FINANCE AND ADMINISTRATION COMMITTEE MEETING

Monday, June 19, 2023
Meeting Begins at 5:30 PM

Members of the public may attend by the following options:

In Person

SCV Water
Rio Vista Water Treatment Plant
Board Room
27234 Bouquet Canyon Road
Santa Clarita, CA 91350

By Phone

Toll Free:
1-(833) 568-8864
Webinar ID: 160 008 7191

Remotely

Please join the meeting from your computer, tablet or smartphone:

https://scvwa.zoomgov.com/j/1600087191

Have a Public Comment?

Members of the public unable to attend this meeting may submit comments either in writing to edill@scvwa.org or by mail to **Erika Dill, Management Analyst II**, Santa Clarita Valley Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. All written comments received before 3:00 PM the day of the meeting will be distributed to the Committee members and posted on the Santa Clarita Valley Water Agency website prior to the start of the meeting. Anything received after 3:00 PM the day of the meeting will be made available at the meeting, if practicable, and will be posted on the SCV Water website the following day. All correspondence with comments, including letters or emails, will be posted in their entirety.
(Public comments take place during Item 2 of the Agenda and before each Item is considered. Please see the Agenda for details.)

This meeting will be recorded and the audio recording for all Committee meetings will be posted to yourscvwater.com within 3 business days from the date of the Committee meeting.

Disclaimer: Attendees should be aware that while the Agency is following all applicable requirements and guidelines regarding COVID-19, the Agency cannot ensure the health of anyone attending a Board meeting. Attendees should therefore use their own judgment with respect to protecting themselves from exposure to COVID-19.

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Date: June 12, 2023

To: **Finance and Administration Committee**
Ken Petersen, Chair
Kathye Armitage
Ed Colley
Maria Gutzeit

From: Rochelle Patterson
Chief Financial and Administrative Officer

The **Finance and Administration Committee** is scheduled for **Monday, June 19, 2023** at **5:30 PM** at **27234 Bouquet Canyon Road, Santa Clarita, CA 91350 in the Board Room and the teleconference site listed below.** Members of the public may attend in person or virtually. To attend this meeting virtually, please see below.

IMPORTANT NOTICES

This meeting will be conducted in person at the address listed above. As a convenience to the public, members of the public may also participate virtually by using the **Agency's Call-In Number 1-(833)-568-8864, Webinar ID: 160 840 9319 or Zoom Webinar by clicking on the link https://scvwa.zoomgov.com/j/1608409319.** Any member of the public may listen to the meeting or make comments to the Committee using the call-in number or Zoom Webinar link above. However, in the event there is a disruption of service which prevents the Agency from broadcasting the meeting to members of the public using either the call-in option or internet-based service, this meeting will not be postponed or rescheduled but will continue without remote participation. The remote participation option is being provided as a convenience to the public and is not required. Members of the public are welcome to attend the meeting in person.

Attendees should be aware that while the Agency is following all applicable requirements and guidelines regarding COVID-19, the Agency cannot ensure the health of anyone attending a Committee meeting. Attendees should therefore use their own judgment with respect to protecting themselves from exposure to COVID-19.

Members of the public unable to attend this meeting may submit comments either in writing to edill@scvwa.org or by mail to Erika Dill, Management Analyst II, SCV Water, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. All written comments received before 3:00 PM the day of the meeting will be distributed to the Committee members and posted on the SCV Water website prior to the start of the meeting. Anything received after 3:00 PM the day of the meeting will be made available at the meeting, if practical, and will be posted on the SCV Water website the following day. All correspondence with comments, including letters or emails, will be posted in their entirety.

MEETING AGENDA

ITEM			PAGE
1.		**PLEDGE OF ALLEGIANCE**	
2.	*	**PUBLIC COMMENTS** – Members of the public may comment as to items within the subject matter jurisdiction of the Agency that are not on the Agenda at this time. Members of the public wishing to comment on items covered in this Agenda may do so at the time each item is considered. (Comments may, at the discretion of the Committee Chair, be limited to three minutes for each speaker.)	
3.	*	Recommend Approval of Adopting Resolutions Setting Santa Clarita Valley Water Agency Tax Rate for FY 2023/24 and Requesting Levy of Tax by Los Angeles County and Ventura County	7
4.	*	Recommend Approval of a Resolution Authorizing the Approval of the Preliminary Official Statement for Issuance of the 2023A Revenue Bond	15
5.		Technology Update	
6.		Fleet and Warehouse Update	
7.	*	Recommend Receiving and Filing of April 2023 Financial Report April 2023 Check Registers Link: https://www.yourscvwater.com/sites/default/files/SCVWA/departments/finance/check-registers/Check%20Register%20April%202023.pdf	123
8.	*	Committee Planning Calendar	159
9.		Requests for Future Agenda Items	
10.		General Report on Finance and Administration Activities	
11.		Adjournment	

* Indicates attachments
♦ To be distributed

NOTICES:

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning **Erika Dill, Management Analyst II** at (661) 297-1600, or writing to SCV Water at 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that Agency staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the Agency to provide the requested accommodation.

Pursuant to Government Code Section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Committee less than seventy-two (72) hours prior to the meeting will be available for public inspection at SCV Water, located at 27234 Bouquet Canyon Road, Santa Clarita, California 91350, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Website, accessible at http://www.yourscvwater.com.

Posted on June 13, 2023.

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ITEM NO. 3

COMMITTEE MEMORANDUM

DATE: June 12, 2023

TO: Finance and Administration Committee

FROM: Rochelle Patterson
Chief Financial and Administrative Officer

SUBJECT: Recommend Approval of Adopting Resolutions Setting Santa Clarita Valley Water Agency Tax Rate for FY 2023/24 and Requesting Levy of Tax by Los Angeles County and Ventura County

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SUMMARY

The Agency has a contractual obligation to make annual payments to the State of California pursuant to its State Water Project Water Supply Contract. The Agency annually levies ad valorem taxes that were authorized and deemed to have been approved by the voters when they approved the California Water Resources Development Bond Act (known as the Burns Porter Act) to help meet this obligation. Based on projected expenses, including the Department of Water Resources (DWR) 2023 Statement of Charges, and revenues generated by rates and charges, the Agency annually determines the minimum amount that is necessary to be raised by ad valorem taxes. This year, staff recommend that the Agency maintain the tax rate of 7.06 cents per $100 assessed valuation (no change from FY 2022/23).

DISCUSSION

In order to determine the amount that is necessary to be raised by ad valorem taxes, staff analyzes the projected State Water Contract Fund balance, estimated FY 2023/24 expenditures, and projected revenue from rates and charges and other taxes, and recommends a tax rate necessary to fund expenditures and provide an adequate ending balance for future year costs. Staff estimated FY 2023/24 SWP expenditures based on the expected Statement of Charges that were prepared by DWR and estimated variable charges calculated using projected water deliveries from DWR. On the revenue side, the Board of Directors have previously adopted customer rates and charges for FY 2023/24 that they determined were appropriate based on rate studies and a formal public process, and it would be infeasible to expend revenues derived from such customer rates and charges on the estimated FY 2023/24 SWP expenditures, given that such customer rates and charges for FY 2023/24 have previously been approved in accordance with Article XIII D of the California Constitution .

Los Angeles County requires the Agency to provide the estimated tax rate by the first half of August of each year.

Based on staff's review of these sources of revenue, as well as additional tax revenue, and projected expenses, staff believes it is necessary to maintain the tax rate of 7.06 cents per $100 assessed valuation (no change from FY 2022/23) to meet the Agency's State Water Project obligations.

Staff recognizes that SWP costs are increasing each year and will continue to increase annually based on discussions staff have had with DWR. There are some potential changes to the way DWR will be preparing the Statement of Charges beginning with calendar year 2024, which is why this fund, and the performance of the tax rate are monitored closely.

Attachment 1 shows an analysis of the State Water Contract Fund for FY 2023/24 through FY 2032/33 based on the current projections.

For a home assessed at $750,000, the annual tax would remain at approximately $530.

STRATEGIC PLAN NEXUS

This analysis and setting of this tax levy helps meet SCV Water's Strategic Plan Goal E: Financial Resiliency – "Maintain a long-range, transparent, stable and well-planned financial condition, resulting in current and future water users receiving fair and equitable rates and charges."

FINANCIAL CONSIDERATIONS

Based on the recommended tax rate of 7.06 cents per $100 assessed valuation and interest earnings, the FY 2023/24 estimated revenue is $44.4 million and the estimated expenses at $40.8 million.

RECOMMENDATION

That the Finance and Administration Committee recommends that the Board of Directors adopt the FY 2023/24 tax rate of 0.0706 per $100 valuation for Los Angeles County and Ventura County and adopt the attached resolution setting Santa Clarita Valley Water Agency Tax Rate for Fiscal Year 2023/24 and Requesting Levy of Tax by Los Angeles County and Ventura County.

RP

Attachments

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SCV WATER - STATE WATER CONTRACT FUND
FY 2023/24 TO FY 2032/33 BUDGET & FORECAST

ATTACHMENT 1

Revenues	Revised Budget FY 2022/23	Projected Budget FY 2022/23	Budget FY 2023/24	Budget FY 2024/25	Forecast FY 2025/26	Forecast FY 2026/27	Forecast FY 2027/28	Forecast FY 2028/29	Forecast FY 2029/30	Forecast FY 2030/31	Forecast FY 2031/32	Forecast FY 2032/33
Agency Set Property Tax	$ 36,833,262	$ 39,500,000	$ 40,424,280	$ 41,370,208	$ 42,338,271	$ 43,328,987	$ 44,342,885	$ 45,380,509	$ 55,915,086	$ 58,906,543	$ 63,729,811	$ 68,746,553
Interest Revenue	430,000	1,839,000	3,932,499	3,938,674	4,152,044	4,248,183	3,842,675	3,683,811	3,130,946	2,992,428	2,466,682	2,110,340
	$ 37,263,262	$ 41,339,000	$ 44,356,780	$ 45,308,882	$ 46,490,315	$ 47,577,170	$ 48,185,560	$ 49,064,320	$ 59,046,032	$ 61,898,971	$ 66,196,493	$ 70,856,892
Expenses												
Salaries & Compensation	$ 46,000	$ 17,000	$ 68,942	$ 72,123	$ 74,287	$ 76,515	$ 78,811	$ 81,175	$ 83,610	$ 86,119	$ 88,702	$ 91,363
Benefits & Burden	23,000	5,000	49,606	51,251	52,789	54,372	56,003	57,683	59,414	61,196	63,032	64,923
Employee Expenses	100,000	1,000	18,000	22,000	22,660	23,340	24,040	24,761	25,504	26,269	27,057	27,869
Legal Consulting	15,000	-	10,000	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668
State Water Cont/SWPCA Dues	250,000	232,505	260,000	270,000	283,500	297,675	312,559	328,187	344,596	361,826	379,917	398,913
SWC Audit Finance Commit.	33,000	32,406	34,000	35,000	36,750	38,588	40,517	42,543	44,670	46,903	49,249	51,711
DWR Variable	11,000,000	7,206,000	11,550,000	12,128,000	12,734,400	13,371,120	14,039,676	14,741,660	15,478,743	16,252,680	17,065,314	17,918,580
State Water Contract Payment	24,768,000	25,082,942	29,324,000	27,635,000	28,753,000	30,178,000	31,428,000	32,928,000	33,929,000	35,508,000	37,323,000	39,074,000
Devil's Den Variable DWR Charges	-	-	-	-	-	-	-	-	-	-	-	-
Delta Conveyance	2,413,339	27,000	28,000	29,000	2,519,000	4,866,000	7,234,000	10,264,000	13,831,000	17,396,000	21,066,000	24,847,000
Refund of Excess SWC Fixed Chgs	(2,000,000)	(2,000,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	-	-	-
Contingencies	2,000,000	-	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
	$ 38,648,339	$ 30,603,853	$ 40,842,548	$ 39,752,374	$ 43,986,685	$ 48,416,219	$ 52,724,533	$ 57,979,264	$ 63,308,130	$ 71,750,934	$ 78,074,570	$ 84,487,027
Annual Change in Net Position	(1,385,077)	10,735,147	3,514,232	5,556,508	2,503,630	(839,049)	(4,538,973)	(8,914,944)	(4,262,098)	(9,851,963)	(11,878,077)	(13,630,134)
Estd Beginning Net Position July	86,945,848	88,320,251	99,055,398	102,569,630	108,126,138	110,629,767	109,790,719	105,251,746	96,336,801	92,074,704	82,222,741	70,344,664
Estd Ending Net Position June	$ 85,560,771	$ 99,055,398	$ 102,569,630	$ 108,126,138	$ 110,629,767	$ 109,790,719	$ 105,251,746	$ 96,336,801	$ 92,074,704	$ 82,222,741	$ 70,344,664	$ 56,714,530
Minimum Fund Balance	35,768,000	32,288,942	40,874,000	39,763,000	41,487,400	43,549,120	45,467,676	47,669,660	49,407,743	51,760,680	54,388,314	56,992,580

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AGENCY SET PROPERTY TAX REVENUE

Annual Assumption		4.08%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%
Valuation (base year 22-23) (valuation - exemption)	53,755,746,672	$ 55,948,981,136	$ 57,258,187,295	$ 58,598,028,878	$ 59,969,222,753	$ 61,372,502,566	$ 62,808,619,126	$ 64,278,340,813	$ 65,782,453,988	$ 67,321,763,412	$ 68,897,092,675	$ 70,509,284,644
Valuation / 100	$ 537,557,467	$ 559,489,811	$ 572,581,873	$ 585,980,289	$ 599,692,228	$ 613,725,026	$ 628,086,191	$ 642,783,408	$ 657,824,540	$ 673,217,634	$ 688,970,927	$ 705,092,846
Tax Rate	0.0706	0.0706	0.0706	0.0706	0.0706	0.0706	0.0706	0.0706	0.0850	0.0875	0.0925	0.0975
Valuation x Tax Rate	$ 37,951,557	$ 39,499,981	$ 40,424,280	$ 41,370,208	$ 42,338,271	$ 43,328,987	$ 44,342,885	$ 45,380,509	$ 55,915,086	$ 58,906,543	$ 63,729,811	$ 68,746,553
Median Home Value	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000
Annual Tax	$ 530	$ 530	$ 530	$ 530	$ 530	$ 530	$ 530	$ 530	$ 638	$ 656	$ 694	$ 731

6/12/2023

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ATTACHMENT 2

RESOLUTION NO. ____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY SETTING SANTA CLARITA VALLEY WATER AGENCY TAX RATE FOR FISCAL YEAR 2023/24 AND REQUESTING LEVY OF TAX BY LOS ANGELES COUNTY

WHEREAS, pursuant to Revenue and Taxation Code, Section 96.31(a)(2), the Agency is empowered to make payments to the State of California under contracts for the sale, delivery, or use of water entered into pursuant to the California Water Resources Development Bond Act as set forth in the California Water Code with revenue derived from an ad valorem property tax rate; and

WHEREAS, the Agency is hereby setting an ad valorem property tax rate for its Fiscal Year 2023/24 solely for the making of the aforesaid type of payment and solely because a property tax rate is necessary to supplement customer rates because the expenditure of revenues derived from such customer rates on the making of the aforesaid type of payment during Fiscal Year 2023/24 would be infeasible given that such rates have previously been appropriately set based on rate studies and a formal public process in accordance with Article XIII D of the California Constitution, and not to fund any reduction whatsoever in the rates charged by the Agency for water.

NOW, THEREFORE, BE IT RESOLVED that this Board of Directors of the Santa Clarita Water Agency does hereby fix the rate of tax to be levied against all taxable property within the Agency at $0.000706000 for each $1.00 of assessed valuation, or $0.070600 for each $100 of assessed valuation, for Fiscal Year 2023/24 for the aforesaid purpose.

RESOLVED FURTHER that this Board does hereby request and direct that, at the time and in the manner required by law for levying taxes for county purposes, the Board of Supervisors of Los Angeles County, in addition to such other tax as may be levied by said Board of Supervisors, levy a tax upon all taxable property in Los Angeles County within the Santa Clarita Valley Water Agency at the aforesaid rate so fixed and determined by the Board of Directors of the said Agency, all pursuant to Resolution No. 70 of the Agency, as adopted on September 6, 1967.

RESOLVED FURTHER that the Board of Directors of this Agency does hereby direct that the Secretary of the Agency cause to be delivered to the Board of Supervisors of Los Angeles County a certified copy of this resolution, and the Secretary is further authorized to furnish any legally required Agency budget information reasonable needed by the officers of the said County with respect to the aforesaid tax and tax rate.

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ATTACHMENT 3

RESOLUTION NO. ____

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
SETTING SANTA CLARITA VALLEY WATER AGENCY TAX RATE FOR
FISCAL YEAR 2023/24 AND REQUESTING LEVY
OF TAX BY VENTURA COUNTY**

WHEREAS, pursuant to Revenue and Taxation Code, Section 96.31(a)(2), the Agency is empowered to make payments to the State of California under contracts for the sale, delivery, or use of water entered into pursuant to the California Water Resources Development Bond Act as set forth in the California Water Code with revenue derived from an ad valorem property tax rate; and

WHEREAS, the Agency is hereby setting an ad valorem property tax rate for its Fiscal Year 2023/24 solely for the making of the aforesaid type of payment and solely because a property tax rate is necessary to supplement customer rates because the expenditure of revenues derived from such customer rates on the making of the aforesaid type of payment during Fiscal Year 2023/24 would be infeasible given that such rates have previously been appropriately set based on rate studies and a formal public process in accordance with Article XIII D of the California Constitution, and not to fund any reduction whatsoever in the rates charged by the Agency for water.

NOW, THEREFORE, BE IT RESOLVED that this Board of Directors of the Santa Clarita Valley Water Agency does hereby fix the rate of tax to be levied against all taxable property within the Agency at $0.00070600 for each $1.00 of assessed valuation, or $0.070600 for each $100 of assessed valuation, for Fiscal Year 2023/24 for the aforesaid purpose.

RESOLVED FURTHER that this Board does hereby request and direct that, at the time and in the manner required by law for levying taxes for county purposes, the Board of Supervisors of Ventura County, in addition to such other tax as may be levied by said Board of Supervisors, levy a tax upon all taxable property in Ventura County within the Santa Clarita Valley Water Agency at the aforesaid rate so fixed and determined by the Board of Directors of the said Agency, all pursuant to Resolution No. 69 of the Agency, as adopted on September 6, 1967.

RESOLVED FURTHER that the Board of Directors of this Agency does hereby direct that the Secretary of the Agency cause to be delivered to the Board of Supervisors of Ventura County a certified copy of this resolution, and the Secretary is further authorized to furnish any legally required Agency budget information reasonable needed by the officers of the said County with respect to the aforesaid tax and tax rate.

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ITEM NO. 4

COMMITTEE MEMORANDUM

DATE: June 12, 2023

TO: Finance and Administration Committee

FROM: Rochelle Patterson
Chief Financial and Administrative Officer

SUBJECT: Recommend Approval of a Resolution Authorizing the Approval of the Preliminary Official Statement for Issuance of the 2023A Revenue Bond

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SUMMARY

The Santa Clarita Valley Water Agency ("Agency") Board of Directors approved resolutions for the issuance of bonds for new or continuing capital improvement projects. Prior to the issuance of the revenue bonds, the Agency and the Upper Santa Clara Valley Joint Powers Authority (the "Authority") must approve the attached resolutions (Attachments 1 and 2) approving a Preliminary Official Statement (the "POS," Attachment 3) and authorize the issuance of revenue bonds. The proposed bond issuance is consistent with the Agency's Debt Management Policy.

DISCUSSION

At its April 4, 2023 regular Board meeting, the Board of Directors adopted Resolution No. SCV-341 authorizing the legal documents for the issuance of bonds. To implement the new money issuance, management recommends the Boards of the Agency and the Authority adopt the attached resolutions approving the attached POS and authorizing the sale of the revenue bonds. The POS is the Upper Santa Clara Valley Joint Power Authority's disclosure document, and it is important that management and the Board of Directors carefully review this document prior to approval.

The POS discloses material information on the offering of the Series 2023A revenue bonds and this information is used by potential investors to evaluate the credit quality of and potential risks associated with the bonds. The POS includes technical information on the Agency's issuance of the bonds. The POS also includes information on the Agency's finances and how the bonds would be repaid, as well as general information on the financial and economic characteristics of the Agency and its service area, the Agency's water supply situation, the Agency's long-term capital improvement program and litigation. If any Director has questions or comments about any of the information contained in the POS or with respect to information that would be material and should be included in the POS, please contact the Chief Financial and Administrative Officer before or after the meeting.

The proposed revenue bonds issuance is anticipated to close in August 2023.

STRATEGIC PLAN NEXUS

This helps support SCV Water's Strategic Plan Objective E.1.4. – Develop a Long-Range Financial Plan that considers funding for carrying out the Strategic Plan, and Goal B:

Infrastructure Reliability – Implement, operate and maintain water infrastructure to ensure sustainable water service provision, specifically Objective B.2 – "Plan and budget for long-term replacements and improvements."

FINANCIAL CONSIDERATIONS

Following approval of the POS by the Board, the Authority will have the authority to issue revenue bonds on behalf of the Agency and incur debt to be paid by the Agency through installment payments. Based on current market conditions, the finance team is considering a shorter term of bonds to generate a lower cost of borrowing versus the traditional 30-year bond. Due to the flexible repayment and prepayment terms of the WIFIA Loan, the Agency has an opportunity to push out costs on debt attributed to the WIFIA Loan that has a lower cost of financing with no impact on the interest rate. This allows the Agency to structure its bond financing to maximize savings. Estimated annual payments for 13 or 15 year bonds range from $3,100,000 to $15,300,000 to fund $75 million in capital improvement projects. The shorter terms are estimated to reduce the borrowing cost by 1.00%, saving the Agency approximately $50 million or more over the life of the debt versus a 30-year issuance, subject to market conditions.

RECOMMENDATION

That the Finance and Administration Committee recommends the Board of Directors approve a resolution authorizing the approval of the Preliminary Official Statement in connection with the issuance of the Series 2023A revenue bond.

RP

Attachments

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ATTACHMENT 1

RESOLUTION NO. ___

**RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
SANTA CLARITA VALLEY WATER AGENCY
APPROVING CERTAIN PORTIONS OF AN OFFICIAL STATEMENT
IN CONNECTION WITH BONDS TO BE ISSUED BY THE
UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH**

WHEREAS, the Board of Directors (the "Board") of the Santa Clarita Valley Water Agency (the "Agency") has previously requested the Upper Santa Clara Valley Joint Powers Authority (the "Authority") to issue one or more series of revenue bonds to effect the financing of the acquisition of certain capital improvements on behalf of the Agency;

WHEREAS, the Board of Directors of the Agency previously approved documents to finance the acquisition of certain capital improvements and to pay the costs of issuance by the Authority on behalf of the Agency; and

WHEREAS, the Agency has determined to approve certain portions an official statement relating to the Agency to be used in connection with the issuance of Authority revenue bonds;

NOW, THEREFORE, the Board of Directors of the Santa Clarita Valley Water Agency hereby finds, determines, declares and resolves as follows:

SECTION 1. The preparation and distribution of Appendices A, B, and F of the Preliminary Official Statement (the "Agency Portion"), in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by Co-General Counsel and Stradling Yocca Carlson & Rauth, a Professional Corporation, as bond counsel ("Bond Counsel"). The General Manager is hereby authorized to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 relating to the Agency Portion of the Preliminary Official Statement.

SECTION 2. The President, Vice President, General Manager, Assistant General Manager and Secretary are hereby authorized and directed to execute, approve and deliver the Agency Portion of the final Official Statement with such changes, insertions and omissions as may be approved by General Counsel and Bond Counsel, said Agency officers' execution being conclusive evidence of such approval. The underwriters named in the Preliminary Official Statement are hereby authorized to distribute copies of the Agency Portion of Preliminary Official Statement to persons who may be interested in the initial purchase of the previously approved Upper Santa Clara Valley Joint Powers Authority bonds (the "Bonds") and are directed to deliver copies of the final version of the Agency Portion of the Official Statement to all actual initial purchasers of the Bonds.

SECTION 3. This resolution shall take effect immediately.

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ATTACHMENT 2

RESOLUTION NO. _____

**RESOLUTION OF THE
UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
APPROVING CERTAIN PORTIONS OF AN OFFICIAL STATEMENT
IN CONNECTION WITH THE ISSUANCE OF REVENUE BONDS
AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH**

WHEREAS, the Upper Santa Clara Valley Joint Powers Authority (the “Authority”), a joint exercise of powers authority duly organized and existing under and pursuant to the Constitution and laws of the State of California, has been requested to assist the Santa Clarita Valley Water Agency (the “Agency”) by undertaking the financing of the acquisition of certain capital improvements on behalf of the Agency with the issuance of one or more series of Authority revenue bonds; and

WHEREAS, the Board of Directors of the Authority previously approved documents to finance the acquisition of certain capital improvements and to pay the costs of issuance by the Authority on behalf of the Agency; and

WHEREAS, the Authority has determined to approve an official statement to be used in connection with the issuance of Authority revenue bonds;

NOW THEREFORE, the Board of Directors of the Upper Santa Clara Valley Joint Powers Authority hereby finds, determines, declares and resolves as follows:

1. The preparation and distribution of the Preliminary Official Statement, including appendices C, D, and E but excluding appendices A, B, and F (the “Authority Portion”), in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by General Counsel and Stradling Yocca Carlson & Rauth, a Professional Corporation, as bond counsel (“Bond Counsel”). The Executive Director is hereby authorized to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 relating to the Authority Portion of the Preliminary Official Statement.

2. The President, Vice President, Executive Director or the Treasurer are hereby authorized and directed to execute, approve and deliver the Authority Portion of the final Official Statement with such changes, insertions and omissions as may be approved by General Counsel and Bond Counsel, said Authority officers’ execution being conclusive evidence of such approval. The underwriters named in the Preliminary Official Statement are hereby authorized to distribute copies of the Authority Portion of Preliminary Official Statement to persons who may be interested in the initial purchase of the previously approved Upper Santa Clara Valley Joint Powers Authority bonds (the “Bonds”) and are directed to deliver copies of the final version of the Authority Portion of the Official Statement to all actual initial purchasers of the Bonds.

3. This resolution shall take effect immediately.

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ATTACHMENT 3

Stradling Yocca Carlson & Rauth
Draft of 6/8/23

PRELIMINARY OFFICIAL STATEMENT DATED _________ 2023

NEW ISSUE—BOOK-ENTRY ONLY **RATING: See the caption "RATING"**

$___________*
UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
REVENUE BONDS, SERIES 2023A

Dated: Date of Delivery **Due: As shown on the inside cover**

The Upper Santa Clara Valley Joint Powers Authority Revenue Bonds, Series 2023A are being issued by the Authority pursuant to an Indenture of Trust, dated as of May 1, 2023, by and between the Authority and U.S. Bank Trust Company, National Association, as trustee, and will be payable from the sources described herein. The 2023 Bonds are being issued to (i) finance the acquisition of certain capital improvements for the Santa Clarita Valley Water Agency's Water System, and (ii) pay certain costs of issuance of the 2023 Bonds.

Interest due on the 2023 Bonds is payable semiannually on each August 1 and February 1, commencing February 1, 2024. The 2023 Bonds are being issued in fully registered book-entry form and initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Purchasers will not receive certificates representing their interest in the 2023 Bonds. Individual purchases of the 2023 Bonds will be in principal amounts of $5,000 and integral multiples thereof. Payments of principal of and interest on the 2023 Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the 2023 Bonds.

The 2023 Bonds are subject to optional, mandatory and extraordinary redemption prior to maturity as described in this Official Statement.

The 2023 Bonds are limited obligations of the Authority. The 2023 Bonds are payable solely from Revenues and from certain other amounts on deposit in funds and accounts under the Indenture. Revenues consist primarily of Series 2023 Installment Payments received by the Authority from the Agency pursuant to an Installment Purchase Agreement, dated as of May 1, 2023, by and between the Agency and the Authority.

The obligation of the Agency to make the Series 2023 Installment Payments is a special obligation of the Agency payable solely from Net Revenues of the Agency's Water System. Revenues of the Water System generally consist of the Agency's retail water sales revenues, amounts allocated by the Counties from the 1% *ad valorem* property tax to the Agency, facility capacity fees and certain other revenues. Revenues also include transfers from the Rate Stabilization Fund. Net Revenues available for the payment of the Series 2023 Installment Payments are the Revenues of the Water System less Operation and Maintenance Costs, less debt service on the 1999 Installment Purchase Agreement which is currently outstanding in the approximate amount of $67,061,078 (adjusted for the accreted value of certain capital appreciation certificates as of February 1, 2023). The 2023 Bonds are payable from Net Revenues on a parity with the Installment Payments pursuant to the 2018A Installment Purchase Agreement and the 2020 Installment Purchase Agreement in the aggregate principal amount of $243,620,000, except for any 1% *ad valorem* property tax remaining following the payment of the 1999 Installment Payments, which will be first applied to the payment of the 2018A Installment Payments and then to the 2020 Installment Payments and the Series 2023 Installment Payments.

Ad Valorem Property taxes levied by the Agency to pay certain State Water Project costs are not included in Revenues of the Water System pledged to the payment of the Series 2023 Installment Payments. Such State Water Project costs, which are paid from such *ad valorem* property taxes, are not treated as Operation and Maintenance Costs of the Water System.

The Agency has covenanted not to incur additional obligations payable from Net Revenues senior to the Series 2023 Installment Payments. The Agency may incur additional obligations payable from Net Revenues of the Water System on a parity with the Series 2023 Installment Payments, subject to the terms and conditions set forth in the Installment Purchase Agreement, as further described herein.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY PUBLIC AGENCY THEREOF OR ANY MEMBER OF THE AUTHORITY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL AMOUNT OR REDEMPTION PRICE OF, OR INTEREST ON, THE 2023 BONDS. THE AUTHORITY HAS NO TAXING POWERS. THE 2023 BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF CALIFORNIA OR ANY PUBLIC AGENCY THEREOF (OTHER THAN THE AUTHORITY) OR ANY MEMBER OF THE AUTHORITY IN CONTRAVENTION OF ANY STATE OF CALIFORNIA CONSTITUTIONAL OR STATUTORY PROVISION.

MATURITY SCHEDULE
(See inside front cover)

THE OBLIGATION OF THE AGENCY TO MAKE THE SERIES 2023 INSTALLMENT PAYMENTS IS A SPECIAL OBLIGATION OF THE AGENCY PAYABLE SOLELY FROM NET REVENUES OF THE AGENCY'S WATER SYSTEM AND OTHER FUNDS DESCRIBED IN THE INSTALLMENT PURCHASE AGREEMENT, INCLUDING BUT NOT LIMITED TO THE RATE STABILIZATION FUND, AND DOES NOT CONSTITUTE AN OBLIGATION OF THE AGENCY FOR WHICH THE AGENCY IS OBLIGATED TO PAY FROM ANY OTHER AGENCY REVENUES OR TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE AGENCY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE OBLIGATION OF THE AGENCY TO MAKE THE SERIES 2023 INSTALLMENT PAYMENTS UNDER THE INSTALLMENT PURCHASE AGREEMENT DOES NOT CONSTITUTE A DEBT OF THE AGENCY OR OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described in this Official Statement, interest (and original issue discount) on the 2023 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the 2023 Bonds and the portion of each Installment Payment constituting

* *Preliminary, subject to change.*

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

interest (and original issue discount) is exempt from State of California personal income tax. See "TAX MATTERS" herein with respect to tax consequences with respect to the 2023 Bonds, including with respect to the alternative minimum tax imposed on certain large corporations for tax years beginning after December 31, 2022.

This cover page contains certain information for quick reference only. It is not a complete summary of the 2023 Bonds. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used and not defined on the cover of this Official Statement have the meanings ascribed thereto in this Official Statement.

The 2023 Bonds are offered when, as and if issued, subject to approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the Underwriter by its counsel, Katten Muchin Rosenman LLP, for the Agency by Best Best & Krieger LLP, as Co-General Counsel to the Agency, for the Authority by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Special Counsel, for the Authority by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel to the Authority and for the Trustee by its counsel. It is anticipated that the 2023 Bonds will be available through the facilities of The Depository Trust Company in New York, New York by Fast Automated Securities Transfer (FAST) on or about on or about August 8, 2023.

BofA Securities

Dated: August __, 2023

MATURITY SCHEDULE

**$__________*
UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
REVENUE BONDS, SERIES 2023A**

Maturity (August 1)	***Principal Amount***	***Interest Rate***	***Yield***	***Price***	***CUSIP†***

$_________ __% Term Bonds due August 1, 20__, Yield ____%, Price _______; CUSIP †: ________

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* *Preliminary, subject to change.*
† *CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by Factset Research Systems Inc. Copyright© 2023 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Authority, the Agency or the Underwriter take any responsibility for the accuracy of such numbers.*

UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS AND OFFICIALS

Maria Gutzeit, President
Kathye Armitage, Vice President
William C. Cooper
Garry Martin
Piotr Orzechowski

Matthew Stone, Executive Director
April Jacobs, Secretary
Rochelle Patterson, Treasurer

SANTA CLARITA VALLEY WATER AGENCY
BOARD OF DIRECTORS AND OFFICIALS

Gary Martin, President
Piotr Orzechowski, Vice President
Maria Gutzeit Vice President
Kathye Armitage
Beth Braunstein
Ed Colley
William C. Cooper
Dirk S. Marks
Kenneth J. Petersen

Matthew Stone, General Manager
April Jacobs, Secretary to the Board
Stephen Cole, Assistant General Manager
Rochelle Patterson, Chief Financial and Administrative Officer
Keith Abercrombie, Chief Operating Officer

Best Best & Krieger LLP, Co-General Counsel
Lagerlof, LLP, Co-General Counsel

SERVICES

Authority General Counsel

Best Best & Krieger LLP
Los Angeles, California

Authority Bond Counsel and Disclosure Counsel

Stradling Yocca Carlson & Rauth, A Professional Corporation
Newport Beach, California

Municipal Advisor to the Agency

Fieldman, Rolapp & Associates, Inc.
Irvine, California

Trustee

U.S. Bank Trust Company, National Association
Los Angeles, California

Table of Contents

NO DEALER, BROKER, SALESPERSON OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION IN CONNECTION WITH THE OFFER OR SALE OF THE 2023 BONDS, OTHER THAN AS CONTAINED IN THIS OFFICIAL STATEMENT, AND, IF GIVEN OR MADE, ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE AGENCY, THE AUTHORITY OR THE UNDERWRITER. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER OF ANY SECURITIES OTHER THAN THOSE DESCRIBED ON THE COVER PAGE OR AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BY ANY SALE OF THE 2023 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT WITH THE PURCHASERS OF THE 2023 BONDS.

The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness. The Underwriter has provided the following sentence for inclusion in this Official Statement:

> The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of this information.

The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Agency since the date hereof.

This Official Statement contains forward-looking statements, including: (a) statements containing projections of Net Revenues of the Water System, expenditures and other financial items; (b) statements of the plans and objectives of the Agency for future operations of the Water System; (c) statements of future economic performance of the Water System; and (d) statements of the assumptions underlying or relating to statements described in (a), (b) and (c) above (collectively, "Forward-Looking Statements"). All statements other than statements of historical facts included in this Official Statement, including without limitation statements under Appendix A—"INFORMATION RELATING TO THE SANTA CLARITA VALLEY WATER AGENCY" regarding the Agency's financial position, business strategy, capital resources and plans and objectives for future operations of the Water System, are Forward-Looking Statements. Although such expectations reflected in such Forward-Looking Statements are believed by the Agency to be reasonable, there can be no assurance that such expectations will prove to have been correct. Statements of important factors (collectively, the "Cautionary Statements") that could cause actual results to differ materially from expectations of the Agency are disclosed in this Official Statement. All subsequent written and oral Forward-Looking Statements attributable to the Agency or person acting on behalf of the Agency are expressly qualified in their entirety by the Cautionary Statements.

This Official Statement is submitted in connection with the sale of the 2023 Bonds and may not be reproduced or be used, as a whole or in part, for any other purpose.

Under certain circumstances, the Underwriter may offer and sell the 2023 Bonds to certain dealers and dealer banks and banks acting as agent and others at prices lower than the public offering prices stated on the page immediately following the cover page of this Official Statement, and the Underwriter may change those public offering prices from time to time.

THE 2023 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), IN RELIANCE UPON AN EXEMPTION CONTAINED IN THE ACT. THE 2023 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

The Agency maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the 2023 Bonds. References to web site addresses other than Agency's website presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, Rule 15c2-12 of the United States Securities and Exchange Commission.

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$___________[*]

UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
REVENUE BONDS, SERIES 2023A

INTRODUCTION

General. This Official Statement provides information concerning the issuance by the Upper Santa Clara Valley Joint Powers Authority (the "Authority") of the Upper Santa Clara Valley Joint Powers Authority Revenue Bonds, Series 2023A (the "2023 Bonds") pursuant to an Indenture of Trust, dated as of May 1, 2023 (the "Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). See the caption "THE 2023 BONDS."

Purposes of the 2023 Bonds. The 2023 Bonds are being issued to (i) finance the acquisition of certain capital improvements to the water system of the Santa Clarita Valley Water Agency (the "Agency") as more particularly described under the caption "THE FINANCING PLAN—The Project," and (ii) pay certain costs of issuance of the 2023 Bonds.

Authority for Issuance. The 2023 Bonds are being issued under the Indenture and the Marks-Roos Local Bond Pooling Act of 1985, as amended, constituting Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "State"), and a Joint Exercise of Powers Agreement, dated as of June 1, 2011, as amended and restated pursuant to the Amended and Restated Joint Exercise of Powers Agreement, dated as of April 1, 2018, each by and between the Agency and the Devil's Den Water District (the "Joint Powers Agreement"), by and between the Agency and the Devil's Den Water District, a California Water District ("DDWD").

The Santa Clarita Valley Water Agency. As further described in Appendix A hereto, the Santa Clarita Valley Water Agency was formed through a statutory merger of the former Castaic Lake Water Agency ("CLWA") and Newhall County Water District ("NCWD") effected by Senate Bill 634 (referred to herein as the "Agency Law") which became effective on January 1, 2018. Pursuant to the Agency Law, the Agency succeeded to all of the rights, duties, obligations, contracts, responsibilities, assets, entitlements, and liabilities of CLWA and NCWD, including, but not limited to, the performance or payment of any outstanding indebtedness of CLWA and NCWD. The initial boundaries of the Agency were the boundaries of CLWA as they existed on December 31, 2017. As a result of the statutory merger of CLWA and NCWD pursuant to the Agency Law, the Agency created a retail division designated as the Newhall Water Division ("NWD") to account for the revenues, expenses and debt of the former NCWD.

In September 1999, CLWA acquired the stock of an independent retail water provider, the Santa Clarita Water Company ("SCWC"), through the settlement of an eminent domain action. The assets of SCWC were subsequently transferred to CLWA and were operated by CLWA as a retail system through the Santa Clarita Water Division ("SCWD"). The Agency has maintained SCWD to account for the revenues, expenses and debt of the allocable to the SCWD.

In December 2012, the former CLWA acquired 100% of the stock of the Valencia Water Company ("VWC") through the settlement of an eminent domain action. After such acquisition, VWC continued to operate as a separate company. As required by the Agency Law, VWC's assets, property, liabilities and indebtedness were transferred to the Agency on January 9, 2018. The Agency is the successor to the assets and liabilities of VWC. To account for the revenues, expenses and debt allocable to the retail service within the boundaries of the former VWC, the Agency established a retail division designated as the Valencia Water Division ("VWD").

[*] *Preliminary, subject to change.*

Pursuant to the terms of the Agency Law, the indebtedness of NCWD, SCWD and VWC which existed as of December 31, 2017, is required to be borne by NWD, SCWD and VWD, and paid from that retail division's rates and charges. The Agency currently maintains the respective retail divisions to account for legacy debt of the former retail agencies and to comply with certain regulatory requirements relating to retail service area boundaries. The Agency expects to consolidate the boundaries of the retail divisions for regulatory purposes in the next several Fiscal Years. See "INTRODUCTION" in Appendix A. When all such pre-December 31, 2017 indebtedness has been retired, the Agency shall dispense with the Agency's tracking of retail divisions for all purposes as soon as feasible, as described in greater detail in "Water Rates and Charges" in Appendix A.

Sources of Payment for the 2023 Bonds. The 2023 Bonds are limited obligations of the Authority. The 2023 Bonds are payable solely from "Revenues" (as defined in the Indenture) and from certain other amounts on deposit in funds and accounts under the Indenture. Revenues consist primarily of payments (the "Series 2023 Installment Payments") received from the Agency pursuant to an Installment Purchase Agreement, dated as of May 1, 2023 (the "Installment Purchase Agreement"), by and between the Agency and the Authority. See the caption "SECURITY FOR THE 2023 BONDS."

The 2023 Bonds do not constitute a charge against the general credit of the Authority. The 2023 Bonds are not secured by a legal or equitable pledge of, or charge or lien upon, any property of the Authority or any of its income or receipts except payments under the Installment Purchase Agreement and other moneys pledged by the Authority under the Indenture. Neither the faith and credit nor the taxing power of the State or any public agency thereof or any member of the Authority is pledged to the payment of the principal amount or redemption price of, or interest on, the 2023 Bonds. The Authority has no taxing power. The 2023 Bonds do not constitute a debt, liability or obligation of the State or any public agency thereof (other than the Authority) or any member of the Authority in contravention of any State constitutional or statutory provision.

The obligation of the Agency to make the Series 2023 Installment Payments is a special obligation of the Agency payable solely from Net Revenues (as such term is defined in the Installment Purchase Agreement) of the Water System of the Agency and other funds described in the Installment Purchase Agreement, including but not limited to the Rate Stabilization Fund, and does not constitute a debt of the Agency or of the State of California or any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction. Revenues of the Water System generally consist of the Agency's water sales revenues, amounts allocated by the County of Los Angeles (the "County") and the County of Ventura (together, the "Counties") from the 1% *ad valorem* property tax to the Agency, facility capacity fees and certain other revenues. Revenues also include transfers from the Rate Stabilization Fund, as described under the caption "SECURITY FOR THE 2023 BONDS – Rate Stabilization Fund" herein.

Net Revenues available for the payment of the Series 2023 Installment Payments are the Revenues of the Water System remaining after the payment of Operation and Maintenance Costs (as defined in the Installment Purchase Agreement), and payment of the installment payments (the "1999 Installment Payments") under the 1999 Installment Purchase Agreement from certain Revenues. The Series 2023 Installment Payments are payable from certain Net Revenues on a parity with installment payments payable under installment purchase agreements entered into by the Agency and the Authority in 2018 and 2020 aggregating \$243,620,000 (the "Parity Installment Payments"), except for any 1% *ad valorem* property tax remaining following the payment of the 1999 Installment Payments, which will be first applied to the payment of the 2018A Installment Payments and then to the 2020 Installment Payments and the Series 2023 Installment Payments. See Appendix C—"SUMMARY OF PRINCIPAL LEGAL DOCUMENTS."

The Agency levies *ad valorem* property taxes to pay certain costs under the Agency's State Water Project contract. Such State Water Project contract costs are payable from such *ad valorem* property taxes and are not treated as Operation and Maintenance Costs of the Water System. Such State Water Project property taxes are not included in Revenues of the Water System pledged to the Series 2023 Installment Payments.

Additional Parity Obligations. The Agency has covenanted not to incur additional obligations payable from Net Revenues of the Water System senior to the Series 2023 Installment Payments. The Agency may incur additional obligations payable from Net Revenues of the Water System on a parity with the Parity Installment Payments and the Series 2023 Installment Payments, subject to the terms and conditions described under the caption "SECURITY FOR THE 2023 Bonds—Limitations on Parity and Superior Obligations; Subordinate Obligations."

No Reserve Fund. No reserve fund has been created or will be funded with respect to the 2023 Bonds.

Redemption. The 2023 Bonds are subject to optional, mandatory and extraordinary redemption as described herein. See the caption "THE 2023 Bonds—Redemption."

Outstanding Obligations of the Agency. In addition to the Installment Purchase Agreement relating to the 2023 Bonds, the Agency will have the following obligations outstanding: the Castaic Lake Water Agency Revenue Certificates of Participation, Series 1999A (Water System Improvement Project) (the "1999 Certificates"), which are outstanding in the principal amount of approximately $67,061,078 (adjusted for the accreted value of certain capital appreciation certificates as of February 1, 2023), the installment purchase agreement with respect to the Revenue Bonds, Taxable Series 2018A (the "2018A Bonds"), currently outstanding in the aggregate principal amount of $26,735,000 (the "2018A Installment Payments") and the installment purchase agreement with respect to the 2020 Bonds, currently outstanding in the aggregate principal amount of $216,885,000 (the "2020 Installment Payments"). The Agency revenues pledged to the payment of the 1999 Installment Payments securing the 1999 Certificates and 2018A Installment Payments securing the 2018A Bonds consist primarily of the facility capacity fees, the 1% *ad valorem* property taxes allocated to the Agency by the Counties and certain other revenues. The Agency's retail water sales revenues are not pledged to the payment of the 1999 Installment Payments or the 2018A Installment Payments. See Appendix A—"INFORMATION RELATING TO THE SANTA CLARITA VALLEY WATER AGENCY" under the caption "—Outstanding Obligations—Senior Wholesale Water System Obligations."

Under the Installment Purchase Agreement, any 1% *ad valorem* property taxes allocated to the Agency by the Counties are applied first to the payment of the 1999 Installment Payments and then to the 2018A Installment Payments. Any 1% *ad valorem* property tax revenues in excess of the amounts necessary to pay the 1999 Installment Payments and the 2018A Installment Payments will be available for the payment of the 2020 Installment and the Series 2023 Installment Payments. Any facility capacity fees are required under the Installment Purchase Agreement to be applied first to the payment of the 1999 Installment Payments. Any facility capacity fees remaining following such payments will be available to pay the 2018A Installment Payments on a parity basis.

The Agency expects to pay the 1999 Installment Payments and the 2018A Installment Payments from amounts allocated by the Counties from the 1% *ad valorem* property tax to the Agency. See "Appendix A—"INFORMATION RELATING TO THE SANTA CLARITA VALLEY WATER AGENCY" under the caption "—Outstanding Obligations—Senior Wholesale Water System Obligations."

The Agency has been invited to submit an application to the United States Environmental Protection Agency for the issuance of a loans pursuant to the Water Infrastructure Finance and Innovation Act and a master agreement through the Authority in the aggregate amount of up to $628,361,113. The Agency also currently projects entering into a construction installment sale agreement with the State Water Resources Control Board and causing the issuance by the Authority of an additional series of bonds. See "Appendix A—"INFORMATION RELATING TO THE SANTA CLARITA VALLEY WATER AGENCY" under the caption "—Future Obligations."

The Agency and the Service Area. The Agency is located in the northwestern portion of the County, approximately 35 miles from downtown Los Angeles. The service area of the Agency (the "Service Area") has a population of approximately 298,731 and covers an area of approximately 197 square miles. The majority of the Service Area is located in the County, and includes the City of Santa Clarita (the "City") and other nearby communities. Approximately 20 square miles of the Service Area extend into unincorporated rural portions of Ventura County. See Appendix A—"INFORMATION RELATING TO THE SANTA CLARITA VALLEY WATER AGENCY" under the caption "The Service Area."

The Agency has four main sources of water for the Water System: (1) water purchased from the State Water Project, (2) groundwater pumped by the Agency from the groundwater basin underlying the Agency, (3) other supplemental water purchases by the Agency, and (4) recycled water. In Fiscal Year 2022, the Agency had total water sources of 61,898 acre feet, approximately 24,050 acre feet of which was from local groundwater, approximately 37,506 acre feet of which was imported and purchased under an agreement with the Department of Water Resources ("DWR") under the State Water Project, an agreement with Buena Vista Water Storage District and Rosedale-Rio Bravo Water Storage District (the "BVWSD RRBWSD Acquisition Agreement") and the Yuba Water Accord, and approximately 342 acre feet of which was recycled water. See Appendix A—"INFORMATION RELATING TO THE SANTA CLARITA VALLEY WATER AGENCY" under the caption "WATER SUPPLY."

The Authority. The Authority is a joint exercise of powers agency organized under the provisions of State law governing the joint exercise of powers, being Chapter 5, Division 7, Title 1 of the Government Code of the State (the "Act") and the Joint Powers Agreement, to provide for the financing and refinancing of capital improvement projects of the Agency or DDWD and to finance working capital for the Agency or DDWD by exercising the powers referred to in the Joint Powers Agreement, and any other transaction authorized by law. Under the Act and the Joint Powers Agreement, the Authority has the power to issue bonds to pay the costs of public capital improvements and to refund outstanding debt. See the caption "THE AUTHORITY." The Board of Directors of DDWD is elected by DDWD landowners based upon the assessed valuation of land within DDWD. The Agency owns land representing approximately 96% of the assessed valuation within DDWD.

Professionals Involved in the Offering. The 2023 Bonds are offered when, as and if issued, subject to approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the Underwriter by its counsel, Katten Muchin Rosenman LLP, for the Agency by Best Best & Krieger LLP, Riverside, California, as Co-General Counsel to the Agency, for the Authority by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Special Counsel, for the Authority by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel and, and for the Trustee by its counsel. See the caption "CERTAIN LEGAL MATTERS."

Fieldman, Rolapp & Associates, Inc. is acting as municipal advisor to the Agency. See the caption, "MUNICIPAL ADVISOR."

U.S. Bank Trust Company, National Association will act as Trustee with respect to the 2023 Bonds.

Other Information About this Official Statement. There follows in this Official Statement (and attached appendices) a brief description of the 2023 Bonds, the security for the 2023 Bonds, the Agency, the Authority and certain other information material to the issuance of the 2023 Bonds and investment considerations. The descriptions and summaries of various documents in this Official Statement do not purport to be comprehensive or definitive, and reference is made to each document for complete details of all terms and conditions. All statements in this Official Statement are qualified in their entirety by reference to each document.

All capitalized terms used herein and not normally capitalized have the meanings assigned to them in the Indenture and the Installment Purchase Agreement, the summaries of which are included in Appendix C, unless otherwise stated in this Official Statement.

The Appendices are integral parts of this Official Statement and must be read together with all other parts of this Official Statement.

THE FINANCING PLAN

The Project

The Agency expects to apply a portion of the proceeds of the 2023 Bonds to finance and reimburse the Agency for costs of the acquisition of certain capital improvements to the Agency's Water System, including the Castaic Conduit; PFAS Treatment Facilities; the Honby Parallel; the Backcountry Reservoir, Booster Station and Pipelines; the Earl Schmidt Filtration Plant; extraction facilities, treatment facilities, distribution facilities, recycled water facilities, upgrades to pipelines, groundwater treatment facilities, and improvements to certain wells (together, the "Project").

Environmental approvals for the Project have been prepared or are being prepared. No proceeds of the 2023 Bonds will be expended on any component of the Project for which environmental approval is required prior to compliance with such approval. The Agency expects that substantially all 2023 Bond proceeds deposited in the Acquisition Fund under the Installment Purchase Agreement will be expended within three years.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the 2023 Bonds are set forth below.

Table 1
UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
Estimated Sources and Uses of Funds

Sources	$
Principal Amount of 2023 Bonds	$
Plus Original Issue Premium	$
TOTAL	
Uses	
Deposit to Acquisition Fund	$
Costs of Issuance(1)	$
TOTAL	$

(1) Includes fees for the Trustee, Municipal Advisor's fees, legal fees, printing costs, rating agency fees, underwriter's discount and other costs of delivery.

THE 2023 BONDS

Terms of the 2023 Bonds

The 2023 Bonds will be issued in the aggregate principal amount of $___________*. The 2023 Bonds will be dated as of the date of issuance. Interest on the 2023 Bonds is payable on each August 1 and February 1, commencing February 1, 2024 (each an "Interest Payment Date"). The principal of and premium, if any, and interest on the 2023 Bonds is payable in lawful money of the United States of America. Such amounts will be paid by the Trustee on the applicable payment dates by check mailed by the Trustee to the respective Owners thereof on the applicable Interest Payment Date at their addresses as they appear as of the close of

* *Preliminary, subject to change.*

business on the fifteenth day of the calendar month preceding the Interest Payment Date (the "Record Date") in the registration books kept by the Trustee, except that in the case of an Owner of $1,000,000 or more in aggregate principal amount of 2023 Bonds, upon the written request of such Owner to the Trustee at least two Business Days before the Record Date, specifying the account or accounts in the United States to which such payment will be made, such payments will be made by wire transfer of immediately available funds on the applicable payment date following such Record Date. Any request referred to in the preceding sentence will remain in effect until revoked or revised by such Owner by an instrument in writing delivered to the Trustee. When a Book-Entry System is in effect, interest may be paid by wire transfer in accordance with mutually satisfactory arrangements between the Trustee and the Securities Depository.

Principal and interest will be paid in money of the United States that at the time of payment is legal tender for payment of public and private debts or by checks or wire transfers payable in such money. Interest on the 2023 Bonds will accrue at the rates per annum and will mature on the dates set forth on the inside front cover page of this Official Statement. Interest on the 2023 Bonds will be computed based on a 360-day year based on twelve 30-day months. Individual purchases will be made in principal amounts of $5,000 and integral multiples thereof.

Principal of the 2023 Bonds is payable in lawful money of the United States of America at the Principal Corporate Trust Office of the Trustee in St. Paul, Minnesota.

Redemption of Bonds

Optional Redemption*. In accordance with the Indenture, the 2023 Bonds maturing on and after August 1, 20__ are subject to optional redemption, in whole or in part, at any time on and after August 1, 20__ in the order directed by the Agency in a written request to the Trustee at least 45 days (or such lesser number of days acceptable to the Trustee in its sole discretion) prior to such date and by lot within each maturity, in integral multiples of $5,000 from any source of available funds provided to the Authority by or at the discretion of the Agency at a Redemption Price equal to the principal amount of the 2023 Bonds to be redeemed, together with accrued interest to the date of redemption, without premium.

Redemption from Net Proceeds. The 2023 Bonds shall be subject to redemption prior to their respective stated maturities, as a whole or in part, on any date in the order of maturity as directed by the Agency in a Written Request provided to the Trustee at least 45 days (or such lesser number of days acceptable to the Trustee in its sole discretion) prior to such date and by lot within each maturity in integral multiples of $5,000 from prepaid 2020 Installment Payments made by the Agency from Net Proceeds, upon the terms and conditions of, and as provided for in, Section 7.1 of the Installment Purchase Agreement, at a Redemption Price equal to the principal amount thereof and accrued interest thereon to the redemption date without premium.

Mandatory Redemption*. The 2023 Bonds with stated a maturity on August 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on each August 1 on and after August 1, 20__, in integral multiples of $5,000 at a Redemption Price of the principal amount thereof plus accrued interest evidenced and represented thereby to the date fixed for redemption, without premium, in accordance with the following schedule:

* *Preliminary; subject to change.*

Redemption Date (August 1)	***Principal Amount***
	$
*	

* Maturity.

Extraordinary Redemption from Insurance or Eminent Domain Proceeds. The 2023 Bonds are subject to redemption prior to their respective stated maturities, as a whole or in part, on any date in the order of maturity as directed by the Agency in a Written Request provided to the Trustee at least 45 days (or such lesser number of days acceptable to the Trustee in its sole discretion) prior to such date and by lot within each maturity in integral multiples of $5,000 from prepaid Installment Payments made by the Agency from Net Proceeds, upon the terms and conditions of, and as provided for in, the Installment Purchase Agreement, at a Redemption Price equal to the principal amount thereof and accrued interest thereon to the redemption date without premium.

Notice of Redemption

The Agency will notify the Trustee at least 45 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee) prior to the redemption date for 2023 Bonds pursuant to the Indenture. Notice of redemption will be mailed by the Trustee, not less than 30 nor more than 60 days prior to the redemption date: (i) to the respective Owners of any 2023 Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee by first-class mail; (ii) to the Securities Depository by facsimile and by first-class mail; and (iii) to the Information Services by first-class mail. Notice of redemption will be given in the form and in accordance with the terms of the Indenture.

Each such notice of redemption will state the date of notice, the redemption date, the place or places of redemption and the redemption price, will designate the maturities, CUSIP numbers, if any, and, if less than all of any such maturity is to be redeemed, the serial numbers of the 2023 Bonds of such maturity to be redeemed by giving the individual number of each 2023 Bond or by stating that all 2023 Bonds between two stated numbers, both inclusive, have been called for redemption and, in the case of 2023 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on said date there will become due and payable on each of said 2023 Bonds the Redemption Price thereof or of said specified portion of the principal thereof in the case of a 2023 Bond to be redeemed in part only, together with interest accrued with respect thereto to the redemption date, and that (provided that moneys for redemption have been deposited with the Trustee) from and after such redemption date interest thereon ceases to accrue, and will require that such 2023 Bond be then surrendered to the Trustee. Any failure to receive such notice or any defect in the notice or the mailing will not affect the validity of the redemption of any 2023 Bond.

With respect to any notice of optional redemption of 2023 Bonds, such notice will state that such redemption is conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the Redemption Price of such 2023 Bonds to be redeemed and that, if such moneys are not so received, said notice will be of no force and effect and the Trustee will not be required to redeem such 2023 Bonds. If funds are not available to consummate such optional redemption, and if the Agency has knowledge of such unavailability, the Agency will notify the trustee in writing. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made, and the Trustee will promptly after receipt of written instruction from the Agency, give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Selection of Bonds for Redemption

If any 2023 Bond is in a denomination larger than a minimum Authorized Denomination, a portion of such 2023 Bonds (the minimum Authorized Denomination or any integral multiple thereof) may be redeemed pursuant to the Indenture, in which case the Trustee will, without charge to the Owner, authenticate and issue a replacement 2023 Bond or 2023 Bonds for the unredeemed portion thereof.

In the case of a partial redemption of 2023 Bonds, if less than all of the 2023 Bonds of a maturity are called for prior optional redemption, the Trustee will select the 2023 Bonds to be redeemed by lot at such times as directed by the Agency in writing at least 30 days prior to the redemption date and if such selection is more than 60 days before a redemption date, will appropriately identify the 2023 Bonds so called for redemption by stamping them at the time any 2023 Bonds so selected for redemption is presented to the Trustee for stamping or for transfer or exchange, or by such other method of identification as is deemed adequate by the Trustee, and any 2023 Bond or 2023 Bonds issued in exchange for, or to replace, any 2023 Bond so called for prior redemption will likewise be stamped or otherwise identified.

Partial Redemption of Bonds

Upon surrender of any 2023 Bond redeemed in part only, the Authority will execute and the Trustee will authenticate and deliver to the Owner thereof, at the expense of the Agency, a new 2023 Bond of Authorized Denominations, and of the same Maturity Date and interest rate, equal in aggregate principal amount to the unredeemed portion of the 2023 Bond surrendered.

Effect of Redemption of Bonds

If notice of redemption has been duly given pursuant to the Indenture, and money for payment of the Redemption Price of, together with interest accrued to the redemption date on, the 2023 Bonds (or portions thereof) so called for redemption is held by the Trustee, on the redemption date designated in such notice, the 2023 Bonds (or portions thereof) so called for redemption will become due and payable at the Redemption Price specified in such notice together with interest accrued thereon to the date fixed for redemption, interest on the 2023 Bonds so called for redemption will cease to accrue, the 2023 Bonds (or portions thereof) will cease to be entitled to any benefit or security under the Indenture, and the Owners of the 2023 Bonds will have no rights in respect thereof except to receive payment of the Redemption Price and accrued interest. Any defect as failure to receive notice will not affect the sufficiency of the proceedings of redemption. All 2023 Bonds redeemed pursuant to the provisions of the Indenture will be cancelled upon surrender thereof and destroyed.

Book-Entry Only System

One fully-registered 2023 Bond for each maturity will be issued in the principal amount of such 2023 Bond. Such 2023 Bonds will be registered in the name of Cede & Co. and will be deposited with DTC.

The Agency may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the 2023 Bonds will be printed and delivered and will be governed by the provisions of the Indenture with respect to payment of principal and interest and rights of exchange and transfer.

The Agency cannot and does not give any assurances that DTC participants or others will distribute payments with respect to the 2023 Bonds received by DTC or its nominee as the registered Owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will service and act in the manner described in this Official Statement. See Appendix E hereto for additional information concerning DTC.

Transfers and Exchanges Upon Termination of Book-Entry Only System

Any 2023 Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of the Indenture, by the person in whose name it is registered, in person or by such person's duly authorized attorney, upon surrender of such 2023 Bond for cancellation at the Principal Corporate Trust Office of the Trustee, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee.

Whenever any 2023 Bond or 2023 Bonds are surrendered for transfer, the Trustee will authenticate and deliver a new 2023 Bond or 2023 Bonds of the same series and maturity, for a like aggregate principal amount and of authorized denomination or denominations. The Trustee may charge a sum for each new 2023 Bond authenticated and delivered upon any transfer. The Trustee may require the payment by any 2023 Bond Owner requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer. Following any transfer of 2023 Bonds, the Trustee will cancel and destroy the 2023 Bonds it has received.

The 2023 Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of 2023 Bonds of other authorized denominations of the same series and maturity. The Trustee may charge a sum for each new 2023 Bond authenticated and delivered upon any exchange except in the case of any exchange of temporary 2023 Bonds for definitive 2023 Bonds. The Trustee may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. Following any exchange of 2023 Bonds, the Trustee will cancel and destroy the 2023 Bonds it has received.

The Trustee is not required to register the exchange or transfer pursuant to the Indenture, of any 2023 Bond: (i) within 15 days preceding selection of 2023 Bonds for redemption; or (ii) selected for redemption.

Debt Service Schedule

Set forth on the following page is a table of the 1999 Installment Payments, the 2018A Installment Payments, the 2020 Installment Payments and the Series 2023 Installment Payments on a Fiscal Year basis.

Table 2
SANTA CLARITA VALLEY WATER AGENCY
Installment Payment Schedule

Fiscal Year	*1999 Installment Payments*[1]	*2018A Installment Payments*[2]	*2020 Installment Payments*	*Series 2023 Installment Payments*			*Total Debt Service*
				Principal	*Interest*	*Total*	
2024	$ 10,445,000.00	$ 1,618,037.50	$ 21,703,961.82				
2025	10,445,000.00	1,614,540.63	21,852,139.29				
2026	10,445,000.00	1,614,706.26	21,950,887.72				
2027	10,445,000.00	1,613,856.26	22,107,604.55				
2028	10,445,000.00	1,616,875.01	22,658,160.79				
2029	10,445,000.00	1,613,281.26	16,749,854.61				
2030	10,445,000.00	1,613,015.63	16,737,737.16				
2031	10,445,000.00	1,616,353.13	16,714,613.68				
2032	-	1,613,243.76	8,994,709.61				
2033	-	1,613,668.76	8,982,452.69				
2034	-	1,617,396.88	8,975,015.38				
2035	-	1,613,831.25	8,972,194.53				
2036	-	1,613,487.50	8,958,782.01				
2037	-	1,616,737.50	5,397,720.28				
2038	-	1,613,581.25	5,402,568.83				
2039	-	1,614,018.75	5,401,024.23				
2040	-	1,617,162.50	5,397,961.48				
2041	-	1,612,987.50	5,402,999.53				
2042	-	1,617,068.75	5,399,200.00				
2043	-	1,614,309.38	5,402,200.00				
2044	-	1,614,709.38	5,399,200.00				
2045	-	1,613,171.88	5,400,000.00				
2046	-	1,614,600.01	5,404,200.00				
2047	-	1,613,896.88	5,406,500.00				
2048	-	1,615,965.63	5,401,800.00				
2049	-	1,615,709.38	5,399,900.00				
2050	-	0.00	7,017,400.00				
2051	-	0.00	7,017,600.00				
TOTAL	$ 83,560,000.00	$ 41,986,212.62	$ 289,608,388.19				

(1) The 1999 Installment Payments are expected to be paid from amounts allocated by the Counties from the 1% *ad valorem* property tax to the Agency. See Appendix A—"INFORMATION RELATING TO THE SANTA CLARITA VALLEY WATER AGENCY" under the caption "Outstanding Obligations."

(2) The 2018A Installment Payments are expected to be paid from amounts allocated by the Counties from the 1% *ad valorem* property tax to the Agency. See Appendix A—"INFORMATION RELATING TO THE SANTA CLARITA VALLEY WATER AGENCY" under the caption "Outstanding Obligations."

SECURITY FOR THE 2023 BONDS

General

Pursuant to the Indenture, the Authority, for good and valuable consideration, has unconditionally granted, transferred and assigned to the Trustee without recourse all its rights to receive the Revenues (as defined in the Indenture) and to enforce the Installment Purchase Agreement, upon an event of default thereunder for the benefit of the Owners of the 2023 Bonds, for the purpose of securing: (a) the payment of all sums due and owing to the Owners of the 2023 Bonds under the terms of the Indenture; and (b) the observance, performance and discharge of each agreement, condition, covenant and term of the Agency contained in the Installment Purchase Agreement.

The 2023 Bonds are limited obligations of the Authority. The 2023 Bonds are payable solely from Revenues and from certain other amounts on deposit in funds and accounts under the Indenture. Revenues consist primarily of Series 2023 Installment Payments received from the Agency pursuant to the Installment Purchase Agreement. See the caption "—Revenue Pledge Securing the Series 2023 Installment Payments."

The 2023 Bonds do not constitute a charge against the general credit of the Authority. The 2023 Bonds are not secured by a legal or equitable pledge of, or charge or lien upon, any property of the Authority or any of its income or receipts except payments under the Installment Purchase Agreement and other moneys pledged by the Authority under the Indenture. Neither the faith and credit nor the taxing power of the State or any public agency thereof or any member of the Authority is pledged to the payment of the principal amount or redemption price of, or interest on, the 2023 Bonds. The Authority has no taxing power. The 2023 Bonds do not constitute a debt, liability or obligation of the State or any public agency thereof (other than the Authority) or any member of the Authority in contravention of any State constitutional or statutory provision.

The obligation of the Agency to make the Series 2023 Installment Payments is a special obligation of the Agency payable solely from Net Revenues (as described below) of the Water System, and does not constitute a debt of the Agency or of the State of California or any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

The obligation of the Agency to make the Series 2023 Installment Payments is absolute and unconditional, and until such time as the Purchase Price has been paid in full (or provision for the payment thereof has been made pursuant to the Installment Purchase Agreement), the Agency will not discontinue or suspend any Series 2023 Installment Payments required to be made by it under the Installment Purchase Agreement when due, whether or not the Project or any part thereof is operating or operable or has been completed, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such payments are not subject to reduction whether by offset or otherwise and are not conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

Revenue Pledge Securing the Series 2023 Installment Payments

All Revenues, the Revenue Fund, the Rate Stabilization Fund and all amounts on deposit in such funds have been irrevocably pledged by the Agency to the payment of the Series 2023 Installment Payments as provided in the Installment Purchase Agreement, subject however, to the pledge thereon securing Senior Obligations now in existence, and the Revenues will not be used for any other purpose while any of the Series 2023 Installment Payments remain unpaid; provided that out of the Revenues and amounts on deposit in the Revenue Fund and the Rate Stabilization Fund, there may be apportioned such sums for such purposes as are expressly permitted in the Installment Purchase Agreement. Such pledge, together with the pledge created by all other Contracts and Bonds, including but not limited to the 2018A Installment Purchase Agreement, constitutes a second lien on Revenues, the Revenue Fund and the Rate Stabilization Fund and all amounts on deposit therein as permitted in the Installment Purchase Agreement subordinate to the pledge securing Senior

Obligations and subject to the application of Revenues in accordance with the terms of the Installment Purchase Agreement.

Net Revenues available for the payment of the Series 2023 Installment Payments are the Revenues remaining after the payment of (i) Operation and Maintenance Costs (as defined below), (ii) amounts of the 1% *ad valorem* property taxes, facility capacity fees and certain other revenues allocated to the Agency's obligation to make or pay the 1999 Installment Payments, and (iii) amounts of the 1% *ad valorem* property taxes allocated to its obligation to make or pay the 2018A Installment Payments.

The term "Revenues" is defined in the Installment Purchase Agreement to mean all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the Water System on or after the date hereof, including, without limiting the generality of the foregoing: (1) all income, rents, rates, fees, charges, business interruption insurance proceeds or other moneys derived by the Agency from the sale, furnishing and supplying of the water or other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Water System; (2) the earnings on and income derived from the investment of such income, rents, rates, fees, charges, or other moneys, including Agency reserves and the Rate Stabilization Fund; (3) the proceeds of any facility capacity fees or any other connection fees collected by the Agency in connection with the Water System; (4) the proceeds of any stand-by or water availability charges collected by the Agency in connection with the Water System; (5) amounts received by the Agency from the counties of Los Angeles and Ventura from the levy by such counties of the 1% *ad valorem* property tax; but excluding in all cases, all taxes and assessments, *ad* valorem or otherwise (including investment earnings thereon), levied and received by the Agency and restricted by law to be applied to the payment of the Water Contract and related costs, customers' deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the Agency, excluding any proceeds of taxes or assessments restricted by law to be used by the Agency to pay bonds hereafter issued and any and all revenues derived from the ownership or operation of or a connection with Separate Facilities.

"Revenues" also include all amounts transferred from the Rate Stabilization Fund to the Revenue Fund with respect to any Fiscal Year in accordance with the Installment Purchase Agreement and will not include any amounts transferred from the Revenue Fund to the Rate Stabilization Fund with respect to any Fiscal Year in accordance with the Installment Purchase Agreement.

The term "Operation and Maintenance Costs" is defined in the Installment Purchase Agreement to mean: (i) costs spent or incurred for maintenance and operation of the Water System calculated in accordance with Generally Accepted Accounting Principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Water System in good repair and working order, and including administrative costs of the Agency that are charged directly or apportioned to the Water System, including but not limited to salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, consultants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the Agency or charges (other than debt service payments) required to be paid by it to comply with the terms of the 2023 Bonds or of Installment Purchase Agreement or any Contract or of any resolution or indenture authorizing the issuance of any Bonds or of such Bonds, or payments, if any, required in connection with the Water Contract; and (ii) all payments with respect to Operation and Maintenance Obligations; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, amortization of intangibles, including amortization of water rights, unrealized losses in investments, write offs of the value of any impaired assets or other bookkeeping entries of a similar nature and any amounts transferred to the Rate Stabilization Fund.

Net Revenues of the Agency DO NOT include *ad valorem* property taxes levied by the Agency to pay costs under the State Water Contract. In addition, such State Water Project contract costs are not Operation and Maintenance Costs of the Water System. See Appendix C—"SUMMARY OF PRINCIPAL LEGAL

DOCUMENTS" under the caption "INSTALLMENT PURCHASE AGREEMENT—Definitions; Rules of Construction; Contents of Certificates and Opinions."

THE OBLIGATION OF THE AGENCY TO MAKE THE SERIES 2023 INSTALLMENT PAYMENTS IS A SPECIAL OBLIGATION OF THE AGENCY PAYABLE SOLELY FROM NET REVENUES OF THE AGENCY'S WATER SYSTEM AND OTHER FUNDS DESCRIBED IN THE INSTALLMENT PURCHASE AGREEMENT, AND DOES NOT CONSTITUTE AN OBLIGATION OF THE AGENCY FOR WHICH THE AGENCY IS OBLIGATED TO PAY FROM ANY OTHER AGENCY REVENUES OR TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE AGENCY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE OBLIGATION OF THE AGENCY TO MAKE THE SERIES 2023 INSTALLMENT PAYMENTS UNDER THE INSTALLMENT PURCHASE AGREEMENT DOES NOT CONSTITUTE A DEBT OF THE AGENCY OR OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

Rate Stabilization Fund

The Installment Purchase Agreement continues a special fund designated as the "Rate Stabilization Fund" which was previously created and is held by the Agency in trust. The Agency has covenanted to maintain and to hold the Rate Stabilization Fund separate and apart from other funds so long as any Installment Payments or Bonds remain unpaid. Money transferred by the Agency to the Rate Stabilization Fund in accordance with the Installment Purchase Agreement will be held in the Rate Stabilization Fund and applied in accordance with the Installment Purchase Agreement.

The Agency may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund and transfer such amounts to the Revenue Fund for application in accordance with the Installment Purchase Agreement or, in the event that all or a portion of the Series 2023 Installment Payments are discharged in accordance with the Installment Purchase Agreement, transfer all or any portion of such amounts for application to the payment of the Series 2023 Installment Payments in accordance with the Installment Purchase Agreement.

Under certain circumstances, moneys received in one Fiscal Year may be required or permitted by generally accepted accounting principles applicable to governmental agencies such as the Agency to be recorded as revenue in a subsequent Fiscal Year, regardless of whether such moneys have been deposited in the Rate Stabilization Fund. See "Appendix B – AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING JUNE 30, 2022." As of June 30, 2022, there was $18,183,048 on deposit in the Rate Stabilization Fund.

Rate Covenant

The Agency has covenanted in the Installment Purchase Agreement that in any Fiscal Year in which the amount on deposit in the Rate Stabilization Fund on the first day of such Fiscal Year is less than Debt Service payable in such Fiscal Year, the Agency will fix and prescribe rates and charges for Water Service which are reasonably expect to be sufficient to yield during such Fiscal Year Net Revenues which will equal one hundred twenty percent (120%) of the Debt Service for such Fiscal Year.

The Agency has also covenanted that in any Fiscal Year in which the amount on deposit in the Rate Stabilization Fund on the first day of such Fiscal Year is at least equal to the Debt Service payable in such Fiscal Year, the Agency will fix and prescribe such Revenues of the Water System, other than the facility capacity fees or any other connection fees, that are reasonably expected to be sufficient to yield during such Fiscal Year such Revenues equal to 120% of Operation and Maintenance Costs during such Fiscal Year.

The Agency may make adjustments from time to time in such rates and charges and may make such classifications thereof as it deems necessary, but will not reduce the rates and charges then in effect unless the Net Revenues or Revenues of the Water System, as the case may be, from such reduced rates and charges will at all times be sufficient to meet the requirements described in the prior paragraph.

Failure to produce Net Revenues of the Water System to equal one hundred twenty percent (120%) of Debt Service at the end of a Fiscal Year is not an Event of Default under the Installment Purchase Agreement so long as the Agency complies with the covenant described above. Such failure may, however, affect the ability of the Agency to issue Bonds or incur Contracts payable from Net Revenues of the Water System on a parity with the Series 2023 Installment Payments.

Limitations on Parity and Superior Obligations; Subordinate Obligations

Additional Obligations Superior to Series 2023 Installment Payments. The Agency has covenanted in the Installment Purchase Agreement that the Agency will not issue any additional evidences of indebtedness or incur other additional obligations that are payable from or secured by a pledge of and lien on Revenues of the Water System, any money in the Revenue Fund or any money in the Rate Stabilization Fund superior to the pledge securing the Series 2023 Installment Payments.

Additional Obligations on a Parity with Series 2023 Installment Payments. The Agency may issue evidences of indebtedness or incur other obligations that are payable from or secured by a pledge of and lien on Revenues of the Water System, and any money in the Revenue Fund and the Rate Stabilization Fund on a parity with the pledge securing the Series 2023 Installment Payments pursuant to the following terms and conditions:

(1) The Net Revenues for the most recent audited Fiscal Year preceding the date of adoption by the Board of Directors of the Agency of the resolution authorizing the issuance of such Bonds or the date of the execution of such Contract, as the case may be, as evidenced by both a calculation prepared by the Agency and a special report prepared by an Independent Certified Public Accountant or an Independent Municipal Advisor on such calculation on file with the Agency, shall have produced a sum equal to at least one hundred twenty percent (120%) of the Debt Service for such Fiscal Year; and

(2) The Net Revenues for the most recent audited Fiscal Year preceding the date of the execution of such Contract or the date of adoption by the Board of Directors of the Agency of the resolution authorizing the issuance of such Bonds, as the case may be, including adjustments to give effect as of the first day of such Fiscal Year to increases or decreases in income, rents, fees, rates and charges for the Water Service approved and in effect as of the date of calculation, as evidenced by both a calculation prepared by the Agency and a special report prepared by an Independent Certified Public Accountant or an Independent Municipal Advisor on such calculation on file with the Agency, shall demonstrate a sum equal to at least one hundred twenty percent (120%) of the Debt Service for such Fiscal Year plus the Debt Service which would have accrued on any Contracts executed or Bonds issued since the end of such Fiscal Year assuming such Contracts had been executed or Bonds had been issued at the beginning of such Fiscal Year plus the Debt Service which would have accrued had such Contract been executed or Bonds been issued at the beginning of such Fiscal Year; and

(3) The estimated Net Revenues for the then current Fiscal Year and for each Fiscal Year thereafter to and including the first complete Fiscal Year after the latest date of operation of any uncompleted Parity Project financed from proceeds of such Contract or Bonds, as evidenced by a certificate on file with the Agency, including (after giving effect to the completion of all such uncompleted Parity Projects) an allowance for estimated Net Revenues for each of such Fiscal Years arising from any increase in the income, rents, fees, rates and charges estimated to be fixed and prescribed for the Water Service and which are economically feasible and reasonably considered necessary based on projected operations for such period, as evidenced by a certificate of the Manager on file with the Agency, shall produce a sum equal to at least one hundred twenty percent (120%) of the estimated Debt Service for each of such Fiscal Years, after giving effect to the execution

of all Contracts and the issuance of all Bonds estimated to be required to be executed or issued to pay the costs of completing all uncompleted Parity Projects within such Fiscal Years, assuming that all such Contracts and Bonds have maturities, interest rates and proportionate principal repayment provisions similar to the Contract last executed or then being executed or the Bonds last issued or then being issued for the purpose of acquiring and constructing any of such uncompleted Parity Projects.

Notwithstanding the foregoing, (i) Bonds issued or Contracts executed to refund Bonds or Contracts may be delivered without satisfying the conditions set forth above if Debt Service in each Fiscal Year after the Fiscal Year in which such Bonds are issued or Contracts executed is not greater than one hundred five percent (105%) of Debt Service which would have been payable in each such Fiscal Year prior to the issuance of such Bonds or execution of such Contracts; and (ii) Bonds issued or Contracts executed to refund Senior Obligations may be delivered without satisfying the conditions set forth above if total Debt Service and Senior Debt Service in each Fiscal Year after the Fiscal Year in which such Bonds are issued or Contracts executed is not greater than one hundred five percent (105%) of total Debt Service and Senior Debt Service which would have been payable in each such Fiscal Year prior to the issuance of such Bonds or execution of such Contracts.

Subordinate Obligations. The Agency may at any time issue evidence of indebtedness or incur other obligations for any lawful purpose that are payable from and secured by a lien on Revenues or moneys in the Revenue Fund or the Rate Stabilization Fund as may from time to time be deposited therein subordinate to the Series 2023 Installment Payments.

INVESTMENT CONSIDERATIONS

The following information, in addition to the other matters that are described in this Official Statement, should be considered by prospective investors in evaluating the 2023 Bonds. However, the following does not purport to be comprehensive, definitive or an exhaustive listing of risks and other considerations that may be relevant to making an investment decision with respect to the 2023 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks. If any risk factor materializes to a sufficient degree, it alone could delay or preclude payment of principal or interest on the 2023 Bonds.

Accuracy of Assumptions

To estimate the Net Revenues which will be available to pay the Series 2023 Installment Payments, the Agency has made certain assumptions with regard to various matters, including but not limited to future development within the Agency, increases in property tax receipts and increases in Revenues resulting therefrom, the rates and charges to be imposed in future years, the expenses associated with operating the Water System and the interest rate at which funds will be invested. The Agency believes these assumptions to be reasonable, but to the extent that any of such assumptions fail to materialize, the Net Revenues available to pay the 2023 Bonds will, in all likelihood, be less than those projected herein. See the caption "SECURITY FOR THE 2023 BONDS—Rate Covenant." Herein and the caption "WATER SYSTEM FINANCIAL INFORMATION—Projected Revenues, Operation and Maintenance Costs and Coverage" in Appendix A—"INFORMATION RELATING TO THE SANTA CLARITA VALLEY WATER AGENCY."

1% *Ad Valorem* Property Tax Allocations

A portion of the Revenues securing the payment of the Series 2023 Installment Payments consists of amounts allocated by the County of Los Angeles and the County of Ventura from the 1% *ad valorem* property tax to the Agency. Pursuant to the 1999 Installment Purchase Agreement and 2018A Installment Purchase Agreement, the Agency has pledged such 1% *ad valorem* property tax allocations to its payment obligations with respect to the 1999 Installment Payments and the 2018A Installment Payments. Under the Installment Purchase Agreement, the 1% *ad valorem* property tax allocations are to be applied first to the payment of the 1999 Installment Payments and then to the payment of the 2018A Installment Payments. Any 1% *ad valorem* property tax allocations in excess of the amount necessary for the payment of the 1999 Installment Payments and the 2018A Installment Payments will be deposited in the Revenue Fund and will be available for the payment of the Series 2023 Installment Payments and the Series 2020 Installment Payments. The 1999 Installment Payments and the 2018A Installment Payments are expected to be paid from amounts allocated by the County of Los Angeles and the County of Ventura from the 1% *ad valorem* property tax to the Agency. There is no assurance that, following the application of the 1% *ad valorem* property tax allocations to the payment of the 1999 Installment Payments and the 2018A Installment Payments, there will be any amounts of such funds remaining to apply to the payment of the Series 2020 and Series 2023 Installment Payments. See Appendix C—"DEFINITIONS AND SUMMARY OF THE INDENTURE" under the caption "Definitions—Net Revenues."

In addition, there can be no assurance that the actual amount of 1% *ad valorem* property tax allocated to the Agency will occur as described in this Official Statement. Factors, including, but not limited to, an economic downturn, natural disasters and an increase in foreclosures on real property in the boundaries of the Agency, among others, may have an adverse impact on the assessed value of taxable property within the boundaries of the Agency, and, consequently, on the amount of 1% *ad valorem* property taxes allocated to the Agency.

Facility Capacity Fees

Another component of the Revenues securing the payment of the Series 2023 Installment Payments is certain facility capacity fees charged in connection with new development undertaken within the Service Area. Pursuant to the 1999 Installment Purchase Agreement and 2018A Installment Purchase Agreement, the Agency has pledged such facility capacity fees to its payment obligations with respect to the 1999 Installment Payments and the 2018A Installment Payments. Under the Installment Purchase Agreement, the facility capacity fees are to be applied first to the payment of the 1999 Installment Payments. Any facility capacity fees remaining following the payment of 1999 Installment Payments will be available for the payment of the Series 2023 Installment Payments on a parity basis with the payment of the 2018A Installment Payments. There is no assurance that, following the application of the facility capacity fees to the payment of the 1999 Installment Payments and 2018A Installment Payments, there will be any amounts of such funds remaining to apply to the payment of the Series 2020 and Series 2023 Installment Payments. See Appendix C—"DEFINITIONS AND SUMMARY OF THE INDENTURE" under the caption "Definitions—Net Revenues."

There can be no assurance that facility capacity fee income will be in the amounts estimated in this Official Statement. Failure of development activity to increase in the Service Area could have an adverse impact upon the collection of facility capacity fees. Development in the Service Area is influenced by a number of factors including economic activity in the region, availability of financing for development and costs of construction materials, in addition to other factors.

Rate Covenant Not a Guarantee

The Series 2023 Installment Payments are payable from Net Revenues. See "SECURITY FOR THE 2023 BONDS." The Agency's ability to pay the Series 2023 Installment Payments depends on its ability to generate Net Revenues at the levels required by the Installment Purchase Agreement. Although the Agency has covenanted in the Installment Purchase Agreement to impose rates and charges as more particularly described under the caption "SECURITY FOR THE 2023 BONDS—Rate Covenant" and expects that sufficient Net Revenues will be generated through the imposition and collection of such rates and charges, there is no assurance that the imposition and collection of such rates and charges will result in the generation of Net Revenues in the amounts required by the Installment Purchase Agreement. No assurance can be made that Net Revenues, estimated or otherwise, will be realized by the Agency in amounts sufficient to pay the Series 2023 Installment Payments. Among other matters, the availability of and demand for water services, and changes in law and government regulations could adversely affect the amount of Revenues realized by the Agency.

System Demand

There can be no assurance that the demand for Water Service will occur as described in this Official Statement. Reduction in levels of demand could require an increase in rates or charges in order to comply with the rate covenant. See the caption "SECURITY FOR THE 2023 BONDS—Rate Covenant." Demand for Water Service could be reduced or may not occur as projected by the Agency as a result of reduced levels of development in the Agency's Service Area, hydrological conditions, conservation efforts, an economic downturn, mandatory State conservation orders and other factors.

System Expenses

There can be no assurance that the Agency's expenses will be consistent with the descriptions in this Official Statement. Operation and Maintenance Costs may vary with hydrological conditions, the quality and amount of water supplies, the quality and treatment requirements of water, as well as treatment costs, regulatory compliance costs, labor costs (including costs related to pension and other post-employment benefits) and other factors including but not limited to inflationary cost increases. See Appendix A—"INFORMATION RELATING TO THE SANTA CLARITA VALLEY WATER AGENCY—WATER SUPPLY." Increases in Operation and Maintenance Costs could require an increase in rates or charges in order to comply with the rate covenant. See the caption "SECURITY FOR THE 2023 BONDS—Rate Covenant."

Limited Recourse on Default

If the Agency defaults on its obligation to pay the Series 2023 Installment Payments, the Trustee has the right to declare the total unpaid principal amount of the Series 2023 Installment Payments, together with the accrued interest thereon, to be immediately due and payable. However, in the event of a default and such acceleration, there can be no assurance that the Agency will have sufficient funds to pay such accelerated amounts from Net Revenues. As discussed in "- 1% *Ad Valorem* Property Tax Allocations" above, amounts allocated by the County of Los Angeles and the County of Ventura from the 1% *ad valorem* property tax to the Agency will only be available for the payment of Series 2023 Installment Payments following the application of the 1% *ad valorem* property tax revenues to the payment of the 1999 Installment Payments and the 2018A Installment Payments. In addition, as discussed in "- Facility Capacity Fees" above, certain facility capacity fees charged in connection with new development undertaken within the Service Area will only be available for the payment of Series 2023 Installment Payments, Series 2020 Installment Payments, and the 2018A Installment Payments following to the payment of the 1999 Installment Payments.

Limitations on Remedies Available; Bankruptcy

The enforceability of the rights and remedies of the Owners and the obligations of the Agency, including the application of amounts allocated by the County of Los Angeles and the County of Ventura from the 1% *ad valorem* property tax to the Agency held in the 1% Property Tax Account, may become subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; equitable principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of servicing a significant and legitimate public purpose. Bankruptcy proceedings, or the exercising of powers by the federal or State government, if initiated, could subject the Owners to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation or modification of their rights.

The opinion to be delivered by Bond Counsel concurrently with the issuance of the 2023 Bonds will be subject to such limitations and the various other legal opinions to be delivered concurrently with the issuance of the 2023 Bonds will be similarly qualified. See Appendix C. In the event that the Agency fails to comply with its covenants under the Installment Purchase Agreement or fails to pay the Series 2023 Installment Payments, which secure the payments of principal and interest on the 2023 Bonds, there can be no assurance of the availability of remedies adequate to protect the interest of the Owners of the 2023 Bonds.

Availability of State Water Contract Property Tax to pay State Water Project Contract Expenses

The Agency, like other California State Water Project contractors, levies the State Water Project property tax on land and taxable property (exclusive of personal property) located within the territorial limits of the Agency to generate the funds necessary to meet its obligations under the State Water Project Contract. There is litigation challenging the levy and use of State Water Project property tax by the Coachella Valley Water District ("CVWD"), a State Water Project contractor, to pay expenses under its SWP contract. A decision was rendered by the court on March 14, 2023. See the caption "WATER SYSTEM FINANCIAL INFORMATION— *Litigation – Roberts v. Coachella Valley Water District*" in Appendix A of this Official Statement for further discussion of the case.

The Agency's levy of the State Water Project property tax and the Agency's expenditure of the State Water Project property tax on State Water Project expenses has not been challenged to date. The Agency does not commingle State Water Project property tax proceeds with other Agency Revenues and accounts for such State Water Project property tax proceeds separately from other Agency Revenues. In addition, the Agency has expended State Water Project property tax on State Water Project expenses that the Agency believes are permitted to be paid with the State Water Project property tax. As a result, the Agency does not currently expect that the outcome of the CVWD case will have a material adverse impact on the Agency's current practice of levying the State Water Project property tax and the application by the Agency of the State Water Project property tax on State Water Project expenses. The decision of the court in the CVWD case is subject to appeal and the Agency cannot predict the ultimate outcome of the CVWD case.

Natural Disasters and Seismic Considerations

General. The Agency, like all southern California communities, is subject to unpredictable seismic activity, fires, floods, high winds, landslides or other natural disasters. A severe natural disaster, such as an earthquake, fire, flood, high wind event or landslide, could result in substantial damage to the Agency, including the Water System.

Although the Agency maintains insurance, including flood insurance for certain of its facilities, for damage to the Water System as described in Appendix A—"INFORMATION RELATING TO THE SANTA CLARITA VALLEY WATER AGENCY—Insurance," there can be no assurance that specific losses will be covered by insurance or, if covered, that claims will be paid in full by the applicable insurers. Furthermore, significant portions of the Water System, including underground pipelines and manhole covers, are not covered by property casualty insurance. Damage to such portions of the Water System as a result of natural disasters could result in uninsured losses to the Agency.

Seismic Activity. The Agency is located in a seismically active region. There is potential for destructive ground shaking during the occurrence of a major seismic event. In addition, land along fault lines may be subject to liquefaction during the occurrence of such an event. In the event of a severe earthquake, there may be significant damage to both property and infrastructure within the Agency, including the Water System. The Agency has an emergency response plan that would be implemented under such circumstances.

Newer Water System facilities are designed to withstand earthquakes with minimal damage, as earthquake loads are taken into consideration in the design of project structures. In addition, certain older water tanks have been retrofitted to withstand earthquakes with minimal damage. The Agency has also undertaken a vulnerability assessment of critical Water System facilities. The vulnerability assessment ranks Agency infrastructure by importance, builds redundancy into existing operations and includes contingency plans in the event of damage to Agency assets. The impact of lesser magnitude events is expected by the Agency to be temporary, localized and repairable. In 1994, as a result of the magnitude 6.7 Northridge earthquake, certain of the Agency's tanks were damaged and certain portions of the Agency's Service Area were without water for a period of up to two weeks. Outside of the damage and service disruption caused by the Northridge earthquake, the Water System has never sustained major damage to its facilities or experienced extended incidences of service interruptions as a result of seismic disturbances.

The Agency maintains limited earthquake insurance in the amount of $45,000,000 aggregate limit on certain Water System facilities. See Appendix A—"INFORMATION RELATING TO THE SANTA CLARITA VALLEY WATER AGENCY—Insurance."

Flooding. Portions of the Agency are mapped within the 100-year flood plain and have the potential to flood if rain events exceed the floodplain capacity. The Agency maintains insurance covering damage to the Water System caused by flooding for certain of its facilities. See Appendix A—"INFORMATION RELATING TO THE SANTA CLARITA VALLEY WATER AGENCY—Insurance" and the subcaption "—Climate Change."

Fire. Wildfires have occurred in recent years in different regions of the State. Certain of the Agency's facilities are located in areas considered by the Department of Forestry and Fire Protection of the State of California to have an elevated risk of wildfires. To mitigate the risk of wildfire and the related property damage, the Agency has certain preventative measures in place that include most Agency tanks having asphalt or concrete around the base to provide a fire barrier, as well as performing annual weed abatement at all Agency facilities. The Agency has an emergency response plan that would be implemented in the event of wildfire.

There can be no assurance that fires will not occur within the boundaries of the Agency in the future, leading to decreased usage of the Agency's Water System resulting in a decline in Net Revenues. The Agency carries property insurance for fire damage.

Drought. On April 1, 2015, for the first time in California's history, the State Governor directed the SWRCB to implement mandatory water reductions in cities and towns across California to reduce total water usage in the State by 25%. Such restrictions applied to the Agency, as described in Appendix A—"INFORMATION RELATING TO THE SANTA CLARITA VALLEY WATER AGENCY—Recent California Drought and Response." Although most of such mandatory water reductions have since been lifted, the State has since enacted permanent restrictions on water usage.

Hydrological conditions in California can vary widely, both in location and from year to year. The water years 2020 and 2021 combined ranked as the two driest years in California's statewide precipitation record. (A water year begins on October 1 and ends on the following September 30.). Beginning in April 2021, Governor Newsom signed a series of proclamations, determining that certain counties in the State were in a state of emergency due to drought conditions affecting such areas. On July 8, 2021, Governor Newsom signed Executive Order N-10-21, which asks citizens of the State to voluntarily reduce their water use by 15% compared to 2020 levels. On October 19, 2021, Governor Newsom expanded the drought proclamation to cover all counties in the State. On March 28, 2022, Governor Newsom signed Executive Order N-7-22 to prepare for and mitigate the effects of the ongoing drought by implementing additional shortage response measures on urban water suppliers under Section 10632.1 of the Water Code. Due to improved hydrological conditions, most of the Executive Orders executed during the most recent drought have been rescinded.

There can be no assurance that drought conditions will not re-appear in the future, leading to decreased usage of the Agency's Water System resulting in a decline in Net Revenues, or that the State's permanent water usage restrictions or future actions by the Governor's office to encourage voluntary reductions will not lead to decreased usage of the Agency's Water System resulting in a decline in Net Revenues.

Climate Change. Climate change, including changes caused by human activities, may have adverse effects on the Agency's Water System. Climate change can also result in more variable weather patterns throughout the State, which can lead to longer and more severe droughts as well as increased risk of flooding and a rise in sea levels. The Agency considers the potential effects of climate change in its planning.

Projections of the impacts of global climate change on the Agency are complex and depend on many factors that are outside the Agency's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. Also, the scientific understanding of climate change and its effects continues to evolve. Accordingly, while the Agency has considered climate change in maintaining and expanding its Water System, the Agency is unable to forecast with certainty when adverse impacts of climate change will occur or the extent of such impacts. While the impacts of climate change may be mitigated by the Agency's past and future investment in adaptation strategies, the Agency can give no assurance about the net effects of those strategies and whether the Agency will be required to take additional adaptive mitigation measures.

Limited Obligations

The Installment Purchase Agreement is a limited obligation of the Agency payable solely from Net Revenues and secured solely by the Revenues pledged in the Installment Purchase Agreement. If for any reason, the Agency does not collect sufficient Revenues to pay the Series 2023 Installment Payments, the Agency will not be obligated to utilize any other of its funds to pay the Series 2023 Installment Payments.

Statutory and Regulatory Compliance

Laws and regulations governing treatment and delivery of water are enacted and promulgated by federal, State and local government agencies. Compliance with these laws and regulations is and will continue to be costly, and, as more stringent standards are developed, such costs will likely increase.

The regulation of PFAS at the State level and the expected regulation of PFAS at the federal level have required water agencies across the State that pump groundwater to take wells offline and to invest in remediation measures to bring impacted groundwater supply into compliance with PFAS regulations. Due to these regulations, as of May 2023, the Agency has determined that 17 of Agency wells contain either PFOA or PFOS at levels that exceed the response level. The Agency has removed each of these wells from service. See Appendix A—"INFORMATION RELATING TO THE SANTA CLARITA VALLEY WATER AGENCY—WATER SUPPLY—Water Quality Compliance—*PFAS*." For information regarding the Agency's sources of supply for the Water System, see Appendix A—"INFORMATION RELATING TO THE SANTA CLARITA VALLEY WATER AGENCY" under the caption "WATER SUPPLY."

Claims against the Water System for failure to comply with applicable laws and regulations could be significant. Such claims may be payable from assets of the Water System and constitute Operation and Maintenance Costs or from other legally available sources. In addition to claims by private parties, changes in the scope and standards for municipal water systems such as that operated by the Agency may also lead to administrative orders issued by federal or State regulators. Future compliance with such orders can also impose substantial additional costs on the Agency. In addition to the other limitations described herein, the State electorate or Legislature could adopt a Constitutional amendment, legislation or an initiative with the effect of reducing revenues payable to or collected by the Agency. No assurance can be given that the cost of compliance with such laws, regulations and orders would not adversely affect the ability of the Agency to generate Net Revenues in amounts that are sufficient to pay the Series 2023 Installment Payments.

Parity Obligations

The Installment Purchase Agreement permits the Agency to issue Bonds and enter into Contracts payable from Net Revenues on a parity with the Series 2023 Installment Payments, which secure the 2023

Bonds, subject to the terms and conditions set forth therein. The issuance of additional Bonds and entry into Contracts could result in reduced Net Revenues available to pay the Series 2023 Installment Payments. The Agency has covenanted to maintain coverage of at least 120% of Debt Service, as further described under the caption "SECURITY FOR THE 2020 BONDS—Limitations on Parity and Superior Obligations; Subordinate Obligations—Additional Obligations on a Parity with the Series 2023 Installment Payments."

Loss of Tax Exemption

Interest with respect to the 2023 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date that the 2023 Bonds were issued as a result of future acts or omissions of the Agency in violation of its covenants in the Installment Purchase Agreement and Indenture. In addition, current and future legislative proposals, if enacted into law, may cause interest with respect to the 2023 Bonds to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the aggregate amount of interest on state and local government bonds that may be treated as tax exempt by individuals. See the caption "TAX MATTERS." Should such an event of taxability occur, the 2023 Bonds are not subject to a special prepayment and will remain outstanding until maturity.

Secondary Market

There can be no guarantee that there will be a secondary market for the 2023 Bonds or, if a secondary market exists, that any 2023 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

COVID-19 Pandemic; Infectious Disease Outbreak

The COVID-19 pandemic negatively affected economic activity throughout the world, including the United States and the State of California. The initial impacts of stay-at home orders globally were unprecedented, with commerce, travel, asset values and financial markets experiencing disruptions worldwide. The negative effects of the COVID–19 pandemic and its aftermath on global, national and local economies may continue at least for some period of time. Future pandemics and other widespread public health emergencies may arise from time-to-time and can impact broader economic conditions in the affected region. Given the uncertainties surrounding the COVID-19 pandemic, its aftermath and the outbreak of infectious disease in general, there can be no assurances that COVID-19, the outbreak of another infectious disease or governmental actions in response thereto will not materially adversely impact the financial condition of the Agency in the future. To date, the Agency does not believe that the impacts of COVID-19 or governmental actions in response thereto and its aftermath will have a material adverse effect on its ability to make the Series 2023 Installment Payments.

Cybersecurity

Municipal agencies, like other business entities, face significant risks relating to the use and application of computer software and hardware. The Agency and its vendors employ a multi-level cyber protection scheme that includes end-user training and education, firewalls, anti-virus software, anti-spam/malware software, intrusion protection and domain name system filtering service, Payment Card Industry ("PCI") best practices and PCI annual audits. The Agency regularly analyzes the network construct for potential weaknesses in cybersecurity and thereafter, promptly implements solutions for identified shortfalls. In addition, the Agency contracts with third-party vendors to monitor and augment internal monitoring of the Agency's computer systems. See Appendix A—"INFORMATION RELATING TO THE

SANTA CLARITA VALLEY WATER AGENCY" under the caption "Insurance" for information with respect to Agency's cyber liability program and cybersecurity insurance policy coverage limits.

To date, the Agency has not experienced an external attack on its network systems resulting in a data breach. Agency staff are regularly trained in cybersecurity awareness to spot potential scams or phishing schemes. However, there can be no assurance that a future attack or attempted attack would not result in disruption of Agency operations. The Agency expects that any such disruptions would be temporary in nature.

THE SANTA CLARITA VALLEY WATER AGENCY

Appendix A hereto presents information relating to the Agency, one of its predecessors, CLWA, and NCWD, SCWD, NWD and VWD. The Series 2023 Installment Payments are payable solely from Net Revenues of the Agency. Capitalized terms used in this Appendix A and not defined shall have the meanings set forth in the Official Statement.

CONSTITUTIONAL PROVISIONS

Article XIIIB

The State Constitution limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and population. The "base year" for establishing such appropriation limit is the 1978-79 fiscal year and the limit is to be adjusted annually to reflect changes in population and consumer prices. Adjustments in the appropriations limit of an entity may also be made if: (i) the financial responsibility for a service is transferred to another public entity or to a private entity; (ii) the financial source for the provision of services is transferred from taxes to other revenues; or (iii) the voters of the entity approve a change in the limit for a period of time not to exceed four years.

Appropriations subject to Article XIIIB generally include the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions and refunds of taxes. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to an entity of government from: (a) regulatory licenses, user charges, and user fees (but only to the extent such proceeds exceed the cost of providing the service or regulation); and (b) the investment of tax revenues. Article XIIIB includes a requirement that if an entity's revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years. The Agency's revenues do not exceed any applicable appropriations limit.

Certain expenditures are excluded from the appropriations limit including payments of indebtedness existing or legally authorized as of January 1, 1979, or of bonded indebtedness thereafter approved by the voters and payments required to comply with court or federal mandates which without discretion require an expenditure for additional services or which unavoidably make the providing of existing services more costly.

Proposition 218

General. An initiative measure entitled the "Right to Vote on Taxes Act" (the "Initiative") was approved by the voters of the State of California at the November 5, 1996 general election. The Initiative added Article XIIIC and Article XIIID to the California Constitution. According to the "Title and Summary" of the Initiative prepared by the California Attorney General, the Initiative limits "the authority of local governments to impose taxes and property-related assessments, fees and charges."

Article XIIID. Article XIIID defines the terms "fee" and "charge" to mean "any levy other than an *ad valorem* tax, a special tax or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including user fees or charges for a property-related service." A "property-related service" is defined as "a public service having a direct relationship to property ownership." Article XIIID further provides that reliance by an agency on any parcel map (including an assessor's parcel map) may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership.

Article XIIID requires that any agency imposing or increasing any property-related fee or charge must provide written notice thereof to the record owner of each identified parcel upon which such fee or charge is to be imposed and must conduct a public hearing with respect thereto. The proposed fee or charge may not be imposed or increased if a majority of owners of the identified parcels file written protests against it. As a result, if and to the extent that a fee or charge imposed by a local government for water or wastewater service is ultimately determined to be a "fee" or "charge" as defined in Article XIIID, the local government's ability to increase such fee or charge may be limited by a majority protest.

In addition, Article XIIID includes a number of limitations applicable to existing fees and charges including provisions to the effect that: (i) revenues derived from the fee or charge shall not exceed the funds required to provide the property-related service; (ii) such revenues shall not be used for any purpose other than that for which the fee or charge was imposed; (iii) the amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel and (iv) no such fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Property-related fees or charges based on potential or future use of a service are not permitted.

Based upon the California Second District Court of Appeal decision in *Howard Jarvis Taxpayers Association v. City of Los Angeles*, 85 Cal. App. 4th 79 (2000), which was denied review by the California Supreme Court, it was generally believed that Article XIIID did not apply to charges for metered water, which had been held to be commodity charges related to consumption of the service, not property ownership. CLWA was of the opinion that, under similar reasoning, the water rates imposed by SCWD were not subject to Article XIIID. In a decision rendered in February, 2004, the California Supreme Court in *Richmond et al. v. Shasta Community Services District* (S105078) upheld a Third District Court of Appeal decision that water connection fees were not property-related fees or charges subject to Article XIIID while at the same time stating in dicta that fees for ongoing water service through an existing connection were property related fees and charges. In October 2004, the California Supreme Court granted review of the decision of the Fourth District Court of Appeal in *Bighorn-Desert View Water Agency v. Beringson*, 120 Cal. App. 4th 891 (2004), in which the appellate court had relied on *Howard Jarvis Taxpayers Association v. City of Los Angeles* and rejected the Supreme Court's dicta in *Richmond et al. v. Shasta Community Services District*. On March 23, 2005, the California Fifth District Court of Appeal held in *Howard Jarvis Taxpayers Association v. City of Fresno*, 127 Cal. App. 4th 914 (2005) that an "in lieu" fee which is payable to the City of Fresno's general fund from its water utility and which is included in the city's water rate structure was invalid. In reaching its decision, the court concluded that the city's water rates were "property related" fees, governed by the limitations of Article XIIID. The City of Fresno requested a review of this decision by the California Supreme Court, which denied review. On July 24, 2006 the Supreme Court ruled in *Bighorn-Desert View Water Agency v. Verjil*. The Court restated the dicta in *Richmond et al. v. Shasta Community Services District* that fees and charges for ongoing domestic water service through an existing connection were property related fees and charges under Article XIIID. The Agency does not believe the procedural or substantive requirements of Article XIIID apply to the rates and charges of its wholesale water operations. The Agency believes it is in compliance with the procedural and substantive provisions of Article XIIID with respect to its rates and charges for the retail water operations.

On April 20, 2015, the California Court of Appeal, Fourth District, issued an opinion in *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano* upholding tiered water rates under Proposition 218 provided that the tiers correspond to the actual cost of furnishing service at a given level of usage. The opinion was specific to the facts of the case, including a finding that the City of San Juan Capistrano did not attempt to calculate the actual costs of providing water at various tier levels. The Agency's water rates are described under the caption "THE WATER SYSTEM—Water System Rates and Charges" in Appendix A. The Agency does not currently expect the decision to affect its water rate structure. The Agency believes that its current water rates comply with the requirements of Proposition 218 and expects that any future water rates will comply with Proposition 218's procedural and substantive requirements to the extent applicable thereto.

Article XIIIC. Article XIIIC provides that the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge and that the power of initiative to affect local taxes, assessments, fees and charges shall be applicable to all local governments. Article XIIIC does not define the terms "local tax," "assignment," "fee" or "charge." On July 24, 2006, the Supreme Court held in *Bighorn-Desert View Water Agency v. Verjil* that the provisions of Article XIIIC included rates and fees charged for domestic water use. The Supreme Court noted, however, that the decision did not address whether an initiative to reduce fees and charges could override statutory rate setting obligations of the public agency involved in the litigation. The Agency and its general counsel do not believe that Article XIIIC grants to the voters within the jurisdiction of the Agency the power to repeal or reduce its wholesale rates and charges or retail fees and charges in a manner which would be inconsistent with the statutory or contractual obligations of the legislative body of the Agency. However, there can be no assurance of the availability of particular remedies adequate to protect the beneficial owners of the 2023 Bonds. Remedies available to beneficial owners of the 2023 Bonds in the event of a default by the Agency are dependent upon judicial actions which are often subject to discretion and delay and could prove both expensive and time consuming to obtain.

In addition to the specific limitations on remedies contained in the applicable documents themselves, the right and obligation with respect to the 2023 Bonds is subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, and to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California. The various opinions of counsel to be delivered with respect to such documents, including the opinion of Bond Counsel (the form of which is attached as Appendix D), will be similarly qualified.

The Agency believes that its current water rates and other property-related charges comply with the requirements of Proposition 218 and expects that any increases in current rates and charges or the adoption of any new future water rates and other property-related charges will be subject to compliance with Proposition 218's procedural and substantive requirements to the extent applicable thereto.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIIC to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The Agency currently believes that the rates that Agency charges for services provided by the Water System are in compliance with the requirements of Proposition 26.

Future Initiatives

Articles XIIIB, XIIIC and XIIID were enacted by voter initiative. There can be no assurance that the voters of the State will not approve another initiative that could affect the Agency, its operations or financial condition or the Net Revenues of the Water System.

THE AUTHORITY

The Authority is a joint powers authority organized pursuant to the Joint Powers Agreement. The Joint Powers Agreement was entered into pursuant to the provisions of the Act. The Authority is governed by a board of five Directors comprised of three members appointed by the Agency and two members appointed by DDWD. The Authority was created to provide for the financing and refinancing of capital improvement projects of the Agency or DDWD and to finance working capital for the Agency or DDWD by exercising the powers referred to in the Joint Powers Agreement, and any other transaction authorized by law. Under the Act, the Authority has the power to issue bonds to assist its member agencies in the financing and refinancing of public capital improvements, or projects for the public benefit. Neither the Agency nor DDWD is responsible for repayment of the indebtedness of the other.

The Board of Directors of DDWD is elected by DDWD landowners based upon the assessed valuation of land within DDWD. The Agency owns land representing approximately 96% of the assessed valuation within DDWD. As the owner of the majority of the land within DDWD, the Agency has the ability to elect the Board of Directors of DDWD. While the Board of Directors of DDWD currently consists of members of the Agency Board, there can be no assurance that DDWD Board members will be Agency Board members in the future.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Sacramento, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the 2023 Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. However, it should be noted that for tax years beginning after December 31, 2022, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), generally certain corporations with more than $1,000,000,000 of average annual adjusted financial statement income, interest (and original issue discount) with respect to the 2023 Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed by Section 55 of the Code on such corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the 2023 Bonds is exempt from State of California personal income tax.

The difference between the issue price of a 2023 Bond (the first price at which a substantial amount of the 2023 Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to the 2023 Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to an Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by an Owner will increase the Owner's basis in the applicable 2023 Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the Owner of the 2023 Bond is excluded from gross income of such Owner for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the Owner of the 2023 Bonds is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the 2023 Bonds is based upon certain representations of fact and certifications made by the Agency and others and is subject to the condition that the Agency complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the 2023 Bonds to assure that interest (and original issue discount) on the 2023 Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the 2023 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2023 Bonds. The Agency will covenant to comply with all such requirements.

The amount by which an Owner's original basis for determining loss on sale or exchange in the applicable 2023 Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Code; such amortizable bond premium reduces the Owner's basis in the applicable 2023 Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in an Owner realizing a taxable gain when a 2023 Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the 2023 Bond to the Owner. Purchasers of the 2023 Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the 2023 Bonds permit certain actions to be taken or to be omitted if a favorable opinion of a bond counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income for federal income tax purposes of interest (or original issue discount) on any 2023 Bond if any such action is taken or omitted based upon the advice of counsel other than Bond Counsel.

Although Bond Counsel will render an opinion that interest (and original issue discount) on the 2023 Bonds is excluded from gross income for federal income tax purposes provided that the Agency continues to comply with certain requirements of the Code, the ownership of the 2023 Bonds and the accrual or receipt of interest (and original issue discount) with respect to the 2023 Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the 2023 Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the 2023 Bonds.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the 2023 Bonds will be selected for audit by the IRS. It is also possible that the market value of the 2023 Bonds might be affected as a result of such an audit of the 2023 Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the 2023 Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the 2023 Bonds or their market value.

FOLLOWING THE ISSUANCE OF THE 2023 BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE 2023 BONDS OR THE MARKET VALUE OF THE 2023 BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE 2023 BONDS. IT IS POSSIBLE THAT LEGISLATIVE CHANGES WILL BE

INTRODUCED WHICH, IF ENACTED, WOULD RESULT IN ADDITIONAL FEDERAL INCOME OR STATE TAX BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE 2023 BONDS. NO ASSURANCE CAN BE GIVEN THAT FOLLOWING THE ISSUANCE OF THE 2023 BONDS, STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR INTERPRETATIONS WILL NOT OCCUR. BEFORE PURCHASING ANY OF THE 2023 BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE 2023 BONDS.

A complete copy of the proposed opinion of Bond Counsel is set forth in Appendix D—"FORM OF OPINION OF BOND COUNSEL."

CERTAIN LEGAL MATTERS

The validity of the 2023 Bonds is subject to the approval of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, acting as Bond Counsel. The form of such legal opinion is attached hereto as Appendix D and such legal opinion will be attached to each 2023 Bond. Bond Counsel expresses no opinion as to the accuracy, completeness or fairness of this Official Statement or other offering materials relating to the 2023 Bonds and expressly disclaims any duty to advise the Owners of the 2023 Bonds as to matters related to this Official Statement.

Certain legal matters will be passed on for the Underwriter by its counsel Katten Muchin Rosenman LLP ("Underwriter's Counsel"), for the Authority by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Special Counsel to the Authority, for the Agency by Best Best & Krieger LLP, Riverside, California, as Co-General Counsel to the Agency, for the Authority by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Special Counsel, for the Authority by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel and, and for the Trustee by its counsel.

Payment of the fees of Stradling Yocca Carlson & Rauth, a Professional Corporation and Underwriter's Counsel is contingent upon issuance of the 2023 Bonds.

Bond Counsel represents the Underwriter from time-to-time on other financings and matters unrelated to the Authority, the Agency or the 2023 Bonds. Bonds Counsel does not represent the Underwriter or any other party with respect to the issuance of the 2023 Bonds other than the Authority and the Agency.

LITIGATION

The Authority

There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to the knowledge of the Authority, threatened against the Authority affecting the existence of the Authority or the titles of its officers to their respective offices or seeking to restrain or to enjoin the sale or delivery of the 2023 Bonds, the application of the proceeds thereof in accordance with the Indenture, or in any way contesting or affecting the action of the Authority contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the Authority or its authority with respect to the 2023 Bonds or any action of the Authority contemplated by any of said documents.

The Agency

See Appendix A—"INFORMATION RELATING TO THE SANTA CLARITA VALLEY WATER AGENCY" under the caption "Litigation" for information with respect to litigation affecting the Agency.

RATING

The Agency expects that S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P") will assign the 2023 Bonds the rating of "__". There is no assurance that such credit rating given to the 2023 Bonds will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of the rating may have an adverse effect on the market price of the 2023 Bonds. Such rating reflects only the views of S&P and an explanation of the significance of such rating may be obtained from S&P.

The Agency has covenanted in a Continuing Disclosure Certificate to file on EMMA, notices of any rating change on the 2023 Bonds. See the caption "CONTINUING DISCLOSURE UNDERTAKING" below and Appendix F—"FORM OF CONTINUING DISCLOSURE CERTIFICATE." Notwithstanding such covenant, information relating to a rating change on the 2023 Bonds may be publicly available from S&P prior to such information being provided to the Agency and prior to the date the Agency is obligated to file a notice of rating change on EMMA. Purchasers of the 2023 Bonds are directed to S&P and its website and official media outlets for the most current rating change with respect to the 2023 Bonds after the initial issuance of the 2023 Bonds.

MUNICIPAL ADVISOR

The Agency has retained Fieldman, Rolapp & Associates, Inc., Irvine, California (the "Municipal Advisor") as municipal advisor in connection with the issuance of the 2023 Bonds. The Municipal Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The fees being paid to the Municipal Advisor by the Agency are contingent upon the issuance of the 2023 Bonds.

The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

UNDERWRITING

The 2023 Bonds are being purchased by BofA Securities, Inc., pursuant to a Bond Purchase Agreement (the "Bond Purchase Agreement"), by and between the Agency and the Underwriter. Under the Bond Purchase Agreement, the Underwriter has agreed to purchase all, but not less than all, of the 2023 Bonds for an aggregate purchase price of $____________ (representing the principal amount of the 2023 Bonds, less an Underwriter's discount of $____________, plus an original issue premium of $____________). The Bond Purchase Agreement provides that the Underwriter will purchase all of the 2023 Bonds if any are purchased, the obligation to make such a purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions.

The initial public offering prices stated on the inside front cover of this Official Statement may, under certain circumstances, be changed from time to time by the Underwriter. The Underwriter may offer and sell the 2023 Bonds to certain dealers (including dealers depositing 2023 Bonds into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority and the Agency for which they received or will receive customary fees and expenses. In addition, certain affiliates of the Underwriter are lenders, and in some cases agents or managers for the lenders, under credit and liquidity facilities.

In the ordinary course of their various business activities, the Underwriter and its respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority and the Agency.

CONTINUING DISCLOSURE UNDERTAKING

The Agency has covenanted in a Continuing Disclosure Certificate dated the date of issuance of the 2023 Bonds (the "Continuing Disclosure Certificate") to provide annually certain financial information and operating data relating to the Agency by not later than 270 days following the end of its Fiscal Year (commencing with Fiscal Year 2023) including the audited Financial Statements of the Agency for each such Fiscal Year (together, the "Annual Report"), and to provide notices of the occurrence of certain other enumerated events.

The Annual Report will be filed by the Agency with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at http://emma.msrb.org/ ("EMMA"). The notices of material events will be timely filed by the Agency with EMMA. The form of the Continuing Disclosure Certificate is attached hereto at Appendix F.

In the past five years, the Agency has been subject to continuing disclosure certificates previously entered into with respect to various obligations incurred by the Agency or CLWA, a predecessor to the Agency (each a "Prior Continuing Disclosure Undertaking"). Pursuant to the Prior Continuing Disclosure Undertakings, the Agency or CLWA agreed to file its audited financial reports, certain operating data relevant to the respective obligations, notices of certain enumerated events and notices of the occurrence of certain other enumerated events, if material.

The Agency did not include in its annual reports for Fiscal Years 2018 and 2019 the following information relating to the following issues, as required under the respective Prior Continuing Disclosure Undertakings: (i) for the 1999 Certificates, the balance in the reserve fund for the 1999 Certificates, a statement of reserve requirement with respect to the 1999 Certificates, the historic water sales to retail purveyors by the Agency, the historic water sales revenues from retail purveyors, the total assessed valuation of the Agency and the total capacity fees per acre foot, (ii) for the Castaic Lake Water Agency Refunding Revenue Certificates of Participation, Series 2010A (2001 Refunding Project) (the "2010A Certificates"), the balance in the reserve fund for the 2010A Certificates, a statement of reserve requirement with respect to the 2010A Certificates and the total capacity fees per acre foot, (iii) for the Castaic Lake Water Agency Refunding Revenue Bonds, Series 2014A (the "2014A Bonds") information relating to the balance in the reserve fund for the 2014A Bonds and a statement of reserve requirement with respect to the 2014A Bonds, (iv) for the Upper Santa Clara Valley Joint Powers Authority Revenue Bonds, Series 2015A (the "2015A Bonds"), the balance in the reserve fund for the 2015A Bonds and a statement of reserve requirement with respect to the 2015A Bonds, and (v) for the Upper Santa Clara Valley Joint Powers Authority Revenue Bonds, Series 2016A (the "2016A Bonds"), the balance in the reserve fund for the 2016A Bonds and a statement of reserve requirement with respect to the 2016A Bonds. On July 9, 2020, the Agency filed supplements to the respective annual reports to provide such missing information. In addition, the Agency did not include in its annual report for the 1999 Certificates for Fiscal Years 2020, 2021 and 2022 total capacity fees per acre foot. In Fiscal Year 2018, the Agency changed its capacity fee structure and began charging by meter size rather than by acre foot.

The audited financial statements for the Fiscal Year 2018 were filed by the Agency 8 days following the due date for each of 1999 Certificates, the 2010A Certificates, the 2014A Bonds, the 2015A Bonds, the 2016A Bonds, the Upper Santa Clara Valley Joint Powers Authority Refunding Revenue Bonds, Series 2017A (Santa Clarita Division) and the 2018A Bonds.

In addition, the Agency's predecessor failed to file a notice of rating change relating to the Castaic Lake Water Agency Refunding Revenue Certificates of Participation (1999 Refunding Project), Series 2006A (the "2006A Certificates") and the Castaic Lake Water Agency Revenue Certificates of Participation (2006 Project), Series 2006C (the "2006C Certificates"). The notice of rating change was filed on July 9, 2020.

The Agency cannot assure potential investors in the 2023 Bonds that, in the last five years, notices of changes in the ratings of the obligations of the Agency's predecessor agencies resulting from each change in the rating of a bond insurer insuring such obligations were filed with EMMA. The Agency can confirm that the current ratings of its predecessor agencies' obligations insured by bond insurers are on file with EMMA. Other than such ratings change notices described above, the Agency is not aware of any events in the last five years which may have required the filing of significant event notices under the Prior Continuing Disclosure Undertakings that were not filed.

As described above, the Agency believes that it is in compliance in all material respects with the Prior Continuing Disclosure Undertakings.

On March 17, 2020, the Agency filed its audited financial statements for the Fiscal Year ending June 30, 2019 with EMMA. On May 2, 2020, the Agency filed revised audited financial statements for the Fiscal Year ending June 30, 2019 with EMMA. The revised audited financial statements addressed issues relating to certain interfund activities that were improperly included as operating activities. The activities related to water sales and purchases between the Agency's retail and wholesale divisions, which were previously separate entities. The activities were removed from the operating activities and eliminated for presentation in the revised financial statements.

In order to ensure compliance by the Agency with its continuing disclosure undertakings in the future, the Board of Directors approved an updated Disclosure Procedures Policy on February 5, 2019 (the "Agency Disclosure Procedures"). Such Agency Disclosure Procedures are an update to the Disclosure Procedures Policy originally adopted in April 2018. Pursuant to the Agency Disclosure Procedures, the Treasurer is required to take steps to ensure that continuing disclosure filings are prepared and filed in a timely manner.

On February 5, 2019, the board of directors of the Authority approved a Disclosure Procedures Policy (the "Authority Disclosure Procedures") to assist in complying with any continuing disclosure undertakings that the Authority may enter into in the future. Pursuant to the Authority Disclosure Procedures, the Treasurer of the Authority is required to take steps to ensure that continuing disclosure filings are prepared and filed in a timely manner.

MISCELLANEOUS

Insofar as any statements made in this Official Statement involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the Owners of the 2023 Bonds.

The execution and delivery of this Official Statement has been duly authorized by the Authority.

UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY

____
President

____
Secretary

APPENDIX A

INFORMATION RELATING TO THE SANTA CLARITA VALLEY WATER AGENCY

The following information relates to the Agency, including its Santa Clarita Water Division, Valencia Water Division and Newhall Water Division, its predecessors Castaic Lake Water Agency and Newhall County Water District. The Series 2023 Installment Payments are payable solely from Net Revenues of the Agency. Capitalized terms used in Appendix A and not defined shall have the meanings set forth in the Official Statement.

History and Background

The Santa Clarita Valley Water Agency (the "Agency") was formed through a statutory merger of the former Castaic Lake Water Agency ("CLWA") and Newhall County Water District ("NCWD") effected by the Agency Law (as hereinafter defined). CLWA was organized on April 20, 1962, under Assembly Bill No. 26, Chapter 28, California Statutes of 1962, the Castaic Lake Water Agency Law (the "CLWA Law"), enacted by the State Legislature. CLWA was formed to provide its service area with a supplemental water supply from the State Water Project and provide the necessary treatment and conveyance facilities to deliver this water. CLWA originally entered into an agreement to receive State Water Project water supplies in 1963, and today such contract amount (as assumed by the Agency, as described below) is for 95,200 acre-feet per year. Prior to September 1999, CLWA was solely a wholesale provider of supplemental water, primarily to four independent retail water providers within its borders. Three of these retail water providers have since been acquired by or succeeded to by the Agency as discussed below.

In September 1999, CLWA acquired the stock of one of these independent retail water providers, the Santa Clarita Water Company ("SCWC"), through the settlement of an eminent domain action. The assets of SCWC were subsequently transferred to CLWA and were operated by CLWA as a retail system through the Santa Clarita Water Division ("SCWD").

In December 2012, CLWA acquired 100% of the stock of the Valencia Water Company ("VWC"), one of the other retail water providers, in accordance with a settlement of an eminent domain action. After such acquisition and until VWC was dissolved on January 22, 2018, VWC continued to operate as a separate company, with a board of directors composed of the general manager of CLWA, the assistant general manager of CLWA, the retail manager of the SCWD and an officer of the VWC.

To settle an action brought by NCWD in the Los Angeles County Superior Court challenging CLWA's acquisition of the stock of the VWC (the "NCWD Action"), CLWA and NCWD supported Senate Bill 634 which merged CLWA and NCWD. On October 15, 2017, Governor Edmund G. Brown, Jr. signed Senate Bill 634 into law, which repealed the CLWA Law and merged CLWA and NCWD into a new agency called the "Santa Clarita Valley Water Agency" effective January 1, 2018.

As enacted, Senate Bill 634 is known as the "Santa Clarita Valley Water Agency Act" (the "Agency Law") and provides that the Agency may provide retail water service within its boundaries. In addition, the Agency Law provides that the Agency is the successor to CLWA and NCWD for the purpose of succeeding to all of the rights, duties, obligations, contracts, responsibilities, assets, entitlements, and liabilities of CLWA and NCWD. The initial boundaries of the Agency were the boundaries of CLWA as of December 31, 2017.

The Agency Law requires that the Agency take steps to dissolve VWC and includes certain timing requirements related thereto. Dissolution of VWC occurred on January 22, 2018. The Agency is the successor to the assets and liabilities of VWC. To account for the revenues, expenses and debt allocable to the retail service within the boundaries of the former VWC, the Agency established the Valencia Water Division ("VWD").

Pursuant to the terms of the Agency Law, the indebtedness of NCWD, SCWD, and VWC which existed as of December 31, 2017, is required to be borne by retail divisions of the Agency that correspond with NCWD, SCWD, and VWC respectively.

Since January 1, 2018, the Agency's wholesale water system revenues have historically consisted primarily of facility capacity fees, amounts allocated by the County of Los Angeles (the "County") and the County of Ventura (together, the "Counties") from the 1% *ad valorem* property tax to the Agency and revenues generated from the sale of wholesale water to the Los Angeles County Waterworks District No. 36, Val Verde ("District No. 36"), the sole remaining independent retail purveyor within the boundaries of the Agency, as well as to SCWD, NCWD and VWD. See "—Outstanding Obligations—Wholesale Water System Obligations."

The Agency has eliminated the wholesale water charge paid by SCWD, NCWD and VWD. As a result, debt service on the 1999 Certificates and the 2018A Bonds is expected to be paid from amounts allocated by the Counties from the 1% *ad valorem* property tax to the Agency. Any 1% *ad valorem* property tax revenues remaining following the payment of the 1999 Installment Payments and the 2018A Installment Payments will be deposited in the Revenue Fund and will be available for the payment of the Series 2023 Installment Payments and the Series 2020 Installment Payments. If the amounts allocated by the Counties from the 1% *ad valorem* property tax are insufficient to pay all of the 1999 Installment Payments and the 2018A Installment Payments coming due, then facility capacity fees will be applied to the payment of such amounts.

The Agency previously created separate retail divisions for regulatory and other purposes, including accounting for the respective revenues, expenses, and debt of the former NCWD, former SCWD, and former VWC. The Agency currently maintains such retail divisions to account for the legacy debt of the former retail agencies and to meet certain regulatory requirements of the State Water Resources Control Board-Division of Drinking Water ("DDW") relating to the boundaries of the service areas of the former retail agencies. The Agency has applied to DDW to consolidate the boundaries of the retail divisions. The Agency expects to consolidate the boundaries of the retail divisions for regulatory purposes in the next several Fiscal Years. The Agency expects that the legacy debt will continue to be paid by rate payers within the historic boundaries of such divisions even after the divisions are consolidated for regulatory purposes.

The Agency

As provided in the Agency Law, the Agency was formed to unify and modernize water resource management within the Santa Clarita Valley through the efficient, sustainable, and affordable provision, sale, management, and delivery of surface water, groundwater, and recycled water for municipal, industrial, domestic, and other purposes at retail and wholesale within the territory of the Agency and to do so in a manner that promotes the sustainable stewardship of natural resources in the Santa Clarita Valley.

Under the Agency Law, the Agency is authorized to acquire, hold, and utilize water and water rights, including, but not limited to, water available from the State of California (the "State"), and to provide, sell, manage, and deliver surface water, groundwater, and recycled water for municipal, industrial, domestic, and other purposes at retail and wholesale throughout the territory of the Agency. The Agency may continue to levy, impose, or fix and collect any previously authorized charge, fee, assessment, or tax approved, imposed, and levied by CLWA or NCWD, or both, including, but not limited to, any rates, fees, and charges for the provision of water. Any charge, fee, assessment, or tax authorized and in effect for CLWA or NCWD will remain in effect until otherwise modified, increased, or terminated by the board of directors of the Agency. The Agency Law also authorizes the Agency to levy and collect taxes; to fix, revise and collect rates or other charges for the delivery of water, use of facilities or property or provisions for service; to borrow money, incur indebtedness and issue bonds; and to construct, operate and maintain works for the development of hydroelectric power for use by the Agency in the operation of its works.

The Agency is the successor in interest to CLWA's agreement with the Department of Water Resources ("DWR") to receive State Water Project water supplies, which was entered into in 1963. Currently, the Agency's contract amount is for 95,200 acre-feet per year. The Agency, together with other State Water Project contractors, has executed an extension of the State Water Project Contract through December 31, 2085; however, see the caption "WATER SUPPLY—Sources of Supply" for a discussion of certain litigation regarding the extension of the contracts between DWR and the State Water Project Contractors, including the Agency.

The Agency's water system (the "Water System") is also supplied by other sources, including up to 11,000 acre-feet per year acquired pursuant to the BVWSD-RRBWSD Acquisition Agreement (as defined below), up to 850 acre-feet per year pursuant to the Yuba Water Accord (as defined below) and approximately 560 acre-feet per year of recycled water. The Agency also produces approximately 27,674 acre-feet of groundwater per year. See the caption "WATER SUPPLY—Sources of Supply."

The Agency sells supplemental wholesale water to District No. 36. The Agency does not currently have a water service contract with District No. 36 which the Agency enforces or which the Agency believes is enforceable. As a result, District No. 36 is not obligated to purchase water from the Agency.

The Agency levies property taxes to pay certain costs under the State Water Project contract. Such State Water Project contract costs are not Operation and Maintenance Costs of the Water System. Such State Water Project property taxes are not pledged to and are not available to pay the Series 2023 Installment Payments.

The Service Area

The Agency is located in the northwestern portion of the County, approximately 35 miles from downtown Los Angeles. The service area of the Agency (the "Service Area") has a population of approximately 298,731 and covers an area of approximately 197 square miles. The majority of the Service Area is located in the County of Los Angeles, including the City of Santa Clarita (the "City") and other nearby communities. Approximately 20 square miles of the Service Area extend into unincorporated rural portions of Ventura County.

Agency Organization and Management

The Board of Directors of the Agency (the "Board") consists of nine members. The Service Area is divided into three divisions for electoral purposes. Elections are held each even-numbered year and the term of office of all elected directors is four years. Two directors for each division are elected on a four-year election cycle that commenced in 2020 (with the next election for such directors to occur in 2024), and one director for each electoral division is elected on a four-year election cycle that commenced in 2022 (with the next election for such directors to occur in 2026). The current members of the Agency Board are set forth in the table below.

Table 1
SANTA CLARITA VALLEY WATER AGENCY
Board of Directors

Name	***Expiration of Term***	***Occupation***
Gary Martin, President	January 1, 2025	Retired Engineer
Piotr Orzechowski, Vice President	January 1, 2025	Engineer
Maria Gutzeit, Vice President	January 1, 2027	Engineer
Kathye Armitage	January 1, 2025	Public Health Professional
Beth Braunstein	January 1, 2025	Self-Employed
Edward S. Colley	January 1, 2025	Retired Engineer and Teacher
William C. Cooper	January 1, 2027	Retired Special Projects Manager – Water System Operations, Metropolitan Water District
Dirk S. Marks	January 1, 2027	Retired Engineer
Kenneth J. Peterson	January 1, 2025	Retired Engineer

The daily operations of the Agency are administered by the General Manager, Matthew Stone, and other Agency staff. Brief biographical information for certain Agency staff members is set forth below.

Matthew Stone is the General Manager of the Agency and was appointed as general manager of the former CLWA in December 2015. Prior to joining CLWA, Mr. Stone served as General Manager of the Rancho California Water District in Temecula, California for seven years. Mr. Stone had also served as the Associate General Manager of the Municipal Water District of Orange County for eleven years and as the Principal Engineer of the Municipal Water District of Orange County for three years. In addition, Mr. Stone served for eight years with RBF Consulting where he worked on numerous projects in various capacities including Project Engineer, Project Manager, and Director of Water Resources. Mr. Stone serves on the board of State Water Contractors, a non-profit corporation founded in 1982 which represents State Water Project contracting agencies. Mr. Stone has also served as Chairman of the Urban Water Institute, a non-profit organization focusing on education for elected officials, water managers and others interested in water policy and economics. Mr. Stone holds a Bachelor of Science degree in Civil Engineering from Santa Clara University, a Master of Public Administration degree from the University of La Verne and a Master of Science degree in Environmental Engineering from Loyola Marymount University. Mr. Stone is a registered Civil Engineer within the State.

Stephen Cole is the Assistant General Manager of the Agency and was the general manager of the former NCWD, acting as the chief executive officer responsible for the operations and management of NCWD for thirteen years. Mr. Cole has over twenty years of experience dealing with a variety of issues in the water field and actively participates in the Association of California Water Agencies serving as the Region 8 Chair. He has served as chairman of the College of the Canyons Water Systems Technology Committee and as chair for the Santa Clarita Valley Water Committee. Mr. Cole is certified by the State as a Grade V Water Distribution Operator, a Grade 3 Water Treatment Operator and as a Registered Environmental Health Specialist. He received his Bachelor of Science degree in Environmental Science from California State University, Fresno and his Master of Science degree in Environmental Science degree from California State University Northridge.

Rochelle Patterson is the Chief Financial and Administrative Officer for the Agency. Ms. Patterson has held several roles over the past 25 years with the Agency and NCWD, including Accounting Supervisor, Accounting Manager and Director of Finance and Administration. Ms. Patterson has taken a leadership role in building and shaping the Agency's Finance and Administration team. These roles have included transitioning the four legacy agencies from separate budgets, audits, accounting, human resources and customer service functions and systems to a unified single agency. Ms. Patterson serves as the Agency's alternate to the ACWA JPIA board and is a member of the Government Finance Officers Association and the California Municipal Financial Officers

Association. Ms. Patterson received her Bachelor of Business Administration degree and Master of Public Administration degree from the University of Phoenix.

Keith Abercrombie is the Chief Operating Officer of the Agency and was previously the Retail Manager of SCWD. Mr. Abercrombie received his Bachelor of Science degree in Agricultural Business from Colorado State University and received his Master's degree in Business Administration, Agribusiness from Santa Clara University. Prior to employment with CLWA, Mr. Abercrombie served as General Manager of the Valencia Water Company. Mr. Abercrombie previously worked at the Newhall Land and Farming Company serving as assistant to the Vice President of Agriculture and Manager of Energy Resources. Mr. Abercrombie holds a Grade 5 Water Distribution Operator certification and a Grade 2 Water Treatment Operator certification from the State Water Resources Control Board – Division of Drinking Water, and is a member of the American Water Works Association and the Association of California Water Agencies.

Employee Relations

As of April 25, 2023, the Agency had 223 employees, ten of whom were part-time employees. No Agency employees are represented by a labor union. None of the Agency, CLWA or NCWD has experienced any strike or other labor actions in the ten most recent calendar years.

Budget Process

Every other year, Agency staff provide the Board with a biennial budget including estimates of revenues and expenditures for operations for the upcoming two Fiscal Years. The Board conducts public meetings and makes such revisions as the Board deems desirable and adopts a biennial budget by July 1. The budget for the Fiscal Year beginning on July 1 being approved and the budget for the subsequent Fiscal Year being conditionally approved. Prior to the beginning of the second Fiscal Year of the biennial budget term, Agency staff reviews the budget for such Fiscal Year and makes any necessary revisions. The budget for the second Fiscal Year of the biennial budget term is presented to the Board for adoption prior to the start of such Fiscal Year. In July of each year the Agency expects to receive billing for the upcoming calendar year from DWR (for State Water Project water). On or about August 15 of each year, the Agency submits the property tax levy for the Service Area to the County of Los Angeles and the County of Ventura.

The Agency's biennial budget for Fiscal Years 2022 and 2023 was approved on June 21, 2021. The budget for Fiscal Year 2023 was amended in May 2022. The Agency adopted the biennial budget for Fiscal Years 2024 and 2025 on May 16, 2023.

Insurance

The Agency is a member of the Association of California Water Agencies Joint Powers Insurance Authority (the "JPIA"), an intergovernmental risk-pooling self-insurance authority created to provide self-insurance programs for California water agencies. The JPIA arranges and administers programs of insurance for the pooling of self-insured losses and purchases excess insurance coverage for its members. The JPIA began operations on October 1, 1979, and has continued without interruption since that time.

As of June 30, 2022, the Agency's participation in the self-insurance programs of JPIA is as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of $5,000,000 combined single limit per occurrence. The JPIA purchased additional excess coverage layers of $ $50,000,000 for general, auto and public officials' liability, which increases the limits on the insurance coverage noted above.

- Property losses are paid at the replacement cost for buildings, fixed equipment and personal property on file, if replaced within two years after the loss, otherwise such losses are paid on an actual cash value basis, subject to a $25,000 deductible per loss, and actual cash value for mobile equipment, subject to a $1,000 deductible per loss, and licensed vehicles, subject to a $500 deductible per loss. The JPIA purchased excess coverage for a combined total of $500,000,000 per occurrence.

- Boiler and machinery coverage for the replacement cost up to $100,000,000 per occurrence, subject to various deductibles depending on the type of equipment.

- Workers compensation insurance up to State statutory limits for all work-related injuries/illnesses covered by State law, and employer's liability coverage up to $4,000,000. The Agency is self-insured up to $2,000,000 and excess loss insurance has been purchased.

In addition to the above, the Agency also has the following insurance coverage:

- Crime coverage up to $1,000,000 per loss, including public employee dishonesty, including public officials who are required by law to give bonds for the faithful performance of their service, forgery or alteration and computer fraud, subject to a $1,000 deductible.

- The cyber liability program covers a wide range of cyber security issues originating from both third (external) and first (internal) parties. Coverage includes defense costs and damages for security, privacy and media liability; fees and expenses incurred from cyber extortion; as well as costs to restore network business interruption and digital asset protection. Coverage limits are $2,000,000 per occurrence with an aggregate of $5,000,000 and a deductible of $50,000.

- Earthquake and flood insurance coverage for the Saugus Perchlorate Treatment Facility, (JPIA) and Agency facilities (NFP). Earthquake and flood insurance for the Saugus Perchlorate Treatment Facility has annual coverage limits of $25,000,000 per occurrence and in the aggregate. Deductibles for the Saugus Perchlorate policy are 5% of value, subject to a $25,000 minimum, per loss of earthquake and $25,000 per loss for flood. Agency facilities have coverage limits of $35,000,000 primary and $35,000,000 excess, total of $70,000,000 per occurrence. Deductibles for Agency facilities policy are $100,000 or 5% per incident, whichever is greater, for earthquake or flood coverage. This coverage also includes business personal property, business income, extra expense and terrorism.

- Pollution and remediation legal liability insurance for certain NWD sewer facilities with coverage limit of $1,000,000 for each loss and in the aggregate with a $25,000 retention for each loss.

For additional information with respect to the Agency's insurance coverage, see Note 11 of the Agency's Annual Financial Report attached to the Official Statement as Appendix B

Outstanding Obligations

General. Pursuant to the Agency Law, the Agency is the successor to CLWA's outstanding obligations, which includes the following:

Senior Wholesale Water System Obligations. In connection with the execution and delivery of the 1999 Certificates, currently outstanding in the approximate amount of $67,061,078 (adjusted for the accreted value of certain capital appreciation certificates as of February 1, 2023), CLWA entered into the Installment Purchase Agreement, dated as of June 1, 1999 (the "1999 Installment Purchase Agreement"), with the Castaic Lake Water Agency Financing Corporation (the "Corporation"), which is secured by the revenues derived from the Agency's historic wholesale operations and payable from such historic wholesale revenues net of any operation and maintenance costs of the Agency's wholesale water system. The Agency's historic wholesale revenues consists primarily of facility capacity fees, amounts allocated by the Counties from the 1% *ad valorem* property tax to the Agency and revenues generated from the sale of wholesale water to District No. 36, SCWD, NCWD and VWD. The Agency eliminated the wholesale water charge that was previously paid by SCWD, NCWD and VWD. The 1999 Installment Payments which secure the 1999 Certificates are expected to be paid from amounts allocated by the Counties from the 1% *ad valorem* property tax to the Agency. In the event that the amounts allocated by the

Counties from the 1% *ad valorem* property tax are insufficient to pay the 1999 Installment Payments coming due, then facility capacity fees will be applied to the payment of such amounts. Since Fiscal Year 2022, 1% *ad valorem* property taxes have been sufficient to pay the 1999 Installment Payments.

Wholesale Water System Obligations. In connection with the issuance of the Authority's Revenue Bonds, Taxable Series 2018A (the "2018A Bonds"), currently outstanding in the aggregate principal amount of $26,735,000, the Agency entered into the Installment Purchase Agreement, dated as of January 1, 2018, with the Authority, which is secured by the historic revenues previously derived from the Agency's wholesale operations, which includes amounts allocated by the Counties from the 1% *ad valorem* property tax to the Agency, and payable from such historic wholesale revenues, net of any operation and maintenance costs of the Agency's historic wholesale water system, on a subordinate basis to the payment of the 1999 Installment Payments. The Agency expects to apply amounts allocated by the Counties from the 1% *ad valorem* property tax to the Agency, following the application of such 1% *ad valorem* property tax to the payment of the 1999 Installment Payments, to the payment of the 2018A Installment Payments, prior to applying the other sources of revenues securing the 2018A Installment Payments. If amounts allocated by the Counties from the 1% *ad valorem* property tax are insufficient to pay the 2018A Installment Payments coming due, then facility capacity fees will be applied to the payment of such amounts. Since Fiscal Year 2022, 1% *ad valorem* property taxes have been sufficient to pay the 2018A Installment Payments.

Any 1% *ad valorem* property tax revenues remaining following the payment of the 1999 Installment Payments and the 2018A Installment Payments will be deposited in the Revenue Fund and will be available for the payment of the Series 2023 Installment Payments and the Series 2020 Installment Payments.

Parity Obligations. The Series 2023 Installment Payments are payable from Net Revenues on a parity basis with the installment payments (the "2020 Installment Payments") made by the Agency pursuant to the Installment Purchase Agreement, dated as of February 1, 2020, by and between the Agency and the Authority, which the Agency entered into in connection with the issuance of the Authority's Revenue Bonds, Series 2020A and Revenue Bonds, Taxable Series 2020B (the "2020 Bonds"). The 2020 Installment Payments are payable in semi-annual installment payments through August 1, 2050 and have a current outstanding principal amount payable of $ 216,885,000. The Series 2023 Installment Payments are secured by certain revenues historically derived from the wholesale system on a parity with the 2018A Installment Payments.

Future Obligations. The Agency currently expects to enter into a construction installment sale agreement with the State of California Water Resources Control Board in Fiscal Year 2024 (the "SRF Loan"). The Agency expects to use the proceeds of the SRF Loan to finance the cost of capital improvements to the Agency's Water System. The estimated aggregate principal amount of the SRF Loan is $10,000,000. The SRF Loan proceeds may be used earlier or later than the time currently projected or in an amount other than as currently projected. The timing and amount of such proceeds will depend on the actual need for the capital projects at that time and market conditions.

In addition, the Agency has been invited to submit an application to the United States Environmental Protection Agency("USEPA") for the issuance of a loans pursuant to the Water Infrastructure Finance and Innovation Act and a master agreement (the "WIFIA Master Agreement") through the Authority in the aggregate amount of up to $628,361,113 to finance a portion of the costs of the design and construction of the Agency's 10-year capital improvement program, including PFAS treatment facilities. The Agency current expects the Authority to enter into an initial loan, for which the Agency expects to enter into a corresponding installment purchase agreement with the Authority (the "2024 WIFIA Installment Purchase Agreement"), in the amount of up to $266,401,172.75 (the "2024 WIFIA Loan") in 2024. If USEPA approves the Agency's application and the Authority enters into a loan agreement in connection with the 2024 WIFIA Loan and the Agency and the Authority enter into the 2024 WIFIA Installment Purchase Agreement, the Agency expects the installment payments under the 2024 WIFIA Installment Purchase Agreement (the "2024 WIFIA Installment Payments") and any installment payments under any installment purchase agreements entered into in connection with any additional loans entered into under the WIFIA Master Agreement to be payable from Net Revenues on a parity with the Series 2023 Installment Payments.

The Agency currently expects to cause the issuance or execution and delivery of additional obligations payable from Net Revenues on a parity with the Series 2023 Installment Payments in Fiscal Year 2026 (the "2026 Bonds"). The Agency expects to use the proceeds of the 2026 Bonds to finance the cost of capital improvements to the Agency's Water System. The estimated aggregate principal amount of the 2026 Bonds is $34,500,000. The 2026 Bonds may be issued earlier or later than the time currently projected or in an amount other than as currently projected. The timing and amount of such issuance will depend on the actual need for the capital projects at that time and market conditions.

In addition, the Agency may incur additional obligations in connection with the California Eco Restore Project ("EcoRestore") and the Delta Conveyance Project (formerly known as California Water Fix), which are collaborative efforts between water agencies, environmental organizations and State and federal agencies to develop a comprehensive conservation plan for the Delta (as defined below). Payments on obligations incurred in connection with EcoRestore and the Delta Conveyance Project are expected to continue to be paid from the *ad valorem* property taxes levied to pay State Water Project costs and not from Revenues. See the caption "THE WATER SYSTEM—Future State Water Project Obligation."

The Agency may incur additional obligations in connection with the development and construction of the Sites Reservoir, which is a proposed reservoir of approximately 1.5 million acre-feet located in Colusa County, that is expected to be undertaken as a joint effort among several local water agencies and counties. To date, payments with respect to the Sites Reservoir have been and are expected to be paid by the Agency through calendar year 2024 from Revenues or Agency reserves. In the event that the Agency elects to continue participating in the Sites Reservoir beyond calendar year 2024, the Agency currently expects future payments relating to the Sites Reservoir to be paid from Revenues or Agency reserves. If an agreement is reached with DWR to incorporate Sites Reservoir storage and supplies into the State Water Project and to bill the Agency for such costs on the SWP statement of charges, the Agency could determine to pay obligations incurred in connection with the Sites Reservoir from *ad valorem* property taxes levied to pay State Water Project costs. See the caption "THE WATER SYSTEM—Future State Water Project Obligations—Sites Reservoir Project."

The Agency may issue from time-to-time tax revenue anticipation notes. Tax revenue anticipation notes are a general obligation of the Agency payable from taxes, income, revenue, cash receipts and other moneys received by the Agency which are lawfully available for the payment of current expenses and other obligations of the Agency. The Agency does not currently expect to issue tax revenue anticipation notes. However, no assurance can be made that the Agency will not issue tax revenue anticipation notes in the future which are secured by Revenues on a parity with the Series 2023 Installment Payments and other Contracts and Bonds.

Other Long-Term Obligations. On April 30, 1963, CLWA entered into a water supply contract with DWR for a water supply from the State Water Project (the "State Water Project Contract"), under which CLWA agreed to make payments which include, among other charges, capital charges and operation and maintenance charges. The Agency is CLWA's successor to the State Water Project Contract. Under the State Water Project Contract, in any year the Agency fails or is unable to raise sufficient funds by other means, the Agency is required to levy upon all property in the Agency not exempt from taxation a tax sufficient to provide for all payments thereunder then due or to become due within such year.

Although the State Water Project Contract was not required to be, and was not, submitted for approval by voters in the Agency, relevant case law (*Goodman v. County of Riverside*, 140 Cal. App. 3d 900, 190 Cal. Rptr. 7 (Cal. App. 4th Dist. (1983)) (the "Goodman Case") has held that similar State Water Project contracts not approved by the voters are nevertheless deemed to be voter approved indebtedness for purposes of Article XIIIA of the California Constitution (Proposition 13). The Goodman Case held that, when the voters approved the Burns-Porter Act in 1960 (which authorized the construction and financing of the State Water Project), they intended that the cost to finance construction, operation, maintenance, and replacement of the State Water Project would be paid by local agencies through their water contracts, which in turn could be paid through local property taxes.

Based on current binding case law, CLWA and the Agency have historically levied, and the Agency expects to continue to levy, property taxes to pay amounts due under the State Water Project Contract. The Agency has covenanted in the Installment Purchase Agreement to comply with the provisions of the State Water Project Contract, which requires the levying of property taxes to the extent necessary. There has been recent litigation regarding the collection and use of the State Water Project property tax by another State Water Project contractor. See caption "WATER SYSTEM FINANCIAL INFORMATION— *Litigation – Roberts v. Coachella Valley Water District*" herein for a further discussion of the case.

The Agency, together with other State Water Project contractors, has agreed to an extension of the State Water Project Contract through December 31, 2085; however, see the caption "WATER SUPPLY—Sources of Supply" for a discussion of certain litigation regarding the extension of the contracts between DWR and the State Water Project Contractors, including the State Water Project Contract. The Agency cannot predict the outcome of such litigation. The Agency has covenanted in the Installment Purchase Agreement that the Agency will neither take nor omit to take any action under any contract, including the State Water Project Contract, if the effect of such act or failure to act would in any manner impair or adversely affect the ability of the Agency to make the Series 2023 Installment Payments. See the caption in Appendix C, "PARTICULAR COVENANTS—Compliance with Contracts."

On May 22, 2007, CLWA entered into the BVWSD-RRBWSD Acquisition Agreement (as defined below) for the acquisition of up to 11,000 acre-feet of water supply per year for a 30-year period. The Agency is CLWA's successor to the BVWSD-RRBWSD Acquisition Agreement. See the caption "WATER SUPPLY" for further discussion of this program.

WATER SUPPLY

Sources of Supply

General. The Agency has four main sources of water supply: (1) water purchased from the State Water Project, (2) groundwater pumped from the groundwater basin underlying the Agency, (3) other supplemental water purchases and (4) recycled water. A description of each source of water is set forth below.

Table A Amounts from the State Water Project. The Agency is supplied with water from the State Water Project through DWR under the State Water Project Contract. On April 30, 1963, CLWA entered into an agreement with DWR which, as amended from time-to-time, provides for a contract Table A Amount of 95,200 acre-feet per year. The Agency is CLWA's successor to the State Water Project Contract.

The State Water Project Contract was originally to expire by its terms on June 30, 2038. DWR and various State Water Project contractors, including the Agency, previously agreed to an "Agreement in Principle" to amend the existing State Water Project contracts to extend them through December 31, 2085 and to make certain changes relating to the billing process under such contracts. DWR prepared an environmental impact report under the California Environmental Quality Act ("CEQA") analyzing the proposed long-term contract extensions. In December 2018, after CEQA review and determination, DWR filed an action to validate the proposed extension of the State Water Project contracts, including the State Water Project Contract, in the Superior Court of Sacramento County. Several environmental groups and counties and districts filed answers or separate actions opposing DWR's approval, asserting that the extension approval violated CEQA, the Public Trust Doctrine, and the Delta Reform Act. The trial court granted judgment in favor of DWR and supporting State Water Project contractors on all causes of action. The environmental groups and opposing agencies filed notices of appeal and their appeals have been coordinated. Appellants' opening briefs were filed on January 13, 2023.

On January 9, 2023, DWR notified the Agency that the required number of State Water Project contractors have executed letter agreements to allow the contract extension amendment to become effective as of January 1, 2023 as to the contractors that executed such agreements, including the Agency. This amendment extended the term of the State Water Project Contract to December 31, 2085 or the period ending with the latest maturity date of any bond issue used to finance construction of State Water Project facilities, whichever is longer.

The Agency cannot predict the impact of the outcome of the appeal on the extension of the Agency's State Water Project Contract.

The Agency owns and operates water conveyance pipelines and water treatment facilities to supply water delivered through the State Water Project to its retail customers and District No. 36. The California Aqueduct releases water to the Agency at the Castaic Lake Reservoir (the "Castaic Reservoir"). The Castaic Reservoir is a multiple use reservoir owned by DWR which serves as the terminal point of the west branch of the California Aqueduct.

Monterey Agreement. In December 1994, the State Water Project contractors (including CLWA) and DWR reached an understanding known as the "Monterey Agreement." The Monterey Agreement aimed to increase the reliability of existing water supplies and equalize the effect of water shortages on agricultural and urban users. Under the Monterey Agreement, water is delivered based upon contract Table A Amounts, and in years of water shortage, each participating water contractor will receive a prorated portion of its Table A Amounts. The Monterey Agreement has been substantially implemented since its execution via contract amendments between DWR and the State Water Project contractors in 1995 (the "Monterey Amendments"). The Monterey Agreement provides opportunities for the Agency (through its contract with DWR) to increase its water supply, water management activities and future supply reliability.

The adequacy of the Environmental Impact Report ("EIR") for the Monterey Amendments was challenged in litigation. After revising the EIR and completing remedial CEQA review, in September 2021, the court of appeal upheld the adequacy of the EIR, the validity of the Monterey Amendments and the agreement relating to the Kern Water Bank, and the trial court's denial of attorney fees for one of the plaintiffs.

On January 5, 2022, the California Supreme Court denied petitions seeking review of the court of appeal's decision. The court of appeal's decision upholding the Monterey Amendments is therefore final.

Based on an April 20, 2023 announcement by DWR, the Agency's State Water Project contractors' Table A allocations for 2023 is 100 percent, which is approximately 95,200 acre-feet. The allocation for 2023 is subject to revision by DWR.

Groundwater Banking Programs. The Agency currently has two groundwater banking programs and two water exchange programs.

In May 2015, the former CLWA's Stored Water Recovery Program within the Semitropic Water Storage District's Groundwater Banking Program (the "Semitropic Banking Program") became operational. Under this agreement two short-term ten-year accounts containing 35,970 acre-feet were transferred into this new program. Under this agreement the Agency can store an additional 15,000 acre-feet. The term of the Semitropic Banking Program extends through 2035 with the option for two 10-year renewal periods. The Agency may withdraw up to 5,000 acre-feet annually from its accounts in the Semitropic Banking Program. As of January 1, 2023, the Agency's banking accounts totaled 30,275 acre-feet. In light of the April 20, 2023 announcement that the Agency's State Water Protect Contractor's Table A allocation is 100% for 2023, the Agency plans to recharge approximately 5,000 acre-feet of water into storage at the Semitropic Banking Program.

In September 2005, the former CLWA initiated participation in the Rosedale-Rio Bravo Water Storage District Groundwater Banking Program (the "Rosedale-Rio Bravo Banking Program"). This program allows the storage of 20,000 acre-feet annually of the Agency's State Water Project Table A Amount or other State Water Project supplies, up to a maximum of 100,000 acre-feet, and has a contract term through 2035, renewable according to the terms of the Agency's water supply contract with DWR. By 2012, the Agency's storage capacity had been maximized, and subsequently began withdrawing water during critical dry years that followed. The Agency withdrew approximately 2,800 acre-feet of water from storage in 2014, 3,000 acre-feet in 2015, 1,600 acre-feet in 2020, and 20,000 acre-feet in both 2021 and 2022. In 2016, hydrological conditions improved, and the Agency was able to recharge 5,060 acre-feet, leaving approximately 58,810 acre-feet stored in the Rosedale-Rio Bravo Banking Program as of January 1, 2023. In 2020, the Rosedale-Rio Bravo Water Storage District

(“RRBWSD”) detected 1,2,3-Trichloropropane (“TCP”) above the California regulatory maximum contaminant level (“MCL”) in certain wells utilized by RRBWSD in connection with the Rosedale-Rio Bravo Banking Program. Since detection of TCP in RRBWSD supply, there have been no impacts to water banking program operations. The Agency has successfully maximized water banking recoveries as needed in dry years following the detection of TCP recovering 41,600 acre-feet between 2020 and 2022. In 2015 CLWA exercised an option under the Rosedale-Rio Bravo Banking Program agreement to construct additional extraction wells and conveyance facilities to increase the firm recovery capacity for withdrawals by approximately 7,500 acre-feet annually. These facilities were completed in the fall of 2019 and were utilized in the 2020-2022 recoveries of banked water and water from the exchange programs with the Rosedale-Rio Bravo Storage District described below.

In addition to its accounts with the Semitropic Banking Program, the Agency has access to additional capacity under the Semitropic Banking Program through an agreement with another Semitropic Banking Program participant, Newhall Land and Farming Company (“Newhall Land”). In 2014, the Agency utilized Newhall Land’s extraction capacity to withdraw approximately 4,950 acre-feet of Agency water through Newhall Land’s Semitropic short-term account under an agreement with Newhall Land.

In 2011, the former CLWA implemented a two-for-one exchange program with Rosedale-Rio Bravo Water Storage District pursuant to which the Agency recovers one acre-feet of water for each two acre-feet stored. This program has a maximum of 19,000 acre-feet, or 9,500 acre-feet of recoverable water. In 2011 and 2012, the former CLWA delivered water to the account such that after losses, 9,440 acre-feet of recoverable water was available. In 2019, the Agency entered into an additional two-for-one exchange program with Rosedale-Rio Bravo Water Storage District and delivered 11,000 acre-feet to the Rosedale-Rio Bravo Banking Program, with approximately 4,900 acre-feet available for the Agency to recover after losses. In 2020 all Rosedale exchange program water was recovered and used within the Agency to help meet demands, finalizing the execution of all exchanges. In 2023, the Agency is considering new exchange opportunities with Rosedale-Rio Bravo Water Storage District in light of the large State Water Project Table A allocation as these programs have been very successful in the past.

In 2011, CLWA also implemented a two-for-one banking program with the West Kern Water District in Kern County and delivered 5,000 acre-feet, resulting in a recoverable total of 2,500 acre-feet. The Agency recovered 2,000 acre-feet of water in 2014 and the remaining 500 acre-feet in 2020. This exchange has been fully executed.

In 2019, the Agency entered into a two-for-one exchange program with Antelope Valley-East Kern Water Agency and delivered 7,000 acre-feet, resulting in 3,500 acre-feet of recoverable water. The Agency recovered 2,000 acre-feet in 2020 leaving 1,500 acre-feet of recoverable water as of January 1, 2023.

In 2019, the Agency also entered into a two-for-one exchange program with United Water Conservation District and delivered 1,000 acre-feet, resulting in 500 acre-feet of recoverable water. As of January 1, 2023 the Agency has a balance of 500 acre-feet of recoverable water.

Groundwater. The Agency has two main sources of groundwater: the Alluvial aquifer and the Saugus Aquifer formation. The Agency’s Water System has a total of 45 potable wells. As of May 2023, 23 of the wells were in operation with a combined permitted capacity to extract groundwater at a rate of up to 49 million gallons per day (“mgd”). Among all of the Agency’s groundwater well supply, 36 of the wells draw groundwater from the alluvial aquifer and 9 of the wells draw groundwater from the Saugus Aquifer formation. The Agency currently has voluntarily shut off 17 of Agency wells in order to comply with DDW response levels (“Response Levels”) for per- and polyfluoroalkyl substances (“PFAS”). Two additional wells have been shut off due to perchlorate concentration above the MCL, two wells have been shut off due to mechanical failures and one well has been destroyed and is in the process of being replaced. The Agency expects that the regulations proposed by the USEPA, which include MCLs for certain PFAS constituents, will be finalized by the end of 2023. Once finalized, the Agency expects to have three years to comply with these regulations. The Agency expects approximately 11 additional Agency wells may be impacted by the proposed USEPA regulations. In addition to PFAS, perchlorate and volatile organic compounds have been detected in certain of the Agency's wells. For a discussion of perchlorate, volatile organic compounds, PFAS and the Agency's response to the detection of such substances in the affected wells, see "Water Quality Compliance—Perchlorate Contamination in Certain Production Wells" and "—PFAS" below.

Recycled Water. Starting in September 2003, the former CLWA began adding recycled water to its supply. The Agency is currently serving approximately 560 acre-feet per year of recycled water. The Agency has completed several planning level documents which identify the potential expansion of the recycled water system. These documents include a report entitled "Reclaimed Water System Master Plan" dated September 1993 and a draft report entitled "Recycled Water Master Plan" dated May 2002, both prepared by Kennedy/Jenks Consultants. The environmental impact report for the 2002 draft Recycled Water Master Plan was approved by the former CLWA's board in March 2007.

The Agency completed a more recent draft of the Recycled Water Master Plan in 2016. The Agency is proceeding with the expansion of the recycled water program through multiple phases of capital improvements over a number of years. The Agency recently completed Phase 2B and Phase 2D and is in the final permitting stages and pursuing customer conversions to begin recycled water service. Additional planning and design is currently underway for Phase 2C. The projects which have either been constructed or are under design are considered by the Agency to be the most cost-effective to implement and are aimed at converting large turf/non-potable users to recycled water, resulting in the conversion of approximately 2,400 acre-feet per year of potable water to recycled water. The Agency is undertaking additional environmental studies and analyses to support its recycled water program goals. The Agency projects recycled water deliveries will gradually increase beginning in Fiscal Year 2023 with the completion of several near-term phased recycled water projects. There can be no assurance that such projects will be completed as expected or, that when completed, the projects will provide the level of recycled water currently expected by the Agency.

Buena Vista and Rosedale-Rio Bravo Water Acquisition. On May 22, 2007, the former CLWA entered into a purchase agreement with Buena Vista Water Storage District and RRBWSD (the "BVWSD-RRBWSD Acquisition Agreement") to purchase up to 11,000 acre-feet of water per year for a 30-year period. This supply is from a program that provides for the capture, spreading, storage, recovery and export of water, including high-flow Kern River water which is a pre-1914 appropriative water right. The term of the BVWSD-RRBWSD Acquisition Agreement is from January 1, 2007 through December 31, 2036. When the original term expires, the BVWSD-RRBWSD Acquisition Agreement is anticipated to be extended to a date certain consistent with any extensions of the Agency's Water Supply Contract with DWR, although there can be no assurance of such extension or the terms of any such extension. See the caption "Groundwater Banking Programs" above for a discussion of certain contaminants detected in certain of RRBWSD's wells.

Other Water Supply Agreements. In 2009, the former CLWA entered into an agreement with DWR to participate in the Yuba Water Accord program (the "Yuba Water Accord") to 2025. This non-State Water Project water supply is available to the Agency in critically dry years as a result of DWR agreements with Yuba County Water Agency and the United States Bureau of Reclamation relating to settlement of water rights issues on the Lower Yuba River in northern California. Additional supplies may be available in wetter years. The quantity of water varies depending on hydrology, and the extent of participation by other State Water Project contractors. Under the Yuba Water Accord, the Agency has the option to receive on average approximately 1,000 acre-feet of water per year. The Agency's original Fiscal Year 2023 operating plan assumed that the Agency would receive 1,000 acre-feet of water pursuant to the Yuba Water Accord, but as hydrology has shifted to very wet conditions this supply is no longer needed. The Agency has sufficient State Water Project supplies available to meet all demands. As this agreement is set to expire in 2025, negotiations for drafting a new Yuba Accord Agreement began in 2023.

Newhall Land owns rights to approximately 1,600 acre-feet per year of Kern River water from the Nickel Ranch (the "Nickel Ranch Program"). The Agency currently expects to allocate such water to the Newhall Ranch project and will effectively offset demand for Agency water for that area beginning in 2035. However, there can be no assurance that such allocation will be made.

Recent California Drought and Response

State Water Project Allocations. Hydrological conditions in California can vary widely from year to year. The water years 2020 through 2022 combined ranked as the three driest years in California's statewide precipitation record. (A water year begins on October 1 and ends on the following September 30.) Beginning in April 2021, Governor Newsom issued a series of drought emergency proclamations affecting various counties throughout the State, culminating in an October 19, 2021 proclamation declaring a drought state of emergency to be in effect statewide and directing local water suppliers to implement water shortage contingency plans at a level appropriate to local conditions. On March 28, 2022, Governor Newsom issued an executive order directing the State Water Resources Control Board (the "SWRCB") to consider adopting regulations by May 25, 2022, to require urban water suppliers with water shortage contingency plans to implement, at a minimum, shortage response actions for a shortage level of up to 20 percent (a "Level 2" shortage). On May 24, 2022, in response to the executive order, the SWRCB adopted a new emergency water conservation regulation. The new regulation temporarily bans irrigating turf with potable water at commercial, industrial, and institutional properties, such as grass in front of or next to large industrial or commercial buildings. The ban does not include watering turf that is used for recreation or other community purposes, water used at residences or water to maintain trees. The regulation also requires all urban water suppliers to implement conservation actions under Level 2 of their water shortage contingency plans.

The Agency does not currently believe that further reductions in water use within the Service Area will have a material adverse effect on the Agency's ability to pay the Series 2023 Installment Payments which secure the 2023 Bonds. The Agency is obligated under the Installment Purchase Agreement to set rates and charges sufficient to provide Net Revenues equal to 120% of Debt Service due in each Fiscal Year as more particularly described under the caption "SECURITY FOR THE 2023 BONDS—Rate Covenant.

Agency Drought Response Actions and Impact.

Castaic Lake Water Agency. In response to the various drought executive orders and SWRCB regulations described above, the former CLWA adopted ordinances with respect to customers served through SCWD to outline a water conservation plan, outdoor watering restrictions and penalties for noncompliance. In July 2016, the former CLWA's Board adopted Ordinance No. 44, which provided for penalties for violations of State-mandated watering restrictions. The restricted watering schedules have been lifted; however, the penalties for violations of State-mandated watering restrictions remain in effect. The former CLWA also implemented conservation efforts such as distribution of free low-flow shower heads and hose nozzles and lawn replacement programs funded by CLWA. To complement these programs, the former CLWA also initiated programs to assist commercial and smaller homeowner associations to reduce landscape irrigation usage and to assist residential customers in reducing indoor water use. In 2015, The Santa Clarita Valley Family of Water Supplier's Water Use Efficiency Plan was completed and adopted by the former CLWA. The former CLWA adopted an addendum to this plan on June 29, 2017 to provide updated information based on the 2015 Urban Water Management Plan. This includes a model which guides the Agency's conservation efforts in meeting the water use reduction goals under Senate Bill X7-7 (the Water Conservation Act of 2009) ("SB X7-7") as well as future water demands. Additionally, the Agency recognizes that recycled water is an important source of supply. The Agency is currently in the planning and design phase for a recycled water system in a new community within the Service Area. The recycled water system may provide excess recycled water beyond the needs of the new community, which could enable the Agency to distribute recycled water to neighboring irrigation customers.

NCWD, SCWD and VWC. In response to the various drought executive orders and SWRCB regulations described above, NCWD, SCWD and VWC each adopted water conservation plans, outdoor watering restrictions, penalties for noncompliance, and robust customer engagement efforts.

The Agency. In June 2021, the Board adopted its current *Water Shortage Contingency Plan* (the "Contingency Plan"). The Contingency Plan was prepared by the Agency in conjunction with the Agency's 2020 Urban Water Management plan. The Contingency Plan is a strategic plan the Agency uses to prepare for and respond to foreseeable and unforeseeable water shortages, including those caused by drought. The Contingency

Plan provides a process for an annual water supply and demand assessment and structured steps designed to respond to actual water supply conditions.

Water Supply Limitations

Factors beyond the control of the Agency could impair the ability of the Agency to supply water to its retail customers in an amount sufficient to yield Net Revenues sufficient to pay the Series 2023 Installment Payments when due. Such factors could include, without limitation, the following:

Weather Patterns. The Agency's existing sources of water could become limited due to changes in Statewide weather patterns caused by climate changes and other factors. The Santa Clarita Valley was not adversely affected during the Statewide drought from 1987 through 1992, drought from 2012 to 2017 and the recent drought from 2020 to 2022 because the combination of State Water Project deliveries and banked water deliveries to the Agency and locally supplied groundwater were sufficient to meet demand. However, there can be no assurance that currently available water supplies would be sufficient to meet demand under current and future conditions in the event of long-term climate changes that could alter snowpack levels or precipitation patterns. In its most recent California Water Plan (Update 2018), DWR assessed the possible impacts of climate changes on the State's future water supplies and the State Water Project and outlines a path for new or modernized infrastructure, restored ecosystems, efficient regulation, cooperation across water management sectors, and greater return on investment. The Agency, as a State Water Project contractor, will receive updated information from DWR on any impacts to its State Water Project allocations and will update its water supply planning accordingly.

Challenges to Department of Water Resources Water Supplies. DWR faces various challenges in continuing to supply imported water to the State Water Project contractors. The ability of the Agency to provide water to Agency retail customers and to District No. 36 on a wholesale basis is significantly dependent upon its receipt of imported water from DWR. No assurance can be given that additional water supplies will be secured, or that the Agency will receive its full Table A Amount pursuant to its contract with DWR. A description of the challenges DWR faces in continuing to supply imported water as well as a variety of other operating information with respect to DWR is included in detail under the caption "STATE WATER PROJECT WATER SUPPLY" in DWR'S Official Statement dated September 13, 2022, relating to DWR's Central Valley Project Water System Revenue Bonds, Series BF ("DWR's Water Supply Disclosure"). DWR's Water Supply Disclosure is the disclosure of DWR and, accordingly, the Agency does not make any representations as to the accuracy or completeness of DWR's Water Supply Disclosure or as to the absence of material adverse changes in DWR's Water Supply Disclosure after the date hereof. See the caption "—Projected Water Sources."

DWR has entered into certain continuing disclosure agreements pursuant to which DWR is contractually obligated for the benefit of owners of certain outstanding obligations to file with certain information repositories annual reports, notices of certain material events as defined under Rule 15c2-12 of the Exchange Act ("Rule 15c2-12") and annual audited financial statements (the "Department of Water Resources Information"). This information is to be filed by DWR with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at http://emma.msrb.org/. DWR disclosure documents and annual reports should be reviewed for information pertaining to water supply matters. *DWR has not entered into any contractual commitment with the Agency, the Trustee or the Owners of the 2023 Bonds to provide Department of Water Resources Information to the Agency or the Owners of the 2023 Bonds. The Agency has not incorporated by reference the information filed by DWR described above and none of the Agency, the Municipal Advisor or the Underwriter assumes any responsibility for the accuracy of DWR Information.*

Water Quality Compliance

Water Treatment and Monitoring. The Agency operates facilities as a public water system, which obligations include treating and disinfecting water for the purpose of rendering the water safe for human consumption. This designation of PWS means the Agency is subject to the California Safe Drinking Water Act and DDW in implementation of amendments to that act which were added in 1989 and 1996, as well as other state and federal statutes and regulations concerning water quality. To comply with the SWRCB Regulations for Primary and Secondary Drinking Water Standards outlined under the California Administrative Code Title 22, the Agency has a water quality laboratory at the Rio Vista Water Treatment Plant ("Rio Vista Plant"). This laboratory is fully certified by the SWRCB. Continuous water quality monitoring and daily testing are performed at the Earl Schmidt Filtration Plant and at the Rio Vista Treatment Plant for surface water and various intervals of monitoring and testing is performed at all groundwater wells and groundwater well treatment plants.

Agency facilities currently comply with all applicable State and Federal regulations regarding both plant design and water quality standards.

Perchlorate Contamination in Certain Production Wells. The Saugus Formation aquifer provides the Santa Clarita Valley with firming supplies of water during dry years. In 1997, four production wells in the Saugus Formation were found to be contaminated with perchlorate (a chemical used in the manufacture of solid rocket propellants, munitions and fireworks). Since 1997, an additional four wells tested positive for perchlorate between 2002 and 2011. All of these wells are owned and operated by the Agency.

All eight wells were either temporarily closed or abandoned after the detection of perchlorate. VWC abandoned one impacted well (Well 157) and replaced Well 157 with a new well (Well 206) drilled in an uncontaminated portion of the Saugus Formation. In addition, the Q-2 well was temporarily closed and outfitted with wellhead treatment in 2005. Well Q-2 was restored to service without wellhead treatment in 2007 because perchlorate was no longer detected in the well. Well Q-2 was temporarily closed again in 2019 after perchlorate was once again detected. The Agency plans for Well Q-2 to return to service in May 2023 now that an ion exchange perchlorate treatment facility has been constructed and is expected to be permitted to provide potable water to the distribution system.

The Agency's predecessors in interest, CLWA, SCWD, NCWD and VWC, filed suit in November 2000 against the then-current owner and prior owner and operator of the Whittaker Bermite industrial site, a 996-acre site munitions manufacturing facility was later determined to be the source of the perchlorate contamination and sought to recover the costs to restore lost well water production capacity and other specified damages. The litigation was filed in federal court pursuant to the Comprehensive Environmental Response, Compensation & Liability Act of 1980 (42 USC Section 9601 et seq. or "CERCLA") and included state common law claims. The defendants to the litigation served CLWA with counterclaims alleging that CLWA, SCWD, NCWD, and VWC contributed to the migration of the perchlorate contamination from the manufacturing facility through the pumping of groundwater from the affected wells.

In May 2007, the Agency's predecessors in interest and defendants entered into the Castaic Water Agency Litigation Settlement Agreement (the "Settlement Agreement") that involved an estimated potential payment of up to $100,000,000 by the defendants. Under the Settlement Agreement, defendants periodically deposit funds into various escrow accounts from which the Agency draws to pay for the costs of restoration of wells and contamination removal. A major component of the Settlement Agreement involved the construction of the perchlorate treatment facility and related distribution system and the Saugus 1 and Saugus 2 wells (two of the four wells that were shut down in 1997) returned to service in January 2011. The perchlorate treatment facility includes an ion exchange process located at the Rio Vista Intake Pump Station. A perchlorate treatment facility went online in May 2023 for the Q-2 well. The Settlement Agreement also provides funds to assist in the payment of operation and maintenance costs for such a system for up to 30 years, which the agencies estimate to cost as much as $50,000,000.

In 2010, VWC detected perchlorate in its V-201 well at levels that exceeded the allowable maximum concentration limit and, in response, took the well out of service. In 2017, an ion exchange treatment system was constructed in order to remove perchlorate. In addition, the Agency is currently constructing a granular activated carbon (GAC) treatment system to remove volatile organic compounds ("VOC"). Following regulatory approval, the Agency will introduce the treated water into the Agency's distribution system. Levels of perchlorate and VOCs have also been detected by the Agency in the V-205 well and, as a result, the Agency removed the well from service. The Agency is finishing final design for perchlorate and VOC treatment at V-205 well and is expecting to begin construction in late 2023 or early 2024. The Agency anticipates that the design and construction costs relating to the treatment system will be reimbursed by the Whittaker Corporation pursuant to the terms of the Settlement Agreement or a related jury award (which is currently under appeal).

Approximately $47,000,000 has been reimbursed to the Agency or its predecessors for past expenditures pursuant to the Settlement Agreement. Another $8,335,000 has been approved by the Agency to construct wells and pipelines to supply water that will replace capacity lost from contaminated wells. Approximately $1,000,000 is currently reimbursed to the Agency annually for operations and maintenance costs related to the operation and maintenance of the treatment system for the Saugus 1 and Saugus 2 Wells. The annual operation and maintenance reimbursements are expected to increase as more treatment systems are streamed. Amounts reimbursed to the Agency for such operations and maintenance costs are treated as Revenues of the Water System.

Under the Settlement Agreement, the Whittaker Corporation has the option to reimburse the Agency to seek grant funding, such as money made available by the Department of Defense, other federal programs, or the State, to pay for monitoring, treatment, and other costs not covered by the agreement provided that Whittaker funds the efforts to seek grant funds.

In 2018, the Agency filed a complaint against the Whittaker Corporation over contamination caused by VOCs detected in groundwater supplies at Saugus 1, Saugus 2, V-201 and V-205 wells. A final judgment was awarded to the Agency in June, 2022; however, that award is currently under appeal. The Agency filed a cross appeal which may add damages to the June 2022 judgment. The parties are in the process of drafting and submitting appellate briefs to the 9th Circuit Court of Appeal. The appellate decision is not anticipated until 2024.

In addition to administering the Settlement Agreement to obtain reimbursement, the Agency is also actively evaluating groundwater conditions and assertively seeking continual regulatory agency enforcement of environmental cleanup. The Agency has recently provided technical reports to the California Department of Toxic Substances Control identifying areas where the Agency finds additional cleanup efforts need to be taken by the responsible party.

PFAS. In recent years, federal and state agencies have undertaken a variety of efforts towards the development of legislation, laws and regulations regarding PFAS, focused on limiting levels of PFAS in drinking water sources. PFAS substances are widely used in consumer and industrial products such as fabrics, carpets, firefighting foams, food packing and nonstick cookware and are known for their nonstick, waterproof, and heat and stain resistant properties. There are current regulations in a number of states set to take effect in 2023 to limit the use and in some instances ban the use of PFAS chemicals.

In May 2016, USEPA established new, lifetime health advisories for Perfluorooctanoic Acid ("PFOA") and Perfluorooctane Sulfate ("PFOS") (the two most common synthetic organic chemicals in the group of compounds referred to as PFAS) and advised governmental agencies to notify their state safe drinking water agencies and consumers of the combined or individual presence of PFOA and PFOS over 70 parts per trillion in community water supplies. USEPA health advisories are non-regulatory and serve as technical guidance to assist federal, state and local officials and water system managers by providing information on the health effects of, and methods to sample and treat, PFOA and PFOS in drinking water. In March 2019, DDW issued monitoring orders to all public water systems in the state to begin sampling sources that had positive PFAS chemical detections during the Unregulated Contaminant Monitoring Rule 3 requirements. Since March 2019, a series of additional sampling Orders have been issued and separate notification and response level regulations have been promulgated. As of October 2022, DDW has established the following NL and RL for four (4) PFAS chemicals:

- PFOA – NL = 5.1 ppt, RL = 10 ppt
- PFOS – NL = 6.5 ppt, RL = 40 ppt
- Perfluorobutane sulfonic acid ("PFBS") – NL = 500 ppt, RL = 5,000 ppt
- Perfluorohexane sulfonic acid ("PFHxS") – NL = 3 ppt, RL = 20 ppt

On February 22, 2021, the USEPA announced its proposed revisions to the Fifth Unregulated Contaminant Monitoring Rule ("UCMR 5") for public water systems which includes monitoring for 29 PFAS in drinking water. On October 18, 2021, the USEPA published a "PFAS Strategic Roadmap: EPA's Commitments to Action, 2021-2024" (PFAS Roadmap). The document outlines four main drinking water actions that the USEPA intends to complete from 2021 to 2024: (1) conduct nationwide monitoring for PFAS in drinking water as part of the UCMR 5 process; (2) establish national primary drinking water regulations for PFOA and PFOS by Fall 2023; (3) publish health advisories for GenX chemicals and PFBS by Spring 2022; and (4) publish updates to PFAS analytical methods to monitor drinking water by Fall 2024. On December 27, 2021, the USEPA published the final UCMR 5 for public water systems which includes monitoring for 29 PFAS in drinking water. UCMR 5 requires pre-sampling preparations in 2022, sample collection from 2023-2025, and reporting of final results through 2026. On June 15, 2022, the USEPA established new interim, updated drinking water health advisories for PFOA and PFOS to replace the health advisories established in 2016. The non-enforceable and non-regulatory interim updated lifetime health advisories for PFOA and PFOS in drinking water are established at concentrations of 0.004 ppt and 0.02 ppt, respectively. In its announcement, the USEPA noted that such concentrations are below the ability to detect under current detection methods. On June 15, 2022, the USEPA also established final health advisories for GenX and PFBS of 10 ppt and 2,000 ppt, respectively. On September 6, 2022, the USEPA issued a proposed rule designating PFOA and PFOS as hazardous substances under CERCLA.

In California, DDW is responsible for establishing the notification levels (the "Notification Levels") and the Response Levels for local water systems relating to the detection of PFAS in groundwater sources in the State. Notification Levels are non-regulatory, precautionary health-based measures for concentrations of chemicals in drinking water that warrant notification and further monitoring and assessment. If any PFAS chemicals with an established NL (PFOA, PFOS, PFBS and PFHxS) are found to be above the respective Notification Level, the exceedance is required to be reported to the governing body of the water system and the SWRCB and is required to be reported in the annual Consumer Confidence Report.

Response Levels are non-regulatory, precautionary health-based measures that are set at higher levels than Notification Levels and represent thresholds at which DDW recommends water systems remove a water source from use or treat it. If a water system does not remove the water source, DDW requires that the agency notify its local governing body and its customers directly and let them know the reason for continued use of the impacted water source, issue a press release, and conduct regular sampling of such water source.

On March 14, 2023, the USEPA announced proposed regulations for six PFAS, including PFOA, PFOS, perfluorononanoic acid ("PFNA"), hexafluoropropylene oxide dimer acid (commonly known as "GenX chemicals"), PFHxS, and PFBS. The USEPA is proposing: (1) legally enforceable MCLs of 4 ppt for PFOA and PFOS; (2) non-enforceable health-based maximum contaminant level goals ("MCLGs") for PFOS and PFOS at 0; and (3) a hazard index of 1.0 as MCLs and MCLGs for PFNA, PFHxS, PFBS, and/or GenX chemicals and any mixture containing one or more of these four PFAS. The hazard index is a tool used to evaluate health risks from simultaneous exposure to mixtures of certain chemicals. To determine the hazard index for these four PFAS, water systems would monitor and compare the amount of each PFAS in drinking water to its associated Health Based Water Concentration ("HBWC"), which is the level below which no health effects are expected for that PFAS. Water systems would add the comparison values for each PFAS contained within the mixture. If the value is greater than 1.0, it would be an exceedance of the proposed hazard index MCL for PFHxS, GenX chemicals, PFNA, and PFBS. The proposed rule would require public water systems to monitor for these PFAS, notify the public if monitoring detects such PFAS at levels that exceed the proposed regulatory standards, and reduce the levels of such PFAS in drinking water if they exceed the proposed standards. The USEPA is requesting public comment on the proposed regulation. The public comment period on the proposed regulation closes 60 days after the date of publication in the Federal Register. The proposed PFAS regulation does not require any action until it is finalized. The USEPA has indicated that the USEPA anticipates finalizing the regulations by the end of 2023. The USEPA held a public hearing with respect to such regulations on May 4, 2023. The Agency provided public comments during this hearing and provided written comments by the May 30, 2023 deadline. The Agency anticipates that once these regulations are finalized by the end of 2023, there will be a three-year period for the Agency to come into compliance.

As of May 2023, the Agency has determined that 31 of Agency wells contain either PFOA or PFOS at levels that exceed the Notification Level. Of these 31 wells, five are in service with PFAS removal treatment or blending, eight wells remain online because the levels of PFOA and PFOS detected in such wells are below the Response Level and 17 remain offline with detected levels that exceed the Response Level of PFOA or PFOS. One additional well was taken offline due to mechanical issues. Despite the closure of these wells, the Agency projects that the Agency will be able to meet existing demands for retail and wholesale water in Fiscal Year 2024 from other available sources, including the wells that are currently in service.

The Agency is currently conducting a feasibility and cost analysis to prioritize PFAS groundwater treatment facilities. The Agency currently projects that costs of the additional facilities will be between $115,000,000 and $145,000,000 for capital expenditures with total annual operating costs projected to be approximately $12,000,000 to $15,000,000 once all facilities are online. PFAS treatment facilities are expected to be funded from payments of the 2023 Bonds, proceeds of the proposed WIFIA Loan, and a combination of Revenues and grants. The operations and maintenance costs of the PFAS treatment facilities will be funded by Revenues. Such costs have been included in the projected pumping and wells department expenses set forth in "Table 14 SANTA CLARITA VALEY WATER AGENCY Projected Net Revenues and Coverage" under the caption "WATER SYSTEM FINANCIAL INFORMATION—Projected Revenues, Operation and Maintenance Costs and Coverage" below.

The Agency operating costs for its current PFAS treatment facilities for Fiscal Year 2023 are projected to be approximately $3.1 million. The Agency projects annual operating costs of such facilities to increase to $6.2 million by Fiscal Year 2027. Such increased annual operating costs are included as set forth in "Table 14 SANTA CLARITA VALEY WATE AGENCY Projected Net Revenues and Coverage" under the caption "WATER SYSTEM FINANCIAL INFORMATION—Projected Revenues, Operation and Maintenance Costs and Coverage" below. Annual operating costs for PFAS treatment facilities are projected to continue increasing after Fiscal Year 2027.

Service Area Water Production

Table 2 below sets forth the sources of total water production for the Agency within the Service Area for Fiscal Years 2018 through 2022, and includes groundwater pumped from wells by the Agency and its predecessors, State Water Project water acquired and treated by the Agency and recycled water, but does not include groundwater that is pumped directly by the region's agricultural and certain private interests not served by the Agency. The Agency anticipates that future water production will be impacted by such factors, as in the past.

Table 2
SANTA CLARITA VALLEY WATER AGENCY
Historic Water Production
(Acre-feet)

Fiscal Years	***Agency Groundwater Production[(1)]***	***Imported Water[(2)]***	***Recycled Water***	***Total***	***Increase/ (Decrease)***	***Percentage Imported***
2022	24,050	37,506	342	61,898	(9.04)%	60.59%
2021	25,933	41,636	480	68,049	1.24	61.18
2020	18,553	48,196	468	67,217	9.77	71.70
2019	18,703	42,072	458	61,233	(8.68)	68.70
2018	24,702	41,999	352	67,053	N/A	62.63

(1) Includes groundwater production of the Agency and District No. 36.
(2) Represents State Water Project water supplied by the Agency from DWR under the State Water Project Contract as well as water from the BVWSD-RRBWSD Acquisition Agreement, the Yuba Water Accord, and Water Banking and Exchange Programs.
Source: Agency.

Projected Water Sources

The table below sets forth the projected water sources in the years 2023 through 2027, 2030, 2035, 2040, 2045 and 2050. The projections for the years 2023 through 2027, 2030, 2035, 2040, 2045 and 2050 are based on the 2020 Urban Water Management Plan. These figures reflect estimates assuming average weather conditions, groundwater pumping by the Agency based on the groundwater operating plan, and the use of recycled water and other sources under development by the Agency. Actual sources may differ from the sources projected in the below table due to factors such as the impact of dryer than average hydrological conditions. See the caption "—Recent California Drought and Response" above.

Table 3
SANTA CLARITA VALLEY WATER AGENCY
Projected Water Sources
(Acre-feet)

Calendar Years(1)	*Agency Groundwater Production*(2)	*Imported Water*(3)	*Recycled Water*(4)	*Total Sources*
2023	26,040	67,220	450	93,710
2024	26,280	67,220	557	94,057
2025	26,790	67,220	608	94,618
2026	27,740	67,220	664	95,624
2027	27,580	67,220	725	95,525
2030	37,950	64,310	4,146	106,406
2035	40,690	64,017	5,541	110,248
2040	40,690	62,107	6,948	109,745
2045	40,690	62,107	7,949	110,746
2050	40,690	62,107	8,961	111,758

(1) Information for years 2023 through 2027 is based on most recent updated assumptions for planned and restored wells coming online and normal year production associated with those wells from the UWMP. Information for years 2023 through 2027, 2030, 2035, 2040, 2045 and 2050 are based on the 2020 Urban Water Management Plan. See, however, caption "—Sources of Supply—Monterey Agreement" above regarding the Agency's State Water Project contractors' Table A allocations for 2020.
(2) Includes groundwater production for the Agency and District No. 36. Assumes an average hydrological year.
(3) Represents State Water Project water supplied by the Agency from DWR under the State Water Project Contract as well as water from the BVWSD-RRBWSD Acquisition Agreement and the Yuba Water Accord. Assumes average State Water Project water allocation of 58% for calendar years 2023 through 2027.
(4) Reflects projected additional supply made available through the expected development of additional sources in accordance with the 2020 Urban Water Management Plan.

Source: Agency; 2020 Urban Water Management Plan

THE WATER SYSTEM

Water Conveyance and Treatment Facilities

The Agency owns and operates water conveyance pipelines and water treatment facilities to supply water delivered through the State Water Project to customers and District No. 36. The California Aqueduct releases water to the Agency at the Castaic Lake Reservoir (the "Castaic Reservoir"). The Castaic Reservoir is a multiple use reservoir owned by DWR which serves as the terminal point of the west branch of the California Aqueduct.

The Agency's water conveyance and water treatment facilities are described below.

Intake Piping. The Earl Schmidt Filtration Plant receives water from a connection to the State Water Project's 60-inch diameter outlet conduit from the Castaic Reservoir. A 54-inch diameter conduit connects with the State's outlet conduit and eventually decreases in diameter to 42 inches before forming the header manifold for the Pump Station.

Earl Schmidt Intake Pump Station. The Earl Schmidt Intake Pump Station (the "Pump Station") is located near the shore of the afterbay below the Castaic Dam located at the southern end of Castaic Reservoir. The Pump Station consists of five 350 horsepower vertical turbine pumps each with a rating at 1.2 to 15.5 mgd and two 350 horsepower vertical turbine pumps each with a rating of 14 mgd. The pumping units are used when the water level in the reservoir falls below the elevation necessary to permit gravity flow of water from the reservoir to the filtration plant. The Pump Station can deliver at least 56 mgd to the Earl Schmidt Filtration Plant.

Earl Schmidt Filtration Plant. The Earl Schmidt Filtration Plant (the "Schmidt Plant"), located at the southern end of the Castaic Reservoir, treats State Water Project water for domestic uses. The Schmidt Plant was completed in 1980 with an original capacity of 12.5 mgd and was expanded to a capacity of 25 mgd in 1988. In 2001, the Schmidt Plant was re-rated at 33.6 mgd. In 2005, the Schmidt Plant was expanded to 56 mgd. The treatment process includes ozonation, coagulation, contact clarification, and filtration through anthracite filters. Chloramination occurs after treatment. Wash water is recovered, treated and returned to the headworks. The Schmidt Plant also includes sludge drying facilities, an air-water filter backwash system, and facilities for chemical application of coagulants, disinfectants, pH control, and taste and odor control. Two steel tanks provide a total of ten million gallons of treated water storage.

Rio Vista Water Treatment Plant. The Rio Vista Water Treatment Plant (the "Rio Vista Plant") is located in the City of Santa Clarita and treats water for domestic uses. Its current capacity is 66 mgd, but the site has sufficient area for a treatment plant with an ultimate capacity of 120 mgd. The treatment process technology includes ozonation, coagulation, contact clarification and filtration through anthracite filters. Chloramination occurs after treatment. Wash water is recovered and returned to the headworks. The Rio Vista Plant includes sludge drying facilities, an air-water filter backwash system, and facilities for chemical application of coagulants, disinfectants, pH control, and taste and odor control. Two clear well reservoirs provide a total of 30 million gallons of treated water storage.

The Rio Vista Plant site includes the seven-acre Water Conservatory Garden and Learning Center (the "Garden"), which informs and educates local water consumers on the source and treatment of their water supply, as well as means to conserve this resource. The Garden and other water education programs of the Agency have received numerous awards, honors and grants from the American Water Works Association, the Association of California Water Agencies, and the California Department of Education, among others.

Rio Vista Intake Pump Station. The Rio Vista Intake Pump Station pumps water from The Metropolitan Water District of Southern California ("MWD") Foothill Feeder to the Rio Vista Plant.

Water Transmission Pipelines. The Castaic Conduit serves as the pipeline connection between the Schmidt Plant and the Rio Vista Plant. The Castaic Conduit also serves as the main pipeline for conveying treated water to its retail water facilities and District No. 36 through a series of turnouts and laterals.

The portion of the Castaic Conduit between the State outlets works and the Pump Station has a nominal design capacity of 67 mgd. Southerly of the Schmidt Plant, the Castaic Conduit was designed with a nominal capacity of 50 mgd along the length of the 54-inch diameter pipeline, which extends approximately five miles southeast through the center of the Service Area eventually transitioning to a 39-inch diameter pipeline with a design capacity of 27 mgd, where it connects with the Honby and Newhall Laterals which in turn provide water to the retail water facilities and District No. 36. Approximately two miles of 84-inch diameter pipeline with a nominal capacity of 124 mgd connects the Rio Vista Plant to the 39-inch diameter pipeline.

CLWA constructed the Newhall Parallel which connected to the treated water pipeline and provides additional water to the southern portion of Valencia. The Newhall Parallel begins as a 54-inch pipeline and reduces to a 24-inch pipeline. Additionally, CLWA constructed three phases of the Magic Mountain Pipeline, a 42-inch pipeline that connects to the Newhall Parallel and will provide water to the western portion of the Service Area.

Sand Canyon System. In 2007 the Agency completed construction of the Sand Canyon Pipeline System which consists of a pump station, pipeline and reservoir to convey imported water from the end of the existing Honby Lateral to the southern Sand Canyon area. The reservoir also provides emergency storage. The Sand Canyon Pipeline is a 48-inch pipeline, approximately 5 miles in length that delivers water to retail purveyors through seven turnouts. The Sand Canyon Pump Station has a capacity of 30,000 gallons per minute. The Sand Canyon Reservoir can store up to 7,000,000 gallons of treated water.

Recycled Water System. The Agency purchases and distributes recycled water from the Los Angeles County Sanitation District's Valencia Water Reclamation Plant. The facilities include a 24-inch recycled water pipeline that runs from the Valencia Water Reclamation Plant south to the TPC at Valencia golf course, as well as a 1.5-million-gallon recycled water reservoir located near the golf course.

The Agency delivers water to customers through its retail water facilities and District No. 36 through twenty-four turnouts with a total permitted capacity of 109,600 gpm and 40 pumps.

The Agency's water delivery facilities consist of the following facilities:

Groundwater Wells. The Agency has 45 wells within the alluvial aquifer and the Saugus Formation aquifer, the two groundwater aquifer systems in the Santa Clarita Valley. The 45 wells have a combined permitted capacity of more than 89 mgd. As of May 2023, 23 of such wells were in operation. The combined permitted capacity of the 23 operational wells is up to 49 mgd. In December 2020 the first Agency PFAS water treatment facility opened. The facility was the first ion exchange PFAS treatment facility in the State. In fall of 2022 an additional PFAS water treatment facility came online. The Agency currently projects adding up to 10 additional PFAS treatment facilities. One such facility is currently under construction with the other potential facilities in the planning and design phases. The Agency expects to have one facility online in 2023, a second facility online in 2024 and a third facility online in 2025. See the captions "THE WATER SUPPLY –Sources of Supply-*Groundwater*" and "-Water Quality Compliance-*PFAS*" herein. In conjunction with the surface water the Agency receives through the State Water Project and the Agency's banking and exchange programs, the Agency has sufficient pumping capacity with the wells which have not been taken out of service to provide water service to all customers within the Service Area. The Agency has an ongoing well replacement and rehabilitation program to ensure that the Agency's groundwater facilities to support the reliability of the Agency's groundwater system.

Storage Facilities. The Agency has 107 storage facilities, consisting of steel tanks located above and partially above ground, ranging in size from 0.05 million gallons to 16 million gallons, with a combined storage of 215 million gallons. In addition, there are three recycled water storage facilities with a combined capacity of 2.5 million gallons.

Booster Facilities. Due to the topography of the Santa Clarita Valley, the Agency operates 65 pumping facilities in order to deliver water to certain portions of its Service Area located in higher elevations. The pumping facilities have a flow rate range of 50 to 24,000 gpm, a combined capacity of 162,052 gpm and 165 pumps in total. In addition, there are two intake pump stations, which provide raw surface water to the two surface water treatment plants. The pump stations have a combined capacity of 84,700 gpm and a total of 13 pumps. There is also one recycled water pump station with two pumps and a capacity of 4,000 gpm.

Turnouts. The Agency has 24 turnouts with a combined capacity of 109,600 gpm and 40 total pumps. Turnouts are locations where imported water is delivered to the Agency's distribution system. Some of the Agency's turnouts require pumps to supply water to higher elevations. Other turnouts supply water through gravity without the need for pumping. The Agency treats its imported water supplies at the Schmidt Plant and the Rio Vista Plant.

Pipelines. The Agency has 928 miles of pipeline ranging from 2 to 102 inches in diameter. The pipelines in the Agency's system are made of a variety of different materials including steel, asbestos cement, PVC and ductile iron.

Sewer Facilities. The sewer facilities are located in a portion of Canyon Country area of the City. The facilities include the Shadow Pines Lift Station (the "Lift Station") and sections of transmission force and gravity mainline. The Agency plans to upgrade the mainline and the Lift Station to comply with current County design standards and then transfer ownership of the sewer facilities to the City. The upgrades are required prior to the transfer because the County is responsible for the maintenance of the City owned sewer system. The Agency estimates that the total costs of the updates will be approximately $6,000,000 for the Lift Station and transmission force mainline and $4,500,000 for the gravity mainline upgrades. A portion of the costs of the improvements to the transmission force mainline will be paid with sewer connection fees collected by the Agency for developments that would feed into the Lift Station. The Agency is in the process of identifying financing options for the costs of the Lift Station and the remaining portion of the costs of the transmission force mainline. The gravity mainline upgrades are planned to be funded through the Agency's capital improvement program.

Historic Retail Water Sales and Water Sales Revenues

The following table presents a summary of the Agency's historic retail water sales in acre-feet and water sales revenues received by the Agency.

Table 4
SANTA CLARITA VALLEY WATER AGENCY
Historic Retail Water Sales and Water Sales Revenues[(1)]
(Acre-feet)

Fiscal Year	*Water Sales[(2)]*	*Increase/(Decrease)*	*Water Sales Revenues[(2)]*	*Increase/ (Decrease)*
2022	62,844	(0.95)%	$79,321,746	(10.97)%
2021	63,448	9.49	89,094,520	8.13
2020	57,950	1.55	82,393,728	(0.66)
2019	57,067	(8.09)	82,939,784	(0.90)
2018	62,091	N/A	83,694,557	N/A

(1) Includes revenues from the sale of imported water, recycled water and groundwater.
(2) Amounts for Fiscal Years 2019 through 2022 were derived from the audited results of the Agency for Fiscal Years 2019 through 2022. Amounts for Fiscal Year 2018 were derived from the audited results of CLWA, SCWD, NCWD and VWD for Fiscal Year 2018.
Source: Agency.

Projected Retail Water Sales and Water Sales Revenues

The following table projects retail water sales and water sales revenues received by the Agency for Fiscal Years 2023 through 2027 based on current demand and water sales estimates derived from the 2021 Cost of Service and Rate Study and the Agency's Long-Term Financial Plan. Such projected demand is lower than the demand projected in 2020 Urban Water Management Plan for a number of reasons including increased water conservation.

Table 5
SANTA CLARITA VALLEY WATER AGENCY
Projected Retail Water Sales and Water Sales Revenues
(Acre-feet)

Fiscal Year	*Water Sales*[(1)]	*Increase/ (Decrease)*	*Water Sales Revenues*[(2)]	*Increase/ (Decrease)*
2023[(3)]	51,545	(6.21) %	$ 87,436,270	4.47 %
2024	59,073	0.23	97,535,468	11.55
2025	59,804	1.24%	107,045,418	9.75
2026	60,546	1.24%	119,417,933	11.56
2027	61,343	1.32%	132,016,684	10.55

(1) Projected Water Sales are based on projected retail demand by customers and retail customer demand derived from the SCV Economic Development Corporation growth projection for Fiscal Years 2023 through 2027. See the caption "—Water Rates and Charges" below for a discussion on the Agency's rate structure.

(2) Projected water sales revenues reflect an increase in rates and charges for its water 6.5% in Fiscal Year 2024 that will became effective on July 1, 2024, as described under the caption "—Water Rates and Charges" below. The Agency has assumed an increase in the rates and charges for its water services of 10.5% in Fiscal Year 2025, 10.0% in Fiscal Year 2026 and 9.0% in Fiscal Year 2027.

(3) Reflects actual unaudited results for the first six months of Fiscal Year 2023 and projected estimates for the remaining six months of Fiscal Year 2023.

Source: Agency.

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Largest Retail Customers by Annual Payments

The following table sets forth the ten largest retail customers of the Agency for Fiscal Year 2022, the latest date for which such information is available, as determined by the amount of their respective annual payments.

Table 6
SANTA CLARITA VALLEY WATER AGENCY
Largest Retail Customers by Annual Payments
(as of June 30, 2022)

Customer	*Annual Payments*	*% of Total Water Sales*
City of Santa Clarita	$ 4,325,547	4.90%
GH Palmer	1,435,968	1.63
LA County Public Works	1,325,649	1.50
Six Flags Magic Mountain	689,608	0.78
Hart School District	592,480	0.67
Friendly Village	560,770	0.64
West Creek/West Hills HOA	436,617	0.49
Rockne Construction	427,358	0.48
Equity Residential	377,330	0.43
Westridge Valencia	349,139	0.40
Total	$ 10,520,467	11.92%

Source: Agency.

Retail Service Connections

The following table details retail service connections served through the Agency for Fiscal Years 2018 through 2022.

Table 7
SANTA CLARITA VALLEY WATER AGENCY
Historical Retail Service Connections

Fiscal Year	***Service Connections***[(1)]	***Increase/ (Decrease)***
2022	73,222	0.70%
2021	72,712	(1.43)[(2)]
2020	73,767	(0.01)
2019	73,776	0.78
2018	73,197	N/A

(1) Amounts for Fiscal Years 2019 through 2022 were derived from the results of the Agency for such Fiscal Years. Amounts for Fiscal Year 2018 derived from results of SCWD, NCWD and VWD for such Fiscal Year.
(2) Decrease in retail service connections in Fiscal Year 2021 attributable to excluding private fire meters.
Source: Agency.

As a result of the dissolution of the VWC on January 22, 2018, all of such service connections are service connections of the Agency served through VWD. Effective January 1, 2018, all service connections of the former NCWD are service connections of the Agency served through NWD.

The following table sets forth the projected number of retail service connections for Fiscal Years 2023 through 2027. The Agency projects that its long-term retail service connections are estimated to increase by an average of 1.38 percent per year over the next five years. Failure of development activity to increase as projected would have a material adverse impact upon the number of new retail service connections.

Table 8
SANTA CLARITA VALLEY WATER AGENCY
Projected Retail Service Connections

Fiscal Year	***Service Connections***	***Increase/ (Decrease)***
2023	75,827	3.56 %
2024	76,895	1.38
2025	77,981	1.38
2026	79,088	1.38
2027	80,193	1.38

Source: Agency.

Newhall Ranch, a proposed development of approximately 21,500 units in the Santa Clarita Valley, could be expected to add Agency accounts. The growth rate applied by the Agency to project the service connections in Table 8 above takes into account the phased build out of the Newhall Ranch project.

Water Rates and Charges

Retail Water Rate Structure and Billing. Pursuant to the terms of the Agency Law, as long as the indebtedness of SCWD, NCWD or VWC which existed as of December 31, 2017 remains outstanding, such indebtedness shall continue to be allocated to VWD, SCWD or NWD, as applicable, and paid from that retail division's rates and charges. As a result, each of the three retail divisions initially had separate water rate structures following the formation of the Agency. In June 2021, the Agency completed a comprehensive rate study with the goal of unifying the retail water rates charged by the Agency. Following the 2021 rate study, the Board approved water rates for the period of Fiscal Year 2022 through Fiscal Year 2026, which increases become effective July 1 each year. The 2021 rate study and the Agency's adoption of the current water rates complied with the substantive requirements under Proposition 218. See the caption "CONSTITUTIONAL PROVISIONS—Proposition 218" in the Official Statement.

The Agency's current water rate structure for all retail customers consists of a fixed service charge based on meter size, which varies from $15.47 per month to $2,319.29 per month (effective July 1, 2023), plus variable charges of $2.37 and $1.90 per billing unit served (one billing unit equates to 748 gallons of water) for potable water and recycled water, respectively. The Agency also includes a fixed legacy debt charge based on meter size which is included on the bills of customers within the SCWD and VWD to ensure that the indebtedness of SCWD which existed as of December 31, 2017 is only paid by customers in the SCWD and VWD. Such legacy debt charges range from $6.80 to $1,462.65 for SCWD and from $4.34 to $932.36 for VWD. The Agency estimates the average monthly residential billing for a ¾" service connection is expected to be $59.54 based on current water rates and average monthly usage of 18 billing units excluding fixed legacy debt. The Agency's existing rate study extends through June 2025. The Agency is in the process of developing a new cost of service and rate study for the period beginning July 2025 through June 2030.

Billing Procedures. Since the merger of CLWA and NCWD on January 1, 2018 and VWC on January 22, 2018, the retail divisions (NWD, SCWD, VWD) were operating under their pre-merger rules and regulations pertaining to retail customers. The Agency aligned customer service practices and processes across all three divisions and developed a new customer service policy for all retail customers of the Agency, which includes the new provisions of Senate Bill 998 ("SB 998") regarding discontinuation of domestic water service for non-payment. The Agency was required to comply with the provisions of SB 998 by February 1, 2020.

Water charges are billed to retail customers monthly and have a due date of 10 days from the date that the bill is generated. Bills not paid within 45 days from the bill generation date are considered overdue. When a bill becomes overdue, an overdue notice is generated, which includes the termination of service language required in SB 998, and the customer will be billed an overdue notice fee. If the bill remains unpaid 71 days from the bill generation date, the service will be disconnected. The customer will be charged a disconnection fee and applicable fees to reconnect the service. The cost to the customer of reconnecting the water service is based on the overdue balance of the water bill plus the overdue notice fee of $10, the disconnection fee of $30 and a reconnection fee of $30 during normal business hours. If the customer is overdue repeatedly, a deposit may be required in addition to the bill payment and reconnect fee. New customers are required to complete a request for service and may be required to establish credit worthiness.

Write-off expenses as the result of delinquent accounts were less than 0.06% of total billings in Fiscal Year 2022.

From Fiscal Year 2020 through Fiscal Year 2022, while certain emergency orders that were enacted in response to the COVID-19 pandemic that prevented the Agency from discontinuing service on delinquent accounts, the Agency saw an increase in delinquent payments. The emergency orders expired in June 2022, which allowed disconnections for non-payment to resume. As of May 19, 2023, there are 1,835 (2.4%) customers that have delinquent bills, subject to disconnection, totaling approximately $493,724 as compared to 1,862 customers totaling $464,941 on June 30, 2022

Ratepayer Advocate Requirement of the Agency Law. In accordance with the Agency Law, on November 6, 2018, the Agency developed a rate setting process, including necessary rules and procedures, to include an independent ratepayer advocate (the "Ratepayer Advocate") to advise the Board and provide information to the public before the adoption of new wholesale rates and retail water service rates and charges. The Agency Law requires that the Ratepayer Advocate be selected by and report directly to the Board and be independent from Agency staff. The Agency Law provides that the Ratepayer Advocate will advocate on behalf of customers within the Agency's boundaries to the Board. The Board was not authorized to eliminate the Ratepayer Advocate before January 1, 2023. On and after January 1, 2023, the Board may eliminate the Ratepayer Advocate by four-fifths vote; however, the Agency does not have any current plans to do so.

Challenges to Rate Increases. In recent years several initiative measures have been proposed or adopted which affect the ability of local governments to increase taxes and rates. There is no assurance that the electorate or the State legislature will not at some future time approve additional limitations that could affect the ability of the Agency to implement rate increases, which could reduce Net Revenues and adversely affect the security for the Series 2023 Installment Payments. See the Official Statement under the caption "CONSTITUTIONAL PROVISIONS." The Agency's rates have not been challenged since its creation pursuant to the Agency Law.

Wholesale Rates and Charges. Wholesale rates and charges are charged by the Agency to District No. 36 and are set on an annual basis by action of the Agency Board. Payment of wholesale revenues in Fiscal year 2023 are expected to be less than $404,000. Such wholesale rates and charges are not subject to the approval of the voters or other governmental entities. See the Official Statement under the caption "CONSTITUTIONAL PROVISIONS."

Agency Revenue Derived from Property Taxes

The Counties each levy a 1% *ad valorem* property tax on behalf of all taxing agencies in the respective boundaries, including the Agency. The Agency's receipt of such 1% *ad valorem* property tax revenues is in addition to the Agency's levy of property taxes upon all property within the Agency's boundaries do not exempt from taxation to pay amounts due under the State Water Project Contract. See the caption "THE SANTA CLARITA VALLEY WATER AGENCY—Outstanding Obligations—Other Long-Term Obligations." All property is assessed using the full cash value as defined by Article XIIIA of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, nonprofit hospitals and charitable institutions.

The taxes collected are allocated to taxing agencies within the respective Counties, including the Agency, based on a formula established by State law enacted in 1979 and modified from time to time. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of "situs" growth in assessed value (due to new construction, change of ownership, or a 2% inflation allowance allowed under Article XIIIA of the State Constitution) prorated among the jurisdictions which serve the tax rate area within which the growth occurs. Tax rate areas are groups of parcels which are taxed by the same taxing entities. Cities, counties, special districts and school districts share the growth of "base" revenues from each tax rate area. Assessed valuation growth is cumulative, i.e., each year's growth in property value becomes part of each agency's allocation in the following year.

California law exempts $7,000 of the assessed valuation of an owner-occupied dwelling but this exemption does not result in any loss of revenue to local agencies since an amount equivalent to the taxes which would have been payable on such exempt values is made up by the State.

Under Assembly Bill 454 (Statutes of 1987, Chapter 921) ("AB 454"), the State reports to each county auditor-controller only the county-wide unitary taxable value of State-assessed utility property, without an indication of the distribution of the value among tax rate areas. The provisions of AB 454 apply to all State-assessed property except railroads and non-unitary properties, and do not constitute an elimination of a revision of the method of assessing utilities by the State Board of Equalization. AB 454 allows generally valuation growth or decline of State-assessed unitary property to be shared by all jurisdictions within a county.

From time-to-time legislation has been considered as part of the State budget to shift property tax revenues from special districts to school districts or other governmental entities. While legislation enacted in connection with the 1992-93 State budget shifted approximately 35% of many special districts' shares of the countywide 1% *ad valorem* property tax, the share of the countywide 1% *ad valorem* property tax pledged to debt service by special districts, such as the Agency, was exempted. The 2004-05 State budget reallocated additional portions of the special districts' shares of the countywide 1% *ad valorem* property tax shifting a portion of the property tax revenues collected by the Counties from special districts to school districts. As a result of the 2004-05 State budget, CLWA lost approximately $14.2 million of property tax revenues, cumulatively, over Fiscal Years 2005 and 2006. Pursuant to the State fiscal year 2005 budget, such property tax revenues reverted to the CLWA in Fiscal Year 2007.

On November 2, 2004, California voters approved Proposition 1A, which amends the State Constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State may not, among other things: (i) shift property taxes from local governments to schools or community colleges; or (ii) change how 1% *ad valorem* property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature. Beginning in Fiscal Year 2010, the State is allowed to shift to schools and community colleges a limited amount of local government property tax revenues if certain conditions are met, including: (a) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State; and (b) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. In the event of severe financial hardship, is possible that the State may propose legislation to shift additional local property tax revenue, including tax revenue of the Agency.

On July 28, 2009, the Governor of the State signed a revised State fiscal year 2010 budget which included a shift of approximately 8% of the 1% *ad valorem* property tax revenues (other than unitary taxes) from certain local agencies, including the Agency, to school districts and other governmental agencies. CLWA participated in the State of California Proposition 1A Receivables Program to securitize its receivable from the State, and as a result received the funds shifted, without interest, in two installment payments in 2010 from the California Statewide Communities Development Authority.

There can be no assurance that the 1% *ad valorem* property tax revenues the Agency currently expects to receive will not be further reduced pursuant to State legislation enacted in the future. If the property tax formula is permanently changed in the future, such change could have a material adverse effect on the receipt of 1% property tax revenue by the Agency. The Agency currently expects that existing reserves and the statutory authority to raise water rates may offset future property tax revenue losses. 1% *ad valorem* property tax revenues remaining after the payment of the 1999 Installment Payments constitute Revenues pledged to payment of the Series 2023 Installment Payments. Under the Installment Purchase Agreement, any 1% *ad valorem* property tax revenues remaining after the payment of the 1999 Installment Payments, is to be applied first to the 2018A Installment Payments, and then to the Series 2020 Installment Payments and the Series 2023 Installment Payments. See the Official Statement under the caption "SECURITY FOR THE 2023 BONDS—Water System Revenue Pledge" and Appendix C—"DEFINITIONS AND SUMMARY OF THE INDENTURE" under the caption "Definitions—Revenues."

On July 9, 2020, the Agency submitted letters to the County and the County of Ventura directing each Treasurer and Tax Collector to remit all amounts allocated by the respective county from the 1% *ad valorem* property tax to the Agency to the Depository Agent under the Depository Agreement. Pursuant to the Depository Agreement, the Depository Agent shall, upon direction of the applicable trustee, transfer amounts on deposit in the 1% Property Tax Account not later than ten (10) Business Days prior to each date on which principal and/or interest is due on the 1999 Certificates and the 2018A Bonds, the amount necessary to cause the respective payment fund for the 1999 Certificates and the 2018A Bonds to equal the amount of principal and/or interest due on the 1999 Certificates and the 2018A Bonds on such date. On each August 2, the Depository Agent shall transfer any amounts in the 1% Property Tax Account to the Agency for deposit in the Revenue Fund.

The Agency covenanted in an Amendment No. 1 to Trust Agreement related to the 1999 Certificates and an Amendment No. 1 to Installment Purchase Agreement related to the 2018A Bonds that, so long as the 1999 Certificates and the 2018A Bonds, as applicable, remain Outstanding, the Agency shall (i) not terminate or otherwise discontinue or suspend its (a) instruction and direction to the County of Los Angeles to transfer the amounts allocated by the County of Los Angeles constituting the Agency's share of the 1% *ad valorem* property tax directly to the Depository Agent for deposit in the 1% Property Tax Account of the Revenue Fund, and (b) instruction and direction to the County of Ventura to transfer the amounts allocated by the County of Ventura constituting the Agency's share of the 1% *ad valorem* property tax directly to the Depository Agent for deposit in the 1% Property Tax Account of the Revenue Fund; (ii) enter into such agreement or take such further action reasonably necessary from time to time to implement the instruction and direction to the County of Los Agency and the County of Ventura to transfer the 1% *ad valorem* property tax directly to the Depository Agent; and (iii) shall maintain the Trustee at all times as the trustee for all other indebtedness or obligations which are payable from and secured by a subordinate pledge of and lien on the Revenues or any moneys in the Revenue Fund.

The table below sets forth the total amount received by the Agency from the Agency's share of the 1% *ad valorem* property taxes levied in the Counties in Fiscal Years 2018 through 2023.

Table 9
SANTA CLARITA VALLEY WATER AGENCY
Share of 1% Property Tax Levy

Fiscal Year	*Agency Share of 1% Levy*[(1)]	*Increase/ (Decrease)*	*Agency Share Applied to 1999 and 2018A Installment Payments*[(2)]	*Agency Share Remaining for Bonds and Contracts*[(2)]
2022	$29,786,510	8.52	$11,421,975	$18,364,535
2021	27,448,241	2.84	976,975	26,471,266
2020[(3)]	26,691,119	0.17	976,975	25,714,061
2019	26,645,977	4.00	993,258	25,652,719
2018	25,621,922	N/A	-	25,621,922

(1) Amounts for Fiscal Years 2019 through 2022 were derived from the audited results of the Agency for Fiscal Years 2019 through 2022. Amounts for Fiscal Year 2018 were derived from the audited results of CLWA and NCWD for Fiscal Year 2018.

(2) As described under captions "—Outstanding Obligations—*Senior Wholesale Water System Obligations*" and "—*Wholesale Water System Obligations*," any 1% *ad valorem* property tax revenues in excess of the payment of the 1999 Installment Payments and the 2018A Installment Payments will be deposited in the Revenue Fund and available for the payment of the Series 2023 Installment Payments and any other Bonds or Contracts.

(3) Fiscal Year 2020 amount of 1% Property Tax represents actual amounts received. Low increase in amount is attributed to COVID-19 and was recovered in Fiscal Year 2021.

Source: Agency.

Property taxes levied by the Agency to pay State Water Project contract costs are not pledged to the Series 2023 Installment Payments and are not included in the amounts shown in the above table.

Service Area Growth and Development Entitlements

Based on current development activity, the Agency currently expects moderate growth within its Service Area in the current and next few Fiscal Years. The Agency's capital improvement program is based on projected water demands at final build-out of the Service Area. Although it is uncertain when specific development(s) will occur, for purposes of planning the Agency has assumed all of these developments will occur over the next 35 years.

As reported in the Agency's 2020 Urban Water Management Plan, the Agency and District No. 36 provided projected water demands through the year 2050 based on development projects that were under evaluation, were in the planning process, or the result of their own water planning efforts within their service area. The total projected water demand within the Service Area and District No. 36 (which excludes groundwater pumping by individuals and local agriculture) is estimated to increase from 75,200 acre-feet in 2025 to 101,000 acre-feet in 2050, representing an average annual increase of approximately 1.3%. These projections were compared with population projections prepared by the City and County and were found to be reasonable and consistent with long-term planning assumptions for the Service Area. The timing of future development is dependent on a number of factors, including but not limited to litigation, general economic conditions, and real estate market conditions. See “INVESTMENT CONSIDERATIONS—COVID-19 Pandemic; Infectious Disease Outbreak” in this Official Statement.

Proposed real estate development within the Service Area is contingent upon the construction and acquisition of a number of public improvements. The installation of the necessary infrastructure improvements and the construction of residential development is subject to the receipt of discretionary approvals and entitlements from a number of public agencies and has in some cases been the subject of litigation brought by opponents to such development. The failure to obtain any necessary approvals could adversely affect the planned land development within the Service Area.

In addition, there can be no assurance that land development operations within the Service Area will not be adversely affected by adverse economic conditions, a decline in real estate value or future government policies, including governmental policies to restrict or control development. In recent years, a number of communities in Southern California, including the City, have placed on the ballot initiative measures intended to control the rate of future growth.

Facility Capacity Fees

The Agency Law authorizes the Agency to implement facility capacity fees for each new Agency retail connection and for service through District No. 36’s water system. The former CLWA had been imposing Facility Capacity Fees pursuant to the CLWA Law since October 1, 1987. The actual amount of facility capacity fee charged varies depending on the Agency’s projected cost to provide water to a given water service area (each a “Water Service Area”) in which the subject property is located. Prior to January 1, 2018, CLWA based its facility capacity fees upon the cost to treat and transmit one acre foot of water per year to 10 Water Service Areas. Effective January 1, 2018, the 10 Water Service Areas have been consolidated into four and the facility capacity fees are based upon meter capacity, measured in equivalent meter units.

Facility capacity fees are paid to the Agency directly by developers or property owners within the Service Area shortly before the issuance of a building permit by the County or the City. If a connection is not ultimately made to the property that is the subject of the permit, the facility capacity fees are refunded. Although the City and County direct building permit applicants to the Agency for the payment of the facility capacity fees, there is no formal contractual arrangement between the Agency and the County or the City. The Agency monitors the issuance of building permits by the County and City to determine whether facility capacity fees have been paid. Development activities in the Water Service Areas in Fiscal Year 2023 have declined relative to the preceding Fiscal Years. The Agency attributes the decline in development in the Water Service Areas to the effects of governmental actions taken in response to COVID-19, increases in inflation, the unavailability of materials due to global supply chain disruption and reduced demand for new homes due to increased mortgage rates. The Agency is projecting the receipt of facility capacity fees in amounts that are significantly lower than those received in Fiscal Years 2018 through 2022.

The Agency Law authorizes the Agency to secure the payment of delinquent and unpaid facility capacity fees by filing with the County recorder a certificate specifying the amount of the unpaid fees and the name and address of the person responsible for those fees. Facility capacity fees were updated in 2019 with the preparation and adoption of a 2019 Facility Capacity Fee Study.

The following table sets forth the Agency’s income from facility capacity fees for all Water Service Areas for Fiscal Years 2018 through 2022. The current facility capacity fees went into effect on July 1, 2022. Facility capacity fees charged in the Agency’s four Water Service Areas range from $4,191 to $6,330 for a connection size of 5/8” to $1,361,052 for a connection size of 12”, depending on the Water Service Area.

Table 10
SANTA CLARITA VALLEY WATER AGENCY
Total Facility Capacity Fee Income
(Fiscal Years ending June 30)

Fiscal Year	*Facility Capacity Fee Income*[(1)]
2022	$ 9,023,268
2021	14,071,417
2020	5,138,778
2019	7,448,472
2018	7,356,898

(1) Amounts for Fiscal Years 2019 through 2022 were derived from the audited results of the Agency for Fiscal Years 2019 through 2022. Amounts for Fiscal Year 2018 were derived from the audited results of CLWA for Fiscal Year 2018.
Source: Agency

The following table summarizes the Agency's projected Facility Capacity Fee income for Fiscal Years 2023 through 2027.

Table 11
SANTA CLARITA VALLEY WATER AGENCY
Projected Facility Capacity Fee Income
(Fiscal Years ending June 30)

Fiscal Year	*Projected Facility Capacity Fee Income*
2023[(1)]	$1,738,431
2024	1,320,200
2025	1,530,200
2026	1,576,106
2027	1,623,389

(1) Reflects actual unaudited results for the first six months of Fiscal Year 2023 and projected estimates for the remaining six months of Fiscal Year 2023.
Source: Agency.

The amount of facility capacity fees received by the Agency is dependent on the level of development activity within the Agency's boundaries. The level of development activity is influenced by a number of factors, including the economic condition of the region, current home prices, the cost and availability of materials and the availability of financing, among other factors.

Capital Improvement Program

The Agency's engineering staff annually updates the Agency's projections of future water demand and capital improvement projects. Such evaluation has identified several near-term projects that are necessary to serve the needs of the Agency and District No. 36. These projects will extend the Agency's water transmission system, expand its recycled water system, expand its water treatment capacity, provide improved reliability to its State Water Project supply, develop groundwater supplies within or outside the Service Area, and replace the groundwater extraction capacity lost due to perchlorate and PFAS contamination. The Agency's engineering staff has identified projects which may be undertaken over the next ten Fiscal Years with total estimated costs (in Fiscal Year 2023 dollars) of approximately $1.3 billion.

The Agency anticipates financing the cost of these capital improvements from Agency revenues and existing reserves, State or federal loans and grants, cost recovery from the parties liable for the perchlorate contamination of groundwater, as well as future financings. The actual timing of these expenditures will depend upon development activity within the Agency, increases in 1% *ad valorem* property tax revenues available to the Agency and other factors. In addition to the 2023 Bonds, the Agency is currently projecting additional financing contributing approximately $652 million (in Fiscal Year 2023 dollars) over the next ten Fiscal Years toward the costs of these projects, including 2024 WIFIA Loan, the SRF Loan, and the 2026 Bonds. There can be no assurance that such financing will be undertaken in the amounts or at the times currently projected. See the caption "—Outstanding Obligations—*Future Obligations*."

Projects undertaken by the Agency, including those undertaken in the capital improvement program of the Agency, are generally subject to the CEQA. Projects involving the participation of certain federal agencies are also subject to the National Environmental Policy Act of 1969, as amended (42 U.S.C. Section 4321) ("NEPA"). As part of its regular planning and budgetary process, the Agency gives careful attention to environmental considerations.

Under CEQA, a project which may have a significant effect on the environment, and which is to be carried out or approved by a public agency must comply with a comprehensive environmental review process, including the preparation of an environmental impact report. An EIR includes an independent technical analysis of the project's potential impacts, as well as the comments of other agencies with jurisdiction over the project and the comments of interested members of the public. If an agency determines that the project itself will not have a significant effect on the environment, the agency may adopt a written statement (called a negative declaration) to that effect, and the agency need not prepare an EIR. Once an agency approves or determines to carry out a project, either following the EIR process or after adopting a negative declaration, the agency must file a written notice of such determination with the county clerk or, if State approval is required, the Office of Planning and Research. Any action or proceeding challenging the agency's determination must be brought within 30 days following the posting of such notice.

Future State Water Project Obligations

Delta Conveyance (Tunnel) Project. In February 2019, Governor Gavin Newsom announced his support for a Bay-Delta Plan, known as the "Delta Conveyance Project" ("DCP")", which would include intake structures on the Sacramento River and a single tunnel to convey water to the California Aqueduct downstream of the existing pumping plants in the south Bay-Delta. In July 2022, DWR released its draft Environmental Impact Statement for the DCP. The new conveyance facilities being reviewed would include a single 6,000 cubic-feet per second ("cfs") tunnel to convey water from new intakes on the Sacramento River to an expanded Bethany Reservoir (south of the Harvey O. Banks Pumping Plant). The public comment period ended on December 16, 2022, and DWR is now preparing responses to comments. Planning, environmental review and conceptual design work by DWR are expected to be completed in the 2023-2024 timeframe.

Since July 24, 2019, State Water Project contractors and DWR have been engaged in negotiations to amend the State Water Project contract for inclusion of the DCP. The amendment is intended to determine how costs and benefits of the DCP would be shared among the participating State Water Project contractors. If the Agency executes the amendment and the DCP is constructed, the Agency would be obligated to pay for its share of capital construction costs and future operations and maintenance costs. On July 21, 2017, the Board of Directors declared its support for the development of a single tunnel DCP. Payments on obligations incurred in connection with the DCP are expected to continue to be paid from the *ad valorem* property taxes levied to pay State Water Project costs and not from Revenues. See the caption "THE WATER SYSTEM—Future State Water Project Obligation."

The Agency's Board has previously authorized the Agency's participation in two joint powers agencies relating to the DCP: the Delta Conveyance Design and Construction Authority (the "DCA"), a joint powers authority formed by the participating water agencies to actively participate with DWR in the design and construction of the DCP and under the control and supervision of DWR; and the Delta Conveyance Finance Authority (the "Financing JPA"), a joint powers authority formed by the participating water agencies to facilitate financing for the DCP. The DCA is currently providing engineering and design activities to support the DWR's planning and environmental analysis for the potential new Delta Conveyance Project.

In August, 2020, the DCA provided a preliminary cost estimate for the DCP of approximately $15.9 billion (in 2020 dollars). The DCA noted that such estimate has been developed at an early stage in the project and will be revised over time. The Agency cannot predict at this time what additional financial commitments to the DCP will be made. On August 20, 2020, the U.S. Army Corps of Engineers, as the lead agency for the DCP under National Environmental Policy Act ("NEPA"), issued a notice of intent for the development of the environmental impact statement for the DCP. On December 16, 2022, the U.S. Army Corps of Engineers issued a draft environmental impact statement for the DCP. The public review and comment period for the draft environmental impact statement ended on February 14, 2023.

On November 12, 2020, the Board of Directors approved preliminary environmental review, planning, and design funding for the DCP in an amount up to approximately $8,852,849.

On August 6, 2020, DWR adopted certain resolutions to authorize the issuance of bonds to finance costs of DCP environmental review, planning, design and, if such DCP is approved, the costs of acquisition and construction thereof. The same day, DWR filed a complaint in Sacramento County Superior Court seeking to validate DWR's authority to issue the bonds. Several answers were filed in the validation action, as well as one related case alleging that DWR violated CEQA by adopting the bond resolutions before completing environmental review of the DCP. These two cases were coordinated into one action. DWR and several project opponents filed cross-motions for summary judgment on the CEQA affirmative defenses and related CEQA lawsuit, and in December 2021, the trial court granted DWR's motions and denied opponents' motions, eliminating the CEQA affirmative defenses. Regarding the validation case, briefing by all the parties is almost complete and a hearing on the merits is scheduled for May 15 through May 18, 2023.

Pursuant to existing contractual arrangements, CLWA's pay-as-you-go contribution already paid for WaterFix (the predecessor project to the Delta Conveyance Project) and is expected to be refunded to the Agency if and when DWR issues revenue bonds for construction of the Delta Conveyance project. Until such date, the Agency expects to pay its share of the costs to finance Pre-Construction Phase costs through the levy of *ad valorem* property taxes.

There can be no assurance that projected costs of the Delta Conveyance project referred to above will not increase because of revisions to the project, increases in construction or other costs related thereto or otherwise, including the final allocation of costs among the parties. Any changes could be material. In addition, there can be no assurance that the Delta Conveyance project, if undertaken, will be completed within the timeframe currently projected. Any such delay in completion could be material. Any costs incurred by the Agency with respect to the Delta Conveyance project are expected to be paid from *ad valorem* property taxes levied to pay State Water Project costs and not from the Revenues of the Agency. The Agency cannot make any predictions with respect to the timing of the environmental review for the Delta Conveyance project. The Agency also cannot predict at this time what additional financial commitments to the Delta Conveyance project will be made. See the caption "SANTA CLARITA VALLEY WATER AGENCY—Outstanding Obligations—Other Long-Term Obligations."

Sites Reservoir Project. The Sites Reservoir is a proposed reservoir of approximately 1.41 million acre-feet located in Colusa County. In connection with the Sites Reservoir, a joint powers agency, the Sites Project Authority (the "Sites Authority") was formed by several local water agencies and counties to pursue the development and construction of the project. The Agency is a member of the Sites Authority's Reservoir Committee. The Sites Reservoir project is expected to be funded with a combination of direct Federal Funding through Reclamation Water Infrastructure Improvements for the Nation ("WINN") Act, State Funding through Water Storage Investment Program ("WSIP"), cash calls from participants in the Sites Reservoir project under the Sites Project Agreement (as defined below), direct borrowings by the Sites Authority (including loans through the WIFIA loan program and revenue bonds), and contributions from certain Sites Reservoir project participants that elect not to participate in the Sites Authority's WIFIA loans or other borrowings. The Sites Authority applied for a WIFIA loan in March 2023 and was invited to apply for a loan that would fund up to 49% of the eligible costs of the Sites Project. The 2023 Sites Plan of Finance update includes WIFIA proceeds up to 49% of the eligible Project costs. The current cost estimate of the Sites Reservoir, which was approved in June 2021 was $3.9 billion (in 2021 dollars).

In 2019, in connection with the planning phase of the Sites Reservoir, the Agency, along with certain local water agencies and counties located in the State (collectively, the "Sites Project Agreement Members"), entered into a project agreement with the Sites Authority (the "Sites Project Agreement"). Under the Sites Project Agreement, each Sites Project Agreement Member agreed, among other things, to pay a share of the costs for the activities undertaken pursuant the Sites Project Agreement in proportions corresponding to specific participation percentages applied to each Sites Project Agreement Member. Such participation percentages can be modified if a new Sites Project Agreement Member is added, or a current Sites Project Agreement Member withdraws. The Agency's current participation percentage is 2.2% based upon the Agency's current storage allocation.

The Agency has provided the Sites Reservoir project with approximately $2,042,500 in funding since 2017 under the Sites Project Agreement. Under the Sites Project Agreement, the Agency has agreed to contribute up to an additional $800,000 through December 31, 2024 for the funding phase of the project. The Agency Board may decide whether to participate in the Sites Reservoir in 2024. If the Agency decides to participate in the Sites Reservoir project, the Agency's share of project costs is expected to be $107 million, subject to changes in the final cost of the Sites Reservoir project. To date, payments on commitments in connection with the Sites Reservoir have been paid by the Agency from reserves. The Agency currently expects future payments relating to the Sites Reservoir to be paid from reserves. If an agreement is reached with DWR to incorporate Sites Reservoir storage and supplies into the State Water Project and to bill the Agency for such costs of the SWP statement of charges, the Agency could determine to pay obligations incurred in connection with the Sites Reservoir from ad valorem property taxes levied to pay State Water Project costs. See the caption "THE WATER SYSTEM—Future State Water Project Obligations—Sites Reservoir Project."

Design and construction of the Sites Reservoir is anticipated to take 7 years, if commenced in 2024 as currently projected, and would not be completed until at least 2031. As the project is still in the planning phase, there can be no assurance that projected costs of the Sites Reservoir will not increase because of revisions to the project, increases in construction or other costs related thereto or otherwise, including the final allocation of costs among the parties. Any changes could be material. In addition, there can be no assurance that the Sites Reservoir, if undertaken, will be completed within the timeframe currently projected. Any such delay in completion could be material. Any costs incurred by the Agency with respect to the Sites Reservoir are expected to be initially paid from the Revenues during the planning phase of the Sites Reservoir. The Agency also cannot predict at this time what additional financial commitments to the Sites Reservoir will be made, or whether the Agency will participate in the remaining planning phase or the construction phase of the project. See the caption "SANTA CLARITA VALLEY WATER AGENCY—Outstanding Obligations—Other Long-term Obligations."

WATER SYSTEM FINANCIAL INFORMATION

Historical Financial Operations

A copy of the most recent audited financial statements of the Agency prepared by Lance, Soll and Lunghard, LLP, Certified Public Accountants, Brea, California (the "Auditor"), including the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, is included as Appendix B to the Official Statement. The Agency's contract with the Auditor does not require the consent of the Auditor for the use of the financial statements in the Official Statement. The Auditor's letter concludes that the Agency's financial statements present fairly, in all material respects, the respective financial position of the Agency, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows for the Fiscal Year ended June 30, 2022, in accordance with accounting principles generally accepted in the United States of America. The Auditor has not reviewed the Official Statement.

The Agency reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Agency is that the cost of providing water to its customers on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants, and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the Agency. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses.

Operating expenses are those that are clearly identifiable with a specific function. The types of transactions reported as operating revenues for the Agency are charges for services directly related to the operations of the Agency. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the Agency. Taxes, operating grants, and other items not properly included among operating revenues are reported instead as non-operating revenues. Contributed capital and capital grants are included as capital contributions reported instead as non-operating revenues.

The Agency accounts for moneys received and expenses paid in accordance with generally accepted accounting principles applicable to governmental agencies such as the Agency ("GAAP"). In certain cases, GAAP requires or permits moneys collected in one Fiscal Year to be recognized as revenue in a subsequent Fiscal Year and requires or permits expenses paid or incurred in one Fiscal Year to be recognized in a subsequent Fiscal Year. See "APPENDIX B—AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022" Except as otherwise expressly noted herein, all financial information derived from the Agency's audited financial statement reflects the application of GAAP.

See Note 1 of the Agency's Annual Financial Report attached to the Official Statement as Appendix B for a discussion of accounting practices of the Agency.

Historical Operating Results and Debt Service Coverage

The tables below are a summary of the operating results of the Agency for the six months ended June 30, 2018 (reflecting the operation of the Agency on and after the creation of the Agency) and the Fiscal Years 2019 through 2022. Beginning in Fiscal Year 2022, the Agency revised the presentation of its historic operating results to conform to similar revisions made in its audited financial statements. Such revised presentation is shown below for Fiscal Year 2022 in table 13. These results have been derived from the audited financial statements of the Agency for the six-month period ending June 30, 2018, and the audited financial statements of the Agency for Fiscal Years 2019 through 2022 but exclude certain noncash items and include certain other adjustments. The presentation of the Revenues, the Operation and Maintenance Costs, debt service and debt service coverage are presented in accordance with the provisions of the 2023 Installment Purchase Agreement, not the indentures, installment purchase agreements and other agreements outstanding prior to the issuance of the 2023 Bonds.

Table 12
SANTA CLARITA VALLEY WATER AGENCY
Historic Operating Results and Debt Service Coverage
(Fiscal Years ending June 30)

	2018[(1)(2)]	*2019*[(2)]	*2020*	*2021*
Revenues				
Water Consumption Sales and services[(3)]	$ 27,205,144	$ 82,939,784	$ 82,393,728	$ 89,094,520
Other charges and services[(4)]	11,019,191	15,437,581	8,515,511	18,199,122
1% Property Taxes[(5)]	13,077,291	26,645,977	26,691,119	27,448,241
Interest Income[(6)]	3,404,140	4,338,013	8,425,294	346,577
Other Revenue[(7)]	112,094	1,902,669	1,006,632	3,342,524
Total Revenues	$ 54,817,860	$ 131,264,024	$ 127,032,284	$ 138,430,984
Operation and Maintenance Costs[(8)]				
Source of Supply	$ 2,567,360	$ 345,477	$ 465,943	$ 503,600
Pumping	8,276,837	6,292,006	7,711,757	9,304,445
Transmission and Distribution	2,609,734	6,196,650	7,630,261	10,906,191
Water Treatment	3,395,992	7,042,538	8,650,165	8,435,826
Customer accounts	936,177	1,714,473	2,009,969	1,765,648
Management and Engineering	930,031	4,522,262	5,756,008	6,040,533
General and Administrative	8,939,431	16,938,294	20,565,348	19,457,334
Maintenance	1,439,882	3,263,353	4,836,636	2,399,046
Water Quality	529,179	1,094,842	1,177,815	1,241,951
Water Resources	2,608,491	5,792,111	10,197,555	10,691,530
Total Operation and Maintenance Costs	$ 32,233,114	$ 53,202,006	$ 69,001,457	$ 70,746,104
Plus/Minus Transfers from the Rate Stabilization Fund	--	--	--	--
Net Revenues Available for Senior Debt Service[(9)]	$ 6,447,135	$ 28,391,015	$ 33,018,387	$ 48,448,428
Senior Debt Service				
1999 Installment Payments[(10)]	--	--	--	--
Senior Debt Service Coverage [(11)]	N/A	N/A	N/A	N/A
Net Revenues Available for 2018A Installment Payments[(12)]	$ 6,447,135	$ 28,391,015	$ 33,018,378	$ 48,448,428
2018A Installment Payments	$ -	$ 993,258	$ 976,975	$ 976,975
2018A Installment Payments Debt Service Coverage[(13)]	N/A	28.58	33.80	49.59
Net Revenues Available for Parity Debt Service[(14)]	$ 22,584,746	$ 77,068,760	$ 57,053,852	$ 66,707,905
Parity Debt Service				
Debt Service on Refunded Obligations[(15)]	$ 5,289,259	$ 29,433,433	$ 29,673,212	--
Series 2020 Installment Payments	--	--	--	$ 4,780,641
Total Parity Debt Service	$ 5,289,259	$ 29,433,433	$ 29,673,202	$ 4,780,641
Parity Debt Service Coverage[(16)]	4.27	2.62	1.92	13.95
Total Debt Service Coverage[(17)]	4.27	2.57	1.89	11.76
Revenues Available for Other Purposes	$ 17,295,487	$ 47,635,327	$ 27,380,640	$ 61,927,264

(1) Reflects six-month period ended June 30, 2018.
(2) Totals may not add due to rounding.
(3) Includes sale of State Water Project water, recycled water, groundwater and certain other water.
(4) Includes Facility Capacity Fee revenues and other miscellaneous fees. Excludes refunds that are not pledged as Revenues.
(5) Excludes the State Water Project property tax.

(6) Excludes interest earned on debt service reserve funds and financing proceeds funds, unrealized gains on investments and amounts attributable to the VWD interfund loan.

(7) Includes communication lease revenues, laboratory fees, intergovernmental revenues, other miscellaneous revenues, and grants and reimbursements, including capital projects and operations and maintenance costs reimbursed pursuant to the Perchlorate Contamination Settlement.

(8) Excludes certain non-cash items and State Water Project expenses paid by the Agency with proceeds of the State Water Project property tax.

(9) Comprised of a portion of the Total Revenues, consisting generally of the facility capacity fees, the 1% Property Taxes and certain other revenues attributable to the historic wholesale water system, less a portion of Total Operation and Maintenance Costs that is attributable to said historic wholesale water system, plus any transfers from the Rate Stabilization Fund or less any transfers to the Rate Stabilization Fund. These amounts do not include revenues or operation and maintenance costs attributable to the Agency's retail operations which are excluded from such calculation by the terms of the 1999 Installment Purchase Agreement.

(10) The Agency executed and delivered the 1999 Certificates, which are secured by the 1999 Installment Payments, in the currently outstanding principal amount of approximately $67,061,078 (adjusted for the accreted value of capital appreciation certificates as of February 1, 2023). The first payment of principal of and interest on the outstanding 1999 Certificates, which are capital appreciation certificates, was due in Fiscal Year 2022.

(11) Coverage calculated as Net Revenues Available for Senior Debt Service divided by the 1999 Installment Payments.

(12) Calculated as Net Revenues Available for Senior Debt Service less the 1999 Installment Payments. Amount does not include revenues or operation and maintenance costs attributable to the Agency's retail operations which are excluded from such calculation by the terms of the 2018A Installment Purchase Agreement.

(13) Coverage calculated as Net Revenues Available for 2018A Installment Payments divided by 2018A Installment Payments.

(14) Calculated as Total Revenues, less Total Operation and Maintenance Costs, plus any transfers from the Rate Stabilization Fund or less any transfers to the Rate Stabilization Fund, less the 1999 Installment Payments and less 2018A Installment Payments.

(15) Includes the payment of certain Agency obligations that were refunded with proceeds of the 2020 Bonds.

(16) Coverage calculated as Net Revenues Available for Parity Debt Service divided by Total Parity Debt Service.

(17) Coverage calculated as Total Revenues less Total Operation and Maintenance Costs, plus any transfers from the Rate Stabilization Fund or less any transfers to the Rate Stabilization Fund, divided by the sum of the 1999 Installment Payments, 2018A Installment Payments and Total Parity Debt Service.

Source: Agency.

Table 13
SANTA CLARITA VALLEY WATER AGENCY
Fiscal Year 2022
Historic Operating Results and Debt Service Coverage
(Fiscal Year ending June 30)

	2022
Revenues	
Water Consumption Sales and services(1)	$ 79,321,746
Other charges and services(2)	17,244,561
1% Property Taxes(3)	29,786,510
Interest Income(4)	582,361
Other Revenue(5)	4,169,458
Total Revenues	$ 131,104,636
Operating Expenses (6)	
Source of Supply(15)	$ 8,834,320
Pumping Wells & Storage(15)	12,424,605
Water Quality, Treatment & Maintenance(15)	11,054,927
Transmission & Distribution(15)	11,421,001
Customer Care(15)	2,593,369
Management (15)	3,830,571
Engineering (15)	2,660,782
Finance, Administration & IT(15)	15,843,836
Water Resources(15)	5,505,556
Total Operating Expenses	$ 74,168,967
Plus/Minus Transfers from the Rate Stabilization Fund	--
Net Revenues Available for Senior Debt Service(7)	$ 29,786,510
Senior Debt Service	
1999 Installment Payments(8)	$ 10,445,000
Senior Debt Service Coverage (9)	2.85
Net Revenues Available for 2018A Installment Payments(10)	$ 19,341,510
2018A Installment Payments	$ 976,975
2018A Installment Payments Debt Service Coverage(11)	19.80
Net Revenues Available for Parity Debt Service(12)	$ 45,513,694
Parity Debt Service	
Series 2020 Installment Payments	$ 21,490,580
Total Parity Debt Service	$ 21,490,580
Parity Debt Service Coverage(13)	2.12
Total Debt Service Coverage(14)	1.73
Revenues Available for Other Purposes	$24,023,114

(1) Includes sale of State Water Project water, recycled water, groundwater and certain other water.
(2) Includes Facility Capacity Fee revenues and other miscellaneous fees. Excludes refunds that are not pledged as Revenues.
(3) Excludes the State Water Project property tax.
(4) Excludes interest earned on debt service reserve funds and financing proceeds funds, unrealized gains on investments and amounts attributable to the VWD interfund loan.
(5) Includes communication lease revenues, laboratory fees, intergovernmental revenues, other miscellaneous revenues, and grants and reimbursements, including capital projects and operations and maintenance costs reimbursed pursuant to the Perchlorate Contamination Settlement.
(6) Excludes certain non-cash items and State Water Project expenses paid by the Agency with proceeds of the State Water Project property tax.
(7) Comprised of a portion of the Total Revenues, consisting generally of the facility capacity fees, the 1% Property Taxes and certain other revenues attributable to the historic wholesale water system, less a portion of Total Operation and Maintenance Costs that is attributable to said historic wholesale water system, plus any transfers from the Rate Stabilization Fund or less any transfers to the Rate Stabilization Fund. These

amounts do not include revenues or operation and maintenance costs attributable to the Agency's retail operations which are excluded from such calculation by the terms of the 1999 Installment Purchase Agreement.

(8) The Agency executed and delivered the 1999 Certificates, which are secured by the 1999 Installment Payments, in the currently outstanding principal amount of approximately $67,061,078 (adjusted for the accreted value of capital appreciation certificates as of February 1, 2023). The first payment of principal of and interest on the outstanding 1999 Certificates, which are capital appreciation certificates, was due in Fiscal Year 2022.

(9) Coverage calculated as Net Revenues Available for Senior Debt Service divided by the 1999 Installment Payments.

(10) Calculated as Net Revenues Available for Senior Debt Service less the 1999 Installment Payments. Amount does not include revenues or operation and maintenance costs attributable to the Agency's retail operations which are excluded from such calculation by the terms of the 2018A Installment Purchase Agreement.

(11) Coverage calculated as Net Revenues Available for 2018A Installment Payments divided by 2018A Installment Payments.

(12) Calculated as Total Revenues, less Total Operation and Maintenance Costs, plus any transfers from the Rate Stabilization Fund or less any transfers to the Rate Stabilization Fund, less the 1999 Installment Payments and less 2018A Installment Payments.

(13) Coverage calculated as Net Revenues Available for Parity Debt Service divided by Total Parity Debt Service.

(14) Coverage calculated as Total Revenues less Total Operation and Maintenance Costs, plus any transfers from the Rate Stabilization Fund or less any transfers to the Rate Stabilization Fund, divided by the sum of the 1999 Installment Payments, 2018A Installment Payments and Total Parity Debt Service.

(15) Amount has been reduced to exclude Agency capital expenditures which are not treated as operation and maintenance costs in accordance with the Installment Purchase Agreement, as set forth in APPENDIX B – "AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING JUNE 30, 2022, INCLUDING THE AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING."

Source: Agency.

Management Discussion of Historic Operating Results and Debt Service Coverage.

Beginning with the Fiscal Year ending June 30, 2019, the Agency began reporting the Authority and the Devil's Den Water District as blended component units of the Agency for purposes of the Agency's audited financial statements. Prior to Fiscal Year ending June 30, 2019, the Agency had not included the financial results of the Authority and the Devil's Den Water District in its audited financial statements. In addition, due to a change in auditors from Fiscal Year ending June 30, 2018 to Fiscal Year ending June 30, 2019, the accounting methodology applied to the Agency's compensated absences differed from the methodology applied in audited financial statements for the Fiscal Year ending June 30, 2018. As a result of inclusion of the Authority and the Devil's Den Water District as blended component units of the Agency and the change in methodology applied to the compensated absences, the beginning balance in the Statement of Revenues, Expenses and Changes in the Fund Net Position Year Ended June 30, 2019 in the Agency's audited financial statements for the Fiscal Year ending June 30, 2019 was restated to account for the respective beginning balances of the Authority and the Devil's Den Water District and changes to the prior Fiscal Year's compensated absences.

In the Agency's audited financial statements for the Fiscal Year ending June 30, 2020, the Agency restated the Newhall Water Divisions net position that was previously reported on June 30, 2019 by $323,985, which restatement was related to a correction of accumulated depreciation.

In the Agency's audited financial statements for the Fiscal Year ending June 30, 2022, the Agency restatement its beginning net position by $408,324 due to certain capital asset discrepancies identified during the transition to a new accounting software during the Fiscal Year ended June 30, 2022.

In each of the auditor's reports on internal control over financial reporting prepared in connection with the audited basic financial statements of the Agency for the Fiscal Years ending June 30, 2019 through June 30, 2022, the Auditor did not identify any deficiencies in internal control that the Auditor considered to be a material weakness.

The auditor's report on internal control over financial reporting prepared in connection with the audited basic financial statements of the Agency for the six-month period ending June 30, 2018, identified the following deficiencies in internal control which the Auditor considered to be material weaknesses: preparation of fiscal year end trial balance, and communication between Divisions. That auditor noted that during its audit of the Agency's June 30, 2018 financial statements, the auditor noted a lack of control with regard to the Agency providing timely, auditable divisional trial balances at the time of the auditor's fieldwork, and over time, the auditor was provided with several iterations of the trial balance which contained material variances from audit support, and had to repeatedly review each trial balance and provide management lists of areas that needed adjustment. The auditor noted that the auditor was required to re-perform its audit procedures in several areas to ensure that the Agency's financial statements were materially correct on June 30, 2018. Furthermore, the auditor noted that such lack of control could have, more likely than not, resulted in a material misstatement in the agency's financial statements, and as a result, the Auditor considers this to be a material weakness within the agency's internal control structure.

The operating results for the six-month period ending June 30, 2018 are not comparable to a similar period during the Fiscal Year ending June 30, 2019, due to several factors including the consolidation of the Agency's retail and wholesale divisions, changes to accounting standards previously employed by certain of the Agency's divisions, a change to the Agency's auditor, variations in hydrological conditions, the seasonality of water consumption, among other factors.

Agency Reserve Policy. In addition to the Debt Service coverage shown above, the practice of the Agency had been to keep significant general reserves. These Agency reserves are not pledged to the payment of the Series 2020 Installment Payments, the Series 2023 Installment Payments, the 2023 Bonds or any other Bonds or Contracts that may be issued or incurred by the Agency in the future, but they are anticipated to be available to pay Agency expenses if necessary. The Agency's reserve policies include Operating Reserves of four months of the combined operating expenditures and annual debt service, Capital Reserves of one year of the current pay-as-you-go capital improvement program, Revenue Rate Stabilization reserve of 20% annually budgeted operating revenues, Reserves for Economic Uncertainties and Catastrophic Situations of four months of operating expenditures and Water Supply Reliability reserve, on average, equal to 350 days of operating expenditures historically. All of these reserves are funded at or nearly at the required levels. There can be no assurance that the Agency Board will not revise the reserve policy in the future.

Projected Revenues, Operation and Maintenance Costs and Coverage

The table below provides a projection of the operating results of the Agency for Fiscal Years 2023 through 2027, reflecting the Agency's estimate of projected financial results based on certain significant assumptions concerning future events and circumstances, and based on the assumptions set forth in the footnotes to the table. Such assumptions are material in the development of the financial projections of the Agency, and variations in the assumptions may produce substantially different financial results. Actual operating results achieved during the projection period may vary from those presented in the forecast and such variations could be material. The presentation of the Revenues, the Operation and Maintenance Costs, debt service and debt service coverage are presented in accordance with the provisions of the 2023 Installment Purchase Agreement, not the indentures, installment purchase agreements and other agreements outstanding prior to the issuance of the 2023 Bonds.

Table 14
SANTA CLARITA VALLEY WATER AGENCY
Projected Net Revenues and Coverage
(Fiscal Years ending June 30)

	2023[1] [2]	2024[2]	2025[2]	2026[2]	2027[2]
Revenues					
Water Consumption Sales and Services[3]	$ 87,436,270	$ 97,535,468	$ 107,045,418	$ 119,417,933	$ 132,016,684
Other charges and services[4]	3,010,906	2,631,303	3,063,141	3,197,411	3,339,965
1% Property Taxes[5]	31,773,451	30,952,265	31,676,548	32,417,779	33,176,355
Interest Income[6]	2,013,687	5,893,996	6,055,559	3,940,163	3,275,977
Other Revenue[7]	13,856,187	18,465,827	13,628,300	13,377,124	8,161,378
Total Revenues	$ 138,090,501	$ 155,478,860	$ 161,468,966	$ 172,350,409	$ 179,970,359
Operation and Maintenance Costs					
Source of Supply[8]	$ 10,517,669	$ 11,108,816	$ 11,632,181	$ 12,213,791	$ 12,824,480
Pumping, Wells & Storage[9]	15,609,579	17,999,123	19,510,225	21,635,556	23,962,219
Water Quality, Treatment & Maintenance[10]	12,500,464	14,093,165	15,283,884	15,927,198	16,597,936
Transmission and Distribution[11]	9,893,411	11,151,577	11,377,167	11,893,010	12,432,771
Customer Care[12]	2,775,795	3,068,214	3,143,402	3,259,053	3,379,098
Management [13]	3,824,886	3,094,046	4,210,276	3,539,114	4,501,949
Engineering[14]	3,784,674	4,484,004	3,699,025	3,842,268	3,991,066
Finance, Administration & IT[15]	18,351,844	23,917,379	25,773,077	26,391,226	27,625,153
Water Resources[16]	7,813,278	11,380,616	11,678,620	12,120,675	12,579,491
Total Operation and Maintenance Costs	$ 85,071,599	$ 100,296,940	$ 106,307,857	$ 110,821,890	$ 117,894,165
Plus/Minus Transfers from the Rate Stabilization Fund[17]	-	-	-	-	-
Net Revenues Available for Senior Debt Service[18]	$ 31,773,451	$ 30,952,265	$ 31,676,548	$ 32,417,779	$ 33,176,355
Senior Debt Service					
1999 Installment Payments[19]	$ 10,445,000	$ 10,445,000	$ 10,445,000	$ 10,445,000	$ 10,445,000
Senior Debt Service Coverage[20]	3.04	2.96	3.03	3.10	3.18
Net Revenues Available for 2018A Installment Payments[21]	$ 21,328,451	$ 20,507,265	$ 21,231,548	$ 21,972,779	$ 22,731,355
2018A Installment Payments[22]	976,975	$ 1,618,038	$ 1,614,541	$ 1,614,706	$ 1,613,856
2018A Installment Payments Debt Service Coverage[23]	21.83	12.67	13.15	13.61	14.09
Net Revenues Available for Parity Debt Service[24]	$ 41,596,926	$ 43,118,882	$ 43,101,568	$ 49,468,813	$ 50,017,338
Parity Debt Service					
2020 Installment Payments	$ 21,595,945	$ 21,703,962	$ 21,852,139	$ 21,950,888	$ 22,107,605
2023 Installment Payments[25]	-	1,505,821	3,133,500	3,133,500	3,133,500
SWRCB Loan[26]	-	-	-	273,995	273,995
2024 WIFIA Installment Payments[27]	-	-	-	-	-
2026 Bonds[28]	-	-	-	-	1,725,000
Total Parity Debt Service	$ 21,595,945	$ 23,209,783	$ 24,985,639	$ 25,358,383	$ 27,240,100
Parity Debt Service Coverage[29]	1.93	1.86	1.73	1.95	1.84
Total Debt Service Coverage[30]	1.61	1.56	1.49	1.64	1.58
Revenues Available for Other Purposes	$ 20,000,981	$ 19,909,100	$ 18,115,929	$ 24,110,430	$ 22,777,238

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(1) Reflects actual unaudited results for the first six months of Fiscal Year 2023 and projected estimates for the remaining six months of Fiscal Year 2023.

(2) Totals may not add due to rounding

(3) Includes sale of SWP water, recycled water, groundwater, and certain other water. Assumes an increase in the rates and charges for water service of 6.5% in Fiscal Years 2023 and 2024, 10.5% in Fiscal Year 2025, 10.0% in Fiscal Year 2026 and 9.0% in Fiscal Year 2027, as reflected in the projected Revenues from retail water sales summarized in Table 5. See the caption "THE WATER SYSTEM – Projected Retail Water and Water Sales Revenues." In addition, amounts include the sales to District No. 36 of approximately $292,344 in Fiscal Year 2023, approximately $306,698 in Fiscal Year 2024, approximately $315,901 in Fiscal Year 2025, approximately $325,378 in Fiscal Year 2026 and approximately $335,140 in Fiscal Year 2027. The increase in Fiscal year 2024 is attributable to a projected increase in grant and reimbursement

revenues. The Agency projects receipts of grant and reimbursement proceeds based on the estimated date on which such amounts will received. The amounts of such grants and reimbursement can vary significantly from year to year.

(4) Includes Facility Capacity Fee revenues and other miscellaneous fees. Reflects projected Agency Facility Capacity Fee revenues summarized in Table 11. Facility Capacity Fee revenues for Fiscal Year 2023 are projected to be significantly lower than Facility Capacity Fee revenues received in Fiscal Year 2022. The Agency attributes the decrease to lower development activity in the Water Service Areas due to the effects of governmental actions taken in response to COVID-19, increases in inflation and the unavailability of materials due to global supply chain disruption See the caption "THE WATER SYSTEM—Facility Capacity Fees." Other charges and services revenue is projected to decrease by approximately 83% in Fiscal Year 2023 as compared to Fiscal Year 2022 due to a decrease in Facility Capacity Fee revenues. Other charges and services revenue is projected to decrease in Fiscal Year 2024 by 13%, increase in Fiscal Year 2025 by 16% and increase by 4% in each of Fiscal Years 2026 and 2027. The projected decrease in Fiscal Year 2024 is attributable to a decline in Facility Capacity Fee revenues. The increase in Fiscal Year 2025 is attributable to a projected increase in Facility Capacity Fee revenues.

(5) Reflects projected Agency share of revenues from the 1% *ad valorem* property tax levy. See the caption "THE WATER SYSTEM—Agency Revenue Derived From Property Taxes." 1% Property Taxes revenues are projected to increase by approximately 6.7% in Fiscal Year 2023 as compared to Fiscal Year 2022. 1% Property Taxes revenues are projected to decrease in Fiscal Year 2024 by 2.6% and increase by 2.3% per annum for Fiscal Years 2025 through 2027.

(6) Assumes earnings on each Fiscal Year's estimated average cash balance, which is calculated on reserve fund balances in conformance with Agency policy. Assumes returns of 1.50% for Fiscal Year 2023, 3.97% for Fiscal Year 2024, 3.84% for Fiscal Year 2025 and 3.50% for each of Fiscal Years 2026 and 2027. Amounts also include repayments related to the 2018A Installment Payments. Amounts exclude interest earned on debt service reserve funds and financing proceeds funds and unrealized gains on investments.

(7) Includes communication lease revenues, laboratory fees, intergovernmental revenues, other miscellaneous revenues, and grants and reimbursements, including capital projects and operations and maintenance costs reimbursed pursuant to the Perchlorate Contamination Settlement. Other revenues are projected to increase by approximately 232.0% in Fiscal Year 2023 as compared to Fiscal Year 2022 due to increases in annexation reimbursements, operations and maintenance costs reimbursed pursuant to the Perchlorate Contamination Settlement and certain grant and reimbursement revenues. Other revenues are projected to increase in Fiscal Year 2024 by 33.3%, decrease in Fiscal Year 2025 by 26.2%, decrease in Fiscal Year 2026 by 1.8% and decrease by 39.0% in Fiscal Year 2027. The increase in Fiscal year 2024 is attributable to a projected increase in grant and reimbursement revenues. The decreases in Fiscal Years 2025 through 2027 are attributable to projected decreases in annexation reimbursements, operations and maintenance costs reimbursed pursuant to the Perchlorate Contamination Settlement and other grant and reimbursement revenues. The Agency projects receipts of grant and reimbursement proceeds based on the estimated date on which such amounts will received. The amounts of such grants and reimbursement can vary significantly from year to year.

(8) Source of Supply costs are projected to increase by approximately 19.0% in Fiscal Year 2023 as compared to Fiscal Year 2022 due to increases in the costs of core water supplies and Agency water supply firming programs. Source of Supply costs are projected to increase in Fiscal Year 2024 by 5.6%, increase in Fiscal Year 2025 by 4.7%, increase in Fiscal Year 2026 by 5.0% and increase by 5.0% in Fiscal Year 2027. The increases are attributable to the annual increases in core water supplies and water supply firming programs.

(9) Pumping, Wells and Storage costs are projected to increase by approximately 16.3% in Fiscal Year 2023 as compared to Fiscal Year 2022 due to increases in PFAS treatment facilities costs, purchase power rate increases, inflation rate increases, material and supplies cost increases. Pumping, Wells and Storage increases are projected to increase in Fiscal Year 2024 by 5.6%, increase in Fiscal Year 2025 by 4.7%, increase in Fiscal Year 2026 by 5.0% and increase by 5.0% in Fiscal Year 2027. The increases are attributable to the projected cost increases for costs of equipment, costs of maintenance and repair of PFAS treatment facilities, wells, groundwater perchlorate treatment facilities and electricity costs.

(10) Water Quality, Treatment and Maintenance costs are projected to increase by approximately 3.7% in Fiscal Year 2023 as compared to Fiscal Year 2022 due to increases to the costs of equipment, supplies and employee costs. Water Quality, Treatment and Maintenance costs are projected to increase in Fiscal Year 2024 by 12.7%, increase in Fiscal Year 2025 by 8.4%, increase in Fiscal Year 2026 by 4.2% and increase by 4.2% in Fiscal Year 2027. The increases are attributable to the projected cost increases for costs of Agency consultants, maintenance and repair of treatment plans and intake pump stations, chemical costs and regulatory fees.

(11) Transmission and Distribution costs are projected to decrease by approximately 19.9% in Fiscal Year 2023 as compared to Fiscal Year 2022 due to decreases to the costs of maintenance and repair of certain Agency facilities. Transmission and Distribution costs are projected to increase in Fiscal Year 2024 by 12.7%, increase in Fiscal Year 2025 by 2.0%, increase in Fiscal Year 2026 by 4.5% and increase by 4.5% in Fiscal Year 2027. The increases are attributable to the projected cost increases for costs of Agency consultants, maintenance and repair of hydrants, control valves and other equipment, increases in the cost of natural gas and employee overtime.

(12) Customer Care costs are projected to decrease by approximately 1.8% in Fiscal Year 2023 as compared to Fiscal Year 2022. Customer Care costs are projected to increase in Fiscal Year 2024 by 10.5%, increase in Fiscal Year 2025 by 2.5%, increase in Fiscal Year 2026 by 3.7% and increase by 3.7% in Fiscal Year 2027. The increase projected in Fiscal Year 2024 is attributable to the projected employee cost increases.

(13) Management costs are projected to decrease by approximately 4.2% in Fiscal Year 2023 as compared to Fiscal Year 2022. Management costs are projected to decrease in Fiscal Year 2024 by 19.1%, increase in Fiscal Year 2025 by 36.1%, decrease in Fiscal Year 2026 by 15.9% and increase by 27.2% in Fiscal Year 2027. The change in Management costs in Fiscal Years 2024 through 2027 is due primarily to election costs relating to Board of Directors elections occurring in Fiscal Years 2023, 2025 and 2027.

(14) Engineering costs are projected to decrease by approximately 8.0% in Fiscal Year 2023 as compared to Fiscal Year 2022 due to projected decreases in engineering consulting costs. Engineering costs are projected to increase in Fiscal Year 2024 by 18.5%, decrease in Fiscal Year 2025 by 17.5%, increase in Fiscal Year 2026 by 3.9% and increase by 3.9% in Fiscal Year 2027. The projected increase in Fiscal Year 2024 is attributable to an increase in engineering consulting costs due to preparation of Agency's master capital plan. The projected decrease in Fiscal Year 2026 is attributable to a reduction in engineering consulting costs.

(15) Finance Administration and Information Technology costs are projected to increase by approximately 15.8% in Fiscal Year 2023 as compared to Fiscal Year 2022. Finance Administration and Information Technology costs are projected to increase in Fiscal Year 2024 by 30.3%, increase in Fiscal Year 2025 by 7.8%, increase in Fiscal Year 2026 by 2.4% and increase by 4.7% in Fiscal Year 2027. The projected increase in Fiscal Year 2024 is attributable to increases in employee costs, security and alarms services and refuse disposal costs. Projected increases in Fiscal Years 2023 and 2024 are attributed to an increase in Technology Services including the expansion of software applications used by customer care, anticipated maintenance of an Agency-wide camera system, and additional security services.

(16) Water Resources costs are projected to increase by approximately 33.1% in Fiscal Year 2023 as compared to Fiscal Year 2022 due to costs associated with the Agency's groundwater sustainability agency and the BMP implementation. Water Resources costs are projected to increase in Fiscal Year 2024 by 45.7%, increase in Fiscal Year 2025 by 2.6%, increase in Fiscal Year 2026 by 3.8% and increase by 3.8% in Fiscal Year 2027. The projected increase in Fiscal Year 2024 is attributable to increases in employee costs, costs associated with the groundwater sustainability agency and consultant costs. Projected increases in Fiscal Years 2023 and 2024 are attributed to work deferred from Fiscal Year

2022 and 2023 which includes planning components for conservation long-term framework and sustainability initiatives. Such work also includes staffing additional department positions, increased employee-related expenses and benefits, training, and employee travel.

(17) The Agency does not anticipate transferring amounts to or from the Rate Stabilization Fund.

(18) Comprised of a portion of the Total Revenues, consisting generally of the facility capacity fees, the 1% Property Taxes and certain other revenues attributable to the historic wholesale water system, less a portion of Total Operation and Maintenance Costs that is attributable to said historic wholesale water system, plus any transfers from the Rate Stabilization Fund or less any transfers to the Rate Stabilization Fund. Amount does not include revenues or operation and maintenance costs attributable to the Agency's retail operations which are excluded from such calculation by the terms of the 1999 Installment Purchase Agreement.

(19) The Agency executed and delivered the 1999 Certificates, which are secured by the 1999 Installment Payments, in the currently outstanding principal amount of approximately $67,061,078 (adjusted for the accreted value of capital appreciation certificates as of February 1, 2023). The first payment of principal of and interest on the outstanding 1999 Certificates, which are capital appreciation certificates, was due in Fiscal Year 2022. While the 1999 Certificates are payable from the facility capacity fees, the Agency share of revenues from the 1% *ad valorem* property tax levy and certain other revenues attributable to the historic wholesale water system, less certain operation and maintenance costs attributable to said historic wholesale water system, 1% Property Taxes are projected to be applied to the payment of the 1999 Certificates in accordance with the Depository Agreement and the Agency expects such 1% Property Taxes to be sufficient to pay the entire amount of the 1999 Installment Payments.

(20) Coverage calculated as Net Revenues Available for Senior Debt Service divided by the 1999 Installment Payments.

(21) Calculated as Net Revenues Available for Senior Debt Service less the 1999 Installment Payments. Amount does not include revenues or operation and maintenance costs attributable to the Agency's retail operations which are excluded from such calculation by the terms of the 2018A Installment Purchase Agreement.

(22) While the 2018A Installment Payments are payable from all facility capacity fees, the Agency share of revenues from the 1% *ad valorem* property tax levy and certain other revenues attributable to the historic wholesale water system, less certain operation and maintenance costs of said historic wholesale water system after the payment of the 1999 Installment Payments, 1% Property Taxes are projected to be applied to the payment of the 2018A Installment Payments in accordance with the Depository Agreement and the Agency expects such 1% Property Taxes to be sufficient to pay the entire amount of the 2018A Installment Payments. Pursuant to the terms of the Installment Purchase Agreement, 1% Property Taxes remaining after being applied to the 1999 Installment Payments are to be applied first to the payment of the 2018A Installment Payments and then to the 2020 Installment Payments.

(23) Coverage calculated as Net Revenues Available for 2018A Installment Payments divided by the 2018A Installment Payments.

(24) Calculated as Total Revenues, less Total Operation and Maintenance Costs, plus any transfers from the Rate Stabilization Fund or less any transfers to the Rate Stabilization Fund, less the 1999 Installment Payments and less 2018A Installment Payments.

(25) Projected at an all-in true interest cost of 3.17% and a principal amount of $63,715,000.

(26) The SWRCB Loan is projected to have an interest rate of 0% loan and a projected principal amount of $8,200,000.

(27) The 2024 WIFIA is projected to have an interest rate of 4.5% and a principal amount of $266.4 million.

(28) Projected at an all-in true interest cost of 5.00% and a principal amount of $34,500,000.

(29) Coverage calculated as Net Revenues Available for Debt Service divided by Total Parity Debt Service.

(30) Coverage calculated as Total Revenues less Total Operation and Maintenance Costs, plus any transfers from the Rate Stabilization Fund or less any transfers to the Rate Stabilization Fund, divided by the sum of the 1999 Installment Payments, 2018A Installment Payments and Total Parity Debt Service.

Source: Agency.

Retirement Benefits

Pension Plan. CLWA and NCWD maintained cost-sharing multi-employer defined benefit pension plans administered by the California Public Employees Retirement System ("CalPERS"). Pursuant to the Agency Law, the Agency is the successor to CLWA and NCWD for the purpose of providing continuation of membership and will succeed to the assets and liabilities with respect to their pension plans administered by CalPERS.

All qualified permanent and probationary employees of the Agency, including employees of the former VWC and NCWD who became Agency employees, are eligible to participate in Agency's separate Miscellaneous Employee Pension Plans (the "Plans"), cost-sharing multi-employer defined benefit pension plans administered by CalPERS. Benefit provisions under the Plans are established by State statute and Agency resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan groups are as follows:

Classic Members - employees hired before January 1, 2013, are enrolled in the CalPERS Local Miscellaneous 2% at 55 Plan.

New Members - in accordance with the California Public Employees' Pension Reform Act of 2013 ("PEPRA"), employees hired on or after January 1, 2013, are enrolled in the CalPERS Local Miscellaneous 2.0% at 62 Plan.

The Plan's provisions and benefits in effect on June 30, 2023, are summarized as follows:

	Miscellaneous Pool	
	Classic	***PEPRA***
	Prior to	On or after
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	
Benefit payments	Monthly for life	
Retirement age	50-55	52-62
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.00%	7.25%
Required employer contribution rates	11.600%	7.730%

Contributions. Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of change in the rate. Funding contributions for both Plans are determined annually on actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2022, the contributions recognized as part of pension expense for the Plan were as follows:

	2022
Contributions - Employer	$ 2,975,440

Net Pension Liability. As of June 30, 2022, the Agency reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	2022
Proportionate share of net pension liability	$ 7,367,113

The Agency's net pension liability for the Plan is measured as a proportionate share of the net pension liability. The net pension liability of the plan is measured as of June 30, 2021 (the measurement date), and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 (the valuation date), rolled forward to June 30, 2021, using standard update procedures. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Actuarial Assumptions. The total pension liabilities were determined by actuarial valuation reports as of June 30, 2020, which were rolled forward to June 30, 2021, using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Investment Rate of Return	7.15 Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefits	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies 2.50% thereafter

* * The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

For additional information with respect to the Agency's pension plans as of June 30, 2022, including but not limited to the deferred pension outflows and inflows of resources, changes in assumptions used to determine pension liabilities, the discount rate used to measure the Agency's total pension liability, and the sensitivity of the Agency's proportionate share of the net pension liability to changes in the discount rate related to the pension plans, see Note 6 of the Agency's Annual Financial Report attached to the Official Statement as Appendix B.

Other Post-Employment Benefits. The Agency provides other post-employment benefits ("OPEB") to qualified employees who retire from the Agency and meet the Agency's vesting requirements. The Agency participates in CalPERS California Employer's Retiree Benefit Trust Program ("CERBT"), a Prefunding Plan trust fund intended to perform an essential government function within the meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer plan. CalPERS CERBT audited financial report may be obtained from their executive Office: 400 P Street, Sacramento, California 95814. The Agency has set aside funds to cover retiree health liabilities in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act ("PEMCHA"). Under PEMCHA, the Agency is obligated to contribute toward the cost of retiree medical coverage for all employees who retire from the Agency for the retiree's lifetime or until CalPERS medical coverage is discontinued.

All employees who retire from the Agency who are eligible to continue coverage in retirement will receive a medical benefit not less than the required PEMCHA minimum employer contribution ("MEC"). MEC benefits continue to a covered surviving spouse as well, if eligible for survivor benefits under the retirement program. The MEC was $149 per month in 2022, and is $151 per month in 2023.

All Agency retirees are also eligible for 100% paid dental premiums for the retiree and his or her eligible covered dependents for the retiree's lifetime. Additional retiree medical benefits are payable in the following circumstances, which vary based on the retiree's employment date with the Agency or predecessor agency (CLWA or NCWD).

For retirees hired before January 1, 2009, the Agency pays 100% of the medical premium for the retiree and any enrolled dependents, up to but not exceeding 90% of the PERS most expensive basic plan premium in the Los Angeles Region 3 for the coverage level selected by the retiree (e.g., single, two-party or family).

For retirees hired on or January 1, 2009, the Agency pays 100% of the medical premium for the retiree and any enrolled dependents, up to but not exceeding a vested percentage of 90% of the PERS most expensive basic plan premium in the Los Angeles Region 3 for the coverage level selected by the retiree (e.g., single, two-party or family). The vested percent is based on all years of CalPERS membership, but requires at least 5 years of service with the Agency.

Employee Covered By Benefit Terms. On June 30, 2022, the following employees were covered by the benefit terms:

	2023
Participating active employees	209
Retiree employees	66
Total plan membership	275

Actuarial Assumptions. The Agency's total OPEB liability in the June 30, 2020 actuarial valuation, which was measured on June 30, 2022, was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Fiscal year Ending	June 30, 2023
Measurement Date	June 30, 2022
Valuation Date	June 30, 2022
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market Value of Assets
Long Term Return on Assets	6.15% as of June 30, 2022, and June 30, 2023
Discount Rates	6.15% as of June 30, 2022, and June 30, 2023
Participant Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary Increase	3 0% per year; since benefits do not depend on pay, this is used only to allocate the cost of benefits between service years and to develop the amortization payment portion of the Actuarially Determined Contributions
General Inflation Rate	2.5% per year.

Demographic actuarial assumptions used in this valuation are based on the 2014 experience study of the CalPERS using data from 1997 to 2011.

For additional information with respect to the Agency's post-employment benefits, including but not limited to the discount rate used to measure the Agency's total OPEB liability, changes in the Agency's OPEB liability during Fiscal Year 2022, the sensitivity of the Agency's net OPEB liability to changes in the discount rate, the sensitivity of the Agency's net OPEB liability to changes in the health care cost trend rates, the recognition of deferred outflows and deferred inflows of resources and the OPEB expense and deferred outflows/inflows of resources related to OPEB see Note 7 of the Agency's Annual Financial Report attached to the Official Statement as Appendix B.

Litigation

Except as otherwise described in this Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to the knowledge of the Agency, threatened against the Agency affecting the existence of the Agency or the titles of its officers to their respective offices or seeking to restrain or to enjoin the sale or issuance of the 2023 Bonds, the application of the proceeds thereof in accordance with the Indenture, or in any way contesting or affecting the action of the Agency contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the Agency or its authority with respect to the 2023 Bonds or any action of the Agency contemplated by any of said documents. As described below, there is a lawsuit against the Agency, as the successor to CLWA and NCWD, which is incidental to the ordinary course of operations of the Water System. There are also lawsuits that may impact the provision of State Water Project water to State Water Project contractors, which include the Agency.

Delta Litigation. Various legal actions have been filed, and are anticipated to be filed, involving the conveyance of water through the Delta by DWR via the State Water Project and by the United States Bureau of Reclamation ("Reclamation") via the Central Valley Project ("CVP"). The legal actions include, among others, the following: *Pacific Coast Federation of Fisherman's Association, et al. v. Ross* (U.S. Magistrate Judge Boone presiding, Case No. 1:20-CV-00431-DAD-SAB) ("*PCFFA v. Ross*"), and *California Natural Resources Agency, et al. v. Ross* (U.S. Magistrate Judge Oberto presiding, Case No. 1:20) ("*CNRA v. Ross"*). Both of these cases, described in more detail below, were transferred to the United States District Court for the Eastern District of California where they have not yet proceeded to the merits. The cases have been coordinated.

Both *PCFFA v. Ross* and *CNRA v. Ross* were brought against the United States Fish and Wildlife Service ("FWS"), the National Marine Fisheries Service ("NMFS") and Reclamation alleging violation under the Administrative Procedure Act ("APA"), the Endangered Species Act ("ESA") and the National Environmental Policy Act ("NEPA"). The actions arise from the Biological Opinions ("BO") and associated permits issued by the FWS and NMFS under the ESA for the long-term, coordinated operations of the CVP and the State Water Project, and Reclamation's reliance upon those opinions and permits. For the last decade, the State Water Project and CVP operations have been controlled by a pair of BOs issued in 2008 and 2009 by FWS and NMFS, respectively, and their reasonable and prudent alternatives ("RPAs"). In 2016, DWR and Reclamation reinitiated consultation with the FWS and NMFS based, in part, on new information related to multiple years of drought. DWR and Reclamation worked to refine operations of the State Water Project and CVP to reflect water quality regulations, existing ESA restrictions, updated hydrology, developing scientific data, and enhanced real-time monitoring capacity. In January of 2019, Reclamation issued a Biological Assessment that proposed a new long-term operating plan that would control through 2030. On July 1, 2019, NMFS released a draft BO that found the proposed plan would cause jeopardy and included a RPA. DWR and Reclamation continued to work with the FWS and NMFS to refine the proposed operations to prevent jeopardy, and, on October 21, 2019, both FWS and NMFS issued new BOs that concluded that the long-term operations plan would not cause jeopardy. On February 19, 2020, Reclamation completed its NEPA review of the long-term operating plan and issued a Record of Decision adopting the October 2019 BOs. *PCFFA v. Ross* and *CNRA v. Ross,* which are cases challenging these decisions, are described in more detail below.

PCFFA v. Ross and CNRA v. Ross. On December 2, 2019, a group of six environmental organizations filed an action on in the United States District Court for the Northern District of California. The environmental groups claim that NMFS and FWS violated the APA in reaching no jeopardy conclusions in the October 2019 BOs. The environmental groups also allege that Reclamation violated the ESA by relying on the BOs and that Reclamation failed to comply with NEPA in issuing its Record of Decision.

On February 20, 2020, the California Natural Resources Agency, the California Environmental Protection Agency and the California Attorney General filed suit against NMFS, FWS and Reclamation in the Northern District. The complaint alleges that FWS and NMFS's preparation and adoption of the October 2019 BOs violated the ESA and APA and that Reclamation failed to comply with NEPA and the APA before adopting its Record of Decision. These two cases have been coordinated and transferred to the Eastern District. The State Water Contractors and other parties have intervened as defendants in the case.

On October 1, 2021, the federal agencies announced the re-initiation of consultation. On November 23, 2021, Federal Defendants and State Plaintiffs filed separate motions both seeking implementation of a one-year Interim Operations Plan ("IOP") and on March 11, 2022, the Court issued a 122-page opinion adopting the IOP as a consent decree through September 30, 2022. The Court declined to vacate the cases and maintained jurisdiction but stayed proceedings until the expiration of the IOP. 2022. On August 23, 2022, the State and Feds circulated a proposed IOP for 2022-2023, with nearly identical terms to the previous IOP. On February 24, 2023, the court issued an order adopting the new proposed IOP, which will be in effect until December 31, 2023. Reinitiating of consultation is continuing.

DWR must also obtain permits for the State Water Project from the California Department of Fish and Wildlife ("CDFW") pursuant to the California Endangered Species Act ("CESA"). In 2009, CDFW issued consistency determinations concluding that the 2008 and 2009 BO protections for state-protected species also satisfied CESA requirements. In early 2019, while developing its new long-term operating plan, DWR announced its intent to apply to CDFW for a separate CESA incidental take permit, not a consistency determination. On March 27, 2020, DWR certified an environmental impact report describing its new long-term operation plan, and on March 31, 2020, CDFW issued an incidental take permit ("ITP") imposing additional restrictions on State Water Project operations.

State Water Contractors v. CDFW/DWR. On April 28, 2020, the State Water Project contractors and the Kern County Water Agency filed suit against DWR and CDFW challenging the ITP on CESA and CEQA grounds in Fresno County (Case No. 20CECG0132).

Metropolitan Water District v. CDFW/DWR. The Metropolitan Water District of Southern California and Mojave Water Agency filed a similar lawsuit against DWR and CDFW challenging the ITP on CESA and CEQA grounds on April 28, 2020, that also included a breach of contract claim against DWR in Fresno County (Case No. 20CECG01347).

In addition, six additional lawsuits have been filed challenging the ITP, including three cases brought by environmental groups, and multiple venues are involved. The cases have been coordinated and the administrative record is still being finalized.

The Agency cannot predict the outcome of these Delta-related cases. However, the Agency believes that any new decision or order by a State or Federal court related to one or more of the above-described BOs and leading to adverse decisions reducing State Water Project supplies would not have a material impact on the Agency's ability to make the Series 2023 Installment Payments (and to pay debt service on other Contracts and Bonds).

DWR disclosure documents and annual reports filed by DWR pursuant to Rule 15c2-12 with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at http://emma.msrb.org/, should be reviewed for information pertaining to the above-described Delta-related cases. DWR has not entered into any contractual commitment with the Agency, the Trustee or the Owners of the 2023 Bonds to provide such information to the Agency or the Owners of the 2023 Bonds. None of the Agency, the Municipal Advisor or the Underwriter assumes any responsibility for the accuracy of such disclosures.

Roberts v. Coachella Valley Water District. On March 14, 2023, the Superior Court of the State of California, County of Riverside rendered a decision in case involving the levy, collection and application of local property taxes levied by the Coachella Valley Water District ("CVWD") pursuant to CVWD's State Water Project contract. In *Roberts v. Coachella Valley Water District* (Case No. RIC1825310 MF) (the "CVWD Case"), the initial plaintiff and then the Howard Jarvis Taxpayers Association, who was substituted for the initial plaintiff, filed a series of cases against the Coachella Valley Water District ("CVWD") challenging the levy, collection and application of local property taxes levied by CVWD pursuant to CVWD's State Water Project contract (the "CVWD Case"). In the CVWD Case, the plaintiff claimed that (i) CVWD levied the State Water Project property tax without first making a determination that such taxes were necessary as required by Water Code Section 11652 and the SWP contract, (ii) CVWD failed to keep a separate accounting of State Water Project funds in violation of the Water Code and the Government Code and (iii) that the State Water Project property taxes collected by

CVWD were used for purposes other than State Water Project expenses in violation of Propositions 12, 218 and 26.

With respect to the plaintiff's challenge of CVWD's levy of the State Water Project property taxes, the court found that (1) CVWD is not authorized to levy taxes to pay its State Water Project contract obligations unless it is necessary to levy such taxes, (2) it is "necessary" only when it is not feasible to raise sufficient funds to satisfy those obligations by user charges alone, and (3) CVWD exercises its discretion when deciding the issue of feasibility. The court determined that CVWD's finding of necessity with respect to the levy the property tax was not supported by evidence that paying its State Water Project contract obligations from charges for water was infeasible. As a result, the court found that CVWD abused its discretion in levying the State Water Project property tax.

The court also found that the State Water Project property tax was not used exclusively for State Water Project expenses by CVWD and that for a period of time, CVWD had failed to keep State Water Project funds separate from other funds, having commingled State Water Project property tax proceeds with other revenues collected by CVWD. The case is now in the remedies phase. It is expected CVWD will appeal the trial court's decision.

The Agency's levy of the State Water Project property tax and the Agency's expenditure of the State Water Project property tax on State Water Project expenses has not been challenged to date. The Agency does not commingle State Water Project property tax proceeds with other Agency Revenues and accounts for such State Water Project property tax proceeds separately from other Agency Revenues. In addition, the Agency has expended State Water Project property tax on State Water Project expenses that the Agency believes are permitted to be paid with the State Water Project property tax. As a result, the Agency does not currently expect that the outcome of the CVWD Case will have a material adverse impact on the Agency's current practice of levying the State Water Project property tax and the application by the Agency of the State Water Project property tax on State Water Project expenses. The decision of the court in the CVWD Case is subject to appeal and the Agency cannot predict the ultimate outcome of the CVWD Case.

Execution and Delivery

The execution and delivery of this Appendix have been duly authorized by the Agency.

SANTA CLARITA VALLEY WATER AGENCY

By: ____________________________________
President

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE AGENCY FOR FISCAL YEAR ENDING JUNE 30, 2022 INCLUDING THE AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

APPENDIX C

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

The following is a summary of certain provisions of the Installment Purchase Agreement and the Indenture which are not described elsewhere. This summary does not purport to be comprehensive and reference should be made to the respective agreement for a full and complete statement of the provisions thereof.

[TO BE INSERTED BY BOND COUNSEL]

APPENDIX D

FORM OF LEGAL OPINION

Upon the initial issuance of the 2023 Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion in substantially the following form:

August __, 2020

Upper Santa Clara Valley Joint Powers Authority
27234 Bouquet Canyon Road
Santa Clarita, California 91350

Re: $__________Upper Santa Clara Valley Joint Powers Authority Revenue Bonds, Series 2023A

Members of the Board of Directors:

We have acted as Bond Counsel to the Upper Santa Clara Valley Joint Powers Authority (the "Authority") in connection with the issuance of $____ aggregate principal amount of Revenue Bonds, Series 2023A (the "2023 Bonds"). The 2023 Bonds have been issued by the Authority pursuant to the terms of the Indenture of Trust, dated as of May 1, 2023 (the "Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

The 2023 Bonds are limited obligations of the Authority payable solely from Revenues (as such term is defined in the Indenture), consisting of payments (the "Series 2023 Installment Payments") to be made by the Santa Clarita Valley Water Agency (the "Agency") to the Authority pursuant to an Installment Purchase Agreement, dated as of May 1, 2023, by and between the Agency and the Authority.

In connection with our representation we have examined a certified copy of the proceedings relating to the 2023 Bonds. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigations.

Based upon the foregoing and after examination of such questions of law as we have deemed relevant in the circumstances, but subject to the limitations set forth herein, we are of the opinion that:

1. The proceedings of the Authority show lawful authority for the issuance and sale by the Authority of the 2023 Bonds under the laws of the State of California now in force, and the Indenture has been duly authorized, executed and delivered by the Authority, and, assuming due authorization, execution and delivery by the Trustee, as appropriate, the 2023 Bonds and the Indenture are valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms.

2. The obligation of the Authority to make the payments of principal and interest on the 2023 Bonds from Revenues (as such term is defined in the Indenture) is an enforceable obligation of the Authority and does not constitute an indebtedness of the Authority in contravention of any constitutional or statutory debt limit or restriction.

3. Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the 2023 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, for tax years beginning after December 31, 2022, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), interest (and original issue discount) with respect to

the Bonds might be taken into account in determining adjusted financial statement income for the purposes of computing the alternative minimum tax imposed on such corporations.

4. Interest on the 2023 Bonds is exempt from State of California personal income tax.

5. The difference between the issue price of a 2023 Bond (the first price at which a substantial amount of the 2023 Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity (to the extent that such issue price is lower than the stated redemption price at maturity) with respect to such 2023 Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a 2023 Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the 2023 Bond Owner will increase the 2023 Bond Owner's basis in the 2023 Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of a 2023 Bond is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

6. The amount by which a 2023 Bond Owner's original basis for determining loss on sale or exchange in the applicable 2023 Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable 2023 Bond premium, which must be amortized under Section 171 of the Code by 2023 Bond Owners. Such amortizable bond premium reduces the 2023 Bond Owner's basis in the applicable 2023 Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of 2023 Bond premium may result in a 2023 Bond Owner realizing a taxable gain when a 2023 Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the 2023 Bond to the Owner.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the 2023 Bonds are based upon certain representations of fact and certifications made by the Authority and others and are subject to the condition that the Authority complies with all requirements of the Code that must be satisfied subsequent to issuance of the 2023 Bonds to assure that interest (and original issue discount) on the 2023 Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest on the 2023 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2023 Bonds. The Authority has covenanted to comply with all such requirements.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the 2023 Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to the 2023 Bonds if any such action is taken or omitted based upon the opinion or advice of counsel other than ourselves. Other than expressly stated herein, we express no other opinion regarding tax consequences with respect to the 2023 Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. We call attention to the fact that the rights and obligations under the Indenture and the 2023 Bonds are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California.

By delivering this opinion, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the Bonds, the Indenture or the Installment Purchase Agreement, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the Indenture or the Installment Purchase Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on any assets thereunder.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the 2023 Bonds or other offering material relating to the 2023 Bonds and expressly disclaim any duty to advise the owners of the 2023 Bonds with respect to matters contained in the Official Statement.

Respectfully submitted,

APPENDIX E

DTC AND BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the Authority, the Agency and the Underwriter believe to be reliable, but neither the Authority, the Agency nor the Underwriter takes any responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the 2023 Bonds, payment of principal, premium, if any, accreted value, if any, and interest with respect to the 2023 Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the 2023 Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the 2023 Bonds. The Bonds will be executed and delivered as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond will be executed and delivered for each annual maturity of the 2023 Bonds, each in the aggregate principal amount of such annual maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated AA+ by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2023 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2023 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the 2023 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2023 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2023 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the 2023 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2023 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2023 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Bond Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bond by causing the Direct Participant to transfer the Participant's interest in the 2023 Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the 2023 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the 2023 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical Bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

Upon issuance of the 2023 Bonds, the Agency proposes to enter into a Continuing Disclosure Certificate in substantially the following form:

[TO BE INSERTED BY BOND COUNSEL]

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Preliminary Official Statement (POS) for Issuance of the 2023A Revenue Bond

Finance & Administration Committee
June 19, 2023

SCV WATER

Tasks Completed to Date

February 2023
- Reviewed financial forecast and rate plans
- Assumptions from FY 2023 Budget

March 2023
- New PFAS regulations announced by the EPA
- Agency worked on FY 2024 Budget

April 2023
- Board approved 2023 Bonds legal documents

June 2023
- Finance Committee reviews POS
- Updated assumptions

Note: Board will review substantially final POS at its Board Meeting on July 18, 2023

Updated Assumptions

Capital

- Following announcement of new PFAS regulations, Engineering added ~$160 million in additional treatment improvements

O&M

- Additional PFAS operations are projected to cost up to $6.1 million annually over next five years

Rates

- Additional costs may require higher rates than previously reviewed (early rate increases up to 12% annually)
- Agency has opportunity to smooth out rates by approving rates one year earlier (effective July 1, 2024) to possibly reduce early rate increases to 10%, down to 4% by the end of the 10-year forecast period

2023A Bonds

- Agency has opportunity to minimize interest expense on its bond financing by structuring 2023 Bonds over 13-year term

2023A Revenue Bonds	30-Year Term	15-Year Term	13-Year Term
Project Amount	$75,000,000	$75,000,000	$75,000,000
All-in True Interest Cost	4.32%	3.32%	3.05%
Final Maturity	8/1/2053	8/1/2038	8/1/2036
Maximum Annual Debt Service	$11,977,125	$12,161,625	$15,344,250
Average Annual Debt Service	$5,098,296	$6,907,265	$7,551,201
Gross Debt Service	$152,849,772	$103,474,672	$98,018,795
WIFIA Loan Interest Rate	3.90%	3.90%	3.90%
WIFIA Gross Debt Service	$658,274,636	$654,850,155	$649,596,999
Total Gross Debt Service Savings		**$52,799,581**	**$63,508,614**

Notes:
Preliminary, subject to change. Based on market conditions as of June 5, 2023.
Reflects financing of $75 million in project costs.
Assumes standard 10-year par call. There is an opportunity to review earlier call features.
WIFIA Loan has flexible terms and can be wrapped around the Agency's debt obligations.
WIFIA Loan interest rate is based on the weighted average life of the loan.

Preliminary Official Statement

- Preliminary Official Statement ("POS") - disclosure document to investors
  - Describes the 2023 Bonds, pledge of water revenues, Agency's water operations and risk factors
  - Board is approving "material" information about the Agency as provided in Appendix A
  - Subject to federal securities law

- Authorizing Resolutions allow the delivery of the POS and final Official Statement by the underwriter
  - ✓ Authority Resolution approves the "Authority Portion" of the POS
  - ✓ Agency Resolution approves the "Agency Portion" of the POS

Disclaimer

These materials include an assessment of current market conditions, and include assumptions about interest rates, execution costs, and other matters related to municipal securities issuance or municipal financial products. These assumptions may change at any time subsequent to the date these materials were provided. The scenarios presented herein are not intended to be inclusive of every feasible or suitable financing alternative.

Fieldman, Rolapp & Associates, Inc. is an SEC-registered Municipal Advisor, undertaking a fiduciary duty in providing financial advice to public agencies. Compensation contingent on the completion of a financing or project is customary for municipal financial advisors. To the extent that our compensation for a transaction is contingent on successful completion of the transaction, a potential conflict of interest exists as we would have a potential incentive to recommend the completion of a transaction that might not be optimal for the public agency. However, Fieldman, Rolapp & Associates, Inc. undertakes a fiduciary duty in advising public agencies regardless of compensation structure.

ITEM NO.
7

Monthly Financial Report

APRIL 2023

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Statement of Revenues and Expenses

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SCV Water
Statement of Revenues and Expenses
For the 10th Period Ending 4.30.23

	(A)	(B)	(C)	(D)		(E)	(F)	(G)	(H)	
	Current Period					**Year-to-Date**				
	Actual	**Budget**	**Variance**	**Percent**		**Actual**	**Budget**	**Variance**	**Percent**	
					Operating Revenues					
(1)	$ 4,649,609	$ 5,454,914	$ (805,306)	(15%)	(a) Water Sales	$ 67,181,575	$ 75,459,648	$ (8,278,073)	(11%)	(1)
(2)	25,092	25,182	(90)	(0%)	Water Sales - WWR	246,540	247,411	(871)	(0%)	(2)
(3)	2,793	39,051	(36,258)	(93%)	(b) Water Sales - Recycled	232,017	390,510	(158,494)	(41%)	(3)
(4)	52,430	61,200	(8,770)	(14%)	(c) Misc Fees and Charges	468,018	846,600	(378,582)	(45%)	(4)
(5)	$ 4,729,923	$ 5,580,347	$ (850,424)	(15%)	**Total Operating Revenues**	$ 68,128,149	$ 76,944,170	$ (8,816,020)	(11%)	(5)
					Operating Expenses					
(6)	$ 849,743	$ 497,913	$ 351,830	71%	(d) Management	$ 2,211,920	$ 4,754,761	$ (2,542,841)	(54%)	(6)
(7)	1,541,559	1,896,839	(355,281)	(19%)	(e) Finance, Admin & IT	15,521,820	17,139,167	(1,617,347)	(9%)	(7)
(8)	270,171	279,318	(9,147)	(3%)	Customer Care	2,403,694	2,312,175	91,519	4%	(8)
(9)	787,693	947,142	(159,449)	(17%)	(f) Trans & Distribution	8,434,794	8,789,507	(354,713)	(4%)	(9)
(10)	660,235	1,177,375	(517,140)	(44%)	(g) Pumping Wells & Storage	11,352,232	11,989,228	(636,996)	(5%)	(10)
(11)	542,962	903,478	(360,516)	(40%)	(h) Water Resources	5,814,977	7,913,252	(2,098,275)	(27%)	(11)
(12)	45,943	1,046,817	(1,000,873)	(96%)	(i) Source of Supply	6,098,135	10,431,317	(4,333,182)	(42%)	(12)
(13)	915,990	1,187,620	(271,630)	(23%)	(j) Water Quality, Treatment & Maintenance	10,668,482	9,591,011	1,077,470	11%	(13)
(14)	396,283	578,800	(182,518)	(32%)	(k) Engineering Services	3,416,908	4,362,899	(945,990)	(22%)	(14)
(15)	$ 6,010,579	$ 8,515,303	$ (2,504,724)	(29%)	**Total Operating Expenses**	$ 65,922,961	$ 77,283,317	$ (11,360,356)	(15%)	(15)
(16)	$ (1,280,656)	$ (2,934,955)	$ 1,654,300	(56%)	**Net Operating Revenues (Expenses)**	$ 2,205,188	$ (339,147)	$ 2,544,335	(750%)	(16)
					Non-Operating Revenues and (Expenses)					
(17)	$ 10,509,652	$ 10,662,656	$ (153,004)	(1%)	Non-Operating Revenues [1]	$ 42,139,186	$ 48,118,138	$ (5,978,952)	(12%)	(17)
(18)	(2,232,390)	(6,317,153)	4,084,763	(65%)	(l) Capital Improvement Projects - Pay Go	(18,286,354)	(63,171,525)	44,885,171	(71%)	(18)
(19)	-	-	-	0%	Debt Service	(26,691,890)	(33,214,071)	6,522,181	(20%)	(19)
(20)	(2,782)	-	(2,782)	0%	Leases and SBITA Interest Expenses	(6,414)	-	(6,414)	0%	(20)
(21)	$ 8,274,481	$ 4,345,504	$ 3,928,977	90%	**Net Non-Operating Revenues and (Expenses)**	$ (2,845,473)	$ (48,267,458)	$ 45,421,985	(94%)	(21)
(22)	$ 6,993,825	$ 1,410,548	$ 5,583,277	396%	**Increase (Decrease) in Net Position**	$ (640,285)	$ (48,606,605)	$ 47,966,320	(99%)	(22)

Monthly Changes of more than 10% and $20,000

(a) Overall consumption was lower than anticipated due to weather and conservation.
(b) Recycled Water sales lower than budgeted due to weather.
(c) Late Fees/Disconnects are lower than budgeted, in part due to the policy changes in the timing of late fees and service disconnections.
(d) November election expenses received in April, budget in May. Timing of Perchlorate Litigation and Legal expenses.
(e) Outside Services are lower than budgeted due to timing of billing services. Salaries, Burden & Benefits are lower than budgeted due to two vacant positions.
(f) Maintenance & repair expenses running lower than budget.
(g) Purchased power under budget due to timing of Edison billing and solar fields operating at 100%.
(h) Professional consultant services lower than budgeted.
(i) Core Water Supplies paid in December and June of each year (budgeted monthly).
(j) Delays in analytical supplies expenses caused by regulatory changes. Chemicals costs are reduced because of lower water demand during wet months and delays in bringing treatment sites online (Q2, 201, Santa Clara & Honby).
(k) Engineering professional service expenses are lower than expected due to billing delays.
(l) Timing of capital projects vary from month to month

[1] Non-Operating Revenues include: Grants & Reimbursements, 1% Property Tax, Cell Sites, FCF, Lab Revenues, Interest Income, Annexation Reimb.

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Investment Report

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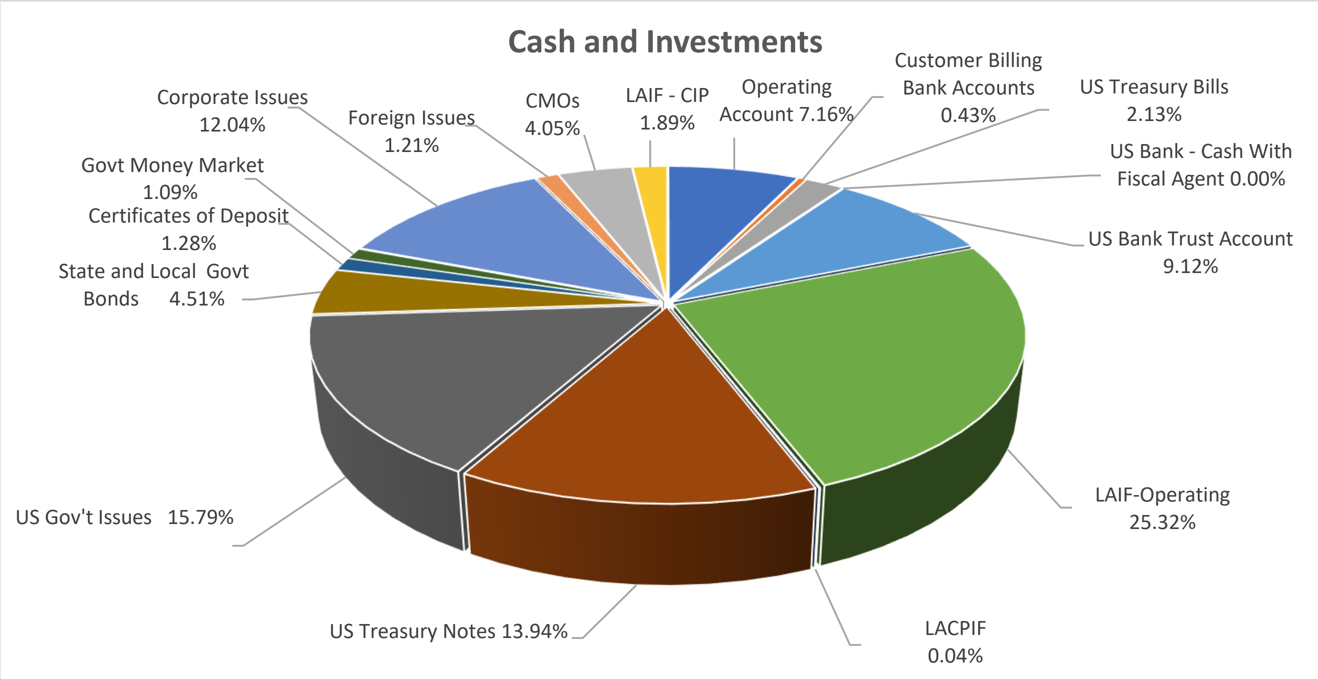
Santa Clarita Valley Water Agency

Cash and Investment Summary

April 30, 2023



Operating Account-Incl FCF's, SWP & CIP	XXX-10101	$	20,896,474	7.16%
Customer Billing Bank Accounts	101-10105		1,251,429	0.43%
US Treasury Bills (Cash Equivalent)	101-10104		6,221,964	2.13%
US Bank - Cash with Fiscal Agent	101-102XX		5,776	0.00%
US Bank Trust Account (1% Prop Tax)	101-10202		26,613,762	9.12%
LAIF - Operating	101-11061		73,869,240	25.32%
LAC Pooled Investment Fund	101-11062		119,922	0.04%
US Treasury Notes	101-11063		40,671,914	13.94%
US Gov't Issues (excl T-Bills & T-Notes)	101-11064		46,054,904	15.79%
State and Local Government Bonds	101-11065		13,152,136	4.51%
Certificates of Deposit	101-11066		3,723,224	1.28%
Government Money Mkt Fund	101-11067		3,177,655	1.09%
Corporate Issues	101-11068		35,120,785	12.04%
Foreign Issues	101-11069		3,517,275	1.21%
CMOs	101-11070		11,827,281	4.05%
LAIF - CIP	220-11002		5,470,198	1.89%
		$	291,693,940	100.00%

Estimated Refundable Developer Deposits: $ 7,671,507 Included in totals

Portfolio-wide Investments:

Weighted Average Yield 3.856%

Rochelle Patterson
Treasurer/Chief Financial & Administrative Officer

Amy Aguer
Controller

All investment actions executed since the last report have been made in full compliance with the Investment Policy, and the Agency will meet its expenditure obligations for the next six months as required by Government Code Section 53646(b)(2) and (3), respectively.

SCV Water

Consolidated Cash & Investment Summary

4/30/2023

	Note	Acct #	Balance	Total	% of Total
AGENCY FUNDS					
Cash & Sweep Accounts					
Operating Account-Incl FCF's, SWP & CIP		XXX-10101	$ 20,896,474		
Less: Restricted Cash (FCFs, SWP & CIP)	**1**	2XX-10101	(1,159,103)		
US Treasury Bills - US Bank		101-10104	6,221,964		
Customer Billing - Northstar Account		101-10105	179,427		
Customer Billing - enQuesta Account		101-10107	1,072,002		
US Bank - Cash with Fiscal Agent		101-102XX	5,776		
US Bank Trust Account (1% Prop Tax)		101/204-10202	26,613,762		
Less: Restricted Cash US Bank Accts -SWP	**1**	204-10202	(17,499)		
Subtotal - Cash & Sweep Accounts Unrestricted				$ 53,812,803	18.45%
Investments - Unrestricted					
Local Agency Investment Fund		101/202/204-11061	$ 73,869,240		
LAC Pooled Investment Fund		101-11062	119,922		
US Treasury Notes - US Bank		101-11063	40,671,914		
US Govt Issues (excl T-Notes & T-Bills)		101/204-11064	46,054,904		
Taxable Municipal Issues (State & Local)		101-11065	13,152,136		
Certificates of Deposit		101-11066	3,723,224		
Government Money Mkt Fund		101/204-11067	3,177,655		
Corporate Issues		101-11068	35,120,785		
Foreign Issues		101-11069	3,517,275		
CMOs-Collateralized Mortgage Obligations		101-11070	11,827,281		
Less: Restricted Investments - FCF	**2**	202-11061	(9,879,247)		
Less: Restricted Investments - SWP	**3**	204-11061-11067	(98,753,110)		
Subtotal - Investments Unrestricted				$ 122,601,980	42.03%
Cash and Investments - Restricted					
Facility Capacity Fee Fund - Cash	**4**	202-10101	$ -		
Facility Capacity Fee Fund - Investments	**5**	202-11061	9,879,247		
State Water Project - Cash (WF & US Bank)	**6**	204-10XXX	17,499		
State Water Project - Investments	**7**	204-11061/11062	98,753,110		
Subtotal - Investments Restricted				108,649,856	37.25%
TOTAL AGENCY CASH & INVESTMENTS				**$ 285,064,639**	
CAPITAL IMPROVEMENT PROJECT FUNDS					
Cash & Sweep Accounts	**8**	220-10101	$ 1,159,103		
Local Agency Investment Fund - Restricted		220-11061	5,470,198		
TOTAL CAPITAL IMPROVEMENT PROJECT FUNDS				**$ 6,629,301**	2.27%
TOTAL CASH AND INVESTMENTS				**$ 291,693,940**	100.00%

Notes

1. Less: Restricted Cash - FCF's, SWP & CIP
2. Less: Restricted Investments - FCF's Legacy SCWD
3. Less: Restricted Investments - State Water Project
4. Restricted Cash - FCF's (Txfr'd to cover Debt Svc)
5. Restricted Investments - FCF's (SCWD Legacy)
6. Restricted Cash - SWP (State Water Project)
7. Restricted Investments - SWP (State Water Project)
8. Restricted Cash - CIP 2020A Bond Proceeds

Agency-wide General Funds Invested:

Cash & Cash Equivalents	Cost	Yield	Purchase Date	Maturity Date	Est'd Yield
Local Agency Investment Fund (LAIF)	73,869,240	2.870%	Various	Liquid	$ 2,120,047
LA County Pooled Invest Fund (LACPIF)	119,922	3.720%	Various	Liquid	4,461
US Bank 1% Property Tax Trust Account	26,613,762	3.510%	Various	08/15/23	934,143
US T-Bills (Cash Equiv) - CAM	6,221,964	4.495%	Various	Liquid	279,706
Commercial Paper - CAM	1,444,736	5.160%	Various	Various	74,548
First American Gov't MM - US Bank	3,177,655	4.420%	Various	Liquid	140,452
Total Cash & Cash Equivalents	$ 111,447,279	3.188%	Weighted Avg Yield		$ 3,553,359

Investments per US Bank / Chandler Asset Management Statement

Asset-Backed Securities - CAM	5,384,618	4.910%	Various	Various	$ 264,385
Federal Agencies - CAM	45,619,899	4.690%	Various	Various	2,139,573
CMO's - Collateralized Mortgages - CAM	11,827,281	4.150%	Various	Various	490,832
Corporate Issues	28,291,431	4.590%	Various	Various	1,298,577
Municipal Bonds (State/Local Gov'ts) CAM	13,152,136	4.710%	Various	Various	619,466
Negotiable Certificates of Deposit - CAM	4,158,232	5.020%	Various	Various	208,743
US Treasury Notes - US Bank	40,671,914	3.521%	Various	Various	1,432,197
Foreign Issues	3,517,275	5.016%	Various	Various	176,427
Total Cash & Cash Equivalents	$ 152,622,786	4.344%	Weighted Avg Yield		$ 6,630,199
Portfolio-wide Investment Agency Assets	$ 264,070,065	3.856%	Portfolio Weighted Avg Yield		$ 10,183,558

Reconciliation with Portfolio-wide Summary

Operating Cash & Sweep	20,896,474
Less: CIP 2020A Cash & Sweep	(1,159,103)
Customer Care Cash & Sweep Accts	1,251,429
US Bank Cash with Fiscal Agent	5,776
Rounding	(2)
Agency Cash	20,994,574
CIP 2020A Cash	1,159,103
CIP 2020A LAIF	5,470,198
	6,629,301
Portfolio Wide Cash & Investments	$ 291,693,940

CAM Managed Assets / US Bank Trust Acct

US T-Bills (Cash Equiv)	$ 6,221,964
Commercial Paper	1,444,736
First American Gov't MM	3,177,655
Asset-Backed Securities	5,384,618
Federal Agencies	45,619,899
CMO's - Collateralized Mtgs	11,827,281
Corporate Issues (excluding Foreign Issues)	28,291,431
Municipal Bonds (State/Local)	13,152,136
Negotiable CDs	4,158,232
US Treasury Notes	40,671,914
Foreign Notes	3,517,275
CAM Assets Managed	$ 163,467,141

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3-Month Cashflow

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SANTA CLARITA VALLEY WATER AGENCY
3 - Month Cash Flow Projection

Cash Flow for June FY23 to August FY24

DESCRIPTION	UNRESTRICTED		RESTRICTED		
	Checking	Investments	CIP Fund	SWC	Capacity Fees
Beginning Balance (estimated):	$ 55,966,129	$ 122,564,261	$ 3,380,252	$ 103,122,030	$ 11,037,009
June					
Cash Provided from:					
Water Sales	8,207,553	-	-	-	-
Water Sales Misc[1]	91,800	-	-	-	-
Recycled Water Sales	39,051	-	-	-	-
Non Operating Income:					
Property Taxes	181,467	-	-	221,000	-
Capacity Fees	-	-	-	-	525,000
Interest Earned	359,222	-	-	35,833	-
Communication/Rental	62,681	-	-	-	-
Grants	47,538	-	-	-	-
Reimbursements [2]	1,572,271	-	-	-	-
Bond/Loan Proceeds	-	-	-	-	-
Other [3]	1,917	-	-	-	-
Cash Used/Added to/for:					
Monthly Expenses	(10,243,582)	-	-	(2,015,333)	-
DWR Payments	-	-	-	(990,000)	-
Misc. Water Purchases	-	-	-	(1,345,282)	-
Debt Service	-	-	-	-	-
CIP	(2,832,142)	-	(3,380,252)	-	-
CalPERS UAL	-	-	-	-	-
Txfr to/from		-	-	-	-
Projected Ending Balance Jun	$ 53,453,905	$ 122,564,261	$ 0	$ 99,028,248	$ 11,562,009
July					
Cash Provided from:					
Water Sales	10,666,753	-	-	-	-
Water Sales Misc [1]	55,000	-	-	-	-
Recycled Water Sales	40,600	-	-	-	-
Non Operating Income:					
Property Taxes	-	-	-	-	-
Capacity Fees	-	-	-	-	131,483
Interest Earned	491,166	-	142,188	327,708	-
Communication/Rental	44,189	-	-	-	-
Grants	-	-	-	-	-
Reimbursements [2]	392,612	-	-	-	-
Bond/Loan Proceeds	-	-	75,000,000	-	-
Other [3]	1,936	-	-	-	-
Cash Used/Added to/for:					
Monthly Expenses	(7,209,065)	-	-	(12,212)	-
DWR Payments	-	-	-	(1,386,000)	-
Misc. Water Purchases	-	-	-	(5,298,895)	-
Debt Service	(30,768,269)	-	-	-	-
CIP	(6,362,178)	-	(3,893,500)	-	-
Txfr to/from	-	-		-	-
Projected Ending Balance. Jul	$ 20,806,650	$ 122,564,261	$ 71,248,688	$ 92,658,849	$ 11,693,492

SANTA CLARITA VALLEY WATER AGENCY
3 - Month Cash Flow Projection

Cash Flow for June FY23 to August FY24

DESCRIPTION	UNRESTRICTED		RESTRICTED		
	Checking	Investments	CIP Fund	SWC	Capacity Fees
Beginning Balance (estimated):	$ 55,966,129	$ 122,564,261	$ 3,380,252	$ 103,122,030	$ 11,037,009
August					
Cash Provided from:					
Water Sales	11,634,169	-	-	-	-
Water Sales Misc [1]	60,000	-	-	-	-
Recycled Water Sales	40,600	-	-	-	-
Non Operating Income:					
Property Taxes	-	-	-	808,486	-
Capacity Fees	-	-	-	-	131,483
Interest Earned	491,166	-	142,188	327,708	-
Communication/Rental	44,189	-	-	-	-
Grants	-	-	-	-	-
Reimbursements [2]	392,612	-	-	-	-
Bond/Loan Proceeds	-	-	-	-	-
Other [3]	1,936	-	-	-	-
Cash Used/Added to/for:					
Monthly Expenses	(7,860,515)	-	-	(12,212)	-
DWR Payments	-	-	-	(693,000)	-
Misc. Water Purchases	-	-	-	(1,713,904)	-
Debt Service	-	-	-	-	-
CIP	(6,362,178)	-	(3,893,500)	-	-
Txfr to/from	-	-	-	-	-
Projected Ending Balance Aug	$ 19,248,630	$ 122,564,261	$ 67,497,375	$ 91,375,926	$ 11,824,976

Notes:

[1] Water Sales Misc. includes Late Charges, Misc. Retail Charges, Rebates, Drought Offense Fee and Water Sales-One time

[2] Reimbursements include Annexation and PERCH Reimbursements - O&M & CIP

[3] Other includes Laboratory Revenues and Other Non-Operating Revenue

Debt & Cash Position

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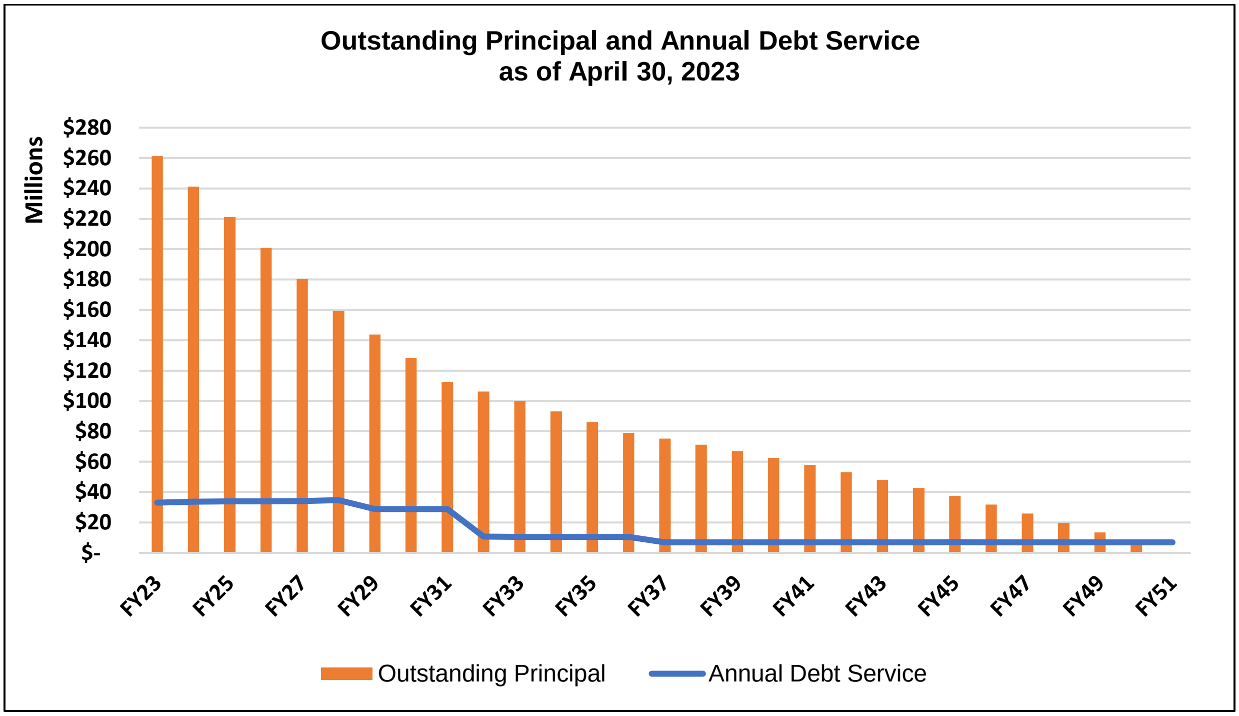
This report reviews the Agency's outstanding principal and debt service on an annual basis, cash balances of unrestricted, restricted, and reserve funds as of April 30, 2023, and the total current and non-current assets as of June 30, 2022.

DEBT SERVICE

The outstanding principal debt as of April 30, 2023, is $261,195,489* with an annual debt service of $33,214,070. The debt payments are due in August and February of each fiscal year.

The outstanding principal and annual debt service payments shown in the graph below consists of the current outstanding debt and associated payments. It does not include potential future debt which may be approved and issued to fund construction projects.



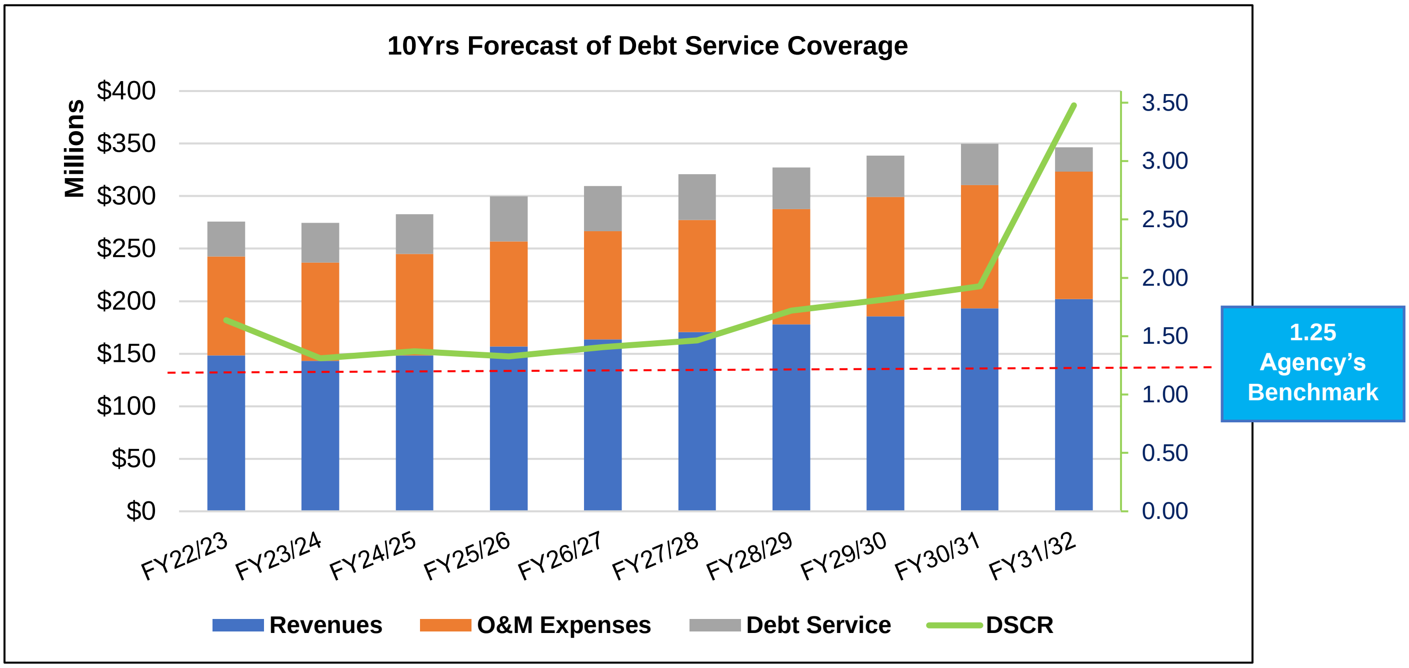
*The outstanding principal of VWD Acquisition Interfund Loan of $64,634,523 and accreted interest from the 1999 CAB is excluded from the outstanding principal balances.

DEBT SERVICE COVERAGE RATIO

The debt-service coverage ratio (DSCR) is a measurement of the Agency's available cash flow to pay current debt obligations. The formula for the DSCR is:

$$\textit{DSCR} = \textit{Net Operating Income} \div \textit{Total Debt Service}$$

A DSCR of less than 1 indicates negative cash flow, typically signifies that an agency will have to take on additional debt in order to satisfy current obligations. The Agency's Debt Management Policy prohibits this action. Most businesses use a minimum DSCR ratio of 1.25 as a benchmark, which indicates that the borrower will be able to pay back the loan with some added cushion. The current bond covenants require a DSCR of 1.20.

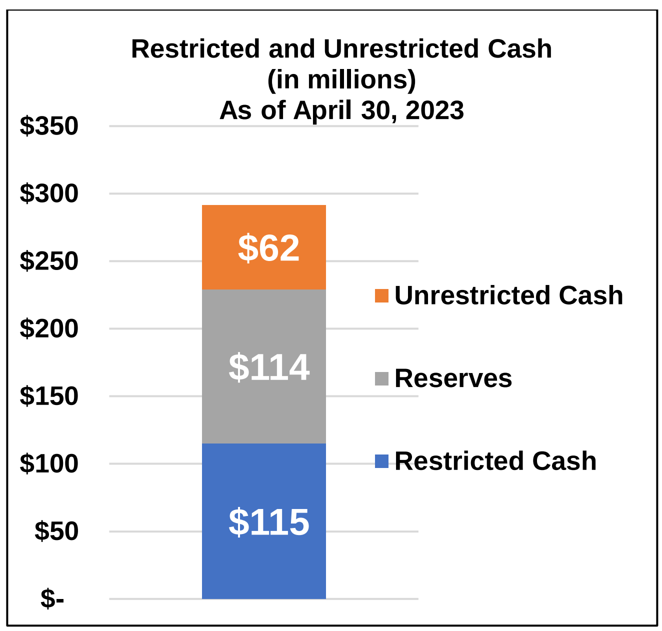


The DSCR listed above projects four (4) traditional bond financings to meet the capital needs of the Agency, estimated at $375 million over the ten (10) year forecast. This is a forecast only and is subject to change.

CASH POSITION

As of April 30, 2023, the Agency has:

- Fully-funded reserve balance of $113,990,701 as per Agency policy, and
- Restricted cash of $115,279,157 which includes the Facility/Retail Capacity Fee Funds, State Water Project Fund, and remaining Bond Proceeds, and
- Unrestricted cash of $62,424,082 to meet the Agency's payment obligations such as operating expenses (including debt service), payroll expenses, insurance, CIP Pay-Go, etc.

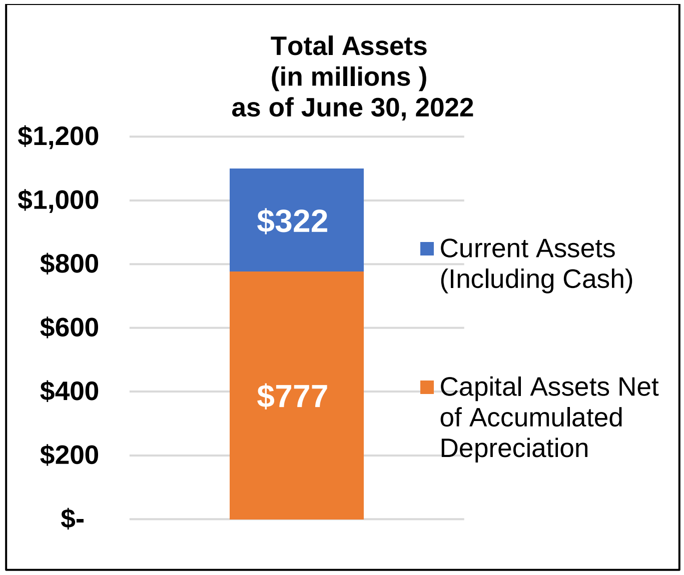


TOTAL ASSETS

As of June 30, 2022 (audited), the total assets consist of:

- Current assets including cash and restricted funds with a balance of $321,682,870, and

- Capital assets net of accumulated depreciation with a balance of $777,101,760 from FY2022 ACFR (See note 5)



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Ten Largest Disbursements Check Register

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SCV Water
Ten Largest Disbursements
April 1, 2023 to April 30, 2023

No.	Date	Paymt #	Supplier_Name	Invoice_Description	Method	Amount
	04-19-2023	55796	Los Angeles County Clerk	2022 Board of Director's Election	CHECK	543,667.78
1			**Los Angeles County Clerk**			**543,667.78**
	04-05-2023	55743	Pacific Hydrotech Corporation	Santa Clara & Honby Wells PFAS Groundwater Treatment Improvement, Progress Payment through 2/28/23	CHECK	460,080.25
2			**Pacific Hydrotech Corporation**			**460,080.25**
	04-19-2023	15152	X-Act Technology Solutions, Inc.	S1E76AAE: 5yr Subscription (253), R7S82A: Nimble Storage 1.92 TB Solid State Drive - Internal - PCI ExpressNVMe - Server Device Supported - 24 Pack (1)	SCV_ACH	91,975.54
				HPE SmartMemory 64GB DDR4 SDRAM Memory Module - For Server - 64 GB (36), HPE Intel Xeon Gold (3rd Gen) 6326Hexadeca-core (16Core) 2.90 GHz Processor Upgrade - 24 MB (6)		92,614.18
				HU4A6A5 ZSB: HPE Proliant DL380 Gen10+ Support (1), Installation per scope of work (1)		30,111.54
				HPE StoreFabric SN2010M 25GbE 18SFP28 4QSFP28 Switch - Manageable - 25 Gigabit Ethernet (2), HA124A1: HPE Nimble Storage dHCI Base Deploy SVC (1), Installation per scope of work (1)		66,756.49
3			**X-Act Technology Solutions, Inc.**			**281,457.75**
	04-05-2023	15048	Zim Industries, Inc.	Replacement (Saugus 3 & 4) Wells Construction Project, Progress Payment through 2/28/23	SCV_ACH	263,274.17
4			**Zim Industries, Inc.**			**263,274.17**
	04-19-2023	15143	Hazen and Sawyer, D.P.C.	Services through 2/28/23 Planning Study for PFAS, Perchlorate, and Softening Treatment for Saugus Wells (N11, N12, N13) Groundwater Treatment Improvements	SCV_ACH	4,007.50
				Services through 2/28/23 Santa Clara and Honby Wells PFAS Groundwater Treatment Improvements		20,758.75
				Services through 2/28/23 T&U Wells PFAS Treatment, Saugus 1 & 2 VOC Treatment, and Chemical Facilities		155,891.00
5			**Hazen and Sawyer, D.P.C.**			**180,657.25**
	04-26-2023		So. California Edison Co.	27101 Ridge Road 160	AUTO_DEBIT	15,910.38
				28830 Hancock Pkwy U		2,717.65
				27118 Vista Delgado Dr B		3,377.43
				23600 Decoro Driv		3,193.60
				24050 Valencia Blvd		69.06
				26477 Bouquet Canyon Rd		67.41
				25112 Rye Canyon Loop		112.30
				25234 Valencia		6,074.68
				25841 Tournament Rd		-50.65
				2770 Golden St		228.71
				28400 Copper Hill Dr PED		304.30
				25197 Aurora Dr		1,069.51
				28531 Farrier Dr PED		-54.73
				23816 Auto Center N7		14,633.39
				23817 Auto Center N8		17,102.37
				27508 Newhall Ranch Rd		3,737.99
				24439 Valencia		119.34
				29238 Black Pine Way U		-51.87
				24341 Valencia Blvd		86.03

SCV Water

Ten Largest Disbursements

April 1, 2023 to April 30, 2023

No.	Date	Paymt #	Supplier_Name	Invoice_Description	Method	Amount
		15273		28820 Bellows Ct U		955.21
				23900 Bridgeport S6		521.10
				25600 Hwy 99/159EMG PMP		620.67
				25901 Tournament Rd		4,035.48
				27949 Hancock Pkwy U		3,430.54
				26353 Mcbean Pkwy		1,808.12
				26629 Bouquet Canyon Rd		1,604.66
				22555 Brightwood Pl		1,330.01
				23503 Valencia Blvd		13,870.51
				24526 Sagecrest Cir LAR		3,913.78
				26908 Feedmill Rd U		18,764.88
				25101 Sagecrest Cir		99.15
				26290 Shakespeare Ln		-55.50
				26748 Sandburn PL PED		-33.86
				28202 Cascade Rd PED		-38.24
				28318 Witherspoon Pkwy		-55.50
				29646 The Old Rd U		-50.31
				30016 Hamlet Way TPP		-52.85
				25774 Oak Meadow Dr		-48.74
				26608 Feedmill Rd U		10,607.44
				25507 Oak Meadow		-53.94
				26797 Westridge		-56.28
				26994 Willowbrook Ln U		-38.75
				30149 Galbreth Ct		-48.95
				29909 Bancroft Pl		-55.50
				28636 Livingston Ave		199.38
				23416 Magic Mountain Pkwy V5		70.91
				Avanidavelarte V6		350.85
				23100 Lowridge Pl U		-28.25
				25550 Hemingway Ave		11,524.02
				28201 1/2 River Trail Ln Well		1,438.56
				27502 Hasley Canyon Rd D		988.82
				28053 Carnegie Ave CAR		1,727.99
				26280 1/2 Galdding		1,373.54
				28410 Hillcrest Pkwy		2,255.82
				30400 Vineyard Ln PED		156.88
				Firebrand		1,101.45
				26024 Kavenagh Ln		3,258.76
				28424 Tamarack Ln		3,206.21
				26975 Westridge Pkwy		3,478.50
				28139 Blacksmith Dr		35.34
				23850 Bridgeport S7		114.79
				25001 Decoro Pmp		1,950.85
6			**So. California Edison Co.**			**162,824.45**

SCV Water

Ten Largest Disbursements

April 1, 2023 to April 30, 2023

No.	Date	Paymt #	Supplier_Name	Invoice_Description	Method	Amount
	04-26-2023	15266	So. California Edison Co.	Lk Hughes E/S Dam	AUTO_DEBIT	817.12
				25849 1/2 Railroad Ave		10,183.60
				Bouquet Canyon Road		-54.48
				32700 Lake Hughes Road		5,285.20
				27234 Bouquet Canyon		14.10
				25401 Bouquet Canyon		71,101.22
				23308 Magic Mountain		8,641.66
				23498 Newhall Ranch Rd		-54.75
				28185 The Old Rd		90.64
				20515 Santa Clara St		-0.07
				26503 Mcbean Pkwy		-55.16
				27930 1/2 Lost Canyon Rd		23.14
				27171 1/2 Camp Plenty		-39.34
				20545 Santa Clara St		64,209.49
				27295 Rolling Hills Ave		227.61
				17213 Medley Ridge Dr		-39.50
				27434 1/2 Bouquet Canyon Rd		27.13
				27475 1/2 Canyon View Dr		13.57
				26501 Summit Cir		308.27
				26505 Summit Cir		556.48
				26979 Westridge		-42.85
				27139 Honby Ave PED		-15.01
7			**So. California Edison Co.**			**161,198.07**
	04-12-2023	15098	Hazen and Sawyer, D.P.C.	Services through 2/28/23 Planning for Master Plan	SCV_ACH	131,781.15
8			**Hazen and Sawyer, D.P.C.**			**131,781.15**
	04-26-2023	15186	Core & Main LP	MORIN ACTUATOR (2)	SCV_ACH	57,610.16
				6 IN DI PIPE TR FLEX (72)		9,542.31
				Repair Parts and Rubber Washers (Non-Inventory)		676.59
				20" X 5' FLG X PE DI SPOOLCEMENT LINE & BIT COATED		7,370.61
				1 IN BALL ANGLE METER STOP PJ/POLY BA63-444W-NL (10)		5,948.23
				Meter S/N: 9088945		356.58
				8 IN BUTTERFLY VALVE FLANGED CL150 EPDM (1)		1,479.72
				2 IN COUPLING PJ/CTS X PJ/PVC C66-77-IDR7-NL (10)		1,701.96
				1-1/2 IN METER FLANGE BRASS CF31-66-NL (20)		5,468.14
				16 IN HYMAX COUPLING EPDM 860-54-0434-16P 17.10-19.20 O.D (2)		3,355.12

SCV Water

Ten Largest Disbursements

April 1, 2023 to April 30, 2023

No.	Date	Paymt #	Supplier_Name	Invoice_Description	Method	Amount
9			**Core & Main LP**			**93,509.42**
	04-05-2023	15061	Core & Main LP	8 MJXFLG 90 C153 IMP	SCV_ACH	313.26
				6 IN X 8 HOLE DIP FIRE HYDRANT CLOW 850 EPDM S.B.YELLOW (11)		29,492.06
				6 IN X 8 IN X 6 HOLE F/H SPOOL		516.63
				8 IN X 12 IN F/C CLAMP 8.54-8.94 ST/PVC/C900 (8)		6,385.33
				3/4 IN X 1 IN BALL ANGLE METER STOP CTS/PJ BA43-342W-NL (48)		6,270.40
				2 IN COUPLING FIP PJ/CTS X C14-87-NL (13)		1,617.52
				1 IN BALL ANGLE METER STOP BALL COMP/CTS BA43-444W-NL (20)		6,160.59
				2 IN BALL CORP STOP MIPT X FIPT FB1700-7-NL (7)		3,175.29
				3/4 IN X 1 IN BALL ANGLE METER STOP CTS/PJ BA43-342W-NL (32)		5,722.90
				12 IN X 20 F/C CLAMP 14.00-14.40 OD W/2 IN TAP AC/PVC F1-1440IP7EPDM OR 226 EPDM (4)		5,296.38
				8 IN BUTTERFLY VALVE FLANGED CL150 EPDM (2)		5,761.65
				3/4 IN X 1 IN BALL ANGLE METER STOP CTS/PJ BA43-342W-NL (20)		2,682.53
				2 IN BALL CORP STOP MIPT X FIPT FB1700-7-NL (1)		338.37
				2 IN MASTER METERS ALLEGRO (15)		11,173.93
				2 IN BALL CORP STOP MIPT X FIPT FB1700-7-NL (9)		3,045.39
				8 IN BUTTERFLY VALVE FLANGED CL150 EPDM (3)		4,439.16
10			**Core & Main LP**			**92,391.39**

Total	**2,370,841.68**
Total-All Disbursements Issued During April 2023	**5,632,295.26**
Largest Ten Vendor Payments as Compared to Total	**42%**

Director Stipends

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DIRECTORS STIPENDS PAID IN MAY 2023
For the Month of April 2023

Director Kathye Armitage

Date	Meeting	Amount
04/04/23	Regular Board Meeting	$239.00
04/04/23	USCVJPA Meeting	$0.00
04/17/23	Finance and Administration Committee Meeting	$239.00
04/18/23	Regular Board Meeting	$239.00
04/19/23	Executive Committee Meeting of the Special Districts of North LA County	$239.00
04/19/23	Tour of Water Infiltration System at Canyon Country Community Center	$0.00
04/20/23	Tour of Invasive Arundo & Habitat Restoration Project / Santa Clara River	$0.00
04/20/23	Public Outreach and Legislation Committee Meeting	$239.00
	Stipend Total	**$1,195.00**
	Total Paid Days	**5**
	Total Meetings	**8**

Director Beth Braunstein

Date	Meeting	Amount
04/18/23	Regular Board Meeting	$239.00
04/20/23	Public Outreach and Legislation Committee Meeting	$239.00
	Stipend Total	**$478.00**
	Total Paid Days	**2**
	Total Meetings	**2**

Director Ed Colley

Date	Meeting	Amount
04/17/23	Finance and Administration Committee Meeting	$239.00
04/18/23	Regular Board Meeting	$239.00
04/20/23	Public Outreach and Legislation Committee Meeting	$239.00
	Stipend Total	**$717.00**
	Total Paid Days	**3**
	Total Meetings	**3**

Director William Cooper

Date	Meeting	Amount
04/01/23	Agency Water Academy	$239.00
04/03/23	Team Building Follow-up Call with Erin Hastey	$239.00
04/04/23	Regular Board Meeting	$239.00
04/04/23	USCVJPA Meeting	$0.00
04/06/23	Engineering and Operations Committee Meeting	$239.00
04/10/23	Team Building Follow-up Call with Erin Hastey	$239.00
04/12/23	Water Resources and Watershed Committee Meeting	$239.00
	Stipend Total	**$1,434.00**
	Total Paid Days	**6**
	Total Meetings	**7**

Director Maria Gutzeit

Date	Meeting	Amount
04/04/23	Regular Board Meeting	$239.00
04/04/23	USCVJPA Meeting	$0.00
04/17/23	Finance and Administration Committee Meeting	$239.00
04/18/23	Regular Board Meeting	$239.00
04/20/23	Public Outreach and Legislation Committee Meeting	$239.00
	Stipend Total	**$956.00**
	Total Paid Days	**4**
	Total Meetings	**5**

Director Dirk Marks

Date	Meeting	Amount
04/04/23	VIA Luncheon	$239.00
04/04/23	Regular Board Meeting	$0.00
04/12/23	Water Resources and Watershed Committee Meeting	$239.00
04/18/23	Regular Board Meeting	$239.00
04/20/23	Tour of Invasive Arundo & Habitat Restoration Project / Santa Clara River	$239.00
04/25/23	Delta Conveyance Project Alignment Tour - Travel Day	$239.00
04/26/23	Delta Conveyance Project Alignment Tour	$239.00
	Stipend Total	**$1,434.00**
	Total Paid Days	**6**
	Total Meetings	**7**

Director Gary Martin

Date	Meeting	Amount
04/01/23	Agency Water Academy	$0.00
04/03/23	One-on-One Meeting with General Manager	$239.00
04/04/23	Regular Board Meeting	$239.00
04/04/23	USCVJPA Meeting	$0.00
04/05/23	Team Building Follow-up Call with Erin Hastey	$0.00
04/06/23	Engineering and Operations Committee Meeting	$239.00
04/11/23	Monthly Meeting with DCA Ed Graham Bradner	$0.00
04/12/23	Water Resources and Watershed Committee Meeting	$239.00
04/14/23	DCA Board of Directors Briefing Meeting	$239.00
04/18/23	Regular Board Meeting	$239.00
04/20/23	DCA Board of Directors Meeting	$239.00
04/22/23	Meeting with Assemblymembers Schiavo and Rivas	$239.00
04/24/23	Agenda Planning Meeting	$239.00
04/25/23	Delta Conveyance Project Alignment Tour - Travel Day	$239.00
04/26/23	Delta Conveyance Project Alignment Tour	$0.00
	Stipend Total	**$2,390.00**
	Total Paid Days	**10**
	Total Meetings	**15**

Director Piotr Orzechowski

Date	Meeting	Amount
04/04/23	Regular Board Meeting	$239.00
04/04/23	USCVJPA Meeting	$0.00
04/06/23	Engineering and Operations Committee Meeting	$239.00
04/10/23	One-on-One Meeting with General Manager	$239.00
04/12/23	Water Resources and Watershed Committee Meeting	$239.00
04/18/23	Regular Board Meeting	$239.00
04/24/23	Agenda Planning Meeting	$239.00
	Stipend Total	**$1,434.00**
	Total Paid Days	**6**
	Total Meetings	**7**

Director Ken Petersen

Date	Meeting	Amount
04/04/23	Regular Board Meeting	$239.00
04/06/23	Engineering and Operations Committee Meeting	$239.00
04/17/23	Finance and Administration Committee Meeting	$239.00
04/18/23	Regular Board Meeting	$239.00
	Stipend Total	**$956.00**
	Total Paid Days	**4**
	Total Meetings	**4**

TOTAL PAID DAYS	**46**
TOTAL MEETINGS	**58**
TOTAL STIPENDS	**$10,994.00**

Director Reimbursements

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CA Govt. Code Section 53065.5

List of Reimbursement for "Individual Charges" = $100 or more

Annual Disclosure for Fiscal Year 22/23 **AP Transactions Updated as of: 4/30/2023**

DIRECTORS **P- Card (VISA) Transactions Updated as of: 4/30/23 *April PCard transactions affect May cash.**

Date	Recipient of Reimbursement	Reason for Reimbursement	Amount
04/01/23	Cooper, William	2023 KHTS Sacramento Road Trip 3/20/23-3/21/23 Expense (Meals)	59.46
04/01/23	Cooper, William	ACWA Board Meeting Sacramento, CA 3/30/23-3/31/23 Travel Expense (Airfare, Mileage, Parking, Ground Transportation- Uber)	552.53
04/01/23	Cooper, William	ACWA Board Meeting Sacramento, CA 3/30/23-3/31/23 Expense (Lodging)	179.76
04/01/23	Gutzeit, Maria	**P-CARD (VISA)** - Legislative DC Trip Travel Expense (Airfare)	1,397.79
04/01/23	Martin, Gary	2023 KHTS Sacramento Road Trip 3/20/23-3/21/23 Expense (Meals)	59.46
04/01/23	Orzechowski, Piotr	2023 KHTS Sacramento Road Trip 3/20/23-3/21/23 Expense (Meals)	32.19
04/01/23	Orzechowski, Piotr	2023 KHTS Sacramento Road Trip 3/20/23-3/21/23 Travel Expense (Mileage, Parking	257.53
04/01/23	Orzechowski, Piotr	ACWA Legislative Symposium 3/23/23 Travel Expense (Mileage)	287.94
			2,826.66

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Finance and Administration Committee
Planning Calendar
FY 2022/23

	Item	July 5 Board	July 18 Comm	Aug 2 Board	Aug 15 Comm (Q4)	Sept 6 Board	Sept 19 Comm	Sept 20 Board	Oct 4 Board	Oct 24 RESCHED Comm	Nov 1 Board	Nov 15 Board	Nov 21 Comm (Q1)	Dec 6 Board	Dec 12 RESCHED Comm	Dec 20 Board	Jan 3 Board	Jan 23 RESCHED Comm	Feb 7 Board	Feb 27 RESCHED Comm (Q2)	Mar 7 Board	Mar 20 Comm	Mar 21 Board	April 4 Board	April 17 Comm	April 18 Board	May 2 Board	May 15 Comm (Q3)	May 16 Board	June 6 Board	June 19 Comm	June 20 - USCVJPA
56	Recommend Approval of a Resolution Establishing the Valencia Retail Service Area Capacity Fee																								C		C					
57	Review and Recommend Approval of a Resolution Adopting the FY 2023/24 and FY 2024/25 Biennial Budget																								C				C			
58	Recommend Approval of a Construction Contract with EMCOR Services Mesa Energy (EMCOR) for Replacement of HVAC Chiller at Rio Vista																								C		C					
59	Recommend Receiving and Filing of February 2023 Monthly Financial Report (consent)																								C		C					
60	Recommend Approval of a Resolution Adopting the Appropriation of All As-Yet Unappropriated Funds for FY 2022/23 (consent)																											C		P		
61	Recommend Approval of a Resolution Adopting the Appropriation Limit for FY 2023/24 (consent)																											C		P		
62	Recommend Approval of Revised Agency Classification Plan, Position Control and Job Descriptions																											C		P		
63	Recommend Approval of a Proposition 218 Notice, Ballots and a Resolution Initiating Proceedings to Adopt Water Standby Charges for Tesoro Del Valle Development, Set a Public Hearing and Other Related Matters																											C		P		
64	Recommend Receiving and Filing of March 2023 and FY 2023/24 Third Quarter Financial Report (not consent)																											C		P		
65	Recommend Approval of Adopting Resolutions Setting Santa Clarita Valley Water Agency Tax Rate for FY 2023/24 and Requesting Levy of Tax by Los Angeles County and Ventura County (consent)																														P	
66	Recommend Approval of a Resolution Authorizing the Approval of the Preliminary Official Statement for Issuance of the 2023A Revenue Bond																														P	
67	Technology Update																														P	
68	Fleet and Warehouse Update																														P	
69	Recommend Receiving and Filing of April 2023 Monthly Financial Report (consent)																														P	
70	Approve FY 2023/24 and FY 2024/25 Budgets																															P

C = Completed Item
P = Planned Item

Finance and Administration Committee
Planning Calendar
FY 2023/24

	Item	July 17 Comm	July 18 Board	Aug 1 Board	Aug 21 Comm (Q4)	Sept 5 Board	Sept 25 RESCHED Comm	Oct 3 Board	Oct 16 Comm	Nov 7 Board	Nov 20 Comm (Q1)	Dec 5 Board	Dec 11 RESCHED Comm	Dec 19 Board	Jan 2 Board	Jan 22 RESCHED Comm	Feb 6 Board	Feb 26 RESCHED Comm (Q2)	Mar 5 Board	Mar 18 Comm	April 2 Board	April 15 Comm	May 16 Board	May 20 Comm (Q3)	June 4 Board	June 17 Comm	June 18 - JPA
1	Recommend Approval of a Resolution Authorizing FY 2023/24 Water Supply Contract Payments (consent)	P		P			.																				
2	Recommend Approval of a Contract with XYZ Company for Janitorial Services	P		P																							
3	Recommend Approval of a Revised Purchasing Policy	P		P																							
4	Recommend Receiving and Filing of May 2023 Monthly Financial Report (consent)	P		P																							
5	Recommend Approval of Resolutions Setting Santa Clarita Valley Water Agency Tax Rate for FY 2023/24 and Requesting Levy of Tax by Los Angeles County and Ventura County (consent - moved up due to 7-4 cancelled Board)		P																								
6	Recommend Approval of a Preliminary Official Statement		P																								
7	Recommend Receiving and Filing of April 2023 Monthly Financial Report (consent)		P																								
8	Financial Market Update				P																						
9	Recommend Receiving and Filing of June 2023 Montly and FY 2022/23 Fourth Quarter Financial Report				P	P																					
10	Recommend Approval of a Resolution Adopting a Revised Investment Policy - (Annually adopted via reso) (consent)						P																				
11	Technology Update						P																				
12	Fleet and Warehouse Update						P																				
13	Recommend Receiving and Filing of July 2023 Monthly Financial Report (consent)						P	P																			

C = Completed Item
P = Planned Item

6/13/2023

Finance and Administration Committee
Planning Calendar
FY 2023/24

	Item	July 17 Comm	July 18 Board	Aug 1 Board	Aug 21 Comm (Q4)	Sept 5 Board	Sept 25 RESCHED Comm	Oct 3 Board	Oct 16 Comm	Nov 7 Board	Nov 20 Comm (Q1)	Dec 5 Board	Dec 11 RESCHED Comm	Dec 19 Board	Jan 2 Board	Jan 22 RESCHED Comm	Feb 6 Board	Feb 26 RESCHED Comm (Q2)	Mar 5 Board	Mar 18 Comm	April 2 Board	April 15 Comm	May 16 Board	May 20 Comm (Q3)	June 4 Board	June 17 Comm	June 18 - JPA
14	Discuss Affordability Study										P																
15	Recommend Receiving and Filing of August 2023 Monthly Financial Report (consent)										P	P															
16	Recommend Receiving and Filing of September 2023 Monthly and FY 2023/24 First Quarter Financial Report										P	P															
17	Technology Update												P														
18	Fleet and Warehouse Update												P														
19	Recommend Receiving and Filing of SCV Water Annual Comprehensive Financial Report (ACFR) ended June 30, 2022 (consent)												P	P													
20	Recommend Receiving and Filing of October 2023 Monthly Financial Report (consent)															P	P										
21	Recommend Receiving and Filing of November 2023 Monthly Financial Report (consent)															P	P										
22	Review Budget Calendar																	P									
23	Discuss WIFIA Loan Documents																	P									
24	Recommend Receiving and Filing of December 2023 and FY 2023/24 Second Quarter Financial Report and Mid-Year Budget Review																	P	P								

C = Completed Item
P = Planned Item

Finance and Administration Committee
Planning Calendar
FY 2023/24

	Item	July 17 Comm	July 18 Board	Aug 1 Board	Aug 21 Comm (Q4)	Sept 5 Board	Sept 25 RESCHED Comm	Oct 3 Board	Oct 16 Comm	Nov 7 Board	Nov 20 Comm (Q1)	Dec 5 Board	Dec 11 RESCHED Comm	Dec 19 Board	Jan 2 Board	Jan 22 RESCHED Comm	Feb 6 Board	Feb 26 RESCHED Comm (Q2)	Mar 5 Board	Mar 18 Comm	April 2 Board	April 15 Comm	May 16 Board	May 20 Comm (Q3)	June 4 Board	June 17 Comm	June 18 - JPA
25	Recommend Approval of a Proposed Employee Salary Adjustment (COLA) for FY 2023/24																			P	P						
26	Review Annual List of Professional Services Contracts (consent)																			P	P						
27	Discuss and Determine Ratepayer Advocate Needs and Scope																			P							
28	Discuss Facility Capacity Fee Study																			P							
29	Technology Update																			P							
30	Fleet and Warehouse Update																			P							
31	Recommend Receiving and Filing of January 2024 Monthly Financial Report (consent)																			P	P						
32	Recommend Approval of a Resolution Adopting the FY 2023/24 and FY 2024/25 Biennial Budget																					P	P				
33	Recommend Receiving and Filing of February 2024 Monthly Financial Report (consent)																					P	P				
34	Approve a Resolution Adopting the Appropriation of All As-Yet Unappropriated Funds for FY 2023/24 (consent)																							P	P		
35	Approve a Resolution Adopting the Appropriation Limit for FY 2024/25 (consent)																							P	P		
36	Recommend Receiving and Filing of March 2024 and FY 2023/24 Third Quarter Financial Report																							P	P		
37	Technology Update																									P	
38	Fleet and Warehouse Update																									P	
39	Recommend Receiving and Filing of April 2024 Monthly Financial Report (consent)																									P	
40	Approve FY 2024/25 and FY 2025/26 Budgets																										P

C = Completed Item
P = Planned Item