

Minutes of the Regular Meeting of the Board of Directors of the Santa Clarita Valley Water Agency – November 20, 2018

A regular meeting of the Board of Directors of the Santa Clarita Valley Water Agency was held at the Santa Clarita Valley Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350, at 6:30 PM on Tuesday, November 20, 2018. A copy of the Agenda is inserted in the Minute Book of the Agency preceding these minutes.

DIRECTORS PRESENT: B. J. Atkins, Tom Campbell, Ed Colley, Kathy Colley, William Cooper, Robert DiPrimio (arrived at 7:06 PM), Dean Efstathiou (arrived at 7:23 PM), Jerry Gladbach, Maria Gutzeit, R. J. Kelly, Gary Martin, Jacque McMillan, Dan Mortensen and Lynne Plambeck were in attendance.

DIRECTORS ABSENT: None.

Also present: Matthew Stone, General Manager; Joe Byrne and Tom Bunn, General Counsel; April Jacobs, Board Secretary; Steve Cole, Assistant General Manager; Eric Campbell, Chief Financial and Administrative Officer; Rochelle Patterson, Director of Finance and Administration; Dirk Marks, Director of Water Resources; Ari Mantis, Human Resources/Risk Management Supervisor; Jenny Joo, Human Resources Analyst; Jeff Herbert, Senior IT Technician; Kathie Martin, Public Information Officer; Brian Thomas, Executive Director for the Finance JPA; Terri Bell, Temporary Administrative Assistant; Joe Ortiz, Best Best and Krieger; and members of the public.

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

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

| | | | |
|------------------------|-------------|----------------------|-------------|
| Director Atkins | Yes | Director Campbell | Yes |
| Director E. Colley | Yes | Director K. Colley | Yes |
| President Cooper | Yes | Director DiPrimio | Not Present |
| Director Efstathiou | Not Present | Director Gladbach | Yes |
| Vice President Gutzeit | Yes | Vice President Kelly | Yes |
| Director Martin | Yes | Director McMillan | Yes |
| Director Mortensen | Yes | Director Plambeck | Yes |

Upon motion of Director K. Colley, seconded by Director Atkins and carried, the Board approved the Consent Calendar including Resolution No. SCV-70 by the following electronic votes (Item 5):

| | | | |
|------------------------|-------------|----------------------|-------------|
| Director Atkins | Yes | Director Campbell | Yes |
| Director E. Colley | Yes | Director K. Colley | Yes |
| President Cooper | Yes | Director DiPrimio | Not Present |
| Director Efstathiou | Not Present | Director Gladbach | Yes |
| Vice President Gutzeit | Yes | Vice President Kelly | Yes |
| Director Martin | Yes | Director McMillan | Yes |
| Director Mortensen | Yes | Director Plambeck | Yes |

RESOLUTION NO. SCV-70

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
HONORING TIMOTHY H. QUINN EXECUTIVE DIRECTOR OF THE ASSOCIATION OF
CALIFORNIA WATER AGENCIES FOR HIS DISTINGUISHED SERVICE**

WHEREAS, the Board of Directors of the Santa Clarita Valley Water Agency find it appropriate to honor Timothy H. Quinn for his many years of dedicated service to California Water issues; and

WHEREAS, Mr. Quinn has over thirty years of service in the California water industry, with the last eleven and half years as the ACWA Executive Director; and

WHEREAS, Mr. Quinn began his career in water at the Metropolitan Water District of Southern California, conducting the first reliability assessments of Southern California Water supply reliability; and

WHEREAS, Mr. Quinn in 1994 he became the Deputy General Manager of the Metropolitan Water District of Southern California and represented the district on numerous state and federal water issues; and

WHEREAS, Mr. Quinn played a key role in developing the California Legislature's historic 2009 comprehensive water package, which adopted the policy of coequal goals and set first ever conservation standards; and

WHEREAS, Mr. Quinn led the efforts to raise \$6 million and implementation of the California Water Crisis education campaign; and

WHEREAS, Mr. Quinn helped to trigger development of the statewide, Comprehensive Action Plan adopted by the Brown Administration; and

WHEREAS, Mr. Quinn has been a leader in many events that have transformed California Water Management, including passage of the Sustainable Groundwater Management Act of 2014 and enactment of Proposition 1, the \$7.5 Billion general obligation water bond overwhelmingly approved by California voters in November of 2014; and

WHEREAS, Mr. Quinn headed the ACWA efforts on drought preparedness and long term conservation policies; and

WHEREAS, Mr. Quinn led ACWA efforts to improve forest management and was the founding director of California Forest Watershed Alliance.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Santa Clarita Valley Water Agency do hereby express to Timothy H. Quinn their utmost appreciation for his years of dedicated, outstanding service and significant contributions to the water industry.

RESOLVED FURTHER that a duly authenticated copy of this resolution be delivered to Timothy H. Quinn as an expression of the Agency's appreciation and respect.

Upon motion of Director Campbell, seconded by Vice President Kelly and carried, the Board approved Resolution No. SCV-71 authorizing the General Manager to execute the Delta Conveyance Financing Authority Joint Powers Agreement by the following electronic votes (Item 6.1):

| | | | |
|------------------------|-------------|----------------------|-----|
| Director Atkins | Yes | Director Campbell | Yes |
| Director E. Colley | Yes | Director K. Colley | Yes |
| President Cooper | Yes | Director DiPrimio | Yes |
| Director Efstathiou | Not Present | Director Gladbach | Yes |
| Vice President Gutzeit | Yes | Vice President Kelly | Yes |
| Director Martin | Yes | Director McMillan | Yes |
| Director Mortensen | Yes | Director Plambeck | No |

RESOLUTION NO. SCV-71

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY AUTHORIZING THE EXECUTION AND DELIVERY OF THE DELTA CONVEYANCE FINANCE AUTHORITY JOINT POWERS AGREEMENT

WHEREAS, the California WaterFix (CWF) is a critical component of the California Water Action Plan, the State of California's blueprint for "a sustainable and resilient future"; and

WHEREAS, the CWF is essential to protecting and assuring the California State Water Project's (SWP) future reliability by addressing the Delta's ecosystem and levee system which are increasingly vulnerable to earthquakes, flooding, saltwater intrusion, climate change, and environmental degradation; and

WHEREAS, on July 21, 2017, the California Department of Water Resources (DWR), acting as Lead Agency, certified the final environmental analysis for the CWF and signed the Notice of Determination thereby approving CWF as the proposed project under the California Environmental Quality Act (DWR Approval); and

WHEREAS, on June 5, 2018, the Santa Clarita Valley Water Agency (SCV Water) Board of Directors passed Resolution No. SCV-42, thereby acting as a responsible agency, and resolved that having considered DWR's certified Final EIR and the impacts of the project as disclosed and analyzed in the Final EIR, the SCV Water Board, adopted DWR's Finding of Fact with respect to each potentially significant impact of the project, adopted a Statement of Overriding Considerations in view of potentially significant and unavoidable impacts, adopted the Mitigation Monitoring and Reporting Program, and authorized participation in California WaterFix and authorized the General Manager to negotiate, execute and deliver a Gap Funding agreement with DWR; and

WHEREAS, subsequently certain other state water contractors entered into a Delta Conveyance Finance Authority Joint Powers Agreement (the "Joint Powers Agreement"), dated July 3, 2018, pursuant to which the Delta Conveyance Finance Authority (the "Finance JPA") was created; and

WHEREAS, the Agency is a 2.35% participant in the State Water Project as it relates to CWF (the "Agency Share"); and

WHEREAS, the Agency has determined to become a member of the Finance JPA.

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

1. The Board of Directors hereby approves the form of the Joint Powers Agreement attached hereto as Exhibit A and authorizes the General Manager to execute and deliver the Joint Powers Agreement to the Finance JPA. Matthew G. Stone is hereby appointed to serve on the Board of Directors of the Finance JPA.
2. Pursuant to Section 15(a) of the Joint Powers Agreement and Section 4 thereof, the Agency confirms its intention to commit to supporting bonds issued by the Finance JPA.
3. The Agency shall not enter into any bond support agreement or installment sale agreement to support Finance JPA bonds (a) in excess of the Agency Share of CWF costs, and (b) without prior approval by this Board of Directors of the form of a bond support agreement and an installment sale agreement in form and substance acceptable to the Agency.
4. The Board finds that the approval of the Agreement: (1) further implements the Board's previous CEQA determinations and does not change the nature or description of WaterFix, such that no further environmental review is required under the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines § 15162; and (2) alternatively, is the mere creation of a governmental entity (i.e., the Delta Conveyance Finance Authority), which is an "organizational or administrative" government activity that does not propose, approve, or otherwise authorize any activities that may "result in direct or indirect physical changes in the environment," such that the execution of the Agreement is not a CEQA "project" subject to review under State CEQA Guidelines § 15378 (b)(5).
5. This resolution shall take effect immediately.

Upon motion of Director DiPrimio, seconded by Director Gladbach and carried, the Board approved contracts with Best Best and Krieger, LLP and Lagerlof, Senecal, Gosney & Kruse, LLP by the following electronic votes (Item 7):

| | | | |
|------------------------|-----|----------------------|-----|
| Director Atkins | Yes | Director Campbell | Yes |
| Director E. Colley | No | Director K. Colley | Yes |
| President Cooper | Yes | Director DiPrimio | Yes |
| Director Efstathiou | Yes | Director Gladbach | No |
| Vice President Gutzeit | Yes | Vice President Kelly | Yes |
| Director Martin | Yes | Director McMillan | Yes |
| Director Mortensen | Yes | Director Plambeck | Yes |

Upon motion of Director DiPrimio, seconded by Director Gladbach and carried, the Board approved an increase in the General Manager's salary from \$21,167 per month to \$22,648.69 per month, annual salary increased to 271,784.28, which is a 7% percent increase effective December 28, 2018 by the following electronic votes (Item 8):

| | | | |
|------------------------|-----|----------------------|-----|
| Director Atkins | Yes | Director Campbell | Yes |
| Director E. Colley | No | Director K. Colley | No |
| President Cooper | Yes | Director DiPrimio | Yes |
| Director Efstathiou | Yes | Director Gladbach | Yes |
| Vice President Gutzeit | Yes | Vice President Kelly | No |
| Director Martin | Yes | Director McMillan | Yes |
| Director Mortensen | Yes | Director Plambeck | No |

Upon motion of Director Martin, seconded by Director Gladbach and carried, the Board approved Vice President Kelly's request to sit on the CSDA Audit Committee by the following electronic votes (Item 9):

| | | | |
|------------------------|-----|----------------------|-----|
| Director Atkins | Yes | Director Campbell | Yes |
| Director E. Colley | No | Director K. Colley | No |
| President Cooper | Yes | Director DiPrimio | Yes |
| Director Efstathiou | Yes | Director Gladbach | Yes |
| Vice President Gutzeit | Yes | Vice President Kelly | Yes |
| Director Martin | Yes | Director McMillan | Yes |
| Director Mortensen | Yes | Director Plambeck | Yes |

Upon motion of Director Atkins, seconded by Director DiPrimio and carried, the Board approved Director Gladbach to continue as a representative for SCV Water on the National Water Resources Association Board of Directors by the following electronic votes (Item 9.1):

| | | | |
|------------------------|-----|----------------------|-----|
| Director Atkins | Yes | Director Campbell | Yes |
| Director E. Colley | Yes | Director K. Colley | Yes |
| President Cooper | Yes | Director DiPrimio | Yes |
| Director Efstathiou | Yes | Director Gladbach | Yes |
| Vice President Gutzeit | Yes | Vice President Kelly | Yes |
| Director Martin | Yes | Director McMillan | Yes |
| Director Mortensen | Yes | Director Plambeck | Yes |

Upon motion of Director McMillan, seconded by Director Gladbach and carried, the Board approved Director Martin's request to be considered for the CSDA Professional Development Committee and Member Services Committee by the following electronic votes (Item 9.2):

| | | | |
|------------------------|-----|----------------------|-----|
| Director Atkins | Yes | Director Campbell | Yes |
| Director E. Colley | No | Director K. Colley | Yes |
| President Cooper | Yes | Director DiPrimio | Yes |
| Director Efstathiou | Yes | Director Gladbach | Yes |
| Vice President Gutzeit | Yes | Vice President Kelly | Yes |
| Director Martin | Yes | Director McMillan | Yes |
| Director Mortensen | Yes | Director Plambeck | Yes |

AB 1234 Reports (Item 13):

A written report was submitted by Director Plambeck.

Director Gladbach reported that he attended the NWRA Annual Conference held in San Diego on November 7-9, 2018 and attended the ACWA Board meeting in Sacramento on November 16, 2018.

Upon motion of Director Gladbach, seconded by Director E. Colley and carried, the Board went into Closed Session at 8:44 PM to discuss the items listed on the Agenda by the following electronic votes (Item 15):

| | | | |
|------------------------|-----|----------------------|-----|
| Director Atkins | Yes | Director Campbell | Yes |
| Director E. Colley | Yes | Director K. Colley | Yes |
| President Cooper | Yes | Director DiPrimio | Yes |
| Director Efstathiou | Yes | Director Gladbach | Yes |
| Vice President Gutzeit | Yes | Vice President Kelly | Yes |
| Director Martin | Yes | Director McMillan | Yes |
| Director Mortensen | Yes | Director Plambeck | Yes |

Upon motion of Director Atkins, seconded by Director Gladbach and carried, the Board voted to come out of Closed Session at 10:46 PM by the following electronic votes:

| | | | |
|------------------------|-----|----------------------|-----|
| Director Atkins | Yes | Director Campbell | Yes |
| Director E. Colley | Yes | Director K. Colley | Yes |
| President Cooper | Yes | Director DiPrimio | Yes |
| Director Efstathiou | Yes | Director Gladbach | Yes |
| Vice President Gutzeit | Yes | Vice President Kelly | Yes |
| Director Martin | Yes | Director McMillan | Yes |
| Director Mortensen | Yes | Director Plambeck | Yes |

President Cooper reconvened the Open Session at 10:46 PM.

Tom Bunn, Esq., reported that regarding Item 15.2, Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9, Claim of Paul Halushka Against Santa Clarita Valley Water Agency, Date of Claim September 26, 2018, the Board rejected the claim by motion of Director Atkins, seconded by Director Gladbach and carried, by the following voice votes (Item 16).

| | | | |
|------------------------|-----|----------------------|-----|
| Director Atkins | Yes | Director Campbell | Yes |
| Director E. Colley | Yes | Director K. Colley | Yes |
| President Cooper | Yes | Director DiPrimio | Yes |
| Director Efstathiou | Yes | Director Gladbach | Yes |
| Vice President Gutzeit | Yes | Vice President Kelly | Yes |
| Director Martin | Yes | Director McMillan | Yes |
| Director Mortensen | Yes | Director Plambeck | Yes |

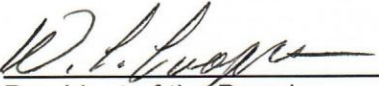
There were no other actions taken in Closed Session that were reportable under the Ralph M. Brown Act (Item 16).

Upon motion of Director Gladbach, seconded by Vice President Kelly and carried, the meeting was adjourned at 10:50 PM in honor of Russell G. Behrens by the following electronic votes (Item 19):

| | | | |
|------------------------|-----|----------------------|-----|
| Director Atkins | Yes | Director Campbell | Yes |
| Director E. Colley | Yes | Director K. Colley | Yes |
| President Cooper | Yes | Director DiPrimio | Yes |
| Director Efstathiou | Yes | Director Gladbach | Yes |
| Vice President Gutzeit | Yes | Vice President Kelly | Yes |
| Director Martin | Yes | Director McMillan | Yes |
| Director Mortensen | Yes | Director Plambeck | Yes |


April Jacobs, Board Secretary

ATTEST:


President of the Board

