

RESOLUTIONS

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 19-33

ESTABLISHING LAND USE CATEGORIES, CONFIRMING A LEVY OF BENEFIT ASSESSMENTS TO MEET DULY AUTHORIZED DEBT OBLIGATIONS FOR FISCAL YEAR 2019-2020 IN FLOOD CONTROL ZONES OF SANTA CLARA VALLEY WATER DISTRICT, IN ACCORDANCE WITH RESOLUTION NOS. 86-54, 86-55, 86-56, 86-57, AND 90-7, AND AUTHORIZING A PROCEDURE FOR CORRECTING ASSESSMENTS

BE IT RESOLVED, by the Board of Directors of the Santa Clara Valley Water District (Valley Water) as follows:

FIRST: In accordance with the requirements of law and of the terms of Valley Water Resolutions 86-54, 86-55, 86-56, 86-57, and 90-7, the Chief Executive Officer (CEO) of Valley Water has caused a written report to be prepared and filed for the fiscal year 2019-20, setting forth the annual amounts to be collected through benefit assessment rates in each established flood control zone of Valley Water, pursuant to a voter-approved program.

SECOND: Upon receiving and filing the report, the Clerk of the Board gave notice of a hearing on the same by posting at least three copies of the notice in each established flood control zone of Valley Water and by publication pursuant to Section 6066 of the Government Code.

THIRD: The Board, having heard the matter as scheduled or as postponed or duly continued, does hereby:

- A. Fix and establish land use categories for each parcel of land to be assessed in Valley Water as follows:
- Group A: Land used for commercial or industrial purposes.
 - Group B: Land used for apartments or institutional purposes such as churches and schools.
 - Group C: The first 0.25 acre of a parcel of land used for single- and multiple-family residences up to four units, and each townhouse or condominium unit in a complex.
 - Group D:
 - (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses, and similar uses.
 - (2) The portion of land, if any, in excess of 0.25 acre of a parcel used for single-family residential purposes.
 - Group E: Vacant, undisturbed land (1) in urban areas and (2) in rural areas including dry farmland, grazing and pastureland, forest and brushland, salt ponds, and parcels used exclusively as well sites.

Establishing Land Use Categories, Confirming a Levy of Benefit Assessments to Meet Duly Authorized Debt Obligations for Fiscal Year 2019-2020 in Flood Control Zones of Santa Clara Valley Water District, in Accordance With Resolution Nos. 86-54, 86-55, 86-56, 86-57, and 90-7, and Authorizing a Procedure for Correcting Assessments

Resolution No. 19- 33

- B. Levy, fix, and establish flood control benefit assessments for fiscal year 2019–20 commencing July 1, 2019, and ending June 30, 2020, on each parcel of real property in each established flood control zone of Valley Water, at the benefit assessment rates and minimum charges for each of the established land use categories to raise sufficient proceeds to meet duly authorized debt obligations of each flood control zone as follows:

**FLOOD CONTROL BENEFIT ASSESSMENTS
TO BE COLLECTED IN 2019–2020**

| Flood Control Zone | Debt Obligation |
|--------------------|-----------------|
| Northwest | \$2,731,842 |
| North Central | \$2,277,595 |
| Central | \$4,598,761 |
| East | \$3,972,283 |
| South | \$0 |

- C. The actual 2019-2020 rates shall be determined by the CEO or her designee, once updated parcel land use and area information is received from the Santa Clara County Assessor’s Office. These rates shall be used to prepare the benefit assessments for each parcel and shall be submitted to the Santa Clara County Tax Collector for collection.

FOURTH: Benefit assessments found to be in error and that result in an over assessment to property owners may be corrected by a check or checks drawn upon the appropriate Benefit Assessment Fund upon approval by the Chief Financial Officer and pursuant to procedures approved by Valley Water’s CEO and the District Counsel.

FIFTH: Paragraph D of the SECOND section of Resolutions 86-54, 86-55, 86-56, 86-57, and 90-7 are hereby amended to provide as follows:

Upon receiving and filing the report the Clerk of the Board shall fix a time, date and place for a hearing on the report, preceded by notice published pursuant to Section 6066 of the California Government Code and by posting the notice as provided by law.

SIXTH: The Clerk of the Board shall file certified copies of this resolution with both the Tax Roll Control Office of County of Santa Clara and with the Recorder of said County.

Resolutions

Establishing Land Use Categories, Confirming a Levy of Benefit Assessments to Meet Duly Authorized Debt Obligations for Fiscal Year 2019-2020 in Flood Control Zones of Santa Clara Valley Water District, in Accordance With Resolution Nos. 86-54, 86-55, 86-56, 86-57, and 90-7, and Authorizing a Procedure for Correcting Assessments

Resolution No. 19- 33

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 14, 2019:

AYES: Directors R. Santos, J. Varela, T. Estremera, N. Hsuen, B. Keegan,
G. Kremen, L. LeZotte
NOES: Directors None
ABSENT: Directors None
ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT



LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC



MICHELE L. KING
Clerk, Board of Directors

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 19-34

APPROVING FISCAL YEARS 2020–2024 FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

WHEREAS, the Santa Clara Valley Water District (Valley Water) has determined that it is in its best interest to prepare a Five-Year Capital Improvement Program (CIP) and to have it reviewed by the County and cities having land use jurisdiction within Santa Clara County; and

WHEREAS, the Board of Directors of Valley Water was presented with a draft Fiscal Years (FY) 2020–2024 Five-Year CIP on February 26, 2019; and

WHEREAS, the draft CIP was transmitted to the cities and towns in Santa Clara County and to the County of Santa Clara for their review on March 20, 2019, and Valley Water staff is conducting subsequent meetings regarding the Draft CIP with most of these agencies; and

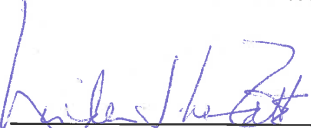
WHEREAS, on April 24, and May 14, 2019, Valley Water conducted a public hearing for purposes of receiving input with regard to the draft FY 2020–24 Five-Year CIP, and considered the inclusion of appropriate comments as input to the FY 2021–25 Five-Year CIP.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District does hereby approve the FY 2020–24 Five-Year Capital Improvement Program.


PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 14, 2019:

| | | |
|----------|-----------|--|
| AYES: | Directors | T. Estremera, R. Santos, N. Hsueh, B. Keegan, G. Kremen, J. Varela, L. LeZotte |
| NOES: | Directors | None |
| ABSENT: | Directors | None |
| ABSTAIN: | Directors | None |

SANTA CLARA VALLEY WATER DISTRICT

By: 
LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC


Michele L. King
Clerk, Board of Directors

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 19-35

**PROVIDING FOR LEVY OF THE SPECIAL TAX PURSUANT TO
THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION MEASURE IN THE
COMBINED FLOOD CONTROL ZONE OF THE SANTA CLARA VALLEY WATER DISTRICT
AND AUTHORIZING A PROCEDURE FOR CORRECTING SPECIAL TAX AMOUNTS
FOR FISCAL YEAR 2019-2020**

WHEREAS, the Santa Clara Valley Water District (Valley Water) owns property and builds, operates and maintains infrastructure in Santa Clara County to: ensure a safe, reliable water supply for the future; reduce toxins, hazards and contaminants, such as mercury and pharmaceuticals, in our waterways; protect our water supply and local dams from the impacts of earthquakes and natural disasters; restore fish, bird and wildlife habitat, and provide open space access; and provide flood protection to homes, business, schools, streets and highways; and

WHEREAS, more than two-thirds of the electors voting in the Santa Clara County did favor a special tax measure in the November 6, 2012, General Election thereby approving the special tax specified in Resolution No. 12-62 for designated purposes.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District (Board) as follows:

FIRST: The Chief Executive Officer (CEO) of Valley Water has directed a summary report to be prepared for fiscal year July 1, 2019, through June 30, 2020, that includes the proposed special tax rates for that year ("Report"), and presented that Report on May 14, 2019, as an attachment to an agenda memorandum with the subject "Safe, Clean Water and Natural Flood Protection Special Tax Summary Report and Resolution Setting the Special Tax Rates for Fiscal Year 2019-2020 (FY 2019-20)."

SECOND: A special tax is hereby levied on each parcel of real property in the Combined Zone consisting of the aggregate metes and bounds of District Zones One, Two, Three, Four, and Five as presently existing ("Combined Zone") for the purposes stated in the Report, and as authorized according to the minimums and methods described in this resolution. Except for the minimum special tax as hereinafter indicated, the special tax for each parcel of real property in the Combined Zone is computed by determining that parcel's area in acres or fractions thereof, its land use category (as hereinafter defined) and then multiplying the area by the special tax rate applicable to land in such land use category. A minimum special tax shall be levied on each parcel of real property having a land area up to: (i) 0.25 acre for Groups A, B, and C; and (ii) up to 10 acres for Groups D and E Urban. For Group E Rural, the minimum special tax shall be that as calculated for the E Urban category, but shall apply to parcels of 80 acres or less. A minimum special tax shall be levied in Group B per unit for condominiums and townhouses without regard to parcel size.

Resolutions

Providing for Levy of the Special Tax Pursuant to the Safe, Clean Water and Natural Flood Protection Measure in the Combined Flood Control Zone of the Santa Clara Valley Water District and Authorizing a Procedure for Correcting Special Tax Amounts for Fiscal Year 2019-2020

Resolution No. 19-35

THIRD: Special tax rates for land use categories for each parcel of land in the Combined Zone are defined and established as follows:

- Group A: Land used for commercial or industrial purposes: \$541.61 per acre, \$135.39 minimum for parcels up to 0.25 acre.
- Group B: Land used for institutional purposes such as churches and schools or multiple dwellings in excess of four units, including (1) apartment complexes, mobile home parks, and recreational vehicle parks: \$406.20 per acre, \$101.55 minimum for parcels up to 0.25 acre; and (2) condominiums and townhouses: \$32.95 per unit.
- Group C: Parcels up to 0.25 acre used for single-family residences and multiple-family units up to four units: \$67.67. The first 0.25 acre of a parcel of land used for single-family residential purposes: \$67.67.
- Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses and similar uses: \$3.47 per acre, \$34.70 minimum on parcels less than 10 acres. (2) The portion of a parcel, if any, in excess of 0.25 acre used for single-family residential purposes: \$3.47 per acre.
- Group E: Vacant undisturbed land (1) in urban areas: \$1.02 per acre, \$10.23 minimum on parcels less than 10 acres; and (2) in rural areas: \$0.13 per acre, with a \$10.23 minimum.
- Group F: Parcels used exclusively as well sites for residential uses are exempt from the special tax.

Parcels owned by federal, state, or local government agencies are exempt from this special tax.

FOURTH: Valley Water will provide an exemption from the special tax for low-income owner-occupied residential properties for taxpayer-owners 65 years of age or older as follows:

Residential parcels where the total annual household income does not exceed 75 percent of the latest available figure for state median income at the time the annual tax is set, and where such parcel is owned and occupied by at least one person who is aged 65 years or older, shall be exempt from the applicable special tax for fiscal year 2019-2020 upon requesting such exemption from Valley Water prior to or during fiscal year 2019-2020. Granting similar exemptions for fiscal years beyond Fiscal Year 2019-2020 will be made at the discretion of the Board.

Resolutions

Providing for Levy of the Special Tax Pursuant to the Safe, Clean Water and Natural Flood Protection Measure in the Combined Flood Control Zone of the Santa Clara Valley Water District and Authorizing a Procedure for Correcting Special Tax Amounts for Fiscal Year 2019-2020

Resolution No. 19-35

FIFTH: Any special tax amount found to be in error and that results in an overstatement of tax to a property owner may be corrected by a check or checks drawn upon the Safe, Clean Water and Natural Flood Protection Fund upon approval by the Valley Water Chief Financial Officer and pursuant to procedures approved by Valley Water's CEO and District Counsel.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 14, 2019.

| | | |
|----------|-----------|--|
| AYES: | Directors | N. Hsueh, R. Santos, T. Estremera, B. Keegan, G. Kremen, J. Varela, L. LeZotte |
| NOES: | Directors | None |
| ABSENT: | Directors | None |
| ABSTAIN: | Directors | None |

SANTA CLARA VALLEY WATER DISTRICT

By: 
LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC


Clerk, Board of Directors

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 19-36

**DETERMINING GROUNDWATER PRODUCTION CHARGES
FOR FISCAL YEAR 2019–2020**

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (Valley Water) does find and declare as follows:

1. That pursuant to Section 26.5 of the Santa Clara Valley Water District Act (“District Act”), a written report detailing Valley Water’s activities in the protection and augmentation of the water supplies of Valley Water, has been prepared including: a financial analysis of Valley Water’s water utility system, information as to the present and future water requirements of Valley Water, the water supply available to Valley Water, and future capital improvements and maintenance and operating requirements, a method of financing such requirements, a recommendation as to whether or not the groundwater production charge should continue to be levied in any zone or zones of Valley Water during the ensuing fiscal year and, a proposal of a rate per acre-foot for agricultural water and a rate per acre-foot for all water other than agricultural water for Zones W2 and W5;
2. That on the 22nd day of February 2019, said report was duly delivered to the Clerk of the Valley Water Board;
3. That the Clerk, pursuant to Section 26.6 of the District Act, gave due notice of the receipt of the report and of a public hearing to be held commencing on the 9th day of April 2019, at Valley Water at the address and at the time stated;
4. That on February 22, 2019, written notice was mailed to all owners and operators of water-producing facilities within Valley Water’s boundaries, advising of the proposed groundwater production charge rates to be levied, and of the opportunities to be heard concerning such charges;
5. That pursuant to Section 26.6 of the District Act, on the 9th day of April 2019, at 1 p.m. in the Santa Clara Valley Water District Boardroom located at 5700 Almaden Expressway, San Jose, an opportunity for the public to comment upon said report was duly commenced and was continued for further hearing to the evening of April 11, 2019 (in Morgan Hill) and again to the evening of April 23, 2019 (in San Jose), whereupon the hearing was concluded, more than 45 days after notice of the hearing was given;
6. That during said public hearing, additional information and evidence was provided that was considered by the Board in making its decision on groundwater production charges, and the public and all persons subject to groundwater production charges were invited to speak or present written comments at each session of the hearing;
7. That the charges established by this resolution are for the purpose of paying the cost of constructing, maintaining and operating facilities to import water into Valley Water, paying the cost of purchasing imported water, paying the cost of constructing, maintaining and operating facilities for groundwater recharge, surface distribution, and the purification and treatment of water, and paying the principal and interest of any

Determining Groundwater Production Charges for Fiscal Year 2019–2020

Resolution No. 19- 36

bonded indebtedness or other financial obligations of Valley Water incurred for those purposes;

8. That this Board considered all comments objecting to the proposed groundwater production charge increases for Zones W-2 and W-5.;
9. That this Board, based on the whole record before it, finds that the revenues derived from the groundwater production charges will not exceed the funds required to provide services to Zones W-2 and W-5, as authorized under the District Act, and that the amount levied does not and will not exceed the proportional cost of service; and
10. That the California Environmental Quality Act does not apply to approval of these charges pursuant to the statutory exemption set forth in California Code of Regulations Title 14, Chapter 3, Section 15273, because, as identified in Valley Water’s annual report on the protection and augmentation of the water supplies of Valley Water, the charges are expressly made for the purpose of:
 - a. Meeting operating expenses, including employee wage rates and fringe benefits,
 - b. Purchasing or leasing supplies, equipment or materials,
 - c. Meeting financial reserve needs, and
 - d. Obtaining funds for capital projects necessary to maintain service within existing service areas.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

FIRST: Valley Water activities in the geographic area identified as Zone W-2 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; and Valley Water activities in the geographic area of Valley Water identified as Zone W-5 benefit said zone and those who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone. Revenues derived from groundwater production charges shall be used only for such activities as authorized under the District Act.

SECOND: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2018–2019 groundwater production charges per acre-foot for agricultural water and water other than agricultural water should be extended and increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-2 of Valley Water for fiscal year 2019–2020 (July 1, 2019–June 30, 2020) at the following per acre-foot rates:

| Water Other Than Agricultural | Agricultural Water |
|----------------------------------|--------------------|
| \$1,374.00 | \$28.86 |

Resolutions

Determining Groundwater Production Charges for Fiscal Year 2019–2020

Resolution No. 19- 36

THIRD: Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2018–2019 groundwater production charges per acre-foot for agricultural water and water other than agricultural water should be extended and increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-5 of Valley Water for fiscal year 2019–2020 (July 1, 2019–June 30, 2020) at the following per acre-foot rates:

| Water Other Than Agricultural | Agricultural Water |
|----------------------------------|--------------------|
| \$481.00 | \$28.86 |

FOURTH: Notice of the setting of groundwater production charges in the identified rates shall be given as provided in Section 26.8 of the District Act.

FIFTH: The groundwater production charges set forth in this resolution shall be in effect until subsequent action of this Board modifying them.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 14, 2019:


AYES: Directors T. Estremera, N. Hsueh, B. Keegan, G. Kremen, R. Santos, J. Varela, L. LeZotte

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: 
LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC


Clerk, Board of Directors

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 19-37

**DETERMINING SURFACE WATER, TREATED WATER, AND SOUTH COUNTY
RECYCLED WATER CHARGES FOR FISCAL YEAR 2019–2020**

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (Valley Water) does find and declare as follows:

1. That pursuant to Section 26.5 of the Santa Clara Valley Water District Act (“District Act”), a written report detailing Valley Water’s activities in the protection and augmentation of the water supplies of Valley Water, including a recommendation as to charges for surface water that should be imposed in any Zones W-2 and W-5 of Valley Water during the ensuing fiscal year;
2. That on February 22, 2019, written notice was mailed to all owners and operators of water-producing facilities within Valley Water’s boundaries, advising of the proposed raw surface water charge rates to be levied, and of the opportunities to be heard concerning such charges, including the right to file a written protest objecting to any applicable proposed increase;
3. That pursuant to Section 26.6 of the District Act, on the 9th day of April 2019, at 1 p.m. in the Valley Water Boardroom located at 5700 Almaden Expressway, San Jose, a public hearing upon said report was duly commenced and was continued for further hearing to the evening of April 11, 2019 (in Morgan Hill) and again to the evening of April 23, 2019 (in San Jose), whereupon the hearing was concluded;
4. That during said public hearing, additional information and evidence was provided that was considered by the Board in making this decision;
5. That the charges established by this resolution are for the purpose of paying the cost of constructing, maintaining and operating facilities to import water into Valley Water, paying the cost of purchasing imported water, paying the cost of constructing, maintaining and operating facilities for groundwater recharge, surface distribution, and the purification and treatment of water, and paying the principal and interest of any bonded indebtedness or other financial obligations of Valley Water incurred for those purposes;
6. The record owners of water producing facilities were given the opportunity to file a written protest objecting to the proposed raw surface water charge increase;
7. That this Board considered all protests objecting to the proposed raw surface water charge increases for Zones W-2 and W-5, respectively, and after the close of the hearing determined that written protests were not received from more than 50 percent of the record owners of surface water facilities in either Zone W2 or Zone W5; and
8. That the California Environmental Quality Act does not apply to approval of these charges pursuant to statutory exemption California Code of Regulations Title 14, Chapter 3, Section 15273, because, as identified in Valley Water’s annual report on the

Resolutions

Determining Surface Water, Treated Water, and South County Recycled Water Charges for Fiscal Year 2019–2020

Resolution No. 19-37

protection and augmentation of the water supplies of Valley Water, the charges are expressly made for the purpose of:

- a. Meeting operating expenses, including employee wage rates and fringe benefits,
- b. Purchasing or leasing supplies, equipment or materials,
- c. Meeting financial reserve needs, and
- d. Obtaining funds for capital projects necessary to maintain service within existing service areas.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that, subject to the provisions of a minimum charge as set forth in Item 5 below, the charges to be applied in fiscal year 2019–2020 (July 1, 2019–June 30, 2020) for surface-delivered water of Valley Water, for Valley Water watermaster service and, where applicable for capital cost repayment, and the area within which such charges shall be applied will be as follows:

1. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-2 is:

| Water Other Than Agricultural | Agricultural Water |
|----------------------------------|--------------------|
| \$1,374.00 | \$28.86 |

2. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-5 is:

| Water Other Than Agricultural | Agricultural Water |
|----------------------------------|--------------------|
| \$481.00 | \$28.86 |

3. The charge for watermaster service throughout Valley Water whether such service is for agricultural water or for water other than agricultural water shall be \$37.50 per acre-foot;
4. The minimum charge for water other than agricultural water in Zone W-2 shall be \$1,030.50 per fiscal year or part thereof, and in Zone W-5 shall be \$360.75 per fiscal year or part thereof;
5. The minimum charge for agricultural water in Zone W-2 shall be \$21.65 per fiscal year or part thereof, and in Zone W-5 shall be \$21.65 per fiscal year or part thereof; and
6. Charges (including minimum charges) per acre-foot for surface water delivered to users in Valley Water outside of either Zone W-2 or Zone W-5 shall be the same as those imposed within the zone to which the user's turnout is most nearly located.

Resolutions

Determining Surface Water, Treated Water, and South County Recycled Water Charges for Fiscal Year 2019–2020

Resolution No. 19- 37

BE IT FURTHER RESOLVED that upon due review of anticipated costs and revenues of Valley Water, the following rate schedule in dollars per acre-foot for the delivery of treated water is hereby established as the Contract Treated Water Charge, which is comprised of the Basic User Charge and the Treated Water Surcharge for the 2019–2020 fiscal year (July 1, 2019–June 30, 2020):

| Charge | Amount |
|-------------------------------|---------------|
| Basic User Charge | \$1,374.00 |
| Treated Water Surcharge | <u>100.00</u> |
| Contract Treated Water Charge | \$1,474.00 |


BE IT FURTHER RESOLVED that the price to be charged per acre-foot for recycled water from the South County Regional Wastewater Authority Facility at Gilroy shall be the following for the 2019–2020 fiscal year (July 1, 2019–June 30, 2020):

| Water Other Than Agricultural | Agricultural Water |
|----------------------------------|--------------------|
| \$461.00 | \$56.26 |

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 14, 2019.

AYES: Directors T. Estremera, N. Hsueh, B. Keegan, G. Kremen, R. Santos,
J. Varela, L. LeZotte
NOES: Directors None
ABSENT: Directors None
ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: 
LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC


Clerk, Board of Directors

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 19-38

**APPROVING AND ADOPTING THE OPERATING AND CAPITAL BUDGET
FOR FISCAL YEAR 2019–2020**

WHEREAS, on April 24, 2019, the Board of Directors of the Santa Clara Valley Water District (Valley Water) held its annual budget work study sessions to review and consider the Proposed Operating and Capital Budget (Budget) for Fiscal Year (FY) 2019–20; and

WHEREAS, such budget work study sessions were open to the general public to appear and be heard regarding any item of the proposed budget or for the inclusion of additional items; and

WHEREAS, Section 20 of the District Act requires that after conclusion of the public meeting(s) to hear general public comments on the proposed budget, the Board shall by resolution adopt the budget as finally determined including any revisions that the Board determines advisable during or after the meeting(s) and not later than June 30 of each year; and

WHEREAS, the Budget for FY 2019–20 was developed in accordance with the Board's Executive Limitations EL-4 that the Valley Water's financial planning for any fiscal year shall be aligned with the Board's Ends, not risk fiscal jeopardy, and be derived from a multi-year plan; and

WHEREAS, the Board was provided a comprehensive overview of the budget development process and assumptions, Valley Water-wide financial review and a presentation of fund and business area financial allocations in the Proposed Budget for FY 2019–20; and

WHEREAS, the Board of Directors has previously created the following Special Purpose Funds (as such term is defined in Resolution 16-10, adopted on February 23, 2016): San Felipe Emergency Reserve, Silicon Valley Advanced Water Purification Center Reserve, Supplemental Water Supply Reserve, Drought Reserve, and P3.Reserve; and

WHEREAS, the Board was provided assurance that the Proposed Budget for FY 2019–20 meets Board priorities, realizes efficiencies and cost savings, demonstrates fiscal accountability and value to customers, is balanced and helps ensure future financial sustainability.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of Valley Water that the Budget for FY 2019–20, plus any changes or modifications made at the time of adoption, and including the terms of this Resolution, is hereby approved and adopted; and

BE IT FURTHER RESOLVED that the total appropriations approved by the Board of Directors, which include all operating and capital outlays, debt service payments and interfund transfers, and budgeted reserves, are limited within each fund as follows (plus any changes or modifications made at the time of adoption):

Resolutions

Approving and Adopting the Operating and Capital Budget for Fiscal Year 2019–2020
Resolution No. 19-38

FY 2019-20 Operating, Capital, and Interfund Transfer Budget

| | |
|---|----------------|
| 1. District General Fund (11) | \$ 62,016,126 |
| 2. Watershed and Stream Stewardship Fund (12) | \$ 108,262,990 |
| 3. Lower Peninsula Watershed Fund (21) | \$ 2,704,524 |
| 4. West Valley Watershed Fund (22) | \$ 2,254,819 |
| 5. Guadalupe Watershed (23) | \$ 4,552,774 |
| 6. Coyote Watershed Fund (24) | \$ 3,932,561 |
| 7. Safe, Clean Water and Natural Flood Protection Fund (26) | \$ 54,378,770 |
| 8. Water Enterprise Fund (61) | \$ 339,615,809 |
| 9. State Water Project Fund (63) | \$ 25,067,582 |
| 10. Fleet Management Fund (71) | \$ 6,969,872 |
| 11. Risk Insurance Fund (72) | \$ 5,760,064 |
| 12. Information Technology Fund (73) | \$ 21,169,921 |

FY 2019-20 Reserves Budget

| | |
|---|----------------|
| 1. District General Fund (11) | \$ 4,318,026 |
| 2. Watershed and Stream Stewardship Fund (12) | \$ 82,195,113 |
| 3. Safe, Clean Water and Natural Flood Protection Fund (26) | \$ 116,072,986 |
| 4. Water Enterprise Fund (61) | \$ 117,979,874 |
| 5. State Water Project Fund (63) | \$ 4,815,690 |
| 6. Fleet Management Fund (71) | \$ 1,105,855 |
| 7. Risk Insurance Fund (72) | \$ 13,147,912 |
| 8. Information Technology Fund (73) | \$ 3,246,270 |

BE IT FURTHER RESOLVED, that:

1. Any subsequent changes to the Adopted Valley Water FY 2019–20 Operating, Capital and Interfund Transfer Budget shall occur as follows:
 - (a) By Valley Water Board of Directors action for all budget adjustments that either increase or decrease a fund's total operating, capital, or interfund transfer budget or reserve appropriations.
 - (b) By Valley Water Board of Directors action for all budget adjustments between capital projects within a fund that exceed \$100,000 per project within the fiscal year.
 - (c) Delegation of authority is hereby conferred to the Chief Executive Officer (CEO), or his/her designee to approve budget transfers from the Supplemental Water Supply Reserve for amounts not to exceed 20% of the annual imported water purchases budget. The CEO shall inform the Board of any such budget transfers on a timely basis.
 - (d) By the Chief Executive Officer (CEO), or his/her designee, for all other changes.
2. With the exception of those capital projects that have been closed or those related to capital program management and administrative services, any unexpended or unencumbered appropriation balances remaining at the end of FY 2018–19 for capital projects are hereby reappropriated to FY 2019–20 for continued use in those same projects, up to \$100,000 above the planned expenditure amounts for each project identified in the draft Five-Year CIP for FY 2019–20. The portion of the balances that are not reappropriated to FY 2019–20 will remain as designated reserves for Current

Resolutions

Approving and Adopting the Operating and Capital Budget for Fiscal Year 2019–2020
Resolution No. 19-38

Authorized Projects to be reappropriated in future years in accordance with the Five-Year CIP expenditure schedule.

3. Any variances at the end of FY 2019–20 in Committed Reserves, Restricted Reserves and Other Reserves from those estimated in this FY 2019–20 Budget not otherwise reappropriated above shall result in corresponding adjustments to the FY 2019–20 estimated reserve appropriations in accordance with the Valley Water Reserve Policy. These adjustments shall be made in the following order:
 - (a) First, to restore Restricted Reserves.
 - (b) Second, to restore Risk Fund Committed Reserves.
 - (c) Third, to restore other Committed Reserves excluding Operating and Capital Reserves.
 - (d) Fourth, to restore Operating and Capital Reserves.

4. If at the commencement of FY 2019–20, the appropriations applicable to that year have not been finally determined and adopted by the Board of Directors in accordance with the District Act, Valley Water shall proceed in accordance with the following authorizations:
 - (a) Except as otherwise provided in Section 4(b), the amounts set forth in the proposed budget for operating outlays, including existing debt service requirements, and capital outlays and the purposes therein specified, except funding for fixed assets, and residual equity transfers, are deemed appropriated until the final adoption of the budget by the Board of Directors.
 - (b) Funding for fixed assets and residual equity transfers are deemed appropriated until the adoption for the final budget if specifically approved by the Board of Directors.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 14, 2019:

AYES: Directors T. Estremera, R. Santos, N. Hsueh, B. Keegan, G. Kremen,
J. Varela, L. LeZotte

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: 

LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC


Clerk, Board of Directors

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 19-39

**PROVIDING FOR A LEVY OF AD VALOREM REAL PROPERTY TAXES
IN FISCAL YEAR 2019–2020 TO MEET THE COST OF ITS
WATER SUPPLY CONTRACT WITH THE STATE OF CALIFORNIA**

WHEREAS, the Santa Clara Valley Water District (Valley Water) incurs an annual indebtedness to the State of California (State) pursuant to its Water Supply Contract With The State Of California dated November 20, 1961 (State Water Supply Contract), and such indebtedness was approved by the voters prior to July 1, 1978 within the meaning of Article XIII A of the California Constitution; and

WHEREAS, Valley Water anticipates that its contractual indebtedness to the State under the State Water Supply Contract during the fiscal year beginning July 1, 2019 and ending June 30, 2020 (Fiscal Year 2019–20), will be at least \$18.0 million; and

WHEREAS, Section 11652 of the California Water Code requires the Valley Water Board of Directors (Board) to levy a tax sufficient to assure payment of sums due under Valley Water's Water Supply Contract; and

WHEREAS, Section 1(b) of Article XIII A of the California Constitution exempts ad valorem property tax levies to make payments upon indebtedness approved by the voters prior to July 1, 1978, from the limitation set forth in Section 1(a) of Article XIII A; and

WHEREAS, Valley Water's indebtedness from its Water Supply Contract falls within such exemption; and

WHEREAS, the District's Water Supply Contract is protected against impairment under the provisions of Article I, Section 10 of the Constitution of the United States and Article I, Section 9 of the California Constitution prohibiting the impairment of the obligation of contracts; and

WHEREAS, the Board, after reviewing and considering all the facts, information and reports provided by Valley Water staff, and information communicated to the Board during public meetings in which Valley Water's Fiscal Year 2019–20 budget and proposed increase of rates and charges were considered, has determined that it is necessary to raise the amounts hereinafter specified as an ad valorem real property tax, and that it is not practicable to raise said sums from water rates or other sources; and

WHEREAS, said ad valorem real property tax is consistent with Valley Water's past practice and is consistent with (Goodman v. County of Riverside (1983) 140 C.A. 3d quo), the approach of other water districts and agencies that maintain water supply contracts with the State.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

1. That said Board has determined that the amounts necessary to be raised by taxation during Valley Water's Fiscal Year 2019-20 to pay indebtedness approved by the voters prior to July 1, 1978, and/or for which a tax levy is required under Article I, Section 10 of

Resolutions

Providing for a Levy of Ad Valorem Real Property Taxes in District Fiscal Year 2019–20 to Meet the Cost of its Water Supply Contract With the State of California

Resolution 19-39

the United States Constitution and Article I, Section 9 of the California Constitution is \$18.0 million for payments on Valley Water's State Water Supply Contract dated November 20, 1961.

2. That consistent with the requirements of law and specifically within the limitations imposed by Article XIII A of the Constitution of the State of California there shall be levied in Fiscal Year 2019–20 an ad valorem real property tax within Valley Water, sufficient to raise the sum of \$18.0 million to meet that portion of Valley Water's Water Supply Contract obligation which may be lawfully so raised.
3. That the funds received by Valley Water pursuant to the aforementioned ad valorem tax levy shall be placed in a separate fund identified for the indebtedness set forth above.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 14, 2019:

AYES: Directors T. Estremera, R. Santos, N. Hsueh, B. Keegan, G. Kremen, J. Varela, L. LeZotte
NOES: Directors None
ABSENT: Directors None
ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: 

LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC


Clerk, Board of Directors

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 19-40

**DELEGATING AUTHORITY TO DEPOSIT AND INVEST FUNDS
TO THE TREASURER OR HIS OR HER DESIGNEE**

WHEREAS, the Board of Directors (Board) of the Santa Clara Valley Water District (District), in accordance with Executive Limitation 4.9, believes that public funds should be prudently invested or deposited consistent with applicable laws and the policies of the Board to produce revenue for the District; and

WHEREAS, from time to time, there are District funds available for the purpose of investment or deposit; and

WHEREAS, the Board of this District has, pursuant to the provisions of California Government Code Sections 53607 and 53608, determined to delegate to the Treasurer/Chief Financial Officer (CFO), designated by the Chief Executive Officer (CEO), authority to invest or deposit such funds in accordance with the provisions of the Government Code; and

WHEREAS, it will be more convenient in the handling of said bonds or other securities so purchased that they be kept in safekeeping by said banks while they are the property of this District.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that the Treasurer/Chief Financial Officer, designated by the CEO, pursuant to California Government Code Sections 53607 and 53608, is hereby authorized to invest, deposit, or deposit for safekeeping, as far as possible, all money belonging to, or in the custody of, the District pursuant to the Title 5, Division 2, Part 1, Chapter 4, Articles 1 and 2 of the Government Code, as amended from time to time and as directed by the policies of the Board.

BE IT FURTHER RESOLVED that the Treasurer and his or her designee (the Treasury and Debt Officer) be and are hereby authorized to invest in permissible investments, or to deposit in interest-bearing accounts with authorized financial institutions, funds in a sinking fund or funds of this District from any of the various accounts of this District when such funds will not be needed for the immediate necessities of the District.

BE IT FURTHER RESOLVED that the resolution shall be effective for fiscal year 2019-20, and shall be reconsidered by the Board at a public meeting annually.

Resolutions

Delegating Authority to Deposit and Invest Funds to the Treasurer or His or Her Designee
Resolution No. 19-40

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 14, 2019:

| | | |
|----------|-----------|--|
| AYES: | Directors | R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen, J. Varela, L. LeZotte |
| NOES: | Directors | None |
| ABSENT: | Directors | None |
| ABSTAIN: | Directors | None |

SANTA CLARA VALLEY WATER DISTRICT

By: 

LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC


MICHELE L. KING
Clerk, Board of Directors

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 19-44

AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE AND A TAXABLE TAX AND REVENUE ANTICIPATION NOTE TO SUPPORT A COMMERCIAL PAPER PROGRAM IN A COMBINED AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$150 MILLION

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (“Valley Water”), a flood control and water district duly organized and existing under and pursuant to the Constitution and laws of the State of California (“State”), has previously undertaken a commercial paper program; and

WHEREAS, in order to continue the commercial paper program, Valley Water has determined to issue in fiscal year 2019-2020 tax-exempt tax and revenue anticipation notes (“Tax-Exempt Notes”) and taxable tax and revenue anticipation notes (the “Taxable Notes,” and together with the Tax-Exempt Notes, the “Notes”) in a combined aggregate principal amount not to exceed \$365,000,000 pursuant to Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5, of the California Government Code on the terms set forth herein.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District:

SECTION 1. DEFINITIONS

Unless the context otherwise requires, the terms defined in this Section have the meanings herein specified.

“Authorizing Law” means Article 7.6, Chapter 4, Part 1, Division 2, Title 5, of the California Government Code.

“Bonds” means all revenue bonds or notes of Valley Water authorized, executed, issued and delivered by Valley Water, which are secured by a pledge of and lien on the Water Utility System Revenues in accordance with Section 2.1 and are payable from Net Water Utility System Revenues in accordance with Section 2.2(d) of the Master Resolution.

“Chief Executive Officer” means the duly-appointed Chief Executive Officer or any duly appointed Interim Chief Executive Officer of Valley Water.

“Chief Financial Officer” means the duly-appointed Chief Financial Officer or any duly appointed Interim Chief Financial Officer of Valley Water.

“Code” means the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder.

Resolutions

Authorizing the Execution and Delivery of a Tax-Exempt Tax and Revenue Anticipation Note and a Taxable Tax and Revenue Anticipation Note to Support a Commercial Paper Program in a Combined Aggregate Principal Amount Not to Exceed \$150 Million

Resolution No. 19-44

“Contract” means all installment purchase agreements or other contracts of Valley Water authorized and executed by Valley Water, which are secured by a pledge and lien on the Water Utility System Revenues in accordance with Section 2.1 and are payable from Net Water Utility System Revenues in accordance with Section 2.2(d) of the Master Resolution.

“Master Resolution” means the Water Utility Parity System Master Resolution No. 16-10 adopted by the Board of Directors of Valley Water on February 23, 2016.

“Net Water Utility System Revenues” has the meaning set forth in the Master Resolution.

“Notes” means the Tax-Exempt Notes and the Taxable Notes.

“Regulations” means the income tax regulations promulgated or proposed by the Department of the Treasury pursuant to the Code from time to time, including temporary regulations, to the extent applicable.

“Tax-Exempt Notes” means the Santa Clara Valley Water District 2019-2020 Tax-Exempt Tax and Revenue Anticipation Notes to be issued hereunder.

“Taxable Notes” means the Santa Clara Valley Water District 2019-2020 Taxable Tax and Revenue Anticipation Notes to be issued hereunder.

“Valley Water” means the Santa Clara Valley Water District.

SECTION 2. ISSUANCE OF THE NOTES; AMOUNT; TERMS; INTEREST RATE; PLACE OF PAYMENT; USE OF PROCEEDS

Pursuant to the Authorizing Law, the Tax-Exempt Notes and the Taxable Notes shall be issued in a combined aggregate principal amount not to exceed \$365,000,000, which when added to the interest payable thereon, will not exceed 85 percent of the estimated amount of the then uncollected taxes, income, revenue, cash receipts, and other moneys of Valley Water which will be available for the payment therefor. A certificate of the Chief Executive Officer or Chief Financial Officer certifying to such effect, in the form attached hereto as “Exhibit B,” shall be completed on or prior and as a condition to, the delivery of the Notes. The Tax-Exempt Notes shall be designated “Santa Clara Valley Water District 2019-2020 Tax-Exempt Tax and Revenue Anticipation Notes” and the Taxable Notes shall be designated “Santa Clara Valley Water District 2019-2020 Taxable Tax and Revenue Anticipation Notes.” The Notes shall be dated the date of issuance thereof. The Notes shall be payable at the office of Valley Water at such times and in such amounts as set forth in the respective Notes. The Notes shall mature and be payable no later than October 1, 2020. The Notes shall bear a rate of interest which shall be determined on the date of issuance of the commercial paper notes or other short-term obligations to which such Notes are pledged and shall be a rate which when multiplied by the principal amount of such Notes outstanding on such day will be equal to the interest accruing

Authorizing the Execution and Delivery of a Tax-Exempt Tax and Revenue Anticipation Note and a Taxable Tax and Revenue Anticipation Note to Support a Commercial Paper Program in a Combined Aggregate Principal Amount Not to Exceed \$150 Million

Resolution No. 19-44

with respect to the commercial paper or other short-term obligations to which such Notes are pledged outstanding on such date and shall be payable in accordance with the terms thereof. Each Note shall be prepayable in whole or in part on any day on which the commercial paper or other short-term obligations to which such Note is pledged is due and payable in the event that Valley Water declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of the Notes will be used for any Valley Water purpose including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

SECTION 3. EXECUTION OF THE NOTES

The Chief Executive Officer and Chief Financial Officer are hereby authorized and directed to sign the Notes, by such officer's manual, printed, lithographed or facsimile signatures.

SECTION 4. FORM OF THE NOTES

The Notes shall be issued in substantially the form set forth in "Exhibit A" attached hereto and incorporated herein and may be issued in typewritten form.

SECTION 5. PAYABLE FROM NET WATER UTILITY SYSTEM REVENUES

The obligation of Valley Water to make payments of principal of and interest on the Notes is a general obligation of Valley Water. Valley Water hereby pledges Net Water Utility System Revenues of Valley Water on a subordinate basis to all payment of Bonds and Contracts of Valley Water to additionally secure the payment of the principal of and interest on the Notes, all in accordance with the Master Resolution. The Notes do not constitute a debt of Valley Water or the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

SECTION 6. CERTIFIED COPIES

The Valley Water Clerk of the Board shall provide a certified copy of this document to the Chief Executive Officer who shall take such action as shall be necessary to assure compliance by Valley Water with the terms and conditions hereof.

SECTION 7. EFFECTIVE DATE

This resolution shall take effect immediately.

Resolutions

Authorizing the Execution and Delivery of a Tax-Exempt Tax and Revenue Anticipation Note and a Taxable Tax and Revenue Anticipation Note to Support a Commercial Paper Program in a Combined Aggregate Principal Amount Not to Exceed \$150 Million

Resolution No. 19-44

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 14, 2019:

| | | |
|----------|-----------|--|
| AYES: | Directors | R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen, J. Varela, L. LeZotte |
| NOES: | Directors | None |
| ABSENT: | Directors | None |
| ABSTAIN: | Directors | None |

SANTA CLARA VALLEY WATER DISTRICT

By: 
LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC


Clerk, Board of Directors

CLERK'S CERTIFICATE

STATE OF CALIFORNIA)
) SS
COUNTY OF SANTA CLARA)

I, Michele L. King, Clerk of the Board of Directors of Santa Clara Valley Water District ("Valley Water"), Santa Clara County, California, hereby certify as follows:

The foregoing is a full, true, and correct copy of a resolution duly adopted at a regular Valley Water Board of Directors meeting, duly and regularly and legally held at the regular meeting place thereof on May 14, 2019, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof were present.

At said meeting said resolution was adopted by the following vote:

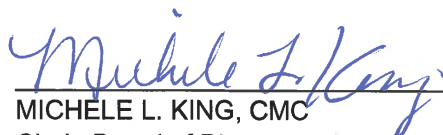
AYES: Directors R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen,
 J. Varela, L. LeZotte
NOES: Directors None
ABSENT: Directors None
ABSTAIN: Directors None

I have carefully compared the same with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true, and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified, or rescinded since the date of its adoption, and same is now in full force and effect.

Dated: May 14, 2019

SANTA CLARA VALLEY WATER DISTRICT

By: 
MICHELE L. KING, CMC
Clerk, Board of Directors

(Seal)

EXHIBIT A

SANTA CLARA VALLEY WATER DISTRICT 2019–2020 TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE

FOR VALUE RECEIVED, the Santa Clara Valley Water District (“Valley Water”) acknowledges itself indebted to and promises to pay to Santa Clara Valley Water District Public Facilities Financing Corporation (“Corporation”) \$175,000,000 in lawful money of the United States of America, on October 1, 2020, together with interest thereon at the offices of Valley Water in like lawful money from the date hereof until payment in full of said principal sum. Interest on this Note shall be determined on a daily basis and shall be a rate which when multiplied by the principal amount of this Note outstanding on such day will be equal to the interest accruing with respect to the commercial paper or other short-term obligations to which the Note is pledged outstanding on such day. Interest on this Note shall be payable on any date on which interest is payable with respect to the commercial paper or other short-term obligations to which this Note is pledged. This Note shall be prepayable in whole or in part on any day on which the Corporation notifies Valley Water that the principal with respect to the commercial paper or other short-term obligations to which this Note is pledged is due and payable in the event that Valley Water declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of this Note will be used for any Valley Water purpose including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

It is hereby certified, recited and declared that this Note is issued by authority of Article 7.6, Chapter 4, Part 1, Division 2, Title 5, of the California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of Valley Water, does not exceed any limit prescribed by the Constitution or laws of the State.

This Note shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by Valley Water for fiscal year 2019-2020 and which are lawfully available for the payment of current expenses and other obligations of Valley Water. The obligation of Valley Water to make payments of principal of and interest on this Note is a general obligation of Valley Water and is additionally payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts (as such terms are defined in the Resolution adopted by the Board of Directors of Valley Water on May 14, 2019 authorizing the issuance of this Note). This Note does not constitute a debt of Valley Water or of the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

Resolutions

IN WITNESS WHEREOF, the Santa Clara Valley Water District has caused this Note to be executed by the manual or facsimile signature of its Chief Executive Officer or Chief Financial Officer and the General Counsel or the General Counsel's designee, all as of July 1, 2019.

SANTA CLARA VALLEY WATER DISTRICT

By: 
Norma J. Camacho
Chief Executive Officer

APPROVED AS TO FORM:

By: 
Stanly T. Yamamoto
District Counsel

SANTA CLARA VALLEY WATER DISTRICT 2019–2020 TAXABLE TAX AND REVENUE ANTICIPATION NOTE

FOR VALUE RECEIVED, the Santa Clara Valley Water District (“Valley Water”) acknowledges itself indebted to and promises to pay to Santa Clara Valley Water District Public Facilities Financing Corporation (“Corporation”) \$190,000,000 in lawful money of the United States of America, on October 1, 2020, together with interest thereon at the offices of Valley Water in like lawful money from the date hereof until payment in full of said principal sum. Interest on this Note shall be determined on a daily basis and shall be a rate which when multiplied by the principal amount of this Note outstanding on such day will be equal to the interest accruing with respect to the commercial paper or other short-term obligations to which this Note is pledged outstanding on such day. Interest on this Note shall be payable on any date on which interest is payable with respect to the commercial paper or other short-term obligations to which this Note is pledged. This Note shall be prepayable in whole or in part on any day on which the Corporation notifies Valley Water that the principal with respect to the commercial paper or other short-term obligations to which this Note is pledged is due and payable in the event that Valley Water declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of this Note will be used for any Valley Water purpose including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of Valley Water.

It is hereby certified, recited and declared that this Note is issued by authority of Article 7.6, Chapter 4, Part 1, Division 2, Title 5, of the California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of Valley Water, does not exceed any limit prescribed by the Constitution or laws of the State.

This Note shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by Valley Water for fiscal year 2019-2020 and which are lawfully available for the payment of current expenses and other obligations of Valley Water. The obligation of Valley Water to make payments of principal of and interest on this Note is a general obligation of Valley Water and is additionally payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts (as such terms are defined in the Resolution adopted by the Board of Directors of Valley Water on May 14, 2019 authorizing the issuance of this Note). This Note does not constitute a debt of Valley Water or of the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

Resolutions

IN WITNESS WHEREOF, the Santa Clara Valley Water District has caused this Note to be executed by the manual or facsimile signature of its Chief Executive Officer or Chief Financial Officer, and the General Counsel or the General Counsel's designee, all as of July 1, 2019.

SANTA CLARA VALLEY WATER DISTRICT

By: 
Norma J. Camacho
Chief Executive Officer

APPROVED AS TO FORM:

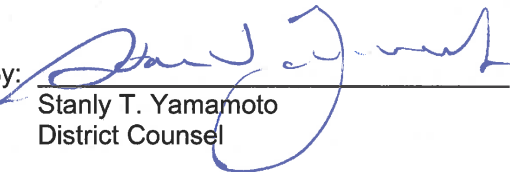
By: 
Stanly T. Yamamoto
District Counsel

EXHIBIT B

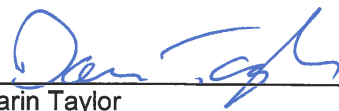
\$365,000,000
SANTA CLARA VALLEY WATER DISTRICT
2019–2020 TAX AND REVENUE ANTICIPATION NOTES
CALCULATION OF 85 PERCENT AMOUNT

Pursuant to the Authorizing Law, the Tax-Exempt Notes and the Taxable Notes shall be issued in a combined aggregate principal amount not to exceed \$365,000,000, which when added to the interest payable thereon, will not exceed 85 percent of the estimated amount of the then uncollected taxes, income, revenue, cash receipts, and other moneys of the Santa Clara Valley Water District (“Valley Water”), as determined by the following calculation:

| | |
|---|----------------------|
| FY 2019–20 Valley Water-wide Estimated Uncollected Taxes, Income, Revenue, Cash Receipts and Other Money ¹ (A) | <u>\$501,844,331</u> |
| FY 2019–20 Tax and Revenue Anticipation Notes: | |
| Principal Amount of the Notes ² | 365,000,000 |
| Interest on the Notes ³ | <u>55,845,000</u> |
| Total (B) | 420,845,000 |
| Percentage (B)/(A) | 83.86% |

Dated: July 1, 2019

SANTA CLARA VALLEY WATER DISTRICT

By: 
 Darin Taylor
 Chief Financial Officer

¹ Source: FY 2019-20 Preliminary Budget

² Up to \$175 million in Tax-Exempt Notes and \$190 million of Taxable Notes may be issued to support a Commercial Paper Program with a capacity to issue Commercial Paper certificates in a combined aggregate principal amount not to exceed \$150 Million

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 19-45

INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS FOR WATER UTILITY ENTERPRISE

WHEREAS, the Santa Clara Valley Water District (“Valley Water”) is a flood control and water district duly organized and existing under and pursuant to the Constitution and laws of the State of California; and

WHEREAS, the Board of Directors of Valley Water intends to finance the costs of acquiring certain public facilities and improvements, as provided in Exhibit A attached hereto and incorporated herein (collectively, “Project”); and

WHEREAS, Valley Water expects to finance the acquisition of the Project or portions of the Project with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (“Obligations”); and

WHEREAS, prior to the execution and delivery of the Obligations, Valley Water desires to incur certain expenditures with respect to the Project from available monies of Valley Water, which expenditures are desired to be reimbursed by Valley Water from a portion of the proceeds of the sale of the Obligations.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District does hereby find, determine, declare, and resolve as follows:

1. Valley Water hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the execution and delivery of the Obligations with proceeds of the Obligations. Exhibit A describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.
2. The reasonably expected maximum principal amount of the Obligations is \$152,808,184.
3. This resolution is being adopted on or prior to the date (“Expenditure Date or Dates”) that Valley Water will expend monies for the portion of the Project costs to be reimbursed from proceeds of the Obligations.
4. Except as described below, the expected date of execution and delivery of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, however, that the reimbursement may not be made more than three years after the original expenditure is paid.
5. Proceeds of the Obligations to be used to reimburse Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of Valley Water) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of Valley Water or any entity related in any manner to Valley Water, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

Resolutions

Intention to Issue Tax-Exempt Obligations for Water Utility Enterprise

Resolution No. 19-45

6. This resolution is consistent with the budgetary and financial circumstances of Valley Water as of the date hereof. No monies from sources other than the Obligation issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by Valley Water (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board of Directors is not aware of the previous adoption of official intents by Valley Water that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.
7. The limitations described in Section 3 and Section 4 of this Resolution do not apply to: (a) costs of issuance with respect to the Obligations; (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Obligations; or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.
8. This resolution is adopted as official action of Valley Water in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Valley Water expenditures incurred prior to the date of execution and delivery of the Obligations, is part of the Valley Water's official proceedings, and will be available for inspection by the general public at the main administrative office of Valley Water.
9. All the recitals in this Resolution are true and correct and this Board of Directors so finds, determines and represents.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 14, 2019:

| | | |
|----------|-----------|--|
| AYES: | Directors | R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen, J. Varela, L. LeZotte |
| NOES: | Directors | None |
| ABSENT: | Directors | None |
| ABSTAIN: | Directors | None |

SANTA CLARA VALLEY WATER DISTRICT

By: 

LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC


Clerk, Board of Directors

CLERK'S CERTIFICATE

STATE OF CALIFORNIA)
) SS
COUNTY OF SANTA CLARA)

I, Michele L. King, Clerk of the Board of Directors of Santa Clara Valley Water District ("Valley Water"), Santa Clara County, California, hereby certify as follows:

The foregoing is a full, true, and correct copy of a resolution duly adopted at a regular Valley Water Board of Directors meeting, duly and regularly and legally held at the regular meeting place thereof on May 14, 2019, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof were present.

At said meeting said resolution was adopted by the following vote:


AYES: Directors R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen,
 J. Varela, E. GeZotte
NOES: Directors None
ABSENT: Directors None
ABSTAIN: Directors None

I have carefully compared the same with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true, and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified, or rescinded since the date of its adoption, and same is now in full force and effect.

Dated: May 14, 2019

SANTA CLARA VALLEY WATER DISTRICT

By: 
MICHELE L. KING, CMC
Clerk, Board of Directors

(Seal)

EXHIBIT A

DESCRIPTION OF PROJECT

Various capital improvements set forth in the Fiscal Year 2020-24 Capital Improvement Plan (the "CIP") for water supply infrastructure, including storage, transmission, treatment, and recycled water facilities, water resources stewardship, and Expedited Purified Water Program, as such CIP may be modified from time-to-time. The current CIP is incorporated herein by reference.

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 19-46

**INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS FOR SAFE, CLEAN WATER AND
NATURAL FLOOD PROTECTION PROGRAM**

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (“Issuer”) desires to finance the costs of acquiring certain public facilities and improvements, as provided in Exhibit A attached hereto and incorporated herein (“Project”); and

WHEREAS, the Issuer intends to finance the acquisition of the Project or portions of the Project with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (“Obligations”); and

WHEREAS, prior to the issuance of the Obligations the Issuer desires to incur certain expenditures with respect to the Project from available monies of the Issuer which expenditures are desired to be reimbursed by the Issuer from a portion of the proceeds of the sale of the Obligations.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District:

Section 1. The Issuer hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations. Exhibit A describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

Section 2. The reasonably expected maximum principal amount of the Obligations is \$69,969,068.

Section 3. This resolution is being adopted no later than 60 days subsequent to the first date (each day of expenditure referred to herein as the “Expenditures Date or Dates”) that the Issuer will expend monies for the portion of the Project costs to be reimbursed from proceeds of the Obligations.

Section 4. Except as described below, the expected date of issue of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, the reimbursement may not be made more than three years after the original expenditure is paid. For Obligations subject to the small issuer exception of Section 148(f)(4)(D) of the Internal Revenue Code, the “eighteen-month limit” of the previous sentence is changed to “three years” and the limitation of the previous sentence beginning with “; provided,” is not applicable.

Section 5. Proceeds of the Obligations to be used to reimburse Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the Issuer) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the Issuer or any entity related in any manner to the Issuer, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

Section 6. This resolution is consistent with the budgetary and financial circumstances of the Issuer, as of the date hereof. No monies from sources other than the Obligation issue are, or

Resolutions

Intention to Issue Tax-Exempt Obligations for Safe, Clean Water and Natural Flood Protection Program

Resolution No. 19-46

are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the Issuer (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board of Directors is not aware of the previous adoption of official intents by the Issuer that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

Section 7. The limitations described in Section 3 and Section 4 do not apply to (a) costs of issuance of the Obligations, (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Obligations, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

Section 8. This resolution is adopted as official action of the Issuer in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Issuer expenditures incurred prior to the date of issue of the Obligations, is part of the Issuer's official proceedings, and will be available for inspection by the general public at the main administrative office of the Issuer.

Section 9. All the recitals in this Resolution are true and correct and this Board of Directors so finds, determines and represents.

Section 10. This resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 14, 2019:

| | | |
|----------|-----------|--|
| AYES: | Directors | R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen, J. Varela, L. LeZotte |
| NOES: | Directors | None |
| ABSENT: | Directors | None |
| ABSTAIN: | Directors | None |

SANTA CLARA VALLEY WATER DISTRICT

By: 

LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC


Clerk, Board of Directors

Resolutions

CLERK'S CERTIFICATE

STATE OF CALIFORNIA)
) SS
COUNTY OF SANTA CLARA)

I, Michele L. King, Clerk of the Board of Directors of Santa Clara Valley Water District ("Valley Water"), Santa Clara County, California, hereby certify as follows:

The foregoing is a full, true, and correct copy of a resolution duly adopted at a regular Valley Water Board of Directors meeting, duly and regularly and legally held at the regular meeting place thereof on May 14, 2019, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof were present.

At said meeting said resolution was adopted by the following vote:

AYES: Directors R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen,
 J. Varela, L. LeZotte
NOES: Directors None
ABSENT: Directors None
ABSTAIN: Directors None

I have carefully compared the same with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true, and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified, or rescinded since the date of its adoption, and same is now in full force and effect.

Dated: May 14, 2019

SANTA CLARA VALLEY WATER DISTRICT

By: 
MICHELE L. KING, CMC
Clerk, Board of Directors

(Seal)

EXHIBIT A

DESCRIPTION OF PROJECT

Various Safe, Clean Water and Natural Flood Protection capital improvements set forth in the Fiscal Year 2020-24 Capital Improvement Plan (the "CIP"), as such CIP may be modified from time-to-time. The current CIP is incorporated herein by reference.

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 19- 53

ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2019-20

WHEREAS, Article XIII B of the California Constitution and Government Code Sections 7901-7914 provide that the State and each local agency shall be subject to an annual Appropriations Limit as defined therein; and

WHEREAS, Article XIII B Section 8(e)(2) requires each local government entity to select its methodology annually by a recorded vote of the governing body; and

WHEREAS, Valley Water has selected the percentage change in California per capita personal income as the factor to be used in the calculation of the Appropriations Limit; and

WHEREAS, Valley Water has prepared the applicable documentation as intended by Article XIII B of the California Constitution, and such documents pursuant to Government Code Section 7910(a) were made available fifteen (15) days prior to adoption for public review in the Office of the Clerk of the Board during regular business hours.

NOW, THEREFORE BE IT RESOLVED that the Appropriations Limit for Fiscal Year 2019-20 is hereby established at \$160,192,290 by applying the percentage change in California per capita personal income of 3.85 percent and, the Santa Clara County population percentage change over prior year of 0.33 percent as shown on Exhibit A. This limit may be adjusted at a later date in accordance with Sections 3 and 11 of Article XIII B of the California Constitution.

BE IT FURTHER RESOLVED that any judicial action or proceeding to attack, review, set aside, void, or annul the Fiscal Year 2019-20 Appropriations Limit established by this resolution shall be commenced within forty-five (45) days from the date of this resolution in accordance with Section 7910(b) of the Government Code.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on June 11, 2019:

AYES: Directors J. Varela, R. Santos, T. Estremera, N. Hsueh,
B. Keegan, L. LeZotte

NOES: Directors None

ABSENT: Directors G. Kremen

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT



LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC


Clerk, Board of Directors

EXHIBIT A

**Santa Clara Valley
Water District
Fiscal Year 2019-20
Appropriations Limit on the Proceeds of Taxes ***

| | FY 2018-19 Appropriations Limit | Ratio of Change | FY 2019-20** Appropriations Limit | FY 2019-20 Budgeted Proceeds of Taxes | Amount Under/(Over) Limit |
|---|--|----------------------------|--|--|--|
| Watershed & Stream Stewardship | \$153,750,158 | 1.0419 | \$160,192,290 | \$33,176,300 | \$127,015,990 |

Article XIII B of the California Constitution specifies that local jurisdictions may select either the percentage change in California per capita personal Income or the percentage change in the local assessment roll due to the addition of local non-residential new construction. The percentage change in the California per capita personal income has been selected by Valley Water and is 3.85%.

The population percentage change minus exclusions as reported by the State Department of Finance and prepared pursuant to Government Code Section 7901 (b) is calculated for Santa Clara County for the period from January 1, 2018 to January 1, 2019 to be used in setting the Appropriations Limit for Fiscal Year 2019-20. That change is 0.33%.

| | | | |
|----------------------------------|-------|------------------------------------|-----------------|
| Per Capita Personal Income: | 3.85% | converted to a factor | = 1.0385 |
| Population: (Santa Clara County) | 0.33% | converted to a factor | = <u>1.0033</u> |
| | | Ratio of Change: (1.0385 x 1.0033) | = 1.0419 |

*Other watershed funds, Lower Peninsula and West Valley, and the Water Enterprise Fund were exempt from the Appropriations Limit under Article XIII B because they did not meet the criteria.

**Commencing with the FY 2009-10 Adopted Budget, the discretionary 1% ad valorem property taxes and other revenues (excluding benefit assessment charges) for Guadalupe, Coyote, and Uvas/Llagas watershed funds have been consolidated, as one, into the Watershed and Stream Stewardship Fund.

This page left intentionally blank.