

# SANTA CLARITA VALLEY WATER AGENCY

## TELECONFERENCE BOARD MEETING

Tuesday, July 21, 2020 at 6:30 PM

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When practical please provide public comment by 4:30 PM the day of the meeting\* by either e-mailing or mailing comments (please see the agenda for more specifics).

We are also requesting, when possible, to please contact the Board Secretary the day of the meeting at 1-(661)-297-1600, to advise if you will have public comment and on what items you would like to speak on, so that we can put you in queue. Public comments can still be made during the meeting as specified under Item 3 of the Agenda.

\*All written comments received after 4:30 PM the day of the meeting will be posted to [yourscvwater.com](http://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.



**AMENDED AGENDA**

**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, JULY 21, 2020 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-(866)-899-4679, Access Code 364-374-437 or GoToMeeting by clicking on the link <https://global.gotomeeting.com/join/364374437>** 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 GoToMeeting 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](mailto: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 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 at the time each item is considered. (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 July 7, 2020 Santa Clarita Valley Water Agency Regular Board of Directors Meeting	5
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6. **ACTION ITEM FOR APPROVAL** **PAGE**

6.1. *	Authorize the General Manager to Execute an Amendment to the Reservoir Agreement for Sites Reservoir to Fund Necessary Planning Costs	15
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7. **REVIEW OF WATER MANAGEMENT OPTIONS TO ENHANCE RELIABILITY – POWERPOINT PRESENTATION AND DISCUSSION – 1 HOUR**

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

9. **PRESIDENT’S REPORT**

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

10.1.	AB 1234 Reports	
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11. **DIRECTOR REPORTS**

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

- 12.1. Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9, Claim of Christopher Ethakpemhi Against Santa Clarita Valley Water Agency, Claim for Property Damage, Date of Claim June 27, 2020

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

13. **CLOSED SESSION ANNOUNCEMENTS**

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

15. **REQUESTS FOR FUTURE AGENDA ITEMS**

16. **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 July 14, 2020.

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Minutes of the Regular Meeting of the Board of Directors of the Santa Clarita Valley Water Agency – July 7, 2020

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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, July 7, 2020. A copy of the Agenda is inserted in the Minute Book of the Agency preceding these minutes.

**DIRECTORS PRESENT:** B. J. Atkins, Ed Colley, Kathy Colley, William Cooper, Robert DiPrimio, Jeff Ford, Jerry Gladbach, Maria Gutzeit, R. J. Kelly (Arrived at 6:44 PM), Gary Martin, Dan Mortensen 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 Financial and Administrative Officer Eric Campbell, Director of Finance and Administration Rochelle Patterson, Director of Water Resources Dirk Marks, Controller Amy Aguer, Director of Tech Services Cris Perez, Senior Engineer Shadi Bader, Water Resources Planner Rick Vasilopoulos, Financial Analyst Darine Conner, Public Information Officer Kathie Martin, Executive Assistant Leticia Quintero, Administrative Technician Eunie Kang, IT Technician Craig Larsen, Terri Bell, Administrative Assistant, Consultants from Fieldman, Rolapp and Associates Robert Porr and Stradling Attorney Dough Brown, and members of the public.

President Martin called the meeting to order at 6:33 PM. A quorum was present.

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

Director Atkins	Yes	Director E. Colley	Yes
Director K. Colley	Yes	Director Cooper	Yes
Director DiPrimio	Yes	Director Ford	Yes
Vice President Gladbach	Yes	Vice President Gutzeit	Yes
Director Kelly	Not Present	President Martin	Yes
Director Mortensen	Yes	Director Plambeck	Yes

Upon motion of Director Plambeck, seconded by Director Cooper and carried, the Board pulled Item 5.6 "Approving Resolutions Establishing Banking Authority" for further discussion and approved the remaining Consent Calendar items including Resolution Nos. SCV-157, SCV-158 and SCV-159 by the following roll call votes (Item 5):

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

**RESOLUTION NO. SCV-157**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SANTA CLARITA VALLEY WATER AGENCY**

**SETTING SANTA CLARITA VALLEY WATER AGENCY TAX RATE FOR  
FISCAL YEAR 2020/21 AND REQUESTING LEVY  
OF TAX BY LOS ANGELES COUNTY**

**WHEREAS**, pursuant to the Ross-Johnson-Marks Property Tax Limitation Act of 1985, the Agency is empowered to make payments to the State of California under contracts for the sale, delivery, or use of water entered into pursuant to the California Water Resources Development Bond Act as set forth in the California Water Code; and

**WHEREAS**, the Agency is hereby setting an ad valorem property tax rate for its Fiscal Year 2020/21, pursuant to Revenue and Taxation Code, Section 97.65 (a), solely for the making of the aforesaid type of payment, and not to fund any reduction whatsoever in the rates charged by the Agency for water.

**NOW, THEREFORE, BE IT RESOLVED** that this Board of Directors of the Santa Clarita Water Agency does hereby fix the rate of tax to be levied against all taxable property within the Agency at \$0.000706000 for each \$1.00 of assessed valuation, or \$0.070600 for each \$100 of assessed valuation, for Fiscal Year 2020/21 for the aforesaid purpose.

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

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

**RESOLUTION NO. SCV-158**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SANTA CLARITA VALLEY WATER AGENCY  
SETTING SANTA CLARITA VALLEY WATER AGENCY TAX RATE FOR  
FISCAL YEAR 2020/21 AND REQUESTING LEVY  
OF TAX BY VENTURA COUNTY**

**WHEREAS**, pursuant to the Ross-Johnson-Marks Property Tax Limitation Act of 1985, the Agency is empowered to make payments to the State of California under contracts for the sale, delivery, or use of water entered into pursuant to the California Water Resources Development Bond Act as set forth in the California Water Code; and

**WHEREAS**, the Agency is hereby setting an ad valorem property tax rate for its Fiscal Year 2020/21, pursuant to Revenue and Taxation Code, Section 97.65 (a), solely for the making of the aforesaid type of payment, and not to fund any reduction whatsoever in the rates charged by the Agency for water.

**NOW, THEREFORE, BE IT RESOLVED** that this Board of Directors of the Santa Clarita Valley Water Agency does hereby fix the rate of tax to be levied against all taxable property within the Agency at \$0.00070600 for each \$1.00 of assessed valuation, or \$0.070600 for each \$100 of assessed valuation, for Fiscal Year 2020/21 for the aforesaid purpose.

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

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

**RESOLUTION NO. SCV-159**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SANTA CLARITA VALLEY WATER AGENCY  
AUTHORIZING THE JULY 2020 WATER SUPPLY CONTRACT PAYMENT**

**WHEREAS**, Santa Clarita Valley Water Agency is the successor agency to Castaic Lake Water Agency; and

**WHEREAS**, the Castaic Lake Water Agency on April 30, 1963 contracted with the State of California through the Department of Water Resources for a water supply pursuant to the California Water Resources Development Bond Act; and

**WHEREAS**, the Castaic Lake Water Agency on June 23, 1972 joined in the Devil Canyon-Castaic Contract, which amended payment terms of the State Water Contract to require Agency payment for debt service on bonds issued under the contract and operation and maintenance of certain facilities; and

**WHEREAS**, the Santa Clarita Valley Water Agency is currently entitled under the Water Supply Contract, as amended, to a total Annual Table A amount of 95,200 acre-feet; and

**WHEREAS**, the Water Supply Contract, as amended, requires the Santa Clarita Valley Water Agency to make payments to the Department of Water Resources for water service for the following charges: (1) a Delta Water Charge, (2) a Transportation Charge, (3) a Devil Canyon-Castaic Contract Charge, (4) an Off-Aqueduct Power Facilities Charge as an addition to the Transportation Charge and (5) a Water System Revenue Bond Surcharge; and

**WHEREAS**, pursuant to Article 29 of the Water Supply Contract and Articles 17 and 22 of the Devil Canyon-Castaic Contract, the Santa Clarita Valley Water Agency has received statements of charges embracing and detailing the payment due in July 2020; and



**WHEREAS**, a summary of the charges contained in the statements is as follows and the total of the invoiced July 2020 Water Supply Contract charges is \$4,762,717, plus Variable Operation, Maintenance, Power and Replacement Charges.

	<b>Delta Water Charge</b>	<b>Transportation Charge</b>	<b>Devil Canyon Castaic Charge</b>	<b>Off- Aqueduct Power Charge</b>	<b>Water System Revenue Bond Surcharge</b>	<b>Total</b>
July 2020	\$ 1,884,437	\$ 1,824,346	\$ 78,643	\$ 9,842	\$ 965,449	\$ 4,762,717

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Directors of the Santa Clarita Valley Water Agency authorizes the General Manager to disburse funds from the State Water Contract Fund, subject to adjustments, in a timely manner to meet the Water Supply Contract and Devil Canyon-Castaic Contract payment obligations due in July 2020.

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Upon motion of Director Cooper, seconded by Director DiPrimio and carried, the Board approved Resolution Nos. SCV-160, SCV-161, SCV-162 and SCV-163 establishing banking authority by the following roll call votes (Item 5):

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

**RESOLUTION NO. SCV-160**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SANTA CLARITA VALLEY WATER AGENCY  
ESTABLISHING BANKING AUTHORITY  
WITH WELLS FARGO**

**WHEREAS**, the Santa Clarita Valley Water Agency has an existing banking relationship with the Valencia Branch of the Wells Fargo Bank (Bank) with respect to its General Account and Investment/Brokerage Account; and

**WHEREAS**, said Bank requests that the Agency define Agency officials authorized to make withdrawals from and perform other business details concerning said account; and

**WHEREAS**, consistent with the terms of this resolution, the Agency's Board finds it to be in the Agency's best interest to authorize continuation of the above banking relationships.

**NOW, THEREFORE BE IT RESOLVED** that the President, Vice Presidents (2), General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of

Finance and Administration, Controller and Accounting Manager are authorized to sign or countersign withdrawal orders, and Wells Fargo Bank is authorized to honor and pay all withdrawal orders – including those drawn to the order of the President, Vice Presidents (2); General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller and Accounting Manager, signed in the manner required by this resolution.

**RESOLVED FURTHER** that the General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller and Accounting Manager are authorized to order withdrawals from said account up to a **maximum of \$25,000 per order on his or her signature only**, and either said General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller and Accounting Manager is authorized to order withdrawals from said accounts **exceeding the sum of \$25,000 but not exceeding \$1,000,000** per order on his or her signature when the order is **countersigned by one** of the authorized signatures of the President, Vice Presidents (2), General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller, Accounting Manager.

**RESOLVED FURTHER** that the President, Vice Presidents (2), General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller and Accounting Manager are authorized to order withdrawals from the account **without limit when countersigned by one** of the authorized signatures of the **President or the Vice Presidents (2)**.

**RESOLVED FURTHER** that any and all of the foregoing nine Agency Officers are hereby authorized to execute on behalf of the Agency all Bank forms and agreements which, in their absolute discretion, are consistent with this resolution.

#### **RESOLUTION NO. SCV-161**

#### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY ESTABLISHING BANKING AUTHORITY FOR THE NEWHALL WATER DIVISION WITH WELLS FARGO**

**WHEREAS**, the Santa Clarita Valley Water Agency, Newhall Water Division, has an existing banking relationship with Wells Fargo Bank (Bank) with respect to the General Account; and

**WHEREAS**, said Bank requests that the Agency define Agency officials authorized to make withdrawals from and perform other business details concerning said account; and

**WHEREAS**, consistent with the terms of this resolution, the Agency's Board finds it to be in the Agency's best interest to authorize continuation of the above banking relationships.

**NOW THEREFORE BE IT RESOLVED** that the President, Vice Presidents (2), General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller and Accounting Manager are authorized to sign or countersign withdrawal orders, and Wells Fargo Bank is authorized to honor and pay all withdrawal orders – including those drawn to the order of the President, Vice Presidents (2),

General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller and Accounting Manager signed in the manner required by this resolution.

**RESOLVED FURTHER** that the General Manager; Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller and Accounting Manager is authorized to order withdrawals from said account up to a **maximum of \$25,000 per order on his or her signature only**, and either said General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller and Accounting Manager is authorized to order withdrawals from said accounts **exceeding the sum of \$25,000 but not to exceed \$1,000,000** per order on his or her signature when the order is **countersigned by one** of the authorized signatures of the President, Vice Presidents (2), General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller and Accounting Manager.

**RESOLVED FURTHER** that the President, Vice Presidents (2), General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller or Accounting Manager is authorized to order withdrawals from each account **without limit when countersigned by one** of the authorized signatures of the **President or Vice Presidents (2)**.

**RESOLVED FURTHER** that any and all of the foregoing nine Agency Officers are hereby authorized to execute on behalf of the Agency all Bank forms and agreements which, in their absolute discretion, are consistent with this resolution.

#### **RESOLUTION NO. SCV-162**

#### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY ESTABLISHING BANKING AUTHORITY FOR THE SANTA CLARITA WATER DIVISION WITH WELLS FARGO**

**WHEREAS**, the Santa Clarita Valley Water Agency, Santa Clarita Water Division, has an existing banking relationship with the Valencia Branch of the Wells Fargo Bank (Bank) with respect to the Retail Revenue Account, Disbursement Account; and Investment/Brokerage Account; and

**WHEREAS**, said Bank requests that the Agency define Agency officials authorized to make withdrawals from and perform other business details concerning said account; and

**WHEREAS**, consistent with the terms of this resolution, the Agency's Board finds it to be in the Agency's best interest to authorize continuation of the above banking relationships.

**NOW, THEREFORE BE IT RESOLVED** that the President, Vice Presidents (2), General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller, and Accounting Manager are authorized to sign or countersign withdrawal orders, and Wells Fargo Bank is authorized to honor and pay all withdrawal orders – including those drawn to the order of the President, Vice Presidents (2), General Manager, Assistant General Manager, Chief Financial and Administrative Officer,

Director of Finance and Administration, Controller, and Accounting Manager signed in the manner required by this resolution.

**RESOLVED FURTHER** that the General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller, and Accounting Manager is authorized to order withdrawals from said account up to a **maximum of \$25,000 per order on his or her signature only**, and either said General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller and Accounting Manager is authorized to order withdrawals from said accounts **exceeding the sum of \$25,000 but not to exceed \$1,000,000** per order on his or her signature when the order is **countersigned by one** of the authorized signatures of the President, Vice Presidents (2), General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller or Accounting Manager.

**RESOLVED FURTHER** that the President, Vice Presidents (2), General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller and Accounting Manager is authorized to order withdrawals from each account **without limit when countersigned by one** of the authorized signatures of the **President or Vice Presidents (2)**.

**RESOLVED FURTHER** that any and all of the foregoing nine Agency Officers are hereby authorized to execute on behalf of the Agency all Bank forms and agreements which, in their absolute discretion, are consistent with this resolution.

#### **RESOLUTION NO. SCV-163**

#### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY ESTABLISHING BANKING AUTHORITY FOR THE VALENCIA DIVISION WITH WELLS FARGO**

**WHEREAS**, the Santa Clarita Valley Water Agency, Valencia Division, has an existing banking relationship with the Valencia Branch of the Wells Fargo Bank (Bank) with respect to the Retail Revenue Account, Disbursement Account; and Investment/Brokerage Account; and

**WHEREAS**, said Bank requests that the Agency define Agency officials authorized to make withdrawals from and perform other business details concerning said account; and

**WHEREAS**, consistent with the terms of this resolution, the Agency's Board finds it to be in the Agency's best interest to authorize continuation of the above banking relationships.

**NOW THEREFORE BE IT RESOLVED** that the President, Vice Presidents (2), General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller and Accounting Manager are authorized to sign or countersign withdrawal orders, and Wells Fargo Bank is authorized to honor and pay all withdrawal orders – including those drawn to the order of the President, Vice Presidents (2), General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller and Accounting Manager signed in the manner required by this resolution.

**RESOLVED FURTHER** that the General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller and Accounting Manager is authorized to order withdrawals from said account up to a **maximum of \$25,000 per order on his or her signature only**, and either said General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller and Accounting Manager is authorized to order withdrawals from said accounts **exceeding the sum of \$25,000 but not to exceed \$1,000,000** per order on his or her signature when the order is **countersigned by one** of the authorized signatures of the President, Vice Presidents (2), General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller and Accounting Manager.

**RESOLVED FURTHER** that the President, Vice Presidents (2), General Manager, Assistant General Manager, Chief Financial and Administrative Officer, Director of Finance and Administration, Controller and Accounting Manager is authorized to order withdrawals from each account **without limit when countersigned by one** of the authorized signatures of the **President or Vice Presidents (2)**.

**RESOLVED FURTHER** that any and all of the foregoing nine Agency Officers are hereby authorized to execute on behalf of the Agency all Bank forms and agreements which, in their absolute discretion, are consistent with this resolution.

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Upon motion of Director Cooper, seconded by Director DiPrimio and carried, the Board authorized the General Manager to extend the Site Control Agreement between SCV Water and Alamo Springs, LLC through December 31, 2021 by the following roll call votes (Item 6.1):

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

Upon motion of Director Atkins, seconded by Vice President Gladbach and carried, the Board authorized the General Manager to execute two-year contracts with each legislative Advocacy firm at the proposed rates by the following roll call votes (Item 6.2):

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

Upon motion of Director Atkins, seconded by Vice President Gladbach and carried, the Board approved the Social Media Plan for Fiscal Year 2020/21 by the following roll call votes (Item 6.3):

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

Upon motion of Director Cooper, seconded by Vice President Gladbach and carried, the Board confirmed the approval of debt to provide \$55 million of proceeds to be allocated as follows: \$10 million for retail capital projects with the remainder (approximately \$45 million) allocated to regional capital projects by the following roll call votes (Item 6.4):

Director Atkins	Yes	Director E. Colley	No
Director K. Colley	Yes	Director Cooper	Yes
Director DiPrimio	Yes	Director Ford	Yes
Vice President Gladbach	Yes	Vice President Gutzeit	Yes
Director Kelly	Yes	President Martin	Yes
Director Mortensen	Yes	Director Plambeck	No

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

The General Manager reported on the progress and the preparations to obtain ratings and market Agency Bonds, as well as the potential buyout of the Agency’s two solar power purchase agreements with the potential savings for our customers.

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**There were no comments on Committee Meeting Recap Reports Item 8 or Written Reports Item 9.**

**President’s Report (Item 10).**

President Martin advised the Board that as discussed at the previous Board meeting he cast a vote for the incumbent Arlene Shafer for the CSDA Southern Board member Section Seat C.

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**AB 1234 Reports (Item 11).**

Written reports were submitted by President Martin and Vice President Gladbach and were included in the Board packet which is part of the record. Additional reports were submitted by Vice President Gutzeit and Director Plambeck which were posted on the SCV Water website, OnBoard and are part of the record.

President Martin and Director’s DiPrimio and Ford reported that they attended the VIA State of the State webinar held on July 7, 2020.

President Martin, Vice President’s Gladbach and Gutzeit and Directors Atkins and Cooper reported that they attended the SCV GSA Board meeting on July 6, 2020 held via teleconference.

There were no further AB 1234 Reports.

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**Director Reports (Item 12).**

There were no Director reports.

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**Director Requests for Approval for Event Attendance (Item 13).**

There were no Director requests for event attendance.

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**Request for Future Agenda Items (Item 14).**

There were no requests for future agenda items.

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Upon motion of Director Plambeck, seconded by Vice President Gladbach and carried, the meeting was adjourned at 8:15 PM by the following roll call votes (Item 15):

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

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April Jacobs, Board Secretary

ATTEST:

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President of the Board



## BOARD MEMORANDUM

**DATE:** July 8, 2020

**TO:** Board of Directors

**FROM:** Dirk Marks   
Director of Water Resources

**SUBJECT:** Authorize the General Manager to Execute an Amendment to the Reservoir Agreement for Sites Reservoir to Fund Necessary Planning Costs

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### SUMMARY

The Sites Reservoir is an off-stream reservoir that would supplement SCV Water's imported water supplies. SCV Water is the successor to the Castaic Lake Water Agency May 2016 agreement to fund initial planning costs for the Sites Reservoir Project. The project has undergone a reassessment that has reduced the size, cost and environmental impact of the project to a viable project to meet the needs of both north and south of Delta participants. Additional work to better define permitting and regulatory requirements is advisable prior to committing to fund design and construction of the project. The Sites Authority and its Reservoir Committee propose an amendment to the existing participation agreement to fund the necessary work.

### DISCUSSION

The Sites Reservoir has been evaluated as a water supply project for more than 30 years. It was originally envisioned as part of, what was called at the time, Stage II of the State Water Project and was administered by DWR until 2010 when the Sites Reservoir Authority was formed to take over the project and move it forward. At that time, the project was envisioned as an off-stream reservoir with 1.3 to 1.8 million acre-feet of capacity that would be filled from several Sacramento River diversions.

The Sites Reservoir Project could benefit SCV Water by further diversifying the Agency's water supply portfolio and mitigating further reduction of SWP imported supplies. In addition, being a surface supply (and the fact that current available Delta pumping windows occur in the summer), delivery of this supply is more readily scheduled in high demand summer months than groundwater banking supplies. Thus, this supply could reduce the need for additional investments in groundwater banking programs.

Since SCV Water's initial involvement with the Sites Reservoir Project, extensive discussions with regulatory agencies, along with participant concerns regarding the unit cost of water provided by the project, have led to a revised project description of a 1.5 MAF reservoir that incorporates greater reliance on existing conveyance facilities. Some Water Resources and Watershed Committee members expressed concern regarding the reduction in reservoir size noting that opportunities to construct surface storage in California are rare and the maximizing the project size should be strongly considered. Such an action would probably increase project costs by approximately ten percent, but without a corresponding increase in potential yield given current regulatory considerations.



Attachment A contains an Executive Prospectus summarizing the revised project. These changes have resulted in the estimated cost of \$3.0-3.3 billion and an average 243,000 AF annual yield available to participants. Incorporating more stringent regulatory requirements than originally anticipated resulted in an estimated cost of approximately \$600 to \$650 per AF north of the Delta. If a Delta conveyance facility is not constructed, water supplies would be subject to Delta carriage losses that could decrease available water supplies between 15-35% depending on specific conditions experienced in a given year. As the anticipated water supplies from the reservoir would likely be needed in only critically dry and dry years, the incremental cost of the water supply would be higher than the average costs shown above. Further analysis would be required to quantify such costs.

SCV Water currently participates at a 5,000 AF participation level which is roughly equivalent to the annual yield anticipated from the project or approximately 2% of the projected project yield. Some members of the Water Resources and Watershed Committee expressed interest in increasing SWC Water's participation in the reservoir mentioning potentially doubling participation level to 10,000 AF. Such an action would require catch-up payments for past planning costs in order to preserve equity in investments among all participants.

The cost to complete this next phase of planning is approximately \$31.75 million. These expenses would be met through early Prop 1 funding provided by the State of California and a \$100/AF cash call from participating agencies. SCV Water's share would be \$500,000. The goal of this planning phase of work is to provide the participants by December 31, 2021, with enough information/certainty to participate in final planning, design and construction phases of the project. These work efforts include:

- Improving certainty related to reservoir operations and degree of integration with the State Water Project and Central Valley Project to characterize water supply benefits.
- Improving certainty related to project permitability through focused consultations with permitting agencies and preparation of applications for key federal and state permits.

These include:

- Administrative draft of water rights application
- Submittal of a Biological Assessment
- Submittal of an incidental take permit from the California Department of Fish and Wildlife
- Largely completing environmental analysis and documentation required under CEQA and NEPA including revised draft EIR/EIS documents.
- Improving certainty relating to affordability by advancing engineering and implementing risk management to improve the accuracy of the cost estimates and by pursuing low-interest financing and potential grants.
- Cultivating and strengthening partnerships with local landowners and key stakeholders that represent environmental, business, labor and other interests.
- Meeting Prop 1 (WSIP) milestones to remain eligible to receive \$775 million in construction funding.

- Identifying future Go/No-Go decision points and associated cash calls, and developing financial and successor participation agreements including a plan to advance the project beyond December 2021.

### Reservoir Project Agreement

At the direction of the CLWA Board, staff executed the Reservoir Project Agreement for Sites Reservoir in May of 2016. In 2019 and 2020, after Board concurrence, staff executed no cost amendments that extended the work period through September 2020. The proposed amendment would provide for funding the work plan to advance planning as discussed above. This would be accomplished through an additional cash call of no more than \$100/AF. The work plan would be completed by December 31, 2021.

### **FINANCIAL CONSIDERATIONS**

The Fiscal Year 2020/21 Capital Budget contains \$500,000 for participation in the Sites Reservoir planning costs. At SCV Water's current 5,000 AF participation level, the budget would cover the proposed \$100/AF assessment proposed in the amendment.

If SCV Water chose to increase its participation to 10,000 AF, the anticipated cost would increase to \$1,542,500 million. Approximately \$542,500 for past planning costs and \$1,000,000 for future planning costs. This increase in cost would need to be funded from reserves.

### **RECOMMENDATIONS**

That the Board of Directors authorize the General Manager to execute an Amendment to the Reservoir Agreement for the Sites Project, at a Board selected participation level, to fund necessary planning costs through December 2021.

DSM

Attachment

M65

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# EXECUTIVE PROSPECTUS

A 21<sup>st</sup> Century Solution

Sites Reservoir is a generational opportunity to construct a multi-benefit water storage project that helps **restore flexibility, reliability, and resiliency** to our statewide water supply. Simply put, no other storage project currently under consideration in California can **positively influence the operational efficiencies of our existing statewide water.**

Perhaps what makes Sites Reservoir so unique is that it is **not a "traditional" reservoir project.** It is an **off-stream facility** that **does not dam a major river system** and would **not block fish migration or spawning.** Rather, Sites Reservoir offers a significant water storage opportunity that benefits both people and the environment.



Sites Reservoir **captures and stores stormwater flows** from the **Sacramento River**—after all other water rights and regulatory requirements are met—for **release in dry and critical years** for **environmental use** and for California **communities, farms, and businesses** when it is so desperately **needed.** Sites Reservoir is designed to be **adaptable to a changing climate.** As snowpack declines due to **climate change** and more of our water comes in the form of **atmospheric rivers** - Sites Reservoir will become **even more vital to the future resiliency of our statewide water supply.**

**28 participants span California**

Our participants serve:



Cities/  
Neighborhoods



Farmland/  
Irrigation



State/  
Environment

equating to **24+ million people** and  
over **500,000 acres of farmland**

MEMBER	RESERVOIR
Public Water Agencies	
North of Delta	52,142 AF
South of Delta	140,750 AF
Subtotal Public Water Agencies	192,892 AF
State of CA (WSIP)	~40,000 AF
<b>Total Requirement</b>	<b>~230,000 AF</b>

## Delivering Success: Key Accomplishments



Named in the Governor's Water Resiliency Plan as one of two critical projects



Reduced the construction cost by over \$2B through the value planning process



Leveraged your investment dollars against other federal and state dollars. For every dollar you invested we stretched it into \$1.50



Collaborated with State and Federal permitting agencies to define criteria for project permitability

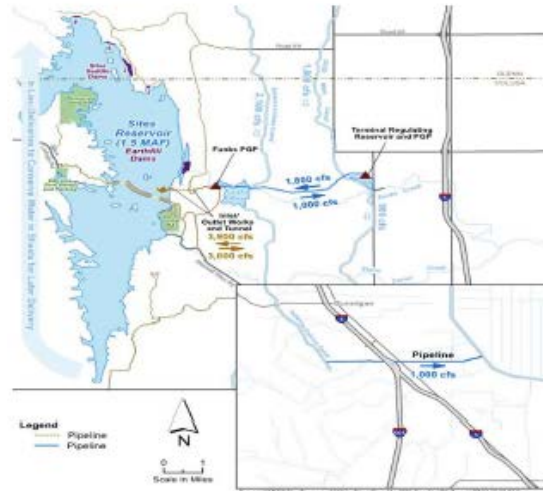
## Value Planning

The Sites Project Authority conducted a rigorous value planning effort to review the project's proposed operations and facilities to develop a project that is "right-sized" for our investors and participants while still providing water supply reliability and enhancing the environment.

### This right-sized reservoir is:

- Responding to extensive member-agency, community, NGO and regulatory input
- Resulting in a smaller footprint
- Optimizing operations for climate conditions

It is essential that we build a project now that makes sense for all our participants - local, state, and federal. This means rightsizing and optimizing the project for current conditions, while maintaining flexibility to expand and adapt the project to address future conditions.



## Benefits



### Off-stream Storage

Does not create a barrier to native fish migration



### Cooperative Operation

Increases effectiveness and efficiency of existing water storage Infrastructure



### Recreational Opportunities

Provides northern Sacramento Valley with additional opportunities for recreation



### Federal and State Agencies Manage Environmental Water

Adaptable to current and future conditions and priorities



### Adaptable to Climate Change

Contributes to system reliability and performance with climate change



### Environmental Support

Provides environmental water in drier periods for native fish, and habitat for native species and birds



### Local Leadership and Cooperation

Aligns with Sacramento Valley's values and fosters regional and statewide collaboration



### Dry Year Water Supply

Reliable dry year water supply for California communities, farms and businesses

## Environmental Planning & Permitting

- Over 60 meetings to date
- Focused on:
  - › Criteria for diverting water from Sacramento River Into Sites Reservoir
  - › Methods of analysis for ESA permits
- Discussions continue with CDFW, NMFS and USFWS
- Initial analysis shows annual deliveries of 200,000 – 250,000 acre-ft on average
- Range may be refined as discussions continue and permits finalized

## Operations

Reservoir operations being refined and integrated with the State Water Project and Central Valley Project to Improve certainty related to the project's permissibility

YEAR TYPE	1,000 CFS RELEASE CAPACITY (TAF/YEAR)
Wet	90 - 120
Above Normal	260 - 290
Below Normal	245 - 275
Dry	355 - 385
Critically Dry	210 - 240
Long Term Average	~240

### Sites Reservoir:

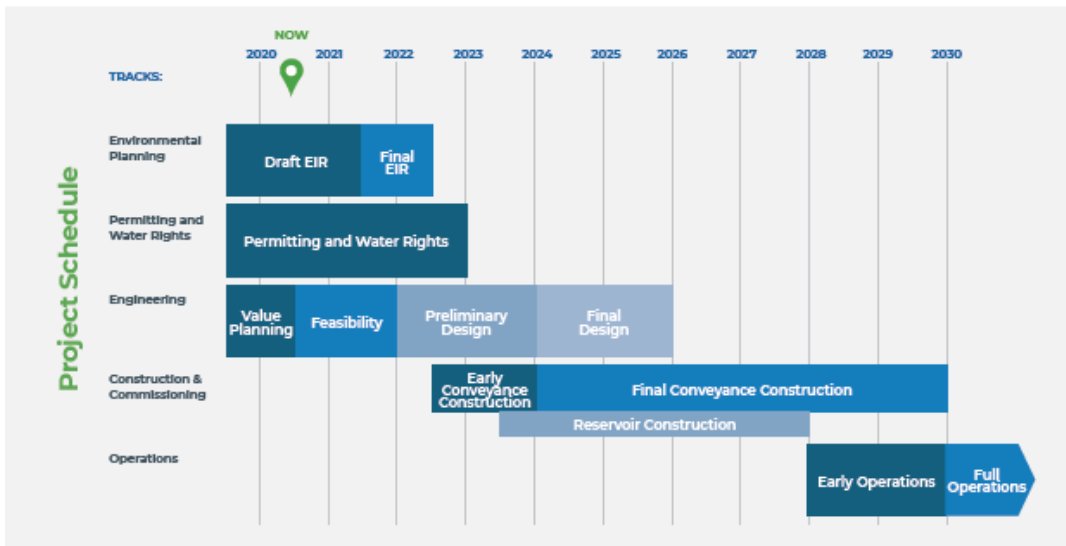
Improves the state's water management system in drier periods, restores much-needed flexibility and reliability

Dedicates water to the environment to be managed by state resources agency managers who will decide how, and when, this water would be used

Creates a water asset for members and for the state that does not currently exist

## Affordability Overview

ANNUAL REPAYMENT COSTS PER ACRE FOOT OF RELEASE	
Reservoir Size (MAF)	1.5
Project Cost (2019\$, billions)	\$2.4 - \$2.7
Contingency Cost (2019\$, billions)	\$0.6
Total Project Cost (2019\$, billions)	\$3.0 - \$3.3
Annualized AF/year release (AF/year)	~240
Range of Annual Costs During Repayment Without WIFIA Loans (2020\$, \$/AF)	\$650 - \$710
Range of Annual Costs During Repayment With WIFIA Loans (2020\$, \$/AF)	\$600 - \$660



### Next Steps to 2021

Improves the state's water management system in drier periods, restores much-needed flexibility and reliability

Dedicates water to the environment to be managed by state resources agency managers who will decide how, and when, this water would be used

Creates a water asset for members and for the state that does not currently exist



### Looking Ahead

Our participants are what makes Sites Reservoir such a unique and promising storage project. We have accomplished a great deal in recent years and are moving into a critical time as we transition to this next phase. As we move forward, we will continue to **strengthen partnerships** with **local landowners, communities, and key stakeholders** that represent **environmental, business, labor, and other interests** and continue to **pursue funding** to move the project forward through the **planning and feasibility stage** and into **implementation** beginning in 2022.