

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

RESOLUTION NO. 18-

**APPROVING MODIFICATION TO THE NITRATE TREATMENT SYSTEM REBATE
PROGRAM OF THE SAFE, CLEAN WATER PARTNERSHIPS AND GRANTS OF THE SAFE,
CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM**

WHEREAS, on July 24, 2012, the Board of Directors of the Santa Clara Valley Water District (District) adopted 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 (Resolution No. 12-62); and

WHEREAS, the purpose of the special tax is to supplement other available but limited revenues to keep the District's flood protection system of levees, channels, drains, debris basins and other 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 storm drainage facilities; including in each case the cost of financing such activities; and

WHEREAS, in November 2012, the District's Measure B was overwhelmingly approved by more than a two-thirds majority vote of the electorate of the District, implementing a special tax, the proceeds of which are used solely for the purpose of supporting the five funding priorities of the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program), which are as follows: Priority A: Ensure a safe, reliable water supply; Priority B: Reduce toxins, hazards, and contaminants in our waterways; Priority C: Protect our water supply from earthquakes and natural disasters; Priority D: Restore wildlife habitat and provide open space; and Priority E: Provide flood protection to homes, businesses, schools, and highways; and

WHEREAS, the Nitrate Treatment System Rebate Program is one of three Key Performance Indicators of the Safe, Clean Water Partnerships and Grants project under Priority A of the Safe, Clean Water Program; and

WHEREAS, the Safe, Clean Water Program describes the objective of the Nitrate Treatment System Rebate Program as follows: "Rebates to private well water users for the installation of point-of-use treatment systems to remove excess nitrate from their drinking water"; and

WHEREAS, the Safe, Clean Water Program defines the Key Performance Indicator (KPI) for the Nitrate Treatment System Rebate Program: "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 1,000 rebates up to \$702,000"; and

WHEREAS, the KPI for the Nitrate Treatment System Rebate Program has been met each Fiscal Year, with 100% of eligible rebates awarded; and

WHEREAS, participation in the Nitrate Treatment System Rebate Program has been very low; and

WHEREAS, the District expended approximately \$121,264 to award 29 rebates totaling \$9,463, and develop and administer the rebate program, including outreach; and

WHEREAS, the Independent Monitoring Committee (IMC) has acknowledged its concern about the cost/benefit ratio for this program and has made recommendations targeted at improving program participation each year for years one through three of the Safe, Clean Water Program; and

WHEREAS, the Board directed staff to implement each of the IMC's recommendations, which included additional outreach, targeted outreach, and offering rebates for 100 percent of treatment system cost; and

WHEREAS, despite these additional efforts, the program participation has not significantly increased; and

WHEREAS, based upon the continued low demand for the program, despite robust outreach efforts, in the IMC's year four report, the committee recommended reallocating all or a portion of the remaining funds to other Safe, Clean Water Program projects; and

WHEREAS, on March 13, 2018, the Board directed staff to pursue the modification to the Nitrate Treatment System Rebate Program KPI; and

WHEREAS, the modification will reduce the maximum program funding to align with the demand for the program; and

WHEREAS, the Safe, Clean Water Program's Adjusted 15-year budget for the Nitrate Treatment System Rebate Program was approximately \$789,000; and

WHEREAS, the remaining funds from the Nitrate Rebate Program equates to approximately \$650,000 and would be reallocated to one or more projects within the Safe, Clean Water Program; and

WHEREAS, the recipient project(s) will be decided by the Board in an open public board meeting; and

WHEREAS, this reduced program funding level includes funds spent to date to develop, administer and advertise the program, along with an annual amount of \$4,000 prospectively, which will be used for rebates through the project's completion date of 2023 to help ensure continued assistance for well users that want to take advantage of this opportunity to reduce nitrate levels in their drinking water; and

WHEREAS, the District desires to modify the Nitrate Treatment System Rebate Program KPI to reduce the program's maximum funding for rebates up to \$30,000; and

WHEREAS, the District's Resolution No. 12-62 (Resolution No. 12-62) authorizes modifications to proposed projects. Paragraph J. reads as follows: "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"; and

WHEREAS, at its regularly scheduled meeting conducted on March 27, 2018, the District's Board of Directors set a time and place for a formal public hearing to occur on April 10, 2018, at which time the Board will consider Proposed Modification to the Nitrate Treatment System Rebate Program of the Safe, Clean Water Partnerships and Grants of the Safe, Clean Water and Natural Flood Protection Program.

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

1. Pursuant to the requirements stated in the District's Resolution No. 12-62, paragraph J., a noticed public hearing has been held.
2. To address continued low demand for the Nitrate Rebate Program, despite robust outreach efforts, the maximum program funding will be reduced to align with the demand for the program.
3. The reduced program funding level will include the funds spent to date to develop, administer and advertise the program, along with an annual amount of \$4,000 prospectively, which will be used for rebates through the project's completion date of 2023.
4. Of the reduced program funding level, the maximum amount for all rebates will be up to \$30,000.
5. The Key Performance Indicator for the Nitrate Treatment System Rebate Program of the Safe, Clean Water Partnerships and Grants project under Priority A, as set forth in the Safe, Clean Water Program, is modified to state as follows:
 - a. 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; up to \$30,000 for all rebates.

6. The District's Safe, Clean Water and Natural Flood Protection Program category of Priority A, Safe, Clean Water Partnerships and Grants Project's KPI for Nitrate Treatment System Rebate Program is hereby modified as stated in Attachment A hereto, Modified Safe, Clean Water Partnerships and Grants.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on April 10, 2018:

AYES: Directors

NOES: Directors

ABSENT: Directors

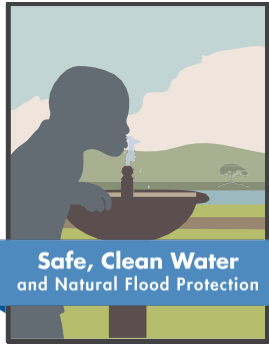
ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

By: _____
RICHARD P. SANTOS
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk/Board of Directors



Safe, Clean Water and Natural Flood Protection



Attachment A: Modified Project Text

Project A2

Safe, Clean Water Partnerships and Grants

Grants and partnerships covered under this project include:

- Grants for agencies and organizations to study and pilot-test new water conservation programs. In FY10, county water conservation stood at 50,600 acre-feet, but this number needs to nearly double by 2030 to meet future demand.
- Grants to help schools in the county provide drinking water dispensers and other potable water devices for students. California Senate Bill 1413 (SB 1413) requires that schools provide access to free, fresh drinking water during mealtimes in food service areas.
- Rebates to private well water users for the installation of point-of-use treatment systems to remove excess nitrate from their drinking water.

Benefits

- Helps the District exceed the conservation goal of 98,500 acre-feet per year by 2030.
- Reduces water demands and the need to invest in new or expanded water supply sources and associated infrastructure.
- Increases water supply reliability.
- Helps schools provide safe, clean drinking water to students and comply with state mandate.
- Assists private well water users in maintaining the quality and safety of their drinking water.

Key Performance Indicators (15-Year Program)

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 \$254,000.
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; up to \$30,000 for all rebates.

Geographic Area of Benefit

Countywide

THIS PAGE INTENTIONALLY LEFT BLANK