



# Santa Clara Valley Water District

## CONFORMED COPY

File No.: 22-1085

Agenda Date: 5/16/2023  
Item No.: \*2.11.

### BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒  
(If "YES" Complete Attachment A - Gov. Code § 84308)

#### SUBJECT:

Accept the Fiscal Year 2023-24 Safe, Clean Water and Natural Flood Protection Special Tax Summary Report and Adopt a Resolution Providing for Levy of the Special Tax Rates and Authorizing a Procedure for Correcting Special Tax Amounts for Fiscal Year 2023-2024.  
(\*Previously listed as Item 2.9)

#### RECOMMENDATION:

- A. Accept the Fiscal Year 2023-24 Safe, Clean Water and Natural Flood Protection Special Tax Summary Report; and
- B. Adopt the Resolution PROVIDING FOR THE LEVY OF THE SPECIAL TAX PURSUANT TO THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION MEASURE IN THE COMBINED FLOOD CONTROL ZONE OF THE SANTA CLARA VALLEY WATER DISTRICT AND AUTHORIZING A PROCEDURE FOR CORRECTING SPECIAL TAX AMOUNTS FOR FISCAL YEAR 2023-2024.

#### SUMMARY:

Provisions of Resolution 20-64 (Providing for the continuation and levy of special tax to pay the cost of a Safe, Clean Water and Natural Flood Protection Program in the combined flood control zone of the Santa Clara Valley Water District (Valley Water) subject, nevertheless, to specified limits and conditions) require Valley Water's Chief Executive Officer to prepare a written report recommending rates for the Safe, Clean Water and Natural Flood Protection (Safe, Clean Water) Special Tax, which was approved by voters on November 3, 2020. Rate limits as specified in the Safe, Clean Water ballot measure are indexed to the fiscal year (FY) 2022-23 rates plus the change in the Bay Area Consumer Price Index (CPI) or 2 percent, whichever is greater.

Based on projected costs of the Safe, Clean Water Program activities, and reports released by the Bureau of Labor Statistics indicating that the change in CPI from February 2022 to February 2023 is 5.3 percent, staff recommends that the special tax rates for FY 2023-24 be set at their maximum level, which would reflect a 5.3 percent increase.

The senior exemption provided for in the ballot measure will continue to allow low-income parcel

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owners over the age of 65 to be exempt from paying the special tax consistent with Resolution 20-64. Staff has continued to enhance its outreach program to better inform the senior population of the tax exemption program.

The contemplated activities in the proposed FY 2023-24 budget are consistent with the activities identified in the Valley Water report, "Safe, Clean Water and Natural Flood Protection, Community Preferred Program Report" (Report) that explained the voter approved program in detail and any Board approved project modifications to Key Performance Indicators (Attachment 3), per the Change Control Process identified in the Report. The rates identified in the Report reflect staff recommended increases of 5.3 percent, resulting in projected revenue of \$52.3 million in FY 2023-24. The Proposed FY 2023-24 budget reflects a 2.2 percent increase in rates with \$50.1 million in total revenue, or \$2.2 million lower than the staff recommendation. If the Board adopts the staff recommended rate increase, the final FY 2023-24 budget will be adjusted accordingly. Planned future expenditures as currently forecasted reasonably indicate that the revenue raised next year will be spent according to the Report.

**ENVIRONMENTAL JUSTICE IMPACT:**

The Safe, Clean Water and Natural Flood Protection Parcel Tax was approved by voters in November 2020. Revenues from the parcel tax fund critical flood protection projects, such as the Coyote Creek Flood Protection project which benefits disadvantaged communities.

**FINANCIAL IMPACT:**

Levy of the Safe, Clean Water and Natural Flood Protection Special Tax at the recommended level for FY 2023-24 will generate an estimated total of \$52.3 million in net revenue that will fund budgeted expenditures consistent with the Report. If the Board does not approve special tax rates for FY 2023-24, Valley Water would not receive the funding necessary to accomplish voter approved outcomes.

**CEQA:**

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

**ATTACHMENTS:**

Attachment 1: Staff Report

Attachment 2: Resolution

Attachment 3: Key Performance Indicators

**UNCLASSIFIED MANAGER:**

Bhavani Yerrapotu, 408-630-2735

# FY 2023–24 Safe, Clean Water & Natural Flood Protection Special Tax Summary Report

## SUMMARY:

Applicable laws and provisions of Resolution 20-64 require the District Chief Executive Officer to prepare a written report recommending the rates for the Safe, Clean Water and Natural Flood Protection Special Tax, which was approved by voters on November 3, 2020. Rate limits as specified in the Safe, Clean Water ballot measure are indexed to the fiscal year (FY) 2022–23 rates plus an increase based on the San Francisco-Oakland-San Jose Consumer Price Index (CPI) for all urban consumers in the preceding year or 2 percent, whichever is greater. The CPI-U for San Francisco-Oakland-San Jose from February 2022 to February 2023 was 5.3%. Staff recommends that the special tax rates for FY 2023–24 be set at their maximum level, which would reflect a 5.3% percent increase versus FY 2022–23.

The rate trend for the Single Family Residential and Small Multiples (2-4 units) group, referred to as Group C, is summarized below:

<b>Fiscal Year</b>	<b>Group C Rate</b>	<b>Annual % Increase</b>
2001–02	\$39.00	N/A
2002–03	\$40.16	3.0%
2003–04	\$41.36	3.0%
2004–05	\$42.60	3.0%
2005–06	\$43.88	3.0%
2006–07	\$45.26	3.16%
2007–08	\$46.76	3.32%
2008–09	\$48.16	3.0%
2009–10	\$49.61	3.0%
2010–11	\$51.10	3.0%
2011–12	\$52.64	3.0%
2012–13	\$54.22	3.0%
2013–14	\$55.84	3.0%
2014–15	\$57.52	3.0%
2015–16	\$59.24	3.0%
2016–17	\$61.01	3.0%
2017–18	\$63.11	3.44%
2018–19	\$65.36	3.56%
2019–20	\$67.67	3.53%
2020–21	\$67.67	0.0%
2021–22	\$69.02	2.0%
2022–23	\$72.60	5.19%
2023–24	\$76.45	5.3%

## **STAFF ANALYSIS:**

### **Introduction**

This Summary Report is prepared in accordance with the voter-approved Santa Clara Valley Water District (Valley Water) Resolution 20-64. It presents the uniform rates for the special tax in the combined flood control zone to generate revenue for designated voter approved purposes.

The revenue generated by the special tax will be used to continue meeting the Safe, Clean Water program commitments and to produce the following program renewal enhanced outcomes:

- Priority A: Ensure a safe, reliable water supply.
- Priority B: Reduce toxins, hazards and contaminants in our waterways.
- Priority C: Protect our water supply and dams from earthquakes and other natural disasters.
- Priority D: Restore wildlife habitat and provide open space.
- Priority E: Provide Flood Protection to homes, businesses, schools, streets and highways.
- Priority F: Support public health and public safety for our community

Attachment 3 of the Board Agenda Memo shows a further breakdown of the activities under each of the Safe, Clean Water program outcomes. This report has been reviewed and approved by District Counsel as meeting the requirements of applicable laws. Information on the special tax levy for an individual parcel, as well as the detailed Valley Water report describing the purpose of the special tax: "Safe, Clean Water and Natural Flood Protection, Community Preferred Program Report", are available for review on <https://www.valleywater.org/safecleanwater>.

### **Passage of Clean, Safe Creeks and Natural Flood Protection**

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

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

## **Passage of 2012 Safe, Clean Water and Natural Flood Protection Program**

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

## **Passage of Safe, Clean Water and Natural Flood Protection Measure S**

On November 3, 2020, voters in Santa Clara County overwhelmingly approved Measure S, a renewal of Valley Water's Safe, Clean Water and Natural Flood Protection Program that was approved in 2012. The renewed Safe, Clean Water Program identifies six key community priorities, established in collaboration with tens of thousands of residents and stakeholders. It will also continue to honor prior commitments made under the 2012 Safe, Clean Water Program in carrying forward all active projects and meeting associated KPI's.

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

## **General Rate Provisions**

The special tax revenues estimated to meet the projected costs of the program are based on an initial set of rates for FY 2022–23 in which the residential rate was \$72.60.

Future rate limits are indexed to the annual San Francisco-Oakland-San Jose Consumer Price Index for all urban users in the immediate preceding year (Bay Area Consumer Price Index) or 2 percent, whichever is greater. Should declaration of a state or federal disaster area by reason of flooding or other natural disaster occur, the maximum rates will be indexed to the Bay Area Consumer Price Index plus up to 4.5 percent for the three years following the disaster.

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

- Group A: Land used for commercial or industrial purposes
- Group B: Land used for institutional purposes such as churches and schools or multiple dwellings in excess of four units, including apartment complexes, mobile home parks, recreational vehicle parks, condominiums and townhouses.
- Group C: (1) Land used for single family residences and multiple family units up to four units. (2) The first 0.25 acre of a parcel of land used for single family residential purposes.
- Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses and similar uses. (2) The portion of the land, if any, in excess of 0.25 acre of a parcel used for single family residential purposes.

- Group E: Vacant undisturbed land (1) in urban areas; and (2) in rural areas including dry farmed land, grazing and pasture land, forest and brush land, salt ponds and small parcels used exclusively as well sites for commercial purposes.
- Group F: Parcels used exclusively as well sites for residential uses are exempt from the special tax.

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

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

Approximately \$162.4 million in reserves were set aside at year end FY 2012–13 from unspent funds of the Clean, Safe Creeks program. Most of this accumulated amount is from set-aside revenue designated for capital project construction, and some is from cost savings. These funds will help construct and maintain the capital projects continued from the Clean, Safe Creeks plan. In FY 2023-24, capital spending is projected to continue on several projects carried forward from Clean, Safe Creeks that will provide flood protection including Berryessa Calaveras/Old Piedmont, Llagas Creek, San Francisco Bay Shoreline, and San Francisquito Creek.

### **2023–2024 Special Tax Rates**

For FY 2023–24 staff proposes that the Safe, Clean Water and Natural Flood Protection Special Tax be levied at the maximum level to generate \$52.3 million to meet the program outcomes. Projected capital design and construction appropriations are \$42.4 million. Projected operations, operating projects, debt service and transfer appropriations are \$37.1 million. The operating and capital reserve is projected to be \$117.6 million by the end of FY 2023–24.

The proposed special tax rates at the rate limits are indicated below and reflect a 5.3% increase over last year's rates under the Safe, Clean Water Program:

- Group A: Land used for commercial or industrial purposes: \$611.91 per acre, \$152.96 minimum for parcels up to 0.25 acre.
- Group B: (1) apartment complexes, mobile home parks, recreational vehicle parks: \$458.93 per acre, \$114.73 minimum for parcels up to 0.25 acre; and (2) condominiums and townhouses: \$37.23 per unit.
- Group C: Parcels up to 0.25 acres used for single family residences and multiple family units up to four units: \$76.45. The first 0.25-acre of a parcel of land used for single family residential purposes: \$76.45.
- Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses and similar uses: \$3.92 per acre, \$39.21 minimum on parcels less than 10 acres. (2) The portion of the parcel, if any, in excess of 0.25 acre of a parcel used for single family residential purposes: \$3.92 per acre.
- Group E: Vacant undisturbed land (1) in urban areas: \$1.16 per acre, \$11.55 minimum on parcels less than 10 acres; and (2) in rural areas: \$0.16 per acre, \$11.55 minimum equal to the Group E urban category minimum.

A summary comparing the current year rates with the proposed FY 2023–24 rates is shown in Figure 1.

**FIGURE 1**  
**Actual FY 2022–23 Versus Proposed FY 2023–24**  
**Safe, Clean Water and Natural Flood Protection Special Tax Rates**

Land Use Categories	Actual FY 2022-23	Proposed FY 2023-24
A – Commercial, Industrial		
Rate (\$/Acre)	\$581.11	\$611.91
Minimum Assessment <sup>(1)</sup>	\$145.26	\$152.96
B – Apartment, Schools, Churches, Condominiums & Townhouse		
Rate (\$/Acre)	\$435.83	\$458.93
Minimum Assessment <sup>(1)</sup>	\$108.96	\$114.73
Condominiums & Townhouses (\$/unit)	\$35.35	\$37.23
C – Single Family Residential, Small Multiples (2-4 units) <sup>(2)</sup>		
Minimum Assessment <sup>(1)</sup>	\$72.60	\$76.45
D – Utilized Agriculture <sup>(2)</sup>		
Rate (\$/Acre)	\$3.73	\$3.92
Minimum Assessment <sup>(1)</sup>	\$37.23	\$39.21
E – Urban – Nonutilized Agricultural, Grazing Land, Salt Ponds, Well Site in Urban Areas		
Rate (\$/Acre)	\$1.10	\$1.16
Minimum Assessment <sup>(1)</sup>	\$10.97	\$11.55
E – Rural – Nonutilized Agricultural, Grazing Land, Well Sites in Rural Areas		
Rate (\$/Acre)	\$0.15	\$0.16
Minimum Assessment <sup>(1)</sup>	\$10.97	\$11.55
<sup>(1)</sup> The minimum assessments shown for Categories A, B, and C apply to parcels ¼ acre or less in size. Category C parcels larger than ¼ acre pay the minimum assessment for the first ¼ acre and the remaining acreage is assessed at the Category D rate. For Category D, the minimum assessment applies to parcels less than 10 acres. The minimum assessment for Group E parcels is the amount charged for 10 acres of urban undeveloped land; the minimum assessment is the same for both the Urban Category and the Rural Category parcels, however the Rural Category applies to parcels of 80 acres or less.		
<sup>(2)</sup> Residential land in excess of ¼ acre is assessed at the “D” rate.		

## Senior Exemption

Legislation was passed in July 2001 to provide Valley Water with the discretion to exempt low-income parcel owners over 65 from the special tax consistent with Resolution 20-64. The exemption program was put in place for FY 2001–02. In 2018, Valley Water reformed the parcel tax exemption process through Assembly Bill 1889. This bill clarifies the need for Valley Water to confirm low income only once, making it easier for the seniors to stay on the exemption rolls. To date in FY 2022–23, 4,870 households have received the exemption, totaling approximately \$314,000. Exemptions and refunds total approximately \$5 million to date since program inception.

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

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

**Step 2:** Develop outreach strategies to provide program information directly to seniors and/or other agencies and organizations that provide senior services. The outreach steps include:

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

**Step 3:** Implement the outreach strategies once the informational materials are complete. The open enrollment period for the Senior Parcel Tax Exemption Program is April 15 to June 30, 2023. Staff will field phone calls, emails from a dedicated email address, provide in-person support for those who need additional information or assistance with the enrollment, attend resource fairs and community collaborative meetings to conduct presentations and help train/inform staff from other organizations about the exemption program so they can also help disseminate the information, and drop off information packets and enrollment applications at Senior Centers and other community based organizations throughout the county.

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

## Special Tax Levy Rolls and Collection

Applicable law provides that the special tax may be levied and collected by the County Tax Collector at the same time and in the same manner as the general tax levy. Following adoption of the special tax rates and receipt of updated assessor parcel data for FY 2023–24, Valley Water will prepare a Special Tax Roll identifying each parcel of land subject to the special tax and the associated tax amount. This information will be made available for review at Valley Water through the Clerk of the Board. The



Special Tax Roll showing parcel number and levy amount will be forwarded to the County Tax Collector in August 2023 to facilitate County collection of the special tax.

**FINANCIAL IMPACT:**

Setting the Safe, Clean Water and Natural Flood Protection special tax rates at staff recommended level for FY 2023–24 would provide adequate funding to meet operations, operating projects, debt service and transfer costs of \$37.1 million, as well as a projected capital appropriation of approximately \$42.4 million. Planned future expenditures reasonably indicate that the revenue raised next year will be spent according to the Safe, Clean Water and Natural Flood Protection program renewal report.

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

**RESOLUTION NO. 23-37**

**PROVIDING FOR LEVY OF THE SPECIAL TAX PURSUANT TO  
THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION MEASURE  
IN THE COMBINED FLOOD CONTROL ZONE OF THE SANTA CLARA VALLEY  
WATER DISTRICT AND AUTHORIZING A PROCEDURE FOR CORRECTING  
SPECIAL TAX AMOUNTS FOR FISCAL YEAR 2023-2024**

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

WHEREAS, more than two-thirds of the electors voting in Santa Clara County did favor a special tax measure in the November 3, 2020, General Election thereby approving the special tax specified in Resolution No. 20-64 for designated purposes.

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

FIRST: The Chief Executive Officer (CEO) of Valley Water has directed a summary report to be prepared for fiscal year July 1, 2023, through June 30, 2024, that includes the proposed special tax rates for that year ("Report"), and presented that Report on May 16, 2023, as an attachment to an agenda memorandum with the subject "Safe, Clean Water and Natural Flood Protection Special Tax Summary Report and Resolution Setting the Special Tax Rates for Fiscal Year 2023-2024 (FY 2023-24)."

SECOND: A special tax is hereby levied on each parcel of real property in the Combined Zone consisting of the aggregate metes and bounds of District Zones One, Two, Three, Four, and Five as presently existing ("Combined Zone") for the purposes stated in the Report, and as authorized according to the minimums and methods described in this resolution. Except for the minimum special tax as hereinafter indicated, the special tax for each parcel of real property in the Combined Zone is computed by determining that parcel's area in acres or fractions thereof, its land use category (as hereinafter defined), and then multiplying the area by the special tax rate applicable to land in such land use category. A minimum special tax shall be levied on each parcel of real property having a land area up to: (1) 0.25 acre for Groups A, B, and C; and (2) up to 10 acres for Groups D and E Urban. For Group E Rural, the minimum special tax shall be that as calculated for the E Urban category, but shall apply to parcels of 80 acres or less. A minimum special tax shall be levied in Group B per unit for condominiums and townhouses without regard to parcel size.

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

Group A: Land used for commercial or industrial purposes: \$611.91 per acre, \$152.96 minimum for parcels up to 0.25 acre.

Providing for Levy of the Special Tax Pursuant to the Safe, Clean Water and Natural Flood Protection Measure in the Combined Flood Control Zone of the Santa Clara Valley Water District and Authorizing a Procedure for Correcting Special Tax Amounts for Fiscal Year 2023-2024

Resolution No. 23-37

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- Group B: Land used for institutional purposes such as churches and schools or multiple dwellings in excess of four units, including (1) apartment complexes, mobile home parks, and recreational vehicle parks: \$458.93 per acre, \$114.73 minimum for parcels up to 0.25 acre; and (2) condominiums and townhouses: \$37.23 per unit.
- Group C: Parcels up to 0.25 acre used for single-family residences and multiple-family units up to four units: \$76.45. The first 0.25 acre of a parcel of land used for single-family residential purposes: \$76.45.
- Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses, and similar uses: \$3.92 per acre, \$39.21 minimum on parcels less than 10 acres. (2) The portion of a parcel, if any, in excess of 0.25 acre used for single-family residential purposes: \$3.92 per acre.
- Group E: Vacant undisturbed land (1) in urban areas: \$1.16 per acre, \$11.55 minimum on parcels less than 10 acres; and (2) in rural areas: \$0.16 per acre, with a \$11.55 minimum.
- Group F: Parcels used exclusively as well sites for residential uses are exempt from the special tax.

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

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

Residential parcels where the total annual household income does not exceed 75 percent of the latest available figure for state median income at the time the annual tax is set, and where such parcel is owned and occupied by at least one person who is aged 65 years or older, shall be exempt from the applicable special tax for fiscal year 2023-2024 upon requesting such exemption from Valley Water prior to or during fiscal year 2023-2024. Granting similar exemptions for fiscal years beyond fiscal year 2023-2024 will be made at the discretion of the Board.

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

Providing for Levy of the Special Tax Pursuant to the Safe, Clean Water and Natural Flood Protection Measure in the Combined Flood Control Zone of the Santa Clara Valley Water District and Authorizing a Procedure for Correcting Special Tax Amounts for Fiscal Year 2023-2024

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Resolution No. 23-37

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 16, 2023:

AYES: Directors Santos, Estremera, Beall, Hsueh, Keegan, Varela

NOES: Directors Eisenberg

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

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JOHN L. VARELA  
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

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Clerk, Board of Directors

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### Summary of Key Performance Indicators for the First 15 Years of Program

Project	Key Performance Indicator
<b>Priority A: Ensure a Safe, Reliable Water Supply</b>	
A1 Pacheco Reservoir Expansion	1. Provide a portion of funds, up to \$10 million, to help construct the Pacheco Reservoir Expansion Project.
A2 Water Conservation Rebates and Programs	1. Award up to \$1 million per year toward specified water conservation program activities, including rebates, technical assistance and public education within the first seven (7) years of the Program.
A3 Pipeline Reliability	1. Install four (4) new line valves on treated water distribution pipelines.

Project	Key Performance Indicator
<b>Priority B: Reduce Toxins, Hazards, and Contaminants in Our Waterways</b>	
B1 Impaired Water Bodies Improvement	<ol style="list-style-type: none"> <li>1. Investigate, develop and implement actions to reduce methylmercury in fish and other organisms in the Guadalupe River Watershed.</li> <li>2. Prepare and update a plan for the prioritization of surface water quality improvement activities, such as addressing trash and other pollutants.</li> <li>3. Implement at least two (2) priority surface water quality improvement activities identified in the plan per 5-year implementation period.</li> </ol>
B2 Inter-Agency Urban Runoff Program	<ol style="list-style-type: none"> <li>1. Address trash in creeks by maintaining trash capture devices or other litter control programs.</li> <li>2. Maintain Valley Water's municipal stormwater compliance program and partner with cities to address surface water quality improvements, including participation in at least three (3) countywide, regional or statewide stormwater program committees to help guide regulatory development, compliance, and monitoring.</li> <li>3. Support at least one (1) stormwater quality improvement activity per 5-year implementation period in Santa Clara County, including providing up to \$1.5 million over 15 years to support implementation of green stormwater infrastructure consistent with Santa Clara Basin and South County Stormwater Resource Plans.</li> </ol>
B3 Hazardous Materials Management and Response	<ol style="list-style-type: none"> <li>1. Respond to 100% of hazardous materials reports requiring urgent on-site inspection in two (2) hours or less.</li> </ol>
B4 Support Volunteer Cleanup Efforts	<ol style="list-style-type: none"> <li>1. Fund Valley Water's creek stewardship program to support volunteer cleanup activities such as annual National River Cleanup Day, California Coastal Cleanup Day, the Great American Litter Pick Up; and the Adopt-A-Creek Program.</li> </ol>

Project	Key Performance Indicator
<b>Priority C: Protect Our Water Supply and Dams from Earthquakes and Other Natural Disasters</b>	
C1 Anderson Dam Seismic Retrofit	1. Provide portion of funds, up to \$54.1 million, to help restore full operating reservoir capacity of 90,373 acre-feet.

Project	Key Performance Indicator
<b>Priority D: Restore Wildlife Habitat and Provide Open Space</b>	
D1 Management of Riparian Planting and Invasive Plant Removal	<ol style="list-style-type: none"> <li>1. Maintain a minimum of 300 acres of riparian planting projects annually to meet regulatory requirements and conditions.</li> <li>2. Maintain a minimum of 200 acres of invasive plant management projects annually to meet regulatory requirements and conditions.</li> <li>3. Remove 25 acres of <i>Arundo donax</i> throughout the county over a 15-year period.</li> </ol>
D2 Revitalize Riparian, Upland and Wetland Habitat	<ol style="list-style-type: none"> <li>1. Revitalize at least 21 acres over a 15-year period through native plant revegetation and/or removal of invasive exotic species.</li> <li>2. Develop an Early Detection and Rapid Response Program Manual.</li> <li>3. Identify and treat at least 100 occurrences of emergent invasive species over a 15-year period, as identified through the Early Detection and Rapid Response Program.</li> <li>4. Develop at least eight (8) information sheets for Early Detection of Invasive Plant Species.</li> </ol>
D3 Sediment Reuse to Support Shoreline Restoration	<ol style="list-style-type: none"> <li>1. Maintain partnership agreements to reuse sediment to improve the success of salt pond and tidal marsh restoration projects and activities.</li> <li>2. Provide up to \$4 million per 15-year period to support activities necessary for sediment reuse.</li> </ol>
D4 Fish Habitat and Passage Improvement	<ol style="list-style-type: none"> <li>1. Complete planning and design for one (1) creek/lake separation.</li> <li>2. Construct one (1) creek/lake separation project in partnership with local agencies.</li> <li>3. Use \$8 million for fish passage improvements by June 30, 2028.</li> <li>4. Update study of all major steelhead streams in the county to identify priority locations for fish migration barrier removal and installation of large woody debris and gravel as appropriate.</li> <li>5. Complete five (5) habitat enhancement projects based on studies that identify high priority locations for large wood, boulders, gravel, and/or other habitat enhancement features.</li> </ol>
D5 Ecological Data Collection and Analysis	<ol style="list-style-type: none"> <li>1. Reassess and track stream ecological conditions and habitats in each of the county's five (5) watersheds every 15 years.</li> <li>2. Provide up to \$500,000 per 15-year period toward the development and updates of five (5) watershed plans that include identifying priority habitat enhancement opportunities in Santa Clara County.</li> </ol>
D6 Restoration of Natural Creek Functions	<ol style="list-style-type: none"> <li>1. Construct the Hale Creek Enhancement Pilot Project, which includes restoration and stabilization of a 650-foot section of concrete-lined channel on Hale Creek, between Marilyn Drive and North Sunshine Drive on the border of Mountain View and Los Altos.</li> <li>2. Construct the Bolsa Road Fish Passage Project along 1,700 linear feet of Uvas-Carnadero Creek in unincorporated Santa Clara County, which includes geomorphic design features that will restore stability and stream function.</li> <li>3. Identify, plan, design, and construct a third geomorphic-designed project to restore stability and stream function by preventing incision and promoting sediment balance throughout the watershed.</li> </ol>



Priority D: Restore Wildlife Habitat and Provide Open Space cont...	
D7 Partnerships for the Conservation of Habitat Lands	1. Provide up to \$8 million per 15-year period for the acquisition or enhancement of property for the conservation of habitat lands.

Project	Key Performance Indicator
Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways	
E1 Coyote Creek Flood Protection, Montague Expressway to Tully Road – San Jose	1. Construct flood protection improvements along Coyote Creek between Montague Expressway and Tully Road to provide protection from floods up to the level that occurred on February 21, 2017, approximately a 5% (20-year) flood event.
E2 Sunnyvale East and Sunnyvale West Channels Flood Protection, San Francisco Bay to Inverness Way and Almanor Avenue – Sunnyvale	1. Provide 1% (100-year) flood protection for 1,618 properties and 47 acres (11 parcels) of industrial land, while improving stream water quality and working with other agencies to incorporate recreational opportunities.
E3 Lower Berryessa Flood Protection, including Tularcitos and Upper Calera Creeks (Phase 3) – Milpitas	1. With local funding only: Complete the design phase of the 1% (100-year) flood protection project to protect an estimated 1,420 parcels.
E4 Upper Penitencia Creek Flood Protection, Coyote Creek to Dorel Drive – San Jose	1. Preferred project with federal and local funding: Construct a flood protection project to provide 1% (100-year) flood protection to 8,000 parcels. 2. With local funding only: Construct a 1% (100-year) flood protection project from Coyote Creek confluence to Capital Avenue to provide 1% (100-year) flood protection to 1,250 parcels, including the new Berryessa BART station.
E5 San Francisquito Creek Flood Protection, San Francisco Bay to Upstream of Highway 101 – Palo Alto	1. Preferred project with federal, state and local funding: Protect more than 3,000 parcels by providing 1% (100-year) flood protection. 2. With state and local funding only: Protect approximately 3,000 parcels by providing 1% (100-year) flood protection downstream of Highway 101, and approximately 1.4% (70-year) protection upstream of Highway 101.

<b>Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways cont...</b>	
E6 Upper Llagas Creek Flood Protection, Buena Vista Avenue to Llagas Road – Morgan Hill, San Martin, Gilroy	<ol style="list-style-type: none"> <li>1. Preferred project with federal and local funding: Plan, design and construct flood protection improvements along 13.9 miles of Upper Llagas Creek from Buena Vista Avenue to Llagas Road to provide flood protection to 1,100 homes, 500 businesses, and 1,300 agricultural acres, while improving stream habitat.</li> <li>2. With local funding only: Construct flood protection improvements along Llagas Creek from Buena Vista Avenue to Highway 101 in San Martin (Reaches 4 and 5 (portion)), Monterey Road to Watsonville Road in Morgan Hill (Reach 7a), approximately W. Dunne Avenue to W. Main Avenue (portion of Reach 8), and onsite compensatory mitigation at Lake Silveira.</li> </ol>
E7 San Francisco Bay Shoreline Protection – Milpitas, Mountain View, Palo Alto, San Jose, Santa Clara, and Sunnyvale	<ol style="list-style-type: none"> <li>1. Provide portion of the local share of funding for planning, design and construction phases for the Santa Clara County shoreline area, EIAs 1-4.</li> <li>2. Provide portion of the local share of funding for planning and design phases for the Santa Clara County shoreline area, EIAs 5-9.</li> </ol>
E8 Upper Guadalupe Flood Protection, Highway 280 to Blossom Hill Road – San Jose	<ol style="list-style-type: none"> <li>1. Preferred project with federal and local funding: Construct a flood protection project to provide 1% (100-year) flood protection to 6,280 homes, 320 businesses and 10 schools and institutions.</li> <li>2. With local funding only: Construct flood protection improvements along 4,100 feet of Guadalupe River between the Southern Pacific Railroad (SPRR) crossing, downstream of Willow Street, to the Union Pacific Railroad (UPRR) crossing, downstream of Padres Drive, and provide gravel augmentation along approximately 800 linear feet of the Upper Guadalupe River in San Jose, from approximately the Union Pacific Railroad Bridge to West Virginia Street Bridge to improve aquatic habitat for migrating steelhead and channel stability.</li> </ol>

<b>Project</b>	<b>Key Performance Indicator</b>
<b>Priority F: Support Public Health and Public Safety for Our Community</b>	
F1 Vegetation Control and Sediment Removal for Capacity	<ol style="list-style-type: none"> <li>1. Maintain completed flood protection projects for flow conveyance.</li> </ol>
F2 Emergency Response Planning and Preparedness	<ol style="list-style-type: none"> <li>1. Coordinate with local municipalities to merge Valley Water-endorsed flood emergency processes with their own emergency response plans and processes.</li> <li>2. Complete five (5) flood management plans/procedures per 5-year period, selected by risk priorities.</li> <li>3. Train Valley Water staff and partner municipalities annually on disaster procedures via drills and exercises before testing the plans and procedures.</li> <li>4. Test flood management plans/procedures annually to ensure effectiveness.</li> </ol>
F3 Flood Risk Assessment Studies	<ol style="list-style-type: none"> <li>1. Complete engineering studies on three (3) creek reaches to address 1% (100-year) flood risk.</li> <li>2. Annually, update floodplain maps on a minimum of three (3) creek reaches in accordance with new FEMA standards.</li> </ol>

Priority F: Support Public Health and Public Safety for Our Community cont...	
F4 Vegetation Management for Access and Fire Safety	<ol style="list-style-type: none"> <li>1. Provide vegetation management for access and fire risk reduction on an average of 495 acres per year, totaling 7,425 acres along levee, property lines and maintenance roads over a 15-year period.</li> </ol>
F5 Good Neighbor Program: Encampment Cleanup	<ol style="list-style-type: none"> <li>1. Perform 300 annual cleanups to reduce the amount of trash and pollutants entering the streams.</li> <li>2. Provide up to \$500,000 per year in cost-share with other agencies for services related to encampment cleanups, including services supporting staff safety, discouraging re-encampments along waterways or addressing the homelessness crisis with the goal of reducing the need for encampment cleanups.</li> </ol>
F6 Good Neighbor Program: Graffiti and Litter Removal and Public Art	<ol style="list-style-type: none"> <li>1. Cleanup identified trash and graffiti hotspots at approximately 80 sites four (4) times per year.</li> <li>2. Respond to requests on litter or graffiti cleanup within five (5) working days.</li> <li>3. Provide up to \$1.5 million over 15 years to implement public art projects on Valley Water property and infrastructure.</li> </ol>
F7 Emergency Response Upgrades	<ol style="list-style-type: none"> <li>1. Maintain existing capabilities for flood forecasting and warning.</li> <li>2. Improve flood forecast accuracy and emergency response time working with the National Weather Service and through research and development.</li> </ol>
F8 Sustainable Creek Infrastructure for Continued Public Safety	<ol style="list-style-type: none"> <li>1. Provide up to \$7.5 million in the first 15-year period to plan, design and construct projects identified through Watersheds asset management plans.</li> </ol>
F9 Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship	<ol style="list-style-type: none"> <li>1. Provide a grant and partnership cycle each year for projects related to safe, clean drinking water, flood protection and environmental stewardship.</li> <li>2. Provide annual funding for bottle filling stations to increase drinking water accessibility, with priority for installations in economically disadvantaged communities and locations that serve school-age children and students.</li> <li>3. Provide annual mini-grant funding opportunity for projects related to safe, clean drinking water, flood protection and environmental stewardship.</li> <li>4. Provide up to \$3 million per 15-year period for partnerships with small municipalities (defined as under 50,000 people in the most recent census available), or special districts with boundaries substantially within the footprint of small cities, for projects aligned with the District Act and related to safe, clean drinking water, flood protection and environmental stewardship.</li> </ol>

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