

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES



MISSION

Provide excellent, affordable, and sustainable utility services

CSA OUTCOMES

Primary Partners

Energy
Environmental Services
Transportation

- Utility Services That Protect Public Health and the Environment
- Affordable, Effective Utilities with Excellent Customer Care
- Sustainable Utility Systems That Meet Future Needs
- Protected, Restored, and Maintained Environment

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

SERVICE DELIVERY FRAMEWORK

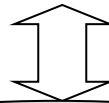
CITY SERVICE AREA
A cross-departmental collection of core services that form one of the City's six key "lines of business"

MISSION STATEMENT
Why the CSA exists

Environmental & Utility Services CSA

Mission:

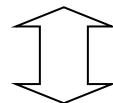
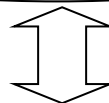
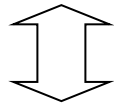
Provide excellent, affordable, and sustainable utility services



Outcomes:

- Utility Services That Protect Public Health and the Environment
- Affordable, Effective Utilities with Excellent Customer Care
- Sustainable Utility Systems That Meet Future Needs
- Protected, Restored, and Maintained Environment

CSA OUTCOMES
The high-level results of service delivery sought by the CSA partners



PRIMARY PARTNERS
Departments with Core Services that contribute to achievement of CSA Outcomes

CORE SERVICES
Primary deliverables of the organization

Energy Department

Core Services:

Energy Community Programming

Energy Customer Support

Providing Clean Energy to the Community

Environmental Services Department

Core Services:

Potable Water Delivery

Recycled Water Management

Recycling and Garbage Services

Stormwater Management

Sustainability and Environmental Health

Utility Regulatory Advocacy and Compliance

Wastewater Management

Transportation Department

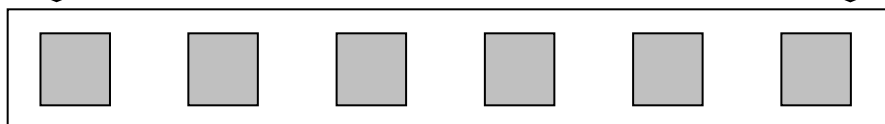
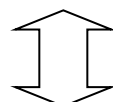
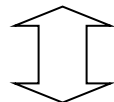
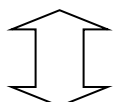
Core Services:

Sanitary Sewer Maintenance

Storm Sewer Maintenance

PROGRAMS
Elements of Core Services; the "front-line" of service delivery

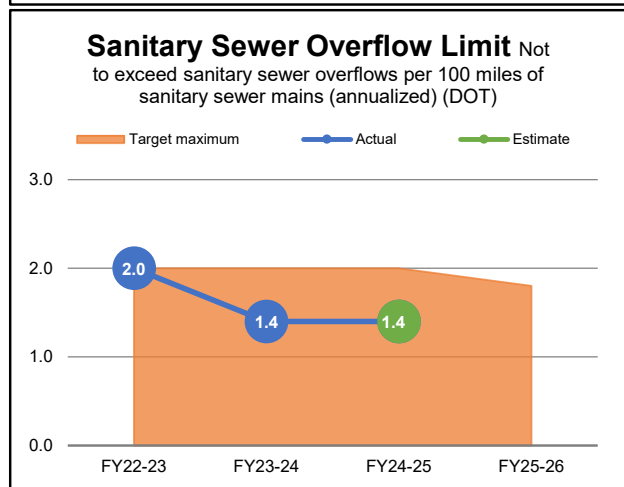
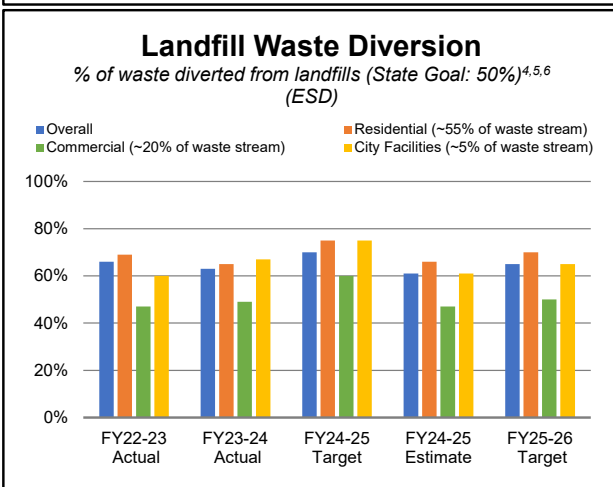
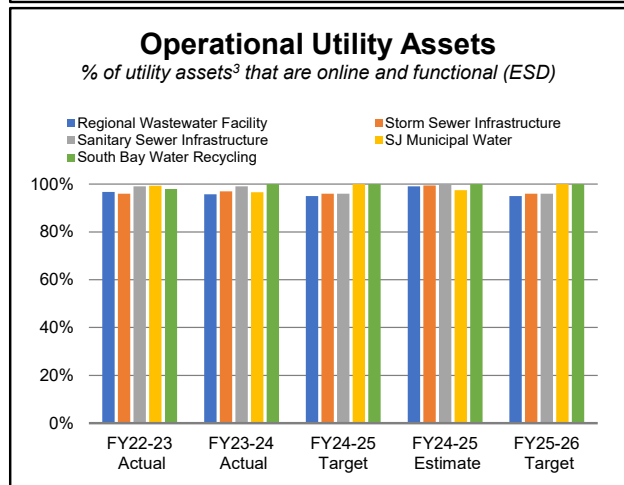
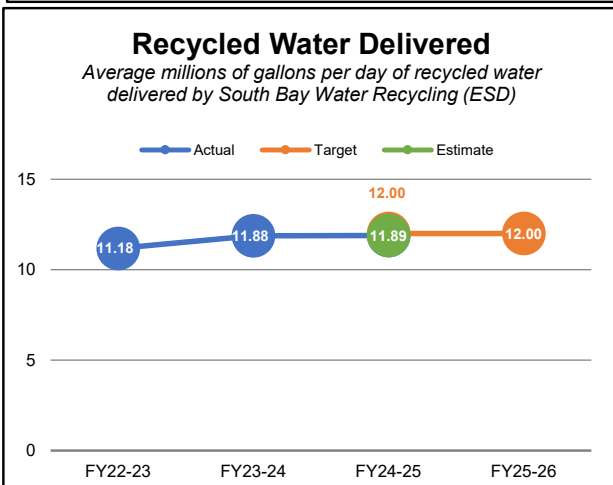
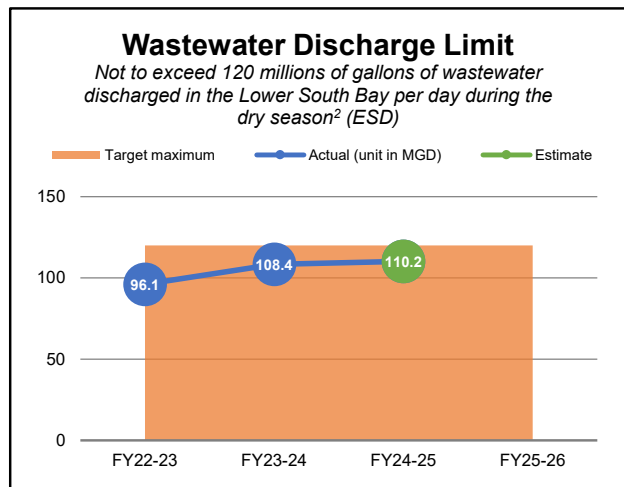
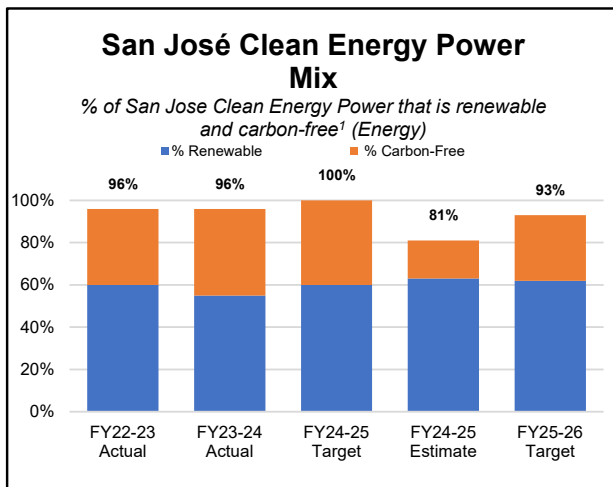
STRATEGIC SUPPORT
Organization-wide guidance and support to enable direct service delivery



CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

PERFORMANCE MEASURE DASHBOARD



¹ Target set by Council direction based upon GreenSource energy content for the given year. Power mix calculated as a percentage of retail load on a calendar year basis (example: 2025-2026 represents calendar year 2025).

² The San Jose / Santa Clara Regional Wastewater Facility is permitted to treat an average 167 million gallons per day (mgd). In accordance with the NPDES permit, a maximum effluent to the Bay during the dry weather period is restricted to 120 mgd. Therefore, the target is to stay below the regulatory threshold of 120 mgd. Treated wastewater effluent is discharged to the Bay or diverted for recycled water uses. The RWF continues to consistently meet regulatory requirements.

³ Utility assets are the numerous components of a single facility that run the various interconnected capabilities of the service. An asset may be out of service while the facility on a whole is still operational.

⁴ FY 24-25 estimates include data up to December 2024. This is projected to change as we include a complete set of data (approx. August 2025).

⁵ FY 25-26 targets are internal goals based on historical trends, except for the Commercial contract target which is separately established to hold the contractor accountable for diversion performance (60%).

⁶ Overall diversion takes into account estimates from the Construction and Demolition sector (~25% of waste stream).

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

OVERVIEW

CSA Priorities/Expected 2025-2026 Service Delivery

- Utility Infrastructure Management – Build, operate, and maintain the City’s wastewater, stormwater, recycled water, and potable water utility infrastructure to ensure system reliability and public health and safety.
- Solid Waste Diversion – Oversee programs to collect, process, recycle, compost, and dispose of solid waste to maximize diversion from landfills and protect public health, safety, and the environment.
- Promote Climate Action in the Community – Provide leadership on climate action through policy, measures, and programs that reduce greenhouse gases and ensure a long-term water supply. Support environmentally sustainable practices throughout the community through education, public-private partnerships, and the implementation of the Climate Smart San José plan.
- Promote Clean Energy – Continue operating the City’s Community Choice Aggregation program with the goals of providing residents and businesses with a choice of electricity providers while progressing towards meeting greenhouse gas emissions reduction goals.

2025-2026 Key Budget Actions

- Environmental Services Department - Utility Rates
 - Storm Sewer Service Rates – Maintains current rates in 2025-2026.
 - Sanitary Sewer Service Rates – 4% increase in sanitary sewer service revenue will enable the City to continue to treat wastewater in accordance with environmental standards, transition to mechanical drying of biosolids, and procure vehicles and equipment necessary for ongoing maintenance of sanitary sewer infrastructure.
 - Residential Garbage and Recycling Rates – 2% increase in single-family dwelling rates and a 2% increase in multi-family dwelling rates will maintain cost recovery as contract expenditures increase due to annual cost-of-living adjustments for solid waste haulers. Additionally, these increases will enable the City to continue to implement contamination reduction efforts.
 - Municipal Water System – A revenue increase of approximately 3% is necessary, primarily to account for the increased cost of wholesale water.
- Adds 1.0 Environmental Services Specialist position and 2.0 Community Activity Worker part-time positions to continue the Contamination and Recycling Tagging Project, reducing recycling contamination by conducting education activities in the field and working directly with residents.
- Adds 1.0 Information Systems Analyst position and shifts funding for 2.0 Geographic Information Systems Specialist positions to bolster and reorganize the Environmental Services Department’s GIS Team, ensuring GIS workflows and activities are optimally designed and satisfy the needs of all utility systems.
- Adds \$145,000 in personal services funding in the Department of Transportation and \$101,500 in the Environmental Services Department to mark approximately 35,000 municipally maintained storm drain inlets over the next three years, to remain in compliance with the Stormwater Permit.
- Adds \$123,333 in ongoing non-personal/equipment funding, split 50% (\$61,666) in the General Fund and 50% in the Sewer Service and Use Charge Fund, to support increased security services at the Mabury Service Yard to prevent equipment thefts, vandalism, and unauthorized intrusions, and protect City staff working at the facility.
- Adds 1.0 Principal Power Resources Specialist and 1.0 Power Resources Specialist II to support the Energy Department. These positions will support continued engagement within a regulatory and policy environment that continues to increase in volume and complexity while also strengthening the risk management tools needed to effectively track various operational, financial, and regulatory risks that may impact San José Clean Energy.
- Shifts the Climate Smart team from the Environmental Services Department to the Energy Department as part of the Base Budget process to improve organizational alignment and coordination in implementing the City’s carbon neutrality goals.

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

OVERVIEW

City Service Area Budget Summary**

	2023-2024 Actuals **	2024-2025 Adopted	2025-2026 Forecast	2025-2026 Proposed
Dollars by Core Service *				
<i>Energy Department</i>				
Energy Community Programming	3,093,883	12,372,088	5,022,744	5,022,744
Energy Customer Support	7,795,970	8,516,494	8,287,280	8,287,280
Providing Clean Energy to the Community	394,775,759	496,293,029	429,974,445	430,340,046
Strategic Support - Environmental & Utility Services	4,988,445	7,173,588	6,952,146	7,179,633
Strategic Support - Other - Environmental & Utility Services	25,234,241	4,240,477	4,379,839	4,531,448
<i>Environmental Services Department</i>				
Potable Water Delivery	54,303,697	55,951,086	65,478,711	65,558,711
Recycled Water Management	16,925,126	17,954,629	17,221,740	19,668,174
Recycling & Garbage Services	187,278,673	213,991,281	216,038,700	216,656,480
Stormwater Management	9,866,977	12,365,917	11,279,863	11,736,443
Strategic Support - Environmental & Utility Services	15,908,708	20,422,780	19,669,924	19,936,656
Strategic Support - Other - Environmental & Utility Services	24,319,499	28,049,340	26,789,333	26,766,540
Sustainability and Environmental Health	6,750,432	8,125,235	148,470	353,035
Wastewater Management	98,427,896	120,441,722	123,984,793	135,338,082
Utility Regulatory Advocacy and Compliance	0	0	6,119,376	6,339,376
<i>Transportation Department</i>				
Sanitary Sewer Maintenance	24,223,744	32,410,190	28,048,452	28,110,119
Storm Sewer Maintenance	7,888,053	10,921,595	9,546,522	9,691,522
Strategic Support - Environmental & Utility Services	2,465,758	2,636,838	2,708,445	2,708,445
Strategic Support - Other - Environmental & Utility Services	6,149,191	7,005,010	6,995,683	6,995,683
Total CSA	\$890,396,052	\$1,058,871,299	\$988,646,466	\$1,005,220,417
Authorized Positions	811.99	811.99	810.99	812.99

* Fund Balance, Transfers, and Reserves for funds that may be managed by the departments in this CSA have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

** The positions displayed in the 2023-2024 Actuals column reflect those included in the 2023-2024 Adopted Budget. 2023-2024 Actuals may not subtotal due to rounding.

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

BUDGET SUMMARY

Budget Dollars at Work: Performance Goals

OUTCOME 1: UTILITY SERVICES THAT PROTECT PUBLIC HEALTH AND THE ENVIRONMENT

Strategic Goals	CSA Performance Measures	2023-2024 Actual	2024-2025 Target	2024-2025 Estimate	2025-2026 Target	5-Year Goal
SG 1.1: Preserve the City's utility infrastructure to optimize service delivery capabilities	PM 1.1.1 Operational Utility Assets. % of utility assets that are online and functional: (ESD, DOT)					
	- Regional Wastewater Facility	96%	95%	99%	95%	95%
	- Storm Sewer Infrastructure	97%	96%	99%	96%	96%
	- Sanitary Sewer Infrastructure	99%	96%	100%	96%	96%
	- San José Municipal Water	97%	100%	97%	100%	99%
	- South Bay Water Recycling	100%	100%	100%	100%	99%
SG 1.2: Increase quality of life through sustainable utility modernization	PM 1.2.1 Utility Regulatory Report Filing Compliance. Ratio of regulatory report filings in compliance and completed on time for each utility: (Energy, ESD)					
	- Energy	N/A ¹	N/A ¹	100%	100%	100%
	- San José Municipal Water	N/A ¹	N/A ¹	100%	100%	100%
	- SJ-SC Regional Wastewater Facility	N/A ¹	N/A ¹	100%	100%	100%
	- Storm Sewer	N/A ¹	N/A ¹	100%	100%	100%
	- Sanitary Sewer	N/A ¹	N/A ¹	100%	100%	100%
	- South Bay Water Recycling	N/A ¹	N/A ¹	100%	100%	100%

¹ This is a new performance measure for 2025-2026. 2023-2024 Actuals and 2024-2025 Target figures are not available.

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

BUDGET SUMMARY

Budget Dollars at Work: Performance Goals

OUTCOME 2: AFFORDABLE, EFFECTIVE UTILITIES WITH EXCELLENT CUSTOMER CARE

Strategic Goals	CSA Performance Measures	2023-2024 Actual	2024-2025 Target	2024-2025 Estimate	2025-2026 Target	5-Year Goal
SG 2.1: Ensure our utilities are modernized, reliable, and meet regulatory requirements	PM 2.1.1 Customer Energy Savings. % customer savings compared to PG&E (Energy)	7.0%	7.4%	4.0%	6.0%	N/A ⁵
	PM 2.1.2 Energy Annual Rate Changes. San José Clean Energy Rate change year over year excluding PG&E added fees (Energy)	N/A ³	N/A ³	N/A ⁴	N/A ⁴	N/A ⁵
	PM 2.1.3 Average Single-Family Dwelling Utility Cost. Average cumulative utility cost per month for Single-Family Dwelling (includes sanitary sewer, storm sewer, SJ Muni Water, Solid Waste, and Energy) (ESD, Energy)	N/A ⁴	N/A ⁴	N/A ⁴	N/A ⁴	N/A ⁵
SG 2.2: Enhance responsive utility services aligned with customer expectations	PM 2.2.1 Energy Call Center Timeliness. % of calls that are answered within response time targets (Energy)	N/A ³	N/A ³	N/A ⁴	N/A ⁴	N/A ⁵
	PM 2.2.2 Environmental Program Efforts Perception. % of residents surveyed rating the City's efforts to improve environmental programs and recycling as "good" or "excellent" (ESD)	46%	N/A ¹	N/A ¹	75%	75%
	PM 2.2.3 Utility Infrastructure Maintenance Perception. % of residents surveyed rating the maintenance of the City's utility infrastructure including water, sewer, and storm drain infrastructure as "good" or "excellent" (ESD)	N/A ²	N/A ²	N/A ²	100%	100%
	PM 2.2.4 Resident Awareness of Stormwater Impact. % of residents surveyed who understand that any substances that get washed down the street through the storm drain system end up in the Bay without treatment (ESD)	65%	N/A ¹	N/A ¹	65%	70%
	PM 2.2.5 Recycling Education Perception. % of residents rating the City's job of providing information on how to recycle as "good" or "excellent" (ESD)	N/A ²	N/A ²	N/A ²	100%	100%
	PM 2.2.6 On-time Customer Billing. % of Energy utility customers billed correctly and on time (Energy)	N/A ³	N/A ³	N/A ²	100%	100%

¹ This performance measure is derived from the Environmental Services Biennial Customer Survey, last conducted in 2023-2024. Targets and Estimates for 2024-2025 are not available. Survey results for 2025-2026 will next be available in the 2026-2027 Proposed Budget.

² This is a new performance measure. 2023-2024 Actuals and/or 2024-2025 Target and Estimate figures are not available. This question will be included in the 2025-2026 Environmental Services Biennial Customer Survey which is expected to be completed in February 2026 and included in the 2026-2027 Proposed Budget.

³ This is a new performance measure for 2025-2026. 2023-2024 Actuals and 2024-2025 Target figures are not available.

⁴ This is a new performance measure for 2025-2026 and the methodology is still in development. Once the methodology is established, data will be included in the publication of the 2025-2026 Adopted Budget.

⁵ Due to the complexities of forecasting, an approach for setting a 5-Year Goal is still under development.

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

BUDGET SUMMARY

Budget Dollars at Work: Performance Goals

OUTCOME 3: SUSTAINABLE UTILITY SYSTEMS THAT MEET FUTURE NEEDS

Strategic Goals	CSA Performance Measures	2023-2024 Actual	2024-2025 Target	2024-2025 Estimate	2025-2026 Target	5-Year Goal
SG 3.1: Promote carbon neutrality and climate adaptation	PM 3.1.1 South Bay Water Recycled Gallons Delivered. Average millions of gallons per day of recycled water delivered by South Bay Water Recycling ¹ (ESD)	11.88	12.00	11.89	12.00	12.00
SG 3.2: Promote sustainable solid waste management, energy, and water usage practices	PM 3.2.1 San José Clean Energy Power Mix. % of San Jose Clean Energy Power that is renewable and carbon-free: ² (Energy)					
	- % Renewable	55%	60%	63%	62%	N/A ³
	- % Carbon-Free	41%	40%	18%	31%	N/A ³
	PM 3.2.2 Recycled Water Sales. % of San José Municipal Water Sales that is recycled water (ESD)	12%	13%	13%	13%	13%
	PM 3.2.3 Landfill Waste Diversion. % of waste diverted from landfills ^{4,5,6} (State Goal: 50%) (ESD)					
	- Overall	63%	70%	61%	65%	70%
	- Residential	65%	75%	66%	70%	75%
	- Commercial	49%	60%	47%	50%	60%
	- City Facilities	67%	75%	61%	65%	75%

¹ The South Bay Water Recycling Program (SBWR) delivers more than 10,000 acre feet per year of recycled water from the Water Pollution Control Plant to over 700 customers for reuse in irrigation, industrial cooling, and other beneficial purposes. SBWR supplies more than 75% of all recycled water used in Santa Clara County.

² Target set by Council direction based upon GreenSource energy content for the given year. Power mix calculated as a percentage of retail load on a calendar year basis (example: 2025-2026 represents calendar year 2025).

³ Due to the complexities of forecasting, an approach for setting a 5-Year Goal is still under development.

⁴ 2024-2025 Estimates include data up to December 2024. This is projected to change as a complete set of data is included (approx. August 2025).

⁵ 2025-2026 Targets are internal goals based on historical trends, except for the Commercial contract target which is separately established to hold the contractor accountable for diversion performance (60%).

⁶ Overall diversion takes into account estimates from the Construction and Demolition sector (~25% of waste stream).

CITY SERVICE AREA

ENVIRONMENTAL AND UTILITY SERVICES

BUDGET SUMMARY

OUTCOME 4: PROTECTED, RESTORED, AND MAINTAINED ENVIRONMENT

Strategic Goals	CSA Performance Measures	2023-2024 Actual	2024-2025 Target	2024-2025 Estimate	2025-2026 Target	5-Year Goal
SG 4.1: Maintain clean and safe streetscapes and waterways	PM 4.1.1 Sanitary Sewer Overflows. Not to exceed sanitary sewer overflows per 100 miles of sanitary sewer mains (annualized) (DOT)	1.4	2.0	1.4	1.8	1.8
SG 4.2: Protect public health through effective water and solid waste management	PM 4.2.1 NPDES Discharge Compliance. Ratio of wastewater effluent samples that are in compliance with NPDES discharge guidelines (ESD)	100%	N/A ¹	100%	100%	100%
	PM 4.2.2 Potable Water Public Health Regulation Compliance. Ratio of collected potable water samples that are in compliance with public health regulations (ESD)	100%	N/A ¹	100%	100%	100%
	PM 4.2.3 Recycled Water Public Health Regulation Compliance. Ratio of recycled water samples that are in compliance with public health regulations (ESD)	100%	N/A ¹	100%	100%	100%
	PM 4.2.4 Green Stormwater Infrastructure Treatment. % of City land area treated by City-owned: (ESD)					
	- Green Stormwater Infrastructure	2.3%	N/A ¹	2.3%	3.2%	5.0%
	- Full Trash Capture devices	45.4%	N/A ¹	45.4%	45.4%	50.0%
	PM 4.2.5 Wastewater Discharge Limit. Not to exceed 120 millions of gallons of wastewater discharged in the Lower South Bay per day during the dry season ² (ESD)	108.4 MGD	120.0 MGD	110.2 MGD	120.0 MGD	120.0 MGD

¹ This is a new performance measure for which there was no 2024-2025 Target established in the 2024-2025 Adopted Budget.

² The San José-Santa Clara Regional Wastewater Facility is permitted to treat an average 167 million gallons per day. In accordance with the NPDES permit, a maximum effluent to the Bay during the dry weather period is restricted to 120 mgd. Therefore, the target is to stay below the regulatory threshold of 120 mgd. Treated wastewater effluent is discharged to the Bay or diverted for recycled water uses. The RWF continues to consistently meet regulatory requirements.

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BUDGET SUMMARY

EUS CSA-Level Data Sources

Identifier	Data Source
<i>PM 1.1.1</i>	Environmental Services Department Regional Wastewater Facility infrastructure management tracking, Department of Transportation Storm and Sanitary Sewer infrastructure management tracking
<i>PM 1.2.1</i>	Environmental Services Department and Energy Department Compliance Reports
<i>PM 2.1.1</i>	Energy Department internal file (load actuals and discount vs. PG&E)
<i>PM 2.1.2</i>	Energy Department internal file (load actuals and discount vs. PG&E)
<i>PM 2.1.3</i>	Environmental Services Department and Energy Department (Calpine data)
<i>PM 2.2.1</i>	Energy Department Call Center
<i>PM 2.2.2</i>	Environmental Services Biennial Customer Survey
<i>PM 2.2.3</i>	Environmental Services Biennial Customer Survey
<i>PM 2.2.4</i>	Environmental Services Biennial Customer Survey
<i>PM 2.2.5</i>	Environmental Services Biennial Customer Survey
<i>PM 2.2.6</i>	Energy Department Billing Services
<i>PM 3.1.1</i>	South Bay Water Recycling Operations Tracking
<i>PM 3.2.1</i>	Energy Department internal contracts maintenance file
<i>PM 3.2.2</i>	South Bay Water Recycling Revenue Tracking
<i>PM 3.2.3</i>	Integrated Waste Management Operations
<i>PM 4.1.1</i>	Department of Transportation SSO Tracking
<i>PM 4.2.1</i>	Regional Wastewater Facility Annual Compliance Report
<i>PM 4.2.2</i>	Environmental Services Department Water Resources Division Compliance Tracking
<i>PM 4.2.3</i>	South Bay Water Recycling Annual Report
<i>PM 4.2.4</i>	Environmental Services Department Watershed Protection GSI/Trash Capture Tracking
<i>PM 4.2.5</i>	Regional Wastewater Facility NPDES Permit

CITY SERVICE AREA
ENVIRONMENTAL AND UTILITY SERVICES

PROPOSED BUDGET CHANGES

Proposed Changes	Positions	All Funds (\$)	General Fund (\$)
ENERGY DEPARTMENT			
• Energy Regulatory Policy and Compliance Staffing	1.00	283,427	0
• Energy Risk Management Staffing	1.00	164,348	0
• Energy Fiscal Support Staffing	1.00	145,313	0
• Climate Smart Program Fund Shift	0.00	0	(453,374)
<i>Subtotal</i>	3.00	593,088	(453,374)
ENVIRONMENTAL SERVICES DEPARTMENT			
• Dewatering Facility Electricity Costs		7,500,000	0
• Chemical Costs Increase		1,864,000	0
• Facility Security Improvements		1,800,000	0
• Heavy Equipment Purchases		1,640,000	0
• Distributed Control System and Windows 11 Upgrades		937,500	0
• Contamination and Recycling Tagging Project	3.00	461,171	0
• Security Services		460,000	0
• Retail Recycled Water Distribution Facilities		350,000	0
• Environmental Inspection Vehicles		283,250	0
• Pump Station Site Improvement		250,000	0
• GIS Team Staffing and Reorganization	1.00	223,136	15,015
• Pollution Prevention Staffing	1.00	204,565	0
• Water Service Vehicles		160,000	0
• Public Litter Can Maintenance Staffing and Support	1.00	156,609	0
• PFAS Monitoring for Fire Training Center		145,000	145,000
• Groundwater Well Removal		125,000	125,000
• Storm Drain Inlet Markings		101,500	0
• PFAS Evaluation and Investigations for Seven Fire Station Locations		75,000	75,000
• Staffing Consolidation and Realignment	(7.00)	(1,091,351)	3,855
<i>Subtotal</i>	(1.00)	15,645,380	363,870
TRANSPORTATION DEPARTMENT			
• Storm Drain Inlet Markings		145,000	0
• Mabury Corporation Yard Security Services		61,667	0
<i>Subtotal</i>	0.00	206,667	0
Subtotal Departments	2.00	16,445,135	(89,504)
<hr/>			
Total Proposed Budget Changes	2.00	16,445,135	(89,504)