

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

**RESOLUTION NO. 17- 17**

**ESTABLISHING LAND USE CATEGORIES, CONFIRMING A LEVY OF BENEFIT ASSESSMENTS TO MEET DULY AUTHORIZED DEBT OBLIGATIONS FOR FISCAL YEAR 2017-2018 IN FLOOD CONTROL ZONES OF SANTA CLARA VALLEY WATER DISTRICT, IN ACCORDANCE WITH RESOLUTION NOS. 86-54, 86-55, 86-56, 86-57, AND 90-7, AND AUTHORIZING A PROCEDURE FOR CORRECTING ASSESSMENTS**

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

FIRST: In accordance with the requirements of law and of the terms of District Resolutions 86-54, 86-55, 86-56, 86-57, and 90-7, the Chief Executive Officer (CEO) of the District has caused a written report to be prepared and filed for the fiscal year 2017-18, setting forth the annual amounts to be collected through benefit assessment rates in each established flood control zone of the District, pursuant to a voter-approved program.

SECOND: Upon receiving and filing the report, the Clerk of the Board gave notice of a hearing on the same by posting at least three copies of the notice in each established flood control zone of the District and by publication pursuant to Section 6066 of the Government Code.

THIRD: The Board, having heard the matter as scheduled or as postponed or duly continued, does hereby:

- A. Fix and establish land use categories for each parcel of land to be assessed in the District as follows:
- Group A: Land used for commercial or industrial purposes.
  - Group B: Land used for apartments or institutional purposes such as churches and schools.
  - Group C: The first 0.25 acre of a parcel of land used for single- and multiple-family residences up to four units, and each townhouse or condominium unit in a complex.
  - Group D:
    - (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses, and similar uses.
    - (2) The portion of land, if any, in excess of 0.25 acre of a parcel used for single family residential purposes.
  - Group E: Vacant, undisturbed land (1) in urban areas and (2) in rural areas including dry farmland, grazing and pastureland, forest and brushland, salt ponds, and parcels used exclusively as well sites.

# Resolutions

Establishing Land Use Categories, Confirming a Levy of Benefit Assessments to Meet Duly Authorized Debt Obligations for Fiscal Year 2017-2018 in Flood Control Zones of Santa Clara Valley Water District, in Accordance With Resolution Nos. 86-54, 86-55, 86-56, 86-57, and 90-7, and Authorizing a Procedure for Correcting Assessments

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- B. Levy, fix, and establish flood control benefit assessments for fiscal year 2017–18 commencing July 1, 2017, and ending June 30, 2018, on each parcel of real property in each established flood control zone of the District, at the benefit assessment rates and minimum charges for each of the established land use categories to raise sufficient proceeds to meet duly authorized debt obligations of each flood control zone as follows:

**FLOOD CONTROL BENEFIT ASSESSMENTS  
TO BE COLLECTED IN 2017-2018**

Flood Control Zone	Debt Obligation
Northwest	\$4,078,867
North Central	\$2,277,292
Central	\$4,597,191
East	\$3,970,971
South	\$0

- C. The actual 2017-2018 rates shall be determined by the CEO or her designee, once updated parcel land use and area information is received from the Santa Clara County Assessor's Office. These rates shall be used to prepare the benefit assessments for each parcel and shall be submitted to the Santa Clara County Tax Collector for collection.

FOURTH: Benefit assessments found to be in error and that result in an over assessment to property owners may be corrected by a check or checks drawn upon the appropriate Benefit Assessment Fund upon approval by the Chief Financial Officer and pursuant to procedures approved by the District's CEO and the District Counsel.

FIFTH: Paragraph D of the SECOND section of Resolutions 86-54, 86-55, 86-56, 86-57 and 90-7 are hereby amended to provide as follows:

Upon receiving and filing the report the Clerk of the Board shall fix a time, date and place for a hearing on the report, preceded by notice published pursuant to Section 6066 of the California Government Code and by posting the notice as provided by law.

SIXTH: The Clerk of the Board shall file certified copies of this resolution with both the Tax Roll Control Office of County of Santa Clara and with the Recorder of said County.

# Resolutions

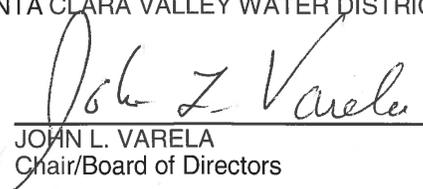
Establishing Land Use Categories, Confirming a Levy of Benefit Assessments to Meet Duly Authorized Debt Obligations for Fiscal Year 2017-2018 in Flood Control Zones of Santa Clara Valley Water District, in Accordance With Resolution Nos. 86-54, 86-55, 86-56, 86-57, and 90-7, and Authorizing a Procedure for Correcting Assessments

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PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 9, 2017:

AYES: Directors R. Santos, T. Estremera, N. Hsueh, G. Kremen, L. LeZotte,  
J. Varela  
NOES: Directors None  
ABSENT: Directors B. Keegan  
ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: 

JOHN L. VARELA  
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

  
Clerk/Board of Directors

# Resolutions

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

**RESOLUTION NO. 17-18**

**APPROVING FISCAL YEARS 2018–2022 FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM**

WHEREAS, the District has determined that it is in its best interest to prepare a Five-Year Capital Improvement Program (CIP) and to have it reviewed by the County and cities having land use jurisdiction within Santa Clara County; and

WHEREAS, the Board of Directors of the Santa Clara Valley Water District was presented with a draft Fiscal Years (FY) 2018–2022 Five-Year CIP on February 28, 2017; and

WHEREAS, the draft CIP was transmitted to the cities and towns in Santa Clara County and to the County of Santa Clara for their review on March 2, 2017, and District staff conducted subsequent meetings regarding the Draft CIP with most of these agencies; and

WHEREAS, the District received letters from the cities of Campbell, Cupertino, Morgan Hill, Mountain View, Saratoga, town of Los Altos Hills, and Santa Clara County, all indicating that the District's CIP is consistent with their General Plans; and

WHEREAS, on April 25, 26, and May 9, 2017, the District conducted a public hearing for purposes of receiving input with regard to the draft FY 2018–22 Five-Year CIP, and considered the inclusion of appropriate comments as input to the FY 2018–22 Five-Year CIP.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District does hereby approve the FY 2018–22 Five-Year Capital Improvement Program.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 9, 2017:

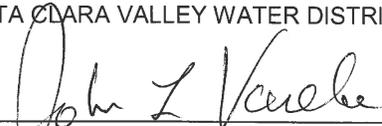
AYES: Directors R. Santos, T. Estremera, N. Hsueh, G. Kremen, L. LeZotte,  
B. Keegan, J. Varela

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: 

John L. Varela  
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

  
Clerk/Board of Directors

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

**RESOLUTION NO. 17- 19**

**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 2017-2018**

WHEREAS, the Santa Clara Valley Water District (District) owns property and builds, operates and maintains infrastructure in Santa Clara County to: ensure a safe, reliable water supply for the future; reduce toxins, hazards and contaminants, such as mercury and pharmaceuticals, in our waterways; protect our water supply and local dams from the impacts of earthquakes and natural disasters; restore fish, bird and wildlife habitat, and provide open space access; and provide flood protection to homes, business, schools, streets and highways; and

WHEREAS, over two-thirds of the electors voting in the Santa Clara County did favor a special tax measure in the November 6, 2012, General Election thereby approving the special tax specified in Resolution No. 12-62 for designated purposes;

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

FIRST: The Chief Executive Officer (CEO) of the District has directed a summary report to be prepared for fiscal year July 1, 2017, through June 30, 2018, that includes the proposed special tax rates for that year ("Report"), and presented that Report on May 9, 2017, as an attachment to an agenda memorandum with the subject "Safe, Clean Water and Natural Flood Protection Special Tax Summary Report and Resolution Setting the Special Tax Rates for Fiscal Year 2017-2018 (FY 2017-18)."

SECOND: A special tax is hereby levied on each parcel of real property in the Combined Zone consisting of the aggregate metes and bounds of District zones One, Two, Three, Four, and Five as presently existing ("Combined Zone") for the purposes stated in the Report, and as authorized according to the minimums and methods described in this resolution. Except for the minimum special tax as hereinafter indicated, the special tax for each parcel of real property in the Combined Zone is computed by determining that parcel's area in acres or fractions thereof, its land use category (as hereinafter defined) and then multiplying the area by the special tax rate applicable to land in such land use category. A minimum special tax shall be levied on each parcel of real property having a land area up to: (i) 0.25 acre for Groups A, B, and C; and (ii) up to 10 acres for Groups D and E Urban. For Group E Rural, the minimum special tax shall be that as calculated for the E Urban category, but shall apply to parcels of 80 acres or less. A minimum special tax shall be levied in Group B per unit for condominiums and townhouses without regard to parcel size.

# Resolutions

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 2017-2018

Resolution No. 17-19

THIRD: Special tax rates for land use categories for each parcel of land in the Combined Zone are defined and established as follows:

- Group A: Land used for commercial or industrial purposes: \$505.15 per acre, \$126.27 minimum for parcels up to 0.25 acre.
- Group B: Land used for institutional purposes such as churches and schools or multiple dwellings in excess of four units, including (1) apartment complexes, mobile home parks, and recreational vehicle parks: \$378.87 per acre, \$94.72 minimum for parcels up to 0.25 acre; and (2) condominiums and townhouses: \$30.73 per unit.
- Group C: Parcels up to 0.25 acre used for single family residences and multiple family units up to four units: \$63.11. The first 0.25 acre of a parcel of land used for single family residential purposes: \$63.11.
- Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses and similar uses: \$3.24 per acre, \$32.37 minimum on parcels less than 10 acres. (2) The portion of a parcel, if any, in excess of 0.25 acre used for single family residential purposes: \$3.24 per acre.
- Group E: Vacant undisturbed land (1) in urban areas: \$0.95 per acre, \$9.54 minimum on parcels less than 10 acres; and (2) in rural areas: \$0.13 per acre, with a \$9.54 minimum.
- Group F: Parcels used exclusively as well sites for residential uses are exempt from the special tax.

Parcels owned by federal, state, or local government agencies are exempt from this special tax.

FOURTH: The District will provide an exemption from the special tax for low income owner-occupied residential properties for taxpayer-owners 65 years of age or older as follows:

Residential parcels where the total annual household income does not exceed 75 percent of the latest available figure for state median income at the time the annual tax is set, and where such parcel is owned and occupied by at least one person who is aged 65 years or older, shall be exempt from the applicable special tax for fiscal year 2017-2018 upon requesting such exemption from the District prior to or during fiscal year 2017-2018. Granting similar exemptions for fiscal years beyond Fiscal Year 2017-2018 will be made at the discretion of the Board.

# Resolutions

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 2017-2018

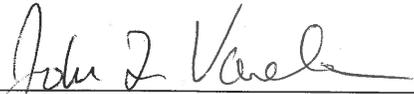
Resolution No. 17-19

FIFTH: Any special tax amount found to be in error and that results in an overstatement of tax to a property owner may be corrected by a check or checks drawn upon the Safe, Clean Water and Natural Flood Protection Fund upon approval by the District Chief Financial Officer and pursuant to procedures approved by the District's CEO and District Counsel.

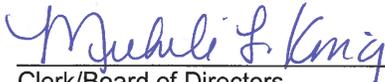
PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 9, 2017.

AYES: Directors R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen,  
L. LeZotte, J. Varela  
NOES: Directors None  
ABSENT: Directors None  
ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By:   
JOHN L. VARELA  
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

  
Clerk/Board of Directors

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

**RESOLUTION NO. 17-20**

**DETERMINING GROUNDWATER PRODUCTION CHARGES  
FOR FISCAL YEAR 2017-2018**

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (District) does find and declare as follows:

1. That pursuant to Section 26.5 of the Santa Clara Valley Water District Act ("District Act"), a written report detailing the District's activities in the protection and augmentation of the water supplies of the District, has been prepared including: a financial analysis of the District's water utility system, information as to the present and future water requirements of the District, the water supply available to the District, and future capital improvements and maintenance and operating requirements, a method of financing such requirements, a recommendation as to whether or not the groundwater production charge should continue to be levied in any zone or zones of the District during the ensuing fiscal year and, a proposal of a rate per acre-foot for agricultural water and a rate per acre-foot for all water other than agricultural water for Zones W2 and W5;
2. That on the 24th day of February 2017, said report was duly delivered to the Clerk of the District Board;
3. That the Clerk, pursuant to Section 26.6 of the District Act, gave due notice of the receipt of the report and of a public hearing to be held commencing on the 11th day of April 2017, at the Santa Clara Valley Water District at the address and at the time stated;
4. That on February 24, 2017, written notice was mailed to all owners and operators of water-producing facilities within the District's boundaries, advising of the proposed groundwater production charge rates to be levied, and of the opportunities to be heard concerning such charges, including the right to file a written protest objecting to any applicable proposed increase;
5. That pursuant to Section 26.6 of the District Act, on the 11th day of April 2017, at 1 p.m. in the Santa Clara Valley Water District Boardroom located at 5700 Almaden Expressway, San Jose, a public hearing upon said report was duly commenced and was continued for further hearing to the evening of April 13, 2017 (in Morgan Hill) and again to the evening of April 25, 2017 (in San Jose), whereupon the hearing was concluded, more than 45 days after notice of the hearing was given;
6. That during said public hearing, additional information and evidence was provided that was considered by the Board in making its decision on groundwater production charges, and the public and all persons subject to groundwater production charges were invited to speak or present written comments at each session of the hearing;
7. The record owners of water producing facilities were given the opportunity to file a written protest objecting to the proposed groundwater production charge increase;
8. That the charges established by this resolution are for the purpose of paying the cost of constructing, maintaining and operating facilities to import water into the District, paying the cost of purchasing imported water, paying the cost of constructing, maintaining and

# Resolutions

Determining Groundwater Production Charges for Fiscal Year 2017-2018

Resolution No. 17-20

- operating facilities for groundwater recharge, surface distribution, and the purification and treatment of water, and paying the principal and interest of any bonded indebtedness or other financial obligations of the District incurred for those purposes;
9. That this Board considered all protests objecting to the proposed groundwater production charge increases for Zones W-2 and W-5, respectively, and after the close of the hearing determined that written protests were not received from more than 50 percent of the record owners of groundwater production facilities in either Zone W-2 or Zone W-5;
  10. That this Board, based on the whole record before it, finds that the revenues derived from the groundwater production charges will not exceed the funds required to provide services to Zones W-2 and W-5, as authorized under the District Act, and that the amount levied does not and will not exceed the proportional cost of service; and
  11. That CEQA does not apply to approval of these charges pursuant to the statutory exemption set forth in California Code of Regulations Title 14, Chapter 3, Section 15273 because, as identified in the District's annual report on the protection and augmentation of the water supplies of the District, the charges are expressly made for the purpose of:
    - a. Meeting operating expenses, including employee wage rates and fringe benefits,
    - b. Purchasing or leasing supplies, equipment or materials,
    - c. Meeting financial reserve needs, and
    - d. Obtaining funds for capital projects necessary to maintain service within existing service areas.

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

**FIRST:** District activities in the geographic area identified as Zone W-2 provide services to the users of water in said zone who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone; and District activities in the geographic area of the District identified as Zone W-5 provide services to users of water in said zone who rely directly or indirectly upon the groundwater supplies of such zone and water imported into such zone. Revenues derived from groundwater production charges shall be used only for such activities as authorized under the District Act.

**SECOND:** Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2016-2017 groundwater production charges per acre-foot for agricultural water and water other than agricultural water should be extended and increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-2 of the District for fiscal year 2017-2018 (July 1, 2017–June 30, 2018) at the following rates:

Water Other Than Agricultural	Agricultural Water
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# Resolutions

Determining Groundwater Production Charges for Fiscal Year 2017-2018

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\$1,175.00

\$25.09

**THIRD:** Based upon the findings and determinations from said hearing, the entire record presented to the Board and results of protests received, the Board hereby determines that fiscal year 2016-2017 groundwater production charges per acre-foot for agricultural water and water other than agricultural water should be extended and increased. Accordingly, such charges shall be, and are hereby set as follows on all persons operating groundwater-producing facilities in Zone W-5 of the District for fiscal year 2017-2018 (July 1, 2017–June 30, 2018) at the following amounts:

Water Other Than Agricultural	Agricultural Water
\$418.00	\$25.09

**FOURTH:** Notice of the setting of groundwater production charges in the identified amounts shall be given as provided in Section 26.8 of the District Act.

**FIFTH:** The groundwater production charges set forth in this resolution shall be in effect until subsequent action of this Board modifying them.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 9, 2017.

AYES: Directors R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen,  
L. LeZotte, J. Varela

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By:   
JOHN L. VARELA  
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

  
Clerk/Board of Directors

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

**RESOLUTION NO. 17- 21**

**DETERMINING RAW SURFACE WATER, TREATED WATER, AND SOUTH COUNTY  
RECYCLED WATER CHARGES  
FOR FISCAL YEAR 2017-2018**

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (District) does find and declare as follows:

1. That pursuant to Section 26.5 of the Santa Clara Valley Water District Act ("District Act"), a written report detailing the District's activities in the protection and augmentation of the water supplies of the District, including a recommendation as to charges for surface water that should be imposed in any zones W-2 and W-5 of the District during the ensuing fiscal year;
2. That on February 24, 2017, written notice was mailed to all owners and operators of raw surface water-producing facilities within the District's boundaries, advising of the proposed raw surface water charge rates to be levied, and of the opportunities to be heard concerning such charges, including the right to file a written protest objecting to any applicable proposed increase;
3. That pursuant to Section 26.6 of the District Act, on the 11th day of April 2017, at 1 p.m. in the Santa Clara Valley Water District Boardroom located at 5700 Almaden Expressway, San Jose, a public hearing upon said report was duly commenced and was continued for further hearing to the evening of April 13, 2017 (in Morgan Hill) and again to the evening of April 25, 2017 (in San Jose), whereupon the hearing was concluded;
4. That during said public hearing, additional information and evidence was provided that was considered by the Board in making this decision;
5. That the charges established by this resolution are for the purpose of paying the cost of constructing, maintaining and operating facilities to import water into the District, paying the cost of purchasing imported water, paying the cost of constructing, maintaining and operating facilities for groundwater recharge, surface distribution, and the purification and treatment of water, and paying the principal and interest of any bonded indebtedness or other financial obligations of the District incurred for those purposes;
6. The record owners of raw surface water producing facilities were given the opportunity to file a written protest objecting to the proposed raw surface water charge increase;
7. That this Board considered all protests objecting to the proposed raw surface water charge increases for Zones W-2 and W-5, respectively, and after the close of the hearing determined that written protests were not received from more than 50 percent of the record owners of surface water facilities in either Zone W2 or Zone W5; and
8. That CEQA does not apply to approval of these charges pursuant to statutory exemption California Code of Regulations Title 14, Chapter 3, Section 15273 because, as identified in the District's annual report on the protection and augmentation of the water supplies of the District, the charges are expressly made for the purpose of:

# Resolutions

Determining Raw and Treated Surface Water Charges for Fiscal Year 2017-2018  
Resolution No. 17-21

- a. Meeting operating expenses, including employee wage rates and fringe benefits,
- b. Purchasing or leasing supplies, equipment or materials,
- c. Meeting financial reserve needs, and
- d. Obtaining funds for capital projects necessary to maintain service within existing service areas.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of Santa Clara Valley Water District that, subject to the provisions of a minimum charge as set forth in Item 5 below, the charges to be applied in fiscal year 2017-2018 (July 1, 2017–June 30, 2018) for raw surface water of the District, which includes a Basic User Charge and charge for watermaster service, and, where applicable for capital cost repayment and the area within which such charges shall be applied, will be as follows:

1. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-2 is:

<b>Water Other Than Agricultural</b>	<b>Agricultural Water</b>
\$1,175.00	\$25.09

2. The Basic User Charge per acre-foot for raw surface-delivered water in Zone W-5 is:

<b>Water Other Than Agricultural</b>	<b>Agricultural Water</b>
\$418.00	\$25.09

3. The charge for watermaster service throughout the District whether such service is for agricultural water or for water other than agricultural water shall be \$33.36 per acre-foot.
4. The minimum charge for water other than agricultural water in Zone W-2 shall be \$881.25 per fiscal year or part thereof, and in Zone W-5 shall be \$313.50 per fiscal year or part thereof; and
5. The minimum charge for agricultural water in Zone W-2 shall be \$18.82 per fiscal year or part thereof, and in Zone W-5 shall be \$18.82 per fiscal year or part thereof; and
6. Charges (including minimum charges) per acre-foot for surface water delivered to users in the District outside of either Zone W-2 or Zone W-5 shall be the same as those imposed within the zone to which the user's turnout is most nearly located.

# Resolutions

Determining Raw and Treated Surface Water Charges for Fiscal Year 2017-2018

Resolution No. 17-21

BE IT FURTHER RESOLVED upon due review of anticipated costs and revenues of the District, the following rate schedule in dollars per acre-foot for the delivery of treated water is hereby established as the Contract Treated Water Charge, which is comprised of the Basic User Charge and the Treated Water Surcharge for the 2017-2018 fiscal year (July 1, 2017 – June 30, 2018):

Charge	Amount
Basic User Charge	\$1,175.00
Treated Water Surcharge	<u>\$ 100.00</u>
Contract Treated Water Charge	\$1,275.00

BE IT FURTHER RESOLVED that the price to be charged per acre-foot for recycled water from the South County Regional Wastewater Authority Facility at Gilroy shall be the following for the 2017-2018 fiscal year (July 1, 2017–June 30, 2018):

Water Other Than Agricultural	Agricultural Water
\$398.00	\$48.88

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 9, 2017.

AYES: Directors R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen,  
L. LeZotte, J. Varela

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: 

JOHN L. VARELA  
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

  
Clerk/Board of Directors

# Resolutions

## BOARD OF DIRECTORS SANTA CLARA VALLEY WATER DISTRICT

### RESOLUTION NO. 17-22

#### APPROVING AND ADOPTING THE OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2017-18

WHEREAS, on April 26, 2017, the Board of Directors of the Santa Clara Valley Water District (District) held its annual budget work study session to review and consider the Proposed Operating and Capital Budget (Budget) for Fiscal Year (FY) 2017-18; and

WHEREAS, such budget work study session was open to the general public to appear and be heard regarding any item of the proposed budget or for the inclusion of additional items; and

WHEREAS, Section 20 of the District Act requires that after conclusion of the public meeting(s) to hear general public comments 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 not later than June 30 of each year; and

WHEREAS, the Budget for FY 2017-18 was developed in accordance with the Board's Executive Limitations EL-4 that the District's financial planning for any fiscal year shall be aligned with the Board's Ends, not risk fiscal jeopardy, and be derived from a multi-year plan; and

WHEREAS, the Board was provided a comprehensive overview of the budget development process and assumptions, a District-wide financial review and a presentation of fund and business area financial allocations in the Proposed Budget for FY 2017-18; and

WHEREAS, the Board was provided assurance that the Proposed Budget for FY 2017-18 meets Board priorities, realizes efficiencies and cost savings, demonstrates fiscal accountability and value to customers, is balanced and ensures future financial sustainability.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that the Budget for FY 2017-18, plus any changes or modifications made at the time of adoption, and including the terms of this Resolution, is hereby approved and adopted; and

BE IT FURTHER RESOLVED that the total appropriations approved by the Board of Directors, which include all operating and capital outlays, interfund transfers, and budgeted reserves, are limited within each fund as follows (plus any changes or modifications made at the time of adoption):

1.	District General Fund (11)	\$ 70,380,623
2.	Watershed and Stream Stewardship Fund (12)	\$ 152,218,282
3.	Lower Peninsula Watershed Fund (21)	\$ 4,038,079
4.	West Valley Watershed Fund (22)	\$ 2,265,508
5.	Guadalupe Watershed (23)	\$ 4,578,702
6.	Coyote Watershed Fund (24)	\$ 3,895,225
7.	Safe, Clean Water and Natural Flood Protection Fund (26)	\$ 235,697,675
8.	Water Enterprise Fund (61)	\$ 415,995,066
9.	State Water Project Fund (63)	\$ 28,288,222
10.	Fleet Management Fund (71)	\$ 7,348,203
11.	Risk Insurance Fund (72)	\$ 20,357,080
12.	Information Technology Fund (73)	\$ 13,895,003

# Resolutions

## APPROVING AND ADOPTING THE OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2017-18

Resolution No. 17-22

BE IT FURTHER RESOLVED, that:

1. Any subsequent changes to the Adopted Santa Clara Valley Water District FY 2017-18 Operating and Capital Budget shall occur as follows:
  - (a) By District Board of Directors action for all budget adjustments that either increase or decrease a fund's total operating, capital, or operating transfer budget or reserve appropriations.
  - (b) By District Board of Directors action for all budget adjustments between capital projects within a fund that exceed \$100,000 per project within the fiscal year.
  - (c) Delegation of authority is hereby conferred to the Chief Executive Officer (CEO), or his/her designee to approve budget transfers from the Supplemental Water Supply reserve for amounts not to exceed 20% of the annual imported water purchases budget. The CEO shall inform the Board of any such budget transfers on a timely basis.
  - (d) By the Chief Executive Officer (CEO), or his/her designee, for all other changes.
2. With the exception of those capital projects that have been closed or those related to capital program management and administrative services, any unexpended or unencumbered appropriation balances remaining at the end of FY 2016-17 for capital projects are hereby reappropriated to FY 2017-18 for continued use in those same projects, up to \$100,000 above the planned expenditure amounts for each project identified in the draft Five-Year CIP for FY 2017-18. The portion of the balances that are not reappropriated to FY 2017-18 will remain as designated reserves for Current Authorized Projects to be reappropriated in future years in accordance with the Five-Year CIP expenditure schedule.
3. Any variances at the end of FY 2016-17 in Committed Reserves, Restricted Reserves and Other Reserves from those estimated in this FY 2017-18 Budget not otherwise reappropriated above shall result in corresponding adjustments to the FY 2017-18 estimated reserve appropriations in accordance with District Reserve Policy. These adjustments shall be made in the following order:
  - (a) First, to restore Restricted Reserves.
  - (b) Second, to restore Risk Fund Committed Reserves.
  - (c) Third, to restore other Committed Reserves excluding Operating and Capital Reserves.
  - (d) Fourth, to restore Operating and Capital Reserves.
4. If at the commencement of FY 2017-18, the appropriations applicable to that year have not been finally determined and adopted by the Board of Directors in accordance with the District Act, the District shall proceed in accordance with the following authorizations:
  - (a) Except as otherwise provided in Section 4(b), the amounts set forth in the proposed budget for operating outlays, including existing debt service requirements, and capital outlays and the purposes therein specified, except funding for fixed assets, and residual

# Resolutions

## APPROVING AND ADOPTING THE OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2017-18

Resolution No. 17- 22

equity transfers, are deemed appropriated until the final adoption of the budget by the Board of Directors.

- (b) Funding for fixed assets and residual equity transfers are deemed appropriated until the adoption for the final budget if specifically approved by the Board of Directors.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 9, 2017:

AYES: Directors R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen,  
L. LeZotte, J. Varela

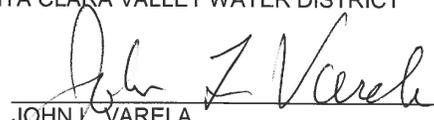
NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By:

  
JOHN L. VARELA  
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

  
Clerk/Board of Directors

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

**RESOLUTION NO. 17- 23**

**PROVIDING FOR A LEVY OF AD VALOREM REAL PROPERTY TAXES  
IN FISCAL YEAR 2017-18 TO MEET THE COST OF ITS  
WATER SUPPLY CONTRACT WITH THE STATE OF CALIFORNIA**

WHEREAS, the Santa Clara Valley Water District (District) 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 XIII A of the California Constitution; and

WHEREAS, the District anticipates that its contractual indebtedness to the State under the State Water Supply Contract during the fiscal year beginning July 1, 2017 and ending June 30, 2018 (Fiscal Year 2017-18), will be at least \$26 million; and

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

WHEREAS, Section 1(b) of Article XIII A 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 XIII A; and

WHEREAS, the District'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 District staff, and information communicated to the Board during public meetings in which the District's Fiscal Year 2017-18 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 the District'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 the District's Fiscal Year 2017-18 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 the United States Constitution and Article I, Section 9 of the California Constitution is \$26 million for payments on the District'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 XIII A of the Constitution of the State of California there shall be levied in Fiscal Year 2017-18 an ad valorem real property tax within the District, sufficient to raise the sum of \$26 million to

# Resolutions

## Providing for a Levy of Ad Valorem Real Property Taxes in District Fiscal Year 2017-18 to Meet the Cost of Its Water Supply Contract With the State of California

Resolution No. 17- 23

meet that portion of the District's Water Supply Contract obligation which may be lawfully so raised.

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

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 9, 2017:

AYES: Directors R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen, L. LeZotte, J. Varela

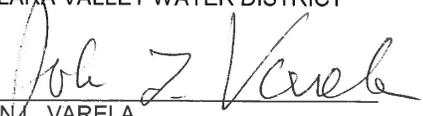
NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By:

  
JOHN L. VARELA  
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

  
Clerk/Board of Directors

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

**RESOLUTION NO. 17- 24**

**DELEGATING AUTHORITY TO DEPOSIT AND INVEST FUNDS  
TO THE TREASURER OR HIS OR HER DESIGNEE**

WHEREAS, the Board of Directors (Board) of the Santa Clara Valley Water District (District), in accordance with Executive Limitation 4.9, believes that public funds should be prudently invested or deposited consistent with applicable laws and the policies of the Board to produce revenue for the District; and

WHEREAS, from time to time, there are District funds available for the purpose of investment or deposit; and

WHEREAS, the Board of this District has, pursuant to the provisions of California Government Code Sections 53607 and 53608, determined to delegate to the Treasurer/Chief Operating Officer – Administrative Services, designated by the Interim Chief Executive Officer (CEO), authority to invest or deposit such funds in accordance with the provisions of the Government Code; and

WHEREAS, it will be more convenient in the handling of said bonds or other securities so purchased that they be kept in safekeeping by said banks while they are the property of this District;

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District that the Treasurer/ Chief Operating Officer – Administrative Services, designated by the Interim CEO, pursuant to California Government Code Sections 53607 and 53608, is hereby authorized to invest, deposit, or deposit for safekeeping, as far as possible, all money belonging to, or in the custody of, the District pursuant to the Title 5, Division 2, Part 1, Chapter 4, Articles 1 and 2 of the Government Code, as amended from time to time and as directed by the policies of the Board.

BE IT FURTHER RESOLVED that the Treasurer and his or her designee (the Chief Financial Officer and the Treasury/Debt Officer) be and are hereby authorized to invest in permissible investments, or to deposit in interest-bearing accounts with authorized financial institutions, funds in a sinking fund or funds of this District from any of the various accounts of this District when such funds will not be needed for the immediate necessities of the District.

BE IT FURTHER RESOLVED that the resolution shall be effective for fiscal year 2017-18, and shall be reconsidered by the Board at a public meeting annually.

# Resolutions

Delegating Authority to Deposit and Invest Funds to the Treasurer or His or Her Designee  
Resolution No. 17- 24

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PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 9, 2017:

AYES: Directors R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen,  
L. LeZotte, J. Varela

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

  
\_\_\_\_\_  
JOHN L. VARELA  
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

  
\_\_\_\_\_  
Clerk/Board of Directors

# Resolutions

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

**RESOLUTION NO. 17- 25**

**AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND**

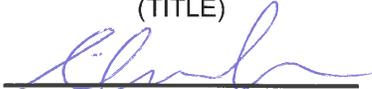
WHEREAS, the Local Agency Investment Fund is established in the State Treasury under Government Code Sections 16429.1 through 16429.4, as may be amended from time to time ("Government Code"), for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Directors hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code for the purpose of investment as provided therein is in the best interests of the District;

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District does hereby authorize the deposit and withdrawal of District monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code for the purpose of investment as provided therein.

BE IT FURTHER RESOLVED, as follows:

Section 1. The following District officers holding the title(s) specified herein below **or their successors in office** are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

Charlene Sun  
(NAME)  
Treasury/Debt Officer/  
Treasury and Debt Manager  
(TITLE)  
  
(SIGNATURE)

Darin Taylor  
(NAME)  
Chief Financial Officer  
(TITLE)  
  
(SIGNATURE)

Gloria Del Rosario  
(NAME)  
Accounting Manager  
(TITLE)  
  
(SIGNATURE)

Marie Martinez  
(NAME)  
Management Analyst II  
(TITLE)  
  
(SIGNATURE)

Chenlei Yao  
(NAME)  
Management Analyst II  
(TITLE)  
  
(SIGNATURE)

# Resolutions

Authorizing Investment of Monies in the Local Agency Investment Fund

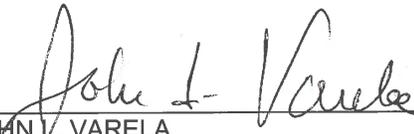
Resolution No. 17-25

Section 2. This resolution shall remain in full force and effect until rescinded by Board of Directors by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer's Office.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on May 9, 2017:

AYES: Directors R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen,  
L. LeZotte, J. Varela  
NOES: Directors None  
ABSENT: Directors None  
ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

  
\_\_\_\_\_  
JOHN L. VARELA  
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

  
\_\_\_\_\_  
Clerk/Board of Directors

# Resolutions

Authorizing Investment of Monies in the Local Agency Investment Fund

Resolution No. 17-25



I hereby certify that the foregoing is a full, true and correct copy of the original thereof on file in my office.

DATED: May 9, 2017

MICHELE L. KING  
Clerk, Board of Directors  
Santa Clara Valley Water District

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

**RESOLUTION NO. 17. 26**

**AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE AND A TAXABLE TAX AND REVENUE ANTICIPATION NOTE TO SUPPORT A COMMERCIAL PAPER PROGRAM IN A COMBINED AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$225 MILLION**

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (the "District"), a flood control and water district duly organized and existing under and pursuant to the Constitution and laws of the State of California (the "State"), has previously undertaken a commercial paper program; and

WHEREAS, in order to continue the commercial paper program, the District has determined to issue in fiscal year 2017-2018 tax-exempt tax and revenue anticipation notes (the "Tax-Exempt Notes") and taxable tax and revenue anticipation notes (the "Taxable Notes," and together with the Tax-Exempt Notes, the "Notes") in a combined aggregate principal amount not to exceed \$320,000,000 pursuant to Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code on the terms set forth herein;

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

**SECTION 1. DEFINITIONS**

Unless the context otherwise requires, the terms defined in this Section have the meanings herein specified.

"Authorizing Law" means Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the California Government Code.

"Bonds" means all revenue bonds or notes of the District authorized, executed, issued and delivered by the District, which are secured by a pledge of and lien on the Water Utility System Revenues in accordance with Section 2.1 and are payable from Net Water Utility System Revenues in accordance with Section 2.2(b) of the Master Resolution.

"Chief Operating Officer - Administration" means the duly appointed Chief Operating Officer – Administration of the District.

"Interim Chief Executive Officer" means the duly appointed Interim Chief Executive Officer of the District.

"Chief Financial Officer" means the duly appointed Chief Financial Officer of the District.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder.

# Resolutions

Authorizing the Execution and Delivery of a Tax-Exempt Tax and Revenue Anticipation Note and a Taxable Tax and Revenue Anticipation Note to Support a Commercial Paper Program in a Combined Aggregate Principal Amount Not to Exceed \$225 Million

Resolution No. 17- 26

“Contract” means all installment purchase agreements or other contracts of the District authorized and executed by the District, which are secured by a pledge and lien on the Water Utility System Revenues in accordance with Section 2.1 and are payable from Net Water Utility System Revenues in accordance with Section 2.2(b) of the Master Resolution.

“District” means the Santa Clara Valley Water District.

“Master Resolution” means the Water Utility Parity System Master Resolution No. 16-10 adopted by the Board of Directors of the Santa Clara Valley Water District on February 23, 2016.

“Net Water Utility System Revenues” has the meaning set forth in the Master Resolution.

“Notes” means the Tax-Exempt Notes and the Taxable Notes.

“Regulations” means the income tax regulations promulgated or proposed by the Department of the Treasury pursuant to the Code from time to time, including temporary regulations, to the extent applicable.

“Tax-Exempt Notes” means the Santa Clara Valley Water District 2017-2018 Tax-Exempt Tax and Revenue Anticipation Notes to be issued hereunder.

“Taxable Notes” means the Santa Clara Valley Water District 2017-2018 Taxable Tax and Revenue Anticipation Notes to be issued hereunder.

## **SECTION 2. ISSUANCE OF THE NOTES; AMOUNT; TERMS; INTEREST RATE; PLACE OF PAYMENT; USE OF PROCEEDS**

Pursuant to the Authorizing Law, the Tax-Exempt Notes and the Taxable Notes shall be issued in a combined aggregate principal amount not to exceed \$320,000,000, which when added to the interest payable thereon, will not exceed 85 percent of the estimated amount of the then uncollected taxes, income, revenue, cash receipts, and other moneys of the District which will be available for the payment therefor. A certificate of the Interim Chief Executive Officer, Chief Operating Officer - Administration, or Chief Financial Officer certifying to such effect, in the form attached hereto as “Exhibit B”, shall be completed on or prior and as a condition to, the delivery of the Notes. The Tax-Exempt Notes shall be designated “Santa Clara Valley Water District 2017-2018 Tax-Exempt Tax and Revenue Anticipation Notes” and the Taxable Notes shall be designated “Santa Clara Valley Water District 2017-2018 Taxable Tax and Revenue Anticipation Notes”. The Notes shall be dated the date of issuance thereof. The Notes shall be payable at the office of the District at such times and in such amounts as set forth in the respective Notes. The Notes shall mature and be payable no later than October 1, 2018. The Notes shall bear a rate of interest which shall be determined on the date of issuance of the commercial paper notes or

# Resolutions

Authorizing the Execution and Delivery of a Tax-Exempt Tax and Revenue Anticipation Note and a Taxable Tax and Revenue Anticipation Note to Support a Commercial Paper Program in a Combined Aggregate Principal Amount Not to Exceed \$225 Million

Resolution No. 17- 26

other short term obligations to which such Notes are pledged and shall be a rate which when multiplied by the principal amount of such Notes outstanding on such day will be equal to the interest accruing with respect to the commercial paper or other short-term obligations to which such Notes are pledged outstanding on such date and shall be payable in accordance with the terms thereof.

Each Note shall be prepayable in whole or in part on any day on which the commercial paper or other short-term obligations to which such Note is pledged is due and payable in the event that the District declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of the Notes will be used for any District purpose, including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of the District.

### **SECTION 3. EXECUTION OF THE NOTES**

The Interim Chief Executive Officer, Chief Operating Officer - Administration, and Chief Financial Officer are hereby authorized and directed to sign the Notes, by such officer's manual, printed, lithographed or facsimile signatures.

### **SECTION 4. FORM OF THE NOTES**

The Notes shall be issued in substantially the form set forth in "Exhibit A" attached hereto and incorporated herein and may be issued in typewritten form.

### **SECTION 5. PAYABLE FROM NET WATER UTILITY SYSTEM REVENUES**

The obligation of the District to make payments of principal of and interest on the Notes is a general obligation of the District. The District hereby pledges Net Water Utility System Revenues of the District on a subordinate basis to all payment of Bonds and Contracts of the District to additionally secure the payment of the principal of and interest on the Notes, all in accordance with the Master Resolution. The Notes do not constitute a debt of the District or the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

### **SECTION 6. CERTIFIED COPIES**

The District Clerk of the Board shall provide a certified copy of this document to the Interim Chief Executive Officer who shall take such action as shall be necessary to assure compliance by the District with the terms and conditions hereof.

# Resolutions

Authorizing the Execution and Delivery of a Tax-Exempt Tax and Revenue Anticipation Note and a Taxable Tax and Revenue Anticipation Note to Support a Commercial Paper Program in a Combined Aggregate Principal Amount Not to Exceed \$225 Million

Resolution No. 17- 26

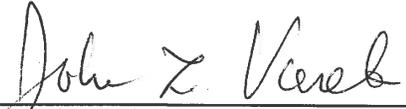
## SECTION 7. EFFECTIVE DATE

This resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 9, 2017.

AYES:	Directors	R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen, L. LeZotte, J. Varela
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

SANTA CLARA VALLEY WATER DISTRICT

By:   
JOHN L. VARELA  
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

  
Clerk/Board of Directors

## EXHIBIT A

### SANTA CLARA VALLEY WATER DISTRICT 2017-2018 TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE

FOR VALUE RECEIVED, the Santa Clara Valley Water District acknowledges itself indebted to and promises to pay to Santa Clara Valley Water District Public Facilities Financing Corporation \$225,000,000 in lawful money of the United States of America, on October 1, 2018, together with interest thereon at the offices of the District in like lawful money from the date hereof until payment in full of said principal sum. Interest on the Note shall be determined on a daily basis and shall be a rate which when multiplied by the principal amount of the Note outstanding on such day will be equal to the interest accruing with respect to the commercial paper or other short-term obligations to which the Note is pledged outstanding on such day. Interest on the Note shall be payable on any date on which interest is payable with respect to the commercial paper or other short-term obligations to which the Note is pledged. The Note shall be prepayable in whole or in part on any day on which the Corporation notifies the District that the principal with respect to the commercial paper or other short-term obligations to which the Note is pledged is due and payable in the event that the District declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of the Note will be used for any District purpose, including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of the District.

It is hereby certified, recited and declared that this Note is issued by authority of Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the District, does not exceed any limit prescribed by the Constitution or laws of the State.

The Note shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the District for fiscal year 2017-2018 and which are lawfully available for the payment of current expenses and other obligations of the District. The obligation of the District to make payments of principal of and interest on the Note is a general obligation of the District and is additionally payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts (as such terms are defined in the Resolution). The Note does not constitute a debt of the District or of the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

IN WITNESS WHEREOF, the Santa Clara Valley Water District has caused this Note to be executed by the manual or facsimile signature of its Interim Chief Executive Officer or Chief

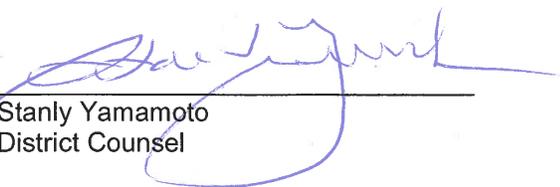
# Resolutions

Operating Officer - Administration and the General Counsel or the General Counsel's designee, all as of July 1, 2017.

SANTA CLARA VALLEY WATER DISTRICT

By:   
Norma J. Camacho  
Interim Chief Executive Officer

APPROVED AS TO FORM:

By:   
Stanly Yamamoto  
District Counsel

## SANTA CLARA VALLEY WATER DISTRICT 2017-2018 TAXABLE TAX AND REVENUE ANTICIPATION NOTE

FOR VALUE RECEIVED, the Santa Clara Valley Water District acknowledges itself indebted to and promises to pay to Santa Clara Valley Water District Public Facilities Financing Corporation \$95,000,000 in lawful money of the United States of America, on October 1, 2018, together with interest thereon at the offices of the District in like lawful money from the date hereof until payment in full of said principal sum. Interest on the Note shall be determined on a daily basis and shall be a rate which when multiplied by the principal amount of the Note outstanding on such day will be equal to the interest accruing with respect to the commercial paper or other short-term obligations to which the Note is pledged outstanding on such day. Interest on the Note shall be payable on any date on which interest is payable with respect to the commercial paper or other short-term obligations to which the Note is pledged. The Note shall be prepayable in whole or in part on any day on which the Corporation notifies the District that the principal with respect to the commercial paper or other short-term obligations to which the Note is pledged is due and payable in the event that the District declines to cause additional commercial paper or other short-term obligations to be sold to repay such maturing commercial paper or other short-term obligations.

The proceeds of the Note will be used for any District purpose, including, but not limited to, capital expenditure, investment and reinvestment, and the discharge of any obligation or indebtedness of the District.

It is hereby certified, recited and declared that this Note is issued by authority of Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the District, does not exceed any limit prescribed by the Constitution or laws of the State.

The Note shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the District for fiscal year 2017-2018 and which are lawfully available for the payment of current expenses and other obligations of the District. The obligation of the District to make payments of principal of and interest on the Note is a general obligation of the District and is additionally payable from Net Water Utility System Revenues, on a subordinate basis to all payment of Bonds and Contracts (as such terms are defined in the Resolution). The Note does not constitute a debt of the District or of the State or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

IN WITNESS WHEREOF, the Santa Clara Valley Water District has caused this Note to be executed by the manual or facsimile signature of its Interim Chief Executive Officer or Chief

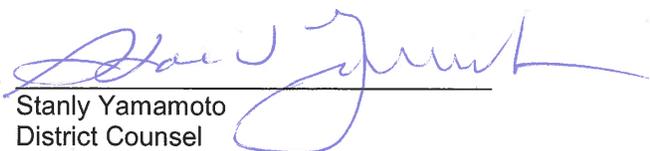
# Resolutions

Operating Officer – Administration, and the General Counsel or the General Counsel's designee, all as of July 1, 2017.

SANTA CLARA VALLEY WATER DISTRICT

By:   
Norma J. Camacho  
Interim Chief Executive Officer

APPROVED AS TO FORM:

By:   
Stanly Yamamoto  
District Counsel

## EXHIBIT B

**\$225,000,000**  
**SANTA CLARA VALLEY WATER DISTRICT**  
**2017-2018 TAX AND REVENUE ANTICIPATION NOTES**  
**CALCULATION OF 85% AMOUNT**

Pursuant to the Authorizing Law, the Tax-Exempt Notes and the Taxable Notes shall be issued in a combined aggregate principal amount not to exceed \$320,000,000, which when added to the interest payable thereon, will not exceed 85 percent of the estimated amount of the then uncollected taxes, income, revenue, cash receipts, and other moneys of the District, as determined by the following calculation:

FY 2017-18 District-wide Estimated Uncollected Taxes, Income, Revenue, Cash Receipts and Other Money <sup>1</sup> (A)	<u>\$442,600,000</u>
FY 2017-18 Tax and Revenue Anticipation Notes:	
Principal amount of the Notes <sup>2</sup>	320,000,000
Interest on the Notes <sup>3</sup>	<u>48,853,333</u>
Total (B)	368,853,333
Percentage (B)/(A)	83.34%

Dated: July 1, 2017

SANTA CLARA VALLEY WATER DISTRICT

By: \_\_\_\_\_

  
Darin Taylor  
Chief Financial Officer

<sup>1</sup> Source: FY 2017-18 Protection and Augmentation of Water Supplies Report (page 38)

<sup>2</sup> Up to \$225 million in Tax-Exempt Notes and \$95 million of Taxable Notes may be issued to support a Commercial Paper Program in a combined aggregate principal amount not to exceed \$225 Million

<sup>3</sup> Assumes maximum interest rate of 12% calculated based on actual/360-day basis

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

**RESOLUTION NO. 17-27**

**INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS**

WHEREAS, the Santa Clara Valley Water District (the "District") is a flood control and water district duly organized and existing under and pursuant to the Constitution and laws of the State of California; and

WHEREAS, the Board of Directors of the District intends to finance the costs of acquiring certain public facilities and improvements, as provided in Exhibit A attached hereto and incorporated herein (collectively, the "Project"); and

WHEREAS, the District expects to finance the acquisition of the Project or portions of the Project with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"); and

WHEREAS, prior to the execution and delivery of the Obligations, the District desires to incur certain expenditures with respect to the Project from available monies of the District, which expenditures are desired to be reimbursed by the District from a portion of the proceeds of the sale of the Obligations;

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District does hereby find, determine, declare, and resolve as follows:

1. The District hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the execution and delivery of the Obligations with proceeds of the Obligations. Exhibit A describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.
2. The reasonably expected maximum principal amount of the Obligations is \$137,455,000.
3. This resolution is being adopted on or prior to the date (the "Expenditure Date or Dates") that the District will expend monies for the portion of the Project costs to be reimbursed from proceeds of the Obligations.
4. Except as described below, the expected date of execution and delivery of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, however, that the reimbursement may not be made more than three years after the original expenditure is paid.
5. Proceeds of the Obligations to be used to reimburse for Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the District [other than the Obligations]) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the District or any entity related in any manner to the District, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.
6. This resolution is consistent with the budgetary and financial circumstances of the District as of the date hereof. No monies from sources other than the Obligation issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or

# Resolutions

Intention to Issue Tax-Exempt Obligations

Resolution No. 17-27

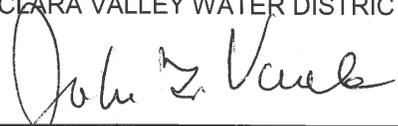
otherwise set aside by the District (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board of Directors is not aware of the previous adoption of official intents by the District that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

7. The limitations described in Section 3 and Section 4 of this Resolution do not apply to: (a) costs of issuance with respect to the Obligations; (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Obligations; or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.
8. This resolution is adopted as official action of the District in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of District expenditures incurred prior to the date of execution and delivery of the Obligations, is part of the District's official proceedings, and will be available for inspection by the general public at the main administrative office of the District.
9. All the recitals in this Resolution are true and correct and this Board of Directors so finds, determines and represents.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 9, 2017:

AYES: Directors R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen,  
L. LeZotte, J. Varela  
NOES: Directors None  
ABSENT: Directors None  
ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: 

JOHN L. VARELA  
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

  
Clerk/Board of Directors

## EXHIBIT A

### DESCRIPTION OF PROJECT

Various capital improvements set forth in the Fiscal Year 2018-22 Capital Improvement Plan (the "CIP") for water supply infrastructure, including storage, transmission, treatment, and recycled water facilities, water resources stewardship, and Expedited Purified Water Program, as such CIP may be modified from time-to-time. The current CIP is incorporated herein by reference.

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

**RESOLUTION NO. 17- 28**

**REGARDING INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS**

WHEREAS, the Board of Directors of the Santa Clara Valley Water District (the "Issuer") desires to finance the costs of acquiring certain public facilities and improvements, as provided in Exhibit A attached hereto and incorporated herein (the "Project");

WHEREAS, the Issuer intends to finance the acquisition of the Project or portions of the Project with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"); and

WHEREAS, prior to the issuance of the Obligations the Issuer desires to incur certain expenditures with respect to the Project from available monies of the Issuer which expenditures are desired to be reimbursed by the Issuer from a portion of the proceeds of the sale of the Obligations;

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

**Section 1.** The Issuer hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations. Exhibit A describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

**Section 2.** The reasonably expected maximum principal amount of the Obligations is \$130,986,000.

**Section 3.** This resolution is being adopted no later than 60 days subsequent to the first date (each day of expenditure referred to herein as the "Expenditures Date or Dates") that the Issuer will expend monies for the portion of the Project costs to be reimbursed from proceeds of the Obligations.

**Section 4.** Except as described below, the expected date of issue of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, the reimbursement may not be made more than three years after the original expenditure is paid. For Obligations subject to the small issuer exception of Section 148(f)(4)(D) of the Internal Revenue Code, the "eighteen-month limit" of the previous sentence is changed to "three years" and the limitation of the previous sentence beginning with "; provided, . . . ." is not applicable.

**Section 5.** Proceeds of the Obligations to be used to reimburse for Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the Issuer [other than the Obligations]) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the Issuer or any entity related in any manner to the Issuer, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

**Section 6.** This resolution is consistent with the budgetary and financial circumstances of the Issuer, as of the date hereof. No monies from sources other than the Obligation issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside

# Resolutions

Regarding Intention to Issue Tax-Exempt Obligations

Resolution No. 17- 28

by the Issuer (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board of Directors is not aware of the previous adoption of official intents by the Issuer that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

**Section 7.** The limitations described in Section 3 and Section 4 do not apply to (a) costs of issuance of the Obligations, (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Obligations, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

**Section 8.** This resolution is adopted as official action of the Issuer in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Issuer expenditures incurred prior to the date of issue of the Obligations, is part of the Issuer's official proceedings, and will be available for inspection by the general public at the main administrative office of the Issuer.

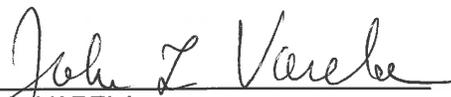
**Section 9.** All the recitals in this Resolution are true and correct and this Board of Directors so finds, determines and represents.

**Section 10.** This resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on May 9, 2017:

AYES:	Directors	R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen, L. LeZotte, J. Varela
NOES:	Directors	None
ABSENT:	Directors	None
ABSTAIN:	Directors	None

SANTA CLARA VALLEY WATER DISTRICT

  
\_\_\_\_\_  
JOHN L. VARELA  
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

  
\_\_\_\_\_  
Clerk/Board of Directors

# Resolutions

## CLERK'S CERTIFICATE

STATE OF CALIFORNIA            )  
  ) SS  
COUNTY OF SANTA CLARA        )

I, Michele L. King, Clerk of the Board of Directors of Santa Clara Valley Water District, Santa Clara County, California, hereby certify as follows:

The foregoing is a full, true, and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of said District duly and regularly and legally held at the regular meeting place thereof on May 9, 2017, of which meeting all of the members of said Board of Directors had due notice and at which a majority thereof were present.

At said meeting said resolution was adopted by the following vote:

AYES:       Directors   R. Santos, T. Estremera, N. Hsueh, B. Keegan, G. Kremen,  
  L. LeZotte, J. Varela  
NOES:       Directors   None  
ABSENT:     Directors   None  
ABSTAIN:   Directors   None

I have carefully compared the same with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true, and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified, or rescinded since the date of its adoption, and same is now in full force and effect.

Dated: May 9, 2017

SANTA CLARA VALLEY WATER DISTRICT



  
MICHÈLE L. KING, CMC  
Clerk/Board of Directors

## EXHIBIT A

### DESCRIPTION OF PROJECT

Various Safe, Clean Water and Natural Flood Protection capital improvements set forth in the Fiscal Year 2018-22 Capital Improvement Plan (the "CIP"), as such CIP may be modified from time-to-time. The current CIP is incorporated herein by reference.

# Resolutions

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

**RESOLUTION NO. 17- 47**

**ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2017-18**

WHEREAS, Article XIII B of the California Constitution and Government Code Sections 7901-7914 provide that the State and each local agency shall be subject to an annual Appropriations Limit as defined therein; and

WHEREAS, Article XIII B Section 8(e)(2) requires each local government entity to select its methodology annually by a recorded vote of the governing body; and

WHEREAS, the District has selected the percentage change in per capita personal income as the factor to be used in the calculation of the Appropriations Limit; and

WHEREAS, the District has prepared the applicable documentation as intended by Article XIII B of the California Constitution, and such documents are available for public review in the Office of the Clerk of the Board during regular business hours.

NOW, THEREFORE BE IT RESOLVED that the Appropriations Limit for Fiscal Year 2017-18 is hereby established at \$146,806,141 by applying the Santa Clara County per capita personal income percentage change over the prior year of 3.69 percent, and the Santa Clara County population percentage change over prior year of 0.81 percent as shown on Exhibit A. This limit may be adjusted at a later date in accordance with Sections 3 and 11 of Article XIII B of the California Constitution.

BE IT FURTHER RESOLVED that any judicial action or proceeding to attack, review, set aside, void, or annul the Fiscal Year 2017-18 Appropriations Limit established by this resolution shall be commenced within 45 days from the date of this resolution in accordance with Section 7910 of the Government Code.

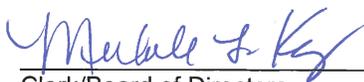
PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on June 27, 2017:

AYES: Directors T. Estremera, R. Santos, N. Hsueh, B. Keegan, L. LeZotte,  
J. Varela  
NOES: Directors None  
ABSENT: Directors G. Kremen  
ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By:   
JOHN L. VARELA  
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

  
Clerk/Board of Directors

# Resolutions

## EXHIBIT A

### Santa Clara Valley Water District Fiscal Year 2017-18 Appropriations Limit on the Proceeds of Taxes \*

	FY 2016-17 Appropriations Limit	Ratio of Change	FY 2017-18** Appropriations Limit	FY 2017-18 Budgeted Proceeds of Taxes	Amount Under/(Over) Limit
<b>Watershed &amp; Stream Stewardship</b>	<b>\$140,484,347</b>	<b>1.0453</b>	<b>\$146,848,288</b>	<b>\$28,408,761</b>	<b>\$118,439,527</b>

Article XIII B of the California Constitution specifies that local jurisdictions may select either the percentage change in California per capita personal income or the percentage change in the local assessment roll due to the addition of local non-residential new construction. The percentage change in the California per capita personal income has been selected by the District and is 3.69%.

The population percentage change minus exclusions as reported by the State Department of Finance and prepared pursuant to Government Code Section 7901 (b) is calculated for Santa Clara County for the period from January 1, 2016 to January 1, 2017 to be used in setting the Appropriations Limit for Fiscal Year 2017-18. That change is 0.81%.

Per Capita Personal Income:	3.69%	converted to a factor	= 1.0369
Population: (Santa Clara County)	0.81%	converted to a factor	= <u>1.0081</u>
	Ratio of Change:	(1.0537 x 1.0126)	= 1.0453

\*Other watershed funds, Lower Peninsula and West Valley, and the Water Enterprise Fund were exempt from the Appropriations Limit under Article XIII B because they did not meet the criteria.

\*\*Commencing with the FY 2009-10 Adopted Budget, the discretionary 1% ad valorem property taxes and other revenues (excluding benefit assessment charges) for Guadalupe, Coyote, and Uvas/Llagas watershed funds have been consolidated, as one, into the Watershed and Stream Stewardship Fund.

# Resolutions

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