



**Independent Accountants' Report on  
Applying Agreed-Upon Procedures Related To  
Article XIII-B Appropriations Limit Calculation**

To the Honorable Members of the Board of Directors  
Santa Clara Valley Water District  
San Jose, California

We have performed the procedures enumerated below to the Appropriations Limit Worksheet of the Santa Clara Valley Water District (District) for the fiscal year ended June 30, 2017, which were agreed to by the District and were performed solely to assist the District in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The District's management is responsible for the Appropriations Limit calculation. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

- A. We obtained the completed worksheets setting forth the calculations necessary to establish the District's appropriations limit and compared the FY 2016-17 limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the District's Board of Directors. We also compared the population and per capita personal income options included in the aforementioned worksheets to those that were selected by a recorded vote of the District's Board of Directors.

Finding: No exceptions were noted as a result of our procedures.

- B. For the accompanying Appropriations Limit Worksheet, we added last year's limit to the annual adjustment amount, and compared the resulting amount to the 2016-17 appropriations limit.

Finding: No exceptions were noted as a result of our procedures.

- C. For the accompanying Appropriations Limit Worksheet, we agreed the current year information to the appropriate supporting worksheets described in Letter A above.

Finding: No exceptions were noted as a result of our procedures.

- D. For the accompanying Appropriations Limitation Worksheet, we agreed the prior year appropriations limit to the prior year appropriations limit as adopted by the Board of Directors.

Finding: No exceptions were noted as a result of our procedures.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Appropriations Limit calculation. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

This report is intended solely for the information and use of the District's Board of Directors and management of the District and is not intended to be and should not be used by anyone other than those specified parties.

*Vavrinek, Trine, Day & Co. LLP*

Palo Alto, California  
November 27, 2017

**SANTA CLARA VALLEY WATER DISTRICT AGREED-UPON PROCEDURES REPORT ON  
COMPLIANCE WITH THE PROPOSITION 111 2015-16 APPROPRIATIONS LIMIT  
INCREMENT**

|  | <u>Central Zone</u>   | <u>East Zone</u>     | <u>South Zone</u>   | <u>Total</u>          |
|--|-----------------------|----------------------|---------------------|-----------------------|
| Appropriations limit for fiscal year 2015-16 | \$ 100,897,210        | \$ 27,751,414        | \$ 3,014,307        | \$ 131,662,931        |
| Adjustment factors                           |                       |                      |                     |                       |
| Population growth                            | 1.0126                | 1.0126               | 1.0126              | 1.0126                |
| Inflation                                    | <u>1.0537</u>         | <u>1.0537</u>        | <u>1.0537</u>       | <u>1.0537</u>         |
| Total adjustments                            | 1.0670                | 1.0670               | 1.0670              | 1.0670                |
| Annual adjustment                            | <u>6,760,113</u>      | <u>1,859,345</u>     | <u>201,959</u>      | <u>8,821,416</u>      |
| Appropriations limit for fiscal year 2016-17 | <u>\$ 107,657,323</u> | <u>\$ 29,610,759</u> | <u>\$ 3,216,266</u> | <u>\$ 140,484,347</u> |

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