

Minutes of the Regular Meeting of the Board of Directors of the Santa Clarita Valley Water Agency – February 18, 2020

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A regular meeting of the Board of Directors of the Santa Clarita Valley Water Agency was held at the Santa Clarita Valley Water Agency located at 27234 Bouquet Canyon Road, Santa Clarita, CA 91350 at 6:30 PM on Tuesday, February 18, 2020. A copy of the Agenda is inserted in the Minute Book of the Agency preceding these minutes.

DIRECTORS PRESENT: B. J. Atkins, Kathy Colley, William Cooper, Jeff Ford, Maria Gutzeit, R. J. Kelly, Gary Martin, Dan Mortensen and Lynne Plambeck.

DIRECTORS ABSENT: Tom Campbell, Ed Colley, Robert DiPrimio and Jerry Gladbach.

Also present: Matthew Stone, General Manager; Tom Bunn, General Counsel; April Jacobs, Board Secretary; Steve Cole, Assistant General Manager; Brian Folsom, Chief Engineer; Eric Campbell, Chief Financial and Administrative Officer; Keith Abercrombie, Chief Operating Officer; Rochelle Patterson, Director of Finance and Administration; Brent Payne, Principal Engineer; Jason Yim, Principal Engineer; Amy Aguer, Controller; Kathie Martin, Public Information Officer; Craig Larsen, IT Technician; Kyle Arnold, Accounting Technician I; Terri Bell, Administrative Assistant; Lutfi Kharuf, Best Best and Krieger (Via Conference Line); and members of the public.

President Martin called the meeting to order at 6:32 PM. A quorum was present.

Upon motion of Director K. Colley, seconded by Director Atkins and carried, the Agenda was approved by the following electronic votes (Item 4):

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

Upon motion of Director Cooper, seconded by Director K. Colley and carried, the Board approved the Consent Calendar by the following electronic votes (Item 5):

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

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Upon motion of Director Mortensen, seconded by Director Cooper and carried, the Board approved Resolution No. SCV-139 revising the Facility Capacity Fees based on the 80%



confidence level as presented in the attached Administrative Record report dated January 2020 by the following electronic votes (Item 6.1):

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

#### RESOLUTION NO. SCV-139

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY REVISING THE RATES OF FACILITY CAPACITY FEES

**WHEREAS**, pursuant to California Government Code Section 66013, the Santa Clarita Valley Water Agency (the "Agency") is authorized to establish and impose facility capacity charges for public facilities in existence at the time a charge is imposed or for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or facility capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities; and

**WHEREAS**, California Government Code Section 66013 provides that when a local agency imposes facility capacity fees, those fees shall not exceed the estimated reasonable cost of providing the service for which the charge is imposed; and

**WHEREAS**, the Agency has conducted a rate study and cost of service analysis regarding the appropriate levels for facility capacity fees, and has consulted with Ratepayer Advocate pursuant to SB634 in regards to these facility capacity fees, and the study has been available for public inspection for at least 10 days prior to this meeting; and

**WHEREAS**, the Agency Board of Directors has reviewed the data and recommendations in the study and has determined that: (1) the rates for the facility capacity fees do not exceed the estimated reasonable cost of the services and facilities for which a facility capacity charge will be imposed; and (2) the allocation of those costs are fair or reasonable in relationship to the burdens on, or benefits that those who pay a facility capacity charge will receive from such services and facilities; and

**WHEREAS**, the Agency now wishes to adopt the facility capacity fees recommended in the study, which shall be imposed on any person, firm, corporation or other entity that requests a water connection, or wishes to upsize an existing water connection.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Santa Clarita Valley Water Agency as follows:

1. The forgoing Recitals are true and correct and by this reference are incorporated herein and made an operative part hereof.



2. A facility capacity charge(s), as established from time-to-time by a resolution of the Board of Directors, shall be paid by any person, firm, corporation or other entity (collectively a Developer) within a WSA when:
  - (a) any Developer requests a new water connection; or
  - (b) any Developer wishes to upsize an existing water connection.
3. The facility capacity fees are hereby adopted in the amounts set forth below, effective on February 19, 2020:

**Proposed Fees based on 1" as a base**

Line	Meter Size	Meter Ratio	WSA 1	WSA 2	WSA 3	WSA 4
1	5/8"	0.40	\$3,950	\$5,967	\$3,306	\$5,656
2	3/4"	0.60	\$5,925	\$8,951	\$4,958	\$8,484
3	1"	1.00	\$9,874	\$14,918	\$8,264	\$14,140
4	1-1/2"	2.00	\$19,749	\$29,835	\$16,528	\$28,279
5	2"	3.20	\$31,598	\$47,737	\$26,445	\$45,247
6	2-1/2"	4.60	\$45,422	\$68,621	\$38,015	\$65,043
7	3"	6.00	\$59,246	\$89,506	\$49,585	\$84,838
8	4"	10.00	\$98,743	\$149,177	\$82,642	\$141,397
9	6"	20.00	\$197,486	\$298,354	\$165,283	\$282,795
10	8"	32.00	\$315,977	\$477,366	\$264,453	\$452,471
11	10"	46.00	\$454,218	\$686,214	\$380,151	\$650,427
12	12"	86.00	\$849,189	\$1,282,922	\$710,718	\$1,216,017

The facility capacity charge(s) shall be due and payable, unless otherwise provided for by a resolution of the Board of Directors, at the time the building permit fees are paid, or if a building permit is not required, at the time the retailer's water connection fees must be paid for the new or upsized water meter. In any case, the water facility capacity charge(s) must be paid before the new construction, the addition of any type of dwelling, commercial or industrial unit or units, or the conversion of a portion of any dwelling, commercial or industrial unit or units is completed, as applicable.

4. Commencing July 1, 2020, and each July 1 thereafter, the Agency shall be authorized to increase the facility capacity charge set forth in section 3 above by the change in the Engineering News-Record Construction Cost Index (20-Cities Average) to account for future construction cost inflation; provided, however, such adjustment shall not result in a change to construction costs of greater than 3% or a reduction of more than 3% and not result in the facility capacity charge exceeding the estimated reasonable cost of providing the service for which the facility capacity charge is imposed.
5. The determination of whether new or a larger water meter is required to serve a property shall be determined in accordance with the Agency's current policies and procedures.



6. If any section, subsection, clause or provision in this Resolution or the application thereof to any person or circumstances is for any reason held invalid, the validity of the remainder of this Resolution or the application of such provisions to other persons or circumstances shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and each section, subsection, sentence, clause or phrase thereof irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof to any person or circumstance be held invalid.
7. The Agency staff is hereby authorized and directed to develop such forms and procedures as may be necessary to implement this Resolution.
8. As of the effective date, this Resolution shall supersede and otherwise control over the provisions of any other Resolution or policy which may be in conflict with the provisions of this Resolution.

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Upon motion of Director Mortensen, seconded by Director Atkins and carried, the Board approved the DLT Solutions, LLC Price Quotation for Oracle Enterprise Performance Management Enterprise Cloud Service in the amount of \$1,166,243.18 for a 60-month (5-year) term by the following electronic votes (Item 6.2):

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

Upon motion of Director Cooper, seconded by Director K. Colley and carried, the Board authorized the General Manager to execute a work authorization for a not-to-exceed amount of \$90,000 for Kennedy/Jenks Consultants to provide preliminary design services and file a Notice of Exemption for the proposed action by the following electronic votes (Item 6.3):

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

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

The General Manager reported on his presentation to the City of Santa Clarita Management Team regarding SCV Water’s Strategic Plan on February 10, 2020. The City is updating their plan and were curious about SCV Water’s process and insights. He noted that one key thing we



continue to try to do is find ways to broaden the input to the plan across the organization as well as awareness of our key plan goals.

He thanked the Board for their engagement and participation in the SCV Water Strategic Plan Workshop on February 11, 2020 which focused on the Strategic Plan and the review of key focus areas for the coming year. He thanked the staff and consultant Ed Means for developing the materials for this workshop.

He mentioned the upcoming Urban Water Institute Conference that is being held February 18-20, 2020 in Palm Springs and how he will be taking part in a panel discussion on "Making the Impossible, Possible: Rethinking Institutional and Regulatory Challenges to Drive Success". Four agencies will present their challenging projects or issues and discuss key success factors. He will speak about the effort to resolve conflict and the team effort that has brought forth a unified SCV Water Agency.

He updated the Board on this week's SCV community relying on the local stored water supply as well as groundwater during a planned shutdown at Castaic Lake by DWR from February 18-22, 2020. This is the annual maintenance of the Department of Water Resources (DWR). DWR will be replacing a 132-inch (11-foot) diameter valve at Castaic Lake. Customers were notified and reminders are posted on the SCV Water website regarding the shutdown. Outreach was also completed with the valley's key irrigators. He advised the Board that customers were asked to voluntarily shut off their outdoor irrigation this week.

He gave a quick update on the State of California releasing revised Response Level criteria for both PFAS and PFOA last week. The criteria measures against a four-quarter running average, with a new sampling order expected from Division of Drinking Water in the near future. Since the Agency has collected two quarters of data already on a voluntary basis, we will utilize that data and remove wells from service when the four-quarter average exceeds the RL. As a reminder, the RL is a threshold that requires that an agency either remove the source from service, blend with another source to reduce the contaminant concentration, or issue a system wide notification to all customers as well as local government bodies. Thus far with PFAS, the Agency has opted to remove sources from service (with later addition of treatment before returning them to service). He acknowledged SCV Water's cross organizational PFAS Strike Team effort (in addition to ongoing efforts to address Perchlorate and VOC's). Staff have worked exceedingly well together to find creative and innovative solution approaches, and to develop sound information for communication efforts.

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**Committee Meeting Recap Reports (Item 8).**

There was no discussion.

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**President's Report (Item 9).**

President Martin announced that at the recent Strategic Planning Board Workshop, Director E. Colley asked that the Board consider reviewing and setting forth its policy on the ongoing financial integration of the Agency. He mentioned that he will convene an Ad Hoc Committee to discuss and develop a policy proposal that can be brought to the Board for consideration at a



future meeting. The Ad Hoc Committee will consist of the original NCWD/CLWA Ad Hoc Committee members, Directors Cooper, DiPrimio, Mortensen and Gutzeit with the addition of himself. Support staff will be Matt Stone, Steve Cole, Eric Campbell and Rochelle Patterson, as well as legal counsel. He also mentioned upcoming conferences that Directors may want to participate in.

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**AB 1234 Reports (Item 10).**

President Martin reported that he participated in a conference call (webinar) with the ACWA Groundwater Committee on February 11, 2020 and attended the Valley Industry Association's monthly luncheon held at the Hyatt Regency on February 18, 2020.

Director Atkins reported that he participated in a conference call (webinar) with the ACWA Water Quality Committee on February 12, 2020 and attended the Valley Industry Association's monthly luncheon held at the Hyatt Regency on February 18, 2020.

Director Cooper reported that he attended the ACWA Region 8 Board meeting at Metropolitan Water District Headquarters in Los Angeles on February 5, 2020.

Director Kelly reported that he participated on a conference call (webinar) with the ACWA Business Development Committee on February 12, 2020.

Director Plambeck reported that she participated in conference calls (webinars) with the ACWA Groundwater Committee on February 11, 2020 and the ACWA Water Quality Committee on February 12, 2020.

There were no further AB 1234 Reports.

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**Director Reports (Item 11).**

Director Kelly thanked the Directors who voted for him to attend the ACWA 2020 Spring Conference coming up in May 2020.

There were no other Director reports.

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**Director Requests for Approval for Event Attendance (Item 12).**

There were no Director requests for event attendance.

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**Request for Future Agenda Items (Item 13).**

There were no requests for future agenda items.

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Upon motion of Director Mortensen, seconded by Director Atkins and carried, the meeting was adjourned at 7:47 PM by the following electronic votes (Item 14):

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

  
April Jacobs, Board Secretary

ATTEST:

  
President of the Board

