



SCV
WATER



SCV WATER AGENCY TELECONFERENCE REGULAR BOARD MEETING

TUESDAY, FEBRUARY 16, 2021

START TIME: 6:30 PM (PST)

Join the Board meeting from your computer, tablet or smartphone:

<https://www.zoomgov.com/j/1618031483>

-Or-

Listen in Toll Free by Phone at 1-(833)-568-8864

Webinar ID: 161 803 1483

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

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

To participate in public comment via phone:

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

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

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

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

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

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

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

**TELECONFERENCE ONLY
NO PHYSICAL LOCATION FOR MEETING**

TUESDAY, FEBRUARY 16, 2021 AT 6:30 PM

TELECONFERENCING NOTICE

Pursuant to the provisions of Executive Order N-29-20 issued by Governor Gavin Newsom on March 17, 2020, any Director may call into an Agency Board meeting using the Agency's **Call-In Number 1-(833)-568-8864, Webinar ID 161 803 1483** or **Zoom Webinar by clicking on the link <https://www.zoomgov.com/j/1618031483>** without otherwise complying with the Brown Act's teleconferencing requirements.

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

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

OPEN SESSION BEGINS AT 6:30 PM

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **PUBLIC COMMENTS** – Members of the public 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

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| 5.1 * | Approve Minutes of the February 1, 2021 Santa Clarita Valley Water Agency Special Board of Directors Meeting | 7 |
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| 5.3 * | Approve the Interconnection Between the NWD and SCWD Systems and the VWD and SCWD Systems in the Area Referred to as West Newhall | 15 |
| 5.4 * | Approve a Resolution Concurring in Nomination of Randall James Reed of Cucamonga Valley Water District to the ACWA/JPIA Executive Committee | 19 |

6. ACTION ITEMS FOR APPROVAL

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

8. COMMITTEE MEETING RECAP REPORT FOR INFORMATIONAL PURPOSES ONLY

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11. DIRECTOR REPORTS

12. DIRECTOR REQUESTS FOR APPROVAL FOR EVENT ATTENDANCE

13. REQUESTS FOR FUTURE AGENDA ITEMS

14. 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 February 10, 2021.

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DRAFT

**ITEM NO.
5.1**

Minutes of the Special Meeting of the Board of Directors of the Santa Clarita Valley Water Agency – February 1, 2021

A special meeting of the Board of Directors of the Santa Clarita Valley Water Agency was held via teleconference at 6:00 PM on Monday, February 1, 2021. A copy of the Agenda is inserted in the Minute Book of the Agency preceding these minutes.

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

DIRECTORS ABSENT: None.

Also present via teleconference: General Manager Matthew Stone, General Counsel Joe Byrne, Board Secretary April Jacobs, Director of Tech Services Cris Perez, Executive Assistant Leticia Quintero, Facilitated by Best Best & Krieger Attorney Cynthia Germano and a member of the public.

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

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

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

Best Best & Krieger Attorney Cynthia Germano facilitated the 2-hour Sexual Harassment Prevention Training for Public Officials (Item 5).

The meeting was adjourned at 8:07 PM (Item 6).

April Jacobs, Board Secretary

ATTEST:

President of the Board

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Minutes of the Regular Meeting of the Board of Directors of the Santa Clarita Valley Water Agency – February 2, 2021

A regular meeting of the Board of Directors of the Santa Clarita Valley Water Agency was held via teleconference at 6:30 PM on Tuesday, February 2, 2021. A copy of the Agenda is inserted in the Minute Book of the Agency preceding these minutes.

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

DIRECTORS ABSENT: None.

Also present via teleconference: General Manager Matthew Stone, General Counsel Tom Bunn and Joe Byrne, Board Secretary April Jacobs, Assistant General Manager Steve Cole, Chief Engineer Courtney Mael, Chief Financial and Administrative Officer Eric Campbell, Chief Operating Officer Keith Abercrombie, Director of Finance and Administration Rochelle Patterson, Director of Tech Services Cris Perez, Controller Amy Aguer, Communications Manager Kathie Martin, GIS Manager Jose Huerta, Human Resources Manager Ari Mantis, Sustainability Manager Matt Dickens, Principal Engineers Brent Payne and Jason Yim, Senior Engineer Shadi Bader, Engineer Orlando Moreno, Associate Engineer Elizabeth Sobczak, Senior Management Analyst Kim Grass, Financial Analyst Darine Conner, Water Resources Planner Rick Vasilopoulos, Engineering Tech II Jimmy Moreno, Executive Assistant’s Eunie Kang and Leticia Quintero, Senior Office Assistant Terri Bell, Accounting Tech II Kyle Arnold, Best Best & Krieger Attorney Glen Price, Meyers Fozi & Dwork LLP Attorney Golnar Fozi and members of the public.

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

Upon motion of Director Plambeck, seconded by Director Cooper and carried, by over a two-thirds vote, the Board approved adding the review and discussion of the final appraised value of the SCV Water Solar Photovoltaic Systems and the impact on the anticipated cost savings to SCV Water from the buyout of the systems. With a recommended action to approve an adjustment in the buyout price payable to Goldman Sachs Renewable Energy consistent with the final value determination and authorize staff to give notice to proceed with the buyout no later than February 8, 2021.

This item came up after the posting of the Agenda and needed action before the next regular Board meeting, with a motion, a second and by the following roll call votes this item was added as Item 5.8 (Item 4):

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

Upon motion of Director Plambeck, seconded by Director Ford and carried, the Board approved the Amended Agenda, showing the addition of Item 12.3, Closed Session, case of Halushka vs

Santa Clarita Valley Water Agency and including Item 5.8, which was added tonight, by the following roll call votes (Item 4):

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

Upon motion of Director Cooper, seconded by Vice President Mortensen and carried, the Board Approved the Consent Calendar excluding Items 5.5 and 5.8 by the following roll call votes (Item 5):

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

Upon motion of Vice President Mortensen, seconded by Director Atkins and carried, the Board Approved Resolution No. SCV-196 adopting a Revised Investment Policy by the following roll call votes (Item 5.5):

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

RESOLUTION NO. 196

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

<https://yourscvwater.com/wp-content/uploads/2021/02/SCV-Water-Approved-Resolution-020221-Resolution-SCV-196.pdf>

Upon motion of Director Atkins, seconded by Director Cooper and carried, the Board approved an adjustment in the buyout price payable to Goldman Sachs Renewable Energy consistent with the final value determination, authorized staff to give notice to proceed with the buyout no later than February 8, 2021, and to close the buyout within thirty (30) days thereafter by the following roll call votes (Item 5.8):

| | | | |
|-------------------------|-----|--------------------------|-----|
| Director Armitage | Yes | Director Atkins | Yes |
| Director Braunstein | Yes | Director Colley | Yes |
| Director Cooper | Yes | Director Ford | Yes |
| Vice President Gladbach | Yes | Director Kelly | Yes |
| President Martin | Yes | Vice President Mortensen | Yes |

Director Orzechowski

Yes

Director Plambeck

Yes

General Manager's Report on Activities, Projects and Programs (Item 6).

The General Manager gave a brief update on COVID-19 and how it is affecting the Agency. He stated that the Agency continued to operate under COVID-19 conditions and mentioned that we've had a total of fifteen cases among our various staff. These have been home based for the most part or other environment based cases. We are continuing to try to emphasize the measures that we take at the workplace to minimize transmission here at work. With each instance where a staff member becomes aware of exposure or possible exposure we assess possible contacts and do have a protocol in place to deal with such issues. We continue to try and discuss with our upper management team at least twice a week any adjustments that we can make to continue to roll with the changing conditions here.

He updated the Board on how he has been watching the discussions in Washington DC regarding an additional COVID-19 package. It seems the amounts change daily but we will need to wait and see what happens. One element that BB&K HR attorney did bring to our attention is that at least one version of the bill includes bringing back some of the leave benefits that were in the 2020 package, which we had implemented. We will need to wait and see what happens there as well. There are obviously other things in the bill that don't necessarily pertain to the Agency directly such as assistance to individuals through unemployment and other direct means as well as potential extensions of eviction moratoriums and things such as that. When and if a package comes through and we get it, we will certainly look at whatever HR and other Agency related impacts might be to the Agency. We are also mindful of whether or not that would include ratepayers assistance for utilities. As mentioned in the previous update we have gotten ourselves on the map with the City and the County, the city did apply for some funds through this in the late 2020 stimulus bill and we are waiting to see how that pans out to check if that will translate only to rent or if there will be any utility assistance bundled in that.

Lastly, he stated that everyone is still working away, he mentioned that it is amazing how much is going on and how busy we are, as the Board has seen with the various items going through the Committees and coming to the Board as well as through our GSA process. Items such as the UWMP workshops, Drought Contingency Planning workshops, Water Quality Related workshops and the DCA process that was talked about previously.

Committee Meeting Recap Reports for Informational Purposes Only (Item 7).

There were no comments on the recap reports.

Written Reports for Informational Purposes Only (Item 8).

Director Orzechowski had questions on the Treatment, Distribution, Operations and Maintenance Section report which were answered and addressed.

There were no other comments on the written reports.

President's Report (Item 9).

The President updated the Board on upcoming events.

AB 1234 Written and Verbal Reports (Item 10).

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

Director Plambeck reported that she attended the DWR UWMP Water Shortage Contingency Planning Workshop held on January 27, 2021.

Director Cooper reported that he attended the Sites Reservoir Town Hall meeting on January 27, 2021 and the Water Shortage Contingency Plan Public Workshop held by the Agency on January 28, 2021.

Director Kelly reported that he attended the SCV Chamber of Commerce 98th Annual Awards and Installation Virtual Reception on January 28, 2021.

Director Atkins reported that he attended the SCV Chamber of Commerce 98th Annual Awards and Installation Virtual Reception on January 28, 2021.

There were no further AB 1234 Reports and all meetings were virtual.

Director Reports (Item 11).

Vice President Gladbach updated the Board on the recent ACWA Board of Directors meeting held on January 29, 2021. He mentioned that they had a special guest, Laurel Firestone, who is the newest member of the California State Water Resources Control Board and she is an amazing speaker with refreshing views. She co-founded the Community Water Center, in San Joaquin Valley which takes care of a lot of underprivileged areas in the water systems throughout the area. She feels the State Water Board needs to move faster and needs people other than attorneys and engineers.

Director Armitage thanked the administration and staff for the time they have given her to learn about the Agency, historical as well as institutional knowledge, that was shared with her over the last month to allow her to get up to speed and to be a better decision maker for the Agency.

There were no other Director reports.

The Board went into Closed Session at 8:23 PM (Item 12).

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

President Martin reconvened the Open Session at 9:23 PM.

Tom Bunn, Esq., reported that pertaining to Item No. 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 Claimants Marlon & Andrea Magana against Santa Clarita Valley Water Agency, Claim for Liability, Date of Claim January 11, 2021, the Board voted to reject the claim and send it to the ACWA/JPIA by motion of Director Cooper, seconded by Director Atkins and carried, by the following roll call votes:

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

Pertaining to Item 12.3 Conference with Legal Counsel – Existing Litigation – Paragraph (1) of Subdivision (d) of Section 54956.9, Name of Case: Halushka vs. Santa Clarita Valley Water Agency et al., Los Angeles Superior Court Case No. 19STCV27352, the Board voted to approve the Settlement Agreement in the amount of \$40,000 by motion of Director Kelly, seconded by Director Cooper and carried, by the following roll call votes:

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

Item 12.2 was moved to open session under Item 5.8 and was not discussed in Closed Session.

There were no other actions taken in Closed Session that were reportable under the Ralph M. Brown Act (Item 13).

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

There were no Director requests for event attendance.

Request for Future Agenda Items (Item 15).

Director Kelly requested that the Board continue the conversation pertaining to the Central Park lease to discuss and review the lease for future consideration.

Vice President Mortensen also asked, pertaining to the Central Park, if we could have staff address what, if any rights we have to control the Obelisk and other work done by the City on the property they lease from us. And do we have the ability to comply with Mr. Petzold' s demands under the terms of our lease.

There were no other requests for future Agenda items.

The meeting was adjourned at 9:30 PM (Item 16).

April Jacobs, Board Secretary

ATTEST:


President of the Board



BOARD MEMORANDUM

DATE: February 5, 2020

TO: Board of Directors

FROM: Mike Alvord 
Director of Operations & Maintenance

SUBJECT: Approve the Interconnection Between the NWD and SCWD Systems and the VWD and SCWD Systems in the Area Referred to as West Newhall

SUMMARY

SCV Water currently consists of 7 separate Public Water System Operating Permits issued by Division of Drinking Water (DDW). There are several interconnections between the various systems. The original intent of these connections was to provide emergency or stand-by water supply to the neighboring utility. Since the formation of SCV Water, the goal has broadened to integrate the separate systems into one distribution system.

The West Newhall Interconnection will be between the Newhall Water Division-Newhall system and the Santa Clarita Water Division system and the Valencia Water Division system and the Santa Clarita Water Division system. The goal is to provide more robust and reliable service to this area.

DISCUSSION

Over the years, there have been several interconnections between these separate distribution systems. DDW recognizes these interconnections as Active, Stand-by, and Emergency connections, each with their own set of operating criteria. Recently, in response to the temporary loss of groundwater capacity due to PFAS, SCV Water submitted two permit amendments with DDW in order to construct two new interconnections. These interconnections are between the Tesoro system and the Valencia Water Division's (VWD) Zone IIIA and between the Santa Clarita Water Division (SCWD) system and the VWD Zone IIA-North. Both interconnections were approved by DDW and are in Active status.

Interconnections provide operational flexibility, source reliability, and redundancy. While it was important to have interconnections between separate agencies, it is even more important to interconnect the various distribution systems as a single agency.

Prior to the formation of SCV Water there were several areas identified that would benefit from new interconnections. The West Newhall area was one of these locations. West Newhall is an area currently serviced by the SCWD system. It is located south of Lyons Avenue and west of Wheeler Road. Water is supplied to this area from two locations, one along Wiley Cyn and the other along Lyons Ave and is within the Circle J pressure zone. If one of these two supply lines were interrupted, the West Newhall area would have a difficult time meeting fire flow demand. Connecting the NWD and VWD systems to this area would provide additional reliability and redundancy. In 2019, Akel Engineering was commissioned to conduct a hydraulic analysis to

provide recommendations for this part of the distribution system. The resulting recommendation was to make the two connections between these systems to allow for reliability and for mitigating the low pressures during fire flow events in the West Newhall area.

The NWD-SCWD interconnection will consist of the installation of approximately 30 feet of 8" and 80 feet of 12" ductile iron pipe, a pressure-reducing valve, and various other appurtenances. The VWD-SCWD interconnection will consist of the installation of approximately 60 feet of 12" diameter ductile iron pipe, a pressure-reducing valve and various other appurtenances.

SCV Water crews will be responsible for completing this project except for paving. The total project estimated cost is approximately \$345,000 with internal labor and equipment comprising approximately 25% of the estimated cost. Since the paving estimate is more than \$30,000 a formal request for proposal process will be followed in accordance with the Purchasing Policy.

According to section 15282(k) of the California Environmental Quality Act, the installation of new pipeline as set forth in Section 21080.21 of the Public Resources Code is considered statutorily exempt as long as the project does not exceed one mile in length. Therefore, a Notice of Exemption for CEQA under Section 15282(k) will be filed for this project.

On February 4, 2021, the Engineering and Operations Committee considered staff's recommendation to approve the Interconnection between the NWD and SCWD systems and the VWD and SCWD systems in the area referred to as West Newhall.

FINANCIAL CONSIDERATIONS

Funds for this project are included in the FY 2020/21 Interconnection Budget in the amount of \$400,000.

RECOMMENDATION

The Engineering and Operations Committee recommend that the Board of Directors find this project to be exempt from CEQA and authorize the General Manager to direct staff to complete this project in an amount not to exceed \$400,000.

Attachment

M65

NOTICE OF EXEMPTION

To: Registrar-Recorder/County Clerk
Los Angeles County
12400 Imperial Highway
Norwalk, CA 90650

From: Santa Clarita Valley Water Agency
27234 Bouquet Canyon Road
Santa Clarita, CA 91350

Project Title:

Location -- Specific: Approximately 380 ft east of Wiley Cyn Rd and 580 ft south of Wabuska St along Old Wiley Cyn Rd and along the east side of Wiley Cyn Rd at the intersection of Vista Ridge Dr. and Wiley Cyn Rd

Location -- Counties: Los Angeles County

Description of Activity:

Installation of approximately 110 feet of water mainline and associated appurtenances along Old Wiley Cyn Rd and 60 feet of water mainline and associated appurtenances along Wiley Cyn Rd at the intersection of Vista Ridge Dr.

Name of Public Agencies Approving or Carrying Out Activity: Santa Clarita Valley Water Agency (Lead Agency).

Exempt Status:

- Ministerial
- Declared Emergency
- Emergency Project
- Categorical Exemption.** State type and section number: See CEQA Guidelines Section 15301.
- Statutory Exemption.** State code number: See CEQA Guidelines Section 15061(b)3. Section 15282(k)

Reasons why activity is exempt: Installation of approximately 170 of pipeline.

Lead Agency Contact Person:

Telephone:

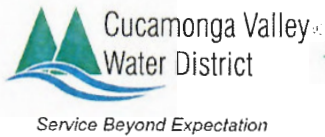
Signature: _____

Title: _____ **Date:** _____

- Signed by Lead Agency
- Signed by Applicant

Date received for filing by County Clerk:

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10440 Ashford Street, Rancho Cucamonga, CA 91730-2799
P.O. Box 638, Rancho Cucamonga, CA 91729-0638
(909) 987-2591 Fax (909) 476-8032

John Bosler
Secretary/General Manager/CEO

January 27, 2021

Dear Fellow ACWA/JPIA Member:

On January 26, 2021 the Cucamonga Valley Water District Board of Directors adopted Resolution No. 2021-1-2 nominating President Randall James Reed for the position of ACWA/JPIA Executive Committee. We are formally requesting your support of President Reed's nomination through the adoption of a concurring resolution from your agency.

President Reed is well qualified to take on this leadership role in ACWA/JPIA as you will see in his attached statement of qualifications, and he is committed to continuing the great work of providing quality insurance and employee benefit services that ensure our agencies and ratepayers are receiving the most cost-effective service possible.

I have attached a sample concurring resolution in support of his nomination, as well as his candidate statement. The elections for ACWA/JPIA Executive Committee will be held this spring, and the deadline to submit nominations is March 19, 2021. Should you desire to adopt a resolution or if you have questions please contact our Executive Assistant to the Board, Taya Victorino at 909.987.2591 or tayav@cvwdwater.com.

Thank you in advance for your consideration.

John Bosler
General Manager/CEO

Attachments:
Resolution No. 2021-1-2 Nominating Randall Reed
Candidate Statement – President Reed
Sample Concurring Resolution

Randall James Reed
President

Luis Cetina
Vice President

James V. Curatalo, Jr.
Director

Mark Gibboney
Director

Kevin Kenley
Director

RESOLUTION NO. 2020-1-2

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CUCAMONGA VALLEY WATER DISTRICT NOMINATING ITS JPIA BOARD MEMBER
TO THE EXECUTIVE COMMITTEE OF THE ASSOCIATION OF CALIFORNIA WATER
AGENCIES JOINT POWERS INSURANCE AUTHORITY ("JPIA")**

WHEREAS, this district is a member district of the JPIA that participates in all four of its Programs: Liability, Property, Workers' Compensation, and Employee Benefits; and

WHEREAS, the Bylaws of the JPIA provide that in order for a nomination to be made to JPIA's Executive Committee, the member district must place into nomination its member of the JPIA Board of Directors for such open position;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CUCAMONGA VALLEY WATER DISTRICT that its member of the JPIA Board of Directors, **Randall James Reed**, be nominated as a candidate for the Executive Committee for the election to be held during the JPIA's spring 2021 Board of Directors' meeting.

BE IT FURTHER RESOLVED that the JPIA staff is hereby requested, upon receipt of the formal concurrence of three other member districts to affect such nomination.

BE IT FURTHER RESOLVED that the District Secretary is hereby directed to transmit a certified copy of this resolution to the JPIA at P.O. Box 619082, Roseville, CA 95661-9082, forthwith.

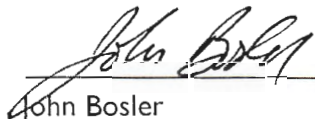
APPROVED, ADOPTED AND SIGNED this 26th day of January 2021.

CUCAMONGA VALLEY WATER DISTRICT



Randall James Reed
President

ATTEST:



John Bosler
Secretary and General Manager/CEO

Randall James Reed
Statement of Qualifications
Association of California Water Agencies
Joint Powers Insurance Authority (ACWA/JPIA) Executive Committee

I am pleased to share with you my interest in continuing my service on the Executive Committee for ACWA/JPIA. I am prepared and ready to help lead the organization as we continue to uphold ACWA/JPIA's mission "*to consistently and cost effectively provide the broadest possible affordable insurance coverage and related services to its member agencies.*"



My experience with ACWA/JPIA began over a year ago when I was appointed by the Cucamonga Valley Water District (CVWD) to serve as their ACWA/JPIA representative. In that same year I was elected to the Executive Committee to fill a vacancy and eagerly rose to the challenge. Now I am dedicated to ensuring the success of ACWA/JPIA. We provide a vital service to the water community and they provide a vital service to their communities. I know how important this organization is for the member agencies who depend on our success.

I have served on the CVWD board of directors for approximately 18 years, and currently serve as their President. At CVWD, we have taken full advantage of all the programs the ACWA/JPIA has to offer to ensure our employees are working in the safest environment possible. Our board of directors has also adopted a *Commitment to Excellence* pledge putting into place best management practices which bolsters our effectiveness for loss prevention and safety.

I currently serve on the board of the Association of San Bernardino County Special Districts. In my past roll as board president, I was focused on increasing my understanding of our members needs so that I may know how to better serve and lead the association. I will continue to use this same approach if re-elected to serve on the ACWA/JPIA Executive Committee.

Professionally, I am retired from a 32 year career in the wastewater management field as an electrical and instrumentation supervisor. I earned a Bachelor's degree in Information Management Systems from California State University San Bernardino and have been an active member in the Association of California Water Agencies, California Special Districts Association and the California Water Environment Association. I'm a proud veteran of the United States Marine Corp.

Thank you for allowing me to share my experience, leadership and knowledge. I look forward to the opportunity to represent you and your agency. Please feel free to contact me directly at (909) 240-1344 should you have questions or if you would like to support my candidacy.

Thank you in advance for your consideration,

A handwritten signature in blue ink that reads "Randall Reed". The signature is fluid and cursive, written in a professional style.

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RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SANTA CLARITA VALLEY WATER AGENCY
CONCURRING IN NOMINATION TO THE EXECUTIVE COMMITTEE
OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY (JPIA)

WHEREAS, this district is a member district of the JPIA; and

WHEREAS, the Bylaws of the JPIA provide that in order for a nomination to be made to JPIA's **Executive Committee**, three member districts must concur with the nominating district, and

WHEREAS, another JPIA member district, the Cucamonga Valley Water District has requested that this district concur in its nomination of its member of the JPIA Board of Directors to the **Executive Committee** of the JPIA.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Clarita Valley Water Agency that this district concur with the nomination of Randall James Reed of Cucamonga Valley Water District to the **Executive Committee** of the JPIA.

BE IT FURTHER RESOLVED that the District Secretary is hereby directed to transmit a certified copy of this resolution to the JPIA at P.O. Box 619082, Roseville, CA 95661-9082, forthwith.

ADOPTED this 16th day of February 2021.

Board President

ATTEST:

Secretary

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BOARD MEMORANDUM

DATE: February 9, 2021
TO: Board of Directors
FROM: Eric Campbell 
Chief Financial and Administrative Officer
SUBJECT: Approve a Directional Rate Transition Plan for a Proposition 218 Notice

SUMMARY AND DISCUSSION

As part of the post-merger integration process, staff has been working on a cost analysis and rate transition plan that will unify retail water rates throughout the Agency's service area. Prior to the formation of SCV Water, each retailer set its own retail water rates. This will be the first unified retail water rate setting process conducted by the new agency. As required by Proposition 218, proposed rates must not exceed the cost of service and advanced notification and a public hearing must be held prior to final adoption of the rates. The Prop 218 notice must include the maximum commodity rates and fixed monthly charges to be considered. The Board may opt to make changes based on public input but cannot adopt rates in each year that exceed those included in the Prop 218 notice.

Staff has proposed that this be a five-year rate case, covering fiscal years 21/22, 22/23, 23/24, 24/25, and 25/26. In addition to Prop 218 considerations, this rate case also is intended to bring retail rates in each of three service divisions into alignment within the five-year period (in some cases sooner). Currently each division has a different monthly fixed charge and a different commodity rate. Also, in conformance with the provision in SB 634 for each retail division's legacy debt to be retired from its own rates and charges, this rate case will identify and break out a separate "legacy debt" component from the fixed monthly charge in those divisions that are still repaying legacy debt. Another very important driver in this rate case are new capital and operating costs to add wellhead treatment to numerous wells over the next five years to remove PFAS from the groundwater sources. This is a significant new cost that prior rates did not fund or anticipate.

Staff has met twice with the Finance & Administration Committee to discuss this cost analysis and rate transition work. Based on the Committee's direction, staff has prepared and presented three rate transition plan options to the Committee. In addition, staff has received additional comments and suggestions from Board members that have raised policy level questions that can best be addressed by considering the additional alternatives. Staff has also consulted with SCV Water's Ratepayer Advocate during the development of these alternatives. Alternatives presented tonight reflect feedback from both the Committee and Ratepayer Advocate.

Tonight, the Board is being asked to discuss and identify one of the options presented for inclusion in the Proposition 218 notice. Selection of an option does not set water rates. The selected option published in the Proposition 218 notice will serve to inform customers of the general direction of how rates may be adjusted and serves as the upper dollar limit of where rates may be adjusted each year. The selected rate transition plan option will enable the

Proposition 218 notice to be drafted and reviewed by the Finance & Administration Committee on March 1, 2021 and approved by the Board at its April 20, 2021 regular meeting. The option selected for inclusion in the Proposition 218 notice at the February 16, 2021 Board meeting may be modified or replaced at the April 20, 2021 Board meeting. Ultimately, only after the required notification and public hearing, currently scheduled for June 15, 2021, the Board will then take action to set the water rates.

Cost Analysis FY2022 through FY2026

With the assistance of and collaboration with the Ratepayer Advocate, staff reviewed the current year budget and developed cost projections using the following cost escalation factors included in Table 1.

Table 1 Escalation Factors Used in Cost Forecasting

| Expense Inflation Source | Expense Escalation Factors | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 | FY2025-26 |
|-------------------------------------|-------------------------------------|-----------|-----------|-----------|-----------|-----------|
| CA Department of Finance/BLS | Overall Inflation Rate | 2.5% | 2.5% | 2.5% | 2.4% | 2.4% |
| CA Department of Finance/BLS | Utility/Chemical Inflation Rate | 4.4% | 4.4% | 4.4% | 4.4% | 4.4% |
| SCV CAFR | Treatment Inflation Rate | 3.3% | 3.3% | 3.3% | 3.3% | 3.3% |
| SCV Water | Pumping and Wells Inflation Rate | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| SCV Water | Employee Expenses Inflation Rate | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| Construction Equip. & Machinery PPI | Equipment Inflation Rate | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% |
| SCV Water | Fuels and Automobile Inflation Rate | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| Los Angeles ENR Index | Construction Inflation Rate | 2.9% | 2.9% | 2.9% | 2.9% | 2.9% |

The result of the cost analysis found that it is necessary to seek a five-percent annual revenue increase. The cost escalation factors shown in Table 1, the planned addition of three full time staff during the rate transition period, and increased usage of water banking programs necessitates a 3.25% rate revenue increase. 1.75% of the required revenue increase, and the largest item of cost increase over the next five years is the operations and maintenance (O&M) costs related to PFAS treatment. PFAS O&M are new costs to the Agency and were not considered in any of the pre-merger discussions. Table 2 shows the relationship between PFAS and total O&M costs. In the upcoming fiscal year, PFAS will add 2.63% to the Agency's operating costs. These costs will continue to grow as the planned PFAS treatment facilities become operational. At the end of the rate transition period, PFAS will account for nearly 9% of the annual operating costs.

Table 2: The relationship between PFAS operating costs and all operating costs

| Description | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 | FY2025-26 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Total O&M Expenses | \$ 77,422,023 | \$ 81,695,597 | \$ 84,919,394 | \$ 88,956,379 | \$ 94,950,263 |
| PFAS | \$ 2,039,596 | \$ 2,863,956 | \$ 4,104,420 | \$ 4,688,760 | \$ 8,477,865 |
| O&M excluding PFAS | \$ 75,382,427 | \$ 78,831,641 | \$ 80,814,973 | \$ 84,267,620 | \$ 86,472,399 |
| PFAS % of O&M Expenses | 2.63% | 3.51% | 4.83% | 5.27% | 8.93% |

Water Sales Volume Forecasts

The potable water sales forecast was prepared with consideration of service area population growth forecasts, planned economic development, and conservation mandates. This is the same water sales volume forecast that was used for the regional facility capacity fee update and the financial forecast contained in the refinancing and new bond issue projects.

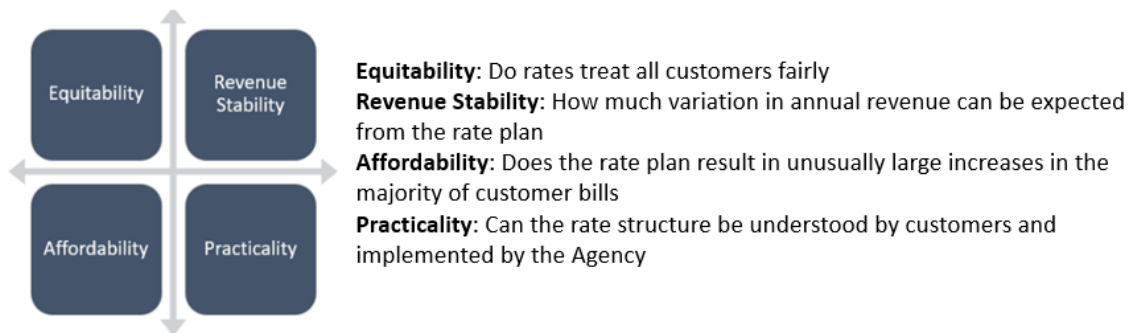
Meter Service Connection Growth Forecast

The meter service connection forecast was prepared with consideration of population growth forecasts and planned economic development in the Santa Clarita Valley. This is the same meter service connection forecast that was used in the regional facility capacity fee update and the financial forecast contained in the refinancing and new bond issue projects.

Rate Setting

The objectives of revenue sufficiency, equitability, affordability, practicality, and revenue stability are managed together in rate setting. There are many alternative rates that can meet the revenue sufficiency (recover costs to maintain and sustain the water service for our customers) objective and meet the legal requirements of Proposition 218. Selecting one that best manages the often competing objectives shown in Figure 1 is a policy decision.

Figure 1



Rate Transition

A five-year transition period has been used to integrate the current three existing sets of rates that our customers are charged to a single set of rates for the entire SCV Water service area. A key element to understanding the rate transition is to understand how legacy debt fits in. Currently, the cost of legacy debt is included in each Division's fixed charge. Going forward, that portion of the fixed charge will be referred to as a Legacy Debt charge. The balance of the existing fixed charge will be referred to as a Service Charge. Table 3 shows that NWD has the highest variable charge and the lowest fixed charge. Table 4 extracts the legacy debt and shows that VWD has the lowest Service Charge (applied towards operating costs), lowest variable charge and the highest legacy debt charge.

Table 3 Current rates example

| 3/4" Current Rates | | | |
|--------------------|---------|---------|---------|
| | NWD | SCWD | VWD |
| Variable Charge | \$2.85 | \$1.99 | \$1.89 |
| Fixed Charge | \$16.14 | \$32.28 | \$25.22 |

Note: Variable Charge is per unit of water used (ccf)

Table 4 Current rates showing Legacy Debt

| 3/4" Current Rates | | | |
|--------------------|---------|---------|---------|
| | NWD | SCWD | VWD |
| Variable Charge | \$2.85 | \$1.99 | \$1.89 |
| Service Charge | \$16.14 | \$22.08 | \$14.17 |
| Legacy Debt | \$0.00 | \$10.20 | \$11.05 |

Note: NWD had no Legacy debt as of 6/30/2020

At the end of the rate transition plan (or sooner) all customers will pay the same variable charge and fixed service charge based on their meter size. Each Division will have its own Legacy Debt charge. Since each Division currently has its own set of rates, each Division also has its own transition path towards the unified rate. Table 5 shows an illustrative example of a unified rate that existing rates could transition to.

Table 5 Illustrative Example of a unified rate

| 3/4 " Illustrative Rates FY25/26 | | | |
|----------------------------------|---------|---------|---------|
| | NWD | SCWD | VWD |
| Variable Charge | \$2.68 | \$2.68 | \$2.68 |
| Service Charge | \$23.65 | \$23.65 | \$23.65 |
| Legacy Debt | \$0.00 | \$10.20 | \$6.50 |

Rate Scenarios

The leading issue when assessing the viability of the rate plan options has been customer impact. Staff developed seven rate plan options in its studies. Options 1-3 were reviewed by the Finance & Administration Committee ("F&A"). F&A provided clear feedback which led to a progression of better alternatives. Initially, the use of a five-year planning period was the only tool for managing customer impact. For options 4 through 7, two additional tools were considered:

1. Restructuring the terms of the VWD acquisition loan.
2. Strategic one time use of cash reserves to reduce customer impact.

Restructuring the VWD Acquisition Loan

During the 5-year rate plan period the existing acquisition loan terms require annual principal and interest payments by VWD customers totaling approximately \$4.7 million. With the assistance from the Agency's Financial Advisor and Bond Counsel, a restructured loan term was developed that would reduce the annual debt service payments by \$2.5 million during the

five-year rate period, reduce the interest rate from 4.5% to 2.55% (to better reflect current market rates), have the annual debt service payments increase after the five-year rate period, and extend the term of the loan repayment schedule by five years. This action will reduce VWD legacy debt charge for ¾" meter service from \$11.05 to \$6.05 during the rate transition period. It should be noted this strategy would still result in the full repayment of VWD's legacy debt over time.

Rate Options and Use of Cash Reserves to Reduce Customer Bill Impact

A common practice in rate cases that require significant rate increases is to use cash reserves to reduce or smooth out the requested size of the increase. This is not desirable as it extends the period for reaching the true cost of service until the next rate case. Two of the three options presented in this report use reserves to manage the rate impact on VWD customers. Option 5 uses a total of \$5.2 million over the five-year rate period; Option 6 uses \$2.0 million over the first two years of the five-year rate period.

The three rate plan options are summarized in Table 6. Each has reasonably similar financial performance but differ in use of reserves and customer impact.

Table 6 Summary of Rate Plan Options

| Rate Plan Option # | Customer Impact | Use of Reserves | Restructured VWD Loan | Annual Revenue Increase |
|--------------------|-----------------|-----------------|-----------------------|-------------------------|
| 5 | Mid-Case | \$5.2 million | Yes | 5% per year |
| 6 | Highest | \$2.0 million | Yes | 5% per year |
| 7 | Most Favorable | \$0 | Yes | 0% yr. 1, 6.5% yrs. 2-5 |

Option 5: This Option uses \$5.2 million of cash reserves to reduce the VWD customer impact. This plan has annual revenue increases of 5% each year. Over the rate plan, pay-go is a net \$87.52 million (\$92.72 - \$5.2 use of reserves). The debt service coverage ratio averages 1.49 over the rate plan.

Option 6: This Option uses \$2.0 million of cash reserves to reduce the VWD customer impact. This plan has annual revenue increases of 5% each year. Over the rate plan, pay-go is a net \$93.73 million (\$98.73 - \$2.0 use of reserves). The debt service coverage ratio averages 1.51 over the rate plan.

Option 7: This Option uses no cash reserves. Year 1 has no revenue increase; rate changes in year 1 are limited to divisional transitions to a unified cost of service rate for all customers. Years 2-5 have annual revenue increases of 6.5%. The larger increases for years 2-5 are required to offset the underperformance in year 1. Over the rate plan, pay-go in this option is a net \$91.55 million. The debt service coverage ratio averages 1.48 over the rate plan.

Staff collaborated with the Ratepayer Advocate to develop the rate plan options contained in this report. Option 7 has the lowest fixed (service) charge and highest variable charge, Option 6 has a higher fixed (service) charge and lower variable charge than Option 7, and Option 5 has the highest fixed (service) charge and lowest variable charge. Although staff's scoring of the three scenarios was close, Option 7 was selected as the best overall option as it uses the least amount of reserves, gets all customers to a unified rate in year 2 rather than year 5 as is the case with the other options. Each of the three options cover the 5 year revenues required very

well. Option 5 has the largest shortfall of \$390,000 over the first four years, Option 6 has a total shortfall of \$59,000 and Option 7 has a projected shortfall of \$161,000.

Table 7 includes the results of staff's study of customer impact for each Option in year 1. The study involved using all FY20 customer bills and comparing billed amounts to what the bills would have been under each scenario. There were over 835,000 bills included in the analysis. Option 7 had the most favorable bill impact with 72.4% of bills having an increase of 5 percent or less. Option 5 had slightly less favorable results with 63.9% of bills having an increase of 5% or less. Option 6 had the least favorable results with 53.1% having an increase of 5% or less.

Table 7 Summary Statistics of Bill Impact for the Scenarios

| % off Bills | FC | VC | <-5% | >-5% - <=0% | > 0% - <=5% | > 5% - <=10% | >10% |
|-----------------|---------|--------|--------|-------------|-------------|--------------|-------|
| Option 5 | \$25.01 | \$2.58 | 13.20% | 0.10% | 50.60% | 36.10% | 0.00% |
| Option 6 | \$24.62 | \$2.61 | 11.80% | 2.50% | 38.80% | 46.50% | 0.40% |
| Option 7 | \$23.65 | \$2.68 | 14.20% | 26.90% | 31.50% | 26.30% | 1.10% |

Financial Forecasts with Revenue Increases

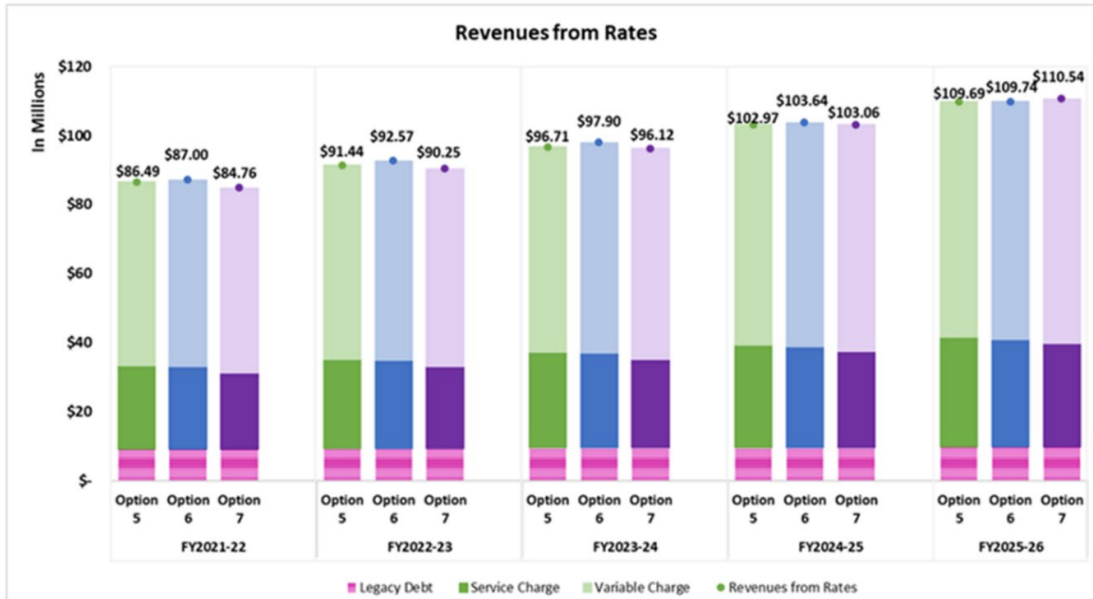
The financial forecast for the five-year rate transition period using Option 7 is shown in Table 8. In this Option, year 1 has no revenue increase, rate changes made in year 1 are to arrive at a unified cost of service set of rates beginning in year 2. The remaining four years of this option include revenue increases of 6.5%. Earlier options required 5 years of 5% revenue increases but in Option 7, by foregoing the 5% increase in the first year, requires larger growth in the remaining years to achieve similar financial performance over the five-year rate plan. As mentioned earlier, cost increases of 3.25% are due mainly to cost escalation, the remaining 1.75% is due to recurring PFAS O&M costs. The declining trend in annual amounts of pay-go capital contribution is the result of the Agency's interest in keeping rate adjustments to affordable levels.

Table 8: Illustrative Financial Forecast (Rate Plan Option 7)

| | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 | FY2025-26 |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Proposed Revenue Growth | 0% | 6.50% | 6.50% | 6.50% | 6.50% |
| Rate Revenues | \$84,759,918 | \$90,245,712 | \$96,118,830 | \$103,060,210 | \$110,541,232 |
| Private Fire Revenues | \$620,283 | \$669,527 | \$722,743 | \$780,220 | \$842,333 |
| Other Operating Revenues | \$3,999,700 | \$4,049,697 | \$4,100,394 | \$4,151,802 | \$4,203,932 |
| Non-Operating Revenues | \$28,559,231 | \$24,912,679 | \$21,318,227 | \$22,198,199 | \$22,979,598 |
| Revenues | \$117,939,132 | \$119,877,616 | \$122,260,194 | \$130,190,431 | \$138,567,095 |
| O&M Expenses | (\$77,422,023) | (\$81,695,597) | (\$84,919,394) | (\$88,956,379) | (\$94,950,263) |
| Debt Service (non-Legacy Debt) | (\$8,829,414) | (\$8,385,580) | (\$11,896,595) | (\$13,189,431) | (\$15,446,774) |
| Legacy Debt | (\$8,693,412) | (\$8,814,719) | (\$9,579,497) | (\$9,710,643) | (\$9,840,625) |
| Capital PAY-GO | \$22,994,283 | \$20,981,719 | \$15,864,708 | \$18,333,977 | \$18,329,433 |
| DSCR | 1.66 | 1.60 | 1.36 | 1.40 | 1.38 |

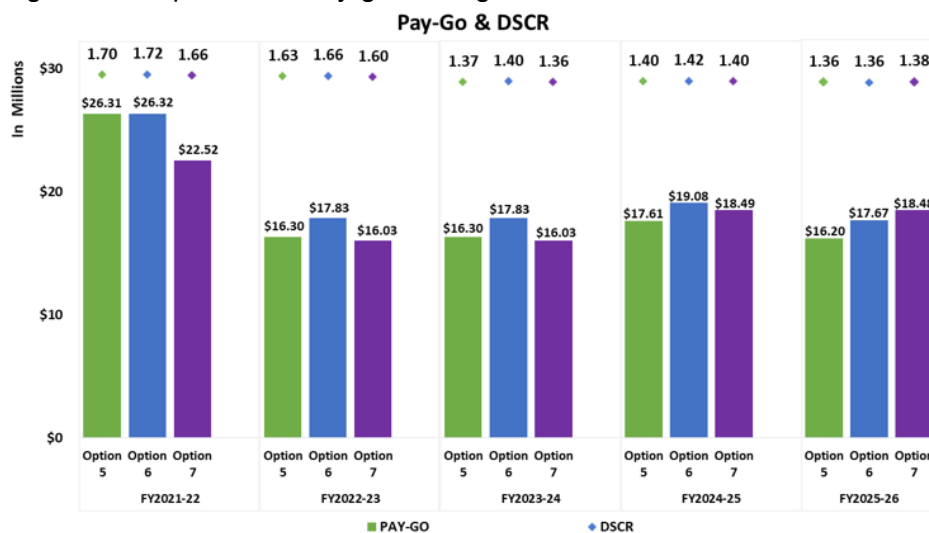
Financial results for Options 5 and 6 are similar to Option 7. All three options have the same amount of expenses, the differences are due to the use of reserves and the speed of reaching a unified set of rates. Figure 2 compares revenues from rates for the three Options.

Figure 2 Comparison of Annual Revenues from Rates: Options 5,6,7



Revenues that help fund the Agency's capital expenditure program for the three rate plan options are shown in Figure 3. Option 7 provides approximately \$3.8 million less in the first year compared to Options 5 & 6 as no revenue increase is included in Option 7's first year. Option 7 catches up in year 4 and establishes an \$18.5 million pay-go capacity. The annual Debt Service Coverage Ratio is similar in all three options. Note that in year 1 Option 7 has the lowest but by year 5 is slightly higher than Options 5 & 6. This is due to the Options' differing revenue increases.

Figure 3 Comparison of Pay-go funding from Rates and Debt Service Coverage: Options 5,6,7



Stress Test on the Rate Option Scenarios

There is an inverse relationship between the fixed service charge and the variable charge. The higher one is, the lower the other can be. Options 5-7 show this relationship. The policy decision that must be made is selecting the best fit for the sustainability of the Agency while fully considering customer impact. Revenue stability was a factor in the Option analysis; the larger the fixed charge, the more stable revenues will be. A stress test was performed to determine the financial impact of a 20%, one year mandated reduction in water usage. This is a reasonable test since in April 2015, the State mandated a 25% reduction. The results of a 1 year, 20% reduction in water usage ranged in revenue loss of \$14.2 million under Option 7 to a low under Option 5 of \$13.6 million. Option 6 resulted in a revenue loss of \$13.8 million.

Recycled Water Rate

The recycled water rate plan will continue to be priced at 80% of the VWD potable water rate. Table 9 provides the cost of service analysis to support the pricing shown. This rate is anticipated to cover the cost of O&M, purchased recycled water, and generate a contribution towards PAYGO for recycled water distribution system expansion.

Table 9 Cost Analysis Recycled Water Variable Charge

| Recycled Water Cost of Service | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 |
|--------------------------------|------------|------------|------------|------------|------------|
| Sales Forecast AF | 586 | 631 | 676 | 721 | 767 |
| Sales Forecast CCF | 255,278 | 275,007 | 294,736 | 314,465 | 334,194 |
| Revenue Requirement | | | | | |
| O&M | \$ 103,000 | \$ 106,090 | \$ 109,273 | \$ 112,551 | \$ 115,927 |
| Purchased Water | \$ 100,790 | \$ 108,580 | \$ 116,369 | \$ 124,159 | \$ 131,948 |
| Paygo-RW Distribution | \$ 223,030 | \$ 273,742 | \$ 333,176 | \$ 397,250 | \$ 468,635 |
| Total | \$ 426,820 | \$ 488,412 | \$ 558,818 | \$ 633,960 | \$ 716,511 |
| COS Rate | \$ 1.6720 | \$ 1.7760 | \$ 1.8960 | \$ 2.0160 | \$ 2.1440 |

FINANCIAL CONSIDERATIONS

There is no financial impact from selecting a rate plan to include in the Proposition 218 notice. The Board will be asked to review and approve the Proposition 218 notice at the April 20, 2021 Board meeting.

RECOMMENDATION

Agency staff recommends that the Board of Directors select one of the three options presented for inclusion in the Proposition 218 notice. This decision will enable staff to prepare the Notice and create the administrative record of the analysis that was carried out.

EC

Attachment

M65

Rate Tables Option 6

Newhall Division

| | Current | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 | FY2025-26 |
|------------------------|---------|-----------|-----------|-----------|-----------|-----------|
| Variable Charge | \$2.85 | \$2.15 | \$2.25 | \$2.37 | \$2.48 | \$2.61 |

| Service Charge | Current | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 | FY2025-26 |
|----------------|------------|------------|------------|------------|------------|------------|
| 5/8-in | | \$15.07 | \$15.82 | \$16.61 | \$17.45 | \$18.32 |
| 3/4-in | \$16.14 | \$20.26 | \$21.27 | \$22.33 | \$23.45 | \$24.62 |
| 1-in | \$26.96 | \$30.63 | \$32.17 | \$33.77 | \$35.46 | \$37.24 |
| 1 1/2-in | \$53.75 | \$56.58 | \$59.41 | \$62.38 | \$65.49 | \$68.77 |
| 2-in | \$86.04 | \$87.71 | \$92.09 | \$96.70 | \$101.53 | \$106.61 |
| 2 1/2-in | \$129.13 | \$103.27 | \$108.44 | \$113.86 | \$119.55 | \$125.53 |
| 3-in | \$161.42 | \$160.34 | \$168.36 | \$176.78 | \$185.62 | \$194.90 |
| 4-in | \$269.08 | \$264.11 | \$277.32 | \$291.18 | \$305.74 | \$321.03 |
| 6-in | \$538.00 | \$523.53 | \$549.71 | \$577.19 | \$606.05 | \$636.36 |
| 8-in | \$860.84 | \$834.83 | \$876.58 | \$920.40 | \$966.42 | \$1,014.75 |
| 10-in | \$1,237.58 | \$1,198.02 | \$1,257.92 | \$1,320.82 | \$1,386.86 | \$1,456.20 |
| 12-in | | \$2,235.70 | \$2,347.48 | \$2,464.86 | \$2,588.10 | \$2,717.50 |

| Legacy Debt | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 | FY2025-26 |
|-------------|-----------|-----------|-----------|-----------|-----------|
| 5/8-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 3/4-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1 1/2-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2 1/2-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 3-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 4-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 6-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 8-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 12-in | \$ - | \$ - | \$ - | \$ - | \$ - |

Rate Tables Option 6

Santa Clarita Division

| | Current | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 | FY2025-26 |
|-----------------|---------|-----------|-----------|-----------|-----------|-----------|
| Variable Charge | \$1.99 | \$2.15 | \$2.25 | \$2.37 | \$2.48 | \$2.61 |

| Service Charge | Current | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 | FY2025-26 |
|----------------|------------|------------|------------|------------|------------|------------|
| 5/8-in | \$22.32 | \$15.07 | \$15.82 | \$16.61 | \$17.45 | \$18.32 |
| 3/4-in | \$30.28 | \$20.26 | \$21.27 | \$22.33 | \$23.45 | \$24.62 |
| 1-in | \$46.16 | \$30.63 | \$32.17 | \$33.77 | \$35.46 | \$37.24 |
| 1 1/2-in | \$85.90 | \$56.58 | \$59.41 | \$62.38 | \$65.49 | \$68.77 |
| 2-in | \$133.56 | \$87.71 | \$92.09 | \$96.70 | \$101.53 | \$106.61 |
| 2 1/2-in | \$0.00 | \$103.27 | \$108.44 | \$113.86 | \$119.55 | \$125.53 |
| 3-in | \$260.72 | \$160.34 | \$168.36 | \$176.78 | \$185.62 | \$194.90 |
| 4-in | \$403.74 | \$264.11 | \$277.32 | \$291.18 | \$305.74 | \$321.03 |
| 6-in | \$801.04 | \$523.53 | \$549.71 | \$577.19 | \$606.05 | \$636.36 |
| 8-in | \$1,277.81 | \$834.83 | \$876.58 | \$920.40 | \$966.42 | \$1,014.75 |
| 10-in | | \$1,198.02 | \$1,257.92 | \$1,320.82 | \$1,386.86 | \$1,456.20 |
| 12-in | | \$2,235.70 | \$2,347.48 | \$2,464.86 | \$2,588.10 | \$2,717.50 |

| Legacy Debt | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 | FY2025-26 |
|-------------|------------|------------|------------|------------|------------|
| 5/8-in | \$6.80 | \$6.80 | \$6.80 | \$6.80 | \$6.80 |
| 3/4-in | \$10.20 | \$10.20 | \$10.20 | \$10.20 | \$10.20 |
| 1-in | \$17.01 | \$17.01 | \$17.01 | \$17.01 | \$17.01 |
| 1 1/2-in | \$34.02 | \$34.02 | \$34.02 | \$34.02 | \$34.02 |
| 2-in | \$54.42 | \$54.42 | \$54.42 | \$54.42 | \$54.42 |
| 2 1/2-in | \$64.63 | \$64.63 | \$64.63 | \$64.63 | \$64.63 |
| 3-in | \$102.05 | \$102.05 | \$102.05 | \$102.05 | \$102.05 |
| 4-in | \$170.08 | \$170.08 | \$170.08 | \$170.08 | \$170.08 |
| 6-in | \$340.15 | \$340.15 | \$340.15 | \$340.15 | \$340.15 |
| 8-in | \$544.24 | \$544.24 | \$544.24 | \$544.24 | \$544.24 |
| 10-in | \$782.35 | \$782.35 | \$782.35 | \$782.35 | \$782.35 |
| 12-in | \$1,462.65 | \$1,462.65 | \$1,462.65 | \$1,462.65 | \$1,462.65 |

Rate Tables Option 6

Valencia Division

| | Current | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 | FY2025-26 |
|-----------------|---------|-----------|-----------|-----------|-----------|-----------|
| Variable Charge | \$1.84 | \$2.05 | \$2.22 | \$2.37 | \$2.48 | \$2.61 |

| Service Charge | Current | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 | FY2025-26 |
|----------------|------------|------------|------------|------------|------------|------------|
| 5/8-in | \$16.81 | \$14.51 | \$15.64 | \$16.61 | \$17.45 | \$18.32 |
| 3/4-in | \$25.22 | \$19.42 | \$20.99 | \$22.33 | \$23.45 | \$24.62 |
| 1-in | \$42.03 | \$29.23 | \$31.70 | \$33.77 | \$35.46 | \$37.24 |
| 1 1/2-in | \$84.06 | \$53.77 | \$58.47 | \$62.38 | \$65.49 | \$68.77 |
| 2-in | \$134.50 | \$83.22 | \$90.60 | \$96.70 | \$101.53 | \$106.61 |
| 2 1/2-in | \$159.70 | \$97.94 | \$106.66 | \$113.86 | \$119.55 | \$125.53 |
| 3-in | \$252.19 | \$151.92 | \$165.56 | \$176.78 | \$185.62 | \$194.90 |
| 4-in | \$420.31 | \$250.07 | \$272.66 | \$291.18 | \$305.74 | \$321.03 |
| 6-in | \$840.63 | \$495.46 | \$540.38 | \$577.19 | \$606.05 | \$636.36 |
| 8-in | \$1,345.00 | \$789.91 | \$861.66 | \$920.40 | \$966.42 | \$1,014.75 |
| 10-in | \$1,933.44 | \$1,133.45 | \$1,236.48 | \$1,320.82 | \$1,386.86 | \$1,456.20 |
| 12-in | \$2,774.07 | \$2,114.98 | \$2,307.39 | \$2,464.86 | \$2,588.10 | \$2,717.50 |

| Legacy Debt | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 | FY2025-26 |
|-------------|-----------|-----------|-----------|-----------|-----------|
| 5/8-in | \$4.34 | \$4.34 | \$4.34 | \$4.34 | \$4.34 |
| 3/4-in | \$6.50 | \$6.50 | \$6.50 | \$6.50 | \$6.50 |
| 1-in | \$10.84 | \$10.84 | \$10.84 | \$10.84 | \$10.84 |
| 1 1/2-in | \$21.68 | \$21.68 | \$21.68 | \$21.68 | \$21.68 |
| 2-in | \$34.69 | \$34.69 | \$34.69 | \$34.69 | \$34.69 |
| 2 1/2-in | \$41.20 | \$41.20 | \$41.20 | \$41.20 | \$41.20 |
| 3-in | \$65.05 | \$65.05 | \$65.05 | \$65.05 | \$65.05 |
| 4-in | \$108.41 | \$108.41 | \$108.41 | \$108.41 | \$108.41 |
| 6-in | \$216.83 | \$216.83 | \$216.83 | \$216.83 | \$216.83 |
| 8-in | \$346.92 | \$346.92 | \$346.92 | \$346.92 | \$346.92 |
| 10-in | \$498.70 | \$498.70 | \$498.70 | \$498.70 | \$498.70 |
| 12-in | \$932.36 | \$932.36 | \$932.36 | \$932.36 | \$932.36 |

Rate Tables Option 7

Newhall Division

| | <u>Current</u> | <u>FY2021-22</u> | <u>FY2022-23</u> | <u>FY2023-24</u> | <u>FY2024-25</u> | <u>FY2025-26</u> |
|-----------------|----------------|------------------|------------------|------------------|------------------|------------------|
| Variable Charge | \$2.85 | \$2.09 | \$2.22 | \$2.37 | \$2.52 | \$2.68 |

| <u>Service Charge</u> | <u>Current</u> | <u>FY2021-22</u> | <u>FY2022-23</u> | <u>FY2023-24</u> | <u>FY2024-25</u> | <u>FY2025-26</u> |
|-----------------------|----------------|------------------|------------------|------------------|------------------|------------------|
| 5/8-in | | \$13.64 | \$14.52 | \$15.47 | \$16.47 | \$17.54 |
| 3/4-in | \$16.14 | \$18.38 | \$19.58 | \$20.85 | \$22.21 | \$23.65 |
| 1-in | \$26.96 | \$27.87 | \$29.69 | \$31.62 | \$33.67 | \$35.86 |
| 1 1/2-in | \$53.75 | \$51.60 | \$54.96 | \$58.53 | \$62.33 | \$66.39 |
| 2-in | \$86.04 | \$80.08 | \$85.28 | \$90.83 | \$96.73 | \$103.02 |
| 2 1/2-in | \$129.13 | \$94.32 | \$100.45 | \$106.97 | \$113.93 | \$121.33 |
| 3-in | \$161.42 | \$146.52 | \$156.04 | \$166.18 | \$176.99 | \$188.49 |
| 4-in | \$269.08 | \$241.43 | \$257.13 | \$273.84 | \$291.64 | \$310.60 |
| 6-in | \$538.00 | \$478.72 | \$509.84 | \$542.98 | \$578.27 | \$615.86 |
| 8-in | \$860.84 | \$763.47 | \$813.09 | \$865.94 | \$922.23 | \$982.17 |
| 10-in | \$1,237.58 | \$1,095.67 | \$1,166.89 | \$1,242.74 | \$1,323.51 | \$1,409.54 |
| 12-in | | \$2,044.82 | \$2,177.74 | \$2,319.29 | \$2,470.04 | \$2,630.59 |

| <u>Legacy Debt</u> | <u>FY2021-22</u> | <u>FY2022-23</u> | <u>FY2023-24</u> | <u>FY2024-25</u> | <u>FY2025-26</u> |
|--------------------|------------------|------------------|------------------|------------------|------------------|
| 5/8-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 3/4-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1 1/2-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2 1/2-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 3-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 4-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 6-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 8-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10-in | \$ - | \$ - | \$ - | \$ - | \$ - |
| 12-in | \$ - | \$ - | \$ - | \$ - | \$ - |

Rate Tables Option 7

Santa Clarita Division

| | Current | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 | FY2025-26 |
|-----------------|---------|-----------|-----------|-----------|-----------|-----------|
| Variable Charge | \$1.99 | \$2.09 | \$2.22 | \$2.37 | \$2.52 | \$2.68 |

| Service Charge | Current | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 | FY2025-26 |
|----------------|------------|------------|------------|------------|------------|------------|
| 5/8-in | \$22.32 | \$13.64 | \$14.52 | \$15.47 | \$16.47 | \$17.54 |
| 3/4-in | \$30.28 | \$18.38 | \$19.58 | \$20.85 | \$22.21 | \$23.65 |
| 1-in | \$46.16 | \$27.87 | \$29.69 | \$31.62 | \$33.67 | \$35.86 |
| 1 1/2-in | \$85.90 | \$51.60 | \$54.96 | \$58.53 | \$62.33 | \$66.39 |
| 2-in | \$133.56 | \$80.08 | \$85.28 | \$90.83 | \$96.73 | \$103.02 |
| 2 1/2-in | \$0.00 | \$94.32 | \$100.45 | \$106.97 | \$113.93 | \$121.33 |
| 3-in | \$260.72 | \$146.52 | \$156.04 | \$166.18 | \$176.99 | \$188.49 |
| 4-in | \$403.74 | \$241.43 | \$257.13 | \$273.84 | \$291.64 | \$310.60 |
| 6-in | \$801.04 | \$478.72 | \$509.84 | \$542.98 | \$578.27 | \$615.86 |
| 8-in | \$1,277.81 | \$763.47 | \$813.09 | \$865.94 | \$922.23 | \$982.17 |
| 10-in | | \$1,095.67 | \$1,166.89 | \$1,242.74 | \$1,323.51 | \$1,409.54 |
| 12-in | | \$2,044.82 | \$2,177.74 | \$2,319.29 | \$2,470.04 | \$2,630.59 |

| Legacy Debt | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 | FY2025-26 |
|-------------|------------|------------|------------|------------|------------|
| 5/8-in | \$6.80 | \$6.80 | \$6.80 | \$6.80 | \$6.80 |
| 3/4-in | \$10.20 | \$10.20 | \$10.20 | \$10.20 | \$10.20 |
| 1-in | \$17.01 | \$17.01 | \$17.01 | \$17.01 | \$17.01 |
| 1 1/2-in | \$34.02 | \$34.02 | \$34.02 | \$34.02 | \$34.02 |
| 2-in | \$54.42 | \$54.42 | \$54.42 | \$54.42 | \$54.42 |
| 2 1/2-in | \$64.63 | \$64.63 | \$64.63 | \$64.63 | \$64.63 |
| 3-in | \$102.05 | \$102.05 | \$102.05 | \$102.05 | \$102.05 |
| 4-in | \$170.08 | \$170.08 | \$170.08 | \$170.08 | \$170.08 |
| 6-in | \$340.15 | \$340.15 | \$340.15 | \$340.15 | \$340.15 |
| 8-in | \$544.24 | \$544.24 | \$544.24 | \$544.24 | \$544.24 |
| 10-in | \$782.35 | \$782.35 | \$782.35 | \$782.35 | \$782.35 |
| 12-in | \$1,462.65 | \$1,462.65 | \$1,462.65 | \$1,462.65 | \$1,462.65 |

Rate Tables Option 7

Valencia Division

| | Current | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 | FY2025-26 |
|-----------------|---------|-----------|-----------|-----------|-----------|-----------|
| Variable Charge | \$1.84 | \$2.09 | \$2.22 | \$2.37 | \$2.52 | \$2.68 |

| Service Charge | Current | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 | FY2025-26 |
|----------------|------------|------------|------------|------------|------------|------------|
| 5/8-in | \$16.81 | \$13.64 | \$14.52 | \$15.47 | \$16.47 | \$17.54 |
| 3/4-in | \$25.22 | \$18.38 | \$19.58 | \$20.85 | \$22.21 | \$23.65 |
| 1-in | \$42.03 | \$27.87 | \$29.69 | \$31.62 | \$33.67 | \$35.86 |
| 1 1/2-in | \$84.06 | \$51.60 | \$54.96 | \$58.53 | \$62.33 | \$66.39 |
| 2-in | \$134.50 | \$80.08 | \$85.28 | \$90.83 | \$96.73 | \$103.02 |
| 2 1/2-in | \$159.70 | \$94.32 | \$100.45 | \$106.97 | \$113.93 | \$121.33 |
| 3-in | \$252.19 | \$146.52 | \$156.04 | \$166.18 | \$176.99 | \$188.49 |
| 4-in | \$420.31 | \$241.43 | \$257.13 | \$273.84 | \$291.64 | \$310.60 |
| 6-in | \$840.63 | \$478.72 | \$509.84 | \$542.98 | \$578.27 | \$615.86 |
| 8-in | \$1,345.00 | \$763.47 | \$813.09 | \$865.94 | \$922.23 | \$982.17 |
| 10-in | \$1,933.44 | \$1,095.67 | \$1,166.89 | \$1,242.74 | \$1,323.51 | \$1,409.54 |
| 12-in | \$2,774.07 | \$2,044.82 | \$2,177.74 | \$2,319.29 | \$2,470.04 | \$2,630.59 |

| Legacy Debt | FY2021-22 | FY2022-23 | FY2023-24 | FY2024-25 | FY2025-26 |
|-------------|-----------|-----------|-----------|-----------|-----------|
| 5/8-in | \$4.34 | \$4.34 | \$4.34 | \$4.34 | \$4.34 |
| 3/4-in | \$6.50 | \$6.50 | \$6.50 | \$6.50 | \$6.50 |
| 1-in | \$10.84 | \$10.84 | \$10.84 | \$10.84 | \$10.84 |
| 1 1/2-in | \$21.68 | \$21.68 | \$21.68 | \$21.68 | \$21.68 |
| 2-in | \$34.69 | \$34.69 | \$34.69 | \$34.69 | \$34.69 |
| 2 1/2-in | \$41.20 | \$41.20 | \$41.20 | \$41.20 | \$41.20 |
| 3-in | \$65.05 | \$65.05 | \$65.05 | \$65.05 | \$65.05 |
| 4-in | \$108.41 | \$108.41 | \$108.41 | \$108.41 | \$108.41 |
| 6-in | \$216.83 | \$216.83 | \$216.83 | \$216.83 | \$216.83 |
| 8-in | \$346.92 | \$346.92 | \$346.92 | \$346.92 | \$346.92 |
| 10-in | \$498.70 | \$498.70 | \$498.70 | \$498.70 | \$498.70 |
| 12-in | \$932.36 | \$932.36 | \$932.36 | \$932.36 | \$932.36 |



BOARD MEMORANDUM

DATE: February 5, 2021
TO: Board of Directors
FROM: Courtney Mael, P.E., Chief Engineer *CM*
Keith Abercrombie, Chief Operating Officer *KA*
SUBJECT: February 4, 2021 Engineering and Operations Committee Meeting Report

The Engineering and Operations Committee met at 5:30 PM on Thursday, February 4, 2021 via teleconference. In attendance were Committee Chair William Cooper; Directors Jeff Ford, Gary Martin, Piotr Orzechowski and Lynne Plambeck. Staff members present were General Manager Matt Stone; Assistant General Manager Steve Cole; Chief Engineer Courtney Mael; Chief Operating Officer Keith Abercrombie; Director of Technology Services Cris Perez; Director of Operations and Maintenance Mike Alvord; Board Secretary April Jacobs; Executive Assistant Leticia Quintero; Executive Assistant Elizabeth Gallo; Environmental Health & Safety Supervisor Mark Passamani; Emergency Preparedness & Safety Coordinator Joe Diaz; Principal Engineer Jason Yim; Principal Engineer Brent Payne; Civil Engineer Orlando Moreno; Senior Engineer Jim Leserman; Senior Engineer Shadi Bader; Associate Engineer Elizabeth Sobczak; Engineering Technician II Jim Moreno; Water Resources Planner Rick Vasilopoulos and Administrative Assistant Terri Bell. One member of the public was present on the call. A copy of the agenda is attached.

Item 1: Public Comments – There was no public comment.

Item 2: Quarterly Safety Presentation – Mark Passamani and Joe Diaz reviewed the Agency's Safety Program for the second quarter of FY 2020/21.

Item 3: Recommend Approval of a Resolution Adopting the Supplemental Initial Study-Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program Under the California Environmental Quality Act for the Vista Canyon Recycled Water (Phase 2B) Project – Recommended actions for this item are included in a separate report being submitted at the March 2, 2021 regular Board meeting.

Item 4: Recommend Approval of the Interconnection between the NWD and SCWD systems and the VWD and SCWD systems in the area referred to as West Newhall – Recommended actions for this item are included in a separate report being submitted at the February 16, 2021 regular Board meeting.

Item 5: Monthly Operations and Production Report – Staff and the Committee reviewed the Operations and Production Report.

Item 6: Capital Improvement Projects Construction Status Report – Staff and the Committee reviewed the Capital Improvement Projects Construction Status Report.

Item 7: Third Party Funded Agreements Quarterly Report – Staff and the Committee reviewed the Third Party Funded Agreements Quarterly Report.

Item 8: Committee Planning Calendar – Staff and the Committee reviewed the FY 2020/21 Committee Planning Calendar.

Item 9: General Report on Treatment, Distribution, Operations and Maintenance Services Section Activities – Keith Abercrombie shared with the Committee updates on the Agency’s meter change out project and the successful efforts of Water Quality to work with the community on answering any water quality questions they may have.

Item 10: General Report on Engineering Services Section Activities – Courtney Mael updated the Committee on the upcoming Valley Center Wells PFAS project and the Rio Vista Chlorine Scrubber project, in addition to Engineering’s continued coordination on numerous projects with developers through the Santa Clarita Valley.

Item 11: Adjournment – The meeting adjourned at 7:13 PM.

CM/KA

Attachment

M65



Date: January 27, 2021

To: Engineering and Operations Committee
William Cooper, Chair
Jeff Ford
Gary Martin
Piotr Orzechowski
Lynne Plambeck

From: Courtney Mael, Chief Engineer *CM*
Keith Abercrombie, Chief Operating Officer *KA*

The **Engineering and Operations Committee** is scheduled to meet via teleconference on **Thursday, February 4, 2021 at 5:30 PM**, call in information is listed below.

**TELECONFERENCE ONLY
NO PHYSICAL LOCATION FOR MEETING**

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 Committee meeting using the Agency's **Call-in Number 1-833-568-8864, Webinar ID 150-099-2301** or **Zoom Webinar by clicking on the link <https://www.zoomgov.com/join/600992301>** 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 Committee using the call-in number or Zoom Webinar link above. Please see the notice below if you have a disability and require an accommodation in order to participate in the meeting.

We request that the public submit any comments in writing if practicable, which can be sent to **egallo@scvwa.org** or mailed to **Elizabeth Gallo, Executive Assistant**, Santa Clarita Valley Water Agency, 26521 Summit Circle, Santa Clarita, CA 91350. All written comments received before 4:00 PM the day of the meeting will be distributed to the Committee members and posted on the Santa Clarita Valley Water Agency website prior to the meeting. Anything received after 4:00 PM the day of the meeting will be posted on the SCV Water website the following day.

MEETING AGENDA

| <u>ITEM</u> | <u>PAGE</u> |
|---|--------------------|
| 1. 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 Committee Chair, be limited to three minutes for each speaker.) | |
| 2. * Quarterly Safety Presentation | 1 |
| 3. * Recommend Approval of a Resolution Adopting the Supplemental Initial Study-Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program Under the California Environmental Quality Act for the Vista Canyon Recycled Water (Phase 2B) Project | 11 |
| 4. * Recommend Approval of the Interconnection between the NWD and SCWD systems and the VWD and SCWD systems in the area referred to as West Newhall | 679 |
| 5. * Monthly Operations and Production Report | 683 |
| 6. * Capital Improvement Projects Construction Status Report | 789 |
| 7. * Third Party Funded Agreements Quarterly Report | 791 |
| 8. * Committee Planning Calendar | 797 |
| 9. General Report on Treatment, Distribution, Operations and Maintenance Services Section Activities | |
| 10. General Report on Engineering Services Section Activities | |
| 11. Adjournment | |
| * Indicates attachments | |
| ◆ To be distributed | |

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 Elizabeth Gallo, Executive Assistant, at (661) 259-2737, 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.

January 27, 2021
Page 3 of 3

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 January 28, 2021.

M65

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DIRECTOR's AB 1234 REPORT

Director's Name: Jerry Gladbach

Meeting attended: California's Members of NWRA

Date of Meeting: February 3, 2021

Meeting to be Presented at: February 16, 2021

Points of Interest:

The purpose of the meeting was to inform members of the various discussions that have been ongoing between the caucus leadership and NWRA and to have all members from California on the same page for the upcoming meeting of NWRA's Municipal Caucus.

NWRA is putting out a survey to members in an effort to determine what needs to be done to be more effective.

We need to increase the membership of the caucus and to make the meetings more effective,

We need to have speakers on current issues such as on PFAS

We need to be more visible at the general meetings of the membership

We need to redo how the billing is done for members of the caucus

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From: Reynolds, David dltreyns@ssoc.org
Subject: Draft Municipal Caucus agenda
Date: Feb 3, 2021 at 2:09:30 PM
To: Jerry Gladbach ejglad@aol.com, r.gilmore@bbid.org, Walsh, Jolene
allredjo@emwd.org, Zinke, Dee DZinke@mwdh2o.com,
Schneider, Abby R ASchneider@mwdh2o.com, Greg Zlotnick
gzlotnick@sjwd.org, Andy Fecko afecko@powa.net, Dave Eggerton
DaveE@acwa.com, lindaackerman72@gmail.com

Draft Agenda

I. Introductions

II. Dealing with PFAS: Water Supplier Case Study

III. PFAS Policy Update: Congress and the Administration

IV. Municipal Caucus Planning (Please fill out the brief survey linked below to help us guide this discussion)

<http://survey.constantcontact.com/survey/a07ehjq3pbskkigy6fs/start>

V. Other Business

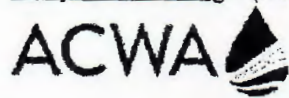
David Reynolds

Director of Federal Relations

Association of California Water Agencies

400 N. Capitol Street NW, Washington, D.C. 20001

dltreyns@ssoc.org | (202) 434 – 4760 | www.acwa.com



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Director AB 1234 Report
February 16, 2021

Director name: Gary Martin
Meeting attended: Delta Conveyance DCA Special Board Meeting
Date of meeting: February 3, 2021
Location: Virtual
SCV Water Board meeting to be presented at: February 16, 2021

On February 3, 2021, I attended the special board of directors meeting for the Delta Conveyance Design and Construction Authority (DCA). The agenda was as follows:

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Public Comment
5. Discussion Items
 - (a) New DCA Board of Directors Introductions and Orientation: Overview of DCA Structure, Services and Meetings
6. Future Agenda Items
7. Adjournment

Points of Interest:

- The Delta Conveyance Design and Construction Authority (DCA or Authority) was created by the Joint Powers Agreement (**JPA**) of participating SWP Contractor Members to provide services to DWR under the terms of the JEPA for design and construction of the Delta Conveyance Project.
- The Delta Conveyance Design and Construction Joint Exercise of Powers Agreement (**JEPA**) is an agreement between the DCA / Authority and DWR for the purpose of designating DCA / Authority as the entity providing engineering services necessary for planning, design and construction of the Delta Conveyance Project.
- As defined in Article VI of the JPA, the DCA board of directors consists of 7 members as follows:
 1. MWD of So. Cal.
 2. Kern Co. Water Agency
 3. Santa Clara Valley Water District
 4. Class 8 (SWP Contractors East Branch, except MWD) Members
 5. Class 8 (SWP Contractors East Branch, except MWD) Members
 6. Class 2 (SWP Contractors South Bay Aqueduct, except SCVWD) Members
 7. Class 3, 5 and 7 (SWP Contractors, San Joaquin Valley, Coastal Aqueduct, and West Branch, except KCWA and MWD. Currently only Class 3 and 7 Members Dudley Ridge and SCV Water are represented on the DCA Board.
- Discussion items:
 - Voting structure
 - Board officers
 - Key functions of DCA, per the JEPA
 - Major DCA vendors and JEPA FY 19/20, 20/21 budgets
 - DCA organization & engineering leads
 - DCA program controls
 - Monthly reporting format and content
 - Current alignment and flow options
 - Project schedules and planning activities
 - DCA 3-year look ahead budget

Annual budget approval schedule
Stakeholder engagement committee discussion
Work to-date discussion
Board meeting logistics and standing agenda items
Systems and technology discussion (related to board meetings and director communications)
Legal matters discussion

The next DCA board meeting will be February 18th at 2:00 pm.

DIRECTOR AB 1234 REPORT

Director Name: Jerry Gladbach

Meeting Attended: NWRA's Federal Affairs Committee

Date of Meeting: February 5, 2021

Date of Meeting to be Presented at: March 2, 2021

Points of Interest:

Based on the speed at which the Senate has approved President Biden's nominations for cabinet positions, it appears there will be good bi-partisan support for future issues

The lower levels of staff at OMB are coming from the Hill, which is a good idea and will foster a better understanding and cooperation between the Hill and OMB

There are four new members from the west on the Senate Natural Resources Committee, which should present a stronger voice for western water issues

The subcommittee on Water, Oceans and Wildlife (WOW) has kept Annick Miller on as staff and brought back Kyle Weaver who had been on the staff for many years. I have known Kyle for a long time and he is a real asset for the subcommittee

NWRA has great working relationships with all of the various staffs of the key Senate and House Committees

NWRA has sent out congratulatory letters to the appointees to the Senate and House Committees from the west

NWRA was congratulated on the great work that it is doing, a lot different from the time before Water Strategies took over the NWRA administration

There is a lot of support for an infrastructure bill, the question is how to pay for it, but recognizing the high unemployment and if there is money to build then there will be taxes coming in to offset some of the costs

The Senate Transportation and Infrastructure Committee will soon be putting out a draft bill on infrastructure and other committees will add their items onto it

NWRA is working with other Associations to promote an infrastructure bill to include water and to make sure that special districts are eligible to receive funds from it

It was a very informative meeting

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From: NWRA nwra@nwra.org
 Subject: NWRA Alert: Agenda for February 5th Federal Affairs Call
 12:30 Eastern
 Date: Feb 4, 2021 at 2:20:44 PM
 To: ejglad@aol.com



February 4, 2021

To: NWRA Federal Affairs Committee

From: NWRA Fed Affairs Team

Re: Agenda for February 5th Federal Affairs Call
 12:30 Eastern, 11:30 Central, 10:30 Mountain, 9:30 Pacific

Federal Affairs Committee members,

An agenda for our February Federal Affairs Committee call is below. If you have been tracking the NWRA Daily you know that there is a lot of activity in Congress and the Administration. We hope that you will be able to join us tomorrow for an update on all of the action and information on opportunities to help us move the infrastructure effort forward.

NWRA February 2021 Federal Affairs Committee Call
 Friday, February 5, 2021
 12:30 Eastern, 11:30 Central, 10:30 Mountain, 9:30 Pacific

Join online:

[https://us02web.zoom.us/j/82108151952?
 pwd=WU9JcVhDTVZOUkEvSm4zcEdFK0dRUT09](https://us02web.zoom.us/j/82108151952?pwd=WU9JcVhDTVZOUkEvSm4zcEdFK0dRUT09)

Join by phone:

Call in number: [301-715-8592](tel:301-715-8592)
 Meeting ID: [821-0815-1952](tel:821-0815-1952)
 Passcode: 455135

I. Welcome

II. Administration Updates

III. Congress

- a. Committees
- b. COVID-19 Recovery
- c. Economic Recovery and Infrastructure

IV. Task Force Updates

- a. Water Supply
- b. Water Quality
- c. Forest Health
- d. Environment
- e. Litigation Review
- f. Water Power
- g. Army Corps
- h. Groundwater

V. NWRA Events

- a. Leadership Forum
- b. Canal Safety Panel
- c. Federal Water Issues Conference

VI. Other Business

Please let us know if we can provide any additional information prior to the call.

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Sent by nwra@nwra.org

Director name: Gary Martin

Meeting attended: DCA Board Member Meeting with Kathryn Mallon, DCA Executive Director

Date of meeting: February 5, 2021

Location: Virtual

SCV Water Board meeting to be presented at: February 16, 2021

On February 5, 2021, I attended a meeting with DCA Executive Director Kathryn Mallon and others for further Delta Conveyance Authority discussions. The discussion topics and key points of interest were as follows:

- DCA deliverables to support EIR and EIS for FY 20/21
- Review of Delta Conveyance milestone schedule and major planning activities
- 2021 to 2024 calendar year planning budgets
- 2021 to 2027 major milestones to construction start
- Current and future Executive Director options for consideration
- CA conflict of interest laws and basic issues discussion
- DCA organizational structure and managing conflict of interest
- Contract issues for ED options
- ED responsibilities discussion
- Recommendations for board consideration
- Open discussion with meeting attendees

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