



San José-Santa Clara
Regional Wastewater Facility

CIP

CAPITAL IMPROVEMENT PROGRAM

Quarterly Status Report:
October - December 2025

MISSION

Rebuild and revitalize the
Regional Wastewater Facility
and deliver the CIP on time
and within budget.





CAPITAL IMPROVEMENT PROGRAM

HOW ARE WE DOING?

Key Performance Indicators (KPIs) Year-to-Date:

SAFETY

0 Incidents



EXPENDITURES

On Target



ENVIRONMENTAL

0 Permit Violations



The San José-Santa Clara Regional Wastewater Facility (RWF) is one of the largest advanced wastewater treatment facility in the western United States. The RWF has been treating the South Bay's wastewater and protecting public health and the environment without interruption since 1956. The discharge of clean wastewater into the South San Francisco Bay contributes to diverse and thriving fish and wildlife ecosystems.

Much of the RWF's infrastructure is functioning well beyond its intended use. As a result of a long and thoughtful Master Plan process, a \$2.1 billion, 30-year Capital Improvement Program (CIP) is underway to modernize and refurbish the RWF so its critical work can continue. Homes and businesses in Silicon Valley need a modern, reliable, state-of-the-art treatment plant to ensure a high quality of life and a thriving economy. The CIP is rebuilding RWF infrastructure and updating treatment processes with innovative, efficient new technologies. The first phase of the CIP started in 2014 and is nearing completion. The second phase will soon be underway.

This report summarizes the CIP's progress and highlights accomplishments from October to December 2025.

LEGEND



On Target



Alert



At Risk





Proud Accomplishments

By Mariana Chavez-Vazquez, RWF General Manager

As 2025 comes to a close, I am filled with gratitude and pride that I work with an incredible team at the RWF. Our outstanding group is close-knit and thorough, and I admire the work ethic and attention to detail it takes to successfully execute the capital improvement program (CIP) that is modernizing the RWF. Not only is it a notable achievement to complete a 10-year, \$1.4 billion CIP, it is particularly significant to do so while continuing to operate and maintain the Facility nonstop.

Continuing to provide excellent, reliable service into the future, managing a multitude of obstacles and timelines require diligence and effective communication. Protecting public health and the environment is always at the forefront with our staff, and I want to acknowledge their work, sacrifice and care to advance such critical projects.

I want to highlight the following accomplishments in 2025:

- Achieved Substantial Completion on Filter Rehabilitation project. This significant milestone indicates that enough contract work is complete, according to plans and specifications, so that the City may occupy and use that work as intended.
- Successfully filed Notice of Completion and Acceptance (NOCA) on seven projects - Blower Improvements, Filter Rehabilitation, Fire Life Safety Upgrades, New Headworks Access Road, Outfall Channel and Instrumentation Improvements, Storm Drain Systems Improvements, and Yard Piping Improvements Phase 2.

NOCA is filed once staff determine that the contract work has been fully completed in all respects. Filing of NOCA relieves the contractor of the duty to maintain and protect the work, except for potential warranty work.

- Successfully advertised key procurements including: Request for Qualifications (RFQ) and Request for Proposals (RFP) to procure a design-builder for the \$132 million Additional Digester Facility project; RFQ for selection of Owner’s Advisor for the \$240 million Aeration Basin Modifications Phase 1 project; and Contractor prequalification for HVAC Improvements Phase 1 project.
- Awarded the construction contract for the Yard Piping Improvements Phase 3 Project, enabling critical rehabilitation work to begin on some large-diameter process pipes that are at high risk of failure.
- Award-winning Laboratory continues to meet – and in some cases, exceed – water quality standards that allow us to discharge into the South San Francisco Bay.

Looking ahead to the next year, we will forge ahead with the same resolve to accomplish the next phase of the CIP. Dedicated, experienced staff and contractors work hard every day to make the modernization and rehabilitation of the RWF a reality, and I commend them all for their efforts.

Filter Rehabilitation Project: Improving the RWF’s final treatment process for continued regulatory compliance and reliability

The tertiary filtration process at the RWF helps ensure discharge into the South San Francisco Bay adheres to National Pollutant Discharge Elimination permit limits, and that recycled water complies with regulations established in CA Title 22. While the RWF consistently meets these standards, much of the filtration equipment—ranging from 10 to 50 years old—require modernization to maintain operational effectiveness. The recently completed Filter Rehabilitation Project provided the first phase of critical improvements for continued regulatory compliance and longer-term operational reliability. Project components include replacing filter media, installing a new air scour system, mechanical and electrical upgrades, and other repairs.

Construction began in December 2020 and reached substantial completion in May 2025. Despite significant supply chain disruptions caused by the COVID-19 pandemic, the project team worked diligently to re-sequence work to minimize schedule delays. The final construction cost of \$37 million was well within the approved project budget.

“Construction activities required nearly 200 complex process shutdowns to the Facility,” said Resident Engineer, **Huy Vuong**. “Through careful coordination with the Plant operators and special accommodations by the contractor, the project was able to continue construction with minimal impact to the simultaneous Facility operations.”

Originally conceived as a short-term reliability fix, the Filter Rehabilitation Project was intended to bridge the gap until a new filter complex could be built. However, during construction, the project team identified a more strategic approach. Through targeted engineering and cost-efficient upgrades, CIP staff determined that the filtration process lifespan could be extended by 30 years—eliminating the immediate need for a costly new facility.

To finalize this long-term strategy, the Additional Filter Improvements Project will serve as a second phase of improvements. Currently in the feasibility phase, this follow-up project will address the remaining structural, mechanical, and control upgrades necessary to secure the filtration facility’s future.



The Filter Rehabilitation project area includes the filtration tanks, walkways, filtration building, and filtration influent pump station (FIPS)



How the CIP Delivers Projects

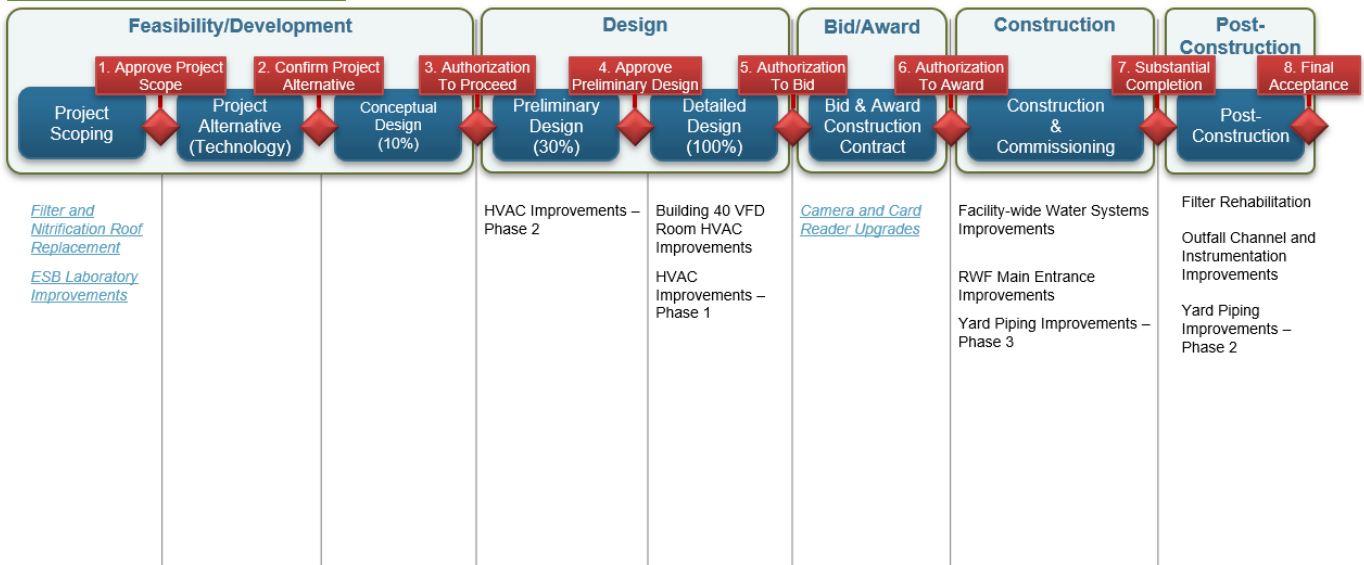
The CIP primarily uses two project delivery methods:

- **Design-Bid-Build** is a commonly used delivery method in which an owner first procures a professional engineering firm to prepare detailed design plans and specifications for a project. The owner then solicits bids for the project and procures a general contractor to construct the project based on the design completed by the engineer.
- **Design-Build** is a two-phase delivery method contracted with a single design-build firm in which the project's design, cost estimating, construction schedule and final guaranteed maximum price (GMP) are developed during the first phase. If the owner and design-builder agree on the schedule and the GMP during the first phase, the final design, construction and commissioning are completed during the second phase.

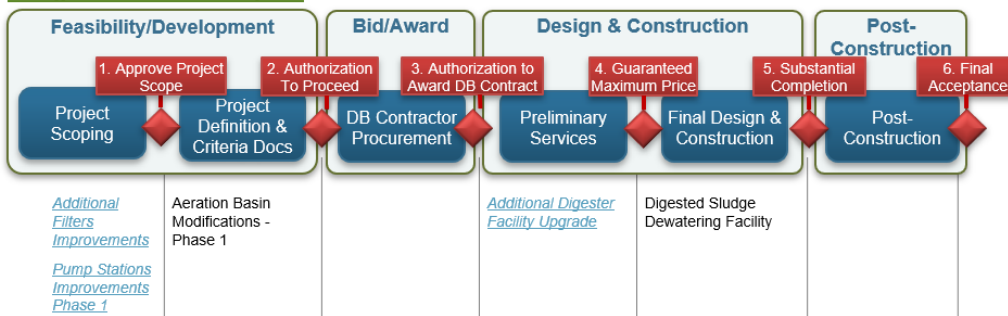
All CIP projects, regardless of project delivery method, follow a consistent process of consecutive delivery stages, each culminating in a stage gate, as presented in the project delivery models below. Stage gates are go/no-go points at which the project team must demonstrate that the project has met predefined evaluation criteria before advancing to the next delivery stage. The benefits of the stage gate process include consistency, quality assurance, ensuring that the scope continues to address existing needs, budget/schedule control, and Operations & Maintenance team engagement.

Active Projects by Delivery Model

Design-Bid-Build Active Projects



Design-Build Active Projects



*Projects shown underlined and in blue and italics have either been initiated or advanced this reporting period.



CIP PROJECTS

The CIP includes projects in both design and construction phases. This update outlines accomplishments for the past quarter in two sections: Projects in Design and Projects in Construction. For projects in construction and post-construction phases, the CIP uses cost and schedule baselines monitored through the City's Capital Project Management System. Access project performance information at the following link:

[See Appendix A](#)

Projects in Design

- **Additional Digester Facility Upgrade**

During this period, staff finalized selection of the Design-Builder (DB) and contract negotiations. City council award of the DB contract is expected in January 2026. The owner's advisor, Carollo, also completed the alternatives analysis report for struvite management.

- **Aeration Basin Modifications Phase 1**

In October, staff advertised the owner's advisor Request for Qualifications (RFQ). Statement of Qualifications (SOQ) were received in November, with staff review and evaluation continuing through December. City council award of the owner's advisor master services agreement is anticipated in June 2026.

- **Camera and Card Reader Upgrades**

In November, consultant Jacobs submitted the final 100% design for City review. Advertisement of the construction contract is expected in January 2026.

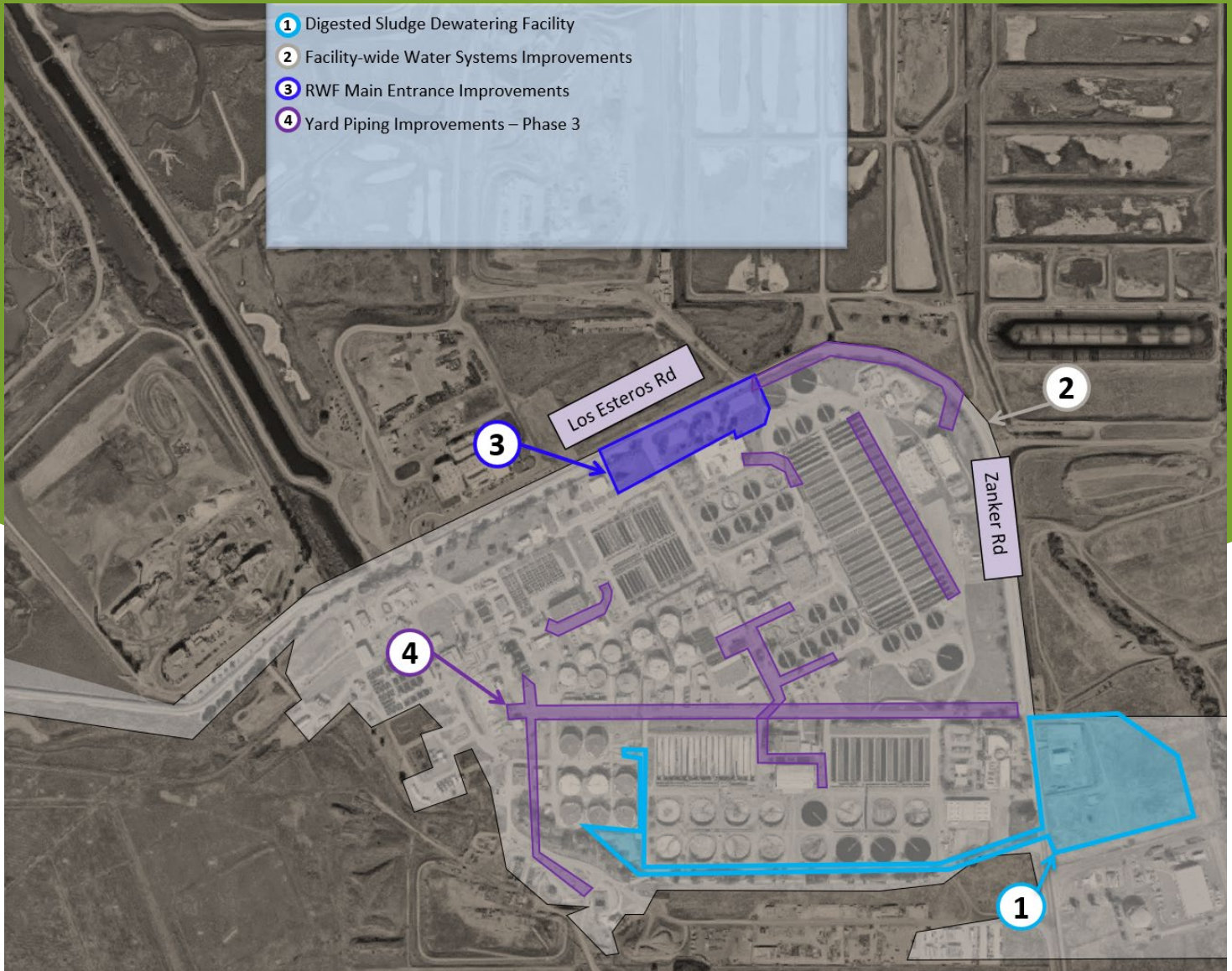
- **HVAC Improvements Phase 1**

During this period, consultant CDM Smith continued to progress the detailed design. Also, staff successfully prequalified three contractors to bid on the construction contract to be advertised in April 2026.



Projects in Construction

This aerial map of the RWF shows the CIP's active construction projects.



1

Digested Sludge Dewatering Facility: Drying biosolids more efficiently and effectively



Odor equipment installation

The RWF currently uses an open-air lagoon and drying bed process to stabilize biosolids before landfill disposal. The 2013 Plant Master Plan recommended moving to an enclosed mechanical dewatering process. This project will build a mechanical dewatering facility and support facilities.

Project Budget: \$177.0 million

Expected Substantial Completion: November 2026

Update:

- During this period, design-builder Walsh completed odor equipment installation in the main dewatering building and provided staff training; finished exterior siding installation at the truckload facility; and completed paving, curbs and sidewalks in sludge storage and pump station area.
- Walsh also began commissioning activities and completed site landscaping work.

2

Facility-wide Water Systems Improvements: Improving performance and reliability



Newly painted and coated water tank.

The RWF has five water systems: potable water, groundwater, process water (3W), fire protection water, and recycled water. These systems were constructed at separate times as part of various expansions. The aim of this project is to rehabilitate, replace, and/or

extend the RWF's water systems to improve current and future performance and reliability.

Project Budget: \$90.4 million

Expected Substantial Completion: June 2027

Update:

- In October, contractor Ranger Pipelines continued working on electrical conduit installation and concrete pad for the 1W and 4W air gap tanks, and hazardous materials assessment in various locations.
- In November, Ranger completed pipe support work at the Pump & Engine building; and performed lead abatement work in the Secondary Blower Building basement.
- During this period, Ranger continued to replace pipes throughout the RWF. By December, approximately 30,060 linear feet of pipe (approximately 75 percent of pipe scope) had been replaced. Ranger also poured concrete for two bladder tanks and completed birdcage fiber reinforcement.

3

RWF Main Entrance Improvements: Modernizing the RWF’s main entryway



Development of guardhouse improvements.

Built in 1988, the existing main gate serves as the RWF’s primary vehicle security checkpoint and has lasted beyond its service life. The new entrance will be upgraded to meet Americans with Disabilities Act requirements, the entry and exit lanes will be widened to improve traffic flow for large delivery trucks, and lighting will be improved for clearer nighttime visibility.

Project Budget: \$14.0 million

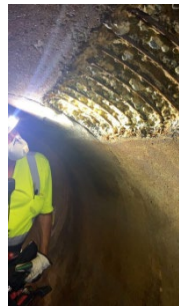
Expected Substantial Completion: August 2026

Update:

- The exterior of the new guard house is nearing completion with waterproofing, flashing and panel installation in the final stages. Interior painting is complete, and window shades have been installed. Installation of canopy lighting is complete, while soffit and fascia work continued.
- During this period, contractor WE Lyons also continued electrical trenching and conduit installation and interior wire pulling; completed curb and gutter form work, monument footing and storm drainpipe installation in the main entrance area; and finished landscaping work around the Environmental Services Building.

4

Yard Piping Improvements – Phase 3: Rehabilitating Aging Pipe Infrastructure



Existing reinforced concrete pipe with deteriorated concrete and corroded structural rebar

The RWF has approximately 300,000 linear feet of piping of various age, material, condition, and reliability, some as large as twelve feet across. 70% of these pipes are more than 25 years and well past their lifespan. This project will rehabilitate or replace the pipes that have been identified as being at a high risk of failure.

Project Budget: \$31.6 million

Expected Substantial Completion: January 2027

Update:

- In October, contractor Michels Trenchless (Michels) completed concrete repair and coating of 1,200 linear feet of 66-inch and 84-inch raw sewage pipes, and the pipes were returned to service. The project team also continued condition assessment of the 102-inch raw sewage pipe.
- In November, Michels completed rehabilitation work on the 24-inch secondary influent pipes in clarifiers A5-A8 and B1-B8, and the facilities were returned to service.
- Throughout this period, staff continued to review and approve submittals for wet season work on sanitary sewer force main, space heat loop, and waste-activated sludge areas.



RWF Main Entrance Improvements project under construction

What's Ahead?

In January - March 2026:

- Award a master agreement for design-build legal services
- Award the design-build contract for Additional Digester Facility Upgrade project.
- Advertise the construction contract for Camera and Card Reader Upgrades project.
- Present an update on the CIP to TPAC and Council in March

Fiscal Year 2025-2026 Program Performance Summary

KPI	Target	Fiscal Year to Date			Fiscal Year End		
		Actual	Status	Trend	Forecast	Status	Trend
Stage Gates	90%	100% 8/8 ¹			100% 20/20		
Measurement: Percentage of initiated projects and studies that successfully pass each stage gate on their first attempt. Target: Green: >= 90%; Amber: 75% to 89%; Red: < 75%							
Schedule	90%	N/A 0/0			N/A 0/0 ²		
Measurement: Percentage of CIP projects delivered within 2 months of approved baseline Substantial Completion Milestone. ³ Target: Green: >= 90%; Amber: 75% to 89%; Red: < 75%							
Budget	90%	50% 1/2			50% 1/2 ⁴		
Measurement: Percentage of CIP projects that are accepted by the City within the approved baseline budget. Target: Green: >= 90%; Amber: 75% to 89%; Red: < 75%							
Expenditures	\$146M	\$128M			\$162M		
Measurement: CIP FY25-26 committed costs. Target: Committed costs meets or exceeds 70% of planned budget. 70% of \$208M = \$146M. Therefore Fiscal Year End Green: >=\$146M; Red: < \$146M							
Safety	0	0			0		
Measurement: OSHA reportable incidents associated with CIP Delivery for the fiscal year. Criteria: Green: zero injuries requiring hospitalization, zero fatality; Amber: 1 to 2 injuries requiring hospitalization, zero fatality; Red: >2 injuries requiring hospitalization, any fatality							
Environmental	0	0			0		
Measurement: Number of permit violations caused by CIP delivery for the fiscal year. Target: Green: zero incidents; Amber: 1 to 2; Red: > 2							
Vacancy Rate⁵	10%	12% 7/59 ⁶			8% 5/59		
Measurement: Ratio of the number of vacant approved positions to approved positions. Target: Green: <10%; Amber: 10% to 20%; Red: > 20%							

LEGEND	
	On Target
	Alert
	At Risk

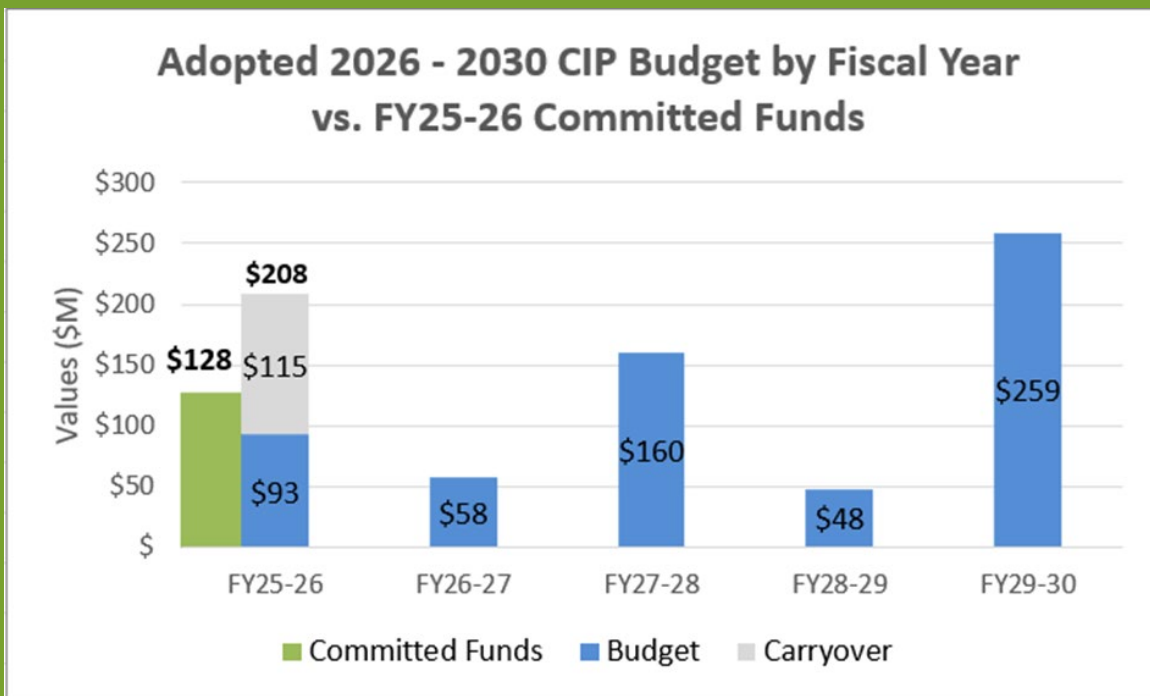
[See Appendix B](#)





Adopted FY2026-2030 CIP Budget

The chart below shows the Adopted 2026-2030 CIP budget by fiscal year, and the cumulative monthly budget performance for fiscal year 25-26.

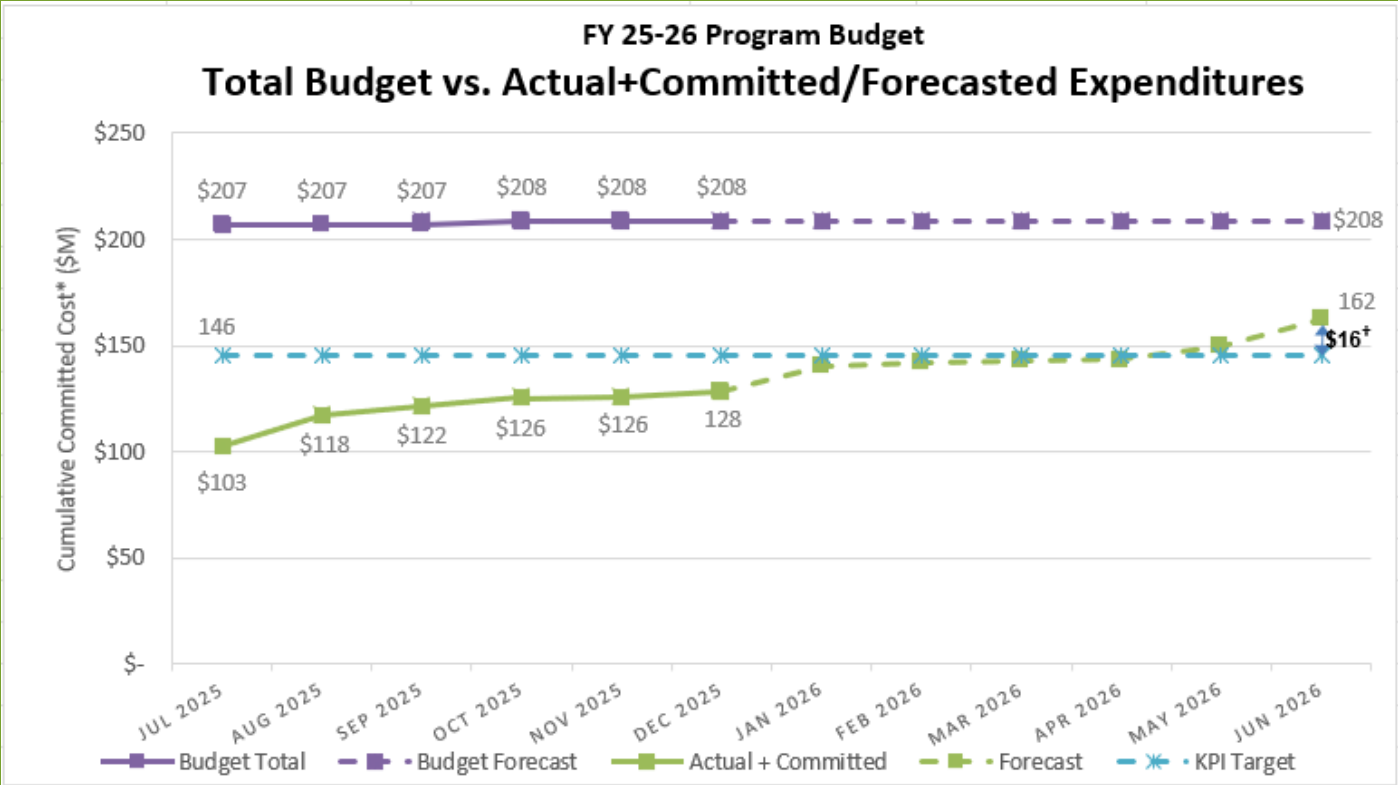


[See Appendix C](#)

Fiscal Year 2025-2026 Program Budget Performance

The FY 2025-26 CIP budget is composed of approximately \$93 million in new and re-budgeted funds, plus encumbered carryover of \$115 million, for a total of \$208 million.

FY 2025-26 Program Budget



[See Appendix D](#)



Capital Improvement Program Progress



Filter Rehabilitation Project

Increasing reliability and capacity to protect public health and the environment



San José-Santa Clara
Regional Wastewater Facility

The recently completed Filter Rehabilitation Project, featured in [this video](#), delivered the first phase of critical improvements to the RWF's filtration process facilities and equipment. The next phase of improvements taking place with the Additional Filter Rehabilitation Project will address remaining upgrades for increased longevity of the system.

Want to learn more?



[@sjenvironment](#)



[@sjenvironment](#)

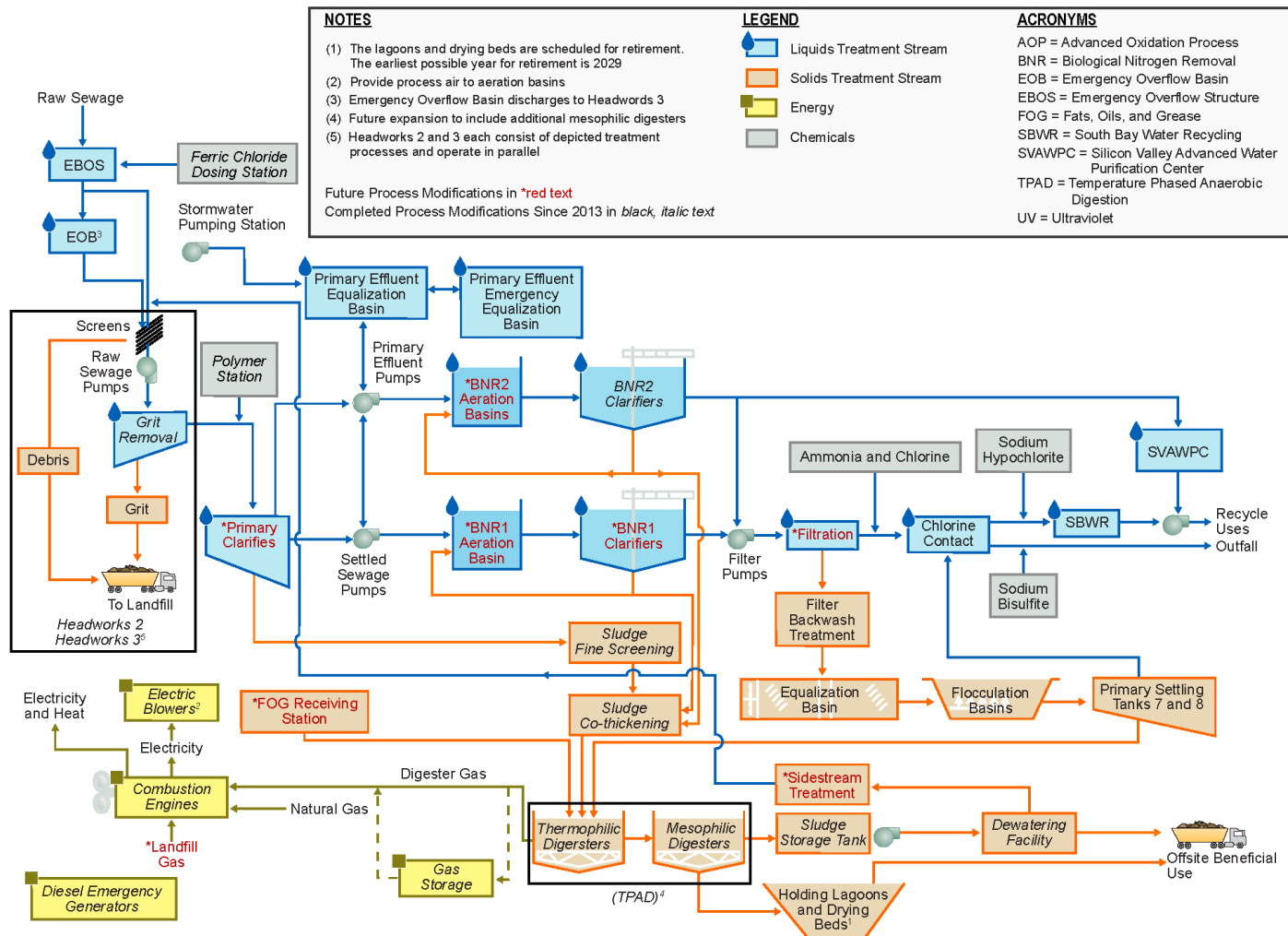


[@sjenvironment](#)



Regional Wastewater Facility Treatment

Current and Future Treatment Process Flow Diagram



Updated: Aug 2025



Glossary









Beneficial Use	When a CIP project is complete in accordance with contract documents and can be used or occupied by the City, it has achieved beneficial use.
Biogas	A renewable energy source produced by the breakdown of sewage waste in the absence of oxygen. Biogas is composed of methane, carbon dioxide and small amounts of hydrogen sulfide.
Biosolids	Treated sewage sludge.
Bufferlands	Open acreage used by wastewater treatment plants as a buffer between plant operations and nearby communities. Bufferlands minimize odor and operational impacts on plant neighbors and often serve as wildlife habitat.
Commissioning	The process of assuring that all systems and components of a facility, building or plant are designed, installed, tested, operated and maintained according to the owner's requirements.
DAFT	Dissolved air flotation thickener tanks. Dissolved air flotation, or DAF, is a treatment process that clarifies wastewater by removing suspended matter.
EIR	Environmental Impact Report. A public document required under the California Environmental Quality Act to describe potential environmental impacts associated with a project. An EIR also describes measures to mitigate the impacts.
Effluent	Treated wastewater that is discharged from a treatment plant.
Influent	Raw or untreated wastewater that flows into a treatment plant.
FOG	The Fats, Oils and Grease program administered by the City of San José's Environmental Services Department.
Headworks	Facilities that first receive influent at a wastewater treatment plant. The headworks screen and remove sticks, grit and other solid material from influent to protect downstream equipment in the treatment process.
NPDES permit	Under the federal Clean Water Act, the National Pollutant Discharge Elimination System (NPDES) permit program regulates point sources such as pipes and other conveyances that discharge pollutants into water. In California, NPDES permits for the discharge of treated wastewater are issued by the Regional Water Quality Control Boards.
Polymer	Primarily used to help manage the process of drying and consolidating sludge.
Preliminary treatment	The preparatory wastewater treatment stage, in which influent passes through headworks, which screen and remove sticks, rocks and debris; and grit chambers, which remove sand and gravel.
Primary treatment	The initial treatment for incoming wastewater, in which gravity settles solid material and rotating bars skim floating fats, oil and grease from influent.
Secondary treatment	The second stage of wastewater treatment, in which aeration tanks pump air into wastewater to promote the growth of naturally occurring bacteria that remove organic pollutants.
Stormwater	Water from rain that does not seep into the ground but instead flows into storm drains as runoff.
Tertiary treatment	The final stage in advanced wastewater treatment, in which wastewater flows through filter beds, then through chlorinated tanks to become 99% clean.
TIN (Total Inorganic Nitrogen)	The sum of all inorganic forms of nitrogen present in wastewater, primarily ammonia, nitrite, and nitrate. Excessive levels of TIN can lead to environmental and health problems, so it is a key metric of water quality and regulations stipulate how much nitrogen removal must take place during treatment processes.
Wastewater	Water that enters the sanitary sewer system for treatment at a pollution control plant.
Wastewater Cake	Sludge that is compressed after dewatering.
WAS	Waste-activated sludge, or the excess quantity of bacteria and microbes removed from the secondary wastewater treatment process.



Appendix A: Project Performance Summary

There are currently four (4) projects in construction and post-construction; and an additional ten (10) projects in feasibility/development, design, and bid and award phases. Projects in the construction phase have established budget and schedule baselines and are monitored using the City's Capital Project Management System (CPMS). Green/red icons are included in the table below to indicate whether these projects are on budget and schedule.

I. Project Performance – Baselined Projects (construction and post-construction)

Project Name	Phase	Substantial Completion Date ¹	Cost Performance	Schedule Performance ²
1. Digested Sludge Dewatering Facility	Construction	Nov 2026		
2. Facility-wide Water Systems Improvements	Construction	Jun 2027		
3. RWF Main Entrance Improvements	Construction	Aug 2026		
4. Yard Piping Improvements – Phase 3	Construction	Jan 2027		

Key:

Cost:	 On Budget	 >1% Over Budget	Schedule:	 On Schedule	 >2 months delay
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Notes

1. The Substantial Completion date is defined as the date when the construction is sufficiently completed, and, in accordance with contract documents, that the project can be used or occupied by the City as intended. Substantial Completion dates are reviewed as part of project schedule reviews.
2. Projects completed within two months of the baseline Substantial Completion date are considered to be on-schedule.



Appendix A: Project Performance Summary

II. Project Performance – Pre-Baselined¹ Projects (not yet in construction)

Project Name	Phase	Estimated Substantial Completion Use Date ²
1. Additional Digester Facility Upgrade	Design	October 2030
2. Additional Filters Improvements	Feasibility/Development	August 2032
3. Aeration Basin Modifications Phase 1	Feasibility/Development	October 2033
4. Building 40 VFD Room HVAC Improvements	Design	December 2027
5. Camera and Card Reader Upgrades	Bid/Award	February 2028
6. ESB Laboratory Improvements	Feasibility/Development	April 2030
7. Filter and Nitrification Roof Replacement	Feasibility/Development	December 2027
8. HVAC Improvements Phase 1	Design	August 2028
9. HVAC Improvements Phase 2	Design	July 2029
10. Pump Stations Improvements Phase 1	Feasibility/Development	July 2035

Notes

1. Pre-baselined projects are CIP projects not yet in construction, whose schedule and budget information are not yet baselined in the Capital Project Management System (CPMS).
2. The Substantial Completion date is defined as the date when the construction is sufficiently completed, and, in accordance with contract documents, that the project can be used or occupied by the City as intended. Substantial Completion dates are reviewed as part of project schedule reviews.

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Appendix B: FY 2025-2026 Program Performance Summary

Seven key performance indicators (KPIs) have been established to measure overall CIP success. Each KPI represents a metric that will be monitored on a regular basis. Through the life of the CIP, KPIs that best reflect the current program will be selected and measured. KPIs are reset each fiscal year.

Program Key Performance Indicators – Fiscal Year 2025-2026

KPI	Target	Fiscal Year to Date			Fiscal Year End		
		Actual	Status	Trend	Forecast	Status	Trend
Stage Gates	90%	100% 8/8 ¹			100% 20/20		
Measurement: Percentage of initiated projects and studies that successfully pass each stage gate on their first attempt. Target: Green: >= 90%; Amber: 75% to 89%; Red: < 75%							
Schedule	90%	N/A 0/0			N/A 0/0 ²		
Measurement: Percentage of CIP projects delivered within 2 months of approved baseline Substantial Completion Milestone. ³ Target: Green: >= 90%; Amber: 75% to 89%; Red: < 75%							
Budget	90%	50% 1/2			50% 1/2 ⁴		
Measurement: Percentage of CIP projects that are accepted by the City within the approved baseline budget. Target: Green: >= 90%; Amber: 75% to 89%; Red: < 75%							
Expenditures	\$146M	\$128M			\$162M		
Measurement: CIP FY25-26 committed costs. Target: Committed costs meets or exceeds 70% of planned budget. 70% of \$208M = \$146M. Therefore Fiscal Year End Green: >=\$146M; Red: < \$146M							
Safety	0	0			0		
Measurement: OSHA reportable incidents associated with CIP Delivery for the fiscal year. Criteria: Green: zero injuries requiring hospitalization, zero fatality; Amber: 1 to 2 injuries requiring hospitalization, zero fatality; Red: >2 injuries requiring hospitalization, any fatality							
Environmental	0	0			0		
Measurement: Number of permit violations caused by CIP delivery for the fiscal year. Target: Green: zero incidents; Amber: 1 to 2; Red: > 2							
Vacancy Rate⁵	10%	12% 7/59 ⁶			8% 5/59		
Measurement: Ratio of the number of vacant approved positions to approved positions. Target: Green: <10%; Amber: 10% to 20%; Red: > 20%							

Notes -

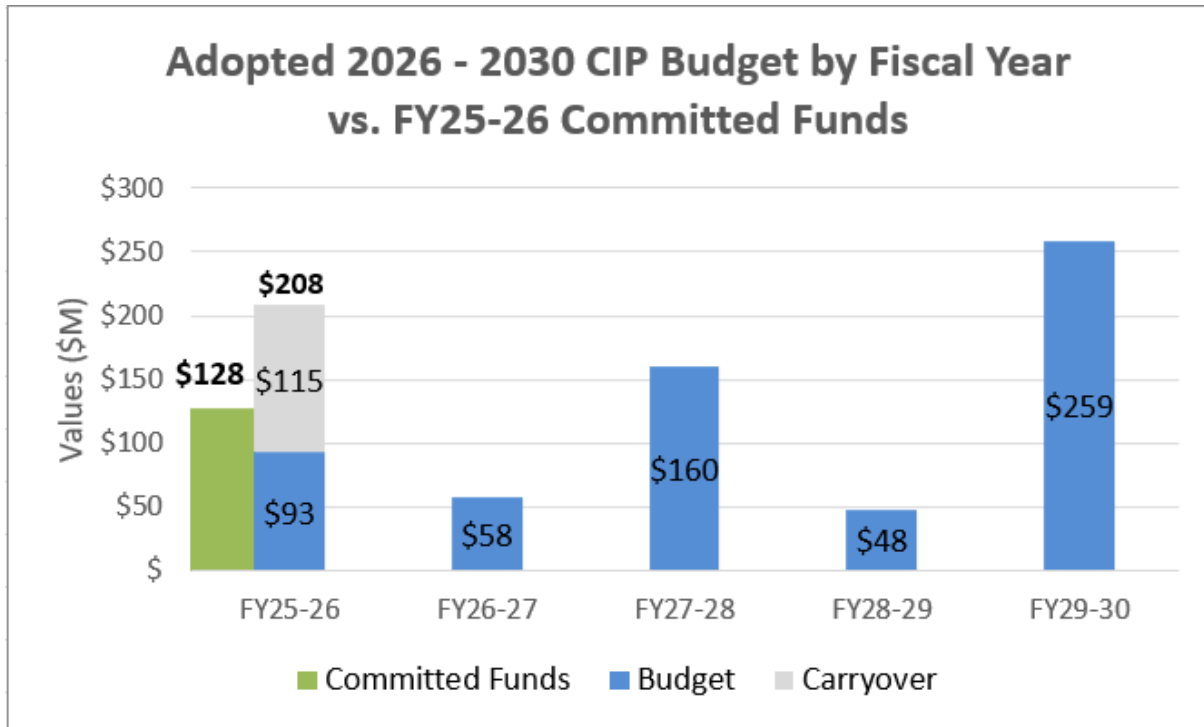
- Blower Improvements and Fire Life Safety Upgrades projects passed Stage Gate 8 – Final Acceptance in the month of October. Additional Digester Facility Upgrade project passed Stage Gate 3 – Authorization to Award Design-Build Contract, and Camera and Card Reader Upgrades project passed Stage Gate 4 – Authorization to Bid in the month of November. Outfall Channel & Instrumentation Improvements project passed Stage Gate 8 – Final Acceptance in the month of December.
- Based on current schedule, no projects are anticipated to reach Substantial Completion in this fiscal year.
- The baseline Substantial Completion date and the baseline Budget for each project are established at construction contract award and execution.
- Filter Rehabilitation project was accepted in the month of November and within the baseline Budget. Blower Improvements project was accepted in October, but not within the approved baseline budget.
- The vacancy rate KPI measures CIP-approved positions, including ESD, Public Works, and full-time program staff.
- Some positions were eliminated, reclassified, or omitted from active headcount.

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Appendix C: Adopted 2026–2030 CIP Budget by Fiscal Year vs. FY25–26 Committed Funds

This section summarizes the cumulative monthly budget performance for fiscal year (FY) 25-26 based on the Adopted 2026-2030 CIP.



Notes:

Committed Funds: Total of actual expenditures and actual encumbrances through December 2025.

Expenditure: Actual cost expended, either by check to a vendor or through the City's financial system, for expenses such as payroll or for non-personal expenses that do not require a contract.

Encumbrance: Financial commitments such as purchase orders or contracts that are committed to a vendor, consultant, or contractor. An encumbrance reserves the funding within the appropriation and project.

The FY25-26 budget is \$176 million. For purposes of this quarterly report, the adopted FY25-26 budget is adjusted from \$176 million to \$93 million due to the exclusion of certain appropriations that are not measured as part of the expenditure KPI. Excluded appropriations include City Hall and Repayment for CIP Debt Services, Ending Fund Balance and Urgent and Unscheduled Treatment Plant Rehabilitation. Similar adjustments have been made to the budgets for FY26-27 through FY29-30.

Carryover: Encumbrance balances at the end of the previous fiscal year are automatically carried forward to the current fiscal year as carryover funding to pay invoices for approved construction contracts and consultant agreements. FY25-26 carryover is \$115 million.

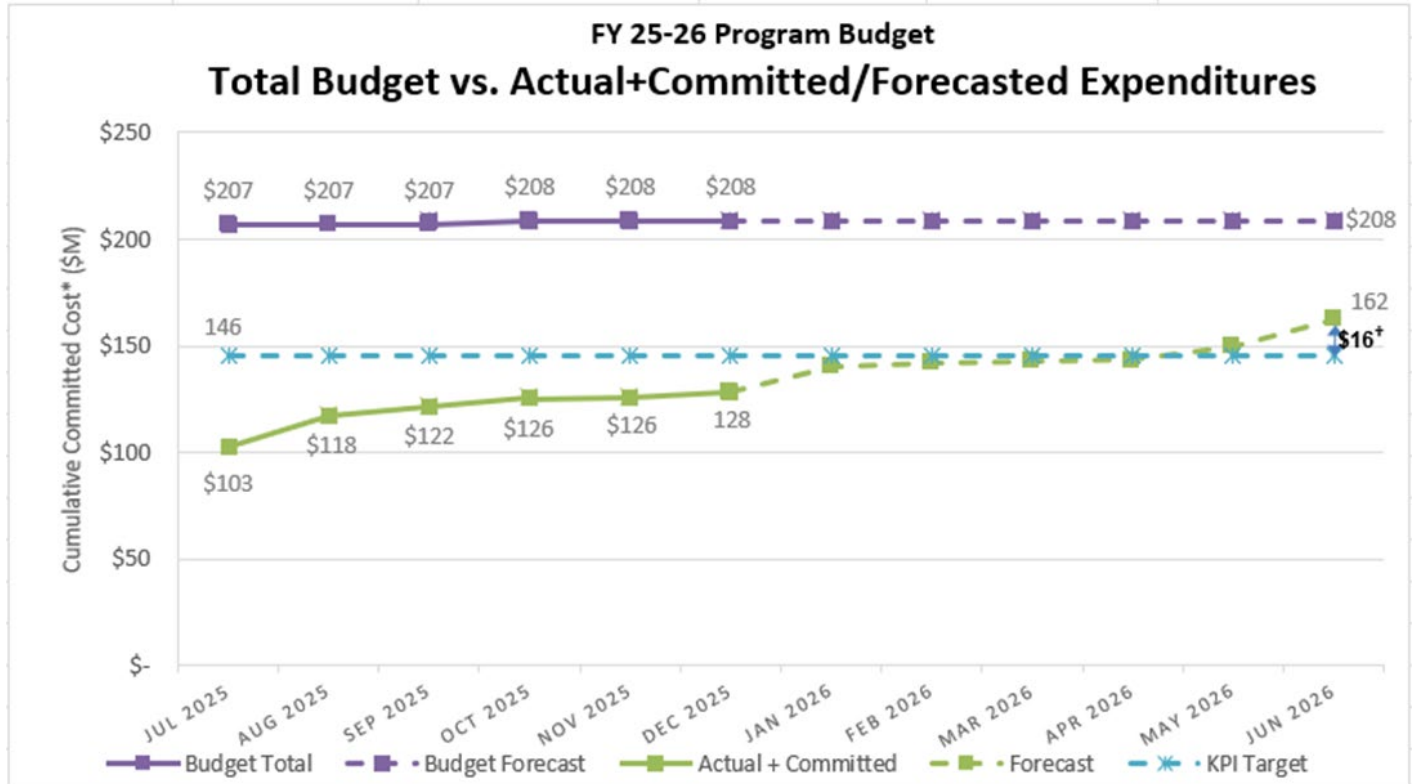
The adjusted budget of \$93 million and carryover of \$115 million totals \$208 million for FY25-26.

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Appendix D: Fiscal Year 2025-2026 Program Budget Performance

The FY25-26 CIP budget is comprised of approximately \$93 million in new and rebudgeted funds, plus encumbered carryover of \$115 million, for a total of \$208 million. This excludes City Hall Debt Service Fund, Ending Fund Balance and Urgent and Unscheduled Treatment Plant Rehabilitation items. Overall, the fiscal year-end committed funds exceeds the fiscal year-end target by \$16 million.



Notes:

* Committed costs are expenditures and encumbrance balances, including carryover (encumbrance balances from the previous fiscal year).

† The variance between budget and commitments can be primarily attributed to the following factors:

1. Several minor encumbrances for consultant services are either lower than budgeted or will not be awarded in FY25-26.
2. Several authorized positions remain vacant, resulting in lower personal services expenses than budgeted.
3. Several projects have revised FY25-26 costs due to more refined estimates and schedule adjustments.

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