

# SCV WATER AGENCY TELECONFERENCE REGULAR BOARD MEETING

**TUESDAY, JANUARY 5, 2021**

**AT 6:30 PM**

Please join the meeting from your  
computer, tablet  
or smartphone:

<https://global.gotomeeting.com/join/660724405>

Listen in Toll Free by Phone:

**-OR-**

1-(866)-899-4679

Access Code: 660-724-405

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

To help expedite public comment, please contact the Board Secretary the day of the meeting at 1-(661)-297-1600 to advise on what items you would like to speak on. Public comments can also be made during the meeting as specified under Item 3 of the Agenda.

\*All written comments received after 4:30 PM the day of the meeting will be posted to <https://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, JANUARY 5, 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 Update 1-866-899-4679, Access Code 660-724-405** or **GoToMeeting by clicking on the link <https://global.gotomeeting.com/join/660724405>** without otherwise complying with the Brown Act's teleconferencing requirements.

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

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

**OPEN SESSION BEGINS AT 6:30 PM**

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **PUBLIC COMMENTS** – Members of the public may comment as to items not on the Agenda at this time. Members of the public wishing to comment on items covered in this Agenda may do so now or at the time each item is considered. (Comments may, at the discretion of the Board's presiding officer, be limited to three minutes for each speaker.) Members of the public wishing to comment on items covered in Closed Session before they are considered by the Board must request to make comment at the commencement of the meeting at 6:30 PM.

**4. APPROVAL OF THE AGENDA**

**5. SPECIAL PROCEDURES PAGE**

5.1	Administer Ceremonial Oath of Office to Directors Armitage, Atkins, Braunstein, Colley, Martin and Orzechowski	
5.2	Discussion and Approval of Term of Office for President and Vice President(s) and Discussion and Approval of One or Two Vice President(s)	
5.3	Election of President and Vice President(s)	
5.4 *	Discuss and Consider a Resolution Changing and Setting a New Start Time for the SCV Water Regular Board Meetings	7

**6. CONSENT CALENDAR PAGE**

6.1 *	Approve Minutes of the December 15, 2020 Santa Clarita Valley Water Agency Regular Board of Directors Meeting	9
6.2 *	Approve Receiving and Filing SCV Water Comprehensive Annual Financial Report (CAFR) for June 30, 2020	17
6.3 *	Approve Receiving and Filing of October 2020 Monthly Financial Report – <a href="https://yourscvwater.com/wp-content/uploads/2020/12/October-2020-Check-Registers.pdf">https://yourscvwater.com/wp-content/uploads/2020/12/October-2020-Check-Registers.pdf</a>	139

**7. ACTION ITEMS FOR APPROVAL PAGE**

7.1 *	Authorize the General Manager to Implement the Purple PREP Pilot for Recycled Water Onsite Conversion Support	161
7.2 *	Authorize General Manager to Execute a Construction Change Order to Pacific Hydrotech Corporation for the N Wells PFAS Groundwater Treatment and Well Q2 Perchlorate Removal Facility Project	187
7.3 *	Approve a Revised Emergency Administrative Leave (EAL) Policy – COVID-19	197

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

**9. COMMITTEE MEETING RECAP REPORTS FOR INFORMATIONAL PURPOSES ONLY PAGE**

9.1 *	December 9, 2020 Water Resources and Watershed Committee Meeting Report	205
9.2 *	December 21, 2020 Finance and Administration Committee Meeting Report	211

**10. WRITTEN REPORTS FOR INFORMATIONAL PURPOSES ONLY PAGE**

10.1 *	Engineering Services Section Report	217
10.2 *	Finance, Administration and Information Technology Section Report	227

**10. WRITTEN REPORTS FOR INFORMATIONAL PURPOSES ONLY (CONT.) PAGE**

10.3 *	Treatment, Distribution, Operations and Maintenance Section Report	231
10.4 *	Water Resources and Outreach Section Report	241
10.5 *	Committee Planning Calendars	249

**11. PRESIDENT’S REPORT**

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

12.1 *	December 16, 2020 ACWA’s Federal Affairs Committee Meeting – Vice President Gladbach	263
12.2	Other AB 1234 Reports	

**13. DIRECTOR REPORTS**

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

- 14.1 Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9, Claim of Interinsurance Exchange of the Automobile Club, Insured Mario Vega Against Santa Clarita Valley Water Agency, Claim for Property Damage, Date of Claim December 3, 2020
- 14.2 Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9, Claim of Mario Jr Vega, Against Santa Clarita Valley Water Agency, Claim for Personal and Property Damage, Date of Claim December 23, 2020
- 14.3 Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9, Claim of Yesenia Ojeda Vega, Against Santa Clarita Valley Water Agency, Claim for Personal and Property Damage, Date of Claim December 23, 2020
- 14.4 Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9, Amended Claim of Donald Bashor Against Santa Clarita Valley Water Agency, Claim for Retaliation for Whistleblowing, Date of Claim November 3, 2020

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

**15. CLOSED SESSION ANNOUNCEMENTS**

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

17. **REQUESTS FOR FUTURE AGENDA ITEMS**

18. **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 December 30, 2020.

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RESOLUTION NO. \_\_\_\_

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SANTA CLARITA VALLEY WATER AGENCY  
AUTHORIZING THE TIME CHANGE OF THE  
REGULAR SANTA CLARITA VALLEY WATER AGENCY  
REGULAR BOARD MEETINGS**

**WHEREAS**, the Santa Clarita Valley Water Agency’s regular Board meetings are scheduled to meet at 6:30 PM on the first and third Tuesday of every month; and

**WHEREAS**, due to COVID-19 and all of the Santa Clarita Valley Water Agency’s Board and Committee meetings being held via teleconference; and

**WHEREAS**, the Santa Clarita Valley Water Agency Board of Directors and staff would benefit from moving the time of the regular Board meetings from 6:30 PM to 6:00 PM.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Santa Clarita Valley Water Agency does authorize changing the time of its regular Board meetings from 6:30 PM to 6:00 PM effective January 19, 2021.

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Minutes of the Regular Meeting of the Board of Directors of the Santa Clarita Valley Water Agency – December 15, 2020

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A regular meeting of the Board of Directors of the Santa Clarita Valley Water Agency was held via teleconference at 6:30 PM on Tuesday, December 15, 2020. A copy of the Agenda is inserted in the Minute Book of the Agency preceding these minutes.

**DIRECTORS PRESENT:** B. J. Atkins, Ed Colley, Kathy Colley, William Cooper, Robert DiPrimio, Jeff Ford, Jerry Gladbach, Maria Gutzeit, R. J. Kelly, Gary Martin, Dan Mortensen 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 Financial and Administrative Officer Eric Campbell, Chief Engineer Courtney Mael, Chief Operating Officer Keith Abercrombie, Director of Finance and Administration Rochelle Patterson, Director of Tech Services Cris Perez, Senior Engineers Shadi Bader and Jim Leserman, Senior Management Analyst Kim Grass, Financial Analyst Darine Conner, Public Information Officer Kathie Martin, Executive Assistant Leticia Quintero, Administrative Assistant Terri Bell, IT Technician Craig Larsen, Accounting Tech II Kyle Arnold, Best Best and Krieger Attorney Lutfi Kharuf and members of the public.

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

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

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

Upon motion of Vice President Gladbach, seconded by Director Cooper and carried, the Board approved Resolution Nos. SCV-186, SCV-187, SCV-188 and SCV-189 honoring and commending Santa Clarita Valley Water Agency Directors Campbell, K. Colley, DiPrimio and Gutzeit for their service and dedication by the following roll call votes (Item 5.1):

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

**RESOLUTION NO. SCV-186**

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

**HONORING AND COMMENDING THOMAS P. CAMPBELL  
FOR HIS SERVICE AND DEDICATION**

**<https://yourscvwater.com/wp-content/uploads/2020/12/SCV-Water-Approved-Resolution-121520-Resolution-SCV-186.pdf>**

**RESOLUTION NO. SCV-187**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SANTA CLARITA VALLEY WATER AGENCY  
HONORING AND COMMENDING  
KATHY COLLEY  
FOR HER SERVICE AND DEDICATION**

**<https://yourscvwater.com/wp-content/uploads/2020/12/SCV-Water-Approved-Resolution-121520-Resolution-SCV-187.pdf>**

**RESOLUTION NO. SCV-188**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SANTA CLARITA VALLEY WATER AGENCY  
HONORING AND COMMENDING ROBERT J. DIPRIMIO  
FOR HIS SERVICE AND DEDICATION**

**<https://yourscvwater.com/wp-content/uploads/2020/12/SCV-Water-Approved-Resolution-121520-Resolution-SCV-188.pdf>**

**RESOLUTION NO. SCV-189**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SANTA CLARITA VALLEY WATER AGENCY  
HONORING AND COMMENDING MARIA GUTZEIT  
FOR HER SERVICE AND DEDICATION**

**<https://yourscvwater.com/wp-content/uploads/2020/12/SCV-Water-Approved-Resolution-121520-Resolution-SCV-189.pdf>**

The Board recognized Directors Campbell, K. Colley, DiPrimio and Gutzeit for their years of distinguished service (Item 5.2).

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**Public Hearing (Item 5.3)**

President Martin opened the Public Hearing at 7:54 PM regarding an Ordinance to increase the Director's compensation rate. President Martin presented the report, attachments and Ordinance for consideration. Public comments were heard and received.

President Martin closed the Public Hearing at 8:10 PM.

Upon motion of Director Cooper, seconded by Vice President Gladbach and carried, the Board approved Ordinance No. 01 increasing the Directors compensation by 5 percent, rounded down to the nearest dollar, bringing the monthly stipend from \$228.15 per meeting to \$239.00 per meeting, maximum of 10 meetings per month, one meeting per day, taking effect in 60 days from today by the following roll call votes (Item 5.3):

Director Atkins	No	Director E. Colley	No
Director K. Colley	No	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	No	Director Plambeck	No

**ORDINANCE NO. 01**

**AN ORDINANCE OF THE BOARD OF DIRECTORS  
OF THE SANTA CLARITA VALLEY WATER AGENCY  
ADOPTING ORDINANCE NO. 01 TO  
INCREASE DIRECTOR COMPENSATION**

**<https://yourscvwater.com/wp-content/uploads/2020/12/SCV-Water-Approved-Ordinance-121520-Ordinance-01-1.pdf>**

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Upon motion of Vice President Gladbach, seconded by Director Mortensen and carried, the Board approved the Consent Calendar which included Resolution Nos. SCV-190, SCV-191, SCV-192 and SCV-193 by the following roll call votes (Item 6):

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

**RESOLUTION NO. SCV-190**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SANTA CLARITA VALLEY WATER AGENCY  
HONORING AND COMMENDING BOB KELLAR  
FOR HIS SERVICE AND DEDICATION**

**<https://yourscvwater.com/wp-content/uploads/2020/12/SCV-Water-Approved-Resolution-121520-Resolution-SCV-190.pdf>**

**RESOLUTION NO. SCV-191**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SANTA CLARITA VALLEY WATER AGENCY  
HONORING AND COMMENDING  
BETTE BOATMUN  
FOR HER SERVICE AND DEDICATION**

**<https://yourscvwater.com/wp-content/uploads/2020/12/SCV-Water-Approved-Resolution-110420-Resolution-SCV-191.pdf>**

**RESOLUTION NO. SCV-192**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SANTA CLARITA VALLEY WATER AGENCY  
HONORING AND COMMENDING  
DIANNA SUTTON  
FOR HER SERVICE AND DEDICATION**

**<https://yourscvwater.com/wp-content/uploads/2020/12/SCV-Water-Approved-Resolution-121520-Resolution-SCV-192.pdf>**

**RESOLUTION NO. SCV-193**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE SANTA CLARITA VALLEY WATER AGENCY  
HONORING AND COMMENDING  
BOBBETTE WELLS  
FOR HER SERVICE AND DEDICATION**

**<https://yourscvwater.com/wp-content/uploads/2020/12/SCV-Water-Approved-Resolution-121520-Resolution-SCV-193.pdf>**

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Item 7.1 and 8.1 were switched for discussion and approval.

Upon motion of Director Plambeck, seconded by Director Cooper and carried, the Board approved Scheme D, the designation "In Memoriam Gracie Muehlberger and Dominic Blackwell" to be placed along the base of the right side (west) entry monument sign with an adjustment in the existing landscape and sign light by the following roll call votes (Item 8.1):

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

The Board took a short recess at 9:45 PM and President Martin reconvened the meeting at 9:53 PM.

Upon motion of Director Mortensen, seconded by Director Cooper and carried, the Board approved a revised CFD policy and (1) Resolution No. SCV-194 authorizing the execution of a Joint Exercise of Powers Agreement relating to the California Municipal Finance Authority (CFMA), and (2) Resolution No. SCV-195 authorizing participation in the CFMA's Bond Opportunities for Land Development (BOLD) Program and other related actions in establishing a CFD for the Spring Canyon Development by the following roll call votes (Item 7.1):

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

**RESOLUTION NO. SCV-194**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SANTA CLARITA VALLEY WATER AGENCY  
APPROVING, AUTHORIZING, AND DIRECTING EXECUTION  
OF A JOINT EXERCISE OF POWERS AGREEMENT  
RELATING TO THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY**

**<https://yourscvwater.com/wp-content/uploads/2020/12/SCV-Water-Approved-Resolution-121520-Resolution-SCV-194.pdf>**

**RESOLUTION NO. SCV-195**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SANTA CLARITA VALLEY WATER AGENCY  
AUTHORIZING USE OF THE BOND OPPORTUNITIES  
FOR LAND DEVELOPMENT (BOLD) PROGRAM;  
AUTHORIZING THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS,  
CONDUCT PROCEEDINGS AND LEVY SPECIAL TAXES  
WITHIN THE TERRITORY OF THE SANTA CLARITA VALLEY WATER AGENCY  
PURSUANT TO THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982,  
AS AMENDED; FINDING THAT FORMATION  
OF A CFD FOR THE SPRING CANYON DEVELOPMENT  
WILL BENEFIT THE AGENCY'S CUSTOMERS;  
AMENDING THE AGENCY'S COMMUNITY FACILITY DISTRICT POLICY;  
AND TAKING OTHER ACTIONS RELATED THERETO**

**<https://yourscvwater.com/wp-content/uploads/2020/12/SCV-Water-Approved-Resolution-121520-Resolution-SCV-195.pdf>**

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**General Manager's Report on Activities, Projects and Programs (Item 9).**

The General Manager updated the Board on recent positive COVID-19 cases at the Agency, stating that today there was another positive case of COVID-19, which the Agency did contact tracing to identify any staff that may have been in contact with this individual and may have been exposed. Anyone that may have had contact was tested today. In addition, this evening we had an additional positive case but this individual had been exposed outside the workplace and was in self quarantine using our Emergency Administrative Leave (EAL) provision. He stated, this is a great example of how the EAL policy prevented someone from being in the workplace and enabled them to stay home and to stop any possible spread. Lastly, he said that the Agency hopes that both do well and we continue to remind everyone to follow safe practices.

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**President's Report (Item 10).**

There was no President's report.

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**AB 1234 Written and Verbal Reports (Item 11).**

Written reports were submitted by Vice President Gladbach and were included in the Board packet. Additional written reports were submitted by President Martin, Vice President Gutzeit and Directors Atkins and Ford which were posted on the website and are part of the record.

President Martin reported that he attended the virtual VIA Monthly Luncheon held on December 15, 2020.

Vice President Gladbach reported that he attended the ACWA 2020 Virtual Fall Conference held on December 2-3, 2020.

Director Cooper reported that he attended the ACWA 2020 Virtual Fall Conference held on December 2-3, 2020, the virtual ACWA Groundwater Committee meeting held on December 8, 2020 and the virtual ACWA Water Quality Committee meeting held on December 14, 2020.

Director DiPrimio reported that he attended the ACWA 2020 Virtual Fall Conference held on December 2-3, 2020.

Director Kelly reported that he attended the virtual ACWA Region 8 Membership meeting held on December 9, 2020 and attended the ACWA 2020 Virtual Fall Conference held on December 2-3, 2020.

Director Plambeck reported that she attended the ACWA 2020 Virtual Fall Conference held on December 2-3, 2020 and the virtual ACWA Water Quality Committee meeting held on December 14, 2020.

There were no further AB 1234 Reports.

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**Director Reports (Item 12).**

There were no Director reports.

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The Board went into Closed Session at 10:45 PM (Item 13).

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 10:55 PM.

Joe Byrne, Esq., reported that pertaining to Item No. 13.1, Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9, Claim of City of Santa Clarita against Santa Clarita Valley Water Agency, Claim for Indemnity, Date of Claim December 1, 2020, the Board voted to reject the claim by motion of Director E. Colley, seconded by Director Kelly and carried, by the following roll call votes:

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

There were no other actions taken in Closed Session that were reportable under the Ralph M. Brown Act (Item 14).

**Director Requests for Approval for Event Attendance (Item 15).**

There were no Director requests for event attendance.

**Request for Future Agenda Items (Item 16).**

There were no requests for future agenda items.

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The meeting was adjourned at 10:58 PM (Item 17).

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April Jacobs, Board Secretary

ATTEST:

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President of the Board






## BOARD MEMORANDUM

**DATE:** December 22, 2020

**TO:** Board of Directors

**FROM:** Rochelle Patterson   
Director of Finance and Administration

**SUBJECT:** Approve Receiving and Filing SCV Water Comprehensive Annual Financial Report (CAFR) for June 30, 2020

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### SUMMARY

To review Santa Clarita Valley Water Agency's (SCV Water) June 30, 2020 Comprehensive Annual Financial Report (CAFR) prepared by Lance, Soll & Lunghard, LLP (LSL).

### DISCUSSION

The June 30, 2020 CAFR is meant to give the reader a narrative overview and analysis of SCV Water's financial performance during the period of July 1, 2019 to June 30, 2020.

The auditors gave the report an unmodified opinion, which is termed a clean opinion and is the highest opinion achieved. An unmodified opinion is the auditor's judgment that there is no reservation as to the fairness of presentation of SCV Water's Financial Statement and their conformity with Generally Accepted Accounting Principles (GAAP). In the auditor's opinion, SCV Water has presented fairly its financial position, results of operations, and changes in cash flows.

Prior to the Board receiving and filing the CAFR, staff will be adding an introductory section, which includes a letter of transmittal, an organizational overview, and details about the Board of Directors. This is SCV Water's first CAFR and will be submitted for award consideration for Excellence in Financial Reporting from the Government Financial Officers Association (GFOA).

The CAFR is attached.

Note: Formatting changes and narrative minor corrections will be made in the published document after the final CAFR is received and filed and prior to submission to the Government Finance Officers Association for award consideration

On December 21, 2020, the Finance and Administration Committee considered staff's recommendation to approve receiving and filing the SCV Water CAFR for June 30, 2020.

### FINANCIAL CONSIDERATIONS

None.

**RECOMMENDATION**

The Finance and Administration Committee recommends that the Board of Directors receive and file the attached SCV Water CAFR for the period of July 1, 2019 to June 30, 2020.

RP

Attachment

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December 22, 2020

We have audited the financial statements of the Santa Clarita Valley Water Agency (the Agency) for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 8, 2020. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in the notes to the financial statements. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Agency's financial statements was:

Management's estimates of its net pension liability and net other post-employment benefits liability based on actuarial valuation specialist assumptions. We evaluated the key factors and assumptions used to develop the net pension liability and net other post-employment benefits liability in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.



To the Board of Directors  
Santa Clarita Valley Water Agency  
City of Santa Clarita, California

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated December 23, 2020.

### ***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### ***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

We applied certain limited procedures to management's discussion and analysis, schedule of proportionate share of the net pension liability, the schedule of plan contributions – pension, the schedule of changes in net OPEB liability and related ratio, and the schedule of plan contributions – OPEB, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining statements which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on introductory section and statistical section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



To the Board of Directors  
Santa Clarita Valley Water Agency  
City of Santa Clarita, California

#### New Accounting Standards

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2019-2020 audit:

GASB Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* – The following pronouncements have been postponed as a temporary relieve to governments and other stakeholders in light of the COVID-19 pandemic and the new effective date are reflected in the following fiscal years.

GASB Statement No. 88, *Certain Disclosure Related to Debt, including Direct Borrowing and Direct Placements*.

The following Governmental Accounting Standards Board (GASB) pronouncements are effective in the following fiscal year audit and should be reviewed for proper implementation by management:

Fiscal year 2021

GASB Statement No. 84, *Fiduciary Activities*.

GASB Statement No. 90, *Majority Equity Interests - an Amendment of GASB Statement Nos. 14 and 61*.

Fiscal year 2022

GASB Statement No. 87, *Leases*.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

Fiscal year 2023

GASB Statement No. 91, *Conduit Debt Obligations*.

#### Restriction on Use

This information is intended solely for the use of the Board and management of Santa Clarita Valley Water Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Lance, Solt &amp; Loughard, LLP". The signature is written in a cursive, flowing style.

Brea, California

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**SCV**

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**WATER**

# **Comprehensive Annual Financial Report**

*Fiscal Year Ended June 30, 2020*

Prepared by:  
Finance Department  
Santa Clarita, California

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SANTA CLARITA VALLEY WATER AGENCY  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED JUNE 30, 2020

TABLE OF CONTENTS

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal .....	i
Service Area Map.....	xi
List of Elected and Administrative Officials .....	xii
Organizational Structure .....	xiii
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report .....	1
Management's Discussion and Analysis.....	5
<b>BASIC FINANCIAL STATEMENTS</b>	
Statement of Net Position.....	12
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	15
Statement of Cash Flows .....	16
Notes to Basic Financial Statements .....	19
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Proportionate Share of the Net Pension Liability .....	64
Schedule of Plan Contributions – Pension.....	65
Schedule of Changes in the Net OPEB Liability and Related Ratios .....	66
Schedule of Plan Contributions – OPEB.....	67
<b>COMBINING FUND STATEMENTS</b>	
Combining Statement of Net Position as of June 30, 2020 .....	68
Combining Statement of Revenues, Expenditures, and Changes in Fund Net Position for year ended June 30, 2020.....	72
Combining Statement of Cash Flows for year ended June 30, 2020 .....	74
<b>REPORT ON COMPLIANCE AND INTERNAL CONTROLS</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	79

SANTA CLARITA VALLEY WATER AGENCY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2020

TABLE OF CONTENTS

	<u>Page</u>
STATISTICAL SECTION (Unaudited)	
Net Position .....	82
Changes in Net Position .....	83
Revenues .....	84
Expenses by Function .....	85
Direct Rates .....	86
Principal Revenue Payers .....	87
Property Taxes Levies and Collections .....	88
Assessed Valuation of Taxable Property .....	89
Outstanding Debt .....	90
Demographic and Economic Statistics .....	91
Principal Employers .....	92
Operating and Capacity Indicators .....	93



**SCV**  

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**WATER**

## **Introductory Section**

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December 22, 2020

Honorable Board of Directors  
Santa Clarita Valley Water Agency

I am pleased to present the Santa Clarita Valley Water Agency's (Agency) Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2020.

This report was prepared by the Agency's Finance Department following guidelines set forth by the Government Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP). Responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation, including all disclosures, rest with Agency management. We believe the data, as presented is accurate in all material respects and it is presented in a manner that provides a fair representation of the financial position and results of operations of the Agency. Included are all disclosures we believe necessary to enhance your understanding of the financial condition of the Agency. GAAP requires management provide a narrative introduction, overview, and analysis, to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A), which should be read in conjunction with this report. The Agency's MD&A can be found immediately following the Independent Auditors' Report.

The Agency's financial statements have been audited by Lance, Soll and Lunghard, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Agency for the fiscal year ended June 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Agency's financial statements for the fiscal year ended June 30, 2020 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

## REPORTING ENTITY

### **The Agency's Service Area**

Santa Clarita Valley Water Agency headquarters is located in the City of Santa Clarita within the northwest region of Los Angeles County and is blessed with all the beauties and amenities of a large city with a small-town charm. The Agency consist of a Regional Division and three Retail Divisions and its boundaries encompass approximately 195-square miles in portions of the City of Santa Clarita, Los Angeles County and Ventura County.



## **Local Economy**

The Agency boundaries encompass the City of Santa Clarita, a city with strong economic base with a large and diverse labor pool. According to the Santa Clarita Valley Economic Development Corporation, the job market in the City had been stellar until April 2020 when lockdowns began due to the COVID-19 pandemic. The two largest employers in the region have been devastated and this has disproportionately impacted the Santa Clarita Valley labor market. They happen to be in sectors in which the lockdowns have never eased. This includes Magic Mountain and Princess Cruises. Together, they account for 2,500 layoffs in Santa Clarita. Though jobs losses to date have been severe (approximately 14,000), restoration is expected to accelerate next year, with job growth forecast to exceed 5 percent. Manufacturing and construction are essential businesses that can remain fully operational. And manufacturing is a principal engine of growth for the region, so its recovery is of particular importance to the local economy.

The population of the City increased by less than one percent and the per capita income was estimated at \$84,556. The state estimated the City's unemployment rate at 20 percent in April, and it has gradually improved since. The unemployment rate will average 13.3 percent in 2020, declining to 9.0 percent in 2021. New and existing home sales rose 10 percent in 2016. The Santa Clarita Valley has the potential to become one of the fastest growing regions in the state, in view of the FivePoint Valencia project which is now underway. The project is among the largest 5 residential projects in California, planned to produce more than 21,000 homes and accommodate 65,000 new residents. Housing affordability has become an issue in the Santa Clarita Valley due to low inventory and low mortgage interest rates that are pushing prices higher. The median home selling price for both new and existing homes rose approximately 19 percent to \$637,000.

As the pandemic is eradicated with the inoculation of the nation with a vaccine, the economy opens fully, and job growth accelerates. It is forecasted by 2022 income is fully restored in the region, but jobs do not eclipse the previous 2019 peak until late 2022 or early 2023. Hundreds of lots have been sold to builders and vertical construction is now underway. Permits for individual housing units are being issued this year and the first new home sales and move-ins will occur in 2021. The Santa Clarita Valley will continue to draw residents from other parts of Los Angeles County, as well as other parts of the state, due to its high standard of living and better a consistent job base.

## **The Agency's Authority**

The Santa Clarita Valley Water Agency was created January 1, 2018 by an act of the State Legislature (SB 634) through the merger of the three water agencies in the Santa Clarita Valley and serves a population of 273,000 through more than 70,000 retail water connections. As provided in the SB 634, the Agency was formed to unify and modernize water resource management within the Santa Clarita Valley through the efficient, sustainable, and affordable provision, sale, management, and delivery of surface water, groundwater, and recycled water for municipal, industrial, domestic, and other purposes at retail and wholesale within the territory of the Agency and to do so in a manner that promotes the sustainable stewardship of natural resources in the Santa Clarita Valley.

Under SB 634, the Agency is authorized to acquire, hold, and utilize water and water rights, including, but not limited to, water available from the State of California, and to provide, sell, manage, and deliver surface water, groundwater, and recycled water for municipal, industrial,



domestic, and other purposes at retail and wholesale throughout the territory of the Agency. The Agency may continue to levy, impose, or fix and collect any previously authorized charge, fee, assessment, or tax approved, imposed, and levied by the predecessor agencies, Castaic Lake Water Agency (CLWA) or Newhall County Water District (NCWD), or both, including, but not limited to, any rates, fees, and charges for the provision of water. Any charge, fee, assessment, or tax authorized and in effect for CLWA or NCWD will remain in effect until otherwise modified, increased, or terminated by the Board of Directors of the Agency. SB 634 also authorizes the Agency to levy and collect taxes; to fix, revise and collect rates or other charges for the delivery of water, use of facilities or property or provisions for service; to borrow money, incur indebtedness and issue bonds; and to construct, operate and maintain works for the development of hydroelectric power for use by the Agency in the operation of its works.

The Agency is a “revenue-neutral” public agency, meaning that each end-user pays only their fair share of the Agency’s costs of water production and the operation and maintenance of the public facilities.

### **Governance**

The Agency ultimately will have a three electoral division system with equal population per director. The initial board consisted of 15 members, 5 of whom were directors of the predecessor agency, Newhall County Water District (NCWD) on December 31, 2017 and 10 of whom were from the predecessor agency, Castaic Lake Water Agency (CLWA) on December 31, 2017. In March 2018, the Board was reduced to 14 Directors, February 2019 was reduced to 13 Directors and May 2020 was reduced to 12 Directors after three Directors retired and moved out of the area. The initial terms of directors whose respective terms as a member of NCWD or CLWA board of directors would have expired following the 2018 general election now expire following the 2020 general election, and terms of members that would have expired following the 2020 general election now expire following the 2022 general election. Two directors will be elected for each electoral division at the 2020 general election, and at every election on that four-year election cycle thereafter. One director will be elected for each electoral division at the 2022 general election and at every election on that four-year election cycle thereafter. There will be no appointed director position after January 1, 2023.

The Agency currently employs a staff of 215 under the direction of the Board-appointed General Manager, 10 of whom are part-time employees. No Agency employees are represented by a labor union. The General Manager reports directly to the Board of Directors, and through an Assistant General Manager, Chief of Operating Officer, Chief of Financial and Administrative Officer and a Chief Engineer, oversees day-to-day operations. Other lines of reporting are shown on the organizational flow chart.

### **Water Services**

The Agency owns and operates water conveyance pipelines and water treatment facilities to supply water delivered through the State Water Project to customers and LA County Waterworks District No. 36. The California Aqueduct releases water to the Agency at the Castaic Lake Reservoir. In addition to the water conveyance pipelines and water treatment facilities, the Agency also owns, operates, and maintains over 879 miles of distribution and transmission mains, 96 above ground welded steel reservoirs, 52 booster pump stations, and 40 active groundwater wells. Twenty of the active groundwater wells are currently offline due to PFAS contamination,



pending treatment completion. In FY 2020, the Agency water demand was approximately 59,000-acre feet (af) with approximately 17,500 af being produced from the Agency's groundwater production.

The Agency also owns a sewer lift station and approximately two miles of sewer main in the Pinetree service area. In addition, the Agency has 24 turnouts with a combined capacity of 108,800 gpm and 40 total pumps. Turnouts are locations where imported water is delivered to the Agency's distribution system.

The Agency operates two water filtration and treatment plants. The filtration plants treat State Water Project water for domestic uses. The two plants have a capacity to treat 122 mgd that can be expanded to have an ultimate capacity of 176 mgd. The Agency sold approximately 59,000 as in FY 2020 through more than 72,000 service connections. Of the total connections, 86% are single-family residential, 4% are commercial and municipal, and 4% are multi-family residential. The remainder is made up of irrigation, construction water and fire service revenue accounts.

## ECONOMIC CONDITIONS & OUTLOOK

**COVID-19** - The spread of the novel strain of coronavirus and the disease it causes (COVID-19) is having significant negative impacts throughout the world, including in Southern California. The World Health Organization has declared COVID-19 to be a pandemic, and states of emergency have been declared by the United States, the State, and numerous counties throughout the State, including Los Angeles County and Ventura County.

In response to COVID-19, on April 2, 2020, Governor Newsom signed Executive Order N-42-20, which, among other things, suspended the authority of water systems, such as the Agency's water system, from suspending water service for non-payment. Order N-42-20 does not eliminate the obligation of water customers to pay for water service, prevent a water system, such as the Agency's, from charging a customer for such service, or reduce the amount a customer already may owe. In compliance with Executive Order N-42-20, the Agency has waived late fees and will not terminate service for unpaid bills until Executive Order N-42-20 has been lifted. The ultimate impact of COVID-19 on the operations and finances of the Agency is unknown and there can be no assurance that the outbreak of COVID-19 will not materially adversely affect the Agency's financial position, but the Agency is trying to mitigate the impact with direct messaging to its customers.

**GROWTH** - Based on current development activity, the Agency currently expects moderate growth within its Service Area in the current and next few Fiscal Years. The Agency's capital improvement program is based on projected water demands at final build-out of the Agency's service area. Although it is uncertain when specific development(s) will occur, for purposes of planning, the Agency has assumed all of these developments will occur over the next 35 years.

The total projected water demand is estimated to increase from 68,900 acre-feet in 2020 to 93,900 acre-feet in 2050, representing an average annual increase of 1.3%. These projections were compared with population projections prepared by the City and County. The timing of future development is dependent on a number of factors, including but not limited to litigation, general economic conditions, including the impact of the COVID-19 pandemic, and real estate market conditions.





**PFAS** - In recent years, federal and state agencies have undertaken a variety of efforts towards the development of legislation, laws and regulations regarding PFAS, focused on limiting levels of Per- and polyfluoroalkyl substances (PFAS) in drinking water sources. PFAS substances are widely used in consumer and industrial products. As of April 14, 2020, the Agency has determined that 20 of its wells contain Perfluorooctanoic Acid (PFOA) and/or Perfluoro octane Sulfate (PFOS) at levels that exceed the Response Level. The Agency has removed each of the wells that have exceeded the Response Level from service. Despite the closure of these wells, the Agency projects that it will be able to meet existing and future demands from other available sources, including the wells that are currently in service and the construction of several treatment facilities at the groundwater well site. The total construction costs for the PFAS treatment facilities have been estimated to exceed \$60 million with an annual operations and maintenance (O&M) expense of approximately \$9 million. The capital costs are expected to be debt funded and the increase in annual debt service payments, as well as the O&M expense have been included in the Agency's FY 2021 – FY 2026 cost of service and water rates study.

**CONSERVATION** - As we emerged from one of the worst dry periods in recorded in recent history, the Agency is doing its part in conveying the importance of conservation to its customers. The Agency has planned for the conservation goal of 25% by 2025 and have planned for this reduction in our current water rate study. Factors beyond the control of the Agency could cause limits to our existing water sources due to changes in Statewide weather patterns caused by climate changes and other factors. The Santa Clarita Valley was not adversely affected during the Statewide drought from 1987 through 1992 nor the recent drought from 2012 to 2017 because the combination of State Water Project deliveries and banked water deliveries to the Agency and locally supplied groundwater were sufficient to meet demand. However, there can be no assurance that currently available water supplies would be sufficient to meet demand under current and future conditions in the event of long-term climate changes that could alter snowpack levels or precipitation patterns. The Agency aggressively seeks water banking programs, exchanges and transfers to help mitigate the fluctuations in water demand caused by external factors.

The Agency has also made significant efforts in the last few years to increase its ability to respond to changes in the economy, environment and customer base through the efficient use of existing assets, the optimization of available resources and greater focus on customer knowledge. Efforts are being made to identify additional opportunities to reduce costs, improve processes, and appropriately adjust expenditures. We believe that we have a financial plan to meet the needs of our customers. It sets our spending and staffing to affordable and sustainable levels while maintaining a high level of service quality.

Looking ahead, the Agency anticipates average customer demand will continue through this coming fiscal year. As a result, The Agency will monitor and make appropriate adjustments to ensure the organization's financial integrity is maintained, while continuing to meet its obligation to the public to provide a safe and reliable water supply.

Our success as an organization is vastly enhanced by the practices and policies put in place by the Board of Directors to ensure the strength and stability of the Agency even as we move forward through uncertain times. We are fully confident that with these policies and practices, supported by dedicated and talented staff, we will achieve continued success as an organization and thus assure the well-being of the people we serve.



## BUDGET SUMMARY

SCV Water was created by SB 634 (Act), which went into effect on January 1, 2018. The goal of SB 634 was to create a new agency that can capitalize on economies of scale and reduce costs of operations, maintenance and capital investment, while enhancing integrated resource management, thereby saving customers money while at the same time improving service delivery. As articulated in the Act, the purpose of the Agency is to unify and modernize water resource management within the Santa Clarita Valley through the efficient, sustainable, and affordable provision, sale, management and delivery of surface water, groundwater, and recycled water for municipal, industrial, domestic, and other purposes at retail and wholesale throughout SCV Water, and to do so in a manner that promotes the sustainable stewardship of natural resources in the Santa Clarita Valley.

The FY 2019/20 & FY 2020/21 Biennial Budget reflects planned activities to abide by Agency's mission statement and the strategic plan fundamental decisions developed by the Board of Directors. This Biennial Budget document combines the financial presentations for the wholesale and retail operations of the Agency and represents the spending plan for the fiscal years beginning July 1, 2019 and July 1, 2020 with the revenues and resources available to fund the plan. The Biennial Budget reflects our commitment to providing an affordable, reliable supply of high-quality water to our customers. It also serves as a financial plan and operations guide for the period.

The Agency continues to evaluate the way we do business and engage our employees to help find innovative and effective ways of serving our customers. There is no such thing as "business as usual" at the Agency. The Agency has had the opportunity to learn some valuable lessons since the merger on January 1, 2018. The Agency's staff are working smarter and harder than ever to get things done. The Board of Directors and staff continue to evaluate and implement innovative strategies and have worked hard to implement creative solutions to serve our employees and customers. Through this process, we have also realized the importance of moving forward despite our challenges.

We are moving from an era in which we thought about water as a single-use product – something plentiful, something we can take for granted. There is no way of knowing if we are at the beginning of another six-year drought or what weather conditions we can expect. This is why the Agency will continue to reach out and educate its customers. The Agency's Biennial Budget assumes that customers will continue their water saving efforts. The drought emergency is over, but the next drought could be around the corner. Water use efficiency must remain a way of life.

Pressure comes from increased costs, which must be incorporated into department budgets. The budget emphasizes short and long-term planning, recognizing slow growth, conservation and increased costs within the Agency's fiscal constraints. It is the responsibility of the Agency to make sure expenses do not exceed revenues to ensure a balanced budget.

The Biennial Budget reflects a continuation and expansion of strategies by maintaining critical expenditures and streamlining operations, while continuing to provide high service-level standards.

The budget was designed to help fulfill the Agency's mission in providing responsible water stewardship to ensure the Santa Clarita Valley has reliable supplies of high-quality water at a reasonable cost. Finally, while the budget is focused exclusively on revenues and expenses



related to the Agency's service to its customers, the Agency is also on a constructive pathway to creating a new era of water management for the Santa Clarita Valley.

The Agency is expecting to add 849 service connections in FY 2019/20 and 860 service connections in FY 2020/21, just over 1% growth. The Agency currently has three different retail water rates and will provide water service to approximately 73,632 customers by the end of FY 2021. The FY 2020 operating revenues are projected to be \$159.4 million and \$168 million in FY 2021, which is an increase from the prior year of 3.9% and 5.4%, respectively.

Every department has worked to analyze processes, systems, and structures to identify opportunities and implement plans to reduce costs. Many plans have made the Agency more adaptable, effective and responsive to customer needs. The FY 2020 operating expenses are projected to be \$159.4 million and \$168 million in FY 2021, which is an increase from the prior year of 10.1% and 5.4%, respectively. The operating expense budget consists of four components; operating expenses, capital, debt service and transfers to reserves. These categories include forecasting the costs of purchased water, purchased power, treatment costs, planning programs, insurance, vehicle operating costs, asset maintenance, employee costs, and the increase of day-to-day business responsibilities.

The Biennial Budget Capital Improvement Plan (CIP) is proposing to invest more than \$58 million in new infrastructure and infrastructure replacement in FY 2020 and more than \$56 million in FY 2021, which is an increase from the prior year of 11% and -3%, respectively. Each year the projects are reviewed and prioritized based on need and available funding.

Our success as an organization is vastly enhanced by the practices and policies put in place by the Board of Directors to ensure the strength and stability of the Agency even as we move forward through uncertain times. We are fully confident that with these policies and practices, supported by dedicated and talented staff, we will achieve continued success as an organization and thus assure the well-being of the people we serve.

## FINANCIAL POLICIES

The Agency has formally adopted the following financial policies:

**Investment Policy** - The Agency annually reviews and updates the Investment Policy. It is the policy of the Agency to invest funds in a manner that 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. The policy follows the "prudent investor" standard of the California Government Code 53601.

**Debt Management Policy** - The Debt Management Policy was established to serve as a guideline for the use of debt for financing the Agency infrastructure and project needs. Debt is issued and managed prudently in order to maintain a sound financial position and protect credit quality. The policy identifies the criteria for issuing new debt that includes the Standards for Use and guidelines to determine when refinancing of outstanding debt will be beneficial to the Agency and its customers.

**Disclosure Procedures Policy** - The Disclosure Procedures Policy is a government's policy that requires local officials to fully disclose particular financial transactions to comply with the



anti-fraud rules of federal securities laws. The purpose of the policy is to memorialize and communicate procedures in connection with obligations, including notes, bonds and certificates of participation, issued by or on behalf of the Santa Clarita Valley Water Agency.

**Derivatives Policy** - The Derivatives Policy establishes accounting and reporting standards for derivative instruments, a financial instrument which derives its value from the value of some other financial instrument, variable or index, including certain derivative instruments embedded in other contracts (collectively referred to as “derivatives”), and for hedging activities. Derivatives will not be used to speculate on perceived movements in interest rates.

**Purchasing Policy** - The Purchasing Policy outlines the procedures for the procurement of all goods and services and applying best practices for optimizing cost savings, quality products and services, and for assuring proper authority and limits as adopted by the Board of Directors.

**Capitalization Policy for Fixed Assets** - The Capitalization Policy for Fixed Assets is used by the Santa Clarita Valley Water Agency to set a threshold, above which qualifying expenditures are recorded as fixed assets, and below which they are charged to expense as incurred. The policy provides specific guidance to determine which capital assets are subject to separate accounting and reporting.

**Wire Transfer Policy** - The Wire Transfer Policy, bank transfer or credit transfer is a method of electronic funds transfer from one person or entity to another. The Agency recognizes the trend toward electronic payment methods and will receive and distribute funds through electronic wire transfers.

## ACCOUNTING SYSTEM

The Finance Department is responsible for providing financial services for the Agency including financial accounting and reporting, payroll, accounts payable and receivable, custody and investment of funds, billing and collection of water charges, and other revenues. The Agency accounts for its activities as an enterprise fund and prepares financial statements on the accrual basis of accounting, under which revenues are recognized when earned and expenses are recorded when liabilities are incurred. It is the intent of the Board of Director’s and Agency Management to manage the Agency’s operations as a business, thus matching revenues against the costs of providing the services.

## BUDGETING CONTROLS

The budget process is the product of a comprehensive team effort from every level within the organization and an essential tool for proper financial management. It is designed and presented for the general needs of the Agency, its staff, and customers.

It is a detailed and balanced financial plan that features Agency services, resources and their allocation, financial policies, and other useful information to allow the users to gain a general understanding of the Agency’s financial status and future. During the year, each department receives a monthly budget and detail cost reports that are essential to monitor and control costs. Any major changes, to the adopted budget are presented to the Board of Director’s for review and acceptance. Each month comparison reports of budget to actual are prepared at a summary level and presented to the Finance and Administration Committee and is received and filed by Board of Directors.

## **INTERNAL ACCOUNTING CONTROLS**

Internal accounting controls for the Agency are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

## **STRATEGIC PLAN**

The Agency's Strategic Plan serves as a framework for decision-making. It is a disciplined effort to produce fundamental decisions that shape what the Agency plans to accomplish by selecting a rational course of action.

The Agency's plan has incorporated an assessment of the present state of Agency operation, gathering and analyzing information, setting goals, and making decisions for the future. This plan seeks to strengthen and build upon opportunities while addressing areas of concern.

This plan also identifies actions, activities, and planning efforts that are currently active and needed for continued success in operations and management of the Agency and provides for periodic reviews and updates.

## **CASH MANAGEMENT**

The Agency invests its available funds in investments legally permissible by California Government Code Sections 53601 et seq., and in accordance with its own approved investment policy adopted annually by the Board of Directors. The investment objectives of the Agency, in order of priority, are: 1) to preserve the capital of the portfolio; 2) to maintain adequate liquidity to meet cash flow requirements; and 3) to obtain a reasonable rate of return without compromising the first two objectives.

## **RISK MANAGEMENT**

The Agency continues its proactive liability risk management role through careful monitoring of losses and designing and implementing programs to minimize risks and losses. In addition, the Agency's Safety Committee monitors work conditions, and the organizing and implementing of safety training programs to reduce employee exposure to hazards.

## **PENSION PLANS**

The Agency provides a defined benefit pension plan for its employees through the California Public Employees' Retirement System (CalPERS). The Agency contributes a specified percentage of covered employees' payroll, which is invested by CalPERS. Upon retirement, Agency employees are entitled to a specified retirement benefit. The plan is more fully described in Note 7 to the Financial Statements.



## OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The Agency provides other post-employment benefits (OPEB) as a part of the total compensation to all qualified employees. A qualified employee is defined as meeting the vesting requirements. The Agency participates in CalPERS California Employer's Retiree Benefit Trust Program (CERBT). OPEB benefits include medical and dental, in addition to the benefits provided from specific pension plans. Each year the Agency plans to contribute 100% of the annual required contribution, as stated in the actuarial report. The plan is more fully described in Note 8 to the Financial Statements.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Agency with the Distinguished Budget Presentation Award for the Agency's Operating and Capital Budget for its Biennial Budget for Fiscal Year beginning July 1, 2019. The Agency has received the award for two consecutive years.

GAAP requires management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Agency's MD&A can be found immediately following the report of the independent auditor.

I would like to thank all the staff and express my appreciation to the Finance Department for their efforts in preparing this Comprehensive Annual Financial Report, and for their hard work to ensure a successful outcome.

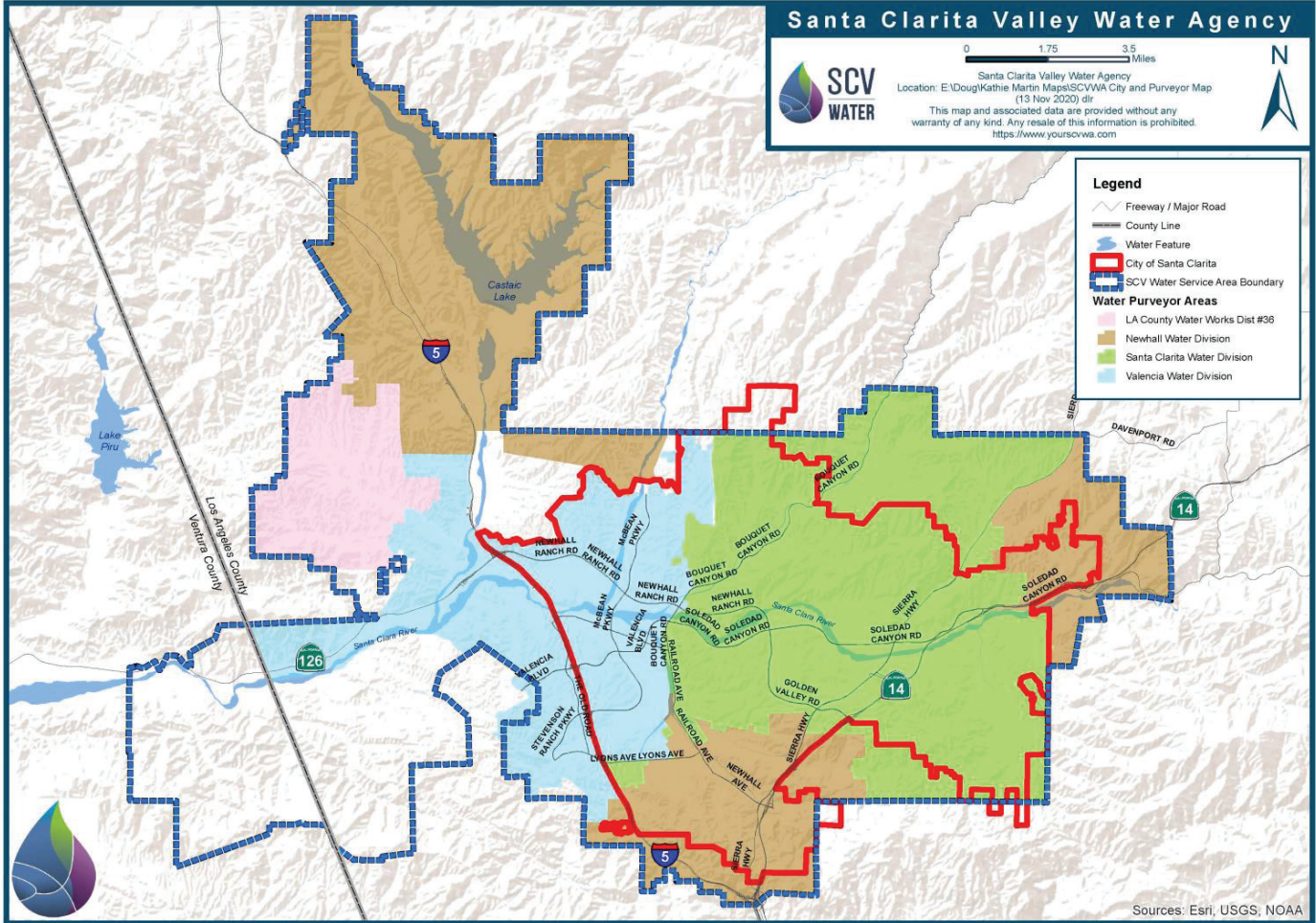
I would also like to thank the firm of Lance, Soll and Lunghard, LLP, for their professional work and opinion. Staff and I acknowledge and appreciate the Board of Director's continued support and direction in achieving excellence in financial management.

Respectfully submitted,

Matthew G. Stone  
General Manager

## SANTA CLARITA VALLEY WATER AGENCY Service Area Map

### SCV Water Service Area, Purveyor and City Boundaries



## AGENCY OFFICIALS Fiscal Year 2020

### Board of Directors



Maria Gutzeit  
Vice President



Gary Martin  
President



Jerry Gladbach  
Vice President



B.J. Atkins  
Director



Ed Colley  
Director



Kathy Colley  
Director



William Cooper  
Director



Robert DiPrimio  
Director



Jeff Ford  
Director



R.J. Kelly  
Director



Daniel R. Mortensen  
Director



Lynne Plambeck  
Director

### Agency Financial Management

Matthew G. Stone - General Manager

Stephen L. Cole - Assistant General Manager

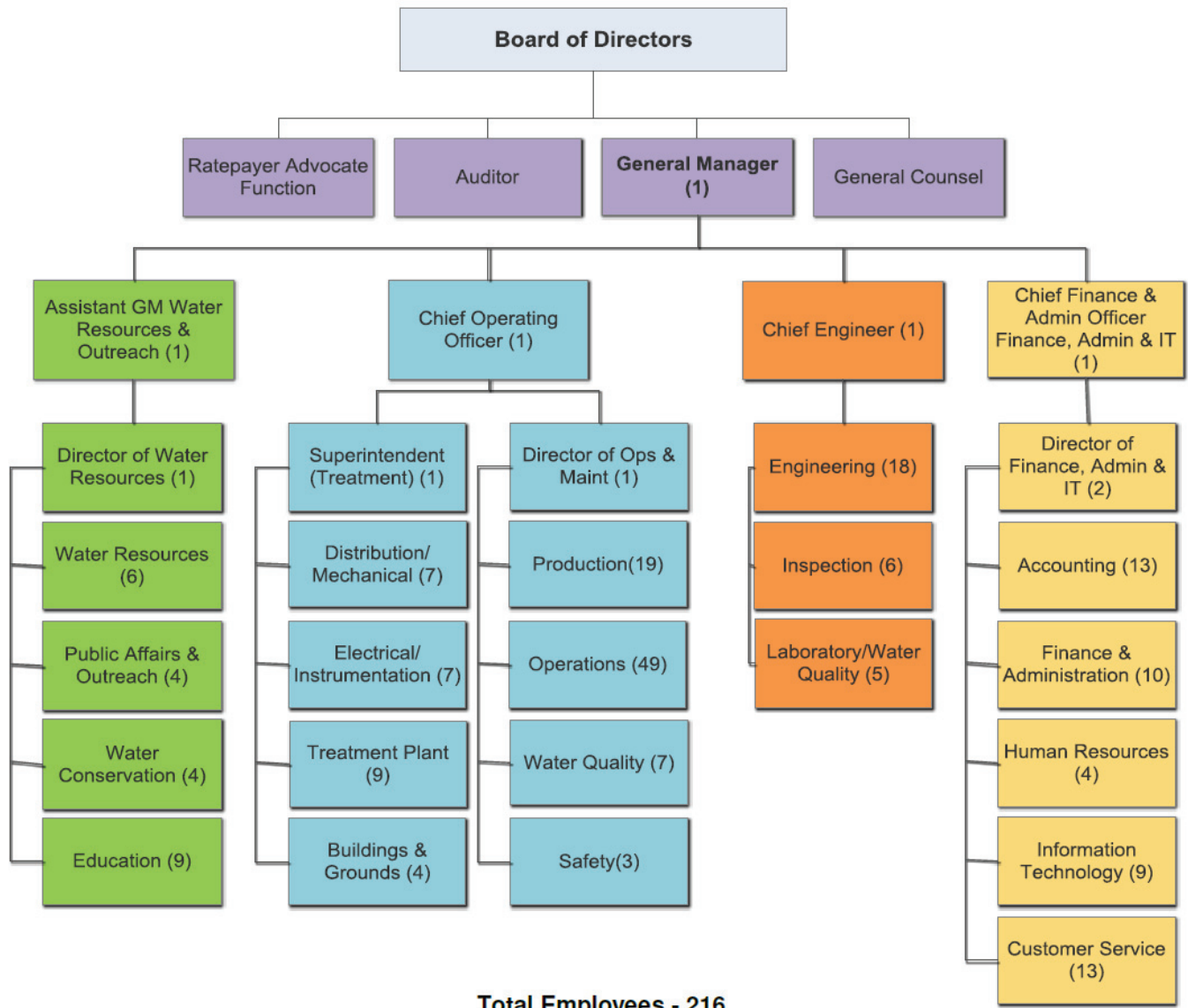
Eric Campbell - Chief Financial and Administrative Officer

Rochelle Patterson - Director of Finance and Administration





## ORGANIZATIONAL STRUCTURE Fiscal Year 2020



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Santa Clarita Valley Water Agency  
City of Santa Clarita, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Santa Clarita Valley Water Agency, (the Agency), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.





To the Board of Directors  
Santa Clarita Valley Water Agency  
City of Santa Clarita, California

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Santa Clarita Valley Water Agency, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability, the schedule of plan contributions – pension, the schedule of changes in net OPEB liability and related ratio, and the schedule of plan contributions – OPEB, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The introductory section, combining and fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



To the Board of Directors  
Santa Clarita Valley Water Agency  
City of Santa Clarita, California

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2020, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

*Lance, Soll & Lughard, LLP*

Brea, California  
December 22, 2020

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## **SANTA CLARITA VALLEY WATER AGENCY**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2020**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Santa Clarita Valley Water Agency (Agency) provides an introduction to the financial statements of the Agency for the period ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

#### **OVERVIEW**

Historically, residents and businesses of the Santa Clarita Valley were served by several separate water suppliers. It was an inherently fragmented structure that from time to time resulted in redundancies, interagency conflict and barriers to integrated regional water management. While the region's water suppliers provided reliable and cost-effective water service, there was strong consensus that even greater efficiencies, effectiveness and enhanced regional water management could be achieved on behalf of the Santa Clarita Valley's 350,000 residents and thousands of businesses. This fundamental truth was the basis for pursuing Senate Bill 634 (Wilk) which created a new public water agency for the region now known as SCV Water.

SCV Water was created by SB 634 (Act), which went into effect on January 1, 2018. The goal of SB 634 was to create a new agency that can capitalize on economies of scale and reduce costs of operations, maintenance and capital investment, while enhancing integrated resource management, thereby saving customers money while at the same time improving service delivery. As articulated in the Act, the purpose of SCV Water is to unify and modernize water resource management within the Santa Clarita Valley through the efficient, sustainable, and affordable provision, sale, management and delivery of surface water, groundwater, and recycled water for municipal, industrial, domestic, and other purposes at retail and wholesale throughout SCV Water, and to do so in a manner that promotes the sustainable stewardship of natural resources in the Santa Clarita Valley.

A key goal was to align functions previously organized across the three separate retail entities to support water services of a single organization. It will provide water service to customers within the service boundary previously serviced Castaic Lake Water Agency/Santa Clarita Water Division (SCWD), a division of CLWA, Newhall County Water District (NCWD) and Valencia Water Company (VWC).

The combining statement includes:

- Regional Division (previously CLWA)
- Newhall Water Division (previously NCWD)
- Santa Clarita Water Division (previously a division of CLWA)
- Valencia Water Division (previously VWC)
- Upper Santa Clara Valley Joint Powers Authority
- Devil's Den Water District
- Groundwater Sustainability Agency

#### **Financial Highlights**

- As of June 30, 2020, the Agency's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$654.42 million (net position). Of this balance, unrestricted net position amounted to \$144.01 million.
- The Agency's total operating revenues amounted to \$90.91 million during the period.
- The Agency's total operating expenses amounted to \$101.24 million during the period.

#### **REQUIRED FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements, which are comprised of the following: 1) Statement of Net Position, 2) Statement of Revenues, Expenses and Changes in Net Position, 3) Statement of Cash Flows, and 4) Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

## SANTA CLARITA VALLEY WATER AGENCY

### MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2020

- The *Statement of Net Position* presents information on all of the Agency's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or weakening. This statement measures the success of the Agency's operations over the past year and can be used to determine if the Agency has successfully recovered all of its costs through its rates and other charges. However, one must consider other nonfinancial factors such as changes in economic or environment conditions, population growth, and new or changed government legislation.
- The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).
- The *Statement of Cash Flows* presents information on cash receipts and payments for the fiscal year. From this statement, the reader can obtain comparative information on the sources and uses of the Agency's cash. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities, as well as providing answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.
- The *Notes to the Financial Statements* provide additional information that is essential to fully understand the data supplied in each of the specific financial statements listed above.

The Agency's financial statements comprised of four divisions as follows: (1) Regional Division (formerly CLWA); (2) Santa Clarita Water Division; (3) Newhall Water Division (formerly NCWD); and (4) Valencia Water Division (formerly VWC). The Agency's records are maintained on an enterprise basis, as it is the intent of the Board of Directors that the costs of providing water service to the customers of the Agency are financed primarily through user charges. See the detailed historical information of the Agency on Note 1 to the basic financial statements.

#### Financial Analysis of the Agency

One of the most important questions asked about the Agency's finances is, "Is the Agency better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Agency in a way that helps answer this question. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Agency's *net position* and changes in them. Think of the Agency's net position – the difference between assets, and deferred outflows of resources, and liabilities and deferred inflows of resources – as one way to measure the Agency's financial health, or *financial position*. Over time, *increases or decreases* in the Agency's net position are one indicator of whether its *financial health* is improving or deteriorating. One will need to consider other non-financial factors however, such as changes in the Agency's property tax base and the types of grants the Agency applies for to assess the *overall financial health* of the Agency.



**SANTA CLARITA VALLEY WATER AGENCY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

**Statements of Net Position (condensed)**

	<b>2020</b>	<b>2019</b>	<b>Variance</b>
<b>Assets</b>			
Current and Other Assets	\$ 189,074,217	\$ 211,718,497	\$ (22,644,280)
Restricted	95,062,202	22,823,465	72,238,737
Noncurrent	739,988,246	796,246,824	(56,258,578)
<b>Total Assets</b>	<b>1,024,124,665</b>	<b>1,030,788,786</b>	<b>(6,664,121)</b>
<b>Deferred Outflows of Resources</b>			
Deferred Pension Outflows	5,356,270	5,252,810	103,460
Deferred OPEB Outflows	7,164,688	3,908,619	3,256,069
Loss on Defeasance of Debt	1,213,180	1,322,398	(109,218)
<b>Total Deferred Outflows of Resources</b>	<b>13,734,138</b>	<b>10,483,827</b>	<b>3,250,311</b>
<b>Liabilities</b>			
Current Liabilities	46,548,852	53,239,956	(6,691,104)
Noncurrent Liabilities	333,853,975	352,882,507	(19,028,532)
<b>Total Liabilities</b>	<b>380,402,827</b>	<b>406,122,463</b>	<b>(25,719,636)</b>
<b>Deferred Inflows of Resources</b>			
Deferred Pension Inflows	1,079,349	1,110,836	(31,487)
Deferred OPEB Inflows	1,960,436	3,282,005	(1,321,569)
<b>Total Deferred Inflows of Resources</b>	<b>3,039,785</b>	<b>4,392,841</b>	<b>(1,353,056)</b>
<b>Net Position</b>			
Net Investment in Capital Assets	423,203,361	384,808,121	38,395,240
Restricted	87,202,965	72,753,409	14,449,556
Unrestricted	144,009,865	173,195,779	(29,185,914)
<b>Total Net Position</b>	<b>\$ 654,416,191</b>	<b>\$ 630,757,309</b>	<b>\$ 23,658,882</b>

**Statement of Net Position, continued**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the period ended June 30, 2020, the Agency's, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$654.42 million, a \$23.66 million or a 4% increase over the prior year. The Agency's net position is made-up of three components: (1) net investment in capital assets, (2) restricted, and (3) unrestricted.

By far the largest portion of the Agency's net position (approximately 55% as of June 30, 2020) reflects the Agency's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. Net investment in capital assets was \$423.20 million as compared to \$384.81 million as of June 30, 2019, a 9.5% increase. The Agency uses these capital assets to provide services to customers within the Agency's service area; consequently, these assets are *not* available for future spending. See Note 10 for further information.

SANTA CLARITA VALLEY WATER AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020

Statements of Revenues, Expenses, and Changes in Net Position

	2020	2019	Variance
<b>Operating Revenues:</b>			
Water Consumption Sales and Services	\$ 82,393,728	\$ 82,939,784	\$ (546,056)
Other Charges and Services	8,515,511	17,231,586	(8,716,075)
<b>Total Operating Revenues</b>	<b>90,909,239</b>	<b>100,171,370</b>	<b>(9,262,131)</b>
<b>Operating Expenses:</b>			
Source of Supply	465,943	345,477	120,466
Pumping Plant	7,711,757	6,292,006	1,419,751
Transmission and Distribution	7,630,261	6,196,650	1,433,611
Water Treatment	8,650,165	7,042,538	1,607,627
Administrative and General	20,598,391	17,240,344	3,358,047
Depreciation Expense	32,201,715	31,263,128	938,587
Maintenance	4,836,636	3,263,353	1,573,283
Engineering	3,110,092	2,298,810	811,282
Water Quality	1,177,815	1,094,842	82,973
Water Resources	10,197,555	5,792,111	4,405,444
Management	2,647,590	2,227,563	420,027
Customer Care	2,009,969	1,714,473	295,496
<b>Total Operating Expenses</b>	<b>101,237,889</b>	<b>84,771,295</b>	<b>16,466,594</b>
Operating Income (Loss)	(10,328,650)	15,400,075	25,728,725
<b>Nonoperating Revenues (Expenses):</b>			
Taxes	58,818,869	58,205,621	613,248
Interest Revenue	8,431,158	7,466,695	964,463
Interest Expense	(15,688,794)	(17,477,548)	1,788,754
Other Revenue (Expense)	1,086,632	1,905,933	(819,301)
State Water Contract	(21,483,495)	(20,182,520)	(1,300,975)
Gain (loss) on Disposal of Capital Assets	(31,507)	(824,686)	793,179
<b>Total Nonoperating Revenues (Expenses)</b>	<b>31,132,863</b>	<b>29,093,495</b>	<b>2,039,368</b>
Income (Loss) Before Capital Contributions	20,804,213	44,493,570	(23,689,357)
Capital Contributions	3,178,627	4,518,938	(1,340,311)
Change in Net Position	23,982,840	49,012,508	(25,029,668)
<b>Net Position:</b>			
Beginning of Year, as previously reported	630,757,309	581,421,048	49,336,261
Restatements	(323,958)	323,753	(647,711)
Beginning of Fiscal Year, as retated	630,433,351	581,744,801	48,688,550
End of Fiscal Year	<b>\$ 654,416,191</b>	<b>\$ 630,757,309</b>	\$ 23,658,882

**SANTA CLARITA VALLEY WATER AGENCY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2020**

**Statements of Revenues, Expenses and Changes in Net Position, continued**

A closer examination of the components of net position reveals that:

The Agency's net position amounted to \$654.42 million as of June 30, 2020, which is comprised of an increase in net position of \$23.66 million from June 30, 2019.

The Agency's total revenues amounted to \$159.25 million as of June 30, 2020 and \$167.75 as of June 30, 2019. Operating revenues amounted to \$90.91 million and is comprised of water consumption sales and services of \$82.39 million, and other charges and services of \$8.52 million as of June 30, 2020 compared to \$100.17 million of operating revenues as of June 30, 2019.

Nonoperating revenues amounted to \$68.34 million as of June 30, 2020 as compared to \$67.58 million as of June 30, 2019. The current year nonoperating revenues are comprised of \$58.82 million in property taxes, \$8.43 million in interest earnings and \$1.09 million in other revenue.

The Agency's total expenses (including depreciation expense) amounted to \$138.44 million as of June 30, 2020 as compared to \$123.26 million as of June 30, 2019. Operating expenses as of June 30, 2020 amounted to \$101.24 million, and is comprised of depreciation expense of \$32.20 million, source of supply of \$4.7 million, administration and general expense of \$20.60 million, pumping expense of \$7.71 million, water treatment of \$8.65 million, water resources of \$10.20 million, transmission and distribution of \$7.63 million, maintenance expense of \$4.84 million, engineering expense of \$3.11, water quality expense of \$1.18 million, management expense of \$2.65 million, and customer care expense of \$2.01 million.

Nonoperating expenses amounted to \$37.20 million as of June 30, 2020 as compared to \$38.48 million as of June 30, 2019. The current year nonoperating expenses are comprised of \$21.48 million in state water contract expenses, interest expense of \$15.69 million and \$.03 million on disposal of capital assets.

**Capital Assets and Debt Administration**

The Agency's capital assets as of June 30, 2020, totaled \$739.99 million (net of accumulated depreciation) as compared to \$731.45 million as of June 30, 2019, a 1.2% increase.

**Capital Assets**

	<b>2020</b>	<b>2019</b>	<b>Variance</b>
Capital Assets, not being depreciated			
Non-depreciable Assets	\$ 110,874,725	\$ 93,413,357	\$ 17,461,368
Capital Assets, net - being depreciated			
Depreciable Assets	1,128,042,302	1,105,766,022	22,276,280
Accumulated Depreciation and Amortization	(498,928,781)	(467,731,875)	(31,196,906)
Subtotal	629,113,521	638,034,147	(8,920,626)
<b>Total Capital Assets, net</b>	<b>\$ 739,988,246</b>	<b>\$ 731,447,504</b>	<b>\$ 8,540,742</b>

This investment in capital assets includes land, transmission and distribution systems, pumping plants and rights, buildings and structures, equipment, vehicles, and construction-in process.

Major capital asset additions included upgrades to state water project rights, upgrades to water tanks and mains, meter installations, and developer contributions to the water retail enterprise's transmission and distribution system. A significant portion of these additions were constructed by the Agency and/or subcontractors and transferred out of construction-in-process upon completion of these various projects. The capital assets of the Agency are more fully analyzed in Note 6 to the basic financial statements.

## SANTA CLARITA VALLEY WATER AGENCY

### MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2020

#### Long-Term Debt Administration

	2020	2019	Variance
Certificates of Participation	\$ 121,548,662	\$ 132,453,983	\$ (10,905,321)
Revenue Bonds	201,800,611	217,040,224	(15,239,613)
Notes Payable	-	2,573,780	(2,573,780)
<b>Total Long-Term Debt</b>	<b>\$ 323,349,273</b>	<b>\$ 352,067,987</b>	<b>\$ (28,718,714)</b>

#### Long-term Debt

At June 30, 2020, the Agency had \$323.35 million in long-term debt of which \$10.98 million is considered a current liability compared to \$352.07 million as of June 30, 2019. The long-term debt position of the Agency is more fully analyzed in Note 9 to the basic financial statements.

#### Conditions Affecting Current Financial Position

*Expanding in Infrastructure* – Management has identified a need to invest in the Agency's infrastructure and Capital Improvement Program (CIP). As the Agency's infrastructure continues to expand, the Agency understands the importance of monitoring the impacts of CIP projects on operating expenditures.

Each major CIP project that becomes operational adds new complexity and costs to the Agency's overall system. As this additional infrastructure is implemented, the Agency will require additional staff resources and will incur additional costs to operate and maintain the infrastructure. The current CIP includes a number of water quality and pipeline projects that will not have significant operating costs. However, the future development of the recycled water program will have significant operating costs that should be identified as part of the planning process.

#### Requests for Information

This financial report is designed to provide the Agency's funding sources, customers, stakeholders, and other interested parties with an overview of the Agency's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Agency's Director of Finance and Administration at 27234 Bouquet Canyon Road, Santa Clarita, California 91350-2173 or (661) 297-1600.

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SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

STATEMENT OF NET POSITION  
JUNE 30, 2020

	<u>2020</u>
<b>Assets:</b>	
Current:	
Cash and cash equivalents	\$ 36,567,392
Investments	131,374,380
Receivables:	
Accounts	14,534,020
Property tax	642,081
Accrued interest	256,197
Accounts - other	2,591,888
Prepaid costs	717,362
Materials and supplies inventory	2,390,897
Restricted:	
Cash and cash equivalents	3,074,706
Investments	85,662,505
Cash with fiscal agent	5,351,208
Receivables:	
Property tax	544,610
Accrued interest	174,389
Accounts - other	254,784
<b>Total Current Assets</b>	<b><u>284,136,419</u></b>
Noncurrent:	
Capital assets - not being depreciated	110,874,725
Capital assets - net of accumulated depreciation	<u>629,113,521</u>
<b>Total Noncurrent Assets</b>	<b><u>739,988,246</u></b>
<b>Total Assets</b>	<b><u>1,024,124,665</u></b>
<b>Deferred Outflows of Resources:</b>	
Deferred pension outflows	5,356,270
Deferred OPEB outflows	7,164,688
Loss on defeasance of debt	<u>1,213,180</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>13,734,138</u></b>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

STATEMENT OF NET POSITION  
JUNE 30, 2020

	<u>2020</u>
<b>Liabilities:</b>	
Current:	
Accounts payable	10,994,663
Accounts payable - restricted	1,712,372
Accrued liabilities	1,229,269
Accrued interest	4,336,719
Unearned revenues	1,274,318
Deposits payable	56,209
Advances for construction	8,733,477
Other current liabilities	6,361,331
Accrued compensated absences	875,494
Certificates of participation	3,260,000
Revenue bonds	7,715,000
<b>Total Current Liabilities</b>	<b><u>46,548,852</u></b>
Noncurrent:	
Net OPEB liability	5,071,224
Net pension liability	15,007,891
Accrued compensated absences	1,400,587
Certificates of participation	118,288,662
Revenue bonds	194,085,611
<b>Total Noncurrent Liabilities</b>	<b><u>333,853,975</u></b>
<b>Total Liabilities</b>	<b><u>380,402,827</u></b>
<b>Deferred Inflows of Resources:</b>	
Deferred pension inflows	1,079,349
Deferred OPEB inflows	1,960,436
<b>Total Deferred Inflows of Resources</b>	<b><u>3,039,785</u></b>
<b>Net Position:</b>	
Net investment in capital assets	423,203,361
Restricted	87,202,965
Unrestricted	144,009,865
<b>Total Net Position</b>	<b><u>\$ 654,416,191</u></b>

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SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
YEAR ENDED JUNE 30, 2020

	<u>2020</u>
<b>Operating Revenues:</b>	
Water consumption sales and services	\$ 82,393,728
Other charges and services	<u>8,515,511</u>
<b>Total Operating Revenues</b>	<b><u>90,909,239</u></b>
<b>Operating Expenses:</b>	
Source of supply	465,943
Pumping	7,711,757
Transmission and distribution	7,630,261
Water Treatment	8,650,165
Administration and general	20,598,391
Depreciation expense	32,201,715
Maintenance	4,836,636
Engineering	3,110,092
Water Quality	1,177,815
Water Resources	10,197,555
Management	2,647,590
Customer Care	<u>2,009,969</u>
<b>Total Operating Expenses</b>	<b><u>101,237,889</u></b>
Operating Income (Loss)	<u>(10,328,650)</u>
<b>Nonoperating Revenues (Expenses):</b>	
Taxes	58,818,869
Interest revenue	8,431,158
Interest expense	(15,688,794)
Other revenue	1,006,632
Other contributions	80,000
State Water Contract	(21,483,495)
Gain (loss) on disposal of capital assets	<u>(31,507)</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<b><u>31,132,863</u></b>
Income (Loss) Before Capital Contributions	20,804,213
Capital Contributions	<u>3,178,627</u>
Changes in Net Position	<u>23,982,840</u>
<b>Net Position:</b>	
Beginning of Year, as previously reported	630,757,309
Restatements	<u>(323,958)</u>
Beginning of Fiscal Year, as restated	<u>630,433,351</u>
<b>End of Fiscal Year</b>	<b><u>\$ 654,416,191</u></b>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2020

	<u>2020</u>
<b>Cash Flows from Operating Activities:</b>	
Cash received from customers and users	\$ 91,377,281
Cash paid to suppliers for goods and services	(39,299,773)
Cash paid to employees for services	(24,323,368)
	<u>27,754,140</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>27,754,140</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>	
Proceeds from property taxes	60,160,881
Payments for state water contract	(21,483,495)
Proceeds from non-operating revenues	1,086,632
	<u>39,764,018</u>
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<u>39,764,018</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Capital contributions	3,178,627
Acquisition and construction of capital assets	(41,115,024)
Principal paid on capital debt	(30,783,780)
Interest paid on capital debt	(14,221,299)
Proceeds from sales of capital assets	17,102
	<u>(82,924,374)</u>
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(82,924,374)</u>
<b>Cash Flows from Investing Activities:</b>	
Interest received	9,153,467
	<u>9,153,467</u>
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>9,153,467</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(6,252,749)</u>
Cash and Cash Equivalents at Beginning of Year	268,282,940
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 262,030,191</u>
<b>Reconciliation of cash and cash equivalents to amounts reported on the statement of Net Position:</b>	
Current:	
Cash and cash equivalents	\$ 36,567,392
Investments	131,374,380
Restricted:	
Cash and cash equivalents	3,074,706
Investments	85,662,505
Cash with fiscal agent	5,351,208
	<u>\$ 262,030,191</u>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2020

	<u>2020</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>	
Operating income (loss)	\$ (10,328,650)
<b>Adjustments to Reconcile Operating Income (loss)</b>	
Net Cash Provided (used) by Operating Activities:	
Depreciation	32,201,715
(Increase) decrease in accounts receivable	2,198,711
(Increase) decrease in inventory	(244,840)
(Increase) decrease in prepaid expense	4,863,333
Increase (decrease) in accounts payable	(24,310)
Increase (decrease) in deposits payable	(484,037)
Increase (decrease) in advances for construction	(688,700)
Increase (decrease) in unearned revenue	321,259
Increase (decrease) in accrued liabilities	3,150,009
Increase (decrease) in net OPEB liability and related items	(5,065,604)
Increase (decrease) in net pension liability and related items	1,532,410
Increase (decrease) in compensated absences	322,844
<b>Total Adjustments</b>	<b>38,082,790</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 27,754,140</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>	
Amortization of Premiums/Discounts	\$ 1,989,511

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## SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2020

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#### Note 1: Reporting Entity and Summary of Significant Accounting Policies

##### a. Organization and Operations of the Reporting Entity

The Santa Clarita Valley Water Agency (Agency) was established on January 1, 2018, pursuant to California Senate Bill 634 (SB-634). On October 15, 2017, the Governor of the State of California signed into law SB-634, which reorganized Castaic Lake Water Agency (CLWA) and Newhall County Water District (NCWD) to create the Agency, effective January 1, 2018.

On January 22, 2018, Valencia Water Company (VWC) was fully transitioned into the Agency through a Plan of Dissolution which was approved by VWC's Board of Directors at a special meeting on December 28, 2017. Subsequent to the dissolution, VWC is accounted for as an enterprise fund, called the Valencia Water Division, within the Agency.

The Santa Clarita Valley Water Agency Financing Corporation (Corporation) amended and restated the articles of incorporation, on April 17, 2018, for the previously named Castaic Lake Water Agency Financing Corporation. The Corporation is a California nonprofit public benefit corporation formed to assist the Santa Clarita Valley Water Agency (Agency) by acquiring, constructing, operating, and maintaining facilities, equipment, or other property needed by the Agency and leasing or selling such property to Agency and as such has no employees or other operations. Although the Corporation is legally separate, it is included as a blended component unit of the Agency, as it is in substance part of Agency's operations. There are no separate basic financial statements prepared for the Corporation.

On October 25, 1988, the Agency purchased land and equipment owned by Producers Cotton Oil Company. Of the 8,459 acres of land purchased in Kern and Kings Counties, approximately, 7,759 acres are within the Devil's Den Water District (District). The District encompasses 8,676 acres. The cost of acquiring the land and equipment was approximately \$5.0 million. The land is being leased to an outside party by the Agency under terms of an operating lease agreement. The annual lease payments received by the Agency range from \$105 to \$150 per acre foot of all water supplied to the leased property. The accompanying basic financial statements contain all above-mentioned land and water allocation transactions.

The criteria used in determining the transfer of operations is based on the provisions of Governmental Accounting Standards Board (GASB) No. 69, *Government Combinations and Disposals of Government Operations*. The effective transfer date of operations of CLWA and NCWD to the Agency was January 1, 2018, while the effective transfer date of operations of VWC to the Agency was January 23, 2018. These are the dates where the Agency obtained control of the assets and deferred outflows of resources and became obligated for the liabilities and deferred inflows of resources of the operations of CLWA and NCWD. The Agency recognized the carrying values of assets, deferred outflows of resources, liabilities, and deferred inflows of resources of CLWA and NCWD as of January 1, 2018, and VWC as of January 23, 2018. The net position received or assumed by the Agency was reported as a special item in the statement of revenues, expenses, and changes in net position in the period in which the transfer occurred.

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

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**Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**b. Basis of Accounting and Measurement Focus**

The Agency reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Agency is that the cost of providing water to its customers on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants, and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the Agency. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses.

Operating expenses are those that are clearly identifiable with a specific function. The types of transactions reported as operating revenues for the Agency are charges for services directly related to the operations of the Agency. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the Agency. Taxes, operating grants, and other items not properly included among operating revenues are reported instead as non-operating revenues. Contributed capital and capital grants are included as capital contributions.

**c. Financial Reporting**

The Agency's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial accounting principles.

**d. Cash and Cash Equivalents**

Substantially all of the Agency's cash is invested in interest bearing accounts. The Agency considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**e. Use of Estimates**

The preparation of the basic financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, and liabilities, and deferred inflows of resources, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

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**Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**f. Investments and Investment Policy**

The Agency has adopted an investment policy in accordance with the provisions of California Government Code Section 53601 and directing the Treasurer to deposit funds in financial institutions.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments. The Agency's policy is to hold its investments until maturity or until market values equal or exceed cost.

**g. Fair Value Measurements**

The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on valuation inputs used to measure the fair value of the assets, as follows:

Level 1 – Valuation is based on quoted prices in active markets for identical assets.

Level 2 – Valuation is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 – Valuation is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity and other assumptions that are internally generated and cannot be observed in the market.

**h. Property Taxes and Assessments**

The Counties of Los Angeles and Ventura Assessor's Offices assesses all real and personal property within each respective County each year. The Counties of Los Angeles and Ventura Tax Collector's Offices bills and collects the Agency's share of property taxes and/or tax assessments. The Counties of Los Angeles and Ventura Treasurer's Office remits current and delinquent property tax collections to the Agency throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations. Property taxes receivable at year-end are related to property taxes and tax assessments collected by the Counties of Los Angeles and Ventura, which have not been credited to the Agency's cash balance as of June 30. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

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**Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**i. Accounts Receivable**

The Agency extends credit to customers in the normal course of operations. An allowance for doubtful accounts has been recorded based on an estimate of uncollectible accounts.

**j. Materials and Supplies Inventory**

Materials and supplies inventory consist primarily of water meters, pipe and pipe fittings for construction and repair to the Agency's retail water transmission and distribution system. Inventory is valued at cost using a weighted average method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed.

**k. Prepaid Expenses**

Certain payments to vendors reflect cost or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

**l. Capital Assets**

Capital assets acquired and/or constructed are capitalized at historical cost. Agency policy has set the capitalization threshold for reporting capital assets at \$5,000. Improvement to existing capital assets will be presumed to extend the useful life or increase the capacity of performance of the related capital asset and, therefore, will be subject to capitalization if the cost of the improvement meets the \$5,000 threshold. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.



**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

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**Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)**

Depreciation will be calculated based on the assets in service at the beginning of the fiscal year and is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Franchise and consents – 20 years
- Other Intangible plan – 20 years
- Organizational costs – 33 years
- Structures and Improvements – 30 years
- Wells – 30 years
- Pumping Equipment – 20 years
- Castaic Turnout – 50 years
- Other Pumping Equipment – 30 years
- Water Treatment Equipment – 30 years
- Treatment Structures – 35 years
- Treatment Plant – 50 years
- Reservoirs and Tanks – 50 years
- Transmission and Distribution mains – 50 years
- Fire mains – 50 years
- Services – 30 years
- Meters and Meter installation – 20 years
- Hydrants – 30 years
- Computer Hardware and Software – 5 years
- Office Furniture and Equipment – 10 years
- Vehicles – 10 years
- Stores Equipment – 10 years
- Lab Equipment – 5 years
- Communications Equipment – 7 years
- Power Operating Equipment – 10 years
- Tools, Shop and Garage – 10 years
- Other General Plant Equipment – 8 years
- Sewer Plant – 51 years
- Sewer Lift Stations – 50 years
- Maintenance Facility – 30 years
- Lighting and Roads – 25 years
- Fencing – 15 years

**m. Pensions**

For the purposes of measuring the net pension liability and deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at the CalPERS website. GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Date: June 30, 2018
- Measurement Date: June 30, 2019
- Measurement Period: July 1, 2018 to June 30, 2019

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

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**Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)**

**n. Compensated Absences**

The Agency's policy is to permit employees to accumulate earned vacation with maximum hours ranging between 200 and 400 hours, based on years of service, and 480 hours of sick leave. Accumulated vacation and sick time is accrued at year-end to account for the Agency's obligation to the employees for the amount owed.

Vacation accrual increases to 120 hours for each full year of continuous service after 5 years until completion of 10 years of continuous service. After completion of 10 full years, vacation leave shall accrue at the rate of 160 hours per year.

Sick leave shall accrue year after year above the 96 hours accrued in that year. Sick leave shall accrue at the rate of eight hours per month for full time employees commencing on January 1 of each year. Sick leave shall accrue on a pro-rata basis. In the event that an employee has a sick leave accrual of more than 480 hours in any calendar year, the Agency will pay the employee 50% of the value of any unused sick leave in excess of 480 hours as a cash bonus. This bonus shall be based on leave balance on December 31 and is typically paid within 3 months of that date.

**o. Post-employment Benefits Other than Pensions (OPEB)**

For purposes of measuring the net OPEB Liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Agency's Retiree Health Plan and additions to/deductions from the Agency's fiduciary net position have been determined on the same basis as they are reported by the Agency. For this purpose, the Agency recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**p. Water Sales**

Water sales, retail and wholesale, are billed on a monthly cyclical basis. Estimated unbilled water revenue through June 30, has been accrued at year-end.

**q. Capital Contributions**

Capital contributions represent cash and capital asset additions contributed to the Agency by property owners, granting agencies, or real estate developers desiring services that require capital expenditures or capacity commitment.

**r. Net Position**

The financial statements utilize a net position presentation. Net position is categorized as follows:

- *Net Investment in Capital Assets Component of Net Position* – This component of net position consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt, or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt is included in this component of net position.

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

**Note 1: Reporting Entity and Summary of Significant Accounting Policies (Continued)**

- *Restricted Component of Net Position* – This component of net position consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- *Unrestricted Component of Net Position* – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

**s. Budgetary Policies**

The Agency follows specific procedures in establishing the budgetary data reflected in the financial statements. Each April, the Agency’s General Manager and Assistant General Manager prepare and submit a capital and operating budget to the Board of Directors and adopted no later than June of each year. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all enterprise funds. Annual budgets are adopted on the accrual basis for the proprietary fund. The adopted budget becomes operative on July 1.

**Note 2: Cash and Investments**

Cash and investments as of June 30<sup>th</sup>, are classified in the Statement of Net Position as follows:

	<u>2020</u>
Cash and cash equivalents	\$ 36,567,392
Cash and cash equivalents (restricted)	3,074,706
Cash and cash equivalents with fiscal agent	5,351,208
Investments - current	131,374,380
Investments - current (restricted)	85,662,505
Total cash and investments	<u>\$ 262,030,191</u>

Cash and investments as of June 30<sup>th</sup>, consist of the following:

	<u>2020</u>
Cash on hand	\$ 2,725
Deposits with financial institutions	39,639,373
Cash with fiscal agent	5,351,208
Investments	217,036,885
Total cash and investments	<u>\$ 262,030,191</u>

***Investments Authorized by the California Government Code and the Agency’s Investment Policy***

The table below identifies the investment types that are authorized by the Agency in accordance with the California Government Code (or the Agency’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Agency’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

**Note 2: Cash and Investments (Continued)**

This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the Agency, rather than the general provisions of the California Government Code or the Agency's investment policy.

<b>Authorized Investment</b>	<b>Maximum</b>	<b>Maximum Percentage</b>	<b>Maximum Investment</b>
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency and Sponsored Enterprise	5 years	None	None
Banker's Acceptances	180 days	30%	5%
Medium Term Notes	5 years	30%	5%
Commercial Paper	270 days	10%	5%
Certificates of Deposit and Time Deposits	5 years	30%	10%
Municipal Obligations	5 years	30%	5%
Repurchase agreements	30 days	10%	None
California Local Agency Investment Fund (LAIF)	N/A	None	None
Los Angeles County Pooled Investment Fund (LACPIF)	N/A	30%	None
Investment Trust of California (CalTRUST)	N/A	20%	None
Money Market Mutual Funds	N/A	20%	10%
Investment Contract	30 years	None	None

\* Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

***Investments Authorized by Debt Agreements***

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Agency's investment policy.

***Los Angeles County Pooled Investment Fund***

The Los Angeles County Pooled Investment Fund (LACPIF) is a pooled investment fund program governed by the County of Los Angeles Board of Supervisors and administered by the County of Los Angeles Treasurer and Tax Collector. Investments in LACPIF are highly liquid as deposits, and withdrawals can be made at any time without penalty. LACPIF does not impose a maximum investment limit. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the fair value provided by LACPIF for the Agency's LACPIF portfolio.

The Agency's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transactions processing occurs for orders received after 10:00 a.m.
- No limit of transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement rounded to the next highest dollar.
- Prior to funds transfer, an authorized person must complete a deposit or withdrawal form and fax to LACPIF.

## SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

### NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2020

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#### Note 2: Cash and Investments (Continued)

The County of Los Angeles' bank deposits are either Federally insured or collateralized in accordance with the California Government Code. Pool detail is included in the County of Los Angeles's Comprehensive Annual Financial Report (CAFR). Copies of the CAFR may be obtained from the County of Los Angeles Auditor-Controller's Office – 500 West Temple Street – Los Angeles, California 90012.

#### *Investment in State Investment Pool*

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The Agency's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transactions processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of \$5,000, in increments of \$1,000 dollars.
- Withdrawals of \$10,000,000 or more require 24 hours advance notice.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction or schedule the transaction on LAIF's website.

#### *Custodial Credit Risk*

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

**Note 2: Cash and Investments (Continued)**

The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured, and the remaining balance is collateralized in accordance with the California Government Code; however, the collateralized securities are not held in the Agency's name.

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the Agency's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Agency's investments by maturity date at June 30, 2020:

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 months	25-60 months
Federal Farm Credit Bank	\$ 8,002,738	\$ -	\$ 3,750,228	\$ 4,252,510
Federal Home Loan Bank	4,760,389	-	-	4,760,389
Freddie Mac	15,505,110	-	7,502,241	8,002,869
Fannie Mae	4,005,761	-	4,005,761	-
State and local agencies	7,857,477	-	-	7,857,477
Local Agency Investment Fund (LAIF)	78,595,026	78,595,026	-	-
Los Angeles County Pooled Investment Fund	67,353,461	78,595,026	-	-
Certificates of Deposit	7,702,745	4,250,649	2,771,706	680,390
Commerical Paper	3,555,569	2,519,944	1,035,625	-
Money Market Funds	19,698,609	19,698,609	-	-
<b>Total</b>	<b>\$ 217,036,885</b>	<b>\$ 183,659,254</b>	<b>\$ 19,065,561</b>	<b>\$ 25,553,635</b>

**Concentration of Credit Risk**

The investment policy of the Agency contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Agency investments are as follows:

Issuer	Investment Type	Bank
Freddie Mac	Federal agency securities	\$ 15,505,110

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

**Note 2: Cash and Investments (Continued)**

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Agency's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Credit ratings of investments and cash equivalents as of June 30, 2020, were as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>AAA</u>	<u>Not Rated</u>
Federal Farm Credit Bank	\$ 8,002,738	N/A	\$ -	\$ 8,002,738	\$ -
Federal Home Loan Bank	4,760,389	N/A	-	4,760,389	-
Freddie Mac	15,505,110	N/A	-	15,505,110	-
Fannie Mae	4,005,761	N/A	-	4,005,761	-
State and local agencies	7,857,477	N/A	7,857,477	-	-
Local Agency Investment Fund (LAIF)	78,595,026	N/A	-	-	78,595,026
Los Angeles County Pooled Investment Fund	67,353,461	N/A	-	-	67,353,461
Certificates of Deposit	7,702,745	N/A	7,702,745	-	-
Commercial Paper	3,555,569	N/A	3,555,569	-	-
Money Market	19,698,609	N/A	19,698,609	-	-
	<u>\$ 217,036,885</u>		<u>\$ 38,814,400</u>	<u>\$ 32,273,998</u>	<u>\$ 145,948,487</u>

Investments measured at fair value on a recurring and non-recurring basis at June 30, 2020, are as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Fair Value Measurement Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Other Observable Inputs (Level 3)</u>
Federal Agencies	\$ 32,273,998	\$ -	\$ 32,273,998	\$ -
Certificates of Deposit	7,702,745	-	7,702,745	-
Commercial Paper	3,555,569	-	3,555,569	-
State and local agencies	7,857,477	-	7,857,477	-
Total Investments Measured at fair value	<u>51,389,789</u>	<u>-</u>	<u>51,389,789</u>	<u>-</u>
Local Agency Investment Fund (LAIF)	78,595,026			
Los Angeles County Pooled Investment Fund (LACPIF)	67,353,461			
Money Market Funds	19,698,609			
	<u>\$ 217,036,885</u>			

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

**Note 3: Interfund Receivables and Payables**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Acquisition Interfund Loan		
Regional Water Division	Valencia Water Division	\$ 66,957,929
2018 Series A Revenue Bonds		
Regional Water Division	Valencia Water Division	26,735,000
	Total	<u>\$ 93,692,929</u>

Advances from the Regional Water Division to the Valencia Water Division are to provide funds for the acquisition of Valencia Water Company and amount to \$66,957,929 at June 30, 2020. See pages 64 through 67 of the supplemental information for more detailed information. The advance bears annual interest at 4.46%. The advance plus any accrued interest is due June 30, annually starting in fiscal year 2020.

Principal and estimated interest payments on the advances are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,733,468	\$ 2,984,127	\$ 4,717,595
2022	1,812,800	2,904,795	4,717,595
2023	1,895,763	2,821,832	4,717,595
2024	1,982,523	2,735,072	4,717,595
2025	2,073,253	2,644,342	4,717,595
2026-2030	11,879,387	11,708,588	23,587,975
2031-2035	14,858,150	8,729,825	23,587,975
2036-2040	18,583,839	5,004,136	23,587,975
2041-2043	12,138,746	2,014,038	14,152,784
Total	<u>66,957,929</u>	<u>\$41,546,755</u>	<u>\$ 108,504,684</u>
Less current portion	<u>(1,733,468)</u>		
Total non-current	<u>\$ 65,224,461</u>		

Detailed information of the 2018 Series A Revenue Bonds is shown on page 54 through 55 under Note 9.



**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

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**Note 4: Deferred Contribution Plan**

***457 Deferred Compensation Savings Plan***

The Agency has implemented GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since the Agency has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

For the benefit of its employees, the Agency participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the Agency is in compliance with this legislation. Therefore, these assets are not the legal property of the Agency and are not subject to claims of the Agency's general creditors. Market value of all plan assets held in trust by Lincoln Financial Services at June 30, 2020, was \$19,884,902.

***401(a) Defined Benefit Plan***

For the benefit of its employees, the Agency participates in a 401(a) Retirement Plan Program. The purpose of this 401(a) Plan is to provide a retirement benefit for public employees who fully contribute to their 457 Program. Generally, the Agency will match up to a certain amount for employees who fully contribute to their 457 Plan for the year. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the retirement benefit for income tax purposes.

Federal law requires defined benefit assets to be held in trust for the exclusive benefit of the participants. Accordingly, the Agency is in compliance with this legislation. Therefore, these assets are not the legal property of the Agency and are not subject to claims of the Agency's general creditors. Market value of all plan assets held in trust by Lincoln Financial Services at June 30, 2020, was \$974,511.

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

**Note 5: Compensated Absences**

Compensated absences are comprised of unpaid vacation leave, sick leave, floating holiday, and other leave which is accrued as earned. The Agency's liability for compensated absences is determined annually and the changes were as follows:

Balance July 1, 2019	Earned	Taken	Balance June 30, 2020	Current Portion	Noncurrent Portion
<u>\$ 1,953,237</u>	<u>\$ 1,122,546</u>	<u>\$ (799,702)</u>	<u>\$ 2,276,081</u>	<u>\$ 875,494</u>	<u>\$ 1,400,587</u>

The following tables below reflect the changes in compensated absences for each Division as of June 30, 2020:

***Regional Water Division***

Balance July 1, 2019	Earned	Taken	Balance June 30, 2020	Current Portion	Noncurrent Portion
<u>\$ 942,969</u>	<u>\$ 238,284</u>	<u>\$ (131,066)</u>	<u>\$ 1,050,187</u>	<u>\$ 569,020</u>	<u>\$ 481,167</u>

***Santa Clarita Water Division***

Balance July 1, 2019	Earned	Taken	Balance June 30, 2020	Current Portion	Noncurrent Portion
<u>\$ 417,479</u>	<u>\$ 360,646</u>	<u>\$ (322,318)</u>	<u>\$ 455,807</u>	<u>\$ 113,952</u>	<u>\$ 341,855</u>

***Newhall Water Division***

Balance July 1, 2019	Earned	Taken	Balance June 30, 2020	Current Portion	Noncurrent Portion
<u>\$ 252,792</u>	<u>\$ 254,926</u>	<u>\$ (160,616)</u>	<u>\$ 347,102</u>	<u>\$ 86,776</u>	<u>\$ 260,326</u>

***Valencia Water Division***

Balance July 1, 2019	Earned	Taken	Balance June 30, 2020	Current Portion	Noncurrent Portion
<u>\$ 339,997</u>	<u>\$ 268,690</u>	<u>\$ (185,702)</u>	<u>\$ 422,985</u>	<u>\$ 105,746</u>	<u>\$ 317,239</u>

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

**Note 6: Capital Assets**

Changes in capital assets for the year ended June 30, 2020, were as follows:

	Balance June 30, 2019	Adjustments	Adjusted Balance June 30, 2019	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2020
Santa Clarita Water Agency						
Capital assets, not being depreciated						
Non-depreciable assets	\$ 93,413,357	\$ -	\$ 93,413,357	\$ 36,874,346	\$ (19,412,978)	\$ 110,874,725
Capital assets, net - being depreciated						
Depreciable assets	1,105,766,022	-	1,105,766,022	23,636,477	(1,360,197)	1,128,042,302
Accumulated depreciation and amortization	(467,731,875)	(323,959)	(468,055,834)	(32,201,714)	1,328,767	(498,928,781)
Subtotal	638,034,147	(323,959)	637,710,188	(8,565,237)	(31,430)	629,113,521
Total capital assets, net	\$ 731,447,504	\$ (323,959)	\$ 731,123,545	\$ 28,309,109	\$ (19,444,408)	\$ 739,988,246

Changes in capital assets for the year ended June 30, 2020, were as follows:

**Regional Water Division**

	Balance June 30, 2019	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2020
Non-depreciable assets:				
Land and land rights	\$ 28,372,111	\$ -	\$ -	\$ 28,372,111
Construction in-process	27,587,177	26,465,770	(17,017,186)	37,035,761
Total non-depreciable assets	55,959,288	26,465,770	(17,017,186)	65,407,872
Depreciable assets:				
Contractual state water project rights	151,474,223	3,556,002	-	155,030,225
Contractual water rights-other agencies	103,766,815	7,586,808	-	111,353,623
Treatment Plant	174,631,441	-	-	174,631,441
Water mains	26,747,245	2,574,979	-	29,322,224
Reservoirs and tanks	1,724,855	-	-	1,724,855
Reclaimed Water	4,976,162	271,377	-	5,247,539
Control System	178,634,481	6,584,023	-	185,218,504
Castic turnout	398,243	-	-	398,243
Services and Meters	153,965	-	-	153,965
Maintenance Facility	188,310	-	-	188,310
Large tools and equipment	695,273	5,772	-	701,045
Furniture and Fixtures	144,136	30,446	-	174,582
Vehicles	330,115	161,352	(19,745)	471,722
Office Equipmnet	1,731,676	487,056	-	2,218,732
Summit Building	1,434,284	-	-	1,434,284
Total depreciable assets	647,031,224	21,257,815	(19,745)	668,269,294
Accumulated depreciation and amortization:				
Contractual state water project rights	(80,287,922)	(3,297,901)	-	(83,585,823)
Contractual water rights-other agencies	(31,869,794)	(4,512,156)	-	(36,381,950)
Treatment Plant	(70,413,894)	(5,545,439)	-	(75,959,333)
Water mains	(12,218,480)	(534,945)	-	(12,753,425)
Reservoirs and tanks	(1,286,956)	(35,496)	-	(1,322,452)
Reclaimed Water	(2,321,434)	(139,285)	-	(2,460,719)
Control System	(60,327,627)	(4,934,137)	-	(65,261,764)
Castic turnout	(310,633)	(7,965)	-	(318,598)
Services and Meters	(151,101)	(2,864)	-	(153,965)
Maintenance Facility	(188,310)	-	-	(188,310)
Large tools and equipment	(181,184)	(60,586)	-	(241,770)
Furniture and Fixtures	(120,859)	(3,998)	-	(124,857)
Vehicles	(239,855)	(46,685)	19,745	(266,795)
Office Equipment	(1,324,726)	(85,869)	-	(1,410,595)
Summit Building	(257,002)	(64,848)	-	(321,850)
Total accumulated depreciation and amortization	(261,499,777)	(19,272,174)	19,745	(280,752,206)
Total depreciable assets, net	385,531,447	1,985,641	-	387,517,088
Total capital assets, net	\$ 441,490,735	\$ 28,451,411	\$ (17,017,186)	\$ 452,924,960

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

**Note 6: Capital Assets (Continued)**

A significant portion of these additions were constructed by the Agency and/or sub-contractors and transferred out of construction-in-process upon completion of these various projects. Depreciation expenses under the Agency's Regional water division, totaled \$19,272,174.

***Santa Clarita Water Division***

Changes in capital assets for the year ended June 30, 2020, were as follows:

	Balance June 30, 2019	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2020
Non-depreciable assets:				
Land and land rights	\$ 891,550	\$ -	\$ -	\$ 891,550
Construction in-process	19,137,133	4,804,558	(4,454)	23,937,237
Total non-depreciable assets	20,028,683	4,804,558	(4,454)	24,828,787
Depreciable assets:				
Transmission/Distribution	70,658,941	-	-	70,658,941
Reservoirs/Tanks	28,400,843	-	-	28,400,843
Services	18,149,327	4,454	-	18,153,781
Hydrants	9,024,269	-	-	9,024,269
Boosters	11,222,205	-	-	11,222,205
Meters	6,899,660	-	-	6,899,660
Wells	2,580,140	-	-	2,580,140
Structures and improvements	7,817,240	-	-	7,817,240
Machinery and equipment	8,710,894	-	(377,907)	8,332,987
Transportation equipment	1,710,114	-	(65,674)	1,644,440
General Plant	134,121	50	-	134,171
Total depreciable assets	165,307,754	4,504	(443,581)	164,868,677
Accumulated depreciation and amortization:				
Transmission/Distribution	(22,367,423)	(1,200,569)	-	(23,567,992)
Reservoirs/Tanks	(15,777,032)	(930,927)	-	(16,707,959)
Services	(9,064,303)	(483,732)	-	(9,548,035)
Hydrants	(5,388,475)	(210,061)	-	(5,598,536)
Boosters	(5,972,147)	(486,672)	-	(6,458,819)
Meters	(3,501,972)	(483,798)	-	(3,985,770)
Wells	(1,563,471)	(75,273)	-	(1,638,744)
Structures and improvements	(2,707,377)	(268,567)	-	(2,975,944)
Machinery and equipment	(6,292,058)	(694,668)	346,482	(6,640,244)
Transportation equipment	(1,126,299)	(114,291)	65,674	(1,174,916)
General Plant	(92,391)	(12,505)	-	(104,896)
Total accumulated depreciation and amortization	(73,852,948)	(4,961,063)	412,156	(78,401,855)
Total depreciable assets, net	91,454,806	(4,956,559)	(31,425)	86,466,822
Total capital assets, net	\$ 111,483,489	\$ (152,001)	\$ (35,879)	\$ 111,295,609

Major capital asset additions included developer contributions to the water retail enterprise's transmission and distribution system and various other projects. A significant portion of these additions were constructed by the Agency and/or sub-contractors and transferred out of construction-in-process upon completion of these various projects. Depreciation expenses under the Agency's Santa Clarita Water Division, totaled \$4,961,063.

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

**Note 6: Capital Assets (Continued)**

***Newhall Water Division***

Changes in capital assets for the year ended June 30, 2020, were as follows:

	Balance June 30, 2019	Adjustment	Adjusted Balance June 30, 2019	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2020
Non-depreciable assets:						
Land and land rights	\$ 9,808,490	\$ -	\$ 9,808,490	\$ -	\$ -	\$ 9,808,490
Construction in-process	431,528	-	431,528	1,515,622	(1,808,301)	\$ 138,849
Total non-depreciable assets	10,240,018	-	10,240,018	1,515,622	(1,808,301)	9,947,339
Depreciable assets:						
Structures and improvements	10,519,537	-	10,519,537	26,299	-	10,545,836
Wells	5,372,476	-	5,372,476	11,710	-	5,384,186
Pumping Equipment	11,088,544	-	11,088,544	198,333	(28,807)	11,258,070
Water Treatment Equipment	1,602,785	-	1,602,785	40,773	-	1,643,558
Reservoirs/Tanks	17,096,357	-	17,096,357	61,412	-	17,157,769
Transmission/Distribution	51,384,730	-	51,384,730	727,210	(286,106)	51,825,834
Services	7,265,587	-	7,265,587	15,711	(283)	7,281,015
Meters	4,825,626	-	4,825,626	149,234	(140,964)	4,833,896
Hydrants	2,450,222	-	2,450,222	20,190	-	2,470,412
Furniture and Equipment	4,726,164	-	4,726,164	477,754	(176,021)	5,027,897
General Plant	390,426	-	390,426	-	-	390,426
Water Rights	17,617	-	17,617	-	-	17,617
Sewer Plant	1,368,608	-	1,368,608	73,458	(73,458)	1,368,608
Intangible Plant	422,606	-	422,606	-	-	422,606
Organization Costs	40,487	-	40,487	-	-	40,487
Total depreciable assets	118,571,772	-	118,571,772	1,802,084	(705,639)	119,668,217
Accumulated depreciation and amortization:						
Structures and improvements	(2,873,530)	(174,186)	(3,047,716)	(272,188)	-	(3,319,904)
Wells	(1,929,128)	(251,238)	(2,180,366)	(166,380)	-	(2,346,746)
Pumping Equipment	(6,863,529)	344,054	(6,519,475)	(469,112)	28,807	(6,959,780)
Water Treatment Equipment	(524,404)	49,993	(474,411)	(53,420)	-	(527,831)
Reservoirs/Tanks	(5,632,660)	(157,153)	(5,789,813)	(341,149)	-	(6,130,962)
Transmission/Distribution	(19,785,200)	227,704	(19,557,496)	(1,189,163)	286,106	(20,460,553)
Services	(4,280,467)	65,996	(4,214,471)	(177,327)	283	(4,391,515)
Meters	(1,260,013)	(988,425)	(2,248,438)	(372,478)	140,964	(2,479,952)
Hydrants	(1,757,346)	7,054	(1,750,292)	(53,664)	-	(1,803,956)
Furniture and Equipment	(4,179,350)	837,863	(3,341,487)	(287,269)	176,021	(3,452,735)
General Plant	(381,786)	60,517	(321,269)	(16,057)	-	(337,326)
Water Rights	(12,089)	(5,528)	(17,617)	-	-	(17,617)
Sewer Plant	(320,515)	(180,591)	(501,106)	(99,361)	73,458	(527,009)
Intangible Plant	(81,838)	(148,633)	(230,471)	(17,293)	-	(247,764)
Organization Costs	(29,101)	(11,386)	(40,487)	-	-	(40,487)
Total accumulated depreciation and amortization	(49,910,956)	(323,959)	(50,234,915)	(3,514,861)	705,639	(53,044,137)
Total depreciable assets, net	68,660,816	(323,959)	68,336,857	(1,712,777)	-	66,624,080
Total capital assets, net	\$ 78,900,834	\$ (323,959)	\$ 78,576,875	\$ (197,155)	\$ (1,808,301)	\$ 76,571,419

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020

Note 6: Capital Assets (Continued)

Major capital asset additions included developer contributions to the division's transmission and distribution system and various other projects. A significant portion of these additions were constructed by the Agency and/or sub-contractors and transferred out of construction-in-process upon completion of these various projects. Depreciation expenses under the Newhall Water Division, totaled \$3,514,861.

**Valencia Water Division**

Changes in capital assets for the year ended June 30, 2020, were as follows:

	Balance June 30, 2019	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2020
Non-depreciable assets:				
Land and land rights	\$ 1,366,286	\$ -	\$ -	\$ 1,366,286
Construction in-process	5,819,082	4,088,396	(583,037)	9,324,441
Total non-depreciable assets	7,185,368	4,088,396	(583,037)	10,690,727
Depreciable assets:				
Plant	115,351	-	-	115,351
Building	2,513,250	18,038	-	2,531,288
Wells	11,265,791	49,280	-	11,315,071
Pumping Plant	9,341,141	214,509	-	9,555,650
Reservoirs & tanks	27,476,388	-	-	27,476,388
T & D mains	82,022,657	-	-	82,022,657
Services	14,434,159	-	-	14,434,159
Meters	9,476,431	65,303	(191,232)	9,350,502
Hydrants	11,018,225	-	-	11,018,225
Other T & D plant	18,505	-	-	18,505
Office furniture & equipment	2,842,197	213,201	-	3,055,398
Transportation equipment	44,550	-	-	44,550
Other equipment	4,286,627	11,743	-	4,298,370
Total depreciable assets	174,855,272	572,074	(191,232)	175,236,114
Accumulated depreciation and amortization:				
Plant	(86,923)	(1,620)	-	(88,543)
Building	(1,097,925)	(61,910)	-	(1,159,835)
Wells	(5,149,071)	(365,765)	-	(5,514,836)
Pumping Plant	(7,661,592)	(209,822)	-	(7,871,414)
Reservoirs & tanks	(10,591,699)	(596,580)	-	(11,188,279)
T & D mains	(33,222,724)	(1,588,980)	-	(34,811,704)
Services	(8,864,932)	(406,232)	-	(9,271,164)
Meters	(4,292,819)	(450,151)	191,227	(4,551,743)
Hydrants	(7,082,661)	(292,710)	-	(7,375,371)
Other T & D plant	(15,484)	(491)	-	(15,975)
Office furniture & equipment	(2,049,779)	(284,402)	-	(2,334,181)
Transportation equipment	(44,549)	-	-	(44,549)
Other equipment	(2,308,036)	(194,953)	-	(2,502,989)
Total accumulated depreciation and amortization	(82,468,194)	(4,453,616)	191,227	(86,730,583)
Total depreciable assets, net	92,387,078	(3,881,542)	(5)	88,505,531
Total capital assets, net	\$ 99,572,446	\$ 206,854	\$ (583,042)	\$ 99,196,258

Major capital asset additions in the business-type activities area included developer contributions to the water retail enterprise's transmission and distribution system and various other projects. A significant portion of these additions were constructed by the Agency and/or sub-contractors and transferred out of construction-in-process upon completion of these various projects. Depreciation expenses under the Valencia Water Division, totaled \$4,453,616.

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

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**Note 6: Capital Assets (Continued)**

***Construction-In-Process***

The Agency has been involved in various construction projects throughout the year. The balances of the various construction projects that comprise the construction-in-process balances at year-end are as follows:

***Regional Water Division***

The balance at June 30<sup>th</sup>, consists of the following projects:

	<u>2020</u>
BV-RRB Storage & Extraction	\$ 13,300,391
Magic Mountain Parkway Projects	9,227,522
PFAS Treatment Capital Projects	6,111,265
Recycled Water Projects	5,315,609
Earl Schmidt Filtration Plant	1,088,006
Castaic Conduit project	1,073,170
Rio Vista Water Treatment Plant	521,680
Various minor projects	398,118
Construction-in-process	<u>\$ 37,035,761</u>

***Santa Clarita Water Division***

	<u>2020</u>
Internal construction projects	\$ 7,016,267
Developer on-site construction projects	16,920,970
Construction in-process	<u>\$ 23,937,237</u>

**Note 7: Defined Benefit Pension Plan**

***Plan Description***

All qualified permanent and probationary employees are eligible to participate in the Agency's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and the Agency's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

**Note 7: Defined Benefit Pension Plan (Continued)**

***Benefits provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the Agency's CalPERS 2.5% at 55 Risk Pool Retirement Plan to new employee entrants effective December 31, 2013. All employees hired after January 1, 2013 are eligible for the Agency's CalPERS 2.0% at 62 Retirement Plan under PEPRA.

The following plan groups are as follows:

*Classic Members* - employees hired before January 1, 2013, are enrolled in the CalPERS Local Miscellaneous 2% at 55 Plan.

*New Members* - in accordance with the PEPRA, employees hired on or after January 1, 2013, are enrolled in the CalPERS Local Miscellaneous 2% at 62 Plan.

The Plan's provisions and benefits in effect at June 30, 2020, are summarized as follows:

	<b>Miscellaneous Pool</b>	
	<b>Classic</b>	<b>PEPRA</b>
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	
Benefit payments	Monthly for life	
Retirement age	50-55	52-62
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.25%
Required employer contribution rates	10.868%	7.072%



**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

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**Note 7: Defined Benefit Pension Plan (Continued)**

***Contributions***

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of change in the rate. Funding contributions for both Plans are determined annually on actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2020, the contributions recognized as part of pension expense for the Plan were as follows:

	<b>2020</b>
Contributions - Employer	<u>\$ 2,182,797</u>

***Net Pension Liability***

As of June 30, 2020, the Agency reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	<b>2020</b>
Proportionate share of net pension liability	<u>\$ 15,007,891</u>

The Agency's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the plan is measured as of June 30, 2019 (the measurement date), and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 (the valuation date), rolled forward to June 30, 2019, using standard update procedures. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The Agency's proportionate share of the net pension liability for the Plan as of the measurement date June 30, 2019, was as follows:

	Miscellaneous
Proportion - June 30, 2018	0.13844%
Increase in proportion	<u>0.00802%</u>
Proportion - June 30, 2019	<u>0.14646%</u>

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

**Note 7: Defined Benefit Pension Plan (Continued)**

***Deferred Pension Outflows (Inflows) of Resources***

As of June 30, 2020, the Agency reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,561,639	\$ -
Differences between actual and expected experience	1,042,361	80,762
Differences in actual contribution and proportionate share of contribution	-	482,513
Changes in assumptions	715,646	253,690
Net differences between projected and actual earnings on plan investments	-	262,384
Adjustment due to differences in proportions of net pension liability	1,036,624	-
Total	<u>\$ 5,356,270</u>	<u>\$ 1,079,349</u>

As of June 30, 2020, employer pension contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$2,561,639 and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2021.

At June 30, 2020, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

Fiscal Year Ending June 30:	Deferred Outflows/ (Inflows) of Resources
2021	\$ 1,386,123
2022	54,931
2023	221,206
2024	53,022

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

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**Note 7: Defined Benefit Pension Plan (Continued)**

***Actuarial Assumptions***

The total pension liabilities were determined by actuarial valuation reports as of June 30, 2018, which were rolled forward to June 30, 2019, using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement NO. 68
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Investment Rate of Return	7.15 Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefits	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.50 thereafter

\* The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

***Change of Assumptions***

For the measurement date June 30, 2019, there were no changes of assumptions.

***Discount rate***

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

**Note 7: Defined Benefit Pension Plan (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

As of June 30, 2020, the target allocation, and the long-term expected real rate of return by asset class were as follows:

<b>Asset Class</b>	<b>Assumed Asset Allocation<sup>1</sup></b>	<b>Real Return Years 1-10<sup>2</sup></b>	<b>Real Return Year 11+<sup>3</sup></b>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.0%</u>		

- 1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- 2) An expected inflation of 2.00% used for this period.
- 3) An expected inflation of 2.92% used for this period.

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

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**Note 7: Defined Benefit Pension Plan (Continued)**

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the Agency's proportionate share of the net pension liability for each Plan, calculated using the discount rate, as well as what the Agency's proportionate share of net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

As of June 30, 2020, the Agency's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, is as follows:

	<b>Discount Rate</b>	<b>Current Discount Rate 7.15%</b>	<b>Discount Rate +1% 8.15</b>
Agency's Net Pension Liability	<u>\$ 24,875,667</u>	<u>15,007,891</u>	<u>6,862,739</u>

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 64 and 67 for the Required Supplementary Schedules.

**Note 8: Other Post-Employment Benefits**

***Plan Description***

The Agency provides other post-employment benefits (OPEB) to qualified employees who retire from the Agency and meet the Agency's vesting requirements. The Agency participates in CalPERS California Employer's Retiree Benefit Trust Program (CERBT), a Prefunding Plan trust fund intended to perform an essential government function within the meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer plan. CalPERS CERBT audited financial report may be obtained from their executive Office: 400 P Street, Sacramento, California 95814. The Agency has set aside funds to cover retiree health liabilities in a trust that meets the criteria in paragraph 4 of Statement 75.

***Benefits Provided***

Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMCHA). Under PEMCHA, the Agency is obligated to contribute toward the cost of retiree medical coverage for all employees who retire from the Agency for the retiree's lifetime or until CalPERS medical coverage is discontinued.

All employees who retire from the Agency who are eligible to continue coverage in retirement will receive a medical benefit not less than the required PEMCHA minimum employer contribution (MEC). MEC benefits continue to a covered surviving spouse as well, if eligible for survivor benefits under the retirement program. The MEC is \$136 per month in 2019 and \$139 per month in 2020.

All Agency retirees are also eligible for 100% paid dental premiums for the retiree and his or her eligible, covered dependents for the retiree's lifetime.

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

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**Note 8: Other Post-Employment Benefits (Continued)**

Additional retiree medical benefits are payable in the following circumstances, which vary based on the retiree's employment date with the Agency or predecessor agency (CLWA or NCWD).

For retirees hired before January 1, 2009, the Agency pays 100% of the medical premium for the retiree and any enrolled dependents, up to but not exceeding 90% of the PERS Care LA Region Basic Plan premium for the coverage level selected by the retiree (e.g. single, two-party or family).

For retirees hired on or after January 1, 2009, the Agency pays 100% of the medical premium for the retiree and any enrolled dependents, up to but not exceeding a vested percentage of 90% of the PERS Care LA Region Basic Plan premium for the coverage level selected by the retiree (e.g. single, two-party or family). The vested percent is based on all years of CalPERS membership, but requires at least 5 years of service with the Agency.

***Employee Covered By Benefit Terms***

At June 30, 2020, the following employees were covered by the benefit terms:

	<u>2020</u>
Participating active employees	194
Retiree employees	51
Total plan membership	<u>245</u>

***Discount Rate***

The discount rate to measure the total OPEB liability was 7.00%, which is based on the long-term return on plan assets assuming 100% funding through CERBT. The projection of cash flows used to determine the discount rate assumed that liabilities and cash flow will vary based on the number and demographic characteristics of employees and retirees.

The Agency's net OPEB liability was \$5,071,224. The breakdown by fund is as follow:

	<u>Net OPEB Liability</u> <u>(Asset)</u>
Regional Water Division	\$ 1,753,219
Santa Clarita Water Division	1,200,659
Newhall Water Division	2,194,747
Valencia Water Division	<u>(77,401)</u>
Total plan membership	<u>\$ 5,071,224</u>

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

**Note 8: Other Post-Employment Benefits (Continued)**

***Deferred OPEB Outflows (Inflows) of Resources***

For the year ended June 30, 2020, the Agency recognized OPEB expense of \$1,467,680.

At June 30, 2020, the Agency reported deferred outflows and inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 6,533,284	\$ -
Differences between actual and expected experience	2,882	-
Changes in assumptions	628,522	1,836,083
Net differences between projected and actual earnings on investments	-	124,353
Total	<u>\$ 7,164,688</u>	<u>\$ 1,960,436</u>

As of June 30, 2020, the Agency reported deferred outflows of resources related to employer OPEB contributions subsequent to measurement date in the amount of \$6,533,284. The employer OPEB contributions in the amount of \$6,533,284, will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2021.

At June 30, 2020, other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Period Ending June 30, 2020</u>	<u>Net Deferred Outflows/Inflows of Resources</u>
2021	\$ (292,603)
2022	(292,604)
2023	(265,267)
2024	(207,491)
2025	(233,403)
Thereafter	(37,664)

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

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**Note 8: Other Post-Employment Benefits (Continued)**

***Actuarial Assumptions***

The Agency's total OPEB liability in the June 30, 2018 actuarial valuation, which was measured at June 30, 2019, was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Fiscal year Ending	June 30, 2020
Measurement Date	June 30, 2019 -- last day of the prior fiscal year end
Valuation Date	June 30, 2018
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market Value of Assets
Long Term Return on Assets	7.0% net of plan investment expenses
Discount Rates	7.0% as of June, 30 2018 and June 30, 2019
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary Increase	3.25% per year; since benefits do not depend on pay, this is used only to allocate the cost of benefits between service years and to develop the amortization payment portion of the ADCs
General Inflation Rate	2.75% per year.

Demographic actuarial assumptions used in this valuation are based on the 2014 experience study of the CalPERS using data from 1997 to 2011.



SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020

Note 8: Other Post-Employment Benefits (Continued)

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

As of June 30, 2020, the following presents the net OPEB liability of the Agency, as well as what the Agency's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<b>Discount Rate -1% 6.00%</b>	<b>Current Discount Rate 7.00%</b>	<b>Discount Rate +1% 8.00%</b>
Net OPEB Liability	<u>\$ 8,836,952</u>	<u>5,071,224</u>	<u>2,023,323</u>

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

As of June 30, 2020, the following presents the net OPEB liability of the Agency, as well as what the Agency's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1- percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>Healthcare Cost Trend Rates - 1%</b>	<b>Current Healthcare Cost Trend Rate</b>	<b>Healthcare Cost Trend Rates +1%</b>
Net OPEB Liability	<u>\$ 1,536,974</u>	<u>5,071,224</u>	<u>9,891,133</u>

**Changes in the Net OPEB Liability**

Changes in the net OPEB liability for the year were as follows:

	<u>Increase (Decrease)</u>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (Asset) (c) = (a) - (b)</b>
Balance at June 30, 2019	<u>\$ 21,666,329</u>	<u>\$ 16,107,139</u>	<u>\$ 5,559,190</u>
Changes during the year:			
Service cost:	1,355,774	-	1,355,774
Interest	1,589,657	-	1,589,657
Contributions - employer	-	2,377,824	(2,377,824)
Net investment income	-	1,059,140	(1,059,140)
Benefit payments	(625,439)	(625,439)	-
Administrative fee	-	(3,567)	3,567
Net changes	<u>2,319,992</u>	<u>2,807,958</u>	<u>(487,966)</u>
Balance at June 30, 2020	<u>\$ 23,986,321</u>	<u>\$ 18,915,097</u>	<u>\$ 5,071,224</u>

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

**Note 9: Long-Term Debt**

Changes in long-term debt for the year ended June 30, 2020, were as follows:

	Balance June 30, 2019	Additions	Payments /Retirements	Balance June 30, 2020	Current Portion	Long-Term Portion
Regional Water Division						
Public Offering:						
Certificates of Participation	\$ 132,453,983	\$ 4,163,795	\$ 15,069,116	\$ 121,548,662	\$ 3,260,000	\$ 118,288,662
Revenue Bonds	160,394,193	-	11,794,486	148,599,707	4,400,000	144,199,707
Santa Clarita Water Division						
Public Offering:						
Revenue Bonds	56,646,031	-	3,445,127	53,200,904	3,315,000	49,885,904
Newhall Water Division						
Direct Borrowing:						
Notes Payable	2,573,780	-	2,573,780	-	-	-
Santa Clarita Water Agency						
Public Offering:						
Certificates of Participation	132,453,983	4,163,795	15,069,116	121,548,662	3,260,000	118,288,662
Revenue Bonds	217,040,224	-	15,239,613	201,800,611	7,715,000	194,085,611
Direct Borrowing:						
Notes Payable	2,573,780	-	2,573,780	-	-	-
Total	\$ 352,067,987	\$ 4,163,795	\$ 32,882,509	\$ 323,349,273	\$ 10,975,000	\$ 312,374,273

The following is a summary of the Agency's Long-Term Debt by Division as of June 30, 2020:

**Regional Water Division**

	Balance June 30, 2019	Additions	Payments /Retirements	Balance June 30, 2020	Current Portion	Long-Term Portion
<b>Certificates of Participation</b>						
1999 Series A Revenue COPS - Capital Appr.	\$ 71,003,709	\$ 4,163,795	\$ -	\$ 75,167,504	\$ -	\$ 75,167,504
2008 Series A Revenue Refunding COPS	11,850,000	-	11,850,000	-	-	-
2010 Series A Revenue Refunding COPS	48,455,000	-	3,115,000	45,340,000	3,260,000	42,080,000
Premium on issuance - 2010 Series A	1,145,274	-	104,116	1,041,158	-	1,041,158
<b>Total Certificates of Participation</b>	<b>132,453,983</b>	<b>4,163,795</b>	<b>15,069,116</b>	<b>121,548,662</b>	<b>3,260,000</b>	<b>118,288,662</b>
<b>Revenue Bonds</b>						
2014 Series A Revenue Refunding Bonds	5,990,000	-	5,990,000	-	-	-
Premium on issuance - 2014 Series A	477,398	-	477,398	-	-	-
2015 Series A Revenue Refunding Bonds	57,190,000	-	2,250,000	54,940,000	2,345,000	52,595,000
Premium on issuance - 2015 Series A	8,197,401	-	546,493	7,650,908	-	7,650,908
2016 Series A Revenue Refunding Bonds	22,940,000	-	1,460,000	21,480,000	1,520,000	19,960,000
Premium on issuance - 2016 Series A Ref	3,944,962	-	358,633	3,586,329	-	3,586,329
2016 Series A New Revenue Bonds	29,700,000	-	510,000	29,190,000	535,000	28,655,000
Premium on issuance - 2016 Series A New	5,571,866	-	214,303	5,357,563	-	5,357,563
2018 Series A Revenue Bonds	26,735,000	-	-	26,735,000	-	26,735,000
Discount on issuance - 2018 Series A	(352,434)	-	(12,341)	(340,093)	-	(340,093)
<b>Total Revenue Bonds</b>	<b>160,394,193</b>	<b>-</b>	<b>11,794,486</b>	<b>148,599,707</b>	<b>4,400,000</b>	<b>144,199,707</b>
<b>Total Regional Water Division Activities</b>	<b>\$ 292,848,176</b>	<b>\$ 4,163,795</b>	<b>\$ 26,863,602</b>	<b>\$ 270,148,369</b>	<b>\$ 7,660,000</b>	<b>\$ 262,488,369</b>

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

**Note 9: Long-Term Debt (Continued)**

***Santa Clarita Water Division***

	Balance June 30, 2019	Additions	Payments/ Retirements	Balance June 30, 2020	Current Portion	Long-Term Portion
<b>Revenue Bonds:</b>						
2017 Series A Revenue Bonds	\$ 47,965,000	\$ -	\$ 3,035,000	\$ 44,930,000	\$ 3,315,000	\$ 41,615,000
Premium on issuance - 2017 Series A	8,681,031	-	410,127	8,270,904	-	8,270,904
<b>Total Revenue Bonds</b>	<b>\$ 56,646,031</b>	<b>\$ -</b>	<b>\$ 3,445,127</b>	<b>\$ 53,200,904</b>	<b>\$ 3,315,000</b>	<b>\$ 49,885,904</b>

***Newhall Water Division***

	Balance June 30, 2019	Additions	Payments/ Retirements	Balance June 30, 2020	Current Portion	Long-Term Portion
<b>Notes Payable:</b>						
Municipal Leasing Associates 2007	\$ 2,285,183	\$ -	\$ 2,285,183	\$ -	\$ -	\$ -
Municipal Leasing Associates 2009	288,597	-	288,597	-	-	-
<b>Total Notes Payable</b>	<b>\$ 2,573,780</b>	<b>\$ -</b>	<b>\$ 2,573,780</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

***1999 Series A Revenue Certificates of Participation***

In August 1999, the Corporation issued \$75,813,498 of certificates of participation to finance certain capital improvements to Castaic Lake Water Agency's (CLWA) (currently part of the Agency as Regional Water Division) wholesale water system and reimbursement of the Agency's cost of acquisition of certain state water project entitlements. The certificates are payable solely from installment payments to be made by the Agency. The Agency has pledged all revenues derived from the ownership of its water system (which expressly exclude revenues derived from the retail sales of water).

On December 7, 2006, CLWA refunded \$45,520,000 of the 1999 certificates (2006 Series A). A total of \$45,520,000 from the 2006 Series A COPs was used to pay off the outstanding principal of the 1999 Series A Revenue Certificates of Participation. As a result, the 1999 Series A Revenue Certificates of Participation are considered retired and the liability for those obligations has been removed from the financial statements. CLWA completed the advance refunding to reduce CLWA's total debt service payments over the next 24 years by achieving a 5.6% net present value savings. In May 2016, CLWA refunded all of the 2006 Series A certificates of participation (2016 Series A Refunding). (See 2016 Series A Refunding for their respective debt service requirements.)

The Certificates are payable by installment payments according to their respective Installment Agreements. Interest is payable semi-annually August 1 and February 1 of each year, and principal is due annually on August 1. The outstanding balance at June 30, 2016, is \$59,846,309 as follows: \$59,846,309 Series 1999 remaining; and no balance for the Series 2006 A (refunded portion of 1999 Series A) as these were refunded during FY 2015/16 (2016A Refunded Revenue Bonds). (See 2006 Series A Certificates of Participation and 2016A Refunding Revenue Bonds for their respective debt service requirements).

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

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**Note 9: Long-Term Debt (Continued)**

The par amount of the certificates is comprised of \$23,408,498 (original amount) capital appreciation certificates. No regular payments of interest are made on the capital appreciation certificates prior to maturity. Interest on the capital appreciation certificates is compounded semi-annually on February 1 and August 1 and is payable at maturity. The interest compounded annually is added to the principal amount outstanding. The yield to maturity for the capital appreciation certificates ranges from 5.76% to 5.8%. Principal on the capital appreciation certificates matures annually on August 1 from 2021 through 2030. All the certificates are subject to extraordinary prepayment as a whole or in part on any date in order of maturity if the Agency makes prepaid installment payments from insurance proceeds or condemnation awards.

Below is a schedule of future annual principal to be issued that will be added to the capital appreciation certificate's current outstanding principal balance of \$75,167,504.

	<u>Fiscal Year</u>	<u>Principal Issued</u>
Balance as of June 30, 2020		\$ 75,167,504
Annual principal issued:	2021	4,407,686
	2022	4,365,383
	2023	4,011,193
	2024	3,636,322
	2025	3,238,577
	2026-2030	9,329,578
	2031	294,445
	Total	<u>\$ 104,450,688</u>

***2008 Series A Revenue Refunding Certificates of Participation***

In May 2008, CLWA refunded all of the 2004B certificates; the swap agreement remained in effect until August 2014 for the 2008A certificates (2008 Series A). Interest on the certificates is calculated by the remarketing agent on Tuesday of each week during the Weekly Interest Rate Period. Principal matures August 1 of each year through August 1, 2020. Certificates are in denominations of \$100,000 and bear interest from the date of issue to their maturity. The interest rate on the refunding certificates is determined. On May 5, 2020, the Agency paid off the remaining balance of \$6,050,000. The balance on the 2008 Series A Revenue Refunding Certificates of Participation as of June, 30, 2020 is \$0.

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

**Note 9: Long-Term Debt (Continued)**

***2010 Series A Revenue Refunding Certificates of Participation***

In February 2001, the Corporation issued \$80,000,000 of certificates of participation to finance certain capital improvements to CLWA's wholesale water system and reimburse the Agency's cost of acquiring the outstanding stock of the Santa Clarita Water Company (the retail company).

In June 2010, the Corporation issued \$70,595,000 of certificates of participation to provide funds to prepay \$68,520,000 of CLWA's outstanding 2001 A Revenue Certificates of Participation. The certificates are payable solely from installment payments to be made by CLWA. Pursuant to the reserve requirement, \$5,349,556 was placed in a debt service reserve fund on the issuance date of the certificates. Interest on the certificates is payable semi-annually on February 1 and August 1. Principal matures August 1 of each year through August 1, 2030. Certificates are in denominations of \$5,000 and bear interest from the date of issue to their maturity dates at rates ranging from 2.00% to 5.00% per annum.

Annual debt service requirements on the 2010 Series A Revenue Certificates of Participation are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 3,260,000	\$ 2,014,506	\$ 5,274,506
2022	3,405,000	1,860,681	5,265,681
2023	3,560,000	1,691,556	5,251,556
2024	3,740,000	1,510,306	5,250,306
2025	3,925,000	1,339,556	5,264,556
2026-2030	22,360,000	3,858,028	26,218,028
2031	5,090,000	127,250	5,217,250
Total	45,340,000	<u>\$ 12,401,883</u>	<u>\$ 57,741,883</u>
Add: bond premium	1,041,158		
Less current portion	<u>(3,260,000)</u>		
Total non-current	<u>\$ 43,121,158</u>		

The Series 2010 A Certificates of Participation are structured as serial bonds with maturities ranging from 2011 through 2031. Yields for the serial bonds range from 2.00% to 5.00% and market conditions required that the Certificates be structured in a manner that resulted in an original issue premium of \$2,082,316 that will be amortized over the life of the debt service.

***2014 Series A Revenue Refunding Bonds***

In May 2004, the Corporation issued \$29,085,000 of certificates of participation to provide funds to prepay \$28,475,000 of the Agency's outstanding 1994 Refunding Revenue Certificates of Participation, to acquire a reserve policy and pay certain costs of delivery. Interest on the certificates was payable semi-annually on February 1 and August 1 of each year. Principal matures August 1 of each year through August 1, 2020. Certificates were in denominations of \$5,000 and bear interest from the date of issue to their maturity dates at rates ranging from 2.0% to 4.0% per annum.

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

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**Note 9: Long-Term Debt (Continued)**

In June 2014, CLWA issued \$16,750,000 of revenue bonds to provide funds to prepay \$20,495,000 of CLWA's outstanding 2004 A Revenue Certificates of Participation. The aggregate difference between the refunding debt and the refunded debt was \$2,055,250. This amount was being netted against the new debt to be amortized over the life of the refunding debt. CLWA completed the refunding to reduce CLWA's total debt service payments over the next 6 years by achieving a \$2,147,813 savings, or a 10.48% net present value savings. The bonds are payable solely from installment payments to be made by CLWA. Interest on the bonds are payable semi-annually on February 1 and August 1. Principal matures on August 1 of each year through August 1, 2020. Bonds are in denominations of \$5,000 and bear interest from the date of issue to their maturity dates at rates ranging from 2.00% to 5.00% per annum. On April 15, 2020, the Agency paid off the remaining balance of \$3,070,000. The balance on the 2014 Series A Revenue Refunding Bonds as of June 30, 2020 is \$0.

***2015 Series A Revenue Refunding Bonds***

In December 2006, the Corporation issued \$89,830,000 of certificates of participation to finance certain capital improvements to the CLWA's wholesale water system. CLWA has pledged all revenues derived from the ownership and operation of its water system. These revenues paid for the operation and maintenance of the water system, and after the application of contingency reserves, the remaining funds were used for installment payments on the certificates.

The Series 2006 C Certificates of Participation are structured as serial bonds with maturities ranging from 2008 through 2026 and two term bonds maturing on 2030 and 2036, respectively. Yields for the serial bonds range from 3.40% to 4.14% (yields to call for maturities 2017 through 2026), with the term bonds yielding 4.16% and 4.20% (yields to call). Market conditions required that maturities after 2016 be structured in a manner that resulted in the debt being price to the August 1, 2016, par call date. The ultimate structure produced an original issue premium of \$4,978,449 to be amortized over the life of the debt service.

In April 2015, CLWA issued \$64,000,000 of revenue bonds through Upper Santa Clara Valley Joint Powers Authority, a Joint Powers Authority created on June 8, 2011 between the CLWA and the Devil's Den Water District (District), to provide funds to prepay \$77,685,000 of CLWA's outstanding 2006 C Revenue Certificates of Participation. CLWA completed the refunding to reduce CLWA's total debt service payments over the next 20 years by achieving a \$10,311,149 savings, or a 13.27% net present value savings. The bonds are payable by installment payments according to the Installment Purchase Agreement. Interest is payable semi-annually on August 1 and February 1, and the principal is due annually on August 1.

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

**Note 9: Long-Term Debt (Continued)**

Annual debt service requirements on the 2015 Series A Revenue Refunding Bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 2,345,000	\$ 2,676,650	\$ 5,021,650
2022	2,440,000	2,568,750	5,008,750
2023	2,560,000	2,443,750	5,003,750
2024	2,685,000	2,312,625	4,997,625
2025	2,820,000	2,175,000	4,995,000
2026-2030	16,365,000	8,556,875	24,921,875
2031-2035	20,900,000	3,920,750	24,820,750
2036	4,825,000	120,625	4,945,625
Total	54,940,000	\$ 24,775,025	\$ 79,715,025
Add: bond premium	7,650,908		
Less current portion	(2,345,000)		
Total non-current	\$ 60,245,908		

**2016 Series A Revenue Refunding Bonds**

In December 2006, the Corporation issued \$45,520,000 of certificates of participation to provide funds to prepay \$45,385,000 of the CLWA's outstanding 1999 A Revenue Certificates of Participation. Pursuant to the reserve requirement, \$3,317,609 was placed in a debt service reserve fund on the issuance date of the certificates. Interest on the certificates is payable semi-annually on February 1 and August 1. Principal matures August 1 of each year through August 1, 2030. Certificates are in denominations of \$5,000 and bear interest from the date of issue to their maturity dates at rates ranging from 3.35% to 5.00% per annum.

The Series 2006 A Certificates of Participation are structured as serial bonds with maturities ranging from 2007 through 2023 and two term bonds maturing on 2026 and 2030 respectively. Yields for the serial bonds range from 3.35% to 4.08% (yields to call for maturities 2010 through 2023), with the term bonds yielding 4.41% and 4.46% (yields to call). Market conditions required that the maturities after 2016 be structured in a manner that resulted in the debt being priced to the August 1, 2016, par call date. The ultimate structure produced an original issue premium of \$1,145,317 that will be amortized over the life of the debt service.

In May 2016, CLWA issued \$56,395,000 of revenue bonds through Upper Santa Clara Valley Joint Powers Authority, to provide funds to prepay \$35,555,000 of CLWA's outstanding 2006 A Revenue Certificates of Participation (2016 Series A Refunding) and to provide \$30,665,000 new funds (2016 Series A New) to acquire certain capital improvements to CLWA's Wholesale System. CLWA completed the refunding portion to reduce CLWA's total debt service payments over the next 15 years by achieving a \$5,909,717 savings, or a 16.62% net present value savings. The bonds are payable by installment payments according to the Installment Purchase Agreement. Interest is payable semi-annually on August 1 and February 1, and the principal is due annually on August 1.

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

**Note 9: Long-Term Debt (Continued)**

Annual debt service requirements on the 2016 Series A Revenue Refunding Bonds for the retirement of the 2006 A Certificates of Participation are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,520,000	\$ 996,400	\$ 2,516,400
2022	1,600,000	918,400	2,518,400
2023	1,685,000	836,275	2,521,275
2024	1,765,000	750,025	2,515,025
2025	1,860,000	659,400	2,519,400
2025-2029	10,610,000	1,944,250	12,554,250
2030-2031	2,440,000	61,000	2,501,000
Total	21,480,000	<u>\$ 6,165,750</u>	<u>\$ 27,645,750</u>
Add: bond premium	3,586,329		
Less current portion	<u>(1,520,000)</u>		
Total non-current	<u>\$ 23,546,329</u>		

Annual debt service requirements on the 2016 Series A Revenue Refunding Bonds for the acquisition of certain capital improvements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 535,000	\$ 1,432,225	\$ 1,967,225
2022	560,000	1,404,850	1,964,850
2023	590,000	1,376,100	1,966,100
2024	620,000	1,345,850	1,965,850
2025	650,000	1,314,100	1,964,100
2026-2030	3,730,000	6,095,950	9,825,950
2031-2035	4,765,000	5,054,375	9,819,375
2036-2040	6,130,000	3,699,250	9,829,250
2041-2045	7,870,000	1,958,000	9,828,000
2046-2047	3,740,000	189,250	3,929,250
Total	29,190,000	<u>\$ 23,869,950</u>	<u>\$ 53,059,950</u>
Add: bond premium	5,357,563		
Less current portion	<u>(535,000)</u>		
Total non-current	<u>\$ 34,012,563</u>		

**2018 Series A Revenue Refunding Bonds**

On June 1, 2010, Valencia Water Company (VWC) entered into a \$12,000,000 senior secured note with Modern Woodmen of America (Modern Woodmen). On September 15, 2010, VWC entered into an additional \$12,000,000 senior secured note with Modern Woodmen (collectively, the "Senior Secured Notes"). The Senior Secured Notes are secured by all of VWC's assets. Interest is payable semi-annually on April 15 and October 15 at a fixed rate of 4.62% per annum. The Senior Secured Notes contain various financial covenants with which VWC was in compliance as of December 31, 2017.



**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

**Note 9: Long-Term Debt (Continued)**

On January 9, 2018, the Agency issued \$26,735,000 of Revenue Bonds through Upper Santa Clara Valley Joint Powers Authority, to provide funds to prepay \$24,000,000 of VWC's senior secured note with Modern Woodmen and as such, is recorded as a liability of the Regional Water Division. Payments on the obligation are to be funded through an interdivisional loan to be funded by customers within the Valencia Water Division's service area. The difference between the refunding debt and the refunded debt is being netted against the new debt and amortized over the life of the refunding debt. The bonds are payable by installment payments according to the Installment Purchase Agreement. Interest is payable semi-annually on August 1 and February 1, and the principal is due annually on August 1.

Annual debt service requirements on the 2018 Series A Revenue Refunding Bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 976,975	\$ 976,975
2022	-	976,975	976,975
2023	-	976,975	976,975
2024	650,000	968,038	1,618,038
2025	665,000	949,541	1,614,541
2026-2030	3,645,000	4,426,734	8,071,734
2031-2035	4,315,000	3,759,494	8,074,494
2036-2040	5,190,000	2,884,988	8,074,988
2041-2045	6,285,000	1,787,247	8,072,247
2046-2049	5,985,000	475,172	6,460,172
Total	26,735,000	\$18,182,139	\$ 44,917,139
Less: bond discount	(340,093)		
Total non-current	\$ 26,394,907		

**2017 Series A Revenue Refunding Bonds**

In May 2010, the Santa Clarita Water Division (Retail) of the Agency issued \$14,475,000 of certificates of participation to provide funds to acquire the new Administration Office Building, several reservoir tanks, and well. The certificates are payable by installment payments according to the Installment Purchase Agreement. Interest is payable semi-annually August 1 and February 1, and the principal is due annually on August 1.

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

**Note 9: Long-Term Debt (Continued)**

In September 2011, the Santa Clarita Water Division issued \$52,290,000 of Revenue Bonds through Upper Santa Clara Valley Joint Powers Authority, a Joint Powers Authority created on June 8, 2011 between the CLWA and Devil's Den Water District (the "District"), to provide funds to prepay the outstanding interfund loan balance payable by Retail to CLWA. The Interfund Loan was established in September 1999 as a repayment of acquisition when the Agency acquired Santa Clarita Water Company's (SCWC) stock for \$63 million. The bonds are payable by installment payments according to the Installment Purchase Agreement. Interest is payable semi-annually August 1 and February 1, and the principal is due annually on August 1.

In September 11, 2017, Santa Clarita Water Agency, previously CLWA, issued \$50,745,000 of Revenue Bonds through Upper Santa Clara Valley Joint Powers Authority, to provide funds to prepay \$12,900,000 of the Division's outstanding 2010 Series B Revenue Refunding Certificates of Participation (2010 Series B Refunding) and to acquire certain capital improvements to the Division's retail water system. The difference between the refunding debt and the refunded debt was being netted against the new debt and amortized over the life of the refunding debt. The bonds are payable by installment payments according to the Installment Purchase Agreement. Interest is payable semi-annually August 1 and February 1, and the principal is due annually on August 1. The loss on defeasance of debt totaling \$1,322,398 is recorded in deferred outflows of resources and will be amortized over the remaining life of the 2017 Series A Revenue Refunding Bonds.

Annual debt service requirements on the 2017 Series A Revenue Refunding Bonds are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 3,315,000	\$ 2,059,875	\$ 5,374,875
2022	3,615,000	1,886,625	5,501,625
2023	3,925,000	1,698,125	5,623,125
2024	4,255,000	1,493,625	5,748,625
2025	4,610,000	1,272,000	5,882,000
2026-2030	17,645,000	2,898,100	20,543,100
2031-2035	3,095,000	1,041,325	4,136,325
2036-2040	3,665,000	449,994	4,114,994
2041	805,000	13,081	818,081
<b>Total</b>	<b>44,930,000</b>	<b>\$ 12,812,750</b>	<b>\$57,742,750</b>
Add: bond premium	8,270,904		
Less current portion	(3,315,000)		
<b>Total non-current</b>	<b>\$ 49,885,904</b>		

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

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**Note 9: Long-Term Debt (Continued)**

***Events of Default on Agency Bonds***

Upon the occurrence and continuation of an event of default on the Agency's outstanding bonds, the principal amounts of (and accrued interest on) the respective bonds can be accelerated and declared immediately due and payable by the registered bondholders of a majority in aggregate principal amount of the then outstanding bonds upon written notice delivered to the Agency. Failure to pay debt service when due and the occurrence of certain insolvency or bankruptcy-related events are events of default. Failure to observe or perform the covenants and agreements under the Indenture for a period of 60 days after written notice of such failure is given to the Agency is also an event of default unless the Agency has taken all action reasonably possible to remedy such failure within 60 days and the Agency diligently proceeds to remedy the failure. A default by the Agency under any agreement governing parity debt which continues after the applicable grace period, if any, is also an event of default.

***Municipal Leasing Associates, Inc. (2007)***

On October 18, 2007, Newhall County Water District (currently part of the Agency as Newhall Water Division) entered into an Installment Sale Agreement (Agreement) with the Municipal Leasing Associates, Inc. (MLA). MLA provided \$5,500,000 for the purpose of financing the cost of the District's project. The Agreement was amended on October 26, 2012. The original 4.5% installment note was payable over twenty years in semi-annual installments of principal and interest of \$209,976. The amended agreement is payable in semi-annual installments of \$226,905 of principal and interest at 3% payable in April and October each year and matures October 2024. On June 4, 2020, the Agency paid off the remaining balance of the note. As of June 30, 2020, the balance on the Municipal Leasing Associates, Inc. (2007) is \$0.

***Municipal Leasing Associates, Inc. (2009)***

On April 1, 2009, Newhall County Water District (currently part of the Agency as Newhall Water Division) entered into an Installment Sale Agreement (Agreement) with the Municipal Leasing Associates, Inc. (MLA). MLA provided \$2,000,000 for the purpose of financing costs related to the construction of the new administrative facility. The Agreement was amended on June 8, 2016. The original 4.65% installment note was payable over twenty years in semi-annual installments of principal and interest of \$77,342. The amended agreement is payable in semi-annual installments of \$74,320 of principal and interest at 2.4% payable in June and December each year and matures June 2021. On June 4, 2020, the Agency paid off the remaining balance of the note. As of June 30, 2020, the balance on the Municipal Leasing Associates, Inc. (2009) is \$0.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020

Note 10: Net Position

	<u>2020</u>
<b>Net investment in capital assets</b>	
Capital assets, net	\$ 739,988,246
Certificate of participation, current	(3,260,000)
Certificate of participation, non-current	(43,121,158)
Revenue bonds, current	(7,715,000)
Revenue bonds, non-current	(194,085,611)
1999 Series A cap appreciation bonds accretion since issuance	(75,167,504)
Deferred charge on refunding - Revenue bonds	1,213,180
Fiscal agent cash	<u>5,351,208</u>
<b>Total net investment in capital assets</b>	<u>423,203,361</u>
<b>Restricted net position:</b>	
<b>Restricted for capital projects:</b>	
Restricted - cash and cash equivalents	1,618,353
Restricted - investments	3,260,854
Restricted - accrued interest receivable	11,939
Restricted - accounts receivable, other	254,784
Restricted - accounts payable	<u>202,957</u>
<b>Total restricted for capital projects</b>	<u>5,348,887</u>
<b>Restricted for state water contract</b>	
Restricted - investments	74,141,598
Restricted - property tax receivable	544,610
Restricted - accrued interest receivable	131,314
Restricted - accounts receivable, other	660,696
Restricted - accounts payable	<u>(1,915,329)</u>
<b>Total restricted for state water contract</b>	<u>73,562,889</u>
<b>Restricted for capacity fees:</b>	
Restricted - investments	8,260,053
Restricted - accrued interest receivable	<u>31,136</u>
<b>Total restricted for debt service</b>	<u>8,291,189</u>
<b>Total restricted net position</b>	<u>87,202,965</u>
<b>Unrestricted net position:</b>	
<b>Non-spendable net position:</b>	
Materials and supplies inventory	2,390,897
Prepaid expenses and other assets	<u>717,362</u>
<b>Total non-spendable net position</b>	<u>3,108,259</u>
<b>Spendable net position is designated as follows:</b>	
Unrestricted	<u>140,901,606</u>
<b>Total spendable net position</b>	<u>140,901,606</u>
<b>Total unrestricted net position</b>	<u>144,009,865</u>
<b>Total net position</b>	<u>\$ 654,416,191</u>

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

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**Note 11: Risk Management**

The Agency is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. As of June 30, 2020, the Agency limits and deductibles for liability, property, and workers compensation programs of the ACWA/JPIA are as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$1,000,000, combined single limit per occurrence. The ACWA/JPIA purchased additional excess coverage layers: \$59 million for general, auto, and public officials' liability, which increases the limits on the insurance coverage noted above.
- Property loss is paid at the replacement cost for buildings, fixed equipment, and personal property on file, if replaced within two years after the loss, otherwise paid on actual cash value basis, subject to a \$5,000 deductible per loss; and actual cash value for mobile equipment, subject to a \$1,000 deductible per loss, and licensed vehicles, subject to a \$500 deductible per loss. ACWA/JPIA purchased excess coverage for a combined total of \$100 million per occurrence.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to various deductibles depending on the type of equipment.
- Workers compensation insurance up to California statutory limits for all work related injuries/illnesses covered by California law, and Employer's Liability Coverage up to \$4 million. The Agency is self-insured up to \$2 million and excess loss insurance has been purchased. In addition to the above, the Agency also has the following insurance coverage.
- Crime coverage up to \$1,000,000 per loss includes public employee dishonesty, including Public Officials who are required by law to give bonds for the faithful performance of their service, forgery or alteration and computer fraud, subject to a \$1,000 deductible.
- Cyber liability coverage up to \$2,000,000 per occurrence with an aggregate of \$5,000,000 includes defense costs and damages for security, privacy, and media liability; fees and expenses incurred from cyber extortion; as well as costs to restore network business interruption and digital asset protection, subject to a \$50,000 deductible.

There were no reductions in insurance coverage in the year ended June 30, 2020. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There was no IBNR claims payable as of June 30, 2020.

**Note 12: Governmental Accounting Standards Board Statements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2020, that have effective dates that may impact future financial presentations.

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

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**Note 12: Governmental Accounting Standards Board Statements Issued, Not Yet Effective (Continued)**

***Governmental Accounting Standards Board Statement No. 87***

In June 2017, the GASB issued Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. The impact of the implementation of this Statement to the Agency's financial statements has not been assessed at this time.

**Note 13: Commitments and Contingencies**

***Department of Water Resources (DWR) Water Contract Commitment***

On April 30, 1963, a contract was entered into between the State of California acting by and through the Department of Water Resources and CLWA (the Contract), pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California.

The contract provides for a maximum annual water entitlement to the Agency of up to 41,500-acre feet. As amended, on January 1, 1991, the Agency began receiving the Devil's Den agricultural entitlement of 12,700-acre feet. In March 1999, the Agency purchased an additional 41,000-acre feet from Wheeler Ridge-Maricopa Water Storage District, bringing the total maximum entitlement to 95,200-acre feet. The agreement contemplated water delivery of 20,100-acre feet beginning in 1981, with increasing deliveries through the years until the maximum entitlement was reached in 1991.

However, as of June 30, 2003, the water delivery objectives of the Contract cannot be achieved unless additional conservation features are constructed. The term of the Contract is for the project re-payment period or 75 years, whichever is longer, and provides for a pledge of certain SCV Water revenues to the bondholders of the State under the Bond Act.

Provision is made in the Contract for two general charges: (1) a Delta water charge and (2) a transportation charge, which are divided into components. The Delta water charge is intended to return to the State all costs of project conservation facilities including capital, maintenance, operation, and replacement components, and is charged to SCV Water on the basis of water entitlement and/or delivery. The transportation charge is for facilities necessary to deliver water to the contractors and also includes a capital, maintenance, operation, and replacement component.

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2020**

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**Note 13: Commitments and Contingencies (Continued)**

At June 30, 2020, the Agency's remaining estimated commitment for these charges is as follows:

On May 22, 2007, SCV Water entered into a 30-year agreement with the Buena Vista Water Storage District and Rosedale-Rio Bravo Water Storage District for the acquisition of 11,000 acre-feet (AF) of water supply per year for a 30-year period. The purchase price was established in FY 2006/07 at \$486.85 per AF, or \$5,335,350. The purchase price is adjusted each calendar year by Consumer Price Index (All Urban Consumers – All Items – Southern California Area) and every 10 years based on historical changes to the cost of the State Water Project. The current purchase price is \$882.60 per AF.

<u>Calendar year ending December 31</u>	<u>Amount</u>
2020	\$ 27,465,054
2021	28,329,211
2022	28,752,611
2023	28,752,096
2024	28,939,293
2025-2029	143,651,947
2030-2034	141,405,499
2035	29,540,076
Total	<u>\$ 456,835,787</u>

Payments due under the DWR and BVRRB agreements are similar in nature to a long-term operating lease, since the Agency does not take title to any assets of the DWR and BVRRB at the end of the water delivery period. Accordingly, no liability under this contract is recorded in the Statement of Net Position.

***Litigation***

In the ordinary course of operations, the Agency is subject to claims and litigation from outside parties. After consultation with legal counsel, the Agency believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

***Grant Awards***

Grant funds received by the Agency are subject to audit by the grantor agencies. Such an audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the Agency believes that such disallowances, if any, would not be significant.

***Construction Contracts***

The Agency has a variety of agreements with private parties relating to the installation, improvement, or modification of water facilities, and distribution systems, and other Agency activities. The financing of such contracts is being provided primarily from the Agency's replacement reserves and advances for construction. The Agency has committed to approximately \$30,591,274 of open construction contracts as of June 30, 2020.

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

**Note 13: Commitments and Contingencies (Continued)**

The contracts outstanding include:

Project Name	Total Approved Contract	Construction Costs to Date	Balance to Complete
Magic Mountain Pipeline Phase 4	\$ 3,378,856	\$ 2,918,912	\$ 459,944
Magic Mountain Pipeline Phase 5	3,269,979	2,543,924	726,055
Magic Mountain Pipeline Phase 6A	7,168,845	1,142,333	6,026,512
Magic Mountain Pipeline Phase 6B	4,568,687	-	4,568,687
N Wells and Well Q2 Vessel Purchase	1,731,934	1,652,543	79,391
N Wells and Well Q2 Site Construction	4,607,659	3,004,003	1,603,656
Vista Canyon Recycled Water Main Extension (Phase 2B)	2,752,982	148,070	2,604,912
West Ranch Recycled Water Main Extension (Phase 2D)	3,112,332	1,157,329	1,955,003
<b>Total</b>	<b>30,591,274</b>	<b>12,567,114</b>	<b>18,024,160</b>

***COVID-19 National Health Emergency***

On March 15, 2020, the Agency's operations were impacted by the COVID-19 national health emergency which resulted in shelter in place orders by national, state and county health departments. The Agency implemented customer and staff safety procedures based on recommendations from the health departments and industry specialists. However, the Agency's operations were not impacted or halted, due to the District's operations being considered essential. In addition, the majority of the Agency's operating revenues consist primarily of water service charges to customers. The Agency continues to evaluate the impact of this health emergency on the Agency's operations.

**Note 14: Restatement of Net Position**

The Agency restated the Newhall Water Division net position that was previously reported at June 30, 2019 by \$323,958. This restatement was related to a correction of accumulated depreciation.

**Note 15: Subsequent Event**

***Issuance of Debt***

In July 2020, the Agency issued the 2020A and 2020B Revenue Bonds for \$78,440,000 and \$172,635,000, respectively. The 2020A bonds were issued to finance the acquisition of certain capital improvements for the Agency's water system and the 2020B bonds were issued to provide a portion of funds to advance refund the 2015A, 2016A and 2017A Revenue Bonds.



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**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**COST-SHARING MULTIPLE EMPLOYER MISCELLANEOUS PLANS  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS <sup>(1)</sup>**

	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Measurement Date			
Proportion of the Net Pension Liability	0.14646%	0.13844%	0.13729%
Proportionate Share of the Net Pension Liability	\$ 15,007,891	\$ 13,340,534	\$ 13,615,322
Covered Payroll	\$ 15,958,119	\$ 13,319,776	\$ 13,148,794
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	94.0%	100.2%	103.5%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.3%	75.3%	73.3%

**Notes to Schedule of Proportionate Share of the Net Pension Liability:**

Benefit Changes: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a Golden Handshakes).

Changes of Assumptions: In 2017, the accounting discount rate reduced from 7.65 to 7.15 percent. In 2018, demographic assumptions and inflation rates were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2019, There were no changes in the discount rate.

<sup>(1)</sup> Historical information is required only for measurement for which GASB 68 is applicable. The Agency has presented information for those years for which information is available until a full 10-year trend is compiled.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

**COST-SHARING MULTIPLE EMPLOYER MISCELLANEOUS PLANS  
SCHEDULE OF PLAN CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS <sup>(1)</sup>**

	2020	2019	2018
Actuarially Determined Contribution	\$ 2,561,639	\$ 2,182,797	\$ 1,759,981
Contribution in Relation to the Actuarially Determined Contribution	(2,561,639)	(2,182,797)	(1,759,981)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Payroll	\$ 18,579,032	\$ 15,958,119	\$ 13,319,776
Contributions as a Percentage of Covered Payroll	13.8%	13.7%	13.2%

**Notes to Schedule of Plan Contributions:**

Valuation Date: June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method  
Amortization method

Entry Age Normal Cost Method

Level percentage of pay, a summary of the current policy is provided in the table below:

Driver	Source				
	(Gain)/Loss		Assumption/ Method Change	Benefit Change	Golden Handshake
	Investment	Non-investment			
Amortization Period	30 years	30 Years	20 Years	20 Years	5 Years
Escalation Rate					
- Active Plans	2.875%	2.875%	2.875%	2.875%	2.875%
- Inactive Plans	0%	0%	0%	0%	0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

Asset valuation method  
Inflation  
Payroll Growth  
Projected Salary Increases  
Investment Rate of Return

Direct rate smoothing  
2.63%  
2.88%  
Varies by Entry Age and Service  
7.00% (net of pension plan investment and administrative expenses, includes inflation)

Retirement Age

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

Mortality

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016. For more details on this table, please refer to the 2017 experience study report.

<sup>(1)</sup> Historical information is required only for measurement for which GASB 68 is applicable. The Agency has presented information for those years for which information is available until a full 10-year trend is compiled.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS <sup>(1)</sup>

Measurement Date	2020	2019	2018
	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB Liability</b>			
Service cost	\$ 1,355,774	\$ 991,161	\$ 312,585
Interest on the total OPEB liability	1,589,657	1,432,518	742,964
Actual and expected experience difference	-	-	4,214
Changes in assumptions	-	841,942	(2,687,699)
Changes in benefit terms	-	-	637,826
Benefit payments	(625,439)	(571,142)	(273,181)
Net change in total OPEB liability	2,319,992	2,694,479	(1,263,291)
Total OPEB liability - beginning	21,666,329	18,971,850	20,235,141
<b>Total OPEB liability - ending (a)</b>	<b>23,986,321</b>	<b>21,666,329</b>	<b>18,971,850</b>
<b>Plan Fiduciary Net Position</b>			
Contribution - employer	2,377,824	1,900,160	1,298,476
Net investment income	1,059,140	1,088,901	938,262
Benefit payments	(625,439)	(571,142)	(273,181)
Administrative expense	(3,567)	(7,502)	(3,116)
Other expenses	-	(18,101)	-
Net change in plan fiduciary net position	2,807,958	2,392,316	1,960,441
Plan fiduciary net position - beginning	16,107,139	13,714,823	11,754,382
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 18,915,097</b>	<b>\$ 16,107,139</b>	<b>\$ 13,714,823</b>
<b>Net OPEB Liability - ending (a) - (b)</b>	<b>\$ 5,071,224</b>	<b>\$ 5,559,190</b>	<b>\$ 5,257,027</b>
Plan fiduciary net position as a percentage of the total OPEB liability	78.9%	74.3%	72.3%
Covered-employee payroll	\$ 15,957,307	\$ 5,990,450	\$ 7,273,299
Net OPEB liability as a percentage of covered-employee payroll	31.8%	92.8%	72.3%

Notes to Schedule:

<sup>(1)</sup> Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

**SANTA CLARITA VALLEY WATER AGENCY (SCVWA)**

**SCHEDULE OF PLAN CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS <sup>(1)</sup>**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 6,533,284	\$ 2,377,824	\$ 601,683
Contribution in Relation to the Actuarially Determined Contribution	(6,533,284)	(2,377,824)	(601,683)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 18,579,032	\$ 15,957,307	\$ 7,273,299
Contributions as a percentage of covered-employee payroll	35.2%	14.9%	8.3%

**Notes to Schedule of Plan Contributions:**

Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2020 were from the June 30, 2018 actuarial valuation.

Valuation Date:	June 30, 2018
Actuarial Cost Method:	Entry Age Normal, Level Percentage of Payroll
Amortization Method:	Level percent of pay
Amortization Period:	27 years
Asset Valuation Method:	Market value of assets
Discount Rate:	7.00%
General Inflation:	2.75%
Medical Trend:	7.5% in 2019 to 5% in steps of 0.5%.
Mortality:	CalPERS 2014 experience study
Mortality Improvement:	Mortality Improvement Scale 2017 for post-retirement mortality
All Other Assumptions	Same as those used to determine the total OPEB liability

<sup>(1)</sup> Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	Regional Water Division	Santa Clarita Water Division	Newhall Water Division	Valencia Water Division
<b>Assets:</b>				
Current:				
Cash and cash equivalents	\$ 22,650,739	\$ 5,734,491	\$ 817,203	\$ 7,322,071
Investments	71,635,789	37,721,527	8,575,267	13,185,326
Receivables:				
Accounts	2,615,295	5,068,324	2,153,880	4,696,521
Property tax	633,652	-	8,343	-
Accrued interest	186,526	57,290	11,110	340
Accounts - other	2,057,010	23,598	511,280	-
Prepaid costs	192,906	180,505	23,820	320,131
Due from other funds	305,442	1,930,639	60,433	-
Materials and supplies inventory	-	1,025,161	777,221	588,515
Internal balances	93,692,929	-	-	(93,692,929)
Restricted:				
Cash and cash equivalents	3,074,706	-	-	-
Investments	77,402,452	8,260,053	-	-
Cash with fiscal agent	5,351,208	-	-	-
Receivables:				
Property tax	544,610	-	-	-
Accrued interest	143,253	31,136	-	-
Accounts - other	254,784	-	-	-
<b>Total Current Assets</b>	<b>280,741,301</b>	<b>60,032,724</b>	<b>12,938,557</b>	<b>(67,580,025)</b>
Noncurrent:				
Net OPEB asset	-	-	-	77,401
Capital assets - not being depreciated	65,407,872	24,828,787	9,947,339	10,690,727
Capital assets - net of accumulated depreciation	387,517,088	86,466,822	66,624,080	88,505,531
<b>Total Noncurrent Assets</b>	<b>452,924,960</b>	<b>111,295,609</b>	<b>76,571,419</b>	<b>99,273,659</b>
<b>Total Assets</b>	<b>733,666,261</b>	<b>171,328,333</b>	<b>89,509,976</b>	<b>31,693,634</b>
<b>Deferred Outflows of Resources:</b>				
Deferred pension outflows	2,541,819	1,255,939	775,158	783,354
Deferred OPEB outflows	2,138,868	2,178,666	2,650,240	196,914
Loss on defeasance of debt	-	1,213,180	-	-
<b>Total Deferred Outflows of Resources</b>	<b>4,680,687</b>	<b>4,647,785</b>	<b>3,425,398</b>	<b>980,268</b>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	<u>Regional Water Division</u>	<u>Santa Clarita Water Division</u>	<u>Newhall Water Division</u>	<u>Valencia Water Division</u>
<b>Liabilities:</b>				
Current:				
Accounts payable	7,798,133	642,722	470,326	2,083,482
Accounts payable - restricted	1,712,372	-	-	-
Accrued liabilities	598,887	163,578	346,315	120,489
Accrued interest	3,443,906	892,813	-	-
Unearned revenues	65,929	477,981	730,408	-
Deposits payable	-	-	-	56,209
Due to other funds	-	980,844	576,097	739,573
Advances for construction	-	2,594,175	-	6,139,302
Other current liabilities	-	-	-	6,361,331
Accrued compensated absences	569,020	113,952	86,776	105,746
Certificates of participation	3,260,000	-	-	-
Revenue bonds	4,400,000	3,315,000	-	-
<b>Total Current Liabilities</b>	<b><u>21,848,247</u></b>	<b><u>9,181,065</u></b>	<b><u>2,209,922</u></b>	<b><u>15,606,132</u></b>
Noncurrent:				
Net OPEB liability	1,753,219	1,200,659	2,194,747	-
Net pension liability	7,121,995	3,519,050	2,171,942	2,194,904
Accrued compensated absences	481,167	341,855	260,326	317,239
Certificates of participation	118,288,662	-	-	-
Revenue bonds	144,199,707	49,885,904	-	-
<b>Total Noncurrent Liabilities</b>	<b><u>271,844,750</u></b>	<b><u>54,947,468</u></b>	<b><u>4,627,015</u></b>	<b><u>2,512,143</u></b>
<b>Total Liabilities</b>	<b><u>293,692,997</u></b>	<b><u>64,128,533</u></b>	<b><u>6,836,937</u></b>	<b><u>18,118,275</u></b>
<b>Deferred Inflows of Resources:</b>				
Deferred pension inflows	512,205	253,086	156,203	157,855
Deferred OPEB inflows	647,839	464,151	848,446	-
<b>Total Deferred Inflows of Resources</b>	<b><u>1,160,044</u></b>	<b><u>717,237</u></b>	<b><u>1,004,649</u></b>	<b><u>157,855</u></b>
<b>Net Position:</b>				
Net investment in capital assets	188,127,799	59,307,885	76,571,419	99,196,258
Restricted	78,911,776	8,291,189	-	-
Unrestricted	176,454,332	43,531,274	8,522,369	(84,798,486)
<b>Total Net Position</b>	<b><u>\$ 443,493,907</u></b>	<b><u>\$ 111,130,348</u></b>	<b><u>\$ 85,093,788</u></b>	<b><u>\$ 14,397,772</u></b>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	Upper Santa Clara Valley	Devil's Den Water District	Groundwater Sust agency	Totals
<b>Assets:</b>				
Current:				
Cash and cash equivalents	\$ 5,000	\$ 12,888	\$ 25,000	\$ 36,567,392
Investments	7,203	249,268	-	131,374,380
Receivables:				
Accounts	-	-	-	14,534,020
Property tax	-	86	-	642,081
Accrued interest	26	905	-	256,197
Accounts - other	-	-	-	2,591,888
Prepaid costs	-	-	-	717,362
Due from other funds	-	-	-	2,296,514
Materials and supplies inventory	-	-	-	2,390,897
Internal balances	-	-	-	-
Restricted:				
Cash and cash equivalents	-	-	-	3,074,706
Investments	-	-	-	85,662,505
Cash with fiscal agent	-	-	-	5,351,208
Receivables:				
Property tax	-	-	-	544,610
Accrued interest	-	-	-	174,389
Accounts - other	-	-	-	254,784
<b>Total Current Assets</b>	<b>12,229</b>	<b>263,147</b>	<b>25,000</b>	<b>286,432,933</b>
Noncurrent:				
Net OPEB asset	-	-	-	77,401
Capital assets - not being depreciated	-	-	-	110,874,725
Capital assets - net of accumulated depreciation	-	-	-	629,113,521
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>740,065,647</b>
<b>Total Assets</b>	<b>12,229</b>	<b>263,147</b>	<b>25,000</b>	<b>1,026,498,580</b>
<b>Deferred Outflows of Resources:</b>				
Deferred pension outflows	-	-	-	5,356,270
Deferred OPEB outflows	-	-	-	7,164,688
Loss on defeasance of debt	-	-	-	1,213,180
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,734,138</b>



SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

	Upper Santa Clara Valley	Devil's Den Water District	Groundwater Sust agency	Totals
<b>Liabilities:</b>				
Current:				
Accounts payable	-	-	-	10,994,663
Accounts payable - restricted	-	-	-	1,712,372
Accrued liabilities	-	-	-	1,229,269
Accrued interest	-	-	-	4,336,719
Unearned revenues	-	-	-	1,274,318
Deposits payable	-	-	-	56,209
Due to other funds	-	-	-	2,296,514
Advances for construction	-	-	-	8,733,477
Other current liabilities	-	-	-	6,361,331
Accrued compensated absences	-	-	-	875,494
Certificates of participation	-	-	-	3,260,000
Revenue bonds	-	-	-	7,715,000
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,845,366</b>
Noncurrent:				
Net OPEB liability	-	-	-	5,148,625
Net pension liability	-	-	-	15,007,891
Accrued compensated absences	-	-	-	1,400,587
Certificates of participation	-	-	-	118,288,662
Revenue bonds	-	-	-	194,085,611
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>333,931,376</b>
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>382,776,742</b>
<b>Deferred Inflows of Resources:</b>				
Deferred pension inflows	-	-	-	1,079,349
Deferred OPEB inflows	-	-	-	1,960,436
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,039,785</b>
<b>Net Position:</b>				
Net investment in capital assets	-	-	-	423,203,361
Restricted	-	-	-	87,202,965
Unrestricted	12,229	263,147	25,000	144,009,865
<b>Total Net Position</b>	<b>\$ 12,229</b>	<b>\$ 263,147</b>	<b>\$ 25,000</b>	<b>\$ 654,416,191</b>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
YEAR ENDED JUNE 30, 2020

	Regional Water Division	Santa Clarita Water Division	Newhall Water Division	Valencia Water Division
<b>Operating Revenues:</b>				
Water consumption sales and services	\$ 215,485	\$ 35,058,069	\$ 13,443,979	\$ 33,676,195
Other charges and services	7,213,133	1,160,855	37,008	104,515
<b>Total Operating Revenues</b>	<b>7,428,618</b>	<b>36,218,924</b>	<b>13,480,987</b>	<b>33,780,710</b>
<b>Operating Expenses:</b>				
Source of supply	-	218,619	82,275	165,049
Pumping	97,773	3,106,411	1,506,016	3,001,557
Transmission and distribution	-	4,981,897	898,218	1,750,146
Water Treatment	6,377,175	1,457,089	373,929	441,972
Administration and general	6,423,396	3,264,766	4,707,676	6,120,420
Depreciation expense	19,272,174	4,961,063	3,514,862	4,453,616
Maintenance	4,836,636	-	-	-
Engineering	2,455,574	654,518	-	-
Water Quality	1,177,815	-	-	-
Water Resources Management	10,197,555	-	-	-
Customer Care	2,645,916	-	-	-
	-	910,404	439,045	660,520
<b>Total Operating Expenses</b>	<b>53,484,014</b>	<b>19,554,767</b>	<b>11,522,021</b>	<b>16,593,280</b>
Operating Income (Loss)	(46,055,396)	16,664,157	1,958,966	17,187,430
<b>Nonoperating Revenues (Expenses):</b>				
Taxes	58,168,662	-	644,290	-
Interest revenue	6,793,140	921,472	302,870	407,665
Interest expense	(11,134,595)	(1,854,487)	(67,041)	(2,632,671)
Other revenue	(227,972)	1,117,058	104,532	13,014
Other contributions	-	-	-	-
State Water Contract	(21,483,495)	-	-	-
Gain (loss) on disposal of capital assets	-	(14,323)	(6,216)	(10,968)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>32,115,740</b>	<b>169,720</b>	<b>978,435</b>	<b>(2,222,960)</b>
Income (Loss) Before Capital Contributions	(13,939,656)	16,833,877	2,937,401	14,964,470
Capital Contributions	-	3,147,059	31,568	-
Transfers in	26,364,529	-	36,012	-
Transfers out	-	(13,067,995)	(2,563,202)	(10,769,344)
Changes in Net Position	12,424,873	6,912,941	441,779	4,195,126
<b>Net Position:</b>				
Beginning of Year, as previously reported	431,069,034	104,217,407	84,975,967	10,202,646
Restatements	-	-	(323,958)	-
Beginning of Fiscal Year, as restated	431,069,034	104,217,407	84,652,009	10,202,646
<b>End of Fiscal Year</b>	<b>\$ 443,493,907</b>	<b>\$ 111,130,348</b>	<b>\$ 85,093,788</b>	<b>\$ 14,397,772</b>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
YEAR ENDED JUNE 30, 2020

	Upper Santa Clara Valley	Devil's Den Water District	Groundwater Sust agency	Totals
<b>Operating Revenues:</b>				
Water consumption sales and services	\$ -	\$ -	\$ -	\$ 82,393,728
Other charges and services	-	-	-	8,515,511
<b>Total Operating Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90,909,239</b>
<b>Operating Expenses:</b>				
Source of supply	-	-	-	465,943
Pumping	-	-	-	7,711,757
Transmission and distribution	-	-	-	7,630,261
Water Treatment	-	-	-	8,650,165
Administration and general	1,910	223	80,000	20,598,391
Depreciation expense	-	-	-	32,201,715
Maintenance	-	-	-	4,836,636
Engineering	-	-	-	3,110,092
Water Quality	-	-	-	1,177,815
Water Resources	-	-	-	10,197,555
Management	-	1,674	-	2,647,590
Customer Care	-	-	-	2,009,969
<b>Total Operating Expenses</b>	<b>1,910</b>	<b>1,897</b>	<b>80,000</b>	<b>101,237,889</b>
Operating Income (Loss)	(1,910)	(1,897)	(80,000)	(10,328,650)
<b>Nonoperating Revenues (Expenses):</b>				
Taxes	-	5,917	-	58,818,869
Interest revenue	147	5,864	-	8,431,158
Interest expense	-	-	-	(15,688,794)
Other revenue	-	-	-	1,006,632
Other contributions	-	-	80,000	80,000
State Water Contract	-	-	-	(21,483,495)
Gain (loss) on disposal of capital assets	-	-	-	(31,507)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>147</b>	<b>11,781</b>	<b>80,000</b>	<b>31,132,863</b>
Income (Loss) Before Capital Contributions	(1,763)	9,884	-	20,804,213
Capital Contributions	-	-	-	3,178,627
Transfers in	-	-	-	26,400,541
Transfers out	-	-	-	(26,400,541)
Changes in Net Position	(1,763)	9,884	-	23,982,840
<b>Net Position:</b>				
Beginning of Year, as previously reported	13,992	253,263	25,000	630,757,309
Restatements	-	-	-	(323,958)
Beginning of Fiscal Year, as restated	13,992	253,263	25,000	630,433,351
<b>End of Fiscal Year</b>	<b>\$ 12,229</b>	<b>\$ 263,147</b>	<b>\$ 25,000</b>	<b>\$ 654,416,191</b>

## SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2020

	Regional Water Division	Santa Clarita Water Division	Newhall Water Division	Valencia Water Division
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 11,072,960	\$ 34,441,676	\$ 12,387,555	\$ 33,475,090
Cash paid to suppliers for goods and services	(19,840,062)	(13,155,822)	(2,716,527)	(3,500,890)
Cash paid to employees for services	(6,786,084)	(4,498,599)	(7,070,298)	(5,968,387)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(15,553,186)</b>	<b>16,787,255</b>	<b>2,600,730</b>	<b>24,005,813</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Cash transfers out	-	(13,067,995)	(2,563,202)	(10,769,344)
Cash transfers in	26,364,529	-	36,012	-
Repayment made to other funds	2,543,882	(1,809,125)	70,280	564,144
Repayment received from other funds	-	(767,664)	(165,009)	(436,508)
Internal balances	1,657,607	-	-	(1,657,607)
Proceeds from property taxes	59,510,042	-	644,991	-
Payments for state water contract	(21,483,495)	-	-	-
Proceeds from non-operating revenues	(227,972)	1,117,058	104,532	13,014
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>68,364,593</b>	<b>(14,527,726)</b>	<b>(1,872,396)</b>	<b>(12,286,301)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Capital contributions	-	3,147,059	31,568	-
Acquisition and construction of capital assets	(30,706,398)	(4,804,608)	(1,515,622)	(4,088,396)
Principal paid on capital debt	(25,175,000)	(3,035,000)	(2,573,780)	-
Interest paid on capital debt	(8,862,781)	(2,218,625)	(79,842)	(3,060,051)
Proceeds from sales of capital assets	-	17,102	-	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(64,744,179)</b>	<b>(6,894,072)</b>	<b>(4,137,676)</b>	<b>(7,148,447)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	7,355,269	1,079,690	304,509	407,325
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>7,355,269</b>	<b>1,079,690</b>	<b>304,509</b>	<b>407,325</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(4,577,503)</b>	<b>(3,554,853)</b>	<b>(3,104,833)</b>	<b>4,978,390</b>
Cash and Cash Equivalents at Beginning of Year	184,692,397	55,270,924	12,497,303	15,529,007
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 180,114,894</b>	<b>\$ 51,716,071</b>	<b>\$ 9,392,470</b>	<b>\$ 20,507,397</b>
<b>Reconciliation of cash and cash equivalents to amounts reported on the statement of Net Position:</b>				
Current:				
Cash and cash equivalents	\$ 22,650,739	\$ 5,734,491	\$ 817,203	\$ 7,322,071
Investments	71,635,789	37,721,527	8,575,267	13,185,326
Restricted:				
Cash and cash equivalents	3,074,706	-	-	-
Investments	77,402,452	8,260,053	-	-
Cash with fiscal agent	5,351,208	-	-	-
	<b>\$ 180,114,894</b>	<b>\$ 51,716,071</b>	<b>\$ 9,392,470</b>	<b>\$ 20,507,397</b>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2020

	<u>Regional Water Division</u>	<u>Santa Clarita Water Division</u>	<u>Newhall Water Division</u>	<u>Valencia Water Division</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ (46,055,396)	\$ 16,664,157	\$ 1,958,966	\$ 17,187,430
<b>Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:</b>				
Depreciation	19,272,174	4,961,063	3,514,862	4,453,616
(Increase) decrease in accounts receivable	3,578,413	(724,750)	(1,088,411)	433,459
(Increase) decrease in inventory		(146,779)	(101,592)	3,531
(Increase) decrease in prepaid expense	4,823,071	(47,155)	16,560	70,857
Increase (decrease) in accounts payable	3,029,470	(2,414,635)	(252,234)	(384,246)
Increase (decrease) in deposits payable	-	(442,078)	-	(41,959)
Increase (decrease) in advances for construction	-	-	-	(688,700)
Increase (decrease) in unearned revenue	65,929	(142,094)	434,024	(36,600)
Increase (decrease) in accrued liabilities	288,996	49,904	285,224	2,525,885
Increase (decrease) in net OPEB liability and related items	(1,564,650)	(1,432,232)	(2,179,852)	111,130
Increase (decrease) in net pension liability and related items	901,589	423,526	(81,127)	288,422
Increase (decrease) in compensated absences	107,218	38,328	94,310	82,988
<b>Total Adjustments</b>	<b>30,502,210</b>	<b>123,098</b>	<b>641,764</b>	<b>6,818,383</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (15,553,186)</b>	<b>\$ 16,787,255</b>	<b>\$ 2,600,730</b>	<b>\$ 24,005,813</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>				
Amortization of Premiums/Discounts	\$ 1,688,602	\$ 300,909	\$ -	\$ -

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2020

	Upper Santa Clara Valley	Devil's Den Water District	Groundwater Sust agency	Totals
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ -	\$ -	\$ -	\$ 91,377,281
Cash paid to suppliers for goods and services	(1,910)	(4,562)	(80,000)	(39,299,773)
Cash paid to employees for services	-	-	-	(24,323,368)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(1,910)</b>	<b>(4,562)</b>	<b>(80,000)</b>	<b>27,754,140</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Cash transfers out	-	-	-	(26,400,541)
Cash transfers in	-	-	-	26,400,541
Repayment made to other funds	-	-	-	1,369,181
Repayment received from other funds	-	-	-	(1,369,181)
Internal balances	-	-	-	-
Proceeds from property taxes	-	5,848	-	60,160,881
Payments for state water contract	-	-	-	(21,483,495)
Proceeds from non-operating revenues	-	-	80,000	1,086,632
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>-</b>	<b>5,848</b>	<b>80,000</b>	<b>39,764,018</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Capital contributions	-	-	-	3,178,627
Acquisition and construction of capital assets	-	-	-	(41,115,024)
Principal paid on capital debt	-	-	-	(30,783,780)
Interest paid on capital debt	-	-	-	(14,221,299)
Proceeds from sales of capital assets	-	-	-	17,102
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(82,924,374)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	166	6,508	-	9,153,467
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>166</b>	<b>6,508</b>	<b>-</b>	<b>9,153,467</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(1,744)</b>	<b>7,794</b>	<b>-</b>	<b>(6,252,749)</b>
Cash and Cash Equivalents at Beginning of Year	13,947	254,362	25,000	268,282,940
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 12,203</b>	<b>\$ 262,156</b>	<b>\$ 25,000</b>	<b>\$ 262,030,191</b>
<b>Reconciliation of cash and cash equivalents to amounts reported on the statement of Net Position:</b>				
Current:				
Cash and cash equivalents	\$ 5,000	\$ 12,888	\$ 25,000	\$ 36,567,392
Investments	7,203	249,268	-	131,374,380
Restricted:				
Cash and cash equivalents	-	-	-	3,074,706
Investments	-	-	-	85,662,505
Cash with fiscal agent	-	-	-	5,351,208
	<b>\$ 12,203</b>	<b>\$ 262,156</b>	<b>\$ 25,000</b>	<b>\$ 262,030,191</b>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2020

	Upper Santa Clara Valley	Devil's Den Water District	Groundwater Sust agency	Totals
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ (1,910)	\$ (1,897)	\$ (80,000)	\$ (10,328,650)
<b>Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:</b>				
Depreciation	-	-	-	32,201,715
(Increase) decrease in accounts receivable	-	-	-	2,198,711
(Increase) decrease in inventory	-	-	-	(244,840)
(Increase) decrease in prepaid expense	-	-	-	4,863,333
Increase (decrease) in accounts payable	-	(2,665)	-	(24,310)
Increase (decrease) in deposits payable	-	-	-	(484,037)
Increase (decrease) in advances for construction	-	-	-	(688,700)
Increase (decrease) in unearned revenue	-	-	-	321,259
Increase (decrease) in accrued liabilities	-	-	-	3,150,009
Increase (decrease) in net OPEB liability and related items	-	-	-	(5,065,604)
Increase (decrease) in net pension liability and related items	-	-	-	1,532,410
Increase (decrease) in compensated absences	-	-	-	322,844
<b>Total Adjustments</b>	<b>-</b>	<b>(2,665)</b>	<b>-</b>	<b>38,082,790</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (1,910)</b>	<b>\$ (4,562)</b>	<b>\$ (80,000)</b>	<b>\$ 27,754,140</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>				
Amortization of Premiums/Discounts	\$ -	\$ -	\$ -	\$ 1,989,511

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Santa Clarita Valley Water Agency  
City of Santa Clarita, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Santa Clarita Valley Water Agency, (the Agency) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 22, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify the following deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be significant deficiencies: 2020-001.





To the Board of Directors  
Santa Clarita Valley Water Agency  
City of Santa Clarita, California

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Agency's Response to Findings**

The Agency's response to the findings identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lance, Soll & Lughard, LLP*

Brea, California  
December 22, 2020



To the Board of Directors  
Santa Clarita Valley Water Agency  
City of Santa Clarita, California

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS** **Accumulated Depreciation**

**Reference Number:** 2020-001

**Condition:**

During our test work of accumulated depreciation, we noted that the Newhall Division's annual depreciation and June 30, 2020, accumulated depreciation balance was incorrect and required a restatement.

**Criteria:**

The Agency uses straight line depreciation and LSL noted that the ending accumulated depreciation at June 30, 2020, did not recalculate properly based on this approach.

**Cause of Condition:**

Newhall Division's annual depreciation was being calculated as a percentage of the total asset balance rather than individual asset.

**Effect or Potential Effect of Condition:**

By calculating depreciation as a percentage of the total asset balance and not by individual asset, the Division's accumulated depreciation and annual depreciation expense may have potentially resulted in a material misstatement.

**Recommendation:**

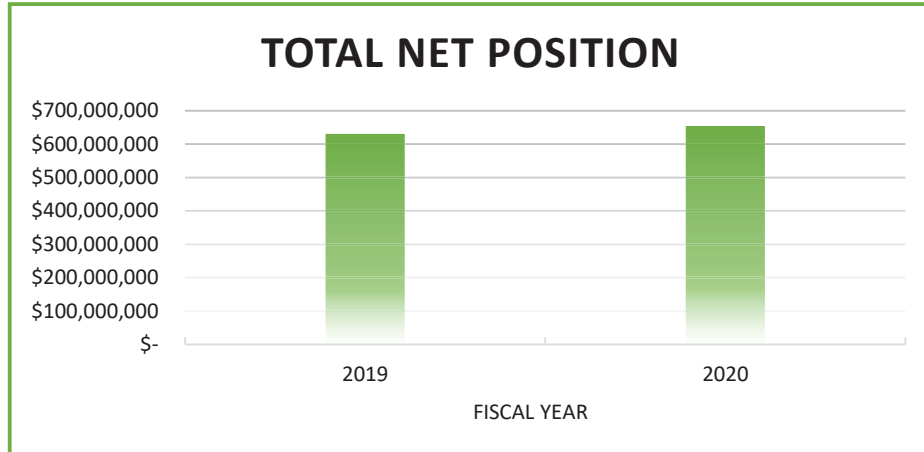
We recommend the Agency calculate the annual depreciation by asset and verify that the ending accumulated depreciation balance is correct.

**Management's Response and Corrective Action:**

Management agrees with the finding and has corrected its methodology. All assets are now being depreciated by individual asset.

**Santa Clarita Valley Water Agency  
Net Position**

<b>Fiscal Year</b>	<b>Net Investment in Capital Assets</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total Net Position</b>
2019	\$ 384,808,121	\$ 72,753,409	\$ 173,195,779	\$ 630,757,309
2020	423,203,361	87,202,965	144,009,865	654,416,191



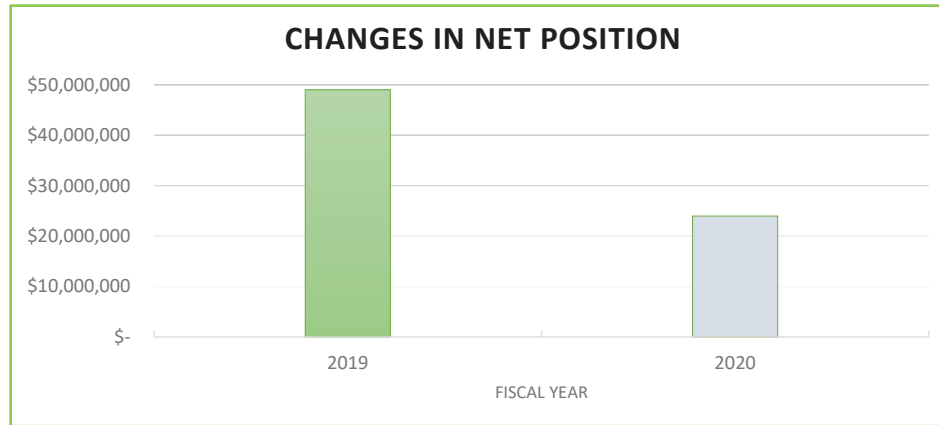
**Source:** SCV Water Agency

*Note: Only 2 years of available data. SCV Water creation January 1, 2018.*

**Santa Clarita Valley Water Agency  
Changes in Net Position**

<u>Fiscal Year</u>	<u>Operating Revenues</u>	<u>Operating Expenses</u>	<u>Operating Income/(Loss)</u>	<u>Total Non-Operating Revenues/ (Expenses)<sup>1</sup></u>	<u>Income (Loss) Before Capital Contributions</u>	<u>Capital Contributions</u>	<u>Changes in Net Position</u>
2019	\$ 100,171,370	\$ 84,771,295	\$ 15,400,075	\$ 29,093,495	\$ 44,493,570	\$ 4,518,938	\$ 49,012,508
2020	90,909,239	101,237,889	(10,328,650)	31,132,863	\$ 20,804,213	3,178,627	23,982,840

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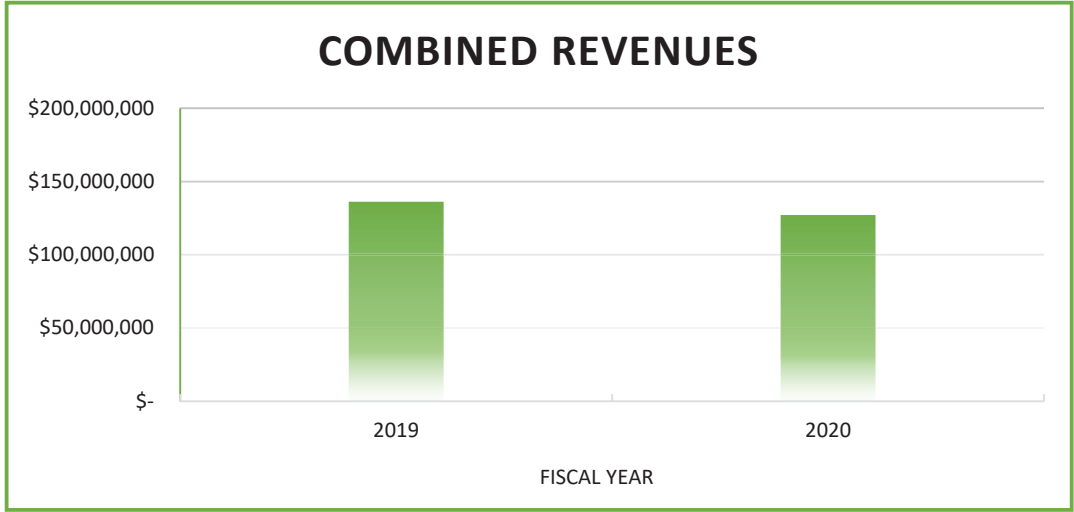
<sup>1</sup>Excludes restricted State Water Contract property taxes

**Source:** SCV Water Agency

*Note: Only 2 years of available data. SCV Water creation January 1, 2018.*

**Santa Clarita Valley Water Agency  
Revenues**

Fiscal Year	Operating Revenues		Non-Operating Revenues		Total
	Water Sales	Other Charges and Services	Property Taxes*	Investment and Other Income	
2019	\$ 82,939,784	\$ 17,231,586	\$ 26,651,592	\$ 9,372,628	\$ 136,195,590
2020	82,393,728	8,515,511	26,697,036	9,517,790	127,124,065



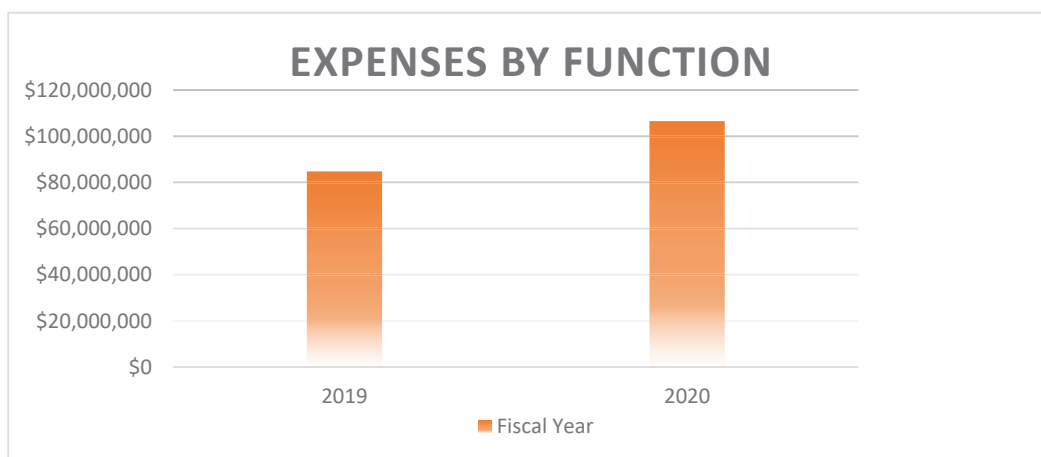
\*Excludes restricted State Water Project property taxes

**Source:** SCV Water Agency

*Note: Only 2 years of available data. SCV Water creation January 1, 2018.*

**Santa Clarita Valley Water Agency  
Expenses by Function**

<b>Operating Expenses</b>	<b>Fiscal Year</b>	
	<b>2019</b>	<b>2020</b>
Source of Supply	\$ 345,477	\$ 465,943
Pumping Plant	6,292,006	7,711,757
Transmission & Distribution	6,196,650	7,630,261
Water Treatment	7,042,538	8,650,165
General and Administrative	17,240,344	20,598,391
Depreciation	31,263,128	32,201,715
Maintenance	3,263,353	4,836,636
Engineering	2,298,810	3,110,092
Water Quality	1,094,842	1,177,815
Water Resources	5,792,111	10,197,555
Management	2,227,563	2,647,590
Customer Care	1,714,473	2,009,969
	<b>\$ 84,771,295</b>	<b>\$ 101,237,889</b>



**Source:** SCV Water Agency

*Note: Only 2 years of available data. SCV Water creation January 1, 2018.*

**Santa Clarita Valley Water Agency**

**Direct Rates**

<b>Meter Size</b>	<b>Newhall Division</b>		<b>Santa Clarita Division</b>		<b>Valencia Division</b>	
	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2019</b>	<b>FY 2020</b>
5/8"x3/4"	-	-	21.88	22.32	13.26	16.81
3/4"	16.11	16.14	29.68	30.28	19.89	25.22
1"	26.90	26.96	45.25	46.16	33.15	42.03
1 1/2"	53.65	53.75	84.21	85.90	66.30	84.06
2"	85.87	86.04	130.94	133.56	106.08	134.50
2 1/2"	128.88	129.13	-	-	-	-
3"	161.10	161.42	255.60	260.72	198.90	252.19
4"	268.55	269.08	395.82	403.74	331.50	420.31
6"	536.95	538.00	785.33	801.04	663.00	840.63
8"	859.15	860.84	1,252.75	1,277.81	1,060.80	1,345.00
10"	1,235.15	1,237.58	-	-	1,524.90	1,933.44
12"	-	-	-	-	2,187.90	2,774.07
14"	-	-	-	-	2,983.50	3,782.82

**Fire Service**

1"	-	-	3.01	3.08	-	-
2"	22.74	22.97	6.02	6.15	7.52	8.36
4"	73.05	73.78	12.03	12.28	15.04	16.72
6"	138.17	139.55	18.04	18.41	22.56	25.08
8"	216.15	218.31	24.05	24.54	30.08	33.44
10"	-	-	30.05	30.66	37.60	41.80
12"	-	-	36.06	36.79	45.12	50.16
14"	-	-	42.07	42.92	52.64	58.52
16"	-	-	48.08	49.05	-	-
18"	-	-	54.09	55.18	-	-
20"	-	-	60.09	61.30	-	-

**Usage Rate  
Per CCF**

Uniform						
Volume Rate	2.7839	2.8542	1.91*	1.99*	1.885	1.839

\*Does not include potential wholesale water and power pass-through adjustments.

**Source:** SCV Water Agency

*Note: Only 2 years of available data. SCV Water creation January 1, 2018.*



**Santa Clarita Valley Water Agency  
Principal Revenue Payers**

**Fiscal Year 2019-20**

	<b>Customer Name</b>	<b>Annual Revenues</b>	<b>% of Water Sales</b>
1	Six Flags, Mail Stop #5	\$ 484,292.79	0.59%
2	Toro Enterprises	352,028.73	0.43%
3	CF Arcis X Holdings LLC	261,202.25	0.32%
4	Stonegate Castaic HOA	194,882.92	0.24%
5	FivePoint	187,027.92	0.23%
6	Newhall Land	163,701.93	0.20%
7	Phoenix ESG #181	157,811.66	0.19%
8	FivePoint	151,426.27	0.19%
9	The Village	135,750.94	0.17%
10	Santa Clarita Community College District	134,201.19	0.16%
	Total (10 Largest)	2,222,326.60	2.72%
	Others	79,513,168.40	97.28%
	Grand Total	81,735,495.00	100.00%

**Fiscal Year 2018-19**

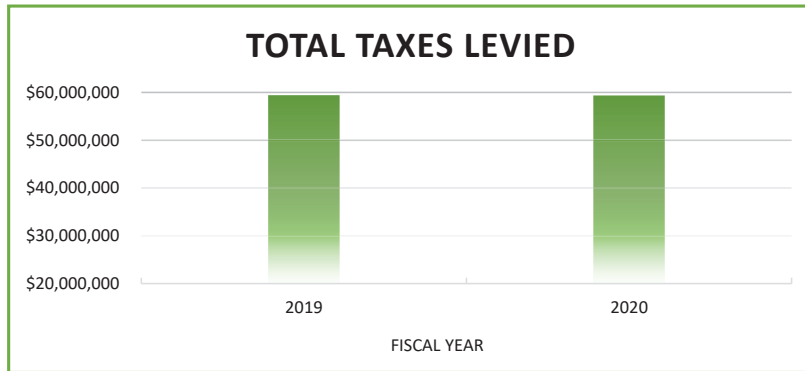
	<b>Customer Name</b>	<b>Annual Revenues</b>	<b>% of Water Sales</b>
1	Six Flags, Mail Stop #5	\$ 538,664.43	0.65%
2	FivePoint	530,992.38	0.64%
3	Newhall Land	419,911.47	0.51%
4	CF Arcis X Holdings LLC	282,981.42	0.34%
5	FivePoint	254,577.51	0.31%
6	Stonegate Castaic HOA	207,052.80	0.25%
7	The Village	150,425.16	0.18%
8	Santa Clarita Community College District	148,156.18	0.18%
9	Phoenix ESG #181	146,283.25	0.18%
10	Parklane Mobile Estate	119,698.64	0.14%
	Total (10 Largest)	2,798,743.24	3.37%
	Others	80,141,040.76	96.63%
	Grand Total	82,939,784.00	100.00%

**Source:** SCV Water Agency

*Note: Only 2 years of available data. SCV Water creation January 1, 2018.*

**Santa Clarita Valley Water Agency  
Property Taxes Levies and Collections**

Fiscal Year	Total Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Year	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	\$ 59,422,583	\$ 58,205,621	97.95%	\$ 1,216,962	\$ 59,422,583	100%
2020	59,363,479	58,818,869	99.08%	544,610	59,363,479	100%



**Source:** County of Los Angeles and Ventura County, Auditor-Controller/Tax Division

*Note: Only 2 years of available data. SCV Water creation January 1, 2018.*

**Santa Clarita Valley Water Agency  
Assessed Valuation of Taxable Property**

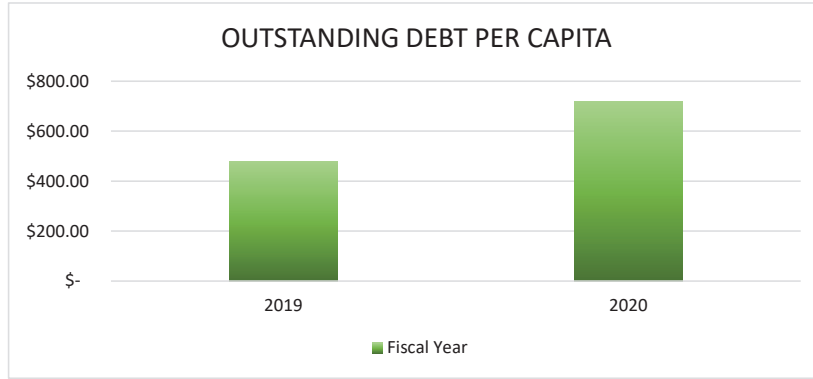
Fiscal Year	Secured			Unsecured			Total Direct Tax Rate
	Los Angeles County	Ventura County	Totals	Los Angeles County	Ventrua County	Totals	
2019	42,530,762,287	28,776,667	42,559,538,954	1,161,623,197	1,274,455	1,162,897,652	0.0706
2020	44,484,636,167	34,083,193	44,518,719,360	1,175,937,200	1,253,240	1,177,190,440	0.0706

**Source:** County of Los Angeles and Ventura County, Auditor-Controller/Tax Division

*Note: Only 2 years of available data. SCV Water creation January 1, 2018.*

**Santa Clarita Valley Water Agency  
Outstanding Debt**

<b>Fiscal Year</b>	<b>Population</b>	<b>Certificates of Participation</b>	<b>Revenue Bonds</b>	<b>Notes Payable</b>	<b>Total Debt</b>	<b>Per Capita</b>	<b>As a Share of Personal Income<sup>1</sup></b>
2019	292,281	\$ 132,453,983	\$ 217,040,224	\$ 2,573,780	\$ 352,067,987	\$ 480.19	0.59%
2020	294,048	117,384,867	201,800,611	-	319,185,478	\$ 717.80	0.85%



**Source:** SCV Water Agency

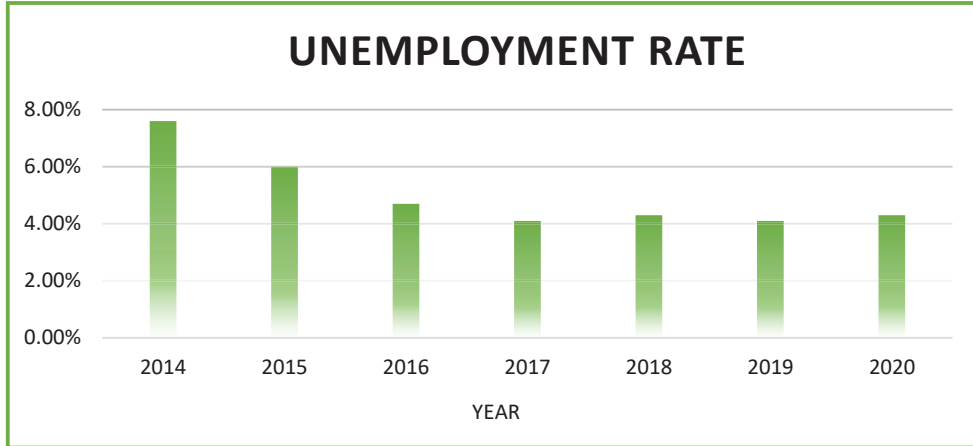
<sup>1</sup>See Demographics Statistics for per capita personal income

*Note: Only 2 years of available data. SCV Water creation January 1, 2018.*

Calculation for Per Capita? Adding short term + long term debt, subtract cash and other liquid assets, divide by population?

**Santa Clarita Valley Water Agency  
Demographic and Economic Statistics**

<b>Year</b>	<b>City of Santa Clarita Population</b>	<b>Unemployment Rate</b>	<b>Personal Income (billions of dollars)</b>	<b>Average per Capita Income</b>
2014	284,290	7.60%	19.1	67,247
2015	287,561	6.00%	19.8	68,803
2016	289,574	4.70%	20.5	70,664
2017	290,732	4.10%	21.5	74,005
2018	291,750	4.30%	22.6	77,504
2019	292,281	4.10%	23.7	80,925
2020	294,048	4.30%	24.9	84,556



**Source:** Santa Clarita Valley Economic Development Corporation. Records only go back to 2014.

**Santa Clarita Valley Water Agency  
Principal Employers**

<b>Principal Employers</b>	<b>2020</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
Six Flags Magic Mountain	3,200	1	10%
College of the Canyons	2,135	2	7%
Princess Cruises	2,092	3	7%
Williams S. Hart Union School District	1,959	4	6%
Henry Mayo Hospital	1,917	5	6%
Sagus Union School District	1,675	6	5%
US Postal Service	1,271	7	4%
Boston Scientific	1,000	8	3%
City of Santa Clarita	877	9	3%
The Master's University	796	10	3%
<b>Total</b>	<b>16,922</b>		<b>55%</b>
<b>All Others</b>	<b>13,695</b>		<b>45%</b>
<b>Total Employment in Santa Clarita</b>	<b>30,617</b>		<b>100%</b>

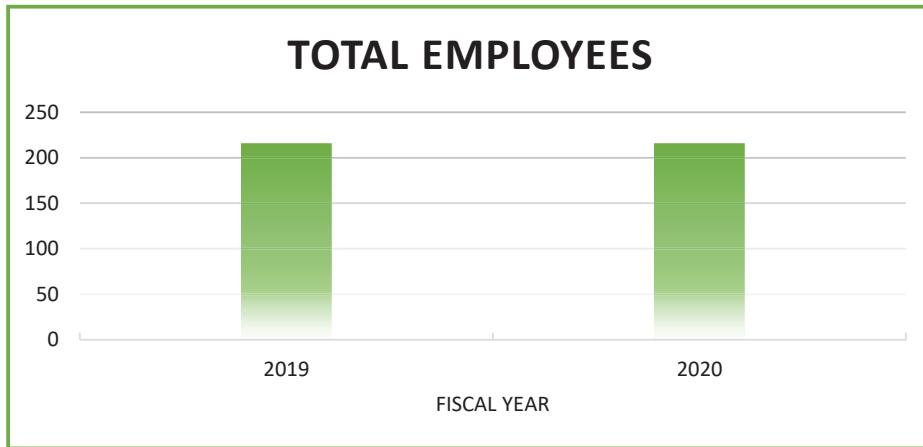
**Source:** Santa Clarita Valley Economic Development Corporation

*Note: Only 2 years of available data. SCV Water creation January 1, 2018.*

**Santa Clarita Valley Water Agency  
Operating and Capacity Indicators**

**Agency Employees**

Fiscal Year	Agency Employees					Total
	Management	Finance, Administration and Technology Services	Engineering Services	Operations and Maintenance	Water Resources and Outreach	
2019	5	51	24	113	23	216
2020	5	49	30	108	24	216



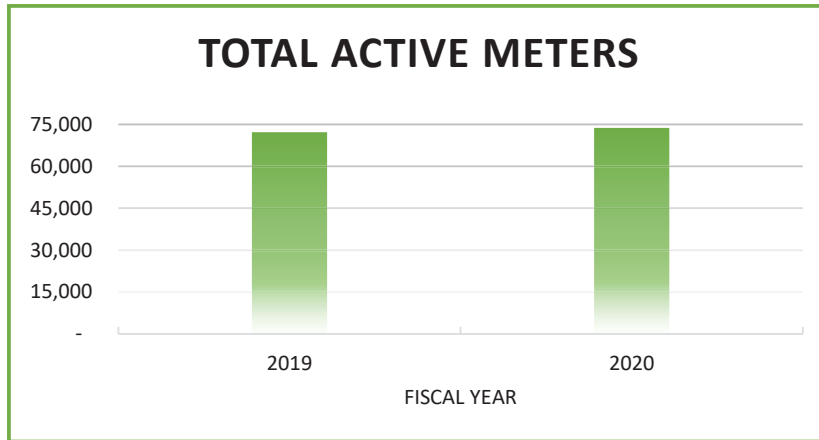
**Source:** SCV Water Agency

*Note: Only 2 years of available data. SCV Water creation January 1, 2018.*

**Santa Clarita Valley Water Agency  
Operating and Capacity Indicators**

**Active Meters By Size**

<b>Fiscal Year</b>	<b>5/8"</b>	<b>3/4"</b>	<b>1"</b>	<b>1 1/2"</b>	<b>2"</b>	<b>2 1/2"</b>	<b>3"</b>	<b>4"</b>	<b>6"</b>	<b>8"</b>	<b>10"</b>	<b>12"</b>	<b>Total</b>
2019	4,960	53,832	7,826	1,336	3,817	25	187	146	50	28	10	0	72,217
2020	5,965	54,307	7,777	1,367	3,866	25	183	178	57	31	11	0	73,767



**Source:** SCV Water Agency

*Note: Only 2 years of available data. SCV Water creation January 1, 2018.*



**Santa Clarita Valley Water Agency  
Operating and Capacity Indicators**

**Operating and Capital Indicators**

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<b>Water System</b>	<b>Fiscal Year</b>	
	<b>2019</b>	<b>2020</b>
Service Area (In Acres)	125,056	125,056
Miles of Water Main	861	879
Number to Storage Reservoirs <sup>1</sup>	94	96
Water Storage Capacity (In Million Gallons)	153.8	155.7
Total Water Connections (Active Meters)	72,217	73,767
Number of Booster Pump Stations	51	52
Number of Valves	23,826	23,826
Number of Hydrants	7,126	7,126
Number of Wells in Service <sup>2</sup>	40	40
In Service Wells GPM	48,000	48,000

<sup>1</sup>Does not include the Sand Canyon Reservoir (7mg) or the treatment plant clear wells

<sup>2</sup>In FY 2020, 20 wells are offline due to PFAS contamination, pending treatment completion

**Source:** SCV Water Agency

*Note: Only 2 years of available data. SCV Water creation January 1, 2018.*

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# Monthly Financial Report

## OCTOBER 2020

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# Statements of Revenues and Expenses

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SCV Water - Regional  
Statement of Revenues and Expenses  
For the 4th Period Ending 10.31.20

(in \$000)

	(A) Actual	(B) Current Period Budget	(C) Variance	(D) Actual	(E) Year-to-Date Budget	(F) Variance	(G) Percent
(1)	\$2,499	\$2,367	\$132	\$10,805	\$10,047	\$758	8% (1)
(2)	\$2,499	\$2,367	\$132	\$10,805	\$10,047	\$758	8% (2)
(3)	377	375	2	794	793	1	0% (3)
(4)	916	777	139	2,068	1,530	538	35% (4)
(5)	290	175	115	714	572	142	25% (5)
(6)	369	432	(63)	950	932	18	2% (6)
(7)	146	75	71	389	379	10	3% (7)
(8)	749	816	(67)	3,401	3,541	(140)	(4%) (8)
(9)	690	655	35	1,777	1,783	(6)	(0%) (9)
(10)	\$3,537	\$3,305	\$232	\$10,093	\$9,530	\$563	6% (10)
(11)	(\$1,038)	(\$938)	(\$100)	\$712	\$517	\$195	38% (11)
(12)	\$1,927	\$747	\$1,180	\$4,389	\$3,489	\$900	26% (12)
(13)	(259)	(265)	6	(3,126)	(3,680)	554	(15%) (13)
(14)	-	-	-	(12,500)	(11,800)	(700)	6% (14)
(15)	\$1,668	\$482	\$1,186	(\$11,237)	(\$11,991)	\$754	(6%) (15)
(16)	\$630	(\$456)	\$1,086	(\$10,525)	(\$11,474)	\$949	(8%) (16)





# Large Disbursement Check Registers

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# SCV Water - Regional Division

## Ten Largest Disbursements

From: Oct 1, 2020 to Oct 31, 2020

No.	Vendor Name	Check Number	Check Date	Description	Amount
	DEPARTMENT OF WATER RESOURCES	44366	10/08/2020	AUG 2020 VARIABLE	874,459.00
<b>1</b>	<b>DEPARTMENT OF WATER RESOURCES</b>				<b>874,459.00</b>
	ACWA/JPIA	44336	10/08/2020	SCVWA LIABILITY	764,119.40
<b>2</b>	<b>ACWA/JPIA</b>				<b>764,119.40</b>
	PUROLITE CORPORATION	44769	10/30/2020	PFAS RESIN CHANGE	547,204.60
<b>3</b>	<b>PUROLITE CORPORATION</b>				<b>547,204.60</b>
	NOSSAMAN LLP	44639	10/22/2020	PFAS AUG 2020	1,581.00
				PERCHLORATE AUG 20-NWD	84,612.69
				PERCHLORATE AUG 20-SCWD	84,612.69
				PERCHLORATE AUG 20-VWD	84,612.69
				PERCHLORATE AUG 20	84,612.69
				PERCH INSURANCE AUG 2020	3,794.90
<b>4</b>	<b>NOSSAMAN LLP</b>				<b>343,826.66</b>
	SOUTHERN CALIFORNIA EDISON	44435	10/08/2020	BOUQUET PM 8/19-9/18	15.58
				CAMP PLENTY TURNOUT	26.89
				DL(SOLAR) 7/29-8/27	990.32
				EARL SCHMIDT FILTRATION PLANT PUMP STATION 7/30-8/28	18,315.32
				EARL SCHMIDT INTAKE PUMP STATION SERVICE 7/30-8/28	797.63
				HONBY PM 7/30-8/28	14.75
				HONBY PS 7/30-8/28	47.07
				LAKE HUGHES PM	20.67
				LOWER MESA PM 7/30-8/28	33.31
				N-2 TURNOUT 7/30-8/28	127.33
				NEWHALL RANCH RD PM	13.17
				RECH20 METER 7/29-8/27	6,678.89
				RECH20 RESERVOIR 7/30-8/28	30.01
				RV(SOLAR) 7/1-8/27	31,812.30
				RV(SOLAR) 7/29-8/27	-2,917.68
				RIO VISTA INTAKE PUMP STATION SERVICE 7/29-8/27	105,353.96
				RIO VISTA WATER TREATMENT PLANT GATE 7/30-8/28	101.23
				SAUGUS1WELL 7/10-8/10	-972.55
				SAUGUS1WELL 8/10-9/9	10,204.72
				SAUGUS2WELL 7/30-8/28	-972.55
				SAUGUS2WLL 7/30-8/28	10,623.70
				SC LOW VOLTAGE PM	11.83
				SC11 TURNOUT 7/30-8/28	29.16
				SC7 TURNOUT 8/13-9/14	57.81
				SC PUMP STATION 7/30-8/28	130,918.41
				SC RESERVOIR 7/30-8/28	186.77
				SUMMIT CIRCLE 7/27-8/25	20.97
				V-8 MCBEAN 7/30-8/28	14.90
<b>5</b>	<b>SOUTHERN CALIFORNIA EDISON</b>				<b>311,583.92</b>

# SCV Water - Regional Division

## Ten Largest Disbursements

From: Oct 1, 2020 to Oct 31, 2020

	PACIFIC HYDROTECH CORPORATION	44299	10/02/2020	PFAS GROUNDWATER TREATMENT, N WELLS AND Q2 WELLS PROJECT - PROGRESS PAYMENT #5N THRU 7/31/20	300,770.00
<b>6</b>	<b>PACIFIC HYDROTECH CORPORATION</b>				<b>300,770.00</b>
	PACIFIC HYDROTECH CORPORATION	44643	10/22/2020	PFAS GROUNDWATER TREATMENT, N WELLS AND Q2 WELLS PROJECT - PROGRESS PAYMENT # 7N THRU 9/20/20	251,699.91
<b>7</b>	<b>PACIFIC HYDROTECH CORPORATION</b>				<b>251,699.91</b>
	CEDRO CONSTRUCTION INC.	44482	10/16/2020	PROGRESS PAYMENT #5 THRU 8/31/20 - WEST RANCH RECYCLED WATER MAIN EXTENSION	257,390.74
				PROGRESS PAYMENT #5 - WEST RANCH RECYCLED WATER MAIN EXTENSION - RETENTION TRUST	-12,869.54
<b>8</b>	<b>CEDRO CONSTRUCTION INC.</b>				<b>244,521.20</b>
	ACWA/JPIA	44226	10/02/2020	SCVWA PROPERTY PROGRAM RENEWAL FY20/21	225,505.57
<b>9</b>	<b>ACWA/JPIA</b>				<b>225,505.57</b>
	NOSSAMAN LLP	44294	10/2/2020	PFAS JULY 2020	1,071.00
				PERCHLORATE JULY 20-NWD	46,357.94
				PERCHLORATE JULY 20-SCWD	46,357.94
				PERCHLORATE JULY 20-VWD	46,357.94
				PERCHLORATE JULY 20	46,357.94
				PERCH INSURANCE JULY 2020	4,777.00
<b>10</b>	<b>NOSSAMAN LLP</b>				<b>191,279.76</b>
<b>Summary</b>					<b>4,054,970.02</b>
<b>Summary-All Checks Issued During Oct 2020</b>					<b>6,701,785.68</b>
<b>Largest Ten Vendor Payments as Compared to Total</b>					<b>61%</b>

**SCV Water**  
 Newhall Water Division  
 Ten Largest Disbursements  
 From: October 1, 2020 to October 31, 2020

No.	Vendor Name	Check Number	Check Date	Description	Amount
	SCV WATER	114822	10/07/2020	DUE TO/FROM - SHARED PAYROLL AND SERVICES 8/20	382,125.62
				PURCHASED WATER 9/20	205,425.35
				PURCHASED WATER 9/20 - SAUGUS WELL #1 & 2	15,583.90
				FIXED WATER CHARGE 9/20	132,653.94
<b>1</b>	<b>SCV WATER</b>				<b>735,788.81</b>
	SCV WATER	114909	10/30/2020	DUE TO/FROM - SHARED PAYROLL AND SERVICES 9/20	457,284.39
<b>2</b>	<b>SCV WATER</b>				<b>457,284.39</b>
	SCV WATER	114804	10/02/2020	DUE TO/FROM - YEAR END INVOICES	199,584.43
<b>3</b>	<b>SCV WATER</b>				<b>199,584.43</b>
	EDISON	114893	10/30/2020	A/C #2-43-007-5853 10/20	1,110.87
				A/C #2-40-708-3856 10/20	104,440.33
<b>4</b>	<b>EDISON</b>				<b>105,551.20</b>
	ROBERT HARRIS AGENCY	114887	10/27/2020	EARTHQUAKE/FLOOD INSURANCE 10/20- 10/21	65,913.49
<b>5</b>	<b>ROBERT HARRIS AGENCY</b>				<b>65,913.49</b>
	CORE & MAIN LP	114835	10/16/2020	DOUBLE CEMENT LINED 30" - RIDGE ROUTE 300-1079	38,021.14
<b>6</b>	<b>CORE &amp; MAIN LP</b>				<b>38,021.14</b>
	CORE & MAIN LP	114789	10/02/2020	(108) DOUBLE CEMENT LINED PIPE - RIDGE ROUTE 300-1079	19,099.00
				INVENTORY	9,654.49
<b>7</b>	<b>CORE &amp; MAIN LP</b>				<b>28,753.49</b>
	NORTHERN DIGITAL INC.	114905	10/30/2020	WELL/BOOSTER PUMP 1 CONTROL PANEL 300-1112	22,218.80
<b>8</b>	<b>NORTHERN DIGITAL INC.</b>				<b>22,218.80</b>
	HACH COMPANY	114846	10/16/2020	CHLORINE CHEMKEY, ASSY PACK CHEMKEY, MONO-CHLOR	21,642.78
<b>9</b>	<b>HACH COMPANY</b>				<b>21,642.78</b>
	CHARLES P. CROWLEY COMPANY, INC	114834	10/16/2020	POTABLE TANK MIXER WITH POWER CORD 300-1060	19,252.13
<b>10</b>	<b>CHARLES P. CROWLEY COMPANY, INC</b>				<b>19,252.13</b>

**Summary - Largest Ten Checks Paid During October 2020** **1,694,010.66**

**Summary - All Checks Issued During October 2020** **1,949,665.09**

**Largest Ten Vendor Payments as Compared to Total** **87%**

**SCV WATER**  
Santa Clarita Water Division  
Ten Largest Disbursements  
From: October 1, 2020 to October 31, 2020

#	Vendor Name	Check Number	Check Date	Transaction Description	Transaction Amount
	SANTA CLARITA VALLEY WATER AGENCY	95462	10/14/2020	SEPTEMBER 20 FIXED	\$667,967.89
				SEPTEMBER 20 SAUGUS	\$42,500.00
				SEPTEMBER 20 VARIABLE	\$599,554.29
<b>1</b>	<b>SANTA CLARITA VALLEY WATER AGENCY</b>				<b>\$1,310,022.18</b>
	SANTA CLARITA VALLEY WATER AGENCY	95463	10/7/2020	#1 EQUATION INVOICE #22955	\$5,310.00
				#2 LUHDOROFF & SCALMANIN INVOICE#36267	\$187.50
				#3 LUHDOROFF & SCALMANIN INVOICE #336266	\$712.50
				#4 RICHARD SLADE INVOICE#5709	\$524.55
				#5 SUNPOWER M1007-3770311	\$14,859.95
				#6 SUNPOWER M1109-3770332	\$46,565.05
				#7 EMTEC INVOICE#9157341	\$12,681.00
				#8 EQUATION INVOICE #23003	\$5,310.00
				#9 EQUATION INVOICE #23034	\$5,310.00
				AUGUST 20 ACWA JPIA	\$1,050.44
				AUGUST 20 DIRECT BENEFITS	\$67,388.68
				AUGUST 20 DIRECT PAYROLL	\$521,732.48
				AUGUST 20 IGOE/MBI	\$10,187.19
				AUGUST 20 RETIREE MEDICAL	\$2,180.67
				CAR WASH FOR UNIT S3	\$12.00
				FACILITY CAPACITY FEES	(\$19,136.00)
				FACILITY CAPACITY FEES	(\$23,920.00)
				FACILITY CAPACITY FEES	(\$23,920.00)
				FACILITY CAPACITY FEES	(\$16,744.00)
				FACILITY CAPACITY FEES	(\$19,136.00)
				FACILITY CAPACITY FEES	(\$14,352.00)
				ENGINEERING DEPARTMENT KITCHEN SUPPLIES	\$361.90
				ENGINEERING DEPARTMENT KITCHEN SUPPLIES	\$434.05
				L.QUINTERO NOTARY	\$582.99
				LONG PAYROLL 8/13/20 CORRECTION	\$414.01
				OPERATIONS DEPARTMENT BIRTHDAY/ANNIVERSARY	\$622.60
				OPERATIONS DEPARTMENT OFFICE SUPPLY	\$1,157.57
				PAYCHEX INVOICES AUGUST	\$1,178.22
				SEPTEMBER 20 LAB	\$60.00
				SCADA MATERIALS	\$1,429.97
				SEPTEMBER 20 LAB	\$2,460.00
				CANOPY, SUNSCREEN, CABLE	\$1,194.65
				WATER TREATMENT SUPPLIES	\$2.18
				WATER TREATMENT POSTAGE	\$19.35
<b>2</b>	<b>SANTA CLARITA VALLEY WATER AGENCY</b>				<b>\$586,721.50</b>
	FERREIRA CONSTRUCTION CO. INC.	95359	10/02/2020	RECYCLED WATER PIPELINE LOST CANYON	\$291,643.00
				RECYCLED WATER PIPELINE LOST CANYON RETENTION	(\$14,582.15)
<b>3</b>	<b>FERREIRA CONSTRUCTION CO. INC.</b>				<b>\$277,060.85</b>
	SO. CALIFORNIA EDISON CO.	95488	10/21/2020	ACCOUNT 7457 SEPTEMBER 20	\$177,115.56
<b>4</b>	<b>SO. CALIFORNIA EDISON CO.</b>				<b>\$177,115.56</b>
	SANTA CLARITA VALLEY WATER AGENCY	95384	10/02/2020	8/20 ALLOCATION - BUILDING/GROUNDS	\$2,135.00
				8/20 ALLOCATION- DUES/MEMBERSHIPS	\$285.00
				8/20 ALLOCATION- FUEL	\$15,815.00
				8/20 ALLOCATION - INTERNAL RELATIONS	\$61.00
				8/20 ALLOCATION- LIABILITY INSURANCE	\$1,504.00
				8/20 ALLOCATION-OFFICE EQUIPMENT REPAIR	\$1,233.00
				8/20 ALLOCATION - PUBLIC RELATIONS	\$2,083.00
				8/20 ALLOCATION - RECRUITMENT	\$30.00
				8/20ALLOCATION - SAFETY	\$6,243.00
				8/20 ALLOCATION - TECH SERVICE	\$76,941.00
				8/20 ALLOCATION - VEHICLE MAINTENANCE	\$13,729.00
				8/20 ALLOCATION - WATER USE EFFICIENCY	\$5,333.00
<b>5</b>	<b>SANTA CLARITA VALLEY WATER AGENCY</b>				<b>\$125,392.00</b>
	SO. CALIFORNIA EDISON CO.	95386	10/02/2020	ACCOUNT 4652 AUGUST 20	\$81,331.44

**SCV WATER**  
 Santa Clarita Water Division  
 Ten Largest Disbursements  
 From: October 1, 2020 to October 31, 2020

#	Vendor Name	Check Number	Check Date	Transaction Description	Transaction Amount
<b>6</b>	<b>SO. CALIFORNIA EDISON CO.</b>				<b>\$81,331.44</b>
	SO. CALIFORNIA EDISON CO.	95519	10/28/2020	ACCOUNT 4652 SEPTEMBER 20	\$71,805.21
<b>7</b>	<b>SO. CALIFORNIA EDISON CO.</b>				<b>\$71,805.21</b>
	CIVILTEC ENGINEERING INC.	95350	10/02/2020	2 WATER TANKS FOR SKYLINE RANCH	\$5,462.00
				DEANE PUMP STATION - SHARED EXPENSE W/PARDEE FOR SKYLINE RANCH	\$73.50
				PUMP STATION FOR TRACT 53074	\$2,587.97
				PUMP STATION FOR TRACT 53074	\$5,918.90
				PUMP STATION FOR TRACT 53074	\$2,960.75
				PUMP STATION FOR TRACT 53074 SAND CANYON PLAZA	\$8,426.75
				PUMP STATION FOR TRACT 53074	\$7,365.78
				PUMP STATION FOR SAND CANYON PLAZA	\$16,846.10
				CONSTRUCT NEW TANK FOR TRACT 53074	\$14,867.50
<b>8</b>	<b>CIVILTEC ENGINEERING INC.</b>				<b>\$64,509.25</b>
	MESA ENGINEERING	95454	10/14/2020	INSTALL SERVICES FOR GOLDEN VALLEY ROAD SHERIFF STATION	\$50,323.48
<b>9</b>	<b>MESA ENGINEERING</b>				<b>\$50,323.48</b>
	KENNEDY-JENKS CONSULTANTS	95451	10/14/2020	TRACT 60299 - SKYLINE RANCH PARDEE SKYLINE RANCH	\$3,419.00
				RECYCLED WATER PIPELINE CHERRY	\$43,990.00
<b>10</b>	<b>KENNEDY-JENKS CONSULTANTS</b>				<b>\$47,409.00</b>
<b>Summary - Largest Ten Payments Made During the Month</b>					<b>\$2,791,690.47</b>
<b>Summary - All Vendors Paid During the Month</b>					<b>\$3,362,843.97</b>
<b>Largest Ten Vendor Payments as Compared to Total Monthly Check Register</b>					<b>83%</b>

**SCV Water -Valencia Water Division**  
**Ten Largest Check Disbursements**  
**From Oct 1, 2020 - October 31, 2020**

No.	Vendor Name	Check #	Check Date	Description	Total
1	SCV WATER	222579	10/7/2020	LAB CHARGES 9/20 DUE TO FROM VALENCIA 8/20 VARIABLE WATER SEPT 2020 FIXED WATER CHARGES 9/20 RECYCLED WATER 082420-092120	5,630.00 470,940.63 498,898.22 500,676.97 41,304.30
	<b>SCV WATER</b>				<b>1,517,450.12</b>
2	SCV WATER	222553	10/2/2020	EXPENSE ALLOCATIONS - AUG20 QTRLY PMT-ACQ INTERFUND LOAN	98,784.00 1,179,398.75
	<b>SCV WATER</b>				<b>1,278,182.75</b>
3	SCV WATER	222660	10/30/2020	DUE TO FROM VALENCIA 9/20 EXPENSE ALLOCATIONS - 9/20	457,193.88 30,878.00
	<b>SCV WATER</b>				<b>488,071.88</b>
4	EDISON CO	222540	10/2/2020	PURCHASED POWER A/CH2-40-708-4979 9/20	261,072.60
	<b>EDISON CO</b>				<b>261,072.60</b>
5	EDISON CO	222651	10/30/2020	PURCHASED POWER A/CH2-40-708-4979 10/20	198,481.28
	<b>EDISON CO</b>				<b>198,481.28</b>
6	FILIPPIN ENGINEERING	222652	10/30/2020	CONSTRUCTION SRVCS 7/20 JOB 6742 MISSION VLG TRACT CONSTRUCTION SRVCS 8/20 JOB 6759 MISSION VLG PHASE CONSTRUCTION SRVCS 9/20 JOB 6759 MISSION VLG PHASE 1 AREA CONSTRUCTION SERVICES JOB 6760 MISSION VLG PHASE I AREA CONSTRUCTION SRVCS JOB 6760 MISSION VLG PHASE I AREA CONSTRUCTION SRVCS JOB 6761 MISSION VLG PHASE I AREA CONSTRUCTION SERVICES JOB 6761 MISSION VLG PHASE I AREA CONSTRUCTION SRVCS JOB 6762 MISSION VLG PHASE I AREA CONSTRUCTION SRVCS JOB 6760 MISSION VLG PHASE I AREA CONSTRUCTION SERVICES JOB 6760 MISSION VLG PHASE I AREA	13,050.00 12,545.05 6,409.20 16,508.10 2,448.27 14,158.98 4,704.00 7,931.37 5,081.62 17,468.80
	<b>FILIPPIN ENGINEERING</b>				<b>100,305.39</b>
	CORE & MAIN LP	222563	10/7/2020	(2) CLOW HYDRANT 6-HOLE (10) BMV IPSXMN, (10) BMV FIPXMN LL (20) 3/4 ADPT MIPXITIPS, (20) COUPLINGS (2) HYMAX FLIP COUPLING (4) ANG BMV, (5) 1" BALL METER, (2) 2" BALL METER (3) CF HYDRANT MTR STD (1) COVER ASSEMBLY, (1) SAWIVEL GASKET, (1) TEST METER COV ASSEMBLY, SAWIVEL GASKET, TEST METER LABOR (1) 8" CLA-VAL ANGLE CL150 (3) 3CF HYDRANT METER (2) 8-HOLE HYDRANT (20) SS HOSE CLAMP (500) RUBBER METER WASHERS (144) 5 GAL. DRUM CAPTOR CALCIUM THIOSULFATE 300-8147	3,314.17 2,010.75 1,051.20 2,433.40 1,990.10 2,274.33 272.06 272.03 6,333.67 2,274.33 3,314.17 21.90 49.27 11,421.60
	<b>CORE &amp; MAIN LP</b>				<b>37,032.98</b>
	STYLO GROUP	222664	10/30/2020	BILLABLE HOURS JOB 6741 MV ALL PHASES PLAN REVIEW BILLABLE HOURS JOB 6714 WESTSIDE COMM RECYCL BILLABLE HOURS JOB 6717 WESTSIDE POTABLE MASTER BILLABLE HOURS JOB 7111 MV TWO 4MG TANKS BILLABLE HOURS JOB 6727 MV PHASE I TR61105-01A BILLABLE HOURS JOB 6728 MV PHASE I TR61105-01C BILLABLE HOURS JOB 6644 PETERSEN TANK-PW & RW BILLABLE HOURS JOB 6742 MV TR1105 PHASE I INSP BILLABLE HOURS JOB 6716 MV DEMINERALIZATION BILLABLE HOURS JOB 6762 MV PHASE I AREA F17 INFRA BILLABLE HOURS JOB 6760 MV PHASE I AREA F7C INFRA BILLABLE HOURS JOB 6761 MV PHASE I AREA F11 INFRAS BILLABLE HOURS JOB 6759 MV PHASE I AREA F5B INFRA BILLABLE HOURS JOB 6782 LENNAR BLDR AREA F5A-INSPECT'N BILLABLE HOURS JOB 6780 MV BLDR AREA A5B BILLABLE HOURS JOB 6781 LENNAR BLDR AREA A6-INSPECT'N BILLABLE HOURS JOB 6779 LENNAR BLDR AREA A5A BILLABLE HOURS JOB 6783 LENNAR BLDR AREA F13-INSPECT'N BILLABLE HOURS JOB 6784 LENNAR BLDR AREA F14-INSPECT'N BILLABLE HOURS JOB 6760 MV PHASE I AREA F7C INFRA	4,875.00 1,356.25 525.00 612.50 1,100.00 118.75 875.00 2,881.25 200.00 1,806.25 1,256.25 837.50 787.50 2,268.75 1,800.00 1,200.00 1,950.00 2,068.75 2,393.75 3,043.75
	<b>STYLO GROUP</b>				<b>31,956.25</b>
	LOS ANGELES COUNTY TAX COLLECTOR	222653	10/30/2020	SUPP TAX AIN 8920 851 833 17 010 (YR 17-18) ADJUSTED TAX AIN 8920 851 833 17 010 (YR 20-21)	7,293.83 17,372.90
	<b>LOS ANGELES COUNTY TAX COLLECTOR</b>				<b>24,666.73</b>
	SCV WATER - SANTA CLARITA WATER DIVISION	222608	10/16/2020	AUG 2020 CHGS CREDIT/HOME DEPOT CHARGES	24,223.06 (237.86)
	<b>SCV WATER - SANTA CLARITA WATER DIVISION</b>				<b>23,985.20</b>

**Summary - Largest Ten Checks Paid During October 2020** 3,961,205.18

**Summary - All Checks Issued in October 2020** 4,283,772.26

**Largest Ten Vendor Payments as Compared to Total** 92%



# Director Stipends

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# Director Reimbursements

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**CA Govt. Code Section 53065.5**

**List of Reimbursement for "Individual Charges" = \$100 or more**

**Annual Disclosure for Fiscal Year 20/21**

**DIRECTORS**

**P-Card (VISA) Transactions Updated as of: 10/31/20 - \*\*Oct P-Card transactions affect Nov cash.**

<b>Date of Reimbursement</b>	<b>Recipient of Reimbursement</b>	<b>Reason for Reimbursement</b>	<b>Amount of Reimburseme</b>
10/31/20	Atkins, B.J.	P-CARD (VISA) - Beats - 3 Headsets	251.84
10/31/20	Gladbach, Edward	P-CARD (VISA) - ACWA Connecting Regions - Zooming through CA - 10/20-11/10/20 - Registration	100.00
			<b>351.84</b>

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## BOARD MEMORANDUM

**DATE:** December 10, 2020

**TO:** Water Resources and Watershed Committee

**FROM:** Matthew S. Dickens, MPA *MSD*  
Resource Conservation Manager

**SUBJECT:** Authorize the General Manager to Implement the Purple PREP Pilot for Recycled Water Onsite Conversion Support

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### SUMMARY

SCV Water staff seeks to implement the Purple PREP (Planning, Readiness, and Effectuating Program) Pilot to assist customers with pertinent financial, technical, and regulatory hurdles in advance of imminent conversion to recycled water. The project goals are to work with impacted irrigation customers to convert to recycled water pursuant to completion of recycled water extension Phases 2B and 2D in accordance with applicable State Water Resources Control Board, Los Angeles Regional Water Quality Control Board, and LA County Department of Public Health requirements and pertinent SCV Water rules and regulations for the use of recycled water. Much like many of its existing rebate and incentive programs, Purple PREP aims to support irrigation customers with their conservation efforts by converting potable water demand to recycled water. With the Purple PREP Pilot, SCV Water would provide up to \$150 per acre-foot (AF) for an estimated 5 years of use; not to exceed actual retrofit costs, or Direct Installation of required retrofit materials pursuant to request and agreement between SCV Water and the end-use customer.

### DISCUSSION

According to its Strategic Plan, SCV Water's mission is to provide reasonable water stewardship to ensure the Santa Clarita Valley has reliable supplies of high-quality water at a reasonable cost. To accomplish this, SCV Water has implemented many supply and infrastructure projects aimed at diversifying its supply portfolio and furthering its sustainable and resilient water management capabilities. Regarding mandates, the State of California passed AB 1668 and SB 606 (Making Conservation a California Way of Life) which will require urban water suppliers to meet annual water use objectives beginning in 2023. Conservation and the expanded use of recycled water will be critical to achieving the annual urban water use objectives and are essential to securing supply reliability in the Santa Clarita Valley.

Currently, Recycled Water accounts for ~1% of total annual production. However, in 2020, SCV Water initiated construction of Recycled Water Phases 2B and 2D to both extend and expand its existing recycled water assets. Currently, construction of Phases 2B and 2D are expected to complete in early 2021. Phases 2B and 2D collectively will convert 40 city, county, school, and homeowner association irrigation meters with annual aggregate demands of ~360 AF from potable to recycled water. Staff has been working with impacted customers along both phases to develop an incentive program to assist with the financial, technical, and permitting needs required by the State Water Resources Control Board, the Los Angeles Regional Water Quality

Control Board, and the LA County Department of Public Health when converting to recycled water. Based on customer feedback, conversion costs, those incurred by the customer, were identified as a key impediment to conversion. Conversion costs include system design, permitting, construction, and signage. Providing financial assistance would mitigate customer cost constraints and increase participation and agreement for eventual conversion to recycled water. Additionally, many customers identified that both administrative and construction support are necessary in order to convert to recycled water.

Staff proposes implementing the Purple PREP Pilot to assist with on-site conversion costs, project administration, and retrofit construction, as requested by the end-use customer. Purple PREP would provide such support via a two-option approach; incentive-based on actual conversion costs, or through a direct installation program. The option-based approach provides increased flexibility to customers and recognizes that while some customers seek to implement required recycled water retrofits internally, other customers may prefer comprehensive support by SCV Water. Further, staff proposes the pilot program to run for a two-year period from January 1, 2021 through December 31, 2022, or until funding is exhausted, whichever occurs first. SCV Water's expenditures are not expected to exceed \$890,000.

If approved, Option A (Incentive) would provide up to \$150 per AF for the estimated five years of use, up to the actual retrofit costs. In this case, if a participating site uses 55 AFY, they would receive a maximum one-time incentive of \$41,250 (5 Years X 55 AF X \$150) following verification of site retrofit and approval of supplemental documentation. However, if actual conversion costs were \$30,000, the one-time incentive would not exceed this amount. The complete list of terms and conditions can be found in Attachment A. Payments would be made directly to the customer listed on the account or could be transferred to a licensed contractor upon request by the customer and pursuant to SCV Water's approval (see Attachment B).

Eligible costs would include design, permitting, construction, and installation of pertinent signage as required by the LA County Department of Public Health. Payments would be distributed following connection and verification of all required retrofits. Incentives would only be eligible to existing potable water customers converting to recycled water. New construction intended for recycled water use and customers without access to a recycled water distribution line would be ineligible for the program. For efficient and effective implementation, staff recommends that the Pilot Program be added to the existing Conservation Program portfolio.

Option B (Direct Installation) provides end-use customers with administration and construction support in addition to planning, technical, and cost components. End-use customers would be required to submit a request for Option B (See Attachment C) and request transfer of ownership post construction and applicable warranty periods (See Attachment D). Customers participating in Option A would be ineligible for participation in Option B and vice-versa.

Additionally, the Purple PREP Pilot will provide information to help evaluate and identify the impacts of conversion costs for use of recycled water. The incentive program will help customers mitigate cost constraints and promote optimal utilization of SCV Water's planned recycled water extension projects.

## **Next Steps**

If approved, staff will coordinate with customers to prepare site conversion in advance of completion of Phases 2B and 2D; currently scheduled for early 2021. Further, staff will develop supplemental educational and engagement materials to communicate the Purple PREP Pilot and the multiple benefits of recycled water use to affected customers and to the community at-large. While the Purple PREP Pilot aims to incentivize conversion to recycled water by mitigating customer cost constraints, staff is currently researching additional support instruments including a Recycled Water Required Use Ordinance (RUO) to further align with applicable water code specific to the uses of recycled water (Attachment E).

On December 9, 2020, the Water Resources and Watershed Committee considered staff's recommendation to authorize the General Manager to implement the Purple PREP Pilot for recycled water onsite conversion support.

## **FINANCIAL CONSIDERATIONS**

As previously noted, the total costs for the Purple PREP Pilot are not expected to exceed \$890,000. For planning support, staff met with impacted customers, coordinated sample site evaluations via external consultants, evaluated cost/benefit analysis using FY 2019 average variable production costs, and budgeted in FY 2019/20 and FY 2020/21 capital budgets respectively. Cost estimates for conversion are based upon existing landscape irrigation plans, sample site visits, and applicable LA County Department of Public Health use of recycled water requirements. Upon approval, construction could begin in FY 2020/21.

While sufficient funds are included the FY 2020/21 Major Capital budgets for Phases 2B and 2D, respectively, to provide the proposed incentives and/or direct installation support, additional expenditures may be allocated to the existing BMP budget should they exceed estimated costs. Additionally, staff will scan for grant availability during the proposed pilot project term.

## **California Environmental Quality Act (CEQA)**

The proposed Purple PREP Pilot is not defined as a project under CEQA because it involves the creation of agency funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project, which may result in a potentially physical impact on the environment (Section 153788(b)(4) of the State CEQA Guidelines). For projects under the plan that may require subsequent approval, a CEQA review will be conducted and, if warranted, environmental documentation for such projects will be prepared and processed in accordance with CEQA and the State CEQA Guidelines.

## **RECOMMENDATION**

The Water Resources and Watershed Committee recommends that the Board of Directors authorize the General Manager to implement the Purple PREP Pilot for recycled water on-site conversion support.

MD

Attachments

Attachment A - \*DRAFT\* Purple PREP Application Terms and Conditions

Attachment B - \*DRAFT\* Rebate/Incentive Transfer Request

Attachment C - \*DRAFT\* Recycled Water On-site Conversion Entry License Agreement

Attachment D - \*DRAFT\* Bill of Sale

Attachment E - \*DRAFT\* Required Use Ordinance



## **Purple PREP**

### **(Planning, Retrofitting, and Effectuating Program)**

#### **Application Terms and Conditions**

1. Eligible projects must meet all the criteria:
2. Project must be within SCV Water's service area. Projects outside SCV Water's service area are not eligible.
3. Project must offset the demand on SCV Water's potable water system.
4. Project must not be under construction. Work on-site must commence after project confirmation unless approved in writing by SCV Water.
5. Recycled water must be available for delivery to the project site at the time of application.
6. If recycled water is not yet available but is still in the process of being made available for delivery to the project site, at the time of application, reservation may be accepted on a case-by-case basis.
7. Reservation is required to be qualified for the incentive.
8. Reservation is available on a first-come, first-served basis.
9. Incomplete applications may not be eligible.
10. Confirmation of a reservation by SCV Water is subject to availability of funds for this Program. Project is considered to be part of Program when reservation is confirmed.
11. Confirmed reservations are non-transferrable and are not assignable.
12. Reservation expires 90 days after the reservation confirmation date if the construction start date is not updated online by the owner. Any updates after the 90-day expiration date will not be accepted. If reservation is canceled, the owner may re-apply for a reservation as long as construction has not started.
13. One project reservation must be made per project. Multiple site addresses in a single reservation may be accepted. Duplicate addresses will not be accepted. Phased projects will be considered on a case-by-case basis.
14. The Program incentive amount will be a one-time payment, or incremental payment pursuant to approval by SCV Water and in accordance with applicable terms and conditions in dollars, and shall be the lesser of:

- a. Actual Retrofit Costs, or
  - b. For dedicated meters - \$150 per acre-foot times the average annual irrigation water use over the previous three years in acre-feet for five years of use (AFY X 5 Years X \$150).
  - c. For mixed-use meters - lesser of:
    - i. \$150 per acre-foot times the average annual water use over the previous three years in acre-feet for five years of use (AFY X 5 Years X \$150), or
    - ii. \$150 per acre-foot times irrigated acreage times the EvapoTranspiration (ET) as identified by CIMIS Station No. 204 for five years of projected use (AFY X 5 Years X \$150).
  - d. The maximum incentive amount payable by SCV Water for a reservation is established by SCV Water at the time the reservation is confirmed.
15. Incentives will not exceed the reserved amount and are subject to verification, completeness, and accuracy of all required documentation.
  16. Incentive payments are made when all invoices and eligible costs are verified, and the connection and use of recycled water is confirmed to be operational.
    - a. Itemized invoices (materials, labor, equipment, etc.) must be submitted.
    - b. Pursuant to written approval by SCV Water, customers may submit invoices for payment on an incremental basis.
  17. After reservation confirmation is received:
    - a. Project construction on the site must commence within 90 days.
  18. SCV Water, at its sole discretion, reserves the right to allow additional time to start operation of the project.
  19. Incentive checks will be issued to the owner listed on the water bill and mailed to a verifiable mailing address.
    - a. Upon request by the owner listed on the water bill, SCV Water may transfer incentive checks to the licensed contractor as identified in the completed Rebate/Incentive Transfer Request.
    - b. Rebate/Incentive requests must be submitted in the customer's complete Purple PREP Incentive Request documentation submittal.
    - c. SCV Water, at its sole discretion, reserves the right to reject rebate/incentive transfer requests.
  20. SCV Water has no obligation under this agreement to pay the stated incentive if not completed by the dates specified.
  21. SCV Water has no obligation to pay the stated incentive if SCV Water Board determines that it will no longer provide incentive or other financial support for recycled water retrofits through the On-Site Retrofit Program.
  22. The payee's Social Security or Tax ID number must be provided in order to receive an incentive. This is in compliance with exemptions to the Federal Privacy Act of 1974, 42 UCS 405 (c )(2)(c ). The Internal Revenue Service requires Program participants receiving \$600 or more in rebates (incentives) to receive an IRS Form 1099 unless exemptions apply. Social Security numbers provided as part of the application process are held in confidence under terms of the Privacy Act and are not divulged or otherwise conveyed to individuals or organizations outside the Rebate Program.

23. SCV Water shall withhold payment until all retrofits and signage, in accordance with all LA County Department of Public Health requirements, have been installed and verified, unless otherwise directed by SCV Water for incremental payment.
  - a. SCV Water reserves the right to verify the retrofitted sites. If a retrofit cannot be verified, the owner will be required to refund any incentive amount paid by SCV Water, including all associated processing costs. Access to retrofitted sites must be provided.
24. Owner is the sole owner of all Project facilities. SCV Water has no ownership right, title, security interest or other interest in any Project facilities.
25. Owner shall be solely responsible for operating and maintaining the Project in accordance with all applicable local, state, and federal laws. SCV Water shall have no rights, duties or responsibilities for operation and maintenance of the Project.
26. Owner shall maintain retrofit equipment and signage for the duration of recycled water use and agrees to maintain irrigation with recycled water for a period of no less than five (5) years.
27. **Disclaimer:** SCV Water does not make any representation or warranty regarding the retrofits made under this program. By participating in the program, the owner agrees to waive and release SCV Water from any and all claims and causes of action arising out of the purchase, installation or use of the items purchased in connection with the program. Any claim you may have based upon any defect or failure of performance of an item purchased by you should be pursued with the manufacturer or distributor.
28. Owner agrees at its sole cost and expense to protect, indemnify, defend, and hold harmless SCV Water and its Board of Directors, officers, representatives, agents and employees from and against any and all claims and liability of any kind (including, but not limited to, any claims or liability for injury or death to any person, damage to property, natural resources or to the environment, water quality problems, or cross connections with potable water) that arise out of or relate to Owner's approval, construction, operation, repair or ownership of the Project. Such indemnity shall include all damages and losses related to any claim made, whether or not a court action is filed, and shall include attorney's fees, administrative and overhead costs, engineering and consulting fees and all other costs related to or arising out of such claim or asserted liability.
29. Owner shall include the following language in its agreement with any consultant or contractor retained by Owner to work on the Project: "(Consultant) agrees at its sole cost and expense to protect, indemnify, defend, and hold harmless SCV Water and its Board of Directors, officers, representatives, agents and employees from and against any and all claims and liability of any kind (including, but not limited to, any claims or liability for injury or death to any person, damage to property, natural resources or to the environment, water quality problems, or cross connections with potable water) that arise out of or relate to Owner's approval, construction, operation, repair or ownership of the Project. Such indemnity shall include all damages and losses related to any claim made, whether or not a court action is filed, and shall include attorney's fees, administrative and overhead costs, engineering and consulting fees and all other costs related to or arising out of such claim or asserted liability."
30. Owner is solely responsible for any actions arising under the California Environmental Quality Act (Pub.Res.Code §21000 et seq.).

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**Water Conservation Programs  
Rebate/Incentive Transfer Request**

Date: \_\_\_\_\_  
Application ID/No.: \_\_\_\_\_  
Rebate/Incentive Expiration Date: \_\_\_\_\_

**Customer Name (SCV Water account):** \_\_\_\_\_  
**SCV Water Account Number:** \_\_\_\_\_  
**Customer Service Address:** \_\_\_\_\_  
**Customer Contact (Responsible Party):** \_\_\_\_\_  
**Title/Company:** \_\_\_\_\_  
**Estimated Rebate/Incentive:** \_\_\_\_\_

This letter authorizes SCV Water to issue the reserved rebate/incentive, for the eligible water use efficiency or recycled water site retrofit project application at my service address (business, home, HOA, other), to the licensed vendor or installer on record for this project:

**Business Name:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
**Contact Name:** \_\_\_\_\_  
**Phone:** \_\_\_\_\_  
**Email Address:** \_\_\_\_\_  
**CA State Contractor's License #:** \_\_\_\_\_  
**City of Santa Clarita Business #:** \_\_\_\_\_  
**Federal Tax ID#:** \_\_\_\_\_  
**Proposal/Project #:** \_\_\_\_\_

I understand that the rebate/incentive amount to be paid is based upon information provided in the approved rebate application form. If the project is not completed in its entirety, as identified in the project application, the rebate amount is subject to change. I understand that all other rules and requirements are applicable and that SCV Water may perform, at its discretion, a third party analysis in order to determine the appropriate rebate amount and/or to verify that work has been completed as stated in the final or incremental rebate application.

\_\_\_\_\_  
Customer Authorized Signature                      Phone Number                      Date

\_\_\_\_\_  
Printed Name                      Title

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**PURPLE PREP – Option B: RECYCLED WATER ON-SITE CONVERSION ENTRY LICENSE AGREEMENT**

THIS RECYCLED WATER ON-SITE CONVERSION-ENTRY LICENSE AGREEMENT ("Agreement") is entered into as of \_\_\_\_\_, 2021 ("Effective Date") by and between the Santa Clarita Valley Water Agency (SCVWA, Agency), a public agency of the State of California ("SCVWA") and \_\_\_\_\_ ("Owner"). Owner and SCVWA shall sometimes be referred to individually as "Party" collectively as "Parties."

**RECITALS**

A. Owner is the owner of that certain real property located in SCVWA's service territory, State of California and identified/described on Exhibit "A" attached hereto and by this reference incorporated herein ("Property").

B. SCVWA has implemented service agreements with the Los Angeles County Sanitation SCVWA and the City of Santa Clarita to provide treated recycled water (Recycled Water) distribution and retail service within the agency's service area, including to the Property.

C. SCVWA currently provides potable water ("Potable Water") to the Property for irrigation purposes. In lieu of Potable Water, Owner has agreed to purchase Recycled Water from the Agency for the purpose of irrigating the Property.

D. Installed on the Property is an irrigation water system ("Existing Water System") which has been used by Owner to distribute Potable Water to the Property.

E. Prior to the delivery of Recycled Water to the Property, Agency shall convert the Existing Water System to a recycled water system ("Recycled Water System"), including, but not limited to, installing backflow and pressure-reducing devices and irrigation piping modifications and signage. A description of the modifications to convert the Existing Water System to the Recycled Water System are described and/or depicted on Exhibit "A" attached hereto ("Modifications").

F. SCVWA is willing to construct and install the Modifications and to transfer to Owner the Modifications after installation thereof and Owner is willing to accept the transfer of the Modifications on the terms and conditions set forth herein.

G. SCVWA is offering financial assistance via its Purple PREP Option A (Program) that will provide financial incentives directly to public or private owners of real property to convert potable water irrigation service to recycled water service. Items eligible for reimbursement include, without limitation, project design, permitting, construction costs associated with the retrofit of potable to recycled water systems, connection fees and signage. SCVWA provides reimbursement under the Program of up to One Hundred and Fifty Dollars (\$150.00) per acre-foot for five (5) years of estimated water use by the applicant, with a maximum reimbursable amount of the actual retrofit costs.

(2) Program works on a first-come, first-served basis. Applications for the Program are available online at [bewaterwise.com](http://bewaterwise.com) beginning January 1, 2021. The application must be submitted to SCVWA by the Owner.

(3) Participation in the On-Site Conversion Direct Installation program waives Owner's eligibility and/or participation in Purple PREP Option A including access to incentive disbursement for all work conducted on property receiving support via Purple PREP Option B – Direct Installation.

H. Following completion of all retrofits required for recycled water conversion, Owner agrees to maintain all retrofits and irrigate site with recycled water for no less than ten (10) years.

**NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:**

1. (a) SCVWA shall design, construct and install, at SCVWA's sole cost and expense, the Modifications as shown or described on Exhibit "A."

(b) SCVWA, at SCVWA's sole cost and expense, shall secure or cause to be secured all necessary permits, licenses, approvals from all necessary governmental authorities to construct and install the Modifications.

2. Owner hereby grants to SCVWA a non-exclusive license over, under, upon, along, through and across the Property to: (a) construct and install the Modifications and appurtenances thereto; and (b) remove the applicable portions of the Existing Water System, along with the reasonable right of access to and from said license for the purposes of exercising the rights granted herein.

3. SCVWA shall not permit to be enforced against the Property any liens arising out of any work performed by or on behalf of SCVWA hereunder or any material furnished to the SCVWA. SCVWA shall discharge or post a bond against all such liens within a reasonable amount of time after an action is brought to enforce the same.

4. SCVWA agrees to indemnify, defend and hold Owner and its officers, directors, employees and agents harmless from and against all losses, damages, liabilities, claims, demands, obligations, causes of action, judgments, costs, settlements or expenses of any kind or character (including reasonable attorneys' fees) incurred by Owner (collectively, "Costs"), including, without limitation, from injuries to or death of persons and/or damage to property, arising from the activities of SCVWA pursuant to this Agreement, save and except those arising from the negligence, intentional acts or willful misconduct of Owner or Owner's employees, agents and representatives.

5. SCVWA shall restore, or cause to be restored, the surface or subsurface of the Property to the condition the Property was in as of the time of performance of construction and installation of the Modifications and such restoration shall be performed with due diligence and dispatch. Notwithstanding the foregoing, the SCVWA shall use commercially reasonable efforts to restore or cause restoration within thirty (30) days of the construction and installation of the Modifications.

6. Upon the completion of the construction and installation of the Modifications, SCVWA shall complete and deliver to Owner a Bill of Sale in the form and content set forth on Exhibit "B" attached hereto and by this reference incorporated herein,

7. SCVWA warrants to Owner that the Modifications shall be free from construction defects for a period of twelve (12) months after SCVWA has completed construction of the Modifications ("Warranty Period"). SCVWA shall repair or cause to be repaired, at SCVWA's sole cost and expense, all failures of the Modifications due to faulty materials or faulty installation ("Warranty Issue") within the foregoing Warranty Period; provided such demand is made by Owner within the Warranty Period. SCVWA shall repair or cause to be repaired the Warranty Issue within thirty (30) days after receipt of a written notice from Owner. In the event the Warranty Issue may not be remedied in the thirty (30) day period, SCVWA shall initiate such repair within such period and diligently and continuously prosecute such repair to cure, taking all reasonable mitigation measures to protect Owner's employees, residents, owners and guests and property during the repair process.

8. On the completion of the Modifications and subject to the warranty set forth in Section 7 of this Agreement, the Recycled Water System, including, without limitation, the Modifications, shall be owned, operated, repaired, replaced and maintained by Owner, at Owner's sole cost and expense. Maintenance, operation and usage of the Recycled Water System, including the Modifications, shall be in accordance with the requirements of SCVWA's ordinances, rules and regulations for recycled water, as amended from time-to-time.

Owner shall, at its own cost and expense, at all times keep and maintain the Recycled Water System, including the Modifications, in fully operable and functioning condition. Except as otherwise provided herein, SCVWA shall have no obligation, liability or responsibility whatsoever with respect to operation, maintenance, repair or replacement of the Recycled Water Facilities, including the Modifications.

9. Prior to the provision of Recycled Water to the Property, Owner shall obtain a permit from SCVWA to use Recycled Water on the Property. Owner shall comply with all SCVWA rules, regulations, ordinances and procedures (collectively, "Rules") with respect to the use of Recycled Water as such Rules may be modified from time-to-time.

10. (a) Owner hereby agrees that the SCVWA will complete the online application for the Program on the Owner's behalf for the Property. SCVWA shall complete and submit the application to SCVWA and provide a copy of the application to the Owner. Owner further agrees to irrevocably provide in the application that all rebate funds (reimbursable amounts) associated with the Program will be directed to the SCVWA.

(b) Owner agrees at his/her/its sole cost and expense to protect, indemnify, defend, and hold harmless SCVWA and its Board of Directors, officers, representatives, agents and employees from and against any and all claims and liability of any kind (including, but not limited to, any claims or liability for injury or death to any person, damage to property, natural resources or to the environment, water quality problems, or cross connections with potable water) that arise out of or relate to Owner's operation, repair or ownership of the Modifications ("Claims"). Such indemnity shall include all damages and losses related to any claim made, whether or not a court action is filed, and shall include attorney's fees, administrative and overhead costs, engineering and consulting fees and all other costs related to or arising out of such claim or asserted liability. The foregoing indemnity is required by SCVWA as a condition to reimbursement of certain costs pursuant to the Program as more particularly described in Recital G. In consideration of the performance required of Owner pursuant to this Agreement, SCVWA will take responsibility for any and all such Claims. As such, SCVWA shall at its sole cost and expense defend, indemnify and hold harmless Owner and its officers, directors, representatives, agents and employees from

and against any Claims made against them by SCVWA or its Board of Directors, officers, representatives, agent and employees pursuant to this Section 10(b).

11. (a) Each individual and entity executing this Agreement hereby represents and warrants that he, she or it has the capacity set forth on the signature pages hereof with full power and authority to bind the Party on whose behalf he, she or it is executing this Agreement to the terms hereof.

(b) This Agreement is the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, between the Parties with respect to the matters contained in this Agreement. Any waiver, modification, consent or acquiescence with respect to any provision of this Agreement shall be set forth in writing and duly executed by or in behalf of the Party to be bound thereby. No waiver by any Party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.

(c) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other Parties to this Agreement attached hereto.

(d) Time is of the essence in the performance of and compliance with each of the provisions and conditions of this Agreement.

(e) Any communication, notice or demand of any kind whatsoever which either Party may be required or may desire to give to or serve upon the other shall be in writing and delivered by personal service (including express or courier service), by electronic communication, whether by e-mail or telecopying (if confirmed in writing sent by registered or certified mail, postage prepaid, return receipt requested), or by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

SCVWA:                   Attention: General Manager  
                              27234 Bouquet Canyon Rd.  
                              Santa Clarita, CA, 91350  
                              Telephone: 661-297-1600  
                              Facsimile: 661-297-1610  
                              E-Mail: mstone@scvwa.org

Owner:                   XXXXXXXXXXXX

[Address]

Attention:

Telephone:

Facsimile:

E-Mail:

Any Party may change its address for notice by written notice given to the other in the manner provided in this Section. Any such communication, notice or demand shall be deemed to have been duly given or served on the date personally served, if by personal service, one (1) day after the date of confirmed dispatch, if by electronic communication, or three (3) days after being placed in the U.S. mail, if mailed.

(f) Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but, if any provision of this Agreement shall be invalid or prohibited thereunder, such invalidity or prohibition shall be construed as if such invalid or prohibited provision had not been inserted herein and shall not affect the remainder of such provision or the remaining provisions of this Agreement.

(g) The language in all parts of this Agreement shall be in all cases construed simply according to its fair meaning and not strictly for or against any of the Parties hereto. Section headings of this Agreement are solely for convenience of reference and shall not govern the interpretation of any of the provisions of this Agreement. References to "Sections" are to Sections of this Agreement, unless otherwise specifically provided.

(h) This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(i) If any action is brought by either Party against the other Party, the prevailing Party shall be entitled to recover from the other Party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action. For purposes of this Agreement, the term "attorneys' fees" or "attorneys' fees and costs" shall mean the fees and expenses of counsel to the Parties hereto, which may include printing, photostating, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and other persons not admitted to the bar but performing services under the supervision of an attorney.

(j) The Parties agree that any action or proceeding to enforce or relating to this Agreement shall be brought exclusively in the state or federal courts located in Orange County, California, and the Parties hereto consent to the exercise of personal jurisdiction over them by any such courts for purposes of any such action or proceeding.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

**Attachment C**  
SCV Water

Purple PREP Option B - Draft Recycled Water On-Site Conversion Agreement

**OWNER:**

XXXXXXXXXXXXXXXXXX

**SCVWA:**

Santa Clarita Valley Water Agency,  
a public agency of the State of California

By: \_\_\_\_\_

By: \_\_\_\_\_

Matt Stone, General Manager

Its: \_\_\_\_\_

By: \_\_\_\_\_

DRAFT



**BILL OF SALE**

This is to acknowledge that the Santa Clarita Valley Water Agency, a public agency of the State of California (“District”), has this day, transferred to \_\_\_\_\_ (“Owner”) for good and valuable consideration, receipt of which is hereby acknowledged, the modifications installed on certain real property owned by Owner which Modifications are shown or described on Exhibit “A” attached hereto and by this reference incorporated herein (“Modifications”).

SCVWA warrants (1) that the Modifications are free and clear of any encumbrances, and (2) that the Modifications are free of all defects in material and workmanship for one year from the date the Bill of Sale is executed. It shall be the SCVWA’s responsibility to pay for all repairs required within said one year period which are due to defects in material and workmanship.

Except for the warranty set forth in the paragraph above, Owner hereby agrees to indemnify, defend and hold SCVWA and its officers, directors, employees and agents harmless from and against any and all claims, liabilities, damages, actions, costs, including attorney’s fees and costs of any nature whatsoever that may arise from Owner’s ownership, condition and usage of the Modifications, save and except those arising from the negligence, intentional acts or willful misconduct of SCVWA or SCVWA’s employees, agents and representatives.

**AGENCY:**

SANTA CLARITA VALLEY WATER AGENCY;  
a public agency of the State of California

By: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

**OWNER:**

XXXXXXXXXXXXXXXXXXXX

By \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

DRAFT

**“EXHIBIT “A”**

LIST OF MODIFICATIONS

DRAFT

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## **1. PURPOSE**

1.01 (a) To conserve and best use the limited water resources of the wastewater collected and treated by the LA County Sanitation District and distributed by SCV Water shall be made available for beneficial use as recycled water.

1.01 (b) Allowable uses generally include landscape irrigation, agricultural irrigation, building evaporative cooling and HVAC, industrial process water, and construction water for dust control and compaction.

1.01 (c) The use of recycled water will help SCV Water meet its water conservation and sustainability goals.

1.01 (d) Customers subject to mandatory recycled water use in accordance with section 1.02 below are required to utilize recycled water in place of potable water for all approved uses where economic and practical.

### **1.02 PARCELS SUBJECT TO MANDATORY USE OF RECYCLED WATER**

Recycled water use will be required for all parcels where recycled water is available which have greater than 2,500 square feet of landscaped area or greater than 50,000 gallons per year of potable water use which can be substituted with recycled water. Residential parcels zoned R-1 and R-2 (single family and duplex) are exempted from the required use of recycled water.

SCV Water will maintain a map indicating the locations of parcels included in areas. This map will be updated at the beginning of each fiscal year following the construction or activation of a recycled water distribution system.

Parcels where recycled water is available, which are not exempt from mandatory recycled water use requirements, must convert to utilize recycled water upon notification by SCV Water that recycled water is available at the property. It is the parcel Owner's responsibility to modify their piping and equipment to lawfully use recycled water. Conversion to recycled water will be required within 180 days of notification by SCV Water of recycled water availability.

When SCV Water constructs a recycled water main fronting a portion of a parcel, that parcel becomes subject immediately to the required use of recycled water.

All properties that are subject to the required use of recycled water will be exempt from the requirements of the model landscape ordinance. The use of recycled water, when required, will be a condition of potable water service.

### **1.03 APPLICATION AND APPROVAL**

1.03 (a) An application for recycled water service shall be made in writing, signed by the Applicant, Owner, or Customer. A signed application is an agreement to comply with the Recycled Water Required Use Ordinance governing the use of recycled water.

1.03 (b) The Customer will be required to apply for approval to utilize recycled water from the Los Angeles County Department of Public Health. Approval from the State of California Department of Public Health may also be required.

1.03 (c) The Customer must comply with the requirements of all applicable Federal, State, and local statutes, ordinances, regulations, and requirements. Current requirements are available from SCV Water.

#### **1.04 SERVICE LINE**

1.04 (a) Size, Location, and Installation of Service Line. SCV Water reserves the right to determine the size of the service lines, the service connections, the meters, and shall also have the right to determine the kind and size of backflow protection devices for potable and recycled water service. The service lines shall be installed to the property line of the Customer's property, abutting the public street or easement of the recycled water main.

1. SCV Water reserves the right to limit the area of land to be supplied by one service connection to one Owner. A service connection shall not be used to supply adjoining property of a different Owner. A homeowners association responsible for maintaining common area landscaping shall be considered one Owner.
2. When property provided with a service connection is subdivided, such connection shall be considered as serving the lot or parcel of land that it directly or first enters. Additional mains and/or recycled water service lines will be required for all subdivided areas in accordance with the Recycled Water Required Use Ordinance.
3. All recycled water used on any premises must first pass through a meter. Customers shall be held responsible and charged for all recycled water passing through their meter(s).
4. Every recycled water service line installed by SCV Water shall be equipped with a curb stop or gate valve on the inlet side of the meter. Such valve or curb stop shall be for the exclusive use of SCV Water in controlling the recycled water supply through the service line. The Customer is prohibited from using this valve. If the curb stop or valve is damaged by the Customer's use, the repair or replacement shall be at the Customer's expense.
5. The Customer shall provide a suitable shut-off valve located within one foot downstream of the outlet side of the meter. There shall be no tap or branch between this valve and the meter. The valve shall be owned and maintained by the Customer.

1.04 (b) Construction Fee (Hook up). The fee for providing the recycled water service line, meter and ancillary facilities as set forth in this Recycled Water Required Use Ordinance is the actual cost to SCV Water for the installation as set forth by SCV Water. SCV Water will provide the customer with an estimate for the construction cost and fees associated with the customer's project. The construction cost estimate for the water works in the City's right-of-way will cover the cost of labor, material, equipment, paving and other fees described in this Recycled Water Required Use Ordinance. The estimate shall be paid in full and in advance of any work by SCV Water. The actual costs of installation will be determined after construction is completed. If the actual cost is less than the estimate, the customer will be refunded the difference. An additional deposit will be required before installation if there are changes to the original scope of work or a change in field conditions. The cost estimate is valid for one year. The customer shall contact Water Engineering/Resources Section to renew the cost estimate if the estimate is older than

one year. This fee may be waived for Customers who are required to convert their existing on-site uses to recycled water.

1.04 (c) Connection Fee. The Connection Fee for a new user who does not have an existing connection or who is increasing service/meter sizes shall be the same as for domestic services as set by SCV Water. Credit shall be given for domestic services converted to recycled services provided the domestic service is abandoned. This fee may be waived for Customers who are required to convert their existing on-site uses to recycled water.

### **1.05 BACKFLOW PROTECTION**

1.05 (a) A physical interconnection between the potable and the recycled water systems is prohibited. Separation of the potable and recycled water systems is essential to the protection of water quality in the potable system. SCV Water and/or LA County will perform regular testing to confirm this separation.

1.05 (b) If a premise is supplied with both potable water and recycled water, then backflow protection with an approved air gap (AG) must be provided at each potable water service connection. A reduced pressure principle (RP) backflow preventer may be used in-lieu only with the approval of the Division of Drinking Water and SCV Water.

1.05 (c) Backflow preventers are not normally used on recycled water systems. However, SCV Water shall maintain water quality in the recycled distribution system. A backflow preventer may therefore be needed at a specific meter where on-site exposures could impact the quality of the nonpotable supply (i.e. fertilizer injection, additions of corrosion inhibitors).

1.05 (d) A detector check backflow device is required on all recycled water fire services. The meter on this assembly will be utilized to indicate prohibited connections to the recycled fire system.

1.05 (e) If potable water is temporarily used to supply the on-site recycled water system, the connection shall be protected with a reduced pressure principal (RP) device. The temporary connection will not be allowed unless the normal recycled water supply is physically disconnected.

### **1.06 SCHEDULING RECYCLED WATER**

SCV Water reserves the right to control and schedule the time of use of recycled water if, in the opinion of SCV Water's Operations, scheduling is necessary for purposes including, but not limited to, the maintenance of an acceptable working pressure in the recycled water system and for providing reasonable safeguards in relation to public health.

### **1.07 ON-SITE RECYCLED WATER FACILITIES**

1.07 (a) Any on-site recycled water facility shall be provided by the Applicant, Owner, or Customer, at the Applicant's expense. The Applicant, Owner, or Customer shall retain title to all such on-site facilities.

1.07 (b) On-site facilities shall conform to the requirements of Federal, State, and local agencies, in addition to these Recycled Water Required Use Ordinance.

## SCV Water

1.07 (c) A current set of record drawings of the on-site recycled water facilities shall be submitted to SCV Water. The drawings shall show both the recycled and the potable water systems. Copies of these drawings must be retained on-site for inspection at any time.

1.07 (d) On-site facilities shall be inspected by SCV Water prior to the initiation of recycled water service and at regular intervals thereafter for compliance with the Recycled Water Required Use Ordinance.

1.07 (e) Hose bibbs shall not be installed on the recycled water system. Quick-couplers fitted with hose bibbs shall not be left unattended.

1.07 (f) Drinking fountains shall be placed beyond the range of or protected from the spray of recycled water.

1.07 (g) Parallel recycled and potable pipelines shall not be laid in a common trench and shall have no less than ten feet of horizontal separation.

1.07 (h) The recycled water system shall be operated to prevent or minimize runoff or discharge outside the Customer's area. Should the application rate exceed the soil infiltration rate, an automatic system shall be used to program several shorter duration watering cycles to control runoff.

1.07 (i) Any changes to the on-site recycled water system or operating procedures shall be reported to SCV WATER in writing.

**1.08 NEW RECYCLED WATER FACILITIES**

1.08 (a) An application for recycled water service shall be submitted and approved to SCV Water prior to commencing construction.

1.08 (b) A Customer shall be required to submit an application for recycled water use to the Los Angeles County Department of Public Health and, if required, the State Water Resources Control Board Division of Drinking Water, and their approval must be obtained prior to commencing construction. These agencies may require inspection of recycled facilities during construction.

1.08 (c) Prior to commencement of service to any on-site system using recycled water, the installed system shall be tested under active conditions for compliance with the Recycled Water Required Use Ordinance.

**1.09 CONVERSION OF EXISTING FACILITIES TO RECYCLED WATER**

1.09 (a) Where it is planned that an existing water system be converted to a recycled water facility, the facilities to be converted to recycled water shall be investigated in detail, including a review of any record drawings, preparation of required reports, and determinations by SCV Water of measures necessary to bring the system into full compliance with the Recycled Water Required Use Ordinance.

1.09 (b) No existing potable water facilities shall be connected to or incorporated into the recycled water system without SCV Water approval.

1.09 (c) The converted recycled water facility shall be tested under active conditions for compliance with the Recycled Water Required Use Ordinance.



**1.10 MARKING OF ON-SITE PIPES AND APPURTENANCES**

1.10 (a) All recycled water and potable water piping and appurtenances must be identified in accordance with the Recycled Water User Manual developed by the Los Angeles County Recycled Water Advisory Committee. This manual is available from SCV Water or on the internet at [http://www.watereuse.org/files/images/RecycledWaterUserManual\\_0.pdf](http://www.watereuse.org/files/images/RecycledWaterUserManual_0.pdf)

**1.11 ON-SITE SUPERVISOR**

1.11 (a) Operation and Surveillance. The operation and surveillance of on-site recycled water systems, whether they are public or private, shall be under the management of an on-site supervisor designated by the user and approved by SCV Water.

1.11 (b) Identification of Supervisor. The identity of the current on-site supervisor will be kept by the local health department as well as SCV Water. It is the responsibility of the user to give notice of any changes in this position.

1.11 (c) Responsibility of Supervisor. The on-site supervisor shall be responsible for the installation and use of pipelines and equipment in accordance with the Recycled Water Required Use Ordinance set forth by SCV Water, as well as applicable Federal, State, and local statutes.

Although the on-site supervisor shall oversee the day-to-day operations of on-site facilities, SCV Water reserves the right to enter the user's premises for the purpose of inspecting on-site recycled water facilities and areas of recycled water use to ensure compliance with said Recycled Water Required Use Ordinance.

**1.12 INSPECTION OF FACILITIES**

1.12 (a) SCV Water reserves the right to inspect the premises to assure compliance with these requirements. Inspection may include the domestic water system if the likelihood of cross-connection hazards exists. At a minimum, the following inspections will be performed:

- Annual visual inspection to ensure compliance with LA County recycled water identification guidelines including, but not limited to, signage and irrigation system components.
- Triennial shutdown test detect the presence of physical cross connections between on-site potable and recycled water piping.

1.12 (b) Customer shall have the on-site supervisor accompany SCV Water's inspector during the inspection. Customer shall have available at time of inspection, current plans of both the domestic and recycled piping system.

1.12 (c) Failure to comply with these inspection requirements may result in a suspension of recycled and potable water service to the property.

**1.13 WARNING SIGNS AND LABELS**

1.13 (a) Warning signs shall be posted to notify the public where the recycled water is being used and that it is unsafe to drink.

1.13 (b) The size and placement of the signs will be dependent on the nature of the facility. A detailed plan showing placement of signs and their size shall be submitted for approval prior to establishing recycled water service.

1.13 (c) As a minimum, signs shall be no smaller than 8" x 10" with 1/2" letters reading Recycled Water - Do Not Drink.

#### **1.14 PROPERTY OWNER'S RESPONSIBILITY**

1.14 (a) If a property utilizing recycled water is sold or the financial responsibility for payment of the recycled water bills is transferred, the application and approval for recycled water service shall be void. The new Owner or operator must reapply for recycled water service in accordance with these Recycled Water Required Use Ordinance.

1.14 (b) Property Owner agrees that all leases of a property utilizing recycled water will include language regarding the use of recycled water and compliance with these Recycled Water Required Use Ordinance.

#### **1.15 RECYCLED WATER FOR WATER TRUCKS AND MOBILE SWEEPERS**

1.15 (a) Recycled water shall be made available to water trucks for use in landscape irrigation, dust control, or construction activities and mobile sweepers for pavement sweeping.

1.15 (b) The water truck or mobile sweeper shall contain an approved air gap between the filler tube and the tank to prevent back-siphonage. The vehicle shall be clearly labeled RECYCLED WATER - DO NOT DRINK.

1.15 (c) Applicant shall first comply with and execute a Temporary Recycled Water Use Agreement. Agreement requires the following:

1. Applicant shall be a contractor licensed by the State of California.
2. Applicant shall maintain a log of all transfers of recycled water. Any transfers outside of SCV Water's service territory must be authorized by SCV Water.
3. Applicant shall attend training session on the use of recycled water.
4. All vehicles to be used for the transfer of recycled water shall be inspected by SCV Water before use is authorized.
5. All required fees and deposits shall be paid before use is authorized.



## BOARD MEMORANDUM

**DATE:** December 28, 2021

**TO:** Board of Directors

**FROM:** Courtney Mael *CM*  
Chief Engineer

**SUBJECT:** Authorize General Manager to Execute a Construction Change Order to Pacific Hydrotech Corporation for the N Wells PFAS Groundwater Treatment and Well Q2 Perchlorate Removal Facility Project

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### SUMMARY

The construction of the N Wells PFAS Groundwater Treatment and Well Q2 Perchlorate Removal Facility Project is near completion. The construction of the N Wells has been completed and Well Q2 is anticipated to be completed by February 2021. During start-up of the N Wells, additional work beyond the original contract documents has been required due to unforeseen conditions. The cost of the additional work is \$47,781.05, resulting in a proposed total change order amount of \$226,701.41, which is 5.02% of the original bid amount. Staff is recommending that the Board of Directors authorize the General Manager to execute the change order of \$47,781.05.

### DISCUSSION

The Santa Clarita Valley Water Agency Board of Directors approved the awarding of a construction contract for the N Wells PFAS Groundwater Treatment and Well Q2 Perchlorate Removal Facility Project on December 10, 2019. The contractor, Pacific Hydrotech Corporation's, original bid amount was \$4,515,000. The construction of the N Wells has been completed and operational start-up is in-progress. The construction of Well Q2 is anticipated to be completed by February 2021.

During initial start-up of the N Wells, it was determined that the chemical feed pumps had to be replaced resulting in a change order cost of \$47,781.05. The total approved change orders that have been issued under the General Manager's authority is \$178,920.36, which is 3.96% of the original bid amount. The Agency's purchasing policy requires Board authorization for change orders that would increase total payments to a contractor by more than 4% of the original contract amount. The cost of the additional work is \$47,781.05, resulting in a proposed total change order amount of \$226,701.41, which is 5.02% of the original bid amount.

### CEQA Determination

At the October 1, 2019 Board meeting, the Board considered staff's CEQA determination that the PFAS Groundwater Treatment and Well Q2 Perchlorate Removal projects were categorically exempt from CEQA and agreed with the recommendation to file a Notice of Exemption for each project. Notices of Exemptions were filed with the Los Angeles County Clerk, Ventura County Clerk, and State Clearinghouse on October 2, 2019, October 4, 2019, and October 8, 2019 respectively. The 35-day statute of limitations for challenges to the Board's

action has passed and no challenges were filed. There have been no changes to the projects, and no additional CEQA review is required for the Board to take action on the recommendations below.

### **FINANCIAL CONSIDERATIONS**

The project is included in the Agency's FY 2020/21 Capital Improvement Budget for the N Wells PFAS Groundwater Treatment and Well Q2 Perchlorate Removal Facility Project. The project's total estimated cost, including planning, design, construction management, construction, inspection and miscellaneous costs, is \$8,900,000. As of November 30, 2020, the project's total expenses are \$6,344,000.

### **RECOMMENDATION**

That the Board of Directors authorize the General Manager to execute a change order to the contract with Pacific Hydrotech Corporation to increase the construction contract amount by \$47,781.05 to \$4,741,701.41 for the N Wells PFAS Groundwater Treatment and Well Q2 Perchlorate Removal Facility Project.

Attachment

M65

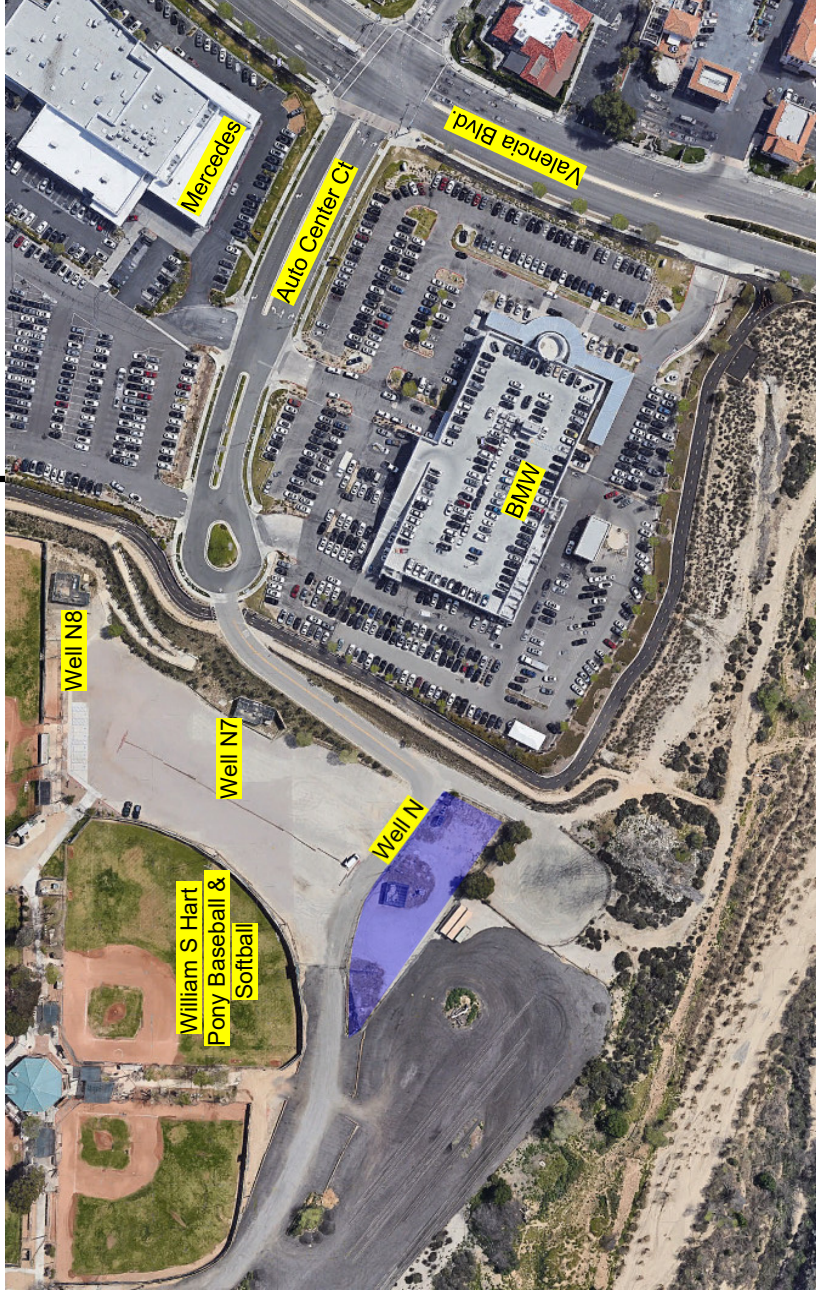


January 5, 2021

# Construction Update on the N Wells PFAS Groundwater Treatment and Well Q2 Perchlorate Removal Facility Project

Board Meeting

# N Wells PFAS Groundwater Treatment Location Map



# N Wells PFAS Groundwater Treatment 3-D Rendering



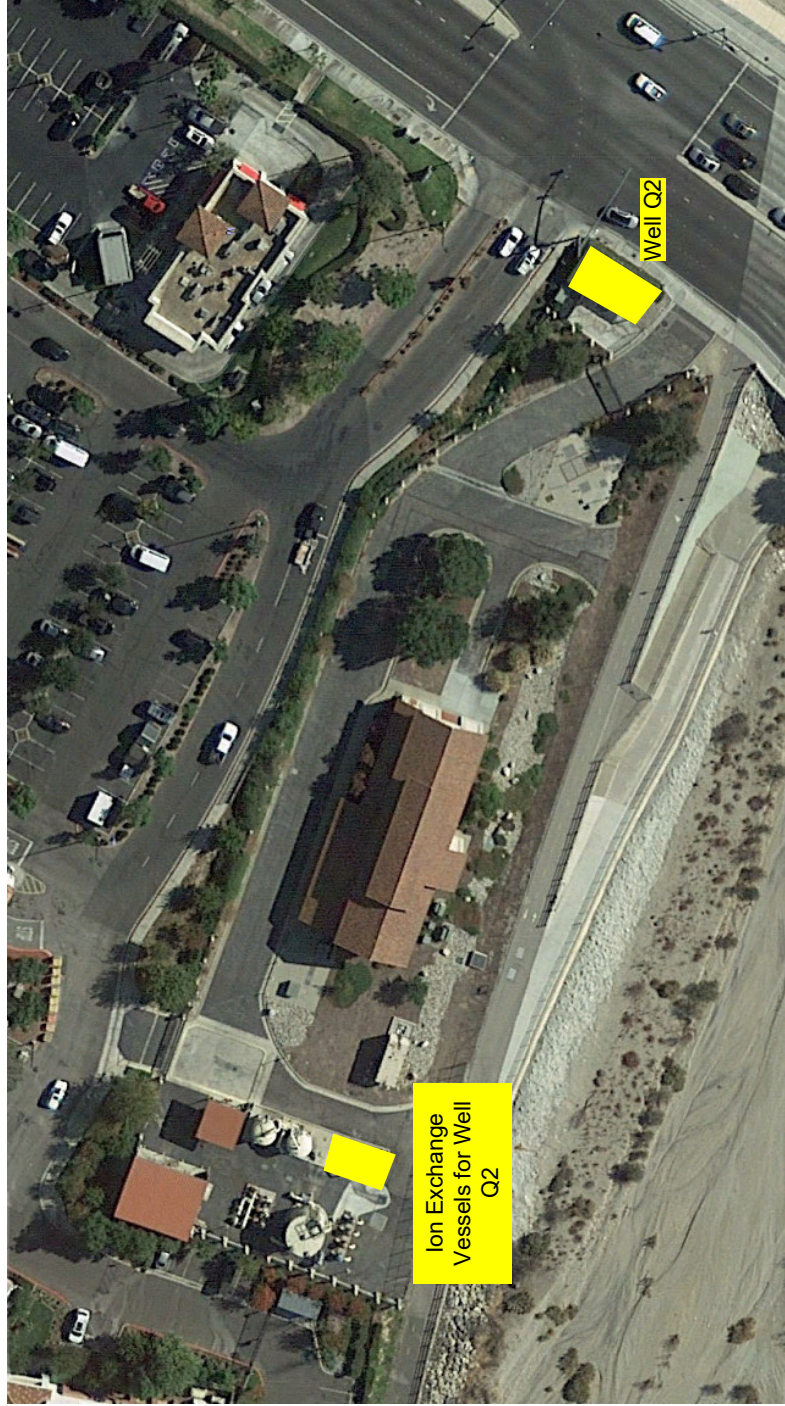
YOURSCVWATER.COM

# N Wells PFAS Groundwater Treatment Site Picture





# Well Q2 Perchlorate Removal Facility Location Map



## N Wells PFAS Groundwater Treatment and Well Q2 Perchlorate Removal Facility Project Contract Bid

<u>Bidder</u>	<u>Bid Amount</u>
Pacific Hydrotech Corp.	\$4,515,000

- Board of Directors approved the project on December 10, 2019
- Change orders are limited to 4% (\$180,600) of the contract bid amount
- Change order request for \$47,781.05
- Current change order will result in an amount larger than 4%
- Request an increase in change order limits to \$226,701.41 or 5.02%



# N Wells PFAS Groundwater Treatment and Well Q2 Perchlorate Removal Facility Project Recommendation

That the Board of Directors:

- Authorize the General Manager to execute a construction change order of \$47,781.05 to Pacific Hydrotech Corporation for the N Wells PFAS Groundwater Treatment and Well Q2 Perchlorate Removal Facility Project.



# Questions?



[YOURSCVWATER.COM](http://YOURSCVWATER.COM)



## BOARD MEMORANDUM

**DATE:** December 28, 2020  
**TO:** Board of Directors  
**FROM:** Rochelle Patterson   
Director of Finance and Administration  
**SUBJECT:** Approve a Revised Emergency Administrative Leave (EAL) Policy – COVID-19

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### SUMMARY

This item makes to revisions to SCV Water's Emergency Administrative Leave (EAL) Policy. On December 31, 2020, the *Families First Coronavirus Response Act* (FFCRA) that assists employees affected by the COVID-19 outbreak with job-protected leave and emergency paid sick leave will sunset. The updated Emergency Administrative Leave (EAL) Policy – COVID-19 allows for the Board of Directors to reset the availability of EAL that will enable the employees impacted by COVID-19 to draw from those benefits. This item would also direct the General Manager to reset the available EAL to 10 days for all eligible employees effective immediately.

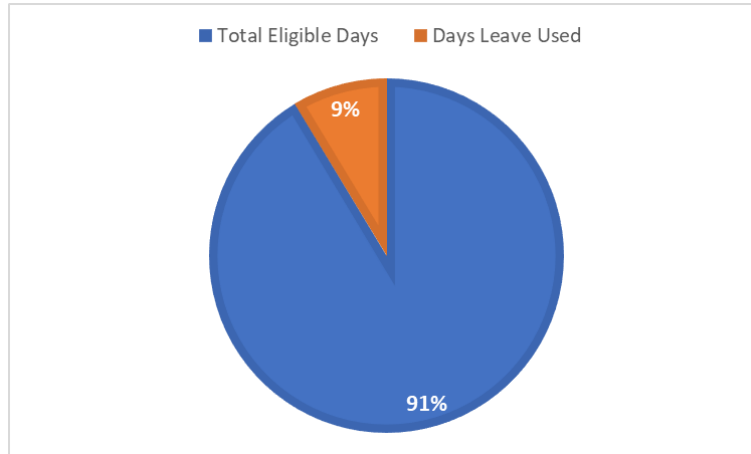
### DISCUSSION

The Board of Directors originally adopted the EAL Policy in March 2020 and again in April 2020 when the FFCRA was enacted. Employees may utilize EAL in a variety of circumstances including self-quarantine protocols due to exposure, experiencing symptoms, school closures which prompt childcare needs, or, a positive test result.

Employees who have qualifying absences due to COVID-19 have used both policies and with the increasing amount of COVID-19 related cases, they have been helpful to many employees. With the FFCRA sunsetting, staff felt it was important to revisit the availability of the EAL and has drafted the following to be added to Section 3.0:

*The Board of Directors maintains the discretion to “reset” the availability of EAL at any time during the period this Policy is in effect, in which case employees who have previously used all or a portion of their EAL will once again have discretionary access of up to a full ten (10) days of EAL.*

This language will allow the Board of Directors to reset the availability of EAL at its discretion. Since the adoption of the EAL and FFCRA Policies, approximately 71 employees have utilized the benefit, some for 1-2 days and unfortunately, some employees have had to max out both benefits. The pie chart on the next page represents the maximum benefit allowed by both policies and the percentage used.



Staff is also recommending adding Section 5.2 that excludes the use of EAL for non-essential travel.

*EAL is not available for employees who are required by a federal, state or local regulation to quarantine after engaging in non-essential travel. Non-essential travel is defined as travel that is not undertaken at the direction of the Agency, including vacation travel or other discretionary travel. Employees should consult with Human Resources prior to engaging in travel to determine whether the travel is considered to be non-essential.*

#### **FINANCIAL CONSIDERATIONS**

The financial impact is hard to predict without first knowing how many employees will need to utilize the leave, but based on previous use, the financial impact is minimal.

#### **RECOMMENDATION**

That the Board of Directors approve a Revised Emergency Administrative Leave (EAL) Policy – COVID-19 and direct the General Manager to reset available EAL to 10 days, effective immediately.

RP

Attachment

M65



<b>POLICIES, RULES AND REGULATIONS</b>	
<b>Title: EMERGENCY ADMINISTRATIVE LEAVE POLICY – COVID-19</b>	
Approval Date: <del>April 7, 2020</del> <u>January 5, 2021</u>	Effective Date: <del>April 7, 2020</del> <u>January 5, 2021</u>
Approved By: Board of Directors	DMS # <del>24287</del>

**EMERGENCY ADMINISTRATIVE LEAVE POLICY – COVID-19**

On or about March 4, 2020, Governor Newsom Declared a State of Emergency in California and on March 12, 2020 signed Executive Order N-25-20 to formalize state actions to limit the spread and manage certain impacts of a Novel Coronavirus disease also known as COVID-19.

As events have unfolded, additional measures to contain and slow the spread of the virus have been ordered by federal, state or county health officials. The Santa Clarita Valley Water Agency (“Agency”) is continuing to monitor reports from federal, state, and county health organizations to receive the most current information and requirements and relay it to staff in a timely manner.

This State of Emergency has highlighted the Agency’s need for an Emergency Administrative Leave (“EAL”) policy to provide flexibility in scheduling and addressing absences necessitated by a Major Public Disaster, in this case the COVID-19 pandemic. This policy is intended to provide EAL as a benefit to employees and set out terms of its usage.

Government Code 3100 mandates that “all public employees are declared to be disaster service workers subject to such disaster service activities as may be assigned to them by their superiors or by law.”

**1.0 PURPOSE**

During a Major Public Disaster, such as the COVID-19 event, the Agency may experience situations where employees are impacted by unavailability, voluntary self-quarantine protocols due to exposure, experiencing symptoms, school closures which prompt childcare needs, or, a positive test result for the illness itself.

It is possible that State and County health officials may also enact a mandatory quarantine or shelter in place orders for an area, which could result in temporary modifications to how the Agency staffs its various functions.

This policy is intended to be protective of our staff and the general public welfare. By implementing these measures, the Agency can facilitate sufficient employee leave to comply with recommended public health related voluntary or mandatory isolation measures when appropriate, as well as mandatory quarantine or shelter in place directives that may impact the ability of an employee to come to work.

This policy will also authorize pay provisions for essential employees in order to maintain essential operations.



POLICIES, RULES AND REGULATIONS	
Title: <b>EMERGENCY ADMINISTRATIVE LEAVE POLICY – COVID-19</b>	
Approval Date: <del>April 7, 2020</del> <u>January 5, 2021</u>	Effective Date: <del>April 7, 2020</del> <u>January 5, 2021</u>
Approved By: Board of Directors	DMS # <del>24287</del>

2.0 GUIDELINES

Employees are required to adhere to current public health guidance, including self-quarantine (such as if experiencing symptoms of COVID-19 or protective isolation of an identified at-risk category), having been exposed to a person with the illness, or presumptively or confirmed infection related to the Major Public Disaster.

In addition, consistent with infection control guidance, the Agency reserves the right to send employees home if they appear symptomatic or not fit for duty.

3.0 PROCEDURE

The Agency strives to be prepared for catastrophic events, such as the current COVID-19 pandemic, that may force shutdown, or partial shutdown, of operations. This policy grants discretionary access to up to ten (10) days (two work weeks) EAL to cover employee absences due to work unavailability because of a Major Public Disaster, including the COVID-19 pandemic. Understanding that the provision of some basic services may require some level of skeletal or flex staffing, the General Manager is authorized to provide EAL on an intermittent or staggered basis. The Board of Directors maintains the discretion to “reset” the availability of EAL at any time during the period this Policy is in effect, in which case employees who have previously used all or a portion of their EAL will once again have discretionary access of up to a full ten (10) days of EAL.

“Major Public Disaster”: A “Major Public Disaster” is an incident that is of the severity and magnitude that effective response is beyond the capability of the state or affected local governments. In order to qualify as a “Major Public Disaster” under this policy, the event must have caused a governmental authority, such as the Governor of California or the President of the United States, to declare a formal state of emergency. This definition shall be interpreted consistently with 44 CFR § 206.2(a)(17), which includes events such as a pandemic.

4.0 QUALIFYING CIRCUMSTANCE

Access to up to two work weeks of EAL shall be provided per affected employee at the discretion of the General Manager for COVID-19 related absences only.





<b>POLICIES, RULES AND REGULATIONS</b>	
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Approved By: Board of Directors	DMS # <del>24287</del>

5.0 PROCESS

- 5.1 Agency will provide up to two work weeks of EAL for illness-related absences associated with the Major Public Disaster. Related absences may include:
- a. If an employee is unable to work due to protective isolation of an identified at-risk category or is showing signs of being ill, an employee shall voluntarily self-quarantine and stay home to avoid possible spread of the illness.
  - b. If an employee has been exposed to the illness or is in an identified at-risk category, the Agency would expect that the employee would follow quarantine guidelines as applied by public health authorities, regardless of whether they are symptomatic.
  - c. Employees who are well but who have a family or household member at home with presumptive or confirmed illness, should also follow the same quarantine guidelines.
  - d. If there are school or daycare closures and employees need to provide childcare for young children, or employees who need to care for elderly family members who are isolated in conformance with public health guidance during the COVID-19 pandemic.
  - e. If an employee has tested positive for the illness.

5.2 EAL is not available for employees who are required by a federal, state or local regulation to quarantine after engaging in non-essential travel. Non-essential travel is defined as travel that is not undertaken at the direction of the Agency, including vacation travel or other discretionary travel. Employees should consult with Human Resources prior to engaging in travel to determine whether the travel is considered to be non-essential.

5.23 It is anticipated that a mandatory quarantine or shelter in place order could temporarily limit the ability to travel outside the home, with certain exemptions including the provision of essential public services. While the Agency’s function would be deemed essential, not all positions would be considered essential for a short-term situation, and staff required to report for duty would be temporarily adjusted. In the event of limited operations, or mandated reduction in non-essential staff causing the Agency to temporarily send employees home, the Agency will pay the employees regular salary in the form of Administrative Leave.



POLICIES, RULES AND REGULATIONS	
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Approved By: Board of Directors	DMS # <del>24287</del>

- a. Employees who are sent home need to make themselves available to return to work when requested.
- b. The Agency may establish a rotation of staff that are either on duty or on temporary administrative leave to assure continuity of service.

5.34 Agency will address employee needs for COVID-19 absences beyond the EAL on a case by case basis.

5.45 The Agency will work with the State of California Disability Insurance Program through the EDD to coordinate disability benefits for those employees who qualify. There may also be other COVID-19 pandemic related relief from the state or federal government in the future. The Agency will coordinate to extent feasible with other illness-related relief provided by state or federal emergency orders or legislative actions. EAL leave under this Policy shall be provided in addition to the leave provided pursuant to the FMLA Leave Expansion and Emergency Paid Sick Leave Policy (Coronavirus) Policy.

#### 6.0 AGENCY BENEFITS

In addition to health benefits coverage provided for full-time employees, the Agency participates in the Family/Medical Leave Act (FMLA) and had adopted a policy for Catastrophic Leave.

- 6.1 FMLA is designed to help employees balance their work and family responsibilities by allowing them to take reasonable unpaid leave for certain family and medical reasons. Employees can take up to 12 weeks of unpaid, job-protected leave per year. It also requires that their group health benefits be maintained during the leave. For more detailed information, see the Agency's Employee Manual, Section 22.
- 6.2 Catastrophic Leave Policy allows other employees to make grants of time so that an employee can remain in a paid status for a longer period of time, thus partially lessening the financial impact of the illness, injury or condition. The employee must have personally suffered or is providing primary care to an immediate family member who has suffered a serious, long-term catastrophic illness or injury resulting in the employee's absence for at least fifteen (15) consecutive days. For more detailed information, see the Agency's Employee Manual, Section 19.



<b>POLICIES, RULES AND REGULATIONS</b>	
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7.0 Pay for Essential Services Performed During Limited Operations

If employees are unable to work because of a Major Public Disaster, a number of employees must continue to provide services during the event. This means that some employees may be required to work during limited operations, when other non-essential employees have been temporarily released from duty and placed on paid administrative leave. In addition, employees may be directed to work an extraordinary number of hours above and beyond their regular schedules on responsibilities associated with the event.

Public employees will be asked to perform essential services in order to promote and maintain public health and safety. Employees may be required to come to work, if able to do so, at any time of day to perform essential, emergency or disaster related duties. These duties may not be part of an employee’s regular duties and may not be at the regular work location. Employees responsibilities may continue into the recovery phase of event and may be organized into daily or hourly shifts that are different from employees’ regular hours.

Essential employees will continue to be paid as they normally would (including overtime or compensatory time, premiums or other special pays, etc.). If essential employees are required to perform duties outside the scope of their classifications, they may be eligible for additional pay, such as out of class assignment pay, if the duties are associated with those of a higher paying classification and the conditions are met. Additional information can be found in the Agency’s Employee Manual, Section 7.9.

*(Originally adopted March 2020; revised April 2020; January 2021)*

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## BOARD MEMORANDUM

**DATE:** December 10, 2020  
**TO:** Board of Directors  
**FROM:** Steve Cole *SC*  
Assistant General Manager  
**SUBJECT:** December 9, 2020 Water Resources and Watershed Committee Meeting Report

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The Water Resources and Watershed Committee met at 5:30 PM on Wednesday, December 9, 2020 at 5:30 PM via teleconference. In attendance were Committee Chair B.J. Atkins, Directors Edward Colley, William Cooper, Jeff Ford, E.G. "Jerry" Gladbach and Maria Gutzeit. Staff members present were Assistant General Manager Steve Cole, Conservation Manager Matt Dickens, Water Resources Planner Sarah Fleury, Administrative Analyst Cheryl Fowler, Board Secretary April Jacobs, Director of Water Resources Dirk Marks, Water Resources Planner Rick Vasilopoulos and Principal Water Resources Planner Rick Viergutz. Six members of the public were present. A copy of the Agenda is attached.

**Item 1: Public Comment** – There was general public comment on Item No. 2.

**Item 2: Recommend Authorizing the General Manager to Implement the Purple PREP Pilot for Recycled Water Onsite Conversion Support** – Recommended actions for this item are included in a separate report being submitted at the January 5, 2021 regular Board meeting.

**Item 3: Water Resources Director's Report**

- 3.1 Status of Water Supplies** – Staff updated the Committee on the Status of Water Supplies.
- 3.2 Status of Sustainable Groundwater Management Act Implementation** – Staff gave a presentation on the Status of Sustainable Groundwater Management Act Implementation.
- 3.3 Status of Integrated Regional Water Management Plan Update** – Staff discussed the Status of Integrated Regional Water Management Plan.
- 3.4 Other Staff Activities** – Staff updated the Committee on the Devil's Den Clearway Energy Solar Project and Devil's Den Recurrent Energy easement request and provided a status update on participation levels in the Delta Conveyance project.

**Item 4: Conservation Manager's Report**

- 4.1 Update on Conservation Activities & Performance** – Staff provided a review of Conservation Activities and Performance.
- 4.2 Status of Water Shortage Contingency Plan** – Staff reviewed the status of the Water Shortage Contingency Plan.


**Item 5: Committee Planning Calendar** – The Committee reviewed the Planning Calendar.

The meeting adjourned at 7:36 PM



**Date:** December 2, 2020

**To:** **Water Resources and Watershed Committee**  
B.J. Atkins, Chair  
Edward Colley  
William Cooper  
Jeff Ford  
E.G. "Jerry" Gladbach  
Maria Gutzeit

**From:** Steve Cole, Assistant General Manager 

A meeting of the **Water Resources and Watershed Committee** is scheduled to meet via teleconference on **Wednesday, December 9, 2020 at 5:30 PM**, dial 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 (877) 309-2073 Access Code 702-429-045** **or GoToMeeting by clicking on the link** **<https://global.gotomeeting.com/join/702429045>** 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 GoToMeeting link above. Please see the notice below if you have a disability and require an accommodation in order to participate in the meeting.

We request that the public submit any comments in writing if practicable, which can be sent to [cfowler@scvwa.org](mailto:cfowler@scvwa.org) or mailed to Cheryl Fowler, Administrative Analyst, Santa Clarita Valley Water Agency, 26501 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. *	Recommend Authorizing the General Manager to Implement the Purple PREP Pilot for Recycled Water Onsite Conversion Support	5
3.	Resources Director’s Report	
3.1	Status of Water Supplies	
3.2	Status of Sustainable Groundwater Management Act Implementation	
3.3	Status of Integrated Regional Water Management Plan Update	
3.4	Staff Activities	
4.	Conservation Manager’s Report	
* 4.1	Update on Conservation Activities & Performance	27
4.2	Status of Water Shortage Contingency Plan	
5. *	Committee Planning Calendar	43
6.	Adjournment	
*	Indicates Attachment	
◆	Indicates Handout	

### 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 (Insert Name and Title), at (insert Phone Number), 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 Committee 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 December 3, 2020.

MGS

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## BOARD MEMORANDUM

**DATE:** December 21, 2020  
**TO:** Board of Directors  
**FROM:** Eric Campbell *EC*  
Chief Financial and Administrative Officer  
**SUBJECT:** December 21, 2020 Finance and Administration Committee Meeting Report

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The Finance and Administration Committee met at 6:00 PM on Monday, December 21, 2020 via teleconference. In attendance were Chair Bob DiPrimio, Directors B. J. Atkins, Kathy Colley, Maria Gutzeit, R. J. Kelly and Dan Mortensen. Staff members on the call included Controller Amy Aguer, Accounting Technician II Kyle Arnold, Assistant General Manager Steve Cole, Financial Analyst Darine Conner, Management Analyst II Erika Dill, Sr. Management Analyst Kim Grass, Board Secretary April Jacobs, Executive Assistant Leticia Quintero, Director of Finance and Administration Rochelle Patterson, Director of Tech Services Cris Perez, IT Technician Rene Ponce, General Manager Matt Stone and myself. Additional presenters included Brandon Young, representative from Agency auditor LSL (Lance, Soll & Lunghard, LLP), Ichiko Kido, representative from ratepayer advocate RDN (Robert D. Niehaus, Inc.) and Tara Bravo from CV Strategies. Members of the public were also present. A copy of the agenda is attached.

**Item 1: Public Comment** – There was public comment.

**Item 2: Recommend Receiving and Filing of SCV Water June 30, 2020 Financial Statement** – The Committee reviewed the June 30, 2020 Financial Statement and recommended that the report be received and filed.

**Item 3: Discuss Cost of Service and Rate Design** – Staff, the Committee and the Ratepayer Advocate discussed the cost of service and rate design.

**Item 4: Recommend Approval of a Use of Office Technology Policy** – This item will be continued at the January 11, 2021 Special Finance and Administration Committee meeting.

**Item 5: Recommend Receiving and Filing of October 2020 Monthly Financial Report** – The Committee reviewed the October 2020 Monthly Financial Report and recommended that the report be received and filed.

**Item 6: Committee Planning Calendar** – Staff and the Committee reviewed the FY 2020/21 Committee Planning Calendar.

**Item 7: General Report on Finance and Administration Activities** – Staff updated the Committee on the Agency's collection efforts with past-due water bills.

**Item 8: Adjournment** – The meeting was adjourned at 8:51 PM.

EC/ed


Attachment

M65



**Date:** December 14, 2020

**To:** **Finance and Administration Committee**  
Robert DiPrimio, Chair  
B. J. Atkins  
Kathy Colley  
Maria Gutzeit  
R. J. Kelly  
Dan Mortensen

**From:** Eric Campbell   
Chief Financial and Administrative Officer

The **Finance and Administration Committee** is scheduled to meet via teleconference on **Monday, December 21, 2020 at 6:00 PM**; dial-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 (1-866-899-4679), Access Code 689-569-781** or **GoToMeeting by clicking on the link <https://global.gotomeeting.com/join/689569781>** 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 GoToMeeting link above. Please see the notice below if you have a disability and require an accommodation in order to participate in the meeting.

We request that the public submit any comments in writing if practicable, which can be sent to **[edill@scvwa.org](mailto:edill@scvwa.org)** or mailed to **Erika Dill, Management Analyst II**, SCV Water, 27234 Bouquet Canyon Road, 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 SCV Water 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. Please complete and return a comment request form to the Committee Chair. (Comments may, at the discretion of the Committee Chair, be limited to three minutes for each speaker.)	
2.	* Recommend Receiving and Filing of SCV Water June 30, 2020 Financial Statement	5
3.	* Discuss Cost of Service and Rate Design	107
4.	* Recommend Approval of a Use of Office Technology Policy	137
5.	* Recommend Receiving and Filing of October 2020 Monthly Financial Report	147
	October 2020 Check Registers Link: <a href="https://yourscvwater.com/wp-content/uploads/2020/12/October-2020-Check-Registers.pdf">https://yourscvwater.com/wp-content/uploads/2020/12/October-2020-Check-Registers.pdf</a>	
6.	* Committee Planning Calendar	169
7.	General Report on Finance and Administration Activities	
8.	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 (661) 297-1600, or writing to SCV Water 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.

December 14, 2020  
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 SCV Water, located at 27234 Bouquet Canyon Road, Santa Clarita, California 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 December 15, 2020.

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## BOARD MEMORANDUM

**DATE:** December 21, 2020  
**TO:** Board of Directors  
**FROM:** Courtney Mael  
 Chief Engineer *CM*  
**SUBJECT:** Engineering Services Section Report

### CAPITAL IMPROVEMENT PROJECTS (CIP) CONSTRUCTION

Project	Contractor	Contract Amount	Scheduled Completion	Notes
N Wells and Well Q2 Vessel Purchase	Evoqua Water Technologies, LLC	\$1,731,934	11/30/2020	Major construction activities are complete and project close out is under way.
N Wells and Well Q2 Site Construction	Pacific Hydrotech Corp.	\$4,693,920	11/30/2020	Construction is complete. Contractor is addressing punch list items.
West Ranch Recycled Water Main Extension (Phase 2D)	Cedro Construction Inc.	\$3,212,703	12/31/2020	Construction is 90% complete.
Magic Mountain Pipeline Phase 4	FivePoint/Toro Enterprises	\$3,378,855.72	02/01/2021	Construction is 90% complete.
Magic Mountain Pipeline Phase 5	FivePoint/Toro Enterprises	\$3,269,978.85	02/01/2021	Construction is 90% complete.
Recycled Water Potable Make-Up Pipeline	W.A. Rasic Construction Company, Inc.	\$475,810	02/27/2021	Notice to Proceed issued on 10/01/2020. Construction submittals are underway. Contractor to mobilize January 2021.
Magic Mountain Pipeline Phase 6A	FivePoint/Toro Enterprises	\$7,168,844.85	04/07/2021	Construction is 19% complete.
Magic Mountain Pipeline Phase 6B	FivePoint/Leatherwood Construction	\$4,568,687.07	06/30/2021	Notice of Budget Approval for construction has been issued on 06/04/2020. Construction submittals are underway.

Project	Contractor	Contract Amount	Scheduled Completion	Notes
Vista Canyon Recycled Water Main Extension (Phase 2B)	Ferreira Construction Co., Inc.	\$2,583,881	07/22/2021	Construction is 45% complete.
Replacement Wells (Saugus Wells 3 and 4) Construction	Best Drilling and Pump, Inc.	\$5,615,052	07/28/2021	Construction activities on hold.
Commerce Center Pipeline	FivePoint/Blois Construction, Inc.	\$891,139.70	TBD	Notice of Budget Approval for construction has been issued on 10/12/2020.
Valley Center Well Material Purchase	Evoqua Water Technologies, LLC	\$512,802	TBD	Notice of Award has been issued on 10/28/2020.

#### **CAPITAL IMPROVEMENT PROJECTS (CIP) PLANNING AND DESIGN**

1. Castaic Conduit Bypass – Design is 90% complete. Staff is in the process of acquiring a pipeline easement from the City of Santa Clarita. Staff is also securing a permit from the California Department of Fish and Wildlife and is updating a Biology study for the site. Vireo surveys were completed on June 3, July 7 and July 20, 2020.
2. E Wells (E-14, E-15, E-16, and E-17) PFAS Groundwater Treatment Improvements – Planning is in progress.
3. ESFP Two 5 MG Tank Improvements – Planning is in progress. Staff held the kick-off meeting at the project site and tanks inspection was conducted on December 2, 2020.
4. ESFP Washwater Return and Sludge Collection System – Design plans and specifications are being finalized. The Operating Permit amendment application has been submitted to the State Water Resources Control Board Division of Drinking Water (DDW) for approval. DDW completed initial review of plans and specifications. Staff issued the RFP for construction management and inspection services on July 7, 2020 to several on-call consultants. Staff evaluated proposals to provide Construction Management services for the project.
5. Groundwater Treatment Improvements – Advisian is preparing the National Contingency Plan documents. They the draft Engineering and Evaluation/Cost Assessment (EE/CA) was on July 17, 2020. Staff and legal counsel are reviewing.
6. Honby Parallel Phase 2 – Design is 90% complete. Staff is securing a permit from the California Department of Fish and Wildlife and is updating a Biology study for the site. Vireo surveys were completed on June 3, July 7 and July 20, 2020. Staff met with the Los Angeles Regional Water Quality Control Board to discuss next steps and permitting requirements.

7. Magic Mountain Reservoir and Pump Station – Staff is preparing the California Environmental Quality Act (CEQA) documents. On March 26, 2020 staff issued the RFP for professional design services to five consulting companies for the reservoir. On April 15, 2020 three proposals were submitted. Staff is evaluating the final design proposals for the reservoir. Staff is finalizing the conceptual plan for the pump station and will be issuing a design RFP for the pump station.
8. Recycled Water Central Park (Phase 2A) – The project's Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program (MMRP) was adopted by the CLWA Board of Directors at its December 13, 2017 regular Board meeting. Design is on-hold pending resolution of recycled water permitting and regulatory issues.
9. Recycled Water Vista Canyon (Phase 2B) – On July 17, 2017, the Department of Water Resources (DWR) approved repurposing \$2.7 million in Proposition 84 Grant Funding from the Saugus Formation Dry Year Wells Project to the Vista Canyon Recycled Water Project. The CLWA Board of Directors adopted the MND/MMRP on November 20, 2017. Results of field investigations by the geotechnical consultant have confirmed feasibility of a nearby alternative tank site. Final design services for the recycled water tank at an alternate site was approved by the Board on August 18, 2020. Staff is currently negotiating with the developer on the sales price for the alternate site. Agency is preparing a supplemental MND/MMRP for the alternate tank site. Final Plans, specification and cost estimate for tanks have been received for SCV Water approval. Project will be advertised for Bid in January 2021.
10. Recycled Water South End (Phase 2C) – The Preliminary Design Report (PDR) has been completed. NCWD, as the CEQA Lead Agency, certified the recirculated MND on August 10, 2017. The project MND/IS was adopted by the CLWA Board of Directors on August 23, 2017. Grant application for a Proposition 1 Grant was submitted the week of December 2, 2019. Agency is updating portion of CEQA, plans and technical specifications.
11. Replacement Wells (Saugus Wells 3 and 4: Site and Equipment Design) – The Board authorized final design services at the August 4, 2020 Board meeting and final design is in progress.
12. RVWTP Chlorine Scrubber Replacement – The Board of Directors adopted a resolution awarding a construction contract to GSE Construction Company, Inc. (GSE) at the November 17, 2020 Board meeting. Notice of Award was issued to GSE on November 18, 2020.
13. RVWTP Diesel Underground Storage Tank (UST) Replacement – Planning is in progress.
14. S Wells PFAS Groundwater Treatment and Disinfection Facility - Planning is in progress.
15. Santa Clara and Honby Wells PFAS Groundwater Treatment Improvements – The Board authorized final design services at the September 15, 2020 Board meeting and final design is underway.
16. Saugus Formation Dry Year Reliability Wells (Saugus Wells 5 and 6) – Staff is preparing a Planning Request for Proposal document.

17. T7, U4, and U6 Wells PFAS Groundwater Treatment Improvements and New RVIPS Disinfection Facility - Planning is in progress.
18. Valley Center Well PFAS Groundwater Treatment Improvements (Site Design) – The Board authorized final design services at the August 4, 2020 Board meeting and final design is in progress. The Board authorized vessels purchase on October 20, 2020. Notice to Proceed was issued to Evoqua on November 16, 2020. Project site construction was advertised on Planetbids on November 24, 2020 and bids are due on January 7, 2021.
19. V-9 Turnout Facility – Preliminary site layout currently is in progress.
20. Well 205 Perchlorate Treatment Improvements – Planning and CEQA is in progress.
21. Westridge Parkway Recycled Water Fill Station – Planning is in progress.

**DEVELOPMENT PROJECTS – DESIGN, CONSTRUCTION AND INSPECTION**

<b>Project Developer</b>	<b>Development Size</b>	<b>Infrastructure (Estimated at Build-out)</b>	<b>Schedule</b>	<b>Status</b>
Aidlin Hills (Tract 52796) Lennar	102 Dwelling Units	2 tanks, 1 pump station, ±7670' of potable pipelines, and 9 public fire hydrants.	TBD	Project is on-hold by developer.
Castaic High School Rasmussen	250,000 Square Feet	2 miles of pipelines, 1 tank, and 1 pump station.	Construct facilities to meet scheduled school opening in fall 2019.	Construction is complete except for punch list items. Easement documents are being prepared.
College of the Canyons (COC)	New Parking Structure for Valencia Campus	Relocation of 16" water line (approximately 1,015').	Construction is complete and pipeline is in operation.	Staff are working with COC on preparing easement.
Dockweiler	93 Single Family Units	1,400' of offsite pipeline, 3,600 feet of onsite pipeline.	TBD	Staff reviewed 90% water distribution plans.
Landmark Village (Tract 53108) FivePoint	1444 Dwelling Units	3.5 miles of piping pressure reducing station, 2MG Zone IA Tank, and 2 Hwy 126 crossings.	TBD	Design is on-hold.
Mission Village Phase 1 FivePoint	3138 Dwelling Units	6.9 miles of new pipeline, 1 pressure reducing station (Petersen), 2 booster stations (Petersen potable & recycled). 1 booster station upgrade (Magic Mtn.), and 3 tanks (Petersen potable & recycled and Magic Mtn. No. 2 potable).	Magic Mountain Tank No. 2 to be constructed by December 2020. Petersen Tanks and Booster Stations to complete design by December 2020.	Coating near completion. Electrical work is in progress on the Magic Mountain Tank No. 2. DS 542 recycled and potable water pipelines are near completion. 1A, 1B, 1C, 1D, and in-tract potable and recycled water pipelines are near completion. Well 206/207 pipe relocation is on hold until Winter 2020. Petersen potable and recycled water tanks and booster stations are under design.

<b>Project Developer</b>	<b>Development Size</b>	<b>Infrastructure (Estimated at Build-out)</b>	<b>Schedule</b>	<b>Status</b>
Needham Ranch Trammell Crow Co.	2,550,000 Square Feet Industrial and Commercial	4 miles of pipelines, 1 pump station, 2 tanks, and 2 pressure reducing stations.	Phase 1 construction is substantially complete. Phase 2 contract agreement was signed May 4, 2020. Schedule for construction of Phase 2 facilities is TBD.	Staff is reviewing second submittal of the Phase 2 water distribution plans. Staff has completed first review of tank construction documents.
Sand Canyon Plaza	129 Single Family Units, 451 Multi-Family Units, 140 Bed Senior Living, Commercial	1 tank, 1 pump station, 1,700' of offsite pipeline, and 8,500' of onsite pipeline.	TBD	Staff completed 60% of plans for offsite pipeline. Pump station plans are 90% complete. Planning study and preliminary design (25% plans) completed. CEQA Initial Study initiated.
Sheriff Station City of Santa Clarita	44,300 Square Feet	1 mile of pipeline.	Construction of main pipeline was completed November 2019, with temporary bypass crossing over LADWP aqueduct. The permanent undercrossing will be scheduled for bidding pending LADWP's approval of undercrossing design.	Staff are working with the City to establish a reimbursement agreement and close out contract for the main pipeline. Staff are working with design and geotechnical consultants to address LADWP's comments on undercrossing design.
Spring Canyon (Tract 48086)	492 Dwelling Units	1 tank, 1 pump station, and 1 pressure reducing valve, Mammoth Lane upgrades and lift station upgrades.	Mammoth Lane upgrades must be complete prior to commencement of development.	Design Plans for in-tract pipelines, tanks and pump station were approved and issued in July 2020. Staff is working with developer and consultant to address County standards for sewer lift station upgrades in order to transfer ownership to the City/County.

Project Developer	Development Size	Infrastructure (Estimated at Build-out)	Schedule	Status
Skyline Ranch Pardee (Tract 60922)	1220 Dwelling Units	17 miles of pipelines, 3 pump stations, and 4 tanks.	Phase 1 pipelines were completed in fall 2019 and Phase 1 pump station was online in February 2020. Phase 1 Skyline Ranch Zone tanks are to be constructed and online by January 2021. Phase 2 pipelines, pump stations and tank are to be constructed by early 2023.	Construction of Phase 1 Skyline Ranch tanks and site piping/grading are substantially complete, with startup testing scheduled for late December 2020. Construction of Phase 2 pipelines in Sierra Highway are 75% complete. Staff reviewed proposals from on-call consultants for design of Phase 2 infrastructure (tank, chloramine facility, pump station); Staff will present to E&O in January 2021 and seek Board approval to award design contract in February 2021.
Tesoro Highlands	696 Single Family Units, 9 Multi-Family Units, 2 acres of Commercial	2 tanks, 1 pump station, 1 pressure reducing station, and 64,000' of pipeline.	TBD	Phase 1 pipeline plans 90% complete. Tank, pump station and PRV station plans are 30% complete. Phase 2 pipeline plans currently in design.
Vista Canyon (Tract 69164) JSB Development	1100 Dwelling Units	5 miles of potable and recycled pipelines.	Construction of Phase 1 Potable and Recycled Water Systems are complete. Construction of Phase 2 to be completed by developer by February 2021.	Construction of Phase 1 and Phase 2 pipelines are substantially complete, pending tie-ins, punch list items, and easements. Final punch list items and tie-ins are in progress and expected to be completed by developer by February 2021.

**MISCELLANEOUS PROJECTS – DESIGN, CONSTRUCTION AND INSPECTION**

<b>Project / Facility</b>	<b>Scope of Work / Details</b>	<b>Status</b>
Sprint cell sites	T-Mobile bought Sprint and is decommissioning Sprint sites.	Round Mountain and Dockweiler tank are to be decommissioned.
AT&T cell sites	AT&T is in design to upgrade antennas at Newhall tank #2. AT&T to do survey on easement and water lines at Live Oak tanks and Catala tanks.	AT&T Job walk to create plans for upgrade being scheduled. Waiting on operations to locate water facilities at Catala tanks.
T-Mobile cell sites	T-Mobile is in design to add an emergency generator at Newhall tank #2	Plans are in review.
Verizon cell site	Skyblue tanks.	Verizon working on providing contract.
Fire Flow Tests		November 2020 SCVWA inspection staff completed 14 fire flow requests.



**FACILITY CAPACITY FEES (FCFs) AND CONNECTION FEES**

<b>Month</b>	<b>Regional</b>	<b>Distribution</b>	<b>Total</b>
July 2020	\$437,322	\$79,650	\$516,972
August 2020	\$418,883	\$117,208	\$536,091
September 2020	\$391,900	\$95,761	\$487,661
October 2020	\$540,509	\$94,797	\$635,306
November 2020	\$562,882	\$91,527	\$654,409
<b>FY 2020/21 to Date</b>	<b>\$2,351,496</b>	<b>\$478,943</b>	<b>\$2,830,439</b>
<b>FY 2020/21 Budget</b>	<b>\$9,000,000</b>	<b>\$2,970,000</b>	<b>\$11,970,000</b>

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## BOARD MEMORANDUM

**DATE:** December 15, 2020  
**TO:** Board of Directors  
**FROM:** Eric Campbell *EC*  
Chief Financial and Administrative Officer  
**SUBJECT:** Finance, Administration and Information Technology Section Report

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### FINANCE & ADMINISTRATION

#### Key Accomplishments/Activities:

Staff continues to engage and collaborate with the Agency's Ratepayer Advocate RDN (Robert D. Neihaus, Inc.) on developing a new cost of service and rate design as part of the merger and efforts toward a one-rate strategy. The issue was discussed at the December 21, 2020 regular Finance and Administration (F&A) Committee meeting, and next steps are to further discuss the issue at the January 11, 2021 rescheduled F&A Committee meeting, as well as the Board Rates Workshop at the February 2, 2021 regular Board meeting. In March 2021, the Board will consider approving the Proposition 218 Notice, and the public hearing is set for the May 18, 2021 regular Board meeting.

SCV Water's FY 2019/20 year-end financial audit was presented at the regular December 21, 2020 F&A Committee meeting. The result of the Agency's audit was a unmodified, or "clean" opinion. This is the best an organization can receive. The year-end audit was performed by LSL (Lance, Soll, and Lunghard) during October and November 2020.

Ongoing: BAM Project: Staff is finishing CRP1 (Conference Room Pilot #1) testing and remediation. The ERP (Enterprise Resource Planning) and HCM (Human Capital Management) teams are preparing for CRP2 (Conference Room Pilot #2). This will include a full data load from SCV Water's four divisions' general ledgers. It will also include testing of integrations with other key software, such as enQuesta, Paychex, and Wells Fargo. The EPM (Budget & Forecasting) module is scheduled to begin testing in late December 2020 and early January 2021.

Quotations for Bulk Liquid Oxygen (LOX), a water treatment chemical used in the production of drinking water for public consumption, were received on November 30, 2020. Based on a thorough evaluation of the quotes, a contract will be awarded to Matheson Tri-Gas, the lowest bidder.

Purchasing staff continues to support the Oracle Core Team verifying scripts and identifying the supplier types for over 1,300 suppliers.

#### Significant Upcoming Items:

Ongoing basis – Staff continues to review and approve Certificates of Insurance, ensuring that the insurance limits conform with the Agency's insurance requirements.

## **CUSTOMER SERVICE**

### **Key Accomplishments/Activities:**

Ongoing: Staff continues its work related to Advanced Metering Infrastructure (AMI) integration with the Santa Clarita Division's (SCWD) customer billing system.

Ongoing: Direct customer outreach for aged receivables continues through mail and in-house phone collection campaigns. Each campaign is executed monthly, rotating every two weeks.

Ongoing: Staff continues direct outreach by phone and mail to all Newhall Division (NWD) customers who were enrolled in Autopay prior to the billing system conversion but have not re-enrolled in the new platform. Staff has converted 67% of the original data set to AutoPay since this effort began in October 2020.

Customer outreach and preparation related to the relocation of the Santa Clarita Division (SCWD) Customer Care department continues.

Staff received approval from the Board of Directors for two statements of work with Systems & Software, Inc (S&S) to upgrade the enQuesta customer service billing software to the v6 platform.

### **Significant Upcoming Items:**

A project kick-off call for the enQuesta Upgrade and Conversion project has been tentatively scheduled for January 2021. On this call, the Project Implementation Plan and go-live date will be established.

## **HUMAN RESOURCES**

### **Key Accomplishments/Activities:**

Staff is currently recruiting for the positions of Production Operator, Safety Specialist, Temporary Accounting Technician, and Temporary Water Quality Distribution Technician.

Staff completed recruitment for the position Facilities Maintenance Technician, Temporary Facilities Maintenance Technician, and Temporary Utility Worker.

Recruitment is on hold for Inspector, Production Foreman, and Utility Worker.

Staff is implementing the changes resulted from the Classification and Compensation Study approved at the regular December 1, 2020 Board meeting. Staff will make the necessary salary adjustments to each employee record and update the Paychex system accordingly.

Staff continues to assist employees with administering and maintaining the Agency's new Emergency Administrative Leave (EAL) policy and Families First Coronavirus Response Act (FFCRA) leave programs during the COVID-19 Pandemic. Staff provides notifications to employees who came into close contact and are exposed to Covid-19, and communicates with employee for a safe return to work. Staff participates in weekly meetings with management to discuss COVID-19 issues and concerns.

Staff is participating in meetings to implement the Human Capital Management (HCM) modules of the Finance System and is continuing to identify key factors needed for an efficient HR

system. At this stage, the Core HR capabilities and functions are almost complete. Work is underway for the upcoming CRP2 testing phase in early January 2021.

Staff attended a BBK webinar on 2020 Annual Labor and Employment Law Updates on December 10, 2020.

### **Significant Upcoming Items:**

Preparation for the new plan year benefit tasks is underway to be implemented on the first paycheck of the new year, January 8, 2021.

Tracking and completing Prevention of Sexual Harassment Training for all Employees and new hires for compliance is underway and will be reviewed in the beginning of 2021.

## **TECHNOLOGY SERVICES**

### **Key Accomplishments/Activities:**

The IT team finished implementing environmental monitoring and camera systems in all server rooms.

The IT team has been working with the SCADA group to retire old obsolete systems. All older systems were replaced by newer technology.

The IT team has deployed 59 remote computers with 118 equipment requests and 128 VPN connections in response to the pandemic.

The IT team successfully completed 160 ticket requests in the month of November 2020.

The GIS team completed its Annual ESRI GIS meeting to plan and schedule system upgrades for 2021.

The GIS team completed its analysis for a water demand study to predict future growth.

### **Significant Upcoming Items**

Ongoing – GIS team is georeferencing easement documents from predecessor organizations to be deployed and accessible through the future SharePoint.

Ongoing – The GIS team is developing a new server to be hosted on the Agency's cloud servers. This will improve workflow and data response across the Agency.

Ongoing – The IT team is supporting the FMIS project by participating and contributing to meetings and providing technical assistance.

Paused – Due to pandemic resurgence, the GIS team will recommence at a later time with the GPS data collection for wells, boosters and other facilities.

Ongoing – The IT team is in the process of replacing Windows 7 workstations with Windows 10.

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## BOARD MEMORANDUM

**DATE:** December 14, 2020  
**TO:** Board of Directors  
**FROM:** Keith Abercrombie  
 Chief Operating Officer  
**SUBJECT:** Treatment, Distribution, Operations and Maintenance Section Report

The Treatment, Distribution, Operations and Maintenance Section (TDOMS) provides reliable and high-quality water through rigorous preventative maintenance programs and timely response to corrective action maintenance, routine inspections and maintenance of each facility is part of the overarching goal of TDOMS. Below is a discussion on these activities for the month of November 2020.

### TREATMENT OPERATIONS AND MAINTENANCE

Monthly corrective and preventative maintenance work orders were completed at the following locations:

- Rio Vista Water Treatment Plant (RVWTP)
- Rio Vista Intake Pump Station (RVIPS)
- Earl Schmidt Filtration Plant (ESFP)
- Earl Schmidt Intake Pump Station (ESIPS)
- Saugus Perchlorate Treatment Facility (SPTF)
- Castaic and Pitchess Pipelines
- Recycled Water Pump Station
- Rio Vista Valve Vault No. 1
- Saugus Well 1
- Sand Canyon Reservoir
- Sand Canyon Pump Station (SCPS)

#### Preventative and Corrective Maintenance Work Order Summary

Work Orders	November 2020	FYTD 2020/21
Corrective Maintenance	23	124
Preventative Maintenance	139	616
<b>Key Action Items Completed:</b> All three distribution SCADA systems are now combined into one SCADA system.		

#### Work in Progress – Treatment

- RVWTP – Replace chlorine scrubber
- RVWTP – Paint Filter building Module 1 piping and equipment
- ESIPS – Rehab intake pumps No. 4 and No. 5
- Distribution SCADA – Installing UPS cabinets on main SCADA radio hubs
- ESFP – Installing media into clarifiers 1 through 10
- Distribution Electrical – Correcting deficiencies in electrical equipment from Infrared report

**Completed Work**

- Q2 – Installed and wired new Ammonia and Chlorine dosing pumps
- SCPS – Repaired hydraulic actuators on pumps No. 1 and No. 3

**BUILDINGS AND GROUNDS**

An integral part of the TDOMS is maintaining the aesthetic quality, functionality and safety of the various office facilities and grounds. Staff worked on projects based on the needs of the various locations.

Monthly corrective and preventative maintenance work orders were completed at the following locations:

- Earl Schmidt
- Golden Triangle
- Pine Street
- Rio Vista
- Rockefeller
- Summit Circle

**Corrective Maintenance Work Order Summary**

<b>Work Orders</b>	<b>November 2020</b>	<b>FYTD 2020/21</b>
Corrective Maintenance	18	152

**Work in Progress**

- Contractor started programing system at the shop to upgrade HVAC communication software to centralize controls for all SCV Water locations – Moving forward with Connection to Rockefeller
- Updating irrigation controls and trimming back trees at the Rockefeller location – Cement pad installed running electrical
- Microphones on order for the Boardroom at RVWTP per Board request – Ongoing
- Updating emergency lighting to LED fixtures at all locations – Ongoing
- Installing water treatment system to hot and cold closed loop systems
- Replacing HVAC filter on all SCV Water locations quarterly
- Remodeling entire Instrumentation Office from top to bottom

**Completed Work**

- Installed backup 1.5-ton air conditioner for SCADA server room at the Rio Vista Filter Building
- Repaired water damage and replaced flooring in EOC at the Rockefeller location
- Completed Interviews for the Building and Grounds Technician position
- Completed RVWTP Slurry Seal project walk through

**DISTRIBUTION OPERATIONS AND MAINTENANCE**

General operational and maintenance activities include:

- Valve exercising
- Fire hydrant maintenance
- Air and vacuum valve maintenance
- Blow off maintenance
- Meter reading
- Meter change-outs
- Control valve maintenance



In addition to routine operational and maintenance activities, there are a variety of other projects.

**Meter Change-out Summary  
NWD**

Meter Size	November 2020	Quantity FYTD 2020/21
3/4"	145	251
1"	3	13
1 1/2"	1	5
2"		12
>2"	0	2

**SCWD**

Meter Size	November 2020	Quantity FYTD 2020/21
3/4"	42	301
1"	14	54
1 1/2"	2	6
2"	2	5
>2"		3

**VWD**

Meter Size	November 2020	Quantity FYTD 2020/21
3/4"	101	1,396
1"		152
1 1/2"		7
2"	37	53
>2"	3	16

**Distribution System Leak Summary**

**NWD – Approx. 9,679 Service Connections**

Leak Type	November 2020	FYTD 2020/21
Service Leaks	2	15
Main Leaks		2

**SCWD – Approx. 31,218 Service Connections**

Leak Type	November 2020	FYTD 2020/21
Service Leaks	9	53
Main Leaks	1	6

**VWD – Approx. 29,974 Service Connections**

Leak Type	November 2020	FYTD 2020/21
Service Leaks	1	22
Main Leaks		6

**Work in Progress**

- AMI Infrastructure installed, programming and customer service integration underway
- Placerita PRV Station – Rehabilitation project underway

**Completed Work**

- Ebdelen Ave – Pipeline Replacement
- Pilot AMI Program – Valencia Industrial Center
- Large Meter Replacement – Magic Mtn and College of the Canyons
- Wildwood Road – Pipeline Project

## **PRODUCTION OPERATIONS AND MAINTENANCE**

In addition to the general operation and maintenance of the production facilities, there are a variety of other projects within the Production Department.

### **Work in Progress**

- Castaic HS Tank – Permit amendment received, added to sampling schedule, punch list remains
- Castaic HS Booster – Operational, punch list remains
- SC-12 – Mechanical and facility construction complete. Block wall and paving complete. SCE pedestal placed, awaiting meter. Should be energized end of December
- Seismic Valves Installation – Equipment installed, scheduling start-ups – underway
- Well E17 – Amended permit received December 8, 2020, pumping to system
- Carnegie Booster Station – Meter, pump and motor replacement completed, pump 19 – replacing broken suction valve
- Newhall Tank 2 Interior Recoat and Repair – Reline interior and repair interior rafters. Simpson Sandblasting to begin in January 2021
- Hasley Tank Exterior Paint Repair project – recoat tank exterior. Bids received on November 24, 2020. Olympus & Associates lowest cost responsible bidder – under \$100K
- Presley Tank Exterior Paint Repair project – recoat tank exterior. Bids received on November 24, 2020. Olympus & Associates lowest cost responsible bidder – under \$50K

### **Completed Work**

- Princess Tanks No. 1 and No. 2, exterior recoats – Completed June 2020
- MagMeter/ModBus conversions to provide true values to SCADA completed at 12 well/booster sites for FY 2019/20

Water production summary by Division and Source is provided in the table below.

**SCV Water Production Summary (Acre-Feet)**

<b>Division</b>	Groundwater Nov 2020 (AF)	Imported Water Nov 2020 (AF)	*Total Production Nov 2020 (AF)	Groundwater FYTD 2020/21 (AF)	Imported Water FYTD 2020/21 (AF)	*Total Production FYTD 2020/21 (AF)	Recycled Water Production FYTD 2020/21 (AF)
NWD	380	443	823	2,386	3,631	6,017	NA
SCWD	403	1,779	2,181	2,124	12,353	14,477	NA
VWD	300	1,653	1,952	2,634	10,257	12,891	252
<b>*SCV Water Totals</b>	<b>1,073</b>	<b>3,874</b>	<b>4,957</b>	<b>7,143</b>	<b>26,241</b>	<b>33,384</b>	<b>252</b>
<b>Percent</b>	<b>22%</b>	<b>78%</b>		<b>21%</b>	<b>79%</b>		

\* Displayed totals may vary due to rounding

**SCV Water Regional Raw Water and Wholesale Summary (Acre-Feet)**

<b>Source</b>	November 2020 (AF)	FYTD 2020/21 (AF)
Wholesale (LA36)	.37	2.07
Raw Water (RVWTP)	3,302	14,242
Raw Water (ESTP)	601	12,315
Wells (Saugus 1 & 2)	176	1,069

## WATER QUALITY

### Water Quality Complaints

#### NWD

Type of Complaint	November 2020	# of Complaints FYTD 2020/21
Hardness		1
Odor		1
Taste		1
Color		4
Air		
Suspended Solids		
<b>Totals</b>		<b>7</b>

#### SCWD

Type of Complaint	November 2020	# of Complaints FYTD 2020/21
Hardness		
Odor		4
Taste		
Color		7
Air		
Suspended Solids		1
<b>Totals</b>		<b>12</b>

#### VWD

Type of Complaint	November 2020	# of Complaints FYTD 2020/21
Hardness		
Odor		1
Taste		
Color		2
Air	1	1
Suspended Solids		2
<b>Totals</b>	<b>1</b>	<b>6</b>

### Heterotrophic Plate Count Samples

#### NWD

Total # of HPCs Collected November 2020	# of HPCs Collected FYTD 2020/21
	4

#### SCWD

Total # of HPCs Collected November 2020	# of HPCs Collected FYTD 2020/21
4	9

#### VWD

Total # of HPCs Collected November 2020	# of HPCs Collected FYTD 2020/21
1	1

## **PERCHLORATE CONTAMINATION PROGRAM MANAGEMENT**

As a result of the detection of perchlorate at Well V-201, modifications are being made to the Department of Toxic Substances Control (DTSC) Remedial Action Plan (RAP) and the perchlorate project DDW 97-005 Engineering Report. A perchlorate removal facility has been constructed and resumption of Well V-201 service will occur following successful completion of testing and State Water Resources Control Board (SWRCB) Division of Drinking Water (DDW) approval. Until DDW approval is obtained, the perchlorate removal system is operating, and the treated water is being discharged to the Santa Clara River.

In late December 2017, perchlorate was detected at Well V-205 just above the maximum contaminant level for drinking water of 6 ppb. A confirmation sample taken in March 2018 indicated a level of 8.1 ppb. The well was previously taken out of service in 2012. Staff is determining the course of action to pursue to return the well to service and potential cost recovery under the terms of the Settlement Agreement.

In May 2019, for the first time since 2005, perchlorate was detected in Alluvial Aquifer Well Q-2 at the maximum contaminant level of 6 µg/L. No drinking water quality standards were violated, but the well was removed immediately from service. Monthly water quality monitoring will continue during the idle period. The most recent sample taken during February 2020, when the well was offline, had a perchlorate level of 15 µg/L. Design has been completed on retrofitting treatment vessels. Bids to supply new treatment vessels were received on December 9, 2019 and a contract was awarded to Evoqua Water Technologies, LLC on December 12, 2019. Six bids for the site work were received on February 7, 2020 and a contract was awarded to Pacific Hydrotech Corp. on February 9, 2020. Construction at Q2 is underway.

## **PFAS**

In May 2019, initial sampling for PFAS substances occurred and results were received. One well (Valley Center) exceeded Division of Drinking Water Interim Response Level of 70 ng/L and was shut off. Other wells exceeded the Interim Notification Levels for PFOS and PFOA. This information was presented to the SCV Water Board on June 4, 2019. PFAS sampling for the second quarter was done in August 2019 with results received in September and October 2019. PFAS sampling for the third quarter is being done in February 2020 with results expected in March 2020. In February 2020, the State Water Resources Control Board Division of Drinking Water issued new response levels; 10 parts per trillion (ppt) for perfluorooctanoic acid (PFOA) and 40 ppt for perfluorooctanesulfonic acid (PFOS.)

## **WATER QUALITY LABORATORY**

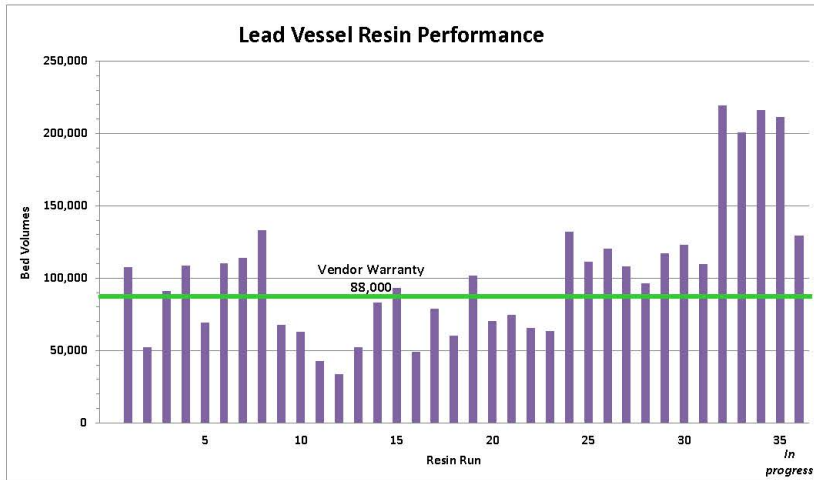
The LCMSMS (Liquid Chromatograph tandem Mass Spectrometer) instrument for PFAS analysis has been installed in the lab. Onsite training with a SCIEX applications scientist has been completed, and method development studies will begin after the training. Guidance has been received from the California Environmental Accreditation Program (ELAP) regarding certification and auditing requirements for the addition of the PFAS method to the laboratory's certification.

**Saugus Perchlorate Treatment Facility  
Resin Usage Summary  
Based on Time to Breakthrough**

Resin Run Number	Fill Date	Breakthrough Date*	Days	Volume Treated (Million Gallons)	Volume Treated (Acre-Feet)	Bed Volumes Treated	Replacement Costs	\$/BV	\$/AF	Combined (Lead and Lag)		
										MG	AF	BVs
1	5/3/10	8/25/10	115	253	776	107,310	*	*	*			
2	9/8/10	11/8/10	62	120	368	52,289	\$ 105,728	\$ 2.02	\$ 287	373	1,144	159,599
3	12/10/10	3/26/11	107	239	735	90,841	\$ 115,458	\$ 1.27	\$ 157	359	1,103	143,130
4	5/5/11	8/9/11	97	288	883	108,745	\$ 112,255	\$ 1.03	\$ 127	527	1,618	199,586
5	8/17/11	10/14/11	59	180	554	68,941	\$ 112,255	\$ 1.63	\$ 203	468	1,437	177,686
6	11/6/11	4/10/12	157	288	883	109,850	\$ 112,048	\$ 1.02	\$ 127	468	1,437	178,790
7	4/20/12	7/16/12	88	280	860	113,905	\$ 112,048	\$ 0.98	\$ 130	568	1,743	223,754
8	7/11/12	11/5/12	118	349	1,070	133,044	\$ 112,048	\$ 0.84	\$ 105	629	1,930	246,949
9	11/16/12	1/10/13	56	177	544	67,744	\$ 112,258	\$ 1.66	\$ 206	526	1,614	200,788
10	1/10/13	3/10/13	60	165	505	62,836	\$ 43,567	\$ 0.69	\$ 86	342	1,049	130,579
11	3/19/13	5/4/13	47	112	344	42,769	\$ 118,213	\$ 2.76	\$ 344	276	849	105,605
12	5/8/13	6/15/13	39	95	293	33,577	\$ 141,989	\$ 4.23	\$ 485	207	637	76,346
13	6/10/13	8/20/13	72	179	551	52,099	\$ 118,212	\$ 2.27	\$ 215	275	844	85,676
14	9/12/13	11/30/13	80	217	667	83,031	\$ 118,212	\$ 1.42	\$ 177	397	1,218	135,130
15	11/21/13	2/9/14	81	246	755	92,790	\$ 118,212	\$ 1.27	\$ 157	463	1,422	175,821
16	2/24/14	3/31/14	36	128	393	48,854	\$ 105,494	\$ 2.16	\$ 269	374	1,148	141,644
17	4/28/14	8/8/14	103	205	629	78,423	\$ 105,494	\$ 1.35	\$ 168	333	1,022	127,277
18	8/21/14	12/3/14	105	158	495	60,237	\$ 105,494	\$ 1.75	\$ 218	363	1,114	138,680
19	12/4/14	3/16/15	103	268	816	101,458	\$ 105,494	\$ 1.04	\$ 129	424	1,301	161,695
20	3/17/15	5/28/15	73	184	565	70,380	\$ 105,494	\$ 1.50	\$ 187	450	1,381	171,838
21	5/23/15	8/3/15	67	195	598	74,610	\$ 105,494	\$ 1.41	\$ 176	379	1,163	144,990
22	8/4/15	10/15/15	73	171	525	65,484	\$ 105,494	\$ 1.61	\$ 201	366	1,123	140,094
23	10/16/15	12/8/15	54	165	506	62,988	\$ 105,494	\$ 1.67	\$ 208	336	1,031	128,472
24	12/9/15	3/31/16	114	346	1,062	131,983	\$ 105,494	\$ 0.80	\$ 99	511	1,568	194,971
25	4/1/16	7/7/16	98	291	893	111,167	\$ 105,494	\$ 0.95	\$ 118	637	1,955	243,150
26	7/8/16	10/17/16	102	314	964	119,919	\$ 105,494	\$ 0.88	\$ 109	605	1,857	231,086
27	10/21/16	1/25/17	97	283	869	107,984	\$ 105,494	\$ 0.98	\$ 121	597	1,832	227,903
28	1/26/17	4/18/17	83	252	773	96,192	\$ 105,494	\$ 1.10	\$ 136	535	1,642	204,176
29	4/25/17	8/5/17	103	306	939	116,938	\$ 105,494	\$ 0.90	\$ 112	558	1,713	213,130
30	8/11/17	1/3/18	146	322	988	122,845	\$ 105,494	\$ 0.86	\$ 107	628	1,927	239,783
31	1/16/18	6/9/18	145	289	887	109,395	\$ 105,494	\$ 0.96	\$ 119	611	1,875	232,240
32	6/18/18	12/24/18	190	574	1,762	219,207	\$ 105,494	\$ 0.48	\$ 60	863	2,649	328,602
33	12/13/18	6/10/19	180	525	1,611	200,536	\$ 105,494	\$ 0.53	\$ 65	1,099	3,373	419,743
34	6/11/19	12/30/19	203	566	1,737	216,073	\$ 105,494	\$ 0.49	\$ 61	1,091	3,348	416,609
35	12/18/19	7/8/20	204	552	1,694	211,010	\$ 105,494	\$ 0.50	\$ 62	1,118	3,431	427,083
36	7/9/20	12/5/20	150	338	1,037	129,011				890	2,731	340,021
<b>Total</b>			<b>3,667</b>	<b>9,619</b>	<b>29,522</b>	<b>3,674,462</b>	<b>\$3,662,383</b>	<b>NA</b>	<b>NA</b>	<b>18,647</b>	<b>57,231</b>	<b>7,112,604</b>
<b>Average</b>			<b>103</b>	<b>265</b>	<b>814</b>	<b>101,299</b>	<b>\$107,717</b>	<b>\$ 1.07</b>	<b>\$ 132.17</b>	<b>507</b>	<b>1,567</b>	<b>193,502</b>

+ Breakthrough defined as Lead Vessel effluent reaching 6 µg/L  
\* Initial resin delivery was included in construction contract

Runs 1-2 had 315 cubic feet of resin  
Runs 3-11 had 350 cubic feet of resin + 180 cubic feet of anthracite  
Run 12 has 434 cubic feet of resin + 180 cubic feet of anthracite  
Runs 13-present had 350 cubic feet of resin + 180 cubic feet of anthracite





## **SAFETY/EMERGENCY/RISK MANAGEMENT**

A safe and healthful work environment is a critical component to the mission and values of SCV Water. Throughout the reporting month, several routine safety related training, inspections, and various other items were completed. The Safety Department continues to integrate health and safety programs for SCV Water. Some of the items completed and currently in progress are as follows:

### **Work in Progress**

- Development of First Aid/CPR training through American Heart Association. Both online and hands on training will be conducted this fall and winter
- Implementing mass notification software to more effectively communicate with staff

### **Completed Work**

#### Inspections

##### Monthly Inspections

- Underground storage tank (UST) designated operator
- Aboveground storage tank (AST) inspection
- Fire extinguishers
- Emergency eye-wash/shower stations
- Self-Contained Breathing Apparatus (SCBA) units
- Automated External Defibrillator (AED) units
- An expanded quarterly inspection sheet has been developed and will be implemented in January 2021

#### Incident Data

- There were five recordable injuries in November 2020. Four of the recordables were COVID-19 cases and one was an abrasion injury
- There were 25 lost workdays in November 2020, all lost workdays were due to COVID-19 quarantine requirements

#### Safety Training

- Tailgate meetings took place at each location in November 2020
- Online safety training took place in November 2020
- Two new hire safety orientations took place in November 2020
- First Aid/CPR training took place at several locations in November 2020

#### Safety Compliance

- Continue to meet Los Angeles County Public Health requirements regarding COVID-19
- Submitted Emergency Response Plan to comply with the Environmental Protecting Agency's American's Water Infrastructure Act (AWIA)

#### Safety Committee

- The next Safety Committee meeting will be held on December 16, 2020

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## BOARD MEMORANDUM

**DATE:** December 21, 2020  
**TO:** Board of Directors  
**FROM:** Steve Cole *SC*  
Assistant General Manager  
**SUBJECT:** Water Resources and Outreach Section Report

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### **Key Accomplishments**

#### **Water Resources**

- Staff executed agreements to fund Delta Conveyance Project (DCP) planning efforts and to join the DCP Design and Construction Authority as authorized by Board at its November 17, 2020 regular Board Meeting.
- Staff executed Amendment 22 to the State Water Project Water Supply Contract providing for greater flexibility to implement water management actions as authorized by Board at its November 17, 2020 regular Board Meeting.
- On November 18, 2020, staff facilitated a SCV-GSA Stakeholder Advisory Committee meeting to discuss Sustainable Management Criteria.
- On November 18, 2020, staff facilitated the first 2020 Urban Water Management Plan (UWMP) Workshop which reviewed three topics; Intro to UWMP, Water Supply Characteristics, and Climate Change.
- On October 13-14, 2020, staff worked with GSI consultants to conduct infiltration tests at the Castaic School Site as part of the groundwater recharge feasibility studies. This work was followed by installation of a monitoring well on November 10, 2020, along with additional soil characterization work.

#### **Conservation**

- Staff attended the Los Angeles Biodiversity Symposium, an event hosted by the Association of Professional Landscape Designers (APLD) and the Los Angeles Sanitation and Environment district. Speakers provided valuable information that is applicable to designing SCV Water's improved Lawn Replacement Program, and also applicable to SCV Water's Sustainability initiative.
- With the help of a consultant, conservation sent out 3 different questionnaires to 20,535 SCV Water customers: those that had participated in SCV Water's Lawn Replacement Program, individuals that showed interest in the program in the past, and customers that have not

displayed an interest in the Lawn Replacement Program. In total, the surveys received 1,760 responses, and we are in the process of analyzing the results.

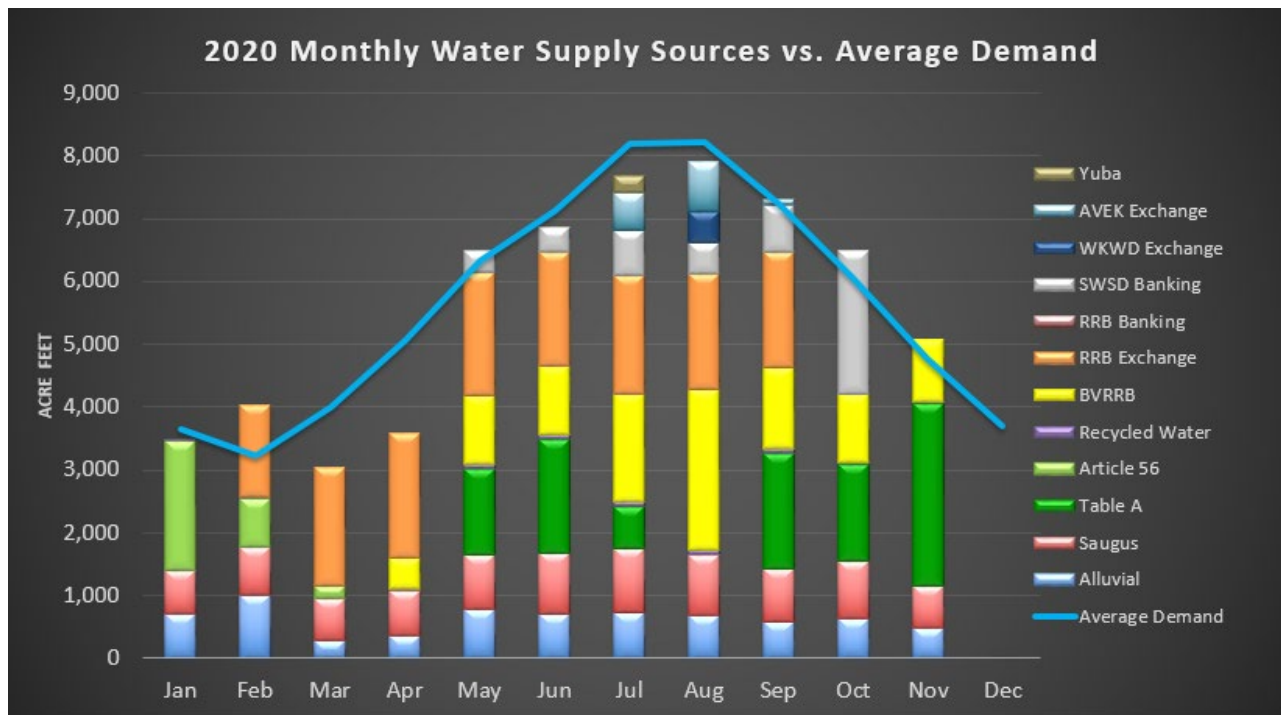
- The final design has been submitted for the State Water Project Exhibit for SCV Water’s Conservatory Garden, and the team is preparing to begin work on the next exhibit.
- Staff coordinated with Administration and Customer Care to convert the incentive instrument for the WaterSMART Workshop to a customer bill credit. Credits were previously issued to customers as a check.

**Outreach, Legislation and Grants**

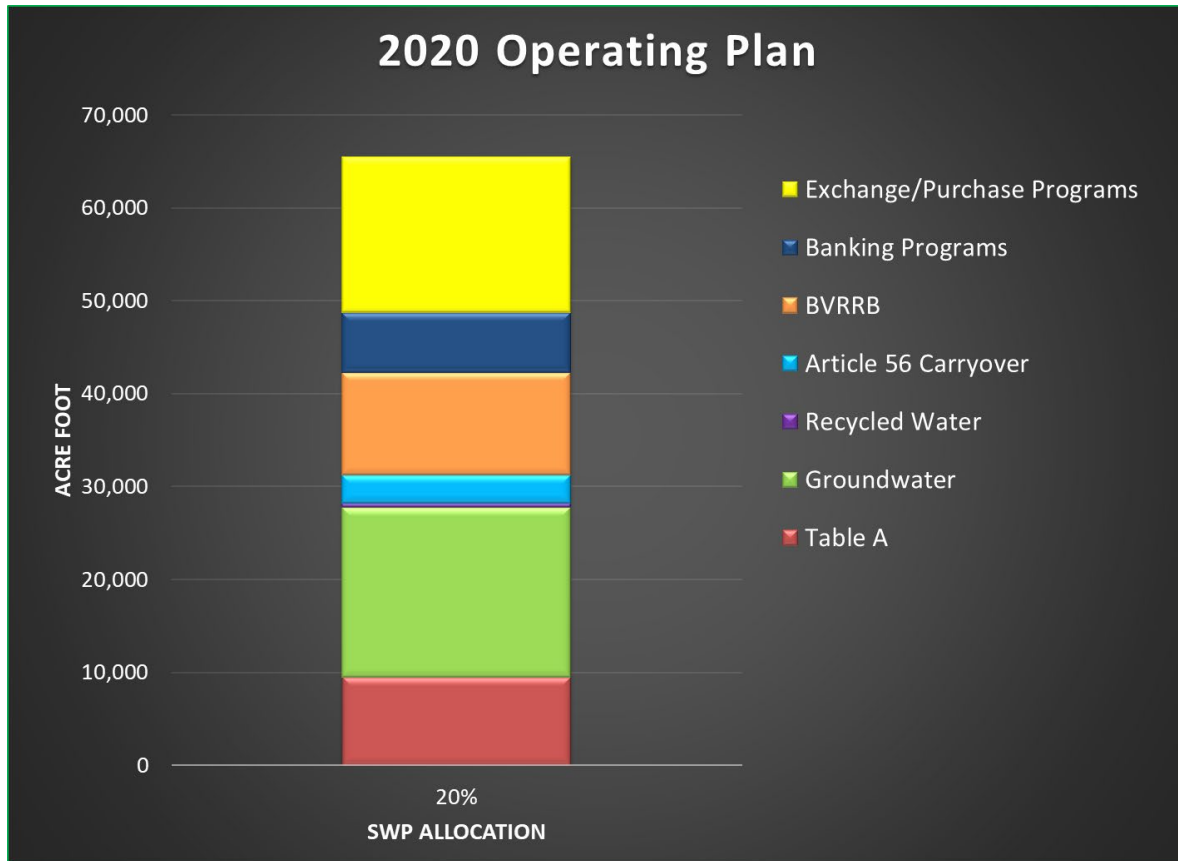
- The Agency launched a one-stop communications dashboard in October 2020, where the public can find easy access to information on multiple planning and outreach projects, such as the UWMP and Recycled Water Management <https://yourscvwater.com/planning/>.

**WATER RESOURCES**

**Water Demand and Supply**

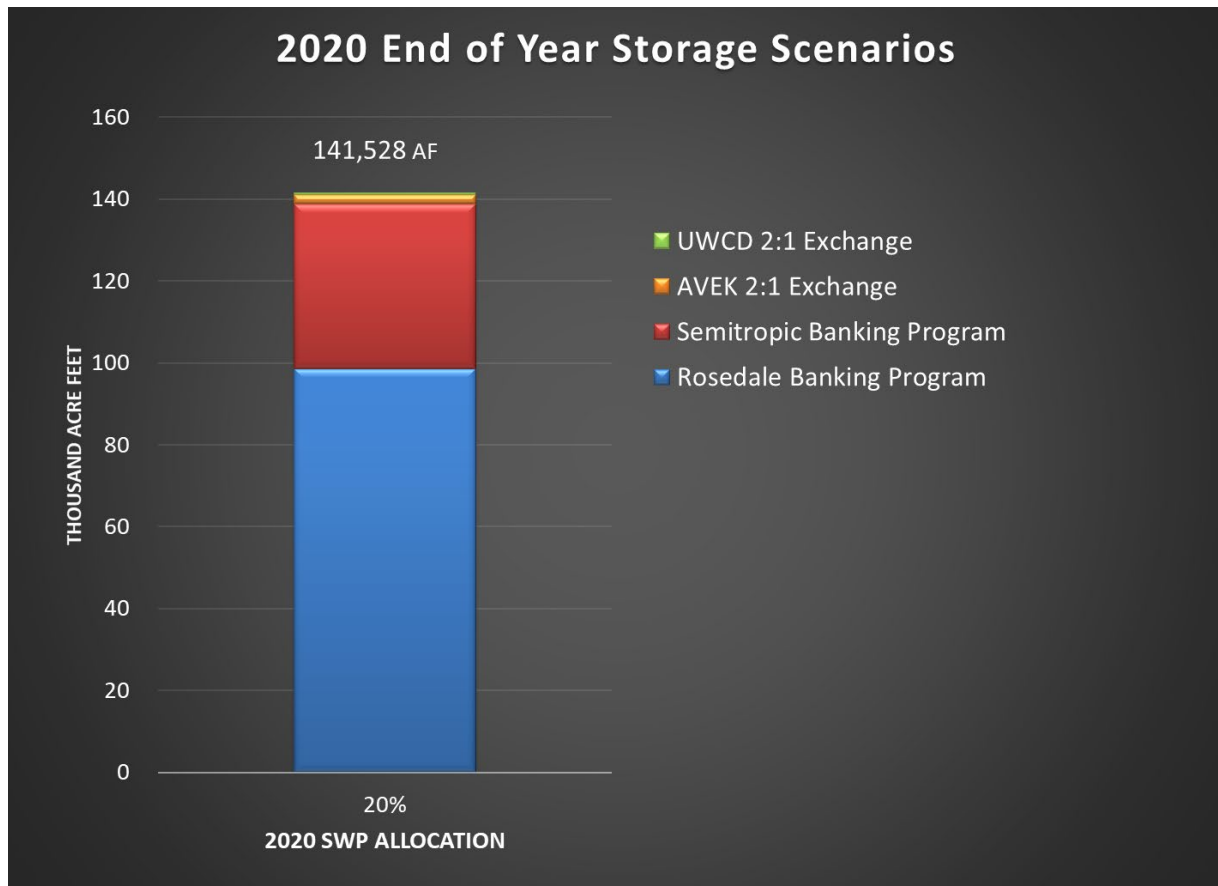


Note: Combined Jan/Feb 2020 precipitation was less than one-half inch, resulting in higher demand. March 2020 precipitation was nearly twice the average at 4.9 inches of rain and April precipitation was almost four times the normal average, resulting in lower demands. Overall, the state has been very dry, resulting in a low (20%) SWP allocation. In February 2020, SCV Water began utilizing dry- year water supplies. The graph above shows average monthly demand in comparison to the 2020 supplies used to meet the demands.



Note: Exchange/Purchase Programs include water from the RRB 2:1 Exchange Programs, a portion of AVEK 2019 2:1 Water Exchange, WKWD 2011 2:1 Water Exchange, and Yuba Accord water. Banking Programs include SCVWA's Semitropic Stored Water Recovery Unit (SWRU) program. Groundwater includes production from the SCVWA Alluvial and Saugus groundwater aquifers.

- The initial State Water Project allocation was 10% of Table A amount. On January 24, 2020, the allocation was increased to 15%. On May 22, 2020, the allocation was increased to 20% (19,040 AF).
- The initial State Water Project allocation for 2021 is 10% of Table A amount.
- 2020 demands were originally estimated at 69,000 AF to be met utilizing the operating plan above. Based on actual demands through November 2020 and forecasted demands for December 2020, staff estimates 65,500 AF of total demand for 2020.
- Staff initiated water recovery efforts at Rosedale-Rio Bravo Water Storage District starting December 2020 in anticipation of a dry 2021. This recovery will help increase 2021 carryover supplies needed to meet demands in 2021 as local groundwater supplies continue to come back online.



Note: Estimated end of year storage based on SWP allocation

### Significant Upcoming Items

- Additional SCV-GSA Stakeholder Advisory Committee meetings will be held in January and February 2021 to further discuss Sustainable Management Criteria. A valley-wide public workshop will be held March 10, 2021 to provide an overview of the proposed Sustainable Management Criteria.
- Several consultant contracts are underway for CEQA related work, including a Biological Assessment Report for the for the Valley Center Well PFAS treatment project, an addendum to the Phase 2C Recycled Water Pipeline MND, two EIR Addendums for the Emergency and Operational Storage Reservoir at Magic Mountain, and the Honby Pipeline project, as well as updated environmental studies for the Dean Tank Project and Castaic Conduit Project, and cultural and biological monitoring for construction of the Phase 2D recycled water pipeline and the Magic Mountain Pump Station.
- Staff is working with Kennedy Jenks to prepare a Groundwater Treatment Implementation Plan to evaluate the capital and O&M costs for wells that were removed from service due to impacted water quality from various constituents. A draft report was received in early December 2020 and the final report is expected in January 2021.

- The Upper Santa Clara River Regional Water Management Group (USCR RWMG):
  - Will review a draft and final grant agreement from DWR, as well as subgrantee agreements, and
  - In 2021, we will begin the process to update the Regional Water Management Group's Memorandum of Understanding to clarify member roles, funding responsibilities, and to add or remove member agencies, if necessary.
- Staff has initiated work to update SCV Water Reliability Report to incorporate updates to DWR's SWP Delivery Capability Report, the impact of actions to treat for PFAS, and updated demand estimates.
- A monitoring report update for the Salt and Nutrient Management Plan is expected to be completed and submitted in early 2021. Luhdorff and Scalmanini Consulting group is assisting with preparation of the report.
- Staff is working with Woodard and Curran to develop and transition the New Drop database to an online platform. This transition will provide automation capabilities to increase efficiencies, reduce input error and eventually be integrated into the customer service billing system. A training session for SCV Water personnel was conducted on December 15, 2020 and the online platform will start being used in January 2021.
- An alternative groundwater recharge site has been selected on the east end of the Santa Clara River Basin for inclusion in the recharge feasibility studies being conducted with the help of GSI technical consultants. An environmental assessment and a review of site accessibility will be completed in the upcoming weeks to begin the site evaluation process.
- Staff continues to work with Maddaus Water Management on development of outdoor water use demand factors.
- Staff is working with Kearns & West to coordinate outreach efforts for the 2020 Urban Water Management Plan.
  - Currently completing draft summary report for the first UWMP Workshop held on November 18, 2020, which will include public input from the workshop as well as information submitted from the online input form.
  - Starting to plan the second UWMP Workshop to be held February 17, 2020.
- Staff is working with Kennedy Jenks to collect data and text information to update the 2020 Urban Water Management Plan.
- Staff initiated work with Kennedy Jenks to start analysis needed to meet the Seismic Assessment and Mitigation requirements for the 2020 UWMP.
- Staff is working with Irvine Ranch Water District to coordinate an Operations and Maintenance plan for the Rosedale DRP wells.

- Water Resources, Engineering and Operations are providing input regarding DWR’s planned 2021-22 refurbishment of the Castaic Lake outlet.
- Staff will be working on a final ground lease for solar activities at the Devil’s Den property.
- Staff is working on the plaintiff fact sheet for the Aqueous Film-Forming Products Liability Litigation regarding PFAS contamination. A draft will be completed by early January 2021 and a finalized version submitted in February of 2021.

**LEGISLATIVE/GOVERNMENT AFFAIRS – Upcoming Sponsorships**

- Staff is working with various organizations to manage sponsorships as events are canceled or rescheduled.

**OUTREACH – Social/Digital Media & Education**

Staff continues to share water news, conservation tips, featured plants and job openings on our social media and e-news channels.

Outlet	Description	Notable Activity	Audience
Facebook	Social media		717likes 792 follows
Instagram			1227
Twitter			1,008
Website	yourSCVwater.org	Total users in November 2020	19,350
Water Currents	Customer e-newsletter	Open rate: 25% (average industry open rate: 21.64%)	November 2020: 18,558

**Public Education - 2020**

Activity	Jan	Feb	Mar	Apr**	May**	Jun**	Jul**	Aug**	Sep*	Oct**	Nov**	Dec**	Calendar Year 2020
<b>Education</b>													
Students	641	849	*	*	*	*	*	*	*	*	384	*	1,874
Teachers	58	92	*	*	*	*	*	*	*	*	*	*	150
<b>Garden Classes</b>								8/8	9/19	10/17	11/14	12/5	
w Evening	1	38	*	*	*	*	*	65	48	44	31	38	39
Saturday	14	58	*	*	*	*	*						298

\* Data not yet available

\*\* All in-person classes were cancelled due to COVID-19

**Significant Ongoing or Upcoming Items**

Staff is working with Customer Care to develop a communications plan and outreach materials for Santa Clarita Customer Care’s upcoming move to Rockefeller, scheduled for March 2021.

- Project Completion Reports for the Santa Clarita Valley Sanitation District’s Saugus and Valencia Water Reclamation Plants’ Ultra-Violet Disinfection Facilities’ have been submitted to and accepted by DWR. These were the final projects within the Prop 84 IRWM Round 2 Implementation Grant and Prop 84 2014 Drought Grant, respectively. Grant Completion Reports for both grants will be prepared and submitted to DWR by December 31, 2020.

- Staff is developing the 2020 State of the Agency infographic and anticipates completing it in early January 2021.
- In response to a Notice of Intent submitted by the Agency in October 2020, the California Governor's Office of Emergency Services (CalOES) notified the Agency that its Renewable Energy, Battery Storage and Resiliency project qualifies as an eligible project under the Federal Emergency Management Agency's (FEMA) Hazard Mitigation Grant Program. Staff is reviewing the status of the project and application requirements to determine if a grant application will be submitted.
- On October 30, 2020, staff submitted an application to CalOES under the Community Power Resiliency Allocation Special Districts Program for \$249,854 in funding to replace a fixed generator (circa 1979) at the Earl Schmidt Filtration Plant, including electrical and foundation upgrades. Staff is awaiting CalOES' award decision.
- Staff is drafting the annual "look back" and "look ahead" op-eds, with anticipated release in mid-January and early February 2021.
- Staff has retained 360Civic for the design and development of a new SCV Water website. The anticipated start date is January 1, 2021 and it should be launched in the summer 2021.
- Staff is developing a fact sheet, website content and a notice of public comment period (TBD-January 2021) as part of the Community Involvement Plan to remove volatile organic compounds (VOCs) from the Saugus Formation Aquifer, located at the Whittaker-Bermite facility in the SCV Water service area.

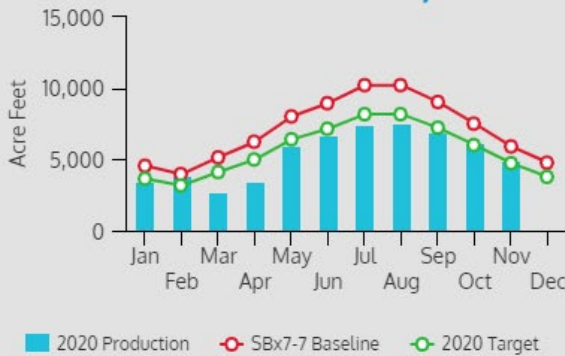
**CONSERVATION**



# Water Conservation

Water Resources Monthly Section Report - December 2020

## Water Production vs. 20% by 2020 Reduction Target



### Key Data Points (AF)

- Nov. Variance: 144.57
- YTD Variance: (5,224.07)
- Well 201 Adj.: (154.41)
- Economic Activity Adj.: (35)

## Conservation Program Participation (Current Month/Fiscal Year)



	Check-Ups	Workshops	Rebates	Engagement	Other
Residential	2/7	25/126	31/148	50/394	0/1



	Check-Ups	Retrofits	Rebates	Engagement
Commercial	0/0	0/0	0/0	0/0



	Check-Ups	Rebates	Engagement	Other
Landscape	0/0	1/110	2/10	0/0

## Significant Upcoming Items

- Irrigation Programs - Staff, with consultant support, is developing a Distance Irrigation Audit pilot to provide irrigation efficiency assessments to large landscape customers.
- Commercial Drip Installation - Staff is collecting data to convert shopping center parking facilities to drip irrigation.
- Multi-Family Apartment Project - Apartment complex in SCV is installing 2,256 Ultra-High Efficiency Toilets as part of SCV Water's Water Efficiency Works Program. Once completed, SCV Water will process rebates for the retrofit project.
- Water Loss Audit and Validation - Staff, with consultant support, will submit certified Water Loss Audit and Verification reports for Import and Retail locations by January 1, 2021.



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**ITEM NO.  
10.5**

**Engineering and Operations Committee  
Planning Calendar  
FY 2020/21**

Item	Jul 1 Comm	Jul 7 Board	Aug 4 Board	Aug 6 Comm	Aug 18 Board	Sep 1 Board	Sep 3 Comm	Sep 15 Board	Oct 1 Comm	Oct 6 Board	Oct 20 Board	Nov 4 Board	Nov 5 Comm	Nov 17 Board	Dec 1 Board	Dec 3 Comm - CANCELLED	Jan 5 Board	Jan 7 Comm	Feb 2 Board	Feb 4 Comm	Mar 2 Board	Mar 4 Comm	Apr 1 Comm	Apr 6 Board	May 4 Board	May 10 Comm	Jun 1 Board	Jun 3 Comm	Jul 6 Board
1	Monthly Committee Planning Calendar	C																											
2	CIP Construction Status Report	C																											
3	Monthly Operations and Production Report	C																											
4	Third Party Funded Agreements Quarterly Report																												
5	Quarterly Safety Program Presentation																												
6	Annual Safety Program Update (FY 19-20)																												
7	Recommend Approval of a Resolution Awarding a Construction Contract, a Purchase Order for Construction Management and Inspection Services, and a Purchase Order for Consultant Services for Replacement Wells Construction		C																										
8	Recommend Approval of a Resolution Awarding a Purchase Order for Design Services for the Replacement Wells On-Site Pipeline/Infrastructure		C																										
9	Recommend Approval of a Resolution Awarding a Construction Contract for the Recycled Water Tank Aboveground Piping Potable Make-Up Line Project		C																										
10	Recommend Approval of a Purchase Order for Final Design Services for Valley Center Well PFAS Groundwater Treatment		C																										
11	Recommend Approval of Purchase of Replacement Clarifier Media at Earl Schmidt Filtration Plant			C																									
12	Laboratory PFAS Analytical Equipment Purchase																												
13	Recommend Approval of a Purchase Order for Final Design Services for Recycled Water Tank at an Alternate Site for Recycled Water Vista Canyon (Phase 2B) Project			C																									
14	Recommend that the Board of Directors Reject all Bids Associated with the Santa Clarita Valley Water Agency Slurry Seal and Asphalt Installation Project for the Rio Vista Treatment Plant Location						C																						
15	Recommend Approval of the Installation of Approximately 400 feet of 30" Diameter Pipeline Along Ridge Route Road							C																					
16	Recommend Approval of the Installation of Approximately 1,500 feet of 14" Diameter Pipeline Along Decoro Drive																												
17	Recommend Approval of the Installation of Approximately 1,500 feet of 12" Diameter Pipeline Along The Old Road																												

C = Completed Item  
P = Planned Item

**Engineering and Operations Committee  
Planning Calendar  
FY 2020/21**

Item	Jul 1 Comm	Jul 7 Board	Aug 4 Board	Aug 6 Comm	Aug 18 Board	Sep 1 Board	Sep 3 Comm	Sep 15 Board	Oct 1 Comm	Oct 6 Board	Oct 20 Board	Nov 4 Board	Nov 5 Comm	Nov 17 Board	Dec 1 Board	Dec 3 Comm - CANCELLED	Jan 5 Board	Jan 7 Comm	Feb 2 Board	Feb 4 Comm	Mar 2 Board	Mar 4 Comm	Apr 1 Comm	Apr 6 Board	May 4 Board	May 10 Comm	Jun 1 Board	Jun 3 Comm	Jul 6 Board	
18	Recommend Approval of the Installation of Approximately 130 feet of 18" Diameter Pipeline Along Honby Avenue						C	C																						
19	Recommend Approval of a Purchase Order for Final Design Services for Santa Clara and Honby Wells PFAS Groundwater Treatment Improvements						C	C																						
20	Recommend Approval of the General Manager to execute construction change orders up to seven percent (7%) of the original construction contract for the West Ranch Recycled Water Main Extension (Phase 2D)						C	C																						
21	Recommend Approval of Construction Contract Funding and a Purchase Order for Inspection Services for Replacement Wells Commerce Center Drive Pipeline								C																					
22	Recommend Approval of a Resolution Awarding a Material Purchase Contract for Valley Center Well								C																					
23	Recommend Approval of a Resolution Awarding a Construction Contract to GSE Construction Company, Inc., for the Rio Vista Water Treatment Plant Chlorine Scrubber Replacement Project											C	C																	
24	Recommend Approval of a Resolution Awarding a Contract for Newhall Tank No. 2 Interior Recoat and Repair												C																	
25	Approve the General Manager to execute a construction change order to the original construction contract for the N Wells PFAS Groundwater Treatment and Well Q2 Perchlorate Removal Facility Project																P													
26	Recommend Approval of a Purchase Order for Final Design Services for the new Deane Zone Tank Disinfection Facility, Pump Station and Cost Sharing Agreement at Skyline Ranch																	P	P											
27	Recommend Approval of a Work Authorization for Final Design of the Groundwater Treatment Improvements																			P	P									
28	Recommend Approval of a Purchase Order for Final Design Services for Well 205 Groundwater Treatment Improvements																				P	P								

**Engineering and Operations Committee  
Planning Calendar  
FY 2020/21**

Item	Jul 1 Comm	Jul 7 Board	Aug 4 Board	Aug 6 Comm	Aug 18 Board	Sep 1 Board	Sep 3 Comm	Sep 15 Board	Oct 1 Comm	Oct 6 Board	Oct 20 Board	Nov 4 Board	Nov 5 Comm	Nov 17 Board	Dec 1 Board	Dec 3 Comm - CANCELLED	Jan 5 Board	Jan 7 Comm	Feb 2 Board	Feb 4 Comm	Mar 2 Board	Mar 4 Comm	Apr 1 Comm	Apr 6 Board	May 4 Board	May 10 Comm	Jun 1 Board	Jun 3 Comm	Jul 6 Board
29	Recommend Approval of Resolution Awarding Construction Contract and Purchase Orders for Construction Management and Inspection Services and Engineering Services During Construction for Valley Center Well PFAS Groundwater Treatment Project																					P							
30	Recommend Approval of Resolution Awarding Construction Contract and Purchase Orders for Construction Management and Inspection Services and Engineering Services During Construction for ESFP Washwater Return and Sludge Systems Project																						P						
31	Recommend Approval of a Purchase Order for Final Design of the Magic Mountain Reservoir																						P						
32	Recommend Approval of a Purchase Order for Final Design of the Magic Mountain Pump Station																						P						
33	Recommend Approval of Purchase Order for Groundwater Modeling Services for Perchlorate Containment Evaluation																						P						
34	Recommend Approval of Resolution Awarding Construction Contract to TBD for Recycled Water Vista Canyon (Phase 2B) Tank																						P						
35	Recommend Approval of Resolution Authorizing SCV Water to Execute Water Service Agreement with State Water Resources Control Board and Los Angeles Residential Community																						P		P				
36	Recommend Approval of Resolution Awarding Construction Contract for Pipeline to the Los Angeles Residential Community																						P		P				
37	Recommend Approval of Construction of New Sand Canyon Plaza (Deane Zone) Pump Station and Cost Sharing Agreement with Developer																						P		P				
38	Recommend Approval of Construction of Pipeline in Sierra Highway from Dockweiler to Newhall Avenue																												P
39	Recommend Approval of Construction of Pressure Reducing Station in Sierra Highway																												P
40	Recommend Approval of Construction of a New Skyline Ranch (Deane Zone) Pump Station and Cost Sharing Agreement with Developer																												P

C = Completed Item  
P = Planned Item

**Engineering and Operations Committee  
Planning Calendar  
FY 2020/21**

	Item	Jul 1 Comm	Jul 7 Board	Aug 4 Board	Aug 6 Comm	Aug 18 Board	Sep 1 Board	Sep 3 Comm	Sep 15 Board	Oct 1 Comm	Oct 6 Board	Oct 20 Board	Nov 4 Board	Nov 5 Comm	Nov 17 Board	Dec 1 Board	Dec 3 Comm - CANCELLED	Jan 5 Board	Jan 7 Comm	Feb 2 Board	Feb 4 Comm	Mar 2 Board	Mar 4 Comm	Apr 1 Comm	Apr 6 Board	May 4 Board	May 10 Comm	Jun 1 Board	Jun 3 Comm	Jul 6 Board			
41	Recommend Approval of Construction of New Skyline Ranch 2.1 MG Tanks (Deane Zone) and Cost Sharing Agreement with Developer																														P	P	
42	Recommend Approval of Construction of New Sand Canyon Plaza 1.5 MG Tank (Deane Zone) and Cost Sharing Agreement with Developer																																

**Finance and Administration Committee  
Planning Calendar  
FY 2020/21**

Item	July 7 Board	July 20 Comm	Aug 4 Board	Aug 17 Comm	Sept 1 Board	Sept 15 Board	Sept 21 Comm	Oct 6 Board	Oct 19 Comm	Nov 3 Board	Nov 16 Comm	Dec 1 Board	Dec 15 Board	Dec 21 Comm	Jan 5 Board	Jan 11 SPECIAL Comm	Feb 2 Board	Feb 16 Board	Mar 1 SPECIAL Comm	Mar 2 Board	Mar 15 Comm	Mar 16 Board	April 6 Board	April 19 Comm	May 4 Board	May 17 Comm	May 18 Board	June 1 Board	June 21 Comm
1	Recommend Approval of Resolutions Setting Santa Clarita Valley Water Agency Tax Rate for FY 2020/21 and Requesting Levy of Tax by Los Angeles County and Ventura County (consent)	C																											
2	Recommend Approval of Resolution Authorizing July 2020 Water Supply Contract Payment (consent)	C																											
3	Recommend Approval of a Temporary Telecommuting Policy (consent)	C																											
4	Recommend Approval of Resolutions Establishing Banking Authority	C																											
5	Recommend Receiving and Filing of April 2020 Monthly Financial Report (consent)	C																											
6	Recommend Approval of Resolutions Authorizing (1) the Execution of a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority (CFMA), and (2) Participation in the CFMA's Bond Opportunities for Land Development (BOLD) Program and Other Related Actions in Establishing a CFD for the Spring Canyon Development - on pause until after election		C																										
7	Photovoltaic (PV) Assets (Solar Panels) Portfolio Assessment		C																										
8	Recommend Approval of a Resolution Authorizing FY 2020/21 Water Supply Contract Payments (consent)		C	C																									
9	Recommend Receiving and Filing of May 2020 Monthly Financial Report (consent)		C	C	C	C																							
10	Discuss Retail Cost-of-Service				C																								
11	Review Strategic Plan Performance Metrics				C																								
12	Recommend Receiving and Filing of June 2020 Monthly Financial Report (consent)				C	C																							
13	Cost of Service Study & Rate Transition Project a. Proposition 218 Mailer b. Financial Aspects under development						C	P - only a																					
14	Recommend Approval of the Retail Debt Threshold Calculation						C	P																					

C = Completed Item  
P = Planned Item

**Finance and Administration Committee  
Planning Calendar  
FY 2020/21**

Item	July 7 Board	July 20 Comm	Aug 4 Board	Aug 17 Comm	Sept 1 Board	Sept 15 Board	Sept 21 Comm	Oct 6 Board	Oct 19 Comm	Nov 3 Board	Nov 16 Comm	Dec 1 Board	Dec 15 Board	Dec 21 Comm	Jan 5 Board	Jan 11 SPECIAL Comm	Feb 2 Board	Feb 16 Board	Mar 1 SPECIAL Comm	Mar 2 Board	Mar 15 Comm	Mar 16 Board	April 6 Board	April 19 Comm	May 4 Board	May 17 Comm	May 18 Board	June 1 Board	June 21 Comm
15	Recommend Receiving and Filing of July 2020 Monthly Financial Report (consent)						C	P																					
16	Recommend Approval of Changes to the Agency's Classification Plan and Salary Ranges								C																				
17	Review Plan for Consolidation of Customer Service Centers								C																				
18	Recommend Receiving and Filing of August 2020 Monthly Financial Report (consent)								C																				
19	Recommend Approval of Resolutions Authorizing (1) the Execution of a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority (CFMA), and (2) Participation in the CFMA's Bond Opportunities for Land Development (BOLD) Program and Other Related Actions in Establishing a CFD for the Spring Canyon Development - on pause until after election		C										C																
20	Recommend Approval of Changes to the Agency's Classification Plan and Salary Ranges										C	C																	
21	Recommend Approval of Revised Reserve Policy										C	C																	
22	Recommend Approval of Revised Asset Capitalization Policy										C	C																	
23	Recommend Approval of Revised Employment Status and Work Policy										C	C																	
24	Recommend Approval of a Resolution Approving a Letter of Authorization and Contract Modification with Systems & Software, Inc. (S&S) for enQuestia v6 Client Information System (CIS) Upgrade										C	C																	
25	Recommend Receiving and Filing of September 2020 Monthly Financial Report (consent)										C	C																	
26	Recommend Receiving and Filing of SCV Water Comprehensive Annual Financial Report (CAFR) ended June 30, 2020 (consent)													C	P														
27	Discuss Cost of Service and Rate Design													C															
28	Recommend Approval of a Use of Technology Policy													C															
29	Recommend Receiving and Filing of October 2020 Monthly Financial Report (consent)													C	P														

C = Completed Item  
P = Planned Item

**Finance and Administration Committee  
Planning Calendar  
FY 2020/21**

Item	July 7 Board	July 20 Comm	Aug 4 Board	Aug 17 Comm	Sept 1 Board	Sept 15 Board	Sept 21 Comm	Oct 6 Board	Oct 19 Comm	Nov 3 Board	Nov 16 Comm	Dec 1 Board	Dec 15 Board	Dec 21 Comm	Jan 5 Board	Jan 11 SPECIAL Comm	Feb 2 Board	Feb 16 Board	Mar 1 SPECIAL Comm	Mar 2 Board	Mar 15 Comm	Mar 16 Board	April 6 Board	April 19 Comm	May 4 Board	May 17 Comm	May 18 Board	June 1 Board	June 21 Comm
30 Approve a Revised Emergency Administrative Leave Policy - COVID-19															P														
31 Review Strategic Plan Performance Metrics																P													
32 Discuss Rate Design and Customer Impact																P													
33 Recommend Approval of Repurposing Positions																P													
34 Recommend Approval of a Contract Amendment for Equation Technologies																P													
35 Recommend Approval of a Use of Technology Policy																P													
36 Recommend Approval of a Revised Investment Policy - (Annually adopted via reso) (consent)																P													
37 Board Rates Workshop																	P												
38 Recommend Approval of a Proposition 218 Notice																				P									
39 Recommend Receiving and Filing of November 2020 Monthly Financial Report (consent)																				P									
40 Board Rates and Prop 218 Notice Presentation																					P								
41 Review Annual List of Professional Services Contracts (consent)																					P								
42 Review FY 2021/22 Budget Status																					P								
43 Technology Update																													
44 Recommend Receiving and Filing of December 2020 Monthly Financial Report (consent)																													
45 Recommend Receiving and Filing of January 2021 Monthly Financial Report (consent)																													
46 Review FY 2021/22 Budget Status																													

C = Completed Item  
P = Planned Item

**Finance and Administration Committee  
Planning Calendar  
FY 2020/21**

Item	July 7 Board	July 20 Comm	Aug 4 Board	Aug 17 Comm	Sept 1 Board	Sept 15 Board	Sept 21 Comm	Oct 6 Board	Oct 19 Comm	Nov 3 Board	Nov 16 Comm	Dec 1 Board	Dec 15 Board	Dec 21 Comm	Jan 5 Board	Jan 11 SPECIAL Comm	Feb 2 Board	Feb 16 Board	Mar 1 SPECIAL Comm	Mar 2 Board	Mar 15 Comm	Mar 16 Board	April 6 Board	April 19 Comm	May 4 Board	May 17 Comm	May 18 Board	June 1 Board	June 21 Comm
47	Recommend Approval of a Proposed Employee Salary Adjustment for FY 2021/22																							P					
48	Technology Update																												
49	Recommend Receiving and Filing of February 2021 Monthly Financial Report (consent)																							P	P				
50	Public Hearing																												
51	Recommend Approval of a Resolution Re-Adopting the FY 2021/22 and FY 2022/23 Budget																												
52	Approve a Resolution Adopting the Appropriation of All As-Yet Unappropriated Funds for FY 2020/21 (consent)																												
53	Approve a Resolution Adopting the Appropriation Limit for FY 2021/22 (consent)																												
54	Discuss Retail Cost-of-Service																												
55	Recommend Receiving and Filing of March 2021 Monthly Financial Report (consent)																												
56	Recommend Approval of Resolution Authorizing July 2021 Water Supply Contract Payment																												
57	Discussf Retail Cost-of-Service																												
58	Review Strategic Plan Performance Metrics																												
59	Technology Update																												
60	Recommend Receiving and Filing of April 2021 Monthly Financial Report (consent)																												





**PUBLIC OUTREACH AND LEGISLATION COMMITTEE  
AGENDA PLANNING CALENDAR FY 2020-2021**

**July 16, 2020 Committee – VIRTUAL MEETING**

1. Legislative Consultant Reports
2. Public Information Officer Activities:
  - Monthly Outreach Matrix
  - Legislative Tracking
  - Sponsorship Tracking FY 2019/20 and FY 2020/21
  - Public Outreach Event Calendar 2020
  - Committee Planning Calendar 2020

**August 20, 2020 Committee – VIRTUAL MEETING**

1. Legislative Consultant Reports
2. Public Information Officer Activities:
  - Quarterly Social Media Report from Consultant Tripepi Smith
  - Monthly Outreach Matrix
  - Legislative Tracking
  - Grant Status Report
  - Sponsorship Tracking FY 2020/21
  - Public Outreach Event Calendar 2020
  - Committee Planning Calendar 2020
3. Recommend Authorizing the General Manager to Apply for Grant Funding Under the Federal Bureau of Reclamation WaterSmart Water Energy Efficiency Grant Program (WEEG) for an Automated Metering Infrastructure Project
4. Discussion of the RFP for New Website Design and Development
5. General Update on Virtual Outreach Efforts

**September 1, 2020 – Board**

1. Recommend Authorizing the General Manager to Apply for Grant Funding Under the Federal Bureau of Reclamation WaterSmart Water Energy Efficiency Grant Program (WEEG) for an Automated Metering Infrastructure Project
2. Approve RFP for New Website Design and Development

**September 17, 2020 Committee – VIRTUAL MEETING**

1. Legislative Consultant Reports
2. Public Information Officer Activities:
  - Monthly Outreach Matrix
  - Legislative Tracking
  - Grant Status Report
  - Sponsorship Tracking FY 2020/21
  - Public Outreach Event Calendar 2020
  - Committee Planning Calendar 2020
3. Overview of Outreach Efforts

**October 15, 2020 Committee – VIRTUAL MEETING**

1. Legislative Consultant Reports
2. Public Information Officer Activities:
  - Monthly Outreach Matrix
  - Legislative Tracking
  - Grant Status Report
  - Sponsorship Tracking FY 2020/21
  - Public Outreach Event Calendar 2020



**PUBLIC OUTREACH AND LEGISLATION COMMITTEE  
AGENDA PLANNING CALENDAR FY 2020-2021**

- Committee Planning Calendar FY 2020/21

**November 19, 2020 Committee – VIRTUAL MEETING**

1. Legislative Consultant Reports
2. Recommend Authorizing the General Manager to Enter into an Agreement with Kennedy/Jenks Consultants to Provide Grant Administration Services for the Proposition 1 Integrated Regional Water Management Implementation Grant
3. Public Information Officer Activities:
  - Quarterly Social Media Report from Consultant Tripepi Smith
  - Monthly Outreach Matrix
  - Legislative Tracking
  - Grant Status Report
  - Sponsorship Tracking FY 2020/21
  - Public Outreach Event Calendar 2020
  - Committee Planning Calendar FY 2020/21

**December 1, 2020 - Board**

1. Recommend Authorizing the General Manager to Enter into an Agreement with Kennedy/Jenks Consultants to Provide Grant Administration Services for the Proposition 1 Integrated Regional Water Management Implementation Grant

**December 17, 2020 Committee – CANCELLED**

1. Legislative Consultant Reports
2. Public Information Officer Activities:
  - Monthly Outreach Matrix
  - Legislative Tracking
  - Grant Status Report
  - Sponsorship Tracking FY 2020/21
  - Committee Planning Calendar FY 2020/21

**January 21, 2021 Committee – VIRTUAL MEETING**

1. Legislative Consultant Reports
2. Review of Agency's Legislative Platform
3. Public Information Officer Activities:
  - Quarterly Social Media Report from Consultant Tripepi Smith
  - Monthly Outreach Matrix
  - Legislative Tracking
  - Grant Status Report
  - Sponsorship Tracking FY 2020/21
  - Committee Planning Calendar FY 2020/21

**February 18, 2021 Committee – VIRTUAL MEETING**

1. Legislative Consultant Reports
2. Public Information Officer Activities:
  - Monthly Outreach Matrix
  - Legislative Tracking
  - Grant Status Report
  - Sponsorship Tracking FY 2020/21
  - Committee Planning Calendar FY 2020/21



**PUBLIC OUTREACH AND LEGISLATION COMMITTEE  
AGENDA PLANNING CALENDAR FY 2020-2021**

**March 18, 2021 Committee**

1. Legislative Consultant Reports
2. Public Information Officer Activities:
  - Monthly Outreach Matrix
  - Legislative Tracking
  - Grant Status Report
  - Sponsorship Tracking FY 2020/21
  - Committee Planning Calendar FY 2020/21

**April 15, 2021 Committee**

1. Legislative Consultant Reports
2. Public Information Officer Activities:
  - Quarterly Social Media Report from Consultant Tripepi Smith
  - Monthly Outreach Matrix
  - Legislative Tracking
  - Grant Status Report
  - Sponsorship Tracking FY 2020/21
  - Committee Planning Calendar FY 2020/21

**May 20, 2021 Committee**

1. Legislative Consultant Reports
2. Public Information Officer Activities:
  - Monthly Outreach Matrix
  - Legislative Tracking
  - Grant Status Report
  - Sponsorship Tracking FY 2020/21
  - Committee Planning Calendar FY 2020/21

**June 17, 2021 Committee**

1. Legislative Consultant Reports
2. Public Information Officer Activities:
  - Monthly Outreach Matrix
  - Legislative Tracking
  - Grant Status Report
  - Sponsorship Tracking FY 2020/21
  - Committee Planning Calendar FY 2020/21

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**Santa Clarita Valley Water Agency  
Water Resources & Watershed Committee and Board Calendar**

**FY 2020/21**

Item	Jul 7 Board	Jul 8 Comm	Jul 21 Board	Aug 4 Board	Aug 12 Comm	Aug 18 Board	Sep 1 Board	Sep 9 Comm	Sep 15 Board	Oct 6 Board	Oct 14 Comm	Nov 4 Board	Nov 12 Comm <i>Rescheduled</i>	Nov 17 Board	Dec 1 Board	Dec 9 Comm	Jan 5 Board	Jan 13 Comm	Feb 2 Board	Feb 10 Comm	Mar 2 Board	Mar 10 Comm	Apr 6 Board	Apr 14 Comm	Apr 20 Board	Apr 26 Board <i>(Special)</i>	May 4 Board	May 12 Comm	May 18 Board	Jun 1 Board	Jun 9 Comm					
1 Recommend Authorizing the General Manager to Implement the Purple PREP Pilot for Recycled Water Onsite Conversion Support																																				
2 Update on Conservation Activities & Performance		C						C			C		C																							
3 Update on the 2020 UWMP																																				
4 CLOSED SESSION: Real Property Negotiations																																				
5 Recommend Approval of a Resolution Adopting Recycled Water Rules and Regulations																																				
6 Devil's Den Semi-Annual Report		C																																		
7 Status of Watershed Recharge Feasibility Study																																				
8 Status of Water Supplies																																				
9 Review of Energy Resiliency and Battery Storage Feasibility Assessment																																				
10 Status of Recycled Water Program																																				
11 Status of Sites Reservoir Project																																				
12 Status of Devil's Den Solar Generation Facilities																																				
13 Status of Upper Santa Clara River Salt and Nutrient Management Plan																																				
14 Status of Sustainable Groundwater Management Act Implementation																																				
15 Status of Water Supply and Water Banking Programs																																				
16 Review and Discussion of FY 2021/22 and FY 2022/23 Water Resources Operating Budget and Minor and Major Capital Projects Budgets																																				
17 Public Hearing: Water Shortage Congingency Plan																																				
18 Approve a Resolution Adopting the Water Shortage Contingency Plan																																				
19 Public Hearing: 2020 UWMP																																				
20 Approve a Resolution Adopting the 2020 Urban Water Management Plan																																				
21 Recommend Authorizing the General Manager to Extend the Site Control Agreement between SCV Water and Alamo Springs, LLC through December 31, 2021																																				
22 Recommend Authorizing the General Manager to Exercise a 1-Year Extension of the Devil's Den Agricultural Lease Agreement with Rolling Hills Farms																																				

**Santa Clarita Valley Water Agency  
Water Resources & Watershed Committee and Board Calendar**

**FY 2020/21**

Item	Jul 7 Board	Jul 8 Comm	Jul 21 Board	Aug 4 Board	Aug 12 Comm	Aug 18 Board	Sep 1 Board	Sep 9 Comm	Sep 15 Board	Oct 6 Board	Oct 14 Comm	Nov 4 Board	Nov 12 Comm	Nov 17 Board	Dec 1 Board	Dec 9 Comm	Jan 5 Board	Jan 13 Comm	Feb 2 Board	Feb 10 Comm	Mar 2 Board	Mar 10 Comm	Apr 6 Board	Apr 14 Comm	Apr 20 Board	Apr 26 Board (Special)	May 4 Board	May 12 Comm	May 18 Board	Jun 1 Board	Jun 9 Comm							
23 Recommend Authorizing the General Manager to Issue a Work Authorization to Kennedy Jenks, Inc. for Preparation of the 2020 Urban Water Management Plan		C		C																																		
24 Recommend Approving a Resolution Adopting the SCV Water Grant Policy and Procedure Manual		C				C																																
25 Adopt a Resolution Authorizing the General Manager to Apply for Grant Funding Under the WaterSmart Drought Response Program and Execute a Grant Agreement with the Federal Bureau of Reclamation				C																																		
26 Update on Recycled Water Purple PREP					C																																	
27 Update on Education Garden State Water Project Exhibit					C																																	
28 Recommend Approval of a Resolution Authorizing the General Manager to Amend the GSI Water Solutions, Inc. Contract for Field Investigation of Potential Recharge Sites								C		C																												
29 Update on State Water Project Matters								C																														
30 Recommend Approval of a Resolution Authorizing the General Manager to Execute Amendment No. 6 to the Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California to the Participating State Water Project Contractors Under the Dry Year Water Purchase Program								C																														
31 Recommend Approval of a Resolution Authorizing the General Manager to Amend the GSI Water Solutions, Inc. Contract for Development of a Groundwater Sustainability Plan on Behalf of the Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA)											C																											
32 Recommend Approval of Resolution Adopting CEQA Findings for State Water Project Water Management Tools and Authorizing the General Manager to Execute a Contract Amendment for the State Water Project Water Management Tools											C																											
33 Recommend Adopting a Resolution Authorizing General Manager to Enter into a Cost Sharing Agreement for Planning Activities for a Delta Conveyance Facility and Authorize SCV Water's Membership in the Delta Conveyance Design and Construction Authority																																						
34 Status of Integrated Regional Water Management Plan Update																																						
35 Status of Water Shortage Contingency Plan																																						
36 Review of Water Management Options to Enhance Reliability																																						
37 Recommend Authorizing the General Manager to Execute an Amendment to the Reservoir Agreement for Sites Reservoir to Fund Necessary Planning Costs																																						

P = Planned  
C = Completed  
CNL = Cancelled  
CNT = Continued Item

**DIRECTOR AB1234 REPORT**

Director Name: Jerry Gladbach

Meeting Attended: ACWA's Federal Affairs Committee

Date of Meeting: December 16, 2020

Date of Meeting to be Presented at: January 5, 2021

Points of Interest:

Dave Eggerton said that he has reorganized a part of ACWA, which is a money saving move. He has combined Member Services, Business Development, Finance and IT into one organization which will be led by Tiffany G.

ACWA has spent a lot of time this year working with the SWRCB

The response from the SWRCB's request for information regarding the financial impact of COVID-19 on water agencies has been very good. For agencies with over 10,000 connections they sent a request, for smaller agencies they called them.

Matt Muirragui and Annick Miller, staffers for the House Subcommittee for Water, Oceans, and Wildlife (WOW) expects earmarks to return, the agenda will be the same as this year,

Christine Arbogast, President of NWRA, said that the Omnibus bill will likely be passed this month which will authorize the Government until 9/30/2021

Dave Reynolds said that WRDA bill should be passed and he wants to make sure that California's needs are included. The Wildfire bill will include forest replanting.

If Vice-President Biden becomes President, he will within a few days eliminate all of the Executive Orders that President Trump signed. WOTUS regulations will be redone again,

EPA has proposed new guidelines requiring NPDES permits where discharges may seep to groundwater, this is a result of the Maui case. The first organizational meeting of Congress will occur at the end of January or early February.

There was discussion of how ACWA's Washington D.C. Conference will be held this winter. It will be virtual with the Congressional Speakers one day and webinars later.

Regarding the in-person visits to members of Congress, it will probably be virtual but with very small groups





# Committee Agenda

## Federal Affairs Committee

December 16, 2020

10:00am – 11:30am (PST)

Zoom: <https://acwa.zoom.us/meeting/register/tJFoceGsrD8oHtabcxcqtb1JED4ckLa4xeFM>

Chair, Patrick O'Dowd

Vice-Chair, Jim Peifer

- 
- I. Welcome & Call to Order, Patrick O'Dowd, Federal Affairs Committee Chair
  - II. Self-Introductions and Roll Call
  - III. Approval of September 28, 2020 Meeting Minutes
  - IV. ACWA Update: Dave Eggerton, Executive Director
  - V. ACWA Update: Cindy Tuck, Deputy Executive Director for Government Relations
    - a. COVID-19 Financial Impact Survey
  - VI. Guest Speakers: Matt Muirragui, Staff Director Subcommittee on Water, Oceans, and Wildlife (Maj.); Annick Miller, Staff Director Subcommittee on Water, Oceans, and Wildlife (Min.)
  - VII. NWRA Update: Christine Arbogast, President, NWRA
  - VIII. Washington Update: David Reynolds
    - a. Appropriations, WRDA
    - b. COVID-19 Economic Stimulus / Infrastructure Relief Package
    - c. Wildfire Legislation
  - IX. Regulatory Update: Madeline Voitier
    - a. Regulatory Chart
  - X. 2020 Biden Transition/Congressional Committee Transitions
  - XI. Draft 117<sup>th</sup> Congress Priorities List
  - XII. New Bill Positions
  - XIII. Matrix
  - XIV. Discussion Item: 2021 DC Conference
  - XV. Other business
  - XVI. Next Meeting – TBD

All information and materials related to committees, including presentations and minutes, are available to Committee Members on ACWA's website at: <http://www.acwa.com/content/acwa-committees>