



Santa Clara Valley Water District

File No.: 21-0480

Agenda Date: 5/11/2021

Item No.: 2.9.

BOARD AGENDA MEMORANDUM

SUBJECT:

Safe, Clean Water and Natural Flood Protection Special Tax Summary Report and Resolution Providing for Levy of the Special Tax Rates and Authorizing a Procedure for Correcting Special Tax Amounts for Fiscal Year 2021-2022.

RECOMMENDATION:

- A. Accept the fiscal year 2021-22 Safe, Clean Water and Natural Flood Protection Special Tax Summary Report; and
- B. Adopt the Resolution PROVIDING FOR LEVY OF THE SPECIAL TAX PURSUANT TO THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION MEASURE IN THE COMBINED FLOOD CONTROL ZONE OF THE SANTA CLARA VALLEY WATER DISTRICT AND AUTHORIZING A PROCEDURE FOR CORRECTING SPECIAL TAX AMOUNTS FOR FISCAL YEAR 2021-2022.

SUMMARY:

Provisions of Resolution 20-64 (Providing for the continuation and levy of 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) require Santa Clara Valley Water District's (Valley Water) Chief Executive Officer to prepare a written report recommending rates for the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) Special Tax, which was approved by voters on November 3, 2020. Rate limits as specified in the Safe, Clean Water ballot measure are indexed to the fiscal year (FY) 2020-21 rates plus the change in the Bay Area Consumer Price Index (CPI) or 2 percent, whichever is greater.

Based on projected costs of the Safe, Clean Water Program activities, and reports released by the Bureau of Labor Statistics indicating that the change in CPI from February 2020 to February 2021 is 1.57 percent, staff recommends that the special tax rates for FY 2021-22 be set at their maximum level for FY 2020-21, which would reflect a 2 percent increase.

The senior exemption provided for in the ballot measure will continue to allow low-income parcel owners over the age of 65 to be exempt from paying the special tax consistent with Resolution 20-64. Staff continues its outreach program to inform the senior population of the tax exemption program.

The contemplated activities and rates in the proposed FY 2021-22 budget are consistent with the

activities and rates identified in the Valley Water report, “Safe, Clean Water and Natural Flood Protection, Community Preferred Program Report” (Report) that explained the voter approved program in detail. Planned future expenditures as currently forecasted reasonably indicate that the revenue raised next year will be spent according to the Report.

FINANCIAL IMPACT:

Levy of the Safe, Clean Water and Natural Flood Protection Special Tax at the recommended level for FY 2021-22 will generate an estimated total of \$47.1 million in net revenue that will fund budgeted expenditures consistent with the Report. Valley Water’s proposed Budget for FY 2021-22 reflects this projected revenue. If the Board does not approve special tax rates for FY 2021-22, Valley Water would not receive the funding necessary to accomplish voter approved outcomes.

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 change in the environment.

ATTACHMENTS:

Attachment 1: Staff Report
Attachment 2: Resolution
Attachment 3: Summary of Key Performance Indicators

UNCLASSIFIED MANAGER:

Melanie Richardson, 408-630-2035