

**Water Utility Capital Fund****Fund 500****PURPOSE OF THE FUND:**

The purpose of the Water Utility Capital Fund is to ensure reliable utility infrastructure for the San José Municipal Water System in accordance with the Water Utility System Capital Program with the intent to provide superior water service at competitive rates. The fund supports the acquisition, construction, and installation of water system capital improvements.

**AUTHORITY FOR THE FUND:**

San José Municipal Code sections 4.80.600 through 4.80.630. Revenue and expenditure estimates are budgeted via Council funding sources resolution and appropriation ordinance, respectively.

**SOURCE OF FUNDS:**

- Transfer from Water Utility Fund
- Developer fees
- Interest earnings

**FUND RESTRICTIONS:**

The restrictions on the revenue that is transferred from the Water Utility Fund to the Water Utility Capital Fund are set forth in Part 12 of Chapter 4.80 of Title 4 of the San José Municipal Code.

Notice of rate increases should be provided in accordance with State Proposition 218 requirements. Use of developer fee revenue that is credited to the Water Utility Capital Fund is subject to the limitations of Government Code Section 66013, including the requirement that interest earned on such fee revenue shall be credited to and expended for the uses for which the fees were collected.

**LEAD RESPONSIBILITY:**

Environmental Services Department

**FINANCIAL INFORMATION AND LOCATION:****Comprehensive Annual Financial Report (CAFR) Designation:**

Government Fund-Special Revenue

**Budget Location:**

Adopted Capital Budget and Capital Improvement Program (Water Utility System Capital Program)

**Funding Sources Resolution and Appropriation Ordinance Location:**

Section 11.02