

Minutes of the Regular Meeting of the Board of Directors of the Santa Clarita Valley Water Agency – February 4, 2020

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 4, 2020. 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, Jeff Ford, Jerry Gladbach, Maria Gutzeit, R. J. Kelly, Gary Martin, Dan Mortensen and Lynne Plambeck.

DIRECTORS ABSENT: None.

Also present: Matthew Stone, General Manager; Tom Bunn and Joe Byrne, 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; Dirk Marks, Director of Water Resources; Brent Payne, Principal Engineer; Jason Yim, Principal Engineer; Shadi Bader, Senior Engineer; Kathie Martin, Public Information Officer; Rene Ponce, IT Technician; Terri Bell, Administrative Assistant; additional SCV Water staff; Robert Porr and Lora Carpenter, Fieldman Rolapp & Associates; Doug Brown, Stradling Yocca Carlson & Rauth; Cameron Parks, Citigroup Global Markets; and members of the public.

President Cooper called the meeting to order at 6:02 PM. A quorum was present.

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

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

Upon motion of Director Kelly, seconded by Director Gladbach and carried, the Board agreed to a one-year term for the positions of President and Vice President(s) for the calendar year 2020 and will revisit this item in 2021 by the following electronic votes (Item 5.1):

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

Upon motion of Director Campbell, seconded by Director Kelly and carried, the Board approved having two Vice Presidents for the calendar year 2020 and will revisit this item in 2021 by the following electronic votes (Item 5.1):

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

President Cooper announced the next item of business was Agenda Item 5.2 election of Board President and Vice Presidents and requested that the Board Secretary conduct the election of officers.

After a review of the guidelines for the election process, the Board Secretary called for nominations for the position of Board President. Director E. Colley nominated Director Martin and Director DiPrimio nominated Director Gutzeit, there were no further nominations. Directors Martin and Gutzeit each then addressed the Board.

Votes were then cast and tallied and Director Martin received a majority vote of 7.

By motion of Director E. Colley, seconded by Director Gladbach and carried, Director Martin was elected to the position of President of the Board by the following roll call votes (Item 5.2):

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

The Board Secretary then called for nominations for the position of the first Vice President of the Board (Note that the first and second positions for Vice President are of equal standing). President Martin nominated Director Gladbach, Director Atkins nominated Director Gutzeit and Director Kelly nominated Director Ford. There were no further nominations. Directors Gladbach, Gutzeit and Ford each then addressed the Board. Director Ford thanked Director Kelly for his nomination and the Board for consideration but declined the nomination.

Votes were then conducted and no nominee received a majority of the votes.

The Board Secretary asked if there were any additional nominations or if any of the candidates would like to withdraw their name. There were no additional nominations and neither candidate withdrew their name.

A second vote was then conducted and Director Gladbach received a majority vote of 7.

By motion of Director Cooper, seconded by Director K. Colley and carried, Director Gladbach was elected to the position of Vice President of the Board by the following roll call votes (Item 5.2):

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

The Board Secretary then called for nominations for the second Vice President of the Board. Director DiPrimio nominated Director Gutzeit and President Martin nominated Director Cooper. There were no further nominations. Directors Gutzeit and Cooper each then addressed the Board.

Votes were then cast and tallied and Director Gutzeit received a majority vote of 9.

By motion of Vice President Gladbach, seconded by Director Cooper and carried, Director Gutzeit was elected to the position of Vice President of the Board by the following roll call votes (Item 5.2):

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

Once votes were concluded President Martin took his seat as President and Directors Gladbach and Gutzeit took their seats as Vice Presidents.

The Board then selected their seats (Item 5.3).

President Martin called for a short recess at 7:43 PM and reconvened the meeting at 7:53 PM.

Upon motion of Director E. Colley, seconded by Director Cooper and carried, the Board approved the Consent Calendar including Resolution Nos. SCV-134, SCV-135 and SCV-136 and pulled Item 6.4 approval of a Customer Service Policy and revised fees for reconnection of service and Item 6.6 approval of a Ticket Distribution Policy for further discussion by the following electronic votes (Item 6):

Director Atkins	Yes	Director Campbell	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-134

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY AWARDING A CONSTRUCTION CONTRACT TO CEDRO CONSTRUCTION, INC. FOR THE WEST RANCH RECYCLED WATER MAIN EXTENSION (PHASE 2D) PROJECT

WHEREAS, Santa Clarita Valley Water Agency (Agency) determined that recycled water is an important component of future water supplies; and

WHEREAS, the West Ranch Recycled Water Main Extension (Phase 2D) Project is a component of the Recycled Water Master Plan; and

WHEREAS, the previous Castaic Lake Water Agency, as a CEQA Responsible Agency, filed the Notice of Determination with the Los Angeles County Clerk's Office and the State Clearinghouse on August 1, 2017 and there are no substantial changes to the project, and no further CEQA documentation is necessary for the Board to act with regards to the proposed actions; and

WHEREAS, all bid proposals submitted to the Agency pursuant to the Agency's specifications (Project No. 200456) for the construction of the West Ranch Recycled Water Main Extension (Phase 2D) Project, as amended by Addenda, were publicly opened and read at the Agency's offices on Monday, December 9, 2019 at 2:00 p.m., in full accordance with the law and the Agency's customary procedures; and

WHEREAS, the Board of Directors finds, after considering the opinion of staff, that the total bid of Cedro Construction, Inc. in the amount of \$3,112,332 is the lowest responsible bid of five bids submitted, and that said bid substantially meets the requirements of said construction contract documents as amended by Addenda; and

WHEREAS, it is in the Agency's best interest that the Board of Directors, on behalf of the Agency, authorize its General Manager to accept the \$3,112,332 bid.

NOW, THEREFORE, BE IT RESOLVED that the Agency's Board of Directors does authorize its General Manager to accept said low bid and does therefore authorize the Agency's General Manager or its Chief Engineer to issue a Notice of Award to Cedro Construction, Inc., hereby found to be the "lowest responsible bidder" for the West Ranch Recycled Water Main Extension (Phase 2D) for the total sum of \$3,112,332.

RESOLVED FURTHER that the Agency's General Manager or its President and Secretary are thereupon authorized, upon receipt of appropriate payment and performance bonds, appropriate certificates of insurance and an executed Contract Agreement from Cedro Construction, Inc., all of which must be approved by General Counsel, to execute the said Contract Agreement on behalf of the Agency.

RESOLVED FURTHER that the Agency's General Manager or Chief Engineer are thereafter authorized to execute and forward to Cedro Construction, Inc. an appropriate Notice to Proceed.

RESOLUTION NO. SCV-135

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
AWARDING A CONSTRUCTION CONTRACT TO
FERREIRA CONSTRUCTION CO., INC. FOR THE
VISTA CANYON RECYCLED WATER MAIN EXTENSION (PHASE 2B) PROJECT**

WHEREAS, Santa Clarita Valley Water Agency (Agency) determined that recycled water is an important component of future water supplies; and

WHEREAS, the Vista Canyon Recycled Water Main Extension (Phase 2B) Project is a component of the Recycled Water Master Plan; and

WHEREAS, the previous Castaic Lake Water Agency, as a CEQA Responsible Agency, filed the Notice of Determination with the Los Angeles County Clerk's Office and the State Clearinghouse on February 12, 2018 and there are no substantial changes to the project, and no further CEQA documentation is necessary for the Board to act with regards to the proposed actions; and

WHEREAS, all bid proposals submitted to the Agency pursuant to the Agency's specifications (Project No. S16-702) for the construction of the Vista Canyon Recycled Water Main Extension (Phase 2B) Project, as amended by Addenda, were publicly opened and read at the Agency's offices on Wednesday, December 4, 2019 at 2:00 p.m., in full accordance with the law and the Agency's customary procedures; and

WHEREAS, the Board of Directors finds, after considering the opinion of staff, that the total bid of Ferreira Construction Co., Inc. in the amount of \$2,752,982 is the lowest responsible bid of five bids submitted, and that said bid substantially meets the requirements of said construction contract documents as amended by Addenda; and

WHEREAS, it is in the Agency's best interest that the Board of Directors, on behalf of the Agency, authorize its General Manager to accept the \$2,752,982 bid.

NOW, THEREFORE, BE IT RESOLVED that the Agency's Board of Directors does authorize its General Manager to accept said low bid and does therefore authorize the Agency's General Manager or its Chief Engineer to issue a Notice of Award to Ferreira Construction Co, Inc., hereby found to be the "lowest responsible bidder" for the Vista Canyon Recycled Water Main Extension (Phase 2B) for the total sum of \$2,752,982.

RESOLVED FURTHER that the Agency's General Manager or its President and Secretary are thereupon authorized, upon receipt of appropriate payment and performance bonds, appropriate certificates of insurance and an executed Contract Agreement from Ferreira Construction Co., Inc., all of which must be approved by General Counsel, to execute the said Contract Agreement on behalf of the Agency.

RESOLVED FURTHER that the Agency's General Manager or Chief Engineer are thereafter authorized to execute and forward to Ferreira Construction Co. Inc. an appropriate Notice to Proceed.

RESOLUTION NO. SCV-136

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
ADOPTING A REVISED INVESTMENT POLICY**

1.0 POLICY

- 1.1 WHEREAS; the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern; and
- 1.2 WHEREAS; the legislative body of a local agency may invest surplus monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 53601 et seq.; and
- 1.3 WHEREAS; the Treasurer of the Santa Clarita Valley Water Agency ("Agency"), acting under the direction and authority of the Finance Committee of the Agency, shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the Board of Directors at a public meeting;
- 1.4 NOW THEREFORE, it shall be the policy of the Agency to invest funds in a manner, which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Agency and conforming to all statutes governing the investment of Agency funds.

2.0 SCOPE

This investment policy applies to all financial assets of the Agency. These funds are accounted for in the annual Agency audit. The Agency pools all cash for investment purposes. This policy is applicable, but not limited to all funds listed below:

- General/Operating Fund
- Special Revenue Funds
 - a) One Percent Property Tax Fund
 - b) Facility Capacity Fee Fund
 - c) State Water Project Fund
- Capital Project Fund
- Debt Service Fund
- Reserve Funds
- Enterprise Fund
- Grant Funds

3.0 PRUDENCE; RESPONSIBILITY

- 3.1 Prudence: Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Agency, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be

used by investment officials shall be the "prudent investor" standard (California Government Code 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

- 3.2 Responsibility: The Treasurer and other individuals assigned to manage the investment portfolio, acting with the intent and scope of this investment policy while exercising due diligence, shall be relieved of personal responsibility for the credit risk and market price risk for securities held in the investment portfolio, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

- 4.1 Safety: Safety of principal is the foremost objective of the investment program. Investments of the Agency shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- 4.2 Liquidity: The investment portfolio will remain sufficiently liquid to enable the Agency to meet all operating requirements and budgeted expenditures. Investments will be undertaken with the expectation that unplanned expenses will be incurred; therefore, portfolio liquidity will be created to cover reasonable contingency costs.
- 4.3 Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio. The goal is to maximize return while ensuring that safety and liquidity objectives are not compromised.

5.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from California Government Code 53600, et seq. Overall accountability and authority for implementation of this policy shall remain with the Board of Directors of the Agency and overseen by the Agency's Finance Committee. The day-to-day responsibility for management and implementation of the investment program is hereby delegated to the Treasurer, who, where and when appropriate, shall establish written procedures for the operation of the investment program consistent with this investment policy. With this delegation the Treasurer is given the authority to utilize internal staff and outside investment managers to assist in the investment program. The Treasurer shall use care to assure that those assigned responsibility to assist in the management of the Agency's portfolio do so in accordance with this policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a

system of controls to regulate the activities of subordinate officials. Under the provisions of California Government Code 53600.3, the Treasurer is a trustee and a fiduciary subject to the prudent investor standard.

6.0 ETHICS AND CONFLICTS OF INTEREST

The Treasurer and officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Officials and staff members involved with the investment function shall disclose to the Board of Directors any personal financial interest with a financial institution, broker or investment issuer conducting business with the Agency. Officials and staff members shall further disclose to the Board of Directors any personal financial interest in any entity related to the investment performance of the Agency's portfolio.

7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Treasurer will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the Treasurer shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the Treasurer shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the Agency's account with that firm has reviewed the Agency's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the Agency that are appropriate under the terms and conditions of the Investment Policy.

The Agency is a local agency authorized to invest surplus monies in the Local Agency Investment Fund (LAIF). LAIF is a special trust fund in the custody of the State Treasurer and the Local Investment Advisory Board created under Government Code Section 16429.2, which advises the State Treasurer on the investment and reinvestment of LAIF deposits. Each local agency with LAIF deposits has a separate account within LAIF, but the total deposits in LAIF are managed as a pooled investment account. The securities eligible for LAIF investments are statutorily specified in Government Code Section 16430 and are more conservative than those investments permitted under Government Code Section 53601, which governs the management of invested surplus monies by local agencies. Accordingly, the Treasurer need not be concerned with the qualifications of those financial institutions and broker/dealers with whom LAIF transacts business.

8.0 PORTFOLIO MATURITY LIMITS

The maximum maturity for any single investment in the portfolio shall not exceed five years. The maximum weighted average maturity for the investment portfolio shall not exceed three years.

When a security has a mandatory put date, the put date should be used when calculating weighted average portfolio maturity. When a security has an optional put date, the optional put date should be used when calculating weighted average portfolio maturity so long as the put is at the discretion of the Agency and the put price is equal to or greater than the market value for the security. (A put is a contract that gives its holder the right to sell an underlying security, commodity, or currency before a certain date for a predetermined price.)

9.0 AUTHORIZED AND SUITABLE INVESTMENTS

The Agency is empowered by California Government Code 53601 et seq. to invest in the following:

- 9.1 Bonds issued by the Agency.
- 9.2 United States Treasury Bills, Notes and Bonds.
- 9.3 Registered state warrants or treasury notes or bonds issued by the State of California.
- 9.4 Registered treasury notes or bonds of any of the 49 United States in addition to California, including bonds payable solely out of revenues from revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California.
- 9.5 Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency; and also including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies. The LAIF is an approved pooled investment account.
- 9.6 Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by, or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- 9.7 Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances may not exceed 180 days' maturity or 40% of the Agency's money that may be invested pursuant to this policy. However, no more than 30% of the Agency's money can be invested in the bankers' acceptances of any single commercial bank.
- 9.8 Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally-recognized statistical-rating organization. The entity that issues the commercial paper shall either be:
 - 9.8.1 organized and operating within the United States as a general corporation, shall have total assets in excess of Five Hundred Million

Dollars (\$500,000,000), and shall issue debt, other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a nationally-recognized statistical-rating organization; or

- 9.8.2 organized within the United States as a special-purpose corporation, trust, or limited liability company, have program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond, and has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally-recognized statistical-rating organization.

Eligible commercial paper shall have a maximum maturity of 270 days or less. The Agency shall invest no more than 25% of its money in eligible commercial paper. The Agency shall purchase no more than 10% of the outstanding commercial paper of any single corporate issue.

- 9.9 (i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federal or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30% of the Agency's money which may be invested pursuant to this policy. The Board of Directors and the Treasurer are prohibited from investing Agency funds, or funds in the Agency's custody, in negotiable certificates of deposit issued by a state or federal credit union if a member of the Board of Directors, or any person with investment decision-making authority within the Agency also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

(ii) Deposits at a commercial bank, savings bank, savings and loan association or credit union that uses a private sector entity that assists in the placement of such certificates of deposit, pursuant to Government Code Section 53601.8. Deposits shall be subject to Government Code Section 53638 and may not exceed 50% of the Agency's money which may be invested pursuant to this policy.

- 9.10 Repurchase/Reverse Repurchase Agreements of any securities authorized by Section 53061. The market value of securities that underlay a repurchase agreement shall be valued at one hundred two percent (102%) or greater of the funds borrowed against those securities, and are subject to the special limits and conditions of California Government Code 53601(j).

- 9.11 Medium term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of 5 years or less, issued by corporations organized and operating with the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service. Purchases of medium-term notes shall not include other instruments authorized by this policy and shall not exceed 30% of the Agency's money which may be invested pursuant to this policy.

- 9.12 Shares of beneficial interest issued by diversified management companies (mutual funds) investing in the securities and obligations authorized by this policy, and shares in money market mutual funds, subject to the restrictions of California Government Code Section 53601(l). The purchase price of investments under this subdivision shall not exceed 20% of the Agency's investments under this policy. However, no more than 10% of the Agency's money may be invested in any one mutual fund.
- 9.13 Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.
- 9.14 Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by California Government Code Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by California Government Code Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.
- 9.15 Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum of five years maturity. Securities eligible for investment under this subdivision shall be issued by an issuer rated in a rating category of "A" or its equivalent or better for the issuer's debt as provided by a nationally recognized rating service and rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service. Purchase of securities authorized by this subdivision shall not exceed 20% of the Agency's money that may be invested pursuant to this policy.
- 9.16 Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized under Government Code Section 53601. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible, the joint powers authority issuing the shares must have retained an investment advisor that is registered or exempt from registration with the Securities and Exchange Commission, have not less than five years of experience in investing in the securities and obligations authorized under Government Code Section 53601, and have assets under management in excess of five hundred million dollars (\$500,000,000).

- 9.17 Proposition 1A receivables sold pursuant to California Government Code Section 53999. A "Proposition 1A receivable" constitutes the right to payment of moneys due or to become due to a local agency, pursuant to clause (iii) of subparagraph (B) of paragraph (1) of subdivision (a) of Section 25.5 of Article XIII of the California Constitution and Section 100.06 of the Revenue and Taxation Code.
- 9.18 United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.
- 9.19 Any other investment security authorized under the provisions of California Government Code Sections 5922 and 53601.

Such investments shall be limited to securities that at the time of the investment have a term remaining to maturity of five years or less, or as otherwise provided in Government Code Section 53601.

The Agency shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

10.0 COLLATERALIZATION

All certificates of deposit must be collateralized by United States Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralizations on repurchase and reverse agreements will adhere to the amount required under California Government Code 53601(i)(2).

11.0 SAFEKEEPING AND CUSTODY

All securities owned by the Agency, except collateral for repurchase agreements, will be held in safekeeping at a third party bank trust department that will act as agent for the Agency under terms of a custody agreement.

Securities used as collateral for repurchase agreements with a term of up to seven days can be safe kept by a third party bank trust department, or by the broker/dealer's safekeeping institution, acting as agent for the Agency under the terms of a custody agreement executed by the broker/dealer and the Agency and specifying the Agency's perfected ownership of the collateral.

Payment for all transactions will be conducted on a delivery-versus-payment (DVP) basis.

12.0 LEVERAGING

Investments may not be purchased on margin. Securities can be purchased on a "When Issued" basis only when a cash balance can be maintained to pay for the securities on the purchase settlement date.

13.0 DIVERSIFICATION

The Agency will diversify its investments by security type and institution. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities.

Diversification strategies shall be reviewed and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- 13.1 Portfolio maturity dates shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- 13.2 Maturities selected shall provide for stability of income and liquidity.
- 13.3 Disbursement and payroll dates shall be covered through maturities of investments, marketable United States Treasury bills or other cash equivalent instruments such as money market mutual funds.

14.0 REPORTING

The Treasurer shall submit to each member of the Board of Directors an investment report at least monthly. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for Agency by third party contracted managers. The report will also include the source of the portfolio valuation. For funds, which are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) the Agency will meet its expenditure obligations for the next six months as required by Government Code Section 53646(b)(2) and (3), respectively. The Treasurer shall maintain a complete and timely record of all investment transactions.

15.0 INVESTMENT POLICY ADOPTION

The Investment Policy shall be adopted by resolution of the Agency. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the Board of Directors.

Upon motion of Director Atkins, seconded by Vice President Gladbach and carried, the Board approved the Customer Service Policy and revised fees for reconnection of service with a modification to the late fee from \$25 to \$10, extended the due date from three (3) calendar days to ten (10) calendars days after the generation of the bill and other minor edits as verified by staff and approved by General Counsel by the following voice votes (Item 6.4):

Director Atkins	Yes	Director Campbell	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 Cooper, seconded by Director Atkins and carried, the Board approved Resolution No. SCV-137 adopting a Ticket Distribution Policy by the following voice votes (Item 6.6):

Director Atkins	Yes	Director Campbell	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-137

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY ADOPTING A TICKET DISTRIBUTION POLICY

WHEREAS, the Fair Political Practices Commission (FPPC) adopted Section 18944.1, Title 2, California Code of Regulations (Regulation 18944.1) to regulate the distribution and disclosure by public agencies of certain tickets and passes to public officials and employees; and

WHEREAS, Regulation 18944.1 provides that a ticket and pass distributed pursuant to an adopted policy and properly disclosed by the agency is not a gift to the public official and does not trigger a disclosure requirement on the official's Statement of Economic Interests, Form 700; and

WHEREAS, the distribution to and use of such tickets and passes by officials frequently serve legitimate governmental and/or public purposes; and

WHEREAS, from time to time, the Santa Clarita Valley Water Agency (the Agency) may receive complimentary or discounted tickets or passes from third party sources, both public and private, for distribution to Agency officials; and

WHEREAS, based on such practice and the provisions of Regulation 18944.1 adopted and amended by the FPPC, the Agency desires to adopt a policy regarding the distribution of tickets and/or passes; and

WHEREAS, the Agency's proposed Ticket Distribution Policy incorporates the required provisions of Regulation 18944.1 to ensure that the policy establishes a fair and equitable process for the distribution to Agency officials of such tickets and passes by the Agency, in compliance with the requirements of FPPC Regulations.

NOW THEREFORE, the Board of Directors of the Santa Clarita Valley Water Agency hereby finds and resolves as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. The Board of Directors of Santa Clarita Valley Water Agency hereby approves and adopts the Agency's Ticket Distribution Policy proposed in accordance with FPPC Regulation 18944.1, and attached hereto as Exhibit A.

Section 3. The General Manager is directed to implement this policy.

Section 4. The Resolution shall take effect immediately upon adoption.

Section 5. The Secretary of the Board shall certify the adoption of this Resolution.

Upon motion of Director Mortensen, seconded by Director Atkins and carried, the Board approved Resolution No. SCV-138 authorizing (1) the issuance of one or more series of revenue bonds by the Upper Santa Clara Valley Joint Powers Authority, (2) the execution of certain documents, and (3) certain other actions with the redaction of the wording, "Paragraph 4 to", under Section 11 of the Resolution by the following electronic votes (Item 7.1):

Director Atkins	Yes	Director Campbell	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	Yes		

RESOLUTION NO. SCV-138

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY:
(1) REQUESTING THE ISSUANCE BY THE UPPER SANTA CLARA VALLEY
JOINT POWERS AUTHORITY OF REVENUE BONDS;
(2) AUTHORIZING AN INSTALLMENT PURCHASE AGREEMENT,
A CONTINUING DISCLOSURE CERTIFICATE, AN ESCROW AGREEMENT
AND A PURCHASE CONTRACT; AND
(3) AUTHORIZING CERTAIN OTHER ACTIONS**

WHEREAS, the Board of Directors (the "Board") of the Santa Clarita Valley Water Agency (the "Agency") has determined that it may be in the best interest of the Agency to authorize the acquisition of certain capital improvements for the water system, to refinance the acquisition of certain capital improvements and to take certain actions with respect to other outstanding bonds and certificates of participation; and

WHEREAS, the Board has determined to request the Upper Santa Clara Valley Joint Powers Authority (the "Authority") to issue one or more series of revenue bonds to effect such financing and refinancing and to pay the costs of issuance in connection therewith;

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

SECTION 1. The issuance by the Authority of one or more series of revenue bonds (“Bonds”) in the principal amount not to exceed \$275,000,000 to finance the acquisition of capital improvements, to refinance the acquisition of capital improvements and to pay the costs of issuance in connection therewith is hereby requested.

SECTION 2. The Installment Purchase Agreement, in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by General Counsel and the law firm of Stradling Yocca Carlson & Rauth, a Professional Corporation (“Bond Counsel”). The President, Vice President, General Manager, Assistant General Manager and Secretary (the “Authorized Officers”), each acting singly, are hereby authorized and directed to execute and deliver such Installment Purchase Agreement with such changes, insertions and omissions as may be approved by Bond Counsel, said execution by an Authorized Officer being conclusive evidence of such approval.

SECTION 3. The Continuing Disclosure Certificate, in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by General Counsel and Bond Counsel. Each Authorized Officer, acting singly, is hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate with such changes, insertions and omissions as may be approved by Bond Counsel, said execution by an Authorized Officer being conclusive evidence of such approval.

SECTION 4. The Escrow Agreement (2010A), in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by General Counsel and Bond Counsel. Each Authorized Officer, acting singly, is hereby authorized and directed to execute and deliver such Escrow Agreement (2010A) with such changes, insertions and omissions as may be approved by Bond Counsel, said execution by an Authorized Officer being conclusive evidence of such approval.

SECTION 5. The Depository Agreement, in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by General Counsel and Bond Counsel. Each Authorized Officer, acting singly, is hereby authorized and directed to execute and deliver the Depository Agreement with such changes, insertions and omissions as may be approved by Bond Counsel, said execution by an Authorized Officer being conclusive evidence of such approval.

SECTION 6. The Chief Financial and Administrative Officer is hereby directed to send a letter to each of the County of Los Angeles and the County of Ventura (the “Instruction Letter”) directing that all amounts allocated by the respective County from the 1% ad valorem tax to the Agency after the date hereof shall be deposited by each County directly into the 1% Property Tax Account created pursuant to the Depository Agreement.

SECTION 7. Amendment No. 1 to Trust Agreement (1999A), in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by General Counsel and Bond Counsel. Each Authorized Officer, acting singly, is hereby authorized and directed to execute and deliver such Amendment with such changes, insertions and omissions as may be approved by Bond Counsel, said execution by an Authorized Officer being conclusive evidence of such approval.

SECTION 8. Amendment No. 1 to Indenture (2018A), in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by General Counsel and Bond Counsel. Each Authorized Officer, acting singly, is hereby authorized and directed to execute and deliver such Amendment with such changes, insertions and omissions as may be approved by Bond Counsel, said execution by an Authorized Officer being conclusive evidence of such approval.

SECTION 9. Amendment No. 1 to Installment Purchase Agreement (2018A), in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by General Counsel and Bond Counsel. Each Authorized Officer, acting singly, is hereby authorized and directed to execute and deliver such Amendment with such changes, insertions and omissions as may be approved by Bond Counsel, said execution by an Authorized Officer being conclusive evidence of such approval.

SECTION 10. The Purchase Contract with Citigroup Global Markets Inc., as representative, in substantially the form on file with the Secretary of the Board, is hereby approved. Each Authorized Officer, acting singly, or the designee thereof are hereby authorized and directed to execute and deliver the Purchase Contract with such changes, insertions and omissions as may be approved by the person executing the same, said execution by such Authorized Officer being conclusive evidence of such approval; provided, however, that in no event shall the principal amount of the Bonds exceed \$275,000,000, nor shall the underwriter's discount exceed 0.20% of the principal amount of the Bonds, nor shall the true interest cost of the Bonds exceed 4.00%.

SECTION 11. The Board acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in the staff report and are available to the public at the meeting at which this resolution is approved.

SECTION 12. Each Authorized Officer is authorized and directed to apply amounts on deposit in the Newhall County Water Division reserve account to the prepayment of the two outstanding loans to which the Agency is a party as successor to the Newhall County Water District, such prepayment to occur prior to or in connection with the issuance of the Bonds.

SECTION 13. Each Authorized Officer is authorized and directed to apply amounts on deposit in the Santa Clarita Water Division reserve account to fund a portion of the cost of refunding the Upper Santa Clara Valley Joint Powers Authority Refunding Revenue Bonds, Series 2017A (Santa Clarita Water Division), such application of funds to occur prior to or in connection with the issuance of the Bonds.

SECTION 14. Each Authorized Officer is authorized and directed to fund the final payment of principal and interest on the Castaic Lake Water Agency Refunding Revenue Bonds, Series 2014A due on August 1, 2020, prior to or in connection with the issuance of the Bonds.

SECTION 15. Each Authorized Officer is authorized and directed to fund the final payment of principal and interest with respect to the Castaic Lake Water Agency Adjustable Rate Refunding Revenue Certificates of Participation, Series 2008A (1994 Refunding Project) (the "2008 COPs") due on August 1, 2020, prior to or in connection with the issuance of the Bonds or to fund the early tender of the 2008 COPs prior to or in connection with the issuance of the Bonds.

SECTION 16. Each Authorized Officer and such other officers of the Agency are authorized and directed to do any and all things and to execute and deliver any and all documents, including an insurance agreement with a municipal bond insurer, which they may deem necessary or advisable in order to consummate the sale and delivery of the Bonds, and otherwise effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed. Bond Counsel is hereby directed to revise the series designations and document dates with respect to the Installment Purchase Agreement, the Continuing Disclosure Certificate, the Escrow Agreement, the referenced Amendments and the Purchase Contract based on when the Bonds are actually issued. Such revisions shall be deemed to be ministerial and shall not constitute an amendment to any of the documents so revised.

SECTION 17. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the Installment Purchase Agreement unless the context otherwise clearly requires.

SECTION 18. This resolution shall take effect immediately.

Item 7.2, the approval of the Community Facility District Policy was deterred to a future meeting.

Upon motion of Director Atkins, seconded by Director Mortensen and carried, the Board approved entering into a contract with Fieldman Rolapp & Associates for financial advisor services in an amount not to exceed \$125,000 for the period of January 1, 2020 through December 31, 2020 by the following electronic votes (Item 7.3):

Director Atkins	Yes	Director Campbell	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	Not Present
President Martin	Yes	Director Mortensen	Yes
Director Plambeck	Yes		

General Manager's Report on Activities, Projects and Programs (Item 8).

The General Manager gave a water supply update, he mentioned that every year seems to fluctuate in terms of water supply. He further stated that we had a very wet December 2019 but January 2020 has been very dry, what this means is that we are currently at an initial SWP entitlement that went from 10% in December 2019 and to 15% in January 2020. The outlook for the next 90 days is far below average precipitation. We try to look at all these different factors when planning out our water supply for the year to make sure we can meet demand. The actual SWP allocation will adjust based on actual weather and snowpack over the next several months.

He also gave an update on the pending/potential PFAS reduction of Response Level RL from the Division of Drinking Water that may prompt us to remove some wells from service which would be above the response level, not above MCL. We like to exercise caution in situations like this where we can. With this in mind, he mentioned scenarios which will be discussed at the upcoming Water Resources and Watershed Committee meeting. There are a series of water

management actions the Agency has available or can engage in this year to hedge our situation and assure we have adequate water resources available to meet demand. He mentioned the funds for this would come from current operating sales revenue as well as the Water Supply Reliability Reserve Fund the Agency created and filled for this kind of situation.

Programs that could potentially be used are:

- Recovery of water from our Rosedale-Rio Bravo Storage facilities (recently completed)
- Recovery of water from our Semitropic Storage Banking
- Return of Exchange Water from AVEK
- Possible purchase of Yuba settlement water
- Use of San Luis Carryover
- Possible dry year transfer pool water with a consortium of SWC buyers

He advised the Board that staff will update the Water Resources and Watershed Committee and the Board as warranted as weather and water management actions play out over the next several months.

He went on to say that Governor Newsom announced progress on the Voluntary Agreement process today. His remarks are published on the CalMatters website and staff will send them out to the Board. The SWC issued a brief statement supporting the progress that has been made and their support for moving to completion of development of the full Voluntary Agreements package.

Lastly, he reminded the Board that the UWI Conference is in two weeks and he will be participating in a panel discussing success factors of the SCV Water merger, he stated it is a fairly interesting agenda.

There was no discussion on Items 9 and 10.

President's Report (Item 11).

President Martin reminded the Board of the upcoming special Board meeting on February 11, 2020 and upcoming events that the Board may be interested in attending.

AB 1234 Reports (Item 12).

A written report was submitted by Director Plambeck and was included in the Board packet. Additional written reports were submitted by President Martin which were handed out and are part of the record.

Vice President Gladbach reported that he participated in the ACWA Board meeting via conference call on January 6, 2020 and January 31, 2020.

Director E. Colley reported that he attended the SCV Chamber of Commerce 97th Annual Awards and Installation Gala held at the Hyatt Regency on January 24, 2020.

Director Atkins reported that he attended the Association of Water Agencies of Ventura County's Educational Luncheon on Implementation of the Sustainable Groundwater Management Act in Ventura County held in Camarillo on January 22, 2020, participated in a conference call with the CSDA Legislative Committee as well as attended the SCV Chamber of Commerce 97th Annual Awards and Installation Gala held at the Hyatt Regency both on January 24, 2020 and attended the Valley Industry Association's monthly luncheon held at the Hyatt Regency on January 28, 2020.

Director Reports (Item 13).

Director DiPrimio updated the Board on the January 30, 2020 Compensation and Reimbursement Policy Ad Hoc Committee meeting, letting them know the policy will not change at this time.

There were no other Director reports.

Director Requests For Approval For Event Attendance (Item 14).

Upon motion of Director DiPrimio, seconded by Vice President Gladbach and carried, the Board approved Director Kelly's attendance at the ACWA 2020 Spring Conference being held May 5-8, 2020 in Monterey by the following electronic votes (Item 14.1)

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	No	Director K. Colley	Yes
Director Cooper	No	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		

There were no other Director requests for event attendance.

Request For Future Agenda Items (Item 15).

Vice President Gutzeit asked that in regards to the upcoming Water Summit that we consider a limited scholarship opportunity for non-profits or educational groups so we can get a diverse attendance. She felt that some people may be deferred by the \$75 cost. She also asked that staff and the Board consider a simpler format for actions and not have so many approvals by resolution, making things clearer for both the Board and staff.

There were no other requests for future agenda items.

Upon motion of Director Atkins, seconded by Vice President Gladbach and carried, the meeting was adjourned at 10:25 PM by the following electronic votes (Item 16):

Director Atkins	Yes	Director Campbell	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		



April Jacobs, Board Secretary

ATTEST:



President of the Board