RESOLUTION NO. 12-62

PROVIDING FOR THE CONTINUATION AND LEVY OF A SPECIAL TAX TO PAY THE COST OF A SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM IN THE COMBINED FLOOD CONTROL ZONE OF THE SANTA CLARA VALLEY WATER DISTRICT SUBJECT, NEVERTHELESS, TO SPECIFIED LIMITS AND CONDITIONS

WHEREAS, Santa Clara Valley Water District (District) policy is to ensure current and future water supplies and provide healthy, clean and reliable water in Santa Clara County; and

WHEREAS, District policy is to ensure reliable, clean water supplies for Santa Clara County and to protect Santa Clara County creeks, reservoirs, Monterey Bay, and San Francisco Bay from contaminants; and

WHEREAS, District policy is to provide for flood water and storm water flood protection to residents, businesses, visitors, public highways, and the watercourses flowing within the District; and

WHEREAS, District policy is to protect our water supply, pipelines and local dams from earthquakes and natural disasters; and

WHEREAS, the District maintains a flood protection system of levees, channels, drains, debris basins and other improvements upon which the lives and property of District residents depend, which said improvements must be kept in a safe and effective condition; and

WHEREAS, the District policy is to protect, enhance and restore healthy Santa Clara County creeks, watersheds and baylands ecosystems; and

WHEREAS, the need for protection of Santa Clara County water supplies, creeks, watersheds and baylands has increased since the voters passed the Clean, Safe Creeks and Natural Flood Protection Plan in 2000; and

WHEREAS, the District policy is to engage in partnerships with the community to provide open spaces, trails and parks along Santa Clara County creeks and watersheds; and

WHEREAS, the California State Legislature has authorized the District to levy a special tax on each parcel of property within the District or any zone or zones thereof upon receiving the approving vote of a two-thirds majority of the electorate of the District or zones therein; and

WHEREAS, the purpose of the special tax is to supplement other available but limited revenues to keep said improvements in a safe and effective condition; to enable the District to respond to emergencies; to perform maintenance and repair; to acquire, restore and preserve habitat; to provide recreation; to conduct environmental education; to protect and improve water quality; and, to construct and operate flood protection and storm drainage facilities; including in each case the cost of financing such activities; and

WHEREAS, State California Environmental Quality Act (CEQA) Guidelines section 15378(b)(4), states that government funding mechanisms are not projects subject to the requirements of CEQA.

Resolution Providing for the Establishment and Levy of a Special Tax to Pay the Cost of a Safe, Clean Water and Natural Flood Protection Program in the Combined Flood Control Zone of the Santa Clara Valley Water District Subject, Nevertheless, to Specified Limits and Conditions

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

FIRST: The Board hereby finds that since (a) the management of creeks, watersheds and baylands to ensure safe, clean water and to protect, enhance and restore healthy ecosystems; and the construction and management of flood protection services, are made necessary by stormwater runoff, and (b) the lands from which runoff derives are benefitted by provision of means of disposition which alleviates or ends the damage to other lands affected thereby, by direct protection of loss of property, and other indirect means which include improved aesthetics and quality of life, the basis on which to levy the special tax is at fixed and uniform rates per area and county or city designated land use of each parcel, taxed as such parcel is shown on the latest tax rolls.

SECOND: Pursuant to the authority of Section 3 of the District Act, a Combined Zone consisting of the aggregate metes and bounds descriptions of Zones One, Two, Three, Four and Five is presently existing.

THIRD: A special District Election will be called within said District, on the proposition of levy of a special tax.

FOURTH: Subject to approval by two-thirds of the electors of the District voting at such election and pursuant to the authority vested in the Board, there is hereby established a special tax as authorized by this resolution, the proceeds of which shall be used solely for the purpose of supporting the priorities of the Safe, Clean Water and Natural Flood Protection program. The priorities are summarized in Table 1. The Safe, Clean Water and Natural Flood Protection Program Report (hereafter "Report") generally describes the priorities. This tax shall be instituted with the following provisions:

A. The Chief Executive Officer (CEO) or designee of the District is directed to cause a written Report to be prepared for each fiscal year for which a special tax is to be levied and to file and record the same, all as required by governing law. Said Report shall include the proposed special tax rates for the upcoming fiscal year at any rate up to the maximum rate approved by the voters. A special fund shall be established into which proceeds from the tax shall be deposited. Proceeds from the tax may used only for the Safe, Clean Water and Natural Flood Protection Program.

B. The CEO, or designee of the District may cause the special tax to be corrected in the same manner as assessor's or assessee's errors may be corrected but based only upon any or all of the following:

1. Changes or corrections in ownership of a parcel;

2. Changes or corrections of address of an owner of a parcel;

3. Subdivision of an existing parcel;

4. Changes or corrections in the use of all or part of a parcel;

5. Changes or corrections in the computation of the area of a parcel;

6. As to railroad, gas, water, telephone, cable television, electric utility right of way, electric line right of way or other utility right of way properties.

Changes and corrections are not valid unless and until approved by the Board.

C. The Clerk of the Board shall immediately file certified copies of the final determination of special taxes and confirming resolution with the Auditor-Controller of the County of Santa Clara and shall immediately record with the County Recorder of said County a certified copy of the resolution confirming the special tax.

D. The special tax for each parcel set forth in the final determination by the Board shall appear as a separate item on the tax bill and shall be levied and collected at the same time and in the same manner as the general tax levy for county purposes. Upon recording of the resolution confirming the special tax such special tax shall be a lien upon the real property affected thereby.

E. Failure to meet the time limits set forth in this resolution for whatever reason shall not invalidate any special tax levied hereunder.

F. No special tax for the Safe, Clean Water and Natural Flood Protection Program shall be imposed upon a federal or state or local governmental agency. With said exception, a Safe, Clean Water and Natural Flood Protection Program special tax is levied on each parcel of real property in the five Flood Control Zones of the District subject to this resolution for the purposes stated in the Report and in this Resolution. Except for the minimum special tax as hereinafter indicated, the special tax for each parcel of real property in each such zone is computed by determining its area (in acres or fractions thereof) and 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 may be levied on each parcel of real property having a land area up to 0.25 acre for Groups A, B, and C, up to 10 acres for Groups D and E Urban and, for Group E Rural, the minimum special tax shall be that as calculated for the E Urban category.

G. Land use categories for each parcel of land in the District are defined and established 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.

H. The special tax amounts applicable to parcels in the various land uses shall be as prescribed by the Board of Directors in each fiscal year (July 1 through June 30) beginning with fiscal year 2013-2014 all as stated above, in the Report and as required by law; provided, that the annual basic special tax unit (single family residential parcel) shall not exceed a maximum limit of $56, as adjusted by the compounded percentage increases of the San Francisco-Oakland-San Jose Consumer Price Index (CPI-U) for all Urban Consumers (or an equivalent index published by a government agency) in the year or years since April 30, 2013; provided, however that appropriate amounts may be increased in any year by up to the larger of the percentage increase of the San Francisco-Oakland-San Jose Consumer Price Index for all Urban Consumers in the preceding year or three percent (3%); and provided, further, however that in any period, not exceeding three years, immediately following a year in which the Governor of the State of California or the President of the United States has declared an area of said zones to be a disaster area by reason of flooding or other natural disaster, then to the extent of the cost of repair of District facilities damaged by such flooding or other natural disaster, the maximum tax rate shall be the percentage increase in CPI-U plus 4.5 percent and provided, that special taxes for the Safe, Clean Water and Natural Flood Protection Program shall be levied for a total of 15 years and, therefore, shall not be levied beyond June 30, 2029.

I. Pursuant to the State California Environmental Quality Act (CEQA) Guidelines section 15378(b)(4), adoption of this resolution for continuation of the parcel tax and as a government funding mechanism, is not a project subject to the requirements of CEQA. Prior to commencement of any project included in the Safe, Clean Water and Natural Flood Protection Program, any necessary environmental review required by CEQA shall be completed.

J. The Board of Directors may direct that proposed projects in the Safe, Clean Water and Natural Flood Protection Program be modified or not implemented depending upon a number of factors, including federal and state funding limitations and the analysis and results of CEQA environmental review. The Board of Directors must hold a formal, public hearing on the matter, which will be noticed by publication and notification to interested parties, before adoption of any such decision to modify or not implement a project.

K. In the event that the county or city designated land use for a parcel is different than the actual land use, the CEO of the District may, pursuant to written policies and procedures, cause the special tax to be adjusted based upon any or all of the following:

1. The parcel owner shall provide the District a claim letter stating that the present actual land use is different than the county or city designated land use, including an estimate of the portion of the parcel that is different than the designated land use. Such claim is subject to investigation by the District as to the accuracy of the claim. Parcel owner shall furnish information deemed necessary by the District to confirm the actual uses and areas in question which may include, but not be limited to, a survey by a licensed surveyor.

2. The parcel owner shall request the District to inspect the parcel and reevaluate the parcel tax.

3. The parcel owner shall notify the District after a substantial change in the actual land use occurs, including a new estimate of the portion of the parcel that is different than the designated land use.

4. The District may inspect and verify the actual land use for these parcels on a regular basis and will notify the appropriate parcel owners when it is determined that the actual land use has matched a county or city designated land use. The District shall then correct the special tax rates for these parcels accordingly.

L. Pursuant to state law, the District may provide an exemption from the special tax for low income owner-occupied residential properties for taxpayer-owners who are 65 years of age or older, the following shall apply:

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 such parcel is owned and occupied by at least one person who is aged 65 years or older is qualified to apply for an exemption from the applicable special tax.

M. An external, independent monitoring committee shall be appointed by the District Board of Directors to conduct an annual audit and provide an annual Report to the Board of Directors regarding implementation of the intended results of the Safe, Clean Water and Natural Flood Protection Program; at the fifth and tenth anniversaries of the Safe, Clean Water and Natural Flood Protection Program, the committee will identify to the District Board of Directors such modifications as may be reasonably necessary to meet the priorities of the Safe, Clean Water and Natural Flood Protection Program.

N. During the Safe, Clean Water and Natural Flood Protection Program period, the Board of Directors shall conduct at least two professional audits of the Program to provide for accountability and transparency.

O. Upon entering into effect, the Safe, Clean Water and Natural Flood Protection Program parcel tax authorized by this resolution and placed on the ballot by RESOLUTION NO. 12-63 will repeal and replace the Clean, Safe Creeks and Natural Flood Protection Plan parcel tax approved by the voters in 2000. On the date that the parcel tax authorized by

this resolution and RESOLUTION NO. 12-63 goes into effect, the Safe, Clean Water and Natural Flood Protection Program will replace in its entirety the Clean, Safe Creeks and Natural Flood Protection Plan; any tax payments already made by voters and collected for use by the Water District for the Clean, Safe Creeks and Natural Flood Protection Plan will be used to achieve priorities identified in the Safe, Clean Water and Natural Flood Protection Program. Funding for capital projects currently identified in the Clean, Safe Creeks and Natural Flood Protection Plan, will continue under the Safe, Clean Water and Natural Flood Protection Program to meet previous commitments. All other projects and programs identified in the Clean, Safe Creeks and Natural Flood Protection Plan will be replaced by comparable projects or programs with similar or expanded obligations under the Safe, Clean Water and Natural Flood Protection Program.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on July 24, 2012:

AYES:	Directors	T. Estremera, P. Kwok, D. Gage, J. Judge, R. Santos, B. Schmidt, L. LeZotte
NOES:	Directors	None.
ABSENT:	Directors	None.
ABSTAIN:	Directors	None.

SANTA CLARA VALLEY WATER DISTRICT

By: _____
LINDA J. LEZOTTE
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

_____
Clerk/Board of Directors

1928119.1

TABLE 1 - RESOLUTION NO. 2012- 62

Providing for the continuation and levy of a special tax to pay the cost of a Safe, Clean Water and Natural Flood Protection Program in the combined flood control zone of the Santa Clara Valley Water District subject, nevertheless, to specified limits and conditions

Summary of Key Performance Indicators for the 15-Year Program

Project	Key Performance Indicator
Priority A: Ensure a Safe, Reliable Water Supply	
A1 Main and Madrone Avenue Pipelines Restoration	1. Restore transmission pipelines to full operating capacity of 37 cubic feet per second from Anderson Reservoir. 2. Restore ability to deliver 20 cubic feet per second to Madrone Channel.
A2 Safe, Reliable Water Grants and Partnerships	1. Award up to $1 million to test new conservation activities. 2. Increase number of schools in Santa Clara County in compliance with SB 1413 and the Healthy Hunger-Free Kids Act, regarding access to drinking water by awarding 100% of eligible grant requests for the installation of hydration stations; a maximum of 250 grants up to $254k. 3. Reduce number of private well water users exposed to nitrate above drinking water standards by awarding 100% of eligible rebate requests for the installation of nitrate removal systems; a maximum of 1000 rebates up to $702k.
A3 Pipeline Reliability Project	1. Install 4 new line valves on treated water distribution pipelines.

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Summary of Key Performance Indicators for the 15-Year Program

Project	Key Performance Indicator
Priority B: Reduce Toxins, Hazards, and Contaminants in our Waterways	
B1 Impaired Water Bodies Improvement	1. Operate and maintain existing treatment systems in 4 reservoirs to remediate regulated contaminants, including mercury. 2. Prepare plan for the prioritization of pollution prevention and reduction activities. 3. Implement priority pollution prevention and reduction activities identified in the plan in 10 creeks.
B2 Inter-Agency Urban Runoff Program (includes Santa Clara Valley Urban Runoff Pollution Prevention and South County programs)	1. Install at least 2 and operate 4 trash capture devices at stormwater outfalls in Santa Clara County. 2. Maintain partnership with cities and County to address surface water quality improvements. 3. Support 5 pollution prevention activities to improve surface water quality in Santa Clara County either independently or collaboratively with south county organizations.
B3 Pollution Prevention Partnerships and Grants	1. Provide 7 grant cycles and 5 partnerships that follow pre-established competitive criteria related to preventing or removing pollution.
B4 Good Neighbor Program: Illegal Encampment Cleanup	1. Perform 52 annual clean-ups for the duration of the SCW program to reduce the amount of trash and pollutants entering the stream.
B5 Hazardous Materials Management and Response	1. Respond to 100% of hazardous materials reports requiring urgent on-site inspection in two hours or less.
B6 Good Neighbor Program: Remove graffiti and litter	1. Conduct 60 clean-up events (4 per year). 2. Respond to requests on litter or graffiti cleanup within 5 working days.
B7 Support Volunteer Cleanup Efforts and Education	1. Provide 7 grant cycles and 3 partnerships that follow pre-established competitive criteria related to cleanups, education and outreach, and stewardship activities. 2. Fund District support of annual National River Clean Up day, California Coastal Clean Up Day, the Great American Pick Up, and fund the Adopt-A-Creek Program.

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Summary of Key Performance Indicators for the 15-Year Program

Project	Key Performance Indicator
Priority C: Protect Our Water Supply and Dams From Earthquakes and Other Natural Disasters	
C1 Anderson Dam Seismic Retrofit	1. Provide portion of funds, up to $45 million, to help restore full operating reservoir capacity of 90, 373 acre-feet.
C2 Emergency Response Upgrades	1. Map, install, and maintain gauging stations and computer software on seven flood-prone reaches to generate and disseminate flood warnings.

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Summary of Key Performance Indicators for the 15-Year Program

Project	Key Performance Indicator
Priority D: Restore Wildlife Habitat and Provide Open Space Access	
D1 Management of Revegetation Projects	1. Maintain a minimum of 300 acres of revegetation projects annually to meet regulatory requirements and conditions.
D2 Revitalize Riparian, Upland and Wetland Habitat	1. Revitalize at least 21 acres, **guided by the 5 Stream Corridor Priority Plans**, through native plant revegetation and removal of invasive exotic species. **2. Provide funding for revitalization of at least 7 of 21 acres through community partnerships.** **3. Develop at least 2 plant palettes for use on revegetation projects to support birds and other wildlife.**
D3 Partnerships and Grants to Restore Wildlife Habitat and Provide Access to Trails	1. Develop 5 Stream Corridor Priority Plans to prioritize stream restoration activities. 2. Provide 7 grant cycles and additional partnerships for $21 million that follow pre-established criteria related to the creation or restoration of wetlands, riparian habitat and favorable stream conditions for fisheries and wildlife, and providing new public access to trails.
D4 Fish Habitat and Passage Improvements	1. Complete planning and design for two creek/lake separations. 2. Construct one creek/lake separation project in partnership with local agencies. **3. Use $6 million for fish passage improvements.** 4. Conduct study of all major steelhead streams in the County to identify priority locations for installation of large woody debris and gravel as appropriate. 5. Install large woody debris and/or gravel at a minimum of 5 sites (1 per each of 5 major watersheds).
D5 Ecological Data Collection and Analysis	1. Establish new or track existing ecological levels of service for streams in 5 watersheds. 2. Re-assess streams in 5 watersheds to determine if ecological levels of service are maintained or improved.
D6 Creek Restoration and Stabilization	1. Construct 3 geomorphic designed projects to restore stability and stream function by preventing incision and promoting sediment balance throughout the watershed.
D7 Partnerships for the Conservation of Habitat Lands	1. Provide up to $8 million for the acquisition of property for the conservation of habitat lands.
D8 South Bay Salt Ponds Restoration Partnership	1. Establish agreement with the US Fish and Wildlife Service to reuse sediment at locations to improve the success of Salt Pond restoration activities. 2. Construct site improvements up to $4 million to allow for transportation and placement of future sediment.

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Summary of Key Performance Indicators for the 15-Year Program

Project	Key Performance Indicator (KPI)
Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets and Highways	
E1.1 Vegetation Control for Capacity	1. Maintain 90% of improved channels at design capacity.
E1.2 Sediment Removal for Capacity	
E1.3 Maintenance of Newly Improved Creeks	
E1.4 Vegetation Management for Access	1. Provide vegetation management for 6,120 acres along levee & maintenance roads.
E2.1 Coordination with Local Municipalities on Flood Communication	1. Coordinate with agencies to incorporate District-endorsed flood emergency procedures into their Emergency Operations Center plans.
E2.2 Flood-Fighting Action Plans	1. Complete 5 flood-fighting action plans (one per major watershed).
E3 Flood Risk Reduction Studies	1. Complete engineering studies on 7 creek reaches to address 1% flood risk. 2. Update floodplain maps on a minimum of 2 creek reaches in accordance with new FEMA standards.

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Summary of Key Performance Indicators for the 15-Year Program

Project	Key Performance Indicator (KPI)
Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets and Highways	
E4 Upper Penitencia Creek	1. With federal and local funding, construct a flood protection project to provide 1 percent flood protection to 5,000 homes, businesses and public buildings. 2. With local funding only, acquire all necessary right-of-ways and construct a 1 percent flood protection project from Coyote Creek confluence to King Road.
E5 San Francisquito Creek	1. With federal and local funding, protect more than 3,000 parcels by providing 1 percent flood protection. 2. With local funding only, protect approximately 3,000 parcels from flooding (100-year protection downstream of HWY 101, 50-year protection upstream of HWY 101).
E6 Upper Llagas Creek	1. With federal and local funding, provide flood protection to 1,100 homes, 500 businesses, and 1,300 agricultural acres, while improving stream habitat. 2. With local funding only, provide 100-year flood protection for Reach 7 only (up to W. Dunne Avenue in Morgan Hill). A limited number of homes and businesses will be protected.
E7 San Francisco Bay Shoreline Study	1. Provide portion of the local share of funding for planning and design phases for the former salt production ponds and Santa Clara County shoreline area. **2. Provide portion of the local share of funding toward estimated cost of initial project phase (Economic Impact Area 11).**
E8 Upper Guadalupe River	1. With federal and local funding, construct a flood protection project to provide 1 percent flood protection to 6,280 homes, 320 businesses and 10 schools and institutions. 2. With local funding only, construct flood protection improvements along 4,100 feet of Guadalupe River between SPRR crossing, downstream of Willow Street, to UPRR crossing, downstream of Padres Drive. Flood damage will be reduced; however, protection from the 1-percent flood is not provided until completion of the entire Upper Guadalupe River Project.