BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 20-

PROVIDING FOR A LEVY OF AD VALOREM REAL PROPERTY TAXES
IN FISCAL YEAR 2020-21 TO MEET THE COST OF ITS
WATER SUPPLY CONTRACT WITH THE STATE OF CALIFORNIA

WHEREAS, the Santa Clara Valley Water District (Valley Water) incurs an annual indebtedness to the State of California (State) pursuant to its Water Supply Contract With the State of California dated November 20, 1961, (State Water Supply Contract), and such indebtedness was approved by the voters prior to July 1, 1978 within the meaning of Article XIIIA of the California Constitution; and

WHEREAS, Valley Water anticipates that its contractual indebtedness to the State under the State Water Supply Contract during the fiscal year beginning July 1, 2020, and ending June 30, 2021 (Fiscal Year 2020-21), will be at least $18.0 million; and

WHEREAS, Section 11652 of the California Water Code requires the Valley Water Board of Directors (Board) to levy a tax sufficient to assure payment of sums due under Valley Water's Water Supply Contract; and

WHEREAS, Section 1(b) of Article XIIIA of the California Constitution exempts ad valorem property tax levies to make payments upon indebtedness approved by the voters prior to July 1, 1978, from the limitation set forth in Section 1(a) of Article XIIIA; and

WHEREAS, Valley Water's indebtedness from its Water Supply Contract falls within such exemption; and

WHEREAS, the District's Water Supply Contract is protected against impairment under the provisions of Article I, Section 10 of the Constitution of the United States and Article I, Section 9 of the California Constitution prohibiting the impairment of the obligation of contracts; and

WHEREAS, the Board, after reviewing and considering all the facts, information and reports provided by Valley Water staff, and information communicated to the Board during public meetings in which Valley Water's Fiscal Year 2020-21 budget and proposed increase of rates and charges were considered, has determined that it is necessary to raise the amounts hereinafter specified as an ad valorem real property tax, and that it is not practicable to raise said sums from water rates or other sources; and

WHEREAS, said ad valorem real property tax is consistent with Valley Water's past practice and is consistent with (Goodman v. County of Riverside (1983) 140 C.A. 3d quo), the approach of other water districts and agencies that maintain water supply contracts with the State.

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

1.   That said Board has determined that the amounts necessary to be raised by taxation during Valley Water's Fiscal Year 2020-21 to pay indebtedness approved by the voters prior to July 1, 1978, and/or for which a tax levy is required under Article I, Section 10 of

Providing for a Levy of Ad Valorem Real Property Taxes in District Fiscal Year 2020-21 to Meet the Cost of its Water Supply Contract With the State of California

Resolution 20-

the United States Constitution and Article I, Section 9 of the California Constitution is $18.0 million for payments on Valley Water's State Water Supply Contract dated November 20, 1961.

2.   That consistent with the requirements of law and specifically within the limitations imposed by Article XIIIA of the Constitution of the State of California there shall be levied in Fiscal Year 2020-21 an ad valorem real property tax within Valley Water, sufficient to raise the sum of $18.0 million to meet that portion of Valley Water's Water Supply Contract obligation which may be lawfully so raised.

3.   That the funds received by Valley Water pursuant to the aforementioned ad valorem tax levy shall be placed in a separate fund identified for the indebtedness set forth above.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 26, 2020:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

By: _____
     NAI HSUEH
     Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

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Clerk, Board of Directors