



**SANTA CLARITA VALLEY WATER AGENCY
REGULAR BOARD MEETING
AGENDA
27234 BOUQUET CANYON ROAD
SANTA CLARITA, CA 91350
RIO VISTA WATER TREATMENT PLANT BOARDROOM
TUESDAY, AUGUST 6, 2019 AT 6:30 PM**

6:00 PM DISCOVERY ROOM OPEN TO PUBLIC
Dinner for Directors and staff in the Discovery Room
There will be no discussion of Agency business taking place prior to the
Call to Order at 6:30 PM.

OPEN SESSION BEGINS AT 6:30 PM

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENTS – Members of the public may comment as to items not on the Agenda at this time. Members of the public wishing to comment on items covered in this Agenda may do so now or prior to each item as they arise. Please complete and return a comment request form to the Agency Board Secretary. (Comments may, at the discretion of the Board’s presiding officer, be limited to three minutes for each speaker.) Members of the public wishing to comment on items covered in Closed Session before they are considered by the Board must request to make comment at the commencement of the meeting at 6:30 PM.

4. APPROVAL OF THE AGENDA

5. CONSENT CALENDAR

PAGE

5.1. *	Approve Minutes of the SCV Water July 16, 2019 Regular Board of Directors Meeting	5
5.2. *	Approve New Golden Triangle Modular Lease	9
5.3. *	Approve a Resolution Approving and Accepting Negotiated Exchange of Property Tax Revenues Resulting from Annexation to Santa Clarita Valley Sanitation District Annexation No. SCV-1101	11

6. ACTION ITEMS FOR APPROVAL

PAGE

6.1. *	Approve a Resolution of Application by SCVWA Requesting Los Angeles LAFCO Initiate Proceedings for Annexation of Tesoro Del Valle, Making Responsible Agency Findings Pursuant to CEQA and Approving the Project in SCVWA’s Limited Role as Responsible Agency	21
--------	--	----

6. ACTION ITEMS FOR APPROVAL (CONT.) PAGE

6.2. *	Approve a Resolution to Enter into a Contract with Robert D. Niehaus, Inc. (RDN) as the Ratepayer Advocate	35
6.3. *	Approve Payment to Evoqua Water Technologies for Perchlorate Resin and Change Out Service at the V201 Perchlorate Treatment Facility	163

7. PUBLIC HEALTH GOAL PRESENTATION – POWERPOINT – 45 MINUTES

8. CONSIDERATION AND APPROVAL OF BOARD APPOINTMENT PAGE

8.1. *	Approve Participation by One SCV Water Board Member on the Urban Water Institute Board of Directors	171
--------	---	-----

9. GENERAL MANAGER’S REPORT ON ACTIVITIES, PROJECTS AND PROGRAMS

10. COMMITTEE MEETING RECAP REPORTS FOR INFORMATIONAL PURPOSES ONLY PAGE

10.1.*	July 10, 2019 Water Resources and Outreach Committee Meeting Report	173
10.2.*	July 11, 2019 Special Engineering and Operations Committee Meeting Report	177
10.3.*	July 17, 2019 Special Finance and Administration Committee Meeting Report	181
10.4.*	July 18, 2019 Public Outreach and Legislation Committee Meeting Report	185

11. WRITTEN REPORTS FOR INFORMATIONAL PURPOSES ONLY PAGE

11.1.*	Engineering Services Section Report	189
11.2.*	Finance, Administration and Information Technology Section Report	195
11.3.*	Treatment, Distribution, Operations and Maintenance Section Report	199
11.4.*	Water Resources and Outreach Section Report	209
11.5.*	Committee Planning Calendars	219

12. PRESIDENT’S REPORT

13. AB 1234 WRITTEN AND VERBAL REPORTS PAGE

13.1.*	July 19, 2019 Southern California Water Coalition Quarterly Luncheon – Director Mortensen	231
13.2.*	July 22, 2019 KnowBe4 Cybersecurity Training – Vice President Martin	233
13.3.*	July 23, 2019 VIA Monthly Luncheon – Vice President Martin and Directors Acosta, Gladbach and Kelly	235

13. AB 1234 WRITTEN AND VERBAL REPORTS (CONT.) PAGE

13.4.	July 25, 2019 JCI Santa Clarita Valley and VIA Christmas in July – Director Kelly	
13.5.	July 26, 2019 Westfield Jazz and Blues – President Cooper	
13.6.	July 30, 2019 Current Affairs Forum With Katie Hill – Vice Presidents Martin and Gutzeit and Director Gladbach	
13.7.	Other AB 1234 Reports	

14. DIRECTORS REPORT

15. CLOSED SESSION

15.1. Conference with Legal Counsel – Existing Litigation – Paragraph (1) of Subdivision (d) of Section 54956.9: – Del Valle v. Santa Clarita Valley Water Agency, Claim #17-0665

16. CLOSED SESSION ANNOUNCEMENTS

17. DIRECTOR REQUESTS FOR APPROVAL FOR EVENT ATTENDANCE

18. REQUEST FOR FUTURE AGENDA ITEMS

19. ADJOURNMENT

- * Indicates Attachment
- ◆ Indicates Handout

Note: The Board reserves the right to discuss or take action or both on all of the above agenda items.

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 (661) 297-1600, or writing to Santa Clarita Valley Water Agency 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 Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Santa Clarita Valley Water Agency, 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 July 31, 2019.

MGS

[This page intentionally left blank.]

Minutes of the Regular Meeting of the Board of Directors of the Santa Clarita Valley Water Agency – July 16, 2019

A regular meeting of the Board of Directors of the Santa Clarita Valley Water Agency was held at the Santa Clarita Valley Water Agency located at 27234 Bouquet Canyon Road, Santa Clarita, CA 91350 at 6:30 PM on Tuesday, July 16, 2019. A copy of the Agenda is inserted in the Minute Book of the Agency preceding these minutes.

DIRECTORS PRESENT: B. J. Atkins, Dante Acosta, Tom Campbell, William Cooper, Robert DiPrimio, Jerry Gladbach, Maria Gutzeit, R. J. Kelly, Gary Martin, Dan Mortensen and Lynne Plambeck.

DIRECTORS ABSENT: Ed Colley and Kathy Colley.

Also present: Matthew Stone, General Manager; Joe Byrne, General Counsel; April Jacobs, Board Secretary; Steve Cole, Assistant General Manager; Eric Campbell, Chief Financial and Administrative Officer; Rochelle Patterson, Director of Finance and Administration; Cris Perez, Director of Technology Services; Rene Ponce, IT Technician; Jonathan Ahmadi, Senior District Representative for Congresswoman Katie Hill; and members of the public.

President Cooper called the meeting to order at 6:31 PM. A quorum was present.

Upon motion of Director Gladbach, seconded by Director Acosta and carried, the Agenda was approved by the following electronic votes (Item 4):

Director Acosta	Yes	Director Atkins	Yes
Director Campbell	Yes	Director E. Colley	Absent
Director K. Colley	Absent	President Cooper	Yes
Director DiPrimio	Yes	Director Gladbach	Yes
Vice President Gutzeit	Yes	Director Kelly	Yes
Vice President Martin	Yes	Director Mortensen	Yes
Director Plambeck	Yes		

Upon motion of Director Acosta, seconded by Director Gladbach and carried, the Board approved the Consent Calendar by the following electronic votes (Item 5):

Director Acosta	Yes	Director Atkins	Yes
Director Campbell	Yes	Director E. Colley	Absent
Director K. Colley	Absent	President Cooper	Yes
Director DiPrimio	Yes	Director Gladbach	Yes
Vice President Gutzeit	Yes	Director Kelly	Yes
Vice President Martin	Yes	Director Mortensen	Yes
Director Plambeck	Yes		

Upon motion of Director DiPrimio, seconded by Director Kelly and carried, the Board approved payment of \$108,162.90 to Evoqua Water Technologies for Perchlorate resin and change out service at Saugus 1 and 2 Wells Perchlorate Treatment Facility by the following electronic votes (Item 6.1):

Director Acosta	Yes	Director Atkins	Yes
-----------------	-----	-----------------	-----

Director Campbell	Yes	Director E. Colley	Absent
Director K. Colley	Absent	President Cooper	Yes
Director DiPrimio	Yes	Director Gladbach	Yes
Vice President Gutzeit	Yes	Director Kelly	Yes
Vice President Martin	Yes	Director Mortensen	Yes
Director Plambeck	Yes		

The General Manager reported on the July 9, 2019 All Employee Luncheon which included tours of the RVWTP and an update on the PFAS. He also reported on the PFAS team meeting that takes place with staff every other Friday to review progress to date and prepare for existing and future issues. He reported on the July 10, 2019 Whittaker-Bermite Task Force meeting and gave a brief report on the State Water Project pertaining to the "Single Conveyance Tunnel" and how the change of Administration has impacted this issue. Further, he updated the Board on talks that the State Water Contractors have been having regarding the financing of the tunnel, CEQA and other issues regarding this effort. The General Manager also reminded the Board of the upcoming Urban Water Institute Conference, the speakers booked and subjects that would be covered. He stated that there will be a few discussions taking place regarding PFAS and one of the speakers will be Kathryn Mallon the new Executive Director for the Delta Design and Construction Authority (Item 6).

There was a discussion regarding the importance of the integration of water management and how the merger has helped the Agency move forward on items such as PFAS and PFOS in a more efficient manner as well as helping with overall water management.

The Board President advised the Board about the upcoming ACWA Fall conference (Item 7).

AB 1234 Reports (Item 8).

A written report was submitted by Director Gladbach and was included in the Board packet. An additional written report was submitted by Director Plambeck which was handed out and is part of the record.

President Cooper reported that he participated in a conference call on July 16, 2019 with Mitch Rosenberg regarding the General Manager evaluation process and attended the SCV Chamber of Commerce Patriots luncheon held at the Valencia Hyatt on July 11, 2019.

Director Acosta reported that he attended the CSDA Leadership Academy held in Napa on July 8-10, 2019, attended the SCV Chamber of Commerce Patriots luncheon held at the Valencia Hyatt on July 11, 2019 and the Oakmont Grand Opening on July 11, 2019.

Director Gladbach reported that he attended the SCV Chamber of Commerce Patriots luncheon held at the Valencia Hyatt on July 11, 2019.

Director Reports (Item 9).

Directors Gladbach and Martin reported on their attendance at the July 9, 2019 All Employee Luncheon held at RVWTP on the patio.

Upon motion of Director Campbell, seconded by Director Acosta and carried, the Board went into Closed Session at 7:22 PM to discuss the item listed on the Agenda by the following electronic votes (Item 10):

Director Acosta	Yes	Director Atkins	Yes
Director Campbell	Yes	Director E. Colley	Absent
Director K. Colley	Absent	President Cooper	Yes
Director DiPrimio	Yes	Director Gladbach	Yes
Vice President Gutzeit	Yes	Director Kelly	Yes
Vice President Martin	Yes	Director Mortensen	Yes
Director Plambeck	Yes		

Upon motion of Director Gladbach, seconded by Director Acosta and carried, the Board voted to come out of Closed Session at 7:45 PM by the following electronic votes (Item 10):

Director Acosta	Yes	Director Atkins	Yes
Director Campbell	Yes	Director E. Colley	Absent
Director K. Colley	Absent	President Cooper	Yes
Director DiPrimio	Yes	Director Gladbach	Yes
Vice President Gutzeit	Yes	Director Kelly	Yes
Vice President Martin	Yes	Director Mortensen	Yes
Director Plambeck	Yes		

President Cooper reconvened the Open Session at 7:45 PM.

Joe Byrne, Esq., reported that regarding Item 10.1 Claim of Paul Halushka Against Santa Clarita Valley Water Agency, Date of Claim May 28, 2019, the Board took action to deny the claim. By motion of Director Campbell, seconded by Director Gladbach and carried, the Board denied the claim by the following voice votes (Item 11):

Director Acosta	Yes	Director Atkins	Yes
Director Campbell	Yes	Director E. Colley	Absent
Director K. Colley	Absent	President Cooper	Yes
Director DiPrimio	Yes	Director Gladbach	Yes
Vice President Gutzeit	Yes	Director Kelly	Yes
Vice President Martin	Yes	Director Mortensen	Yes
Director Plambeck	Yes		

There were no other actions taken in Closed Session that were reportable under the Ralph M. Brown Act (Item 11).

Director Kelly inquired about approval to attend the UWI Conference coming up in August 2019. After discussion President Cooper requested that the Compensation and Reimbursement Policy Ad Hoc Committee meet again to discuss (1) exchanging single days for multi days, (2) carry

over days, (3) possible increase of multi day events and (4) any other potential changes to this policy (Item 12).

There were no requests for future agenda items (Item 13).

Upon motion of Director Acosta, seconded by Director Gladbach and carried, the meeting was adjourned at 8:05 PM by the following electronic votes (Item 14):

Director Acosta	Yes	Director Atkins	Yes
Director Campbell	Yes	Director E. Colley	Absent
Director K. Colley	Absent	President Cooper	Yes
Director DiPrimio	Yes	Director Gladbach	Yes
Vice President Gutzeit	Yes	Director Kelly	Yes
Vice President Martin	Yes	Director Mortensen	Yes
Director Plambeck	Yes		

April Jacobs, Board Secretary

ATTEST:

President of the Board



BOARD MEMORANDUM

DATE: July 12, 2019
TO: Board of Directors
FROM: Mike Alvord *MA*
Director of Operations and Maintenance
SUBJECT: Approve New Golden Triangle Modular Lease

SUMMARY

One of the two existing Golden Triangle modular buildings has a lease with Design Space Modular Buildings. It is 24 feet x 60 feet with 5 offices, 1 conference room, and a central open space. A cross-sectional staff of up to 1 manager, 2 supervisors, 2 foreman, 6 seniors, an administrative assistant, and 22 additional staff use this modular. While the entire workforce is not in the modular at the same time, they need to have adequate accommodations to work, and the design/layout of the current modular does not accommodate this level of staff.

A new modular building with a new lease is being proposed to satisfy a variety of needs. This new building would be 48 feet by 60 feet with up to 9 offices, 1 conference room, and 1 woman's only restroom. This modular would provide office and meeting space.

DISCUSSION

Revising the workstations and modular set up has been examined since 2012 when the former Santa Clarita Water Division considered purchasing a new modular building. Since the creation of SCV Water and the relocation of staff from various locations, it is important to revisit this topic in order to provide staff at all locations with similar facilities; while fostering a collaborative and productive work environment.

Currently, the Golden Triangle location has one leased modular building and one owned. The set up and functionality of both modular buildings lack some of the basic essentials for staff. There is currently only one men's and one woman's restroom, no kitchen, and no lunch room for a team of over 34 employees. There are also concerns with the location of the single woman's restroom in the owned modular.

Staff has already taken steps to improve the owned modular by building a locker room, which is separate from the restroom. This was not only required to accommodate space constraints, but to also keep the locker room outside of the restroom area. In addition, staff is planning to convert one of the existing offices into a kitchen and lunchroom, converting this existing modular into a full functioning staff facility.

The current leased modular has no restrooms and by moving staff out of the lunchroom modular, there is limited space for the expanding workforce. Therefore, staff is recommending obtaining a larger modular with a new lease. Staff did consider purchasing instead of leasing a new modular. However, long-term plans for the Agency have not been completely vetted and staff believes this proposed lease is the best option at this time.

On July 11, 2019, the Engineering and Operations Committee considered staff's recommendation to approve a new Golden Triangle Modular Lease.

FINANCIAL CONSIDERATIONS

	Current Lease	Proposed Lease
Monthly Cost	\$1,220.06	\$3,592.82
Annual Cost	\$14,640.72	\$43,113.84
Increased Annual Cost		\$28,473.12

The total mobilization cost of the new modular is approximately \$20,000 and demobilization cost of the existing modular is approximately \$13,400. These costs are provided through the Capital Improvement Program and is included in the FY 2019/20 Budget. Funding for this lease is included in the FY 2019/20 and 2020/21 Operating Expense Budget.

RECOMMENDATION

The Engineering and Operations Committee recommends that the Board of Directors approve a new Golden Triangle Modular Lease.

MGS



ITEM NO.
5.3

BOARD MEMORANDUM

DATE: July 17, 2019
TO: SCVWA Board of Directors
FROM: April Jacobs *aj*
Board Secretary
SUBJECT: Approve a Resolution Approving and Accepting Negotiated Exchange of Property Tax Revenues Resulting from Annexation to Santa Clarita Valley Sanitation District Annexation No. SCV-1101

SUMMARY

The County Sanitation Districts of Los Angeles County is requesting approval and acceptance of a negotiated exchange of property tax revenues resulting from annexation to Santa Clarita Valley Sanitation District Annexation No. SCV-1101.

DISCUSSION

The annexation process requires that a resolution for property tax revenue exchange be adopted by all the affected local agencies before an annexation may be approved. For any jurisdictional change which will result in a special district providing new service not previously provided in an area, the law requires the governing bodies of all local agencies that receive an apportionment of the property tax from the area to determine by resolution the amount of the annual tax increment to be transferred to the special district (Revenue and Taxation Code Section 99.01).

RECOMMENDATION

That the Board of Directors approve the attached Negotiated Tax Exchange Resolution resulting from annexation to the Santa Clarita Valley Sanitation District Annexation No. SCV-1101.

AMJ

Attachment

MGS

[This page intentionally left blank.]



COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

1955 Workman Mill Road, Whittier, CA 90601-1400
Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998
Telephone: (562) 699-7411, FAX: (562) 699-5422
www.lacsd.org

GRACE ROBINSON HYDE
Chief Engineer and General Manager

July 11, 2019

General Annexation File

Ms. April Jacobs, Board Secretary
Santa Clarita Valley Water Agency
27234 Bouquet Canyon Road
Santa Clarita, CA 91350

Dear Ms. Jacobs:

Tax Sharing Resolutions

Thank you for signing and returning the last joint resolutions that were submitted to your office for tax sharing purposes.

Enclosed, in triplicate, is a Joint Tax Sharing Resolution (resolution) involving your agency and others. The applicant has requested, in writing, annexation of his property into the Santa Clarita Valley Sanitation District (District) in order to receive off-site disposal of sewage. Please see the table below for the annexation and its associated project. The annexation process requires that a resolution for property tax revenue exchange be adopted by all the affected local agencies before an annexation may be approved. For any jurisdictional change which will result in a special district providing new service not previously provided to an area, the law requires the governing bodies of all local agencies that receive an apportionment of the property tax from the area to determine by resolution the amount of the annual tax increment to be transferred to the special district (Revenue and Taxation Code Section 99.01). Please note that by sharing the property tax increment with the District resulting from this annexation, your agency will not lose any existing ad valorem tax revenue it currently receives from the affected territory. Your agency would only be giving up a portion of the revenues it would receive on increased assessed valuation.

<u>Annexation No.</u>	<u>Type of Project</u>
SCV-1101	one proposed single-family home

Also, attached for the annexation is a copy of the applicable worksheet and map showing the location of the annexation. The worksheet lists the annual tax increment to be exchanged between your agency, other affected taxing entities, and the District. The tax sharing ratios listed in the worksheet were calculated by the County Auditor Controller by specific Tax Rate Area (TRA). For example, if the annexing territory were to lie within two separate TRAs, there would be a worksheet for each TRA. The Los Angeles County Chief Executive Office (CEO) is requiring the District to implement the worksheet for all District annexations in order to increase efficiency for the calculation of property tax sharing ratios.

Ms. April Jacobs

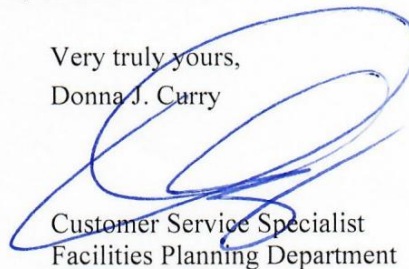
2

July 11, 2019

The resolution is being distributed to all parties for signature in counterpart. Therefore, you will only be receiving a signature page for your agency. Enclosed are three sets of the resolution. One set of the resolution is for your files and the other two sets of the resolution need to be returned to the District. Please execute the two sets of the resolution and return them to the undersigned within 60 days as required by the Government Code. In addition, the County CEO's legal counsel is also requesting that the signature pages be properly executed from all affected agencies. Therefore, please have the Attest line signed by the appropriate person. Upon completion of the annexation process, your office will receive a fully executed copy of the tax sharing resolution for your files.

Your continued cooperation in this matter is very much appreciated. If you have any questions, please do not hesitate to call me at (562) 908-4288, extension 2708.

Very truly yours,
Donna J. Curry



Customer Service Specialist
Facilities Planning Department

DC:

Enclosures: SCV-1101

DOC 4401106

JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES
ACTING IN BEHALF OF

Los Angeles County General Fund

Los Angeles County Library

Los Angeles County Road District #5

Los Angeles County Consolidated Fire Protection District

Los Angeles County Flood Control

THE BOARD OF DIRECTORS OF SANTA CLARITA VALLEY SANITATION DISTRICT OF LOS
ANGELES COUNTY, AND THE GOVERNING BODIES OF

Greater Los Angeles County Vector Control District

Antelope Valley Resource Conservation District

Santa Clarita Valley Water Agency

APPROVING AND ACCEPTING NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES
RESULTING FROM ANNEXATION TO SANTA CLARITA VALLEY SANITATION DISTRICT.

"ANNEXATION NO. 1101"

WHEREAS, pursuant to Section 99 and 99.01 of the Revenue and Taxation Code, prior to the effective date of any jurisdictional change which will result in a special district providing a new service, the governing bodies of all local agencies that receive an apportionment of the property tax from the area must determine the amount of property tax revenues from the annual tax increment to be exchanged between the affected agencies and approve and accept the negotiated exchange of property tax revenues by resolution; and

WHEREAS, the governing bodies of the agencies signatory hereto have made determinations of the amount of property tax revenues from the annual tax increments to be exchanged as a result of the annexation to Santa Clarita Valley Sanitation District entitled *Annexation No. 1101*;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The negotiated exchange of property tax revenues resulting from the annexation of territory to Santa Clarita Valley Sanitation District in the annexation entitled *Annexation No. 1101* is approved and accepted.

2. For each fiscal year commencing on and after July 1, 2019 or after the effective date of this jurisdictional change, whichever is later, the County Auditor shall transfer to Santa Clarita Valley Sanitation District a total of 0.9592213 percent of the annual tax increment attributable to the land area encompassed within *Annexation No. 1101* as shown on the attached Worksheet.

3. No additional transfer of property tax revenues shall be made from any other tax agencies to Santa Clarita Valley Sanitation District as a result of annexation entitled *Annexation No. 1101*.

4. No transfer of property tax increments from properties within a community redevelopment project, which are legally committed to a Community Redevelopment Agency, shall be made during the period that such tax increment is legally committed for repayment of the redevelopment project costs.

5. If at any time after the effective date of this resolution, the calculations used herein to determine initial property tax transfers or the data used to perform those calculations are found to be incorrect thus producing an improper or inaccurate property tax transfer, the property tax transfer shall be recalculated and the corrected transfer shall be implemented for the next fiscal year.

The foregoing resolution was adopted by the Board of Supervisors of the County of Los Angeles, the Board of Directors of Santa Clarita Valley Sanitation District of Los Angeles County, and the governing bodies of Greater Los Angeles County Vector Control District, Antelope Valley Resource Conservation District, and Santa Clarita Valley Water Agency, signatory hereto.

SANTA CLARITA VALLEY WATER
AGENCY

SIGNATURE

PRINT NAME AND TITLE

ATTEST:

Secretary

Date

(SIGNED IN COUNTERPART)

ANNEXATION TO: STA CLRTA VLY SANIT DIS OF LA CO
 ACCOUNT NUMBER: 067.35
 TRA: 02642
 EFFECTIVE DATE: 07/01/2019
 ANNEXATION NUMBER: 1101
 PROJECT NAME: A-SCV-1101
 DISTRICT SHARE: 0.017673419

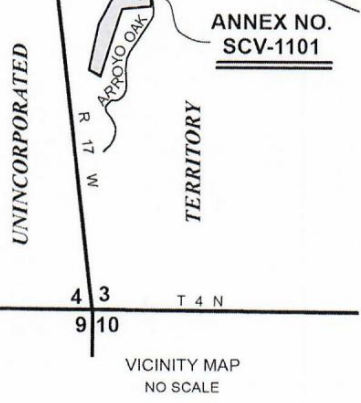
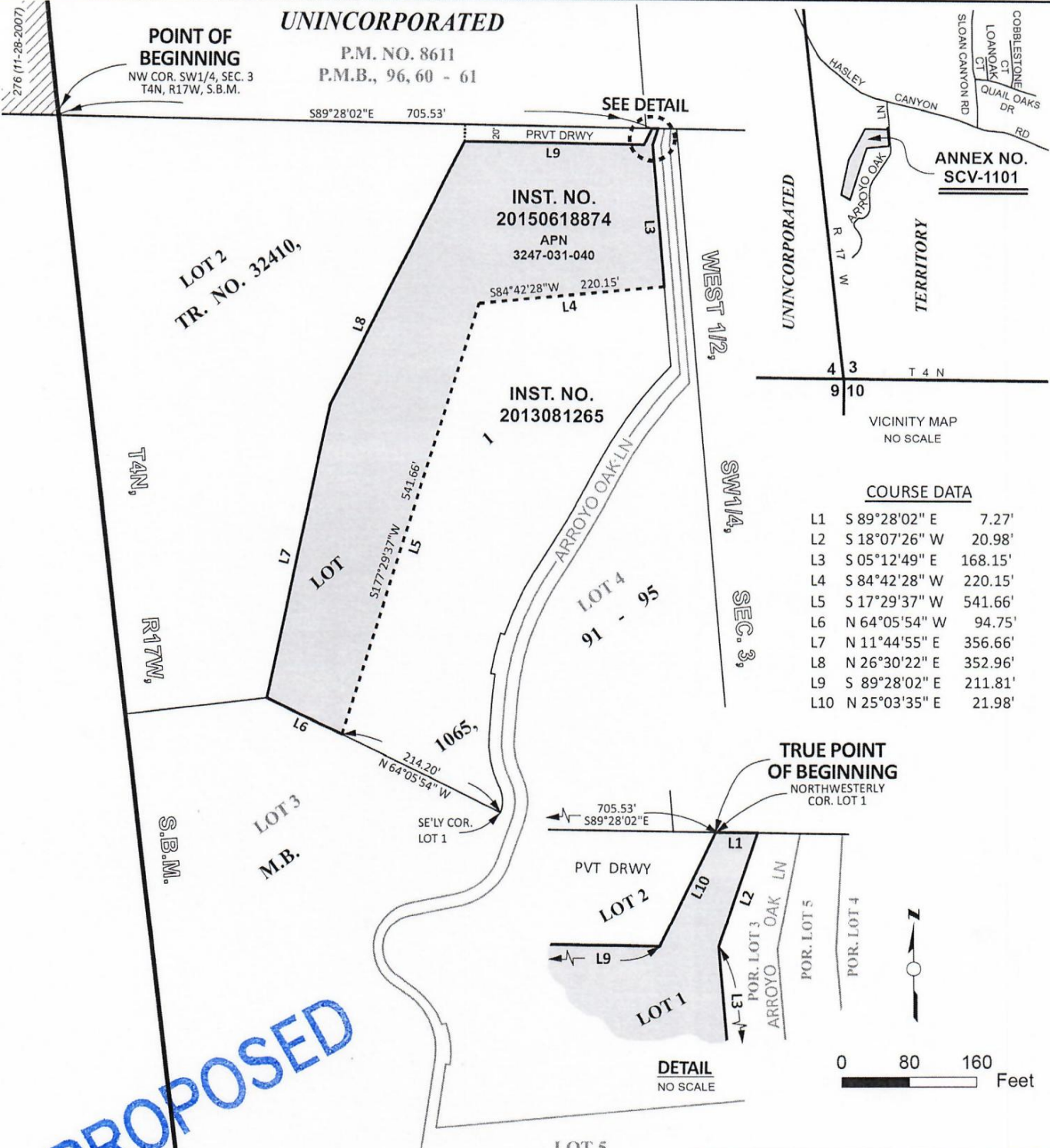
ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE
001.05	LOS ANGELES COUNTY GENERAL	0.227546562	22.7559 %	0.017673419	0.004021538	-0.004116259	0.223430303
001.20	L.A. COUNTY ACCUM CAP OUTLAY	0.000131990	0.0131 %	0.017673419	0.000002332	0.000000000	0.000131990
003.01	L A COUNTY LIBRARY	0.027984559	2.7984 %	0.017673419	0.000494582	-0.000494582	0.027489977
005.25	ROAD DIST # 5	0.007285573	0.7285 %	0.017673419	0.000128760	-0.000128760	0.007156813
007.30	CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.185810671	18.5810 %	0.017673419	0.003283909	-0.003283909	0.182526762
007.31	L A C FIRE-PFW	0.005227611	0.5227 %	0.017673419	0.000092389	0.000000000	0.005227611
030.10	L.A.CO.FL.CON.DR.IMP.DIST.MAINT.	0.002160326	0.2160 %	0.017673419	0.000038180	-0.000038180	0.002122146
030.70	LA CO FLOOD CONTROL MAINT	0.012225963	1.2225 %	0.017673419	0.000216074	-0.000216074	0.012009889
051.70	L A CO WATER WKS NO 36 CAP OUT	0.007732047	0.7732 %	0.017673419	0.000136651	-0.000136651	0.007595396
061.80	GREATER L A CO VECTOR CONTROL	0.000322714	0.0322 %	0.017673419	0.000005703	-0.000005703	0.000317011
068.05	ANTELOPE VY RESOURCE CONSER DIST	0.000000000	0.0000 %	0.017673419	0.000000000	0.000000000	0.000000000
302.01	CASTAIC LAKE WATER AGENCY	0.066319672	6.6319 %	0.017673419	0.001172095	-0.001172095	0.065147577
400.00	EDUCATIONAL REV AUGMENTATION FD	0.051382438	5.1382 %	0.017673419	0.000908103	EXEMPT	0.051382438
400.01	EDUCATIONAL AUG FD IMPOUND	0.131877650	13.1877 %	0.017673419	0.002330728	EXEMPT	0.131877650
400.15	COUNTY SCHOOL SERVICES	0.001638637	0.1638 %	0.017673419	0.000028960	EXEMPT	0.001638637
400.21	CHILDREN'S INSTIL TUITION FUND	0.003251892	0.3251 %	0.017673419	0.000057472	EXEMPT	0.003251892
440.01	CASTAIC UNION SCHOOL DISTRICT	0.068486271	6.8486 %	0.017673419	0.001210386	EXEMPT	0.068486271
440.06	CO.SCH.SERV.FD.- CASTAIC UNION	0.013338995	1.3338 %	0.017673419	0.000235745	EXEMPT	0.013338995
440.07	DEV.CTR. HDGPD.MINOR-CASTAIC	0.001169057	0.1169 %	0.017673419	0.000020661	EXEMPT	0.001169057

ANNEXATION NUMBER: 1101

PROJECT NAME: A-SCV-1101

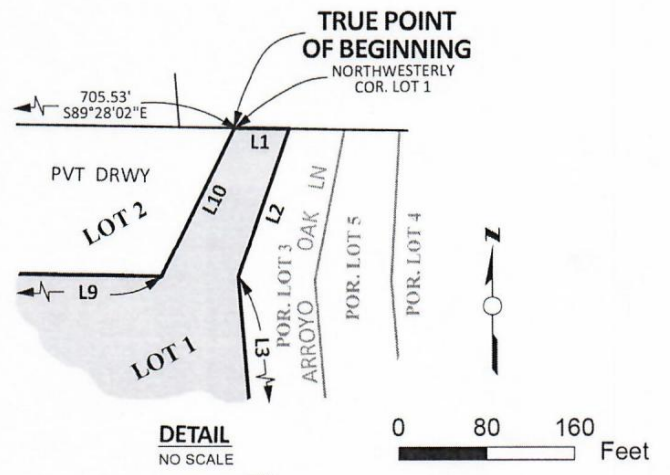
TRA: 02642

ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE
757.02	HART WILLIAM S UNION HIGH	0.093540128	9.3540 %	0.017673419	0.001653173	EXEMPT	0.093540128
757.06	CO.SCH.SERV.FD.- HART,WILLIAM S.	0.000389806	0.0389 %	0.017673419	0.000006889	EXEMPT	0.000389806
757.07	HART,WILLIAM S.-ELEM SCHOOL,FUND	0.049217867	4.9217 %	0.017673419	0.0008659847	EXEMPT	0.049217867
814.04	SANTA CLARITA COMMUNITY COLLEGE	0.042959571	4.2959 %	0.017673419	0.000759242	EXEMPT	0.042959571
***067.35	STA CLRITA VLY SANIT DIS OF LA CO	0.000000000	0.0000 %	0.017673419	0.000000000	0.000000000	0.009592213
TOTAL:		1.000000000	100.0000 %		0.017673419	-0.009592213	1.000000000



COURSE DATA

L1	S 89°28'02" E	7.27'
L2	S 18°07'26" W	20.98'
L3	S 05°12'49" E	168.15'
L4	S 84°42'28" W	220.15'
L5	S 17°29'37" W	541.66'
L6	N 64°05'54" W	94.75'
L7	N 11°44'55" E	356.66'
L8	N 26°30'22" E	352.96'
L9	S 89°28'02" E	211.81'
L10	N 25°03'35" E	21.98'



PROPOSED

Annexation No. 1101 shown thus..... [Symbol]
 Boundary of Santa Clarita Valley Sanitation District
 Prior to Annexation No. 1101 shown thus..... [Symbol]
 Prior Annexations shown thus [Symbol]
 Area of Annexation 2.50± Acres

SANTA CLARITA VALLEY
 SANITATION DISTRICT
 OF LOS ANGELES COUNTY, CA
 OFFICE OF CHIEF ENGINEER
 GRACE ROBINSON HYDE
 CHIEF ENGINEER & GENERAL MANAGER
ANNEXATION NO. 1101
 TO
 SANTA CLARITA VALLEY
 SANITATION DISTRICT
 Recorded:

LA County Assessor Landbase 2018.
 CAMS Centerline, DPW City boundary
 LA County Sanitation Districts:
 AnnexationLayer and District Layer


[This page intentionally left blank.]



BOARD MEMORANDUM

DATE: July 11, 2019

TO: Board of Directors

FROM: Steve Cole 
Assistant General Manager

SUBJECT: Approve a Resolution of Application by SCVWA Requesting Los Angeles LAFCO Initiate Proceedings for Annexation of Tesoro Del Valle, Making Responsible Agency Findings Pursuant to CEQA and Approving the Project in SCVWA's Limited Role as Responsible Agency

SUMMARY

On September 30, 2013, Castaic Lake Water Agency (CLWA) and Montalvo Properties (Montalvo) executed an Annexation Agreement (Annexation Agreement) for a portion of the Tesoro Del Valle development (Project), located outside of the CLWA service area boundary, a predecessor to Santa Clarita Valley Water Agency. The Annexation Agreement provided Montalvo the option to seek modification to the Project while recognizing such action would require the consideration of updated CEQA documentation prior to submitting an application for annexation to the Los Angeles County Local Area Formation Organization (LAFCO). Montalvo chose this option and subsequently requested an amendment to the Annexation Agreement granting more time for possible changes to the Project application and to complete environmental and other entitlement related work (First Amendment). A second amendment was executed that permitted additional time, through September 30, 2018, to process revised entitlements, complete environmental documentation and transfer the Annexation Agreement from Montalvo to IHP Capital to which the property was sold (Second Amendment). IHP Capital created a subsidiary, Bristol Land Company, LLC (BLC) to which the Annexation Agreement was assigned. A third amendment was executed assigning the Annexation Agreement from Montalvo to BLC and provided BLC two additional years (through September 30, 2020) to complete the entitlements for the annexation property (Third Amendment). Acting as the lead agency, the County of Los Angeles certified the Supplemental Environmental Impact Report (SEIR) for the Project in November 2018 and approved the Project. Staff has prepared a draft Resolution of Application through which the Board, is being asked to request that the Local Agency Formation Commission of Los Angeles County initiate annexation proceedings for the annexation of Tesoro Del Valle, and through which the Board, in its limited capacity as a CEQA responsible agency, is being asked to adopt the County of Los Angeles' CEQA findings and MMRP as its own, and directing staff to submit a LAFCO application for the annexation of Tesoro Del Valle.

BACKGROUND AND DISCUSSION

On May 22, 2007, CLWA, a predecessor to Santa Clarita Valley Water Agency (SCV Water) acquired 11,000 AFY of additional water supply as part of an agreement with Buena Vista/Rosedale-Rio Bravo (BV-RRB). When negotiating the transfer, the CLWA considered interest from developers who had indicated a desire to annex into the CLWA service area. Accordingly, CLWA set aside 3,653 AFY of the 11,000 AFY BV-RRB water acquisition for

annexing parties as documented in the EIR for the purchase. Additionally, in 2007, CLWA adopted an Annexation Policy and approved the form for associated Deposit and Funding Agreement and Annexation Agreements. The 2008 economic downturn resulted in developers suspending their interest in potential annexations.

In 2013, the CLWA was approached by Montalvo regarding development of subsequent phases of the Tesoro Del Valle Development that were partially outside of CLWA's service area boundary. Montalvo entered into a Deposit and Funding Agreement and Annexation Agreement with CLWA. Under those agreements, Montalvo paid a proportionate share of BV-RRB water acquisition and carrying costs to reserve 500 acre-feet for the proposed annexation of 864 acres. The Annexation Agreement provided Montalvo the option of modifying the proposed land use. Montalvo exercised its option and the proposed annexation area has been reduced to 324 acres (Annexation Lands) with a revised water demand of 389 acre-feet. The Third Amendment reduced the ongoing BV-RRB carrying costs to reflect the reduced water demand along with assignment of the Annexation Agreement from Montalvo to BLC. BLC is current on all obligations under the Deposit and Funding and Annexation Agreements.

Along with BV-RRB water costs, the Annexation Agreement obligates BLC to pay for past and ongoing SWP and 1% property taxes for the Annexed Lands as if these were part of the Agency from its inception. Payment of these past costs is a condition precedent to final annexation.

As part of the annexation policy process, SCV Water is required to apply for a change in organization (an annexation and corresponding sphere of influence amendment), to the Local Agency Formation Commission for the County of Los Angeles (LAFCO). The initial step in the LAFCO application is for SCV Water to complete a Resolution of Application (Resolution). The Resolution requests that LAFCO initiate proceedings for the change of organization on behalf of the property owner, BLC, for the Tesoro Del Valle annexation. This will amend SCV Water's current service area boundary to include the annexation area.

Subsequent to annexation, BLC will continue to pay BV-RRB carrying costs through the payment of stand-by charges, which SCV Water requests be imposed as a condition of the LAFCO annexation.

Consistent with discussions at the May 13, 2019 Water Resources and Watershed Committee meeting, carrying costs will end after homeowner occupancy, and homeowners will pay water rates consistent with existing SCV Water customers.

California Environmental Quality Act (CEQA) Findings

Pursuant to the provisions of CEQA and the State CEQA Guidelines, in 1999 the County of Los Angeles, acting as Lead Agency, prepared and processed a Final Environmental Impact Report (FEIR) for the Tesoro Del Valle Project. In September 2013, CLWA as a responsible agency adopted the findings of the Lead Agency and authorized execution of the Annexation Agreement.

In 2006, the FEIR for the BV-RRB Water Acquisition was considered by CLWA and included an analysis of the likely environmental impacts resulting from a portion of the BV-RRB Water Acquisition being used to meet the water demand for the Annexation Lands. The CEQA determination at this time is that the proposed action had been previously addressed in the

certified 2006 Final EIR and findings and that no further environmental analysis or documentation is required.

The SEIR for the Tesoro Project was prepared in February 2018 and pursuant to the provisions of the State CEQA Guidelines, in November 2018, the County of Los Angeles, acting as Lead Agency, prepared and processed a Final Environmental Impact Report (Final EIR) for the revised proposed Tesoro Del Valle project. Both the 1999 Final EIR (State Clearinghouse No. 93021007) and the 2018 Subsequent EIR (State Clearinghouse No. 2016101032), have been made available to the Board, and are available to the public along with other related documents through the SCV Water Board Secretary or at the links listed below. As a condition of approval, the Applicant BLC shall provide evidence to the County of Los Angeles of payment of all capacity fees, connection fees and water supply costs in compliance with all of the requirements of SCV Water. The water demand for the approved revised Tesoro Project is to be calculated by SCV Water as part of the SB 221 Water Supply Verification prior to Final Map recordation as part of the Mitigation Monitoring and Reporting Program section MM Util-1.

Although other responsible agencies will act to consider this project, the current Board action relates solely to those approvals within the legal authority of SCV Water and would approve the Tesoro Project and authorize the filing an application with LAFCO for annexation of the proposed Annexation Lands and a change in the sphere of influence of SCV Water.

On July 10, 2019, the Water Resources and Watershed Committee considered staff's recommendation to approve a Resolution of Application by SCVWA requesting Los Angeles LAFCO to initiate proceedings for annexation of Tesoro Del Valle, making Responsible Agency Findings pursuant to CEQA and approving the Project in SCVWA's limited role as Responsible Agency.

FINANCIAL CONSIDERATIONS

Montalvo originally executed a Deposit and Funding Agreement and has reimbursed the Agency for costs associated with the proposed annexation including BV-RRB acquisition and carrying costs. The Third Amendment assigned the Deposit and Funding Agreement and Annexation Agreement responsibilities to BLC. All costs associated with submittal of the LAFCO application are covered by BLC. If SCV Water determines not to proceed with the annexation, it will be obligated to return BV-RRB acquisition and carrying costs of approximately \$3,000,000.

RECOMMENDATION

The Water Resources and Watershed Committee recommends that the Board of Directors approve the attached resolution authorizing the General Manager to adopt CEQA findings and direct staff to submit a LAFCO Application for Annexation of Tesoro Del Valle.

Links to References:

- 1999 Final EIR for Tesoro del Valle Project (State Clearinghouse No. 93021007) available in three sections at:
 - http://planning.lacounty.gov/assets/upl/case/tr51644-1_92074-deir.pdf (DEIR)
 - http://planning.lacounty.gov/assets/upl/case/tr51644-1_92074-deir-app.pdf (Technical Appendices)

- http://planning.lacounty.gov/assets/upl/case/tr51644-1_92074-fas.pdf (Findings of Fact)
- 2018 Draft Supplemental EIR for Tesoro Del Valle Project (State Clearinghouse No. 2016101032) available at: http://planning.lacounty.gov/assets/upl/case/tr51644-1_92074-dseir.pdf
 - Appendix M to 2018 Draft Supplemental EIR for Tesoro Del Valle Project available at: http://planning.lacounty.gov/assets/upl/case/tr51644-1_92074-dseir-appM.pdf
- 2018 Subsequent EIR for Tesoro del Valle Project (State Clearinghouse No. 2016101032) available at: http://planning.lacounty.gov/assets/upl/case/tr51644-1_92074-feir.pdf
- Mitigation Monitoring and Reporting Program for Tesoro del Valle Project available at: County of Los Angeles' Findings of Fact Regarding the Final Environmental Impact Report and Statement of Overriding Consideration for the Tesoro del Valle Phases A, B, and C Project available at: http://planning.lacounty.gov/assets/upl/case/tr51644-1_92074-approval-package.pdf

RESOLUTION NO.

A RESOLUTION OF APPLICATION OF THE BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY REQUESTING THAT THE LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF LOS ANGELES (LAFCO) INITIATE PROCEEDINGS FOR THE CHANGE OF ORGANIZATION ON BEHALF OF BRISTOL LAND COMPANY LLC FOR THE TESORO ANNEXATION, MAKING RESPONSIBLE AGENCY FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND APPROVING THE PROJECT IN THE AGENCY'S LIMITED ROLE AS RESPONSIBLE AGENCY

WHEREAS, Santa Clarita Valley Water Agency ("SCV Water") is a water agency created to acquire, hold, and utilize water and water rights, including, but not limited to, water available from the state under the State Water Resources Development System/State Water Project ("SWP"), and to provide, sell, manage, and deliver surface water, groundwater, and recycled water for municipal, industrial, domestic, and other purposes at retail and wholesale within the boundaries of SCV Water; and

WHEREAS, Bristol Land Company LLC ("Applicant"), owns 1,274.6 acres adjacent to the boundary of SCV Water in the County of Los Angeles of which approximately 323.43 acres is proposed for annexation to SCV Water ("Annexation Lands"); and

WHEREAS, SCV Water's predecessor in interest, Castaic Lake Water Agency ("CLWA"), and Applicant's predecessor in interest, Montalvo Properties, LLC, executed various documents establishing the obligations, conditions and responsibilities consistent with CLWA's Annexation Policy, and its underlying principles, necessary for the orderly development and service of water to the Annexation Lands. These documents include, but are not limited to, the following:

1. February 19, 2013 Deposit and Funding Agreement ("Deposit and Funding Agreement")
2. September 29, 2017 Amended and Restated Annexation Agreement ("Annexation Agreement")

WHEREAS, the Deposit and Funding Agreement requires, among other things, that the Applicant pay for all staff time and fees relating to SCV Water's preparation and submittal of an annexation application to LAFCO; and

WHEREAS, SCV Water desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code section 56000 et seq., for a change of organization for annexation of the Annexation Lands into SCV Water; and

WHEREAS, the proposed change of organization requested by this Resolution of Application pursuant to Government Code section 56654 is annexation of the Annexation Lands to SCV Water ("Annexation"); and

WHEREAS, the proposed Annexation is not consistent with the sphere of influence ("SOI") of SCV Water, therefore, it is proposed and requested that the SCV Water SOI be concurrently amended to reflect the proposed Annexation; and

WHEREAS, the territory proposed to be annexed is uninhabited; and

WHEREAS, the boundaries of the Annexation Lands are described in the legal description, and depicted on the corresponding maps, Exhibit “A” and Exhibit “B”, respectively, for annexation, which are incorporated herein by reference; and

WHEREAS, the County of Los Angeles (“County”) served as the lead agency responsible for the environmental review, analysis, and approval of the Tesoro Del Valle project (“Project”) pursuant to the California Environmental Quality Act (“CEQA”) (Pub. Res. Code, § 21000, et seq.) and the State CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000, et seq.), which project includes construction of 820 residential units, including 455 conventional single-family units and 365 age-qualified dwelling units; 19.1 acres of parks and other recreational amenities, including trails; a 2.1 acre helispot; an internal circulation system; and associated infrastructure and utility systems on a development footprint of approximately 393.6 acres located in unincorporated Los Angeles County, north of Avenida Rancho Tesoro and west of Casa Luna; and

WHEREAS, the County of Los Angeles (“County”) analyzed the Tesoro Del Valle project consistent with CEQA and certified a Final Environmental Impact Report (State Clearinghouse No. 93021007) (“1999 FEIR”) for the Project in or about 1999, which EIR consists of a Draft Environmental Impact Report (“DEIR”) dated October 1995, the Technical Appendices to the DEIR dated October 1995, the Final EIR dated December 1996, and the Additional Environmental Information for Inclusion in the Final EIR for Revised Tesoro Del Valle Project dated October 1998; and

WHEREAS, on or about November 7, 2018, the County certified a Subsequent Environmental Impact Report (State Clearinghouse No. 2016101032) (“SEIR”) and adopted a Mitigation Monitoring and Reporting Program (“MMRP”) for the Project consistent with CEQA and the State CEQA Guidelines; and

WHEREAS, the 1999 Final EIR and the SEIR both contemplated and analyzed the environmental impacts of the Annexation and further analyzed the Project’s impacts on water supply, water system capacity, and other water-related issues; and

WHEREAS, on or about November 7, 2018, the County made certain findings consistent with State CEQA Guidelines section 15091 before approving the Project (the “Findings”), including findings that (1) the Project’s impacts associated with water supply would be less than significant, and (2) changes have been required in, or incorporated into, the Project that would reduce impacts to water and wastewater system capacity to less than significant levels; and

WHEREAS, SCV Water hereby incorporates by reference the 1999 FEIR, the SEIR, the MMRP, and the Findings, copies of which are on file with SCV Water; and

WHEREAS, SCV Water has more limited approval and implementing authority over the Project and thus serves only as a “responsible agency” for the Project pursuant to the requirements of CEQA; and

WHEREAS, SCV Water has considered the SEIR, the MMRP, the County’s Findings, and other information in the record consistent with the process set forth in State CEQA Guidelines section 15096; and

WHEREAS, SCV Water, at its agendized public meeting on October 18, 2006 independently reviewed and considered the 1999 FEIR, the SEIR, the MMRP, the Findings, and all other related documents in the record before it; and

WHEREAS, all the procedures of CEQA have been met, and the SEIR prepared in connection with the Project is sufficiently detailed so that all of the potential effects of the Project relating to those potential environmental impacts within SCV Water's powers and authorities as responsible agency, along with all measures necessary to avoid or substantially lessen such effects, have been evaluated in accordance with CEQA; and

WHEREAS, all of the findings and conclusions made by SCV Water pursuant to this Resolution are based upon the oral and written evidence presented to it as a whole and not based solely on the information provided in this Resolution; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED that:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein and made an operative part of this Resolution of Application.
2. CEQA Compliance. As the decision-making body for SCV Water, and in SCV Water's limited role as a responsible agency under CEQA, the SCV Water Board of Directors ("Board of Directors") has reviewed and considered the information contained in the 1999 FEIR, the SEIR, the MMRP, the Findings, and all supporting documentation. Based on this review, the Board of Directors finds that, as to those potential environmental impacts within SCV Water's powers and authorities as responsible agency, the 1999 FEIR, SEIR, and supporting environmental documentation contain a complete, objective, and accurate reporting of the Project's and Annexation's potential impacts; the Board of Directors further finds that these documents comply with all CEQA requirements. These findings reflect the independent judgment and analysis of the Board of Directors.
3. Findings on Environmental Impacts. Having considered the EIRs discussed above, and in its limited role as a responsible agency under CEQA and as required by State CEQA Guidelines sections 15091 and 15096, the Board of Directors finds and agrees with the County that (1) the Project's impacts associated with water supply would be less than significant, and that the Project includes a measure, MM-Util-3, that would further reduce the Project's already less than significant impacts on water supply, and (2) changes have been required in, or incorporated into, the Project that would reduce impacts to water system capacity to less than significant levels; in particular implementation of MM Util-1 and MM Util-2 as set forth in the Findings and in the MMRP would reduce impacts to water and wastewater system capacity to less than significant levels. The Board of Directors thus finds that with the mitigation measures set forth in the MMRP, the Project or Annexation will not result in potentially significant environmental impacts as to those potential environmental impacts within SCV Water's powers and authorities as responsible agency, and that there are no feasible alternatives within the SCV Water's powers that are required to avoid or substantially reduce these less-than-significant impacts. The Board of Directors further finds that any comments received by the Board of Directors regarding the Project and/or Annexation have been examined and determined to not modify the

conclusions of the SEIR. Therefore, the Board of Directors adopts the County's CEQA Findings and MMRP as its own.

4. Approval of Project. Within its limited role as a utility provider for the Project, the Board of Directors hereby approves the Project.
5. A proposal is hereby made by SCV Water to LAFCO for a change of organization as follows:
 - a. This proposal is made pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 commencing with Section 56000 of the California Government Code.
 - b. The nature of the proposed change of organization is the annexation of the Annexation Lands to SCV Water ("Annexation").
 - c. The Annexation Lands are not within the Sphere of Influence ("SOI") of SCV Water, therefore it is requested that the SOI of SCV Water be concurrently amended to reflect the proposed Annexation.
 - d. The affected territory proposed to be annexed is uninhabited.
 - e. The boundaries of the Annexation Lands are described in the legal description, and depicted on the corresponding map, Exhibit "A" and Exhibit "B", respectively, for annexation, which are incorporated herein by reference.
 - f. The reason for proposed Annexation, together with the proposed SOI amendment, is to permit the Annexation Lands to be served by SCV Water and for the efficiencies resulting therefrom.
 - g. It is desired that the proposed Annexation provide for and is made subject to the following terms and conditions:
 - 1) The Annexation Lands, once annexed, will be subject to all rules and regulations of SCV Water, including but limited to water efficiency guidelines, conservation requirements and Best Management Practices.
 - 2) Any previously authorized service fees, charges, assessments or taxes of SCV Water shall be extended to the Annexation Lands, once annexed, and the Annexation Lands shall be subject to the payment of such service fees, charges, assessments, or taxes as SCV Water currently imposes and may legally impose in the future. Applicant will not oppose the imposition of any service fees, charges, assessments, or taxes currently applicable to SCV Water, or the Annexation Lands.
 - 3) Once the Annexation Lands are annexed, any taxes, fees, charges, or assessments for SCV Water may be collected by the County of Los Angeles Tax Collector in the same manner as ad valorem property taxes or otherwise allowed by law.

- 4) DWR approval of extension of the SCV Water service area for use of SWP facilities for delivery of water to the Annexation Lands.
- 5) Formation by SCV Water of a Water Service Area within the Annexation Lands, once annexed.
- 6) Payment by Applicant to SCV Water of the following:
 - i. All fees, charges and other payments due under the Deposit and Funding Agreement and/or Annexation Agreement, and/or the Water Annexation Policy applicable to the Annexation Lands, including but not limited to the following, as calculated as of the effective date of the Annexation:
 - (a) Facility Capacity and Connection Fees;
 - (b) Annexation Charges and State Water Project Back Taxes pursuant to Section 7 of the Annexation Agreement;
 - (c) Annexation Charges/BV-RBB Costs pursuant to Section 8 of the Annexation Agreement;
 - (d) Past Carrying Costs pursuant to Section 8 of the Annexation Agreement;
 - (e) Standby Charges pursuant to Sections 8 and 10 of the Annexation Agreement; provided however, no new special internal district(s) for purposes of establishing, adopting, levying, or collecting Standby Charges for the Annexation Lands, will be established;
 - (f) Annexation Charges/1% Property Tax Transfer and Back Taxes pursuant to Section 9 of the Annexation Agreement;
 - (g) Past BV-RRB Acquisition and Past Carrying Cost pursuant to Section 13 of the Annexation Agreement;
 - (h) Payment of all processing costs including but not limited to, Title reports, carrying costs not otherwise captured above, staff time, engineering costs, environmental costs, and costs associated with legal services;
 - (i) Payment of Property Tax Equivalent pursuant to Section 13 of the Annexation Agreement;
 - (j) All other costs not otherwise captured above, as specified and identified in the Deposit and Funding Agreement.
- 7) Applicant's payment of all LAFCO fees for the Annexation and SOI Amendment currently set at \$8,500.00 and any State Board of

Equalization fees due as a result of the Annexation; and other related fees.

- 8) The effective date of the annexation shall be the date of execution of the certificate of completion by LAFCO
6. SCV Water consents to waive protest proceedings pursuant to Government Code Section 56662(a) (1) through 56662(a) (3), inclusive, and 56662(d).
7. This Resolution of Application is hereby adopted and approved by SCV Water and LAFCO is hereby requested to initiate proceedings for the annexation of territory as authorized and in the manner provided by the Cortese-Know-Hertzberg Local Government Reorganization Act of 2000.
8. SCV Water is hereby authorized and directed to file a certified copy of this Resolution together with the required application and other documents for the Annexation and corresponding SOI regarding the Annexation Lands, with the Executive Officer of the Local Agency Formation Commission for the County of Los Angeles.
9. Notice of Determination. The Board of Directors directs staff to file a CEQA Notice of Determination with the County of Los Angeles Clerk and State Clearinghouse within five (5) working days of adoption of this Resolution.
10. Custodian of Records. The documents and materials that constitute the record of proceedings on which this Resolution and the above findings have been based, including but not limited to the 1999 FEIR, the SEIR, the MMRP, and the Findings, are located at the offices of the SCV Water, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. The custodian for these records is SCV Water Board Secretary.
11. This Resolution shall take effect immediately upon adoption by the Board of Directors of SCV Water.

EXHIBIT A
ANNEXATION NO. 19-__
TO SANTA CLARITA VALLEY WATER AGENCY

1 THAT PORTION OF SECTIONS 27 AND 28, TOWNSHIP 5 NORTH, RANGE 16 WEST, SAN
2 BERNARDINO MERIDIAN, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF
3 LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON COUNTY SURVEYOR'S MAP NOS.
4 B-2376 AND B-1850, ON FILE IN THE COUNTY SURVEYOR'S OFFICE OF SAID COUNTY,
5 DESCRIBED AS FOLLOWS:

6
7 **BEGINNING** AT THE SOUTHWEST CORNER OF SAID SECTION 28;

8
9 **COURSE 1:** THENCE ALONG THE WEST LINE OF SAID SECTION 28,
10 NORTH 01°35'48" WEST, A DISTANCE OF 1,328.32 FEET TO THE NORTH
11 LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF
12 SAID SECTION 28;

13
14 **COURSE 2:** THENCE ALONG SAID NORTH LINE, SOUTH 89°32'43" EAST, A DISTANCE OF
15 1,322.35 FEET TO THE WEST LINE OF THE EAST-HALF OF THE SOUTHWEST
16 QUARTER OF SAID SECTION 28;

17
18 **COURSE 3:** THENCE ALONG SAID WEST LINE, NORTH 01°36'26" WEST, A DISTANCE OF
19 1,328.58 FEET TO THE NORTH LINE OF THE SOUTH-HALF OF SAID SECTION
20 28;

21
22 **COURSE 4:** THENCE ALONG SAID NORTH LINE, SOUTH 89°33'22" EAST, A DISTANCE OF
23 2,696.48 FEET TO THE WEST LINE OF THE EAST-HALF OF THE NORTHEAST
24 QUARTER OF SAID SECTION 28;

25
26 **COURSE 5:** THENCE ALONG SAID WEST LINE, NORTH 00°30'45" WEST, A DISTANCE OF
27 997.96 FEET (RECORD 941.28 FEET) TO THE NORTHERLY LINE OF PARCEL
28 38 OF PARCEL MAP NO. 26320, FILED IN BOOK 310, PAGES 1 THROUGH 51,
29 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID
30 COUNTY;

31
32 THENCE ALONG THE NORTHERLY AND EASTERLY LINES OF SAID PARCEL 38 THE
33 FOLLOWING COURSES:

34
35 **COURSE 6:** NORTH 74°53'51" EAST, A DISTANCE OF 501.89 FEET, TO THE BEGINNING
36 OF A NON-TANGENT CURVE, CONCAVE WESTERLY AND HAVING A RADIUS
37 OF 750.00 FEET, A RADIAL LINE TO SAID BEGINNING OF CURVE BEARS
38 NORTH 74°53'51" EAST;

39 **COURSE 7:** SOUTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF
40 07°49'11", AN ARC LENGTH OF 102.36 FEET;

41 **COURSE 8:** NORTH 82°43'02" EAST, A DISTANCE OF 32.00 FEET;

42
43 **COURSE 9:** NORTH 75°47'36" EAST, A DISTANCE OF 446.13 FEET;

44
45 **COURSE 10:** NORTH 88°20'10" EAST, A DISTANCE OF 164.36 FEET;

46
47 **COURSE 11:** SOUTH 68°23'48" EAST, A DISTANCE OF 65.06 FEET;

EXHIBIT A - Page 1 of 2

M:\Mapping\1771\001\Legals\LAFCO\1771-001scvwd_lafco.docx

**EXHIBIT A
ANNEXATION NO. 19-__
TO SANTA CLARITA VALLEY WATER AGENCY**

48 **COURSE 12:** NORTH 38°01'05" EAST, A DISTANCE OF 184.48 FEET;

49
50 **COURSE 13:** SOUTH 37°48'14" EAST, A DISTANCE OF 548.84 FEET;

51
52 **COURSE 14:** SOUTH 34°49'24" WEST, A DISTANCE OF 373.65 FEET;

53
54
55 **COURSE 15:** SOUTH 07°25'22" WEST, A DISTANCE OF 504.37 FEET TO THE NORTHERLY
56 LINE OF PARCEL 24 OF SAID PARCEL MAP NO. 26320;

57
58 THENCE ALONG THE NORTHERLY AND EASTERLY LINES OF SAID PARCEL 24 THE
59 FOLLOWING COURSES:

60
61 **COURSE 16:** SOUTH 88°40'04" EAST, A DISTANCE OF 31.77 FEET;

62
63 **COURSE 17:** SOUTH 11°18'53" EAST, A DISTANCE OF 316.96 FEET;

64
65 **COURSE 18:** SOUTH 04°52'10" WEST, A DISTANCE OF 1,058.87 FEET TO THE
66 NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE
67 SOUTHEAST QUARTER OF SAID SECTION 28;

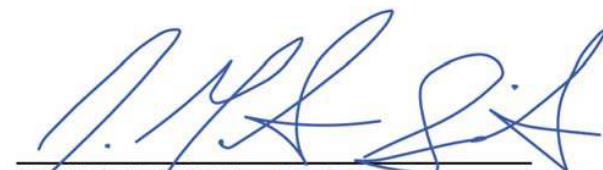
68
69 **COURSE 19:** THENCE ALONG THE EAST LINE OF SAID SECTION 28,
70 SOUTH 00°36'56" WEST, A DISTANCE OF 1,328.49 FEET TO THE SOUTH LINE
71 OF SAID SECTION 28;

72
73 **COURSE 20:** THENCE ALONG SAID SOUTH LINE, NORTH 89°32'03" WEST, A DISTANCE
74 OF 5,290.40 FEET TO THE **POINT OF BEGINNING**.

75
76 THE ABOVE DESCRIBED PARCEL CONTAINS 323.996 ACRES, MORE OR LESS.

77
78 ALL AS SHOWN ON EXHIBIT B, ATTACHED HERETO AND BY THIS REFERENCE MADE A
79 PART HEREOF.

80
81 THIS DESCRIPTION WAS PREPARED BY ME, OR UNDER MY DIRECTION, IN
82 CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYORS' ACT.

83
84
85
86
87 

88 J. MARTY SMITH, P.L.S. 8070
89 DATE PREPARED: 05/31/2019



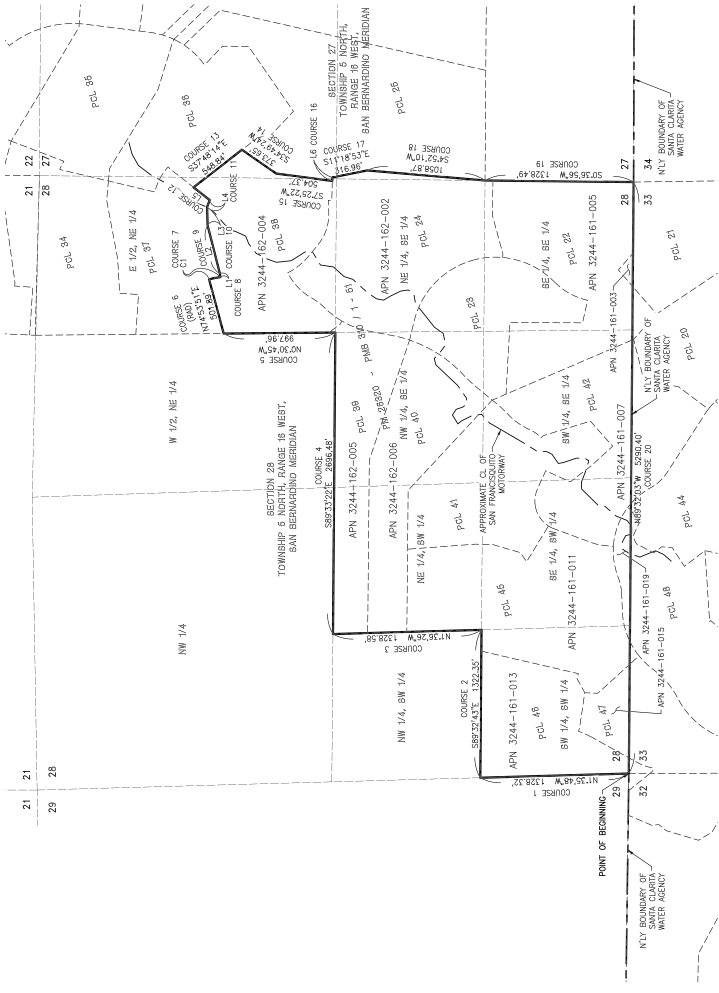
EXHIBIT B

ANNEXATION NO. 19--

TO SANTA CLARITA VALLEY WATER AGENCY

LINE	BEARINGS	DISTANCE
L1	N85°43'02"E	32.00'
L2	N75°47'35"E	4461.13'
L3	N88°20'10"E	1844.36'
L4	S68°23'48"E	65.60'
L5	N33°01'05"E	1844.48'
L6	S58°40'04"E	31.73'

CURVE	DELTA	RADIUS	LENGTH
C1	007°49'11"	750.00'	102.35'



AREA:
33,996.4 ACRES

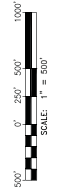
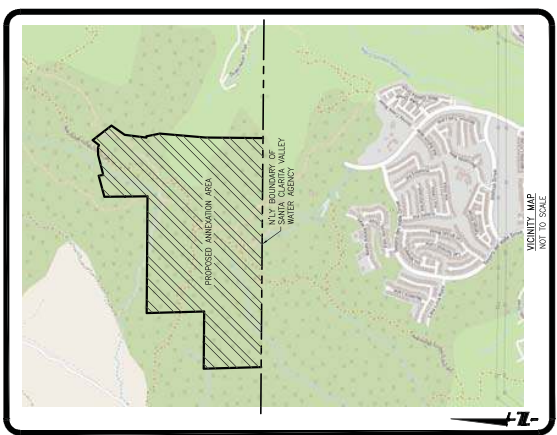
LINE LEGEND:
 - - - - - PROPOSED AMENDMENT BOUNDARY
 - - - - - EXISTING 5000' BOUNDARY LINE
 - - - - - PROPOSED 5000' BOUNDARY LINE
 - - - - - APPROXIMATE C.L. OF SAN FRANCISCO MOTORWAY

SURVEYOR'S STATEMENT
 THIS MAP WAS PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYORS' ACT.



LARRY SMITH, PLS 8701
 EMAIL: msmith@fuscoe.com

05/01/2018
 (S&L)



NO.	DATE	REVISION

EXHIBIT B
 ANNEXATION NO. 19--
 TO SANTA CLARITA VALLEY WATER AGENCY

FUSCOE
 16795 Van Arman, Suite 100
 Irvine, California 92615
 Tel: 949.477.4444
www.fuscoe.com

DATE: May 16, 2018
 SCALE: 1" = 500'
 DRAWN BY: JMS
 CHECKED BY: RBT
 SHEET 1 OF 1

[This page intentionally left blank.]



BOARD MEMORANDUM

DATE: July 18, 2019
TO: Board of Directors
FROM: Eric Campbell 
Chief Financial and Administrative Officer
SUBJECT: Approve a Resolution to Enter into a Contract with Robert D. Niehaus, Inc. (RDN) as the Ratepayer Advocate

SUMMARY AND DISCUSSION

At the November 6, 2018 regular Board meeting, the Board of Directors adopted the Rate Setting Process and Ratepayer Advocate Plan (Plan). The Plan requires the Agency to solicit the services of a Ratepayer Advocate through a Request for Proposal and enter into a professional services agreement. The RFP resulted in the Agency receiving three responses from the following firms: HF&H Consultants, LLC; Robert D. Niehaus, Inc. (RDN); and Carollo Engineers. The proposals are attached for Board review.

The Ratepayer Advocate shall be independent of any Agency staff and report directly to the Board for purposes of its review and recommendations regarding rates and fees. Eligible firms, team or individuals shall have sufficient experience and qualifications in the area of public agency rate design, budget preparation and public agency fiscal management. The Ratepayer Advocate needs to be hired in August 2019 in order to report on the updated Facility Capacity Fees that will be adopted prior to January 1, 2020.

On July 17, 2019, the Finance and Administration Committee interviewed the Ratepayer Advocate candidates and selected RDN as their choice for recommendation to the Board.

FINANCIAL CONSIDERATIONS

Fees from the respondents range from \$94,915 - \$113,250 for services that will include the FY 2019/20 Facility Capacity Fee Update, and the FY 2020/21 updates to the Wholesale and Retail rates. RDN's proposed costs are not to exceed \$94,915 for one full cycle of rate-setting of Facility Capacity Fees, Retail and Wholesale Rates.

RECOMMENDATION

The Finance and Administration Committee recommends that the Board of Directors approve the attached resolution to enter into a contract with RDN as the selected Ratepayer Advocate.

EC

Attachments

MGS

[This page intentionally left blank.]

RESOLUTION NO. ____

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
TO ENTER INTO A CONTRACT WITH
ROBERT D. NIEHAUS, INC. (RDN) AS THE RATEPAYER ADVOCATE**

WHEREAS, Section 14(3)(b) of Senate Bill 634 (Chapter No. 833, 2017), the bill creating the Santa Clarita Valley Water Agency (the "Agency"), required the Agency to develop a rate-setting process that includes an independent ratepayer advocate; and

WHEREAS, the ratepayer advocate is to advise the Board of Directors and provide information to the public before the adoption of new wholesale and retail water service rates and charges; and

WHEREAS, the ratepayer advocate shall be selected by and report directly to the Board of Directors and shall be independent from Agency staff and advocate on behalf of customers within the Agency's boundaries to the Board of Directors; and

WHEREAS, the ratepayer advocate shall have access to all pertinent Agency documents and information to independently advise the Board of Directors and inform the public;

WHEREAS, the Board of Directors shall develop and adopt any necessary rules and procedures to further define the role of the ratepayer advocate; and

WHEREAS, the Board of Directors may not eliminate the ratepayer advocate role before January 1, 2023 and may only do so after that time by a four-fifths vote of the Board of Directors.

WHEREAS, the ratepayer advocate proposals were scored in four functional areas: (1) clarity of proposed scope of work, (2) clarity and scope of communication/outreach, (3) relevant experience and (4) cost; and

WHEREAS, the Finance and Administration Committee reviewed interested candidates' proposals to serve as ratepayer advocate and recommended the selection of Robert D. Niehaus, Inc. (RDN); and

WHEREAS, the recommended agrees that it presently has no interest, and covenants that will not acquire any interests, direct or indirect, financial or otherwise, that would conflict with the performance of the duties of the ratepayer advocate; and

WHEREAS, the Board finds that, after considering the recommendation of the Finance and Administration Committee, RDN offers services that meets Agency needs.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Santa Clarita Valley Water Agency does authorize the General Manager to execute a contract in the amount not to exceed \$94,915 with RDN for ratepayer advocate services.

[This page intentionally left blank.]



SANTA CLARITA VALLEY WATER AGENCY
PROPOSAL: RATEPAYER ADVOCATE
(RFP 1819-R-10418)

April 1, 2019



HF&H Consultants, LLC

This document is formatted for double-sided printing to conserve resources

SANTA CLARITA VALLEY WATER AGENCY

27234 Bouquet Canyon Road
Santa Clarita, CA 91350-2173



**RATEPAYER ADVOCATE
(RFP 1819-R-10418)**

PROPOSAL
COST ESTIMATE
RFP ADDENDUM 4
STATEMENT OF QUALIFICATIONS

April 1, 2019

HF&H CONSULTANTS, LLC

201 North Civic Drive, Suite 230
Walnut Creek, CA 94596



© HF&H CONSULTANTS, LLC All rights reserved.



HILTON FARNKOPF & HOBSON

HF&H CONSULTANTS, LLC

Managing Tomorrow's Resources Today

201 North Civic Drive, Suite 230
Walnut Creek, California 94596
Tel: (925) 977-6950
Fax: (925) 977-6955
hfh-consultants.com

Robert D. Hilton, Emeritus
John W. Farnkopf, PE
Laith B. Ezzet, CMC
Richard J. Simonson, CMC
Marva M. Sheehan, CPA
Robert C. Hilton, CMC

April 1, 2019

Mr. Eric Campbell
Chief Financial & Administrative Officer
Santa Clarita Valley Water Agency
27234 Bouquet Canyon Road
Santa Clarita, CA 91350-2173

Subject: **RFP 1819-RA-10418**
Proposal to Provide Ratepayer Advocate Services

Dear Mr. Campbell:

This proposal is prepared in response to the Santa Clarita Valley Water Agency's (SCV Water) subject Request for Proposals. Our proposal describes our qualifications and proposed services. With our proposal we have included an addendum acknowledgement and our Statement of Qualifications, which provides additional information about HF&H.

I. PROJECT UNDERSTANDING

Our understanding of SCV Water's requirements is based on the RFP, which describes the need for a Ratepayer Advocate, the responsibilities of the Ratepayer Advocate, and the term of the services. In addition, our understanding was supplemented by answers provided by SCV Water on February 13, 2019 to our questions. Without needlessly repeating information provided in the RFP, our understanding is generally summarized in Section 14(b) of SB 634, which states:

On or before January 1, 2019, the agency shall develop a rate setting process that includes an independent ratepayer advocate to advise the board of directors and provide information to the public before the adoption of new wholesale and retail water service rates and charges. The ratepayer advocate shall be selected by and report directly to the board of directors and shall be independent from agency staff. The ratepayer



advocate shall advocate on behalf of customers within the agency's boundaries to the board of directors. The ratepayer advocate shall have access to all pertinent agency documents and information to independently advise the board of directors and inform the public. The board of directors shall develop and adopt any necessary rules and procedures to further define the role of the ratepayer advocate. The board of directors shall not eliminate the ratepayer advocate role before January 1, 2023.

The rate setting process developed by SCV Water is described in the RFP. It prescribes the preparation of independent reports for each of the three studies that are planned:

- **Facility Capacity and Facility Connection Fees** (effective date January 1, 2020) - There are four wholesale FCFs that are subject to review.
- **Wholesale Water Rates** (effective date January 1, 2021) - There is one wholesale water rate that is subject to review. This review includes recycled water rates.
- **Retail Water Rates** (effective date January 1, 2021) - There are three retail water rates that are subject to review.

II. RELEVANT EXPERIENCE

Our approach to serving as a ratepayer advocate is influenced by forty years of experience setting wholesale and retail water rates and capacity charges. A copy of our résumés can be found in the Statement of Qualifications provided with this proposal. Over four decades I have served in an advocacy role for rate payers or worked with other ratepayer advocates. The following is a sample of some of that work.

- **Wholesale Water Rates** - Beginning in 1978, I assisted the 26 cities and water districts that are wholesale customers of the San Francisco Public Utilities Commission (SFPUC). My initial work involved negotiating, as part of a team of lawyers, engineers, and accountants, a rate-making agreement resolving twelve years of litigation over wholesale rates. In 1984, I then assisted in monitoring the SFPUC's annual compliance with the rate-making methodology, which I helped develop. The methodology was modeled after the utility enterprise methodology, which is used by the California PUC in setting rates for investor-



owned water companies (such as the Valencia Water Company). In 2009, I assisted in renewing the 25-year rate-making agreement, converting from the utility enterprise to the cash methodology, which is typically used by municipal water suppliers in setting rates.

In the course of this work, I conducted independent analyses on behalf of the wholesale customers to ensure that their rates were set according to the stipulated methodology. I also developed expertise in both the utility and cash approaches, which covers all of the conventional methods for setting water rates. I also frequently interacted with other major wholesalers in California (e.g., Metropolitan Water District of Southern California, San Diego County Water Authority, Santa Clara Valley Water District, Contra Costa Water District, etc.) and nationwide (e.g., Cities of Portland, Seattle, Denver, Milwaukee, Dallas, Detroit, etc.).

From working as a wholesale rate advocate since 1978, I have learned that the public is best served when the wholesale water supplier and its wholesale water purchasers can maintain a common, forward-looking approach to planning. When differences inevitably arise, an effective advocate will propose solutions that build consensus.¹

- **Retail Water Rates** - You will see a list of our retail water rate clients, most of which are located in California and many of which we have served for long durations. We have a solid record of consistently high client satisfaction, as shown in the client satisfaction survey.

On occasion, our rate consulting requires assistance in preserving rate payer interests. Such studies can take the form of peer reviews in which we independently review rate studies prepared by others. Most recently, we conducted a peer review of sanitary sewer charges. The consultant derived the rates using a stock model that could not be followed without reading formulas in worksheet cells. The formulas were so complex that district staff could not verify the model's accuracy. We conducted a peer review recommending ways to make it easier to follow the flow of numbers so that the model could be readily

¹ For further information about our work on behalf of the SFPUC's wholesale customers, we refer you to Allison Schutte, legal counsel for the Bay Area Water Supply and Conservation Agency (aschutte@hansonbridgett.com, 415-995-5823). We have worked for BAWSCA from 1978 to 2019.



understood as hard copy. Our recommendations were accepted and we were hired to re-do the model.

The point of this example is that rate payer advocacy is most effective when rate payers can understand the proposed rates. Understanding is the foundation for determining whether what is being advocated is preferable to what was being proposed in the first place. We have decades of experience developing retail rate models that rate payers can understand and that meet the burden of proof.²

- **Facility Capacity Fees** - Since the enactment of the Mitigation Fee Act with the passage of AB 1600 in 1986, we have assisted many water suppliers set their capacity charges and to resolve disputes over capacity charges set by others. We have never set capacity charges that were challenged in court. Most of the capacity charges were to developers at the “retail” level. In a few cases, we have developed capacity charges that were to be charged to the retail water agency, who would in turn charge the developer.

Our default approach to deriving capacity charges aims for simplicity. We value existing facilities and near-term planned improvements in current dollars. Dividing this value by the number of equivalent meter units served yields the average cost per connection. Adjustments can be made by subtracting the value of developer contributions for in-tract facilities and subtracting outstanding principal. Further refinements at the wholesale level may be advised to account for differences among service areas. Throughout the analysis, we adapt to ensure that there is a reasonable relationship between the capacity charge and the facilities that benefit development, as the Mitigation Fee Act requires.³

- **Local Experience** - In addition to our experience with each of the three types of rates and fees, we have local experience. Since 2011, we have conducted annual cost-of-service analyses of the United Water Conservation District’s groundwater extraction charges. Each year we have evaluated the differential in the cost of service to serve agricultural and municipal and industrial pumpers. We have

² For more information on preparing models that promote rate payer understanding and facilitate adoption by public officials, we refer you to Jan Cooke, Finance Director at the Town of Hillsborough (JCooke@Hillsborough.net, 650-375-7408). We have worked for the Town of Hillsborough from 2013 to 2019.

³ For more information on how we help our clients set their capacity charges, we refer you to Mayette Bailey, Senior Management Analyst at Dublin San Ramon Services District (mbailey@dsrsd.com, 925-875-2274). We worked for DSRSD from 2017 to 2018.

Mr. Eric Campbell
April 1, 2019
Page 5



just begun the seventh such study, whose results will be reported as part of the District's budgeting and rate setting process.⁴

We typically meet on-site at the District to make Board presentations once or twice each year. Travel time and expenses to and from Oakland to Burbank are not significantly greater than from parts of the Los Angeles, Orange, or Santa Barbara Counties.

In addition to these projects and clients, I have extensive industry experience that I draw on when I develop rates that are consistent with industry practices. This experience is demonstrated by my participation in publishing manuals of practice and guidelines that have been widely used by rate-making practitioners.

- As a Group 3 member of the California Urban Water Conservation Council, I participated in drafting the original and several subsequent versions of the pricing best management practices for setting water rates in California.
- I was a contributing editor to *California Water Rate Setting Under Proposition 218: A Practical Guidebook*, a publication of the American Water Works Association California-Nevada Financial Management Committee, 2018.
- I was a review editor of *Private Property Infiltration and Inflow Control*, a publication of the Water Environment Federation, 2016.
- I was a review editor of *Building Better Water Rates for an Uncertain World*, a publication of the Alliance For Water Efficiency, 2014.
- I was a review editor of *User Fee Funded Stormwater Utilities*, a publication of the Water Environment Federation, 2013.
- I authored Chapter XI, "Implementing Rate Studies," of *Financing and Charges for Wastewater Systems*, a publication of the Water Environment Federation, 2004.

III. STAFFING

I am part of a team at HF&H. Working closely with me is Rick Simonson, whose résumé is included in the SOQ. Rick has 19 years of experience with HF&H. He has been the project manager on the projects for the Town of Hillsborough, Dublin San Ramon Services District, and United Water Conservation District. We would work

⁴ For more information on this project, we refer you to Mauricio Guardado, General Manager at United Water Conservation District (mauriciog@unitedwater.org, 805-525-4431.) We have worked for UWCD from 2011 to the present.



together on this project for SCV Water, with me serving as the Ratepayer Advocate. However, Rick's involvement would allow us to work interchangeably, which means that SCV Water will receive additional scrutiny and quality control and will have backup in the event that one of us is unable to continue on the project.

In effect, SCV Water could designate HF&H as the Ratepayer Advocate, with me and Rick bringing our sixty years of combined experience to the project. This additional "horse power" will be beneficial if there are schedule conflicts or limited time, as may occur with the simultaneous work on the wholesale and retail water rates, both of which are to be effective January 1, 2021.

We note that the firm has been very stable during its thirty years in business. The firm's founding president retired one year ago, after a carefully implemented succession plan. Since that time, the firm has added three new staff members. We do not expect any significant changes between now and January 2021.

IV. WORK PLAN

At this time, the work plan has been well developed by staff, as required by SB 634, and is presented in the RFP. We do not propose to make any modifications to the work plan and are adaptable to any changes that may subsequently be required by the Board. As previously explained, Rick Simonson would staff the project with the analytical support from Geoff Michalczyk and Gabe Sasser whose résumés are also included in the SOQ.

Effective, credible ratepayer advocacy must be built on sound standards of review. In performing this role, we would evaluate the SCV Water staff reports by applying the following legal sets of standards and court cases.

- **Retail Water Rates** - Retail water rates are subject to certain procedural and substantive requirements enacted by Proposition 218 (California Constitution Article XIIIID, Section 6). As the Ratepayer Advocate, we would review the staff reports to confirm that the following substantive requirements are met:

(1) Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service. To confirm that this standard is met, we would verify that the revenue requirements do not exceed the cost of serving retail water customers. Costs will be reviewed to confirm that (a) costs that are entirely



attributable to serving retail customers are not allocated to wholesale customers; and (b) the allocation of costs that are common to retail and wholesale service are allocated based on standard measures of benefit (e.g., demand, capacity, accounts, etc.). With respect to operating costs, we will pay particular attention to how overhead is allocated. With respect to capital costs, we will pay particular attention to how the projected annual capital improvements compare with the average annual historical booked value of recent capital additions.⁵ Overall, we will also compare revenue requirement projections with the recent historical expenditures to assess whether there is a tendency to set rates on conservatively high budgets.

We will evaluate the policies for maintaining operating and capital reserve funds. We will pay particular attention to the types of reserves and the target balance that is set for each reserve to see how they compare with industry standards.

A comparison of the actual expenditures with the actual revenues in recent years will also be made to determine that revenues are not exceeding the cost of providing service.

(2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed. To confirm that this standard is met, we will evaluate the staff report's cost-of-service analysis to determine whether each retail customer class is paying its share of the cost of service and that no interfund subsidies exist between retail and wholesale service.

(3) 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. To confirm that this standard is met, we will evaluate the staff report's rate design to determine whether appropriate levels of revenue are being generated by fixed service and variable quantity charges. For any tiered quantity charges, we will would expect a version of the American Water Works

⁵ In *Cole v. Soquel Creek Water District* (2018), plaintiff Cole sued the District for having set its rates to construct certain facilities that were not constructed due to regulatory delays. The trial court ruled in Cole's favor; the District is currently making refunds. This is the first court challenge of this type in California.



Association's base/extra capacity approach to be used in keeping with the *San Juan Capistrano* decision.⁶

- **Wholesale Water Rates** - Although wholesale water rates are not subject to Proposition 218, we believe that all water rates should hew to Proposition 218's substantive requirements to maintain a high standard of rate making. Hence, the foregoing discussion of how we would apply Proposition 218's substantive requirements to retail rates would also apply to our review of wholesale rates, with the obvious necessary changes.

By holding the wholesale rates to the same standards as the retail rates, the wholesale rates will presumably meet the requirements of Proposition 26, which is not as rigorous a standard, based on our understanding of the law. Under Proposition 26, rates that are not cost-based are considered to be taxes and must be adopted with voter approval. The cost basis must be "fair and reasonable" (as opposed to "proportional" under Proposition 218).

"Fair and reasonable" is a long-standing standard pre-existing Proposition 218. This standard is generally construed to mean that reasonable rates are (a) not arbitrary (i.e., there is a sound basis for making choices between alternatives), (b) not capricious (i.e., analyses are based on factual numbers rather than undocumented values and that there is a sound basis for any assumptions that are required to make up for the lack of factual values), and (3) not discriminatory (i.e., the results are not biased unfairly against one class of service to the disadvantage of another class of service). We would expect the wholesale rates to meet these three standards (and there is no reason that the retail rates shouldn't also meet these standards).

We understand that wholesale recycled water rates are also within the purview of the Ratepayer Advocate. Recycled water rates should at least be "fair and reasonable," if not also "proportional." However they are set, they must be cost-based. The costs may be specific to providing just recycled water service or

⁶ In this decision, the appellate court ruled that the rate for each tier should be based on the cost of service associated with the tier and that the volume of water included in the tier should correspond with actual customer water use, not on budgeted volumes.



blended with potable water costs to derive a single, composite rate for both recycled and potable water service.^{7,8}

- **Facility Capacity Fee** - Capacity charges are a type of development impact fee that is governed by the Mitigation Fee Act.⁹ Here the applicable standard is similar to Proposition 26: “fees or charges shall not exceed the estimated reasonable cost of providing the service.”¹⁰ This is done by showing that there is a reasonable relationship between the amount of the fee and the facilities that benefit development.¹¹ As previously explained in Section II above, we typically approach capacity charge studies by basing the charge on the average cost of capacity and making adjustments to fit the case. In valuing capacity, the treatment of depreciation, developer contributions, and outstanding principal on debt must be carefully considered. Fairly recovering the costs borne by ratepayers on behalf of growth must be clearly demonstrated.

We note that recent legislation (SB 1069) requires that capacity charges for accessory dwelling units must be prorated based on either square footage or fixture units. We would expect this requirement to be reflected in the staff report.

Our approach to applying these standards of review would essentially be a peer review of each of the three staff reports. We would review and comment on staff’s models documenting the analysis; we would not prepare independent models. Our independent report would address how staff’s reports comply with these standards.

In addition to preparing and presenting our independent report to the Board, we also will assist with public outreach campaigns to ensure that the public receives the information required by SB 634, which will include assistance with the preparation of the Proposition 218 notice to retail ratepayers.

⁷ The *San Juan Capistrano* decision clearly approves of blending the costs of all water resources for purposes of setting rates. Even though customers may not all receive recycled water, they still benefit from paying for recycled water because it expands the portfolio of water supplies. Paying for recycled water for other customers to use frees up potable water for those who can only use potable water.

⁸ For more information on a recent recycled water rate study, we refer you to Colleen Winchester, Senior City Attorney at the City of San José (Colleen.Winchester@sanjoseca.gov, 408-535-1987).

⁹ California Government Code 66000 *et seq.*

¹⁰ Section 66013(a).

¹¹ Section 66001.

Mr. Eric Campbell
April 1, 2019
Page 10



V. ESTIMATED BUDGET

We are proposing a not-to-exceed budget of \$113,250 for the three studies and the cost estimate is detailed in the first attachment to our proposal. This fee estimate is based on our current understanding of the project and our experience with similar peer reviews. It also reflects the fact that SCV Water was recently recognized by the CSMFO/GFOA for budgetary excellence, which “captures the reorganization and savings that have taken place since the former Castaic Lake Water Agency, Newhall County Water District, Valencia Water Company and Santa Clarita Water Division merged into one regional entity.”¹² With that kind of recognition for an inaugural budget, we do not expect difficulty working with SCV Water’s financial data.

We are not aware of what SCV Water’s budget is for the proposed project. We have made every attempt to budget adequately for the requirements requested in the RFP.

We are concerned that we fulfill SCV Water’s requirements as cost-effectively as possible. Hence, our fee estimate should be reviewed during contract negotiations and modified as needed to make sure that the budgeted hours are commensurate with SCV Water’s needs and expectations.

SCV Water would be billed on a time-and-expenses, not-to-exceed basis. No out-of-scope work will be undertaken without prior written approval from SCV Water. Out-of-scope work is either work on additional new tasks or extra work (i.e., hours in excess of the estimated hours that are not due to inefficiencies on our part) on existing tasks required for reasons beyond our control. The hourly rates listed shall be used in invoicing for extra, out-of-scope work, and approved in advance by SCV Water.

VI. CONCLUSION

We are pleased to receive this opportunity to submit our proposal to provide Ratepayer Advocacy services to SCV Water. Our proposal describes our qualifications and includes supplemental information about our clients and projects in the appendix.

We have also described our relevant experience and provided several references in the footnotes. We encourage you to talk with our references. The feedback we hear from

¹² SCVnews.com. March 25, 2019.

Mr. Eric Campbell
April 1, 2019
Page 11



staff is that they appreciate the sincere effort we make to work with their ratepayers and elected officials to build consensus that yields lasting benefits.

You will see from our staffing that we can offer senior staff with decades of experience in water rate making. With that much experience, we are able to make recommendations that reflect nationwide industry practices as well as practices unique to California. And, although we have local experience downstream at United Water Conservation District, we have not worked for any of the water agencies comprising SCV Water and are therefore free of conflict of any kind.

HF&H reviewed SCV Water's Sample Agreement and we respectfully request a modification to the Indemnification language. Below we provide replacement text to Section 4.2 (RFP Page 48-49). If this language is not acceptable to SCV Water, we are confident that we can negotiate with SCV Water's risk department in order to come to an agreement on acceptable language that does not put HF&H at an unreasonable risk disadvantage.

"4.2 Indemnity.

4.2.1 Scope of Indemnity. To the fullest extent permitted by law, Consultant shall defend, indemnify and hold SCV Water, its directors, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorney's fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's Services are subject to Civil Code Section 2782.8, the indemnity and defense obligations set forth herein and in Section 4.2.2 shall be limited to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and defense costs shall not exceed the Consultant's proportionate percentage of fault.

Mr. Eric Campbell
April 1, 2019
Page 12




4.2.2 Additional Indemnity Obligations. Consultant shall defend, with counsel of SCV Water's choosing and at Consultant's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section 4.2.1 that may be brought or instituted against SCV Water or its directors, officials, employees, volunteers and agents. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against SCV Water or its directors, officials, employees, volunteers and agents as part of any such claim, suit, action or other proceeding. Consultant shall also reimburse SCV Water for the cost of any settlement paid by SCV Water or its directors, officials, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for SCV Water's attorney's fees and costs, including expert witness fees. Consultant shall reimburse SCV Water and its directors, officials, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by SCV Water, its directors, officials, employees, agents, or volunteers."

* * * *

Finally, we would like to thank you for your helpful answers to our questions during the proposal preparation process. We would be very pleased to work with SCV Water on this challenging project. Please call us if you have any questions (925-977-6953).

Very truly yours,

HF&H CONSULTANTS, LLC


John W. Farnkopf, P.E., Senior Vice President
Richard J. Simonson, C.M.C., Vice President

SANTA CLARITA VALLEY WATER AGENCY

27234 Bouquet Canyon Road
Santa Clarita, CA 91350-2173



**RATEPAYER ADVOCATE PROPOSAL
(RFP 1819-R-10418)**

COST ESTIMATE

April 1, 2019

HF&H CONSULTANTS, LLC

201 North Civic Drive, Suite 230
Walnut Creek, CA 94596



© HF&H CONSULTANTS, LLC All rights reserved.

**Santa Clarita Valley Water Agency
Fee Estimate
Facility Capacity Fees**

	Project Managers		Total	Comments
	Farnkopf / Simonson	Michalczyk / Sasser		
FACILITY CAPACITY/CONNECTION FEES				
1. Initiate project				
Background review	8	6	14	
Scoping session with Staff (on-site)	5	0	5	Both project managers will attend; All three service studies will be discussed
2. Prepare Ratepayer Advocate Report				
Review existing COS study/staff report	10	8	18	
Review rate design	4	8	12	
F&A Committee meetings (4)	24	10	34	One project manager will attend committee meetings
Communicate results				
Prepare draft and final reports	16	8	24	
Present draft report to Board	16	6	22	Both project managers will attend
3. Implementation				
Assist with public outreach	4	8	12	
Present final report to Board	10	2	12	One project manager will attend
Assist with Proposition 218	N/A	N/A	N/A	
Total Hours	97	56	153	
Hourly rate	\$ 270	\$ 160		
Hourly Costs	\$ 26,190	\$ 8,960	\$ 35,150	
Reimbursable Expenses (e.g., travel)			\$ 4,600	
Total Cost			\$ 39,750	

**Santa Clarita Valley Water Agency
Fee Estimate
Wholesale Water Fees**

	Project Managers		Total	Comments
	Farnkopf / Simonson	Michalczyk / Sasser		
WHOLESALE WATER RATES				
1. Initiate project				
Background review	8	6	14	
Scoping session with Staff (on-site)	5	0	5	Both project managers will attend; All three service studies will be discussed
2. Prepare Ratepayer Advocate Report				
Review existing COS study/staff report	10	6	16	
Review rate design	10	6	16	
F&A Committee meetings (4)	16	6	22	One project manager will attend committee meetings
Communicate results				
Prepare draft and final reports	12	10	22	
Present draft report to Board	8	3	11	Both project managers will attend.
3. Implementation				
Assist with public outreach	8	8	16	
Present final report to Board	5	2	7	Both project managers will attend
Assist with Proposition 218	2	2	4	
Total Hours	84	49	133	
Hourly rate	\$ 270	\$ 160		
Hourly Costs	\$ 22,680	\$ 7,840	\$ 30,520	
Reimbursable Expenses (e.g., travel)			\$ 2,800	
Total Cost			\$ 33,320	

**Santa Clarita Valley Water Agency
Fee Estimate
Retail Water Fees**

	Project Managers		Analysts	Total	Comments
	Farnkopf / Simonson	Michalczyk / Sasser			
RETAIL WATER RATES					
1. Initiate project					
Background review	8	6		14	
Scoping session with Staff (on-site)	5	0		5	Both project managers will attend; All three service studies will be discussed
2. Prepare Ratepayer Advocate Report					
Review existing COS study/staff report	12	18		30	
Review rate design	10	12		22	
F&A Committee meetings (4)	16	6		22	One project manager will attend committee meetings
Communicate results					
Prepare draft and final reports	16	10		26	
Present draft report to Board	8	3		11	Both project managers will attend
3. Implementation					
Assist with public outreach	12	16		28	
Present final report to Board	5	2		7	One project manager will attend
Assist with Proposition 218	2	2		4	
Total Hours	94	75		169	
Hourly rate	\$ 270	\$ 160			
Hourly Costs	\$ 25,380	\$ 12,000		\$ 37,380	
Reimbursable Expenses (e.g., travel)				\$ 2,800	
Total Cost				\$ 40,180	

SANTA CLARITA VALLEY WATER AGENCY

27234 Bouquet Canyon Road
Santa Clarita, CA 91350-2173



**RATEPAYER ADVOCATE PROPOSAL
(RFP 1819-R-10418)**

RFP ADDENDUM 4

April 1, 2019

HF&H CONSULTANTS, LLC

201 North Civic Drive, Suite 230
Walnut Creek, CA 94596



© HF&H CONSULTANTS, LLC All rights reserved.

ATTACHMENT 4

Acknowledgement Receipt of Addenda

The undersigned Bidder hereby acknowledges receipt of the following Addenda:

If no addendums were issued, please check box below and submit with bid packet.

<u>Addendum Number</u>	<u>Dated</u>	<u>Acknowledge Receipt (Initial)</u>
<u>#1</u>	<u>March 19, 2019</u>	<u>JWF</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

No addenda were received:

Acknowledged for: HF&H Consultants, LLC
(Name of Bidder)

By: 
(Signature of Authorized Representative)

Name: John W. Farnkopf
(Print or Type)

Title: Sr. Vice President

Date: March 29, 2019

This page intentionally left blank

SANTA CLARITA VALLEY WATER AGENCY

27234 Bouquet Canyon Road
Santa Clarita, CA 91350-2173



**RATEPAYER ADVOCATE PROPOSAL
(RFP 1819-R-10418)**

STATEMENT OF QUALIFICATIONS

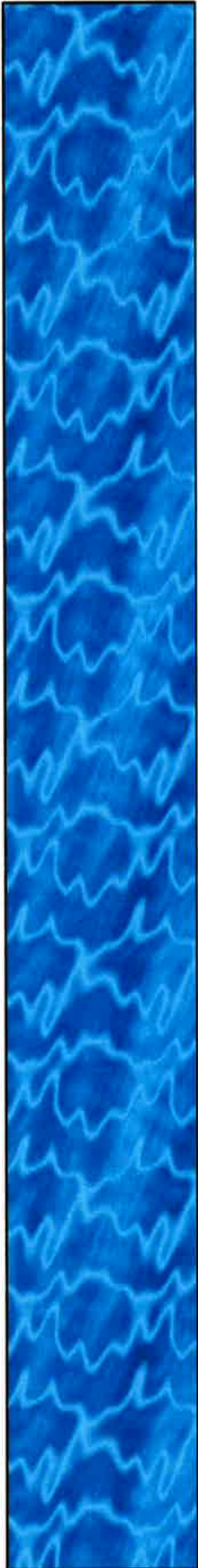
April 1, 2019

HF&H CONSULTANTS, LLC

201 North Civic Drive, Suite 230
Walnut Creek, CA 94596



© HF&H CONSULTANTS, LLC All rights reserved.



STATEMENT OF QUALIFICATIONS

WATER, WASTEWATER, AND STORMWATER CONSULTING SERVICES

2019



HF&H CONSULTANTS, LLC

201 N. Civic Drive, Suite 230
Walnut Creek, CA 94596
Phone: 925/977-6950
Fax: 925/977-6955

19200 Von Karman Ave., Suite 360
Irvine, CA 92612
Phone: 949/251-8628
Fax: 949/251-9741

www.hfh-consultants.com

STATEMENT OF QUALIFICATIONS
Table of Contents

Introduction 1
Mission Statement..... 1

Firm Description 2
Organization..... 2
Profile of Services 2

Consulting Services 3
Financial Planning..... 3
Capital Funding..... 3
Cost Allocation Studies 3
Rates, Charges, and Fees..... 3
Development Impact Fees and Valuations..... 3
Stakeholder Facilitation 3
Management Studies..... 3
Litigation Support 3
Contract Negotiations 3
Legal/Regulatory Compliance 3

Water, Wastewater & Stormwater Clients..... 4

Client Satisfaction Survey..... 19

RÉSUMÉS

- John Farnkopf, Senior Vice President
- Rick Simonson, Vice President
- Geoffrey Michalczyk, Associate
- Gabe Sasser, Associate

This Page Intentionally Left Blank

INTRODUCTION

This Statement of Qualifications describes the consulting services HF&H Consultants, LLC, provides to water, wastewater, and stormwater municipalities. Our core services include:

- *Financial Planning* – Preparation of multi-year financial projections to determine funding requirements from available sources.
- *Rates* – Developing rate designs that meet rate-making objectives.
- *Development Impact Fees* – Deriving charges for connecting to facilities in compliance with legal requirements.
- *Management Studies* – Analyzing organizational efficiency, institutional relationships, and growth strategies.
- *Resource Management and Economics* – Evaluating the impacts of resource constraints on operational capabilities and contractual commitments.
- *Litigation and Regulatory Support* – Assisting with contractual compliance audits, inter-agency negotiations, rate and fee analysis.

These services are delivered with a distinctive approach:

- *More than analysts* – Attention to the details that matter to clients.

- *No cookie cutters* – Unique analytical approaches that result in practical solutions.
- *Decision managers* – Skilled techniques for evaluating alternatives.
- *Consensus builders* – Strong presentation skills in public hearings.

These services are described in greater detail in this Statement, which includes a list of clients for whom we have performed these services. All of the projects listed have involved the key staff members whose résumés are included in this Statement. Please contact John Farnkopf, Senior Vice President (925-977-6953), if you require additional information.

Our Statement of Qualifications concludes with a summary of our most recent client satisfaction survey.

In addition to its water, wastewater, and stormwater services, the firm provides a wide range of solid waste consulting services including rate reviews and studies, contract audits and negotiations, feasibility studies, operational studies, and capital improvement planning.

Mission Statement

Our mission is to be the first choice and recognized leader among municipal agencies for high quality consulting services in selected geographic and service markets.

FIRM DESCRIPTION

Organization

Founded in 1989, HF&H Consultants, LLC, provides consulting services to water, wastewater, and solid waste agencies. Prior to forming the company, the firm's executives worked together for six years at a "Big Five" accounting firm. The synergy resulting from our staff's engineering, accounting, economics, and public policy backgrounds provides substantial added value to clients, which can rarely be achieved by individual engineering, accounting, or management consulting firms.

Today, HF&H Consultants has grown to a firm of nineteen professionals, which makes us one of the largest ratemaking firms on the West Coast. With offices located in northern and southern California, HF&H Consultants directs its practice to cities, counties, and special districts in the western United States. As such, HF&H Consultants provides clients with the breadth of experience of a national firm, and the responsiveness, accountability, and personal commitment of a local firm. Our consultants are seldom far away and, as a result, our clients always receive a quick, personal response to their needs.

HF&H Consultants provides financial, economic and general consulting services to public officials in the following areas: rate-setting, cost-of-service studies, financial planning and budgeting, resource management, public policy development, litigation, and negotiations. By comparison with engineering consultants, our style of consulting is influenced by our prior exposure to private sector consulting: we like to help our municipal clients function as healthy businesses within the regulatory and political framework of the public sector.

HF&H Consultants has a low staff-to-executive ratio in order to allow the firm's most experienced members to participate actively in client projects, rather than only in practice development and project administration. Unlike firms that delegate critical tasks to junior staff, our senior employees are involved throughout our clients' projects. The close working relationship between our management and staff ensures effective supervision and quality control. The executives' national certifications and licenses assure our clients of compliance with the highest professional standards.

Profile of Services

The services we provide may be classified as follows:

- Seventy-five percent of our work is performed for long-term, continuing clients for whom the members of HF&H Consultants have worked for as long as 20 years.
- Seventy-five percent of our work is directly related to rate regulation, which typically involves revenue requirement analyses, cost-of-service studies, and rate design.
- Our principal clients are state and local governmental bodies such as cities, counties, and special districts. Several of our clients are joint organizations of municipalities sharing a common concern such as water management or solid waste rate regulation. In addition, we provide litigation support to the legal counsel of these and other clients.

CONSULTING SERVICES

HF&H Consultant's consulting services are listed below. A listing of HF&H Consultant's current and historical clients is also included in the following pages.

Financial Planning

- Revenue requirement analysis
- Multi-year financial plans
- Revenue programs
- General Fund reimbursement studies
- Reserve fund management
- Interfund transfer policies

Capital Funding

- Capital financing alternatives
- Engineer's certificates
- Economic feasibility analysis
- Stormwater program funding strategies

Cost Allocation Studies

- Cost-of-service studies
- Multi-purpose project allocations
- Inter-agency allocations
- Recycled water regional allocations
- Cash and utility rate making

Rates, Charges, and Fees

- Rate structure diagnostic evaluations
- Rate structure designs
- Customer bill impacts
- Affordability analysis
- Outside-city rate increases
- Price elasticity impacts
- Indexed pass-through costs
- Customer class audits
- Administrative and field service fees

Development Impact Fees and Valuations

- Full cost recovery models
- Utility asset valuations
- Depreciation studies
- Renewal/replacement funding

Stakeholder Facilitation

- Council and Board presentations
- Community workshops
- Citizens advisory groups
- Industrial customer focus groups
- Decision management techniques
- Customer surveys
- Mediations

Management Studies

- Benchmarking
- Strategic planning
- Organization structures reviews
- Management/institutional reviews
- Performance audits
- Incorporation/consolidation studies

Litigation Support

- Rate and fee litigation
- Environmental remediation
- Water supply contracts
- Contract compliance
- Expert witness testimony

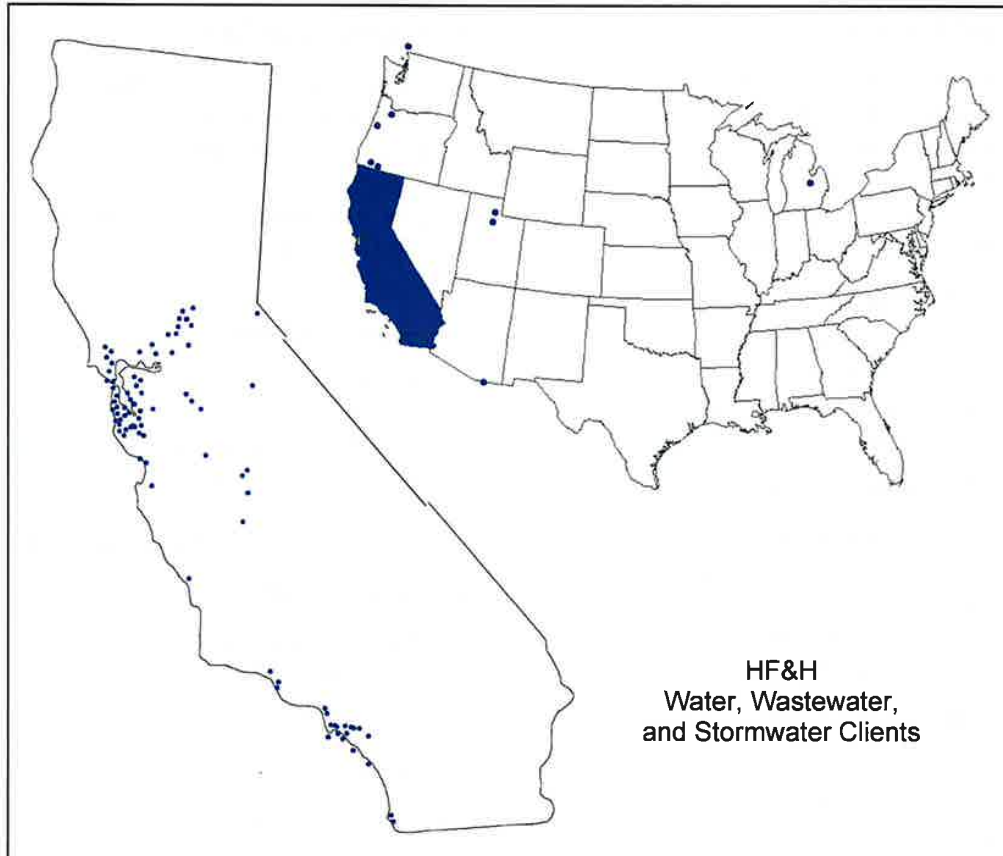
Contract Negotiations

- Wholesale/retail water supply
- Regional wastewater treatment
- Recycled water supply and pricing
- Water/Wastewater privatizations
- Metering and billing services
- JPA formation

Legal/Regulatory Compliance

- Proposition 218
- Public Utility Commission practices
- Ordinance/resolution preparation

WATER, WASTEWATER & STORMWATER CLIENTS



Client	Type of Study	Year	Project Emphasis
City of Alameda	Stormwater Financial Plan	2001	Sewer and Solid Waste Funding in Compliance with Proposition 218
Alameda County Water District	Financial Planning	1991	Project Financing, Debt Issuance
	Urban Water Management - Plan Best Management Practices	1993	Cost/Benefit Analyses, Water Conservation
	Capacity Charges	1998	Critique of Methodology
	Engineer's Certificate	2003	Debt Coverage
	Engineer's Certificate	2012	Debt Coverage
	Engineer's Certificate	2015	Debt Coverage

Client	Type of Study	Year	Project Emphasis
Alameda Countywide Clean Water Program	Stormwater Funding	2003	Proposition 218 Compliance
Aleshire & Wynder, LLP	Litigation Support	2011 to 2015	Groundwater Replenishment Cost Allocations
Amador Water Agency	Litigation Support Water Rate Review	1996 1998	Dept. of Corrections Water Rates Rate Update
City of Anaheim	Sewer Rates Litigation Support	2012 2013	Confirm Revenue Sufficiency Enterprise Overhead Reimburse- ments
City of Antioch	Public Safety Cost Recovery	2016	Water, Sewer Enterprise Reimburse- ments
City of Ashland, OR	Water and Wastewater Rates	1994	Demand Management, Debt Issu- ance
Bay Area Stormwater Management Agencies Association	Stormwater Funding Strategies	2008	Permit Renewal
Bay Area Water Supply and Conservation Agency	Review Administration of Wholesale Water Supply Contract	2004	Compliance with Rate-making Provi- sions
	Overhead Cost Allocation	2005	Benchmark Comparisons
	Review Flow-Based Allocation Formulas	2007	Simplification of Water Accounting
	Review Impact of Organizational Changes on Cost Accounting	2007	Water/Power Allocations
	Rate of Return	2008	National Survey of Industry Prac- tices
	Wholesale Water Supply Contract Negotiations	2009	Rate-Making Methodology
	Shortage Allocations	2009	Dry-Year Conditions
	Supply Allocations	2010	Long-Term Conditions
	Wholesale Rates	2011	Restructuring
	Hydroelectric Cost Allocations	2012	Water/Power Split
	Water supply allocations	2016	Water Transfers
	Capital Improvement Planning	2018	Benchmarking
Bear Creek Valley Auth., OR	Capital Replacement Strategy	1996	Depreciation, Rate Analysis

Client	Type of Study	Year	Project Emphasis
City of Belmont	Sewer/Stormwater Rates	1999	Proposition 218 Compliance
	Regional Wastewater Treatment Plant Capacity	2000	Capacity Expansion Options
	Sewer/Stormwater Rates	2001	Update
	Sewer/Stormwater Rates	2002	Update
	Sewer/Stormwater Rates	2003	Update
	Sewer/Stormwater Rates	2004	Update
	Sewer/Stormwater Rates	2005	Update
	Stormwater Funding	2005	Capital Improvement Financing
	Sewer/Stormwater Rates	2006	Update
	Sewer/Stormwater Rates	2007	Treatment Plant Financing
	Sewer Connection Fees	2008	Update
	Sewer Rates	2008	Restructuring Fixed Charge
	Sewer Treatment Charge	2009	Create New Charge
	Sewer Rates	2009	Update Collection System Charge
	Sewer Rates	2010	Update
Sewer Rates	2011	Update	
City of Beverly Hills	Water System Leasing	1999	Proposition 218 Compliance
	Regional Wastewater Charges	2000	Revenue Program
	Water Rates and Penalty Surcharge	2015-19	Tiered Water Rate Structure, <i>San Juan Capistrano</i> compliance
	Sewer Rates	2017	Financial Plan Update
	Water Rates	2019	Outside-City Rate Differential
Bold, Polisner, Maddow, Nelson & Judson	Litigation Support (Contra Costa Water District)	1996	Water Capacity Fees
City of Brentwood	Water, Sewer, and Non-Potable Water Rates	2013	Enterprise Overhead Reimbursements
	Overhead Cost and Interfund Services Allocations	2017	Review of Methodology
City of Burbank	Public Safety, Right-of-Way Maintenance Cost Recovery	2014	Water Enterprise Reimbursements
City of Burlingame	Sewer Rate Structure	1997	Alternatives to Minimize Climatic Influences
	Water and Sewer Rates	2002	Revenue Stability
	Water and Sewer Rates	2005	Model Development
	Water and Sewer Rates	2007	\$25 Million Debt Issuance
	Water and Sewer Rates	2008	Update
	Water and Sewer Rates	2010	Update
	Water and Sewer Rates	2011	Debt Refinancing
	Water and Sewer Rates	2012	Tiered Water Rate Structure
	Water and Sewer Rates	2013	Debt refinancing
	Water and Sewer Rates	2015	Drought Pricing

Client	Type of Study	Year	Project Emphasis
California State University - Monterey Bay	Water and Sewer Rates and Capacity Charges	2017 to present	Contract Negotiations With Local Agency
California Water Service Co.	Cost Allocation (Salinas)	1997	Historic Benefits Analysis
	Water Supply Development (Tassajara Valley)	1998	Organizational, Institutional, and Financial Aspects
	Water Supply Feasibility (Visalia)	2005	System Expansion
City of Camarillo	Water Rates	1997	Conservation Oriented Rates
Carmichael Water District	Water Rates	1998	Metering Residential Customers
	Water Rates	1999	Proposition 218 Compliance
Castro Valley Sanitary District	Capital Improvement Plan	2013	Economic Validation
	Sewer Rates	2019	Flow-Based Commercial Rates
Central Contra Costa Sanitary District	Wastewater Capacity Fees	2003	Diagnostic Evaluation
City of Ceres	Water Rates	2008	Financial Stabilization, \$3,000,000 Financing
	Water Rate Update	2010	Metered Water Rates
	Regional Wastewater Planning	2010	JPA Formation
	Water Rates	2012	Tiered Water Rates
	Water Connection Fees	2013	Competitiveness
	Water Rates and Connection Fees Update	2017	Post-Drought Demand Rebound
	Water Rate Update	2018	Confirm Adopted Rate Increase
City of Cerritos	Street and Stormwater Program Funding	2006	Proposition 218 Compliance
	Litigation Support	2011	Groundwater Replenishment Assessment
City of Chino	Public Safety, Governmental Assets and Right-of-Way Maintenance Cost Recovery	2015	Water, Sewer, Solid Waste, Stormwater Enterprise Reimbursements
Clear Creek Community Services District	Water Financial Security Package	2017	Proposition 1 Grant Funding
City of Clovis	Wastewater Rates	1996	Capital Cost Allocation
	Commercial Wastewater Rates	2002	Fixed and Variable Charges
	Water and Wastewater Rates and Capacity Fees	2003	Growth Allocations
	Water and Wastewater Rates	2004	Restructure Fixed Charges

Client	Type of Study	Year	Project Emphasis
Coastside County Water District	Water System Operations	1989	Fire Protection Charges
	Drought Water Rate Structure Study	2014	Drought Rate Adjustments
	Water Rate Update	2016	Adequacy of Reserves, <i>San Juan Capistrano</i> compliance
	Water Rates and Connection Fee Update	2017	Post-Drought Demand Rebound
Cobb Area County Water District	Water Rate Update	2018	Capital Financing
	Water Financial Security Package	2017	Proposition 1 Grant Funding
	LAFCo Plan For Services	2017	Consolidation of Nine Service Areas
Contra Costa Water District	Water Rates	2019	Rate Model
	Water Rates	1990	Debt Coverage, Water Conservation
	Engineer's Certificate	1991	Debt Coverage, Water Conservation
	Expert Witness Testimony	1992	Debt Coverage
	Capacity Fees	1997	Capacity Fees
Cooley, Godward, Castro, Huddleson & Tatum	Expert Witness Testimony (Palo Alto Park Mutual Water Co.)	1998	Industrial Customers
	Expert Witness Testimony (Citizens Utilities Company)	1994	Capacity Fees, Conservation Penalties
Costa Mesa Sanitary District	Expert Witness Testimony (Citizens Utilities Company)	1995	Groundwater Contamination (Arbitration)
	Sewer Rates	2012	Cost of Service Analysis and Rate Restructuring
City of Coulterville	Water Rates	2018	Affordability
City of Crescent City	Wastewater Financial Plan	2018	Application for State Grant
City of Daly City	Water Supply Contract	1990	Conjunctive Use
	Wholesale Water Rates	2009	Supply Allocation
	Water Rates	2017	Capital Improvement Program funding
	Stormwater Cost Allocation	2018	Funding Strategies
	Stormwater Rates	2019	SB 231 - No Voter Approval
City of Davis	Wastewater Rates	2019	Rate Update
	Public Works Department Audit	1999	Water, Wastewater, Stormwater, and Solid Waste Divisions
Delta Diablo Sanitation District	Sewer Connection Fees	2001	Improved Documentation
	Street Sweeping Fees	2001	Methodology Review
	Recycled Water Sales	2003	Inter-Agency Agreement
Dublin San Ramon Services District	Wastewater Capacity Fees	2018	Consistency With Facilities Master Plans
Dublin San Ramon Services District/East Bay Municipal Utilities District	Wholesale Recycled Water Rates	2012	Contract Negotiations
		2017	Consistency With Facilities Master Plan

Client	Type of Study	Year	Project Emphasis
East Bay Municipal Utility District	Litigation Support	1992	Rate Equity, Water Conservation
	Wet Weather Facilities Regulatory Strategies	2006	Benefit-Cost Analysis
City of East Palo Alto	Consolidation Study	1996	Water, Wastewater, Stormwater, Lighting Services
	Sanitary District Consolidation	2002	LAFCo Process, Public Outreach
East Palo Alto Sanitary District	Management Study	1999	Organizational Restructuring
City of El Monte	Sewer Rates	2008	Sewer Enterprise Formation
City of Fairfield	Water Rates	1989	Debt Coverage, Rate Equity
	Engineer's Certificate	1993	Debt Coverage
	Engineer's Certificate	1996	Debt Coverage
	Engineer's Certificate	2003	Debt Coverage
Fairfield-Suisun Sewer District	Wastewater Rates	1994	Industrial Water Reclamation, Rate Equity
	Wastewater Rates and Connection Fees	2002	Rate update and Comparison of Non-residential Connection Fees
Fair Oaks Water District	Water Rates	1998	Metering Residential Customers
City of Fillmore	Wastewater JPA Formation	2002	Treatment Plant Financing, Cost Allocations, JPA Agreement
City of Folsom	Stormwater Utility Formation	2005	Feasibility Analysis
Foresthill Public Utility District	Water Rates and Capacity Charges	2019	Rate Restructuring
City of Foster City	Water and Sewer Connection Fees	2016	Periodic Update
City of Fremont	Stormwater Funding	2011	Financial Study
City of Galt	Sewer Rates	2014	SRF Loan
	Sewer Rates	2015	Debt Financing
City of Glendale	Public Safety Cost Recovery	2012	Enterprise Reimbursements
	Public Safety Cost Recovery	2017	Update Prior Study
Greater Vancouver Water District	Wholesale Seasonal Rates	1998	Price Elasticity
	Wholesale Seasonal Rates	2002	Cost of Service Allocations
	Wholesale Rate Structures	2003	Fixed/Variable Options
Groveland Community Services District	Water Rates and Capacity Fees	1995	Debt Issuance, Debt Coverage
Hanson, Bridgett, Marcus, Vlahos & Rudy, LLP	Litigation Support (San Francisco Bay Area Water Users Association)	1978-84	Wholesale Water Rates
	Wholesale Water Rates	2007	Contract Negotiations
City of Hayward	Water and Sewer Capacity Charges	1999	Develop Model

Client	Type of Study	Year	Project Emphasis
Town of Hillsborough	Storm Drain Funding Storm Drain, Wastewater, and Water Rates Storm Sewer Rates	2013 2014 to present 2019	Funding Strategies Stormwater Program Funding <i>San Juan Capistrano</i> compliance Establish New Storm Sewer Rates
City of Imperial Beach	Sewer/Stormwater Rates	2004	Consolidate Funds in Compliance with Proposition 218
Irish Beach Water District	Litigation Support	2016	Engineer's Report
City of La Puente	Sewer Rates and Capacity Fees Sewer Rate Update	2006 2008	Sewer Enterprise Formation \$10,000,000 Financing
City of La Verne	Overhead Cost and Interfund Services Allocations	2018	Review of Methodology
City of Laguna Beach	Sewer Capacity Charges	2018	Update
Las Deltas Mutual Water Company	Water Rate Review	2017	Compliance With Industry Standards and Legal Requirements
City of Lincoln	Water and Wastewater Rates Water Rate Update Water Rate Update Water, Sewer, and Solid Waste Rates	2003-05 2005 2007 2012	Rate Payer Sensitivity Purchased Water Cost Increase Rate Structure Rate Update
City of Live Oak	Storm Drain Impact Fee	2010	Charges for Development Zones
City of Livermore	Water and Sewer Capacity Charges	2017	Review of Methodology
City of Lodi	Sewer Rates Sewer Rate Update Sewer Rate Update Sewer Rate Update Sewer Rates	2003 2004 2004 2007 2009	Low-Interest Loan Application \$25,000,000 Financing Restructure Rates & Capacity Fees \$20,000,000 Financing Update
Loma Prieta Joint Unified School District	Alternative Water Supply Costs	2017	Economic Analysis
City of Lompoc	Public Safety, Governmental Assets, Right-of-Way Maintenance Cost Recovery	2015	Water, Sewer, Solid Waste, Broadband, Electric, Airport Enterprises
City of Long Beach	Street Sweeping Right-of-Way Maintenance Cost Recovery	2005 2017	Funding Sources Water Enterprise
City of Los Altos	Sewer Rates	2000	Charges for Colleges
Town of Los Altos Hills	Sewer Rates and Connection Fees	2007	Convert Septic Users to Sewer Facilities
Los Angeles Department of Water and Power	Financial Evaluation Strategic Planning Water Rates	2005 2010 2010-16	Rate-Making Process Supply Reliability Evaluation of Tiers

Client	Type of Study	Year	Project Emphasis
City of Los Banos	Wastewater Rates and Connection Fees	2006	Evaluating Alternative Capital Projects
	Water and Sewer Rates	2010	Treatment Plant Expansion
Los Trancos County Water District	Future Water Demand	2002	Conversion from Septic to Sewer System
Lukins Brothers Water Company	Water System Valuation and Sale	2004	California PUC Rate-Making Practices
		2006	Negotiations of Sale
Malaga County Water District	Management Study	1998	Incorporation Feasibility
City of Manteca	Stormwater Fees	2003	Funding Options
Marin Municipal Water District	Water Rates	2013	Restructuring
	Watershed Vegetation Management	2013	Program Economics
McCutchen, Doyle, Brown & Enersen	Expert Witness Testimony (Arbitration)	1995	Groundwater Contamination (Citizens Utilities Company)
	Litigation Support (Groundwater Basin Remediation)	2001	California PUC Rate-Making Practices (San Gabriel Valley Water Company)
City of Menlo Park	Water Rates	1995	Customer Billing, Rate Structure
Metropolitan Water District of Southern California	Capacity (Growth) Charges, Tier I Water Supply Contract	1997 - 2002	Impacts on Member Agencies and Developers
City of Mill Valley	Sewer Rates	2010-11	Regulatory Compliance
	Sewer Rates	2011	Flow-Based Residential Rates
City of Modesto	Wastewater Capacity Fees	1996	Cost Allocation, Project Financing
	Peer Review	2006	Water Rate Revenue
	Peer Review	2007	Sewer Capacity Charge
	Peer Review	2007	Sewer Rate Revenue
	Peer Review	2007	Water Capacity Charge
Regional Wastewater Planning	2010	JPA Formation	
City of Morgan Hill	Water/Wastewater Rates and Capacity Fees	2002	Rate Structure Review
City of Mountain View	Water and Sewer Rate Review	1998	Qualitative Assessment of Rate Structures
Natural Resources Defense Council	Water and Wastewater Rates	2010-13	Tiered Rate Standards, Flow-Based Sewer Rates, Marginal Cost Pricing
	Water Rate Structures	2014	Proportionality standards
City of Newport, OR	Sewer Rates	1998	Debt Issuance
City of Newport Beach	Water Rates	1998	Impact of Annexation
	Sewer, Stormwater, and Recycled Water Rates	2013 to 2017	San Juan Capistrano Compliance

Client	Type of Study	Year	Project Emphasis
City of Nogales, AZ	Water and Wastewater Rates	1999	Capital Project Revenue Requirement, Cost Allocation, Ability to Pay
North Coast County Water District	Water Rates	2001	Financial Planning Model
	Water Rates	2002	CIP Financing
	Water Rates	2004	Update
	Water Capacity Fees	2005	Update
	Water Rates	2006	Update
	Water Rates	2007	Update
	Water Rates	2010	CIP Financing
	Water Rates	2011	Water Budget Rate Structures
	Water Rates	2013	Update
	Water Rates	2015	San Juan Capistrano compliance
Water Capacity Fees	2019	Update	
Northridge Water District	Water Rates and Capacity Fees	1996	CIP Financing, Rate/Fee Design
Nossaman, Guthner, Knox & Elliott, LLP	Litigation Support (Industries)	2003	California PUC Rate-Making Practices (Southern California Water Company)
Oakwood Lakes Water District	Water and Sewer Rates	2018	Allocation to Development
City of Ogden, UT	Water/Wastewater Rates	1996	Water Conservation, Rate Structure
Olivenhain Municipal Water District	Water Rates	1996	Tier Structure, Equity
	Operations Review	1996	High Level Diagnostic Review
City of Orange	Water Rates	1997	Financial Plan Model
	Water Rate Update	2000	Rate Restructuring, Fire Service Charges
	Water Rate Update	2001	Policies for Reserves
	Water Rate Update	2002	Revised CIP
	Water Rate Update	2003	Pass-Through Costs
Orange County Sanitation District	Operational Audit	1999	Office Support Staff Organization
City of Oxnard	Public Safety, Governmental Asset, and Right-of-Way Maintenance Cost Recovery	2013	Cost Allocations to Enterprises
City of Pacifica	Sewer Rate Evaluation	2014	Single-family vs. Multi-family Flow Differential
City of Palo Alto	Water, Wastewater and Reclaimed Water Rates	1993	Reclaimed Water, Cost Allocation
	Water Utility Benchmarking	2010	Rate Differences

Client	Type of Study	Year	Project Emphasis
City of Paso Robles	Water/Wastewater Rates and Capacity Fees	2001	Rate Structure Design
	Water Capacity Fees	2005	Methodology Review
	Water/Wastewater Capacity Fees	2006	Update
	Water Capacity Fees	2008	Developer Negotiations
City of Petaluma	Wastewater Privatization Agreement	1997	Rate Payer Safeguards
	Water and Sewer Rates and Capacity Fees	2002	Infrastructure Financing, Stormwater Funding
	Litigation Support	2013	Stormwater Funding
	Water, Sewer Connection Fees	2014	Industrial Customers
	Grant Application	2014	Digester CNG Facility
City of Pittsburg	Water Treatment Plant Operations	2009	Privatized Operations
Placer County Water Agency	Treated and Untreated Water Rates	2005	Consolidation of Geographic Zones
	Treated Water Rates	2007	Fixed/Variable Revenue
City of Pleasanton	Water Rates	1993	Increasing Block Residential Rates
	Water Rates	1994	Seasonal Irrigation Rates
	Water Rates	1995	Lifeline Rates
	Water Rates, Water Resources	1996	Water Supply Evaluation
	Water Rates	1997	Update
	Water Rates	1999	Update
	Water Rates	2000	Update
	Water Rates	2002	Update
	Water Rates	2003	Update
	Water Rates	2007	Increasing Block Rates
	Water Rates	2008	Update
	Water Rates	2009	Rate Restructuring
City of Portland, OR	Pretreatment Program Review	1999	Regulatory Program Evaluation
City of Red Bluff	Water and Sewer Service	2019	Consolidation Of Outside-City Customers Into City
City of Redondo Beach	Water Rate Review	1999	Private Water Company Rate Application
City of Redwood City	Sewer/Stormwater Rates	1999	Proposition 218 Compliance
	In-Lieu Transfer	2006	Proposition 218 Compliance
City of Rio Vista	Water/Wastewater Contract Operations	2001	Cost-Plus Contract Negotiations
City of Rohnert Park	Water and Sewer Rates	1999	Unmetered Residential Water Customers
	Water and Sewer Connection Fees	2001	Connection Fees
	Water and Sewer Rate Update	2002	Usage-Based Rates

Client	Type of Study	Year	Project Emphasis
City of Roseville	Sewer Rates	1999	Financial Plan
	Sewer Rates	2001	Financial Plan Update
	Stormwater Funding Strategy	2017	Enterprise Reimbursements to General Fund
Ross Valley Sanitary District	Sewer Rates	2011	Equity Adjustments Between Zones
	Sewer Rates	2011	Flow-Based Residential Rates
	Sewer Connection Fees	2013	Update
	Sewer Rates	2014	Single-family vs. Multi-family Flow Differential
Saginaw Area Intermunicipality Water Committee (MI)	Litigation Support (Suburban Water Agencies)	2004	Review Wholesale Rate-Making Methodology
San Bernardino Municipal Water District	Public Safety and Right-of-Way Maintenance Cost Recovery	2018	Cost Allocations to Water and Sewer Enterprises
City of San Bruno	Water/Wastewater Rates and Capacity Fees	1992	Water Conservation, Project Financing
San Francisco Bay Area Water Users Association	Litigation Support (Suburban Water Agencies)	1978 to 1984	Wholesale Water Supply Contract
	Contract Compliance	1984 to 2000	Annual Rate Reviews, Water Shortage Allocations, Regulatory Analysis
San Francisco Presidio Trust	Recycled Water Development	2009	Financial Feasibility
San Francisquito Creek JPA	Cost Allocation Study	2000	Regional Flood Control Costs
City of Sanger	Wastewater Rates	1995	Industrial Water Reclamation, Debt Coverage
Sanitary District No. 5 of Marin County (Tiburon/Belvedere)	Sewer Rate and Capacity Fee Study	2005	Separate User Charges by Zone
	Capital Improvement Funding	2006	Financing Plan
	Sewer Rates	2007	Update
	Sewer Rates	2010	Update
	Sewer Rates	2011	Flow-Based Residential Rates, Debt Financing
City of San José	Sewer Connection Fees	2014	Update
	Wastewater Pretreatment Program Evaluation	2005	Source Control Inspector Staffing
	Urban Runoff NPDES Program	2007	Economic Evaluation of Alternatives
San Juan Water District	Recycled Water Rates	2019	<i>San Juan Capistrano</i> Compliance
	Water Rates	1998	Wholesale and Retail Cost Allocations
City of San Leandro	Management Study	1997	Environmental Services Program Audit

Client	Type of Study	Year	Project Emphasis
City of San Luis Obispo	Public Safety, Right-of-Way Maintenance Cost Recovery	2014	Water, Sewer Enterprises
San Mateo County	Sewer Rate Study	2018	Rate Model
	Sewer Rate Study	2019	Flow-Based Residential Rates
San Mateo Countywide Water Pollution Prevention Program	Stormwater Funding Strategies	2008	Permit Renewal
City of Santa Ana	Public Safety, Governmental Asset, and Right-of-Way Maintenance Cost Recovery	2012	Water Enterprise Update
		2014	
City of Santa Clara	Urban Water Management Plan	1992	Water Shortage Contingency Plan
Santa Clara Valley Urban Runoff Pollution Prevention Program	Cost Allocation/Program Management	2005	Cost Allocation Formula; Program Cost, Scope, Term; Benchmark Comparison
	Cost Allocation/Program Management	2016	Update
Santa Clara Valley Water District	Cost of Service Analysis Expert Witness Testimony Litigation Support	2000	Cost Allocation Approaches
		2008	Rate Analysis
		2009	Cost of Service
Santa Luz Golf & Country Club	Recycled Water Rates	2016	Consistency With Industry Practices
Santa Margarita Water District	Water Rates	1998	Irrigation Rates
City of Santa Monica	Environmental Program Cost Allocations to Enterprise Funds	2007	Proposition 218 Compliance
City of Santa Paula	Wastewater JPA Formation	2002	Treatment Plant Financing, Cost Allocations, JPA Agreement
City of Santa Rosa	Water and Sewer Rates Net Benefits Analysis	1998	Public Participation Process
		2003	Regional Recycled Water Alternatives

Client	Type of Study	Year	Project Emphasis
Sausalito-Marín City Sanitary District	Sewer Financial Plan	2002	Capital Funding Options, Public Participation Process
	Contract Negotiations	2002	Regional Wastewater Treatment
	Sewer Rates and Capacity Fees	2004	Update
	Financing Plan	2007	Update
	Sewer Rates	2010	Debt Financing
	State Revolving Fund Application	2011	Credit Review Checklist
	Customer Billing Process	2011	Billing on Tax Rolls
	Sewer Rates	2013	Single-family vs. Multi-family Flow Differential
	Sewer Rates	2014	Update, Tax Roll Billing
	Customer Billing Process	2015 to present	Billing on Tax Rolls
	Contract Negotiations	2017	Service Outside District
Sewer Rates	2018	Tax Roll Billing	
Sewer Rates	2019	Update, Tax Roll Billing	
Scotts Valley Water District	Water Rates	2004	Restructure Increasing Block Quantity Charges
	Water Rates	2005	Update
	Water Rates	2006	Update
	Water Rates	2007	Update Financial Projections
	Water Rates	2008	Update Financial Plan
	Water Rates	2009	Update Rate Projections
	Water Rates	2010	Update Rate Projections
	Water Rates	2011	Update Rate Projections
	Water Rates	2012	Update Rate Projections
	Water Rates	2013	Update Rate Projections
Sharon Heights Golf & Country Club	Water Supply Reliability	2000	Shortage Allocations, Water Supply Alternatives
	Water Supply Reliability	2009	Update Action Plan
Six Acres Water Company	Water Supply Alternatives	2017	Economic Analysis
Snell & Wilmer	Expert Witness Testimony (Arbitration)	1995	Groundwater Contamination Damages (Citizens Utilities Company)
Solano Irrigation District	Agricultural and M&I Water Rates	2014	Cost Allocations
	M&I Rate Update	2019	Fixed and Variable Charges
Sonoma County Water Agency	Wholesale Water Rates	2013-17	Rate Restructuring and Contract Modifications
	Wastewater Annexation	2013	Financing Alternatives
South Bayside System Authority	Flow Equalization Basin Study	2003	Economic Evaluation of Lease Options

Client	Type of Study	Year	Project Emphasis
South Coast Water District	Financial Planning	2018	Modeling Financing Options
	Consolidation Study	2018	Modeling Feasibility
South El Monte Joint Defense Group	Groundwater Remediation Damages	2004	Evaluation of Damage Claims
Southeast Water Coalition	Cost Allocation Analysis of Replenishment Assessment	2006	Interbasin Subsidy
	Cost Allocation Analysis	2009	Update
Stanford University	Water Supply Assessment	2008	Shortage Allocations
Straw & Gilmartin	Expert Witness Testimony (Arbitration)	1995	Groundwater Contamination Damages (Citizens Utilities Company)
Tamalpais Community Services District	Wastewater Financial Plan	2004	Capital Improvement Program Funding Alternatives
City of Tracy	General Fund Reimbursement	2016	Water, Sewer, Solid Waste Enterprises
City of Ukiah	Water Rates, Sewer Rates, and Capacity Charges	2009	Financial Stability During Water Supply Shortage
	On-Going Services	2010-11	Sanitary District Detachment
	Water Connection Fees	2011	Update
Union Sanitary District	Connection Fees	1990	Project Financing, Cost Allocation
	Internal Financial Controls	1998	Management Practices
	Joint Powers Financing Authority Review	1999	Debt Retirement
	Reserve Fund Review	2000	Adequacy of Reserves
	Sewer Rates	2015	Rate Modeling
	Sewer Rates	2016 to present	Capital Planning Modeling
United Water Conservation District	Groundwater Extraction Charges	2011	Proportionality Between Agriculture and M&I Groundwater Charges
	Annual Update	2012	Litigation Support
	Annual Update	2013	Litigation Support
	Annual Update	2014	Litigation Support
	Annual Update	2015	Litigation Support
	Annual Update	2017	Litigation Support
	Annual Update	2018	Litigation Support
	Annual Update	2019	Litigation Support
Veterans Home of California, Yountville	Water Rates	2001	Surplus Water Charges
	Wastewater Rates	2001	Contract Compliance

Client	Type of Study	Year	Project Emphasis
West Bay Sanitary District	Flow Equalization Basin Study	2003	Economic Evaluation of Lease Options
	Sewer Rates and Connection Fees	2011	Financial Plan
	Sewer Rates	2012	Update
	Sewer Rates	2013	Update
	Sewer Rates	2014	Update
	Sewer Rates	2015	Update
	Stormwater Rates and Connection Fees	2016	Updates
	Sewer Rates	2017	Cost of Service Allocations
City of West Sacramento	Water and Sewer Rates	2014-18	Capital Funding
	Refuse Rates	2016	Proposition 218 implementation
Westborough Water District	Water Connection Fees	2015	Redevelopment
Western Hills Water District	Water Rates	2015	Proposition 218 Compliance
Western Municipal Water District	Retail Water Rates	2003	Alignment with Wholesale (MWDSC) Rate Structure
	Retail Water Rates	2004	Elevation Surcharges
City of Willits	Litigation Support	2011	Cost Allocation
Town of Windsor	Water, Wastewater, Recycled Water Rates and Capacity Fees	1993	Water Conservation, Cost Allocation
City of Winters	Water and Wastewater Rates	2005	Debt Financing; Conversion to Metered Rates
City of Woodland	Wastewater Buy-In Charge	2010	Sale of Treatment Plant Capacity
Zone 7 (Alameda County Flood Control and Water Conservation District)	Storm Water Drainage Development Fees	2019	Impact of Agricultural Development on Flood Control

CLIENT SATISFACTION SURVEY



Johnston, Gremaux & Rossi, LLP

CERTIFIED PUBLIC ACCOUNTANTS

January 2, 2013

HF&H Consultants, LLC
201 N. Civic Drive, Suite 230
Walnut Creek, CA 94596

To the Partners of HF&H Consultants, LLC:

In November 2012, Johnston, Gremaux & Rossi, LLP was retained by HF&H Consultants, LLC to conduct and compile the results of a client satisfaction survey, in accordance with the procedures described below. This letter documents the procedures we followed in compiling the survey results and reports our findings for the Company as a whole.

Procedures:

Johnston, Gremaux & Rossi, LLP used the following procedures to conduct and compile the results of the client satisfaction survey:

- HF&H Consultants, LLC provided Johnston, Gremaux & Rossi, LLP with an Excel client list of the clients from the years 2008 and 2012 that included names and e-mail addresses of recipients who should receive the survey.
- Johnston, Gremaux & Rossi, LLP set-up an online survey with Survey Monkey, an online survey vendor, on November 7, 2012 to be used exclusively for HF&H's client satisfaction survey in which the results would be reported directly to Johnston, Gremaux & Rossi, LLP. The online survey was kept open for about 3 1/2 weeks (November 7, 2012 through November 30, 2012).
- Two e-mail reminders were sent on November 14th and November 26th to those who had not responded to the online survey.
- A total of 160 survey requests were sent out to recipients and as of November 30th we had received 59 responses. On December 5, 2012, Johnston, Gremaux & Rossi, LLP compiled the responses. Our findings are presented below.

333 Civic Drive, Pleasant Hill, California 94523 • Tel (925) 944-1881 • www.jgrcpa.com

HF&H Consultants, LLC
January 2, 2013
Page 2

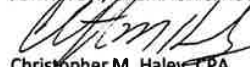
Findings:

- **100%** of the respondents either strongly agreed or agreed with the statement that "HF&H staff was professional, experienced, and well-qualified."
- **98%** of the respondents either strongly agreed or agreed with the statement that "HF&H staff understood my unique requirements."
- **95%** of the respondents either strongly agreed or agreed with the statement that "HF&H staff was responsive to my needs and inquiries."
- **91%** of the respondents either strongly agreed or agreed with the statement that "HF&H presentations were effective and well organized."
- **91%** of the respondents either strongly agreed or agreed with the statement that "HF&H provided good value for my consulting dollar, relative to other consultants."
- **93%** of the respondents either strongly agreed or agreed with the statement that "they would hire HF&H again."
- **95%** of the respondents either strongly agreed or agreed with the statement that "they would recommend HF&H's services to another jurisdiction with similar needs."

Should you have any questions concerning these findings, please do not hesitate to call.

Sincerely,

JOHNSTON, GREMAUX & ROSSI, LLP


Christopher M. Haley, CPA
Partner



RÉSUMÉS



JOHN W. FARNKOPF, P.E.

Senior Vice President



Industry Experience

- Water, wastewater, reclaimed water, and stormwater utilities
- Municipal and investor-owned rate making
- Water resources engineering

Education and License

- B.S., Civil Engineering, University of California, Berkeley
- B.A., Philosophy, University of California, Berkeley
- Civil Engineering C31652, California

Professional History

- HF&H Consultants, LLC: 1989 to present
- Price Waterhouse: 1986 to 1989
- Leedshill-Herkenhoff, Inc.: 1984 to 1986
- Stetson Engineers, Inc.: 1977 to 1984
- Novato Sanitary District No. 6: 1975 to 1976

Professional Memberships

- American Water Works Association, Financial Management Committee (CA-NV Section)
- California Association of Sanitation Agencies
- Water Environment Federation

Range of Experience

Over 43 years of utility industry experience including water resources engineering and management consulting before co-founding HF&H, where he directs the firm's water, wastewater, and stormwater consulting services.

Expertise

- *Rates and Charges* – multi-year revenue requirement models, cost-of-service analysis, rate structure design
- *Financial Planning* – stormwater funding strategies, reserve fund management
- *Development impact fees* – water and wastewater capacity charges; stormwater impact fees
- *General Fund Reimbursements* – public safety, governmental facilities, right-of-way maintenance
- *Management Studies* – benchmarking, organizational audits, contract compliance

Publications

- *California Water Rate Setting Under Proposition 218: A Practical Guidebook*, contributing editor for the American Water Works Association California-Nevada Financial Management Committee, 2018.
- *Private Property Infiltration and Inflow Control*, review editor for the Water Environment Federation, 2016.
- *Building Better Water Rates for an Uncertain World*, contributing author, Alliance For Water Efficiency, 2014.
- *User Fee Funded Stormwater Utilities*, review editor for the Water Environment Federation, 2013.
- *Financing and Charges for Wastewater Systems*, authored Chapter XI "Implementing Rate Studies," Water Environment Federation Manual of Practice, 2004.

Articles, Speeches, and Testimony

- "Rate Making and Cloud Computing," invited panelist at the National Association of Regulatory Commissioners Summer Policy Summit, July 2017.
- "Tiers or Tears: Designing Cost-Based Increasing Block Rates," presented at the American Water Works Association CA-NV Section Fall Conference, October 2015.
- "Interpreting the San Juan Capistrano Decision in Setting Drought Rates," invited speaker at the California Society of Municipal Finance Officers Sacramento Valley Chapter meeting, September 2015.
- "Conservation Pricing: Cal American Water Company's Experience" presented at the California Urban Water Conservation Council's Water Rates Best Management Practices 1.4 Workshop, June 2013.
- "Volumetric Wastewater Rates: Current and Future Industry Practices" presented at the Volumetric Wastewater Pricing Stakeholder Group, Center for Collaborative Policy Office, October 2012.
- "Conservation Water Rates: Balancing Fixed and Volumetric Charges" presented at the Association of California Water Agencies' Regulatory Summit, August 2012.
- "Volumetric Pricing for Sanitary Sewer Service in California," testimony presented before the California State Water Resources Control Board, May 2012.
- "Cost of Service Analysis: Meeting the Burden of Proof" presented at the Association of California Water Agencies' Spring Conference, May 2012.
- "Recent Trends in Funding Enterprise Infrastructure" presented at the California Society of Municipal Finance Officers Annual Conference, March 2007.
- "Proposition 218: Are Your Rates In Compliance?" presented at the California/Nevada Annual Fall Conference of the American Water Works Association, October 2004.
- "Funding Stormwater NPDES Requirements: Potential Sources" presented at the League of California Cities Annual Conference, September 2003.
- "Funding Water, Sewer, and Stormwater Programs under Proposition 218" presented at the League of California Cities Public Works Officers Institute Conference, March 2000.
- "Guidelines for Setting Rates in Compliance with Proposition 218" presented at the League of California Cities Annual Conference, October 1999.
- "Getting Rate Approval" presented at the Water Environment Federation Conference, 1998.
- "Privatization as a Means of Managing Municipal Budget Constraints" presented at the Orange County Workshop "Managing Municipal Budget for the New Millennium," 1997.
- "The Use of Mediation Techniques to Evaluate Rate Alternatives," presented at the California/Nevada Annual Spring Conference of the American Water Works Association, 1996.
- "Dissecting Rate Structures: Identifying Where Further Refinements are Warranted," Proceedings of CONSERV96, American Water Works Association Conference, 1996.

- “The Palo Alto Reclamation Project: Economic Justifiability versus Financial Feasibility,” presented to the San Francisco Bay Area Water Recycling Task Force, 1993.
- “Allocating Reclamation Costs to Water and Waste Water Rates,” invited speaker at the 68th Annual Conference of the Western Economic Association International, 1993.
- “Pricing Reclaimed Water,” presented at the American Water Works Association/Water Environment Federation Joint Management Conference, 1993.
- “Developing Reclaimed Water Pricing Policies,” presented to the San Francisco Bay Area Water Recycling Task Force, 1992.
- “Drought Impacts on San Francisco's Wholesale Water Purchases,” testimony presented to the State Water Resources Control Board, Bay Delta Hearings, Water Rights Phase, 1992.
- “The Ability of Manufacturing Industries to Cope with Permanent Water Supply Reductions,” testimony on behalf of the Santa Clara County Manufacturing Group presented to the State Water Resources Control Board, Bay Delta Hearings, Water Rights Phase, 1992.
- “Characteristics of Conservation-Oriented Rates,” Proceedings, American Water Works Association National Conference, 1992.
- “Impacts of Water Supply on Bay Area Industrial Water Users,” presented at the California Water Planning Conference sponsored by the Association of Bay Area Governments, 1991.
- “Allocating Water Supplies during Droughts,” Proceedings, American Society of Civil Engineers National Conference on Environmental Engineering, 1991.
- “Setting Wholesale and Retail Rates in Times of Drought,” presented at the Drought Response Water Rate Structure Workshop sponsored by the San Diego County Water Authority, 1991.
- “Capacity Charges: Theory, Practice, and the Law,” presented at the California Nevada Spring Conference of the American Water Works Association, 1990.
- “Fixed Asset Valuation Procedures,” presented at Fixed Asset Valuation and Management for Local Governments and Utilities, a Price Waterhouse seminar, 1988.
- “Bay Area Water Supplies: Imported, Reclaimed, and Local Sources,” testimony presented to the State Water Resources Control Board, Bay Delta Hearings, Phase I, 1987.
- “Elements of River Meanders,” California Engineer, University of California, Berkeley, 1978.



RICK SIMONSON, CMC

Vice President



Education and Certifications

- B.S., Business Administration, Accountancy, California State University - Sacramento
- B.A., Communication Studies, Media Production, California State University - Sacramento
- Certified Management Consultant

Professional History

- HF&H Consultants, LLC: 2000 to present
- Contra Costa County Assessor's Office: Auditor/Appraiser, 1996 to 2000
- Laidlaw Transit: Staff Accountant, 1995-1997

Professional Memberships

- Institute of Management Consultants
- American Water Works Association
- Water Environment Federation

Range of Experience

Over 17 years of utility rate setting experience with HF&H and has performed over 80 financial planning/rate studies for water, wastewater, and solid waste clients. He brings a depth of knowledge and expertise in Propositions 218 and 26 compliance, rate structure design, and a strong financial modeling background.

Expertise

- *Rates and Charges* – Multi-year financial modeling, cost-of-service analysis, rate structure design
- *Development impact fees* – Water and wastewater capacity/connection charges; stormwater impact fees
- *General Fund Reimbursements* – Public safety, governmental facilities, right-of-way maintenance

Recent Projects as Project Manager

- **West Bay Sanitary District** - Sewer service charge and connection fee update (2017)
- **City of West Sacramento** – Water, wastewater, and solid waste rate studies. Water and wastewater connection fee studies. (2017)
- **City of Ceres** – Water rate and connection fee study (2017)
- **City of Hillsborough** – Tiered water rate study and water shortage rates (2016)

Speaking Engagements

- Moderator and Presenter, *HF&H/CalRecycle High Diversion Rates & Compensation Workshops*, October 2013 (Oakland), November 2013 (Lakewood), and December 2013 (Sacramento)
- SWANA – Western Regional Symposium – May 2005 – “*Accurate Solid Waste Rate Comparisons*”
- SWANA – Western Regional Symposium – May 2004 – “*Annual Solid Waste Rate Adjustments – Index Method or Cost-of-Service Method?*”



GEOFFREY MICHALCZYK

Associate Analyst



Industry Experience

- Water, wastewater, stormwater, and solid waste utilities
- Rate making for municipal-owned utilities
- City-wide overhead cost allocations

Education

- B.S., Economics & Political Science, University of Utah
- M.S., Financial Analysis, Saint Mary's College of California
- M.B.A., Saint Mary's College of California

Professional History

- HF&H Consultants, LLC: 2016 to present
- Bartle Wells Associates: 2015 to 2016
- Peterson Holding Company: 2014 to 2015

Range of Experience

Municipal finance and accounting analyst specializing in the financial management of water and wastewater utilities. Joined HF&H in 2016 and focuses on rate studies and long-term financial planning.

Expertise

- *Rates and Charges* – multi-year revenue requirement models, cost-of-service analysis, rate structure design
- *Financial Planning* – stormwater funding strategies, reserve fund management
- *Development Impact Fees* – water and wastewater capacity charges; stormwater impact fees
- *General Fund Reimbursements* – public safety, governmental facilities, right-of-way maintenance
- *Cost Allocations* – overhead allocations, analytical review, Prop 218 compliance

Recent Projects

- *City of Daly City: Water Rates*
- *West Bay Sanitary District: Sewer Rates*
- *City of La Verne: Cost Allocations*
- *City of Brentwood: Administrative Cost Reimbursement Study*
- *San Mateo County: Sewer Rates*
- *Cobb Area Water District: LAFCO Consolidation*
- *Oakwood Lake Water District: Water and Sewer Rates*
- *City of Newport Beach: Sewer Rates*
- *City of Ceres: Water Rates*
- *City of Long Beach: Right-of-Way Cost Allocations*
- *City of Tracy: Enterprise Reimbursement*
- *City of Glendale: Enterprise Reimbursement*



GABE SASSER, PE

Associate Analyst



Range of Experience

Over 4 years of consulting experience managing natural gas pipeline assessment and regulator station re-build projects. Previous engineering experience supporting design and developing entitlement documents, improvement plans and specifications for a civil engineering land development firm. Joined HF&H in 2019 and focuses on rate studies and customer impact analyses.

Gabe's prior work experience includes managing up to 20 concurrent projects, preparing weekly status summaries, navigating unique permitting, construction, environmental, and customer based considerations, all while balancing the stakeholders' needs which has proven to translate well to utility rate setting projects at HF&H.

Expertise

- *Rates and Charges* – Multi-year financial modeling, cost-of-service analysis, rate structure design
- *Development impact fees* – Water and wastewater capacity/connection charges; stormwater impact fees
- *General Fund Reimbursements* – Public safety, governmental facilities, right-of-way maintenance

Recent Projects

- *Sausalito-Marin City Sanitary District: Sewer Service Charge Study*
- *North Coast County Water District: Connection Fee Study*

Education and Certifications

- B.S., Civil Engineering, California Polytechnic State University – San Luis Obispo
- Registered Civil Engineer C88906, California

Professional History

- HF&H Consultants, LLC: 2019 to present
- Gas Transmission Systems, Inc: Project Manager, 2016-2019
- Ruggeri-Jensen-Azar: Assistant Engineer, 2014-2016
- Gas Transmission Systems, Inc: Engineer, 2012-2014

Technical Skills

- AutoCAD Civil 3D
- Microsoft Project, Visio, and Office
- Google Suite



HF&H Consultants, LLC
201 N. Civic Drive, Suite 230
Walnut Creek, CA 94596

[This page intentionally left blank.]



SANTA CLARITA VALLEY WATER AGENCY

Proposal For Ratepayer Advocate
RFP 1819-RA-10418
Robert D. Niehaus, Inc. | April 1, 2019



Eric Campbell
Chief Financial & Administrative Officer
Santa Clarita Valley Water Agency
27234 Bouquet Canyon Road
Santa Clarita, CA 91350

April 1, 2019

Subject: Proposal to Provide Consulting Services for Ratepayer Advocate – RFP 1819-RA-10418

Dear Mr. Campbell,

Robert D. Niehaus, Inc. (RDN) is pleased to submit our proposal to provide professional consulting services for Santa Clarita Valley Water Agency's independent Ratepayer Advocate. The purpose of the Ratepayer Advocate is to provide a third-party review to the Board of Directors and customers when future water rates and facility capacity/connection fees are being evaluated, adding an additional layer of transparency for Board consideration and availability for ratepayer concerns. RDN will work with Agency staff and the Finance and Administration Committee during the rate and fee setting processes to analyze underlying assumptions and review the unique characteristics of the Agency's financial condition.

To best serve the Agency and your customers, RDN will leverage our extensive California rate-setting expertise with Ichiko Kido serving as the Ratepayer Advocate, supported by Dr. Robert Niehaus, Anthony Elowsky, and Bjorn Kallerud. Together, our team has completed over 700 projects with economic, financial, and market analysis experience across California and worldwide since the firm's founding in 1983. The strengths of the RDN team include:

- **Expert water demand projections** – as economists, we are particularly adept at forecasting water demand. We will analyze the Agency's historical water consumption patterns, growth trends, and the elasticity of customer demand in response to various rate increase scenarios by employing statistical programming languages such as Stata and R. Based on these analyses, we will produce accurate financial planning support to ensure the Agency's revenue stability while promoting water use efficiency.
- **Effective customer engagement** – We deliver tailored communication strategies for complex rate issues. We will assist the Agency public information officer with the development of understandable documents and guidance to educate Agency customers. When customers understand why and how they are paying for their services, it dramatically increases their satisfaction.
- **Comprehensive understanding of California water rate regulations** – We are well-versed with Proposition 218, Proposition 26, and Government Code section 66013, as well as new State water-use efficiency legislation (AB1668, SB606, and SB555). We are proud that none of our rates have ever been challenged in court.

Our past and current client's best represent our performance and quality of work. We encourage you to contact the references included in this proposal. Please coordinate with Ichiko Kido, our proposed Ratepayer Advocate, (805) 962-0611, Ichiko@RDNiehaus.com, if you would like to discuss our proposal, which is valid for a 120-day period. We look forward to a successful, collaborative, and productive partnership with the Agency and its customers.

Respectfully submitted,

A handwritten signature in blue ink that reads "Robert D. Niehaus".

Robert D. Niehaus, Ph.D.
Managing Director/Principal Economist

A handwritten signature in blue ink that reads "Ichiko Kido".

Ichiko Kido, MBA
Program Manager/Sr. Financial Analyst

[This page intentionally left blank.]

TABLE OF CONTENTS

TABLE OF CONTENTS	3
QUALIFICATIONS	4
PAST PERFORMANCE	8
APPROACH TO PROJECT	10
SCOPE OF WORK	12
Task 1. Project Management	12
Task 2. Review of Existing Cost of Service Studies.....	13
Task 3. Review of Rate Design.....	15
Task 4. Develop an Independent Report.....	17
Task 5. Attend Public Meetings.....	18
Task 6. Assist with Public Outreach Campaign.....	18
Task 7. Proposition 218 Support	18
PROJECT FEE AND SCHEDULE	20
PROFESSIONAL SERVICES AGREEMENT	22
APPENDIX	23

[This page intentionally left blank.]

QUALIFICATIONS

RDN Firm Overview

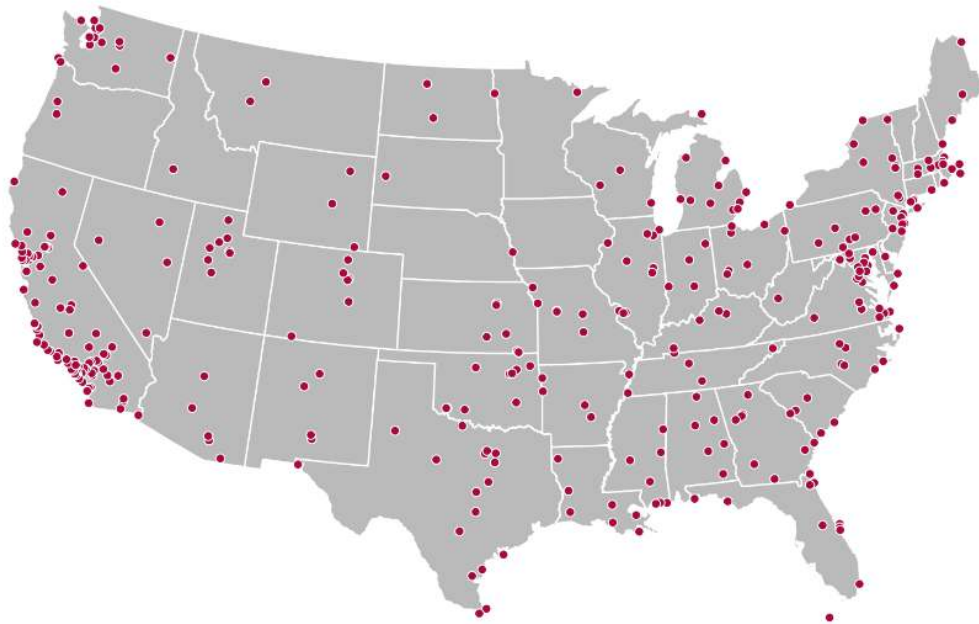
Robert D. Niehaus, Inc. is a professional economic consulting firm, headquartered in Santa Barbara, CA, that delivers solutions to California utilities, State/Local entities, Federal agencies, and the Department of Defense. RDN operates with uncompromising honesty and integrity and is passionately committed to our customers' missions. We constantly seek process improvements and innovations to achieve beneficial results for our clients.

RDN BY THE NUMBERS

- **\$4M** Annual Revenue/**24** Employees
- **700+** Projects Accomplished Worldwide
- **48/50** States Served
- **35+** Years Consulting for Utility Systems
- **One** Expert Rate Analysis Team

RDN has provided consulting services for water, wastewater, stormwater, land development, housing, and energy projects throughout California and worldwide since the firm's founding in 1983. Our staff have completed over 700 projects with economic, financial, and market analysis experience. Our proposed Project Team has considerable experience in water rate analyses, regional economic impact assessments, cost-benefit evaluations, data management, public relations support, and econometric modeling and forecasting of water demand. As a local business, we are extremely knowledgeable about the concerns of Southern California water systems, specializing with purveyors in Santa Barbara, Ventura, Los Angeles, San Bernardino, and Orange Counties.

Figure 1. RDN's Continental United States Experience



No Conflicts of Interest or Significant Developments

RDN will perform the role of Ratepayer Advocate free of any conflicts of interest. We have not participated in any rate setting process of SCV Water or its predecessors within the last three years. We do not have any interests or covenants and will not acquire and interests, direct or indirect, financial or otherwise, that would conflict with the performance of the duties as the Ratepayer Advocate. We are not an engineering firm that could benefit from increased capital improvement funds for design and construction management services. We also are not a financial advisor that might show preference to debt financing, for example, because of potential compensation from bond sales.

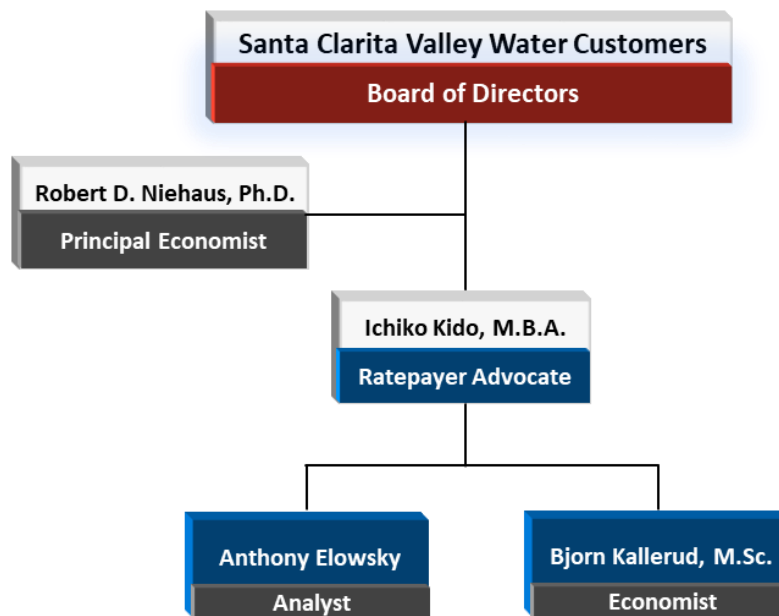
Furthermore, RDN has not experienced significant developments such as a change in ownership or restructuring in our 35-year consulting history, nor do we anticipate any major changes in the foreseeable future.

Project Team

Our proposed Ratepayer Advocate project team comprises four RDN consultants, led by our Principal Economist, Dr. Robert Niehaus, and Ratepayer Advocate, Ichiko Kido. Our team has worked together on numerous water and capacity fee studies, and all four consultants work in our Santa Barbara, CA office. Brief resumes are included on the following pages and full resumes are appended to this proposal.

Although we do not anticipate Ichiko Kido leaving RDN in the next three years (14-year tenure with RDN), our procedure to backfill the role of Ratepayer Advocate is to nominate one of our senior rate design and public outreach experts for Agency consideration and acceptance. RDN's Ratepayer Advocate will be retained by the Agency for up to three years, comply with the terms and conditions in the Agency's professional services agreement, and serve at the pleasure of the Board of Directors.

Figure 2. RDN Organization Chart



Robert Niehaus, Ph.D., Principal Economist/Senior Review

Project Role and Responsibilities:

Dr. Robert Niehaus will oversee all aspects of the rate-review. Dr. Niehaus will be responsible for assuring timely, high-quality, within-budget performance and the Agency's complete satisfaction with all efforts on this project. Additionally, he will review all deliverables for accuracy and economic rigor, particularly the Ratepayer Advocate Analyses and Reports. Dr. Niehaus will lead major internal project meetings and work closely with the Ratepayer Advocate, Ichiko Kido, throughout this project.

Experience and Qualifications:

Dr. Niehaus has 45 years of experience (35 with the firm) and has served as Managing Director for hundreds of comparable water and resource projects. Projects include water rate studies for Ventura River Water District and Moulton Niguel Water District; analyses of water agency budgets; water demand forecasting; water rate elasticity estimates; basin-wide planning studies; economics of water supply development; local-area economic and demographic forecasting; and impact analysis throughout Southern California. Dr. Niehaus reviewed scores of water and wastewater rate and cost-of-service analyses for Carpinteria Valley Water District to comply with Proposition 218, the San Juan Capistrano ruling on proportionality applied to tiered rates, other California legal and regulatory requirements as applied to water and wastewater rate setting, and comparison to other agency rate structures. Dr. Niehaus received his Ph.D. in Economics from the University of Maryland.

Ichiko Kido, MBA, Ratepayer Advocate

Project Role and Responsibilities:

Ms. Ichiko Kido will fill the role of Ratepayer Advocate and be the primary point of contact between RDN and the Agency. Ms. Kido will present the study findings to Agency staff and SCV Water customers. Ms. Kido will lead the team of RDN analysts in performing the rate and fee reviews. She will attend all public meetings (4) and board meetings (2), assist with the Agency's public outreach campaign, and assist the Agency with the Proposition 218 process.

Experience and Qualifications:

Ichiko Kido has 29 years of experience (14 with the firm) and has served as Project Manager for more than a dozen water and wastewater rate studies and over 70 rate comparison studies throughout California. She has extensive experience in water agency financial analysis, COS analysis, rate design, and applied economic research. She has built customized Rate models to help agencies be compliant with required laws and regulations and to meet their short- and long-term financial goals. She has also analyzed the revenue and cost structures of hundreds of public and private water agencies statewide.

Ms. Kido currently serves as the Project Manager for five water rate studies: Apple Valley View Mutual Water Company, Thunderbird County Water District, Patterson County Water District (currently providing Proposition 218 support), Apple Valley Heights County Water District, and Orosi Public Utility District; and a comparative rate analysis for an investor-owned utility company through a law firm in Los Angeles, California. Ms. Kido received her M.B.A. from the Martin V. Smith School of Business and Economics, California State University Channel Islands.

Anthony Elowsky, Analyst

Project Role and Responsibilities:

Mr. Anthony Elowsky's experience is integral to data management throughout the rate review process. Mr. Elowsky will support Ms. Kido as she reviews Agency rate proposals. Mr. Elowsky will assist in the production of the Ratepayer Advocate's independent report and public outreach materials. Additionally, if Ms. Kido is unavailable at any time during the contract period, Mr. Elowsky will perform any necessary tasks and report the outcome to Ms. Kido.

Experience and Qualifications:

Anthony Elowsky has three years' experience with RDN and has provided technical support for a wide range of projects including water rate studies, housing market analyses, and regional economic modeling. Additionally, Anthony has conducted comparative water rate analyses and compiled and analyzed data on water rates and financial information for more than 100 purveyors throughout California. He has worked closely with Ms. Kido to accomplish multiple water and wastewater rate studies for the California Rural Water Association. Mr. Elowsky is currently designing rates and modeling a COS analysis for Orosi Public Utilities District.

Mr. Elowsky is proficient in visualizing customer billing records using R – a statistical programming language that conducts analyses in seconds once the data are cleaned. He has also worked on multiple customer facing applications. Mr. Elowsky has produced over 30 executive reports detailing analysis of water rates, housing markets, and economic structures of homeless populations in Los Angeles.

Bjorn Kallerud, M.Sc., Economist

Project Role and Responsibilities:

Mr. Bjorn Kallerud's will employ econometric modelling on possible use scenarios and develop revenue and expense projections for the Agency's proposed rates. During the rate review and reporting phase, Mr. Kallerud also will work closely with Ms. Ichiko Kido to ensure data accuracy. Additionally, Mr. Kallerud will draft the sections of the Ratepayer Advocate Review Report pertaining to the specific data that he analyzes.

Experience and Qualifications:

Bjorn Kallerud specializes in data science and econometric modeling of regional market dynamics. Mr. Kallerud employs a combination of R, Python, and command-line interface tools to investigate, clean, visualize, and model data. Mr. Kallerud has projected population and water demand for multiple rate studies for the California Rural Water Agency. His econometric modeling is integral to creating detailed long-term financial evaluations.

Mr. Kallerud is currently modeling customer use projections for Orosi Public Utilities District and Apple Valley View Mutual Water Company, as well as modeling the economic impacts of droughts in the Ojai Valley. He received his M.Sc. in Economics from the Stockholm School of Economics.

PAST PERFORMANCE

Team RDN's financial, economic, and public outreach expertise provides us with a unique ability to evaluate Agency rates, advocate for customers, and perform Proposition 218 outreach support. With over 90 percent of our work resulting from repeat business, RDN prides itself in continuing relationships that we have developed from over three decades of consulting. A sample of our past and current projects with similar engagements are highlighted below.

California Rural Water Association (CRWA)

Contact: Dustin Hardwick, Director of Resource Development
Email: dhardwick@calruralwater.org
Phone: 760-920-0842
1234 North Market Boulevard, Sacramento, CA 95834

Project Description: RDN commenced a long-term contractual relationship with the CRWA to conduct a series of water and wastewater rate studies for their client agencies. In association with the CRWA, RDN performs studies for underserved communities throughout the state of California, serving dozens of rural agencies annually. Recent experience includes several systems near SCV Water: Mariana Ranchos County Water District (2018 Water Rate Study); Apple Valley Foothill County Water District (2018 Water Rate Study); Daggett Community Services District (2018 Water Rate Study); Sheep Creek Water Company (2019 Water Rate Study); and Thunderbird County Water District (2019 Water Rate Study).

Moulton Niguel Water District (MNWD) Peer Review

Contact: Jonathan Cruz, Financial Planning Manager
Email: jcruz@mnwd.com
Phone: 949-831-2500
27500 La Paz Road, Laguna Niguel, CA 92667

Project Description: Moulton Niguel Water District retained RDN to perform a peer review of their financial plan, cost of service analysis, and rate setting procedure. RDN reviewed and validated MNWD's extensive rate model and drafted a report detailing and reviewing the long-range financial plan, rate design, and cost of service analysis for three separate water systems—potable, recycled, and wastewater. We also supported MNWD staff in presenting and explaining recommendations at the Board meetings.

Los Angeles Department of Water and Power (LADWP) Rate Analysis for Natural Resources Defense Council (NRDC)

Contact: Edward Osann, Senior Policy Analyst
eosann@nrdc.org
Phone: 310-434-2300
1314 Second Street, Santa Monica, CA 90401

Project Description: In order to promote conservation in the LADWP service area, the NRDC contracted RDN to develop rate alternatives using econometric modeling. RDN's study included data collection and water rate analyses for the LADWP. Using our in-house water rate model, we conducted a series of sensitivity and scenario analyses on over 600,000 accounts to design water rate structures that would

meet the NRDC's conservation goals and preserve the District's financial stability. Additionally, we advised NRDC on how to present and explain these rate proposals to LADWP in a simple and effective way.

Patterson Tract Community Services District Rate Setting Study with Prop 218 Support

Contact: Linda Lee, General Manager
pattersontract@gmail.com
Voice: 559-734-2965
32653 Lincoln Road, Visalia, CA 93291

Project Description: Patterson CSD contracted RDN to complete a water system cost-of-service, rate design analysis, and Proposition 218 support. After a detailed analysis of District revenues and expenses, RDN developed a rate structure which was both equitable and recovered necessary expenses over a five-year financial plan. Patterson CSD was billing customers with multiple meters at a rate which was far beyond their actual service requirements as defined by the AWWA M1 Manual. RDN designed rates to fairly bill these customers without placing an undue burden on other customers within the system. RDN is currently assisting the District in the Proposition 218 process for the successful implementation of these rates and to promote greater customer understanding of the billing process.

Carpinteria Valley Water District (CVWD) Cost of Service and Rate Setting Study with Prop 218 Support

Contact: Robert McDonald, General Manager
bob@cvwed.net
Voice: 805-684-2816
1301 Santa Ynez Avenue, Carpinteria, CA 93013

Project Description: This analysis involved application of customer-level data into our rate-setting model and presenting various rate structure options for CVWD staff and leadership to choose from to ensure future revenue and supply source stability. Rate options presented to CVWD were aimed to minimize rate shock on the District's large agricultural contingent (and customer base in general) to the extent allowable by best utility business practices and local and state legal mandates.

Ventura River Water District (VRWD) Cost of Service and Rate Setting Study with Prop 218 Support

Contact: Bert Rapp, P.E., General Manager
bert@venturariverwd.com
Voice: 805-646-3403
409 Old Baldwin Road, Ojai, CA 93023

Project Description: VRWD engaged RDN to conduct a rate study to meet Proposition 218 requirements and other state regulations. The District implemented a Water Budget Program, establishing an individualized customer water budget to promote water use efficiency. RDN provided full support in the Proposition 218 process. The proposed rates were adopted and implemented on April 1, 2018.

APPROACH TO PROJECT

This section presents our project understanding and a draft scope of work to accomplish the Agency's assignment. RDN will work with the Agency to finalize the scope of services, schedule, and objectives of the study upon contract award.

Santa Clarita Valley Water Agency Background

Santa Clarita Valley Water Agency (SCV Water; Agency) is located in the northwestern portion of Los Angeles County and approximately 35 miles from downtown Los Angeles. The majority of the service area is located in Los Angeles County, encompassing most of the valley and adjacent hill country along the upper Santa Clara River. Approximately 20 square miles of the service area extends into unincorporated rural portions of Ventura County. The service area is a semi-arid region and includes the City of Santa Clarita, plus surrounding unincorporated portions of Los Angeles and Ventura Counties. Communities in the unincorporated areas include Castaic, Stevenson Ranch, and Val Verde.

SCV Water was created on January 1, 2018 by an act of the State Legislature (SB 634) through the merger of the three water agencies in the Santa Clarita Valley and serves a population of 273,000 through 70,000 retail water connections. The merger included Castaic Lake Water Agency and its Santa Clarita Water Division, Newhall County Water District, and the Valencia Water Company. The Castaic Lake Water Agency was formed as a wholesale water agency to acquire, treat, and deliver State Water Project water supply throughout the Santa Clarita Valley. The Santa Clarita Water Division, Newhall County Water District, and the Valencia Water Company were the retail water purveyors. The SCV Water service area has a population of 273,000 and covers approximately 195 square miles. Population at build-out is estimated to be 420,000. SCV Water also provides wholesale water to Los Angeles County Waterworks District #36.

Project Understanding

To be consistent with the Agency Act, SCV Water was required to develop a rate setting process by January 1, 2019 that included an independent Ratepayer Advocate function. The Ratepayer Advocate advises the Board and provides information to the public before the adoption of new wholesale rates, retail water rates, and facility capacity fees/connection charges. We understand that the Agency requires a robust review and update of its rate structures and rate implementation plan, as well as public relations and Proposition 218 support. RDN has recently accomplished a very similar assignment for the Moulton Niguel Water District. This peer review demonstrated our thoroughness in analyzing their financial plan, cost of service analysis, and rate setting procedure.

RDN is dedicated to providing our professional knowledge to support the customers of the SCV Water, as well as building consensus for necessary rate changes. As qualified rate professionals, RDN is particularly adept at explaining rates simply and clearly, ensuring that Agency customers will have full understanding of why the rate adjustments are needed and what their bills will look like once new rates are implemented. In addition to the eighteen meetings (six meetings for three rate/fee settings) specified in the RFP over the three-year assignment, RDN will attend three public hearings and a project scoping meeting. RDN's Ratepayer Advocate will be available to answer any customer or Board questions throughout the entire engagement. We will advocate for SCV Water customers and serve at the pleasure of the Board.

Project Approach & Scope of Services

RDN follows industry best practices, standards, and principles of cost-of-service ratemaking embodied in the American Water Works Association (AWWA) *Manual M1, Principles of Water Rates, Fees, and Charges*. In coordination with Agency staff, our approach employs an interactive decision-making process to identify objectives and rate-setting goals and to build consensus for recommended rate adjustments. Our proposal includes at least 22 meetings and presentations to ensure Agency understanding and satisfaction, as well as ratepayer support.

Our proposed scope of services is summarized below:

Task 1. Project Management – identify the Agency’s goals and objectives of the study; establish project management and quality control procedures; participate in project scoping.

Task 2. Review Cost of Service Study – review cost of service requirements as produced by the Agency and make recommendations as needed.

Task 3. Review Rate Design – prepare an independent review of proposed retail rates, wholesale rates, and facility capacity fees/connection fees, and make recommendations as needed.

Task 4. Develop Independent Review Report – review the Agency’s draft executive rate report and provide independent analysis which includes various analyses of the underlying assumptions and a comparison to industry best practices. RDN will draft a review report to document our findings, recommendations, rate impact analysis, and rate comparison surveys with plentiful graphs and figures for visual support.

Task 5. Attend Public Meetings – attend at least six public meetings as an independent advocate for Agency ratepayers for each rate category. These meetings will include four meetings with the Finance and Administrative (F&A) Committee and two meetings with the Board of Directors. Advocate on behalf of the public to the Board.

Task 6. Assist with Public Outreach Campaign – assist and review public outreach materials such as website postings, advertising, bill inserts and flyers, fact sheets, or make direct contact with SCVWA constituency. RDN will provide the Agency with any needed materials to successfully inform and educate customers before the Proposition 218 hearing.

Task 7. Proposition 218 Support – build trust and consensus for potential rate adjustments through proven Proposition 218 implementation strategies. Ensure ratepayers understand the justification for rate adjustments through public meetings and the Proposition 218 rate notice. Ensure Agency compliance with all procedural requirements: Proposition 218, Proposition 26, and the Agency Act/Government Code 66013. RDN will deliver additional optional support as requested.

SCOPE OF WORK

Task 1. Project Management

RDN’s systematic approach to project management and quality assurance and control are detailed below, as well as a high-level summary of the project scoping meeting.

Task 1.1. Project Management

RDN incorporates best practices from the Project Management Institute’s (PMI) Project Management Body of Knowledge (PMBOK) to establish processes that guide management procedures. Our management approach is based on transparency, open communications, and collaboration during contract start-up and throughout execution. Through our internal due diligence, we affirm that our proposed Project Team is highly unlikely to change during this engagement and that we have sufficient staff available to meet the project deadlines outlined in the RFP.

Table 1. RDN’s Project Management Approach

Initiating	<ul style="list-style-type: none">Processes performed to define a new project or a new phase of an existing project by obtaining authorization to start the project or phase
Planning	<ul style="list-style-type: none">Processes required to establish the scope of the project, refine the objectives, and define the course of action required to attain the objectives that the project was undertaken to achieve
Executing	<ul style="list-style-type: none">Processes performed to complete the work defined in the project management plan to satisfy the project specifications
Monitoring and Controlling	<ul style="list-style-type: none">Processes required to track, review, and regulate the progress and performance of the project, identify any areas in which changes to the plan are required, and initiate the corresponding changes
Closing	<ul style="list-style-type: none">Processes performed to finalize all activities across all Process Groups to formally close the project or phase

For a project to be considered a success, all work must be completed on schedule, within budget, and error free. Our proposed Ratepayer Advocate, Ichiko Kido, will prepare a Project Management Plan (PMP) to document all information necessary to execute a successful project. The PMP is an internal document that serves as a roadmap for the project team, defining project goals and objectives, scope of work, deliverables, budget, schedule, administrative procedures, and filing requirements.

Task 1.2. Quality Assurance

Our systematic quality assurance process ensures that all RDN work performed on this project will be accurate, precise, and of the highest quality. RDN’s Principal Economist, Dr. Robert Niehaus, will lead major internal project meetings and work closely with the Ratepayer Advocate, Ichiko Kido, throughout this project. Dr. Niehaus’ primary responsibility is to review all deliverables for consistency, accuracy, and validity, as well as ensuring sound rate-making principles in line with industry best practices. Ms. Kido

reviews every model, analysis, and report, working closely with each Analyst and Economist to ensure comprehensive, accurate results.

We also employ the principle of Kaizen, where our Economists and Analysts are encouraged to make continuous innovations, empowering our data-driven team to suggest process improvements that translate into superior results. Our goal is to set the industry benchmark for excellence in the rate-setting services we provide to our clients.

Task 1.3. Project Scoping Meeting

RDN recommends a project scoping meeting with SCV Water staff to accomplish the following:

- Discuss the primary goals and objectives of Ratepayer Advocate function in the process of setting rates and charges
- Establish project management and communication protocols between the Agency and Ratepayer Advocate
- Define the project scope, tasks, schedule, budget, and deliverables
- Gather necessary data to begin initial reviews of the Agency’s financial condition under current rates

Table 2. Task 1. Project Scoping Meeting Deliverables

Meetings	▪ On-site project scoping meeting
RDN Deliverables	▪ Project scoping meeting agenda ▪ Project schedule, budget, goals
Agency Deliverables	▪ Required data for initial reviews ▪ Goals and objectives for Ratepayer Advocate Function

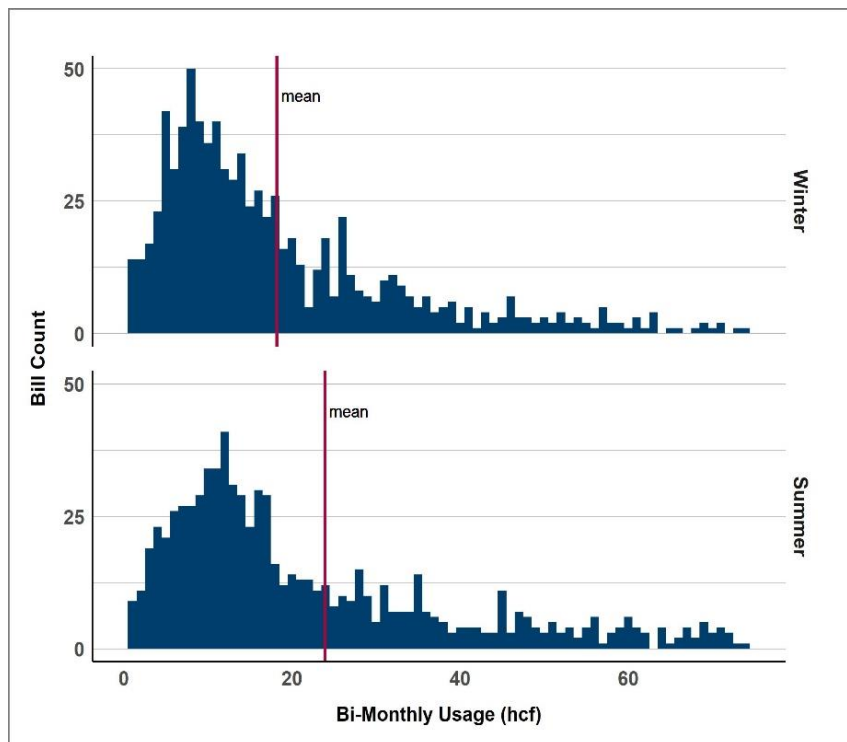
Task 2. Review of Existing Cost of Service Studies

RDN will review the Agency’s cost of service requirements for each class of the Agency’s retail water customers to ensure the costs are allocated commensurate with their service requirements. We will also review cost of service requirements for the Agency’s individual wholesale customers based on the specific type and level of service provided, and consideration of the way in which the Agency provides service.

Task 2.1. Review Demand Projections/Revenue Analysis

We will review the Agency’s demand projections and revenue analysis under the Agency’s current rates. Water consumption patterns are influenced by price signals and other factors such as weather/rainfall and State mandated conservation programs. As economic consultants, our staff are particularly adept at forecasting water demand. We will evaluate historical water consumption patterns, Agency growth trends to project future water consumption, and the elasticity of customer demand in response to various rate increase scenarios. We will make recommendations if necessary based on our detailed multi-level analyses utilizing individual billing records of SCV Water retailed and wholesale customers.

Figure 3. Example of Historical Mean Usage by Number of Bills



Task 2.2. Review Capital Funding

RDN will examine the age and condition of the water system using SCV Water data to evaluate whether the current level of capital spending is sufficient to keep pace with system asset depreciation. We will prioritize the Agency’s capital improvement program and, if warranted, evaluate the amount and timing of debt or alternative borrowing methods to fund capital needs (pay-as-you-go cash funding, State grants/loans, bonds, CIP reserve, and bank loans).

Task 2.3. Review Reserve Policies

RDN will review the Agency’s current reserve policies and reserve levels to recommend appropriate reserve balances consistent with the Agency’s financial goals and risk tolerance. Adequate reserves are crucial to achieving financial stability when faced with unanticipated operating or capital needs.

Task 2.4. Review Cash Flow Analysis

SCV Water will develop cash flow projections summarizing the financial position of the water system over the next five years. This analysis will project revenues, expenses, and net balances to estimate the annual rate increases needed to fund day-to-day operation, pay-as-you-go, debt obligations, and reserve fund targets. Working with the Agency’s projection on future changes to O&M and water supply costs, RDN will review historical cost trends to develop operating and capital cost escalation factors.

RDN will review the cash flow analysis for the retail and wholesale water systems, carefully evaluating expenses that may be shared between the two systems. Our analysis will examine whether expenses are proportionately shared and applied to each entity. The cost incurred from operation of a water system must be categorized by its type in order to accurately allocate costs to the end users. We will review the

Agency’s expense items line by line and categorize them into 1) direct vs. indirect costs, and 2) variable vs. fixed costs.

Table 3. Task 2. Review of Cost of Service Deliverables

RDN Deliverables	▪ Feedback on the Cost of Service Analysis
Agency Deliverables	▪ Financial information and input

Task 3. Review of Rate Design

We will review the Agency’s rate report while gathering the necessary clarification and supporting information to successfully evaluate proposed rates. Rates will be evaluated based on the general rate-making principles set forth in utility rate-making practice such as the AWWA Manual M1, and the rate setting goals established in the scoping meeting. Facility Capacity Fees and Connection Fees are important components of a water system’s funding source for capital improvements. RDN will review the required nexus between the impact created by new development and the amount of the fee meeting the level of substantial evidence, ensuring customers are not paying twice for infrastructure – once through Facility Capacity Fees and again through rates.

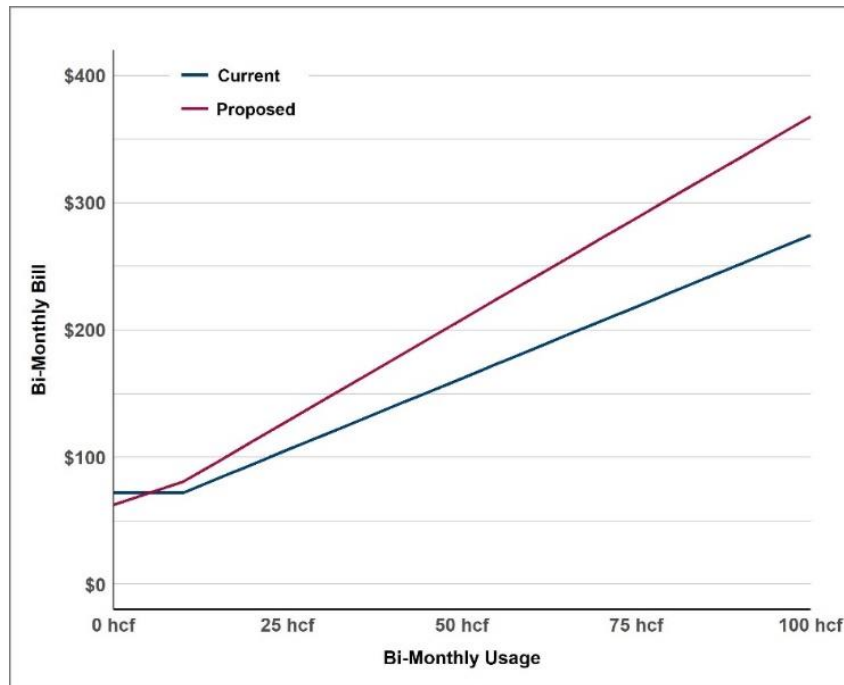
Task 3.1. Evaluate Rates and Rate Setting Principles

RDN will review the fairness and equitability of the proposed rates. The rates should generate revenues from each customer class commensurate with their service requirements identified in the cost of service analysis. RDN will also evaluate if the proposed rates are structured to promote conservation and water use efficiency. We will assess the effectiveness of the tier widths to ensure that the proposed rate structure will send a strong price signal to the segment of customers who might otherwise overuse their water. We will evaluate Agency’s tiered rates to ensure the pricing of each tier has a strong nexus with the relevant costs for each tier. We will also assess the proportion of two types of revenues: revenues recovered from fixed charges and revenues from volumetric charges. This is a critical assessment for the Agency in order to balance revenue stability and its conservation effort.

Task 3.2. Assess Bill Impacts on Customers

RDN will perform detailed bill impact studies to assess the financial impacts on Agency customers if proposed rates are implemented. We will compare bills under current rates versus the proposed rates by monthly usage. We utilize statistical programming languages called “R” and “Stata” to quickly observe bill impacts on individual customers and evaluate how different types of users (small users vs. big users) will be impacted by the proposed rates. RDN will make recommendations for ways to minimize the impacts on all users to the extent possible to ensure equitability and fairness.

Figure 4. Example of Bill Impact Analysis by Usage



Task 3.3. Conduct Rate Comparison Study

With the direction of Agency representatives, RDN will compile data on local water purveyors to complete a comparison analysis. Potential comparison agencies may include, but are not limited to, Los Angeles County Water Works District 36, Los Angeles Department of Water and Power, Calleguas Municipal Water District (for wholesale rates), Las Virgenes Municipal Water District, and Palmdale Water District. The Comparison Analysis, which will be included in the Independent Report, will allow the Agency Board and customers to form a broad overview of rates in the local area among comparable Agencies.

Task 3.4. Conduct Sensitivity Analysis for Proposed Rates

RDN will help the Agency ensure that the proposed rates provide stable funding for each system during normal years and drought years in order to best provide service for their customers. We will evaluate reserve funding goals, cash flow goals, and any other goals at Agency discretion under multiple scenarios to confirm the designed rates are responsive in every possible situation.

We will also review the proposed rates using a multi-scenario economic approach with a variety of consumption projections. In the case of extended periods of drought, water agencies are typically faced with a combination of reduced sales and increased costs. This makes it difficult to meet financial obligations with consequential impacts to reserve levels and infrastructure conditions due to potentially high levels of deferred maintenance. RDN will perform a sensitivity analysis to project the range of potential fluctuation in the revenue stream based on the varied consumption projections. We will identify the revenue recovery expected from the proposed rates and determine if it is an acceptable level within the projected range.

Table 4. Task 3. Review of Rate Design Deliverables

RDN Deliverables	<ul style="list-style-type: none"> ▪ Independent rate review analysis and report ▪ Bill Impact Study ▪ Rate Comparison Study ▪ Sensitivity Analysis for proposed rates
Agency Deliverables	<ul style="list-style-type: none"> ▪ Agency rate report

Task 4. Develop an Independent Report

Using the independent analysis outlined in Task 3, RDN will produce a draft report summarizing rate recommendations within 60 days of receiving the Agency report. The independent report will be responsive to Agency needs and to ratepayer concerns, and will contain variety of detailed analyses. The extensive tables and graphs created in R provide consistent flawless visual support throughout the report.

Figure 5. Example of Report Table Generated in R

Customer Class	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	CY 2024
	Current	Test Year				
Complete Meter Count	26,544	27,059	27,584	28,122	28,669	29,226
Single Family Residential	25,129	25,632	26,144	26,667	27,200	27,744
Multi-Family Residential	544	549	555	560	566	572
Commercial-Industrial	616	623	630	639	647	654
Irrigation Only	235	235	235	235	235	235
Other	20	20	20	20	20	20

Task 4.1. Draft Independent Analysis

RDN’s independent analysis will summarize and present all applicable data and analysis in a digestible way for Agency staff, the Board, and other stakeholders. Recommendations will be based on industry best practices, as well as any applicable Agency directives. In order to best advocate for ratepayers, RDN will ensure that all recommendations are made independent from SCV Water staff. The draft analysis will include justifications for each RDN recommendation.

Task 4.2. Facilitate Board Review

For each rate review, RDN will attend a public meeting to present the conclusions of the independent report to the Board and stakeholders. These meetings will include a PowerPoint presentation outlining the key factors described in the independent report. After the presentation, the Ratepayer Advocate will be available to answer questions and clarify details of the rate review.

Task 4.3. Disseminate to Ratepayers

RDN will publish the independent report at least 30 days in advance of any proposed adoption of revised retail water rates. The web posting will include relevant information used to complete the independent analysis. RDN will be available to answer ratepayer questions until the rates or fees are finalized.

Table 5. Task 4. Draft Independent Report Deliverables

RDN Deliverables	<ul style="list-style-type: none"> ▪ Independent Rate Review Report
Agency Deliverables	<ul style="list-style-type: none"> ▪ Provide input ▪ Comments, responses, and recommendations to draft report

Task 5. Attend Public Meetings

RDN’s Ratepayer Advocate will attend all public meetings and present study results as necessary to address questions and comments from Agency stakeholders.

Task 5.1. Finance and Administrative Committee Meetings (12)

We will provide opportunities for transparent, two-way communication with all interested stakeholders and customers. RDN will prepare presentations and/or take-away materials and record meeting minutes for four Finance and Administrative Committee Meetings per report. The Ratepayer Advocate will be available to committee members to answer any questions that may arise about the proposed rates, the independent evaluation, or the methodology.

Task 5.2. Board Meetings (6)

RDN will attend two board meetings per report to advocate for Agency customers. The Ratepayer Advocate will present the effects of the proposed rates for each customer class, including the effects on users with high and low volume water needs. The RDN team will provide the meeting attendees with a detailed analysis of the proposed rates, and a comparison against other local water purveyors.

Table 6. Task 5. Attend Public Meetings Deliverables

Meetings	<ul style="list-style-type: none"> ▪ Four F&A Committee meetings per report (12 total) ▪ Two Board Meetings per study (six total)
RDN Deliverables	<ul style="list-style-type: none"> ▪ Meeting materials ▪ Recorded meeting minutes
Agency Deliverables	<ul style="list-style-type: none"> ▪ Provide input

Task 6. Assist with Public Outreach Campaign

The RDN team will assist with the Agency’s public outreach campaign by advising the production of outreach materials. This may include FAQs, newsletters, bill inserts, mailers, brochures, or flyers. The Ratepayer Advocate will provide plain language descriptions of the proposed rates and the methodologies that were used to design and evaluate the rates. Additionally, at the request of agency staff, the RDN team will review all public outreach materials for consistency and provide feedback on design elements.

Task 7. Proposition 218 Support

Closely aligned with Task 6, the scope of work for Task 7 reflects an optimal multi-faceted outreach campaign for Proposition 218 messaging and support. Our Ratepayer Advocate will be available to assist the Agency public information officer with the development of all Proposition 218 support.

Task 7.1. Proposition 218 Notice

The Ratepayer Advocate will work with Agency staff and its legal counsel to prepare the required compliance documents including the Proposition 218 Notice. We will encourage clear, simple language and visual messaging for easy understanding. RDN staff will ensure the documents include all required language, including translations, if determined necessary. The Ratepayer Advocate will review the Agency's Proposition 218 Notice in a timely manner to ensure all ratepayers receive the document 45-days prior to the public hearing.

Task 7.2. Proposition 218 Support

RDN will collaborate with Agency staff to ensure retail water rates are adopted consistent with proposition 218 requirements. This includes appropriate procedures for a noticed public hearing, mailing of notices to property owners and customers of record, and a majority protest process. For wholesale water rates, RDN will help ensure Proposition 26 compliance, including two weeks' notice and a public hearing. Pursuant to the Agency Act and Government Code section 66013, RDN will help ensure facility capacity fees and connection charges are adopted after a public meeting in which supporting information is available to the public at least ten days prior.

Task 7.3. Attend Public Hearing

RDN will collaborate with Agency staff to prepare and present the study results to Agency stakeholders and customers and address public questions and comments at the Proposition 218 Public Hearing.

Table 7. Tasks 6 and 7. Public Outreach Campaign and Proposition 218 Support

Meetings	<ul style="list-style-type: none">▪ One Proposition 218 hearing for each independent rate review
RDN Deliverables	<ul style="list-style-type: none">▪ Public Outreach Campaign support▪ Proposition 218 Meeting materials▪ Recorded meeting minutes
Agency Deliverables	<ul style="list-style-type: none">▪ Proposition 218 Notice

PROJECT FEE AND SCHEDULE

Preliminary Fee Proposal

Table 8 presents our preliminary fee and expense, not-to-exceed cost estimate. RDN has estimated the level of effort required to complete the tasks identified in the RFP. Located just 80 miles from SCV Water, RDN’s proposed fees and expenses throughout the entire course of the application are fixed at \$90 per meeting for travel, or \$1,980 for 22 proposed meetings. Our total estimated not-to-exceed Ratepayer Advocate cost for all services (Capacity Fees, Wholesale Rates, Retail Rates) and expenses is \$94,915.

Table 8. Preliminary Fee Proposal

Tasks	Niehaus	Kido	Kallerud	Elowsky	Total Hours	Total Cost
TASK 1. PROJECT MANAGEMENT	8	64	10	4	86	\$13,460
1. Project Management	4	30	-	-	34	\$5,770
2. Quality Assurance	4	28	4	4	40	\$6,160
3. Project Scoping Meeting (1)	-	6	6	-	12	\$1,530
TASK 2. REVIEW OF EXISTING COST OF SERVICE STUDIES	8	70	38	23	139	\$18,615
1. Review Demand Projections/Revenue Analysis	2	16	36	14	68	\$7,690
2. Review Capital Funding	2	14	-	2	18	\$2,880
3. Review Reserve Policies	2	16	1	3	22	\$3,365
4. Review Cash Flow Analysis	2	24	1	4	31	\$4,680
TASK 3. REVIEW OF RATE DESIGN	4	35	48	24	111	\$13,145
1. Evaluate Rates and Rate Setting Principles	4	30	2	6	42	\$6,420
2. Asses Bill Impacts on Customers	-	2	20	2	24	\$2,460
3. Conduct Rate Comparison Study	-	1	2	14	17	\$1,405
4. Conduct Sensitivity Analysis for Proposed Rates	-	2	24	2	28	\$2,860
TASK 4. DEVELOP AN INDEPENDENT REPROT	2	66	24	16	108	\$14,390
1. Draft Independent Analysis	2	36	24	16	78	\$9,740
3. Facilitate Board Review	-	20	-	-	20	\$3,100
4. Disseminate to Ratepayers	-	10	-	-	10	\$1,550
TASK 5. ATTEND PUBLIC MEETINGS	-	120	-	-	120	\$18,600
1. Finance and Administrative Committee Meetings (12)	-	80	-	-	80	\$12,400
2. Board Meetings (6)	-	40	-	-	40	\$6,200
TASK 6. ASSIST WITH PUBLIC OUTREACH CAMPAIGN	-	40	-	-	40	\$6,200
TASK 7. PROPOSITION 218 SUPPORT	-	55	-	-	55	\$8,525
1. Proposition 218 Notice	-	15	-	-	15	\$2,325
2. Propostion 218 Support	-	20	-	-	20	\$3,100
3. Attend Public Hearing (3)	-	20	-	-	20	\$3,100
ESTIMATED RDN EXPENSES (22 Meetings)						\$1,980
TOTAL HOURS	22	450	120	67	659	
HOURLY RATE	\$280	\$155	\$100	\$75		
TOTAL PROJECT COSTS	\$6,160	\$69,750	\$12,000	\$5,025		\$94,915

Billing Rates

As requested in the RFP, Table 9 presents RDN’s billing rates effective April 1, 2019 through March 31, 2020.

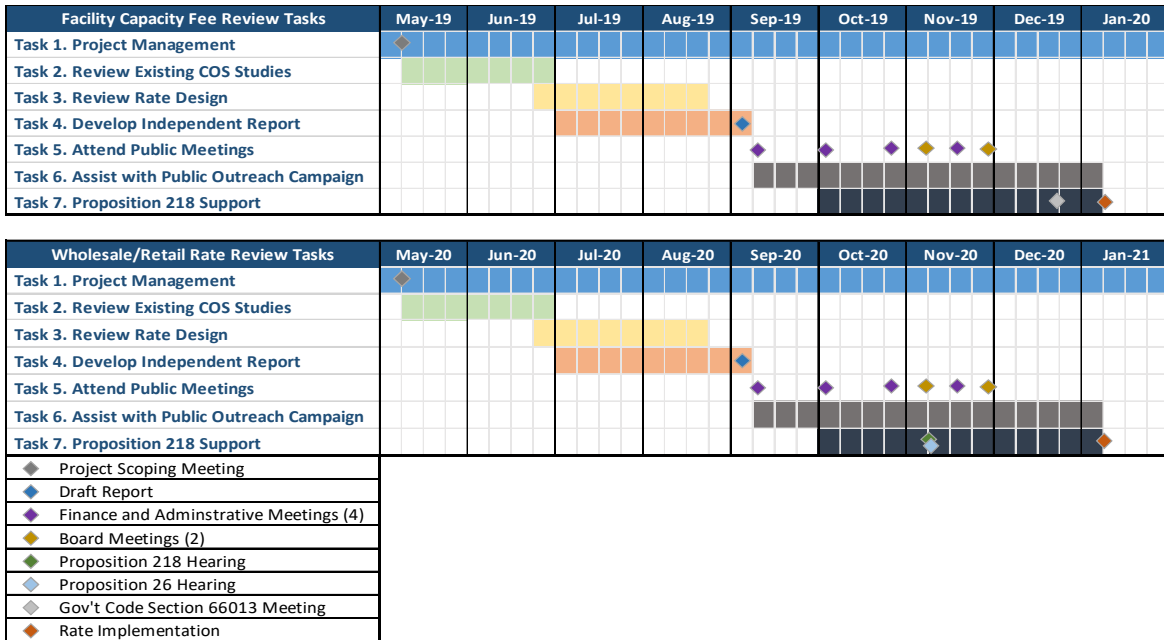
Table 9. Billing Rates

Robert D. Niehaus, Inc.	2019 Billing Rate Schedule
Robert Niehaus	
Principal	\$280 per hour
Ichiko Kido	
Ratepayer Advocate	\$155 per hour
Bjorn Kallerud	
Economist	\$100 per hour
Antony Elowsky	
Rate Analyst	\$75 per hour

Preliminary Project Schedule

Table 10 presents a preliminary draft schedule for completing the project with a target rate implementation date of January 1, 2020 for Facility Capacity Fees and January 1, 2021 for Wholesale and Retail Rates. RDN will work with Agency staff at the Project Scoping Meeting to review and finalize the schedule, meetings, and key milestones.

Table 10. Project Timeline



PROFESSIONAL SERVICES AGREEMENT

RDN has reviewed SCV Water's standard professional services agreement (SCV Water Contract Terms and Conditions) and is willing to accept the terms without modifications. RDN has no exceptions and affirms compliance with all insurance requirements.

APPENDIX

The appendix to this proposal includes the RFP's Attachment 4 Acknowledgement Receipt of Addenda #1, as well as full resumes for RDN's proposed Ratepayer Advocate Project Team.

TECHNICAL SPECIALTIES

- Project Management
- Regional and Resource Economics
- Rate Comparison
- Economic Impact Studies
- Public Sector Water Economic and Planning Analysis
- Technical Report Review
- Cost of Service Rate Studies
- Resource Planning
- Econometric Modeling
- Survey Design and Implementation

PROFESSIONAL HISTORY

- Robert D. Niehaus, Inc. (1983-Present) Managing Director

EDUCATION

- Doctor of Philosophy in Economics (1979) – University of Maryland
- Bachelor of Arts in Government (1972) – Oberlin College

PROFESSIONAL MEMBERSHIPS

- American Water Works Association
- American Economic Association
- National Association for Business Economics

Robert D. Niehaus

Managing Director/Principal Economist

Dr. Niehaus has broad experience managing public and private sector water and land resource economic analyses and planning efforts, with expertise in water rate analysis, cost-benefit evaluations, water demand econometric modeling and forecasting, and regional economics. His expertise extends to river basin planning, groundwater management, economic impacts of water and other resource-use projects, military base realignment, housing, energy, and global climate change. He has provided expert support to senior civilian and military decision-makers for many of these projects. Dr. Niehaus has published a wide range of applied studies in these fields, and has directed successful completion of projects at more than 200 locations world-wide, with much of this experience in Southern California.

RELEVANT PROJECT EXPERIENCE

- **Moulton Niguel Water District Cost of Service Peer Review**
- **Carpinteria Valley Water District Cost of Service and Rate Setting Study**
- **Ventura River Water District Cost of Service and Rate Setting Study**
- **National Resources Defense Council – LADWP Data Collection and Water Rate Analysis**
- **West Basin Municipal Water District Landscape Irrigation Efficiency Program**
- **Las Virgenes Water Budget Model**
- **Fremont Valley Preservation Project Water Rate and Revenue Analysis Study.**
- **Golden State Water Company Comparative Water Rate Analysis**
- **Goleta Sanitary District/Goleta West Sanitary District Economic Analysis of Development Projections**
- **Economics of Groundwater Management in Santa Barbara County**
- **City of Santa Barbara Desalination Plant Environmental Impact Report**
- **United States Army Core of Engineers Flood Protection and Recreation Study**
- **City of Santa Barbara Long-Term Water Sales and Revenue Requirements Forecast Analysis**
- **Santa Ynez River Basin Planning and Cachuma Project Water Allocation Analyses**
- **Golden State Water Company Water Price Elasticity Estimates and Retail Consumption Forecast**

Ichiko Kido, M.B.A.

Program Manager/Senior Financial Analyst

Ms. Kido has extensive experience in water utility financial analysis, cost of service (COS) analysis, rate design, and applied economic research. She has lead several water/wastewater rate study projects and built customized COS models to help utilities be compliant with required laws and regulations, and to meet their short-term and long-term financial goals. She has also managed or conducted more than 65 comparative water rate analyses, compiling and analyzing primary- and secondary-source data on water rates and purveyor financial account information for more than 200 water utilities throughout California. She has prepared housing market analyses for military bases throughout the United States and in Japan. She has wide-ranging experience in survey research and program evaluation. She is skilled at survey interviewing, survey administration procedures, survey techniques, database management, and statistical analysis.

TECHNICAL SPECIALTIES

- Public Agency Rate Design
- Cost of Service Rate Studies
- Budget Preparation
- Fiscal Management
- Rate Comparison analysis
- Housing Market Analysis
- Data Analysis
- Technical Report Review
- Survey Interviewing
- Statistical Analysis

PROFESSIONAL HISTORY

- Robert D. Niehaus, Inc.
(2005 - Present) Program
Manager

EDUCATION

- Master of Business
Administration (2014) –
Martin V. Smith School of
Business & Economic,
California State University,
Channel Islands
- Bachelor of Arts in Law
(1989) – Fukuoka
University

PROFESSIONAL MEMBERSHIPS

- American Water Works
Association
- California Rural Water
Association
- Association of California
Water Agencies

RELEVANT PROJECT EXPERIENCE

Ventura River Water District

Ventura River Water District (VRWD) engaged RDN to conduct a rate study to meet Proposition 218 requirements and other state regulations. The District implemented a Water Budget Program, establishing an individualized customer water budget to promote water use efficiency. This study included evaluation of the five-year financial plan, development of a Cost of Service (COS) model, and rates design. VRWD implemented a water-budget based rate structure, and Ms. Kido provided technical and logistical support through the entire process. Ms. Kido analyzed the District's financial plan, and determined revenue requirements for the five-year study period. She also developed a customized COS model based on the revenue requirements and the District's financial goals identified in the financial planning. Ms. Kido designed the District's first water budget rate structure and assisted in its implementation and public outreach. She supported the mailing of Proposition 218 Notices. The District and RDN held frequent face-to-face meetings to coordinate each step of the rate study. The proposed rates were adopted and implemented on April 1, 2018.

California Rural Water Association

The California Rural Water Association (CRWA) contracted RDN to perform over 30 rate studies throughout California. Ms. Kido performs the role of program manager for the ongoing project. The CRWA provides support for small and often underserved water agencies. Ms. Kido directs RDN's water team in the production of COS modeling, rate setting, and customer deliverables. Many of the agencies have never completed a Proposition 218 compliant rate study before RDN's support. Sample agencies include: *Mariana Ranchos County Water District*, in which Ms. Kido oversaw the complete rate-setting process and she included an additional analysis to help reduce customer impacts; *Daggett Community Services District*, in which after completing the original rate recommendations, Ms. Kido provided an additional re-analysis assessing potential impacts of multiple customer use scenarios; and *Sheep Creek Water Company*, in which Ms. Kido provided additional support for the billing of private fire protection connections within the service area.

Moulton Niguel Water District

Moulton Niguel Water District (MNWD) retained RDN to complete a peer review of their cost of service analysis. This analysis included a review and validation of their extensive rate model and creation of a report describing a long-range financial plan, review of rate design, and cost of service analysis for three separate water systems—potable, recycled, and wastewater. Ms. Kido reviewed the District’s Long-Range Financial Plan, COS, and Rate Design model and assisted in creating a comprehensive report to document the entire process of their rate study. Additionally, Ms. Kido supported MNWD staff in preparing and presenting Proposition 218 notifications for the board of directors. Ms. Kido oversaw the input of all customer-level data into RDN’s rate-setting model. The District and RDN held weekly meetings to ensure timely progress and resolve issues as soon they arose and to ensure proper explanation of RDS’s recommendations at the board of directors’ meetings.

Carpinteria Valley Water District

RDN completed a cost of service and rate setting analysis for the Carpinteria Valley Water District (CVWD). This analysis involved application of customer-level data into our rate-setting model and presenting various rate structure options for CVWD staff and leadership to choose from to ensure future revenue and supply source stability. This study is comprised of a cost of service and rate setting analysis. Rate options presented to CVWD were aimed to minimize rate shock on the District’s large agricultural contingent (and customer base in general) to the extent allowable by best utility business practices and local and state legal mandates. Ms. Kido conducted a detailed analysis of agency financials and determined revenue requirements for the study period. Ms. Kido also evaluated the COS model used by the District for compliance with Proposition 218 and consistency with AWWA Manual M1 guidance on proportionality of cost burdens to each customer class. This study followed a review of CVWD’s existing, in-house cost of service analysis and rate structure model as well

as preliminary application of our model using District-specific data from previously completed studies and regional proxies from comparable purveyors.

Fremont Valley Preservation Project

RDN provided a rate analysis and 20-year revenue forecast for the Fremont Valley Preservation Project (FVPP) in eastern Kern County. Ms. Kido delivered guidance on project pricing, general management strategy, and mitigation of potential project risks. Critical issues addressed included the demand, supply, and conveyance facilities in Southern California’s large regional water market; a review of the essential elements of water demand, supply, and pricing for the water agencies in Southern California most likely to serve as customers and partners for the FVPP; and cost of service analysis deriving prices consistent with alternative sales scenarios. Ms. Kido created a detailed analysis of FVPP costs, revenue, and project demand in Eastern Kern County. She also provided comprehensive review and analysis of revenue streams generated under different supply and demand scenarios. Ms. Kido reviewed applicability of current water rate-related regulations and their implications and effects on revenues. She also led a comparative analysis of other agencies’ revenues, costs, and water rate-setting processes.

Golden State Water Company

Golden State Water Company hired RDN to analyze income statements and balance sheets of more than 200 water agencies including mutual water companies, municipal utilities, and investor-owned systems in California to determine types of agency costs and sources and composition of water revenues. Ms. Kido reviewed budgetary documents to break out capital outlays and maintenance expenses for each purveyor. Additionally, Ms. Kido provided technical support for regionally specific detailed reports which compared the different rate structures and expense categories in a meaningful way so that GSWC was able to evaluate competitor’s fiscal position.

Anthony Elowsky

Analyst

TECHNICAL SPECIALTIES

- Database Management
- Rate Comparison
- Data Analysis
- Technical Report Review
- Cost of Service Rate Studies
- Data Science Modeling

PROFESSIONAL HISTORY

- Robert D. Niehaus, Inc.
(2018-Present) Analyst
(2017-2018) Market
Researcher
- Dudek Environmental Inc.
(2016-2017) Field
Technician
- California State University,
Fullerton (2014-2016)
Graduate Assistant

EDUCATION

- Master of Arts in
Anthropology (expected
2019) – California State
University, Fullerton
- Bachelor of Arts in
Anthropology (2014) –
California State University,
Los Angeles

PROFESSIONAL MEMBERSHIPS

- American Water Works
Association
- California Rural Water
Association

Mr. Elowsky has conducted comparative water rate analyses and compiled and analyzed data on water rates and financial information for more than 100 purveyors throughout California. Mr. Elowsky has been integral in the completion of multiple water and wastewater rate studies for the California Rural Water Association. He is proficient in cleaning and visualizing customer billing records with R, modeling Cost of Service (COS) analysis, and has worked on multiple customer facing applications.

RELEVANT PROJECT EXPERIENCE

Mariana Rancho County Water District

Mariana Rancho County Water District (MRCWD) recently retained RDN to develop a cost-of-service and rate design analysis. RDN completed a long-term financial plan and water rate study designed to fund the District's rising costs to supply water in addition to the District's capital improvement plans. MRCWD's general manager expressed concerns about proposition 218 compliance in the District's current tiered rates. During close consultations, MRCWD also expressed an interest in reducing customer usage and promoting conservation. Mr. Elowsky developed a statistical model in the R programming language to project future customer usage. Even considering a reduction in usage, the rates proposed by RDN provide revenue stability and financial sufficiency by producing 49 percent of District revenue through fixed charges. Mr. Elowsky reviewed the draft report which was provided to the District.

Patterson Community Services District

Patterson Tract Community Services District contracted RDN to provide a rate consultation which included financial planning, a revenue requirements analysis, a cost of service study, and a rate-setting analysis with multiple levels of detailed analyses to address District strategic and financial goals. District revenues did not provide sufficient revenues to maintain system solvency. Mr. Elowsky developed a rate model which addressed the financial needs of the district. RDN proposed a significant rate restructure for the District which included minimal rate increases for District Customers. RDN's proposed rates maintained 70 percent of revenues through fixed charges while still promoting conservation among District customers. Mr. Elowsky assisted in the completion and the review of the draft report provided to District representatives.

Manatt, Phelps, & Phillips, LLP

Manatt, Phelps, & Phillips, LLP hired RDN to complete a statewide (CA) comparison of water rates for a pending legal action. Mr. Elowsky researched, analyzed, and compared water rate structures of over 100 distinct agencies around the state. To accompany the comparison, Mr. Elowsky prepared draft reports which focused on different regional variations. Data collected included rate-structures, audited financial statements, budgets, urban water management plans, and other planning documents. In addition, Mr. Elowsky produced a systematic model to compare specific agencies rates versus the actual customer costs.

Bjorn Kallerud, M.Sc.

Economist

TECHNICAL SPECIALTIES

- Econometric Modeling
- Database Management
- Data Visualization
- Statistical Programming
- Technical Report Review

PROFESSIONAL HISTORY

- Robert D. Niehaus, Inc.
(2018-Present) Economist
(2016) Market Researcher

EDUCATION

- Master of Science in
Economics (2018) –
Stockholm School of
Economics
- Bachelor of Arts in
Economics & Psychology
(2014) – University of
California, Santa Barbara

PROFESSIONAL MEMBERSHIPS

- National Association of
Business Economics

Bjorn is a quantitative economist specializing in application of statistical programming to water rate and housing market analyses. He is an integral part of RDN's water, housing, and regional econometric modeling teams. He has conducted demand and financial analyses in support of rate-setting for water agencies throughout California. He has prepared a housing market assessments in the United States and Europe and analyzed alternative methodologies for the DOD's Basic Allowance for Housing program. His M.Sc. in Economics is from the Stockholm School of Economics (emphasis in applied economic analysis), and his B.A. in Economics is from U.C. Santa Barbara (with distinction). His master's thesis addressed the effects of drought on irrigation decisions regarding use of ground water and surface water in the agricultural sector.

RELEVANT PROJECT EXPERIENCE

Apple Valley Heights County Water District

RDN developed a cost-of-service and rate design analysis for Apple Valley Heights County Water District. Included in the analysis were a long-term financial plan and water rate study designed to ensure future system solvency for the District. Mr. Kallerud implemented monthly customer-level data in order to make water consumption demand projections for the District. Mr. Kallerud developed an auto-regressive moving-average model for water consumption to incorporate seasonal variations in the data.

U.S. Department of Defense Travel Management Office

The U.S. Department of Defense Travel Management Office contracted RDN to conduct a study regarding the calculation for utility allowance for service members under their Basic Allowance for Housing program. The purpose of the study was to analyze the accuracy of utility expenditures under the current model. Mr. Kallerud developed a utility expenditure model based on the Housing and Urban Development Utility Schedule Model in order to calculate estimated utility expenditures for various housing types over 300 Military Housing Areas in the United States.

Sheep Creek Water Company

RDN was contracted by the California Rural Water Association to conduct a rate consultation for the Sheep Creek Water Company. The Sheep Creek Water Company is a municipal water company that recently implemented a new rate system. Water rates for customers of the Sheep Creek Water Company are based on the number of shares each customer owns. The goal of the study was to analyze the expected effectiveness of the new rate system. Mr. Kallerud worked closely with the district to ensure that the water demand projections included in the study would account for the current state-imposed moratorium on connections for the Sheep Creek Water Company. In addition, Mr. Kallerud employed several types of data visualization in the final report, which in addition to a series of descriptive statistics, provided the Sheep Creek Water Company with a deeper insight into previous usage by their customers.



[This page intentionally left blank.]

*Prepared for Santa Clarita
Valley Water Agency*

RATEPAYER ADVOCATE

RFP 1819-RA-10418



PROPOSAL | APRIL 2019

[This page intentionally left blank.]

April 1, 2019

Mr. Eric Campbell, Chief Financial and Administrative Officer
Santa Clarita Valley Water Agency
27234 Bouquet Canyon Road,
Santa Clarita, CA 91350

Subject: Request for Proposal Ratepayer Advocate – RFP 1819-RA-10418

Dear Mr. Campbell:

The formation of the Santa Clarita Valley Water Agency has created a unique opportunity for the region's water supplies, finances, and operations to be managed by a central entity. Along with those opportunities come the challenges of ensuring that the Agency's rate structure efficiently and equitably distributes costs to its customers and provides an adequate source of revenue to fund the Agency's operational and capital costs.

As the Agency took shape over the last several years, the water industry in California has also undergone significant changes. The historic drought in 2015 and the associated demand and revenue reductions continue to shape rate planning across the state. Agencies are under increased scrutiny to develop a cost of service nexus for their rates, and uncertainty remains regarding future demands and statutory guidelines and their consequences for water sales revenue. As the premier cost-of-service firm in California, Carollo Engineers, Inc. has helped multiple agencies across the state confidently address these issues.

The Santa Clarita Valley Water Agency needs a trusted and tested advisor to review the cost of service analysis developed by Agency staff to ensure it balances fiscal sustainability with ratepayer equity and affordability. Carollo's combined engineering and financial expertise is uniquely suited to accomplish these goals.

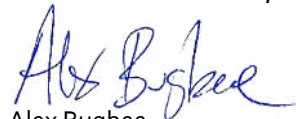
Our Financial Management Group has successfully delivered financial studies to more than 300 utilities. With the knowledge, resources, and capabilities needed to serve as the Agency's Ratepayer Advocate, Carollo will support the Agency and its customers to determine the best method of equitably recovering its costs. Our review and report will consider several key questions:

- Are the Agency's funding goals met over the next several years under a range of scenarios?
- What is the impact to ratepayers—considering both affordability and equity?
- Is there a definable nexus between the Agency's rates and its cost of service?
- What uncertainties exist over the next several years, and how can the rate structure mitigate these uncertainties?

Carollo values this opportunity to support the Agency and assist its Board of Directors as its Ratepayer Advocate. Should you have any questions regarding this proposal, please contact us at 213-489-1587.

Sincerely,

CAROLLO ENGINEERS, INC.



Alex Bugbee
Project Manager

EXPERIENCE AND QUALIFICATIONS

FIRM EXPERIENCE

Carollo Engineers, Inc. is the largest engineering firm in the United States dedicated solely to water-related engineering—it's all we do. This targeted expertise allows us to focus on developing cost-effective, innovative, and reliable solutions to help our clients implement best value solutions to protecting public health and the environment. It also allows us to recruit the brightest minds in the water industry, train our staff on the issues impacting water and wastewater, and lead the industry with innovative ideas tailored to the specific needs of our clients. Carollo is guided by a culture of teamwork and integrity. Embracing the firm's rich history and solid reputation for offering professional excellence, our

employees have a shared mission to provide exceptional service to our clients. We are dedicated to overcoming challenges, seizing opportunities, and "Working Wonders with Water."

National Water and Wastewater Experts

Carollo is the nation's largest environmental engineering firm specializing exclusively in the planning, design, and construction of water and wastewater facilities. Since 1933, Carollo has successfully completed more than 20,000 projects for public sector clients. Carollo is currently ranked within Engineering News-Record's (ENR) top 100 design firms and among the top firms for water and wastewater treatment plant design.

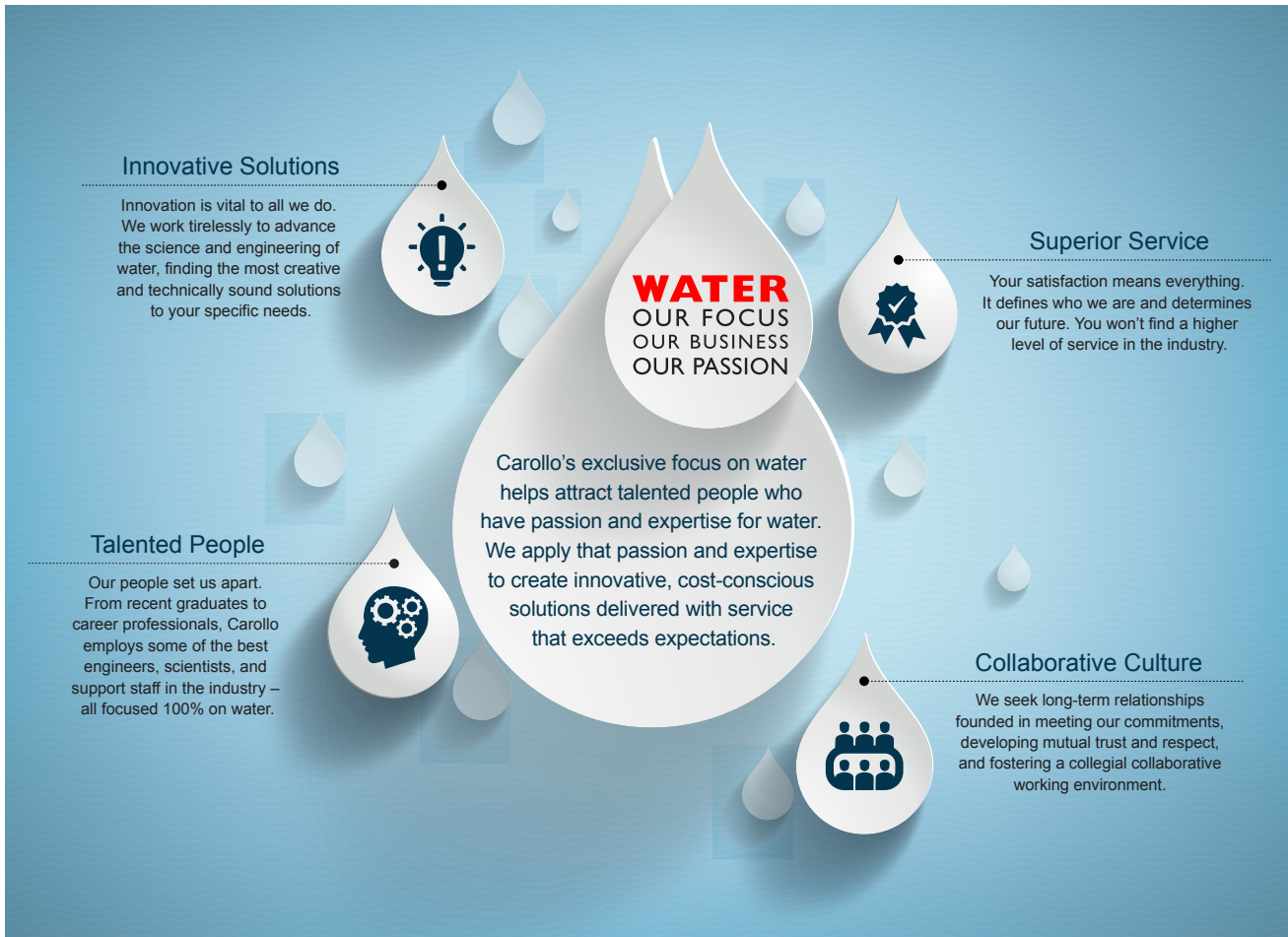
Water-Related Rate Study Leaders

For 86 years, Carollo has provided water and wastewater system planning and financial services to utilities throughout California and the United States. In recent years, Carollo has become one of the largest rate consultants in California. Collectively, our proposed project team for this study has provided financial planning services for more than 300 utilities. We have performed work for clients with service area populations ranging in size from several hundred to 4 million residents. Our comprehensive financial studies for public agencies include financial modeling, cost allocations, and rate and fee development.

Carollo Financial Management Group (FMG)

To achieve success in the cost-conscious and results-driven modern utility market, it is important for utilities to provide creative technical solutions executed within the context of sound business practices. Combined with the technical expertise in water and wastewater systems, the Carollo Financial Management Group (FMG) has been successfully helping its clients like no other consultant can in the industry.

WATER
OUR FOCUS
OUR BUSINESS
OUR PASSION



The FMG works with utility managers to effectively administer business operations with creative solutions to evolving challenges. As a leading environmental engineering and consulting firm focused in the utility market, our experts understand the unique hurdles that agencies face. It is important for utilities to continue to provide creative technical solutions. However, these solutions must be executed within the context of sound, innovative business practices to be successful in the competitive and results-driven modern utility market. Our goal is to provide utilities with the information and advice to allow them to provide successful creative solutions.

The FMG is comprised of professionals who have proven and practical experience delivering innovative business solutions to the public sector that are specifically tailored









to each client's needs. We provide a broader range of services than just rate studies. Our services are grouped within one of the following six disciplines:

- › Cost of Service and Rate Structure Analysis
- › Revenue Requirements
- › Finance, Funding and Economic Sustainability
- › Connection/Impact Fee Development
- › Fiscal Policy Creation and Review
- › Custom Financial Models

Our mission is clear: we serve our clients to build vibrant, high-performing organizations through value appreciation in both service and utility equity.

Comprehensive Financial Planning Experience

Our combined financial and engineering expertise provides us with the unique ability to efficiently allocate rates in a fair and equitable way, thus reducing potential Proposition 218 concerns. Our technical expertise, paired with proven financial strategies, allows us to anticipate and meet the specific objectives for this study. While not a complete list, the matrix below demonstrates the breadth and depth of our financial services expertise.

								
	Capital Planning and Funding	Cost of Service Rate Structure Analysis	Revenue Requirements	Fiscal Policy Review	Connection/Impact Free	Custom Financial Model	Bond Coverage Evaluation	Stakeholder Involvement/Public Outreach
City of Boynton Beach, FL	●	●	●	●	●	●	●	●
City of Carlsbad, CA	●	●	●	●	●	●	●	●
City of Las Vegas, NV	●	●	●	●	●	●	●	●
City of Reedley, CA	●	●	●	●	●	●	●	●
City of Los Angeles, CA	●	●	●	●	●	●	●	●
City of Modesto, CA	●	●	●	●	●	●	●	●
City of Oceanside, CA	●	●	●	●	●	●	●	●
City of Oklahoma City, OK	●	●	●	●	●	●	●	●
City of Omaha, NE	●	●	●	●	●	●	●	●
City of Portland, OR	●	●	●	●	●	●	●	●
City of Riverside, CA	●	●	●	●	●	●	●	●
City of Pasadena, CA	●	●	●	●	●	●	●	●
City of Sacramento, CA	●	●	●	●	●	●	●	●
City of San José, CA	●	●	●	●	●	●	●	●
City of Scottsdale, AZ	●	●	●	●	●	●	●	●
City of Seattle, WA	●	●	●	●	●	●	●	●
City of Simi Valley, CA	●	●	●	●	●	●	●	●
City of Upland, CA	●	●	●	●	●	●	●	●
Clean Water Service, OR	●	●	●	●	●	●	●	●
Eastern Municipal Water District, CA	●	●	●	●	●	●	●	●
El Paso Water Utilities Public Service Board, TX	●	●	●	●	●	●	●	●
El Toro Water District, CA	●	●	●	●	●	●	●	●
Inland Empire Utilities Agency, CA	●	●	●	●	●	●	●	●
Irvine Ranch Water District, CA	●	●	●	●	●	●	●	●
King County, WA	●	●	●	●	●	●	●	●
Manatee County, FL	●	●	●	●	●	●	●	●
Marin Municipal Water District, CA	●	●	●	●	●	●	●	●
Marina Coast Water District, CA	●	●	●	●	●	●	●	●
Monte Vista Water District, CA	●	●	●	●	●	●	●	●
Northwest Water Commission, IL	●	●	●	●	●	●	●	●
Orange County Sanitation District, CA	●	●	●	●	●	●	●	●
Palmdale Water District, CA	●	●	●	●	●	●	●	●
Sacramento County Department of Water Resources, CA	●	●	●	●	●	●	●	●
Sacramento Regional County Sanitation District, CA	●	●	●	●	●	●	●	●
San Diego County Water Authority, CA	●	●	●	●	●	●	●	●
San Francisco Public Utility Commission, CA	●	●	●	●	●	●	●	●
Santa Ana Watershed Project Authority, CA	●	●	●	●	●	●	●	●
Santa Margarita Water District, CA	●	●	●	●	●	●	●	●

TECHNICAL COMPETENCE

Carollo has a depth of resources few other firms can match. Carollo's project team provides the management and technical expertise, personal attention, and resources required to successfully serve as your Ratepayer Advocate.

In their purest form, rate studies are an elementary math equation, which can be performed by numerous consultants. However, in light of the increasingly litigious rate environment (Prop 218), uncertain demand forecasting, and ratepayer awareness/sensitivity, it is crucial that the Ratepayer Advocate has an experienced team that can effectively guide and assist the Agency in undertaking the following challenges:

CHALLENGE 1. CALIFORNIA LEGAL STANDING

The Agency needs a trusted and tested advisor to develop defensible cost-of-service analysis and transparent rates for its customers. Recent cases, such as Palmdale Water District and San Juan Capistrano, and the recent recall at Yorba Linda Water District, are prime examples of what not to do. Unlike some other firms, Carollo has not lost a case on the grounds of

cost-of-service (Prop 218 or 26), and rather has been the firm that agencies have leaned on to help navigate the legal landscape.

Proven Legal Understanding

We understand Prop 218 and recent legal opinions and the potential implications of these challenges. Our combined financial and engineering approach is necessary to achieve a defensible cost-of-service framework to validate the Agency's existing and future work. With a true engineering basis providing the foundation of the analysis, the Agency can pinpoint the specific attributes of the system related to providing various water demands. This approach sets us apart as a winning team.

CHALLENGE 2: COST-OF-SERVICE NEXUS

The development of a nexus between how costs are incurred and who receives the benefits is crucial to the cost of service process. The burden of proof for this nexus falls on the Agency, and by extension the rate Agency's Ratepayer Advocate, to prove.

Carollo's combined financial and engineering expertise crosses over to provide accurate financial results.

Too often, rate studies are viewed through a single financial lens, and are too heavily focused on the cash flow and debt coverage tests. While these are critical assessments, this framework only reveals half the picture. The "why" and the "who"—why those costs are incurred, and who they are benefitting—cannot be overlooked for any rate study in California. Without that review, the rates are not based upon cost of service principles, and are open to challenge. Our team's approach addresses the full picture by combining both engineering and financial lenses.

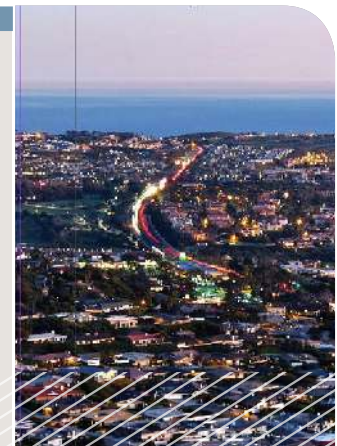
Combined Engineering and Financial Understanding

Our approach draws a traceable line from costs to who is benefitting from those costs. It is the only equitable way to calculate rates. We do not simply rely on "the numbers" to

IN ACTION

Bolstering fixed cost recovery for South Coast Water District **WITH A HYBRID FIXED DEMAND CHARGE**

In 2016, the South Coast Water District (SCWD) faced a challenge that was felt by virtually all retail water suppliers in Southern California: how to maintain revenue resiliency, amid declining usage and water sales. Carollo worked with SCWD on its most recent rate study, and introduced an innovative method to increase fixed revenue, while still providing customers with the ability to control their bill. The demand charge is a fixed charge that is determined by a customer's peak water usage in the prior year. The charge is set for that customer for the year, providing the District with fixed revenue, and also providing the customer the ability to adjust the fee with time. With the inclusion of the demand charge, SCWD's fixed revenue went from 36% to 60% of total revenues.



tell the story to your ratepayers and Board, and we never use generic allocation factors. With our sound engineering basis to explain “who” and “why,” ratepayers can understand the complexities, which could be easily glossed over. As the Ratepayer Advocate, we will work to foster understanding of these cost-of-service principles among the board, Agency staff, and the public.

CHALLENGE 3: UNCERTAIN CUSTOMER DEMANDS

Projected water demand plays a crucial role in rate-setting as it is a significant driver for costs and the basis of much of the Agency’s revenue. California is only two years removed from its most severe drought in recent memory. The prolonged, multi-year drought challenged many water agencies to balance conservation messaging with unyielding revenue requirements.

Leaders in Demand Planning and Data Analysis

Our team leads the industry in data analysis for water and wastewater utilities and financial studies. Our approach uses a number of detailed methods to understand your system and your customer demands. This Our understanding of the Agency’s customer profile will be a key component of understanding and reviewing the Agency’s rate and fee proposals.

CHALLENGE 4: COMMUNICATION AND OUTREACH

Public perception and engagement are critical underpinnings to a successful rate study and implementation. It is a crucial step that cannot be overlooked. Too often though, rate

studies postpone stakeholder feedback until too late in the process, leaving the door open to political and legal challenges.

Track Record of Public Engagement

Carollo’s philosophy is to engage with stakeholders early, and to keep them involved in the process. Much of this starts with your Board of Directors. Furthermore, we can support your Proposition 218 process. We have developed bill impact calculators for use on other agencies’ websites, and can use this to support your rate adoption process.

Our approach is built upon numerous successful studies across California and the United States. This team has worked together with a number of peer agencies across Southern California, and maintains a clean Proposition 218 record.



ORGANIZATIONAL CHART AND TEAM RESUMES

The success of this project lies in the experience and abilities of the project team. A successful project team must demonstrate practical and relevant experience in all of the technical aspects of the project, a well-conceived work plan and project approach, and a commitment to the project goals. We have dedicated a team to your project that will fulfill these requirements in totality.

The team selected for this project has collaborated closely on multiple studies. We will work to foster total project understanding among all critical team members so that in the event that the Ratepayer Advocate is unavailable, other senior team members can step in seamlessly.

Our proposed team has completed several successful water rate studies together, which provides enhanced abilities meeting the SCV Water's unique needs and delivering the project. Our team is illustrated in the organization chart below. Resumes are provided on the following pages.





Education

BS Mining Engineering,
Pennsylvania State
University, 2009

Licenses

Engineer-in-Training,
Pennsylvania

Alexander T. Bugbee, E.I.T.

Alexander Bugbee is a lead analyst in Carollo's Financial Management Group with eight years of experience asset management and utility rates and financing. His primary expertise includes assisting water and wastewater agencies develop asset management plans, rehabilitation and replacement programs, program funding and implementation strategies, and financial and econometric models, as well as compiling and analyzing the necessary background data.

His combined experience in engineering and financial analyses benefits the project team by providing an asset management strategy that considers infrastructure needs along with financial capacity and feasibility to develop a truly implementable plan.

He has successfully completed asset management, financial and economic analyses, and cost of service studies for many agencies throughout California, including the cities of Los Angeles, Oceanside, Oxnard, Glendale, Simi Valley, West Sacramento, San Jose, Riverside as well as Union Sanitary District, San Diego County Water Authority, the Inland Empire Utilities Agency and several other cities and special districts throughout the state.

Relevant Experience

→ Lead financial analyst for the Inland Empire Utilities Agency, California Connection Fee and Rate Study. He led a comprehensive financial analysis and rate and fee study to develop a financial plan for the implementation of the agency's recent Integrated Resources Plan recommendations and updated connections and service fees to support it. Along with updates to existing rates and fees, a new One Water Regional Connection Fee was developed to provide funding for recycled water and water resources projects and initiatives.

→ Analyst for the On-Call Financial Study for the City of Oceanside, California. He developed a financial model for the Solid Waste Department, which allows the client to predict future cash flows and fund balances based on past performance and expected rate changes in order to optimize the rate impact to customers and develop accurate operational budgets. He provides continued support to the client and makes model modifications as deemed necessary. Also provided as-needed support to the Water and Wastewater Departments including maintenance, updating, and modifications of existing financial models. He also worked with the departments to revamp the models to improve user interface and functionality.

→ Site assessment lead and analyst for the Public Works Integrated Master Plan for the City of Oxnard, California. He coordinated and led mechanical and structural condition assessments of the City's water and wastewater systems. The assessed wastewater facilities included the City's regional wastewater treatment plant as well as over 15 wastewater lift stations. Water facilities included wells, blending stations, and treatment facilities. The results of the condition assessments were used to develop a master plan CIP for the water and wastewater facilities. He later incorporated the CIP into a cost of service analysis aimed at providing funding for the extensive rehabilitation and replacement needs.

→ Analyst for the Update of Capacity Charge project for the San Francisco Public Utilities Commission (PUC), California. He updated the PUC's capacity charges for water and wastewater. His responsibilities included analyzing the results of a variety of calculation methods for the capacity charge.

→ Lead financial analyst for City of San Jose, San Jose-Santa Clara Regional Wastewater Facility Funding Strategy, CA. Developed a ten-year CIP funding strategy for a ten-year \$1.5 billion capital program. He developed long term financial projections for the regional wastewater system as well as the City of San Jose to assess the financial impact of CIP on owner and member agencies. The analysis incorporated sev-

Alexander T. Bugbee, E.I.T.

eral policy best practices related to reserves, debt coverage, and funding sources designed to help the agencies achieve favorable financing conditions.

→ Project manager for the Water and Wastewater Cost-of-Service and Rate Study Update for the City of Del Mar, California. Carollo collaborated with the City and utilized the existing water and wastewater financial models in order to create cost and time efficiencies. As an optional task, Carollo developed new models for each utility, including clean water rate model.

→ Analyst for the Water Rate Study for the City of Upland, California. The City had been utilizing one-time revenues to offset revenue shortfalls from rates. IN addition, the City had not increased its fixed rate in over 20 years. Carollo evaluated the existing water rates, usage, and financial data to develop a financial model and new rate structure, which provided sufficient revenues increasing revenue predictability through an increased fixed rates and increased customer equity ratepayers. Alex's responsibilities included analysis of usage and financial data and assisting in the development of a financial model for the City's Water Utility. He also performed a cost-of-service analysis in order to design fixed and variable water rates for various customer classes.

→ Analyst for the Capacity Fee Study for the San Diego County Water Authority, California. He performed data analysis and assisted in the development of a capacity fee model.

→ Analyst for the Financial Analysis of Wastewater Operations as part of the Comprehensive Wastewater Master Plan for the Rodeo Sanitary District (RSD), California. He developed a financial model to analyze the impact of the proposed capital improvement plan (CIP) on RSD's finances and on customer rates. He also assisted in the creation of an integrated CIP funding strategy designed to provide sufficient funding while minimizing the effects on customer rates.

→ Financial analyst for the 2015 Wastewater Cost of Service Study, City of Carlsbad, California. The project included developing the revenue requirement, cost

of service analysis, and functional allocation. It also provided recommendations for a new customer class rate.

→ Site assessment lead and analyst for the Water and Recycled Water Master Plan for the City of Glendale, California. He led an assessment of selected water facilities including pump stations, wells, treatment facilities, and reservoirs. He the utilized the results of the site assessments to develop an asset rehabilitation and replacement program, which he then incorporated into a funding and connection fee analysis aimed at creating an implementable CIP strategy based on a series of priority based project phasing options.

→ Site assessment lead and asset management analyst for the Waterworks Facilities Assessment and Cost of Service Study for the City of Simi Valley, California. He coordinated and led mechanical and structural condition assessments of the City's water utility that included wells, pump stations, reservoirs, and treatment facilities. This information was used along with other records to develop an asset condition registry, a rehabilitation and replacement program, and a CIP which was later incorporated into a cost of service analysis.

→ Site assessment lead and analyst for the Pump Station Master Plan for the Union Sanitary District, Union City, California. He coordinated and led mechanical, structural, and electrical condition assessments of the District's wastewater pump station and force main system. The evaluated facilities included three high capacity wastewater pump stations with maximum capacities ranging from 11 MGD to over 50 MGD and onsite storage facilities, surge towers, and other auxiliary systems. The results of the physical assessments were used in conjunction with a hydraulic evaluation to develop an asset management and replacement plan for the pump stations and forced mains systems.

→ Site assessment lead and asset Management Analyst for the Water Master Plan Update for the City of West Sacramento, California. He led mechanical, structural, and electrical assessment of the City's 58 MGD capacity surface water treatment plant.



Jennifer R. Ivey, P.E.

Education

MBA Finance, Southern Methodist University, 2003

BS Civil Engineering, University of Texas, Austin, 1998

Licenses

Professional Engineer, Texas

Professional Affiliations

American Water Works Association (AWWA)

Water Environment Association, Texas (WEAT)

Water Environment Federation (WEF)

Chi Epsilon National Civil Engineering Honor Society

Jennifer Ivey is a vice president with Carollo with 20 years of extensive experience in multi-year financial planning, impact fee, bond feasibility, and cost of service, rate, and charge studies throughout Texas and the U.S., as well as civil and environmental design projects. Her combined financial and engineering expertise crosses over to provide accurate financial results based on sound engineering and cost causation foundation. She is currently active in industry associations including the American Water Works Association (AWWA) National Rates and Charges Committee and was a contributing author for AWWA's updated *Principles of Water Rates, Fees, and Charges M1 Rates Manual*. She was also co-chair of the 2019 Utility Management Conference in Nashville, Tennessee.

Relevant Experience

→ Principal-in-charge for the Water Rate Cost of Service Study, Santa Fe Irrigation District, California. Jennifer's team is cross referencing historical demand data at the household level with a variety of other data sources to establish a detailed baseline demand profile and then project future demands. These other data sources include land use, household size, lot size, landscaping, pools and water features, median home value, and geographic location.

→ Project manager for the Utility Cost of Service and Rate Study, San Francisco Public Utilities Commission, California. Carollo developed the SFPUC 2014 comprehensive connection fee and cost of service rate study for the Water, Wastewater, and Stormwater to define customer equity and comply with Proposition 218 in accordance with California Government Code §66013. Jennifer led and managed the team to allocate revenue requirements to functional categories and develop cost-based rates that comply with Proposition 218 requirements. The Study included allocation of wastewater costs between dry weather (wastewater) and wet weather (storm water). Community outreach component included video messaging, bus tours, and multilingual meetings, in addition to mandated Proposition 218 notifications.

→ Technical advisor for the Cost of Service Rate and Charge Study, San Diego County Water Authority, California. Carollo established the revenue requirement, allocated it to rate categories, and designed the rates to equitably collect these costs. Carollo received unanimous approval of planned increased after facilitating a series of success-

ful workshops with the member agencies. Jennifer provided additional review and played a role of "devil's advocate" to generate a thorough assessment of the findings prior to customer and stakeholder review. Quality Consultant for study to allocate operating and capital costs to functional components and develop cost-based rates. Presented study process and findings to Member Agencies and SDCWA Board of Directors. Study included calculation of capacity charges and annexation application fee.

→ Principal-in-charge for the Water and Wastewater Rate Structure Study, City of Sacramento, California. Project Lead and Quality Consultant for study to identify alternative rate structures for water and wastewater utilities and develop recommended rates using preferred rate structures. Presenting study process and findings to utility management. Study includes extensive public outreach component and Proposition 218 notifications.

→ Technical advisor for the Water Cost of Service Rate Study, Riverside Public Utilities, California. Quality Consultant for cost of service study to calculate cost-based water rates. Study includes Proposition 218 public notification process.

→ Technical advisor for the Cost of Service Study, Eastern Municipal Water District, Peris, California. Quality Consultant for study to develop methodology to allocate operating and capital costs to functional components and calculate cost-based rates. Presented study findings and recommendations to Board of Directors. Study includes Proposition 218 notification process.

Jennifer R. Ivey, P.E.

- Technical advisor for the Cost of Service Study, Hi-Desert Water District, Yucca Valley, California. Analyzing existing customer data to develop reasonable estimate of capacity requirements for various types of commercial customers and cost associated with providing service. Study will result in a fee assessed to new commercial customers.
- Project manager for the Water and Wastewater Cost of Service Rate Design and Associated Financial Planning Services, Oklahoma City Water Utilities Trust, Oklahoma. She managed the study to develop cost of service rates and system development charges. She and her team analyzed customer billing and financial data to determine revenue requirements, allocated revenue requirements to functional categories and rate components to determine class cost of service. The study also included transitioning rates toward cost of service, presenting study findings and recommendations to stakeholders and training staff on use of financial planning and rate models.
- Project manager for the Water and Wastewater Rate Study, City of Arlington, Texas. She managed a Water and Wastewater Rate Study for Arlington to determine annual revenue requirements for 10-year period, cost of service by customer class, and recommended rate structure and rates. Study included full customer billing analysis, development of cost of service rate model, and presentations to elected officials and public stakeholders.
- Lead analyst for the Water/Wastewater Cost of Service Rate Study, City of Austin, Texas. She performed a cost of service and rate study for water and wastewater utilities. Prepared several issue papers to educate Public Involvement Committee (PIC) about issues relating to cost of service methodologies and rate design, including cost allocations to BOD, TSS, and other measures of wastewater strength. Presented issue paper topics to PIC and utility's Executive Committee. Developed cost of service and rate models for water and wastewater utilities. Prepared report summarizing study assumptions, analysis, and recommendations.
- Analyst for the Comprehensive Rate and Charges Study, City of Columbus, Ohio. She performed a cost of service and rate study for the City of Columbus' Division of Sewerage and Drainage. Using the City's existing rate model, entered data for the previous two years to update the model and determine the recommended rate structure to meet the division's revenue requirements. In addition to the sewer rate study, performed a sewer capacity fee study using both the buy-in approach and the incremental approach to calculate the recommended capacity charges for each meter size. Prepared a report summarizing the results of the rate study and the capacity fee study with the recommended rates and charges.
- Project manager for the Water and Wastewater Rate Study, City of Farmington, New Mexico. Managed a Water and Wastewater Rate Study for Farmington to determine annual revenue requirements for 10- year period, cost of service by customer class, and recommended rate structure and rates. Study included analysis of multiple CIP scenarios based on growth alternatives.
- Project manager for the Wholesale Water and Wastewater Cost of Service Rate Studies, City of Fort Worth, Texas. Managed cost of service rate studies for the City of Fort Worth's wholesale water and wastewater customers using the utility basis approach to determine the wholesale revenue requirements. Input current test year data into the existing cost of service and rate model to determine the recommended wholesale water rates for 2006, 2012, and 2015 and wholesale wastewater rates for 2008 and 2011. Prepared detailed reports summarizing the results of each study and presented study findings and proposed rates at several meetings of the Wholesale Water and Wastewater Advisory Committee and Subcommittee.
- Project manager for the Water and Wastewater Cost of Service Rate/Impact Fee Study, City of Houston, Texas. Managed a study that included development of a 10-year financial plan, cost of service analysis, rate structure design, development of land use assumptions, and evaluation of capital improvements program.



Education

MS Civil and Environmental Engineering, George Washington University, 1996

BS Chemistry, College of William and Mary, 1985

Professional Affiliations

Water Environment Foundation Disinfection and Public Health Committee

Water Environment Foundation Water Reuse Committee

AWWA Water Reuse Committee

International Water Association Water Reuse Specialty Group

Awards

2017 WaterReuse Person of the Year Award

2016 Water Environment Federation President's Award

2015 American Membrane Technology Association Member of the Year

Jeffrey J. Mosher

Jeff Mosher has 27 years of experience serving public and private-sector clients in the planning and implementation of water, wastewater, and recycled water treatment systems. He serves as Carollo's Principal Technologist and is a nationally recognized expert in alternative water supplies, including desalination and non-potable, onsite, and potable reuse applications. His experience spans technical, scientific, engineering, regulatory, and policy topics associated with water projects. He has broad experience in working with utilities in planning, permitting, and implementing projects, and has extensive experience with the development and implementation of water regulations.

Mr. Mosher has served as the Principal Investigator (PI) and participated on a number of successful projects for the Water Research Foundation, Water Environment & Reuse Foundation (WE&RF), Water Environment Research Foundation, and WaterReuse Foundation. He is noted for managing projects with wide-ranging policy implications. He was the PI for the top two WE&RF final reports in 2017 in terms of website downloads: *Risk-Based Framework for the Development of Public Health Guidance for Decentralized Non-Potable Water Systems* (SIWM10C15) and *Potable Reuse Research Compilation: Synthesis of Findings* (REUSE-15-01).

Mr. Mosher has managed over 15 independent advisory panels reviewing alternative water supply projects, including groundwater recharge projects with recycled water. These panels reviewed log reduction credit approaches for the groundwater recharge projects. He has also been involved in the regulatory review and/or development of potable reuse, including groundwater recharge projects, in California, Nevada, Washington, and Florida.

He is an experienced facilitator and manager of workshops, meetings, and stakeholder-driven projects. He has facilitated dozens of meetings and workshops of all sizes over the past 20 years.

Mr. Mosher is the former Executive Director of the National Water Research Institute, the former Chief Research Officer of the Water Environment & Reuse Foundation, and the former Director of Research for the WaterReuse Research Foundation.

Recent Work History

→ Carollo Engineers, Inc.; Los Angeles, California (2018-present)

→ Water Environment & Reuse Foundation; Alexandria, Virginia (2016-2018)

→ National Water Research Institute; Fountain Valley, California (2005-2016)

→ WaterReuse Research Foundation; Alexandria, Virginia (2002-2005)

→ Association of Metropolitan Water Agencies (1999-2001)

Relevant Experience

→ Currently, for the Water Research Foundation and WaterReuse Florida, managing a year-long stakeholder effort to develop a potable reuse science and technology based guidance document that will inform

the development of potable reuse regulations and the implementation of potable reuse projects in Florida, including the review of groundwater recharge criteria and the assignment of log reduction credits for pathogens. The project involves planning, organizing, and facilitating public meetings with stakeholders addressing the topics and elements of a direct potable reuse regulation.

→ For the Water Research Foundation facilitated the *Northern Nevada Indirect Potable Reuse Feasibility Study Panel* (2017). Managed and facilitated an independent advisory panel for an indirect potable reuse (IPR) project sponsored by Washoe County (NV) and Tumwater Municipal Water District. The panel meeting involved project partners, regulators, and other stakeholders. Specific topics included treatment, water

Jeffrey J. Mosher

quality, monitoring, and the role of groundwater in pathogen attenuation and the assignment of log reductions credits.

→ In support of NWRI, led the development of a direct potable reuse guidelines document for AZ Water and WateReuse Arizona. The report was based on two stakeholder workshops and was used to modify water reuse regulations in Arizona and will serve as a resource document for utilities in Arizona. One of the facilitated workshops was held with utilities only and the second workshop was held as an open session as at a state-wide conference to ensure a wider audience of utilities, regulators, and other stakeholders.

→ Administered an expert panel to develop the WE&RF report, "Framework for Direct Potable Reuse," which was the first comprehensive guidance report on the technical, management, and operational aspects of DPR for utilities, regulators, consultants, and other stakeholders to use in considering DPR as a viable water supply alternative. The process involved planning and facilitating several panel meetings and stakeholder meetings to inform the process.

→ On behalf of the California State Water Resources Control Board (SWB), managed a 2-year high-visibility effort involving the facilitation of an expert panel and a stakeholder group.

Facilitated 12 meetings of an Expert Panel addressing the feasibility of criteria for direct potable reuse (DPR), which was mandated by the California legislature; and Facilitated 11 public meetings of an Advisory Group of stakeholders to provide recommendations to the SWB on DPR.

The SWB developed a report on DPR for the state legislature based on the Expert Panel and Advisory Group reports.

→ Administered and facilitated an expert panel to develop the WE&RF publication "Risk Based Framework for the Development of Public Health Guidance for Decentralized Non-Potable Water Systems" (SWIM10C15), which established log removals for pathogens and addressed management and operations on onsite systems. As

part of the project, facilitated expert panel meeting and broader stakeholder meetings of county and state public health officials from around the U.S. providing input into the panel process.

→ Organized and administered the Advanced Asset Management Workshop held in Oakland, California. Partners included NWRI, U.S. Environmental Protection Agency (EPA) and East Bay Municipal Utility District. Managed and planned 125-person workshop to improve the asset management assessment skills of water utilities, raise awareness of the sustainable management of assets, and address core questions involved in asset management techniques.

→ Project Manager for *Outreach and Communications for the D.C. Tillman Groundwater Replenishment Project*. This project for the Los Angeles Bureau of Sanitation (LA SAN) and Los Angeles Department of Water and Power (LADWP) involves the planning and conducting focus groups and a phone survey with the City of Los Angeles to develop messages and a communication plan for the D.C. Tillman Groundwater Replenishment Project.

→ For the WateReuse Foundation, managed a project to develop a National Water Reuse Database of water reuse projects across the U.S. The project involved the development and implementation of a national survey of water and wastewater agencies and the development of a searchable database of the results. The database is administered by the WateReuse Association.

<https://watereuse.org/educate/water-reuse-101/national-water-reuse-database/>

→ As a consultant for the U.S. EPA, managed several survey and database development projects. Participated in the development of the Information Collection Rule survey. The effort included the design and development of a database to organize and store the survey results of water systems across the U.S. In addition, participated in the implementation of the first Infrastructure Needs Survey, which is used to estimate the Drinking Water State Revolving Loan eligible needs of systems by state.



Mark J. Panny

Mark Panny is a professional analyst in Carollo's Utility Advisory Services group, located in Durham, North Carolina. He specializes in data management, analysis, and data visualization using the latest tools such as Power BI and Tableau. His technical background combined with his business acumen have made Mr. Panny a strategic team member on asset management efforts, by translating risk-based prioritization into sound capital planning. During his time at Carollo, Mr. Panny has contributed to a variety of financial and engineering planning projects for municipal utilities throughout California and across the U.S., including Orange County Sanitation District, City of Boynton Beach, Los Angeles Bureau of Sanitation, Eastern Municipal Water District, Manatee County, DuPage County, and many more. This experience will be utilized to accurately and efficiently review your data and generate the insights needed to support this project and its recommendations.

Education

MEM Water Resources Management, Duke University, 2014

BA History, Lafayette College, 2010

Professional Affiliations

American Water Works Association

Relevant Experience

→ Project manager for Wholesale Rate Study for Eastern Municipal Water District, California. EMWD manages production, delivery, and recharge of a shared groundwater basin along with several other local retail agencies. Carollo developed a cost of service based allocation methodology and rate calculation for EMWD to charge each of the participating agencies.

→ Project manager for Water and Sewer Rate Study for City of Papillion, Nebraska. Carollo is performing a cost of service rate study for the City's water and sewer enterprises. The City has a three-tiered water rate structure, and Carollo is confirming the breakpoints between those tiers as part of the update.

→ Project manager for Napa Sanitation District Capacity Charge and Cost Allocation Study. The Study provided several capacity charge calculation methodologies, and reviewed cost of service methodology in anticipation of NapaSan's next sewer service charge update. Carollo also researched and made recommendations on several special rate topics, including billing methodologies and fixed/variable rate structure alternatives.

→ Lead analyst for Proposition 218 Support for Santa Margarita Water District, California. SMWD maintains water budgets for all of its residential potable water customers and some of its recycled water customers. Mark analyzed three years of usage data to help SMWD confirm its rate calculations and revise budget allocations as necessary.

→ Lead analyst for the Water Rate Cost of Service Study, Santa Fe Irrigation District, California. Carollo's team is cross referencing historical demand data at the household level with a variety of other data sources to establish a detailed baseline demand profile and then project future demands. These other data sources include land use, household size, lot size, landscaping, pools and water features, median home value, and geographic location.

→ Lead analyst for Water Rate Study for City of Upland, California. The City was significantly affected by lost revenue during the drought. Mark developed a model that allowed the City to compare multiple scenarios at once, balancing the needed revenue increases to support the CIP with customer impacts. Mark also developed a bill calculator dashboard that the City embedded on its website, supporting the Proposition 218 process and engaging the community.

→ Lead analyst for Water and Sewer Rate Study for Marina Coast Water District, California. Carollo conducted a full cost of service study for MCWD's water and sewer enterprises, with cost centers split across its two service areas (Marina and Fort Ord). Mark led the customer data analysis and the financial model development. MCWD had significant capital expenses planned, and the rate model facilitated planning for those.

→ Financial analyst for the Water, Sewer, and Recycled Water Rate Study for the South Coast Water District, California. Carollo completed a comprehensive cost

Mark J. Panny

of service and rate design study. The review addressed recent changes to the California legal environment, notably the San Juan Decision, as well as mandates from the State to cut water use by 25 percent. In addition, Carollo held nine public workshops with the Board and community to develop rates in an open, transparent, and communicative process.

→ Lead analyst for the 2016 Cost of Service Rate Study for the City of San Clemente, California. The study provided a financial roadmap for investing in continued system maintenance and equitably recovering system costs from the City's water customers. To facilitate the study, Carollo held successful 2x2 meetings with the Council to better facilitate and identify the City's needs and challenges. Moving away from annual rate settings, Carollo developed a 10-year revenue requirement analysis and recommended a multi-year rate plan.

→ Financial analyst for the San Diego County Water Authority (SDCWA), California, Cost of Service Rate and Charge Study. Carollo Developed an independent rate model to review and confirm the appropriateness and legality of the water rates and charges methodology for compliance with American Water Works Association cost of service standards and industry best practices. Carollo established the revenue requirement, allocated it to rate categories, and designed the rates to equitably collect these costs. Carollo received unanimous approval of planned increased after facilitating a series of successful workshops with the member agencies. Carollo is currently doing other studies for SDCWA.

→ Lead analyst on Rebate Program review for Orange County Sanitation District (OCSD). Analyzed several years of rebate applications received and processed by OCSD, and calculated new usage factors for all customer classes. Mark modeled the ongoing impact of the rebate program, considering the revenue risk and administrative burden, and developed recommendations for adjusting the program to address these issues. This

analysis allowed for an update of the District's rate structure and rebate process.

→ Lead analyst on Cost of Service and Rate Design Study for Eastern Municipal Water District, California. Carollo developed a comprehensive cost allocation for EMWD based on the District's various sources of supply. Mark prepared a full analysis of the District's current customer usage patterns, and modeling customer impacts based on changes to EMWD's budget-based rate structure.

→ Analyst for the Irvine Ranch Water District in Irvine, California, Cost-of-Service and Rate Design Study. Mr. Panny conducted data analysis of usage and financial records spanning multiple years. He developed financial and rate models to project future cash flows, perform cost-of-service analysis, and determine necessary water, wastewater, and recycled rates.

→ Financial analyst for the Utility Cost of Service and Rate Study for the San Francisco Public Utilities Commission (SFPUC), California. Carollo is updating the comprehensive cost of service rate study for Water and Wastewater to define customer equity and comply with Proposition 218 in accordance with California Government Code §66013. The study includes allocation of wastewater costs between dry weather (wastewater) and wet weather (storm water).

→ Lead analyst for the City of Sacramento, California, Sewer System Transfer Study. Mr. Panny dissected both the City's and adjacent District's operations and maintenance data, as well as capital improvement program data, to develop a financial analysis representing various scenarios of system ownership and operations of the systems in the region. The quantitative analysis allowed both parties to assess the relative performance of scenarios for financial needs and staffing needs, while also assessing qualitatively the performance of the scenarios.



Education

BA Accountancy, Boise State University, 2011

AA Applied Science, College of Southern Idaho, 2003

Kim Y. Lightner

Kim Lightner joined Carollo's Marketing Group in 2005 and transitioned into the Carollo's Financial Management Group as a financial analyst in 2017. As a staff analyst, she has experience in model updates, cost-of-service analyses, and rate design for water, wastewater, and solid waste utilities. She also assisted with stormwater models and/or rate surveys for Los Angeles Sanitation (LASAN), Riverside, and City of Del Mar. Also as a fiscal administrator, she assists her clients with State Revolving Fund (SRF) applications and disbursement requests and other related needs.

Relevant Experience

→ Support analyst for the Comprehensive Wastewater Master Plan for the City of Riverside Public Utilities, California. As a part of the Master Plan, Carollo assisted in the financial model updates. Kim assisted with updating the financial model, including detailed revenues, expenditures, CIP, Asset registry, and cost allocation. In addition, she surveyed stormwater programs in the neighboring agencies and prepared the memo, which helped the City determine possible stormwater fee structures.

→ Support analyst for the Water and Sewer Rate Consulting Services for the San Francisco Public Utilities Commission (SFPUC), California. Carollo is developing the SFPUC comprehensive connection fee and cost-of-service rate study. The analysis detailed San Francisco's water and sewer/stormwater systems to define customer equity and comply with Proposition 218 in accordance with California Government Code §66013. The developed rates were designed to recover a proportional and fair value for new customers to purchase capacity within the existing water and wastewater systems. Kim assisted with survey of and collecting data from other local, California, and national agencies.

→ Analyst for the Wastewater Cost-of-Service for the City of Carlsbad Municipal Water District, California. Carollo was recently awarded for the City of Carlsbad's 2019 Water, Wastewater, and Recycled Water Cost-of-Service Study (COSS). Kim is helping with the wastewater financial model and is currently updating detailed revenues and expenditures, capital improvement projects, funding, and debt services. She will also review and update functional allocation

and develop rate design for the Wastewater Model. The project is anticipated to be finished by July of 2019.

→ Analyst for the Water and Wastewater Cost-of-Service and Rate Study Update for the City of Del Mar, California. Carollo collaborated with the City and utilized the existing water and wastewater financial models in order to create cost and time efficiencies. As an optional task, Carollo is developing new models for each utility, including clean water rate model. Kim assisted with updating the models, including detailed revenues and expenditures, capital improvement projects, funding, debt services, and asset registry. She also helped with cost-of-service analysis and rate design, and with building report for each utility.

→ Support analyst for the Financial Rate Study for the City of Oxnard, California. As a part of the Integrated Master Plan, Carollo provided financial support. Led by Alex, Kim assisted and updated the City's Water, Wastewater, and Environmental Resources financial models, including detailed revenues and expenditures. She also contributed to cost-of-service analysis and rate design, along with water rate survey in the neighboring agencies.

→ Support analyst for the On-Call Financial Support for the City of Oceanside, California. Carollo developed near- and long-term financial forecasts, updated the capital facilities charges, and analyzed the retail and wholesale rate structures for water, wastewater, and solid waste systems. Carollo is continuously providing financial support to the City as a need arises. Kim assisted with updating the financial model, including revenues, expenditures, and new

Kim Lightner

CIP projects. In addition, she is helping with the draft report.

→ Support analyst for the Program Support Services TD 03 Wastewater Rate Study for the City of Los Angeles, California, Department of Public Works, and Bureau of Sanitation. In order to develop new financial model, Kim assisted with compiling and sorting the data that were spanned for four years at four different wastewater treatment plants.

→ Analyst for the Refuse Division Financial Model Update for the City and County of Honolulu, Hawaii. Carollo was contracted to update the existing financial model with actual operating and cost information for Fiscal Year (FY) 2017, FY 2018, and FY2019 and future operating and capital budgets and revenues. The model was updated and documented, to be used as basis for various Refuse Division services. Kim updated the model and created the dashboard to show snapshot of each component of the study.

→ Support analyst for the Financial Model Update for the City of Arcadia, California. Carollo updated the model and estimated the impacts of changes in rates, revenues, and expenditures. Kim assisted with updating the client's Sewer fund data, including detailed revenues and expenditures for the financial model and created scenarios based on salary study.

→ Support analyst for the Wastewater Flow and Loading Study for the Confidential Client, California. Based on the existing rate model, Carollo is completing a Wastewater Flow and Loading Study and a resulting handbook, which will provide a defensible basis for setting flow and loading assumptions. Kim surveyed the sample agencies and gathered data, including, rate structures, loading factors, and capacity charges.

→ Fiscal administrator for the Pinole-Hercules Water Pollution Control Plant Upgrades for the Cities of Pinole and Hercules, California. As a fiscal administrator, Kim reviews all supporting documents making sure they comply with the State

requirements and prepares the State Revolving Fund (SRF) disbursement requests, including forms 259, 260, and 261 for the cities of Pinole and Hercules. She communicates and facilitates between the Cities and the State Water Resources Control Board when an issue arises. She also monitors each city's escrow account and collaborates with the Cities and Paying Agent to facilitate account payables in timely manner. She prepares monthly reports to show snapshot of all outstanding invoices, escrow account balances, and SRF request status.

→ Fiscal administrator for the Elsinore Valley Municipal Water District (EVMWD), California, Regional Water Reclamation Facility (RWRF) Upgrade and Expansion Project Management Services. Carollo is providing Program Management Services to EVMWD, and Kim is helping with the SRF-related needs for each of three projects: RWRF HCWRF DCS to SCADA Conversion, Upgrade, and Expansion. For each project, she reviews all supporting documents making sure they comply with the SRF requirements and prepare a package of documents. In addition, Kim prepares quarterly report for each project and helps package it with monthly progress reports and all related meeting minutes.

→ Fiscal administrator for the \$22-million Pure Water Project for the City of San Diego, California. The project is a multi-year phased program using proven water purification technology in a 30-mgd water purification facility. Disinfection processes include Ozone/BAF, MF/UF, RO, UV AOP, post-stabilization process, chlorination, and de-chlorination. Kim assisted with the review of Carollo's and other nearly 20 subconsultants' monthly invoices and their supporting documents before submitting to the clients. In addition, she developed a Subcontractor's Monthly Summary model, which tracks and breakdowns each invoice by subcontractors' expenses per month.



Education

MEM Water Resources,
Duke University, 2018

BA Environmental
Studies, Case Western
Reserve University, 2015

Madeline A. Atkins

Madeline Atkins specializes in financial analysis and modeling, water utility management, hydrology modeling, project management, and data analytics. She previously served as the President of the Duke Water Network and is a founding member of the Nicholas School Financial Initiative Working Group.

Relevant Experience

→ Analyst for the San Diego County Water Authority Financial Rate Modeling Program Update, San Diego, California. Assisting in the upgrade of the Financial Rate Modeling Program (FRMP) and in the review of the Water Authority's cost of service.

→ Analyst for the South Orange County Wastewater Authority Treatment Cost Allocation Analysis, Dana Point, California.

→ Project manager of the Fuqua School of Business Client Consulting Practicum, Durham, North Carolina. Provided expertise to our client on developing innovative finance mechanisms for coastal restoration in Louisiana. Responsible for client and external stakeholder communication, work plan management, performing financial models, and presentation of deliverables.

→ Water Utility Finance Research Assistant, for The Environmental Finance Center at the University of North Carolina, Chapel Hill, North Carolina. Performed a financial analysis of water, wastewater, and stormwater utility debt in North Carolina. Combined debt data with utility rates, capital needs, and affordability data to address future financial capacity. Utilized technical writing skills by publishing blogs for public audiences on complex financial topics.

→ Environmental Consultant for the Duke Law School, Environmental Law and Policy Clinic, Durham, North Carolina. Provided confidential environmental science counsel to a case team of attorneys to meet the goals of our client. Analyzed technical documents and translated their meaning to our client. Facilitated weekly case team meetings and met key deadlines for deliverables to our client, and led meetings with state government officials and community groups.

→ Graduate Fellow for the Natural Resources Defense Council, Chicago, Illinois. Performed an analysis of all fifty states use of their EPA State Revolving Funds for use of leveraging in financing infrastructure. Provided policy analysis of the National Flood Insurance Program to incorporate climate-smart solutions for repeatedly flooded homes. Conducted interviews with homeowners to record flood experiences. Produced a report of my cumulative research used by NRDC for congressional advocacy efforts.

→ Water Infrastructure Finance Research Assistant at the Nicholas Institute for Environmental Policy Solutions, Durham, North Carolina. Researched the extent that water infrastructure spending through the State Revolving Funds is responsive to federal regulations of affordability and equity across all states. Annotated merged, and analyzed large data layers for all states using Excel and ArcGIS. Created a database management system.

→ Federal Policy Engagement Analyst for The Nature Conservancy, Arlington, Virginia. Coordinated with TNC state chapters to organize the annual Advocacy Day to bring two-hundred members to Washington D.C. for two days of meetings with congressional members. Led meetings with congressional representatives of the North Carolina delegation to discuss conservation concerns in their districts.

REFERENCES

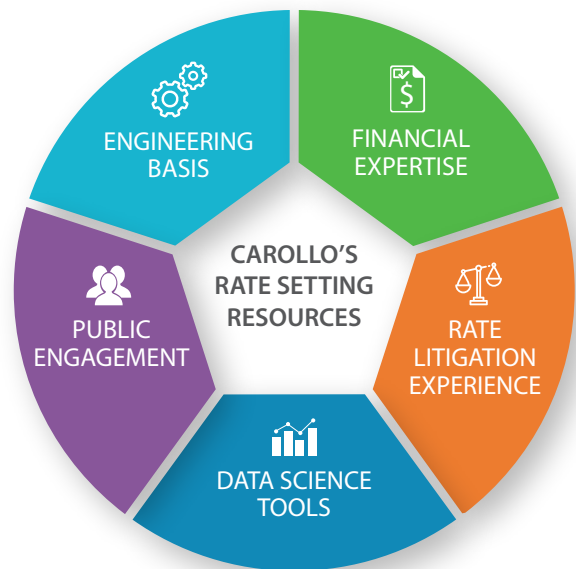
Provided in this section are a sampling of recent projects similar to those required in this RFP. We encourage you to call any of the clients to better understand the expertise and commitment of our project team.

WHAT SETS US APART

Our experts understand the unique hurdles that agencies like SCV Water face. Our engineering understanding combined with our financial experience allows us to provide creative technical solutions tailored to each client. Our goal is to provide you with the information and advice to help you implement defensible and innovative solutions.

The FMG has proven practical experience delivering innovative business solutions tailored to each client's needs. We provide a broad range of services in addition to rate studies. Our services are grouped into the following disciplines:

- › Cost of Service and Rate Structure Analysis
- › Revenue Requirements
- › Finance, Funding and Economic Sustainability
- › Connection/Impact Fee Development
- › Fiscal Policy Creation and Review
- › Custom Financial Models



Carollo has the necessary resources to support the Agency and Board as the Ratepayer Advocate.

COST OF SERVICE RATE STUDY

Eastern Municipal Water District | Perris, California



Eastern Municipal Water District (EMWD) provides retail and wholesale water, wastewater, and recycled water service to over 750,000 residents in a rapidly growing region of western Riverside County, California. EMWD retained Carollo to conduct a full cost of service analysis of all three of its rate structures.

The historic California drought and the cost of service requirements of the state constitution were primary drivers in the study. EMWD, like many agencies in California, saw demands drop by more than 25 percent in just a few months in spring and summer of 2015. Carollo worked closely with EMWD to develop rate recommendations that would increase revenue resiliency amidst decreasing sales.

EMWD is a pioneer in the use of water budgets and tiered rates for residential customers as tools for incentivizing household conservation. Carollo conducted statistical analyses of usage at the household level and made recommendations for refining water budgets to more closely reflect actual demands. Additionally, Carollo structured a cost of service allocation so that each tier was directly driven by the costs incurred for each source of water supply in EMWD's supply portfolio of groundwater, desalter water, and imported purchased water.

Rate structure simplification and consolidation was a key objective for this study. EMWD previously maintained over 40 unique water rate codes. Carollo developed several recommendations for simplifying the rates to provide ease of understanding for customers. Part of this consolidation included adjusting a number of legacy rate structures. Upon delivering the recommendations of the study, Carollo held a number of public meetings with the Board of Directors and developed a phased-in approach for customers whose actual increases went beyond the average increase for a typical customer.

DURATION OF ASSIGNMENT

7/2015 - Ongoing

CAROLLO'S ROLE

Prime Consultant

TEAM INVOLVEMENT

Mark Panny, Project Manager

Jennifer Ivy, Principal-in-Charge and QA/QC

CLIENT REFERENCE

Mr. Charles Turner, Director of Finance

P | 951-928-3777, Ext 4363

E | turnerc@emwd.org

Carollo helped EMWD chart a path forward for revenue resiliency, and adapted their already innovative rate structure to better reflect the realities of a post-drought customer base.

WATER COST OF SERVICE AND RATE DESIGN REVIEW

Pasadena Water and Power | City of Pasadena, California



The City of Pasadena Water and Power (PWP) contracted with Carollo in January 2018 to perform a technical review of PWP's internally prepared cost of service analysis and rate design. The main components of the Water Cost of Service and Rate Design Review project included a review of PWP's cost of service analysis and functional allocation, a review of PWP's block sizing and proposed rate methodologies, updating and streamlining of PWP's customer impact assessment models, and the development of an alternative rate structure proposal based on the information and analyses provided by PWP.

Throughout the project, Carollo worked closely with PWP staff to gain an understanding of PWP's revenue requirements, customer usage patterns, cost-of-service methodology, and proposed rate structure. Information provided by PWP was then used to confirm cost allocation and rate calculation methodologies and develop an alternative rate structure proposal. Additionally, Carollo assisted in developing a rate scaling methodology to set future year's rates, assessed bill impacts of changes to PWP's capital improvement charge structure, and analyzed billing records to identify outlier and anomalous customer usage.

DURATION OF ASSIGNMENT

2/2018 - 4/2018

CAROLLO'S ROLE

Prime Consultant

TEAM INVOLVEMENT

Alexander Bugbee, PM and Senior Analyst
Mark Panny, Financial Analyst
Jennifer Ivy, Project Lead and QA/QC

CLIENT REFERENCE

Mr. Clarence Siruno
Principal Financial and Rate Analyst
P | 626-744-4005
E | csiruno@cityofpasadena.net

Carollo provided an impartial third-party review of PWP's internally developed cost-of-service and rate analysis that the Staff used to refine their proposed rate structure.

AGRICULTURAL RATES TASK FORCE ASSISTANCE AND WATER COST OF SERVICE ANALYSIS AND RATE STUDY

Riverside Public Utilities | City of Riverside, California



Carollo recently completed a comprehensive Cost of Service Analysis and Rate Design study for the City of Riverside's water utility. Carollo worked closely with the City to develop and review multiple rate structure options and modifications to create an overall rate structure that reflects the City's unique water supply, operational characteristics, and extensive capital program. The proposed rate structure updates were designed to provide Proposition 218 compliant rates in light of new case law and the impacts of the ongoing drought and statewide conservation efforts.

After the completion of the study, the City Council created an Agricultural Rates Task Force made up of public stakeholders to develop policies and rates for agricultural customers of the water utility. In 2018, the City retained Carollo to provide assistance to the Task Force. Through-out the effort, Carollo has provided support by educating the Task Force on cost-of-service and rate-setting, reviewing rate and policy proposals from the task force for adherence to rate making principles and evaluating their financial impacts, and providing general guidance to the City and the Task Force as new proposals arise.

Previously Carollo acted as an intermediary between the City's water and wastewater utilities to build an initial cost sharing scheme for recycled water production and delivery.

DURATION OF ASSIGNMENT

2015 - Ongoing

CAROLLO'S ROLE

Prime Consultant

TEAM INVOLVEMENT

Alexander Bugbee, PM and Senior Analyst
Mark Panny, Financial Analyst
Jennifer Ivy, Project Lead and QA/QC

CLIENT REFERENCE

Mr. Brian Seinturier, Fiscal Manager
P | 951- 826-2215
E | bseinturier@riversideca.gov

Carollo has assisted the City of Riverside with its utility financial planning since 2001.

WATER AND WASTEWATER RATES & CHARGES STUDY

San Francisco Public Utilities Commission | San Francisco, California



San Francisco Public Utilities Commission (SFPUC) has aggressively sought to implement environmentally and socially conscious programs, while undertaking critical capital investments to maintain long-term system reliability.

Carollo developed the 2014 comprehensive cost-of-service rate study for SFPUC. A detailed cost-of-service analysis evaluated expenses including O&M, administration costs, and existing and future debt service related to construction of facilities. As part of the study, Carollo developed and implemented connection fees to recover a proportional and fair value for new customers to purchase capacity within the existing water and wastewater systems.

After determining the annual revenue requirement, Carollo developed and evaluated multiple rate recovery alternatives along with acceptable levels of revenue increase. In collaboration with SFPUC and the Rate Fairness Board, Carollo actively involved in the public outreach throughout this process. The proposed water and wastewater rates were designed to provide sufficient funding of current annual costs in addition to the roughly \$7.5 billion, multi-year Water and Sewer System Improvement Plans.

Carollo recently completed the 2018 Water and Wastewater Rate Study. The new study is considering a range of policy issues, including evolving legal requirements, financial impact of the drought, changes in industry practice in affordability, stormwater management, and conservation incentives.

DURATION OF ASSIGNMENT

6/2016 - 5/2018

CAROLLO'S ROLE

Prime Consultant

TEAM INVOLVEMENT

Jennifer Ivey, Project Manager

Mark Panny, Financial Analyst and QA/QC

CLIENT REFERENCE

Ms. Kristina Cordero

Financial Planning Director

P | 415-487-5235

E | kcordero@sfwater.org

Carollo worked closely with SFPUC to develop a financial plan and rate structure that funds significant system upgrades, while at the same time limits the impact to the City's residents.

PROJECT UNDERSTANDING AND APPROACH

As the Ratepayer Advocate, Carollo will work with staff and the Finance and Administration (F&A) Committee during the rate and fee setting processes to analyze underlying assumptions and provide input. Throughout the process, we will leverage our diverse industry knowledge and rate-setting experience to confirm the methodologies and suggest alternatives as necessary, serve as a technical resource to Staff and the Board for cost-of-service and related questions, and ultimately develop a written report of our findings to be presented to the Board and the public.

SCOPE OF WORK

The proposed scope of work outlines Carollo's anticipated activities as the Ratepayer Advocate. At its core the scope aims to provide an independent review of proposed retail rates, wholesale rates, facility capacity fees, and connection fees. We will provide input and recommendations to Staff and the Finance and Administration Committee as rates and fee proposals are developed and work on behalf of the Board and the public to review the draft proposal.

Based on the request for proposals, we have developed the scope to provide services for three rate and fee updates as follows:

- › Facility Capacity Fees: to be implemented January 1, 2020
- › Wholesale Water Rates: to be implemented January 1, 2021
- › Retail Water Rates: to be implemented January 1, 2021

Task 1: Project Kick-Off and Scoping

Carollo's core project team will facilitate a project kick-off meeting with Agency staff. The meeting will outline key objectives, determine priorities, and if necessary, modify the scope of work and schedule. At the kick-off we will develop a project plan with key deliverables and

milestone dates and establish project management and communication protocols to ensure that the information needs of both SCV Water and Carollo are satisfied.

Task 2: Review of Agency Rate Proposals

Carollo hopes to be engaged with the Agency throughout the rate setting process to provide continual feedback and input as the Agency's rate proposals are developed. We anticipate that the review of the Agency's proposals will focus on the four major components that typically constitute a rate study: (1) Revenue Requirements, (2) Customer Usage Analysis, (3) Cost-of-Service Analysis, and (4) Rate Design Analysis. However the scope of the review could be expanded as directed by the Board or staff, or as dictated by project requirements.

Task 2.1: Revenue Requirements and Funding Needs Review

The revenue requirement analysis is the foundation of the rate study. It determines the amount of total revenue needed in a given year to meet your expected financial obligations. Carollo will analyze the short- and long-term sufficiency of the fund's existing revenues against existing and forecasted operational and capital expenditures.

Carollo will review the revenue requirements analysis using the three critical metrics below, with the ability to include additional tests at the Agency's request or as deemed appropriate by the Agency's specific financial

needs. Throughout the process we will draw on our experience to evaluate the appropriateness of the Agency's projections and policies and to provide input on best management practices and how they may apply to the Agency.

Cash Flow and Funding Needs Review:


Forecasting of future expenditure and capital funding needs and expected revenues is critical to meeting the Agency's financial stability and strategic goals. Carollo's hands-on approach and comprehensive modeling capabilities will allow us to evaluate the impacts and accuracy of various expenditures and escalation factors.

Debt Coverage Review: Capital financing is a valuable and crucial tool for any water agency. Continued access to advantageous financing relies on meeting current bond obligations. Carollo will conduct a debt coverage test for the Agency's existing and projected debt service and recommend additional revenues in years where debt coverage is low.

Financial Policies Review:

Reserve fund targets, debt management practices, and other financial policies are critical elements of the revenue requirements analysis. Carollo will evaluate the Agency's policies based on the Agency's specific needs and requirements, compare to industry best practice and the practices of other similar agencies, and provide input as necessary.

Facility Capacity Fees: Calculated based on an amount of costs to recover (which may be defined based on existing assets, future growth related capital projects, or a combination thereof) and on the



Revenue Requirement Analysis
Compares existing revenues of the utility to its operating, capital, and policy driven costs to establish the adequacy of the existing cost recovery levels.

Cost of Service Analysis
Identifies and apportions annual revenue requirements to functional rate components based on its application of the utility system.

Rate Design
Considers both the level and structure of the rate design to collect the distributed revenue requirements from each class of service.

number of customers or equivalent meter units from which those costs will be recovered. Carollo will review the Facility Capacity Fee calculations to evaluate whether the level of revenue to be generated by the fees is appropriate and provide input to the Board and Staff as necessary. based on existing assets, future growth related capital project, or a combination thereof) and on the number of customers or equivalent meter units that those costs will be recovered from. Carollo will review the Facility Capacity Fee calculations to evaluate whether the level of revenue to be generated by the fees is appropriate and provide input to the Board and Staff as necessary.

Task 2.2: Customer Usage Analysis Review

Carollo will review the Agency's evaluation of water usage trends over the timeframe of data provided. Due to the variable nature of the Agency's water rates, it is important to evaluate a multi-year trend and determine potential revenue lulls during low-usage years. If necessary, we will use statistical software to quickly analyze customer billing records and provide usable

Rate-Setting Process: Step-by-Step

information, such as consumption breakpoints used in evaluating different rate structures and conservation incentives.

An important component of the review will be examining the usage data and calibrating billing records against actual rate revenues to prevent over or under estimation of the customer base. This is a critical step in setting appropriate and sufficient rates. We will also develop consumption profiles, as needed, which illustrate usage patterns by customer class (residential, commercial, governmental, institutional, and irrigation users). In addition to an analysis of each customer class, we may examine the data to identify potential outliers that have unique consumption profiles.

Task 2.3: Cost of Service Allocation and Proposition 218, Proposition 26, and CGC 66013 Review

Water rates in California must comply with the requirements set by Proposition 218. Our review of the cost of service analysis will determine whether the Agency's proposal provides a logical nexus between the costs incurred by the Agency and the rates assessed to individual

customers. The Agency’s cost allocation will be reviewed in detail to determine the appropriateness of the allocation methodology. We will provide input and guidance to the Agency on alternative allocation methods as necessary.

Similarly, wholesale water charges and rates must adhere to Proposition 26 which requires that any charges are proportional to the services received. An important aspect of the review of wholesale water rates will also be the confirmation that the rates collect the full cost of providing wholesale services and are not supplemented by retail rate revenues.

The Facility Capacity Fees are governed by California Government Code 66013. Carollo will review the Facility Capacity Fees Analysis to determine that an appropriate level of funding is allocated to be collected through the fees. This analysis may include reviewing information provided by the Agency including long-term growth and demand

forecasts, asset registries, capital improvement plans, and capital project growth allocations.

Task 2.4: Rate Design Analysis and Review

Carollo has worked with many agencies of similar size and complexity in developing innovative rate structures that meet the unique needs of our clients. We will draw on this experience as we review the Agency’s proposed rate and fee structures and provide input and feedback to the Board and staff.

Carollo will perform a detailed review of the proposed rate and fee structures and evaluate the basis upon which the rates are calculated. As part of this review, Carollo will:

- › Review composition and construction of all customer classes and recommend any changes.
- › Determine whether the proposed rate structures are thoroughly documented and comply with all

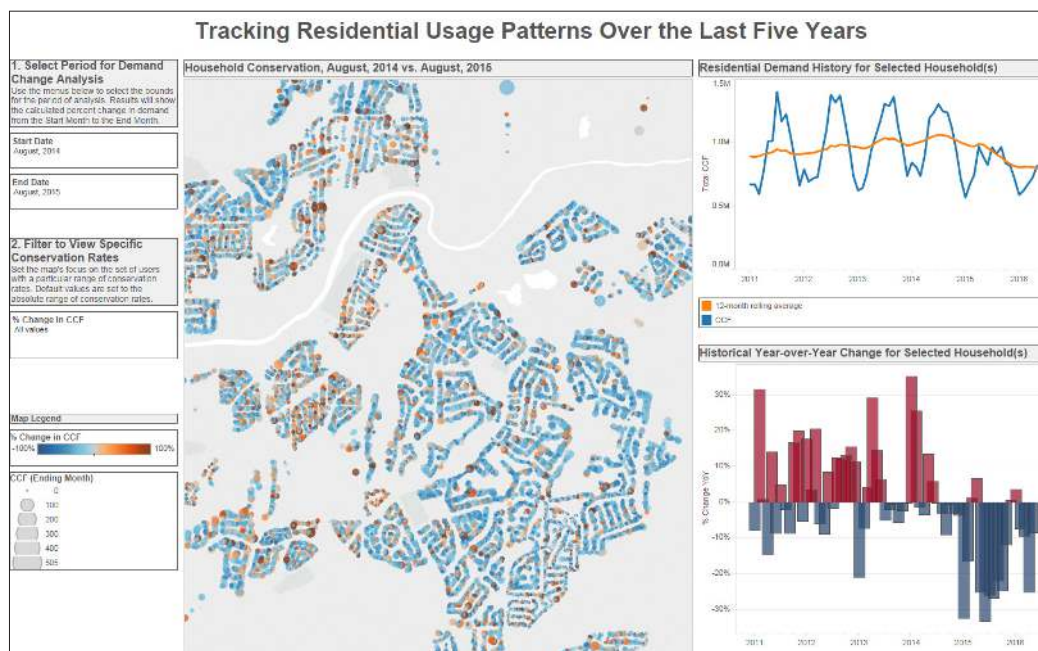
laws, regulations, and Agency policies.

- › Consider the level of existing rates, social and economic factors of the community, and expense to implement.
- › Consider fiscal impacts of demand reductions (mandatory drought restrictions), capital project funding requirements, and compliance with reserves and debt covenants.
- › Address forecasted bill impacts of representative customers in each customer class.
- › Provide rate comparisons of neighboring and comparable utilities.

TASK 3: DELIVERABLES

Written Ratepayer Advocate Reports

Draft and final versions of written Ratepayer Advocate Reports will be provided to present the methodology, process, results, and



Our team leads the industry in data analysis for water and wastewater utilities and financial studies. Our approach uses a number of detailed methods to understand your system and your customer demands. This understanding will build the foundation of a successful rate study (sample dashboard from Oceanside, California, project).

recommendations of each proposal review including:

1. Facility Capacity Fees
2. Wholesale Water Rates
3. Retail Water Rates

A final version of each report will be provided no later than 60 days of Carollo's receipt of the applicable draft reports from the Agency and prior to any formal public notice or any proposed rate and fee changes.

Supporting Documentation and Analysis

Carollo will also provide any supporting documentation and analyses completed during the review of the Agency's proposal. As necessary, materials will be formatted and packaged to be made available to the public for review via the Agency's website.

TASK 4: MEETINGS AND WORKSHOPS

Task 4.1: Rate Design Analysis and Review

Carollo's Ratepayer Advocate will attend public meetings to answer questions, provide input, and deliver presentations as needed. Based on the Request for Proposals, we anticipate four Finance and Administration Committee and two Board meetings for the project.

Task 4.2: Proposal Review Workshops

The proposed work effort includes time for Carollo to conduct onsite or WebEx workshops with Agency staff to review the Agency's draft proposals and to communicate Carollo's recommendations. As envisioned, one onsite meeting and two WebEx meetings are anticipated

for the Facility Capacity Fees, and one onsite meeting and two WebEx meetings are anticipated for the Wholesale and Retail Water Rates.

TASK 5: OUTREACH AND NOTICING ASSISTANCE

Throughout the review and implementation process, Carollo will be available to assist the Agency's public information officer with the development of outreach materials and preparation of responses to ratepayer questions and concerns. We will leverage our extensive public outreach experience to assist in the development of plain language information about the proposed rates and/or fees and FAQs. The information provided may be used in website postings, advertising, bill inserts and flyers, fact sheets, or for direct contact with ratepayers or other stakeholders. Additionally, Carollo will be available to assist in the development and/or review of the Agency's Proposition 218 notice.



ESTIMATED PROJECT BUDGET

Task Rate	DESCRIPTION	JEFF MOSHER PIC	JENNIFER IVEY QA/QC	ALEX BUGBEE RATEPAYER ADVOCATE	MARK PANNY LEAD ANALYST	ANALYTICAL SUPPORT	SUPPORT/CLERICAL	TOTAL HOURS	CAROLLO LABOR COST	EXPENSES (1)	PECE (2)	OTHER DIRECT COSTS	TOTAL COST
1	Kickoff and Scoping Meeting	\$283	2	8	8	\$156	\$99	26	\$5,654	\$2,000	\$312	\$2,312	\$7,966
2	Review of Agency Rate Proposals												
2.1	Revenue Requirements and Funding Needs Review	0	6	24	36	12	0	78	\$13,638	\$0	\$936	\$936	\$14,574
	Facility Capacity Fees		2	8	12	4		26	\$4,546		\$312	\$312	\$4,858
	Wholesale and Retail Water Rates		4	16	24	8		52	\$9,092		\$624	\$624	\$9,716
2.2	Customer Usage Analysis Review	0	6	12	20	12	0	50	\$8,778	\$0	\$600	\$600	\$9,378
	Facility Capacity Fees		2	4	4	4		14	\$2,510		\$168	\$168	\$2,678
	Wholesale and Retail Water Rates		4	8	16	8		36	\$6,268		\$432	\$432	\$6,700
2.3	Cost of Service Analysis Review	2	6	24	36	12	0	80	\$14,204	\$0	\$960	\$960	\$15,164
	Facility Capacity Fees	1	2	8	12	4		27	\$4,829		\$324	\$324	\$5,153
	Wholesale and Retail Water Rates	1	4	16	24	8		53	\$9,375		\$636	\$636	\$10,011
3	Ratepayer Advocate Reports	2	12	20	64	0	12	110	\$19,074	\$0	\$1,320	\$1,320	\$20,394
	Facility Capacity Fees	1	4	8	24		4	41	\$7,131		\$492	\$492	\$7,623
	Wholesale and Retail Water Rates	1	8	12	40		8	69	\$11,943		\$828	\$828	\$12,771
4	Meetings and Workshops												
4.1	Public Meetings	0	4	36	12	0	0	52	\$10,096	\$300	\$624	\$924	\$11,020
	Finance and Administration Committee Meetings (4)		2	24	8			34	\$6,542	\$200	\$408	\$608	\$7,150
	Board Meetings (2)		2	12	4			18	\$3,554	\$100	\$216	\$316	\$3,870
4.2	Agency Proposal Review Workshops	0	0	24	24	0	0	48	\$8,472	\$100	\$576	\$676	\$9,148
	Onsite Staff Workshops (2) - includes prep time			12	12			24	\$4,236	\$100	\$288	\$388	\$4,624
	WebEx Meetings (4)			12	12			24	\$4,236		\$288	\$288	\$4,524
5	Outreach and Noticing Assistance	0	4	36	20	0	0	60	\$11,344	\$0	\$720	\$720	\$12,064
	Facility Capacity Fees		2	12	8			22	\$4,178		\$264	\$264	\$4,442
	Wholesale and Retail Water Rates		2	24	12			38	\$7,166		\$456	\$456	\$7,622
PROJECT TOTALS		6	46	184	220	36	12	504	\$91,260	\$2,400	\$6,048	\$8,448	\$99,708

Notes:

(1) Travel and per diem

(2) Project Equipment and Communication Expense



ITEM NO.
6.3

BOARD MEMORANDUM

DATE: July 29, 2019
TO: Board of Directors
FROM: Matthew G. Stone
General Manager *MGS*
SUBJECT: Approve Payment to Evoqua Water Technologies for Perchlorate Resin and Change Out Service at the V201 Perchlorate Treatment Facility

SUMMARY

This item requests that the Board approve payment of \$108,162.09 plus applicable taxes to Evoqua Water Technologies for replacement of a special resin and related change out services at the V201 Perchlorate Treatment Facility. Evoqua's invoice is attached. This item is reimbursable under the existing settlement agreement between SCV Water and Whittaker-Bermite.

DISCUSSION

The V201 Perchlorate Treatment Facility uses a proprietary resin that removes perchlorate from the source water. The resin eventually becomes saturated with perchlorate and must be removed and replaced periodically. As the cost of resin and sales taxes have increased over the last several years, a resin change out purchase order now exceeds the General Manager's \$100,000 purchase authority and must be approved by the Board. The most recent invoice is for \$108,162.09 plus applicable taxes.

It should be noted that this is a reimbursable treatment operation and maintenance cost under the existing settlement agreement with Whittaker- Bermite, and will be submitted for reimbursement. Thus, SCV water essentially fronts the payment until it receives reimbursement.

SCV Water's administrative code provides purchasing authority of up to \$100,000 to the General Manager and provides for a number of exceptions for certain classes of recurring expenses, however it does not explicitly identify these reimbursable expenses and does not exempt sales taxes from the \$100,000 limit. A separate item will be coming to the next Administration and Finance Committee to request further clarification of the policy to permit the General Manager to approve certain reimbursable expenses above the \$100,000 threshold.

The only action requested at this time is approval of the payment.

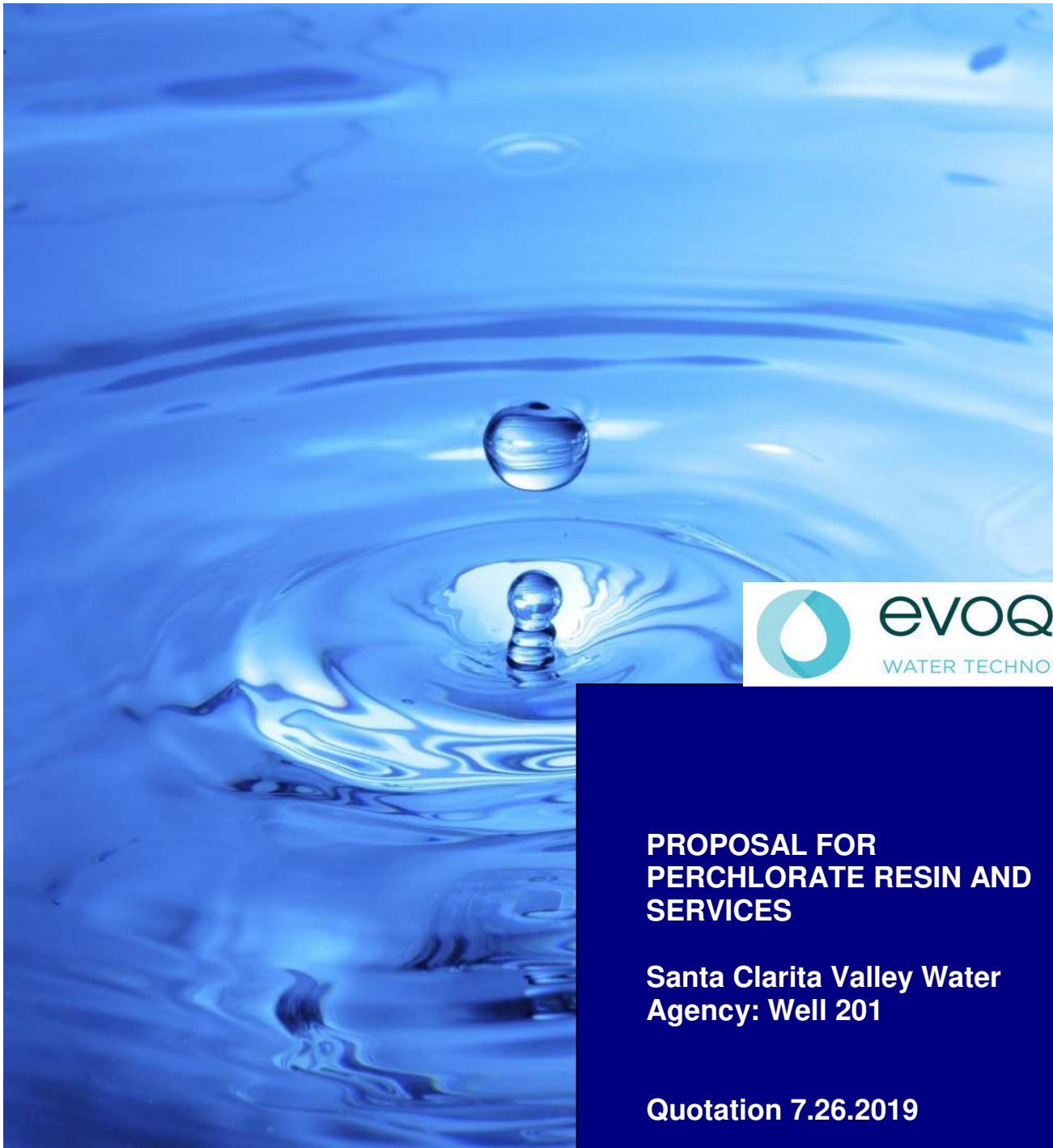
FINANCIAL CONSIDERATIONS

This is a budgeted cost which is also subject to reimbursement from Whittaker-Bermite per the terms of the settlement agreement with SCV Water for Perchlorate.

RECOMMENDATION

That the Board of Directors approve payment of \$108,162.90 plus applicable taxes to Evoqua Water Technologies.

Attachment



**PROPOSAL FOR
PERCHLORATE RESIN AND
SERVICES**

**Santa Clarita Valley Water
Agency: Well 201**

Quotation 7.26.2019

[This page intentionally left blank.]



July 26th, 2019

Gil Hermosillo
Production Supervisor
Santa Clarita Valley Water Agency
Direct: 661-295-6575

Re: Proposal for Perchlorate Resin and Services

Dear Gil Hermosillo,

Thank you for the opportunity to submit this proposal to Santa Clarita Valley Water Agency for the perchlorate resin change-out services for Well 201. Evoqua Water Technologies has appreciated the business over the past few years where we helped upgrade your vessels and get them to your site.

Experience – With numerous sites already installed in California and throughout the US, we have the experience working in conjunction with your team to provide quality on-going service to meet and exceed your requirements. You can rest assured that if selected Evoqua will provide complete and timely service.

Local Service – In the Los Angeles area we have four service branches with over 100 people including field service technicians, applications engineers, installation technicians, and management team, the largest and best field service team in Southern California, all of whom are Evoqua certified and trained employees. Of specific note:

- The primary branch that would be supporting this site is less than 50 miles away.
- The engineering team, installation group and service team that support this site are all located in the Los Angeles basin.
- Our LA facility has complete resin handling and disinfection capabilities. We encourage you to tour this facility.
- All service equipment that we will employ at your site is dedicated to the drinking water market and sited locally.
- EWT is a licensed CA state Contractor (***contractor's license #989497***).

Innovations – Evoqua is uniquely positioned to offer service and non-service innovations to the perchlorate market. 10% of our annual revenue is spent on research and development. We continue to work with major resin suppliers to offer better once-through media solutions at reduced costs. Piloting is occurring right now at Santa Clarita Valley Water Agency.

Thank you for allowing Evoqua this opportunity to be of service, we look forward to your consideration and the opportunity to review our presentation with your team. Please contact me at (562)-228-8796 should you have any questions or if we may be of further assistance.

Regards,

Bailey Nelson
Account Manager
Evoqua Water Technologies, LLC.



Confidentiality Statement

This document and all information contained herein are the property of Evoqua Water Technologies, LLC. The design concepts and information contained herein are proprietary to Evoqua Water Technologies, LLC and are submitted in confidence. They are not transferable and must be used only for the purpose for which the document is expressly loaned. They must not be disclosed, reproduced, loaned or used in any other manner without the express written consent of Evoqua Water Technologies, LLC. In no event shall they be used in any manner detrimental to the interest of Evoqua Water Technologies, LLC. All patent rights are reserved. Upon the demand of Evoqua Water Technologies, LLC, this document, along with all copies or extracts, and all related notes and analyses, must be returned to Evoqua Water Technologies, LLC or destroyed, as instructed by Evoqua Water Technologies, LLC. Acceptance of the delivery of this document constitutes agreement to these terms and conditions.

Terms and Conditions

In the event Evoqua Water Technologies LLC is the selected vendor for the products and services contemplated in the subject bid, Evoqua Water Technologies LLC desires to negotiate a mutually agreeable set of terms and conditions to govern such transaction (including issues such as warranty, indemnity, appropriate limitations of liability and other substantive terms and conditions). Evoqua Water Technologies LLC will not be obligated to supply products or services pursuant to such bid unless and until the parties have entered into an agreement with terms and conditions mutually agreed in writing by the parties.



EXECUTIVE SUMMARY

Evoqua Water Technologies, LLC is providing a service proposal for ion exchange resin used for perchlorate removal in the potable water system for Santa Clarita Valley Water Agency. The existing equipment consists of one train with two vessels. This proposal includes the following:

1 Vessel Change out:

- Removal of 179 cubic feet of anthracite as an under bedding in one vessel
- Removal of 353 cubic feet of Dow PSR-2 Plus perchlorate-selective resin for exchange for one vessel.
- The resin will be sent to be incinerated at Covanta in Simi Valley, CA. Disposal cost included.
- Supply 179 cubic feet of anthracite as an under bedding in one vessel
- Supply 353 cubic feet of Dow PSR-2 Plus perchlorate-selective resin for exchange for one vessel.
- Resin will be prewashed at our facility and treated so that it is in the bicarbonate form
- Deliver and load Dow PSR-2 Plus perchlorate-selective resin and anthracite in one vessel.

ION EXCHANGE (IX) DESCRIPTION

The proposed anion exchange resin (polystyrene divinylbenzene copolymer) to be used is PSR-2 strong base anion exchange resin, manufactured by The Dow Chemical Company. This resin is specifically designed for selective removal of perchlorate from potable water. PSR-2 is a non-nitrate sloughing resin (the selectivity for nitrate is higher than for sulfate). Therefore there will be no nitrate spiking from newly bedded ion exchange vessels.

Source water will be fed to each vessel through the top, pass through the resin bed, and leave the vessel at the bottom (co-current flow). Perchlorate ions in the source water are replaced with bicarbonate ions as the water passes through the bed.

SCOPE OF SUPPLY

The scope of supply for each Perchlorate Change out is as follows:

1. PSR-2 resin has been quoted and will be provided by Evoqua for exchanges.
2. Resin will be pre-rinsed in our Los Angeles resin handling facility for a minimum of 20 Bed Volumes (BV's), utilizing proprietary techniques, to minimize on-site rinse water requirements.
3. Evoqua will also perform a sodium carbonate rinse of 20 BV's on the resin to convert the resin from the chloride form to the bicarbonate form. This will reduce the chloride concentration in Castaic Lake's plant effluent.
4. Evoqua will provide testing results from a NELAP accredited lab for chloride concentration and nitrosamines.
5. Castaic Lake Water Agency will confirm acceptance of these results before the resin is installed in their vessels.
6. The resin will then be loaded in sterilized sluice vehicles dedicated for potable use, delivered to the site and then sluiced into the required vessel. This process will greatly reduce the amount of rinse waters required onsite. Super sacks or other resin vendor marked containers will not be brought on site.
7. NSF 61 approved anthracite, 180 cubic feet, will be loaded into portable IX 48 units at the LA site. Anthracite will be pre-backwashed and sterilized at LA.



8. Anthracite will be slurried into each vessel on site and leveled via the man way.
9. The anthracite will require an additional backwash on site to remove fines. In order to reduce fines in the plant effluent, the backwash water will be filtered through a carbon scrub unit provided on site by Evoqua. The scrub unit will be followed by a 10-micron bag filter.
10. Each exchange price includes: all labor, freight, disposal of spent resin, supply of new resin, and supply and preparation of anthracite.
11. Prices are provided on a unit basis and assume 353 cubic feet exchanges
12. It is assumed that the spent resin will be classified "non-hazardous" and will not be subject to RCRA regulations. Additional disposal fees will be required if material is declared RCRA hazardous.
13. It is assumed that resin will not be loaded with uranium in excess of 0.05% (wt).

Notes on Anthracite Under bedding

Anthracite is a coal product. It is NSF 61 approved. It is similar to the GAC used in other remediation vessels, except that it has no adsorptive characteristics. It is commonly used as a filter media at municipal water treatment plants for filtering dirt and other large particles.

PRICING Summary



Resin Exchange Price

Remove 522 cubic feet of spent resin and anthracite from a single vessel, install fresh 353 cubic feet of PSR-2 Plus on 179 cf of anthracite in same vessel. Costing assumes that site is not subject to CERCLA or RCRA regulations.	\$108,162.09
--	---------------------



Terms and Conditions

- Please see Evoqua Standard Terms and Conditions attached.
- Payment terms: Progress, NET 30 upon completion of site activities
- Seller’s price does not include, and Seller shall not be responsible for, any taxes, permits, tariffs, duties or fees (or any incremental increases to such taxes, permits, tariffs, duties or fees enacted by governmental agencies) unless specifically agreed herein or otherwise by Seller in writing.

Attachments:

- Standard Terms and Conditions
- NSF 61 listing for DOWEX PSR-2 Plus
- Spec sheet for DOWEX PSR-2 Plus
- PSR-2 Plus Anion Exchange Resin MSDS



ITEM NO.
8.1

BOARD MEMORANDUM

DATE: July 25, 2019
TO: Board of Directors
FROM: Matthew G. Stone
General Manager *MGS*
SUBJECT: Approve Participation by One SCV Water Board Member on the Urban Water Institute Board of Directors

SUMMARY

This item is for the Board to discuss and select one SCV Water Board representative on the Urban Water Institute Board of Directors.

DISCUSSION

The Urban Water Institute (UWI) was formed in 1993 as a forum to provide timely, pertinent, balanced information and discussion regarding water policy, economics, and water resource management. The conference format is single track (everyone sees the full program over the three days of the conference).

UWI has a governing Board comprised of representatives from its members, an Executive Committee, a Conference Planning Committee and other Committees. It is staffed by a part time Executive Director and a part time contracted Public Relations firm that handles administration and conference logistics. In recent years, UWI has hosted two conferences per year – one in February in Palm Springs, and one in August in San Diego. The UWI Board meetings are held in conjunction with the annual conferences.

For many years, the former CLWA (and then SCV Water) was represented on the UWI Board by Dean Efstathiou. With Director Efstathiou's recent term ending on the SCV Water Board, there is an open position.

The next UWI Board meeting will be held on Wednesday, August 14, 2019 at the conference in San Diego (which runs from August 14-16). The UWI Board will vote to approve several new Board members at that time, including the selection from SCV Water.

FINANCIAL CONSIDERATIONS

Estimated at \$1,300 to \$2,600 for one to two conference events per year, including conference registration and related lodging and travel expenses.

RECOMMENDATION

That the Board of Directors solicit interest and approve a new representative to serve on the Urban Water Institute Board of Directors.

[This page intentionally left blank.]



ITEM NO.
10.1

BOARD MEMORANDUM

DATE: July 11, 2019
TO: Board of Directors
FROM: Steve Cole *SC*
Assistant General Manager
SUBJECT: July 10, 2019 Water Resources and Watershed Committee Meeting

The Water Resources and Watershed Committee met on Wednesday, July 10, 2019 at 6:00 PM in the Summit Circle Training Room. In attendance were Committee Chair Maria Gutzeit, Directors Tom Campbell, William Cooper and Jerry Gladbach. Staff members present were Steve Cole, Assistant General Manager; Matthew Dickens, Resources Manager; Sarah Fleury, Associate Water Resources Planner I; Rick Vasilopoulos, Associate Water Resources Planner I; Rick Viergutz, Senior Water Resources Planner; and Ernesto Velazquez, Associate Water Resources Planner I. One member of the public was present. A copy of the Agenda is attached.

Item 1: Public Comment – There were no public comments.

Item 2: Water Resources Director's Report

- 2.1 **Devil's Den Semi-Annual Report (January 2019-June 2019)** – Staff and the Committee reviewed the Devil's Den Semi-Annual Report (January 2019-June 2019).
- 2.2 **Status of Water Supply and Water Banking Programs** – Staff updated the Committee on the Status of Water Supply and Water Banking Programs.
- 2.3 **Update on Integrated Regional Water Management Plan Activities** – Staff provided the Committee with an update on Integrated Regional Water Management Plan Activities.
- 2.4 **Status of Upper Santa Clara River Salt and Nutrient Management Plan** – Staff updated the Committee on the Status of Upper Santa Clara River Salt and Nutrient Management Plan.
- 2.5 **Status of Rosedale Rio-Bravo Water Storage District Banking and Exchange Program Extraction Facilities** – Staff updated the Committee on the Status of Rosedale Rio-Bravo Water Storage District Banking and Exchange Program Extraction Facilities.
- 2.6 **Other Staff Activities** – Staff updated the Committee on efforts relating to the New Drop initiative as it relates to the Recycled Water Program.

Item 3: Resource Manager's Report

- 3.1 **Update on Conservation Activities and Performance** – Staff provided the Committee with an update on Conservation Activities and Performance.
- 3.2 **Updates on Conservatory Garden and Pocket Park Pilot Projects** – Staff provided the Committee with updates on Conservatory Garden and Pocket Park Pilot Projects. The Committee requested that this matter be presented to the full Board. Staff has scheduled the presentation for the September 3, 2019 Board meeting.

Item 4: Recommend Approval of a Resolution of Application by SCVWA Requesting Los Angeles LAFCO Initiate Proceedings For Annexation of Tesoro Del Valle, Making Responsible Agency Findings Pursuant to CEQA and Approving the Project in SCVWA's Limited Role as Responsible Agency – Recommended actions for this item are included in a separate report being submitted at the August 6, 2019 regular Board meeting.

Item 5: Committee Planning Calendar – The Committee reviewed the Planning Calendar.

The meeting adjourned at 7:55 PM.


Attachment

MBS



Date: July 3, 2019

To: Water Resources and Watershed Committee
Maria Gutzeit, Chair
Tom Campbell
Kathy Colley
William Cooper
Robert DiPrimio
Jerry Gladbach

From: Steve Cole, Assistant General Manager 

The **Water Resources and Watershed Committee** is scheduled to meet on **Wednesday, July 10, 2019 at 6:00 PM** in the Summit Circle Training Room located at 26521 Summit Circle, Santa Clarita, CA 91350.

MEETING AGENDA

<u>ITEM</u>	<u>PAGE</u>
1. Public Comments	
2. Water Resources Director's Report	
* 2.1 Devil's Den Semi-Annual Report (January 2019-June 2019)	3
2.2 Status of Water Supply and Water Banking Programs	
2.3 Update on Integrated Regional Water Management Plan Activities	
2.4 Status of Upper Santa Clara River Salt and Nutrient Management Plan	
2.5 Status of Rosedale Rio-Bravo Water Storage District Banking and Exchange Program Extraction Facilities	
2.6 Other Staff Activities	
3. Resource Conservation Manager's Report	
3.1 Update on Conservation Activities and Performance	
3.2 Updates on Conservatory Garden and Pocket Park Pilot Projects	
4. * Recommend Approval of a Resolution of Application by SCVWA Requesting Los Angeles LAFCO Initiate Proceedings For Annexation of Tesoro Del Valle, Making Responsible Agency Findings Pursuant to CEQA and Approving the Project in SCVWA's Limited Role as Responsible Agency	5
5. * Committee Planning Calendar	15

6. Adjournment

- * Indicates attachment
- ◆ 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 (661) 297-1600, or writing to Santa Clarita Valley Water Agency 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 Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Santa Clarita Valley Water Agency, 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 July 3, 2019.

MGS



ITEM NO.
10.2

BOARD MEMORANDUM

DATE: July 12, 2019
TO: Board of Directors
FROM: Brian J. Folsom, Chief Engineer *BJF*
Keith Abercrombie, Chief Operating Officer *KA*
SUBJECT: July 11, 2019 Special Engineering and Operations Committee Meeting

The Engineering and Operations Committee met at 5:30 PM on Thursday, July 11, 2019 in the Training Room at 26521 Summit Circle. In attendance were Committee Chair Tom Campbell; Directors Dante Acosta, Bill Cooper, Gary Martin and Lynne Plambeck; Director of Operations and Maintenance Mike Alvord and Chief Engineer Brian Folsom. No members of the public were present. A copy of the agenda is attached.

Item 1: Public Comments – There was no public comment.

Item 2: Recommend Approval of a New Golden Triangle Modular Lease – Recommended actions for this item are included in a separate report being submitted at the August 6, 2019 regular Board meeting.

Item 3: Operations and Production Report – Staff and the Committee reviewed the Operations and Production Report.

Item 4: Capital Improvement Projects Construction Status Report – Staff and the Committee reviewed the Capital Improvement Projects Construction Status Report.

Item 5: Committee Planning Calendar – Staff and the Committee reviewed the FY 2019/20 Committee Planning Calendar.

Item 6: General Report on Treatment, Distribution, Operations and Maintenance Services Section Activities – Mike Alvord updated the Committee on activities underway to address recent per-and polyfluoroalkyl substances (PFAS) detections and potential treatment. Mike also discussed the Agency's response to the recent 7.1 M earthquake.

Item 7: General Report on Engineering Services Section Activities – As previously requested by the Board of Directors, Brian Folsom provided the Committee with a copy of the "Evaluation of the Water System's Response in Fountain Grove to the October 2017 Fire" report. Staff will review the report and present the Agency's emergency response plans and activities at a future Engineering and Operations Committee meeting.

Item 8: Adjournment – The meeting adjourned at 6:30 PM.

BJF

Attachment

MGS

[This page intentionally left blank.]



Date: July 2, 2019

To: **Engineering and Operations Committee**
Tom Campbell, Chair
Dante Acosta
Ed Colley
William Cooper
Gary Martin
Lynne Plambeck

From: Brian J. Folsom, Chief Engineer *BJF*
Keith Abercrombie, Chief Operating Officer *KA*

A special meeting of the **Engineering & Operations Committee** is scheduled to meet on **Thursday, July 11, 2019 at 5:30 PM at Summit Circle** located at 26521 Summit Circle, Santa Clarita, CA 91350 in the Training Room.

SPECIAL MEETING AGENDA

<u>ITEM</u>		<u>PAGE</u>
1.	Public Comments	
2. *	Recommend Approval of a New Golden Triangle Modular Lease	3
3. *	Operations and Production Report	5
4. *	Capital Improvement Projects Construction Status Report	63
5. *	Committee Planning Calendar	65
6.	General Report on Treatment, Distribution, Operations and Maintenance Services Section Activities	
7.	General Report on Engineering Services Section Activities	
8.	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 (661) 297-1600, or writing to Santa Clarita Valley Water Agency 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 Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Santa Clarita Valley Water Agency, 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 July 3, 2019.



ITEM NO.
10.3

BOARD MEMORANDUM

DATE: July 18, 2019
TO: Board of Directors
FROM: Eric Campbell 
Chief Financial and Administrative Officer
SUBJECT: July 17, 2019 Special Finance and Administration Committee Meeting

The Finance and Administration Committee met at 6:00 PM on Wednesday, July 17, 2019 in the Training Room of the Rio Vista Water Treatment Plant. In attendance were Committee Chair Dan Mortensen and Directors B. J. Atkins, Bob DiPrimio, Maria Gutzeit and R. J. Kelly. Staff members present were Financial Analyst Darine Conner, Management Analyst Erika Dill, Senior Management Analyst Kim Grass, Director of Finance and Administration Rochelle Patterson and myself. One member of the public was present. A copy of the agenda is attached.

Item 1: Public Comment – There was no public comment.

Item 2: Interview Ratepayer Advocate Candidates and Recommend Board Approval of a Resolution to Enter Into a Contract with Final Selection of Ratepayer Advocate – Recommended actions for this item are included in a separate report being submitted at the August 6, 2019 regular Board meeting.

Item 3: Adjournment – The meeting adjourned at 8:03 PM.

EC/ed

Attachment

MGS

[This page intentionally left blank.]



Date: July 10, 2019

To: **Finance and Administration Committee**
Dan Mortensen, Chair
B. J. Atkins
Ed Colley
Robert DiPrimio
Maria Gutzeit
R. J. Kelly

From: Eric Campbell
Chief Financial and Administrative Officer

A special meeting of the **Finance and Administration Committee** is scheduled to meet on **Wednesday, July 17, 2019 at 6:00 PM** at **Rio Vista Water Treatment Plant** located at 27234 Bouquet Canyon Road, Santa Clarita, CA 91350 in the Training Room.

SPECIAL MEETING AGENDA

<u>ITEM</u>	<u>PAGE</u>
1. Public Comments	
2. * Interview Ratepayer Advocate Candidates and Recommend Board Approval of a Resolution to Enter Into a Contract with Final Selection of Ratepayer Advocate	5
3. 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 (661) 297-1600, or writing to Santa Clarita Valley Water Agency 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 Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Santa Clarita Valley Water Agency, 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 July 10, 2019.

M65



ITEM NO.
10.4

BOARD MEMORANDUM

DATE: July 22, 2019
TO: Board of Directors
FROM: Steve Cole *SC*
Assistant General Manager
SUBJECT: July 18, 2019 Public Outreach and Legislation Committee Meeting

The Public Outreach and Legislation Committee met at 5:30 PM on Thursday, July 18, 2019 in the Training Room at 26521 Summit Circle. In attendance were Committee Chair Jerry Gladbach; Directors R.J. Kelly, Gary Martin and Lynne Plambeck; Assistant General Manager Steve Cole; Public Information Officer Kathie Martin. Consultant Hunt Braly from Poole Shaffery, Consultant Dennis Albani from California Advocates and Harry Henderson from Anchor Consulting whom participated by video conference. No members of the public were present. A copy of the agenda is attached.

Item 1: Public Comments – There was no public comment.

Item 2: Legislative Consultant Reports – Staff and the Committee reviewed the federal legislative report by Harry Henderson, state legislative report by Dennis Albani and local legislative report by Hunt Braly.

Item 3: Blue Ribbon Committee – The Committee provided input on various outreach options including the Blue Ribbon Committee or smaller water talks. Discussion will continue at the next Public Outreach and Legislation Committee Meeting on August 22, 2019.

Item 4: Public Outreach Activities: PFAS – Staff and the Committee reviewed its ongoing public outreach efforts on PFAS.

Item 5: Public Information Officer Activities – Staff and the Committee reviewed the following information: Outreach Matrix – June/July, Legislative Tracking Spreadsheet 2019, Sponsorship Tracking Spreadsheet 2019, Public Outreach Event Calendar 2019 and Public Outreach and Legislation Committee Planning Calendar 2019.

Item 6: Adjournment – The meeting adjourned at 6:40 PM.

Attachment


MGS

[This page intentionally left blank.]



Date: July 12, 2019

To: **Public Outreach and Legislation Committee**
Jerry Gladbach, Chair
B.J. Atkins
Kathy Colley
R.J. Kelly
Gary Martin
Lynne Plambeck

From: Steve Cole, Assistant General Manager 

The **Public Outreach and Legislation Committee** is scheduled to meet on **Thursday, July 18, 2019 at 5:30 PM** at **Summit Circle Training Room** located at 26521 Summit Circle, Santa Clarita, CA. 91350.

MEETING AGENDA

<u>ITEM</u>		<u>PAGE</u>
1.	Public Comments	
2. *	Legislative Consultant Report:	
	2.1 Anchor Consultant	1
	2.2 California Advocates	13
	2.3 Poole & Shaffery	19
3. *	Discussion: Blue Ribbon Committee	21
4. ♦	Public Outreach Activities:	
	4.1 PFAS	
5. *	Public Information Officer Activities:	
	5.1 Monthly Outreach Matrix	25
	5.2 Legislative Tracking	27
	5.3 Sponsorship Tracking FY 2019/20	29
	5.4 Public Outreach Event Calendar 2019	31
	5.5 Committee Planning Calendar 2019	35
6.	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 (661) 297-1600, or writing to Santa Clarita Valley Water Agency 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 Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Santa Clarita Valley Water Agency, 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 July 12, 2019.

MGS



BOARD MEMORANDUM

DATE: July 15, 2019
TO: Board of Directors
FROM: Brian J. Folsom, P.E. *BJF*
 Chief Engineer
SUBJECT: Engineering Services Section Report

CAPITAL IMPROVEMENT PROJECTS (CIP) CONSTRUCTION

Project	Contractor	Contract Amount	Scheduled Completion	Notes
MWDSC Foothill Feeder Connection	GSE Construction	\$2,951,759	8/31/19	Connections to MWD and SCVWA pipelines are complete.
Magic Mountain Pipeline Phase 4	FivePoint/Toro Enterprises	\$3,084,725	7/22/19	Construction is 87% complete.
Magic Mountain Pipeline Phase 5	FivePoint/Toro Enterprises	\$3,269,978.85	12/31/19	Construction is 8% complete.
S15-716 Honby Tank No. 1 – Recoat Roof Interior/Exterior and Interior Spot Repair	Olympus & Associates	\$338,848	7/31/19	Construction is 30% complete.
S18-716 Placerita Tank No. 1 – Recoat Tank Exterior	Advanced Industrial Services, Inc.	\$46,900	8/31/19	Construction completed on 7/12/19.

CAPITAL IMPROVEMENT PROJECTS (CIP) DESIGN

1. ESFP Wastewater Return and Sludge Collection System – Design plans and specifications are complete. The Operating Permit amendment application has been submitted to the State Water Resources Control Board Division of Drinking Water (DDW) for approval.
2. Castaic Conduit Bypass – Design is 90% complete. Staff is working with affected property owners to acquire necessary permanent and temporary easements. Agency have paid two of the three property owners and recorded the easements.
3. Magic Mountain Pipeline No. 6A – The project has been divided into two phases (Phases 6A and 6B) to match the street improvements schedule. Plans and specifications for the construction of the Phase 6A portion are being finalized. Design of the Phase 6B has been initiated.
4. Magic Mountain Reservoir – Staff is reviewing the reservoir submittals.

5. Replacement Wells – Staff is coordinating well site improvements. Jensen Design is revising the design drawings for a portion of the pipeline along Commerce Center Drive that will connect to the Magic Mountain Pipeline. Kick-off meeting with Richard Slade and Associates for well design was held on May 16, 2019.
6. Groundwater Treatment Improvements – Advisian is preparing the necessary National Contingency Plan documents.
7. Recycled Water Central Park (Phase 2A) – The project's Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program (MMRP) was adopted by the CLWA Board of Directors at its December 13, 2017 regular Board meeting. Design is on hold pending resolution of recycled water permitting and regulatory issues.
8. Recycled Water Vista Canyon (Phase 2B) – The PDR has been completed. On July 17, 2017, the Department of Water Resources (DWR) approved repurposing \$2.7 million in Proposition 84 Grant Funding from the Saugus Formation Dry Year Wells project to the Vista Canyon Recycled Water Project. The CLWA Board of Directors adopted the MND/MMRP on November 20, 2017. Final design for the pipeline and tanks are approximately 90% complete. Staff completed reviews of each of the 90% design submittals (pipeline and tanks). Consultants are preparing the 100% design plans for the pipeline and tanks for final review and approval. Staff is working with the geotechnical consultant to develop design approach to address the need for tank site improvements to provide an acceptable margin of safety for the tank foundation.
9. Recycled Water South End (Phase 2C) – The PDR has been completed. NCWD, as the CEQA Lead Agency, certified the recirculated MND on August 10, 2017. The project MND/IS was adopted by the CLWA Board of Directors on August 23, 2017. A 90% design review workshop was held on April 24, 2019. Plans and specifications are being finalized.
10. Recycled Water West Ranch (Phase 2D) – The PDR has been completed. On July 17, 2017, DWR approved repurposing \$1.8 million in Proposition 84 Grant Funding from the Saugus Formation Dry Year Wells project to the Phase 2D Project. The CLWA Board of Directors adopted the MND and MMRP at its July 28, 2017 regular Board meeting. The plans and specifications are being finalized. Traffic plans are being prepared and permits are being secured from Los Angeles County Department of Public Works.

DEVELOPMENT PROJECTS – DESIGN, CONSTRUCTION AND INSPECTION

Project Developer	Development Size	Infrastructure (Estimated at Build-out)	Schedule	Status
Skyline Ranch Pardee	1220 Dwelling Units	17 miles pipelines, 3 pump stations, and 4 tanks.	Complete construction of Phase 1 in summer 2019 with backbone/in-tract pipelines and 1 pump station. Complete construction of two tanks by summer 2020.	Tract 60922-01 – Phase 1 in-tract pipeline is 95% complete. Installation of meters will be performed on developer’s schedule for buildout. Design for Phase 1 tank is 60% complete. Construction for pumps station is ongoing; piping is 90% complete; block wall is 60% complete.
Vista Canyon JSB Development	1100 Dwelling Units	5 miles potable and recycled pipelines.	Construction of Phase 1 Potable and Recycled Water Systems completed. Construction of Phase 2 is under way and expected to be completed by the end of 2020.	Construction of Phase 2 potable water system is 30% complete. Construction of Phase 2 recycled water system will start in August 2019. Met with the City on 7/11/19 to discuss schedule for design of Phase 2 water lines to be installed in the new Vista Canyon bridge crossing. Staff are working with developer to finalize waterline easements for Phase 1.
Sheriff Station City of Santa Clarita	44,300 Square Feet	1 mile pipeline.	Construction started May 6, 2019.	Construction is 90% complete. Consultant design for LADWP crossing is 90% complete. Staff are coordinating with LADWP for approval.
Avanti Tract (52455) Lennar	92 Dwelling Units	3100 feet of pipeline, 6 fire hydrants and 2 irrigation services.	Construction completed.	As-built drawings are being prepared.
Aidlin Hills Tract (52796) Lennar	102 Dwelling Units	2 tanks, 1 pump station, ±7670’ of potable pipelines and 9 public fire hydrants.	TBD.	Preliminary Phase 1 pipeline design is complete and in review. Awaiting design deposit check for pump station and tank design. Design of phase 2 will include 2 tanks, and ±4670’ of pipelines.

Project Developer	Development Size	Infrastructure (Estimated at Build-out)	Schedule	Status
Mission Village Phase 1 Five Point	3138 Dwelling Units	6.9 miles new pipeline, 1 Pressure Reducing Station (Petersen), 2 Booster Stations (Petersen & Magic Mtn.), and 2 Tanks (Petersen & Magic Mtn. No. 2).	DS 542 pipelines and Magic Mountain Tank No. 2 to be constructed by December 2019.	DS 542 potable is 90% complete. Recycled water pipeline starts July 15, 2019. Magic Mountain Tank No. 2 design is complete. DDW has approved the start of construction. Submittals are under review.
Landmark Village (Tract 53108) Five Point	1444 Dwelling Units	3.5 miles Piping Pressure Reducing Station, 2MG Zone IA Tank, and 2 Hwy 126 crossings.	TBD.	Design is 30% complete.
Needham Ranch Trammell Crow Co.	2,550,000 Square Feet Industrial and Commercial	4 miles of pipelines, 1 pump station, 2 tanks, and 2 Pressure Reducing Stations.	System to come online January 2020.	Phase 1 tank construction is 95% complete. The tank has been coated. Pump station is 95% complete. The switchgear is being wired. Pipeline construction is 60% complete.
Castaic High School Rasmussen	250,000 Square Feet	2 miles of pipelines, 1 tank, and 1 pump station.	Construct facilities to meet scheduled school opening in Fall 2019.	Pump station is 95% complete. Pipeline is 100% complete. Tank is 95% complete. Waiting on SCE to run electrical service to the tank. Easement Documents are being prepared.
Spring Canyon Tract (48086)	492 Dwelling Units	1 tank, 1 pump station and 1 pressure reducing valve, Mammoth Lane upgrades and lift station upgrades.	Mammoth Lane upgrades must be completed prior to commencement of development.	Design of in-tract pipelines are 100% complete. Reservoir plans are 95% complete. Pump Station plans are 95% complete.

MISCELLANEOUS PROJECTS – DESIGN, CONSTRUCTION AND INSPECTION

Project / Facility	Scope of Work / Details	Status
College of the Canyons Valencia Campus	Relocation of approximately 1,015 feet of 16" pipeline.	The pipeline has been installed and construction is complete. Waiting for COC to draw up the easement documents to be completed/reviewed. The pipe is in service. A punchlist is going to be created.
Skyblue Tanks	SCWD's Skyblue tanks main electrical service from SCE is not on SCVWA property or easement.	The property and easements have been surveyed. Staff is working with a homeowner to acquire an easement for Skyblue tanks electrical panels and lines. Staff is also verifying that the water mains and drains are on SCVWA property/easements.
AT&T cell sites	No current work at any SCVWA sites.	AT&T is drawing up preliminary plans for a new site at being Pinetree tanks 1 and 1A.
T-Mobile cell sites	Fiber optics upgrades at two water tank locations.	Round Mountain tank is waiting for the cell company to perform survey. Newhall Tank 2 work has been completed. Pinetree Tank 3 is complete.
Verizon cell site	Cell tower at Castaic Tank 1A.	Design plans have been approved, and the contract with SCVWA is being drawn up.
Dig Alerts and Fire Flow Tests		During May 2019, SCVWA inspection staff completed 119 dig alerts and responded to 1 fire flow requests.

PERCHLORATE CONTAMINATION PROGRAM MANAGEMENT

The last monthly Technical Committee meeting was held on July 10, 2019. The Whittaker-Bermite Multi-Jurisdictional Task Force was also held on July 10, 2019. The Settlement Agreement among SCVWA (former CLWA and retail purveyors), Whittaker-Bermite (Whittaker) and the insurance carriers is in effect. Reimbursement requests for operational and maintenance (O&M) costs through March 2019 have been submitted.

As a result of the detection of perchlorate at Well V-201, modifications are being made to the Department of Toxic Substances Control (DTSC) Remedial Action Plan (RAP) and the perchlorate project DDW 97-005 Engineering Report. A perchlorate removal facility has been constructed and resumption of Well V-201 service will occur following successful completion of testing and State Water Resources Control Board (SWRCB) Division of Drinking Water (DDW) approval. Until DDW approval is obtained, the perchlorate removal system is operating and the treated water is being discharged to the Santa Clara River.

In late December 2017, perchlorate was detected at Well V-205 just above the maximum contaminant level for drinking water of 6 ppb. A confirmation sample taken in March 2018 indicated a level of 8.1 ppb. The well was previously taken out of service in 2012. Staff is determining the course of action to pursue to return the well to service and potential cost recovery under the terms of the Settlement Agreement.

For the first time since 2005, perchlorate was detected in Alluvial Aquifer Well Q-2 at the maximum contaminant level of 6 µg/L. No drinking water quality standards were violated, but the well was removed immediately from service. Monthly water quality monitoring will continue during the idle period while staff considers future options.

WATER QUALITY LABORATORY

The renewal application (required every 2 years) with the Environmental Laboratory Accreditation Program (ELAP) has been submitted and accepted by ELAP. Review of the application and any further requirements will occur over the next few weeks.

FACILITY CAPACITY FEES (FCFs) AND CONNECTON FEES

Month	Regional	Distribution	Total
July 2018	\$ 363,105	\$ 40,866	\$ 403,971
August 2018	1,078,265	133,190	1,211,455
September 2018	540,716	58,297	599,013
October 2018	853,900	15,505	869,405
November 2018	218,678	7,753	226,431
December 2018	1,510,315	379,816	1,890,131
January 2019	124,000	3,959	127,959
February 2019	557,449	48,868	606,317
March 2019	135,424	0	135,424
April 2019	701,895	136,873	838,768
May 2019	869,246	149,379	1,018,625
June 2019	532,202	83,407	615,609
FY 2018/19 to Date	\$7,485,195	\$ 1,057,913	\$8,543,108
FY 2018/19 Budget	\$8,000,000	\$1,000,000	\$9,000,000

M65



BOARD MEMORANDUM

DATE: July 15, 2019
TO: Board of Directors 
FROM: Eric Campbell
Chief Financial and Administrative Officer
SUBJECT: Finance, Administration and Information Technology Section Report

FINANCE & ADMINISTRATION

Key Accomplishments/Activities:

Staff and AAC Utility Partners released the Request for Proposal (RFP) for a new Financial Management Information System (FMIS) on June 27, 2019. The RFPs are due back by August 1, 2019.

The Agency's new auditors, LSL, will be onsite to observe inventory counts on June 27, 2019. LSL will be onsite for their Interim Audit the week of July 8-12, 2019.

Significant Upcoming Items:

Completion of annual Performance Evaluations.

Payroll will be updating the Paychex system for new CalPERS rates, Workers' Comp rates, etc.

Finance staff continue to work with other departments and a consultant to develop a robust, defensible cost allocation method. This will aid in future budgeting and the next rate study. The first phase of this project will be to develop allocated costs and a basis for each allocation.

Accounting staff continues to work on restructuring and consolidating the general ledger. This will allow Accounting to integrate the Agency's financial statements more quickly, as well as improve audit efficiencies.

Staff is obtaining the additional Department of Motor Vehicle documentation required to transfer titles on the remaining 16 mobile equipment units. The Agency's mobile equipment include items, such as generators, trailers, trenching equipment and pumps.

Staff received quotes for the purchase of two Canon color copiers that were budgeted in FY 2019/20. One of these is replacing a copier that is approaching end of its useful life. The other copier will be an addition to the office equipment. Both copiers will be obtained through a competitively bid contract issued to Canon Solutions America by the National IPA, a bid purchasing co-op.

Staff is working with the Building and Grounds supervisor in developing the scope of work for the Request for Proposal (RFP) for Janitorial Services which will include all agency locations.

CUSTOMER SERVICE

Key Accomplishments/Activities:

Staff continues its work related to the Newhall billing system conversion and several key integrations.

Work continues related to the implementation of the Pay Near Me (PNM) platform.

Staff continues its work related to Advanced Metering Infrastructure (AMI) integration with Santa Clarita location's customer billing system.

Staff is researching possible policy and workflow changes as required by SB 998.

Pine Street Customer Care staff have begun cross-training at the Summit Circle and Rockefeller locations.

In coordination with the Water Quality and Water Resources department, Customer Care staff executed the electronic delivery of the CCR (Customer Confidence Report) Notice for the 2019 Water Quality Report to customers that receive their water bill by email via Constant Contact. Staff mailed a paper copy of the CCR Notice to customers that have previously opted out of receiving Agency emails via Constant Contact. Staff mailed hard copies of the Report to the customers that sent in a written request.

Significant Upcoming Items:

A simulation of the Newhall billing system conversion is currently scheduled for the week of July 29, 2019 whereby staff will test functionality and conduct data conversion integrity testing. S&S will be on-site for the week's testing activities.

HUMAN RESOURCES

Key Accomplishments/Activities:

Staff is continuing working with CPS HR to execute a contract to perform the comprehensive classification and compensation and benefits study.

Staff is currently recruiting for the positions of Administrative Analyst (Engineering), Electrical/Instrumentation Technician, Emergency Preparedness and Safety Coordinator, Engineers (2), Senior Information Technology Technician, Utility Worker, and Water Conservation Education Specialist.

Staff processed and audited all merit increases and approved Cost of Living Increase (COLA) for every employee record.

Staff completed the Paychex HR system set-up and implementation. Staff will continue receiving training on using the new system.

Staff is continuing to handle employee relations issues and requests as needed.

Staff rolled out communication of the Agency's enhanced Life Insurance benefit to all benefit-eligible employees in June 2019. The enhancements included increasing Agency-paid Basic

Life insurance from \$100,000 maximum to \$150,000 maximum, and added new spouse and dependent life insurance options at the employees cost. These new options bring all formerly separate entities' life insurance plans in line and available so that new SCV Water employees benefit packages are now whole.

Significant Upcoming Items:

Staff will set up training for staff and supervisors regarding Prevention of Sexual Harassment in the Workplace to meet current compliance with law and regulations.

Staff will update the Agency's Benefits policy to reflect current practice for retiree medical coverage.

Staff is anticipating the release of the new 2020 annual CalPERS health insurance rates in July 2019. Staff plans to review, analyze and make recommendations to the Board for implementation January 1, 2020.

Staff is researching other vendors to replace the Agency's current Health and Dependent Care Flexible Spending Account (FSA) Plans as there have been account and customer service issues with the current vendor over the last several years. Staff will review, analyze and make recommendations to the Board for implementation January 1, 2020.

RISK MANAGEMENT

Key Accomplishments/Activities:

Staff is continuing to approve insurance certificate requirements for Agency contracts to ensure compliance with suggested insurance limits from ACWA/JPIA.

Staff is continuing to expedite requests for Certificates of Insurance (COIs) from a variety of vendors.

Significant Upcoming Items:

Staff plans to create new binders and files to transition all risk management insurance records from the different entities to SCV Water.

TECHNOLOGY SERVICES

Key Accomplishments/Activities:

The IT team has deployed next generation security end-point software to every workstation and server in the Agency.

The IT team has deployed collaboration and communication technology to the Rio Vista Finance Conference Room and Pine Street Conference Room.

The IT team has deployed a new work order system that allows for tracking of IT metrics, IT assets, and performance.

Significant Upcoming Items

Ongoing - GIS team is working to update and consolidate all record drawings from predecessor organizations.

Ongoing – GIS team is collecting GPS data for wells, boosters and other facilities.

Ongoing – Technology Services continues to develop an intranet site through SharePoint online.

Ongoing – GIS team continues to work on consolidating the various GIS databases for NWD, SCWD, VWD and Regional.

Ongoing – GIS team is working with Water Resources and their consultant on a water demand GIS application.

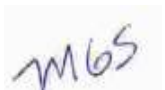
Ongoing – GIS team is georeferencing easement documents from predecessor organizations to be deployed and accessible through the future SharePoint.

The IT team will be replacing and expanding network storage at the Rio Vista datacenter. This will allow IT team to centralize all applications at Rio Vista in the coming months.

Ongoing - The Technology team will be deploying a beta SharePoint online application to selective users to test and further development the future intranet.

Ongoing - The GIS team has kicked off the unification of all the field map applications for Operations staff.

EC





BOARD MEMORANDUM

DATE: July 15, 2019
TO: Board of Directors 
FROM: Keith Abercrombie
 Chief Operating Officer
SUBJECT: Treatment, Distribution, Operations and Maintenance Section Report

The Treatment, Distribution, Operations and Maintenance Section (TDOMS) provides reliable and high-quality water through rigorous preventative maintenance programs and timely response to corrective action maintenance. Routine inspections and maintenance of each facility is part of the overarching goal of TDOMS. Below is a discussion on these activities for the month of June 2019.

TREATMENT OPERATIONS AND MAINTENANCE

Monthly corrective and preventative maintenance work orders were completed at the following locations:

- Rio Vista Water Treatment Plant (RVWTP)
- Rio Vista Intake Pump Station (RVIPS)
- Earl Schmidt Filtration Plant (ESFP)
- Earl Schmidt Intake Pump Station (ESIPS)
- Saugus Perchlorate Treatment Facility (SPTF)
- Castaic and Pitchess Pipelines
- Recycled Water Pump Station
- Rio Vista Valve Vault No. 1
- Saugus Well 1
- Sand Canyon Reservoir
- Sand Canyon Pump Station (SCPS)

Preventative and Corrective Maintenance Work Order Summary

Work Orders	June 2019	FYTD 2018/19
Corrective Maintenance	17	216
Preventative Maintenance	95	1,208
Key Action Items Completed:		
<ul style="list-style-type: none"> - ESFP – Insertion flow meter replacement. Wash Water return piping modifications completed - ESFP and RVWTP – Replaced regulatory pressure relief devices - ESIPS – Vault and pipeline project complete and ESFP back to full capacity 		

Work in Progress – Treatment

- Distribution System – Valve exercising and repairs underway
- ESFP – Ammonia air supply piping being replaced

- ESFP – Water separators being replaced on Filter Backwash pneumatic control system
- Sand Canyon Pipeline – Turnouts Calibration of flow meters
- Sand Canyon Pipeline – New gates being fabricated for turnout SC-11 by mechanical staff
- Distribution SCADA system – Creation of new distribution SCADA system consolidating the three systems into one
- ESFP – Drying bed valves on order for replacement
- ESFP – Installing Caustic and Ferric tank leak control panels and valves
- ESFP – Replacing pressure relief valves on ozone system

Completed Work

- RVWTP – Moved Distribution SCADA servers into RVWTP Filter Building Server Room
- ESFP – Wash Water Return Pump No. 2 repaired and back in service
- RVWTP – WWR basin cleaned
- ESFP – ASCO valves on ozone vaporizers No. 1 and No. 3 replaced
- ESFP – ASCO valve on Filter No. 1 replaced
- ESFP – Wash Water Pump No. 3 repaired and back in service
- ESFP – Rapid Mix Pump No. 3 repaired and back in service

BUILDINGS AND GROUNDS

An integral part of the TDOMS is maintaining the aesthetic quality, functionality and safety of the various office facilities and grounds. Staff works on projects based on the needs of the various locations.

Monthly corrective and preventative maintenance work orders were completed at the following locations:

- Earl Schmidt – Repair deck lights
- Golden Triangle – Repair main line break for sprinkler system
- Pine Street – Repair and replace flush valve on toilets
- Rio Vista – Weed removal and disc drying beds
- Rockefeller – Install odor control stoppers in drains, repair toilet
- Summit Circle – Service HVAC systems

Corrective Maintenance Work Order Summary

Work Orders	June 2019	FYTD 2018/19
Corrective Maintenance	71	625

Work in Progress

- Working with Agency personnel setting up new workspaces – Ongoing
- Updating signs at several locations to the new SCV Water Logo
- Replace balance of can lights with L.E.D. fixtures in the Administration Building
- Run electrical and communication cables for new TV at each location

Completed Work

- Updated key fob system at all the SCVWA locations with the exception of Rockefeller
- Replaced batteries in emergency lights at several SCVWA locations

DISTRIBUTION OPERATIONS AND MAINTENANCE

General operational and maintenance activities within each distribution division include:

- Valve exercising
- Fire hydrant maintenance
- Air and vacuum valve maintenance
- Blow off maintenance
- Meter reading
- Meter change-outs
- Control valve maintenance

In addition to routine operational and maintenance activities, there are a variety of other projects.

Meter Change-out Summary

NWD

Meter Size	June 2019	Quantity FYTD 2018/19
3/4"	31	541
1"	2	58
1 1/2"	1	13
2"	0	44
>2"	0	1

SCWD

Meter Size	June 2019	Quantity FYTD 2018/19
3/4"	30	2,306
1"	6	236
1 1/2"	0	51
2"	14	49
>2"	0	5

VWD

Meter Size	June 2019	Quantity FYTD 2018/19
3/4"	87	1,184
1"	0	147
1 1/2"	0	88
2"	36	454
>2"	0	4

Distribution System Leak Summary

NWD – Approx. 9,679 Service Connections

Leak Type	June 2019	FYTD 2018/19
Service Leaks	3	33
Main Leaks	3	13

SCWD – Approx. 31,218 Service Connections

Leak Type	June 2019	FYTD 2018/19
Service Leaks	5	79
Main Leaks	1	17

VWD – Approx. 29,974 Service Connections

Leak Type	June 2019	FYTD 2018/19
Service Leaks	7	129
Main Leaks	0	7

Capital Improvement Projects FY 2018/19

Work in Progress – NWD

- Castaic High School – New Zone 3 Tank complete, New Zone 3 Booster Station under construction, Sloan Canyon piping complete, acceptance pending
- Wildwood Road Pipeline Project – Construction started May 2019

Work in Progress – SCWD

- AMI Infrastructure installed, programming and customer service integration underway
- Placerita PRV Station – Rehabilitation project underway

Completed Work

- Ebelden Ave – Pipeline Replacement
- Recycled Water Pump Station – Pump Control Valve Installation
- Pilot AMI Program – Valencia Industrial Center
- Larger Meter Replacement – Magic Mtn and College of the Canyons

PRODUCTION OPERATIONS AND MAINTENANCE

In addition to the general operation and maintenance of the production facilities, there are a variety of other projects within the Production Department.

Capital Improvement Projects FY 2018/19

Work in Progress – NWD

- Pinetree N2 – Installation of soft start equipment
- SCADA backbone radio upgrade – Underway
- Castaic HS Tank – Permit amendment submitted, adding to sampling schedule
- Castaic HB Booster – Waiting on electrical connection

Completed Work

- Newhall Well 12 – Back in service – Motor Control Center/Switch Gear upgraded
- Castaic Well 7 – Rehabilitation
- Newhall Tank 4 – Transducer replaced
- Tesoro Tanks 1 & 1A – Analyzers & chemical feed tube installed
- Pinetree Tank 4 – New Kasco Mixer
- Pinetree Sewer Lift Station – New pump and motor

Work in Progress – SCWD

- SC-12 – Mechanical and facility construction complete – Block wall being designed
- Seismic Valves Installation
- Pump Drive Replacement Program
- Via Princessa – Replacement of head shaft – Pumps being reinstalled
- Lost Canyon 2 – Pump to control valve installation for pump to waste
- Honby Tank 1 Exterior Recoat – Work commenced May 2019
- Placerita Tank 1 Exterior Recoat – Work commenced June 2019

Completed Work

- Live Oak Booster – 2 new pumps installed
- Well Mag Meter Retrofit – Five sites completed

Work in Progress – VWD

- Well E17 – Facility construction underway
- Well 201 – Construction for soundproof motor enclosure structure underway

- Carnegie Booster Station – Pump and motor replacement underway (Nos.18 & 19 and SMC)
- Cal Arts Booster Station – Pump and motor replacement
- Presley Booster Station – Site rehab, parts ordered

Completed Work

- Well 159 – Motor replaced
- Round Mtn Tank AMI – Enclosure and power upgrade for AMI project complete

Water production summary by Division and Source is provided in the table below.

SCV Water Production Summary (Acre-Feet)

Division	Groundwater June 2019 (AF)	Imported Water June 2019 (AF)	Total Production June 2019 (AF)	Groundwater FYTD 2018/19 (AF)	Imported Water FYTD 2018/19 (AF)	Total Production FYTD 2018/19 (AF)	Recycled Water Production FYTD 2018/19 (AF)
NWD	344	530	874	3,174	5,215	8,389	NA
SCWD	497	1,989	2,486	5,157	19,301	24,457	NA
VWD	605	2,193	2,798	11,305	16,195	27,500	329
SCV Water Totals	1,446	4,712	6,158	19,636	40,711	60,346	329
Percent	23%	77%		33%	67%		

SCV Water Regional Raw Water and Wholesale Summary (Acre-Feet)

Source	June 2019 (AF)	FYTD 2018/19 (AF)
Wholesale (LA36)	0	4.6
Raw Water (RVWTP)	2,175	22,136
Raw Water (ESTP)	2,622	19,577
Wells (Saugus 1 & 2)	273	3,341

WATER QUALITY

Water Quality Complaints

In May 2019, initial sampling for PFAS substances occurred and results were received. One well (Valley Center) exceeded Division of Drinking Water Interim Response Level of 70 ng/L and was shut off. Several other wells exceeded the Interim Notification Levels for PFOS and PFOA. This information was presented to the SCV Water Board on June 4, 2019.

NWD

Type of Complaint	June 2019	# of Complaints FYTD 2018/19
Hardness	0	2
Odor	0	14
Taste	0	1
Color	0	3
Air	0	0
Suspended Solids	0	0
Totals	0	20

SCWD

Type of Complaint	June 2019	# of Complaints FYTD 2018/19
Hardness	0	1
Odor	2	4
Taste	0	1
Color	0	0
Air	0	0
Suspended Solids	0	1
Totals	2	7

VWD

Type of Complaint	June 2019	# of Complaints FYTD 2018/19
Hardness	0	2
Odor	0	13
Taste	1	1
Color	1	4
Air	0	0
Suspended Solids	1	2
Totals	3	19

Heterotrophic Plate Count Samples

NWD

Total # of HPCs Collected June 2019	# of HPCs Collected FYTD 2018/19
0	9

SCWD

Total # of HPCs Collected June 2019	# of HPCs Collected FYTD 2018/19
3	75

VWD

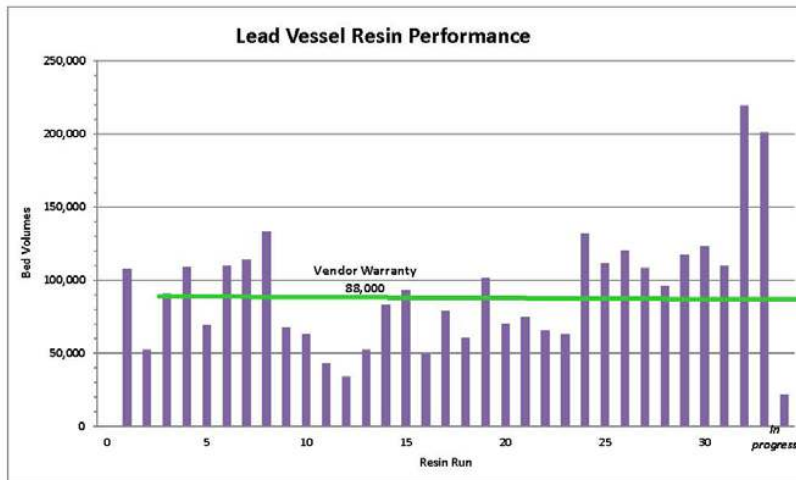
Total # of HPCs Collected June 2019	# of HPCs Collected FYTD 2018/19
0	50

**Saugus Perchlorate Treatment Facility
Resin Usage Summary
Based on Time to Breakthrough**

Resin Run Number	Fill Date	Breakthrough Date*	Days	Volume Treated (Million Gallons)	Volume Treated (Acro-Feet)	Bed Volumes Treated	Replacement Costs	\$/BV	\$/AF	Combined (Lead and Lan)		
										MG	AF	BVs
0												
1	5/3/10	8/25/10	115	253	776	107,310	*	*	*			
2	9/8/10	11/8/10	62	120	368	52,289	\$ 105,728	\$ 2.02	\$ 287	373	1,144	159,599
3	12/10/10	3/26/11	107	239	735	90,841	\$ 115,458	\$ 1.27	\$ 157	359	1,103	143,130
4	5/5/11	8/9/11	97	288	883	108,745	\$ 112,255	\$ 1.03	\$ 127	527	1,618	199,588
5	8/17/11	10/14/11	59	180	554	69,941	\$ 112,255	\$ 1.83	\$ 203	468	1,437	177,686
6	11/8/11	4/10/12	157	288	883	109,850	\$ 112,048	\$ 1.02	\$ 127	468	1,437	178,790
7	4/20/12	7/18/12	88	280	860	113,905	\$ 112,048	\$ 0.98	\$ 130	568	1,743	223,754
8	7/11/12	11/5/12	118	349	1,070	133,044	\$ 112,048	\$ 0.84	\$ 105	629	1,930	246,949
9	11/16/12	1/10/13	56	177	544	67,744	\$ 112,258	\$ 1.66	\$ 206	526	1,614	200,788
10	1/10/13	3/10/13	60	165	505	62,836	\$ 43,567	\$ 0.69	\$ 85	342	1,049	130,579
11	3/19/13	5/4/13	47	112	344	42,789	\$ 118,213	\$ 2.76	\$ 344	276	849	105,805
12	5/8/13	8/15/13	39	95	293	33,577	\$ 141,989	\$ 4.23	\$ 485	207	637	76,340
13	6/10/13	8/20/13	72	179	551	52,099	\$ 118,212	\$ 2.27	\$ 215	275	844	85,676
14	9/12/13	11/20/13	80	217	667	83,031	\$ 118,212	\$ 1.42	\$ 177	397	1,218	135,130
15	11/21/13	2/6/14	81	246	755	92,790	\$ 118,212	\$ 1.27	\$ 157	463	1,422	175,821
16	2/24/14	3/31/14	36	128	393	48,854	\$ 105,494	\$ 2.16	\$ 269	374	1,148	141,644
17	4/28/14	8/8/14	103	205	629	78,423	\$ 105,494	\$ 1.35	\$ 168	333	1,022	127,277
18	8/21/14	12/3/14	105	158	485	60,237	\$ 105,494	\$ 1.75	\$ 218	363	1,114	138,660
19	12/4/14	3/18/15	103	268	816	101,458	\$ 105,494	\$ 1.04	\$ 129	424	1,301	161,895
20	3/17/15	5/28/15	73	184	565	70,380	\$ 105,494	\$ 1.50	\$ 187	450	1,381	171,838
21	5/29/15	8/3/15	67	195	598	74,610	\$ 105,494	\$ 1.41	\$ 176	379	1,183	144,990
22	8/4/15	10/15/15	73	171	525	65,484	\$ 105,494	\$ 1.61	\$ 201	366	1,123	140,094
23	10/16/15	12/8/15	54	165	506	62,988	\$ 105,494	\$ 1.67	\$ 208	336	1,031	128,472
24	12/9/15	3/31/16	114	346	1,062	131,983	\$ 105,494	\$ 0.80	\$ 99	511	1,568	194,971
25	4/1/16	7/7/16	98	291	893	111,167	\$ 105,494	\$ 0.95	\$ 118	637	1,955	243,150
26	7/8/16	10/17/16	102	314	964	119,919	\$ 105,494	\$ 0.88	\$ 109	605	1,867	231,086
27	10/21/16	1/25/17	97	283	869	107,984	\$ 105,494	\$ 0.98	\$ 121	597	1,832	227,903
28	1/28/17	4/18/17	83	252	773	96,192	\$ 105,494	\$ 1.10	\$ 138	535	1,642	204,176
29	4/25/17	8/5/17	103	306	939	118,828	\$ 105,494	\$ 0.90	\$ 112	558	1,713	213,130
30	8/11/17	1/3/18	146	322	998	122,845	\$ 105,494	\$ 0.86	\$ 107	628	1,927	239,783
31	1/16/18	6/9/18	145	289	887	109,395	\$ 105,494	\$ 0.96	\$ 119	611	1,875	232,240
32	6/18/18	12/24/18	190	574	1,762	219,207	\$ 105,494	\$ 0.48	\$ 60	863	2,649	328,602
33	12/13/18	6/10/19	180	525	1,611	200,536	\$ 105,494	\$ 0.53	\$ 65	814	3,373	419,743
34	6/1/19	6/30/19	20	57	175	21,906	\$ 105,494				1,786	241,113
Total			3,130	8,220	25,228	3,140,274	\$3,556,889	NA	NA	15,263	49,506	6,170,005
Average			94	247	769	94,496	\$107,866	\$ 1.18	\$ 146.51	462	1,446	179,663

* Breakthrough defined as Lead Vessel effluent reaching 6 µg/L
* Initial resin delivery was included in construction contract

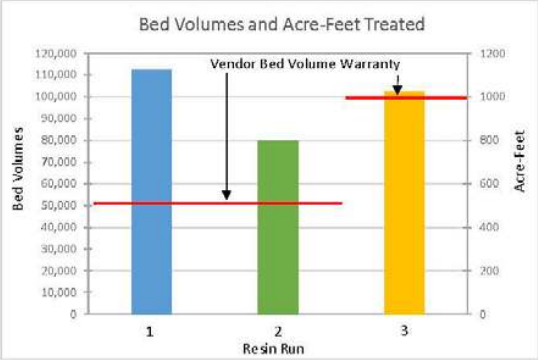
Runs 1-2 had 315 cubic feet of resin
Runs 3-11 had 350 cubic feet of resin + 180 cubic feet of anthracite
Run 12 has 434 cubic feet of resin + 180 cubic feet of anthracite
Runs 13-present had 350 cubic feet of resin + 180 cubic feet of anthracite



**V-201 Perchlorate Treatment Facility
Resin Usage Summary
Based on Time to Breakthrough**

Resin Run Number	Fill Date	Breakthrough Date	Days	Volume Treated (Million Gallons)	Volume Treated (Acre-Feet)	Bed Volumes Treated	Replacement Costs	\$/BV	\$/AF	Combined (Lead and Lag)		
										MG	AF	BVs
1	11/3/2017	4/19/2018	168	297	912	112,498	\$188,355	\$1.67	\$207			
2	5/7/2018	9/17/2018	134	210	644	79,476	\$105,494	\$1.33	\$164	507	1,556	191,973
3 (in progress)	9/24/2018	7/1/2019	281	334	1025	126,496	\$105,494	-	-	544	1,669	205,971
Total			583	841	2,581	318,469	\$399,343			1,051	3,225	397,944
Average			194.3	280	860	106,156	\$133,114	\$1.50	\$185.22	525	1,612	198,972

+ Breakthrough defined as Lead Vessel effluent reaching 6 ug/l
 Runs 1 & 2 had 353 cubic feet of resin (PRS-2) + 180 cubic feet of anthracite
 Runs 3 - present had 353 cubic feet of resin (PRS2 Plus) + 180 cubic feet of anthracite



SAFETY/EMERGENCY/RISK MANAGEMENT

A safe and healthful work environment is a critical component to the mission and values of SCV Water. Throughout the reporting month, a number of routine safety related training, inspections, and various other items were completed. The Safety Department continues to integrate health and safety programs for SCV Water. Some of the items completed and currently in progress are as follows:

Work in Progress

- New combined Safety Data Sheet (SDS) Program
- A three-tiered safety incentive program
- Creating a combined SCV Water Health and Safety Manual by using the components and information from each location

Completed Work

Inspections

Monthly Inspections

- Underground storage tank (UST) designated operator
- Aboveground storage tank (AST) inspection
- Fire extinguishers
- Emergency eye-wash/shower stations
- Self-Contained Breathing Apparatus (SCBA) units
- Automated External Defibrillator (AED) units

Incident Data

- There were no recordable injuries in June 2019
- Agency had a very low incident rate for calendar year 2018 (2.7) – 60% better than the national average for our industry

Safety Training

- Two ergonomic assessments were conducted in June 2019
- Two new hire safety orientations were conducted in June 2019
- Tailgate meetings took place at each location in June 2019
- Active Shooter Awareness training for the SCV Water Board of Directors took place on June 18, 2019
- Online safety training for Hazard Communication took place in June 2019

Safety Committee

- The Safety Committee met on June 26, 2019
- The Committee discussed options to improve Customer Care safety and security at the Rockefeller location. Suggestions will be forwarded to Building and Grounds for evaluation
- Three safety suggestions were approved in June 2019. A good start to the newly implemented Safety Incentive Program



[This page intentionally left blank.]



BOARD MEMORANDUM

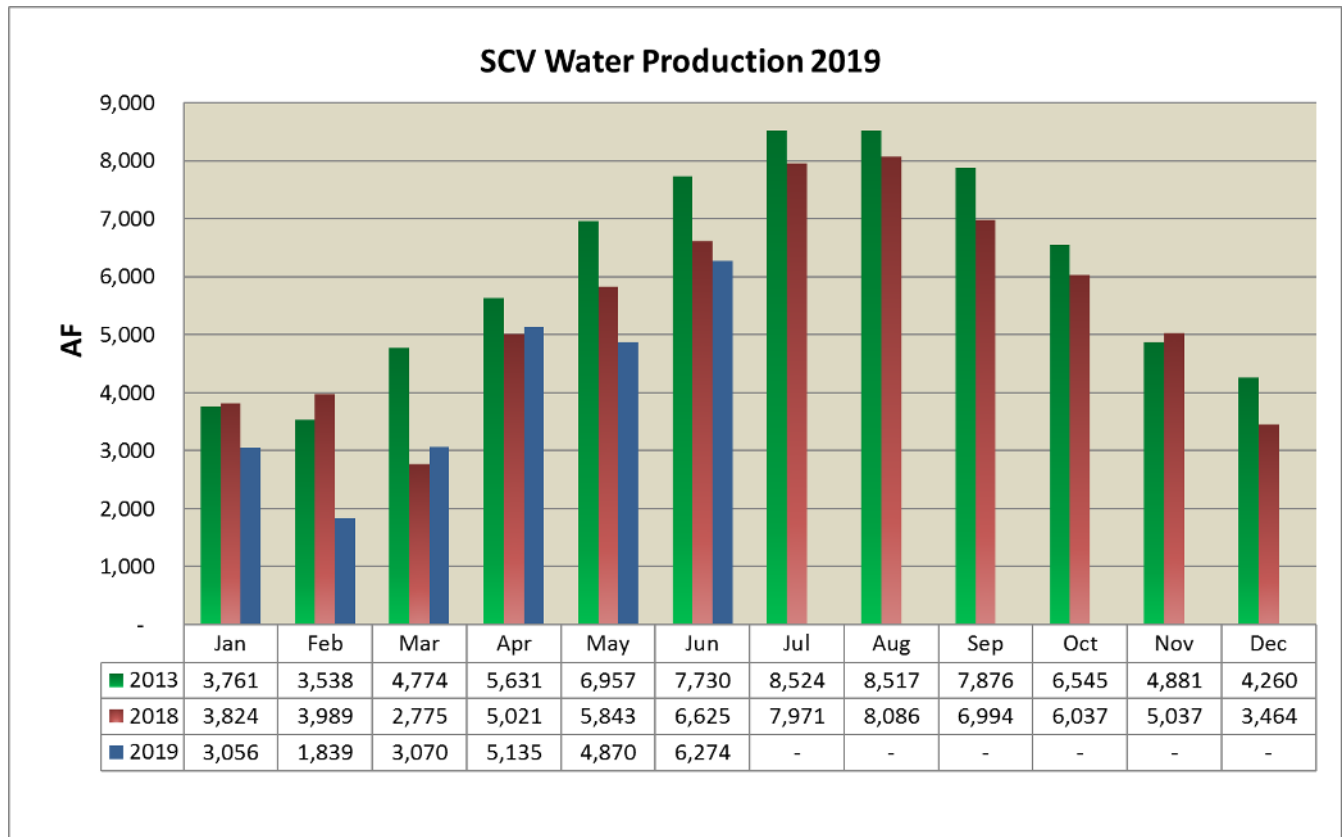
DATE: July 15, 2019
TO: Board of Directors
FROM: Steve Cole *SC*
 Assistant General Manager
SUBJECT: Water Resources and Outreach Section Report

WATER RESOURCES

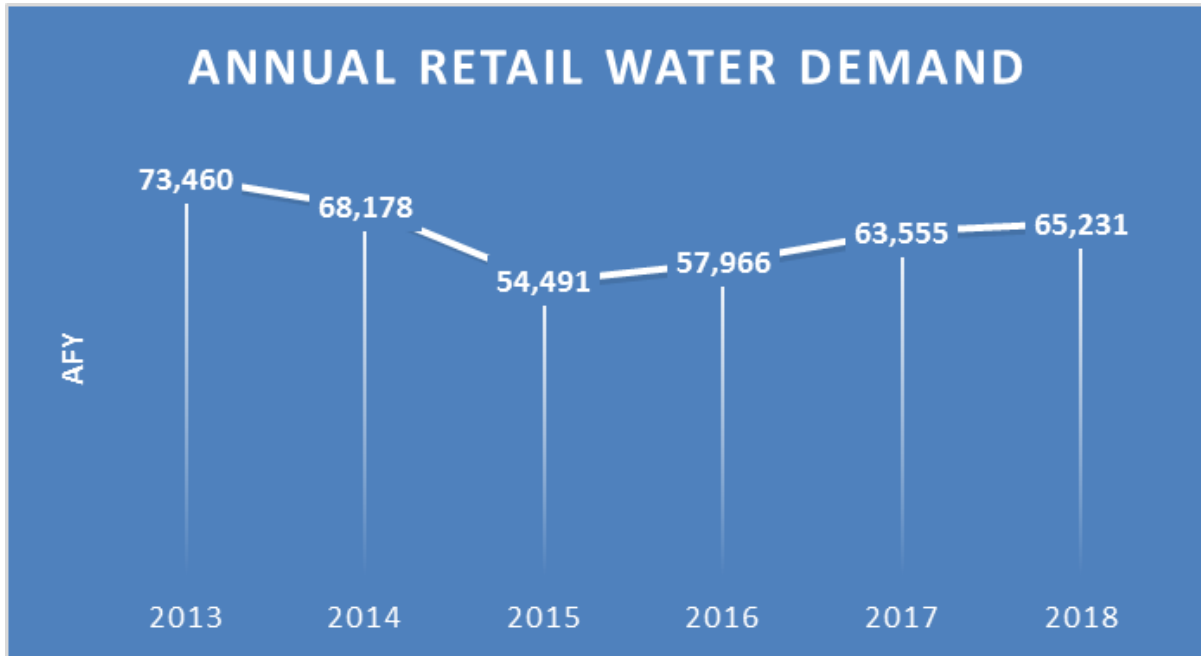
Key Accomplishments/Activities

Water Demand and Supply

Staff continues to monitor ongoing domestic water demands. As illustrated in the chart below, above normal precipitation and cooler temperatures experienced throughout the first half of 2019 have resulted in overall lower demands in comparison to 2013 and 2018.



The longer-term demand trend is illustrated in the following graph:



The 2018 demand showed an increase of 2.6% over 2017.

To date, in calendar year 2019, SCV Water took delivery of an estimated 16,912 AF of imported water into SCV Water’s service area as shown in the table below:

Imported Water Supply Source	AF Water Delivered
SWP Table A	7,407
SWP Carryover	3,608
Carryover Credit	
Buena Vista/Rosedale-Rio Bravo	1,100
West Kern Water District Exchange	
Rosedale-Rio Bravo Banking	
Semitropic WSD Banking	
Yuba Accord Water	
Castaic Lake Terminal Reservoir Storage (Take)	
Castaic Lake Terminal Reservoir Storage (Backfilled)	
Total Imported Water Delivered into Service Area	16,912
Total Recycled Water Delivered into Service Area	157

Note: The balance of retail water demands were met with local groundwater resources.

SCV Water participates in water banking and exchange programs to provide water supplies during dry periods when State Water Project (SWP) supplies are reduced and to store water when supplies exceed demand. The table on the next page shows beginning of the year storage, 2019 estimated puts and takes for the current operating plan with 75% allocation and carryover spill from San Luis, and estimated end of year storage.

Program	Storage (AF) as of December 2018	Estimated 2019 Net Put/ (Extraction)	Estimated 2019 End of Year Storage (AF)
Rosedale Rio-Bravo (RRB)	100,000	0	100,000
Semitropic Water Storage District (SWSD)	40,770	0	40,770
RRB 2:1 Exchange	9,440	0	9,440
West Kern Water District 2:1 Exchange	500	0	500
Central Coast Water Authority	750	(750) ⁽⁴⁾	0
Flexible Storage	6,060	0	6,060
Carryover (Article 56)	39,200 ⁽¹⁾	(3,600) ⁽²⁾	27,100 ⁽³⁾
Total:	196,720		183,170

Notes: (1) Balance of carryover water (35,600 AF) was reclassified as SWP Supply as San Luis Reservoir filled in March 2019.

(2) 3,600 AF of previous year carryover water was delivered prior to San Luis Reservoir Filling.

(3) Estimated net carryover depends on actual service area demand and available storage space in San Luis Reservoir.

(4) Central Coast Water Authority requested to schedule a return of 750 AF in August 2019 to complete the 2016 exchange agreement with SCVWA.

On November 30, 2018, the Department of Water Resources (DWR) issued an initial 2019 SWP allocation at 10% of Table A amount. In January 2019, the allocation was increased to 15%, in February 2019 to 35%, and in March 2019, the allocation was increased to 70% of Table A amount. DWR issued the 2019 final allocation on June 19, 2019 at 75% of Table A amount. Staff will continue to monitor imported water demand and hydrologic conditions. As noted above, staff estimates that approximately 27,000 AF may be available for carryover into 2020. Recent analysis, however, points to the potential that San Luis Reservoir may be full by the end of 2019 and little or no space will be available for carryover. Therefore, staff is investigating placing portions of this water into storage in the Semitropic Water Bank or entering into an unbalanced exchange program similar to the existing Rosedale 2:1 exchange.

Imported Water Supplies Planning and Administration

- On April 29, 2019, Governor Newsom executed Executive Order N-10-19 calling for the preparation of a water resiliency portfolio that meets California's needs through the 21st Century. Staff continues to participate with the State Water Contractors members to understand possible cost and schedule implications of the Delta Conveyance and to assure SCV Water's needs are met.
- DWR and SWP Contractors have agreed to move forward with a Water Management Agreement in Principle (previously approved by the SCV Water Board) while dropping associated CA WaterFix provisions. A recirculated EIR is anticipated this fall at which time a proposed amendment to the SWP Contract would be considered by the Board.
- Staff continues to participate in the Sites Reservoir development efforts. On February 5, 2019, the Board of Directors authorized SCV Water's participation in Sites Reservoir Phase 2 (design and permitting costs) development efforts. The 2019 work plan will focus on analysis and negotiation of regulatory conditions in order to better estimate the project's anticipated yield and developing water storage principles to guide future reservoir operating criteria.

- Staff is monitoring construction activities for the Rosedale Rio-Bravo Water Storage District Banking Extraction Facilities. Facilities to recover banked water are complete and Rosedale is processing a request to deliver water into the California Aqueduct.
- Staff received final licensing agreement documents from FivePoint for the two Saugus Formation replacement wells. The well sites are adjacent to Magic Mountain.

Watershed

Staff are engaged with Upper Santa Clara River Regional Water Management Group (RWMG) members (City of Santa Clarita, Los Angeles County Flood Control District, Rivers and Mountains Conservancy, Santa Clarita Valley Sanitation District and SCV Water) to prepare a Proposition 1 Integrated Regional Water Management Program grant application. Consultant services are required and SCV Water anticipates some consultant costs will be offset by contributions from RWMG members via a separate agreement. Prior to submitting the grant application, in September 2019 USCR RWMG will present its projects to DWR at a DWR sponsored pre-application workshop. The workshop will provide an opportunity for DWR to consider proposed projects and provide helpful feedback.

In the longer term (winter 2019 or early 2020), the existing Memorandum of Understanding with RWMG members will undergo revision to clarify member roles and funding responsibilities and to add or remove member agencies, if necessary.

Staff, in its role as an USCR IRWM Disadvantaged Community Involvement Program Task Force member, is working with the City of Santa Clarita, Greater Los Angeles County, and the Watersheds Coalition of Ventura County (WCVC) to review communication tools/messages developed by a consultant designed to reach out to disadvantaged communities. In July 2019, staff provided comments on outreach materials and continues to be engaged.

Staff has initiated discussions with other agencies which would support SCV Water playing a greater role in the stewardship of the Santa Clara River and its Watershed (River System) with the objectives of:

- 1) Ensuring the sustainability and reliability of the Santa Clarita Valley's water resources as they relate to the River System; and
- 2) Preserving and enhancing the environmental, aesthetic and recreational values of the River System.

On October 2, 2018, the Board authorized the General Manager to execute a Memorandum of Understanding with United Water Conservation District (UWCD) to facilitate cooperative watershed planning. Staff has scheduled monthly meetings to discuss partnership opportunities and has initiated discussions with UWCD regarding coordinating future delivery of SWP water to recharge groundwater in the Upper Santa Clara River and Piru groundwater basins. UWCD staff has initiated a planning study to investigate regional water management opportunities in Ventura County and in the Santa Clara River Watershed, including coordination with SCV Water.

Additionally, SCV Water staff are engaging with members of Ventura County's Invasive Weed Task Force. At the May 7, 2019 Invasive Weed Task Force Meeting, SCV Water assisted in facilitating a discussion with the City of Santa Clarita and others regarding packaging a pilot project that would analyze existing LIDAR data and conduct invasive weed removal, taking advantage of potential in kind contributions from others, including the Sierra Club to accomplish the pilot project. Longer term, SCV Water is engaging in group discussions regarding a joint project to facilitate Arundo and Tamarisk

removal in the upper and lower watersheds. SCV Water is evaluating an option to pursue Proposition 1 IRWM Grant funding for development of a revised map showing invasive weeds and has begun discussions with a representative of the Santa Clara River Conservancy to review options for more consistent funding for invasive weed removal.

Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA)

On June 10, 2019, the SCV-GSA Board met, below are some of the highlights:

- 1) Following the 45-day public review, the Board adopted its Conflict of Interest Code.
- 2) The Board adopted the FY 2019/20 Budget.
- 3) The Board approved a plan to develop a Stakeholder Advisory Committee.

In May 2019, the State released Draft Proposition 68 Sustainable Groundwater Management Grant Program Guidelines and its Round 3 Proposal Solicitation Package. SCV Water is reviewing the documents to gauge eligibility for additional grant funding.

Staff has initiated design of an outreach effort to engage stakeholders in the Stakeholder Advisory Committee selection process.

The next regularly scheduled SCV-GSA Board meeting is October 7, 2019. Topics for the meeting are anticipated to include adoption of a resolution recognizing the development and role of the Stakeholder Advisory Committee, and formally seating the Committee.

Annexations

Consistent with the Tesoro Annexation Agreement, staff has initiated preparation of a draft LAFCO annexation application. At the August 6, 2019 regular Board meeting, staff will seek approval to submit the Tesoro Del Valle LAFCO annexation application.

SCV Water's Board of Directors received a letter on January 16, 2019 from the Tapia Ranch property owner requesting modification of payment terms under the existing Deposit and Funding Agreement. As directed by the Board, staff drafted an amendment to the Tapia Ranch Deposit and Funding Agreement which was executed on May 21, 2019. Associated payments have been received.

LEGISLATIVE/GOVERNMENT AFFAIRS

- Staff is updating contracts with expanded and more detailed scopes of work for the local and state legislative advocates. The federal advocacy contract is pending consideration of the Board at the August 6, 2019 regular meeting.
- Staff continued to monitor and take action as appropriate on various issues and legislation.

UPCOMING/RECENT SPONSORSHIPS

- SCV Chamber Patriot Lunch – July 11, 2019
- Urban Water Institute – August 14-16, 2019 – Marketing sponsor

- CSDA Annual Conference – September 25-28, 2019 – Morning coffee station and program ad
- ACWA Fall Conference – December 2-6, 2019 – Wednesday opening breakfast

OUTREACH

Key Accomplishments/Activities

- Facilitated PFAS presentation to the Canyon Country Advisory Council.
- Implemented quarterly All-Staff Meeting on July 9, 2019.
- Staff published a webpage for all information related to PFAS. <https://yourscvwater.com/pfas/>.
- Staff distributed the June 2019 edition of *The Pipeline* employee newsletter.
- Staff assisted with updating SCV Water letterhead to reflect various locations and workgroups.

Social/Digital Media

Staff continues to share water news, conservation tips, featured plants and job openings on our social media and e-news channels.

Outlet	Description	Notable Activity	Audience
Facebook	Social media		385 likes 413 follows
Instagram			993
Twitter		@SCV_water	880
Website	yourSCVwater.org	Total users in May 2019	13,440
Water Currents	Customer e-newsletter	July 2019: 32% open rate (23.6% industry standard)	19,600
Garden Classes	E-news blast	July 2019: 26% open; 3% click through	17,149

Public Education

2019

Activity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Calendar Year To Date
Education													
Students	882	1,023	1,108	1,047	2,072	1,065	*	*	*	*	*	*	7,197
Teachers	67	85	113	70	335	29	*	*	*	*	*	*	452
Garden Classes													
Evening	35	48	31	4	32	19	*	*	*	*	*	*	169
Saturday	60	52	25	18	18	25	*	*	*	*	*	*	198

* Data not yet available

- As part of our ad buy and partnerships, *The Signal*, *SCVTV* and *KHTS* continue to share garden classes and other content on social media and in email blasts.

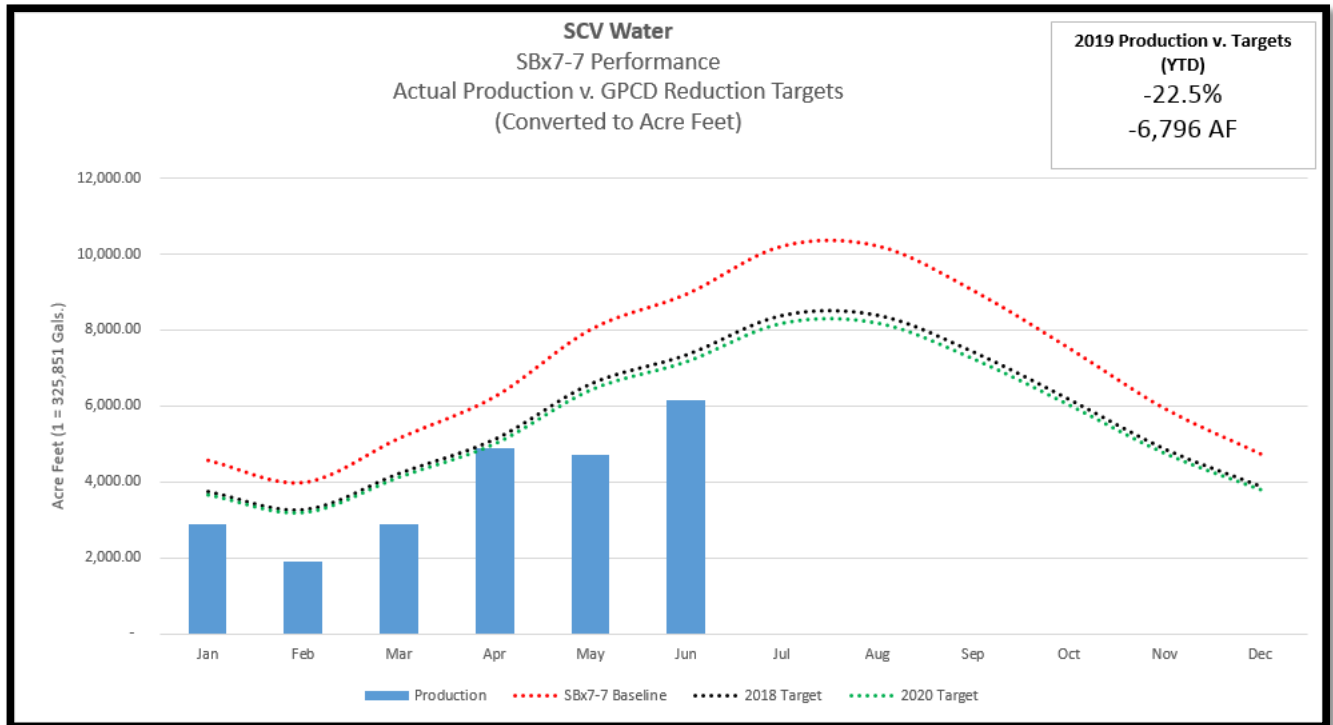
Significant Upcoming Items

- Staff is working with a consultant to develop a strategic communications plan to address PFAS. The plan will identify potential audiences, key messages and tools to communicate with each stakeholder group.
- Staff is conducting preliminary research and planning for a new Water Summit event for 2020.
- Staff is convening the Blue Ribbon Committee on August 7, 2019 for a PFAS presentation.
- Staff is coordinating the next employee “Lunch and Learn” for August 8, 2019.

CONSERVATION

Key Accomplishments/Activities

Monthly Conservation Performance compared to SCV Water’s SBx7-7 20% Reduction in GPCD by 2020



Conservation developed the SBx7-7 Performance chart (above) to provide an overview of the Agency’s water use efficiency efforts relative to its 2020 goals. On the SBx7-7 Chart, the red dotted line notes expected water production using 2019’s population and the baseline consumption of 272 GPCD. The black dotted line notes our production targets for 2019, the green dotted line notes our 2020 target, and the bars depict actual monthly production. For June 2019, SCV Water customers decreased water consumption compared to SBx7-7 target for the month and year to date by 1,179 AF, with a year to date decrease of 6,796 AF. SCV Water’s production is currently well below the monthly SBx7-7 goals for 2019 (black dotted line).

Monthly Conservation Performance reported to the State Water Resources Control Board (SWRCB)

2019 Monthly Reduction in Percent (Compared to 2013 Drought Baseline)

Division	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Newhall	-27.8%	-40.8%	-43%	-17.8%	-34.7%	-21.7%							-29.7%
Santa Clarita	-21.9%	-41.5%	-38.3%	-13.8%	-31.8%	-19.4%							-26.6%
Valencia	-18.6%	-46.0%	-36.8%	-9.5%	-27.6%	-17.3%							-24.2%
Total (SCVWA)	-21.5%	-43.3%	-38.3%	-12.5%	-30.3%	-18.8%							-26.0%

Note: Monthly percentages compared to 2013 baseline month and year (LAC#36 does not provide SWRCB monthly production/conservation data).

For June 2019, SCV Water customers decreased water consumption compared to June 2013 by ~464 million gallons of water, with a year to date decrease of ~2.704 billion gallons.

Conservation Programmatic Performance

Program	Description	Notable Activity	Notes
Residential Water Check-Ups	The program includes, but is not limited to, home water use efficiency consultations, leak detection services, and a comprehensive irrigation system inspection.	40 Residential Check-Ups	High Consumption Letters (HCLs) provide a major source of marketing for the program. Since the program was reactivated in January 2019, staff has mailed 811 letters to customers.
Water Efficiency Works Program	The Water Efficiency Works Program (WEW) provides services to Commercial, Industrial, and Institutional (CII) customers. Programs include incentives and rebates for water efficiency upgrades, onsite inspections and education and training.	2 Multi-Family Residential Apartment Complexes – 756 Ultra-High Efficiency Toilet Rebates and 1 Hotel 128 High Efficiency Toilet Rebates	Two multi-family sites (760 units) currently conducting toilet retrofits from 3.5 & 1.6 gallon per flush to 1.28 & =<1.0 gallon per flush.
Leak Alert Notifications	Customers with continuous flows recorded on their water meters are contacted for conservation education and guidance.	0 Leak Alert Notifications Sent	Conservation staff will be expanding this program to Santa Clarita and Newhall locations in 2019.
Residential Water Efficiency Kits	Water Efficiency Kits include 1 showerhead, 3 faucet aerators, 2 hose nozzles, 1 toilet flapper, 2 toilet leak detection dye tabs, 1 flow measuring bag, and instructions.	31 Kits	

HELP Rebates (Healthy and Efficient Landscape Programs)	The HELP Program provides rebates and irrigation device distribution for customers seeking to improve overall operation of their irrigation system.	1 Residential (Pressure Regulating Bodies)	Staff is currently working with several HOA's and Landscape Contractors to process Drip, Pressure Regulation, and High-Efficiency Nozzle rebates.
WaterSMART Garden	VWD's WaterSMART Garden provides customers with access to low water using plants, HE irrigation technologies, etc.	8 Customer Visits	
Residential Lawn Replacement Program	Customers receive a rebate of \$2.00/sf for turf that is removed and converted to low water using plants.	0 Completed Projects (0 sf)	Staff is currently evaluating options for program and process improvement.
Residential Smart Controller Rebates	Customers can choose a WaterSense Certified Smart Controller that best suits their needs and proficiency capabilities.	16 Smart Controller Rebates (79 Stations)	
Residential Pool Cover Rebates	Customers can receive up to \$200 towards the purchase of a pool cover to help conserve water, energy and chemical costs.	2 Pool Cover Rebates	The EPA's WaterSense program recently published a NOI to include certification and labeling protocols for specific cover types.
Large Landscape Lawn Replacement Program	Customers receive a rebate of \$2.00/sf for turf that is removed and converted to low water using plants.	2 Complete Project (29,052 sf)	
Large Landscape Smart Controller Rebate Program	Customers receive \$25 per active irrigation station when updated to a weather based controller.	0 Complete Project (0 stations)	
Large Landscape Irrigation System Inspection	Customers can receive a free irrigation audit to identify practices and technologies needed to improve irrigation efficiency.		

Water Savings Opportunities	AKA - Water Waste complaints include prohibited measures (SWRCB).	5 WASOPS, 30 Customer VCalls	SWRCB is currently working on the next phase of regulation including permanent prohibited water waste measures to leverage existing tools and processes. Staff has rebranded the water waste complaints to Water Savings Opportunities (WASOPS).
How to Conserve Water at Home Video Series	Videos (conserve.yourscvwater.com) include how to conduct a home leak check, how to find and fix toilet leaks, and how to inspect your irrigation system.	22 Video Views	

Significant Upcoming Items

Staff processed 756 Ultra-High Efficiency Toilet (UHET) rebates for 2 multi-family residential complexes (Total = \$67,300 + 91,800). The UHETs have an estimated lifecycle water savings of ~250,000 gallons per unit (compared to the 3.5 gallon per flush units in plant), with total estimated lifecycle water savings estimated at ~189,000,000 gallons for this phase of the project.

Conservation staff, in collaboration with Engineering staff, met with an homeowner’s association board to review and discuss its recycled water conversion project anticipated in Recycled Water Phase 2B. The pilot program, currently referred to as ‘Purple PREP’ (Planning, Readiness, and Effectuating Program) is designed to assist irrigation customers as they navigate the various processes associated with converting from potable to recycled water sources. Incorporating customer feedback, staff will develop and propose a comprehensive program critical to addressing customer concerns and conversion requirements.

Staff is in the final phases of updating the WaterSMART Workshop, an interactive online training tool which customers can access from home to identify water saving opportunities and other improvements. Testing of the online training tool is underway and staff anticipates the program will “go live” in August/September 2019.

Staff is currently evaluating cost estimates for demolition, irrigation infrastructure improvements, design, and refurbishment of the Conservatory Garden.

Staff is currently working with City of Santa Clarita parks and library staff to identify locations for the water efficient pocket parks pilot project.

Staff is developing SCV Water’s Water Shortage Contingency Plan (previously Ordinance No. 44). Staff continues to monitor updates to the SWRCB’s Regulation Rulemaking on Waste and Unreasonable Water Uses. As of July 2019, the regulation remains "In Progress."

**ITEM NO.
11.5**

**Engineering and Operations Committee
Planning Calendar
FY 2019/20**

	Item	PowerPoint Presentation (Y/N/Length)	Jul 11 Comm	Aug 1 Comm	Aug 6 Board	Sep 3 Board	Sep 5 Comm	Oct 1 Board	Oct 3 Comm	Nov 5 Board	Nov 7 Comm	Dec 3 Board	Dec 5 Comm	Jan 2 Comm	Jan 7 Board	Feb 4 Board	Feb 6 Comm	Mar 3 Board	Mar 5 Comm	Apr 2 Comm	Apr 7 Board	May 5 Board	May 7 Comm	Jun 2 Board	Jun 4 Comm	Jul 7 Board
1	Monthly Committee Planning Calendar	None	C	P																						
2	CIP Construction Status Report	None	C	P			P																			
3	Monthly Operations and Production Report	None	C	P			P																			
4	Third Party Funded Agreements Quarterly Report	None																								
5	Quarterly Safety Program Presentation	Yes 15 min																								
6	Annual Safety Program Update (FY 18-19)	Yes 15 min				P																				
7	Recommend Approval of New Golden Triangle Modular Lease	None	C		P																					
8	Recommend Approval of Purchase for a Backhoe Replacement - Unit 15	None					P																			
9	Recommend Approval of Resolution Awarding Construction Contract to TBD for West Ranch Recycled Water Main Extension (Phase 2D) Project	TBD							P	P																
10	Recommend Approval of Construction Contract Funding and a Work Authorization for Replacement Wells Commerce Center Drive Pipeline	TBD							P	P																
11	Recommend Approval of Construction Contract Funding and a Work Authorization for Inspection Services for Magic Mountain Pipeline No. 6A	TBD							P	P																
12	Recommend Approval of a Work Authorization for Final Design of the Replacement Wells On-Site Pipeline/Infrastructure	TBD							P	P																
13	Recommend Approval of Resolution Awarding Construction Contract for Recycled Water Vista Canyon (Phase 2B) Pipelines	TBD								P	P															
14	Recommend Approval of Resolution Awarding Construction Contract for ESFP Wastewater Return and Sludge Systems Project	TBD								P	P															
15	Recommend Approval of Resolution Awarding Contract to TBD for Newhall Tank 2 Recoat and Repairs	None									P	P														
16	Recommend Approval of Resolution Awarding Construction Contract to TBD for Recycled Water Vista Canyon (Phase 2B) Tank	TBD											P	P												
17	Recommend Approval of Resolution Awarding Contract to TBD for SC12 Facility Construction	None												P	P											

**Engineering and Operations Committee
Planning Calendar
FY 2019/20**

	PowerPoint Presentation (Y/N/Length)	Jul 11 Comm	Aug 1 Comm	Aug 6 Board	Sep 3 Board	Sep 5 Comm	Oct 1 Board	Oct 3 Comm	Nov 5 Board	Nov 7 Comm	Dec 3 Board	Dec 5 Comm	Jan 2 Comm	Jan 7 Board	Feb 4 Board	Feb 6 Comm	Mar 3 Board	Mar 5 Comm	Apr 2 Comm	Apr 7 Board	May 5 Board	May 7 Comm	Jun 2 Board	Jun 4 Comm	Jul 7 Board	
18	Recommend Approval of Resolution Authorizing SCV Water to Execute Consolidation and Water Service Agreement with State Water Resources Control Board and Los Angeles Residential Community											P		P												
19	Recommend Approval of Resolution Awarding Construction Contract for Pipeline to the Los Angeles Residential Community												P		P											
20	Recommend Approval of Construction Contract Funding and a Work Authorization for Replacement Wells Construction												P		P											
21	Recommend Approval of a Work Authorization for Final Design of the Magic Mountain Reservoir												P		P											
22	Recommend Approval of Resolution Awarding Construction Contract for Rainbow Glen Drive Pipeline															P	P									
23	Review FY 2020/21 Major Capital Projects																		P							
24	Recommend Approval of a Work Authorization for Final Design of the Groundwater Treatment Improvements																		P							
25	Recommend Approval of Construction of a New Deane Zone Pump Station and Cost Sharing Agreement with Developer																		P							
26	Recommend Approval of Construction of Two New 2.5 MG Deane Tank and Cost Sharing Agreement with Developer																		P							
27	Recommend Approval of Work Authorization for Groundwater Modeling Services for Perchlorate Containment Evaluation																		P							

**Finance and Administration Committee
Planning Calendar
FY 2019/20**

Item	Item	Author	PowerPoint Presentation (Y/N/Length)	July 2 Board	July 15 Comm	July 17 SPECIAL	Aug 6 Board	Aug 19 Comm	Sept 3 Board	Sept 16 Comm	Oct 1 Board	Oct 21 Comm	Nov 5 Board	Nov 18 Comm	Dec 3 Board	Dec 16 Comm	Jan 7 Board	Jan 13 SPECIAL	Feb 4 Board	Feb 10 SPECIAL	Mar 3 Board	Mar 16 Comm	April 7 Board	April 20 Comm	May 5 Board	May 18 Comm	June 2 Board	June 15 Comm
1	Monthly Planning Calendar	Author	None																									
2	Recommend Approval of Resolution Authorizing 2019/20 Water Supply Contract Payment (consent)	RP	None	C																								
3	Recommend Approval of Resolutions Setting Santa Clarita Valley Water Agency Tax Rate for FY 2019/20 and Requesting Levy of Tax by Los Angeles County and Ventura County	RP	None	C																								
4	Recommend Approval of a Resolution Amending the Agency's Letter of Credit Reimbursement Agreement with Wells Fargo Bank	EC	None	C																								
5	Recommend Receiving and Filing of March 2019 Monthly Financial Report (consent)	RP	None	C																								
6	Recommend Receiving and Filing of April 2019 Monthly Financial Report (consent)	RP	None	C																								
7	Interview Ratepayer Advocate Candidates and Recommend Approval of a Resolution to Enter into a Contract with Final Selection of Ratepayer Advocate	RP	None			C																						
8	Recommend Approval of a Resolution to Enter into a Contract for Ratepayer Advocate	RP	None				P																					
9	Recommend Approval of a Resolution Amending the FY 2019/20 Budget	RP						P																				
10	Recommend Approval of a Resolution Authorizing FY 2019/20 Water Supply Contract Payments (consent)	RP	None					P																				
11	Recommend Approval of a Revised Purchasing Policy	RP	None					P																				
12	Discuss Audio Visual Options for Board Meetings	CP	Yes - 15 min					P																				
13	Quarterly Review of Financial Forecast	EC	Yes - 15 min					P																				
14	Recommend Receiving and Filing of May 2019 Monthly Financial Report (consent)	RP	None					P																				
15	Recommend Receiving and Filing of June 2019 Monthly Financial Report (consent)	RP	None					P																				
16	Project Update for Financial Management and Information System (FMIS)	RP	None						P																			
17	Discussion of Updated Facility Capacity Fee (FCF) Study	EC	None						P																			
18	Recommend Adopting a Policy for Community Facility Districts (CFDs)	EC	None						P																			
19	Recommend Approval of a Resolution to Enter into an Enterprise License Agreement with ESRI	CP	None						P																			
20	Recommend Receiving and Filing of July 2019 Monthly Financial Report (consent)	RP	None						P																			
21	Recommend Approval of a Customer Service Policy	RP	None										P															
22	Recommend Approval of Revised Reserve Policy	RP	None										P															
23	Review Strategic Plan Performance Metrics	EC	Yes - 15 min										P															

**Finance and Administration Committee
Planning Calendar
FY 2019/20**

	Item	Author	PowerPoint Presentation (Y/N/Length)	July 2 Board	July 15 Comm	July 17 SPECIAL	Aug 6 Board	Aug 19 Comm	Sept 3 Board	Sept 16 Comm	Oct 1 Board	Oct 21 Comm	Nov 5 Board	Nov 18 Comm	Dec 3 Board	Dec 16 Comm	Jan 7 Board	Jan 13 SPECIAL	Feb 4 Board	Feb 10 SPECIAL	Mar 3 Board	Mar 16 Comm	April 7 Board	April 20 Comm	May 5 Board	May 18 Comm	June 2 Board	June 15 Comm
24	Recommend Receiving and Filing of August 2019 Monthly Financial Report (consent)	RP	None																									
25	Quarterly Review of Financial Forecast	EC	Yes - 15 min																									
26	Recommend Approval of Updated Facility Capacity Fee (FCF) Rates	EC	None																									
27	Recommend Receiving and Filing of SCV Water June 30, 2019 Financial Statement (consent)	RP	None																									
28	Recommend Receiving and Filing of September 2019 Monthly Financial Report (consent)	RP	None																									
29	Recommend Receiving and Filing of October 2019 Monthly Financial Report (consent)	RP	None																									
30	Recommend Approval of a Contract with (Enter Company Here) for Finance and Accounting Software	RP	None																									
31	Recommend Approval of a Resolution Approving a Preliminary Official Statement and Authorizing Certain Other Documents and Actions in Connection with the Issuance of the Series 2019A Revenue Bonds	EC	None																									
32	Recommend Approval of Re-Adoption of Investment Policy (consent)	RP	None																									
33	Quarterly Review of Financial Forecast	EC	Yes - 15 min																									
34	Status of State Water Contract Fund (every Feb)	RP	None																									
35	Recommend Approval of New Employee Classification Plan	RP	None																									
36	Recommend Receiving and Filing of November 2019 Monthly Financial Report (consent)	RP	None																									
37	Review Annual List of Professional Services Contracts (consent)	RP	None																									
38	Review FY 2020/21 and FY 2021/22 Budget Status	RP	Yes - 30 min																									
39	Recommend Receiving and Filing of December 2019 Monthly Financial Report (consent)	RP	None																									
40	Recommend Receiving and Filing of January 2020 Monthly Financial Report (consent)	RP	None																									
41	Recommend Receiving and Filing of SCV Water June 30, 2019 Financial Statement (consent)	RP	None																									
42	Recommend Receiving and Filing of FY 2019/20 Midyear Budget Report (consent)	RP	None																									
43	Recommend Approval of a Proposed Employee Salary Adjustment for FY 2020/21	RP	None																									
44	Recommend Approval of a Resolution Adopting the FY 2020/21 and FY 2021/22 Budget	RP	Yes - 30 min																									
45	Approve a Resolution Adopting the Appropriation of All As-Yet Unappropriated Funds for FY 2019/20 (consent)	RP	None																									
46	Recommend Receiving and Filing of February 2020 Monthly Financial Report (consent)	RP	None																									
47	Approve a Resolution Adopting the Appropriation Limit for FY 2020/21 (consent)	RP	None																									

**Finance and Administration Committee
Planning Calendar
FY 2019/20**

	Item	Author	PowerPoint Presentation (Y/N/Length)	July 2 Board	July 15 Comm	July 17 SPECIAL	Aug 6 Board	Aug 19 Comm	Sept 3 Board	Sept 16 Comm	Oct 1 Board	Oct 21 Comm	Nov 5 Board	Nov 18 Comm	Dec 3 Board	Dec 16 Comm	Jan 7 Board	Jan 13 SPECIAL	Feb 4 Board	Feb 10 SPECIAL	Mar 3 Board	Mar 16 Comm	April 7 Board	April 20 Comm	May 5 Board	May 18 Comm	June 2 Board	June 15 Comm	
48	Quarterly Review of Financial Forecast	EC	Yes - 15 min																										
49	Discuss Wholesale Cost-of-Service and Rate Design	EC	Yes - 15 min																										
50	Discuss Retail Cost-of-Service and Rate Design	EC	Yes - 15 min																										
51	Recommend Receiving and Filing of March 2020 Monthly Financial Report (consent)	RP	None																										
52	Recommend Approval of Resolutions Setting Santa Clarita Valley Water Agency Tax Rate for FY 2020/21 and Requesting Levy of Tax by Los Angeles County and Ventura County	RP	None																										
53	Recommend Approval of Resolution Authorizing July 2020 Water Supply Contract Payment	RP	None																										
54	Continue Discussion of Wholesale Cost-of-Service and Rate Design	EC	Yes - 15 min																										
55	Continue Discussion of Retail Cost-of-Service and Rate Design	EC	Yes - 15 min																										
56	Recommend Receiving and Filing of April 2020 Monthly Financial Report (consent)	RP	None																										

[This page intentionally left blank.]



**PUBLIC OUTREACH AND LEGISLATION COMMITTEE
AGENDA PLANNING CALENDAR 2019**

January 17, 2019 Committee

1. Legislative Consultant Reports
2. Discussion of Legislative Advocacy Request for Proposals
3. Consideration of Sponsorship for Maven's Notebook
4. Informational: Monthly Outreach Matrix
5. Informational: Legislative Tracking
6. Informational: Sponsorship Tracking FY 2018/19
7. Informational: Public Outreach Event Calendar 2019
8. Informational: Committee Planning Calendar 2019

February 5, 2019 Board Meeting

February 19, 2019 Board Meeting - CANCELLED

February 21, 2019 Committee

1. Legislative Consultant Reports
2. Discussion of Legislative Advocacy Request for Proposals
3. Recommend Approval of a Media Policy
4. Discussion of Agency's Role in Stewardship of Santa Clara River
5. Other Staff Activity: Blue Ribbon Committee
6. Informational: Monthly Outreach Matrix
7. Informational: Legislative Tracking
8. Informational: Sponsorship Tracking FY 2018/19
9. Informational: Public Outreach Event Calendar 2019
10. Informational: Committee Planning Calendar 2019

March 5, 2019 Board Meeting

March 19, 2019 Board Meeting - CANCELLED

March 21, 2019 Committee

1. Legislative Consultant Reports
2. Discussion of Public Outreach/Legislative FY 2019/20
3. Informational: Monthly Outreach Matrix
4. Informational: Legislative Tracking
5. Informational: Sponsorship Tracking FY 2018/19
6. Informational: Public Outreach Event Calendar 2019
7. Informational: Committee Planning Calendar 2019

April 2, 2019 Board Meeting

1. Recommend Approval of Agency Media Policy
2. Resolution to Adopt Santa Clara River Stewardship

April 18, 2019 Committee

1. Legislative Consultant Reports
2. Presentation: 2019 Customer Satisfaction and Awareness Survey
3. Informational: Monthly Outreach Matrix
4. Informational: Legislative Tracking
5. Informational: Sponsorship Tracking FY 2018/19
6. Informational: Public Outreach Event Calendar 2019
7. Informational: Committee Planning Calendar 2019



PUBLIC OUTREACH AND LEGISLATION COMMITTEE AGENDA PLANNING CALENDAR 2019

May 16, 2019 Committee

1. Interviews of Federal Legislative Advocate Firms

June 4, 2019 Board Meeting

1. Presentation 2019 Customer Satisfaction and Awareness Survey

June 20, 2019 Committee

1. Legislative Consultant Reports
2. Discussion: Federal Legislative Advocacy Selection
3. Public Outreach Activities: Blue Ribbon Committee
4. Public Information Officer Activities:
 - Monthly Outreach Matrix
 - Legislative Tracking
 - Sponsorship Tracking FY 2019/20
 - Public Outreach Event Calendar 2019
 - Committee Planning Calendar 2019

July 18, 2019 Committee

1. Legislative Consultant Reports
2. Discussion: Blue Ribbon Committee Membership
3. Public Outreach Activities: PFAS
4. Public Information Officer Activities:
 - Monthly Outreach Matrix
 - Legislative Tracking
 - Sponsorship Tracking FY 2019/20
 - Public Outreach Event Calendar 2019
 - Committee Planning Calendar 2019

August 20, 2019 Board Meeting

1. Federal Legislative Advocacy Selection

August 22, 2019 Committee

1. Legislative Consultant Reports
2. Discussion: Blue Ribbon Committee
3. Discussion: Sponsorship Policy
4. Public Information Officer Activities:
 - Monthly Outreach Matrix
 - Legislative Tracking
 - Sponsorship Tracking FY 2019/20
 - Public Outreach Event Calendar 2019
 - Committee Planning Calendar 2019

September 19, 2019 Committee

1. Legislative Consultant Reports
2. Discussion: Social Media Plan
3. Public Information Officer Activities:
 - Monthly Outreach Matrix
 - Legislative Tracking
 - Sponsorship Tracking FY 2019/20
 - Public Outreach Event Calendar 2019



PUBLIC OUTREACH AND LEGISLATION COMMITTEE AGENDA PLANNING CALENDAR 2019

- Committee Planning Calendar 2019

October 17, 2019 Committee

1. Legislative Consultant Reports
2. Public Information Officer Activities:
 - Monthly Outreach Matrix
 - Legislative Tracking
 - Sponsorship Tracking FY 2019/20
 - Public Outreach Event Calendar 2019
 - Committee Planning Calendar 2019

November 21, 2019 Committee

1. Legislative Consultant Reports
2. 2020 Legislative Platform
3. Public Information Officer Activities:
 - Monthly Outreach Matrix
 - Legislative Tracking
 - Sponsorship Tracking FY 2019/20
 - Public Outreach Event Calendar 2019
 - Committee Planning Calendar 2019/20

December 19, 2019 Committee

1. Legislative Consultant Reports
2. Public Information Officer Activities:
 - Monthly Outreach Matrix
 - Legislative Tracking
 - Sponsorship Tracking FY 2019/20
 - Public Outreach Event Calendar 2019
 - Committee Planning Calendar 2019/20

[This page intentionally left blank.]

**Santa Clarita Valley Water Agency
Water Resources & Watershed Committee and Board Calendar**

FY 2019/20

Item	Jul 2 Board	Jul 10 Comm	Aug 6 Board	Aug 14 Comm	Aug 20 Board	Sep 3 Board	Sep 11 Comm	Oct 1 Board	Oct 9 Comm	Nov 5 Board	Nov 13 Comm	Dec 3 Board <i>To Be Cancelled</i>	Dec 11 Comm	Dec 17 Board	Jan 7 Board	Jan 8 Comm	Feb 4 Board	Feb 12 Comm	Mar 3 Board	Mar 11 Comm	Apr 7 Board	Apr 8 Comm	May 5 Board <i>To Be Cancelled</i>	May 13 Comm	Jun 2 Board	Jun 10 Comm	
1 Update on Conservation Activities & Performance		C		P			P		P							P											
2 Update on Conservatory Garden & Pocket Park Pilot Projects		C				P																					
3 Update on Conservation Strategies																											
4 Devil's Den Semi-Annual Report		C														P											
5 Status of Water Supply and Water Banking Programs		C					P													P							
6 Status of Sustainable Groundwater Management Act Implementation				P							P							P									
7 Status of Recycled Water Program																											
8 Status of Sites Reservoir Project																											
9 Status of Efforts Relating to Groundwater Spreading Pilot Program																											
10 Status of Water Supplies																											
11 Update on Integrated Regional Water Management Plan Activities		C											P														
12 Status of Integrated Regional Water Management Plan Update													P														
13 Status of Upper Santa Clara River Salt and Nutrient Management Plan		C											P														
14 Status of Rosedale Rio-Bravo Water Storage District Banking and Exchange Program Extraction Facilities		C																									
15 Status of Devil's Den Solar Generation Facilities																											
16 Recommend Approval of a Resolution of Application by SCVWA Requesting Los Angeles LAFCO Initiate Proceedings For Annexation of Tesoro Del Valle, Making Responsible Agency Findings Pursuant to CEQA and Approving the Project in SCVWA's Limited Role as Responsible Agency		C	P																								
17 CLOSED SESSION: Water Transfer/Exchange				P																							

**Santa Clarita Valley Water Agency
Water Resources & Watershed Committee and Board Calendar**

FY 2019/20

Item	Jul 2 Board	Jul 10 Comm	Aug 6 Board	Aug 14 Comm	Aug 20 Board	Sep 3 Board	Sep 11 Comm	Oct 1 Board	Oct 9 Comm	Nov 5 Board	Nov 13 Comm	Dec 3 Board <i>To Be Cancelled</i>	Dec 11 Comm	Dec 17 Board	Jan 7 Board	Jan 8 Comm	Feb 4 Board	Feb 12 Comm	Mar 3 Board	Mar 11 Comm	Apr 7 Board	Apr 8 Comm	May 5 Board <i>To Be Cancelled</i>	May 13 Comm	Jun 2 Board	Jun 10 Comm	
18					P																						
19									P	P																	
20									P	P																	
21							P	P			P			P													
22													P														

P = Planned
 C = Completed
 CNL = Cancelled
 CNT = Continued Item

SD County Water Resilience Portfolio: Multi-Benefit Solutions for the Southwest

I had the pleasure of attending the above event in Carlsbad on Friday, July 19, 2019. My primary interest was to observe solutions employed by other nearby counties to water supply diversification and reliability. In particular I was interested in how they walked the line between cost and reliability. The primary take away was that extreme reliability can be attained, but at cost prohibitive price levels.

A. Sources of Supply – A picture of rapid change

San Diego county has a diverse and changing supply portfolio managed by the San Diego County Water Authority. Major sources of supply (as a percent of total supply) are summarized below for 2018, and also as projected for 2020.

	2018	2020
Metropolitan Water District	32	11
Imperial Irrigation District (CO River)	22	35
Canal Lining Transfer	15	15
Seawater Desalination	8	10
Recycled Water	5	8
San Luis Rey Water Transfer	4	3
Groundwater	5	6
Local Surface Water	9	10

Conclusion of long running litigation with Metropolitan appears to be imminent with a vast reduction in water purchased there. A corresponding increase in water to replace it will be coming from Imperial Irrigation District (Colorado River water). Perhaps Metropolitan will be in a selling mood?

B. Conservation Efforts - More message than effect

A residential water barrel water collection project was acknowledged as having less to do with direct water savings and much more to do with underscoring a conservation message. The cost of this program was not immediately available.

C. Desalination Picture – Reliable but EXPENSIVE

Desalination was described as both the most reliable and most expensive element of the water supply portfolio. It cost over \$1,000,000,000 to build the Claude "Bud" Lewis Carlsbad Desalination Plant. 2016 was its first full year of operation. It is the largest desalination plant in the western hemisphere. Even at that size and scope, it supplies less than 1/10 of the San Diego County Water Authority's water.



I very much appreciated being afforded the opportunity to attend, and would be happy to answer any questions the Board may have.

Daniel R. Mortensen

Director AB 1234 Report
August 6, 2019

ITEM NO. 13.2

Director name: Gary Martin
Meeting attended: KnowBe4 Cybersecurity Training
Date of meeting: July 22, 2019
Location: Online
SCV Water Board meeting to be presented at: August 6, 2019

I completed the 45-minute Kevin Mitnick Security Awareness Training Module, as presented by KnowBe4.com and as requested by SCVWA Staff.

I found the training to be very enlightening and informative, but at the same time very alarming as to what is going on in cyberspace these days. I appreciate that SCVWA is taking this matter very seriously and is requesting that all directors participate in the online training.

[This page intentionally left blank.]

Director name: Gary Martin
Meeting attended: VIA Luncheon Meeting, State of the State
Date of meeting: July 23, 2019
Location: Hyatt Regency Valencia
SCV Water Board meeting to be presented at: August 6, 2019

The program for the July 23, 2019 Valley Industrial Association (VIA) General Luncheon Meeting was "State of the State," with presentations from Scott Wilk, California State Senator, 21st District, and Christy Smith, Assemblywoman, 38th Assembly District. The moderator for the program was Mr. Ed Masterson.

Points of Interest:

Assemblywoman Smith's points of focus in her presentation:

1. Investments in Education
2. Emergency management preparedness
3. Transportation improvements
4. Housing and homelessness
5. Other investments, such as \$130 million for clean water
6. Local projects

Senator Wilk's points of focus in his presentation:

1. Changes under the new governor
2. Free market comparison of how the State is doing; truck rental costs indicate more people are moving out of California than are moving into California.
3. Is California heading for a financial cliff being overly dependent on income tax revenue?
4. Suggested moving to a 2-year budget; budget during first legislative year and policy in second year.
5. Pointed out that 150,000 people in California produce 47% of the revenue.
6. The public employee pension "time bomb."

Questions submitted by the audience and responded to by both speakers:

1. Single payer health care
2. Transportation improvements
3. Homelessness problem
4. Foster child program
5. Safety in schools funding
6. Disability community challenges
7. Immigrant detention camps and children separated from parents
8. What legislation is in the works that will affect small businesses?
9. Where do you plan to be in 5 years>

Senator Wilk: retired

Assemblywoman Smith: State Superintendent of Education

[This page intentionally left blank.]