



Santa Clara Valley Water District

CONFORMED COPY

File No.: 24-1009

Agenda Date: 1/14/2025
Item No.: 7.1.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Accept the Corrected Fiscal Year 2024-25 Safe, Clean Water and Natural Flood Protection Special Tax Summary Report and Adopt a Corrected Resolution Providing for Levy of the Special Tax Rates and Authorizing a Procedure for Correcting Special Tax Amounts for Fiscal Year 2024-2025.

RECOMMENDATION:

- A. Accept the Corrected Fiscal Year 2024-25 Safe, Clean Water and Natural Flood Protection Special Tax Summary Report; and
- B. Adopt the Resolution PROVIDING FOR CORRECTED 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 2024-2025.

SUMMARY:

On May 14, 2024, the Board adopted the staff recommended special tax rates for FY 2024-25 to pay for the cost of the Safe, Clean Water and Natural Flood Protection Program in the combined flood control zone of the Santa Clara Valley Water District (Valley Water).

In August 2024 it came to staff's attention that one special tax rate was incorrectly recommended due to an administrative error for land use category Group B: *Land used for institutional purposes such as churches and schools or multiple dwellings in excess of four units, including apartment complexes, mobile home parks, recreational vehicle parks, condominiums and townhouses* standard rate per acre, for parcels that are greater than 0.25 acres in size.

The proposed correction is shown below in yellow highlight. Note that the Group B minimum rate for parcels up to 0.25 acre, as well as the rate for condominiums and townhouses, do not need to be corrected.

Group A: Land used for commercial or industrial purposes: \$626.59 per acre, \$156.63 minimum for parcels up to 0.25 acre.

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- Group B: (1) apartment complexes, mobile home parks, recreational vehicle parks: ~~\$446.29~~ **469.94** per acre, \$117.49 minimum for parcels up to 0.25 acre; and (2) condominiums and townhouses: \$38.12 per unit.
- Group C: Parcels up to 0.25 acres used for single family residences and multiple family units up to four units: \$78.29. The first 0.25-acre of a parcel of land used for single family residential purposes: \$78.29.
- Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses and similar uses: \$4.02 per acre, \$40.15 minimum on parcels less than 10 acres. (2) The portion of the parcel, if any, in excess of 0.25 acre of a parcel used for single family residential purposes: \$4.02 per acre.
- Group E: Vacant undisturbed land (1) in urban areas: \$1.18 per acre, \$11.83 minimum on parcels less than 10 acres; and (2) in rural areas: \$0.16 per acre, \$11.83 minimum equal to the Group E urban category minimum.

Approximately 4,000 parcels are impacted by the correction. If the rate is not corrected with the Santa Clara County Assessor's Office, the Safe, Clean Water fund would receive revenue that is \$238,000 lower than the FY 2024-25 budget. In addition, revenue loss would continue in future years because future year special tax rates are indexed to the adopted special tax rates from the prior year. If the Board adopts the corrected resolution, staff will work with County staff to determine the economic feasibility of processing a corrected tax rate for the parcels included in the Group B land use category impacted by the rate correction for FY 2024-25. Initial inquiry suggests that the cost to process corrected tax bills for the affected parcels would exceed the lost revenue for FY 2024-25. Most importantly, if the Board adopts the corrected resolution, the special tax rates for FY 2025-26 would be indexed to the corrected FY 2024-25 special tax rates.

Background for Reference

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 (Valley Water) subject, nevertheless, to specified limits and conditions) require Valley Water's Chief Executive Officer to prepare a written report recommending rates for the Safe, Clean Water and Natural Flood Protection (Safe, Clean Water) 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) 2023-24 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 2023 to February 2024 was 2.4 percent, staff recommended that the special tax rates for FY 2024-25 be set at their maximum level, which would reflect a 2.4 percent increase. The Corrected Staff Report (Attachment 1) reflects the corrected Group B rate.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

The Safe, Clean Water and Natural Flood Protection Parcel Tax was approved by voters in November 2020. Revenues from the parcel tax fund critical flood protection projects, such as the Coyote Creek Flood Protection project which benefits disadvantaged communities.

FINANCIAL IMPACT:

Accepting the corrected Group B rate for the Safe, Clean Water and Natural Flood Protection Special Tax for FY 2024-25 would allow future year tax rates to be established at the correct rate. Not accepting the corrected Group B rate would result in lost revenue to the Safe, Clean Water fund in perpetuity.

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: Corrected Staff Report
Attachment 2: Resolution

UNCLASSIFIED MANAGER:

Christopher Hakes, 408-630-3796

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Corrected FY 2024–25 Safe, Clean Water & Natural Flood Protection Special Tax Summary Report

SUMMARY:

Applicable laws and provisions of Resolution 20-64 require Valley Water’s Chief Executive Officer to prepare a written report recommending the rates for the Safe, Clean Water and Natural Flood Protection 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) 2023–24 rates plus an increase based on the Consumer Price Index for all urban consumers (or CPI-U) for San Francisco-Oakland-San Jose in the preceding year or 2 percent, whichever is greater. The CPI-U for San Francisco-Oakland-San Jose from February 2023 to February 2024 was 2.4%. Staff recommends that the special tax rates for FY 2024–25 be set at their maximum level, which would reflect a 2.4% percent increase versus FY 2023–24.

The rate trend for the Single Family Residential and Small Multiples (2-4 units) group, referred to as Group C, is summarized below:

Fiscal Year	Group C Rate	Annual % Increase
2001–02	\$39.00	N/A
2002–03	\$40.16	3.0%
2003–04	\$41.36	3.0%
2004–05	\$42.60	3.0%
2005–06	\$43.88	3.0%
2006–07	\$45.26	3.16%
2007–08	\$46.76	3.32%
2008–09	\$48.16	3.0%
2009–10	\$49.61	3.0%
2010–11	\$51.10	3.0%
2011–12	\$52.64	3.0%
2012–13	\$54.22	3.0%
2013–14	\$55.84	3.0%
2014–15	\$57.52	3.0%
2015–16	\$59.24	3.0%
2016–17	\$61.01	3.0%
2017–18	\$63.11	3.44%
2018–19	\$65.36	3.56%
2019–20	\$67.67	3.53%
2020–21	\$67.67	0.0%
2021–22	\$69.02	2.0%
2022–23	\$72.60	5.19%
2023–24	\$76.45	5.3%
2024–25	\$78.29	2.4%

STAFF ANALYSIS:

Introduction

This Summary Report is prepared in accordance with the voter-approved Santa Clara Valley Water District (Valley Water) Resolution 20-64. It presents the uniform rates for the special tax in the combined flood control zone to generate revenue for designated voter approved purposes.

The revenue generated by the special tax will be used to continue meeting the Safe, Clean Water program commitments and to produce the following program renewal enhanced outcomes:

- Priority A: Ensure a safe, reliable water supply.
- Priority B: Reduce toxins, hazards and contaminants in our waterways.
- Priority C: Protect our water supply and dams from earthquakes and other natural disasters.
- Priority D: Restore wildlife habitat and provide open space.
- Priority E: Provide Flood Protection to homes, businesses, schools, streets and highways.
- Priority F: Support public health and public safety for our community

Attachment 3 of the Board Agenda Memo shows a further breakdown of the activities under each of the Safe, Clean Water program outcomes. This report has been reviewed and approved by District Counsel as meeting the requirements of applicable laws. Information on the special tax levy for an individual parcel, as well as the detailed Valley Water report describing the purpose of the special tax: "Safe, Clean Water and Natural Flood Protection, Community Preferred Program Report", are available for review on <https://www.valleywater.org/safecleanwater>.

Passage of Clean, Safe Creeks and Natural Flood Protection

The June 2000 sunset of benefit assessments for Valley Water's flood protection program decreased revenue available to Valley Water to provide additional flood protection capital improvements. Beginning in 1996, Valley Water implemented a program to solicit community input, conduct needs assessments, and propose and refine a comprehensive plan to preserve the quality of life in Santa Clara County as it relates to water resources. Valley Water evaluated available funding alternatives authorized by applicable laws, and determined that a uniform, special tax throughout the combined zone that overlays Valley Water's five flood control zones was the appropriate funding mechanism for the adopted plan. Valley Water placed the Clean, Safe Creeks and Natural Flood Protection measure on the November 7, 2000 ballot and received more than the necessary two-thirds approval by the electorate voting.

In 2011, Valley Water began an intensive outreach effort to reassess community priorities and formulate an updated program because Valley Water could not continue to provide services that the community demanded beyond the sunset of the program in June, 2016. At that time, all of the many high priority projects under the 2000 measure had been completed or exceeded, or were on track to be completed or exceeded.

Passage of 2012 Safe, Clean Water and Natural Flood Protection Program

An 18-month period of public input and program refinement resulted in the Safe, Clean Water program, which includes new projects based on stakeholder input, as well as the continuation of important services provided by the old program. The Safe, Clean Water program received the necessary two-thirds approval by voters on November 6, 2012.

Passage of Safe, Clean Water and Natural Flood Protection Measure S

On November 3, 2020, voters in Santa Clara County overwhelmingly approved Measure S, a renewal of Valley Water's Safe, Clean Water and Natural Flood Protection Program that was approved in 2012. The renewed Safe, Clean Water Program identifies six key community priorities, established in collaboration with tens of thousands of residents and stakeholders. It will also continue to honor prior commitments made under the 2012 Safe, Clean Water Program in carrying forward all active projects and meeting associated KPI's.

Under current authorization, the program renewal will be funded by a combination of debt financing and pay-as-you-go funding from annual revenues supplemented by reserves from unspent funds, and state and federal funding. The use of debt financing will help fund the Safe Clean Water capital program, rather than waiting for reserves to build up. Valley Water will track the revenues and expenses for the special tax, and as the program progresses, the rates will be evaluated each year to determine what, if any, annual increase is needed.

General Rate Provisions

The special tax revenues estimated to meet the projected costs of the program are based on an initial set of rates for FY 2023–24 in which the residential rate was \$76.45.

Future rate limits are indexed to the annual San Francisco-Oakland-San Jose Consumer Price Index for all urban users in the immediate preceding year (Bay Area Consumer Price Index) or 2 percent, whichever is greater. Should declaration of a state or federal disaster area by reason of flooding or other natural disaster occur, the maximum rates will be indexed to the Bay Area Consumer Price Index plus up to 4.5 percent for the three years following the disaster.

The special tax is levied on a parcel by parcel basis according to proportionate storm water runoff. Each assessment is computed by determining the area of a parcel (in acres or fractions thereof) and applicable land use category (as hereinafter defined) and then multiplying the area by the special tax rate applicable to land in such land use category. The land use categories are as follows:

- Group A: Land used for commercial or industrial purposes
- Group B: Land used for institutional purposes such as churches and schools or multiple dwellings in excess of four units, including apartment complexes, mobile home parks, recreational vehicle parks, condominiums and townhouses.
- Group C: (1) Land used for single family residences and multiple family units up to four units. (2) The first 0.25 acre of a parcel of land used for single family residential purposes.
- Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses and similar uses. (2) The portion of the 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 farmed land, grazing and pasture land, forest and brush land, salt ponds and small parcels used exclusively as well sites for commercial purposes.
- Group F: Parcels used exclusively as well sites for residential uses are exempt from the special tax.

A minimum special tax is levied on each parcel of real property having a land area up to 0.25 acre for Groups A, B, and C, and up to 10 acres for Groups D and E Urban. For Group E Rural, the minimum Special Tax is as calculated for the E Urban category, but applies to parcels of 80 acres or less. A minimum special tax is also levied on condominiums and townhouses without regard to parcel size. Parcels owned by federal, state, or local agencies are exempt from this special tax.

Transition from Clean, Safe Creeks to Safe, Clean Water

Approximately \$162.4 million in reserves were set aside at year end FY 2012–13 from unspent funds of the Clean, Safe Creeks program. Most of this accumulated amount is from set-aside revenue designated for capital project construction, and some is from cost savings. These funds will help construct and maintain the capital projects continued from the Clean, Safe Creeks plan. In FY 2024-25, capital spending is projected to continue on several projects carried forward from Clean, Safe Creeks that will provide flood protection including Berryessa Calaveras/Old Piedmont, Llagas Creek, San Francisco Bay Shoreline, and San Francisquito Creek.

2024–2025 Special Tax Rates

For FY 2024–25 staff proposes that the Safe, Clean Water and Natural Flood Protection Special Tax be levied at the maximum level to generate \$53.5 million to meet the program outcomes. Projected capital design and construction appropriations are \$127.7 million. Projected operations, operating projects, debt service and transfer appropriations are \$29.8 million. The operating and capital reserve is projected to be \$58.3 million by the end of FY 2024–25.

The proposed special tax rates at the rate limits are indicated below and reflect a 2.4% increase over last year's rates under the Safe, Clean Water Program:

- Group A: Land used for commercial or industrial purposes: \$626.59 per acre, \$156.63 minimum for parcels up to 0.25 acre.
- Group B: (1) apartment complexes, mobile home parks, recreational vehicle parks: ~~\$446.29~~\$469.94 per acre, \$117.49 minimum for parcels up to 0.25 acre; and (2) condominiums and townhouses: \$38.12 per unit.
- Group C: Parcels up to 0.25 acres used for single family residences and multiple family units up to four units: \$78.29. The first 0.25-acre of a parcel of land used for single family residential purposes: \$78.29.
- Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses and similar uses: \$4.02 per acre, \$40.15 minimum on parcels less than 10 acres. (2) The portion of the parcel, if any, in excess of 0.25 acre of a parcel used for single family residential purposes: \$4.02 per acre.
- Group E: Vacant undisturbed land (1) in urban areas: \$1.18 per acre, \$11.83 minimum on parcels less than 10 acres; and (2) in rural areas: \$0.16 per acre, \$11.83 minimum equal to the Group E urban category minimum.

A summary comparing the current year rates with the proposed FY 2024–25 rates is shown in Figure 1.

FIGURE 1
Actual FY 2023–24 Versus Proposed FY 2024–25
Safe, Clean Water and Natural Flood Protection Special Tax Rates

Land Use Categories	Actual FY 2023-24	Proposed FY 2024-25
A – Commercial, Industrial		
Rate (\$/Acre)	\$611.91	\$626.59
Minimum Assessment ⁽¹⁾	\$152.96	\$156.63
B – Apartment, Schools, Churches, Condominiums & Townhouse		
Rate (\$/Acre)	\$435.83 458.93	\$446.29 469.94
Minimum Assessment ⁽¹⁾	\$114.73	\$117.49
Condominiums & Townhouses (\$/unit)	\$37.23	\$38.12
C – Single Family Residential, Small Multiples (2-4 units) ⁽²⁾		
Minimum Assessment ⁽¹⁾	\$76.45	\$78.29
D – Utilized Agriculture ⁽²⁾		
Rate (\$/Acre)	\$3.92	\$4.02
Minimum Assessment ⁽¹⁾	\$39.21	\$40.15
E – Urban – Nonutilized Agricultural, Grazing Land, Salt Ponds, Well Site in Urban Areas		
Rate (\$/Acre)	\$1.16	\$1.18
Minimum Assessment ⁽¹⁾	\$11.55	\$11.83
E – Rural – Nonutilized Agricultural, Grazing Land, Well Sites in Rural Areas		
Rate (\$/Acre)	\$0.16	\$0.16
Minimum Assessment ⁽¹⁾	\$11.55	\$11.83
⁽¹⁾ The minimum assessments shown for Categories A, B, and C apply to parcels ¼ acre or less in size. Category C parcels larger than ¼ acre pay the minimum assessment for the first ¼ acre and the remaining acreage is assessed at the Category D rate. For Category D, the minimum assessment applies to parcels less than 10 acres. The minimum assessment for Group E parcels is the amount charged for 10 acres of urban undeveloped land; the minimum assessment is the same for both the Urban Category and the Rural Category parcels, however the Rural Category applies to parcels of 80 acres or less.		
⁽²⁾ Residential land in excess of ¼ acre is assessed at the “D” rate.		

Senior Exemption

Legislation was passed in July 2001 to provide Valley Water with the discretion to exempt low-income parcel owners over 65 from the special tax consistent with Resolution 20-64. The exemption program was put in place for FY 2001–02. In 2018, Valley Water reformed the parcel tax exemption process through Assembly Bill 1889. This bill clarifies the need for Valley Water to confirm low income only once, making it easier for the seniors to stay on the exemption rolls. To date in FY 2023–24, 4,897 households have received the exemption, totaling approximately \$331,000. Exemptions and refunds total approximately \$5 million to date since program inception.

Staff continues its outreach program to inform the senior population of the tax exemption program, which includes a four (4)-step approach.

Step 1: Identify ways to collect existing data on homeownership and household income for seniors to estimate the potential number of qualified senior exemptions in the county. By utilizing targeted marketing, staff is able to reach those seniors that meet the program’s exemption requirements.

Step 2: Develop outreach strategies to provide program information directly to seniors and/or other agencies and organizations that provide senior services. The outreach steps include:

- a. Update program materials annually (flyers, website content, mailers, press releases, newsletters etc.) to provide more information and be more senior-oriented.
- b. Partner with Sourcewise, the designated Area Agency on Aging for Santa Clara County to disseminate the program specifics through their varied community contacts.
- c. Identify geographic areas that are underrepresented to ensure potential applicants are educated with appropriate marketing materials. If there are areas where seniors could potentially qualify for the exemption, staff will target outreach efforts in those areas.

Step 3: Implement the outreach strategies once the informational materials are complete. The open enrollment period for the Senior Parcel Tax Exemption Program is April 15 to June 30, 2024. Staff will field phone calls, emails from a dedicated email address, provide in-person support for those who need additional information or assistance with the enrollment, attend resource fairs and community collaborative meetings to conduct presentations and help train/inform staff from other organizations about the exemption program so they can also help disseminate the information, and drop off information packets and enrollment applications at Senior Centers and other community based organizations throughout the county.

Step 4: Monitor the exemption program to ensure that accurate information is being disseminated throughout the county and that seniors are receiving the adequate support they need to enroll in the program if they qualify. Staff will also collect data on how participants learn about the program in order to track which outreach strategies are most effective in reaching the senior population.

Special Tax Levy Rolls and Collection

Applicable law provides that the special tax may be levied and collected by the County Tax Collector at the same time and in the same manner as the general tax levy. Following adoption of the special tax rates and receipt of updated assessor parcel data for FY 2024–25, Valley Water will prepare a Special Tax Roll identifying each parcel of land subject to the special tax and the associated tax amount. This information will be made available for review at Valley Water through the Clerk of the Board. The

Special Tax Roll showing parcel number and levy amount will be forwarded to the County Tax Collector in August 2024 to facilitate County collection of the special tax.

FINANCIAL IMPACT:

Setting the Safe, Clean Water and Natural Flood Protection special tax rates at staff recommended level for FY 2024–25 would provide adequate funding to meet operations, operating projects, debt service and transfer costs of \$29.8 million, as well as a projected capital appropriation of approximately \$127.7 million. Planned future expenditures reasonably indicate that the revenue raised next year will be spent according to the Safe, Clean Water and Natural Flood Protection program renewal report.

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

RESOLUTION NO. 2025-06

**PROVIDING FOR CORRECTED 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 2024-2025**

WHEREAS, the Santa Clara Valley Water District (Valley Water) 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, more than two-thirds of the electors voting in Santa Clara County did favor a special tax measure in the November 3, 2020, General Election thereby approving the special tax specified in Resolution No. 20-64 for designated purposes.

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

FIRST: The Chief Executive Officer (CEO) of Valley Water has directed a summary report to be prepared for fiscal year July 1, 2024, through June 30, 2025, that includes the proposed special tax rates for that year ("Report"), and presented that Report on May 14, 2024, 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 2024-2025 (FY 2024-25)."

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: (1) 0.25 acre for Groups A, B, and C; and (2) 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.

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: \$626.59 per acre, \$156.63 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: \$469.94 per acre, \$117.49 minimum for parcels up to 0.25 acre; and (2) condominiums and townhouses: \$38.12 per unit.

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 2024-2025
Resolution No. 2025-06

Group C: Parcels up to 0.25 acre used for single-family residences and multiple-family units up to four units: \$78.29. The first 0.25 acre of a parcel of land used for single-family residential purposes: \$78.29.

Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses, and similar uses: \$4.02 per acre, \$40.15 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: \$4.02 per acre.

Group E: Vacant undisturbed land (1) in urban areas: \$1.18 per acre, \$11.83 minimum on parcels less than 10 acres; and (2) in rural areas: \$0.16 per acre, with a \$11.83 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: Valley Water 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 2024-2025 upon requesting such exemption from Valley Water between April 15, 2024 – June 30, 2024. Granting similar exemptions for fiscal years beyond fiscal year 2024-2025 will be made at the discretion of the Board.

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 Valley Water Chief Financial Officer and pursuant to procedures approved by Valley Water's CEO and District Counsel.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on January 14, 2025:

AYES: Directors Santos, Ballard, Beall, Eisenberg, Estremera, Hsueh, Varela

NOES: None

ABSENT: None


ABSTAIN: None

SANTA CLARA VALLEY WATER DISTRICT

DocuSigned by:

197E6FBCAE23405
TONY ESTREMER
Chair, Board of Directors

ATTEST: MAX OVERLAND, CMC

DocuSigned by:

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Interim Clerk, Board of Directors