BOARD AGENDA MEMORANDUM

SUBJECT:

RECOMMENDATION:
A. Accept the fiscal year 2020-21 Safe, Clean Water and Natural Flood Protection Special Tax Summary Report; and

B. Adopt the Resolution 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 2020-2021.

SUMMARY:
Provisions of Resolution 12-62 (Providing for the continuation and levy of special tax to pay the cost of a Safe, Clean Water and Natural Flood Protection Program in the combined flood control zone of the Santa Clara Valley Water District subject, nevertheless, to specified limits and conditions) require the District’s Chief Executive Officer to prepare a written report (Attachment 1) recommending rates for the Safe, Clean Water and Natural Flood Protection Special Tax, which was approved by voters on November 6, 2012. Rate limits as specified in the Safe, Clean Water ballot measure are indexed to the fiscal year 2019-20 rates plus the change in the Bay Area Consumer Price Index (CPI) or 3 percent, whichever is greater.

Staff recommends that the special tax rates for fiscal year 2020-21 be set flat to fiscal year 2019-20, which would reflect a 0 percent increase. Although current financial projections show there will be a funding deficit at program-end primarily due to increased capital costs of the program, the staff recommendation is consistent with Board discussion and direction given at the April 28, 2020 Board meeting in response to the COVID19 Pandemic. The staff recommendation is intended to minimize impacts to the community during these unprecedented and uncertain times. For reference purposes, a report released by the Bureau of Labor Statistics indicates that the change in CPI from February 2019 to February 2020 is 2.91 percent.
The senior exemption provided for in the ballot measure will continue to allow low-income parcel owners over the age of 65 to be exempt from paying the special tax consistent with Resolution 12-62. Staff has continued the enhanced outreach program to better inform the senior population of the tax exemption program.

The contemplated activities and rates in the proposed FY 2020-21 budget are consistent with the activities and rates identified in the November 16, 2012 Valley Water report, “Safe, Clean Water and Natural Flood Protection,” that explained the voter approved program in detail. Planned future expenditures as currently forecasted reasonably indicate that the revenue raised next year will be spent according to the 2012 Valley Water Report.

FINANCIAL IMPACT:
Levy of the Safe, Clean Water and Natural Flood Protection Special Tax at the recommended level for fiscal year 2020-21 will generate an estimated total of $45.5 million in net revenue that will fund budgeted expenditures consistent with the Report. Valley Water's proposed Budget for fiscal year 2020-21 reflects this projected revenue. If the Board does not approve special tax rates for FY 2020-21, Valley Water would not receive the funding necessary to accomplish voter approved outcomes.

CEQA:
The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:
Attachment 1: Staff Report
Attachment 2: Resolution
Attachment 3: Summary of KPIs, 15-Year Program

UNCLASSIFIED MANAGER:
Melanie Richardson, 408-630-2035
FY 2020–21 Safe, Clean Water & Natural Flood Protection Special Tax Summary Report

SUMMARY:

Applicable laws and provisions of Resolution 12-62 require the District Chief Executive Officer to prepare a written report recommending the rates for the Safe, Clean Water and Natural Flood Protection Special Tax, which was approved by voters on November 6, 2012. Rate limits as specified in the Safe, Clean Water ballot measure are indexed to the fiscal year 2019–20 rates plus an increase based on the San Francisco-Oakland-San Jose Consumer Price Index (CPI) for all urban consumers in the preceding year or 3 percent, whichever is greater. The CPI-U for San Francisco-Oakland-San Jose from February 2019 to February 2020 was 2.91%. Staff recommends that the special tax rates for fiscal year 2020–21 be set flat to fiscal year 2019-20, which would reflect a 0 percent increase. Although current financial projections show there will be a funding deficit at program-end primarily due to increased capital costs of the program, the staff recommendation is consistent with Board discussion and direction given at the April 28, 2020 Board meeting in response to the COVID19 Pandemic. The staff recommendation is intended to minimize impacts to the community during these unprecedented and uncertain times.

The Group C Single Family Residential and Small Multiples (2-4 units) rate trend is summarized below:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Group C Rate</th>
<th>Annual % Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001–02</td>
<td>$39.00</td>
<td>N/A</td>
</tr>
<tr>
<td>2002–03</td>
<td>$40.16</td>
<td>3.0%</td>
</tr>
<tr>
<td>2003–04</td>
<td>$41.36</td>
<td>3.0%</td>
</tr>
<tr>
<td>2004–05</td>
<td>$42.60</td>
<td>3.0%</td>
</tr>
<tr>
<td>2005–06</td>
<td>$43.88</td>
<td>3.0%</td>
</tr>
<tr>
<td>2006–07</td>
<td>$45.26</td>
<td>3.16%</td>
</tr>
<tr>
<td>2007–08</td>
<td>$46.76</td>
<td>3.32%</td>
</tr>
<tr>
<td>2008–09</td>
<td>$48.16</td>
<td>3.0%</td>
</tr>
<tr>
<td>2009–10</td>
<td>$49.61</td>
<td>3.0%</td>
</tr>
<tr>
<td>2010–11</td>
<td>$51.10</td>
<td>3.0%</td>
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<tr>
<td>2011–12</td>
<td>$52.64</td>
<td>3.0%</td>
</tr>
<tr>
<td>2012–13</td>
<td>$54.22</td>
<td>3.0%</td>
</tr>
<tr>
<td>2013–14</td>
<td>$55.84</td>
<td>3.0%</td>
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<tr>
<td>2014–15</td>
<td>$57.52</td>
<td>3.0%</td>
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<tr>
<td>2015–16</td>
<td>$59.24</td>
<td>3.0%</td>
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<tr>
<td>2016–17</td>
<td>$61.01</td>
<td>3.0%</td>
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<tr>
<td>2017–18</td>
<td>$63.11</td>
<td>3.44%</td>
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<tr>
<td>2018–19</td>
<td>$65.36</td>
<td>3.56%</td>
</tr>
<tr>
<td>2019–20</td>
<td>$67.67</td>
<td>3.53%</td>
</tr>
<tr>
<td>2020-21</td>
<td>$67.67</td>
<td>0%</td>
</tr>
</tbody>
</table>

STAFF ANALYSIS:

Introduction
This Summary Report is prepared in accordance with the voter-approved Santa Clara Valley Water District (Valley Water) Resolution 12-62. It presents the uniform rates for the special tax in the combined flood control zone to generate revenue for designated voter approved purposes.

The revenue generated by the special tax will be used to meet remaining Clean, Safe Creeks program commitments and to produce the following outcomes:

- Ensure a safe, reliable water supply.
- Reduce toxins, hazards and contaminants in our waterways.
- Protect our water supply from earthquakes and natural disasters.
- Restore wildlife habitat and provide open space.
- Provide Flood Protection to homes, businesses, schools and highways.

Attachment 3 of the Board Agenda Memo shows a further breakdown of the activities under each of the Safe, Clean Water program outcomes. This report has been reviewed and approved by District Counsel as meeting the requirements of applicable laws. Information on the special tax levy for an individual parcel as well as the detailed Valley Water report describing the purpose of the special tax: “Safe, Clean Water and Natural Flood Protection, July 24, 2012”, are available for review through the Clerk of the Board at the Valley Water offices located at 5700 Almaden Expressway, San Jose, California.

Passage of Clean, Safe Creeks and Natural Flood Protection

The June 2000 sunset of benefit assessments for Valley Water’s flood protection program decreased revenue available to Valley Water to provide additional flood protection capital improvements. Beginning in 1996, Valley Water implemented a program to solicit community input, conduct needs assessments, and propose and refine a comprehensive plan to preserve the quality of life in Santa Clara County as it relates to water resources. Valley Water evaluated available funding alternatives authorized by applicable laws, and determined that a uniform, special tax throughout the combined zone that overlays Valley Water’s five flood control zones was the appropriate funding mechanism for the adopted plan. Valley Water placed the Clean, Safe Creeks and Natural Flood Protection measure on the November 7, 2000 ballot and received more than the necessary two-thirds approval by the electorate voting.

In 2011, Valley Water began an intensive outreach effort to reassess community priorities and formulate an updated program because Valley Water could not continue to provide services that the community demanded beyond the sunset of the program in June, 2016. At that time, all of the many high priority projects under the 2000 measure had been completed or exceeded, or were on track to be completed or exceeded.

Passage of Safe, Clean Water and Natural Flood Protection

An 18-month period of public input and program refinement resulted in the Safe, Clean Water program, which includes new projects based on stakeholder input, as well as the continuation of important services provided by the old program. The Safe, Clean Water program received the necessary two-thirds approval by voters on November 6, 2012.

Under current authorization, the special tax is to be levied over a fixed term of fifteen years to achieve program outcomes. The program will be funded by a combination of debt financing and pay-as-you-go funding from annual revenues supplemented by reserves from unspent funds of the Clean, Safe Creeks plan, and state and federal funding. The use of debt financing will help fund the Safe Clean Water capital program early in the program, rather than waiting for reserves.
to build up. Valley Water will track the revenues and expenses over the life of the special tax, and as the program progresses, the rates will be evaluated each year to determine what, if any, annual increase is needed.

**General Rate Provisions**

The special tax revenues estimated to meet the projected costs of the program are based on an initial set of rates for fiscal year 2013–14 in which the residential rate was $55.84, or 3 percent higher compared to prior year.

Future rate limits are indexed to the annual San Francisco-Oakland-San Jose Consumer Price Index for all urban users in the immediate preceding year (Bay Area Consumer Price Index) or 3 percent, whichever is greater. Should declaration of a state or federal disaster area by reason of flooding or other natural disaster occur, the maximum rates will be indexed to the Bay Area Consumer Price Index plus up to 4.5 percent for the three years following the disaster.

The special tax is levied on a parcel by parcel basis according to proportionate storm water runoff. Each assessment is computed by determining the area of a parcel (in acres or fractions thereof) and applicable land use category (as hereinafter defined) and then multiplying the area by the special tax rate applicable to land in such land use category. The land use categories are as follows:

**Group A:** Land used for commercial or industrial purposes

**Group B:** Land used for institutional purposes such as churches and schools or multiple dwellings in excess of four units, including apartment complexes, mobile home parks, recreational vehicle parks, condominiums and townhouses.

**Group C:** (1) Land used for single family residences and multiple family units up to four units. (2) The first 0.25 acre of a parcel of land used for single family residential purposes.

**Group D:** (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses and similar uses. (2) The portion of the 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 farmed land, grazing and pasture land, forest and brush land, salt ponds and small parcels used exclusively as well sites for commercial purposes.

**Group F:** Parcels used exclusively as well sites for residential uses are exempt from the special tax.

A minimum special tax is levied on each parcel of real property having a land area up to 0.25 acre for Groups A, B, and C, and up to 10 acres for Groups D and E Urban. For Group E Rural, the minimum Special Tax is as calculated for the E Urban category, but applies to parcels of 80 acres or less. A minimum special tax is also levied on condominiums and townhouses without regard to parcel size. Parcels owned by federal, state, or local agencies are exempt from this special tax.

**Transition from Clean, Safe Creeks to Safe, Clean Water**

Approximately $162.4 million in reserves were set aside at year end FY 2012–13 from unspent funds of the Clean, Safe Creeks program. Most of this accumulated amount is from set-aside revenue designated for capital project construction, and some is from cost savings. These funds will help construct and maintain the capital projects continued from the Clean, Safe Creeks plan. In FY 2020-21, capital spending is projected to continue on several projects carried forward.
from Clean, Safe Creeks that will provide flood protection including Sunnyvale East and West Channel, Upper Guadalupe River, Coyote Creek, Upper Llagas Creek, Lake Almaden, Guadalupe River, and Los Alamitos Creek, Infrastructure Reliability Plan Phase 2 Additional Line Valves, San Francisquito Creek, Upper Penitencia Creek, Singleton Road Fish Passage Improvements, and Ogier Ponds.

2020–2021 Special Tax Rates

For FY 2020–21 staff proposes that the Safe, Clean Water and Natural Flood Protection Special Tax be levied flat to FY 2019–2020 to generate $45.5 million to meet the program outcomes. Projected capital design and construction appropriations are $58.7 million. Projected operations, operating projects, debt service and transfer appropriations are $18.3 million. The operating and capital reserve is projected to be $57.9 million by the end of FY 2020–21.

The proposed special tax rates at the rate limits are indicated below and reflect a 0% increase over last year’s rates under the Safe, Clean Water Program:

Group A: Land used for commercial or industrial purposes: $541.60 per acre, $135.39 minimum for parcels up to 0.25 acre.

Group B: (1) apartment complexes, mobile home parks, 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 acres 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 the parcel, if any, in excess of 0.25 acre of a parcel 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: $0.14 per acre, $10.23 minimum equal to the Group E urban category minimum.
A summary comparing the current year rates with the proposed FY 2020–21 rates is shown in Figure 1.

**FIGURE 1**

**Actual FY 2019–20 Versus Proposed FY 2020–21 Safe, Clean Water and Natural Flood Protection Special Tax Rates**

<table>
<thead>
<tr>
<th>Land Use Categories</th>
<th>Actual FY ’19-20</th>
<th>Proposed FY ’20-21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A - Commercial, Industrial</strong></td>
<td>Rate ($/Acre) $541.60</td>
<td>$541.60</td>
</tr>
<tr>
<td></td>
<td>Minimum Assessment (1) $135.39</td>
<td>$135.39</td>
</tr>
<tr>
<td><strong>B - Apartment, Schools, Churches, Condominiums &amp; Townhouse</strong></td>
<td>Rate ($/Acre) $406.20</td>
<td>$406.20</td>
</tr>
<tr>
<td></td>
<td>Minimum Assessment (1) $101.55</td>
<td>$101.55</td>
</tr>
<tr>
<td></td>
<td>Condominiums &amp; Townhouses ($/unit) $32.95</td>
<td>$32.95</td>
</tr>
<tr>
<td><strong>C - Single Family Residential, Small Multiples (2-4 units) (2)</strong></td>
<td>Minimum Assessment (1) $67.67</td>
<td>$67.67</td>
</tr>
<tr>
<td><strong>D - Utilized Agriculture(2)</strong></td>
<td>Rate ($/Acre) $3.47</td>
<td>$3.47</td>
</tr>
<tr>
<td></td>
<td>Minimum Assessment (1) $34.70</td>
<td>$34.70</td>
</tr>
<tr>
<td><strong>E - Urban - Nonutilized Agricultural, Grazing Land, Salt Ponds, Well Site in Urban Areas</strong></td>
<td>Rate ($/Acre) $1.02</td>
<td>$1.02</td>
</tr>
<tr>
<td></td>
<td>Minimum Assessment (1) $10.23</td>
<td>$10.23</td>
</tr>
<tr>
<td><strong>E - Rural - Nonutilized Agricultural, Grazing Land, Well Sites in Rural Areas</strong></td>
<td>Rate ($/Acre) $0.14</td>
<td>$0.14</td>
</tr>
<tr>
<td></td>
<td>Minimum Assessment (1) $10.23</td>
<td>$10.23</td>
</tr>
</tbody>
</table>

(1) The minimum assessments shown for Categories A, B, and C apply to parcels 1/4 acre or less in size. Category C parcels larger than 1/4 acre pay the minimum assessment for the first 1/4 acre and the remaining acreage is assessed at the Category D rate. For Category D, the minimum assessment applies to parcels less than 10 acres. The minimum assessment for Group E parcels is the amount charged for 10 acres of urban undeveloped land; the minimum assessment is the same for both the Urban Category and the Rural Category parcels, however the Rural Category applies to parcels of 80 acres or less.

(2) Residential land in excess of 1/4 acre is assessed at the “D” rate.
Senior Exemption

Legislation was passed in July 2001 to provide Valley Water with the discretion to exempt low-income parcel owners over 65 from the special tax consistent with Resolution’s 2000-44 and 12-62. The exemption program was put in place for FY 2001–02. In 2018, Valley Water reformed the parcel tax exemption process through Assembly Bill 1889. This bill clarifies the need for Valley Water to confirm low income only once, making it easier for the seniors to stay on the exemption rolls. To date in fiscal year 2019–20, 4,500 households have received the exemption, totaling approximately $265,000. Exemptions and refunds total approximately $4 million to date since program inception.

Staff continues the enhanced outreach program to better inform the senior population of the tax exemption program, which includes a four (4)-step approach.

Step 1: Identify ways to collect existing data on homeownership and household income for seniors to estimate the potential number of qualified senior exemptions in the county. By utilizing targeted marketing mailing lists, staff is able to reach those seniors that meet the program’s exemption requirements.

Step 2: Develop outreach strategies to provide program information directly to seniors and/or other agencies and organizations that provide senior services. The outreach steps include:
   a. Update program materials annually (flyers, website content, mailers, press releases, newsletters etc.) to provide more information and be more senior-oriented.
   b. Partner with Sourcewise, the designated Area Agency on Aging for Santa Clara County to disseminate the program specifics through their varied community contacts.
   c. Identify geographic areas that are underrepresented to ensure potential applicants are educated with appropriate marketing materials. If there are areas where seniors could potentially qualify for the exemption, staff will target outreach efforts in those areas.

Step 3: Implement the outreach strategies once the informational materials are complete. The open enrollment period for the Senior Parcel Tax Exemption Program is April 15 to June 30, 2020. Staff will field phone calls, emails from a dedicated email address, provide in-person support for those who need additional information or assistance with the enrollment, attend resource fairs and community collaborative meetings to conduct presentations and help train/inform staff from other organizations about the exemption program so they can also help disseminate the information, and drop off information packets and enrollment applications at Senior Centers and other community based organizations throughout the county.

Step 4: Monitor the exemption program to ensure that accurate information is being disseminated throughout the county and that seniors are receiving the adequate support they need to enroll in the program if they qualify. Staff will also collect data on how participants learn about the program in order to track which outreach strategies are most effective in reaching the senior population.

Special Tax Levy Rolls and Collection

Applicable law provides that the special tax may be levied and collected by the County Tax Collector at the same time and in the same manner as the general tax levy. Following adoption of the special tax rates and receipt of updated assessor parcel data for fiscal year 2020–21, Valley Water will prepare a Special Tax Roll identifying each parcel of land subject to the special tax and the associated tax amount. This information will be made available for review at Valley Water through the Clerk of the Board. The Special Tax Roll showing parcel number and levy amount will be forwarded to the County Tax Collector in August 2020 to facilitate County collection of the special tax.
FINANCIAL IMPACT:

Setting the Safe, Clean Water and Natural Flood Protection special tax rates at staff recommended level for FY 2020–21 would provide adequate funding to meet operations, operating projects, debt service and transfer costs of $18.3 million, as well as a projected capital appropriation of approximately $58.7 million. Planned future expenditures reasonably indicate that the revenue raised next year will be spent according to the Safe, Clean Water and Natural Flood Protection report.
BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 20-30

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 2020-2021

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, 2020, through June 30, 2021, that includes the proposed special
tax rates for that year ("Report"), and presented that Report on May 26, 2020, 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
2020-2021 (FY 2020-21)."

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.
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: $541.60 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: $0.14 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 2020-2021 upon requesting such exemption from Valley Water prior to or during fiscal year 2020-2021. Granting similar exemptions for fiscal years beyond fiscal year 2020-2021 will be made at the discretion of the Board.
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 2020-2021

Resolution No. 20-30

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 the Santa Clara Valley Water District by the following vote on May 26, 2020:

AYES: Directors Estremera, Kremen, Hsueh, Keegan, LeZotte, Santos, Varela

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

[Signature]

NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

[Signature]

Clerk, Board of Directors
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 2020-2021

Resolution No. 20-30

I hereby certify that the foregoing is a full, true and correct copy of the original thereof on file in my office.

DATED: May 26, 2020

MICHELE L. KING
Clerk, Board of Directors
Santa Clara Valley Water District
June 1, 2020

Santa Clara County Clerk Recorder
Attn: County Clerk Recorder, and Tax Assessor’s Offices
70 West Hedding St.
San Jose, CA 95110

County Clerk Recorder:

Attached are two originals of a certified resolution to be filed in the County Clerk Recorder’s and County Tax Assessor’s Offices relative to Santa Clara Valley Water District Board of Directors Resolution No. 20-30, adopted May 26, 2020, PROVIDING FOR A 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 2020-21. Also enclosed is a photocopy of said document, and a Self-Addressed Stamped Envelope and check in the amount of $5.00 (five dollars) to be applied to filing and returned endorsed copy fees.

Please return a file endorsed copy of the resolution in the enclosed Self-Addressed Stamped Envelope.

If you have any questions, please feel free to contact me by email at mmmeredith@valleywater.org, by voicemail message at 408-630-2557, or directly by cell during the hours of 8:00 a.m. to 5:00 p.m. Monday through Friday at 408-858-0869.

Sincerely,

Michelle Meredith
Deputy Clerk of the Board
Office of the Clerk of the Board

Attachments
Date: June 1, 2020
To: Courier Services
From: Michelle Meredith, (408) 630-2557
Office of the Clerk of the Board
Subject: Documents for Filing/Recording with Santa Clara County Clerk-Recorder.

Assigned Courier,

Attached is a sealed envelope containing two (2) originally signed, and one (1) photocopy of SCVWD Resolution No. 20-30, 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 SCVWD AND AUTHORIZING A PROCEDURE FOR CORRECTING SPECIAL TAX AMOUNTS FOR FISCAL YEAR 2020-21. Also enclosed is one (1) check in the amount of $5, made payable to the Santa Clara County Clerk Recorder’s Office, for associated return of endorsed copy fees, as well as a Self-Addressed Stamped Envelope for the County Clerk Recorder to return an endorsed copy by mail.

Consistent with guidance from the California State Governor and County Public Health Department, the Clerk-Recorder’s Office is not open for walk-in filing services. Instead, a Drop Box is provided inside the County Government Center at 70 W. Hedding Street, East Wing, near the entrance of the Clerk-Recorder Office.

Please ensure that the attached envelope remains sealed on delivery to the Drop Box.

Upon delivery, please sign and date below, and return this form in both original hardcopy, and scanned photocopy, to my attention at the Santa Clara Valley Water District, Clerk of the Board Unit, and by email of the scanned copy to mmeredith@valleywater.org

Thank you.
Michelle Meredith
Santa Clara Valley Water District
Clerk of the Board Unit

Confirmation of Courier Delivery

Delivery Date: 6/1/2020  
Time: 10:00 am

Delivery Address: 70 West Hedding St. East Wing

Comments/Notes: Drop in the box

Name (Print): Julia Tat

Signature: [Signature]

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<thead>
<tr>
<th>Project</th>
<th>Key Performance Indicator</th>
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<tbody>
<tr>
<td><strong>Priority A: Ensure a Safe, Reliable Water Supply</strong></td>
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| A1 Main Avenue and Madrone Pipelines Restoration | 1. Restore transmission pipeline to full operating capacity of 37 cubic feet per second from Anderson Reservoir.  
2. Restore ability to deliver 20 cubic feet per second to Madrone Channel. |
| A2 Safe, Clean Water Partnerships and Grants | 1. Award up to $1 million to test new conservation activities.  
2. Increase number of schools in Santa Clara County in compliance with SB 1413 and the Healthy Hunger-Free Kids Act, regarding access to drinking water by awarding 100% of eligible grant requests for the installation of hydration stations; a maximum of 250 grants up to $254,000.  
3. Reduce number of private well water users exposed to nitrate above drinking water standards by awarding 100% of eligible rebate requests for the installation of nitrate removal systems; a maximum of 1,000 rebates up to $702,000. |
<p>| A3 Pipeline Reliability Project | 1. Install 4 new line valves on treated water distribution pipelines. |</p>
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<td><strong>Priority B: Reduce Toxins, Hazards, and Contaminants in Our Waterways</strong></td>
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| B1 Impaired Water Bodies Improvement | 1. Operate and maintain existing treatment systems in 4 reservoirs to remediate regulated contaminants, including mercury.  
2. Prepare plan for the prioritization of pollution prevention and reduction activities.  
3. Implement priority pollution prevention and reduction activities identified in the plan in 10 creeks. |
| B2 Inter-Agency Urban Runoff Program | 1. Install at least 2 and operate 4 trash capture devices at storm water outfalls in Santa Clara County.  
2. Maintain partnerships with cities and County to address surface water quality improvements.  
3. Support 5 pollution prevention activities to improve surface water quality in Santa Clara County, either independently or collaboratively with South County organizations. |
| B3 Pollution Prevention Partnerships and Grants | 1. Provide 7 grant cycles and 5 partnerships that follow pre-established competitive criteria related to preventing or removing pollution. |
| B4 Good Neighbor Program: Encampment Cleanup | 1. Perform 52 annual cleanups for the duration of the Safe, Clean Water program to reduce the amount of trash and pollutants entering the streams. |
| B5 Hazardous Materials Management and Response | 1. Respond to 100% of hazardous materials reports requiring urgent on-site inspection in 2 hours or less. |
| B6 Good Neighbor Program: Remove Graffiti and Litter | 1. Conduct 60 cleanup events (4 per year).  
2. Respond to requests on litter or graffiti cleanup within 5 working days. |
| B7 Support Volunteer Cleanup Efforts and Education | 1. Provide 7 grant cycles and 3 partnerships that follow pre-established competitive criteria related to cleanups, education and outreach, and stewardship activities.  
2. Fund District support of annual National River Cleanup Day, California Coastal Cleanup Day, the Great American Pick Up, and fund the Adopt-A-Creek Program. |
<p>| <strong>Priority C: Protect our Water Supply from Earthquakes and Natural Disasters</strong> |
| C1 Anderson Dam Seismic Retrofit | 1. Provide portion of funds, up to $45 million, to help restore full operating reservoir capacity of 90,373 acre-feet. |
| C2 Emergency Response Upgrades | 1. Map, install, and maintain gauging stations and computer software on seven flood-prone reaches to generate and disseminate flood warnings. |</p>
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<td>Priority D: Restore Wildlife Habitat and Provide Open Space</td>
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<tr>
<td>D1 Management of Revegetation Projects</td>
<td>1. Maintain a minimum of 300 acres of revegetation projects annually to meet regulatory requirements and conditions.</td>
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| D2 Revitalize Stream, Upland and Wetland Habitat                       | 1. Revitalize at least 21 acres, guided by the 5 Stream Corridor Priority Plans, through native plant revegetation and removal of invasive exotic species.  
|                                                                        | 2. Provide funding for revitalization of at least 7 of 21 acres through community partnerships.                                                                                                                               |
|                                                                        | 3. Develop at least 2 plant palettes for use on revegetation projects to support birds and other wildlife.                                                                                                                                 |
| D3 Grants and Partnerships to Restore Wildlife Habitat and Provide Access to Trails | 1. Develop 5 Stream Corridor Priority Plans to prioritize stream restoration activities.  
|                                                                        | 2. Provide 7 grant cycles and additional partnerships for $21 million that follow pre-established criteria related to the creation or restoration of wetlands, riparian habitat and favorable stream conditions for fisheries and wildlife, and providing new public access to trails. |
| D4 Fish Habitat and Passage Improvements                               | 1. Complete planning and design for 2 creek/lake separations.  
|                                                                        | 2. Construct 1 creek/lake separation project in partnership with local agencies.  
|                                                                        | 3. Use $6 million for fish passage improvements.  
|                                                                        | 4. Conduct study of all major steelhead streams in the county to identify priority locations for installation of large woody debris and gravel as appropriate.  
|                                                                        | 5. Install large woody debris and/or gravel at a minimum of 5 sites (1 per each of 5 major watersheds).                                                                                                                                 |
| D5 Ecological Data Collection and Analysis                             | 1. Establish new or track existing ecological levels of service for streams in 5 watersheds.  
|                                                                        | 2. Reassess streams in 5 watersheds to determine if ecological levels of service are maintained or improved.                                                                                                                                 |
| D6 Creek Restoration and Stabilization                                 | 1. Construct 3 geomorphic designed projects to restore stability and stream function by preventing incision and promoting sediment balance throughout the watershed.                                                                  |
| D7 Partnerships for the Conservation of Habitat Lands                  | 1. Provide up to $8 million for the acquisition of property for the conservation of habitat lands.                                                                                                                                 |
| D8 South Bay Salt Ponds Restoration Partnership                        | 1. Establish agreement with FWS to reuse sediment at locations to improve the success of Salt Pond restoration activities.  
<p>|                                                                        | 2. Construct site improvements up to $4 million to allow for transportation and placement of future sediment.                                                                                                               |</p>
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| E1.1 Vegetation Control for Capacity                                    | 1. Maintain 90% of improved channels at design capacity.  
2. Provide vegetation management for 6,120 acres along levee & maintenance roads. |
| E1.2 Sediment Removal for Capacity                                     |                                                                                                                                                           |
| E1.3 Maintenance of Newly Improved Creeks                              |                                                                                                                                                           |
| E1.4 Vegetation Management for Access                                  |                                                                                                                                                           |
| E2.1 Coordination with Local Municipalities on Flood Communication      | 1. Coordinate with agencies to incorporate District-endorsed flood emergency procedures into their Emergency Operations Center plans.  
2. Complete 5 flood-fighting action plans (1 per major watershed).     |
| E2.2 Flood-Fighting Action Plans                                       |                                                                                                                                                           |
| E3 Flood Risk Reduction Studies                                        | 1. Complete engineering studies on 7 creek reaches to address 1% flood risk.  
2. Update floodplain maps on a minimum of 2 creek reaches in accordance with new FEMA standards. |
| E4 Upper Penitencia Creek Flood Protection                             | 1. Preferred project with federal and local funding: Construct a flood protection project to provide 1% flood protection to 5,000 homes, businesses and public buildings.  
2. With local funding only: Acquire all necessary rights-of-ways and construct a 1% flood protection project from Coyote Creek confluence to King Road. |
| E5 San Francisco Creek Flood Protection                                 | 1. Preferred project with federal, state and local funding: Protect more than 3,000 parcels by providing 1% flood protection.  
2. With state and local funding only: Protect approximately 3,000 parcels from flooding (100-year protection downstream of Highway 101, and approximately 30-year protection upstream of Highway 101). |
| E6 Upper Llagas Creek Flood Protection Project                          | 1. Preferred project with federal and local funding: Provide flood protection to 1,100 homes, 500 businesses, and 1,300 agricultural acres, while improving stream habitat.  
2. With local funding only: Provide 100-year flood protection for Reach 7 only (up to W. Dunne Avenue in Morgan Hill). A limited number of homes and businesses will be protected. |
| E7 San Francisco Bay Shoreline Study                                   | 1. Provide portion of the local share of funding for planning and design phases for the former salt production ponds and Santa Clara County shoreline area.  
2. Provide portion of the local share of funding toward estimated cost of initial project phase (EIA 11). |
| E8 Upper Guadalupe River Flood Protection                              | 1. Preferred project with federal and local funding: Construct a flood protection project to provide 1% flood protection to 6,280 homes, 320 businesses and 10 schools and institutions.  
2. With local funding only: Construct flood protection improvements along 4,100 feet of Guadalupe River between Southern Pacific Railroad (SPRR) crossing, downstream of Willow Street, to Union Pacific Railroad (UPRR) crossing, downstream of Padres Drive. Flood damage will be reduced; however, protection from the 1% flood is not provided until completion of the entire Upper Guadalupe River Project. |