

Budget in Brief

FY 2010 - 2011

The Santa Clara Valley Water District is the primary water resources agency for Santa Clara County. We are committed to providing critical services with efficiency, accountability, responsiveness and maximum value.



As water resources manager, the water district ensures a reliable supply of clean water; protects the community from flooding; and provides stream stewardship throughout the county. Our total operating and capital budget is \$315 million, with \$212 million allocated for operations and \$103 million for capital projects. The budget is balanced and sustainable into the future.

Highlights of the district's FY 2010-11 budget include:

- Scheduled construction of 23 capital projects, projected to generate or sustain an estimated 1,100 – 2,200 local jobs
- An increase of \$9.9 million over FY 2009-10, \$9 million of which funds capital construction
- External funding of \$26.4 million, including \$16 million in federal American Recovery and Reinvestment Act stimulus funding, and \$10.4 million in local, state and federal capital reimbursements
- Projected revenue reductions of \$5.8 million from lower water use levels due to conservation
- Property tax revenue reductions of 1.2 percent, or \$0.9 million
- Reduction in overhead costs by 1.8 percent
- Reductions in Water Utility Enterprise operations costs of 3.8 percent; increase in Watersheds operations costs of 3.8 percent



To keep overall costs down, the District has maintained services while cutting positions, delaying projects, reducing expenditures and keeping water charges flat for a third straight year.

In FY 2010-11, the water district has:

- Cut 25 positions, for a total of 82 over the past three years—about 10 percent of the District workforce
- Continued with agency-wide efficiencies and consolidations to realize ongoing cost reductions, including a 14 percent reduction in managed units/offices
- Reduced consultant services by 19.2 percent, or \$7 million

Santa Clara Valley
Water District 



Serving you every day

Santa Clara Valley Water District Mission

The mission of the District is a healthy, safe, and enhanced quality of living in Santa Clara County through watershed stewardship and comprehensive management of water resources in a practical, cost-effective and environmentally sensitive manner for current and future generations.

The District provides a reliable supply of clean, safe water for the 1.8 million people of the county. How? We make sure the groundwater basins are replenished with local and imported water; we deliver treated water from our three drinking water treatment plants to retail water companies and cities; and maintain and operate 10 local reservoirs, 153 miles of pipelines, and 393 acres of ponds that replenish the groundwater basins. The District also plans for the county's future water supply and promotes efficient water use through conservation and recycling programs.

We work to protect residents and businesses from the devastating effects of flooding, and serve as environmental steward for the county's 800-plus miles of streams and creeks, groundwater basins and District-owned reservoirs. In addition, we partner with local agencies to develop trails and open space throughout the county.

Our budget is divided into three business areas:

- **Water Utility Enterprise** manages all the work we do to deliver a reliable, clean water supply, every day throughout the year.
- **Watersheds** oversees work to reduce the potential for flooding, and works to protect and enhance watersheds and natural resources, including the voter-approved Clean, Safe Creeks and Natural Flood Protection program.
- **Support Services** provides for the District's governance and leadership; financial, legal, human and information system resources; and business assets to support the delivery of products and services to the community.

Strategic Vision

We are a fiscally responsible water resources agency valued by the community.



Coyote Parkway Freshwater Wetland

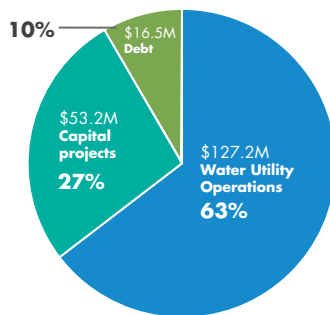
What does the FY 2010-11 budget pay for?

The budget contains funding allocated to each of our business areas for projects and programs that benefit the communities of Santa Clara County. Capital construction projects, debt and intra-district reimbursements are highlighted for each area, with outcomes for the public bulleted below.

TOTAL OPERATING AND CAPITAL BUDGET - \$315 million*

*Intra-district reimbursements are overhead costs allocated to projects to provide for support services such as human resources, IT, or legal and financial services. These reimbursements are projected to be \$50.5 million in FY 2010-11, and are not included in the total budget figure of \$315 million.

Water Utility Enterprise \$197 million



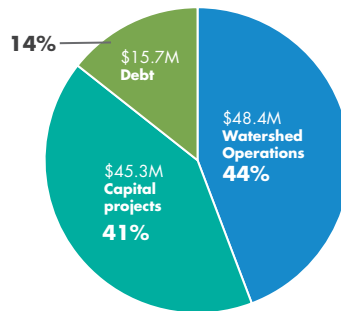
- Reliable water supply
- Raw water transmission
- Water treatment
- Treated water distribution
- Water use efficiency



The District treats and delivers about 120,000 acre-feet—or 39 billion gallons—of clean, safe water annually at our three drinking water treatment plants. Shown here: Clarifier basins at Penitencia Water Treatment Plant catch silt before water enters the filtration and ozonation treatment processes.

Term: What's an acre-foot?
About 326,000 gallons, the amount two families of five consume over a year using conservation measures.

Watersheds \$109.4 million

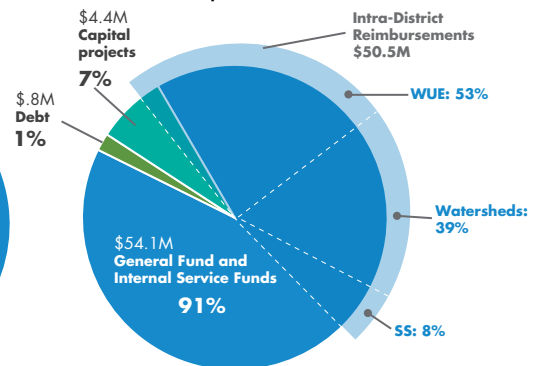


- Protection from flooding
- Clean water in creeks
- Healthy creek and bay ecosystems
- Provide access to trails and open space



Preserving and protecting the natural environment, including wetlands, is an important part of our watershed stewardship function. Here, a former salt pond will connect to the tidal waters of Alviso Slough via a 40-foot concrete "notch" structure, creating 1,400 acres of open-water habitat and up to 200 acres of tidal wetland habitat for a variety of species including fish, pelicans, cormorants and ducks.

Support Services \$59.2 million

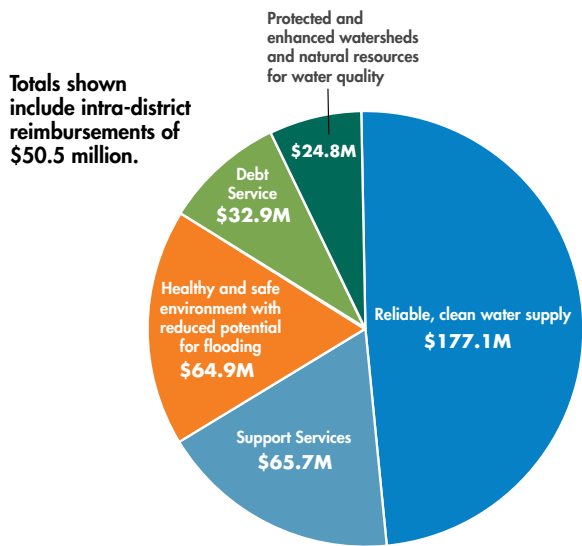


- Board support and District leadership
- Legal services
- Financial services
- Human resources
- Information systems
- Business assets



We strive to engage customers and keep them updated on our business and finances, projects and meetings. Here, water district staff discuss groundwater recharge with residents at a District community open house in Cupertino.

Budget by outcome area



The District's budget funds activities that carry out our mission as defined by our Board of Directors through District "ends," or outcome-related, policies.

The three highest-level policies are:

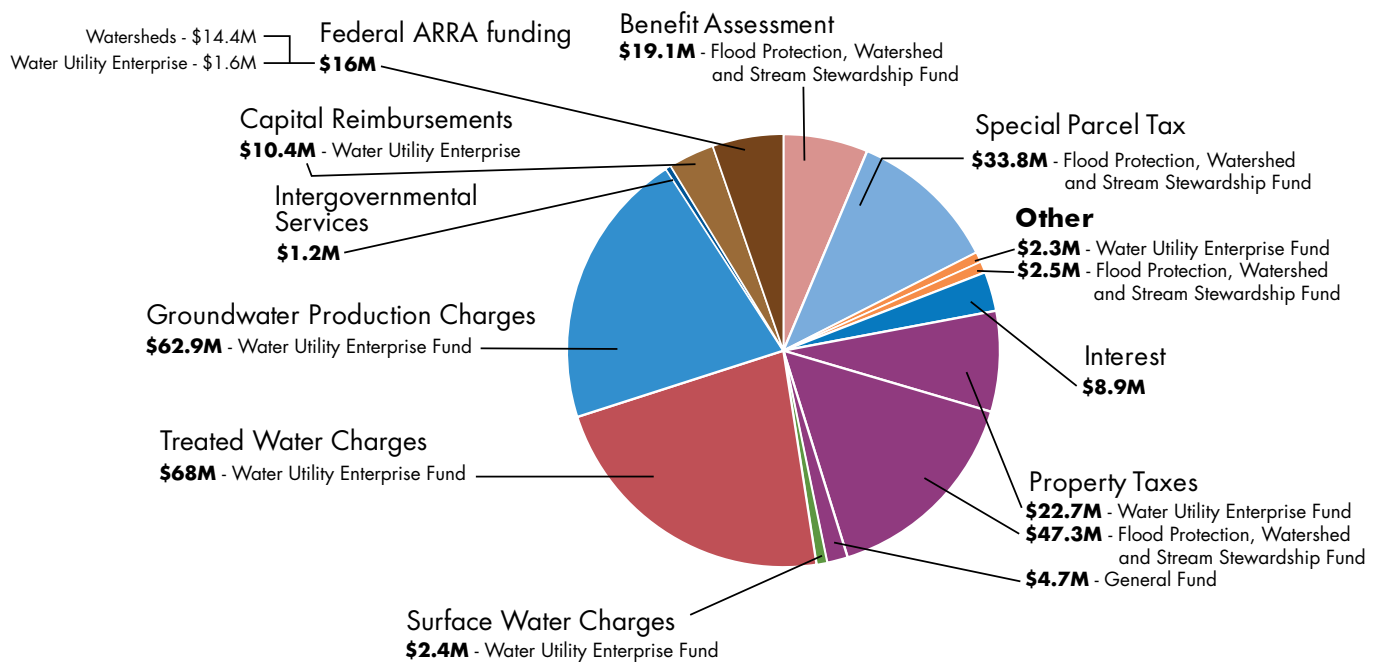
- There is a reliable, clean water supply for current and future generations.
- There is a healthy and safe environment for residents, businesses and visitors, as well as for future generations.
- There is water resources stewardship to protect and enhance watersheds and natural resources and to improve the quality of life in Santa Clara County.

The chart at left shows projected funding for each of the three areas for FY 2010-11, plus debt service and support services. Support services include governance and leadership; financial, legal, human and information system resources; and business assets.

How is the District funded?

The water district receives funding from a variety of sources, including treated water, surface/recycled water and groundwater production charges; proceeds from ad valorem property taxes; Clean, Safe Creeks and Natural Flood Protection special parcel tax; benefit assessments that support financing for flood protection projects; interest earnings, cost-sharing agreements and grants.

FY 2010-11 total revenues: \$302.2 million*



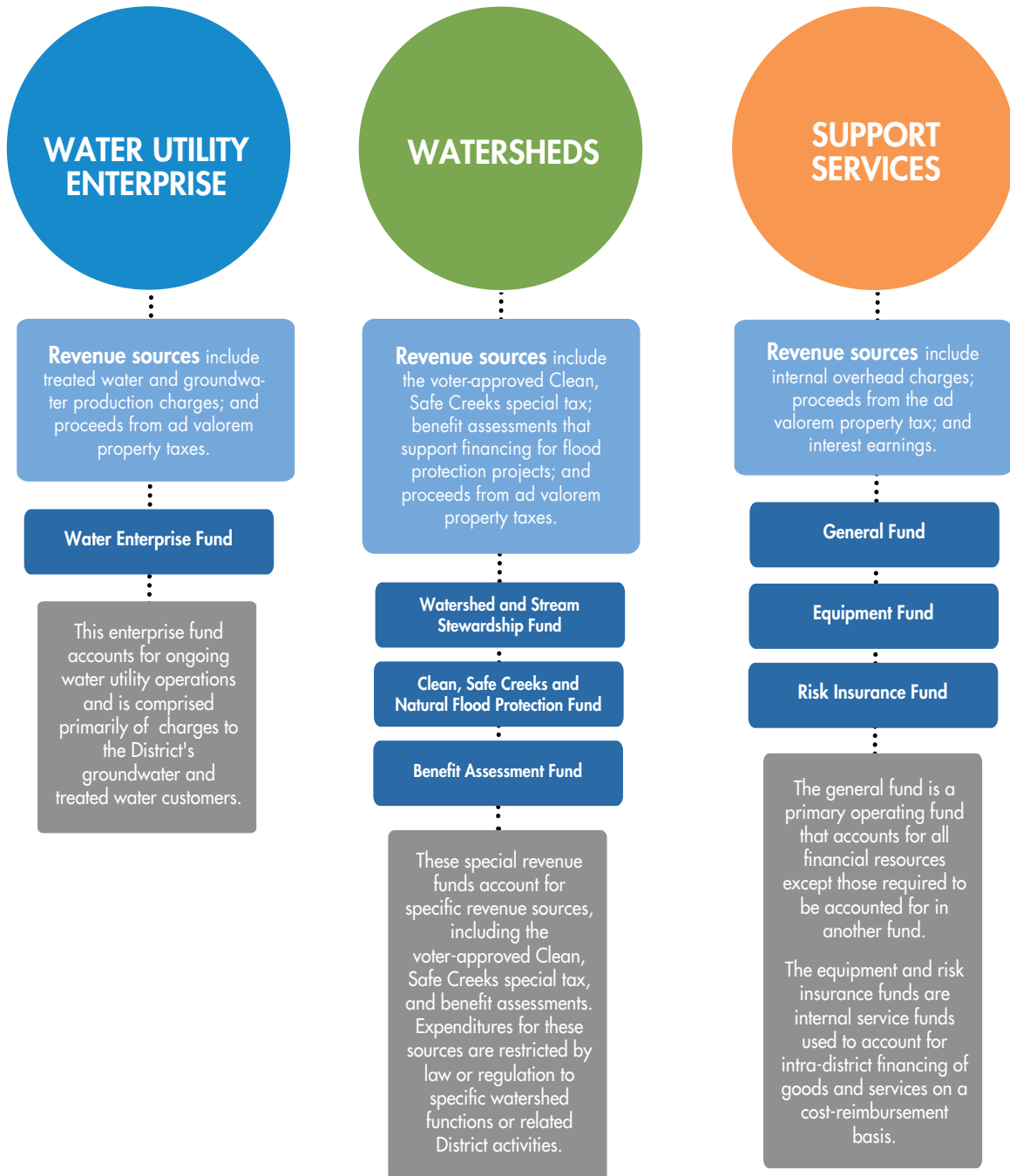
* Additional funding of \$12.9 million was provided from debt financing and reserves to balance revenues and expenditures.

Fund accounting

Due to the size of our service area and the combination of our water supply and flood protection functions, the District is unique in California. Our multiple-purpose approach allows us to comprehensively manage the county's water resources and achieve economies of scale as a single agency.

The District uses fund accounting to ensure and demonstrate compliance with financial and legal requirements. Accounts related to activities of the Water Utility Enterprise are segregated into a single fund, while flood protection activities are segregated into three separate funds. Support Services accounts are also segregated into three separate funds.

The graphic below shows each District business area, its revenue sources and related funds.



Additional sources of funding

These and other District projects help pump money back into the local economy.

On Lower Silver Creek in San Jose, the Lower Silver Creek Project Reaches 4-6 will lower the flooding risk for about 3,800 homes and businesses between I-680 and Lake Cunningham Avenue. The project is projected to receive \$12.6 million from the Natural Resources Conservation Service.



The District has secured \$16 million in federal American Recovery and Reinvestment Act (ARRA) stimulus funding for FY 2010-11. This funding, which comes to the water district through federal funding agencies, not only helps us deliver vital services, but also creates construction and other related jobs in the community.



At Pond A8 in Alviso, the District is projected to receive \$0.7 million from the California Coastal Conservancy, via the National Oceanic and Atmospheric Administration (NOAA), for final design and construction on the Conservancy's Salt Ponds Restoration project. Additional, non-ARRA funding of \$1.1 million will be provided by the State Water Resources Control Board.



For our Recycled Water South County Masterplan Implementation Project, the District is projected to receive \$1.6 million from the U.S. Bureau of Reclamation.

Reimbursements

The District is also projected to receive \$10.4 million in capital reimbursements for several projects in FY 2010-11, including:

- \$4.1 million in state subventions for the Guadalupe flood protection project
- \$2.1 million in state and federal reimbursements for the San Luis Reservoir Low Point project
- \$2.0 million in local reimbursements for Pacheco Pumping Plant maintenance; San Felipe cable replacement; and small capital improvements
- \$1.4 million in state reimbursements for the Advanced Treatment Recycled Water Project
- \$640,000 in local reimbursements for Jacques Gulch restoration; work on Upper Llagas Creek

FY 2010-11 budget priorities and challenges

Responding to a slowly recovering economy

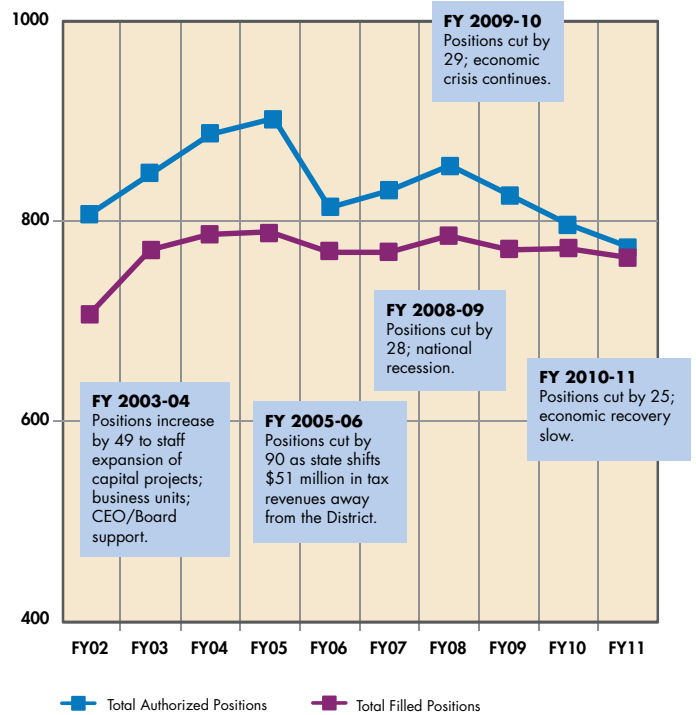
We're continuing efforts to cut costs and work more efficiently as Santa Clara County begins to recover from the economic recession. In the FY 2010-11 budget, the District has:

- Reprioritized work to address critical needs first, coupled with elimination or delay of lower-priority projects
- Reduced staffing by an additional 25 positions, for a total of 82 over the last three years – about 10 percent of the workforce
- Consolidated services and functions wherever possible, including a reduction in managed units of 14 percent
- Decreased funding for non-mandatory training
- Invested in equipment, infrastructure and asset management to ensure efficient, continual workflow and delivery of services

Planning for state budget uncertainty

In FY 2009-10, the District lost \$4.8 million in property tax revenue due to a tax shift by the state of California. How the state's ongoing fiscal crisis could impact the water district in FY 2010-11 is uncertain. Provisions of Proposition 1A, signed into law in 2009, require the state to repay the \$4.8 million with interest within three years. The law also is intended to prevent the state from making a similar tax shift again until the loan is paid.

District staffing trends, FY 2002-2011



District staffing levels have decreased by more than 10 percent in recent years.



The District's award-winning "Save 20 Gallons" campaign helped residents and businesses save more than 25,000 acre-feet of water in the county between May 2009 and January 2010.

This spring, it's easy to save 20 gallons a day.

Summer isn't the only time of year when water conservation matters. Help us meet our water reduction goal by continuing to save 20 gallons a day, every day throughout the spring. It's easier than you think.

Get water-saving tips at Save20gallons.org.

Continuing conservation success; also decreased water revenue

The 2009-10 fall and winter seasons brought needed rainfall to Santa Clara County. In 2009, at the height of an extended dry period, the District Board of Directors called for a 15 percent mandatory water conservation target, supported by an innovative promotional campaign. The public responded positively, achieving a 17 percent rate of water conservation. There's never enough water to waste: the campaign continues in FY 2010-11, with a mandatory conservation target of 10 percent.

Assuming continued conservation, the District has projected a reduction in revenue of approximately \$5.8 million in FY 2010-11, which will be addressed through operational efficiencies. Ongoing public outreach to encourage water conservation is allocated \$750,000 in the budget.

FY 2010-11 budget priorities and challenges



A District crew repairs a levee on the Guadalupe River.



Repairing a pump at Pacheco Pump Station.



Anderson Dam and Reservoir, the county's largest, can store 90,373 acre-feet of water.

Managing infrastructure assets for reliability

District infrastructure is under heavy demand around the clock to keep water flowing, maintain flood protection and protect the environment. We manage our infrastructure and equipment to prevent any problems that could disrupt these services.

In FY 2010-11, the District will:

- Inspect 270 miles of streams throughout the county
- Repair eroding creeks; maintain creek conveyance capacity
- Manage acres of vegetation
- Rebuild pumps and replace control equipment at our largest pump station
- Replace or refurbish old or aging equipment at our water treatment plants
- Inspect our transmission pipelines, which carry water throughout the county
- Maintain numerous percolation ponds, which help replenish groundwater supplies

The District's asset management program schedules preventative maintenance and plans the timing and costs for repairs or replacement of equipment for all our water supply, flood protection and environmental stewardship work.

The program is being improved to help the District maintain a high level of service and meet both regulatory requirements and customer needs, and is budgeted for FY 2010-11:

- District Asset Management Framework - \$0.9 million
- Watersheds Total Asset Management Program - \$1.6 million
- Water Utility Asset Management Program - \$0.6 million

Ensuring dam safety

As part of the comprehensive dam safety program for the District's 10 dams, we work closely with state and federal regulators on dam operation and safety, including seismic stability evaluations. Activities for FY 2010-11 include:

- Monitoring, analyzing and reporting on dam conditions, completion of a safety inspection and report on Anderson Dam, as required by the Federal Energy Regulatory Commission, and emergency preparedness and response work, including training and deploying a post-earthquake dam assessment team, allocated \$1.6 million.
- Dam/reservoir maintenance and associated environmental planning, allocated approximately \$1.7 million.
- Completion of a seismic stability evaluation for Anderson dam; completion of field and lab investigations and agreement on engineering material properties for the Almaden, Calero and Guadalupe dams; and completion of the field and lab investigations for Stevens Creek and Lenihan dams as part of the Dam Safety Seismic Stability capital project, budgeted at \$1 million.

FY 2010-11 budget priorities and challenges



In 2009, a massive pipeline that connects the South Bay Aqueduct with a state reservoir failed, creating potential water shortages for customers, including the District. Fortunately, flexibility built into the District's water supply system allowed us to switch to alternate supplies and avoid business interruptions. District master planning ensures continued investments in our infrastructure, so that we can maintain system flexibility and business continuity.

Expanding high-quality recycled water

Recycling, or reusing, highly treated wastewater helps conserve precious drinking water resources. Recycled water currently makes up about four percent of the District's water supply, and is planned to expand in the future. In 2010, the District's Board approved two agreements with the city of San Jose to partner in building a facility that will produce about eight million gallons per day of near-distilled-quality recycled water. This advance-treated water will be blended with existing recycled water for expanded use in industry and irrigation, and is allocated in \$8.8 million in FY 2010-11, including \$1.4 million in funding from the state Department of Water Resources.



The District's Recycled Water Advanced Treatment Project will partner with the city of San Jose to construct a plant to produce distilled-quality recycled water for blending with existing recycled water.



Part of the State Water Project, the California Aqueduct carries water from the Sacramento-San Joaquin Delta to San Luis Reservoir, which supplies some of the District's water supply.

Master planning for the future

The District's long-range planning helps guide the investment of public funds for the delivery of services, and helps the District plan to meet needs and unforeseen challenges. Master plans document long-term planning, developed with input from stakeholders, community and the District's Board, and ensure that future funding strategies are based on solid principles.

Two master plan efforts are currently underway: the Water Supply and Infrastructure Master Plan, allocated approximately \$1 million with other long-range planning; and the Flood Protection and Stream Stewardship Master Plan, scheduled for completion by February 2011, which is allocated \$0.8 million.

Securing imported water supplies

Water imported into the county—mostly from the Sierras via the Sacramento-San Joaquin Delta—accounts for just under half of the county's water supplies provided by the District. Imported supplies are limited by regulatory constraints and residual effects of recent dry years. FY 2010-11 budget impacts related to imported water include the following:

- The District's 2010 State Water Project (SWP) allocation is 45 percent of the contract amount, up from 40 percent last year. Our federal Central Valley Project (CVP) irrigation allocation is 40 percent, up from 10 percent last year, while the CVP municipal/industrial allocation is 75 percent, up from 60 percent last year.
- The District's imported water program is budgeted \$52.3 million, 26.5 percent of the Water Utility Enterprise budget.

FY 2010-11 budget priorities and challenges

Capital projects help provide services and jobs

The District plans, manages and carries out capital projects to deliver services to the communities of Santa Clara County. As these projects involve construction and consulting firms and other non-District vendors, they also provide a vital source of local jobs. District capital projects are projected to create or sustain between 1,100 and 2,200 local jobs in FY 2010-11.

For FY 2010-11, \$103 million is allocated for capital improvement projects, including administrative costs. Additional carry-forward of \$78.1 million from FY 2009-10

results in a total of \$181.1 million. Projects are prioritized and planned as part of the Five-Year Capital Improvement Program (CIP), which currently includes 95 funded projects. Estimated total funding required to implement these projects over five years is \$2.063 billion. The District has been and continues to be successful in leveraging funding for capital projects through partnerships with federal, state and local agencies. Of the \$2.063 billion estimated future funding, \$553 million is expected from the District's various partners, including the U.S. Army Corps of Engineers, and \$1.51 billion from local funding.

Examples of major capital projects for FY 2010-11 include:



**Water Supply
Dam Safety Program**

- Delivers seismic stability improvements for public safety, operational availability of reservoirs and asset protection. (\$1 million in FY 2010-11)



IRP2 Well Fields

- Delivers approximately 20 new wells to provide reliable emergency water supply to retail water providers following a catastrophic event. (\$79,000 for FY 2010-11)



Rinconada Water Treatment Plant Reliability Improvements

- Delivers plant improvements for better taste and odor control, reduction of filter loading and washwater clarification. (\$346,000 for FY 2010-11, with \$1.7 million carry-forward from FY 2009-10)

FY 2010-11 budget priorities and challenges

Flood Protection

Permanente Creek, San Francisco Bay to Foothill Expressway

- Delivers 10.6 miles of creek improvements to provide flood protection, reduce erosion, restore environmental benefits or enhance recreation where opportunities exist. (carry-forward of \$300,000 from FY 2009-10) This project will protect 1,664 parcels from flooding.



Coyote Creek, Montague Expressway to Interstate 280

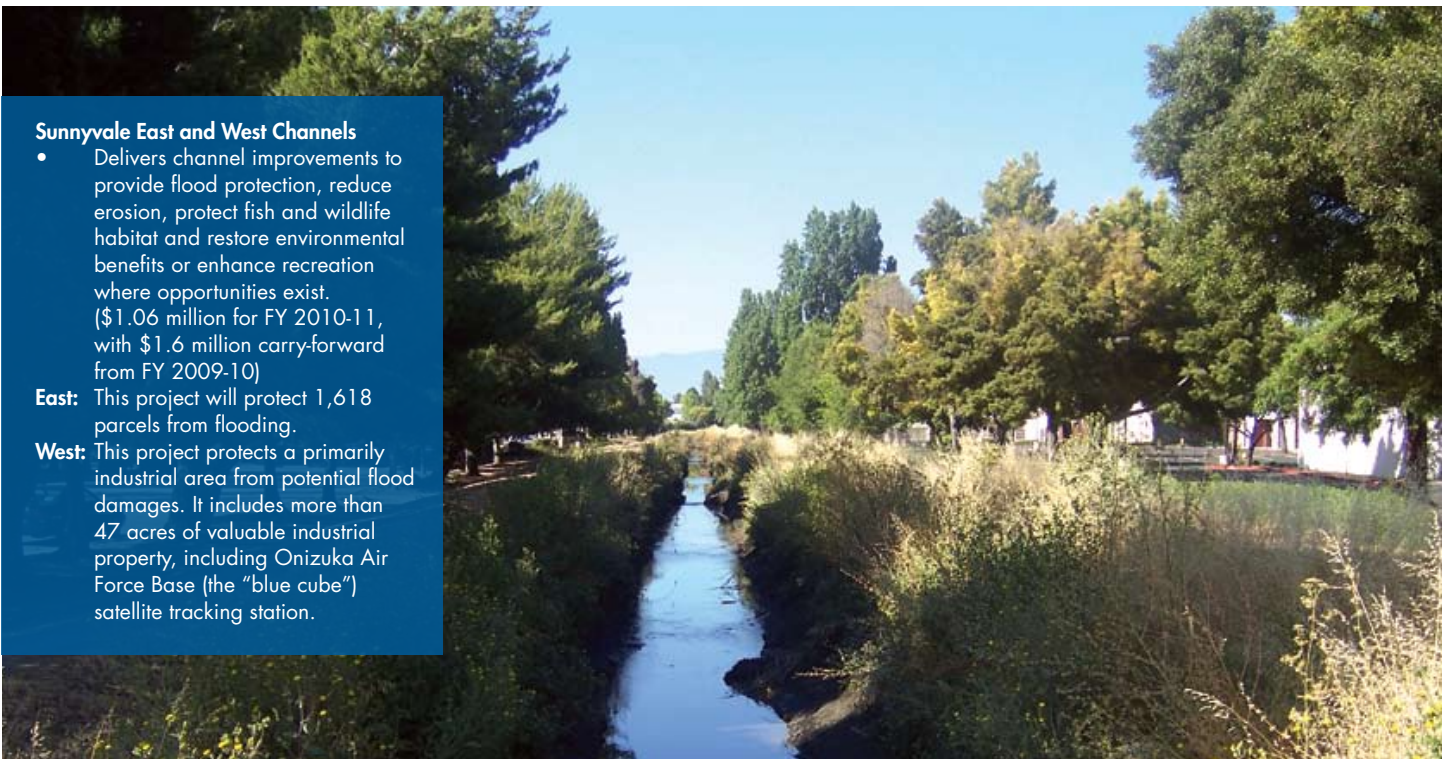
- Delivers 6.1 miles of creek improvements to provide flood protection, reduce erosion, mitigate project impacts and create a self-sustaining system to reduce long-term operations and maintenance costs. (\$1.03 million for FY 2010-11, with \$142,000 carry-forward from FY 2009-10) This project will protect 1,400 parcels from flooding.

Sunnyvale East and West Channels

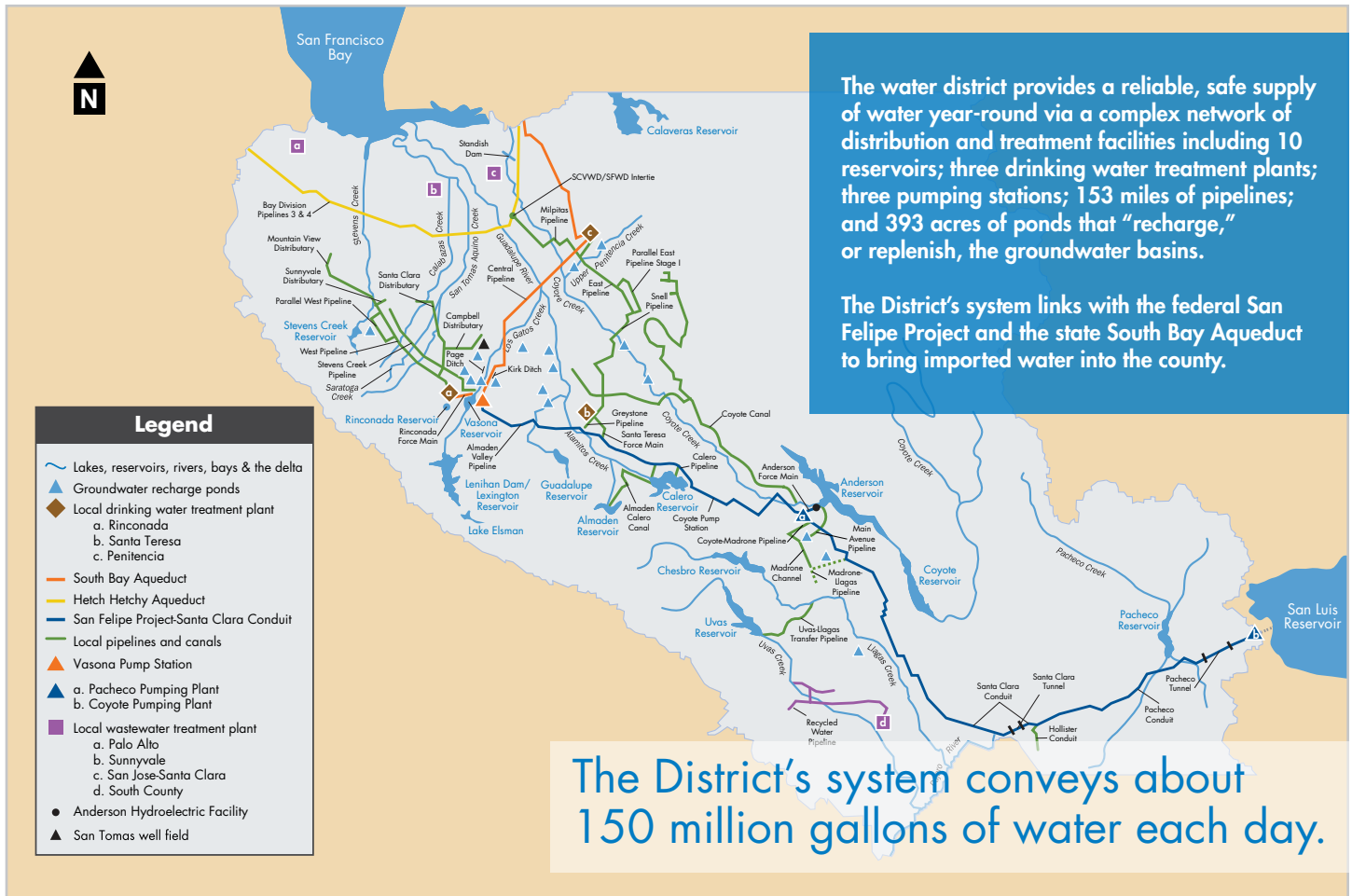
- Delivers channel improvements to provide flood protection, reduce erosion, protect fish and wildlife habitat and restore environmental benefits or enhance recreation where opportunities exist. (\$1.06 million for FY 2010-11, with \$1.6 million carry-forward from FY 2009-10)

East: This project will protect 1,618 parcels from flooding.

West: This project protects a primarily industrial area from potential flood damages. It includes more than 47 acres of valuable industrial property, including Onizuka Air Force Base (the "blue cube") satellite tracking station.



Water supply services and distribution system



Watershed, flood protection and stream stewardship services

More than 800 miles of creeks flow through Santa Clara County, which is divided into five watersheds. Watersheds are areas of land that drain a common waterway. Creeks catch rain and storm drain runoff, carrying the water to the San Francisco and Monterey bays. The water district works to protect both the natural attributes of these waterways and the communities that surround them as part of its watershed stewardship core function. Fifty years of working for flood protection has reduced the intensity and frequency of flooding in the county.

A water district work crew installs a natural log weir in a creek to provide a resting pool for migrating endangered steelhead trout.

Water utility zones



Two major water utility zones are the basis for District groundwater production charges, which pay for all operations and capital projects associated with managing District groundwater supplies. Each zone has its own separate water system and significantly different costs for providing services. Both zones use local and imported water to “recharge,” or replenish, the groundwater basins. The North Zone, or Zone W-2, encompasses the Santa Clara Valley groundwater basin north of Metcalf Road. The North Zone has more infrastructure than the south, including three drinking water treatment plants and several pump stations to serve mostly municipal and industrial water needs.

In the South Zone, or Zone W-5, more of the water use is agricultural. Covering the entire Llagas groundwater basin from Metcalf Road south to the Pajaro River, the South Zone has no treatment plants and relies on groundwater and recycled water.

Groundwater: Investing in reliability

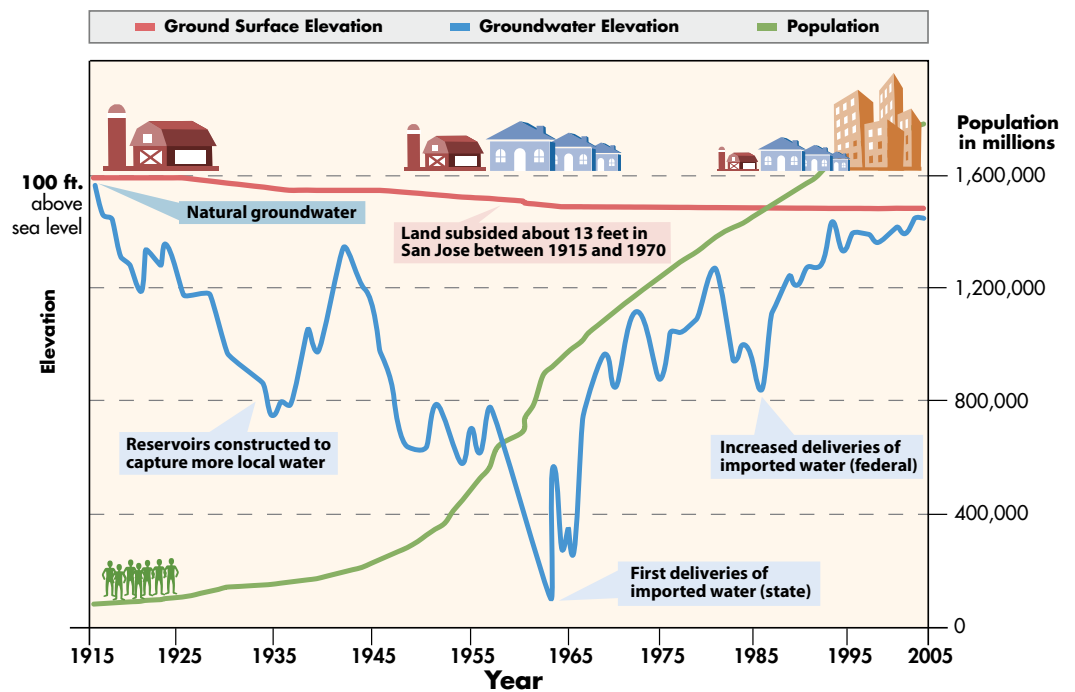
Local groundwater is the foundation of the District’s water supply, and is augmented by a comprehensive water supply portfolio to meet the needs of county residents, businesses, agriculture and the environment.

In addition to groundwater, our sources of supply include local runoff captured in District reservoirs; water imported from the Sierras via the Sacramento-San Joaquin Delta and the Hetch Hetchy system; and highly treated recycled water, for non-potable purposes. Conservation helps stretch available water supplies.

Groundwater management charges help pay for water supply reliability. The District charges well owners in the county for production of groundwater. These charges pay for all aspects of the groundwater management program, including imported water purchases and facilities such as groundwater recharge ponds; activities that protect the groundwater basin from contamination and pollutants; construction, maintenance and operations for facilities that conserve or distribute water; and debt related to these activities.

Without the revenue from groundwater production charges, the District would not be able to replenish and preserve the groundwater aquifer. Well owners could again experience wells running dry and land subsidence (sinking), as occurred in the past.

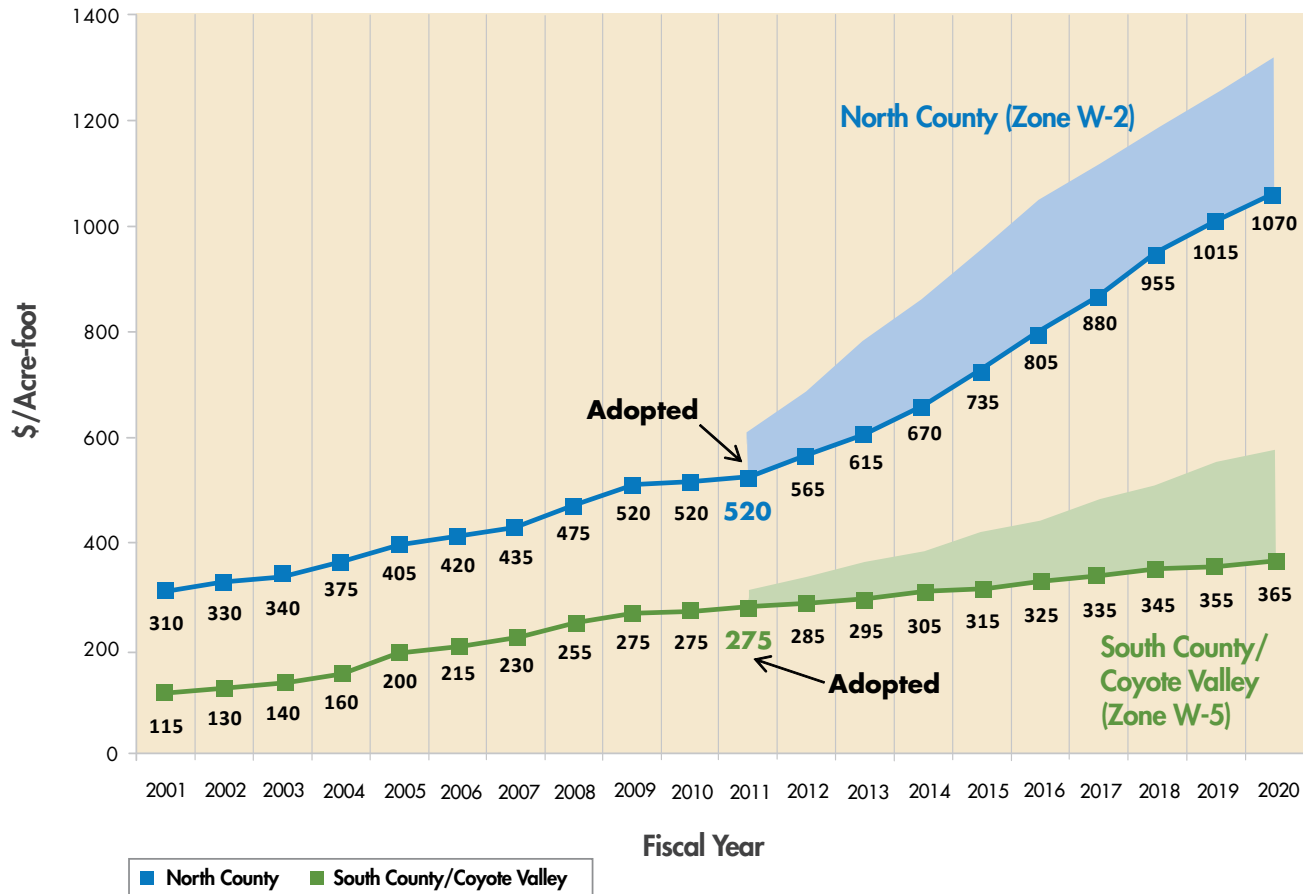
Groundwater Levels



The District’s groundwater management program –including reservoirs and imported water to replenish the groundwater basin—helped end historical land subsidence (sinking) from over-pumping. Groundwater management work is funded by groundwater production charges paid by well owners.

Groundwater: Investing in reliability

FY 2010-11 groundwater production charges for municipal and industrial uses



The lower end of the ranges (shaded areas) represents the adopted groundwater production charges for FY 2011-2020. The corresponding future trajectory is based on the assumption that operating services will continue at the level budgeted in FY 2010-11. The high end of the ranges shows amounts needed for funding all operational and capital needs identified by water utility staff. Future uncertainties could result in the identification of additional needs.

Water charges kept flat in FY 2010-11

The water district has again kept groundwater production charges flat for a third straight year. This practice is in contrast to most other agencies across the state, some of which are adopting double-digit increases.

In FY 2009-10, the District provided well owners the opportunity to formally protest the charges, enhancing the existing public hearing process. The formal protest process,

which was consistent with Proposition 218, did not result in a majority protest from either North County or South County well owners.

In lieu of the additional charges, the District has eliminated non-essential services and has consolidated functions. We will continue to seek ways to cut costs while still meeting the need for critical services.

Wholesale agency rate comparison

Wholesale Agencies	FY 2008-09	FY 2009-10	FY 2010-11	%	
SCVWD North W-2 (Groundwater production per AF)	\$520	\$520	\$520	0.0%	Adopted
SCVWD North W-2 (Treated Water per AF)	\$620	\$620	\$620	0.0%	Adopted
SCVWD South W-5 (Groundwater production per AF)	\$275	\$275	\$275	0.0%	Adopted
Metropolitan Water District (Treated Water per AF)*	\$651	\$787	\$846	7.5%	Adopted
Metropolitan Water District (Untreated Water per AF)*	\$484	\$570	\$613	7.5%	Adopted
Orange County Water District (Groundwater per AF)**	\$249	\$249	\$249	0.0%	Adopted
San Diego County Water Authority (Treated Water per AF)*	\$827	\$978	\$1160	18.6%	Projected
San Francisco Public Utilities Commission (Treated Water per AF)	\$623	\$719	\$828	15.2%	Projected
Zone 7 Water District (Treated Water per AF)*	\$804	\$878	\$951	8.3%	Projected

*MWD, SDCWA and Zone 7 rates are based on a calendar year. (i.e. 2011 rate would be effective on 1/1/2011)

**Benefiting from one-time unanticipated FY 2009-10 revenue increase and costs reductions, totaling \$10 million.

Reserves profile

Reserves are budgeted funds set aside for specific purposes, such as debt financing requirements, or to pay for future needs, such as infrastructure refurbishment.

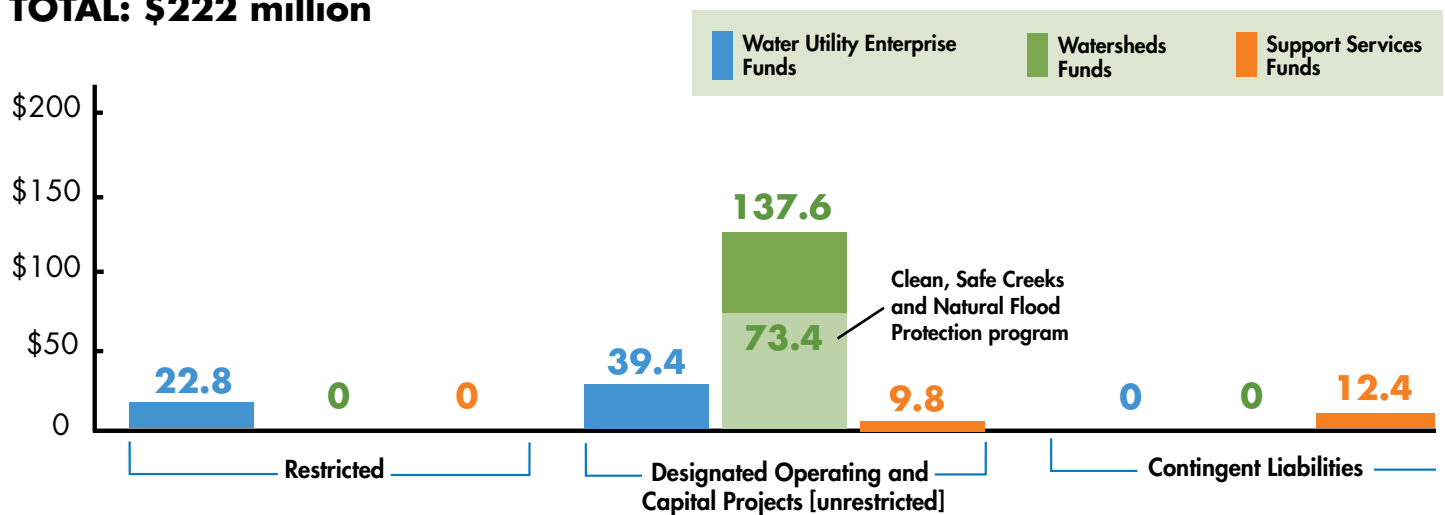
“Restricted” reserves have legal, regulatory or contractual limitations, and may be spent for specific purposes only.

“Unrestricted” reserves do not have externally-imposed restrictions, but are designated for specific uses, such as capital construction, operations and maintenance activities, or to meet uninsured catastrophic losses.

“Contingent Liabilities” are reserves designated to cover future costs of current liabilities from insurance and workers compensation claims, and for uninsured property losses.

The District Reserve Policy is reviewed annually in public session with our Board of Directors, and ensures that reserves are used for their intended purposes. Use of reserves requires a budget adjustment to be approved by the Board in a public meeting.

Budgeted total reserves balance Fiscal Year ending June 30, 2011 TOTAL: \$222 million



Reserves are critical for effective response to natural catastrophes and other emergencies. Both the Water Utility Enterprise and Watersheds have set aside separate reserve funds for emergencies, future maintenance requirements and unforeseen needs, per District Reserve Policy. For Watersheds, about half of the designated reserves will fund projects from the voter-approved Clean, Safe Creeks and Natural Flood Protection program.

Board districts

Richard Santos
Chair
District 3

Larry Wilson
Vice-chair
District 4

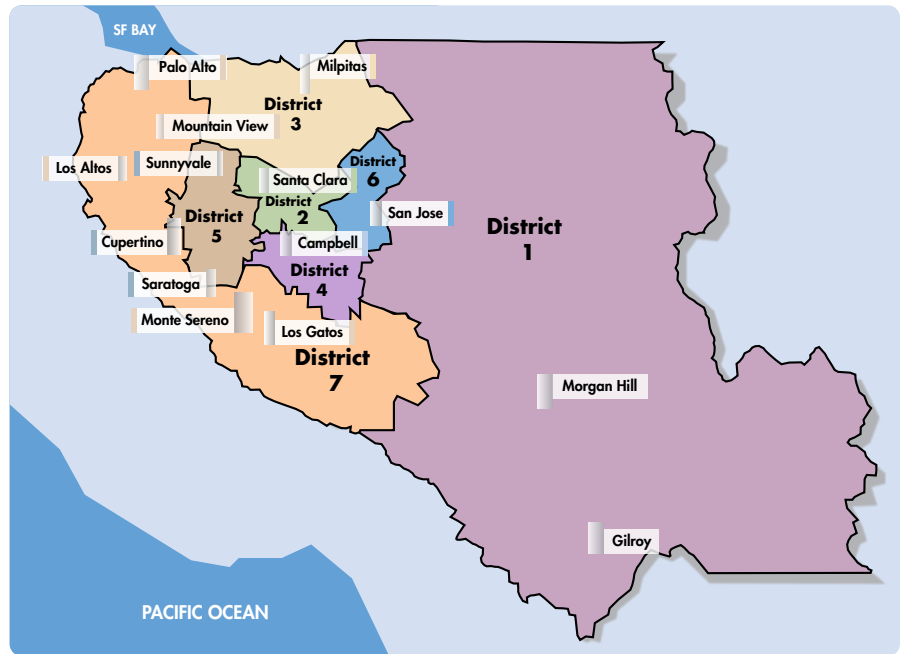
Rosemary Kamei
District 1

Joe Judge
District 2

Patrick Kwok
District 5

Tony Estremera
At large

Cy Mann
At large



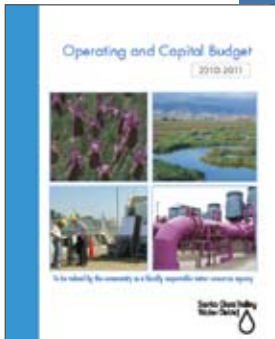
Governance and Board of Directors

The District Act outlines the structure, function and operations of the District's Board of Directors, which governs the District and directs the Chief Executive Officer. Legislation in 2009 replaced the former Board structure of five elected board members and two at-large appointed members. With the new structure, all seven Board members will be elected from new districts shown in the map above. Four of the seven seats are up for election in November 2010.

Board members serve overlapping four-year terms and elect a new chair and vice chair annually.

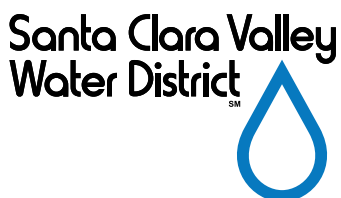
As required by state law, the District must redraw its boundaries to reflect 2010 Census results. This process must be completed by the end of 2011.

How to find out more



Interested in learning more about the Santa Clara Valley Water District, our finances and our budget? Just visit www.valleywater.org, and click on "About Us." You'll find interesting information and a downloadable version of this document and the adopted FY 2010-11 budget. The District holds annual public hearings each spring prior to Board adoption of our budget. If you'd like more information, look for the Board agendas link on our website.

For questions on the District's financial planning and budget, contact the District Chief Financial Officer at (408) 265-2600, ext. 2208.



5750 Almaden Expressway
San Jose, CA 95118
Telephone: 408.265.2600
www.valleywater.org

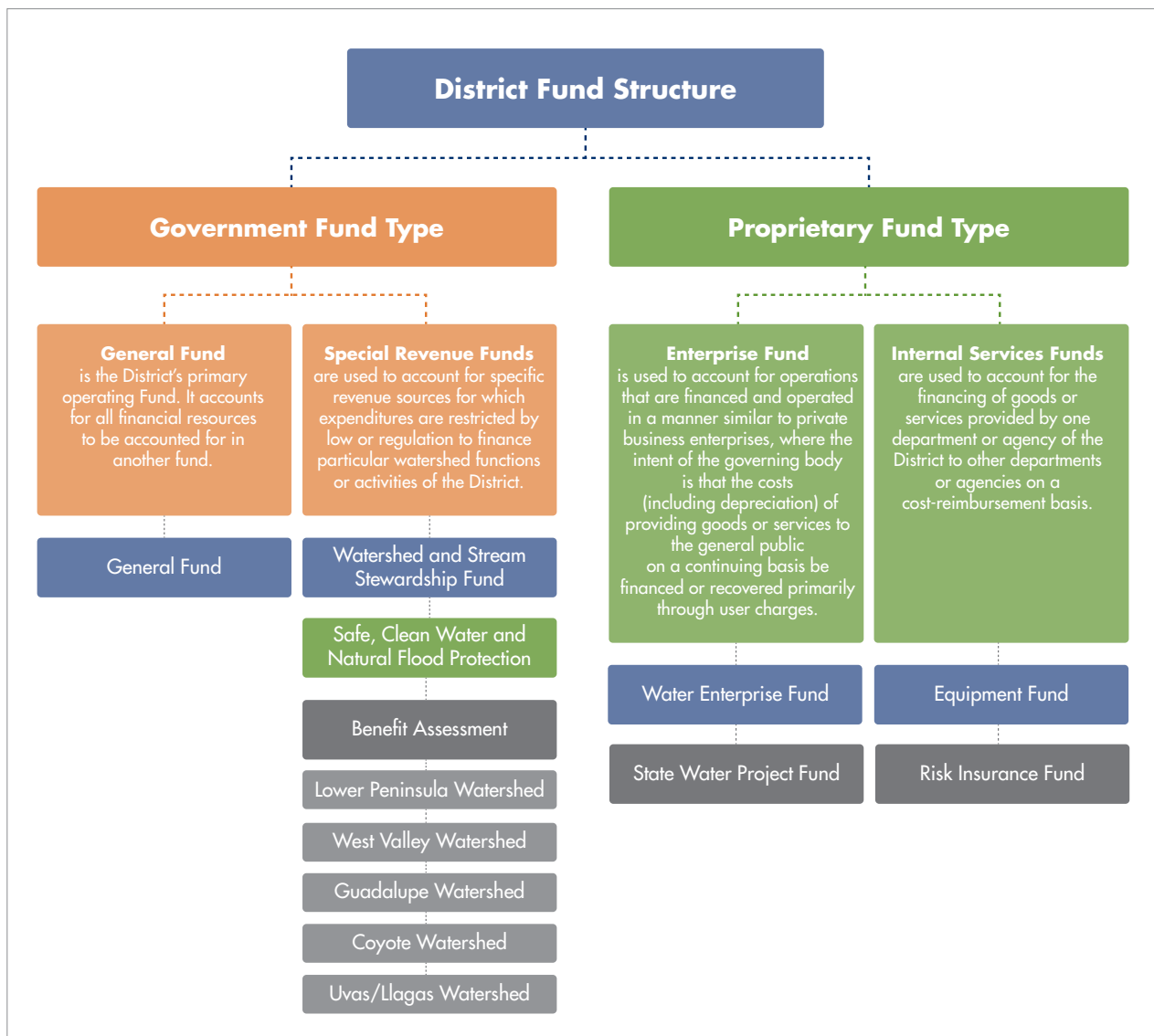
FINANCIAL OVERVIEW

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 2013-14 budget includes projected revenues of approximately \$323.4 million. These revenues are a net increase of 2.6% from the \$315.3 million included in the FY 2012-13 adopted budget. They are primarily derived from increases in ground water production charges, treated water charges, special parcel tax, property taxes and benefit assessments which are offset by decreases in interest earnings, intergovernmental services and capital reimbursements.

The specific categories of revenue include:

Water Revenue

The main source of District revenue is from water charges at approximately 48% of total revenues in FY 2013-14. Charges for water that is processed through District treatment plants (treated water) continue to be the largest contributor with an estimate of \$89.7 million. Groundwater production charges are estimated at \$63.0 million, while surface/recycled water sales are projected at approximately \$1.6 million. Staff is recommending a 9.3% increase in water charges for Zone W-2 and a 3.4% increase for Zone W-5 in the FY 2013-14 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 \$57.6 million. The District is projecting a 6% increase over the FY 2012-13 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, a increase of \$2 million from FY 2012-13. 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 24% of total revenue. The FY 2013-14 amount estimated at \$78.6 million represents a 7.2% increase from FY 2012-13.

Special Parcel Tax

The Safe, Clean Water Program special parcel tax was approved by the voters in November 2012. Budgeted revenues for FY 2013-14 are \$37.5 million, representing 11.6% of total revenues, an increase of 4.4% from FY 2012-13.

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 2013-14 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 5.0% of total revenue in FY 2013-14.

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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 \$1.9 million for FY 2013-14.

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 \$28.5 million for FY 2013-14 or 8.8% of total revenues.

Interest

Interest earnings are expected at \$2.0 million in FY 2013-14. This revenue category constitutes 0.8% of total revenues.

Other Revenue

Revenue from other sources, like sale of equipment, vehicles, computers, rental income, and surplus, totals \$4.5 million or 1.4% of total revenues.

Appropriations/Outlays

Net total operating and capital outlays for the FY 2013-14 budget is \$471.9 million. This figure does not include capital carryforward that was appropriated by the Board in prior years and does not include General Fund intra-district reimbursements and Internal Service Fund charges of approximately \$55.0 million.

A \$9.5 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 2013-14 net operating outlays have increased by approximately \$10.3 million or 4.7% compared to the FY 2012-13 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 (Property valuation, State budget, credit markets and unemployment)
- Moderate groundwater production charges increases for FY 2013-14
- Scarcity of water supplies (Delta environmental issues)
- Infrastructure maintenance and construction needs
- Funding for capital projects
- Funding for future watershed and stream stewardship work (Safe, Clean Water)
- 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 2013-14 the General Fund overhead recovery is calculated by applying 83% to regular salaries budgeted outside the General Fund itself. This calculation yields approximately \$42.4 million which is the amount needed to bring the fund to minimum reserves and to appropriately fund activities paid for by this fund.

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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

Capital project appropriations increased from \$64.9 million in the FY 2012-13 adopted budget to \$241.2 million in the FY 2013-14 budget. The FY 2013-14 capital budget represents those projects that have been identified and prioritized in the Five-Year Capital Improvement Program (CIP). It is anticipated that \$51.7 million of the FY 2012-13 adjusted budget for capital projects will carry forward into FY 2013-14 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 2013-14, Certificates of Participation (COPs) is planned for approximately \$90.0 million to finance Water Utility and Watershed Funds capital improvements.

Additionally, interfund transfers and advances (loans) that are intended to fund specific projects or provide financial resources to support overall program operations are also accounted for in this category.

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 2013-14 budget. Overall, budgeted reserves are expected to decrease by \$103.7 million to \$163.6 million. The decrease is primarily due to a \$176.3 million increase in capital outlays for Safe, Clean Water Capital commitments.

A new reserve policy was approved by the Board of Directors in March 2008 and in FY 2011-12 new GASB regulations modified the reserve classification of existing policy. Detail language about the revised reserve can be found in the financial summaries chapter in the District Reserve Policy section.

Staffing

The FY 2013-14 adopted budget contains labor hours for 731 authorized positions. Fifteen vacant positions approved in the FY 2012-13 adopted budget were deleted for FY 2013-14. This reduction saved the District approximately \$1.8 million in salaries. No savings on health benefits costs were realized as some of the health plans increased by as much as 15%. Overall salaries and benefits increased by \$169 thousand. The increase is the net of increases in health benefits costs and the reduction in the number of positions.

No vacancy pool was estimated in the FY 2013-14 budget. All vacant positions have been assigned to managed units throughout the District.

Total salaries are budgeted at approximately \$83.5 million (\$81.2 million in regular salaries and the remainder \$2.3 million in overtime and special pay), which overall is about \$1.3 million decrease over FY 2012-13. The decrease is a result of several factors: a)

Financial Summaries

regular step increases caused base salaries to increase by approximately 0.2%, b) 1.5% cost of living adjustment was applied as dictated by MOU requirements and c), the elimination of 15 vacant positions.

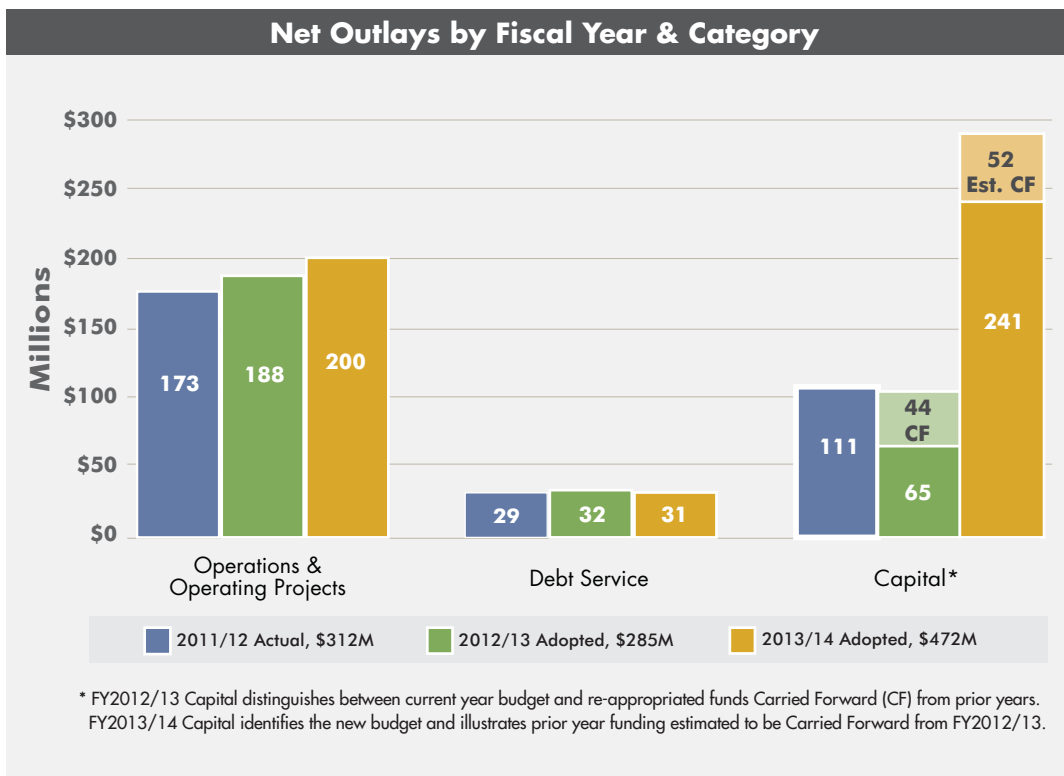
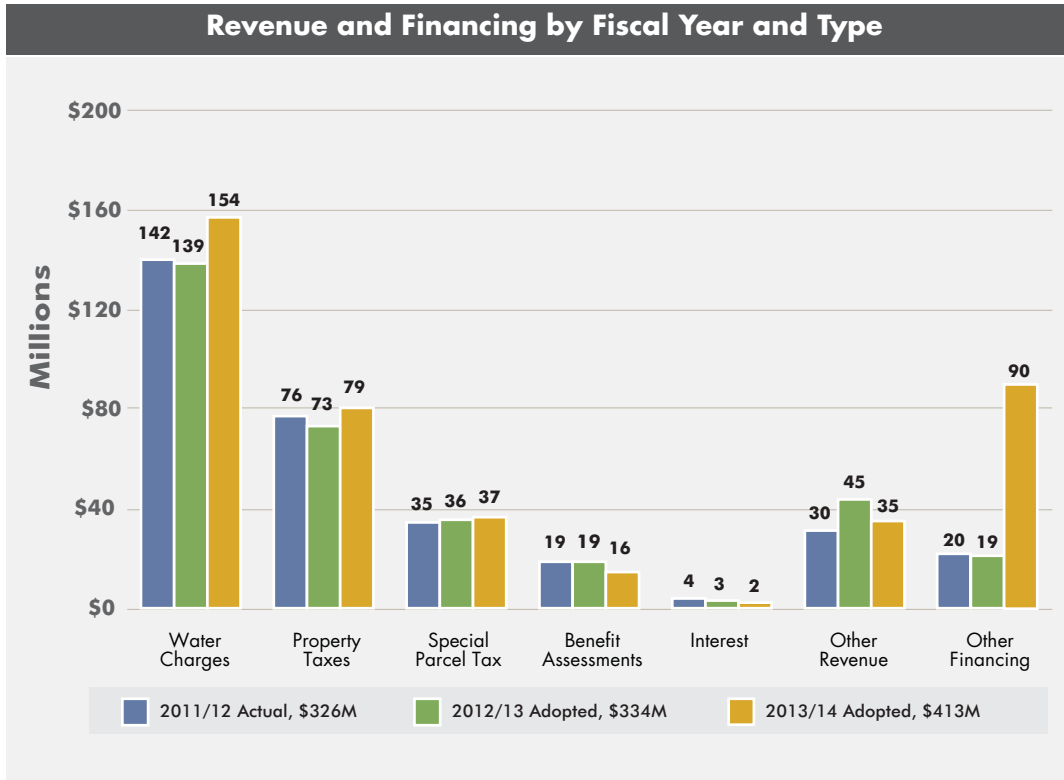
Total benefits are budgeted at approximately \$42.9 million, a \$1.5 million increase over the \$41.4 million in the FY 2012-13 budget. The increase is primarily driven by a \$700k increase in Retiree Health budget, a \$400k increase in the District's contribution for Other Post Employment Benefits (OPEB) and approximately a \$350k increase in active employees health benefits. The FY 2013-14 budget assumes 100% funding of the District's actuarial annual required contribution and marks the second of 3 installment payments of approximately \$4 million each towards fully funding the phase-in portion where the district contributed less than the annual required contribution. These catch up payments will run through FY 2014-15.

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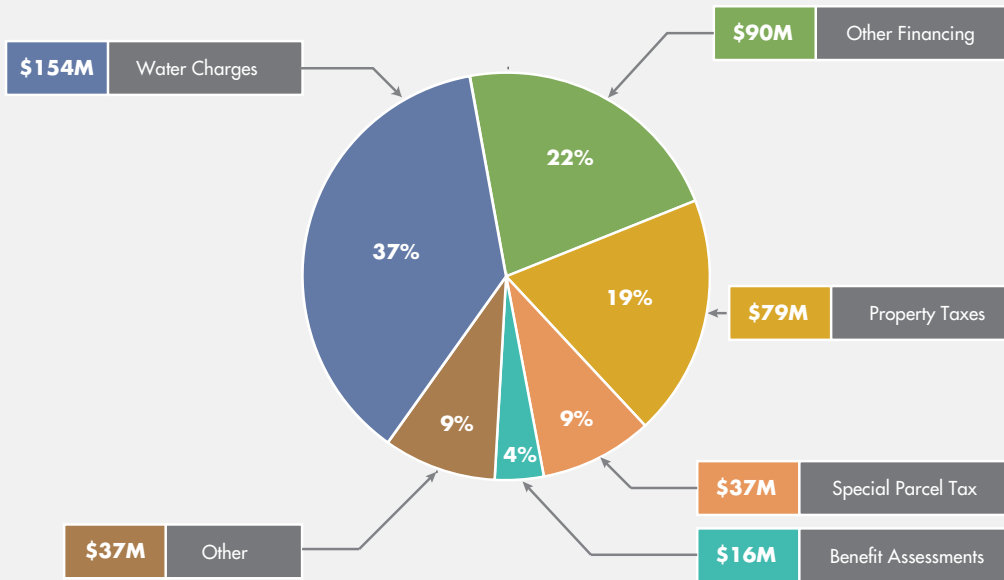
Financial Summaries

Combined Fund Summary Graphs

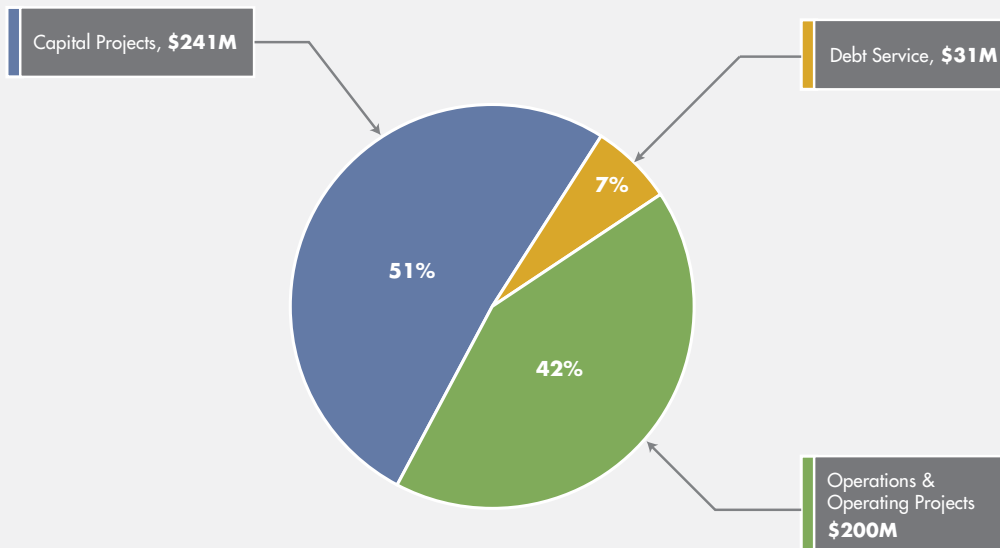


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FY 2013-14 Revenue and Financing, \$413 Million



FY 2013-14 Net Outlays by Category, \$472 Million



Capital projects outlay does not include capital budget estimated to be carried forward from prior year.

Financial Summaries

Combined Fund Summary – All Funds

	Budgetary Basis Actual 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14	Change from 2012-13 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Property Taxes	\$ 75,577,147	\$ 73,370,000	\$ 73,370,000	\$ 78,620,000	\$ 5,250,000	7.2%
Special Parcel Tax	34,996,497	35,861,731	35,861,731	37,456,000	1,594,269	4.4%
Benefit Assessments	19,130,967	19,182,695	19,182,695	16,148,630	(3,034,065)	(15.8%)
Inter-governmental services	1,291,169	2,495,257	2,495,257	1,889,285	(605,972)	(24.3%)
Groundwater Production Charges	48,030,015	55,467,000	55,467,000	63,035,000	7,568,000	13.6%
Treated Water Charges	92,903,695	81,946,000	81,946,000	89,699,000	7,753,000	9.5%
Surface/Recycled Water Revenue	848,526	1,427,000	1,427,000	1,571,000	144,000	10.1%
Interest*	3,898,207	2,500,000	2,500,000	2,000,000	(500,000)	(20.0%)
Capital Reimbursements	25,283,509	38,936,000	20,891,000	28,532,000	(10,404,000)	(26.7%)
Other	4,848,492	4,087,529	6,372,887	4,453,248	365,719	8.9%
Total Revenue	306,808,224	315,273,212	299,513,570	323,404,163	8,130,951	2.6%
Operating Outlays:						
Operations	212,554,151	232,429,376	235,737,809	247,933,542	15,504,166	6.7%
Operating Projects	12,079,138	10,713,273	10,819,409	6,276,632	(4,436,641)	(41.4%)
Debt Service	28,950,545	31,917,043	31,917,043	31,444,824	(472,219)	(1.5%)
Total Operating Outlays	253,583,834	275,059,692	278,474,261	285,654,998	10,595,306	3.9%
Less: Intra-District Reimb	(51,641,384)	(54,718,511)	(51,493,611)	(54,988,968)	(270,457)	0.5%
Net Outlays	201,942,450	220,341,181	226,980,650	230,666,030	10,324,849	4.7%
Capital Projects						
Capital Projects	110,833,681	64,892,222	71,772,708	241,224,464	176,332,242	271.7%
Carried Forward Capital Projects	-	44,014,557	68,155,941	51,679,130	7,664,573	17.4%
Total Capital Outlays	110,833,681	108,906,779	139,928,649	292,903,594	183,996,815	168.9%
Other Financing Sources/(Uses) :						
Certificates of Participation	20,015,417	19,424,000	20,424,000	89,853,000	70,429,000	362.6%
Transfers In	9,480,199	9,762,622	9,762,622	23,915,035	14,152,413	145.0%
Transfers Out	(9,479,727)	(9,762,622)	(9,762,622)	(23,915,035)	(14,152,413)	145.0%
Total Other Financing	20,015,889	19,424,000	20,424,000	89,853,000	70,429,000	652.5%
Balance Available	\$ 14,047,982	\$ 5,449,252	\$ (46,971,729)	\$ (110,312,461)		

Financial Summaries

	Estimated Balances				Change from	
	Year-End	Adopted	Projected YE	Adopted	2012-13 Adopted	
	2011-12	2012-13	2012-13	2013-14	\$ Diff	% Diff
Year-End Reserves:						
Restricted Reserves						
WUE-Restricted Operating Reserve	11,756,998	12,597,570	12,597,570	13,139,620	542,050	4.3%
WUE-Rate Stabilization	1,579,135	1,538,700	1,538,700	1,750,866	212,166	13.8%
San Felipe Emergency Reserve	3,957,728	3,924,168	3,924,168	3,957,728	33,560	0.9%
State Revolving Loan Reserve	401,263	401,263	401,263	401,263	-	0.0%
State Water Project Tax Reserve	4,346,254	-	1,989,241	714,518	714,518	-
WU Debt Service Reserve	6,041,238	4,674,553	4,744,938	4,744,938	70,385	1.5%
CSC- Maint of Newly Improved Creeks	4,866,962	5,392,971	5,392,971	0	(5,392,971)	(100.0%)
CSC- Other Activities	2,977,573	498,898	498,898	0	(498,898)	(100.0%)
CSC- Environmental Enhancement	15,488,517	18,132,354	18,132,354	0	(18,132,354)	(100.0%)
CSC- Open Space & Trails Program	6,409,489	6,872,699	6,872,699	0	(6,872,699)	(100.0%)
CSC- Currently Authorized Projects***	66,773,072	17,588,000	42,349,596	9,698,000	(7,890,000)	(44.9%)
CSC-Operating & Capital Reserve	47,127,376	72,466,396	67,034,081	32,984,421	(39,481,975)	(54.5%)
Total Restricted Reserves	171,725,605	144,087,572	165,476,479	67,391,354	(76,696,218)	(53.2%)
Committed Reserves						
Operating & Capital Reserve	54,670,989	89,763,542	59,660,639	65,240,536	(24,523,007)	(27.3%)
Supplemental Water Supply	8,657,626	9,606,677	8,093,677	9,728,974	122,297	1.3%
Currently Authorized Projects***	72,099,053	11,977,000	27,705,423	8,677,889	(3,299,111)	(27.5%)
Floating Rate Debt Stabilization	474,968	461,889	461,889	353,000	(108,889)	(23.6%)
Liability/Workers' Comp Self Insurance	6,130,297	6,130,297	6,679,000	7,011,000	880,703	14.4%
Property Self Insurance/Catastrophic	7,119,750	5,298,953	5,829,452	5,191,345	(107,608)	(2.0%)
Total Committed Reserves	149,152,683	123,238,359	108,430,080	96,202,744	(27,035,615)	(21.9%)
Total Year-End Reserves	\$ 320,878,288	\$ 267,325,931	\$ 273,906,559	\$ 163,594,098	\$(103,731,833)	(38.8%)
Uncommitted Funds			\$ 0	\$ 0		

* 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 Budget Category

	Governmental Funds							
	General Fund				Special Revenue Funds (Watersheds)			
	Budgetary Basis Actual 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14	Budgetary Basis Actual 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14
REVENUE SUMMARY								
1 Property Taxes	\$ 4,793,508	\$ 4,550,000	\$ 4,550,000	\$ 4,710,000	\$ 48,456,629	\$ 46,000,000	\$ 46,000,000	\$ 48,700,000
2 Special Parcel Tax	-	-	-	-	34,996,497	35,861,731	35,861,731	37,456,000
3 Benefit Assessments	-	-	-	-	19,130,967	19,182,695	19,182,695	16,148,630
4 Intergovernmental Services	-	-	-	-	179,682	-	-	258,000
5 Groundwater Charges	-	-	-	-	-	-	-	-
6 Treated Water Charges	-	-	-	-	-	-	-	-
7 Surface/Recycled Water sales	-	-	-	-	-	-	-	-
8 Interest	34,141	18,390	18,390	50,425	2,275,723	1,689,950	1,689,950	1,346,847
9 Capital Reimb	-	-	-	-	13,480,689	36,100,000	16,722,000	24,472,000
10 Other	123,617	87,086	87,086	88,828	2,035,582	2,524,135	2,524,135	2,011,909
Total Revenues	\$ 4,951,266	\$ 4,655,476	\$ 4,655,476	\$ 4,849,253	\$ 120,555,769	\$ 141,358,511	\$ 121,980,511	\$ 130,393,386
OUTLAY SUMMARY								
11 Fund Outlays:								
12 Operations	41,657,061	44,468,779	43,000,000	45,381,760	43,697,718	46,035,167	47,038,524	53,469,071
13 Operating Projects	-	-	-	-	9,442,689	7,951,334	8,522,637	5,122,232
14 Debt Service	769,505	773,319	773,319	633,145	14,077,532	15,756,728	15,756,728	13,303,015
15 Capital Projects	987,744	2,271,068	2,713,198	7,865,866	50,847,443	18,252,328	19,651,417	135,850,409
16 Carried Forward Capital Projects	-	181,312	34,067	-	-	20,453,780	49,117,146	43,509,742
Total Fund Outlays	\$ 43,414,310	\$ 47,694,478	\$ 46,520,584	\$ 53,880,771	\$ 118,065,382	\$ 108,449,337	\$ 140,086,452	\$ 251,254,469
18 Intra-District Reimb	(40,911,126)	(45,224,900)	(42,000,000)	(42,449,505)	-	-	-	-
Net Fund Outlays	\$ 2,503,184	\$ 2,469,578	\$ 4,520,584	\$ 11,431,266	\$ 118,065,382	\$ 108,449,337	\$ 140,086,452	\$ 251,254,469
Excess (deficit)	2,448,082	2,185,898	134,892	(6,582,013)	2,490,387	32,909,174	(18,105,941)	(120,861,083)
OTHER FINANCING								
22 Revenue Bond Proceeds	-	-	-	-	-	-	-	-
23 Certificates of Participation	-	-	-	-	3,345,417	-	1,000,000	7,000,000
24 Transfers In	274,461	-	-	5,658,640	5,924,738	4,935,104	4,935,104	15,694,395
25 Transfers Out	(1,751,000)	(1,902,000)	(1,902,000)	(1,281,000)	(7,728,727)	(6,837,104)	(6,837,104)	(19,238,851)
26 Transfers Out to OPEB Trust Fund	-	-	-	-	-	-	-	-
Total Other Financing	\$ (1,476,539)	\$ (1,902,000)	\$ (1,902,000)	\$ 4,377,640	\$ 1,541,428	\$ (1,902,000)	\$ (902,000)	\$ 3,455,544
Change in Fund Balance	\$ 971,543	\$ 283,898	\$ (1,767,108)	\$ (2,204,373)	\$ 4,031,815	\$ 31,007,174	\$ (19,007,941)	\$ (117,405,539)

	General Fund				Special Revenue Funds (Watersheds)			
	Estimated Balances				Estimated Balances			
	Year-End 2011-12	Adopted 2012-13	Projected YE 2012-13	Adopted 2013-14	Year-End 2011-12	Adopted 2012-13	Projected YE 2012-13	Adopted 2013-14
YEAR-END RESERVES								
Restricted Reserves								
29 WUE-Restricted Operating Res	-	-	-	-	-	-	-	-
30 WUE-Rate Stabilization	-	-	-	-	-	-	-	-
31 San Felipe Emergency Reserve	-	-	-	-	-	-	-	-
32 State Revolving Debt Service Resv	-	-	-	-	-	-	-	-
33 State Water Project Tax Reserve	-	-	-	-	-	-	-	-
34 WU Debt Service Reserve	-	-	-	-	-	-	-	-
35 CSC- Newly Improved Creeks	-	-	-	-	4,866,962	5,392,971	5,392,971	-
36 CSC- Other Activities	-	-	-	-	2,977,573	498,898	498,898	-
37 CSC- Environmental Enhancement	-	-	-	-	15,488,517	18,132,354	18,132,354	-
38 CSC- Open Space & Trails Program	-	-	-	-	6,409,489	6,872,699	6,872,699	-
39 CSC- Currently Authorized Projects	-	-	-	-	66,773,072	17,588,000	42,349,596	9,698,000
40 CSC-Operating & Capital Reserve	-	-	-	-	47,127,376	72,466,396	67,034,081	32,984,421
Committed Reserves								
42 Supplemental Water Supply	-	-	-	-	-	-	-	-
43 Currently Authorized Projects	34,067	-	-	-	40,322,705	3,134,670	15,629,035	4,770,889
44 Operating & Capital Reserve	7,169,008	2,690,595	5,435,967	3,231,594	35,808,830	61,440,949	44,856,949	35,907,734
45 Floating Rate Debt Paymnt Stabil	-	-	-	-	-	-	-	-
46 Liability/Workers' Comp Self Insurance	-	-	-	-	-	-	-	-
47 Property Self Insurance/Catastrophic	-	-	-	-	-	-	-	-
Total Year-End Reserves	\$ 7,203,075	\$ 2,690,595	\$ 5,435,967	\$ 3,231,594	\$ 219,774,524	\$ 185,526,937	\$ 200,766,583	\$ 83,361,044
<i>Ending Unreserved Fund Balance</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>

Financial Summaries

Proprietary Funds				Total Districtwide			
Enterprise and Internal Service Funds				All Funds			
Budgetary Basis Actual 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14	Budgetary Basis Actual 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14
\$ 22,327,010	\$ 22,820,000	\$ 22,820,000	\$ 25,210,000	\$ 75,577,147	\$ 73,370,000	\$ 73,370,000	\$ 78,620,000
-	-	-	-	34,996,497	35,861,731	35,861,731	37,456,000
1,111,487	2,495,257	2,495,257	1,631,285	19,130,967	19,182,695	19,182,695	16,148,630
48,030,015	55,467,000	55,467,000	63,035,000	1,291,169	2,495,257	2,495,257	1,889,285
92,903,695	81,946,000	81,946,000	89,699,000	48,030,015	55,467,000	55,467,000	63,035,000
848,526	1,427,000	1,427,000	1,571,000	92,903,695	81,946,000	81,946,000	89,699,000
1,588,343	791,660	791,660	602,728	848,526	1,427,000	1,427,000	1,571,000
11,802,820	2,836,000	4,169,000	4,060,000	3,898,207	2,500,000	2,500,000	2,000,000
2,689,293	1,476,308	3,761,666	2,352,511	25,283,509	38,936,000	20,891,000	28,532,000
\$ 181,301,189	\$ 169,259,225	\$ 172,877,583	\$ 188,161,524	\$ 306,808,224	\$ 315,273,212	\$ 299,513,570	\$ 323,404,163
127,199,372	141,925,430	145,699,285	149,082,711	212,554,151	232,429,376	235,737,809	247,933,542
2,636,449	2,761,939	2,296,772	1,154,400	12,079,138	10,713,273	10,819,409	6,276,632
14,103,508	15,386,996	15,386,996	17,508,664	28,950,545	31,917,043	31,917,043	31,444,824
58,998,494	44,368,826	49,408,093	97,508,189	110,833,681	64,892,222	71,772,708	241,224,464
-	23,379,465	19,004,728	8,169,388	-	44,014,557	68,155,941	51,679,130
\$ 202,937,823	\$ 227,822,656	\$ 231,795,874	\$ 273,423,352	\$ 364,417,515	\$ 383,966,471	\$ 418,402,910	\$ 578,558,592
(10,730,258)	(9,493,611)	(9,493,611)	(12,539,463)	(51,641,384)	(54,718,511)	(51,493,611)	(54,988,968)
\$ 192,207,565	\$ 218,329,045	\$ 222,302,263	\$ 260,883,889	\$ 312,776,131	\$ 329,247,960	\$ 366,909,299	\$ 523,569,624
(10,906,376)	(49,069,820)	(49,424,680)	(72,722,365)	(5,967,907)	(13,974,748)	(67,395,729)	(200,165,461)
-	-	-	-	-	-	-	-
16,670,000.00	19,424,000	19,424,000	82,853,000	20,015,417	19,424,000	20,424,000	89,853,000
3,281,000	4,827,518	4,827,518	2,562,000	9,480,199	9,762,622	9,762,622	23,915,035
-	(1,023,518)	(1,023,518)	(3,395,184)	(9,479,727)	(9,762,622)	(9,762,622)	(23,915,035)
-	-	-	-	-	-	-	-
\$ 19,951,000	\$ 23,228,000	\$ 23,228,000	\$ 82,019,816	\$ 20,015,889	\$ 19,424,000	\$ 20,424,000	\$ 89,853,000
\$ 9,044,624	\$ (25,841,820)	\$ (26,196,680)	\$ 9,297,451	\$ 14,047,982	\$ 5,449,252	\$ (46,971,729)	\$ (110,312,461)

Enterprise and Internal Service Funds				Total Districtwide			
Estimated Balances				Estimated Balances			
Year-End 2011-12	Adopted 2012-13	Projected YE 2012-13	Adopted 2013-14	Year-End 2011-12	Adopted 2012-13	Projected YE 2012-13	Adopted 2013-14
11,756,998	12,597,570	12,597,570	13,139,620	11,756,998	12,597,570	12,597,570	13,139,620
1,579,135	1,538,700	1,538,700	1,750,866	1,579,135	1,538,700	1,538,700	1,750,866
3,957,728	3,924,168	3,924,168	3,957,728	3,957,728	3,924,168	3,924,168	3,957,728
401,263	401,263	401,263	401,263	401,263	401,263	401,263	401,263
4,346,254	-	1,989,241	714,518	4,346,254	-	1,989,241	714,518
6,041,238	4,674,553	4,744,938	4,744,938	6,041,238	4,674,553	4,744,938	4,744,938
-	-	-	-	4,866,962	5,392,971	5,392,971	-
-	-	-	-	2,977,573	498,898	498,898	-
-	-	-	-	15,488,517	18,132,354	18,132,354	-
-	-	-	-	6,409,489	6,872,699	6,872,699	-
-	-	-	-	66,773,072	17,588,000	42,349,596	9,698,000
-	-	-	-	47,127,376	72,466,396	67,034,081	32,984,421
8,657,626	9,606,677	8,093,677	9,728,974	8,657,626	9,606,677	8,093,677	9,728,974
31,742,281	8,842,330	12,076,388	3,907,000	72,099,053	11,977,000	27,705,423	8,677,889
11,693,151	25,631,998	9,367,723	26,101,208	54,670,989	89,763,542	59,660,639	65,240,536
474,968	461,889	461,889	353,000	474,968	461,889	461,889	353,000
6,130,297	6,130,297	6,679,000	7,011,000	6,130,297	6,130,297	6,679,000	7,011,000
7,119,750	5,298,953	5,829,452	5,191,345	7,119,750	5,298,953	5,829,452	5,191,345
\$ 93,900,689	\$ 79,108,398	\$ 67,704,009	\$ 77,001,460	\$ 320,878,288	\$ 267,325,931	\$ 273,906,559	\$ 163,594,098
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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Financial Summaries

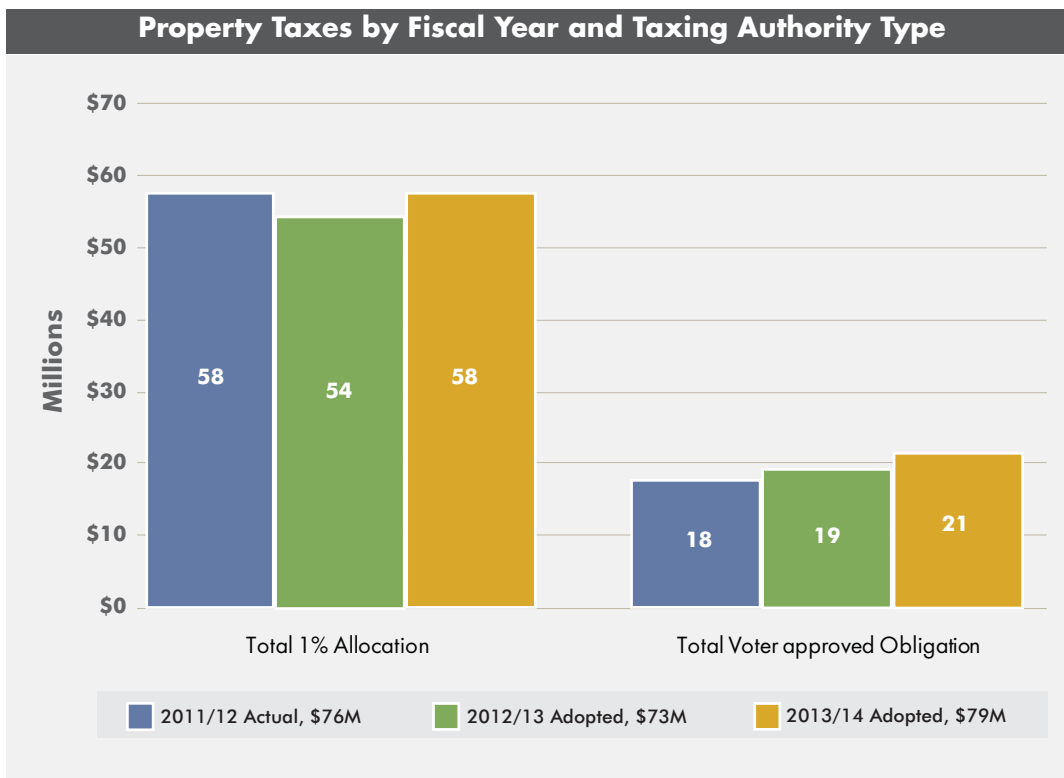
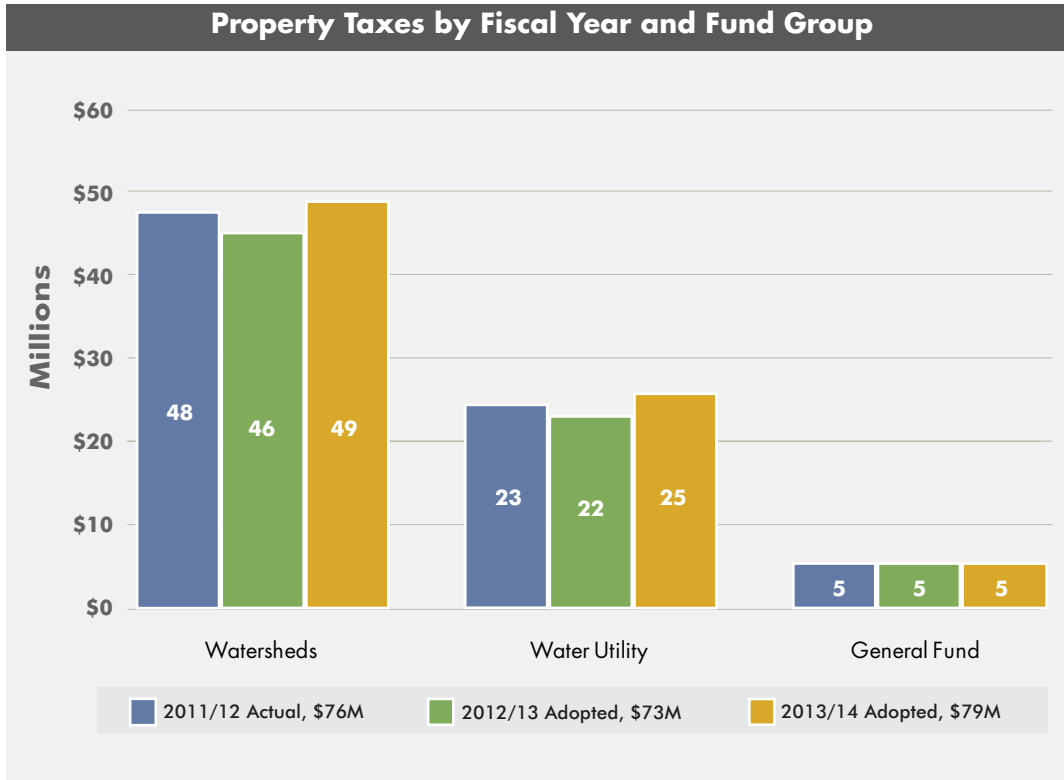
Financial Overview by Account Object: 2013/2014

	Governmental Funds		Proprietary Funds		FY2013-14
	General	Watersheds	Water Enterprise	Internal Service	District Total
REVENUE SUMMARY					
Property Taxes	4,710,000	48,700,000	25,210,000	-	78,620,000
Special Parcel Tax	-	37,456,000	-	-	37,456,000
Benefit Assessments	-	16,148,630	-	-	16,148,630
Intergovernmental Services	-	258,000	1,631,285	-	1,889,285
Groundwater Charges	-	-	63,035,000	-	63,035,000
Treated Water Charges	-	-	89,699,000	-	89,699,000
Surface / Recycled Water Sales	-	-	1,571,000	-	1,571,000
Interest	50,425	1,346,847	525,092	77,636	2,000,000
Capital Reimbursements/Contributions	-	24,472,000	4,060,000	-	28,532,000
Other	88,828	13,303,015	2,272,511	80,000	4,453,248
Total Revenues	4,849,253	130,393,386	188,003,888	157,636	323,404,163
OUTLAY SUMMARY					
Salaries and Employee Benefits	31,907,402	35,411,056	55,213,482	3,791,489	126,323,429
Services and Supplies	15,520,224	16,290,256	151,303,784	5,995,722	189,109,986
Fixed Assets	5,820,000	142,740,400	27,348,554	4,092,269	180,001,223
Debt Service	633,145	13,303,015	17,508,664	-	31,444,824
Total Fund Outlays	53,880,771	207,744,727	251,374,484	13,879,480	526,879,462
Intra-District Reimbursements	(42,449,505)			(12,539,463)	(54,988,968)
Net Fund Outlays	11,431,266	207,744,727	251,374,484	1,340,017	471,890,494
Excess (deficit) Revenues Over Outlays	(6,582,013)	(77,351,341)	(63,370,596)	(1,182,381)	(148,486,331)
OTHER FINANCING SOURCES/(USES)					
Certificates of Participation (COPs)	-	7,000,000	82,853,000	-	89,853,000
Transfer In	5,658,640	15,694,395	2,562,000	-	23,915,035
Transfer Out	(1,281,000)	(19,238,851)	(3,395,184)	-	(23,915,035)
Total Other financing Sources/(Uses)	4,377,640	3,455,544	82,019,816	-	89,853,000
Change to Reserves	\$ (2,204,373)	\$ (73,895,797)	\$ 18,649,220	\$ (1,182,381)	\$ (58,633,331)
YEAR-END RESERVES					
Restricted Reserves					
WUE-Restricted Operating Reserve	-	-	13,139,620	-	13,139,620
WUE-Rate Stabilization	-	-	1,750,866	-	1,750,866
San Felipe Emergency Reserve	-	-	3,957,728	-	3,957,728
State Revolving Debt Service Reserve	-	-	401,263	-	401,263
State Water Project Tax Reserve	-	-	714,518	-	714,518
WU Debt Service Reserve	-	-	4,744,938	-	4,744,938
CSC- Currently Authorized Projects***	-	9,698,000	-	-	9,698,000
CSC-Operating & Capital Reserve	-	32,984,421	-	-	32,984,421
Total Restricted Reserves	-	42,682,421	24,708,933	-	67,391,354
Committed Reserves					
Floating Rate Debt Paymnt Stab	-	-	353,000	-	353,000
Operating & Capital Reserve	3,231,594	35,907,734	25,526,977	574,231	65,240,536
Supplemental Water Supply	-	-	9,728,974	-	9,728,974
Currently Authorized Projects**	-	4,770,889	3,907,000	-	8,677,889
Liability/Workers' Comp Self Insurance	-	-	-	7,011,000	7,011,000
Property Self Insurance/Catastrophic	-	-	-	5,191,345	5,191,345
Total Committed Reserves	3,231,594	40,678,623	39,515,951	12,776,576	96,202,744
Total Year End Reserves	3,231,594	83,361,044	64,224,884	12,776,576	163,594,098
<i>Ending Unreserved Fund Balance</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>

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 2013-14, the District is projecting a 6% increase in ad valorem tax revenues. The increase is based on communications received from Santa Clara County, and is tied to improved overall valuation of the Santa Clara County real estate market. The estimate in voter-approved levy includes a net increase of approximately \$2 million. This revenue line is calculated based on principal and interest payments related to Water Utility debt service and is not affected by the housing market valuation.

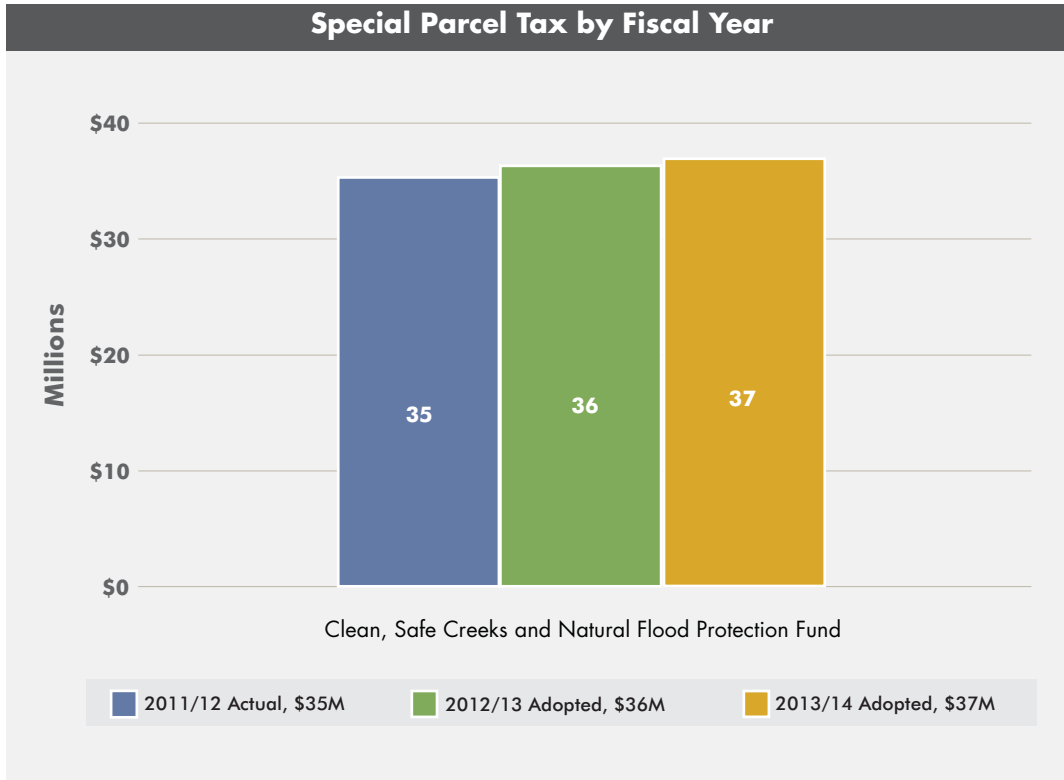
Property Taxes by Funds	Budgetary Basis Actual 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14	Change from 2012-13 Adopted	
					\$ Diff	% Diff
Watershed Fund - 1% Allocation						
Watershed & Stream Stewardship	\$48,456,629	\$46,000,000	\$46,000,000	\$48,700,000	\$ 2,700,000	5.9%
District General Fund - 1% Allocation	4,793,508	4,550,000	4,550,000	4,710,000	160,000	3.5%
Water Enterprise - 1% Allocation						
Zone W-3	578,000	500,000	500,000	555,000	55,000	11.0%
Zone W-4	3,324,551	3,000,000	3,000,000	3,295,000	295,000	9.8%
Gavilan Water Conservation District	352,354	320,000	320,000	360,000	40,000	12.5%
Subtotal Water Enterprise	4,254,905	3,820,000	3,820,000	4,210,000	390,000	10.2%
Water Enterprise - Voter Approved Obligations						
State Water Project Debt Service	17,837,353	19,000,000	19,000,000	21,000,000	2,000,000	10.5%
Debt Service Zone W-1	234,752	-	-	-	-	**
Subtotal Water Enterprise	18,072,105	19,000,000	19,000,000	21,000,000	2,000,000	10.5%
Total Water Enterprise Fund	22,327,010	22,820,000	22,820,000	25,210,000	2,390,000	10.5%
Total Property Taxes	\$75,577,147	\$73,370,000	\$73,370,000	\$78,620,000	\$5,250,000	7.2%

Property Tax Summary

Total 1% Allocation	57,505,042	54,370,000	54,370,000	57,620,000	3,250,000	6.0%
Total Voter Approved Obligations	18,072,105	19,000,000	19,000,000	21,000,000	2,000,000	10.5%
Total Property Taxes	\$75,577,147	\$73,370,000	\$73,370,000	\$78,620,000	\$5,250,000	7.2%

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.

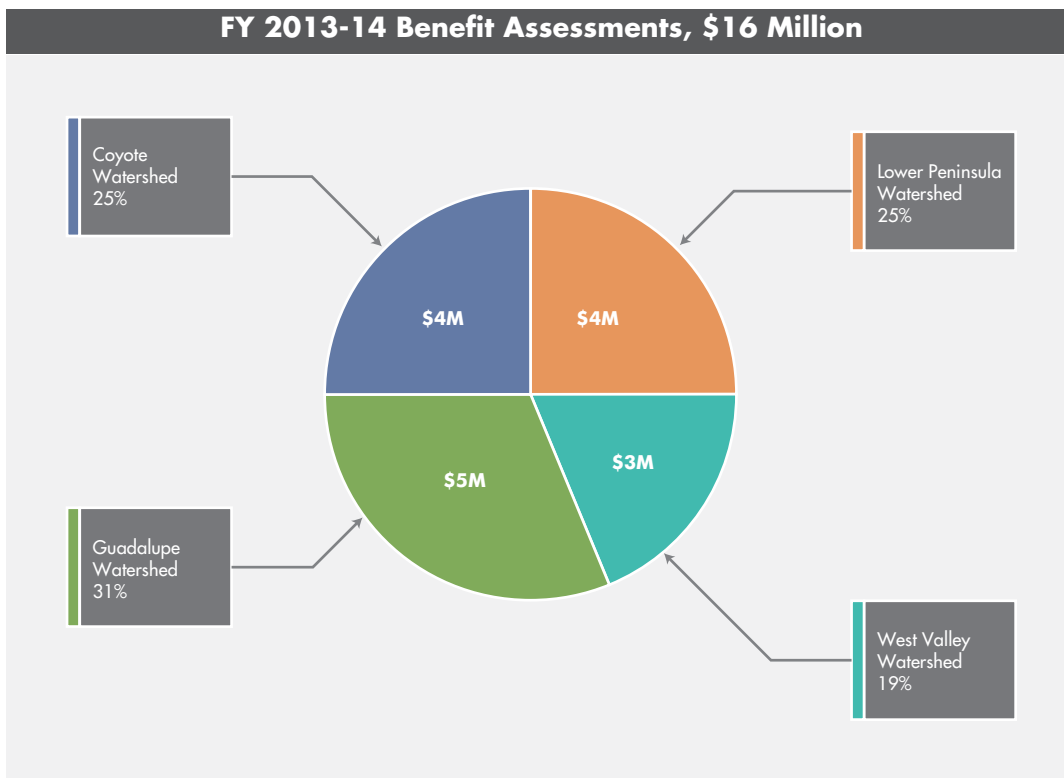
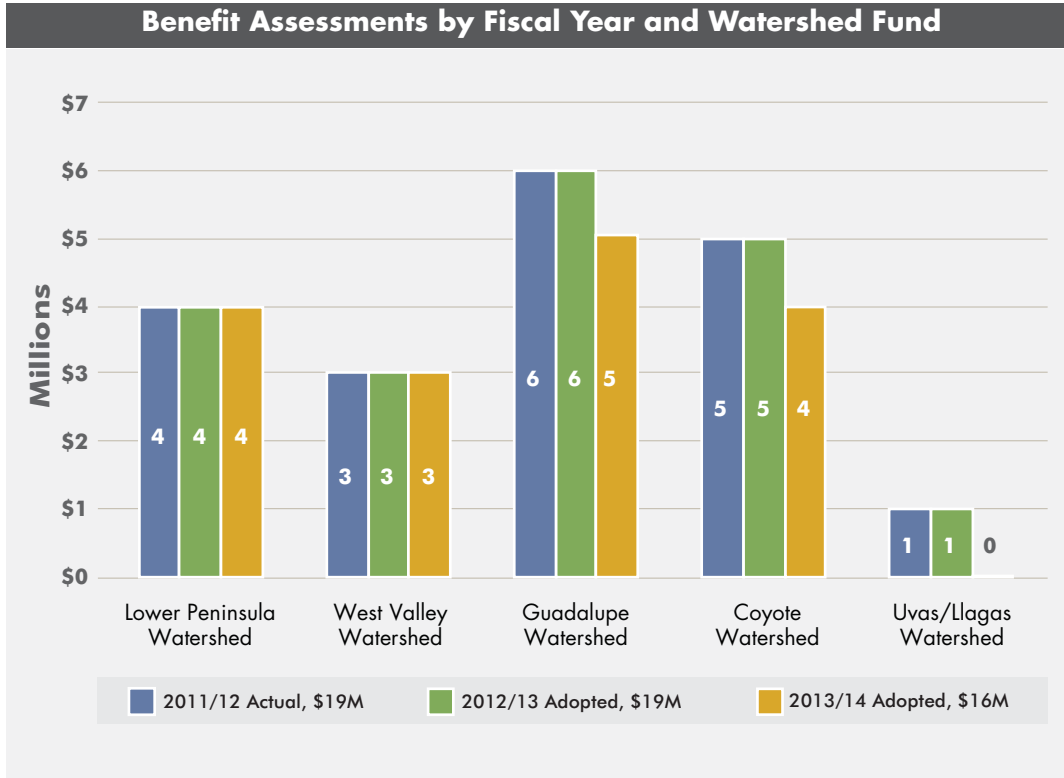
In November 2012, more than two thirds of the voters approved the passage of the Safe, Clean Water, Measure B Special Parcel Tax for another 15 years. Safe, Clean Water is a continuation of the Clean, Safe Creeks Measure.

For FY 2013-14, special parcel tax revenues are expected to increase by 4.4% over the FY 2012-13 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	Adopted Budget	Projected Year End	Adopted Budget	Change from 2012-13 Adopted	
	2011-12	2012-13	2012-13	2013-14	\$ Diff	% Diff
Safe Clean Water and Natural Flood Protection	\$34,996,497	\$35,861,731	\$35,861,731	\$37,456,000	\$1,594,269	4.4%
Total Special Parcel Tax	\$34,996,497	\$35,861,731	\$35,861,731	\$37,456,000	\$1,594,269	4.4%

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.

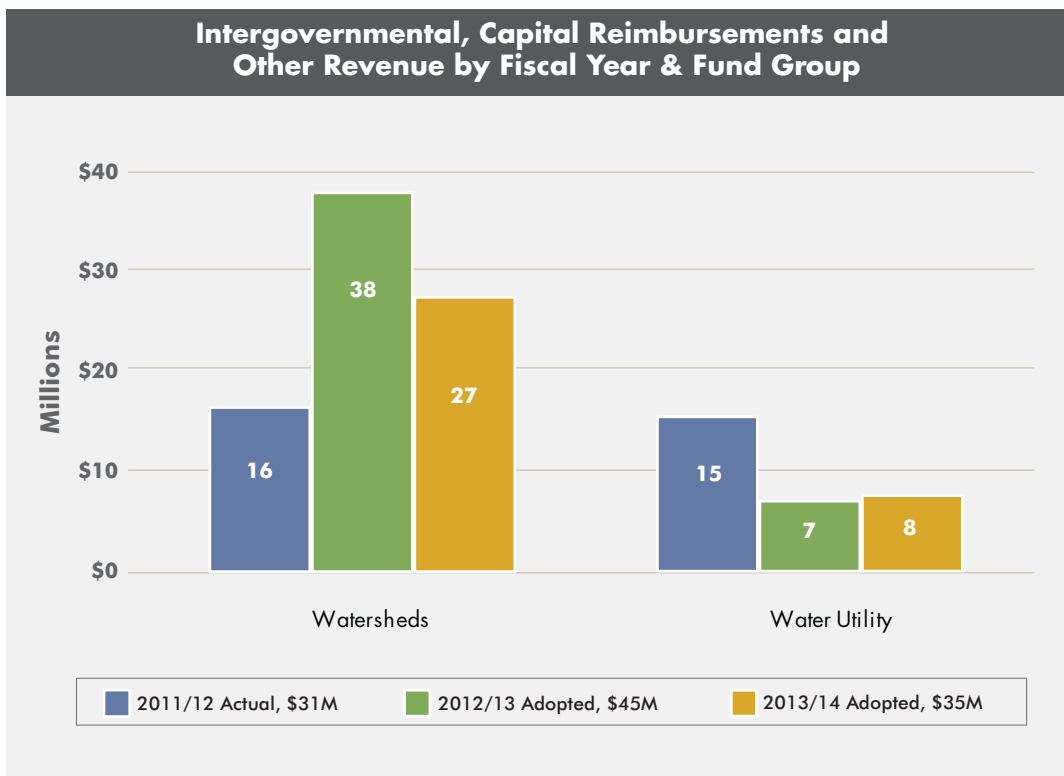
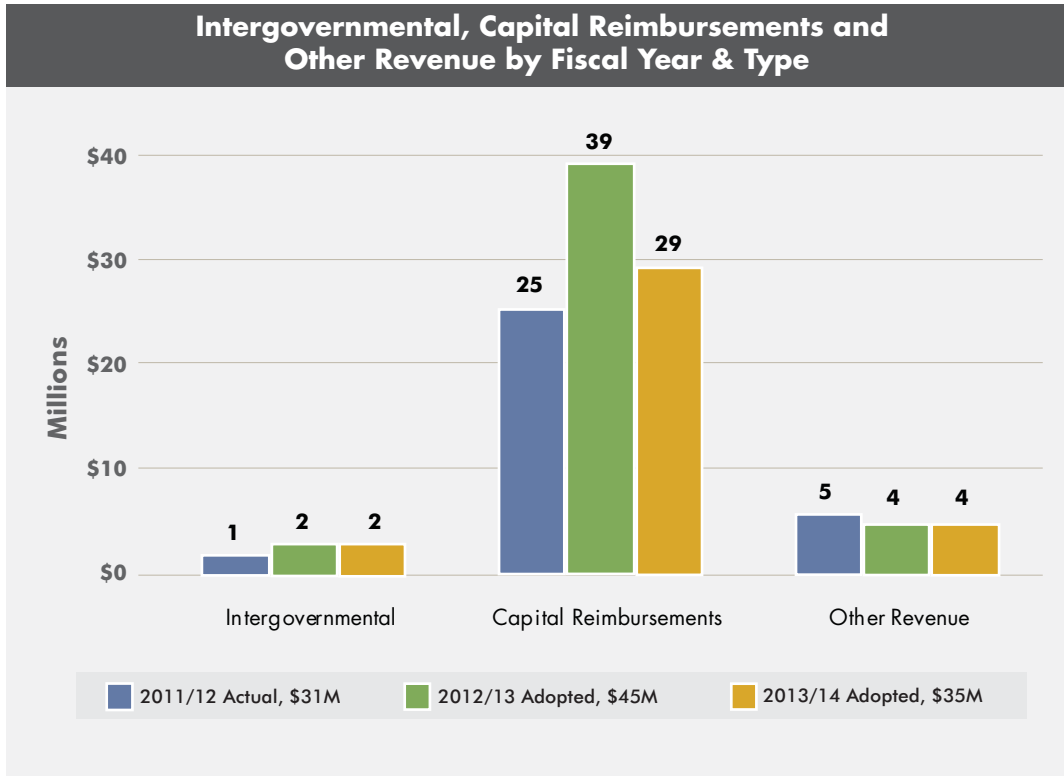
The Flood Control Benefit Assessment was first authorized by the District Board of Directors in 1981, and then by ballot measures in 1982, 1986, and 1990. The program had a sunset date of 2000 but the assessment will continue until 2030, when the District will pay off the bonds associated with it.

FY 2013-14 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 2013-14 the Benefit Assessment revenue receipts are anticipated to come in at \$16.1 million.

Benefit Assessments	Budgetary Basis Actual 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14	Change from 2012-13 Adopted	
					\$ Diff	% Diff
Watershed Funds:						
Lower Peninsula Watershed	\$ 4,628,057	\$ 4,633,960	\$ 4,633,960	\$ 4,278,953	\$ (355,007)	(7.7%)
West Valley Watershed	2,928,383	2,935,673	2,935,673	2,485,305	(450,368)	(15.3%)
Guadalupe Watershed	6,185,417	6,215,874	6,215,874	5,244,635	(971,239)	(15.6%)
Coyote Watershed	4,635,140	4,640,795	4,640,795	4,139,737	(501,058)	(10.8%)
Uvas/Llagas Watershed	753,970	756,393	756,393	-	(756,393)	(100.0%)
Total Benefit Assessments	\$ 19,130,967	\$ 19,182,695	\$ 19,182,695	\$ 16,148,630	\$ (3,034,065)	(15.8%)

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 \$34.9 million. This is an decrease of approximately \$9.6 million compared to the FY 2012-13 adopted Budget.

Intergovernmental Services Revenue:

The District anticipates to receive the intergovernmental services revenue \$1.9 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 \$430 thousand; SF/SCVWD Intertie \$56 thousand; Well Permit revenue \$570 thousand; County of San Benito for conservation \$347 thousand and Watershed Stream Stewardship fund \$258 thousand in-stream repairs at Lake Santa Clara and Laurelwood storm pump station outfalls.

Capital Reimbursements Revenue:

Water Enterprise receipts are budgeted at \$4.1 million and are as follows: \$90 thousand from San Benito County for Pacheco Pumping Plant ASD replacement; \$340 thousand from San Benito for Small Capital Improvements; \$29 thousand from San Benito for Water Protection; \$1.1 million from US Bureau of Reclamation for Recycled Water Master Plan and \$2.5 million from the City of San Jose for Silicon Valley Advanced Water Purification Center.

Watersheds receipts are budgeted at \$24.5 million and are as follows: \$1.4 million in State Subventions for Downtown Guadalupe project; \$15 million State Bond for Lower Silver Creek project. \$1.9M State Subventions for Upper Llagas project ; \$5.6 million State Subventions for Guadalupe project.

City of Saratoga reimbursements for Calabazas project of \$64 thousand and City of Morgan Hill reimbursements for Upper Llagas of \$461 thousand.

Other Revenue:

Other revenue category amounts to \$4.5 million and the breakdown is as follows:

Approximately \$1.8 million is budgeted in the Watershed Funds: \$1.1 million for rental income and approximately \$548 thousand for Home Owners' Property Tax Relief. (HOPTR)

\$2.3 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 \$43k, rental income \$55k, Encroachment cost recovery fees \$75k, miscellaneous income and refunds in the amount of \$200k, and approximately \$875 thousand from Valley Transportation Agency pipeline reimbursement.

Financial Summaries

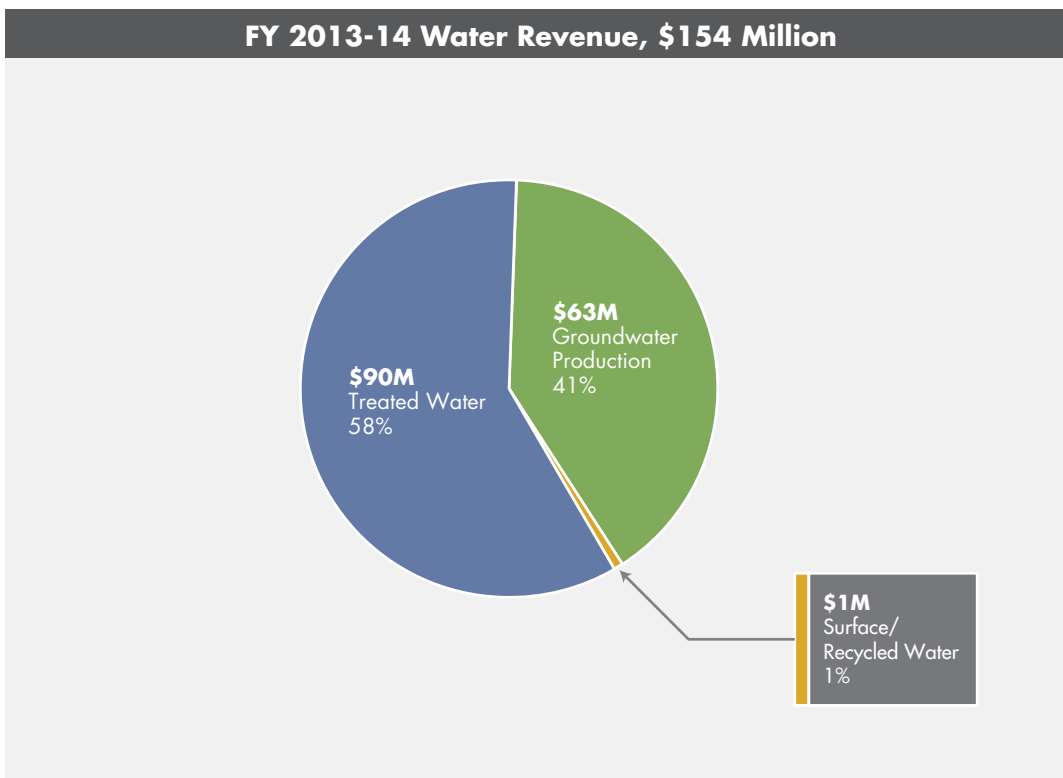
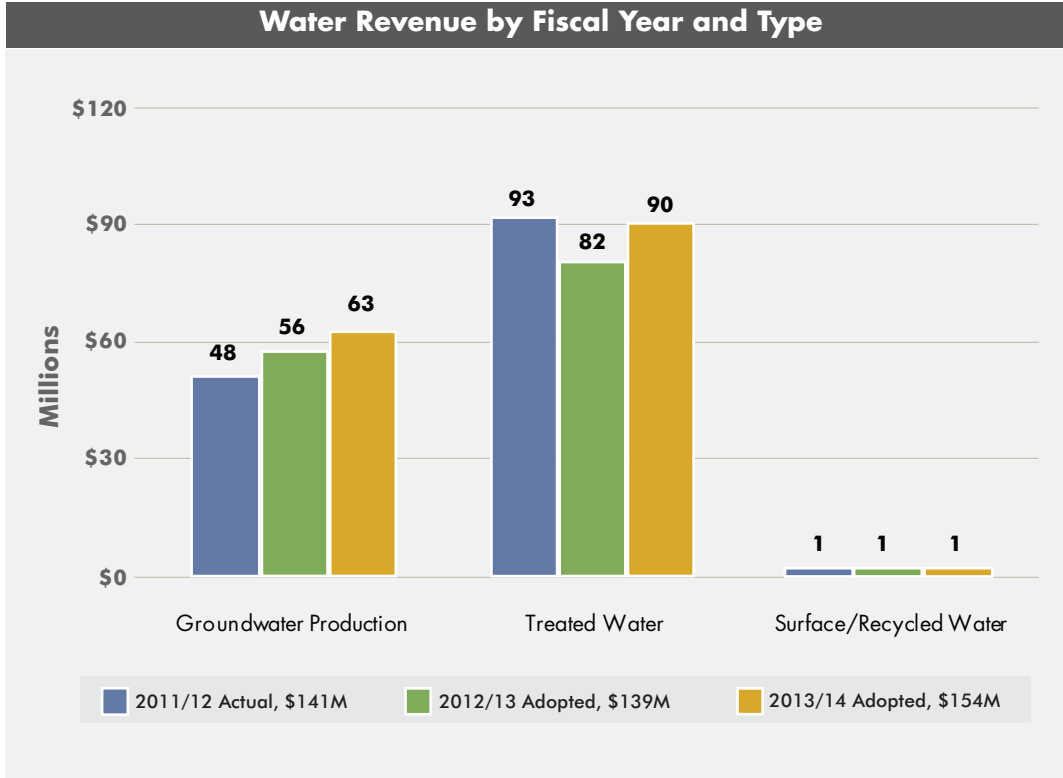
An additional \$0.2 million is expected from proceeds of the surplus and equipment sales in General and Internal Services funds.

Intergovernmental and Other Revenues	Budgetary Basis Actual 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14	Change from 2012-13 Adopted	
					\$ Diff	% Diff
Intergovernmental Services:						
Watershed Funds	\$ 179,682	\$ -	\$ -	\$ 258,000	\$ 258,000	**
Water Enterprise Fund	1,111,487	2,495,257	2,495,257	1,631,285	(863,972)	(34.6%)
Total Intergovernmental Services	1,291,169	2,495,257	2,495,257	1,889,285	(605,972)	(24.3%)
Capital Reimbursements:						
Watershed Funds	13,480,689	36,100,000	16,722,000	24,472,000	(11,628,000)	(32.2%)
Water Enterprise Fund	11,802,820	2,836,000	4,169,000	4,060,000	1,224,000	43.2%
Total Capital Reimbursements	25,283,509	38,936,000	20,891,000	28,532,000	(10,404,000)	(26.7%)
Other:						
Watershed Funds	2,035,582	2,524,135	2,524,135	2,011,909	(512,226)	(20.3%)
Water Enterprise Fund	1,334,201	396,308	396,308	2,272,511	1,876,203	473.4%
District General Fund	123,617	87,086	87,086	88,828	1,742	2.0%
Internal Service Funds	115,228	80,000	80,000	80,000	-	0.0%
Total Other	3,608,628	3,087,529	3,087,529	4,453,248	1,365,719	44.2%
Total Intergov'l & Other Revenues	\$ 30,183,306	\$ 44,518,786	\$ 26,473,786	\$ 34,874,533	\$ (9,644,253)	(21.7%)

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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 or landscaping

Water revenues budgeted for FY 2013-14 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 9.3% and 3.4% increase in groundwater production charges for the North County (Zone W-2) and South County (Zone W-5) respectively, relative to FY 2012-13. These charges are shown in the accompanying Water Enterprise Fund schedules.

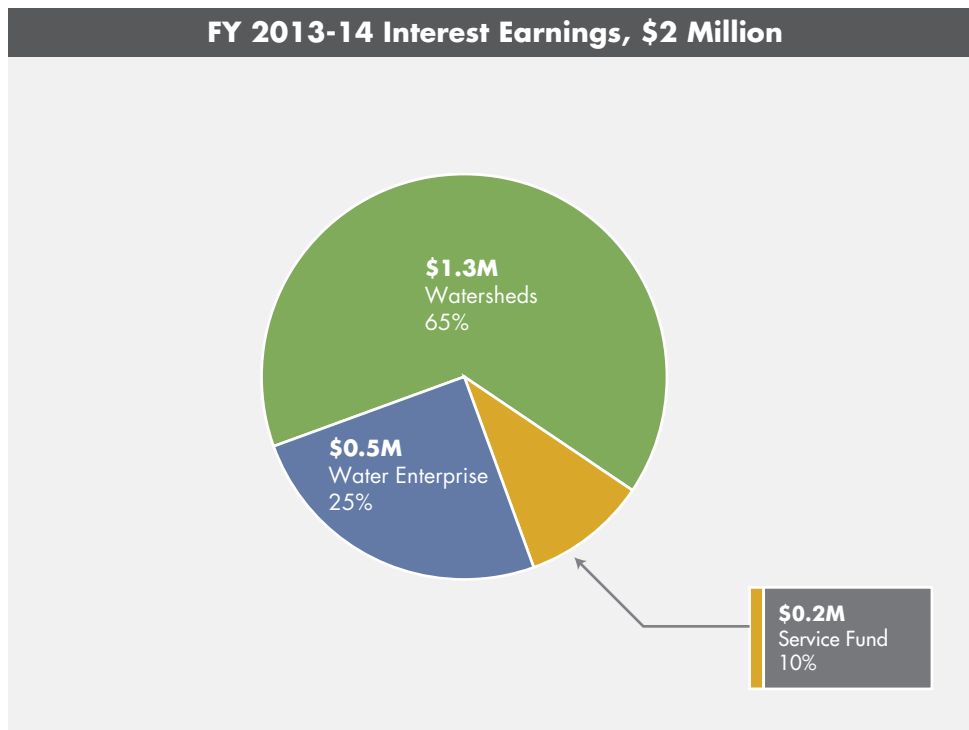
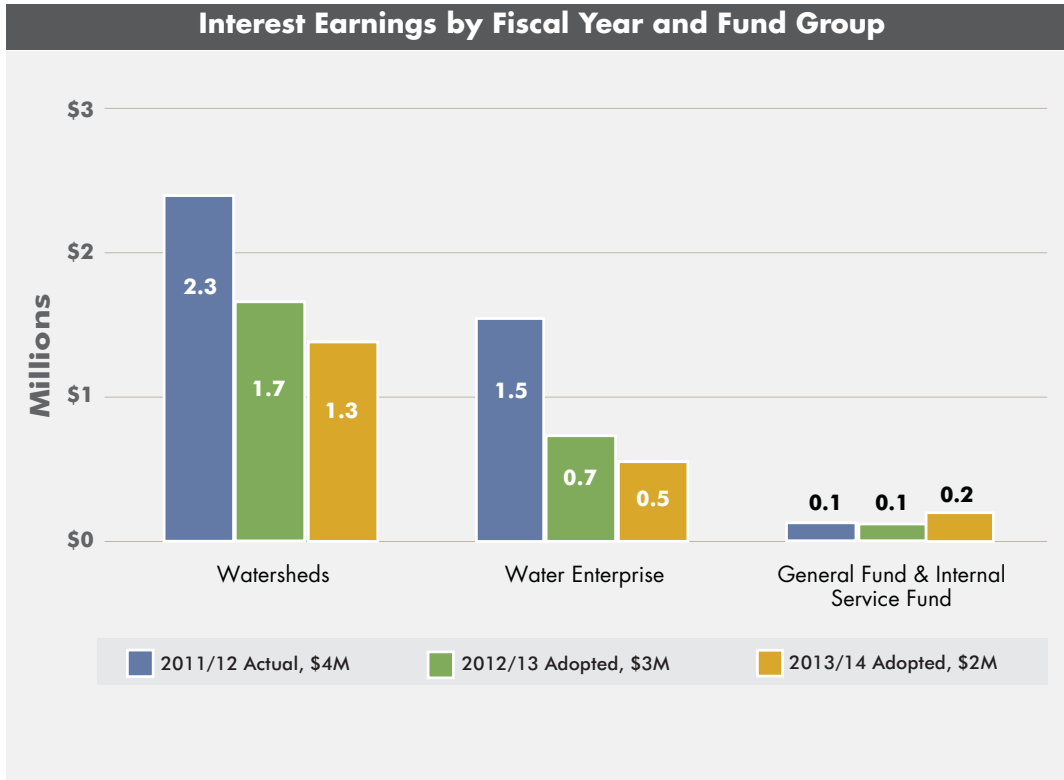
The FY 2013-14 revenue projection assumes water usage of roughly 255,000 acre-feet, Treated water demand comprises 45%; groundwater comprises 53%; and surface water and District-delivered recycled water comprise approximately 2% of the assumed water use.

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 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14	Change from 2012-13 Adopted	
					\$ Diff	% Diff
Groundwater Production	\$ 48,030,015	\$ 55,467,000	\$ 55,467,000	\$ 63,035,000	\$ 7,568,000	13.6%
Treated Water	92,903,695	81,946,000	81,946,000	89,699,000	7,753,000	9.5%
Surface/Recycled Water	848,526	1,427,000	1,427,000	1,571,000	144,000	10.1%
Total Water Revenue	\$ 141,782,236	\$ 138,840,000	\$ 138,840,000	\$ 154,305,000	\$ 15,465,000	11.1%

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.

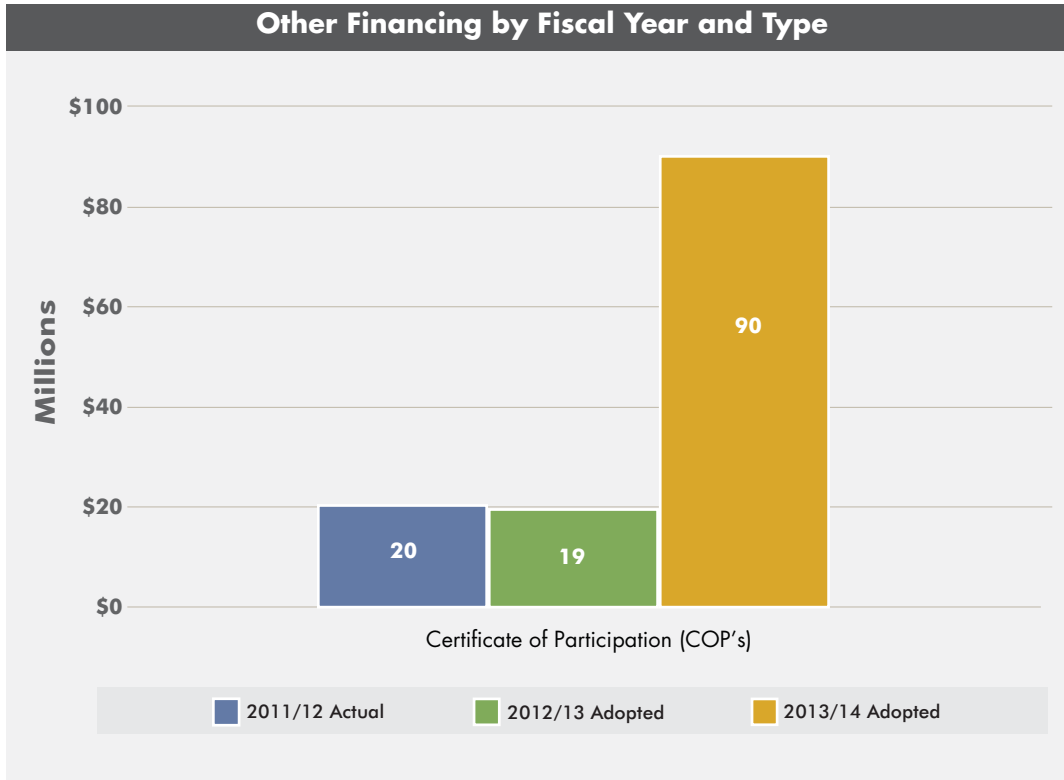
The FY 2013-14 interest revenue is expected to be approximately \$2.0 million. The decline is due to a reduced average portfolio yield estimated to be just under 1% which is a reflection of the overall market environment. Coupled with expected lower cash reserves, this will result in a decrease of \$0.5 million compared to FY 2012-13 budget.

Interest Income	Budgetary Basis Actual 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14	Change from 2012-13 Adopted	
					\$ Diff	% Diff
Watershed Funds	\$ 2,275,723	\$ 1,689,950	\$ 1,689,950	\$ 1,346,847	\$ (343,103)	(20.3%)
Water Enterprise Fund	1,445,508	688,578	688,578	525,092	(163,486)	(23.7%)
General Fund	34,141	18,390	18,390	50,425	32,035	174.2%
Service Funds	142,835	103,082	103,082	77,636	(25,446)	(24.7%)
Total Interest Income	\$ 3,898,207	\$ 2,500,000	\$ 2,500,000	\$ 2,000,000	\$ (500,000)	(20.0%)

* 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 \$82.9 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 FY2014 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	Adopted Budget	Projected Year End	Adopted Budget	Change from 2012-13 Adopted	
	2011-12	2012-13	2012-13	2013-14	\$ Diff	% Diff
Certificates of Participation	20,015,417	19,424,000	20,424,000	89,853,000	70,429,000	362.6%
Total Other Financing	\$ 20,015,417	\$ 19,424,000	\$ 20,424,000	\$ 89,853,000	\$ 70,429,000	362.6%

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.

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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	2012A	2007		
Moody's	Aa1	N/A	Aa1	Aa1	Aa1
Standard & Poor's	AA+	AA+	AA+	AA	AA
Fitch	AAA	AAA	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 \$368 million. Scheduled annual debt service for FY 2013-14 is approximately \$31 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 2012-13: 2.45
- FY 2013-14: 2.78
- FY 2014-15: 2.12
- FY 2015-16: 2.15
- FY 2016-17: 2.06
- FY 2017-18: 1.94

(Source: FY 2013-14 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 84% of the portfolio (as of 3/31/13) is invested

Financial Summaries

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.

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.

Financial Summaries

Debt Service Payments Schedule

As of 06/30/2013	Principal	Interest	Total
I) LONG TERM DEBT			
WATERSHEDS CERTIFICATES OF PARTICIPATION			
2013/14	8,055,000	5,843,150	13,898,150
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 and thereafter	91,040,000	27,013,725	118,053,725
Total	123,100,000	48,080,925	171,180,925
WATER UTILITY REVENUE BONDS / REVENUE CERTIFICATES OF PARTICIPATION/STATE REVOLVING LOAN			
2013/14	5,714,309	9,144,154	14,858,463
2014/15	5,971,025	9,390,765	15,361,789
2015/16	6,267,901	9,109,911	15,377,812
2016/17	6,564,944	8,817,601	15,382,545
2017/18 and thereafter	184,433,890	93,636,306	278,070,196
Total	208,952,069	130,098,736	339,050,806
TOTAL ALL OUTSTANDING LONG TERM DEBT			
2013/14	13,769,309	14,987,304	28,756,613
2014/15	14,326,025	14,871,115	29,197,139
2015/16	13,897,901	14,172,511	28,070,412
2016/17	14,584,944	13,498,701	28,083,645
2017/18 and thereafter	275,473,890	120,650,031	396,123,921
Total	332,052,069	178,179,661	510,231,731
II) SHORT TERM DEBT			
COMMERCIAL PAPER*			
	36,114,000	2,000,000	38,114,000
TOTAL	\$ 368,166,069	\$ 180,179,661	\$ 548,345,731

* The total amount sold and outstanding amount shown for Commercial Paper are estimates only. The final amount will be determined by 6/30/2013, based on year-end expenditures of eligible Water Utility projects.

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All Outstanding Debt to Maturity

	Total Amount Sold	Date of Issue	Average Interest Rate	Outstanding as of 6/30/2013	2013-2014 Debt Service		
					Principal	Interest	Total
WATERSHEDS INDEBTEDNESS							
2004 COPs							
Series A*	32,965,000	1/29/2004	3.544%	10,825,000	1,485,000	541,250	2,026,250
2007 COPs							
Series A	78,780,000	2/27/2007	4.901%	65,310,000	2,575,000	3,185,900	5,760,900
2012 COPs							
Series A	52,955,000	11/20/2012	4.365%	46,965,000	3,995,000	2,116,000	6,111,000
Total Watersheds	<u>164,700,000</u>			<u>123,100,000</u>	<u>8,055,000</u>	<u>5,843,150</u>	<u>13,898,150</u>
WATER UTILITY INDEBTEDNESS							
2006 Water Utility Revenue Bonds							
Series A	74,265,000	12/21/2006	4.154%	61,610,000	2,135,000	2,605,450	4,740,450
Series B - taxable	25,570,000	12/21/2006	5.279%	22,275,000	600,000	1,175,451	1,775,451
Subtotal	<u>99,835,000</u>			<u>83,885,000</u>	<u>2,735,000</u>	<u>3,780,901</u>	<u>6,515,901</u>
2007 Water Utility Revenue Certificates of Participation							
Series A	77,270,000	10/1/2007	5.170%	71,650,000	1,580,000	3,476,300	5,056,300
Series B - taxable/floating	53,730,000	10/1/2007	4.500%	48,245,000	1,120,000	1,765,000	2,885,000
Subtotal	<u>131,000,000</u>			<u>119,895,000</u>	<u>2,700,000</u>	<u>5,241,300</u>	<u>7,941,300</u>
Commercial Paper ***							
Tax Exempt/Taxable	36,114,000	various **	2.000%	36,114,000	-	2,000,000	2,000,000
State Revolving Loan Fund							
	6,350,000	11/19/2004	2.390%	5,172,069	279,309	121,954	401,263
Total Water Utility	<u>273,299,000</u>			<u>245,066,069</u>	<u>5,714,309</u>	<u>11,144,155</u>	<u>16,858,464</u>
COMBINED TOTAL	<u>\$437,999,000</u>			<u>\$368,166,069</u>	<u>\$ 13,769,309</u>	<u>\$ 16,987,305</u>	<u>\$ 30,756,614</u>

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

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

**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.

*** The total amount sold and outstanding amount shown for Commercial Paper are estimates only. The final amount will be determined by 6/30/2013, based on year-end expenditures of eligible Water Utility projects.

DISTRICT SALARIES, BENEFITS, AND RESERVE POLICY

Financial Summaries

District Salaries and Benefits

	Actuals 2011-12	Adopted Budget 2012-13	Adopted Budget 2013-14	Change from 2012-13 Adopted	
				\$ Diff	% Diff
SALARIES					
Salaries-Regular Employee	85,138,693	81,614,532	81,192,375	(422,157)	(0.5%)
Overtime	1,180,982	1,201,515	1,381,131	179,616	14.9%
Special Pays	928,289	1,969,991	879,202	(1,090,789)	(55.4%)
Total Salaries	87,247,964	84,786,038	83,452,708	(1,333,330)	(1.6%)
BENEFITS					
Fed & State Taxes & Benefits	1,215,668	1,253,535	1,223,525	(30,010)	(2.4%)
Retirement Contributions	13,169,278	12,455,783	12,511,686	55,903	0.4%
Group Ins-Active Employees	11,471,757	11,965,859	12,319,050	353,191	3.0%
Group Ins-Retired Employees	5,402,240	6,592,402	7,316,579	724,177	11.0%
Other Post Employment Benefits (OPEB)	4,292,259	9,100,625	9,500,015	399,390	4.4%
Total Benefits	35,551,202	41,368,204	42,870,855	1,502,651	3.6%
Net Total Salary & Benefits	\$122,799,166	\$126,154,242	\$ 126,323,563	169,321	0.1%
LABOR HOURS					
	Actual Labor Hours 2011-12	Adopted Labor Hours 2012-13	Adopted Labor Hours 2013-14	Change from 2012-13 Adopted	
Salaries-Regular Employee	1,231,681	1,296,929	1,272,740	(24,189)	(1.9%)
Overtime	14,559	13,785	15,042	1,257	9.1%
Compensated Absences	232,679	243,966	238,125	(5,841)	(2.4%)
Total Hours	1,478,919	1,554,680	1,525,907	(28,773)	(1.9%)
Budgeted Regular Positions	761	746	731	(15)	(2.0%)

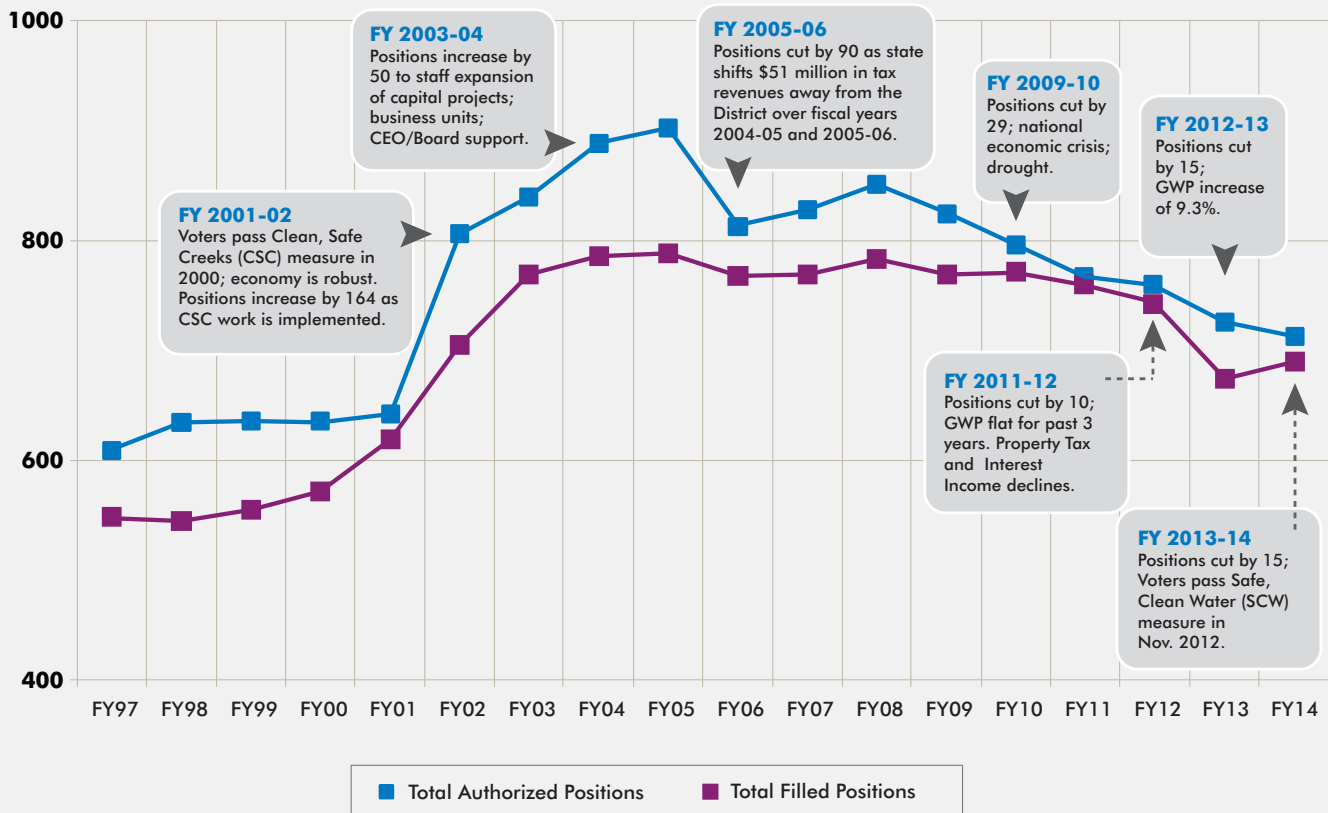
Financial Summaries

Summary of Positions

Position Count by Organization Division	Adopted Budget FY 2011-12	Adopted Budget FY 2012-13	Adopted Budget FY 2013-14	Position Change	% Change
Board Appointed Officers*	57	55	59	4	7.0%
Administration	178	174	163	(11)	(6.2%)
Water Utility	303	298	298	-	0.0%
Watersheds	223	219	211	(8)	(3.6%)
Total	761	746	731	(15)	(2.0%)

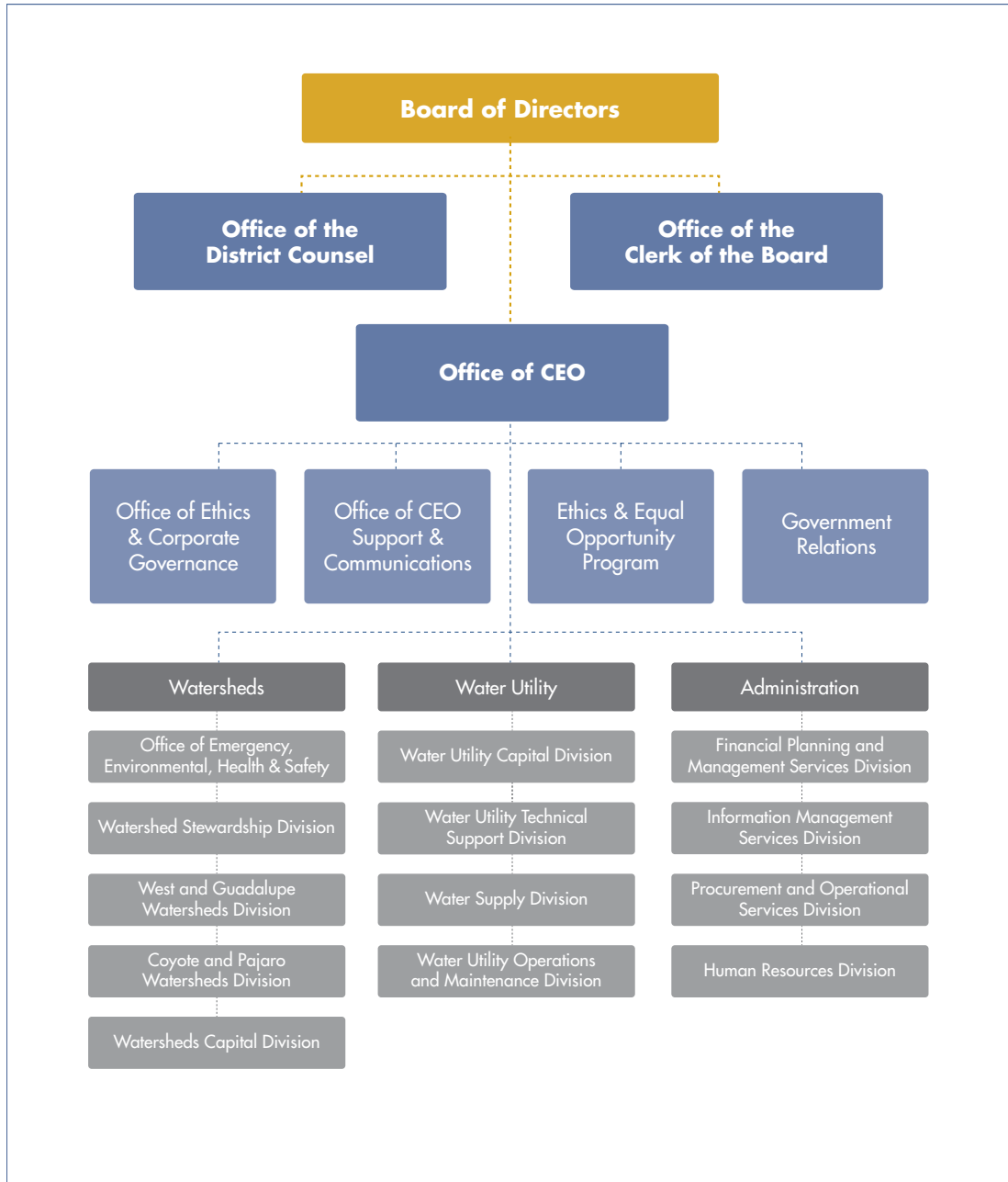
* Board Appointed Officers Include Office of CEO, District Counsel and Clerk of the Board.

District Staffing Trends, FY1997 - FY 2014



Financial Summaries

Organizational Chart



Financial Summaries

Budget Summary

	Adopted Budget 2011-12	Adopted Budget 2012-13	Adopted Budget 2013-14	Change from 2012-13 Adopted	
				\$ Diff	% Diff
CEO AND BOARD APPOINTED OFFICERS					
Salaries and Benefits	10,993,056	8,871,882	9,329,091	457,209	5.2%
Services and Supplies	6,695,557	6,162,655	7,339,084	1,176,429	19.1%
Subtotal	17,688,613	15,034,537	16,668,175	1,633,638	10.9%
Total	17,688,613	15,034,537	16,668,175	1,633,638	10.9%
ADMINISTRATION					
Salaries and Benefits	26,151,653	28,379,851	27,610,336	(769,515)	(2.7%)
Services and Supplies	18,324,089	18,513,729	22,387,591	3,873,862	20.9%
Subtotal	44,475,742	46,893,580	49,997,927	3,104,347	6.6%
Fixed Assets	2,812,400	3,181,943	4,356,724	1,174,781	36.9%
Debt Service	32,222,022	31,848,993	30,756,620	(1,092,373)	(3.4%)
Total	79,510,164	81,924,516	85,111,271	3,186,755	3.9%
WATER ENTERPRISE					
Salaries and Benefits	50,343,456	52,095,001	53,588,104	1,493,103	2.9%
Services and Supplies	69,150,666	89,586,772	87,402,510	(2,184,262)	(2.4%)
Subtotal	119,494,122	141,681,773	140,990,614	(691,159)	(0.5%)
Fixed Assets	19,342,250	8,495,750	32,892,799	24,397,049	287.2%
Total	138,836,372	150,177,523	173,883,413	23,705,890	15.8%
WATERSHEDS					
Salaries and Benefits	35,121,561	36,807,346	35,795,898	(1,011,448)	(2.7%)
Services and Supplies	48,518,095	45,117,992	72,669,005	27,551,013	61.1%
Subtotal	83,639,656	81,925,338	108,464,903	26,539,565	32.4%
Fixed Assets	45,129,000	10,890,000	142,751,700	131,861,700	1211%
Total	128,768,656	92,815,338	251,216,603	158,401,265	170.7%
DISTRICTWIDE					
Salaries and Benefits	122,609,726	126,154,080	126,323,429	169,349	0.1%
Services and Supplies	142,688,407	159,381,148	189,798,190	30,417,042	19.1%
Subtotal	265,298,133	285,535,228	316,121,619	30,586,391	10.7%
Fixed Assets	67,283,650	22,567,693	180,001,223	157,433,530	697.6%
Debt Service	32,222,022	31,848,993	30,756,620	(1,092,373)	(3.4%)
Total	\$ 364,803,805	339,951,914	526,879,462	\$ 186,927,548	55.0%

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

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

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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.

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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.

Water Utility Enterprise - Restricted Operating Reserve

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.

Water Utility Enterprise - Rate Stabilization Reserve

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.

Water Utility Enterprise - San Felipe Emergency Reserve

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

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.

Encumbrance Reserves (for Clean Safe Creek Fund only)

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.

Clean, Safe Creeks - Maintenance of Newly Improved Creeks

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.

Clean, Safe Creeks - Other Activities

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.

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

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.

Financial Summaries

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

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.

Clean, Safe Creeks - Operating and Capital Reserve

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.

Clean, Safe Creeks - Currently Authorized Projects Reserve

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

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.

Financial Summaries

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.

Operating & Capital Reserve

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.

Supplemental Water Supply Reserve

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.

Currently Authorized Projects Reserve

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.

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.

Financial Summaries

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 85 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.

ASSIGNED RESERVES

Encumbrance Reserves (for funds other than Clean Safe Creek 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 2011-12	Adopted 2012-13	Projected YE 2012-13	Adopted 2013-14	\$ Diff	% Diff
Committed Reserves						
Operating & Capital Reserve	\$ 7,169,008	\$ 2,690,595	\$ 5,435,967	\$ 3,231,594	\$ 540,999	20.1%
Currently Authorized Projects	34,067	-	-	-	-	**
Total Committed Reserves	7,203,075	2,690,595	5,435,967	3,231,594	\$ 540,999	20.1%
Total General Fund Reserves	7,203,075	2,690,595	5,435,967	3,231,594	540,999	20.1%
SPECIAL REVENUE FUNDS (WATERSHEDS)						
Restricted Reserves						
CSC- Operating & Capital Reserve	47,127,376	72,466,396	67,034,081	32,984,421	(39,481,975)	(54.5%)
CSC- Newly Improved Creeks	4,866,962	5,392,971	5,392,971	-	(5,392,971)	(100.0%)
CSC- Other Activities	2,977,573	498,898	498,898	-	(498,898)	(100.0%)
CSC- Environmental Enhancement	15,488,517	18,132,354	18,132,354	-	(18,132,354)	(100.0%)
CSC- Open Space & Trails Program	6,409,489	6,872,699	6,872,699	-	(6,872,699)	(100.0%)
CSC- Currently Authorized Projects	66,773,072	17,588,000	42,349,596	9,698,000	(7,890,000)	(44.9%)
Total Restricted Reserves	143,642,989	120,951,318	140,280,599	42,682,421	(78,268,897)	(64.7%)
Committed Reserves						
Operating & Capital Reserve	35,808,830	61,440,949	44,856,949	35,907,734	(25,533,215)	(41.6%)
Currently Authorized Projects	40,322,705	3,134,670	15,629,035	4,770,889	1,636,219	52.2%
Total Committed Reserves	76,131,535	64,575,619	60,485,984	40,678,623	(23,896,996)	(37.0%)
Total Special Revenue Funds Reserves	219,774,524	185,526,937	200,766,583	83,361,044	(102,165,893)	(55.1%)
Total Governmental Funds	\$ 226,977,599	\$ 188,217,532	\$ 206,202,550	\$ 86,592,638	\$(101,624,894)	(54.0%)

Financial Summaries

	Estimated Balances				Increases/(Decreases)	
	Year-End	Adopted	Projected YE	Adopted	from 2012-13 Adopted	
	2011-12	2012-13	2012-13	2013-14	\$ Diff	% Diff
WATER ENTERPRISE & STATE WATER PROJECT FUNDS						
Restricted Reserves						
WUE-Restricted Operating Reserve	\$ 11,756,998	\$ 12,597,570	\$ 12,597,570	\$ 13,139,620	\$ 542,050	4.3%
WUE-Rate Stabilization	1,579,135	1,538,700	1,538,700	1,750,866	212,166	13.8%
San Felipe Emergency Reserve	3,957,728	3,924,168	3,924,168	3,957,728	33,560	0.9%
State Revolving Debt Service Reserve	401,263	401,263	401,263	401,263	-	0.0%
State Water Project Tax Reserve	4,346,254	-	1,989,241	714,518	714,518	**
WU Debt Service Reserve	6,041,238	4,674,553	4,744,938	4,744,938	70,385	1.5%
Total Restricted Reserves	28,082,616	23,136,254	25,195,880	24,708,933	1,572,679	6.8%
Committed Reserves						
Operating & Capital Reserve	9,320,089	24,824,891	7,917,218	25,526,977	702,086	2.8%
Supplemental Water Supply	8,657,626	9,606,677	8,093,677	9,728,974	122,297	1.3%
Floating Rate Debt Paymnt Stabilization	474,968	461,889	461,889	353,000	(108,889)	(23.6%)
Currently Authorized Projects	31,742,281	8,842,330	12,076,388	3,907,000	(4,935,330)	(55.8%)
Total Committed Reserves	50,194,964	43,735,787	28,549,172	39,515,951	(4,219,837)	(9.6%)
Total Water Enterprise Funds Reserves	78,277,580	66,872,041	53,745,052	64,224,884	(2,647,157)	(4.0%)
INTERNAL SERVICE FUNDS:						
Committed Reserves						
Operating & Capital Reserve	2,373,062	807,107	1,450,505	574,231	(232,876)	(28.9%)
Liability/Workers' Comp Self Insurance	6,130,297	6,130,297	6,679,000	7,011,000	880,703	14.4%
Property Self Insurance/Catastrophic	7,119,750	5,298,953	5,829,452	5,191,345	(107,608)	(2.0%)
Total Committed Reserves	15,623,109	12,236,357	13,958,957	12,776,576	540,219	4.4%
Total Internal Service Funds Reserves	15,623,109	12,236,357	13,958,957	12,776,576	540,219	4.4%
Total Proprietary Funds	\$ 93,900,689	\$ 79,108,398	\$ 67,704,009	\$ 77,001,460	\$ (2,106,938)	(2.7%)
TOTAL RESERVE SUMMARIES						
Total Proprietary Funds	93,900,689	79,108,398	67,704,009	77,001,460	(2,106,939)	(2.7%)
Total Governmental Funds	226,977,599	188,217,532	206,202,550	86,592,638	(101,624,894)	(54.0%)
Total Year-End Reserves	\$ 320,878,288	\$ 267,325,931	\$ 273,906,559	\$ 163,594,098	\$ (103,731,833)	(38.8%)
Total Restricted Reserves	171,725,605	144,087,572	165,476,479	67,391,354	(76,696,218)	(53.2%)
Total Committed Reserves	149,152,683	123,238,359	108,430,080	96,202,744	(27,035,615)	(21.9%)
Total Year-End Reserves	\$ 320,878,288	\$ 267,325,931	\$ 273,906,559	\$ 163,594,098	\$ (103,731,833)	(38.8%)

WATERSHED MANAGEMENT FUNDS

Financial Summaries

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:

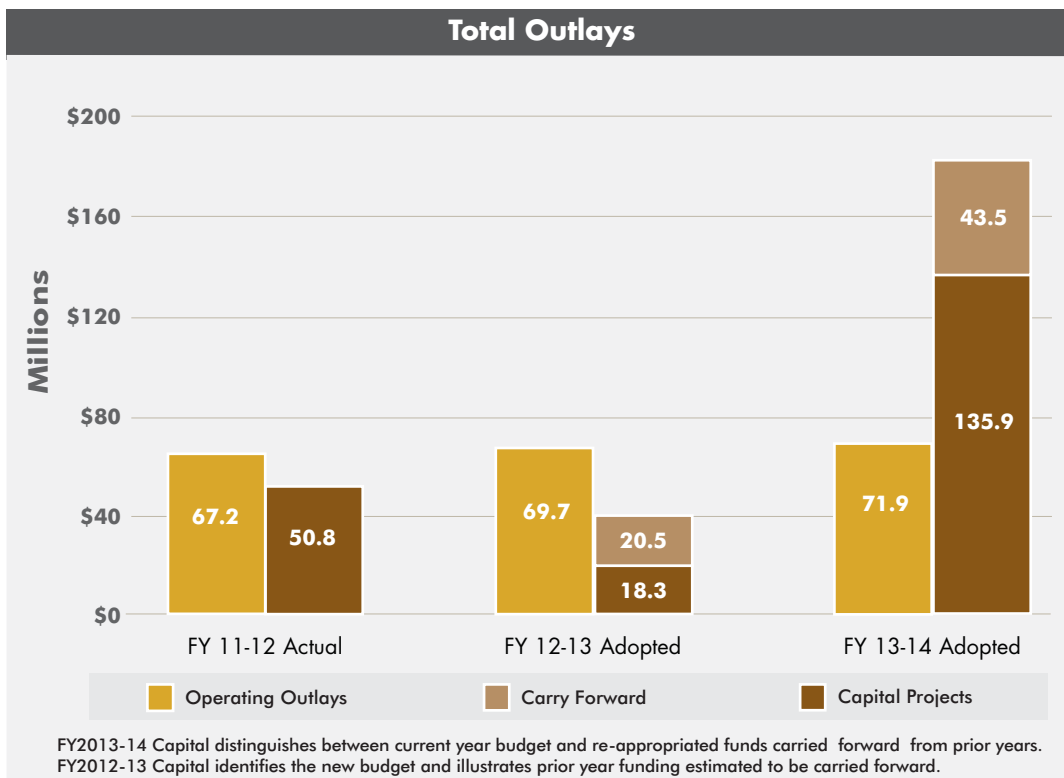
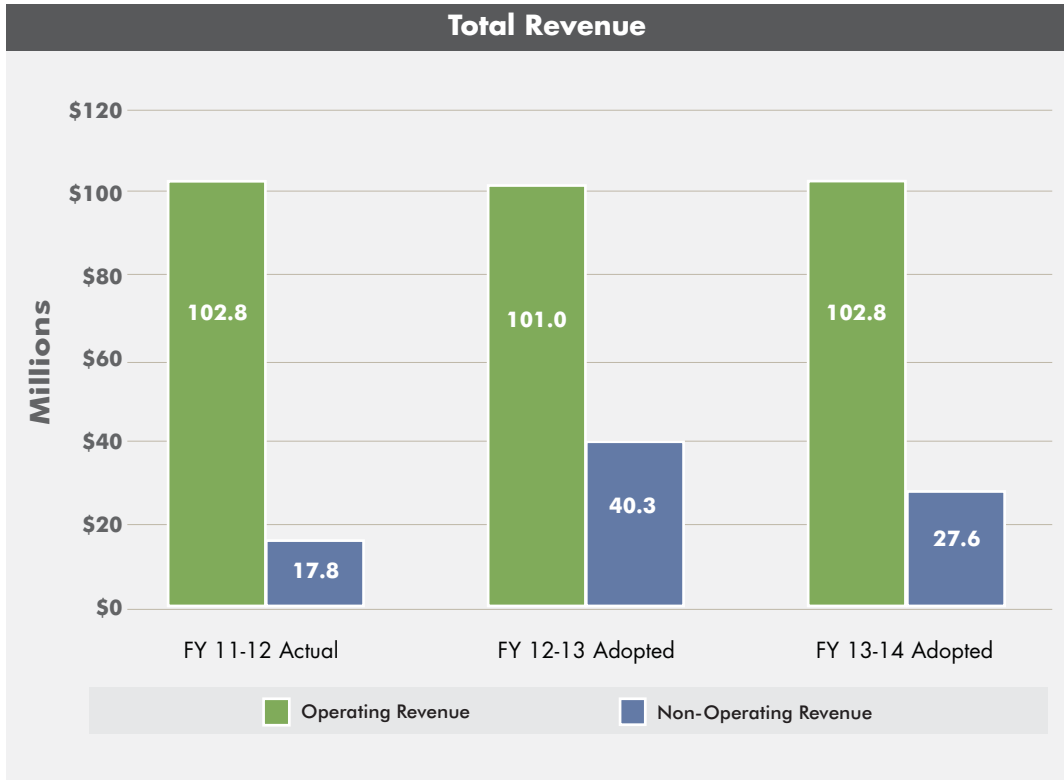
- Watershed and Stream Stewardship (Fund 12)
- Safe, Clean Water and Natural Flood Protection (Fund 26)
- Benefit Assessment Funds (Fund 21, 22, 23, 24, and 25)

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

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Financial Summaries

Watershed Management Funds



Financial Summaries

Watershed Management Funds Summary

	Budgetary Basis Actual 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14	Change from 2012-13 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Operating Revenue:						
Property Taxes	\$ 48,456,629	\$ 46,000,000	46,000,000	\$ 48,700,000	\$ 2,700,000	5.9%
Special Parcel Tax	34,996,497	35,861,731	35,861,731	37,456,000	1,594,269	4.4%
Benefit Assessments	19,130,967	19,182,695	19,182,695	16,148,630	(3,034,065)	(15.8%)
Intergovernmental Services	179,682	-	-	258,000	258,000	**
Other	-	-	-	200,000	200,000	**
Total Operating Rev	102,763,775	101,044,426	101,044,426	102,762,630	1,718,204	1.7%
Non-Operating Income						
Interest*	2,275,723	1,689,950	1,689,950	1,346,847	(343,103)	(20.3%)
Capital Reimb	13,480,689	36,100,000	16,722,000	24,472,000	(11,628,000)	(32.2%)
Other	2,035,582	2,524,135	2,524,135	1,811,909	(712,226)	(28.2%)
Total Non-Operating Income	17,791,994	40,314,085	20,936,085	27,630,756	(12,683,329)	(31.5%)
Total Revenue	120,555,769	141,358,511	121,980,511	130,393,386	(10,965,125)	(7.8%)
Operating Outlays:						
Operations	43,697,718	46,035,167	47,038,524	53,469,071	7,433,904	16.1%
Operating Projects	9,442,689	7,951,334	8,522,637	5,122,232	(2,829,102)	(35.6%)
Debt Service	14,077,532	15,756,728	15,756,728	13,303,015	(2,453,713)	(15.6%)
Total Operating Outlays	67,217,939	69,743,229	71,317,889	71,894,318	2,151,089	3.1%
Capital Projects	50,847,443	18,252,328	19,651,417	135,850,409	117,598,081	644.3%
Carried Forward Capital Projects	-	20,453,780	49,117,146	43,509,742	23,055,962	112.7%
Total Capital Outlays	50,847,443	38,706,108	68,768,563	179,360,151	140,654,043	363.4%
Other Financing Sources/(Uses):						
Certificates of Participation	3,345,417	-	1,000,000	7,000,000	7,000,000	**
Transfers In	5,924,738	4,935,104	4,935,104	15,694,395	10,759,291	218.0%
Transfers Out	(7,728,727)	(6,837,104)	(6,837,104)	(19,238,851)	(12,401,747)	181.4%
Total Other Sources/(Uses)	1,541,428	(1,902,000)	(902,000)	3,455,544	5,357,544	(281.7%)
Balance Available	\$ 4,031,815	\$ 31,007,174	\$ (19,007,941)	\$ (117,405,539)		

	Estimated Balances				Change from 2012-13 Adopted	
	Year-End 2011-12	Adopted 2012-13	Projected YE 2012-13	Adopted 2013-14	\$ Diff	% Diff
Year-End Reserves:						
Restricted Reserves						
CSC- Maint of Newly Improved Creeks	4,866,962	5,392,971	5,392,971	-	(5,392,971)	(100.0%)
CSC- Other Activities	2,977,573	498,898	498,898	-	(498,898)	(100.0%)
CSC- Environmental Enhancement Prog	15,488,517	18,132,354	18,132,354	-	(18,132,354)	(100.0%)
CSC- Open Space & Trails Program	6,409,489	6,872,699	6,872,699	-	(6,872,699)	(100.0%)
CSC- Currently Authorized Projects***	66,773,072	17,588,000	42,349,596	9,698,000	(7,890,000)	(44.9%)
CSC- Operating & Capital Reserve	47,127,376	72,466,396	67,034,081	32,984,421	(39,481,975)	(54.5%)
Total Restricted Reserves	143,642,989	120,951,318	140,280,599	42,682,421	(78,268,897)	(64.7%)
Committed Reserves						
Operating & Capital Reserve	35,808,830	61,440,949	44,856,949	35,907,734	(25,533,215)	(41.6%)
Currently Authorized Projects***	40,322,705	3,134,670	15,629,035	4,770,889	1,636,219	52.2%
Total Committed Reserves	76,131,535	64,575,619	60,485,984	40,678,623	(23,896,996)	(37.0%)
Total Year-End Reserves	\$ 219,774,524	\$ 185,526,937	\$ 200,766,583	\$ 83,361,044	(102,165,893)	(55.1%)
Uncommitted Funds			\$ 0	\$ 0		

* 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 2013-14 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:

- Downtown Guadalupe River, I-880 to I-280 (close out)
- 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

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:

- 2,400 cubic yards estimated for Lower Peninsula Watershed
- 24,700 cubic yards estimated for West Valley Watershed

Financial Summaries

- 3,300 cubic yards estimated for Guadalupe Watershed
- 18,000 cubic yards estimated for Coyote Watershed
- 5,850 cubic yards estimated for Pajaro Watershed

Watershed Property Vegetation: Control of 2,312 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 and improving our flood warning system.

Field Condition Assessment Creek Inspection of approximately:

- 229,421 linear feet (43 miles) for Lower Peninsula Watershed
- 250,151 linear feet (47 miles) for West Valley Watershed
- 202,204 linear feet (38 miles) for Guadalupe Watershed
- 250,301 linear feet (47 miles) for Coyote Watershed
- 593,345 linear feet (112 miles) for Pajaro Watershed

Levee Maintenance: Inspection and maintenance will be performed on approximately

- 94,325 linear feet (18 miles) for Lower Peninsula Watershed
- 172,300 linear feet (33 miles) for West Valley Watershed
- 111,955 linear feet (21 miles) for Guadalupe Watershed
- 108,531 linear feet (21 miles) for Coyote Watershed

- 114,600 linear feet (22 miles) for Pajaro Watershed

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

- 2,245 linear feet for West Valley Watershed/ Guadalupe/Lower Peninsula Watersheds
- 60 linear feet for Coyote Watershed/Pajaro Watersheds

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

Capital Project:

- Alviso Slough Restoration

Financial Summaries

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 \$48.7 million, a 5.9% increase from FY 2012-13.

Interest earnings are projected at \$0.5 million, a 26% decrease from FY 2012-13.

\$16.4 million is budgeted as Capital Reimbursement for the following:

- \$1.4 million for State Subventions (DT Guad River)
- \$15.0 million for State Bond (Lower Silver Creek)

\$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.

\$16.3 million is budgeted to be transferred out from Watershed and Stream Stewardship fund as follows:

- \$11.9Million to fund 26 for the funds leftover in Laguna Seca and Dardown Guadalupe projects to be used for Upper Guadalupe projects
- \$2.3 million to fund 11 for PeopleSoft upgrade (\$1.7m) and Winfield capital improvement project (\$0.6m)
- \$1.3 million to Watershed Utility fund for Open Space Credit
- \$0.8 million to fund 26 for OPEB

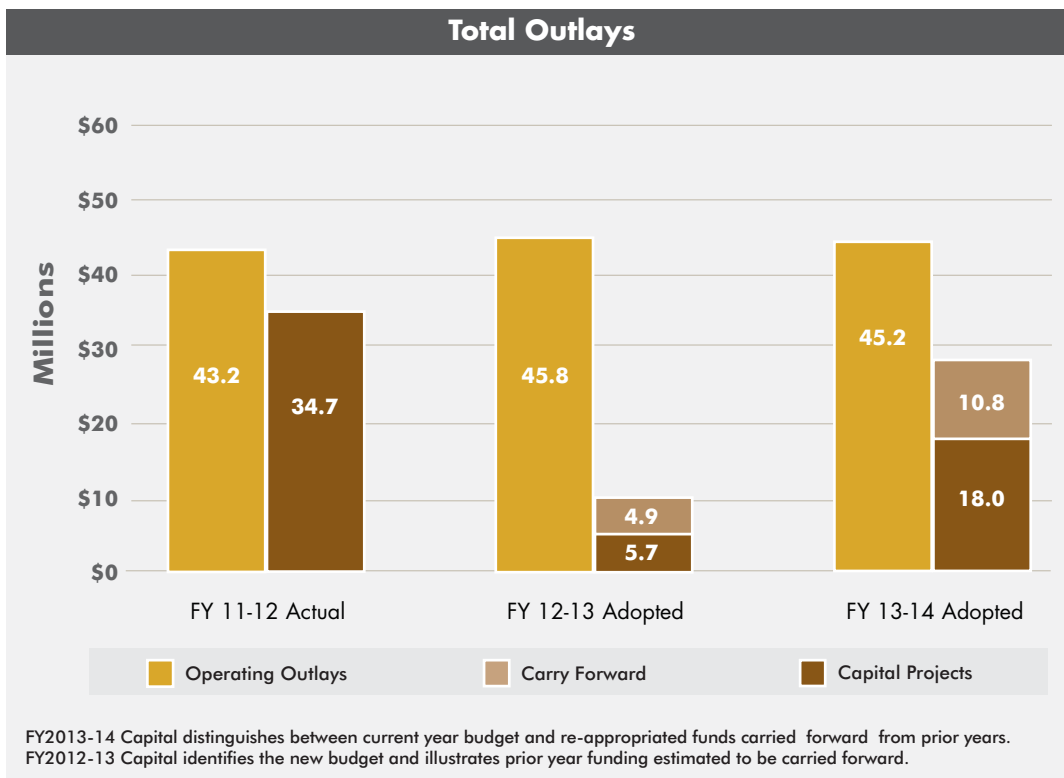
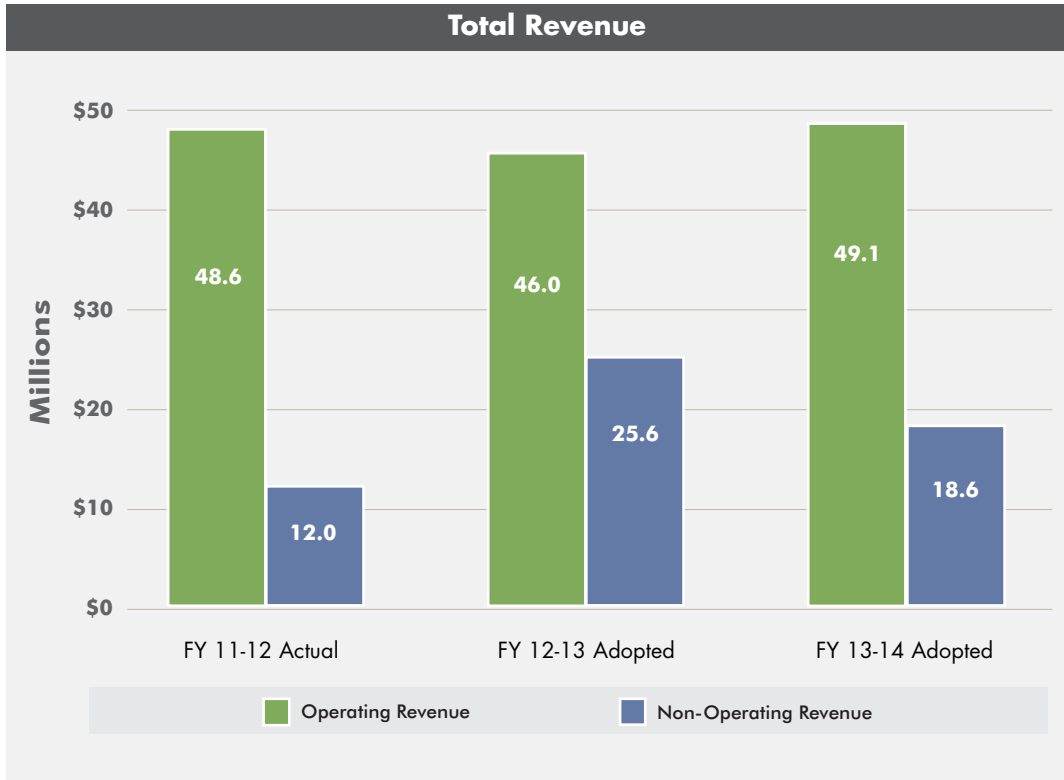
Budget Issues

- Renewal of the Stream Maintenance Program regulatory permits continues to be a high priority.
- Concern for increased regulatory fees and mitigation requirements as part of permit renewal.
- Continued deferment of projects due to reduced staffing will lead to increased flood risk, potential damage to mitigation sites and increased costs.
- Efforts continue in updating the hydrological and geomorphological databases to provide critical information that provides the foundation for core business.

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Financial Summaries

Watershed and Stream Stewardship Fund



Financial Summaries

Watershed and Stream Stewardship Fund Summary

	Budgetary Basis Actual 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14	Change from 2012-13 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Operating Revenue:						
Property Taxes	\$ 48,456,629	\$ 46,000,000	\$ 46,000,000	\$ 48,700,000	\$ 2,700,000	5.9%
Intergovernmental Services	179,682	-	-	258,000	258,000	**
Other	-	-	-	200,000	-	**
Total Operating Revenue	48,636,311	46,000,000	46,000,000	49,158,000	3,158,000	6.9%
Non Operating Income						
Interest*	1,001,511	729,216	729,216	538,294	(190,922)	(26.2%)
Capital Reimb	9,214,239	22,500,000	12,222,000	16,378,000	(6,122,000)	(27.2%)
Other	1,828,885	2,365,000	2,365,000	1,648,000	(717,000)	(30.3%)
Total Non-Operating Income	12,044,635	25,594,216	15,316,216	18,564,294	(7,029,922)	(27.5%)
Total Revenue	60,680,946	71,594,216	61,316,216	67,722,294	(3,871,922)	(5.4%)
Operating Outlays:						
Operations	36,276,445	41,241,738	41,399,168	42,078,767	837,029	2.0%
Operating Projects	6,969,425	4,582,394	4,999,227	3,159,666	(1,422,728)	(31.0%)
Total Operating Outlays	43,245,870	45,824,132	46,398,395	45,238,433	(585,699)	(1.3%)
Capital Projects						
Capital Projects	34,719,602	5,712,216	6,680,034	17,999,531	12,287,315	215.1%
Carried Forward Capital Projects	-	4,857,928	24,693,670	10,858,146	6,000,218	123.5%
Total Capital Outlays	34,719,602	10,570,144	31,373,704	28,857,677	18,287,533	173.0%
Other Financing Sources/(Uses):						
Certificates of Participation	3,345,417	-	-	-	-	**
Transfer in from Benefit Assess Fund	5,053,907	3,425,967	3,425,967	2,845,615	(580,352)	(16.9%)
Transfers In	442,225	397,751	397,751	57,038	(340,713)	(85.7%)
Transfers Out	(1,958,606)	(3,013,386)	(3,013,386)	(16,336,198)	(13,322,812)	442.1%
Total Other Sources/(Uses)	6,882,943	810,332	810,332	(13,433,545)	(14,243,877)	(1757.8%)
Balance Available	\$ (10,401,583)	\$ 16,010,272	\$ (15,645,551)	\$ (19,807,361)		

	Estimated Balances				Change from 2012-13 Adopted	
	Year-End 2011-12	Adopted 2012-13	Projected YE 2012-13	Adopted 2013-14	\$ Diff	% Diff
Year-End Reserves:						
Committed Reserves						
Operating & Capital Reserve	35,808,830	\$ 61,440,949	\$ 44,856,949	\$ 35,907,734	(25,533,215)	(41.6%)
Currently Authorized Projects***	40,322,705	3,134,670	15,629,035	4,770,889	1,636,219	52.2%
Total Committed Reserves	76,131,535	64,575,619	60,485,984	40,678,623	(23,896,996)	(37.0%)
Total Year-End Reserves	\$ 76,131,535	\$ 64,575,619	\$ 60,485,984	\$ 40,678,623	(23,896,996)	(37.0%)
Uncommitted Funds			\$ 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 by Watershed and Stream Stewardship Fund - Countywide Watershed Activities

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Operations:					
62001090	Unscoped Projects-Budget Only	\$	\$ 383,333	\$ 300,000	Office of COO-Watershed
62011002	Watershed Asset Protection Supp	3,322,897	3,198,682	2,968,696	West & Guad Watersheds Division
62021002	Watershed Emergency Operations			133,956	West & Guad Watersheds Division
62021003	CPRU Tech Support	239,656	271,762	357,976	West & Guad Watersheds Division
62021004	Vegetation Mgmt Tech Support	760,048	620,942	667,165	Watershed Stewardship Division
62021005	Stream Stewardship Tech Supp	545,316	610,867	381,146	Watershed Stewardship Division
62021007	Geomorphic Data Analysis	22,091	114,530	186,894	Coyote & Pajaro Watersheds Division
* 62021008	Electrical Power Support	3,977	8,794	5,127	Water Utility Technical Support Division
* 62031001	Watershed Revenue	139,560	129,832	117,284	Financial Planning & Mgmt Division
* 62031002	Grants Management	366,558	349,611	348,936	Financial Planning & Mgmt Division
62041003	Ecological Monitoring Prog	770,486	839,908		Watershed Stewardship Division
* 62041022	Stream Maint Prog Mgmt	648,934	970,316	1,071,368	Watershed Stewardship Division
62041023	Flood Mgmt Policy and Coord	137,661	142,333	348,382	Watershed Stewardship Division
* 62041025	SMP Biodiversity Monitoring	246,874	88,290		Watershed Stewardship Division
62041026	Watersheds Asset Mgt Plng Prgm		1,055,657	857,180	Water Utility Technical Support Division
62041027	Watersheds Long Term Planning		587,374	536,704	Office of COO-Watershed
* 62041039	Integrated Regional Water Mgmt	83,150	105,884	116,828	Water Utility Technical Support Division
* 62041042	Llagas Fire Mgmt	114,310	114,047		Office of Emergency, Environmental, H&S Services
62041043	Environmental Services Tech Supp	187,302	209,641	200,786	Watershed Stewardship Division
* 62041046	Survey Record Management		33,514	61,094	Watersheds Capital Division
* 62041047	Ecological Data Collection and Analysis			272,157	Watershed Stewardship Division
62042026	Watersheds Asset Mgt Plng Prgm	895,067			Water Utility Technical Support Division
62061001	Watersheds Administration	5,319,499	4,490,751	4,877,433	Office of COO-Watershed
62061005	Flood Awareness	341,803	362,009	343,223	Office of COO-Watershed
62061008	Basic Hydrology	481,269	519,877	605,089	Coyote & Pajaro Watersheds Division
62061022	Watershed Ops Safety Implement	222,791	265,290	294,634	Office of Emergency, Environmental, H&S Services
62061023	Watershed Ops Safety Training	505,180	373,465	606,351	Office of Emergency, Environmental, H&S Services
62061028	WS Training & Development	350,059	611,834	694,183	Office of COO-Watershed
62061029	Field Operations Support	433,439	420,983	436,976	Coyote & Pajaro Watersheds Division
62061030	Special Tax Outcome Monitoring	211,090	216,449	114,501	Office of COO-Watershed
62061042	Watershed Customer Relations	260,111	223,835	164,579	Office of COO-Watershed
* 62061045	AM Framework Implementation	119,078	287,987	276,154	Water Utility Technical Support Division
* 62061046	District CMMS Administration	192,475	287,967	295,295	Water Utility Technical Support Division
62061052	Vacancy Pool Salary&Benefits		417,789		Office of COO-Watershed
* 62061054	Safe Clean Water Implementation			896,881	Office of COO-Watershed
* 62071041	Welding Services	53,858	37,126	54,933	Procurement & Operational Services Division
62181005	SMP Mitigation Site Mgmt	76,141	283,102	167,709	Watershed Stewardship Division
* 62741042	Water Resources EnvPlng & Permtg			64,740	Water Utility Technical Support Division

* Allocated Project

Financial Summaries

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
62761008	Sandbag Program	180,693	208,951	226,427	Watershed Stewardship Division
62761009	Pond A4 Operations	101,414	149,055	148,279	West & Guad Watersheds Division
62761010	Watersheds Tree Maintenance		163,383	220,870	Watershed Stewardship Division
* 62761071	Emergency Preparedness Prog	877,596	1,016,725	632,713	Office of Emergency, Environmental, H&S Services
* 62761072	Business Continuity Program		252,570	128,401	Office of Emergency, Environmental, H&S Services
62761074	Corps Local Sponsor O&M			870,843	Coyote & Pajaro Watersheds Division
* 62761075	Mgmt of Revegetation Projects			475,043	Watershed Stewardship Division
* 62761078	Vegetation Management for Access			2,027,851	Watershed Stewardship Division
* 62771011	InterAgency Urban Runoff Program	252,497	278,822	997,980	Watershed Stewardship Division
* 62771031	HAZMAT Emergency Response	184,596	186,889	100,621	Office of Emergency, Environmental, H&S Services
62771068	Watershed Property Vegetation	2,020,177	1,935,534		Watershed Stewardship Division
* 62811043	Hydrologic Data Msrmt & Mgmt	989,348	915,513	816,292	Coyote & Pajaro Watersheds Division
* 62811046	Warehouse Services	742,672	952,404	1,019,226	Procurement & Operational Services Division
* 62811049	X Valley Level / Benchmark	220,641	220,165		Watersheds Capital Division
* 62811050	Benchmark Maintenance (Countywide)			90,190	Watersheds Capital Division
* 62811054	District Real Property Administration	375,260	232,702	262,158	Watersheds Capital Division
Total Operations:		22,995,574	25,146,494	26,841,254	
Operating Projects:					
* 62022007	SMP Program Permit Renewal	683,724	130,732	186,096	Watershed Stewardship Division
* 62022008	Flood Warning System developmnt	71,876	101,930		Coyote & Pajaro Watersheds Division
62042032	Island Pond Mitigation & Monit	27,761	79,415	47,721	Coyote & Pajaro Watersheds Division
* 62042037	Safe, Clean Water	2,107,682	1,245,801		Office of Chief Executive Officer
62042045	Stream Gauge Study		86,283	201,507	Coyote & Pajaro Watersheds Division
62042047	Mitigation&Stwdship Lands Mgmt		61,303	58,294	Watershed Stewardship Division
62042049	Flood Risk Mapping	231,586	220,428	491,030	Coyote & Pajaro Watersheds Division
62042050	Watersheds Maint Guidelines Update			338,194	West & Guad Watersheds Division
* 62742041	SCV Habitat Conservation Plan	563,067	202,278		Water Utility Technical Support Division
62762016	Arundo Control Program	1,159,252	805,740	776,756	Watershed Stewardship Division
62762073	LwrGuad Veg Mgmt for Fld Conveyance			421,751	West & Guad Watersheds Division
62792003	Inter Agency Urban Runoff Prog	1,012,203	1,109,827		Watershed Stewardship Division
Total Operating Projects:		5,857,151	4,043,737	2,521,349	
Capital Projects:					
62044020	Pond A8 Applied Study Construc	35,867			Watersheds Capital Division
* 62044026	San Francisco Bay Shoreline	805,360		337,000	Watersheds Capital Division
* 62044030	SMP Mit Laguna Seca Freshwater	36,933			Watersheds Capital Division
62044042	Early Shoreline Implement Feas	51,524			Watersheds Capital Division
* 62074030	Capital Training and Development	86,172	117,553	105,513	Water Utility Capital Division
* 62074033	CIP Development & Admin	225,913	183,534	209,256	Water Utility Capital Division
* 62074036	Survey Tech Support			45,843	Watersheds Capital Division

* Allocated Project

Financial Summaries

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
* 62074038	Capital Program Services Admin	995,257	1,101,455	680,112	Water Utility Capital Division
* 62074045	Technical Review Committee	100,552	141,531	115,969	Water Utility Capital Division
* 62074046	Capital Health & Safety Training	49,644	42,021	60,340	Water Utility Capital Division
62184001	SMP Mit-Stream Wtrshd Land Acq	3,792,221		2,494,780	Watersheds Capital Division
62214001	Thompson Creek Stream Stabiliz	1,893			Watersheds Capital Division
Total Capital Projects:		6,181,336	1,586,094	4,048,813	
TOTAL		\$ 35,034,061	\$ 30,776,325	\$ 33,411,416	

* Allocated Project

Financial Summaries

Total Outlays by Watershed and Stream Stewardship Fund - Lower Peninsula Watershed Activities

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Operations:					
10291002	Rental Expense Stevens Creek	\$ 253,630	\$ 263,682	\$ 299,935	Procurement & Operational Services Division
10811042	West Watershed Technical Support	334,758	368,964	349,391	West & Guad Watersheds Division
Total Operations:		588,388	632,646	649,326	
Operating Projects:					
10102002	Adobe Creek Mitigation Monitoring	44,456	80,493	58,196	West & Guad Watersheds Division
10212011	Matadero Overflow Ch Mit Mon	4,982	8,284	6,945	West & Guad Watersheds Division
Total Operating Projects:		49,438	88,777	65,141	
Capital Projects:					
10104011	Adobe CK Upper Reach 5 Restore	125,868			Watersheds Capital Division
10244001	Permanente Ck, SF Bay-Foothill	476			Watersheds Capital Division
10284007	San Francisquito CK-Bay-Searsv	159,802			Watersheds Capital Division
Total Capital Projects:		286,146	0	0	
TOTAL		\$ 923,972	\$ 721,423	\$ 714,467	

* Allocated Project

Financial Summaries

Total Outlays by Watershed and Stream Stewardship Fund - West Valley Watershed Activities

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Operations:					
20081008	LP/WV/Guad Fac Condition Assmnt	\$ 513,986	\$ 758,310	\$ 723,563	West & Guad Watersheds Division
20761011	LP/WV/Guad Gen Field Maint	874,409	1,009,609	1,098,948	West & Guad Watersheds Division
20761021	LP/WV/Guad Debris Removal	527,117	650,245	620,347	West & Guad Watersheds Division
20761041	LP/WV/Guad Erosion Protection	1,647,149	1,546,405	1,663,434	West & Guad Watersheds Division
* 20771022	LP/WV/Guad Wtrshd Gd Neighbor	400,569	332,190	398,741	West & Guad Watersheds Division
* 20771052	LP/WV/Guad Sediment Removal	1,466,667	2,293,670	2,283,450	West & Guad Watersheds Division
20811011	LP/WV/Guad Levee Maintenance	895,689	1,191,623	1,273,253	West & Guad Watersheds Division
Total Operations:		6,325,586	7,782,052	8,061,736	
Operating Projects:					
20102019	Bollinger Bridge Mit Mon	16,817	41,237	24,470	West & Guad Watersheds Division
Total Operating Projects:		16,817	41,237	24,470	
Capital Projects:					
Total Capital Projects:		0	0	0	
TOTAL		\$ 6,342,403	\$ 7,823,289	\$ 8,086,206	

* Allocated Project

Financial Summaries

Total Outlays by Watershed and Stream Stewardship Fund - Guadalupe Watershed Activities

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Operations:					
30061004	Rent Exp Guadalupe Prior7/1/01	\$ 191,214	\$ 194,123	\$ 204,369	Procurement & Operational Services Division
30151026	Dntwn Gud Rvr Mitgtn Moni Prog	1,271,073	967,863	747,722	West & Guad Watersheds Division
* 30771026	Illegal Encampment Cleanup Prg	83,476	140,739		West & Guad Watersheds Division
30811042	Guad Watershed Technical Suppt	277,723	330,080	305,421	West & Guad Watersheds Division
Total Operations:		1,823,486	1,632,805	1,257,512	
Operating Projects:					
Total Operating Projects:		0	0	0	
Capital Projects:					
30154011	Guadalupe Rv-Lwr, Alviso-880	237			Watersheds Capital Division
30154013	Guadalupe Rv-DT, 880-280	45,734			Watersheds Capital Division
30154014	Guadalupe Rv-DT, Hedding-Colem	38,867			Watersheds Capital Division
30154015	Guadalupe Rv-DT, Coleman-SCLra	267,149			Watersheds Capital Division
30154028	Gold Street Educational Center	313,933		75,525	Watersheds Capital Division
30154030	Alviso Slough Design Construct	460,337	626,467	2,336,806	Watersheds Capital Division
Total Capital Projects:		1,126,257	626,467	2,412,331	
TOTAL		\$ 2,949,743	\$ 2,259,272	\$ 3,669,843	

* Allocated Project

Financial Summaries

Total Outlays by Watershed and Stream Stewardship Fund - Coyote Watershed Activities

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Operations:					
40061004	Rental Expense Coyote Wtrshd	\$ 19,958	\$ 15,968	\$ 16,491	Procurement & Operational Services Division
40081008	Coy/Pajaro Facilities Condition Assmt	239,660	466,681	211,595	Coyote & Pajaro Watersheds Division
40761011	Coy/Pajaro General Field Maint	356,393	479,195	502,183	Coyote & Pajaro Watersheds Division
40761021	Coy/Pajaro Wtrshd Debris Rmvl	380,684	589,529	609,047	Coyote & Pajaro Watersheds Division
40761041	Coy/Pajaro Wtrshd Erosion Protection	699,018	777,405	617,914	Coyote & Pajaro Watersheds Division
* 40771024	Coy/Pajaro Wtrshd Gd Neighbor	171,054	248,410	414,785	Coyote & Pajaro Watersheds Division
* 40771054	Coy/Pajaro Wtrshd Sediment Rmvl	1,251,341	1,279,584	1,590,797	Coyote & Pajaro Watersheds Division
40811011	Coy/Pajaro Wtrshd Levee Maint	472,353	879,939	620,371	Coyote & Pajaro Watersheds Division
40811042	Coy Watrshd Technical Support	455,530	1,056,151	403,266	Coyote & Pajaro Watersheds Division
Total Operations:		4,045,991	5,792,862	4,986,449	
Operating Projects:					
40212032	Coyote Creek Mitgtn Monitoring	127,623	368,943	306,013	Coyote & Pajaro Watersheds Division
40262033	Lwr Silver Mitigation & Monitr	23,329	39,700	242,693	Coyote & Pajaro Watersheds Division
Total Operating Projects:		150,952	408,643	548,706	
Capital Projects:					
40174004	L. Berryessa Ck, L.Penit-Calav	1,487,741	1,534,746	464,000	Watersheds Capital Division
40264001	Lower Silver Ck-R3 McKee-I-6	33			Watersheds Capital Division
40264008	Lwr Silver-R4-6 N Babb-Cunni	23,777,390	536,000	50,000	Coyote & Pajaro Watersheds Division
40264009	Lower Silver Ck Reimb (LERRD)	11,441			Watersheds Capital Division
40264011	Lake Cunningham Improv	115,766	552,000	2,174,739	Watersheds Capital Division
40264012	Low Silver 680-Cunningham Reim	157,436	98,000	54,000	Coyote & Pajaro Watersheds Division
40324003	U Penitencia Cr-Corps Coord	59,569			Watersheds Capital Division
40324005	U Penitencia, Coyt-Dorel LERRD	46,120		80,000	Watersheds Capital Division
40334005	Lower Penitencia Ck Flood Conv	191,941	581,000	1,784,338	Watersheds Capital Division
Total Capital Projects:		25,847,437	3,301,746	4,607,077	
TOTAL		\$ 30,044,380	\$ 9,503,251	\$ 10,142,232	

* Allocated Project

Financial Summaries

Total Outlays by Watershed and Stream Stewardship Fund - Uvas/Llagas Watershed Activities

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Operations:					
50081008	Pajaro Facilities Condition Assmt	\$ 157,200	\$	\$	Coyote & Pajaro Watersheds Division
50181004	Carnadero Preserve Mgmt	106,963			Watershed Stewardship Division
50761011	Pajaro General Field Maint	153,354			Coyote & Pajaro Watersheds Division
50761021	Pajaro Wtrshd Debris Removal	255,911			Coyote & Pajaro Watersheds Division
50761041	Pajaro Wtrshd Erosion Prtn	120,974			Coyote & Pajaro Watersheds Division
* 50771025	Pajaro Wtrshd Good Neighbor	114,665			Coyote & Pajaro Watersheds Division
* 50771055	Pajaro Wtrshd Sediment Removal	131,743			Coyote & Pajaro Watersheds Division
50811011	Pajaro Wtrshd Levee Maint	224,809			Coyote & Pajaro Watersheds Division
50811042	Pajaro Watershed Tech Supp	126,868	254,879	282,490	Coyote & Pajaro Watersheds Division
Total Operations:		1,392,487	254,879	282,490	
Operating Projects:					
Total Operating Projects:		0	0	0	
Capital Projects:					
50164009	Soap Lake Floodplain Prot'y Acq		45,909		Watersheds Capital Division
50284010	Lower Llagas Capacity Restore	1,278,438	152,000	6,931,310	Watersheds Capital Division
Total Capital Projects:		1,278,438	197,909	6,931,310	
TOTAL		\$ 2,670,925	\$ 452,788	\$ 7,213,800	

* Allocated Project

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 FY2014 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 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 54,250 cubic yards of sediment
- Watershed Property Vegetation: provides 15% of project funding for control of 408 acres of the total 2,720 acre inventory of upland vegetation (SCW 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

Financial Summaries

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 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:

- Conduct a grant cycle with an average total award of \$500,000 in FY 2013-14 for Pollution Prevention projects
- 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 D1:

- Manage and monitor 364 acres of revegetation planting to meet regulatory requirements and conditions throughout the five watersheds. SCW pays for 58% of this activity, or 211 acres.

SCW Priority D2:

- Revitalize stream, upland and wetland habitat by removing invasive plants like Arundo Donax and revegetating with 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
 - Conduct a grant cycle and provide partnerships with municipalities for programs specific to wildlife habitat restoration with an average total award of \$1.9M in FY 2013-14
 - Monitor completion of Board authorized district Environmental Enhancement grants (continue CSC projects)
1. Uvas Creek Bolsa Road Fish Ladder Uvas Creek at Silva
 2. Guadalupe River Invasive Exotic Vegetation Removal
 3. 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

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 (next grant cycle scheduled for FY 2014-15)
- Monitor current grants and associated agreements

Fiscal Status

The special parcel taxes are budgeted at \$37.5 million, reflecting a 4% increase from the FY 2012-13 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 16% decrease over the FY 2012-13 budget.

\$8.1 million is budgeted as Capital Reimbursement for the following:

- \$0.5 million for City of Morgan Hill for Upper Llagas capital project
- \$7.6 million for State Subventions for Guadalupe

Financial Summaries

\$12.8 million is budgeted as Operating Transfers In from the Watershed Stream and Stewardship fund for the following:

- \$11.9 million for Capital project savings shift to be used for Upper Guad project
- \$0.8 million for OPEB reimbursement

\$7 million debt financing is budgeted for FY14

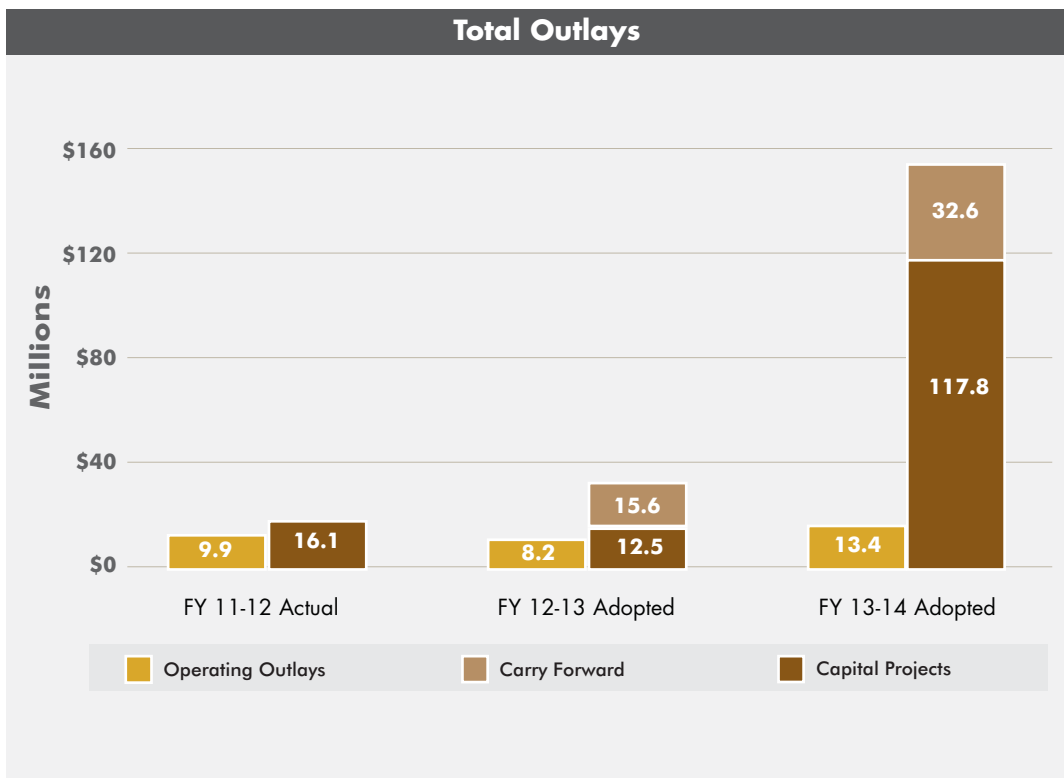
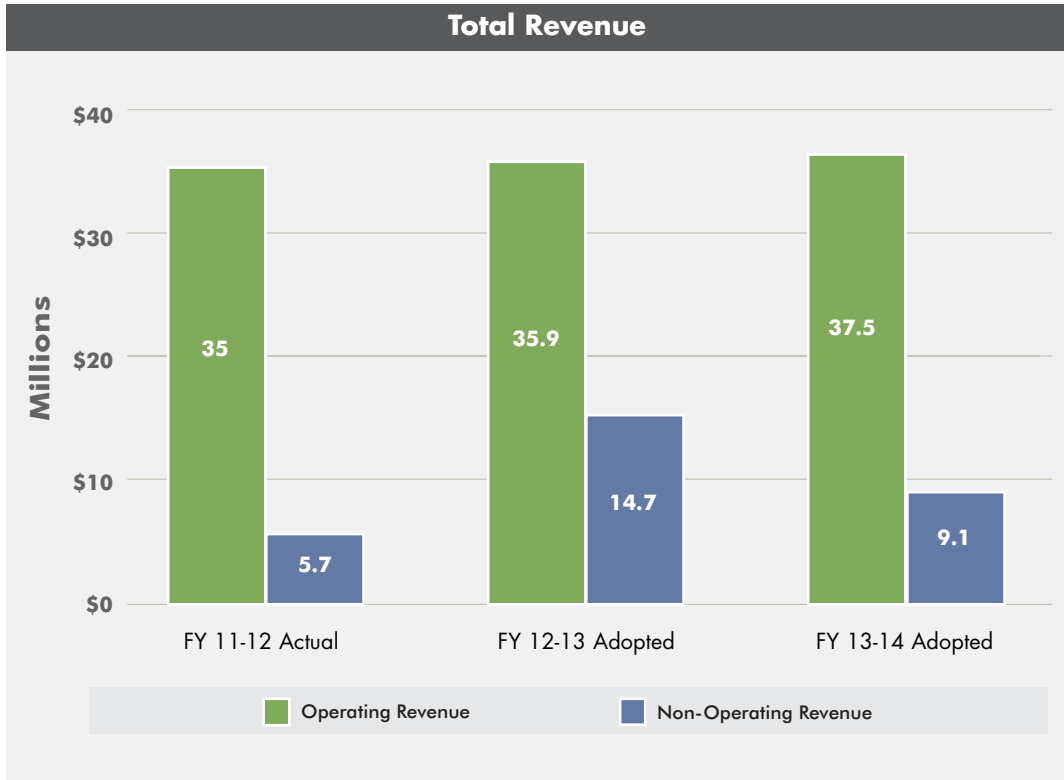
Budget Issues

In its Year 11 annual report, the Independent Monitoring Committee urged the district "to explore ways to further accelerate procurement of federal funds and/or aggressively pursue funding alternatives to achieve the goals of Outcome 1 relative to parcel protection."

- The District Board of Directors continue its aggressive pursuit of federal and state funds;
- Continue, on a regular, on-going basis, to consider all measures to maximize the number of parcels protected by 2016; and
- Begin exploring other options for changing or reprioritizing projects in the event that additional funds remain uncertain.

Financial Summaries

Safe, Clean Water & Natural Flood Protection Fund



Financial Summaries

Safe, Clean Water & Natural Flood Protection Fund Summary

	Budgetary Basis Actual 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14	Change from 2012-13 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Operating Revenue:						
Special Parcel Tax	\$ 34,996,497	\$ 35,861,731	\$ 35,861,731	\$ 37,456,000	\$ 1,594,269	4.4%
Total Operating Revenue	34,996,497	35,861,731	35,861,731	37,456,000	1,594,269	4.4%
Non-Operating Income:						
Interest*	1,274,212	960,734	960,734	808,553	(152,181)	(15.8%)
Capital Reimb	4,266,450	13,600,000	4,500,000	8,094,000	(5,506,000)	(40.5%)
Other	206,697	159,135	159,135	163,909	4,774	3.0%
Total Non-Operating Income	5,747,359	14,719,869	5,619,869	9,066,462	(5,653,407)	(38.4%)
Total Revenue	40,743,856	50,581,600	41,481,600	46,522,462	(4,059,138)	(8.0%)
Operating Outlays:						
Operations	7,421,273	4,793,429	5,639,356	11,390,304	6,596,875	137.6%
Operating Projects	2,473,264	3,368,940	3,523,410	1,962,566	(1,406,374)	(41.7%)
Total Operating Outlays	9,894,537	8,162,369	9,162,766	13,352,870	5,190,501	63.6%
Capital Projects	16,127,841	12,540,112	12,971,383	117,850,878	105,310,766	839.8%
Carry Forward Capital Projects	-	15,595,852	24,423,476	32,651,596	17,055,744	109.4%
Total Capital Outlays	16,127,841	28,135,964	37,394,859	150,502,474	122,366,510	434.9%
Other Financing Sources (Uses):						
Certificates of Participation	-	-	1,000,000	7,000,000	7,000,000	**
Transfers In	428,606	1,111,386	1,111,386	12,791,742	11,680,356	1051.0%
Transfers Out	(716,686)	(397,751)	(397,751)	(57,038)	340,713	(85.7%)
Total Other Sources/(Uses)	(288,080)	713,635	1,713,635	19,734,704	19,021,069	2665.4%
Balance Available	\$ 14,433,398	\$ 14,996,902	\$ (3,362,390)	\$ (97,598,178)		

	Estimated Balances				Change from 2012-13 Adopted	
	Year-End 2011-12	Adopted 2012-13	Projected YE 2012-13	Adopted 2013-14	\$ Diff	% Diff
Year-End Reserves:						
Restricted Reserves						
CSC- Newly Improved Creeks	4,866,962	5,392,971	5,392,971	-	(5,392,971)	(100.0%)
CSC- Other Activities	2,977,573	498,898	498,898	-	(498,898)	(100.0%)
CSC- Environmental Enhancement	15,488,517	18,132,354	18,132,354	-	(18,132,354)	(100.0%)
CSC- Open Space & Trails Program	6,409,489	6,872,699	6,872,699	-	(6,872,699)	(100.0%)
CSC- Currently Authorized Projects***	66,773,072	17,588,000	42,349,596	9,698,000	(7,890,000)	(44.9%)
CSC- Operating & Capital Reserve	\$ 47,127,376	\$ 72,466,396	\$ 67,034,081	\$ 32,984,421	(39,481,975)	(54.5%)
Total Restricted Reserves	143,642,989	120,951,318	140,280,599	42,682,421	(78,268,897)	(64.7%)
Total Year-End Reserves	\$143,642,989	\$120,951,318	\$ 140,280,599	\$ 42,682,421	\$ (78,268,897)	(64.7%)
Uncommitted Funds			\$ 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 by Safe, Clean Water & Natural Flood Protection Fund - CSC

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Operations:					
26001090	Unscoped Projects-Budget Only	\$	\$ 50,000	\$ 100,000	Office of COO-Watershed
* 26031001	Watershed Revenue	218,286	203,072	183,446	Financial Planning & Mgmt Division
* 26041022	Stream Maint Prog Mgmt	72,104	107,813		Watershed Stewardship Division
26041023	Emergency Responses Upgrades			215,366	Coyote & Pajaro Watersheds Division
26041024	Flood Risk Reduction Studies			433,911	Coyote & Pajaro Watersheds Division
* 26041047	Ecological Data Collection and Analysis			552,570	Watershed Stewardship Division
26061002	Rent Exp Clean Safe Ck 7/1/01+	121,867	148,384	157,731	Procurement & Operational Services Division
26061003	Stewardship grants and partnerships admin			952,415	Watershed Stewardship Division
26061005	Flood Communication and Coordination			101,940	Coyote & Pajaro Watersheds Division
26061006	Pollution Prvtn Partnerships & Grants			778,611	Watershed Stewardship Division
26061007	Grants to Rest Habitat Access to Trails			2,666,772	Watershed Stewardship Division
26061008	Water Conservation Grants			128,031	Water Supply Division
26061010	Nitrate Treatment System Rebate			89,905	Water Supply Division
26061078	Supp Volunteer Cleanup Eff&Ed			405,195	Office of COO-Watershed
26071042	Enhancement Program Admin	1,827,280	70,767		Watershed Stewardship Division
26091002	Open Spaces and Trail Admin	1,512,491	102,380		Watershed Stewardship Division
* 26761075	Mgmt of Revegetation Projects			656,009	Watershed Stewardship Division
26761076	Revitalize Riparian, Upland, & Wetland Habitat			107,582	Watershed Stewardship Division
* 26761078	Vegetation Management for Access			357,860	Watershed Stewardship Division
* 26771011	InterAgency Urban Runoff Program			700,709	Watershed Stewardship Division
* 26771022	LP/WV/Guad Wtrshd Gd Neighbor	600,860	498,284	265,829	West & Guad Watersheds Division
* 26771024	Coy/Pajaro Wtrshd Gd Neighbor	256,582	372,617	276,524	Coyote & Pajaro Watersheds Division
* 26771025	Pajaro Wtrshd Good Neighbor	171,999			Coyote & Pajaro Watersheds Division
* 26771026	Illegal Encampment Cleanup Prg	125,216	211,110		West & Guad Watersheds Division
26771027	Illegal Encampment Cleanup Program			393,234	West & Guad Watersheds Division
* 26771031	HAZMAT Emergency Response			33,541	Office of Emergency, Environmental, H&S Services
* 26771052	LP/WV/Guad Sediment Removal	162,966	254,851	371,715	West & Guad Watersheds Division
* 26771054	Coy/Pajaro Wtrshd Sediment Rmvl	139,037	142,175	258,970	Coyote & Pajaro Watersheds Division
26771066	Reveg-Mitigation Maintenance	1,163,770	1,393,443		Watershed Stewardship Division
26771067	Stream Capacity Vegetation Con	1,020,614	1,141,223	1,202,438	Watershed Stewardship Division
* 26811054	District Real Property Administration	13,562	97,310		Watersheds Capital Division
Total Operations:		7,406,634	4,793,429	11,390,304	
Operating Projects:					
26062009	Hydration Station Grants			125,912	Office of COO-Watershed
26072003	Guad River Aquatic Enhancement	75,971	68,129		Watershed Stewardship Division
26072004	Tick Creek Riparian Enchnment	51,911	98,799		Watershed Stewardship Division
26072005	Uvas Crk Fish Passage at Silva	1,532	223,030		Coyote & Pajaro Watersheds Division

* Allocated Project

Financial Summaries

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
26072006	Uvas Crk Bolsa Rd Fish Ladder	41,645	23,352		Coyote & Pajaro Watersheds Division
26072044	Guad R Invasiv Exotic Veg Remv	123,998	153,086	123,482	Watershed Stewardship Division
26072046	Invasive Spartina Monit&Cntrl		19,115		Watershed Stewardship Division
26752021	Pollution Prevention Activity	550,794	590,743		Watershed Stewardship Division
26752043	Impaired Water Bodies Improvements	1,552,023	1,644,146	1,713,172	Watershed Stewardship Division
26752044	Trash Capture Device Installation		496,543		Watershed Stewardship Division
26792001	Urban Runoff Program So County	75,387	51,997		Watershed Stewardship Division
Total Operating Projects:		2,473,261	3,368,940	1,962,566	
Capital Projects:					
26044001	Lk Alm/Guad Rv/Almts Ck Plan	101,350	499,000		Watershed Stewardship Division
26074002	Sunnyvale East & West Channel	2,078,813	2,411,371	13,712,000	Watersheds Capital Division
26074009	Soap Lake Easement Acquisition	21,196			Watersheds Capital Division
* 26074036	Survey Tech Support			79,627	Watersheds Capital Division
* 26074038	Capital Program Services Admin	1,298,163	1,468,598	1,181,236	Water Utility Capital Division
26104001	Calabazas Ck Miller to Wardell	1,190,053			Watersheds Capital Division
26154002	Guadalupe Rv-Upr, 280-SPRR(R6)	1,046,480			Watersheds Capital Division
26154003	Guadalupe Rv-Upr, SPRR-BH 7-12	1,812,589			Watersheds Capital Division
26174041	Berryessa Calav/Old Pied Cor	105,258	2,565,000	76,000	Watersheds Capital Division
26174042	Berryessa Calav/Old Pied LER	43,495		14,173,000	Watersheds Capital Division
26174043	Coyote Ck, Montague to I-280	725,951	738,312	14,990,000	Watersheds Capital Division
26174051	U.Llagas Ck B.Vista-Wright Rem	583,926	132,000	32,275,577	Coyote & Pajaro Watersheds Division
26174052	U.Llagas Ck B.Vista-Wright NoR	39,536		1,110,348	Coyote & Pajaro Watersheds Division
26174054	U.Llagas Ck Design B.Vista-Wri	4,143,080	1,133,000	1,155,090	Coyote & Pajaro Watersheds Division
26244001	Permanente Ck, Bay-Fithill CSC	1,266,428		19,074,000	Watersheds Capital Division
26284001	SanFrancisquito Ck, BaySer CSC	948,267	2,674,831	2,765,000	Watersheds Capital Division
26284002	San Francisquito Early Implemt	723,273	918,000	17,071,000	Watersheds Capital Division
26444003	SBSP Restoration Partnership			188,000	West & Guad Watersheds Division
Total Capital Projects:		16,127,858	12,540,112	117,850,878	
TOTAL		\$ 26,007,753	\$ 20,702,481	\$ 131,203,748	

* Allocated Project

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 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:

- \$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 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14	Change from 2012-13 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Benefit Assessments						
Lower Peninsula Watershed	\$ 4,628,057	\$ 4,633,960	\$ 4,633,960	\$ 4,278,953	\$ (355,007)	(7.7%)
West Valley Watershed	2,928,383	2,935,673	2,935,673	2,485,305	(450,368)	(15.3%)
Guadalupe Watershed	6,185,417	6,215,874	6,215,874	5,244,635	(971,239)	(15.6%)
Coyote Watershed	4,635,140	4,640,795	4,640,795	4,139,737	(501,058)	(10.8%)
Uvas/Llagas Watershed	753,970	756,393	756,393	-	(756,393)	(100.0%)
Total Revenue	19,130,967	19,182,695	19,182,695	16,148,630	(3,034,065)	(15.8%)
Operating Outlays:						
Debt Service						
Lower Peninsula Watershed	3,833,285	3,842,023	3,842,023	3,559,660	\$ (282,363)	(7.3%)
West Valley Watershed	2,035,841	2,403,069	2,403,069	2,032,284	(370,785)	(15.4%)
Guadalupe Watershed	4,143,379	5,059,735	5,059,735	4,260,467	(799,268)	(15.8%)
Coyote Watershed	3,454,842	3,837,473	3,837,473	3,450,604	(386,869)	(10.1%)
Uvas/Llagas Watershed	610,185	614,428	614,428	-	(614,428)	(100.0%)
Total Operating Outlays	14,077,532	15,756,728	15,756,728	13,303,015	(2,453,713)	(15.6%)
Other Financing Sources/(Uses):						
Transfers Out to WSS fund	(5,053,435)	(3,425,967)	(3,425,967)	(2,845,615)		
Balance Available		\$ 0	\$ 0	\$ 0		

Financial Summaries

Total Outlays by Lower Peninsula Watershed Fund - Lower Peninsula Watershed

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Debt Service:					
10993005	2004A COP Lower Peninsula WS	\$ 1,557,433	\$ 1,565,693	\$ 1,281,404	Financial Planning & Mgmt Division
10993006	2007 COP Refunding LP WS	2,275,852	2,276,330	2,278,256	Financial Planning & Mgmt Division
Total Debt Service:		3,833,285	3,842,023	3,559,660	
TOTAL		\$ 3,833,285	\$ 3,842,023	\$ 3,559,660	

* Allocated Project

Financial Summaries

Total Outlays by West Valley Watershed Fund - West Valley Watershed

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Debt Service:					
* 20993004	2003A COPS West Valley Watrshd	\$ 1,326,961	\$ 1,673,728	\$	Financial Planning & Mgmt Division
20993005	2004A COP West Valley WS	26,182	46,260		Financial Planning & Mgmt Division
20993006	2007 COP Refunding WV WS	682,698	683,081	683,420	Financial Planning & Mgmt Division
20993007	2012A COP Refunding WV WS			1,348,864	Financial Planning & Mgmt Division
Total Debt Service:		2,035,841	2,403,069	2,032,284	
TOTAL		\$ 2,035,841	\$ 2,403,069	\$ 2,032,284	

* Allocated Project

Financial Summaries

Total Outlays by Guadalupe Watershed Fund - Guadalupe Watershed

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Debt Service:					
* 30993004	2003A COPS Guadalupe Watershed	\$ 3,319,080	\$ 4,186,311	\$	Financial Planning & Mgmt Division
30993005	2004A COP Guadalupe WS	65,489	113,855	126,991	Financial Planning & Mgmt Division
30993006	2007 COP Refunding Guad WS	758,810	759,569	759,612	Financial Planning & Mgmt Division
30993007	2012A COP Refunding Guad WS			3,373,864	Financial Planning & Mgmt Division
Total Debt Service:		4,143,379	5,059,735	4,260,467	
TOTAL		\$ 4,143,379	\$ 5,059,735	\$ 4,260,467	

* Allocated Project

Financial Summaries

Total Outlays by Coyote Watershed Fund - Coyote Watershed

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Debt Service:					
* 40993004	2003A COPS Coyote Watershed	\$ 1,377,041	\$ 1,737,261	\$	Financial Planning & Mgmt Division
40993005	2004A COP Coyote WS	29,132	50,847		Financial Planning & Mgmt Division
40993006	2007 COP Refunding Coyote WS	2,048,669	2,049,365	2,050,835	Financial Planning & Mgmt Division
40993007	2012A COP Refunding Coyote WS			1,399,769	Financial Planning & Mgmt Division
Total Debt Service:		3,454,842	3,837,473	3,450,604	
TOTAL		\$ 3,454,842	\$ 3,837,473	\$ 3,450,604	

* Allocated Project

Financial Summaries

Total Outlays by Uvas/Llagas Watershed Fund - Uvas/Llagas Watershed

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Debt Service:					
50993005	2004A COP Uvas/Llagas WS	\$ 610,185	\$ 614,428	\$	Financial Planning & Mgmt Division
Total Debt Service:		610,185	614,428	0	
TOTAL		\$ 610,185	\$ 614,428	\$ 0	

* Allocated Project

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)

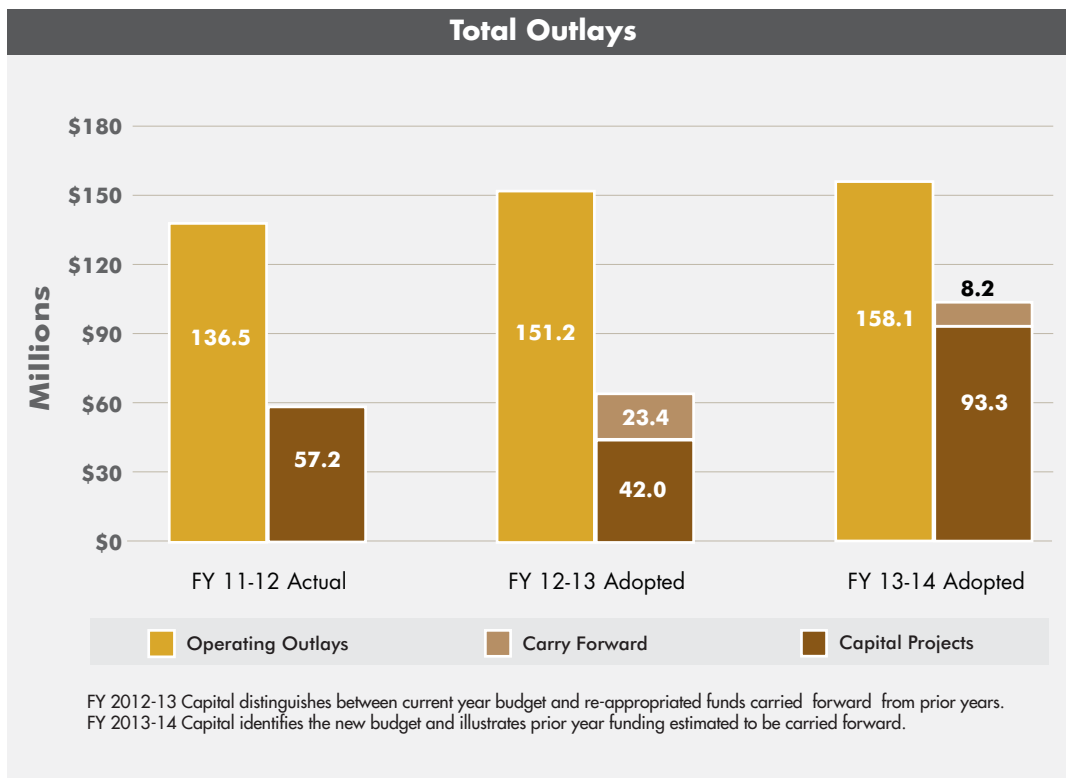
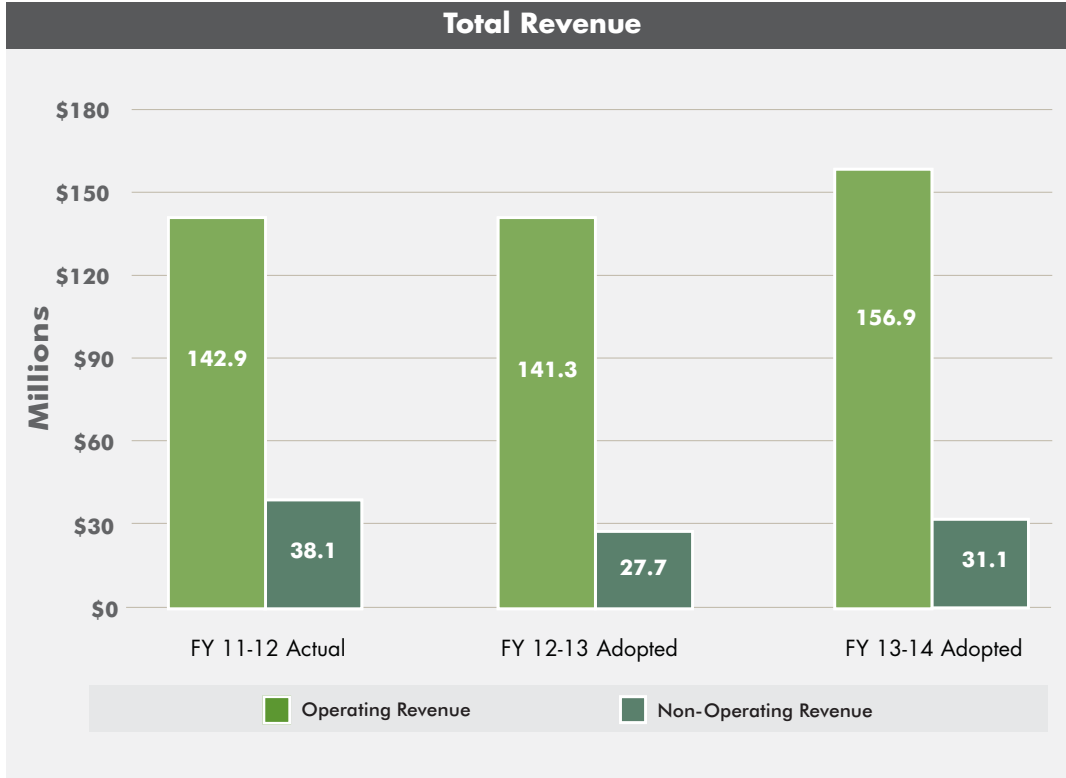
Financial summaries and a description of programs and outcomes from these funds can be found in this chapter.

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 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14	Change from 2012-13 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Operating Revenue:						
Groundwater Production Charges	\$ 48,030,015	\$ 55,467,000	\$ 55,467,000	\$ 63,035,000	\$ 7,568,000	13.6%
Treated Water Charges	92,903,695	81,946,000	81,946,000	89,699,000	7,753,000	9.5%
Surface/Recycled Water Revenue	848,526	1,427,000	1,427,000	1,571,000	144,000	10.1%
Inter-governmental services	1,111,487	2,495,257	2,495,257	1,631,285	(863,972)	(34.6%)
Other	-	-	2,285,358	949,855	949,855	**
Total Operating Revenue	142,893,723	141,335,257	143,620,615	156,886,140	15,550,883	11.0%
Non-Operating Income:						
Property Taxes	22,327,010	22,820,000	22,820,000	25,210,000	2,390,000	10.5%
Interest*	1,445,508	688,578	688,578	525,092	(163,486)	(23.7%)
Capital Reimbursements	11,802,820	2,836,000	4,169,000	4,060,000	1,224,000	43.2%
Other	2,574,065	1,396,308	1,396,308	1,322,656	(73,652)	(5.3%)
Total Non-Operating Income	38,149,403	27,740,886	29,073,886	31,117,748	3,376,862	12.2%
Total Revenue	181,043,126	169,076,143	172,694,501	188,003,888	18,927,745	11.2%
Operating Outlays:						
Operations**	119,755,520	133,021,904	136,766,483	139,708,389	6,686,485	5.0%
Operating Projects	2,636,449	2,761,939	2,296,772	882,400	(1,879,539)	(68.1%)
Debt Service	14,103,508	15,386,996	15,386,996	17,508,664	2,121,668	13.8%
Total Operating Outlays	136,495,477	151,170,839	154,450,251	158,099,453	6,928,614	4.6%
Capital Projects	57,240,091	41,960,783	47,000,050	93,275,031	51,314,248	122.3%
Carry Forward Capital Projects		23,379,465	19,004,728	8,169,388	(15,210,077)	(65.1%)
Total Capital Outlays	57,240,091	65,340,248	66,004,778	101,444,419	36,104,171	55.3%
Other Financing Sources (Uses) :						
Certificates of Participation	16,670,000	19,424,000	19,424,000	82,853,000	63,429,000	326.5%
Transfers In	3,281,000	4,827,518	4,827,518	2,562,000	(2,265,518)	(46.9%)
Transfers Out	-	(1,023,518)	(1,023,518)	(3,395,184)	(2,371,666)	231.7%
Total Other Sources/(Uses)	19,951,000	23,228,000	23,228,000	82,019,816	58,791,816	253.1%
Balance Available	\$ 7,258,558	\$ (24,206,944)	\$ (24,532,528)	\$ 10,479,832		

	Estimated Balances				Change from 2012-13 Adopted	
	Year-End 2011-12	Adopted 2012-13	Projected YE 2012-13	Adopted 2013-14	\$ Diff	% Diff
Year-End Reserves:						
Restricted Reserves						
WUE-Restricted Operating Res	11,756,998	12,597,570	12,597,570	13,139,620	542,050	4.3%
WUE-Rate Stabilization	1,579,135	1,538,700	1,538,700	1,750,866	212,166	13.8%
San Felipe Emergency Reserve	3,957,728	3,924,168	3,924,168	3,957,728	33,560	0.9%
State Revolving Debt Service Res	401,263	401,263	401,263	401,263	-	0.0%
State Water Project Tax Reserve	4,346,254	-	1,989,241	714,518	714,518	**
WU Debt Service Reserve	6,041,238	4,674,553	4,744,938	4,744,938	70,385	1.5%
Total Restricted Reserves	28,082,616	23,136,254	25,195,880	24,708,933	1,572,679	6.8%
Committed Reserves						
Floating Rate Debt Paymnt Stab	474,968	461,889	461,889	353,000	(108,889)	(23.6%)
Operating & Capital Reserve	9,320,089	24,824,891	7,917,218	25,526,977	702,086	2.8%
Supplemental Water Supply	8,657,626	9,606,677	8,093,677	9,728,974	122,297	1.3%
Currently Authorized Projects***	31,742,281	8,842,330	12,076,388	3,907,000	(4,935,330)	(55.8%)
Total Committed Reserves	50,194,964	43,735,787	28,549,172	39,515,951	(4,219,837)	(9.6%)
Total Year-End Reserves	\$ 78,277,580	\$ 66,872,041	\$ 53,745,052	\$ 64,224,884	\$ (2,647,157)	(4.0%)
Uncommitted Funds			\$ 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

Financial Summaries

Water Enterprise Fund (Fund 61) 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 supplies estimated this year to total 240,000 acre-feet (AF).

This requires the operation of the following facilities:

10 surface reservoirs with a total operationally restricted storage capacity of 124,300 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

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, interest earnings, reimbursements, grants and other. Cost accounts include both direct and indirect 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 2013-14 North County (Zone W-2) groundwater production charges reflect a 9.3% increase over the prior year. The recommended Municipal and Industrial groundwater production charge is \$680 per AF. The recommended agricultural groundwater production charge in North County is \$18.30 per AF, and the recommended total treated water contract charge is \$780 per AF.

The recommended FY 2013-14 South County (Zone W-5) groundwater production charges reflect a 3.4% increase over the prior year. The recommended Municipal and Industrial groundwater production charge is \$305 per AF, and the recommended agricultural groundwater production charge is \$18.30 per AF.

Estimated total revenue for FY 2013-14 is \$188.0 million (\$166.0 million for fund 61 and \$22 million for fund 63), or 11.1% more than the FY 2012-13 budget. Operations costs (excluding debt service) are expected to be \$140.6 million for both funds, 3.5% more than the FY 2012-13 budget. The cost of purchased water from the federal and state projects continues to be the largest expense item at \$16.9 million and \$23.3 million, respectively. The budget also includes \$7.6 million to pay the District's capital cost obligations for the federal San Felipe Division of the Central Valley Project.

Financial Summaries

In FY 2013-14 the capital appropriation is estimated to be \$93.3 million. For FY 2013-14, total requirements of \$259.5 million are to be met from a combination of current revenues, reserves, and debt. The recommended water charges will generate \$154.3 million in revenues from water usage. Property tax revenues are projected to be \$25.2 million, and interest earnings and other revenue are estimated to be \$8.5 million for a total of \$188.0 million.

Total reserves for both funds are \$64.2 million, and are expected to increase by \$10.5 million relative to projected end balances for FY 2012-13. The majority of the increase is driven by the \$82.9M long term debt issuance offset by planned capital expenditures.

Significant Business Challenges

- Providing continued water supply reliability while controlling expenditures with adopted water rate and groundwater 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 115,000 acre feet of water to fulfill treated water contracts and provide when available non-contract water to the retailers while capital projects are constructed at the water treatment plants.
- 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, Stevens Creek, Calero, and the Guadalupe Dams as well as seismic evaluations of Chesbro and Uvas Dams that may require seismic retrofit work at both locations in the future.
- Completing the Three Creeks Habitat Conservation Plans (Three Creeks HCP) and the Santa Clara Valley Habitat Plan (Valley HP).
- 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 - 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 - Planning to Design

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

Financial Summaries

E 2.3 Reliable high quality drinking water is delivered

- IRP2 Seismic Retrofit of WTP Ops Bldgs - Design to Construction
- RP2 Well Fields - 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 - Construction
- Water Protection - Construction to Close-Out

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.

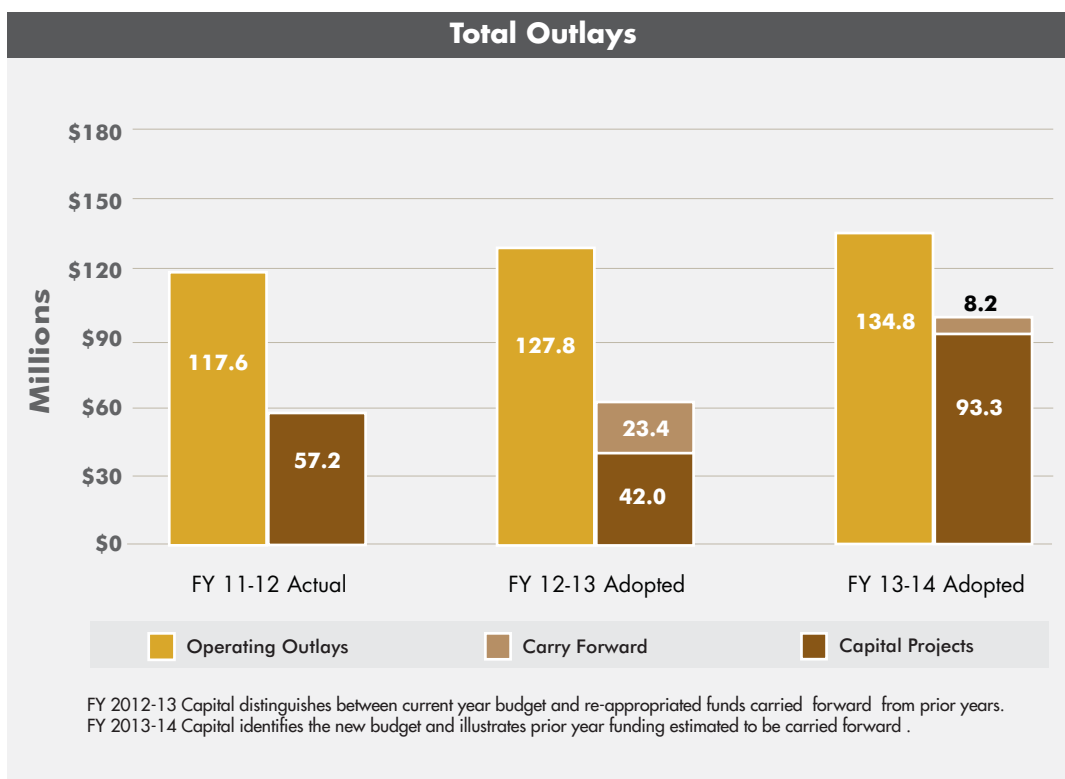
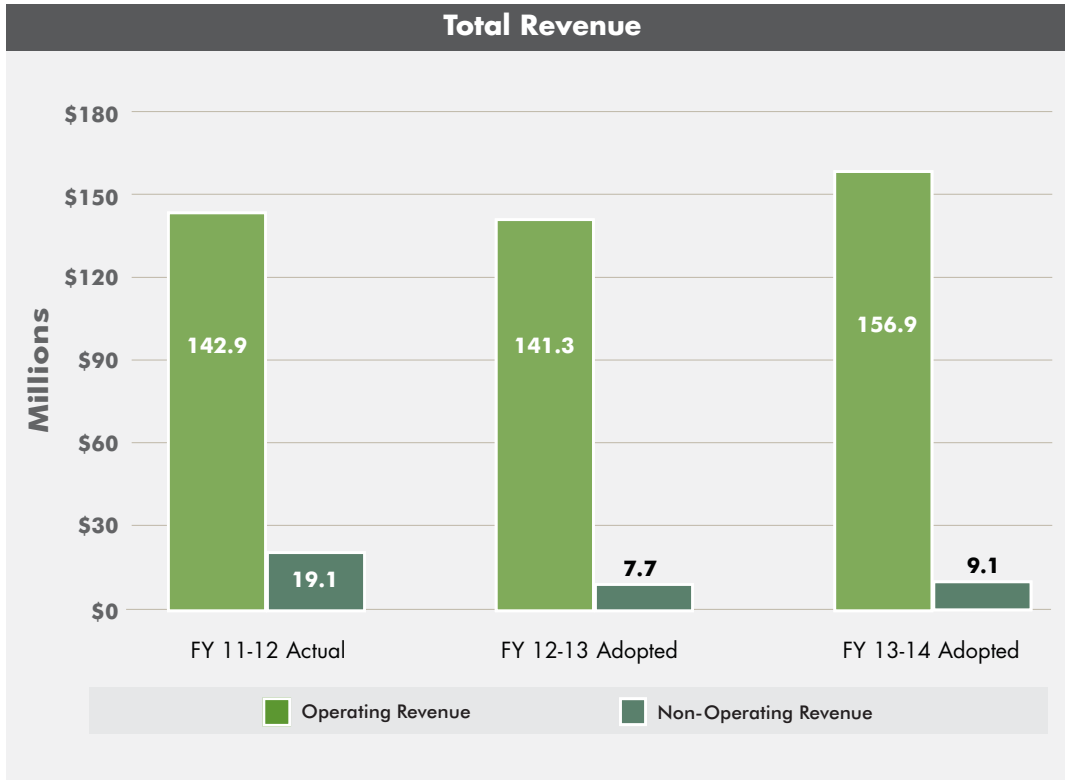
Budget Issues

Assumes District water use of 255,000 AF which is slightly higher than FY 2010-11 actual but lower than FY 2011-12 actual. Assumes long term debt issuance of \$82.9 million. Assumes an increase in 1% ad valorem property tax revenue of 10% in FY 2013-14 versus the adopted budget for FY 2012-13 based on recent increases in local real estate valuation.

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Financial Summaries

Water Enterprise Fund (Fund 61)



Financial Summaries

Water Enterprise Fund Summary

	Budgetary Basis Actual 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14	Change from 2012-13 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Operating Revenue:						
Groundwater Production Charges	\$ 48,030,015	\$ 55,467,000	\$ 55,467,000	\$ 63,035,000	\$ 7,568,000	13.6%
Treated Water Charges	92,903,695	81,946,000	81,946,000	89,699,000	7,753,000	9.5%
Surface/Recycled Water Revenue	848,526	1,427,000	1,427,000	1,571,000	144,000	10.1%
Inter-governmental services	1,111,487	2,495,257	2,495,257	1,631,285	(863,972)	(34.6%)
Other	-	-	2,285,358	949,855	949,855	**
Total Operating Revenue	142,893,723	141,335,257	143,620,615	156,886,140	15,550,883	11.0%
Non-Operating Income:						
Property Taxes	4,489,657	3,820,000	3,820,000	4,210,000	390,000	10.2%
Interest*	1,445,508	688,578	688,578	525,092	(163,486)	(23.7%)
Capital Reimbursements	11,802,820	2,836,000	4,169,000	4,060,000	1,224,000	43.2%
Other	1,334,201	396,308	396,308	322,656	(73,652)	(18.6%)
Total Non-Operating Income	19,072,186	7,740,886	9,073,886	9,117,748	1,376,862	17.8%
Total Revenue	161,965,909	149,076,143	152,694,501	166,003,888	16,927,745	11.4%
Operating Outlays:						
Operations**	100,814,011	109,641,373	113,385,952	116,433,666	6,792,293	6.2%
Operating Projects	2,636,449	2,761,939	2,296,772	882,400	(1,879,539)	(68.1%)
Debt Service	14,103,508	15,386,996	15,386,996	17,508,664	2,121,668	13.8%
Total Operating Outlays	117,553,968	127,790,308	131,069,720	134,824,730	7,034,422	5.5%
Capital Projects	57,240,091	41,960,783	47,000,050	93,275,031	51,314,248	122.3%
Carry Forward Capital Projects		23,379,465	19,004,728	8,169,388	(15,210,077)	(65.1%)
Total Capital Outlays	57,240,091	65,340,248	66,004,778	101,444,419	36,104,171	55.3%
Other Financing Sources (Uses) :						
Certificates of Participation	16,670,000	19,424,000	19,424,000	82,853,000	63,429,000	326.5%
Transfers In	3,281,000	3,804,000	3,804,000	2,562,000	(1,242,000)	(32.6%)
Transfers Out		(1,023,518)	(1,023,518)	(3,395,184)	(2,371,666)	231.7%
Total Other Sources/(Uses)	19,951,000	22,204,482	22,204,482	82,019,816	59,815,334	269.4%
Balance Available	\$ 7,122,850	\$ (21,849,931)	\$ (22,175,515)	\$ 11,754,555		

	Estimated Balances				Change from 2012-13 Adopted	
	Year-End 2011-12	Adopted 2012-13	Projected YE 2012-13	Adopted 2013-14	\$ Diff	% Diff
	Year-End Reserves:					
Restricted Reserves						
WUE-Restricted Operating Res	11,756,998	12,597,570	12,597,570	13,139,620	542,050	4.3%
WUE-Rate Stabilization	1,579,135	1,538,700	1,538,700	1,750,866	212,166	13.8%
San Felipe Emergency Reserve	3,957,728	3,924,168	3,924,168	3,957,728	33,560	0.9%
State Revolving Debt Service Res	401,263	401,263	401,263	401,263	-	0.0%
WU Debt Service Reserve	6,041,238	4,674,553	4,744,938	4,744,938	70,385	1.5%
Total Restricted Reserves	23,736,362	23,136,254	23,206,639	23,994,415	858,161	3.7%
Committed Reserves						
Floating Rate Debt Paymnt Tab	474,968	461,889	461,889	353,000	(108,889)	(23.6%)
Operating & Capital Reserve	9,320,089	24,824,891	7,917,218	25,526,977	702,086	2.8%
Supplemental Water Supply	8,657,626	9,606,677	8,093,677	9,728,974	122,297	1.3%
Currently Authorized Projects***	31,742,281	8,842,330	12,076,388	3,907,000	(4,935,330)	(55.8%)
Total Committed Reserves	50,194,964	43,735,787	28,549,172	39,515,951	(4,219,837)	(9.6%)
Total Year-End Reserves	\$ 73,931,326	\$ 66,872,041	\$ 51,755,811	\$ 63,510,366	\$ (3,361,675)	(5.0%)
Uncommitted Funds			\$ 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

Financial Summaries

Water Enterprise Cost Center Summary

	Budgetary Basis Actuals 2011-12	Adopted Budget 2012-13	Adopted Budget 2013-14	Change from 2012-13 Adopted % Diff
SOURCE OF SUPPLY				
Operations	45,877,928	49,647,709	51,353,078	3.4%
Operating Projects	2,145,628	1,917,798	521,979	(72.8%)
Capital	39,175,602	17,084,524	33,729,204	97.4%
Total	87,199,158	68,650,031	85,604,261	24.7%
RAW WATER TRANSMISSION AND DISTRIBUTION				
Operations	8,483,727	9,770,368	10,372,931	6.2%
Operating Projects	-	-	-	0.0%
Capital	2,805,526	1,704,000	2,198,484	29.0%
Total	11,289,253	11,474,368	12,571,415	9.6%
WATER TREATMENT				
Operations	27,993,579	30,257,831	33,020,031	9.1%
Operating Projects	-	-	-	0.0%
Capital	9,479,477	13,981,699	51,036,195	265.0%
Total	37,473,056	44,239,530	84,056,226	90.0%
TREATED WATER TRANSMISSION AND DISTRIBUTION				
Operations	1,678,497	1,250,333	1,396,015	11.7%
Operating Projects	181,040	430,647	-	-
Capital	2,825,339	1,281,936	576,342	(55.0%)
Total	4,684,876	2,962,916	1,972,357	(33.4%)
ADMINISTRATION AND GENERAL				
Operations	16,780,280	18,715,132	20,291,611	8.4%
Operating Projects	309,781	413,494	360,421	(12.8%)
Debt	14,103,508	15,386,996	17,508,664	13.8%
Capital	2,954,147	7,908,624	5,734,806	(27.5%)
Total	34,147,716	42,424,246	43,895,502	3.5%
TOTAL WATER ENTERPRISE FUND	174,794,059	169,751,091	228,099,761	34.4%
FUND SUMMARY BY CATEGORY				
Operations	100,814,011	109,641,373	116,433,666	6.2%
Operating Projects	2,636,449	2,761,939	882,400	(68.1%)
Debt	14,103,508	15,386,996	17,508,664	13.8%
Capital	57,240,091	41,960,783	93,275,031	122.3%
Total	174,794,059	169,751,091	228,099,761	34.4%

Financial Summaries

Water Enterprise Charge Summary

	<u>Adopted 2009/10</u>	<u>Adopted 2010/11</u>	<u>Adopted 2011/12</u>	<u>Adopted 2012/13</u>	<u>Adopted 2013/14</u>
Groundwater Production					
Zone W-2					
Agricultural	\$ 16.50	16.50	17.10	17.70	18.30
Non-Agricultural	520.00	520.00	569.00	622.00	680.00
Zone W-5					
Agricultural	16.50	16.50	17.10	17.70	18.30
Non-Agricultural	275.00	275.00	285.00	295.00	305.00
Treated Water					
Contract (Scheduled)	620.00	620.00	669.00	722.00	780.00
Non-Contract	670.00	570.00	619.00	672.00	755.00
Untreated Water (Basic User Charge)					
Zone W-2					
Agricultural	16.50	16.50	17.10	17.70	18.30
Non-Agricultural	520.00	520.00	569.00	622.00	680.00
Zone W-5					
Agricultural	16.50	16.50	17.10	17.70	18.30
Non-Agricultural	275.00	275.00	285.00	295.00	305.00
Water Master	11.75	11.75	12.17	12.60	15.31
Minimum Charge					
Zone W-2 Non-Agricultural	390.00	390.00	426.75	466.50	510.00
Zone W-5 Non-Agricultural	206.25	206.25	213.75	221.25	228.75
Zone W-2 Agricultural ¹ :	390.00	390.00	426.75	13.28	13.72
Zone W-5 Agricultural ¹ :	206.25	206.25	213.75	13.28	13.72
Reclaimed Water					
Gilroy Reclamation Facility					
Agricultural	41.50	41.50	41.50	41.50	42.10
Non-Agricultural	275.00	275.00	275.00	275.00	285.00

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

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Operations:					
91041002	Water Supply Strategy Develop.	\$ 46,633	\$	\$	Water Supply Division
91041011	Bay Area Water Supply Coordin	31,451			Water Supply Division
91041012	Water Operations Planning	249,732	267,378	313,890	Water Supply Division
91041014	Urban Water Management Plan	42,618	50,547	99,582	Water Supply Division
91041018	Groundwater Management Protocols	304,102	265,881	670,487	Water Supply Division
91061001	Env Planning and Compliance	1,162,843	1,174,981		Water Utility Technical Support Division
91061005	Water Supply Accounting	272,957	255,382		Water Supply Division
* 91061012	Facilities Env Compliance	32,426	30,077	33,154	Office of Emergency, Environmental, H&S Services
91081007	Dam Safety Program	1,216,895	1,296,132	1,386,606	Water Utility Technical Support Division
91081012	Dam Maintenance EIR	273,929	131,422		Water Utility Technical Support Division
91101002	AWT Facility Maintenance	12,628			
91101003	Water Recycling Planning	262,712			Water Supply Division
91101004	Recycled Water Program		2,555,009	3,081,913	Water Supply Division
91111001	Water Rights	239,741	178,460	451,659	Water Supply Division
91131004	Imported Water Program	4,585,081	4,520,807	4,995,846	Water Supply Division
91131006	IW San Felipe Division Delvrs	19,456,668	18,855,393	20,836,807	Water Supply Division
91131007	IW South Bay Aqueduct Delvrs	266,155	672,500	672,500	Water Supply Division
91151001	Water Conservation-Prog Support	713,631	593,880	857,590	Water Supply Division
91151007	Water Conservation-Residential	1,930,754	1,874,390	1,772,534	Water Supply Division
91151008	Water Conservation-Commercial/Ind	334,769	1,471,760	987,951	Water Supply Division
91151009	Water Conservation-AG	94,929	328,293	156,792	Water Supply Division
91151010	Water Conservation-Landscape	1,014,876	1,212,935	1,395,705	Water Supply Division
91151011	Water Conservation Campaign			219,875	Water Supply Division
91181001	Water Recycling - General	3,473,882			Water Supply Division
91181007	SVAWPC Facility Operations	90,445	2,182,309	1,926,173	Water Utility Operations & Maintenance Div
91181008	SVAWPC Facility Maintenance	95,634	277,042	953,152	Water Utility Operations & Maintenance Div
91211004	San Felipe Reach 1 Operation	490,966	443,750	459,287	Water Supply Division
91211005	SFD Reach 1 Administration		25,998	26,661	Water Supply Division
91211084	San Felipe Reach 1 Ctrl and Ele	202,163	313,790	291,955	Water Utility Technical Support Division
91211085	SF Reach 1-Engineering - Other	58,125	126,755	180,754	Water Utility Technical Support Division
91211099	San Felipe Reach 1 Gen Maint	452,344	1,060,263	699,492	Water Utility Operations & Maintenance Div
91221002	San Felipe Reach 2 Operation	48,527	47,208	42,622	Water Supply Division
91221006	SF Reach 2-Engineering - Other	35,501	162,467	82,269	Water Utility Technical Support Division
91221099	San Felipe Reach 2 Gen Maint	210,668	121,489	146,327	Water Utility Operations & Maintenance Div
91231002	San Felipe Reach 3 Operation	75,140	182,212	184,209	Water Supply Division
91231084	San Felipe Reach 3 Ctrl and Ele	217,583	245,839	296,348	Water Utility Technical Support Division
91231085	SF Reach 3-Engineering - Other	81,986	75,715	104,087	Water Utility Technical Support Division
91231099	San Felipe Reach 3 Gen Maint	731,079	626,780	739,575	Water Utility Operations & Maintenance Div
91441003	Desalination		147,551	60,775	Water Supply Division
91451002	Well Ordinance Program	1,186,972	1,210,467	1,206,244	Water Supply Division

* Allocated Project

Financial Summaries

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
91451005	Source Water Quality Mgmt	340,044	441,785	384,011	Water Utility Operations & Maintenance Div
91451011	Invasive Mussel Prevention	536,259	642,646	629,190	Water Utility Operations & Maintenance Div
91551001	Groundwater Monitoring	865,818	953,615	814,670	Water Supply Division
91551002	Groundwater Supply Managemen	1,009,395	938,570	948,949	Water Supply Division
91761001	Local Res / Div Plan & Analysis	596,883	559,457	560,334	Water Supply Division
91761002	Local Reservoir/Diversion Ops	143,069	208,149	180,103	Water Utility Operations & Maintenance Div
91761099	Dams / Reservoir Gen Maint	1,416,828	1,744,639	1,501,940	Water Utility Technical Support Division
91791012	Groundwater Quality Management	973,087	1,173,986	1,001,060	Water Supply Division
Total Operations:		45,877,928	49,647,709	51,353,078	
Operating Projects:					
91042008	Infrstr Reliability Program	104,925	69,551		
91152007	Water Conservation Campaign	198,040	219,079		Water Supply Division
91182002	Integrate AWT with supplies	665,176	910,861		Water Supply Division
91452011	Invasive Mussel Prevention	(4)			
91452042	Salt & Nutrient MP	302,932	112,065	137,356	Water Supply Division
* 91742041	SCV Habitat Conservation Plan	563,070	202,272		Water Utility Technical Support Division
91792001	Domestic Well Testing Program	311,489	403,970	384,623	Water Supply Division
Total Operating Projects:		2,145,628	1,917,798	521,979	
Capital Projects:					
91084018	Dam Maint Plan Mitigation	6,945			Water Utility Technical Support Division
91084019	Dam Safety Seismic Stability	565,716	613,485	2,388,992	Water Utility Technical Support Division
91084020	Calero-Guad Dams Seismic Retro		2,170,000	682,000	Water Utility Capital Division
91094008	Recycled Wtr MstrPL Short Term	944,192			Water Utility Capital Division
91094009	SoCo Rcylld Wtr PL Short-Trm 1B	381,483	953,000	1,356,583	Water Utility Capital Division
91124001	San Thomas Well Field	66,536			Water Supply Division
91154007	Water Purchases Captl Project	7,136,981	7,388,962	7,649,839	Water Supply Division
91184008	SV Adv Wtr Purification Ctr	19,178,162	1,461,000	699,000	Water Utility Capital Division
91214007	San Luis Bypass / Storage	296,523	12,000		Water Supply Division
91214008	Pacheco PP Reg Tank Recoating	238,800			Water Utility Capital Division
91214009	San Felipe Comm Cable Replace	5,983			Water Utility Capital Division
91214010	Small Caps, San Felipe R1	48,712	1,578,271	2,950,399	Water Utility Operations & Maintenance Div
91224005	SC Tunnel Landslide Mitigation	55,314			Watersheds Capital Division
91234010	Small Caps, San Felipe R3	344,119	60,773	1,709,377	Water Utility Operations & Maintenance Div
91854001	Almaden Dam Improv	150,441	802,000	1,782,000	Water Utility Capital Division
91854002	Jacques Gulch Restoration	35,907	35,000		West & Guad Watersheds Division
91864005	Anderson Dam Seismic Retrofit	8,356,301	1,006,570	12,620,000	Water Utility Capital Division
91884002	Coyote Dam Control Buld Improv	99,532			Water Utility Capital Division
91904005	Lenihan Dam Outlet Mods	42,959			Water Utility Capital Division
91914001	Stevens Crk Dam Retrofit Proj			1,605,014	Water Utility Technical Support Division

* Allocated Project

Financial Summaries

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
91954001	Pacheco PP ASD Replacement	1,220,996	1,003,463	286,000	Water Utility Capital Division
Total Capital Projects:		39,175,602	17,084,524	33,729,204	
TOTAL		\$ 87,199,158	\$ 68,650,031	\$ 85,604,261	

* Allocated Project

Financial Summaries

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

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Operations:					
92041014	FAHCE/Three Creeks HCP Project	\$ 1,102,103	\$ 2,145,038	\$ 1,804,982	Water Utility Technical Support Division
* 92061012	Facilities Env Compliance	59,453	55,143	60,784	Office of Emergency, Environmental, H&S Services
92261099	Vasona Pump Station Gen Main	82,396	90,258	120,207	Water Utility Operations & Maintenance Div
92761001	Raw Water T and D Genrl Oper	1,142,034	1,071,345	1,162,716	Water Supply Division
92761006	Rchrg / RW Field Fac Asset Mgt	247,605	187,921	192,549	Water Supply Division
92761007	Rchrg / RW Field Ops Pln& Anlys	218,626	231,451	239,371	Water Supply Division
92761008	Recycled Water T&D Genrl Maint	47,351	65,688	78,176	Water Utility Operations & Maintenance Div
92761009	Recharge/RW Field Ops	1,748,892	2,361,363	2,633,849	Water Utility Operations & Maintenance Div
92761010	Rchrg / RW Field Fac Maint	1,269,992	1,233,259	1,304,990	Water Utility Operations & Maintenance Div
92761011	Untreated Water Field Ops	36,315	51,913	45,645	Water Utility Operations & Maintenance Div
92761012	Untreated Water Prog Plan&Analysis	50,689	24,480	34,080	Water Supply Division
92761082	Raw Water T&D Ctrl and Electr	539,087	609,250	632,815	Water Utility Technical Support Division
92761083	Raw Water T&D Eng Other	172,271	123,922	214,296	Water Utility Technical Support Division
92761084	Raw Water Ctrl & Elec Eng	1,018			Water Utility Technical Support Division
92761085	Anderson Hydrelctrc Fclty Main	65,644	105,526	221,511	Water Utility Operations & Maintenance Div
92761086	Anderson Hydrelctrc Facilty Ops	24,546	39,075		Water Supply Division
92761099	Raw Water T / D Gen Maint	1,137,707	1,011,669	1,263,046	Water Utility Operations & Maintenance Div
92781002	RW Corrosion Control	537,998	363,067	363,914	Water Utility Technical Support Division
Total Operations:		8,483,727	9,770,368	10,372,931	
Operating Projects:					
Total Operating Projects:		0	0	0	
Capital Projects:					
92144001	Pacheco/SC Conduit ROW ACQ	435,657	702,000	1,008,758	Water Utility Capital Division
92224001	Pen Force Main Seismic Retrofi		283,000	381,764	Water Utility Capital Division
92374005	SCADA Remote Arch&Comm Upg			369,626	Water Utility Capital Division
92484003	Coyote Diversion Dam Imprvmt	23			Watersheds Capital Division
92534003	Kirk Diversion Dam Improvement	591,414		395,000	Watersheds Capital Division
92764009	Small Caps, Raw Water T&D	1,271,096	719,000	43,336	Water Utility Operations & Maintenance Div
Total Capital Projects:		2,298,190	1,704,000	2,198,484	
TOTAL		\$ 10,781,917	\$ 11,474,368	\$ 12,571,415	

* Allocated Project

Financial Summaries

Total Outlays by Water Enterprise Fund - Water Treatment

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Operations:					
* 93061012	Facilities Env Compliance	\$ 383,750	\$ 355,922	\$ 392,337	Office of Emergency, Environmental, H&S Services
93081008	W T General Water Quality	1,262,228	1,439,533	1,613,000	Water Utility Operations & Maintenance Div
93081009	Water Treatment Plant Engineering	482,487	479,141	512,050	Water Utility Technical Support Division
93231007	PWTP Landslide Monitoring	23,363	142,666	70,665	Water Utility Technical Support Division
93231009	PWTP General Operations	3,798,861	4,101,872	4,265,549	Water Utility Operations & Maintenance Div
93231099	Penitencia WTP General Maint	1,827,627	2,164,532	2,828,536	Water Utility Operations & Maintenance Div
93281005	STWTP - General Operations	4,449,665	4,832,313	4,883,517	Water Utility Operations & Maintenance Div
93281099	Santa Teresa WTP General Maint	1,914,538	2,115,643	2,257,134	Water Utility Operations & Maintenance Div
93291012	RWTP General Operations	6,052,301	6,433,855	6,581,488	Water Utility Operations & Maintenance Div
93291099	Rinconada WTP General Maint	2,636,487	2,774,189	3,115,086	Water Utility Operations & Maintenance Div
93401002	Water District Laboratory	3,352,093	3,357,543	3,555,305	Water Utility Operations & Maintenance Div
93761001	SF/SCVWD Intertie General Ops	103,188	105,277	153,841	Water Utility Operations & Maintenance Div
93761004	Campbell Well Field Operations	2,707	72,579	300,152	Water Utility Operations & Maintenance Div
93761005	Campbell Well Field Maintenance	1,223	54,569	64,391	Water Utility Operations & Maintenance Div
93761006	Treated Water Ctrl & Elec Eng	1,621,697	1,609,148	2,314,008	Water Utility Technical Support Division
93761099	SF/SCVWD Intertie Gen Maint	81,364	219,049	112,972	Water Utility Operations & Maintenance Div
Total Operations:		27,993,579	30,257,831	33,020,031	
Operating Projects:					
Total Operating Projects:		0	0	0	
Capital Projects:					
92144002	Santa Clara Conduit SV1-CPP	3,253			Water Utility Capital Division
92564002	Main-Madrone PL Restoration	19,217			Water Utility Capital Division
92614004	Penitencia Fish Facility Mods	484,866			Water Utility Capital Division
93084009	I/O Cards&Trunk Cables Upgrade	223,606			Water Utility Capital Division
93084011	Fluoridation at WTPs			356,877	Water Utility Capital Division
93234028	PWTP Improvement, Stage 2	9,322		15,000	Water Utility Capital Division
93234031	PWTP Maintenance Building	2,175,485			Water Utility Capital Division
93234036	PWTP Backwash Pump Replacement	4,377			Water Utility Capital Division
93234042	PWTP Water Pump Modifications	112,285		291,000	Water Utility Capital Division
93234043	PWTP Clearwell Recoat and Repair	270,374	186,000		Water Utility Capital Division
93284030	STWTP Incompatible Materials	1,188,111	3,013,686	1,183,043	Water Utility Capital Division
93294029	RWTP Chemical System Upgrade	59,941			Water Utility Capital Division
93294035	RWTP Standby Power Sys Upgrade	303,180	127,000		Water Utility Technical Support Division
93294045	RWTP Valve Replacements	7,467			Water Utility Capital Division
93294050	RWTP FRP Clarifier Rehabilitation	32,242			Water Utility Capital Division
93294051	RWTP FRP Residuals Management	1,627,629	311,000	21,060,000	Water Utility Capital Division
93294054	RTWP FRP Primary Elec System	985,402	264,000		Water Utility Capital Division
93294056	RWTP Treated Water Valves Upgd	498,470	395,000	6,117,230	Water Utility Capital Division

* Allocated Project

Financial Summaries

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
93294057	RWTP Reliability Improvement	343,597	8,505,000	7,923,000	Water Utility Capital Division
93504001	Infrst Reliability Master Plan	54,729	115,013	1,313,895	Water Utility Technical Support Division
93764003	IRP2 WTP Blds Seismic Retrofit	224,741		9,477,562	Water Utility Capital Division
93764004	Small Caps, Water Treatment	1,358,519	1,065,000	3,298,588	Water Utility Operations & Maintenance Div
Total Capital Projects:		9,986,813	13,981,699	51,036,195	
TOTAL		\$ 37,980,392	\$ 44,239,530	\$ 84,056,226	

* Allocated Project

Financial Summaries

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

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Operations:					
94761005	TW T&D - Engineering - Other	\$ 178,407	\$ 161,608	\$ 176,881	Water Utility Technical Support Division
94761099	Treated Water T/D Gen Maint	975,527	707,588	862,172	Water Utility Operations & Maintenance Div
94781001	Treated Water T/D Corrosion	524,563	381,137	356,962	Water Utility Technical Support Division
Total Operations:		1,678,497	1,250,333	1,396,015	
Operating Projects:					
94762007	SCADA Systems Upgrades	181,040	430,647		Water Utility Technical Support Division
Total Operating Projects:		181,040	430,647	0	
Capital Projects:					
94084005	Water Protection	485,697		175,000	Water Utility Capital Division
94084006	Microwave Telecommunications	1,646,952	1,000	22,000	Information Mgmt Services Division
94344006	East PL Rehabilitation	692,690			Water Utility Technical Support Division
94384002	Pen Del Main Seismic Retrofit		283,000	379,342	Water Utility Capital Division
94764006	Small Caps, Treated Water T&D		997,936		Water Utility Operations & Maintenance Div
Total Capital Projects:		2,825,339	1,281,936	576,342	
TOTAL		\$ 4,684,876	\$ 2,962,916	\$ 1,972,357	

* Allocated Project

Financial Summaries

Total Outlays by Water Enterprise Fund - Administration and General

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Operations:					
95001090	Unscoped Projects-Budget Only	\$	\$ 458,333	\$ 350,000	Office of COO Water Utility
95011003	WU Asset Protection Support	842,242	465,007	922,965	West & Guad Watersheds Division
* 95021008	Electrical Power Support	135,249	298,884	174,372	Water Utility Technical Support Division
95021009	Pipeline Monumentation		158,956	125,496	Watersheds Capital Division
* 95031002	Grants Management	91,640	87,402	87,235	Financial Planning & Mgmt Division
* 95041025	SMP Biodiversity Monitoring	27,429	9,813		Watershed Stewardship Division
* 95041039	Integrated Regional Water Mgmt	83,151	105,877	116,823	Water Utility Technical Support Division
* 95041042	Llagas Fire Mgmt	114,311	114,045		Office of Emergency, Environmental, H&S Services
* 95041046	Survey Record Management		33,514	61,101	Watersheds Capital Division
95061007	WUE Asset Management Plng Prgm	487,500	468,534	878,056	Water Utility Technical Support Division
95061012	Rental Expense San Pedro, MH	16,414	25,743	25,583	Procurement & Operational Services Division
95061027	Water Utility Health & Safety	218,561	292,520	332,700	Office of Emergency, Environmental, H&S Services
95061032	Water Utility Ops Safety Training	496,973	427,703	670,943	Office of Emergency, Environmental, H&S Services
95061037	WUE Training & Development	385,679	656,858	684,229	Office of COO Water Utility
95061038	WUE Administration	6,265,074	6,256,605	6,831,822	Office of COO Water Utility
95061041	WU As-Built Drawing Control	177,814	255,074	146,556	Water Utility Capital Division
95061043	WUE ER Response Plan & Implement			208,768	Water Utility Operations & Maintenance Div
* 95061045	AM Framework Implementation	178,620	431,970	414,227	Water Utility Technical Support Division
* 95061046	District CMMS Administration	288,707	431,947	442,942	Water Utility Technical Support Division
* 95061052	Vacancy Pool Salary&Benefits		373,013		Office of COO Water Utility
* 95061054	Safe Clean Water Implementation			145,996	Office of COO-Watershed
* 95071041	Welding Services	308,467	338,786	224,721	Procurement & Operational Services Division
95101003	W2 W5 Wtr Revenue Program	942,748	1,038,719	1,093,337	Financial Planning & Mgmt Division
95111003	Water Use Measurement	1,254,469	1,330,624	1,425,949	Water Supply Division
95121001	Fin/Economic Water Rate Study	387,658	426,677	471,757	Financial Planning & Mgmt Division
95151002	Water Utility Customer Relations	261,990	242,933	165,111	Office of COO Water Utility
95731001	Water Supply Modeling/Analys	353,485	333,528	360,546	Water Supply Division
95741001	WUE Long-term Planning	681,188	511,588	222,616	Water Utility Technical Support Division
* 95741042	Water Resources EnvPlng & Permtg			582,645	Water Utility Technical Support Division
95761003	SCADA Network Administration	107,009	134,011	142,359	Information Mgmt Services Division
* 95761071	Emergency Preparedness Prog	877,606	1,016,963	632,676	Office of Emergency, Environmental, H&S Services
* 95761072	Business Continuity Program		252,568	128,393	Office of Emergency, Environmental, H&S Services
* 95771011	InterAgency Urban Runoff Program	63,126	69,700	424,660	Watershed Stewardship Division
* 95771031	HAZMAT Emergency Response	20,508	20,765	89,438	Office of Emergency, Environmental, H&S Services
* 95811043	Hydrologic Data Msrmt & Mgmt	989,350	915,504	816,296	Coyote & Pajaro Watersheds Division
* 95811046	Warehouse Services	439,539	417,724	439,327	Procurement & Operational Services Division
* 95811049	X Valley Level / Benchmark	220,642	220,162	249,428	Watersheds Capital Division

* Allocated Project

Financial Summaries

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
* 95811050	Benchmark Maintenance (Countywide)			90,185	Watersheds Capital Division
* 95811054	District Real Property Administration	63,296	93,082	112,353	Watersheds Capital Division
95861002	Anderson Hydrelctrc Facilty Ops	(165)			Water Supply Division
Total Operations:		16,780,280	18,715,132	20,291,611	
Operating Projects:					
* 95042037	Safe, Clean Water	110,918	202,804		Office of Chief Executive Officer
95062012	WUE Maint Audit Impl Plan	198,863	210,690	360,421	Water Utility Operations & Maintenance Div
Total Operating Projects:		309,781	413,494	360,421	
Debt Service:					
* 95993001	Debt Service-W1 GO Bonds	415,125			Financial Planning & Mgmt Division
95993007	Commercial Paper Tax Exempt	185,158	384,000	1,569,000	Financial Planning & Mgmt Division
95993008	Commercial Paper Taxable	124,050	256,000	1,046,000	Financial Planning & Mgmt Division
95993010	WU Revlng 4310027-06SRF01CX114	408,493	403,264	403,463	Financial Planning & Mgmt Division
95993011	2006 WUE Refunding Tax Exempt	4,744,600	4,752,650	4,751,450	Financial Planning & Mgmt Division
95993012	2006 WUE Refunding Taxable	1,776,068	1,785,086	1,780,951	Financial Planning & Mgmt Division
95993013	2007A WU Revenue COPs Tax Ex	5,045,125	5,066,550	5,067,300	Financial Planning & Mgmt Division
95993014	2007B WU Revenue COPs	1,404,889	2,739,446	2,890,500	Financial Planning & Mgmt Division
Total Debt Service:		14,103,508	15,386,996	17,508,664	
Capital Projects:					
* 95074030	Capital Training and Development	169,738	279,739	247,472	Water Utility Capital Division
* 95074033	CIP Development & Admin	444,980	436,691	490,677	Water Utility Capital Division
* 95074036	Survey Tech Support			110,987	Watersheds Capital Division
* 95074038	Capital Program Services Admin	1,990,508	2,622,454	1,646,586	Water Utility Capital Division
* 95074045	Technical Review Committee	198,058	336,755	271,921	Water Utility Capital Division
* 95074046	Capital Healty & Safety Training	97,788	99,985	141,471	Water Utility Capital Division
95084001	5-Year Pipeline Rehabilitation		4,133,000	2,825,692	Water Utility Technical Support Division
* 95144001	PL Hydraulic Reliability Upgrd	53,075			Water Utility Technical Support Division
Total Capital Projects:		2,954,147	7,908,624	5,734,806	
TOTAL		\$ 34,147,716	\$ 42,424,246	\$ 43,895,502	

* Allocated Project

Financial Summaries

Water Enterprise Summary by Zone

	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Estimated Actual 2012-2013	Adopted Budget 2013-2014	% Change
<u>Zone W2 North County</u>					
Allocated Revenue					
Operating Revenue	133,154,282	131,033,544	131,033,287	146,222,535	12%
Non-operating Revenue	36,143,596	25,775,588	29,386,958	28,929,053	12%
Total Allocated Revenue	169,297,878	156,809,132	160,420,245	175,151,588	12%
Allocated Operating Outlays					
Operations	108,844,226	121,070,815	124,770,538	126,845,920	5%
Operating Projects	2,048,748	2,169,179	1,519,231	441,657	-80%
Debt Service	14,103,508	15,386,996	15,386,996	17,508,664	14%
Total Allocated Operating Outlays	124,996,482	138,626,991	141,676,765	144,796,241	4%
Balance Available for Capital/Reserve	44,301,396	18,182,141	18,743,480	30,355,347	67%
Total Capital Appropriations	57,240,091	65,340,248	66,004,778	101,444,419	55%
Other Financing Resources					
Certificates of Participation	16,670,000	19,424,000	19,424,000	82,853,000	327%
Transfers In	3,281,000	4,827,518	4,827,518	2,847,482	-41%
Transfers Out		(1,023,518)	(1,023,518)	(3,680,666)	260%
Total Other Financing Sources/(Uses)	19,951,000	23,228,000	23,228,000	82,019,816	253%
Other Intra-Zone Allocations					
Zone W5 Open Space Credit	(6,401,345)	(6,459,315)	(6,537,000)	(5,590,000)	-13%
Zone W5 Perchlorate Reimbursement	2,243,000	-	-	-	**
Zone W5 Capital Amortization	2,858,777	3,712,128	3,291,160	3,742,645	1%
Zone W5 Interest (Earnings)/Payments	58,476	5,173	(2,100)	(14,242)	-375%
Balance Available for W2	5,771,213	(26,672,120)	(27,281,238)	9,069,147	-134%
<u>Zone W5 South County</u>					
Allocated Revenue					
Operating Revenue	9,739,442	10,301,713	10,301,713	10,663,605	4%
Non-operating Revenue	2,005,806	1,965,297	1,972,543	2,188,696	11%
Total Allocated Revenue	11,745,248	12,267,010	12,274,256	12,852,301	5%
Open Space Credit	6,401,345	6,459,315	6,537,000	5,590,000	-13%
Total Current Resources	18,146,593	18,726,325	18,811,256	18,442,301	-2%
Allocated Costs					
Operations	8,459,754	9,481,032	9,493,549	9,778,622	3%
Perchlorate Costs	-	-	-	-	**
Operating Projects	587,701	592,759	611,677	440,743	-26%
Imported Water Purchases	2,451,540	2,470,056	2,668,259	3,083,847	25%
Total Allocated Outlays	11,498,995	12,543,848	12,773,486	13,303,212	6%
Balance Available for Capital/Reserve	6,647,598	6,182,477	6,037,770	5,139,088	-17%
Interest (earned)/due Utility Reserves	58,476	5,173	(2,100)	(14,242)	-375%
Perchlorate Reimbursement	2,243,000	-	-	-	**
Total Capital Amortization	2,858,777	3,712,128	3,291,160	3,742,645	1%
Balance Available/(Deficit) for Zone W5	1,487,346	2,465,176	2,748,710	1,410,685	-43%
Total Balance Available/(Deficit)	7,258,558	(24,206,944)	(24,532,528)	10,479,832	-143%

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	North County	Adopted Budget 2013-2014	Basis of Allocation to South
Operations:						
91041012	Water Operations Planning	15.50%	\$ 48,653	\$ 265,237	\$ 313,890	Raw Water Deliveries
91041014	Urban Water Management Plan	11.50%	11,452	88,130	99,582	M&I Water Usage Ratio
91041018	Groundwater Management Protocols	37.00%	248,080	422,407	670,487	Groundwater Production Ratio
91061012	Facilities Env Compliance	15.50%	5,139	28,015	33,154	Raw Water Deliveries
91081007	Dam Safety Program	14.40%	199,671	1,186,935	1,386,606	Program Benefit Calculation
91101004	Recycled Water Program	5.90%	181,833	2,900,080	3,081,913	Population
91111001	Water Rights	15.50%	70,007	381,652	451,659	Raw Water Deliveries
91131004	Imported Water Program	11.00%	549,543	4,446,303	4,995,846	Imported Water Ratio
91131006	IW San Felipe Division Delvrs	14.80%	3,083,847	17,752,960	20,836,807	Program Benefit Calculation
91131007	IW South Bay Aqueduct Delvrs	0.00%		672,500	672,500	No South County Benefit
91131008	State Water Project Costs	0.00%		23,274,723	23,274,723	No South County Benefit
91151001	Water Conservation-Prog Support	5.90%	50,598	806,992	857,590	Population
91151007	Water Conservation-Residential	4.80%	85,082	1,687,452	1,772,534	Program Benefit Calculation
91151008	Water Conservation-Commercial/Ind	3.90%	38,530	949,421	987,951	Program Benefit Calculation
91151009	Water Conservation-AG	97.50%	152,872	3,920	156,792	Ag Production Ratio
91151010	Water Conservation-Landscape	7.10%	99,095	1,296,610	1,395,705	Program Benefit Calculation
91151011	Water Conservation Campaign	5.90%	12,973	206,902	219,875	Population
91181007	SVAWPC Facility Operations	0.00%		1,926,173	1,926,173	No South County Benefit
91181008	SVAWPC Facility Maintenance	0.00%		953,152	953,152	No South County Benefit
91211004	San Felipe Reach 1 Operation	17.50%	80,375	378,912	459,287	CVP Imported Water Ratio
91211005	SFD Reach 1 Administration	17.50%	4,666	21,995	26,661	CVP Imported Water Ratio
91211084	San Felipe Reach1 Ctrl and Ele	17.50%	51,092	240,863	291,955	CVP Imported Water Ratio
91211085	SF Reach 1-Engineering - Other	17.50%	31,632	149,122	180,754	CVP Imported Water Ratio
91211099	San Felipe Reach 1 Gen Maint	17.50%	122,411	577,081	699,492	CVP Imported Water Ratio
91221002	San Felipe Reach 2 Operation	17.50%	7,459	35,163	42,622	CVP Imported Water Ratio
91221006	SF Reach 2-Engineering - Other	17.50%	14,397	67,872	82,269	CVP Imported Water Ratio
91221099	San Felipe Reach 2 Gen Maint	17.50%	25,607	120,720	146,327	CVP Imported Water Ratio
91231002	San Felipe Reach 3 Operation	8.75%	16,118	168,091	184,209	CVP Imported Water Ratio adjusted for Coyote PP
91231084	San Felipe Reach3 Ctrl and Ele	8.75%	25,930	270,418	296,348	CVP Imported Water Ratio adjusted for Coyote PP
91231085	SF Reach 3-Engineering - Other	8.75%	9,108	94,979	104,087	CVP Imported Water Ratio adjusted for Coyote PP
91231099	San Felipe Reach 3 Gen Maint	13.13%	97,069	642,506	739,575	CVP Imported Water Ratio adjusted for Coyote PP
91441003	Desalination	11.50%	6,989	53,786	60,775	M&I Water Usage Ratio
91451002	Well Ordinance Program	7.90%	95,293	1,110,951	1,206,244	Well Permits and Inspections
91451005	Source Water Quality Mgmt	11.50%	44,161	339,850	384,011	M&I Water Usage Ratio
91451011	Invasive Mussel Prevention	15.50%	97,524	531,666	629,190	Raw Water Deliveries
91551001	Groundwater Monitoring	37.00%	301,428	513,242	814,670	Groundwater Production Ratio
91551002	Groundwater Supply Managemen	37.00%	351,111	597,838	948,949	Groundwater Production Ratio
91761001	Local Res / Div Plan & Analysis	20.00%	112,067	448,267	560,334	Total Water Deliveries Ratio
91761002	Local Reservoir/Diversion Ops	20.00%	36,021	144,082	180,103	Total Water Deliveries Ratio
91761099	Dams / Reservoir Gen Maint	22.00%	330,427	1,171,513	1,501,940	Program Benefit Calculation

Financial Summaries

Job #	Job Description	South County %	South County	North County	Adopted Budget 2013-2014	Basis of Allocation to South
91791012	Groundwater Quality Management	37.00%	370,392	630,668	1,001,060	Groundwater Production Ratio
92041014	FAHCE/Three Creeks HCP Project	4.30%	77,614	1,727,368	1,804,982	Coyote Water Supply Ratio
92061012	Facilities Env Compliance	15.50%	9,422	51,362	60,784	Raw Water Deliveries
92261099	Vasona Pump Station Gen Main	0.00%		120,207	120,207	No South County Benefit
92761001	Raw Water T and D Genrl Oper	15.50%	180,221	982,495	1,162,716	Raw Water Deliveries
92761006	Rchrg / RW Field Fac Asset Mgt	37.70%	72,591	119,958	192,549	Groundwater Recharge Ratio
92761007	Rchrg / RW Field Ops Pln& Anlys	37.70%	90,243	149,128	239,371	Groundwater Recharge Ratio
92761008	Recycled Water T&D Genrl Maint	100.00%	78,176		78,176	Benefits only South County
92761009	Recharge/RW Field Ops	37.70%	992,961	1,640,888	2,633,849	Groundwater Recharge Ratio
92761010	Rchrg / RW Field Fac Maint	37.70%	491,981	813,009	1,304,990	Groundwater Recharge Ratio
92761011	Untreated Water Field Ops	43.10%	19,673	25,972	45,645	Untreated Water Deliveries Ratio
92761012	Untreated Water Prog Plan&Analysis	43.10%	14,688	19,392	34,080	Untreated Water Deliveries Ratio
92761082	Raw Water T&D Ctrl and Electr	15.50%	98,086	534,729	632,815	Raw Water Deliveries
92761083	Raw Water T&D Eng Other	15.50%	33,216	181,080	214,296	Raw Water Deliveries
92761085	Anderson Hydrelctrc Fclty Main	20.80%	46,074	175,437	221,511	Anderson Water Deliveries Ratio
92761099	Raw Water T / D Gen Maint	15.50%	195,772	1,067,274	1,263,046	Raw Water Deliveries
92781002	RW Corrosion Control	15.50%	56,407	307,507	363,914	Raw Water Deliveries
93061012	Facilities Env Compliance	0.00%		392,337	392,337	No South County Benefit
93081008	W T General Water Quality	0.00%		1,613,000	1,613,000	No South County Benefit
93081009	Water Treatment Plant Engineering	0.00%		512,050	512,050	No South County Benefit
93231007	PWTP Landslide Monitoring	0.00%		70,665	70,665	No South County Benefit
93231009	PWTP General Operations	0.00%		4,265,549	4,265,549	No South County Benefit
93231099	Penitencia WTP General Maint	0.00%		2,828,536	2,828,536	No South County Benefit
93281005	STWTP - General Operations	0.00%		4,883,517	4,883,517	No South County Benefit
93281099	Santa Teresa WTP General Maint	0.00%		2,257,134	2,257,134	No South County Benefit
93291012	RWTP General Operations	0.00%		6,581,488	6,581,488	No South County Benefit
93291099	Rinconada WTP General Maint	0.00%		3,115,086	3,115,086	No South County Benefit
93401002	Water District Laboratory	0.57%	20,407	3,534,898	3,555,305	Lab Analyses
93761001	SF/SCVWD Intertie General Ops	0.00%		153,841	153,841	No South County Benefit
93761004	Campbell Well Field Operations	0.00%		300,152	300,152	No South County Benefit
93761005	Campbell Well Field Maintenance	0.00%		64,391	64,391	No South County Benefit
93761006	Treated Water Ctrl & Elec Eng	0.00%		2,314,008	2,314,008	No South County Benefit
93761099	SF/SCVWD Intertie Gen Maint	0.00%		112,972	112,972	No South County Benefit
94761005	TW T&D - Engineering - Other	0.00%		176,881	176,881	No South County Benefit
94761099	Treated Water T/D Gen Maint	0.00%		862,172	862,172	No South County Benefit
94781001	Treated Water T/D Corrosion	0.00%		356,962	356,962	No South County Benefit
95001090	Unscoped Projects-Budget Only	11.50%	40,250	309,750	350,000	M&I Water Usage Ratio
95011003	WU Asset Protection Support	20.00%	184,593	738,372	922,965	Program Benefit Calculation
95021008	Electrical Power Support	1.53%	2,668	171,704	174,372	Labor hours
95021009	Pipeline Monumentation	11.50%	14,432	111,064	125,496	M&I Water Usage Ratio
95031002	Grants Management	11.50%	10,032	77,203	87,235	M&I Water Usage Ratio
95041039	Integrated Regional Water Mgmt	11.50%	13,435	103,388	116,823	M&I Water Usage Ratio
95041046	Survey Record Management	11.50%	7,027	54,074	61,101	M&I Water Usage Ratio
95061007	WUE Asset Management Plng Prgm	1.47%	12,907	865,149	878,056	Program Benefit Calculation

Financial Summaries

Job #	Job Description	South County %	South County	North County	Adopted Budget 2013-2014	Basis of Allocation to South
95061012	Rental Expense San Pedro,MH	100.00%	25,583		25,583	Benefits only South County
95061027	Water Utility Health & Safety	11.50%	38,261	294,440	332,700	M&I Water Usage Ratio
95061032	Water Utility Ops Safety Training	11.50%	77,158	593,785	670,943	M&I Water Usage Ratio
95061037	WUE Training & Development	11.50%	78,686	605,543	684,229	M&I Water Usage Ratio
95061038	WUE Administration	11.50%	785,660	6,046,162	6,831,822	M&I Water Usage Ratio
95061041	WU As-Built Drawing Control	11.50%	16,854	129,702	146,556	M&I Water Usage Ratio
95061043	WUE ER Response Plan & Implement	5.90%	12,317	196,451	208,768	Population
95061045	AM Framework Implementation	11.50%	47,636	366,591	414,227	M&I Water Usage Ratio
95061046	District CMMS Administration	11.50%	50,938	392,004	442,942	M&I Water Usage Ratio
95061054	Safe Clean Water Implementation	11.50%	16,790	129,206	145,996	M&I Water Usage Ratio
95071041	Welding Services	1.43%	3,214	221,507	224,721	Program Benefit Calculation
95101003	W2 W5 Wtr Revenue Program	69.00%	754,403	338,934	1,093,337	Labor hours
95111003	Water Use Measurement	35.00%	499,082	926,867	1,425,949	Labor hours
95121001	Fin/Economic Water Rate Study	11.50%	54,252	417,505	471,757	M&I Water Usage Ratio
95151002	Water Utility Customer Relations	5.90%	9,742	155,369	165,111	Population
95731001	Water Supply Modeling/Analys	11.50%	41,463	319,083	360,546	M&I Water Usage Ratio
95741001	WUE Long-term Planning	11.50%	25,601	197,015	222,616	M&I Water Usage Ratio
95741042	Water Resources EnvPng & Permtg	18.00%	104,876	477,769	582,645	Program Benefit Calculation
95761003	SCADA Network Administration	2.01%	2,861	139,498	142,359	Program Benefit Calculation
95761071	Emergency Preparedness Prog	5.90%	37,328	595,348	632,676	Population
95761072	Business Continuity Program	5.90%	7,575	120,818	128,393	Population
95771011	InterAgency Urban Runoff Program	15.50%	65,822	358,838	424,660	Raw Water Deliveries
95771031	HAZMAT Emergency Response	10.00%	8,944	80,494	89,438	Emergency Response Events
95811043	Hydrologic Data Msrmt & Mgmt	21.20%	173,055	643,241	816,296	Stream Gauge location
95811046	Warehouse Services	11.50%	50,523	388,804	439,327	M&I Water Usage Ratio
95811049	X Valley Level / Benchmark	4.70%	11,723	237,705	249,428	Program Benefit Calculation
95811050	Benchmark Maintenance (Countywide)	33.30%	30,032	60,153	90,185	Program Benefit Calculation
95811054	District Real Property Administration	0.50%	562	111,791	112,353	Program Benefit Calculation
Total Operations:			12,862,469	126,845,920	139,708,389	
Operating Projects:						
91452042	Salt & Nutrient MP	37.00%	50,822	86,534	137,356	Groundwater Production Ratio
91792001	Domestic Well Testing Program	100.00%	384,623		384,623	Benefits only South County
95062012	WUE Maint Audit Impl Plan	1.47%	5,298	355,123	360,421	Program Benefit Calculation
Total Operating Projects:			440,743	441,657	882,400	
TOTAL			\$ 13,303,212	\$127,287,577	\$140,590,789	

Financial Summaries

South County Capital Amortization

(In Thousands \$)						
Job Description	Total Project Cost	South County %	South County Cost	FY 14 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to the South
Uvas Reservoir Valves Replace	303	100.0%	303	25	FY 14	Benefits only South County
Madrone Pipeline Replace	389	100.0%	389	31	FY 14	Benefits only 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
SC Recycled Water Master plan - Immediate Term	3,257	100.0%	3,257	216	FY 37	Benefits only South County
SC Recycled Water Masterplan - Short Term Implementation 1A	4,348	100.0%	4,348	288	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	7,650	11.8%	903	903	N/A	Repayment Cost Distribution
Pacheco Pumping Plant Regulating Tank Recoating	2,826	17.0%	480	32	FY 42	CVP Imported Water Ratio
San Felipe Communications Cable Replacement	235	17.0%	40	3	FY 42	CVP Imported Water Ratio
Small Caps, San Felipe	2,950	17.5%	457	457	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	1,709	17.5%	299	299	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	630	19.6%	123	8	FY 42	Anderson deliveries ratio
Radio Repeater Infill	5,423	11.5%	624	0	FY 42	M&I Water Usage Ratio
Santa Clara Conduit Rehab	1,814	17.5%	317	21	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	43	15.5%	7	7	N/A	Raw Water Usage
Pipeline Hydraulic Reliability Upgrades	322	2.0%	6	0	FY 43	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	2,909	7.1%	208	208	N/A	Total Capital Cost Ratio
Grand Total	103,541		29,959	3,743		

* 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 (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 2013-14, which when combined with other revenue (refunds from Department of Water Resources) and the State Water Project Reserve would fund projected contractual obligations of \$23.3 million.

Financial Summaries

State Water Project Fund Summary

	Budgetary Basis Actual 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14	Change from 2012-13 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Non-Operating Income:						
Property Taxes	\$ 17,837,353	\$ 19,000,000	\$ 19,000,000	\$ 21,000,000	\$ 2,000,000	10.5%
Other revenues	1,239,864	1,000,000	1,000,000	1,000,000	-	0.0%
Total Non-Operating Income	19,077,217	20,000,000	20,000,000	22,000,000	2,000,000	10.0%
Total Revenue	19,077,217	20,000,000	20,000,000	22,000,000	2,000,000	10.0%
Operating Outlays:						
Operations**	18,941,509	23,380,531	23,380,531	23,274,723	(105,808)	(0.5%)
Operating Projects	-	-	-	-	-	**
Total Operating Outlays	18,941,509	23,380,531	23,380,531	23,274,723	(105,808)	(0.5%)
Other Financing Sources (Uses) :						
Transfers In	-	1,023,518	1,023,518	-	(1,023,518)	(100.0%)
Transfers Out	-	-	-	-	-	**
Total Other Sources/(Uses)	0	1,023,518	1,023,518	0	(1,023,518)	(100.0%)
Balance Available	\$ 135,708	\$ (2,357,013)	\$ (2,357,013)	\$ (1,274,723)		

	Estimated Balances				Change from 2012-13 Adopted	
	Year-End 2011-12	Adopted 2012-13	ProjectedYE 2012-13	Adopted 2013-14	\$ Diff	% Diff
Year-End Reserves:						
Restricted Reserves						
State Water Project Tax Reserve	4,346,254	-	1,989,241	714,518	714,518	**
Total Restricted Reserves	4,346,254	-	1,989,241	714,518	714,518	**
Total Year-End Reserves	\$ 4,346,254	\$ -	\$ 1,989,241	\$ 714,518	\$ 714,518	**
Uncommitted Funds			\$ 0	\$ 0		

Financial Summaries

Total Outlays by State Water Project Fund - Source of Supply

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Operations:					
91131008	State Water Project Costs	\$ 18,941,509	\$ 23,380,531	\$ 23,274,723	Water Supply Division
Total Operations:		18,941,509	23,380,531	23,274,723	
TOTAL		\$ 18,941,509	\$ 23,380,531	\$ 23,274,723	

* Allocated Project

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 \$42.4 million. Additional sources of revenue include property taxes and interest income in the amount of \$4.8 million.

Total operating and capital expenditures budgeted in the General Fund are \$53.9 million. In order to provide the funding for People Soft upgrade and Winfield capital improvements projects, staff has proposed a transfer of \$5.7 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 \$1.3 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
- 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 Office of the Chief Executive Officer has a combined FY 2013-14 operating budget for all the units directly under his supervision of \$8,959,390 of which \$7,535,495 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 \$776,309.

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Office of Ethics & Corporate Governance

The FY 2013-14 operations budget managed by the Office of Ethics & Corporate Governance is \$1,328,027.

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 Diversity and Inclusion Program, Ethics and Equal Opportunity Program, Office of CEO Support & Communications and Government Relations.

The Diversity and Inclusion Program provides services to build an inclusive organization that will strengthen the District's ability to deliver the products and services to the community and 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 the community to increase understanding of the Water District's supplies and services.

Ethics & Equal Opportunity Program provides services to create an equal opportunity workplace that is free of discrimination, harassment, and retaliation. The program ensures compliance with state and federal laws and District policies, provides reasonable accommodations to qualified individuals with disabilities, and provides guidance regarding ethical behavior in the workplace.

Office of CEO Support & Communications

Office of CEO Support

The FY 2013-14 operations budget for the Office of CEO Support (OCEOS) is \$1,459,359. 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 executes the District's Quality and Environmental

Management System (QEMS). The OCEOS also facilitates strategic planning to address District challenges and opportunities and measures performance for accountability to report progress and achievements to the Board and public.

The OCEOS is responsible for the CEO Management Audit Program. This program establishes a systematic process to conduct management audits and monitor implementation for continual improvement. The OCEOS also includes the activities necessary to maintain the Districtwide QEMS, which is certified to the ISO 9001 and ISO 14001 standards. The OCEOS leads the QEMS to meet customer requirements; provide for active, uniform, and systematic deployment of key processes; and to establish a culture of continual improvement.

OCEOS key deliverables include strategic planning, policy governance planning and updates, reporting performance to the Board and public, maintaining ISO9001/14001 certification, and conducting management audits to promote accountability, efficiencies, and transparency.

District Communications

The FY 2013-14 operations budget managed by the District Communications is \$3,068,123 of which \$1,644,228 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.

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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 2013-14 operations budget managed by the Office of Government Relations (OGR) is \$1,962,572. 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 2013-14 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 2013-14 operations budget for the Office of District Counsel is \$2,613,871. 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 \$2,651,658, 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 2013-14 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 2013-14 operations budget managed by the Office of the Clerk of the Board (COB) is \$2,009,124, of which \$1,894,623 is allocated to the General Fund. 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 Clean, Safe Creeks 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 2013-14 operations budget for the Office of the Chief Administrative Officer is \$623,847.

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 2013-14 operations budget managed by the Human Resources Division is \$4.9 million. The Human Resources Division program and business units include: Human Resources Program Administration, Workforce Development Unit, Labor Relations Unit, and Employee Recruitment and Benefits Unit.

The Human Resources Program Administration FY 2013-14 operations budget is \$753,277. 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 2013-14 operations budget managed by Workforce Development is \$1,024,418. The Workforce Development Unit coordinates the Districtwide Talent Management 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 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.

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Labor Relations Unit

The FY 2013-14 operations budget managed by the Labor Relations Unit is \$774,718 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 2013-14 operations budget managed by the Employee Recruitment and Benefits Unit is \$2,367,111. The Employee Recruitment and Benefits Unit consists of five programs, which includes Recruitment and Examination, Classification, Compensation, Benefits Administration and the Deferred Compensation Committee.

Recruitment and Examination provides oversight of the recruitment and timely selection process for regular employees and temporary staff. 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 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, employee service and retirement awards, 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 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

Key efforts and deliverables for the Human Resources Division in FY 2013-14 include:

- Provide ongoing training records management for District ISO certified units in preparation of four ISO Audits.
- Begin MOU negotiation process in the second half of the fiscal year.
- Review and 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, 2014.

Financial Summaries

- By the end of quarter four, obtain the consultants recommended manual and policies for the classification program and implement as appropriate.

PROCUREMENT AND OPERATIONAL SERVICES DIVISION

The FY 2013-14 budget managed by the Procurement and Operational Services Division is \$18.1 million of which \$9.5 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 2013-14 budget managed by the Office of the Procurement and Operational Services is \$658,581, all of which is allocated to the General Fund.

Purchasing, Contracts and Warehouse Services Unit

The FY 2013-14 budget managed by the Purchasing, Contracts and Warehouse Services Unit is \$4,068,779 of which \$2,592,655 is allocated to the General Fund.

The Purchasing team is responsible for the purchasing of all goods and services at the District with the exception of professional consulting services and public works contracts over \$25,000. The Purchasing unit administers a fair and open sourcing process for suppliers who wish to do business with the District. The unit processes approximately 5,000 transactions per year. As a public agency, the District's purchasing practices are regulated by local, state and federal laws and regulations and District policies.

The Contracts Services program is responsible for managing and supporting all aspects of consultant solicitations for the District's operations. Staff provide contract negotiation support during agreement development during the contract execution phase. Annually, the Contract Services program processes approximately 50 contracts and amendments worth nearly \$15 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 Districtwide 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.

Equipment Management Unit

The FY 2013-14 budget managed by the Equipment Management Unit is \$6,376,553 of which \$9,988 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 2013-14 budget managed by the Facilities Management Unit is \$6,971,455 of which \$6,267,346 is allocated from the General Fund. The capital budget for FY 2013-14 is \$2,080,000 which is allocated to the General Fund.

Financial Summaries

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

Key efforts and deliverables for the Procurement and Operational Services Division in FY 2013-14 include:

Purchasing, Contracts and Warehouse Services Unit

Purchasing and Contracts Services will host the annual Business Open House and continue to promote the District's business opportunities at vendor outreach events. Contracts will conduct quarterly training for District Project Managers on consultant contracts policies, procedures, and best practices. In addition, the Warehouse will continue to improve the current storage process, conduct the annual physical inventory, and begin the inventory photo project for approximately 5,000 stocked parts. Unit staff will participate in the initial planning phase of the PeopleSoft Upgrade Project, which will include the eProcurement module.

Equipment Management Unit

The Unit will continue to reduce Green House Gas (GHG) emissions and provide information to the GHG Registry for verification which requires the replacement of the 20 year-old fuel management hardware and software system, with a new industry standard system. 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 1 additional vehicle and 54 pieces of equipment will be purchased in accordance with the 12-year or 125,000 mile replacement criteria.

Facilities Management Unit

The unit provides for the repair, maintenance and operations of District buildings and grounds for the Almaden and Winfield campus. It includes staff that service all of the District's HVAC equipment and systems, provide for space allocation and planning, and management of District residential properties. The unit's small capital improvement project staff will: Replace the Maintenance Office Building generator and electrical service equipment which will service the whole south campus area including the corporation yard; Replace the roof and HVAC units on the Maintenance Office Building; Repair and seal coat campus parking areas; and perform other smaller improvement projects designed to extend the useful life of District assets. The unit's staff will also work on the planning and design components of the renovation of the Winfield Warehouse and Vegetation Management buildings. The unit will begin providing buildings and grounds services and maintenance support at the new Silicon Valley Advanced Water Purification Center.

INFORMATION MANAGEMENT SERVICES DIVISION

The FY 2013-14 budget for the Information Management Services Division (IMSD) is \$20.2 million of which \$16.6 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.

Financial Summaries

The FY 2013-14 budget for the Office of Information Management is \$5,825,416, including \$4.1 million in one-time funding for the capital PeopleSoft upgrade project. All funds are allocated to the General Fund. One important function of the Office 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 2013-14 budget for the ISS Unit is \$4,103,119, 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. 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. ISS Unit manages the software licenses and maintenance agreements of District databases and software applications.

Information Technology (IT) Unit

The FY 2013-14 budget for the IT Unit is \$6,665,370 of which \$3,058,716 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.

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.

Financial Summaries

Records & Library (RL) Unit

The FY 2013-14 budget for the Records and Library Unit is \$866,492, 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.

Business and Customer Support Services Unit

The FY 2013-14 budget for the Business and Customer Support Services Unit is \$2,739,349, 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; mail services; reprographics services which includes full-service photocopying, offset printing, binding and other 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.

Key Highlights: Information Management Services Division

Key efforts and deliverables for the Information Management Services Division in FY 2013-14 include:

- Initiate the PeopleSoft Upgrade project, including the selection and securing consultant services to perform project management and system implementation.
- Implement the Microwave Telecommunications project to connect the District to all first responder agencies in Santa Clara County for unified emergency communications; provide reliable and secure data transmission to the Pacheco Pump Station for SCADA controls; and, replace telephone lines between the District's major facilities with a high speed, secure, reliable microwave data communications system.
- Extend Geographic Information System (GIS) mapping functionality of district assets, locations and related work activities.
- Replace the board room audio visual system
- Employ information technology industry standards and best practices to enhance collaboration with stakeholders, standardize key processes and better support District operations.

FINANCIAL PLANNING AND MANAGEMENT SERVICES DIVISION

The FY 2013-14 operations budget managed by the Financial Planning and Management Services Division (FPMSD) is \$7.6 million, of which \$5.3 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 \$31.0 million.

The FY 2013-14 budget for Office of the Chief Financial Officer, FPMD Administration Project is \$412,416.

Financial Summaries

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 \$625,091 of which \$153,334 is in General Fund.

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 \$244,679.

General Accounting Unit

The operations budget managed by the General Accounting Unit is \$2,979,398. 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 \$1,830,238 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 \$1,539,975.

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 2013-14 Capital Outlay budget in the General Fund is approximately \$7.9 million. Of this amount, \$2.1 million can be attributed to the Almaden Winfield Small Capital Improvements project. The project 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.

Two new capital projects are funded in FY 2013-14 Winfield Campus Capital Improvements for \$1.6 million and People Soft Systems Upgrade and Expansion for \$4.1 million.

Approximately \$127,000 of the total \$7.9 million is for Capital Program Services administration projects.

Fiscal Status

Total General Fund property tax revenue in FY 2013-14 is projected at \$4.7 million and reflects a slight increase of \$160,000 relative to the FY 2012-13 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 \$1.3 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 and property rental income, and is projected to be roughly \$139,000 in FY 2013-14, representing a 32% increase compared to the FY 2012-13 budget.

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 \$42.4 million in FY 2013-14 through overhead reimbursement. The General Fund overhead rate for FY 2013-14 is 83%.

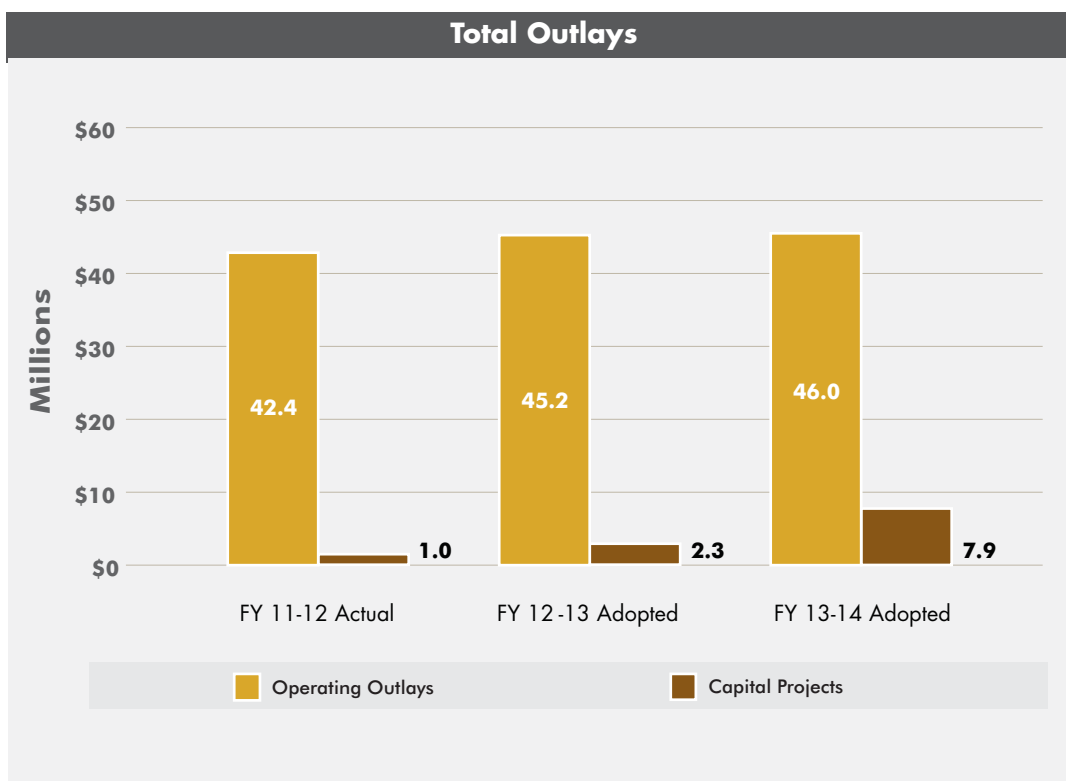
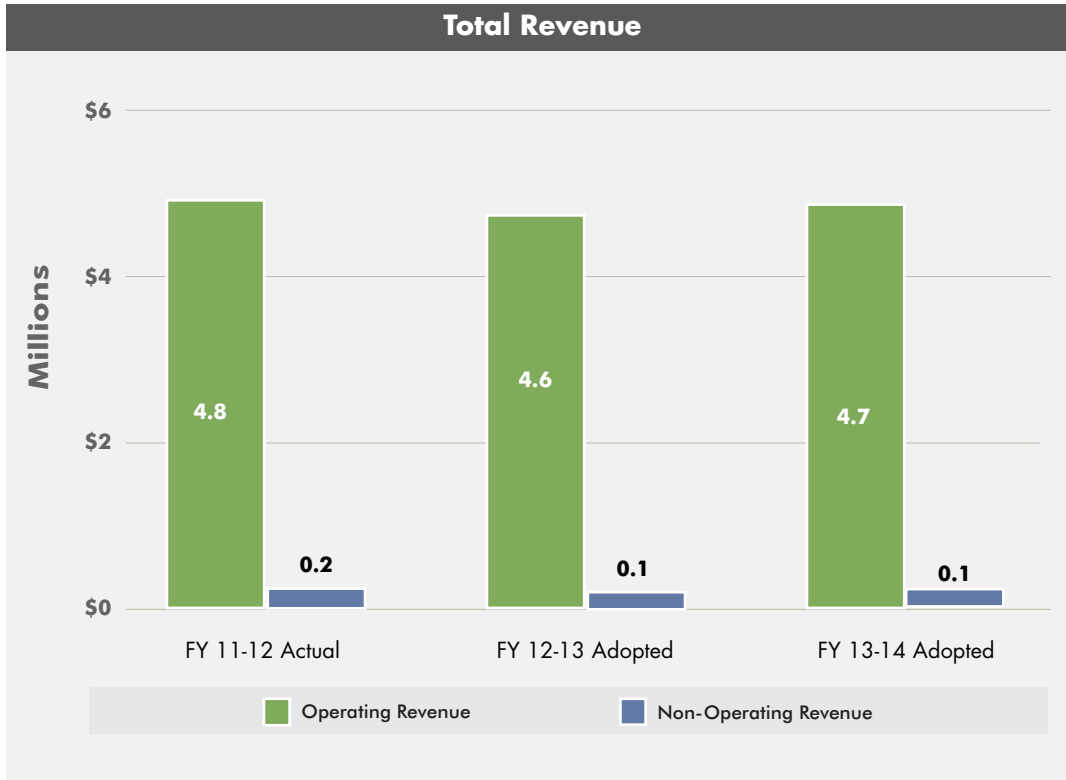
General Fund reserves are estimated at approximately \$3.2 million and are in compliance with District reserve policy.

Financial Summaries

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Financial Summaries

District General Fund



Financial Summaries

District General Fund Summary

	Budgetary Basis Actual 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14	Change from 2012-13 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Operating Revenue:						
Property Taxes	\$ 4,793,508	\$ 4,550,000	\$ 4,550,000	\$ 4,710,000	\$ 160,000	3.5%
Total Operating Revenue	4,793,508	4,550,000	4,550,000	4,710,000	160,000	3.5%
Non-Operating Income:						
Interest*	34,141	18,390	18,390	50,425	32,035	174.2%
Other	123,617	87,086	87,086	88,828	1,742	2.0%
Total Non-Operating Income	157,758	105,476	105,476	139,253	33,777	32.0%
Total Revenue	4,951,266	4,655,476	4,655,476	4,849,253	193,777	4.2%
Operating Outlays:						
Operations	41,657,061	44,468,779	43,000,000	45,381,760	912,981	2.1%
Operating Projects	-	-	-	-	-	**
Debt Service	769,505	773,319	773,319	633,145	(140,174)	(18.1%)
Total Operating Outlays	42,426,566	45,242,098	43,773,319	46,014,905	772,807	1.7%
Less Intra-District Reimbursements	(40,911,126)	(45,224,900)	(42,000,000)	(42,449,505)	2,775,395	(6.1%)
Net Outlays	1,515,440	17,198	1,773,319	3,565,400	3,548,202	**
Capital Projects	987,744	2,271,068	2,713,198	7,865,866	5,594,798	246.4%
Carry Forward Capital Projects	-	181,312	34,067	-	(181,312)	(100.0%)
Total Capital Outlays	987,744	2,452,380	2,747,265	7,865,866	5,413,486	220.7%
Other Financing Sources/(Uses):						
Transfers In	274,461	-	-	5,658,640	5,658,640	**
Transfer Out	(1,751,000)	(1,902,000)	(1,902,000)	(1,281,000)	621,000	(32.6%)
Total Other Sources (Uses)	(1,476,539)	(1,902,000)	(1,902,000)	4,377,640	6,279,640	(330.2%)
Balance Available	\$ 971,543	\$ 283,898	\$ (1,767,108)	\$ (2,204,373)		

	Estimated Balances				Change from 2012-13 Adopted	
	Year-End 2011-12	Adopted 2012-13	Projected YE 2012-13	Adopted 2013-14	\$ Diff	% Diff
Year-End Reserves:						
Committed Reserves						
Operating & Capital Reserve	7,169,008	2,690,595	5,435,967	3,231,594	540,999	20.1%
Currently Authorized Projects***	34,067	-	-	-	-	-
Total Committed Reserves	7,203,075	2,690,595	5,435,967	3,231,594	540,999	20.1%
Total Year-End Reserves	\$ 7,203,075	\$ 2,690,595	\$ 5,435,967	\$ 3,231,594	540,999	20.1%
Uncommitted Funds			\$ 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 by District General Fund

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Operations:					
60001090	Unscopd Projects-Budget Only	\$	\$ 698,333	\$ 365,000	Office of Chief Executive Officer
60021003	Environmental Mgmt Sys	212,795	210,264	201,290	Office of Emergency, Environmental, H&S Services
* 60021008	Electrical Power Support	59,671	131,861	76,930	Water Utility Technical Support Division
60061002	Contract Auditing Financial	51,629	53,800	64,628	Financial Planning & Mgmt Division
* 60061012	Facilities Env Compliance	64,859	60,157	66,309	Office of Emergency, Environmental, H&S Services
60061017	Info Mgmt Services Div Admin	1,513,988	1,320,898	987,114	Information Mgmt Services Division
60061018	Procur& Operational Div Admin	666,172	606,593	658,581	Procurement & Operational Services Division
60061019	Employee Recognition Program	232,657	30,495	31,371	Human Resources Division
60061026	IMSD - Strategic Plan and Analysis	300,039	170,700	298,282	Information Mgmt Services Division
60061032	Internal Communications	153,848	147,190	182,940	Office of Chief Executive Officer
60061050	District Financial Control	1,086,153	853,890	1,125,620	Financial Planning & Mgmt Division
60061052	Vacancy Pool Salary&Benefits		258,147		Office of Chief Administrative Officer
* 60061053	Admin Asset Mgmt Program		277,358	329,896	Water Utility Technical Support Division
* 60071041	Welding Services	39,171	9,283	9,988	Procurement & Operational Services Division
60091001	Directors Fees / Expenses	398,448	379,516	384,216	Office of Clerk of the Board
60101001	Purchasing Services	1,826,064	1,800,557	1,761,837	Procurement & Operational Services Division
60101002	Building Services	2,515,108	2,896,678	3,079,800	Procurement & Operational Services Division
60101006	Telecommunications Sys Opr/M	1,126,703	1,446,441	1,513,230	Information Mgmt Services Division
60101008	District Security Services	347,661	425,631	612,593	Office of Emergency, Environmental, H&S Services
60101010	Wireless Comm. Maint & Support	186,004			Information Mgmt Services Division
60101011	Audio/Visual Maint / Support	246,780	707,954	318,212	Information Mgmt Services Division
60101017	CADD System Tech Support	52,856	64,573	23,799	Water Utility Capital Division
60101018	Local Hazard Mitigation Program			73,943	Office of Emergency, Environmental, H&S Services
60111002	General Accounting Services	1,058,841	1,086,105	1,198,810	Financial Planning & Mgmt Division
60111003	Accounts Payable Services	629,426	628,547	755,819	Financial Planning & Mgmt Division
60111004	Payroll Services	443,615	429,584	579,651	Financial Planning & Mgmt Division
60111006	Contract Services	704,554	806,039	549,653	Procurement & Operational Services Division
60131004	Ofc of Chief Admin Officer	626,800	663,229	623,847	Office of Chief Administrative Officer
60131007	Office of Chief Executive Officer	664,272	506,749	776,309	Office of Chief Executive Officer
60131014	Office of the CEO Support	645,508	472,570	605,751	Office of Chief Executive Officer
60131015	CEO Management Audit Program	235,362	235,594	265,967	Office of Chief Executive Officer
60131016	Ethics, Government & Pub Relatn Adm			259,973	Office of Chief Executive Officer
60141001	District Counsel	2,236,245	2,576,755	2,613,871	Office of District Counsel
60151001	Software Development and Support	717,336	664,116	772,696	Information Mgmt Services Division
60161001	Software Maint & License	939,407	1,163,229	1,431,927	Information Mgmt Services Division
60161003	Internet/Intranet Maint	455,634	375,887	423,517	Information Mgmt Services Division
60171002	Water Education Program	414,324	443,833	450,672	Office of Chief Executive Officer
60181002	Network Administration	507,024	703,600	745,174	Information Mgmt Services Division

* Allocated Project

Financial Summaries

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
60191001	Data Center Operations	547,809	530,283	482,100	Information Mgmt Services Division
60201001	District HVAC Services	550,626	686,948	716,593	Procurement & Operational Services Division
60201021	District Space Allocation	320,559	315,197	390,953	Procurement & Operational Services Division
60221001	Budget Development & Analysis	454,773	407,026	414,355	Financial Planning & Mgmt Division
60221002	Debt & Treasury Management	144,294	230,465	244,679	Financial Planning & Mgmt Division
60221003	FPMD Administration	569,174	723,608	412,416	Financial Planning & Mgmt Division
60221005	Fin Forecasting & CIP Analysis	119,522	120,745	153,334	Financial Planning & Mgmt Division
60231002	Community and Media Relations	624,232	827,080	728,278	Office of Chief Executive Officer
60231003	Local & Federal Govt Relations	937,443	1,090,061	1,221,641	Office of Chief Executive Officer
60231004	State Government Relations	746,279	746,304	740,931	Office of Chief Executive Officer
60241026	Quality and Env Mgmt Sys Prog	480,560	408,838	587,641	Office of Chief Executive Officer
60271007	Payroll & Financial Sys Maint	348,286	336,482	380,490	Financial Planning & Mgmt Division
60271010	GIS Maintenance & Support	508,241	397,657	497,047	Information Mgmt Services Division
60271011	Computerized Maint Mgmt Syst	399,255	463,035	439,017	Information Mgmt Services Division
60271060	ERP System Maint & Support	576,149	484,681	538,915	Information Mgmt Services Division
60271062	Information Security Admin	160,071	195,659	208,473	Information Mgmt Services Division
60271063	Information Mgmt Program Imp		341,292	232,907	Information Mgmt Services Division
60281001	EEO Mandatory Training	48,309	97,643	99,997	Office of Chief Executive Officer
60281003	Equal Opportunity Prog	232,488	260,803	188,806	Office of Chief Executive Officer
60281004	Diversity and Inclusion Program	359,081	632,632	698,381	Office of Chief Executive Officer
60281006	Reasonable Accommodation	50,958	56,246	37,774	Office of Chief Executive Officer
60291001	Recruitment and Examination	705,092	635,817	648,659	Human Resources Division
60291002	Benefits Administration	1,041,381	1,055,270	908,796	Human Resources Division
60291003	Labor Relations	718,010	568,525	247,585	Human Resources Division
60291004	Talent Management Program	1,366,896	1,002,802	993,047	Human Resources Division
60291005	Classification Program	685,746	629,543	614,811	Human Resources Division
60291007	Deferred Compensation Committee	58,257	47,068	121,491	Human Resources Division
60291011	HR Program Admin	433,557	532,572	753,277	Human Resources Division
60291016	Ethics	38,593	37,301	43,096	Office of Chief Executive Officer
60291017	Negotiate MOUs	254,452	58,143	374,326	Human Resources Division
60291018	Compensation Program	63,870	66,769	73,354	Human Resources Division
60291032	Bargaining Unit Representation	132,180	152,960	152,807	Human Resources Division
60291033	Translation Pay Program	9,000	17,713		Human Resources Division
60291038	GF Training & Development	213,797	412,143	418,261	Office of Chief Administrative Officer
60291039	Professional and Association Memberships	98,434	115,082	295,531	Office of Chief Administrative Officer
60301001	Clerk of the Board Serv	1,155,256	1,855,832	1,196,492	Office of Clerk of the Board
60301003	Board Adv. Comm & Ad Hoc Comm	398,958	374,067	313,915	Office of Clerk of the Board
60301004	Wtrshd Stewardship Grant Prog	474,030	56,850		Watershed Stewardship Division
60311001	Records Management Services	462,988	619,793	440,246	Information Mgmt Services Division
60311002	Request for Public Records	180,213	171,071	170,909	Information Mgmt Services Division
60321001	Word Processing Services	465,037	365,462	384,878	Information Mgmt Services Division
60331001	Research / Library Services	258,450	254,538	255,337	Information Mgmt Services Division

* Allocated Project

Financial Summaries

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
60341001	Mail Services	630,255	649,363	796,169	Information Mgmt Services Division
60351001	Reprographic Services	729,942	728,877	858,518	Information Mgmt Services Division
60361001	Forms Management	209,759	266,202	279,815	Information Mgmt Services Division
60361002	Graphics Services	290,959	303,103	282,338	Office of Chief Executive Officer
60361004	Receptionists/Switchboard Sevs	380,468	261,348	408,220	Information Mgmt Services Division
60361005	EOC Switchboard Preparedness	13,708	28,395	11,749	Information Mgmt Services Division
60411002	GF Safety Training & Admin	347,576	259,280	423,024	Office of Emergency, Environmental, H&S Services
* 60811046	Warehouse Services	303,134	284,049	281,165	Procurement & Operational Services Division
Total Operations:		41,657,061	44,468,779	45,381,760	
Operating Projects:					
Total Operating Projects:		0	0	0	
Debt Service:					
60993005	2004A COP General Fund	769,505	773,319	633,145	Financial Planning & Mgmt Division
Total Debt Service:		769,505	773,319	633,145	
Capital Projects:					
* 60074030	Capital Training and Development	5,223	8,108	10,922	Water Utility Capital Division
* 60074033	CIP Development & Admin	13,690	12,657	21,648	Water Utility Capital Division
* 60074036	Survey Tech Support			4,827	Watersheds Capital Division
* 60074038	Capital Program Services Admin	43,271	52,441	71,592	Water Utility Capital Division
* 60074045	Technical Review Committee	6,091	9,763	12,000	Water Utility Capital Division
* 60074046	Capital Healty & Safety Training	3,004	2,898	6,237	Water Utility Capital Division
60204016	Almaden&Winfield-Sm Cap Improv	816,965	2,060,010	2,080,000	Procurement & Operational Services Division
60204021	Winfield Capital Improvements		125,191	1,560,000	Water Utility Capital Division
60274057	ISMP-Water Resources Info Sy	99,500			Information Mgmt Services Division
60274062	PeopleSoft Upgrade & Expansion			4,098,640	Information Mgmt Services Division
Total Capital Projects:		987,744	2,271,068	7,865,866	
TOTAL		\$ 43,414,310	\$ 47,513,166	\$ 53,880,771	

* Allocated Project

SERVICE FUNDS

Financial Summaries

Service Funds Overview

Equipment Service Fund

This fund was established for the purpose of operating, maintaining, and replacing certain District-owned operating equipment and systems. There are two major programs provided through this fund:

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)

Information Technology Equipment & Services

Office computers, computer equipment, network printers and standard District software (New, upgrades and replacement)

Servers, network and storage equipment (Upgrades and replacement to outdated equipment)

The Information Technology projects established within the Equipment Fund are to provide the equipment, service and support for all office computers, network systems and servers throughout the District. Expenses for these services and equipment are recovered through the use of Intra-District Charges

Cost Recovery

The Equipment Service 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. The budgeted Equipment Fund overhead rate is 8% for FY 2013-14.

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 Equipment Fund is reimbursed by the amount budgeted.

Continue downsizing the fleet in accordance with constrained case budget criteria, focusing on Class I vehicles that exceed the twelve year replacement criteria. Extend the useful life of this equipment when the risk is acceptable and essential District services can be maintained.

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 to the District General Fund, Water Enterprise, and Watersheds Funds via 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.

Financial Summaries

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. For the past four fiscal years the District has been heavily focused on the improvement of the District's safety program based on the results of the program assessment.

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.

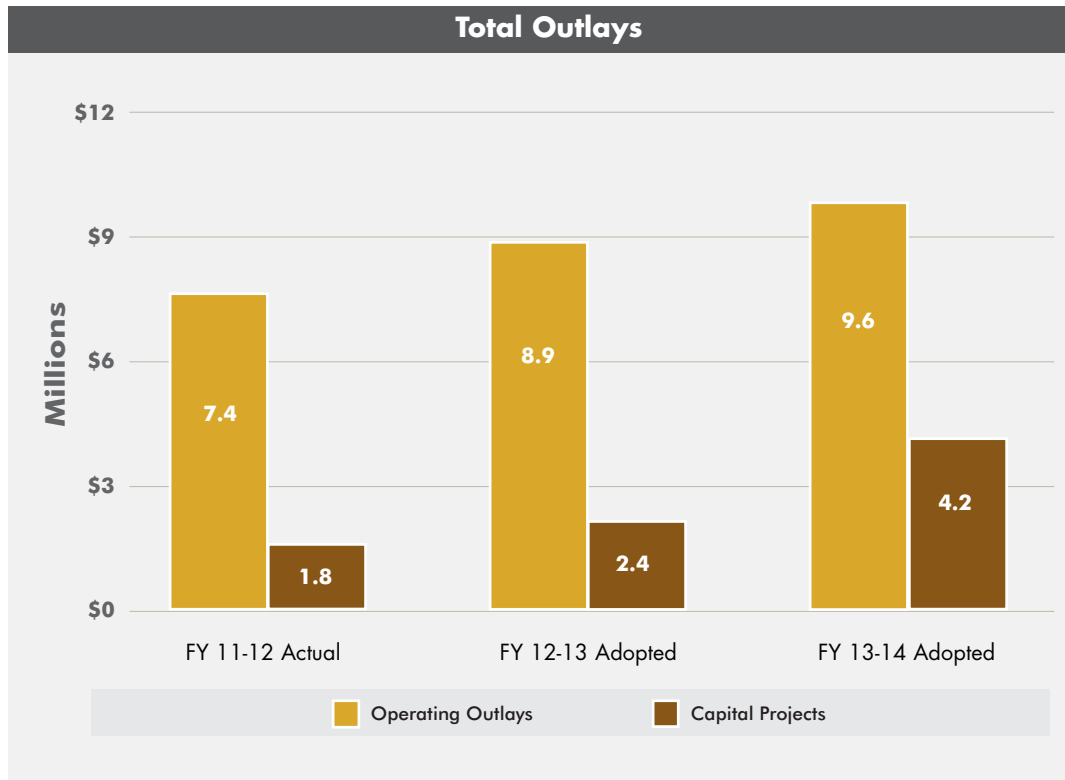
Throughout FY 2012-13, the District has applied a systematic approach to health and safety management improvement designed to ensure compliance with the applicable laws and regulations and to achieve continuous performance improvement in terms of loss prevention.

These efforts will continue in FY 2013-14 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 5%.

Financial Summaries

Service Funds Combined



Financial Summaries

Service Funds Combined Fund Summary

	Budgetary Basis Actual 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14	Change from 2012-13 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Non-Operating Income:						
Interest*	\$ 142,835	\$ 103,082	\$ 103,082	\$ 77,636	\$ (25,446)	(24.7%)
Other	115,228	80,000	80,000	80,000	-	0.0%
Total Revenue	258,063	183,082	183,082	157,636	(25,446)	(13.9%)
Operating Outlays:						
Operations**	7,443,852	8,903,526	8,932,802	9,374,322	470,796	5.3%
Operating project				272,000	272,000	**
Total Operating Outlays	7,443,852	8,903,526	8,932,802	9,646,322	742,796	8.3%
Less Intra-District Reimbursements	(10,730,258)	(9,493,611)	(9,493,611)	(12,539,463)	(3,045,852)	32.1%
Net Outlays	(3,286,406)	(590,085)	(560,809)	(2,893,141)	(2,303,056)	390.3%
Capital Projects	1,758,403	2,408,043	2,408,043	4,233,158	1,825,115	75.8%
Balance Available	\$ 1,786,066	\$ (1,634,876)	\$ (1,664,152)	\$ (1,182,381)		

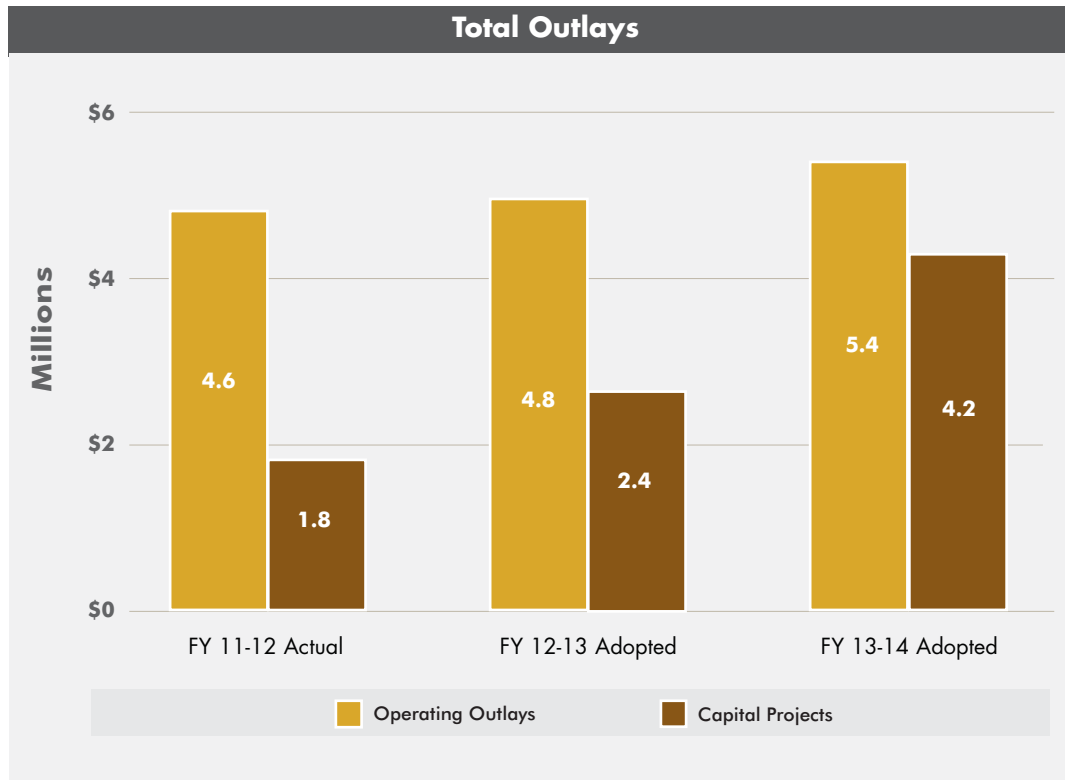
	Estimated Balances				Change from 2012-13 Adopted	
	Year-End 2011-12	Adopted 2012-13	Projected YE 2012-13	Adopted 2013-14	\$ Diff	% Diff
	Year-End Reserves:					
Committed Reserves						
Operating & Capital Reserve	\$ 2,373,062	\$ 807,107	\$ 1,450,505	\$ 574,231	(232,876)	(28.9%)
Liability/Workers' Comp Self Insurance	6,130,297	6,130,297	6,679,000	7,011,000	880,703	14.4%
Property Self Insurance/Catastrophic	7,119,750	5,298,953	5,829,452	5,191,345	(107,608)	(2.0%)
Total Committed Reserves	15,623,109	12,236,357	13,958,957	12,776,576	540,219	4.4%
Total Year-End Reserves	\$ 15,623,109	\$ 12,236,357	\$ 13,958,957	\$ 12,776,576	\$ 540,219	4.4%
Uncommitted Funds			\$ 0	\$ 0		

* Interest revenue does not include GASB31 market valuation adjustment

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

Financial Summaries

Equipment Service Fund



Financial Summaries

Equipment Service Fund Summary

	Budgetary Basis Actual 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14	Change from 2012-13 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Non-Operating Income:						
Interest*	\$ 28,725	\$ 21,674	\$ 21,674	\$ 16,224	\$ (5,450)	(25.1%)
Other	83,662	80,000	80,000	80,000	-	0.0%
Total Revenue	112,387	101,674	101,674	96,224	(5,450)	(5.4%)
Operating Outlays:						
Operations**	4,610,370	4,771,457	4,800,733	5,151,583	380,126	8.0%
Operating Projects	-	-	-	272,000	272,000	**
Total Operating Outlays	4,610,370	4,771,457	4,800,733	5,423,583	652,126	13.7%
Less Intra-District Reimbursements	(7,514,110)	(6,184,545)	(6,184,545)	(8,684,243)	(2,499,698)	40.4%
Net Outlays	(2,903,740)	(1,413,088)	(1,383,812)	(3,260,660)	(1,847,572)	130.7%
Capital Projects	1,758,403	2,408,043	2,408,043	4,233,158	1,825,115	75.8%
Carried Forward Capital Projects	-	-	-	-	-	-
Total Capital Outlays	1,758,403	2,408,043	2,408,043	4,233,158	1,825,115	75.8%
Other Financing Sources/(Uses):						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Sources/(Uses)	0	0	0	0	-	-
Balance Available	\$ 1,257,724	\$ (893,281)	\$ (922,557)	\$ (876,274)		

	Estimated Balances				Change from 2012-13 Adopted	
	Year-End 2011-12	Adopted 2012-13	Projected YE 2012-13	Adopted 2013-14	\$ Diff	% Diff
Year-End Reserves:						
Committed Reserves						
Operating & Capital Reserve	2,373,062	807,107	1,450,505	574,231	(232,876)	(28.9%)
Total Year-End Reserves	\$ 2,373,062	\$ 807,107	\$ 1,450,505	\$ 574,231	(232,876)	(28.9%)
Uncommitted Funds			\$ 0	\$ 0		

* Interest revenue does not include GASB31 market valuation adjustment

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

Financial Summaries

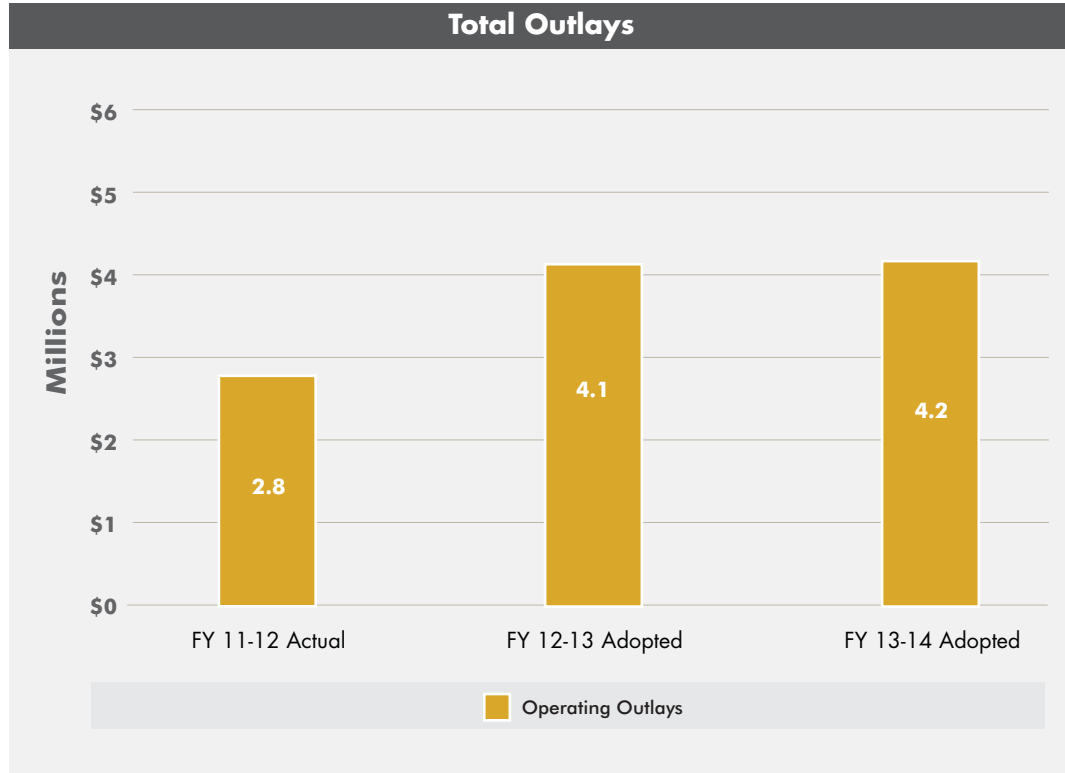
Total Outlays by Equipment Service Fund

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Operations:					
70011099	Class I Equip Oper / Maint	\$ 776,678	\$ 730,062	\$ 731,425	Procurement & Operational Services Division
70021099	Class II Equip Oper / Maint	553,307	539,783	597,369	Procurement & Operational Services Division
70031099	Class III Equip Oper / Maint	277,985	234,201	258,541	Procurement & Operational Services Division
70041099	Class IV Equip Oper / Maint	745,362	737,929	841,926	Procurement & Operational Services Division
70061003	Vehicle & Equipment Admin&Mgmt	674,833	826,939	889,630	Procurement & Operational Services Division
* 70061053	Admin Asset Mgmt Program		92,446	109,964	Water Utility Technical Support Division
* 70071041	Welding Services	88,134	78,896	209,745	Procurement & Operational Services Division
* 70811046	Warehouse Services	30,312	16,709	17,571	Procurement & Operational Services Division
75011001	Office Computer Maint& Helpdesk Support	1,463,759	1,514,492	1,495,412	Information Mgmt Services Division
Total Operations:		4,610,370	4,771,457	5,151,583	
Operating Projects:					
70062002	Replace Fuel Management System			272,000	Procurement & Operational Services Division
Total Operating Projects:		0	0	272,000	
Capital Projects:					
70004001	New Vehicle Equip Acquisitio	147,494	131,389	236,776	Procurement & Operational Services Division
70004002	Replacement Vehicle & Equip	965,214	1,344,634	2,049,499	Procurement & Operational Services Division
75004001	Office Computers New Equipme	15,061	4,299	16,583	Information Mgmt Services Division
75004002	Office Computers Replace Equ	298,789	592,949	1,371,554	Information Mgmt Services Division
75004004	Network Equipment	331,845	334,772	558,746	Information Mgmt Services Division
Total Capital Projects:		1,758,403	2,408,043	4,233,158	
TOTAL		\$ 6,368,773	\$ 7,179,500	\$ 9,656,741	

* Allocated Project

Financial Summaries

Risk Insurance Service Fund



Financial Summaries

Risk Insurance Service Fund Summary

	Budgetary Basis Actual 2011-12	Adopted Budget 2012-13	Projected Year End 2012-13	Adopted Budget 2013-14	Change from 2012-13 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Interest*	\$ 114,110	\$ 81,408	\$ 81,408	\$ 61,412	\$ (19,996)	(24.6%)
Other	31,566	-	-	-	-	-
Total Non-Operating Income	145,676	81,408	81,408	61,412	(19,996)	(24.6%)
Total Revenue	145,676	81,408	81,408	61,412	(19,996)	(24.6%)
Operating Outlays:						
Operations**	2,833,482	4,132,069	4,132,069	4,222,739	90,670	2.2%
Total Operating Outlays	2,833,482	4,132,069	4,132,069	4,222,739	90,670	2.2%
Less Intra-District Reimbursements	(3,216,148)	(3,309,066)	(3,309,066)	(3,855,220)	(546,154)	16.5%
Net Outlays	(382,666)	823,003	823,003	367,519	(455,484)	(55.3%)
Balance Available	\$ 528,342	\$ (741,595)	\$ (741,595)	\$ (306,107)		

	Estimated Balances				Change from 2012-13 Adopted	
	Year-End 2011-12	Adopted 2012-13	Projected YE 2012-13	Adopted 2013-14	\$ Diff	% Diff
	Year-End Reserves:					
Committed Reserves						
Liability/Workers' Compensation	6,130,297	6,130,297	6,679,000	7,011,000	880,703	14.4%
Property Self Insure/Catastrophic	7,119,750	5,298,953	5,829,452	5,191,345	(107,608)	(2.0%)
Total Year-End Reserves	\$ 13,250,047	\$ 11,429,250	\$ 12,508,452	\$ 12,202,345	\$ 773,095	6.8%
Uncommitted Funds			\$ 0	\$ 0		

* 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

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Operations:					
65051001	Liability Property Program	\$ 445,676	\$ 1,389,353	\$ 1,425,043	Office of District Counsel
65051002	Workers Compensation Program	558,455	792,882	792,408	Office of District Counsel
65051003	Safety Program Admin	864,537	890,732	939,479	Office of Emergency, Environmental, H&S Services
65051004	Risk Management Program Admi	374,521	399,952	434,207	Office of District Counsel
65051005	Safety Committee	110,593	126,456	85,937	Office of Emergency, Environmental, H&S Services
65051009	District Ergonomics Program	166,270	182,338	183,822	Office of Emergency, Environmental, H&S Services
65051011	Industrial Hygiene Program	313,430	350,356	361,843	Office of Emergency, Environmental, H&S Services
Total Operations:		2,833,482	4,132,069	4,222,739	
TOTAL		\$ 2,833,482	\$ 4,132,069	\$ 4,222,739	

* Allocated Project

Financial Summaries

Total Outlays by Allocated Fund

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
Operations:					
00021008	Electrical Power Support	\$ 198,901	\$ 439,539	\$ 256,429	Water Utility Technical Support Division
00031001	Watershed Revenue	357,847	332,904	300,730	Financial Planning & Mgmt Division
00031002	Grants Management	458,198	437,013	436,171	Financial Planning & Mgmt Division
00041022	Stream Maint Prog Mgmt	715,934	1,078,129	1,071,368	Watershed Stewardship Division
* 00041025	SMP Biodiversity Monitoring	274,306	98,103		Watershed Stewardship Division
00041039	Integrated Regional Water Mgmt	166,299	211,761	233,651	Water Utility Technical Support Division
* 00041042	Llagas Fire Mgmt	228,621	228,092		Office of Emergency, Environmental, H&S Services
00041046	Survey Record Mgmt		67,028	122,195	Watersheds Capital Division
00041047	Ecological Data Collection and Analysis			824,727	Watershed Stewardship Division
00061012	Facilities Env Compliance	540,493	501,299	552,584	Office of Emergency, Environmental, H&S Services
00061045	AM Framework Implementation	297,700	719,957	690,381	Water Utility Technical Support Division
00061046	District CMMS Administration	481,178	719,914	738,237	Water Utility Technical Support Division
00061053	Admin Asset Mgmt Program		369,804	439,860	Water Utility Technical Support Division
00061054	Safe Clean Water Implementation			1,042,877	Office of COO-Watershed
00071041	Welding Services	489,629	464,091	499,387	Procurement & Operational Services Division
00741042	Water Resources EnvPlng & Permtg			647,385	Water Utility Technical Support Division
00761071	Emergency Preparedness Prog	1,755,201	2,033,688	1,265,389	Office of Emergency, Environmental, H&S Services
00761072	Business Continuity Program		505,138	256,794	Office of Emergency, Environmental, H&S Services
00761075	Mgmt of Revegetation Projects			1,131,052	Watershed Stewardship Division
00761078	Vegetation Management for Access			2,385,711	Watershed Stewardship Division
00771011	InterAgency Urban Runoff Program	315,625	348,522	2,123,349	Watershed Stewardship Division
00771022	LP/WV/Guad Wtrshd Gd Neighbor	1,001,428	830,474	664,570	West & Guad Watersheds Division
00771024	Coy/Pajaro Wtrshd Gd Neighbor	427,635	621,027	691,309	Coyote & Pajaro Watersheds Division
* 00771025	Pajaro Wtrshd Good Neighbor	286,665			Coyote & Pajaro Watersheds Division
* 00771026	Illegal Encampment Cleanup Prg	208,693	351,849		West & Guad Watersheds Division
00771031	HAZMAT Emergency Response	205,104	207,654	223,600	Office of Emergency, Environmental, H&S Services
00771052	LP/WV/Guad Sediment Removal	1,629,630	2,548,521	2,655,165	West & Guad Watersheds Division
00771054	Coy/Pajaro Wtrshd Sediment Rmvl	1,390,379	1,421,759	1,849,767	Coyote & Pajaro Watersheds Division
* 00771055	Pajaro Wtrshd Sediment Removal	146,380			Coyote & Pajaro Watersheds Division
00811043	Hydrologic Data Msrmt & Mgmt	1,978,714	1,831,017	1,632,588	Coyote & Pajaro Watersheds Division
00811046	Warehouse Services	1,515,658	1,670,886	1,757,289	Procurement & Operational Services Division
00811049	X Valley Subsidence Survey	441,282	440,327	249,428	Watersheds Capital Division
00811050	Benchmark Maintenance (Countywide)			180,375	Watersheds Capital Division
00811054	District Real Property Administration	452,118	423,094	374,511	Watersheds Capital Division
Total Operations:		15,963,618	18,901,590	25,296,879	
Operating Projects:					

* Allocated Project

Financial Summaries

Job #	Job Description	Budgetary Basis Actual 2011-2012	Adopted Budget 2012-2013	Adopted Budget 2013-2014	Job Managed By
00022007	SMP Program Permit Renewal	683,724	130,732	186,096	Watershed Stewardship Division
* 00042037	Safe, Clean Water	2,218,606	1,448,605		Office of Chief Executive Officer
* 00742041	SCV Habitat Conservation Plan	1,086,728	404,550		Water Utility Technical Support Division
Total Operating Projects:		3,989,058	1,983,887	186,096	
Capital Projects:					
00044026	San Francisco Bay Shoreline	805,360		337,000	Watersheds Capital Division
* 00044030	SMP Mit Laguna Seca Freshwater	36,933			Watersheds Capital Division
00074030	Capital Training and Development	261,128	405,400	363,907	Water Utility Capital Division
00074033	CIP Development & Admin	684,586	632,882	721,581	Water Utility Capital Division
00074036	Survey Tech Support			241,284	Watersheds Capital Division
00074038	Capital Program Services Admin	4,327,188	5,244,948	3,579,526	Water Utility Capital Division
00074045	Technical Review Committee	304,711	488,049	399,890	Water Utility Capital Division
00074046	Capital Health & Safety Training	150,444	144,904	208,048	Water Utility Capital Division
Total Capital Projects:		6,570,350	6,916,183	5,851,236	
TOTAL		\$ 26,523,026	\$ 27,801,660	\$ 31,334,211	

* Allocated Project

Financial Summaries

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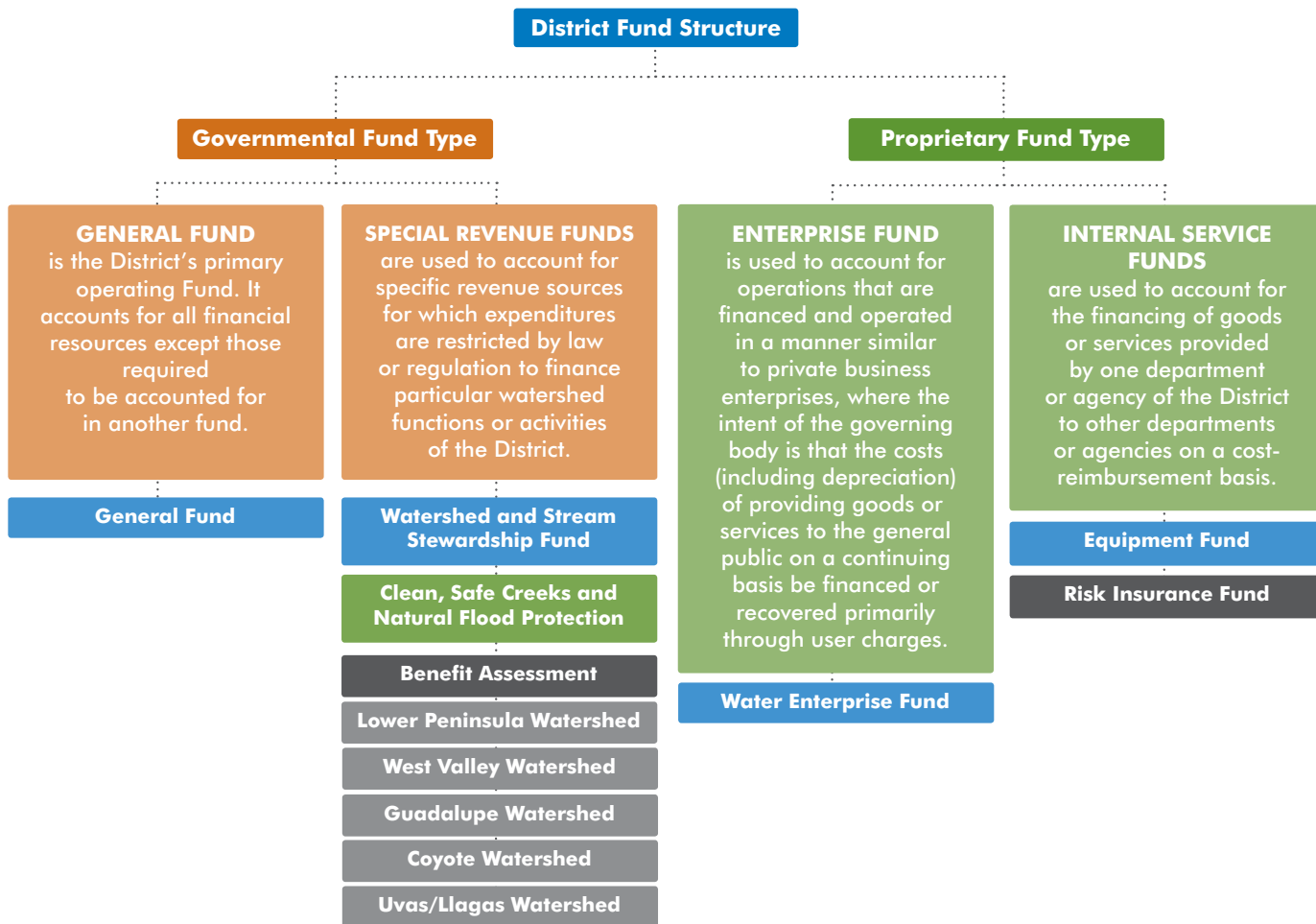
FINANCIAL OVERVIEW

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 Overview

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 Clean, Safe Creeks and Natural Flood Protection Report.

The FY 2010-11 budget includes projected revenues of approximately \$302.2 million. These revenues are a net increase of 2.9% from the \$293.8 million included in the FY 2009-10 adopted budget. They are primarily derived from decreases in property taxes, inter-governmental services, treated water charges, interest earnings and others which are offset by increases in capital reimbursements, ground water production charges, and surface/recycled water sales.

The specific categories of revenue include:

Water Revenue

The main source of District revenue is from water charges at approximately 44% of total revenues in FY 2010-11. Charges for water that is processed through District treatment plants (treated water) continue to be the largest contributor with an estimate of \$68.0 million. Groundwater production charges are estimated at \$62.9 million, while untreated/recycled water sales are projected at approximately \$2.4 million. Staff is recommending a 0% increase in water charges for Zone W-2 and a 0% increase for Zone W-5 in the FY 2010-11 budget.

Property Tax

Santa Clara County allocates property tax revenue to the District from ad valorem taxes levied on land within the County. The amount from ad valorem taxes is estimated at \$56.1 million. The District is projecting a 0.2% increase in this revenue line over the FY 2009-10 budget under the assumption that property prices in residential and commercial real estate are stabilizing.

The District also directly levies taxes to meet debt service obligations in the Water Enterprise Fund. The amount of taxes collected related to debt service obligations is estimated at \$18.5 million, a decrease of \$1.0 million from FY 2009-10. This revenue line is calculated based on principal and interest payments related to WU debt service and is not impacted by real estate market fluctuations.

In total property taxes are 25% of total revenues District-wide. The FY 2010-11 amount estimated at \$74.6 million represents a slight decrease of 1.2% from FY 2009-10.

Special Parcel Tax

The Clean, Safe Creeks and Natural Flood Protection Program Special Parcel Tax was approved by the voters in November of 2000. Budgeted revenues for FY 2010-11 are \$33.8 million, representing 11% of total revenues, an increase of 3% from FY 2009-10.

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 2010-11 budget amount is approximately 1.25 times the duly authorized annual debt service requirements for each watershed. Benefit assessment revenue represents \$19.1 million or 6.3% of total revenue in FY 2010-11.

Financial Summaries

Financial Overview

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 \$1.2 million for FY 2010-11.

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 \$26.4 million for FY 2010-11 or 8.7% of total revenues.

Interest

Interest earnings are expected at \$8.9 million in FY 2010-11. This revenue category constitutes less than 3% of total revenues.

Other Revenue

Revenue from other sources, like sale of equipment, vehicles, computers, rental income, and surplus, totals \$4.9 million or 1.6% of total revenues. This constitutes an decrease of \$.5 million from the FY 2009-10 adopted budget.

Appropriations/Outlays

Total operating and capital outlays for the FY 2010-11 budget amount is \$365.5 million. Excluding Intra-District reimbursements for General Fund overhead and internal service fund charges of \$50.5 million, the total net outlays are \$315.0 million.

The \$5.6 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 2010-11 net outlays have increased by approximately \$1 million or 0.5% compared to the FY 2009-10 adopted budget.

The increase in net outlays reflects continued efforts to contain cost increases while supporting key strategic objectives in an economic environment of flat or declining revenues. Among the issues facing the District are:

- Local, state and national economic impacts (Property Valuation decline, credit markets and unemployment)
- No Groundwater Production Charges increases for FY 2010-11
- Scarcity of water supplies (drought and Delta environmental issues)
- Infrastructure maintenance and construction needs
- Funding for capital projects
- Funding for future watershed and stream stewardship work (Clean, Safe Creeks)
- Ongoing climate changes planning
- Succession planning
- Rising health care costs

Growth within the appropriation category is limited to essential services that support District-wide strategic objectives and effective use of reserves for one time costs or priority activities. General Fund overhead has decreased from 74.8% to 73.0% for FY 2010-11.

The General Fund overhead rate is applied to all operations and capital improvement projects to reimburse the General Fund for administrative costs. These administrative costs include functions such as: accounting, payroll, human resources, information management and organizational development.

Capital project appropriations increased from \$94.1 million in the FY 2009-10 adopted budget to \$102.9 million in the FY 2010-11 budget. The FY 2010-11 capital budget represents those projects that have been identified and prioritized in the Five-Year

Financial Overview

Capital Improvement Program (CIP). It is anticipated that \$78.1 million of the FY 2009-10 adjusted budget for capital projects will carry forward into FY 2010-11 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 in the adopted budget. For FY 2010-11, Certificates of Participation (COPs) is planned for approximately \$33.5 million to finance Watershed Stream Stewardship and Water Utility capital improvements.

Additionally, interfund transfers and advances (loans) that are intended to fund specific projects or provide financial resources to support overall program operations are also accounted for in this category.

Reserves

With the exception of restricted reserves for encumbrances, market valuation adjustments, and debt proceeds, all other restricted and unrestricted reserves are appropriated in the District's FY 2010-11 budget. Overall, budgeted reserves are expected to decrease by \$22 million to \$222.1 million. Within the reserve category there are a couple of salient changes. A \$1.8 million net decrease in total Restricted Reserves as a result of a \$1.7 reduction in the Water Enterprise fund Debt Service Reserve and a net decrease of \$11.9 million in the total Designated reserves due to a \$10.5 million decrease in the Currently Authorized Projects reserve. This reserve represents unspent budget for previously authorized capital projects and a \$8.3 million decrease in the total Designated Liability due to the one-time reinstatement of the compensated Absences reserves for Water Utility and Internal Service funds.

The new reserve policy was approved by the Board of Directors in March 2008. Detail language about the revised reserve can be found in the Financial Summaries Chapter in the District Reserve Policy section.

Staffing

The FY 2010-11 adopted budget contains labor hours for 771 authorized positions. Twenty five positions approved in the FY 2009-10 adopted budget were deleted. Additionally, the budget includes a salary and benefit savings factor of 1%. This factor reflects vacancies and turnover of positions throughout the fiscal year. For FY 2010-11 the salary savings factor is approximately \$1.2 million and it is budgeted in proportion to the distribution of labor pool by fund. Additionally, functionally units or departments have decreased from 85 to 74 from prior year. This reflects a district-wide reorganization and efficiencies that will be achieved as a result of streamlining and consolidating functions.

Total salaries are budgeted at approximately \$88.9 million (\$86.6 million in regular salaries and the remainder \$2.3 million in overtime and special pay), which is about \$2.9 million over FY 2009-10. The increase is a result of several factors: a) regular step increases caused base salaries to increase by approximately 0.4%, b) a 1.8% Cost of Living Adjustment was applied as dictated by MOU requirements, and c) an extra biweekly pay period that occurs cyclically every 10-11 years is included in FY 2010-11.

Total benefits are budgeted at approximately \$28.7 million, which is about \$0.9 million over FY 2009-10. The increase is mostly due to an OPEB contribution that is nearly \$1.8 million greater than last year as well as significant increases in health benefit rates. Also contributing to the benefit cost increase is higher State PERS contribution rates due to PERS losses in FY 2009.

Financial Summaries

Financial Overview

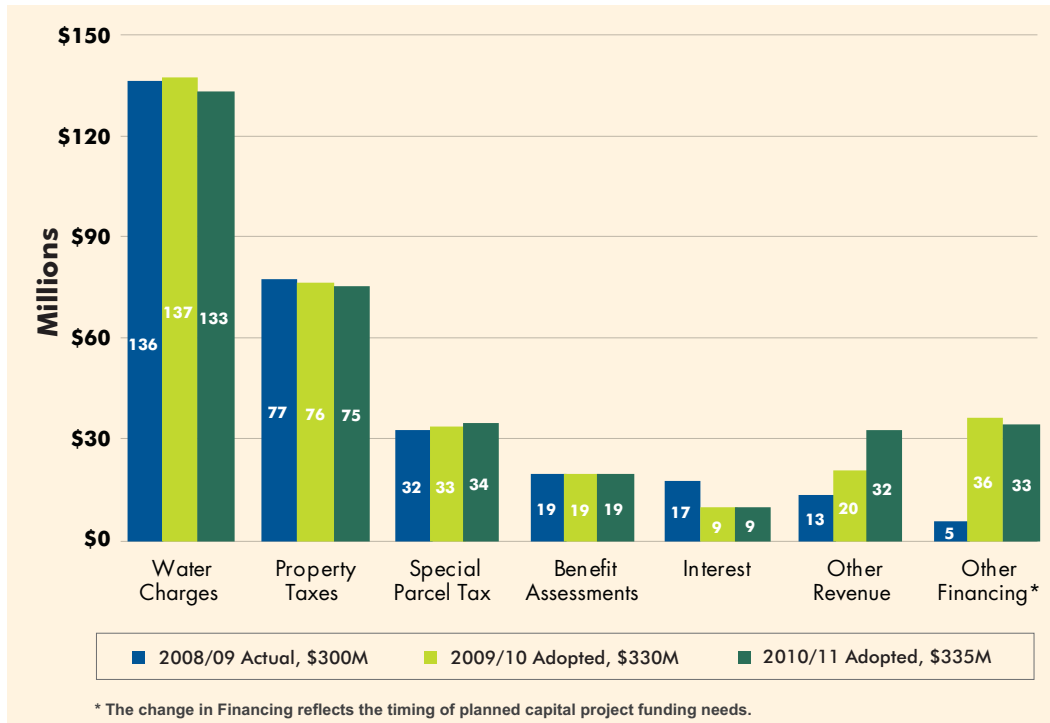
Increases in salaries and benefits budgets, which could have been much higher, were partially offset by the reduction of 25 budgeted positions which saved the District approximately \$3.5 million. In addition, a salary savings budget of approximately \$1.2 million also reduced the overall budget. As a result, total salaries and benefits increased by only \$5.6 million over FY 2010-11.

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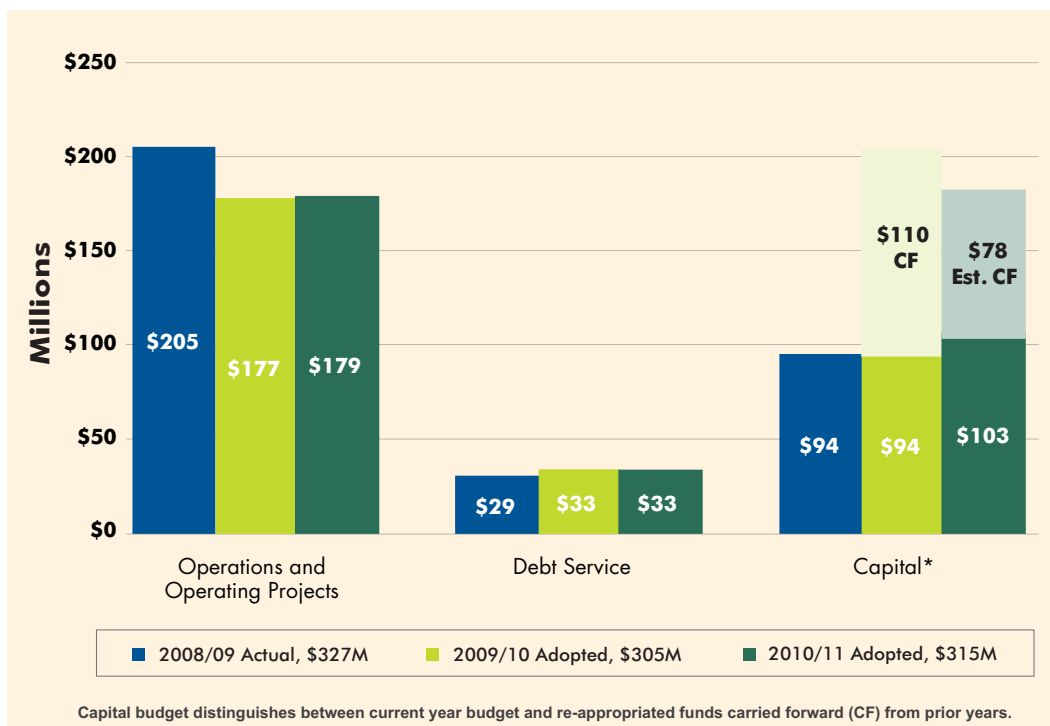
Financial Summaries

Combined Fund Summary Graphs

Revenue and Financing by Fiscal Year and Type

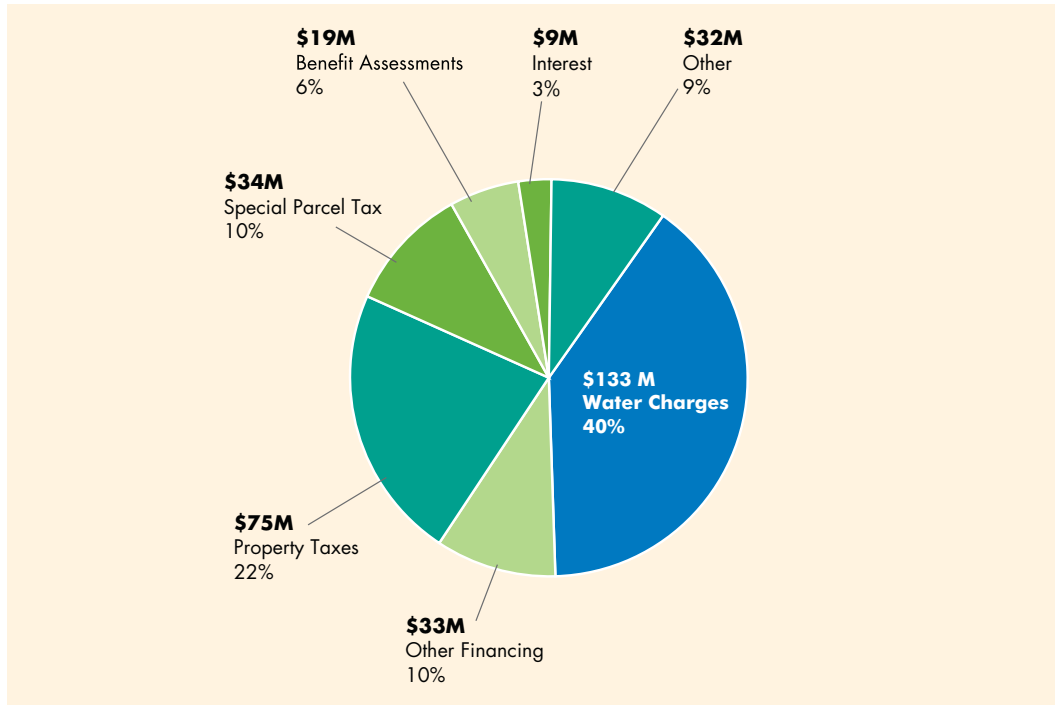


Net Outlays by Fiscal Year & Category

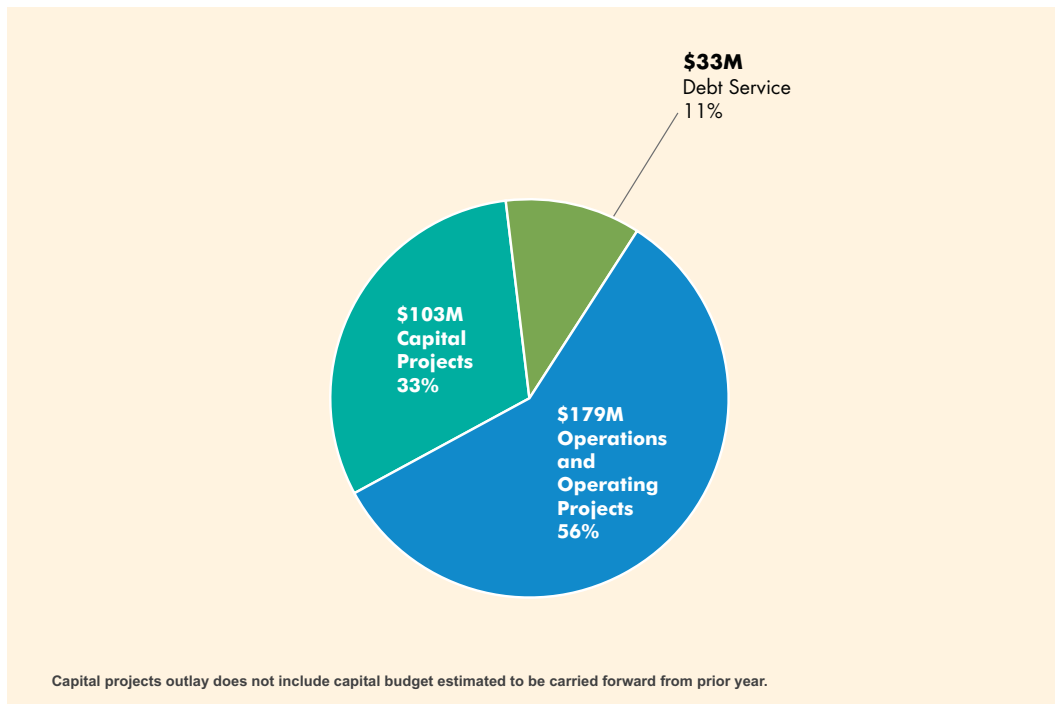


Combined Fund Summary Graphs

FY 2010-11 Revenue and Financing, \$335M



FY 2010-11 Net Outlays by Category, \$315M



Financial Summaries

Combined Fund Summary — All Funds

	Budgetary Basis Actual 2008-09	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	Change from 2009-10 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Property Taxes	\$ 77,032,505	\$ 75,516,177	\$ 72,598,963	\$ 74,610,845	\$ (905,332)	(1.2%)
Special Parcel Tax	31,763,576	32,818,565	32,818,565	33,803,121	984,556	3.0%
Benefit Assessments	19,256,277	19,234,243	19,234,242	19,088,210	(146,033)	(0.8%)
Inter-governmental services	4,267,189	1,516,175	1,516,175	1,169,482	(346,693)	(22.9%)
Groundwater Production Charges	61,103,599	61,442,000	64,025,000	62,930,000	1,488,000	2.4%
Treated Water Charges	74,011,638	73,767,000	64,721,000	67,980,000	(5,787,000)	(7.8%)
Surface/Recycled Water Revenue	1,240,185	2,288,000	2,288,000	2,374,000	86,000	3.8%
Interest*	16,738,419	8,866,000	8,616,000	8,850,000	(16,000)	(0.2%)
Capital Reimbursements	1,311,551	12,926,000	5,922,000	26,412,000	13,486,000	104.3%
Other	7,715,320	5,417,426	5,417,426	4,971,145	(446,281)	(8.2%)
Total Revenue	294,440,259	293,791,586	277,157,371	302,188,803	8,397,217	2.9%
Operating Outlays:						
Operations	237,621,916	212,476,744	215,472,238	216,436,793	3,960,049	1.9%
Operating Projects	13,227,135	14,920,767	12,967,641	14,434,199	(486,568)	(3.3%)
Salary Savings	-	(1,175,054)	-	(1,207,938)	(32,884)	2.8%
Debt Service	29,095,270	33,033,369	33,033,924	32,923,040	(110,329)	(0.3%)
Total Operating Outlays	279,944,321	259,255,826	261,473,803	262,586,094	3,330,268	1.3%
Less: Intra-District Reimb	(45,874,248)	(48,077,095)	(46,871,637)	(50,451,813)	(2,374,718)	4.9%
Net Outlays	234,070,073	211,178,731	214,602,166	212,134,281	955,550	0.5%
Capital Projects	93,957,083	94,142,640	218,585,108	102,934,915	8,792,275	9.3%
Carried Forward Capital Projects	-	109,569,000	-	78,104,000	(31,465,000)	(28.7%)
Total Capital Outlays	93,957,083	203,711,640	218,585,108	181,038,915	(22,672,725)	(11.1%)
Other Financing Sources/(Uses) :						
Certificates of Participation	5,437,850	36,075,000	42,300,427	33,517,331	(2,557,669)	(7.1%)
Transfers In	17,936,705	4,492,612	4,599,666	4,598,450	105,838	2.4%
Transfers Out	(17,936,705)	(4,492,612)	(4,599,666)	(4,598,450)	(105,838)	2.4%
Total Other Financing	5,437,850	36,075,000	42,300,427	33,517,331	(2,557,669)	(7.1%)
Balance Available	\$ (28,149,047)	\$ (85,023,785)	\$ (113,729,476)	\$ (57,467,062)		

Financial Summaries

Combined Fund Summary — All Funds

	Estimated Balances				Change from	
	Year-End	Adopted	Projected YE	Adopted	2009-10 Adopted	
	2008-09	2009-10	2009-10	2010-11	\$ Diff	% Diff
Year-End Reserves:						
Restricted Reserves						
WUE-Restricted Operating Reserve	12,343,596	12,139,832	12,139,832	11,966,310	(173,522)	(1.4%)
WUE-Rate Stabilization	1,341,174	1,647,229	1,647,229	1,647,074	(155)	(0.0%)
San Felipe Emergency Reserve	3,772,306	3,636,703	3,772,306	3,772,306	135,603	3.7%
State Revolving Debt Service Reserve	401,263	401,263	401,263	401,263	-	0.0%
WU Debt Service Reserve	4,966,015	6,691,000	4,966,015	4,966,015	(1,724,985)	(25.8%)
Total Restricted Reserves	22,824,354	24,516,027	22,926,645	22,752,968	(1,763,058)	(7.2%)
Designated Reserves						
Operating & Capital Reserve	134,022,553	135,482,055	110,109,971	128,128,652	(7,353,403)	(5.4%)
Supplemental Water Supply	6,319,093	8,839,557	8,839,557	7,723,387	(1,116,170)	(12.6%)
Newly Improved Creeks - Maintenance	3,379,088	3,860,460	3,860,460	4,356,274	495,814	12.8%
Other CSC Operating Activities	3,902,975	1,352,046	4,549,924	4,221,986	2,869,940	212.3%
Environmental Enhancement Program	9,789,185	12,219,125	12,239,352	14,623,775	2,404,650	19.7%
Open Space & Trails Program	4,143,238	5,196,521	5,227,226	6,340,648	1,144,127	22.0%
Currently Authorized Projects***	195,365,321	31,541,000	99,156,000	21,052,000	(10,489,000)	(33.3%)
Floating Rate Debt Stabilization	496,324	302,680	496,324	496,324	193,644	64.0%
Total Designated Reserves	357,417,777	198,793,444	244,478,814	186,943,047	(11,850,397)	(6.0%)
Designated Liability & Other						
Liability/Workers' Comp Self Insurance	7,781,000	7,418,000	7,781,000	7,781,000	363,000	4.9%
Property Self Insurance/Catastrophic	5,280,850	5,602,396	4,388,046	4,630,428	(971,968)	(17.3%)
Compensated Absences	0	7,720,000	0	0	(7,720,000)	(100.0%)
Total Designated Liability & Other	13,061,850	20,740,396	12,169,046	12,411,428	(8,328,968)	(40.2%)
Total Year-End Reserves	\$ 393,303,981	\$ 244,049,867	\$ 279,574,505	\$ 222,107,443	\$ (21,942,424)	(9.0%)
Uncommitted Funds			\$ 0	\$ 0		

* 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 Budget Category

Governmental Funds								
General Fund				Special Revenue Funds (Watersheds)				
Budgetary Basis Actual 2008-09	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	Budgetary Basis Actual 2008-09	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	
REVENUE SUMMARY								
1 Property Taxes	\$ 5,000,371	\$ 4,655,047	\$ 4,415,752	\$ 4,666,636	\$ 50,659,892	\$ 47,212,491	\$ 44,730,400	\$ 47,268,745
2 Special Parcel Tax	-	-	-	-	31,763,576	32,818,565	32,818,565	33,803,121
3 Benefit Assessments	-	-	-	-	19,256,277	19,234,243	19,234,242	19,088,210
4 Intergovernmental Services	-	-	-	-	343,783	-	-	-
5 Groundwater Charges	-	-	-	-	-	-	-	-
6 Treated Water Charges	-	-	-	-	-	-	-	-
7 Surface/Recycled Water sales	-	-	-	-	-	-	-	-
8 Interest	927,877	482,800	482,800	445,000	7,875,501	5,328,000	5,328,000	5,355,000
9 Capital Reimb	-	-	-	-	1,311,551	6,600,000	3,622,000	19,073,000
10 Other	61,075	82,063	82,063	83,704	1,908,462	2,456,280	2,456,280	2,529,969
11 Total Revenues	\$ 5,989,323	\$ 5,219,910	\$ 4,980,615	\$ 5,195,340	\$ 113,119,042	\$ 113,649,579	\$ 108,189,487	\$ 127,118,045
OUTLAY SUMMARY								
12 Fund Outlays:								
13 Operations	47,781,736	41,517,485	40,967,000	44,387,412	37,512,450	36,609,784	36,740,831	38,981,667
14 Operating Projects	914,342	937,407	554,152	609,922	7,984,069	9,836,226	8,016,354	9,776,148
15 Salary Savings	-	(307,889)	-	(313,958)	-	(333,446)	-	(342,617)
16 Debt Service	799,037	775,291	775,846	767,970	15,680,550	15,785,792	15,785,792	15,684,328
17 Capital Projects	2,971,262	2,676,659	3,276,478	2,139,091	37,267,487	43,384,450	141,159,240	45,256,952
18 Carried Forward Capital Projects	-	173,000	-	277,000	-	38,750,000	-	15,980,000
19 Total Fund Outlays	\$ 52,466,377	\$ 45,771,953	\$ 45,573,476	\$ 47,867,437	\$ 98,444,556	\$ 144,032,806	\$ 201,702,217	\$ 125,336,478
20 Intra-District Reimb	(34,942,587)	(38,305,458)	(37,100,000)	(39,396,044)	-	-	-	-
21 Net Fund Outlays	\$ 17,523,790	\$ 7,466,495	\$ 8,473,476	\$ 8,471,393	\$ 98,444,556	\$ 144,032,806	\$ 201,702,217	\$ 125,336,478
22 Excess (deficit)	(11,534,467)	(2,246,585)	(3,492,861)	(3,276,053)	14,674,486	(30,383,227)	(93,512,730)	1,781,567
OTHER FINANCING								
23 Revenue Bond Proceeds	-	-	-	-	-	-	-	-
24 Commercial Paper Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25 Certificates of Participation	3,018,342	-	-	-	2,419,508	3,075,000	9,300,427	3,317,331
26 Transfers In	448,213	464,406	464,406	-	10,126,500	4,028,206	4,107,072	4,250,450
27 Transfers Out	(11,601,262)	-	-	-	(5,984,368)	(4,223,409)	(4,330,462)	(4,598,450)
28 Transfers Out to OPEB Trust Fund	-	-	-	-	-	-	-	-
29 Total Other Financing	\$ (8,134,707)	\$ 464,406	\$ 464,406	\$ -	\$ 6,561,640	\$ 2,879,797	\$ 9,077,037	\$ 2,969,331
30 Change in Fund Balance	\$ (19,669,174)	\$ (1,782,179)	\$ (3,028,455)	\$ (3,276,053)	\$ 21,236,126	\$ (27,503,430)	\$ (84,435,693)	\$ 4,750,898

General Fund				Special Revenue Funds (Watersheds)			
Estimated Balances				Estimated Balances			
Year-End 2008-09	Adopted 2009-10	Projected YE 2009-10	Adopted 2010-11	Year-End 2008-09	Adopted 2009-10	Projected YE 2009-10	Adopted 2010-11
YEAR-END RESERVES*							
31 WU Debt Proceeds Reserve	-	-	-	-	-	-	-
32 State Revolving Debt Service Resv	-	-	-	-	-	-	-
33 WU Debt Service Reserve	-	-	-	-	-	-	-
34 Restricted Operating Reserve	-	-	-	-	-	-	-
35 Supplemental Water Supply	-	-	-	-	-	-	-
36 Rate Stabilization Reserve	-	-	-	-	-	-	-
37 San Felipe	-	-	-	-	-	-	-
38 Newly Improved Creeks - Maint	-	-	-	3,379,088	3,860,460	3,860,460	4,356,274
39 Other CSC Operating Activities	-	-	-	3,902,975	1,352,046	4,549,924	4,221,986
40 Environmental Enhancement	-	-	-	9,789,185	12,219,125	12,239,352	14,623,775
41 Open Space & Trails Program	-	-	-	4,143,238	5,196,521	5,227,226	6,340,648
42 Operating & Capital reserve	14,957,462	5,775,844	12,528,826	9,529,773	94,793,719	106,368,731	79,211,740
43 Floating Rate Debt Paymnt Stabil	-	-	-	-	-	-	-
44 Currently Authorized Projects	905,819	-	306,000	29,000	101,314,190	15,110,000	27,798,000
45 Contingent Liabilities Reserves	-	-	-	-	-	-	-
46 Total Year-End Reserves	\$ 15,863,281	\$ 5,775,844	\$ 12,834,826	\$ 9,558,773	\$ 217,322,395	\$ 144,106,883	\$ 132,886,702
<i>Ending Unreserved Fund Balance</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 0</i>

Financial Summaries

Financial Overview by Budget Category

Proprietary Funds				Total District-wide				
Enterprise and Internal Service Funds				All Funds				
Budgetary Basis Actual 2008-09	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	Budgetary Basis Actual 2008-09	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	
\$ 21,372,242	\$ 23,648,639	\$ 23,452,811	\$ 22,675,464	\$ 77,032,505	\$ 75,516,177	\$ 72,598,963	\$ 74,610,845	REVENUE SUMMARY
-	-	-	-	31,763,576	32,818,565	32,818,565	33,803,121	Property Taxes
3,923,406	1,516,175	1,516,175	1,169,482	19,256,277	19,234,243	19,234,242	19,088,210	Special Parcel Tax
61,103,599	61,442,000	64,025,000	62,930,000	4,267,189	1,516,175	1,516,175	1,169,482	Benefit Assessments
74,011,638	73,767,000	64,721,000	67,980,000	61,103,599	61,442,000	64,025,000	62,930,000	Intergovernmental Services
1,240,185	2,288,000	2,288,000	2,374,000	74,011,638	73,767,000	64,721,000	67,980,000	Groundwater Charges
7,935,041	3,055,200	2,805,200	3,050,000	1,240,185	2,288,000	2,288,000	2,374,000	Treated Water Charges
-	6,326,000	2,300,000	7,339,000	16,738,419	8,866,000	8,616,000	8,850,000	Surface/Recycled Water sales
5,745,783	2,879,083	2,879,083	2,357,472	1,311,551	12,926,000	5,922,000	26,412,000	Interest
				7,715,320	5,417,426	5,417,426	4,971,145	Capital Reimb
								Other
\$ 175,331,894	\$ 174,922,097	\$ 163,987,269	\$ 169,875,418	\$ 294,440,259	\$ 293,791,586	\$ 277,157,371	\$ 302,188,803	Total Revenues
								OUTLAY SUMMARY
								Fund Outlays:
152,327,730	134,349,475	137,764,407	133,067,714	237,621,916	212,476,744	215,472,238	216,436,793	Operations
4,328,724	4,147,134	4,397,135	4,048,129	13,227,135	14,920,767	12,967,641	14,434,199	Operating Projects
-	(533,719)	-	(551,363)	-	(1,175,054)	-	(1,207,938)	Salary Savings
12,615,683	16,472,286	16,472,286	16,470,742	29,095,270	33,033,369	33,033,924	32,923,040	Debt Service
53,718,334	48,081,531	74,149,390	55,538,872	93,957,083	94,142,640	218,585,108	102,934,915	Capital Projects
-	70,646,000	-	61,847,000	-	109,569,000	-	78,104,000	Carried Forward Capital Projects
\$ 222,990,471	\$ 273,162,707	\$ 232,783,218	\$ 270,421,094	\$ 373,901,404	\$ 462,967,466	\$ 480,058,911	\$ 443,625,009	Total Fund Outlays
(10,931,661)	(9,771,637)	(9,771,637)	(11,055,769)	(45,874,248)	(48,077,095)	(46,871,637)	(50,451,813)	Intra-District Reimb
\$ 212,058,810	\$ 263,391,070	\$ 223,011,581	\$ 259,365,325	\$ 328,027,156	\$ 414,890,371	\$ 433,187,274	\$ 393,173,196	Net Fund Outlays
(36,726,916)	(88,468,973)	(59,024,312)	(89,489,907)	(33,586,897)	(121,098,785)	(156,029,903)	(90,984,393)	Excess (deficit)
								OTHER FINANCING
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Revenue Bond Proceeds
-	33,000,000	33,000,000	30,200,000	5,437,850	36,075,000	42,300,427	33,517,331	Commercial Paper Proceeds
7,361,992	-	28,188	348,000	17,936,705	4,492,612	4,599,666	4,598,450	Certificates of Participation
(351,075)	(269,203)	(269,204)	-	(17,936,705)	(4,492,612)	(4,599,666)	(4,598,450)	Transfers In
-	-	-	-	-	-	-	-	Transfers Out
-	-	-	-	-	-	-	-	Transfers Out to OPEB Trust Fund
\$ 7,010,917	\$ 32,730,797	\$ 32,758,984	\$ 30,548,000	\$ 5,437,850	\$ 36,075,000	\$ 42,300,427	\$ 33,517,331	Total Other Financing
\$ (29,715,999)	\$ (55,738,176)	\$ (26,265,328)	\$ (58,941,907)	\$ (28,149,047)	\$ (85,023,785)	\$ (113,729,476)	\$ (57,467,062)	Change in Fund Balance
Enterprise and Internal Service Funds				Total District-wide				
Estimated Balances				Estimated Balances				
Year-End 2008-09	Adopted 2009-10	Projected YE 2009-10	Adopted 2010-11	Year-End 2008-09	Adopted 2009-10	Projected YE 2009-10	Adopted 2010-11	
-	-	-	-	-	-	-	-	YEAR-END RESERVES*
401,263	401,263	401,263	401,263	401,263	401,263	401,263	401,263	WU Debt Proceeds Reserve
4,966,015	6,691,000	4,966,015	4,966,015	4,966,015	6,691,000	4,966,015	4,966,015	State Revolving Debt Service Res
12,343,596	12,139,832	12,139,832	11,966,310	12,343,596	12,139,832	12,139,832	11,966,310	WU Debt Service Reserve
6,319,093	8,839,557	8,839,557	7,723,387	6,319,093	8,839,557	8,839,557	7,723,387	Restricted Operating Reserve
1,341,174	1,647,229	1,647,229	1,647,074	1,341,174	1,647,229	1,647,229	1,647,074	Supplemental Water Supply
3,772,306	3,636,703	3,772,306	3,772,306	3,772,306	3,636,703	3,772,306	3,772,306	Rate Stabilization Reserve
-	-	-	-	3,379,088	3,860,460	3,860,460	4,356,274	San Felipe
-	-	-	-	3,902,975	1,352,046	4,549,924	4,221,986	Newly Improved Creeks - Maint
-	-	-	-	9,789,185	12,219,125	12,239,352	14,623,775	Other CSC Operating Activities
-	-	-	-	4,143,238	5,196,521	5,227,226	6,340,648	Environmental Enhancement
24,271,372	23,337,480	18,369,405	22,321,962	134,022,553	135,482,055	110,109,971	128,128,652	Open Space & Trails Program
496,324	302,680	496,324	496,324	496,324	302,680	496,324	496,324	Operating & Capital reserve
93,145,312	16,431,000	71,052,000	9,205,000	195,365,321	31,541,000	99,156,000	21,052,000	Floating Rate Debt Paymnt Stabil
13,061,850	20,740,396	12,169,046	12,411,428	13,061,850	20,740,396	12,169,046	12,411,428	Currently Authorized Projects
								Contingent Liabilities Reserves
\$ 160,118,305	\$ 94,167,140	\$ 133,852,977	\$ 74,911,070	\$ 393,303,981	\$ 244,049,867	\$ 279,574,505	\$ 222,107,443	Total Year-End Reserves
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	Ending Unreserved Fund Balance

Financial Summaries

Financial Overview by Account Object: 2010/2011

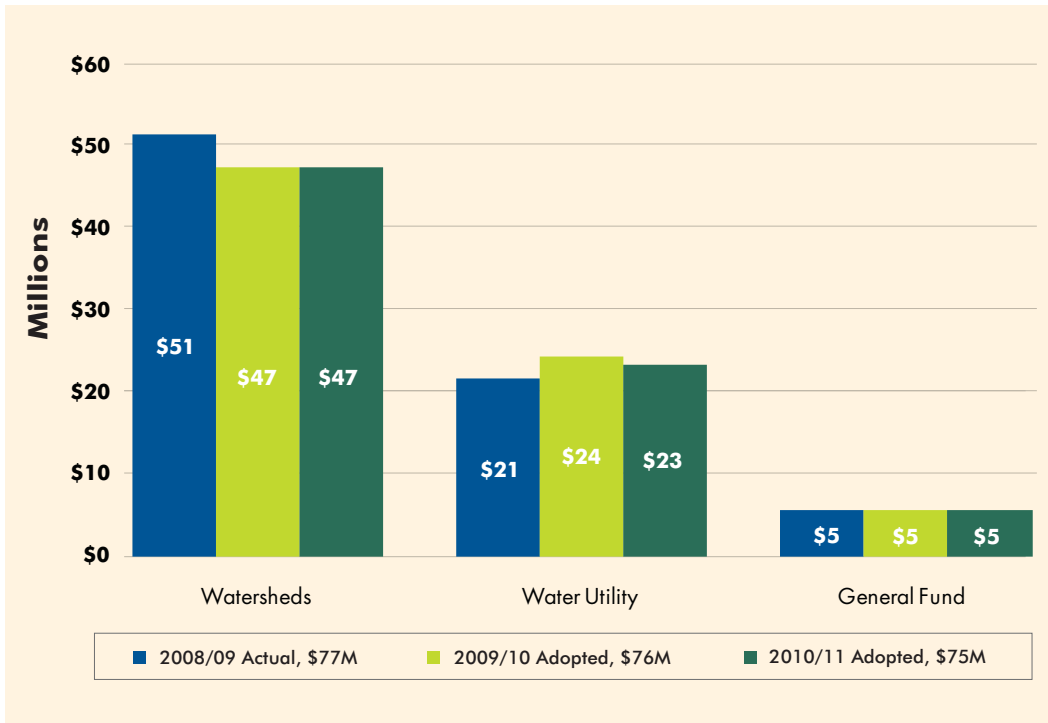
	Governmental Funds		Proprietary Funds		FY2010-11
	General Fund	Watershed Funds	Water Enterprise Fund	Service Funds	DISTRICT TOTAL
REVENUE SUMMARY					
Property Taxes	4,666,636	47,268,745	22,675,464		74,610,845
Special Parcel Tax		33,803,121			33,803,121
Benefit Assessments		19,088,210			19,088,210
Inter-governmental services			1,169,482		1,169,482
Groundwater Production Charges			62,930,000		62,930,000
Treated Water Charges			67,980,000		67,980,000
Surface/Recycled Water Revenue			2,374,000		2,374,000
Interest*	445,000	5,355,000	2,748,000	302,000	8,850,000
Capital Reimbursements		19,073,000	7,339,000		26,412,000
Other	83,704	2,529,969	2,330,730	26,742	4,971,145
Total Revenues	5,195,340	127,118,045	169,546,676	328,742	302,188,803
OUTLAY SUMMARY					
Salaries and Employee Benefits	31,419,273	34,131,394	52,555,550	3,753,453	121,859,670
Services and Supplies	15,305,694	6,923,806	53,067,963	5,691,544	80,989,007
Fixed Assets	100,000	52,650,500	74,788,073	2,278,769	129,817,342
Debt Service	765,470	15,650,778	16,438,742		32,854,990
Total Fund Outlays	47,590,437	109,356,478	196,850,328	11,723,766	365,521,009
Intra-District Reimbursements	(39,396,044)			(11,055,769)	(50,451,813)
Net Fund Outlays	8,194,393	109,356,478	196,850,328	667,997	315,069,196
Excess (deficit) Revenues Over Outlays	(2,999,053)	17,761,567	(27,303,652)	(339,255)	(12,880,393)
OTHER FINANCING SOURCES/ (USES)					
Certificates of Participation		3,317,331	30,200,000		33,517,331
Transfers In		4,250,450	348,000		4,598,450
Transfers Out		(4,598,450)			(4,598,450)
Total Other Financing Sources/ (Uses)	-	2,969,331	30,548,000	-	33,517,331
Change to Reserves	(2,999,053)	20,730,898	3,244,348	(339,255)	20,636,938
YEAR-END RESERVES					
Restricted Reserves					
WUE-Restricted Operating Reserve		11,966,310			11,966,310
WUE-Rate Stabilization			1,647,074		1,647,074
San Felipe Emergency Reserve			3,772,306		3,772,306
State Revolving Debt Service Reserve			401,263		401,263
WU Debt Service Reserve			4,966,015		4,966,015
Total Restricted Reserves	-	-	22,752,968	-	22,752,968
Designated Reserves					
Floating Rate Debt Stabilization			496,324		496,324
Operating & Capital Reserve	9,529,773	96,276,917	22,091,778	230,184	128,128,652
Supplemental Water Supply			7,723,387		7,723,387
Newly Improved Creeks - Maintenance		4,356,274			4,356,274
Other CSC Operating Activities		4,221,986			4,221,986
Environmental Enhancement Program		14,623,775			14,623,775
Open Space & Trails Program		6,340,648			6,340,648
Currently Authorized Projects	29,000	11,818,000	9,205,000		21,052,000
Total Designated Reserves	9,558,773	137,637,600	39,516,490	230,184	186,943,047
Designated Liability & Other					
Liability/Workers' Comp Self Insurance				7,781,000	7,781,000
Property Self Insurance/Catastrophic				4,630,428	4,630,428
Total Designated Liability & Other	-	-	-	12,411,428	12,411,428
Total Year End Reserves	9,558,773	137,637,600	62,269,458	12,641,612	222,107,443
<i>Ending Unreserved Fund Balance</i>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

MAJOR SOURCES OF REVENUES

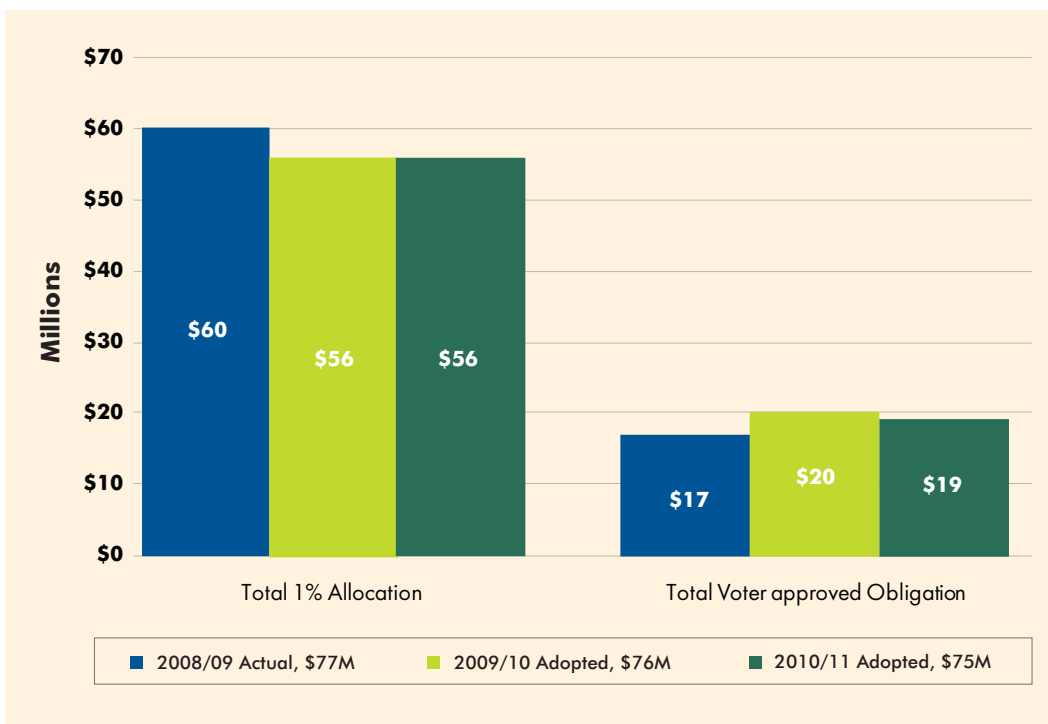
Financial Summaries

Property Taxes

Property Taxes by Fiscal Year and Fund Group



Property Taxes by Fiscal Year and Taxing Authority Type



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 2009-10 year-end projections were \$72.6 million. The estimate for FY 2010-11 for both categories is \$74.6 million.

For FY 2010-11 the District is projecting a \$0.9 million decrease in debt service levies and a 0.17% increase in ad valorem 1% tax revenue.

FY 2010-11 estimates are based on several factors including average assessed valuation reduction of approximately 2%, which results in flat revenue receipts in the ad valorem tax. This estimate suggest that prices are leveling off and that the mix of categories (unsecured, secured, transfer tax) are offsetting each other in term of declines and increases.

The estimate also includes a decrease of approximately \$1 million in the voter approved levy to support the State Water Project contract obligations. This revenue line is calculated based on principal and interest payments related to Water Utility debt service and is not affected by the housing market valuation decline.

Property Taxes by District Funds	Budgetary Basis Actual 2008-09	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	Change from 2009-10 Adopted	
					\$ Diff	% Diff
Watershed Fund - 1% Allocation						
Watershed & Stream Stewardship	\$50,659,892	\$47,212,491	\$44,730,400	\$47,268,745	\$ 56,254	0.1%
District General Fund - 1% Allocation	5,000,371	4,655,047	4,415,752	4,666,636	11,589	0.2%
Water Enterprise - 1% Allocation						
Zone W-3	589,363	561,267	509,680	538,088	(23,179)	(4.1%)
Zone W-4	3,453,518	3,196,270	3,070,040	3,244,399	48,129	1.5%
Gavilan Water Conservation District	376,125	350,379	332,368	351,252	873	0.2%
Subtotal Water Enterprise	4,419,006	4,107,916	3,912,088	4,133,739	25,823	0.6%
Water Enterprise - Voter Approved Obligations						
State Water Project Debt Service	16,473,405	19,000,000	19,000,000	18,000,000	(1,000,000)	(5.3%)
Debt Service Zone W-1	479,831	540,723	540,723	541,725	1,002	0.2%
Subtotal Water Enterprise	16,953,236	19,540,723	19,540,723	18,541,725	(998,998)	(5.1%)
Total Water Enterprise Fund	21,372,242	23,648,639	23,452,811	22,675,464	(973,175)	(4.1%)
Total Property Taxes	\$77,032,505	\$75,516,177	\$72,598,963	\$74,610,845	(\$905,332)	(1.2%)

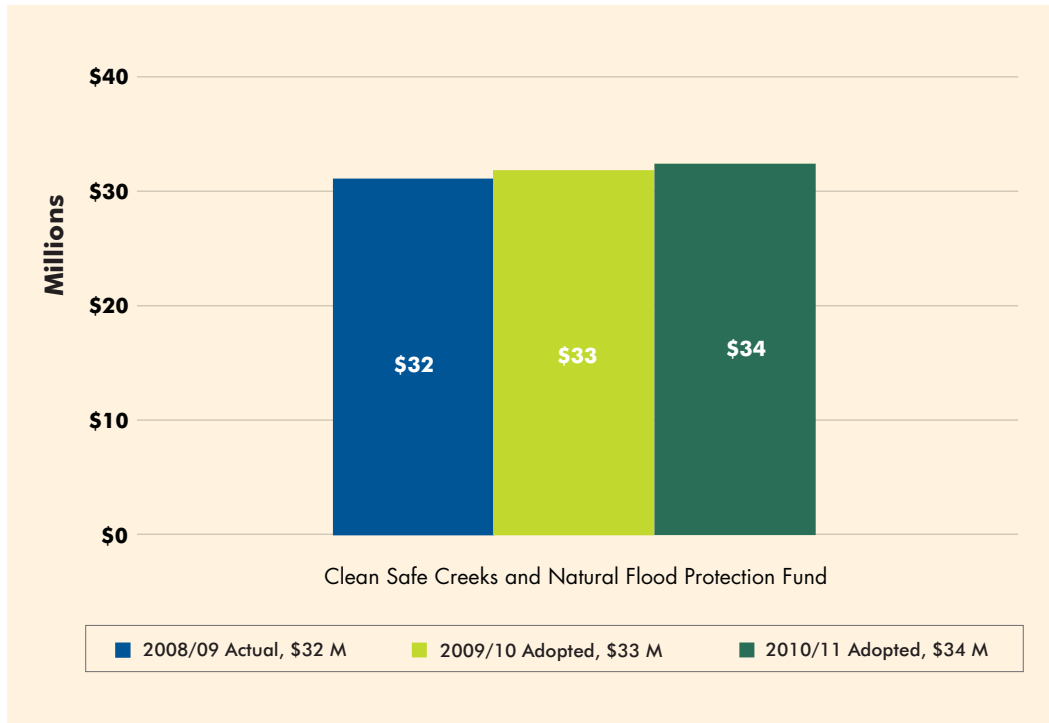
Property Tax Summary

Total 1% Allocation	60,079,269	55,975,454	53,058,240	56,069,120	93,666	0.2%
Total Voter Approved Obligations	16,953,236	19,540,723	19,540,723	18,541,725	(998,998)	(5.1%)
Total Property Taxes	\$77,032,505	\$75,516,177	\$72,598,963	\$74,610,845	(\$905,332)	(1.2%)

Financial Summaries

Special Parcel Tax

Special Parcel Tax by Fiscal Year



Financial Summaries

Special Parcel Tax

In November 2000, over two thirds of Santa Clara County voters approved a 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.

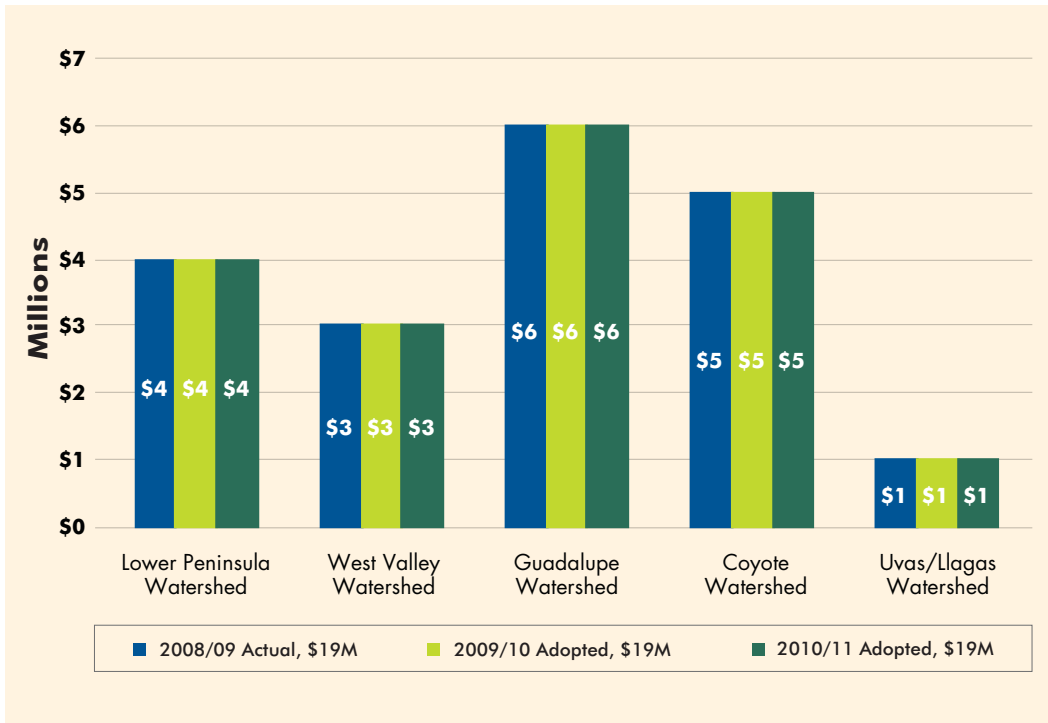
For FY 2010-11, special parcel tax revenues are expected to increase by 3% over the FY 2009-10 revenue.

Special Parcel Taxes	Budgetary Basis Actual 2008-09	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	Change from 2009-10 Adopted	
					\$ Diff	% Diff
Clean Safe Creeks & Natural Flood Protection	\$31,763,576	\$32,818,565	\$32,818,565	\$33,803,121	\$984,556	3.0%
Total Special Parcel Tax	\$31,763,576	\$32,818,565	\$32,818,565	\$33,803,121	\$984,556	3.0%

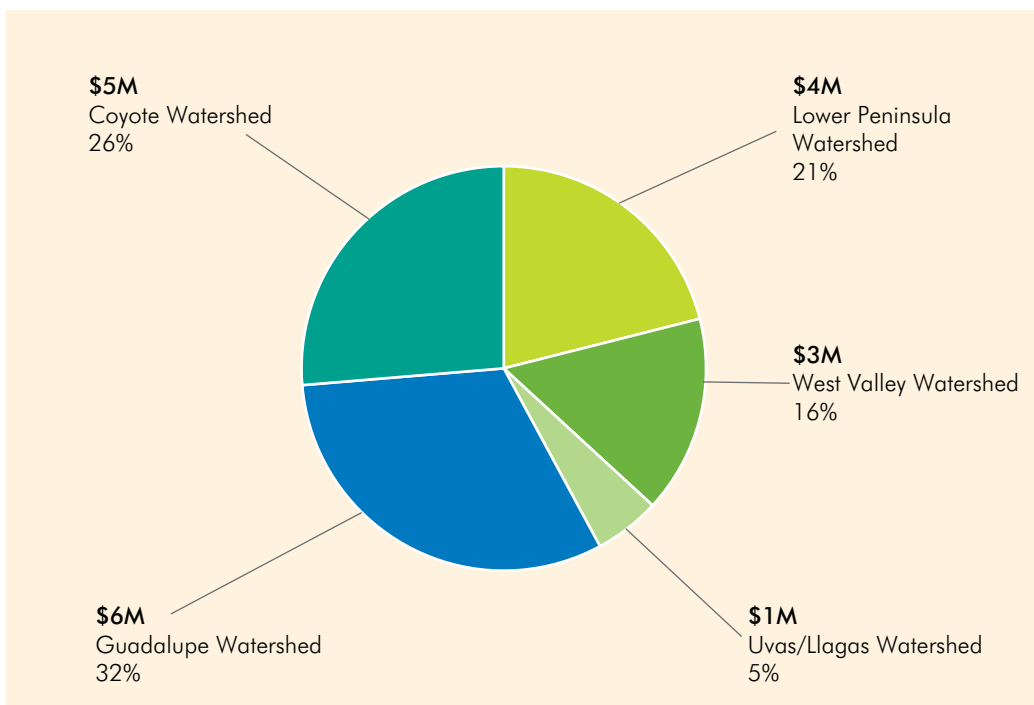
Financial Summaries

Benefit Assessments

Benefit Assessments by Fiscal Year and Watershed Fund



FY 2010-11 Benefit Assessments, \$19M



Financial Summaries

Benefit Assessments

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.

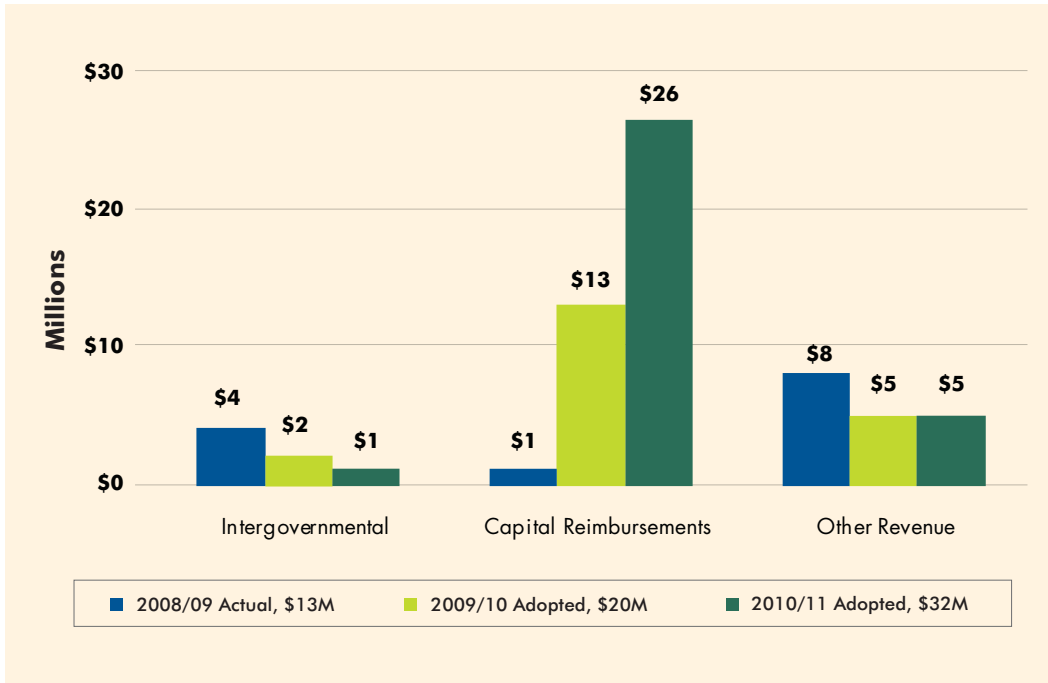
FY 2010-11 will be under this debt repayment phase of the benefit assessment program with benefit assessments levied at 1.25 times the annual debt service. For FY 2010-11 the Benefit Assessment revenue receipts are anticipated to come in at \$19.1 million.

Benefit Assessments	Budgetary Basis Actual 2008-09	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	Change from 2009-10 Adopted	
					\$ Diff	% Diff
Watershed Funds:						
Lower Peninsula Watershed	\$4,647,571	\$4,642,067	\$4,642,067	\$4,620,567	\$ (21,500)	(0.5%)
West Valley Watershed	\$2,957,711	\$2,944,200	\$2,944,200	2,919,287	(24,913)	(0.8%)
Guadalupe Watershed	\$6,258,458	\$6,237,761	\$6,237,761	6,174,889	(62,872)	(1.0%)
Coyote Watershed	\$4,630,230	\$4,650,119	\$4,650,119	4,622,322	(27,797)	(0.6%)
Uvas/Llagas Watershed	\$762,307	\$760,095	\$760,095	751,145	(8,950)	(1.2%)
Total Benefit Assessments	\$19,256,277	\$19,234,243	\$19,234,242	\$19,088,210	\$ (146,033)	(0.8%)

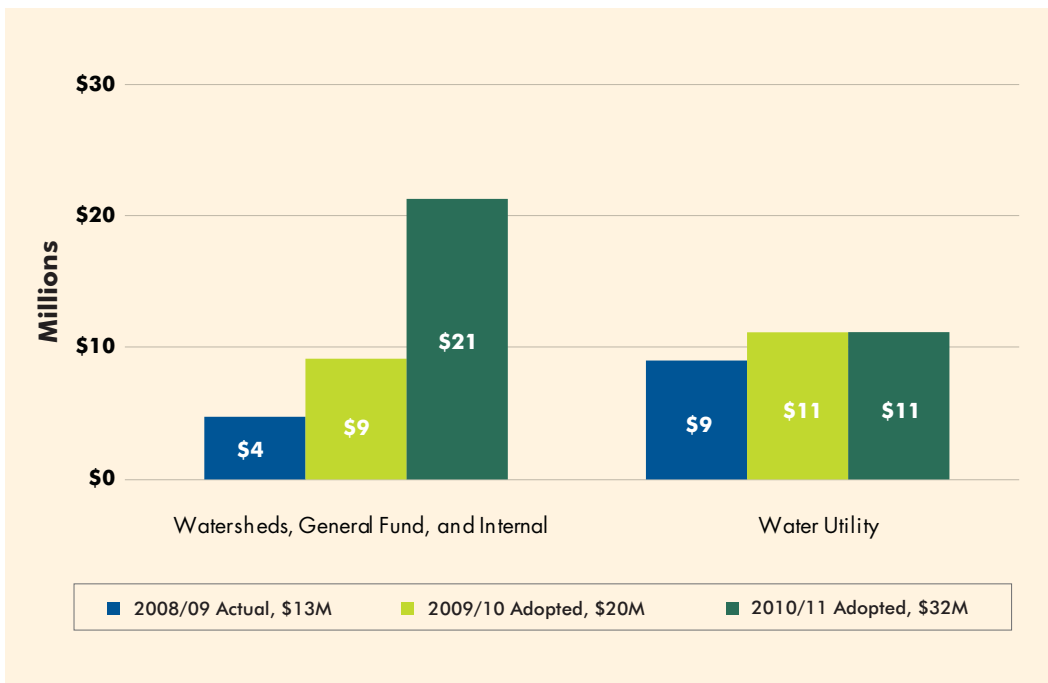
Financial Summaries

Intergovernmental and Other Revenues

Intergovernmental, Capital Reimbursements and Other Revenue by Fiscal Year & Type



Intergovernmental, Capital Reimbursements and Other Revenue by Fiscal Year & Fund Group



Intergovernmental and Other Revenues

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 \$32.6 million. This is an increase of \$12.7 million compared to the FY 2009-10 Adopted Budget.

The Water Enterprise anticipates Intergovernmental Services for FY 2010-11 to be approximately \$1.2 million and include the following reimbursements: \$39,107 from the SCVWD/SF Intertie; \$500,000 from City of San Jose Cost Share Agreement (CSA) for conservation; \$160,000 from City of Palo Alto for CSA for conservation; \$31,875 from CAL Water CSA for conservation; \$12,500 from City of Santa Clara CSA for conservation; \$50,000 from City of Morgan Hill CSA for conservation and \$376,000 based on an agreement with San Benito County Water District for 22% of the costs to operate Reach 1 of the San Felipe Division.

Capital Reimbursements for the combined Watershed Funds is expected at approximately \$19 million and include the following items: Approximately \$1.8 million for Regional Water Quality Control Board (RWQCB) and California Coastal Conservancy (CCC)- American Recovery and Reinvestment Act (ARRA) for Pond A8 Applied Study Final Design and Construction, \$12.6 million for ARRA for Lower Silver Creek, approximately \$4.1 million state subvention funds for Guadalupe River-Upper, Interstate 280 to Blossom Hill Road and \$500,000 from the City of Morgan Hill for Upper Llagas project.

Capital Reimbursements for the Water Enterprise Fund are expected at approximately \$7.3 million and include the following: From San Benito County Water District, approximately \$1.5 million for Pacheco Pumping Plant ASD replacement, \$22,000 for Pacheco Pumping Plant Regulating Tank Recoating, \$100,000 for San Felipe Communications Cable Replacement and \$377,000 for small capital improvements; \$2.1 million from Department of Water Resources (DWR)/ United States Bureau of Reclamation (USBR) for San Luis Reservoir Lowpoint Improvement; \$1.44 million from DWR (Prop 50) for Advanced Treatment; Approximately \$1.63 million from USBR(ARRA) for Recycled Water Master Plan; and \$140,000 from Santa Clara County for Jacques Gulch Restoration.

Other Revenues in the Watershed Funds are expected at approximately \$2.5 million and include the following items: \$1.5 million in rental income and approximately \$1 million in Other miscellaneous income.

Other Revenues in the Water Enterprise are expected at approximately \$2.3 million and include the following: PGE incentives at \$100,000; the sale of the San Tomas Well field at \$1 million, Home Owner Property Tax Relief receipts in the amount of \$38,369 and miscellaneous other income of approximately \$1.2 million.

Additional Other Revenues of approximately \$110,446 is expected from proceeds of equipment sales.

Financial Summaries

Intergovernmental and Other Revenues

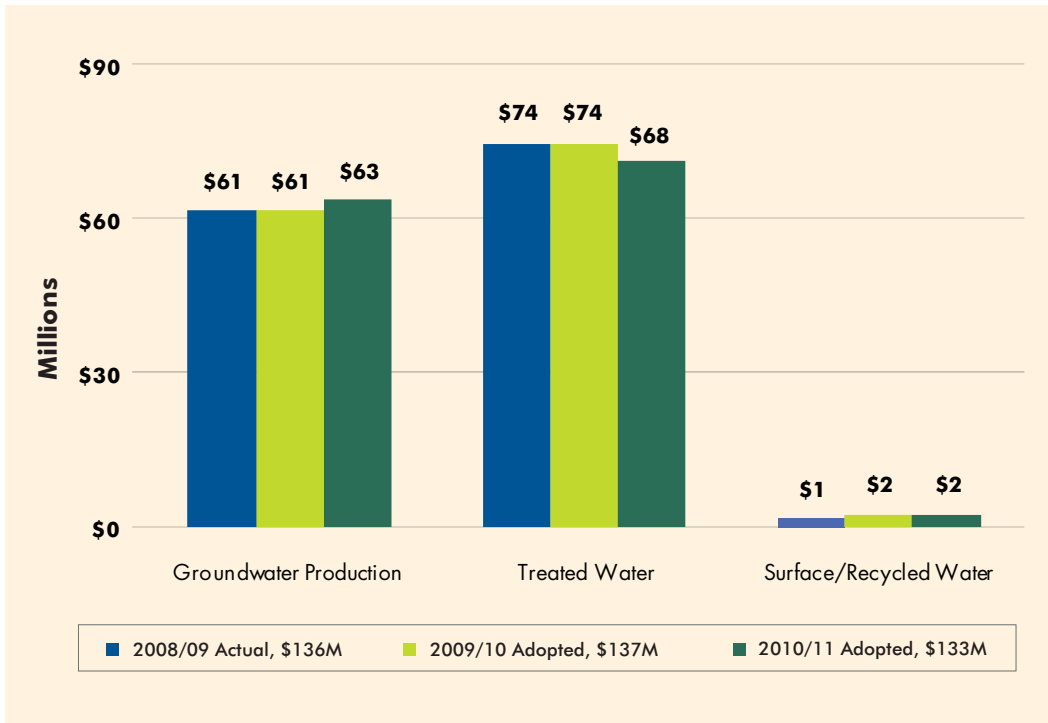
Intergovernmental and Other Revenues	Budgetary Basis Actual 2008-09	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	Change from 2009-10 Adopted	
					\$ Diff	% Diff
Intergovernmental Services:						
Watershed Funds	\$ 343,783	\$ -	\$ -	\$ -	\$ -	**
Water Enterprise Fund	3,923,406	1,516,175	1,516,175	1,169,482	(346,693)	(23%)
Total Intergovernmental Services	4,267,189	1,516,175	1,516,175	1,169,482	(346,693)	(23%)
Capital Reimbursements:						
Watershed Funds	1,311,551	6,600,000	3,622,000	19,073,000	12,473,000	189%
Water Enterprise Fund	-	6,326,000	2,300,000	7,339,000	1,013,000	16%
Total Capital Reimbursements	1,311,551	12,926,000	5,922,000	26,412,000	13,486,000	104%
Other:						
Watershed Funds	1,908,462	2,456,280	2,456,280	2,529,969	73,689	3%
Water Enterprise Fund	4,602,811	2,829,083	2,829,083	2,330,730	(498,353)	(18%)
District General Fund	61,075	82,063	82,063	83,704	1,641	2%
Internal Service Funds	1,142,972	50,000	50,000	26,742	(23,258)	(47%)
Total Other	7,715,320	5,417,426	5,417,426	4,971,145	(446,281)	(8%)
Total Intergov'l & Other Revenues	\$ 13,294,060	\$ 19,859,601	\$ 12,855,601	\$ 32,552,627	\$ 12,693,026	64%

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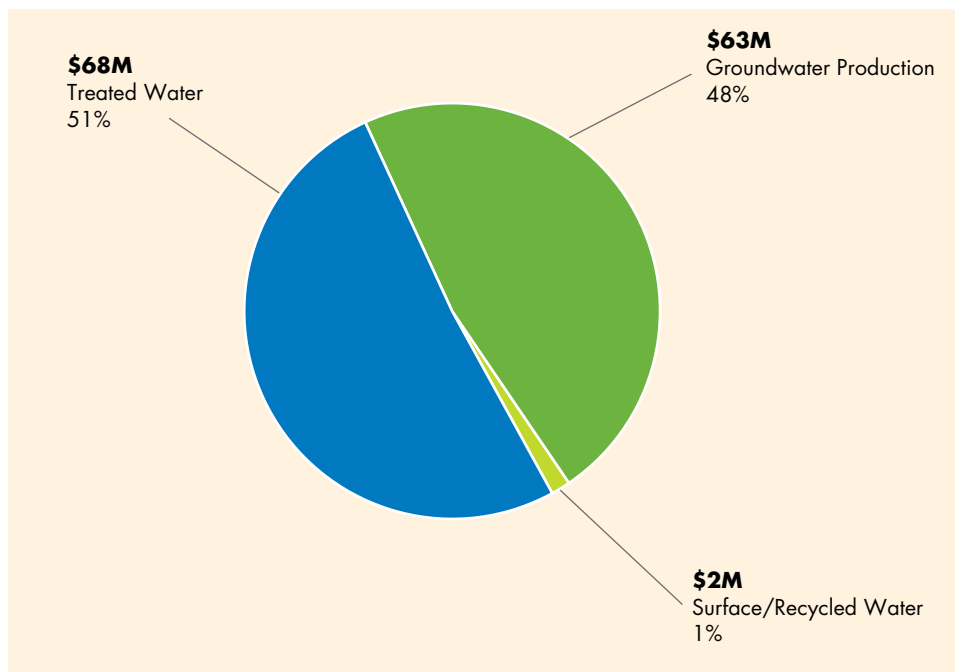
Financial Summaries

Water Revenue

Water Revenue by Fiscal Year and Type



FY 2010-11 Water Revenue, \$133M



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 or landscaping

Water revenues budgeted for FY 2010-11 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 no increase in groundwater production charges for the North County (Zone W-2) and South County (Zone W-5), relative to FY 2009-10. These charges are shown in the accompanying Water Enterprise Fund schedules.

The FY 2010-11 revenue projection assumes a water use of roughly 275,000 acre-feet usage which is consistent with the FY 2009-10 water use trend. Treated water demand comprises 40%; ground water comprises 58%; and surface water and District-delivered recycled water comprise approximately 2% of the assumed District water use.

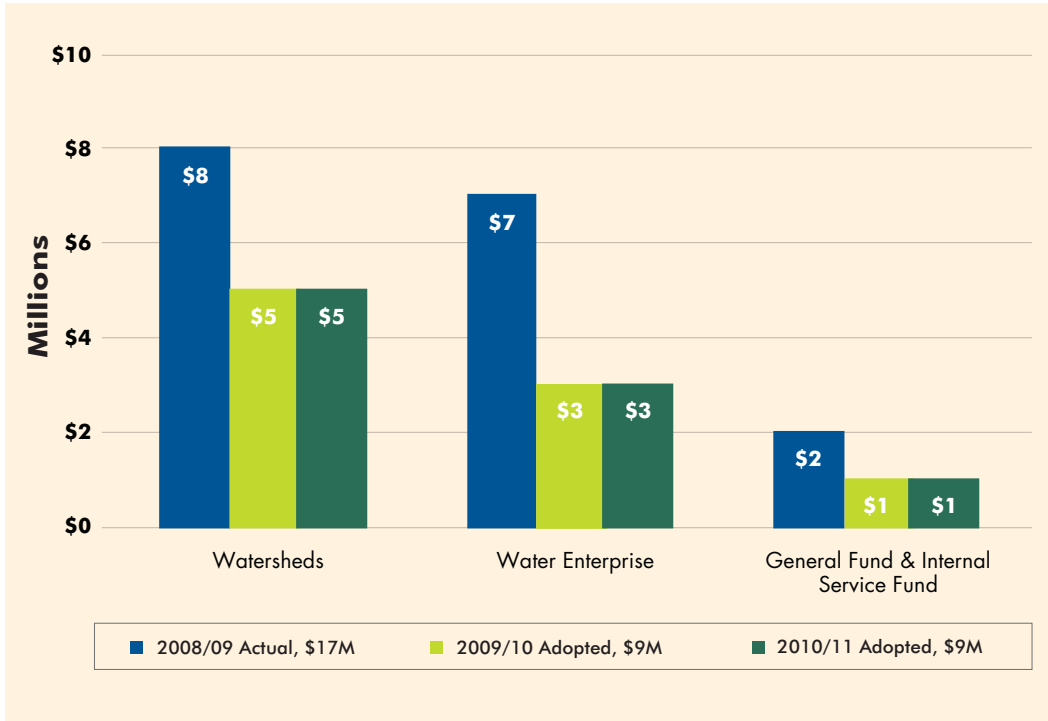
In addition, other sources such as Hetch Hetchy and local water supply companies like San Jose Water Company, Stanford and South Bay Water Recycling provide approximately 83,000 acre-feet of water to Santa Clara County.

Water Revenue	Budgetary Basis Actual 2008-09	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	Change from 2009-10 Adopted	
					\$ Diff	% Diff
Groundwater Production	\$ 61,103,599	\$ 61,442,000	\$ 64,025,000	\$ 62,930,000	\$ 1,488,000	2.4%
Treated Water	74,011,638	73,767,000	64,721,000	67,980,000	(5,787,000)	(7.8%)
Surface/Recycled Water	1,240,185	2,288,000	2,288,000	2,374,000	86,000	3.8%
Total Water Revenue	\$ 136,355,422	\$ 137,497,000	\$ 131,034,000	\$ 133,284,000	\$ (4,213,000)	(3.1%)

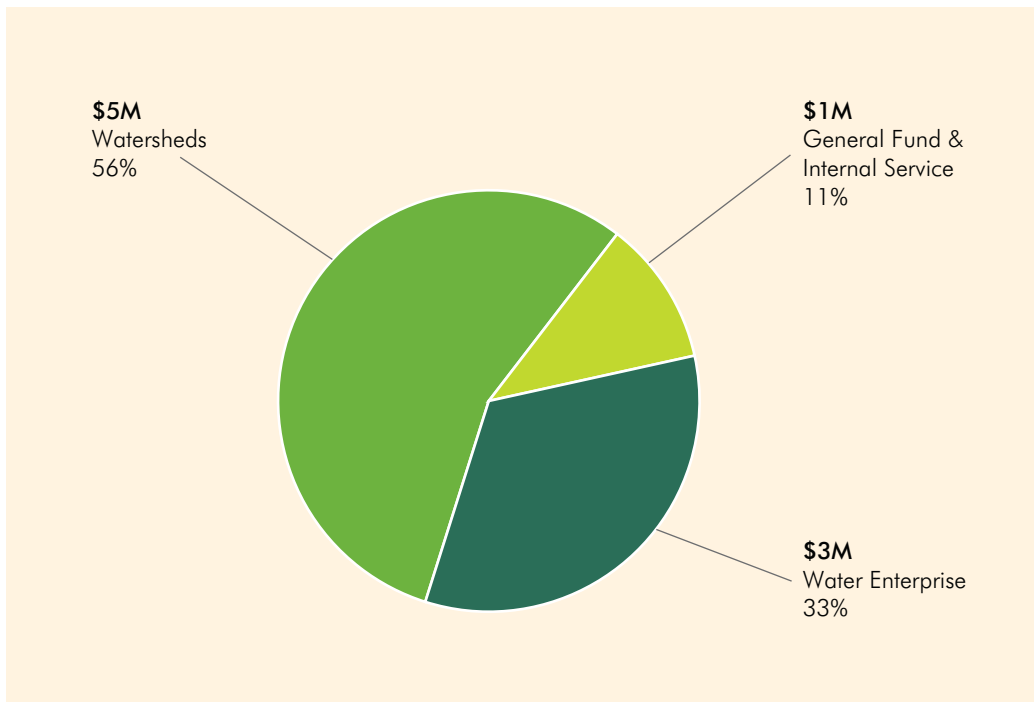
Financial Summaries

Interest Income

Interest Earnings by Fiscal Year and Fund Group



FY 2010-11 Interest Earnings, \$9M



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 2010-11 interest revenue is expected to be approximately \$8.9 million. The decline is due to a reduced average portfolio yield estimated to be between 2% and 3%. Coupled with expected lower cash reserves, this will result in the slight decrease in interest income.

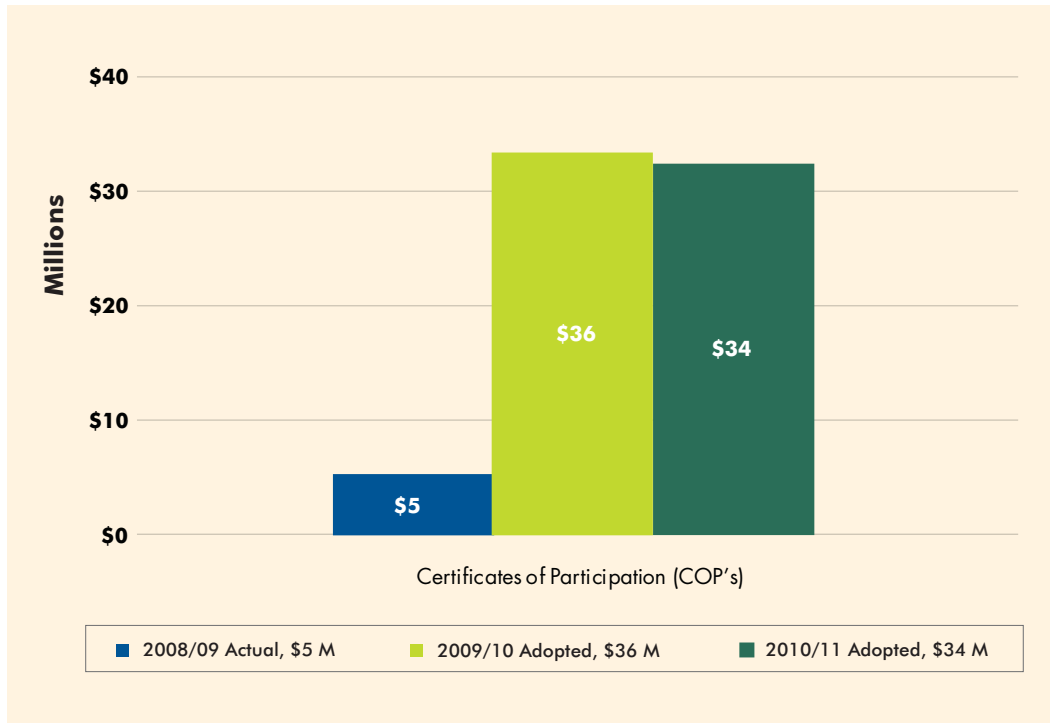
Interest Income	Budgetary Basis Actual 2007/08 *	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	Change from 2009-10 Adopted	
					\$ Diff	% Diff
Watershed Funds	\$ 7,875,501	\$ 5,328,000	\$ 5,328,000	\$ 5,355,000	\$ 27,000	0.5%
Water Enterprise Fund	7,278,603	2,652,200	2,652,200	2,748,000	95,800	3.6%
General Fund	927,877	482,800	482,800	445,000	(37,800)	(7.8%)
Service Funds	656,438	403,000	153,000	302,000	(101,000)	(25.1%)
Total Interest Income	\$ 16,738,419	\$ 8,866,000	\$ 8,616,000	\$ 8,850,000	\$ (16,000)	(0.2%)

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

Financial Summaries

Other Financing Sources/Uses

Other Financing by Fiscal Year and Type



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 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 as well as the construction of additions and improvements to the District's water utility system. At times, the District will authorize short-term loans or transfers between funds to facilitate interim cash flow requirements.

The District anticipates to claim the balance of \$3.3 million in Certificates of Participation for the Watershed Stream Stewardship fund and issuing \$30.2 million short term debt for the Water Enterprise fund in FY 2010-11.

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 2008-09	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	Change from 2009-10 Adopted	
					\$ Diff	% Diff
Certificates of Participation	5,437,850	36,075,000	42,300,427	33,517,331	(2,557,669)	(7.1%)
Total Other Financing	\$ 5,437,850	\$ 36,075,000	\$ 42,300,427	\$ 33,517,331	\$ (2,557,669)	(7.1%)

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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 Limitation) related to debt:

EL-5.9 States that the CEO shall not:

"Indebt the organization, except as provided in the District Act, and in an amount that can be repaid by certain, otherwise unencumbered revenues within 90 days, or prior to the close of the fiscal year."

Furthermore, the CEO shall not:

- EL 5.9.1 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;
- EL 5.9.2 Issue debt without a demonstrated financial need;
- EL 5.9.3 Fail to meet debt repayment schedules and covenants of bond documents;

- EL 5.9.4 Fail to 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;
- EL 5.9.5 Issue debt or enter into financing agreements that are inconsistent with the District Debt Policies including any addendum;
- EL 5.9.6 Fail to 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 Chief Executive Officer shall present the results of these periodic reviews to the Board of Directors.

Covenants and agreements related to outstanding Certificates of Participation, General Obligation, 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. Future debt issuance being considered by the District is a Water Revenue Bond for the upgrade of the District's water treatment plants. Funding for the Water Revenue Bond issuance originates from dedicated Water Enterprise revenues.

Debt Service Overview

Bond Ratings

The District's bond ratings for the Refunding Certificates of Participation issued on February 27, 2007 and the Water Utility Revenue Certificates of Participation issued on October 1, 2007 are reserved for high grade investment quality debt. They are based on the District's positive fiscal policy and financial strengths. The bond ratings reflected below are either the highest for a water related governmental entity in the State of California or among the highest. The Certificates of Participation issued in 2007 refunded the outstanding 2000 Certificates of Participation and enabled the District to obtain additional funds for capital projects. The Water Revenue Utility Certificates of Participation issued in 2007 were for capital improvements to the water system.

	Bond Ratings				
	COPs			Revenue Refunding Bond 2007	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

Due to a recalibration of the rating agencies' scoring systems, the District received upgrades to its credit ratings by S&P in September 2009 and by Moody's and Fitch in April 2010.

Bonds at this level generate lower interest rates and corresponding lower debt service payments.

Outstanding Debt

At the end of FY 2009-10 the District will have outstanding General Obligation (G.O.) debt of \$910,000 and total debt including Certificates of Participations (COPs) and Revenue Bonds of \$373,550,000. Scheduled annual debt service for FY 2010-11 is approximately \$33 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 2007A series COPs, with a final maturity of 2030 and the 2003A and 2004A 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 2031 and the 2007A/B Revenue Certificates of Participation with a final maturity of 2037. There is also one G.O. bond issued by Santa Clara County on the District's behalf maturing in 2012.

Planned Issuances

For FY 2010-11, the District is anticipating issuing debt for the purpose of financing capital expenditures related to the Water Utility Enterprise.

Debt service for the Water Enterprise long-term issuance 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 2010-11: 2.25
- FY 2011-12: 2.51
- FY 2012-13: 2.88
- FY 2013-14: 3.19

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 85% of the portfolio is invested in government securities, such as federal

Financial Summaries

Debt Service Overview

agencies and US treasuries. The remainder of the portfolio is invested in corporate notes 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 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.

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Financial Summaries

Debt Service Payments Schedule

As of 06/30/2010	Principal	Interest	Total
GENERAL OBLIGATION			
2010/11	505,000	35,375	540,375
2011/12	405,000	10,131	415,131
2012/13	0	0	0
2013/14	0	0	0
2014/15 and thereafter	0	0	0
Total	910,000	45,506	955,506
CERTIFICATES OF PARTICIPATION			
2010/11	9,280,000	7,136,250	16,416,250
2011/12	9,720,000	6,742,700	16,462,700
2012/13	10,250,000	6,243,950	16,493,950
2013/14	8,170,000	5,666,113	13,836,113
2014/15 and thereafter	115,020,000	42,283,075	157,303,075
Total	152,440,000	68,072,088	220,512,088
REVENUE BONDS			
2010/11	4,760,000	10,737,098	15,497,098
2011/12	4,960,000	10,532,958	15,492,958
2012/13	5,200,000	10,303,732	15,503,732
2013/14	5,435,000	10,056,711	15,491,711
2014/15 and thereafter	199,845,000	127,788,983	327,633,983
Total	220,200,000	169,419,482	389,619,482
TOTAL ALL OUTSTANDING DEBT			
2010/11	14,545,000	17,908,723	32,453,723
2011/12	15,085,000	17,285,789	32,370,789
2012/13	15,450,000	16,547,682	31,997,682
2013/14	13,605,000	15,722,824	29,327,824
2014/15 and thereafter	314,865,000	170,072,058	484,937,058
TOTAL	\$ 373,550,000	\$ 237,537,076	\$ 611,087,076

Financial Summaries

All Outstanding Debt to Maturity

	Total Amount Sold	Date of Issue	Average Interest Rate	Outstanding as of 6/30/2010	2010-2011 Redemptions		
					Principal	Interest	Total
GENERAL OBLIGATION							
Water Enterprise (GO)							
Series D	8,850,000	3/1/1972	5.285%	910,000	505,000	35,375	540,375
Subtotal	<u>8,850,000</u>			<u>910,000</u>	<u>505,000</u>	<u>35,375</u>	<u>540,375</u>
Total General Obligation	<u>8,850,000</u>			<u>910,000</u>	<u>505,000</u>	<u>35,375</u>	<u>540,375</u>
CERTIFICATES OF PARTICIPATION (COPS)							
2003 COPS							
Series A	85,715,000	3/13/2003	4.153%	62,215,000	4,755,000	2,739,800	7,494,800
2004 COPS							
Series A	32,965,000	1/29/2004	3.544%	17,875,000	2,290,000	870,850	3,160,850
2007 COPS							
Parity Obligations Series 2007A	78,780,000	2/27/2007	4.901%	72,350,000	2,235,000	3,525,600	5,760,600
Total Certificates of Participation	<u>197,460,000</u>			<u>152,440,000</u>	<u>9,280,000</u>	<u>7,136,250</u>	<u>16,416,250</u>
REVENUE BONDS							
2006 Water Utility Revenue Bonds							
Series A	74,265,000	12/21/2006	4.154%	67,535,000	1,900,000	2,842,450	4,742,450
Series B - taxable	25,570,000	12/21/2006	5.279%	23,905,000	515,000	1,259,461	1,774,461
Subtotal	<u>99,835,000</u>			<u>91,440,000</u>	<u>2,415,000</u>	<u>4,101,911</u>	<u>6,516,911</u>
2007 Water Utility Revenue Certificates of Participation							
Series A	77,270,000	10/1/2007	5.170%	75,960,000	1,375,000	3,663,750	5,038,750
Series B - taxable/floating	53,730,000	10/1/2007	5.55%*	52,800,000	970,000	2,971,437	3,941,437
Subtotal	<u>131,000,000</u>			<u>128,760,000</u>	<u>2,345,000</u>	<u>6,635,187</u>	<u>8,980,187</u>
Total Revenue Bonds	<u>230,835,000</u>			<u>220,200,000</u>	<u>4,760,000</u>	<u>10,737,098</u>	<u>15,497,098</u>
COMBINED TOTAL	<u>\$437,145,000</u>			<u>\$373,550,000</u>	<u>\$14,545,000</u>	<u>\$17,908,723</u>	<u>\$32,453,723</u>

* at time of issuance / floating rate / estimated debt service

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DISTRICT SALARIES, BENEFITS, AND RESERVE POLICY

Financial Summaries

District Salaries and Benefits

	Budgetary Basis Actual 2008-09	Adopted Budget 2009-10	Adopted Budget 2010-11	Change from 2009-10 Adopted	
				\$ Diff	% Diff
SALARIES					
Salaries-Regular Employee	82,564,561	84,163,252	86,575,751	2,412,499	2.9%
Overtime	1,371,858	1,247,585	1,378,885	131,300	10.5%
Special Pays	970,095	570,691	895,054	324,363	56.8%
Intermittent Worker	73,214	-	-	-	**
Total Salaries	84,979,728	85,981,528	88,849,690	2,868,162	3.3%
BENEFITS					
Accrued Vacation and Sick	7,515,812	-	-	-	**
Fed & State Taxes & Benefits	1,141,471	1,288,043	1,308,132	20,089	1.6%
Retirement Contributions	9,923,483	9,685,310	9,900,911	215,601	2.2%
Group Ins-Active Employees	11,090,196	11,907,712	12,646,174	738,462	6.2%
Group Ins-Retired Employees	4,444,694	4,843,286	4,795,882	(47,404)	(1.0%)
Total Benefits	34,115,656	27,724,351	28,651,098	926,748	3.3%
Salary & Benefit Savings Factor	-	(1,175,054)	(1,207,938)	(32,884)	2.8%
Total Salaries and Benefits	\$119,095,384	\$112,530,825	\$116,292,850	3,762,026	3.3%
Other Post Employment Benefits Funding (OPEB)					
	19,612,293	3,799,970	5,567,071	1,767,101	46.5%
LABOR HOURS					
	Actual Labor Hours 2008-09	Adopted Labor Hours 2009-10	Labor Hours 2010-11	Change from 2009-10 Adopted	
Salaries-Regular Employee	1,329,316	1,361,392	1,392,902	31,510	2.3%
Overtime	17,805	13,607	14,409	802	5.9%
Compensated Absences	253,182	282,681	261,644	(21,037)	(7.4%)
Total	1,600,303	1,657,680	1,668,955	11,275	0.7%
Budgeted Regular Positions	825	796	771	(25)	(3.1%)

Financial Summaries

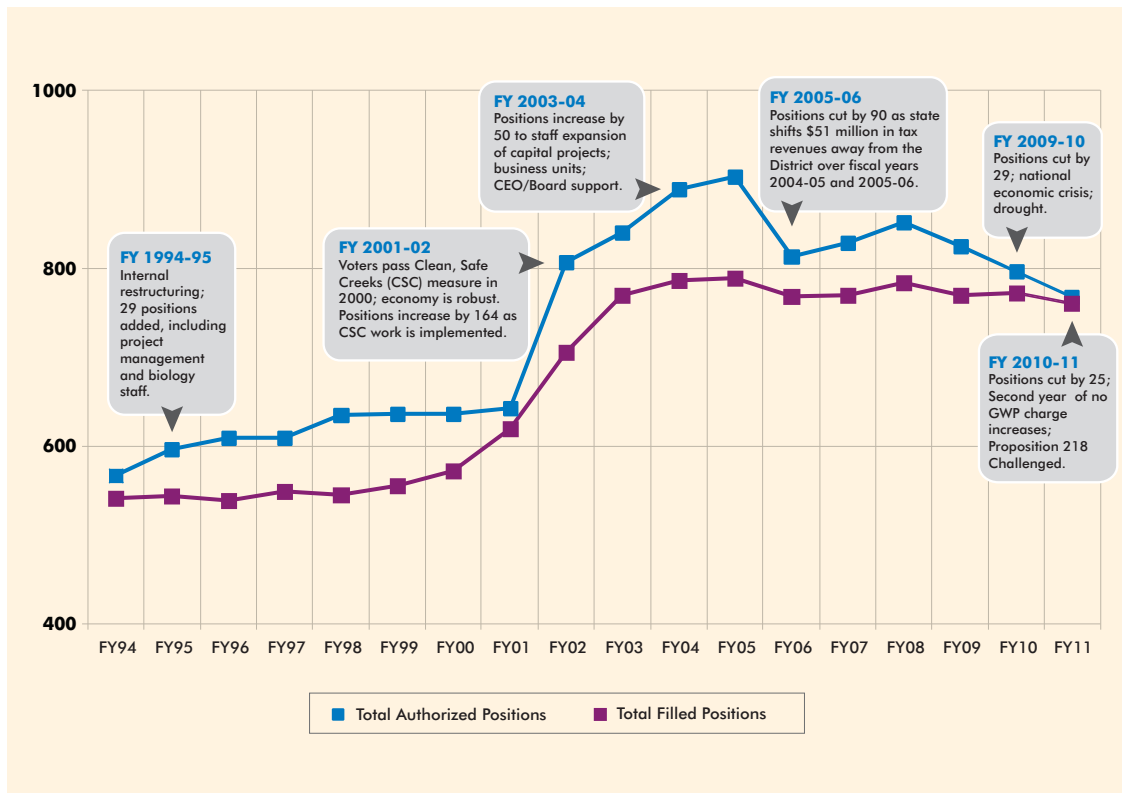
Summary of Positions

Position Count by Organization Division	Adopted Budget	Adopted Budget	Adopted Budget	Position Change	% Change
	FY 2008-09	FY 2009-10	FY 2010-11		
BOARD APPOINTED OFFICERS*	38	44	56	12	27.3%
ADMINISTRATION	235	202	186	(16)	(7.9%)
WATER UTILITY	246	243	306	63	25.9%
WATERSHEDS	145	150	223	73	48.7%
CAPITAL PROGRAM SERVICES**	161	157	0	(157)	(100.0%)
Total	825	796	771	(25)	(3.1%)

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

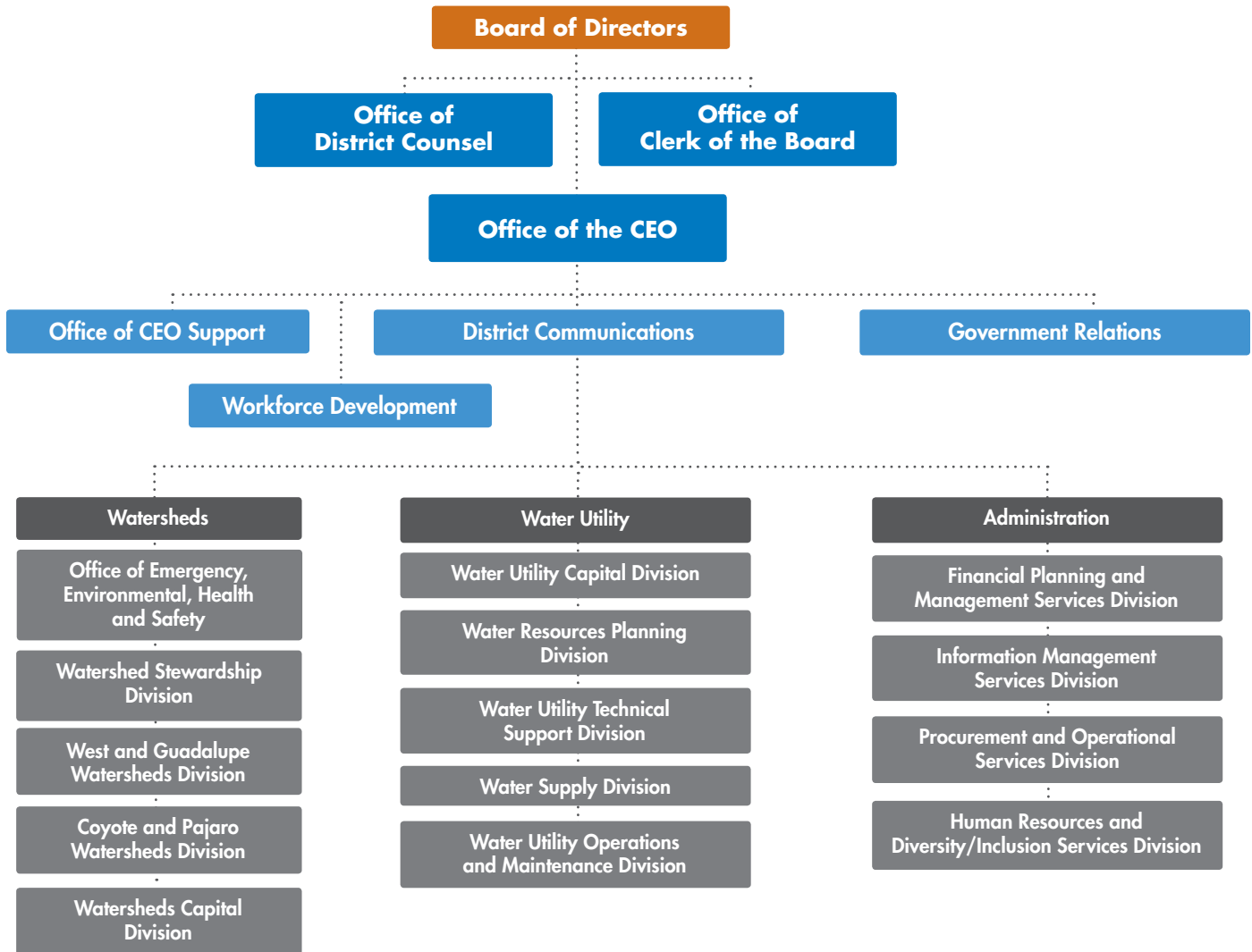
**For FY 2010/11 the Capital Division is embedded under Water Utility and Watersheds.

District Staffing Trends, FY1994 - FY2011



Financial Summaries

Organizational Chart



Financial Summaries

Budget Summary

	Adopted Budget 2008-09	Adopted Budget 2009-10	Adopted Budget 2010-11	Change from 2009-10 Adopted	
				\$ Diff	% Diff
CEO AND BOARD APPOINTED OFFICERS					
Salaries and Benefits	6,168,929	7,182,061	9,302,192	2,120,131	29.5%
Services and Supplies	5,845,580	7,260,748	9,430,875	2,170,127	29.9%
Subtotal	12,014,509	14,442,809	18,733,067	4,290,258	29.7%
Total	12,014,509	14,442,809	18,733,067	4,290,258	29.7%
ADMINISTRATION					
Salaries and Benefits	30,339,396	27,352,845	27,322,728	(30,117)	(0.1%)
Services and Supplies	25,376,850	18,531,116	17,760,504	(770,612)	(4.2%)
Subtotal	55,716,246	45,697,801	45,083,232	(614,569)	(1.3%)
Fixed Assets	3,422,393	3,511,215	3,028,769	(482,446)	(13.7%)
Debt Service	29,733,042	32,983,205	32,854,990	(128,215)	-0.4%
Total	88,871,681	82,192,221	80,966,991	(1,225,230)	(1.5%)
WATER ENTERPRISE OPERATIONS					
Salaries and Benefits	35,315,906	36,768,323	50,879,123	14,110,800	38.4%
Services and Supplies	104,270,398	110,021,800	13,227,703	(96,794,097)	(88.0%)
Subtotal	139,586,304	146,790,123	64,106,826	(82,683,297)	(56.3%)
Fixed Assets	27,971,500	28,797,500	72,210,073	43,412,573	150.8%
Total	167,557,804	175,587,623	136,316,899	(39,270,724)	(22.4%)
WATERSHED OPERATIONS					
Salaries and Benefits	19,523,430	21,501,202	34,355,627	12,854,425	59.8%
Services and Supplies	34,205,464	27,980,139	40,569,925	12,589,786	45.0%
Subtotal	53,728,894	47,956,592	74,925,552	26,968,960	56.2%
Fixed Assets	6,546,413	43,000	54,578,500	54,535,500	126827%
Total	60,275,307	47,999,592	129,504,052	81,504,460	169.8%
CAPITAL PROGRAM SERVICES*					
Salaries and Benefits	23,141,083	23,526,394	-	(23,526,394)	(100.0%)
Services and Supplies	303,046	(69,252,082)	-	69,252,082	(100.0%)
Subtotal	23,444,129	(45,725,688)	-	45,725,688	(100.0%)
Fixed Assets	104,743,800	77,191,000	-	(77,191,000)	(100.0%)
Total	128,187,929	31,465,312	-	(31,465,312)	(100.0%)
DISTRICT WIDE					
Salaries and Benefits	114,488,744	116,330,825	121,859,670	5,528,845	4.8%
Services and Supplies	170,001,338	94,541,721	80,989,007	(13,552,714)	(14.3%)
Subtotal	284,490,082	210,872,546	202,848,677	(8,023,869)	(3.8%)
Fixed Assets	142,684,106	109,542,715	129,817,342	20,274,627	18.5%
Debt Service	29,733,042	32,983,205	32,854,990	(128,215)	(0.4%)
Total	\$456,907,230	\$ 353,398,466	\$ 365,521,009	\$ 12,122,543	3.4%

* Capital Division was reorganized into Water Enterprise and Watershed for the FY 2010-11 Budget

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

The figures on the table above are exclusive of Capital Carryforward.

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District Reserve Policy

In March 2008, the Board of Directors approved a new reserve policy language. The new policy requirements are being reflected in the FY 2009-10 Budget.

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 Santa Clara Valley Water 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 rate 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 will be reviewed annually with the Board of Directors during budget deliberations.

DEFINITIONS

There are two categories of reserves - Restricted and Unrestricted - defined by Generally Accepted Accounting Principles (GAAP).

Restricted Reserves

Funds for which uses are constrained by either (a) externally imposed obligations with creditors, grantors, contributors, or laws/regulations of other governments; or (b) laws enacted through constitutional provisions or enabling legislation. [For purposes of this policy and the budget, the term "Restricted" is used to denote the Enterprise Funds category "Restricted" and the Governmental Funds category "Reserved," both of which are bound by the same requirements described above under GAAP.]

Unrestricted Reserves

Funds for which uses are not constrained by externally imposed restrictions. The uses of these funds are at the discretion of the Board of Directors.

There are two categories of Unrestricted Reserves:

- Designated Reserves: Funds for which uses are specified by the Board of Directors.
- Undesignated Reserves: Funds for which no uses are specified.

Budgeted Reserves versus Actual 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, commercial paper 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.

The Santa Clara Valley Water District reserves are categorized either as restricted or designated. The purpose, funding level, and reserve uses are presented below.

RESTRICTED RESERVES

Debt Service Reserves

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

District Reserve Policy

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 Reserves

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.

Water Utility Enterprise - Restricted Operating Reserve

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.

Water Utility Enterprise - Rate Stabilization Reserve

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.

Water Utility Enterprise - San Felipe Emergency Reserve

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.

Encumbrance Reserves

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.

UNRESTRICTED RESERVES

DESIGNATED RESERVES

Market Valuation Reserves

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

Financial Summaries

District Reserve Policy

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.

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 exceed budgeted amounts, this reserve will be drawn down to provide stabilization of debt service interest payments.

Operating & Capital Reserve

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.

Supplemental Water Supply Reserve

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.

Clean Safe Creeks - Maintenance of Newly Improved Creeks

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.

Clean Safe Creeks - Other Activities

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

District Reserve Policy

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.

Clean Safe Creeks - Special Purpose Reserve for Environmental Enhancement Program

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.

Clean Safe Creeks - Special Purpose Reserve for Open Space & Trails Program

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.

Currently Authorized Projects Reserve

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 rebudgeted 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.

DESIGNATED LIABILITY AND OTHER RESERVES

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

The Board of Directors approved funding of Workers' Compensation Reserve at 85 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

Financial Summaries

District Reserve Policy

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.

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Financial Summaries

Appropriated To/(From) Reserves

GENERAL FUND	Estimated Balances				Increases/(Decreases) from 2009-10 Adopted	
	Year-End 2008-09	Adopted 2009-10	Projected YE 2009-10	Adopted 2010-11	\$ Diff	% Diff
Designated Reserves						
Operating & Capital Reserve	\$ 14,957,462	\$ 5,775,844	\$ 12,528,826	\$ 9,529,773	\$ 3,753,929	65.0%
Currently Authorized Projects	905,819	-	306,000	29,000	29,000	**
Total Designated Reserves	15,863,281	5,775,844	12,834,826	9,558,773	\$ 3,782,929	65.5%
Total General Fund Reserves	15,863,281	5,775,844	12,834,826	9,558,773	3,782,929	65.5%
SPECIAL REVENUE FUNDS (WATERSHEDS)						
Designated Reserves						
Operating & Capital Reserve	94,793,719	106,368,731	79,211,740	96,276,917	\$ (10,091,814)	(9.5%)
Newly Improved Creeks - Maintenance	3,379,088	3,860,460	3,860,460	4,356,274	\$ 495,814	12.8%
Other CSC Operating Activities	3,902,975	1,352,046	4,549,924	4,221,986	\$ 2,869,940	212.3%
Environmental Enhancement Prog	9,789,185	12,219,125	12,239,352	14,623,775	\$ 2,404,650	19.7%
Open Space & Trails Program Res	4,143,238	5,196,521	5,227,226	6,340,648	\$ 1,144,127	22.0%
Currently Authorized Projects	101,314,190	15,110,000	27,798,000	11,818,000	\$ (3,292,000)	(21.8%)
Total Designated Reserves	217,322,395	144,106,883	132,886,702	137,637,600	(6,469,283)	(4.5%)
Total Special Revenue Funds Reserves	217,322,395	144,106,883	132,886,702	137,637,600	(6,469,283)	(4.5%)
Total Governmental Funds	\$ 233,185,676	\$ 149,882,727	\$ 145,721,528	\$ 147,196,373	\$ (2,686,354)	(1.8%)

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WATERSHED MANAGEMENT FUNDS

Financial Summaries

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 Chief Operating Officer - Watersheds leads the implementation of the watershed stewardship program with three funding sources:

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

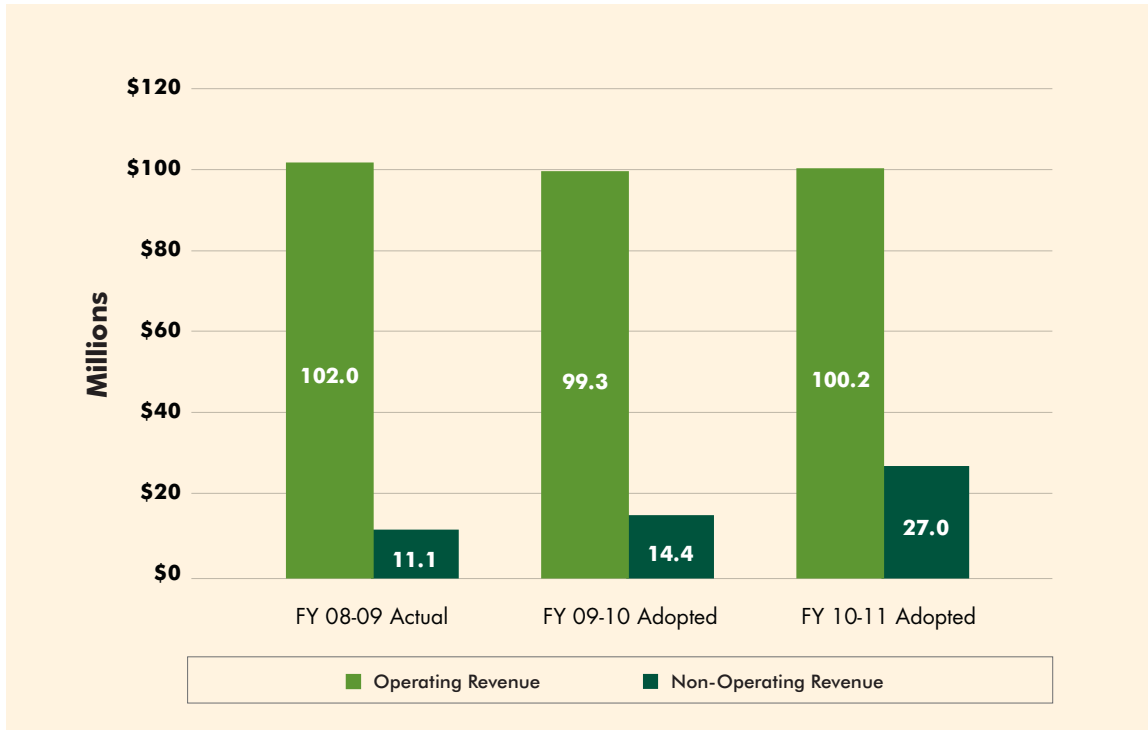
Financial summaries and a description of programs and outcomes from these funds can be found in this chapter.

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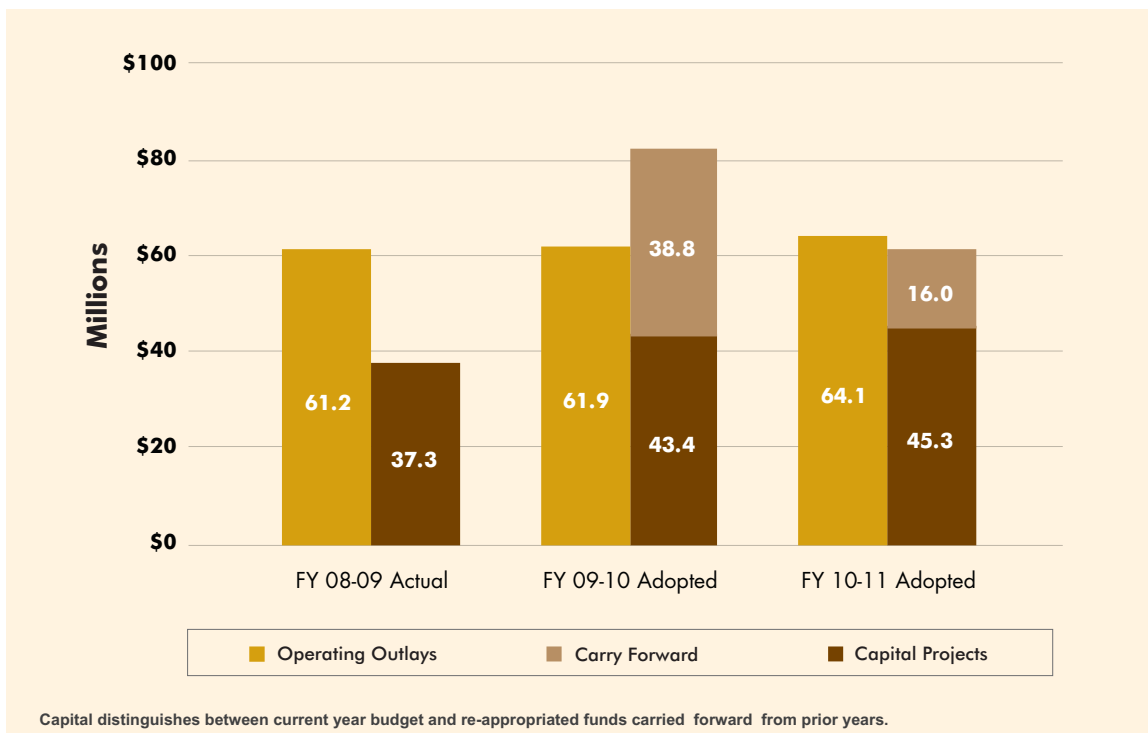
Financial Summaries

Watershed Management Funds

Total Revenue



Total Outlays



Financial Summaries

Watershed Management Funds Summary

	Budgetary Basis Actual 2008-09	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	Change from 2009-10 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Operating Revenue:						
Property Taxes	\$ 50,659,892	\$ 47,212,491	44,730,400	\$ 47,268,745	\$ 56,254	0.1%
Special Parcel Tax	31,763,576	32,818,565	32,818,565	33,803,121	984,556	3.0%
Benefit Assessments	19,256,277	19,234,243	19,234,242	19,088,210	(146,033)	(0.8%)
Intergovernmental Services	343,783	-	-	-	-	**
Total Operating Rev	102,023,528	99,265,299	96,783,207	100,160,076	894,777	0.9%
Non-Operating Income						
Interest*	7,875,501	5,328,000	5,328,000	5,355,000	27,000	0.5%
Capital Reimb	1,311,551	6,600,000	3,622,000	19,073,000	12,473,000	189.0%
Other	1,908,462	2,456,280	2,456,280	2,529,969	73,689	3.0%
Total Non-Operating Income	11,095,514	14,384,280	11,406,280	26,957,969	12,573,689	87.4%
Total Revenue	113,119,042	113,649,579	108,189,487	127,118,045	13,468,466	11.9%
Operating Outlays:						
Operations	37,512,450	36,609,784	36,740,831	38,981,667	2,371,883	6.5%
Operating Projects	7,984,069	9,836,226	8,016,354	9,776,148	(60,078)	(0.6%)
Salary Savings	-	(333,446)	-	(342,617)	(9,171)	2.8%
Debt Service	15,680,550	15,785,792	15,785,792	15,684,328	(101,464)	(0.6%)
Total Operating Outlays	61,177,069	61,898,356	60,542,977	64,099,526	2,201,170	3.6%
Capital Projects	37,267,487	43,384,450	141,159,240	45,256,952	1,872,502	4.3%
Carried Forward Capital Projects	-	38,750,000	-	15,980,000	(22,770,000)	(58.8%)
Total Capital Outlays	37,267,487	82,134,450	141,159,240	61,236,952	(20,897,498)	(25.4%)
Other Financing Sources/(Uses):						
Certificates of Participation	2,419,508	3,075,000	9,300,427	3,317,331	242,331	7.9%
Transfers In	10,126,500	4,028,206	4,107,072	4,250,450	222,244	5.5%
Transfers Out	(5,984,368)	(4,223,409)	(4,330,462)	(4,598,450)	(375,041)	8.9%
Total Other Sources/(Uses)	6,561,640	2,879,797	9,077,037	2,969,331	89,534	3.1%
Balance Available	\$ 21,236,126	\$ (27,503,430)	\$ (84,435,693)	\$ 4,750,898	\$ 32,254,328	(117.3%)

	Estimated Balances				Change from 2009-10 Adopted	
	Year-End 2008-09	Adopted 2009-10	Projected YE 2009-10	Adopted 2010-11	\$ Diff	% Diff
Year-End Reserves:						
Designated Reserves						
Operating & Capital Reserve	94,793,719	106,368,731	79,211,740	96,276,917	(10,091,814)	(9.5%)
Newly Improved Creeks - Maintenar	3,379,088	3,860,460	3,860,460	4,356,274	495,814	12.8%
Other CSC Operating Activities	3,902,975	1,352,046	4,549,924	4,221,986	2,869,940	212.3%
Environmental Enhancement Prog	9,789,185	12,219,125	12,239,352	14,623,775	2,404,650	19.7%
Open Space & Trails Program Res	4,143,238	5,196,521	5,227,226	6,340,648	1,144,127	22.0%
Currently Authorized Projects***	101,314,190	15,110,000	27,798,000	11,818,000	(3,292,000)	(21.8%)
Total Designated Reserves	217,322,395	144,106,883	132,886,702	137,637,600	(6,469,283)	(4.5%)
Total Year-End Reserves	\$ 217,322,395	\$ 144,106,883	\$ 132,886,702	\$ 137,637,600	(6,469,283)	(4.5%)
Uncommitted Funds			\$ 0	\$ 0		

* 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 overall Flood Protection and Stream Stewardship Program. When created, this fund supported specific watershed stewardship activities from a portion of the District's ad valorem property tax allocation. Starting from FY 2008-09, this fund was redefined to support all activities from the five watershed 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; corrective maintenance - property repairs, fence repair, road repair
- 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, solid waste management, hydrology, safety training, and workforce development

For each goal, program and projects are designed to fulfillment of that goal. Following each goal statement is a list of projects that a part of the FY 2011 budget.

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

Major Capital Projects:

- Guadalupe River Downtown Project
- Lower Berryessa Creek, Lower Penitencia to Calaveras
- Lower Silver Creek Reaches 4-6 I-680 - Cunningham
- Upper Penitencia Creek, Coyote-Dorel LERRD
- Lower Llagas Creek Capacity Restoration
- San Francisquito Creek, SF Bay to Searsville
- San Francisquito Creek 104 Corps Project
- South San Francisco Bay Shoreline Study

Maintain conveyance capacity of modified channels: Effectively and efficiently maintain and operate flood water conveyance channels to design specifications and protect healthy creek and bay ecosystems including sustainable sediment management and debris removal

1. 13,940 Cubic Yard estimated for Lower Peninsula Watershed
2. 4,894 Cubic Yard estimated for West Valley Watershed
3. 3,825 Cubic Yard estimated for Guadalupe Watershed

Watershed and Stream Stewardship Fund

4. 11,487 Cubic Yard estimated for Coyote Watershed
5. 1,900 Cubic Yard estimated for Pajaro Watershed

Watershed Property Vegetation: Control of 2,201 Acre of upland vegetation

Goal 3.2: Reduced potential for flood damages

Reduce the risk of flooding from creeks through: emergency preparedness and response; implementing the Water Resources Protection Ordinance; consulting with and supporting external agencies for floodplain management; maintaining and improving stream gages for flood warning;

Field Condition Assessment: Creek Inspection:

1. 246,786 linear feet for Lower Peninsula Watershed
2. 316,082 linear feet for West Valley Watershed
3. 333,419 linear feet for Guadalupe Watershed
4. 310,850 linear feet for Coyote Watershed
5. 212,471 linear feet for Pajaro Watershed

Levee Maintenance: Inspection and maintenance will be performed on about

1. 92,325 linear feet for Lower Peninsula Watershed
2. 172,300 linear feet for West Valley Watershed
3. 184,955 linear feet for Guadalupe Watershed
4. 165,585 linear feet for Coyote Watershed
5. 10,560 linear feet for Pajaro Watershed

Sandbag: Provides over 40,000 sandbags

Goal: 4.1: Healthy creek and bay ecosystems

Protect and improve creek and bay ecosystems through; managing mitigation and enhancement sites; monitoring the biological values along the creeks and bay; understanding the natural hydrology of the watersheds;

Capital Projects: Pond A8 Applied Study Construction

Watershed Erosion Protection:

1. 110 linear feet for Lower Peninsula Watershed
2. 1,685 linear feet for West Valley Watershed
3. 845 linear feet for Guadalupe Watershed
4. 1,290 linear feet for Coyote Watershed
5. 100 linear feet for Pajaro Watershed

Goal: 4.2: Clean, safe water in creeks and bay

Protect and improve water quality in creeks and bay through: Good Neighbor Maintenance - four routes will be completed per year for all watersheds to 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; respond to hazardous material incidents; educate residents on creek stewardship; stormwater runoff pollution prevention activities;

Capital Project: Jacques Gulch Restoration

Goal: 4.3: Support additional trails, parks and open space

Provide for additional recreational opportunities through partnering with cities and the county for the creation of creekside trails and

Capital Projects:

- Gold Street Educational Center
- Alviso Slough Design/Construction

Fiscal Status

Property tax revenue is projected at \$47.3 million, a 0.1% increase from FY2009-10.

Financial Summaries

Watershed and Stream Stewardship Fund

Interest earnings are projected at \$2.8 million, a 2% decrease from FY2009-10.

\$1.8 million is budgeted as Capital Reimbursement for RWQCB and CC-ARRA for Pond A8 Applied Study Final Design and construction.

\$12.6 million is budgeted as Capital Reimbursement for ARRA for Lower Silver Creek

\$3.3 million is budgeted to be available from Certificates of Participation.

\$3.4 million is budgeted to be transferred in from Benefit Assessment Fund for the excess amount over the debt obligations.

\$0.3 million is budgeted to be transferred in from Clean Safe Creeks & Natural Flood Protection to fund 519 acres of Countywide Property Vegetation Management.

\$0.3 million is budgeted to be transferred out to Clean Safe Creeks & Natural Flood Protection Fund to provide the funding for OPEB in the fund.

\$0.3 million is budgeted to be transferred out to Water Utility Enterprise for Open Space Credit

\$0.1 million is budgeted to be transferred out to Clean Safe Creeks and Natural Flood Protection fund to provide funding for Environmental Enhancement Program

Planning is continuing on an update to the master plan for the Natural Flood Protection and Stream Stewardship Program and development of a program for the community to consider funding in advance of the sunset of the Clean, Safe Creeks and Natural Flood Protection special parcel tax.

Outreach is continuing for awareness in the community of flood risks that still exist, to educate them about the importance of preparedness and District activities to help reduce their risk from

Flooding, and to educate the community to be good stewards of the creeks.

South San Francisco Bay Shoreline Study will reach a decision point on how to proceed with available funds to protect areas vulnerable to tidal flooding.

Budget Issues

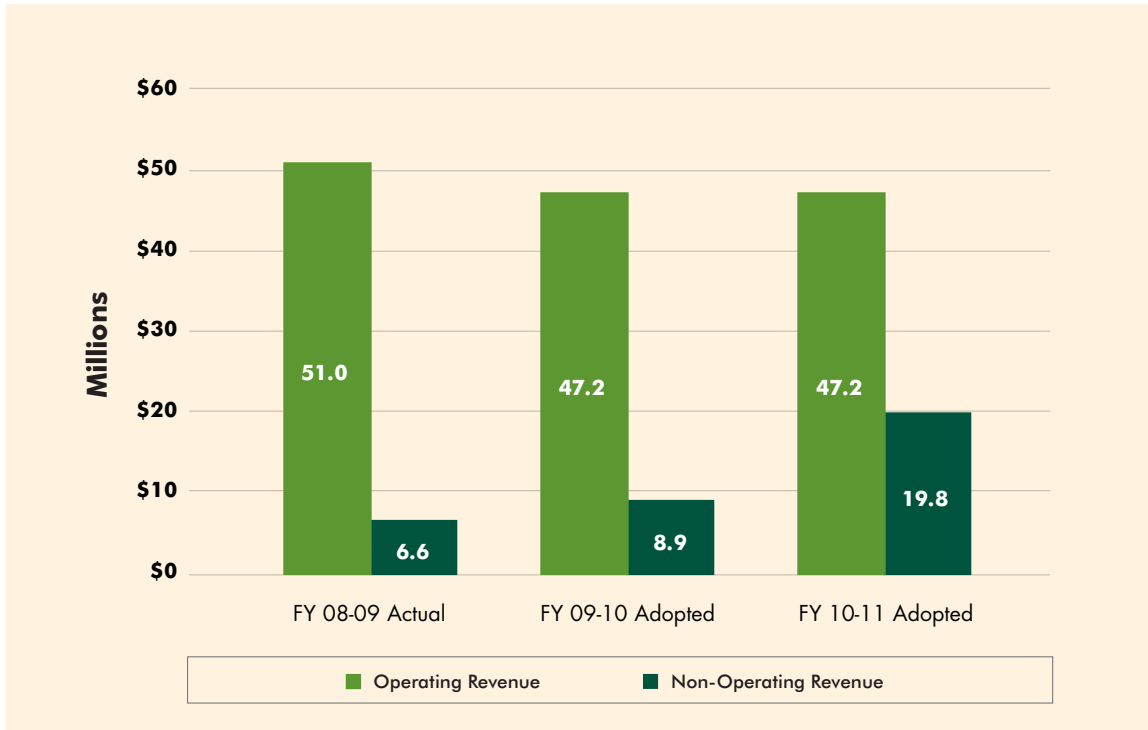
The Stream Maintenance Program regulatory permit renewal effort continues to be a high priority for funding of activities needed to meet our renewal deadline of June 2012.

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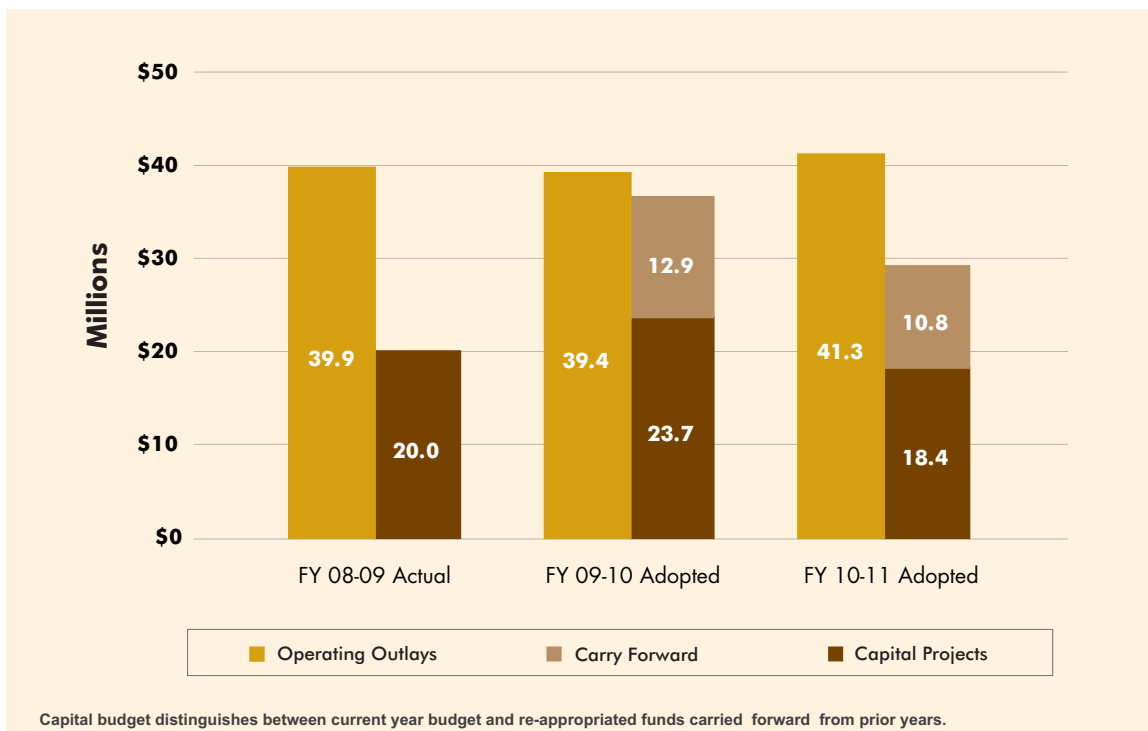
Financial Summaries

Watershed and Stream Stewardship Fund

Total Revenue



Total Outlays



Financial Summaries

Watershed and Stream Stewardship Fund Summary

	Budgetary Basis Actual 2008-09	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	Change from 2009-10 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Operating Revenue:						
Property Taxes	\$ 50,659,892	\$ 47,212,491	\$ 44,730,400	\$ 47,268,745	\$ 56,254	0.1%
Intergovernmental Services	343,783	-	-	-	-	-
Total Operating Revenue	51,003,675	47,212,491	44,730,400	47,268,745	56,254	0.1%
Non Operating Income						
Interest*	4,222,028	2,888,000	2,888,000	2,830,000	(58,000)	(2.0%)
Capital Reimb	669,270	3,622,000	3,622,000	14,425,000	10,803,000	298.3%
Other	1,718,910	2,433,620	2,433,620	2,506,629	73,009	3.0%
Total Non-Operating Income	6,610,208	8,943,620	8,943,620	19,761,629	10,818,009	121.0%
Total Revenue	57,613,883	56,156,111	53,674,020	67,030,374	10,874,263	19.4%
Operating Outlays:						
Operations	33,770,704	32,141,887	33,439,565	34,241,835	2,099,948	6.5%
Operating Projects	6,101,899	7,529,449	5,806,753	7,357,884	(171,565)	(2.3%)
Salary Savings	-	(257,687)	-	(270,067)	(12,380)	4.8%
Total Operating Outlays	39,872,603	39,413,649	39,246,318	41,329,652	1,916,003	4.9%
Capital Projects	19,955,234	23,685,455	76,348,658	18,388,769	(5,296,686)	(22.4%)
Carried Forward Capital Projects	-	12,894,000	-	10,786,000	(2,108,000)	(16.3%)
Total Capital Outlays	19,955,234	36,579,455	76,348,658	29,174,769	(7,404,686)	(20.2%)
Other Financing Sources/(Uses):						
Certificates of Participation	2,419,508	3,075,000	9,300,427	3,317,331	242,331	7.9%
Transfer in from Benefit Assess Fund	3,794,335	3,448,451	3,448,451	3,403,882	(44,569)	(1.3%)
Transfers In	4,517,872	313,375	313,375	372,568	59,193	18.9%
Transfers Out	(1,462,657)	(461,583)	(540,449)	(822,000)	(360,417)	78.1%
Total Other Sources/(Uses)	9,269,058	6,375,243	12,521,804	6,271,781	(103,462)	(1.6%)
Balance Available	\$ 7,055,104	\$ (13,461,750)	\$ (49,399,152)	\$ 2,797,734	\$ 16,259,484	(120.8%)

	Estimated Balances				Change from 2009-10 Adopted	
	Year-End 2008-09	Adopted 2009-10	Projected YE 2009-10	Adopted 2010-11	\$ Diff	% Diff
	Year-End Reserves:					
Designated Reserves						
Operating & Capital Reserve	59,857,065	62,392,219	38,862,516	52,446,250	(9,945,969)	(15.9%)
Currently Authorized Projects***	51,008,603	9,630,000	22,604,000	11,818,000	2,188,000	22.7%
Total Designated Reserves	110,865,668	72,022,219	61,466,516	64,264,250	(7,757,969)	(10.8%)
Total Year-End Reserves	\$ 110,865,668	\$ 72,022,219	\$ 61,466,516	\$ 64,264,250	(7,757,969)	(10.8%)
Uncommitted Funds			\$ 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 by Watershed and Stream Stewardship Fund - Countywide Watershed Activities

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
Operations:					
62001090	Unscoped Operations Activities	\$	\$ 300,000	\$ 300,000	Office of COO-Watershed
62011002	Watershed Asset Protection Supp	4,037	3,180,490	3,367,536	West & Guad Watersheds Div
62021001	Reg Compliance Tech Support	43,959	61,507	19,057	Office of Emergency, Environmental, H&S Services
62021002	Watershed Emergency Operations	10,687	40,633	56,408	West & Guad Watersheds Div
62021003	CPRU Tech Support	82,421	156,046	170,229	West & Guad Watersheds Div
62021004	Vegetation Mgmt Tech Support	388,006	546,716	661,711	Watershed Stewardship Division
62021005	Stream Stewardship Tech Supp	278,734	266,465	395,780	Watershed Stewardship Division
62021006	Watershed Prg Permit Mgmt	55,830			Office of Emergency, Environmental, H&S Services
62021007	Geomorphic Data Analysis			80,925	Coyote & Pajaro Watersheds Div
* 62031001	Watershed Revenue Collection	112,586	111,364	128,113	Financial Planning & Mgmt Div
* 62031002	Grants Management			406,318	Financial Planning & Mgmt Div
62041003	Ecological Monitoring Prog	1,205,060	407,337	524,725	Watershed Stewardship Division
62041005	Collaborative Action PL Implem	23,323			Watershed Stewardship Division
* 62041022	Stream Maintenance Prog Mgmt	551,293	576,018	578,419	Watershed Stewardship Division
62041023	Flood Mgmt Policy and Coord	159,256	239,418	426,149	Watershed Stewardship Division
* 62041025	SMP Biodiversity Monitoring	265,802	416,303	303,030	Watershed Stewardship Division
* 62041039	Integrated Regional Water Mgmt	187,086	54,376	92,267	Water Resources Planning Division
* 62041042	Llagas Fire Mgmt			64,050	Office of Emergency, Environmental, H&S Services
62041043	Environmental Services Tech Supp			338,403	Watershed Stewardship Division
62061001	Watersheds Administration	3,987,202	4,093,251	4,370,402	Office of COO-Watershed
62061002	Districtwide Salary Savings-12	910	(257,687)	(270,067)	Financial Planning & Mgmt Div
62061003	Creekwise Edu & Volunteer Prog	92,546	144,566	198,720	Office of COO-Watershed
62061004	Watershed Management Support	905,555			Office of COO-Watershed
62061005	Flood Awareness		303,401	571,631	Office of COO-Watershed
62061008	Basic Hydrology			429,269	Coyote & Pajaro Watersheds Div
62061022	Watershed Ops Safety Implement	451,712	326,552	302,497	Office of Emergency, Environmental, H&S Services
62061023	Watershed Ops Safety Training	540,288	801,225	567,588	Office of Emergency, Environmental, H&S Services
62061028	WS Training & Development	556,541	380,294	465,932	Office of COO-Watershed
62061029	Field Operations Support		419,277	399,202	Coyote & Pajaro Watersheds Div
62061030	Special Tax Outcome Monitori		166,847	195,175	Office of COO-Watershed
* 62061039	Ops Business Mgmt Support		793,148		Office of COO-Watershed
62061041	Flood & Stewardship Reg Coord			174,389	Watershed Stewardship Division
* 62061045	District Asset Mgmt Framework			372,606	Water Resources Planning Division
* 62071041	Welding Services	89,819	71,319	78,002	Procurement & Operational Srv Div
62181005	Coyote Pkwy Wetlands Mit & Mon			47,654	Watershed Stewardship Division
62761008	Sandbag Program	182,735	86,102	206,889	Watershed Stewardship Division
62761009	Pond A4 Operations	51,659	103,317	100,346	West & Guad Watersheds Div

* Allocated Project

Financial Summaries

Total Outlays by Watershed and Stream Stewardship Fund - Countywide Watershed Activities

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
* 62761071	Emergency Preparedness Program	440,581	346,176	737,183	Office of Emergency, Environmental, H&S Services
* 62771011	District Urban Runoff Program	250,610	227,385	262,182	Watershed Stewardship Division
* 62771031	HAZMAT Emergency Response	188,832	187,038	195,884	Office of Emergency, Environmental, H&S Services
62771068	Watershed Property Vegetation	2,402,350	1,889,164	1,802,987	Watershed Stewardship Division
* 62811043	Hydrologic Data Msrmt & Mgmt	792,817	686,194	682,435	Coyote & Pajaro Watersheds Div
* 62811046	Warehouse Services	653,101	592,273	751,569	Procurement & Operational Srv Div
* 62811049	X Valley Level / Benchmark	185,301	187,700	72,637	Watersheds Capital Division
* 62811054	District Real Property Administration	207,814	184,328	270,684	Watersheds Capital Division
Total Operations:		15,348,453	18,088,543	20,898,916	
Operating Projects:					
62022001	Flood Protection Assessment	655,948			West & Guad Watersheds Div
* 62022007	SMP Program Permit Renewal	339,633	1,787,801	903,362	Watershed Stewardship Division
62022008	Flood Warning System developmnt			248,564	Coyote & Pajaro Watersheds Div
62042026	Watershed Total Asset Mgt Prgm	1,582,916	1,318,496	1,587,814	Water Resources Planning Division
* 62042031	Comprehensive WRM Plan	29,232	22,150		Watershed Stewardship Division
62042032	Island Pond Mitigation & Monit	131,716	202,592	128,556	Coyote & Pajaro Watersheds Div
* 62042037	Future Funding Strategies	483,497	559,873	820,286	Water Resources Planning Division
62042045	Stream Gauge Study		161,390	240,975	Coyote & Pajaro Watersheds Div
* 62062036	Climate Action Planning	95,845	75,264	128,063	Water Resources Planning Division
62082003	Solid Materials / Waste Mgmt	87,487	282,610	205,327	Water Resources Planning Division
* 62742041	Comprehensive Habitat Cons P	231,469	125,901	370,418	Water Resources Planning Division
62762001	Modified Channel Capacity Rest	67,768			West & Guad Watersheds Div
62762007	Smooth Cordgrass Control	31,619	26,172	25,509	Watershed Stewardship Division
62762016	Arundo Control Program	961,814	1,221,440	1,274,871	Watershed Stewardship Division
* 62762072	District Emergency Prog Imprv		42,410		Office of Emergency, Environmental, H&S Services
62792003	Inter Agency Urban Runoff Prog	814,412	887,865	872,312	Watershed Stewardship Division
Total Operating Projects:		5,513,356	6,713,964	6,806,057	
Capital Projects:					
* 62024005	Radio Repeater System Infill	5,576	(1)	9,011	Information Mgmt Services Div
62044018	Pond A4 Water Management Proj	45			Watersheds Capital Division
62044020	Pond A8 Applied Study Construc	154,126	267,001	19,000	Watersheds Capital Division
* 62044026	San Francisco Bay Shoreline	953,017			Watersheds Capital Division
* 62044030	SMP Mit Laguna Seca Freshwater	502,397	7,283,000		Watersheds Capital Division
62044042	Early Shoreline Implement Feas	1,103	60,164	236,000	Watersheds Capital Division
* 62074012	CPS Labor Collaborative & Rela	83,538			Office of Chief Executive Officer
* 62074029	Unscoped Operations Activities		23,250		Watersheds Capital Division
* 62074030	CPS Training and Development	368,164	239,709	119,842	Watersheds Capital Division
* 62074031	Quality Management-CPS	118,012	41,157		Office of Chief Executive Officer
* 62074032	CEQA Administration-CPS	9,694			Office of Chief Executive Officer

* Allocated Project

Financial Summaries

Total Outlays by Watershed and Stream Stewardship Fund - Countywide Watershed Activities

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
* 62074033	CIP Development & Admin	322,700	264,044	207,027	Water Utility Capital Division
* 62074034	Construction-Mgt & Admin	196,272			Water Utility Capital Division
* 62074035	CADD-Mgt & Admin	53,780			Water Utility Capital Division
* 62074036	Survey-Mgt & Admin	225,846		73,699	Water Utility Capital Division
* 62074037	Real Estate Technical Support	66,342		7,319	Watersheds Capital Division
* 62074038	CPS Management & Support	1,492,312	1,451,117	977,088	Watersheds Capital Division
* 62074043	Construction Inspection&Admin	164,356			Water Utility Capital Division
* 62074044	Capital Program Improvement	461,663	132,650		Office of COO-Watershed
* 62074045	Technical Review Committee		171,254	162,697	Water Utility Capital Division
* 62074046	Capital Health & Safety Training			46,148	Office of COO-Watershed
62184001	SMP Mit-Stream Wtrshd Land Acq	124,844			Watersheds Capital Division
62184002	SMP Mit - Coyote Pkwy Wetland	221,788	390,000		Watersheds Capital Division
62184041	SMP Mit - Carnadero Preserve	229,252			Watersheds Capital Division
62214001	Thompson Creek Stream Stabiliz	1,093			Watersheds Capital Division
* 62294001	FAHCE Stevens Ck Fish Planning	59,321	43,629		Water Supply Division
62754001	SMP Mit - Pajaro Basin Wetland	139,429		71,000	Watersheds Capital Division
Total Capital Projects:		5,954,670	10,366,974	1,928,831	
TOTAL		\$ 26,816,479	\$ 35,169,481	\$ 29,633,804	

* Allocated Project

Financial Summaries

Total Outlays by Watershed and Stream Stewardship Fund - Lower Peninsula Watershed Activities

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
Operations:					
* 10011002	LwrPen Asset Protection Supp	\$ 525,807	\$	\$	Coyote & Pajaro Watersheds Div
10061008	Basic Hydrology	93,464	467,165		Coyote & Pajaro Watersheds Div
10081008	LP Facilities Condition Assmnt	124,405	169,711	173,304	West & Guad Watersheds Div
10291002	Rental Expense Stevens Creek	204,796	197,615	206,544	Procurement & Operational Srv Div
10761011	Lwr Pen General Field Maint	164,316	178,399	180,970	West & Guad Watersheds Div
10761021	Lwr Pen Wtrshd Debris Remova	201,040	159,883	223,110	West & Guad Watersheds Div
10761041	Lwr Pen Wtrshd Erosion Protn	527,612	380,636	325,817	West & Guad Watersheds Div
* 10771021	Lwr Pen Wtrshd Good Neighbor	72,579	91,774		West & Guad Watersheds Div
* 10771051	Lwr Pen Wtrshd Sedimt Remova	311,143	276,141	516,122	West & Guad Watersheds Div
10811011	Lwr Pen Wtrshd Levee Mainten	158,610	156,841	143,824	West & Guad Watersheds Div
10811042	West Watershed Technical Support	374,198	192,175	348,880	West & Guad Watersheds Div
Total Operations:		2,757,970	2,270,340	2,118,571	
Operating Projects:					
10042040	Levee Recertification - LP	76,153	65,616		Watershed Stewardship Division
10102002	Adobe Creek Mitigation Monitoring	45,743	104,845	86,690	West & Guad Watersheds Div
10212011	Matadero Overflow Ch Mit Mon	10,655	33,525	31,512	West & Guad Watersheds Div
Total Operating Projects:		132,551	203,986	118,202	
Capital Projects:					
10104008	Adobe Ck-Burke Rd to Hwy280	422			West & Guad Watersheds Div
10104011	Adobe CK Upper Reach 5 Restore	1,008,725	135,157	138,094	Watersheds Capital Division
10244001	Permanente Ck, SF Bay-Foothill	1,414,425	4,544,000		Watersheds Capital Division
10284007	San Francisquito CK-Bay-Searsv	582,127	830,000	47,000	Watersheds Capital Division
10284008	San Francisquito Ck 104 Corps		1,138,164	393,947	Watersheds Capital Division
Total Capital Projects:		3,005,699	6,647,321	579,041	
TOTAL		\$ 5,896,220	\$ 9,121,647	\$ 2,815,814	

* Allocated Project

Financial Summaries

Total Outlays by Watershed and Stream Stewardship Fund - West Valley Watershed Activities

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
Operations:					
* 20011002	W Vly Asset Protection Supp	\$ 543,406	\$	\$	Coyote & Pajaro Watersheds Div
* 20061008	West Valley Basic Hydrology	72,387			Watersheds Capital Division
20081008	WV Facilities Condition Assmnt	160,042	222,418	206,652	West & Guad Watersheds Div
20761011	W Vly General Field Maint	806,468	191,204	301,908	West & Guad Watersheds Div
20761021	W Vly Wtrshd Debris Removal	237,439	166,149	267,118	West & Guad Watersheds Div
20761041	W Vly Wtrshd Erosion Protectn	1,097,296	556,728	826,983	West & Guad Watersheds Div
* 20771022	W Vly Wtrshd Gd Neighbor Ma	77,589	92,571	334,173	West & Guad Watersheds Div
* 20771052	W Vly Wtrshd Sediment Remova	124,601	454,901	450,641	West & Guad Watersheds Div
20811011	W Valley Wtrshd Levee Maint	130,465	390,211	323,774	West & Guad Watersheds Div
20811042	WV Watershed Technical Support	368,455	206,694		West & Guad Watersheds Div
Total Operations:		3,618,148	2,280,876	2,711,249	
Operating Projects:					
20102019	Bollinger Bridge Mit Mon	20,315	23,182	46,730	West & Guad Watersheds Div
Total Operating Projects:		20,315	23,182	46,730	
Capital Projects:					
20104015	Calabazas Ck, Bollinger Bridge	695,661		42,000	Watersheds Capital Division
20104018	Calabazas Ck, Capacity Improve	152,951			Watersheds Capital Division
20194005	San Tomas Ck, Quito Rd Bridges		13,000		Watersheds Capital Division
Total Capital Projects:		848,612	13,000	42,000	
TOTAL		\$ 4,487,075	\$ 2,317,058	\$ 2,799,979	

* Allocated Project

Financial Summaries

Total Outlays by Watershed and Stream Stewardship Fund - Guadalupe Watershed Activities

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
Operations:					
30011002	Guad Asset Protection Supp	\$ 921,334	\$	\$	Coyote & Pajaro Watersheds Div
30061004	Rent Exp Guadalupe Prior7/1/01	162,994	144,194	159,158	Procurement & Operational Srv Div
30061008	Guadalupe Basic Hydrology	105,507			Coyote & Pajaro Watersheds Div
30081008	Guad Facilities Condition Assm	194,529	388,482	284,513	West & Guad Watersheds Div
30151026	Dntwn Gud Rvr Mitgtn Moni Prog	1,026,293	675,595	620,711	West & Guad Watersheds Div
30761011	Guad General Field Maint	567,781	551,939	426,270	West & Guad Watersheds Div
30761021	Guad Wtrshd Debris Removal	327,344	227,525	170,711	West & Guad Watersheds Div
30761041	Guad Wtrshd Erosion Protection	1,048,632	621,500	595,108	West & Guad Watersheds Div
* 30771023	Guad Wtrshd Gd Neighbor Main	69,785	89,505		West & Guad Watersheds Div
* 30771026	Illegal Encampment Cleanup Prg	95,608	125,330	144,745	West & Guad Watersheds Div
* 30771053	Guad Wtrshd Sediment Removal	322,925	331,673	218,919	West & Guad Watersheds Div
30811011	Guad Watershed Levee Maint	252,443	617,029	397,473	West & Guad Watersheds Div
30811042	Guad Watershed Technical Suppt	262,167	341,741	235,552	West & Guad Watersheds Div
Total Operations:		5,357,342	4,114,513	3,253,160	
Operating Projects:					
30102001	Alamitos Drop Strct Monitoring	11,272			West & Guad Watersheds Div
30152027	Alviso Collaborative	78,042	51,529	22,360	West & Guad Watersheds Div
Total Operating Projects:		89,314	51,529	22,360	
Capital Projects:					
30154005	Guadalupe River-Corps U/S Hw	127			Watersheds Capital Division
30154011	Guadalupe Rv-Lwr, Alviso-880	593,117	161,565		Watersheds Capital Division
30154013	Guadalupe Rv-DT, 880-280	3,264	144,000		Watersheds Capital Division
30154014	Guadalupe Rv-DT, Hedding-Colem	273,170	123,618		Watersheds Capital Division
30154015	Guadalupe Rv-DT, Coleman-SClra	182,711		471,000	Watersheds Capital Division
30154016	Guadalupe Rv-DT, St Clara-Park	27,354			Watersheds Capital Division
30154017	Guadalupe Rv-DT, Woz-280	14,132	103,000		Watersheds Capital Division
30154028	Gold Street Educational Center	441,165	829,000		Watersheds Capital Division
30154029	Alviso Slough Restoration	273,536	141,000		Office of COO-Watershed
30154030	Alviso Slough Design Construct		474,247	354,180	Watersheds Capital Division
Total Capital Projects:		1,808,576	1,976,430	825,180	
TOTAL		\$ 7,255,232	\$ 6,142,472	\$ 4,100,700	

* Allocated Project

Financial Summaries

Total Outlays by Watershed and Stream Stewardship Fund - Coyote Watershed Activities

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
Operations:					
40011002	Coyote Asset Protection Supp	\$ 1,001,811	\$	\$	Coyote & Pajaro Watersheds Div
40061004	Rental Expense Coyote Wtrshd	5,721	8,224	10,413	Procurement & Operational Srv Div
40061008	Coyote Watrshd Basic Hydrology	90,092			Coyote & Pajaro Watersheds Div
40081008	Coy Facilities Condition Assmt	183,398	249,689	224,006	Coyote & Pajaro Watersheds Div
40761011	Coyote General Field Maint	600,993	574,213	388,046	Coyote & Pajaro Watersheds Div
40761021	Coyote Wtrshd Debris Removal	401,591	281,536	291,622	Coyote & Pajaro Watersheds Div
40761041	Coyote Wtrshd Erosion Protec	868,776	995,220	777,948	Coyote & Pajaro Watersheds Div
* 40771024	Coyote Wtrshd Gd Neighbor Ma	125,457	149,505	150,524	Coyote & Pajaro Watersheds Div
* 40771054	Coyote Wtrshd Sediment Remov	653,810	459,925	410,040	Coyote & Pajaro Watersheds Div
40811011	Coyote Watershed Levee Maint	872,858	696,786	744,386	Coyote & Pajaro Watersheds Div
40811042	Coy Watrshd Technical Support	350,966	433,970	375,024	Coyote & Pajaro Watersheds Div
Total Operations:		5,155,473	3,849,068	3,372,009	
Operating Projects:					
40042040	Levee Recertification - Coyote	58,615	59,952		Watershed Stewardship Division
40212032	Coyote Creek Mitgtn Monitoring	127,775	187,189	244,003	Coyote & Pajaro Watersheds Div
40262033	Lwr Silver Mitigation & Monitr	76,489	58,177	120,532	Coyote & Pajaro Watersheds Div
Total Operating Projects:		262,879	305,318	364,535	
Capital Projects:					
40174004	L. Berryessa Ck, L.Penit-Calav	6,100,614	914,000	7,883,000	Watersheds Capital Division
40214008	Coyote Ck SF Bay/Montague Re	311			Office of COO-Watershed
40264001	Lower Silver Ck-R3 McKee-I-6	119,982			Watersheds Capital Division
40264008	Lwr Silver-R5-6 N Babb-Cunni	1,134,025	1,028,427	5,189,000	Watersheds Capital Division
40264009	Lower Silver Ck Reimb (LERRD	16,271			Watersheds Capital Division
40264012	Low Silver 680-Cunningham Reim	344,840	1,883,643		Watersheds Capital Division
40324003	U Penitencia Cr-Corps Coord	144,700			Watersheds Capital Division
40324005	U Penitencia, Coyt-Dorel LERRD	15,452		928,904	Watersheds Capital Division
40334005	Lower Penitencia Ck Flood Conv			156,000	Watersheds Capital Division
Total Capital Projects:		7,876,195	3,826,070	14,156,904	
TOTAL		\$ 13,294,547	\$ 7,980,456	\$ 17,893,448	

* Allocated Project

Financial Summaries

Total Outlays by Watershed and Stream Stewardship Fund - Uvas/Llagas Watershed Activities

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
Operations:					
50011002	Uvas/Llagas Asset Protect Supp	\$ 570,983	\$	\$	Coyote & Pajaro Watersheds Div
50041041	Intgrtd Regnl Wtrshd Stewarshp	108,172			Coyote & Pajaro Watersheds Div
50061008	U / L Watrshd Basic Hydrology	59,318			Coyote & Pajaro Watersheds Div
50081008	U/L Facilities Condition Assmt	100,149	146,482	107,288	Coyote & Pajaro Watersheds Div
50181004	Carnadero Preserve Mgmt			101,825	Watershed Stewardship Division
50761011	U/L General Field Maint	132,849	191,567	270,331	Coyote & Pajaro Watersheds Div
50761021	Pajaro Wtrshd Debris Removal	203,178	212,282	264,300	Coyote & Pajaro Watersheds Div
50761041	Uvas / Llagas Wtrshd Erosion Pr	26,693	93,885	154,251	Coyote & Pajaro Watersheds Div
* 50771025	Pajaro Wtrshd Good Neighbor	75,724	54,826	91,375	Coyote & Pajaro Watersheds Div
* 50771055	Pajaro Wtrshd Sediment Remvl	40,231	147,189	146,681	Coyote & Pajaro Watersheds Div
50811011	Pajaro Wtrshd Levee Maint	86,699	195,041	310,566	Coyote & Pajaro Watersheds Div
50811042	Pajaro Watershed Tech Supp	129,322	239,647	171,246	Coyote & Pajaro Watersheds Div
Total Operations:		1,533,318	1,280,919	1,617,863	
Operating Projects:					
50042040	Levee Recertification - U/L	70,752	64,637		Watershed Stewardship Division
50182004	Carnadero Preserve Mgmt		166,835		Coyote & Pajaro Watersheds Div
50282036	Lower Llagas Mitigtion&Monitor	12,732			Coyote & Pajaro Watersheds Div
Total Operating Projects:		83,484	231,472	0	
Capital Projects:					
50284010	Lower Llagas Capacity Restore	461,482	855,661	856,813	Watersheds Capital Division
Total Capital Projects:		461,482	855,661	856,813	
TOTAL		\$ 2,078,284	\$ 2,368,052	\$ 2,474,676	

* Allocated Project

Financial Summaries

Clean, Safe Creeks & Natural Flood Protection Fund

Description

The Clean, Safe Creeks & Natural Flood Protection Fund receives funding from the November 2000 voter-approved Clean, Safe Creeks and Natural Flood Protection Plan. The 15-year pay-as-you-go plan is a major component of the District's overall Flood Protection and Stream Stewardship program.

The Clean, Safe Creeks & Natural Flood Protection plan was designed to supplement other available but limited resources to provide stream stewardship activities and flood protection improvements that enhance the quality of life for residents of Santa Clara County. The program has four outcomes: additional flood protection projects will be planned, designed and some will be constructed to help reduce the flood threat for up to about 16,000 parcels; increased pollution prevention projects and efforts will help protect water quality for the community to have water and reduced pollutants in the streams; preserving and restoring creek and bay ecosystems creates a healthier and more aesthetically-pleasing environment for everyone; and new trails, parks and open space will provide additional recreational benefits and alternative transportation routes that will help reduce traffic congestion and air pollution.

For each goal, programs and projects are designed for the fulfillment of that goal. Following each goal statement is a list of projects that is part of the FY2011 budget.

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

Major Capital Projects:

- Berryessa Creek Project upstream of Calaveras Boulevard
- Calabazas Creek from Miller to Wardell
- Mid-Coyote Creek from Montague Expressway to Interstate 280

- Permanente Creek from SF Bay to El Camino Real
- San Francisquito Creek from SF Bay to Searsville Dam
- Sunnyvale East Channel from Guadalupe Slough to I-280
- Sunnyvale West Channel from Guadalupe Slough to Hwy 101
- Upper Guadalupe River from I-280 to Blossom Hill Road
- Upper Llagas Creek between Buena Vista Road and Wright Avenue

Sediment Removal: provides 10% funding of 36,046 cubic yard sediment removal

Watershed Property Vegetation: Control of 519 acres of upland vegetation

Stream Capacity Vegetation Control: Control of 619 acres of InStream vegetation to provide flood protection in all five watersheds

Goal 4.1: Healthy creek and bay ecosystem

Reveg Mitigation Maintenance: Management and monitoring of 327.32 acres of revegetation planting throughout the five watersheds

Create/restore fisheries, riparian habitat or wetlands

Environmental Enhancement Program:

1. Tick Creek Riparian Enhancement
2. Uvas Creek Bolsa Road Fish Ladder
3. Guadalupe Cape Ivy Control
4. Guadalupe River Aquatic Enhancement
5. Guadalupe River Invasive Exotic Vegetation Removal

Goal 4.2: Clean, safe water in creeks and bay

Urban Runoff Pollution Prevention Program: Expanded to the Pajaro Watersheds; identifies opportunities for the District and local agencies to implement pollution prevention activities

Clean, Safe Creeks & Natural Flood Protection Fund

Hazardous Material Response Program: expanded to the Pajaro Watersheds; provide two hours response to reports of pollution in creeks

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

Improve impaired water bodies: Guadalupe River Mercury Study, Surface Water Quality Improvement Study

Good Neighbor Maintenance: Funds 60% of the Good Neighbor Maintenance activity for all watersheds

Goal 4.3: Improved quality of life in Santa Clara County through trails, open space and water resources management

Trails and Open Space Grant Program Implementation

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- \$0.3 million is budgeted to be transferred in from Watershed Stream and Stewardship fund to provide funding for OPEB budgeted in the fund.
- \$0.3 million is budgeted to be transferred out to Watershed Stream and Stewardship fund for 15% of the budgeted appropriation for County-wide Property Vegetation Management.
- \$0.1 million is budgeted to be transferred in from Watershed Stream and Stewardship fund to provide funding for Environmental Enhancement Program

Budget Issues

Current long-term projections anticipate meeting all Clean, Safe Creeks and Natural Flood Protection plan voter commitments by the sunset of the special parcel tax in 2016. However implementation will to be monitored to assure that cost assumptions are consistent with actual costs and the Board will be provided an annual opportunity to discuss adjustments for the implementation.

The outcome of environmental enhancements and trails have or will be met with the past expenditure of funds. However, the Board has provided direction to continue activities in these outcomes.

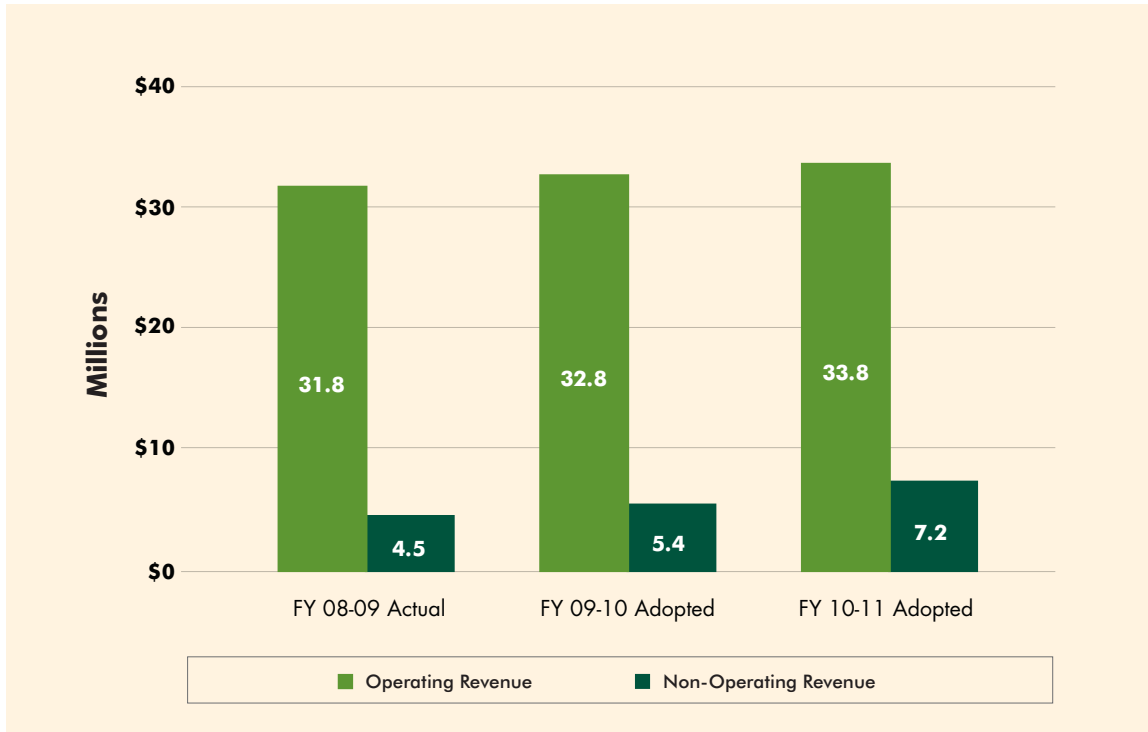
Fiscal Status

- The special parcel taxes are budgeted at \$33.8 million, reflecting a 3% increase from the FY 2009-10 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 \$2.5 million, a 3.5% increase over FY 2009-10 budget.
- \$4.1million Capital Reimbursement is budgeted for State Subventions for Guadalupe River - Downtown
- \$0.5 million Capital Reimbursement is budgeted for City of Morgan Hill for Upper Llagas capital project

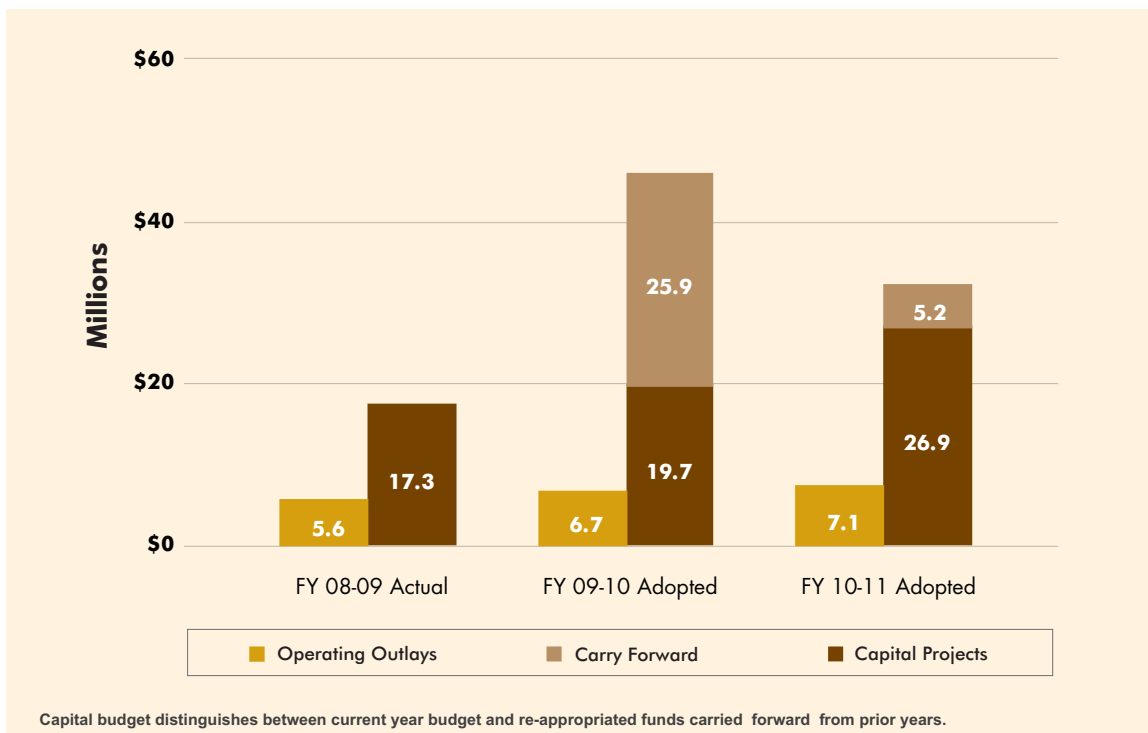
Financial Summaries

Clean, Safe Creeks & Natural Flood Protection Fund

Total Revenue



Total Outlays



Financial Summaries

Clean, Safe Creeks & Natural Flood Protection Fund Summary

	Budgetary Basis Actual 2008-09	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	Change from 2009-10 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Operating Revenue:						
Special Parcel Tax	\$ 31,763,576	\$ 32,818,565	\$ 32,818,565	\$ 33,803,121	\$ 984,556	3.0%
Total Operating Revenue	31,763,576	32,818,565	32,818,565	33,803,121	984,556	3.0%
Non-Operating Income:						
Interest*	3,653,473	2,440,000	2,440,000	2,525,000	85,000	3.5%
Capital Reimb	642,281	2,978,000	-	4,648,000	1,670,000	56.1%
Other	189,552	22,660	22,660	23,340	680	3.0%
Total Non-Operating Income	4,485,306	5,440,660	2,462,660	7,196,340	1,755,680	32.3%
Total Revenue	36,248,882	38,259,225	35,281,225	40,999,461	2,740,236	7.2%
Operating Outlays:						
Operations	3,741,746	4,467,897	3,301,266	4,739,832	271,935	6.1%
Operating Projects	1,882,170	2,306,777	2,209,601	2,418,264	111,487	4.8%
Salary Savings	-	(75,759)	-	(72,550)	3,209	(4.2%)
Total Operating Outlays	5,623,916	6,698,915	5,510,867	7,085,546	386,631	5.8%
Capital Projects	17,312,253	19,698,995	64,810,582	26,868,183	7,169,188	36.4%
Carry Forward Capital Projects	-	25,856,000	-	5,194,000	(20,662,000)	(79.9%)
Total Capital Outlays	17,312,253	45,554,995	64,810,582	32,062,183	(13,492,812)	(29.6%)
Other Financing Sources (Uses):						
Transfers In	1,814,293	266,380	345,246	474,000	207,620	77.9%
Transfers Out	(727,376)	(313,375)	(341,563)	(372,568)	(59,193)	18.9%
Total Other Sources/(Uses)	1,086,917	(46,995)	3,683	101,432	148,427	(315.8%)
Balance Available	\$ 14,399,630	\$ (14,041,680)	\$ (35,036,541)	\$ 1,953,164	\$ 15,994,844	(113.9%)

	Estimated Balances				Change from 2009-10 Adopted	
	Year-End 2008-09	Adopted 2009-10	Projected YE 2009-10	Adopted 2010-11	\$ Diff	% Diff
Year-End Reserves:						
Designated Reserves						
Operating & Capital Reserve	\$ 34,936,654	\$ 43,976,512	\$ 40,349,224	\$ 43,830,667	(145,845)	(0.3%)
Newly Improved Creeks - Maint	3,379,088	3,860,460	3,860,460	4,356,274	495,814	12.8%
Other CSC Operating Activities	3,902,975	1,352,046	4,549,924	4,221,986	2,869,940	212.3%
Environmental Enhancement Prog	9,789,185	12,219,125	12,239,352	14,623,775	2,404,650	19.7%
Open Space & Trails Program	4,143,238	5,196,521	5,227,226	6,340,648	1,144,127	22.0%
Currently Authorized Projects***	50,305,587	5,480,000	5,194,000	-	(5,480,000)	(100.0%)
Total Designated Reserves	106,456,727	72,084,664	71,420,186	73,373,350	1,288,686	1.8%
Total Year-End Reserves	\$ 106,456,727	\$ 72,084,664	\$ 71,420,186	\$ 73,373,350	\$ 1,288,686	1.8%
Uncommitted Funds			\$ 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 by Clean, Safe Creeks & Natural Flood Protection Fund - CSC

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
Operations:					
26001090	Unscoped Operations Activities	\$	\$ 100,000	\$ 100,000	Office of COO-Watershed
* 26031001	Watershed Revenue Collection	176,095	174,185	200,386	Financial Planning & Mgmt Div
* 26041022	Stream Maintenance Prog Mgmt	61,254	64,002	64,267	Watershed Stewardship Division
26061002	Rent Exp Clean Safe Ck 7/1/01+	109,101	136,169	217,333	Procurement & Operational Srv Div
26061004	Districtwide Salary Savings-26		(75,759)	(72,550)	Financial Planning & Mgmt Div
26071042	Enhancement Program Admin	25,210	71,840	198,534	Watershed Stewardship Division
26091002	Open Spaces and Trail Admin	42,162	101,496	89,784	Watershed Stewardship Division
* 26771021	Lwr Pen Wtrshd Good Neighbor	134,791	170,443		West & Guad Watersheds Div
* 26771022	W Vly Wtrshd Gd Neighbor Ma	144,096	171,923	501,256	West & Guad Watersheds Div
* 26771023	Guad Wtrshd Gd Neighbor Main	129,604	166,222		West & Guad Watersheds Div
* 26771024	Coyote Wtrshd Gd Neighbor Ma	232,995	277,651	225,787	Coyote & Pajaro Watersheds Div
* 26771025	Pajaro Wtrshd Good Neighbor	140,631	101,827	137,064	Coyote & Pajaro Watersheds Div
* 26771026	Illegal Encampment Cleanup Prg	177,556	232,754	217,114	West & Guad Watersheds Div
* 26771051	Lwr Pen Wtrshd Sedimt Remova	34,571	30,682	57,346	West & Guad Watersheds Div
* 26771052	W Vly Wtrshd Sediment Remova	13,844	50,547	50,072	West & Guad Watersheds Div
* 26771053	Guad Wtrshd Sediment Removal	35,886	36,853	24,325	West & Guad Watersheds Div
* 26771054	Coyote Wtrshd Sediment Remvl	72,643	51,099	45,556	Coyote & Pajaro Watersheds Div
* 26771055	Pajaro Wtrshd Sediment Remvl	4,468	16,351	16,299	Coyote & Pajaro Watersheds Div
26771066	Reveg-Mitigation Maintenance	884,225	1,342,634	1,476,821	Watershed Stewardship Division
26771067	Stream Capacity Vegetation Con	1,153,709	1,171,219	1,117,888	Watershed Stewardship Division
26771091	Special Tax Outcome Monitori	168,905			Office of COO-Watershed
Total Operations:		3,741,746	4,392,138	4,667,282	
Operating Projects:					
* 26022007	SMP Program Permit Renewal	37,739	198,644		Watershed Stewardship Division
26072003	Guad River Aquatic Enhancement			11,148	Watershed Stewardship Division
26072004	Tick Creek Riparian Enchnment	19,200	105,003	57,773	Watershed Stewardship Division
26072005	Uvas Crk Fish Passage at Silva			30,522	Coyote & Pajaro Watersheds Div
26072006	Uvas Crk Bolsa Rd Fish Ladder	444	91,179	85,794	Coyote & Pajaro Watersheds Div
26072044	Guad R Invasiv Exotic Veg Remv			60,340	Watershed Stewardship Division
26072045	Guadalu Creek Cape Ivy Control	10,387	47,282	31,719	Watershed Stewardship Division
26752021	Pollution Prevention Activity	470,228	531,610	552,718	Watershed Stewardship Division
26752043	Surface Water Quality Improv	1,304,660	1,283,377	1,507,664	Watershed Stewardship Division
26792001	Urban Runoff Program So County	39,512	49,682	80,586	Watershed Stewardship Division
Total Operating Projects:		1,882,170	2,306,777	2,418,264	
Capital Projects:					
26074002	SV East & SV West Planning	850,337	991,000	1,066,000	Watersheds Capital Division
26074008	Stvns Crk Corridor Restoration	5,615			Watersheds Capital Division
26074009	Soap Lake Easement Acquisition	22,234	18,000	18,442	Watersheds Capital Division

* Allocated Project

Financial Summaries

Total Outlays by Clean, Safe Creeks & Natural Flood Protection Fund - CSC

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
* 26074029	Unscoped Operations Activities		16,500		Watersheds Capital Division
* 26074031	Quality Management-CPS	83,754	29,205		Office of Chief Executive Officer
* 26074032	CEQA Administration-CPS	6,879			Water Utility Capital Division
* 26074034	Construction-Mgt & Admin	139,291			Water Utility Capital Division
* 26074035	CADD-Mgt & Admin	38,167			Water Utility Capital Division
* 26074036	Survey-Mgt & Admin	160,277		52,642	Water Utility Capital Division
* 26074037	Real Estate Technical Support	47,077		5,230	Watersheds Capital Division
* 26074038	CPSD Management & Support	1,059,061	1,029,828	697,918	Office of COO-Watershed
* 26074040	Upper Pajaro Wtrshd Veg Buffer	682			Watersheds Capital Division
* 26074043	Construction Inspection&Admin	116,638			Office of Chief Executive Officer
26094001	Open Space Trails / Parks Prog	50			Watershed Stewardship Division
26104001	Calabazas Ck Miller to Wardell	1,261,054	9,108,265	1,193,666	Watersheds Capital Division
26154001	Guadalupe Rv-Upr, Fish Passage	1,165,384			Watersheds Capital Division
26154002	Guadalupe Rv-Upr, 280-SPRR(R6)	1,819,264	478,001	701,124	Watersheds Capital Division
26154003	Guadalupe Rv-Upr, SPRR-BH 7-12	7,935,725		7,690,000	Watersheds Capital Division
26174041	Berryessa Calav/Old Pied Cor	170,380	221,000	215,103	Watersheds Capital Division
26174042	Berryessa Calav/Old Pied LER	146,961	415,000	120,328	Watersheds Capital Division
26174043	Coyote Ck, Montague to I-280	1,061,434	1,332,000	1,033,000	Watersheds Capital Division
26174051	U.Llagas Ck B.Vista-Wright Rem	918,374	543,000	29,000	Watersheds Capital Division
26174052	U.Llagas Ck B.Vista-Wright NoR	105,210	5,212,203	108,000	Watersheds Capital Division
26174054	U.Llagas Ck Design B.Vista-Wri			70,730	Watersheds Capital Division
26244001	Permanente Ck, Bay-Fthill CSC	198,405	305,000	13,867,000	Watersheds Capital Division
Total Capital Projects:		17,312,253	19,699,002	26,868,183	
TOTAL		\$ 22,936,169	\$ 26,397,917	\$ 33,953,729	

* Allocated Project

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 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:

- \$47.72/year for Lower Peninsula Watershed
- \$17.46/year for West Valley Watershed
- \$29.20/year for Guadalupe Watershed
- \$25.11/year for Coyote Watershed
- \$16.12/year for Uvas/Llagas Watershed

Financial Summaries

Benefit Assessment Funds Summary

	Budgetary Basis Actual 2008-09	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	Change from 2009-10 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Benefit Assessments						
Lower Peninsula Watershed	\$ 4,647,571	\$ 4,642,067	\$ 4,642,067	\$ 4,620,567	\$ (21,500)	(0.5%)
West Valley Watershed	2,957,711	2,944,200	2,944,200	2,919,287	(24,913)	(0.8%)
Guadalupe Watershed	6,258,458	6,237,761	6,237,761	6,174,889	(62,872)	(1.0%)
Coyote Watershed	4,630,230	4,650,119	4,650,119	4,622,322	(27,797)	(0.6%)
Uvas/Llagas Watershed	762,307	760,095	760,095	751,145	(8,950)	(1.2%)
Total Revenue	19,256,277	19,234,243	19,234,242	19,088,210	(146,033)	(0.8%)
Operating Outlays:						
Debt Service						
Lower Peninsula Watershed	3,870,703	3,846,510	3,846,510	3,832,779	\$ (13,731)	(0.4%)
West Valley Watershed	2,377,360	2,407,167	2,407,167	2,389,931	(17,236)	(0.7%)
Guadalupe Watershed	4,997,860	5,073,244	5,073,244	5,026,212	(47,032)	(0.9%)
Coyote Watershed	3,809,553	3,843,053	3,843,053	3,825,220	(17,833)	(0.5%)
Uvas/Llagas Watershed	625,074	615,818	615,818	610,186	(5,632)	(0.9%)
Total Operating Outlays	15,680,550	15,785,792	15,785,792	15,684,328	(101,464)	(0.6%)
Other Financing Sources/(Uses):						
Transfer In from Debt Service Fund	218,611					
Transfers Out to WSS fund	(3,794,335)	(3,448,451)	(3,448,450)	(3,403,882)		
Balance Available		\$ 0	\$ 0	\$ 0		

Financial Summaries

Total Outlays by Benefit Assessment Fund - Lower Peninsula Watershed

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
Debt Service:					
10993005	2004A COP Lower Peninsula WS	\$ 1,595,432	\$ 1,571,530	\$ 1,554,870	Financial Planning & Mgmt Div
10993006	2007 COP Refunding LP WS	2,275,271	2,274,980	2,277,909	Financial Planning & Mgmt Div
Total Debt Service:		3,870,703	3,846,510	3,832,779	
TOTAL		\$ 3,870,703	\$ 3,846,510	\$ 3,832,779	

* Allocated Project

Financial Summaries

Total Outlays by Benefit Assessment Fund - West Valley Watershed

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
Debt Service:					
20993004	2003A COPS West Valley Watrshd	\$ 1,660,118	\$ 1,658,089	\$ 1,653,448	Financial Planning & Mgmt Div
20993005	2004A COP West Valley WS	34,719	66,488	52,927	Financial Planning & Mgmt Div
20993006	2007 COP Refunding WV WS	682,523	682,590	683,556	Financial Planning & Mgmt Div
Total Debt Service:		2,377,360	2,407,167	2,389,931	
TOTAL		\$ 2,377,360	\$ 2,407,167	\$ 2,389,931	

* Allocated Project

Financial Summaries

Total Outlays by Benefit Assessment Fund - Guadalupe Watershed

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
Debt Service:					
30993004	2003A COPS Guadalupe Watershed	\$ 4,152,394	\$ 4,148,211	\$ 4,135,585	Financial Planning & Mgmt Div
30993005	2004A COP Guadalupe WS	86,850	166,355	130,532	Financial Planning & Mgmt Div
30993006	2007 COP Refunding Guad WS	758,616	758,678	760,095	Financial Planning & Mgmt Div
Total Debt Service:		4,997,860	5,073,244	5,026,212	
TOTAL		\$ 4,997,860	\$ 5,073,244	\$ 5,026,212	

* Allocated Project

Financial Summaries

Total Outlays by Benefit Assessment Fund - Coyote Watershed

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
Debt Service:					
40993004	2003A COPS Coyote Watershed	\$ 1,722,771	\$ 1,720,688	\$ 1,716,215	Financial Planning & Mgmt Div
40993005	2004A COP Coyote WS	38,635	74,018	58,264	Financial Planning & Mgmt Div
40993006	2007 COP Refunding Coyote WS	2,048,147	2,048,347	2,050,741	Financial Planning & Mgmt Div
Total Debt Service:		3,809,553	3,843,053	3,825,220	
TOTAL		\$ 3,809,553	\$ 3,843,053	\$ 3,825,220	

* Allocated Project

Financial Summaries

Total Outlays by Benefit Assessment Fund - Uvas/Llagas Watershed

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
Debt Service:					
50993005	2004A COP Uvas/Llagas WS	\$ 625,074	\$ 615,818	\$ 610,186	Financial Planning & Mgmt Div
Total Debt Service:		625,074	615,818	610,186	
TOTAL		\$ 625,074	\$ 615,818	\$ 610,186	

* Allocated Project

WATER ENTERPRISE FUND

Financial Summaries

Water Enterprise Fund Overview

Description

The Water Utility ensures the availability of 300,000 acre-feet (AF) of water annually to 15 cities, farmers, and individual well owners spread over 1,300 square miles which requires the operation of the following facilities:

- 10 surface reservoirs with a total storage capacity of 169,000 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
- 3 pumping stations

Revenue is derived from 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 Adopted FY 2010-11 North County (Zone W-2) groundwater production charges are the same as the prior year. The Adopted Municipal and Industrial groundwater production charge is \$520 per AF. The Adopted agricultural groundwater production charge in North County is \$16.50 per AF, and the Adopted total treated water contract charge is \$620 per AF.

The Adopted FY 2010-11 South County (Zone W-5) groundwater production charges are also the same as the prior year. The Adopted Municipal and Industrial groundwater production charge is \$275 per AF, and the Adopted agricultural groundwater production charge is \$16.50 per AF.

Estimated total revenue for FY 2010-11 is \$169.5 million, 2.8% less than the FY 2009-10 budget. Operations costs (excluding debt service) are expected to be \$2 million less than the FY 2009-10 budget due to a District-wide effort to reduce costs. The cost of purchased water from the federal and state projects continues to be the largest expense item at \$23 million and \$19 million, respectively.

In FY 2010-11 the capital appropriation is estimated to be \$53.3 million. For FY 2010-11, total requirements of \$258.8 million are to be met from a combination of current revenues, reserves, and debt. The recommended water charges will generate \$133.3 million in revenues from water usage. Property tax revenues are projected to be \$22.7 million, and interest earnings and other revenue are estimated to be \$13.6 million for a total of \$169.5 million.

Total reserves are \$62.3 million, and are expected to decrease by \$58.6 million relative to projected end balances for FY 2009-10. The majority of the decrease is driven by planned capital expenditures which will reduce the Currently Authorized Projects Reserve.

Significant Business Challenges

- Transition from three years of state-wide drought to an average water supply year
- Providing continued water supply reliability while controlling expenditures with no water rate and groundwater charge increases
- Imported water supplies have been impacted by restrictive Delta export pumping limitations, combined with low reservoir levels due to three dry years. On May 4, 2010, both the State Water Project allocation and the Central Valley Project Agricultural allocation were upgraded to 40%. The Central Valley Project M&I allocation remains at 75%. Future reliability and levels of imported supplies are being addressed through development of a Bay Delta Conservation Plan that is likely to increase imported water costs.
- Reservoir storage operating restrictions of 37,300 AF due to seismic stability issues

Water Enterprise Fund Overview

- Financial and water supply Impacts of Santa Clara Valley Habitat Conservation Plan/National Communities Conservation Plan (HCP/NCCP)
- Maintenance and renewal of aging infrastructure
- Meeting dam maintenance and dam seismic stability evaluation commitments.

Major Capital Projects

- South County Recycled Water Masterplan - Short Term Implementation
- Recycled Water Advanced Treatment Facility in San Jose
- Pacheco Pumping Plant Adjustable Speed Drives Replacement
- Santa Clara Conduit Rehabilitation
- East Pipeline Rehabilitation
- Rinconada Water Treatment Plant - various upgrades to aging infrastructure and planning for plant reliability and advanced treatment improvements
- Santa Teresa Water Treatment Plant - incompatible materials separation project
- Dam Safety Seismic Stability

Due to budget constraints the following projects received reduced funding:

1. Water supply planning - postpone District energy efficiency study
2. Groundwater management - postpone Llagas Subbasin recharge facility siting study and upgrade of groundwater models is phased over several budget years
3. Seismic reliability program - well field implementation project budget reduced

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

Assumes continued reduction in District water use in response to the Board's call for conservation

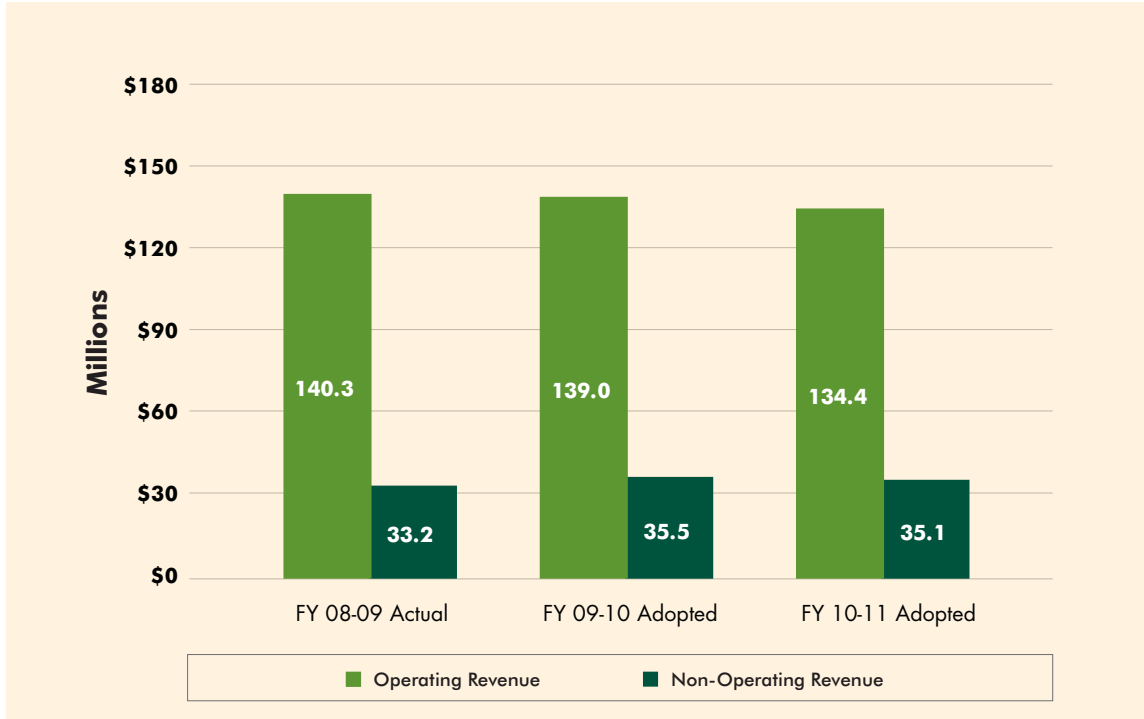
Assumes short term debt issuance of \$30.2 million

Assumes reduction in ad valorem property tax revenue of 2% in FY2010-11

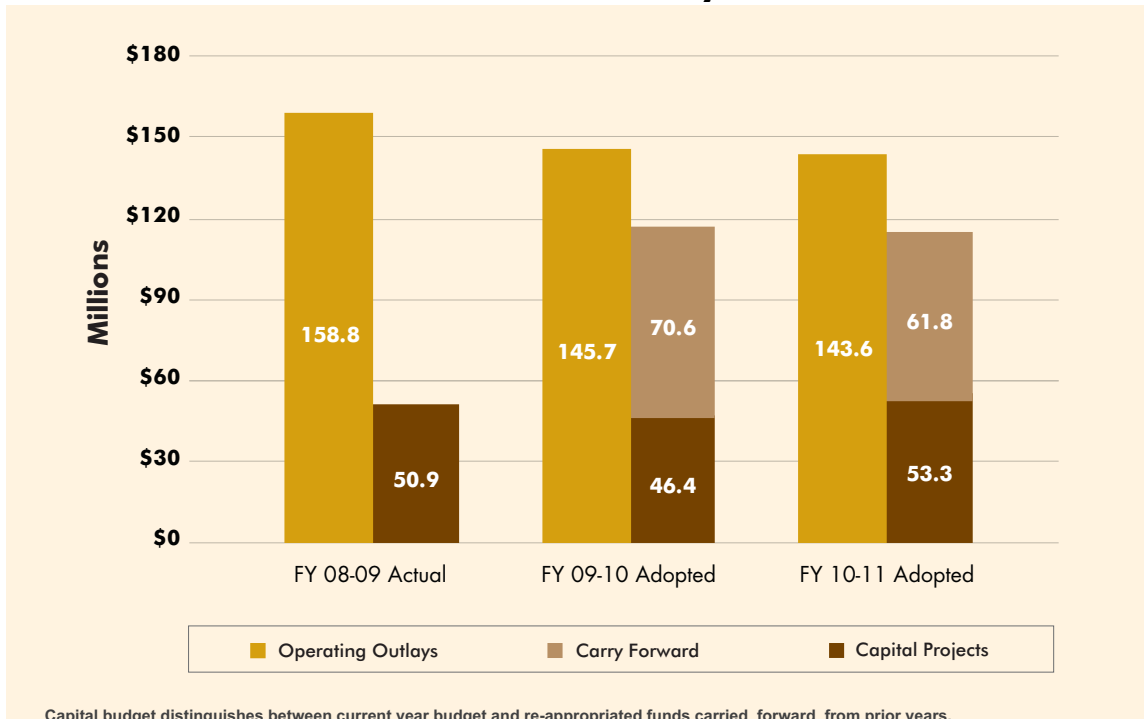
Financial Summaries

Water Enterprise Fund

Total Revenue



Total Outlays



Capital budget distinguishes between current year budget and re-appropriated funds carried forward from prior years.

Financial Summaries

Water Enterprise Fund Summary

	Budgetary Basis Actual 2008-09	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	Change from 2009-10 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Operating Revenue:						
Groundwater Production Charges	\$ 61,103,599	\$ 61,442,000	\$ 64,025,000	\$ 62,930,000	\$ 1,488,000	2.4%
Treated Water Charges	74,011,638	73,767,000	64,721,000	67,980,000	(5,787,000)	(7.8%)
Surface/Recycled Water Revenue	1,240,185	2,288,000	2,288,000	2,374,000	86,000	3.8%
Inter-governmental services	3,923,406	1,516,175	1,516,175	1,169,482	(346,693)	(22.9%)
Total Operating Revenue	140,278,828	139,013,175	132,550,175	134,453,482	(4,559,693)	(3.3%)
Non-Operating Income:						
Property Taxes	21,372,242	23,648,639	23,452,811	22,675,464	(973,175)	(4.1%)
Interest*	7,278,603	2,652,200	2,652,200	2,748,000	95,800	3.6%
Capital Reimbursements	-	6,326,000	2,300,000	7,339,000	1,013,000	16.0%
Other	4,602,811	2,829,083	2,829,083	2,330,730	(498,353)	(17.6%)
Total Non-Operating Income	33,253,656	35,455,922	31,234,094	35,093,194	(362,728)	(1.0%)
Total Revenue	173,532,484	174,469,097	163,784,269	169,546,676	(4,922,421)	(2.8%)
Operating Outlays:						
Operations**	141,822,074	125,559,918	128,708,649	123,590,638	(1,969,280)	(1.6%)
Operating Projects	4,328,724	4,147,134	4,397,135	4,048,129	(99,005)	(2.4%)
Salary Savings	-	(501,357)	-	(513,784)	(12,427)	2.5%
Debt Service	12,615,683	16,472,286	16,472,286	16,470,742	(1,544)	(0.0%)
Total Operating Outlays	158,766,481	145,677,981	149,578,070	143,595,725	(2,082,256)	(1.4%)
Capital Projects	50,867,507	46,426,255	72,494,114	53,254,603	6,828,348	14.7%
Carry Forward Capital Projects	-	70,646,000	-	61,847,000	(8,799,000)	(12.5%)
Total Capital Outlays	50,867,507	117,072,255	72,494,114	115,101,603	(1,970,652)	(1.7%)
Other Financing Sources (Uses) :						
Certificates of Participation	-	33,000,000	33,000,000	30,200,000	(2,800,000)	(8.5%)
Transfers In	6,890,334	-	-	348,000	348,000	**
Transfers Out	(351,075)	(269,203)	(269,204)	-	269,203	(100.0%)
Total Other Sources/(Uses)	6,539,259	32,730,797	32,730,796	30,548,000	(2,182,797)	(6.7%)
Balance Available	\$ (29,562,245)	\$ (55,550,342)	\$ (25,557,119)	\$ (58,602,652)	\$ (3,052,310)	5.5%
Year-End Reserves:						
Estimated Balances					Change from 2009-10 Adopted	
	Year-End 2008-09	Adopted 2009-10	Projected YE 2009-10	Adopted 2010-11	\$ Diff	% Diff
Restricted Reserves						
WUE-Restricted Operating Res	12,343,596	12,139,832	12,139,832	11,966,310	(173,522)	(1.4%)
WUE-Rate Stabilization	1,341,174	1,647,229	1,647,229	1,647,074	(155)	(0.0%)
San Felipe Emergency Reserve	3,772,306	3,636,703	3,772,306	3,772,306	135,603	3.7%
State Revolving Debt Service Res	401,263	401,263	401,263	401,263	-	0.0%
WU Debt Service Reserve	4,966,015	6,691,000	4,966,015	4,966,015	(1,724,985)	(25.8%)
Total Restricted Reserves	22,824,354	24,516,027	22,926,645	22,752,968	(1,763,058)	(7.2%)
Designated Reserves						
Floating Rate Debt Paymnt Stab	496,324	302,680	496,324	496,324	193,644	64.0%
Operating & Capital Reserve	23,644,146	22,360,854	17,557,584	22,091,778	(269,076)	(1.2%)
Supplemental Water Supply	6,319,093	8,839,557	8,839,557	7,723,387	(1,116,170)	(12.6%)
Currently Authorized Projects***	93,145,312	16,431,000	71,052,000	9,205,000	(7,226,000)	(44.0%)
Total Designated Reserves	123,604,875	47,934,091	97,945,465	39,516,490	(8,417,601)	(17.6%)
Designated Liability & Other						
Compensated Absences Liability	-	7,200,000	-	-	(7,200,000)	(100.0%)
Total Designated Liability	-	7,200,000	-	-	(7,200,000)	(100.0%)
Total Year-End Reserves	\$ 146,429,229	\$ 79,650,118	\$ 120,872,110	\$ 62,269,458	\$ (17,380,660)	(21.8%)
Uncommitted Funds			\$ 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

Financial Summaries

Water Enterprise Fund Summary

	Budgetary Basis Actuals 2008-09	Adopted Budget 2009-10	Adopted Budget 2010-11	Change from 2009-10 % Diff
SOURCE OF SUPPLY				
Operations	79,211,980	69,335,045	68,587,463	(1.1%)
Operating Projects	2,887,435	3,364,397	3,354,582	(0.3%)
Capital	27,287,684	17,011,402	32,035,109	88.3%
Total	109,387,099	89,710,844	103,977,154	15.9%
RAW WATER TRANSMISSION AND DISTRIBUTION				
Operations	9,252,139	7,100,463	7,859,153	10.7%
Operating Projects	-	205,753	-	(100.0%)
Capital	1,788,747	7,237,157	4,856,326	(32.9%)
Total	11,040,886	14,543,373	12,715,479	(12.6%)
WATER TREATMENT				
Operations	31,906,270	28,602,790	27,197,231	(4.9%)
Operating Projects	598,239	248,493	-	(100.0%)
Capital	16,332,273	12,119,276	11,834,318	(2.4%)
Total	48,836,782	40,970,559	39,031,549	(4.7%)
TREATED WATER TRANSMISSION AND DISTRIBUTION				
Operations	3,709,740	1,382,711	2,491,660	80.2%
Operating Projects	-	-	458,290	-
Capital	986,019	7,172,748	1,485,990	(79.3%)
Total	4,695,759	8,555,459	4,435,940	(48.2%)
ADMINISTRATION AND GENERAL				
Operations	17,741,945	18,637,640	16,941,347	(9.1%)
Operating Projects	843,050	328,492	235,257	(28.4%)
Debt	12,615,683	16,472,286	16,470,742	(0.0%)
Capital	4,472,784	2,885,700	3,042,860	5.4%
Total	35,673,462	38,324,118	36,690,206	(4.3%)
TOTAL WATER ENTERPRISE FUND				
	209,633,988	192,104,353	196,850,328	2.5%
FUND SUMMARY BY CATEGORY				
Operations	141,822,074	125,058,649	123,076,854	(1.6%)
Operating Projects	4,328,724	4,147,135	4,048,129	(2.4%)
Debt	12,615,683	16,472,286	16,470,742	(0.0%)
Capital	50,867,507	46,426,283	53,254,603	14.7%
Total	209,633,988	192,104,353	196,850,328	2.5%

Financial Summaries

Water Enterprise Charge Summary

	Adopted 2006/07	Adopted 2007/08	Adopted 2008/09	Adopted 2009/10	Adopted 2010/11
Groundwater					
Zone W-2					
Agricultural	\$ 21.50	15.50	16.50	16.50	16.50
Non-Agricultural	435.00	475.00	520.00	520.00	520.00
Zone W-5					
Agricultural	21.50	15.50	16.50	16.50	16.50
Non-Agricultural	230.00	255.00	275.00	275.00	275.00
Treated Water					
Contract (Scheduled)	535.00	575.00	620.00	620.00	620.00
Non-Contract	495.00	575.00	620.00	670.00	570.00
Untreated Water					
Zone W-2					
Agricultural	21.50	15.50	16.50	16.50	16.50
Non-Agricultural	435.00	475.00	520.00	520.00	520.00
Zone W-5					
Agricultural	21.50	15.50	16.50	16.50	16.50
Non-Agricultural	230.00	255.00	275.00	275.00	275.00
Water Master	11.75	11.75	11.75	11.75	11.75
Capital Cost					
Half Rd/Coyote Madrone Sys	2.75	0.00	0.00	0.00	0.00
Minimum Charge					
Zone W-2	326.25	356.25	390.00	390.00	390.00
Zone W-5	172.50	191.25	206.25	206.25	206.25
Reclaimed Water					
Gilroy Reclamation Facility					
Agricultural	40.50	40.50	41.50	41.50	41.50
Non-Agricultural	195.00	244.00	275.00	275.00	275.00

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

Financial Summaries

Total Outlays by Water Enterprise Fund - Source of Supply

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
Operations:					
91041002	Water Supply Operations Agreements	\$ 218,714	\$ 126,098	\$ 187,080	Water Supply Division
91041003	CUWA Coordination			10,559	Office of Chief Executive Officer
91041012	Water Operations Planning	335,785	69,059	281,309	Water Supply Division
91041015	Groundwater Recharge Reuse	207,962	340,847	150,269	Water Supply Division
91041016	Water Shortage Contingency Ops.			198,450	Water Supply Division
91041018	Groundwater Management Protocols			321,993	Water Supply Division
91061001	Env Planning and Compliance	1,601,497	1,042,528	1,245,494	Water Utility Technical Support
* 91061003	Environmental Compliance Sup	19,507			Water Utility Technical Support
91061004	Water Supply Mgmt Div-Admin	1,366,133			Office of COO Water Utility
91061005	Water Supply Accounting	229,290	170,599	186,267	Water Supply Division
91061007	Districtwide Salary Savings-61		(501,357)	(513,784)	Financial Planning & Mgmt Div
* 91061012	Environmental Compliance Sup		27,850	31,239	Office of Emergency, Environmental, H&S Services
91081007	Dam Safety Program	3,431,351	1,802,336	1,561,148	Water Utility Technical Support
91081012	Dam Maintenance EIR	124,737	126,647	70,292	Water Utility Technical Support
91091002	Water Recycling Fac-Gilroy	600			Water Supply Division
91111001	Water Rights	68,044	154,315	215,974	Water Supply Division
91131003	Water Purchases	42,340,865			Water Supply Division
91131004	Imported Water Program	2,652,744	47,333,709	4,195,046	Water Supply Division
91131005	Water Banking Program	263,408			Water Supply Division
91131006	IW San Felipe Division Delvrs			18,541,873	Water Supply Division
91131007	IW South Bay Aqueduct Delvrs			22,625,064	Water Supply Division
91151001	Water Conservation-Prog Support	8,703,699	2,270,917	851,743	Water Supply Division
91151002	Water Utility Outreach	298			Office of COO Water Utility
91151007	Water Conservation-Residential		1,776,017	2,329,648	Water Supply Division
91151008	Water Conservation-Commercial/Ind	31,200	1,743,160	1,794,713	Water Supply Division
91151009	Water Conservation-AG		364,116	398,455	Water Supply Division
91151010	Water Conservation-Landscape		1,536,158	1,862,024	Water Supply Division
91181001	Water Recycling - General	2,950,419	1,597,383	2,617,744	Water Resources Planning Division
91211004	San Felipe Reach 1 Operation	675,342	463,885	355,080	Water Supply Division
91211084	San Felipe Reach1 Ctrl and Ele	71,202	195,651	264,409	Water Utility Technical Support
91211085	SF Reach 1-Engineering - Other	83,121	146,352	82,866	Water Utility Technical Support
91211099	San Felipe Reach 1 Gen Maint	2,074,084	1,041,400	858,857	WU Operations & Maintenance Div
91221002	San Felipe Reach 2 Operation	22,517	26,194	29,502	Water Supply Division
91221004	San Felipe Reach2 Ctrl and Ele	(21,819)	47,882		Water Utility Technical Support
91221006	SF Reach 2-Engineering - Other	327,348	255,833	82,214	Water Utility Technical Support
91221099	San Felipe Reach 2 Gen Maint	1,133,789	97,413	92,226	WU Operations & Maintenance Div
91231002	San Felipe Reach 3 Operation	508,016	256,555	160,515	Water Supply Division
91231084	San Felipe Reach3 Ctrl and Ele	73,432	62,423		Water Utility Technical Support
91231085	SF Reach 3-Engineering - Other	274,567	122,463	76,003	Water Utility Technical Support
91231099	San Felipe Reach 3 Gen Maint	853,503	766,197	578,674	WU Operations & Maintenance Div

* Allocated Project

Financial Summaries

Total Outlays by Water Enterprise Fund - Source of Supply

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
91451002	Well Ordinance Program	1,423,976	1,153,050	1,283,825	Water Supply Division
91451005	Source Water Quality Mgmt	429,611	409,417	454,084	WU Operations & Maintenance Div
91451007	Perchlorate Project	1,044,083	268,737		Water Supply Division
91551001	Groundwater Monitoring	912,804	745,727	639,891	Water Supply Division
91551002	Groundwater Supply Managemen	1,250,444	993,513	1,036,325	Water Supply Division
91761001	Local Res / Div Plan & Analysis	1,007,270	446,755	447,549	Water Supply Division
91761002	Local Reservoir/Diversion Ops			209,864	WU Operations & Maintenance Div
91761099	Dams / Reservoir Gen Maint	1,587,079	861,931	1,741,503	Water Utility Technical Support
91791012	Groundwater Quality Manageme	935,358	993,285	1,031,476	Water Supply Division
Total Operations:		79,211,980	69,335,045	68,587,463	
Operating Projects:					
91042008	Infrstr Reliability Program	243,894	88,297	32,241	Water Resources Planning Division
91042010	Groundwater Recharge Eval	175,437	196,567	161,117	Water Supply Division
91042011	Bay Area Water Supply Coordin	126,298	55,966	66,325	Water Supply Division
91042014	Urban Water Management Plan	97,474	300,526	137,590	Water Resources Planning Division
91042016	Water Shortage Contingency Plan	398,313	534,276		Water Supply Division
91042017	Bay Delta Project	552,144			Office of Chief Executive Officer
91042018	Groundwater Management Protocols	399,508	137,909		Water Supply Division
91152007	Water Conservation Campaign		1,113,474	859,716	Water Supply Division
91182002	Integrate AWT with supplies			525,195	Water Resources Planning Division
91452008	So Cty Water Supply Master Pln	77,563			Water Resources Planning Division
91452010	Perchlorate Bkgrnd Srce Study	82,887	37,197	17,332	Water Supply Division
91452011	Invasive Mussel Prevention	502,447	774,284	662,732	WU Operations & Maintenance Div
91452042	Salt and Nutrient Mgmt Plan			385,301	Water Resources Planning Division
* 91742041	Comprehensive Habitat Cons P	231,470	125,901	370,418	Water Resources Planning Division
91952003	Pacheco Reservoir Investigation			136,615	Water Resources Planning Division
Total Operating Projects:		2,887,435	3,364,397	3,354,582	
Capital Projects:					
91084010	Dam Instrumentation	423,111			Water Supply Division
91084018	Dam Maint Plan Mitigation		3,000,000		Water Utility Technical Support
91084019	Dam Safety Seismic Stability		2,011,276	990,495	Water Utility Technical Support
91094004	Rec Wtr XmasH-EagleR-GilroySP	962			Water Supply Division
91094008	Recycled Wtr MstrPL Short Term			6,898,000	Water Supply Division
91124001	San Thomas Well Field	291,607	442,009		Water Supply Division
91154005	Water Banking Project	1,015,953	1,820,000		Water Supply Division
91154006	Water Efficient Demo Garden	18,653			Water Supply Division
91154007	Water Purchases Captl Project		6,658,509	6,893,596	Water Supply Division
91184008	Rec Wtr Advance Treat Fac WPCP	1,328		8,764,000	Water Supply Division
91214007	San Luis Bypass / Storage	490,718			Water Resources Planning Division
91214008	Pacheco PP Reg Tank Recoating	1,937,098	1,021,297	20,000	Water Supply Division

* Allocated Project

Financial Summaries

Total Outlays by Water Enterprise Fund - Source of Supply

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
91214009	San Felipe Comm Cable Replace	133,772		210,168	Water Supply Division
91214010	Small Caps, San Felipe R1		1,711,726	1,227,849	WU Operations & Maintenance Div
91224005	SC Tunnel Landslide Mitigation	36,677			WU Operations & Maintenance Div
* 91234010	Small Caps, San Felipe R3			160,000	WU Operations & Maintenance Div
91794017	Water Infra Baseline Imprv Prj	39,758			Water Resources Planning Division
91854002	Jacques Gulch Restoration	2,967,027	1	141,000	Watersheds Capital Division
91874003	Calero/Fellows Dike Improve	57,468		124,000	Water Supply Division
91884002	Coyote Dam Control Buld Improv		346,584		Water Supply Division
91904005	Lenihan Dam Outlet Mods	19,488,870			Water Supply Division
91954001	Pacheco PP ASD Replacement	384,682		6,606,001	Water Supply Division
Total Capital Projects:		27,287,684	17,011,402	32,035,109	
TOTAL		\$109,387,099	\$ 89,710,844	\$103,977,154	

* Allocated Project

Financial Summaries

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

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
Operations:					
92041014	Environmental Strategy-FAHCE	\$ 1,682,495	\$ 1,296,026	\$ 1,825,327	Water Resources Planning Division
* 92061003	Environmental Compliance Sup	35,764			Office of Emergency, Environmental, H&S Services
* 92061012	Environmental Compliance Sup		51,056	57,271	Office of Emergency, Environmental, H&S Services
92261099	Vasona Pump Station Gen Main	148,705	88,531	69,355	WU Operations & Maintenance Div
92761001	Raw Water T and D Genrl Oper	905,608	820,374	848,372	Water Supply Division
92761006	Rchrg / RW Field Fac Asset Mgt	1,463,595	961,173	171,409	Water Supply Division
92761007	Recharge / Raw Wtr Field Ops	2,361,834	2,026,103	208,167	Water Supply Division
92761008	Recycled Water T&D Genrl Maint	67,040	78,705	79,082	WU Operations & Maintenance Div
92761009	Recharge/RW Field Ops			1,789,992	WU Operations & Maintenance Div
92761010	Rchrg / RW Field Fac Maint			753,058	WU Operations & Maintenance Div
92761082	Raw Water T&D Ctrl and Electr	1,060,237	359,498		Water Utility Technical Support
92761083	Raw Water T&D Eng Other	109,993	133,754	57,410	Water Utility Technical Support
92761084	Raw Water Ctrl & Elec Eng			764,873	Water Utility Technical Support
92761099	Raw Water T / D Gen Maint	1,079,258	983,619	849,338	WU Operations & Maintenance Div
92781002	RW Corrosion Control	337,610	301,624	385,499	Water Utility Technical Support
Total Operations:		9,252,139	7,100,463	7,859,153	
Operating Projects:					
92042015	Alamitos/Guad Ck WS Feas Stdy		205,753		Water Supply Division
Total Operating Projects:		0	205,753	0	
Capital Projects:					
92144001	So County PL ROW Acquisition	560		192,000	Water Supply Division
92144002	Santa Clara Conduit SV1-CPP			1,406,001	Water Supply Division
* 92294001	FAHCE Stevens Ck Fish Planning	533,854	392,664		Water Supply Division
92374006	IRP2 Self-Sufficient SCADA Sys	19,813			Water Supply Division
92404003	Alamitos Diversion Dam Imprvmt	169,253			Water Supply Division
92484003	Coyote Diversion Dam Imprvmt	174,158			Water Supply Division
92534002	Kirk Ditch Improvements	207,284			Water Supply Division
92534003	Kirk Diversion Dam Improvement	395,110	2,601,000		Water Supply Division
92534004	Kirk Diversion Fish Screen	2,860			Watersheds Capital Division
92564002	Main-Madrone PL	225,959	3,010,813	1,905,000	Water Supply Division
92604002	Page Desilting System Improve	54,800	532,000		Water Supply Division
92614004	Penitencia Fish Facility Mods		276,381	237,577	Water Supply Division
92714001	Vasona Canal Improvements	2,558			Water Supply Division
92724001	Almaden Calero Canal Rehab	2,538			Water Supply Division
92764009	Small Caps, Raw Water T&D		302,176	799,575	WU Operations & Maintenance Div

* Allocated Project

Financial Summaries

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

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
92764010	Stevens-Vasona Raw Water Distb		122,123	316,173	Water Supply Division
Total Capital Projects:		1,788,747	7,237,157	4,856,326	
TOTAL		\$ 11,040,886	\$ 14,543,373	\$ 12,715,479	

* Allocated Project

Financial Summaries

Total Outlays by Water Enterprise Fund - Water Treatment

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
93264001	Telephones at Vasona	10,204	60,663		Information Mgmt Services Div
93284028	STWTP Improvement, Stage 2	21,956			WU Operations & Maintenance Div
93284030	STWTP Incompatible Materials	1,068,613	2,142,000	795,939	WU Operations & Maintenance Div
93294029	RWTP Chemical System Upgrade	3,254,796	3,001		WU Operations & Maintenance Div
93294040	Telephones at RWTP	28,062	78,000		Information Mgmt Services Div
93294045	RWTP Valve Replacements	2,983,676	132,001		WU Operations & Maintenance Div
93294050	RWTP FRP Clarifier Rehabilitation	239,361			WU Operations & Maintenance Div
93294051	RWTP FRP Residuals Management	927,631	1,675,415	251,000	WU Operations & Maintenance Div
93294052	RWTP FRP Solids Handling System	49,058			WU Operations & Maintenance Div
93294053	RWTP Computer Room Retrofit	133,129	992,183		WU Operations & Maintenance Div
93294054	RTWP FRP Primary Elec System	492,607	247,131	4,258,000	WU Operations & Maintenance Div
93294055	RWTP FRP Site Improvement		214,240	787,000	WU Operations & Maintenance Div
93294056	RWTP FRP Chem Structure & Pump		306,756	671,000	WU Operations & Maintenance Div
93294057	RWTP Reliability Improvement		2,110,113	346,000	WU Operations & Maintenance Div
93404003	Almaden Water Quality Lab	517,672			WU Operations & Maintenance Div
93504001	IRP2 Well Fields			79,202	Water Resources Planning Division
93764003	IRP2 Seismic Study Retrofit WTP	209,480			WU Operations & Maintenance Div
93764004	Small Caps, Water Treatment		2,128,678	1,397,814	WU Operations & Maintenance Div
Total Capital Projects:		16,332,273	12,119,276	11,834,318	
TOTAL		\$ 48,836,782	\$ 40,970,559	\$ 39,031,549	

* Allocated Project

Financial Summaries

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

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
Operations:					
* 94061003	Environmental Compliance Sup	\$ 39,016	\$	\$	Water Utility Technical Support
94761004	Treated Water T&D Ctrl and Ele	1,353,738	345,601		Water Utility Technical Support
94761005	TW T&D - Engineering - Other	954,228	61,168	26,112	Water Utility Technical Support
94761006	Treated Water Ctrl & Elec Eng			1,527,125	Water Utility Technical Support
94761099	Treated Water T/D Gen Maint	1,091,817	677,342	532,194	WU Operations & Maintenance Div
94781001	Treated Water T/D Corrosion	270,941	298,600	406,229	Water Utility Technical Support
Total Operations:		3,709,740	1,382,711	2,491,660	
Operating Projects:					
94762007	SCADA Systems Upgrades			458,290	Water Utility Technical Support
Total Operating Projects:		0	0	458,290	
Capital Projects:					
* 94024005	Radio Repeater System Infill	4,946	1	7,989	Information Mgmt Services Div
94084005	Water Protection	763,524	3,094,000		Office of Emergency, Environmental, H&S Services
94084006	Microwave Telecommunications	59,727	24,000	63,000	Information Mgmt Services Div
94344006	East PL Rehabilitation		1,510,171	1,415,001	WU Operations & Maintenance Div
94364002	West PL Rehab, Cox to MtViewPL		2,273,576		Water Supply Division
94554002	S. Clara Distributary Turnout	157,822	271,000		WU Operations & Maintenance Div
Total Capital Projects:		986,019	7,172,748	1,485,990	
TOTAL		\$ 4,695,759	\$ 8,555,459	\$ 4,435,940	

* Allocated Project

Financial Summaries

Total Outlays by Water Enterprise Fund - Administration and General

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
* 95074032	CEQA Administration-CPSD	14,075			Office of Chief Executive Officer
* 95074033	CIP Development & Admin	273,991	224,188	378,568	Water Utility Capital Division
* 95074034	Construction-Mgt & Admin	284,912			Water Utility Capital Division
* 95074035	CADD-Mgt & Admin	78,066			Water Utility Capital Division
* 95074036	Survey-Mgt & Admin	327,844		134,238	Water Utility Capital Division
* 95074037	Real Estate Technical Support	96,297		13,333	Office of Chief Executive Officer
* 95074038	CPSD Management & Support	2,166,264	2,106,467	1,779,685	Office of COO-Watershed
* 95074043	Construction Inspection&Admin	238,587			Office of Chief Executive Officer
* 95074044	Capital Program Improvement	391,978	112,625		Office of COO-Watershed
* 95074045	Technical Review Committee		145,401	297,508	Water Utility Capital Division
* 95074046	Capital Health & Safety Training			84,383	Office of COO-Watershed
95144001	PL Hydraulic Reliability Upgrd			136,000	WU Operations & Maintenance Div
Total Capital Projects:		4,472,784	2,885,700	3,042,860	
TOTAL		\$ 35,673,462	\$ 38,324,118	\$ 36,690,206	

* Allocated Project

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	North County	Adopted Budget 2010-2011	Basis of Allocation to South
Operations:						
91041002	Water Supply Operations Agreements	10.20%	\$ 19,082	\$ 167,998	\$ 187,080	M&I Water Usage Ratio
91041003	CUWA Coordination	10.00%	1,056	9,503	10,559	Imported Water Ratio
91041012	Water Operations Planning	13.60%	38,258	243,051	281,309	Raw Water Deliveries
91041015	Groundwater Recharge Reuse	6.00%	9,016	141,253	150,269	Population
91041016	Water Shortage Contingency Ops.	10.20%	20,242	178,208	198,450	M&I Water Usage Ratio
91041018	Groundwater Management Protocols	35.70%	114,952	207,041	321,993	Groundwater Production Ratio
91061001	Env Planning and Compliance	18.30%	227,925	1,017,569	1,245,494	Estimated Labor
91061005	Water Supply Accounting	13.60%	25,332	160,935	186,267	Raw Water Deliveries
91061007	Districtwide Salary Savings-61	10.20%	(52,406)	(461,378)	(513,784)	M&I Water Usage Ratio
91061012	Environmental Compliance Sup	13.60%	4,249	26,990	31,239	Raw Water Deliveries
91081007	Dam Safety Program	22.50%	351,258	1,209,890	1,561,148	Program Benefit Calculation
91081012	Dam Maintenance EIR	21.60%	15,183	55,109	70,292	Program Benefit Calculation
91111001	Water Rights	23.70%	51,186	164,788	215,974	Water Rights Volume
91131004	Imported Water Program	10.00%	419,505	3,775,541	4,195,046	Imported Water Ratio
91131006	IW San Felipe Division Delvrs	10.90%	2,021,064	16,520,809	18,541,873	Program Benefit Calculation
91131007	IW South Bay Aqueduct Delvrs	0.00%		22,625,064	22,625,064	No South County Benefit
91151001	Water Conservation-Prog Support	6.00%	51,105	800,638	851,743	Population
91151007	Water Conservation-Residential	5.90%	137,449	2,192,199	2,329,648	Program Benefit Calculation
91151008	Water Conservation-Commercial/Ind	5.10%	91,530	1,703,183	1,794,713	Program Benefit Calculation
91151009	Water Conservation-AG	53.60%	213,572	184,883	398,455	Program Benefit Calculation
91151010	Water Conservation-Landscape	7.00%	130,342	1,731,682	1,862,024	Program Benefit Calculation
91181001	Water Recycling - General	6.00%	157,065	2,460,679	2,617,744	Population
91211004	San Felipe Reach 1 Operation	15.80%	56,103	298,977	355,080	CVP Imported Water Ratio
91211084	San Felipe Reach1 Ctrl and Ele	15.80%	41,777	222,632	264,409	CVP Imported Water Ratio
91211085	SF Reach 1-Engineering - Other	15.80%	13,093	69,773	82,866	CVP Imported Water Ratio
91211099	San Felipe Reach 1 Gen Maint	15.80%	135,699	723,158	858,857	CVP Imported Water Ratio
91221002	San Felipe Reach 2 Operation	15.80%	4,661	24,841	29,502	CVP Imported Water Ratio
91221006	SF Reach 2-Engineering - Other	15.80%	12,990	69,224	82,214	CVP Imported Water Ratio
91221099	San Felipe Reach 2 Gen Maint	15.80%	14,572	77,654	92,226	CVP Imported Water Ratio
91231002	San Felipe Reach 3 Operation	15.80%	25,361	135,154	160,515	CVP Imported Water Ratio
91231085	SF Reach 3-Engineering - Other	15.80%	12,008	63,995	76,003	CVP Imported Water Ratio
91231099	San Felipe Reach 3 Gen Maint	8.62%	49,888	528,786	578,674	CVP Imported Water Ratio
91451002	Well Ordinance Program	11.80%	151,491	1,132,334	1,283,825	Well Permits and Inspections
91451005	Source Water Quality Mgmt	10.20%	46,317	407,767	454,084	M&I Water Usage Ratio
91551001	Groundwater Monitoring	35.70%	228,441	411,450	639,891	Groundwater Production Ratio
91551002	Groundwater Supply Managemen	35.70%	369,968	666,357	1,036,325	Groundwater Production Ratio
91761001	Local Res / Div Plan & Analysis	18.90%	84,587	362,962	447,549	Total Water Deliveries Ratio
91761002	Local Reservoir/Diversion Ops	18.90%	39,664	170,200	209,864	Total Water Deliveries Ratio
91761099	Dams / Reservoir Gen Maint	21.60%	376,165	1,365,338	1,741,503	Program Benefit Calculation
91791012	Groundwater Quality Manageme	35.70%	368,237	663,239	1,031,476	Groundwater Production Ratio
92041014	Environmental Strategy-FAHCE	4.30%	78,489	1,746,838	1,825,327	Coyote Water Supply Ratio

Note: For Project 91231099, South County costs have been adjusted for the Coyote Pumping Plant costs.

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	North County	Adopted Budget 2010-2011	Basis of Allocation to South
92061012	Environmental Compliance Sup	13.60%	7,789	49,482	57,271	Raw Water Deliveries
92261099	Vasona Pump Station Gen Main	0.00%		69,355	69,355	No South County Benefit
92761001	Raw Water T and D Genrl Oper	13.60%	115,379	732,993	848,372	Raw Water Deliveries
92761006	Rchrg / RW Field Fac Asset Mgt	32.80%	56,222	115,187	171,409	Groundwater Recharge Ratio
92761007	Recharge / Raw Wtr Field Ops	32.80%	68,279	139,888	208,167	Groundwater Recharge Ratio
92761008	Recycled Water T&D Genrl Maint	100.00%	79,082		79,082	Benefits Only South County
92761009	Recharge/RW Field Ops	32.80%	587,117	1,202,875	1,789,992	Groundwater Recharge Ratio
92761010	Rchrg / RW Field Fac Maint	32.80%	247,003	506,055	753,058	Groundwater Recharge Ratio
92761083	Raw Water T&D Eng Other	13.60%	7,808	49,602	57,410	Raw Water Deliveries
92761084	Raw Water Ctrl & Elec Eng	13.60%	104,023	660,850	764,873	Raw Water Deliveries
92761099	Raw Water T / D Gen Maint	13.60%	115,510	733,828	849,338	Raw Water Deliveries
92781002	RW Corrosion Control	13.60%	52,428	333,071	385,499	Raw Water Deliveries
93061012	Environmental Compliance Sup	0.00%		369,655	369,655	No South County Benefit
93081008	W T General Water Quality	0.00%		1,385,131	1,385,131	No South County Benefit
93081009	Water Treatment Plant Engineering	0.00%		518,215	518,215	No South County Benefit
93231007	PWTP Landslide Monitoring	0.00%		102,522	102,522	No South County Benefit
93231009	PWTP General Operations	0.00%		3,790,567	3,790,567	No South County Benefit
93231099	Penitencia WTP General Maint	0.00%		1,534,031	1,534,031	No South County Benefit
93281005	STWTP - General Operations	0.00%		4,759,181	4,759,181	No South County Benefit
93281099	Santa Teresa WTP General Maint	0.00%		1,717,876	1,717,876	No South County Benefit
93291012	RWTP General Operations	0.00%		7,045,117	7,045,117	No South County Benefit
93291099	Rinconada WTP General Maint	0.00%		2,520,257	2,520,257	No South County Benefit
93401002	Wtr District Laboratory	0.45%	14,134	3,147,785	3,161,919	Lab Analyses
93761001	SF/SCVWD Intertie General Ops	0.00%		118,671	118,671	No South County Benefit
93761004	Campbell Well Field Operations	0.00%		33,906	33,906	No South County Benefit
93761005	Campbell Well Field Maintenance	0.00%		29,098	29,098	No South County Benefit
93761099	SF/SCVWD Intertie Gen Maint	0.00%		111,085	111,085	No South County Benefit
94761005	TW T&D - Engineering - Other	0.00%		26,112	26,112	No South County Benefit
94761006	Treated Water Ctrl & Elec Eng	0.00%		1,527,125	1,527,125	No South County Benefit
94761099	Treated Water T/D Gen Maint	0.00%		532,194	532,194	No South County Benefit
94781001	Treated Water T/D Corrosion	0.00%		406,229	406,229	No South County Benefit
95001090	Unscoped Operations Activities	10.20%	51,000	449,000	500,000	M&I Water Usage Ratio
95011003	Asset Protection Support	20.00%	111,351	445,403	556,754	Program Benefit Calculation
95031002	Grants Management	10.20%	10,361	91,217	101,578	M&I Water Usage Ratio
95041025	SMP Biodiversity Monitoring	10.20%	3,434	30,235	33,669	M&I Water Usage Ratio
95041039	Integrated Regional Water Mgmt	10.20%	9,411	82,856	92,267	M&I Water Usage Ratio
95041042	Llagas Fire Mgmt	100.00%	64,050		64,050	Benefits Only South County
95061007	WU AM Prgm	1.36%	8,670	628,812	637,482	Program Benefit Calculation
95061012	Rental Expense San Pedro,MH	100.00%	21,890		21,890	Benefits Only South County
95061027	Water Utility Health & Safety	15.00%	34,833	197,390	232,223	Number and Types of Facilities
95061032	Water Utility Ops Safety Training	15.00%	64,653	366,369	431,022	Number and Types of Facilities
95061037	WUE Training & Development	10.20%	64,202	565,228	629,430	M&I Water Usage Ratio
95061038	WUE Administration	10.20%	637,217	5,610,004	6,247,221	M&I Water Usage Ratio

Note: For Project 91231099, South County costs have been adjusted for the Coyote Pumping Plant costs.

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	North County	Adopted Budget 2010-2011	Basis of Allocation to South
95061041	WU As-Built Drawing Control	10.20%	17,162	151,091	168,253	M&I Water Usage Ratio
95061045	District Asset Mgmt Framework	10.20%	57,009	501,902	558,911	M&I Water Usage Ratio
95071041	Welding Services	1.19%	2,948	244,822	247,770	Weighted Labor
95101003	W2 W5 Water Revenue Program	62.00%	716,208	438,966	1,155,174	Program Costs
95111003	Water Use Measurement Genera	35.00%	431,768	801,854	1,233,622	Labor Hours
95111004	Untreated Water Program	37.30%	20,389	34,272	54,661	Untreated Water Deliveries Ratio
95111007	Untreated Water Field Ops	37.30%	20,967	35,246	56,213	Untreated Water Deliveries Ratio
95121001	Fin/Economic Water Rate Study	10.20%	41,293	363,538	404,831	M&I Water Usage Ratio
95731001	Water Supply Modeling/Analys	10.20%	32,230	283,753	315,983	M&I Water Usage Ratio
95741001	WUE Long-term Planning	10.20%	102,416	901,663	1,004,079	M&I Water Usage Ratio
95761003	SCADA Network Administration	1.60%	1,765	108,537	110,302	Program Benefit Calculation
95761071	Emergency Preparedness Program	6.00%	44,231	692,951	737,182	Population
95771011	District Urban Runoff Program	13.60%	8,914	56,630	65,544	Raw Water Deliveries
95771031	HAZMAT Emergency Response	9.10%	1,981	19,783	21,764	Emergency Response Events
95811043	Hydrologic Data Msrmt & Mgmt	16.60%	113,284	569,151	682,435	Stream Gauge Locations
95811046	Warehouse Services	10.20%	38,330	337,454	375,784	M&I Water Usage Ratio
95811049	X Valley Level / Benchmark	0.00%		72,637	72,637	No South County Benefit
95811054	District Real Property Administration	0.00%		49,515	49,515	No South County Benefit
95861002	Anderson Hydrelctrc Fcilty Ops	13.60%	4,307	27,363	31,670	Raw Water Deliveries
95861099	Anderson Hydrelctrc Fcilty Main	13.60%	6,451	40,980	47,431	Raw Water Deliveries
Total Operations:			10,353,972	112,722,882	123,076,854	
Operating Projects:						
91042008	Infrstr Reliability Program	10.20%	3,289	28,952	32,241	M&I Water Usage Ratio
91042010	Groundwater Recharge Eval	32.80%	52,846	108,271	161,117	Groundwater Recharge Ratio
91042011	Bay Area Water Supply Coordin	0.00%		66,325	66,325	No South County Benefit
91042014	Urban Water Management Plan	10.20%	14,034	123,556	137,590	M&I Water Usage Ratio
91152007	Water Conservation Campaign	6.00%	51,583	808,133	859,716	Population
91182002	Integrate AWT with supplies	0.00%		525,195	525,195	No South County Benefit
91452010	Perchlorate Bkgrnd Srce Study	100.00%	17,332		17,332	Benefits Only South County
91452011	Invasive Mussel Prevention	13.60%	90,132	572,600	662,732	Raw Water Deliveries
91452042	Salt and Nutrient Mgmt Plan	35.70%	137,552	247,749	385,301	Groundwater Production Ratio
91742041	Comprehensive Habitat Cons P	18.60%	68,898	301,520	370,418	Geography of Planning Area
91952003	Pacheco Reservoir Investigation	15.80%	21,585	115,030	136,615	CVP Imported Water Ratio
94762007	SCADA Systems Upgrades	13.60%	62,327	395,963	458,290	Raw Water Deliveries
95042037	Future Funding Strategies	10.20%	4,403	38,765	43,168	M&I Water Usage Ratio
95062036	Climate Action Planning	10.20%	19,593	172,496	192,089	M&I Water Usage Ratio
Total Operating Projects:			543,575	3,504,554	4,048,129	
TOTAL			\$ 10,897,547	\$116,227,436	\$127,124,983	

Note: For Project 91231099, South County costs have been adjusted for the Coyote Pumping Plant costs.

Financial Summaries

South County Capital Amortization

Job Description	Total Project Cost	South County %	South County Cost	FY 11 Cost Recovery*	Year Cost Recovery is Complete	Basis of Allocation to the South
Coyote Dam Outlet**	\$ 6,703,111	15.0%	\$ 1,005	\$ 80,681	FY 12	Water usage
Uvas Reservoir Valves Replace	\$ 303,036	100.0%	\$ 303,036	\$ 24,523	FY 14	Benefits only South County
Madrone Pipeline Replace	\$ 388,981	100.0%	\$ 388,981	\$ 31,478	FY 14	Benefits only South County
Uvas Dam & Reservoir	\$ 1,124,260	100.0%	\$ 1,124,260	\$ 87,947	FY 22	Benefits only South County
San Pedro Recharge Facility	\$ 1,882,338	100.0%	\$ 1,882,338	\$ 147,249	FY 22	Benefits only South County
San Pedro Recharge house	\$ 700,000	100.0%	\$ 700,000	\$ 46,579	FY 31	Benefits only South County
Recycled Water Improvements I	\$ 7,232,000	100.0%	\$ 7,232,000	\$ 481,232	FY 32	Benefits only South County
Recycled Water Improvements II	\$ 118,000	100.0%	\$ 118,000	\$ 7,852	FY 33	Benefits only South County
Recycled Water Improvements III	\$ 1,721,000	100.0%	\$ 1,721,000	\$ 114,519	FY 34	Benefits only South County
Water Banking Rights	\$ 6,225,700	8.0%	\$ 498,056	\$ 33,030	FY 36	Total Imported Water Ratio
Geodetic Control Maintenance	\$ 235,930	41.0%	\$ 96,731	\$ 6,415	FY 36	Survey Analysis
Recycled Water - SCRWA Filter Upgrade	\$ 3,257,000	100.0%	\$ 3,257,000	\$ 215,996	FY 37	Benefits only South County
Water Banking FY 06	\$ 18,894,891	9.0%	\$ 1,700,540	\$ 112,775	FY 36	Total Imported Water Ratio
San Felipe Division Capital	\$ 6,893,595	9.4%	\$ 647,998	\$ 647,998	N/A	Repayment Cost Distribution
Small Caps, San Felipe	\$ 1,227,849	15.8%	\$ 194,000	\$ 194,000	N/A	CVP Imported Water Ratio
Santa Clara Tunnel Landslide	\$ 4,509,217	15.1%	\$ 680,892	\$ 45,155	FY 39	CVP Imported Water Ratio
SC Tunnel Landslide Mitigation	\$ 312,516	15.1%	\$ 47,190	\$ 3,130	FY 39	CVP Imported Water Ratio
Water Infrastructure Reliability Program	\$ 2,134,000	1.5%	\$ 32,010	\$ 2,123	FY 36	Program benefit calculation
Water Infrastructure Baseline Improvement	\$ 2,402,833	3.6%	\$ 86,502	\$ 5,737	FY 38	Spare pipe usage
Coyote Dam Control Building Improvement	\$ 347,000	10.2%	\$ 35,394	\$ 2,347	FY 40	M&I Water Usage Ratio
Raw Water Control System	\$ 9,187,518	4.3%	\$ 398,738	\$ 26,443	FY 37	Program benefit calculation
Small Caps, Raw Water	\$ 799,575	13.6%	\$ 108,742	\$ 108,742	N/A	Raw Water Usage
Information Systems Management	\$ 5,802,459	9.8%	\$ 568,641	\$ 37,711	FY 40	M&I Water Usage Ratio
Peoplesoft Upgrade	\$ 78,393	9.8%	\$ 7,683	\$ 509	FY 39	M&I Water Usage Ratio
Corp Yard Relocation	\$ 25,530	10.2%	\$ 2,604	\$ 173	FY 40	M&I Water Usage Ratio
Capital Program Administration	\$ 2,906,860	8.2%	\$ 238,363	\$ 232,092	N/A	Total Capital Cost Ratio
Grand Total	\$ 85,413,592		\$ 22,071,704	\$ 2,696,436		

* Capital projects that benefit South County are paid for over the life of the project (typically 30 years) beginning when the project is completed

** Actual project costs unable to be verified as the financial system in place in the 1980's has long since been retired

Financial Summaries

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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. Total operating and capital expenditures budgeted in the General Fund for FY 2010-11 are \$47.6 million.

The principal funding source of the General Fund is the collection of overhead charges from other District funds in the amount of \$39.4 million. Additional sources of revenue include property taxes and interest income in the amount of \$5.2 million.

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

Office of the Chief Executive Officer

- Workforce Development
- District Communications
- Local and State Government Relations

Office of the District Counsel

- Legal Services
- Risk Management

Office of the Clerk of the Board

Office of the Chief Administrative and Ethics Officer

- Procurement and Operational Services
- Financial Planning and Management Services
- Information Management Services
- Human Resources and Inclusion 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 development
- Sustainable assets, equipment and infrastructure

OFFICE OF THE CHIEF ADMINISTRATIVE ETHICS OFFICER

The FY 2010-2011 operations budget for the Office of the Chief Administrative and Ethics Officer is \$632,887.

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.

Ethics & Equal Opportunity Programs

The FY 2010-2011 operations budget for the Ethics & Equal Opportunity (EEO) Programs is \$611,156. The EEO staff report directly to the Chief Administrative and Ethics Officer.

The projects developed to maintain an ethical and equal opportunity work environment include EEO Mandatory Training, Equal Opportunity Program, EEO Management and Administration, Reasonable Accommodation, and Ethics. The objectives of these programs are:

- Ensure compliance with state and federal laws with the objective of educating and engaging the District in creating a workplace that is free of discrimination, harassment, unfair treatment and retaliation
- Provide reasonable accommodations to qualified individuals with disabilities
- Create an atmosphere of trust and integrate the concepts of ethical behavior into District policies and procedures

District General Fund Overview

- Analyze trends of current issues to determine appropriate training and interventions as preventative measures
- Assess the current Ethics Program through benchmarking and evaluating best practices

PROCUREMENT AND OPERATIONAL SERVICES DIVISION

The FY 2010-2011 budget for The Procurement and Operational Services Division is \$16.4 million of which \$9.2 million is allocated to the General Fund.

The business units in this division include the Procurement, Warehouse and Contract Administration Unit, the Equipment Management Unit and the Facilities Management Unit.

Procurement, Warehouse and Contract Administration Unit

The FY 2010-11 operations budget for Procurement, Warehouse and Contract Administration Unit is \$3,612,608 of which \$2,455,192 is allocated to the General Fund.

Procurement Management provides for the purchasing of all goods and services throughout the District with the exception of professional consulting services and public works contracts over \$25,000. Procurement administers a fair and open sourcing process for suppliers who wish to do business with the District. As a public agency, the District's purchasing practices are regulated by local, state and federal laws and regulations.

Contract Administration is responsible for managing and supporting all aspects of consultant recruitments for District's operations. Staff provide contract negotiation support during agreement development as well as dispute resolution support to all District project managers as well as external consultants during the contract execution phase. On an average annual basis, Contract Administration processes over 50 contracts and amendments with a total budget of nearly \$18 million.

Warehouse is the central receiving and distribution point for the organization. Warehouse staff are responsible for cost effective management of inventory and replenishment of materials and supplies used to support District operations.

Equipment Management Unit

The FY 2010-11 budget for the Equipment Management Unit is \$5,553,784 of which \$36,707 is allocated to the General Fund.

The Equipment Management Unit is responsible for managing the District's fleet assets, which includes approximately 271 vehicles and 575 pieces of equipment. This equipment ranges from hybrid light duty vehicles and crew trucks to large generators, pumps, and construction equipment.

Facilities Management Unit

The FY 2010-11 budget for the Facilities Management Unit is \$6,793,666 of which \$6,178,328 is allocated to the General Fund. The capital budget for FY 2010-11 is \$2,086,000 which is allocated to the General Fund.

The Facilities Management Unit performs and provides services for maintenance and repairs of District buildings and grounds, HVAC systems, space planning and management of contracted services such as electrical, plumbing, janitorial and generator maintenance. The unit also manages small capital improvement projects for the Almaden and Winfield campuses and the residential real estate program for District owned residential properties.

Key Highlights: Procurement and Operational Services Division

Contracting & Procurement Processes

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The Procurement Management Plan project will bring the District's Procurement Services in line with Public Procurement Best Practices. Phase I of the PMP was completed in FY2009-10 and included 33 new ISO Level II and III procedures to guide Procurement of Goods, Services and Consulting Services as well as training of key staff and managers. Phase II will include full implementation and adjustment of new procedures as needed to carry out District procurements, development of District website to post bid results and identification of additional efficiencies in Procurement.

Almaden/Winfield Conceptual Master Plan

A revised plan for the Almaden/Winfield campus will be brought to the Board in FY 2010-2011 to set the direction on how the campus will be maintained and improved over the next 10 to 15 years.

FINANCIAL PLANNING AND MANAGEMENT SERVICES DIVISION

The FY 2010-2011 operations budget for the Financial Planning and Management Services Division (FPMSD) is \$7.0 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 for all other District funds of \$33 million.

The FY 2010-2011 budget for **Office of the Chief Financial Officer (CFO)** is \$568,841

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 \$534,492, of which \$129,661 in General Fund.

Budget Planning: coordination of 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 \$759,882.

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 \$225,499.

General Accounting Unit

The operations budget for the General Accounting Unit is \$2,612,716. General Accounting staff provides general accounting and financial reporting functions including general ledger, accounts receivable, 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 \$1,991,569 of which is 100% allocated to Watershed and Water Utility Fund. The Revenue Management Unit staff reviews water production data and invoices accordingly to ensure that revenue owed 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.

Financial Control Services Unit

District General Fund Overview

The operations budget for the Financial Control Services Unit is \$1,517,178. The Financial Control Services Unit provides technical and administrative resources in the areas of:

- Budget preparation and project planning District-wide
- Long-term forecasting District-wide
- 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 is in the process of developing an annual budget that examines reductions in spending, fosters efficiencies and promotes effectiveness in the preparation of program plans across the District.

INFORMATION MANAGEMENT SERVICES DIVISION

The FY2010-2011 budget for the Information Management Services Division (IMSD) is \$14.5 million of which \$12,023,164 is allocated to the General Fund. The business units and programs in IMSD include Information Security, Information Systems Solutions, Information Technology, Records and Library, Business and Customer Support Services.

The FY 2010-2011 operating budget for the office of the Information Management Officer, is \$1,305,704.

The Information Systems Solutions (ISS) Unit

The FY 2010-2011 operating budget for the ISS Unit is \$4,047,027. The ISS Unit provides development, maintenance and support of the District's business applications which include in-house developed and enterprise-wide applications; geographic information systems (GIS); PeopleSoft Financial/HR systems and MAXIMO Computerized Maintenance Management Systems. ISS supports the District's ability to communicate and inform the public, District staff and other public agencies via the internet/intranet. ISS maintains license and maintenance agreements of the District's computerized business databases and applications.

The Information Technology (IT) Unit

The FY 2010-2011 operating budget for the IT Unit is \$4,998,198 of which \$3,178,105 is allocated to the General Fund. IT is responsible for implementation, management, support, and protection of the District 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 down to Pacheco Pumping Plant in Merced County. 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 IT host all primary business applications and systems, and backup devices and tools are used to archive and protect District data. Desktop and laptop computers and related peripheral hardware are supported 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

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District General Fund Overview

maintained by IT to support District office staff, crews in the field, and emergency operations. The audio / visual services provided by IT support a host of internal and public meeting needs, and are relied upon at all Board of Director's meetings.

The Records & Library Unit

The FY 2010-2011 operating budget for the Records and Library Unit is \$1,013,559. 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 controlled ISO documents which establish District Quality Environmental Management System (QEMS) and of Administrative policies and procedures.

Business and Customer Support Services Unit

The FY 2010-11 operating budget for The Business and Customer Support Services Unit is \$2,478,769. The Business and Customer Support Services Unit provides District-wide support such as word processing, template-based graphics, and forms services; complete mail services relative to District business; reprographics services which includes full-service photocopying, offset printing, binding and other 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.

Key Highlights: Information Management Services Division

Key efforts and deliverables for the Information Management Services Division in FY 2010-2011 include:

- Develop water use efficiency rebate program database.
- Develop Watershed Asset Management GIS data layer.
- Implement Watershed mobile field collection application.
- Implement Maximo GIS mapping application and linear asset enhancements.
- Implement the Phase 1 of the ecological monitoring and assessment system.

HUMAN RESOURCES AND DIVERSITY/ INCLUSION SERVICES DIVISION

The FY 2010-2011 operations budget for the Human Resources and Diversity/Inclusion Services Division is \$5,443,751. The Human Resources and Diversity/Inclusion Services Division programs and business units include: Diversity and Inclusion Program; Employee Recruitment and Benefits, and Labor Relations; Training & Development.

Labor Relations Unit

The FY 2010-2011 operations budget for the projects managed by the Labor Relations Unit is \$895,612 and includes Labor Relations, Bargaining Unit Representation, and the Bilingual Pay Pilot Program. This unit provides subject matter expertise and training in the areas of negotiated labor agreements; progressive discipline consultation; grievance consultation and processing; arbitration consultation and processing; fact finding investigations; District policy and procedure interpretation and enforcement.

The unit promotes a proactive and positive labor relations program between management and the District's three bargaining units; compliance with legal mandates and negotiated agreements, and constructive labor-management principles.

Training and Employee Development Unit

District General Fund Overview

The FY 2010-2011 operations budget for Training and Employee Development is \$1,034,414. The Training and Employee Development Unit coordinates Districtwide training and employee development programs and Employee Recognition Program. Priority is placed on mandatory training required for compliance with District policies, local, state and federal requirements as well as health and safety training. Employee development focuses on professional and business skills training. Also included in this unit is the Employee Recognition Program which recognizes milestones in years of service and retirements.

Employee Recruitment and Benefits Unit

The FY 2010-2011 operations budget for the Employee Recruitment and Benefits Unit is \$2,338,154. The Employee Recruitment and Benefits Unit administers six Districtwide health benefit plans that are renewed annually; processes employee payroll/personnel transactions; processes employee performance evaluation documents; manages retiree Medicare and District's health care plans; manages the Deferred Compensation Committee program; and processes new hires, separations, promotions and leave of absence. Recruitment and Examination administers the District's hiring and temporary staffing policies. For FY 2010-11, it is projected that the District will fill approximately 45 regular positions. For temporary staffing, which includes student interns and temporaries, 40 recruitments are projected.

The Unit will also develop and implement a program for unpaid internships during FY 2010-11. This program will provide knowledge, training, and work experience to college students at no cost to the District.

The Classification and Compensation Programs maintains the District's classification specifications, ensures that the body of work is properly assigned, maintains salary tables, and provides subject matter expertise to management and to bargaining units to assist them in making organizational decisions.

Key Highlights: Human Resources and Diversity/Inclusion Services Division

Key efforts and deliverables for the Human Resources and Diversity/Inclusion Services Division in FY 2010-11 include:

- Implementation the Diversity and Inclusion Master Plan.
- Development of strategies for contract negotiations.
- Implementation of the Workforce Development Plan.
- Coordination of the District's required and professional development training.

OFFICE OF THE CHIEF EXECUTIVE OFFICER

The Office of the Chief Executive Office has a combined FY2010-2011 operating budget for all the units directly under his supervision of \$6,201,187 of which \$6,190,628 is allocated to the General Fund.

The Office of the Chief Executive Office provides executive leadership to the District, support to the Board of Directors, ensures that the District efficiently implements the Board's policies and complies with executive limitations. The budget allocated for the Office of CEO is \$505,009.

Government Relations Units

The FY 2010-2011 operations budget allocated for Government Relations is \$1,988,077. Government Relations is responsible for influencing external policy to the benefit of the District through legislative efforts, opinion leaders and organized groups. Government Relations 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;

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supporting, opposing, or pursuing amendments to state and federal legislation; and supporting Board outreach to other elected officials, policy makers, opinion leaders, and local community organizations and groups.

FY 2010-11 deliverables include passage and enactment of District-sponsored state legislation; protection of District revenues in the midst of an unprecedented state budget crisis; supporting beneficial legislative efforts and mitigating any adverse legislative efforts at the local, state and federal level, and the acquisition of federal and state funding for local projects.

Office of CEO Support

The FY2010-2011 operations budget for the Office of CEO Support is \$1,372,613. The Office of CEO Support (OCEOS) delivers strategic and tactical support for the CEO and Board, facilitates the Board's governance policies, and executes Districtwide management systems. The OCEOS enhances the understanding and transparency of the Board's governance policies by formalizing Board policies and supporting their implementation. The OCEOS facilitates the deployment of the Districtwide Strategic Plan to address impending challenges, and further improve transparency and fiscal accountability to stakeholders and the community.

The OCEOS also includes the activities necessary to maintain the Districtwide Quality and Environmental Management System (QEMS), which is certified to the international ISO9001 and ISO14001 standards. The OCEOS leads and further deploys the QEMS to implement effective work processes, ensure consistency in quality services, increase efficiencies, and improve environmental stewardship. Deliverables includes:

- Facilitation and implementation of the Annual Strategic Plan for FY 2010-11.
- Conducting Internal Audits for continual improvement and increasing efficiencies

- Continued implementation and improvement of the Corrective and Preventive Action Request (CPAR) System
- Conducting Quarterly Management Review meetings to review gaps and achievements, and identify opportunities for improvement
- Conducting performance reporting to the Board (as directed by the Board)

Workforce Development

The FY2010-2011 operations budget for Workforce Development \$467,358. The goal for Workforce Development is to develop a process to address the gaps between the workforce of today and the human resource needs of tomorrow, insure continuity in critical institutional knowledge, and plan for the impact of high levels of attrition in critical positions.

The first objective is the completion of a workforce planning pilot in the Water Treatment Operations and Maintenance Division. The second is to implement a comprehensive Leadership and Management Development Program for all managers. This program is intended to enhance job performance and succession planning by providing the skills and knowledge that promote continuous learning, professional growth, diversity, and inclusion.

District Communications Unit

The FY2010-2011 operation budget for District Communications is \$1,857,571. 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.

District General Fund Overview

The Unit is responsible for educating and informing the community at large and District employees on major water-related issues through an effective media relations program; external website and intranet; 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; and carrying out an education outreach program and creek-wise education program.

Communication with the Public

Activities in FY 2010-11 include a campaign to help the community achieve the conservation goals set by the District through advertising and media relations. As a result of the effort and resources spent last year on the conservation campaign, the county exceeds the District's mandatory conservation goals by achieving a 17 percent savings. If conditions warrants in FY 2010-11, this program will be refocused.

OFFICE OF DISTRICT COUNSEL

The FY2010-2011 operating budget for the Office of District Counsel is \$1,912,438.

The Office of the District Counsel representing the District's interests in a variety of court and administrative matters and provides timely and useful 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 effective risk management and risk financing techniques to reduce or eliminate risk. The budget for the Risk Management Administration in the unit is \$2,638,818 is charged to the Risk Insurance Fund, which is broken down into three projects: Liability Property Program consisting

primarily of insurance premiums, claims payments, and project specific reviews); Workers' Compensation Program consisting primarily of insurance premiums, claims payments, administering outside vendors and the District's return to work program); and Risk Management Program Administration. Key areas of focus of The RMA Unit for FY 2010-11 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 Clerk of the Board (COB), with a projected FY 2010-11 budget of \$3,389,555, provides funds for the District's Board of Directors to do its work and support services directly to the Board of Directors, including elections. This includes regulatory and administrative support services to the Board, Board Advisory and Ad Hoc Committees, Board Appointed Officers, District staff and constituents. The COB maximizes public access to citizens of Santa Clara County in accordance with the California Ralph M. Brown Act. In addition, COB tracks Board of Director budget and expense claim forms in accordance with District Ordinance 02-01, Resolution 02-44, and Board Governance Policy GP-10 and maintains integrity of the Board's legislative records, processes, and actions.

Major Capital Projects

The FY 2010-11 Capital Outlay budget in the General Fund is approximately \$2.1 million. Of this amount, \$2,086,000 can be attributed to the Almaden Winfield Small Capital Improvements project. The project 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.

Approximately \$52,000 of the total \$2.1 million is for Capital Program Services administration.

Financial Summaries

District General Fund Overview

District General Fund Current Capital Projects

- Almaden & Winfield Small Capital Improvements

Fiscal Status

Total General Fund Property tax revenue in FY 2010-11 is projected at \$4.7 million and reflects an increase of approximately 0.2%, relative to the FY 2009-10 adopted budget. This revenue line is virtually unchanged from the prior year and reflects the probable stabilization of the real estate market in the county which had shown severe valuation declines in the current and prior years.

The General Fund's non-operating income includes Interest Income and Property Rental Income, and is projected to be roughly \$528,000 in FY 2010-11, representing a 6.4% decline if compared with the FY 2009-10 budget.

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 \$39.4 million in FY 2010-11 through overhead reimbursement. The General Fund Overhead rate for FY 2010-11 is 73%.

General Fund reserves are estimated at approximately \$9.6 million and are in compliance with District Reserve policy.

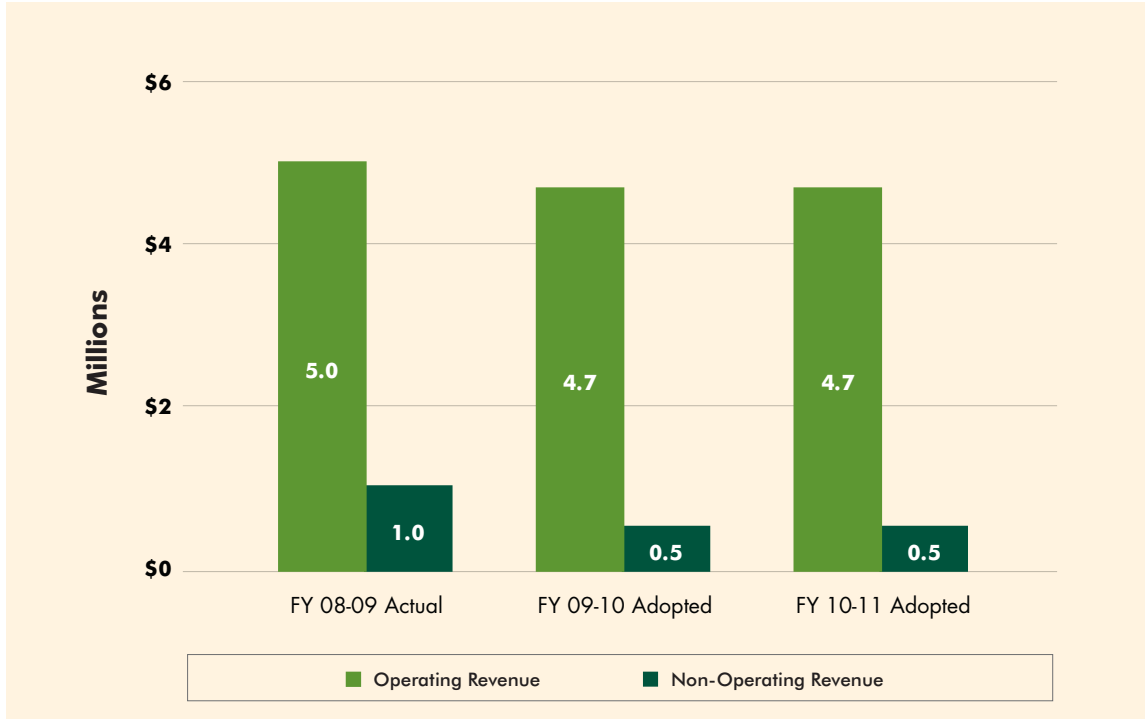
Budget Issues

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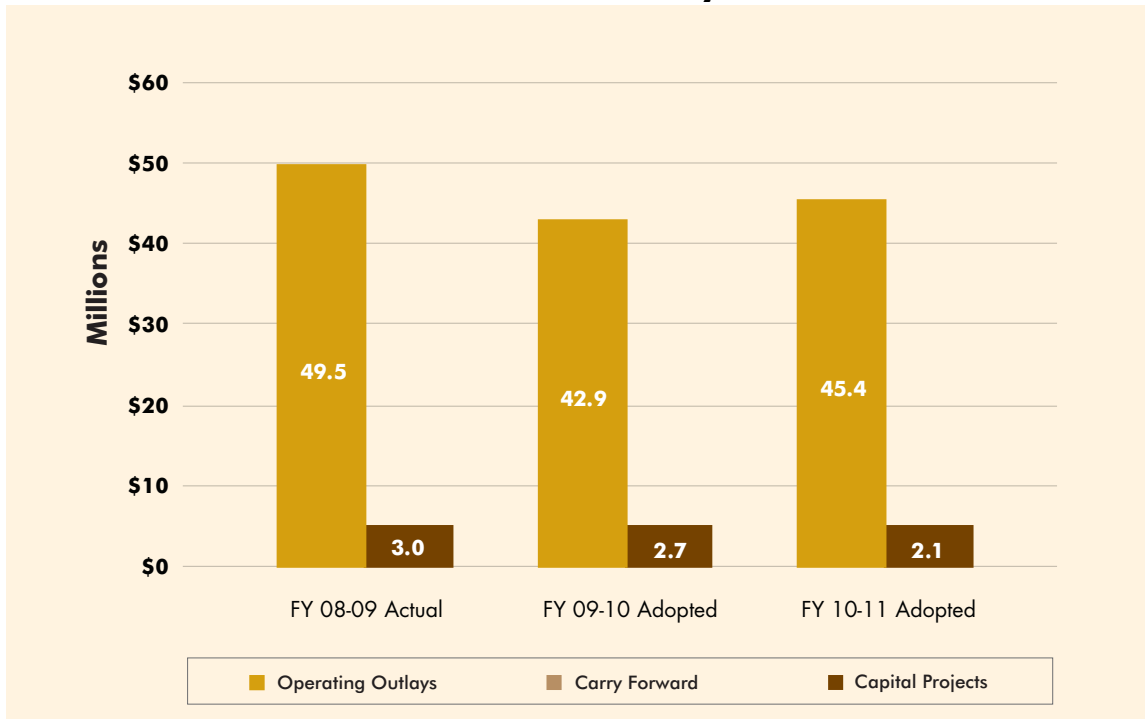
Financial Summaries

District General Fund Overview

Total Revenue



Total Outlays



Financial Summaries

District General Fund Summary

	Budgetary Basis Actual 2008-09	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	Change from 2009-10 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Operating Revenue:						
Property Taxes	\$ 5,000,371	\$ 4,655,047	\$ 4,415,752	\$ 4,666,636	\$ 11,589	0.2%
Total Operating Revenue	5,000,371	4,655,047	4,415,752	4,666,636	11,589	0.2%
Non-Operating Income:						
Interest*	927,877	482,800	482,800	445,000	(37,800)	(7.8%)
Other	61,075	82,063	82,063	83,704	1,641	2.0%
Total Non-Operating Income	988,952	564,863	564,863	528,704	(36,159)	(6.4%)
Total Revenue	5,989,323	5,219,910	4,980,615	5,195,340	(24,570)	(0.5%)
Operating Outlays:						
Operations	47,781,736	41,517,485	\$ 40,967,000	44,387,412	2,869,927	6.9%
Operating Projects	914,342	937,407	\$ 554,152	609,922	(327,485)	(34.9%)
Salary Savings	-	(307,889)		(313,958)	(6,069)	2.0%
Debt Service	799,037	775,291	775,846	767,970	(7,321)	(0.9%)
Total Operating Outlays	49,495,115	42,922,294	42,296,998	45,451,346	2,529,052	5.9%
Less Intra-District Reimbursements	(34,942,587)	(38,305,458)	(37,100,000)	(39,396,044)	(1,090,586)	2.8%
Net Outlays	14,552,528	4,616,836	5,196,998	6,055,302	1,438,466	31.2%
Capital Projects	2,971,262	2,676,659	3,276,478	2,139,091	(537,568)	(20.1%)
Carry Forward Capital Projects	-	173,000		277,000	104,000	60.1%
Total Capital Outlays	2,971,262	2,849,659	3,276,478	2,416,091	(433,568)	(15.2%)
Other Financing Sources/(Uses):						
Certificates of Participation	3,018,342	-	-	-	-	-
Transfers In	448,213	464,406	464,406	-	(464,406)	(100.0%)
Transfer Out	(11,601,262)	-	-	-	-	-
Total Other Sources (Uses)	(8,134,707)	464,406	464,406	0	(464,406)	(100.0%)
Balance Available	\$ (19,669,174)	\$ (1,782,179)	\$ (3,028,455)	\$ (3,276,053)	\$ (1,493,874)	83.8%

	Estimated Balances				Change from 2009-10 Adopted	
	Year-End 2008-09	Adopted 2009-10	Projected YE 2009-10	Adopted 2010-11	\$ Diff	% Diff
Year-End Reserves:						
Designated Reserves						
Operating & Capital Reserve	14,957,462	5,775,844	12,528,826	9,529,773	3,753,929	65.0%
Currently Authorized Projects***	905,819	-	306,000	29,000	29,000	-
Total Designated Reserves	15,863,281	5,775,844	12,834,826	9,558,773	3,782,929	65.0%
Total Year-End Reserves	\$ 15,863,281	\$ 5,775,844	\$ 12,834,826	\$ 9,558,773	3,782,929	65.5%
Uncommitted Funds			\$ 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 by District General Fund

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
Operations:					
60001090	Unscoped Operations Activities	\$	\$ 103,000	\$ 203,000	Office of Chief Administrative Officer
60021003	Environmental Mgmt Sys		186,873	188,295	Office of Emergency, Environmental, H&S Services
60061002	Contract Auditing Financial	91,793	91,188	104,468	Financial Planning & Mgmt Div
60061004	Electrical Power Support	91,335	178,678	130,902	Water Utility Technical Support
* 60061012	Environmental Compliance Sup		55,697	62,475	Office of Emergency, Environmental, H&S Services
60061014	Strategic Planning Management	14			Office of Chief Executive Officer
60061016	CAO Business Unit Prg-Admin	8,054			Office of Chief Administrative Officer
60061017	Information Mgt Division Admin	1,360,198	1,064,359	1,107,245	Information Mgmt Services Div
60061018	Procur & Operational Div Admin	616,987	690,006	486,152	Procurement & Operational Srv Div
60061019	Employee Recognition Program	339,143	191,345	59,019	Human Resources and Diversity/Inclusion Services Div
60061023	Districtwide Salary Savings-11		(307,889)	(313,958)	Financial Planning & Mgmt Div
60061024	Wells / Water Production Admin	3,826			Procurement & Operational Srv Div
60061032	Web Mgmt., Pub. & Int. Comms.	553,626	242,292	486,596	Office of Chief Executive Officer
60061048	Performance Measurement	239,593			Office of Chief Executive Officer
60061049	Facilities Administration	419,404			Procurement & Operational Srv Div
60061050	Financial Control Unit Admin		1,272,836	1,517,178	Financial Planning & Mgmt Div
60061051	Voluntary Env Commitments		50,210	62,766	Office of Emergency, Environmental, H&S Services
* 60071041	Welding Services	28,363	22,521	36,707	Procurement & Operational Srv Div
60091001	Directors Fees / Expenses	324,507	371,885	369,180	Office of Clerk of the Board
60101001	Procurement Management	1,717,594	1,280,352	1,439,019	Procurement & Operational Srv Div
60101002	Building Services	2,986,841	2,800,534	2,888,697	Procurement & Operational Srv Div
60101006	Telecommunications Sys Opr/M	1,130,892	916,842	1,022,794	Information Mgmt Services Div
60101008	District Security Services	391,958	437,303	405,796	Office of Emergency, Environmental, H&S Services
60101010	Wireless Comm. Maint & Support	771,821	535,287	559,100	Information Mgmt Services Div
60101011	Audio/Visual Maint / Support	320,374	363,126	365,534	Information Mgmt Services Div
60101017	CADD System Tech Support	133,588	54,108	57,011	Water Utility Capital Division
60111002	General Accounting Services	1,055,563	979,962	1,189,253	Financial Planning & Mgmt Div
60111003	Accounts Payable Services	615,186	539,341	578,673	Financial Planning & Mgmt Div
60111004	Payroll Services	420,078	420,055	434,177	Financial Planning & Mgmt Div
60111005	Claims and Reimbursements	255,944	169,723		Financial Planning & Mgmt Div
60111006	Contract Administration	843,906	560,716	527,887	Procurement & Operational Srv Div
60131004	Ofc of Chief Admin Officer	862,786	824,805	632,887	Office of Chief Administrative Officer
60131007	Office of Chief Executive Officer	407,973	543,890	505,009	Office of Chief Executive Officer
60131013	District Auditor Function	24,400			Office of Chief Executive Officer
60131014	Office of the CEO Support	540,275	530,213	802,270	Office of Chief Executive Officer
60141001	District Counsel	1,815,160	1,733,227	1,912,438	Office of District Counsel
60151001	ISS Application Maintenance	508,293	597,902	779,851	Information Mgmt Services Div

* Allocated Project

Financial Summaries

Total Outlays by District General Fund

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
60161001	ISS Business Maintenance	196,819	1,070,306	1,098,539	Information Mgmt Services Div
60161003	ISS Internet/Intranet Maintena	507,199	347,916	311,781	Information Mgmt Services Div
60171002	Water Education Program	427,917	209,968	219,249	Office of Chief Executive Officer
60171003	District Communications	384			Government Relations
60171004	Customer Relations	771,210	458,703	341,750	Office of Chief Executive Officer
60171005	Creekwise Edu & Volunteer Prog	278			Office of COO Water Utility
60171006	Employee Opinion Research	124			Office of Chief Executive Officer
60171007	Intranet Dev & Content Mgmt	85,328			Office of Chief Executive Officer
60171008	Stakeholder Engagement			18,134	Office of Chief Executive Officer
60181002	Network Administration	837,185	715,579	627,552	Information Mgmt Services Div
60191001	Data Center Operations	843,387	688,721	603,125	Information Mgmt Services Div
60201001	District HVAC Services	536,047	401,461	482,247	Procurement & Operational Srv Div
60201021	District Space Allocation	815,416	868,399	721,385	Procurement & Operational Srv Div
60221001	Budget Development & Analysis	813,681	400,055	759,882	Financial Planning & Mgmt Div
60221002	Debt & Treasury Management	251,350	216,605	225,499	Financial Planning & Mgmt Div
60221003	FPMD Administration	325,034	656,475	568,841	Financial Planning & Mgmt Div
60221004	Finance & Corporate Services	644,583			Procurement & Operational Srv Div
60221005	Fin Forecasting & CIP Analysis	166,982	152,241	129,661	Financial Planning & Mgmt Div
60221006	Debt Management	73,162	74,752		Financial Planning & Mgmt Div
60221007	Budget Unit Administration	65,824			Financial Planning & Mgmt Div
60221008	Budget Analysis	358,589	288,449		Financial Planning & Mgmt Div
60231001	Ofc of Govt & Public Relations	1,062			Government Relations
60231002	Communications	1,204,567	744,545	331,910	Office of Chief Executive Officer
60231003	Local & Federal Govt Relations	1,165,618	947,826	1,242,970	Office of Chief Executive Officer
60231004	State Government Relations	782,934	693,411	745,107	Office of Chief Executive Officer
60241003	Bldgs & Grds ECompliance Admin	58,421			Procurement & Operational Srv Div
60241026	Quality/Environmental Program	581,075	396,662	570,343	Office of Chief Executive Officer
60271007	Payroll & Financial Sys Maint	354,147	272,090	306,195	Financial Planning & Mgmt Div
60271010	GIS Maintenance & Support	368,169	602,590	671,039	Information Mgmt Services Div
60271011	Computerized Maint Mgmt Syst	429,684	436,249	458,895	Information Mgmt Services Div
60271014	GIS Data Management	314,251			Information Mgmt Services Div
60271015	GIS Application Development	186,763			Information Mgmt Services Div
60271060	ERP System Maint & Support	777,880	558,243	726,922	Information Mgmt Services Div
60271062	Information Security Admin	163,265	92,628	198,459	Information Mgmt Services Div
60281001	EEO Mandatory Training	17,092	118,623	51,483	Office of Chief Administrative Officer
60281003	Equal Opportunity Prog	392,011	234,486	85,805	Office of Chief Administrative Officer
60281004	Diversity and Inclusion Program	627,093	415,740	702,272	Human Resources and Diversity/Inclusion Services Div
60281005	EEOP Management & Admin	48,529		346,819	Office of Chief Administrative Officer
60281006	Reasonable Accommodation	5,508	63,669	54,922	Office of Chief Administrative Officer
60281007	Reasonable Accommodation Train	4,369			Office of Chief Administrative Officer
60281009	Diverse Community Outreach	103,909	109,297		Office of Chief Executive Officer

* Allocated Project

Financial Summaries

Total Outlays by District General Fund

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
60291001	Recruitment and Examination	832,030	617,618	857,263	Human Resources and Diversity/Inclusion Services Div
60291002	Benefits Administration	1,073,034	1,068,432	1,149,109	Human Resources and Diversity/Inclusion Services Div
60291003	Labor Relations	1,006,754	613,082	649,299	Human Resources and Diversity/Inclusion Services Div
60291004	District Training & Development Mgmt	899,630	720,925	550,582	Human Resources and Diversity/Inclusion Services Div
60291005	Classification Program	259,404	147,514	156,825	Human Resources and Diversity/Inclusion Services Div
60291007	Deferred Compensation Commit	28,247	66,117	67,468	Human Resources and Diversity/Inclusion Services Div
60291010	Office of Comm Div & Incl	468,543	226,558		Office of Chief Executive Officer
60291011	HR Program Mgmt	519,808	591,913	362,292	Human Resources and Diversity/Inclusion Services Div
60291016	Ethics	70,565	90,701	72,127	Office of Chief Administrative Officer
60291017	Implement / Oversee MOU	313,429	190,293	111,007	Human Resources and Diversity/Inclusion Services Div
60291018	Compensation Program	97,243	64,612	107,489	Human Resources and Diversity/Inclusion Services Div
60291019	CEO Supp Ops Training	5,751			Office of Chief Executive Officer
60291020	HR Training	30,849			Human Resources and Diversity/Inclusion Services Div
60291021	Ofc of Workforce Egmt Traing	5,847			Office of Chief Executive Officer
60291022	CBSD Training	93,712			Procurement & Operational Srv Div
60291023	IMD Training & Development	272,681			Information Mgmt Services Div
60291024	OFPM Training & Development	6,237			Financial Planning & Mgmt Div
60291025	FCSD Training & Development	5,237			Procurement & Operational Srv Div
60291026	CBSD Mgmt & Admin	691,657			Procurement & Operational Srv Div
60291028	Ethics Trg for Mgrs & Des Emp	25,298			Human Resources and Diversity/Inclusion Services Div
60291031	Human Resources Division Mgmt	315,738			Human Resources and Diversity/Inclusion Services Div
60291032	Bargaining Unit Representation	271,578	272,466	228,312	Human Resources and Diversity/Inclusion Services Div
60291033	Bilingual Pay Pilot Program	11,772		18,001	Human Resources and Diversity/Inclusion Services Div
60291034	DC Training & Development	27,726			Office of Chief Administrative Officer
60291035	COB Training & Development	27,765			Office of Clerk of the Board
60291036	EOP-Training & Development	13,321			Office of Chief Administrative Officer
60291038	GF Training & Development	1,914	481,231	441,031	Office of Chief Administrative Officer
60291039	Professional & Association Memberships		105,428	93,704	Office of Chief Administrative Officer
60301001	Clerk of the Board Serv	1,402,180	2,017,367	2,623,794	Office of Clerk of the Board
60301003	Board Adv. Comm & Ad Hoc Comm	264,851	267,353	396,581	Office of Clerk of the Board
60301004	Wtrshd Stewardship Grant Prog			254,663	Watershed Stewardship Division
60311001	Records Management Center	539,909	329,838	554,697	Information Mgmt Services Div
60311002	Request for Public Records	153,738	299,519	242,592	Information Mgmt Services Div

* Allocated Project

Financial Summaries

Total Outlays by District General Fund

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
60321001	Word Processing Services	350,697	163,114	312,297	Information Mgmt Services Div
60331001	Research / Library Services	207,025	198,222	216,270	Information Mgmt Services Div
60341001	Mail Services	558,673	678,367	654,278	Information Mgmt Services Div
60351001	Reprographic Services	762,827	623,802	686,130	Information Mgmt Services Div
60361001	Forms Management	102,053	147,138	249,773	Information Mgmt Services Div
60361002	Graphics Services	349,290	267,398	459,932	Office of Chief Executive Officer
60361003	Business Supp Servs Admin	410,764			Information Mgmt Services Div
60361004	Receptionists/Switchboard Sevs	242,668	321,982	545,915	Information Mgmt Services Div
60361005	EOC Switchboard Preparedness	5,604	32,399	30,376	Information Mgmt Services Div
60411002	GF Safety Training	467,100	543,239	59,279	Human Resources and Diversity/Inclusion Services Div
60411006	Safety Training Administration			365,534	Human Resources and Diversity/Inclusion Services Div
60421001	Green Business	12,246			Procurement & Operational Srv Div
* 60811046	Warehouse Services	353,023	320,148	345,722	Procurement & Operational Srv Div
* 60811054	District Real Property Admin	7,603	6,745	9,905	Watersheds Capital Division
60811055	Wells / Water Production Admin	29,394			Water Supply Division
Total Operations:		47,781,736	41,209,597	44,073,454	
Operating Projects:					
60062030	Strategic Initiatives	3,000			Office of Chief Executive Officer
60062038	Workforce Development	328,348	310,490	467,358	Office of Chief Executive Officer
60062045	District Asset Mgmt Framework	100,000			Water Resources Planning Division
60102013	H/P Legacy System Migration	141,542	162,572		Information Mgmt Services Div
60102014	ISS Process Improvement	58,647	119,683		Information Mgmt Services Div
60102016	Procurement Mgmt Plan	254,322	344,662	142,564	Procurement & Operational Srv Div
60112007	Grants & Reimb Process Improv	199			Procurement & Operational Srv Div
60272059	ISMP Update	28,284			Information Mgmt Services Div
Total Operating Projects:		914,342	937,407	609,922	
Debt Service:					
60993005	2004A COP General Fund	799,037	775,291	767,970	Financial Planning & Mgmt Div
Total Debt Service:		799,037	775,291	767,970	
Capital Projects:					
* 60074012	CPS Labor Collaborative & Rela	3,150			Office of Chief Executive Officer
* 60074029	Unscoped Operations Activities		1,500		Watersheds Capital Division
* 60074030	CPS Training and Development	13,897	9,044	3,428	Office of COO-Watershed
* 60074031	Quality Management-CPSD	7,612	2,655		Office of Chief Executive Officer
* 60074032	CEQA Administration-CPSD	624			Office of Chief Executive Officer
* 60074033	CIP Development & Admin	12,179	9,964	5,916	Water Utility Capital Division
* 60074034	Construction-Mgt & Admin	12,664			Water Utility Capital Division
* 60074035	CADD-Mgt & Admin	3,470			Water Utility Capital Division

* Allocated Project

Financial Summaries

Total Outlays by District General Fund

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
* 60074036	Survey-Mgt & Admin	14,570		2,631	Water Utility Capital Division
* 60074037	Real Estate Technical Support	4,275		260	Office of Chief Executive Officer
* 60074038	CPSD Management & Support	96,278	93,625	34,895	Office of COO-Watershed
* 60074043	Construction Inspection&Admin	10,603			Office of Chief Executive Officer
* 60074044	Capital Program Improvement	17,422	5,004		Office of COO-Watershed
* 60074045	Technical Review Committee		6,461	4,645	Water Utility Capital Division
* 60074046	Capital Health & Safety Training			1,316	Office of COO-Watershed
60194002	Data Center Upgrade	106			Information Mgmt Services Div
60204016	Almaden&Winfield-Sm Cap Improv	1,249,396	2,084,000	2,086,000	Procurement & Operational Srv Div
60204031	Corporation Yard Relocation	47,634			Watersheds Capital Division
60274051	ISMP-Infrastructure Upgrade	62,056			Information Mgmt Services Div
60274054	ISMP-Computerized Maint Mgt	840,672	390,406		Information Mgmt Services Div
60274057	ISMP-Water Resources Info Sy	247,470	74,000		Information Mgmt Services Div
60274061	PeopleSoft System Upgrade	327,184			Information Mgmt Services Div
Total Capital Projects:		2,971,262	2,676,659	2,139,091	
TOTAL		\$ 52,466,377	\$ 45,598,954	\$ 47,590,437	

* Allocated Project

SERVICE FUNDS

Financial Summaries

Service Funds Overview

Equipment Service Fund

This fund was established for the purpose of operating, maintaining, and replacing certain District-owned operating equipment and systems. There are two major programs provided through this fund:

Vehicles and Field Equipment & Services

- Sedans, vans, and pickup trucks (Class I)
- Heavy duty trucks and trailers (Class II)
- Heavy construction equipment (Class III)
- Small equipment such as, pumps, chain saws, weed whackers, generators, etc. (Class IV)

Information Technology Equipment & Services

- Office computers, computer equipment, network printers and standard District software (New, upgrades and replacement)
- Servers, network and storage equipment (Upgrades and replacement to outdated equipment)

The Information Technology projects established within the Equipment Fund are to provide the equipment, service and support for all office computers, network systems and servers throughout the District. Expenses for these services and equipment are recovered through the use of Intra-District Charges.

Cost Recovery

The Equipment Service 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. The budgeted Equipment Fund overhead rate is 9.6% for FY 2010-11.

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 hourly rates determined by the Equipment Management Unit. The Equipment Fund is reimbursed by the amount budgeted.

Continue downsizing the fleet by not replacing ten Class I vehicles that exceed the twelve year replacement criteria. Decommissioning will be phased in throughout the year and is dependent on vehicles returning to Fleet when Great Oaks staff are relocated back to the Almaden campus. Eight additional vehicles and equipment replacements that currently meet the twelve year replacement criteria, will also be deferred and reconsidered in FY12. Extending the useful life of this equipment should not impose an unacceptable business risk.

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 District-wide ergonomic program.

Cost Recovery

The District allocates these costs to the District General Fund, Water Enterprise, and Watersheds Funds via 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.

Service Funds Overview

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. For the past four fiscal years the District has been heavily focused on the improvement of the District's safety program based on the results of the program assessment.

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 2009-10, 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.

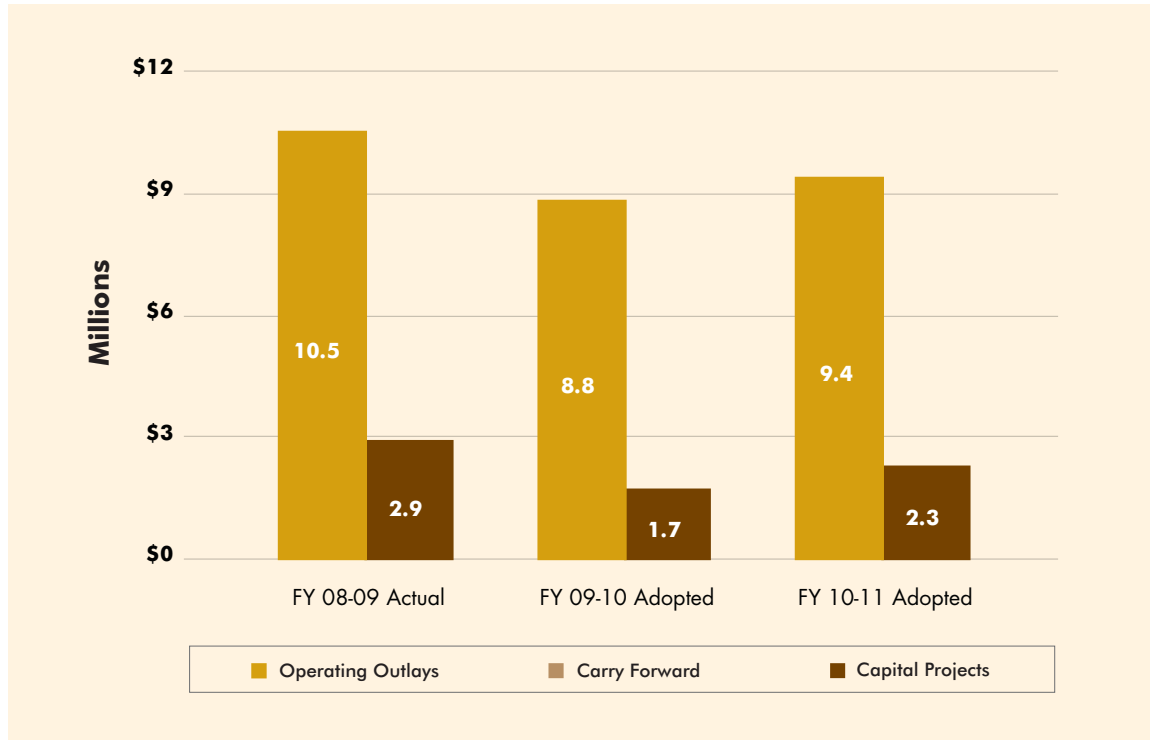
These efforts will continue in FY 2010-11 and will be accomplished through increased safety training, hazard recognition and mitigation, and further health and safety program development.

Additionally, in accordance with Executive Limitation 4.4, the District provides adequate Liability Insurance coverage for its Board of Directors. The budgeted Risk Fund overhead rate is 5.8%.

Financial Summaries

Service Funds Combined

Total Outlays



Financial Summaries

Service Funds Combined Fund Summary

	Budgetary Basis Actual 2008-09	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	Change from 2009-10 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Non-Operating Income:						
Interest*	\$ 656,438	\$ 403,000	\$ 153,000	\$ 302,000	\$ (101,000)	(25.1%)
Other	1,142,972	50,000	50,000	26,742	(23,258)	(46.5%)
Total Revenue	1,799,410	453,000	203,000	328,742	(124,258)	(27.4%)
Operating Outlays:						
Operations**	10,505,656	8,789,557	9,055,758	9,477,076	687,519	7.8%
Salary Savings	-	(32,362)	-	(37,579)	(5,217)	16.1%
Total Operating Outlays	10,505,656	8,757,195	9,055,758	9,439,497	682,302	7.8%
Less Intra-District Reimbursements	(10,931,661)	(9,771,637)	(9,771,637)	(11,055,769)	(1,284,132)	13.1%
Net Outlays	(426,005)	(1,014,442)	(715,879)	(1,616,272)	(601,830)	59.3%
Capital Projects	2,850,827	1,655,276	1,655,276	2,284,269	628,993	38.0%
Carried Forward Capital Projects	-	-	-	-	-	-
Total Capital Outlays	2,850,827	1,655,276	1,655,276	2,284,269	628,993	38.0%
Other Financing Sources (Uses) :						
Transfers In	471,658	-	28,188	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Sources/(Uses)	471,658	0	28,188	0	-	-
Balance Available	\$ (153,754)	\$ (187,834)	\$ (708,209)	\$ (339,255)	\$ (151,421)	80.6%

	Estimated Balances				Change from 2009-10 Adopted	
	Year-End 2008-09	Adopted 2009-10	Projected YE 2009-10	Adopted 2010-11	\$ Diff	% Diff
Year-End Reserves:						
Designated Reserves						
Operating & Capital Reserve	\$ 627,226	\$ 976,626	\$ 811,821	\$ 230,184	(746,442)	(76.4%)
Total Designated Reserves	627,226	976,626	811,821	230,184	(746,442)	(76.4%)
Designated Liability & Other						
Liability/Workers' Comp Self Insurance	7,781,000	7,418,000	7,781,000	7,781,000	363,000	4.9%
Property Self Insurance/Catastrophic	5,280,850	5,602,396	4,388,046	4,630,428	(971,968)	(17.3%)
Compensated Absences Liability	-	520,000	-	-	(520,000)	(100.0%)
Total Designated Liability & Other	13,061,850	13,540,396	12,169,046	12,411,428	(1,128,968)	(8.3%)
Total Year-End Reserves	\$ 13,689,076	\$14,517,022	\$12,980,867	\$ 12,641,612	\$ (1,875,410)	(12.9%)
Uncommitted Funds			\$ 0	\$ 0		

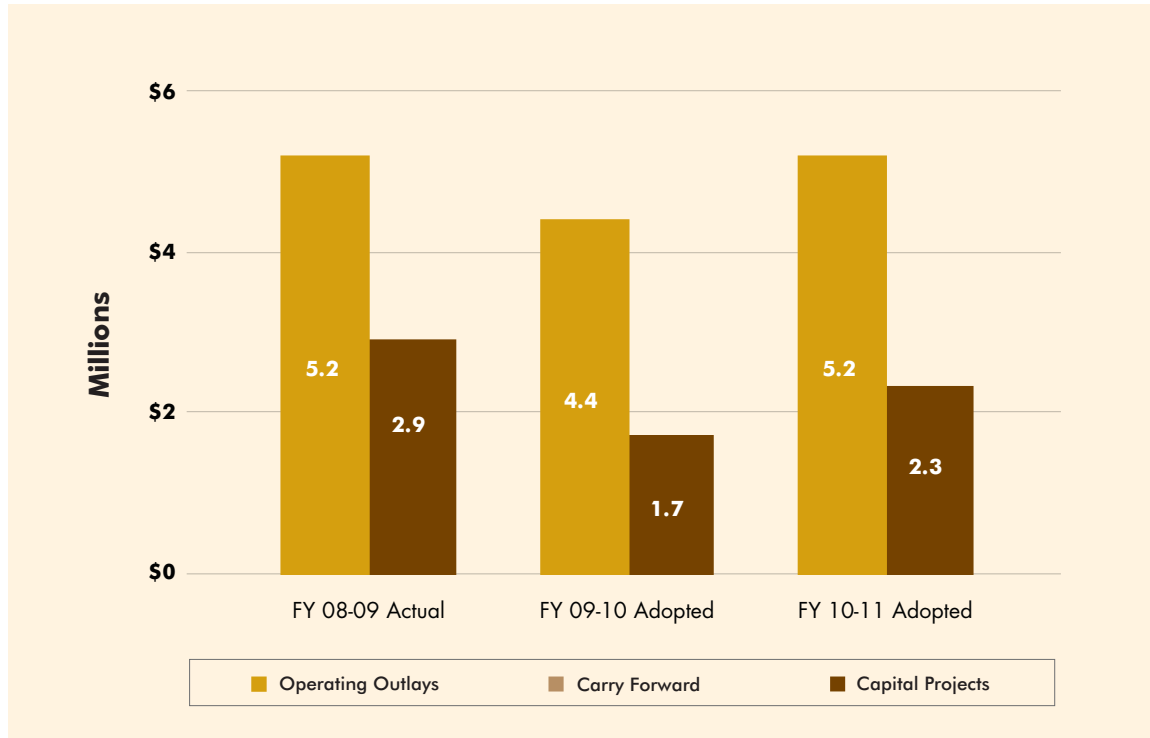
* Interest revenue does not include GASB31 market valuation adjustment

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

Financial Summaries

Equipment Service Fund

Total Outlays



Financial Summaries

Equipment Service Fund Summary

	Budgetary Basis Actual 2008-09	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	Change from 2009-10 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Non-Operating Income:						
Interest*	\$ 80,345	\$ 43,000	\$ 43,000	\$ 44,000	\$ 1,000	2.3%
Other	31,602	50,000	50,000	26,742	(23,258)	(46.5%)
Total Revenue	111,947	93,000	93,000	70,742	(22,258)	(23.9%)
Operating Outlays:						
Operations**	5,234,119	4,440,678	4,421,758	5,240,394	799,716	18.0%
Salary Savings	-	(18,920)	-	(23,740)	(4,820)	25.5%
Total Operating Outlays	5,234,119	4,421,758	4,421,758	5,216,654	794,896	18.0%
Less Intra-District Reimbursements	(6,516,887)	(6,140,441)	(6,140,441)	(6,848,544)	(708,103)	11.5%
Net Outlays	(1,282,768)	(1,718,683)	(1,718,683)	(1,631,890)	86,793	(5.0%)
Capital Projects	2,850,827	1,655,276	1,655,276	2,284,269	628,993	38.0%
Carried Forward Capital Projects	-	-	-	-	-	-
Total Capital Outlays	2,850,827	1,655,276	1,655,276	2,284,269	628,993	38.0%
Other Financing Sources/(Uses):						
Transfers In	297,911	-	28,188	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Sources/(Uses)	297,911	0	28,188	0	-	0.0%
Balance Available	\$(1,158,201)	\$ 156,407	\$ 184,595	\$ (581,637)	\$ (738,044)	(471.9%)

	Estimated Balances				Change from 2009-10 Adopted	
	Year-End 2008-09	Adopted 2009-10	Projected YE 2009-10	Adopted 2010-11	\$ Diff	% Diff
Year-End Reserves:						
Designated Reserves						
Operating & Capital Reserve	627,226	976,626	811,821	230,184	(746,442)	(76.4%)
Designated Liability & Other						
Compensated Absences Liability	-	320,000	-	-	(320,000)	(100.0%)
Total Year-End Reserves	\$ 627,226	\$ 1,296,626	\$ 811,821	\$ 230,184	(1,066,442)	(82.2%)
Uncommitted Funds			\$ 0	\$ 0		

* Interest revenue does not include GASB31 market valuation adjustment

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

Financial Summaries

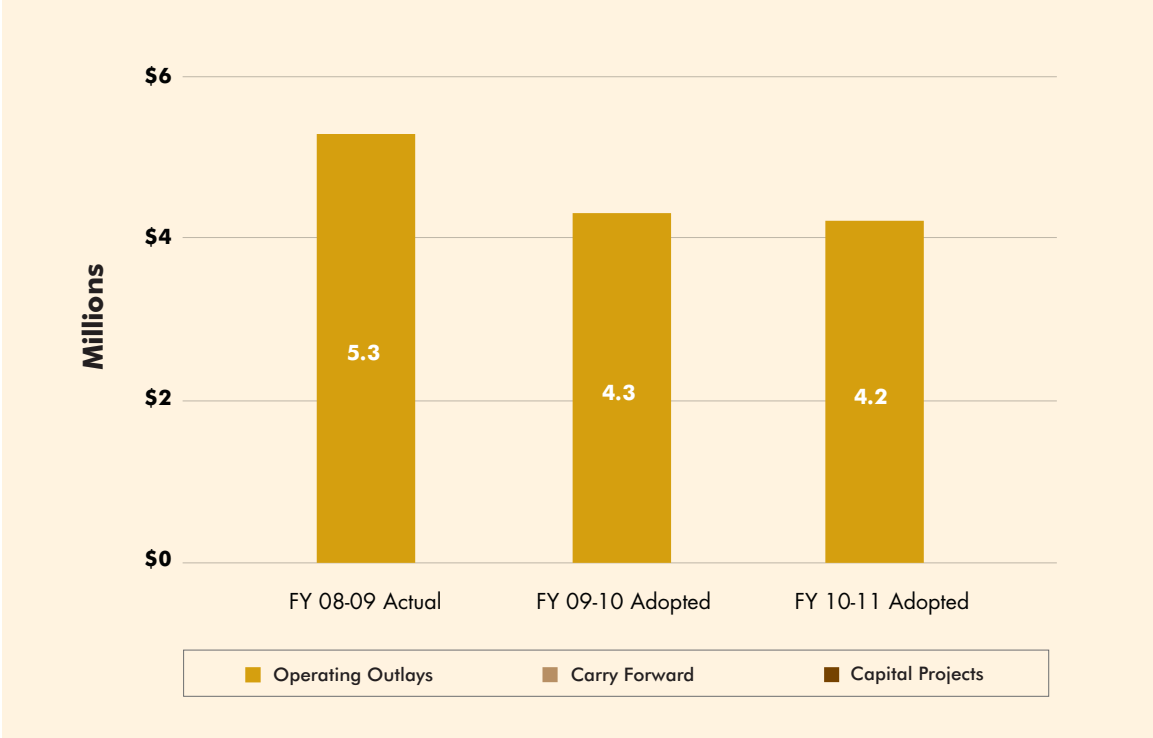
Total Outlays by Equipment Service Fund

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
Operations:					
70011099	Class I Equip Oper / Maint	\$ 772,680	\$ 751,030	\$ 802,938	Procurement & Operational Srv Div
70021099	Class II Equip Oper / Maint	765,251	582,989	663,610	Procurement & Operational Srv Div
70031099	Class III Equip Oper / Maint	287,898	305,523	290,759	Procurement & Operational Srv Div
70041099	Class IV Equip Oper / Maint	531,693	608,470	672,010	Procurement & Operational Srv Div
70061003	Vehicle & Equipment Admin&Mgmt	1,178,196	832,502	974,867	Procurement & Operational Srv Div
70061004	Districtwide Salary Savings-71		(18,920)	(23,740)	Financial Planning & Mgmt Div
* 70071041	Welding Services	89,819	71,319	96,356	Procurement & Operational Srv Div
* 70811046	Warehouse Services	123,559	112,051	30,063	Procurement & Operational Srv Div
75011001	Office Computer Maint& Helpdesk Support	1,485,023	1,176,794	1,709,791	Information Mgmt Services Div
Total Operations:		5,234,119	4,421,758	5,216,654	
Capital Projects:					
70004001	New Vehicle Equip Acquisitio	149,889	108,000		Procurement & Operational Srv Div
70004002	Replacement Vehicle & Equip	1,262,260	1,187,276	1,690,769	Procurement & Operational Srv Div
75004001	Office Computers New Equipment	48,085	30,000	33,500	Information Mgmt Services Div
75004002	Office Computers Replace Equipment	622,676	35,000	35,000	Information Mgmt Services Div
75004004	Network Equipment	767,917	295,000	525,000	Information Mgmt Services Div
Total Capital Projects:		2,850,827	1,655,276	2,284,269	
TOTAL		\$ 8,084,946	\$ 6,077,034	\$ 7,500,923	

* Allocated Project

Risk Insurance Service Fund

Total Outlays



Financial Summaries

Risk Insurance Service Fund Summary

	Budgetary Basis Actual 2008-09	Adopted Budget 2009-10	Projected Year End 2009-10	Adopted Budget 2010-11	Change from 2009-10 Adopted	
					\$ Diff	% Diff
Revenue Sources:						
Interest*	\$ 576,093	\$ 360,000	\$ 110,000	\$ 258,000	\$ (102,000)	(28.3%)
Other	1,111,370	-	-	-	-	-
Total Non-Operating Income	1,687,463	360,000	110,000	258,000	(102,000)	(28.3%)
Total Revenue	1,687,463	360,000	110,000	258,000	(102,000)	(28.3%)
Operating Outlays:						
Operations**	5,271,537	4,348,879	4,634,000	4,236,682	(112,197)	(2.6%)
Salary Savings	-	(13,442)	-	(13,839)	(397)	3.0%
Total Operating Outlays	5,271,537	4,335,437	4,634,000	4,222,843	(112,594)	(2.6%)
Less Intra-District Reimbursements	(4,414,774)	(3,631,196)	(3,631,196)	(4,207,225)	(576,029)	15.9%
Net Outlays	856,763	704,241	1,002,804	15,618	(688,623)	(97.8%)
Other Financing Sources/(Uses):						
Transfers In	173,747	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Sources/(Uses)	173,747	-	-	-	-	-
Balance Available	\$ 1,004,447	\$ (344,241)	\$ (892,804)	\$ 242,382	\$ 586,623	(170.4%)

	Estimated Balances				Change from 2009-10 Adopted	
	Year-End 2008-09	Adopted 2009-10	Projected YE 2009-10	Adopted 2010-11	\$ Diff	% Diff
Year-End Reserves:						
Designated Liability & Other Reserve						
Liability/Workers' Compensation	7,781,000	7,418,000	7,781,000	7,781,000	363,000	4.9%
Property Self Insure/Catastrophic	5,280,850	5,602,396	4,388,046	4,630,428	(971,968)	(17.3%)
Compensated Absences Liability	-	200,000	-	-	(200,000)	(100.0%)
Total Designated Liability & Other	13,061,850	13,220,396	12,169,046	12,411,428	(808,968)	(6.1%)
Total Year-End Reserves	\$ 13,061,850	\$ 13,220,396	\$ 12,169,046	\$ 12,411,428	\$ (808,968)	(6.1%)
Uncommitted Funds			\$ 0	\$ 0		

* 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

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
Operations:					
65051001	Liability Property Program	\$ 2,370,689	\$ 1,626,898	\$ 1,574,071	Office of District Counsel
65051002	Workers Compensation Program	464,833	779,531	690,525	Office of District Counsel
65051003	Safety Program Admin	1,050,883	909,494	859,680	Office of Emergency, Environmental, H&S Services
65051004	Risk Management Program Admi	494,980	347,964	374,222	Office of District Counsel
65051005	Safety Committee	67,612	144,135	151,633	Office of Emergency, Environmental, H&S Services
65051009	District Ergonomics Program	241,314	212,316	200,258	Office of Emergency, Environmental, H&S Services
65051011	Industrial Hygiene Program	441,857	328,541	386,293	Office of Emergency, Environmental, H&S Services
65051013	Hazard Recognition Activities	111,824			Human Resources and Diversity/Inclusion Services Div
65051014	Contractor Safety Program	23,705			Human Resources and Diversity/Inclusion Services Div
65061004	Districtwide Salary Savings-72		(13,442)	(13,839)	Financial Planning & Mgmt Div
65291033	Risk Management Training	3,840			Office of Chief Administrative Officer
Total Operations:		5,271,537	4,335,437	4,222,843	
TOTAL		\$ 5,271,537	\$ 4,335,437	\$ 4,222,843	

* Allocated Project

Financial Summaries

Total Outlays by Allocated Fund

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
Operations:					
00031001	Watershed Revenue Collection	\$ 288,683	\$ 285,549	\$ 328,499	Financial Planning & Mgmt Div
00031002	Grants Management			507,896	Financial Planning & Mgmt Div
00041022	Stream Maint Prog Mgmt	612,546	640,020	642,687	Watershed Stewardship Division
00041025	SMP Biodiversity Monitoring	295,337	462,558	336,697	Watershed Stewardship Division
00041039	Integrated Regional Water Mgmt	374,165	108,746	184,533	Water Resources Planning Division
00041042	Llagas Fire Mgmt			128,100	Office of Emergency, Environmental, H&S Services
00061012	Environmental Compliance Sup	325,125	464,152	520,642	Office of Emergency, Environmental, H&S Services
00061039	Ops Business Mgmt Support		1,982,870		Office of COO-Watershed
00071041	Welding Services	472,726	375,362	458,834	Procurement & Operational Srv Div
00761071	Emergency Preparedness Program	881,165	692,353	1,474,374	Office of Emergency, Environmental, H&S Services
00771011	District Urban Runoff Program	313,260	284,231	327,726	Watershed Stewardship Division
00771021	Lwr Pen Wtrshd Good Neighbor	207,370	262,218		West & Guad Watersheds Div
00771022	LP/WV/Guad Wtrshd Gd Neighbor	221,688	264,495	835,429	West & Guad Watersheds Div
00771023	Guad Wtrshd Gd Neighbor Main	199,387	255,727		West & Guad Watersheds Div
00771024	Coyote Wtrshd Gd Neighbor Ma	358,448	427,156	376,311	Coyote & Pajaro Watersheds Div
00771025	Pajaro Wtrshd Good Neighbor	216,355	156,653	228,439	Coyote & Pajaro Watersheds Div
00771026	Illegal Encampment Cleanup Prg	273,167	358,090	361,860	West & Guad Watersheds Div
00771031	HAZMAT Emergency Response	209,811	207,821	217,648	Office of Emergency, Environmental, H&S Services
00771051	Lwr Pen Wtrshd Sedimt Remova	345,710	306,824	573,475	West & Guad Watersheds Div
00771052	W Vly Wtrshd Sediment Remova	138,448	505,450	500,717	West & Guad Watersheds Div
00771053	Guad Wtrshd Sediment Removal	358,806	368,530	243,245	West & Guad Watersheds Div
00771054	Coyote Wtrshd Sediment Remov	726,451	511,031	455,602	Coyote & Pajaro Watersheds Div
00771055	Pajaro Wtrshd Sediment Remvl	44,702	163,545	162,978	Coyote & Pajaro Watersheds Div
00811043	Hydrologic Data Msrmt & Mgmt	1,585,648	1,372,389	1,364,870	Coyote & Pajaro Watersheds Div
00811046	Warehouse Services	1,765,129	1,600,739	1,503,138	Procurement & Operational Srv Div
00811049	X Valley Level / Benchmark	370,602	375,401	145,273	Watersheds Capital Division
00811054	District Real Property Administration	253,431	224,790	330,102	Watersheds Capital Division
00811055	Wells / Water Production Admin	73,484			Office of COO Water Utility
Total Operations:		10,911,644	12,656,700	12,209,075	
Operating Projects:					
00022007	SMP Program Permit Renewal	377,331	1,986,444	903,362	Watershed Stewardship Division
00042031	Comprehensive WRM Plan	73,078	55,376		Watershed Stewardship Division
00042037	Future Funding Strategies	604,374	699,842	863,454	Water Resources Planning Division
00061045	District Asset Mgmt Framework			931,517	Water Resources Planning Division
00062036	Climate Action Planning	239,616	188,151	320,152	Water Resources Planning Division
00742041	Comprehensive Habitat Cons P	462,943	251,798	740,835	Water Resources Planning Division

* Allocated Project

Financial Summaries

Total Outlays by Allocated Fund

Job #	Job Description	Budgetary Basis Actual 2008-2009	Adopted Budget 2009-2010	Adopted Budget 2010-2011	Job Managed By
00762072	District Emergency Prog Imprv		84,824		Office of Emergency, Environmental, H&S Services
Total Operating Projects:		1,757,342	3,266,435	3,759,320	
Capital Projects:					
00024005	Radio Repeater System Infill	10,522		17,000	Information Mgmt Services Div
00044026	San Francisco Bay Shoreline	953,017			Watersheds Capital Division
00044030	SMP Mit Laguna Seca Freshwater	502,397	7,283,000		Watersheds Capital Division
00074012	CPS Labor Collaborative & Rela	157,617			Watersheds Capital Division
00074029	Unscoped Operations Activities		75,000		Watersheds Capital Division
00074030	Capital Training and Development	694,653	452,286	342,414	Watersheds Capital Division
00074031	Quality Management-CPSD	380,682	132,759		Watersheds Capital Division
00074032	CEQA Technical Support-CPSD	31,274			Water Utility Capital Division
00074033	CIP Development & Admin	608,864	498,194	591,512	Water Utility Capital Division
00074034	Construction Mgmt&Tech Support	633,138			Water Utility Capital Division
00074035	CADD-Mgt & Admin	173,486			Water Utility Capital Division
00074036	Survey Mgmt & Tech Support	728,538		263,211	Water Utility Capital Division
00074037	Real Estate Technical Support	213,997		26,145	Watersheds Capital Division
00074038	CPSD Management & Support	4,813,911	4,681,025	3,489,586	Watersheds Capital Division
00074043	Construction Inspec &Tech Supp	530,184			Water Utility Capital Division
00074044	Capital Program Improvement	871,063	250,277		Watersheds Capital Division
00074045	Technical Review Committee		323,122	464,854	Water Utility Capital Division
00074046	Capital Health & Safety Training			131,852	Office of COO-Watershed
00294001	FAHCE Stevens Ck Fish Planning	593,172	436,293		Water Supply Division
Total Capital Projects:		11,896,515	14,131,956	5,326,574	
TOTAL		\$ 24,565,501	\$ 30,055,091	\$ 21,294,969	

* Allocated Project