

Energy Department

Lori Mitchell, Director

MISSION

To procure clean, cost-effective energy for the benefit of its customers

CITY SERVICE AREA

Environmental and Utility Services

CORE SERVICES

ENERGY COMMUNITY PROGRAMMING

Establish San José-specific renewable energy and local renewable energy efficiency programs, and coordinate City efforts to reduce greenhouse gas emissions.

ENERGY CUSTOMER SUPPORT

Provide exceptional customer experience by educating and communicating effectively with customers, the public, and the media.

PROVIDING CLEAN ENERGY TO THE COMMUNITY

Promote enhanced sustainable energy practices by providing the community with cleaner energy options, resources, and education.

Strategic Support: Administration, Financial Management, Information Technology, Human Resources, and Emergency Response and Recovery

Energy Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Energy Community Programming Core Service</i>	
Climate Smart	Manages City efforts to reduce community-wide greenhouse gas (GHG) emissions and accelerate movement toward achieving the carbon neutrality by 2030 goal.
Local Energy Programs	Provides San José-specific energy programs to reduce carbon and provide additional benefits to the community.
<i>Energy Customer Support Core Service</i>	
Data and Call Center Management	Manages energy data and billing accuracy and provides resolution to Call Center customer escalations.
Marketing and Public Affairs	Provides direct communication to customers, the public, and media.
<i>Providing Clean Energy to the Community Core Service</i>	
Conventional Energy Supply	Procures conventional energy, such as natural gas.
Electrical Grid Administration and Scheduling	Manages grid and California Independent System Operator (ISO) charges and schedules daily SJCE electrical load with ISO.
Energy Risk Management	Manages and mitigates potential power supply risk to which the Department and City are exposed.
Regulatory Compliance	Manages local, State, and federal regulatory compliance and advocacy to ensure compliance with all regulations and to advance City objectives.
Renewable and Greenhouse Gas-Free Energy Supply	Procures renewable energy, such as solar, thermal, geothermal, and biomass.
Resource Adequacy Supply	Procures resource adequacy to fulfill regulatory requirements.
<i>Strategic Support Core Service</i>	
Energy Management and Administration	Provides executive-level, analytical, and administrative support to the Department.
Energy Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development.
Energy Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Energy Information Technology	Provides information technology services, security, planning, system development, and maintenance for the department in coordination with the Information Technology Department.
Energy Legal Support	Manages all legal support functions for the Department in coordination with the City Attorney's Office.
Energy Emergency Response and Recovery	Provides for the coordination and delivery of emergency services and recovery activities.

Energy Department

Department Budget Summary

Expected 2025-2026 Service Delivery

- Provide cost effective electric generation rates by procuring cleaner electric supplies. Offer customers at least one power mix option at ten percent or more renewables than PG&E and at least one power mix option that is 100 percent renewable.
- Ensure new electrical infrastructure constructed as part of major development projects is designed and constructed to improve grid resiliency and enable high utilization of renewable energy resources.
- Execute prudent financial management practices, including the implementation of effective cost controls and engagement in the regulatory and legislative process. Ensure the long-term financial stability of the San José Clean Energy (SJCE) program by adhering to the financial reserves policy goal of maintaining at least 180 days of operating expenses, as well as a Rate Stabilization Reserve.
- Develop San José-specific energy programs for residential and commercial customers that reduce carbon emissions, deliver customer savings, and drive equitable adoption of clean energy technologies.
- Lead Climate Smart San José and facilitate City strategies to accelerate movement toward the achievement of the carbon neutrality by 2030 goal.

2025-2026 Key Budget Actions

- Adds 1.0 Principal Power Resources Specialist to support the Regulatory Compliance and Policy Team in advancing the interests of SJCE and its customers. For SJCE, a range of policy issues has broad implications, affecting energy procurement strategies, budget planning, and customer rates. To effectively represent SJCE customers, the Regulatory Compliance and Policy Team must proactively collaborate with other Community Choice Aggregators and external stakeholders to increase the likelihood of policy decisions that benefit SJCE and its customers.
- Adds 1.0 Power Resources Specialist II to help enhance energy risk management practices and embark on establishing an enterprise risk management function, which involves identification, assessment, and mitigation of potential risks across the entire operation, including financial, operational, and energy risk management. Such a comprehensive risk management strategy will help provide better insights for strategic planning and future energy investment decisions.
- Adds 1.0 Principal Account Clerk to support the expanded SJCE activities which require additional fiscal support, such as expanding revenue collection efforts and supporting the implementation and ongoing operations of energy prepayment bond transactions.
- Shifts the Climate Smart team from the Environmental Services Department to the Energy Department, and portions of the Climate Smart team from the General Fund to the San José Clean Energy Fund for work that aligns with Energy Department's goal to drive energy efficiency and renewable energy programs.

Operating Funds Managed

- San José Clean Energy Operating Fund

Energy Department

Department Budget Summary

	2023-2024 Actuals ***	2024-2025 Adopted ****	2025-2026 Forecast	2025-2026 Proposed
Dollars by Core Service				
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
Total	\$435,888,298	\$528,595,676	\$454,616,454	\$455,361,151
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	9,957,228	12,653,794	14,957,969	15,528,557
Overtime	8,751	0	0	0
Subtotal Personal Services	\$9,965,979	\$12,653,794	\$14,957,969	\$15,528,557
Non-Personal/Equipment	7,936,351	15,836,487	9,832,392	9,854,892
Total Personal Services & Non-Personal/Equipment	\$17,902,330	\$28,490,281	\$24,790,361	\$25,383,449
Other Costs *				
City-Wide Expenses	78,836	984,918	0	0
Debt Service/Financing	22,725,276	2,147,000	2,147,000	2,147,000
Housing Loans and Grants	0	0	0	0
Other	392,672,891	494,880,000	425,446,254	425,446,254
Other - Capital	0	0	0	0
Overhead Costs	2,508,965	2,093,477	2,232,839	2,384,448
Total Other Costs	\$417,985,968	\$500,105,395	\$429,826,093	\$429,977,702
Total	\$435,888,298	\$528,595,676	\$454,616,454	\$455,361,151

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

** The position counts 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.

**** The amounts in the 2024-2025 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

Energy Department

Department Budget Summary

	2023-2024 Actuals ***	2024-2025 Adopted ****	2025-2026 Forecast	2025-2026 Proposed
Dollars by Fund				
General Fund (001)	202,099	984,918	1,756,769	1,303,395
Integrated Waste Management Fund (423)	0	0	141,651	0
San José Clean Energy Operating Fund (501)	435,686,199	527,610,758	452,718,034	454,057,756
Total	\$435,888,298	\$528,595,676	\$454,616,454	\$455,361,151
Positions by Core Service **				
Energy Community Programming	4.00	7.00	16.00	16.00
Energy Customer Support	10.00	10.00	9.00	9.00
Providing Clean Energy to the Community	20.00	20.00	19.00	20.50
Strategic Support - Environmental & Utility Services	19.00	19.00	20.00	21.50
Total	53.00	56.00	64.00	67.00

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Energy Department

Department Budget Summary

	2023-2024 Actuals **	2024-2025 Adopted	2025-2026 Forecast	2025-2026 Proposed	2025-2026 Proposed Positions
Dollars by Program*					
Energy Community Programming					
Climate Smart	0	0	1,848,083	1,848,083	8.00
Local Energy Programs	3,093,883	12,372,088	3,174,661	3,174,661	8.00
Sub-Total	3,093,883	12,372,088	5,022,744	5,022,744	16.00
Energy Customer Support					
Data and Call Center Management	6,241,291	6,633,951	6,402,099	6,402,099	3.50
Marketing and Public Affairs	1,554,679	1,882,543	1,885,181	1,885,181	5.50
Sub-Total	7,795,970	8,516,494	8,287,280	8,287,280	9.00
Providing Clean Energy to the Community					
Conventional Energy Supply	364,583,517	354,459,867	194,180,965	194,180,965	1.35
Electrical Grid Administration and Scheduling	(3,584,856)	16,600,493	9,393,180	9,393,180	0.25
Energy Risk Management	281,260	777,094	1,056,863	1,139,037	5.50
Regulatory Compliance	1,635,712	2,513,167	1,997,709	2,281,136	8.00
Renewable and Greenhouse Gas-Free Energy Supply	29,046,900	60,632,682	87,593,813	87,593,813	2.70
Resource Adequacy Supply	2,813,226	61,309,726	135,751,915	135,751,915	2.70
Sub-Total	394,775,759	496,293,029	429,974,445	430,340,046	20.50
Strategic Support - Environmental & Utility Services					
Energy Emergency Response and Recovery	123,263	0	0	0	0.00
Energy Financial Management	2,200,452	2,404,265	3,157,426	3,384,913	15.90
Energy Human Resources	0	0	522,623	522,623	2.40
Energy Legal Support	218,312	500,000	240,000	240,000	0.00
Energy Management and Administration	2,446,418	4,269,323	3,032,097	3,032,097	3.20
Sub-Total	4,988,445	7,173,588	6,952,146	7,179,633	21.50
Strategic Support - Other - Environmental & Utility Services					
Energy Debt/Financing Costs	22,725,276	2,147,000	2,147,000	2,147,000	0.00
Energy Overhead	2,508,965	2,093,477	2,232,839	2,384,448	0.00
Sub-Total	25,234,241	4,240,477	4,379,839	4,531,448	0.00
Total	\$435,888,298	\$528,595,676	\$454,616,454	\$455,361,151	67.00

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

** 2023-2024 Actuals may not subtotal due to rounding.

Energy Department Budget Reconciliation

Personal Services and Non-Personal/Equipment

(2024-2025 Adopted to 2025-2026 Proposed)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2024-2025):	56.00	28,490,281	0
Base Adjustments			
One-Time Prior Year Expenditures Deleted			
• Rebudgets		(1,700,000)	0
• Customer Program Staffing		(5,000,000)	0
One-time Prior Year Expenditures Subtotal:	0.00	(6,700,000)	0
 Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocation: - 1.0 Analyst I/II to 1.0 Power Resources Specialist I/II		582,685	0
• Shift from the Environmental Services Department for Climate Smart Staffing (1.0 Analyst I/II, 1.0 Deputy Director, 3.0 Environmental Services Specialist, 1.0 Public Information Representative II, 2.0 Supervising Environmental Services Specialist)	8.00	1,721,490	1,630,176
• GASB 87 Leases: Land and Buildings		569,312	0
• Inter-Departmental Shift: Climate Smart		126,593	126,593
Technical Adjustments Subtotal:	8.00	3,000,080	1,756,769
 2025-2026 Forecast Base Budget:	 64.00	 24,790,361	 1,756,769
Budget Proposals Recommended			
1. Energy Regulatory Policy and Compliance Staffing	1.00	283,427	0
2. Energy Risk Management Staffing	1.00	164,348	0
3. Energy Fiscal Support Staffing	1.00	145,313	0
4. Climate Smart Program Fund Shift	0.00	0	(453,374)
Total Budget Proposals Recommended	3.00	593,088	(453,374)
 2025-2026 Proposed Budget Total			
	67.00	25,383,449	1,303,395

Energy Department

Budget Changes by Department

Personal Services and Non-Personal/Equipment

2025-2026 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. Energy Regulatory Policy and Compliance Staffing	1.00	283,427	0

***Environmental and Utility Services CSA
Providing Clean Energy to the Community Core Service
Regulatory Compliance Program***

This action adds 1.0 Principal Power Resources Specialist position to the Regulatory Compliance and Policy Team. Serving as a second in command to the Deputy Director, this position provides necessary capacity for the Energy Department's continued engagement within a regulatory and policy environment that continues to increase in volume and complexity, such as the reopening of the Power Charge Indifference Adjustment (PCIA) calculation that could have significant financial impact to San José ratepayers, new proceedings at the California Public Utilities Commission on the topic of transmission buildout in San José, and the likely expansion of regional energy markets outside of California. (Ongoing costs: \$283,427)

2. Energy Risk Management Staffing	1.00	164,348	0
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***Environmental and Utility Services CSA
Providing Clean Energy to the Community Core Service
Strategic Support – Environmental & Utility Services Core Service
Energy Financial Management and Energy Risk Management Programs***

This action adds 1.0 Power Resources Specialist II position to the Energy Risk Management team. SJCE's power portfolio has tripled in the last three years to \$3.3 billion consisting of short, medium, and long-term power purchase agreements. As SJCE continues to manage its growth while refining processes to mitigate risks (for example, market price risk and counterparty credit risk), the position will also assist with the creation of scalable risk management tools to track various operational, financial, strategic, legislative, and regulatory risks. (Ongoing costs: \$195,720)

Energy Department

Budget Changes by Department




Personal Services and Non-Personal/Equipment

2025-2026 Proposed Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Energy Fiscal Support Staffing	1.00	145,313	0
<i>Environmental and Utility Services CSA Strategic Support – Environmental & Utility Services Core Service Energy Financial Management Program</i>			
<p>This action adds 1.0 Principal Account Clerk position to the Budget/Fiscal Planning team. The recent Power Purchase Agreement (PPA) Prepay bond transactions have increased the Finance team's workload significantly. The Energy Department executed its first PPA Prepay bond transaction in 2024, which is expected to result in \$66.0 million in energy cost savings over the initial eight-year term of the bonds. This Principal Account Clerk will help ensure those savings are realized. In addition, this position will work on customer delinquencies by coordinating with collections agencies and implementing payment plans for customers who are struggling to pay. (Ongoing costs: \$146,458)</p>			
4. Climate Smart Program Fund Shift	0.00	0	(453,374)
<i>Environmental and Utility Services CSA Energy Community Programming Core Service Climate Smart Program</i>			
<p>As part of the 2025-2026 Base Budget, the Climate Smart team (8.0 positions) moved from the Environmental Services Department to the Energy Department. This action shifts the funding for portions of positions within the Climate Smart team from the General Fund to the San José Clean Energy Fund that aligns with work to drive energy efficiency and renewable energy programs. Remaining General Fund resources of \$1.3 million will continue to facilitate implementation of Climate Smart San José's other, non-energy related activities to help achieve the City's long-term carbon neutrality goals. (Ongoing costs: \$0)</p>			
2025-2026 Proposed Budget Changes Total	3.00	593,088	(453,374)

Energy Department



Performance Summary

Four Key Budget Performance Measure Measurement Areas

	★★★★		
Access and Quality - How well does a service enable participation, visitation, and usage? How well does the service lead to its intended outcome, condition, state of compliance, or opportunity pathway?	Customer Satisfaction - How well does a service meet customer needs? How well does a service resolve a customer's problem? How well does a service deliver its intended experience for a customer?	Reliability and Responsiveness - How well does a service meet response time targets? How well does a service deliver resolution? How well does a service meet its efficiency goals?	Cost Effectiveness - How well does a service resource deliver its intended outcome? How well does a service resource deliver its intended output?

Energy Community Programming

Performance Measures

		2023-2024	2024-2025	2024-2025	2025-2026
		Actual	Target	Estimated	Target
★★★★	PM 1 Ratio of survey respondents who are aware of Climate Smart San José	1:2	N/A ¹	1:2	1:2
	PM 2 % of respondents to Annual Climate Smart Survey that are Vietnamese and Spanish speaking compared to community demographic representation	Vietnamese 2.5% (10.2%) Spanish 33.6% (31.0%)	N/A ¹	Vietnamese 12.8% (10.2%) Spanish 26.8% (31.0%)	Vietnamese 10.0% (10.0%) Spanish 31.0% (31.0%)
	PM 3 % of San José Clean Energy program funding invested in environmental justice communities	41%	N/A ¹	47%	54%

¹ New performance measure established in March 2025; no target was set as part of the development of the 2024-2025 Adopted.

Energy Department

Performance Summary

Energy Community Programming

Activity and Workload Highlights

		2023-2024 Actual	2024-2025 Forecast	2024-2025 Estimated	2025-2026 Forecast
	Climate Smart Initiative External Funding:				
AWH 1	- # of grant applications submitted	14	N/A ¹	15	7
	- \$ of grants applied to that are awarded	5,650,715	N/A ¹	23,351,000	3,000,000
	Outreach:				
AWH 2	- # of individuals reached by Climate Smart outreach activities	129,727	N/A ¹	131,000	134,275
	- # of new residents signed up to participate in the Climate Smart Challenge platform	171	N/A ¹	127	140
AWH 3	Customer savings \$ from San José Clean Energy programs	7,675,000	N/A ¹	6,103,000	37,000,000 ²

¹ New performance measure established in March 2025; no target was set as part of the development of the 2024-2025 Adopted.

² Savings forecast is dependent on the continuation of federal tax credits for consumer purchases of electric vehicles, battery storage, and heat pumps that are often stacked on top of and help drive participation in San José Clean Energy incentive programs.



Data Sources: Energy Community Programming

Number	Data Source
PM 1	Annual Climate Smart Survey (data available by March 1)
PM 2	Annual Climate Smart Survey; US Census Bureau's American Community Survey
PM 3	Internal file ("SJCE CPUC Costs Tracker")
AWH 1	Climate Smart External Resources tracker updated monthly by Climate Smart staff
AWH 2	Climate Smart data tracking (updated monthly); Climate Smart Challenge platform user reports
AWH 3	Internal file ("SJCE CPUC Costs Tracker")

Energy Department Performance Summary

Energy Customer Support

Performance Measures

		2023-2024 Actual	2024-2025 Target	2024-2025 Estimated	2025-2026 Target
	<i>PM 1</i> % of customers who opt out ¹	2.54%	<5%	2.60%	<5%
	<i>PM 2</i> % of customers that opt up to TotalGreen	0.48%	0.55%	0.50%	0.50%

¹ When the San José Clean Energy (SJCE) program initially launched, San José customers were automatically enrolled, or opted in to the program. Customers do have the option to leave or opt out of SJCE service at any time.

Activity and Workload Highlights

		2023-2024 Actual	2024-2025 Forecast	2024-2025 Estimated	2025-2026 Forecast
<i>AWH 1</i>	# of customers that opt up to TotalGreen	1,702	1,930	1,750	1,750
<i>AWH 2</i>	# of San José Clean Energy customer accounts	349,206	351,000	350,000	350,000

Data Sources: Energy Customer Support



Number	Data Source
<i>PM 1</i>	PG&E SJ Care file, all products - 4013 Stats
<i>PM 2</i>	PG&E SJ Care file, all products - 4013 Stats
<i>AWH 1</i>	PG&E SJ Care file, all products - 4013 Stats
<i>AWH 2</i>	PG&E SJ Care file, all products - 4013 Stats

Energy Department

Performance Summary

Providing Clean Energy to the Community

Performance Measures

		2023-2024 Actual	2024-2025 Target	2024-2025 Estimated	2025-2026 Target
	<i>PM 1</i> % of Total Supply from Long-Term Contracts ¹	30%	N/A ²	39%	45%
	<i>PM 2</i> % of Renewable Energy from Long-Term Contracts ¹	91%	N/A ²	98%	65% ³

- ¹ Performance measures assessed on a calendar-year basis to align with state-mandated compliance metrics.
- ² New performance measure established in March 2025; no target was set as part of the development of the 2024-2025 Adopted.
- ³ Target ties to state renewable portfolio standard mandate per SB 350.

Activity and Workload Highlights

		2023-2024 Actual	2024-2025 Forecast	2024-2025 Estimated	2025-2026 Forecast
<i>AWH 1</i>	Total MWh Renewable Energy & Carbon-Free Energy Delivered ^{1,2}	3,504,095	3,487,993	3,304,953	3,582,740
<i>AWH 2</i>	Total MWh Delivered ^{1,2}	3,658,373	3,795,971	3,742,027	3,676,679
<i>AWH 3</i>	Quantity of Operating Resources ¹	9	10	10	12

- ¹ Activity and Workload Highlights assessed on a calendar-year basis to align with state-mandated compliance metrics.
- ² A megawatt-hour (MWh) is a unit of measurement that describes the amount of energy produced by one megawatt of power over the course of one hour.

Data Sources: Providing Clean Energy to the Community


Number	Data Source
<i>PM 1</i>	SJCE internal contracts maintenance file
<i>PM 2</i>	SJCE internal contracts maintenance file
<i>AWH 1</i>	SJCE internal contracts maintenance file
<i>AWH 2</i>	SJCE internal pro forma
<i>AWH 3</i>	SJCE internal contracts maintenance file

Energy Department

Performance Summary

Strategic Support

Performance Measures

		2023-2024 Actual	2024-2025 Target	2024-2025 Estimated	2025-2026 Target
	<i>PM</i> 1 % change in all-in GreenSource charges year over year	-1.0%	N/A ¹	-3.0%	-7.0%

¹ New performance measure established in March 2025; no target was set as part of the development of the 2024-2025 Adopted.

Activity and Workload Highlights

		2023-2024 Actual	2024-2025 Forecast	2024-2025 Estimated	2025-2026 Forecast
<i>AWH</i> 1	Total customer savings compared to PG&E	\$40.7M	\$21.2M	\$21.2M	\$35.0M

Data Sources: Strategic Support

Number	Data Source
<i>PM</i> 1	SJCE internal file ("UIE and Other Costs Report")
<i>AWH</i> 1	SJCE internal file ("UIE and Other Costs Report")

Energy Department

Department Position Detail

Position	2024-2025 Adopted	2025-2026 Proposed	Change
Accountant II	1.00	1.00	-
Accounting Technician	2.00	2.00	-
Analyst I/II	6.00	6.00	-
Assistant Director	1.00	1.00	-
Deputy Director	3.00	4.00	1.00
Director of Community Energy	1.00	1.00	-
Division Manager	3.00	3.00	-
Environmental Services Specialist II	0.00	3.00	3.00
Planner IV	1.00	1.00	-
Power Resources Specialist I/II	10.00	12.00	2.00
Principal Account Clerk	0.00	1.00	1.00
Principal Accountant	1.00	1.00	-
Principal Power Resources Specialist	3.00	4.00	1.00
Public Information Manager	1.00	1.00	-
Public Information Representative II	3.00	4.00	1.00
Senior Account Clerk	1.00	1.00	-
Senior Accountant	1.00	1.00	-
Senior Analyst	2.00	2.00	-
Senior Environmental Program Manager	1.00	1.00	-
Senior Power Resources Specialist	11.00	11.00	-
Senior Public Information Representative	1.00	1.00	-
Staff Specialist	3.00	3.00	-
Supervising Environmental Services Specialist	0.00	2.00	2.00
Total Positions	56.00	67.00	11.00

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