



Santa Clara Valley Water District

File No.: 20-0455

Agenda Date: 5/26/2020

Item No.: *2.13.

BOARD AGENDA MEMORANDUM

SUBJECT:

Resolutions Adopting the Fiscal Year 2020-2021 Operating and Capital Budget and Levy of Ad-Valorem Property Taxes, and Approval of Santa Clara Valley Water District Reserve Policy.

RECOMMENDATION:

- A. Discuss and adopt a Resolution APPROVING AND ADOPTING THE OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2020-2021;
- B. Discuss and adopt a Resolution PROVIDING FOR 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; and
- C. Approve the Santa Clara Valley Water District (Valley Water) Reserve Policy.

SUMMARY:

In accordance with the District Act, Section 20. Adoption of Budget, after conclusion of the public meeting(s) to hear comments from the general public on the proposed budget, the Board shall by Resolution adopt the budget as finally determined including any revisions that the Board determines advisable during or after the meeting(s) and no later than June 30 of each year.

Throughout the Fiscal Year 2020-21 (FY 21) budget process, staff provided numerous budget development updates for the Board and the public. The FY 21 budget proposal is consistent with the Board's direction given to staff at those meetings. Therefore, staff recommends Board approval of the Resolution Approving and Adopting the Santa Clara Valley Water District Operating and Capital Budget for Fiscal Year 2020-21. A copy of the resolution will be included in a supplemental agenda memo on May 22, 2020.

In addition, in order for Valley Water to receive funds to pay for the contract costs of water importation from the State of California, staff recommends approval of the Resolution to Provide for a Levy of Ad-valorem Real Property Taxes in Fiscal Year 2020-21. A copy of the resolution will be included in a supplemental agenda memo on May 22, 2020.

Staff recommends approval of the Valley Water Reserve Policy, which includes revised policy language for the Public-Private Partnership (P3) reserve in the Water Utility Fund. The Valley Water Reserve Policy will be included in the final summary budget document as has been the case in past years. A copy of the Reserve Policy will be included in a supplemental agenda memo on May 22,

2020.

The transmittal letter for the FY 2020-21 Budget will be included in a supplemental agenda memo on May 22, 2020.

The final summary budget document will be available on the Valley Water website by June 30, 2020.

A supplemental agenda memo including attachments will be forthcoming on May 22, 2020.

FINANCIAL IMPACT:

Currently, the proposed FY 2020-21 Operating and Capital Budget includes a net expenditure budget appropriation of \$609,508,317 which is comprised of Capital Outlays totaling \$259,703,817 and Operating Outlays of \$440,936,085 minus Intra-District Reimbursements of \$91,131,585.

Adoption of the Resolution to Provide for a Levy of Ad-valorem Real Property Taxes in Fiscal Year 2020-21 enables the Valley Water to receive funds in the amount of \$18 million to pay for the contract costs of water importation from the State of California.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably, foreseeable indirect physical changes in the environment.

ATTACHMENTS:

- *Supplemental Agenda Memo
- *Supplemental Attachment 1: Resolution, FY 20-21 Budget
- *Supplemental Attachment 2: Resolution Ad-Valorem Tax
- *Supplemental Attachment 3: Reserve Policy
- *Supplemental Attachment 4: Budget Transmittal Letter
- *Handout 2.13-A, Signage Program Cost Estimate

UNCLASSIFIED MANAGER:

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