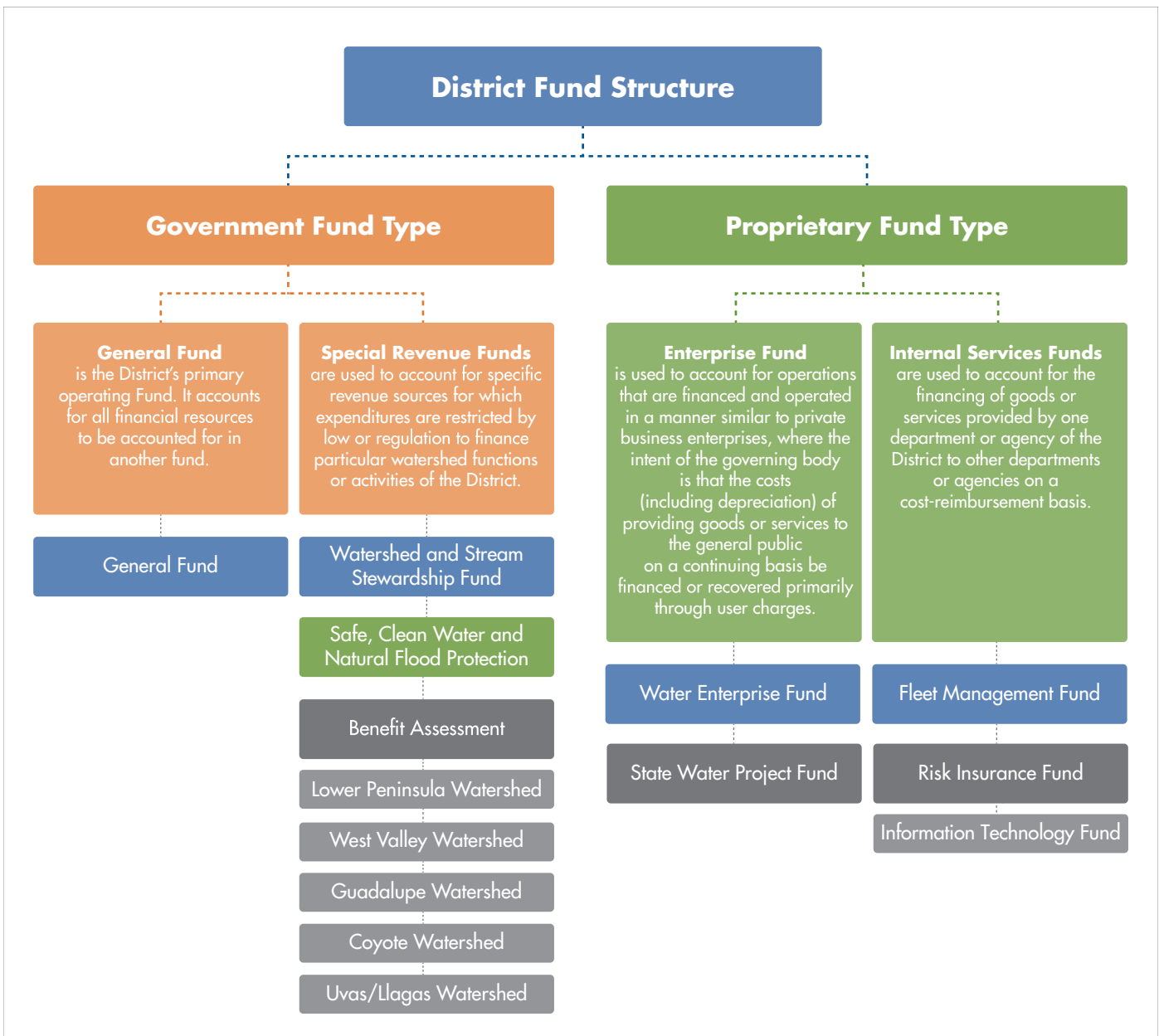
# Financial Summaries

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# INTRODUCTION

# Financial Summaries



# Financial Summaries

## Financial Overview

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

The FY 2015-16 budget includes projected revenues of approximately \$377.5 million. These revenues are a net increase of 1% from the \$373.9 million included in the FY 2014-15 adopted budget. The net \$3.6 million increase is primarily derived from increases in Property Taxes (\$13.2 million), Water Revenue (\$5.6 million) and offset by a decrease in Capital Reimbursement revenue. (\$18.6 million).

### The specific categories of revenue include:

#### Water Revenue

The main source of District revenue is from water charges at approximately 47% of total revenues in FY 2015-16. Charges for water that is processed through District treatment plants (treated water) continue to be the largest contributor with an estimate of \$91.4

million. Groundwater production charges are estimated at \$83 million, while surface/ recycled water sales are projected at approximately \$1.9 million. Staff is recommending a 19.7% increase in water charges for Zone W-2 and a 11.6% increase for Zone W-5 in the FY 2015-16 budget.

#### Property Tax

Santa Clara County allocates property tax revenue to the District from the 1% ad valorem taxes levied on land within the County. The amount from ad valorem taxes is estimated at \$73 million. The District is projecting a 12.7% increase over the FY 2014-15 budget based on Santa Clara County's staff reports that the county's real estate market continues to recover from the economic downturn.

The District also directly levies taxes to meet debt service obligations in the Water Enterprise Fund. The amount of taxes to be collected due to debt service obligations is estimated at \$26 million. This is an increase of \$5 million over FY 2014-15. The substantial increase is largely tied to the indebtedness to the State of California pursuant to its Water Supply Contract and is proportional to the District's allocation of water from the State Water Project and pays for construction, maintenance and operation of State Water Project infrastructure and facilities.

Property taxes comprise 26% of total revenue. The FY 2015-16 amount estimated at \$99 million represents a 15.4% increase from FY 2014-15.

#### Special Parcel Tax

The Safe, Clean Water Program special parcel tax was approved by the voters in November 2012. The Special Parcel Tax estimated for FY 2015-16 is \$40.1 million, representing 10.6 % of total revenues, and an increase of 3.5% over FY 2014-15.

#### Benefit Assessments

Benefit assessment revenue consists of levies approved by voters in 1986 and 1990 to support financing for

# Financial Summaries

flood control capital improvements. The FY 2015-16 budget is approximately 1.25 times the duly authorized annual debt service requirements for each watershed. Benefit assessment revenue represents \$14.7 million or 3.9% of total revenue in FY 2015-16.

## Intergovernmental Revenues

Intergovernmental revenues consist chiefly of grants from local, state and federal agencies for various operating programs expected to be claimed by the District in this budget period. Representing less than 1% of total revenues. Intergovernmental revenues are budgeted at \$1.6 million or 0.4% for FY 2015-16

## Capital Reimbursements

Capital reimbursement revenues are from local, state and federal agencies for capital projects that the District will undertake in this budget period. Capital reimbursements are budgeted at approximately \$36.6 million for FY 2015-16 or 9.7% of total revenues.

## Interest

Interest earnings are expected at \$3 million in FY 2015-16. This revenue category constitutes 0.8% of total revenues.

## Other Revenue

Revenue from other sources, i.e. sale of equipment, vehicles, computers, rental income, and surplus, and the sale of property totals \$6.2 million or 1.6% of total revenues.

## Appropriations/Outlays

Net total operating and capital outlays for the FY 2015-16 budget is \$478 million. This figure does not include capital carry forward that was appropriated by the Board in prior years and does not include General Fund intra-district reimbursements and Internal Service Fund charges.

A \$3.6 million payment to the Other Post Employment

Benefits (OPEB) Trust Fund is now part of the benefits budget appropriation. This budget was distributed in each fund in proportion to budgeted salaries.

FY 2015-16 net operating outlays have increased by approximately \$40.4 million or 17.1% compared to the FY 2014-15 adopted budget.

The increase in net outlays reflects continued efforts to contain cost increases while striving to maintain service levels that support key strategic objectives. Among the issues facing the District are:

- Unprecedented four-year drought and District's response (securing imported water supplies, expediting purified water projects for groundwater recharge)
- Local, state and national economic impacts
- Scarcity of water supplies (drought, Delta environmental issues)
- Infrastructure maintenance and construction needs (ensuring dam safety, managing infrastructure for reliability)
- Funding for capital projects (shortage of federal funding, increased permit requirements, increased encampments and coordination with cities and social services)
- Ongoing climate changes planning
- Succession planning
- Rising health care costs

Growth within the appropriation category is limited to essential services that support Districtwide strategic objectives and effective use of reserves for one-time costs or priority activities.

## General Fund Intra-district Reimbursements

The primary source of inflows for the General Fund is the recovery of Intra-district reimbursements (also known as General Fund Overhead). For Fiscal 2015-16, the General Fund overhead recovery amount is \$50.9 million. In general, 60% of the General Fund Overhead is paid for by Water Utility Enterprise and the remainder by Watersheds.

The methodology to recover the reimbursements is by

# Financial Summaries

applying 92% to regular salaries budgeted outside the General Fund itself. This calculation yields the approximately \$50.9 million which is the amount needed to bring the fund to minimum reserves and to appropriately fund activities paid for by this fund.

This methodology reimburses the General Fund for administrative costs that cannot be directly charged to other funds. These administrative costs include functions such as: accounting, payroll, human resources, information management and organizational development.

## Capital Outlays

FY15-16 capital project appropriations of \$201.3 million, decrease \$31.5 million from the FY 2014-15 adopted budget. The FY 2015-16 capital budget represents those projects that have been identified and prioritized in the Five-Year Capital Improvement Program (CIP). It is anticipated that \$69.5 million of the FY 2014-15 adjusted budget for capital projects will carry forward into FY 2015-16 at the close of the current fiscal year as most capital improvement projects will require multiple years to complete.

## Other Financing Sources/Use

Other financing sources include debt financing proceeds to fund capital improvements. For FY 2015-16, Certificates of Participation (COPs) are planned for approximately \$66.3 million to finance Water Utility (\$63.3 million) and the Safe, Clean Water Fund Capital (\$3.0 million) capital improvement programs. In addition, \$150.0 million in Commercial Paper will be issued for the Water Utility (\$75.0 million) and the Safe, Clean Water Fund Capital (\$75.0 million) capital improvement programs.

## Reserves

With the exception of reserves for encumbrances,

market valuation adjustments, and debt proceeds, all other restricted and committed reserves are appropriated in the District's FY 2015-16 budget. Overall, budgeted reserves are expected to increase \$16.3 million to \$228.1 million. The increase primarily occurs in the Restricted Reserve portion with the largest increases in Safe, Clean Water of \$8.1 million in currently Authorized Projects and \$9.1 million in Operating and Capital Reserve followed by a \$3.6 million in the Restricted Water Enterprise Operating Reserve.

The District's reserve policy can be found in the financial summaries chapter in the District Reserve Policy section.

## Staffing

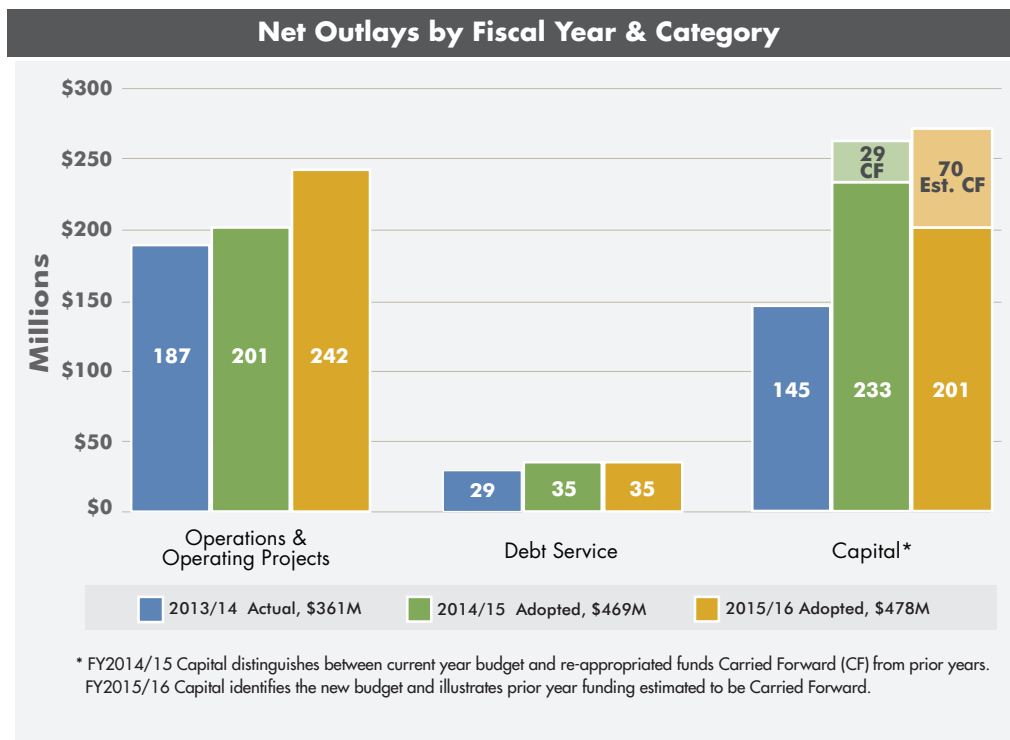
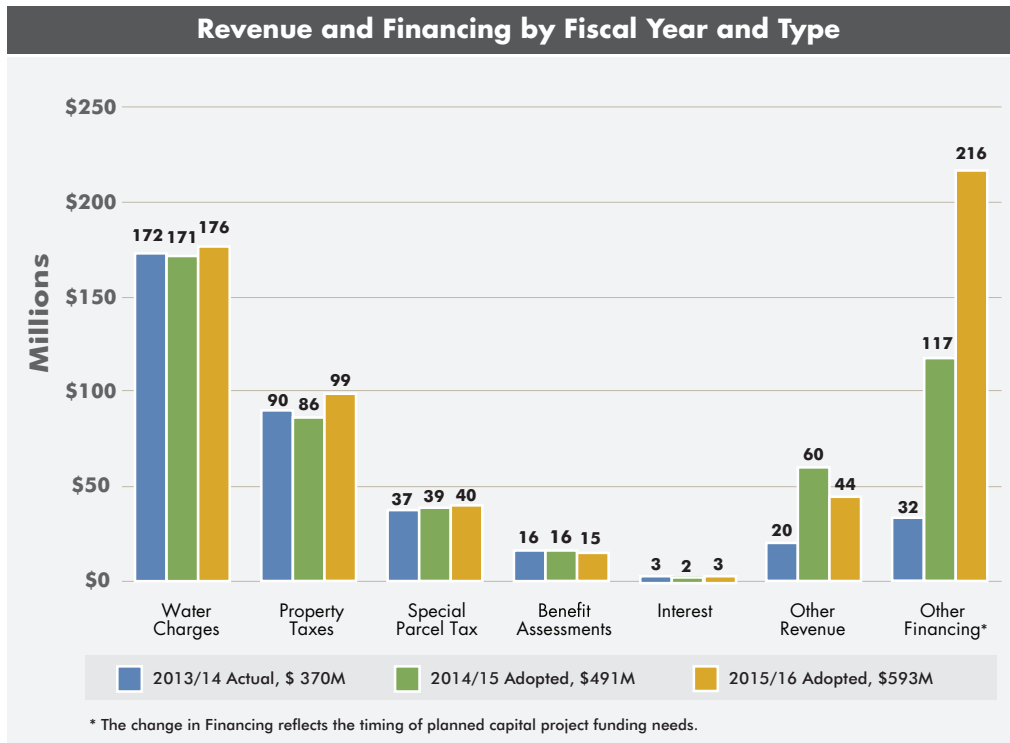
The FY 2015-16 budget contains labor hours for 752 authorized positions. Total salaries are budgeted at approximately \$83.7 million and are comprised of approximately \$88 million in regular salaries, \$2.8 million in overtime and special pay and a negative budget of \$7.3 million for salary savings. Overall, this is approximately a \$2.5 million decrease versus FY 2014-15. The change is a result of several factors: a) regular step increases caused base salaries to increase by approximately 0.2%, b) 3.0% cost of living adjustment was applied as dictated by MOU (Labor Contract) requirements, c) approximately \$0.2 million increase in overtime budget and a reduction of \$7.3 million due to Salary Savings Budget.

Total benefits are budgeted at approximately \$44.5 million, a \$2.3 million increase over the \$42.2 million in the FY 2014-15 budget. The increase is the net of a reduction in the District's contribution for Other Post Employment Benefits (OPEB) of \$1.9 million, an increase in retirement contributions of approximately \$2.6 million and a \$1.5 million increase in medical costs for active and retired employees. The FY 2015-16 budgets assumes 100% funding of the District's actuarial annual required contribution for Other Post

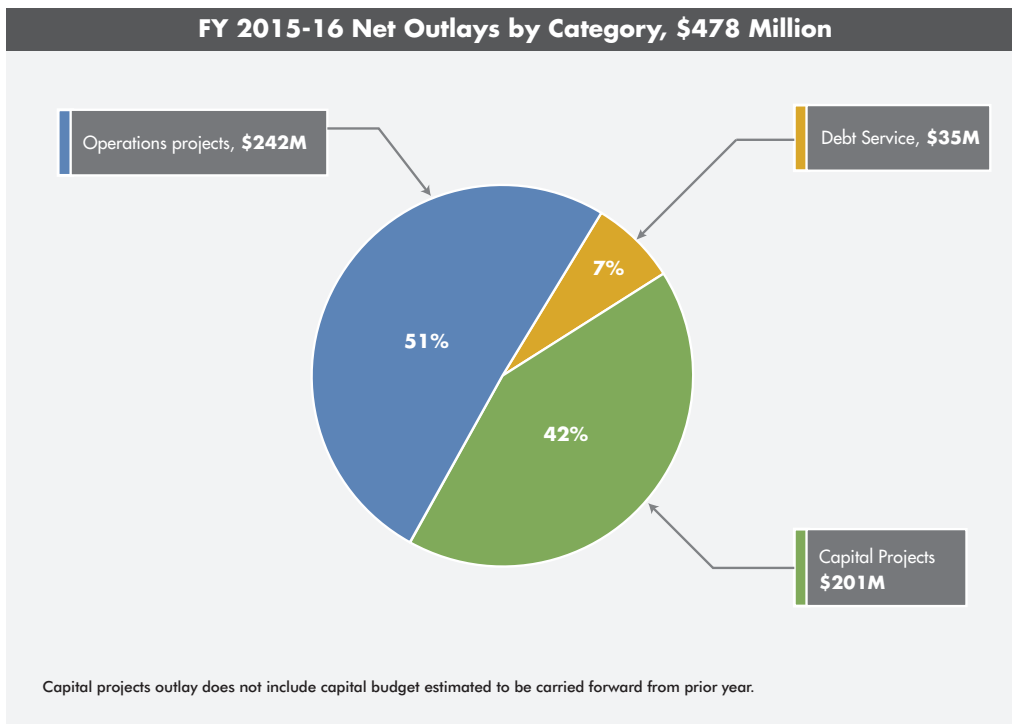
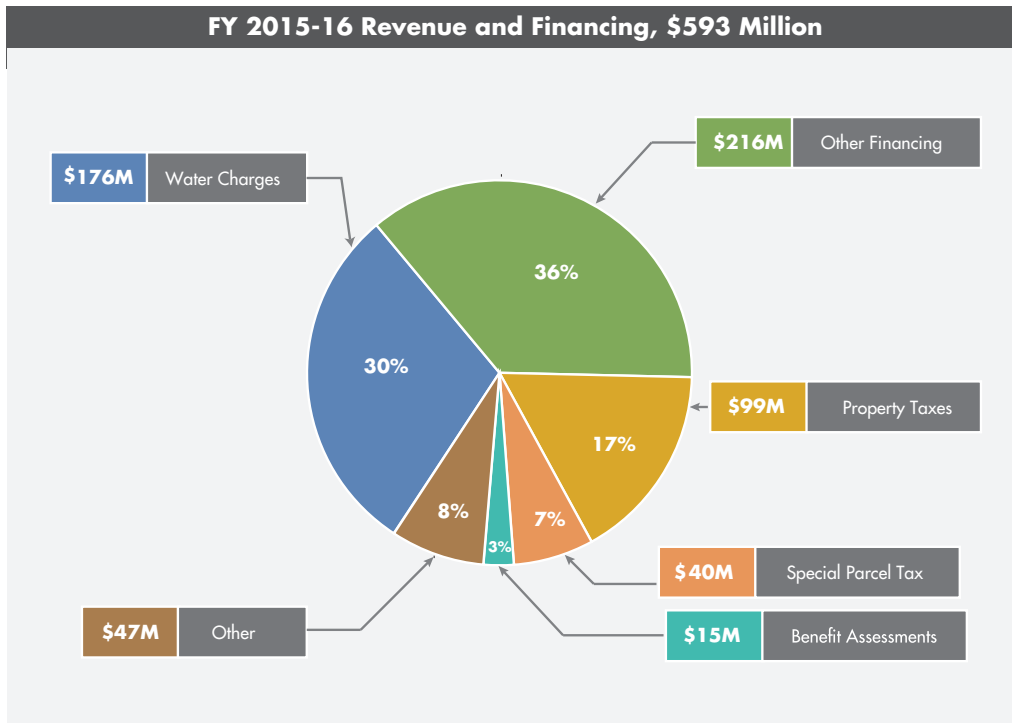
# Financial Summaries

Employment Benefits.

# Financial Summaries



# Financial Summaries





# Financial Summaries

## Combined Fund Summary - All Funds

	Budgetary	Adopted	Projected	Adopted	Change from	
	Basis Actual	Budget	Year End	Budget	2014-15 Adopted	
	2013-14	2014-15	2014-15	2015-16	\$ Diff	% Diff
<b>Revenue Sources:</b>						
Property Taxes	\$ 90,299,435	\$ 85,726,140	\$ 91,551,757	\$ 98,962,618	\$ 13,236,478	15.4%
Special Parcel Tax	37,259,124	38,766,960	38,766,960	40,123,804	1,356,844	3.5%
Benefit Assessments	16,142,957	16,078,545	16,078,545	14,777,804	(1,300,741)	(8.1)%
Inter-governmental services	2,215,050	1,366,448	966,448	1,601,000	234,552	17.2%
Groundwater Production Charges	84,308,271	80,994,000	85,894,000	82,931,000	1,937,000	2.4%
Treated Water Charges	86,385,838	88,088,000	74,188,000	91,448,000	3,360,000	3.8%
Surface/Recycled Water Revenue	1,679,357	1,603,000	1,603,000	1,885,000	282,000	17.6%
Interest*	2,832,080	2,000,000	2,000,000	3,000,000	1,000,000	50.0%
Capital Reimbursements	13,149,922	55,189,000	22,177,000	36,597,000	(18,592,000)	(33.7)%
Other	4,867,986	4,048,852	4,048,852	6,155,104	2,106,252	52.0%
<b>Total Revenue</b>	<b>\$ 339,140,020</b>	<b>\$ 373,860,945</b>	<b>\$ 337,274,562</b>	<b>\$ 377,481,330</b>	<b>\$ 3,620,385</b>	<b>1.0%</b>
<b>Operating Outlays:</b>						
Operations**	\$ 232,261,589	\$ 258,151,052	\$ 280,409,111	\$ 305,082,202	\$ 46,931,150	18.2%
Operating Projects	5,145,946	5,937,246	7,673,600	5,014,351	(922,895)	(15.5)%
Debt Service	29,369,270	35,274,664	30,753,761	34,967,480	(307,184)	(0.9)%
<b>Total Operating Outlays</b>	<b>\$ 266,776,805</b>	<b>\$ 299,362,962</b>	<b>\$ 318,836,472</b>	<b>\$ 345,064,033</b>	<b>\$ 45,701,071</b>	<b>15.3%</b>
Less: Intra-District Reimb	(50,585,509)	(63,092,638)	(60,366,226)	(68,381,955)	(5,289,317)	8.4%
<b>Net Outlays</b>	<b>\$ 216,191,296</b>	<b>\$ 236,270,324</b>	<b>\$ 258,470,246</b>	<b>\$ 276,682,078</b>	<b>\$ 40,411,754</b>	<b>17.1%</b>
Capital Projects	144,785,456	232,797,617	201,766,018	201,334,254	(31,463,363)	(13.5)%
Carried Forward Capital Projects	—	29,340,927	153,860,584	69,498,831	40,157,904	136.9%
<b>Total Capital Outlays</b>	<b>\$ 144,785,456</b>	<b>\$ 262,138,544</b>	<b>\$ 355,626,602</b>	<b>\$ 270,833,085</b>	<b>\$ 8,694,541</b>	<b>3.3%</b>
<b>Other Financing Sources/(Uses) :</b>						
Commercial Paper Proceeds	\$ —	\$ —	\$ —	\$ 150,000,000	\$ 150,000,000	—
Certificates of Participation	31,660,000	116,902,000	67,238,000	66,338,000	(50,564,000)	(43.3)%
Transfers In	23,055,204	12,527,885	12,527,885	20,011,880	7,483,995	59.7%
Transfers Out	(23,055,204)	(12,527,885)	(12,501,561)	(20,011,880)	(7,483,995)	59.7%
<b>Total Other Financing</b>	<b>\$ 31,660,000</b>	<b>\$ 116,902,000</b>	<b>\$ 67,264,324</b>	<b>\$ 216,338,000</b>	<b>\$ 99,436,000</b>	<b>76.2%</b>
<b>Balance Available</b>	<b>\$ 9,823,268</b>	<b>\$ (7,645,923)</b>	<b>\$ (209,557,962)</b>	<b>\$ 46,304,167</b>	<b>\$ —</b>	<b>—</b>
<b>Year-End Reserves:</b>						
<b>Restricted Reserves</b>						
WUE- Restricted Operating Reserve	\$ 13,139,620	\$ 13,893,128	\$ 13,893,128	\$ 17,493,514	\$ 3,600,386	25.9%
WUE- Rate Stabilization Reserve for Bond Covenant	1,750,866	2,139,431	2,139,431	2,082,388	(57,043)	(2.7)%
WUE- San Felipe Emergency Reserve	4,000,574	3,980,534	3,980,534	4,000,000	19,466	0.5%
WUE- State Revolving Fund Reserve	401,263	401,263	401,263	401,263	—	—
WUE- State Water Project Tax Reserve	4,476,521	1,611,815	4,626,046	2,817,073	1,205,258	74.8%
WUE- Debt Service Reserve	6,250,178	5,934,365	6,250,178	6,250,178	315,813	5.3%
SCW- Currently Authorized Projects***	155,210,858	21,188,000	40,459,783	29,262,000	8,074,000	38.1%
SCW- Operating & Capital Reserve	24,886,574	17,911,523	4,209,107	27,019,000	9,107,477	50.8%
<b>Total Restricted Reserves</b>	<b>\$ 210,116,454</b>	<b>\$ 67,060,059</b>	<b>\$ 75,959,470</b>	<b>\$ 89,325,416</b>	<b>\$ 22,265,357</b>	<b>33.2%</b>

# Financial Summaries

	Budgetary Basis Actual 2013-14	Adopted Budget 2014-15	Projected Year End 2014-15	Adopted Budget 2015-16	Change from 2014-15 Adopted	
					\$ Diff	% Diff
<b>Committed Reserves</b>						
Operating & Capital Reserve	\$ 82,173,910	\$ 105,014,895	\$ 55,766,936	\$ 89,319,409	\$ (15,695,486)	(14.9)%
Supplemental Water Supply	9,728,974	9,861,838	1,329,954	12,736,141	2,874,303	29.1%
Currently Authorized Projects***	77,557,918	16,279,000	36,558,048	23,257,000	6,978,000	42.9%
Floating Rate Debt Stabilization	353,000	148,400	148,400	—	(148,400)	(100.0)%
Liability/Workers' Comp Self Insurance	7,011,000	7,011,000	6,092,000	6,500,000	(511,000)	(7.3)%
Property Self Insurance/ Catastrophic	4,407,681	5,495,441	4,997,167	5,051,176	(444,265)	(8.1)%
SV Advanced Water Purification Center	—	939,000	939,000	1,906,000	967,000	103.0%
<b>Total Committed Reserves</b>	<b>\$ 181,232,483</b>	<b>\$ 144,749,574</b>	<b>\$ 105,831,505</b>	<b>\$ 138,769,726</b>	<b>\$ (5,979,848)</b>	<b>(4.1)%</b>
<b>Total Year-End Reserves</b>	<b>\$ 391,348,937</b>	<b>\$ 211,809,633</b>	<b>\$ 181,790,975</b>	<b>\$ 228,095,142</b>	<b>\$ 16,285,509</b>	<b>7.7%</b>
<b>Uncommitted Funds</b>			<b>\$ 0</b>	<b>\$ 0</b>		

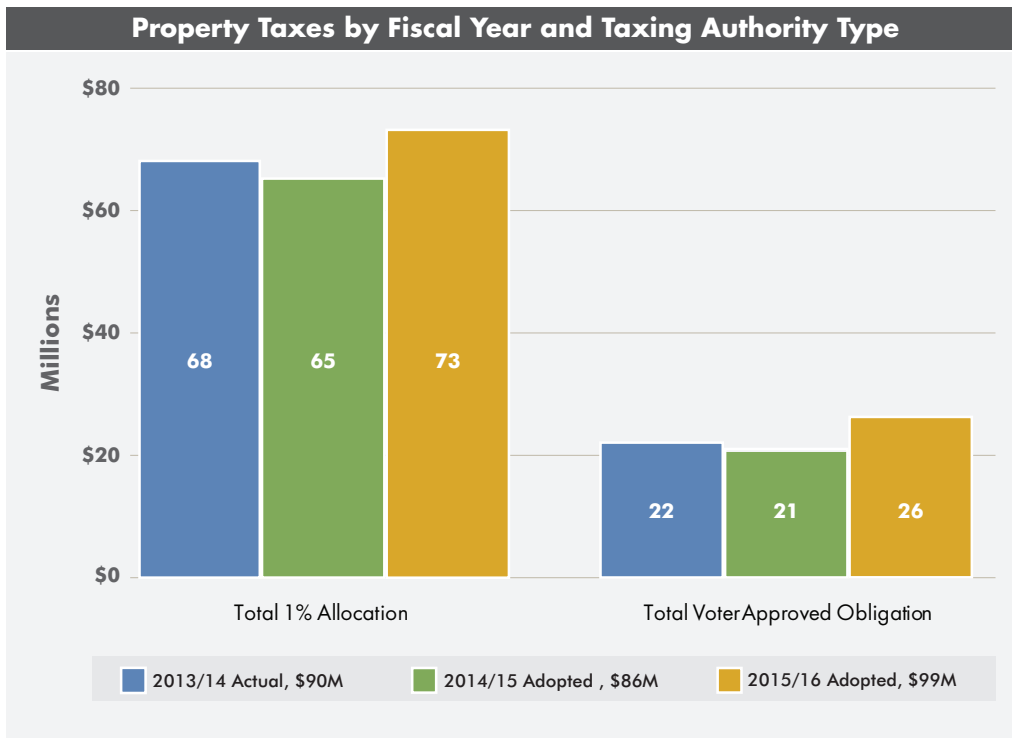
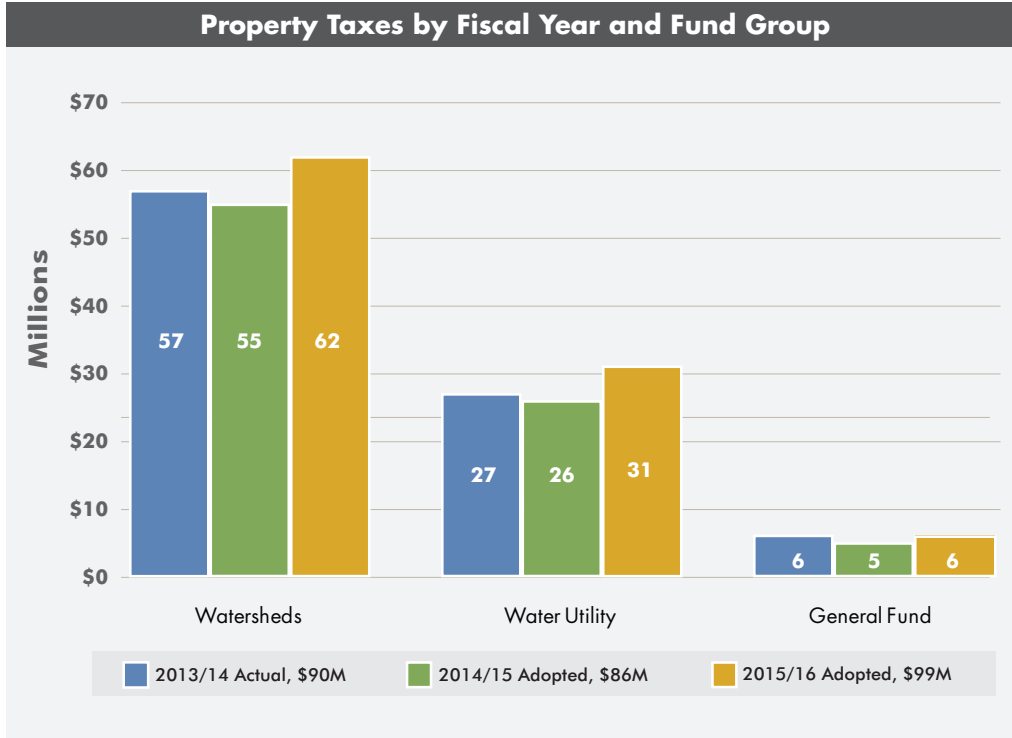
(\* ) Interest revenue does not include GASB31 market valuation adjustment

(\*\* ) Operations outlay does not include OPEB Expense-unfunded liability

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

# **MAJOR SOURCES OF REVENUES**

## Property Taxes



# Financial Summaries

## Property Taxes

The District's property tax revenues are comprised of two distinct categories: an allocated share of countywide 1% ad valorem property tax receipts, and voter-approved debt service levies including the State Water Project contract obligations.

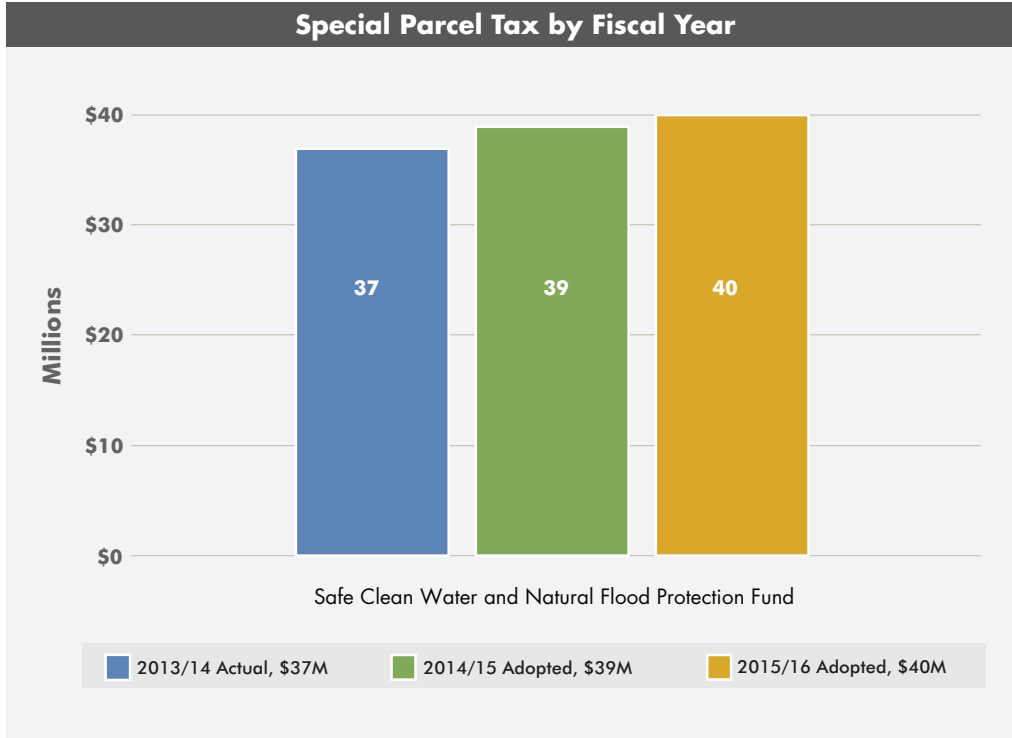
For FY 2015-16, the District is projecting \$73 million in ad valorem tax revenues, a 12.7% increase over the FY 2014-15 Adopted budget. The increase is based on updates from Santa Clara County staff and is tied to improved overall valuation of the Santa Clara County real estate market. A significant number of properties,

both residential and commercial are valued at pre-recession levels.

The voter-approved levy State Water Project Tax is expected to be \$26 million. The significant increase from \$21 million in FY 2014-15 to \$26 million is due to a re-statement/correction of costs billed by the Department of Water Resources for State Water Project imported water and the addition of cost to improve the reliability of the South Bay Aqueduct.

	Budgetary Basis Actual 2013-14	Adopted Budget 2014-15	Projected Year End 2014-15	Adopted Budget 2015-16	Change from 2014-15 Adopted	
					\$ Diff	% Diff
Watershed Fund - 1% Allocation	\$ 57,631,007	\$ 54,641,400	\$ 59,567,039	\$ 61,602,885	\$ 6,961,485	12.7%
District General Fund - 1% Allocation	5,677,534	5,368,260	5,816,000	6,015,360	647,100	12.1%
<b>Water Enterprise - 1% Allocation</b>						
Zone W-3	\$ 640,999	\$ 646,480	\$ 667,000	\$ 687,335	\$ 40,855	6.3%
Zone W-4	4,004,040	3,700,000	4,061,000	4,201,105	501,105	13.5%
Gavilan Water Conservation District	427,341	370,000	440,718	455,933	85,933	23.2%
<b>Water Enterprise - Voter Approved Obligations</b>						
State Water Project Debt Service	\$ 21,921,417	\$ 21,000,000	\$ 21,000,000	\$ 26,000,000	\$ 5,000,000	23.8%
Debt Service Zone W-1	(2,903)	—	—	—	—	—
<b>Total Property Taxes</b>	<b>\$ 90,299,435</b>	<b>\$ 85,726,140</b>	<b>\$ 91,551,757</b>	<b>\$ 98,962,618</b>	<b>\$ 13,236,478</b>	<b>15.4%</b>
<b>Property Tax Summary</b>						
Total 1% Allocation	\$ 68,380,921	\$ 64,726,140	\$ 70,551,757	\$ 72,962,618	\$ 8,236,478	12.7%
Total Voter Approved Obligations	21,918,514	21,000,000	21,000,000	26,000,000	5,000,000	23.8%
<b>Total Property Taxes</b>	<b>\$ 90,299,435</b>	<b>\$ 85,726,140</b>	<b>\$ 91,551,757</b>	<b>\$ 98,962,618</b>	<b>\$ 13,236,478</b>	<b>15.4%</b>

## Special Parcel Tax



# Financial Summaries

## Special Parcel Tax

In November 2000, over two thirds of Santa Clara County voters approved the original 15-year special parcel tax to fund the District’s countywide Clean, Safe Creeks and Natural Flood Protection Program. The levy is based on the proportionate distribution of storm water runoff per parcel, and may be increased annually by either the prior year’s San Francisco-Oakland-San Jose Consumer Price Index for all Urban Consumers (CPI) or 3%, whichever is greater. The levy of this special parcel tax became effective July 1, 2001.

In November 2012, more than two thirds of the voters

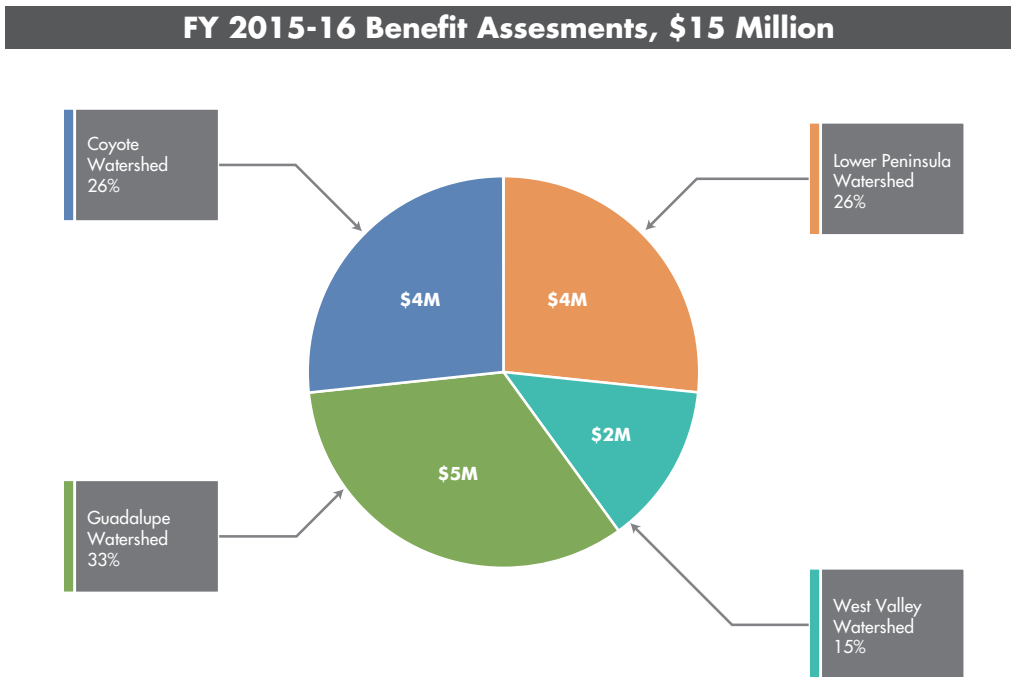
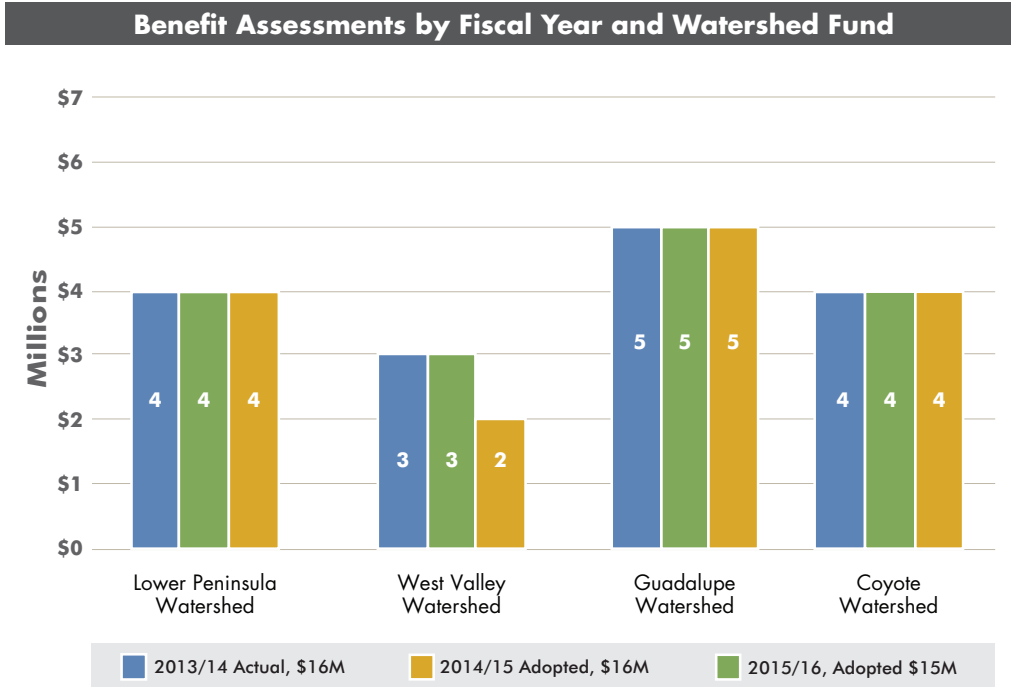
approved the passage of the Safe, Clean Water, Measure B Special Parcel Tax for another 15 years. The program builds upon the success of its predecessor: the 15-year Clean, Safe Creeks and Natural Flood Protection plan (Clean, Safe Creeks).

For FY 2015-16, special parcel tax revenues are expected to increase by 3.5% over the FY 2014-15 revenue. The increase is partially due to new and additional parcels coming online to the eligible parcel count within the county.

	Budgetary Basis Actual 2013-14	Adopted Budget 2014-15	Projected Year End 2014-15	Adopted Budget 2015-16	Change from 2014-15 Adopted	
					\$ Diff	% Diff
<b>Special Parcel Taxes</b>						
Safe Clean Water & Natural Flood Protection	\$ 37,259,124	\$ 38,766,960	\$ 38,766,960	\$ 40,123,804	\$ 1,356,844	3.5%
<b>Total Special Parcel Tax</b>	<b>\$ 37,259,124</b>	<b>\$ 38,766,960</b>	<b>\$ 38,766,960</b>	<b>\$ 40,123,804</b>	<b>\$ 1,356,844</b>	<b>3.5%</b>

# Financial Summaries

## Benefits Assessment





# Financial Summaries

## Benefits Assessment

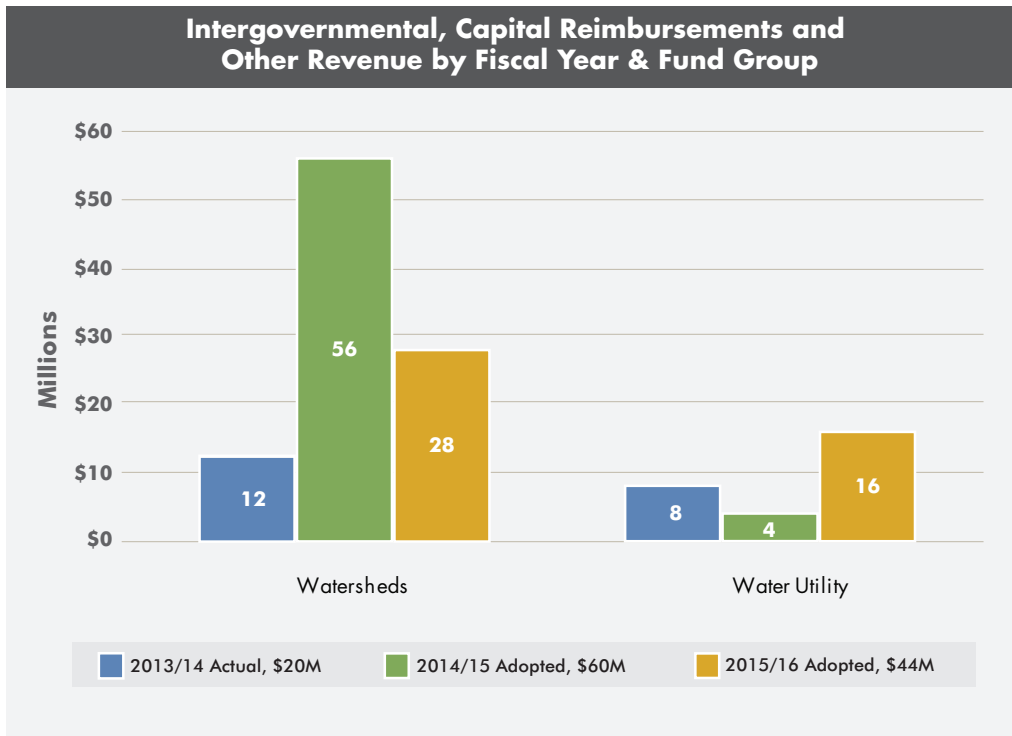
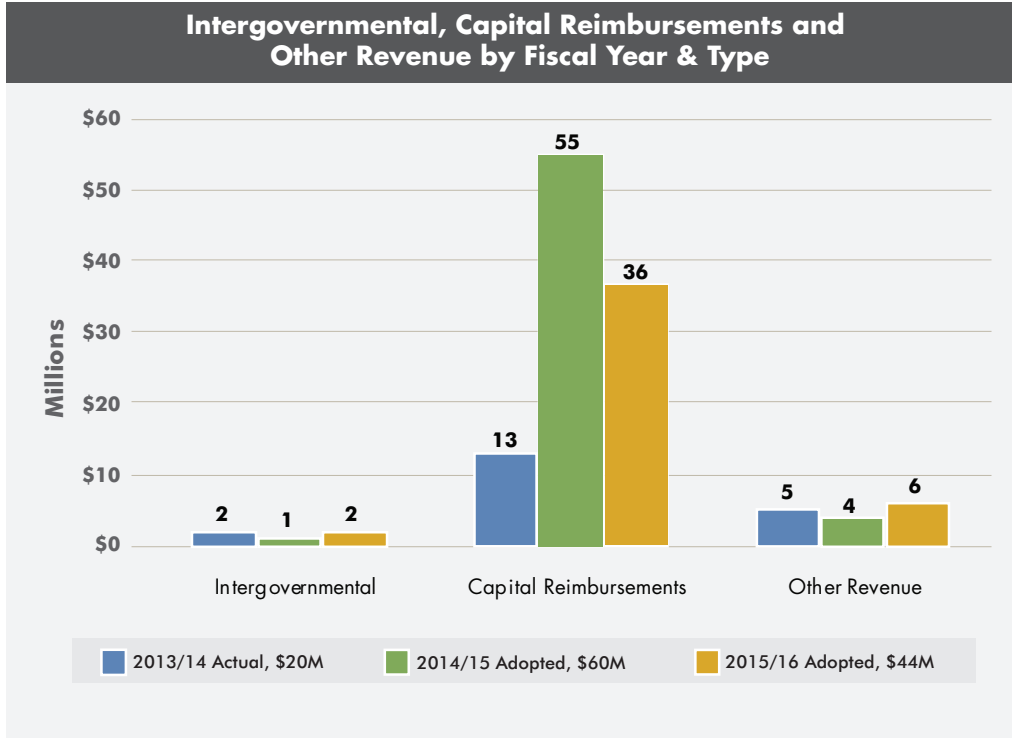
The Flood Control Benefit Assessment was first authorized by the District Board of Directors in 1981, and then by ballot measures in 1982, 1986, and 1990. The program had a sunset date of 2000 but the assessment will continue until 2030, when the District will pay off the bonds associated with it.

of the benefit assessment program with benefit assessments levied at 1.25 times the annual debt service. For FY 2015-16, the Benefit Assessment revenue receipts are anticipated to come in at \$14.8 million. As the District pays down principal, the amount collected becomes slightly lower.

FY 2015-16 continues under this debt repayment phase

	Budgetary Basis Actual 2013-14	Adopted Budget 2014-15	Projected Year End 2014-15	Adopted Budget 2015-16	Change from 2014-15 Adopted		
					\$ Diff	% Diff	
<b>Watershed Funds:</b>							
Lower Peninsula Watershed	\$ 4,279,229	\$ 4,262,832	\$ 4,262,832	\$ 4,037,951	\$ (224,881)	(5.3)%	
West Valley Watershed	2,477,080	2,482,950	2,482,950	2,265,670	(217,280)	(8.8)%	
Guadalupe Watershed	5,225,021	5,195,221	5,195,221	4,577,581	(617,640)	(11.9)%	
Coyote Watershed	4,162,738	4,137,542	4,137,542	3,896,602	(240,940)	(5.8)%	
Uvas/Llagas Watershed	(1,111)	—	—	—	—	—	
<b>Total Benefit Assessments</b>	<b>\$ 16,142,957</b>	<b>\$ 16,078,545</b>	<b>\$ 16,078,545</b>	<b>\$ 14,777,804</b>	<b>\$ (1,300,741)</b>	<b>(8.1)%</b>	

## Intergovernment and Other Revenues



## Intergovernment and Other Revenues

### Intergovernmental Services

The District anticipates receiving intergovernmental services revenue of \$1.6 million.

The budget is made up of the following receipts: City of Palo Alto Cost Sharing Agreement (CSA) for conservation \$130,000, City of Santa Clara CSA for conservation \$6,000, City of Morgan Hill CSA for conservation \$40,000; Proposition 84 for conservation \$490,000, City of San Jose CSA for conservation \$30,000, San Francisco/Santa Clara Valley Water District intertie for \$25,000, County of San Benito for conservation \$380,000. FEMA grant reimbursement for Flood Risk Mapping \$500,000.

### Capital Reimbursement Revenue

The District anticipates Capital Reimbursement Revenue in the amount of \$36.6 million.

Water Enterprise receipts are budgeted at \$11.0 million, and are as follows: \$7.5 million for Wolfe Road Recycled Water Pipeline (\$4.8 million from Apple Computers, \$1.5 million from Cal Water and \$1.2 million from the City of Sunnyvale); \$2.4 million for Fluoridation at the Water Treatment plants (\$1.0 million from Health Trust, \$0.9 million from First 5, and \$0.5 million from CDAF); and last, approximately \$1.1 million from the Integrated Regional Water Management Grant Program for Wolfe Road Recycled Water Pipeline and Santa Clara drought turnouts.

Watersheds receipts are budgeted at \$25.6 million. Of this, the Watershed and Stream Stewardship Fund receipts are budgeted at \$22 million and are comprised of the following: \$4 million for San Francisquito Creek, SF Bay through Searsville Dam from San Francisquito Creek Joint Powers Authority (DWR) and United States Corp. of Engineers USACE; approximately \$6 million for Berryessa Creek, Lower Penitencia Creek to Calaveras Boulevard from Department of Water Resources Proposition 1E; and last, approximately \$12 million for Lower Silver Creek I-

680 to N. Babb Road, Reach 4 Planning from State Bond DWR Proposition 1E. Additionally, Safe, Clean Water Fund receipts are budgeted at \$3.6 million and are as follows: \$200 thousand for Guadalupe River – Upper Fish Passage Mods, from State Subventions (R6-12); \$2 million for Berryessa Creek, Calaveras to I-680 Reimbursable from Department of Water Resources Prop. 1E; and, \$1.4 million from Llagas Creek-Upper, Buena Vista Avenue to Llagas Road from State Subventions.

### Other Revenue

The Other Revenue category totals \$6.2 million for FY15-16. Watersheds other revenue of \$1.9 million is from rental income (\$1.3 million) and other miscellaneous surplus revenue (\$0.6 million). Water Enterprise other revenue of \$4.2 million is expected from the sale of property and other miscellaneous rental and surplus sales income (\$3.2 million) and another \$1 million is expected in State Water Project fund. Internal Service Funds are expected to yield an additional \$80 thousand from proceeds of sale of surplus equipment sales.

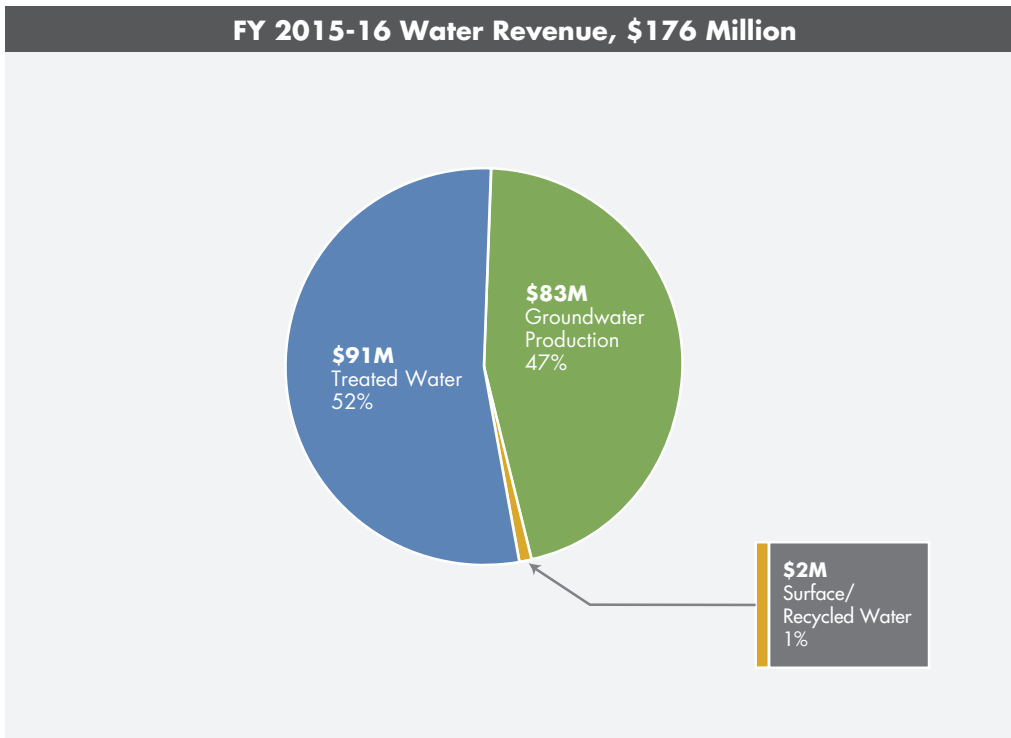
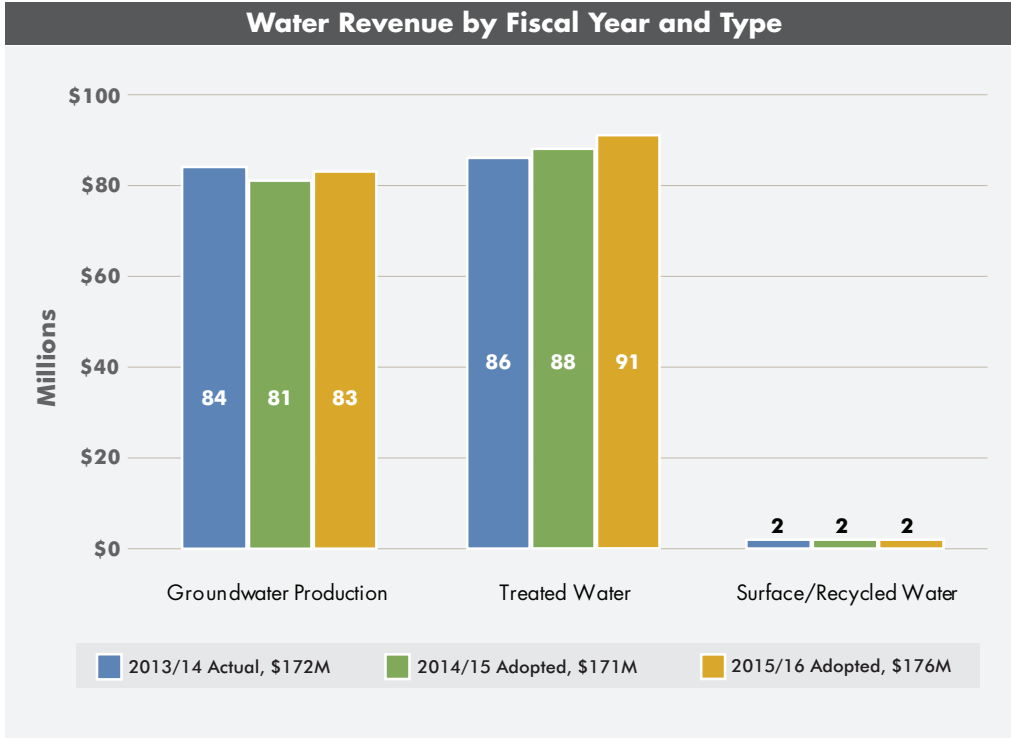
# Financial Summaries

	Budgetary Basis Actual 2013-14	Adopted Budget 2014-15	Projected Year End 2014-15	Adopted Budget 2015-16	Change from 2014-15 Adopted	
					\$ Diff	% Diff
<b>Intergovernmental Services:</b>						
Watershed Funds	\$ 144,910	\$ 400,000	\$ —	\$ 500,000	\$ 100,000	25.0%
Water Enterprise Fund	2,070,140	966,448	966,448	1,101,000	134,552	13.9%
<b>Total Intergovernmental Services</b>	<b>\$ 2,215,050</b>	<b>\$ 1,366,448</b>	<b>\$ 966,448</b>	<b>\$ 1,601,000</b>	<b>\$ 234,552</b>	<b>17.2%</b>
<b>Capital Reimbursements:</b>						
Watershed Funds	\$ 9,617,805	\$ 53,793,000	\$ 20,781,000	\$ 25,569,000	\$ (28,224,000)	(52.5)%
Water Enterprise Fund	3,532,117	1,396,000	1,396,000	11,028,000	9,632,000	690.0%
<b>Total Capital Reimbursements</b>	<b>\$ 13,149,922</b>	<b>\$ 55,189,000</b>	<b>\$ 22,177,000</b>	<b>\$ 36,597,000</b>	<b>\$ (18,592,000)</b>	<b>(33.7)%</b>
<b>Other:</b>						
Watershed Funds	\$ 2,151,919	\$ 2,160,110	\$ 2,160,110	\$ 1,865,104	\$ (295,006)	(13.7)%
Water Enterprise Fund	2,444,675	1,808,742	1,808,742	4,210,000	2,401,258	132.8%
District General Fund	40,813	—	—	—	—	—
Internal Service Funds	230,579	80,000	80,000 <sup>0</sup>	80,000	—	—
<b>Total Other</b>	<b>\$ 4,867,986</b>	<b>\$ 4,048,852</b>	<b>\$ 4,048,852</b>	<b>\$ 6,155,104</b>	<b>\$ 2,106,252</b>	<b>52.0%</b>
<b>Total Intergov'l &amp; Other Revenues</b>	<b>\$ 20,232,958</b>	<b>\$ 60,604,300</b>	<b>\$ 27,192,300</b>	<b>\$ 44,353,104</b>	<b>\$ (16,251,196)</b>	<b>(26.8)%</b>

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# Financial Summaries

## Water Revenue



# Financial Summaries

## Water Revenue

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

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

Water revenues budgeted for FY 2015-16 are based on staff's recommendation to the District's Board of Directors for water charges in the North County and South County zones of benefit. Revenue estimates reflect a 19.7% and 11.6% increase in groundwater

production charges for the North County (Zone W-2) and South County (Zone W-5) respectively, relative to FY 2014-15. These charges are shown in the accompanying Water Enterprise Fund schedules.

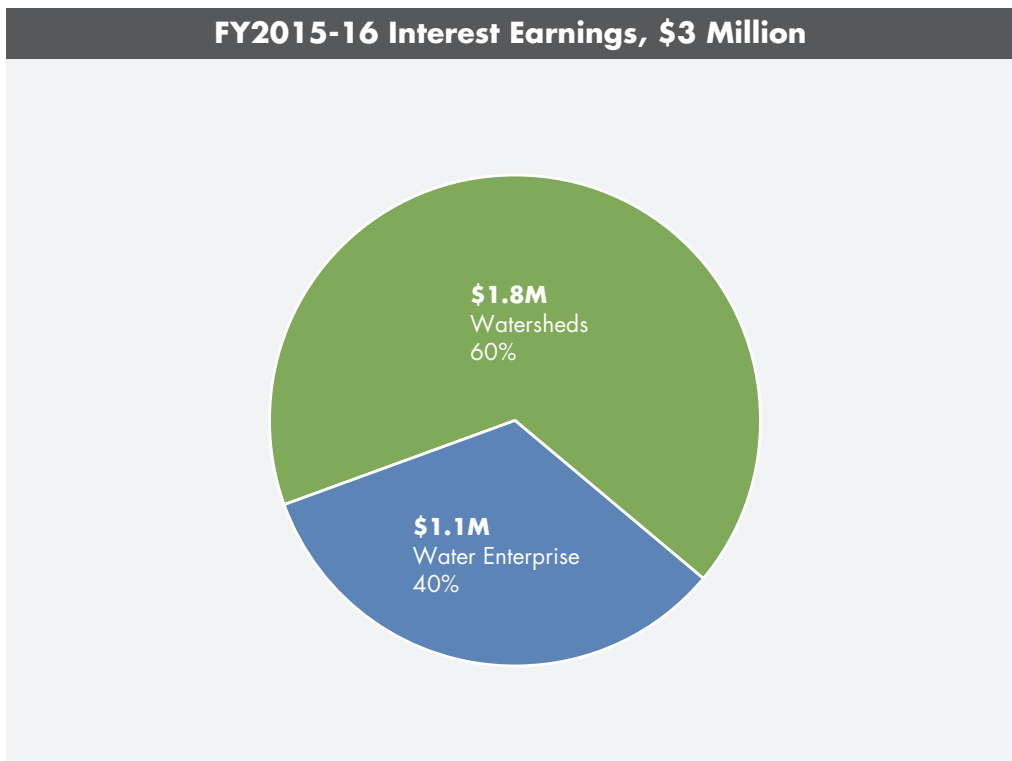
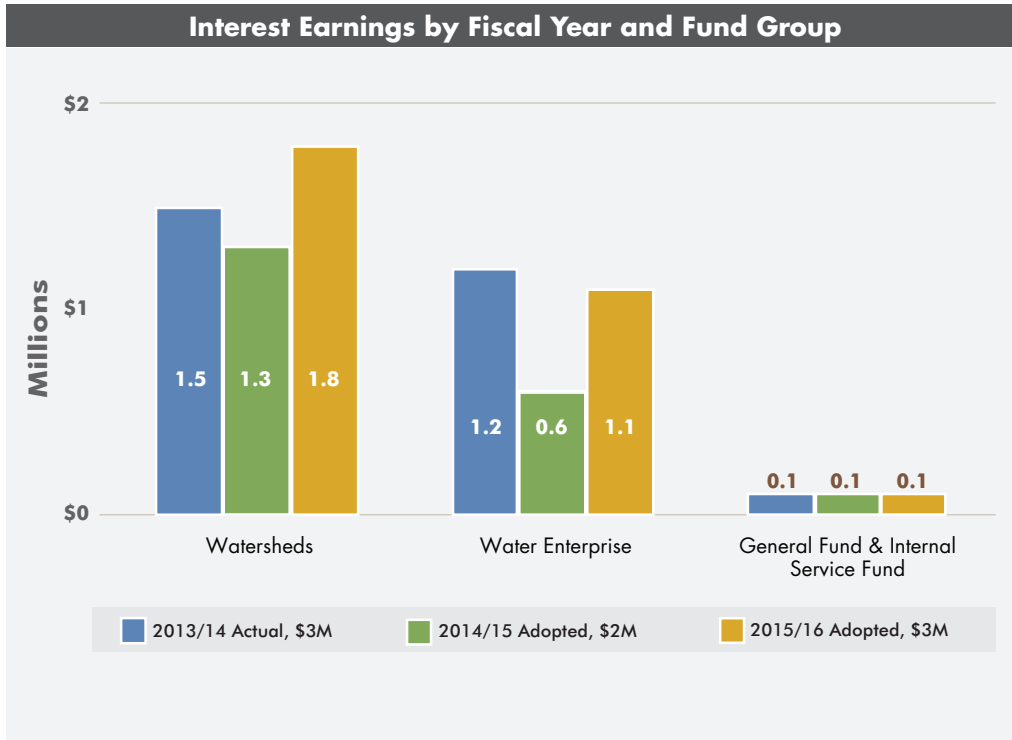
The FY 2015-16 revenue projection assumes water usage of roughly 229,000 acre-feet, Treated water demand comprises 40%; groundwater comprises 58%; and surface water and District-delivered recycled water comprise approximately 2% of the assumed water use.

In addition, other sources such as Hetch Hetchy and local water supply companies like San Jose Water Company, Stanford and South Bay Water Recycling provide approximately 70,000 acre-feet of water to Santa Clara County.

	Budgetary Basis Actual 2013-14	Adopted Budget 2014-15	Projected Year End 2014-15	Adopted Budget 2015-16	Change from 2014-15 Adopted	
					\$ Diff	% Diff
Groundwater Production	\$ 84,308,271	\$ 80,994,000	\$ 85,894,000	\$ 82,931,000	\$ 1,937,000	2.4%
Treated Water	86,385,838	88,088,000	74,188,000	91,448,000	3,360,000	3.8%
Surface/Recycled Water	1,679,357	1,603,000	1,603,000	1,885,000	282,000	17.6%
<b>Total Water Revenue</b>	<b>\$ 172,373,466</b>	<b>\$ 170,685,000</b>	<b>\$ 161,685,000</b>	<b>\$ 176,264,000</b>	<b>\$ 5,579,000</b>	<b>3.3%</b>

# Financial Summaries

## Interest Income





# Financial Summaries

## Interest Income

The District invests funds not immediately required for daily operations in a number of money market instruments authorized by statute. The District's investment policy limits portfolio holdings to obligations of the U.S. Treasury, U.S. federal agencies, the state of California's Local Agency Investment Fund, bankers acceptances, negotiable and time certificates of deposit, commercial paper, corporate notes and bonds, and repurchase agreements. The portfolio does not use

reverse repurchase agreements as an investment tool.

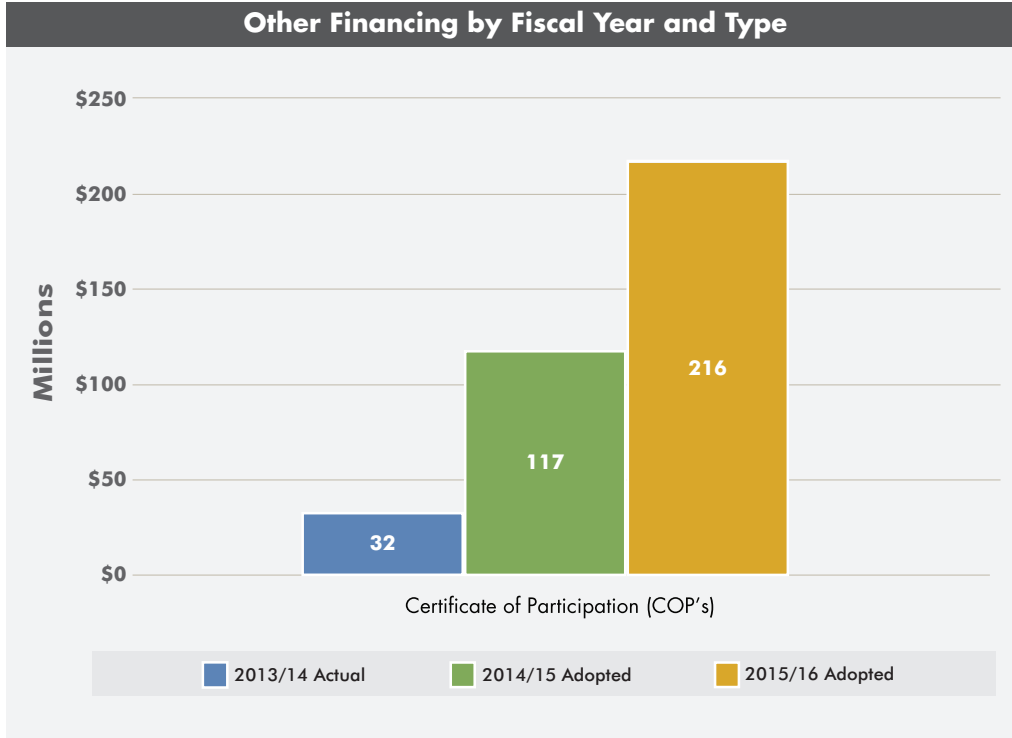
The FY 2015-16 interest revenue is expected to be approximately \$3.0 million. The estimates are due to a reduced average portfolio yield estimated to be just under 1% which is a reflection of the overall market environment. The market, coupled with expected short-term liquidity needs for the 5-year Capital Improvement Plan will result in flat interest earnings compared to FY 2013-14 actual earnings.

	Budgetary Basis Actual 2013-14	Adopted Budget 2014-15	Projected Year End 2014-15	Adopted Budget 2015-16	Change from 2014-15 Adopted	
					\$ Diff	% Diff
Watershed Funds	\$ 1,472,532	\$ 1,328,337	\$ 1,328,337	\$ 1,800,000	\$ 471,663	35.5%
Water Enterprise Fund	1,225,451	556,826	556,826	1,080,000	523,174	94.0%
General Fund	58,243	50,112	50,112	45,000	(5,112)	(10.2)%
Service Funds	75,854	64,725	64,725	75,000	10,275	15.9%
<b>Total Interest Income</b>	<b>\$ 2,832,080</b>	<b>\$ 2,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 3,000,000</b>	<b>\$ 1,000,000</b>	<b>50.0%</b>

(\* ) Excludes market valuation adjustments that are required to be recorded in the comprehensive Annual Financial Report

# Financial Summaries

## Other Financing Sources/Uses



# Financial Summaries

## Other Financing Sources/Uses

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

Overall, the District anticipates to issue approximately

\$63 million new certificates of participation for the Water Utility Enterprise fund; \$75 million in commercial paper for the Safe Clean Water program and \$75 million in commercial paper for Water Utility projects. In addition, approximately \$3 million in debt proceeds from the 2012A Refunding COP will be claimed in FY 15-16 in the Safe, Clean Water fund.

All planned debt financing has been factored into the District's long-term financial forecast models and are at or above the targeted debt service coverage ratio.

	Budgetary Basis Actual 2013-14	Adopted Budget 2014-15	Projected Year End 2014-15	Adopted Budget 2015-16	Change from 2014-15 Adopted	
					\$ Diff	% Diff
<b>Other Financing</b>						
Commercial Paper Proceeds	\$ —	\$ —	\$ —	\$ 150,000,000	\$ 150,000,000	—
Certificates of Participation	31,660,000	116,902,000	67,238,000	66,338,000	(50,564,000)	(43.3)%
<b>Total Other Financing</b>	<b>\$ 31,660,000</b>	<b>\$ 116,902,000</b>	<b>\$ 67,238,000</b>	<b>\$ 216,338,000</b>	<b>\$ 99,436,000</b>	<b>85.1%</b>

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# DEBT STATUS

## Debt Service Overview

Provisions of the state constitution, laws, and various portions of Sections 14 and 25 of the District Act authorize the Board of Directors (Board) to incur debt under certain conditions and to issue bonds in a form designated by resolution of the Board, including designation of which participating watersheds are affected by the issuance of new debt. Sections 25.1 and 25.2 authorize the Board to issue revenue bonds for the Water Enterprise Fund. The District's debt issuance practices are governed under the California Government and Water Codes. The District Act authorizes short-term debt (maturity of less than five years) of up to a limit of \$8 million. Other provisions of state law authorize the issuance of short-term debt up to a specified percentage of revenue anticipated within a period of time.

## Board Policies - Executive Limitations

In addition to statutory requirements, the Board has adopted policies (Executive Limitations) related to debt: EL-4.7 states that a Board Appointed Officer (BAO) shall:

" Not indebt the organization, except as provided in the District Act, and in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 90 days, or prior to the close of the fiscal year. " Furthermore, the BAO shall:

- 4.7.1. Not issue debt (long or short-term obligations that are sold within the financial marketplace) that conflicts with the District Act or the legal authority of the District, and without Board authorization;
- 4.7.2. Not issue debt without a demonstrated financial need;
- 4.7.3. Meet debt repayment schedules and covenants of bond documents;

- 4.7.4. Establish prudent District Debt Policies that are consistent with Board policies and provide guidance to District staff in regards to administering the debt programs and agreements, including consideration for the appropriate level of debt for the District to carry and structuring debt repayment to address intergenerational benefits;
- 4.7.5. Be consistent with the District's Debt Policies and any addendums when issuing debt;
- 4.7.6. Maintain strong credit ratings and good investor relations.

## Debt Policy

The Santa Clara Valley Water District proactively manages its outstanding liabilities to ensure access to the credit markets at the lowest available borrowing cost, to preserve strong credit standing with the municipal rating agencies, to fulfill its fiduciary responsibility to its customers, and to provide high quality water service, stream stewardship and flood protection at the lowest possible cost. Consistent with these commitments, the District shall periodically review the cost of its outstanding liabilities for opportunities to appropriately reduce these costs through refinancing or restructuring. The CEO shall present the results of these periodic reviews to the Board of Directors.

Covenants and agreements related to outstanding Certificates of Participation and Revenue Bonds are encompassed within the criteria of Master Resolutions adopted on June 23, 1994. Coverage ratios required for debt service are set at 1.25 times the annual debt service for senior lien debt. The District is in compliance with all coverage ratio requirements for all outstanding debt.

## Bond Ratings

The bond ratings for the District's outstanding debt reflect high grade investment quality debt. They are based on the District's positive fiscal policy and financial strengths. The bond ratings are either the highest for a water related governmental entity in the

# Financial Summaries

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 Participations (COPs), Commercial Paper and Revenue Bonds of \$431 million as of June 30, 2015. Scheduled annual debt service for FY 2015-16 is approximately \$35 million including fees. There are no balloon payments in the future years or significant fluctuations in annual debt service. Currently outstanding for the Watersheds are Series 2007A COPs, with a final maturity of 2030 and the 2004A and 2012A COPs, both with a final maturity of 2024. Debt service for these COPs is paid via benefit assessments, which are collected based on 125% of the annual debt service. Currently outstanding for the Water Utility are 2006A/B Water Revenue Refunding Bonds with a final maturity of 2035, the 2007A/B Revenue Certificates of Participation with a final maturity of 2037, and the Commercial Paper Certificates which are secured by Tax and Revenue Anticipation Notes that are subject to annual reauthorization by the District Board.

## Planned Issuances

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

- FY 2015-16: 1.76
- FY 2016-17: 2.92
- FY 2017-18: 3.01
- FY 2018-19: 2.56
- FY 2019-20: 2.14

(Source: FY 2015-16 Annual Report on the Protection and Augmentation of Water Supplies)

## Investment Portfolio

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

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

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

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

- Not invest or hold funds of the District in accounts or instruments that are inconsistent with the following statement of investment policies:

## Financial Summaries

- 4.9.1. Public funds not needed for the immediate necessities of the District should, to the extent reasonably possible, be prudently invested or deposited to produce revenue for the District consistent with the Board Investment Policy and applicable law.
- 4.9.2. The Treasurer or his or her designee shall submit quarterly investment reports to the Board as specified under Government Code Section 53646.4.9.3 No investments will be made in fossil fuel companies with significant carbon emissions potential.



# Financial Summaries

## Bond Rating

	COPs			Revenue Refunding Bond 2007	2007 Revenue COPs
	2004A	2012A	2007		
Moody's	Aa1	Aa1	Aa1	Aa1	Aa1
Standard & Poor's	AA+	AA+	AA+	AA	AA
Fitch	AAA	N/A	AAA	N/A	N/A

# Financial Summaries

## Debt Service Payments Schedule

	Principal	Interest	Total <sup>1</sup>
<b>Watersheds Certificates of Participation</b>			
2015/16	\$ 7,630,000	\$ 5,062,600	\$ 12,692,600
2016/17	8,020,000	4,681,100	12,701,100
2017/18	8,385,000	4,309,900	12,694,900
2018/19	8,805,000	3,890,650	12,695,650
2019/20 and thereafter	73,850,000	18,813,175	92,663,175
<b>Total</b>	<b>\$ 106,690,000</b>	<b>\$ 36,757,425</b>	<b>\$ 143,447,425</b>
<b>Water Utility Revenue Bonds / Revenue Certificates of Participation/State Revolving Loan (2)</b>			
2015/16	\$ 6,267,901	\$ 12,933,531	\$ 19,201,432
2016/17	10,404,944	17,815,556	28,220,499
2017/18	10,822,155	17,955,184	28,777,339
2018/19	11,264,540	18,031,890	29,296,430
2019/20 and thereafter	367,317,195	239,020,766	606,337,961
<b>Total</b>	<b>\$ 406,076,736</b>	<b>\$ 305,756,926</b>	<b>\$ 711,833,662</b>
<b>Commercial Paper</b>			
2015/16	\$ —	\$ 2,046,000	\$ 2,046,000
2016/17	—	3,827,000	3,827,000
2017/18	—	5,569,000	5,569,000
2018/19	—	7,305,000	7,305,000
2019/20 and thereafter	—	44,334,000	44,334,000
<b>Total</b>	<b>\$ —</b>	<b>\$ 63,081,000</b>	<b>\$ 63,081,000</b>
<b>Total All Outstanding Debt<sup>2</sup></b>			
2015/16	\$ 13,897,901	\$ 20,042,131	\$ 33,940,032
2016/17	18,424,944	26,323,656	44,748,599
2017/18	19,207,155	27,834,084	47,041,239
2018/19	20,069,540	29,227,540	49,297,080
2019/20 and thereafter	441,167,195	302,167,941	743,335,136
<b>Total</b>	<b>\$ 512,766,736</b>	<b>\$ 405,595,351</b>	<b>\$ 918,362,087</b>

( 1) Annual debt service payments reflect principal and interest only and excludes fees.

( 2) Water Utility principal includes planned issuance of Series 2015 A/B bonds, but excludes projected commercial paper principal of \$130M.

# Financial Summaries

## All Outstanding Debt to Maturity

	Amount Sold	Date of Issue	Average Interest Rate	Outstanding as of 6/30/15	2015-2016 Debt Service Payments <sup>1</sup>		
					Principal	Interest	Total
<b>Watersheds Indebtedness</b>							
2004A COPs	\$ 32,965,000	1/29/2004 <sup>2</sup>	3.544%	\$ 7,835,000	\$ 1,250,000	\$ 391,750	\$ 1,641,750
2007A COPs	78,780,000	2/27/2007	4.901%	60,030,000	2,835,000	2,921,900	5,756,900
2012A COPs	52,955,000	11/20/2012	4.365%	38,825,000	3,545,000	1,748,950	5,293,950
Safe, Clean Water Commercial Paper <sup>4</sup>	—	various <sup>3,4</sup>	1.50%	—	—	1,023,000	1,023,000
<b>Total Watersheds</b>	<b>\$ 164,700,000</b>			<b>\$ 106,690,000</b>	<b>\$ 7,630,000</b>	<b>\$ 6,085,600</b>	<b>\$ 13,715,600</b>
<b>Water Utility Indebtedness</b>							
<b>2006 Water Utility Revenue Bonds</b>							
Series A	\$ 74,265,000	12/21/2006	4.154%	\$ 57,270,000	\$ 2,320,000	\$ 2,420,475	\$ 4,740,475
Series B - taxable	25,570,000	12/21/2006	5.279%	21,040,000	670,000	1,111,799	1,781,799
<b>Total</b>	<b>\$ 99,835,000</b>			<b>\$ 78,310,000</b>	<b>\$ 2,990,000</b>	<b>\$ 3,532,274</b>	<b>\$ 6,522,274</b>
<b>2007 Water Utility Revenue Certificates of Participation</b>							
Series A	\$ 77,270,000	10/1/2007	5.170%	\$ 68,380,000	\$ 1,770,000	\$ 3,312,800	\$ 5,082,800
Series B - taxable/floating	53,730,000	10/1/2007 <sup>3</sup>	1.5%- 6.25%	43,185,000	1,215,000	660,000	1,875,000
<b>Total</b>	<b>\$ 131,000,000</b>			<b>\$ 111,565,000</b>	<b>\$ 2,985,000</b>	<b>\$ 3,972,800</b>	<b>\$ 6,957,800</b>
<b>2015 Water Utility Revenue Certificates of Participation</b>							
Series A	\$ 87,365,000	11/1/2015 <sup>5</sup>	5.000%	\$ —	\$ —	\$ 1,897,297	\$ 1,897,297
Series B - taxable	94,100,000	11/1/2015 <sup>5</sup>	5.000%	—	—	3,422,798	3,422,798
<b>Total</b>	<b>\$ 181,465,000</b>			<b>\$ —</b>	<b>\$ —</b>	<b>\$ 5,320,096</b>	<b>\$ 5,320,096</b>
Commercial Paper <sup>4</sup>	130,000,000	various <sup>3,4</sup>	1.50%	130,000,000	—	1,023,000	1,023,000
State Revolving Loan Fund	6,350,000	11/19/2004	2.39%	4,606,736	292,901	108,361	401,263
<b>Total Water Utility</b>	<b>\$ 367,185,000</b>			<b>\$ 324,481,736</b>	<b>\$ 6,267,901</b>	<b>\$ 13,956,531</b>	<b>\$ 20,224,432</b>
<b>Combined Total</b>	<b>\$ 531,885,000</b>			<b>\$ 431,171,736</b>	<b>\$ 13,897,901</b>	<b>\$ 20,042,131</b>	<b>\$ 33,940,032</b>

(1) Annual debt service payment reflects principal and interest only and excludes fees.

(2) Approximately \$0.6M of the 2004A COPs annual debt service is funded by the general fund.

(3) The interest rates shown for the 2007B Water Utility COPs and Commercial Paper reflect the planning rates for variable rate bonds for budgeting purposes. The actual rates are subject to change pending actual market conditions throughout the fiscal year.

(4) The total amount sold and outstanding amount shown for CP are estimates only. The final amounts will be determined prior to 6/30/2015. The District anticipates issuing \$75M in CP for the Safe, Clean Water Program and \$75M in CP for the Water Utility in FY 2015-16.

(5) The District anticipates issuing \$214M in Water Utility Revenue COP in FY 2015 to refund \$130 M in outstanding CP and provide \$84 M bond proceeds to fund the CIP. The estimate shown above assumes that the debt service payment for FY 2015-16 will reflect a deferral of 50% of interest due to help alleviate water rate increases. The final par amount and debt service payment terms are subject to change pending Board approval and final bond sale.

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# SALARIES AND BENEFITS

# Financial Summaries

## District Salaries and Benefits

	Budgetary	Adopted	Adopted	Change from	
	Basis Actual	Budget	Budget	2014-15 Adopted	
	2013-14	2014-15	2015-16	\$ Diff	% Diff
<b>SALARIES</b>					
Salaries-Regular Employee	\$ 76,460,210	\$ 83,501,651	\$ 88,088,530	\$ 4,586,879	5.5%
Overtime	1,211,881	1,793,548	2,027,520	233,972	13.0%
Special Pays	657,565	877,146	877,377	231	0.0%
Salary Savings	—	—	(7,300,000)	(7,300,000)	—
<b>Total Salaries</b>	<b>\$ 78,329,656</b>	<b>\$ 86,172,345</b>	<b>\$ 83,693,427</b>	<b>\$ (2,478,918)</b>	<b>(2.9)%</b>
<b>BENEFITS</b>					
Fed & State Taxes & Benefits	\$ 1,103,887	\$ 1,259,414	\$ 1,368,547	\$ 109,133	8.7%
Retirement Contributions	11,964,106	14,420,814	17,043,624	2,622,810	18.2%
Group Ins-Active Employees	11,046,699	12,962,856	13,565,476	602,620	4.6%
Group Ins-Retired Employees	7,183,898	8,029,304	8,922,480	893,176	11.1%
Other Post Employment Benefits (OPEB)	9,500,000	5,499,969	3,600,044	(1,899,925)	(34.5)%
<b>Total Benefits</b>	<b>\$ 40,798,590</b>	<b>\$ 42,172,357</b>	<b>\$ 44,500,171</b>	<b>\$ 2,327,814</b>	<b>5.5%</b>
<b>Net Total Salary &amp; Benefits</b>	<b>\$ 119,128,246</b>	<b>\$ 128,344,702</b>	<b>\$ 128,193,598</b>	<b>\$ (151,104)</b>	<b>(0.1)%</b>

# Financial Summaries

## District Hours

	Actual	Adopted	Adopted	Change from	
	Labor Hours	Labor Hours	Labor Hours	2014-15 Adopted	
	2013-2014	2014-15	2015-16	# Diff	% Diff
<b>LABOR HOURS</b>					
Salaries-Regular Employee	1,179,580	1,274,640	1,314,729	40,089	3.1%
Overtime	16,849	19,227	21,268	2,041	10.6%
Compensated Absences	230,545	240,991	247,573	6,582	2.7%
<b>Total Hours</b>	<b>1,426,974</b>	<b>1,534,858</b>	<b>1,583,570</b>	<b>48,712</b>	<b>3.2%</b>

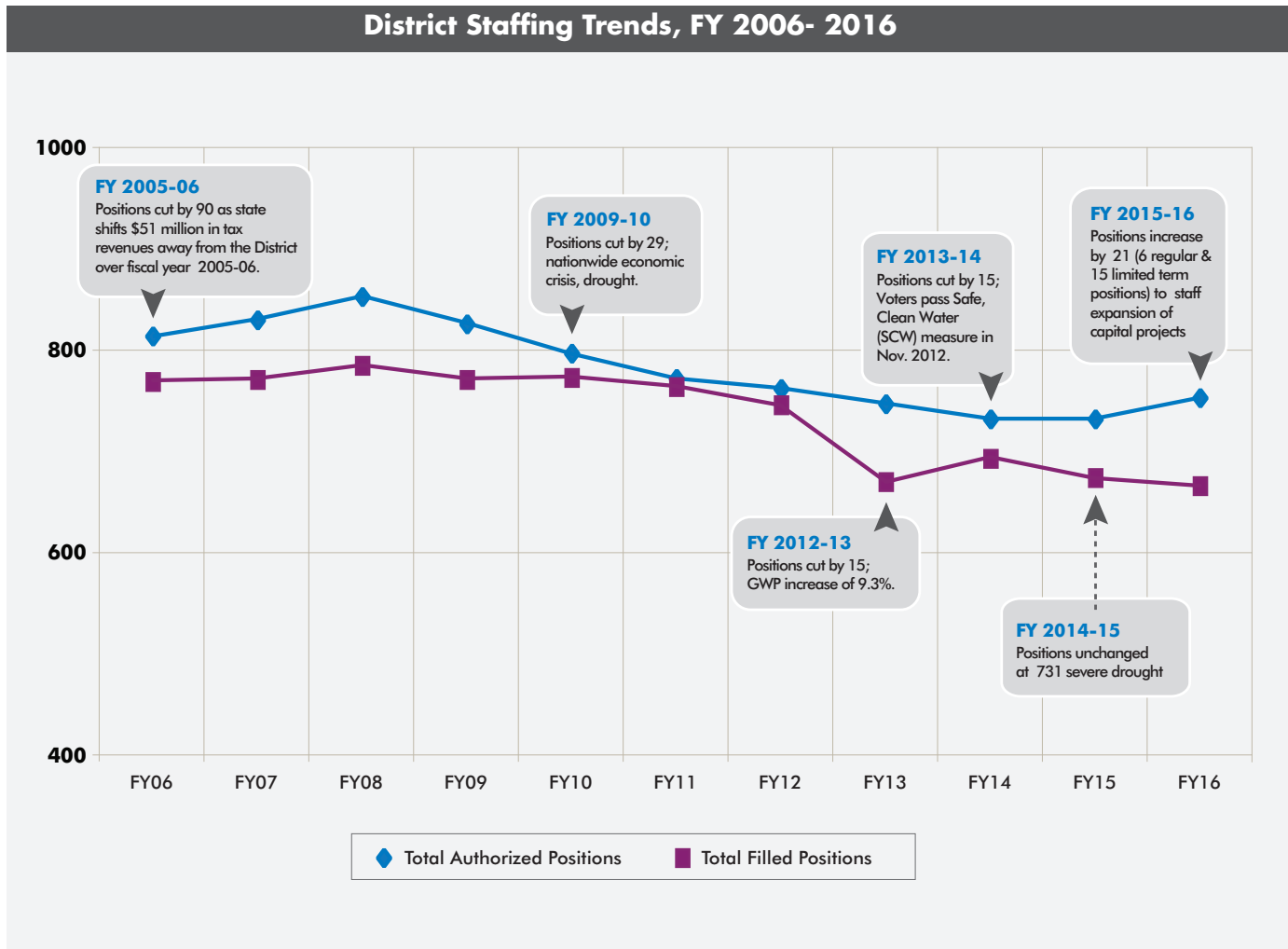
# Financial Summaries

## Summary of Positions

	Adopted Budget FY 2013-2014	Adopted Budget FY 2014-15	Adopted Budget FY 2015-16	Position Change	% Change
Board Appointed Officers*	59	59	60	1	1.7%
Administration	163	173	178	5	2.9%
Water Utility	298	299	307	8	2.7%
Watersheds	211	200	207	7	3.5%
<b>Total</b>	<b>731</b>	<b>731</b>	<b>752</b>	<b>21**</b>	<b>2.9%</b>

(\*) Board Appointed Officers Include: Chief Executive Officer, District Counsel and Clerk of the Board.

(\*\*) The 21 position increase includes 6 regular positions and 15 Limited-term.





## District Reserve Policy

The District Reserve policy is reviewed annually with the Board of Directors pursuant to Executive Limitation 4.4 - Financial Planning and Budgeting. " CEO shall not: Fail to at least annually present the Board with information about the District's financial reserves and schedule an opportunity for the public to comment thereon."

In March 2008, the Board of Directors approved a new reserve policy language. The new policy requirements were first implemented in the FY 2009-10 budget. In October 2010, the Board added the State Water Project Reserve. Additionally, 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. The District's Comprehensive Annual Financial Report was issued under those requirements for the fiscal year closing June 30, 2011 and, for FY 2012-13, the Budget Reserve Policy is organized under the new GASB 54 requirements.

While the GASB requirement was specifically issued for governmental type funds, the District, under its conservative and prudent fiscal policy extended the requirement to include the enterprise funds (Water Enterprise, State Water Project, Equipment and Risk funds).

Key objectives of prudent financial planning are to ensure sufficient resources for current services and obligations, and to prepare for future anticipated funding requirements and unforeseen events. To meet these objectives, the District will at all times strive to have sufficient funding available to meet its operating, capital, and debt service cost obligations. Reserve funds will be accumulated and managed in a manner which allows the District to fund costs consistent with the Capital Improvement Program, Integrated Water Resources Plan, and long range financial plans while avoiding significant water charge fluctuations due to

changes in cash flow requirements.

The District will also maintain a cash reserve position that may be utilized to fund unexpected fluctuations in revenues and operating/capital expenditures. The level of reserves maintained and policies behind them are reviewed annually with the Board of Directors during budget deliberations.

## DEFINITIONS

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

Non-spendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund). NOTE: For the purpose of this reserve policy, only spendable fund balances are considered.

Restricted fund balance - these are externally imposed legal restrictions or amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance - these are self imposed limitations or amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned fund balance - these are amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

The District Reserves are comprised of Restricted Fund Balance reserves, Committed Fund Balance reserves

# Financial Summaries

and Assigned Fund Balance reserves. In addition to these reserves, the District has budgeted reserves, as defined below:

**Budgeted Reserves-** Budgeted reserves may vary from those of the Comprehensive Annual Financial Report (CAFR) where it is appropriate to recognize actual cash transactions that are recorded in the CAFR as liabilities. Such adjustments include recognizing inter-fund loans, debt financing, and certain accruals as funding sources available for appropriation or as funding uses that reduce funds available for other purposes. These adjustments must be annually reconciled to the audited CAFR.

## RESTRICTED RESERVES

### **Debt Service Reserve**

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

### **Debt Proceeds Reserve**

Bond covenants prescribe the use of debt financing proceeds. Debt proceeds typically fund capital projects as described in various bond issues. Debt proceeds, however, are not claimed until project expenses are incurred. Unclaimed debt proceeds are held in trust and identified in Debt Proceeds Reserves.

### **Restricted Operating Reserve - Water Utility Enterprise Fund**

Revenue Bond covenants for the Water Utility Enterprise

require the provision of an Operating Reserve that is only to be used to meet operating needs if there are no other funding sources available. The minimum funding level required by bond covenants is one month of maintenance and operations costs. Any amounts in excess of the minimum are discretionary and therefore held in the Designated Operating Reserve.

### **Rate Stabilization Reserve for Bond Covenant - Water Utility Enterprise Fund**

Revenue Bond covenants for the Water Utility Enterprise require the provision of a Rate Stabilization Reserve to offset extraordinary expenses and revenue shortfalls, and to supplement District revenues to meet Debt Service Coverage requirements. The minimum funding level required by bond covenants is 10% of annual debt service due on all Parity Obligations with the maximum capped at the 20% level per this policy. The specific level set within this range is to be financially prudent and based on reasonably anticipatable needs.

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

This reserve is required by District contractual obligations with the U.S. Bureau of Reclamation for the operation and maintenance of the San Felipe Division of the Central Valley Project. The purpose of the reserve is to provide resources for unusual operation and maintenance costs incurred during periods of special stress caused by damaging droughts, storms, earthquakes, floods, or emergencies threatening or causing interruption of water service. Use of this reserve requires authorization by the U.S. Department of the Interior. Per contract, the funding level is accumulated in annual deposits of \$200,000 until the reserve totals \$1.75 million after which interest earned on the reserve is deposited annually.

### **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

# Financial Summaries

Water Project contract obligations. Funds accumulated in this reserve will be available to fund State Water Project contract obligations in subsequent years.

## **Currently Authorized Projects Reserve - Safe, Clean Water Fund**

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

A portion of these reserves are automatically re-budgeted at the beginning of the following fiscal year consistent with those projects that have been identified in the 5-Year CIP for funding in that year. All remaining amounts shall stay in these reserves during the fiscal year unless a budget adjustment requiring the use of these reserves is approved by the Board. At the end of each fiscal year, these reserves shall also be adjusted for any capital projects that are closed out consistent with the 5-Year CIP.

## **Encumbrance Reserves - Safe, Clean Water Fund**

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

## **Operating and Capital Reserve - Safe, Clean Water Fund**

This reserve serves several purposes: to ensure

adequate working capital for cash flow needs; to provide a funding source for operating & capital needs that arise during the year and, The funding level for the Watershed Funds is a minimum of 50% of budgeted operations. The minimum level for each fund includes remaining available resources after the needs of all other reserves within those funds have been met. The specific level of this reserve is to be set based on reasonably anticipated needs.

## **COMMITTED RESERVES**

### **Market Valuation Reserve**

The reserve for market valuation represents the increase/gain (only) in the market value of the District's pooled investments as of the end of the fiscal year as a result of its compliance with the provisions of Government Accounting Standard Board Statement No. 31 (GASB 31), Accounting and Financial Reporting for Certain Investments and for External Investment Pools. GASB 31 requires the District to report investments at fair market value in the Statement of Net Assets, the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Because of this requirement, investment income must be adjusted to reflect the fair value change from one fiscal year to the next fiscal year. However, the District's investment policy dictates a buy-and-hold strategy in which, with very few exceptions, the District holds all securities to their maturity, thereby not incurring loss or gain that could impact the size and yield of the investment portfolio. This reserve does not represent cash available for appropriation and was established to ensure that the increase in the investment value does not result in an overstatement of funding available for expenditure.

### **Liability/Workers' Compensation Self-Insurance Reserve**

The Liability/Workers' Compensation Self-Insurance

# Financial Summaries

Reserve is to ensure that the District's self-insurance programs have adequate resources for general liability and workers compensation ultimate payouts for both known and incurred but not reported claims.

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

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

## **Property Self-Insurance/Catastrophic Reserve**

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

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

Fund charges.

## **Floating Rate Debt Payment Stabilization Reserve**

This reserve is intended to stabilize the debt service payments on floating rate debt which by its nature fluctuates constantly. This reserve will be for long-term floating rate debt and not short-term floating rate debt (i.e., commercial paper). The reserve will be funded initially at 10% of the floating rate debt service interest payment. The maximum amount is no more than 20% of total floating rate debt service interest payments for a fiscal year. Excess funds over 20% will be used to pay down floating rate debt when advisable (i.e., based on market conditions, future issuance plans, etc.). The minimum amount is 0. Should payments for floating rate interest in a given fiscal year exceeds budgeted amounts, this reserve will be drawn down to provide stabilization of debt service interest payments.

## **Silicon Valley Advanced Water Purification Center Reserve - Water Utility Enterprise Fund**

This reserve serves as a fund for replacement of micro filtration modules, reverse osmosis elements, and ultra violet 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 FY2009-10 and adjusted annually by 3% for inflation, thereafter, until such time that the reserve reaches the reserve cap. The reserve cap is set in FY2013-14 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 microfiltration modules and reverse osmosis elements. The specific level of this reserve is to be set based on reasonably anticipated needs and uses.

# Financial Summaries

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

The purpose of this reserve is to fund 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 reserve level is set at 20% - 50% of the annual imported water purchases budget based on prudent projections of hydrology, Delta conditions, and the water market.

## **Drought Reserve**

The purpose of this reserve is to fund 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 reserve maximum is set at 10% of operating outlays.

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

This reserve serves several purposes: to ensure adequate working capital for cash flow needs; to provide a funding source for operating & 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 budgeted 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 budgeted operations outlays. The minimum level for each fund includes remaining available resources after the needs of all other reserves within those funds have been met. The specific level of this reserve is to be set based on reasonably anticipated needs.

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

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

A portion of these reserves are automatically re-budgeted at the beginning of the following fiscal year consistent with those projects that have been identified in the 5-Year CIP for funding in that year. All remaining amounts shall stay in these reserves during the fiscal year unless a budget adjustment requiring the use of these reserves is approved by the Board. At the end of each fiscal year, these reserves shall also be adjusted for any capital projects that are closed out consistent with the 5-Year CIP.

## **ASSIGNED RESERVES**

### **Encumbrance Reserves - except for Safe, Clean Water Fund**

This reserve represents the balance of outstanding encumbrances (contractual commitments) at year end, for which the goods or services have not been received. The reserved fund balance is available for

# Financial Summaries

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.

# Financial Summaries

## Reserves

	Budgetary Basis Actual 2013-14	Adopted Budget 2014-15	Projected Year End 2014-15	Adopted Budget 2015-16	Change from 2014-15 Adopted	
					\$ Diff	% Diff

### GENERAL FUND

#### Committed Reserves

Operating & Capital Reserve	\$ 7,329,294	\$ 2,991,195	\$ 2,584,179	\$ 4,151,089	\$ 1,159,894	38.8%
Currently Authorized Projects	650,368	—	—	—	—	—
<b>Total General Fund Reserves</b>	<b>\$ 7,979,662</b>	<b>\$ 2,991,195</b>	<b>\$ 2,584,179</b>	<b>\$ 4,151,089</b>	<b>\$ 1,159,894</b>	<b>38.8%</b>

### SPECIAL REVENUE FUNDS (WATERSHEDS)

#### Restricted Reserves

Operating & Capital Reserve	\$ 24,886,574	\$ 17,911,523	\$ 4,209,107	\$ 27,019,000	\$ 9,107,477	50.8%
Currently Authorized Projects	155,210,858	21,188,000	40,459,783	29,262,000	8,074,000	38.1%
<b>Total Restricted Reserves</b>	<b>\$ 180,097,432</b>	<b>\$ 39,099,523</b>	<b>\$ 44,668,890</b>	<b>\$ 56,281,000</b>	<b>\$ 17,181,477</b>	<b>43.9%</b>

#### Committed Reserves

Operating & Capital Reserve	\$ 54,763,340	\$ 68,227,770	\$ 38,378,032	\$ 46,548,398	\$ (21,679,372)	(31.8)%
Currently Authorized Projects	38,894,090	12,667,000	27,010,382	18,183,000	5,516,000	43.5%
<b>Total Committed Reserves</b>	<b>\$ 93,657,430</b>	<b>\$ 80,894,770</b>	<b>\$ 65,388,414</b>	<b>\$ 64,731,398</b>	<b>\$ (16,163,372)</b>	<b>(20.0)%</b>
<b>Total Special Revenue Funds Reserves</b>	<b>\$ 273,754,862</b>	<b>\$ 119,994,293</b>	<b>\$ 110,057,304</b>	<b>\$ 121,012,398</b>	<b>\$ 1,018,105</b>	<b>0.8%</b>
<b>Total Governmental Funds</b>	<b>\$ 281,734,524</b>	<b>\$ 122,985,488</b>	<b>\$ 112,641,483</b>	<b>\$ 125,163,487</b>	<b>\$ 2,177,999</b>	<b>1.8%</b>

### WATER ENTERPRISE & STATE WATER PROJECT FUNDS

#### Restricted Reserves

Restricted Operating Reserve	\$ 13,139,620	\$ 13,893,128	\$ 13,893,128	\$ 17,493,514	\$ 3,600,386	25.9%
WUE- Rate Stabilization Reserve for Bond Covenant	1,750,866	2,139,431	2,139,431	2,082,388	(57,043)	(2.7)%
San Felipe Emergency Reserve	4,000,574	3,980,534	3,980,534	4,000,000	19,466	0.5%
State Revolving Debt Service Reserve	401,263	401,263	401,263	401,263	0	(0.0)%
State Water Project Tax Reserve	4,476,521	1,611,815	4,626,046	2,817,073	1,205,258	74.8%
Debt Service Reserve	6,250,178	5,934,365	6,250,178	6,250,178	315,813	5.3%
<b>Total Restricted Reserves</b>	<b>\$ 30,019,022</b>	<b>\$ 27,960,536</b>	<b>\$ 31,290,580</b>	<b>\$ 33,044,415</b>	<b>\$ 5,083,879</b>	<b>18.2%</b>

#### Committed Reserves

Operating & Capital Reserve	\$ 19,182,432	\$ 33,269,758	\$ 13,871,330	\$ 37,155,236	\$ 3,885,478	11.7%
WUE- Supplemental Water Supply	9,728,974	9,861,838	1,329,954	12,736,141	2,874,303	29.1%
Floating Rate Debt Stabilization	353,000	148,400	148,400	—	(148,400)	(100.0)%
SV Advanced Water Purification Center	—	939,000	939,000	1,906,000	967,000	103.0%
Currently Authorized Projects	35,113,870	3,612,000	6,026,666	3,382,000	(230,000)	(6.4)%
<b>Total Committed Reserves</b>	<b>\$ 64,378,276</b>	<b>\$ 47,830,996</b>	<b>\$ 22,315,350</b>	<b>\$ 55,179,377</b>	<b>\$ 7,348,381</b>	<b>15.4%</b>
<b>Total Water Enterprise Funds Reserves</b>	<b>\$ 94,397,298</b>	<b>\$ 75,791,532</b>	<b>\$ 53,605,930</b>	<b>\$ 88,223,793</b>	<b>\$ 12,432,261</b>	<b>16.4%</b>

### INTERNAL SERVICE FUNDS:

#### Committed Reserves

Operating & Capital Reserve	\$ 898,844	\$ 526,172	\$ 933,395	\$ 1,464,686	\$ 938,514	178.4%
Currently Authorized Projects	2,899,590	—	3,521,000	1,692,000	1,692,000	—
Liability/Workers' Comp Self Insurance	7,011,000	7,011,000	6,092,000	6,500,000	(511,000)	(7.3)%

# Financial Summaries

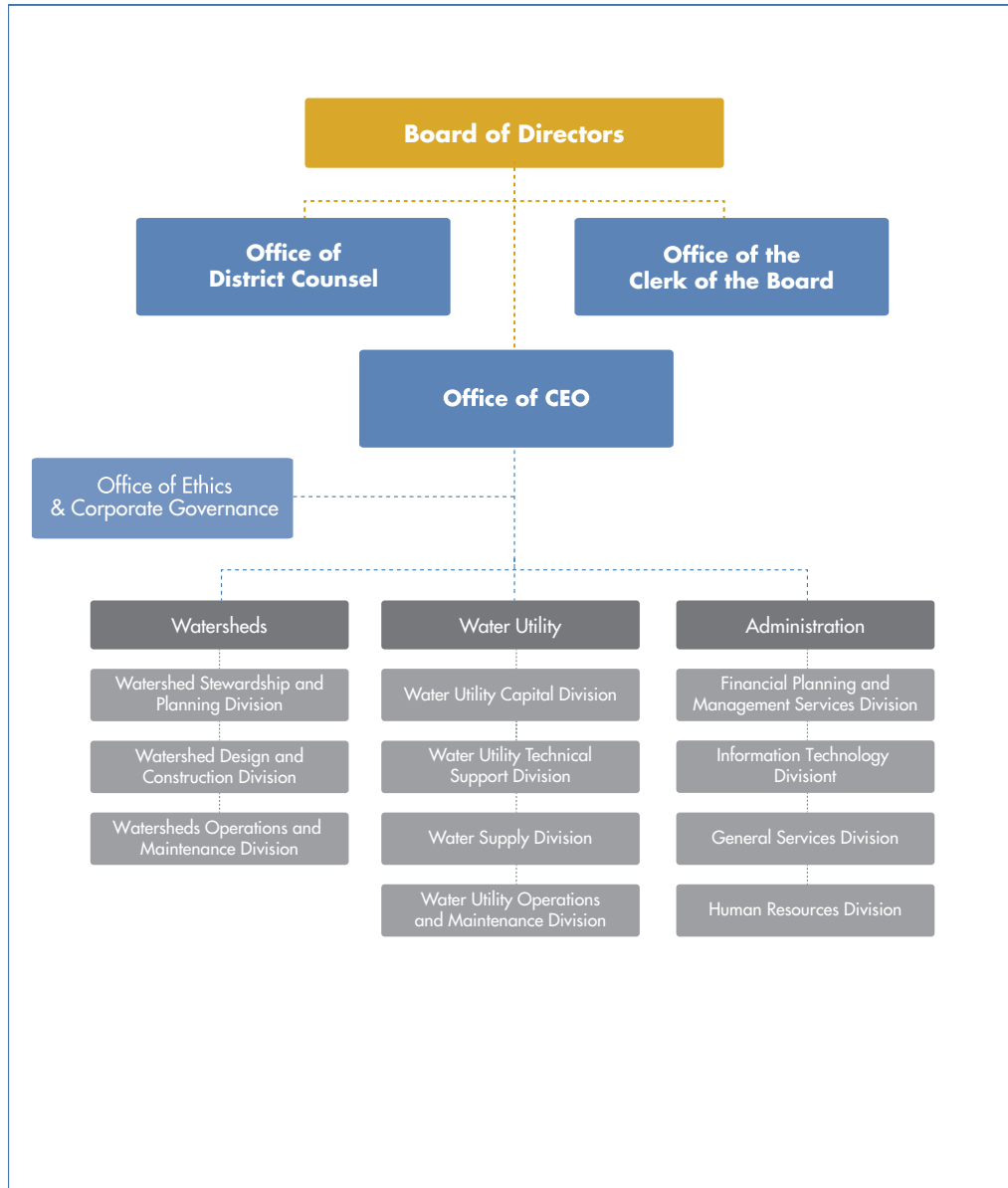
	Budgetary	Adopted	Projected	Adopted	Change from	
	Basis Actual	Budget	Year End	Budget	2014-15 Adopted	
	2013-14	2014-15	2014-15	2015-16	\$ Diff	% Diff
Property Self Insurance/Catastrophic	4,407,681	5,495,441	4,997,167	5,051,176	(444,265)	(8.1)%
<b>Total Internal Service Funds Reserves</b>	<b>\$ 15,217,115</b>	<b>\$ 13,032,613</b>	<b>\$ 15,543,562</b>	<b>\$ 14,707,862</b>	<b>\$ 1,675,249</b>	<b>12.9%</b>
<b>Total Proprietary Funds</b>	<b>\$ 109,614,413</b>	<b>\$ 88,824,145</b>	<b>\$ 69,149,492</b>	<b>\$ 102,931,655</b>	<b>\$ 14,107,510</b>	<b>15.9%</b>

## TOTAL RESERVE SUMMARIES

Total Proprietary Funds	\$ 109,614,413	\$ 88,824,145	\$ 69,149,492	\$ 102,931,655	\$ 14,107,510	15.9%
Total Governmental Funds	281,734,524	122,985,488	112,641,483	125,163,487	2,177,999	1.8%
<b>Total Year-End Reserves</b>	<b>\$ 391,348,937</b>	<b>\$ 211,809,633</b>	<b>\$ 181,790,975</b>	<b>\$ 228,095,142</b>	<b>\$ 16,285,509</b>	<b>7.7%</b>
Total Restricted Reserves	210,116,454	67,060,059	75,959,470	89,325,415	22,265,356	33.2%
Total Committed Reserves	181,232,483	144,749,574	105,831,505	138,769,726	(5,979,848)	(4.1)%
<b>Total Year-End Reserves</b>	<b>\$ 391,348,937</b>	<b>\$ 211,809,633</b>	<b>\$ 181,790,975</b>	<b>\$ 228,095,142</b>	<b>\$ 16,285,509</b>	<b>7.7%</b>



# Financial Summaries



# Financial Summaries

## Budget Summary

	Budgetary Basis Actual 2013-14	Adopted Budget 2014-15	Adopted Budget 2015-16	Change from 2014-15 Adopted	
				\$ Diff	% Diff
<b>CEO AND BOARD APPOINTED OFFICERS</b>					
Salaries and Benefits	\$ 9,329,091	\$ 10,941,233	\$ 11,476,340	\$ 535,107	5.7%
Services and Supplies	7,339,084	10,635,492	9,217,742	(1,417,750)	(19.3)%
<b>Subtotal</b>	<b>\$ 16,668,175</b>	<b>\$ 21,576,725</b>	<b>\$ 20,694,082</b>	<b>\$ (882,643)</b>	<b>(5.3)%</b>
Fixed Assets	—	—	—	—	—
Debt Service	—	—	—	—	—
<b>Total</b>	<b>\$ 16,668,175</b>	<b>\$ 21,576,725</b>	<b>\$ 20,694,082</b>	<b>\$ (882,643)</b>	<b>(5.3)%</b>
<b>ADMINISTRATION</b>					
Salaries and Benefits	\$ 27,610,336	\$ 28,853,738	\$ 23,060,346	\$ (5,793,392)	(21.0)%
Services and Supplies	22,387,591	26,054,045	27,201,215	1,147,170	5.1%
<b>Subtotal</b>	<b>\$ 49,997,927</b>	<b>\$ 54,907,783</b>	<b>\$ 50,261,561</b>	<b>\$ (4,646,222)</b>	<b>(9.3)%</b>
Fixed Assets	4,356,724	5,133,200	4,882,699	(250,501)	(5.7)%
Debt Service	30,756,620	33,012,463	34,323,034	1,310,571	4.3%
<b>Total</b>	<b>\$ 85,111,271</b>	<b>\$ 93,053,446</b>	<b>\$ 89,467,294</b>	<b>\$ (3,586,152)</b>	<b>(4.2)%</b>
<b>WATER ENTERPRISE</b>					
Salaries and Benefits	\$ 53,588,104	\$ 54,171,043	\$ 57,102,279	\$ 2,931,236	5.5%
Services and Supplies	87,402,510	97,350,871	5,437,525	(91,913,346)	(105.2)%
<b>Subtotal</b>	<b>\$ 140,990,614</b>	<b>\$ 151,521,914</b>	<b>\$ 62,539,804</b>	<b>\$ (88,982,110)</b>	<b>(63.1)%</b>
Fixed Assets	32,892,799	60,023,290	80,906,100	20,882,810	63.5%
<b>Total</b>	<b>\$ 173,883,413</b>	<b>\$ 211,545,204</b>	<b>\$ 143,445,904</b>	<b>\$ (68,099,300)</b>	<b>(39.2)%</b>
<b>WATERSHEDS</b>					
Salaries and Benefits	\$ 35,795,898	\$ 34,378,784	\$ 36,554,747	\$ 2,175,963	6.1%
Services and Supplies	72,669,005	66,730,420	76,975,110	10,244,690	14.1%
<b>Subtotal</b>	<b>\$ 108,464,903</b>	<b>\$ 101,109,204</b>	<b>\$ 113,529,857</b>	<b>\$ 12,420,653</b>	<b>11.5%</b>
Fixed Assets	142,751,700	104,876,000	179,261,150	74,385,150	52.1%
<b>Total</b>	<b>\$ 251,216,603</b>	<b>\$ 205,985,204</b>	<b>\$ 292,791,007</b>	<b>\$ 86,805,803</b>	<b>34.6%</b>
<b>DISTRICT WIDE</b>					
Salaries and Benefits	\$ 126,323,429	\$ 128,344,798	\$ 128,193,712	\$ (151,086)	(0.1)%
Services and Supplies	189,798,190	200,770,828	118,831,592	(81,939,236)	(43.2)%
<b>Subtotal</b>	<b>\$ 316,121,619</b>	<b>\$ 329,115,626</b>	<b>\$ 247,025,304</b>	<b>\$ (82,090,322)</b>	<b>(26.0)%</b>
Fixed Assets	180,001,223	170,032,490	265,049,949	95,017,459	52.8%
Debt Service	30,756,620	33,012,463	34,323,034	1,310,571	4.3%
<b>Total</b>	<b>\$ 526,879,462</b>	<b>\$ 532,160,579</b>	<b>\$ 546,398,287</b>	<b>\$ 14,237,708</b>	<b>2.7%</b>

# **WATERSHED MANAGEMENT FUNDS**

## Overview

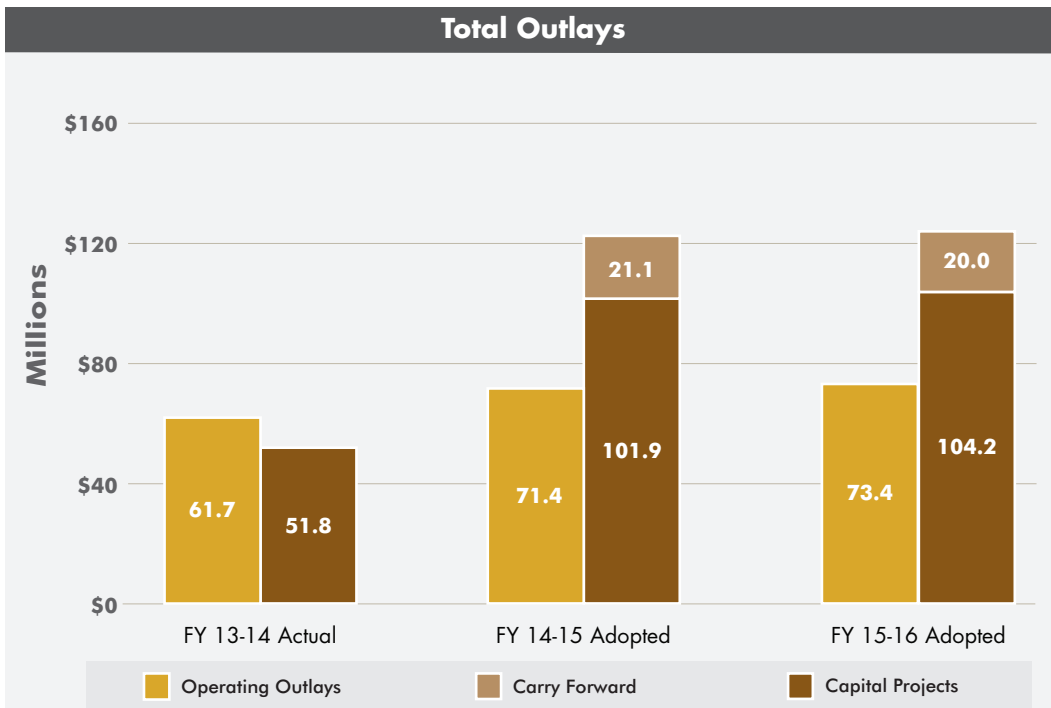
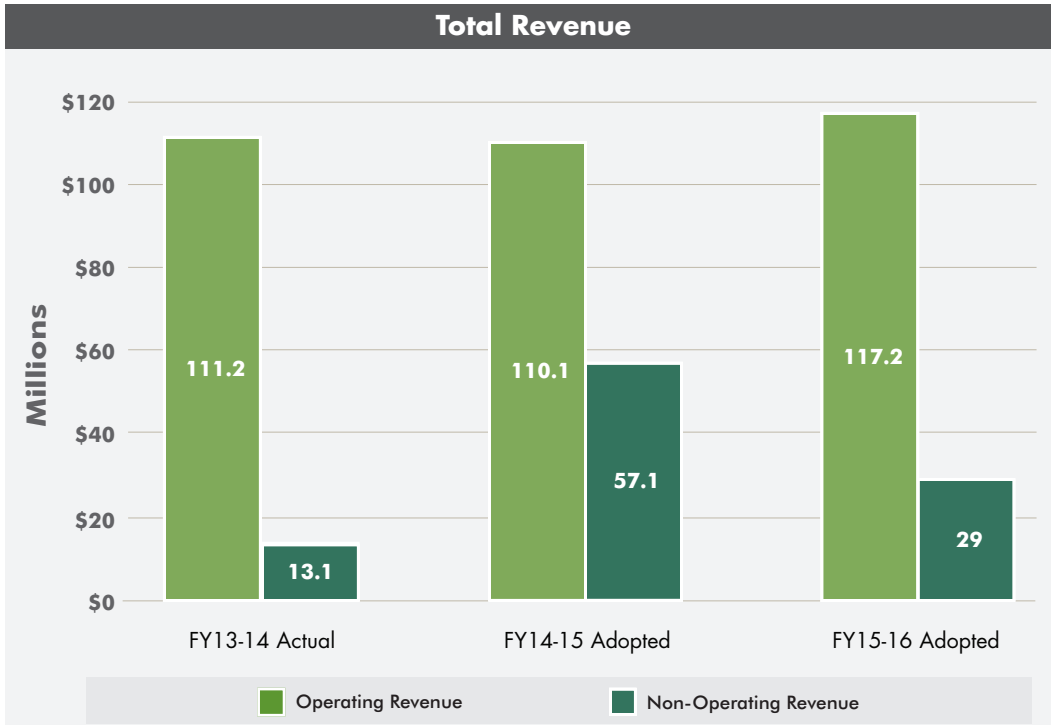
The Board of Directors defines Watershed stewardship as the management of natural resources in a manner that fosters ecosystem health, improved water quality, flood protection and compatible recreational opportunities. The Watersheds Chief Operating Officer leads the implementation of the watershed stewardship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

- Watershed and Stream Stewardship (Fund 12)
- Safe, Clean Water and Natural Flood Protection (Fund 26)
- Benefit Assessment Funds (Fund 21, 22, 23, 24, and 25)

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

# Financial Summaries

## Water Management Funds



FY2014-15 Capital distinguishes between current year budget and re-appropriated funds carried forward from prior years. FY2015-16 Capital identifies the new budget and illustrates prior year funding estimated to be carried forward.

# Financial Summaries

## Watershed Management Funds Summary

	Budgetary	Adopted	Projected	Adopted	Change from	
	Basis Actual	Budget	Year End	Budget	2014-15 Adopted	
	2013-14	2014-15	2014-15	2015-16	\$ Diff	% Diff
<b>Revenue Sources:</b>						
<b>Operating Revenue:</b>						
Property Taxes	\$ 57,631,007	\$ 54,641,400	\$ 59,567,039	\$ 61,602,885	\$ 6,961,485	12.7%
Special Parcel Tax	37,259,124	38,766,960	38,766,960	40,123,804	1,356,844	3.5%
Benefit Assessments	16,142,957	16,078,545	16,078,545	14,777,804	(1,300,741)	(8.1)%
Intergovernmental Services	144,910	400,000	—	500,000	100,000	25.0%
Other	132,263	206,000	206,000	212,180	6,180	3.0%
<b>Total Operating Rev</b>	<b>\$ 111,177,998</b>	<b>\$ 110,092,905</b>	<b>\$ 114,618,544</b>	<b>\$ 117,216,673</b>	<b>\$ 7,123,768</b>	<b>6.5%</b>
<b>Non-Operating Income</b>						
Interest*	\$ 1,472,532	\$ 1,328,337	\$ 1,328,337	\$ 1,800,000	\$ 471,663	35.5%
Capital Reimb	9,617,805	53,793,000	20,781,000	25,569,000	(28,224,000)	(52.5)%
Other	2,019,656	1,954,110	1,954,110	1,652,924	(301,186)	(15.4)%
<b>Total Non-Operating Income</b>	<b>\$ 13,109,993</b>	<b>\$ 57,075,447</b>	<b>\$ 24,063,447</b>	<b>\$ 29,021,924</b>	<b>\$ (28,053,523)</b>	<b>(49.2)%</b>
<b>Total Revenue</b>	<b>\$ 124,354,123</b>	<b>\$ 167,168,352</b>	<b>\$ 138,681,991</b>	<b>\$ 146,238,597</b>	<b>\$ (20,929,755)</b>	<b>(12.5)%</b>
<b>Operating Outlays:</b>						
Operations	\$ 44,092,359	\$ 53,786,021	\$ 53,258,196	\$ 55,629,313	\$ 1,843,292	3.4%
Operating Projects	4,331,259	4,341,918	6,078,272	4,214,374	(127,544)	(2.9)%
Debt Service	13,255,123	13,252,984	13,252,984	13,605,844	352,860	2.7%
<b>Total Operating Outlays</b>	<b>\$ 61,678,741</b>	<b>\$ 71,380,923</b>	<b>\$ 72,589,452</b>	<b>\$ 73,449,531</b>	<b>\$ 2,068,608</b>	<b>2.9%</b>
Capital Projects	51,825,562	101,850,891	103,369,194	104,176,879	2,325,988	2.3%
Carried Forward Capital Projects	—	21,105,299	126,634,783	20,025,165	(1,080,134)	(5.1)%
<b>Total Capital Outlays</b>	<b>\$ 51,825,562</b>	<b>\$ 122,956,190</b>	<b>\$ 230,003,977</b>	<b>\$ 124,202,044</b>	<b>\$ 1,245,854</b>	<b>1.0%</b>
<b>Other Financing Sources/(Uses):</b>						
Commercial Paper Proceeds	\$ —	\$ —	\$ —	\$ 75,000,000	\$ 75,000,000	—
Certificates of Participation	—	7,000,000	7,000,000	3,000,000	(4,000,000)	(57.1)%
Transfers In	14,834,564	2,825,561	2,825,561	2,577,960	(247,601)	(8.8)%
Transfers Out	(18,940,620)	(9,611,681)	(9,611,681)	(18,209,888)	(8,598,207)	89.5%
<b>Total Other Sources/(Uses)</b>	<b>\$ (4,106,056)</b>	<b>\$ 213,880</b>	<b>\$ 213,880</b>	<b>\$ 62,368,072</b>	<b>\$ 62,154,192</b>	<b>**</b>
<b>Balance Available</b>	<b>\$ 6,743,764</b>	<b>\$ (26,954,881)</b>	<b>\$ (163,697,558)</b>	<b>\$ 10,955,094</b>	<b>\$ —</b>	<b>—</b>
<b>Year-End Reserves:</b>						
<b>Restricted Reserves</b>						
Currently Authorized Projects***	\$ 155,210,858	\$ 21,188,000	\$ 40,459,783	\$ 29,262,000	\$ 8,074,000	38.1%
Operating & Capital Reserve	24,886,574	17,911,523	4,209,107	27,019,000	9,107,477	50.8%
<b>Total Restricted Reserves</b>	<b>\$ 180,097,432</b>	<b>\$ 39,099,523</b>	<b>\$ 44,668,890</b>	<b>\$ 56,281,000</b>	<b>\$ 17,181,477</b>	<b>43.9%</b>
<b>Committed Reserves</b>						
Operating & Capital Reserve	\$ 54,763,340	\$ 68,227,770	\$ 38,378,032	\$ 46,548,398	\$ (21,679,372)	(31.8)%
Currently Authorized Projects***	38,894,090	12,667,000	27,010,382	18,183,000	5,516,000	43.5%
<b>Total Committed Reserves</b>	<b>\$ 93,657,430</b>	<b>\$ 80,894,770</b>	<b>\$ 65,388,414</b>	<b>\$ 64,731,398</b>	<b>\$ (16,163,372)</b>	<b>(20.0)%</b>
<b>Total Year-End Reserves</b>	<b>\$ 273,754,862</b>	<b>\$ 119,994,293</b>	<b>\$ 110,057,304</b>	<b>\$ 121,012,398</b>	<b>\$ 1,018,105</b>	<b>0.8%</b>

# Financial Summaries

	Budgetary Basis Actual 2013-14	Adopted Budget 2014-15	Projected Year End 2014-15	Adopted Budget 2015-16	Change from 2014-15 Adopted	
					\$ Diff	% Diff
<b>Uncommitted Funds</b>			\$ 0	\$ 0		

(\*) Interest revenue does not include GASB31 market valuation adjustment

(\*\*\*) 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 the District's ad valorem property tax allocation. Beginning in FY 2008-09, this fund was redefined to support all activities from the five watersheds funds supported by revenue from:

- All District's 1% ad valorem property tax allocation, except the portion allocated to District General Fund and Water Enterprise Fund
- Benefit assessments
- Capital reimbursement
- Intergovernmental revenue
- Interest revenue

The revenues in the Watershed and Stream Stewardship Fund are used to provide:

- Environmentally responsible maintenance of flood conveyance and ecological assets to preserve or improve flood protection, water quality, or environmental values including sediment removal; levee maintenance; erosion protection; debris removal; vegetation management; invasive species removal and control; Good Neighbor Maintenance - trash and graffiti removal; corrective maintenance - property, fence and road repairs
- Administration of the Water Resources Protection Ordinance to protect District assets
- Consultation with other agencies to manage flood risk and to protect ecological assets
- Emergency preparedness/response including sandbags and efforts to respond to or reduce the threat of fires
- Protection and improvement of water quality from urban runoff and other stream impairments

- Monitoring and assessing the condition and performance of both flood conveyance and environmental assets in the watersheds
- Public outreach and education
- Other program activities such as work improvement efforts, floodplain management, hydrology, safety training and workforce development

Programs and projects are designed to fulfill each goal. Following each goal statement is a list of projects that are included in the FY 2015-16 budget.

Targets for sediment removal, field condition assessments, levee maintenance and erosion protection are based on the Notice of Proposed Work (NPW) submitted to the regulatory agencies every year in April. The NPW consists of all potential work identified for that season. However, it is expected that not all work listed in the NPW will be completed because of numerous reasons, such as biological restrictions due to nesting birds. In addition, as the work season progresses, a second NPW may be submitted for work later identified as necessary and not included in the April submittal.

### Outcomes

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

*Major Capital Projects:*

- Berryessa Creek, Lower Penitencia Creek to Calaveras Boulevard
- Upper Penitencia Creek, Coyote Creek to Dorel Drive
- Lower Penitencia Creek Capacity Restoration, Berryessa Creek to Coyote Creek
- Lower Silver Creek Reaches 4-6, I-680 to Cunningham Avenue
- Lower Llagas Creek Capacity Restoration, Buena Vista Road to Pajaro River
- Lake Cunningham Improvements



# Financial Summaries

- Palo Alto Flood Basin Structure Improvements  
*Maintain conveyance capacity of modified channels:*  
Effectively and efficiently maintain and operate flood water conveyance channels to design specifications including sustainable sediment management, vegetation management and debris removal.
- Sediment Removal: Remove approximately 27,519 cubic yards of sediment.
- Watershed Property Vegetation: Control 2,312 acres of upland vegetation
- Debris Removal: 2,780 cubic yards of trash/debris removal

## **Goal 3.2: Reduced potential for flood damages**

Reduce the risk of flooding from creeks: preparing for and responding to flood emergencies; implementing the Water Resources Protection Ordinance; consulting with and supporting external agencies for floodplain management; maintaining and improving our flood warning system.

- Field Condition Assessment Creek Inspection of approximately: Inspect approximately 1,771,771 linear feet (336 miles) of creek.
- Levee Inspection and Maintenance: Inspect approximately 739,255 linear feet (140 miles) of levee and perform maintenance on approximately 2,275 linear feet of levee (some of the levee repair work has also been included in the Watershed Erosion Protection estimate herein).
- Sandbags: Provide approximately 40,000 filled bags

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

Protect and restore creek and bay ecosystems : managing mitigation and enhancement sites; monitoring the biological values along the creeks and bay; understanding the natural hydrology of the watersheds; responding to hazardous material incidents; educating residents on creek stewardship; conducting stormwater runoff pollution prevention

activities and continuing Good Neighbor Maintenance will remove trash from visible creek reaches, repair fences as needed for public safety, coordinate with the cities for cleanup of illegal encampments, respond to requests for trash and graffiti removal within 5 working days and respond to Adopt-A-Creek trash pickups.

- Watershed Erosion Protection (stream bank stabilization): Stabilize approximately 1,555 linear feet of stream bank.

### *Capital Projects:*

- SMP Mitigation, Stream and Watershed Land Preservation

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

Provides for additional recreational opportunities through partnering with cities and the county for the creation of creekside trails and open space

## **Goal: 4.3: Strive for zero net greenhouse gas emission or carbon neutrality**

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

## **Fiscal Status**

Property tax revenue is projected at \$61.6 million, a 12.7% increase from FY 2014-15.

Interest earnings are projected at \$0.7 million, a 18% increase from FY 2014-15.

\$22 million is budgeted as Capital Reimbursement for the following:

- \$6 million for Prop 1E (Berryessa)
- \$12.0 million for State Bond (Lower Silver Creek)
- \$4.0 million for Joint Powers Authority (San Francisquito)

\$1.7 million is budgeted as Other Non Operating Income for rental income and other misc. income

\$2.6 million is budgeted to be transferred in from

# Financial Summaries

Benefit Assessment Fund for the excess amount over the debt obligations.

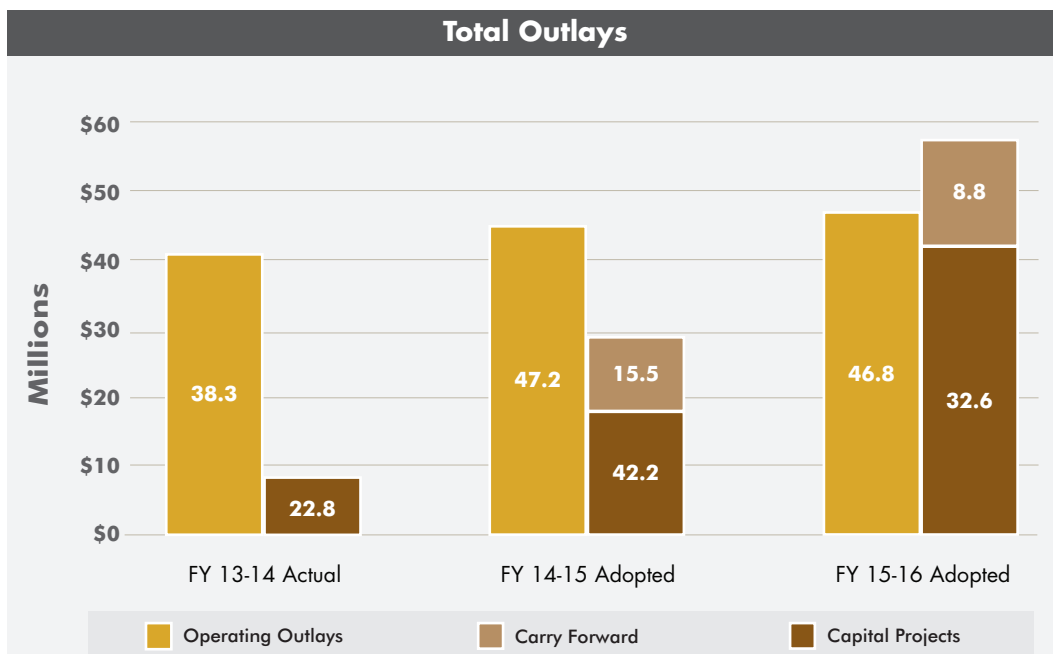
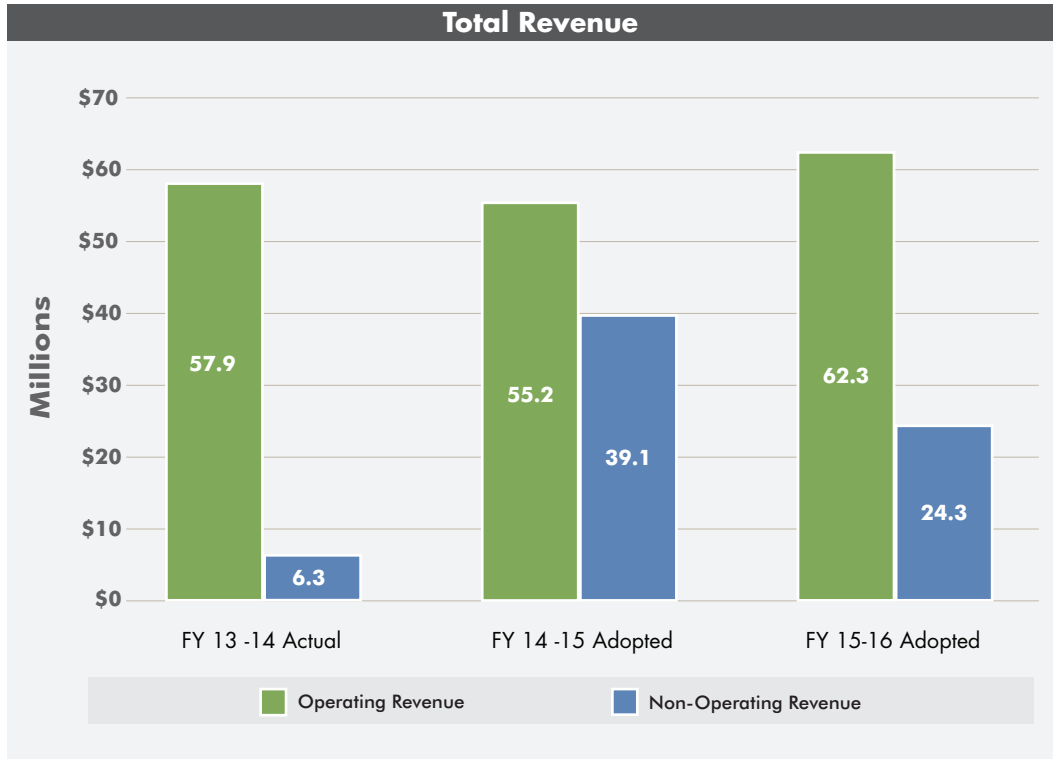
\$1.6 million is budgeted to be transferred out from Watershed and Stream Stewardship fund as follows:

- \$0.4 million to General Fund (11) for HQ Operations Building & Winfield capital improvements
- \$1.2 million to Water Enterprise fund (61) for Open Space Credit

## Budget Issues

- Lengthened permit renewal process has the potential to delay capital construction.
- Continued implementation of the new Stream Maintenance Program regulatory permits remains a high priority.
- Concern for increased regulatory fees and mitigation requirements as part of permit renewal continues.
- Efforts continue in updating the hydrological and geomorphological databases to provide critical information for the foundation for core business.

## Watershed and Stream Stewardship Fund



FY 2014-15 Capital distinguishes between current year budget and re-appropriated funds carried forward from prior years.  
 FY 2015-16 Capital identifies the new budget and illustrates prior year funding estimated to be carried forward.

# Financial Summaries

## Watershed and Stream Stewardship Fund

	Budgetary	Adopted	Projected	Adopted	Change from	
	Basis Actual	Budget	Year End	Budget	2014-15 Adopted	
	2013-14	2014-15	2014-15	2015-16	\$ Diff	% Diff
<b>Revenue Sources:</b>						
<b>Operating Revenue:</b>						
Property Taxes	\$ 57,631,007	\$ 54,641,400	\$ 59,567,039	\$ 61,602,885	\$ 6,961,485	12.7%
Intergovernmental Services	144,910	400,000	—	500,000	100,000	25.0%
Other	132,263	206,000	206,000	212,180	—	—
<b>Total Operating Revenue</b>	<b>\$ 57,908,180</b>	<b>\$ 55,247,400</b>	<b>\$ 59,773,039</b>	<b>\$ 62,315,065</b>	<b>\$ 7,067,665</b>	<b>12.8%</b>
<b>Non Operating Income</b>						
Interest*	\$ 606,747	\$ 553,329	\$ 553,329	\$ 650,000	\$ 96,671	17.5%
Capital Reimb	4,024,203	36,837,000	15,732,000	22,000,000	(14,837,000)	(40.3)%
Other	1,747,716	1,697,440	1,697,440	1,652,924	(44,516)	(2.6)%
<b>Total Non-Operating Income</b>	<b>\$ 6,378,666</b>	<b>\$ 39,087,769</b>	<b>\$ 17,982,769</b>	<b>\$ 24,302,924</b>	<b>\$ (14,784,845)</b>	<b>(37.8)%</b>
<b>Total Revenue</b>	<b>\$ 64,286,846</b>	<b>\$ 94,335,169</b>	<b>\$ 77,755,808</b>	<b>\$ 86,617,989</b>	<b>\$ (7,717,180)</b>	<b>(8.2)%</b>
<b>Operating Outlays:</b>						
Operations	\$ 35,560,424	\$ 44,530,157	\$ 44,002,332	\$ 44,490,104	\$ (40,053)	(0.1)%
Operating Projects	2,781,035	2,687,438	4,423,792	2,272,475	(414,963)	(15.4)%
<b>Total Operating Outlays</b>	<b>\$ 38,341,459</b>	<b>\$ 47,217,595</b>	<b>\$ 48,426,124</b>	<b>\$ 46,762,579</b>	<b>\$ (455,016)</b>	<b>(1.0)%</b>
Capital Projects	22,825,032	42,211,618	42,739,443	32,636,406	(9,575,212)	(22.7)%
Carried Forward Capital Projects	—	15,522,552	11,883,708	8,827,382	(6,695,170)	(43.1)%
<b>Total Capital Outlays</b>	<b>\$ 22,825,032</b>	<b>\$ 57,734,170</b>	<b>\$ 54,623,151</b>	<b>\$ 41,463,788</b>	<b>\$ (16,270,382)</b>	<b>(28.2)%</b>
<b>Other Financing Sources/(Uses):</b>						
Certificates of Participation	\$ —	\$ —	\$ —	\$ —	\$ —	**
Transfer in from Benefit Assess Fund	2,886,840	2,825,561	2,825,561	2,577,960	(247,601)	(8.8)%
Transfers In	—	—	—	—	—	**
Transfers Out	(15,850,980)	(5,801,110)	(5,801,110)	(1,626,598)	4,174,512	(72.0)%
<b>Total Other Sources/(Uses)</b>	<b>\$ (12,964,140)</b>	<b>\$ (2,975,549)</b>	<b>\$ (2,975,549)</b>	<b>\$ 951,362</b>	<b>\$ 3,926,911</b>	<b>(132.0)%</b>
<b>Balance Available</b>	<b>\$ (9,843,785)</b>	<b>\$ (13,592,145)</b>	<b>\$ (28,269,016)</b>	<b>\$ (657,016)</b>	<b>\$ —</b>	<b>—</b>
<b>Year-End Reserves:</b>						
<b>Committed Reserves</b>						
Operating & Capital Reserve	\$ 54,763,340	\$ 68,227,770	\$ 38,378,032	\$ 46,548,398	\$ (21,679,372)	(31.8)%
Currently Authorized Projects***	38,894,090	12,667,000	27,010,382	18,183,000	5,516,000	43.5%
<b>Total Committed Reserves</b>	<b>\$ 93,657,430</b>	<b>\$ 80,894,770</b>	<b>\$ 65,388,414</b>	<b>\$ 64,731,398</b>	<b>\$ (16,163,372)</b>	<b>(20.0)%</b>
<b>Total Year-End Reserves</b>	<b>\$ 93,657,430</b>	<b>\$ 80,894,770</b>	<b>\$ 65,388,414</b>	<b>\$ 64,731,398</b>	<b>\$ (16,163,372)</b>	<b>(20.0)%</b>
<b>Uncommitted Funds</b>			\$ 0	\$ 0		

(\* Interest revenue does not include GASB31 market valuation adjustment)

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

# Financial Summaries

## Total Outlays - Watershed and Stream Stewardship Fund

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
<b>Operations</b>					
10291002	Rental Expense Stevens Creek	243,682	350,186	355,498	General Services Division
10811042	West Watershed Technical Support	367,311	0	0	Watershed Operations & Maintenance Division
20081008	LP/WV/Guad Fac Condition Assmnt	729,037	0	0	Watershed Operations & Maintenance Division
20761011	LP/WV/Guad Gen Field Maint	814,239	0	0	Watershed Operations & Maintenance Division
20761021	LP/WV/Guad Debris Removal	631,517	0	0	Watershed Operations & Maintenance Division
20761041	LP/WV/Guad Erosion Protection	1,044,883	0	0	Watershed Operations & Maintenance Division
* 20771022	LP/WV/Guad Wtrshd Gd Neighbor	352,326	0	0	Watershed Operations & Maintenance Division
* 20771052	LP/WV/Guad Sediment Removal	1,500,741	0	0	Watershed Operations & Maintenance Division
20811011	LP/WV/Guad Levee Maintenance	737,685	0	0	Watershed Operations & Maintenance Division
30061004	Rent Exp Guadalupe Prior 7/1/01	193,032	220,782	222,666	General Services Division
30151026	Gud Rvr Mitgtn Moni Prog	755,085	635,053	893,970	Watershed Stwdship & Planning Division
30811042	Guad Watershed Technical Suppt	277,835	0	0	Watershed Operations & Maintenance Division
40061004	Rental Expense Coyote Wtrshd	9,743	18,006	18,766	General Services Division
40081008	Coy/Pajaro Facilities Condition Assmt	291,819	0	0	Watershed Stwdship & Planning Division
40761011	Coy/Pajaro General Field Maint	582,562	0	0	Watershed Stwdship & Planning Division
40761021	Coy/Pajaro Wtrshd Debris Rmvl	491,868	0	0	Watershed Stwdship & Planning Division
40761041	Coy/Pajaro Wtrshd Erosion Protection	110,912	0	0	Watershed Stwdship & Planning Division
* 40771024	Coy/Pajaro Wtrshd Gd Neighbor	330,691	0	0	Watershed Operations & Maintenance Division
* 40771054	Coy/Pajaro Wtrshd Sediment Rmvl	819,524	0	0	Watershed Stwdship & Planning Division
40811011	Coy/Pajaro Wtrshd Levee Maint	245,490	0	0	Watershed Stwdship & Planning Division
40811042	Coy Wtrshd Technical Support	343,403	0	0	Watershed Stwdship & Planning Division
50811042	Pajaro Watershed Tech Supp	177,097	0	0	Watershed Stwdship & Planning Division
62001090	Unscoped Projects-Budget Only	0	300,000	300,000	Office of COO Watershed
62011002	Watershed Asset Protection Supp	2,761,963	3,152,190	3,237,315	Watershed Stwdship & Planning Division
62021002	Watershed Emergency Operations	48,131	182,634	172,070	Watershed Operations & Maintenance Division
62021003	CPRU Tech Support	292,397	400,813	324,063	Watershed Stwdship & Planning Division
62021004	Vegetation Mgmt Tech Support	626,466	672,356	654,365	Watershed Operations & Maintenance Division
62021005	Stewardship & Planning Technical Support	295,640	0	0	Watershed Stwdship & Planning Division
62021007	Geomorphic Data Analysis	111,950	209,853	134,465	Watershed Stwdship & Planning Division

# Financial Summaries

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

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
* 62021008	Energy Management	5,296	7,235	4,842	Water Utility Technical Support Division
62021009	Watersheds O&M Eng&Insp Supp	0	933,300	716,014	Watershed Opearions &Maintenance Division
* 62031001	Watershed Revenue	105,236	116,641	85,241	Financial Planning and Mgmt Div
* 62031002	Grants Management	315,047	378,247	433,222	Financial Planning and Mgmt Div
* 62041022	Stream Maint Prog Mgmt	1,063,401	2,103,035	2,041,915	Watershed Opearions &Maintenance Division
62041023	Watershed Stewardship Policy & Coord	379,280	470,974	308,461	Watershed Stwdship &Planning Division
62041026	Watersheds Asset Mgt Plng Prgm	645,222	800,991	857,369	Water Utility Technical Support Division
62041027	Integrated Wtr Resrces Mstr Pln	1,041,074	1,743,321	1,802,788	Watershed Stwdship &Planning Division
* 62041039	Integrated Regional Water Mgmt	88,583	105,516	111,708	Water Supply Division
62041043	Environmental Services Tech Supp	226,054	304,641	258,957	Watershed Stwdship &Planning Division
* 62041046	Survey Record Mgmt	50,323	79,326	41,939	Watershed Design & Construction Division
* 62041047	Ecological Data Collection and Analysis	118,601	244,515	308,173	Watershed Stwdship &Planning Division
62061001	Watersheds Administration	4,730,794	4,699,760	5,065,212	Office of COO Watershed
62061002	Districtwide Salary Savings-12	0	0	(1,390,000)	Financial Planning and Mgmt Div
62061005	Flood Awareness	314,516	353,481	357,304	Office of COO Watershed
62061008	Basic Hydrology	493,040	469,842	435,216	Watershed Stwdship &Planning Division
* 62061019	Supp Volunteer Cleanup Effort	0	0	80,550	Office of COO Watershed
62061022	Watershed Ops Safety Implement	291,258	308,993	358,951	Human Resources Division
62061023	Watershed Ops Safety Training	406,603	559,762	441,095	Human Resources Division
62061028	WS Training & Development	583,039	475,116	1,128,195	Office of COO Watershed
62061029	Field Operations Support	413,979	455,719	485,409	Watershed Opearions &Maintenance Division
62061030	Special Tax Outcome Monitoring	11,201	0	0	Office of COO Watershed
62061042	Watershed Customer Relations	205,270	207,387	267,535	Office of COO Watershed
* 62061045	AM Framework Implementation	254,320	225,444	118,307	Water Utility Technical Support Division
* 62061046	District CMMS Administration	257,445	240,891	105,166	Water Utility Technical Support Division
* 62061048	Climate Change Adaptation/Mitg	0	127,339	175,615	Watershed Stwdship &Planning Division
* 62061054	Safe Clean Water Implementation	547,704	761,426	396,210	Watershed Stwdship &Planning Division
62061055	Watersheds O&M Admin Support	0	0	638,570	Watershed Opearions &Maintenance Division
* 62071041	Welding Services	58,376	58,402	60,900	General Services Division
62181005	SMP Mitigation Site Mgmt	62,722	117,231	387,252	Watershed Stwdship &Planning Division
* 62741042	Water Resources EnvPlng & Permtg	52,726	101,880	83,379	Water Utility Technical Support Division
62761006	Invasive Plant Management Prog	0	0	589,952	Watershed Opearions &Maintenance Division
62761008	Sandbag Program	196,675	277,318	275,569	Watershed Opearions &Maintenance Division

# Financial Summaries

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

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
62761009	Pond A4 Operations	56,596	155,072	110,522	Watershed Opearions &Maintenance Division
62761010	Watersheds Tree Maintenance	184,557	205,470	471,912	Watershed Opearions &Maintenance Division
* 62761022	Watershed Good Neighbor Maint	0	720,632	672,284	Watershed Opearions &Maintenance Division
* 62761023	Watershed Sediment Removal	0	3,462,833	2,916,222	Watershed Opearions &Maintenance Division
62761024	Watershed Facility Condition Assmnt	0	1,126,893	1,372,020	Watershed Opearions &Maintenance Division
62761025	Watershed General Field Maint	0	1,741,805	1,648,746	Watershed Opearions &Maintenance Division
62761026	Watershed Debris Removal	0	1,430,258	1,362,466	Watershed Opearions &Maintenance Division
62761027	Watershed Erosion Protection	0	2,171,020	2,460,942	Watershed Opearions &Maintenance Division
62761028	Watershed Levee Maintenance	0	2,540,323	1,806,703	Watershed Opearions &Maintenance Division
* 62761071	Emergency Preparedness Prog	473,091	634,884	553,374	Office of COO Watershed
* 62761072	Business Continuity Program	81,824	242,818	108,882	Office of COO Watershed
62761074	Corps Local Sponsor O&M	820,272	1,316,208	1,356,473	Watershed Opearions &Maintenance Division
* 62761075	Mgmt of Revegetation Projects	431,210	548,063	701,312	Watershed Opearions &Maintenance Division
* 62761078	Vegetation Management for Access	2,240,208	1,898,694	2,035,267	Watershed Opearions &Maintenance Division
* 62771011	InterAgency Urban Runoff Program	909,576	1,001,531	997,364	Watershed Stwdship &Planning Division
* 62771031	HAZMAT Emergency Response	71,171	98,670	113,540	Human Resources Division
62771068	Watershed Property Vegetation	1,669	0	0	Watershed Stwdship &Planning Division
* 62811043	Hydrologic Data Msrmt & Mgmt	807,256	851,831	878,962	Watershed Stwdship &Planning Division
* 62811046	Warehouse Services	949,341	994,961	1,142,503	General Services Division
* 62811050	Benchmark Maintenance (Countywide)	96,362	155,135	103,791	Watershed Design & Construction Division
* 62811054	District Real Property Administration	332,477	363,450	332,625	Watershed Design & Construction Division
<b>Total Operations</b>		<b>35,560,424</b>	<b>44,530,157</b>	<b>44,490,104</b>	

### Operating

10102002	Adobe Creek Mitigation Monitoring	31,662	38,859	0	Watershed Stwdship &Planning Division
10212011	Matadero Overflow Ch Mit Mon	1,887	12,672	0	Watershed Stwdship &Planning Division
20102019	Bollinger Bridge Mit Mon	3,493	0	0	Watershed Stwdship &Planning Division
40212032	Coyote Creek Mitgtn Monitoring	193,808	299,172	282,686	Watershed Stwdship &Planning Division
40262033	Lwr Silver Mitigation & Monitr	136,315	72,122	97,668	Watershed Stwdship &Planning Division
* 62022007	SMP Program Permit Renewal	1,208,638	0	0	Watershed Opearions &Maintenance Division
62042032	Small Mit & Mon programs	5,190	72,676	91,873	Watershed Stwdship &Planning Division

# Financial Summaries

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

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
62042045	Stream Gauge Study	173,792	236,551	0	Watershed Stwdship & Planning Division
62042047	Mitigation&Stwdship Lands Mgmt	29,583	228,476	254,266	Watershed Stwdship & Planning Division
62042049	Flood Risk Mapping	600,126	708,124	1,011,287	Watershed Stwdship & Planning Division
62042050	Watersheds Maint Guidelines Update	136,740	337,335	321,783	Watershed Opearions & Maintenance Division
62042051	Plant Pathogen Management	0	0	212,912	Watershed Stwdship & Planning Division
62762016	Arundo Control Program	242,999	550,695	0	Watershed Opearions & Maintenance Division
62762073	LwrGuad Veg Mgmt for Fld Conveyance	16,802	130,756	0	Watershed Opearions & Maintenance Division
<b>Total Operating</b>		<b>2,781,035</b>	<b>2,687,438</b>	<b>2,272,475</b>	

### Capital

10394001	PA Flood Basin TideGate Imprv	78,374	472,956	384,261	Watershed Design & Construction Division
20194005	San Tomas Ck, Quito Rd Bridges	0	0	166,000	Watershed Stwdship & Planning Division
20444001	Salt Ponds A5-11 Restoration	0	0	1,517,972	Watershed Stwdship & Planning Division
30114002	Canoas Ck, Rodent Damage Repair	0	0	4,028,620	Watershed Design & Construction Division
30154015	Guadalupe Rv-DT, Coleman-SCLra	80,448	0	0	Watershed Design & Construction Division
30154028	Gold Street Educational Center	14,185	0	0	Watershed Design & Construction Division
30154030	Alviso Slough Design Construct	257,776	(1)	0	Watershed Design & Construction Division
40174004	L. Berryessa Ck, L.Penit-Calav	1,506,374	27,812,111	0	Watershed Design & Construction Division
40174005	Berryessa Ck, L.Pen Phs 2	0	0	20,226,423	Watershed Design & Construction Division
40264008	Lwr Silver-R4-6 N Babb-Cunni	15,932,501	4,729,524	1,484,000	Watershed Opearions & Maintenance Division
40264011	Cunningham Fld Detention Cert	399,601	1,741,331	0	Watershed Design & Construction Division
40264012	Low Silver 680-Cunningham Reim	252,030	0	0	Watershed Stwdship & Planning Division
40324003	U Penitencia Cr-Corps Coord	159,140	0	0	Watershed Design & Construction Division
40324005	U Penitencia, Coyt-Dorel LERRD	1,436,091	0	0	Watershed Design & Construction Division
40334005	Lower Penitencia Ck Improv	579,411	1,894,595	1,993,000	Watershed Design & Construction Division
50284010	Lower Llagas Capacity Restore	30,601	0	0	Watershed Design & Construction Division
* 62044026	San Francisco Bay Shoreline	171,194	1,016,000	42,000	Watershed Design & Construction Division
* 62074030	Capital Training and Development	137,383	219,324	100,327	Water Utility Capital Division
* 62074033	CIP Development & Admin	241,625	217,812	153,897	Water Utility Capital Division
* 62074036	Survey Tech Support	44,285	109,708	55,621	Watershed Design & Construction Division
* 62074038	Capital Program Services Admin	670,412	753,625	404,366	Water Utility Capital Division
* 62074045	Technical Review Committee	66,549	115,434	58,255	Water Utility Capital Division
* 62074046	Capital Health & Safety Training	30,982	53,199	19,328	Water Utility Capital Division
* 62074051	WS Capital Training and Development	0	0	127,241	Office of COO Watershed
* 62074052	WS Capital Program Services Admin	0	0	367,891	Office of COO Watershed
* 62074053	WS Capital Health & Safety Training	0	0	12,204	Office of COO Watershed
62084001	Small Caps Watersheds O&M	0	0	700,000	Watershed Opearions & Maintenance Division



# Financial Summaries

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

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
62184001	SMP Mit-Stream Wtrshd Land Acq	736,070	3,076,000	795,000	Watershed Stwdship & Planning Division
<b>Total Capital</b>		<b>22,825,032</b>	<b>42,211,618</b>	<b>32,636,406</b>	
<b>Total</b>		<b>61,166,491</b>	<b>89,429,213</b>	<b>79,398,985</b>	

## Safe, Clean Water & Natural Flood Protection Fund

### Description

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

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

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

The program supplements other available but limited resources to provide stream stewardship activities and flood protection improvements. The program supports activities that benefit not only the community at large but that also provide relief to Water Utility rate payers. For example, the fund will pay for a portion of the Anderson Dam Seismic Retrofit project that otherwise would need to be paid by water utility rate payers. Following each priority statement is a list of projects that are included in the FY 2015-16 budget.

Quantities for sediment removal are based on the Notice of Proposed Work (NPW) submitted to the regulatory agencies every year in April. The NPW consists of all potential work identified for that season.

However, not all work listed in the NPW will be completed because of numerous reasons, such as biological restrictions due to nesting birds. In addition, as the work season progresses, a second NPW may be submitted for work later identified as necessary and not included in the April submittal.

### Outcomes

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

Ensure continued coordination with and funding support from the US Army Corps of Engineers (USACE); continue projects to maintain channel conveyance capacity.

#### *Major Capital Projects:*

- Upper Penitencia Creek, Coyote Creek to Dorel Drive (SCW Priority E4)
- San Francisquito Creek, San Francisco Bay to Searsville Dam (SCW Priority E5)
- Upper Llagas Creek, Buena Vista Road to Wright Avenue (SCW Priority E6)
- San Francisco Bay Shoreline (SCW Priority E7)
- Upper Guadalupe River, I-280 to Blossom Hill Road (SCW Priority E8)
- Berryessa Creek, Calaveras Boulevard to I-680 (continue CSC)
- Coyote Creek, Montague Expressway to I-280 (continue CSC)
- Permanente Creek, San Francisco Bay to Foothill Expressway (continue CSC)
- Sunnyvale East Channel, Guadalupe Slough to I-280 (continue CSC)
- Sunnyvale West Channel, Guadalupe Slough to Hwy 101 (continue CSC)

#### *SCW Priority E1:*

- Sediment Removal: provides 16% of funding for 27,519 cubic yards of sediment

# Financial Summaries

- Property Vegetation: Control 408 acres of upland vegetation (program total is 6,120 acres over 15 years)
- Stream Capacity Vegetation: Control 619 acres of in-stream vegetation to provide flood protection in all five watersheds

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

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

### *SCW Priority C2:*

- Improve the accuracy of flood forecasting services with the use of stream gages and hydrological, hydraulic and geotechnical studies

### *SCW Priority E2:*

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

### *SCW Priority E3:*

- Implement risk reduction strategies consistent with FEMA's Community Rating System as appropriate
- Provide more accurate flood plain mapping and potentially remove hundreds of parcels from FEMA regulatory flood plain

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

### *SCW Priority B1:*

- Improve impaired water bodies -improves water quality and fisheries by reducing contaminants such as mercury

### *SCW Priority B2:*

- Pollution Prevention Partnership Program - identifies and supports collaborative efforts with other agencies and non-profit organizations to protect surface water quality

- Urban Runoff Pollution Prevention Program - identifies opportunities for the District and local agencies to implement pollution prevention activities; includes the Pajaro Watershed
- Install 2 and operate 4 trash capture devices at storm water outfalls in Santa Clara County.
- Maintains district compliance with RWQCB and National Pollutant Discharge Elimination System (NPDES) permits

### *SCW Priority B3:*

- Oversee the implementation of grants for the three (3) selected Pollution Prevention projects with a total award of \$433,200
- Provide up to \$200,000 per year for partnerships with municipalities for programs specific to reducing contaminants in groundwater or surface water

### *SCW Priority B4:*

- Good Neighbor Illegal Encampment Cleanup - funds 100% of at least 52 annual cleanups for all watersheds

### *SCW Priority B5:*

- Hazardous Material Response Program - provides a minimum two-hour response time to reports of pollution in creeks requiring immediate response; includes the Pajaro Watershed

### *SCW Priority B6:*

- Good Neighbor Maintenance: Funds 40% of the Good Neighbor Maintenance activity for all watersheds for graffiti and litter removal
- Hale Creek Enhancement Pilot Study (Capital project)

### *SCW Priority B7:*

- Oversee the implementation of grants for the seven (7) selected Clean Up and Education Effort projects with a total award of \$354,390
- Continue to develop and implement partnership agreements

### *SCW Priority D1:*

- Manage and monitor a minimum of 300 existing acres of revegetation planting annually to meet regulatory requirements and conditions throughout the five watersheds

# Financial Summaries

## SCW Priority D2:

- Revitalize stream, upland and wetland habitat by removing invasive plants like Arundo Donax and revegetating habitat with native species
- Implement the Stream Corridor Priority Plans

## SCW Priority D3:

- Develop Stream Corridor Priority Plans to prioritize stream restoration activities
- Conduct proposal solicitation and execute agreements for the FY16 funding cycle, which includes \$1.286 million grant funds and \$500,000 for partnerships with municipalities for programs specific to reducing contaminants in groundwater or surface water
- Continue to develop and implement partnership agreements
- Administer a) the five (5) selected grant projects with a total amount of \$1.3M, awarded in 2014; b) the partnership agreement with the San Francisco Bay Bird Observatory in the amount of \$690,000 established in 2015

## SCW Priority D4:

- Restore and maintain healthy steelhead trout populations by improving fish passage and habitat such as installing large woody debris and/or gravel in steelhead streams
- Lake Almaden/Guadalupe River/Los Alamitos Creek Restoration (Capital project)
- SCW Fish Passage Improvement (Capital project)

## SCW Priority D5:

- Create a comprehensive watershed database that tracks stream ecosystem functions
- Establish new or track existing ecological levels of service
- Reassess streams to determine if ecological levels of service are maintained or improved

## SCW Priority D6:

Increase the stability of eroding stream banks through channel improvement projects based on sound geomorphic science principles

- Calabazas Creek (Comer debris basin)
- Stevens Creek

- Uvas Creek

## SCW Priority D7:

- Provide up to \$8 million for the acquisition of property for the conservation of habitat lands to preserve local ecosystems (projected to begin in 2016)

## SCW Priority D8:

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

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

### SCW Priority D3:

- Administer three trails grant agreements in the amount of \$571,000 executed in FY 2015

## Fiscal Status

The special parcel taxes are budgeted at \$40.1 million, reflecting a 4% increase from the FY 2014-15 budget. This special tax is based on the land use and parcel size rather than assessed property value and consequently the annual rates of change are different than for the other property taxes in the Watershed Stream and Stewardship Fund.

Interest earnings are projected at \$1.1 million, a 48% increase over the FY 2014-15 budget.

\$3.6 million is budgeted as Capital Reimbursement for the following:

- \$1.6 million for State Subventions (Upper Llagas: \$1.4 million, and Guadalupe \$0.2 million)
- \$2.0 million for Prop 1E (Berryessa)

\$78 million debt financing is budgeted for FY16

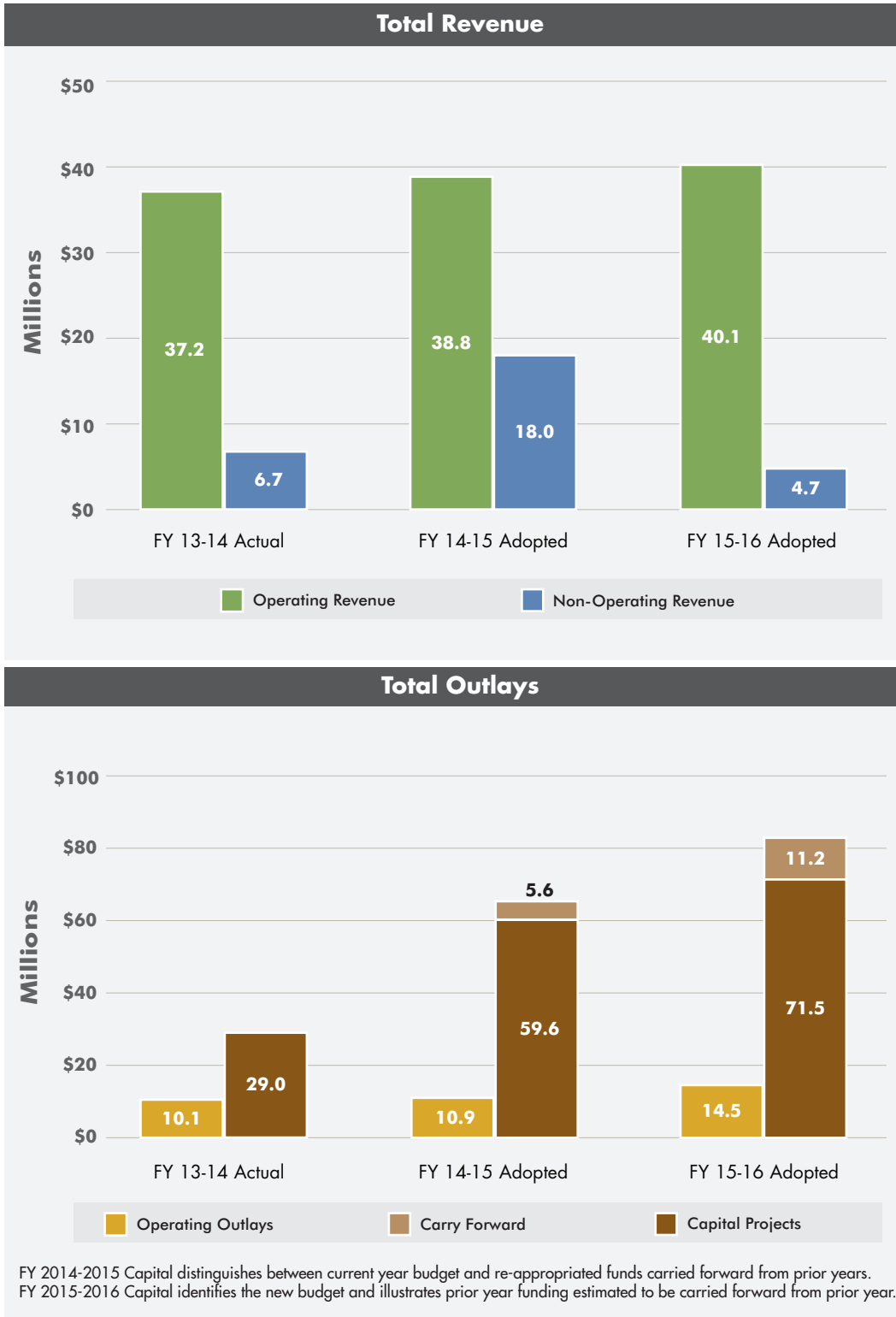
\$14.0 million is budgeted as Operating Transfers out to Water Utility Enterprise fund for Anderson Dam Seismic Retrofit per SCW program, Priority C

## Budget Issues

- Staff continues to work aggressively with the USACE to obtain Federal funding. Flood protection projects continue to the extent possible with local funding.
- Staff is exploring other capital funding options by working with other federal agencies.
- Lengthened permit renewal process has the potential to delay capital construction.
- Addressing the current urgent drought situation has diverted resources that otherwise would have been allocated to flood protection.

# Financial Summaries

## Safe, Clean Water and Natural Flood Protection Fund



# Financial Summaries

## Safe Clean Water and Natural Flood Protection Fund

	Budgetary	Adopted	Projected	Adopted	Change from	
	Basis Actual	Budget	Year End	Budget	2014-15 Adopted	
	2013-14	2014-15	2014-15	2015-16	\$ Diff	% Diff
<b>Revenue Sources:</b>						
<b>Operating Revenue:</b>						
Special Parcel Tax	\$ 37,259,124	\$ 38,766,960	\$ 38,766,960	\$ 40,123,804	\$ 1,356,844	3.5%
<b>Total Operating Revenue</b>	<b>\$ 37,259,124</b>	<b>\$ 38,766,960</b>	<b>\$ 38,766,960</b>	<b>\$ 40,123,804</b>	<b>\$ 1,356,844</b>	<b>3.5%</b>
<b>Non-Operating Income:</b>						
Interest*	\$ 865,785	\$ 775,008	\$ 775,008	\$ 1,150,000	\$ 374,992	48.4%
Capital Reimb	5,593,602	16,956,000	5,049,000	3,569,000	(13,387,000)	(79.0)%
Other	271,940	256,670	256,670	—	(256,670)	(100.0)%
<b>Total Non-Operating Income</b>	<b>\$ 6,731,327</b>	<b>\$ 17,987,678</b>	<b>\$ 6,080,678</b>	<b>\$ 4,719,000</b>	<b>\$ (13,268,678)</b>	<b>(73.8)%</b>
<b>Total Revenue</b>	<b>\$ 43,990,451</b>	<b>\$ 56,754,638</b>	<b>\$ 44,847,638</b>	<b>\$ 44,842,804</b>	<b>\$ (11,911,834)</b>	<b>(21.0)%</b>
<b>Operating Outlays:</b>						
Operations	\$ 8,531,935	\$ 9,255,864	\$ 9,255,864	\$ 11,139,209	\$ 1,883,345	20.3%
Operating Projects	1,550,224	1,654,480	1,654,480	1,941,899	287,419	17.4%
Debt Service	—	—	—	1,406,000	1,406,000	—
<b>Total Operating Outlays</b>	<b>\$ 10,082,159</b>	<b>\$ 10,910,344</b>	<b>\$ 10,910,344</b>	<b>\$ 14,487,108</b>	<b>\$ 3,576,764</b>	<b>32.8%</b>
Capital Projects	29,000,530	59,639,273	60,629,751	71,540,473	11,901,200	20.0%
Carry Forward Capital Projects	—	5,582,747	114,751,075	11,197,783	5,615,036	100.6%
<b>Total Capital Outlays</b>	<b>\$ 29,000,530</b>	<b>\$ 65,222,020</b>	<b>\$ 175,380,826</b>	<b>\$ 82,738,256</b>	<b>\$ 17,516,236</b>	<b>26.9%</b>
<b>Other Financing Sources (Uses):</b>						
Commercial Paper Proceeds	\$ —	\$ —	\$ —	\$ 75,000,000	\$ 75,000,000	—
Certificates of Participation	—	7,000,000	7,000,000	3,000,000	(4,000,000)	(57.1)%
Transfers In	11,947,724	—	—	—	—	—
Transfers Out	(202,800)	(985,010)	(985,010)	(14,005,330)	(13,020,320)	1,321.8%
<b>Total Other Sources/(Uses)</b>	<b>\$ 11,744,924</b>	<b>\$ 6,014,990</b>	<b>\$ 6,014,990</b>	<b>\$ 63,994,670</b>	<b>\$ 57,979,680</b>	<b>963.9%</b>
<b>Balance Available</b>	<b>\$ 16,652,686</b>	<b>\$ (13,362,736)</b>	<b>\$ (135,428,542)</b>	<b>\$ 11,612,110</b>	<b>\$ —</b>	<b>—</b>
<b>Year-End Reserves:</b>						
<b>Restricted Reserves</b>						
Currently Authorized Projects***	\$ 155,210,858	\$ 21,188,000	\$ 40,459,783	\$ 29,262,000	\$ 8,074,000	38.1%
Operating & Capital Reserve	24,886,574	17,911,523	4,209,107	27,019,000	9,107,477	50.8%
<b>Total Restricted Reserves</b>	<b>\$ 180,097,432</b>	<b>\$ 39,099,523</b>	<b>\$ 44,668,890</b>	<b>\$ 56,281,000</b>	<b>\$ 17,181,477</b>	<b>43.9%</b>
<b>Total Year-End Reserves</b>	<b>\$ 180,097,432</b>	<b>\$ 39,099,523</b>	<b>\$ 44,668,890</b>	<b>\$ 56,281,000</b>	<b>\$ 17,181,477</b>	<b>43.9%</b>
<b>Uncommitted Funds</b>			\$ 0	\$ 0		

(\*) Interest revenue does not include GASB31 market valuation adjustment

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

# Financial Summaries

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

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
<b>Operations</b>					
26001090	Unscoped Projects-Budget Only	0	100,000	100,000	Office of COO Watershed
* 26031001	Watershed Revenue	164,602	182,434	133,326	Financial Planning and Mgmt Div
26041023	Emergency Response Upgrades	114,164	384,224	291,555	Watershed Stwdship &Planning Division
26041024	Flood Risk Reduction Studies	356,238	908,729	819,158	Watershed Stwdship &Planning Division
* 26041047	Ecological Data Collection and Analysis	240,793	496,437	625,680	Watershed Stwdship &Planning Division
26061002	Rent Exp Clean Safe Ck 7/1/01+	121,756	167,342	163,564	General Services Division
26061003	Stewardship grants and partnerships admin	906,652	60,246	80,036	Watershed Stwdship &Planning Division
26061004	Districtwide Salary Savings-26	0	0	(610,000)	Financial Planning and Mgmt Div
26061005	Flood Communication and Coordination	59,386	117,548	134,281	Watershed Stwdship &Planning Division
26061006	Pollution Prvtn Partnerships & Grants	404,811	239,280	828,224	Watershed Stwdship &Planning Division
26061007	Grants to Rest Habitat Access to Trails	1,567,908	881,369	2,172,460	Watershed Stwdship &Planning Division
26061008	Water Conservation Grants	0	129,345	125,393	Water Supply Division
26061010	Nitrate Treatment System Rebate	50,422	63,988	65,959	Water Supply Division
26061011	Cleanup Efforts and Education	0	17,782	0	Watershed Stwdship &Planning Division
* 26061019	Supp Volunteer Cleanup Effort	0	0	98,453	Office of COO Watershed
26061078	Supp Volunteer Cleanup Eff&Ed	461,532	115,844	0	Office of COO Watershed
* 26761022	Watershed Good Neighbor Maint	0	480,421	448,192	Watershed Opearions &Maintenance Division
* 26761023	Watershed Sediment Removal	0	563,720	474,743	Watershed Opearions &Maintenance Division
* 26761075	Mgmt of Revegetation Projects	595,479	756,852	968,476	Watershed Opearions &Maintenance Division
26761076	Revitalize Riparian, Upland, & Wetland Habitat	51,930	310,139	692,745	Watershed Stwdship &Planning Division
* 26761078	Vegetation Management for Access	395,332	335,062	359,169	Watershed Opearions &Maintenance Division
* 26771011	InterAgency Urban Runoff Program	638,632	703,205	700,273	Watershed Stwdship &Planning Division
* 26771022	LP/WV/Guad Wtrshd Gd Neighbor	234,884	0	0	Watershed Opearions &Maintenance Division
* 26771024	Coy/Pajaro Wtrshd Gd Neighbor	220,458	0	0	Watershed Opearions &Maintenance Division
26771027	Encampment Cleanup Program	786,172	1,084,825	925,007	Watershed Opearions &Maintenance Division
* 26771031	HAZMAT Emergency Response	23,728	32,893	37,848	Human Resources Division
* 26771052	LP/WV/Guad Sediment Removal	244,311	0	0	Watershed Opearions &Maintenance Division
* 26771054	Coy/Pajaro Wtrshd Sediment Rmvl	133,406	0	0	Watershed Stwdship &Planning Division
26771067	Stream Capacity Vegetation Con	759,339	1,124,179	1,504,667	Watershed Opearions &Maintenance Division



# Financial Summaries

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

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
<b>Total Operations</b>		<b>8,531,935</b>	<b>9,255,864</b>	<b>11,139,209</b>	
<b>Operating</b>					
26042001	Fish Passage Improvements	0	489,015	0	Watershed Stwdship & Planning Division
26042002	Fish Habitat Improvements	0	0	444,023	Watershed Stwdship & Planning Division
26062009	Hydration Station Grants	122,409	125,877	67,166	Office of COO Watershed
26072044	Guad R Invasiv Exotic Veg Remv	111,049	0	0	Watershed Opearions & Maintenance Division
26752043	Impaired Water Bodies Improvements	1,316,766	1,039,588	1,430,710	Watershed Stwdship & Planning Division
<b>Total Operating</b>		<b>1,550,224</b>	<b>1,654,480</b>	<b>1,941,899</b>	
<b>Debts</b>					
26993001	Commercial Paper Tax Exempt (SCW)	0	0	1,406,000	Financial Planning and Mgmt Div
<b>Total Debts</b>		<b>0</b>	<b>0</b>	<b>1,406,000</b>	
<b>Capital</b>					
26044001	Almaden Lake Improvement	354,514	696,017	704,893	Watershed Design & Construction Division
26044002	SCW Fish Passage Improvement D4.3 Project	0	0	1,460,809	
26074002	Sunnyvale East & West Channel	1,812,353	17,644,000	299,000	Watershed Design & Construction Division
* 26074030	WU Capital Training and Development	0	0	184,814	Water Utility Capital Division
* 26074033	CIP Development & Admin	0	0	283,501	Water Utility Capital Division
* 26074036	Survey Tech Support	76,917	175,531	102,461	Watershed Design & Construction Division
* 26074038	Capital Program Services Admin	1,164,415	1,205,789	744,897	Water Utility Capital Division
* 26074045	Technical Review Committee	0	0	107,312	Water Utility Capital Division
* 26074046	WU Capital Health & Safety Training	0	0	35,595	Water Utility Capital Division
* 26074051	WS Capital Training and Development	0	0	234,383	Office of COO Watershed
* 26074052	WS Capital Program Services Admin	0	0	677,688	Office of COO Watershed
* 26074053	WS Capital Health & Safety Training	0	0	22,488	Office of COO Watershed
26104001	Calabazas Ck Miller to Wardell	151,912	0	0	Watershed Design & Construction Division
26154002	Guadalupe Rv-Upr, 280-SPRR(R6)	723,923	386,000	302,000	Watershed Design & Construction Division
26154003	Guadalupe Rv-Upr, SPRR-BH 7-12	2,088,846	0	0	Watershed Design & Construction Division
26174041	Berryessa Calav/Old Pied Cor	76,333	0	2,629,476	Watershed Design & Construction Division
26174042	Berryessa Calav/Old Pied LER	13,687,592	0	1,210,000	Watershed Design & Construction Division
26174043	Coyote Ck, Montague to I-280	281,545	0	0	Watershed Design & Construction Division
26174051	U.Llagas Ck B.Vista-Wright Reimburse	2,981,055	337,000	962,000	Watershed Stwdship & Planning Division
26174052	U.Llagas Ck B.Vista-Wright Nonreimburse	25	15,375,000	50,384,000	Watershed Stwdship & Planning Division
26174054	U.Llagas Ck Design B.Vista-Llagas Rd	1,776,122	936,000	726,000	Watershed Stwdship & Planning Division
26244001	Permanente Ck, Bay-Fthill SCW	1,653,361	9,013,000	0	Watershed Design & Construction Division
26284001	SanFrancisquito Ck, BaySer SCW	893,319	0	98,000	Watershed Design & Construction Division
26284002	San Francisquito Early Implemt	1,116,195	6,440,000	6,788,000	Watershed Design & Construction Division

# Financial Summaries

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

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
26324001	U Penitencia Cr-Corp Coord-SCW	0	0	384,577	Watershed Design & Construction Division
26444001	SFBS EIA 11 Desgn & Part Const	0	6,239,009	309,000	Watershed Design & Construction Division
26444002	SFBS Other EIAs Planning	121,712	233,384	1,694,768	Watershed Design & Construction Division
26444003	SBSP Restoration Partnership	40,391	328,543	18,032	Watershed Stwdship & Planning Division
26564001	Main/Madrone PL Restoration	0	630,000	1,176,779	Water Utility Capital Division
<b>Total Capital</b>		<b>29,000,530</b>	<b>59,639,273</b>	<b>71,540,473</b>	
<b>Total</b>		<b>39,082,689</b>	<b>70,549,617</b>	<b>86,027,581</b>	

## Benefit Assessment Funds

### Overview

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

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

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

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

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

- \$40.86/year for Lower Peninsula Watershed
- \$13.28/year for West Valley Watershed
- \$21.20/year for Guadalupe Watershed
- \$21.12/year for Coyote Watershed
- \$0.00/year for Uvas/Llagas Watershed. The debt has been paid off

# Financial Summaries

## Benefit Assessment Fund

	Budgetary	Adopted	Projected	Adopted	Change from	
	Basis Actual	Budget	Year End	Budget	2014-15 Adopted	
	2013-14	2014-15	2014-15	2015-16	\$ Diff	% Diff
<b>Revenue Sources:</b>						
<b>Benefit Assessments</b>						
Lower Peninsula Watershed	\$ 4,279,229	\$ 4,262,832	\$ 4,262,832	\$ 4,037,951	\$ (224,881)	(5.3)%
West Valley Watershed	2,477,080	2,482,950	2,482,950	2,265,670	(217,280)	(8.8)%
Guadalupe Watershed	5,225,021	5,195,221	5,195,221	4,577,581	(617,640)	(11.9)%
Coyote Watershed	4,162,738	4,137,542	4,137,542	3,896,602	(240,940)	(5.8)%
Uvas/Llagas Watershed	(1,111)	—	—	—	—	**
Other revenue	—	—	—	—	—	**
<b>Total Revenue</b>	<b>\$ 16,142,957</b>	<b>\$ 16,078,545</b>	<b>\$ 16,078,545</b>	<b>\$ 14,777,804</b>	<b>\$ (1,300,741)</b>	<b>(8.1)%</b>
<b>Operating Outlays:</b>						
<b>Debt Service</b>						
Lower Peninsula Watershed	\$ 3,551,698	\$ 3,548,101	\$ 3,548,101	\$ 3,366,562	\$ (181,539)	(5.1)%
West Valley Watershed	2,023,631	2,031,492	2,031,492	1,853,022	(178,470)	(8.8)%
Guadalupe Watershed	4,239,531	4,222,437	4,222,437	3,715,732	(506,705)	(12.0)%
Coyote Watershed	3,440,263	3,450,954	3,450,954	3,264,528	(186,426)	(5.4)%
Uvas/Llagas Watershed	—	—	—	—	—	**
<b>Total Operating Outlays</b>	<b>\$ 13,255,123</b>	<b>\$ 13,252,984</b>	<b>\$ 13,252,984</b>	<b>\$ 12,199,844</b>	<b>\$ (1,053,140)</b>	<b>(7.9)%</b>
<b>Other Financing Sources/(Uses):</b>						
Transfers Out to WSS fund	\$ (2,886,840)	\$ (2,825,561)	\$ (2,825,561)	\$ (2,577,960)	\$ —	—
<b>Balance Available</b>						
<b>Uncommitted Funds</b>			\$ 0	\$ 0		

# Financial Summaries

## Total Outlays - Lower Peninsula Watershed Fund

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
<b>Debts</b>					
10993005	2004A COP Lower Peninsula WS	1,275,636	1,267,858	1,088,392	Financial Planning and Mgmt Div
10993006	2007 COP Refunding LP WS	2,276,062	2,280,243	2,278,170	Financial Planning and Mgmt Div
<b>Total Debts</b>		<b>3,551,698</b>	<b>3,548,101</b>	<b>3,366,562</b>	
<b>Total</b>		<b>3,551,698</b>	<b>3,548,101</b>	<b>3,366,562</b>	

# Financial Summaries

## Total Outlays - West Valley Watershed Fund

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
<b>Debts</b>					
20993006	2007 COP Refunding WV WS	682,760	684,015	683,393	Financial Planning and Mgmt Div
20993007	2012A COP Refunding WV WS	1,340,871	1,347,477	1,169,629	Financial Planning and Mgmt Div
<b>Total Debts</b>		<b>2,023,631</b>	<b>2,031,492</b>	<b>1,853,022</b>	
<b>Total</b>		<b>2,023,631</b>	<b>2,031,492</b>	<b>1,853,022</b>	

# Financial Summaries

## Total Outlays - Guadalupe Watershed Fund

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
<b>Debts</b>					
30993005	2004A COP Guadalupe WS	126,419	91,769	30,599	Financial Planning and Mgmt Div
30993006	2007 COP Refunding Guad WS	758,879	760,273	759,582	Financial Planning and Mgmt Div
30993007	2012A COP Refunding Guad WS	3,354,233	3,370,395	2,925,551	Financial Planning and Mgmt Div
<b>Total Debts</b>		<b>4,239,531</b>	<b>4,222,437</b>	<b>3,715,732</b>	
<b>Total</b>		<b>4,239,531</b>	<b>4,222,437</b>	<b>3,715,732</b>	

# Financial Summaries

## Total Outlays - Coyote Watershed Fund

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
<b>Debts</b>					
40993006	2007 COP Refunding Coyote WS	2,048,858	2,052,623	2,050,757	Financial Planning and Mgmt Div
40993007	2012A COP Refunding Coyote WS	1,391,405	1,398,331	1,213,771	Financial Planning and Mgmt Div
<b>Total Debts</b>		<b>3,440,263</b>	<b>3,450,954</b>	<b>3,264,528</b>	
<b>Total</b>		<b>3,440,263</b>	<b>3,450,954</b>	<b>3,264,528</b>	



# **WATER ENTERPRISE AND STATE WATER PROJECT FUNDS**

# Financial Summaries

## Overview

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

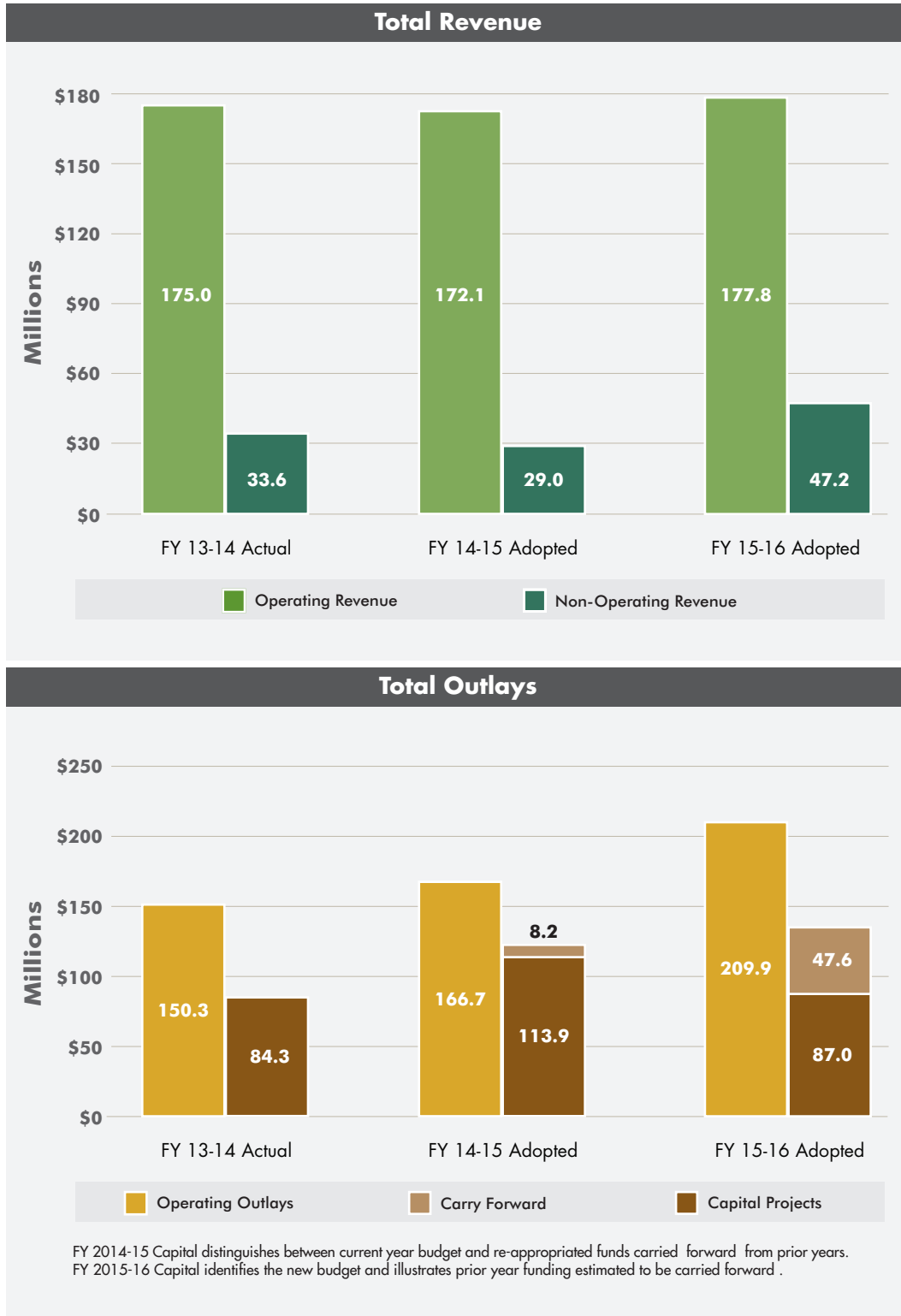
The Water Utility Enterprise Fund (Fund 61)

The State Water Project Fund (Fund 63)

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

# Financial Summaries

## Water Enterprise and State Water Project Funds



# Financial Summaries

## Water Enterprise and State Water Projects Combined Fund Summary

	Budgetary	Adopted	Projected	Adopted	Change from	
	Basis Actual	Budget	Year End	Budget	2014-15 Adopted	
	2013-14	2014-15	2014-15	2015-16	\$ Diff	% Diff
<b>Revenue Sources:</b>						
<b>Operating Revenue:</b>						
Groundwater Production Charges	\$ 84,308,271	\$ 80,994,000	\$ 85,894,000	\$ 82,931,000	\$ 1,937,000	2.4%
Treated Water Charges	86,385,838	88,088,000	74,188,000	91,448,000	3,360,000	3.8%
Surface/Recycled Water Revenue	1,679,357	1,603,000	1,603,000	1,885,000	282,000	17.6%
Inter-governmental services	2,070,140	966,448	966,448	1,101,000	134,552	13.9%
Other	597,094	460,000	460,000	460,000	—	—
<b>Total Operating Revenue</b>	<b>\$ 175,040,700</b>	<b>\$ 172,111,448</b>	<b>\$ 163,111,448</b>	<b>\$ 177,825,000</b>	<b>\$ 5,713,552</b>	<b>3.3%</b>
<b>Non-Operating Income:</b>						
Property Taxes	\$ 26,990,894	\$ 25,716,480	\$ 26,168,718	\$ 31,344,373	\$ 5,627,893	21.9%
Interest*	1,225,451	556,826	556,826	1,080,000	523,174	94.0%
Capital Reimbursements	3,532,117	1,396,000	1,396,000	11,028,000	9,632,000	690.0%
Other	1,847,581	1,348,742	1,348,742	3,750,000	2,401,258	178.0%
<b>Total Non-Operating Income</b>	<b>\$ 33,596,043</b>	<b>\$ 29,018,048</b>	<b>\$ 29,470,286</b>	<b>\$ 47,202,373</b>	<b>\$ 18,184,325</b>	<b>62.7%</b>
<b>Total Revenue</b>	<b>\$ 208,636,743</b>	<b>\$ 201,129,496</b>	<b>\$ 192,581,734</b>	<b>\$ 225,027,373</b>	<b>\$ 23,897,877</b>	<b>11.9%</b>
<b>Operating Outlays:</b>						
Operations**	\$ 134,362,446	\$ 144,092,631	\$ 166,878,515	\$ 188,763,215	\$ 44,670,584	31.0%
Operating Projects	542,687	1,230,601	1,230,601	335,074	(895,527)	(72.8)%
Debt Service	15,483,852	21,394,307	16,873,404	20,823,877	(570,430)	(2.7)%
<b>Total Operating Outlays</b>	<b>\$ 150,388,985</b>	<b>\$ 166,717,539</b>	<b>\$ 184,982,520</b>	<b>\$ 209,922,166</b>	<b>\$ 43,204,627</b>	<b>25.9%</b>
Capital Projects	84,296,164	113,913,269	81,983,269	87,032,686	(26,880,583)	(23.6)%
Carry Forward Capital Projects	—	8,235,628	26,575,433	47,644,666	39,409,038	478.5%
<b>Total Capital Outlays</b>	<b>\$ 84,296,164</b>	<b>\$ 122,148,897</b>	<b>\$ 108,558,702</b>	<b>\$ 134,677,352</b>	<b>\$ 12,528,455</b>	<b>10.3%</b>
<b>Other Financing Sources (Uses) :</b>						
State Revolving Loan	\$ —	\$ —	\$ —	\$ —	\$ —	—
Commercial Paper Proceeds	—	—	—	75,000,000	75,000,000	—
Certificates of Participation	31,660,000	109,902,000	60,238,000	63,338,000	(46,564,000)	(42.4)%
Transfers In	2,562,000	1,880,000	1,880,000	16,436,000	14,556,000	774.3%
Transfers Out	(2,833,584)	(1,949,880)	(1,949,880)	(583,992)	1,365,888	(70.0)%
<b>Total Other Sources/(Uses)</b>	<b>\$ 31,388,416</b>	<b>\$ 109,832,120</b>	<b>\$ 60,168,120</b>	<b>\$ 154,190,008</b>	<b>\$ 44,357,888</b>	<b>40.4%</b>
<b>Balance Available</b>	<b>\$ 5,340,010</b>	<b>\$ 22,095,180</b>	<b>\$ (40,791,368)</b>	<b>\$ 34,617,863</b>	<b>\$ —</b>	<b>—</b>

# Financial Summaries

	Budgetary Basis Actual 2013-14	Adopted Budget 2014-15	Projected Year End 2014-15	Adopted Budget 2015-16	Change from 2014-15 Adopted	
					\$ Diff	% Diff
<b>Year-End Reserves:</b>						
<b>Restricted Reserves</b>						
WUE- Restricted Operating Reserve	\$ 13,139,620	\$ 13,893,128	\$ 13,893,128	\$ 17,493,514	\$ 3,600,386	25.9%
WUE- Rate Stabilization Reserve for Bond Covenant	1,750,866	2,139,431	2,139,431	2,082,388	(57,043)	(2.7)%
WUE- San Felipe Emergency Reserve	4,000,574	3,980,534	4,000,574	4,000,000	19,466	0.5%
WUE- State Revolving Fund Reserve	401,263	401,263	401,263	401,263	—	—
WUE- State Water Project Tax Reserve	4,476,521	1,611,815	4,626,046	2,817,073	1,205,258	74.8%
WUE- Debt Service Reserve	6,250,178	5,934,365	6,250,178	6,250,178	315,813	5.3%
<b>Total Restricted Reserves</b>	<b>\$ 30,019,022</b>	<b>\$ 27,960,536</b>	<b>\$ 31,310,620</b>	<b>\$ 33,044,416</b>	<b>\$ 5,083,880</b>	<b>18.2%</b>
<b>Committed Reserves</b>						
Floating Rate Debt Stabilization	\$ 353,000	\$ 148,400	\$ 148,400	\$ —	\$ (148,400)	(100.0)%
Operating & Capital Reserve	19,182,432	33,269,758	13,851,290	37,155,236	3,885,478	11.7%
Supplemental Water Supply	9,728,974	9,861,838	1,329,954	12,736,141	2,874,303	29.1%
SV Advanced Water Purification Center	— <sup>0</sup>	939,000	939,000	1,906,000	967,000	103.0%
Currently Authorized Projects***	35,113,870	3,612,000	6,026,666	3,382,000	(230,000)	(6.4)%
<b>Total Committed Reserves</b>	<b>\$ 64,378,276</b>	<b>\$ 47,830,996</b>	<b>\$ 22,295,310</b>	<b>\$ 55,179,377</b>	<b>\$ 7,348,381</b>	<b>15.4%</b>
<b>Total Year-End Reserves</b>	<b>\$ 94,397,298</b>	<b>\$ 75,791,532</b>	<b>\$ 53,605,930</b>	<b>\$ 88,223,793</b>	<b>\$ 12,432,261</b>	<b>16.4%</b>
<b>Uncommitted Funds</b>			\$ 0	\$ 0		

(\*) Interest revenue does not include GASB31 market valuation adjustment

(\*\*) Operations outlay does not include OPEB expenses-unfunded liability

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

## Water Utility Enterprise Fund

### Description

Water Enterprise Fund ensures the availability of water to 15 cities, farmers, and individual well owners spread over 1,300 square miles, with District-managed usage estimated to total 229,000 acre-feet (AF) in FY 2015–16.

This requires the operation of the following facilities:

- 10 surface reservoirs with a total operationally restricted storage capacity of 122,924 AF
- 17 miles of canals
- 4 water supply diversion dams
- 393 acres of recharge ponds
- 91 miles of controlled in-stream recharge in the county
- 142 miles of pipelines
- 3 water treatment plants
- 1 Advanced Water Purification Center
- 3 pumping stations
- 1 well field

Accounts related to activities of the Water Utility are segregated into the Water Utility Funds comprised of the Water Utility Enterprise Fund and the State Water Project Fund. For the Water Utility Enterprise Fund, revenue accounts include: groundwater production, treated water, property taxes, surface water, recycled water, interest earnings, reimbursements, grants and other. Cost accounts include both direct and indirect or overhead costs associated with Water Utility projects and activities. The State Water Project Fund accounts specifically for state water project tax revenue and state water project contractual costs.

Revenue is derived from treated, surface and recycled water sales; groundwater production charges; federal, state and local grants; interest earnings; and ad valorem taxes as provided by law. The Water Enterprise Fund accounts for operations that are financed and operated in a manner similar to private

business enterprises where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The recommended FY 2015-16 North County (Zone W-2) groundwater production charges reflect a 19.7% increase over the prior year for municipal and industrial water and 11.6% for agricultural water. The recommended Municipal and Industrial groundwater production charge is \$894 per AF. The recommended agricultural groundwater production charge in North County is \$21.36 per AF, and the recommended total treated water contract charge is \$994 per AF.

The recommended FY 2015-16 South County (Zone W-5) groundwater production charges reflect a 11.6% increase over the prior year for both municipal and industrial, as well as agricultural water. The recommended Municipal and Industrial groundwater production charge is \$356 per AF, and the recommended agricultural groundwater production charge is \$21.36 per AF.

Estimated total revenue for FY 2015-16 is \$225 million (\$198 million for fund 61 and \$27 million for fund 63), or 11.90% more than the FY 2014-15 budget.

Operations costs (excluding debt service) are expected to be \$189.1 million for both funds, 30.1% more than the FY 2014-15 budget. The cost of purchased water from the federal and state projects continues to be the largest expense item at \$17.1 million and \$28.8 million, respectively. The budget also includes \$8.1 million to pay the District's capital cost obligations for the federal San Felipe Division of the Central Valley Project. Debt service is budgeted at \$20.8 million.

In FY 2015-16 the capital appropriation is estimated to be \$87 million and capital carry forward is estimated at \$47.6 million. For FY 2015-16, total requirements of \$344.6 million are to be met from a combination of

# Financial Summaries

current revenues, reserves, and debt. The recommended water charges will generate \$176.2 million in revenues from water usage. Property tax revenues are projected to be \$31.3 million, and interest earnings and other revenue are estimated to be \$17.4 million for a total of \$225 million.

Total reserves for both funds are \$88.2 million, and are expected to increase by \$34.6 million relative to projected end balances for FY 2014-15. The majority of the increase is driven by the \$138.3 million debt issuance offset by planned capital expenditures.

## Significant Business Challenges

- Responding to the drought by aggressively pursuing additional imported water supplies, long-term conservation and the development of recycled and purified water supplies.
- Providing continued water supply reliability while controlling expenditures.
- Managing imported water supplies by planning for contingencies due to both hydrologic uncertainties and regulatory restrictions on imported and local supplies.
- Future reliability and levels of imported water supplies are being addressed through development of a Bay Delta solution that is likely to increase imported water costs.
- Meeting or exceeding all drinking water standards and delivering approximately 90,000 acre feet of water to fulfill treated water contracts.
- Managing reservoirs with operating restrictions of 46,085 AF due to seismic stability issues may impact current and future operating budgets, such as the need to purchase additional water because of an inability to capture and utilize local runoff or store imported water. Seismic retrofit of Anderson, Calero, and the Guadalupe Dams as well as seismic evaluations of Chesbro and Uvas Dams that may both require seismic retrofit work in the future.
- Resolving water right issues through the completion of the Three Creeks Habitat Conservation Plan.
- Providing continued water delivery reliability while maintaining and renewing aging infrastructure.

## Major Capital Projects

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

- Almaden Dam Improvements - Design
- Anderson Dam Seismic Retrofit - Design
- Calero and Guadalupe Dams Seismic Retrofits - Design
- Dam Safety Program Seismic Stability - continuing evaluation
- Pacheco Pumping Plant ASD Replacement – Close-Out
- San Felipe Division Reach 1-3 Facility Renewal - ongoing rehabilitation work
- South County Water Recycled Pipeline - Design to Construction
- Silicon Valley Advanced Water Purification Center Expansion – Design
- Expedited Recycled and Purified Water Program - Planning

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

- 5-Year Pipeline Rehabilitation - ongoing rehabilitation work
- Pacheco/Santa Clara Conduit Right of Way Acquisition – Design to Construction
- Penitencia Delivery Main/Force Main Seismic Retrofits – Design to Construction
- Raw Water Transmission Small Capital Improvements - ongoing

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

- IRP2 Seismic Retrofit of WTP Ops Bldgs – Construction
- IRP2 Well Fields - Planning
- PWTP Clearwell Recoating & Repair - Construction
- PWTP Water Pumps Modification - Design
- RWTP Residuals Management - Construction to Close-Out
- RWTP Reliability Improvement - Construction

# Financial Summaries

- RWTP Treated Water Valves Upgrade – Construction to Close-Out
- Water Treatment Small Capital Improvements - ongoing
- Fluoridation at all Surface Water Treatment Plants – Design to Construction

## Fiscal Status

The debt service coverage ratio is targeted at 2.0 or higher to help ensure financial stability and continued high credit ratings.

Discretionary reserves targeted at minimum per policy.

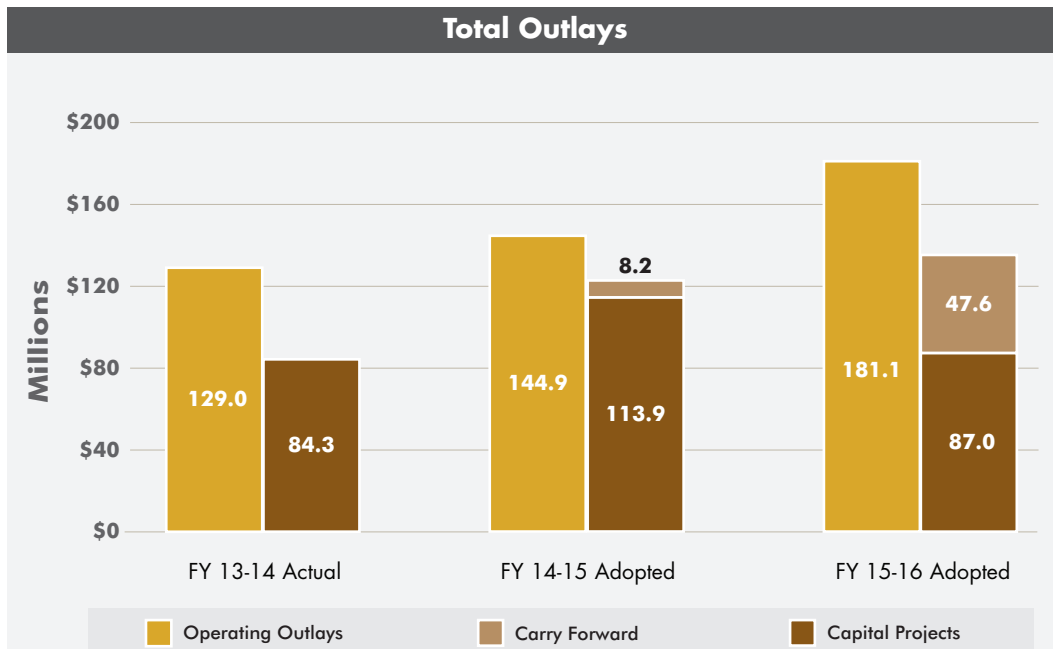
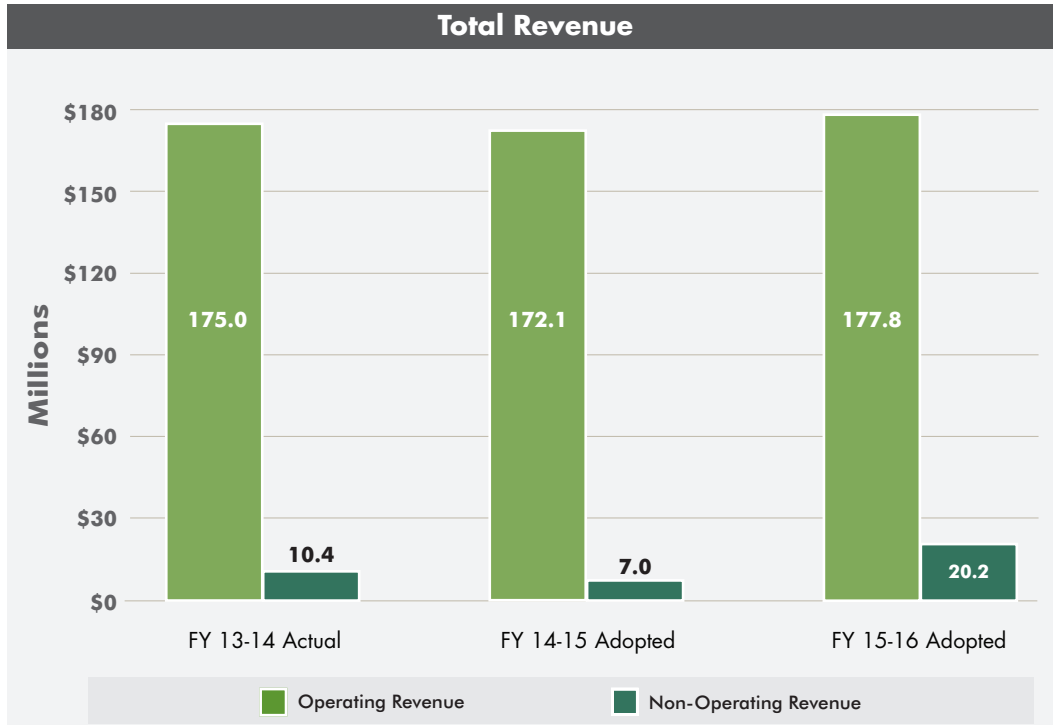
## Budget Issues

Staff assumed that revenue from water charges is based on District water use of 229,000 AF which represents a 20% reduction relative to calendar year 2013 actual. To address the drought, an incremental \$35 million has been included to secure imported water supply, support enhanced conservation programs and develop future purified or recycled water supplies. Staff also assumed a debt issuance of \$138.3 million to help finance critical investments in water supply infrastructure.



# Financial Summaries

## Water Enterprise Fund (Fund 61)



FY 2014-15 Capital distinguishes between current year budget and re-appropriated funds carried forward from prior years.  
 FY 2015-16 Capital identifies the new budget and illustrates prior year funding estimated to be carried forward.

# Financial Summaries

## Water Enterprise Fund Summary (Fund 61)

	Budgetary	Adopted	Projected	Adopted	Change from	
	Basis Actual	Budget	Year End	Budget	2014-15 Adopted	
	2013-14	2014-15	2014-15	2015-16	\$ Diff	% Diff
<b>Revenue Sources:</b>						
<b>Operating Revenue:</b>						
Groundwater Production Charges	\$ 84,308,271	\$ 80,994,000	\$ 85,894,000	\$ 82,931,000	\$ 1,937,000	2.4%
Treated Water Charges	86,385,838	88,088,000	74,188,000	91,448,000	3,360,000	3.8%
Surface/Recycled Water Revenue	1,679,357	1,603,000	1,603,000	1,885,000	282,000	17.6%
Inter-governmental services	2,070,140	966,448	966,448	1,101,000	134,552	13.9%
Other	597,094	460,000	460,000	460,000	—	—
<b>Total Operating Revenue</b>	<b>\$ 175,040,700</b>	<b>\$ 172,111,448</b>	<b>\$ 163,111,448</b>	<b>\$ 177,825,000</b>	<b>\$ 5,713,552</b>	<b>3.3%</b>
<b>Non-Operating Income:</b>						
Property Taxes	\$ 5,069,477	\$ 4,716,480	\$ 5,168,718	\$ 5,344,373	\$ 627,893	13.3%
Interest*	1,225,451	556,826	556,826	1,080,000	523,174	94.0%
Capital Reimbursements	3,532,117	1,396,000	1,396,000	11,028,000	9,632,000	690.0%
Other	616,035	348,742	348,742	2,750,000	2,401,258	688.5%
Total Non-Operating Income	10,443,080	7,018,048	7,470,286	20,202,373	13,184,325	187.9%
<b>Total Revenue</b>	<b>\$ 185,483,780</b>	<b>\$ 179,129,496</b>	<b>\$ 170,581,734</b>	<b>\$ 198,027,373</b>	<b>\$ 18,897,877</b>	<b>10.5%</b>
<b>Operating Outlays:</b>						
Operations**	\$ 112,948,991	\$ 122,242,156	\$ 145,028,040	\$ 159,954,242	\$ 37,712,086	30.9%
Operating Projects	542,687	1,230,601	1,230,601	335,074	(895,527)	(72.8)%
Debt Service	15,483,852	21,394,307	16,873,404	20,823,877	(570,430)	(2.7)%
<b>Total Operating Outlays</b>	<b>\$ 128,975,530</b>	<b>\$ 144,867,064</b>	<b>\$ 163,132,045</b>	<b>\$ 181,113,193</b>	<b>\$ 36,246,129</b>	<b>25.0%</b>
Capital Projects	84,296,164	113,913,269	81,983,269	87,032,686	(26,880,583)	(23.6)%
Carry Forward Capital Projects	—	8,235,628	26,575,433	47,644,666	39,409,038	478.5%
<b>Total Capital Outlays</b>	<b>\$ 84,296,164</b>	<b>\$ 122,148,897</b>	<b>\$ 108,558,702</b>	<b>\$ 134,677,352</b>	<b>\$ 12,528,455</b>	<b>10.3%</b>
<b>Other Financing Sources (Uses) :</b>						
Commercial Paper Proceeds	\$ —	\$ —	\$ —	\$ 75,000,000	\$ 75,000,000	—
Bond Proceeds	31,660,000	109,902,000	60,238,000	63,338,000	(46,564,000)	(42.4)%
Transfers In	2,562,000	1,880,000	1,880,000	16,436,000	14,556,000	774.3%
Transfers Out	(2,833,584)	(1,949,880)	(1,949,880)	(583,992)	1,365,888	(70.0)%
<b>Total Other Sources/(Uses)</b>	<b>\$ 31,388,416</b>	<b>\$ 109,832,120</b>	<b>\$ 60,168,120</b>	<b>\$ 154,190,008</b>	<b>\$ 44,357,888</b>	<b>40.4%</b>
<b>Balance Available</b>	<b>\$ 3,600,502</b>	<b>\$ 21,945,655</b>	<b>\$ (40,940,893)</b>	<b>\$ 36,426,836</b>	<b>\$ —</b>	<b>—</b>

# Financial Summaries

	Budgetary Basis Actual 2013-14	Adopted Budget 2014-15	Projected Year End 2014-15	Adopted Budget 2015-16	Change from 2014-15 Adopted	
					\$ Diff	% Diff
<b>Year-End Reserves:</b>						
<b>Restricted Reserves</b>						
WUE-Restricted Operating Reserve	\$ 13,139,620	\$ 13,893,128	\$ 13,893,128	\$ 17,452,281	\$ 3,559,153	25.6%
WUE- Rate Stabilization Reserve for Bond Covenant	1,750,866	2,139,431	2,139,431	2,082,388	(57,043)	(2.7)%
WUE-San Felipe Emergency Reserve	4,000,574	3,980,534	3,980,534	4,000,000	19,466	0.5%
WUE-State Revolving Fund Reserve	401,263	401,263	401,263	401,263	—	—
WUE- Debt Service Reserve	6,250,178	5,934,365	6,250,178	6,250,178	315,813	5.3%
<b>Total Restricted Reserves</b>	<b>\$ 25,542,501</b>	<b>\$ 26,348,721</b>	<b>\$ 26,664,534</b>	<b>\$ 30,186,110</b>	<b>\$ 3,837,389</b>	<b>14.6%</b>
<b>Committed Reserves</b>						
Floating Rate Debt Stabilization	\$ 353,000	\$ 148,400	\$ 148,400	\$ —	\$ (148,400)	(100.0)%
Operating & Capital Reserve	19,182,432	33,269,758	13,871,330	37,196,469	3,926,711	11.8%
Supplemental Water Supply	9,728,974	9,861,838	1,329,954	12,736,141	2,874,303	29.1%
SV Advanced Water Purification Center	—	939,000	939,000	1,906,000	967,000	103.0%
Currently Authorized Projects***	35,113,870	3,612,000	6,026,666	3,382,000	(230,000)	(6.4)%
<b>Total Committed Reserves</b>	<b>\$ 64,378,276</b>	<b>\$ 47,830,996</b>	<b>\$ 22,315,350</b>	<b>\$ 55,220,610</b>	<b>\$ 7,389,614</b>	<b>15.4%</b>
<b>Total Year-End Reserves</b>	<b>\$ 89,920,777</b>	<b>\$ 74,179,717</b>	<b>\$ 48,979,884</b>	<b>\$ 85,406,720</b>	<b>\$ 11,227,003</b>	<b>15.1%</b>
<b>Uncommitted Funds</b>			<b>\$ 0</b>	<b>\$ 0</b>		

(\*) Interest revenue does not include GASB31 market valuation adjustment

(\*\*) Operations outlay does not include OPEB expenses-unfunded liability

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

# Financial Summaries

## Water Enterprise Cost Center Summary

	Budgetary Base Actuals 2013-2014	Adopted Budget 2014-15	Adopted Budget 2015-16	Change from 2014-15 Adopted % Diff
<b>SOURCE OF SUPPLY</b>				
Operations	\$ 53,001,372	\$ 53,324,758	\$ 88,489,219	65.9%
Operating Projects	439,459	431,926	286,901	(33.6)%
Capital	34,584,607	45,864,896	45,570,013	(0.6)%
<b>Total</b>	<b>\$ 88,025,438</b>	<b>\$ 99,621,580</b>	<b>\$ 134,346,133</b>	<b>34.9%</b>
<b>RAW WATER TRANSMISSION AND DISTRIBUTION</b>				
Operations	\$ 9,560,167	\$ 10,689,727	\$ 11,015,574	3.0%
Operating Projects	—	—	—	—
Capital	785,371	978,750	9,795,667	900.8%
<b>Total</b>	<b>\$ 10,345,538</b>	<b>\$ 11,668,477</b>	<b>\$ 20,811,241</b>	<b>78.4%</b>
<b>WATER TREATMENT</b>				
Operations	\$ 30,402,958	\$ 34,324,502	\$ 36,494,007	6.3%
Operating Projects	—	—	—	—
Capital	39,667,463	57,126,237	16,495,116	(71.1)%
<b>Total</b>	<b>\$ 70,070,421</b>	<b>\$ 91,450,739</b>	<b>\$ 52,989,123</b>	<b>(42.1)%</b>
<b>TREATED WATER TRANSMISSION AND DISTRIBUTION</b>				
Operations	\$ 1,556,349	\$ 1,601,848	\$ 1,406,237	(12.2)%
Operating Projects	52,911	597,037	—	—
Capital	1,826,335	401,000	4,647,000	1,058.9%
<b>Total</b>	<b>\$ 3,435,595</b>	<b>\$ 2,599,885</b>	<b>\$ 6,053,237</b>	<b>132.8%</b>
<b>ADMINISTRATION AND GENERAL</b>				
Operations	\$ 18,428,141	\$ 22,301,321	\$ 22,549,205	1.1%
Operating Projects	50,317	201,638	48,173	(76.1)%
Debt	13,998,852	21,394,307	20,823,877	(2.7)%
Capital	7,432,390	9,542,386	10,524,890	10.3%
<b>Total</b>	<b>\$ 39,909,700</b>	<b>\$ 53,439,652</b>	<b>\$ 53,946,145</b>	<b>0.9%</b>
<b>TOTAL WATER ENTERPRISE FUND</b>	<b>\$ 211,786,692</b>	<b>\$ 258,780,333</b>	<b>\$ 268,145,879</b>	<b>3.6%</b>
<b>FUND SUMMARY BY CATEGORY</b>				
Operations	\$ 112,948,987	\$ 122,242,156	\$ 159,954,242	30.9%
Operating Projects	542,687	1,230,601	335,074	(72.8)%
Debt	13,998,852	21,394,307	20,823,877	(2.7)%
Capital	84,296,166	113,913,269	87,032,686	(23.6)%
<b>Total</b>	<b>\$ 211,786,692</b>	<b>\$ 258,780,333</b>	<b>\$ 268,145,879</b>	<b>3.6%</b>

# Financial Summaries

## Water Enterprise Charge Summary

	Adopted 2011/12	Adopted 2012/13	Adopted 2013/14	Adopted 2014/15	Adopted 2015/16
<b>Groundwater Production</b>					
<b>Zone W-2</b>					
Agricultural	17.10	17.70	18.30	19.14	21.36
Non-Agricultural	569.00	622.00	680.00	747.00	894.00
<b>Zone W-5</b>					
Agricultural	17.10	17.70	18.30	19.14	21.36
Non-Agricultural	285.00	295.00	305.00	319.00	356.00
<b>Treated Water</b>					
Contract (Scheduled)	669.00	722.00	780.00	847.00	994.00
Non-Contract	619.00	672.00	755.00	897.00	1,094.00
<b>Untreated Water (Basic User Charge)</b>					
<b>Zone W-2</b>					
Agricultural	17.10	17.70	18.30	19.14	21.36
Non-Agricultural	569.00	622.00	680.00	747.00	894.00
<b>Zone W-5</b>					
Agricultural	17.10	17.70	18.30	19.14	21.36
Non-Agricultural	285.00	295.00	305.00	319.00	356.00
Water Master	12.17	12.60	15.31	18.60	22.60
<b>Minimum Charge</b>					
Zone W-2 Non-Agricultural	426.75	466.50	510.00	560.25	670.50
Zone W-5 Non-Agricultural	213.75	221.25	228.75	239.25	267.00
Zone W-2 Agricultural <sup>1</sup>	426.75	13.27	13.72	14.35	16.02
Zone W-5 Agricultural <sup>1</sup>	213.75	13.27	13.72	14.35	16.02
<b>Reclaimed Water</b>					
<b>Gilroy Reclamation Facility</b>					
Agricultural	41.50	41.50	42.10	42.94	45.16
Non-Agricultural	275.00	275.00	285.00	299.00	336.00

( Note: The surface water charge is the sum of the basic user charge plus the water master charge.)

( 1) Beginning in FY 2012/13, the ag minimum charge is now 75% of the agricultural basic user charge rather than the M&I basic user charge.

# Financial Summaries

## Water Utility Cost Allocation between Zone W-2 (North County) and Zone W-5 (South County)

Job #	Job Description	South County %	South County Cost \$	North County Cost \$	Adopted 2015-2016	Basis of Allocation to the South
<b>Operations</b>						
91041012	Water Operations Planning	16.5%	\$ 70,554	\$ 357,047	\$ 427,601	Raw Water Deliveries
91041018	Groundwater Management Program	39.0%	258,536	404,378	662,914	Groundwater Production Ratio
91061007	District Salary Savings - Fund 61	12.3%	(369,000)	(2,631,000)	(3,000,000)	M&I Water Usage Ratio
91061012	Facilities Env Compliance	16.5%	5,885	29,784	35,669	Raw Water Deliveries
91081007	Dam Safety Program	14.4%	228,994	1,361,240	1,590,234	Program Benefit Calculation
91101004	Recycled Water Program	5.9%	243,814	3,888,624	4,132,438	Population
91111001	Water Rights	16.5%	38,914	196,929	235,843	Raw Water Deliveries
91131004	Imported Water Program	11.7%	3,367,310	25,413,121	28,780,431	Imported Water Ratio
91131006	IW San Felipe Division Delvrs	17.4%	4,243,916	20,146,407	24,390,323	Program Benefit Calculation
91131007	IW South Bay Aqueduct Delvrs	—	—	4,002,500	4,002,500	No South County Benefit
91131008	State Water Project Costs	—	—	28,808,973	28,808,973	No South County Benefit
91151001	Water Conservation Program	5.9%	55,196	880,324	935,520	Population
91151007	Water Conservation-Residential	4.9%	60,487	1,173,937	1,234,424	Program Benefit Calculation
91151008	Water Conservation-Commercial/Ind	3.4%	30,483	866,068	896,551	Program Benefit Calculation
91151009	Water Conservation-AG	97.5%	147,439	3,780	151,219	Ag Production Ratio
91151010	Water Conservation-Landscape	7.0%	496,004	6,589,763	7,085,767	Program Benefit Calculation
91151011	Water Conservation Campaign	5.9%	19,993	318,875	338,868	Population
91151012	Recycled/Purified Water Public Engagement	5.9%	34,003	542,311	576,314	Population
91211004	San Felipe Reach 1 Operation	18.6%	100,607	440,289	540,896	CVP Imported Water Ratio
91211005	SFD Reach 1 Administration	18.6%	2,188	9,577	11,765	CVP Imported Water Ratio
91211084	San Felipe Reach1 Ctrl and Ele	18.6%	65,060	284,725	349,785	CVP Imported Water Ratio
91211085	SF Reach 1-Engineering - Other	18.6%	40,569	177,543	218,112	CVP Imported Water Ratio
91211099	San Felipe Reach 1 Gen Maint	18.6%	116,037	507,816	623,853	CVP Imported Water Ratio
91221002	San Felipe Reach 2 Operation	18.6%	10,635	46,545	57,180	CVP Imported Water Ratio

# Financial Summaries

Job #	Job Description	South County %	South County Cost \$	North County Cost \$	Adopted 2015-2016	Basis of Allocation to the South
91221006	SF Reach 2- Engineering - Other	18.6%	22,806	99,807	122,613	CVP Imported Water Ratio
91221099	San Felipe Reach 2 Gen Maint	18.6%	59,583	260,757	320,340	CVP Imported Water Ratio
91231002	San Felipe Reach 3 Operation	9.3%	17,998	175,533	193,531	CVP Imported Water Ratio adjusted for Coyote PP
91231084	San Felipe Reach3 Ctrl and Ele	9.3%	20,410	199,055	219,465	CVP Imported Water Ratio adjusted for Coyote PP
91231085	SF Reach 3- Engineering - Other	9.3%	12,793	124,766	137,559	CVP Imported Water Ratio adjusted for Coyote PP
91231099	San Felipe Reach 3 Gen Maint	13.9%	125,072	771,500	896,572	CVP Imported Water Ratio adjusted for Coyote PP
91281007	SVAWPC Facility Operations	—	—	3,130,140	3,130,140	No South County Benefit
91281008	SVAWPC Facility Maintenance	—	—	1,420,275	1,420,275	No South County Benefit
91441003	Desalination	12.3%	3,455	24,633	28,088	M&I Water Usage Ratio
91451002	Well Ordinance Program	13.7%	175,412	1,104,969	1,280,381	Well Permits and Inspections
91451005	Source Water Quality Mgmt	12.3%	57,693	411,357	469,050	M&I Water Usage Ratio
91451011	Invasive Mussel Prevention	16.5%	103,244	522,479	625,723	Raw Water Deliveries
91551001	Groundwater Monitoring	39.0%	364,643	570,340	934,983	Groundwater Production Ratio
91551002	Groundwater Supply Managemen	39.0%	352,987	552,107	905,094	Groundwater Production Ratio
91761001	Local Res / Div Plan & Analysis	20.8%	113,838	433,459	547,297	Total Water Deliveries Ratio
91761013	SCADA Systems Upgrades	18.6%	4,765	20,852	25,617	CVP Imported Water Ratio
91761099	Dams / Reservoir Gen Maint	22.0%	404,037	1,432,494	1,836,531	Program Benefit Calculation
91791012	Groundwater Quality Management	39.0%	435,924	681,829	1,117,753	Groundwater Production Ratio
92041014	FAHCE/Three Creeks HCP Project	4.3%	93,024	2,070,333	2,163,357	Coyote Water Supply Ratio
92061012	Facilities Env Compliance	16.5%	10,594	53,612	64,206	Raw Water Deliveries
92261099	Vasona Pump Station Gen Main	—	—	186,072	186,072	No South County Benefit
92761001	Raw Water T and D Genrl Oper	16.5%	231,361	1,170,829	1,402,190	Raw Water Deliveries
92761006	Rchrg / RW Field Fac Asset Mgt	40.8%	42,125	61,123	103,248	Groundwater Recharge Ratio
92761007	Rchrg / RW Field Ops Pln& Anlys	40.8%	88,300	128,122	216,422	Groundwater Recharge Ratio
92761008	Recycled Water T&D Genrl Maint	100.0%	79,706	—	79,706	Benefits only South County
92761009	Recharge/RW Field Ops	40.2%	974,811	1,450,092	2,424,903	Program Benefit Calculation
92761010	Rchrg / RW Field Fac Maint	40.8%	680,480	987,363	1,667,843	Groundwater Recharge Ratio

# Financial Summaries

Job #	Job Description	South County %	South County Cost \$	North County Cost \$	Adopted 2015-2016	Basis of Allocation to the South
92761012	Untreated Water Prog Plan&Analysis	46.9%	111,419	126,148	237,567	Untreated Water Deliveries Ratio
92761013	SCADA Systems Upgrades	16.5%	2,415	12,221	14,636	Raw Water Deliveries
92761082	Raw Water T&D Ctrl and Electr	16.5%	84,532	427,783	512,315	Raw Water Deliveries
92761083	Raw Water T&D Eng Other	16.5%	32,559	164,767	197,326	Raw Water Deliveries
92761085	Anderson Hydrelctrc Fclty Main	21.2%	26,128	97,117	123,245	Anderson Water Deliveries Ratio
92761099	Raw Water T / D Gen Maint	16.5%	211,252	1,069,066	1,280,318	Raw Water Deliveries
92781002	RW Corrosion Control	16.5%	56,466	285,754	342,220	Raw Water Deliveries
93061012	Facilities Env Compliance	—	—	435,175	435,175	No South County Benefit
93081008	W T General Water Quality	—	—	1,501,852	1,501,852	No South County Benefit
93081009	Water Treatment Plant Engineering	—	—	542,382	542,382	No South County Benefit
93231007	PWTP Landslide Monitoring	—	—	138,629	138,629	No South County Benefit
93231009	PWTP General Operations	—	—	5,053,227	5,053,227	No South County Benefit
93231099	Penitencia WTP General Maint	—	—	2,477,775	2,477,775	No South County Benefit
93281005	STWTP - General Operations	—	—	5,280,144	5,280,144	No South County Benefit
93281099	Santa Teresa WTP General Maint	—	—	2,909,871	2,909,871	No South County Benefit
93291012	RWTP General Operations	—	—	7,023,852	7,023,852	No South County Benefit
93291099	Rinconada WTP General Maint	—	—	3,956,750	3,956,750	No South County Benefit
93401002	Water District Laboratory	1.8%	76,628	4,180,476	4,257,104	Lab Analyses
93761001	SF/SCVWD Intertie General Ops	—	—	282,512	282,512	No South County Benefit
93761004	Campbell Well Field Operations	—	—	323,457	323,457	No South County Benefit
93761005	Campbell Well Field Maintenance	—	—	97,915	97,915	No South County Benefit
93761006	Treated Water Ctrl & Elec Eng	—	—	2,095,785	2,095,785	No South County Benefit
93761013	SCADA Systems Upgrades	—	—	42,998	42,998	No South County Benefit
93761099	SF/SCVWD Intertie Gen Maint	—	—	74,579	74,579	No South County Benefit
94761005	TW T&D - Engineering - Other	—	—	196,469	196,469	No South County Benefit
94761013	SCADA Systems Upgrades	—	—	8,232	8,232	No South County Benefit
94761099	Treated Water T/D Gen Maint	—	—	874,486	874,486	No South County Benefit



# Financial Summaries

Job #	Job Description	South County %	South County Cost \$	North County Cost \$	Adopted 2015-2016	Basis of Allocation to the South
94781001	Treated Water T/D Corrosion	—	—	327,050	327,050	No South County Benefit
95001090	Unscoped Projects-Budget Only	12.3%	43,050	306,950	350,000	M&I Water Usage Ratio
95011003	WU Asset Protection Support	2.4%	11,747	477,692	489,439	Program Benefit Calculation
95021008	Energy Management	1.5%	2,519	162,145	164,664	Labor Hours
95021009	Pipeline Monumentation	12.3%	17,769	126,692	144,461	M&I Water Usage Ratio
95031002	Grants Management	12.3%	13,322	94,983	108,305	M&I Water Usage Ratio
95041039	Integrated Regional Water Mgmt	12.3%	13,740	97,968	111,708	M&I Water Usage Ratio
95041046	Survey Record Mgmt	12.3%	5,159	36,781	41,940	M&I Water Usage Ratio
95061007	WUE Asset Management Plng Prgm	2.9%	21,196	709,700	730,896	Program Benefit Calculation
95061012	Rental Expense San Pedro, MH	100.0%	26,288	—	26,288	Benefits only South County
95061027	Water Utility Health & Safety	12.3%	45,044	321,165	366,209	M&I Water Usage Ratio
95061032	Water Utility Ops Safety Training	12.3%	56,118	400,123	456,241	M&I Water Usage Ratio
95061037	WUE Training & Development	12.3%	174,536	1,244,452	1,418,988	M&I Water Usage Ratio
95061038	WUE Administration	12.3%	900,675	6,421,888	7,322,563	M&I Water Usage Ratio
95061043	WUE ER Response Plan & Implement	5.9%	6,665	106,294	112,959	Population
95061045	AM Framework Implementation	12.3%	43,657	311,274	354,931	M&I Water Usage Ratio
95061046	District CMMS Administration	12.3%	38,806	276,692	315,498	M&I Water Usage Ratio
95061047	WUE Technical Training Program	12.3%	93,442	666,251	759,693	M&I Water Usage Ratio
95061048	Climate Change Adaptation/Mitg	12.3%	21,599	154,006	175,605	M&I Water Usage Ratio
95061054	Safe Clean Water Implementation	12.3%	7,933	56,564	64,497	M&I Water Usage Ratio
95071041	Welding Services	1.5%	3,613	245,533	249,146	Program Benefit Calculation
95101003	W2 W5 Wtr Revenue Program	69.0%	1,022,509	459,388	1,481,897	Labor Hours
95111003	Water Use Measurement	40.5%	700,646	1,029,345	1,729,991	Labor Hours
95121001	Fin/Economic Water Rate Study	12.3%	62,338	444,473	506,811	M&I Water Usage Ratio
95151002	Water Utility Customer Relations	5.9%	17,496	279,043	296,539	Population
95731001	Water Supply Modeling/Analys	12.3%	43,489	310,082	353,571	M&I Water Usage Ratio
95741001	Water Supply Planning	12.3%	54,708	390,072	444,780	M&I Water Usage Ratio
95741042	Water Resources EnvPlng & Permtg	18.0%	135,078	615,358	750,436	Program Benefit Calculation
95761003	SCADA Network Administration	2.3%	3,729	159,109	162,838	Program Benefit Calculation

# Financial Summaries

Job #	Job Description	South County %	South County Cost \$	North County Cost \$	Adopted 2015-2016	Basis of Allocation to the South
95761071	Emergency Preparedness Prog	5.9%	32,650	520,741	553,391	Population
95761072	Business Continuity Program	5.9%	6,424	102,460	108,884	Population
95771011	InterAgency Urban Runoff Program	16.5%	70,028	354,387	424,415	Raw Water Deliveries
95771031	HAZMAT Emergency Response	10.0%	10,093	90,836	100,929	Emergency Response Events
95811043	Hydrologic Data Msrmt & Mgmt	17.0%	149,425	729,544	878,969	Stream Gauge location
95811046	Warehouse Services	12.3%	60,572	431,884	492,456	M&I Water Usage Ratio
95811049	X Valley Subsidence Survey	—	—	252,921	252,921	No South County Benefit
95811050	Benchmark Maintenance (Countywide)	37.9%	39,337	64,455	103,792	Program Benefit Calculation
95811054	District Real Property Administration	—	—	142,554	142,554	Program Benefit Calculation
<b>Total</b>	<b>Operations</b>	<b>—</b>	<b>\$ 18,299,483</b>	<b>\$ 170,463,732</b>	<b>\$ 188,763,215</b>	
<b>Operating Projects</b>						
91792001	Domestic Well Testing Program	88.2%	\$ 253,047	\$ 33,854	\$ 286,901	Program benefit Calculation
95062012	WUE Maint Audit Impl Plan	2.3%	1,108	47,065	48,173	Program benefit Calculation
<b>Total</b>	<b>Operating Projects</b>	<b>—</b>	<b>\$ 254,155</b>	<b>\$ 80,919</b>	<b>\$ 335,074</b>	
<b>TOTAL</b>	<b>OPERATIONS AND OPERATING</b>	<b>—</b>	<b>\$ 18,553,638</b>	<b>\$ 170,544,651</b>	<b>\$ 189,098,289</b>	

# Financial Summaries

## Total Outlays - Source of Supply

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
<b>Operations</b>					
91041012	Water Operations Planning	408,255	391,681	427,601	Water Supply Division
91041014	Urban Water Management Plan	16,358	0	0	Water Supply Division
91041018	Groundwater Management Program	579,961	529,460	662,914	Water Supply Division
91061007	Districtwide Salary Savings-61	0	0	(3,000,000)	Financial Planning and Mgmt Div
* 91061012	Facilities Env Compliance	24,565	32,360	35,669	Human Resources Division
91081007	Dam Safety Program	1,461,157	1,455,589	1,590,234	Water Utility Technical Support Division
91101004	Recycled & Purified Water Prog	4,331,702	3,589,751	7,132,438	Water Supply Division
91111001	Water Rights	287,179	493,274	235,843	Water Supply Division
91131004	Imported Water Program	9,303,436	5,446,563	25,780,431	Water Supply Division
91131006	IW San Felipe Division Delvrs	17,527,235	20,641,284	24,390,323	Water Supply Division
91131007	IW South Bay Aqueduct Delvrs	1,032,336	677,500	4,002,500	Water Supply Division
91151001	Water Conservation Program	826,607	926,373	935,520	Water Supply Division
91151007	Water Conservation-Residential	1,836,405	1,486,687	1,234,424	Water Supply Division
91151008	Water Conservation-Commercial/Ind	879,291	928,026	896,551	Water Supply Division
91151009	Water Conservation-AG	114,456	143,066	151,219	Water Supply Division
91151010	Water Conservation-Landscape	1,536,628	1,477,207	7,085,767	Water Supply Division
91151011	Water Conservation Campaign	918,546	218,775	338,868	Water Supply Division
91151012	Recycled/Purified Water Public Engagement	0	511,602	576,314	Water Supply Division
91181001	Water Recycling - General	1,449	0	0	Water Supply Division
91211004	San Felipe Reach 1 Operation	522,670	501,990	540,896	Water Supply Division
91211005	SFD Reach 1 Administration	6,627	9,636	11,765	Water Supply Division
91211084	San Felipe Reach1 Ctrl and Ele	219,584	301,829	349,785	Water Utility Technical Support Division
91211085	SF Reach 1-Engineering - Other	118,695	184,717	118,093	Water Utility Technical Support Division
91211099	San Felipe Reach 1 Gen Maint	598,695	606,605	623,853	Water Utility Operations & Maintenance Division
91221002	San Felipe Reach 2 Operation	52,549	44,455	57,180	Water Supply Division
91221006	SF Reach 2-Engineering - Other	41,134	108,151	222,632	Water Utility Technical Support Division
91221099	San Felipe Reach 2 Gen Maint	212,613	317,725	320,340	Water Utility Operations & Maintenance Division
91231002	San Felipe Reach 3 Operation	134,478	189,015	193,531	Water Supply Division
91231084	San Felipe Reach3 Ctrl and Ele	169,458	245,807	219,465	Water Utility Technical Support Division
91231085	SF Reach 3-Engineering - Other	20,951	139,909	137,559	Water Utility Technical Support Division
91231099	San Felipe Reach 3 Gen Maint	739,535	919,609	896,572	Water Utility Operations & Maintenance Division
91281007	SVAWPC Facility Operations	1,695,024	2,369,035	3,130,140	Water Utility Operations & Maintenance Division
91281008	SVAWPC Facility Maintenance	630,944	1,129,553	1,420,275	Water Utility Operations & Maintenance Division
91441003	Desalination	35,630	65,753	28,088	Water Supply Division

# Financial Summaries

## Total Outlays - Source of Supply (Continued)

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
91451002	Well Ordinance Program	1,003,780	1,290,327	1,280,381	Water Supply Division
91451005	Source Water Quality Mgmt	374,047	385,088	469,050	Water Utility Operations & Maintenance Division
91451011	Invasive Mussel Prevention	457,829	616,540	625,723	Water Utility Operations & Maintenance Division
91551001	Groundwater Monitoring	840,121	971,527	934,983	Water Supply Division
91551002	Groundwater Supply Management	846,330	907,101	905,094	Water Supply Division
91761001	Local Res / Div Plan & Analysis	623,943	612,741	547,297	Water Supply Division
91761002	Local Reservoir/Diversion Ops	113,158	85,715	0	Water Utility Operations & Maintenance Division
* 91761013	SCADA Systems Upgrades	0	0	25,617	Water Utility Technical Support Division
91761099	Dams / Reservoir Gen Maint	1,520,354	1,334,630	1,836,531	Water Utility Technical Support Division
91791012	Groundwater Quality Management	937,658	1,038,102	1,117,753	Water Supply Division
<b>Total Operations</b>		<b>53,001,373</b>	<b>53,324,758</b>	<b>88,489,219</b>	

### Operating

91452042	Salt & Nutrient MP	207,430	0	0	Water Supply Division
91792001	Domestic Well Testing Program	232,029	431,926	286,901	Water Supply Division
<b>Total Operating</b>		<b>439,459</b>	<b>431,926</b>	<b>286,901</b>	

### Capital

91084018	Dam Maint Plan Mitigation	13,617	0	0	Water Utility Technical Support Division
91084019	Dam Safety Seismic Stability	410,711	6,524,000	0	Water Utility Technical Support Division
91084020	Calero-Guad Dams Seismic Retro	5,934,588	7,270,000	0	Water Utility Capital Division
91094009	SoCo Rcyld Wtr PL Short-Trm 1B	1,605,961	3,211,619	4,481,333	Water Utility Capital Division
91094010	South County Recycled Water Fund	16,035	0	108,000	Water Supply Division
91124001	San Thomas Well Field	354,284	0	0	Water Supply Division
91154007	Water Purchases Captl Project	7,649,839	7,919,926	8,199,549	Water Supply Division
91184008	SV Adv Wtr Purification Ctr	2,910,015	1,477,000	520,708	Water Utility Capital Division
91214007	San Luis Low Point Improvement	147,068	0	0	Water Supply Division
91214010	Small Caps, San Felipe R1	830,963	11,360	1,412,866	Water Utility Operations & Maintenance Division
91224010	Small Caps, San Felipe R2	0	0	180,000	Water Utility Operations & Maintenance Division
91234010	Small Caps, San Felipe R3	74,045	1,546,546	35,000	Water Utility Operations & Maintenance Division
91234011	Coyote Pumping Plant Warehouse	0	416,000	297,232	Water Utility Capital Division
91244001	Wolfe Rd Recycled Wtr Facility	407,364	9,808,000	6,563,008	Water Utility Capital Division
91304001	Indirect Potable Reuse-Planning	0	0	16,500,000	Water Supply Division
91854001	Almaden Dam Improv	402,913	1,213,000	2,677,561	Water Utility Capital Division
91854002	Jacques Gulch Restoration	2,766	7,445	0	Watershed Operations & Maintenance Division
91864005	Anderson Dam Seismic Retrofit	13,383,089	6,460,000	1,006,000	Water Utility Capital Division

# Financial Summaries

## Total Outlays - Source of Supply (Continued)

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
91874004	Calero Dam SeisRetrfit Des&Con	0	0	155,291	Water Utility Capital Division
91894002	Guadalupe Dam SeisRetrf Des&Con	0	0	3,411,000	Water Utility Capital Division
91904005	Lenihan Dam Outlet Mods	1,739	0	0	Water Utility Capital Division
91914001	Stevens Crk Dam Retrofit Proj	24,374	0	0	Water Utility Technical Support Division
91954001	Pacheco PP ASD Replacement	415,235	0	22,465	Water Utility Capital Division
<b>Total Capital</b>		<b>34,584,606</b>	<b>45,864,896</b>	<b>45,570,013</b>	
<b>Total</b>		<b>88,025,438</b>	<b>99,621,580</b>	<b>134,346,133</b>	

# Financial Summaries

## Total Outlays - Raw Water Transmission and Distribution

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
<b>Operations</b>					
92041014	FAHCE/Three Creeks HCP Project	1,799,842	1,937,994	2,163,357	Water Utility Technical Support Division
* 92061012	Facilities Env Compliance	45,031	59,331	64,206	Human Resources Division
92261099	Vasona Pump Station Gen Main	73,443	141,432	186,072	Water Utility Operations & Maintenance Division
92761001	Raw Water T and D Genrl Oper	1,250,813	1,253,788	1,402,190	Water Supply Division
92761006	Rchrg / RW Field Fac Asset Mgt	199,390	213,591	103,248	Water Supply Division
92761007	Rchrg / RW Field Ops Pln& Anlys	206,294	250,482	216,422	Water Supply Division
92761008	Recycled Water T&D Genrl Maint	43,395	92,032	79,706	Water Utility Operations & Maintenance Division
92761009	Recharge/RW Field Ops	1,734,788	2,534,458	2,424,903	Water Utility Operations & Maintenance Division
92761010	Rchrg / RW Field Fac Maint	1,712,270	1,375,721	1,667,843	Water Utility Operations & Maintenance Division
92761011	Untreated Water Field Ops	58,794	28,289	0	Water Utility Operations & Maintenance Division
92761012	Untreated Water Prog Plan&Analysis	36,456	104,230	237,567	Water Supply Division
* 92761013	SCADA Systems Upgrades	0	0	14,636	Water Utility Technical Support Division
92761082	Raw Water T&D Ctrl and Electr	415,383	546,125	512,315	Water Utility Technical Support Division
92761083	Raw Water T&D Eng Other	198,164	200,868	197,326	Water Utility Technical Support Division
92761085	Anderson Hydrelctrc Fclty Main	136,517	87,019	123,245	Water Utility Operations & Maintenance Division
92761099	Raw Water T / D Gen Maint	1,383,525	1,173,242	1,280,318	Water Utility Operations & Maintenance Division
92781002	RW Corrosion Control	266,063	691,125	342,220	Water Utility Technical Support Division
<b>Total Operations</b>		<b>9,560,168</b>	<b>10,689,727</b>	<b>11,015,574</b>	
<b>Capital</b>					
92144001	Pacheco/SC Conduit ROW ACQ	58,223	178,000	0	Water Utility Capital Division
92224001	Pen Force Main Seismic Retrofi	194,154	333,000	9,726,014	Water Utility Capital Division
92374005	SCADA Remote Arch&Comm Upg	27,693	0	32,000	Water Utility Capital Division
92534003	Kirk Diversion Dam Improvement	446,447	0	0	Watershed Design & Construction Division
92764009	Small Caps, Raw Water T&D	58,854	467,750	37,653	Water Utility Operations & Maintenance Division
<b>Total Capital</b>		<b>785,371</b>	<b>978,750</b>	<b>9,795,667</b>	
<b>Total</b>		<b>10,345,539</b>	<b>11,668,477</b>	<b>20,811,241</b>	

# Financial Summaries

## Total Outlays - Water Treatment

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
<b>Operations</b>					
* 93061012	Facilities Env Compliance	290,659	382,963	435,175	Human Resources Division
93081008	W T General Water Quality	1,389,800	1,597,185	1,501,852	Water Utility Operations & Maintenance Division
93081009	Water Treatment Plant Engineering	391,128	556,092	542,382	Water Utility Technical Support Division
93231007	PWTP Landslide Monitoring	116,826	138,585	138,629	Water Utility Technical Support Division
93231009	PWTP General Operations	4,375,668	4,680,641	5,053,227	Water Utility Operations & Maintenance Division
93231099	Penitencia WTP General Maint	2,080,995	2,236,192	2,477,775	Water Utility Operations & Maintenance Division
93281005	STWTP - General Operations	4,350,289	5,121,225	5,280,144	Water Utility Operations & Maintenance Division
93281099	Santa Teresa WTP General Maint	2,332,015	2,593,679	2,909,871	Water Utility Operations & Maintenance Division
93291012	RWTP General Operations	6,402,277	6,908,939	7,023,852	Water Utility Operations & Maintenance Division
93291099	Rinconada WTP General Maint	2,870,552	3,136,371	3,956,750	Water Utility Operations & Maintenance Division
93401002	Water District Laboratory	3,490,718	3,874,630	4,257,104	Water Utility Operations & Maintenance Division
93761001	SF/SCVWD Intertie General Ops	51,104	128,858	282,512	Water Utility Operations & Maintenance Division
93761004	Campbell Well Field Operations	110,698	296,277	323,457	Water Utility Operations & Maintenance Division
93761005	Campbell Well Field Maintenance	31,684	59,211	97,915	Water Utility Operations & Maintenance Division
93761006	Treated Water Ctrl & Elec Eng	2,034,591	2,564,735	2,095,785	Water Utility Technical Support Division
* 93761013	SCADA Systems Upgrades	0	0	42,998	Water Utility Technical Support Division
93761099	SF/SCVWD Intertie Gen Maint	83,953	48,919	74,579	Water Utility Operations & Maintenance Division
<b>Total Operations</b>		<b>30,402,957</b>	<b>34,324,502</b>	<b>36,494,007</b>	
<b>Capital</b>					
93084011	Fluoridation at WTPs	284,536	790,876	5,327,116	Water Utility Capital Division
93234028	PWTP Improvement, Stage 2	1,148	0	0	Water Utility Capital Division
93234031	PWTP Maintenance Building	25,024	0	0	Water Utility Capital Division
93234042	PWTP Water Pump Modifications	342,247	151,000	0	Water Utility Capital Division
93234043	PWTP Clearwell Recoat and Repair	60,056	2,922,142	303,000	Water Utility Capital Division
93284028	STWTP Improvement, Stage 2	14,281	0	0	Water Utility Capital Division
93284030	STWTP Incompatible Materials	747,806	157,000	0	Water Utility Capital Division
93294051	RWTP FRP Residuals Management	19,656,244	1,038,000	74,000	Water Utility Capital Division
93294056	RWTP Treated Water Valves Upgd	5,090,410	130,000	294,000	Water Utility Capital Division
93294057	RWTP Reliability Improvement	9,110,233	46,394,396	6,002,000	Water Utility Capital Division

# Financial Summaries

## Total Outlays - Water Treatment (Continued)

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
93504001	Infrst Reliability Master Plan	1,218,859	474,000	280,000	Water Utility Technical Support Division
93764003	IRP2 WTP Blds Seismic Retrofit	684,072	2,893,684	706,000	Water Utility Capital Division
93764004	Small Caps, Water Treatment	2,432,545	2,175,139	3,509,000	Water Utility Operations & Maintenance Division
<b>Total Capital</b>		<b>39,667,461</b>	<b>57,126,237</b>	<b>16,495,116</b>	
<b>Total</b>		<b>70,070,418</b>	<b>91,450,739</b>	<b>52,989,123</b>	



# Financial Summaries

## Total Outlays - Treated Water Transmission and Distribution

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
<b>Operations</b>					
94761005	TW T&D - Engineering - Other	75,895	201,687	196,469	Water Utility Technical Support Division
* 94761013	SCADA Systems Upgrades	0	0	8,232	Water Utility Technical Support Division
94761099	Treated Water T/D Gen Maint	1,247,561	821,834	874,486	Water Utility Operations & Maintenance Division
94781001	Treated Water T/D Corrosion	232,893	578,327	327,050	Water Utility Technical Support Division
<b>Total Operations</b>		<b>1,556,349</b>	<b>1,601,848</b>	<b>1,406,237</b>	
<b>Operating</b>					
94762007	SCADA Systems Upgrades	52,911	597,037	0	Water Utility Technical Support Division
<b>Total Operating</b>		<b>52,911</b>	<b>597,037</b>	<b>0</b>	
<b>Capital</b>					
94084005	Water Protection	764,624	62,000	0	Water Utility Capital Division
94084006	Microwave Telecommunications	873,475	0	0	Information Technology Division
94384002	Pen Del Main Seismic Retrofit	185,952	339,000	4,647,000	Water Utility Capital Division
94764006	Small Caps, Treated Water T&D	2,284	0	0	Water Utility Operations & Maintenance Division
<b>Total Capital</b>		<b>1,826,335</b>	<b>401,000</b>	<b>4,647,000</b>	
<b>Total</b>		<b>3,435,595</b>	<b>2,599,885</b>	<b>6,053,237</b>	

# Financial Summaries

## Total Outlays - Administration and General

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
<b>Operations</b>					
95001090	Unscoped Projects-Budget Only	0	350,000	350,000	Office of COO Water Utility
95011003	WU Asset Protection Support	819,802	482,703	489,439	Watershed Stwdship & Planning Division
* 95021008	Energy Management	180,153	245,968	164,664	Water Utility Technical Support Division
95021009	Pipeline Monumentation	102,857	144,476	144,461	Watershed Design & Construction Division
* 95031002	Grants Management	78,761	94,561	108,305	Financial Planning and Mgmt Div
* 95041039	Integrated Regional Water Mgmt	88,586	105,514	111,708	Water Supply Division
* 95041046	Survey Record Mgmt	50,323	79,328	41,940	Watershed Design & Construction Division
95061007	WUE Asset Management Plng Prgm	736,184	670,169	730,896	Water Utility Technical Support Division
95061012	Rental Expense San Pedro, MH	23,249	25,802	26,288	General Services Division
95061027	Water Utility Health & Safety	334,991	355,724	366,209	Human Resources Division
95061032	Water Utility Ops Safety Training	445,381	680,995	456,241	Human Resources Division
95061037	WUE Training & Development	676,428	1,105,241	1,418,988	Office of COO Water Utility
95061038	WUE Administration	6,401,376	7,651,309	7,322,563	Office of COO Water Utility
95061041	WU As-Built Drawing Control	71,703	0	0	Water Utility Capital Division
95061043	WUE ER Response Plan & Implement	168,257	221,019	112,959	Water Utility Operations & Maintenance Division
* 95061045	AM Framework Implementation	381,481	338,162	354,931	Water Utility Technical Support Division
* 95061046	District CMMS Administration	386,177	361,339	315,498	Water Utility Technical Support Division
95061047	WUE Technical Training Program	280,770	411,416	759,693	Office of COO Water Utility
* 95061048	Climate Change Adaptation/Mitg	0	127,341	175,605	Watershed Stwdship & Planning Division
* 95061054	Safe Clean Water Implementation	89,166	123,961	64,497	Watershed Stwdship & Planning Division
* 95071041	Welding Services	238,809	238,918	249,146	General Services Division
95101003	W2 W5 Wtr Revenue Program	1,102,790	1,298,606	1,481,897	Financial Planning and Mgmt Div
95111003	Water Use Measurement	1,380,921	1,485,512	1,729,991	Water Supply Division
95121001	Fin/Economic Water Rate Study	480,880	448,837	506,811	Financial Planning and Mgmt Div
95151002	Water Utility Customer Relations	239,044	315,241	296,539	Office of COO Water Utility
95731001	Water Supply Modeling/Analys	273,520	297,339	353,571	Water Supply Division
95741001	Water Supply Planning	101,775	208,709	444,780	Water Supply Division
* 95741042	Water Resources EnvPlng & Permtg	474,528	916,896	750,436	Water Utility Technical Support Division
95761003	SCADA Network Administration	146,973	162,330	162,838	Information Technology Division
* 95761071	Emergency Preparedness Prog	473,099	634,839	553,391	Office of COO Watershed
* 95761072	Business Continuity Program	81,825	242,809	108,884	Office of COO Watershed
* 95771011	InterAgency Urban Runoff Program	387,050	426,189	424,415	Watershed Stwdship & Planning Division
* 95771031	HAZMAT Emergency Response	63,265	87,707	100,929	Human Resources Division
* 95811043	Hydrologic Data Msrmt & Mgmt	807,260	851,817	878,969	Watershed Stwdship & Planning Division
* 95811046	Warehouse Services	409,199	428,861	492,456	General Services Division
* 95811049	X Valley Subsidence Survey	212,708	370,782	252,921	Watershed Design & Construction Division
* 95811050	Benchmark Maintenance (Countywide)	96,362	155,135	103,792	Watershed Design & Construction Division

# Financial Summaries

## Total Outlays - Administration and General (Continued)

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
* 95811054	District Real Property Administration	142,491	155,766	142,554	Watershed Design & Construction Division
<b>Total Operations</b>		<b>18,428,144</b>	<b>22,301,321</b>	<b>22,549,205</b>	
<b>Operating</b>					
95062012	WUE Maint Audit Impl Plan	50,317	201,638	48,173	Water Utility Operations & Maintenance Division
<b>Total Operating</b>		<b>50,317</b>	<b>201,638</b>	<b>48,173</b>	
<b>Debts</b>					
95993007	Commercial Paper Tax Exempt	367,667	1,436,000	703,090	Financial Planning and Mgmt Div
95993008	Commercial Paper Taxable	242,490	1,619,000	703,090	Financial Planning and Mgmt Div
95993010	WU Revlng 4310027-06SRF01CX114	402,353	403,464	403,763	Financial Planning and Mgmt Div
95993011	2006 WUE Refunding Tax Exempt	4,745,850	4,750,725	4,909,240	Financial Planning and Mgmt Div
95993012	2006 WUE Refunding Taxable	1,778,601	1,784,527	1,786,799	Financial Planning and Mgmt Div
95993013	2007A WU Revenue COPs Tax Ex	5,061,175	5,102,300	5,097,800	Financial Planning and Mgmt Div
95993014	2007B WU Revenue COPs	1,400,716	1,902,000	1,880,000	Financial Planning and Mgmt Div
95993015	2015A WU Revenue COP (TE)	0	2,162,728	1,912,807	Financial Planning and Mgmt Div
95993016	2015B WU Revenue COP (TX)	0	2,233,563	3,427,798	Financial Planning and Mgmt Div
<b>Total Debts</b>		<b>13,998,852</b>	<b>21,394,307</b>	<b>20,824,387</b>	
<b>Capital</b>					
95064011	Districtwide Salary Savings-61	0	0	(800,000)	Financial Planning and Mgmt Div
* 95074030	Capital Training and Development	322,147	482,523	237,636	Water Utility Capital Division
* 95074033	CIP Development & Admin	566,567	479,183	364,487	Water Utility Capital Division
* 95074036	Survey Tech Support	107,218	246,838	131,730	Watershed Design & Construction Division
* 95074038	Capital Program Services Admin	1,623,120	1,695,641	957,739	Water Utility Capital Division
* 95074045	Technical Review Committee	156,040	253,966	137,979	Water Utility Capital Division
* 95074046	Capital Health & Safety Training	72,658	117,011	45,773	Water Utility Capital Division
* 95074051	WS Capital Training and Development	0	0	301,350	Office of COO Watershed
* 95074052	WS Capital Program Services Admin	0	0	871,310	Office of COO Watershed
* 95074053	WS Capital Health & Safety Training	0	0	28,905	Office of COO Watershed
95084001	5-Year Pipeline Rehabilitation	4,535,231	5,794,000	7,981,000	Water Utility Technical Support Division
95144001	PL Hydraulic Reliability Upgrd	49,410	0	0	Water Utility Technical Support Division
95274003	WTP-WQL Netwrk Equip	0	473,224	266,981	Information Technology Division
<b>Total Capital</b>		<b>7,432,391</b>	<b>9,542,386</b>	<b>10,524,890</b>	
<b>Total</b>		<b>39,909,704</b>	<b>53,439,652</b>	<b>53,946,655</b>	

# Financial Summaries

## Water Enterprise Summary by Zone

	Budgetary Basis Basis Actual 2013-2014	Adopted Budget 2014-15	Estimated Actual 2014-15	Adopted Budget 2015-16	Percent Change
<b>Zone W2 North County</b>					
<b>Allocated Revenue</b>					
Operating Revenue	\$ 164,257,282	\$ 160,761,450	\$ 151,737,650	\$ 167,442,341	4.2%
Non-operating Revenue	31,212,485	26,614,923	27,089,586	44,485,812	67.1%
<b>Total Allocated Revenue</b>	<b>\$ 195,469,767</b>	<b>\$ 187,376,373</b>	<b>\$ 178,827,235</b>	<b>\$ 211,928,153</b>	<b>13.1%</b>
<b>Allocated Operating Outlays</b>					
Operations	\$ 122,137,912	\$ 130,192,413	\$ 151,237,447	\$ 167,453,276	28.6%
Operating Projects	224,969	850,188	850,188	3,081,130	262.4%
Debt Service	15,483,852	21,394,307	16,873,404	20,823,877	(2.7)%
<b>Total Allocated Operating Outlays</b>	<b>\$ 137,846,733</b>	<b>\$ 152,436,908</b>	<b>\$ 168,961,039</b>	<b>\$ 191,358,283</b>	<b>25.5%</b>
Balance Available for Capital/Reserve	57,623,034	34,939,465	9,866,197	20,569,870	(41.1)%
<b>Capital Appropriations</b>	<b>\$ 84,296,164</b>	<b>\$ 122,148,897</b>	<b>\$ 108,558,702</b>	<b>\$ 134,677,352</b>	<b>10.3%</b>
<b>Other Financing Resources</b>					
Bond Proceeds	\$ 31,660,000	\$ 109,902,000	\$ 60,238,000	\$ 138,338,000	25.9%
Transfers In	2,562,000	1,880,000	1,880,000	16,436,000	774.3%
Transfers Out	(2,833,584)	(1,949,880)	(1,949,880)	(583,992)	(70.0)%
<b>Total Other Financing Sources/(Uses)</b>	<b>\$ 31,388,416</b>	<b>\$ 109,832,120</b>	<b>\$ 60,168,120</b>	<b>\$ 154,190,008</b>	<b>40.4%</b>
<b>Other Intra-Zone Allocations</b>					
Zone W5 Open Space Credit	(6,299,928)	(5,299,375)	(5,710,483)	(6,422,333)	21.2%
Zone W5 Capital Amortization	3,213,313	3,607,972	3,408,597	3,727,617	3.3%
Zone W5 Interest (Earnings)/Payments	(34,773)	(32,621)	(38,517)	(54,579)	67.3%
<b>Balance Available for W2</b>	<b>\$ 1,593,897</b>	<b>\$ 20,898,664</b>	<b>\$ (40,864,788)</b>	<b>\$ 37,333,231</b>	<b>78.6%</b>
<b>Zone W5 South County</b>					
<b>Allocated Revenue</b>					
Operating Revenue	\$ 10,770,334	\$ 11,349,998	\$ 11,373,798	\$ 10,382,700	(8.5)%
Non-operating Revenue	2,396,642	2,403,125	2,380,700	2,716,519	13.0%
<b>Total Allocated Revenue</b>	<b>\$ 13,166,976</b>	<b>\$ 13,753,123</b>	<b>\$ 13,754,498</b>	<b>\$ 13,099,220</b>	<b>(4.8)%</b>
Open Space Credit	6,299,928	5,299,375	5,710,483	6,422,333	21.2%
<b>Total Current Resources</b>	<b>\$ 19,466,904</b>	<b>\$ 19,052,498</b>	<b>\$ 19,464,981</b>	<b>\$ 19,521,552</b>	<b>2.5%</b>
<b>Allocated Costs</b>					
Operations	\$ 9,630,498	\$ 10,576,971	\$ 12,317,821	\$ 14,064,486	33.0%
Operating Projects	317,723	380,413	380,413	255,481	(32.8)%
Imported Water Purchases	2,594,031	3,323,247	3,323,247	4,243,916	27.7%
<b>Total Allocated Outlays</b>	<b>\$ 12,542,252</b>	<b>\$ 14,280,631</b>	<b>\$ 16,021,481</b>	<b>\$ 18,563,883</b>	<b>30.0%</b>
Balance Available for Capital/Reserve	6,924,652	4,771,867	3,443,500	957,669	(79.9)%
Interest (earned)/due Utility Reserves	(34,773)	(32,621)	(38,517)	(54,579)	67.3%
Total Capital Amortization	3,213,313	3,607,972	3,408,597	3,727,617	3.3%
<b>Balance Available/(Deficit) for Zone W5</b>	<b>\$ 3,746,112</b>	<b>\$ 1,196,516</b>	<b>\$ 73,420</b>	<b>\$ (2,715,368)</b>	<b>(326.9)%</b>
<b>Total Balance Available/(Deficit)</b>	<b>\$ 5,340,010</b>	<b>\$ 22,095,180</b>	<b>\$ (40,791,368)</b>	<b>\$ 34,617,863</b>	<b>56.7%</b>

# Financial Summaries

## South County Capital Amortization

(In Thousands \$)						
Job Description	Total Project Cost	South County %	South County Cost	FY -16 Cost Recovery	Year Cost Recovery is Complete	Basis of Allocation to the South
Uvas Dam & Reservoir	\$ 1,124	100.0%	1,124	87	FY 22	Benefits only South County
San Pedro Recharge Facility	1,882	100.0%	1,882	147	FY 22	Benefits only South County
San Pedro Recharge house	700	100.0%	700	46	FY 31	Benefits only South County
Recycled Water Improvements I	7,232	100.0%	7,232	481	FY 32	Benefits only South County
Recycled Water Improvements II	118	100.0%	118	7	FY 33	Benefits only South County
Recycled Water Improvements III	1,721	100.0%	1,721	114	FY 34	Benefits only South County
Water Banking Rights	6,226	8.0%	498	33	FY 35	Total Imported Water Ratio
Dam Instrumentation	6,243	21.0%	1,311	86	FY 41	Program benefit calculation
Geodetic Control Maintenance	236	41.0%	96	6	FY 36	Survey Analysis
Dam Maintenance Mitigation	3,504	22.0%	770	51	FY 45	Program benefit calculation
SC Recycled Water Masterplan - Immediate Term	3,257	100.0%	3,257	215	FY 37	Benefits only South County
SC Recycled Water Masterplan - Short Term Implementation 1A	4,314	100.0%	4,314	286	FY 42	Benefits only South County
Water Banking FY 06	18,895	9.0%	1,700	112	FY 36	Total Imported Water Ratio
San Felipe Division Capital	8,200	12.9%	1,057	1,057	N/A	Repayment Cost Distribution
Pacheco Pumping Plant Regulating Tank Recoating	2,550	17.0%	433	28	FY 42	CVP Imported Water Ratio
San Felipe Communications Cable Replacement	235	17.0%	39	2	FY 42	CVP Imported Water Ratio
Small Caps, San Felipe	1,379	18.6%	255	255	N/A	CVP Imported Water Ratio
Santa Clara Tunnel Landslide	4,509	15.1%	680	45	FY 39	CVP Imported Water Ratio
SC Tunnel Landslide Mitigation	217	16.9%	36	2	FY 39	CVP Imported Water Ratio
Small Caps, San Felipe Reach 2	180	18.6%	33	33	N/A	CVP Imported Water Ratio
Small Caps, San Felipe Reach 3	50	18.6%	9	9	N/A	CVP Imported Water Ratio
Water Infrastructure Reliability Program	2,134	1.5%	32	2	FY 36	Program benefit calculation
Water Infrastructure Baseline Improvement	2,403	3.6%	86	5	FY 38	Spare pipe usage
Coyote Dam Control Building Improvement	576	19.6%	112	7	FY 42	Anderson deliveries ratio
Pacheco Pumping Plant ASD Replacement	17,341	18.6%	3,225	213	FY 45	CVP Imported Water Ratio
Radio Repeater Infill	5,423	11.1%	601	0	FY 42	M&I Water Usage Ratio
Santa Clara Conduit Rehab	1,814	17.0%	308	20	FY 42	CVP Imported Water Ratio
Raw Water Control System	9,188	4.3%	398	26	FY 37	Program benefit calculation
Small Caps, Raw Water	38	16.5%	6	6	N/A	Raw Water Usage
Water Protection	11,544	2.3%	265	17	FY 45	Program benefit calculation
Microwave Telecommunications	4,595	11.5%	528	35	FY 44	M&I Water Usage Ratio
Pipeline Hydraulic Reliability Upgrades	307	2.3%	7	0	FY 45	Program benefit calculation
Information Systems Management	5,802	9.8%	568	37	FY 40	M&I Water Usage Ratio
Peoplesoft Upgrade	78	9.8%	7	0	FY 39	M&I Water Usage Ratio
Corp Yard Relocation	26	10.2%	2	0	FY 40	M&I Water Usage Ratio
Computer Network Mod	740	11.9%	88	5	FY 45	M&I Water Usage Ratio
Uvas and Anderson Property	1,400	21.2%	296	19	FY 45	Anderson deliveries ratio
Capital Program Administration	3,077	6.0%	184	184	N/A	Total Capital Cost Ratio
<b>Grand Total</b>	<b>\$ 139,256</b>	<b>—</b>	<b>33,994</b>	<b>3,696</b>		

(\*) Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

# Financial Summaries

## State Water Project (Fund 63)

	Budgetary Basis Actual 2013-14	Adopted Budget 2014-15	Projected Year End 2014-15	Adopted Budget 2015-16	Change from 2014-15 Adopted	
					\$ Diff	% Diff
<b>Revenue Sources:</b>						
<b>Non-Operating Income:</b>						
Property Taxes	\$ 21,921,417	\$ 21,000,000	\$ 21,000,000	\$ 26,000,000	\$ 5,000,000	23.8%
Other revenues	1,231,546	1,000,000	1,000,000	1,000,000	—	—
Total Non-Operating Income	23,152,963	22,000,000	22,000,000	27,000,000	5,000,000	22.7%
<b>Total Revenue</b>	<b>\$ 23,152,963</b>	<b>\$ 22,000,000</b>	<b>\$ 22,000,000</b>	<b>\$ 27,000,000</b>	<b>\$ 5,000,000</b>	<b>22.7%</b>
<b>Operating Outlays:</b>						
Operations**	\$ 21,413,455	\$ 21,850,475	\$ 21,850,475	\$ 28,808,973	\$ 6,958,498	31.8%
Operating Projects	—	—	—	—	—	**
<b>Total Operating Outlays</b>	<b>\$ 21,413,455</b>	<b>\$ 21,850,475</b>	<b>\$ 21,850,475</b>	<b>\$ 28,808,973</b>	<b>\$ 6,958,498</b>	<b>31.8%</b>
<b>Other Financing Sources (Uses) :</b>						
Transfers In	\$ —	\$ —	\$ —	\$ —	\$ —	**
Transfers Out	—	—	—	—	—	**
<b>Total Other Sources/(Uses)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>**</b>
<b>Balance Available</b>	<b>\$ 1,739,508</b>	<b>\$ 149,525</b>	<b>\$ 149,525</b>	<b>\$ (1,808,973)</b>	<b>\$ —</b>	<b>—</b>
<b>Year-End Reserves:</b>						
State Water Project Tax	\$ 4,476,521	\$ 1,611,815	\$ 4,626,046	\$ 2,817,073	\$ 1,205,258	74.8%
<b>Total Restricted Reserves</b>	<b>\$ 4,476,521</b>	<b>\$ 1,611,815</b>	<b>\$ 4,626,046</b>	<b>\$ 2,817,073</b>	<b>\$ 1,205,258</b>	<b>74.8%</b>
<b>Total Year-End Reserves</b>	<b>\$ 4,476,521</b>	<b>\$ 1,611,815</b>	<b>\$ 4,626,046</b>	<b>\$ 2,817,073</b>	<b>\$ 1,205,258</b>	<b>74.8%</b>
<b>Uncommitted Funds</b>			\$ 0	\$ 0		

( Restricted Reserves)

## State Water Project Fund

### Overview

The State Water Project Fund was created in October 2010 to improve transparency and ensure compliance with water code section 11654. The State Water Project Fund accounts specifically for State Water Project Tax revenue and State Water Project contractual costs. State Water Project Tax revenue can only be spent on State Water Project contractual costs.

Staff proposes that the State Water Project Tax revenue be set at \$26 million for FY 2015-16, which when combined with other revenue (refunds from Department of Water Resources) and the State Water Project Reserve would fund projected contractual obligations of \$28.8 million.

# Financial Summaries

## Total Outlays - State Water Project Fund

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
<b>Operations</b>					
91131008	State Water Project Costs	21,413,455	21,850,475	28,808,973	Water Supply Division
<b>Total Operations</b>		<b>21,413,455</b>	<b>21,850,475</b>	<b>28,808,973</b>	
<b>Total</b>		<b>21,413,455</b>	<b>21,850,475</b>	<b>28,808,973</b>	



# DISTRICT GENERAL FUND

# Financial Summaries

## District General Fund Overview

### Description

The General Fund is the District's primary operating fund that supports all administrative and strategic support services costs for the organization. It accounts for all financial resources except those required to be accounted for in other funds.

The principal funding source of the General Fund is the collection of overhead charges from other District funds in the amount of \$50.9 million. Additional sources of revenue include property taxes and interest income in the amount of \$6.0 million. Total operating and capital expenditures budgeted in the General Fund are \$55.2 million.

In order to provide the funding for Winfield capital improvements and Headquarters Operations Building projects, staff has proposed a transfer of \$7.8 million from the Water Utility Enterprise Fund and Watershed Stream Stewardship Fund to the General Fund. In addition, as part of the annual groundwater production charge setting process, staff has proposed a transfer of \$1.2 million of property taxes from the General Fund to the Water Utility Enterprise Fund to offset lost agricultural water revenue associated with the Board's policy of setting low agricultural charges to preserve open space.

Services provided with resources from the General Fund are performed within the following organizational offices or divisions:

#### *Office of the Chief Executive Officer*

- Office of Ethics & Corporate Governance
- Office of CEO Support
- District Communications
- Office of Government Relations

#### *Office of the District Counsel*

- Legal Services
- Risk Management

#### *Office of the Clerk of the Board*

#### *Office of the Chief Administrative Officer*

- Human Resources
- General Services
- Information Technology Services
- Financial Planning and Management Services

### Outcomes

The main purpose of the resources budgeted to the General Fund is to provide:

- Executive leadership and oversight
- Long and short-term financial planning
- Capable and knowledgeable workforce
- Sustainable assets, equipment and infrastructure

### OFFICE OF THE CHIEF EXECUTIVE OFFICER

The FY 2015-16 operations budget managed by the Office of the Chief Executive Officer is \$1.5 million. The Office of the Chief Executive Officer (CEO) provides strategic direction and oversight to lead the organization in implementing the mission; fosters cooperative and collaborative working relationships with other government agencies, retailers, stakeholders, and the community; supports the Board, advises and informs the Board, provides interface between the Board and staff, and supports the Board's evaluation of the CEO. This project also provides executive leadership to the District and support to the Board of Directors to ensure that the District efficiently implements the Board's Ends policies and complies with executive limitations.

### Office of Ethics & Corporate Governance

The FY 2015-16 operations budget managed by the Office of Ethics & Corporate Governance is \$9.2 million of which \$7.1 million is allocated to the General Fund. The Office of Ethics & Corporate Governance program and business units include: Ethics, Equal Opportunity, Diversity and Inclusion, CEO Management Audits, Office of CEO Support, District Communications, and Office of Government Relations.

The FY 2015-16 operations budget managed by the

# Financial Summaries

Director of the Office of Ethics & Corporate Governance (OECG) for the four areas she directly supervises is \$1.9 million. The OECG reports directly to the CEO and is responsible for Districtwide programs that foster a culture of trust, transparency, and achievement. The OECG provides Executive-level focus and accountability for core District programs that promote full compliance with ethics and Equal Opportunity laws, ethical and accountable behavior, and effective stakeholder engagement. The office provides direct oversight to the Ethics and Equal Opportunity Programs, Diversity and Inclusion Program, CEO Management Audit Program.

The Ethics Program promotes the highest standards of ethical conduct and full compliance with all applicable ethics laws to further an ethical and accountable business culture Districtwide. The Program provides ethics advice, develops and monitors ethics policies, and ensures that alleged breaches of ethics policy or law are addressed and resolved in an impartial and consistent manner.

The Equal Opportunity (EO) Program provides services to support and sustain a workplace that is free of discrimination, harassment, and retaliation. The EO program ensures compliance with state and federal laws and District policies regarding the prevention of discrimination and harassment, and provides reasonable accommodations in the workplace to qualified individuals with disabilities.

The Diversity and Inclusion Program implements the District's Diversity and Inclusion Master Plan and leads broad collaboration with other units to advance and support an inclusive and engaged workforce, which strengthens the District's ability to deliver the products and services to the community. Through strategic initiatives, the program supports District activities that attract, retain and promote a diverse and talented workforce, and promotes effective community alliances in support of the District's mission.

The CEO Management Audit Program facilitates

assessments of District functions and activities to establish the extent they are conducted efficiently and in compliance with policies and procedures. Management audits provide a systematic and objective way to promote continual improvement and provide accountability to the Board and public.

The office also oversees the Office of CEO Support, District Communications, and Office of Government Relations.

## **Office of CEO Support**

The FY 2015-16 operations budget managed by the Office of CEO Support (OCEOS) is \$1.0 million. The OCEOS delivers strategic and tactical support for the CEO and Board, facilitates and enhances the understanding and transparency of the Board's governance policies, and leads the District's Quality and Environmental System (QEMS) to meet customer requirements, provide for an active, uniform, and systematic deployment of key processes, and to establish a culture of continual improvement. The OCEOS also facilitates strategic planning to address District challenges and opportunities and reports organizational performance and achievements to the Board and public.

The OCEOS' key deliverables include strategic planning, policy governance planning and updates, quarterly accomplishment and performance reporting to the Board and public, maintaining and continually improving the District's management system in accordance with top management direction, district processes and procedures, and ISO requirements, and facilitating weekly communication of organizational priorities from the CEO to the Board.

## **District Communications**

The FY 2015-16 operations and capital budget managed by the District Communications is \$4.0 million of which \$1.9 million is allocated to the General Fund. The unit's goal is to effectively communicate the water district's programs, projects and challenges to the community in order to foster public engagement and

# Financial Summaries

promote transparency. The unit is designed to help support and promote the District's key programs and projects through effective communications with the public, news media, and key stakeholders. Key areas of support include working with the Board, Water Utility, Watersheds Operation, Capital Program and Administration to communicate the District's mission and value while strengthening its relationships with the community and other partners.

The District Communications Unit is responsible for educating and informing the county's diverse community and District employees on major water-related issues. Staff accomplishes this goal through an effective media relations program; an updated external website and intranet; utilizing social media; implementing public information and marketing campaigns; stakeholder engagement; water education program, internal communications and District publications; graphics services; managing customer relations for the District's external customers, including utility and watershed operations customers. The unit also manages the hydration station grants, creek cleanup and volunteer programs, a Youth Stewardship Commission, and an education outreach program that visits classrooms from grade school to college, reaching 16,000 - 20,000 students each year.

## **Office of Government Relations**

The FY 2015-16 operations and capital budget managed by the Office of Government Relations (OGR) is \$2.3 million. The OGR is responsible for influencing external policy to the benefit of the District through legislative, administrative and regulatory efforts, and engagement with stakeholder organizations, opinion leaders and organized groups. The OGR's primary responsibilities include: representing and building support for District interests at the local, regional, state and federal level; ensuring the introduction and passage of District-sponsored legislation; addressing administrative and regulatory proposals at the administrative agency level, identifying and securing state and federal funds for high priority projects;

supporting, opposing, or pursuing amendments to local, regional, state and federal legislation; advancing the District's interests with external stakeholder organizations, and supporting Board engagement with other elected officials, administrative officials, regulators, policy makers, opinion leaders, and local community organizations and stakeholder groups.

FY 2015-16 deliverables include supporting the District's drought efforts by advocating for increased and consistent drought response actions with all 15 cities and regional governmental bodies, providing tours for elected officials and strategic stakeholders, supporting strategic relationships with stakeholders through sponsorships and participation in select events and public policy forums, identifying opportunities to advocate and promote expediting recycled water infrastructure and funding, advocating for the expedient issuance of regulatory permits and the need for public agencies to have flexibility in the financial assurance mechanisms for the long term management of compensatory mitigation, protecting District revenues from adverse public policy actions, supporting beneficial legislative, regulatory, and public policy efforts and preventing or mitigating adverse legislative, administrative, regulatory, or public policy efforts at the local, state, and federal level, and identifying, shaping, authorizing, and acquiring federal and state funding for District watershed and water utility projects.

## **OFFICE OF DISTRICT COUNSEL**

The FY 2015-16 operations budget for the Office of District Counsel is \$3.0 million. The Office of the District Counsel represents the District's interests in a variety of court and administrative matters and provides timely legal advice to the Board and management as the District implements strategies to streamline operations and increase accountability.

The District Counsel also oversees Risk Management Administration. The mission of Risk Management is to protect District assets by identifying and evaluating loss exposures and applying cost effective risk management

# Financial Summaries

and risk financing techniques to reduce or eliminate risk. The operations budget managed by the Risk Management Unit is \$2.9 million, which is charged to the Risk Insurance Fund, broken down into three projects: (1) Liability Property Program consisting primarily of insurance premiums, claims payments, and project specific reviews; (2) Workers' Compensation Program consisting primarily of insurance premiums, claims payments, administering outside vendors and the District's return to work program; and (3) Risk Management Program Administration. Key areas of focus of the Risk Management Unit for FY 2015-16 include risk control and loss assessment, risk transfer and assisting individual units to reduce the cost of risk to the District.

## **OFFICE OF CLERK OF THE BOARD**

The FY 2015-16 operations budget managed by the Office of the Clerk of the Board (COB) is \$1.8 million. The COB budgets funds that directly support the work of the District's Board of Directors, including elections. This includes regulatory, administrative, and liaison support services to the Board, its Advisory, Ad Hoc and Joint Committees with other public agencies, the Safe, Clean Water and Natural Flood Protection Program's Independent Monitoring Committee, Board Appointed Officers, District staff, and the public.

The COB also facilitates the public's access to Board information, including Board meetings and related committee meetings in accordance with the California Ralph M. Brown Act. Additionally, the COB monitors the Board budget and Board members expenses in accordance with District Ordinance 02-01, Resolution 11-78, and Board Governance Policy GP-10, and maintains integrity of the Board's legislative records, processes, and actions.

## **OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER**

The FY 2015-16 operations budget for the Office of the Chief Administrative Officer is \$0.8 million. The Office of the CAO provides executive leadership and direct

oversight to all District administrative business areas, including Human Resources, Information Technology, Financial Planning and Management, and General Services. This office 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.

## **HUMAN RESOURCES DIVISION**

The FY 2015-16 operations budget managed by the Human Resources Division is \$12.1 million of which \$7.6 million is allocated to the General Fund. The Human Resources Division program and business units include: Human Resources Program Administration, Workforce Development Unit, Environmental Health and Safety Unit, Labor Relations Unit, and Employee Recruitment and Benefits Unit.

The Human Resources Program Administration FY 2015-16 operations budget is \$0.9 million. The goal of this program is to ensure that the units within the Human Resources Division efficiently and effectively provide District-wide assistance in the areas of human resources.

## **Workforce Development Unit**

The FY 2015-16 operations budget managed by the Workforce Development Unit is \$2.8 million. The Talent Management Program provides a sustainable and capable workforce by meeting the training and professional development needs of the District. The program will equip managers with the tools to promote continuous learning, professional growth, and accountability. The program also provides for the development, prioritization, and updating of individual, unit and division training plans as well as provide ongoing training records management for District ISO certified units in preparation of four ISO Audits annually.

The Rotation Program allows employees the opportunity to rotate into other units for career development

# Financial Summaries

opportunities, to increase their knowledge of district operations, and to promote succession development.

The Employee Recognition Program consists of the Employee Discount Program, On-The-Spot Program, and the Annual Employee Recognition. The awards honor employee commitment to the mission of the District and serves as a conduit to continual improvement in Districtwide performance and workplace commitment.

The GF Training and Development project provides funding for training and professional development for employees in areas covered under the General Fund, which includes the Office of the CEO, Clerk of the Board, Office of District Counsel and Administration.

## **Environmental, Health & Safety Unit**

The FY 2015-16 operations budget managed by the Environmental, Health & Safety Unit is \$4.5 million of which \$0.4 million is allocated to the General Fund. The Environmental, Health & Safety Unit services cover a wide range of activities including environmental, health and safety program development and maintenance including assisting with ISO 14001 registration, general consultation services, communications, technical support, training services and support, incident investigation services, inspection and audit services and support, hazard analysis services, hazardous materials and hazardous waste management, regulatory permit compliance management, hazardous materials emergency response, EH&S committee support activities, and liaison with regulatory agencies when required. Additionally, the EH&S Unit responds to requests from customers for specific environmental, health and safety services or program assistance to ensure that the district's environmental compliance, health and safety programs are functional and sustainable.

## **Labor Relations Unit**

The FY 2015-16 operations budget managed by the Labor Relations Unit is \$0.9 million and includes three

programs: Labor Relations, Meet and Confer, and Bargaining Unit Representation. The unit promotes a proactive and positive labor relations program in compliance with legal mandates, negotiated agreements, and constructive management principles. Labor Relations negotiates, interprets, applies, and enforces contracts and regulations and acts as a resource in the areas of administrative policies and procedures

## **Employee Recruitment and Benefits Unit**

The FY 2015-16 operations budget managed by the Employee Recruitment and Benefits Unit is \$3.0 million of which \$2.8 million is allocated to the General Fund.

The Employee Recruitment and Benefits Unit consists of eight programs, which includes Recruitment and Examination, Skilled Trades Internship, Summer Internship Program, Classification, Compensation, Benefits Administration, Employee Wellness Program and the Deferred Compensation Committee.

The Recruitment and Examination provides oversight of the recruitment and timely selection process for regular employees and temporary staff including administration of the Summer Internship Program. This project is also responsible for the development of recruitment documents to ensure hiring practices are fair and transparent.

The Classification Program is responsible for administering the District's classification program. Administration of the classification program includes ensuring the body of work is properly documented in class specifications and assisting management on the interpretation and application of class specifications.

The Compensation Program is responsible for administering the District's compensation program. Administration of the compensation program includes conducting compensation research and analysis with the District's comparator agencies and making recommendations on pay practices.

Benefits Administration is responsible for the

# Financial Summaries

administration of the District's benefit plans including medical, dental, vision, employee assistance program, life and disability for approximately 700 employees, over 300 retirees and the seven (7) board of directors. Administration includes annual contract renewals, open enrollment, leaves of absence; translation services pay program, new hire orientations and separations or retirements of employment. This project is also responsible for processing employee transactions for generating the District's bi-weekly payroll and responding to over 400 benefits hotline calls per month.

The Employee Wellness Program promotes employee health and fitness by encouraging healthy lifestyles through coordinating monthly/quarterly wellness-related activities, on-site fitness programs, promotion of wellness resources and education, organizing health fairs/events and monitoring of program effectiveness.

The Deferred Compensation Committee is a supplemental District Retirement Plan which is offered to employees of the Santa Clara Valley Water District as part of the District's compensation program and as an enhancement to their retirement benefit package. The District has an approved Deferred Compensation Plan administered by an employee committee appointed by the Chief Administrative Officer (CAO). The Deferred Compensation Committee works towards administering the Plan within legal requirements.

## **Key Highlights: Human Resources Division**

- Provide ongoing leadership and management/supervisory development training programs for unclassified and classified staff (in conjunction with the CEO's Core Management Committee)
- Provide ongoing training records management for District ISO certified units in preparation of four ISO Audits (two external and two internal) during the fiscal year
- Design and develop District specific training (based on continual Districtwide training needs analysis and in conjunction with the CEO's Core Management Training Committee Report)

- Complete annual fire evacuation drill at each applicable District facility (10 total)
- Provide coaching and training to managers according to policies and MOU, as needed
- Process annual plan renewals for Districtwide medical benefits by April 1, 2016.
- Implement Health Care Reform Employer Reporting mandate by the end of Q2 for IRS reporting deadline of 3/31/16.
- During FY16, complete and implement the District Classification and Compensation study for the Mid-Management and Engineers Society groups and complete the Classification study for the Employees Association group.
- Implement and evaluate a new hiring policy in accordance with set timelines during FY16. Establish networking relationships with colleges/universities to aid in the pipeline of applicant pools for future district vacancies.
- Coordinate a Health and Wellness Fair by 10/1/15.
- Hire a minimum of 20 summer college interns to work a maximum of 480 hours by 6/1/16.

## **GENERAL SERVICES DIVISION**

The FY 2015-16 budget managed by the General Services Division is \$22.8 million of which \$13.5 million is allocated to the General Fund. The business units in this division include the Purchasing, Contracts and Warehouse Services Unit, the Business and Customer Support Services Unit, the Equipment Management Unit, and the Facilities Management Unit.

The FY 2015-16 budget managed by the Office of General Services is \$0.8 million, all of which is allocated to the General Fund.

## **Purchasing, Contracts and Warehouse Services Unit**

The FY 2015-16 budget managed by the Purchasing, Consultant Contracts and Warehouse Services Unit is \$4.3 million of which \$2.6 million is allocated to the General Fund.

The Purchasing team is responsible for the purchasing

# Financial Summaries

of goods and general services needed to support District operations, as well as construction services for public works projects up to \$25,000 and consulting services up to \$25,000. As a public agency, the District's purchasing practices are regulated by local, state and federal laws and regulations and District policies. The Purchasing unit administers a fair and open sourcing process for vendors who wish to do business with the District. Annually, Purchasing processes approximately 3,500 to 4,000 transactions valued at between \$30 and \$40 million.

The Consultant Contracts Services program is responsible for managing and supporting all aspects of consultant solicitations for the District's operations over \$25,000. Staff provides support during development of the request for proposal and agreement. Annually, the Consultant Contracts Services program processes approximately 40 to 55 contracts and amendments valued at between \$35 and \$50 million.

The Warehouse team is the central receiving and distribution point for the organization. Warehouse staff is responsible for cost effective management of inventory and replenishment of materials and supplies used to support District operations. In addition, the staff administers the following District-wide programs such as the Uniform program, Coverall Program, Drip Shopping Company Store, Metal Recycling, Waste Tire Recycling, Printer Toner Recycling, and is the liaison with Purchasing for the Surplus program.

## **Business and Customer Support Services Unit**

The FY 2015-16 budget for the Business and Customer Support Services Unit is \$3.1 million, all of which is allocated to the General Fund. The Business and Customer Support Services Unit provides Districtwide support such as word processing of more than 1,300 complex documents, template-based graphics, and forms services; full-time central mail services receiving more than 600,000 pieces of U.S. mail and sending out 168,000 pieces of bulk mail; reprographics services which responds to over 1,500 job requests by

providing District-wide programs full-service photocopying, digital printing, scanning, binding and other professional finishing services; receptionist/switchboard services assisting over 62,000 callers and 3,500 visitors annually; and Emergency Operations Center (EOC) Switchboard Preparedness services which includes EOC training of switchboard and various District staff during emergency events. The unit is also responsible for negotiating and managing the District's reprographics equipment and related service.

## **Equipment Management Unit**

The FY 2015-16 budget managed by the Equipment Management Unit is \$6.9 million, none of which is allocated to the General Fund.

The Equipment Management Unit is responsible for managing the District's fleet assets, which includes 260 vehicles and approximately 500 pieces of equipment. These vehicles and equipment range from hybrid light duty vehicles and crew trucks to large generators, pumps, and construction equipment.

## **Facilities Management Unit**

The FY 2015-16 budget managed by the Facilities Management Unit is \$7.7 million of which \$7.0 million is allocated from the General Fund, including the capital budget of 1.9 million.

The Facilities Management Unit is responsible for the maintenance, repair and operation of District buildings, campus grounds, HVAC systems, and generators. The unit is also responsible for space planning and management of contracted services such as electrical, plumbing, and janitorial services. The unit manages small capital improvement projects at the Almaden and Winfield campuses and the residential real estate program for District owned residential properties.

## **Key Highlights: General Services Division**

Key efforts and deliverables for the General Services Division in FY 2015-16 include:



# Financial Summaries

- Purchasing and Contracts Services will continue to host the annual Business Open House and continue to promote the District's business opportunities at vendor outreach events.
- Warehouse will continue to improve the current storage process and conduct the annual physical inventory.
- Crane, trash compactors, portable generators will be recertified or issued new permits annually in accordance with regulatory requirements.
- 39 existing vehicles will be surplus and replaced and 21 pieces of equipment will be purchased in accordance with the 12-year or 125,000 mile replacement criteria.
- The Facilities unit will continue implementing energy efficiency and water use reduction measures along with maintaining District facilities. The unit's one-time small capital improvement projects for FY16 include: Security enhancements to Almaden campus; Replacement of generators at the Headquarters (HQ) and Blossom Hill Annex buildings; Design and construction of a Hot Water Loop at HQ building; Replacement of carpet in all floors of the HQ building; Expansion of electric vehicle charging stations; and Replacement of fencing around the Corporation Yard.

## **INFORMATION TECHNOLOGY DIVISION**

The FY 2015-16 budget for the Information Technology Division (ITD) is \$16.4 million of which \$10.9 million is allocated to the General Fund. The business units and programs in ITD include Software Services, Infrastructure Services, and Records and Library Services.

The FY 2015-16 budget for the Office of Information Technology is \$2.2 million of which \$1.4 million is allocated to the General Fund. The Office of Information Technology leads and directs information technology functions and investigates emerging technologies. Key projects include the PeopleSoft Upgrade which will implement new versions of the human resources and financial modules, IT Disaster Recovery which will develop and implement a plan for business continuity in a disaster, and Data Consolidation which will implement an enterprise

content management system to consolidate data and enable business intelligence and workflow automation.

## **Software Services (SS) Unit**

The FY 2015-16 budget for the SS Unit is \$5.0 million, of which \$3.7 million is allocated to the General Fund. The SS Unit develops, maintains and supports District business and engineering software systems which include in-house developed and enterprise-wide systems such as Geographic Information Systems (GIS), PeopleSoft HR/Financials and the Maximo Asset Management System. The SS Unit also supports the District's ability to communicate with and inform the public, District staff, and other agencies via the internet and intranet.

SS provides a comprehensive set of applications and services utilizing a variety of software platforms and tool sets to meet District program needs. SS staff services include configuring Commercial off the Shelf (COTS) systems and developing and supporting interfaces, integrations, analytical tools and complex reports used across the enterprise by District employees, the board of Directors and members of the public.

Internal business and engineering systems managed and maintained by SS are essential for District day-to-day program operations from finance and HR, to asset management, facilities management and other activities.

## **Infrastructure Services (IS) Unit**

The FY 2015-16 budget for the IT Unit is \$8.2 million of which \$4.8 million is allocated to the General Fund. The IS Unit is responsible for implementation, management, support, and protection of the District's network infrastructure, business computing and communication hardware and software, and electronic data storage and protection. This includes managing the District's wide-area-network (WAN) from Sacramento to San Jose and to Pacheco Pumping Plant in Merced County.

# Financial Summaries

Another important function of this Unit is administration of and adherence to District-wide security standards, procedures, and policies for the District's information technology (IT) systems and IT related elements of the District's Industrial Control System. This includes following best practices that strengthen information security protection from people, processes, and technology. This program ensures that appropriate technology, systems, and processes are in place for effective monitoring of District IT systems. This includes identifying and protecting against weaknesses and potential intrusions from outside computer hackers, and tightening workstation computer security.

The District's network serves as the backbone of electronic communication and connectivity between District locations, systems, and people, and is vital for conducting all business operations - including the distribution and treatment of water. Servers and network storage devices managed by the IT unit host all software applications and systems, and backup devices and tools are used to archive and protect District information.

Desktop and laptop computers and related peripheral hardware are maintained by the unit to meet District-wide computing needs. End users are assisted via a staffed Help Desk which serves as the first line of support to address computer problems and help with the standard suite of desktop software and tools. Two-way radio systems, telecommunications, microwave stations, and related components are administered and maintained by the IT unit to support District office staff, crews in the field, and emergency operations. The audio / visual services provided by IT support Board meetings, internal staff meetings and public/community meetings.

## **Records & Library Services (RLS) Unit**

The FY 2015-16 budgets for the Records and Library Services Unit is \$1.0 million, all of which is allocated to the General Fund. The RLS Unit provides support services such as storage, disposition, and research

services for District records as well as processing of legal requests for records. The unit also helps staff gain access to externally-created reference materials such as books, journals, articles, and subscription data services. Additional responsibilities of this unit include: archival preservation of documents by imaging and media conservation; reproduction services for maps and engineering drawings; training for District staff on content management policies, procedures, laws and best practices; and management of Administrative policies and procedures.

## **Key Highlights: Information Technology Division**

Key efforts and deliverables for the Information Technology Division in 2015-16 include:

- ITD will continue the PeopleSoft Upgrade capital project, including selecting and securing consultant services to perform system implementation.
- The Division will also select and begin deployment of an enterprise content management system for the Data Consolidation project, and continue development of a business continuity plan for the Information Technology Disaster Recovery project.
- The Software Services Unit will develop a GIS master plan including geospatial data management, GIS visualization, and spatial analysis.
- Software Services will upgrade the Maximo Computerized Maintenance Management System (CMMS) to provide increased system stability, user access, and many new and improved features and functionality to support asset management programs.
- Software Services will consolidate information systems to replace redundant systems with more functional applications to improve data access and reliability and at the same time reduce the cost and complexity of maintenance and support.
- The Records and Library Services Unit will continue converting microfiche records to electronic media for the Wells and Community Project Review units, the Records and Library Services Unit's main active microfiche users.

# Financial Summaries

- The Infrastructure Services Unit will continue to replace desktop computers based on a four year computer replacement cycle; and begin deployment of the upgraded desktop office software suite used District-wide.

## **FINANCIAL PLANNING AND MANAGEMENT SERVICES DIVISION**

The FY 2015-16 operations budget managed by the Financial Planning and Management Services Division (FPMSD) is \$8.6 million, of which \$5.9 million is allocated to the General Fund. The business programs and units in this division include Treasury/Debt Management, Budget and Financial Planning, , General Accounting, and Revenue Management.

The FY 2015-16 operations budget managed by the Office of the Chief Financial Officer, FPMD Administration Project is \$1.4 million, of which \$0.9 million is allocated to the General Fund. The office also manages debt service payments District wide of \$35.0 million.

Financial Planning is responsible for preparation of long term forecasts; financial analyses that support the annual groundwater production charge recommendation as required by section 26.5 of the District Act. Debt and Treasury Management is responsible for investing District funds in compliance with Board approved investment policies to maintain safety and liquidity of District cash resources and to manage debt service. Investment reports are provided to management and the Board on a periodic basis. Treasury transactions are audited annually by an external audit firm.

### **General Accounting Unit**

The operations budget managed by the General Accounting Unit is \$3.1 million. General Accounting staff provides general accounting and financial reporting functions including general ledger, accounts receivable, accounts payable, payroll, cash collections, bank depositing, tax reporting, fixed asset capitalization, and audits. General Accounting

prepares the Comprehensive Annual Financial Report in accordance with Governmental Finance Officers Associations standards for excellence.

### **Revenue Management Unit**

The budget for the Revenue Management Unit is \$2.2 million and all of which is allocated to the Watershed and Water Utility Fund. The Revenue Management Unit staff reviews water production data and invoices accordingly to ensure that revenue owed to the District is collected on a timely basis. The Unit also manages all claims and reimbursements. Grants and Claims Reimbursement staff seeks opportunities to expand project options or offset operating costs by identifying and securing supplemental funding for priority projects.

### **Budget and Financial Control Unit**

Coordinate the annual budget development process; preparation of the budget; budget administration, monthly monitoring of District finances and financial analyses. The budget for this function is \$1.9 million.

The Budget and Financial Control Services Unit provides technical and administrative resources in the areas of:

- Budget preparation and project planning districtwide
- Benefits and Overhead Long-term forecasting districtwide
- Fund monitoring and financial accountability process implementation

### **Key Highlights: Financial Planning and Management Services Division**

The Financial Planning and Management Services Division continued to implement effective business practices to ensure fiscal accountability, enhance transparency and strengthen oversight of public resources. The division has also prepared updated financial plans to forecast potential financial risks to infrastructure reliability, water supply and economic conditions. The division has continually been implementing an annual budget that very carefully

# Financial Summaries

examines reductions in spending, fosters efficiencies and promotes effectiveness in the preparation of program plans across the District.

## **Major Capital Projects**

The FY 2015-16 Capital Outlay budget in the General Fund is approximately \$2.9 million. Of this amount, \$1.9 million can be attributed to the Almaden Winfield Small Capital Improvements project which provides funds to maintain existing buildings, grounds and services through a number of small capital improvement projects that contribute to the maintenance and upkeep of buildings, grounds and services to existing District facilities. The Headquarters Operations Building has a budget of \$1.0 million in FY 2015-16.

## **Fiscal Status**

Total General Fund property tax revenue in FY 2015-16 is projected at \$6.0 million and reflects an increase of \$0.6 million relative to the FY 2014-15 adopted budget. The increase in property tax revenues is based on updates received from Santa Clara County staff that the real estate market in Santa Clara County is recovering from the downturn. In addition, as part of the annual groundwater production charge setting process, staff has proposed a transfer of \$1.2 million to the Water Utility Enterprise Fund to offset lost agricultural water revenue associated with the Board's policy of setting low agricultural charges to preserve open space.

The General Fund's non-operating income includes interest income of \$45,000 in FY 2015-16.

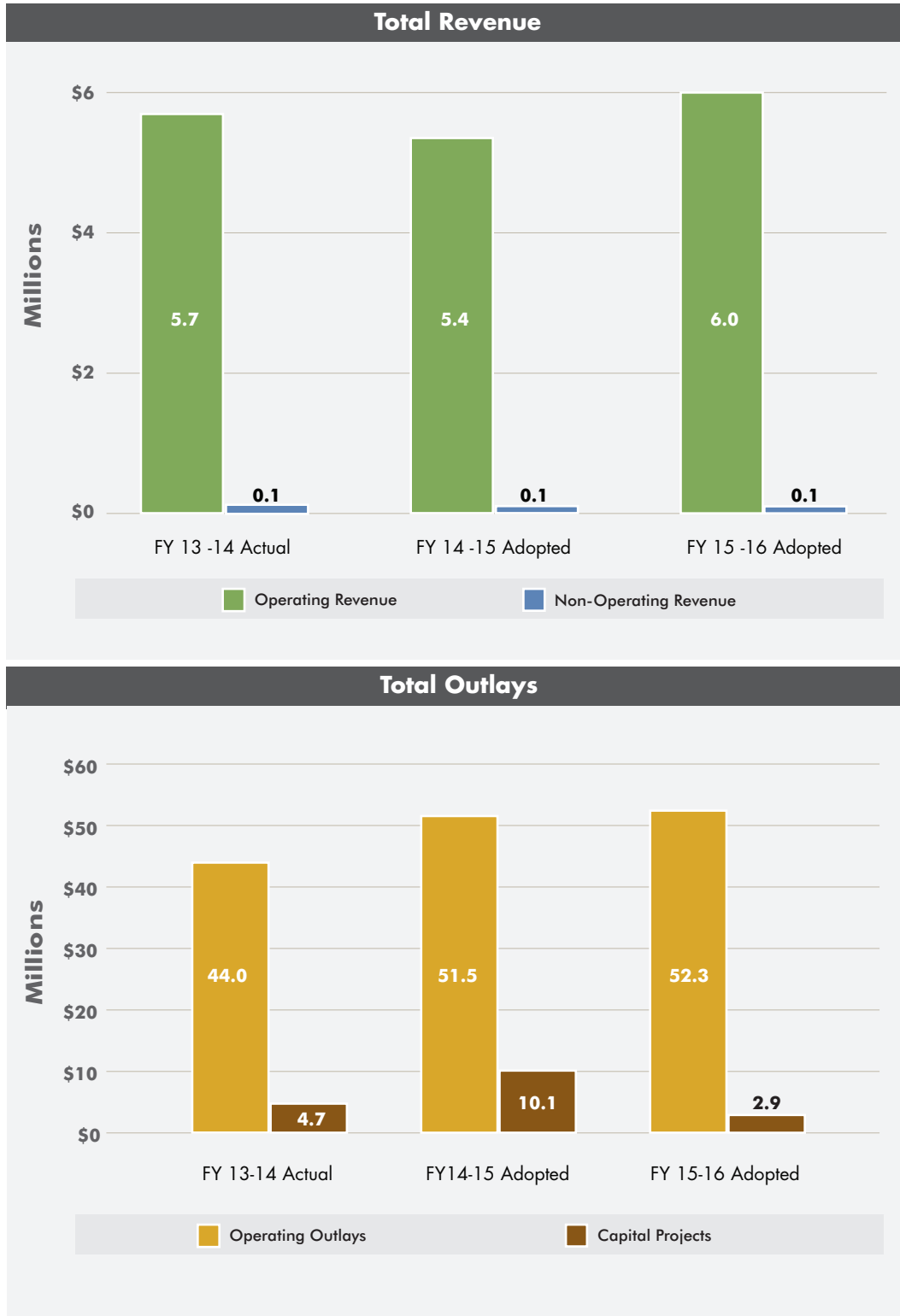
The General Fund intra-district reimbursements (overhead) is the primary source of funding for this fund. The CEO, District Counsel, Clerk of the Board and District Administration costs funded in the General Fund are primarily supported by intra-district reimbursements for services provided to Watershed and Water Utility operations and capital programs. The General Fund will recover approximately \$50.9 million in FY 2015-16 through overhead reimbursement. Generally, the

intra-district reimbursements are paid for 60% from Water Enterprise and the remainder from Watershed Funds.

General Fund reserves are estimated at approximately \$4.2 million and are in compliance with District reserve policy.

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## District General Fund



# Financial Summaries

## District General Fund Summary

	Budgetary	Adopted	Projected	Adopted	Change from	
	Basis Actual	Budget	Year End	Budget	2014-15 Adopted	
	2013-14	2014-15	2014-15	2015-16	\$ Diff	% Diff
<b>Revenue Sources:</b>						
<b>Operating Revenue:</b>						
Property Taxes	\$ 5,677,534	\$ 5,368,260	\$ 5,816,000	\$ 6,015,360	\$ 647,100	12.1%
<b>Total Operating Revenue</b>	<b>\$ 5,677,534</b>	<b>\$ 5,368,260</b>	<b>\$ 5,816,000</b>	<b>\$ 6,015,360</b>	<b>\$ 647,100</b>	<b>12.1%</b>
<b>Non-Operating Income:</b>						
Interest*	\$ 58,243	\$ 50,112	\$ 50,112	\$ 45,000	\$ (5,112)	(10.2)%
Other	40,813	—	—	—	—	**
<b>Total Non-Operating Income</b>	<b>\$ 99,056</b>	<b>\$ 50,112</b>	<b>\$ 50,112</b>	<b>\$ 45,000</b>	<b>\$ (5,112)</b>	<b>(10.2)%</b>
<b>Total Revenue</b>	<b>\$ 5,776,590</b>	<b>\$ 5,418,372</b>	<b>\$ 5,866,112</b>	<b>\$ 6,060,360</b>	<b>\$ 641,988</b>	<b>11.8%</b>
<b>Operating Outlays:</b>						
Operations	\$ 43,350,738	\$ 50,515,195	\$ 50,515,195	\$ 51,261,458	\$ 746,263	1.5%
Operating Projects	—	364,727	364,727	464,903	100,176	27.5%
Debt Service	630,295	627,373	627,373	537,759	(89,614)	(14.3)%
<b>Total Operating Outlays</b>	<b>\$ 43,981,033</b>	<b>\$ 51,507,295</b>	<b>\$ 51,507,295</b>	<b>\$ 52,264,120</b>	<b>\$ 756,825</b>	<b>1.5%</b>
Less Intra-District Reimbursements	(38,342,790)	(46,561,250)	(44,100,000)	(50,937,424)	(4,376,174)	9.4%
<b>Net Outlays</b>	<b>\$ 5,638,243</b>	<b>\$ 4,946,045</b>	<b>\$ 7,407,295</b>	<b>\$ 1,326,696</b>	<b>\$ (3,619,349)</b>	<b>(73.2)%</b>
Capital Projects	4,652,786	10,086,256	10,086,256	2,946,674	(7,139,582)	(70.8)%
Carry Forward Capital Projects	—	—	650,368	—	—	**
<b>Total Capital Outlays</b>	<b>\$ 4,652,786</b>	<b>\$ 10,086,256</b>	<b>\$ 10,736,624</b>	<b>\$ 2,946,674</b>	<b>\$ (7,139,582)</b>	<b>(70.8)%</b>
<b>Other Financing Sources/(Uses):</b>						
Transfers In	\$ 5,658,640	\$ 7,822,324	\$ 7,822,324	\$ 997,920	\$ (6,824,404)	(87.2)%
Transfer Out	(1,281,000)	(940,000)	(940,000)	(1,218,000)	(278,000)	29.6%
<b>Total Other Sources (Uses)</b>	<b>\$ 4,377,640</b>	<b>\$ 6,882,324</b>	<b>\$ 6,882,324</b>	<b>\$ (220,080)</b>	<b>\$ (7,102,404)</b>	<b>(103.2)%</b>
<b>Balance Available</b>	<b>\$ (136,799)</b>	<b>\$ (2,731,605)</b>	<b>\$ (5,395,483)</b>	<b>\$ 1,566,910</b>	<b>\$ —</b>	<b>—</b>
<b>Year-End Reserves:</b>						
<b>Committed Reserves</b>						
Operating & Capital Reserve	\$ 7,329,294	\$ 2,991,195	\$ 2,584,179	\$ 4,151,089	\$ 1,159,894	38.8%
Currently Authorized Projects***	650,368	—	—	—	—	—
<b>Total Committed Reserves</b>	<b>\$ 7,979,662</b>	<b>\$ 2,991,195</b>	<b>\$ 2,584,179</b>	<b>\$ 4,151,089</b>	<b>\$ 1,159,894</b>	<b>38.8%</b>
<b>Total Year-End Reserves</b>	<b>\$ 7,979,662</b>	<b>\$ 2,991,195</b>	<b>\$ 2,584,179</b>	<b>\$ 4,151,089</b>	<b>\$ 1,159,894</b>	<b>38.8%</b>
<b>Uncommitted Funds</b>			<b>\$ 0</b>	<b>\$ 0</b>		

(\* ) Interest revenue does not include GASB31 market valuation adjustment

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

# Financial Summaries

## Total Outlays - District General Fund

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
<b>Operations</b>					
60001090	Unscoped Projects-Budget Only	0	665,000	665,000	Office of the CEO
60021003	Environmental Mgmt Sys	143,823	91,445	0	Human Resources Division
* 60021008	Energy Management	79,479	108,513	72,646	Water Utility Technical Support Division
60061002	Contract Auditing Financial	52,778	51,967	51,327	Financial Planning and Mgmt Div
60061007	WUE Drought Emergency Response	1,129,863	0	698,845	Office of COO Water Utility
* 60061012	Facilities Env Compliance	49,124	64,728	178,351	Human Resources Division
60061017	Information Technology Div Admin	847,313	1,184,972	807,491	Information Technology Division
60061018	General Services Div Admin	612,557	606,161	837,972	General Services Division
60061019	Employee Recognition Program	58,537	59,272	71,599	Human Resources Division
60061023	Districtwide Salary Savings-11	0	0	(1,500,000)	Financial Planning and Mgmt Div
60061026	IT Strategic Plan and Analysis	75,646	208,274	471,354	Information Technology Division
60061032	Internal Communications	160,241	201,087	177,622	Office of Ethics & Corporate Governance
60061050	District Financial Control	1,287,645	1,162,388	1,185,151	Financial Planning and Mgmt Div
60061052	Vacancy Pool Salary&Benefits	0	0	280,491	Financial Planning and Mgmt Div
* 60061053	Admin Asset Mgmt Program	167,073	269,675	316,431	Water Utility Technical Support Division
* 60061055	AM Framework Implementation	0	0	85,733	Water Utility Technical Support Division
* 60061056	District CMMS Administration	0	0	78,872	Water Utility Technical Support Division
* 60071041	Welding Services	10,614	10,619	11,071	General Services Division
60091001	Directors Fees / Expenses	355,107	362,376	362,376	Office of Clerk of the Board
60101001	Purchasing Services	1,512,740	1,826,724	1,462,829	General Services Division
60101002	Building Services	2,967,573	3,162,088	3,724,078	General Services Division
60101006	Telecommunications Sys Opr/M	1,425,153	1,614,080	1,694,457	Information Technology Division
60101008	District Security Services	615,068	985,142	1,018,285	Office of COO Watershed
60101011	Audio/Visual Maint / Support	276,744	408,878	379,426	Information Technology Division
60101017	CADD System Tech Support	28,006	118,887	94,943	Water Utility Capital Division
60101018	Local Hazard Mitigation Program	13,727	51,425	53,351	Office of COO Watershed
60111002	General Accounting Services	1,215,295	1,055,247	1,097,067	Financial Planning and Mgmt Div
60111003	Accounts Payable Services	694,143	929,350	962,155	Financial Planning and Mgmt Div
60111004	Payroll Services	552,010	622,029	553,510	Financial Planning and Mgmt Div
60111006	Contract Services	604,136	620,378	865,199	General Services Division
60131004	Ofc of Chief Admin Officer	558,718	680,603	806,290	Office of Chief Administrative Officer
60131007	Office of Chief Executive Officer	774,430	814,095	859,232	Office of the CEO
60131014	Office of the CEO Support	518,147	488,474	352,819	Office of Ethics & Corporate Governance
60131015	CEO Management Audit Program	299,816	261,428	298,527	Office of Ethics & Corporate Governance
60131016	Office of Ethics and Corp. Gov	356,515	385,380	391,882	Office of the CEO
60141001	District Counsel	2,210,355	2,762,206	2,953,417	Office of District Counsel
60151001	Software Development and Support	738,057	714,034	613,185	Information Technology Division
60161001	Software Maint & License	1,354,232	749,454	1,027,444	Information Technology Division

# Financial Summaries

## Total Outlays - District General Fund (Continued)

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
60161003	Internet/Intranet Maint	406,423	412,783	286,894	Information Technology Division
60171002	Water Education Program	419,278	460,510	355,906	Office of Ethics & Corporate Governance
60171009	Community Relations	0	114,300	182,008	Office of Ethics & Corporate Governance
60181002	Network Administration	653,570	709,883	891,023	Information Technology Division
60191001	Data Center Operations	485,622	504,513	662,908	Information Technology Division
60201001	District HVAC Services	718,106	727,073	728,328	General Services Division
60201021	District Space Allocation	339,640	428,716	617,434	General Services Division
60221001	Budget Development & Analysis	358,198	464,803	406,142	Financial Planning and Mgmt Div
60221002	Debt & Treasury Management	245,617	253,893	278,547	Financial Planning and Mgmt Div
60221003	FPMD Administration	437,185	434,363	469,314	Financial Planning and Mgmt Div
60221005	Fin Forecasting & CIP Analysis	144,845	149,818	135,887	Financial Planning and Mgmt Div
60231002	Communications	718,522	697,900	925,514	Office of Ethics & Corporate Governance
60231003	Local & Federal Govt Relations	1,251,493	1,269,783	1,492,682	Office of Ethics & Corporate Governance
60231004	State Government Relations	613,786	792,137	799,619	Office of Ethics & Corporate Governance
60241026	Quality and Env Mgmt Sys Prog	708,909	544,850	602,727	Office of Ethics & Corporate Governance
60271007	Payroll & Financial Sys Maint	410,734	413,397	425,489	Financial Planning and Mgmt Div
60271010	GIS Maintenance & Support	477,639	440,947	676,626	Information Technology Division
60271011	Computerized Maint Mgmt Syst	417,188	395,916	418,169	Information Technology Division
60271060	ERP System Maint & Support	515,176	373,592	324,179	Information Technology Division
60271062	Information Security Admin	235,299	216,314	135,400	Information Technology Division
60271063	Information Mgmt Program Imp	126,120	217,432	0	Information Technology Division
60271064	Office Computer Maint& Helpdesk Support	0	1,052,968	1,167,345	Information Technology Division
60281001	EEO Mandatory Training	71,849	88,046	111,195	Office of the CEO
60281003	Equal Opportunity Prog	199,673	109,710	182,808	Office of the CEO
60281004	Diversity and Inclusion Program	469,119	680,534	430,088	Office of the CEO
60281006	Reasonable Accommodation	7,954	45,079	93,367	Office of the CEO
60291001	Recruitment and Examination	742,610	926,055	1,094,365	Human Resources Division
60291002	Benefits Administration	854,180	866,016	867,852	Human Resources Division
60291003	Labor Relations	168,340	219,322	651,073	Human Resources Division
60291004	Talent Management Program	906,153	1,194,976	1,210,126	Human Resources Division
60291005	Classification Program	597,504	159,278	197,120	Human Resources Division
60291007	Deferred Compensation Committee	98,832	140,629	90,362	Human Resources Division
60291011	HR Program Admin	649,910	850,419	939,548	Human Resources Division
60291016	Ethics	50,226	86,576	420,642	Office of the CEO
60291017	Meet and Confer	415,912	828,330	155,077	Human Resources Division
60291018	Compensation Program	53,091	76,005	77,623	Human Resources Division
60291032	Bargaining Unit Representation	160,911	168,552	110,192	Human Resources Division
60291038	GF Training & Development	366,678	996,418	735,116	Human Resources Division



# Financial Summaries

## Total Outlays - District General Fund (Continued)

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
60291039	Professional and Association Memberships	309,748	311,289	342,437	Financial Planning and Mgmt Div
60291040	Rotation Program	0	753,043	759,031	Human Resources Division
60291041	Summer Internship Program	43,831	225,169	225,689	Human Resources Division
60291042	Skilled Trades Internship Program	0	225,169	225,689	Human Resources Division
60301001	Clerk of the Board Serv	1,185,743	2,354,812	1,164,699	Office of Clerk of the Board
60301003	Board Committees	302,769	302,461	259,251	Office of Clerk of the Board
60311001	Records Management Services	447,302	431,556	461,256	Information Technology Division
60311002	Request for Public Records	150,277	191,180	181,726	Information Technology Division
60321001	Word Processing Services	418,455	401,728	446,380	General Services Division
60331001	Research / Library Services	245,656	277,226	263,586	Information Technology Division
60341001	Mail Services	791,893	888,837	693,610	General Services Division
60351001	Reprographic Services	811,197	847,170	1,260,394	General Services Division
60361001	Forms Management	229,777	235,466	242,406	General Services Division
60361002	Graphics Services	284,192	293,312	303,313	Office of Ethics & Corporate Governance
60361004	Reception Svcs-EOC Preprdns	304,606	432,739	467,977	General Services Division
60361005	EOC Switchboard Preparedness	760	11,283	0	General Services Division
60411002	GF Safety Training & Admin	321,685	250,068	239,718	Human Resources Division
* 60811046	Warehouse Services	261,890	274,472	315,173	General Services Division
<b>Total Operations</b>		<b>43,350,738</b>	<b>50,515,195</b>	<b>51,261,458</b>	
<b>Operating</b>					
60272001	IS Consolidation & Integration	0	0	396,479	Information Technology Division
60312001	Microfiche Conversion	0	364,727	68,424	Information Technology Division
<b>Total Operating</b>		<b>0</b>	<b>364,727</b>	<b>464,903</b>	
<b>Debts</b>					
60993005	2004A COP General Fund	630,295	627,373	537,759	Financial Planning and Mgmt Div
<b>Total Debts</b>		<b>630,295</b>	<b>627,373</b>	<b>537,759</b>	
<b>Capital</b>					
* 60074030	Capital Training and Development	14,210	29,239	5,277	Water Utility Capital Division
* 60074033	CIP Development & Admin	24,993	29,038	8,099	Water Utility Capital Division
* 60074036	Survey Tech Support	4,663	16,460	2,926	Watershed Design & Construction Division
* 60074038	Capital Program Services Admin	70,569	113,052	21,277	Water Utility Capital Division
* 60074045	Technical Review Committee	6,877	15,387	3,065	Water Utility Capital Division
* 60074046	Capital Healty & Safety Training	3,205	7,080	1,020	Water Utility Capital Division
* 60074051	WS Capital Training and Development	0	0	6,685	Office of COO Watershed
* 60074052	WS Capital Program Services Admin	0	0	19,372	Office of COO Watershed
* 60074053	WS Capital Health & Safety Training	0	0	657	Office of COO Watershed
60204016	Almaden&Winfield-Sm Cap Improv	2,396,605	2,080,000	1,880,376	General Services Division

# Financial Summaries

## Total Outlays - District General Fund (Continued)

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
60204021	Winfield Capital Improvements	932,615	7,577,000	41,000	Water Utility Capital Division
60204032	Headquarters Operations Building	0	219,000	956,920	General Services Division
60274062	PeopleSoft Upgrade & Expansion	1,199,049	0	0	Information Technology Division
<b>Total Capital</b>		<b>4,652,786</b>	<b>10,086,256</b>	<b>2,946,674</b>	
<b>Total</b>		<b>48,633,819</b>	<b>61,593,551</b>	<b>55,210,794</b>	

# SERVICE FUNDS

# Financial Summaries

## Fleet Management Fund

This fund was established for the purpose of operating, maintaining, and replacing certain District-owned vehicles and equipment.

Vehicles and Field Equipment & Services

Sedans, vans, and pickup trucks (Class I)

Heavy duty trucks and trailers (Class II)

Heavy construction equipment (Class III)

Portable equipment such as: large pumps, electrical panels, hose and fittings, air compressors, chain saws, weed whackers, generators, etc. (Class IV)

### Cost Recovery

The Fleet Management Fund is operated on a charge back basis. Replacement and maintenance costs for Class I and IV equipment are recovered through Intra-District charges. The budgeted Intra-District charges are evaluated each budget year with the purpose of balancing the fund and to be consistent with the District's Reserve policy.

Expenses for vehicles and field equipment (Class II & III) are budgeted by each individual unit that utilizes the equipment in its operation. The budget is based on percentage of vehicles and equipment assigned to each Unit, and the Budget Office makes final cost determinations. The Fleet Management Fund is reimbursed by the amount budgeted.

The budgeted Fleet Management Fund overhead rate is 9% for FY2015-16.

## Risk Insurance Service Fund

This fund was established to provide for liability, property, Workers' Compensation insurance and self-insurance costs. Included in this fund are self-insurance reserves for both known and unreported claims, and a reserve for catastrophic uninsured property loss. Also included are annual appropriations for liability/property, Workers' Compensation and Safety Program

administration and a Districtwide ergonomic program.

### Cost Recovery

The District allocates these costs through Intra-District charges. Interest credited to fund reserves is used to offset program administrative costs. Reserves for liability and Workers' Compensation self-insurance programs are based on actuarial evaluations.

The principal source of funding is through the assessment of the Risk Fund charge to other District funds. Management and budget staff forecast the amount needed to fund annual activities and to maintain appropriate reserve levels. Other minor sources of income are Interest Income and Other Revenue. The budgeted Risk Fund overhead rate is 7%.

### Significant Business Challenges

In FY 2005-06, the District completed an assessment of the District's Employee Health and Safety Management System and associated program elements as a status check and to recommend improvement opportunities in an effort to strive towards exemplary health and safety performance. The final assessment report revealed that numerous health and safety elements at the District needed improvement in order to meet and exceed regulatory and best management practices.

Currently, our loss prevention efforts are being integrated with other performance-based objectives such as quality and cost-control to ensure that health and safety activities are integrated into the day-to-day operations of our business. The District supports the philosophy that all accidents and injuries are preventable through establishment of and compliance with safe work procedures and best management practices for our industry. Our vision of "We are a fiscally responsible water resources agency valued by the community" calls on every employee and contractor working for the District to strive for incident-free operations and to manage risks to prevent injuries, illnesses and accidents.

Throughout FY 2014-15, the District has applied a

# Financial Summaries

systematic approach to health and safety management improvement designed to ensure compliance with the applicable laws and regulations and to achieve continuous performance improvement in terms of loss prevention.

These efforts will continue in FY 2015-16 and will be accomplished through increased safety training, hazard recognition and mitigation, and further health and safety program development.

Additionally, in accordance with Executive Limitation 6.1, the District provides adequate Liability Insurance coverage for its Board of Directors.

## Information Technology Fund

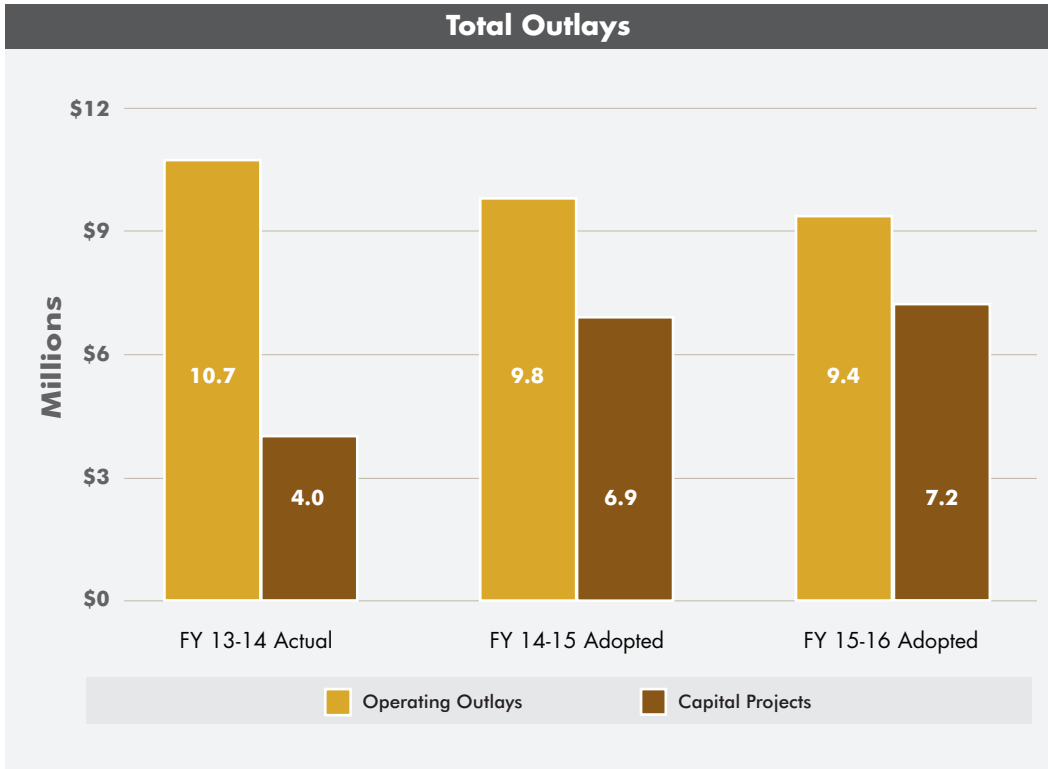
The Information Technology Fund accounts for the costs to acquire, install and replace capital related information technology projects with District-wide benefit. Projects include acquisition and replacement of computers, networks, and communications systems as well as major investments in enterprise software systems.

### Cost Recovery

Costs are billed to user departments as Intra-District charges. For FY 2015-16, Intra-District charge rate for FY 2015-16 is set at 8%. In future years, billing rates will be set to smooth charges over time by recovering current costs and accumulating reserves for major planned future projects. Current year charges or a combination of current year charges and reserves may be used to fund authorized projects. The purpose of this fund is to provide adequate resources while avoiding peaks and valleys in charges to user departments.

# Financial Summaries

## Service Funds Combined



# Financial Summaries

## Service Funds Combined Fund Summary

	Budgetary	Adopted	Projected	Adopted	Change from	
	Basis Actual	Budget	Year End	Budget	2014-15 Adopted	
	2013-14	2014-15	2014-15	2015-16	\$ Diff	% Diff
<b>Revenue Sources:</b>						
<b>Non-Operating Income:</b>						
Interest*	\$ 75,854	\$ 64,725	\$ 64,725	\$ 75,000	\$ 10,275	15.9%
Other	230,579	80,000	80,000	80,000	—	—
<b>Total Revenue</b>	<b>\$ 306,433</b>	<b>\$ 144,725</b>	<b>\$ 144,725</b>	<b>\$ 155,000</b>	<b>\$ 10,275</b>	<b>7.1%</b>
<b>Operating Outlays:</b>						
Operations**	\$ 10,456,046	\$ 9,757,205	\$ 9,757,205	\$ 9,428,216	\$ (328,989)	(3.4)%
Operating project	272,000	—	—	—	—	**
<b>Total Operating Outlays</b>	<b>\$ 10,728,046</b>	<b>\$ 9,757,205</b>	<b>\$ 9,757,205</b>	<b>\$ 9,428,216</b>	<b>\$ (328,989)</b>	<b>(3.4)%</b>
Less Intra-District Reimbursements	(12,242,719)	(16,531,388)	(16,266,226)	(17,444,531)	(913,143)	5.5%
<b>Net Outlays</b>	<b>\$ (1,514,673)</b>	<b>\$ (6,774,183)</b>	<b>\$ (6,509,021)</b>	<b>\$ (8,016,315)</b>	<b>\$ (1,242,132)</b>	<b>18.3%</b>
Capital Projects	4,010,944	6,947,201	6,327,299	7,178,015	230,814	3.3%
Carried Forward Capital Projects	—	—	—	1,829,000	1,829,000	—
<b>Total Capital Outlays</b>	<b>\$ 4,010,944</b>	<b>\$ 6,947,201</b>	<b>\$ 6,327,299</b>	<b>\$ 9,007,015</b>	<b>\$ 2,059,814</b>	<b>29.6%</b>
<b>Other Financing Sources (Uses) :</b>						
Transfers In	\$ —	\$ —	\$ —	\$ —	\$ —	—
Transfers Out	—	(26,324)	—	—	26,324	(100.0)%
<b>Total Other Sources/(Uses)</b>	<b>\$ —</b>	<b>\$ (26,324)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 26,324</b>	<b>(100.0)%</b>
<b>Balance Available</b>	<b>\$ (2,189,838)</b>	<b>\$ (54,617)</b>	<b>\$ 326,447</b>	<b>\$ (835,700)</b>	<b>\$ —</b>	<b>—</b>
<b>Year-End Reserves:</b>						
Operating & Capital Reserve	\$ 898,844	\$ 526,172	\$ 933,395	\$ 1,464,686	\$ 938,514	178.4%
Currently Authorized Projects	2,899,590	—	3,521,000	1,692,000	1,692,000	**
Liability/Workers' Comp Self Insurance	7,011,000	7,011,000	6,092,000	6,500,000	(511,000)	(7.3)%
Property Self Insurance/Catastrophic	4,407,681	5,495,441	4,997,167	5,051,176	(444,265)	(8.1)%
<b>Total Committed Reserves</b>	<b>\$ 15,217,115</b>	<b>\$ 13,032,613</b>	<b>\$ 15,543,562</b>	<b>\$ 14,707,862</b>	<b>\$ 1,675,249</b>	<b>12.9%</b>
<b>Total Year-End Reserves</b>	<b>\$ 15,217,115</b>	<b>\$ 13,032,613</b>	<b>\$ 15,543,562</b>	<b>\$ 14,707,862</b>	<b>\$ 1,675,249</b>	<b>12.9%</b>
<b>Uncommitted Funds</b>			<b>\$ 0</b>	<b>\$ 0</b>		

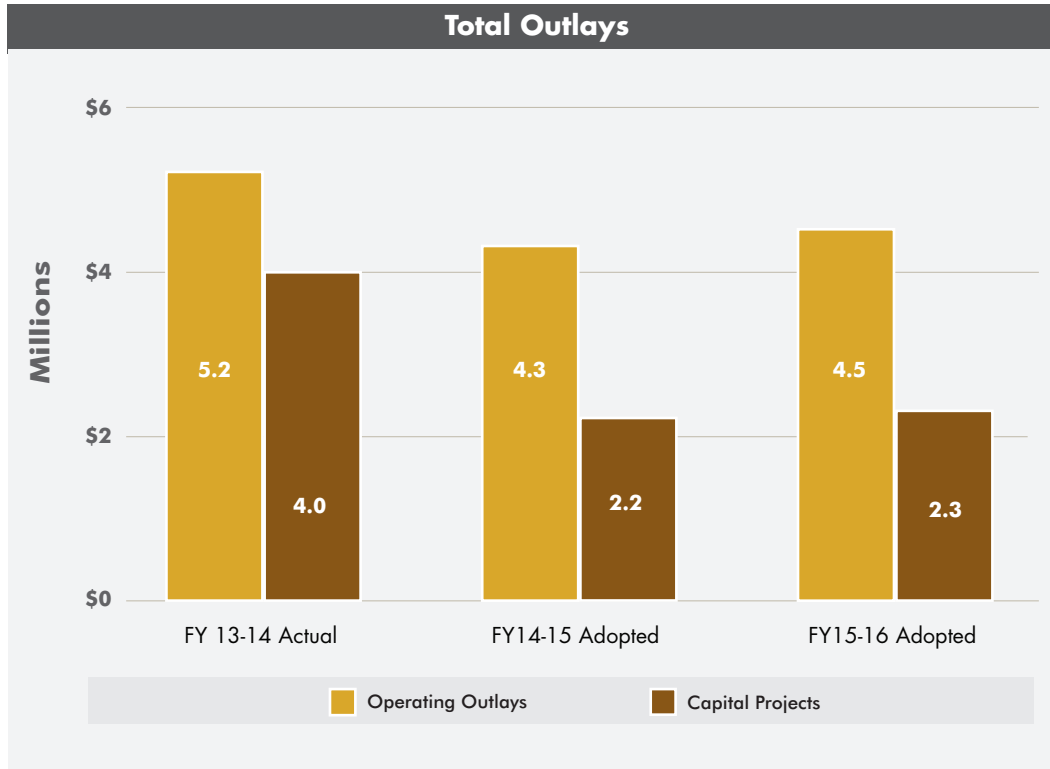
( Committed Reserves)

( \*) Interest revenue does not include GASB31 market valuation adjustment

( \*\*) Operations outlay does not include OPEB expenses-unfunded liability

# Financial Summaries

## Fleet Management Fund





# Financial Summaries

## Fleet Management Fund Summary

	Budgetary	Adopted	Projected	Adopted	Change from	
	Basis Actual	Budget	Year End	Budget	2014-15 Adopted	
	2013-14	2014-15	2014-15	2015-16	\$ Diff	% Diff
<b>Revenue Sources:</b>						
<b>Non-Operating Income:</b>						
Interest*	\$ 13,290	\$ 10,437	\$ 10,437	\$ 16,000	\$ 5,563	53.3%
Other	197,880	80,000	80,000	80,000	—	—
<b>Total Revenue</b>	<b>\$ 211,170</b>	<b>\$ 90,437</b>	<b>\$ 90,437</b>	<b>\$ 96,000</b>	<b>\$ 5,563</b>	<b>6.2%</b>
<b>Operating Outlays:</b>						
Operations**	\$ 4,962,119	\$ 4,273,403	\$ 4,273,403	\$ 4,477,551	\$ 204,148	4.8%
Operating Projects	272,000	—	—	—	—	**
<b>Total Operating Outlays</b>	<b>\$ 5,234,119</b>	<b>\$ 4,273,403</b>	<b>\$ 4,273,403</b>	<b>\$ 4,477,551</b>	<b>\$ 204,148</b>	<b>4.8%</b>
Less Intra-District Reimbursements	(8,672,399)	(6,521,737)	(6,400,000)	(6,460,555)	61,182	(0.9)%
<b>Net Outlays</b>	<b>\$ (3,438,280)</b>	<b>\$ (2,248,334)</b>	<b>\$ (2,126,597)</b>	<b>\$ (1,983,004)</b>	<b>\$ 265,330</b>	<b>(11.8)%</b>
Capital Projects	4,010,944	2,207,299	2,207,299	2,259,500	52,201	2.4%
Carried Forward Capital Projects	—	—	—	—	—	—
<b>Total Capital Outlays</b>	<b>\$ 4,010,944</b>	<b>\$ 2,207,299</b>	<b>\$ 2,207,299</b>	<b>\$ 2,259,500</b>	<b>\$ 52,201</b>	<b>2.4%</b>
<b>Other Financing Sources/(Uses):</b>						
Transfers In	\$ —	\$ —	\$ —	\$ —	\$ —	—
Transfers Out	—	—	—	—	—	—
<b>Total Other Sources/(Uses)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—</b>
<b>Balance Available</b>	<b>\$ (361,494)</b>	<b>\$ 131,472</b>	<b>\$ 9,735</b>	<b>\$ (180,496)</b>	<b>\$ —</b>	<b>—</b>
<b>Year-End Reserves:</b>						
<b>Committed Reserves</b>						
Operating & Capital Reserve	\$ 898,844	\$ 526,172	\$ 908,579	\$ 728,083	\$ 201,911	38.4%
<b>Total Year-End Reserves</b>	<b>\$ 898,844</b>	<b>\$ 526,172</b>	<b>\$ 908,579</b>	<b>\$ 728,083</b>	<b>\$ 201,911</b>	<b>38.4%</b>
<b>Uncommitted Funds</b>			\$ 0	\$ 0		

(\* ) Interest revenue does not include GASB31 market valuation adjustment

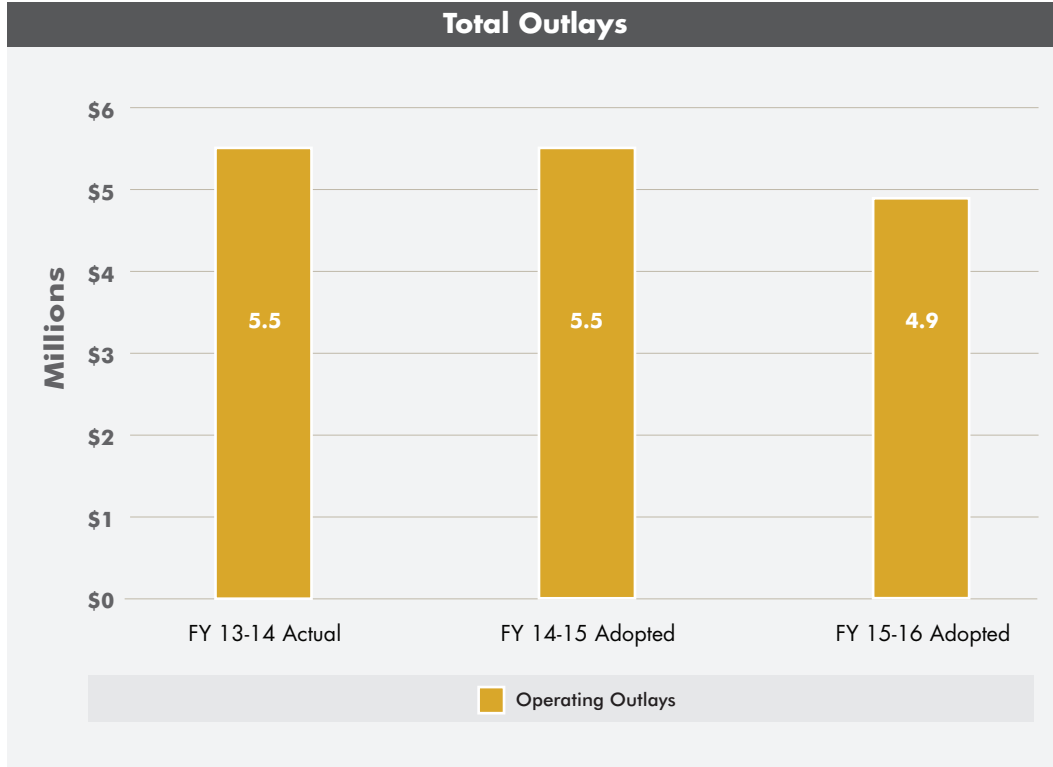
(\*\* ) Operations outlay does not include OPEB expenses-unfunded liability

# Financial Summaries

## Total Outlays - Fleet Management Fund

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
<b>Operations</b>					
70011099	Class I Equip Oper / Maint	736,228	1,014,712	932,696	General Services Division
70021099	Class II Equip Oper / Maint	642,274	686,892	753,278	General Services Division
70031099	Class III Equip Oper / Maint	270,449	357,437	392,213	General Services Division
70041099	Class IV Equip Oper / Maint	703,271	920,001	999,613	General Services Division
70061003	Vehicle & Equipment Admin&Mgmt	907,700	964,322	986,170	General Services Division
* 70061045	AM Framework Implementation	0	0	29,579	Water Utility Technical Support Division
* 70061046	District CMMS Administration	0	0	26,292	Water Utility Technical Support Division
* 70061053	Admin Asset Mgmt Program	55,692	89,893	105,479	Water Utility Technical Support Division
* 70071041	Welding Services	222,891	222,989	232,532	General Services Division
* 70811046	Warehouse Services	16,365	17,157	19,699	General Services Division
75011001	Office Computer Maint& Helpdesk Support	1,407,249	0	0	Information Technology Division
<b>Total Operations</b>		<b>4,962,119</b>	<b>4,273,403</b>	<b>4,477,551</b>	
<b>Operating</b>					
70062002	Replace Fuel Management System	272,000	0	0	General Services Division
<b>Total Operating</b>		<b>272,000</b>	<b>0</b>	<b>0</b>	
<b>Capital</b>					
70004001	New Vehicle Equip Acquisitio	154,801	73,824	280,775	General Services Division
70004002	Replacement Vehicle & Equip	1,974,274	2,133,475	1,978,725	General Services Division
75004001	Office Computers New Equipme	15,429	0	0	Information Technology Division
75004002	Office Computers Replace Equ	1,314,805	0	0	Information Technology Division
75004004	Network Equipment	551,635	0	0	Information Technology Division
<b>Total Capital</b>		<b>4,010,944</b>	<b>2,207,299</b>	<b>2,259,500</b>	
<b>Total</b>		<b>9,245,063</b>	<b>6,480,702</b>	<b>6,737,051</b>	

## Risk Insurance Service Fund



# Financial Summaries

## Risk Insurance Service Fund Summary

	Budgetary Basis Actual 2013-14	Adopted Budget 2014-15	Projected Year End 2014-15	Adopted Budget 2015-16	Change from 2014-15 Adopted	
					\$ Diff	% Diff
<b>Revenue Sources:</b>						
Interest*	\$ 62,564	\$ 54,288	\$ 54,288	\$ 55,000	\$ 712	1.3%
Other	32,699	—	—	—	—	—
Total Non-Operating Income	95,263	54,288	54,288	55,000	712	1.3%
<b>Total Revenue</b>	<b>\$ 95,263</b>	<b>\$ 54,288</b>	<b>\$ 54,288</b>	<b>\$ 55,000</b>	<b>\$ 712</b>	<b>1.3%</b>
<b>Operating Outlays:</b>						
Operations**	\$ 5,493,927	\$ 5,483,802	\$ 5,483,802	\$ 4,850,665	\$ (633,137)	(11.5)%
<b>Total Operating Outlays</b>	<b>\$ 5,493,927</b>	<b>\$ 5,483,802</b>	<b>\$ 5,483,802</b>	<b>\$ 4,850,665</b>	<b>\$ (633,137)</b>	<b>(11.5)%</b>
Less Intra-District Reimbursements	(3,570,320)	(5,243,425)	(5,100,000)	(5,257,674)	(14,249)	0.3%
<b>Net Outlays</b>	<b>\$ 1,923,607</b>	<b>\$ 240,377</b>	<b>\$ 383,802</b>	<b>\$ (407,009)</b>	<b>\$ (647,386)</b>	<b>(269.3)%</b>
<b>Other Financing Sources/(Uses):</b>						
Transfers In	\$ —	\$ —	\$ —	\$ —	\$ —	—
Transfers Out	—	—	—	—	—	—
<b>Total Other Sources/(Uses)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>—</b>
<b>Balance Available</b>	<b>\$ (1,828,344)</b>	<b>\$ (186,089)</b>	<b>\$ (329,514)</b>	<b>\$ 462,009</b>	<b>\$ —</b>	<b>—</b>
<b>Year-End Reserves:</b>						
<b>Committed Reserves</b>						
Liability/Workers' Compensation	\$ 7,011,000	\$ 7,011,000	\$ 6,092,000	\$ 6,500,000	\$ (511,000)	(7.3)%
Property Self Insure/Catastrophic	4,407,681	5,495,441	4,997,167	5,051,176	(444,265)	(8.1)%
<b>Total Year-End Reserves</b>	<b>\$ 11,418,681</b>	<b>\$ 12,506,441</b>	<b>\$ 11,089,167</b>	<b>\$ 11,551,176</b>	<b>\$ (955,265)</b>	<b>(7.6)%</b>
<b>Uncommitted Funds</b>			<b>\$ 0</b>	<b>\$ 0</b>		

(\* ) Interest revenue does not include GASB31 market valuation adjustment

(\*\*) Operations outlay does not include OPEB expenses-unfunded liability

# Financial Summaries

## Total Outlays - Risk Insurance Service Fund

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
<b>Operations</b>					
65051001	Liability Property Program	2,706,600	2,499,184	1,673,778	Office of District Counsel
65051002	Workers Compensation Program	923,628	811,629	740,413	Office of District Counsel
65051003	Safety Program Admin	888,238	979,188	1,018,549	Human Resources Division
65051004	Risk Management Program Admi	387,872	452,781	517,559	Office of District Counsel
65051005	Safety Committee	54,131	81,966	85,803	Human Resources Division
65051008	Employee Wellness Program	32,312	93,332	196,431	Human Resources Division
65051009	District Ergonomics Program	146,664	187,130	209,596	Human Resources Division
65051011	Industrial Hygiene Program	354,482	378,592	408,536	Human Resources Division
<b>Total Operations</b>		<b>5,493,927</b>	<b>5,483,802</b>	<b>4,850,665</b>	
<b>Total</b>		<b>5,493,927</b>	<b>5,483,802</b>	<b>4,850,665</b>	

# Financial Summaries

## Information Technology Fund

	Budgetary Basis Actual		Adopted Budget		Projected Year End		Adopted Budget		Change from 2014-15 Adopted		
	2013-14		2014-15		2014-15		2015-16		\$ Diff	% Diff	
<b>Revenue Sources:</b>											
<b>Non-Operating Income:</b>											
Interest*	\$	—	\$	—	\$	—	\$	4,000	\$	4,000	**
Other		—		—		—		—		—	**
<b>Total Revenue</b>	\$	—	\$	—	\$	—	\$	<b>4,000</b>	\$	<b>4,000</b>	**
<b>Outlays:</b>											
Operations**	\$	—	\$	—	\$	—	\$	100,000	\$	—	**
Capital Projects		—		4,739,902		4,120,000		4,918,515		178,613	3.8%
Carried Forward Capital Projects		—		—		—		1,829,000		1,829,000	—
<b>Total Outlays</b>	\$	—	\$	<b>4,739,902</b>	\$	<b>4,120,000</b>	\$	<b>6,847,515</b>	\$	<b>2,107,613</b>	<b>44.5%</b>
Less Intra-District Reimbursements		—		(4,766,226)		(4,766,226)		(5,726,302)		(960,076)	20.1%
<b>Net Outlays</b>	\$	—	\$	<b>(26,324)</b>	\$	<b>(646,226)</b>	\$	<b>1,121,213</b>	\$	—	—
<b>Other Financing Sources/(Uses):</b>											
Transfers In	\$	—	\$	—	\$	—	\$	—	\$	—	—
Transfers Out		—		(26,324)		—		—		26,324	—
<b>Total Other Sources/(Uses)</b>	\$	—	\$	<b>(26,324)</b>	\$	—	\$	—	\$	<b>26,324</b>	—
<b>Balance Available</b>	\$	—	\$	—	\$	<b>646,226</b>	\$	<b>(1,117,213)</b>	\$	—	—
<b>Year-End Reserves:</b>											
<b>Committed Reserves</b>											
Operating & Capital Reserve	\$	—	\$	—	\$	24,816	\$	736,603	\$	736,603	**
Currently Authorized Projects		2,899,590		—		3,521,000		1,692,000		1,692,000	**
<b>Total Year-End Reserves</b>	\$	<b>2,899,590</b>	\$	—	\$	<b>3,545,816</b>	\$	<b>2,428,603</b>	\$	<b>2,428,603</b>	**
<b>Uncommitted Funds</b>					\$	<b>0</b>	\$	<b>0</b>			

(\* ) Interest revenue does not include GASB31 market valuation adjustment

(\*\*) Operations outlay does not include OPEB expenses-unfunded liability

# Financial Summaries

## Total Outlays - Information Technology Fund

Job #	Job Description	Budgetary Basis Actual 2013-2014	Adopted Budget 2014-2015	Adopted Budget 2015-2016	Job Managed By
<b>Operations</b>					
73271007	Emerging IT Technologies	0	0	100,000	Information Technology Division
<b>Total Operations</b>		<b>0</b>	<b>0</b>	<b>100,000</b>	
<b>Capital</b>					
73274001	IT Disaster Recovery	0	208,000	354,000	Information Technology Division
73274002	PeopleSoft Upgrade & Expansion	0	1,202,000	0	Information Technology Division
73274003	Computer Network Modernization	0	1,144,633	0	Information Technology Division
73274004	Network Equipment	0	601,509	1,270,653	Information Technology Division
73274005	Office Computers New Equipme	0	31,259	0	Information Technology Division
73274006	Office Computer&Printer Rplcmt.	0	1,191,995	1,734,384	Information Technology Division
73274008	Software Upgrades & Enhancements	0	0	1,223,774	Information Technology Division
73274009	Data Consolidation	0	0	335,704	Information Technology Division
<b>Total Capital</b>		<b>0</b>	<b>4,379,396</b>	<b>4,918,515</b>	
<b>Total</b>		<b>0</b>	<b>4,379,396</b>	<b>5,018,515</b>	

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## Water Charges

As the county's primary water wholesaler, the water district makes sure there is enough clean, safe water for homes and businesses. To finance this monumental task, the water district collects revenue, primarily from property taxes, well owners, agricultural water customers and **water retailers, such as San Jose Water Company**.

Most county residents do not pay a bill directly to the Santa Clara Valley Water District, instead they pay their **local water retailers**. The cost local residents pay the retailers, however, is affected by the cost to the district of supplying that water.

The water district's major costs include operations, debt service, capital improvements to the treatment and delivery system, and water purchases from outside the county.

To avoid large charge increases in any year, the water district develops 10-year projections so that charges can be increased gradually when needed.

- **Each year the water district conducts a public review process to set water charges for the coming year.** [Go here for answers to frequently asked questions about groundwater, what the water charges pay for and the charge-setting process.](#)
- How can you lower your water bill? Save water and money through conservation. [Find out more here.](#)

### What are the current water charges?

The Santa Clara Valley Water District is a water wholesaler. The following charges reflect what water retailers and agricultural users pay for wholesale or well water.

The "2015 Protection and Augmentation of Water Supplies," or PAWS 2015 Report, presents the financial and water supply information that forms the basis for the fiscal year 2015-2016 wholesale water charges.

Questions about retail water charges should be addressed to the appropriate [retail water agency](#).

Water charges for Fiscal Year 2015 - 2016 (effective July 1, 2015)

Type of Charge	Agricultural Water (AF)	Non-Agricultural Water (AF)
<b>Groundwater</b>		
Zone W-2	\$21.36	\$894.00
Zone W-5 (See a <a href="#">zone map</a> )	\$21.36	\$356.00
<b>Surface Water <sup>1</sup></b>		
Zone W-2 Deliveries <sup>2</sup>	\$43.96	\$916.60
Zone W-5 Deliveries <sup>3</sup>	\$43.96	\$378.60
Minimum Charge--Zone W-2 <sup>4</sup>	\$16.02	\$670.50
Minimum Charge--Zone W-5 <sup>5</sup>	\$16.02	\$267.00
<b>Treated Water</b>		
Contract <sup>6</sup>	N/A	\$994.00
Non-contract <sup>7</sup>	N/A	\$1,094.00
<b>Recycled water</b>		
Gilroy	\$45.16	\$336.00

**Notes**

<sup>1</sup> Surface water charge is the sum of the basic user charge plus the water master charge.

<sup>2</sup> Other Zone W-2 Deliveries = Basic User (AG or M&I @ \$21.36/AF or \$894/AF) + Water Master (\$22.60/AF).

<sup>3</sup> Other Zone W-5 Deliveries = Basic User (AG or M&I @ \$21.36/AF or \$356/AF) + Water Master (\$22.60/AF).

<sup>4</sup> Minimum Charge W-2 = 0.75 X Basic User W-2 (M&I @ \$894/AF, Ag @ 21.36/AF).

<sup>5</sup> Minimum Charge W-5 = 0.75 X Basic User W-5 (M&I @ \$356/AF, Ag @ 21.36/AF).

<sup>6</sup> Treated Water Charge is the sum of Basic User (\$894/AF) and Treated Water Surcharge (\$100/AF).

<sup>7</sup> The charge for non-contract deliveries is the sum of the basic user charge (\$894/AF) and the treated water surcharge for non-contract water (\$200/AF) for usage greater than 100% of contract amount.

**AF** = acre feet

**Ag** = agricultural

**Non-Ag** = municipal and industrial