

SANTA CLARA VALLEY WATER DISTRICT

Board correspondence has been removed from the online posting of the Non-Agenda to protect personal contact information. Lengthy reports/ attachments may also be removed due to file size limitations. Copies of board correspondence and/or reports/attachments are available by submitting a public records request to publicrecords@valleywater.org.

NON-AGENDA

January 6, 2023

Board Policy EL-7 Communication and Support to the Board

The BAOs shall inform and support the Board in its work.

Page		<u>CEO BULLETIN & NEWSLETTERS</u>
3		CEO Bulletin:
7		Water Tracker January 2023
		<u>BOARD MEMBER REQUESTS & INFORMATIONAL ITEMS</u>
10		BMR/IBMR Weekly Reports: 01/04/23
12		Memo from Chris Hakes, Deputy Operating Officer, to Rick Callender, CEO, dated January 3, 2023, conveying supplemental information regarding real estate acquisitions for the Anderson Dam Tunnel Project, Part of the FERC Order Compliance Project, relating to 1/11/23 Board Agenda Item 7.1.
156		Memo from Rachael Gibson, Chief of External Affairs, to Rick Callender, CEO, dated January 6, 2023, responding to Director Beall's Board Member Request (BMR) 22-10012 – Gant Funding Available for Valley Water Projects.
		<u>INCOMING BOARD CORRESPONDENCE</u>
172		Board Correspondence Weekly Report: 01/04/23
173		Letter from Beth McGowen, 2023 Presiding Judge, Superior Court of California, Santa Clara County, to Chair Pro Tem Varela, dated December 28, 2022, granting an extension to March 31, 2023, to submit a response to the Santa Clara Civil Grand Jury Report, <i>If You Only Read the Ballot, You're Being Duped.</i> (C-23-0010)
174		Email from Bob Fanjoy, San Jose resident to staff (cc: Board of Directors), dated December 29, 2022, regarding new tent behind his house on top of Saratoga Creek bank. (C-23-0001)
179		Mail from Bob Fanjoy, San Jose resident to staff (cc: Board of Directors), dated December 29, 2022, regarding cleaning up trash and debris generated by the unhoused campers along the creek. (C-23-0002)
222		Email from Bob Fanjoy, San Jose resident, to staff, dated December 30, 2022, regarding availability of individual housing options. (C-23-0007)
246		Email from Doris Livezey, Cupertino resident, to Board of Directors, dated December 30, 2022, regarding Murdock Neighborhood Associations concerns about trash along the trails. (C-23-0003)
254		Email from Dhruv Khanna, Palo Alto resident, to Palo Alto City Counsel (cc: Board of Directors), dated December 31, 2022, conveying his concerns for Governmental processes. (C-23-0004)
256		Email from Alfred Lane, Los Altos resident, to Director Eisenberg, dated January 1, 2023, regarding absence of water flow in the Permanente Creek north of Eastwood Drive. (C-23-0005)
258		Email from Mike Powell, Morgan Hill resident, to Board of Directors, dated January 2, 2023, regarding Llagas Creek flooding issues. (C-23-0006)

260		Email from Alfred Lane, Los Altos resident, to Director Eisenberg, dated January 4, 2023, conveying thanks for the increased water flow in the Permanente Creek north of Eastwood Drive. (C-23-0009)
261		Email from Diana Wolf Torres, Gilroy resident, to Board of Directors, dated January 4, 2023, regarding couch dumped in Uvas Creek forming a dam. (C-23-0008)
267		Email from Dhruv Khanna, Palo Alto resident to Board of Directors, dated January 4, 2023, regarding fallen tree at the mouth of the Chaucer Bridge. (C-23-0011)
269		Email from Dhruv Khanna, Palo Alto resident, to Board of Directors, dated January 4, 2023, regarding Newell Bridge debris. (C-23-0012)
		<u>OUTGOING BOARD CORRESPONDENCE</u>
274		Letter from Chair Pro Tem Varela to Dhruv Khanna, President, Santa Clara County Farm Bureau, dated December 29, 2022, informing him that he could expect a response by early January to his December 14 th letter regarding the amount of groundwater recharge on farmlands in the county and new groundwater production charges in the next year. (C-22-0211)

CEO BULLETIN



To: Board of Directors
From: Rick L. Callender, CEO

Weeks of December 23 – January 5, 2022

Board Executive Limitation Policy EL-7:

The Board Appointed Officers shall inform and support the Board in its work. Further, a BAO shall 1) inform the Board of relevant trends, anticipated adverse media coverage, or material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established and 2) report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

Item	IN THIS ISSUE
<u>1</u>	Environmental Protection Agency (EPA) Grant Award for Calabazas/San Tomas Aquino Creek-Marsh Connection Project
<u>2</u>	Planned 1-Week Rinconada Water Treatment Plant Shutdown from January 19 to January 25, 2023
<u>3</u>	Safe, Clean Water Mini-Grant Closeout: Green Foothills Foundation, DBA Green Foothills' Community Advocates Leadership Academy Project
<u>4</u>	Safe, Clean Water Mini-Grant Closeout: Keep Coyote Creek Beautiful's Russo/McEntee Academy Mural Project
<u>5</u>	<u>Beall</u> For the 1/10/23 CIP Work study session, identify projects that can be completed faster to save constructions funds. R-22-0009
<u>6</u>	<u>Beall</u> Investigate state fund matching opportunities for CIP projects. R-22-0010

1. Environmental Protection Agency (EPA) Grant Award for Calabazas/San Tomas Aquino Creek-Marsh Connection Project

On December 12, 2022, Valley Water was notified that the Calabazas/San Tomas Aquino Creek-Marsh Connection Project has been selected for funding under the San Francisco Bay Water Quality Improvement Fund (SFBWQIF) program, administered by the U.S. Environmental Protection Agency (EPA). The Project, a partnership between Valley Water, the South Bay Salt Ponds Restoration Project, and the U.S. Fish and Wildlife Service, will reconnect San Thomas Aquino and Calabazas Creeks with the salt ponds complex while restoring tidal action to the ponds.

Project objectives include:

- Restoration and enhancement of tidal marsh, brackish/freshwater marsh, and riverine habitat;
- Resilient flood protection provided by creating a tidal marsh that can accrete sediment in response to sea-level rise;
- Reduced maintenance needs for Calabazas and San Tomas Creeks; and
- Improved and socially equitable public access to the shoreline of South San Francisco Bay.

A Feasibility Study for the Project was completed in May 2021. In 2022, the Project's geographic scope was expanded to include 320-acre Pond A4, owned, operated, and maintained by Valley Water. The addition of Pond A4 provides increased opportunity for tidal marsh restoration and nature-based treatment of reverse osmosis concentrate produced during water recycling and purification. To offset the cost of adding Pond A4 to the Project, Valley Water prepared and submitted a grant application in the amount of \$3.8 million to the SFBWQIF program on September 19, 2022.

The intended purpose of the grant funds is to support the preparation of California Environmental Quality Act/National Environmental Policy Act documents and design plans for the Project, including Pond A4. The precise amount of grant funding is expected to be close to the \$3.8 million requested and will be specified in the grant agreement, which will be presented to the Valley Water Board of Directors for approval at a future date.

For further information, please contact Lisa Bankosh at (408) 630-2618 or John Bourgeois at (408) 630-2990.

2. Planned 1-Week Rinconada Water Treatment Plant Shutdown from January 19 to January 25, 2023

On January 19, 2023, the Rinconada Water Treatment Plant (RWTP) will be shut down for one (1) week to conduct the first phase of biennial electrical testing. Valley Water will also take this opportunity to perform Supervisory Control and Data Acquisition (SCADA) software updates and other essential maintenance activities. Performing maintenance and testing activities on a regular basis is essential to ensure the drinking water treatment plant's critical systems are safe, reliable and remain in good working order.

During this shutdown, all West Pipeline (WPL) turnouts normally fed by RWTP, except for the City of Mountain View, are expected to be impacted. Barring any unforeseen circumstances, the RWTP is scheduled to return to service on the morning of January 25, 2023.

The above stated shutdown schedule has also been communicated and coordinated with all WPL retailers. The retailers impacted by this shutdown will use their groundwater and/or alternate supplies to meet demand. During this period customers may notice a change in water characteristics and pressure.

For further information, please contact Sam Bogale at (408) 630-3505.

3. Safe, Clean Water Mini-Grant Closeout: Green Foothills Foundation, DBA Green Foothills' Community Advocates Leadership Academy Project

In Fiscal Year 2021, Valley Water awarded Green Foothills Foundation, DBA Green Foothills (Grantee) a \$5,000 Safe, Clean Water Program D3 Mini-Grant for their Community Advocates Leadership Academy Project (Project). The Grantee completed the Project on November 30, 2021 and submitted the final invoice items on August 10, 2022, allowing for grant closeout.

Green Foothills Foundation, DBA Green Foothills is a 501(c)(3) nonprofit whose mission is to protect open space and natural resources in San Mateo County and Santa Clara County for the benefit of advocacy, education, and grassroots action. The Grantee achieves this mission through engaging in local land use issues, educating decision makers and community leaders, and partnering with and mobilizing community members.

The Grantee's Community Advocates Leadership Academy is an eight-month civic training program for local community leaders to advance initiatives for inclusive environmental conservation and justice campaigns. The Grantee developed strategies to recruit a diverse group of 22 participants from San Mateo County and Santa Clara County. Grant funding went towards the project cost of the activities specifically for the 16 participants who reside in Santa Clara County or work for an organization that serves Santa Clara County. The academy included a virtual orientation, and six virtual classes with guest speakers covering the following topics: Preparing for a Campaign, Goal-Setting and Community Expertise, Power Mapping and Coalition Building, Grassroots and Grassroots Engagement, Theory of Change and Messaging, and Finalizing Campaign Plan & Looking Back on Leadership Journey. The academy concluded with a collaborative capstone presentation and an in-person graduation. Participant experience was assessed through in-session surveys to adjust the curriculum for the next cohort academy and to ensure the Project fulfills the Grantee's mission.

Key Outcomes:

- Achieved diversity goal among the 22 participants of the 2021 cohort:
 - More than 50% of participants identified as Black, Indigenous, and People of Color (BIPOC)
 - More than 70% of participants identified as women, transgender, nonbinary, or gender nonconforming
 - Even distribution across all adult age ranges and all household income levels of less than \$25,000 to more than \$150,000
- Engaged 22 participants, of which 19 graduated, and 16 were from Santa Clara County.
- Hosted six virtual classes to provide valuable perspectives on equitable, inclusive environmental activism.
- Conducted survey of the 19 graduates, which found that more than 50% of participants prioritized advocacy for (1) protecting vulnerable communities from pollution and (2) water resource protection and stewardship.
- Conducted a post-academy evaluation which found on average that 84% of graduates were satisfied with the structure of the workshops and reported acquiring new skills and knowledge for future campaigns and leadership work, increase in peer learning, and an overall sense of belonging, confidence and excitement fostered during the academy.

For further information, please contact Donald Rocha at (408) 630-2338.

4. Safe, Clean Water Mini-Grant Closeout: Keep Coyote Creek Beautiful's Russo/McEntee Academy Mural Project

In Fiscal Year 2022, Valley Water awarded Keep Coyote Creek Beautiful (Grantee) a \$5,000 Safe, Clean Water Program F9 Mini-Grant for their Russo/McEntee Academy Mural Project (Project). Grantee completed the Project on August 12, 2022, and submitted the final invoice items on September 23, 2022, allowing for grant closeout.

The Grantee is a non-profit organization that works with community groups, public agencies, and students to reclaim, restore, and beautify the 64-miles along Coyote Creek that runs through Santa Clara County. The mini-grant provided funding for a collaborative mural designed by local artist/muralist Paul J. Gonzalez and installation at Russo/McEntee Academy, a Transitional Kindergarten to 5th grade elementary school in San Jose, CA. The mural artwork, developed from community input, captures the abundant and diverse wildlife of nearby Coyote Creek to educate students, teachers, and visitors about the natural wonders of their local creek. The Grantee held a paint day and litter cleanup event in which the school community painted the mural and removed litter from the school grounds. The completed mural scene deters graffiti and fits naturally with the school's vision: "to provide a rigorous and innovative learning climate that promotes the growth of environmentally literate students capable of stewarding our planet."

Key Outcomes:

- Installed a mural spanning 80 feet wide and 8 to 20 feet high along the various five walls of the entry-facing buildings at the elementary school.
- Had eight participants and removed ten pounds of trash during the paint and cleanup event.
- Received 334 interactions with social media users via (8) Facebook posts, (7) Instagram posts, (2) LinkedIn posts and (1) Twitter post.
- Received 53 survey responses from the students, in which 50% of respondents reported that they could identify more than one neighboring creek, and 25% of respondents said that they appreciated the school's features incorporated in the mural, like the garden and recycling bins.
- Published a blog with photos to share the successful completion of the project: <https://www.keepcoyotecreekbeautiful.org/post/rm-mural>.

For further information, please contact Donald Rocha at (408) 630-2338.

5. **Beall**

For the 1/10/23 CIP Work study session, identify projects that can be completed faster to save constructions funds.

R-22-0009

Valley Water's Water Supply Division is working with the Pacheco Project Delivery Unit to provide a Pacheco Reservoir Expansion Project Status Update at the January 10, 2022 Board Work Study session that will outline the expanded Pacheco Reservoir's potential role in Valley Water's Water Supply Master Plan and water supply distribution system. An updated PowerPoint presentation will be posted via supplemental Board Agenda Memorandum on January 6, 2023.

For further information, please contact Christopher Hakes at (408) 630-3796.

6. **Beall**

Investigate state fund matching opportunities for CIP projects.

R-22-0010

In the Board meeting on December 13, 2022, during the discussion of the agenda item regarding the authorization to pursue federal Water Infrastructure Finance and Innovation Act (WIFIA) loans, Director Beall requested a list of state matching funds that could be available for capital projects. The item was assigned to the Office of Government Relations and expanded to include federal and regional funds to comprehensively respond to questions regarding possible grants to support capital projects. The response is published in the Non-Agenda dated January 6, 2023.

For further information, please contact Rachael Gibson at (408) 630-2884.

A monthly assessment of trends in water supply and use for Santa Clara County, California

Outlook as of January 1, 2023

On December 1, 2022, the California Department of Water Resources announced an initial State Water Project allocation of 5% of contract amount for 2023. An initial Central Valley Project allocation for 2023 has not come out yet. Despite the recent storms, Santa Clara County continues to be in a water shortage emergency. Due to severe drought and increased reliance on imported water in the next 10 years while Anderson Reservoir storage is unavailable, meeting the Board of Directors call for 15% water use reduction relative to 2019 is essential.

Weather

- Rainfall in San José:
 - » Month of December, City of San José = 6.18 inches
- Rainfall year total = 8.86 inches or 173% of average to date (rainfall year is July 1 to June 30)
- January 1 Northern Sierra snowpack was 139% of normal for this date

Local Reservoirs

- Total January 1 storage = 52,978 acre-feet

Reservoir Storage	All Ten Valley Water Reservoirs	All Reservoirs Except Anderson
Storage as % of unrestricted capacity	32%	63%
Storage as % of restricted capacity (1)	84%	81%
Storage as % of the 20-year average for January 1	78%	157%

(1) Per the Federal Energy Regulatory Commission's order, the capacity of Anderson Reservoir was restricted to the deadpool storage as of October 1, 2020

- No imported water delivered into Calero Reservoir during December 2022
- Total estimated releases to streams (local and imported water) during December were 6,450 acre-feet (based on preliminary hydrologic data)

Treated Water

- Below average demands of 4,647 acre-feet delivered in December
- This total is 82% of the five-year average for the month of December
- Year-to-date deliveries are 89,018 acre-feet or 87% of the five-year average

Groundwater

- Groundwater levels are increasing in most areas due to seasonal recovery, Valley Water's managed recharge operations, and ongoing water conservation by the community. While groundwater levels in most monitoring wells are higher than last month, many are lower relative to December 2021. The end of 2022 groundwater storage is estimated to be in low Stage 1 (Normal) of the Water Shortage Contingency Plan

	Santa Clara Subbasin		Llagas Subbasin
	Santa Clara Plain	Coyote Valley	
December 2022 managed recharge estimate	4,100	2,500	1,100
YTD managed recharge estimate	55,900	12,800	19,500
YTD managed recharge as % of 5-year average	109%	81%	101%
November 2022 pumping estimate	5,600	1,200	3,300
YTD pumping estimate	64,100	12,000	40,200
YTD pumping as % of 5-year average	98%	112%	100%
Current index well groundwater levels compared to December 2021	14 Feet Higher	6 Feet Lower	5 Feet Lower

All volumes are in acre-feet. All data is for 2022 except where noted. YTD = Year-to-Date

Imported Water

- To date in December, the State Water Project operated Banks pumping plant with an average daily export of 3,278 acre-feet, resulting in a total export of 95,069 acre-feet from the Sacramento-San Joaquin Delta (data through December 29)
- To date in December, the Central Valley Project operated Jones pumping plant with an average daily export of 2,528 acre-feet, resulting in a total export of 73,301 acre-feet from the Sacramento-San Joaquin Delta (data through December 29)
- There have been no interruptions to Sacramento-San Joaquin Delta pumping operations, due to water quality or otherwise, during the month of December

WY 2023 Imported Water Allocations	Allocation	Allocation (acre-feet)	Additional Allocation
State Water Project	5%	5,000	Additional supply may be available to meet minimum human health and safety needs in 2023
Central Valley Project	-	-	Central Valley Project allocations for 2023 have not been announced yet
State-wide Reservoir Storage	Capacity	Current Storage (acre-feet)	Average for Date (as of 12/30/22)
Shasta Reservoir	33%	1,483,482	56%
Oroville Reservoir	32%	1,137,629	62%
San Luis Reservoir	32%	653,701	52%
Semitropic Groundwater Bank	Capacity	Current Storage (acre-feet)	Date of Data
	75%	262,159	11/30/22
Estimated SFPUC Deliveries	November (acre-feet)	2022 Total to Date (acre-feet)	Five-year annual average (acre-feet)
	2,893	41,533	48,700

Conserved Water

- Saved 76,584 acre-feet in FY21 through Valley Water's long-term conservation program (baseline year is 1992)
- Long-term program goal is to save nearly 100,000 acre-feet by 2030 and 110,000 acre-feet by 2040
- On June 9, 2021, the Board called for a 15% reduction in water use compared to 2019 and for retailers, cities, and the County to implement local water restrictions. On May 24, 2022, the Board approved an ordinance to enforce outdoor water waste restrictions against runoff, midday watering, and watering after rainfall, and a limit of two days a week of watering for non-functional turf. On September 13, 2022, this ordinance was amended to include the State's ban against watering commercial, industrial, and institutional non-functional turf amongst its list of enforceable restrictions
- Countywide water savings compared to 2019 (Valley Water's baseline) and 2020 (State's baseline)

Baseline Year	Santa Clara County	
	2019	2020
November 2022 Savings	22%	21%
Cumulative*	7%	12%

*Cumulative for 2019 baseline begins in June 2021 and for 2020 baseline begins in July 2021

Recycled Water

- Estimated December 2022 production = 770 acre-feet
- Estimated year-to-date through December = 17,086 acre-feet or 100% of the five-year average
- Silicon Valley Advanced Water Purification Center produced about 4,800 acre-feet of purified water since the beginning of 2022. The purified water is blended with existing tertiary treated recycled water for South Bay Water Recycling Program customers

Alternative Sources

- As of December 10, 2019, Valley Water's wastewater contract right from Palo Alto/ Mountain View remains at 11,200 acre-feet/year

CONTACT US

To find out the latest information on Valley Water projects or to submit questions or comments, email info@valleywater.org or use our **Access Valley Water** customer request system at <https://deliver.com/2yukx>.



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BOARD MEMBER REQUESTS and Informational Items

Report Name: Board Member Requests

Request	Request Date	Director	BAO/Chief	Staff	Description	20 Days Due Date	Expected Completion Date	Disposition
I-22-0006	12/12/22	Beall Eisenberg	Taylor	Sun	Directors Beall/Eisenberg requested the following information on Pacheco: 1. When the Pacheco project planning/design started (Beall) 2. How many staff are currently working on the Pacheco project (Beall/Eisenberg) 3. A breakdown of the historical costs and future expenditures planned for Pacheco by major cost category (e.g. labor, consulting services, legal, etc.) (Beall/Eisenberg)	01/01/23		
I-22-0007	12/16/22	Eisenberg	Orellana	Chan Hopper	Director Eisenberg requests the following information from the Office of District Counsel during the time period June 1, 2021 to December 16, 2022: • engagement letters • invoices • paid bills • amounts paid/outstanding • budget estimates for all outstanding litigation as well, including responsive motions, discovery, and trial	01/08/23		
R-22-0009	12/13/22	Beall	Richardson	Penilla	For the 1/10/23 CIP Work study session, identify projects that can be completed faster to save constructions funds.	01/02/23		
R-22-0010	12/13/22	Beall	Gibson	Broome	Investigate State fund matching opportunities for CIP projects.	01/02/23		

Report Name: Board Member Requests

Request	Request Date	Director	BAO/Chief	Staff	Description	20 Days Due Date	Expected Completion Date	Disposition
R-22-0012	12/13/22	Beall	Yoke	Mcelroy	Provide a reoccurring report listing the number of Valley Water personnel vacancies.	01/02/23		



MEMORANDUM

FC 14 (08-21-19)

TO: Rick L. Callender, Esq.
Chief Executive Officer

FROM: Chris Hakes
Deputy Operating Officer

SUBJECT: Supplemental Information Regarding
Real Estate Acquisitions for the Anderson
Dam Tunnel Project, Part of the Federal
Energy Regulatory Commission Order
Compliance Project

DATE: January 3, 2022

On January 10, 2023, the Board of Directors will be asked to consider and approve the acquisition of Ms. Janice M. Schultz, Trustee full fee acquisition of three parcels for the Anderson Dam Tunnel Project (ADTP), part of the Federal Energy Regulatory Commission Order Compliance Project.

Santa Clara Valley Water District (Valley Water) is undertaking the Anderson Dam Federal Energy Regulatory Commission (FERC) Order Compliance Project (FOCP) as a result of the February 20, 2020, directive from FERC to implement interim risk reduction measures at Anderson Dam to protect the public from risk of dam failure due to seismic activity. ADTP, Project No. 91864006, is one of five Capital Construction Projects comprising the FOCP. ADTP is currently being constructed and includes building a diversion system to augment the existing outlet, consisting of a new diversion tunnel, an outlet structure, a micro-tunnel lake tap, and modifications to Coyote Creek just downstream of the base of the dam. ADTP also includes reservoir bank and rim stability improvements, and existing intake structure modification.

The purpose of the ADTP reservoir bank and rim stability improvements is to address ground movement associated with pre-existing landslide areas around Anderson Reservoir. One of the landslide areas that requires stabilization is known as the "Hoot Owl Way Landslide," located on the reservoir slope below Hoot Owl Way in the Holiday Lake Estates community. Slope movements at the Hoot Owl Way Landslide have been documented in the past during reservoir operations, seismic events, and other drought and flood related circumstances, and were monitored during the drawdown of Anderson Reservoir in 2020.

When the new diversion system becomes operational, rapid drawdowns during heavy storms may contribute to subsequent slope movement. The ADTP team developed alternatives to mitigate future slope movements around the reservoir using engineering solutions such as soil nails, retaining walls, regrading, shear keys, and drainage improvements. However, analyses of the Hoot Owl Way landslide area determined these solutions may not fully prevent further movement of the slope. Valley Water also considered precautionary acquisition of the nine parcels that are materially threatened by the Hoot Owl Way Landslide as a mitigation alternative. After evaluating the various mitigation alternatives, Valley Water determined that the most feasible option is to

pursue acquisition of all nine parcels that may be affected by the Hoot Owl Way Landslide.

The following property is located on the reservoir slope and has been identified as a property where ground movement associated with pre-existing landslide requires stabilization. Precautionary acquisition of these properties and restoration to a more natural condition is determined to be the most appropriate way to address risks threatened by the Hoot Owl Way Landslide.

Janice M. Schultz, Trustee

The full fee acquisition from Ms. Janice M. Schultz, Trustee is a total of 38,825 square feet, APN: 729-37-020, 729-37-021, and 729-37-022 located at 17520, 17530, and 17540 Hoot Owl Way, Morgan Hill, CA.

Valley Water retained Chapman & Patton, Real Estate Appraisers and Consultants, to appraise the property which established the fair market value for 17520 and 17530 Hoot Owl Way was \$1,650,000 (Attachment 1) and \$1,025,000 for 17540 Hoot Owl Way (Attachment 2). An offer in the aggregated amount of \$2,675,000 was made to the owner on April 7, 2022.

-On June 21, 2022, Janice M. Schultz, Trustee made a counteroffer in the amount of \$3,200,000 and provided extensive copies of receipts for all recent improvements made to the properties.

-On June 28, 2022, Valley Water reiterated Ms. Schultz's right to obtain a second appraisal. Ms. Schultz declined to obtain a second appraisal.

-On August 16, 2022, Valley Water Associate Real Estate Agent Edna Campero met with Ms. Schultz at which time a tentative purchase amount of \$2,942,500 was discussed. On August 19, 2022, Ms. Schultz gave verbal confirmation of the \$2,942,500 purchase amount and documents were prepared for execution by the parties. This amount is 10% above the appraised value.

-Settlement in the amount of \$2,942,500 was agreed to and signed by Ms. Schultz, Trustee, on November 14, 2022, subject to board approval.

-Standard contamination provision permitting Valley Water to offset contamination remediation costs against the sale price has been removed at the request of the owner and replaced by a representation from the owner that she has no actual knowledge of any hazardous materials affecting the property. Based on valley Water's inspection of the property and Valley Water's intended uses of the property, it is staff's determination that removing the contamination provision will not likely subject Valley Water to significantly increased risks.

The parties agreed that the owner may select the closing date for the acquisition of this property so long as the closing occurs not later than May 31, 2023. This will facilitate the owner locating a new residence and will not interfere with the Valley Water project.

The proposed acquisition of these properties above will be presented to the Board of Directors for consideration and approval on January 10, 2023.

/s/ Chris Hakes

Christopher Hakes
Deputy Operating Officer
Dam Safety & Capital Delivery Division

Attachments:

Attachment 1 (Appraisal for 7520 and 17530 Hoot Owl Way)

Attachment 2 (Appraisal for 17540 Hoot Owl Way)

ec: B. Yerrapotu, R. Blank, M. Richardson, K. Bradley, B. Magleby

ch: rc

Appraisal Report



SCHULTZ PROPERTY
FILE # 9186-49
17520 & 17530 HOOT OWL WAY
MORGAN HILL, CALIFORNIA

PREPARED FOR

SANTA CLARA VALLEY WATER DISTRICT

PREPARED BY

CHAPMAN & PATTON

EFFECTIVE DATE OF VALUE

JANUARY 19, 2022

March 16, 2022

Edna Campero
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

Dear Ms. Campero,

Pursuant to our agreement, an appraisal has been made of the Fair Market Value of the Schultz property identified as Assessor's Parcel Numbers 729-37-020 and 729-37-021 located at 17520 and 17530 Hoot Owl Way in (unincorporated) Morgan Hill, California. The property being appraised will be referred to as the Subject property in this report.

The purpose of this appraisal is to provide you with an opinion of the Fair Market Value of the Subject property, which will potentially be acquired for the Santa Clara Valley Water District's (SCVWD) Anderson Dam Tunnel Project. The effective date of value for this assignment is January 19, 2022.

This report contains a description of the entire property in the before condition. The appraisal of the property in the before condition is made under the hypothetical condition that the proposed Anderson Dam Tunnel Project does not exist.

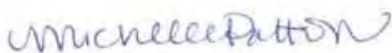
A *Notice of Decision to Appraise* was sent to the property owner by this office on January 11, 2022. The appraiser met with Ms. Schultz on January 19, 2022.

I have gathered pertinent information, sales and other data relevant to the valuation of the property and analyzed the data to reach my conclusions. In my opinion, the fair market value of the Subject property as of January 19, 2022 was \$1,650,000.

This is a Restricted Appraisal Report that may not be understood properly without reviewing additional information retained in the appraiser's file. This report is performed in accordance with generally accepted reporting requirements for Uniform Standards of Professional Appraisal Practice 2-2(b). Please refer to the General Assumptions and Limiting Conditions found in the Introduction & Summary section of this report.

Very truly yours,

CHAPMAN & PATTON



Michelle Patton, MAI, SR/WA, R/W-AC
Certified General Real Estate Appraiser # AG030012

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INTRODUCTION & SUMMARY

Purpose of the Appraisal

The purpose of this appraisal is to estimate the Fair Market Value of an improved 0.65-acre residential property in an unincorporated area of Santa Clara County near Morgan Hill, California.

Appraisal Report Format

This is a Restricted Appraisal Report, in accordance with the requirements identified in Standard Rule 2-2(b) of USPAP. It is intended to provide a brief description of the entire property in the before condition, ignoring project influence. It should be noted that the appraiser's opinions and conclusions set forth in the report may not be understood properly without reviewing additional information retained in the appraiser's work file. The report format had been mutually agreed upon by the client prior to completion of this assignment. Additional supporting documentation and analyses, as appropriate, is retained in the appraiser's file.

Scope of the Assignment

A *Notice of Decision to Appraise* was sent to the current owners on January 11, 2022. The *scope of inspection* consisted of Michelle Patton viewing the Subject property on-site on January 19, 2022 in the presence of Ms. Schultz, as well as Ms. Edna Campero of Valley Water.

Verification of the sales was made using public records, and when possible, parties to the transactions (primarily real estate brokers who handled the transactions). Each comparable sale was viewed, photographed and verified by Michelle Patton. The comparables cited herein should be construed as being a pertinent sampling, which were selected based upon physical and location similarities relative to the property under appraisal and/or the credibility of the data.

The *geographic scope* of research was focused in Morgan Hill and surrounding communities.

The following *scope of resources* was used in the development of the market value opinion expressed herein. Information provided by the client consisted of a Preliminary Report, Legal Description and Plat Map of the Subject property, and description of the Project.

Sources used in the process of analyzing the Subject property included:

- Assessor's map
- Flood hazard map
- Discussions with local brokers
- Zoning ordinance for Santa Clara County
- General Plan for Santa Clara County
- Engineering maps for the property to be acquired
- Discussions with Bill Magleby, Senior Real Estate Agent with SCVWD

Sources used in the process of estimating value for the Subject included:

- Assessor's records
- Multiple Listing Service (MLS)
- Local brokers
- CoStar

Intended Use

The intended use of the appraisal and report is to provide Santa Clara Valley Water District and their legal representatives with a basis for determining just compensation to be offered to the property owner. It is not intended for any other use.

Intended User and Client

The intended user and client of this appraisal is Santa Clara Valley Water District and their legal representatives. The appraisal is not intended for any other user.

Definitions

Appraisal Report (Restricted) - A written appraisal report prepared under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice.

Before Condition - The before condition is the condition of the property on the valuation date (as if) prior to the project, planning and steps leading up to the project.

Benefits - A benefit is an increase in value accruing specially to a remainder property as a result of a partial acquisition or project construction.¹

Easement - The right to use another's land for a stated purpose.²

Encumbrance - Any claim or liability that affects or limits the title to property. An encumbrance can affect the title such as a mortgage or other lien, or it can affect the physical condition of the property such as an easement. An encumbrance cannot prevent the transfer of possession, but it does remain after the transfer.³

Exposure Time - estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.⁴

Extraordinary Assumption - An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions."⁵ An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.

Fee Simple - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.⁶

¹ Source: Section 1263.430 from the Code of Civil Procedure

² Source: The Dictionary of Real Estate Appraisal, 7th Ed., published by the Appraisal Institute, 2022

³ Source: The Dictionary of Real Estate Appraisal, 7th Ed., published by the Appraisal Institute, 2022

⁴ Source: 2020-2021 Edition USPAP, Page 4

⁵ Source: 2020-2021 Edition of USPAP, Pages 4 & 17

⁶ Source: The Dictionary of Real Estate Appraisal, 7th Ed., published by the Appraisal Institute, 2022

Highest And Best Use - The following explanation is taken directly from the 14th Edition of The Appraisal of Real Estate:

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.

Hypothetical Condition - A Hypothetical Condition is “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis.”

Comment: “Hypothetical Conditions are contrary to known facts about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in the analysis.”⁷

Larger Parcel - In governmental land acquisitions and in valuation of charitable donations of partial interests in property such as easements, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use. In most states, unity of ownership, contiguity, and unity of use are the three conditions that establish the larger parcel for the consideration of severance damages. In federal and some state cases, however, contiguity is sometimes subordinated to unitary use.⁸

Market Value -

(a) The fair market value of the property taken is the highest price on the date of the valuation that would be agreed to by a seller, being willing to sell, but under no particular or urgent necessity of so doing nor obliged to sell, and a buyer, being ready, willing and able to buy, but under no particular necessity for so doing, each dealing with each other with full knowledge of the uses and purposes for which the property is reasonably adaptable and available.

(b) The fair market value of property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.⁹

⁷ Source: 2020-2021 Edition of USPAP, page 4

⁸ Source: The Dictionary of Real Estate Appraisal, 7th Ed., published by the Appraisal Institute, 2022

⁹ Source: Code of Civil Procedure, Section 1263.320(a)

General Assumptions and Limiting Conditions

The following Assumptions and Limiting Conditions have been relied upon and used in making this appraisal and estimating the respective values required by the purpose of the appraisal and its intended use.

- 1) No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
- 2) The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
- 3) Responsible ownership and competent property management are assumed unless otherwise stated in this report.
- 4) The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- 5) Sketches, plats, or photographs contained in this report are included to assist the reader in visualizing properties and no survey has been made of the property in the report.
- 6) The Appraiser assumes no responsibility for discovery of hidden or non-apparent conditions of the property, subsoil, or the structures that render it more or less valuable. Encroachment of real property improvements is assumed to not exist. No responsibility is assumed for arranging engineering studies or a survey, which may be required to discover these conditions.
- 7) It is assumed that there is full compliance with all applicable Federal, State, and local environmental regulations and laws unless otherwise stated in this report.
- 8) It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in this appraisal report.
- 9) It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusions contained in this report are based.
- 10) The Appraiser is not a soil expert. The existing soil and substructure has been assumed adequate for existing or proposed uses unless contrary information is provided and contained in this report. It is advisable to have a soil analysis and report completed by a qualified soil engineer or other qualified expert so that any interested party will become knowledgeable as to the important soil information including seismic data, soil contaminants, type of fill, if any, or other relevant matters.
- 11) Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act.
- 12) The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

- 13) Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written prior consent of the Appraiser, and in any event, only with proper written qualifications and only in its entirety.
- 14) Neither all nor any part of the contents of this report (*especially any conclusions as to value, the identity of the Appraiser, or the firm with which the Appraiser is connected*) shall be disseminated to the public through advertising, public relations, news sales, or other media.

Extraordinary Assumptions and Hypothetical Conditions

Please note that all Extraordinary Assumptions and Hypothetical Conditions could have an effect on the results of this appraisal.

Extraordinary Assumptions

- 1) It is assumed that no hazardous or toxic substances exist on the Subject property or the soils comprising the Subject land.
- 2) It is assumed that no other easements exist on the entire property that could affect use and/or value other than those noted in this report.
- 3) The age of the dwelling predates the County's building permit records. It is assumed for purposes of this analysis that the Gross Living Area (GLA) identified in the report is accurate and that any unpermitted space has been grandfathered-in as permitted, livable space.

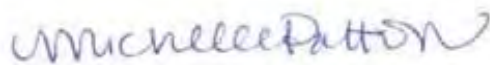
Hypothetical Condition

- 1) This assignment was prompted by the Anderson Dam Tunnel Project. Therefore, the project will be disregarded in the appraisal of the Subject in the before condition.

Certification of Appraiser

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- I made a personal inspection of the property that is the subject of this report.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the 3-year period immediately preceding acceptance of this assignment.
- no one provided significant real property appraisal assistance to the person signing this certification.
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- as of the date of this report, Michelle Patton has completed the continuing education program for designated members of the Appraisal Institute.

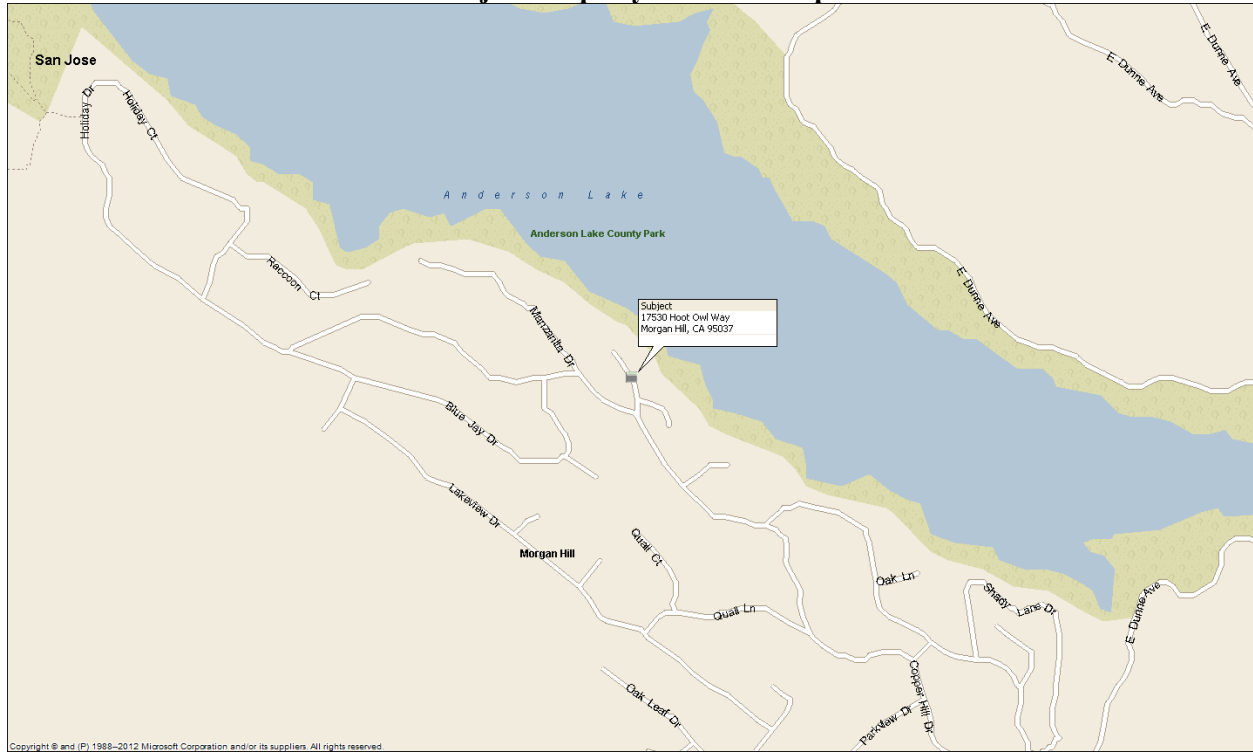


March 16, 2022

Date

Michelle Patton, MAI, SR/WA, R/W-AC
Certified General Real Estate Appraiser #AG030012

Subject Property Location Map



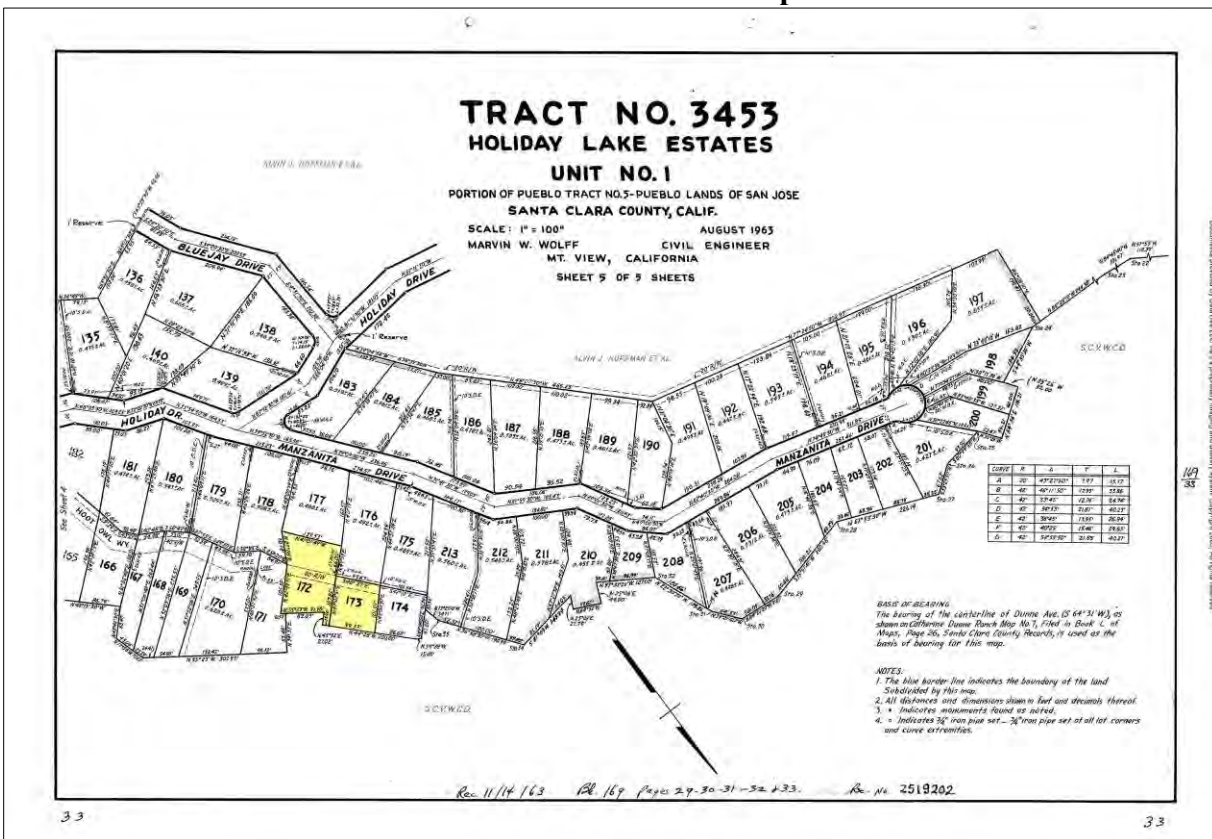
Satellite Image



Assessor's Parcel Map



Recorded Subdivision Map



Subject Property Photographs



Left: Southernly view of Hoot Owl Way



Right: Driveway access easement encumbering the Subject for the benefit of APN 729-37-022



Left: Northeasterly view of APN 729-37-020 looking towards Anderson Lake



Right: Southwesterly view of APN 729-37-020



Left: Northerly view of Subject from driveway entrance



Right: Southeasterly view of driveway and Subject steeply sloping from the access point



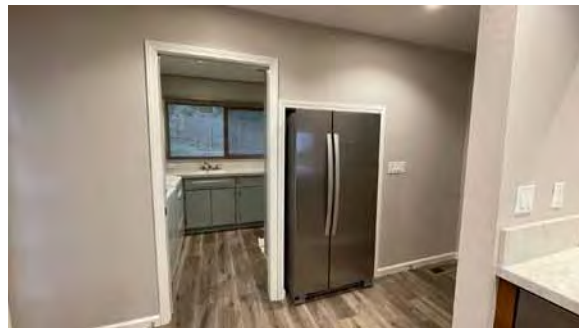
Left: Southeasterly view of driveway/access easement – Subject garage on left



Right: Northwesterly elevation of residence and garage



Left: Northeasterly elevation of residence and terraced landscaped areas
Right: Large rear deck and yard areas overlooking Anderson Lake



Left: Kitchen
Right: Kitchen



Left: Kitchen
Right: Kitchen/Dining Bar



Left: Master Bedroom
Right: View from Master Bedroom



Left: Master Bedroom
Right: Hallway



Left: Office/Den
Right: Master Bathroom



Left: Hallway and Office/Den
Right: Dining Room and Foyer on right





Left: Living room on right and Foyer ahead
Right: Living Room



Left: Laundry Room
Right: Laundry Room



Left: Enclosed Sunroom
Right: Enclosed Sunroom



Left: Basement Storage area
Right: Terraced landscaping and decking





Left: Decking along northeasterly elevation
Right: Northeasterly elevation or residence



Left: View of Anderson Lake bed
Right: Typical landscaping



Subject Property Identification

Address

17520 and 17530 Hoot Owl Way, Morgan Hill, California

Location

The Subject property is located north of the termination of Hoot Owl Way, north of Holiday Drive and just west of Anderson Lake in Santa Clara County.

Assessor's Parcel No(s).

729-37-020

729-37-021

County

Santa Clara

Owners of Record

According to the Preliminary Report prepared by Old Republic Title Company and dated February 1, 2022, ownership is vested in:

As to APN 729-37-020:

Janice M. Schultz, Surviving Trustee of The Schultz Family Trust dated July 24, 1996

As to APN 729-37-021:

Janice M. Schultz, Trustee of the Janice Schultz Survivor's Trust u/t/a dated July 24, 1996, an undivided 50% interest, and to Janice M. Schultz, Trustee of the Thomas Schultz Bypass Trust u/t/a dated July 24, 1996, an undivided 50% interest.

History of Ownership

According to public records, the property has been owned by the Schultz family since at least 1996. Due to the length of ownership, no further investigation was made into the history of ownership. No sales or listings of the property were found in the past 10 years.

Larger Parcel

The ownership owns three contiguous parcels, each zoned Hillside for open space and/or single-family residential uses. APN 729-37-022 is improved with a single-family dwelling and has a highest and best use as a stand-alone improved homesite. As such, this adjoining property is considered a separate larger parcel for purposes of this assignment.

On the other hand, while the remaining two parcels have two separate legal parcels and APNs, they are better suited to be considered one economic unit, since APN 729-37-020 is essentially bisected by the servient access easement and is unlikely to be developed independently with a residence (due to the easement and other considerations such as topography, septic constraints and its site size).

As such, the larger parcel includes two APNs: 729-37-020 and 021.

Size/Shape/Topography

According to public records, the Subject property consists of two parcels that contain a total of 0.65-acres (28,121 square feet) gross. However, the property is encumbered by a private access easement serving adjoining parcel 729-37-022, which contains approximately 4,000 square feet. While this driveway/access easement provides access to the property, it also precludes private use of this area. The resulting net size of the lot is 24,121 square feet (0.55 acre). It has an irregular shape, has a level homesite area, but is down-

sloping from the entrance at the Hoot Owl Way cul-de-sac, towards the lake and upsloping in the southwesterly portion of the site.

Utilities

The Subject's neighborhood is served with electricity and public water. However, development requires private on-site septic systems and propane, as sewer services and natural gas are not available to the neighborhood. It is assumed the Subject's existing water supply and septic system is adequate for the continued residential use.

Access

The Subject has one point of access from the cul-de-sac of Hoot Owl Way. The driveway extends from the terminus of Hoot Owl Way, through the middle of the first parcel, and along the southwesterly boundary of the second parcel. The driveway is gated at the Hoot Owl Way cul-de-sac and is asphalt-paved. The driveway is essentially a 20' wide servient easement benefitting APN 729-37-022, also owned by Ms. Schultz. Hoot Owl Way is also an asphalt-paved public road that lacks offsite improvements such as curbs, gutters and sidewalks, which is typical for this neighborhood.

Current Use/Improvements

The property is improved with a one-story, single-family dwelling that was originally constructed in 1958. While public records indicates the house contains 1,609 square feet, the appraiser's measurements indicate closer to 2,500 square feet. There is 1 bedroom and 1.5 bathrooms.

The dwelling is a wood-framed structure on a raised foundation with composition shingle roofing. Exterior walls are painted batten board and there is a large, 2-car attached covered carport on a concrete slab.

According to Ms. Schultz, the entire residence was completely gutted and remodeled within the past year. New interior finishes include taped, textured and painted drywall walls and ceilings, except for the living room, which includes exposed beam and custom wood slat ceilings. There are new wood floors throughout the entire house, as well as new dual-paned windows in vinyl frames.

The kitchen includes all new custom cabinetry, custom countertops and a large stainless-steel sink. Built-in stainless-steel appliances include a dishwasher and gas oven/range with hood combo, a wine refrigerator and a microwave.

The living room includes a fireplace insert with a brick hearth and track lighting. There is an entry foyer with coat closet and half bathroom. The laundry room includes painted cabinetry, washer and dryer hook-ups and custom counter tops with a porcelain sink.

While there is only one bedroom, it is considered a Master Suite, with a large office/den area, workout room and extensive closet space in the hallway. In addition to the numerous windows in the Master Bedroom, giving a view of Anderson Lake, there are two sets of sliding glass doors for access to the exterior deck. The Master Bathroom includes a dual sink vanity with custom countertops and new stainless appliances. The shower is a stall shower with glass enclosure.

The southwesterly portion of the house includes a sunken enclosed sunroom with ceramic tile flooring, textured drywall walls and glass ceiling and walls to the exterior. The home has a roof mounted solar energy system. It is unknown whether the system is owned or leased. There is an outdoor kitchen/bar area with a sink and counters.

The entire deck was removed and replaced, according to the owner. The residence was built to incorporate the many rock outcroppings on the property, as seen in the prior photographs. Site improvements include

various decking improvements, concrete and brick patio areas, terraced landscaping and gravel walkways and parking areas. There are numerous mature trees on the site, and a panoramic view of Anderson Lake.

Having just been completely remodeled, the Subject is in excellent condition and includes high-quality craftsmanship and finishes.

Easements and Encroachments

The Preliminary Report (found as Addendum B) prepared by Old Republic Title Company refers to various exceptions to title, including several easements that encumber the Subject Property, as described below:

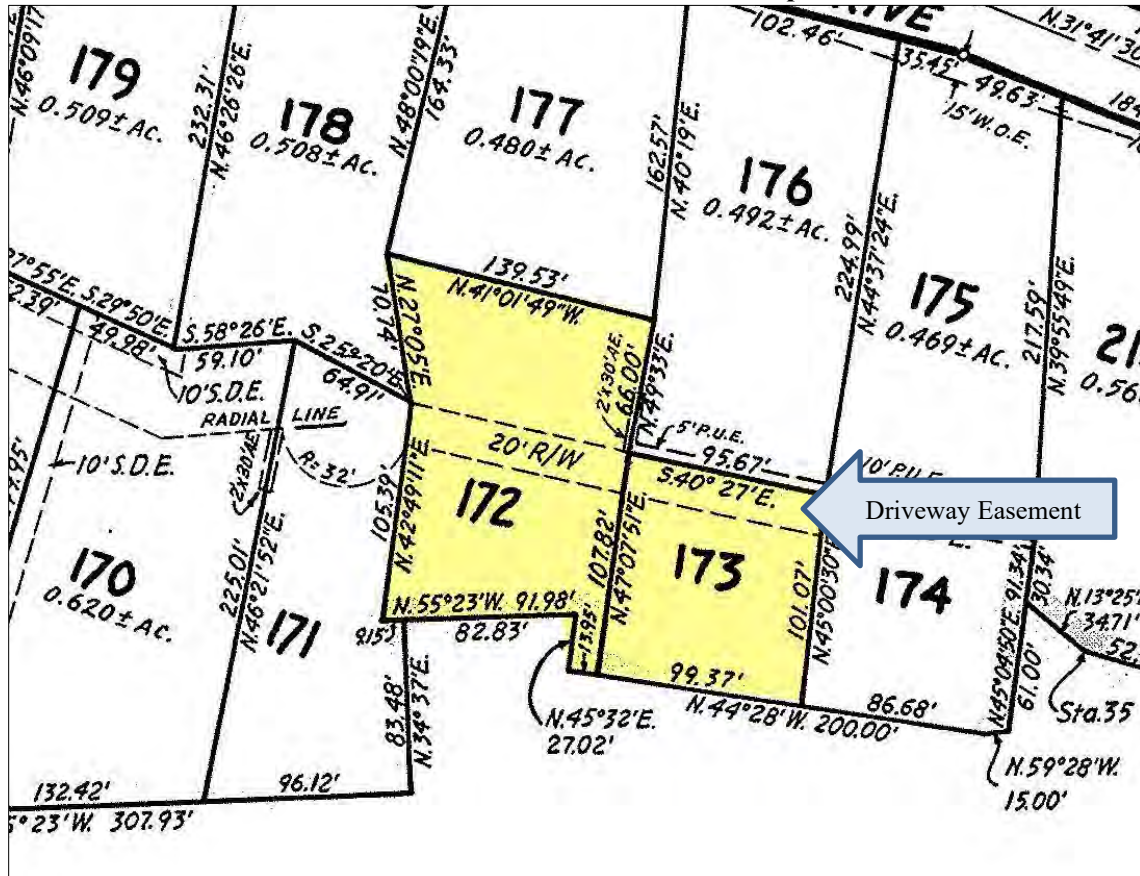
- 9) *An easement for right of way purposes in favor of Coast counties Gas and Electric Company for a single line of poles and appurtenances for ingress and egress*
- 10) *Reservations, conditions and restrictions contained in the deed from SCVWD with document number 2089101.*
- 11) *An easement for public utilities affecting the southwesterly 5 feet*

With regards to Item 10, the Deed (Document Number 2089101) can be found as Addendum D to this report. This deed was recorded in 1961 and effectively allows SCVWD “*the absolute and permanent right to flood and inundate the said lands with water, whether or not such water is local in origin, and without regard to origin, to a height of 640 feet*”.

The deed further states that the District “*shall have no liability of any nature to the Grantee, or any person, firm or corporation, claiming under him, on account of the fact that the District may raise or lower the level of water in said reservoir...*” Furthermore, “*structures and improvements have been erected by such parties on said lands shall in no wise (sic) limit the force and generality of the reservations and agreements of this deed...*”

The inundation easement was fully considered in the valuation of the Subject. It is assumed that no other easements or encroachments exist that could negatively affect the property’s value or marketability other than those mentioned in this report.

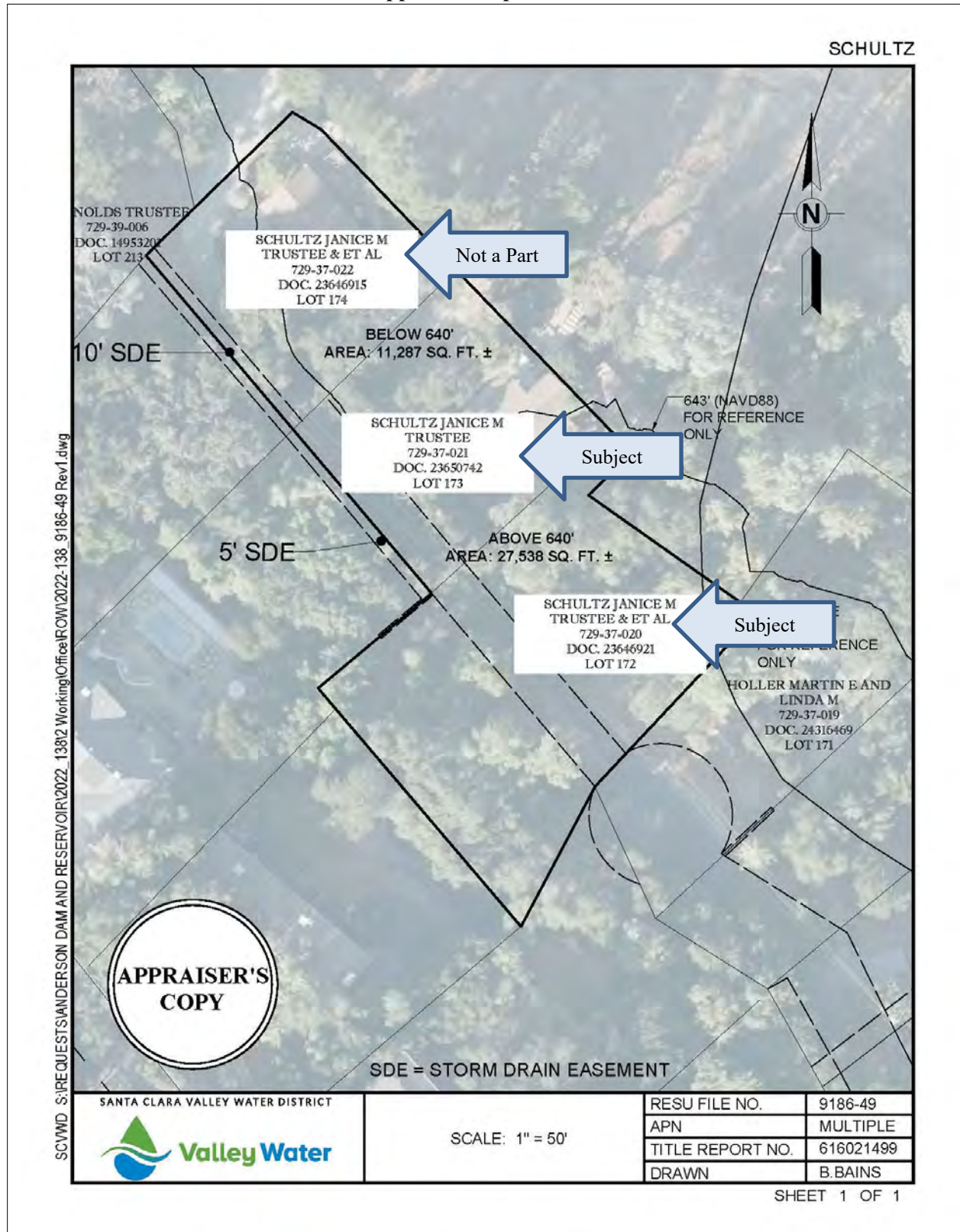
Easements identified on Parcel Map



Aerial with Topographic Overlay – Yellow line is 640' Elevation Mark



Appraisal Map Exhibit



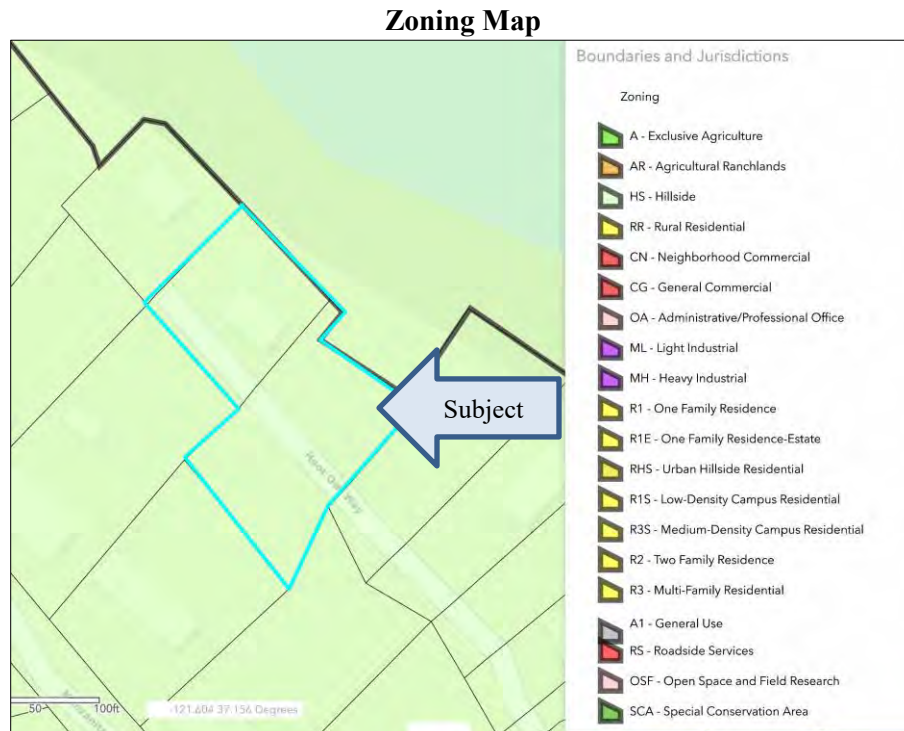
Zoning and General Plan: County of Santa Clara

The Subject is under the jurisdiction of Santa Clara County Planning Department and has a zoning designation of HS (Hillside) and a General Plan designation of USA (Regional Parks, Existing). Hillside zoning allows for various residential uses and its intent is as follows:

The purpose of the Hillside district, also known as the HS district, is to preserve mountainous lands unplanned or unsuited for urban development primarily in open space and to promote those uses which support and enhance a rural character, which protect and promote wise use of natural resources, and which avoid the risks imposed by natural hazards found in these areas. These lands are watersheds and may also provide such important resources as minerals, forests, animal habitat, rare or locally unique plant and animal communities, historic and archeological sites, scenic beauty, grazing lands, and recreational areas. Additionally, lands zoned Hillside define the setting or viewshed for the urban area of the County.

Development shall be limited to avoid the need for public services and facilities. Permitted uses include agriculture and grazing, very low-density residential use, low density, low-intensity recreation, mineral and other resource extraction, and land in its natural state. Low-intensity commercial, industrial, and institutional uses may also be allowed if they require a remote, rural setting in order to primarily serve the rural residents or community, or if they support the recreational or productive use, study, appreciation, or enhancement of the natural environment. Clustering of development, particularly residential, is encouraged in order to preserve contiguous open space and achieve efficiency in the provision of access to dwellings. This district is meant to apply to all parcels designated Hillside in the general plan.

The Subject is also within the city of Morgan Hill's *Sphere of Influence*, which designates the Subject as Residential Detached Low (up to 4 dwelling units/acre).



Probability of a Zoning Change

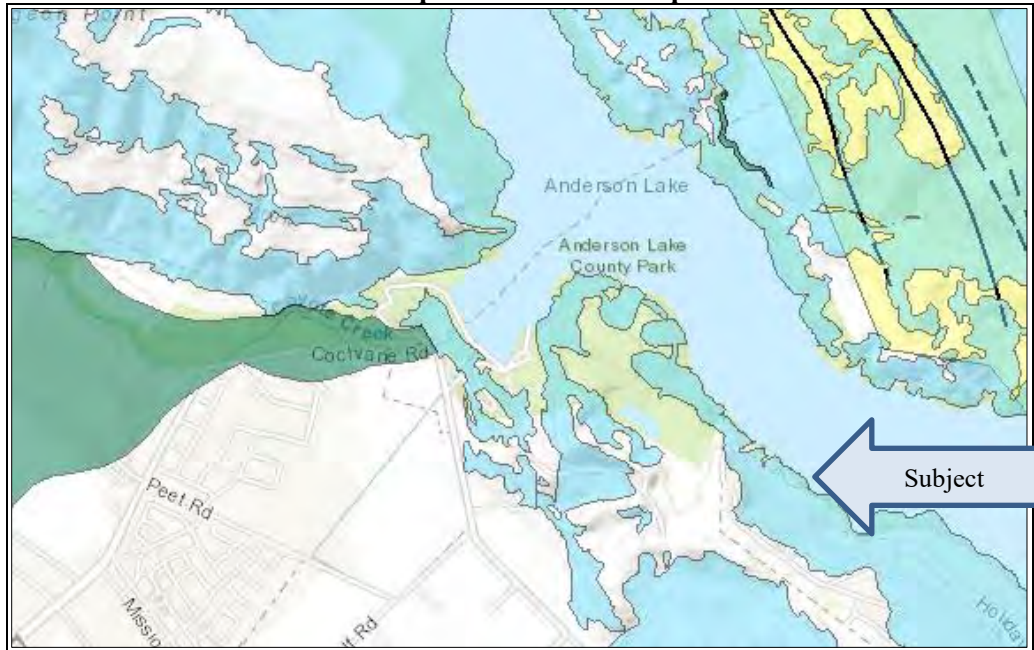
A change in zoning is not likely. The Subject is in an area primarily reserved for low-density residential uses.

Geologic Hazards

Though the Subject is not located in a Special Earthquake Studies Zone, it is subject to ground shaking as are all properties in this region. However, ground movement and shaking in liquefaction areas is greatly amplified.

The combination of nearby fault lines and probable landslides represent a serious geologic hazard. It should be remembered that the project for this appraisal was prompted by the potential for a “geologic hazard.”

Location of Earthquake Faults and Liquefaction Soils



Hazardous Material Sites

No Environmental Site Assessments were provided for this assignment. There are no known or apparent adverse environmental conditions that would negatively impact the value of the Subject Property. The appraiser is not qualified to make a hazardous waste determination. Please refer to the Limiting Conditions section of this report.

FEMA Flood Hazard Area

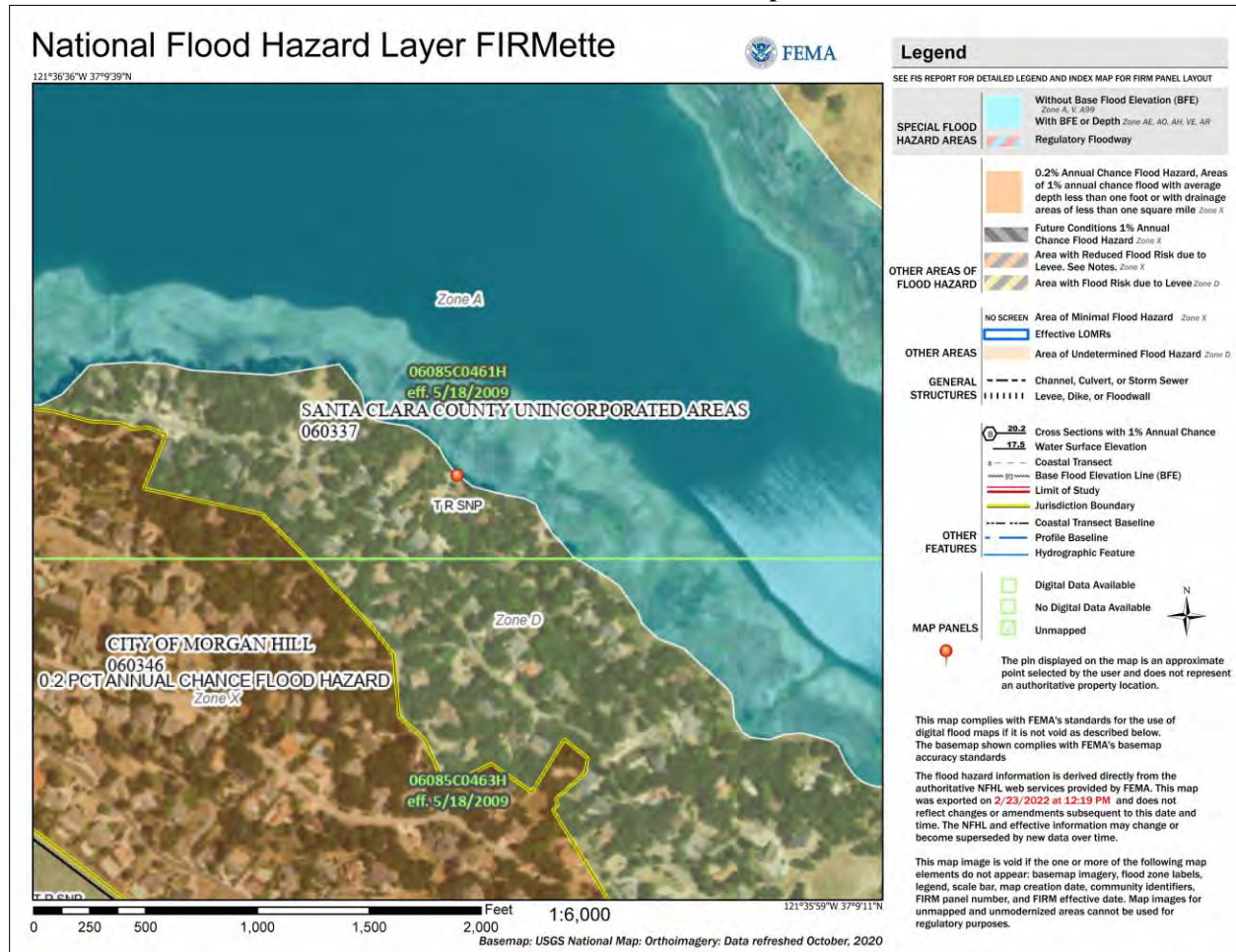
As shown on the map on the following page, the Subject is shown in FEMA Zone D flood hazard areas. The Zone D designation is used for areas with a potentially moderate to high risk of flooding, but the probability has not been determined. Although some federally backed lenders may still require it, in a Zone D, there are no mandatory flood insurance requirements. Also, there are no minimum building requirements by FEMA. However, Zone D indicates that there is a risk of flooding; the level of risk is just unknown.

The site is adjacent to Anderson Lake which is designated as FEMA Flood Zone A.

Legal Description

The legal description of the Subject can be found in the Preliminary Report, found as Addendum B to this report.

FEMA Flood Hazard Map



Assessed Value and Taxes (2021-2022)

Ad Valorem taxes in California are limited by Proposition 13. This law, enacted in 1978, sets property taxes at 1% of acquisition price, plus 2% annual increases in the tax. In order to fund infrastructure and other services ordinarily paid for by property taxes, local agencies and municipalities have a complicated system of direct levies, which act as a special tax, to fund infrastructure development or school systems. Upon sale, the property would be reassessed per Proposition 13.

The following table indicates the assessed values and real estate taxes for the 2021-22 tax year.

Assessed Values	729-37-020, 021
Land	\$267,932
Improvements	\$191,107
Subtotal	\$459,039
Less.	
Homeowners Exemption	-\$7,000
Total	\$452,039
RE Taxes	\$5,134.34

Highest And Best Use - As if Vacant

Highest and best use is defined as that use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in highest land value. It may also be referred to as the most efficient and profitable permissible use. The size, shape, area, and terrain of a parcel of land affect the uses to which it can be developed. The utility of a parcel may depend on its frontage and depth. Irregular-shaped parcels can cost more to develop and, after development, may have less utility than typically shaped parcels in the same area.

Legal Permissibility Test – The Subject property is zoned Hillside, which is intended for the preservation of open space, but also allows for low density, single-family residential use.

Physical Possibility Test – The Subject property contains 0.55 acre (net) and includes a hillside lot that abuts Anderson Lake. Front, side and rear setbacks in the Hillside district are 30'. For the Subject, there are no physical site characteristics that would preclude development of legal uses, except that existing easements may not be built on. The size and shape of the Subject's site are fairly typical for the area. Access to the site is good via one asphalt-paved driveway from the end of Hoot Owl Way.

Financial Feasibility Test - The neighborhood is nearly 100% built-out with primarily residential uses, in addition to several open space areas maintained by the Holiday Lake Estates Homeowner's Association. The neighborhood is adjacent to Anderson Lake County Park, which includes ~4,275 acres of open space, trails, recreational uses and the reservoir.

The financial feasibility of immediate development of the Subject takes into consideration the demand for various potential uses. The residential market in the Morgan Hill area has experienced a significant increase in value for single-family properties. Lack of available inventory is partially responsible for the surge in values from 2013 to the present. There are very few lots available for development within the immediate vicinity. The Subject benefits from its location in that the surrounding infrastructure (roadways) is already in place. Furthermore, its lakefront setting is a desirable amenity. The highest and best use for the Subject property as if vacant is for development with a single-family dwelling.

Highest And Best Use – As Improved

The highest and best use of the Subject "As Improved" is for the continued single-family residential use.

Project Description

There are two projects currently underway regarding Anderson Dam; the Anderson Dam Tunnel Project (ADTP), and the Anderson Dam Seismic Retrofit Project (ADSRP). The project that prompted the Subject property acquisition is the proposed Santa Clara Valley Water District (SCVWD) Anderson Dam Tunnel Project. The proposed acquisition of the Subject and other neighboring properties was prompted by the Hoot Owl Way Slide and Boat Marina Slide; two landslides along the lakebed that require securing.

Anderson Dam, which was built in 1950, requires significant upgrades for seismic retrofitting. The project will rebuild the dam in compliance with today's seismic and safety standards and regulations. It will increase the dam's spillway and outlet capacity to allow a rapid, controlled drawdown in emergencies and to enhance incidental flood protection.

Around October 2020, SCVWD began releasing water from Anderson Lake, the County's largest surface water reservoir, that stores rainfall-runoff and imported water from the Central Valley Project. As of the *Effective Date of Value*, the lake bed near the Subject neighborhood was nearly empty.

Project Acquisition

The Subject will be acquired in fee for the Project. The Subject is appraised in the Before Condition under the *Hypothetical Condition* that the SCVWD Project does not exist.

VALUATION

Approaches to Value

In valuing real estate, three valuation methodologies are typically accepted in the appraisal process. These are the sales comparison approach, the income approach, and the cost approach. They are further described below.

Sales Comparison Approach

The sales comparison approach utilizes the principle of substitution, wherein recently sold comparable properties are found and analyzed for comparability to the subject property. The underlying assumption is that market support will be either similar to, or identical to any of a group of adjusted substitute properties; thus, the indicated value for the subject is based on a range of adjusted values for the “substitute” or “comparable” transactions.

Income Approach

Generally, the income approach converts income expectations into market value. The assumptions for the investment model can either be implicit in the model (direct capitalization, which converts a single year’s expected income into value using a ratio from the market), or explicit (yield capitalization, or DCF, which converts each year’s net income over a specified holding period).

Cost Approach

The cost approach identifies market supported improvements costs, subtracts a market supported amount assignable to accrued depreciation, adds land value, and derives a value based on the cost to reproduce the improvements. This “cost approach” presumes that a typical buyer would not pay more for an existing improved property (or a finished lot) than it would cost to reproduce the same improvements on a highly similar (substitute) site.

Value Methodology Used for the Subject Property

Of the three approaches to value, only the Sales Comparison Approach is utilized. The Sales Comparison Approach is applicable when a sufficient number of recent, reliable transactions create a perceptible value pattern in the market. For properties that are bought and sold regularly, the Sales Comparison Approach provides a good indication of market value, as it generally reflects the motivations of buyers and sellers.

The Cost Approach and Income Approach were not utilized because they do not reflect the motivations of typical buyers and sellers for this property type.

Sales Comparison Approach – As Improved

The process of developing comparable sales included searching public record and published data sources for the most relevant sales of similar, competing properties in the Subject’s market area. Each sale was then verified by interviewing brokers, agents, buyers or sellers. The sales prices were adjusted as necessary for *transactional* elements such as financing, conditions of sale, post-sale expenditures, and market conditions. Finally, the sale properties were compared to the Subject for *property characteristic* differences. Primary elements of comparison are location, size, shape, access, topography, dwelling size, quality and condition.

Improved sales of similar single-family homes in Morgan Hill were researched and analyzed for this assignment. The selected sales are presented on the following comparable sales summary table and location map. Photographs of each comparable sale can be found as Addendum C. The most appropriate unit of comparison for this assignment is the price per dwelling. The following table summarizes the sales utilized in this assignment to appraise the Subject, as improved.

Comparable Improved Sales						
#	Address City APN	Lot Size Acres SF	Shape Access Topography	Gross Living Area Room Count Year Built Garage	Grantor Grantee Doc. #	Rec. date List Price Sale Price SalePrice/SF
1	17031 Holiday Dr. Morgan Hill 729-28-016	0.82 35,501	Atypical Typical Gently Sloping	2,360 4-bed/3-bath 2019 2-car	Sarhaddi Ye 25151263	11/3/2021 \$1,498,000 \$1,590,000 \$674
2	17205 Quail Ct. Morgan Hill 729-33-029	0.66 28,562	Atypical Typical Sloping	2,316 4-bed/4-bath 1975 2-car	Guerrero Gonzalez 25094412	9/9/2021 \$1,299,000 \$1,400,000 \$604
3	17220 Holiday Dr. Morgan Hill 729-32-013	0.49 21,449	Atypical Typical Sloping	1,873 3-bed/2-bath 1975 2-car	Mills Crawford 25088535	9/3/2021 \$1,150,000 \$1,300,000 \$694
4	17890 Holiday Dr. Morgan Hill 729-45-006	0.76 32,949	Atypical Typical Hillside	2,359 4-bed/3-bath 1971 2-car	Protsman Milshtein 25009104	6/25/2021 \$1,350,000 \$1,550,000 \$657
5	17240 Holiday Dr. Morgan Hill 729-32-014	0.95 41,352	Atypical Typical Sloping	2,555 4-bed/2-bath 1977 3-car	Lucero Franzen/Card 24987077	6/7/2021 \$1,328,000 \$1,660,000 \$650
Sub	17520, 17530 Hoot Owl Way Morgan Hill 729-37-020 and 021	0.55 24,121	Atypical Typical Sloping	2,500 1-bed/1.5-bath 1958 Carport	N/A N/A	1/19/2022 DOV

Sale Map



Sale 1 is located at 17031 Holiday Drive, just south of the Subject in the Holiday Lakes Estates neighborhood. This property includes a 0.82-acre corner site improved with a single-story home with 2,360 square feet. It sold in November 2021 for \$1,590,000, or \$674 per square foot. This home is fairly new construction, having been built in 2019 and in excellent condition. It contains 4 bedrooms and 3 full bathrooms. The home is completely custom, with Verona chefs oven, double built-in refrigerator, marble slab counters and rain showers in every bath.

As compared to the Subject, this property is similar for its dwelling size and effective age, as well as its quality and condition. It is slightly superior for site size, but inferior for location and view. An upward time-adjustment is also required for market conditions. While the dwelling size is similar, the room count is far superior, as the Subject only offers one bedroom. Overall, the inferior and superior attributed tend to offset each other and the end result is that this sale is a good indicator of value for the Subject.

Sale 2 is located at 17205 Quail Court in the Holiday Lakes Estates neighborhood. The property includes a 0.66-acre site improved with a 2,316 square foot two-story residence, originally constructed in 1975. It sold in September 2021 for \$1,400,000, which is equivalent to \$604 per square foot. It includes 4 bedrooms and 4 bathrooms. The kitchen includes granite countertops and stainless-steel appliances. There is a built-in pool, two firepits, a large, covered carport and a 2-car garage. The home also had solar panels to be leased by the buyer.

As compared to the Subject, this property is inferior for location and view, as well as time of sale. It is similar for dwelling size but superior for room count and site size. The effective age and condition are inferior. Overall, this sale is rated inferior to the Subject and would indicate a higher value for the Subject property.

Sale 3 is located at 17220 Holiday Drive in Holiday Lakes Estates, just north of the Subject. This 0.49-acre site is improved with an 1,873 square foot single-story home constructed in 1975. It sold in September 2021 for \$1,300,000, or \$694 per square foot. The dwelling included 3 bedrooms and 2 full bathrooms, with high-quality custom finishes that have been updated over the years. There is a panoramic view, including a view of Anderson Lake (when it's full), and well as landscaped grounds and a large, generally level homesite. There is a 2-car garage and custom storage shed, as well as plenty of on-site parking for guests or RV.

As compared to the Subject, this property is inferior for time of sale and for its smaller dwelling size. The lakeside location and view is similar, as well as the site size, topography and gated access. The quality of the improvements is similar, whereas the condition/age is slightly inferior. There is an on-site pond and similar landscaping amenities, but the room count is considered superior to that of the Subject's. Overall, this property is inferior, primarily for its smaller dwelling size.

Sale 4 is located at 17890 Holiday Drive, just north of the Subject. This 0.77-acre lot is improved with a two-story single-family home that contains 2,359 square feet. It sold in June 2021 for \$1,550,000, which is equivalent to \$657 per square foot. The home included 4 bedrooms and two and one half bathrooms, with panoramic views of Anderson Lake and the mountains. The home has vaulted open beam ceilings, a rock hearth and wood stove, kitchen with granite counters and an island. The large lot provides ample parking space, a garden area and hot tub.

As compared to the Subject, this property is superior for its large lot, as well as room count. It is similar for dwelling size but inferior for quality and condition. While it is inferior for its location (no lake frontage), it does have a lake view. Overall, this property is rated similar to the Subject.

Sale 5 is located at 17240 Holiday Drive, just south of the Subject. This 0.95-acre lakefront lot is improved with a one-story single-family home with 2,555 square feet. It sold in June 2021 for \$1,660,000, or \$650 per square foot. The home was very-well maintained and included panoramic lake views in the landscaped back yard, terraced landscaping and a built-in swimming pool. The home also had a 3-car garage and plenty of on-site parking. While it was built in 1977, it had been recently remodeled and included hardwood floors, updated bathrooms, high-quality appliances and a remodeled kitchen.

As compared to the Subject, this property is similar for its lakeside location and view, but inferior for time of sale. On the other hand, it is superior for room count, 3-car garage and pool. It is similar for its dwelling size and meticulously landscaped grounds. Its site size is far superior to the Subject's. Overall, this sale is superior to the Subject and would indicate a lower price.

Summary of Sales Comparison Approach

Adjustments for the *Elements of Comparison* are made qualitatively, not quantitatively. It should also be noted that not all *Elements of Comparison* are weighted equally.

Very few lakefront homes have sold in the past year. Despite a considerable upward adjustment for time of sale, the few that were found were included as they are the most similar to the Subject geographically and topographically. All of the sales occurred between June 2021 and November 2021, which was a time period of substantially increasing residential values in the Subject's market area. The *Market Conditions* during this period of time were generally increasing at a rate of 1.0% per month for improved residential properties. As such, each of the sales is adjusted upwards by 1% per month to reflect the respective increase in values over the time period. The adjusted sale prices for the comparable sales range from \$1,352,000 to \$1,776,200.

One of the primary limiting factors for the Subject property is the room count. One and two-bedroom homes have a much more limited pool of buyers than properties with 3 or more homes. While interior configuration of the Subject could accommodate at least one more bedroom, the existing room count does impact the anticipated value for the Subject.

Despite the potential impacts COVID-19 pandemic may have on the overall economy and real estate market, the residential market is expected to remain strong due to housing demand in the market area.

The ranking analysis below includes the sales arrayed from highest to lowest based on the total sale price with the Subject in its respective place.

Improved Residential Values			
Sale No.	Overall Comparison	Time-adjusted Sale Price	Comments
5	Superior	\$1,776,200	0.95-acre lot – 2,555 square foot dwelling
4	Similar	\$1,658,500	0.76-acre lot – 2,359 square foot dwelling
Subject	-	\$1,650,000	0.55-acre lot – 2,500 square foot dwelling
1	Similar	\$1,621,800	0.82-acre lot – 2,360 square foot dwelling
2	Inferior	\$1,456,000	0.66-acre lot – 2,316 square foot dwelling
3	Inferior	\$1,352,000	0.49-acre lot – 1,873 square foot dwelling

Indicated Value of the Whole (land only) using the Sales Comparison Approach

Taking into consideration the Subject's location and accessibility, dwelling size and availability of utilities, topography, zoning and site size, as well as lake frontage and views, a value of \$1,650,000 is estimated for the Subject. This figure is equivalent to \$660 per square foot, which is bracketed by the comparable sales.

Value Conclusion – As Improved
\$1,650,000

Exposure Time
The estimated exposure time for the Subject is 1 to 3 months.

ADDENDA

ADDENDUM A – QUALIFICATIONS of APPRAISER

CHAPMAN & PATTON

Danville Office
108 Club Terrace
Danville, CA 94526
Phone: 925.831.1311
Email: dean@chapmanappraisals.com

Oakdale Office
P.O. Box 973
Oakdale, CA 95361
Phone: 209.484.3217
Email: michelle@chapmanappraisals.com



Michelle Patton MAI, SR/WA, R/W-AC
President, Chapman & Patton

Experience:

2014 - Present	Senior Appraiser: Chapman & Patton Oakdale, California. (formerly Dean Chapman & Associates)
2008-2013	Senior Appraiser: Craig Owyang Real Estate, Inc. Elk Grove, California.
2003-2008	Staff Appraiser: Robert Ford & Associates, Inc. Modesto, California.

Memberships:

The Appraisal Institute
International Right-of-Way Association
National Association of Realtors®
American Society of Farm Managers and Rural Appraisers (ASFMRA)

Appraisal Designations:

MAI (Designated Member of Appraisal Institute)

Right-of-Way Designation:

SR/WA (Senior Right-of-Way Agent – IRWA)
R/W-AC (Right-of-Way Appraisal Certification – IRWA)

State Certification:

Certified General Real Estate Appraiser
State of California (AG030012)

Other Licensure:

Real Estate Broker - Bureau of Real Estate
State of California (BRE 01767847)

Appraiser Profile

Michelle Patton, MAI, SR/WA, R/W-AC was born and raised in California, originally from Danville but now resides near Oakdale.

Mrs. Patton began her appraisal career in 2003 with Robert Ford and Associates, a commercial appraisal firm in Modesto, California. In 2009, the firm was purchased by Craig Owyang Real Estate where Mrs. Patton was a senior appraiser for over four years. She officially joined Dean Chapman & Associates as a staff appraiser in 2014. She earned the MAI designation from the Appraisal Institute in 2012 and the SR/WA and R/W-AC (Right-of-Way Appraisal Certification) from the International Right of Way Association in 2017 and 2013, respectively. She served as President on the Northern California Chapter of the Appraisal Institute's board of directors in 2018. In 2019, she co-authored an article entitled "Transitional Use TCE", which appeared in *Right of Way* magazine published by the International Right of Way Association.

Ms. Patton has five children: two daughters and three sons. Her free time is spent hiking, running, wood-working and cheering for her kids on soccer fields all over California.

Examples of Appraisal Assignments by Michelle Patton

Gas Transmission Line Projects

Variety of property types in Placer County,
Sutter County, Yolo County, San Jose,
Redwood City, Woodside, Lodi, Thornton,
Graton, Tracy, Sacramento, Patterson

High Speed Rail Project

Industrial Property: Fresno
Commercial Properties: Fresno
Agricultural Properties: Corcoran, Fresno,
Selma

Overhead Transmission Line Projects:

Solar Facility: Santa Nella
Orchards: Linden, Buttonwillow, Bakersfield,
Coalinga

Highest and Best Use Consulting

Utility Corridor: Mountain View

Damage from Fire

Residential Land: Santa Cruz

Contaminated Sites

Union City

Misc. Consulting

Highest and Best Use – excess land
Gas Transmission Lines – stigma
Airport District: Rent Study
Parkland Proximity: Effect on Market Value
Property Line Dispute: San Leandro

Railroad Corridor Acquisition

Ione School District: Ione
Road Widening along BNSF: Riverbank
Turn Signal/Road Widening: Riverbank

Underground Utility Easements

Rural Residential/Ag: Bakersfield
Rangeland: Coalinga
Transitional Land: Manteca
Shopping Mall: San Jose
Subsurface Easements: S. San Francisco

Road Widening/Improvement Projects

Balfour Road/Hwy 4: Brentwood
Claribel Road Widening: Riverbank
Bridge Replacement: San Jose
Bridge Replacement: Brentwood
SR-84 Widening: Livermore
SR-101: Carpinteria
BART Station Project: Milpitas
Petaluma
Davis Road: Salinas
Hartnell Road: Salinas
Bridge Replacement: West Point

Possible Encroachment Issues

Fence Line Dispute: Redwood City
Tree Root Encroachment: Pacific Grove
Parking Encroachment: Lafayette

Round About Projects

Bardin Road: Salinas
Danville Boulevard: Alamo
David Avenue: Salinas

Landslides

Pacifica

Title Disputes

Driveway Easement: Mill Valley
Sewer Line Easement: Walnut Creek
Pedestrian Access: Lafayette

Locations of properties appraised by Chapman & Patton



ADDENDUM B – PRELIMINARY REPORT - *Note: Prelim includes one other adjacent parcel not included in this appraisal*

ORDER NO. : 0616021499

EXHIBIT A

The land referred to is situated in the unincorporated area of the County of Santa Clara, State of California, and is described as follows:

PARCEL ONE:

Lot 172 as shown on that certain Map entitled, "Tract 3453 Holiday Lake Estates Unit No. 1", which Map was filed for Record in the Office of the Recorder of the County of Santa Clara, State of California on November 14, 1963 in Book 169 of Maps, at Pages 29, et seq.

APN: 729-37-020

PARCEL TWO:

All of Lot 173, as shown on that certain Map entitled, "Tract No. 3453 Holiday Lake Estate Unit No. 1", which Map was filed for Record in the Office of the Recorder of the County of Santa Clara, State of California, on November 14, 1963 in Book 169 of Maps, at Pages 29, et seq.

APN: 729-37-021

PARCEL THREE:

Lot 174 as shown on that certain Map entitled, "Tract 3453 Holiday Lake Estates Unit No. 1", which Map was filed for Record in the Office of the Recorder of the County of Santa Clara, State of California on November 14, 1963 in Book 169 of Maps, at Pages 29, et seq.

PARCEL FOUR:

An easement for ingress and egress over that portion of Lots 172 and 173 lying within the bounds of that certain 20 foot right of way as shown on the Map of Tract No. 2453 Holiday Lake Estates Unit No. 1, filed for record November 14, 1963 in Book 169 of Maps, at Pages 29 through 33, Santa Clara County Records.

APN: 729-37-022



OLD REPUBLIC TITLE COMPANY
A MEMBER OF THE OLD REPUBLIC TITLE INSURANCE GROUP

226 Airport Parkway, Suite 200
San Jose, CA 95110
(408) 557-8400 Fax: (408) 249-2314

PRELIMINARY REPORT

Our Order Number 0616021499-IM

SANTA CLARA VALLEY WATER DISTRICT
5750 ALMADEN EXPY
SAN JOSE, CA 95118

Attention: BLISS QUILATAN

When Replying Please Contact:

Ida Maciel
imaciel@ortc.com
(408) 557-8400

Buyer:
SANTA CLARA VALLEY WATER DISTRICT

Property Address:

17540 and 17530 Hoot Owl Way, Morgan Hill, CA 95037
[Unincorporated area of Santa Clara County]

In response to the above referenced application for a policy of title insurance, OLD REPUBLIC TITLE COMPANY, as issuing Agent of Old Republic National Title Insurance Company, hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Exhibit I attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the Homeowner's Policy of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit I. Copies of the Policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit I of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered. It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of February 1, 2022, at 7:30 AM

OLD REPUBLIC TITLE COMPANY
For Exceptions Shown or Referred to, See Attached

Page 1 of 13 Pages

ORT 315R-A (Rev. 08/07/08)

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0616021499-IM

The form of policy of title insurance contemplated by this report is:

CLTA Standard Coverage Policy - 1990. A specific request should be made if another form or additional coverage is desired.

The estate or interest in the land hereinafter described or referred or covered by this Report is:

Fee as to Parcel(s) One, Two, Three and an Easement as to Parcel(s) Four

Title to said estate or interest at the date hereof is vested in:

Janice M. Schultz, Surviving Trustee of The Schultz Family Trust dated July 24, 1996 As to Parcel One

And Janice M. Schultz, Trustee of the Janice Schultz Survivor's Trust u/t/a dated July 24, 1996, an undivided 50% interest, and to Janice M. Schultz, Trustee of the Thomas Schultz Bypass Trust u/t/a dated July 24, 1996, an undivided 50% interest, as to Parcel Two, Three and Four

The land referred to in this Report is situated in the unincorporated area of the County of Santa Clara, State of California, and is described as follows:

PARCEL ONE:

Lot 172 as shown on that certain Map entitled, "Tract 3453 Holiday Lake Estates Unit No. 1", which Map was filed for Record in the Office of the Recorder of the County of Santa Clara, State of California on November 14, 1963 in [Book 169 of Maps, at Pages 29](#), et seq.

APN: 729-37-020

PARCEL TWO:

All of Lot 173, as shown on that certain Map entitled, "Tract No. 3453 Holiday Lake Estate Unit No. 1", which Map was filed for Record in the Office of the Recorder of the County of Santa Clara, State of California, on November 14, 1963 in [Book 169 of Maps, at Pages 29](#), et seq.

APN: 729-37-021

PARCEL THREE:

Lot 174 as shown on that certain Map entitled, "Tract 3453 Holiday Lake Estates Unit No. 1", which Map was filed for Record in the Office of the Recorder of the County of Santa Clara, State of California on November 14, 1963 in [Book 169 of Maps, at Pages 29](#), et seq.

PARCEL FOUR:

An easement for ingress and egress over that portion of Lots 172 and 173 lying within the bounds of that certain 20 foot right of way as shown on the Map of Tract No. 2453 Holiday Lake Estates Unit No. 1, filed for record November 14, 1963 in [Book 169 of Maps, at Pages 29 through 33](#), Santa Clara County Records.

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ORT 3158-B

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0616021499-IM

APN: 729-37-022

At the date hereof exceptions to coverage in addition to the Exceptions and Exclusions in said policy form would be as follows:

1. Taxes and assessments, general and special, for the fiscal year 2022 - 2023, a lien, but not yet due or payable.

2. Taxes and assessments, general and special, for the fiscal year 2021 - 2022, as follows:

Assessor's Parcel No	:	737-37-020	
Bill No.	:	729-37-020-00	
Code No.	:	087-001	
1st Installment	:	\$804.21	Marked Paid
2nd Installment	:	\$804.21	NOT Marked Paid
Land Value	:	\$133,966.00	

3. Taxes and assessments, general and special, for the fiscal year 2021 - 2022, as follows:

Assessor's Parcel No	:	729-37-021	
Bill No.	:	729-37-021-00	
Code No.	:	087-001	
1st Installment	:	\$1,888.89	Marked Paid
2nd Installment	:	\$1,888.89	NOT Marked Paid
Land Value	:	\$133,966.00	
Imp. Value	:	\$191,107.00	
Exemption	:	\$7,000.00	Homeowners

4. Taxes and assessments, general and special, for the fiscal year 2021 - 2022, as follows:

Assessor's Parcel No	:	729-37-022	
Bill No.	:	729-37-022-00	
Code No.	:	087-001	
1st Installment	:	\$1,801.15	Marked Paid
2nd Installment	:	\$1,801.15	NOT Marked Paid
Land Value	:	\$147,160.00	
Imp. Value	:	\$155,495.00	

5. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seq., of the Revenue and Taxation Code of the State of California.

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ORT 3158-B

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0616021499-IM

6. Any special tax which is now a lien and that may be levied within the Santa Clara County Library District, notice(s) for which having been recorded.

NOTE: Among other things, there are provisions in said notice(s) for a special tax to be levied annually, the amounts of which are to be added to and collected with the property taxes.

NOTE: The current annual amount levied against this land is \$3.00.

NOTE: Further information on said assessment or special tax can be obtained by contacting:

Name : Fiscal Agent of the Santa Clara County Library District, Joint Powers Authority
Address : 14600 Winchester Blvd., Los Gatos, CA 95032
Telephone No. : (408) 293-2326, Ext. 3004

Said matters affect APN: 729-37-020

7. Any special tax which is now a lien and that may be levied within the Santa Clara County Library District, notice(s) for which having been recorded.

NOTE: Among other things, there are provisions in said notice(s) for a special tax to be levied annually, the amounts of which are to be added to and collected with the property taxes.

NOTE: The current annual amount levied against this land is \$33.66.

NOTE: Further information on said assessment or special tax can be obtained by contacting:

Name : Fiscal Agent of the Santa Clara County Library District, Joint Powers Authority
Address : 14600 Winchester Blvd., Los Gatos, CA 95032
Telephone No. : (408) 293-2326, Ext. 3004

Said matters affect APN: 729-37-021

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ORT 3158-B

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0616021499-IM

8. Any special tax which is now a lien and that may be levied within the Santa Clara County Library District, notice(s) for which having been recorded.

NOTE: Among other things, there are provisions in said notice(s) for a special tax to be levied annually, the amounts of which are to be added to and collected with the property taxes.

NOTE: The current annual amount levied against this land is \$33.66.

NOTE: Further information on said assessment or special tax can be obtained by contacting:

Name : Fiscal Agent of the Santa Clara County Library District, Joint Powers Authority
Address : 14600 Winchester Blvd., Los Gatos, CA 95032
Telephone No. : (408) 293-2326, Ext. 3004

Said matters affect APN: 729-37-022

9. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : Right of Way
Granted To : Coast Counties Gas and Electric Company, a corporation
For : Single line of poles and appurtenances and for ingress and egress
Recorded : November 19, 1953 in Book 2760 of Official Records, Page 257 under Recorder's Serial Number 929639
Affects : Not described of record

10. Reservations, Conditions, and Restrictions with express provisions for forfeiture and reversion of title in event of violation thereof, contained in the Deed from Santa Clara Valley Water conservation District, a public corporation, recorded November 7, 1961, in Book 5356 of Official Records, Page 489.

Effects the Northerly portion

11. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as shown on the filed map.

For : Public utilities
Affects : Southwesterly 5 feet

Said matters affect Lot 174

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ORT 3158-B

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0616021499-IM

12. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as shown on the filed map.

For : Road
Affects : That portion of said land lying within the bounds of Hoot Owl Way

For : Anchor
Affects : Northeasterly 30 feet of the Southwesterly 66 feet of the
Northwesterly 1 foot of Lot 172

Said matters affect Lots 172 and 173

13. Any rights, easements, interests or claims that may exist or arise by reason of, or reflected by, recitals shown or noted in the filed map(s) referenced in the legal description herein.

14. Covenants, Conditions and Restrictions which do not contain express provision for forfeiture or reversion of title in the event of violation, but omitting any covenants or restriction if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, as provided in an instrument.

Entitled : Declaration of Restrictions
Recorded : [November 14, 1963 in Book 6271 of Official Records, Page 169](#)

Modification thereof, but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

Recorded : [December 13, 1963 in Book 6308 of Official Records, Page 392](#)

Said Covenants, Conditions and Restrictions provide that a violation thereof shall not defeat or render invalid the lien of any Mortgage or Deed of Trust made in good faith and for value.

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ORT 3158-B

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0616021499-IM

NOTE: "If this document contains any restriction based on age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code by submitting a "Restrictive Covenant Modification" form, together with a copy of the attached document with the unlawful provision redacted to the county recorder's office. The "Restrictive Covenant Modification" form can be obtained from the county recorder's office and may be available on its internet website. The form may also be available from the party that provided you with this document. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."

15. Liens and charges for upkeep and maintenance as provided in the above mentioned Covenants, Conditions and Restrictions, if any, where no notice thereof appears on record.

For information regarding the current status of said liens and/ or assessments
Contact : Holiday Estates Maintenance Association

16. That certain Notice of Conditions of Termination of private dock permits on district reservoir lands executed by Santa Clara Valley Water District, recorded June 22, 1981, in Book G166 of Official Records, Page 77.

17. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument	:	Quitclaim Deed
Reserved By	:	Thomas G. Schultz and Janice M. Schultz, as Trustees of the Schultz Family Trust
For	:	Ingress and egress
Dated	:	May 14, 1987
Recorded	:	May 18, 1987 in Book K153 of Official Records, Page 397 under Recorder's Serial Number 9277656
Affects	:	That portion of Lots 172 and 173 lying within the bounds of that certain 20' right of way for the benefit of Lot 174

NOTE: The present ownership of said easement and other matters affecting the interests thereto, if any, are not shown herein

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18. Terms and conditions contained in the Schultz Family Trust dated July 24, 1996 as disclosed by Grant Deed.

Dated : September 13, 2010
Recorded [September 23, 2010 in Official Records under Recorder's Serial Number 20881226](#)

The requirement that:

A Certification of Trust be furnished in accordance with Probate Code Section 18100.5; and

If the acting trustee is a successor trustee the additional requirement the Company is provided a complete copy of the trust, with all amendments and any intervening trustee is no longer acting in that capacity by providing copies of resignation letters, etc.

The Company reserves the right to make additional exceptions and/or requirements upon review of the above.

Said matters affect Lot 172

19. Terms and conditions contained in the Schultz Family Trust dated July 24, 1996 as disclosed by Grant Deed.

Dated : November 8, 2012
Recorded [November 20, 2012 in Official Records under Recorder's Serial Number 21962874](#)

The requirement that:

A Certification of Trust be furnished in accordance with Probate Code Section 18100.5; and

If the acting trustee is a successor trustee the additional requirement the Company is provided a complete copy of the trust, with all amendments and any intervening trustee is no longer acting in that capacity by providing copies of resignation letters, etc.

The Company reserves the right to make additional exceptions and/or requirements upon review of the above.

Said matters affect Lot 173

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20. Terms and conditions contained in the Janice Schultz Survivor's Trust u/t/a dated July 24, 1996 as disclosed by Quitclaim Deed.

Recorded [May 16, 2017 in Official Records under Recorder's Serial Number 23650742](#)

The requirement that:

A Certification of Trust be furnished in accordance with Probate Code Section 18100.5; and

If the acting trustee is a successor trustee the additional requirement the Company is provided a complete copy of the trust, with all amendments and any intervening trustee is no longer acting in that capacity by providing copies of resignation letters, etc.

The Company reserves the right to make additional exceptions and/or requirements upon review of the above.

21. Terms and conditions contained in the Thomas Schultz Bypass Trust u/t/a dated July 24, 1996 as disclosed by Quitclaim Deed.

Recorded [May 16, 2017 in Official Records under Recorder's Serial Number 23650742](#)

The requirement that:

A Certification of Trust be furnished in accordance with Probate Code Section 18100.5; and

If the acting trustee is a successor trustee the additional requirement the Company is provided a complete copy of the trust, with all amendments and any intervening trustee is no longer acting in that capacity by providing copies of resignation letters, etc.

The Company reserves the right to make additional exceptions and/or requirements upon review of the above.

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22. Terms and conditions contained in the Janice Schultz Survivor's Trust u/t/a dated July 24, 1996 as disclosed by Quitclaim Deed.

Recorded [May 11, 2017 in Official Records under Recorder's Serial Number 23646915](#)

The requirement that:

A Certification of Trust be furnished in accordance with Probate Code Section 18100.5; and

If the acting trustee is a successor trustee the additional requirement the Company is provided a complete copy of the trust, with all amendments and any intervening trustee is no longer acting in that capacity by providing copies of resignation letters, etc.

The Company reserves the right to make additional exceptions and/or requirements upon review of the above.

Said matters affect Lot 174

23. Terms and conditions contained in the Thomas Schultz Bypass Trust u/t/a dated July 24, 1996 as disclosed by Quitclaim Deed.

Recorded [in Official Records under Recorder's Serial Number 23646915](#)

The requirement that:

A Certification of Trust be furnished in accordance with Probate Code Section 18100.5; and

If the acting trustee is a successor trustee the additional requirement the Company is provided a complete copy of the trust, with all amendments and any intervening trustee is no longer acting in that capacity by providing copies of resignation letters, etc.

The Company reserves the right to make additional exceptions and/or requirements upon review of the above.

Said matters affect Lot 174

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24. The requirement that this Company be provided with a suitable Owner's Declaration (form ORT 174). The Company reserves the right to make additional exceptions and/or requirements upon review of the Owner's Declaration.

----- **Informational Notes** -----

- A. The applicable rate(s) for the policy(s) being offered by this report or commitment appears to be section(s) 1.1.
- B. The above numbered report (including any supplements or amendments thereto) is hereby modified and/or supplemented to reflect the following additional items relating to the issuance of an American Land Title Association loan form policy:

NONE

NOTE: Our investigation has been completed and there is located on said land a single family residence known as 17540 and 17530 Hoot Owl Way, Morgan Hill, CA 95037.

The ALTA loan policy, when issued, will contain the CLTA 100 Endorsement and 116 series Endorsement.

Unless shown elsewhere in the body of this report, there appear of record no transfers or agreements to transfer the land described herein within the last three years prior to the date hereof, except as follows:

Grant Deed executed by Thomas G. Schultz and Janice M. Schultz, husband and wife, as Joint Tenants to Thomas G. Schultz, Trustee and Janice M. Schultz, Trustee of The Schultz Family Trust dated July 24, 1996 recorded [September 23, 2010 in Official Records under Recorder's Serial Number 20881226](#).

Affidavit - Death of Trustee executed by Janice M. Schultz, on behalf of Thomas G. Schutz, also known as Thomas Gordon Schultz, decedent to Janice M. Schultz, Trustee The Schultz Family Trust dated July 24, 1996 recorded [May 11, 2017 in Official Records under Recorder's Serial Number 23646920](#).

Grant Deed executed by Thomas G. Schultz and Janice M. Schultz, husband and wife to Thomas G. Schultz, Trustee and Janice M. Schultz, Trustee of The Schultz Family Trust dated July 24, 1996 recorded [November 20, 2012 in Official Records under Recorder's Serial Number 21962874](#).

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Affidavit - Death of Trustee executed by Janice M. Schultz, on behalf of Thomas G. Schutz, also known as Thomas Gordon Schultz, decedent to Janice M. Schultz, Trustee The Schultz Family Trust dated July 24, 1996 recorded [May 16, 2017 in Official Records under Recorder's Serial Number 23650741](#).

Quitclaim Deed executed by Janice M. Schultz, Trustee of The Schultz Family Trust dated July 24, 1996 to Janice M. Schultz, Trustee of the Janice Schultz Survivor's Trust u/t/a dated July 24, 1996, an undivided 50% interest, and to Janice M. Schultz, Trustee of the Thomas Schultz Bypass Trust u/t/a dated July 24, 1996, an undivided 50% interest recorded [May 16, 2017 in Official Records under Recorder's Serial Number 23650742](#).

Grant Deed executed by Thomas G. Schultz and Janice M. Schultz, husband and wife to Thomas G. Schultz, Trustee and Janice M. Schultz, Trustee of The Schultz Family Trust dated July 24, 1996 recorded [November 20, 2012 in Official Records under Recorder's Serial Number 21962875](#).

Affidavit - Death of Trustee executed by Janice M. Schultz, on behalf of Thomas G. Schultz, also known as Thomas Gordon Schultz, decedent to Janice M. Schultz, Trustee The Schultz Family Trust dated July 24, 1996 recorded [May 11, 2017 in Official Records under Recorder's Serial Number 23646914](#).

Quitclaim Deed executed by Janice M. Schultz, Trustee of The Schultz Family Trust dated July 24, 1996 to Janice M. Schultz, Trustee of the Janice Schultz Survivor's Trust u/t/a dated July 24, 1996, an undivided 50% interest, and to Janice M. Schultz, Trustee of the Thomas Schultz Bypass Trust u/t/a dated July 24, 1996, an undivided 50% interest recorded [May 11, 2017 in Official Records under Recorder's Serial Number 23646915](#).

C.

NOTICE: FinCEN COMPLIANCE

Closing the residential purchase and/or issuing title insurance contemplated by this Preliminary Report may be subject to compliance with the recently issued Confidential Geographic Targeting Order (GTO) from the US Treasury's Financial Crimes Enforcement Network (FinCEN). The GTO requires Old Republic National Title Insurance Company to report information about certain transactions involving residential property.

FinCEN has the authority to compel this reporting under the USA PATRIOT Act. FinCEN prohibits Old Republic from disclosing the specific terms of the GTO. You may wish to contact the FinCEN Resource Center directly at (800) 767-2825 for more information.

The failure and/or refusal of a party to provide information for a "covered transaction" will preclude Old Republic from closing the transaction and/or issuing title insurance.

OLD REPUBLIC TITLE COMPANY
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NOTE:

The following statement is deemed attached as a coversheet to any declaration, governing document, or deed identified in the above exceptions:

If this document contains any restriction based on age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code by submitting a "Restrictive Covenant Modification" form, together with a copy of the attached document with the unlawful provision redacted to the county recorder's office. The "Restrictive Covenant Modification" form can be obtained from the county recorder's office and may be available on its internet website. The form may also be available from the party that provided you with this document. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Information for processing a "Restrictive Covenant Modification" form:

1. Print a complete copy of the document in question. Strike out what you believe to be unlawful restrictive language in the document.
2. Print and complete the "Restrictive Covenant Modification" ("RCM") form. Note that the signature on the form must be acknowledged by a notary public or other qualified officer.
3. Submit the completed RCM form and the document with your strike-outs to the County Clerk-Recorder's Office for the county where the property is located. No fee is required for this service.
4. The County Clerk-Recorder's Office will forward the RCM form and the document with your strike-outs to the Office of the County Counsel, who will determine whether the document contains any unlawful restrictions.
5. The Office of the County Counsel will return the RCM form and the document with your strike-outs to the County Clerk-Recorder's Office along with its determination. If approved, a Deputy County Counsel will sign the RCM, and the County Clerk-Recorder's Office will record, image and index it. If the Office of the County Counsel determines that the document does not contain an unlawful restriction, the County Clerk-Recorder's Office will not record the RCM.
6. The approved RCM will be returned to the submitter by mail.

The "Restrictive Covenant Modification" form is linked below:

[Restrictive Covenant Modification form](#)

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Exhibit I

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990 (11/09/18)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses which arise by reason of:

1. (a) Any law, ordinance, or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the land;
 - (ii) the character, dimensions, or location of any improvement now or hereafter erected on the land;
 - (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or
 - (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing-business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.


EXCEPTIONS FROM COVERAGE

SCHEDULE B - PART I

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material unless such lien is shown by the public records at Date of Policy.

 OLD REPUBLIC TITLE	
FACTS	WHAT DOES OLD REPUBLIC TITLE DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security number and employment information • Mortgage rates and payments and account balances • Checking account information and wire transfer instructions <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Old Republic Title chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Old Republic Title share?	Can you limit this sharing?
For our everyday business purposes — such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations, or report to credit bureaus.	Yes	No
For our marketing purposes — to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For non-affiliates to market to you	No	We don't share

	Go to www.oldrepublictitle.com (Contact Us)
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Who we are	
Who is providing this notice?	Companies with an Old Republic Title name and other affiliates. Please see below for a list of affiliates.

What we do	
How does Old Republic Title protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. For more information, visit https://www.oldrepublictitle.com/privacy-policy
How does Old Republic Title collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none">• Give us your contact information or show your driver's license• Show your government-issued ID or provide your mortgage information• Make a wire transfer <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none">• Sharing for affiliates' everyday business purposes - information about your creditworthiness• Affiliates from using your information to market to you• Sharing for non-affiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing. See the State Privacy Rights section located at https://www.oldrepublictitle.com/privacy-policy for your rights under state law.</p>

Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none">• <i>Our affiliates include companies with an Old Republic Title name, and financial companies such as Attorneys' Title Fund Services, LLC, Lex Terrae National Title Services, Inc., Mississippi Valley Title Services Company, and The Title Company of North Carolina.</i>
Non-affiliates	<p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none">• <i>Old Republic Title does not share with non-affiliates so they can market to you</i>
Joint marketing	<p>A formal agreement between non-affiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none">• <i>Old Republic Title doesn't jointly market.</i>

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Affiliates Who May be Delivering This Notice				
American First Title & Trust Company	American Guaranty Title Insurance Company	Attorneys' Title Fund Services, LLC	Compass Abstract, Inc.	eRecording Partners Network, LLC
Genesis Abstract, LLC	Guardian Consumer Services, Inc.	iMarc, Inc.	Kansas City Management Group, LLC	L.T. Service Corp.
Lenders Inspection Company	Lex Terrae National Title Services, Inc.	Lex Terrae, Ltd.	Mississippi Valley Title Services Company	National Title Agent's Services Company
Old Republic Branch Information Services, Inc.	Old Republic Diversified Services, Inc.	Old Republic Escrow of Vancouver, Inc.	Old Republic Exchange Company	Old Republic National Ancillary Services, Inc.
Old Republic National Commercial Title Services, Inc.	Old Republic Title and Escrow of Hawaii, Ltd.	Old Republic National Title Insurance Company	Old Republic Title Company	Old Republic Title Companies, Inc.
Old Republic Title Company of Conroe	Old Republic Title Company of Indiana	Old Republic Title Company of Nevada	Old Republic Title Company of Oklahoma	Old Republic Title Company of Oregon
Old Republic Title Company of St. Louis	Old Republic Title Company of Tennessee	Old Republic Title Information Concepts	Old Republic Title Insurance Agency, Inc.	Old Republic Title, Ltd.
RamQuest Software, Inc.	Republic Abstract & Settlement, LLC	Sentry Abstract Company	Surety Title Agency, Inc.	The Title Company of North Carolina
Trident Land Transfer Company, LLC				

Updated: January 1, 2021

Privacy Notice for California Consumers

This Privacy Notice for California Consumers supplements the information contained in the Master Privacy Notice for Old Republic Title and applies to consumers that reside in the State of California. The terms used in this Privacy Notice have the same meaning as the terms defined in the California Consumer Privacy Act ("CCPA").

What Personal Information We Collect

In accordance with the CCPA, personal information is information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. Personal information does not include:

Information outside the scope of the CCPA such as:

- Health or medical information covered by the Health Insurance Portability Act of 1996 (HIPAA) and the California Confidentiality of Medical Information Act (CMIA).
- Personal Information covered by the Gramm-Leach-Bliley Act (GLBA), the Fair Credit Reporting Act (FCRA), the California Financial Information Privacy Act (FIPA), and the Driver's Privacy Protection Act of 1994,
- Publicly available information that is available from federal, state, or local government records, and
- De-identified or aggregated consumer information.

Please see the chart below to learn what categories of personal information we may have collected about California consumers within the preceding twelve months, the sources of and business purposes for that collection and the third parties with whom the information is shared, if any.

Category	Examples	Collected	Sources	Business Purpose for Collection	Categories of Third Parties with Whom Information is Shared
Identifiers	Real name, alias, postal address, unique personal identifier, online identifier, Internet protocol address, email address, account name, social security number, driver's license number, passport number or other similar identifiers	Yes	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents associated with the transaction	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints, detecting security incidents, protecting against malicious,	Service providers associated with the transaction for a business purpose

				deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	
Personal information described in California Customer Records statute (Cal. Civ. Code § 1798.80(e))	Name, signature, social security number, physical characteristics or description, address, telephone number, passport number, driver's license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, or any other financial information, medical information, or health insurance information. "Personal information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.	Yes	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents associated with the transaction	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints, detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose
Characteristics of protected classifications under California or federal law	Age (40 years or older), race, color, ancestry, national origin, citizenship, religions or creed, marital status, medical condition, physical or mental disability, sex (including gender, gender identity, gender expression, pregnancy or childbirth and related	Yes	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents associated with the transaction	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose

	medical conditions), sexual orientation, veteran or military status, or genetic information (including familial genetic information).				
Internet or other electronic network activity	Browsing history, search history, information about a consumer's interaction with a website, application, or advertisement.	Yes	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents associated with the transaction	To provide access to certain online services. To understand the interests of visitors to our online services, to support certain features of our site, for navigation and to display certain features more effectively. Detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	Not Disclosed
Geolocation data	Geographic tracking data, physical location and movements	Yes	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents associated with the transaction	To provide access to certain online services. To understand the interests of visitors to our online services, to support certain features of our site, for navigation and to display certain features more effectively. Other audit or operational purposes.	Not Disclosed

What Personal Information We Share and Why We Share It

The CCPA requires us to tell you what categories of personal information we “sell” or “disclose.” We do not sell and will not sell your personal information as that term is commonly understood. We also do not sell and will not sell your personal information, including the personal information of persons under 16 years of age, as that term is defined by the CCPA. When it is necessary for a business purpose, we share or disclose your personal information with a service provider, and we enter a contract with the service provider that limits how the information may be used and requires the service provider to protect the confidentiality of the information.

In the preceding twelve months, we have disclosed the following categories of personal information for the following business purposes. Where the personal information is shared with third parties, as that term is defined in the CCPA, the category of the third party is indicated.

Category	Examples	Business Purpose for Disclosure	Categories of Third Parties with Whom Information is Shared
Identifiers	Real name, alias, postal address, unique personal identifier, online identifier, internet protocol address, email address, account name, social security number, driver’s license number, passport number or other similar identifiers	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints, detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose
Personal information described in California Customer Records statute (Cal. Civ. Code § 1798.80(e))	Name, signature, social security number, physical characteristics or description, address, telephone number, passport number, driver’s license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, or any other financial information, medical information, or health insurance information. “Personal information” does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints, detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose

Characteristics of protected classifications under California or federal law	Age (40 years or older), race, color, ancestry, national origin, citizenship, religions or creed, marital status, medical condition, physical or mental disability, sex (including gender, gender identity, gender expression, pregnancy or childbirth and related medical conditions), sexual orientation, veteran or military status, or genetic information (including familial genetic information).	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose
Internet or other electronic network activity	Browsing history, search history, information about a consumer's interaction with a website, application, or advertisement.	To provide access to certain online services. To understand the interests of visitors to our online services, to support certain features of our site, for navigation and to display certain features more effectively. Detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	Not Disclosed
Geolocation data	Geographic tracking data, physical location and movements	To provide access to certain online services. To understand the interests of visitors to our online services, to support certain features of our site, for navigation and to display certain features more effectively. Other audit or operational purposes.	Not Disclosed

We may also transfer to a third party the personal information of a consumer as an asset that is part of a merger, acquisition, bankruptcy, or other transaction in which the third party assumes control of all or part of the business.

Your Rights and Choices

The CCPA provides California consumers with certain rights regarding their personal information. This chart describes those rights and certain limitations to those rights.

Right	What This Means
Notice	At or before the time your personal information is collected, you will be given written notice of the categories of personal information to be collected and the purposes for which the categories of personal information will be used.
Access	At your verifiable request, but no more than twice in a twelve month period, we shall disclose to you: 1) the categories of personal information we have collected about you, 2) the

	<p>categories of sources for the personal information we collected about you, 3) our business and commercial purpose for collecting or selling your personal information, 4) the categories of third parties with whom we share your personal information, 5) The specific pieces of information we have collected about you, 6) the categories of personal information disclosed for a business purpose, and</p> <p>7) If we sold personal information, the categories of personal information sold and the categories of third parties to whom it was sold.</p>
Deletion	<p>You have the right to request that we delete any of your personal information that we collected from you, subject to certain exceptions. Once we receive and verify your request, we will delete (and direct our service providers to delete) your personal information from our records unless an exception applies. We may deny your request if retention of the information is necessary for us or our service providers to:</p> <ul style="list-style-type: none"> • Complete the transaction for which we collected the personal information, provide a good or service that you requested, take actions reasonably anticipated within the context of our ongoing business relationship with you, or otherwise perform our contract with you. ▪ Detect security incidents, protect against malicious, deceptive, fraudulent, or illegal activity, or prosecute those responsible for such activities. ▪ Debug products to identify and repair errors that impair existing intended functionality. ▪ Exercise free speech, ensure the right of another consumer to exercise their free speech rights, or exercise another right provided for by law. • Comply with the California Electronic Communications Privacy Act (Cal. Penal Code §1546 et seq.) ▪ Engage in public or peer reviewed scientific, historical, or statistical research in the public interest that adheres to all other applicable ethics and privacy laws, when the information's deletion may likely render impossible or seriously impair the research's achievement, if you previously provided informed consent. • Enable solely internal uses that are reasonably aligned with consumer expectations based on your relationship with us. • Comply with a legal obligation. • Make other internal and lawful uses of that information that are compatible with the context in which you provided it. • Or if it is the type of personal information that falls outside the scope of the CCPA, (HIPAA, CIMA, GLBA, or publicly available information)
Opt-Out of Sale	<p>With some limitations, you may direct a business that sells personal information to third parties not to sell the personal information to these third parties.</p> <p>A business may not sell the personal information of persons less than sixteen years of age without their affirmative consent, and in the case of those less than thirteen years of age, the consent must come from a parent.</p>
Opt-In to Sale	
Non-Discrimination	<p>We will not discriminate against you for exercising your rights under the CCPA. Unless otherwise permitted by the CCPA we will not:</p> <ul style="list-style-type: none"> • Deny you goods or service • Charge you different prices or rates for goods or services, including through granting discounts or other benefits, or imposing penalties • Provide a different level or quality of goods or services • Suggest that you will receive a different price or rate for goods or services or a different level or quality of goods or services

To Exercise Your Rights

To Opt-out of the Sale of Your Personal Information

The CCPA gives consumers the right to direct a business that sells personal information about the consumer to third parties not to sell the consumer's personal information. We do not sell and will not sell your personal information as that term is commonly understood. We also do not sell and will not sell your personal information, as that term is defined by the CCPA.

To Request Access to or Deletion of Your Personal Information

To exercise your access or deletion rights described above, please submit a verifiable consumer request to us by either: Calling us at 1-855-557-8437 or contacting us through our website [CCPA Consumer Request](#).

Only you or your representative that you authorize to act on your behalf (Authorized Agent) can make a verifiable consumer request for your personal information. You may also make a request for your minor child. The verifiable request must provide enough information that allows us to reasonably verify you are the person about whom we collected personal information. We cannot respond to your request or provide you with personal information if we cannot verify your identity or authority to make the request and to confirm the personal information relates to you.

We work to respond to a verifiable consumer request within 45 days of its receipt. If we require additional time, we will inform you of the extension period (up to an additional 45 days), and the reason for the extension in writing. If you have an account with us, we will deliver our response to that account. If you do not have an account with us, we will deliver our response by mail or electronically, depending on your preference. The response we provide will also explain any reasons why we cannot comply with a request.

You may only make a consumer request for access twice within a twelve-month period. Any disclosures we provide will apply to the twelve-month period preceding the consumer request's receipt.

Contact Us

If you have any questions regarding our Privacy Notice or practices, please contact us via phone at 1-855-557-8437 or send your written request to: CCPA@oldrepublictitle.com, or Old Republic Title c/o CCPA Consumer Request Group, 275 Battery Street, Suite 1500, San Francisco, CA 94111-3334.



ADDENDUM C - COMPARABLE SALES PHOTOS & SATELLITE IMAGES



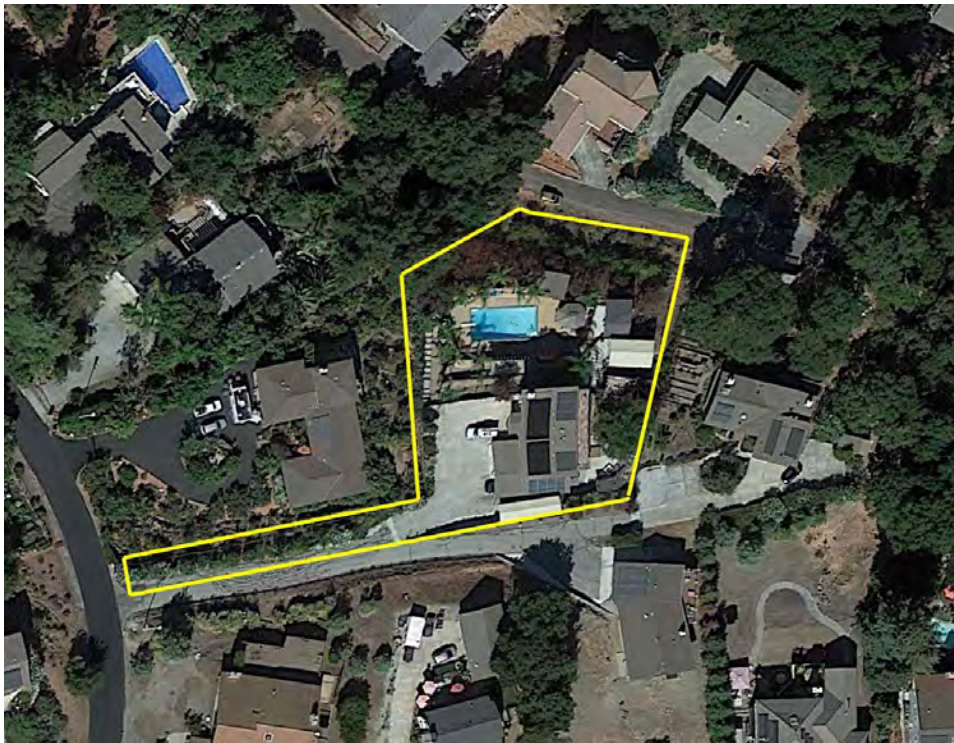
Sale 1 – Residence Photo



Sale 1 – Satellite Image



Sale 2 – Residence Photo



Sale 2 – Satellite Image



Sale 3 – Residence Photo



Sale 3 – Satellite Image



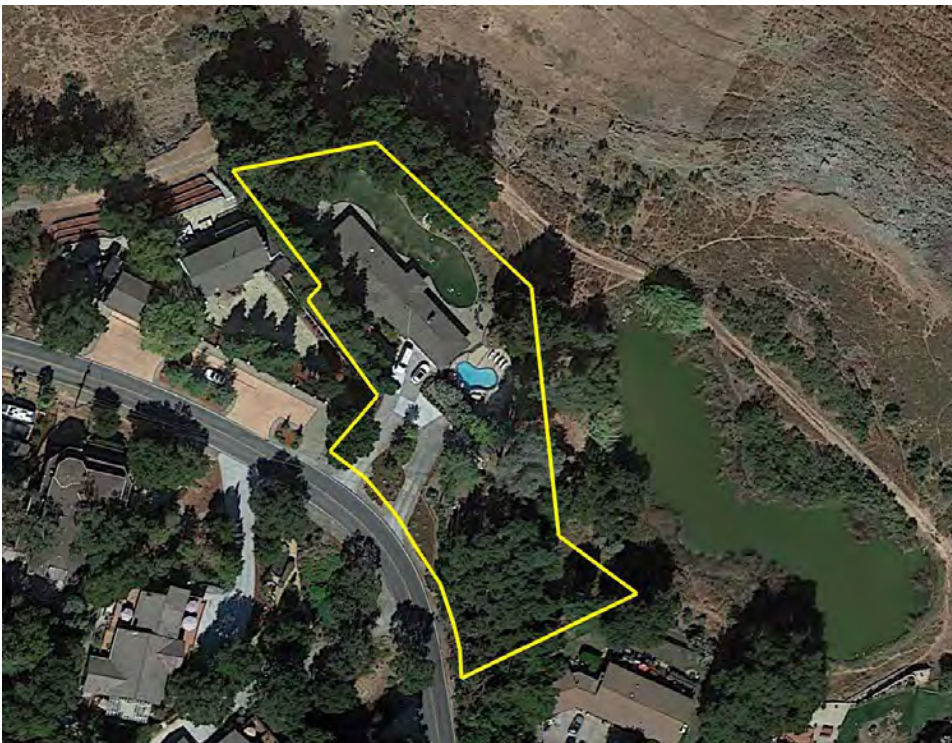
Sale 4 – Residence Photo



Sale 4 – Satellite Image



Sale 5 – Residence Photo



Sale 5 – Satellite Image

ADDENDUM D – DOCUMENT NUMBER 2089101

2089101

BOOK 5356 PAGE 489

DEED

OFFICIAL RECORDS
SANTA CLARA COUNTY
PAUL R. TEICH
RECORDER

Nov 7 2 24 PM 1961

FILED FOR RECORD
AT REQUEST OF

2089101
BOOK 5356 PAGE 489

SANTA CLARA VALLEY WATER CONSERVATION DISTRICT, a public corporation, the first party, for and in consideration of Ten (\$10.00) Dollars, lawful money of the United States, hereby GRANTS to

ALVIN J. HOFFMAN

the second party,

ALL THAT real property situated in the County of Santa Clara, State of California, comprising approximately 1.78 acres, platted and described upon that certain Right of Way plat numbered SURVEY NO. 5-15, consisting of three sheets, dated August 21, 1961, entitled "LANDS OF SANTA CLARA VALLEY WATER CONSERVATION DISTRICT", which said Right of Way plat is hereunto attached, marked Exhibit "A", and made a part hereof.

RESERVING, NEVERTHELESS, unto the first party (hereafter called the District) the absolute and permanent right to flood and inundate the said lands with water, whether or not such water is local in origin, and without regard to origin, to a height of six hundred and forty (640) feet, USGS datum; it being by the parties declared, fully understood and AGREED AS FOLLOWS:

THAT the District operates its adjoining Leroy Anderson Reservoir to store and conserve water and said reservoir will be used for such purposes;

THAT the District will operate said reservoir and will raise and lower the level of water therein at its sole discretion;

THAT the District shall have no liability of any nature to the Grantee, or any person, firm or corporation, claiming under him, on account of the fact that the District may raise or lower the level of water in said reservoir, or by reason of the manner of such raising or lowering of water, or the timing thereof, or for the presence or absence of water in said reservoir, without regard to the source or origin of said water; and

THAT the fact, which the parties recognize, that a portion of the said lands is subject to lease to third parties and to sublease to other parties and that structures and improvements have been erected by such parties on said lands shall in no wise limit the force and generality of the reservations and agreements of this deed; and

✓ THAT immediately upon the execution of this deed second party shall cause notice of it and of its terms to be served upon all persons claiming any right whatever in or to said lands, said notice to be served personally or by registered United States mail and second party shall, within sixty (60) days of the execution of this deed file satisfactory proof of such service with the District; and

THAT this deed shall be by second party recorded in the office of the County Recorder of the County of Santa Clara promptly following execution and delivery; that the District shall be at no expense therefor or at any other expense whatever in connection with this deed; and

BOOK 5356 PAGE 490

THAT it is further understood and agreed that the foregoing agreements shall constitute conditions and inducements to the giving of this deed, and that in the event second party or any person, firm, or corporation, claiming under him, shall violate the agreements contained herein, such violation shall work a forfeiture of this grant and the property herein described shall revert to the District, provided that second party and/or his heirs, successors or assigns, shall have the opportunity to defend the District against any cause of action or claim asserted against the District by reason of its right to do or perform any of the acts for which the right is reserved by this deed and the agreements contained herein and shall, in the event any unfavorable judgment is rendered against the District on account of such causes of action or claims, within 10 days after demand, pay or fully satisfy the same so that the grantor is fully and finally discharged from any such financial obligation, and upon performance of these provisions by grantee no default in the conditions of this deed shall be declared and no reversion shall take place to the District, and further provided that in the event a forfeiture and reversion to the District takes place by the terms and conditions hereof, the grantee and any persons, firms or corporation, claiming under him, may have, and the District hereby grants to them, the right to remove any structure or improvements located on the described lands conveyed by this deed within ninety (90) days following said reversion, thereafter such structures and improvements shall become the property of the District.

IN WITNESS WHEREOF, said public corporation has caused its corporate name and seal to be affixed hereto and this instrument to be executed by its duly authorized officers, this 27 day of October, 1961.

SANTA CLARA VALLEY WATER CONSERVATION DISTRICT, a public corporation:

By Hermann J. Gerdtz President

By Violet V. Enander Secretary

STATE OF CALIFORNIA,

County of SANTA CLARA

On this 27th day of October in the year one thousand nine hundred and sixty-one, before me, ALBERT T. HENLEY, a Notary Public in and for the County of SANTA CLARA, State of California, duly commissioned and sworn, personally appeared

HERMANN J. GERDTS and VIOLET V. ENANDER known to me to be the President and Secretary Pro Tem, respectively of the corporation described in and that executed the within instrument, and also known to me to be the person s who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the County of Santa Clara the day and year in this certificate first above written.

Albert T. Henley
Notary Public in and for the County of Santa Clara State of California.

Cowdery's Form No. 28—(Acknowledgment—Corporation).
(C.C. Secs. 1199-1199.1) 17600

My Commission Expires 9/15/63

ADDENDUM E – LEGAL DESCRIPTION and PLAT MAP *Note: LD includes one other adjacent parcel not included in this appraisal*

Santa Clara Valley Water District
San Jose, California

PROJECT: ANDERSON DAM SEISMIC
RETROFIT (TUNNEL PROJECT)

RESU File No.: 9186-49
By: B.Bains

All that certain real property situate in the unincorporated area of Morgan Hill, County of Santa Clara, State of California, as shown on that certain map entitled "TRACT NO. 3453" filed on November 14, 1963 in Book 169 of Maps at Pages 29 through 33, in the Office of the Recorder, County of Santa Clara, State of California, more particularly described as follows:

All of the lands described in the Deed recorded as Document Number 23646921 of Official Records, in the Office of the Recorder, County of Santa Clara.

All of the lands described in the Deed recorded as Document Number 23650742 of Official Records, in the Office of the Recorder, County of Santa Clara.

All of the lands described in the Deed recorded as Document Number 23646915 of Official Records, in the Office of the Recorder, County of Santa Clara.

Containing 38,825 square feet (0.89 acres) of land, more or less.

BASIS OF BEARINGS:

The bearing of N40° 26' 57"W, shown as N41° 01' 49"W along the southerly line of Lot 172 on the certain Tract Map filed on November 14, 1963 in Book 169 of Maps at Pages 29 through 33, in the Office of the Recorder, County of Santa Clara, State of California, was used as Basis of Bearings shown hereon.

SURVEYOR'S STATEMENT:

The description was prepared by me or under my direction in conformance with the requirements of the Land Surveyor's Act.

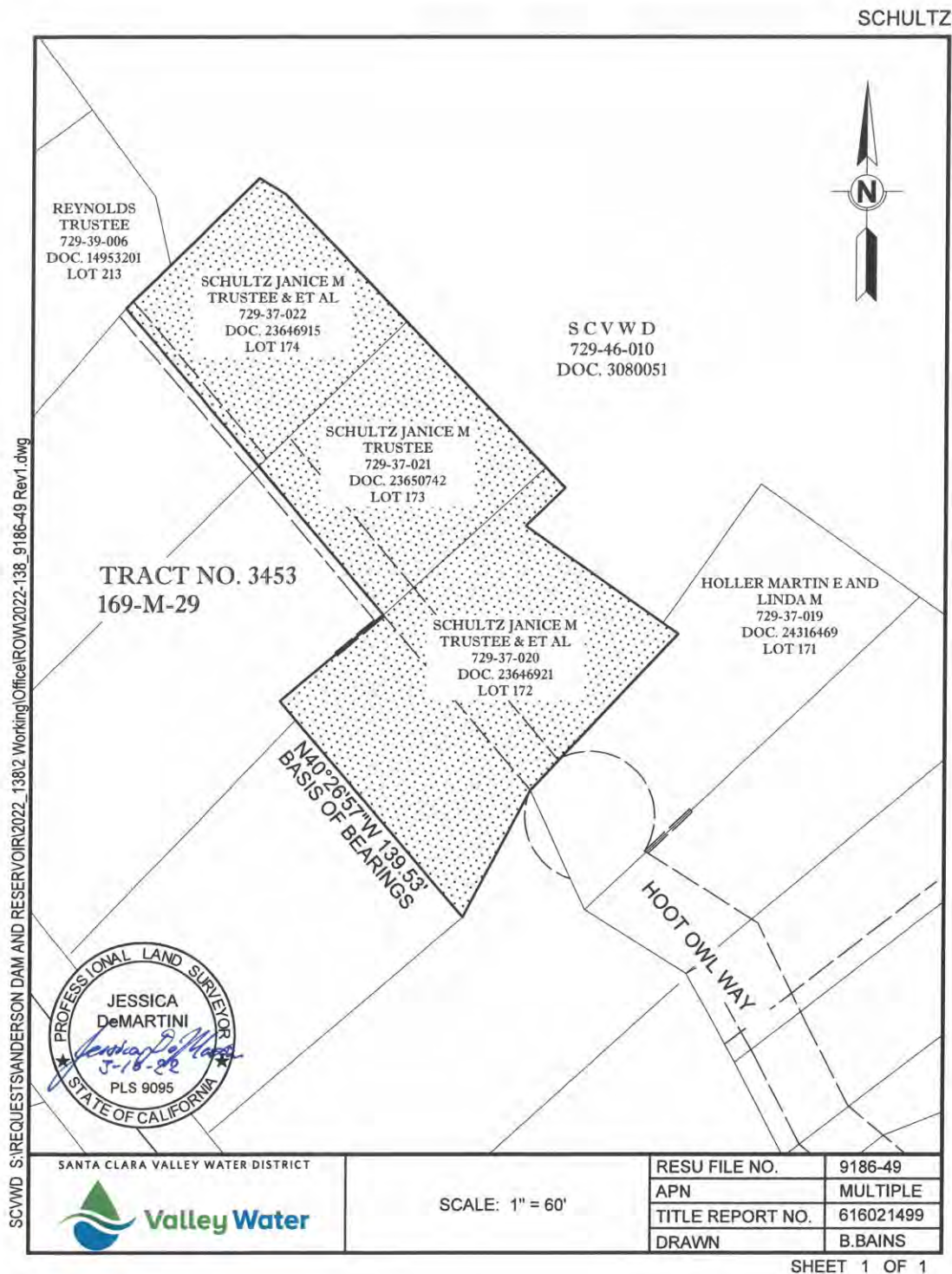

Jessica DeMartini, PLS 9095

5/10/22
Date



Page 1 of 1

S:\REQUESTS\ANDERSON DAM AND RESERVOIR\2022_138\2 Working\Office\ROW\2022-138_9186-49_Legal.JD.docx



Appraisal Report



SCHULTZ PROPERTY
FILE # 9186-49
17540 HOOT OWL WAY,
MORGAN HILL, CALIFORNIA

PREPARED FOR

SANTA CLARA VALLEY WATER DISTRICT

PREPARED BY

CHAPMAN & PATTON

EFFECTIVE DATE OF VALUE

JANUARY 19, 2022

March 16, 2022

Edna Campero
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

Dear Ms. Campero,

Pursuant to our agreement, an appraisal has been made of the Fair Market Value of the Schultz property identified as Assessor's Parcel Number 729-37-022 located at 17540 Hoot Owl Way in (unincorporated) Morgan Hill, California. The property being appraised will be referred to as the Subject property in this report.

The purpose of this appraisal is to provide you with an opinion of the Fair Market Value of the Subject property, which will potentially be acquired for the Santa Clara Valley Water District's (SCVWD) Anderson Dam Tunnel Project. The effective date of value for this assignment is January 19, 2022.

This report contains a description of the entire property in the before condition. The appraisal of the property in the before condition is made under the hypothetical condition that the proposed Anderson Dam Tunnel Project does not exist.

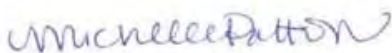
A *Notice of Decision to Appraise* was sent to the property owner by this office on January 11, 2022. The appraiser met with Ms. Schultz on January 19, 2022.

I have gathered pertinent information, sales and other data relevant to the valuation of the property and analyzed the data to reach my conclusions. In my opinion, the fair market value of the Subject property as of January 19, 2022 was \$1,025,000.

This is a Restricted Appraisal Report that may not be understood properly without reviewing additional information retained in the appraiser's file. This report is performed in accordance with generally accepted reporting requirements for Uniform Standards of Professional Appraisal Practice 2-2(b). Please refer to the General Assumptions and Limiting Conditions found in the Introduction & Summary section of this report.

Very truly yours,

CHAPMAN & PATTON



Michelle Patton, MAI, SR/WA, R/W-AC
Certified General Real Estate Appraiser # AG030012

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INTRODUCTION & SUMMARY

Purpose of the Appraisal

The purpose of this appraisal is to estimate the Fair Market Value of an improved 0.24-acre residential property in an unincorporated area of Santa Clara County near Morgan Hill, California.

Appraisal Report Format

This is a Restricted Appraisal Report, in accordance with the requirements identified in Standard Rule 2-2(b) of USPAP. It is intended to provide a brief description of the entire property in the before condition, ignoring project influence. It should be noted that the appraiser's opinions and conclusions set forth in the report may not be understood properly without reviewing additional information retained in the appraiser's work file. The report format had been mutually agreed upon by the client prior to completion of this assignment. Additional supporting documentation and analyses, as appropriate, is retained in the appraiser's file.

Scope of the Assignment

A *Notice of Decision to Appraise* was sent to the current owners on January 11, 2022. The *scope of inspection* consisted of Michelle Patton viewing the Subject property on-site on January 19, 2022 in the presence of Ms. Schultz, as well as Ms. Edna Campero of Valley Water.

Verification of the sales was made using public records, and when possible, parties to the transactions (primarily real estate brokers who handled the transactions). Each comparable sale was viewed, photographed and verified by Michelle Patton. The comparables cited herein should be construed as being a pertinent sampling, which were selected based upon physical and location similarities relative to the property under appraisal and/or the credibility of the data.

The *geographic scope* of research was focused in Morgan Hill and surrounding communities.

The following *scope of resources* was used in the development of the market value opinion expressed herein. Information provided by the client consisted of a Preliminary Report, Legal Description and Plat Map of the Subject property, and description of the Project.

Sources used in the process of analyzing the Subject property included:

- Assessor's map
- Flood hazard map
- Discussions with local brokers
- Zoning ordinance for Santa Clara County
- General Plan for Santa Clara County
- Engineering maps for the property to be acquired
- Discussions with Bill Magleby, Senior Real Estate Agent with SCVWD

Sources used in the process of estimating value for the Subject included:

- Assessor's records
- Multiple Listing Service (MLS)
- Local brokers
- CoStar

Intended Use

The intended use of the appraisal and report is to provide Santa Clara Valley Water District and their legal representatives with a basis for determining just compensation to be offered to the property owner. It is not intended for any other use.

Intended User and Client

The intended user and client of this appraisal is Santa Clara Valley Water District and their legal representatives. The appraisal is not intended for any other user.

Definitions

Appraisal Report (Restricted) - A written appraisal report prepared under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice.

Before Condition - The before condition is the condition of the property on the valuation date (as if) prior to the project, planning and steps leading up to the project.

Benefits - A benefit is an increase in value accruing specially to a remainder property as a result of a partial acquisition or project construction.¹

Easement - The right to use another's land for a stated purpose.²

Encumbrance - Any claim or liability that affects or limits the title to property. An encumbrance can affect the title such as a mortgage or other lien, or it can affect the physical condition of the property such as an easement. An encumbrance cannot prevent the transfer of possession, but it does remain after the transfer.³

Exposure Time - estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.⁴

Extraordinary Assumption - An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions."⁵ An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.

Fee Simple - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.⁶

¹ Source: Section 1263.430 from the Code of Civil Procedure

² Source: The Dictionary of Real Estate Appraisal, 7th Ed., published by the Appraisal Institute, 2022

³ Source: The Dictionary of Real Estate Appraisal, 7th Ed., published by the Appraisal Institute, 2022

⁴ Source: 2020-2021 Edition USPAP, Page 4

⁵ Source: 2020-2021 Edition of USPAP, Pages 4 & 17

⁶ Source: The Dictionary of Real Estate Appraisal, 7th Ed., published by the Appraisal Institute, 2022

Highest And Best Use - The following explanation is taken directly from the 14th Edition of The Appraisal of Real Estate:

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.

Hypothetical Condition - A Hypothetical Condition is “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis.”

Comment: “Hypothetical Conditions are contrary to known facts about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in the analysis.”⁷

Larger Parcel - In governmental land acquisitions and in valuation of charitable donations of partial interests in property such as easements, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use. In most states, unity of ownership, contiguity, and unity of use are the three conditions that establish the larger parcel for the consideration of severance damages. In federal and some state cases, however, contiguity is sometimes subordinated to unitary use.⁸

Market Value -

(a) The fair market value of the property taken is the highest price on the date of the valuation that would be agreed to by a seller, being willing to sell, but under no particular or urgent necessity of so doing nor obliged to sell, and a buyer, being ready, willing and able to buy, but under no particular necessity for so doing, each dealing with each other with full knowledge of the uses and purposes for which the property is reasonably adaptable and available.

(b) The fair market value of property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.⁹

⁷ Source: 2020-2021 Edition of USPAP, page 4

⁸ Source: The Dictionary of Real Estate Appraisal, 7th Ed., published by the Appraisal Institute, 2022

⁹ Source: Code of Civil Procedure, Section 1263.320(a)

General Assumptions and Limiting Conditions

The following Assumptions and Limiting Conditions have been relied upon and used in making this appraisal and estimating the respective values required by the purpose of the appraisal and its intended use.

- 1) No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
- 2) The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
- 3) Responsible ownership and competent property management are assumed unless otherwise stated in this report.
- 4) The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- 5) Sketches, plats, or photographs contained in this report are included to assist the reader in visualizing properties and no survey has been made of the property in the report.
- 6) The Appraiser assumes no responsibility for discovery of hidden or non-apparent conditions of the property, subsoil, or the structures that render it more or less valuable. Encroachment of real property improvements is assumed to not exist. No responsibility is assumed for arranging engineering studies or a survey, which may be required to discover these conditions.
- 7) It is assumed that there is full compliance with all applicable Federal, State, and local environmental regulations and laws unless otherwise stated in this report.
- 8) It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in this appraisal report.
- 9) It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusions contained in this report are based.
- 10) The Appraiser is not a soil expert. The existing soil and substructure has been assumed adequate for existing or proposed uses unless contrary information is provided and contained in this report. It is advisable to have a soil analysis and report completed by a qualified soil engineer or other qualified expert so that any interested party will become knowledgeable as to the important soil information including seismic data, soil contaminants, type of fill, if any, or other relevant matters.
- 11) Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act.
- 12) The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.

- 13) Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written prior consent of the Appraiser, and in any event, only with proper written qualifications and only in its entirety.
- 14) Neither all nor any part of the contents of this report (*especially any conclusions as to value, the identity of the Appraiser, or the firm with which the Appraiser is connected*) shall be disseminated to the public through advertising, public relations, news sales, or other media.

Extraordinary Assumptions and Hypothetical Conditions

Please note that all Extraordinary Assumptions and Hypothetical Conditions could have an effect on the results of this appraisal.

Extraordinary Assumptions

- 1) It is assumed that no hazardous or toxic substances exist on the Subject property or the soils comprising the Subject land.
- 2) It is assumed that no other easements exist on the entire property that could affect use and/or value other than those noted in this report.
- 3) The age of the dwelling predates the County's building permit records. It is assumed for purposes of this analysis that the Gross Living Area (GLA) identified in the report is accurate and that any unpermitted space has been grandfathered-in as permitted, livable space.

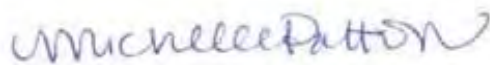
Hypothetical Condition

- 1) This assignment was prompted by the Anderson Dam Tunnel Project. Therefore, the project will be disregarded in the appraisal of the Subject in the before condition.

Certification of Appraiser

I certify that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- I made a personal inspection of the property that is the subject of this report.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the 3-year period immediately preceding acceptance of this assignment.
- no one provided significant real property appraisal assistance to the person signing this certification.
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- as of the date of this report, Michelle Patton has completed the continuing education program for designated members of the Appraisal Institute.

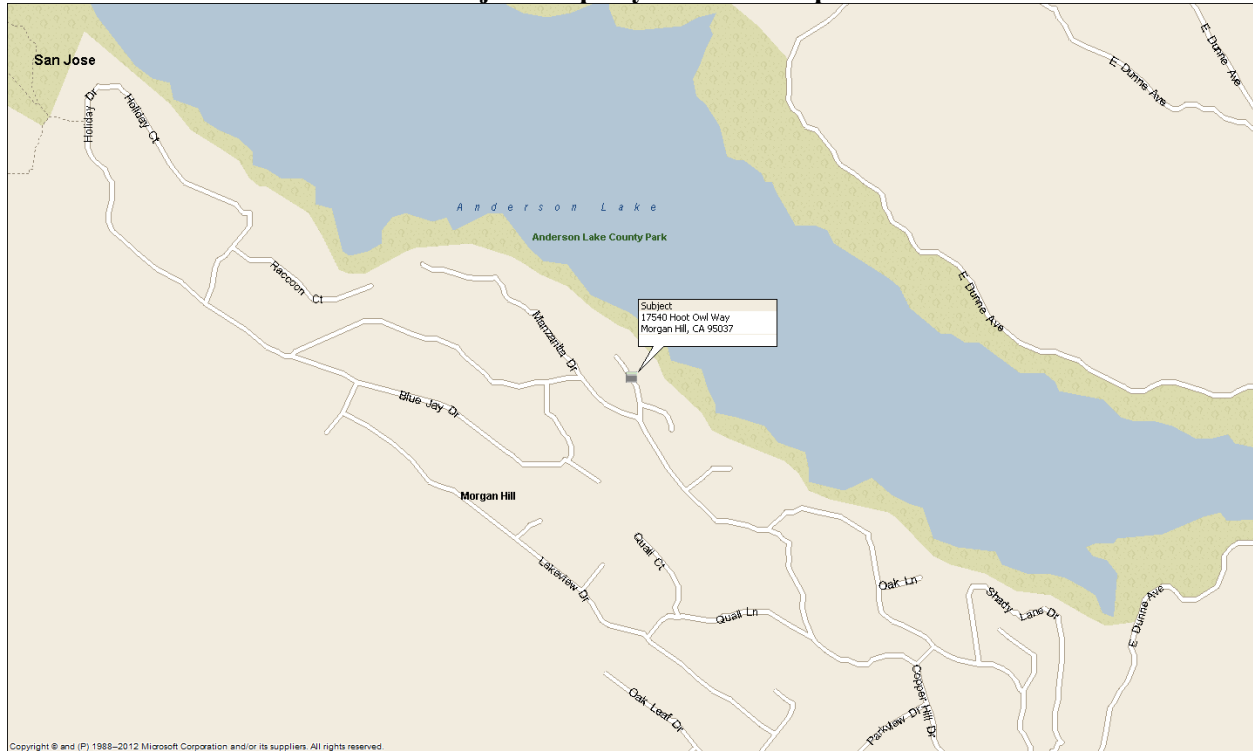


March 16, 2022

Date

Michelle Patton, MAI, SR/WA, R/W-AC
Certified General Real Estate Appraiser #AG030012

Subject Property Location Map



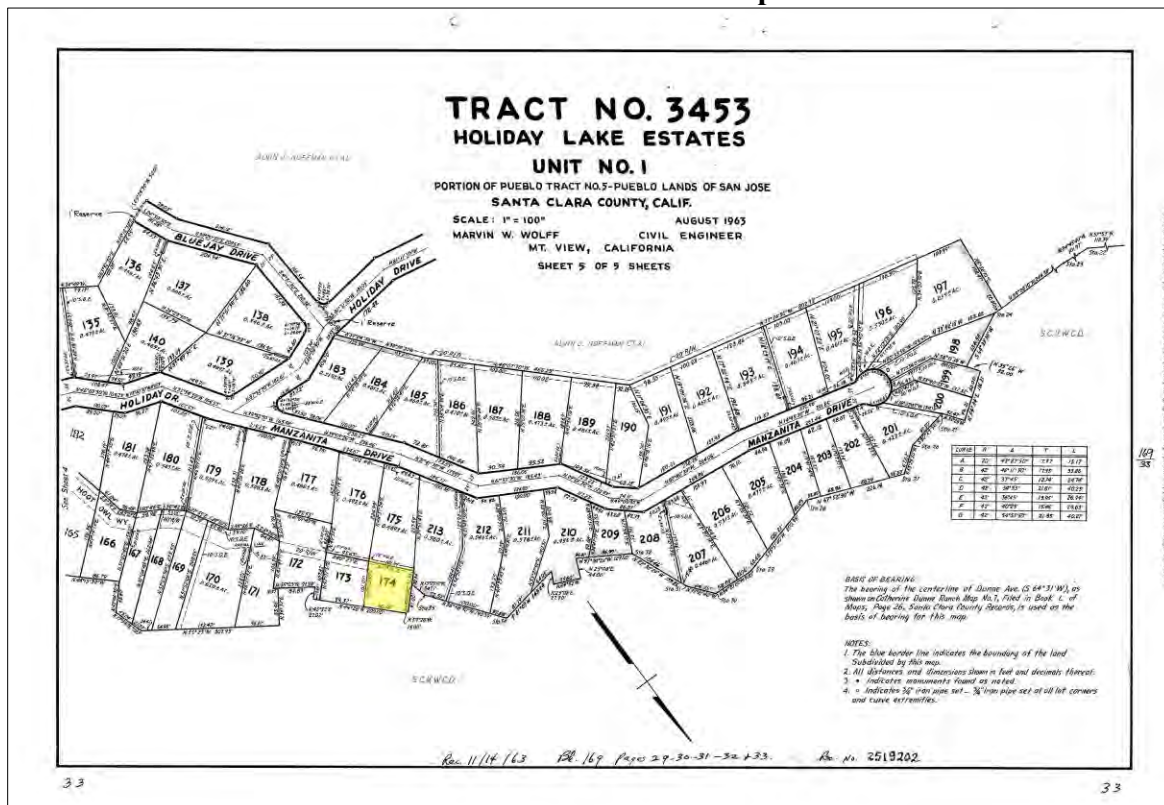
Satellite Image



Assessor's Parcel Map



Recorded Subdivision Map



Subject Property Photographs



Left: Southernly view of Hoot Owl Way



Right: View of driveway access easement across APNs 729-37-020 and 021



Left: Northerly view of Subject residence and garage



Right: Driveway to rear parking area



Left: View of residence addition and southerly yard area



Right: View looking toward Anderson Lake and Subject's back yard



Left: Southeasterly elevation of residence



Right: Southeasterly elevation of detached garage



Left: Northerly yard area/patio



Right: Concrete walkway around back deck – view of Anderson Lake



Left: View of Anderson Lake from deck



Right: View of Anderson Lake from deck



Left: Northeasterly and northwesterly elevations and deck



Right: Typical interior - bedroom



Left: Bedroom



Right: Bedroom



Left: Bedroom
Right: Living Room



Left: Kitchen
Right: Kitchen



Left: Office/Den
Right: Office/Den



Left: Living Room
Right: Dining room and Kitchen



Subject Property Identification

Address

17540 Hoot Owl Way, Morgan Hill, California

Location

The Subject property is located north of the termination of Hoot Owl Way, north of Holiday Drive and just west of Anderson Lake in Santa Clara County.

Assessor's Parcel No.

729-37-022

County

Santa Clara

Owners of Record

According to the Preliminary Report prepared by Old Republic Title Company and dated February 1, 2022, ownership is vested in: Janice M. Schultz, Trustee of the Janice Schultz Survivor's Trust u/t/a dated July 24, 1996, an undivided 50% interest, and to Janice M. Schultz, Trustee of the Thomas Schultz Bypass Trust u/t/a dated July 24, 1996, an undivided 50% interest.

History of Ownership

According to public records, the property has been owned by the Schultz family since at least 1996. Due to the length of ownership, no further investigation was made into the history of ownership. No sales or listings of the property were found in the past 10 years.

Larger Parcel

Although Ms. Schultz owns two additional parcels that are contiguous to the Subject, the Subject has a highest and best use as a stand-alone improved homesite, as opposed to being assembled with the other properties under the same ownership. As such, the larger parcel is the single Assessor's parcel noted above.

Size/Shape/Topography

According to public records, the Subject property consists of one parcel that contains 0.24-acre (10,386 square feet) gross. It is generally rectangular in shape, has a level homesite, and then downslopes toward the lake bed.

Utilities

The Subject's neighborhood is served with electricity and public water. However, development requires private on-site septic systems and propane, as sewer services and natural gas are not available to the neighborhood. It is assumed the Subject's existing water supply and septic system is adequate for the continued residential use.

Access

The Subject is accessed via an easement across the two parcels to the south (APNs 729-37-020 & 021), also owned by Ms. Schultz. The driveway extends from the terminus of Hoot Owl Way, through the middle of the first parcel, and along the southwesterly boundary of the second parcel. The driveway is gated at the Hoot Owl Way cul-de-sac and is asphalt-paved. Hoot Owl Way is also an asphalt-paved public road that lacks offsite improvements such as curbs, gutters and sidewalks, which is typical for this neighborhood.

Current Use/Improvements

The property is improved with a one-story, single-family dwelling that was originally constructed in 1958. According to public records, the house contains 1,247 square feet and has three bedrooms and two

bathrooms. However, the gross living area of the dwelling was measured at 1,348 square feet at the site visit, which will be utilized in this analysis. The dwelling is a wood-framed structure (log cabin) with composition shingle roofing. Interior walls and ceilings are primarily wood paneling on interior walls and stained logs on exterior walls. Ceiling have stained wood panels in the main part of the home and the addition includes exterior walls framed out in batten board.

The kitchen has ceramic tile flooring, pine cabinetry, butcher block and laminate countertops and a stainless steel sink. Built-in appliances include an electric range cooktop, dual electric stove and a dishwasher.

The living room and bedrooms have carpeted flooring. The living room includes a stone hearth, but no fireplace was present. There are exposed beam ceilings and sliding glass doors to the rear deck.

There is a large wooden deck and terraced concrete patio areas. The one-car garage is wood framed and is detached from the dwelling. There are numerous mature trees on the site and a gravel parking area.

Overall, the residence is in average condition. The property owner indicated that remodeling was taking place.

Easements and Encroachments

The Preliminary Report (found as Addendum B) prepared by Old Republic Title Company refers to various exceptions to title, including several easements that encumber the Subject Property, as described below:

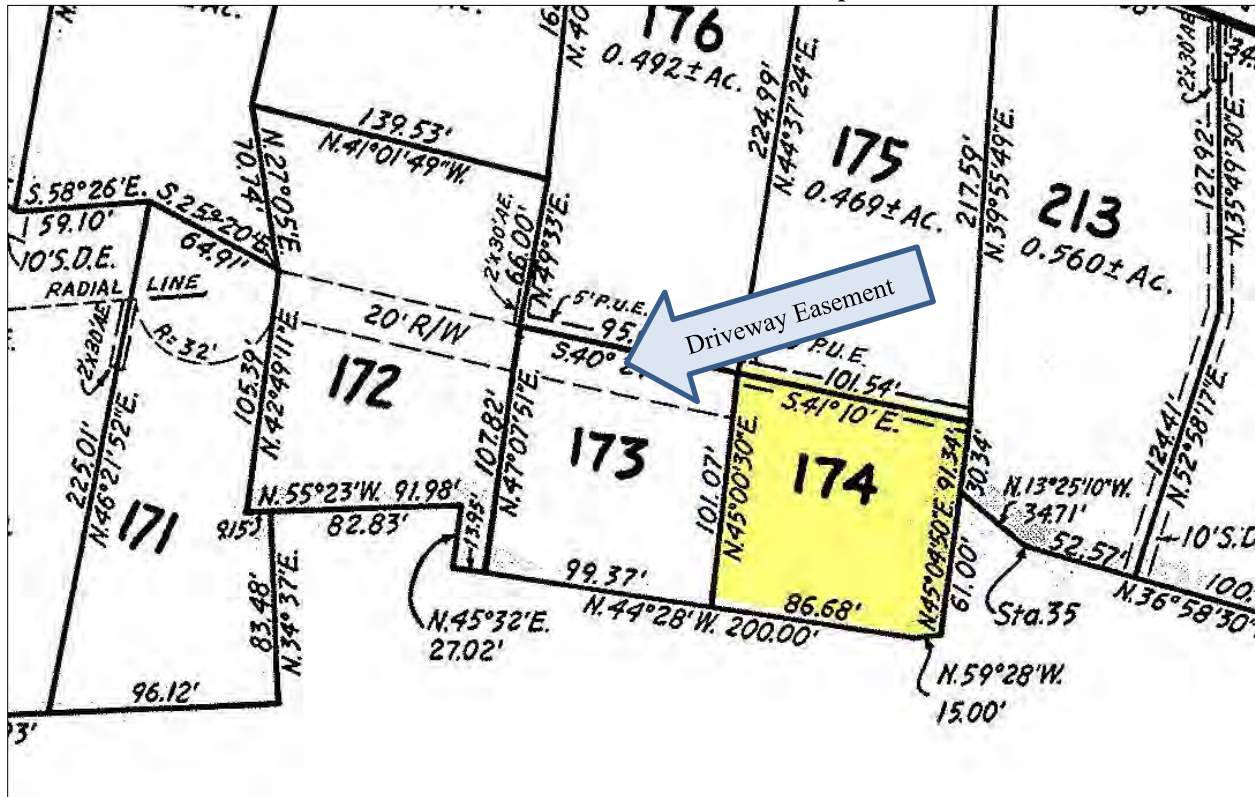
- 9) *An easement for right of way purposes in favor of Coast counties Gas and Electric Company for a single line of poles and appurtenances for ingress and egress*
- 10) *Reservations, conditions and restrictions contained in the deed from SCVWD with document number 2089101.*
- 11) *An easement for public utilities affecting the southwesterly 5 feet*

With regards to Item 10, the Deed (Document Number 2089101) can be found as Addendum D to this report. This deed was recorded in 1961 and effectively allows SCVWD “*the absolute and permanent right to flood and inundate the said lands with water, whether or not such water is local in origin, and without regard to origin, to a height of 640 feet*”.

The deed further states that the District “*shall have no liability of any nature to the Grantee, or any person, firm or corporation, claiming under him, on account of the fact that the District may raise or lower the level of water in said reservoir...*” Furthermore, “*structures and improvements have been erected by such parties on said lands shall in no wise (sic) limit the force and generality of the reservations and agreements of this deed...*”

The inundation easement was fully considered in the valuation of the Subject. It is assumed that no other easements or encroachments exist that could negatively affect the property’s value or marketability other than those mentioned in this report.

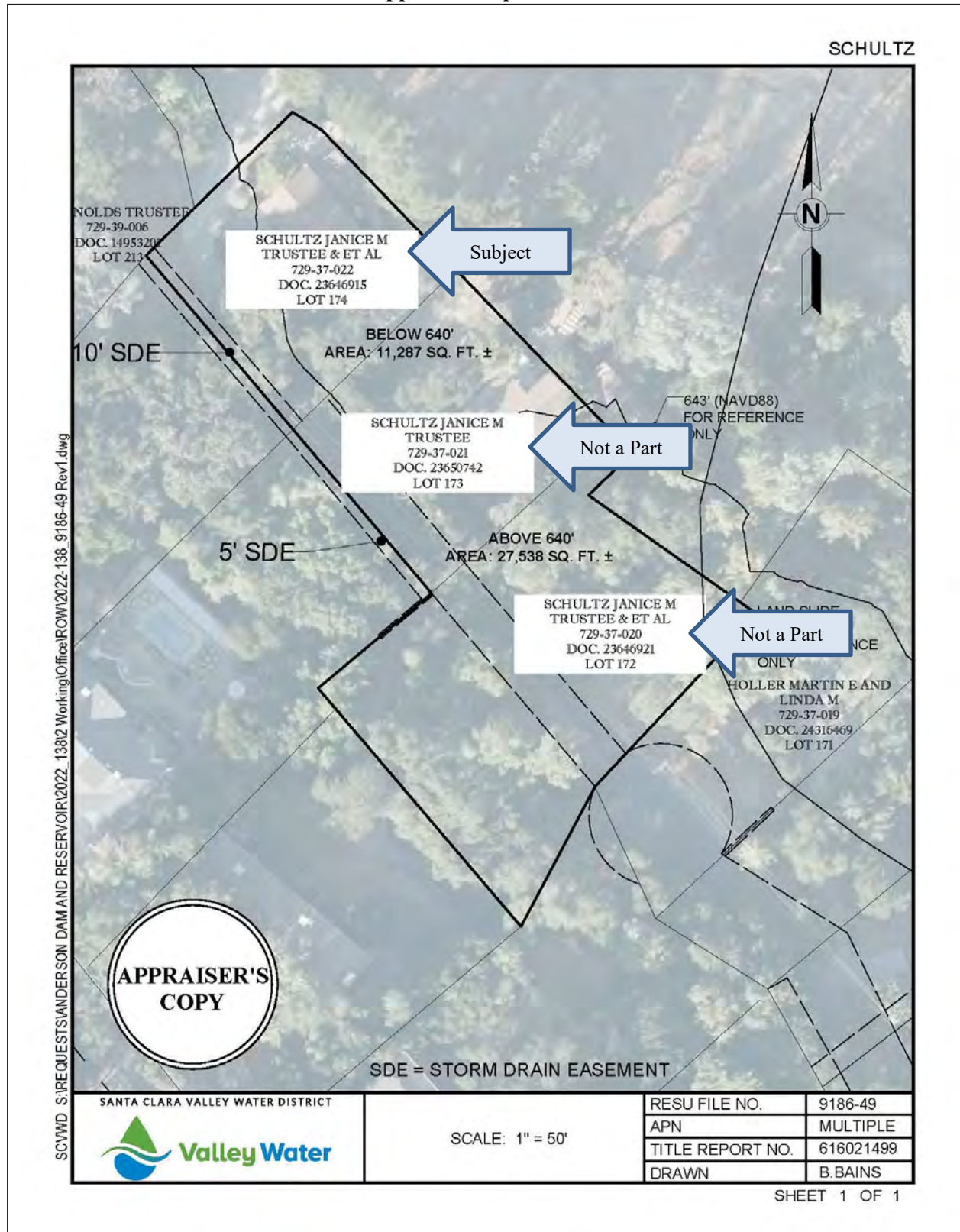
Easements identified on Parcel Map



Aerial with Topographic Overlay – Yellow line is 640' Elevation Mark



Appraisal Map Exhibit



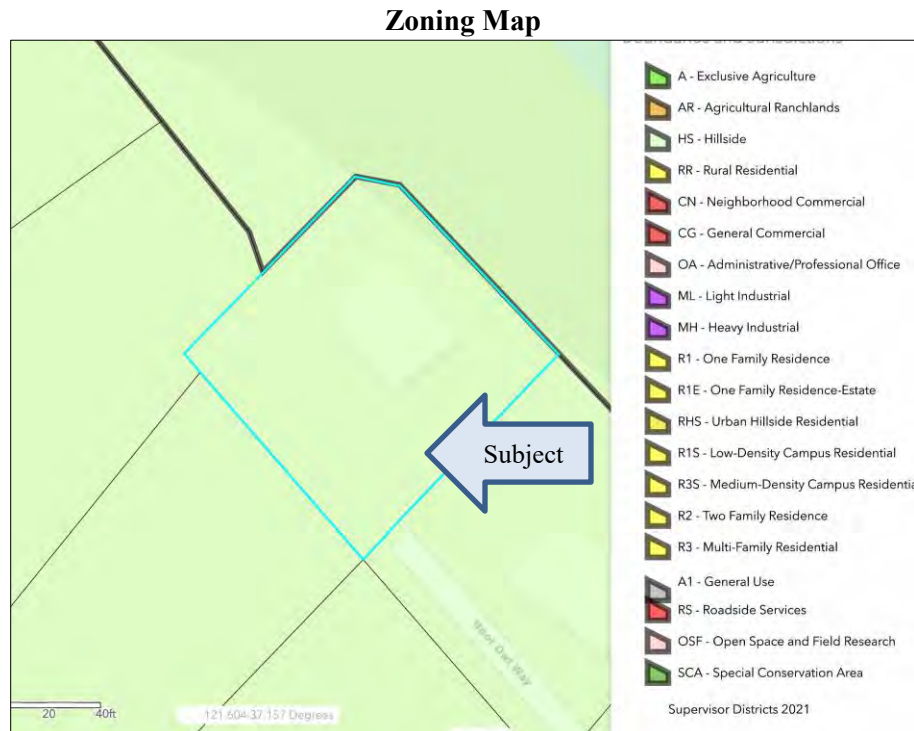
Zoning and General Plan: County of Santa Clara

The Subject is under the jurisdiction of Santa Clara County Planning Department and has a zoning designation of HS (Hillside) and a General Plan designation of USA (Regional Parks, Existing). Hillside zoning allows for various residential uses and its intent is as follows:

The purpose of the Hillside district, also known as the HS district, is to preserve mountainous lands unplanned or unsuited for urban development primarily in open space and to promote those uses which support and enhance a rural character, which protect and promote wise use of natural resources, and which avoid the risks imposed by natural hazards found in these areas. These lands are watersheds and may also provide such important resources as minerals, forests, animal habitat, rare or locally unique plant and animal communities, historic and archeological sites, scenic beauty, grazing lands, and recreational areas. Additionally, lands zoned Hillside define the setting or viewshed for the urban area of the County.

Development shall be limited to avoid the need for public services and facilities. Permitted uses include agriculture and grazing, very low-density residential use, low density, low-intensity recreation, mineral and other resource extraction, and land in its natural state. Low-intensity commercial, industrial, and institutional uses may also be allowed if they require a remote, rural setting in order to primarily serve the rural residents or community, or if they support the recreational or productive use, study, appreciation, or enhancement of the natural environment. Clustering of development, particularly residential, is encouraged in order to preserve contiguous open space and achieve efficiency in the provision of access to dwellings. This district is meant to apply to all parcels designated Hillside in the general plan.

The Subject is also within the city of Morgan Hill's *Sphere of Influence*, which designates the Subject as Residential Detached Low (up to 4 dwelling units/acre).



Probability of a Zoning Change

A change in zoning is not likely. The Subject is in an area primarily reserved for low-density residential uses.

Geologic Hazards

Though the Subject is not located in a Special Earthquake Studies Zone, it is subject to ground shaking as are all properties in this region. However, ground movement and shaking in liquefaction areas is greatly amplified.

The combination of nearby fault lines and probable landslides represent a serious geologic hazard. It should be remembered that the project for this appraisal was prompted by the potential for a “geologic hazard.”

Location of Earthquake Faults and Liquefaction Soils



Hazardous Material Sites

No Environmental Site Assessments were provided for this assignment. There are no known or apparent adverse environmental conditions that would negatively impact the value of the Subject Property. The appraiser is not qualified to make a hazardous waste determination. Please refer to the Limiting Conditions section of this report.

FEMA Flood Hazard Area

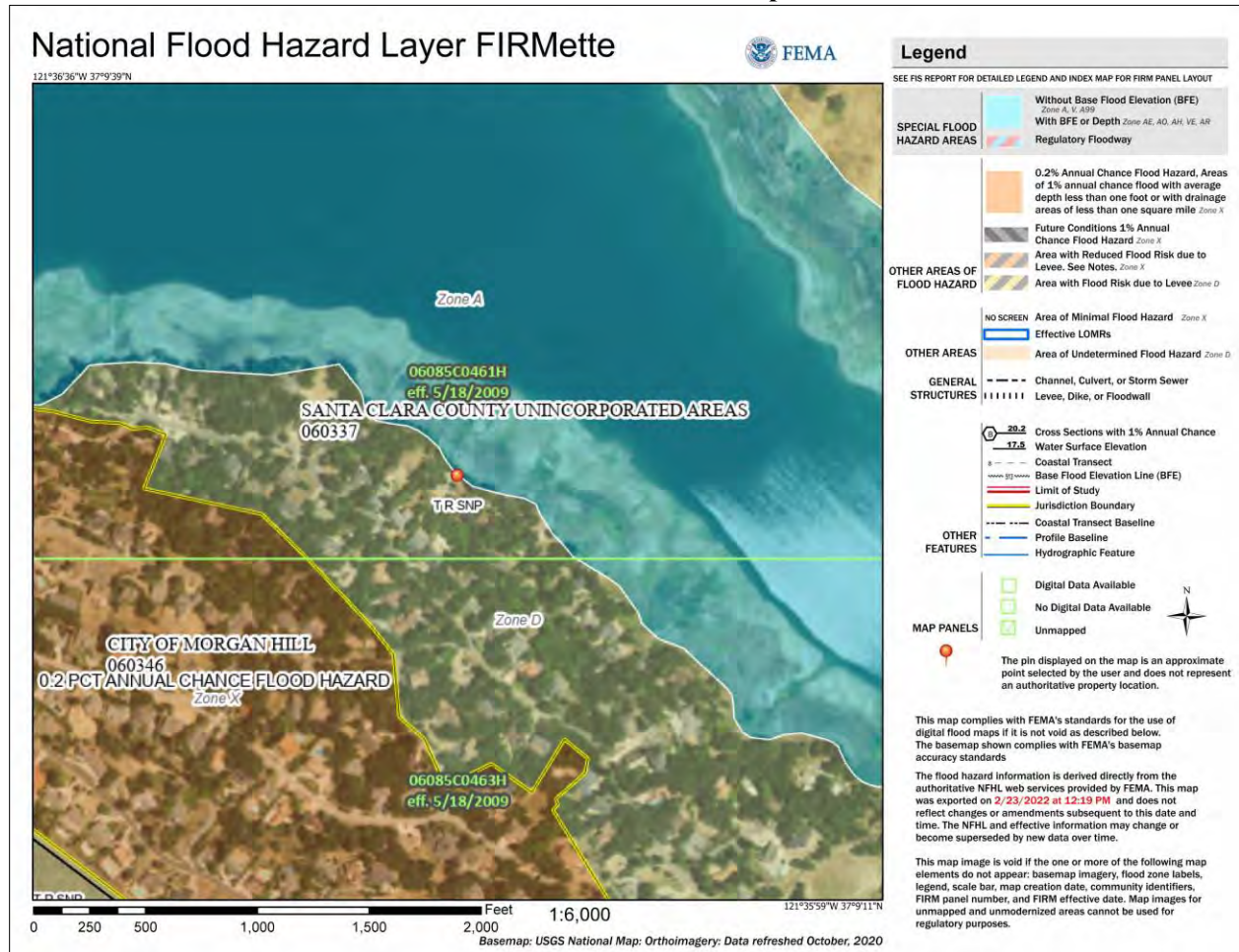
As shown on the map on the following page, the Subject is shown in FEMA Zone D flood hazard areas. The Zone D designation is used for areas with a potentially moderate to high risk of flooding, but the probability has not been determined. Although some federally backed lenders may still require it, in a Zone D, there are no mandatory flood insurance requirements. Also, there are no minimum building requirements by FEMA. However, Zone D indicates that there is a risk of flooding; the level of risk is just unknown.

The site is adjacent to Anderson Lake which is designated as FEMA Flood Zone A.

Legal Description

The legal description of the Subject can be found in the Preliminary Report, found as Addendum B to this report.

FEMA Flood Hazard Map



Assessed Value and Taxes (2021-2022)

Ad Valorem taxes in California are limited by Proposition 13. This law, enacted in 1978, sets property taxes at 1% of acquisition price, plus 2% annual increases in the tax. In order to fund infrastructure and other services ordinarily paid for by property taxes, local agencies and municipalities have a complicated system of direct levies, which act as a special tax, to fund infrastructure development or school systems. Upon sale, the property would be reassessed per Proposition 13.

The following table indicates the assessed values and real estate taxes for the 2021-22 tax year.

Assessed Values	729-37-022
Land	\$147,160
Improvements	\$155,495
Subtotal	\$302,655
Less. Homeowners Exemption	\$0
Total	\$302,655
RE Taxes	\$3,437.38

Highest And Best Use - As if Vacant

Highest and best use is defined as that use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in highest land value. It may also be referred to as the most efficient and profitable permissible use. The size, shape, area, and terrain of a parcel of land affect the uses to which it can be developed. The utility of a parcel may depend on its frontage and depth. Irregular-shaped parcels can cost more to develop and, after development, may have less utility than typically shaped parcels in the same area.

Legal Permissibility Test – The Subject property is zoned Hillside, which is intended for the preservation of open space, but also allows for low density, single-family residential use.

Physical Possibility Test – The Subject property contains 0.24 acre (net) and includes a hillside lot that abuts Anderson Lake. Front, side and rear setbacks in the Hillside district are 30'. For the Subject, there are no physical site characteristics that would preclude development of legal uses, except that existing easements may not be built on. The size and shape of the Subject's site are fairly typical for the area. Access to the site is good via a private easement from the end of Hoot Owl Way, across two adjoining parcels.

Financial Feasibility Test - The neighborhood is nearly 100% built-out with primarily residential uses, in addition to several open space areas maintained by the Holiday Lake Estates Homeowner's Association. The neighborhood is adjacent to Anderson Lake County Park, which includes ~4,275 acres of open space, trails, recreational uses and the reservoir.

The financial feasibility of immediate development of the Subject takes into consideration the demand for various potential uses. The residential market in the Morgan Hill area has experienced a significant increase in value for single-family properties. Lack of available inventory is partially responsible for the surge in values from 2013 to the present. There are very few lots available for development within the immediate vicinity. The Subject benefits from its location in that the surrounding infrastructure (roadways) is already in place. Furthermore, its lakefront setting is a desirable amenity. The highest and best use for the Subject property as if vacant is for development with a single-family dwelling.

Highest And Best Use – As Improved

The highest and best use of the Subject "As Improved" is for the continued single-family residential use.

Project Description

There are two projects currently underway regarding Anderson Dam; the Anderson Dam Tunnel Project (ADTP), and the Anderson Dam Seismic Retrofit Project (ADSRP). The project that prompted the Subject property acquisition is the proposed Santa Clara Valley Water District (SCVWD) Anderson Dam Tunnel Project. The proposed acquisition of the Subject and other neighboring properties was prompted by the Hoot Owl Way Slide and Boat Marina Slide; two landslides along the lakebed that require securing.

Anderson Dam, which was built in 1950, requires significant upgrades for seismic retrofitting. The project will rebuild the dam in compliance with today's seismic and safety standards and regulations. It will increase the dam's spillway and outlet capacity to allow a rapid, controlled drawdown in emergencies and to enhance incidental flood protection.

Around October 2020, SCVWD began releasing water from Anderson Lake, the County's largest surface water reservoir, that stores rainfall-runoff and imported water from the Central Valley Project. As of the *Effective Date of Value*, the lake bed near the Subject neighborhood was nearly empty.

Project Acquisition

The Subject will be acquired in fee for the Project. The Subject is appraised in the Before Condition under the *Hypothetical Condition* that the SCVWD Project does not exist.

VALUATION

Approaches to Value

In valuing real estate, three valuation methodologies are typically accepted in the appraisal process. These are the sales comparison approach, the income approach, and the cost approach. They are further described below.

Sales Comparison Approach

The sales comparison approach utilizes the principle of substitution, wherein recently sold comparable properties are found and analyzed for comparability to the subject property. The underlying assumption is that market support will be either similar to, or identical to any of a group of adjusted substitute properties; thus, the indicated value for the subject is based on a range of adjusted values for the “substitute” or “comparable” transactions.

Income Approach

Generally, the income approach converts income expectations into market value. The assumptions for the investment model can either be implicit in the model (direct capitalization, which converts a single year’s expected income into value using a ratio from the market), or explicit (yield capitalization, or DCF, which converts each year’s net income over a specified holding period).

Cost Approach

The cost approach identifies market supported improvements costs, subtracts a market supported amount assignable to accrued depreciation, adds land value, and derives a value based on the cost to reproduce the improvements. This “cost approach” presumes that a typical buyer would not pay more for an existing improved property (or a finished lot) than it would cost to reproduce the same improvements on a highly similar (substitute) site.

Value Methodology Used for the Subject Property

Of the three approaches to value, only the Sales Comparison Approach is utilized. The Sales Comparison Approach is applicable when a sufficient number of recent, reliable transactions create a perceptible value pattern in the market. For properties that are bought and sold regularly, the Sales Comparison Approach provides a good indication of market value, as it generally reflects the motivations of buyers and sellers.

The Cost Approach and Income Approach were not utilized because they do not reflect the motivations of typical buyers and sellers for this property type.

Sales Comparison Approach – As Improved

The process of developing comparable sales included searching public record and published data sources for the most relevant sales of similar, competing properties in the Subject’s market area. Each sale was then verified by interviewing brokers, agents, buyers or sellers. The sales prices were adjusted as necessary for *transactional* elements such as financing, conditions of sale, post-sale expenditures, and market conditions. Finally, the sale properties were compared to the Subject for *property characteristic* differences. Primary elements of comparison are location, size, shape, access, topography, dwelling size, quality and condition.

Improved sales of similar single-family homes in Morgan Hill were researched and analyzed for this assignment. The selected sales are presented on the following comparable sales summary table and location map. Photographs of each comparable sale can be found as Addendum C. The most appropriate unit of comparison for this assignment is the price per dwelling. The following table summarizes the sales utilized in this assignment to appraise the Subject, as improved.

Comparable Improved Sales						
#	Address City APN	Lot Size Acres SF	Shape Access Topography	Gross Living Area Room Count Year Built Garage	Grantor Grantee Doc. #	Rec. date List Price Sale Price SalePrice/SF
1	17620 Manzanita Dr Morgan Hill 729-39-006	0.43 18,709	Atypical Typical Sloping	780 2-bed/1.5-bath 1954 None	Reynolds TBA TBA	3/11/2022 \$798,888 \$800,000 \$1,026
2	17725 Holiday Dr. Morgan Hill 729-42-018	0.49 21,375	Typical Typical Sloping	1,939 3-bed/2-bath 1973 Covered Parking	Perico Baylor 25163711	11/12/2021 \$1,099,000 \$1,158,000 \$597
3	16565 Jackson Oaks Dr. Morgan Hill 729-19-029	0.41 17,759	Atypical Typical Gently Sloping	2,000 3-bed/2-bath 1974 3-car	Pettigrew Griff Prop 25143402	10/25/2021 \$970,000 \$920,000 \$460
4	16475 Circle Dr. Morgan Hill 729-11-007	0.45 19,759	Atypical Typical Rolling	1,368 3-bed/2-bath 1972 2-car	Buchan Elmore 24829997	2/12/2021 \$799,950 \$975,000 \$713
Sub	17540 Hoot Owl Way Morgan Hill 729-37-022	0.24 10,386	Typical Easement Level/Sloping	1,348 3-bed/2 bath 1958 1-car	N/A N/A	1/19/2022 DOV

Sale Map



Sale 1 is located at 17620 Manzanita Drive in Holiday Lake Estates, just northwest of the Subject. This property includes a 0.43-acre site improved with a 780-square-foot single-family home that was constructed in 1954. It includes 2 bedrooms and 1.5 bathrooms, according to public records. This small log cabin is located on Anderson Lake, with view of the lake and Henry Coe Park. There is a large deck inside laundry room, and wood burning stove. The property was listed on February 1, 2022 and went pending in 8 days. It closed on March 11, 2022 for a sale price of \$800,000, slightly above the asking price and equivalent to \$1,026 per square foot.

As compared to the Subject, this sale is similar for time of sale, lakefront location and quality & condition of the improvements. It is slightly superior for site size but inferior for dwelling size.

Sale 2 is located at 17725 Holiday Drive in the Holiday Lake Estates neighborhood, just northwest of the Subject. This property includes a 0.49-acre site improved with single-story home with 1,939 square feet. It was originally constructed in 1939 and contains 3 bedrooms and 2 full bathrooms. The property sold in November 2021 for \$1,158,000, which is equivalent to \$597 per square foot. The home sits atop a hillside with views of Anderson Lake and the mountains. The interior finishes were of average quality and condition, with some updating over the years. There is a large deck off the front of the house.

As compared to the Subject, the sale is slightly inferior for time of sale and location, but superior for its larger dwelling and lot size. The quality and condition were also superior. Topography and room count are similar. The location is slightly inferior, as it is not lakefront, but still provides a lake view (when the lake is full). Overall, this sale is considered superior to the Subject.

Sale 3 is located at 16565 Jackson Oaks Drive. The property includes a 0.41-acre site improved with a 2,000 square foot residence, which was constructed in 1974. There are 3 bedrooms and 2 full bathrooms. It sold in October 2021 for \$920,000, or \$460 per square foot of GLA. The property was listed as a fixer and needed repairs to the deck, kitchen components and other various items of deferred maintenance. There was a large concrete patio, outdoor kitchen and 3-car garage.

As compared to the Subject, this sale is slightly inferior for time of sale. It is superior for dwelling size and lot size, but inferior for lack of lake frontage and views. The room count and topography and well as quality and condition of the improvements is generally similar to that of the Subject's. Overall, this sale is similar to the Subject.

Sale 4 is located at 16475 Circle Lane in Jackson Oaks neighborhood, just south of the Subject. The property includes a 0.45-acre site improved with a 1,368 square foot residence, which was constructed in 1972. There are 3 bedrooms and 2 full bathrooms. It sold in February 2021 for \$975,000, or \$713 per square foot of GLA. The home had modest interior finishes and no lake view. There was a 2-car garage and generally level lot.

As compared to the Subject, this sale is inferior for time of sale and lack of lake frontage and view. However, it is similar for room count, dwelling size and topography. The overall quality and condition are also similar. It is superior for its larger site size. Overall, this sale is generally similar to the Subject.

Summary of Sales Comparison Approach

Adjustments for the *Elements of Comparison* are made qualitatively, not quantitatively. It should also be noted that not all *Elements of Comparison* are weighted equally.

Very few lakefront homes have sold in the past year. Despite a considerable upward adjustment for time of sale, the few that were found were included as they are the most similar to the Subject geographically and topographically. All of the sales occurred between February and November 2021, which was a time

period of substantially increasing residential values in the Subject's market area. The *Market Conditions* during this period of time were generally increasing at a rate of 1.0% per month for improved residential properties. As such, each of the sales is adjusted upwards by 1% per month to reflect the respective increase in values over the time period. The adjusted sale prices for the comparable sales range from \$947,600 to \$1,181,160.

Despite the potential impacts COVID-19 pandemic may have on the overall economy and real estate market, the residential market is expected to remain strong due to housing demand in the market area.

The ranking analysis below includes the sales arrayed from highest to lowest based on the total sale price with the Subject in its respective place.

Improved Residential Values			
Sale No.	Overall Comparison	Time-adjusted Sale Price	Comments
2	Superior	\$1,181,160	0.49-acre lot – 1,939 square foot dwelling
4	Similar	\$1,082,250	0.45-acre lot – 1,368 square foot dwelling
Subject	-	\$1,025,000	0.24-acre lot – 1,348 square foot dwelling
3	Similar	\$947,600	0.41-acre lot – 2,000 square foot dwelling
1	Inferior	\$800,000	0.43-acre lot – 780 square foot dwelling

Indicated Value of the Whole (land only) using the Sales Comparison Approach

Taking into consideration the Subject's location and accessibility, dwelling size and availability of utilities, topography, zoning and site size, as well as lake frontage and views, a value of \$1,025,000 is estimated for the Subject. This figure is equivalent to \$760 per square foot, which is bracketed by the comparable sales.

Value Conclusion – As Improved
\$1,025,000

Exposure Time

The estimated exposure time for the Subject is 1 to 3 months.

ADDENDA

ADDENDUM A – QUALIFICATIONS of APPRAISER

CHAPMAN & PATTON

Danville Office
108 Club Terrace
Danville, CA 94526
Phone: 925.831.1311
Email: dean@chapmanappraisals.com

Oakdale Office
P.O. Box 973
Oakdale, CA 95361
Phone: 209.484.3217
Email: michelle@chapmanappraisals.com



Michelle Patton MAI, SR/WA, R/W-AC
President, Chapman & Patton

Experience:

2014 - Present	Senior Appraiser: Chapman & Patton Oakdale, California. (formerly Dean Chapman & Associates)
2008-2013	Senior Appraiser: Craig Owyang Real Estate, Inc. Elk Grove, California.
2003-2008	Staff Appraiser: Robert Ford & Associates, Inc. Modesto, California.

Memberships:

The Appraisal Institute
International Right-of-Way Association
National Association of Realtors®
American Society of Farm Managers and Rural Appraisers (ASFMRA)

Appraisal Designations:

MAI (Designated Member of Appraisal Institute)

Right-of-Way Designation:

SR/WA (Senior Right-of-Way Agent – IRWA)
R/W-AC (Right-of-Way Appraisal Certification – IRWA)

State Certification:

Certified General Real Estate Appraiser
State of California (AG030012)

Other Licensure:

Real Estate Broker - Bureau of Real Estate
State of California (BRE 01767847)

Appraiser Profile

Michelle Patton, MAI, SR/WA, R/W-AC was born and raised in California, originally from Danville but now resides near Oakdale.

Mrs. Patton began her appraisal career in 2003 with Robert Ford and Associates, a commercial appraisal firm in Modesto, California. In 2009, the firm was purchased by Craig Owyang Real Estate where Mrs. Patton was a senior appraiser for over four years. She officially joined Dean Chapman & Associates as a staff appraiser in 2014. She earned the MAI designation from the Appraisal Institute in 2012 and the SR/WA and R/W-AC (Right-of-Way Appraisal Certification) from the International Right of Way Association in 2017 and 2013, respectively. She served as President on the Northern California Chapter of the Appraisal Institute's board of directors in 2018. In 2019, she co-authored an article entitled "Transitional Use TCE", which appeared in *Right of Way* magazine published by the International Right of Way Association.

Ms. Patton has five children: two daughters and three sons. Her free time is spent hiking, running, wood-working and cheering for her kids on soccer fields all over California.

Examples of Appraisal Assignments by Michelle Patton

Gas Transmission Line Projects

Variety of property types in Placer County,
Sutter County, Yolo County, San Jose,
Redwood City, Woodside, Lodi, Thornton,
Graton, Tracy, Sacramento, Patterson

High Speed Rail Project

Industrial Property: Fresno
Commercial Properties: Fresno
Agricultural Properties: Corcoran, Fresno,
Selma

Overhead Transmission Line Projects:

Solar Facility: Santa Nella
Orchards: Linden, Buttonwillow, Bakersfield,
Coalinga

Highest and Best Use Consulting

Utility Corridor: Mountain View

Damage from Fire

Residential Land: Santa Cruz

Contaminated Sites

Union City

Misc. Consulting

Highest and Best Use – excess land
Gas Transmission Lines – stigma
Airport District: Rent Study
Parkland Proximity: Effect on Market Value
Property Line Dispute: San Leandro

Railroad Corridor Acquisition

Ione School District: Ione
Road Widening along BNSF: Riverbank
Turn Signal/Road Widening: Riverbank

Underground Utility Easements

Rural Residential/Ag: Bakersfield
Rangeland: Coalinga
Transitional Land: Manteca
Shopping Mall: San Jose
Subsurface Easements: S. San Francisco

Road Widening/Improvement Projects

Balfour Road/Hwy 4: Brentwood
Claribel Road Widening: Riverbank
Bridge Replacement: San Jose
Bridge Replacement: Brentwood
SR-84 Widening: Livermore
SR-101: Carpinteria
BART Station Project: Milpitas
Petaluma
Davis Road: Salinas
Hartnell Road: Salinas
Bridge Replacement: West Point

Possible Encroachment Issues

Fence Line Dispute: Redwood City
Tree Root Encroachment: Pacific Grove
Parking Encroachment: Lafayette

Round About Projects

Bardin Road: Salinas
Danville Boulevard: Alamo
David Avenue: Salinas

Landslides

Pacifica

Title Disputes

Driveway Easement: Mill Valley
Sewer Line Easement: Walnut Creek
Pedestrian Access: Lafayette

ADDENDUM B – PRELIMINARY REPORT – *Note: Prelim includes two other adjacent parcels not included in this appraisal*

ORDER NO. : 0616021499

EXHIBIT A

The land referred to is situated in the unincorporated area of the County of Santa Clara, State of California, and is described as follows:

PARCEL ONE:

Lot 172 as shown on that certain Map entitled, "Tract 3453 Holiday Lake Estates Unit No. 1", which Map was filed for Record in the Office of the Recorder of the County of Santa Clara, State of California on November 14, 1963 in Book 169 of Maps, at Pages 29, et seq.

APN: 729-37-020

PARCEL TWO:

All of Lot 173, as shown on that certain Map entitled, "Tract No. 3453 Holiday Lake Estate Unit No. 1", which Map was filed for Record in the Office of the Recorder of the County of Santa Clara, State of California, on November 14, 1963 in Book 169 of Maps, at Pages 29, et seq.

APN: 729-37-021

PARCEL THREE:

Lot 174 as shown on that certain Map entitled, "Tract 3453 Holiday Lake Estates Unit No. 1", which Map was filed for Record in the Office of the Recorder of the County of Santa Clara, State of California on November 14, 1963 in Book 169 of Maps, at Pages 29, et seq.

PARCEL FOUR:

An easement for ingress and egress over that portion of Lots 172 and 173 lying within the bounds of that certain 20 foot right of way as shown on the Map of Tract No. 2453 Holiday Lake Estates Unit No. 1, filed for record November 14, 1963 in Book 169 of Maps, at Pages 29 through 33, Santa Clara County Records.

APN: 729-37-022



OLD REPUBLIC TITLE COMPANY
A MEMBER OF THE OLD REPUBLIC TITLE INSURANCE GROUP

226 Airport Parkway, Suite 200
San Jose, CA 95110
(408) 557-8400 Fax: (408) 249-2314

PRELIMINARY REPORT

Our Order Number 0616021499-IM

SANTA CLARA VALLEY WATER DISTRICT
5750 ALMADEN EXPY
SAN JOSE, CA 95118

Attention: BLISS QUILATAN

When Replying Please Contact:

Ida Maciel
imaciel@ortc.com
(408) 557-8400

Buyer:
SANTA CLARA VALLEY WATER DISTRICT

Property Address:

17540 and 17530 Hoot Owl Way, Morgan Hill, CA 95037
[Unincorporated area of Santa Clara County]

In response to the above referenced application for a policy of title insurance, OLD REPUBLIC TITLE COMPANY, as issuing Agent of Old Republic National Title Insurance Company, hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Exhibit I attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the Homeowner's Policy of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit I. Copies of the Policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit I of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered. It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of February 1, 2022, at 7:30 AM

OLD REPUBLIC TITLE COMPANY
For Exceptions Shown or Referred to, See Attached

Page 1 of 13 Pages

ORT 315R-A (Rev. 08/07/08)

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0616021499-IM

The form of policy of title insurance contemplated by this report is:

CLTA Standard Coverage Policy - 1990. A specific request should be made if another form or additional coverage is desired.

The estate or interest in the land hereinafter described or referred or covered by this Report is:

Fee as to Parcel(s) One, Two, Three and an Easement as to Parcel(s) Four

Title to said estate or interest at the date hereof is vested in:

Janice M. Schultz, Surviving Trustee of The Schultz Family Trust dated July 24, 1996 As to Parcel One

And Janice M. Schultz, Trustee of the Janice Schultz Survivor's Trust u/t/a dated July 24, 1996, an undivided 50% interest, and to Janice M. Schultz, Trustee of the Thomas Schultz Bypass Trust u/t/a dated July 24, 1996, an undivided 50% interest, as to Parcel Two, Three and Four

The land referred to in this Report is situated in the unincorporated area of the County of Santa Clara, State of California, and is described as follows:

PARCEL ONE:

Lot 172 as shown on that certain Map entitled, "Tract 3453 Holiday Lake Estates Unit No. 1", which Map was filed for Record in the Office of the Recorder of the County of Santa Clara, State of California on November 14, 1963 in [Book 169 of Maps, at Pages 29](#), et seq.

APN: 729-37-020

PARCEL TWO:

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APN: 729-37-021

PARCEL THREE:

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PARCEL FOUR:

An easement for ingress and egress over that portion of Lots 172 and 173 lying within the bounds of that certain 20 foot right of way as shown on the Map of Tract No. 2453 Holiday Lake Estates Unit No. 1, filed for record November 14, 1963 in [Book 169 of Maps, at Pages 29 through 33](#), Santa Clara County Records.

Page 2 of 13 Pages

ORT 3158-B

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0616021499-IM

APN: 729-37-022

At the date hereof exceptions to coverage in addition to the Exceptions and Exclusions in said policy form would be as follows:

1. Taxes and assessments, general and special, for the fiscal year 2022 - 2023, a lien, but not yet due or payable.

2. Taxes and assessments, general and special, for the fiscal year 2021 - 2022, as follows:

Assessor's Parcel No	:	737-37-020	
Bill No.	:	729-37-020-00	
Code No.	:	087-001	
1st Installment	:	\$804.21	Marked Paid
2nd Installment	:	\$804.21	NOT Marked Paid
Land Value	:	\$133,966.00	

3. Taxes and assessments, general and special, for the fiscal year 2021 - 2022, as follows:

Assessor's Parcel No	:	729-37-021	
Bill No.	:	729-37-021-00	
Code No.	:	087-001	
1st Installment	:	\$1,888.89	Marked Paid
2nd Installment	:	\$1,888.89	NOT Marked Paid
Land Value	:	\$133,966.00	
Imp. Value	:	\$191,107.00	
Exemption	:	\$7,000.00	Homeowners

4. Taxes and assessments, general and special, for the fiscal year 2021 - 2022, as follows:

Assessor's Parcel No	:	729-37-022	
Bill No.	:	729-37-022-00	
Code No.	:	087-001	
1st Installment	:	\$1,801.15	Marked Paid
2nd Installment	:	\$1,801.15	NOT Marked Paid
Land Value	:	\$147,160.00	
Imp. Value	:	\$155,495.00	

5. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seq., of the Revenue and Taxation Code of the State of California.

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OLD REPUBLIC TITLE COMPANY
ORDER NO. 0616021499-IM

6. Any special tax which is now a lien and that may be levied within the Santa Clara County Library District, notice(s) for which having been recorded.

NOTE: Among other things, there are provisions in said notice(s) for a special tax to be levied annually, the amounts of which are to be added to and collected with the property taxes.

NOTE: The current annual amount levied against this land is \$3.00.

NOTE: Further information on said assessment or special tax can be obtained by contacting:

Name : Fiscal Agent of the Santa Clara County Library District, Joint Powers Authority
Address : 14600 Winchester Blvd., Los Gatos, CA 95032
Telephone No. : (408) 293-2326, Ext. 3004

Said matters affect APN: 729-37-020

7. Any special tax which is now a lien and that may be levied within the Santa Clara County Library District, notice(s) for which having been recorded.

NOTE: Among other things, there are provisions in said notice(s) for a special tax to be levied annually, the amounts of which are to be added to and collected with the property taxes.

NOTE: The current annual amount levied against this land is \$33.66.

NOTE: Further information on said assessment or special tax can be obtained by contacting:

Name : Fiscal Agent of the Santa Clara County Library District, Joint Powers Authority
Address : 14600 Winchester Blvd., Los Gatos, CA 95032
Telephone No. : (408) 293-2326, Ext. 3004

Said matters affect APN: 729-37-021

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0616021499-IM

8. Any special tax which is now a lien and that may be levied within the Santa Clara County Library District, notice(s) for which having been recorded.

NOTE: Among other things, there are provisions in said notice(s) for a special tax to be levied annually, the amounts of which are to be added to and collected with the property taxes.

NOTE: The current annual amount levied against this land is \$33.66.

NOTE: Further information on said assessment or special tax can be obtained by contacting:

Name : Fiscal Agent of the Santa Clara County Library District, Joint Powers Authority
Address : 14600 Winchester Blvd., Los Gatos, CA 95032
Telephone No. : (408) 293-2326, Ext. 3004

Said matters affect APN: 729-37-022

9. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : Right of Way
Granted To : Coast Counties Gas and Electric Company, a corporation
For : Single line of poles and appurtenances and for ingress and egress
Recorded : November 19, 1953 in Book 2760 of Official Records, Page 257 under Recorder's Serial Number 929639
Affects : Not described of record

10. Reservations, Conditions, and Restrictions with express provisions for forfeiture and reversion of title in event of violation thereof, contained in the Deed from Santa Clara Valley Water conservation District, a public corporation, recorded November 7, 1961, in Book 5356 of Official Records, Page 489.

Effects the Northerly portion

11. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as shown on the filed map.

For : Public utilities
Affects : Southwesterly 5 feet

Said matters affect Lot 174

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ORT 3158-B

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0616021499-IM

12. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as shown on the filed map.

For : Road
Affects : That portion of said land lying within the bounds of Hoot Owl Way

For : Anchor
Affects : Northeasterly 30 feet of the Southwesterly 66 feet of the
Northwesterly 1 foot of Lot 172

Said matters affect Lots 172 and 173

13. Any rights, easements, interests or claims that may exist or arise by reason of, or reflected by, recitals shown or noted in the filed map(s) referenced in the legal description herein.

14. Covenants, Conditions and Restrictions which do not contain express provision for forfeiture or reversion of title in the event of violation, but omitting any covenants or restriction if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, as provided in an instrument.

Entitled : Declaration of Restrictions
Recorded : [November 14, 1963 in Book 6271 of Official Records, Page 169](#)

Modification thereof, but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

Recorded : [December 13, 1963 in Book 6308 of Official Records, Page 392](#)

Said Covenants, Conditions and Restrictions provide that a violation thereof shall not defeat or render invalid the lien of any Mortgage or Deed of Trust made in good faith and for value.

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OLD REPUBLIC TITLE COMPANY
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NOTE: "If this document contains any restriction based on age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code by submitting a "Restrictive Covenant Modification" form, together with a copy of the attached document with the unlawful provision redacted to the county recorder's office. The "Restrictive Covenant Modification" form can be obtained from the county recorder's office and may be available on its internet website. The form may also be available from the party that provided you with this document. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."

15. Liens and charges for upkeep and maintenance as provided in the above mentioned Covenants, Conditions and Restrictions, if any, where no notice thereof appears on record.

For information regarding the current status of said liens and/ or assessments
Contact : Holiday Estates Maintenance Association

16. That certain Notice of Conditions of Termination of private dock permits on district reservoir lands executed by Santa Clara Valley Water District, recorded June 22, 1981, in Book G166 of Official Records, Page 77.

17. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : Quitclaim Deed
Reserved By : Thomas G. Schultz and Janice M. Schultz, as Trustees of the Schultz Family Trust
For : Ingress and egress
Dated : May 14, 1987
Recorded : [May 18, 1987 in Book K153 of Official Records, Page 397 under Recorder's Serial Number 9277656](#)
Affects : That portion of Lots 172 and 173 lying within the bounds of that certain 20' right of way for the benefit of Lot 174

NOTE: The present ownership of said easement and other matters affecting the interests thereto, if any, are not shown herein

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OLD REPUBLIC TITLE COMPANY
ORDER NO. 0616021499-IM

18. Terms and conditions contained in the Schultz Family Trust dated July 24, 1996 as disclosed by Grant Deed.

Dated : September 13, 2010
Recorded [September 23, 2010 in Official Records under Recorder's Serial Number 20881226](#)

The requirement that:

A Certification of Trust be furnished in accordance with Probate Code Section 18100.5; and

If the acting trustee is a successor trustee the additional requirement the Company is provided a complete copy of the trust, with all amendments and any intervening trustee is no longer acting in that capacity by providing copies of resignation letters, etc.

The Company reserves the right to make additional exceptions and/or requirements upon review of the above.

Said matters affect Lot 172

19. Terms and conditions contained in the Schultz Family Trust dated July 24, 1996 as disclosed by Grant Deed.

Dated : November 8, 2012
Recorded [November 20, 2012 in Official Records under Recorder's Serial Number 21962874](#)

The requirement that:

A Certification of Trust be furnished in accordance with Probate Code Section 18100.5; and

If the acting trustee is a successor trustee the additional requirement the Company is provided a complete copy of the trust, with all amendments and any intervening trustee is no longer acting in that capacity by providing copies of resignation letters, etc.

The Company reserves the right to make additional exceptions and/or requirements upon review of the above.

Said matters affect Lot 173

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OLD REPUBLIC TITLE COMPANY
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20. Terms and conditions contained in the Janice Schultz Survivor's Trust u/t/a dated July 24, 1996 as disclosed by Quitclaim Deed.

Recorded [May 16, 2017 in Official Records under Recorder's Serial Number 23650742](#)

The requirement that:

A Certification of Trust be furnished in accordance with Probate Code Section 18100.5; and

If the acting trustee is a successor trustee the additional requirement the Company is provided a complete copy of the trust, with all amendments and any intervening trustee is no longer acting in that capacity by providing copies of resignation letters, etc.

The Company reserves the right to make additional exceptions and/or requirements upon review of the above.

21. Terms and conditions contained in the Thomas Schultz Bypass Trust u/t/a dated July 24, 1996 as disclosed by Quitclaim Deed.

Recorded [May 16, 2017 in Official Records under Recorder's Serial Number 23650742](#)

The requirement that:

A Certification of Trust be furnished in accordance with Probate Code Section 18100.5; and

If the acting trustee is a successor trustee the additional requirement the Company is provided a complete copy of the trust, with all amendments and any intervening trustee is no longer acting in that capacity by providing copies of resignation letters, etc.

The Company reserves the right to make additional exceptions and/or requirements upon review of the above.

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OLD REPUBLIC TITLE COMPANY
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22. Terms and conditions contained in the Janice Schultz Survivor's Trust u/t/a dated July 24, 1996 as disclosed by Quitclaim Deed.

Recorded [May 11, 2017 in Official Records under Recorder's Serial Number 23646915](#)

The requirement that:

A Certification of Trust be furnished in accordance with Probate Code Section 18100.5; and

If the acting trustee is a successor trustee the additional requirement the Company is provided a complete copy of the trust, with all amendments and any intervening trustee is no longer acting in that capacity by providing copies of resignation letters, etc.

The Company reserves the right to make additional exceptions and/or requirements upon review of the above.

Said matters affect Lot 174

23. Terms and conditions contained in the Thomas Schultz Bypass Trust u/t/a dated July 24, 1996 as disclosed by Quitclaim Deed.

Recorded [in Official Records under Recorder's Serial Number 23646915](#)

The requirement that:

A Certification of Trust be furnished in accordance with Probate Code Section 18100.5; and

If the acting trustee is a successor trustee the additional requirement the Company is provided a complete copy of the trust, with all amendments and any intervening trustee is no longer acting in that capacity by providing copies of resignation letters, etc.

The Company reserves the right to make additional exceptions and/or requirements upon review of the above.

Said matters affect Lot 174

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OLD REPUBLIC TITLE COMPANY
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24. The requirement that this Company be provided with a suitable Owner's Declaration (form ORT 174). The Company reserves the right to make additional exceptions and/or requirements upon review of the Owner's Declaration.

----- Informational Notes -----

- A. The applicable rate(s) for the policy(s) being offered by this report or commitment appears to be section(s) 1.1.
- B. The above numbered report (including any supplements or amendments thereto) is hereby modified and/or supplemented to reflect the following additional items relating to the issuance of an American Land Title Association loan form policy:

NONE

NOTE: Our investigation has been completed and there is located on said land a single family residence known as 17540 and 17530 Hoot Owl Way, Morgan Hill, CA 95037.

The ALTA loan policy, when issued, will contain the CLTA 100 Endorsement and 116 series Endorsement.

Unless shown elsewhere in the body of this report, there appear of record no transfers or agreements to transfer the land described herein within the last three years prior to the date hereof, except as follows:

Grant Deed executed by Thomas G. Schultz and Janice M. Schultz, husband and wife, as Joint Tenants to Thomas G. Schultz, Trustee and Janice M. Schultz, Trustee of The Schultz Family Trust dated July 24, 1996 recorded [September 23, 2010 in Official Records under Recorder's Serial Number 20881226](#).

Affidavit - Death of Trustee executed by Janice M. Schultz, on behalf of Thomas G. Schutz, also known as Thomas Gordon Schultz, decedent to Janice M. Schultz, Trustee The Schultz Family Trust dated July 24, 1996 recorded [May 11, 2017 in Official Records under Recorder's Serial Number 23646920](#).

Grant Deed executed by Thomas G. Schultz and Janice M. Schultz, husband and wife to Thomas G. Schultz, Trustee and Janice M. Schultz, Trustee of The Schultz Family Trust dated July 24, 1996 recorded [November 20, 2012 in Official Records under Recorder's Serial Number 21962874](#).

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OLD REPUBLIC TITLE COMPANY
ORDER NO. 0616021499-IM

Affidavit - Death of Trustee executed by Janice M. Schultz, on behalf of Thomas G. Schutz, also known as Thomas Gordon Schultz, decedent to Janice M. Schultz, Trustee The Schultz Family Trust dated July 24, 1996 recorded [May 16, 2017 in Official Records under Recorder's Serial Number 23650741](#).

Quitclaim Deed executed by Janice M. Schultz, Trustee of The Schultz Family Trust dated July 24, 1996 to Janice M. Schultz, Trustee of the Janice Schultz Survivor's Trust u/t/a dated July 24, 1996, an undivided 50% interest, and to Janice M. Schultz, Trustee of the Thomas Schultz Bypass Trust u/t/a dated July 24, 1996, an undivided 50% interest recorded [May 16, 2017 in Official Records under Recorder's Serial Number 23650742](#).

Grant Deed executed by Thomas G. Schultz and Janice M. Schultz, husband and wife to Thomas G. Schultz, Trustee and Janice M. Schultz, Trustee of The Schultz Family Trust dated July 24, 1996 recorded [November 20, 2012 in Official Records under Recorder's Serial Number 21962875](#).

Affidavit - Death of Trustee executed by Janice M. Schultz, on behalf of Thomas G. Schultz, also known as Thomas Gordon Schultz, decedent to Janice M. Schultz, Trustee The Schultz Family Trust dated July 24, 1996 recorded [May 11, 2017 in Official Records under Recorder's Serial Number 23646914](#).

Quitclaim Deed executed by Janice M. Schultz, Trustee of The Schultz Family Trust dated July 24, 1996 to Janice M. Schultz, Trustee of the Janice Schultz Survivor's Trust u/t/a dated July 24, 1996, an undivided 50% interest, and to Janice M. Schultz, Trustee of the Thomas Schultz Bypass Trust u/t/a dated July 24, 1996, an undivided 50% interest recorded [May 11, 2017 in Official Records under Recorder's Serial Number 23646915](#).

C.

NOTICE: FinCEN COMPLIANCE

Closing the residential purchase and/or issuing title insurance contemplated by this Preliminary Report may be subject to compliance with the recently issued Confidential Geographic Targeting Order (GTO) from the US Treasury's Financial Crimes Enforcement Network (FinCEN). The GTO requires Old Republic National Title Insurance Company to report information about certain transactions involving residential property.

FinCEN has the authority to compel this reporting under the USA PATRIOT Act. FinCEN prohibits Old Republic from disclosing the specific terms of the GTO. You may wish to contact the FinCEN Resource Center directly at (800) 767-2825 for more information.

The failure and/or refusal of a party to provide information for a "covered transaction" will preclude Old Republic from closing the transaction and/or issuing title insurance.

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0616021499-IM

NOTE:

The following statement is deemed attached as a coversheet to any declaration, governing document, or deed identified in the above exceptions:

If this document contains any restriction based on age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code by submitting a "Restrictive Covenant Modification" form, together with a copy of the attached document with the unlawful provision redacted to the county recorder's office. The "Restrictive Covenant Modification" form can be obtained from the county recorder's office and may be available on its internet website. The form may also be available from the party that provided you with this document. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Information for processing a "Restrictive Covenant Modification" form:

1. Print a complete copy of the document in question. Strike out what you believe to be unlawful restrictive language in the document.
2. Print and complete the "Restrictive Covenant Modification" ("RCM") form. Note that the signature on the form must be acknowledged by a notary public or other qualified officer.
3. Submit the completed RCM form and the document with your strike-outs to the County Clerk-Recorder's Office for the county where the property is located. No fee is required for this service.
4. The County Clerk-Recorder's Office will forward the RCM form and the document with your strike-outs to the Office of the County Counsel, who will determine whether the document contains any unlawful restrictions.
5. The Office of the County Counsel will return the RCM form and the document with your strike-outs to the County Clerk-Recorder's Office along with its determination. If approved, a Deputy County Counsel will sign the RCM, and the County Clerk-Recorder's Office will record, image and index it. If the Office of the County Counsel determines that the document does not contain an unlawful restriction, the County Clerk-Recorder's Office will not record the RCM.
6. The approved RCM will be returned to the submitter by mail.

The "Restrictive Covenant Modification" form is linked below:

[Restrictive Covenant Modification form](#)

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ORT 3158-B

Exhibit I

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990 (11/09/18)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses which arise by reason of:

1. (a) Any law, ordinance, or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the land;
 - (ii) the character, dimensions, or location of any improvement now or hereafter erected on the land;
 - (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or
 - (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing-business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.


EXCEPTIONS FROM COVERAGE

SCHEDULE B - PART I

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material unless such lien is shown by the public records at Date of Policy.

 OLD REPUBLIC TITLE	
FACTS	WHAT DOES OLD REPUBLIC TITLE DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security number and employment information • Mortgage rates and payments and account balances • Checking account information and wire transfer instructions <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Old Republic Title chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Old Republic Title share?	Can you limit this sharing?
For our everyday business purposes — such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes — to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For non-affiliates to market to you	No	We don't share

	Go to www.oldrepublictitle.com (Contact Us)
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Who we are	
Who is providing this notice?	Companies with an Old Republic Title name and other affiliates. Please see below for a list of affiliates.

What we do	
How does Old Republic Title protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. For more information, visit https://www.oldrepublictitle.com/privacy-policy
How does Old Republic Title collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none">• Give us your contact information or show your driver's license• Show your government-issued ID or provide your mortgage information• Make a wire transfer <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none">• Sharing for affiliates' everyday business purposes - information about your creditworthiness• Affiliates from using your information to market to you• Sharing for non-affiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing. See the State Privacy Rights section located at https://www.oldrepublictitle.com/privacy-policy for your rights under state law.</p>

Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none">• <i>Our affiliates include companies with an Old Republic Title name, and financial companies such as Attorneys' Title Fund Services, LLC, Lex Terrae National Title Services, Inc., Mississippi Valley Title Services Company, and The Title Company of North Carolina.</i>
Non-affiliates	<p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none">• <i>Old Republic Title does not share with non-affiliates so they can market to you</i>
Joint marketing	<p>A formal agreement between non-affiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none">• <i>Old Republic Title doesn't jointly market.</i>

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Affiliates Who May be Delivering This Notice				
American First Title & Trust Company	American Guaranty Title Insurance Company	Attorneys' Title Fund Services, LLC	Compass Abstract, Inc.	eRecording Partners Network, LLC
Genesis Abstract, LLC	Guardian Consumer Services, Inc.	iMarc, Inc.	Kansas City Management Group, LLC	L.T. Service Corp.
Lenders Inspection Company	Lex Terrae National Title Services, Inc.	Lex Terrae, Ltd.	Mississippi Valley Title Services Company	National Title Agent's Services Company
Old Republic Branch Information Services, Inc.	Old Republic Diversified Services, Inc.	Old Republic Escrow of Vancouver, Inc.	Old Republic Exchange Company	Old Republic National Ancillary Services, Inc.
Old Republic National Commercial Title Services, Inc.	Old Republic Title and Escrow of Hawaii, Ltd.	Old Republic National Title Insurance Company	Old Republic Title Company	Old Republic Title Companies, Inc.
Old Republic Title Company of Conroe	Old Republic Title Company of Indiana	Old Republic Title Company of Nevada	Old Republic Title Company of Oklahoma	Old Republic Title Company of Oregon
Old Republic Title Company of St. Louis	Old Republic Title Company of Tennessee	Old Republic Title Information Concepts	Old Republic Title Insurance Agency, Inc.	Old Republic Title, Ltd.
RamQuest Software, Inc.	Republic Abstract & Settlement, LLC	Sentry Abstract Company	Surety Title Agency, Inc.	The Title Company of North Carolina
Trident Land Transfer Company, LLC				

Updated: January 1, 2021

Privacy Notice for California Consumers

This Privacy Notice for California Consumers supplements the information contained in the Master Privacy Notice for Old Republic Title and applies to consumers that reside in the State of California. The terms used in this Privacy Notice have the same meaning as the terms defined in the California Consumer Privacy Act ("CCPA").

What Personal Information We Collect

In accordance with the CCPA, personal information is information that identifies, relates to, describes, is capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular consumer or household. Personal information does not include:

Information outside the scope of the CCPA such as:

- Health or medical information covered by the Health Insurance Portability Act of 1996 (HIPAA) and the California Confidentiality of Medical Information Act (CMIA).
- Personal Information covered by the Gramm-Leach-Bliley Act (GLBA), the Fair Credit Reporting Act (FCRA), the California Financial Information Privacy Act (FIPA), and the Driver's Privacy Protection Act of 1994,
- Publicly available information that is available from federal, state, or local government records, and
- De-identified or aggregated consumer information.

Please see the chart below to learn what categories of personal information we may have collected about California consumers within the preceding twelve months, the sources of and business purposes for that collection and the third parties with whom the information is shared, if any.

Category	Examples	Collected	Sources	Business Purpose for Collection	Categories of Third Parties with Whom Information is Shared
Identifiers	Real name, alias, postal address, unique personal identifier, online identifier, Internet protocol address, email address, account name, social security number, driver's license number, passport number or other similar identifiers	Yes	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents associated with the transaction	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints, detecting security incidents, protecting against malicious,	Service providers associated with the transaction for a business purpose

				deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	
Personal information described in California Customer Records statute (Cal. Civ. Code § 1798.80(e))	Name, signature, social security number, physical characteristics or description, address, telephone number, passport number, driver's license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, or any other financial information, medical information, or health insurance information. "Personal information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.	Yes	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents associated with the transaction	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints, detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose
Characteristics of protected classifications under California or federal law	Age (40 years or older), race, color, ancestry, national origin, citizenship, religions or creed, marital status, medical condition, physical or mental disability, sex (including gender, gender identity, gender expression, pregnancy or childbirth and related	Yes	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents associated with the transaction	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose

	medical conditions), sexual orientation, veteran or military status, or genetic information (including familial genetic information).				
Internet or other electronic network activity	Browsing history, search history, information about a consumer's interaction with a website, application, or advertisement.	Yes	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents associated with the transaction	To provide access to certain online services. To understand the interests of visitors to our online services, to support certain features of our site, for navigation and to display certain features more effectively. Detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	Not Disclosed
Geolocation data	Geographic tracking data, physical location and movements	Yes	Consumers, Lenders, Brokers, Attorneys, Real Estate Agents, and Title Agents associated with the transaction	To provide access to certain online services. To understand the interests of visitors to our online services, to support certain features of our site, for navigation and to display certain features more effectively. Other audit or operational purposes.	Not Disclosed

What Personal Information We Share and Why We Share It

The CCPA requires us to tell you what categories of personal information we “sell” or “disclose.” We do not sell and will not sell your personal information as that term is commonly understood. We also do not sell and will not sell your personal information, including the personal information of persons under 16 years of age, as that term is defined by the CCPA. When it is necessary for a business purpose, we share or disclose your personal information with a service provider, and we enter a contract with the service provider that limits how the information may be used and requires the service provider to protect the confidentiality of the information.

In the preceding twelve months, we have disclosed the following categories of personal information for the following business purposes. Where the personal information is shared with third parties, as that term is defined in the CCPA, the category of the third party is indicated.

Category	Examples	Business Purpose for Disclosure	Categories of Third Parties with Whom Information is Shared
Identifiers	Real name, alias, postal address, unique personal identifier, online identifier, internet protocol address, email address, account name, social security number, driver’s license number, passport number or other similar identifiers	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints, detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose
Personal information described in California Customer Records statute (Cal. Civ. Code § 1798.80(e))	Name, signature, social security number, physical characteristics or description, address, telephone number, passport number, driver’s license or state identification card number, insurance policy number, education, employment, employment history, bank account number, credit card number, debit card number, or any other financial information, medical information, or health insurance information. “Personal information” does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints, detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose

Characteristics of protected classifications under California or federal law	Age (40 years or older), race, color, ancestry, national origin, citizenship, religions or creed, marital status, medical condition, physical or mental disability, sex (including gender, gender identity, gender expression, pregnancy or childbirth and related medical conditions), sexual orientation, veteran or military status, or genetic information (including familial genetic information).	Underwriting or providing other products or services, responding to policyholder/consumer claims, inquiries or complaints. Other audit or operational purposes.	Service providers associated with the transaction for a business purpose
Internet or other electronic network activity	Browsing history, search history, information about a consumer's interaction with a website, application, or advertisement.	To provide access to certain online services. To understand the interests of visitors to our online services, to support certain features of our site, for navigation and to display certain features more effectively. Detecting security incidents, protecting against malicious, deceptive, fraudulent, or illegal activity. Other audit or operational purposes.	Not Disclosed
Geolocation data	Geographic tracking data, physical location and movements	To provide access to certain online services. To understand the interests of visitors to our online services, to support certain features of our site, for navigation and to display certain features more effectively. Other audit or operational purposes.	Not Disclosed

We may also transfer to a third party the personal information of a consumer as an asset that is part of a merger, acquisition, bankruptcy, or other transaction in which the third party assumes control of all or part of the business.

Your Rights and Choices

The CCPA provides California consumers with certain rights regarding their personal information. This chart describes those rights and certain limitations to those rights.

Right	What This Means
Notice	At or before the time your personal information is collected, you will be given written notice of the categories of personal information to be collected and the purposes for which the categories of personal information will be used.
Access	At your verifiable request, but no more than twice in a twelve month period, we shall disclose to you: 1) the categories of personal information we have collected about you, 2) the

	<p>categories of sources for the personal information we collected about you, 3) our business and commercial purpose for collecting or selling your personal information, 4) the categories of third parties with whom we share your personal information, 5) The specific pieces of information we have collected about you, 6) the categories of personal information disclosed for a business purpose, and</p> <p>7) If we sold personal information, the categories of personal information sold and the categories of third parties to whom it was sold.</p>
Deletion	<p>You have the right to request that we delete any of your personal information that we collected from you, subject to certain exceptions. Once we receive and verify your request, we will delete (and direct our service providers to delete) your personal information from our records unless an exception applies. We may deny your request if retention of the information is necessary for us or our service providers to:</p> <ul style="list-style-type: none"> • Complete the transaction for which we collected the personal information, provide a good or service that you requested, take actions reasonably anticipated within the context of our ongoing business relationship with you, or otherwise perform our contract with you. ▪ Detect security incidents, protect against malicious, deceptive, fraudulent, or illegal activity, or prosecute those responsible for such activities. ▪ Debug products to identify and repair errors that impair existing intended functionality. ▪ Exercise free speech, ensure the right of another consumer to exercise their free speech rights, or exercise another right provided for by law. • Comply with the California Electronic Communications Privacy Act (Cal. Penal Code §1546 et seq.) ▪ Engage in public or peer reviewed scientific, historical, or statistical research in the public interest that adheres to all other applicable ethics and privacy laws, when the information's deletion may likely render impossible or seriously impair the research's achievement, if you previously provided informed consent. • Enable solely internal uses that are reasonably aligned with consumer expectations based on your relationship with us. • Comply with a legal obligation. • Make other internal and lawful uses of that information that are compatible with the context in which you provided it. • Or if it is the type of personal information that falls outside the scope of the CCPA, (HIPAA, CIMA, GLBA, or publicly available information)
Opt-Out of Sale	<p>With some limitations, you may direct a business that sells personal information to third parties not to sell the personal information to these third parties.</p> <p>A business may not sell the personal information of persons less than sixteen years of age without their affirmative consent, and in the case of those less than thirteen years of age, the consent must come from a parent.</p>
Opt-In to Sale	
Non-Discrimination	<p>We will not discriminate against you for exercising your rights under the CCPA. Unless otherwise permitted by the CCPA we will not:</p> <ul style="list-style-type: none"> • Deny you goods or service • Charge you different prices or rates for goods or services, including through granting discounts or other benefits, or imposing penalties • Provide a different level or quality of goods or services • Suggest that you will receive a different price or rate for goods or services or a different level or quality of goods or services

To Exercise Your Rights

To Opt-out of the Sale of Your Personal Information

The CCPA gives consumers the right to direct a business that sells personal information about the consumer to third parties not to sell the consumer's personal information. We do not sell and will not sell your personal information as that term is commonly understood. We also do not sell and will not sell your personal information, as that term is defined by the CCPA.

To Request Access to or Deletion of Your Personal Information

To exercise your access or deletion rights described above, please submit a verifiable consumer request to us by either: Calling us at 1-855-557-8437 or contacting us through our website [CCPA Consumer Request](#).

Only you or your representative that you authorize to act on your behalf (Authorized Agent) can make a verifiable consumer request for your personal information. You may also make a request for your minor child. The verifiable request must provide enough information that allows us to reasonably verify you are the person about whom we collected personal information. We cannot respond to your request or provide you with personal information if we cannot verify your identity or authority to make the request and to confirm the personal information relates to you.

We work to respond to a verifiable consumer request within 45 days of its receipt. If we require additional time, we will inform you of the extension period (up to an additional 45 days), and the reason for the extension in writing. If you have an account with us, we will deliver our response to that account. If you do not have an account with us, we will deliver our response by mail or electronically, depending on your preference. The response we provide will also explain any reasons why we cannot comply with a request.

You may only make a consumer request for access twice within a twelve-month period. Any disclosures we provide will apply to the twelve-month period preceding the consumer request's receipt.

Contact Us

If you have any questions regarding our Privacy Notice or practices, please contact us via phone at 1-855-557-8437 or send your written request to: CCPA@oldrepublictitle.com, or Old Republic Title c/o CCPA Consumer Request Group, 275 Battery Street, Suite 1500, San Francisco, CA 94111-3334.



ADDENDUM C - COMPARABLE SALES PHOTOS & SATELLITE IMAGES



Sale 1 – Residence Photo



Sale 1 – Satellite Image



Sale 2 – Residence Photo



Sale 2 – Satellite Image



Sale 3 – Residence Photo



Sale 3 – Satellite Image



Sale 4 – Residence Photo



Sale 4 – Satellite Image

ADDENDUM D – DOCUMENT NUMBER 2089101

2089101

BOOK 5356 PAGE 489

OFFICIAL RECORDS
SANTA CLARA COUNTY
PAUL R. TEICH
RECORDER

Nov 7 2 24 PM 1961

FILED FOR RECORD
AT REQUEST OF

2089101
BOOK 5356 PAGE 489

DEED

SANTA CLARA VALLEY WATER CONSERVATION DISTRICT, a public corporation, the first party, for and in consideration of Ten (\$10.00) Dollars, lawful money of the United States, hereby GRANTS to

ALVIN J. HOFFMAN

the second party,

ALL THAT real property situated in the County of Santa Clara, State of California, comprising approximately 1.78 acres, platted and described upon that certain Right of Way plat numbered SURVEY NO. 5-15, consisting of three sheets, dated August 21, 1961, entitled "LANDS OF SANTA CLARA VALLEY WATER CONSERVATION DISTRICT", which said Right of Way plat is hereunto attached, marked Exhibit "A", and made a part hereof.

RESERVING, NEVERTHELESS, unto the first party (hereafter called the District) the absolute and permanent right to flood and inundate the said lands with water, whether or not such water is local in origin, and without regard to origin, to a height of six hundred and forty (640) feet, USGS datum; it being by the parties declared, fully understood and AGREED AS FOLLOWS:

THAT the District operates its adjoining Leroy Anderson Reservoir to store and conserve water and said reservoir will be used for such purposes;

THAT the District will operate said reservoir and will raise and lower the level of water therein at its sole discretion;

THAT the District shall have no liability of any nature to the Grantee, or any person, firm or corporation, claiming under him, on account of the fact that the District may raise or lower the level of water in said reservoir, or by reason of the manner of such raising or lowering of water, or the timing thereof, or for the presence or absence of water in said reservoir, without regard to the source or origin of said water; and

THAT the fact, which the parties recognize, that a portion of the said lands is subject to lease to third parties and to sublease to other parties and that structures and improvements have been erected by such parties on said lands shall in no wise limit the force and generality of the reservations and agreements of this deed; and

✓ THAT immediately upon the execution of this deed second party shall cause notice of it and of its terms to be served upon all persons claiming any right whatever in or to said lands, said notice to be served personally or by registered United States mail and second party shall, within sixty (60) days of the execution of this deed file satisfactory proof of such service with the District; and

THAT this deed shall be by second party recorded in the office of the County Recorder of the County of Santa Clara promptly following execution and delivery; that the District shall be at no expense therefor or at any other expense whatever in connection with this deed; and

BOOK 5356 PAGE 490

THAT it is further understood and agreed that the foregoing agreements shall constitute conditions and inducements to the giving of this deed, and that in the event second party or any person, firm, or corporation, claiming under him, shall violate the agreements contained herein, such violation shall work a forfeiture of this grant and the property herein described shall revert to the District, provided that second party and/or his heirs, successors or assigns, shall have the opportunity to defend the District against any cause of action or claim asserted against the District by reason of its right to do or perform any of the acts for which the right is reserved by this deed and the agreements contained herein and shall, in the event any unfavorable judgment is rendered against the District on account of such causes of action or claims, within 10 days after demand, pay or fully satisfy the same so that the grantor is fully and finally discharged from any such financial obligation, and upon performance of these provisions by grantee no default in the conditions of this deed shall be declared and no reversion shall take place to the District, and further provided that in the event a forfeiture and reversion to the District takes place by the terms and conditions hereof, the grantee and any persons, firms or corporation, claiming under him, may have, and the District hereby grants to them, the right to remove any structure or improvements located on the described lands conveyed by this deed within ninety (90) days following said reversion, thereafter such structures and improvements shall become the property of the District.

IN WITNESS WHEREOF, said public corporation has caused its corporate name and seal to be affixed hereto and this instrument to be executed by its duly authorized officers, this 27 day of October, 1961.

SANTA CLARA VALLEY WATER CONSERVATION DISTRICT, a public corporation:

By Hermann J. Gerdtz President

By Violet V. Enander Secretary

STATE OF CALIFORNIA,

County of SANTA CLARA

On this 27th day of October in the year one thousand nine hundred and sixty-one, before me, ALBERT T. HENLEY, a Notary Public in and for the County of SANTA CLARA, State of California, duly commissioned and sworn, personally appeared

HERMANN J. GERDTS and VIOLET V. ENANDER known to me to be the President and Secretary Pro Tem, respectively of the corporation described in and that executed the within instrument, and also known to me to be the person s who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the County of Santa Clara the day and year in this certificate first above written.

Albert T. Henley
Notary Public in and for the County of Santa Clara State of California.

Cowdery's Form No. 28—(Acknowledgment—Corporation).
(C. C. Secs. 1199-1199.1) 17600

My Commission Expires 9/15/63

ADDENDUM E – LEGAL DESCRIPTION and PLAT MAP – *Note: LD includes two adjacent parcels not included in this appraisal*

Santa Clara Valley Water District
San Jose, California

PROJECT: ANDERSON DAM SEISMIC
RETROFIT (TUNNEL PROJECT)

RESU File No.: 9186-49
By: B.Bains

All that certain real property situate in the unincorporated area of Morgan Hill, County of Santa Clara, State of California, as shown on that certain map entitled "TRACT NO. 3453" filed on November 14, 1963 in Book 169 of Maps at Pages 29 through 33, in the Office of the Recorder, County of Santa Clara, State of California, more particularly described as follows:

All of the lands described in the Deed recorded as Document Number 23646921 of Official Records, in the Office of the Recorder, County of Santa Clara.

All of the lands described in the Deed recorded as Document Number 23650742 of Official Records, in the Office of the Recorder, County of Santa Clara.

All of the lands described in the Deed recorded as Document Number 23646915 of Official Records, in the Office of the Recorder, County of Santa Clara.

Containing 38,825 square feet (0.89 acres) of land, more or less.

BASIS OF BEARINGS:

The bearing of N40° 26' 57"W, shown as N41° 01' 49"W along the southerly line of Lot 172 on the certain Tract Map filed on November 14, 1963 in Book 169 of Maps at Pages 29 through 33, in the Office of the Recorder, County of Santa Clara, State of California, was used as Basis of Bearings shown hereon.

SURVEYOR'S STATEMENT:

The description was prepared by me or under my direction in conformance with the requirements of the Land Surveyor's Act.

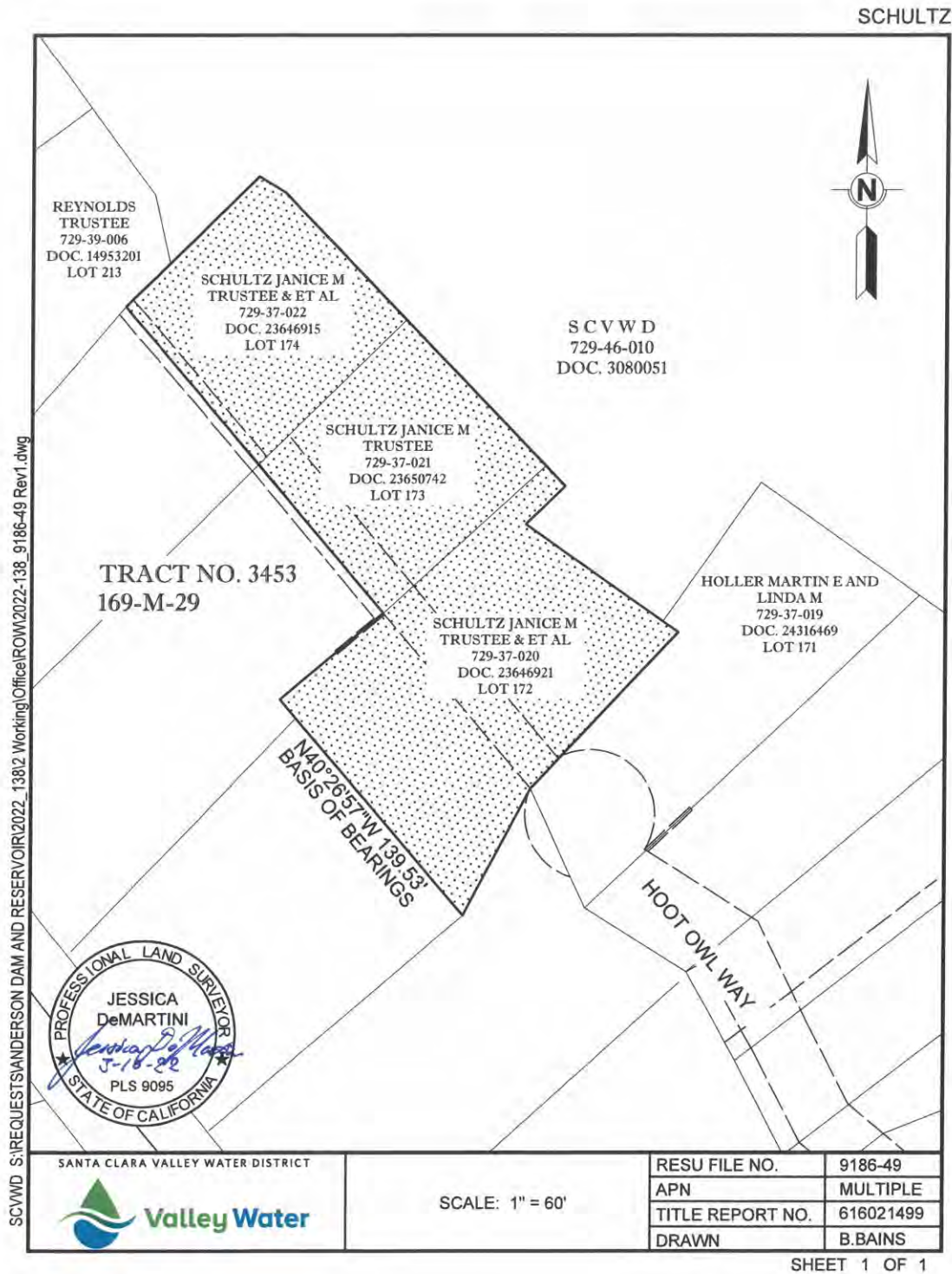

Jessica DeMartini, PLS 9095

5/10/22
Date



Page 1 of 1

S:\REQUESTS\ANDERSON DAM AND RESERVOIR\2022_138\2 Working\Office\ROW\2022-138_9186-49_Legal.JD.docx



TO: Rick L. Callender, Chief Executive Officer**FROM:** Rachael Gibson, Chief of External Affairs**SUBJECT:** BMR – 22-0012 Grant Funding Available for Valley Water Projects**DATE:** January 6, 2023

In the Board meeting on December 13, 2022, during the discussion of the agenda item regarding the authorization to pursue federal Water Infrastructure Finance and Innovation Act (WIFIA) loans, Director Beall requested a list of state matching funds that could be available for capital projects. The item was assigned to the Office of Government Relations and expanded to include federal and regional funds to comprehensively respond to questions regarding possible grants to support capital projects. This memo and the attached spreadsheets are provided in response. Attachment 1 is a spreadsheet titled Grants Secured & Outstanding which provides a list of grants totaling over \$675.5 million secured in the last five years or that have outstanding reimbursements. Attachment 2 is a spreadsheet titled Possible Grant Funding Opportunities which lists current regional, state, and federal funding opportunities.

More State and Federal Appropriations

State and federal funding opportunities for water supply, flood risk reduction, and environmental stewardship projects are made available through state and federal budget appropriations, state bond measures, and federal legislation. Federal and state budgets over the last three years have included higher appropriations for government grant and loan programs than in previous years. In addition, there were two California voter-approved bond measures passed in the last ten years that provide funding for water supply and flood protection, including the \$7.5 billion Proposition 1 in 2014 and the \$4 billion Proposition 68 in 2018. Most of the funding from these bond measures has been allocated, but some grant programs are still drawing funds from these sources. The federal Bipartisan Infrastructure Law (BIL), which Congress passed in November 2021, included an unprecedented \$50 billion investment in water infrastructure through both grants and loan programs. BIL funding will be allocated over five years, although some federal agencies have already expended more than half of their allocations.

Valley Water Grant Applications and Administration

Valley Water has a robust program to pursue regional, state, and federal grant funding, including the Grants Management Unit under the Finance Division that drafts, coordinates, and administers grant applications and their ongoing reporting and compliance requirements for reimbursements. That team is supported by the Office of Government Relations, Integrated Water Management, the Office of District Counsel, and project managers in the Water Utility and Watersheds, as well as consultants. Working together these teams ensure that all viable funding opportunities are pursued, that the projects most likely to receive funding are put forward, and that grant applications take a strategic approach to maximize grant funding awards. Valley Water convenes a cross-functional Grants Action Team every two weeks to match projects with available grant opportunities and to ensure the appropriate staff resources are working to provide the best possible grant applications.

Despite larger appropriations in recent years, most grant programs remain highly competitive. The attached list of possible grant funding opportunities includes some key parameters provided for each program. There are 50 federal grant programs, 21 state grant programs, and 1 regional grant program identified by staff. Some are budget appropriations for which there are no grant guidelines yet available, others may have guidelines developed but aren't yet open for solicitation, some are ongoing programs that accept applications at any time, and some are currently open for solicitation for a set period.

Setting Expectations

Many grant programs have maximum grant amounts, while others may not specify a maximum grant amount but still have a finite amount of funding. Valley Water capital projects are large and available grants are typically much smaller, albeit with some exceptions. Grants can help with project costs, but the scale of water supply and flood protection projects often dwarf the available grant funding. The Valley Water and our membership organizations, such as the National Association of Flood and Stormwater Management Agencies, the American Water Works Association, and the Association of California Water Agencies, continuously advocate for larger state and federal investments in water and flood protection infrastructure.

Not all grant programs fit with Valley Water projects, and one of the most common reasons is timing. If a grant that provides construction funding requires all reimbursable expenses to be paid out within two years and Valley Water's otherwise qualifying project is still in the planning phase and cannot be accelerated to construction, that grant is not an option for the project. The 2021 state drought response grants are a good example. The Legislature wanted to fund projects that could deliver water supply benefits within a year to assist with drought. While Valley Water has numerous projects that, in time, improve regional water supply during drought, only water conservation programs and the Cross Valley Pipeline Extension could deliver benefits that quickly and were included in the Valley Water application, and only the Cross Valley Pipeline Extension was awarded funding.

Federal grants often require the use of American-made materials, particularly steel, but also equipment and other items. This requirement can sometimes increase the cost of the project and extend the planning, design, and construction schedule beyond the financial benefit of grant funding. State fish and wildlife grants commonly exclude environmental restoration or enhancement projects that are mitigation for the impacts of the construction or operation of another project. Requirements of unaffordable or unworkable project enhancements and grant or loan terms that impact other allowable funding sources also are reasons why a state or federal funding program may not fit with a Valley Water project. It is with this understanding that staff carefully reviews grant eligibility criteria, template grant funding agreements, reimbursement timelines, and mandatory project enhancements, and then seeks to match the grant with Valley Water projects.

The Grants Management Unit and the Office of Government Relations bring opportunities to the Grants Action Team for direction on which projects are best suited for specific grants. Further research is done into identified projects, and if grant requirements can be met, project managers, work with the Grants Management Unit and consultants to develop the application for timely submittal.

State Budgets

The 2022-23 state budget included total spending of just over \$300 billion, of which \$234.4 billion is from the General Fund. The budget included about \$55 billion of General Fund surplus that funded significant investments in one-time and temporary spending for numerous legislative priorities, including schools, housing, public health, climate change, and energy. Large surpluses also were available in the 2021-22 state budget which included total spending of \$263 billion, including \$196 billion from the General Fund and a \$47 billion surplus.

The 2022 Climate Change Package included \$39 billion in climate change funding through direct state agency expenditures and grant programs to address climate change impacts over a six-year period (2023-29). While the climate change package included \$19 billion in appropriations for 2022, it also proposed funding for the next 6 years which could be adjusted by the Legislature based on state economic conditions. This means much of the \$39 billion is a pledge, not an official appropriation. Early indications from the California Department of Finance show the state budget is likely to experience a \$25 billion shortfall for 2023-24, putting pressure on legislators and the administration to not appropriate some of the pledged funding. The first look at the Administration's priorities amid a budget deficit will be seen in the release of the Governor's initial 2023-24 budget expected on or before January 10, 2023. The Office of Government Relations and our coalition partners closely monitor the state budget process and aggressively advocate for funding, and the Climate Change Package is a top priority.

Federal Bipartisan Infrastructure Law

In November 2021, Congress passed the Bipartisan Infrastructure Law that included a historic \$50 billion investment in our nation's water infrastructure. While the funding is intended to cover Fiscal Years 2022-26, some agencies have chosen to front-load their allocations to jump-start big infrastructure projects. The bill will fund grants and loans to improve drinking water quality, upgrade wastewater and stormwater facilities, construct new water storage facilities, invest in shoreline resiliency and climate adaptation projects, and ensure greater access to clean, affordable drinking water, particularly in disadvantaged communities.

Valley Water engaged with bill authors throughout the development of the law to ensure that it would fund projects and priorities of importance to Santa Clara County. As the administration continues to implement the law, Valley Water will continue to advocate strongly for access to grant and loan funding.

State Direct Appropriations

The Legislature and the Governor directly appropriate funding to projects by naming those projects in the annual budget act. Usually, the amounts are modest, in the \$1-3 million range, and typically, the funding encompasses all types of local government projects such as libraries, bridges, clinics, parks, etc. In the last two years, as budget surpluses swelled to the tens of billions, the Legislature has allowed all members to make requests for funding. There was a large list of projects that received direct appropriations in the 2021-22 and 2022-23 state budgets.

Valley Water undertook several efforts to secure direct appropriations for the Anderson Dam Project, South San Francisco Bay Shoreline Project (Shoreline Project), and the Purified Water Project in recent years. In 2021 Valley Water sought \$137 million for the Anderson Dam FERC Order Compliance Project and \$84.5 million for the Shoreline Project. In 2022 Valley Water sought \$10 million for the Anderson Dam Spillway Replacement, \$10 million for the South San Francisco Bay Shoreline Project Levee Reaches 4 & 5, and a significant investment in the Purified Water Project. Unfortunately, the efforts of Valley Water and the Santa Clara County state legislative delegation were unsuccessful and no direct appropriation to Valley Water projects was secured.

In 2023 direct appropriations are expected to be greatly reduced due to the \$25 billion shortfall announced by the Department of Finance. Staff will continue to request that the Santa Clara County state legislative delegation champion direct appropriations for Valley Water projects, enlist the assistance of advocacy organizations, and aggressively advocate for direct appropriations.

State Grant Programs

Valley Water has been much more successful in securing grant program funding for Valley Water projects than direct appropriations. In recent years, Valley Water advocacy has been instrumental in securing funding for key state programs at the Department of Water Resources and the State Coastal Conservancy to fund drought response, water supply, flood protection, and environmental restoration and enhancement. Many of those programs are now listed in the grant opportunities spreadsheet attached.

For 2023, Valley Water will be advocating for the establishment of a new dam safety funding program and flood subventions funding at the Department of Water Resources, and a direct potable reuse recycled water funding program at the State Water Resources Control Board. Progress was made in these multi-year efforts in 2022 with Administration pledges to fund these programs in the 2023-24 state budget. There also will be a strong focus on ensuring the state backs up the Governor's water supply strategy announced in August 2022 with actual appropriations for water supply projects.

Federal Community Project Funding

In 2021, the U.S. House and Senate reinstated a process through which Members of Congress could request specific funds for projects in their districts/states. These requests, formerly known as "earmarks," had been prohibited since 2010 over ethics concerns. The reinstated process included stricter rules and increased transparency, and awards typically range between \$100,000 and \$2 million.

Valley Water submitted requests for both FY22 and FY23 funds for several projects, including the Anderson Dam Seismic Retrofit Project, the South San Francisco Bay Shoreline Project, and various recycled water projects. Despite the acceptance of some of these requests by members of our Santa Clara County congressional delegation, ultimately the requests were not accepted by the full Appropriations Committees.

Community Project Funding will again be available for FY24, and Valley Water will again submit these requests and engage in robust advocacy to support them.

Current Grant Efforts

The attached spreadsheets show the grants Valley Water has secured and those which are under consideration for submission. Not included in the spreadsheets are grant applications that have been submitted by Valley Water and are pending determination by the granting agency. Those are listed below.

Grant Applications Submitted and Pending (\$17.7 million)

- Enhanced Water Conservation Program Grant: Applied for a \$2 million U.S. Bureau of Reclamation WaterSMART Water and Energy Efficiency (WEEG) grant to support water conservation programs.
- Treated Water Augmentation Pilot Study: Applied for an \$800,000 U.S. Bureau of Reclamation grant to conduct a pilot-scale project in collaboration with UC Berkeley and Stanford University.
- Coyote Percolation Dam Replacement Project: Requested a \$14.9 million grant under Round 2 of the Sustainable Ground Water Management Act (SGMA) Implementation Grant Program.

Additional Considerations

There has been long-standing direction from the Board for staff to aggressively pursue grant funding, through legislative “earmarks” and programmatic appropriations, and through the development and submittal of grant applications to federal, state, and regional programs. These efforts have been more focused in recent years with the rising costs of projects and the growing need for Valley Water to respond to the impacts of climate change, including drought, groundwater overdraft, disappearing snowpack, sea level rise, and intensified storms and flooding.

Over the past two years, Valley Water has increased the number of staff working on the pursuit of grant funding, organized the cross-functional Grants Action Team, hired an outside consultant to help identify opportunities and fine-tune applications, and stepped-up legislative resources in Sacramento and Washington, DC to take advantage of increased funding opportunities made possible by larger budget appropriations. Valley Water’s cross-functional teams working to secure grant funding welcome suggestions to improve our efforts or to make our grant applications more competitive. Please don’t hesitate to contact me with any questions you may have.



Chief
External Affairs

cc: M. Richardson, A. Baker, R. Blank, D. Taylor
BB
BMR-22-0010 Memo

Attachment 1: Grants Secured & Outstanding
Attachment 2: Possible Grant Funding Opportunities

Grants Secured & Outstanding

	Level	Agency	Grant Name	Project Name	Project Number	Grant Amount	Amount Collected/Billed	Amount Remaining	Status
1	State	California Water Commission	Water Storage Investment Program	Pacheco Reservoir Expansion Project	91954002	\$504,141,383	\$18,866,525	\$485,274,858	Planning- the initial funding amount is \$24.2M. We have to qualify for the remaining full allocated amount.
2	State	California Department of Water Resources	State Subvention Program	Upper Liagas Creek Watershed (ULCW)	26174051	\$32,907,423	\$23,479,590	\$9,427,834	We currently have about \$9.4M in retention to be released.
3	State	California Department of Water Resources	State Subvention Program	Upper Guadalupe River (UGR)	26154003	\$31,104,568	\$29,490,201	\$1,614,368	We currently have about \$1.6M in retention to be released but about \$44M projected remaining. State share is yet to be claimed. Once the General Re-evaluation Study with USACE is completed by Dec 2023, we anticipate further expenditures for revised design out to 2027.
4	State	California Department of Water Resources	State Subvention Program	Berryessa Creek - Calaveras to I 680	26174041	\$28,684,895	\$28,572,073	\$112,822	Project is complete. Retention amount of \$112K to be released after a future audit.
5	State	California Department of Water Resources	State Subvention Program	Lower Silver Creek Watershed (LSCW)	40264008	\$16,877,705	\$16,700,200	\$177,505	Project is complete. Retention amount of \$177K to be released after a future audit.
6	State	California Department of Water Resources	State Subvention Program	SF Bay Shoreline	44026	\$16,585,000	\$516,247	\$16,068,753	Waiting for \$7.4M in reimbursements. Amendment #5 is received and dated 12-07-2022. Valley Water is not ready to submit reimbursements for the remaining amount.
7	Regional	San Francisco Bay Restoration Authority	Measure AA	SF Bay Shoreline	00044026	\$11,400,000	\$6,570,380	\$4,829,620	Amendment #5 is received and dated 12-07-2022. Valley Water is not ready for submitting reimbursements for the remaining amount per our confirmation from the project manager.
8	State	California Department of Water Resources	2021 Urban and Multi-benefit Drought Relief Grant Program	Cross Valley Pipeline Extension	91864010	\$5,817,092	\$0	\$5,817,092	Under Construction

Grants Secured & Outstanding

	Level	Agency	Grant Name	Project Name	Project Number	Grant Amount	Amount Collected/Billed	Amount Remaining	Status
9	Federal	United States Bureau of Reclamation	The Bureau of Reclamation's (Reclamation) Title XVI Water Reclamation and Reuse program (Title XVI Program)	South County Pipeline Project	91094009	\$5,700,000	\$477,096	\$5,222,904	Final reimbursements expected once construction is completed.
10	State	California Department of Water Resources	State Subvention Program	Guadalupe River	30154015, 3015401, and 30154017	\$4,728,144	\$4,728,144	\$0	No eligible expenditures left to claim.
11	State	California Department of Water Resources	Integrated Regional Water Management	Coyote Creek Flood Protection Project (Montague Expwy to Tully Rd)	26174043	\$3,845,229	\$0	\$3,845,229	Construction Project
12	Federal	United States Environmental Protection Agency	San Francisco Bay Water Quality Improvement Fund	Calabazas/San Tomas Aquino Creek-Marsh Connection Project	20444001	\$3,800,000	\$0	\$3,800,000	To be matched with other State grants.
13	Regional	San Francisco Bay Restoration Authority	Measure AA	Calabazas/San Tomas Aquino Creek-Marsh Connection Project	20444001	\$3,370,000	\$46,077	\$3,323,922.84	Planning
14	Federal	United States Environmental Protection Agency	San Francisco Bay Water Quality Improvement Fund	The Valley Water Encampment Cleanup At Nine Creeks in Santa Clara County and Coyote Creek Bank Rehabilitation Project	26771027 and 62761027	\$3,150,000	\$0	\$3,150,000	Awarded
15	State	California Department of Finance	Covid-19 Recovery Fund	Covid-19 Recovery	N/A	\$1,019,735	\$1,019,735	\$0	Complete
16	State	California Department of Water Resources	State Subvention Program	Lower Llagas - Buena Vista to Pajaro	50284010	\$1,000,000	\$0	\$1,000,000	Project on hold. Unlikely to have more subvention reimbursements.
17	State	California Department of Water Resources	Integrated Regional Water Management	Water Conservation Programs	91151001	\$709,000	\$708,996	\$4	We can't claim the exact \$709K due to the backup we have per the grantor.
18	State	California Department of Fish and Wildlife	Watershed Restoration & Delta Water Quality and Ecosystem Restoration Grant Programs	Calabazas/San Tomas Aquino Creek-Marsh Connection Project	20444001	\$500,000	\$0	\$500,000	Planning
19	Federal	United States Bureau of Reclamation	Reclamation's WaterSMART Drought Response Program	Valley Water Drought Contingency Plan	N/A	\$200,000	\$0	\$200,000	Final reimbursement expected once consultant's work is completed.
Total:						\$675,540,175	\$131,270,174	\$546,431,506	

Possible Grant Funding Opportunities													
	Level	Agency	Grant Name	Description	Funding	Grant Size Limits	Matching Funds	Availability Date	Liquidation date	Guidelines	Application Deadline	Potential VW Project	Status
1	Regional	San Francisco Bay Restoration Authority	Regional Property Tax Measure AA	Habitat projects that aims to restore, protect, or enhance tidal wetlands, managed ponds, or natural habitats on the shoreline in the San Francisco Bay Area; Flood management projects that is part of a habitat project; Public access projects that will provide or improve access or recreational amenities that are part of a habitat project.	\$22M	Unspecified	Unspecified	2023	TBD	Available	2023	Levee Construction through So SF Bay Shoreline Project	Appropriated
2	State	Governor's Office of Planning and Research	Regional Resilience Planning and Implementation Grant Program	Supports regional climate resilience planning and implementation to reduce the risk of climate change impacts such as wildfire, sea level rise, drought, flood, increasing temperatures, and extreme heat events.	Total - \$250 M 1st Cycle - \$25 M	Unspecified	Unspecified	2023-2025	2029	Early 2023	2023	So SF Bay Shoreline Project, Wildfire Prevention	Appropriated
3	State	State Coastal Conservancy	State Coastal Conservancy Grants	Available for the Climate Ready Program for purposes of funding nature-based projects to address sea level rise.	\$80M	\$200K - \$5M	Unspecified	2022-2027	2027	Available	Ongoing	So SF Bay Shoreline Project	Open
4	State	State Coastal Conservancy	State Coastal Conservancy Grants	San Francisco Bay Area Conservancy Program.	\$5M	\$200K - \$5M	Unspecified	2022-2029	2029	Available	Ongoing	So SF Bay Shoreline Project	Open
5	State	State Coastal Conservancy	State Coastal Conservancy Grants	Available for conservancies nature-based solutions for sea level rise adaptation. \$30,000,000 shall be available for the San Francisco Bay Area Conservancy.	\$40M	\$200K - \$5M	Unspecified	2022-2025	2025	Available	Ongoing	So SF Bay Shoreline Project	Open
6	State	State Coastal Conservancy	State Coastal Conservancy Grants	Climate Resilience Projects	\$350M	\$200K - \$5M	Unspecified	2022-2025	2025	Available	Ongoing	So SF Bay Shoreline Project	Open
7	State	State Coastal Conservancy	State Coastal Conservancy Grants	Support acquisitions that advance multi-benefit and nature-based solutions.	\$50M	\$200K - \$5M	Unspecified	2022-2025	2025	Available	Ongoing	So SF Bay Shoreline Project	Open
8	State	State Coastal Conservancy	State Coastal Conservancy Grants	Protect communities and natural resources from sea-level rise. Climate Ready Program with priority given to projects that adapt public infrastructure along the coast including urban waterfronts, ports, and ecosystems.	\$37.5M	\$200K - \$5M	Unspecified	2022-2027	2025 2029	Available	Ongoing	Levee Construction through So SF Bay Shoreline Project	Open
9	State	State Water Resources Control Board	Water Recycling Funding Program (WRFP) – Construction Grant	Water recycling construction projects to offset or augment state or local fresh water supplies. Eligible projects include construction of recycled water treatment facilities, storage facilities, pumping facilities, groundwater recharge facilities, and recycled water distribution systems, including onsite improvements.	\$315M	\$15M (Amount varies based on the Clean Water State Revolving Fund Intended Use Plan)	50%	2021-2023	2025	Available	Ongoing	Water Recycling Projects Purified Water Project	Open
10	State	State Water Resources Control Board	Direct Potable Reuse Projects	Planning, design, and construction of water recycling projects that produce potable recycled water to supplement drinking water supplies.	\$210M	\$15M	TBD	2023-2024	TBD	TBD	TBD	Purified Water Project	Pledged, Not Appropriated
11	State	State Water Resources Control Board	Drinking Water State Revolving Fund	Finances infrastructure improvements to mitigate drinking water risks and support the human right to water. In accordance with federal rules, the DWSRF program generally prioritizes financing for projects that (1) address the most serious human health risks, (2) are necessary to comply with federal SDWA requirements and (3) assist public water systems most in need on a per household basis.	Estimated Loans \$346M PFAS 2022-2023 \$50M 2023-2024 \$20M	Loans Grants	Depends on Funding Source	Ongoing	Ongoing	Available	Ongoing	Drinking Water Projects (if program requirements can be reformed)	Open
12	State	State Water Resources Control Board	Clean Water State Revolving Fund	Finances projects primarily through loans, but also some grants that protect and improve water quality, such as wastewater discharge violations, enforcement orders issued by the Regional Water Boards, small community wastewater, water recycling, stormwater, and groundwater sustainability.	Estimated Loans \$540M-\$750M	Loans Grants	Depends on Funding Source	Ongoing	Ongoing	Available	Ongoing	Water Treatment Recycled Water Groundwater Cleanup (if program requirements can be reformed)	Open
13	State	Department of Water Resources	Dam Safety	Dam Safety Projects	\$100M	TBD	TBD	2023-2024 \$75M 2024-2025 \$25M	TBD	TBD	TBD	Anderson Dam Seismic Retrofit Project Other Dam Safety Projects	Pledged, Not Appropriated
14	State	Department of Water Resources	State Flood Control Subventions Program	Reimburses local agencies for the state cost-share of federally authorized projects that are cooperating with the U.S. Army Corps of Engineers.	TBD	Formula Based (CCR Sec. 575)	Local Cost Share	Ongoing	TBD	Available	Ongoing	Federally Authorized Flood Control Projects	Not Appropriated

Possible Grant Funding Opportunities													
	Level	Agency	Grant Name	Description	Funding	Grant Size Limits	Matching Funds	Availability Date	Liquidation date	Guidelines	Application Deadline	Potential VW Project	Status
15	State	Department of Water Resources	2022 Urban Community Drought Relief Funding	Offers financial assistance to address drought impacts, such as, but not limited to, drought planning, water conservation, turf replacement, recycled water project for immediate relief to potable water supplies, and projects that enhance local supply and climate resilience through source watershed improvements. Funding: \$200 million for Urban Communities. \$75 million for Conservation for Urban Suppliers. \$75 million for Turf Replacement	\$350M	Minimum Award \$3M, Maximum TBD	25%	2023	2027	Available	1/31/2023	Rinconada Improvement Project Turf Replacement Water Conservation Program	Open
16	State	Department of Water Resources	Subsidence Repair of Water Conveyances	Subsidence has damaged SWP and CVP conveyances, reducing the volume of water that can be moved through the state and federal water projects. This funding is the second direct appropriation of \$100M toward a state cost share of \$750M. The total cost of repairs is \$2.25B.	2021-2022 \$100M 2022-2023 \$100M	Unspecified	Not Required (local, state, and federal funds needed to complete projects)	2023	2025	Not Applicable	2021	Direct Appropriations for Subsidence Repair of CVP and SWP Conveyances	Appropriated
17	State	Department of Water Resources	Sustainable Groundwater Management (SGM) Grant Program	The SGM Grant Program provides funding to Groundwater Sustainability Agencies (GSAs) and other responsible entities under the Sustainable Groundwater Management Act (SGMA) to promote healthy and sustainable groundwater basins to reduce and eliminate undesirable results, and to promote projects that provide multiple benefits while also improving groundwater supply and quality.	2021-2022 \$171M 2022-2023 \$60M 2023-2024 \$60M	\$20M	Not Required	2021-2024	Unspecified	Available	2022-2023 funding 12/16/22	Coyote Creek Percolation Dam Replacement Project	Appropriated
18	State	Department of Water Resources	Proposition 1 - Integrated Regional Water Management Program	The Integrated Regional Water Management Program Grant Program is designed to encourage integrated regional water resource management strategies by providing funding for projects and programs that support integrated water management. Examples of some projects include, recycled water, water quality, groundwater, water use efficiency, flood protection, and regional conveyance.	\$23M (SF Bay Region)	Unspecified	50%	2022-2023	Unspecified	Available	2/1/2023	Coyote Creek Flood Protection Project pending DWR approval for \$3.8M	Approved Bond Funds
19	State	Department of Water Resources	Water Resilience Projects	Drought resilience and identification and assessment of climate risks on a watershed basis. Longer-term planning and resilience projects, including but not limited to, watershed climate risk assessment, streamflow improvement projects, streamflow measurement and remote sensing to establish baseline conditions and monitor project performance, water use efficiency projects with verifiable demand reduction, infrastructure to improve regional flexibility to address drought conditions, and conjunctive use and management between multiple water supply sources.	\$66.5M	Unspecified	TBD	2022-2023	2026	TBD	TBD	stream flow, stream gage, and drought resilience projects	Appropriated
20	State	Wildlife Conservation Board	Fish and Wildlife Impacts (General Grant Process)	For the protection of California's fish and wildlife resources in response to changing climate conditions and the highly variable habitat needs of fish and wildlife, as well as for restoration and stewardship projects that restore or manage the land to improve its resilience to climate impacts and natural disasters.	\$262M	Unspecified	Not Required	2022-2023	2025	Available	Ongoing	Habitat Improvements Not Required as Project Mitigation	Appropriated
21	State	Wildlife Conservation Board	Inhance Instream Flow (General Grant Process)	Projects to enhance instream flow for the purposes of protecting fish and wildlife. Eligible projects include acquisition of water or water rights from willing sellers, acquisition of land that includes water rights or contractual rights to water, short- or longterm water transfers and leases, projects that provide water for fish and wildlife, or projects that improve aquatic or riparian habitat conditions.	\$150M	Unspecified	Not Required	2022-2023	2025	Available	Ongoing	Pacheco Reservoir Expansion Project	Appropriated

Possible Grant Funding Opportunities

	Level	Agency	Grant Name	Description	Funding	Grant Size Limits	Matching Funds	Availability Date	Liquidation date	Guidelines	Application Deadline	Potential VW Project	Status
22	State	Business, Consumer Services and Housing Agency	Encampment Resolution Funding Program, Round 2, Second Disbursement	Funds actionable, person-centered local proposals that resolve the experience of unsheltered homelessness for people residing in encampments. Resolving these experiences of homelessness will necessarily address the safety and wellness of people within encampments, resolve critical encampment concerns, and transition individuals into interim shelter with clear pathways to permanent housing or directly into permanent housing, using data-informed, non-punitive, low-barrier, person-centered, Housing First, and coordinated approaches. Eligible entities include cities, counties, and Continuums of Care.	\$237M	Unspecified	Unspecified	12/1/22 to 06/30/23	2026	Available	6/30/2023	Encampment Resolution (city or county partnership necessary)	Open
23	Federal	Bureau of Reclamation	Large-Scale Water Recycling Projects (BIL Sec. 40905)	Competitive grants for projects that reclaim and/or reuse municipal, industrial, and agricultural wastewater; or impaired ground and surface waters. Large Scale Water Recycling Program is defined in the Bipartisan Infrastructure Law as projects that reclaim and reuse municipal, industrial, domestic, or agricultural wastewater; or impaired groundwater or surface water with a total project cost of \$500 million or more and located in a Reclamation state.	\$450M for FY22-26	None	25%	2023	None	Temporary Guidance Available (permanent guidance coming in Fall 2023)	TBD	Purified Water	Under Development
24	Federal	Bureau of Reclamation	Title XVI Reclamation and Reuse (BIL Sec. 40901)	Funding for authorized Title XVI projects that are either 1) authorized or approved for construction funding by an Act of Congress before the date of enactment of this Act; or 2) selected for funding under the WIIN Act competitive grant program	\$550M for FY22-26	\$30M	25%	2023	None	Available	Current round open through Feb. 28, 2023	Recycled Water	Open
25	Federal	Bureau of Reclamation	Storage and Conveyance (BIL Sec. 40902)	Water storage, groundwater storage, and conveyance projects with existing feasibility study or construction authorization. Project must be found feasible and with benefits proportionate to federal investment.	\$1.15B for FY22-26	None	25%	TBD	None	TBD	TBD	Storage Projects	Under Development
26	Federal	Bureau of Reclamation	WaterSMART Water and Energy Efficiency	Competitive grants through WaterSMART for water management improvements that contribute to water supply sustainability, increase drought resilience, and that have environmental benefits	\$400M for FY22-26	\$5M	25%	2023	None	Available	Annually	Conservation	Open
27	Federal	Bureau of Reclamation	Water Desalination Projects	Desalination of ocean or brackish water	\$250M for FY22-26	\$5M	25%	2023	None	Available	Current round open through Feb. 28, 2023	Desalination	Open
28	Federal	Bureau of Reclamation	Watershed Management Projects	Water conservation and efficiency projects that increase reliability for ecological value, improvements to mitigate drought-related impacts to ecological values, and projects that improve the condition of a natural feature or nature-based feature	\$100M for FY22-26	TBD	25%	TBD	None	TBD	Annually	TBD	Open
29	Federal	Bureau of Reclamation	Aquatic Ecosystem Restoration and Protection Projects	New program to support projects that design, study, and construct aquatic ecosystem restoration and protection projects to improve habitat, including restoration.	\$250M for FY22-26		25%	TBD	None	TBD	TBD	TBD	Under Development
30	Federal	U.S. Army Corps of Engineers	Water Infrastructure Finance and Innovation - LOAN	Federal credit program to provide credit assistance to creditworthy borrowers for projects to maintain, upgrade, and repair dams identified in the National Inventory of Dams owned by non-federal entities	\$64M for cost of direct loans and guaranteed loans for FY22-26	Up to 49% of total project cost; total federal funds cannot exceed 80% of total project cost	At least 20% non-federal cost share	TBD	None	Under Development	TBD	Dam projects	Under Development
31	Federal	U.S. Army Corps of Engineers	Continuing Authorities Program	Funds for USACE to plan, design, and construct small water resources projects. Includes \$115M for restoring fish and wildlife passage. Total federal cost per project is limited to \$10M.	TBD	\$10M	Typically 35% min non-federal cost share	TBD	TBD	Policy and Guidance	TBD	Flood Protection	Open
32	Federal	U.S. Army Corps of Engineers	Investigations	Funding for feasibility studies for congressionally-authorized flood risk management projects	\$172.5M in FY23	\$1.5M	50% non-federal cost share	Ongoing	Within three years of start of feasibility study	Policy and Guidance	Awarded through annual appropriations process	Watersheds	Open

Possible Grant Funding Opportunities

	Level	Agency	Grant Name	Description	Funding	Grant Size Limits	Matching Funds	Availability Date	Liquidation date	Guidelines	Application Deadline	Potential VW Project	Status
33	Federal	U.S. Army Corps of Engineers	Construction	Funding for construction of congressionally-authorized flood risk management projects	\$1.8B in FY23	None	Typically 35% min non-federal cost share	Ongoing	Within agreed-upon project schedule	Policy and Guidance	Awarded through annual appropriations process	Watersheds	Open
34	Federal	U.S. Army Corps of Engineers	Aquatic Ecosystem Restoration Projects	Funding for the construction of authorized water resources projects to increase aquatic ecosystem restoration, including \$1B for multi-purpose projects or programs that include aquatic ecosystem restoration as a purpose.	\$1.9B for FY22-26	None	Typically 35% min non-federal cost share	TBD	None	TBD	TBD	Watersheds projects	Under Development
35	Federal	DOT - Federal Highway Administration	Bridge Formula Program	New program that provides funds to states by formula for bridge replacement, rehabilitation, preservation, protection, or construction projects on public roads. Includes three set-asides: 15% for use on off-system bridges; 3% for use on Tribal Transportation Facility bridges; and 0.5% for administrative expenses	\$26.675B for FY22-26 (\$574.8M for CA)	Unspecified	Federal share of 100% for BFP funds set aside for Tribal transportation facility bridges or used on an off-system bridge that is owned by a local agency or federally-recognized Tribe	First round released to state transportation depts in Jan. 2022; next round released to state transportation departments in Oct. 2022.	Three years after funds allocated	Available	Rolling	Bridge Replacement Projects	Open
36	Federal	DOT - Federal Highway Administration	Bridge Investment Program	Supports projects to improve bridge and culvert condition, safety, efficiency, and reliability. Eligible uses: Replace, rehabilitate, preserve, or protect one or more bridges on the National Bridge Inventory; projects to replace or rehabilitate culverts to improve flood control and improve habitat connectivity for aquatic species.	\$12.2B for FY22-26	For large bridge project grants: Min. award of \$50M, max award cannot exceed 50% of eligible project costs; for bridge project grants: Min. award of \$2.5M, max award cannot exceed 80% of eligible project costs	Yes (amount unspecified)	First round released July 2022; second round available summer 2023	None	Available	TBD	Bridge Replacement Projects	Open
37	Federal	DOT - Federal Highway Administration	Grants for Planning, Feasibility Analysis, and Revenue Forecasting (Bridge Investment Program set-aside)	Eligible uses: Replace, rehabilitate, preserve, or protect one or more bridges on the National Bridge Inventory; projects to replace or rehabilitate culverts to improve flood control and improve habitat connectivity for aquatic species.	\$100M for FY22-26	None	None	First round released July 2022; second round available summer 2023	None	Available	TBD	Bridge Replacement Projects	Open
38	Federal	DOT - Federal Highway Administration	National Highway Performance Program	Reauthorizes the National Highway Performance Program to: 1) Provide support for the condition and performance of the National Highway System; 2) Provide support for the construction of new facilities on the National Highway System; 3) Ensure that investments of federal aid funds in highway construction are directed to support progress toward the achievement of performance targets established in a state's asset management plan for the NHS 4) Provide support for activities to increase the resiliency of the NHS to mitigate the cost of damages from sea level rise, extreme weather events, flooding, wildfires, or other natural disasters	\$148B for FY22-26	Unspecified	20% non-federal cost share	Ongoing	Four years after funds are available	Available	TBD	Road and bridge replacement projects	Open
39	Federal	DOT - Federal Highway Administration	Surface Transportation Block Grant Program	Supports ~1M miles of federal-aid highways, for bridges on any public road, and transit capital projects	\$72M for FY22-26	Unspecified	20% non-federal cost share	Ongoing	Four years after funds are available	Available	TBD	Road and bridge replacement projects	Open
40	Federal	DOT - Federal Highway Administration	Nationally Significant Freight & Highway Projects (INFRA)	Supports multimodal freight and highway projects of national or regional significance to improve the safety, efficiency, and reliability of the movement of freight and people in and across rural and urban areas. Eligible projects are those that improve safety, generate economic benefits, reduce congestion, enhance resiliency, and hold the greatest promise to eliminate freight bottlenecks and improve critical freight movements.	\$7.25B for FY22-26	Unspecified	20% non-federal cost share	Ongoing	Four years after funds are available	Available	TBD	Road and bridge replacement projects	Open

Possible Grant Funding Opportunities

	Level	Agency	Grant Name	Description	Funding	Grant Size Limits	Matching Funds	Availability Date	Liquidation date	Guidelines	Application Deadline	Potential VW Project	Status
41	Federal	DOT - Federal Highway Administration	State Incentives Pilot Program (set-aside within INFRA)	Eligible projects are those that improve safety, generate economic benefits, reduce congestion, enhance resiliency, and hold the greatest promise to eliminate freight bottlenecks and improve critical freight movements.	\$750M for FY22-26	Unspecified	20% non-federal cost share	Ongoing	Four years after funds are available	Available	TBD	Road and bridge replacement projects	Open
42	Federal	DOT - Federal Highway Administration	Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) Grants - Discretionary	Competitive grants for conducting resilience planning, strengthening and protecting evacuation routes, and increasing the resilience of surface transportation infrastructure from the impacts of sea level rise, flooding, wildfires, extreme weather events, and other natural disasters. Highway, transit, and certain port projects are eligible.	\$1.4B for FY22-26	Unspecified	20% non-federal cost share	Ongoing	Four years after funds are available	Available	TBD	Watersheds and Water Utility projects TBD	Open
43	Federal	DOT - Office of the Secretary	Local and Regional Project Assistance Grants (RAISE)	Provides funding for eligible projects that will have a significant local/regional impact, including: --a highway or bridge project eligible for assistance under title 23, U.S.C. --the surface transportation components of certain eligible airport projects --a project to replace or rehabilitate a culvert or prevent stormwater runoff for the purpose of improving habitat for aquatic species DOT will prioritize projects that reduce greenhouse gas emissions and are designed with specific elements to address climate change impacts.	\$7.5B for FY22-26	\$1M min. award for planning grants in rural areas, \$5M min. award for planning grants in urban areas; max. award of \$25M	20% non-federal cost share	Current round opened Dec. 14, 2022	Four years after funds are available	Available	Current round due Feb. 28, 2023	Watershed projects	Open
44	Federal	DOT - Office of the Secretary	National Culvert Removal, Replacement, and Restoration Grant	Awards grants to eligible entities for projects for the replacement, removal, and repair of culverts or weirs that: "(1) would meaningfully improve or restore fish passage for anadromous fish; and (2) with respect to weirs, may include-- (A) infrastructure to facilitate fish passage around or over the weir; and (B) weir improvements."	\$1B for FY22-26	Unspecified	20% non-federal cost share	Current round opened Oct. 6, 2022	Four years after funds are available	Available	Current round due Feb. 6, 2023	Watersheds or dam projects that restore fish passage	Open
45	Federal	DOT - Federal Railroad Administration	Consolidated Rail Infrastructure and Safety Improvement Grants	To fund projects that improve the safety, efficiency, and reliability of intercity passenger and freight rail. Eligible projects include a wide range of freight and passenger rail capital, safety technology deployment, planning, environmental analyses, research, workforce development, and training projects. New eligibilities include: (1) measures to prevent trespassing on railroad property; (2) preparation of emergency plans for communities through which hazardous materials are transported by rail; (3) research, development, and testing to advance innovative rail projects; and (4) rehabilitating, remanufacturing, procuring, or overhauling locomotives to reduce emissions.	\$5B for FY22-26	Unspecified	20% non-federal cost share	Last round closed Dec. 1, 2022	Four years after funds are available	Available	TBD	Flood Protection	Open
46	Federal	DOT - Federal Railroad Administration	Railroad Crossing Elimination Grant Program	To fund highway-rail or pathway-rail grade crossing improvement projects that focus on improving the safety and mobility of people and goods. Eligible projects include: (1) grade separation or closure, including through use of a bridge, embankment, tunnel, or combination thereof; (2) track relocation; (3) improvement or installation of protective devices, signals, signs, or other measures to improve safety related to a separation, closure, or track relocation project; (4) other means to improve the safety if related to the mobility of people and goods at highway-rail grade crossings (including technological solutions); (5) the planning, environmental review, and design of an eligible project type.	\$3B for FY22-26	Unspecified	20% non-federal cost share	TBD	Four years after funds are available	Available	Ongoing	Watersheds projects	Open

Possible Grant Funding Opportunities

	Level	Agency	Grant Name	Description	Funding	Grant Size Limits	Matching Funds	Availability Date	Liquidation date	Guidelines	Application Deadline	Potential VW Project	Status
47	Federal	DOT - Federal Transit Administration	Urbanized Area Formula Grants	Funds urbanized areas and governors for transit capital and operating assistance in urbanized areas (pop. 50K+) and for transportation-related planning	\$33.39B for FY22-26	Unspecified	20% non-federal cost share	TBD	Five years after funds are appropriated	Available	Ongoing	TBD	Open
48	Federal	DOT - Federal Aviation Administration	Airport Improvement Grants	Eligible airports include primary airports, certain cargo airports, and most general aviation/commercial service airports that are not primary airports but in the National Plan of Integrated Airport Systems. Project eligibility tracks Passenger Facility Charge eligibility, with the exception of Debt Service.	\$15B (\$295.8M for CA) for FY22-26	Unspecified	20% non-federal cost share	TBD	Four years after funds are available	Available	Ongoing	TBD	Open
49	Federal	USDA - Natural Resources Conservation Service	Watershed and Flood Prevention Operations	Planning, design, and construction of measures that address resource concerns in a watershed. Eligible uses include flood prevention, watershed protection, public recreation, public fish and wildlife, agricultural water management, municipal and industrial water supply, or water quality management.	\$500M	None	None	Ongoing	None	Available	Ongoing	Flood Protection	Open
50	Federal	USDA - Natural Resources Conservation Service	Emergency Watershed Protection	Funds design and construction of measures to help repair damages from a recent disaster to safeguard life and property	\$300M	None	None	Ongoing	None	Available	Ongoing	Flood Protection	Open
51	Federal	U.S. Fish and Wildlife Service	National Fish Passage Program	Funding for the removal of barriers and for technical assistance under the National Fish Passage Program. Funds will be distributed through a combination of competitive contracts, tribal grants and other grants, and cooperative agreements.	\$200M for FY22-26	Unspecified	Unspecified	Current round closed Dec. 16, 2022	Four years after funds are available	Available	Ongoing	Watersheds or Water Utility projects	Open
52	Federal	NOAA	Fish Passage	Restoring fish passage by removing in-stream barriers and providing technical assistance pursuant to Sec. 117 of the Magnuson-Stevens Fishery Conservation and Management Reauthorization Act of 2006. Eligible uses include on the ground fish passage restoration projects, engineering and design, future project development phases, and building the capacity of new and existing restoration partners to design projects and manage multi-faceted construction efforts.	\$400M for FY22-26	\$15M max (\$1M min)	None	Current round closed Aug. 15, 2022	Four years after funds are available	Available	Ongoing	Watersheds or Water Utility projects	Open
53	Federal	NOAA - National Coastal Resilience Fund	National Oceans and Coastal Security Fund	Funding for the National Coastal Resilience Fund to invest in conservation projects that restore or expand natural features such as coastal marshes and wetlands, dune and beach systems, oyster and coral reefs, forests, coastal rivers and floodplains, and barrier islands that minimize the impacts of storms and other naturally occurring events on nearby communities.	\$492M for FY22-26	No limit, but expect range of \$1M-\$10M	Encouraged but not required	Current round closed April 2022	Four years after funds are available	Available	Ongoing	Watersheds projects	Open
54	Federal	NOAA - Office of Habitat Conservation	Habitat Restoration	Competitive grants for restoring marine, estuarine, coastal, and Great Lakes ecosystem habitat as well as constructing or protecting ecological features that protect coastal communities from flooding or coastal storms Office of Habitat Conservation will provide technical assistance from project conception to completion and explore ways in which the funding can be used to support underserved communities.	\$491M for FY22-26	Unspecified	Unspecified	TBD	Unspecified	TBD	TBD	Watersheds and Water Utility projects TBD	Open

Possible Grant Funding Opportunities

	Level	Agency	Grant Name	Description	Funding	Grant Size Limits	Matching Funds	Availability Date	Liquidation date	Guidelines	Application Deadline	Potential VW Project	Status
55	Federal	NOAA - Office for Coastal Management	Coastal Zone Management	Coastal Zone Management competitive and noncompetitive grants with the purpose of restoring and protecting coastal ecosystems through direct investment by coastal states and territories in ecologically significant habitats. Coastal Zone Management Programs will work with coastal states and territories to address urgent coastal issues including climate change, ocean planning, and planning for energy facilities and development. This funding will enable approved coastal programs to protect and restore ecologically significant habitats, including conserving lands that play a critical role in helping communities become more resilience to natural hazards including storms, flooding, inundation, erosion, tsunamis, sea level rise and lake level changes.	\$207M for FY22-26	\$200K - \$6M	Encouraged but not required	Current round closed Oct. 28, 2022	Four years after funds are available	Available.	Current round closed	Flood Protection	Open
56	Federal	DOE - Energy Efficiency and Renewable Energy	Hydroelectric Incentives	Incentive payments to non-federal owners or operators of qualified hydroelectric facilities for capital improvements, including: (1) improving grid resiliency; (2) improving dam safety to ensure acceptable performance under all loading conditions (including static, hydrologic, and seismic conditions); and (3) environmental improvements	\$553.6M for FY22-26	\$5M	TBD	TBD	None	TBD	TBD	Dam projects	Under Development
57	Federal	DOE - Office of Clean Energy Demonstration	Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency	Financial assistance to demonstrate innovative approaches to transmission, storage, and distribution infrastructure to harden and enhance resilience and reliability; and to demonstrate new approaches to enhance regional grid resilience Coordinate and collaborate with electric sector owners and operators: (A) to demonstrate innovative approaches to transmission, storage, and distribution infrastructure to harden and enhance resilience and reliability; and (B) to demonstrate new approaches to enhance regional grid resilience, implemented through States by public and rural electric cooperative entities on a cost-shared basis.	\$5B for FY22-26	TBD	TBD	TBD	None	TBD	TBD	TBD	Under Development
58	Federal	DOE - Office of Electricity	Preventing Outages and Enhancing the Resilience of the Electric Grid Grants	Funding to grid operators, generators, transmission owners and operators, etc. and states to prevent outages and enhance the resilience of the electric grid. To carry out activities that are supplemental to existing hardening efforts and reduce the risk of power lines causing a wildfire; or reduce the likelihood and consequences of disruptive events.	\$5B for FY22-26	TBD	TBD	TBD	None	TBD	TBD	TBD	Under Development
59	Federal	DOE - Office of Cybersecurity, Energy Security, and Emergency Response	Rural and Municipal Utility Advances Cybersecurity Grant and Technical Assistance Program	Funding to provide grants and technical assistance to, and enter into cooperative agreements with, eligible entities to protect against, detect, respond to, and recover from cybersecurity threats. Eligible uses include deploying advanced cybersecurity technologies for electric utility systems and increasing the participation of eligible entities in cybersecurity threat information sharing programs.	\$250M for FY22-26	TBD	TBD	TBD	TBD	TBD	TBD	IT Cybersecurity Efforts	Under Development
60	Federal	Federal Emergency Management Agency (FEMA)	Rehabilitation of High Hazard Potential Dams	Funding for grants under WIIN Act Rehabilitation of High Hazard Potential Dams (\$7.5M per dam cap). Eligible activities include repair, removal, or any other structural or nonstructural measures to rehabilitate an eligible high hazard potential dam.	\$585M for FY22-26	\$7.5M	35% non-federal cost share	Ongoing - current round closed July 2022	TBD	Available.	TBD	Dam Projects	Open
61	Federal	FEMA - Disaster Relief Fund	Building Resilient Infrastructure and Communities	Grants for hazard mitigation planning and the implementation of mitigation projects prior to a disaster. Uses include: mitigation projects, capability and capacity building activities, management costs, and technical assistance.	\$1B for FY22-26 (on top of existing funding); total of \$2.3B in FY22	\$2M	25% non-federal cost share	Current period opened Sept. 27, 2022	None	Available.	Jan. 27, 2023	Watersheds and Dam Projects	Open

Possible Grant Funding Opportunities

	Level	Agency	Grant Name	Description	Funding	Grant Size Limits	Matching Funds	Availability Date	Liquidation date	Guidelines	Application Deadline	Potential VW Project	Status
62	Federal	FEMA - National Insurance Fund	Flood Mitigation Assistance Grants (National Flood Insurance Act Sec. 1366)	Grants for projects that reduce flood risks posed to repetitively flooded properties insured under the National Flood Insurance Program (NFIP). FEMA distributing FY21 Flood Mitigation Assistance funding as follows: --Project scoping (previously advance assistance) to develop community flood mitigation projects and/or individual flood mitigation projects that will subsequently reduce flood claims against the NFIP --Projects that address community flood risk for the purpose of reducing NFIP flood claim payments --Technical assistance to maintain a viable Flood Mitigation Assistance program over time --Planning sub-applications for the flood hazard component of state, local, territory, and tribal Hazard Mitigation Plans and plan updates.	\$3.5B for FY22-26	Unspecified	25% non-federal cost share	Current period opened Sept. 30, 2022	None	Available	Current period closes Jan. 27, 2023	Flood Protection	Open
63	Federal	FEMA - Federal Assistance	Hazard Mitigation Revolving Loan Funds/Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act	Capitalization grants to state and eligible tribes for the establishment of revolving loan funds to provide hazard mitigation assistance to local governments.	\$500M for FY22-26	Min. award of \$5.1M	Unspecified	Feb. 1-Apr. 28, 2023	Four years after funds are available	Available	Apr. 28, 2023	Watersheds projects	Under Development
64	Federal	FEMA - Cybersecurity and Infrastructure Security Agency	State and Local Cybersecurity Grant Program	Funds to address cybersecurity risks and cybersecurity threats to information systems that they own or operate. Eligible uses include developing and revising cybersecurity plans; implementing elements of the cybersecurity plan (including individual projects); addressing imminent cybersecurity threats, as confirmed by DHS; and more	\$1B for FY22-26	Unspecified	10% non-federal cost share	Current period closed August 2022	Four years after funds are available	Available	TBD	IT Cybersecurity Efforts	Open
65	Federal	EPA	Water Infrastructure Finance and Innovation Act LOAN	Reauthorizes program at \$50M/year for each of FY22-26	\$250M for FY22-26	Up to 49% of total project cost; total federal funds cannot exceed 80% of total project cost	At least 20% non-federal cost share	Ongoing	None	Available	Ongoing	Dam projects; Safe, Clean Water projects	Open
66	Federal	EPA	Pilot Program for Alternative Water Source Projects	Grants to states and water districts in areas experiencing critical water supply needs to develop alternative water source projects	\$125M for FY22-26	TBD	Unspecified	TBD	TBD	TBD	TBD	Recycled and purified water	Not Appropriated
67	Federal	EPA	Midsize and Large Drinking Water System Infrastructure Resilience and Sustainability Program	Grants for increasing resilience to natural hazards and extreme weather events, and reducing cybersecurity vulnerabilities	\$250M for FY22-26	TBD	Unspecified	TBD	TBD	TBD	TBD	Watersheds	Under Development
68	Federal	EPA - State and Tribal Assistance Grants	Clean Water State Revolving Fund	Federal-state partnership that provides communities low-cost financing for wide range of water quality infrastructure projects. Under BIL, 49% of funds shall be eligible to be grants or 100% principal forgiveness loans. Eligible projects include: Construction of wastewater and stormwater treatment facilities and collection systems; nonpoint source pollution management; construction, repair, or replacement of decentralized wastewater treatment systems; construction of nature-based solutions; and other uses associated with the management of wastewater and stormwater.	\$11.713B for FY22-26; \$1.06B for FY23	TBD	Unspecified	TBD	TBD	Available	TBD	Watershed and Water Utility projects	Open

Possible Grant Funding Opportunities

	Level	Agency	Grant Name	Description	Funding	Grant Size Limits	Matching Funds	Availability Date	Liquidation date	Guidelines	Application Deadline	Potential VW Project	Status
69	Federal	EPA - State and Tribal Assistance Grants	Drinking Water State Revolving Fund	<p>Financial assistance program to help water systems and states achieve the health protection objectives of the Safe Drinking Water Act. States initially receive funding, then provide funds to water utilities and/or municipal and other eligible entities.</p> <p>Under BIL, 49% of funds shall be eligible to be grants or 100% principal forgiveness loans.</p> <p>Eligible projects include: Construction or expansion of drinking water treatment plants and/or distribution systems; improving drinking water treatment; fixing leaky or old pipes; improving sources of water supply; replacing or constructing finished water storage tanks; other infrastructure projects needed to protect public health.</p>	\$15B for FY22-26	Unspecified	TBD	TBD	TBD	Available.	TBD	Recycled and Purified Water projects	Open
70	Federal	EPA - State and Tribal Assistance Grants	Drinking Water State Revolving Fund - Emerging Contaminants (incl. PFAS)	<p>Drinking Water SRF funding, with eligible projects limited to those that address emerging contaminants, such as PFAS.</p> <p>Under BIL, 100% of a capitalization grant, net of set-asides taken, must be provided as forgivable loans or grants.</p>	\$4B for FY22-26	Unspecified	None	TBD	TBD	Available.	TBD	Water Utility	Open
71	Federal	EPA - Geographic Programs	San Francisco Bay Water Quality Improvement Fund	<p>Funds to improve water quality and restore aquatic habitat (i.e. wetlands) in the Bay and watershed. Projects will reduce polluted runoff, restore impaired waters, and enhance aquatic habitat. Achieving significant environmental results related to wetlands restoration and water quality improvements is an overall program priority. Prioritizes projects that benefit disadvantaged communities by increasing natural habitat and "greener" infrastructure in those areas.</p> <p>Eligible uses: Ecosystem and wetland restoration, stormwater treatment and control, nature-based infrastructure, community resilience, resilient shorelines, and environmental education.</p>	\$24M for FY22-26; \$54M for FY23	\$3M for FY22	50% non-federal cost share	Current found closed in September 2022. Next round expected in fall 2023.	Four years after funds are available	Available.	Likely fall 2023	Watersheds, creek cleanup projects	Open

INCOMING BOARD CORRESPONDENCE

Report Name: Correspondence (open)

Correspond No	Rec'd By District	Rec'd By COB	Letter To	Letter From	Description	Disposition	BAO/ Chief	Staff	Draft Response Due Date	Draft Response Submitted	Writer Ack. Sent	Final Response Due Date
C-22-0210	12/16/22	12/16/22	All	GREG SELLERS	Email from Greg Sellers, to Director Varela, dated 12/16/22, regarding Private Sewer Lateral Repair Program.	Refer to Staff	Baker	Bourgeois Adriano	12/24/22	12/21/22	n/a	12/30/22
C-23-0003	12/30/22	01/03/23	All	DORIS LIVEZEY	Murdock Neighborhood Association concerns about trash along the trails.	Refer to Staff	Blank	Codiann e	01/11/23		n/a	01/17/23
C-23-0004	12/31/22	01/03/23	All	DHRUV KHANNA	Flooding of property at 742 Alester Avenue, Palo Alto.	Noted and Filed			01/11/23		n/a	01/17/23
C-23-0005	01/01/23	01/03/23	Cc: Eisenberg	ALFRED LANE	Water flows into section of Permanente Creek.	Refer to Staff	Blank	Codiann e	01/11/23		n/a	01/17/23
C-23-0006	01/02/23	01/03/23	All	MIKE POWELL	Llagas Creek flooding issues.	Refer to Staff	Blank	Codiann e	01/11/23		n/a	01/17/23
C-23-0007	12/30/22	01/03/23	All	BOB FANJOY	Individual housing options.	Noted and Filed			01/11/23		n/a	01/17/23
C-23-0008	01/04/23	01/04/23	All	DIANA TORRES	Couch dumped in Uvas Creek.	Refer to Staff	Blank	Codiann e	01/12/23		n/a	01/18/23
C-23-0009	01/04/23	01/04/23	All	ALFRED LANE	Following to 1/1/23 Email regarding water flow in Permanente Creek.	Noted and Filed			01/12/23		n/a	01/18/23
C-23-0010	12/29/22	12/29/22	All	BETH MCGOWEN County of Santa Clara Superior Court	Letter granting an extension to March 31, 2023, to submit a response to the Santa Clara Civil Grand Jury Report, If You Only Read the Ballot, You're Being Duped	Noted and Filed			01/06/23		n/a	01/12/23
C-23-0011	01/04/23	01/04/23	All	DHRUV KHANNA	Fallen tree at the mouth of the Chaucer Bridge.	Noted and Filed			01/12/23		n/a	01/18/23
C-23-0012	01/04/23	01/04/23	All	DHRUV KHANNA	Newell bridge debris.	Noted and Filed			01/12/23		n/a	01/18/23
C-23-0013	01/05/23	01/05/23	All	GERHARD ESCHELBECK	Unsafe water levels at Stevens Creek reservoir ahead of multiple storms.	Refer to Staff		Kassab Williams	01/13/23		n/a	01/19/23