

ENVIRONMENTAL AND UTILITY SERVICES CITY SERVICE AREA

2025-2026 PROPOSED OPERATING BUDGET

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

Presenter: Jeff Provenzano, Director, Environmental Services

Panelists: John Ristow, Director, Transportation

Lori Mitchell, Director, Energy



ENVIRONMENTAL AND UTILITY SERVICES

Core Services

Environmental Services

- Potable Water Delivery
- Recycled Water Management
- Recycling and Garbage Services
- Stormwater Management
- Wastewater Management
- Utility Regulatory Advocacy and Compliance

Transportation

- Sanitary Sewer Maintenance
- Storm Sewer Maintenance

Energy

- Providing Clean Energy to the Community
- Energy Customer Support
- Energy Community Programming

ENVIRONMENTAL AND UTILITY SERVICES

Program Samples*

Environmental Services

- Municipal Water System Operations and Maintenance
- South Bay Water Recycling Operations and Maintenance
- Residential Solid Waste Collection Services
- Commercial Solid Waste Collection Services
- Stormwater Policy and Compliance
- San Jose-Santa Clara Treatment Plant Operations and Maintenance
- Laboratory Services
- Regulatory Compliance
- Purified Water

Energy

- Renewable Energy Supply
- Conventional Energy Supply
- Regulatory Compliance
- Risk Management
- Local Energy Programs
- Marketing and Public Affairs
- Climate Smart San Jose

Transportation

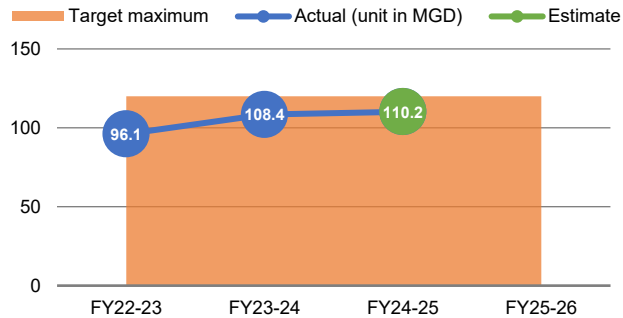
- Sanitary Sewer System Maintenance
- Storm Sewer Operation and Maintenance
- Street Sweeping

*** For a complete list of programs, please refer to the 2025-2026 Proposed Operating Budget**

ENVIRONMENTAL AND UTILITY SERVICES PERFORMANCE MEASURE DASHBOARD

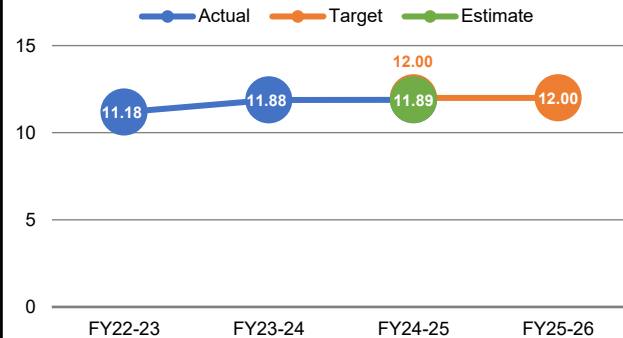
Wastewater Discharge Limit

Not to exceed 120 millions of gallons of wastewater discharged in the Lower South Bay per day during the dry season (ESD)



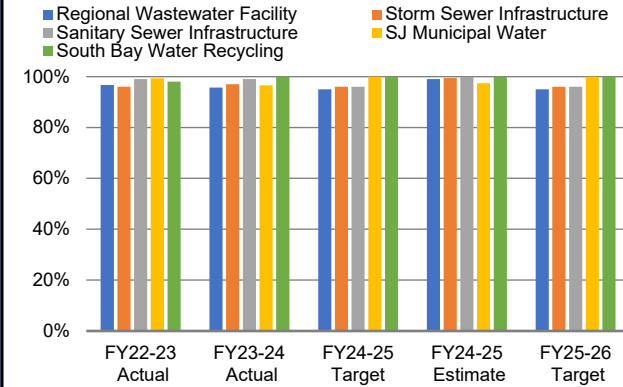
Recycled Water Delivered

Average millions of gallons per day of recycled water delivered by South Bay Water Recycling (ESD)



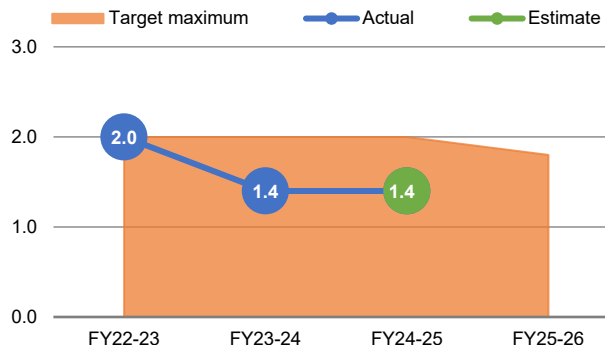
Operational Utility Assets

% of utility assets that are online and functional (ESD)



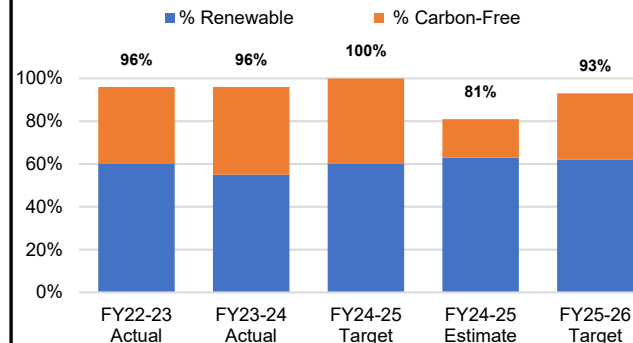
Sanitary Sewer Overflows

Not to exceed sanitary sewer overflows per 100 miles of sanitary sewer mains (annualized) (DOT)



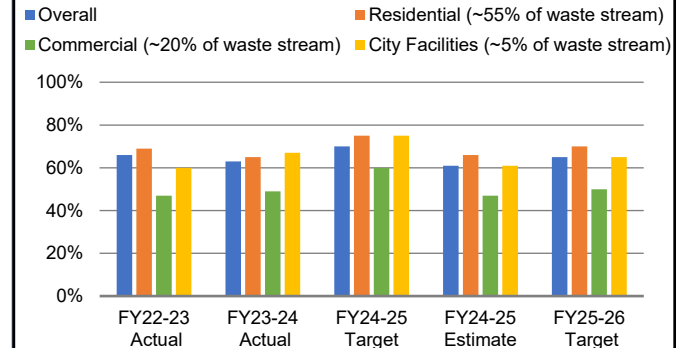
San José Clean Energy Power Mix

% of San Jose Clean Energy Power that is renewable and carbon-free (Energy)



Landfill Waste Diversion

% of waste diverted from landfills (State Goal: 50%) (ESD)



ENVIRONMENTAL AND UTILITY SERVICES

Budget Summary

Department	2024-2025 Adopted	2025-2026 Forecast	2025-2026 Proposed	% Change from Forecast
Environmental Services	\$477,301,990	\$486,730,910	\$502,353,497	3.2%
Transportation*	\$52,973,633	\$47,299,102	\$47,505,769	0.4%
Energy	\$528,595,676	\$454,616,454	\$455,361,151	0.2%
CSA Total	\$1,058,871,299	\$988,646,466	\$1,005,220,417	1.7%
Positions	811.99	810.99	812.99	0.2%

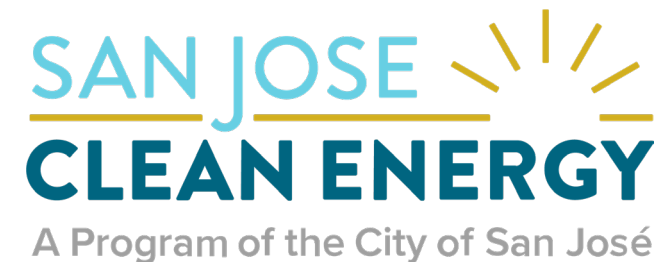
* The Transportation Department has additional funding budgeted in the Transportation and Aviation Services City Service Area.

ENVIRONMENTAL AND UTILITY SERVICES

2025-2026 PRIORITIES / SERVICE DELIVERY



- Lead on climate action through policies, measures, and programs that reduce greenhouse gases, provide clean power, and ensure an adequate long-term water supply
- Manage the City's wastewater, stormwater, recycled water, and potable water utility infrastructure in compliance with regulatory requirements
- Manage programs to collect, process, recycle, compost, and dispose of solid waste to maximize diversion from landfills at competitive rates
- Provide residents and businesses with carbon-free energy options at competitive rates



ENVIRONMENTAL AND UTILITY SERVICES

Proposed Budget Actions

Proposal Title	Amount	Previously Funded One-Time?
Dewatering Facility Electrical Costs	\$7,500,000	Y
Chemical Costs Increase	\$1,864,000	
Contamination and Recycling Tagging Project	\$461,171	
Storm Drain Inlet Marking	\$246,500*	
Energy Regulatory Policy and Compliance Staffing	\$283,427	
Energy Risk Management Staffing	\$164,348	



*The sum of the Transportation Department and the Environmental Services Department's Storm Drain Inlet Marking proposals.

ENVIRONMENTAL AND UTILITY SERVICES LOOKING AHEAD



- Focus on delivering exceptional, cost-effective utilities
- Compliance with updated regulations for the sanitary and storm sewer collection systems, potable and recycled water, energy, and Regional Wastewater Facility
 - Stormwater NPDES Permit will continue to drive multi-departmental effort to address trash and illicit discharges into receiving waterways
 - Nutrients Permit will require reduced ammonia discharges and updates to infrastructure and treatment process
 - Pending regulations on Constituents of Emerging Concern (CECs) including PFAS
 - The PUC has reopened the PCIA rulemaking proceedings, which may have a significant financial impact on SJCE

ENVIRONMENTAL AND UTILITY SERVICES (EUS) CITY SERVICE AREA 2025-2026 PROPOSED OPERATING BUDGET

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