

FLOOD CONTROL BENEFIT ASSESSMENTS

FOR FISCAL YEARS

2026-2027
Through
2029-2030

April 2026



SANTA CLARA VALLEY WATER DISTRICT

FLOOD CONTROL BENEFIT ASSESSMENTS

FOR FISCAL YEARS

2026-2027

Through

2029-2030

Prepared by

Feliser Lee
Program Administrator

And

Carmen Narayanan
Financial Planning and Revenue Manager

Under the Direction of

Chris Hakes
Chief Operating Officer – Watershed Operations

April 2026

VALLEY WATER BOARD OF DIRECTORS

John L. Varela	District 1	Nai Hsueh	District 5
Shiloh Ballard	District 2	Tony Estremera, Chair	District 6
Richard P. Santos, Vice Chair	District 3	Rebecca Eisenberg	District 7
Jim Beall	District 4		

TABLE OF CONTENTS

	Page
INTRODUCTION/SUMMARY.....	1
BACKGROUND	3
FLOOD CONTROL BENEFIT ASSESSMENTS.....	7
FY 2025-26 BENEFIT ASSESSMENT RATES	8
EXPECTED FY 2026-27 BENEFIT ASSESSMENT RATES	9
PROJECTED BENEFIT ASSESSMENT RATES.....	10
ASSESSMENT ROLLS AND COLLECTION	11

Maps

Santa Clara County Flood Control Zones & One Percent Flood Limits.....	2
--	---

Tables

Table 1 – Flood Control Benefit Assessment - Debt Obligation Schedule & End of Year Principal Balance.....	6
Table 2 – FY 2025-26 Assessments by Category and Zone.....	8
Table 3 – Expected FY 2026-27 Assessments by Category and Zone.....	9

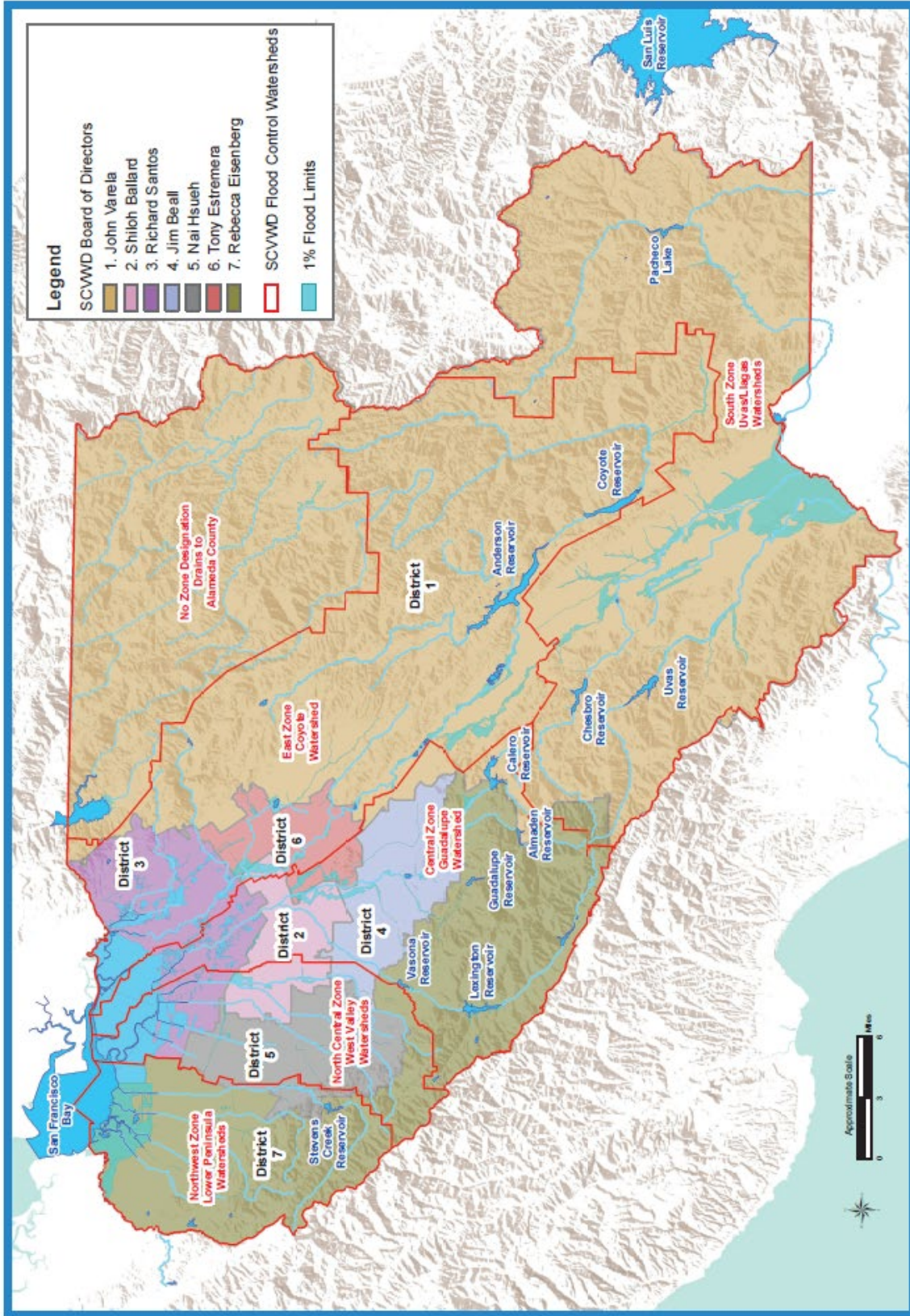
INTRODUCTION/SUMMARY

This Flood Control Benefit Assessment report is prepared in accordance with voter-approved Santa Clara Valley Water District (Valley Water) resolutions. It presents annual revenue requirements for fiscal years 2026-27 through 2029-30 for each of the five flood control zones throughout Valley Water (see map on page 2 for zone locations). Commencing on July 1, 2000, Valley Water benefit assessments are limited to pay qualified debt obligations and covenants only.

The qualified debt obligations in each of the zones are for debt service and associated covenants of outstanding Certificates of Participation (long-term financing instruments similar to bonds). The proceeds from these long-term debt obligations have been or will be used to plan, design and build flood protection facilities. Major projects partially financed with debt proceeds include Calabazas Creek from Guadalupe Slough to Miller Avenue, Coyote Creek from San Francisco Bay to Montague Expressway, Adobe Creek upstream of El Camino Real, Matadero Creek, Llagas Creek and the Guadalupe River projects.

This report serves as the base report for the public hearings on flood control benefit assessments for FY 2026-27 and subsequent fiscal years until 2029-30.

Information on the flood control benefit assessment for an individual parcel as well as the initial detailed Valley Water reports describing the need for supplemental flood control revenue from benefit assessments are available for review through the Clerk of the Board at Valley Water's office located at 5700 Almaden Expressway, San Jose, California.



GIS themes are for illustration and general analysis purposes only and are not accurate to surveying or engineering standards. Information is not guaranteed to be accurate, current, or complete and use of this information is your responsibility.
 0003100112016_0201800_WaterSheds_amsA_2025.mxd 11x8.5 3/13/2025

BACKGROUND

INITIATION OF BENEFIT ASSESSMENT PROGRAM

After passage of Proposition 13 in 1978, revenue for Valley Water flood control activities was significantly decreased. The State Legislature recognized the vital public safety service furnished by local flood control districts and passed Assembly Bill 549 (Frazee) in 1979. This legislation authorized flood control districts to levy benefit assessments to help fund flood control programs. The law permitted flood control benefit assessments to be spread according to the proportional storm water runoff from each parcel of property within the assessed area and required voter approval to continue such levy after the first year. On June 9, 1981, following a public hearing, the Board of Directors (Board) adopted a 10-year flood control benefit assessment program and levied assessments for one year beginning with 1981-82. They put the issue of continuing the benefit assessments for nine more years on the June 8, 1982, ballot for all zones. The measure was overwhelmingly approved by the voters.

REVISED BENEFIT ASSESSMENTS TO ACCELERATE CONSTRUCTION (1986 & 1990)

Following major floods and flood damage in 1982, 1983, and 1986, the Board reviewed the effectiveness of the benefit assessments and found that unless additional funding was made available, many of the needed flood protection projects would not be completed until well past the year 2010. The Board, with recommendations from the Flood Control Zone Advisory Committees, went to the electorate on November 4, 1986, in four zones, the Northwest, Central, East, and South to 1) increase benefit assessment rate limits so construction of flood protection projects could be accelerated, 2) extend the benefit assessment program to the year 2000, 3) use benefit assessments to meet duly authorized debt obligations beyond the year 2000 until retired, and 4) meet flood damage costs to Valley Water facilities from flood disasters. The voters approved the benefit assessment measures in each of these zones. On June 5, 1990, voters approved a similar measure in the North Central zone.

Pursuant to the 1986 and 1990 voter approved benefit assessment programs described above, as of July 1, 2000, benefit assessment rates are determined solely by each zone's long-term debt obligations. Valley Water cannot increase annual debt obligations supported by benefit assessments in excess of amounts in place on July 1, 2000 unless a new measure is approved by voters.

DEBT OBLIGATION REFUNDING (2003)

In February 2003, Valley Water refinanced a portion of the outstanding 1994A Series Certificates of Participation to take advantage of a favorable interest rate market. Valley Water realized cost savings in three of the 5 watershed zones; Central, East and North Central. In the Central and North Central zones, the Board determined that the best use of the savings was to increase the amount of debt while maintaining the yearly debt service at the current level. The additional debt was used to supplement voter approved projects in those zones. Savings achieved in the East zone were not eligible to fund projects, but instead were used to reduce debt service and the

associated benefit assessments. Table 1 reflects the change to the benefit assessment debt obligation in the East zone, a reduction of roughly \$130,000 per year beginning in 2004. The refinancing resulted in slight insignificant changes to the debt obligation in all other zones.

DEBT OBLIGATION REFUNDING (2004)

The remaining portion of the 1994A Certificates of Participation (COP's) became eligible for refunding on November 3, 2003. Since the remaining portion was allocated to the advance refunding of the Series 1988 and Series 1990 COP's, tax law requires that a ten year period of time elapse prior to the second advance refunding, marked by November 3, 2003 in this case. In January, 2004, Valley Water refinanced this remaining portion of the outstanding 1994A Series Certificates of Participation to again take advantage of the favorable interest rate market. Valley Water realized cost savings in two of the five watershed zones; Northwest and South. In the Northwest zone, the Board determined that the best use of the savings was to increase the amount of debt while maintaining the yearly debt service at the current level. The additional debt was used to supplement voter approved projects in that zone.

Savings achieved in the South zone were not eligible to fund projects, but instead were used to shorten the term over which the debt service would be paid and associated benefit assessments would be collected. Table 1 on the following page reflects the change to the benefit assessment debt obligation in the South zone, in which the debt obligation is paid off by the year 2013 instead of 2024. The refinancing resulted in slight insignificant changes to the debt obligation in all other zones.

DEBT OBLIGATION REFUNDING (2007)

In February, 2007 Valley Water refinanced the outstanding portion of the 2000 Series Certificates of Participation to take advantage of a favorable interest rate market. Valley Water realized cost savings in four of the 5 watershed zones; Northwest, North Central, Central, and East. No debt was issued for the South zone under the 2000 Series debt issuance; therefore, the South zone was not affected by the refunding. In the four affected zones, the Board determined that the best use of the savings was to increase the amount of debt while maintaining the yearly debt service at the current level. The additional debt was used for voter approved projects in each zone.

There was a one-time reduction in the benefit assessment debt obligation for each of the four affected zones in FY 2008 as shown on Table 1. This one-time reduction was a result of the issuance of the 2007A Refunding Certificates of Participation that refinanced the 2000 Series Certificates of Participation. Upon analyzing the results of the refunding, Bond Counsel determined that \$1.1M was available to pay down principal in the affected zones. In FY 2009 and beyond, Table 1 reflects slight immaterial changes to the benefit assessment debt obligation in the four affected zones due to the refinancing. Table 1 also shows the End of Year Principal balance schedule in aggregate for all zones.

DEBT OBLIGATION REFUNDING (2012)

In November, 2012 Valley Water refinanced the outstanding portion of the 2003A Series Certificates of Participation to take advantage of a favorable interest rate market. Valley Water realized cost savings in three of the 5 watershed zones; North Central, Central, and East. In the three affected zones, the Board determined that the best use of the savings was to increase the amount of debt while maintaining the yearly debt service at the current level. The additional debt will be used for voter approved projects in each zone. The refinancing resulted in slight insignificant changes to the debt obligation in the three affected zones which are reflected in Table 1.

DEBT OBLIGATION REFUNDING (2017)

In March, 2017 Valley Water refinanced the outstanding portion of the 2004A and 2007A Series Certificates of Participation to take advantage of a favorable interest rate market. Valley Water realized cost savings in four of the five watershed zones; Northwest, North Central, Central, and East. In the four affected zones, the Board determined that the best use of the savings was to increase the amount of debt while maintaining the yearly debt service at the current level. The additional debt will be used for voter approved projects in each zone. The refinancing resulted in slight insignificant changes to the debt obligation in the four affected zones which are reflected in Table 1.

ONE TIME ADJUSTMENT TO BENEFIT ASSESSMENT DEBT OBLIGATION (2021)

There was a one-time reduction in the benefit assessment debt obligation for three zones in FY 2021 as shown on Table 1. This one-time reduction was caused by \$1.1M excess debt service reserve funds resulting from decreased reserve requirements identified in FY 2019. For FY 2021 only, Table 1 reflects reductions to the benefit assessment debt obligation for the North Central, Central and East zones totaling \$1.1M. Table 1 also shows the End of Year Principal balance schedule in aggregate for all zones.

REDUCTION TO BENEFIT ASSESSMENT DEBT OBLIGATION (2023)

There was a reduction in the benefit assessment debt obligation for three zones in FY 2024 as shown on Table 1. This slight reduction is due to utilizing \$5M in debt service reserve funds that are mandated per bond covenants. These funds covered the final 2012A Series Certificates of Participation debt service payment in FY 2024 and result in overall lower debt service payments through FY 2030. Table 1 also shows the End of Year Principal balance schedule in aggregate for all zones.

Table 1
Flood Control Benefit Assessment
Debt Obligation Schedule*
& End of Year Principal Balance

Fiscal Year	Northwest Zone	North Central Zone	Central Zone	East Zone	South Zone	End of Year Principal Balance
	(Lower Peninsula)	(West Valley)	(Guadalupe)	(Coyote)	(Uvas-Llagas)	
2005	\$4,683,279	\$2,961,469	\$6,266,733	\$4,685,927	\$762,874	\$185,260,000
2006	\$4,688,707	\$2,968,562	\$6,284,527	\$4,693,154	\$765,050	\$177,940,000
2007	\$4,693,280	\$2,972,291	\$6,293,598	\$4,698,526	\$766,599	\$170,310,000
2008	\$4,149,940	\$2,811,030	\$6,118,061	\$4,209,282	\$767,821	\$170,200,000
2009	\$4,694,211	\$2,977,909	\$6,309,876	\$4,701,353	\$769,058	\$161,485,000
2010	\$4,688,957	\$2,973,939	\$6,300,769	\$4,697,090	\$767,773	\$152,440,000
2011	\$4,667,239	\$2,948,775	\$6,237,262	\$4,669,012	\$758,733	\$143,160,000
2012	\$4,676,487	\$2,958,686	\$6,261,490	\$4,682,321	\$761,825	\$133,440,000
2013	\$4,680,768	\$2,964,455	\$6,276,483	\$4,686,768	\$764,034	\$123,100,000
2014	\$4,322,174	\$2,502,568	\$5,277,998	\$4,206,085	\$0	\$115,045,000
2015	\$4,305,891	\$2,500,054	\$5,227,748	\$4,203,840	\$0	\$106,690,000
2016	\$4,078,738	\$2,277,005	\$4,594,928	\$3,970,919	\$0	\$99,060,000
2017	\$4,082,042	\$2,278,317	\$4,598,392	\$3,973,371	\$0	\$91,040,000
2018	\$4,078,867	\$2,277,292	\$4,597,191	\$3,970,971	\$0	\$82,655,000
2019	\$4,079,626	\$2,277,340	\$4,598,072	\$3,971,383	\$0	\$73,850,000
2020	\$2,731,842	\$2,277,595	\$4,598,761	\$3,972,284	\$0	\$65,705,000
2021	\$2,735,024	\$2,037,986	\$3,995,628	\$3,725,522	\$0	\$57,170,000
2022	\$2,734,901	\$2,279,421	\$4,599,256	\$3,975,980	\$0	\$48,260,000
2023	\$2,730,584	\$2,231,223	\$4,480,020	\$3,923,421	\$0	\$38,955,000
2024	\$2,731,941	\$819,513	\$950,695	\$2,459,231	\$0	\$29,235,000
2025	\$2,731,077	\$819,254	\$910,590	\$2,458,454	\$0	\$24,940,000
2026	\$2,732,804	\$819,772	\$911,166	\$2,460,008	\$0	\$20,425,000
2027	\$2,731,817	\$819,476	\$910,837	\$2,459,120	\$0	\$15,685,000
2028	\$2,732,927	\$819,809	\$911,207	\$2,460,119	\$0	\$10,710,000
2029	\$2,733,298	\$819,920	\$911,330	\$2,460,453	\$0	\$5,485,000
2030	\$2,732,681	\$819,735	\$911,124	\$2,459,897	\$0	\$0

*Based on debt service and requirements associated with debt covenants for the 2012A, and 2017A Series Certificates of Participation.

FLOOD CONTROL BENEFIT ASSESSMENTS

GENERAL PROVISIONS

State law allows the benefit assessments to be based on the proportionate amount of storm water runoff from each privately-owned parcel of property.

Consistent with this provision, Valley Water’s Board has, with voter approval, established five benefit assessment land use categories, A through E, for parcels assessed within Valley Water’s five flood control zones. These benefit assessment land use categories are as follows:

Land Use Category	Land Use
A	Commercial and industrial
B	Apartments, schools, and churches
C	Single family residential and small multiples (2-4 units), condominiums, and townhouses
D	Vacant land presently utilized for farming, vineyards, and crops
E	Urban: Nonutilized agricultural land, grazing land, salt ponds, undisturbed vacant land, and parcels used exclusively as well sites located in urban areas Rural: Non-utilized agricultural land, grazing land, undisturbed vacant land and parcels used exclusively as well sites located in rural areas

The assessment for an individual parcel in a given land use category is computed by multiplying the area of the parcel in acres by the appropriate assessment rate. If the computed assessment is less than the minimum assessment amount, the minimum assessment is used.

BENEFIT ASSESSMENT RATES FOR EACH ZONE

Each of the five flood control zones has an individual set of benefit assessment rates to meet respective debt obligations. These debt obligations, consisting of debt service payments and requirements associated with debt covenants are shown for all zones for each fiscal year in Table 1. Actual rates will be determined once annual land use information is received from the County Assessor in July. Historical rates for FY 2025-26 are shown in Table 2. Expected rates for FY 2026-27 are shown in Table 3. South Zone’s debt obligation has been paid off and therefore the expected rates are zero.

FY 2025-26 BENEFIT ASSESSMENT RATES

Table 2 shows the benefit assessment rates levied in FY 2025-26.

Table 2
FY 2025–26 Assessments by Category and Zone

Land Use Categories	Flood Control Zones				
	Northwest (Lower Peninsula)	North Central (West Valley)	Central (Guadalupe)	East (Coyote)	South (Uvas-Llagas)
A - Commercial, Industrial					
Rate (\$/Acre)	\$212.38	\$37.65	\$33.36	\$103.09	\$0.00
Minimum Assessment ⁽¹⁾	\$53.10	\$9.41	\$8.34	\$25.77	\$0.00
B - Apartment, Schools, Churches					
Rate (\$/Acre)	\$159.29	\$28.24	\$25.02	\$77.32	\$0.00
Minimum Assessment ⁽¹⁾	\$39.82	\$7.06	\$6.26	\$19.33	\$0.00
C - Single Family Residential, Small Multiples (2-4 units), Condominiums, and Townhouses					
Rate (\$/Acre)	⁽²⁾	⁽²⁾	⁽²⁾	⁽²⁾	⁽²⁾
Minimum Assessment ⁽¹⁾	\$26.55	\$4.71	\$4.17	\$12.89	\$0.00
D - Utilized Agriculture					
Rate (\$/Acre)	\$1.33	\$0.24	\$0.21	\$0.64	\$0.00
Minimum Assessment ⁽¹⁾	\$13.27	\$2.35	\$2.08	\$6.44	\$0.00
E Urban - Non-utilized Agricultural, grazing Land, Salt Ponds, Well Site in Urban Areas					
Rate (\$/Acre)	\$0.40	\$0.07	\$0.06	\$0.19	\$0.00
Minimum Assessment ⁽¹⁾	\$3.98	\$0.71	\$0.62	\$1.93	\$0.00
E Rural - Non-utilized Agricultural, Grazing Land, Well Sites in Rural Areas					
Rate (\$/Acre)	\$0.05	\$0.01	\$0.01	\$0.02	\$0.00
Minimum Assessment ⁽¹⁾	\$3.98	\$0.71	\$0.62	\$1.93	\$0.00
<p>(1) The minimum assessments shown for Categories A, B, and C apply to parcels 1/4 acre or less in size. Category C parcels larger than 1/4 acre pay the minimum assessment for the first 1/4 acre and the remaining acreage is assessed at the Category D rate. For Category D, the minimum assessment applies to parcels less than 10 acres. The minimum assessment for Group E urban parcels is the amount charged for 10 acres of urban undeveloped land; the minimum assessment for Group E rural parcels is the same as E urban but applies to parcels of 80 acres or less.</p> <p>(2) Residential land in excess of 1/4 acre is assessed at the D rate.</p>					

EXPECTED FY 2026-27 BENEFIT ASSESSMENT RATES

Table 3 below shows the expected benefit assessment rates to be levied in FY 2026-27.

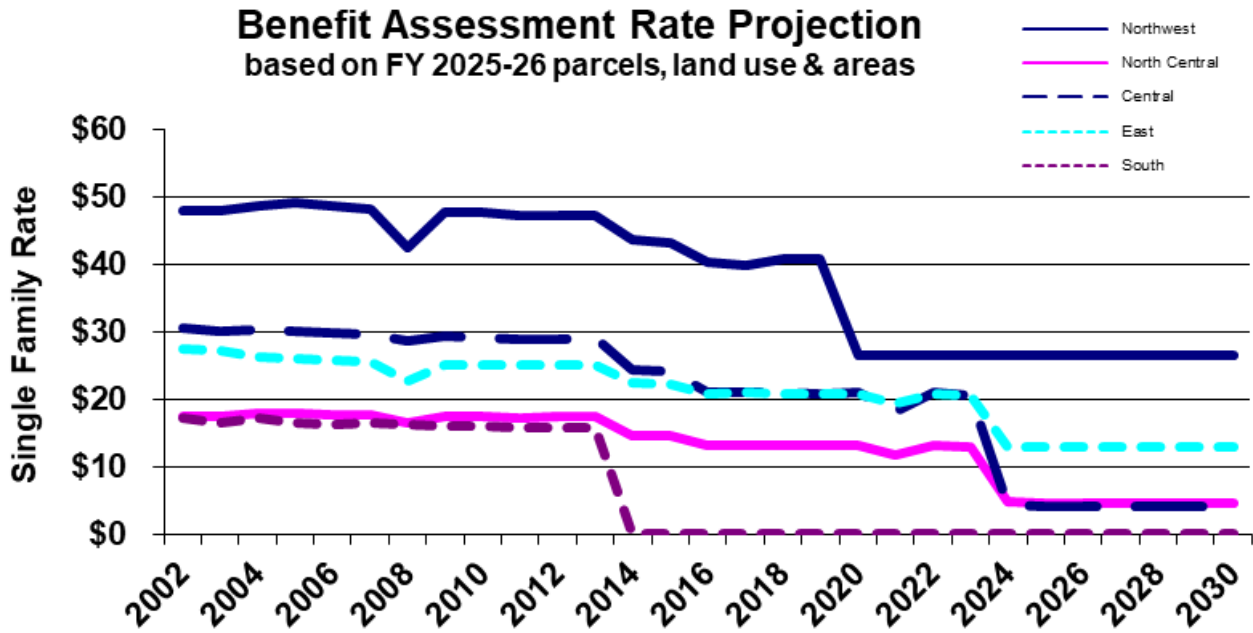
Table 3

Expected FY 2026–27 Assessments by Category and Zone

Land Use Categories	Flood Control Zones				
	Northwest (Lower Peninsula)	North Central (West Valley)	Central (Guadalupe)	East (Coyote)	South (Uvas-Llagas)
A - Commercial, Industrial					
Rate (\$/Acre)	\$212.30	\$37.63	\$33.34	\$103.05	\$0.00
Minimum Assessment ⁽¹⁾	\$53.08	\$9.40	\$8.33	\$25.76	\$0.00
B - Apartment, Schools, Churches					
Rate (\$/Acre)	\$159.23	\$28.22	\$25.01	\$77.29	\$0.00
Minimum Assessment ⁽¹⁾	\$39.80	\$7.05	\$6.25	\$19.32	\$0.00
C - Single Family Residential, Small Multiples (2-4 units), Condominiums, and Townhouses					
Rate (\$/Acre)	⁽²⁾	⁽²⁾	⁽²⁾	⁽²⁾	⁽²⁾
Minimum Assessment ⁽¹⁾	\$26.54	\$4.70	\$4.16	\$12.88	\$0.00
D - Utilized Agriculture					
Rate (\$/Acre)	\$1.33	\$0.24	\$0.21	\$0.63	\$0.00
Minimum Assessment ⁽¹⁾	\$13.27	\$2.35	\$2.08	\$6.43	\$0.00
E Urban - Non-utilized Agricultural, grazing Land, Salt Ponds, Well Site in Urban Areas					
Rate (\$/Acre)	\$0.40	\$0.07	\$0.06	\$0.18	\$0.00
Minimum Assessment ⁽¹⁾	\$3.98	\$0.70	\$0.62	\$1.92	\$0.00
E Rural - Non-utilized Agricultural, Grazing Land, Well Sites in Rural Areas					
Rate (\$/Acre)	\$0.05	\$0.01	\$0.01	\$0.02	\$0.00
Minimum Assessment ⁽¹⁾	\$3.98	\$0.70	\$0.62	\$1.92	\$0.00
<p>(1) The minimum assessments shown for Categories A, B, and C apply to parcels 1/4 acre or less in size. Category C parcels larger than 1/4 acre pay the minimum assessment for the first 1/4 acre and the remaining acreage is assessed at the Category D rate. For Category D, the minimum assessment applies to parcels less than 10 acres. The minimum assessment for Group E urban parcels is the amount charged for 10 acres of urban undeveloped land; the minimum assessment for Group E rural parcels is the same as E urban but applies to parcels of 80 acres or less.</p> <p>(2) Residential land in excess of 1/4 acre is assessed at the D rate.</p>					

PROJECTED BENEFIT ASSESSMENT RATES

A graph of projected benefit assessment rates, assuming the same parcels with the same land use and areas that existed in FY 2025-26, is shown below. This graph indicates how the rates will decrease over time as various series of Certificates of Participation are retired.



Note: Actual rates will likely be lower as parcels are developed in the future

ASSESSMENT ROLLS AND COLLECTION

The Benefit Assessment Act of 1982 provides that benefit assessments 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 benefit assessment resolution for FY 2026-27 and subsequent years, Valley Water will prepare a separate assessment roll identifying each parcel of land subject to flood control benefit assessment for each flood control zone. For each parcel, the roll will list the assessor parcel number, owner's name, County land use code, Valley Water land use category, flood control zone, acreage and flood control benefit assessment based on the annual revenue requirement. This information will be available for review at Valley Water through the Clerk of the Board. Extractions from the benefit assessment roll showing parcel number and assessment amount will be forwarded to the County Tax Collector in early August to facilitate County collection of the flood control benefit assessments on the annual property tax bills.