



SCV
WATER



SCV WATER AGENCY TELECONFERENCE REGULAR BOARD MEETING

TUESDAY, JUNE 15, 2021
START TIME: 6:30 PM (PST)

Join the Board meeting from your
computer, tablet or smartphone:
<https://scvwa.zoomgov.com/j/1600093777>

-OR-

Listen in Toll Free by Phone
+1-(833)-568-8864
Webinar ID: 160 009 3777

To participate in public comment from your computer, tablet, or smartphone:

When the Board President announces the agenda item you wish to speak on, click the **“raise hand” feature in Zoom***. You will be notified when it is your turn to speak.

To participate in public comment via phone:

When the Board President announces the agenda item you wish to speak on, **dial *9 to raise your hand**. Phone participants will be called on by the **LAST TWO digits** of their phone number. **When it is your turn to speak, dial *6 to unmute**. When you are finished with your public comment dial ***6 to mute**.

Can't attend? If you wish to still have your comments/concerns addressed by the Board of Directors, all written public comments can be submitted by 4:30 PM the day of the meeting by either e-mail or mail.** Please send all written comments to the Board Secretary. Refer to the Board Agenda for more information.

*For more information on how to use Zoom go to support.zoom.us or for “raise hand” feature instructions, visit <https://support.zoom.us/hc/en-us/articles/205566129-Raise-Hand-In-Webinar>

**All written comments received after 4:30 PM the day of the meeting will be posted to yourscvwater.com the next day. Public comments can also be heard the night of the meeting.

Disclaimer: Pursuant to the Executive Order N-29-20 issued by Governor Newsom, public may not attend meetings in person. Public may use the above methods to attend and participate in the public board meetings.

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**SANTA CLARITA VALLEY WATER AGENCY
REGULAR BOARD MEETING AGENDA**

**SANTA CLARITA VALLEY WATER AGENCY
RIO VISTA WATER TREATMENT PLANT
27234 BOUQUET CANYON ROAD
SANTA CLARITA, CA 91350**

**TELECONFERENCE ONLY
NO PHYSICAL LOCATION FOR MEETING**

TUESDAY, JUNE 15, 2021 AT 6:30 PM

TELECONFERENCING NOTICE

Pursuant to the provisions of Executive Order N-29-20 issued by Governor Gavin Newsom on March 17, 2020, any Director may call into an Agency Board meeting using the Agency's **Call-In Number 1-(833)-568-8864, Webinar ID: 160 009 3777** or **Zoom Webinar by clicking on the link <https://scvwa.zoomgov.com/j/1600093777>** without otherwise complying with the Brown Act's teleconferencing requirements.

Pursuant to the above Executive Order, the public may not attend the meeting in person. Any member of the public may listen to the meeting or make comments to the Board using the call-in number or Zoom Webinar link above. Please see the notice below if you have a disability and require an accommodation in order to participate in the meeting.

We request that the public submit any comments in writing if practicable, which can be sent to ajacobs@scvwa.org or mailed to April Jacobs, Board Secretary, Santa Clarita Valley Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. All written comments received before 4:30 PM the day of the meeting will be distributed to the Board members and posted on the Santa Clarita Valley Water Agency website prior to the start of the meeting. Anything received after 4:30 PM the day of the meeting will be posted on the SCV Water website the following day.

OPEN SESSION BEGINS AT 6:30 PM

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **PUBLIC COMMENTS** – Members of the public wishing to comment on items covered in this Agenda may do so now or at the time each item is considered. Members of the Public that wish to comment on items covered under Item 5 Special Procedures should do so when the items are taken. (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. **SPECIAL PROCEDURES** **PAGE**

5.1	Public Hearing on the Retail Water Rates FY 2022-2026	
5.2 *	Approve a Resolution Establishing Retail Water Rates for FY 2022-2026	7

6. **CONSENT CALENDAR** **PAGE**

6.1 *	Approve Minutes of the May 27, 2021 Santa Clarita Valley Water Agency Special Board of Directors Meeting	17
6.2 *	Approve Minutes of the June 1, 2021 Santa Clarita Valley Water Agency Regular Board of Directors Meeting	19

7. **GENERAL MANAGER'S REPORT ON ACTIVITIES, PROJECTS AND PROGRAMS**

8. **PRESIDENT'S REPORT**

9. **AB 1234 WRITTEN AND VERBAL REPORTS** **PAGE**

9.1 *	May 12-13, 2021 ACWA 2021 Virtual Spring Conference – Director Braunstein	27
9.2	AB 1234 Reports	

10. **DIRECTOR REPORTS**

11. **CLOSED SESSION – SEPARATE DIAL-IN PHONE NUMBER WILL BE PROVIDED TO THE BOARD AND APPROPRIATE STAFF**

11.1 Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9, Claim of Leticia Morales Against Santa Clarita Valley Water Agency, Claim for Personal Injury and Property Damage, Date of Claim May 26, 2021

11.2 Conference with Legal Counsel – Existing Litigation – Paragraph (1) of Subdivision (d) of Government Code Section 54956.9, Santa Clarita Valley Water Agency v. Whittaker Corporation, Case No: 2:18-cv-6825 SB (RAOx)

**OPEN SESSION CONTINUES WITH THE PHONE NUMBER LISTED
ON THE FIRST PAGE OF THIS AGENDA**

12. **CLOSED SESSION ANNOUNCEMENTS**

13. **DIRECTOR REQUESTS FOR APPROVAL FOR EVENT ATTENDANCE**

14. **DIRECTOR REQUESTS FOR FUTURE AGENDA ITEMS**

15. **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 April Jacobs, Secretary to the Board of Directors, at (661) 297-1600, or in 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, CA 91350, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Website, accessible at <http://www.yourscvwater.com>.

Posted on June 9, 2021.

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BOARD MEMORANDUM

DATE: June 7, 2021
TO: Board of Directors
FROM: Eric Campbell *EC*
Chief Financial and Administrative Officer
SUBJECT: Approve a Resolution Establishing Retail Water Rates for FY 2022-2026

SUMMARY

The Santa Clarita Valley Water Agency (“SCV Water” or “Agency”) is committed to providing cost-effective service and reasonably priced water to our customers. Agency staff has conducted a cost-of-service analysis and rate study (Study) that led to the recommendation of a five year rate plan for Fiscal Years 2022 through 2026.

The objectives of this Study were to unify retail water rates in the Santa Clarita Valley where the three previously separate retail water purveyors had different rates; build into retail water rates the new and substantial cost of PFAS extraction from the water supply; provide reasonable levels of funding for pay-as-you-go (“Pay-go”) capital projects and planned financing costs of future debt funded capital projects during the rate plan period; while creating equitable and affordable rates for all customers in the service area that proportionately allocate costs of providing water to each parcel based on the parcel’s cost of service. In addition to these rate changes for potable water, recycled water rates have been updated as well to reflect the cost of service for this product.

The proposed rate changes to the retail water rates will enable:

- Unification of rates charged to all retail customers
- Fund the new and substantial operating cost of PFAS treatment plants
- Maintain the operational and financial stability of the Agency
- Meet and comply with annual debt service requirements; and
- Avoid operational deficits and depletion of reserves

The proposed rate plan covers the period FY 2021/22 through FY 2025/26. In the first year of the rate plan all customers will move to a single set of rates for the variable charge and fixed service charge. A fixed legacy debt charge (“Legacy Debt”) will be included on the bills of the Santa Clarita Water Division (SCWD) and Valencia Water Division (VWD) to comply with terms of Senate Bill 634. SB 634 includes provisions that the indebtedness of each retail division that existed prior to date of forming or date of joining the new agency, including acquisition costs, tax obligations, and debt financing of capital improvement projects, will be borne by the respective retail divisions, and paid for from the revenues of the corresponding retail divisions. The Newhall Water Division (NWD) completed repayment of its legacy debt in 2020, so there is no legacy debt charge for these customers. The first year of the rate plan (FY 2021/22) has no increase on overall revenue for the Agency. In years 2 through 5 of the rate plan periods, rates are proposed

to be raised to collect an additional 6.5% of revenue each year. Customer impact will vary depending on water use, as 71% of Agency revenue will come from the variable charge. The more water a customer uses, the higher their bill will be.

DISCUSSION

UNIFICATION OF RATES

The proposed rate plan accomplishes a goal that was established for the Agency at its inception: to have all customers in the service area pay the same rates. This was not an easy task. The three formerly separate retail water purveyors had their own rate structures. The Newhall Division had the highest rates, followed by the Santa Clarita Division, and the Valencia Division had the lowest. These rate differences were due to a variety of factors including business structure, level of service provided, and strategy and capital planning practices. Proposition 218 legal requirements did not allow for a transition period for lowering the higher rates and raising the lower rates; unification had to occur at once.

REVENUE INCREASES AND USES

In recognition of the rate unification impact on some customers, the Agency elected to not include a revenue increase in the first year of the plan. By not increasing Agency revenues in FY 2021/22, the increases were necessarily higher in years 2 through 5 of the proposed rate plan. The proposed rate plan is expected to support the new operating costs associated with PFAS treatment (\$20.1 million); additional water banking (\$2.2 million); and expected increases in other operating and maintenance expenses, maintaining reserves, and funding on average, \$19.2 million in pay-go capital project work.

RATEPAYER ADVOCATE

As required by SB 634, the Independent Ratepayer Advocate conducted a thorough review of the cost-of-service analysis and various rate design scenarios developed by staff to determine if the proposed rate adjustments are supported by appropriate plans, regulatory requirements, and policy objectives, and that the associated revenue requirements are appropriately allocated among the Agency's customers commensurate with their service requirements while maintaining ratepayer affordability. The Ratepayer Advocate did extensive analysis of the proposed rate plan's impact on customers and concluded that the proposed rates "...reflect the best possible rate design with the lowest overall bill impact."

PROPOSITION 218

The Agency has met the notification requirements of Proposition 218 (California Constitution Article XIIIID section 6, and Government Code Section 53750 et seq.) by mailing a Notice of Public Hearing – "Notice of Proposed Rate Changes" to the recorded owner of all parcels upon which the water service charges are proposed for imposition, and any tenant who is directly responsible for the payment of water service charges (i.e., a customer of record who is not a property owner). The proposed rates are designed to generate revenue to cover the actual costs of providing water service to our customers.

FINANCIAL CONSIDERATIONS

The revised water rates are designed to meet operating costs, maintain reserve fund levels and provide funds for pay-go capital work. The proposed rates would increase Fiscal Year 2023 revenues by \$4.9 million, 2024 revenues by \$5.3 million, 2025 revenues by \$5.8 million and 2026 revenues by \$6.2 million.

THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

The proposed rate plan is statutorily exempt from the California Environmental Quality Act ("CEQA"). Public Resources Code Section 21080(b)(8) and State CEQA Guidelines Section 15273(a) provide that CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates or other charges by a public agency that the public agency finds are for the purpose of (1) meeting operating expenses; (2) purchasing or leasing supplies, equipment, or materials; (3) meeting financial reserve needs and requirements; or (4) obtaining funds for capital projects necessary to maintain service within existing service areas. Here, as set forth above and in the Study, the approval of the rates for water service charges are necessary for these very purposes. Accordingly, the approval of the proposed rate plan for water service charges, and the implementation of such rates are exempt from CEQA pursuant to California Public Resources Code Section 21080(b)(8) and State CEQA Guidelines Section 15273(a).

RECOMMENDATION

That the Board of Directors find this rate setting is exempt from CEQA as set out in the attached resolution; find that this rate setting meets the requirements of Proposition 218 (as also set out in the resolution); and approve the attached resolution setting the SCV Water Retail and Recycled Water Rates for Fiscal Years 2022, 2023, 2024, 2025, 2026.

EC

Attachment

M65

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RESOLUTION NO. ____

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
ESTABLISHING RETAIL WATER RATES
FOR FISCAL YEARS 2022, 2023, 2024, 2025 AND 2026
AND MAKING AN EXEMPTION DETERMINATION
UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

WHEREAS, the Santa Clarita Valley Water Agency (SCVWA) is organized and exists under the provisions of California Water Code Appendix Section 145-1 *et seq.*, and is authorized to provide water service to customers within its service area and to impose fees and charges to recover the costs of providing such water services; and

WHEREAS, SCVWA is committed to providing the highest quality water services at the lowest possible rates for its customers. To meet this commitment, SCVWA undertook an evaluation of its operations and maintenance costs and capital infrastructure improvements needed to provide safe and reliable drinking water for the ensuing five fiscal years; and

WHEREAS, based on this evaluation, the Board of Directors has determined that rate changes are necessary to recover SCVWA's costs of providing water service, which include increased costs of operations and maintenance, materials and supplies, power and labor; and

WHEREAS, on or about April 20, 2021, SCVWA made available for review at SCVWA's administrative office the complete Retail Water Rate Cost Analysis and Rate Study Design report that provides evidentiary support for the rate changes, as well as the independent Ratepayer Advocate Report by Robert D. Niehaus, Inc. that provides an independent evaluation of the proposed rate increase; and

WHEREAS, SCVWA retail water service charges are comprised of five components: (1) a Fixed Charge, determined on the basis of the size of the meter serving the property (in inches); (2) a Water Supply Charge, determined on the basis of the number of metered units of water delivered (with each unit equal to one hundred cubic feet (CCF), or 748 gallons); (3) a Fixed Legacy Debt Charge designed to recover the debt service costs of legacy debt owed by the separate retail purveyors, determined on the basis of the legacy retail division and the meter servicing the property (in inches); (4) a Dedicated Fire Service Charge, determined on the basis of the diameter of the fire meter serving the property (in inches); and (5) a Recycled Water Use Charge, charged to customers that receive recycled water, determined on the basis of the number of metered units of recycled water delivered (with each unit equal to one hundred cubic feet (CCF), or 748 gallons); and

WHEREAS, the Fixed Charge is designed to recover a portion of SCVWA's fixed costs for (a) certain operations and maintenance costs (b) meter reading (c) billings (d) collections and (e) accounting costs. The Water Supply Charge is designed to recover a portion of SCVWA's fixed costs and its variable costs for (f) pumping and treating water and (g) energy costs for delivering water; and

WHEREAS, SCVWA's Water Supply Charge is a uniform volumetric rate structure for all classes of customers. SCVWA has five distinct customer classes: Single Family Residential,

Business/Commercial, Industrial, Irrigation (customers with dedicated irrigation meters), and All Other Customers (institutional, private fire, and construction); and

WHEREAS, the Dedicated Fire Service Charge is imposed only on properties that, as a condition of extending or initiating water service, are required to install a private fire suppression system, or have requested the delivery of water for the purpose of private fire meter service. This Dedicated Fire Service Charge is for private fire service protection only; and

WHEREAS, SCVWA obtains its water from two sources – imported water from the Sacramento-San Joaquin Delta (Delta) and local groundwater; and

WHEREAS, California Constitution Article XIII D, Section 6 (Article XIII D) requires that prior to imposing any change of the rates of its water service charges, SCVWA shall provide written notice (Notice) by mail of (1) the proposed changes to such rates of water service charges to the record owner of each parcel upon which the water service charges are proposed for imposition and any tenant directly liable for payment of the water service charges, (2) the amount of the rates for the water service charges proposed to be imposed on each parcel, (3) the basis upon which the rates of the water service charges were calculated, (4) the reason for the new or changed rates of the water service charges and (5) the date, time and location of a public hearing (the “Hearing”) on the proposed rates of the water service charges; and

WHEREAS, pursuant to Article XIII D such Notice is required to be provided to the affected property owners and any tenant directly liable for the payment of the water service charges not less than forty-five days prior to the Hearing on the proposed water service charges; and

WHEREAS, there are 77,541 identified parcels that receive water service from SCVWA, of which a majority would be 38,771; and

WHEREAS, the Hearing was held on this day, June 15, 2021; and

WHEREAS, at the Hearing the SCVWA Board heard and considered all oral testimony, written materials and written protests concerning the establishment and imposition of the proposed rate changes for the water service charges, entered such written protests into the record of such Hearing, and at the close of the Hearing SCVWA did not receive written protests against the establishment and imposition of the proposed rate changes for water service from a majority of the affected property owners and tenants directly liable for the payment of water service charges; and

WHEREAS, revenue collected from the water service charges will be used to pay for water service actually provided to the property identified in the Notice and will not be used for general governmental purposes; and

WHEREAS, the revenues from water service charges will not and do not exceed the amount required to provide such water service; and

WHEREAS, the revenues collected from water service charges have been and will be used only to pay for the water services for which they were collected; and

WHEREAS, the water service charges are not standby charges, but are imposed for water immediately available to the property subject to the imposition of the fees.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY RESOLVES AND ORDERS AS FOLLOWS:

1. The foregoing Recitals are all true and correct and are made findings of this SCVWA Board of Directors (Board).
2. Based upon substantial evidence presented to the Board, including the rate study report entitled "Retail Water Rate Cost Analysis and Rate Study Design report," the Board finds that the water rates adopted in this Resolution do not exceed the reasonable cost of providing the service and will be sufficient to fund the SCVWA (1) operating expenses, (2) purchasing or leasing of supplies, equipment and materials, (3) financial reserve needs and requirements and (4) capital projects necessary to maintain service within SCVWA's existing service area.
3. The Board hereby finds that the administration, operation, maintenance, and improvements of the SCVWA water system (System), which are to be funded by the water service charges set forth herein, are necessary to maintain service within SCVWA's existing service area. The Board further finds that the administration, operation, maintenance and improvements of the System, to be funded by the water service charges set forth herein, will not expand the System. The Board further finds that such water service charges are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the System.
4. The Board further determines that this Resolution and the activity that it approves are statutorily exempt from the California Environmental Quality Act ("CEQA"). Public Resources Code Section 21080(b)(8) and State CEQA Guidelines Section 15273(a) provide that CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates or other charges by a public agency that the public agency finds are for the purpose of (1) meeting operating expenses; (2) purchasing or leasing supplies, equipment, or materials; (3) meeting financial reserve needs and requirements; or (4) obtaining funds for capital projects necessary to maintain service within existing service areas. Here, as set forth above, the approval of the rates for water service charges as set forth herein are necessary for these very purposes. Accordingly, the Board hereby determines that this Resolution, the approval of the rate plan for water service charges, and the implementation of such rates are exempt from CEQA pursuant to California Public Resources Code Section 21080(b)(8) and State CEQA Guidelines Section 15273(a).
5. The Board has evaluated and hereby approves the rates for water service charges and shall be effective as of July 1, 2021, and each July 1 thereafter through and including July 1, 2025 in the amounts and effective on the dates set forth in Exhibit A.
6. SCVWA staff is hereby directed to take any and all steps necessary to implement such rates, including but not limited to filing a notice of exemption and paying any applicable fees.
7. SCVWA staff is hereby directed to provide the Finance and Administration Committee with an update on the upcoming proposed rate change each year within this rate cycle, which will include information on financial performance and rate setting assumptions.

8. This Resolution shall be effective as of the date of adoption. The rate changes for the water service charges set forth herein shall become effective as authorized herein.
9. All resolutions or administrative actions by the Board, or parts thereof that are inconsistent with any provision of this Resolution, are hereby superseded only to the extent of such inconsistency.
10. If any section, subsection, subdivision, sentence, clause, or phrase in this Resolution or any part thereof is for any reason held to be unconstitutional, invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Resolution or any part thereof. The Board hereby declares that it would have adopted each section irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses or phrases be declared unconstitutional, invalid or ineffective. If the water rates established by this Resolution are declared invalid or otherwise set aside by any court of competent jurisdiction, the water rates in effect prior to the effective date of this Resolution shall be deemed by this Resolution to be restored, revived and brought to full force and effect.

DRAFT

EXHIBIT A

RETAIL WATER SERVICE RATE TABLES

POTABLE AND RECYCLED WATER CHARGES

WATER USE CHARGE Note: Water Use Charge is per unit of water used (ccf) (1 ccf = 748 gallons)					
Class	Proposed charge effective 7/1/2021	Proposed charge effective 7/1/2022	Proposed charge effective 7/1/2023	Proposed charge effective 7/1/2024	Proposed charge effective 7/1/2025
Potable	\$2.09	\$2.22	\$2.37	\$2.52	\$2.68
Recycled	\$1.67	\$1.78	\$1.90	\$2.02	\$2.14
MONTHLY FIXED CHARGES (Potable and Recycled)					
Meter Size	Proposed charge effective 7/1/2021	Proposed charge effective 7/1/2022	Proposed charge effective 7/1/2023	Proposed charge effective 7/1/2024	Proposed charge effective 7/1/2025
5/8-in	\$13.64	\$14.52	\$15.47	\$16.47	\$17.54
3/4-in	\$18.38	\$19.58	\$20.85	\$22.21	\$23.65
1-in	\$27.87	\$29.69	\$31.62	\$33.67	\$35.86
1 1/2-in	\$51.60	\$54.96	\$58.53	\$62.33	\$66.39
2-in	\$80.08	\$85.28	\$90.83	\$96.73	\$103.02
2 1/2-in	\$94.32	\$100.45	\$106.97	\$113.93	\$121.33
3-in	\$146.52	\$156.04	\$166.18	\$176.99	\$188.49
4-in	\$241.43	\$257.13	\$273.84	\$291.64	\$310.60
6-in	\$478.72	\$509.84	\$542.98	\$578.27	\$615.86
8-in	\$763.47	\$813.09	\$865.94	\$922.23	\$982.17
10-in	\$1,095.67	\$1,166.89	\$1,242.74	\$1,323.51	\$1,409.54
12-in	\$2,044.82	\$2,177.74	\$2,319.29	\$2,470.04	\$2,630.59

MONTHLY LEGACY DEBT FIXED CHARGE		
Meter Size	Santa Clarita Division effective 7/1/21*	Valencia Division effective 7/1/21*
5/8-in	\$6.80	\$4.34
3/4-in	\$10.20	\$6.50
1-in	\$17.01	\$10.84
1 1/2-in	\$34.02	\$21.68
2-in	\$54.42	\$34.69
2 1/2-in	\$64.63	\$41.20
3-in	\$102.05	\$65.05
4-in	\$170.08	\$108.41
6-in	\$340.15	\$216.83
8-in	\$544.24	\$346.92
10-in	\$782.35	\$498.70
12-in	\$1,462.65	\$932.36

*The Legacy Debt charge is effective on July 1, 2021, and will remain unchanged through the rate period (July 1, 2021 – June 30, 2026). It is billed monthly.

DEDICATED FIRE SERVICE CHARGES

WATER USE CHARGE Note: Water Use Charge is per unit of water used (ccf) (1 ccf = 748 gallons)					
Class	Proposed charge effective 7/1/2021	Proposed charge effective 7/1/2022	Proposed charge effective 7/1/2023	Proposed charge effective 7/1/2024	Proposed charge effective 7/1/2025
Potable	\$2.09	\$2.22	\$2.37	\$2.52	\$2.68
MONTHLY FIXED CHARGES					
Meter Size	Proposed charge effective 7/1/2021	Proposed charge effective 7/1/2022	Proposed charge effective 7/1/2023	Proposed charge effective 7/1/2024	Proposed charge effective 7/1/2025
3/4-in	\$5.71	\$6.08	\$6.47	\$6.90	\$7.34
1-in	\$6.29	\$6.70	\$7.14	\$7.60	\$8.10
1 1/2-in	\$7.76	\$8.26	\$8.80	\$9.37	\$9.98
2-in	\$9.51	\$10.13	\$10.79	\$11.49	\$12.24
2 1/2-in	\$10.39	\$11.07	\$11.79	\$12.55	\$13.37
3-in	\$13.61	\$14.50	\$15.44	\$16.44	\$17.51
4-in	\$19.47	\$20.73	\$22.08	\$23.52	\$25.04
6-in	\$34.10	\$36.32	\$38.68	\$41.20	\$43.87
8-in	\$51.67	\$55.03	\$58.60	\$62.41	\$66.47
10-in	\$72.16	\$76.85	\$81.85	\$87.17	\$92.83
12-in	\$130.71	\$139.21	\$148.25	\$157.89	\$168.15
14-in	\$192.19	\$204.68	\$217.98	\$232.15	\$247.24
16-in	\$272.98	\$290.73	\$309.63	\$329.75	\$351.18
18-in	\$433.70	\$461.89	\$491.91	\$523.89	\$557.94
20-in	\$546.41	\$581.92	\$619.75	\$660.03	\$702.93

Minutes of the Special Meeting of the Board of Directors of the Santa Clarita Valley Water Agency – May 27, 2021

A special meeting of the Board of Directors of the Santa Clarita Valley Water Agency was held via teleconference at 6:00 PM on Thursday, May 27, 2021. A copy of the Agenda is inserted in the Minute Book of the Agency preceding these minutes.

DIRECTORS PRESENT: Kathy Armitage, B. J. Atkins, Beth Braunstein, Ed Colley (Arrived at 7:00 PM), William Cooper, Jeff Ford, Jerry Gladbach, R. J. Kelly, Gary Martin, Dan Mortensen, Piotr Orzechowski and Lynne Plambeck via teleconference.

DIRECTORS ABSENT: None.

Also present via teleconference: General Manager Matthew Stone, General Counsel Joe Byrne, Board Secretary April Jacobs, Assistant General Manager Steve Cole, Chief Engineer Courtney Mael, Chief Financial and Administrative Officer Eric Campbell, Chief Operating Officer Keith Abercrombie, Director of Operations and Maintenance Mike Alvord, Director of Tech Services Cris Perez, Director of Water Resources Dirk Marks, Communications Manager Kathie Martin, Sustainability Manager Matt Dickens, Senior Engineer Shadi Bader, Management Analyst II Cheryl Fowler, Principal Water Resources Planner Rick Viergutz, Water Resources Planners Sarah Fleury and Ernesto Velazquez, Executive Assistants Eunie Kang and Leticia Quintero, Senior Office Assistant Terri Bell, Consultants from A & N Technical Services Inc., GSI Water Solutions Inc., Jacobs, Kennedy Jenks, Kerns & West, Luhdorff & Scalmanini and Maddaus Water Management Inc., and members of the public.

President Martin called the meeting to order at 6:00 PM. A quorum was present.

Upon motion of Vice President Gladbach, seconded by Vice President Mortensen and carried, the Board approved the Agenda by the following roll call votes (Item 4):

Director Armitage	Yes	Director Atkins	Yes
Director Braunstein	Yes	Director Colley	Not Present
Director Cooper	Yes	Director Ford	Yes
Vice President Gladbach	Yes	Director Kelly	Yes
President Martin	Yes	Vice President Mortensen	Yes
Director Orzechowski	Yes	Director Plambeck	Yes

President Martin opened the Public Hearing on the 2020 Urban Water Management Plan and the Addendum to 2015 Urban Water Management Plan at 6:13 PM (Item 5.1).

A presentation was given by Water Resources Planner Sarah Fleury, Kennedy Jenks consultant Lauren Everett Smith and GSI Water Solutions Inc. consultant John Porcello. Public comments were received and addressed and the Board was given an opportunity to make comments and ask questions regarding the presentation.

President Martin closed the Public Hearing at 9:00 PM.

The meeting was adjourned at 9:00 PM (Item 6).

April Jacobs, Board Secretary

ATTEST:

President of the Board

Minutes of the Regular Meeting of the Board of Directors of the Santa Clarita Valley Water Agency – June 1, 2021

A regular meeting of the Board of Directors of the Santa Clarita Valley Water Agency was held via teleconference at 6:30 PM on Tuesday, June 1, 2021. A copy of the Agenda is inserted in the Minute Book of the Agency preceding these minutes.

DIRECTORS PRESENT: Kathye Armitage, B. J. Atkins, Beth Braunstein, Ed Colley, William Cooper, Jeff Ford, Jerry Gladbach, R. J. Kelly, Gary Martin, Dan Mortensen, Piotr Orzechowski and Lynne Plambeck via teleconference.

DIRECTORS ABSENT: None.

Also present via teleconference: General Manager Matthew Stone, General Counsel Tom Bunn, Board Secretary April Jacobs, Assistant General Manager Steve Cole, Chief Engineer Courtney Mael, Chief Financial and Administrative Officer Eric Campbell, Chief Operating Officer Keith Abercrombie, Director of Finance and Administration Rochelle Patterson, Director of Tech Services Cris Perez, Controller Amy Aguer, Communications Manager Kathie Martin, GIS Manager Jose Huerta, Human Resources Manager Ari Mantis, Principal Engineer Jason Yim, Senior Engineers Shadi Bader and Jim Leserman, Senior Management Analyst Kim Grass, Management Analyst II Cheryl Fowler, Financial Analyst Darine Conner, Executive Assistants Eunie Kang and Leticia Quintero, Senior Office Assistant Terri Bell, Accounting Tech II Kyle Arnold, Attorneys from Nossaman LLP Fred Fudacz and Byron Gee, and members of the public.

President Martin called the meeting to order at 6:30 PM. A quorum was present.

Upon motion of Director Cooper, seconded by Director Atkins and carried, the Board approved the Agenda by the following roll call votes (Item 4):

Director Armitage	Yes	Director Atkins	Yes
Director Braunstein	Yes	Director Colley	Yes
Director Cooper	Yes	Director Ford	Yes
Vice President Gladbach	Yes	Director Kelly	Yes
President Martin	Yes	Vice President Mortensen	Yes
Director Orzechowski	Yes	Director Plambeck	Yes

Upon motion of Vice President Gladbach, seconded by Director Atkins and carried, the Board pulled Item 5.5 for further discussion and approved the remaining items on the Consent Calendar which included Resolution Nos. SCV-209 and SCV- 210 by the following roll call votes (Item 5):

Director Armitage	Yes	Director Atkins	Yes
Director Braunstein	Yes	Director Colley	Yes
Director Cooper	Yes	Director Ford	Yes
Vice President Gladbach	Yes	Director Kelly	Yes
President Martin	Yes	Vice President Mortensen	Yes
Director Orzechowski	Yes	Director Plambeck	Yes

RESOLUTION NO. SCV-209

**RESOLUTION OF THE
SANTA CLARITA VALLEY WATER AGENCY BOARD OF DIRECTORS
ADOPTING THE APPROPRIATION OF ALL AS-YET UNAPPROPRIATED FUNDS
FOR FISCAL YEAR 2020/21**

<https://yourscvwater.com/wp-content/uploads/2021/06/SCV-Water-Approved-Resolution-060121-Resolution-SCV-209.pdf>

RESOLUTION NO. SCV-210

**RESOLUTION OF THE
BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY
ADOPTING THE APPROPRIATION LIMIT
FOR FY 2021/22**

<https://yourscvwater.com/wp-content/uploads/2021/06/SCV-Water-Approved-Resolution-060121-Resolution-SCV-210.pdf>

Upon motion of Vice President Gladbach, seconded by Director Atkins and carried, the Board approved Resolution No. SCV-211 placing into nomination William Cooper as a member of the Association of California Water Agencies Region 8 Board by the following roll call votes (Item 5.5):

Director Armitage	Yes	Director Atkins	Yes
Director Braunstein	Yes	Director Colley	Yes
Director Cooper	Yes	Director Ford	Yes
Vice President Gladbach	Yes	Director Kelly	Yes
President Martin	Yes	Vice President Mortensen	Yes
Director Orzechowski	Yes	Director Plambeck	Yes

RESOLUTION NO. SCV-211

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SANTA CLARITA VALLEY WATER AGENCY
PLACING IN NOMINATION WILLIAM COOPER
AS A MEMBER OF THE ASSOCIATION OF
CALIFORNIA WATER AGENCIES REGION 8 BOARD**

<https://yourscvwater.com/wp-content/uploads/2021/06/SCV-Water-Approved-Resolution-060121-Resolution-SCV-211.pdf>

Upon motion of Director Atkins, seconded by Director Kelly and carried, the Board approved the revised titled Resolution No. SCV-212 adopting the Addendum to the Mitigated Negative Declaration under the California Environmental Quality Act for the South End Recycled Water Main (Phase 2C) Project (State Clearinghouse No. 2017061015) with the appropriate changes

to the Addendum as requested by the Directors and noted by staff by the following roll call votes (Item 6.1):

Director Armitage	Yes	Director Atkins	Yes
Director Braunstein	Yes	Director Colley	Yes
Director Cooper	Yes	Director Ford	Yes
Vice President Gladbach	Yes	Director Kelly	Yes
President Martin	Yes	Vice President Mortensen	Yes
Director Orzechowski	Yes	Director Plambeck	Yes

RESOLUTION NO. SCV-212

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY ADOPTING
AN ADDENDUM TO THE MITIGATED NEGATIVE DECLARATION UNDER THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR THE SOUTH END RECYCLED
WATER MAIN EXTENSION (PHASE 2C) PROJECT (SCH NO. 2017061015)**

<https://yourscvwater.com/wp-content/uploads/2021/06/SCV-Water-Approved-Resolution-060121-Resolution-SCV-212.pdf>

Upon motion of Director Cooper, seconded by Vice President Gladbach and carried, the Board approved the revised titled Resolution No. SCV-213 adopting the Addendum to the final Environmental Impact Report under the California Environmental Quality Act for the Honby Pipeline Project (State Clearinghouse No. 2005011071) with the appropriate changes to the Addendum as requested by the Directors and noted by staff by the following roll call votes (Item 6.2):

Director Armitage	Yes	Director Atkins	Yes
Director Braunstein	Yes	Director Colley	Yes
Director Cooper	Yes	Director Ford	Yes
Vice President Gladbach	Yes	Director Kelly	Yes
President Martin	Yes	Vice President Mortensen	Yes
Director Orzechowski	Yes	Director Plambeck	Yes

RESOLUTION NO. SCV-213

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
ADOPTING AN ADDENDUM TO THE FINAL ENVIRONMENTAL IMPACT REPORT AND
MITIGATION MONITORING AND REPORTING PROGRAM UNDER THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT FOR THE HONBY PIPELINE PROJECT
(SCH NO. 2005011071)**

<https://yourscvwater.com/wp-content/uploads/2021/06/SCV-Water-Approved-Resolution-060121-Resolution-SCV-213.pdf>

Upon motion of Director Cooper, seconded by Vice President Gladbach and carried, the Board approved a cost-of-living adjustment of 1.5% for the FY 2021/22 for all employees except the General Manager effective the first full pay period in July 2021 by the following roll call votes (Item 6.3):

Director Armitage	Yes	Director Atkins	Yes
Director Braunstein	Yes	Director Colley	No
Director Cooper	Yes	Director Ford	Yes
Vice President Gladbach	Yes	Director Kelly	Yes
President Martin	Yes	Vice President Mortensen	Yes
Director Orzechowski	Yes	Director Plambeck	Yes

Upon motion of Director Armitage, seconded by Director Braunstein and carried, the Board approved the COVID-19 Supplemental Paid Sick and Emergency Administrative Leave Policy by the following roll call votes (Item 6.4):

Director Armitage	Yes	Director Atkins	Yes
Director Braunstein	Yes	Director Colley	Yes
Director Cooper	Yes	Director Ford	Yes
Vice President Gladbach	Yes	Director Kelly	Yes
President Martin	Yes	Vice President Mortensen	Yes
Director Orzechowski	Yes	Director Plambeck	Yes

Upon motion of Vice President Mortensen, seconded by Director Atkins and carried, the Board approved Resolution No. SCV-214 adopting the FY 2021/22 and FY 2022/23 Biennial Budget by the following roll call votes (Item 6.5):

Director Armitage	Yes	Director Atkins	Yes
Director Braunstein	Yes	Director Colley	No
Director Cooper	Yes	Director Ford	Yes
Vice President Gladbach	Yes	Director Kelly	Not Present
President Martin	Yes	Vice President Mortensen	Yes
Director Orzechowski	Yes	Director Plambeck	Yes

RESOLUTION NO. SCV-214

RESOLUTION OF THE SANTA CLARITA VALLEY WATER AGENCY BOARD OF DIRECTORS ADOPTING THE BUDGET FOR FISCAL YEARS 2021/22 AND 2022/23

<https://yourscvwater.com/wp-content/uploads/2021/06/SCV-Water-Approved-Resolution-060121-Resolution-SCV-214.pdf>

General Manager's Report on Activities, Projects and Programs (Item 7).

The General Manager reported on the following:

He acknowledged that staff has been very busy completing projects and major administrative processes. He wanted to thank Director of Finance and Administration Rochelle Patterson and

the finance and administration team, as well as the engineering staff for all their hard work in bringing tonight's items to the Board for consideration.

He mentioned his attendance and participation in several public forums and public hearings on rates, urban water management planning and the developing groundwater sustainability plan.

He stated that he participated and/or listened to several ACWA presentations, he thanked those Board members who attended and submitted their AB 1234 reports.

Further, he mentioned that he is involved with a couple of legal items which the Board will be updated on in closed session this evening.

He reminded the Board that he had provided a separate update to them via email in mid-May regarding transition planning for changes in the COVID-19 situation. He then gave an additional update on the status of COVID-19 and the CDC's current guidance. He mentioned that approximately 73% of SCV Water staff who responded to a recent survey are either vaccinated or intend to complete the vaccination process.

He mentioned that we have started the process of transitioning back to a "New Normal" status. As of Monday May 17, 2021, staff who have been working remotely were invited to begin returning back to the office to work onsite. We continue to apply social distancing and mask protocols, as well as other measures such as enhanced air changes and cleaning. By Tuesday, July 6, 2021, all staff will be required to return to working onsite. At that time we will also reopen our customer service lobby at the Rockefeller location.

Lastly, he explained that with respect to the Board and Committee meetings, we are preparing for a potential return to in-person meetings pending the June 15, 2021 Governor's order and what it contains. He noted that a coalition of public agency organizations did send a letter to the Governor suggesting a grace period be included in any transition back to in-person meetings allowing for planning and implementation.

Committee Meeting Recap Reports for Informational Purposes Only (Item 8).

There were no comments on the recap reports.

Written Reports for Informational Purposes only (Item 9).

There were no comments on the written reports.

President's Report (Item 10).

The President updated the Board on upcoming meetings and events.

AB 1234 Written and Verbal Reports (Item 11).

Written reports were submitted by President Martin and Vice President Gladbach which were included in the Board packet. Additional written reports were submitted by President Martin and Directors Braunstein, Ford and Plambeck which were posted on the SCV Water website and are part of the record.

Director Atkins reported that he attended the ACWA 2021 Virtual Spring Conference held on May 12-13, 2021 and attended the VIA Active Shooter Awareness II Luncheon held on May 18, 2021.

Director Armitage reported that she attended the virtual Integrated Regional Water Management Summit on Watershed Health and People Experiencing Homelessness on May 5, 2021 and attended the ACWA 2021 Virtual Spring Conference held on May 12-13, 2021.

Director Cooper reported that he attended the virtual ACWA Region 8 Membership meeting on May 5, 2021 and the ACWA 2021 Virtual Spring Conference held on May 12-13, 2021.

Director Orzechowski reported that he attended the virtual AWWA WaterWise Information Series on the Delta Conveyance Project Briefing from DWR on May 20, 2021.

Director Braunstein reported that she attended the ACWA 2021 Virtual Spring Conference held on May 12-13, 2021.

Director Plambeck reported that she attended the virtual Integrated Regional Water Management Summit on Watershed Health and People Experiencing Homelessness on May 5, 2021 and suggested that the Board consider doing the same type of conference in the Santa Clarita Valley.

There were no other AB 1234 Reports.

Director Reports (Item 12).

Director Orzechowski thanked Chief Engineer Courtney Mael in assisting an SCV Water customer with his request for fire flow information. He then thanked General Manager Stone for his letter to The Signal's Editor describing the important reasons for the upcoming proposed water rate changes. General Manager Stone's letter to the Editor can be found on the Opinion page of The Signal's Saturday, May 29, 2021 newspaper as well as on The Signal's website.

The Board went into Closed Session at 10:00 PM (Item 13).

The Board was instructed to disconnect from the current call and redial in on a separate teleconference line that was provided to them. President Martin instructed the public members and staff who wanted to stay on the call, to stay on the current teleconference line and once Closed Session has ended, the Board will reconvene for Closed Session announcements and the conclusion of the meeting.

President Martin reconvened the Open Session at 11:06 PM.

Tom Bunn, Esq., reported that pertaining to Item 13.1 Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9, Claim of Carlos Ajtun Against Santa Clarita Valley Water Agency, Claim for Personal Injury and Property Damage, Date of Claim May 11, 2021, the Board voted to reject the claim by motion of Vice President Gladbach, seconded by Director Cooper and carried, by the following roll call votes:

Director Armitage	Yes	Director Atkins	Yes
Director Braunstein	Yes	Director Colley	Yes
Director Cooper	Yes	Director Ford	Yes
Vice President Gladbach	Yes	Director Kelly	Not Present
President Martin	Yes	Vice President Mortensen	Yes
Director Orzechowski	Yes	Director Plambeck	Yes

Regarding Item 13.2 Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9, Application for Leave to Present Late Government Claim of Boucher LLP on Behalf of Multiple Claimants, Dated May 6, 2021, the Board voted to grant the application to file a late claim and denied the claim by motion of Vice President Gladbach, seconded by Director Atkins and carried, by the following roll call votes:

Director Armitage	Yes	Director Atkins	Yes
Director Braunstein	Yes	Director Colley	Yes
Director Cooper	Yes	Director Ford	Yes
Vice President Gladbach	Yes	Director Kelly	Not Present
President Martin	Yes	Vice President Mortensen	Yes
Director Orzechowski	Yes	Director Plambeck	Yes

There were no other actions taken in Closed Session that were reportable under the Ralph M. Brown Act (Item 14).

Director Requests for Approval for Event Attendance (Item 15).

Director Armitage requested to attend the CSDA Workshop on Financial Management for Special Districts on August 9-10, 2021. CSDA multi day and single day events are on the preapproved list of events that Directors may attend and does not need Board approval.

There were no other Director requests for event attendance.

Requests for Future Agenda Items (Item 16).

Director Armitage requested that pertaining to Directors being appointed to Committees outside the Agency, that the Board leadership consider offering mentorship or shadowing opportunities for Board members who are interested in sitting on different Committees such as ACWA and CSDA.

Director Braunstein requested that the Board reconsider recording Committee meetings.

There were no other requests for future Agenda items.

The meeting was adjourned at 11:13 PM (Item 17).

April Jacobs, Board Secretary

ATTEST:

President of the Board

Director AB1234 Report

Director Name: Beth Braunstein

Meeting Attended: ACWA Spring Conference

Date of Meeting: May 12-13, 2021/ adjusted to May 13-14 2021 due to technical issues

Meeting to be Presented At: June 1, 2021

Conference Program: <https://www.acwa.com/wp-content/uploads/2021/05/SC21-ProgramBklt.pdf>

- Due to technical difficulties the first day was moved to Friday with recordings available later on.
- I attended a “Women in Water” meeting where we discussed the challenges our agencies faced during the pandemic and how we overcame them. In addition we shared insights on how this new way of working has benefits that we hope to maintain moving forward. Being able to attend things that distant would prohibit, or bringing people together that normally would find a hard time to physically meet was a big plus.
- Prop 218 is a tricky at best. Agencies must be extremely diligent on making sure their charges are very clear and can be well documented, and be able to prove that this is indeed the cost of water. The question if they cover fire hydrants has been sued over and has been established that they are part of customer’s water costs.
- There is a multilayered PFAS investigation going on on the federal/ state/ local levels. Many studies and investigative efforts to undercover how far spread the issue is and on its implications. Moving forward it would be very important to have a national drinking standard.

- Diversity in leadership helps avoid conformation bias. This means a group of people that all share the same background, education and culture may overlook an aspect that someone from a different point of view might see clearly. Making sure women have a protected space to be heard is imperative or else you will wind up losing their perspective or end up with an echo chamber. Allowing more diversity increases resilience and problem solving as well.
- I appreciate Karla Nemeth on her remarks acknowledging tribal lands. It is very important to do so especially while talking about the Delta. We also need to realize that different communities will be experiencing drought in various ways and some communities that were hit the hardest in the last drought have not yet fully recovered.
- Last years wildfires were the worst to date, due to the low rainfall and higher than normal temperatures. This year is predicted to be just as bad, or worse. Cooperation amongst agencies is key. This upcoming decade will be a deciding factor for how we manage to pull through.
- Balancing water rights, water quality and the environment is extremely tricky at best. Adding a drought makes it that much more difficult. Add critical estuaries and agriculture to the mix that relies on a Delta that is being stretched. The delta has dropped significantly after extremely low snowfall this year. Everyone is going to be impacted, and an additional year like this will be bad. Using “Water Rights” hearings is a way to get people to negotiate, try and compromise, and come up with solutions that will work for everyone.
- I hope that the next conference will be held either in person or without these technical difficulties that made it difficult to watch it live.