



SCV WATER AGENCY REGULAR BOARD MEETING

**Tuesday, December 20, 2022
Meeting Begins at 6:00 PM**

Members of the public may attend by the following options:

In Person

Santa Clarita Valley Water Agency
Rio Vista Water Treatment Plant
Boardroom
27234 Bouquet Canyon Road
Santa Clarita, CA 91350

By Phone

Toll Free:
1-(833)-568-8864
Webinar ID: 160 282 5415

Virtually

Please join the meeting from your
computer, tablet or smartphone:
<https://scvwa.zoomgov.com/j/1602825415>

See Agenda for Additional Locations.

Have a Public Comment?

Members of the public unable to attend this meeting may submit comments either in writing to ajacobs@scvwa.org or by mail to April Jacobs, Board Secretary, Santa Clarita Valley Water Agency, 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 Board members and posted on the Santa Clarita Valley Water Agency website prior to the start of the meeting. Anything received after 4:00 PM the day of the meeting will be made available at the meeting, if practicable, and posted on the SCV Water website the following day. All correspondence with comments, including letters or emails, will be posted in their entirety.

(Public comments take place during Item 3 of the Agenda and before each Item is considered. Please see the Agenda for details.)

This meeting will be recorded and the audio recording for all Board meetings will be posted to yourscvwater.com within 3 business days from the date of the Board meeting.

Disclaimer: Attendees should be aware that while the Agency is following all applicable requirements and guidelines regarding COVID-19, the Agency cannot ensure the health of anyone attending a Board meeting. Attendees should therefore use their own judgment with respect to protecting themselves from exposure to COVID-19.

Santa Clarita Valley Water Agency
Rio Vista Water Treatment Plant
27234 Bouquet Canyon Road
Santa Clarita, CA 91350
(661) 297-1600

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

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

AND TELECONFERENCE SITES LOCATED AT

**DIRECTOR COLLEY
100 HEBGEN MOUNTAIN ROAD
WEST YELLOWSTONE, MT 59758
1-(661)-378-4748**

AND

**DIRECTOR KELLY
4791 LOOKING GLASS TRAIL
DENVER, NC 28037
1-(661)-510-1025**

TUESDAY, DECEMBER 20, 2022, AT 6:00 PM

IMPORTANT NOTICES

This meeting will be conducted in person at the addresses listed above. As a convenience to the public, members of the public may also participate virtually by using the **Agency's Call-In Number 1-(833)-568-8864, Webinar ID: 160 282 5415 or Zoom Webinar by clicking on the link <https://scvwa.zoomgov.com/j/1602825415>**. Any member of the public may listen to the meeting or make comments to the Board using the call-in number or Zoom Webinar link above.

However, in the event there is a disruption of service which prevents the Agency from broadcasting the meeting to members of the public using either the call-in option or internet-based service, this meeting will not be postponed or rescheduled but will continue without remote participation. The remote participation option is being provided as a convenience to the public and is not required. Members of the public are welcome to attend the meeting in person.

Attendees should be aware that while the Agency is following all applicable requirements and guidelines regarding COVID-19, the Agency cannot ensure the health of anyone attending a Board meeting. Attendees should therefore use their own judgment with respect to protecting themselves from exposure to COVID-19.

Members of the public unable to attend this meeting may submit comments either in writing to ajacobs@scvwa.org or by mail to April Jacobs, Board Secretary, Santa Clarita Valley Water Agency, 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 Board members and posted on the Santa Clarita Valley Water Agency website prior to the start of the meeting. Anything received after 4:00 PM the day of the meeting, will be made available at the meeting, if practicable, and will be posted on the SCV Water website the following day. All correspondence with comments, including letters or emails, will be posted in their entirety.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENTS – Members of the public may comment as to items within the subject matter jurisdiction of the Agency that are not on the Agenda at this time. Members of the public wishing to comment on items covered in this Agenda may do so 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 6:00 PM.

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12.3 *	December 9, 2022 Delta Conveyance Design and Construction Authority Board Briefing – President Martin	351
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12.5	Other AB 1234 Reports	

13. CLOSED SESSION

- 13.1 **Conference with Real Property Negotiators**
Property: Approximately 4.05 +/- acres in City of Santa Clarita, Los Angeles County, Los Angeles County Assessor's Parcel Nos. 2859-002-024, -025, 2855-011-034, and -035
Agency Negotiator: General Manager Matt Stone, Chief Engineer Courtney Mael
Negotiating Parties: Angelos A. Hroundas, George A. Hroundas, Georgia J. Hrountas, Georgia Chrountas, John Chrountas and John A. Chrountas
Under Negotiation: Price and Terms of Payment

14. CLOSED SESSION ANNOUNCEMENTS

15. DIRECTOR REQUESTS FOR FUTURE AGENDA ITEMS

16. 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 14, 2022.

M65

RESOLUTION NO. ____

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

WHEREAS, Jeff Ford was appointed by the Los Angeles County Board of Supervisors to the Santa Clarita Valley Water Agency Board of Directors in October of 2019 and served through December of 2022; and

WHEREAS, Mr. Ford has served on the Agency’s Engineering and Operations Committee and as Chair of the Water Resources and Watershed Committee; and

WHEREAS, Mr. Ford served as Vice President of the Upper Santa Clara Valley Joint Powers Authority; and

WHEREAS, Mr. Ford currently serves as President of the Devil’s Den Water District; and

WHEREAS, Mr. Ford currently serves as an alternate Director on the Santa Clarita Valley Groundwater Sustainability Agency Board which is responsible for sustainably managing groundwater in the Santa Clara River Valley East Subbasin; and

WHEREAS, Mr. Ford supported the Agency’s mission statement of providing responsible water stewardship to ensure the Santa Clarita Valley has reliable supplies of high quality water at a reasonable cost; and

WHEREAS, Mr. Ford’s wealth of knowledge and experience has provided valuable water industry insights to the Agency Board of Directors; and

WHEREAS, the Santa Clarita Valley Water Agency Board of Directors deem it most fitting that Mr. Ford’s outstanding service to the Santa Clarita Valley Water Agency and the customers it serves be appropriately recognized.

NOW, THEREFORE, BE IT RESOLVED, that the Santa Clarita Valley Water Agency Board of Directors commends and recognizes Jeff Ford for his over 3 years of service to the Board of Directors of the Santa Clarita Valley Water Agency and thanks him for his support of the Board, employees and the customers of the Santa Clarita Valley Water Agency during his time as a Board member.

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RESOLUTION NO. ____

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

WHEREAS, Lynne Plambeck was elected to the Newhall County Water District (NCWD) Board of Directors in November of 1993 and served through December of 1997; and

WHEREAS, Ms. Plambeck was re-elected to the Newhall County Water District Board of Directors in November of 1999 and served through December of 2017; and

WHEREAS, Ms. Plambeck served as NCWD Board Vice President in 2002 and Board President in 2004; and

WHEREAS, Ms. Plambeck served on the Santa Clarita Valley Water Agency (Agency) Board of Directors from January 2018 to December 2022; and

WHEREAS, Ms. Plambeck served on many Committees during her years of service as a Director, most recently on the Agency's Engineering and Operations Committee and the Public Outreach and Legislation Committee; and

WHEREAS, Ms. Plambeck currently serves as an alternate Director on the Santa Clarita Valley Groundwater Sustainability Agency Board which is responsible for sustainably managing groundwater in the Santa Clara River Valley East Subbasin; and

WHEREAS, Ms. Plambeck currently is a member of the ACWA Groundwater Committee and ACWA Water Quality Committee; and

WHEREAS, Ms. Plambeck supported the Agency's mission statement of providing responsible water stewardship to ensure the Santa Clarita Valley has reliable supplies of high quality water at a reasonable cost; and

WHEREAS, the Santa Clarita Valley Water Agency Board of Directors deem it most fitting that Ms. Plambeck's outstanding service to the Santa Clarita Valley Water Agency and the customers it serves be appropriately recognized.

NOW, THEREFORE, BE IT RESOLVED, that the Santa Clarita Valley Water Agency Board of Directors commends and recognizes Lynne Plambeck for her 27 years of service to the Board of Directors of the Newhall County Water District and the Santa Clarita Valley Water Agency and thanks her for her support of the Board, employees and the customers of the Santa Clarita Valley Water Agency during her time as a Board member.

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Minutes of the Regular Meeting of the Board of Directors of the Santa Clarita Valley Water Agency – December 6, 2022

A regular meeting of the Board of Directors of the Santa Clarita Valley Water Agency was held at Santa Clarita Valley Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350 at 6:00 PM on Tuesday, December 6, 2022. A copy of the Agenda is inserted in the Minute Book of the Agency preceding these minutes.

DIRECTORS PRESENT: Kathye Armitage, Beth Braunstein (Arrived at 6:07 PM), Ed Colley, Jeff Ford, Maria Gutzeit (arrived at 6:01 PM), R. J. Kelly, Gary Martin, Ken Petersen and Lynne Plambeck.

DIRECTORS ABSENT: William Cooper and Piotr Orzechowski.

Also present: Assistant General Manager Steve Cole, Board Secretary April Jacobs, Chief Financial and Administrative Officer Rochelle Patterson, Chief Operating Officer Keith Abercrombie, Communications Manager Kathie Martin, Controller Amy Aguer, Director of Water Resources Ali Elhassan, General Counsel Joe Byrne, General Manager Matthew Stone, Information Technology Technician I Jonathan Thomas, Senior Engineer Orlando Moreno (Via Zoom), as well as additional SCV Water Agency staff and members of the public.

President Martin called the meeting to order at 6:00 PM. A quorum was present.

President Martin advised the Board there was an amended Agenda at each of their spots. Changes included moving Item 6.3 to Item 5.7 under the Consent Calendar per the November 21, 2022 Finance and Administration Committee Meeting Report and both Items 14 and 15 were removed from the Agenda. There were no changes to the December 6, 2022 Board Amended Agenda and it was approved (Item 4).

Upon motion of Director Kelly, seconded by Director Braunstein and carried, with the request from Director Armitage to remove Item 5.5 “Approve Implementation of the Edward G. “Jerry” Gladbach Scholarship” for further discussion, the Board approved the Consent Calendar including Resolution No. SCV-319 by the following roll call votes (Item 5):

Director Armitage	Yes	Director Braunstein	Yes
Director Colley	Yes	Director Cooper	Absent
Director Ford	Yes	Director Gutzeit	Yes
Director Kelly	Yes	President Martin	Yes
Vice President Orzechowski	Absent	Director Petersen	Yes
Director Plambeck	Yes		

RESOLUTION NO. SCV-319

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SANTA CLARITA VALLEY WATER AGENCY ADOPTING AN
AMENDED CONFLICT OF INTEREST CODE PURSUANT TO
THE POLITICAL REFORM ACT OF 1974**

<https://yourscvwater.com/wp-content/uploads/2022/12/SCV-Water-Approved-Resolution-120622-Resolution-SCV-319.pdf>

Upon motion of Director Colley, seconded by Director Plambeck and carried, the Board approved the implementation of the Edward G. “Jerry” Gladbach Scholarship by the following roll call votes (Item 5.5):

Director Armitage	Yes	Director Braunstein	Yes
Director Colley	Yes	Director Cooper	Absent
Director Ford	Yes	Director Gutzeit	Yes
Director Kelly	Yes	President Martin	Yes
Vice President Orzechowski	Absent	Director Petersen	Yes
Director Plambeck	Yes		

Upon motion of Director Ford, seconded by Director Petersen and carried, the Board authorized the General Manager to execute a contract with GS Sand Canyon for Rent, LLC for SCV Water’s fair share costs in the not-to-exceed amount of \$2,265,798 for the construction of the Sand Canyon Plaza Pump Station in the Deane Zone, including construction quality assurance and control testing, construction inspections, and engineering services during construction by the following roll call votes (Item 6.1):

Director Armitage	Yes	Director Braunstein	Yes
Director Colley	Yes	Director Cooper	Absent
Director Ford	Yes	Director Gutzeit	Yes
Director Kelly	Yes	President Martin	Yes
Vice President Orzechowski	Absent	Director Petersen	Yes
Director Plambeck	No		

Upon motion of Director Braunstein, seconded by Director Kelly and carried, the Board received and filed the September 2022 Monthly and FY 2022/23 First Quarter Financial Report by the following roll call votes (Item 6.2):

Director Armitage	Yes	Director Braunstein	Yes
Director Colley	Yes	Director Cooper	Absent
Director Ford	Yes	Director Gutzeit	Yes
Director Kelly	Yes	President Martin	Yes
Vice President Orzechowski	Absent	Director Petersen	Yes
Director Plambeck	Yes		

Chief Engineer Courtney Mael briefed the Board on the Agency’s Debt Funded Projects (Item 7).

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

General Manager Stone reported on the following:

He gave a brief update and his insight on the recent 2022 ACWA Fall Conference.

He mentioned that SCV Water Board President Martin, Assistant General Manager Steve Cole, Director Water Resources Manager Ali Elhassan and himself meet with Rosedale-Rio Bravo’s

Board President and Water Resources Manager to get reacquainted and have a general discussion on our resource plans, challenges and mutual desire to keep our successful program and partnership going.

He then gave an update on the roundtable on diversity session and the Women in Water Event. He thought both were very informative. He stated he ran into some colleagues that he will be following-up with on some issues and will report back to the Board if anything comes from those conversations.

To hear the full report please refer to the Board recording at https://yourscvwater.com/wp-content/uploads/2022/12/Board_Recording_120622.mp3.

Committee Meeting Recap Reports for Informational Purposes Only (Item 9).

There were no comments on the recap reports.

Written Reports for Informational Purposes Only (Item 10).

Director Armitage had questions regarding the Treatment, Distribution, Operations and Maintenance Section Report (Item 10.3) and the Water Resources and Outreach Section Report (Item 10.4). Director Ford had a few comments and questions on Item 10.4. To hear Directors Armitage and Fords comments, please refer to the Board recording at https://yourscvwater.com/wp-content/uploads/2022/12/Board_Recording_120622.mp3.

There were no other comments on the written reports.

President's Report (Item 11).

The President updated the Board on upcoming meetings and events and miscellaneous items. To hear the full report please refer to the Board recording at https://yourscvwater.com/wp-content/uploads/2022/12/Board_Recording_120622.mp3.

AB 1234 Written and Verbal Reports (Item 12).

Written reports were submitted by President Martin and Directors Armitage, Braunstein, Ford, Gutzeit and Plambeck which were posted on the SCV Water website and are part of the record.

Director Plambeck reported that she attended the 2022 ACWA Fall Conference held in Indian Wells on November 29 through December 2, 2022.

Director Colley reported that he attended the 2022 ACWA Fall Conference held in Indian Wells on November 29 through December 2, 2022.

Director Kelly reported that he attended the SCV Chamber of Commerce Business After Hours Mixer held at Eternal Valley on November 15, 2022 and attended the 2022 ACWA Fall Conference held in Indian Wells on November 29 through December 2, 2022.

Director Armitage reported that she attended the Labor Management Compliance Council Annual Conference held in Los Angeles on November 17, 2022 (a written report was also submitted on this item) and attended the 2022 ACWA Fall Conference held in Indian Wells on November 29 through December 2, 2022.

There were no other AB 1234 Reports.

Director Reports (Item 13).

Director Armitage wanted to honor the Valencia High School students who spent the first semester of this year assisting in the awareness-raising efforts related to the Global Water Crisis. They arranged a fundraiser to gather money for a gravity water system for a sister community in Vietnam. Their target was to reach \$2,500, but they ended up raising close to \$3,000. She was wondering if there was anything we could do to recognize them for this effort. Additionally, she reported that her water meter had been changed. She believed the door tag that had been left was extremely well done and full of useful information, and she wanted to thank the staff members who had made it. To hear the full report please refer to the Board recording at https://yourscvwater.com/wp-content/uploads/2022/12/Board_Recording_120622.mp3.

There were no other Director Reports.

Director Braunstein is interested in attending the UN Water Summit next year and would like staff to look into the event.

Director Gutzeit requested approval to attend the Bouquet Canyon Creek Public meeting on the Bouquet Creek Restoration being held at Grace Baptist Church on December 7, 2022.

Upon motion of President Martin, seconded by Director Armitage, the Board approved full Board attendance at the Bouquet Canyon Creek Public meeting on the Bouquet Creek Restoration being held at Grace Baptist Church on December 7, 2022 by the following roll call votes:

Director Armitage	Yes	Director Braunstein	Yes
Director Colley	Yes	Director Cooper	Absent
Director Ford	Yes	Director Gutzeit	Yes
Director Kelly	Yes	President Martin	Yes
Vice President Orzechowski	Absent	Director Petersen	Yes
Director Plambeck	Yes		

There were no other requests for approval for event attendance (Item 14).

The meeting was adjourned at 8:05 PM (Item 15).

ATTEST:

April Jacobs, Board Secretary

President of the Board

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BOARD MEMORANDUM

DATE: December 8, 2022

TO: Board of Directors *KA*

FROM: Keith Abercrombie
Chief Operating Officer

SUBJECT: Approve a Resolution Adopting the Local Hazard Mitigation Plan and Direct Staff to Update the Plan Every Five Years

SUMMARY

The Disaster Mitigation Act (DMA) of 2000 (Public Law 106-390) requires public agencies to develop and adopt Local Hazard Mitigation Plans (LHMP) in order to minimize property damage and the risk to public health and safety that might otherwise result from the effects of a natural or man-made disaster. The LHMP assesses risk and vulnerabilities and identifies and prioritizes mitigation projects.

The Draft LHMP was put together by staff and its consultant over the past year. The Draft LHMP was reviewed by the Engineering and Operations Committee and was presented to and reviewed by the Board on May 17, 2022. Comments and suggested edits from the Board were received and incorporated into the final LHMP. The Plan was then submitted to the California Office of Emergency Services (Cal-OES) for review/approval, and then to the Federal Emergency Management Agency (FEMA). Having now received approval of the Plan from Cal-OES and FEMA, the final administrative step is for the Board to Adopt the LHMP. The Draft Final Plan has been approved by Cal OES and FEMA, pending adoption by the Board. Upon adoption, the LHMP will be posted on the Agency's website.

A FEMA-approved LHMP makes the Agency eligible for FEMA pre-disaster mitigation and hazard mitigation grant programs. FEMA requires the LHMP to be formally adopted by SCV Water's Board of Directors and to be updated every five (5) years to maintain eligibility for pre-disaster and disaster mitigation grants.

FINANCIAL CONSIDERATIONS

None. Adoption of the LHMP makes the Agency eligible to apply for and receive funding from FEMA pre-disaster mitigation and hazard mitigation grant programs.

RECOMMENDATION

That the Board of Directors approve a resolution adopting the local hazard mitigation plan and direct staff to update the plan every five years.

Attachments

MBS

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Santa Clarita Valley Water Agency

Local Hazard Mitigation Plan

FEMA Approval Date: XX-XX-XXXX

Date of Santa Clarita Valley Water Agency Board Approval: XX-XX-XXXX

Primary Contact During Development

Gary Sturdivan

Engineering Solutions Services

909-658-5974

gsturdivan@engineeringsolutionservices.com

Agency Primary Contact

Mike Alvord

Santa Clarita Valley Water Agency

661-295-6530

malvord@scvwa.org



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SECTION 1. INTRODUCTION

1.1. Purpose of the Plan

Emergencies resulting from disasters can have severe negative impacts on a community if not properly identified and addressed. Disasters can leave people injured or displaced, result in fatalities, cost tremendous amounts in terms of the response and recovery dollars and economic loss, and cause other significant negative impacts to our communities, businesses, infrastructure and environment. Hazard mitigation planning reduces the risk of these negative impacts by providing a comprehensive plan designed to mitigate hazards specific to the Santa Clarita Valley Water Agency (SCV Water).

Natural hazards, such as floods and earthquakes, are inevitable, and little can be done to control their force and intensity. Further, given the changing climate, many areas are experiencing greater frequency and intensity of hazards. The possibility of man-made and technological disasters, such as hazardous materials incidents and terrorism, are also ever-present, however the requirement of a Federal Emergency Management Agency (FEMA) hazard mitigation plan is to address natural hazards only.

When a disaster occurs, repairs and reconstruction are typically completed to restore infrastructure to its pre-disaster conditions. Such efforts expedite a return to normalcy; however, merely replicating pre-disaster conditions results in a cycle of damage, reconstruction, and repeated damage which is ultimately detrimental to SCV Water and its customers. Although we cannot prevent disasters from happening, hazard mitigation attempts to break this cycle by outlining tangible steps to reduce SCV Water's hazard vulnerability. For those hazards that cannot be fully mitigated, the community must be prepared to provide an efficient and effective response to expedite the recovery process. This can be accomplished through a well-organized public education and awareness effort.

The purpose of this Local Hazard Mitigation Plan (LHMP) is to identify potential natural hazards to SCV Water and to formulate mitigation measures for future protection of SCV Water's critical infrastructure and the community's safety with respect to SCV Water's facilities and services. Following provides a summary:

- Develop a single source of SCV Water's needs related to hazard mitigation and emergency management;
- Increase public (service recipients) awareness and education of hazards and hazard mitigation;
- Maintain grant eligibility for FEMA funding;
- Coordinate with jurisdictions where the SCV Water provides service prior to a disaster event;
- Maintain compliance with state and federal legislative requirements for local hazard mitigation plans.

Acceptance of this LHMP by the State of California Office of Emergency Services (CalOES) and then approval by the Federal Emergency Management Agency (FEMA) will allow SCV



Water to become eligible to receive federal funding assistance under the Local Hazard Mitigation Grant Program or the Pre-Disaster Mitigation program and the Building Resilient Infrastructure Community. The established mitigation projects provided herein were identified and reviewed by members of SCV Water’s Safety Planning Committee led by Engineering Solutions Services, Inc. (ESS or the Consultant).

SCV Water’s staff, customers, and professionals active in disaster planning, response, and mitigation provided important input in the development of this LHMP including the recommended goals and objectives, mitigation measures, and priorities for each action.

This plan fulfills the requirements of the following programs:

- 1. Pre-Disaster Mitigation (PDM)**
- 2. Hazard Mitigation Grant Program (HMGP)**
- 3. Flood Mitigation Assistance (FMA) Program**
- 4. Building Resilient Infrastructure Community (BRIC)**

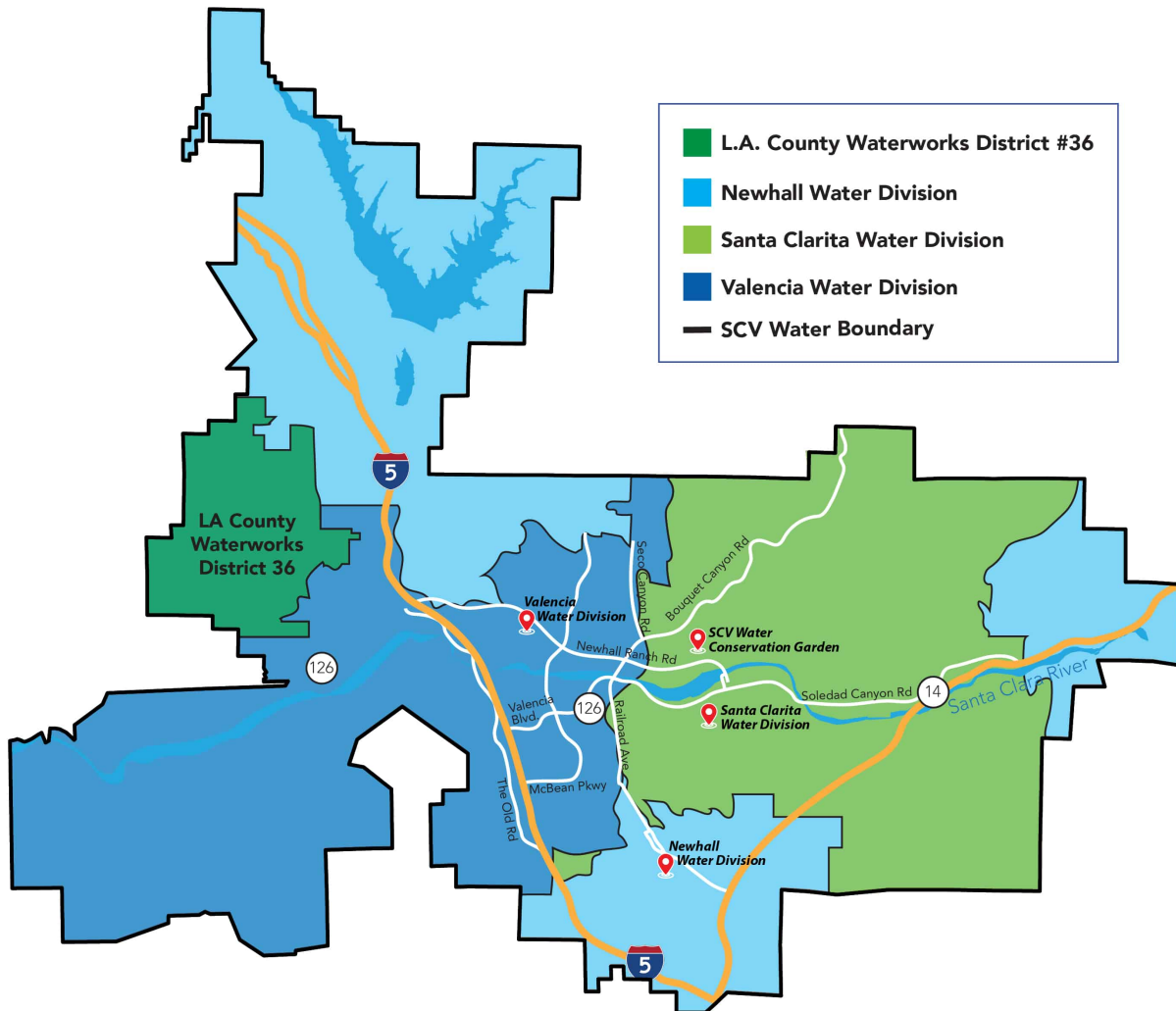
For reference, Section 322 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5165, enacted under section 104 of the Disaster Mitigation Act of 2000, P.L. 106-390, provides new and revitalized approaches to mitigation planning. Section 322, in concert with other sections of the Act, provides a significant opportunity to reduce the Nation’s disaster losses through mitigation planning and emphasizing the need for State, local and tribal entities to closely coordinate mitigation planning and implementation efforts. An important requirement of the law is the development of local hazard mitigation plans. These plans must be developed, and approved by the CalOES and FEMA for the local jurisdictions to be eligible for HMGP funding from State- and Federal-declared disasters that occur after 2001. Local mitigation plans must be reviewed, updated, and re-approved by FEMA every five years to remain eligible. This LHMP has been completed to meet the requirements of the Act and the regulations established by FEMA.

1.2. Service Area Physical Setting

SCV Water’s service area is located in the northern part of Los Angeles County approximately 33 miles north of the City of Los Angeles, 35 miles east of the City of Ventura, and 20 miles west of the City of Palmdale. The lowest elevation in its service area is 774 feet in Pinetree and the highest elevation is 2,887 feet in Tesoro. SCV Water’s current service area encompasses approximately 195 square miles or 125,000 acres and serves a population of 280,192. SCV Water’s service area is the same as one of its predecessor agencies, the former Castaic Lake Water Agency (CLWA). CLWA was the former wholesale water provider to the Santa Clarita Water Division, Newhall County Water District, and the Valencia Water Company. As you will read below, these three agencies were consolidated with the formation of SCV Water in 2018 in accordance with Senate Bill 634 (SB634). The major cities and unincorporated areas within SCV Water’s service area includes the City of Santa Clarita and the unincorporated areas of Los Angeles County known as Stevenson Ranch, Castaic, Pinetree, and Tesoro and small sections in Ventura County.

Temperatures within SCV Water’s service area range from an average high of 88°F to an average low of 55°F. The record high for the area is 110°F, and the record low is 31°F. The annual average rainfall for the area is 18 inches. The climate is characterized by hot, dry summers when temperatures can rise above 90°, and moderate winters, with rare freezing temperatures. A major portion of the precipitation occurs between December and March.

FIGURE 1. Santa Clarita Valley Water Agency Service Area Map



1.3. History

SCV Water was formed in 2018 by California State Senate Bill 634 which consolidated operations of CLWA with three retail water purveyors (Santa Clarita Water Division, Newhall County Water District, and the Valencia Water Company). Los Angeles County Waterworks District #36 is operated by Los Angeles County Public Works and receives wholesale water service from SCV Water.

1.4. Demographics



According to SCV Water’s 2020 Urban Water Management Plan (UWMP), the SCV Water service area has a population of 280,192 of which 7.0% are under the age of 5, 25.8% are under the age of 18 and 11.7% are over the age of 65. The average person per household is 3.06 and the Median Household Income is \$99,666. These datapoints and other relevant demographic data are summarized in Table 1 below.

TABLE 1. SCV Water Demographics

Demographic Category	Value
Age and Sex	
Persons under 5 years, percent	7.0%
Persons under 18 years, percent	25.8%
Persons 65 years and over, percent	11.7%
Female persons, percent	50.1%
Race and Hispanic Origin	
White alone, percent	71.0%
Black or African American alone, percent	3.9%
American Indian and Alaska Native alone, percent	0.8%
Asian alone, percent	11.1%
Native Hawaiian and Other Pacific Islander alone, percent	0.1%
Two or More Races, percent	5.9%
Hispanic or Latino, percent	33.5%
White alone, not Hispanic or Latino, percent	47.9%
Housing	
Owner-occupied housing unit rate, 2015-2019	70.0%
Median value of owner-occupied housing units, 2015-2019	\$537,000
Median gross rent, 2014-2018	\$2,647
Families & Living Arrangements	
Persons per household, 2015-2019	3.06
Education	
High school graduate or higher, percent of persons age 25 years+, 2015-2019	90.5%
Bachelor’s degree or higher, percent of persons age 25 years+, 2015-2019	36.8%
Economy	
In civilian labor force, total, percent of population age 16 years+, 2015-2019	67.9%
Median household income (in 2018 dollars), 2015-2019	\$99,666
Persons in poverty, percent	8.2%

Note: Categories and values presented in this table reflect those provided at: <https://www.census.gov/quickfacts/fact/table/santaclaritacitycalifornia/PST045219> ; 2010-2019 data.

1.5. Population



According to SCV Water’s 2020 Urban Water Management Plan (UWMP), SCV Water directly serves a total population of 280,192 and provides water resources to an additional 9,000 residents who are served by LACWWD 36) for a total of 289,192.

1.6. Existing Land Use

Based upon current land-use policies of the City of Santa Clarita and Los Angeles County within the boundaries of SCV Water, SCV Water projects that the undeveloped land within its boundaries will continue to be developed, as building of new homes and business around the nation are in full swing and booming. SCV Water’s service area is being developed rapidly.

There are several large residential home development projects in various stages of the permitting process in the service area. The existing land uses within SCV Water are controlled by the City of Santa Clarita and Los Angeles County.

SCV Water operates within 49 pressure zones due to changes in elevation within its service area. Due to the intricate nature of operating many pressure zones, equal attention was directed to specific areas particularly vulnerable to certain hazards. These pressure zones are distributed as follows: Castaic – 3 zones; Newhall – 7 zones; Pinetree – 4 zones; Santa Clarita – 17 zones; Tesoro – 2 zones; and Valencia – 16 zones.

All of SCV Water’s facilities listed below are vulnerable to drought, earthquakes, floods, windstorms and wildfire.

TABLE 2. Facility Vulnerability List

Facility	Drought	Earthquake	Flood	Wildfire	Windstorms
Administrative Offices		✓	✓	✓	✓
Water Treatment Plants	✓	✓	✓	✓	✓
Water Filtration Facility	✓	✓	✓	✓	✓
Wells	✓	✓	✓	✓	✓
Reservoirs	✓	✓	✓	✓	✓
Pump Stations	✓	✓	✓	✓	✓
Operations Facilities		✓		✓	✓
Warehouses		✓		✓	✓



1.7. Development

Currently, housing development in the service area is strong with at least 20 new home subdivisions under various stages of construction. Additionally, there are numerous shopping centers and businesses being developed in SCV Water's service area. Although it is not SCV Water's responsibility to approve new developments in the service (this function is done by the City of Santa Clarita and Los Angeles County), SCV Water is responsible for reviewing the development plans and determining if SCV Water is capable of providing water services to these new developments. If SCV Water has the capacity to serve water to the new developments, SCV Water will issue a 'Will Serve Letter'.

1.8. Water Development Trends

The water facilities required to accommodate new development may consist of the following components:

- Sources of Supply
- Booster Pumping Plants
- Water Pipeline Facilities
- Water Storage Reservoirs
- Water Treatment Plants

It is expected that the majority of future developments will occur in the southern and western portion of SCV Water's service area which will yield additional dwelling units and businesses. Some of the developments are equipped with dual-plumbed system to accommodate the future use of recycled water.

The Santa Clarita Valley has experienced significant growth in the last 20 years. Within the last several years, Santa Clarita growth has increased significantly following 8 years of recession in the United States.

As captured in the 2020 SCV Water UWMP, SCV Water projects growth within each category listed below. While water use efficiency is always at the forefront of SCV Water's goals, increased development will also increase water use. From 2020 to 2040, SCV Water projects the following increase to the drinking water sectors.

TABLE 3. SCV Water Projected Demands (2020 UWMP)

Water Use (AF)	2020	2050	% Increase
Single Family	34,300	39,100	14
Multi-Family	7,000	11,500	64
Commercial	5,300	7,300	38
Industrial	1,900	2,700	42
Institutional	2,400	2,000	-17
Irrigation	12,100	12,900	7
Other*	1,700	23,300	1271
Total	64,700	98,800	53

* Other water demands include recycled water and non-potable water demands, which will be expanded in future years.

1.9. Infrastructure Overview

Table 4 below provides an overview of the key facilities SCV Water currently owns and operates.

TABLE 4. SCV Water Facilities Overview

SCV Water Facilities Overview	
Facility	Units
Admin Office	5
Water Treatment Plants	2
Water Wells	42
Miles of Water Main	879
Booster Stations	52
Storage Reservoirs	96
Turnouts	24
Hydrants	7,126
Operations Facilities	2
Warehouses	3



SECTION 2. PLAN ADOPTION

2.1. Adoption by Local Governing Body

SCV Water is part of the Los Angeles County Operational Area. Prior to submittal of the plan to CalOES, SCV Water will post the final draft on its website and notify its residents to review and comment through posting on the website and by including notice of the plan in the SCV Water newsletter and on customer’s monthly bills.

Pursuant to the mitigation planning regulations, SCV Water’s LHMP will be submitted to CalOES for review and approval. CalOES will conduct a review of the Plan in accordance with the Code of Federal Regulations; once this review is complete and any revisions are made, CalOES will forward the plan to FEMA for another review and potential revisions. FEMA will notify SCV Water when FEMA has approved the final LHMP. Upon FEMA’s approval of the LHMP, the SCV Water Board of Directors will forward a Resolution adopting the LHMP to CalOES, and CalOES will submit the Resolution to FEMA. ESS will then send a copy of the LHMP and Resolution to the Los Angeles Office of Emergency Management.

2.2. Promulgation Authority

This Hazard Mitigation Plan will be adopted by the SCV Water elected Board of Directors, following approval of the plan by CalOES and FEMA:

TABLE 5. SCV Water Board of Directors (2022)

Board of Directors	Division
Gary R. Martin (President)	One
Maria Gutzeit (Director)	Three
Jerry Gladbach (Vice President)	Two
Kathye Armitage (Director)	Three
BJ Atkins (Director)	Three
Beth Braunstein (Director)	One
Ed Colley (Director)	Two
William Cooper (Director)	One
Jeff Ford (Director)	Appointed Director for Los Angeles County Waterworks District #36
R.J. Kelly (Director)	One
Piotr Orzechowski (Director)	Two
Lynne Plambeck (Director)	Three



2.3. Primary Point of Contact

The points of contact are listed below:

Michael Alvord, Director of Operations & Maintenance
Santa Clarita Valley Water Agency
661-702-4429 (Office)
malvord@scvwa.org

Gary Sturdivan, ESS (Consultant)
Engineering Solutions Services
909-658-5974
gsturdivan@engineeringsolutionservices.net

SECTION 3. PLANNING PROCESS

This section documents the planning process used to review and compile information that leads to an effective LHMP. A comprehensive description of the planning process informs citizens and other readers how the plan was developed and provides a permanent record of how decisions were reached. These decisions can be reconsidered, replicated, or modified in future updates. Documentation of how the public was engaged throughout the process is an integral part of the planning process.

This LHMP was completed with the coordination and involvement of SCV Water staff, representatives from the City of Santa Clarita and other local agencies and organizations that have a vested interest in the performance and resiliency of SCV Water. The consultant contacted the agencies below via email and provided a draft of the final LHMP to receive comments on the document and revised the document as necessary based on the comments received. SCV Water received no comments from the public. However, SCV Water Board of Directors had several comments on the LHMP, all comments are listed in Appendix D of this LHMP.

- LADWP – has underground facilities within the service area
- MWD – has underground facilities within the service area
- DWR – operator of Castaic Lake and the Castaic Dam
- Los Angeles County Sanitation District – sewer collection and treatment facilities
- Los Angeles County Department of Public Works – sewer and storm water collection
- City of Santa Clarita – sewer and storm water collection

Additionally, this section includes a list of the Planning Team Members and coordination efforts with the surrounding communities/groups, and public outreach efforts.

3.1. Plan Development Process

The Planning Team reviewed FEMA’s “Hazard Mitigation Plan Crosswalk,” the Los Angeles County HMP, and the City of Santa Clarita HMP. The consultant completed a FEMA Hazard Profile of the area to determine the most significant hazards in the area. The Hazard Profile maps were used in the planning meetings to show past flood areas, earthquakes, fire hazard zones, power outages, and other disasters that have historically affected the area. Other written documentation of past events was also reviewed. The team discussed the different events that have happened in the area, such as widespread fires, flash flooding, earthquakes, windstorms, and power outages. Some members of the planning team have been longtime residents of the community and have lived through many of these emergency events.

The planning process pursued by the consultant consisted of:

- Documenting past events
- Incorporating data
- Engaging the Planning Team
- Posting the meeting agendas, meeting minutes, and draft LHMP onto SCV Water’s

- website and asking for public input and comments on the LHMP sections
- Sharing information at the Board of Directors meetings
- Conducting public outreach

Drafting the Hazard Mitigation Plan was accomplished in 8 Phases:

FIGURE 2. Flow Chart for Developing a Hazard Mitigation Plan



During the planning process, the Planning Team used the following plans to gain information on the hazards facing the area and mitigation goals of Los Angeles County.

TABLE 6. Plans Reviewed by Team

Study Plan	Approval Date	Key Information
2018 California HMP	9/28/2018	Goals for the State of California
Los Angeles County, Approved HMP	2/9/2018	Hazard identification, mitigation measures
USGS Golden Guardian 2008	5/23/2008	Earthquakes, affects, planning
Santa Clarita Valley Water Agency Urban Water Management Plan	6/29/2021	Goals, hazards, water use and water demand
City of Santa Clarita Draft HMP	10/21/2021	Land use for area, future projects



TABLE 7. Financial Resources for Future Mitigation Project Funding

Local	Revenues	Amount
SCV Water’s Budgets and Financial Planning Documents	Retail Water Sales, Wholesale Water Sales, Recycled Water Sales, Property Tax, and Facility Capacity Fee, Bonds	Varies from year to year
Grants and Reimbursements	Various funding sources	Varies from year to year
CalOES Mitigation Grants	SCV Water has applied for CalOES funding in the past	See below

TABLE 8. SCV Water Grant Funding Sources

Grant	Start Date	End Date	# of SCV Water Projects within Grant	SCV Water Project Names	Total Project Costs	Grant Funding	Funding Match (Non-State/Federal Share)	Other Non-State/Federal Share
DWR Prop 84 Round 1 Implementation	4/10/12	3/31/22	4	1. Grant Administration 2. SCV Water Use Efficiency Plan 3. Santa Clara River Sewer Truck Line Relocation 4. Recycled Water Project Phases 2B & 2D	\$ 14,057,107	\$ 6,264,551	\$ 4,110,280	\$ 7,792,556
DWR Prop 84 Round 2 Implementation	6/17/14	12/31/20	4	1. Grant Administration 2. CLWA SCV WUE Program 3. SCWD WUE Programs 4. Foothill Feeder Connection	\$ 7,804,002	\$ 4,008,399	\$ 3,800,608	
DWR Prop 84 2014 Drought Grant	7/20/15	12/31/20	3	1. Grant Administration 2. RRB/CLWA Banking Program 3. CLWA/SWSD Extraction & Conveyance	\$ 15,646,780	\$ 11,535,067	\$ 4,081,713	
DWR Prop 1 Sustainable Groundwater Planning	12/5/18	12/31/22	2	1. Grant Administration 2. Planning Activities	\$ 2,047,434	\$ 1,307,265	\$ 740,169	
DWR Prop 1 Round 1 IRWM Implementation	9/24/20	3/31/26	2	1. Grant Administration 2. Recycled Water Phase 2C	\$ 9,200,450	\$ 3,216,800	\$ 4,829,205	\$ 1,154,445
Community Power Resiliency Allocation - Special Districts Program - CalOES subaward	7/1/21	10/31/21	1	Generator Replacement at Earl Schmidt Filtration Plant	\$ 249,854	\$ 249,854	\$ -	



3.2. The Planning Team

The Planning Team compiled information and reviewed this LHMP under the authorization of the General Manager of SCV Water. The Planning Team members include:

Name: Michael Alvord

Title: Director of Operations and Maintenance

Description of Involvement: Lead for Internal Planning Team

Mike Alvord has worked in the water industry for 25 years. He received a Bachelor of Science degree in Biology and a graduate degree in Environmental/Occupational Health both from California State University, Northridge. He began his career as a Water Quality Specialist and is currently working as the Director of Operations and Maintenance for SCV Water. Mr. Alvord oversees all field operations, water quality and safety departments. Throughout his career he has been an integral part of various groundwater treatment projects, including perchlorate and per- and polyfluoroalkyl substances (PFAS) removal and centralized groundwater softening.

Name: Keith Abercrombie

Title: Chief Operating Officer

Description of Involvement: Internal Planning Team Member

Keith Abercrombie is the Chief Operating Officer of SCV Water and was the Retail Manager of SCWD. Mr. Abercrombie received his degree in Agricultural Business from Colorado State University and received his Master's degree in Business Administration, Agribusiness from Santa Clara University. Prior to employment with SCV Water, Mr. Abercrombie served as General Manager of the Valencia Water Company. Mr. Abercrombie previously worked at the Newhall Land and Farming Company serving as assistant to the Vice President of Agriculture and Manager of Energy Resources. Mr. Abercrombie holds a Grade 5 Water Distribution Operator certification and a Grade 2 Water Treatment Operator certification from the State Water Resources Control Board – Division of Drinking Water and is a member of the American Water Works Association and the Association of California Water Agencies.

Name: Steve Cole

Title: Assistant General Manager

Description of Involvement: Internal Planning Team Member

Steve Cole is the Assistant General Manager of SCV Water and was the general manager of the former NCWD, acting as the chief executive officer responsible for the operations and management of NCWD for the past thirteen years. He has over twenty years of experience dealing with a variety of issues in the water field and actively participates in the Association of California Water Agencies serving as the Region 8 Chair. Mr. Cole is certified by the State of California as a Grade V Water Distribution Operator, a Grade 3 Water Treatment Operator and a Registered Environmental Health Specialist. He received his Bachelor of Science degree in Environmental Science from Fresno State and his Master of Science degree in Environmental Science from California State University Northridge.



Name: Cheryl Fowler

Title: Management Analyst II

Description of Involvement: Internal Planning Team Member - Agency Coordination

Cheryl Fowler is a career administrative professional with over 35 years of experience in various industries including legal (transactional/litigation), real estate development, medical device design and marketing, technology, and most recently, seven years in the Water Resources Department at SCV Water. In 2018, possessing strong organizational skills, an understanding of legal terminology and contracts, and a penchant for following rules, she transitioned into grant administration when a need arose within the SCV Water. In that role, Ms. Fowler serves as the Project Manager on several multi-project state grants, acts as liaison to grantor agencies, and oversees and assists with preparation of state and federal grant and loan applications and contracting.

Name: Kathie Martin

Title: Communications Manager

Description of Involvement: Internal Planning Team Member - Public Outreach Coordination

Kathie Martin was first hired as the Public Information Officer for SCV Water in December 2017, and currently serves as the Communications Manager. She has 20 years of experience in government communications and holds a bachelor's degree from Cal Poly Pomona. Her areas of responsibility include strategic communications planning and implementation, media relations, stakeholder engagement, social media, and legislative affairs. She is also trained in crisis and emergency communications.

Name: Jose Diaz

Title: Emergency Preparedness and Safety Coordinator

Description of Involvement: Internal Planning Team Member

Jose Diaz has been with SCV Water for over a year. Mr. Diaz retired as a Firefighter with over 25 years and specialized in wildland fire fighting, emergency management, hazardous materials and technical rescue. He spent several years teaching basic and advanced firefighting skills with various organizations and assisted with the CERT program (community emergency response team). Mr. Diaz is a certified emergency medical technician (EMT) and certified BLS (basic life support) American Heart Association instructor for SCV Water.

Name: Rebecca Lustig

Title: Environmental Health and Safety Supervisor

Description of Involvement: Internal Planning Team Member

Rebecca Lustig is the Environmental Health and Safety Supervisor for SCV Water. She received her bachelor's degree and master's in Environmental and Occupational Health (EOH) from California State University, Northridge. Ms. Lustig worked for the Ventura County Environmental Health Division for 15 years and assisted in response and recovery activities related to the Thomas Fire, Woolsey Fire, and COVID pandemic. She is certified by the State of California as a Grade I Water Distribution Operator and is a Registered Environmental Health Specialist.

The Planning Team participated in monthly meetings to coordinate efforts, provide input, and receive support for the LHMP. The support received from the planning team included technical



expertise, resource materials, and tools. SCV Water facilitated the LHMP process and provided information to follow FEMA’s requirements for the program. The tools, resource materials, and other project-related information are maintained on a project portal on SCV Water’s website at www.yourSCVwater.com/lhmp/, which allowed access to the information by all participants and the public. All Draft LHMPs were posted on SCV Water’s website and a press release issued. A statement was posted on social media (Facebook, Instagram and Twitter), the monthly e-newsletter and monthly bills letting the customers know how to access the LHMP. Gary Sturdivan’s contact information was listed on the newsletter, press release and website for residents to direct their questions and concerns. The SCV Water LHMP Planning Team reviewed the document and made corrections or voiced concerns to the consultant. These comments were discussed at the next Team meeting, and corrections were then made to the document.

3.3. Coordination with other Jurisdictions, Agencies and Organizations

The Planning Team undertook several initiatives to inform other jurisdictions, agencies and organizations of the hazard mitigation planning effort and to solicit their input. The Planning Team discussed several alternatives, including hosting workshops, sending emails, and making phone calls to other agencies to stimulate communications. Due to the COVID-19 pandemic, contactless engagement processes were selected. The selected jurisdictions, agencies and organizations were invited to participate in meetings for the development of the LHMP.

The Consultant first called representatives from the City of Santa Clarita, Los Angeles County Sanitation District, Metropolitan Water District (MWD), Los Angeles Department of Water and Power, Los Angeles County Department of Public Works, Los Angeles Department of Water Resources, to discuss the upcoming LHMP and receive guidance. The Consultant sent a draft of various sections of the LHMP electronically to each reviewer and gave each a month to make comments. The Planning Team considered all comments received and incorporated them into the final document.

3.4. Public Involvement/Outreach

SCV Water engaged in a widespread announcement for preparation of the Plan by issuing a press release to invite the community members to participate in the process. The information was posted on social media (Facebook, Instagram and Twitter), customer bills and in the monthly newsletter “Water Currents” providing a link to SCV Water’s website. Residents were asked to participate in an online survey (Survey Monkey) that was linked on SCV Water’s website and provide their experience with natural disasters as well as their input on greatest threats to the community.

Residents were regularly informed and invited to participate in review of the draft documents as they were prepared and posted on SCV Water’s website. The information was posted on social media (Facebook, Instagram and Twitter), and in the monthly newsletter “Water Currents” providing a link to SCV Water’s website, where the draft LHMP sections were posted.

The Planning Team participated in monthly meetings on Zoom to coordinate public outreach efforts, post the relevant information and discuss the comments received from public for the



LHMP. The final draft LHMP was provided to the public during a 30-day review and comment period, as required by FEMA through SCV Water’s website www.yourscvwater.com. The consultant’s (Gary Sturdivan) contact email address and phone number were listed on the draft LHMP to receive all comments on the LHMP. The Appendices in this LHMP provide details of the public involvement process such as the meeting dates, purpose, agendas, public comments, and a screenshot of the webpage showing requests for public participation. This LHMP, with the accompanying appendices, will be sent to CalOES and FEMA.

3.5. Assess the Hazards

A critical component of the LHMP process is to assess the likely hazards that may have an impact on SCV Water’s facilities and operations. It is important to have a thorough understanding of these hazards without over-analyzing remote or highly unlikely hazards to ensure the efficiency of the LHMP. This LHMP has been developed through an extensive review of available information on hazards SCV Water has faced in the past and that it will most likely face in the future.

The Planning Team reviewed and discussed state, regional, and local disasters that have happened in the State of California, in Southern California, and SCV Water’s service area. The LHMP Planning Team reviewed documents such as engineering drawings, photographs, and available geotechnical and geologic data both from the internet and outside sources such as FEMA Hazard Mapping, Los Angeles County hazard maps, and other documents. SCV Water used a GIS database to provide mapping of critical hazard risk areas. The team used data from this mapping to determine hazards that present the greatest risk to SCV Water.

The Planning Team completed the assessment of the various hazards in a group setting. The team members have many years of personal experience working in the local area and many working in a water utility agency. Team members know the history of past hazardous or emergency events, such as the California fire incidents in 2018 and 2019, the 6.7 magnitude Northridge earthquake of 1994 and several other hazards and the effects on SCV Water.

3.6. Set Goals

The process of identifying mitigation goals began with a review and validation of damages caused by specific hazards at similar agencies in the surrounding area. Damages to other agencies outside the area were also considered. In addition, the Planning Team estimated damages using engineering budget estimates for anticipated response and replacement costs. The Planning Team completed an assessment of the likelihood and damages for each identified hazard and discussed whether each of the mitigation goals were valid. This discussion led to the identification of new goals and objectives for mitigation in the LHMP. From this, the Planning Team determined the best mitigation goals to reduce or avoid long-term vulnerabilities.

3.7. Review and Propose Mitigation Measures

A wide variety of mitigation measures that can reduce the impact of the hazards or the severity of damage from hazards were examined. These measures were identified to help ensure the



implementation of the Planning Team’s goals and objectives. The following categories were used in the review of possible mitigation measures:

1. Public Information and Education – Outreach projects and technical assistance
2. Preventive Activities – Zoning, building codes, stormwater ordinances
3. Structural Projects – Retention basins, reservoirs, road, and bridge improvements
4. Property Protection – Acquisition, retrofitting
5. Emergency Services – Warning, sandbagging, road signs/closures, evacuation
6. Natural Resource Protection – Wetlands/environmental protection, best management practices

Throughout the discussions, the Planning Team focused on the mitigation aspects recommended by FEMA in STAPLEE (Social, Technical, Administrative, Political, Legal, Economical, and Environmental) to arrive at their suggestions. The Planning Team then prioritized the individual mitigation measures considered the most appropriate for SCV Water.

Based on STAPLEE, the Planning Team addressed the following questions to determine mitigation options:

Does the Action:

1. Solve the problem?
2. Address vulnerability assessment?
3. Reduce the exposure or vulnerability to the highest priority hazard?
4. Address multiple hazards?
5. Address more than one (1) goal/objective?
6. Benefits equal or exceed costs?

Can the Action:

1. Be implemented with existing funds?
2. Be implemented by existing state or federal grant programs?
3. Be completed within the 5-year life cycle of the LHMP?
4. Be implemented with currently available technologies?

Will the Action:

1. Be accepted by the community?
2. Be supported by community leaders?
3. Adversely impact segments of the population or neighborhoods?
4. Result in legal action such as a lawsuit?
5. Positively or negatively impact the environment?

Is there:

1. Sufficient staffing to undertake the project?



2. Sufficient funds to complete the project?
3. Existing authority to undertake the project?

3.8. Draft Local Hazard Mitigation Plan

SCV Water’s consultant led the Planning Team and prepared the draft LHMP with input from the Planning Team, representatives from other organizations, and the public. The Planning Team reviewed and commented on the draft LHMP, and subsequent changes were made before the LHMP was finalized and submitted to CalOES. All draft sections of the LHMP were posted on SCV Water’s website. Customers and other agencies in the service area were notified via email, social media, press release and a monthly e-newsletter, stating that all LHMP documents were posted at www.yourSCVwater.com/LHMP and asked for comments. The consultant, Gary Sturdivan, addressed all comments and concerns by email or phone calls.

The LHMP was reviewed in comparison to the FEMA-designed Review Tool. The Review Tool links the federal requirements and identifies the sections in the LHMP where the information can be found and provides a rating as to the level of compliance with the federal regulations.

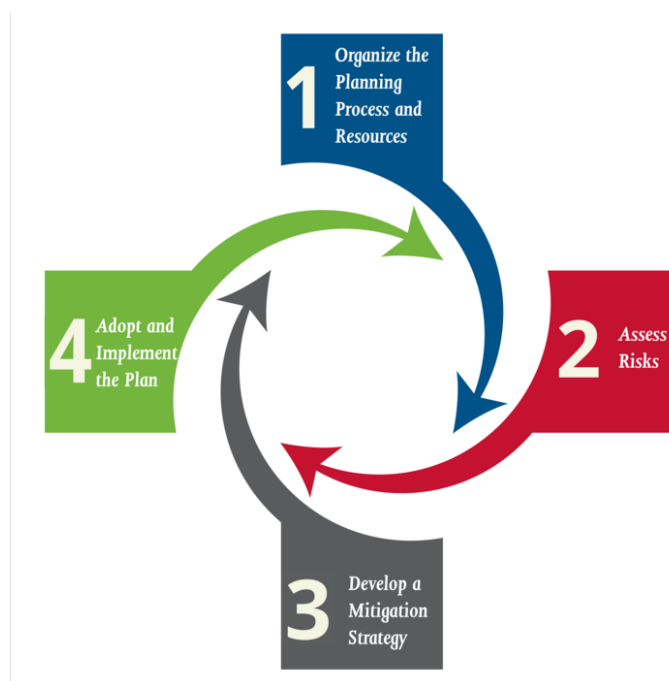
3.9. Adopt the Plan

After the public review, the draft plan will be submitted to CalOES for review. Once the CalOES has approved the LHMP, the document will be sent to FEMA by CalOES. FEMA will provide SCV Water with an “Approval Pending Adoption” letter when the LHMP update meets all federal requirements. Upon receipt of this letter, the final plan will need to be submitted to SCV Water’s Board of Directors for consideration and adoption. Once adopted, the adopting Resolution will be submitted to FEMA and CalOES for incorporation into the LHMP. A copy of the final LHMP will be delivered to Los Angeles County office of Emergency Management.

SECTION 4. RISK ASSESSMENT

The goal of mitigation is to reduce the future impacts of a hazard, which can include property damage, disruption to local and regional economies, and the amount of public and private funds spent for recovery. Mitigation decisions are based on risk assessments where the probability of an event is evaluated with respect to the anticipated damages caused by the event.

The purpose of this section is to understand the hazards and their risks in SCV Water’s service area. There are generally four steps in this process which include; Hazard Identification, Vulnerability Analysis, Risk Analysis and Vulnerability Assessment. The Vulnerability Assessment also includes an estimation of potential losses.



4.1. Hazard Identification

The Planning Team discussed potential hazards and evaluated their probability of occurrence. The following sections describe this process and the results.

4.2. Hazard Screening Criteria

The intent of screening the hazards is to help prioritize which hazards create the greatest concern to SCV Water. A list of natural hazards to consider was obtained from Federal Emergency Management Agency’s (FEMA) State and Local Mitigation Planning How-to Guide: Understanding Your Risks (FEMA 386-1). The team used the Stafford Act, the California Emergency Service Act and STEPLEE (Social, Technical, Administrative, Political, Legal, Economic, and Environmental) feasibility criteria to help rank each risk. The risks were given a



ranking of 1 – 4: with (1) being a “Highly Likely” event, (2) being a “Likely” event (3) being a “Somewhat Likely” event, and (4) being a "Least Likely" event

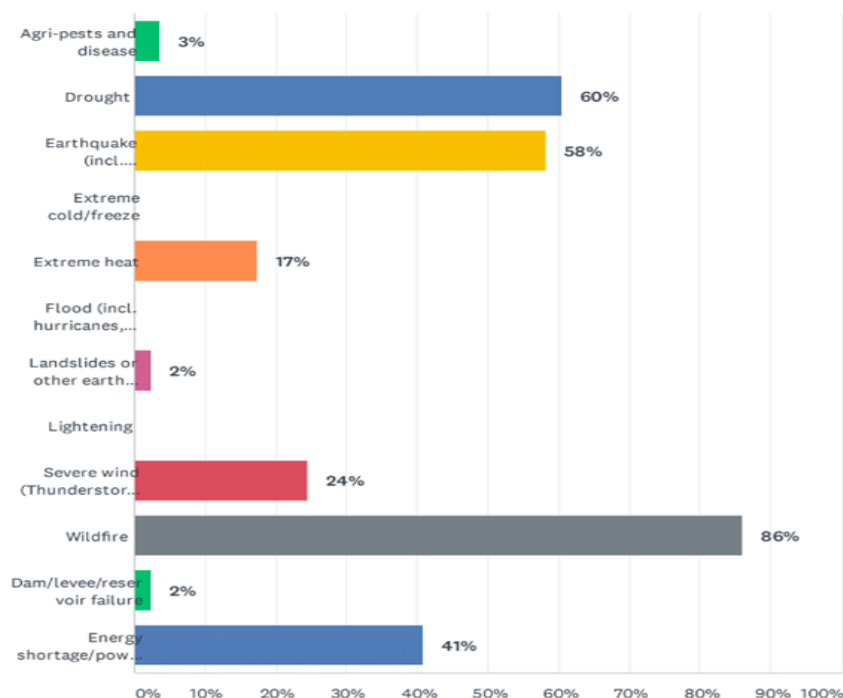
The Planning Team reviewed each hazard on the list using their experience, considering the public survey, and historical data pertaining to each hazard and developed the following ranked list in Table 9. The natural hazards that were considered not to affect or be a risk to SCV Water were given a ranking of 4 and are not considered applicable to SCV Water for mitigation.

TABLE 9. Hazard Risk Rankings

Hazard	Risk Ranking (1-3)
Earthquake	1
Wildfire	2
Climate Change Induced Drought	2
Flooding	3
Windstorm	3
Dam Inundation	3
Volcanoes	4
Tsunami Liquefaction	4
Landslides	4

SCV Water released an online survey to the public to understand its constituents’ hazard concerns. Figure 3 is the survey results for the top three hazards within the service boundaries. The full survey report is located in Appendix B.

FIGURE 3. SCV Water Constituents Survey Results: Top Three Hazards



Hazard Assessment Matrix

SCV Water used a qualitative ranking system for the hazard screening process consisting of generating a high/medium/low style of rating for the probability and impact of each screened hazard. The probability and impact ranking system categories are summarized as follows:

Probability Ratings: Highly Likely, Likely, or Somewhat Likely

Impact Ratings: Catastrophic, Critical, or Limited

Screening Assessment Matrix

The Planning Team used a screening assessment matrix to prioritize SCV Water’s hazards to be mitigated. The hazards have been placed in the appropriate cell of the corresponding “Screening Assessment Matrix” based on the Planning Team’s collective experience. The hazard screening assessment is shown in Table 10. Prioritization of the hazards is discussed in the following section. The probability and impact ranking are based on a 5-year occurrence and are presented as percentages representing the likelihood of the hazard within the 5-year occurrence.

TABLE 10. Screening Assessment Matrix

Probability	Impact			
	Probability/Impact Rating	Catastrophic	Critical	Limited
Highly Likely (1) (75 – 100%)	Earthquake			
Likely (2) (50-75%)		Climate Change Induced Drought		Wildfires
Somewhat Likely (3) (25 – 50%)	Dam Inundation			Flooding Windstorms

4.3. Hazard Profiles

This section looks at all the hazards identified by the Planning Team that may affect SCV Water within its boundaries. This section also provides an overview of each hazard, the definition of each hazard, and a description of how each hazard is expected to affect SCV Water’s service and/or service area. The expected effects of each hazard are predicted using observed hazards in SCV Water’s service area, the hazards identified on the FEMA website, and the FEMA software program known as HAZUS. HAZUS contains models of natural disasters and the effects the disasters can have on a region. The subsequent sections provide the results of the probability, impact, and priority ranking of each notable hazard as well as general information on the hazard.

The below sections provide information for all the hazards affecting the agency as identified by the Planning Team within its boundaries.

4.3.1. Earthquakes

Probability: (75-100%)

Impact: Catastrophic

Priority: Highly Likely

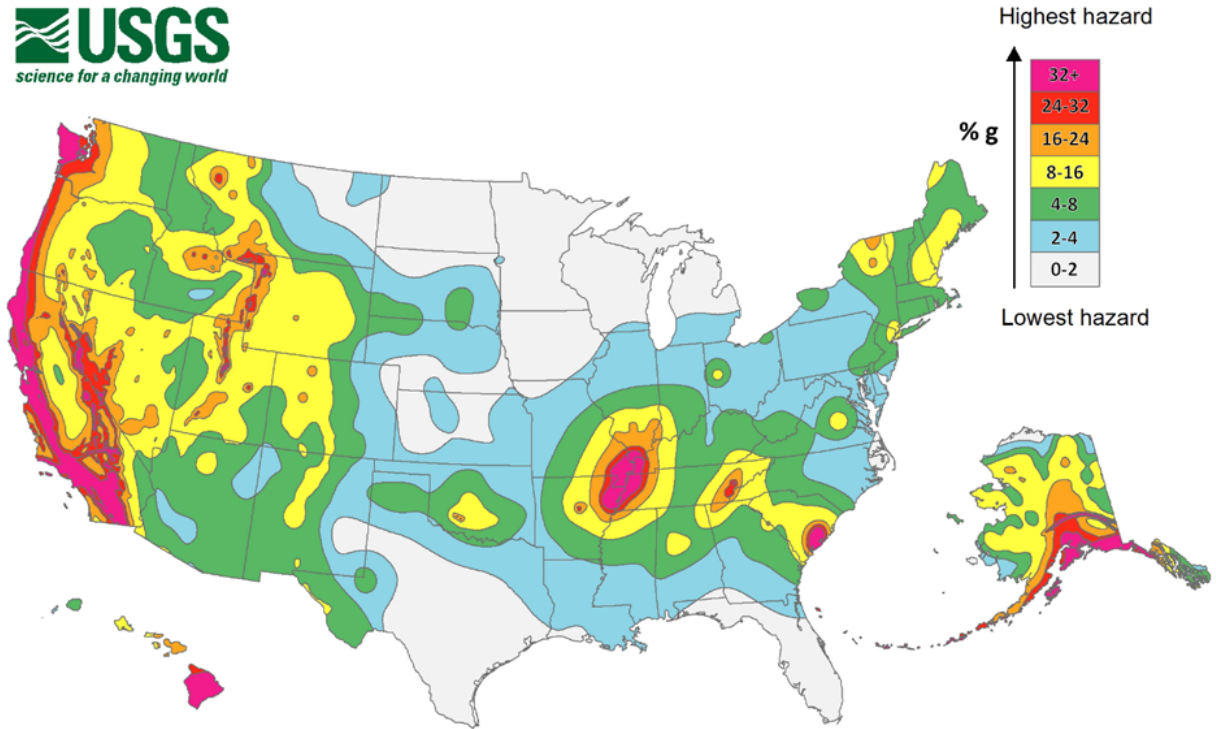
General Definition: An earthquake is defined as a sudden, rapid shaking of the earth caused by the breaking and shifting of rock beneath the earth's surface. For hundreds of millions of years, the forces of plate tectonics have shaped the earth's surface. As the plates move slowly over, under, and past each other, mountains, valleys, and all other geological formations are created. Usually, the movement is gradual; however, increased movement occurs when the plates become locked together for long periods of time and are unable to release the accumulating energy. When the accumulated energy grows strong enough, the plates break free causing the ground to shake. Most earthquakes occur at the boundaries where plates meet; however, some earthquakes occur in the middle of plates.

Ground shaking from earthquakes can cause liquefaction, landslides, fires, tsunamis, utility pipeline failures, dam failures, collapse of buildings and bridges, disruption of utilities (gas, electric, water, and phone services). Buildings with foundations resting on unconsolidated fill material and other unstable soil, as well as homes not tied to their foundations, are at risk because they can be shaken off their mountings even during a mild earthquake. When an earthquake occurs in a populated area, it may cause deaths, injuries, and/or extensive property damage to the local population.

Earthquakes strike suddenly at any given time of year and without warning. On a yearly basis, 70 to 75 damaging earthquakes occur throughout the world. Estimated of losses from a 7.8 magnitude earthquake in the southern section of the San Andreas Fault System (located in the regional area near Los Angeles County) could easily reach \$200 billion in damages. This information was gathered from the California Great ShakeOut United States Geological Survey (USGS) scenario.

Earthquakes pose a moderate to very high risk for 45 states and territories in the United States of America, and can occur in every region of the Country. Of the 45 states and territories, California experiences the most frequent damaging earthquakes. However, Alaska experiences the greatest number of large earthquakes, most located in uninhabited areas. The nearby southern section of the San Andreas Fault is ranked in the top five (5) most likely faults to cause major damage in the United States by USGS.

FIGURE 4. United States Earthquake Hazard Map



The greatest earthquake threat in the United States is along tectonic plate boundaries and seismic fault lines located in the central and western states. A new earthquake rupture forecast for California was developed by the 2007 Working Group on California Earthquake Probabilities (WGCEP 2007). The Earthquake Working Group was organized in September 2005 by the USGS, the California Geological Survey (CGS), and the Southern California Earthquake Center (SCEC) to better understand the locations of faults in California. The group produced a revised, time-independent forecast for the National Seismic Hazard Map for California.

Description: Several earthquake faults run through or in close proximity to SCV Water’s boundaries; however, the San Fernando Fault and San Andreas Fault lines are the most known.

The San Fernando Fault runs through SCV Water’s service area on an east-west trajectory. This fault can generate a maximum moment magnitude of 6.7 approximately every 200 years.

The San Andreas Fault is located approximately 16 miles northeast of SCV Water’s service area along a north-south trajectory and is the dominant active fault in California. There have been numerous historic earthquakes along the San Andreas Fault. This fault can produce a moment magnitude of 8-8.5 magnitude. Geologists estimate the recurrence interval of a major quake along this fault to be 130-140 years.

The San Gabriel Fault Zone is primarily right-lateral strike-slip with an estimated magnitude of 7.2 and approximately 140 km long. Reoccurrence intervals for this fault is not known.

The Holser Fault trends along the northern border of the Santa Clarita River Valley. This fault is



an east-west trending fault that dips to the North. It is capable of generating a maximum moment magnitude of 6.5. The interval between major ruptures on this fault is uncertain.

While there have been many earthquakes in and around SCV Water, there has not been a major earthquake in many years. In an event that there is an earthquake from multiple faults it would disrupt SCV Water's water service infrastructure.

FIGURE 5. Santa Clarita Valley Water Agency Fault Map

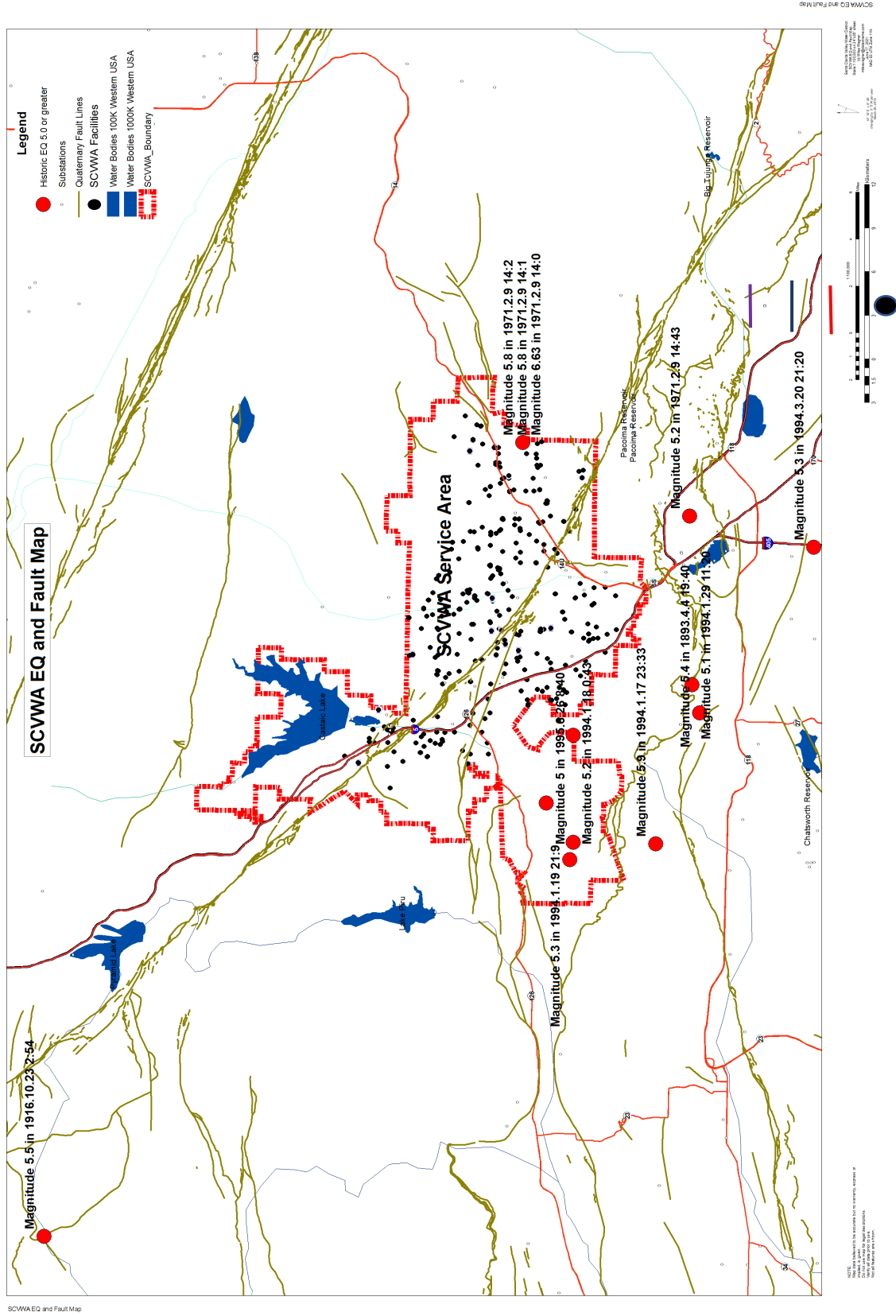


FIGURE 6. Santa Clarita Valley Water Agency, USGS ShakeOut Map

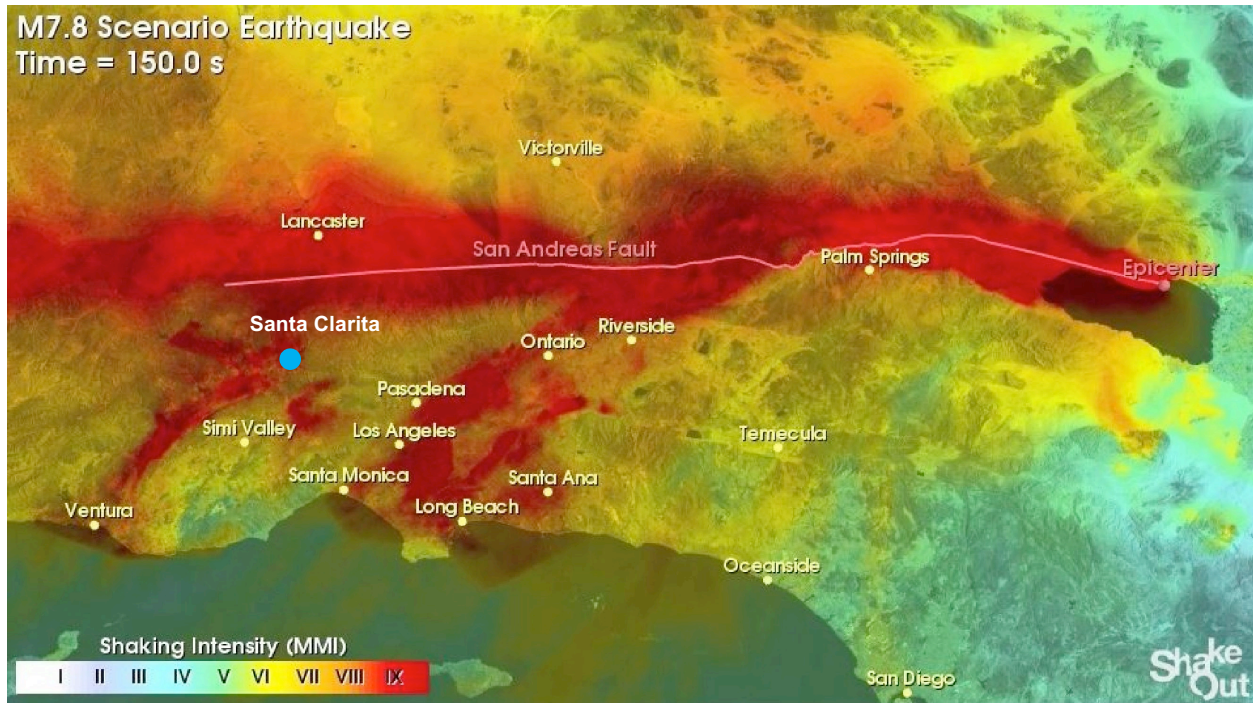


FIGURE 7. USGS Modified Mercalli Intensity Scale

Intensity	Shaking	Description/Damage
I	Not felt	Not felt except by a very few under especially favorable conditions.
II	Weak	Felt only by a few persons at rest, especially on upper floors of buildings.
III	Weak	Felt quite noticeably by persons indoors, especially on upper floors of buildings. Many people do not recognize it as an earthquake. Standing motor cars may rock slightly. Vibrations similar to the passing of a truck. Duration estimated.
IV	Light	Felt indoors by many, outdoors by few during the day. At night, some awakened. Dishes, windows, doors disturbed; walls make cracking sound. Sensation like heavy truck striking building. Standing motor cars rocked noticeably.
V	Moderate	Felt by nearly everyone; many awakened. Some dishes, windows broken. Unstable objects overturned. Pendulum clocks may stop.
VI	Strong	Felt by all, many frightened. Some heavy furniture moved; a few instances of fallen plaster. Damage slight.
VII	Very strong	Damage negligible in buildings of good design and construction; slight to moderate in well-built ordinary structures; considerable damage in poorly built or badly designed structures; some chimneys broken.
VIII	Severe	Damage slight in specially designed structures; considerable damage in ordinary substantial buildings with partial collapse. Damage great in poorly built structures. Fall of chimneys, factory stacks, columns, monuments, walls. Heavy furniture overturned.
IX	Violent	Damage considerable in specially designed structures; well-designed frame structures thrown out of plumb. Damage great in substantial buildings, with partial collapse. Buildings shifted off foundations.
X	Extreme	Some well-built wooden structures destroyed; most masonry and frame structures destroyed with foundations. Rails bent.

TABLE 11. Significant Southern California Earthquakes

Date	Area	Location	Mag	MI	Total damage / notes
4/5/2019	Kern/SB	Ridgecrest/Trona	7.1 M _w	VI	Unknown
7/4/2019	Kern/SB	Ridgecrest	6.72M _w	VIII	Limited
7/29/2008	Los Angeles Area	Chino Hills Earthquake	5.5 M _w	VI	Limited
10/16/1999	Eastern	Hector Mine Earthquake	7.1 M _w	VII	Limited
*1/17/1994	Los Angeles Area	Northridge Earthquake	6.7 M _w	IX	\$13–\$40 billion
6/28/1992	Inland Empire	Big Bear Earthquake	6.5 M _w	VIII	Moderate/Triggered
6/28/1992	Inland Empire	Landers Earthquake	7.3 M _w	IX	\$92 million
4/22/1992	Inland Empire	Corona	6.3 M _w	VII	Light–moderate
6/28/1991	Los Angeles Area	Sierra Madre Earthquake	5.6 M _w	VII	\$33.5–40 million
2/28/1990	Los Angeles Area	Upland Earthquake	5.7 M _w	VII	\$12.7 million
11/24/1987	Imperial Valley		6.5 M _w	VII	Triggered
11/23/1987	Imperial Valley		6.1 M _w	VI	\$3 million
10/1/1987	Los Angeles Area	Whittier Narrows Earthquake	5.9 M _w	VIII	\$213–358 million
7/21/1986	Eastern	Chalfant Valley Earthquake	6.2 M _w	VI	\$2.7 million / sequence
7/13/1986	South Coast		5.8 M _w	VI	\$700,000
7/8/1986	Inland Empire	North Palm Springs Earthquake	6.0 M _w	VII	\$4.5–6 million
4/26/1981	Imperial Valley	Calexico	5.9 M _w	VII	\$1–3 million
5/25/1980	Eastern	Salton Sea	6.2 M _w	VII	\$1.5 million/Swarm

*Events with an asterisk indicate a direct effect on SCV Water.

The General Manager of the Valencia Water Company (now part of SCV Water) published an

abstract titled: “Northridge Earthquake: A Review of the Performance of Various Water Main and Service Line Materials”. This paper notes that “the Northridge earthquake dewatered the Valencia water system in 30 minutes from three water storage tank failures and hundreds of water main and service line breaks.” Three other water storage tanks had significant but repairable damage. The earthquake disabled electricity and phone communications, which rendered the Supervisory Control and Data Acquisition (SCADA) system non-functional. Most of the significant ‘above-ground’ issues were identified within a matter of hours such as destroyed water storage tanks or collapsed walls at well sites. Some indications of underground pipeline failures were obvious because of cavities in water storage tank access roads or public roadways while other below-ground failures were less obvious. Electrical service was restored to portions of the service area within 12 hours with all electrical service restored in 24 hours. At that point the task of evaluating the condition of the pumping equipment (wells and booster stations) began. Fortunately, most of these facilities were operable, suffering from only minor damage such as wall failure or piping breaks within the facilities.

The majority of the pipeline breaks were experienced by asbestos-cement pipe. These breaks were generally beam breaks or collar breaks. While there are less steel or ductile iron pipe in the system, there were a number of failures with these types of materials as well. Steel pipe failed at weld-joints at angle points but also on straight runs. Several instances of ductile iron failure appeared to be caused by the pipes separating at the joints (push-on type fittings). Connections on bridges oftentimes failed at the abutments.

Service lateral failures typically occurred at the connection point with the mainline or at the meter box location. Both PVC and PE laterals performed similarly, with most breaks at the connection points. Within four days of the earthquake, Valencia had restored service to 75% of its customers. Progress continued but the remaining customers out of service were not fully back in service until 13 days after the earthquake. The boil-water notice was lifted a week after water services were restored, which was 19 days after the earthquake itself. Though service was restored, repairs would continue for 1 ½ to 2 years after the earthquake. Due to the necessity of returning service to customers as quickly as possible, some repairs were made without the proper materials or coating systems. These would need to be repaired again in the future in the event of a significant earthquake. Also, the destruction of three water storage tanks and damage to three other tanks required some temporary connections between zones to allow for the repairs and reconstruction of the tanks. These temporary inter-connections would need to be removed once the tanks had been repaired and replaced.

Impact Statement: A significant earthquake could have a devastating impact on SCV Water and its assets. Shaking during earthquakes can cause structural failures, while ground displacement and liquefaction can cause infrastructure to sink, sag, float, rupture, or sever completely. Access to all assets may be impeded if the access roads are damaged and impassable. An extended loss of power or widespread damage to a system could impair SCV Water’s ability to provide service, especially if generators are compromised. This could, in turn, lead to not only a loss service but also a loss of revenue during a time when costly repairs are required. Fires following earthquakes are also a significant concern and could affect operations. A severe earthquake would have direct impacts to SCV Water personnel as well, which would impede the ability of essential personnel to report for duty and may further hinder operations.

Domestic Water Assets

Ground shaking, displacement, and liquefaction may cause structural failure of steel reservoirs (e.g., elephant foot buckling), as demonstrated by the Landers Earthquake. Water treatment plants and wells could also fail due to severe shaking or when the ground beneath them becomes displaced.

Breaks in piping (water mains, laterals) can not only cause physical damage to pipes but can also cause loss of pressure needed to keep a water system functioning. Figure 8 below shows how different types of ground displacement can sever pipes. Cast iron pipes have the highest susceptibility to breaking during earthquake events. Asbestos cement pipes have moderate to high susceptibility to breaking and are particularly vulnerable to liquefaction. Pipes are most prone to breaking at connections to above-ground structures, such as reservoirs, treatment plants, or booster stations. To mitigate this vulnerability, SCV Water has installed flexible pipe fittings where many pipes meet these types of structures.

FIGURE 8. How Ground Displacement Can Sever Pipes



Liquefaction may cause buried domestic water pipes to sink, affecting gravity-fed systems. Once liquefied soils re-solidify after an earthquake, they would need to be uncovered and repaired. Lateral spreading may damage wells and percolation ponds.

SCV Water could experience a loss of water from damaged systems. SCV Water has installed earthquake shutoff valves that will automatically stop water from being released from its reservoirs if seismic shaking above a magnitude 5.0 is detected to help mitigate potential water loss at reservoirs.

Irrigation assets similar to water pipelines, ground shaking, displacement, and liquefaction may cause irrigation canals and laterals to crack, sever and otherwise fail.

Earthquakes may also trigger landslides that can damage utility service lines. The size of a landslide usually depends on the geology, moisture content, and the nature of the underlying materials and hillside conditions. Areas where landslides have occurred before or areas that have been altered for construction of buildings and roads and steep slopes are more susceptible to experiencing landslides.



As a result of the magnitude 6.7 Northridge, California, earthquake, more than 11,000 landslides occurred over an area of 10,000 square kilometers. Most were in the Santa Susana Mountains and in mountains north of the Santa Clara River Valley. The earthquake destroyed dozens of homes, blocked roads, and damaged oil-field infrastructure.

Building Facilities

Shaking, ground displacement, and liquefaction have the potential to cause structural failure to buildings, including the office buildings at SCV Water's administrative locations. Less catastrophic events may cause unanchored furniture and items on shelves to fall. If an event were to occur during working hours, failure may result in employee and customer deaths and injuries. Further, crews out in the field may also be subject to injury or death.

Energy Storage and Power Failure

An adequate supply of energy is critical for SCV Water to maintain its daily processes and functions. Power failures occur when the reliable, uninterrupted supply of energy to all or part of service area is disrupted, causing detriment to the SCV Water's ability to provide service.

In summary, the SCV Water service area, inclusive of all current and future assets (infrastructure, buildings, critical facilities, and population), are considered at-risk to earthquake events.

4.3.2. Wildfires

Probability: (50-75%)

Impact: Limited

Priority: Likely

General Definition: A wildfire is any fire occurring in a wildland area (i.e. grassland, forest, brush land) except for fire under prescription or a "controlled burn" fire, undertaken by land management agencies. For reference, controlled burn is the process of igniting fires under selected conditions, in accordance with strict parameters, in order to reduce the impact of a wildfire. Wildfires are natural events that contribute to the natural management of wildland ecosystems; however, wildfire may also be caused by human activity. Nationally, more than 80 percent of wildfires are started by negligent human behavior such as smoking in wooded areas or improperly extinguishing campfires. The second most common cause for wildfire is lightning. Other common causes of wildfires are downed utility poles or power lines.

There are three classes of wildland fires: surface fire, ground fire, and crown fire. A surface fire is the most common of these three classes and burns along the floor of a wildland area, moving slowly and killing or damaging trees and plants. A ground fire (muck fire) is usually started by lightning or human carelessness and burns on or below the forest floor. Crown fires spread rapidly by wind and move by jumping along the tops of trees. Wildland fires are usually signaled by dense smoke that fills the area for miles around.

Wildfire probability depends on local weather conditions, outdoor activities such as camping,



debris burning, and construction, and the degree of public cooperation with fire prevention measures. Drought conditions and other natural hazards (such as tornadoes, severe winds, etc.) increase the probability of wildfires by producing fuel in both urban and rural settings. Cyclical climate events, such as El Niño-La Niña events, can also have a dramatic effect on the risk of wildfires. Fewer fires are typically seen during El Niño (when more rain is present) and larger, more frequent fires are typical during La Niña events.

California is highly susceptible to wildfires, especially during the fall and summer months. Southern California experiences Santa Ana winds that develop mostly in the late summer and fall seasons. These winds are known for their high speeds and drying effect, which turn the natural grasses brown and dry. These winds are also capable of causing downed power lines that can start fires in the mountains and hills. The fires are driven by the high winds and can become large events that destroy enormous areas, including towns and cities, leading to loss of life and millions of dollars in property damage. In the jurisdictional boundaries, brush fires are known to jump from place to place due to patches of dry vegetation and winds. The fires that burned in and around the Santa Clarita Valley in October of 2003 were made far more dangerous by Santa Ana winds that continually changed directions and enabled the fire to spread extremely quickly. Eventually the fire threatened thousands of homes in the western Santa Clarita Valley before firefighters gained control of and extinguished the blaze.

Description: Local wildfires are a significant concern to SCV Water because the service area is arid and surrounded by a mountainous terrain that influences the air movement. For example, canyons can funnel air and act as chimneys, which can intensify fire and cause it to spread faster. From an urban setting perspective, another influential factor is the presence of diverse fuels in the landscape, such as natural vegetation, manmade structures, and combustible materials. In addition, weather patterns combined with certain geographic locations can create a favorable climate for wildfire activity. Areas where annual precipitation is less than 30 inches per year are extremely fire susceptible. Recent concerns about the effects of climate change, particularly drought, contribute to concerns about wildfire vulnerability. Unusually dry winters, or significantly less rainfall than normal, can lead to relatively drier conditions and leave reservoirs and water tables lower, thereby reducing the amount of water available to fight wildfires. Prolonged drought leads to problems with irrigation and may contribute to additional fires, or additional difficulties in fighting fires.

The largest fire in the area has been the Powerhouse Fire that began on May 20, 2013, and lasted for 10 days before it was contained. This fire burned over 30,000 acres, resulted in 10 injuries and destroyed 58 structures. Several lawsuits were subsequently filed alleging that the Los Angeles County of Department of Water and Power (LACDWP) was responsible for the fire because of poor equipment maintenance and power lines near the DWP Powerhouse No. 1 power plant off San Francisquito Canyon Road.

SCV Water has facilities within the FEMA fire zone, which would be adversely affected by a large, uncontrolled, wind-driven fire in mountainous areas that could easily spread throughout SCV Water's territory. SCV Water is also concerned about the impact wildfires can have on electrical outages thus limiting water operations and services during a wildfire event.

FIGURE 9. SCV Water Fire

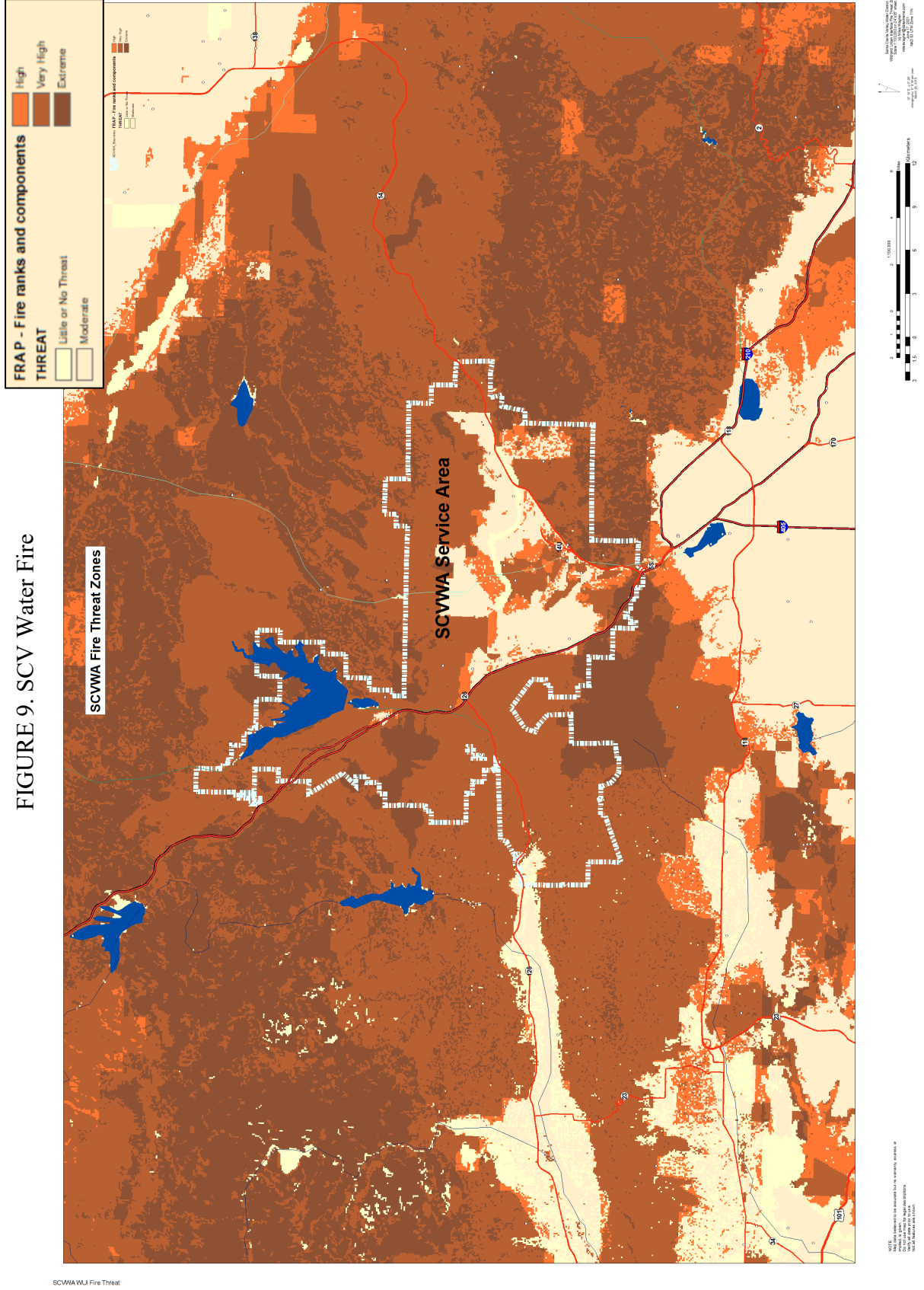




Figure 9 above shows that 80-90 percent of SCV Water’s territory is located in a Very High to Extreme fire threat area.

TABLE 12. Santa Clarita Wildfires

Fire Name	Date	Acres Burned
North Fire	April 2021	650
Soledad Fire	July 2020	1,525
Castaic Fire	August 2020	178
Tick Fire	October 2019	4,615
Stone Fire	June 2018	1,352
Charlie Fire	August 2018	3,380
Rye Fire	December 2017	6,049
Castaic Fire	August 2017	30
Lake Fire	June 2016	800
Sage Fire	July 2016	1,109
Calgrove Fire	June 2015	415
Powerhouse Fire	May 2013	30,274
Lake Fire	May 2013	712
Magic Fire	May 2013	149

Impact Statement: Wildfire events have the potential to cause a variety of impacts to SCV Water and its assets. Wildfires could directly damage above-ground assets that are burned or melted by fires. In addition, wildfires have the potential to cause damage to underground pipes in domestic water systems, as demonstrated in Santa Rosa, CA, where heat from a wildfire melted underground pipes, causing benzene to leach into the water supply. Wildfires may also impede access to assets that need maintenance or repair which could pose life safety threats to SCV Water employees trying to access those assets. SCV Water will also need to supply water for fighting wildfires, which could affect available supply.

In addition, wildfires can also have indirect, or cascading, hazards to SCV Water. For example, wildfires can cause power outages if utility lines are damaged or downed. Once the wildfire has burned through an area and destroyed the natural vegetation, the burned areas are much more susceptible to landslides, as demonstrated by the 2018 mudflows in Montecito, CA. Further, large wildfires may have devastating impacts to agricultural and/or tourism industries, which would have widespread economic impacts throughout the area.

Of note, many individual homes and cabins, subdivisions, resorts, recreational areas, organizational camps, businesses, industries, and the water infrastructure serving those areas are located within high wildfire hazard areas. This results in the need to build infrastructure in wildfire hazard areas.

A power outage has the potential to disrupt services provided in the service area. SCV Water relies on an adequate energy source to power many of its assets, including booster stations, lift stations, reclamation plants, water treatment plants, and any other asset that requires an electrical



component. SCV Water has back-up power supplies located at a number of its critical assets to minimize the impacts of power outages. However, long term outages may exceed fuel required to power back-up generators. This could compromise nearly all services including domestic water delivery, water treatment, and irrigation. Administrative buildings also require an energy source and disruptions could compromise operations, billing, and communications. A loss of power resulting in the inability of SCV Water to provide essential services could have direct impacts in terms of revenue loss and reputational impacts, in addition to far-reaching community impacts.

In summary, the entire service area, inclusive of all current and future assets (infrastructure, buildings, critical facilities, and population), are considered at-risk to wildfire events. All current and future above-ground assets, drinking water systems, and populations (e.g., employees) are considered to be most at-risk to wildfire.

4.3.3. Climate Change Induced Drought

Probability: (50-75%)

Impact: Critical

Priority: Likely

General Definition: A drought is a period of below-average precipitation in a given region resulting in prolonged shortages in surface water and groundwater. Droughts are often associated with climatic factors such as high temperatures, high wind, and low relative humidity. Drought occurs in virtually all climatic zones, varying significantly from one region to another. Droughts occur when there are long periods of inadequate rainfall. The cycle of droughts and wet periods are often part of the El Niño and La Niña weather cycles.

The severity of a drought depends on the degree of moisture deficiency, the duration, and the size and location of the affected area. It is generally difficult to pinpoint the beginning and the end of a drought. In California, a few dry months do not typically constitute a drought. Because the impacts of a drought accumulate slowly at first, one may not be able to recognize a drought until it has become well established. Even during a drought there may be one or two months with above average precipitation totals. However, these wet months do not necessarily signal the end of a drought and generally do not have a major impact on moisture deficits. Droughts can persist for several years before regional climate conditions return to normal. While drought conditions can occur at any time throughout the year, the most apparent time is during the summer months.

Research supports that climate change will have significant impacts on drought frequency and intensity depending on the region. Higher temperatures lead to increased evaporation rates, including increasing loss of moisture in plant leaves (creating fuel for wildfires as discussed previously). Even in regions where precipitation does not decrease, increases in surface evaporation will lead to more rapid drying of soil if not offset by other changing factors, such as reduced wind speed or increased humidity. As soil dries, a larger proportion of the sun's incoming heat will go toward heating soil and adjacent air rather than evaporating moisture, resulting in hotter temperatures and drier conditions.

Measuring Droughts: The United States has several quantitative methods for measuring

drought. The U.S. Drought Monitor is a relatively new index that combines quantitative measures with input from experts in the field.

U.S. Drought Monitor

The U.S. Drought Monitor is designed to provide the general public, media, government officials, and others with an easily understandable overview of weekly drought conditions by region, state, or county, throughout the United States. The U.S. Drought Monitor is unique because it assesses multiple numeric measures of drought, including the PDSI and three other indices, as well as the interpretations of experts to create a weekly map depicting drought conditions across the United States. As shown below, the U.S. Drought Monitor uses five drought intensity categories, D0 through D4, to identify areas of drought.

TABLE 13. U.S. Drought Monitor Categories of Drought

D0	Abnormally Dry	Going into drought: short-term dryness slowing planting, growth of crops or pastures. Coming out of drought: some lingering water deficits; pastures or crops not fully recovered
D1	Moderate Drought	Some damage to crops, pastures; streams, reservoirs, or wells low, some water shortages developing or imminent; voluntary water-use restrictions requested
D2	Severe Drought	Crop or pasture losses likely; water shortages common; water restrictions imposed
D3	Extreme Drought	Major crop/pasture losses; widespread water shortages or restrictions
D4	Exceptional Drought	Exceptional and widespread crop/pasture losses; shortages of water in reservoirs, streams, and wells creating water emergencies

A drought is a regional event that is not confined to geographic or political boundaries; it can affect several areas at once. It can also range in severity across those areas.

Drought is one of the main concerns in California, as the State has been experiencing reoccurring drought events. Northern California experienced some relief in the winter of 2016; however, the El Niño effect that was expected to relieve the statewide drought did not materialize in Southern California. The lack of rain and, most importantly, the lack of snowfall in the Sierra Nevada Mountain range severely affected most residents of California. The SCV Water service area is at risk for drought occurrence and impacts.

Description: SCV Water’s water supply comes from four main sources, including: imported water, groundwater, recycled water and water banking (storage). In 2020, SCV Water’s water supply was distributed between; groundwater (26.0% of annual supply), recycled water (0.7% of annual supply), imported water (39.0% of annual supply), and water banking (34.3% of annual supply). SCV Water’s groundwater supply is obtained sustainably from local aquifers. SCV Water’s recycled water is developed by treating used water within SCV Water’s service area. SCV Water’s imported water supply is sourced from the State Water Project (SWP) which imports surface water from the San Francisco Bay-Delta (the Delta). Lastly, SCV Water

maintains water banking (storage) programs which makes water available for use in times of need, such as during a drought or emergency.

Climate change can be expected to increase drought frequency and severity in the SCV Water’s service area. Warmer temperatures cause drought conditions by reducing soil moisture. Additionally, increased evapotranspiration and reduced snowpack projected with warmer temperatures is expected to result in reduced flows to the SWP that SCV Water relies on.

The National Integrated Drought Information System (NIDIS) is a tool that measures the drought-related risks in certain areas of the U.S. Figures 10, 11, and 12 below shows that Los Angeles County (as with most of California), despite the high levels of precipitation in 2020, is currently in the midst of another severe drought.

The maps below are taken from <https://droughtmonitor.unl.edu/Maps/MapArchive.aspx> and show the drought differences in the period between 2011, 2016, and 2021, which vary drastically from each monitor recording.

FIGURE 10. August 16, 2011 California Drought Monitor

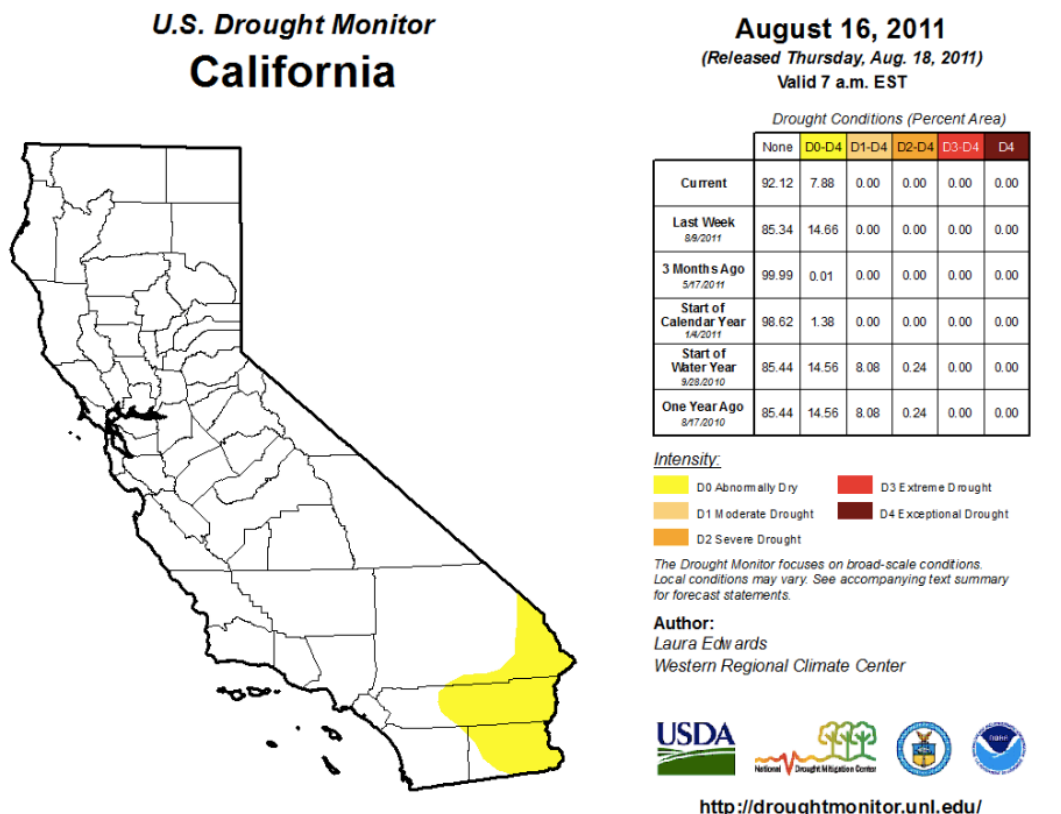
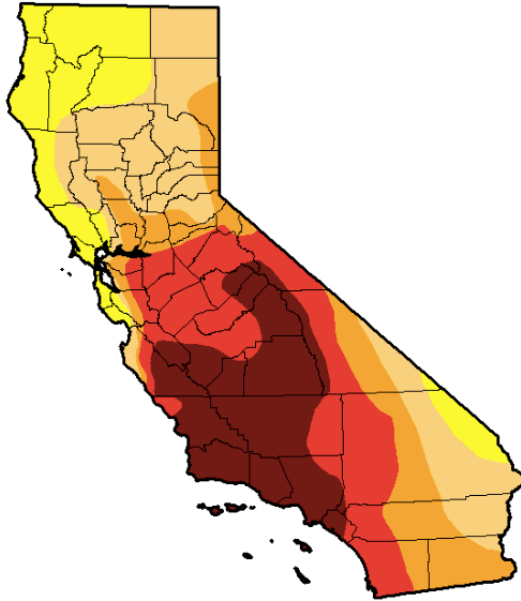


FIGURE 11. August 16, 2016 California Drought Monitor

**U.S. Drought Monitor
California**



August 16, 2016

(Released Thursday, Aug. 18, 2016)
Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	0.00	100.00	83.59	59.02	42.80	21.04
Last Week 8/9/2016	0.00	100.00	83.59	59.02	42.80	21.04
3 Months Ago 5/17/2016	5.50	94.50	86.39	63.57	42.99	21.04
Start of Calendar Year 12/22/2015	0.00	100.00	97.33	87.55	69.07	44.84
Start of Water Year 9/29/2015	0.14	99.86	97.33	92.36	71.08	46.00
One Year Ago 8/18/2015	0.14	99.86	97.35	92.36	71.08	46.00

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:

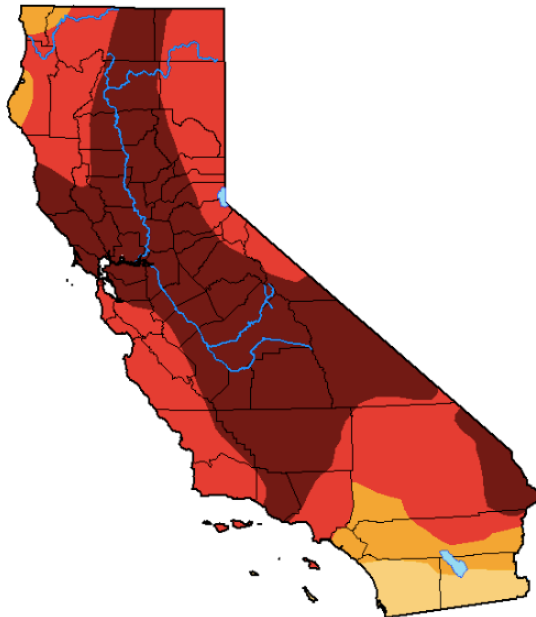
David Miskus
NOAA/NWS/NCEP/CPC



<http://droughtmonitor.unl.edu/>

FIGURE 12. August 17, 2021 California Drought Monitor

**U.S. Drought Monitor
California**



August 17, 2021

(Released Thursday, Aug. 19, 2021)
Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	0.00	100.00	100.00	95.58	88.37	48.97
Last Week 08-10-2021	0.00	100.00	100.00	95.07	88.37	47.10
3 Months Ago 05-18-2021	0.00	100.00	100.00	94.31	73.33	15.91
Start of Calendar Year 12-29-2020	0.00	100.00	95.17	74.34	33.75	1.19
Start of Water Year 09-29-2020	15.35	84.65	67.65	35.62	12.74	0.00
One Year Ago 08-18-2020	20.55	79.45	54.22	21.72	3.04	0.00

Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

Author:

Curtis Riganti
National Drought Mitigation Center



droughtmonitor.unl.edu

TABLE 14. California Drought History (extracted from USGS, California Drought History)

Year	Drought History
2021 - Present	The state of California is currently in the midst of another major drought as per the U.S. Drought Monitor. The effects and severity of this drought is too early to tell since it is ongoing.
2011-2017	From December 2011 to March 2017, the state of California experienced one of the worst droughts to occur in the region on record. The period between late 2011 and 2014 was the driest in California history since record keeping began.
2007–2009	2007–2009 saw three years of drought conditions, the 12th worst drought period in the state's history, and the first drought for which a statewide proclamation of emergency was issued. The drought of 2007–2009 also saw greatly reduced water diversions from the State Water Project. The summer of 2007 saw some of the worst wildfires in Southern California history.
1986–1992	California endured one of its longest droughts ever observed from late 1986 through early 1992. Drought worsened in 1988 as much of the United States also suffered from severe drought. In California, the six-year drought ended in late 1992 as a significant El Niño event in the Pacific Ocean (and the eruption of Mount Pinatubo in June 1991) most likely caused unusual persistent heavy rains.
1976–1977	1977 had been the driest year in state history to date. According to the Los Angeles Times, “Drought in the 1970s spurred efforts at urban conservation and the state’s Drought Emergency Water Bank came out of drought in the 1980s.”
1950s	The 1950s drought contributed to the creation of the State Water Project.
1929–1934	This drought was during the infamous Dust Bowl period that ripped across the plains of the United States in the 1920s and 1930s. The Central Valley Project was started in the 1930s in response to drought.
1924	This drought encouraged farmers to start using irrigation more regularly because of the fluctuation in California weather the need for consistent water availability was crucial for farmers.
1864	This drought was preceded by the torrential floods of 1861-1862, showing the fluctuation in climate back in the 1800s.
1841	The drought was so bad that “a dry Sonoma was declared entirely unsuitable for agriculture”

Progression of the drought from December 2013 to July 2014 (extracted from USGS, California Drought History)

The period between late 2011 and 2014 was the driest in California history since record keeping began. In May 2015, a state resident poll conducted by Field Poll found that two out of three respondents agreed that it should be mandated for water agencies to reduce water consumption by 25%.

The 2015 prediction of El Niño raised hopes of bringing rains to California to end the drought. In the spring of 2015, NOAA named the probability of the presence of El Niño conditions until the end of 2015 at 80%. Historically, 16 winters between 1951 and 2015 had created El Niño. Six of those had below-average rainfall, five had average rainfall, and five had above-average rainfall. However, as of May 2015, drought conditions had worsened, and above-average ocean temperatures had not resulted in large storms. The drought led to Governor Jerry Brown instituting mandatory 25% water use reductions in June 2015.



Approximately 102 million trees in California died from the 2011–2016 drought, of which, 62 million died in 2016 alone. By the end of 2016, 30 percent of California had emerged from the drought, mainly in the northern half of the state, while 40 percent of the state remained in the extreme or exceptional drought levels. Heavy rains in January 2017 were expected to have a significant benefit to the State’s northern water reserves, despite widespread power outages and erosional damage in the wake of the deluge. The winter of 2016–17 turned out to be the wettest on record in Northern California, surpassing the previous record set in 1982–83. Governor Brown declared an official end to the drought on April 7, 2017.

Drought affects all of Los Angeles County including SCV Water. Consumers in the SCV Water service area have been affected during droughts and are asked to conserve water in extreme drought conditions.

Impact Statement: Water is also needed to manage structural fires and wildfires. A lack of, or limited, water supply presents wildfire management vulnerability. Substantial water is needed to fight wildfires, which are also more frequent in dry conditions. While water for firefighting is a priority and no restrictions are in place, a lack of availability could slow this capability.

The majority of drought impacts are societal impacts. A drought’s impacts on society, and thus the SCV Water’s service area, result from the interplay between a natural event and the demand people place on water supply. SCV Water is in charge of supplying potable and recycled water within its service area; therefore, SCV Water would be greatly affected, both fiscally and politically, if it was unable to provide a reliable water supply because of drought conditions. Economically, water restrictions imposed during drought periods could result in lost revenue for SCV Water.

To ensure adequate water supplies, SCV Water employs a portfolio approach to its water resources strategy and prepares a Water Shortage Contingency Plan. This plan is required by the state of California and will help improve water conservation and water shortage planning, especially during a drought or catastrophic event.

4.3.4. Flooding

Probability: (25-50%)

Impact: Limited

Priority: Somewhat Likely

General Definition: A flood is defined as an unusually heavy rain in a concentrated area, over a short or long period of time that collects on the ground in low areas of the land. Flooding occurs when there are large amounts of rainfall in areas where the water runs off to lower elevations.

Flooding is a very frequent, dangerous, and costly hazard. Globally, it accounts for 40 percent of all natural disasters and results in an average of more than 6,500 deaths annually. In the U.S., flooding results in an average of 86 deaths annually. Nearly 90 percent of all presidential disaster declarations result from natural events where flooding was a major component. On average, flooding causes more than \$2 billion in property damage each year in the United States. Floods



cause utility damage and outages, infrastructure damage, structural damage to buildings, crop loss, decreased land values and impeded travel.

Flooding is the most common environmental hazard, due to the widespread geographical distribution of valleys and coastal areas. The severity of a flooding event is typically determined by a combination of several major factors including: stream and river basin topography and physiography; precipitation and weather patterns; recent soil moisture conditions; and the degree of vegetative clearing and impervious surface. Flooding events can be brought on by severe (heavy) rain. The types of floods impacting the SCV Water's service area is flash flooding or riverine flooding that are described below.

Flash Flooding

Flash floods occur within a few minutes or hours of heavy amounts of rainfall and can destroy buildings, uproot trees, and scour out new drainage channels. Heavy rains that produce flash floods can also trigger mudslides and landslides. Most flash flooding is caused by slow-moving thunderstorms, repeated thunderstorms in a local area, or by heavy rains from hurricanes and tropical storms. Although flash flooding often occurs in mountainous areas, it can also occur in urban centers where much of the ground is covered by impervious surfaces.

Riverine Flooding

Periodic flooding of lands adjacent to non-tidal rivers and streams (known as the floodplain) is a natural and inevitable occurrence. When stream flow exceeds the capacity of the normal watercourse, some of the above-normal stream flows onto adjacent lands within the floodplain. Riverine flooding is a function of precipitation levels and water runoff volumes within the watershed of a stream or river. According to USGS, the recurrence interval of a flood is defined as probability of an event in any given year (e.g., 1% annual chance). Flood magnitude increases with increasing recurrence interval.

Wildfires can exacerbate flooding conditions, when soil infiltration is affected, and limited vegetation is in place. Major wildfires are known to contribute to major flooding, as less vegetation on hillsides allows the rainwater to run off of the hills onto the valleys below. While the recent drought conditions have resulted in a lack of rain events, the potential for future flooding still exists.

Description: The Santa Clarita Valley climate is classified as Semiarid or Mediterranean in the Koppen climate classification system. The Santa Clarita Valley is generally hot and dry through most of the year, ranging from 70-100 degrees during the summer, and 40-65 degrees during the winter. Monthly precipitation ranges from 0-5 inches, depending on the month. The "wettest" months occur between December and March, with very little rain in Santa Clarita from April through August. Flooding is most common during El Niño years with the potential to bring intense rainfall to the area. Urban flooding in SCV Water's service area occurs when the amount of water from rainfall and runoff exceeds the City's stormwater capacity. The service area may also be subject to riverine flooding which is the overbank flooding of rivers and streams. The Santa Clara River runs through the City of Santa Clarita and is susceptible to flooding events. This river is the only major river drainage from the San Gabriel Mountains that remains un-channelized for most of its length. Another potential for flooding in the service area would be by



inundation from Castaic Reservoir or Bouquet Reservoir. SCV Water is a special district and are not allowed to participate in the National Flood Insurance Program (NFIP).

FIGURE 13. Flooding Map

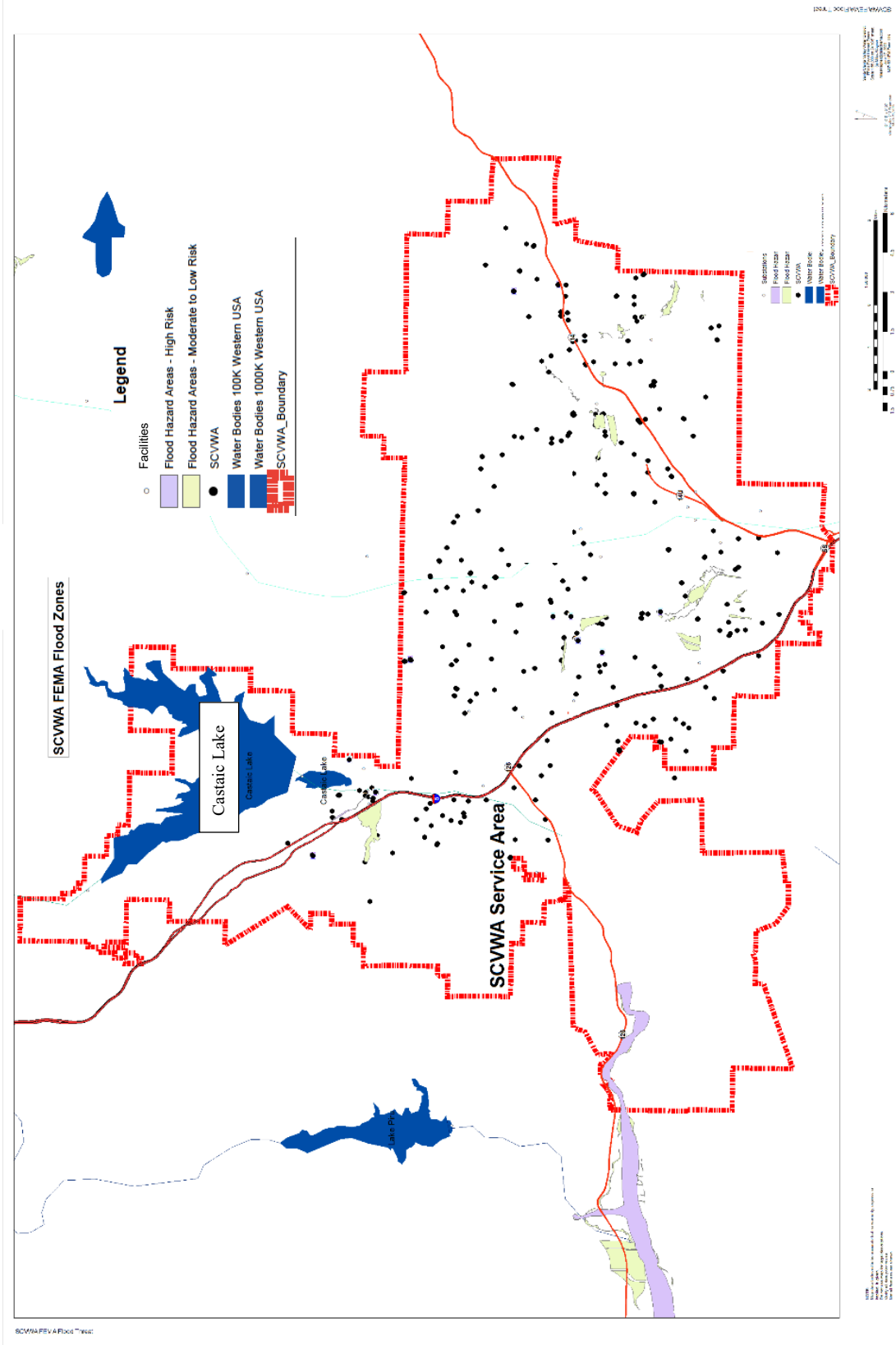


TABLE 15. USGS Flooding History

Date of event	Type of Damage	Amount of Damage	Statewide or Local
*March 2010	FEMA Disaster No 1584	Severe storms, flooding, debris flows, and mudslides	Local
*April 2005	FEMA Disaster No 1585	Severe storms, flooding, debris flows, and mudslides	Local
*Feb 2005	FEMA Disaster No 1577	Severe storms, flooding, debris flows, and mudslides	Local
Feb-1998	17 deaths	\$550 M	Various
Feb-1995	17 deaths	Public property \$190.6 M; individual \$122.4 M; business \$46.9 M; highways \$79 M; ag \$651.6 M; TOTAL approximately \$1.1 billion; damage to homes: major-1,322; minor-2,299; destroyed 267	57 counties (all except Del Norte)
Jan-1995	11 deaths	Public \$299.6 M; individual \$128.4 M; businesses \$58.4 M; highways \$158 M; ag-\$97 M; TOTAL \$741.4 M; damage to homes: major-1,883; minor 4, 179; destroyed-370.	Various
Dec-1992	Snow, rain, and high winds, 20 deaths, 10 injuries	Total - \$600 M	Various
Feb-1992	Flash Flooding, rainstorms, mud slides; 5 deaths	Public-\$95 M; private-\$18.5 M; business \$8.5 M, agricultural \$1.5 M; TOTAL \$123 M	Los Angeles, Ventura, Kern, Orange, San Bernardino Counties
Winter 1982-1983	Heavy rains, high winds, flooding, levee breaks	Public \$151 M; private \$159 M; agricultural \$214 M; Total \$524 M	Various
Feb-1980	Rain, wind, mud slides, and flooding	18M to 20M	Various
Winter 1978	14 dead, at least 21 injured	Public \$73 M; private-\$44 M; Total \$117 M; 2,538 homes destroyed	Various
Winter 1969	Storms, flooding, 47 dead, 161 injured. An alluvial flood and debris flow on Deer Creek in San Bernardino County killed 11 people.	Public \$185 M, Private -\$115 M; Total \$300 M	Various
Winter 1966	Abnormally heavy and continuous rainfall.	Public- \$14.6 M; private \$14 M; Total \$28.7 M	Various

Date of event	Type of Damage	Amount of Damage	Statewide or Local
Apr-58	13 deaths, several injuries	\$20 M, plus \$4 M agricultural	Statewide
Dec-55	74 deaths	\$200 M	Statewide

*Events with an asterisk indicate a direct effect on Santa Clarita Valley Water Agency.

SCV Water has been experiencing severe damage to its pipelines traversing rivers:

Placerita Creek

1. Hacienda Lane – about 175 feet of 10” ductile iron pipe (DIP) washed out and was replaced in 2010.
2. Meade View Avenue – about 120 feet of 8” DIP washed out and was replaced in 2008.
3. Railroad/Placerita Creek Bridge – about 500 feet of 8” Asbestos Cement Pipe (ACP) washed out and was replaced in 2008.

Eastern Portion of Santa Clara River

1. In the Santa Clara River – about 1800 feet of 10” VCP sewer pipe washed out and was replaced in 2008.
2. In the Santa Clara River – about 1500 feet of 10” VCP sewer pipe washed out and was replaced in 2006.
3. Sand Canyon Rd – about 200 feet of 8” ACP washed out and was replaced in 2006.

Impact Statement: Flooding can result in a variety of impacts, such as death and injury, asset damage, inability to access facilities or assets and road closures. Normal operations may be interrupted due to flooding. Some impacts from flooding include:

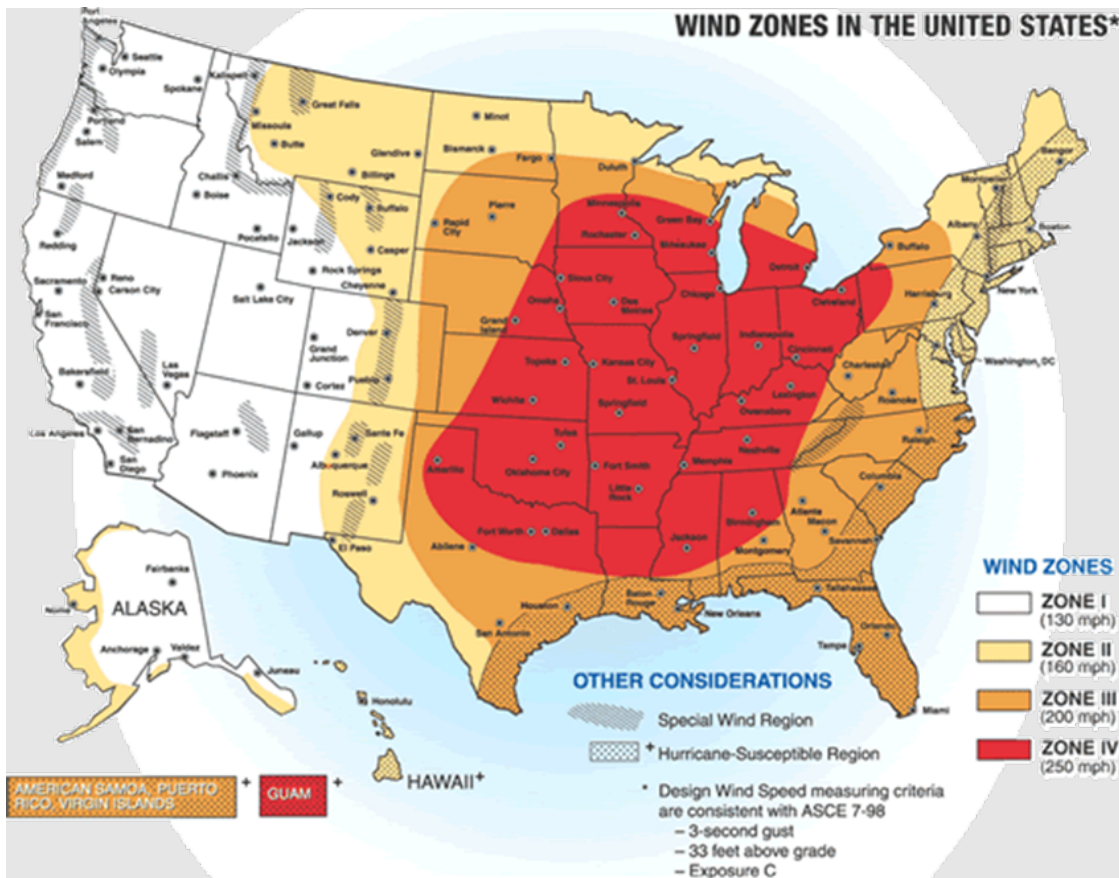
- Floodwaters often contain bacteria and chemicals. Flooding of wells or reservoirs may result in water contamination, resulting in boil water advisories or reduced service.
- Floodwaters can prevent normal access to assets and facilities. This presents a danger when motorists and pedestrians attempt to traverse floodwaters. Motor vehicles and pedestrians can get swept up in flood currents, increasing the risk for drowning. Even in shallow waters, fast-moving currents can carry individuals or vehicles into deeper waters, where pressure from flowing water can prevent drivers from escaping submerged vehicles. As little as six inches of floodwater can move a vehicle, and as little as two inches can move a person.
- Replenishment facilities, including pecculation ponds, may be washed out by flooding, resulting in damages.
- Assets with electrical parts or motors may be damaged by flooding if these parts are submerged.
- Structures exposed to flooding, including critical facilities, can be severely damaged. Building contents can be lost, damaged, or destroyed, and structures themselves can be compromised by floodwaters. Pressure from floodwater, especially as seepage through soil, can damage foundations.
- Buildings exposed to floodwaters may develop mold or wood rot.

4.3.5. Windstorms

Probability: (25-50%)
Impact: Limited
Priority: Somewhat Likely

General Definition: There are several types of wind hazards that affect the planning area. These include high or strong wind events (typically associated with Santa Ana winds) and thunderstorm wind events (including straight line winds and microbursts). High wind definitions can vary by region; however generally speaking high wind events are those that are greater than normal averages and have the potential to cause property damage. Wind events are common throughout the U.S.; however, the severity varies depending on location.

FIGURE 14. Wind Zones in the United States



Santa Ana winds are a regional wind hazard specific to Southern California. Santa Ana winds are known to cause large amounts of damage and increase the spread of wild and structural fires. Santa Ana winds are generally defined as warm, dry winds that blow from the east. The complex topography of Southern California combined with various atmospheric conditions creates numerous scenarios that may cause widespread or isolated Santa Ana wind events. Santa Ana windstorms are common during the late summer and fall months in Southern California. Winds

are caused by a low-pressure system over the southern coastline and a high pressure over the Great Basin in Nevada. When the high pressure turns counterclockwise, the warm, dry air is pulled to the low-pressure zone and out to the Pacific Ocean. Due to the warm and dry characteristics of Santa Ana winds, Santa Ana winds are quick and effective at spreading wildfires. The combination of windstorm activity with the major fires that occur every few years creates the greatest danger to the urban and wild land interface. Santa Ana winds spread the flames in even greater speed than in times of calm wind conditions.

The National Weather Service Center normally issues a high wind advisory or warning depending on the following criteria: A wind advisory is issued when conditions are favorable for the development of high winds over all or part of the forecast area, but the occurrence is still uncertain. The criteria of a wind advisory are sustained winds of 31 to 39 mph and/or gusts 46 to 57 mph for any duration. A high wind warning is issued when sustained winds from 40 or higher are expected for at least one hour or any wind gusts are expected to reach 58 mph or more. Forecasters at the National Weather Service in Oxnard and San Diego usually place speed minimums on these winds and reserve the use of “Santa Ana” for winds greater than 25 knots (approximately 29 miles per hour). Table 16 is a Beaufort Wind Scale that shows the appearance of wind effects based on the knots of wind and its classification.

TABLE 16. Beaufort Wind Scale

Force	Wind (Knots)	WMO Classification	Appearance of Wind Effects	
			On the Water	On Land
0	Less than 1	Calm	Sea surface smooth and mirror-like	Calm, smoke rises vertically
1	1-3	Light Air	Scaly ripples, no foam crests	Smoke drift indicates wind direction, still wind vanes
2	4-6	Light Breeze	Small wavelets, crests glassy, no breaking waves	Wind felt on face, leaves rustle, vanes begin to move
3	7-10	Gentle Breeze	Large wavelets, crests begin to break, scattered whitecaps	Leaves and small twigs constantly moving, light flags extended
4	11-16	Moderate Breeze	Small waves 1-4 ft. becoming longer, numerous white caps	Dust, leaves, and loose paper lifted; small tree branches move
5	17-21	Fresh Breeze	Moderate waves 4-8 ft. taking longer form, many whitecaps, some spray	Small trees in leaf begin to sway
6	22-27	Strong Breeze	Larger waves 8-13 ft., whitecaps common, more spray	Larger tree branches moving, whistling in wires
7	28-33	Near Gale	Sea heaps up, waves 13-20ft, white foam streaks off breakers	Whole trees moving, resistance felt walking against wind
8	34-40	Gale	Moderately high (13-20 ft.) waves of greater length, edges of crests begin to break into spindrift, foam blown into streaks	Whole trees in motion, resistance felt walking against wind
9	41-47	Strong Gale	High waves (20 ft.), sea begins to roll, dense streaks of foam, spray may reduce visibility	Seldom experienced on land, trees broken or uprooted, considerable structural damage
10	48-55	Storm	Very high waves (20-30 ft.) with overhanging crests, sea white with densely blown foam, heavy rolling, lowered visibility	“

11	56-63	Violent Storm	Exceptionally high (30-45 ft.) waves, foam patches cover sea, visibility more reduced	“
12	64+	Hurricane	Air filled with foam, waves over 45 ft., sea completely white with driving spray, visibility greatly reduced	“

Description: The service area of SCV Water is subject to continual strong winds. Wind speeds can reach 100 mph during these events and can represent significant threat to life and property. These annual events occur during the late summer and fall months and drive wildfires in California, causing electrical outages, downed power lines, fallen trees, fires, and pose risks to life and safety of the residents as well as catastrophic destruction to property as seen during the devastating fires in California in the last several years. Within SCV Water’s boundaries the damages from high-wind storms include loss of power, downed power lines, and wildfires which will affect the entire service area. SCV Water faces the ultimate hazard of windstorms when one is accompanied with wildfire. This increases the damage done both from wildfire and windstorms and increases damage from power loss. Significant peak wind events identified by the National Weather Service (National Weather Service, National Climate Data Center, 2015) include the following high wind events for the Santa Clarita Valley Zone:

TABLE 17. Significant Wind Events Since 2007

Date	Magnitude (MPH)	Deaths/Injuries	Event Summary
2/17/2017	66	0/0	Strong southerly winds were reported in the Santa Clarita Valley. Some wind gusts from local RAWS stations include: Saugus (gust 66 MPH) and Newhall Pass (gust 61 MPH).
11/15/2015	71	0/0	Strong northerly wind developed across the Santa Clarita Valley. The RAWS sensor at Saugus reported northerly wind gusts of 71 MPH while the sensor at Del Valle reported gusts to 68 MPH.
4/8/2013	79	0/0	An extended northerly wind event developed across Southwestern California. The combination of strong northerly (offshore) pressure gradient and strong winds above the surface produced northerly wind gusts between 65 and 85 MPH across sections of Ventura and Los Angeles counties.
12/1/2011	67	0/0	On December 1st, a strong north to northeast wind event, which developed on November 30th, continued across sections of Southern California. Widespread wind gusts between 60 and 70 MPH were reported across the mountains of Ventura County as well as the mountains and valleys of Los Angeles County through December 1st. Widespread power outages were reported, especially across the San Gabriel Valley where over 350,000 residents lost power. In the city of Pasadena, significant wind damage was reported with at least 42 buildings red-tagged due to wind damage. Along with the power outages, numerous trees were uprooted or severely damaged from La Canada-Flintridge to Monrovia. Strong northerly cross winds at Los Angeles International Airport resulted in 23 flights being diverted to Ontario International Airport.
3/7/2011	71	0/0	Strong northwest to north winds developed across sections of Southwestern California. The strongest winds occurred in the mountains of Los Angeles and Ventura counties, the Antelope Valley and the Santa Clarita Valley. Sustained winds as high as 59 MPH were reported along with gusts as high as 76 MPH.

1/10/2009	72	0/0	The combination of strong surface high pressure over the Great Basin and a ridge aloft produced strong and gusty Santa Ana winds across Ventura and Los Angeles counties. Across the higher terrain, wind gusts as high as 73 MPH were reported.
11/15/2008	66	0/0	An extended period of offshore winds affected Southern California. North to northeast wind gusts in excess of 65 MPH were reported in some areas. The strong winds, combined with very dry conditions, helped fuel two significant wildfires. The Tea Fire, near Montecito in Santa Barbara County, burned 1,940 acres. The Sayre Fire, north of Sylmar in Los Angeles County, burned 11,262 acres. Both fires produced significant loss of residences.
10/21/2007	69	0/0	Between October 20th and 24th, strong surface high pressure developed over the Great Basin and produced a strong and long-lasting Santa Ana wind event across Southern California. This particular Santa Ana wind event was the strongest and most widespread in recent memory with peak wind gusts over 100 mph reported at Laguna Peak and Whitaker Peak. The offshore winds produced very warm and dry conditions across Southern California which led to 9 different wildfires across Santa Barbara, Ventura and Los Angeles counties. Four of the wildfires exceeded 700 acres with one fire burning nearly 60,000 acres.

The 2003 fires that burned in and around the Santa Clarita Valley were perpetuated by the Santa Ana winds that continually changed directions and allowed the fire to pose a greater danger to the residents in the service area.

Windstorms can have direct consequences to the local economy related to both physical damages and interrupted services. For example, severe windstorms with over 70 mph winds in San Gabriel Valley in 2011 resulted in thousands of downed trees, fallen power lines causing widespread area outages for more than 400,000 Southern California Edison customers. The resulting damage from this windstorm to public infrastructure was estimated at \$33 million.

Prior occurrences of wildfires are discussed in the previous sections.

Impact Statement: SCV Water’s service area has been experiencing local winds that are generally below 50 mph and higher velocity winds exceeding 70 mph.

Severe wind has the potential to damage reservoirs, treatment plant facilities, wells, and ponds. Severe winds can also damage structures including shingles, siding, awnings, and other features of buildings and overturn trees. Severe winds can also blow objects through the air at high velocities, which could damage assets and structures. In some cases, structures may be blown off foundations or infrastructure. In addition, mobile or modular units (such as those installed for temporary uses) are considered at a higher risk to severe wind. Severe winds can cause damage to communications infrastructure, utility poles, and above-ground power lines, resulting in loss of power. Fallen trees also contribute to power line disruptions. When strong winds reach a force great enough to threaten above-ground facilities, areas may experience power outages.

The entire service area, including all current and future assets (infrastructure, buildings, critical facilities, and population), is vulnerable to annual severe wind because the topography and movement of weather fronts through the area. Exposed (e.g., above-ground) assets are considered most at risk to severe winds.



4.3.6. Dam Inundation

Probability: (25-50%)

Impact: Catastrophic

Priority: Somewhat Likely

General Definition: A dam failure is the partial or total collapse, breach, or other failure of a dam that causes flooding downstream. Dam failures are usually considered secondary events to natural hazards such as a flood event, earthquakes, or landslides. Earthquakes can undermine the structure of dams and cause breaches or complete failures. Dam failures may also be caused by human-induced events such as improper maintenance. In the event of a dam failure, the people, property, and infrastructure downstream could be subject to devastating damage.

Description: Areas downstream of dams are considered at risk. A failure of the Castaic Dam and inundation from the Castaic Lake and could cause major flooding in SCV Water's service area. Castaic Dam is located within SCV Water boundaries. The dam is located southwest of Castaic Lake, just north of Castaic Lagoon. Castaic Lake, completed in 1974 and located 45 miles north of downtown Los Angeles, provides a water supply to more than 5.2 million Californians.

Drinkwater Dam is located 7 miles northeast of Castaic and would cause minor inundation if it were to break according to Division of Safety of Dams (DSOD).

Dry Canyon Dam is considered to have an extremely high downstream hazard according to DSOD. The Dry Canyon Dam inundation zone runs northeast of Santa Clarita and cuts west within the city center. The main concern for the downstream hazard is loss of life, damage to homes, businesses, streets, and bridges.

Bouquet Reservoir failure would include Saugus and Valencia areas. In such a situation, any structure situated north of McBean Parkway in the Bouquet Canyon area at an elevation under 1,200 feet would be exposed to flood waters within 49 minutes of dam failure. This area includes Rosedell Elementary School and Saugus High School and residential areas around King Crest and Alaminos Drive. After flooding down Bouquet Canyon, the floodwaters would enter the Santa Clara River. The water level would rise and likely inundate Newhall Ranch Road and parts of Interstate 5 south of Castaic Junction.

FIGURE 15. Drinkwater Inundation Map

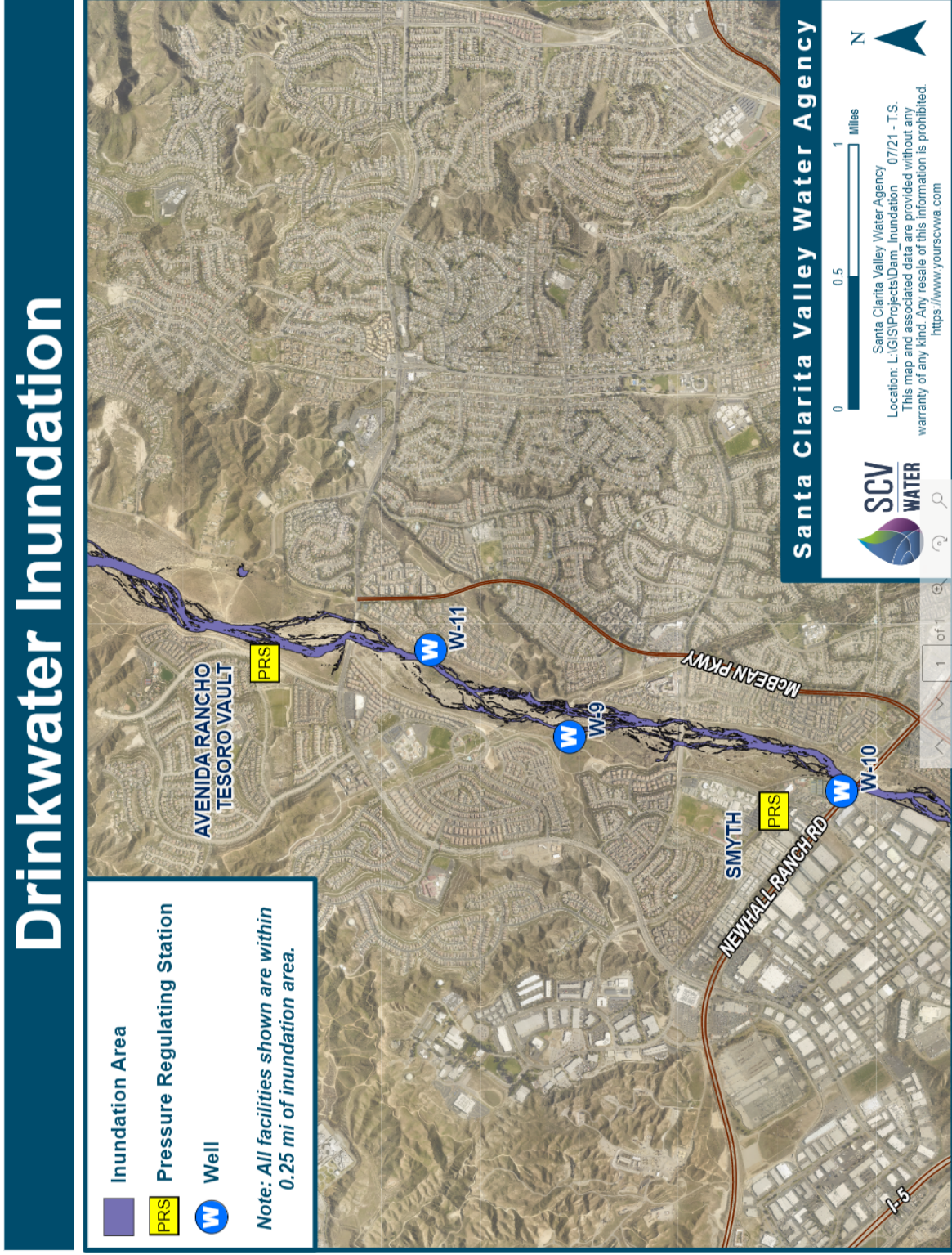


FIGURE 16. Dry Canyon Inundation Map

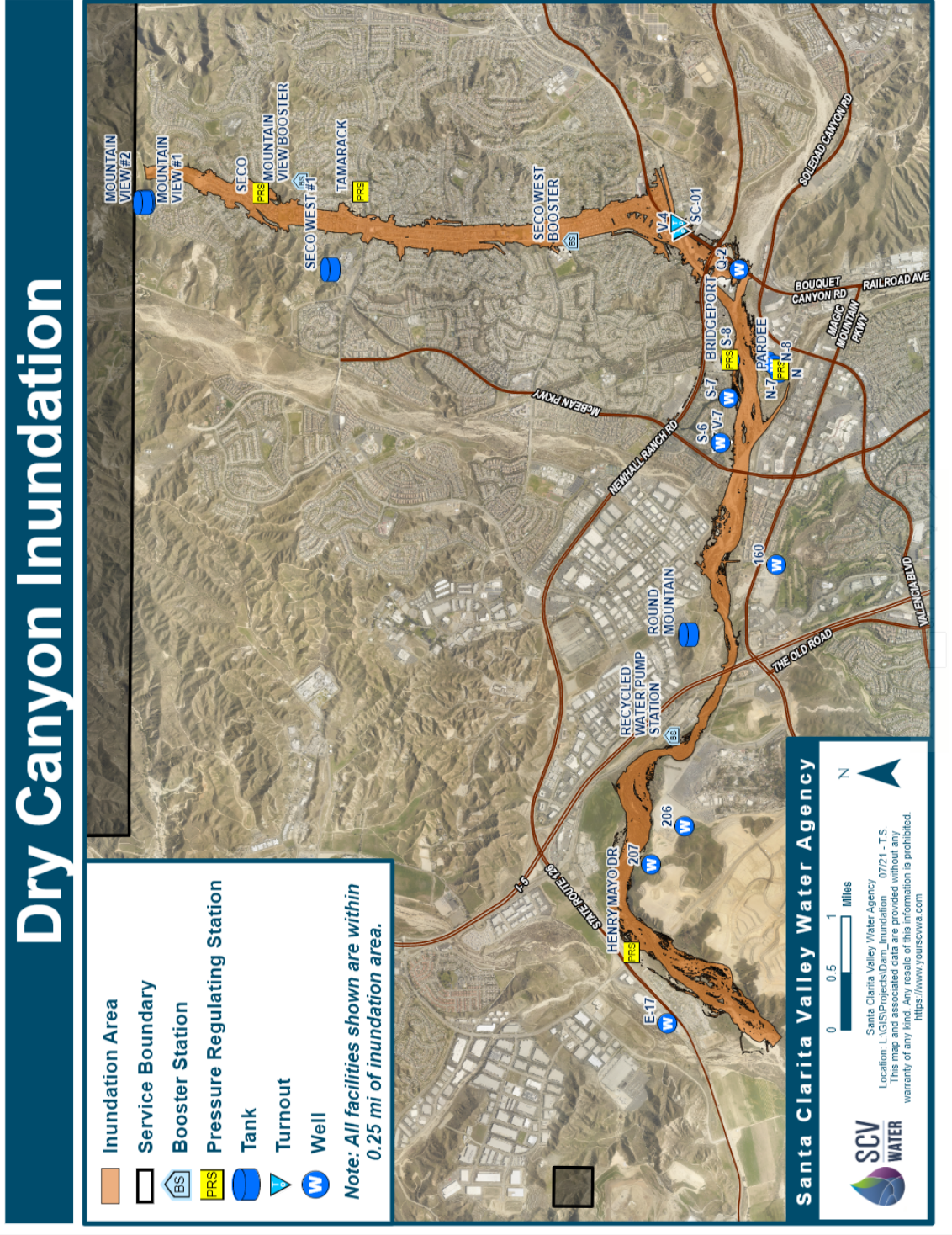
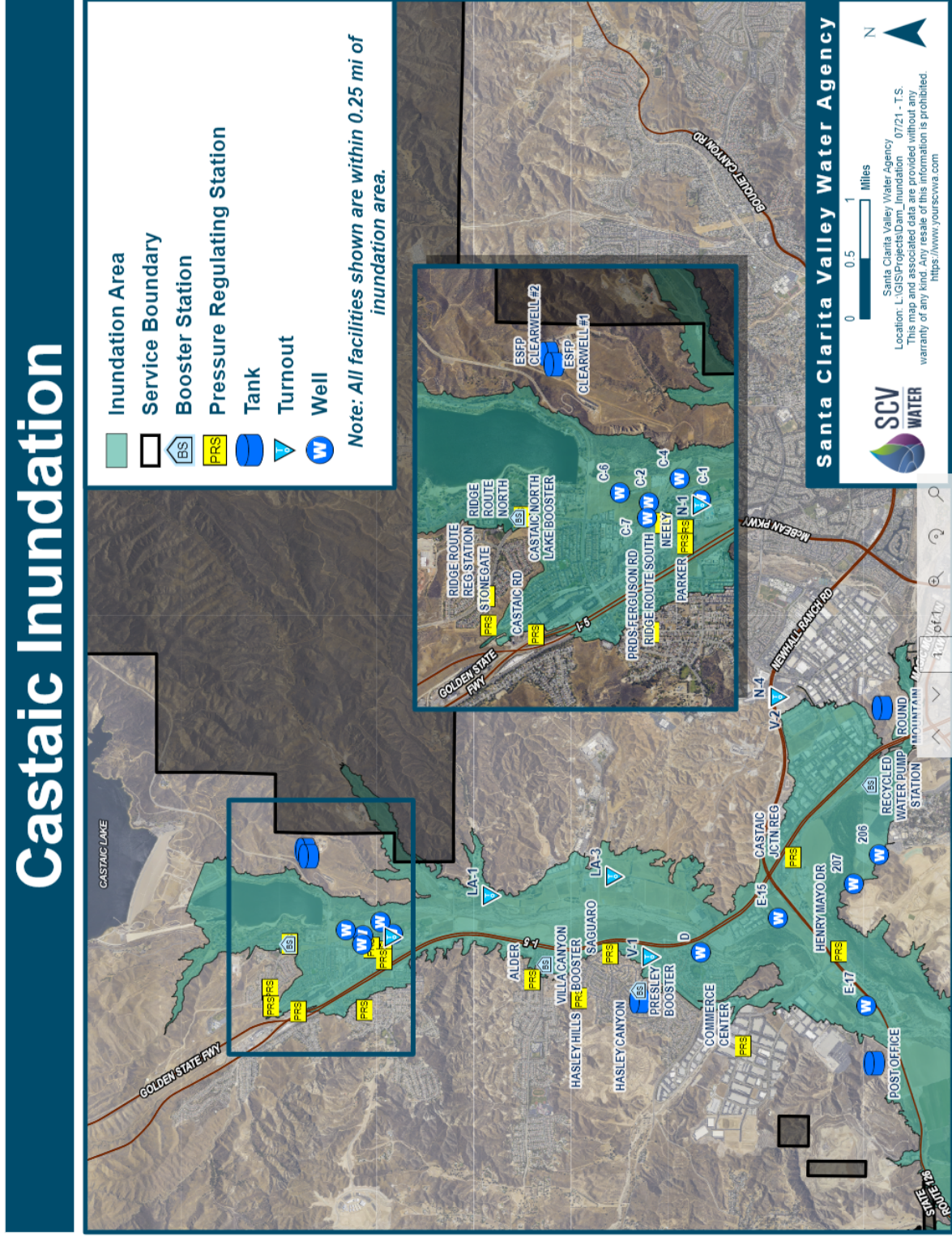


FIGURE 17. Castaic Dam Inundation Map



In the San Fernando earthquake in 1971, the Von Norman Dam showed signs of structural damage, prompting a mass evacuation of tens of thousands of people. They evacuated because of fears of a dam failure until the dam could be drained. This dam has never been refilled.

Impact Statement: Dam failure can be measured in terms of loss of life or property such as the SCV Water’s assets. Because it is required for each dam to have their own dam failure flood inundation maps, we know that there will be severe impacts on some of the SCV Water infrastructure depending on which dam fails. Both the Castaic Dam and the Dry Canyon Dam are located in an unincorporated area but, if a failure were to occur, sections of the areas within the SCV Water boundaries could be severely impacted.

4.4.Inventory Assets Hazard Susceptibility

The following sections provide an overview of the assets owned by SCV Water and the hazards to which these facilities are susceptible.

Facilities Owned Overview

- Administrative Offices: 5
- Water Treatment Plants: 2
- Water Wells: 42
- Miles of Water Main: 879
- Booster Stations: 52
- Storage Reservoirs: 96
- Turnouts: 24
- Hydrants: 7,126
- Operations Facilities: 2
- Warehouses: 3

Vulnerability Assessment

The Planning Team reviewed USGS, FEMA HAZUS maps for each of SCV Water’s hazards. The maps were overlaid with SCV Water’s infrastructures in place to present the potential impacts for each hazard. The Planning Team has extensive knowledge of the area and knowledge of the potential disasters and emergencies that can occur in and around SCV Water’s boundaries. The team has the knowledge to assess the system and give valuable input into the assessment and vulnerabilities to SCV Water.

Methodology

The Planning Team reviewed SCV Water’s infrastructure and applied their local and operational knowledge to evaluate the vulnerability of each facility for a potential hazard. The team ranked the facilities and infrastructure by their importance to SCV Water. The team then used the ranking and insurance documents provided by SCV Water to develop an estimate of potential economic impacts that could be caused by the high priority hazards. Based on the ranking of



annual revenue projected for 2020-2021, a percentage was used to assess the annual economic impact for each hazard.

4.4.1. Earthquake Vulnerability Analysis

Population: Approximately 100% of SCV Water is vulnerable.

Critical Facilities: Approximately 100% of SCV Water critical facilities are vulnerable.

All facilities are vulnerable in the event of a major earthquake within SCV Water’s boundaries. Multiple nearby faults could affect SCV Water’s facilities, the largest being the San Andreas and the San Fernando faults. If any of these faults experience a rupture of 6.5 magnitude or more, it will have a negative effect on SCV Water’s facilities and pipelines.

Estimated Losses: The economic loss resulting from this hazard is approximately \$41,197,000. The loss from damage to structures and pipelines from this hazard is approximately \$531,441,000.

4.4.2. Wildfire Vulnerability Analysis

Population: Approximately 100% SCV Water population is vulnerable.

Critical Facilities: Approximately 50% of SCV Water critical facilities are vulnerable.

Wildfires are a major concern in California. Most of the facilities within SCV Water are in a high fire risk zone, which is a major concern.

Estimated Losses: The economic loss resulting from this hazard is approximately \$20,549,000. The loss from damage to structures from this hazard is approximately \$354,250,000.

4.4.3. Drought Vulnerability Analysis

Population: 100% of SCV Water population is vulnerable to drought.

Critical Facilities: Approximately 50% of SCV Water critical facilities are vulnerable.

Estimated Losses: The economic loss resulting from this hazard is approximately \$16,478,745. The loss from damage to structures from this hazard is approximately \$338,700,000.

4.4.4. Flooding Vulnerability Analysis

Population: Approximately 50% of the SCV Water population is vulnerable.

Critical Facilities: Approximately 25% of SCV Water critical facilities are vulnerable.

Flooding predominately happens when heavy and concentrated rains occur in the area and runoff



is channeled down the hills into the low sections within SCV Water's boundaries.

Estimated Losses: The economic loss resulting from this hazard is approximately \$4,119,686. The loss from damage to structures from this hazard is approximately \$38,422,000.

4.4.5. Windstorm Vulnerability Analysis

Population: Approximately 25% of SCV Water's population is vulnerable.

Critical Facilities: Approximately 25% of SCV Water's critical facilities are vulnerable.

Above-grade facilities are vulnerable in the event of a Santa Ana wind event within SCV Water's boundaries. These events damage water storage tanks, down power lines, and cause long-term power outages. When a potable water utility loses power during a long-term power outage and cannot maintain a system pressure of 25 psi, the water in the system is no longer potable. Windstorms can affect the entire service area.

Estimated Losses: The economic loss resulting from this hazard is approximately \$1,647,875. The loss from damage to structures from this hazard is approximately \$38,400,000.

4.4.6. Dam Inundation Vulnerability Analysis

Population: Approximately 40% of SCV Water population is vulnerable.

Critical Facilities: impacted by dam inundation from all dams were 17 water wells, 10 booster stations and 3 turnouts.

Castaic Dam, Dry Canyon Dam, Drinkwater Dam.

Estimated Losses: The economic loss resulting from this hazard is approximately \$16,478,745. The loss from damage to structures from this hazard is approximately \$56,100,000.



SECTION 5. COMMUNITY CAPABILITY ASSESSMENT

5.1. Introductions

The purpose of conducting the capability assessment is to determine the ability of SCV Water to implement a comprehensive mitigation strategy and to identify potential opportunities for establishing or enhancing specific mitigation policies, programs, or projects.

The capability assessment has two components: 1) an inventory of the existing relevant plans, ordinances, or programs and 2) an analysis of SCV Water's capacity to bring them to fruition. A capability assessment highlights the positive mitigation activities already in place within SCV Water and will detect the potential gaps in addressing hazard mitigation.

5.2. Emergency Management

SCV Water is in the Northeastern section of Los Angeles County. SCV Water serves the City of Santa Clarita and some unincorporated areas of Los Angeles and Ventura Counties. SCV Water serves approximately 73,542 service connections and a population of approximately 280,192.

The General Manager, Matthew Stone, has nearly 30 years of water experience and has been with SCV Water since December 2015. Mr. Stone spent his first two years at SCV Water as the General Manager of the predecessor agency, Castaic Lake Water Agency. Throughout his career, he has been mitigating fire, earthquake, flood, and drought impacts that affect the public. The Chief Operating Officer, Keith Abercrombie, has worked with SCV Water, or one of its successor agencies, for over 25 years and has experience in fire, drought, and earthquake mitigations. The Emergency Preparedness and Safety Coordinator, Jose Diaz, has over 25 years of experience in the safety management industry and has been involved in emergency management and mitigation of various disasters ranging from earthquake, flood, drought, and power shut-off events. SCV Water also utilizes engineering consultants who design infrastructure to mitigate impacts from earthquake, fire, wind, and landslides at SCV Water's reservoir sites.

To help mitigate the potential impacts of disasters, SCV Water joined the California Water/Wastewater Agency Response Network (CalWARN). SCV Water has a mutual aid agreement with CalWARN that covers most water and wastewater agencies in California. As a government entity (Special District, within California Law), SCV Water can access the Emergency Managers Mutual Aid (EMMA) and the Emergency Management Assistance Compact (EMAC) for national mutual aid. In addition, the National WARN System through the American Water Works Association (AWWA) can be accessed by SCV Water.

CalWARN holds workshops twice a year for water agency members. CalWARN engages in public outreach so the public has a better understanding of hazard mitigation planning in their communities. These workshops promote mitigation and address how to prevent the impacts of hazards on the utility's infrastructure. CalWARN has access to utility leaders and their experience in addressing past emergencies. Sharing ideas and experiences is key to



understanding future mitigation strategies and actions.

SCV Water employs approximately 220 full-time staff members, and by joining CalWARN, SCV Water has the potential of having hundreds of additional mutual aid workers at its disposal within hours of an emergency.

Emergency Response Plan: An emergency response plan (ERP) outlines responsibilities and how resources are deployed during and following an emergency or disaster. The primary objective of the plan is to guide the identification of potential emergencies, a timely and effective response, and the protection of the health and safety of the community. The ERP guides the process when an emergency occurs, including being a blueprint for general operations during a disaster, assigning and managing responsibilities among authorities, and identifying liability.

SCV Water's ERP was last revised in September 2020 and details how SCV Water will respond to various emergencies and disasters including:

- Operational incidents, such as power failure or bacteriological contamination of water.
- Outside or inside malevolent acts, such as threatened or intentional contamination of water, intentional damage/destruction of facilities, detection of an intruder or intruder alarm, bomb threat, cyber security, or suspicious mail.
- Natural disasters, such as earthquakes, wildfires or floods.
- Recurring disasters as a result of climate change or other causes (e.g., wildfires, prolonged drought).
- Communications with critical customers, media outreach, and public notification process.

SCV Water is also required to follow the Standard Emergency Management System (SEMS), the National Incident Management System (NIMS), and the Incident Command System (ICS) when responding to emergencies.

Emergency Operations Center (EOC): An EOC provides a location, on or off-site, from which an agency coordinates a disaster response operation. In times of non-disasters, EOCs typically provide a centralized hub for communication and security oversight. SCV Water currently uses a meeting room as an EOC during events.

SCV Water is also in the process of evaluating emergency management software and will coordinate with Los Angeles County Emergency Management departments to make the software interoperable, if possible.

Emergency Management Training and Staff: Dedicated emergency management staff and regular training can help prepare an agency for events and guide effective response and recovery. SCV Water has a dedicated Emergency Preparedness and Safety Coordinator, Jose Diaz, who will manage staff and staff training for emergency response.

SCV Water conducts regular emergency exercises, following their emergency training plan. Through this training, the staff is trained across divisions within each department to assist with



emergency response operations. The Safety Coordinator has on-call 24/7 access to the executive authority. Additionally, SCV Water has a well-developed emergency notification process for critical staff. SCV Water has multiple office locations throughout the Santa Clarita Valley. Therefore, in addition to the overall Agency-wide Emergency Response Plan, there are individual location-based Emergency Action Plans.

As mentioned previously, SCV Water participates in California Water/Wastewater Agency Response Network (CalWARN) and California Utilities Emergency Association (CUEA), both of which facilitate training workshops.

5.3.Planning and Regulatory Capability

Planning and regulatory capability is based on the implementation of plans, policies, and programs that demonstrate SCV Water’s commitment to guiding and managing growth while maintaining the general welfare of the community. It includes emergency response and mitigation planning, master planning, capital planning, and enforcement of design and construction standards. Although conflicts can arise, these planning initiatives present significant opportunities to integrate hazard mitigation principles into SCV Water’s decision-making process.

Urban Water Management Plan

The Urban Water Management and Planning Act was passed in 1983 under Assembly Bill 797, which requires water suppliers to estimate current and future water demands and available water supplies. SCV Water’s updated 2020 Urban Water Management Plan (UWMP) was completed in June 2021. UWMPs are required to evaluate the adequacy of water supplies, including projections of water supply and demands up to 20 years in the future. These plans are also required to include impacts of climate change and water shortage contingency planning for dealing with shortages, including a catastrophic water supply interruption.

Water Supply Reliability Assessment is a section of the UWMP that aims to understand the ability to satisfy the water demand during different types of years (e.g., years with average rainfall versus drier years).

UWMPs are intended to be integrated with other urban planning requirements and management plans. Some of these plans include Water Master Plans, Recycled Water Master Plans, Integrated Water Resource Plans, Integrated Regional Water Management Plans, Groundwater Sustainability Plans, Emergency Response Plans, and others.

Water Shortage Contingency Plan

Certain elements of the Water Shortage Contingency Plan (WSCP) are required by California Water Code (Water Code), including five specific response actions that align with six standard water shortage levels based on SCV Water’s water supply conditions and shortages resulting from severe water supply interruptions. The WSCP also contains SCV Water’s procedures for conducting an annual water supply and demand assessment, which is the written decision-making process for determining supply reliability each year, along with the data and methods used to evaluate reliability.



The WSCP is implemented through a series of strategies, programs, and by ordinance of water use restrictions in different stages. For instance, Stage 1 requires a 10% reduction of water use, and Stage 5 requires a 50% reduction of water use. The preferred methods to reduce water use include education, engagement, and conservation program support (rebates, incentives, and onsite check-ups).

Groundwater Basin Salt and Nutrient Management Plan

The Salt and Nutrient Management Plan (SNMP) is an effort to manage salts and nutrients on a groundwater basin-wide or watershed-wide basis while also encouraging recycled water use.

The study of salt and nutrients in groundwater is vital to future water quality. The SNMP examines the geologic structure, hydrology, hydro stratigraphy, and other details of each sub-basin in the SCV Water’s service area. Also, the SNMP addresses management strategies including public outreach, source water quality management, demand management and conservation, and stormwater management. The SNMP also includes a monitoring plan and compliance with CEQA.

5.4. Existing Plans

The following emergency-related plans apply as appropriate:

- CalWARN Emergency Operations Plan – Updated every 10 years
- SCV Water Emergency Response Plan – Updated in 2020
- 2020 SCV Water Risk and Resilience Assessment
- SCV Water Emergency Action Plan (for each location)
- SCV Water’s Illness Injury Prevention Plan (IIPP) – Updated annually
- SCV Water’s Urban Water Management Plan – Updated every 5 years
- SCV Water’s Water Shortage Contingency Plan (WSCP) – Updated every 5 years
- Los Angeles County Fire Master Plan – Updated annually
- Los Angeles County Flood Master Plan – Updated annually

5.5. Mitigation Programs

SCV Water staff have been involved with several mitigation activities such as those caused by the Northridge earthquake, various flooding events and drought events.

SCV Water employees have experience with past hazard mitigation and hazard planning and can enhance their hazard mitigation skills by participating in trainings offered by other local agencies or regional governments.

SCV Water holds public outreach sessions to educate the community concerning hazard mitigation and planning. SCV Water will improve public outreach by utilizing social media (Facebook, Instagram, and Twitter) and sending the monthly newsletter “Water Currents” to help reach out to their customers.

5.6. Fiscal Resources

The ability of SCV Water to act during an emergency event is closely associated with the fiscal resources available to implement mitigation policies and projects. This may take the form of outside grant funding awards or Agency-based revenue and financing. The costs of mitigation policy and project implementation vary widely. In some cases, mitigation actions are tied primarily to staff time or administrative costs associated with creation and monitoring of a given program. In other cases, direct expenses are linked to an actual project, such as installing backup power generators and sustainable energy resources, which can require a substantial commitment from SCV Water, state, and federal funding sources. SCV Water has made fiscal commitments to the mitigation of hazards through its capital improvement program.

The fiscal resources for SCV Water include the following:

- Wholesale & Retail Water Sales
- Regional Water Rate Revenues
- Recycled Water Sales
- One-Percent Property Tax Revenues
- Facility Capacity Fee Revenues
- Grants and Reimbursements
- Other non-Operating Revenues, i.e., investment income and cell site leases

Through the Bureau of Reclamation, California State Water Resources Control Board, California Office of Emergency Services, California Department of Water Resources, local grants and/or loans are available for water conservation, groundwater management, studies, and activities to enhance local water supply quality and reliability. Project eligibility depends on the type of organization(s) applying and participating in the project, as well as the specific type of project. More than one grant or loan may be appropriate for a proposed activity. Completing the LHMP will allow SCV Water to apply for and obtain grant funding from FEMA programs such as BRIC, HMGP, or FMA grants. Grant opportunities will be reviewed each year to ensure there will be funding available for specific mitigation items.

5.7. Capabilities Assessment

A Capability Assessment examines SCV Water's capabilities to detect any existing gaps or weaknesses within ongoing activities that could hinder proposed mitigation activities and possibly exacerbate community hazard vulnerability. The conclusions of the Risk Assessment and Capability Assessment serve as the foundation for the development of a meaningful hazard mitigation strategy. The list below outlines key capabilities SCV Water may consider in the Mitigation Strategy.

1. **Coordinate** with the City of Santa Clarita and County Emergency Management Departments to achieve interoperability of EOC software and representations in appropriate EOC.
2. **Provide** necessary staffing and software for GIS department for ongoing maintenance of asset management program data.

3. **Add funding** for hazard mitigation actions to SCV Water's Capital Improvement Program planning efforts.
4. **Incorporate** projects from the capital improvement program into the mitigation strategy (and vice versa).
5. **Expand** public outreach and education on emergency management. This allows SCV Water to form a plan to continually educate their customers regarding natural hazards and the effects these hazards have on the drinking water system. They are educating the residents on the importance of mitigation of these hazards to build a more resilient community for the betterment of the community and to lessen the impacts of hazards on the community. This plan should begin with education in the local K-12 schools with presentations on mitigation, at community meetings, and on the SCV Water's Website.
6. **Broaden** staff training. SCV Water employees have experience with past hazard mitigation and hazard planning and can improve their hazard mitigation skills by participating in trainings offered by other agencies or other regional governments.

SECTION 6. MITIGATION STRATEGIES

6.1. Overview

The intent of the Mitigation Strategy (“Strategy”) is to provide SCV Water with the goals that will serve as guiding principles for future mitigation implementation along with the identification of mitigation actions deemed obtainable to meet those goals and reduce the impact of identified hazards. Mitigation measures are designed to be comprehensive, strategic, and functional in nature:

- **Comprehensive:** The development of the Mitigation Strategy will include a thorough review of all hazards and will identify extensive mitigation measures intended to not only reduce the future impacts of hazards, but also to help achieve compatible economic, environmental, social, and security goals.
- **Strategic:** The development of a Strategy that works to align proposed policies and projects with pre-identified, long-term planning goals.
- **Functional:** Each proposed mitigation action is linked to established priorities with target completion deadlines. When available, funding sources are identified that can be used to assist in project implementation.

Because this is SCV Water’s first hazard mitigation plan, the Mitigation Strategy was developed through a process with the Consultant Team and the Planning Team in a manner that followed a traditional format which is as follows:

- Identify Goals
- Identify Actions
- Develop a Mitigation Action Plan

SCV Water derived its mitigation strategy from the in-depth review of the existing vulnerabilities and capabilities outlined in previous sections of this plan, combined with a vision for creating a disaster resistant and sustainable system for the future. This vision is based on informed assumptions that recognize both mitigation challenges and opportunities are demonstrated by the goals and objectives outlined below. Additionally, the mitigation measures identified under each objective include an implementation plan for each measure. The measures were individually evaluated during discussions of mitigation alternatives and the conclusions were used as inputs when priorities were decided. All priorities are based on consensus of the Planning Team.

Mitigation measures are categorized generally for all hazards and specifically for the six high-risk hazards facing cities and districts that were extensively examined in the risk assessment section. These hazards include earthquakes, wildfires, climate change induced drought, flooding, windstorms, and dam inundation.

6.2. Mitigation Goals, Objectives, and Projects

As stated before, this is the first LHMP for SCV Water. The process of identifying goals began with a review and validation of the FEMA Hazard Maps for SCV Water and surrounding cities



in Los Angeles County. The team completed an assessment and discussion of whether each of the goals was valid. These discussions led to the opportunity to identify the recommended Goals and Objectives. In reviewing the mitigation objectives and actions, it was the Planning Team’s consensus that the following goals should be included in the LHMP.

Overall, the primary objective is to protect lives and prevent damages to infrastructure that disrupts water services. Global measures that apply across all hazards include:

- Identify and expand hazard mitigation activities to protect SCV Water’s assets from current and future hazard events.
- Increase the resilience of SCV Water by ensuring hazard mitigation and climate change policies, projects, and activities receive considerations for funding, integration, and implementation.
- Continually improve the community’s understanding of potential impacts due to hazards and the measures needed to protect lives and critical infrastructure.
- SCV Water communications should provide public outreach to inform the public of the hazards identified to the drinking water system in emergencies and instructions on how to conserve water in the event of a disaster and how to obtain drinking water when water may not be available.
- Engage in a regional mitigation effort by continuing to build stronger partnerships between SCV Water, local and county governments, businesses, residents, and other entities within the service area and provide state and local agencies with updated information about hazards, vulnerabilities, and mitigation measures at SCV Water.
- Review the key facilities and developments in high-risk areas to verify that they are appropriately protected from potential hazards.
- Identify and mitigate imminent threats to life, safety, and facility damage.

The six high-profile hazards for SCV Water are earthquake, wildfire, climate change induced drought, flooding, windstorms, and dam inundation. While other hazards were profiled in the hazard risk assessment, SCV Water’s priority and focus for the mitigation projects will be for the six high-profile hazards.

6.2.1. Earthquake

Goal: To protect life and property in SCV Water’s service area in the event of an earthquake.

Description: *The goal is to avoid injury, loss of life, and damages to property.* SCV Water agrees that strengthening of buildings and fire codes related to construction of the utility components are critical to the protection of property, life and the reduction of seismic-caused damages. These codes help water utilities design and construct reservoirs, pump stations, groundwater wells, and pipelines to resist the forces of nature.

Objectives:

- Design new facilities and upgrade existing facilities to withstand a 7.0 earthquake. SCV Water is in a high-risk earthquake area with many geologic fault zones
- Adopt cost-effective standards to protect life, properties and critical infrastructure



- Establish partnerships with other levels of government and business community to improve and implement methods to protect property

Mitigation Projects:

The identified projects and current cost estimates include:

TABLE 18. Earthquake Mitigation Projects

Action Description	Priority	Implementation Timeframe*	Estimated Cost	Responsible Department
Flexible pipe joints at wellheads, pump stations, and storage tanks/reservoirs	High	2 years	Very High	Operations
Seismic shut-off valves	High	2 years	High	Operations
Tie-down equipment	Medium	2 years	Moderate	Operations
Seismic retrofit of storage tanks/reservoirs	High	5 years	Very High	Operations
Communication equipment interoperable with the County	High	Annually	Moderate	Operations/Engineering

Potential Funding Sources: Projects will be implemented as funding becomes available. Some of the mitigation efforts may be funded by grants from FEMA/CalOES, HGMP, and BRIC.

6.2.2. Wildfires

Goal: To protect life and property in SCV Water’s service area in the event of a wildfire.

Description: *The goal is to avoid injury, loss of life, damage to property, and to maintain water flow for firefighting efforts.* SCV Water has a large area of open land within and surrounding its service area that is comprised of vegetation subject to becoming fire fuel in the event of a wildfire. Wildfires have been and will continue to be a relevant hazard within SCV Water’s service area. SCV Water’s goal is to ensure there is enough water available in the distribution system for firefighters in the event of a wildfire and to ensure minimal impact to the operation of its water distribution system.

Mitigation Projects:

Below you will find the priority of the project, internal department responsible for implementation, and the source of funding. Further analysis will be required for each mitigation project to provide a more accurate cost estimate when ready to implement. The identified projects and current cost estimates include:

TABLE 19. Wildfire Mitigation Projects

Action Description	Priority	Implementation Timeframe*	Estimated Cost	Responsible Department
Provide generators for critical booster stations and well sites	Medium	3 years	High	Operations
Install Heli-port/ hydrant connections	High	2 years	Very High	Operations/ Engineering
Clear trees and bush 25 feet from all facilities	Medium	Annually	Low	Operations
Foster better communication programs with fire/ police departments	Medium	Annually	Low	Operations
Develop a refueling plan for generators	High	Semi-Annually	Low	Operations
Regional emergency storage project	Medium	5 years	Very High	Engineering
Communication equipment interoperable with the County	High	Annually	Moderate	Operations/ Engineering

Potential Funding Sources: Projects will be implemented as funding becomes available. Some of the mitigation efforts may be funded by grants from FEMA/CalOES, or California Department of Forestry and Fire Protection (Cal Fire).

6.2.3. Climate Change Induced Drought

Goal: To protect life and property in SCV Water’s service area in the event of a drought.

Description: *The goal is to avoid injury, loss of life, and damages to property.* Because of climate change, there are more extremes in the weather, which means the summers can be hotter, the winters colder, and periods of rain can become less wet or wetter, which causes flooding. It is expected that there will be greater fluctuations in weather patterns, including prolonged dry periods and the drought hazard, which can be mitigated over the long-term. The objectives listed below have been taken from the declaration of a Drought, State of Emergency for California, signed by Governor Jerry Brown in May of 2015.

Mitigation Projects:

TABLE 20. Climate Change Induced Drought Mitigation Projects

Action Description	Priority	Implementation Timeframe*	Estimated Cost	Responsible Department
Complete well siting/ construction for dry-year well program	High	5 years	Very High	Operations
Improve operational efficiency/ system leaks	High	5 years	Very High	Operations
Water conservation outreach	High	1 year	Low	Water Resources

Increase water-pumping capabilities	Medium	2 years	Very high	Operations/Engineering
Interconnections within the various pressure zones of the distribution system	High	1 year	Moderate	Operations
Develop customer notification of water conservation during events	High	Annually	Low	Water Resources
Regional emergency storage project	High	5 years	Very High	Engineering

Potential Funding Sources: Projects will be implemented as funding becomes available. Some of the mitigation efforts may be funded by grants from FEMA/CalOES and a variety of federal and state agencies.

6.2.4. Floods¹

Goal: To protect life and property in SCV Water’s service area in the event of a flood.

Description: *The goal is to avoid injury, loss of life, and damages to property.* SCV Water will work to replace and upgrade its storm water facilities in its service area (as-needed) to have enough capacity to remove flood waters during a flood event and install retaining walls around vulnerable and critical facilities.

Mitigation Projects:

TABLE 21. Flood Mitigation Projects

Action Description	Priority	Implementation Timeframe*	Estimated Cost	Responsible Department
Install retaining walls around vulnerable and critical facilities	Medium	2 years	High	Operations/Engineering
Improve drainage system in vulnerable facilities	Medium	5 years	Very High	Engineering
Communication equipment interoperable with the County	High	Annually	Moderate	Operations/Engineering

Potential Funding Sources: Projects will be implemented as funding becomes available. Some of the mitigation efforts may be funded by grants from FEMA/CalOES BRIC, HMGP and a variety of federal and state agencies.

6.2.5. Windstorms

Goal: To protect life and property in SCV Water’s service area in the event of a windstorms.

Description: *The goal is to avoid injury, loss of life, and damages to property.* The Santa Ana winds are notorious in Southern California for wreaking havoc during the fall and winter months

¹ SCV Water is **not** a participant under the National Flood Insurance Program (NFIP).



each year. The winds are known for their hot, dry weather and bring the lowest relative humidity of the year. The Santa Ana winds easily reach speeds of over 40 miles per hour with a gust of over 60 miles per hour. These winds topple trees, power lines, start wildfires, and generally cause havoc throughout the region. This has caused Southern California Edison and other power providers in California to cut power in regions during these wind events; these actions are called Public Safety Power Shutoff (PSPS) events.

Mitigation Projects:

TABLE 22. Windstorm Mitigation Projects

Action Description	Priority	Implementation Timeframe*	Estimated Cost	Responsible Department
Develop better communication with Edison (SCE)	High	Annually	Low	Operations
Provide generators for critical booster stations and well sites	Medium	3 years	High	Operations
Install Heli-port/ hydrant connections	High	2 years	Very High	Operations/Engineering
Foster better communication programs with fire/ police departments	Medium	Annually	Low	Operations
Develop a refueling plan for generators	High	Semi-Annually	Low	Operations
Communication equipment interoperable with the County	High	Annually	Moderate	Operations/Engineering

Potential Funding Sources: Projects will be implemented as funding becomes available. SCV Water will research available funding from federal and state sources for the mitigations.

6.2.6. Dam Inundations

Goal: To protect life and property in SCV Water’s service area in the event of dam inundation.

Description: *The goal is to avoid injury, loss of life, and damages to property.* The areas downstream of dams are considered at risk. The failure of the dams would inundate and could cause major flooding in SCV Water’s service area. Castaic Dam is located within SCV Water boundaries. The main concerns for the downstream hazard are loss of life, damage to homes, businesses, streets, and bridges.



Mitigation Projects:

TABLE 23. Dam Inundation Mitigation Projects

Action Description	Priority	Implementation Timeframe*	Estimated Cost	Responsible Department
Install retaining walls around vulnerable and critical facilities	Medium	2 years	High	Operations/Engineering
Improve drainage system in vulnerable facilities	Medium	5 years	Very High	Engineering
Communication equipment interoperable with the County	High	Annually	Moderate	Operations/Engineering

Potential Funding Sources: Projects will be implemented as funding becomes available. Some of the mitigation efforts may be funded by grants from FEMA/CalOES BRIC, HMGP and FMA.

6.3. Planning level Cost Estimates

To estimate the cost, the planning level cost of each action was categorized based on the following criteria:

- Low Estimated Cost (\$5000 - \$49,999)
- Moderate Estimated Cost (\$50,000 - \$249,999)
- High Estimated Cost (\$250,000 - (\$1,000,000)
- Very High Estimated Cost (\$1,000,000 - Above)

Further analysis will be required for each mitigation project to provide a more accurate cost estimate when ready to implement.

6.4. Mitigation Priorities

During the development of the risk assessment for SCV Water, the Planning Team proposed and discussed alternative mitigation goals, objectives, and specific mitigation measures that SCV Water should undertake to reduce the risk from the six high-risk hazards facing SCV Water.

The team considered multiple factors to establish the mitigation priorities included in this plan. It assigned the highest priority rankings to those mitigation measures that met three primary criteria:

- Greatest potential for protecting life and safety
- Greatest potential for maintaining critical Agency functions and operability following a disaster
- Achievability in terms of residents’ support and cost effectiveness

All rankings were determined by the consensus of the Planning Team. As described in the previous section on hazard and risk assessment, it is clear that earthquakes have the potential to affect the largest number of people, damage critical facilities and buildings, and to cause the greatest economic losses. This fact, combined with the relatively high probability of an



earthquake occurrence in the next several decades, makes increasing disaster resistance and readiness to earthquakes a high priority. Given the extreme importance of maintaining critical functions in times of disaster and the large number of customers who depend and rely on SCV Water services and infrastructure, those mitigation measures that improve disaster resistance, readiness, or recovery capacity are generally given higher priority.

Drought, earthquake, wildfires, climate change induced drought, flooding, windstorms, and dam inundation mitigation actions are identified and assigned a priority according to their importance, cost, funding availability, project planning readiness, and the anticipated time to implement the measures.

Using the above rationale for establishing mitigation priorities, each mitigation measure is assigned a priority ranking as follows:

- High – Projects that will be the primary focus of implementation over the next five years
- Medium – Projects that may be implemented over the next five years
- Low – Projects that will not be implemented over the next five years unless conditions change (new program and funding source)

This document provides SCV Water with a proactive approach to disaster management and risk reduction, to meet the defined goals of this LHMP. The cohesive collection of actions listed below can also serve as an easily understood menu of mitigation policies and projects SCV Water’s decision makers who want to quickly review the recommendations and proposed actions of the plan and potentially integrate with other planning documents.

6.5. Implementation Strategy

The implementation strategy is intended to successfully mitigate the hazards identified in this plan within a reasonable amount of time. SCV Water is currently operating within its annual budget and has been fortunate that recent recessions didn't cause major issues with the budget or revenue. SCV Water revenues have remained strong throughout the recent recessions, and capital improvement projects have remained a priority. SCV Water staff will review the LHMP each year before obtaining the next year's fiscal budget. The LHMP will also be reviewed by the Board of Directors for items to be included in the new fiscal budget. SCV Water staff will also look for ways to obtain hazard mitigation grants each year to off-set the impacts on the fiscal budget and to show some relief for the residents. It is relevant to note that the Hazard Mitigation Grants require a Benefit Cost Analysis based on the formula shown below:

$$B/C = \left[\frac{B_0}{(1+i)^0} + \dots + \frac{B_T}{(1+i)^T} \right] \div \left[\frac{C_0}{(1+i)^0} + \dots + \frac{C_T}{(1+i)^T} \right]$$



6.6. Mitigation Projects Funding Source

There is currently limited funding in SCV Water’s budget for mitigation efforts. SCV Water will include mitigation funding considerations into the budgeting process and determine what mitigation projects could be funded in future budget cycles.

6.7. Timeframe

Over the next five years, SCV Water will incorporate mitigation into all capital improvement projects that SCV Water undertakes. SCV Water prepares a Capital Improvement Plan (CIP) on annual basis. When funding is available, SCV Water replaces outdated pipelines, reservoirs, wells, and buildings as part of its CIP.

SCV Water will apply for mitigation grants as the opportunities become available from federal, state, and local agencies each year. SCV Water will consider all mitigation items during the annual budget workshops, conducted each spring.

SECTION 7. Plan Maintenance

7.1. Monitoring, Evaluating, and Updating the Plan

The General Manager or his/her assignee will evaluate the plan on an annual basis and consider whether new hazards have emerged, community vulnerability has changed, and goals and objectives are still relevant to current conditions. The LHMP will be reviewed as part of the annual budget process in the spring of each year. The General Manager or his/her designee will ensure the LHMP is reviewed annually, and any items that have been mitigated will be removed from the LHMP. At that time, staff and elected Board of Directors will review funding and capital improvement projects in the next fiscal year's budget. Annually, the General Manager or his/her assignee and the Board of Directors will review funding and determine the projects to be included in the next fiscal year's CIP budget. The General Manager or their assignee will include the LHMP in all budget workshops and grant planning meetings. This will allow open discussion, evaluation, and assessment of the LHMP to achieve goals, allowing the addition and removal of mitigated items.

The General Manager or his/her designee and Environmental Health and Safety Department will lead a full review of the LHMP beginning 1.5 years before the LHMP expiration date. At this time, progress in reaching mitigation goals, assessment of new and existing hazards, development of new mitigation strategies and goals will be addressed by the Planning Team that will include the General Manager or his/her assignee. The consumers within the boundaries of Santa Clarita Valley Water Agency and SCV Water's personnel will be asked to participate in the update process.

7.2. Implementation Through Existing Programs

Once CalOES and FEMA approve the LHMP, SCV Water will incorporate the LHMP into capital improvement projects, capital replacement programs, building design, and any updates or repairs to the water distribution system. SCV Water will submit a Notice of Intent to the State of California to help facilitate opportunities in obtaining FEMA and State funding to mitigate hazards within the service area. The General Manager or his/her designee will be responsible for implementing the LHMP and ensuring the LHMP recommended goals and objectives are met. The General Manager or his/her designee will be liable to place the LHMP on SCV Water's website and incorporate the LHMP into the annual budget workshops. The General Manager or his/her designee will verify that the LHMP is updated on a 5-year cycle. In order to ensure ample time to obtain CalOES and FEMA approval of the LHMP and to apply for grant funding, SCV Water needs to start the update of the LHMP 18 months prior to the expiration of this LHMP.

7.3. Continued Public Involvement

The approved LHMP will be posted on SCV Water's website with contact information in the spring of each year at the SCV Water's Board of Directors budget workshop. The General Manager or his/her appointee is responsible for ensuring the LHMP is brought before the Board of Directors each year. Public comments will be taken regarding the LHMP, and projects that could be included in the next year's budget will be considered. As new facilities are incorporated



into SCV Water, the LHMP will be updated to include new facilities and new hazards, if warranted. When the LHMP needs updating, a public engagement process will be utilized to review and coincide with the document's changes. It is the General Manager or his/her designee's responsibility to ensure the LHMP is reviewed annually, as well as, ensuring the LHMP is updated every 5 years.



SECTION 8. Appendices

Appendix A: SCV Water LHMP Meeting Matrices

Appendix B: SCV Water Hazard Survey Results

Appendix C: Public Outreach of LHMP

Appendix D: Public Comments



Appendix A: SCV Water LHMP Meeting Matrices

Planning Team		Planning Team Meeting Matrix									
		Meeting Dates									
Name	Organization	2/16/21	3/17/21	5/26/21	7/15/21	11/29/22	3/3/22	5/17/22			
Sudi Shoja	ESS (Consultant)	x	x	x	x	x	x	x			
Gary Sturdivan	ESS (Consultant)		x	x	x	x	x	x			
James Klueber	ESS (Consultant)	x	x	x	x	x	x	x			
Cheryl Fowler	SCVWA	x	x	x	x	x	x	x			
Jose Diaz	SCVWA	x	x	x	x	x	x	x			
Kathie Martin	SCVWA	x	x		x	x	x	x			
Keith Abercrombie	SCVWA	x	x		x	x	x	x			
Mark Passamani	SCVWA	x	x			x					
Mike Alvord	SCVWA		x		x	x	x	x			
Steven Cole	SCVWA	x	x	x	x	x	x	x			

Stakeholder Meeting Matrix		
Stakeholder Representatives		Meeting Date
Name	Organization	5/26/21
Jennifer Barrick	Los Angeles Dept. of Water and Power (LADWP)	N/A
Enrique Gomez	LADWP	x
Francisco Becerra	Metropolitan Water District of Southern California (MWD)	N/A
Steven Nichols	California Department of Water Resources (DWR)	N/A
Chi P Diep	California State Water Resources Control Board Division of Drinking Water (SWRCB DDW)	x
Shu-Fang Orr	SWRCB DDW	x
Raymond Tremblay	Los Angeles County Sanitation District (LACSD)	N/A
Stephanie Olague	LACSD	x
Russ Bryden	LA County Dept of Public Works	N/A
Jerrid McKenna	City of Santa Clarita	N/A
LACFD Public Relations Rep.	Los Angeles County Fire Department	N/A
LAC OEM Public Relations Rep.	LA County Office of Emergency Management	N/A
Gary Sturdivan	ESS (Consultant)	x
James Klueber	ESS (Consultant)	x
Cheryl Fowler	SCVWA	x
Jose Diaz	SCVWA	x
Mike Alvord	SCVWA	x

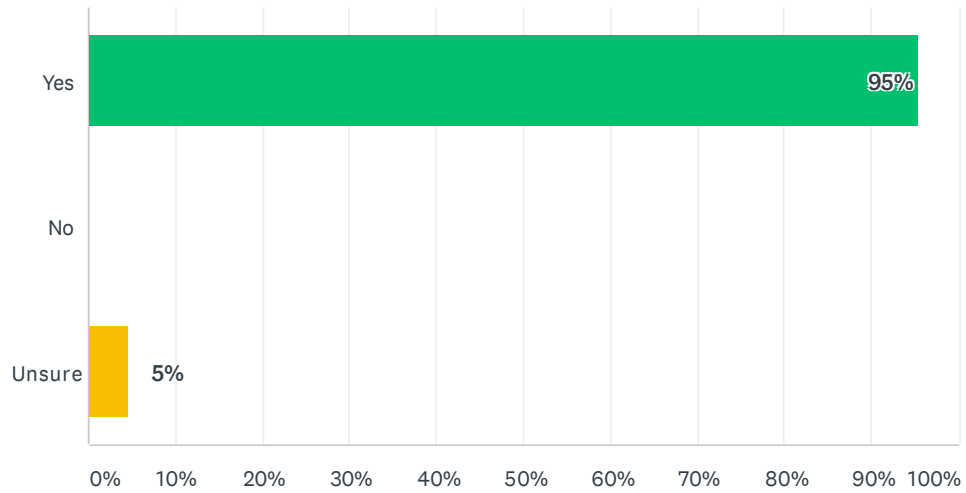
Symbol	Description
x	Attended virtual meeting.
N/A	Contacted via email but did not attend virtual meeting.



Appendix B: SCV Water Hazard Survey Results

Q1 Are you within the SCV Water Service Area?

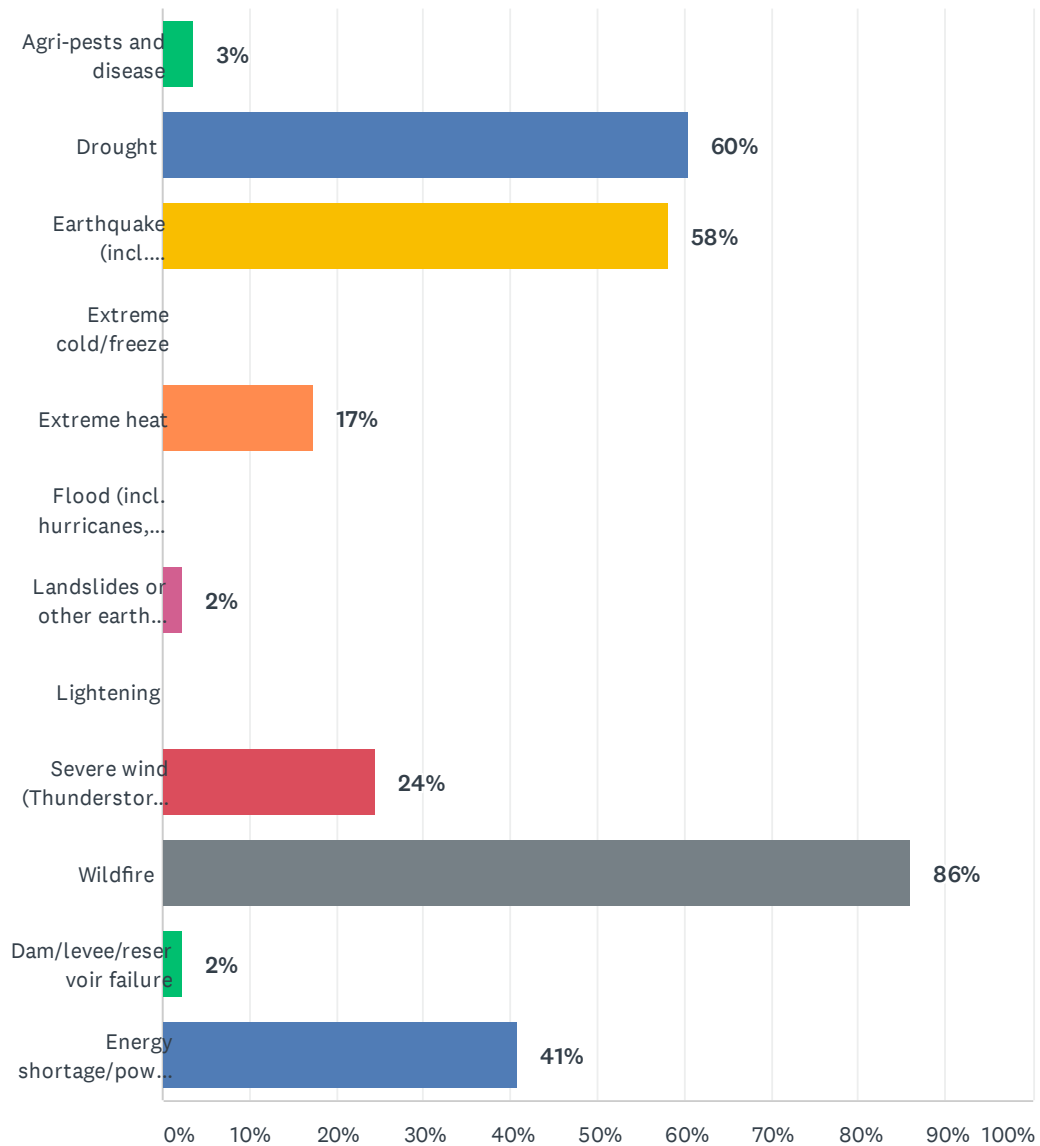
Answered: 86 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	95%	82
No	0%	0
Unsure	5%	4
TOTAL		86

Q2 Please select the TOP THREE hazards you think are the greatest threat to your community

Answered: 86 Skipped: 0

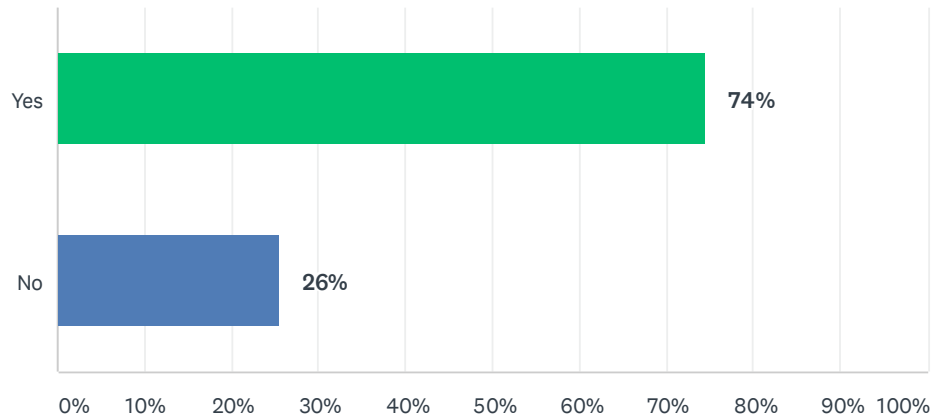


Local Hazard Mitigation Plan

ANSWER CHOICES	RESPONSES	
Agri-pests and disease	3%	3
Drought	60%	52
Earthquake (incl. liquefaction)	58%	50
Extreme cold/freeze	0%	0
Extreme heat	17%	15
Flood (incl. hurricanes, tropical storms)	0%	0
Landslides or other earth movements	2%	2
Lightening	0%	0
Severe wind (Thunderstorm, Santa Ana, dust storm)	24%	21
Wildfire	86%	74
Dam/levee/reservoir failure	2%	2
Energy shortage/power failure	41%	35
Total Respondents: 86		

Q3 Have you ever experienced or been impacted by a disaster?

Answered: 86 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	74%	64
No	26%	22
TOTAL		86

#	IF YES, PLEASE EXPLAIN.	DATE
1	1994 Northridge Earthquake	5/14/2021 11:36 PM
2	High winds caused my power to be shut off. Fires made me evacuate.	5/14/2021 2:41 PM
3	Evacuation from Tick Fire	5/14/2021 6:53 AM
4	Wildfire , earthquake and power outages and high winds,	5/14/2021 1:15 AM
5	Earthquake damage	5/14/2021 12:38 AM
6	Voluntary evacuations during fires.	5/13/2021 11:21 PM
7	Wildfire	5/13/2021 6:16 PM
8	Wild fire	5/13/2021 2:16 PM
9	canyon country House burned to the ground in 2007 "Buckweed Fire "	5/13/2021 1:40 PM
10	I have been evacuated 2 times due to wild fire	5/13/2021 12:32 PM
11	We have been evacuated due to wildfire. We have had our power shut off due to strong winds. We have had to conserve water due to drought.	5/13/2021 11:31 AM
12	NORTHRIDGE earthquake damaged our home and we lost water and power.	5/13/2021 5:23 AM
13	Earthquake	5/12/2021 9:48 PM
14	Earthquake of 94	5/12/2021 9:12 PM
15	Northridge Earthquake - temporarily displaced while home needed repairs- yellow tagged	5/12/2021 9:01 PM
16	I lived in Saugus during the 94 earthquake	5/12/2021 7:51 PM
17	94 earthquake	5/12/2021 7:29 PM
18	Northridge earthquake, many SCV fires.	5/12/2021 4:36 PM

Local Hazard Mitigation Plan

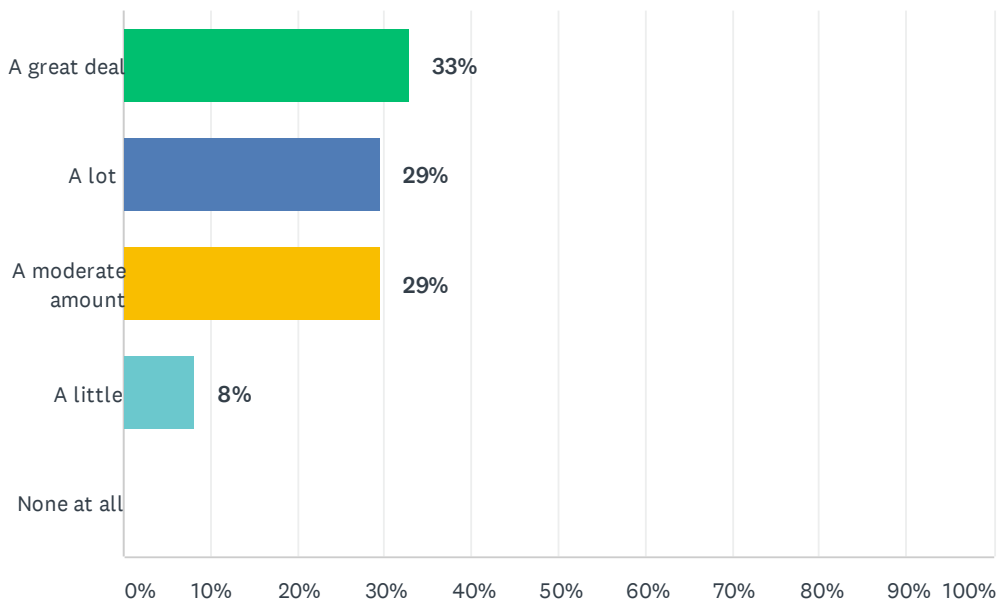
19	94 earthquake, fires	5/12/2021 12:20 PM
20	Sand Fire evacuation	5/12/2021 11:53 AM
21	Tornado hit our home in Michigan and did a lot of damage	5/12/2021 11:22 AM
22	1994 Earthquake	5/12/2021 9:27 AM
23	3 Earthquakes	5/12/2021 9:22 AM
24	Northridge earthquake, wild fire	5/12/2021 8:38 AM
25	Lived here all my life. Been through an earthquake or two. Seen the drought and fires	5/12/2021 7:21 AM
26	1994 earthquake. No power or water or gas	5/12/2021 6:32 AM
27	Earthquake and fire	5/12/2021 6:02 AM
28	I lived in Iran in the 70's and went through an earthquake.	5/11/2021 8:43 PM
29	North ridge earthquake impacted our lives in many ways	5/11/2021 8:33 PM
30	1992 Northridge earthquake.	5/11/2021 7:00 PM
31	Energy power outages	5/11/2021 5:23 PM
32	Wildfires and 1994 earthquake	5/11/2021 3:58 PM
33	Lived in Northridge for the 94 quake. Red tagged both home and work.	5/11/2021 3:42 PM
34	Have been displaced from home due to wildfires. This is happening increasingly and at least 2x year and we've only lived here for 4 years.	5/11/2021 1:56 PM
35	Earthquakes, hurricanes	5/11/2021 10:45 AM
36	1994 earthquake, 2003 fire storm, 2016 sand canyon fire, 2019 tick fire	5/11/2021 9:31 AM
37	Northridge Earthquake Fire	5/11/2021 8:48 AM
38	Evacuated several times for fires.	5/11/2021 6:27 AM
39	Fire - had to evacuate Earthquake - some structure damage and loss of household items Wind - loss of trees, damage to structures from falling trees	5/11/2021 5:32 AM
40	Wildfires	5/11/2021 1:10 AM
41	Extreme cold snaps, blizzards and ice storms.	5/11/2021 12:10 AM
42	Been through two major earthquakes	5/10/2021 9:43 PM
43	1994 earthquake	5/10/2021 8:51 PM
44	1994 Earthquake	5/10/2021 8:27 PM
45	Wildfires, earthquakes	5/10/2021 7:51 PM
46	Our home caught on fire in the 2019 Tick Fire in Canyon Country. The entire ordeal was terrifying and we're still recovering from it.	5/10/2021 5:33 PM
47	Brush fire	5/10/2021 3:34 PM
48	Wild fires and earthquakes	5/10/2021 11:27 AM
49	North ridge EQ	5/10/2021 10:28 AM
50	1971 Sylmar earthquake and 1994 Northridge earthquake.	5/10/2021 8:46 AM
51	Wildfire evacuation. Sylmar earthquake. Northridge earthquake.	5/10/2021 8:06 AM
52	Wild fires in sand cyn	5/6/2021 8:42 AM
53	Have had to evacuate due to fires & experienced power shut off to mitigate wildfires	5/6/2021 6:23 AM
54	1994 Northridge Earthquake, 2020 pandemic [contracting the virus],	5/5/2021 2:50 PM
55	1994 earthquake. Major highways down.	5/5/2021 1:10 PM

Local Hazard Mitigation Plan

56	Earthquakes, wildfires	5/5/2021 12:57 PM
57	earthquake	5/5/2021 12:27 PM
58	1971 and 1994 EQ	5/5/2021 10:10 AM
59	Northridge Quake. Infrastructure damage affected commute to work.	5/5/2021 9:53 AM
60	1994 earthquake	5/5/2021 9:17 AM
61	Fire in our community and we were evacuated.	5/4/2021 8:57 AM
62	Earthquakes, wildfires	5/3/2021 12:41 PM
63	Earthquakes, wildfires, drought	4/29/2021 9:15 AM
64	Earthquake	4/29/2021 8:15 AM

Q4 How concerned are you about the possibility of your community being impacted by a future disaster?

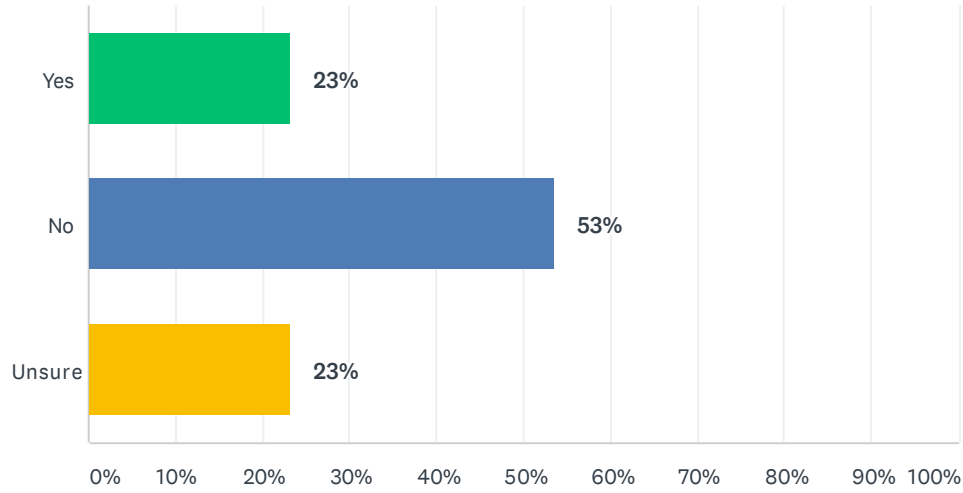
Answered: 85 Skipped: 1



ANSWER CHOICES	RESPONSES	
A great deal	33%	28
A lot	29%	25
A moderate amount	29%	25
A little	8%	7
None at all	0%	0
TOTAL		85

Q5 Does your home carry insurance for flooding?

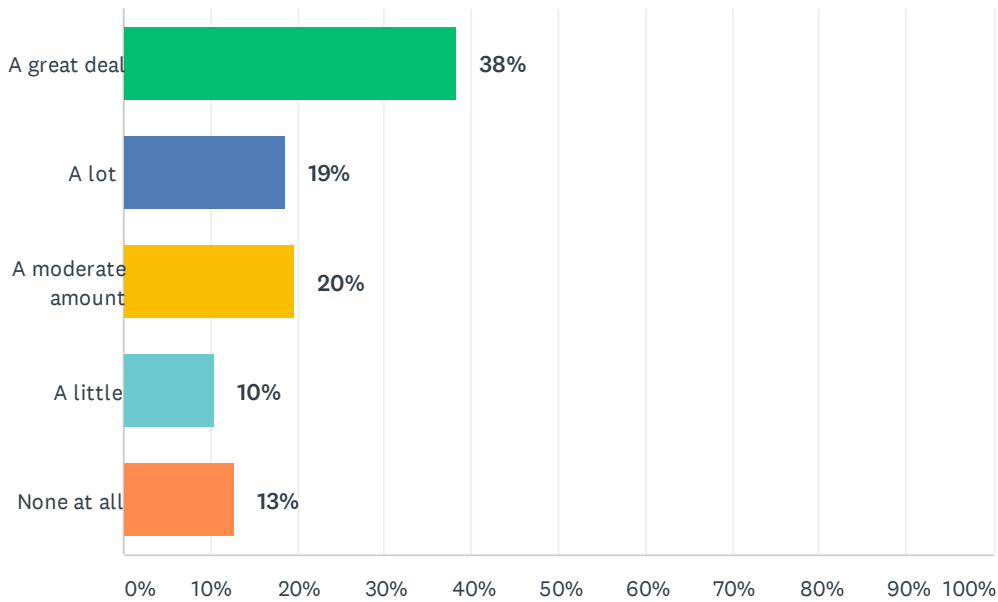
Answered: 86 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	23%	20
No	53%	46
Unsure	23%	20
TOTAL		86

Q6 How concerned are you about the possibility of your community being impacted by climate change?

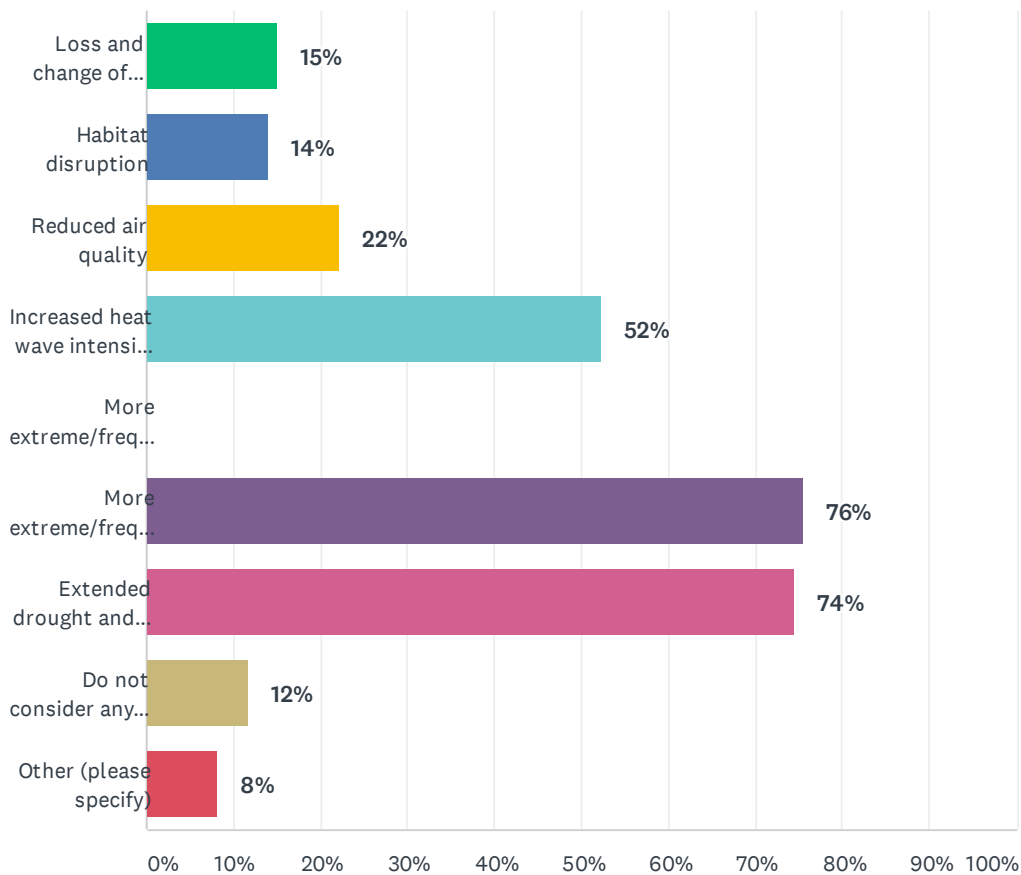
Answered: 86 Skipped: 0



ANSWER CHOICES	RESPONSES	
A great deal	38%	33
A lot	19%	16
A moderate amount	20%	17
A little	10%	9
None at all	13%	11
TOTAL		86

Q7 Which aspects of climate change are the TOP THREE highest threats to your community, in your opinion?

Answered: 86 Skipped: 0



ANSWER CHOICES	RESPONSES	
Loss and change of vegetation	15%	13
Habitat disruption	14%	12
Reduced air quality	22%	19
Increased heat wave intensity and frequency	52%	45
More extreme/frequent rainfall events (more flooding)	0%	0
More extreme/frequent wildfire events	76%	65
Extended drought and water shortage	74%	64
Do not consider any aspects of climate change to be a threat	12%	10
Other (please specify)	8%	7
Total Respondents: 86		

#	OTHER (PLEASE SPECIFY)	DATE
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Local Hazard Mitigation Plan

1	Be proactive..ie excess vegetation removal. Less Sierra Club intervention	5/12/2021 9:22 AM
2	Power shut offs when it's windy and hot. Should not happen	5/11/2021 8:33 PM
3	Disruption of utility services	5/11/2021 6:27 AM
4	Not worried about this	5/11/2021 1:09 AM
5	Failure of CA to properly secure water supplies and clear dead vegetation.	5/10/2021 11:27 AM
6	Political/agency reaction resulting in absurd regulatory over reach.	5/5/2021 12:57 PM
7	RADICAL thinking regarding climate change	5/5/2021 10:10 AM

Q8 In your opinion, what is SCV Water currently doing that should be continued to reduce or eliminate the risk of future hazard/climate change impacts? (The next question will ask what else they COULD they be doing)

Answered: 73 Skipped: 13

#	RESPONSES	DATE
1	Continue to improve its system infrastructure to ensure water delivery to customers and to first responders.	5/14/2021 11:36 PM
2	I have no idea. I rent an apartment where water is included.	5/14/2021 2:41 PM
3	I have no idea	5/14/2021 6:53 AM
4	I don't know.	5/14/2021 1:15 AM
5	Classes/ seminars on low water landscaping, gardening etc	5/14/2021 12:38 AM
6	I don't know.	5/13/2021 11:21 PM
7	We need more community gardens and a botanical garden. The more people appreciate the earth- the more they will short climate changing policies.	5/13/2021 6:16 PM
8	Have no idea what you are currently doing	5/13/2021 2:16 PM
9	No idea	5/13/2021 2:16 PM
10	Not limit water so hillsides can be watered regularly	5/13/2021 1:40 PM
11	I don't know	5/13/2021 12:32 PM
12	Don't know	5/13/2021 5:23 AM
13	Not sure	5/12/2021 10:49 PM
14	Incentives for removal of grass from residential areas and not allow new housing to plant water sucking grass	5/12/2021 9:12 PM
15	Unsure	5/12/2021 9:01 PM
16	?	5/12/2021 7:51 PM
17	Not sure	5/12/2021 7:29 PM
18	???	5/12/2021 4:36 PM
19	Not sure	5/12/2021 2:37 PM
20	Lobby CA government to stop dumping millions of gallons of fresh water into the ocean!!!!	5/12/2021 12:20 PM
21	Stop power outages in summer	5/12/2021 11:53 AM
22	Taking action against all of the new developments in the works in SCV	5/12/2021 11:22 AM
23	I don't know what you are currently doing.	5/12/2021 9:27 AM
24	More water conveyances perhaps..curtail home expansions	5/12/2021 9:22 AM
25	Promoting native plants	5/12/2021 8:38 AM
26	To be honest I don't know	5/12/2021 7:26 AM
27	Conservation	5/12/2021 7:21 AM
28	Not aware or evident that SCV Water is doing anything	5/12/2021 6:02 AM
29	I believe we have weather patterns that occur naturally and we are in a dry/ heat cycle. I also	5/11/2021 8:33 PM

Local Hazard Mitigation Plan

believe that countries like China and India are enormous contributors to planet pollution and the US should not plunge into extreme changes so quickly to stop our fossil fuel dependence solely

30	Nothing	5/11/2021 7:00 PM
31	I am not sure.	5/11/2021 6:21 PM
32	I don't know	5/11/2021 5:08 PM
33	Don't know	5/11/2021 4:10 PM
34	no opinion	5/11/2021 3:58 PM
35	No way to collect rainfall when we DO have it.	5/11/2021 3:42 PM
36	I really don't know and need to educate myself on what you're already doing.	5/11/2021 1:56 PM
37	Don't know what you are doing	5/11/2021 10:45 AM
38	Nothing	5/11/2021 9:31 AM
39	Unaware of anything that SCV Water is doing to reduce these risks.	5/11/2021 9:26 AM
40	Not sure	5/11/2021 8:48 AM
41	Unknown	5/11/2021 8:02 AM
42	Provide essentials for homeowners to conserve water in their homes	5/11/2021 7:50 AM
43	Promote water conservation and push to change unfair irrigation policies	5/11/2021 6:27 AM
44	Unsure	5/11/2021 5:32 AM
45	I have no idea	5/11/2021 1:10 AM
46	Idk	5/11/2021 1:09 AM
47	Nothing to my knowledge...how would we know abt this?	5/11/2021 12:10 AM
48	I don't know	5/10/2021 9:43 PM
49	Not sure	5/10/2021 8:51 PM
50	I don't know what you do other than supply us with water.	5/10/2021 8:03 PM
51	Unaware of anything	5/10/2021 7:51 PM
52	I do not know if anything they are doing to help.	5/10/2021 6:10 PM
53	Not really sure...	5/10/2021 5:33 PM
54	Unsure	5/10/2021 11:27 AM
55	Continue to develop storage capacity and be very active w/ City/County Planning commissions on issues related to water usage(lawns, landscaping, etc)	5/10/2021 10:28 AM
56	There is nothing they can do.	5/10/2021 8:46 AM
57	I have no idea what they are doing to mitigate any of this.	5/10/2021 8:06 AM
58	Not sure	5/6/2021 8:42 AM
59	Community education, gardening classes	5/6/2021 6:23 AM
60	cleaning wells	5/5/2021 2:50 PM
61	I don't know	5/5/2021 1:10 PM
62	Have no idea.	5/5/2021 12:57 PM
63	plan for drought	5/5/2021 12:27 PM
64	Trying to make more potable water available.	5/5/2021 10:23 AM
65	don't know what SCV Water is doing other than normal maintenance and supplying h2o to new	5/5/2021 10:10 AM

Local Hazard Mitigation Plan

	building sites	
66	Not sure	5/5/2021 9:53 AM
67	Ground water clean up	5/5/2021 9:17 AM
68	I think they are doing a great job at securing our water supply. As long as they keep securing our water I think we will be safe	5/4/2021 8:57 AM
69	no idea	5/3/2021 4:39 PM
70	I am not aware of what SCV Water is doing to eliminate risk.	5/3/2021 12:41 PM
71	Prepare system and storage for earthquake impacts.	5/1/2021 12:16 PM
72	augment water banking programs, participate in the Delta tunnel project, invest in local groundwater recharge	4/29/2021 9:15 AM
73	unsure	4/29/2021 8:15 AM

Q9 In your opinion, what else could SCV Water be doing to reduce or eliminate the risk of future hazard/climate change impacts?

Answered: 69 Skipped: 17

#	RESPONSES	DATE
1	Protect is water treatment and delivery system from malicious ransomware.	5/14/2021 11:36 PM
2	No clue.	5/14/2021 2:41 PM
3	I have no idea what a water can do specifically but water rationing seems like a likely next step	5/14/2021 6:53 AM
4	Not sure.	5/14/2021 1:15 AM
5	Improve/ update infrastructure, have back up systems in place for large scale disasters/ power failures. Water is our most critical resource.	5/14/2021 12:38 AM
6	I don't know.	5/13/2021 11:21 PM
7	Rain harvesting at every home.	5/13/2021 6:16 PM
8	You should encourage 1. Encourage gov. Officials to cit back on the number of approved housing developments 2. Encourage redevelopment to a more density rich housing to avoid excessive water usage while still allowing for an increase in housing. 3 recycle water instead of letting it run to the ocean. 4 In every neighborhood have a few homes "win" a landscaping makeover in a water sustainability fire retardant style. Nearby home owners can then have the plans for free and purchase materials for a discount. 5Have Smokey the Bear yell at SCE for starting forest fires.	5/13/2021 2:16 PM
9	no idea, I would need to educate myself more.	5/13/2021 2:16 PM
10	Not sure	5/13/2021 1:40 PM
11	Reusable water investment	5/13/2021 12:32 PM
12	Don't know	5/13/2021 5:23 AM
13	Use of reusable energy solar, wind power, etc	5/12/2021 10:49 PM
14	Water desalination plant	5/12/2021 9:12 PM
15	Stop expanding	5/12/2021 9:01 PM
16	?	5/12/2021 7:51 PM
17	Not sure yet	5/12/2021 7:29 PM
18	???	5/12/2021 4:36 PM
19	Not sure	5/12/2021 2:37 PM
20	Stop the fresh water dumping into the ocean!!!!	5/12/2021 12:20 PM
21	Prioritize upgrading infrastructure	5/12/2021 11:53 AM
22	Replacing main water lines BEFORE they break. A local phone number posted throughout the community to report broken or excessive irrigation/sprinklers.	5/12/2021 9:27 AM
23	Be up front in actual concerns..less political incentives	5/12/2021 9:22 AM
24	Continue promoting native plants, reduce water use, store water safely	5/12/2021 8:38 AM
25	Help families use recycled water from their homes to water lawns	5/12/2021 7:26 AM
26	Conservation, stop building more houses.	5/12/2021 7:21 AM

Local Hazard Mitigation Plan

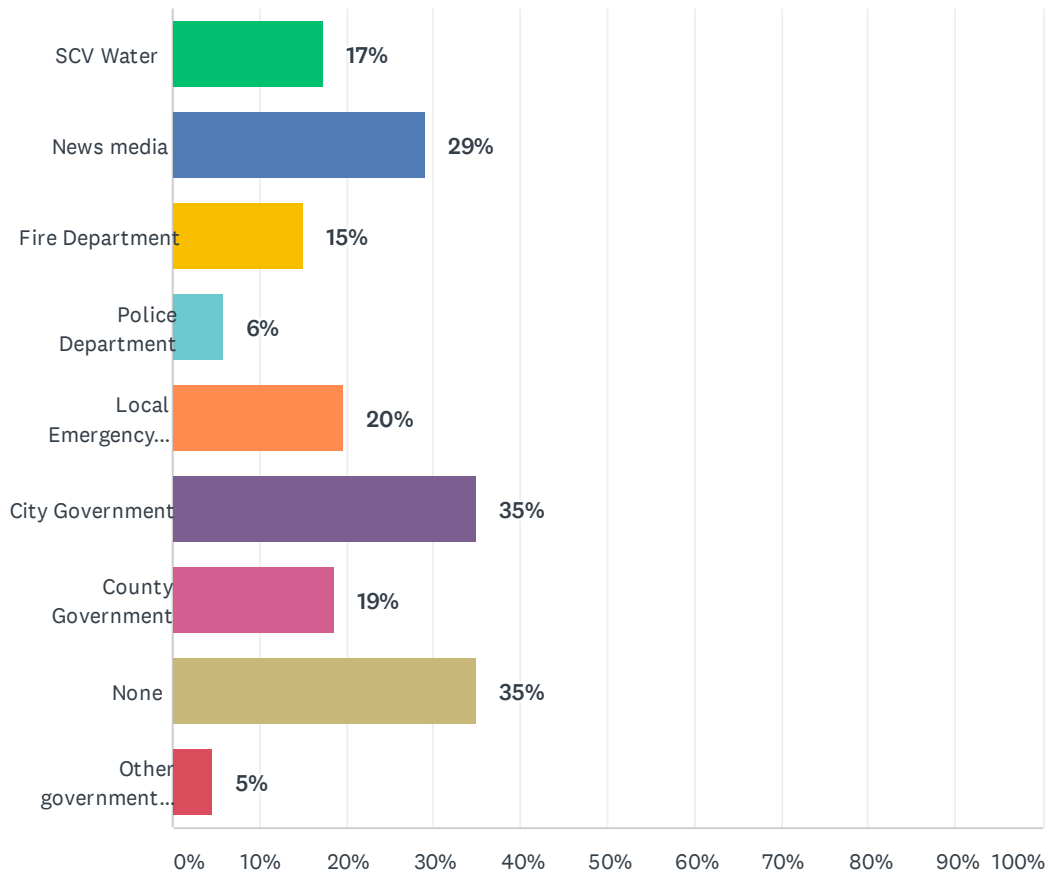
27	Stop raising customer bills for water. I pay more for water then gas and sometimes electric. I do my part to conserve water. City huge waster of water . See it everyday	5/12/2021 6:02 AM
28	Maintain and upgrade current infrastructure	5/11/2021 8:33 PM
29	Increase potable water storage. Consider direct potable reuse. Minimize reliance on imported water.	5/11/2021 7:00 PM
30	Choose greener equipment and sustainable suppliers.	5/11/2021 6:21 PM
31	Give incentives for people to collect their own water, plant California native plants that are more drought tolerant and resistant to fire, plant more native trees, educate consumers about water conservation, work with the city to stop/curb so much new build (uses too much water that we don't have), etc	5/11/2021 5:08 PM
32	Lobby to stop future growth of the community.	5/11/2021 4:10 PM
33	build more water storage if new housing projects continue at the rate they are.	5/11/2021 3:58 PM
34	I need to educate myself further. Our water supply is important and I'm just digging into this as a local issue. I am concerned with fluoride being put in our water supply as one aspect of my own research.	5/11/2021 1:56 PM
35	Stop government approval of massive new housing development when you claim we are always in a drought	5/11/2021 10:45 AM
36	Tell the city there is not enough water supply to continue building new homes. Improve infrastructure.	5/11/2021 9:31 AM
37	Help plant more drought resistant plants, clear brush from hillsides	5/11/2021 9:26 AM
38	Not sure	5/11/2021 8:48 AM
39	Water storage increase	5/11/2021 8:02 AM
40	Provide homeowners with resources on how the community could help	5/11/2021 7:50 AM
41	Be a voice when community outgrows it's water resources to stop overbuilding	5/11/2021 6:27 AM
42	Unsure	5/11/2021 5:32 AM
43	I'm not informed enough to answer	5/11/2021 1:10 AM
44	Nothing	5/11/2021 1:09 AM
45	Future hazards ... figure out the top three and create a plan with the city. When it comes to climate change that's a tough one...we say reduce electricity use in the summer yet push for people to purchase cars that need to be plugged in and charged with electricity...doesn't make much sense now does it	5/11/2021 12:10 AM
46	I don't know	5/10/2021 9:43 PM
47	Not sure	5/10/2021 8:51 PM
48	I don't know	5/10/2021 8:03 PM
49	Stop restricting usage to current residents....why aren't you restricting usage with new dwelling/apartments developements?	5/10/2021 7:51 PM
50	Be part of prohibiting future growth and building of more dwellings. If water, wind and electric are an issue stop building. Do not tell me to conserve but continue to build. Our city only cares about their pocketbooks not the people who live here. It's time those that provide services take a stand. But then I would guess all you care about us money too.	5/10/2021 6:10 PM
51	I'm not sure what fits within the scope of your control or influence.	5/10/2021 5:33 PM
52	Unsure	5/10/2021 11:27 AM
53	STORAGE DEVELOPMENT....no new reservoirs in CA since early 1970's	5/10/2021 10:28 AM
54	Nothing.	5/10/2021 8:46 AM
55	Not sure	5/6/2021 8:42 AM

Local Hazard Mitigation Plan

56	developing and improving groundwater supplies for the SCV	5/5/2021 2:50 PM
57	Find a way to capture more rain water.	5/5/2021 1:10 PM
58	Oh I'm sure you'll dream up of something.	5/5/2021 12:57 PM
59	keep informing the community	5/5/2021 12:27 PM
60	Increase water reserves.	5/5/2021 10:23 AM
61	water storage	5/5/2021 10:10 AM
62	Chemical contamination attack on open aquaducts and lakes. How to contain spread.	5/5/2021 9:53 AM
63	increase use of grey water	5/5/2021 9:17 AM
64	Maybe impose water restrictions to help with the drought. Conserve!	5/4/2021 8:57 AM
65	storage and infrastructure improvements - actively trying to get community acceptance of climate change dangers and the importance of taking real steps to reduce human factors	5/3/2021 4:39 PM
66	Create and share a climate action plan. Create and share a hazard mitigation plan. Stop signing off on additional large development projects if you're asking current customer to cut back on water use.	5/3/2021 12:41 PM
67	Prepare system and storage for earthquake impacts.	5/1/2021 12:16 PM
68	permanent mandatory conservation measures	4/29/2021 9:15 AM
69	unsure	4/29/2021 8:15 AM

Q10 What offices or agencies do you contact for information about reducing your risks to hazards or climate change in your area?

Answered: 86 Skipped: 0



ANSWER CHOICES	RESPONSES	
SCV Water	17%	15
News media	29%	25
Fire Department	15%	13
Police Department	6%	5
Local Emergency Management	20%	17
City Government	35%	30
County Government	19%	16
None	35%	30
Other government office or agency. Please specify.	5%	4
Total Respondents: 86		

#	OTHER GOVERNMENT OFFICE OR AGENCY. PLEASE SPECIFY.	DATE
---	--	------

Local Hazard Mitigation Plan

1	Environment California	5/13/2021 6:16 PM
2	NOAA	5/12/2021 2:46 PM
3	None	5/12/2021 12:20 PM
4	I'm remiss in this	5/12/2021 9:22 AM



Appendix C: Public Outreach of LHMP



SCV Water - Valencia Division
 24631 Avenue Rockefeller
 Valencia, CA 91355
 (661) 294-0828

Account Number [REDACTED]
 Total Amount Due \$ 45.45
 Current Charges Due

Page 1 of 2
 05/21/2021

Manage and pay your account at yourSCVwater.com

General Water Usage Detail

Efficiency Rating	% Of Allocation	Price Per Unit	Billed Usage	Cost of Usage
Super Efficient	100% of Indoor	1.839	9	\$ 16.55
Efficient	100% of Outdoor	1.839	2	3.68
Inefficient	101-150%	0.000	0	0.00
Excessive	151-200%	0.000	0	0.00
Wasteful	Over 200%	0.000	0	0.00
Total: General Water Usage Charge			11	\$ 20.23

Recent Activity

Prior Balance	\$ 41.77
Payments	-41.77
Balance Forward	\$ 0.00

Current Charges

3/4 INCH RES METER	\$ 25.22
GENERAL WATER USAGE CHG	20.23
Total Current Charges	\$ 45.45

Balance Forward	Current Charges	Current Charges Due	Total Amount Due
\$0.00	\$45.45	05/21/21	\$ 45.45

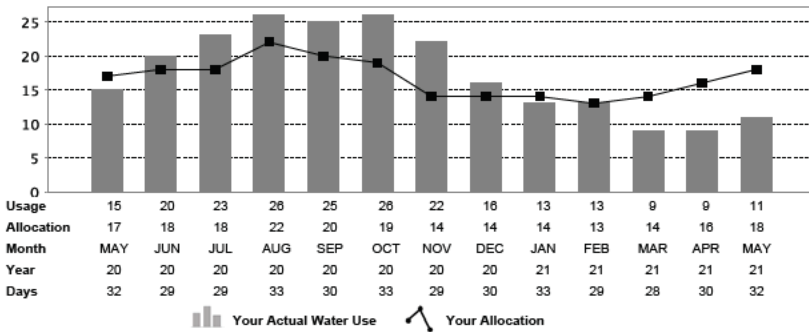
Name [REDACTED]
 Bill Period 04/02/2021 - 05/04/2021
 Location Address [REDACTED]
 Days This Period 32
 Invoice Date 05/12/2021
 Invoice # [REDACTED]
 Cycle 35

Meter	Prior Read	Current Read	Current Usage		
[REDACTED]	1085	1096	11		
Units CCF	Outdoor Allocation	Indoor Allocation	Total Allocation	Total Usage	Last Year Usage
	9	9	18	11	15
Gallons	7,017	6,838	13,464	8,228	11,220

Your Water Use Was: Efficient Gallons Used per Day: 257

Assigned Landscaped Area in SF 1,685

YOUR WATER USAGE HISTORY IN CCF



Outdoor irrigation allocations are calculated using local real-time weather and your assigned landscaped area. For a complete explanation go to conserve.yourSCVwater.com or call us at 661-294-0828.

Important Messages

We need your input! SCV Water is preparing a Local Hazard Mitigation Plan (LHMP) with assistance from its consultant, Engineering Solutions Services. This plan will identify the potential natural hazards affecting our service area and how to mitigate their impacts on the agency and its customers. Once approved by FEMA, the LHMP will allow SCV Water to request funding from FEMA and the State of California to mitigate the effects of these natural hazards. We invite your participation in the process. Learn more and access a brief survey by visiting www.yourSCVwater.com/LHMP.

Go Green with paperless e-billing service and sign up for recurring Direct Payment at yourSCVwater.com



SCV Water - Valencia Division
 24631 Avenue Rockefeller
 Valencia, CA 91355
 (661) 294-0828

Payment Coupon

Account Number [REDACTED]
 Invoice Date 05/12/2021
 Location Address [REDACTED]
 Current Billing Period 04/02/2021 - 05/04/2021

Remit this portion with your payment.

To change mailing address, check here and fill out back

Balance Foward Due Now	Current Charges Due	Current Charges	Total Balance Due
\$0.00	05/21/2021	\$45.45	\$45.45
Automatic Payment Of	\$ 45.45		will be deducted on 06/02/2021 DO NOT MAIL.



SCV Water - Valencia Division
 PO Box 515106
 Los Angeles, CA 90051-5106

If you choose to pay in person or wish to visit our office, here is our location.

A night drop box is available after business hours.



SCV Water - Valencia Division
 24631 Avenue Rockefeller
 Valencia, CA 91355
 (661) 294-0828
 OFFICE HOURS: MONDAY - THURSDAY 7:30 AM - 5:30 PM
 & ALTERNATING FRIDAYS 7:30 AM - 4:30 PM
 CLOSED SATURDAY, SUNDAY, HOLIDAYS & ALTERNATING
 FRIDAYS Visit our website at: yourSCVwater.com

ADDITIONAL INFORMATION

This bill is due and payable ten (10) days from when the bill is generated. A Late Fee will be applied to the current balance if payment is not received in our office within 45 days from the date of the bill. Customers who have not paid their water bill within 60 days after the due date will be subject to termination of their water service.

If you have a question about an initial bill or dispute the amount charged, you must contact SCV Water in writing within ten (10) days after your receipt of the bill.

Attention Seniors and Disabled Customers:

SCV Water - Valencia Division can mail a copy of our discontinuance or other notices to the third party you designate. If you are a senior (62 or older) or disabled person and wish more information about this program, please contact our Customer Care Department at the number listed below.

TO OBTAIN INFORMATION ON THE CONTINUANCE OF SERVICE OR ARRANGEMENTS FOR A PAYMENT PLAN, CALL (661) 294-0828 AND ASK FOR CUSTOMER CARE.

Important: Please mark box on the front if making changes or comments below.

To close your account, please call our office two (2) business days prior to date needed.

New Billing Address

Address: _____

Apartment or Suite Number: _____

City: _____

State: _____ Zip Code: _____

Home Phone: () _____

Business Phone: () _____

Comments: _____





LOCAL HAZARD MITIGATION PLAN



SCV Water is in a planning process to become better prepared for natural disasters, and your participation is important to us! We invite you to assist in the development of a Local Hazard Mitigation Plan (LHMP). This plan will identify the potential natural hazards affecting our service area. When complete, it will provide a comprehensive approach on how to manage these hazards and mitigate their impacts on the agency and its customers.

TELL US WHAT YOU THINK!

We encourage you to share your opinions and participate in the mitigation planning process through a brief survey. The information you provide will help us better understand your


[TAKE THE SURVEY](#)

Please help us by completing this survey by May 22, 2021.

hazard concerns and identify mitigation activities that should help reduce the impact of future hazard events.

If you have any questions regarding the LHMP process or this survey, contact Kathie Martin, (SCV Water) at 661-513-1265 or kmartin@scvwa.org. You can also send your comments directly to our consultant, Gary Sturdivan, at Gary@EngineeringSolutionsServices.net.

SCV WATER

 **27234 Bouquet Canyon Rd**
Santa Clarita, CA
91350-2173

 **(661) 297-1600**


GET SOCIAL




SCV WATER – NEWHALL

Click here for Customer

Care

 **24631 Avenue Rockefeller**
Valencia, CA 91355-3907

 **(661) 294-0828**


 **Phone Payments:**
(844) 350-4354

 **ccare_nwd@scvwa.org**

SCV WATER – SANTA CLARITA

Click here for Customer

Care

 **24631 Avenue Rockefeller**
Valencia, CA 91355-3907

 **(661) 294-0828**


 **Phone Payments:**
(844) 317-1856

 **ccare_scwd@scvwa.org**


SCV WATER – VALENCIA

Click here for Customer

Care

 **24631 Avenue Rockefeller**
Valencia, CA 91355-3907

 **(661) 294-0828**

 **Phone Payments:**
(844) 350-4354

 **ccare_vwd@scvwa.org**

Office Hours: Monday - Thursday 7:30am - 5:30pm and alternating Fridays 7:30am-4:30pm

Click here to view calendar for Friday office hours

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PLANNING EFFORTS & PROJECTS DASHBOARD

SCV WATER PLANNING EFFORTS & PROJECTS

WATER FOR TODAY & TOMORROW

SCV Water is undertaking multiple planning efforts to effectively manage the water supply for our customers, ensuring they have access to reliable water today and tomorrow. These efforts, part of a multi-year process, will advance several regional water plans and programs that enhance water reliability, quality, environmental sustainability, and delivery.

Public participation and involvement are critical to our success.

To keep the public informed and engaged as we develop and

UPCOMING MEETINGS & EVENTS

- **GROUNDWATER SUSTAINABILITY PLAN PUBLIC WORKSHOP**

June 2 @ 4:00 pm – 6:00 pm

[|Recurring Event \(See all\)](#)

One event on March 10, 2021 at 4:00 pm

One event on June 2, 2021 at 4:00 pm

manage our water resources, SCV Water has created this easy to navigate online dashboard. The one-stop communication tool provides information about each effort, including public participation events and a place to sign up to receive additional information.

Click on an icon below to learn more about a specific project or planning effort.

One event on August 25, 2021 at 4:00 pm

• **GROUNDWATER SUSTAINABILITY AGENCY BOARD MEETING**

July 5 @ 4:00 pm - 6:00 pm

• **GROUNDWATER SUSTAINABILITY PLAN PUBLIC WORKSHOP**

August 25 @ 4:00 pm - 6:00 pm

|Recurring Event **(See all)**

One event on March 10, 2021 at 4:00 pm

One event on June 2, 2021 at 4:00 pm

One event on August 25, 2021 at 4:00 pm



Groundwater Sustainability Plan



PFAS Treatment



Rate Case Planning



Recycled Water Planning



Urban Water Management Plan



Water Shortage Contingency Plan



Hazard Mitigation Plan

JOIN OUR EMAIL LIST TO STAY UP TO DATE

Sign up to receive updates on these projects,
including opportunities for providing input.

Email (required) *

First Name


Last Name

Zip Code

Sign up

By submitting this form, you are consenting to receive
marketing emails from: SCV Water, 27234 Bouquet Canyon
Road, Santa Clarita, CA, 91350, <https://yourscvwater.com/>.

You can revoke your consent to receive emails at any time by
using the SafeUnsubscribe® link, found at the bottom of
every email. **Emails are serviced by Constant Contact**

 **27234 Bouquet Canyon Rd**
Santa Clarita, CA 91350-2173

 **(661) 297-1600**

GET SOCIAL





[Click here for Customer Care](#)

[Click here for Customer Care](#)

[Click here for Customer Care](#)

 **24631 Avenue Rockefeller**
Valencia, CA 91355-3907

 **24631 Avenue Rockefeller**
Valencia, CA 91355-3907

 **24631 Avenue Rockefeller**
Valencia, CA 91355-3907

 **(661) 294-0828**

 **(661) 294-0828**

 **(661) 294-0828**

 **Phone Payments:**
(844) 350-4354

 **Phone Payments:**
(844) 317-1856

 **Phone Payments:**
(844) 350-4354

 **ccare_nwd@scvwa.org**  **ccare_scwd@scvwa.org**  **ccare_vwd@scvwa.org**

Office Hours: Monday - Thursday 7:30am - 5:30pm and alternating Fridays 7:30am-4:30pm
[Click here to view calendar for Friday office hours](#)

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NEWS RELEASE
DATE: April 29, 2022
FOR IMMEDIATE RELEASE

SCV Water Releases Draft Hazard Mitigation Plan for Public Comment

Plan identifies potential natural hazards and effective mitigation plans

SCV Water has prepared a draft Local Hazard Mitigation Plan (LHMP), with the assistance of its consultant Engineering Solutions Services. The LHMP provides a comprehensive approach on how to proactively manage natural hazards and mitigate their impacts on the Agency, customers and the community.

The process began in May 2021 with a community survey, seeking input on how to address potential natural disasters such as drought, earthquakes and wildfires affecting the SCV Water service area. Community feedback helped to develop the LHMP, which is now available for review and comment.

“Keeping our customers’ water flowing during and after a disaster is a top priority for our team,” said SCV Water General Manager Matt Stone. “We appreciate the customer feedback we have received so far and encourage review of the draft plan.”

Once approved by the Federal Emergency Management Agency (FEMA), the LHMP will allow SCV Water to request funding from FEMA to help implement projects designed to mitigate the effects of these natural hazards. Examples of projects include seismic retrofit of water storage tanks, provide generators at all critical booster stations and well sites, and increase water-pumping capabilities.

The Draft LHMP is available for review at yourSCVwater.com/lhmp. Comments can be submitted through May 30 to James Klueber, Engineering Solutions Services, via email at james@engineeringsolutionservices.net, or by phone at (619) 572-7404.

###

About SCV Water:

The Santa Clarita Valley Water Agency (SCV Water) is a full-service regional water agency located in the Santa Clarita Valley. SCV Water provides water service to approximately 75,000 business and residential customers. SCV Water was formed on January 1, 2018, when local water suppliers combined into one integrated, regional water provider. More information can be found at www.yourSCVwater.com.

For more information, please contact:
Kathie Martin
Communications Manager
SCV Water
kmartin@scvwa.org



NEWS RELEASE
DATE: May 18, 2021
FOR IMMEDIATE RELEASE

SCV Water Seeks Community Input on Identifying and Preparing for Natural Disasters

SANTA CLARITA – SCV Water invites community members to provide input on potential natural disaster concerns, such as drought, earthquakes and wildfires, affecting its service area. This community feedback will assist the Agency in developing a Local Hazard Mitigation Plan (LHMP), which will provide a comprehensive approach on how to proactively manage natural hazards and mitigate their impacts on the Agency, customers and the community.

“Keeping our customers’ water flowing during and after a disaster, is a top priority for our team,” said SCV Water General Manager Matt Stone. “We encourage our customers to share meaningful feedback that will help us better understand their concerns and identify strategies that will reduce the future impacts in the Santa Clarita Valley.”

The short, nine-question survey should take respondents less than five minutes to complete. The deadline for community input is Saturday, May 22. To take the survey or learn more about the LHMP customers can:

- Visit yourSCVwater.com/LHMP
- Contact SCV Water’s Communications Manager Kathie Martin at 661-513-1265 or kmartin@scvwa.org
- Send comments to SCV Water’s LHMP consultant Gary Sturdivan at gary@engineeringsolutionservices.net

Survey results will inform development of the Local Hazard Mitigation Plan. The draft plan will be released for public review and comment, after which the SCV Water Board will consider it for adoption.

About SCV Water:

The Santa Clarita Valley Water Agency (SCV Water) is a full-service regional water agency located in the Santa Clarita Valley. SCV Water provides water service to approximately 74,000 business and residential customers. It was formed on January 1, 2018, when local water suppliers combined into one integrated, regional water provider. More information can be found at www.yourSCVwater.com

For more information, please contact:

Kathie Martin
Communications Manager
SCV Water
kmartin@scvwa.org



James Klueber <james@engineeringsolutionservices.net>

Santa Clarita Valley Water Agency: DRAFT Local Hazard Mitigation Plan for Stakeholder Comment

James Klueber <james@engineeringsolutionservices.net>

Tue, Apr 26, 2022 at 10:53 AM

To: "Barrick, Jennifer" <Jennifer.barrick@ladwp.com>, Enrique.Gomez@ladwp.com, fbecerra@mwdh20.com, Steven.nichols@water.ca.gov, "Diep, Chi P.@Waterboards" <Chi.Diep@waterboards.ca.gov>, "Orr, Shu-Fang@Waterboards" <Shu-Fang.Orr@waterboards.ca.gov>, rtremblay@lacs.org, "Olague, Stephanie" <stephanieolague@lacs.org>, RBRYDEN@pw.lacounty.gov, JMCKENNA@santa-clarita.com

Cc: Cheryl Fowler <cfowler@scvwa.org>, Sudi Shoja <Sudi@engineeringsolutionservices.net>, Kathie Martin <kmartin@scvwa.org>

Dear SCV Water Stakeholders,

Each of you included in this email were invited to participate and/or participated in a meeting on May 26, 2021 with the Santa Clarita Valley Water Agency (SCV Water) regarding the identification of hazards within their service area as part of their Local Hazard Mitigation Plan (LHMP) development process. Attached to this email is a copy of the Draft LHMP that SCV Water developed with Engineering Solutions Services based on your input. This draft will be released on SCV Water's website for public comment shortly but we wanted to reach out directly to you since you (or your Agency's representative) provided input on this LHMP during the May 26 meeting. Please let me know if you have any questions or comments on this LHMP.

Thanks,

--

James Klueber
Engineering Solutions Services

 **SCVWA Full LHMP - FINAL 20220425.pdf**
3772K

SHARE:

[Join Our Email List](#)

May 2021



IN THIS ISSUE

- SCV Water Awarded Grant for Back-up Generator
- Input needed on Hazard Mitigation Plan
- GSA seeks Advisory Committee Members
- SCV Water Considers Potential Rate Changes
- SCV Water is here to HELP – Get a Rebate up to \$750
- Social Media Spotlight
- Resources & Useful Links

SCV Water Awarded Quarter of a Million Dollar Cal OES Grant

Award will fund new generator for critical facility.



SCV Water has received a nearly \$250,000 California Special Districts Association Public Safety Power Shutoff program allocation from the California Governor's Office of Emergency Services (Cal OES). The allocation will be used to help fund the installation of a permanent generator at the Earl Schmidt Filtration Plant (ESFP). The addition of this second generator brings the facility up to 100 percent operational capacity in the event of a power outage.

"We are thankful to receive this grant from Cal OES," said SCV Water's General Manager Matt Stone. "These funds will purchase a new, permanent generator to keep the Earl Schmidt Filtration Plant running at full capacity, which is crucial in times of emergency."

[Read more](#)

Local Hazard Mitigation Plan Underway

We need your help!



SCV Water is in a planning process to become better prepared for natural disasters, and your participation is important to us!

We invite you to assist in the development of a Local Hazard Mitigation Plan (LHMP). This plan will identify the potential natural hazards affecting our service area. When complete, it will provide a comprehensive approach on how to manage these hazards and mitigate their impacts

on the agency and its customers.

Tell us what you think!

We encourage you to share your opinions and participate in the mitigation planning process through a brief survey. The information you provide will help us better understand your hazard concerns and identify mitigation activities that should help reduce the impact of future hazard events.

Please help us by completing this survey by May 22, 2021.

<https://www.surveymonkey.com/r/SCVWater-LHMP>

To learn more, visit <https://yourscvwater.com/lhmp/>.

SCV Groundwater Sustainability Agency Seeks Advisory Committee Members



The Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA) is seeking qualified candidates for three openings on its Stakeholder Advisory Committee.

The Committee provides the SCV-GSA with insight and expertise on various social, cultural and economic issues impacting groundwater management in the Santa Clarita Valley.

The Committee advises the SCV-GSA board on decisions and policy such as sustainable management criteria and implementation.

[Read more](#)

SCV Water Considers Operations Costs and Revenue in Proposing New Rates



As part of its commitment to transparency and public outreach, SCV Water recently sent information to customers about potential rate changes over the next five years and the reasons behind them.

The SCV Water Board of Directors will hold a public hearing on June 15 at 6:30 p.m. Customers are encouraged to attend and ask questions about the proposed rates. The water agency has made an

Independent Ratepayer Advocate available to review the rates and address customer concerns.

The suggested rates are based on an analysis of the agency's cost of operations and the revenue necessary for maintaining current service levels. Two main factors are driving the proposed rates: the need to build PFAS treatment facilities and the effort to transition SCV Water's three retail divisions into a single rate plan for all customers.

SCV Water has already constructed one of the first PFAS treatment facilities in California and three more systems will be up and running in the next 24 months. PFAS are a group of man made chemicals that are prevalent in the environment and were commonly used in industrial and consumer products such as cookware and carpet to repel grease, moisture, oil, water and stains.

New technology has allowed PFAS to be detected at minute levels and State water regulators have also set new notification and action levels for the substances. As a result, SCV Water has had to close some wells and pursue treatment options to maintain supply reliability – an issue faced by numerous water providers across California.

The second element of the proposed rate changes is a re-evaluation of rates for the agency’s retail divisions – Santa Clarita, Newhall and Valencia, which all have their own rate tables. The division rates were established before SCV Water began operating as a new agency in January 2018 and do not reflect the current cost of providing service.

Under the recommended rates, there will be a single rate table for all SCV Water customers that includes the Fixed Charge based on meter size and the Water Use Charge tied to consumption. The only division-specific difference remaining would be the debt that each division brought with it when SCV Water was created. That legacy debt will be broken out separately and paid only by customers in that division.

Customers who want more information, the reasoning behind the proposed rates, and information on community meetings and the public hearing, can find it online at yourSCVwater.com/rateplanning.

SCV Water is Here to HELP Rebates up to \$750*



SCV Water is offering its HELP Rebate (Healthy & Efficient Landscape Programs) to residents, businesses, large landscapes and homeowners' associations.

Rebates available up to \$750* per account
 (*excluding taxes, labor, and non-qualifying devices)

Decide which option works best for you ... or use a combination of both!

- **Option #1:** Convert spray to drip irrigation. Get \$0.50/sq ft to convert spray irrigation to drip. Drip irrigation works best for shrubs, flowers, and other non-turf applications.
- **Option #2:** Install high-efficiency nozzles and pressure regulators. Get the following rebates: 100% for HE nozzles, 75% for master pressure regulation, and \$10 per pressure regulating body, when you replace your old spray sprinklers with high efficiency equipment to make your irrigation system lean, mean and green!

For more information, click [here](#).

Social Media Spotlight

Now that spring is in fully swing, make sure you are watering your lawn according to the season!

- Days Per Week: 3
- Start Times Per Day: 3
- Minutes Per Station: 5
- Total Minutes Per Day: 15
- Total Minutes Per Week: 45

For more conservation tips, [visit](#).

Join the conversation on any of the social media platforms below. Be sure to "like" or "follow us" so you don't miss anything!



Resources & Useful Links

- [SCV's Hottest Plant Guide](#)
- [Steps to Lawn Replacement](#)
- [Landscape Inspiration and Information](#)
- [COVID-19 Update](#)
- [Agency Calendar](#)
- [Garden Class Schedule and Sign Ups](#)
- [School Education Programs](#)
- [Kid's Corner](#)

Visit us at yourSCVwater.com

SCV WATER

27234 Bouquet Canyon Rd
Santa Clarita, CA 91350
yourSCVwater.com
(661) 297-1600



You can use WP menu builder to build menus

Home » Santa Clarita News » Environment » SCV Water Releases Draft Hazard Mitigation Plan For Public Comment



Jamie Araki/KHTS News

Tweet Like 3 Share Print This!

SCV Water Releases Draft Hazard Mitigation Plan For Public Comment

Posted by: KHTS Newsroom in Environment, Santa Clarita Latest News April 30, 2022 - 10:27 am 0 275 Views

In an effort to identify potential natural hazards and manage effective mitigation plans, SCV Water has released a Hazard Mitigation Plan (LHMP) draft for public comment.

With the assistance of its consultant Engineering Solutions Services, SCV Water has prepared a drafted plan to protect the community.

The process began in May 2021 with a community survey, seeking input on how to address potential natural disasters

Advertisement - Continue Reading Below

FROM THE #1 DOCTOR RECOMMENDED PROBIOTIC BRAND* [BUY NOW](#)



"Keeping our customers' water flowing during and after a disaster is a top priority for our team," said SCV Water General Manager Matt Stone. "We appreciate the customer feedback we have so far and encourage review of the draft plan."

Once approved by the Federal Emergency Management Agency (FEMA), the LHMP would allow SCV Water to request funding from FEMA to help implement projects designed to mitigate these natural hazards, according to SCV Water officials.

Examples of projects include seismic retrofit of water storage tanks, provide generators at all critical booster stations and well sites, and increase water-pumping capabilities, according to

The Draft LHMP is available for review here. Comments can be submitted through May 30 to James Klueber, Engineering Solutions Services, via email at james@engineeringsolutionservices

Advertisement - Continue Reading Below



Trending Now



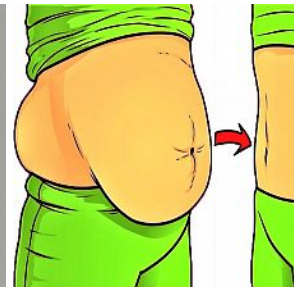
Doctors Stunned: This Removes Wrinkles Like Crazy! (Try Tonight)



This "Knee Candy" Fights Arthritis



Dr: If You Want To Look 20 Years Younger Do This Before Bed



This 1 Vegetable Will Melt Your Belly Overnight!



A Teaspoon On An Empty Stomach Burns Fat A Week Safely!



Metformin Makers Don't Want You To See This. Watch Now>>>



Einstein's Dying



Is



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SCV Water Releases Draft Hazard Mitigation Plan For Public Comment

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Previous: Antelope Valley Fair Date Announced For Summer Of 2022

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Know Someone Dealing With Addiction? Action Family Counseling Can Help With That

🕒 May 2, 2022 - 8:15 am



Canyon Theater Guild Holding Open Call For OLIVER!

🕒 May 1, 2022 - 1:21 pm




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Inside

SCV Water Ramps Up Water Restrictions as Severe Drought Intensifies

Press Release | Saturday, Apr 30, 2022

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- SCV Education
- Arts & Culture
- Op-Ed / Blogs
- Things To Do
- Extras
- Earthquakes



Weather

Santa Clarita CA



Sunny 68°F

The Santa Clarita Valley Water Agency Board of Directors voted Tuesday to move into Stage 2 of its Water Shortage Contingency Plan.

The move comes as California and the SCV continue to face a severe drought with no end in sight.

Calendar



“Despite planning for dry times, this drought has become so severe that we are having to dip into our banked water supplies,” said SCV Water Manager Matt Stone. “Moving to Stage 2 will place new water restrictions in place to eliminate water waste and ensure we have enough water needs of our community.”

Stage 2 Explained

Stage 2 includes the same restrictions as Stage 1 and adds additional water savings measures.

Today in

S.C.V. History

May 2

1884 - McCoy & Everette Pyle discover important Tataviam Indian artifacts in Bowers Cave (Val Verde) [story]



Customers are requested to voluntarily reduce their water by up to 20%. This information is available at [Drought Ready SCV](#).

New watering requirements effective with Stage 2 include:

- Limits watering to three days per week. Odd addresses will water on Monday, Wednesday and Friday. Even addresses water on Tuesday, 1 Sunday.
- No watering on Saturdays.
- Limits watering station run times. Maximum of two five-minute cycles per station per watering day, 10 minutes maximum.
- Limits Watering times of day, morning and evening watering. May to October watering is allowed midnight to 9 a.m. and/or 8 p.m. to mid is allowed midnight to 10 a.m. and/or 6 p.m. to midnight.

The following actions are also prohibited, as established in Phase 1, declared in November 2021:

- Allowing runoff onto non-irrigated areas when irrigating with drinking water.
- Using hoses with no shutoff nozzles to wash cars.
- Using drinking water to wash sidewalks, driveways and hardscapes.
- Irrigating outdoors during and within 48 hours following precipitation of a quarter inch or more.
- The irrigation with drinking water of ornamental turf on public street medians.

Rebates and Resources

SCV Water offers many financial rebates and other incentives to help customers increase water use efficiency, including:

- Turf conversion rebates.
- Irrigation system efficiency upgrade rebates including smart irrigation controllers, high-efficiency sprinkler nozzles, pressure regulating de

- Free home drought-ready check-ups.
- Online WaterSMART Workshop, gardening classes and other resources.

A quick 10-minute inspection of the sprinkler system can save considerable water. For homes, businesses, and landscapes, set timers to meet the new watering days and duration and repair any leaks or overspray. Then inside, check for leaks in toilets and other fixtures.

[Click here to learn more about rebates.](#)

Learn More

SCV Water is hosting a Virtual Drought Forum on May 10 at 6 p.m., where attendees will hear from the experts about drought status, water supply and conservation measures, as well as be able to ask us questions.

[Customers can register here for the Virtual Drought Forum.](#)

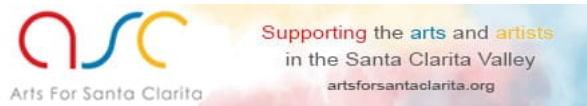
[Customers can also report suspected water waste here.](#)

Neighboring Agencies

Also, this week, Metropolitan Water District announced a Water Shortage Emergency for six million customers, cutting watering to one day a week for Water customers. Those affected customers are served by a higher proportion of imported state water, which has been drastically impacted by current conditions.

In a statement from SCV Water it was reported that the SCV also relies on imported state water for a portion of its supply, “but in addition has water supply stored underground in Kern County in wet years. Still, as the drought enters its third year, we are also asking our customers to conserve to meet demand should the drought continue. Every drop saved this year is one we can use next year.”

SCV Water provides water service to approximately 75,000 business and residential customers in the SCV. It was formed on Jan. 1, 2018, when it merged into one integrated, regional water provider. More information can be [found at Your SCV Water](#).



Comment On This Story

COMMENT POLICY: We welcome comments from individuals and businesses. All comments are moderated. Comments are subject to rejection if they are in poor taste.

REAL NAMES ONLY: All posters must use their real individual or business name. This applies equally to Twitter account holders who use their real names.

4 Comments

1.  *Jody* says:
[Sunday, May 1, 2022 at](#)

How about requiring developers to limit the number of homes built by 20, 30, or 50%, and allow existing homeowners who have been in the area here for decades to continue to water our lawns to maintain property values and quality of life, as opposed to being punished so that ten times as many are built and supply them with our water?

[Reply](#)

2.  *Ricky Tyrrell* says:
[Sunday, May 1, 2022 at](#)

We need to do the same for all parks and golf courses

[Reply](#)

3.  *Keith Laurin* says:
[Sunday, May 1, 2022 at](#)

What happens to those who have back yard pools where 500 to 1000 gallons of water has to be replenished each month due to evaporation? In the past, I've cut back to a point my yard turns brown in the summer. I don't like the idea, my water savings is going for someone else's pool.

[Reply](#)

4.  *SCV* says:
[Sunday, May 1, 2022 at](#)

Stop building homes and businesses in SCV!!

[Reply](#)

Name (required):

Email (required):

Leave a Comment

Website:

Empty comment box

Add Comment

Daily email from SCVTV
SCVNews - SCVHistory [FREE SIGN-UP]

Latest Additions to SCVNews.com

[Filming in Santa Clarita Includes 10 Productions](#)

The city of Santa Clarita's Film Office released the 10 productions currently filming in the Santa Clarita Valley for the week of Monday, May 2 - Sunday, May 8.



[SCV Boys & Girls Club Member Named 2022 L.A. County Youth of the Year](#)

Boys & Girls Club of Santa Clarita Valley announces Hailu Waitaha as the 2022 Youth of the Year and Los Angeles County Boys & Girls Clubs Youth of the Year.



[Santa Clarita Mayor's Monthly Message – May 2022](#)

This month, I challenge you to get where you need to go in Santa Clarita on two wheels.



[May 4: Hart District Governing Board Regular Meeting](#)

The regular meeting of the William S. Hart Union High School District's Governing Board will take place Wednesday, May 4, beginning with a closed session at 5 p.m., followed immediately by open session at 7 p.m.



[May 11: Volunteers Sought for Dagger Flat Trail Reconstruction](#)

Volunteers are sought to help clean up and help in the reconstruction of the Dagger Flat Trail near Bear Divide in Sand Canyon. No experience required. A work party is scheduled for Wednesday, May 11, at 8 a.m.



[Santa Clarita Celebrates 36th Community Park](#)

As the third-largest city in Los Angeles County, I find it admirable that we, in Santa Clarita, continue to prioritize the importance of open space, nature and parks. These outdoor spaces are amazing for our health as noted in our One Story Once City book – "The Nature Fix."



[Today in SCV History \(May 2\)](#)

1884 - McCoy & Everette Pyle discover important Tataviam Indian artifacts in Bowers Cave (Val Verde) [\[story\]](#)

[Today in SCV History \(May 1\)](#)

1927: First major competition at new Baker Ranch Rodeo (later Saugus Speedway). Overflow crowd more than fills 18,000-seat arena. Entire SCV population was ~3,000 [\[story\]](#)

[SCV Water Ramps Up Water Restrictions as Severe Drought Intensifies](#)

The Santa Clarita Valley Water Agency Board of Directors voted Tuesday to move into Stage 2 of its Water Shortage Contingency Plan.



[Today in SCV History \(April 30\)](#)

1973 - Watergate figure H.R. "Bob" Haldeman, a former CalArts board member, resigns from Nixon White House [\[link\]](#)

[Henry Mayo Nurses Ratify New Three-year Agreement](#)

California Nurses Association/National Nurses United announced registered nurses at Henry Mayo Newhall Hospital in Valencia, ratified a new three-year collective bargaining agreement on April 26.



[Friday COVID Roundup: County Trending Higher, 2,550 New Positive Cases](#)

The Los Angeles County Department of Public Health confirmed four new deaths throughout L.A. County, 2,550 new cases countywide, with 98 new cases in the Santa Clarita Valley. This new data brings Los Angeles County death totals to 31,959, county case totals to 2,872,203 and Santa Clarita Valley case totals to 73,816, with 470 total SCV deaths from COVID-19 since March of 2020.



[May 7-8: CTG Holds](#)

[April 29-30: CalArts](#)

[Wilk's Legislation to](#)

[Santa Clarita Seeks](#)

[Canyons Softball](#)

[May 7: SCV Jigsaw](#)

[Open Auditions for Musical 'Oliver!'](#)

The Canyon Theatre Guild will hold open auditions Saturday, May 7 and Sunday, May 8 for performers of all ages for the upcoming show, Lionel Bart's "Oliver!"



[Presents 'The Great Gatsby' on Stage](#)

The California Institute of the Arts School of Theater will present the stage play "The Great Gatsby," based on the F. Scott Fitzgerald novel of the same name, Friday April 29 through Saturday, April 30 at 8 p.m., along with a matinee at 2 p.m. on Saturday.



[Add Transparency to State Contracting Fails](#)

Senate Bill 1367, part of Senate Republican Leader Scott Wilk's legislative package calling for accountability, transparency and integrity in the state government's procurement process, failed to pass the Senate Governmental Organization Committee because the majority of Democrats refused to vote on it.



[Part-time Graffiti Workers](#)

Santa Clarita is looking to hire part-time Graffiti Workers in the Community Preservation Division. This position will help staff remove graffiti throughout the community, input data regarding graffiti incidents and conduct inventory checks.



[Clinches Playoff Berth with 10-4 Win Over Antelope Valley](#)

No. 20 College of the Canyons softball closed out the regular season in winning fashion on Tuesday, April 26 posting a 10-4 conference win over Antelope Valley College at Whitten Field to clinch a postseason berth for a ninth straight season.



[Puzzle Swap at Valencia Town Center Parking Lot](#)

The Santa Clarita Valley Jigsaw Puzzle Group will hold a puzzle swap/trade/buy/sell event on May 7 10 a.m. to noon at the Westfield Valencia Town Center parking lot on the Sears side, just off Citrus Street.



[April 29-May 2: Weekend Closure of I-210 to SR-118 Connector in Pacoima](#)

The California Department of Transportation has announced an extended weekend closure of the westbound Interstate 210 to westbound State Route 118 connector in the San Fernando Valley for paving work.



[I-5 Corridor Improvements Include Landscaping Work](#)

I-5 corridor improvements continue from Buena Vista Street to State Route 134 in the San Fernando Valley.



[Cougars Men's Golf Play Way to 11th Consecutive WSC Championship](#)

College of the Canyons played its way to an 11th consecutive Western State Conference Championship on Monday, as the Cougars had three players tie for second place at the 36-hole conference finals at Alisal River Golf Course.

College of the Canyons	
Amelien	71-79
Cheng	76-73
Quach	78-73
Almeida	78-75
Anton	76-76
Leuthberg	77-74
364.389.731	

[SCV Water Releases Draft Hazard Mitigation Plan for Public Comment](#)

The Santa Clarita Valley Water Agency has prepared a draft Local Hazard Mitigation Plan with the assistance of its consultant Engineering Solutions Services. The plan provides a comprehensive approach on how to proactively manage natural hazards and mitigate their impacts on the Agency, customers and the community.

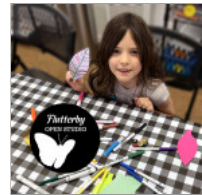


[Today in SCV History \(April 29\)](#)

2002 - LASD Deputy David March, Canyon grad & Saugus resident, murdered during traffic stop [story]

[ARTree Announces Free Upcoming Events](#)

ARTree Community Arts Center in Old Town Newhall announced its upcoming free events. Click links below for more information.



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Appendix D: Public Comments

There were no public comments received. The emails below detail the comments received from the SCV Water Board Meeting on May 17, 2022.



James Klueber <james@engineeringsolutionservices.net>

FW: Agenda Item 8 LHMP Questions/Comments

Mike Alvord <malvord@scvwa.org>

Wed, May 18, 2022 at 10:14 AM

To: james klueber <james@engineeringsolutionservices.net>, Gary Sturdivan <gsturdivan@me.com>, Sudi Shoja <Sudi@engineeringsolutionservices.net>

Cc: Steve Cole <scole@scvwa.org>, Keith Abercrombie <kabercrombie@scvwa.org>, Cheryl Fowler <cfowler@scvwa.org>

Good morning James,

Here is a follow up email we received from Director Gutzeit.

We will also be forwarding you questions and comments we received from other Board members last night.

Kind regards,

Mike

Michael Alvord, Director of Operations & Maintenance

Santa Clarita Valley Water Agency

Treatment, Distribution, Operations & Maintenance Department

661-702-4429



From: Maria Gutzeit <mgutzeit@scvwa.org>

Sent: Tuesday, May 17, 2022 1:56 PM

To: Mike Alvord <malvord@scvwa.org>

Cc: Matt Stone <mstone@scvwa.org>; Steve Cole <scole@scvwa.org>; Keith Abercrombie <kabercrombie@scvwa.org>; Cheryl Fowler <cfowler@scvwa.org>

Subject: Re: Agenda Item 8 LHMP Questions/Comments

Thanks Mike and group:

Two other related questions/comments:

p. 19 refers to Natural Hazards in the last paragraph

Should contaminated groundwater OR regulatory requirements that make groundwater or other water unavailable be considered a hazard? If not, perhaps that is what electrical shortages were not considered.

p.22- onward Earthquakes

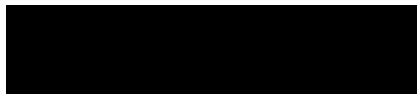
I notice this also talks about local impacts and not statewide impacts. If we are supposed to cover impacts that would affect us, I believe earthquake in the delta or south would be more damaging than a local earthquake.

However, I understand if we are restricted to local assets vs. overall impact to our operation.

Per your comments below....if we are sticking to local we should show local not statewide drought maps. If we are going statewide, we should include statewide earthquake impacts. Seems we should be consistent but I'm not clear what the scope it since it is a bit of both in the test.

Thanks.

Maria Gutzeit, Director



www.yourscvwater.com

On May 17, 2022, at 1:01 PM, Mike Alvord <malvord@scvwa.org> wrote:

Good afternoon Director Guitzeit,

I am the main contact primarily because I was our Agency's project lead and point of contact. However, I think Steve and Keith will be presenting tonight and Cheryl Fowler was an integral part of the project as well as others. See below for my responses to your questions. I will have to defer to our consultant regarding a lot of your drought questions and comments, but I tried addressing some of them.

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We will take all your comments and questions as well as any other questions and comments from the Board and confer with our consultant.

Kind regards,

Mike

Michael Alvord, Director of Operations & Maintenance

Santa Clarita Valley Water Agency

Treatment, Distribution, Operations & Maintenance Department

661-702-4429

<image001.jpg>

[Quoted text hidden]



James Klueber <james@engineeringsolutionservices.net>

LHMP comments from Board of Directors 05/17/2022

Keith Abercrombie <kabercrombie@scvwa.org>

Wed, May 18, 2022 at 2:33 PM

To: james klueber <james@engineeringsolutionservices.net>, Gary Sturdivan <gsturdivan@me.com>, Sudi Shoja <Sudi@engineeringsolutionservices.net>

Cc: Steve Cole <scole@scvwa.org>, Cheryl Fowler <cfowler@scvwa.org>

James,

Below are the items raised by various board members during last night's meeting (5/17/2022) that Mike and I have cobbled together. At the end I've also listed a couple of other 'edits' that should be made to the Plan.

BJ Atkins

1. List and/or show what facilities are vulnerable to each hazard.
2. In the Sections regarding ..Hazard Vulnerability Analysis.. such as 4.4.1, 4.4.2, 4.4.3, 4.4.4, 4.4.5, 4.4.6 to the extent that less than 100% affected, wants explanation of what is affected. Similar to item 1 above. Not sure if all facilities or just description of areas and facilities therein?

Maria Gutzeit

1. Have a more consistent look and presentation to the document. For example, overlay facilities on all hazard maps.
2. Be clearer on the focus and intent of the plan. What should be and should not be included in the plan
3. Recognizes that it says report to address only 'Natural' hazards, but would like this emphasized more so it is clearly understood and not missed
4. In Section 4.3.3 there is a statement that reads "*Drought is now one of the main concerns in California, as the State has been in a drought period for the last eight years.*" 8 years is incorrect I believe, especially since we subsequently state that *Gov. Brown declared an official end to the drought on April 7, 2017.*

Kathye Armitage

1. Why are the solar panels not listed as vulnerable. Especially because of the damage occurred by recent winds. (Table 2, Section 1.6)
2. Why are fire and climate change ranked as 2. (Table 9) My thoughts and recollection of our discussions...
 - a. Fire – because it is limited to only specific areas and not the entire service area.
 - b. Climate – because we have a robust water portfolio.
3. Climate change should be discussed in the present tense and not future tense.
4. Can we apply for dam protection/safety funding
5. Why isn't Climate Change and Wildfires rated "highly likely" instead of 'likely' in Table 10 (Screening Assessment Matrix).
6. Table 18 and others, why isn't "*Communication equipment interoperable with the County*" HIGH vs MEDIUM

Raised at Board Meeting but not sure which Director Raised the issue

1. Probably Kathye, but not sure – regarding Dam Inundation – question as to whether or not we can advocate for Dam Repairs, etc. through this Plan? This question is likely part of same issue as Item 4 under Kathye above.

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OTHER

1. Table 5, Section 2.2 – Heading should be ‘2022’ instead of ‘2021’ and the 2nd line of table “Vacancy” should be replaced with “Maria Gutzeit”
2. {Note for SCVWATER staff - the Board (Kathye) wants to see the public comments, etc at some point. I presume when we go back to them for Adoption of the Plan.}

Keith Abercrombie

Chief Operating Officer

Santa Clarita Valley Water Agency

Direct: (661) 388-4934

Fax: (661) 259-3574

kabercrombie@scvwa.org



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RESOLUTION NO. ____

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
(1) ADOPTING A LOCAL HAZARD MITIGATION PLAN AND (2) DIRECTING
STAFF TO UPDATE THE LHMP EVERY FIVE YEARS**

WHEREAS, the Santa Clarita Valley is subject to various hazards including wildfires, droughts, earthquakes, and floods; and

WHEREAS, the Santa Clarita Valley Water Agency (Agency) is committed to increasing the disaster resistance of its infrastructure in its service area; and

WHEREAS, the federal Disaster Mitigation Act of 2000 requires all cities, counties, and special districts to adopt a Local Hazard Mitigation Plan to receive disaster mitigation funding from the Federal Emergency Management Agency (FEMA); and

WHEREAS, the federal Disaster Mitigation Act of 2000 also requires that all LHMPs be updated every five (5) years; and

WHEREAS, the Agency, with input from stakeholders, members of the public and this Board of Directors, has completed a Local Hazard Mitigation Plan (LHMP); and

WHEREAS, the LHMP has been approved by the California Office of Emergency Services and FEMA; and

WHEREAS, FEMA requires that the Agency adopt its LHMP by resolution in order to be eligible for pre-disaster or disaster mitigation grant funding;

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Santa Clarita Valley Water Agency hereby:

1. Adopts the attached Local Hazard Mitigation Plan, and
2. Directs staff to engage in mandated updates of the LHMP every five years to maintain eligibility for pre-disaster and disaster grant funding from FEMA.

[This page intentionally left blank.]



Santa Clara Valley Water Agency

Approve Adoption of Local Hazard Mitigation Plan

Regular Board Meeting
December 20, 2022

Presentation Overview

- Review of Purpose of the Plan
- Review of Plan Development Process
- Current Status of Plan
- Next Steps
- Recommendation
- Questions and Answers



Purpose of the Plan

- Identify Hazards
- Formulate Mitigation Strategies
- Eligibility for Federal Funding Assistance



Plan Development Process

- SCV Water Planning Team
- Other Lead Agencies
- Review of Other Hazard Mitigation Plans
- Public Outreach
- Board Presentation and Comments
- Review and Approval by Cal-OES and FEMA



Current Status of Plan

- Plan Review with Committee and Board
- Plan Submission and Approval by Cal-OES and FEMA
- Plan Adoption by SCV Water Board of Directors



Next Steps

- Board Adoption
- Annual Review of Plan
- 5 Year Full Review / Update of Plan



Recommendation

- That the Board of Directors Approve a Resolution Adopting the Local Hazard Mitigation Plan and Direct Staff to Update the Plan Every Five Years



Questions?



THANK YOU



BOARD MEMORANDUM

DATE: November 9, 2022

TO: Board of Directors

FROM: Steve Cole *SC*
Assistant General Manager

SUBJECT: Approve a Resolution Authorizing SCV Water Agency to Apply for and Execute a Grant Agreement on Behalf of the SCV-GSA with the California Department of Water Resources for a Sustainable Groundwater Management Grant

SUMMARY

To offset costs of developing the GSP on behalf of SCV-GSA, SCV Water previously submitted two grant applications to the Department Water Resources (DWR) and was awarded grant funding of approximately \$1.3M.

A Round 2 funding opportunity is now available under California's Budget Act of 2021 providing \$180 million in General Funds for Sustainable Groundwater Management Act Implementation projects (SGM Grant). The application for Round 2 of the SGM Grant makes available a minimum grant award per GSA Basin of \$1,000,000. The grant application under this opportunity is due on or before November 30, 2022.

DISCUSSION

With GSP implementation now under way, the DWR has issued a grant opportunity to fund GSP implementation tasks. Conditions of the grant application include that only one application per basin be submitted, the application may be submitted by the GSA or a member agency upon approval of the GSA, the minimum funding request per basin is \$1M, no match is required, and grant funded work is to be completed by April 30, 2026, with final reporting due by June 30, 2026. Preferences for grant awards will be made to basins that have not yet received grant awards.

The range of projects that can be funded under this grant are broad. Many project ideas have been considered by the SCV-GSA team and most recently the GSA Board in October 2022. At its October 2022 meeting, the SCV-GSA Board adopted the attached Resolution (Attachment 1) authorizing SCV Water to apply for a SGM Grant on its behalf. If an application is made, and award granted, SCV Water would execute the grant agreement and funding for these new projects (approximately \$5.3M) will be included in the SCV-GSA's and SCV Water's FY 2023-2024 through FY 2025-2026 budgets.

To develop a list of potential projects for this grant application, SCV Water reached out to other SCV-GSA member agency staff (County Waterworks, County Regional Planning, and the City of Santa Clarita). Member agencies expressed interest in ongoing support of Bouquet Canyon Restoration, filling data gaps regarding private wells, the need for monitoring wells, and match funding for stormwater projects. The ideas considered and recommended for the grant

application are included in the attached table (Attachment 2) previously shared with the SCV-GSA Board.

Staff is recommending SCV Water submit a grant application on behalf of the GSA to fund:

- 1) Existing GSP Implementation Contracts: The GSP includes consultant contracts for GSP Implementation including filling data gaps that may ultimately lead to revisions, updates, or modifications to future versions of the GSP. Contracts also include preparation of annual report.
- 2) Additional Scope for Filing Data Gaps Regarding Private Wells: Additional efforts to carefully review past well records basin wide, not just in canyons, can be useful to member agencies for planning purposes. This additional effort would include consultant support to review all available DWR well records in the basin for private wells, it would include looking at the location description on the well record, and then viewing the parcel aerial photo(s) in a mapping program to locate the well. Such work includes a data scientist or similar professional experienced in what wells look like to look for features such as power lines, concrete well pads, sheds, wellheads, etc. to find that feature on the ground if feasible and then place a point in GIS that identifies the well location and its associated well record. This work sometimes includes looking at older aerial photos taken closer to the time the well was installed. This well-locating effort will provide information for future follow-up, including contact with the landowner, if needed. The work can also identify if no indication of a well exists, suggesting the well log may not be sufficiently detailed to locate the well, or the well may be abandoned. Generally, if wells were destroyed under permit, a well record of the destruction would exist. The work would also include making observations about surrounding land uses that may be indicators of water well use, such as de minimis use or agricultural use. A summary report of the work would be provided to the SCV GSA and is expected to include information about expected groundwater use from private wells and status of wells. Information would be used to further refine the GSP's discussion of private wells and the water budget.
- 3) Additional Scope for Filing Data Gaps with the Saugus Aquifer: The GSP identifies the general need for ongoing water level and water quality monitoring to help improve our understanding of the basin and continue to fill data gaps overtime. Because the Saugus Aquifer has so many layers and is so deep with multiple aquifers, installation of monitoring wells is time consuming and expensive. Further, in an urban environment, it can be challenging to find sites that are available for well installation and long-term monitoring.

This new effort would include a well siting study that reviews the basin geology and environmental data at a high level to initially identify a "preliminary list" of monitoring well locations that would provide good data for groundwater basin management, including aquifer tests, model calibration, and water quality monitoring.

Following preliminary site selection, detailed review of site constraints would be made and final candidate sites for monitoring well installation selected. Selection of candidate sites includes reviewing the sites for land ownership, access and access agreements, and easements and permitting. Following the well siting study and site agreements, specific monitoring well design would be prepared for each site along with a cost

estimate per well. Saugus Aquifer Monitoring Well installation would follow. The SGM Application would include separate cost estimates for the well siting study, monitoring well design, and well installation.

On November 9, 2022 the Water Resources and Watershed Committee considered staff's recommendations to adopt a resolution (Attachment 3) authorizing SCV Water to apply for and execute a grant agreement on behalf of the SCV-GSA for the subject grant.

FINANCIAL CONSIDERATIONS

SCV Water's FY 2022/23 Budget includes \$20,000 for a grant application. Staff currently estimates a grant request of \$5,304,672; based on the grant application's scope, schedule and budget. The majority of this cost is related to existing GSP implementation scope, additional evaluation of well records and locations, and installation of deep monitoring wells. This cost also includes approximately \$55,000 in staff time over 30 months for project management, and \$200,000 for aspects related to site access agreements, easements, etc. It also includes approximately \$74,000 in consultant support for grant administration.

Although not required under the SGM Grant Proposal Solicitation Package, staff recommends contributing a 5% local cost share. At the estimated \$5,304,672 application level, the cost share is \$265,234.

Following submittal of a grant application, if the grant is awarded, the SCV-GSA Budget will be updated to include costs associated with the projects in the grant for budget years FY 2023-2024 to FY 2025-2026. Consistent with the Administrative Services Agreement between the SCV GSA and SCV Water, grant revenues received by SCV Water will be used to offset SCV Water's costs to implement these grant funded projects.

ADMINISTRATIVE TIMING

Due to DWR's short turnaround for applications, it allowed for grant applications to be submitted with draft resolutions by December 16, 2022. As such, the grant application was submitted by the deadline, and the proposed final resolution is now presented for Board consideration. The adopted Resolution will be transmitted to DWR to support the SGM Grant application.

RECOMMENDATION

The Water Resources and Watershed Committee recommends that the Board of Directors adopt a resolution authorizing SCV Water's General Manager to apply for a SGM Grant on behalf of the SCV-GSA identifying SCV Water as the Agency responsible for local cost share, and to execute an agreement with the Department of Water Resources for a SGM Grant.

Attachments

RDV

MBS

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RESOLUTION NO. GSA 2022-03

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SANTA CLARITA VALLEY GROUNDWATER SUSTAINABILITY AGENCY
AUTHORIZING THE SANTA CLARITA VALLEY WATER AGENCY TO APPLY FOR AND
EXECUTE A GRANT AGREEMENT ON BEHALF OF THE SCV-GSA WITH THE
CALIFORNIA DEPARTMENT OF WATER RESOURCES FOR A SUSTAINABLE
GROUNDWATER MANAGEMENT GRANT**

WHEREAS, the Department of Water Resources (DWR) has issued the Final SGM Proposal Solicitation Package (PSP) for Sustainable Groundwater Management Planning Grants for implementation of GSPs; and

WHEREAS, the SGM application period is anticipated to begin in early October 2022 and close by November 30, 2022; and

WHEREAS, the Santa Clarita Valley Water Agency (SCV Water) is a member agency of the Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA); and

WHEREAS, on October 4, 2018, SCV Water and SCV-GSA entered into an Administrative Services Agreement requiring the Santa Clarita Valley Water Agency (SCV Water) to administer the SCV-GSA and provide the majority of funding to develop the state-required Groundwater Sustainability Plan (GSP); and

WHEREAS, prior to SCV Water making the SGM application to the Department of Water Resources it will adopt a resolution affirming it will provide required cost share, and apply for and execute the SGM grant agreement on behalf of the SCV-GSA if the SCV-GSA requests SCV Water perform this task; and

WHEREAS the SCV-GSA is committed to effectively implementing its adopted GSP including seeking funding to fill data gaps; and

WHEREAS, the minimum grant request under the SGM Grant is \$1,000,000 per the GSA groundwater basin and only one application per basin is allowed; and

WHEREAS, SCV Water is evaluating projects and requested grant amounts and anticipates a minimum grant request of \$5,300,000, but may request more grant funds if other eligible costs are identified; and


WHEREAS, consistent with the Administrative Services Agreement, if a SGM Grant is awarded, grant revenues will be used to offset SCV Water's costs to carry out SGM grant funded work; and

WHEREAS, the application process includes a requirement that the SCV-GSA adopt a resolution affirming it desires SCV Water to submit a grant application on its behalf.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors, the governing body of the Santa Clarita Valley Water Groundwater Sustainability Agency, resolves and orders as follows:

That SCV Water's General Manager, or designee, is authorized to:

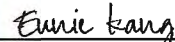
- a. Submit an application, on behalf of the SCV GSA, to the California Department of Water Resources to obtain a grant under the 2021 Sustainable Groundwater Management (SGM) Grant Program SGMA Implementation Round 2 Grant pursuant to the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Proposition 68) (Pub. Resource Code, § 80000 et seq.) and the California Budget Act of 2021 (Stats. 2021, ch. 240, § 80);
- b. Enter into an agreement to receive a grant funding for the: Expanded Monitoring in the Upper Santa Clara River Basin GSA; and
- c. Prepare the necessary data, conduct investigations, file such application, and execute a grant agreement and any future amendments (if required), submit invoices, and submit any reporting requirements with the California Department of Water Resources.

DocuSigned by:


President
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I, the undersigned, hereby certify: That I am the Secretary of the Santa Clarita Valley Groundwater Sustainability Agency, and that at a regular meeting of the Board of Directors of said Agency held on October 3, 2022, the foregoing Resolution No. GSA 2022-03 was duly and regularly adopted by said Board, and that said resolution has not been rescinded or amended since the date of its adoption, and that it is now in full force and effect.

DATED: October 3, 2022

DocuSigned by:


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Recommendations for SGM grant application

Ideas Considered	Findings	Include in SGM Grant Application?
Bouquet Canyon	This large project is in the early stages of planning and specific implementation steps which would result from the planning study have not been developed. It's too early to identify specific projects for the SGM Grant.	No
Groundwater Recharge	Pilot projects are still underway. Following completion of pilot projects, design for full scale projects will be considered. It is too early to identify specific projects for the SGM Grant.	No
Stormwater Recharge	The City's Via Princessa recharge project is already being drafted to seek a State Integrated Regional Water Management (IRWM) Plan grant. With the anticipated IRWM funding, the project would not also be eligible for SGM funding (SGM is not eligible to provide match funding).	No
Stormwater Recharge	The Newhall Memorial Park project is undergoing a new approach with design and engineering. This process will take some time and no specific project is identified and so it's too early to identify a specific project for the SGM grant.	No
Invasive Species Removal	Significant effort on this joint project underway between the City and Santa Clara River Conservancy, and the project is partially funded by an IRWM Grant. No new Invasive Species Removal Projects are under consideration.	No
Groundwater Remediation	SCV Water is pursuing grants for wellhead treatment systems on many fronts. SGM funding is considered better applied to filling data gaps (as opposed to wellhead treatment). However, the approach to install Saugus monitoring wells (below) can improve basin understanding of water quality and remediation strategies.	No
Existing GSP Implementation Contracts	Existing GSP implementation contracts contain components that are listed in the GSP and eligible for grant reimbursement and are already under way. Consultant services are currently estimated at \$185,000.	Yes
Additional Scope for Filing Data Gaps Regarding Private Wells	This additional scope is consistent with the GSP as it will lead to better data for future GSP revisions, updates, and modifications. It will help improve GSA understanding of well status and well use. Data may be used to refine the water budget and groundwater flowmodel. It may identify wells that may be useful for monitoring. Consultant services are estimated at \$89,500.	Yes
Additional Scope for Filing Data Gaps with the Saugus Aquifer.	This additional scope is consistent with the GSP. Data from these new wells can be used for routine water level monitoring, specialized monitoring during aquifer tests, flowmodel calibration, and updating basin geology, all of which can be used to improve the basin flowmodel. Data would be used to improve the GSA's understanding of regional groundwater quality, can inform approaches for cleanup of contamination and planning for water treatment. We are currently estimating the cost of the well design and installation for up to 17 wells (grouped in 6 general areas) at \$4,700,000, which includes approximately \$55,000 for a well siting study.	Yes

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RESOLUTION NO. ____

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SANTA CLARITA VALLEY WATER AGENCY
AUTHORIZING AND DIRECTING THE GENERAL MANAGER TO PREPARE THE
NECESSARY DATA, CONDUCT INVESTIGATIONS, FILE A SUSTAINABLE
GROUNDWATER MANAGEMENT GRANT PROGRAM APPLICATION, EXECUTE A
FUNDING AGREEMENT AND ANY FUTURE AMENDMENTS THERETO, SUBMIT
INVOICES, AND SUBMIT ANY REPORTING REQUIREMENTS WITH THE DEPARTMENT
OF WATER RESOURCES**

WHEREAS, the Santa Clarita Valley Water Agency (SCVWA) is a member agency of the Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA); and

WHEREAS, on October 4, 2018, SCV Water and SCV-GSA entered into an Administrative Services Agreement requiring the Santa Clarita Valley Water Agency (SCV Water) administer the SCV-GSA and provide the majority of funding to develop the state-required Groundwater Sustainability Plan (GSP); and

WHEREAS, on October 3, 2022 the SCV-GSA adopted Resolution GSA 2022-03 authorizing SCV Water to submit a the subject grant application for the Expanded Monitoring in the Upper Santa Clara River Basin GSA; and

WHEREAS, the minimum grant request under the SGM Grant is \$1,000,000 per the GSA groundwater basin and only one application per basin is allowed; and

WHEREAS, SCV Water has evaluated projects and prepared and submitted the required grant application; and

WHEREAS, the total project cost estimate in the application is \$5,304,672; and

WHEREAS, SCVWA will provide a 5% (\$265,234) match of the total project cost; and

WHEREAS, consistent with the Administrative Services Agreement, if a SGM Grant is awarded, grant revenues will be used to offset SCVWA's costs to carry out SGM grant funded work.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors, the governing body of the Santa Clarita Valley Water Agency, authorizes the General Manager to:

1. Submit an application to the Department of Water Resources to obtain a grant under the 2021 Sustainable Groundwater Management (SGM) Grant Program SGMA Implementation Grant pursuant to the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Pub. Resources Code, Section 80000, et seq.) and the Budget Acts of 2021 and 2022.
2. Execute a grant agreement, and any future amendments thereto, with the Department of Water Resources to receive a grant funding for the Expanded Monitoring in the Upper Santa Clara River Basin GSA.

3. If a grant award is made by the Department of Water Resources, SCVWA commits, pending Board compliance with the California Environmental Quality Act (CEQA) and approval of the project, to providing a minimum of five percent (5%) matching funds (\$265,234) and up to the balance of funds needed to complete the construction of the project.
4. Prepare the necessary data, conduct investigations, submit invoices, and submit any reporting requirements with the Department of Water Resources.



BOARD MEMORANDUM

DATE: December 9, 2022

TO: Board of Directors

FROM: Courtney Mael, P.E. *CM*
Chief Engineer

SUBJECT: Approve a Resolution Authorizing the General Manager to Apply for Grant Funding Under the 2022 Urban Community Drought Relief Program and Execute a Grant Agreement with the Department of Water Resources for the Saugus Wells 3 & 4 (Replacement Wells) Well Equipment and Site Improvement Project and S Wells PFAS and Disinfection Facilities

SUMMARY

Staff is preparing an application for the California Department of Water Resources 2022 Urban Community Drought Relief Program to fund a portion of the Saugus Wells 3 & 4 (Replacement Wells) Well Equipment and Site Improvement Project and the S Wells PFAS and Disinfection Facilities (S Wells PFAS). The application requires that the Board adopt a resolution authorizing the General Manager to apply for the grant, execute a grant agreement, and submit any required documents, invoices, and reports required to obtain grant funding.

DISCUSSION

The Department of Water Resources issued a notification of availability of funding under the 2022 Urban Community Drought Relief Program (Grant Program). The Grant Program provides funding to address immediate drought impacts on human health and safety. The Grant Program has a minimum 25% matching funds requirement but waives cost share for grant administration for applications containing more than one project. The Agency is applying for \$5,982,109 in grant funding (25% of the total project cost).

Projects

The Replacement Wells, which are included in the Agency's Capital Improvement Plan, will provide partial mitigation of pumping capacity lost from wells taken out of service or downsized due to perchlorate contamination. At completion, the Replacement Wells will provide a pumping capacity of 2,000 gallons per minute each and will help ensure ongoing water supply reliability and resiliency. The grant request for this project will partially fund above-grade improvements, including well equipping and site improvements.

The S Wells PFAS Project will provide treatment and disinfection to three existing wells (S6, S7 and S8) which were taken offline due to the detection of Per- and Polyfluoroalkyl substances (PFAS) that exceeded the state's response levels. At completion, the project will restore up to 6,000 gallons per minute (9,678 acre-feet per year), reducing our dependency on costly imported water. The S Wells PFAS Project will be designed to accommodate a new groundwater well (S9) that may be constructed as a future project producing an additional 1,000 gallons per minute.

CEQA DETERMINATION

Preparation of the application is exempt from environmental review under the California Environmental Quality (CEQA) pursuant to CEQA Guidelines section 15061(b)(3), the "common sense exemption," which provides that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Here, the Agency finds the preparation of an application for the CDWR 2022 Urban Community Drought Relief Grant Program exempt from CEQA as it "can be seen with certainty that there is no possibility that the activity in question" as it is only the application for grant funding, and so will have no "significant effect on the environment."

On December 8, 2022, the Engineering and Operations Committee considered staff's recommendation to approve a resolution authorizing the General Manager to apply for grant funding under the 2022 Urban Community Drought Relief Program and execute a grant agreement with the Department of Water Resources for the Saugus Wells 3 & 4 (Replacement Wells) Well Equipment and Site Improvement project and S Wells PFAS and disinfection facilities.

FINANCIAL CONSIDERATIONS

Funding for the Replacement Wells and S Wells PFAS projects are included in the Fiscal Year 2022/23 Capital Improvement Budget and the Facilities Capital Improvement Plan for future budget consideration. There is a minimum 25% matching fund requirement (and up to the balance of funds to complete construction of the project) required under this Grant Program.

RECOMMENDATION

The Engineering and Operations Committee recommends that the Board of Directors (1) adopt the attached resolution authorizing the General Manager to apply for funding under the 2022 Urban Community Drought Relief Program, (2) execute a grant agreement and (3) submit any required documents, invoices, and reports required to obtain grant funding.

Attachment

MKS
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RESOLUTION NO. ____

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
AUTHORIZING THE GRANT APPLICATION, ACCEPTANCE AND EXECUTION
FOR THE SCV WATER GROUNDWATER WELLS PROJECTS**

WHEREAS, Santa Clarita Valley Water Agency (SCV Water) proposes to implement its SCV Water Groundwater Wells Projects (Project) consisting of the S Wells PFAS Treatment and Disinfection Facilities (Phase 1) and the Saugus Wells 3 & 4 (Replacement Wells) Well Equipment and Site Improvements Project; and

WHEREAS, SCV Water has the legal authority and is authorized to enter into a funding agreement with the State of California; and

WHEREAS, SCV Water intends to apply for grant funding of \$5,982,109 for the Project from the California Department of Water Resources under the 2022 Urban Community Drought Grant Program (Grant Program); and

WHEREAS, the Grant Program requires SCV Water to contribute a 25% cost share and up to the balance of funds required to complete construction of the Project; and

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

1. That pursuant and subject to all of the terms and provisions of Budget Act of 2021 (Stats. 2021, ch. 240, § 80) as amended (Stats. 2022, ch. 44, § 25), the Santa Clarita Valley Water Agency hereby authorizes and directs the General Manager, or his designee, to prepare and file an application for funding with the Department of Water Resources, and take such other actions necessary or appropriate to obtain grant funding.
2. If a grant award is made by the Department of Water Resources, the Agency, pending Board compliance with the California Environmental Quality Act (CEQA) and approval of the Project, will fund up to the balance of funds needed to complete construction of the Project.
3. The Santa Clarita Valley Water Agency General Manager or designee is hereby authorized and directed to execute the funding agreement with the Department of Water Resources and any amendments thereto.
4. The Santa Clarita Valley Water Agency General Manager or designee is hereby authorized and directed to submit any required documents, invoices, and reports required to obtain grant funding.

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BOARD MEMORANDUM

DATE: December 9, 2022

TO: Board of Directors

FROM: Courtney Mael, P.E. *CM*
Chief Engineer

SUBJECT Authorize the General Manager to Execute a Contract with TriPointe Homes IE-SD, Inc. for SCV Water's Fair Share Cost to Construct the Skyline Ranch Deane Pump Station, Including Construction Quality Assurance and Control Testing, Construction Inspections, and Engineering Services During Construction

SUMMARY

Staff recommends approval to authorize the General Manager to execute a contract with TriPointe Homes IE-SD, Inc. (TriPointe) for SCV Water's fair share cost to construct the Skyline Ranch Deane Pump Station, including construction quality assurance and control testing, construction inspections, and engineering services during construction. This project will provide booster pump improvements that will address a portion of the existing pumping capacity deficit in the Deane Pressure Zone identified in the 2013 Water Master Plan for the Santa Clarita Water Division (SCWD). The project also helps meet a SCV Water strategic goal for infrastructure reliability by building additional pumping capacity that can be used to help ensure water service during emergencies.

DISCUSSION

The 2013 Water Master Plan (WMP) for the Santa Clarita Water Division recommends construction of new pumping facilities to address existing deficiencies in the Deane Pressure Zone that provides water to the east side of our service area. The 2013 WMP identifies an existing booster pumping deficiency of 1,707 gallons per minute (gpm) to refill fire and emergency storage in the Deane Zone. The Deane Zone will undergo further expansion as a result of the proposed Skyline Ranch Development and Sand Canyon Plaza Development creating the need for new pumping facilities to supply these developments. The Skyline Ranch Development is expected to add 1,470 gpm of new pumping demand. The Sand Canyon Plaza Development will add 520 gpm of new pumping demand for a total combined pumping deficit of 3,696 gpm in the Deane Zone (Skyline Ranch Planning Phase Hydraulic Analysis by Civiltec, April 13, 2021).

SCV Water is planning to build two new pump stations at two sites to address the existing pumping deficiencies and new demands in the Deane Zone. The new pump stations will consolidate pumping operation and provide SCV Water the ability to deactivate up to 2 existing outdated Deane Zone Pump Stations to improve reliability and operational efficiency. These new pump station projects will be constructed in conjunction with new developments that are underway to take advantage of developer contributions to the projects.

A new 1,700 gpm pump station will be constructed within the new Skyline Ranch Development to provide the pumping capacity required within the Deane Zone by the new Skyline Ranch Development and a portion of the existing Deane Zone deficiencies. The pump station will provide two 850 gpm pumps and one 850 gpm stand-by pump that are designed to adequately

refill emergency and fire storage in the Deane Zone. The second booster station will be constructed at the Sand Canyon Plaza Development as a separate project and is not part of this request.

The developer and SCV Water will each pay their fair share of the costs to construct the new Deane Zone Pump Station and associated improvements. The developer will contribute 86.5% of the total costs and SCV Water will contribute 13.5% of the total costs, based on the Skyline Ranch Deane Zone pumping demand (1,470 gpm) and the firm capacity of the pump station (1,700 gpm). Since the developer is required to furnish pumping capacity as part of the Skyline Ranch Development, the developer will lead the bidding and construction of the Deane Zone Pump Station under the terms and conditions of an agreement with SCV Water. As a condition of the agreement, cost reimbursement by SCV Water will not exceed our fair share of the costs. The developer will provide and fund the land (via grant deed), a graded pad, offsite water pipelines to the pump station site, and electrical service, solely at their cost.

The developer has conducted a public bid process for the construction of Deane Zone Pump Station at Skyline Ranch. The project was advertised from September 16, 2022 to October 13, 2022. The project was advertised for bids in the Press Enterprise on September 16, 2022 and September 23, 2022. Four (4) bids were received at a time-stamped public bid opening on October 13, 2022 at the developer’s office. A summary of the bids is presented below.

Bidder	Bidder Location	Bid Price ⁽¹⁾
Caliaqua, Inc.	Anaheim, CA	\$2,797,000
Pacific Hydrotech Corporation	Perris, CA	\$2,863,000
Metro Builders & Engineers Group	Newport Beach, CA	\$3,261,831
Canyon Springs Enterprises	Temecula, CA	\$3,276,000

(1) Bid price includes bonds and insurance

The developer and SCV Water staff reviewed the bids for compliance with the bid and contract requirements and recommends award to Pacific Hydrotech Corporation (Pacific Hydrotech) as the lowest responsible bidder. Pacific Hydrotech is licensed as a Class A General Engineering Contractor in California and is registered with the Department of Industrial Relations. Pacific Hydrotech has constructed over five (5) pump station facilities throughout the Southern California area in the last five (5) years.

Caliaqua’s bid was disqualified by the developer for not complying with the project schedule as set forth in the Request for Bids (RFB). The RFB specified a 264 working day completion of construction. The bid submitted by Caliaqua at the public bid opening included a 365 working day completion which exceeds the required schedule by 101 working days. In order to meet the schedule, Caliaqua, indicated their bid would require additional costs to expedite certain long lead items, but these additional costs were not included with their bid.

Under the terms of the agreement between SCV Water and the developer, SCV Water may compare the bids to the design engineer’s cost estimate as a check for reasonableness. The design engineer’s (Cannon Corporation) estimate for construction was \$3,775,000. SCV Water compared the bids to the Engineer’s estimate and concluded the two (2) lowest bids were reasonable.

The total construction bid amount of \$2,863,000 by Pacific Hydrotech includes \$36,000 for bonds and insurance which will be paid for by the developer. The total cost (excluding bonds and insurance) of \$2,827,000 will be shared between the developer and SCV Water at their respective fair share amounts. SCV Water will contribute \$381,645 (13.5%) and the developer

will contribute \$2,445,355 (86.5%). SCV Water's contribution will be paid as a reimbursement to the developer as construction work is completed.

Construction inspection services will be performed by in-house SCV Water inspectors. The estimated costs for SCV Water inspections are \$282,700 or 10% of the estimated construction costs and will be cost shared with the developer. SCV Water will contribute \$38,165 (13.5%), which is within the General Manager's approval. The developer will contribute \$244,536 (86.5%). The developer contribution will be paid to SCV Water as a deposit prior to the start of construction.

Construction quality assurance and control testing is needed to verify that the materials used and the workmanship of the installation conform to the contract requirements. This service is typically provided by consultants that specialize in testing soils, concrete, steel, asphalt and masonry, including field specialty inspections and laboratory analysis. SCV Water does not have the specialized staff or equipment to perform this testing. The developer has selected LGC Valley (LGC) based on qualifications and price. LGC's not-to-exceed budget for this work is \$69,030 and will be cost shared with the developer. The developer will contribute \$59,711 (86.5%). SCV Water will contribute \$9,319 (13.5%), which is within the General Manager's approval authority. SCV Water's contribution will be paid as a reimbursement to the developer as services are performed.

SCV Water retained Cannon Corporation (Cannon) to serve as the Engineer of Record and is responsible for the preparation and sealing of the pump station construction plans. Their role extends into construction by providing technical support to address field changes that may be needed, and to serve as liaison with the construction team. Staff received a proposal from Cannon to perform engineering services during construction, which includes review of submittals, response to requests for information (RFIs), structural observations, attending various construction meetings and site visits, and preparing final as-builts based on contractor markups. Cannon's proposal is \$98,325 and will be cost shared with the developer. The developer will contribute \$85,051 and will be paid to SCV Water as a deposit prior to start of construction. SCV Water will contribute \$13,274 which is within the General Manager's approval authority.

CEQA CONSIDERATIONS

The County of Los Angeles is the Lead Agency under the California Environmental Quality Act (CEQA) for the Skyline Ranch Development project. The County prepared an Environmental Impact Report (EIR) for the Skyline Ranch project pursuant to CEQA provisions. The EIR included all the water infrastructure required for the Skyline Ranch project. The Final EIR was approved by the Los Angeles County Board of Supervisors on December 7, 2010. The Notice of Determination was filed with Los Angeles County Clerk on December 9, 2010.

On December 8, 2022, the Engineering and Operations Committee considered staff's recommendation to authorize the General Manager to execute a contract with TriPointe Homes IE-SD, Inc. for SCV Water's fair share cost to construct the Skyline Ranch Deane Pump Station, including construction quality assurance and control testing, construction inspections, and engineering services during construction.

FINANCIAL CONSIDERATIONS

SCV Water's fair share of the construction project is included in the Agency's Capital Improvement Plan Budget for FY 2022/23 (\$750,000). The project's total estimated cost for construction, including construction quality assurance and control testing, construction

inspections, and engineering services during construction is \$2,994,355. SCV Water's fair share costs are \$442,402. The developer's fair share costs are \$2,834,653, plus \$36,000 for bonds and insurance.

RECOMMENDATION

The Engineering and Operations Committee recommends that the Board of Directors authorize the General Manager to execute a contract with TriPointe Homes IE-SD, Inc. for SCV Water's fair share costs in the not-to-exceed amount of \$442,402 for the construction of the Deane Pump Station at Skyline Ranch, including construction quality assurance and control testing, construction inspections, and engineering services during construction.

MBS



SCV
WATER

December 20, 2022

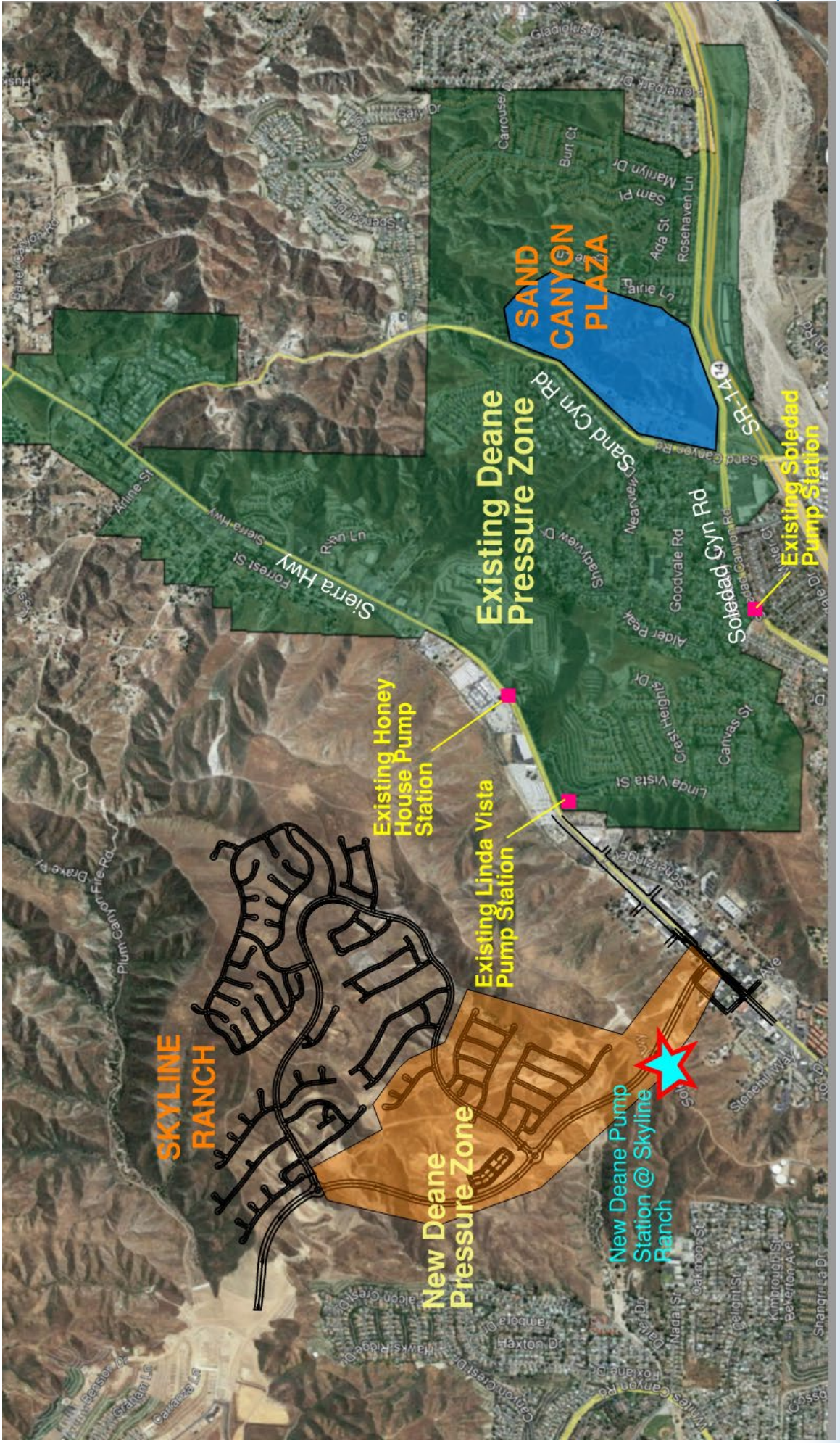
Skyline Ranch Development

SCV Water's Fair Share Costs to

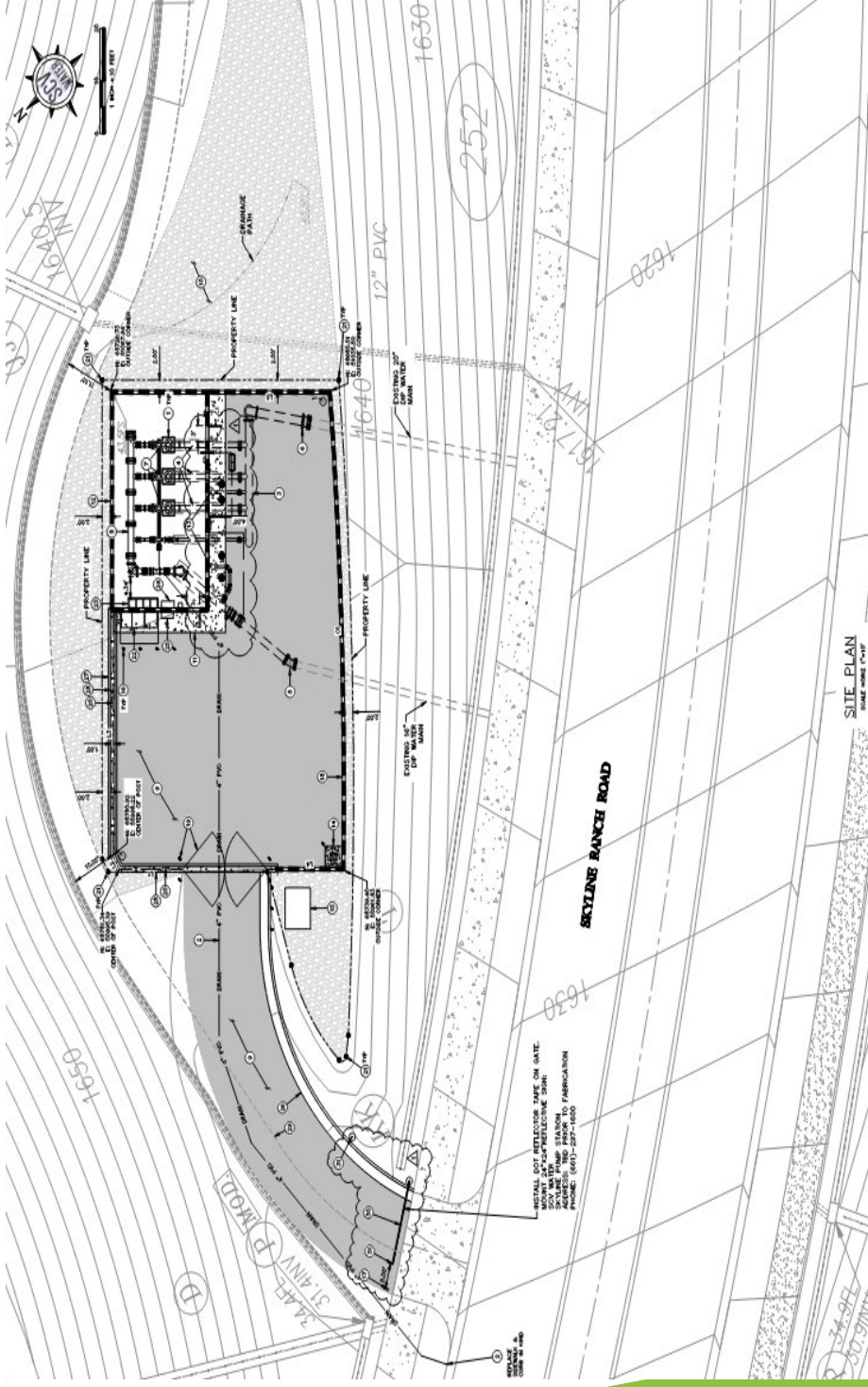
Construct a Pump Station at Deane Zone

Board Meeting

Deane Pressure Zone and Pump Facility Map



Skyline Ranch Deane Pump Station Site Plan



- Existing Deane Zone Pumping Deficiency = 1,707 gpm
- New Skyline Ranch Deane Zone Pumping Demands= 1,470 gpm
- Deane Zone Pump Station Firm Capacity = 1,700 gpm



Skyline Ranch Deane Pump Station Fair Share Cost % Allocation

Water Improvements	Developer	SCV Water
Skyline Ranch Zone Tanks	100%	0%
Skyline Ranch Zone Pump Stations (2)	100%	0%
Deane Zone Tank Expansion	41.8%	58.2%
Deane Zone Pump Station	86.5% *	13.5%

* Developer's fair share cost is calculated based on the Skyline Ranch development's Deane Zone pumping demand of 1,470 gpm out of the total pumping capacity of 1,700 gpm to be provided at the new Deane Zone Pump Station



Skyline Ranch Deane Pump Station Key Terms of Agreement with Developer

Developer Responsibilities

- Pump station property transferred to Agency in fee.
- Graded and compacted pad, electrical service
- Payment and performance bonds to SCV Water for total cost of project
- Bidding and construction management
- Construction quality assurance and control testing and verification
- Prevailing Wage
- Change orders to follow SCV Water purchasing policy and require Agency and developer written approvals

SCV Water Responsibilities

- Inspections (partially funded by Developer)
- DDW Permit
- Acceptance



Skyline Ranch Deane Pump Station Contractor Bid Results (by Developer)

Rank	Bidder	Bid Amount ⁽²⁾
1	Caliaqua, Inc. ⁽¹⁾	\$2,797,000
2	Pacific Hydrotech Corporation	\$2,863,000
3	Metro Builders & Engineers Group	\$3,261,831
4	Canyon Springs Enterprises	\$3,276,000

(1) Caliaqua bid was disqualified for not meeting project schedule.

(2) Bid Amount includes cost for bonds and insurance.

(3) Engineer's Estimate: \$3,775,000

(4) Construction costs will be shared with developer.

(5) Developer will pay for bonds and insurance.



Skyline Ranch Deane Pump Station Construction Related Services

Construction Related Services	Not To Exceed Amount
Construction Inspection	\$ 282,700
Construction Quality Assurance & Control Testing	\$ 69,030
Engineering Support Services	\$ 98,325

- *Costs will be shared with developer*
- *Consultant provides specialty testing services to verify quality of construction materials and workmanship*
- *Design engineer serves as liaison with construction team to ensure installation conforms to construction plans and specifications*



Skyline Ranch Deane Pump Station Cost Sharing Breakdown

Description	Firm	Total Fee	Developer Amount (86.5%)	SCV Water Amount (13.5%)
Construction	Pacific Hydrotech	\$ 2,827,000 ⁽¹⁾	\$ 2,445,355	\$ 381,645
Construction Inspection	SCV Water	\$ 282,700	\$ 244,536	\$ 38,165
Construction Quality Assurance and Control Testing	LGC Valley	\$ 69,030	\$ 59,711	\$ 9,319
Engineering Services During Construction	Cannon	\$ 98,325	\$ 85,051	\$ 13,274
TOTAL		\$ 3,227,055	\$ 2,834,053	\$ 442,402

(1) Fee excludes bonds and insurance paid for by developer

(2) FY 22/23 CIP Budget for SCV Water Fair Share: \$ 750,000

(3) Construction Schedule is 12 months (264 working days): January 2023 - December 2023



Skyline Ranch Deane Pump Station Project Construction Schedule

- Seek E&O Committee Recommendation December 8, 2022
- Seek Board of Director's Approval December 20, 2022
- Start of Construction January 5, 2023
- Estimated Substantial Completion December 29, 2023



Skyline Ranch Deane Pump Station Staff Recommendation

The Engineering & Operations Committee recommends that the Board of Directors:

Authorize the General Manager to execute a contract with TriPointe Homes IE-SD, Inc. for SCV Water's fair share costs in the not-to-exceed amount of \$442,402 to construct the Skyline Ranch Deane Pump Station, including construction quality assurance and control testing, construction inspections, and engineering services during construction.





BOARD MEMORANDUM

DATE: December 9, 2022

TO: Board of Directors

FROM: Courtney Mael, P.E. *CM*
Chief Engineer

SUBJECT Approve a Resolution Authorizing a Purchase Order to Lee & Ro, Inc. for Planning Services for Catala Pump Station and Pipelines Project and Finding That the Authorization is Not a Project Subject to CEQA

SUMMARY

SCV Water is planning to evaluate the Catala Pressure Zone in the potable water system to determine the capital improvements needed to improve the delivery of water into the pressure zone. Staff identified existing operational deficiencies within the Catala Pressure Zone. This project will be coordinated with the Master Plan work and will build upon those findings to identify and evaluate detailed improvements for the project. The capital improvements will help improve system reliability in the pressure zone. Staff issued a planning services Request for Proposal (RFP) for the work and received three (3) proposals. Staff is recommending approval of a resolution authorizing a purchase order to Lee & Ro, Inc. (Lee & Ro) for planning services for the Catala Pump Station and Pipelines project.

DISCUSSION

SCV Water has approximately sixty-four (64) existing water pressure zones in the potable water distribution system. The Catala Pressure Zone is located in the north central portion of the service area and needs capital improvements to improve the delivery of water into the pressure zone. This project will be performed concurrently with the Master Plan and is scheduled to start approximately when the Master Plan's efforts related to Catala Pressure Zone area will be evaluated so that this project can build upon those findings and perform project level tasks including but not limited to researching existing utilities, performing a topographic survey, evaluating alternative pump station site layouts, evaluating pipeline alignment alternatives, performing preliminary geotechnical investigation, analyzing flood and seismic risk assessments, evaluating pumps and noise control measures, analyzing electrical loads, identifying preliminary landscaping areas, identifying required permits, and coordinating with other agencies.

On June 24, 2022, staff issued a planning services RFP to several of its on-call consultants, and on July 21, 2022, staff received proposals from three (3) consultants; Kennedy/Jenks Consultants, Inc., Lee & Ro, Inc., and West Yost. The proposals were reviewed and evaluated by staff from the Engineering and Operations & Maintenance Departments. The evaluation team reviewed the proposals based on a qualifications-based selection process applying the following criteria: responsiveness (conformance and compliance) to the RFP requirements, project understanding, responsibilities (resources/capability/qualifications/availability) to

perform the work, scope of work, and schedule. The evaluation team is recommending Lee & Ro to provide planning services for the Catala Pump Station and Pipelines project.

The general scope of work will include but is not limited to coordinating with the Master Plan work, identifying capital improvements that are needed to improve the existing water system delivery into the Catala Zone, performing site specific surveys, evaluating alternative solutions, preparing estimated costs, and recommending the necessary project improvements. After the capital improvements are defined, then an environmental evaluation will be performed under the California Environmental Quality Act (CEQA).

The award of this planning contract will help meet SCV Water's Objective and Strategic Plan Objective B.1: "Plan, design and build facilities to meet demand including storage capacity and interconnections between regional and retail water systems." and B.2: "Plan and budget for long-term replacements and improvements."

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) CONSIDERATIONS

The approval of a purchase order to Lee & Ro for Planning Services for the Catala Pump Station and Pipelines project authorizes the preparation of feasibility and planning studies and does not constitute an approval for the construction of the Catala Pump Station or associated pipelines and so is exempt from further review under the California Environmental Quality Act (CEQA) Guidelines section 15262.

On December 8, 2022, the Engineering and Operations Committee considered staff's recommendation to approve of a resolution authorizing a purchase order to Lee & Ro, Inc. for planning services for the Catala Pump Station and Pipelines project.

FINANCIAL CONSIDERATIONS

The project is included in the Agency's FY 2022/23 Budget for the Catala Pump Station and Pipelines project. The planning services would be performed on a time and expense basis with a not to exceed budget of \$330,000.

RECOMMENDATION

The Engineering and Operations Committee recommends that the Board of Directors approve the attached resolution authorizing a purchase order to Lee & Ro, Inc. for an amount not to exceed of \$330,000 for planning services for the Catala Pump Station and Pipelines project.

Attachment

M65

RESOLUTION NO. SCV-XXX

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
AUTHORIZING A PURCHASE ORDER TO
LEE & RO, INC. FOR PLANNING SERVICES
FOR CATALA PUMP STATION AND PIPELINES PROJECT, AND FINDING THAT THE
AUTHORIZATION IS NOT A PROJECT SUBJECT TO CEQA**

WHEREAS, Santa Clarita Valley Water Agency (SCV Water) wishes to conduct feasibility and planning studies with regard to a potential future Catala Pump Station and Pipelines, as it continues to work towards meeting its Strategic Plan Objectives B.1: “plan, design, and build facilities to meet demand including storage capacity and interconnections between regional and retail water systems” and B.2: “plan and budget for long-term replacements and improvements”; and

WHEREAS, the adoption of the resolution for a purchase order to Lee & Ro, Inc. (Lee & Ro) for Planning Services for the Catala Pump Station and Pipelines project authorizes the preparation of feasibility and planning studies, and does not constitute an approval for the construction of the Catala Pump Station or associated pipelines and so is exempt from further review under the California Environmental Quality Act (CEQA) Guidelines section 15262; and

WHEREAS, this resolution does not commit the Agency to any current or future projects, and does not entail any construction or other activity that could result in a potential physical change to the environment; and

WHEREAS, on June 24, 2022, the Agency issued the Request for Proposal (RFP) to several of its on-call consultants on PlanetBids for planning services for the Catala Pump Station and Pipelines project; and

WHEREAS, on July 21, 2022, proposals from three (3) consultants were electronically received on the Agency’s website page on PlanetBids pursuant to the Agency’s RFP for the Catala Pump Station and Pipelines project; and

WHEREAS, it is in the Agency’s best interest that the Board of Directors, on behalf of the Agency, authorize its General Manager to award a purchase order to Lee & Ro for planning services in the amount not to exceed \$330,000.

NOW, THEREFORE, BE IT RESOLVED, That the SCV Water Board does hereby find and determine as follows:

SECTION 1. RECITALS. The Board finds that the administrative record has been completed in compliance with CEQA, the CEQA Guidelines, and that the CEQA findings reflect the Board’s independent judgment.

SECTION 2. LOCATION AND CUSTODIAN OF RECORDS. The documents and materials associated with the project that constitute the record of proceedings on which these findings are based are located at the offices of the Santa Clarita Valley Water Agency, 27234 Bouquet Canyon Rd, Santa Clarita, CA 91350. The Custodian of Record is April Jacobs.

RESOLVED FURTHER that the Agency's Board of Directors authorize its General Manager to issue a purchase order to Lee & Ro, Inc. for planning services for the Catala Pump Station and Pipelines project for an amount not to exceed \$330,000.



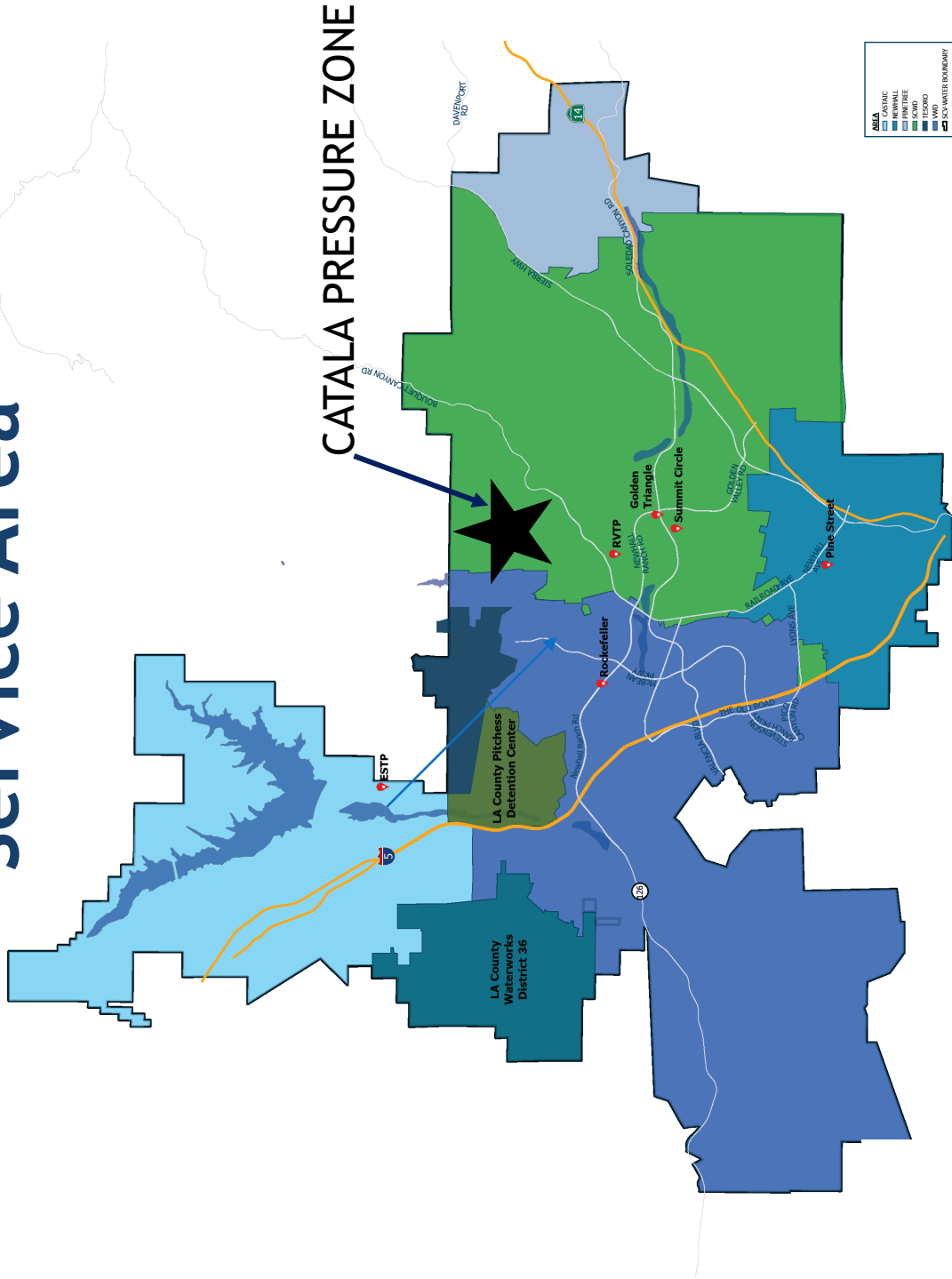
SCV
WATER

December 20, 2022

Catala Pump Station and Pipelines Project Planning Services

Board Meeting

Santa Clarita Valley Water Agency Service Area

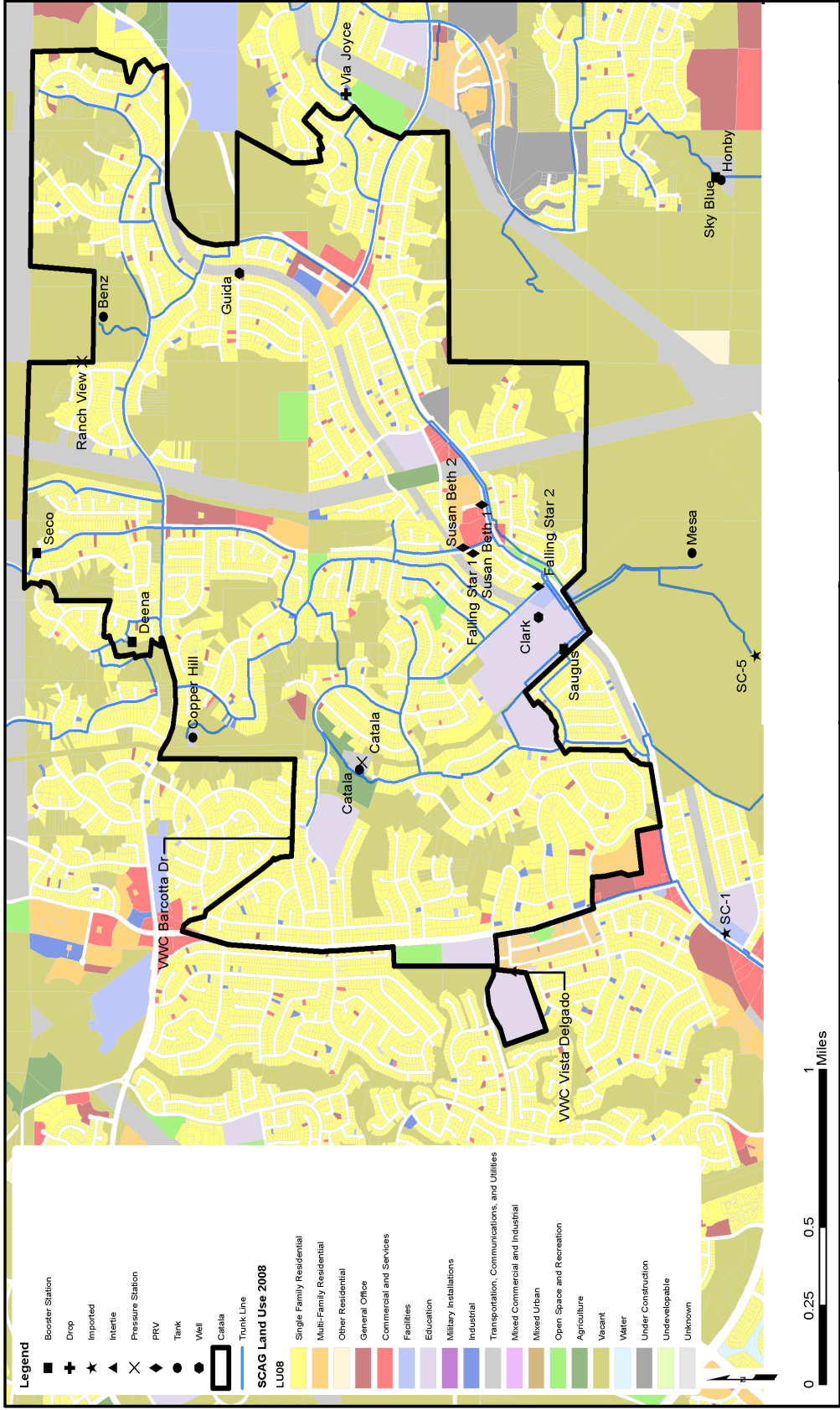


CATALA PRESSURE ZONE



YOURSCVWATER.COM

Santa Clarita Valley Water Agency Catala Pressure Zone



Catala Pump Station and Pipelines Consultant Selection for Planning Services

- June 24, 2022: Request for Proposal (RFP) on PlanetBids advertised
- July 21, 2022: Three (3) proposals were received from:
 - Kennedy/Jenks Consultants, Inc.
 - Lee & Ro, Inc.
 - West Yost
- Evaluation Team: Engineering, Operations & Maintenance
- Lee & Ro, Inc. selected based on:
 - Responsiveness (conformance and compliance) to the RFP requirements
 - Project understanding
 - Responsibility (resources/capability/qualifications/availability) to perform the work
 - Scope of work
 - Schedule

** SCV Water's objective and Strategic Plan Objective B.1: "Plan, design and build facilities to meet demand including storage capacity and interconnections between regional and retail water systems." and B.2: "Plan and budget for long-term replacements and improvements."



Catala Pump Station and Pipelines Planning Services Scope of Work

- Project Meetings and Workshops
- Data Collection and Review
- Catala Pressure Zone evaluation (water demands, water supply, pumping capacities)
- Pump Station planning (land use, flood and seismic risk assessments, pumps hydraulics, site layout, site accessibility, piping, standby generator, transient studies including modeling using the surge software, electrical load analysis)
- Pump Station Pipelines planning (pipelines alternative routing, selection of an optimal layout, pipelines sizes and materials analysis, proposed improvements interconnections with the existing water system, seismic risk evaluation, surge analysis)
- Identification of permit requirements
- Estimated Construction Costs
- CEQA support



Catala Pump Station and Pipelines Alternatives



Catala Pump Station and Pipelines Project Schedule

- Award Phase:
 - December 8, 2022: Engineering and Operations Committee
 - December 20, 2022: Board Meeting
- Planning Phase:
 - January 2023: Issue Notice To Proceed
 - January 2023 to June 2023: Planning Services



Catala Pump Station and Pipelines Recommendation

The Engineering and Operations Committee recommends that the Board of Directors:

Adopt the resolution authorizing the General Manager to execute a purchase order for planning services to Lee & Ro, Inc. for an amount not to exceed \$330,000.





BOARD MEMORANDUM

DATE: December 13, 2022

TO: Board of Directors

FROM: Cris Pérez 
Director of Technology Services

SUBJECT: Approve Contract and Materials for Microwave Upgrade Project

SUMMARY

The Agency's two treatment plants, the Earl Schmidt Filtration Plant (ESFP) and the Rio Vista Water Treatment Plant (RVWTP) utilize a microwave link communications system to exchange important information about SCV Water's water supply. This connection hosts their Supervisory Control And Data Acquisition (SCADA) networks and is an integral part of efficient operations. This portion of the Agency's technology, however, is now out-of-date and needs to be upgraded for maximum efficiency. To support the Agency's Strategic Plan for providing infrastructure reliability and cross-operational functionality between the two treatment plants, staff recommends that the Agency acquire and install new equipment to achieve this goal by allowing the General Manager to execute two contracts related to this microwave upgrade project.

DISCUSSION

Due to the need for internet and remote connectivity between treatment plans, the Agency engaged communications firm Day Wireless to install a microwave link between RVWTP and ESFP in 2007. This microwave connection allowed for multiple channels with a total capacity of 100 Mbps (megabits per second) shared between the SCADA system and business internet. Since then, the Agency's need for bandwidth between the treatment plants and business internet has increased due to the demand for SCADA system backups. Since this connection is now 15 years old and the current speed no longer meets the needs of modern business and SCADA systems, it has been experiencing operational failures. The proposed project will upgrade the connection speed to 2 Gbps (gigabits per second).

The project, which includes purchasing upgraded and scalable microwave equipment along with installation services, has experienced delays due to not having successful bidders after two separate requests for bid postings. After consulting with legal counsel about the lack of public bids, Staff was advised to directly solicit quotes on this project. Three contractors were directly contacted, but only two provided quotes.

Staff then separated the project into two pieces – equipment and installation – and researched the best technology available to service the locations. Day Wireless was consulted for its expertise in microwave communications and recommended the Nokia 9500 MPR system. This upgraded system can provide up to 2 Gbps, with the ability to upgrade in the future. This speed will more than handle the current needs of both the SCADA and business networks. The Nokia 9500 MPR system utilizes fiber optic connectors as opposed to the old copper connections utilized by the current microwave system, which allows for higher bandwidth throughput.

Staff therefore recommends two contracts for this project: one for purchasing microwave equipment and software from Nokia of America Corporation (Nokia) through a NASPO agreement (National Association of State Procurement Officials), which allows the Agency to benefit from nationally negotiated pricing, and the second with Day Wireless Systems for installing the microwave equipment.

The following is a breakdown of the microwave upgrade costs. Attached are the full quotes.

<u>Microwave Upgrade</u>	
Hardware & Software	\$ 83,508.37
Warranty & Maintenance	\$ 21,720.00
FCC Licensing	\$ 18,753.00
Installation	\$ 93,124.80
Total	\$217,106.17

In addition to the proposed microwave upgrade, staff is investigating alternative network redundancy, which will be included as a future project in the upcoming budget years.

On December 12, 2022, the Finance and Administration Committee considered staff's recommendation to approve a contract and materials for the microwave upgrade project between ESFP and RVWTP. During the meeting, staff stated that an approximate additional \$20,000 would be needed for FCC (Federal Communications Commission) licensing fees, so the new combined total for this project is approximately \$220,000.

FINANCIAL CONSIDERATIONS

The purchase of upgraded microwave hardware, software, and installation totals nearly \$220,000. Funds for this upgrade are included in the FY 2022/23 Tech Services Capital Budget.

RECOMMENDATION

The Finance and Administration Committee recommends that the Board of Directors authorize the General Manager to approve a combined \$220,000 for the upgrade and installation of the microwave communications system between ESFP and RVWTP.

CP

Attachments

M65

Detailed Pricing Summary



Santa Clarita Valley Water Agency

Nokia of America Corporation

SCVW - MW Upgrade

Proposal #

21.US.254791.02

October 24, 2022

Contract #NASPO

Item	Category	Item Description	Extended Price
1.00 HARDWARE/SOFTWARE			
1.01	9500MPR Radio	Microwave Packet Radio	\$67,541.37
1.02	Racks and Accessories	Accessories	\$612.00
1.03	Manuals and Documentation	Documentation	\$1,440.00
1.04	Antenna Materials	Antenna Materials	\$6,041.92
1.05	9500MPR Radio	Spares	\$8,170.08
HARDWARE/SOFTWARE SubTotal:			\$83,805.37

4.00 Warranty/Maintenance services			
4.01	Technical Support Gold	5 Year	\$7,720.00
4.02	Advanced Exchange Next Day	5 Year	\$11,600.00
4.03	Software Subscription Plan	5 Year	\$2,400.00
Software Subscription Plan SubTotal:			\$21,720.00

Project Total:			\$105,525.37
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E-Mail PO to nokia.order_now_12587@nokia.com and reference the Proposal # on cover sheet.

Pricing Notes:

Contract #NASPO

- The budgetary planning pricing included above provided by Nokia of America Corporation is indicative only, solely to inform Santa Clarita Valley Water Agency of Nokia of America Corporation's current estimate of prices for the relevant item(s) to enable Santa Clarita Valley Water Agency to evaluate its potential interest.
- The terms and conditions, including planning pricing, of the items provided under this Proposal or subsequent agreements are subject to future negotiations and future agreement on the terms and conditions which would any sale. *There are no penalties, liquidated damages or other remedies associated with changes to the pricing.*
- Prices are valid for 60 days.
- This pricing is valid only for the equipment, equipment features, and services explicitly described within this proposal. *Any equipment item, equipment feature, installation item, or service not explicitly described in this bid is not included in this pricing, and any addition of such will require a revised proposal with modified pricing. Additional information obtained by, but not limited to, Path and Site Surveys could require changes to the scope and content of this proposal. Please review all sections of this bid carefully for details as to what this proposal includes, and what assumptions have been made.*
- Pricing is based on attached Scope Of Work, Assumptions, Detailed Equipment List and/or Design Configurations.
- Taxes, transportation, ancillary material, travel and living expenses are excluded.
- Typical equipment lead time is approximately 8 weeks or sooner After Receipt of Purchase Order with valid frequencies based on equipment availability. Lead time can be confirmed After Receipt of Purchase Order and order scheduling.

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Detailed Pricing Summary



Nokia of America Corporation

Santa Clarita Valley Water Agency

SCVW - MW Engineering

Proposal # 21.US.254791.02

October 24, 2022

Contract #NASPO

Item	Category	Item Description	Extended Price
1.00 TRANSMISSION / PRODUCT ENGINEERING			
1.01	PATH SURVEYS	Field Survey	\$12,848.00
1.02	FREQUENCY COORDINATION	Coordination	\$2,010.00
1.03	FCC LICENSING	Licensing	\$1,395.00
1.04	Network Engineering	Integration Certificate	\$2,500.00
TRANSMISSION / PRODUCT ENGINEERING SubTotal:			\$18,753.00

E-Mail PO to nokia.order_now_12587@nokia.com and reference the Proposal # on cover sheet.

Pricing Notes: Contract #NASPO

1. The budgetary planning pricing included above provided by Nokia of America Corporation is indicative only, solely to inform Santa Clarita Valley Water Agency of Nokia of America Corporation's current estimate of prices for the relevant item(s) to enable Santa Clarita Valley Water Agency to evaluate its potential interest.
2. The terms and conditions, including planning pricing, of the items provided under this Proposal or subsequent agreements are subject to future negotiations and future agreement on the terms and conditions which would any sale. *There are no penalties, liquidated damages or other remedies associated with changes to the pricing.*
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4. This pricing is valid only for the equipment, equipment features, and services explicitly described within this proposal. *Any equipment item, equipment feature, installation item, or service not explicitly described in this bid is not included in this pricing, and any addition of such will require a revised proposal with modified pricing. Additional information obtained by, but not limited to, Path and Site Surveys could require changes to the scope and content of this proposal. Please review all sections of this bid carefully for details as to what this proposal includes, and what assumptions have been made.*
5. Pricing is based on attached Scope Of Work, Assumptions, Detailed Equipment List and/or Design Configurations.
6. Taxes, transportation, ancillary material, travel and living expenses are excluded.
7. Typical equipment lead time is approximately 8 weeks or sooner After Receipt of Purchase Order with valid frequencies based on equipment availability. Lead time can be confirmed After Receipt of Purchase Order and order scheduling.

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Day Wireless Systems
1801 West Burbank Blvd
Burbank CA 91506
United States

Quotation# Q033972

Date 10/28/2022
Terms NET 30-GOV
Expires 11/27/2022
Representative Amador Macias
Direct Phone (858) 537-0709
E-Mail amacias@daywireless.com
Shop Phone (818) 557-7390
Customer Contact Jeff Herbert
Contact Phone (661) 294-0828
Project Name N/A

Bill To
 Santa Clarita Vy. Water Agency
 27234 Bouquet Canyon Rd
 Santa Clarita CA 91350-2102
 United States

Ship To
 Santa Clarita Vy. Water Agency
 27234 Bouquet Canyon Rd
 Santa Clarita CA 91350-2102
 United States

Quantity	Description	Rate	Amount
1	Install NOKIA 9500MPR Radio/DSX/Mux/Cabinet System Installation	9,280.00	9,280.00
1	Radio Test & Turnup	8,160.00	8,160.00
1	RX Threshold, Site Alarm Verification	5,440.00	5,440.00
1	Antenna/Waveguide Installation Path Alignment	13,920.00	13,920.00
1	Mob & Demob Labor/Travel Expenses	9,200.00	9,200.00
1	Site Survey	2,720.00	2,720.00
1	Radio Integration End-to-End	5,440.00	5,440.00
1	Equipment Removal	9,280.00	9,280.00
1	Project Management Labor	8,400.00	8,400.00
1	Service Administration (NO TAX)	17,640.00	17,640.00
1	Misc Hardware	1,000.00	1,000.00
			207

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Quotation# Q033972

Date 10/28/2022

Day Wireless Systems
 1801 West Burbank Blvd
 Burbank CA 91506
 United States

Quantity	Description	Rate	Amount
		Subtotal	90,480.00
		Tax Total	2,644.80
		Total	\$93,124.80

 LEGAL NAME OF PURCHASER

 P.O. NUMBER

 AUTHORIZED SIGNATURE

 DATE

ORDERS SUBJECT TO SHIPPING & HANDLING AND SALES TAX IF APPLICABLE - TERMS SUBJECT TO CREDIT REVIEW
 TAXES, SHIPPING CHARGES AND FEES ARE ESTIMATES AND WILL BE DETERMINED AT TIME OF SALE
 THIS QUOTE IS SUBJECT TO REVIEW BY MANAGEMENT FOR COMPLETENESS AND ACCURACY

* Please reference Quotation # on correspondence and purchase orders. Prices firm for 30 days unless otherwise stated * 209
 * \$25 NSF Charge - 20% Restocking Fee - 1.5% Late Fee *

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BOARD MEMORANDUM

DATE: December 13, 2022

TO: Board of Directors

FROM: Rochelle Patterson *RP*
Chief Financial and Administrative Officer

SUBJECT: Approve Receiving and Filing SCV Water June 30, 2022 Annual Comprehensive Financial Report (ACFR)

SUMMARY

To review Santa Clarita Valley Water Agency's (SCV Water) June 30, 2022 Annual Comprehensive Financial Report (ACFR) prepared by Lance, Soll & Lunghard, LLP (LSL).

DISCUSSION

The June 30, 2022 ACFR is meant to give the reader a narrative overview and analysis of SCV Water's financial performance during the period of July 1, 2021 to June 30, 2022.

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.

This is SCV Water's third ACFR and will be submitted for award consideration for Excellence in Financial Reporting from the Government Financial Officers Association (GFOA). SCV Water received the award for period of July 1, 2020 to June 30, 2021. The ACFR is attached.

Note: Some formatting changes and narrative minor corrections may be made in the published document after the final ACFR is received and filed and prior to submission to the Government Finance Officers Association for award consideration.

On December 12, 2022, the Finance and Administration Committee considered staff's recommendation to receive and file the attached SCV Water Annual Comprehensive Financial Report for the period of July 1, 2021 to June 30, 2022.

FINANCIAL CONSIDERATIONS

None.

RECOMMENDATION

The Finance and Administration Committee recommends that the Board of Directors receive and file the attached SCV Water Annual Comprehensive Financial Report for the period of July 1, 2021 to June 30, 2022.

RP

Attachments



December 12, 2022

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

We have audited the financial statements of the Santa Clarita Valley Water Agency (the Agency) for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, the State Controller's Minimum Audit Standards for California Special Districts, 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 19, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Significant Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described Note 1 to the financial statements. As described in Note 1 to the financial statements, the Agency changed accounting policies related to accounting for lease activity by adopting the Statement of Governmental Accounting Standards (GASB Statement) No. 87, Leases, in 2022. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the financial statements. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. 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 estimates affecting the Agency's financial statements were:

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

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Significant or Unusual Transactions

Management is responsible for the policies and practices used to account for significant or unusual transactions. No significant unusual transactions have occurred during fiscal year 2021-2022.



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

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.

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 12, 2022.

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 significant events or transactions that occurred during the year, business conditions affecting the Agency and business plans and strategies that may affect the risks of material misstatements, 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 the management's discussion and analysis and the required pension and other post-employment benefits schedules, as listed in the Financial Statements' table of contents, which are required supplementary information (RSI) that supplement 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.



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

We were engaged to report on the combining schedules, schedule of operating expenses before depreciation and schedule of insurance coverage, 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 the introductory and statistical sections, 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.

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2021-2022 audit:

GASB Statement No. 87, *Leases*.

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

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.

The following GASB pronouncements are effective in the following fiscal years' audits and should be reviewed for proper implementation by management:

Fiscal year 2023

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

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangement*.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

Fiscal year 2024

GASB Statement No. 99, *Omnibus 2022*.

GASB Statement No. 100, *Accounting Changes and Error Corrections*.

Fiscal year 2025

GASB Statement No. 101, *Compensated Absences*.



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

Restriction on Use

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

Very truly yours,

Lance, Soll & Lughard, LLP

Brea, California



SCV

WATER

**Annual
Comprehensive
Financial Report**

Fiscal Year Ended June 30, 2022

Prepared by:
Finance Department
Santa Clarita, California



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SANTA CLARITA VALLEY WATER AGENCY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022

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SANTA CLARITA VALLEY WATER AGENCY
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2022

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SCV

WATER

Introductory Section



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December 12, 2022

Honorable Board of Directors
Santa Clarita Valley Water Agency

I am pleased to present the Santa Clarita Valley Water Agency's (Agency) Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2022.

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, 2022, 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, 2022, 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 boundaries encompass approximately 195-square miles in portions of the City of Santa Clarita, Los Angeles County and Ventura County.



Local Economy and Demographics

The Agency's service area, encompassing the City of Santa Clarita, is considered a premier community for raising families and building businesses. The area is known for its attractive residential neighborhoods, low crime rate and excellent schools. The City's 2022 estimated population is reported at 222,237 (221,572 in FY 2021) and is the third-largest City in Los Angeles County, and the population in the Agency's service area (greater Santa Clarita Valley) is estimated at 298,731.

According to the Santa Clarita Valley Economic Development Corporation, the number of businesses reporting employment in California has increased by 9% since the beginning of the pandemic. Most of that increase occurred between 2021 and 2022. As a result, 9,000 jobs have been restored or created in the Santa Clarita Valley throughout the year. The state estimated the City's unemployment averaged 7.3% in 2021 and most recent reports (July 2022) have the estimate at 4.2%. It is projected that gains in employment will continue to be seen in the leisure and recreation sector as well as a gradual widening of the labor market in professional and health care jobs. About 90 percent of pandemic-induced job loss is now restored, with the largest worker reinstatements occurring in retail trade, healthcare professional and technical services, amusement, food services and recreation sectors. In 2023, the forecast still has the local economy creating 3,400 jobs. By 2024, less than 2,000 new jobs are forecast. The unemployment rate will loosen up in 2023 but is still expected to largely represent a fully employed labor market.

The population of the City increased by 0.3% from the prior year and the per capita income was estimated at \$39,897, which means an increase of 48.6% compared to 2000 when it was \$26,841. The current median household income in Santa Clarita Valley is \$121,400 with a poverty rate of 4.2%. Compared to the median household income of \$66,717 in 2000 this represents an increase of 82%.

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 21,500 connections and accommodate 65,000 new residents. According to the Santa Clarita Valley Economic Development Corporation (SCVEDC), the main question is how the demand for new homes will be impacted by the current levels of mortgage rates. Demand is undoubtedly being impacted right now, and a downturn is anticipated for the rest of 2022 and into 2023. The third issue is how the impending recession would further affect housing demand, household incomes, and employment. These worries are being constantly watched in order to make the necessary adjustments to the prediction for the remainder of this year and the first half of 2023. The existing home sales rose to their highest level since the spring of 2006. In October 2022, the median sale price of a home in Santa Clarita was \$730K, up 14% since 2021. The average sale price per square foot in Santa Clarita is \$415, up 11.6% since 2021. The SCVEDC forecast calls for approximately 4,200 new housing starts in the greater Santa Clarita Valley between 2023 and 2027. Last year, prior to the doubling of interest rates and threat of impending recession, the forecast called for 7,100 units.



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 the area customer through more than 73,200 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

SCV Water has a three electoral division system with equal population per division. The initial board consisted of 15 members, 5 of whom were directors of the Newhall County Water District (NCWD) on December 31, 2017 and 10 of whom were of Castaic Lake Water Agency (CLWA) on December 31, 2017. In March 2018, the Board was reduced to 14 Directors and in February 2019 was reduced to 13 Directors after two 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 expired 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 were elected for each electoral division at the 2020 general election (reducing the number of Directors to 12), 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 (reducing the number of Directors to 9) 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 233 (222 full-time, 10 part-time and 1 limited duration) under the direction of the Board-appointed General Manager. 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 Operating Officer, Chief 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 two surface water treatment facilities to supply water delivered through the State Water Project to its retail customers and to one wholesale customer, 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 928 miles of distribution and transmission mains, 99 above ground welded steel reservoirs, 66 booster pump stations, and 40 active (29 in service) groundwater wells. Design and construction of new PFAS treatment facilities to bring contaminated groundwater wells back in service are in development. The Agency also operates a number of groundwater treatment facilities which remove perchlorate contamination caused by past activity with the Whitaker Bermite facility. In FY 2022, the Agency produced a total of 66,468-acre feet (af) with approximately 25,318 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 62,882 af in FY 2022 through more than 73,000 service connections. Of the total water sales (\$79,321,746), 66% comes from residential, 20% from dedicated irrigation, 7% from commercial, and 5% institutional and industrial customers. The remainder is made up of construction water and fire service revenue accounts.

ECONOMIC CONDITIONS & OUTLOOK

The Agency is largely located in the northwestern portion of Los Angeles County approximately 35 miles from downtown Los Angeles, although approximately 20 square miles of the service area extends into unincorporated rural portions of Ventura County. The 2020 gross product of Los Angeles County is estimated at \$880 billion (LA County EDC).

After two years of COVID, California's economy is in a remarkably strong position. The economic trajectory has been unlike any in the modern area: a dramatic, historic negative shock followed by a relatively rapid recovery—even if month by month changes have been somewhat uneven. At an aggregate level, the economy is close to pre-pandemic conditions, but it has been reshaped in some respects, and long-standing challenges persist. While macro patterns point to a strong recovery, there are some differences across demographic groups and regions. For instance, although the tightening labor market puts workers in a strong position, rising prices are eating into wage increases, putting more pressure on lower income families.

California's unemployment rate decreased to a new record low in the month of July 2022 to 3.9 percent as the state's employers added 84,800 nonfarm payroll jobs to the economy, according to data released by the California Employment Development Department (EDD) from two surveys.

Looking ahead to 2023, There is greater optimism over the long-term economic prognosis for the country as the recovery that is currently beginning is moving more quickly than anticipated. This came as a result of the economy's comparatively strong recovery in 2021, which was mostly driven by a historically huge consumer spending binge. 2022 has been the year of job restoration due to the area labor market's rebound.

For most of the coronavirus recession and subsequent recovery, the Los Angeles County housing market was on a different trajectory than the California market. From a high of home sales and prices in 2021, home price appreciation is forecast to slow significantly in 2022. According to the SCVEDC, sales will continue to be impacted for the remainder of the year as mortgage rates remain above 5.0 percent. Sales will also remain muted in 2023. The brunt of the sale decline occurs in 2022 when sales fall 21 percent from the 2021 sales rate. In 2023, sales are forecast to decline another 6 percent before recovering in tandem with mortgage rates in 2024. The median selling value of existing homes is not yet forecast to decline. In inflation adjusted dollars, values do fall 2 percent. Mortgage rates remain high into 2023 and begin to reverse in the second half of 2023 and through 2024.

GROWTH - Based on current development activity, the Agency currently expects moderate growth within its Service Area in the current and next few Fiscal Years (1.36% annually). 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 forecasted water demand is estimated to increase from 59,000 acre-feet in 2022 to 93,900 acre-feet in 2050, representing an average annual increase ranging from 1 to 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 recovery of the COVID-19 pandemic, and real estate market conditions.

PFAS - Like many communities throughout the nation, trace amounts of PFAS have been found in our water supply. PFAS (Per- and polyfluoroalkyl substances) are a group of man-made chemicals which have been manufactured and used in a variety of industries worldwide for more than 70 years.

These chemicals are found in thousands of commonly used products, such as non-stick cookware, shampoo, food wrappers, firefighting foam, clothing, paints and cleaning products. Additionally, these chemicals exist in the environment due to manufacturing, product use and discharge of treated wastewater. Most people have measurable amounts of PFAS in their blood and are typically exposed to PFAS through eating food grown in contaminated water/soil or consuming food from packaging that contains PFAS; breathing air with dust particles from contaminated soil, upholstery, clothing; inhaling fabric sprays containing PFAS; or drinking contaminated water.



The Agency quickly responds to changing guidelines and regulations from the State Water Resources Control Board – Division of Drinking Water. Under the current response levels, last lowered in February 2020, 14 of the 40 active agency wells have been removed from service. This accounts for approximately 45 percent of the Agency’s groundwater supply. In FY 2021, groundwater accounted for 24% of the total water used in the SCV Water service area. The Agency has taken immediate steps to address PFAS in our groundwater, including proactive quarterly sampling of water from all of our wells to ensure they are in line with state and federal standards. The water-resistant properties of PFAS make them difficult to remove from water; however, there are proven treatment options.

Our first PFAS water treatment facility opened in fall 2020, with the second operational in November 2022. It is an investment in our long-term water supply and will restore use of a substantial portion of our groundwater that has been impacted due to PFAS chemicals and will provide enough water to serve 5,000 families for a year. Additional projects are in the planning phases and are set to go online late in 2023. The Agency has estimated the cost of this work in FY 2021/22 to be \$11,535,000 and \$10,850,000 in FY 2022/23. The Agency has also initiated litigation to pursue recovery of economic damages from PFAS manufacturers and is pursuing potential sources of grants and low interest loans for groundwater cleanup projects.

INFLATION - The country's ongoing worry is inflation. We are all aware that consumer prices are rising more quickly than they have in the past since the early 1980s. The economy has been inundated with cash as a result of significant fiscal policy expenditure in 2021, more Congressional spending this year, and significantly rising salaries for a labor force that is fully employed.

Rates of inflation are increasing rapidly in many developed economies and construction projects are feeling the effects — not only are essential materials and skilled labor significantly more expensive, but supply chain pressures and shortages are making it harder to secure needed construction materials. Lumber, steel, and many other materials critical for construction projects have experienced skyrocketing increases in pricing. While the root of the problem was supply chain disruptions due to the COVID-19 pandemic, new challenges — including geopolitical risks — continue to put pressures on pricing and an increase in government-led infrastructure activity is further increasing demand for construction materials. Labor shortages and increasing wage costs have been affecting the construction industry for a number of years. Given the broader economic pressures that exist, this challenge is unlikely to be resolved in the near future.

WATER USE EFFICIENCY AND ENVIRONMENTAL INITIATIVES - SCV Water’s supplies will be subject to a wide variety of known and unknown risks in the coming years. To ensure a sustainable water supply for its customers, SCV Water will need to respond to more extreme droughts, floods, rising temperatures, and changing regulatory requirements. Staff proposes to undertake a multi-year Water Resiliency Initiative with the objective of taking actions that will ensure safe and resilient water supplies and healthy water ways for our community, economy, and the environment. The Santa Clara River’s environmental resources and water supplies are interdependent, and an integrated approach is required. Further, SCV Water will face financially significant investment decisions related to water supplies in upcoming years. The Water Resiliency Initiative seeks to expand our knowledge, develop necessary analytic tools, and prepare associated studies and other activities (as identified below) to inform SCV Water’s investment strategies:



Environmental – Groundwater supplies are tied to the Santa Clara River’s environmental health. Greater understanding of the ecosystems, their conditions, the factors that influence sustainability will be required as SCV Water advances water management programs in the upcoming years.

Water Resource Integration – SCV Water has a complex array of interdependent water supply programs; however, its current modeling tools cannot fully integrate the operation of these programs, nor are they able to fully analyze the integration of alternative new water supplies. Investing in analytic tools will be important to selecting cost-effective investments in new water reliability programs.

Surface Water and Groundwater – Understanding the interconnection between surface water, groundwater and environmental resources will be vital to the Agency developing local groundwater resources. Aquifer monitoring and testing, along with integrated modeling, will afford SCV Water the capability to update the current operating plan which is based on work done in 2003.

Stakeholder Engagement – A lesson learned through implementation of the Sustainable Groundwater Management Act is the importance of involving a diverse set of stakeholders from the outset of an initiative. Staff propose to build on that experience in the Water Resiliency Initiative by incorporating a robust public outreach component into this effort.

Planning and Strategic Integration – Management of the Water Resiliency Initiative to assure alignment with the Agency’s Planning and other policy initiatives utilizing strategic and legal services will be employed to produce a masterplan and its accompanying CEQA document.

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 reduction in customer demand due conservation requirements and the trend 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.



BUDGET SUMMARY

The FY 2021/22 & FY 2022/23 Biennial Budget reflects planned activities to achieve the Agency's mission and implement the strategic plan goals and objectives as developed by the Board of Directors. The Biennial Budget document combines the financial presentations for the Agency and represents the spending plan for the fiscal years beginning July 1, 2021, and July 1, 2022 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. The Agency has had the opportunity to learn some valuable lessons since the merger on January 1, 2018. The Board of Directors and staff continue to evaluate and implement those innovative strategies and have worked hard to implement creative solutions to serve our employees and customers. 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.

Pressure comes from increased costs, which must be incorporated into department budgets. The budget emphasizes short and long-term planning, recognizing slow growth in the short-term, 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 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.

Operating Budget - 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.

Revenue - The total revenues of \$127 million are comprised of \$86.9 million in water sales, \$27.9 million in one-percent property tax revenues, \$9.8 million in grants and reimbursements, \$2.4 million in miscellaneous revenues. This is less than a 1% or \$143,000 decrease over the adopted Budget of FY 2020/21. Although this is the first year of the five-year retail water sales rate study, the first year of the study (FY 2021/22) is revenue neutral. The Agency is expecting growth of approximately 1.36% or 1,013 equivalent retail service connections but has also accounted for a reduction in sales to meet conservation requirements.

Expenses - Total operating expenditures for FY 2021/22 are budgeted at \$122 million and are comprised of General Fund/Operating Budget expenditures of \$84.4 million, debt service payments (net of facility capacity fee fund transfer) of \$18.9 million and pay-go capital improvement program (CIP) expenditures (funded by operating budget) of \$18.7 million. Overall, there was a 10.8% (\$16 million) increase in operating expenditures over the adopted FY 2020/21 budget. The most significant increases are due to \$5.3 million in debt service payments; \$1 million in source of supply for additional water purchases due to low state water allocation; and \$2.7 million in PFAS treatment operations and maintenance.



Capital Improvement Plan (CIP) - The proposed CIP “pay-go” (pay-as-you-go) in FY 2021/22 is projected at \$47.2 million and the revised FY 2022/23 is projected at \$75.8 million. The pay-go CIP plan is funded by retail water rates, a portion of the one-percent property taxes and transfers from the capital reserve. Significant increases are primarily due to the construction of dry year replacements wells, pipeline replacements, technology service improvements, customer service utility billing software upgrade, water resiliency master plan and upgrades to the water conservation garden at the Rio Vista Water Treatment Plant.

Looking forward, the Agency is expecting to increase its service connections by 1,047 in FY 2022/23 and 1,068 in FY 2023/24, just over 1% growth. In FY 2020/21, the Agency adopted its first water rate study with an effective date of July 1, 2021. The objectives of the study were to unify retail water rates in the Santa Clarita Valley where the three previously separate retail water purveyors had different rates; build into retail water rates the new and substantial cost of PFAS extraction from the water supply; provide reasonable levels of funding for pay-as-you-go (“Pay-go”) capital projects and planned financing costs of future debt funded capital projects during the rate plan period; while creating equitable and affordable rates for all customers in the service area that proportionately allocate costs of providing water to each parcel based on the parcel’s cost of service. In addition to these rate changes for potable water, recycled water rates have been updated as well to reflect the cost of service for this product. With the adoption of the rate study, the water rates were normalized across the Agency’s retail divisions and customers.

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, 2020. The Agency has received the award for two consecutive years.

The Agency also received the Excellence in Financial Reporting award for its Annual Comprehensive Financial Report for fiscal year ending June 30, 2021 from GFOA. This was the second year the Agency presented its report to GFOA.

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 Annual Comprehensive Financial Report, and for their hard work to ensure a successful outcome.

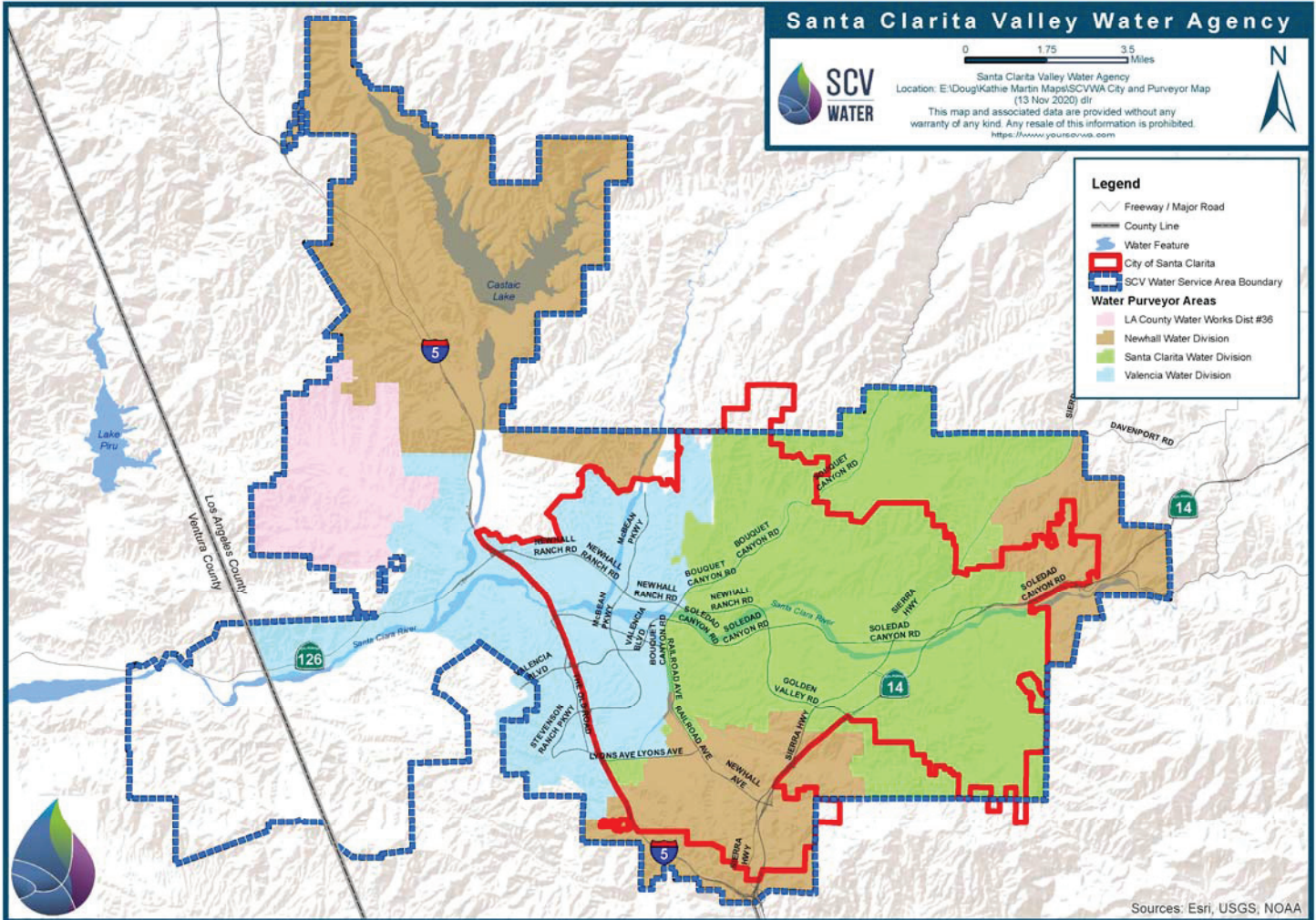
I would also like to thank the firm of Lance, Soll and Lunghard, LLP, for their professional work and opinion. Staff and I acknowledge and appreciate the Board of Director's continued support and direction in achieving excellence in financial management.

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

Board of Directors



Gary Martin
President



Piotr Orzechowski
Vice President



Kathye Armitage
Director



Beth Braunstein
Director



Ed Colley
Director



William Cooper
Director



Jeff Ford
Director



Maria Gutzeit
Director



R.J. Kelly
Director



Kenneth J. Petersen
P.E. Director



Lynne Plambeck
Director

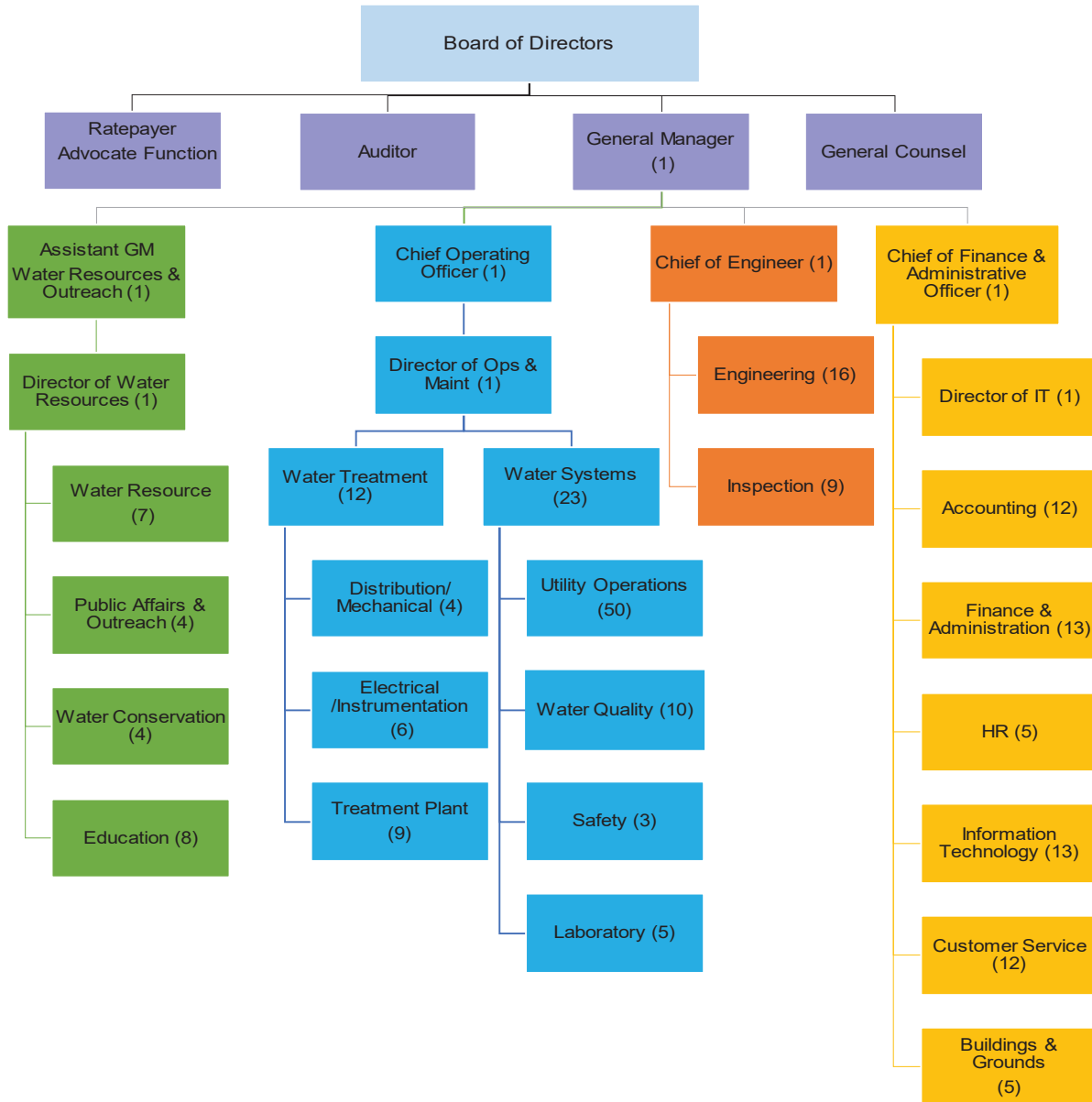
Agency Financial Management

Matthew G. Stone - General Manager

Stephen L. Cole - Assistant General Manager

Rochelle Patterson - Chief Financial and Administrative Officer

ORGANIZATIONAL STRUCTURE



TOTAL POSITIONS	234
FULL-TIME	223
PART-TIME	10
LIMITED DURATION EMPLOYEES	1
FTE EQUIVALENTS	228



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**Santa Clarita Valley Water Agency
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinion

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, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency, as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), 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 Standards for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in the notes to the financial statements, in the fiscal year ended June 30, 2022, the Agency adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State Controller's Minimum Audit Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Controller's Minimum Audit Standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and required pension and other post-employment benefits schedules, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.



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

Supplementary 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 combining fund financial statements (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 supplementary information is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2022, 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.

A handwritten signature in black ink that reads "Lance, Soll & Lughard, LLP". The signature is written in a cursive, flowing style.

Brea, California
December 12, 2022



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SANTA CLARITA VALLEY WATER AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

This section of the Santa Clarita Valley Water Agency's (Agency) annual comprehensive financial report presents our analysis of the Agency's financial performance and activities for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here with the basic financial statements and related notes, which follow this section.

OVERVIEW

SCV Water was created by SB (Senate Bill) 634 (Act), which went into effect on January 1, 2018. The goal of SB 634 was to create a new agency that could 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, and one regional entity, to support water services of a single organization. It will provide water service to customers within the service boundary previously serviced by Castaic Lake Water Agency (CLWA), Santa Clarita Water Division (SCWD), a division of CLWA, Newhall County Water District (NCWD) and Valencia Water Company (VWC).

The combining statements include the agency's three blended component units (BCUs):

- Upper Santa Clara Valley Joint Powers Authority, a BCU (Blended Component Unit)
- Devil's Den Water District, a BCU
- Groundwater Sustainability Agency, a BCU

Financial Highlights

- As of June 30, 2022, the Agency's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$660.81 million (net position). Of this balance, unrestricted net position amounted to \$87.5 million.
- The Agency's total operating revenues amounted to \$87.54 million during the period.
- The Agency's total operating expenses amounted to \$112.93 million (including depreciation) during the period.

SANTA CLARITA VALLEY WATER AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

REQUIRED FINANCIAL STATEMENTS

This discussion and analysis are 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 Basic Financial Statements. This report also contains other supplementary information in addition to the basic financial statements.

- The *Statement of Net Position* presents information on 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 Agency's success over the past year and can be used to determine if the Agency has recovered all its costs through its rates and other charges. However, one must consider other nonfinancial factors such as changes in economic or environmental 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. It also provides answers to such questions as where the cash came from, what the cash was used for, and what the change in cash balance was 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.

As of July 1, 2021, the previous Divisions have now been consolidated into one Agency financial statement. The Agency's records are maintained on an enterprise basis, or full accrual basis. 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 about the Agency in Note 1 to the basic financial statements.

SANTA CLARITA VALLEY WATER AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

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 like the accounting used by most private sector companies. All the current year's revenues are recognized when earned and expenses are recorded when incurred, regardless of when the cash is received or paid.

These two statements report on 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. It is important to consider other non-financial factors, such as changes in the Agency's property tax base and the grants the Agency is awarded, to assess the *overall financial health* of the Agency.

SANTA CLARITA VALLEY WATER AGENCY

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Statements of Net Position (condensed)

	2022	2021	Variance
Assets			
Current and Other Assets	\$ 189,682,218	\$ 214,908,155	\$ (25,225,937)
Restricted Assets	132,000,652	126,245,565	5,755,087
Lease Receivable	5,899,369	-	5,899,369
Net OPEB Asset	3,373,859	-	3,373,859
Capital Assets, Net	723,271,563	766,983,482	(43,711,919)
Total Assets	1,054,227,661	1,108,137,202	(53,909,541)
Deferred Outflows of Resources			
Deferred Pension Outflows	5,250,014	5,471,686	(221,672)
Deferred OPEB Outflows	2,721,233	3,603,848	(882,615)
Loss on Defeasance of Debt	8,465,260	9,019,282	(554,022)
Total Deferred Outflows of Resources	16,436,507	18,094,816	(1,658,309)
Liabilities			
Current Liabilities	49,779,957	49,343,615	436,342
Restricted Liabilities	5,894,877	6,306,833	(411,956)
Noncurrent Liabilities	336,097,642	370,695,038	(34,597,396)
Total Liabilities	391,772,476	426,345,486	(34,573,010)
Deferred Inflows of Resources			
Deferred Pension Inflows	6,750,652	548,087	6,202,565
Deferred OPEB Inflows	4,773,004	1,495,436	3,277,568
Deferred Lease Inflows	6,553,224	-	6,553,224
Total Deferred Inflows of Resources	18,076,880	2,043,523	16,033,357
Net Position			
Net Investment in Capital Assets	458,864,394	463,815,825	(4,951,431)
Restricted	114,418,427	114,429,838	(11,411)
Unrestricted	87,531,991	119,597,346	(32,065,355)
Total Net Position	\$ 660,814,812	\$ 697,843,009	\$ (37,028,197)

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, 2022, the Agency's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$660.81 million, a \$16.39 million or a 2.54% 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 69% as of June 30, 2022) reflects the Agency's investment in capital assets (net of accumulated depreciation) less any related, outstanding debt used to acquire those capital assets. Net investment in capital assets decreased to \$458.86 million as compared to \$463.82 million for the year ended June 30, 2021, a \$4.95 million or 1.1% decrease. The Agency uses these capital assets to provide services to

SANTA CLARITA VALLEY WATER AGENCY

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

customers within the Agency's service area; consequently, these assets are *not* available for future spending. See Note 10 for further information.

Statements of Revenues, Expenses, and Changes in Net Position

	2022	2021	Variance
Operating Revenues:			
Water Consumption Sales and Services	\$ 79,321,746	\$ 89,094,520	\$ (9,772,774)
Other Charges and Services	8,221,293	18,199,112	(9,977,819)
Total Operating Revenues	87,543,039	107,293,632	(19,750,593)
Operating Expenses:			
Source of Supply	8,834,320	503,600	8,330,720
Pumping	12,777,423	9,304,445	3,472,978
Transmission and Distribution	12,345,349	10,900,673	1,444,676
Water Treatment	12,057,264	8,435,826	3,621,438
Administration and General	16,844,402	19,544,792	(2,700,390)
Depreciation Expense	38,763,550	32,824,057	5,939,493
Maintenance	-	2,399,046	(2,399,046)
Engineering	4,114,430	3,575,292	539,138
Water Quality	-	1,241,951	(1,241,951)
Water Resources	5,871,991	10,691,530	(4,819,539)
Management	3,991,186	2,468,783	1,522,403
Customer Care	2,827,118	1,765,648	1,061,470
Non-Departmental ¹	(5,494,516)	-	(5,494,516)
Total Operating Expenses	112,932,517	103,655,643	9,276,874
Operating Income (Loss)	(25,389,478)	3,637,989	29,027,467
Nonoperating Revenues (Expenses):			
Taxes	65,355,663	65,084,327	271,336
Intergovernmental	3,963,468	-	3,963,468
Interest Revenue	(5,315,989)	346,579	(5,662,568)
Interest Expense	(14,550,338)	(9,158,363)	(5,391,975)
Other Revenue (Expense)	9,229,258	3,422,524	5,806,734
State Water Contract	(26,443,518)	(23,597,239)	(2,846,279)
Gain (loss) on Disposal of Capital Assets	-	(98,058)	98,058
Total Nonoperating Revenues (Expenses)	32,238,544	35,999,770	(3,761,226)
Income (Loss) Before Capital Contributions	6,849,066	39,637,759	(32,788,693)
Capital Contributions	9,544,610	3,789,061	5,755,549
Change in Net Position	16,393,676	43,426,820	(27,033,144)
Net Position:			
Beginning of Year, as previously reported	697,843,009	654,416,189	43,426,820
Restatements	(53,421,873)	-	(53,421,873)
Beginning of Fiscal Year, as restated	644,421,136	654,416,189	(9,995,053)
End of Fiscal Year	\$ 660,814,812	\$ 697,843,009	\$ (37,028,197)

SANTA CLARITA VALLEY WATER AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

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

The Agency's total revenues amounted to \$170.32 million for the fiscal year ended June 30, 2022, and \$176.15 for the fiscal year ended June 30, 2021. Fiscal year 2022 operating revenues amounted to \$87.54 million and are comprised of water consumption sales and services of \$79.32 million, and other charges and services of \$8.22 million. This compares to operating revenues of \$107.29 million for the fiscal year ended June 30, 2021. There were two significant changes that affected operating revenues. Water Consumption Sales and Services were lower compared to the prior year, primarily due to conservation efforts. The Agency sold 1% (618 acre-feet) less water in the fiscal year ended June 30, 2022, than was sold in the fiscal year ended June 30, 2021, resulting in lower water consumption revenue. Additionally, facility capacity and connection fees are now grouped with Nonoperating Revenues for the fiscal year ended June 30, 2022.

Nonoperating revenues amounted to \$73.23 million for the fiscal year ended June 30, 2022, as compared to \$68.85 million for the fiscal year ended June 30, 2021. The current year nonoperating revenues are comprised of \$65.36 million in property taxes, \$3.96 in intergovernmental revenues, \$5.32 million loss in interest earnings and \$9.23 million in other revenue. The large decrease in interest revenue is due to the unrealized "paper" losses on investment holdings as of the fiscal year ended June 30, 2022. The agency holds investments until maturity and therefore receives full value at maturity. Facility Capacity & Connection fees are grouped with Non-Operating Revenues in the fiscal year ended June 30, 2022. They were included in Operating Revenues in the fiscal year ended June 30, 2021.

The Agency's total expenses (including depreciation expense) amounted to \$153.93 million for the fiscal year ended June 30, 2022, as compared to \$136.51 million for the fiscal year ended June 30, 2021. Operating expenses for the fiscal year ended June 30, 2022, amounted to \$112.93 million. Some Operating Departments were reorganized and combined for increased efficiencies. Operating expenses are comprised of Management expense of \$3.99 million, Depreciation expense of \$38.76 million, Source of Supply of \$8.83 million, Finance, Administration, and Technology expense of \$16.84 million, Pumping, Wells, and Storage expense of \$12.78 million, Water Quality, Treatment, and Maintenance of \$12.06 million, Water Resources of \$5.78 million, Transmission and Distribution of \$12.35 million, Engineering expense of \$4.11 million, and Customer Care expenses of \$2.83 million. There were no significant changes to operating expenses, except in the Transmission and Distribution department. The Agency experienced a couple of mainline leaks requiring sizable repairs and the added cost of resin media for the newly constructed PFAS (Polyfluoroalkyl Substances) treatment facilities. The Source of Supply department is now tracking major water purchases, other than the State Water Project. These were previously included in the Water Resources Department.

Nonoperating expenses amounted to \$40.99 million for the year ended June 30, 2022, as compared to \$32.85 million for the fiscal year ended June 30, 2021. The current year nonoperating expenses are comprised of \$26.44 million in State Water Contract expenses and interest expense of \$14.55 million. The State Water Project is not generating the historical levels of hydropower. Therefore, pumping and power costs increased. Debt service on the 1999A Certificates of Participation began in the fiscal year ended June 30, 2022. This increased interest expense.

SANTA CLARITA VALLEY WATER AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

Capital Assets and Debt Administration

The Agency's capital assets as of June 30, 2022, totaled \$765.08 million (net of accumulated depreciation) as compared to \$766.98 million as of June 30, 2021, a 2.5% decrease.

Capital Assets			
	2022	2021	Variance
Capital Assets, not being depreciated			
Non-depreciable Assets	\$ 143,972,178	\$ 117,251,563	\$ 26,720,615
Capital Assets, net - being depreciated			
Depreciable Assets	1,200,775,537	1,178,654,416	22,121,121
Accumulated Depreciation and Amortization	(621,476,152)	(528,922,497)	(92,553,655)
Subtotal	579,299,385	649,731,919	(70,432,534)
Total Capital Assets, net	\$ 723,271,563	\$ 766,983,482	\$ (43,711,919)

The Agency's investment in capital assets includes land, water treatment plants, contractual state water project rights, contractual water rights with other agencies, transmission and distribution systems, pumping, wells and storage, treatment plants, buildings and structures, equipment, furniture and fixtures, vehicles, solar projects, and construction-in process.

Major capital asset additions included the upgrades to state water project rights, upgrades to contractual rights with other agencies, upgrades to booster stations, upgrades to the control system, 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 fully analyzed in Note 6 of the basic financial statements.

Long-Term Debt Administration

	2022	2021	Variance
Certificates of Participation	\$ 73,494,884	\$ 79,575,190	\$ (6,080,306)
Revenue Bonds	272,309,903	288,777,752	(16,467,849)
Total Long-Term Debt	\$ 345,804,787	\$ 368,352,942	\$ (22,548,155)

Long-term Debt

The Agency had \$345.80 million in long-term debt, as of June 30, 2022, of which \$19.09 million is considered a current liability. This compares to a \$19.02 million current portion as of June 30, 2021. The long-term debt position of the Agency is fully analyzed in Note 9 of the basic financial statements.

SANTA CLARITA VALLEY WATER AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

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. Water treatment for trace amounts of PFAS, as required by State regulation, will involve considerable capital. 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 several water quality and pipeline projects that will not have significant operating costs. However, the ongoing 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.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>2022</u>
Assets:	
Current:	
Cash and cash equivalents	\$ 49,678,387
Investments	119,564,036
Receivables:	
Accounts - water sales	12,432,595
Property tax	1,691,439
Accrued interest	180,120
Accounts - other	2,418,352
Lease	662,146
Prepaid costs	256,146
Due from other governments	162,829
Materials and supplies inventory	2,636,168
Restricted:	
Cash and cash equivalents	1,058,982
Investments	116,640,082
Cash with fiscal agent	11,810,671
Receivables:	
Property tax	1,641,269
Accrued interest	129,273
Accounts - other	720,375
	<u>321,682,870</u>
Total Current Assets	
Noncurrent:	
Lease receivable	5,899,369
Net OPEB asset	3,373,859
Capital assets - not being depreciated	143,972,178
Capital assets - net of accumulated depreciation/amortization	579,299,385
	<u>732,544,791</u>
Total Noncurrent Assets	
Total Assets	<u>1,054,227,661</u>
Deferred Outflows of Resources:	
Deferred pension outflows	5,250,014
Deferred OPEB outflows	2,721,233
Loss on defeasance of debt	8,465,260
	<u>16,436,507</u>
Total Deferred Outflows of Resources	

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>2022</u>
Liabilities:	
Current:	
Accounts payable	10,048,140
Accounts payable - restricted	5,894,877
Accrued liabilities	1,506,639
Accrued interest	6,326,030
Unearned revenues	131,810
Deposits payable	817,006
Due to other governments	19,447
Lease payable	126,809
Advances for construction	11,074,347
Accrued compensated absences	636,000
Certificates of participation	2,833,729
Revenue bonds	16,260,000
	<hr/>
Total Current Liabilities	55,674,834
	<hr/>
Noncurrent:	
Lease payable	110,016
Net pension liability	7,367,113
Accrued compensated absences	1,909,455
Certificates of participation	70,661,155
Revenue bonds	256,049,903
	<hr/>
Total Noncurrent Liabilities	336,097,642
	<hr/>
Total Liabilities	391,772,476
	<hr/>
Deferred Inflows of Resources:	
Deferred pension inflows	6,750,652
Deferred OPEB inflows	4,773,004
Deferred lease inflows	6,553,224
	<hr/>
Total Deferred Inflows of Resources	18,076,880
	<hr/>
Net Position:	
Net investment in capital assets	458,864,394
Restricted for:	
Capital projects	16,402,818
State water contract	88,320,251
Capacity fees	9,695,358
Unrestricted	87,531,991
	<hr/>
Total Net Position	\$ 660,814,812
	<hr/> <hr/>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022

	<u>2022</u>
Operating Revenues:	
Water consumption sales and services	\$ 79,321,746
Other charges and services	<u>8,221,293</u>
Total Operating Revenues	<u>87,543,039</u>
Operating Expenses:	
Management	3,991,186
Finance, Administration and Technology	16,844,402
Customer Care	2,827,118
Engineering Services	4,114,430
Water Quality, Treatment, and Maintenance	12,057,264
Pumping, Wells and Storage	12,777,423
Transmission and Distribution	12,345,349
Water Resources and Public Outreach	5,871,991
Source of Supply	8,834,320
Non-Departmental	(5,494,516)
Depreciation/amortization expense	<u>38,763,550</u>
Total Operating Expenses	<u>112,932,517</u>
Operating Income (Loss)	<u>(25,389,478)</u>
Nonoperating Revenues (Expenses):	
Taxes - Unrestricted	29,786,510
Taxes - Restricted	35,569,153
Intergovernmental	3,963,468
Investment earnings	(5,315,989)
Interest expense	(14,550,338)
Other revenue	9,229,258
State Water Contract	<u>(26,443,518)</u>
Total Nonoperating Revenues (Expenses)	<u>32,238,544</u>
Income (Loss) Before Capital Contributions	6,849,066
Capital Contributions	<u>9,544,610</u>
Changes in Net Position	16,393,676
Net Position:	
Beginning of Year, as previously reported	<u>697,843,009</u>
Restatements	<u>(53,421,873)</u>
Beginning of Fiscal Year, as restated	<u>644,421,136</u>
End of Fiscal Year	<u>\$ 660,814,812</u>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

STATEMENT OF CASH FLOWS
JUNE 30, 2022

	<u>2022</u>
Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 88,118,580
Cash paid to suppliers for goods and services	(56,325,212)
Cash paid to employees for services	(26,120,883)
	<u>5,672,485</u>
Net Cash Provided (Used) by Operating Activities	5,672,485
Cash Flows from Non-Capital Financing Activities:	
Cash transfers out	(30,060,273)
Cash transfers in	30,060,273
Proceeds from property taxes	65,054,038
Payments for state water contract	(26,443,518)
Proceeds from grants	3,800,639
Proceeds from non-operating revenues	9,229,258
Contributed revenue	80,000
	<u>51,720,417</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	51,720,417
Cash Flows from Capital and Related Financing Activities:	
Principal received on lease receivable	760,988
Capital contributions	11,951,401
Acquisition and construction of capital assets	(48,517,579)
Principal paid on capital debt	(19,024,282)
Interest paid on capital debt	(14,253,888)
Principal paid on lease liability	(126,903)
	<u>(69,210,263)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	(69,210,263)
Cash Flows from Investing Activities:	
Interest earnings	(5,464,854)
	<u>(5,464,854)</u>
Net Cash Provided (Used) by Investing Activities	(5,464,854)
Net Increase (Decrease) in Cash and Cash Equivalents	(17,282,215)
Cash and Cash Equivalents at Beginning of Year	<u>316,034,373</u>
Cash and Cash Equivalents at End of Year	\$ 298,752,158
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Statement of Net Position:	
Current:	
Cash and cash equivalents	\$ 49,678,387
Investments	119,564,036
Restricted:	
Cash and cash equivalents	1,058,982
Investments	116,640,082
Cash with fiscal agent	11,810,671
	<u>\$ 298,752,158</u>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

STATEMENT OF CASH FLOWS
JUNE 30, 2022

	<u>2022</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (25,389,478)
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:	
Depreciation	38,763,550
(Increase) decrease in accounts receivable	3,437,105
(Increase) decrease in materials and supplies inventory	(490,626)
(Increase) decrease in prepaid expense	517,621
Increase (decrease) in accounts payable	1,415,203
Increase (decrease) in due to other governments	19,447
Increase (decrease) in deposits payable	719,524
Increase (decrease) in unearned revenue	(8,025,657)
Increase (decrease) in accrued liabilities	(969,904)
Increase (decrease) in net OPEB liability and related items	(1,140,176)
Increase (decrease) in net pension liability and related items	(3,008,249)
Increase (decrease) in compensated absences	(175,875)
Total Adjustments	31,061,963
Net Cash Provided (Used) by Operating Activities	\$ 5,672,485
Non-Cash Investing, Capital, and Financing Activities:	
Amortization of Premiums/Discounts	\$ (111,174)
Accreted interest of 1999A Revenue COP	(3,080,855)



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SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

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.

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, 2022

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 February 1
Collection dates	December 10 and April 10

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

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 acquisition 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, 2022

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, 2020
- Measurement Date: June 30, 2021
- Measurement Period: July 1, 2020 to June 30, 2021

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.

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.

t. Implementation of New Accounting Standard

During the year ended June 30, 2022, the Agency implemented the following new accounting standards issues by the Governmental Accounting Standards Board (GASB):

GASB 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. See additional information in Note 9.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 2: Cash and Investments

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

	<u>2022</u>
Cash and cash equivalents	\$ 49,678,387
Cash and cash equivalents (restricted)	1,058,982
Cash and cash equivalents with fiscal agent	11,810,671
Investments - current	119,564,036
Investments - current (restricted)	116,640,082
Total cash and investments	<u><u>\$ 298,752,158</u></u>

Cash and investments as of June 30th, consist of the following:

	<u>2022</u>
Cash on hand	\$ 2,725
Deposits with financial institutions	50,734,644
Cash with fiscal agent	11,810,671
Investments	236,204,118
Total cash and investments	<u><u>\$ 298,752,158</u></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, 2022**

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.

<u>Authorized Investment</u>	<u>Maximum</u>	<u>Maximum Percentage</u>	<u>Maximum Investment</u>
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 email to LACPIF.
- One business day's advance notice is required for withdrawals of \$2 million or greater.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2022

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 Annual Comprehensive Financial Report (ACFR). Copies of the ACFR 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, 2022

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, 2022:

Investment Type	Total	Remaining Maturity (In Months)			Fair Value Adjustment
		12 Months or Less	13 to 24 Months	25-60 Months	
Federal Farm Credit Bank	\$ 10,587,506	\$ 2,000,560	\$ 7,000,000	\$ 1,997,700	\$ (410,754)
Federal Home Loan Bank	26,668,927	-	10,435,005	17,273,050	(1,039,128)
Fannie Mae	5,514,620	-	-	5,978,520	(463,900)
State and Local Agencies	15,397,511	-	7,397,034	8,751,961	(751,484)
Commercial Bonds	2,987,846	-	3,000,000	-	(12,154)
Local Agency Investment Fund (LAIF)	93,251,622	94,464,534	-	-	(1,212,912)
Los Angeles County Pooled Investment Fund	65,135,303	67,947,818	-	-	(2,812,515)
Certificates of Deposit	4,178,428	1,550,000	1,678,760	1,095,000	(145,332)
Money Market Funds	12,482,355	12,482,355	-	-	-
Total	<u>\$ 236,204,118</u>	<u>\$ 178,445,267</u>	<u>\$ 29,510,799</u>	<u>\$ 35,096,231</u>	<u>\$ (6,848,179)</u>

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
Federal Home Loan Bank	Federal agency securities	\$ 26,668,927

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.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 2: Cash and Investments (Continued)

Credit ratings of investments and cash equivalents as of June 30, 2022, 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	\$ 10,587,506	N/A	\$ -	\$ 10,587,506	\$ -
Federal Home Loan Bank	26,668,927	N/A	-	26,668,927	-
Fannie Mae	5,514,620	N/A	-	5,514,620	-
State and Local Agencies	15,397,511	N/A	-	15,397,511	-
Commercial Bonds	2,987,846	N/A	-	2,987,846	-
Local Agency Investment Fund (LAIF)	93,251,622	N/A	-	-	93,251,622
Los Angeles County Pooled Investment Fund	65,135,303	N/A	-	-	65,135,303
Certificates of Deposit	4,178,428	N/A	4,178,428	-	-
Money Market	12,482,355	N/A	12,482,355	-	-
	<u>\$ 236,204,118</u>		<u>\$ 16,660,783</u>	<u>\$ 61,156,410</u>	<u>\$ 158,386,925</u>

Investments measured at fair value on a recurring and non-recurring basis at June 30, 2022, 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	\$ 42,771,053	\$ -	\$ 42,771,053	\$ -
Certificates of Deposit	4,178,428	-	4,178,428	-
Commercial Bonds	2,987,846	-	2,987,846	-
State and local agencies	15,397,511	15,397,511	-	-
Total Investments with Observable Inputs	65,334,838	<u>\$ 15,397,511</u>	<u>\$ 49,937,327</u>	<u>\$ -</u>
Local Agency Investment Fund (LAIF)	93,251,622			
Los Angeles County Pooled Investment Fund (LACPIF)	65,135,303			
Money Market Funds	12,482,355			
Total Investments Measured at Fair Value	<u>\$ 236,204,118</u>			

Note 3: 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, 2022, was \$23,318,672.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 3: Deferred Contribution Plan (Continued)

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, 2022, was \$1,134,166.

Note 4: 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:

<u>Balance</u> <u>July 1, 2021</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Current</u> <u>Portion</u>	<u>Noncurrent</u> <u>Portion</u>
<u>\$ 2,721,330</u>	<u>\$ 2,502,467</u>	<u>\$ 2,678,342</u>	<u>\$ 2,545,455</u>	<u>\$ 636,000</u>	<u>\$ 1,909,455</u>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 5: Capital Assets

Changes in capital assets for the year ended June 30, 2022, were as follows:

	Balance June 30, 2021	Adjustments/ Transfers	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2022
Non-depreciable assets:					
Land and land rights	\$ 40,438,436	\$ -	\$ -	\$ -	\$ 40,438,436
Construction in-process	76,813,132	-	48,517,579	(21,796,969)	103,533,742
Total non-depreciable assets	<u>117,251,568</u>	<u>-</u>	<u>48,517,579</u>	<u>(21,796,969)</u>	<u>143,972,178</u>
Depreciable assets:					
Contractual state water project rights	158,894,353	-	4,045,060	-	162,939,413
Contractual water rights-other agencies	130,791,884	-	5,709,262	-	136,501,146
Treatment Plant	365,340,023	-	586,529	-	365,926,552
Water mains	234,110,426	-	183,321	-	234,293,747
Reservoirs and tanks	87,040,721	-	1,526,465	-	88,567,186
Boosters	37,864,181	-	1,300,697	(10,388)	39,154,490
Reclaimed water	5,255,820	-	-	-	5,255,820
Control System	427,467	-	6,869,522	-	7,296,989
Castic turnout	398,243	-	-	-	398,243
Services and meters	62,385,133	-	428,468	-	62,813,601
Maintenance Facility	188,310	-	-	-	188,310
Large tools and equipment	12,140,219	-	362,467	-	12,502,686
Furniture and fixtures	7,811,362	-	-	-	7,811,362
Vehicles	4,108,761	-	339,381	(29,597)	4,418,545
Office equipment	2,389,620	-	-	-	2,389,620
Solar projects	15,564,462	-	16,843	-	15,581,305
Building	1,434,284	-	-	-	1,434,284
Hydrants	22,512,906	-	-	-	22,512,906
Well	14,679,542	-	164,056	-	14,843,598
Sewer Plant	1,374,981	-	252,589	-	1,627,570
Structure & improvements	-	-	5,876	-	5,876
Office structures & improvements	13,363,273	-	6,433	-	13,369,706
Right-to-use leased equipment	-	364,139 *	-	-	364,139
Intangible	578,443	-	-	-	578,443
Total depreciable assets	<u>1,178,654,414</u>	<u>364,139</u>	<u>21,796,969</u>	<u>(39,985)</u>	<u>1,200,775,537</u>
Accumulated depreciation and amortization:					
Contractual state water project rights	(87,120,790)	-	(8,458,446)	-	(95,579,236)
Contractual water rights-other agencies	(41,417,510)	-	(6,557,330)	-	(47,974,840)
Treatment Plant	(152,652,908)	(53,830,197) ^	(7,997,923)	-	(214,481,028)
Water mains	(96,038,807)	-	(4,561,373)	-	(100,600,180)
Reservoirs and tanks	(43,412,246)	-	(2,173,180)	-	(45,585,426)
Boosters	(28,391,019)	-	(1,412,013)	10,388	(29,792,644)
Reclaimed water	(2,607,758)	-	(147,295)	-	(2,755,053)
Control System	-	-	(324,064)	-	(324,064)
Castic turnout	(326,563)	-	(7,965)	-	(334,528)
Services and meters	(36,398,029)	-	(2,365,208)	-	(38,763,237)
Maintenance Facility	(188,310)	-	-	-	(188,310)
Large tools and equipment	(8,534,976)	-	(1,153,197)	-	(9,688,173)
Furniture and fixtures	(6,202,681)	-	(532,882)	-	(6,735,563)
Vehicles	(2,631,234)	-	(306,694)	29,597	(2,908,331)
Office equipment	(1,592,511)	-	(219,076)	-	(1,811,587)
Solar projects	-	-	(976,726)	-	(976,726)
Building	(353,566)	-	(31,715)	-	(385,281)
Hydrants	(15,306,548)	-	(599,687)	-	(15,906,235)
Well	-	-	(446,395)	-	(446,395)
Sewer Plant	(550,678)	-	(28,562)	-	(579,240)
Structure & improvements	-	-	(392)	-	(392)
Office structures & improvements	(4,799,288)	-	(348,726)	-	(5,148,014)
Right-to-use leased equipment	-	-	(98,454)	-	(98,454)
Intangible	(395,703)	-	(17,512)	-	(413,215)
Total accumulated depreciation and amortization	<u>(528,921,125)</u>	<u>(53,830,197)</u>	<u>(38,764,815)</u>	<u>39,985</u>	<u>(621,476,152)</u>
Total depreciable assets, net	<u>649,733,289</u>	<u>(53,466,058)</u>	<u>(16,967,846)</u>	<u>-</u>	<u>579,299,385</u>
Total capital assets, net	<u>\$ 766,984,857</u>	<u>\$ (53,466,058)</u>	<u>\$ 31,549,733</u>	<u>\$ (21,796,969)</u>	<u>\$ 723,271,563</u>

* Activity is due to GASB 87 implementation. See Note 9 for additional information.

^ Activity is due to prior period adjustment. See Note 14 for additional information.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 5: 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.

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:

The balance at June 30th, consists of the following projects:

	2022
Developer Funded	\$ 28,477,906
Pay-Go	
PFAS Wells	6,703,202
Replacement Wells	4,318,768
WaterSmart AMI Meters	1,930,078
Recycled Water Projects	1,973,063
Meter Replacements	2,092,761
Earl Schmidt Emergency Generator	1,057,837
Pipeline Improvements	2,993,672
Source of Supply Programs	712,848
Well Improvements	1,600,969
Tank Improvements	2,015,355
Customer Service Software Upgrade	993,195
Urban Water Management Plan	665,500
Booster Improvements	797,453
SCADA Agencywide	605,523
Other Projects , \$500K	4,597,500
Debt Funded	
Magic Mountain Pkwy Proejcts	21,378,397
Recycled Water Projects	16,447,949
Earl Schmidt Sludge Collection	1,360,140
Castaic Conduit	1,163,939
Sites Reservoir - Storage	1,007,122
Other Projects < \$500K	640,565
Total	<u>\$ 103,533,742</u>

Note 6: 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, 2022**

Note 6: 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, 2022, are summarized as follows:

	Miscellaneous Pool	
	Classic	PEPRA
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%	7.25%
Required employer contribution rates	11.600%	7.730%

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 6: 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, 2022, the contributions recognized as part of pension expense for the Plan were as follows:

	2022
Contributions - Employer	<u>\$ 2,975,440</u>

Net Pension Liability

As of June 30, 2022, the Agency reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	2022
Proportionate share of net pension liability	<u>\$ 7,367,113</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, 2021, (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, 2020 (the valuation date), rolled forward to June 30, 2021, 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, 2021, was as follows:

	Miscellaneous
Proportion - June 30, 2020	0.15440%
Decrease in proportion	<u>-0.01818%</u>
Proportion - June 30, 2021	<u>0.13622%</u>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 6: Defined Benefit Pension Plan (Continued)

Deferred Pension Outflows (Inflows) of Resources

As of June 30, 2022, 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	\$ 3,284,432	\$ -
Differences between actual and expected experience	826,143	-
Differences in actual contribution and proportionate share of contribution	-	319,552
Changes in assumptions	-	6,431,100
Net differences between projected and actual earnings on plan investments	-	-
Adjustment due to differences in proportions of net pension liability	1,139,439	-
Total	\$ 5,250,014	\$ 6,750,652

As of June 30, 2022, employer pension contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$3,284,432 and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

At June 30, 2022, 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
2023	\$ (743,116)
2024	(960,394)
2025	(1,304,335)
2026	(1,777,225)

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Note 6: Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

The total pension liabilities were determined by actuarial valuation reports as of June 30, 2020, which were rolled forward to June 30, 2021, using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
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	The lesser of contract COLA or 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 probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Change of Assumptions

For the measurement date June 30, 2021, 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, 2022

Note 6: 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, 2022, the target allocation, and the long-term expected real rate of return by asset class were as follows:

Asset Class	Assumed Asset Allocation¹	Real Return Years 1-10²	Real Return Year 11+³
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	100.0%		

- 1) In the System's ACFR, 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, 2022**

Note 6: 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, 2022, 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:

	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate +1% 8.15
Agency's Net Pension Liability	<u>\$ 18,956,038</u>	<u>7,367,113</u>	<u>(2,213,286)</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 58 and 59 for the Required Supplementary Schedules.

Note 7: 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 \$143 per month in 2021 and \$149 per month in 2022.

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, 2022

Note 7: 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, 2022, the following employees were covered by the benefit terms:

	<u>2022</u>
Participating active employees	202
Retiree employees	<u>61</u>
Total plan membership	<u><u>263</u></u>

Discount Rate

The discount rate to measure the total OPEB liability was 7.05%, 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.

Deferred OPEB Outflows (Inflows) of Resources

For the year ended June 30, 2022, the Agency recognized OPEB expense of \$521,547.

At June 30, 2022, 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	\$ 1,616,933	\$ -
Differences between actual and expected experience	106,908	-
Changes in assumptions	997,392	1,154,789
Net differences between projected and actual earnings on investments	-	3,618,215
Total	<u>\$ 2,721,233</u>	<u>\$ 4,773,004</u>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 7: Other Post-Employment Benefits (Continued)

As of June 30, 2022, the Agency reported deferred outflows of resources related to employer OPEB contributions subsequent to measurement date in the amount of \$1,616,933, which will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2023.

At June 30, 2022, other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Period Ending June 30	Net Deferred Outflows/Inflows of Resources
2023	\$ (1,024,956)
2024	(967,180)
2025	(993,094)
2026	(970,630)
2027	100,057
Thereafter	187,099

Actuarial Assumptions

The Agency's total OPEB liability in the June 30, 2020, actuarial valuation, which was measured at June 30, 2021, was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Fiscal year Ending	June 30, 2022
Measurement Date	June 30, 2021
Valuation Date	June 30, 2020
Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Market Value of Assets
Long Term Return on Assets	7.05% as of June 30, 2021, and June 30, 2020
Discount Rates	7.05% as of June 30, 2021, and June 30, 2020
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% 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	2.5% 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, 2022

Note 7: Other Post-Employment Benefits (Continued)

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

As of June 30, 2022, the following presents the net OPEB asset of the Agency, as well as what the Agency's net OPEB asset 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:

	Discount Rate -1% 6.05%	Current Discount Rate 7.05%	Discount Rate +1% 8.05%
Net OPEB Asset	<u>\$ 1,376,156</u>	<u>(3,373,859)</u>	<u>(7,222,642)</u>

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

As of June 30, 2022, the following presents the net OPEB asset of the Agency, as well as what the Agency's net OPEB asset 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:

	Healthcare Cost Trend Rates - 1%	Current Healthcare Cost Trend Rate	Healthcare Cost Trend Rates +1%
Net OPEB Asset	<u>\$ (7,793,758)</u>	<u>(3,373,859)</u>	<u>2,212,391</u>

Changes in the Net OPEB Liability/Asset

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (c) = (a) - (b)
Balance at June 30, 2021	<u>\$ 27,306,293</u>	<u>\$ 25,379,793</u>	<u>\$ 1,926,500</u>
Changes during the year:			
Service Cost	1,390,285	-	1,390,285
Interest Cost	1,994,589	-	1,994,589
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions - employer		1,709,080	(1,709,080)
Net investment income	-	6,985,780	(6,985,780)
Benefit payments	(809,080)	(809,080)	-
Administrative fee	-	(9,627)	9,627
Net changes	<u>2,575,794</u>	<u>7,876,153</u>	<u>(5,300,359)</u>
Balance at June 30, 2022	<u>\$ 29,882,087</u>	<u>\$ 33,255,946</u>	<u>\$ (3,373,859)</u>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 8: Long-Term Debt

Changes in the Agency's long-term debt for the year ended June 30, 2022, were as follows:

	Balance June 30, 2021	Additions	Payments /Retirements	Balance June 30, 2022	Current Portion	Long-Term Portion
Certificates of Participation						
1999 Series A Revenue COPS - Principal	\$ 23,409,187	\$ -	\$ 2,999,970	\$ 20,409,217	\$ 2,833,729	\$ 17,575,488
1999 Series A Revenue COPS - Accreted interest	56,166,003	-	3,080,336	53,085,667	-	53,085,667
Total Certificates of Participation	79,575,190	-	6,080,306	73,494,884	2,833,729	70,661,155
Revenue Bonds						
2018 Series A Revenue Bonds	26,735,000	-	-	26,735,000	-	26,735,000
Discount on issuance - 2018 Series A	(327,752)	-	(12,341)	(315,411)	-	(315,411)
2020 Series A Revenue Bonds	78,440,000	-	-	78,440,000	2,400,000	76,040,000
Premium on issuance - 2020 Series A	13,200,504	-	455,190	12,745,314	-	12,745,314
2020 Series B Revenue Bonds	170,730,000	-	16,025,000	154,705,000	13,860,000	140,845,000
Total Revenue Bonds	288,777,752	-	16,467,849	272,309,903	16,260,000	256,049,903
Total Regional Water Division Activities	\$ 368,352,942	\$ -	\$ 22,548,155	\$ 345,804,787	\$ 19,093,729	\$ 326,711,058

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).

The par amount of the certificates is comprised of \$23,408,498 (original amount) capital appreciation certificates. 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 accreted interest 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. Payments of principal and interest began during the fiscal year ended June 30, 2022.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 8: Long-Term Debt (Continued)

Annual debt service requirements on the 1999 Series A Revenue Certificates of Participation are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest*</u>	<u>Total</u>
2023	2,833,729	7,611,271	10,445,000
2024	2,677,262	7,767,738	10,445,000
2025	2,517,245	7,927,755	10,445,000
2026	2,377,804	8,067,196	10,445,000
2027	2,240,244	8,204,756	10,445,000
2028-2031	7,762,933	34,017,067	41,780,000
Total	<u>\$ 20,409,217</u>	<u>\$ 73,595,783</u>	<u>\$ 94,005,000</u>

*Interest accreted to date as of June 30, 2022 is \$53,085,667.

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.

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>
2023	\$ -	\$ 976,975	\$ 976,975
2024	650,000	968,038	1,618,038
2025	665,000	949,541	1,614,541
2026	685,000	929,706	1,614,706
2027	705,000	908,856	1,613,856
2028-2032	3,890,000	4,182,769	8,072,769
2033-2037	4,640,000	3,435,122	8,075,122
2038-2042	5,600,000	2,474,819	8,074,819
2043-2047	6,790,000	1,280,688	8,070,688
2048-2051	3,110,000	121,675	3,231,675
Total	<u>26,735,000</u>	<u>\$ 16,228,189</u>	<u>\$ 42,963,189</u>
Less: discount on issuance	<u>(315,411)</u>		
Total non-current	<u>\$ 26,419,589</u>		

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 8: Long-Term Debt (Continued)

2020 Series A Revenue Refunding Bonds

In July 2020, the Authority issued \$78,440,000 of revenue bonds to finance the acquisition of certain capital improvements water system and provide a portion of the funds to refund the outstanding Castaic Lake Water Agency Refunding Revenue Certificates of Participation, Series 2010A. Upper Santa Clara Valley JPA 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 2020 A Bonds are structured as serial bonds with maturities ranging from 2022 through 2040 and two term bonds maturing on 2045 and 2050, respectively. Yields for the serial bonds range from 0.120% to 1.370% (yields to call for maturities 2022 through 2040), with the term bonds yielding 1.560% and 1.640% (yields to call). The ultimate structure produced an original issue premium of \$13,655,694 to be amortized over the life of the debt service.

Annual debt service requirements on the 2020 Series A Revenue Refunding Bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,400,000	\$ 3,394,200	\$ 5,794,200
2024	2,050,000	3,282,950	5,332,950
2025	2,215,000	3,176,325	5,391,325
2026	-	3,120,950	3,120,950
2027	-	3,120,950	3,120,950
2028-2032	-	15,604,750	15,604,750
2033-2037	15,165,000	14,090,625	29,255,625
2038-2042	13,430,000	10,298,500	23,728,500
2043-2047	20,345,000	6,667,100	27,012,100
2048-2051	22,835,000	2,001,700	24,836,700
Total	<u>78,440,000</u>	<u>\$ 64,758,050</u>	<u>\$ 143,198,050</u>
Add: bond premium	12,745,314		
Less current portion	(2,400,000)		
Total non-current	<u>\$ 88,785,314</u>		

2020 Series B Revenue Refunding Bonds

In July 2020, the Authority issued \$172,635,000 of revenue bonds to provide a portion of the funds to advance refund the outstanding Upper Santa Clara JPA Revenue Bonds, Series 2015A, 2016A and 2017A. Upper Santa Clara Valley JPA 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 2020 B Bonds are structured as serial bonds with maturities ranging from 2021 through 2033 and term bonds maturing on 2040. Yields for the serial bonds range from 0.405% to 2.083% (yields to call for maturities 2021 through 2033), with the term bonds yielding 2.621% (yield to call).

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 8: Long-Term Debt (Continued)

Annual debt service requirements on the 2020 Series B Revenue Refunding Bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 13,860,000	\$ 1,941,745	\$ 15,801,745
2024	14,515,000	1,856,012	16,371,012
2025	14,715,000	1,745,814	16,460,814
2026	17,230,000	1,599,938	18,829,938
2027	17,575,000	1,411,655	18,986,655
2028-2032	62,440,000	3,810,326	66,250,326
2033-2037	11,260,000	770,540	12,030,540
2038-2041	3,110,000	165,254	3,275,254
Total	<u>154,705,000</u>	<u>\$ 13,301,284</u>	<u>\$ 168,006,284</u>
Less current portion	(13,860,000)		
Total non-current	<u>\$ 140,845,000</u>		

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.

Note 9: Leases

a. Lease receivable

On 07/01/2021, the Agency entered a 69-month lease as Lessor for the use of Pinetree 3 - 29600 Mammoth Lane. An initial lease receivable was recorded in the amount of \$281,050. As of 06/30/2022, the value of the lease receivable is \$235,248. The lessee is required to make monthly fixed payments of \$3,742. The lease has an interest rate of 1.2170%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$232,593, and the Agency recognized lease revenue of \$48,457 during the fiscal year. The lessee has 5 extension option(s), each for 60 months.

On 07/01/2021, the Agency entered a 191-month lease as Lessor for the use of Honby Tank - 20500 Keaton St. An initial lease receivable was recorded in the amount of \$956,324. As of 06/30/2022, the value of the lease receivable is \$908,663. The lessee is required to make monthly fixed payments of \$5,407. The lease has an interest rate of 2.0680%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$896,387, and the Agency recognized lease revenue of \$59,937 during the fiscal year. The lessee has 3 extension option(s), each for 60 months.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 9: Leases (Continued)

On 07/01/2021, the Agency entered a 70-month lease as Lessor for the use of Phoenix Tower - Catala Ave. An initial lease receivable was recorded in the amount of \$278,342. As of 06/30/2022, the value of the lease receivable is \$196,938. The lessee is required to make monthly fixed payments of \$3,748. The lease has an interest rate of 1.2170%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$230,626, and the Agency recognized lease revenue of \$47,716 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 07/01/2021, the Agency entered a 63-month lease as Lessor for the use of Newhall Tank 2 - 23554 Dockweiler Dr. An initial lease receivable was recorded in the amount of \$83,966. As of 06/30/2022, the value of the lease receivable is \$68,270. The lessee is required to make monthly fixed payments of \$1,370. The lease has an interest rate of 1.0590%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$67,972, and the Agency recognized lease revenue of \$15,993 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 07/01/2021, the Agency entered a 177-month lease as Lessor for the use of Newhall Tank - 23554 Dockweiler Dr. An initial lease receivable was recorded in the amount of \$627,203. As of 06/30/2022, the value of the lease receivable is \$593,880. The lessee is required to make monthly fixed payments of \$3,706. The lease has an interest rate of 1.9910%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$584,689, and the Agency recognized lease revenue of \$42,514 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On 07/01/2021, the Agency entered a 71-month lease as Lessor for the use of Catala Tank - 27590 Catala Ave. An initial lease receivable was recorded in the amount of \$260,602. As of 06/30/2022, the value of the lease receivable is \$221,039. The lessee is required to make monthly fixed payments of \$3,496. The lease has an interest rate of 1.2170%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$216,846, and the Agency recognized lease revenue of \$43,758 during the fiscal year. The lessee has 1 extension option(s), each for 59 months.

On 07/01/2021, the Agency entered a 161-month lease as Lessor for the use of Whitney Cyn - 23554 Dockweiler Dr. An initial lease receivable was recorded in the amount of \$570,879. As of 06/30/2022, the value of the lease receivable is \$532,917. The lessee is required to make monthly fixed payments of \$3,849. The lease has an interest rate of 1.8360%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$528,329, and the Agency recognized lease revenue of \$42,550 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On 07/01/2021, the Agency entered a 31-month lease as Lessor for the use of Mammoth - 29600 N. Mammoth Lane. An initial lease receivable was recorded in the amount of \$124,191. As of 06/30/2022, the value of the lease receivable is \$80,002. The lessee is required to make monthly fixed payments of \$3,666. The lease has an interest rate of 0.7270%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$77,030, and the Agency recognized lease revenue of \$47,161 during the fiscal year.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 9: Leases (Continued)

On 07/01/2021, the Agency entered a 126-month lease as Lessor for the use of Princess Tank - 25529 1/2 Mountain Pass Rd. An initial lease receivable was recorded in the amount of \$525,975. As of 06/30/2022, the value of the lease receivable is \$458,271. The lessee is required to make monthly fixed payments of \$3,748. The lease has an interest rate of 1.6810%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$476,263, and the Agency recognized lease revenue of \$49,711 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On 07/01/2021, the Agency entered a 223-month lease as Lessor for the use of Princess Tank - 25521 Mountain Pass Rd. An initial lease receivable was recorded in the amount of \$944,229. As of 06/30/2022, the value of the lease receivable is \$880,617. The lessee is required to make monthly fixed payments of \$3,939. The lease has an interest rate of 2.3000%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$893,418, and the Agency recognized lease revenue of \$50,811 during the fiscal year. The lessee has 3 extension option(s), each for 60 months.

On 07/01/2021, the Agency entered a 310-month lease as Lessor for the use of Bouquet Tank - 27236 Bouquet Cyn. An initial lease receivable was recorded in the amount of \$1,271,205. As of 06/30/2022, the value of the lease receivable is \$1,235,839. The lessee is required to make monthly fixed payments of \$5,068. The lease has an interest rate of 2.5010%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$1,222,119, and the Agency recognized lease revenue of \$49,087 during the fiscal year. The lessee has 5 extension option(s), each for 60 months.

On 07/01/2021, the Agency entered a 193-month lease as Lessor for the use of Bouquet Tank - 27236 Bouquet Cyn. An initial lease receivable was recorded in the amount of \$918,866. As of 06/30/2022, the value of the lease receivable is \$882,053. The lessee is required to make monthly fixed payments of \$4,371. The lease has an interest rate of 2.0680%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$861,734, and the Agency recognized lease revenue of \$57,132 during the fiscal year. The lessee has 3 extension option(s), each for 60 months.

On 07/01/2021, the Agency entered a 60-month lease as Lessor for the use of American Tower. An initial lease receivable was recorded in the amount of \$56,124. As of 06/30/2022, the value of the lease receivable is \$45,294. The lessee is required to make monthly fixed payments of \$900. The lease has an interest rate of 0.5140%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$44,899, and the Agency recognized lease revenue of \$11,225 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 9: Leases (Continued)

On 07/01/2021, the Agency entered a 27-month lease as Lessor for the use of Action Family Counseling - Soledad Cyn. An initial lease receivable was recorded in the amount of \$357,317. As of 06/30/2022, the value of the lease receivable is \$201,435. The lessee is required to make monthly fixed payments of \$12,812. The lease has an interest rate of 0.5140%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$198,510, and the Agency recognized lease revenue of \$158,808 during the fiscal year. The lessee has 1 extension option(s), each for 12 months.

On 07/01/2021, the Agency entered a 17-month lease as Lessor for the use of Bouquet Tank - 27234 Bouquet Cyn. An initial lease receivable was recorded in the amount of \$68,267. As of 06/30/2022, the value of the lease receivable is \$23,086. The lessee is required to make monthly fixed payments of \$3,676. The lease has an interest rate of 0.3870%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$21,809, and the Agency recognized lease revenue of \$46,457 during the fiscal year.

The future lease revenue and related interest payments are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 660,109	\$ 125,045	\$ 785,154
2024	518,847	116,662	635,509
2025	459,935	108,741	568,676
2026	476,502	100,817	577,319
2027	409,537	92,556	502,093
2028-2032	1,717,399	356,102	2,073,501
2033-2037	1,573,534	178,611	1,752,145
2038-2042	437,313	61,883	499,196
2043-2047	308,339	19,675	328,014
Total	<u>\$ 6,561,515</u>	<u>\$ 1,160,092</u>	<u>\$ 7,721,607</u>

b. Lease payable

On 07/01/2021, the Agency entered a 25-month lease as Lessee for the use of GT Modular Building - 21110 W. Golden Triangle. An initial lease liability was recorded in the amount of \$92,783. As of 06/30/2022, the value of the lease liability is \$50,096. Santa Clarita Water Agency is required to make monthly fixed payments of \$3,593. The lease has an interest rate of 0.6500%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$92,783 with accumulated amortization of \$44,183 is included with Buildings on the Lease Class activities table found below.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 9: Leases (Continued)

On 07/01/2021, the Agency entered a 60-month lease as Lessee for the use of Stambaugh - 29600 Mammoth Lane. An initial lease liability was recorded in the amount of \$271,356. As of 06/30/2022, the value of the lease liability is \$187,140. Santa Clarita Water Agency is required to make monthly fixed payments of \$8,901. The lease has an interest rate of 1.0590%. The Land estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$271,356 with accumulated amortization of \$54,271 is included with Land on the Lease Class activities table found below. The Agency has 1 extension option(s), each for 60 months.

Asset Class	As of June 30, 2022	
	Right-to-use	Accumulated
	Leased Asset	Amortization
Land	\$ 271,356	\$ 54,271
Buildings	92,783	44,183
Total	<u>\$ 364,139</u>	<u>\$ 98,454</u>

Annual requirements to amortize long-term obligations and related interest are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 96,447	\$ 2,288	\$ 98,735
2024	51,109	1,206	52,315
2025	44,399	729	45,128
2026	44,870	258	45,128
Total	<u>\$ 236,825</u>	<u>\$ 4,481</u>	<u>\$ 241,306</u>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 10: Net Position

	<u>2022</u>
Net investment in capital assets	
Capital assets, net	\$ 723,271,563
Certificate of participation - principal	(20,409,217)
Revenue bonds payable	(259,880,000)
Discounts/premiums	(12,429,903)
Deferred charge on refunding - Revenue bonds	8,465,260
Lease payable	(236,825)
Bond proceeds	20,083,516
Total net investment in capital assets	<u>458,864,394</u>
Restricted net position:	
Restricted for capital projects:	
Restricted - cash and cash equivalents	1,058,976
Restricted - investments	19,024,540
Restricted - accrued interest receivable	36,885
Restricted - accrued liabilities	(19,902)
Restricted - accounts payable	(3,697,681)
Total restricted for capital projects	<u>16,402,818</u>
Restricted for state water contract:	
Restricted - cash and cash equivalents	143,304
Restricted - investments	87,930,360
Restricted -property tax receivable	1,641,269
Restricted - accrued interest receivable	82,212
Restricted - accounts receivable, other	720,375
Restricted - accrued liabilities	(73)
Restricted - accounts payable	(2,197,196)
Total restricted for state water contract	<u>88,320,251</u>
Restricted for capacity fees:	
Restricted - investments	9,685,182
Restricted - accrued interest receivable	10,176
Total restricted for capacity fees	<u>9,695,358</u>
Total restricted net position	<u>114,418,427</u>
Unrestricted net position:	
Non-spendable net position:	
Materials and supplies inventory	2,636,168
Prepaid expenses and other assets	256,219
Total non-spendable net position	<u>2,892,387</u>
Spendable net position is designated as follows:	
Unrestricted	84,639,604
Total spendable net position	<u>84,639,604</u>
Total unrestricted net position	<u>87,531,991</u>
Total net position	<u>\$ 660,814,812</u>

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2022

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-pooling self insurance authority, created under provisions of California Government Code Sections 6500 et. sep. The purpose of the ACWA/JPIA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. As of June 30, 2022, the Agency's participation in the self-insurance programs of JPIA is as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$5,000,000, combined single limit per occurrence. The ACWA/JPIA purchased additional excess coverage layers: \$55 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 \$500 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 \$100,000 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 \$5,000,000 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 \$75,000 to \$100,000 deductible depending on the Agency revenue.

There were no reductions in insurance coverage in the year ended June 30, 2022. 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, 2022.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

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, 2022, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 96

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. 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, 2022

Note 13: Commitments and Contingencies (Continued)

At June 30, 2022, the Agency's remaining estimated commitment for these charges is as follows:

State Water Project/DWR	
Calendar year ending	
December 31	Amount
2022	\$ 25,194,000
2023	27,791,000
2024	29,324,000
2025	24,635,000
2026	28,753,000
2027-2031	163,970,000
2032-2035	160,184,000
Total	<u>\$ 459,851,000</u>

Delta Conveyance Design & Construction	
Calendar year ending	
December 31	Amount
2026	\$ 2,519,071
2027-2031	53,591,687
2032-2035	107,406,601
Total	<u>\$ 163,517,359</u>

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 \$864.45 per AF.

As of June 30, 2022, the Agency's remaining estimated commitment for these charges is as follows:

BV-RRB Water Purchases	
Calendar year ending	
December 31	Amount
2022	\$ 10,257,000
2023	10,770,000
2024	11,309,000
2025	11,874,000
2026	12,468,000
2027-2031	72,338,000
2032-2035	72,016,000
Total	<u>\$ 201,032,000</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.

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 13: Commitments and Contingencies (Continued)

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 \$40,477,297 of open construction contracts as of June 30, 2022.

The contracts outstanding include:

Project Name	Total Approved Contract	Construction Costs to Date	Balance to Complete
Valley Center Well PFAS Groundwater Treatment Improvements Site Construction	\$ 3,261,454	\$ 2,810,857	\$ 450,597
Commerce Center Drive Pipeline	891,140	891,140	-
Vista Canyon Recycled Water Main Extension (Phase 2B) (Ferreira Coastal Const. Co.)	2,830,161	2,128,088	702,073
Magic Mountain Pipeline Phase 4	3,289,660	3,230,757	58,902
Magic Mountain Pipeline Phase 5	3,269,979	2,941,082	328,897
Magic Mountain Pipeline Phase 6B	4,568,687	4,217,908	350,779
Vista Canyon (Phase 2B) Recycled Water Tanks (Pacific Tank)	4,266,759	3,899,173	367,587
Magic Mountain Pipeline Phase 6A	7,168,845	5,953,655	1,215,190
Saugus #3 & #4 Wells Construction (Replacement Wells)	12,751,494	2,036,082	10,715,412
Santa Clara & Honby Wells PFAS Groundwater Treatment Improvements Material Purchase	814,050	539,840	274,210
Santa Clara & Honby Wells PFAS Groundwater Treatment Improvements Site Construction	8,486,950	-	8,486,950
ESFP Washwater Return Improvements	17,526,700	-	17,526,700
Total	\$ 69,125,878	\$ 28,648,581	\$ 40,477,297

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2022

Note 14: Restatement of Prior Year Balances

The restatements of beginning net position, and related cause, for fiscal year ended June 30, 2022, is as follows:

	For the fiscal year ended June 30, 2022
Beginning net position, as previously reported	\$ 697,843,009
Restatement (1)	(53,830,197)
Restatement (2)	408,324
Beginning net position, as restated	<u>\$ 644,421,136</u>

- (1) Beginning net position of the Agency was restated due to the legacy systems incorrectly recording depreciation, discovered during transition to the new accounting software during the fiscal year ended June 30, 2022. Therefore, an adjustment was needed to correct total accumulated depreciation for depreciation expense that was not captured previously.
- (2) Beginning net position of the Agency was restated due to the identified capital asset discrepancies during transition to the new accounting software during the fiscal year ended June 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

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 ⁽¹⁾**

	2022	2021	2020	2019	2018
Measurement Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Proportion of the Net Pension Liability	0.13622%	0.15440%	0.14646%	0.13844%	0.13729%
Proportionate Share of the Net Pension Liability	\$ 7,367,113	\$ 16,799,599	\$ 15,007,891	\$ 13,340,534	\$ 13,615,322
Covered Payroll	\$ 19,368,737	\$ 18,579,032	\$ 15,958,119	\$ 13,319,776	\$ 13,148,794
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	38.0%	90.4%	94.0%	100.2%	103.5%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.3%	75.1%	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 December of 2016 the CalPERS Board of Administration lowered the discount rate from 7.50 percent to 7.00 percent using a three-year phase-in beginning with the June 30, 2016 actuarial valuation. The minimum employer contributions for Fiscal Year 2020-21 determined in this valuation were calculated using a discount rate of 7.00 percent, payroll growth of 2.75 percent and an inflation rate of 2.50 percent. The projected employer contributions on Page 5 are calculated under the assumption that the discount rate remains at 7.00 percent going forward and that furthermore the realized rate of return on assets for Fiscal Year 2018-19 is 7.00 percent. There were no changes of assumptions in 2021.

⁽¹⁾ 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 ⁽¹⁾**

	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 3,284,432	\$ 2,975,440	\$ 2,561,639	\$ 2,182,797	\$ 1,759,981
Contribution in Relation to the Actuarially Determined Contribution	(3,284,432)	(2,975,440)	(2,561,639)	(2,182,797)	(1,759,981)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 21,207,482	\$ 19,368,737	\$ 18,579,032	\$ 15,958,119	\$ 13,319,776
Contributions as a Percentage of Covered Payroll	15.5%	15.4%	13.8%	13.7%	13.2%

Notes to Schedule of Plan Contributions:

Valuation Date: June 30, 2019

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	2.750%	2.750%	2.750%	2.750%	2.750%
- Inactive Plans	0%	0%	0%	0%	0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

Asset valuation method: Direct rate smoothing
 Inflation: 2.500%
 Payroll Growth: 2.750%
 Projected Salary Increases: Varies by Entry Age and Service
 Investment Rate of Return: 7.00% (net of pension plan investment and administrative expenses, includes inflation)

All other actuarial assumptions used in the June 30, 2019 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 under Forms and Publications.

Retirement Age

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.

⁽¹⁾ 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 ⁽¹⁾

Measurement Date	2022	2021	2020	2019	2018
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability					
Service cost	\$ 1,390,285	\$ 1,399,837	\$ 1,355,774	\$ 991,161	\$ 312,585
Interest on the total OPEB liability	1,994,589	1,751,858	1,589,657	1,432,518	742,964
Actual and expected experience difference	-	135,690	-	-	4,214
Changes in assumptions	-	751,808	-	841,942	(2,687,699)
Changes in benefit terms	-	-	-	-	637,826
Benefit payments	(809,080)	(719,221)	(625,439)	(571,142)	(273,181)
Net change in total OPEB liability	2,575,794	3,319,972	2,319,992	2,694,479	(1,263,291)
Total OPEB liability - beginning	27,306,293	23,986,321	21,666,329	18,971,850	20,235,141
Total OPEB liability - ending (a)	29,882,087	27,306,293	23,986,321	21,666,329	18,971,850
Plan Fiduciary Net Position					
Contribution - employer	1,709,080	6,533,284	2,377,824	1,900,160	1,298,476
Net investment income	1,820,661	660,805	1,059,140	1,088,901	938,262
Benefit payments	(809,080)	(719,221)	(625,439)	(571,142)	(273,181)
Administrative expense	(9,627)	(10,172)	(3,567)	(7,502)	(3,116)
Change due to investment experience	5,165,119	-	-	-	-
Other expenses	-	-	-	(18,101)	-
Net change in plan fiduciary net position	7,876,153	6,464,696	2,807,958	2,392,316	1,960,441
Plan fiduciary net position - beginning	25,379,793	18,915,097	16,107,139	13,714,823	11,754,382
Plan fiduciary net position - ending (b)	\$ 33,255,946	\$ 25,379,793	\$ 18,915,097	\$ 16,107,139	\$ 13,714,823
Net OPEB (Asset)/Liability - ending (a) - (b)	\$ (3,373,859)	\$ 1,926,500	\$ 5,071,224	\$ 5,559,190	\$ 5,257,027
Plan fiduciary net position as a percentage of the total OPEB liability	111.3%	92.9%	78.9%	74.3%	72.3%
Covered-employee payroll	\$ 21,888,937	\$ 18,579,032	\$ 15,957,307	\$ 5,990,450	\$ 7,273,299
Net OPEB (asset)/liability as a percentage of covered-employee payroll	-15.4%	10.4%	31.8%	92.8%	72.3%

Notes to Schedule:

⁽¹⁾ 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 ⁽¹⁾**

	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially Determined Contribution	\$ 1,710,472	\$ 1,664,290	\$ 1,722,326	\$ 1,672,614	\$ 1,333,497
Contribution in Relation to the Actuarially Determined Contributions	(1,616,933)	(1,709,080)	(6,533,284)	(2,377,824)	(1,298,476)
Contribution Deficiency (Excess)	<u>\$ 93,539</u>	<u>\$ (44,790)</u>	<u>\$ (4,810,958)</u>	<u>\$ (705,210)</u>	<u>\$ 35,021</u>
Covered-employee payroll	\$ 22,324,410	\$ 21,888,937	\$ 18,579,032	\$ 15,957,307	\$ 7,273,299
Contributions as a percentage of covered-employee payroll	7.24%	7.81%	35.16%	14.90%	17.85%

Notes to Schedule of Plan Contributions:

Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2022 were from the June 30, 2020 actuarial valuation.

Valuation Date:	June 30, 2020
Actuarial Cost Method:	Entry Age Normal, Level Percentage of Payroll
Amortization Method:	Level percent of pay; closed 30 years
Amortization Period:	25 years
Asset Valuation Method:	Market value of assets
Discount Rate:	6.95%
General Inflation:	2.50%
Medical Trend:	5.8% in 2021 to 4% in 2076 in periodic steps of 0.1%.
Mortality:	CalPERS 2017 experience study
Mortality Improvement:	Mortality Improvement Scale 2020 for post-retirement mortality
All Other Assumptions	Same as those used to determine the total OPEB liability

⁽¹⁾ 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, 2022

	SCVWA	Upper Santa Clara Valley	Devil's Den Water District	Groundwater Sustainability Agency	Totals
Assets:					
Current:					
Cash and cash equivalents	\$ 49,551,212	\$ 5,000	\$ 17,476	\$ 104,699	\$ 49,678,387
Investments	119,309,228	7,190	247,618	-	119,564,036
Receivables:					
Accounts - water sales	12,432,595	-	-	-	12,432,595
Property tax	1,691,439	-	-	-	1,691,439
Accrued interest	179,636	14	470	-	180,120
Accounts - other	2,418,352	-	-	-	2,418,352
Lease	662,146	-	-	-	662,146
Prepaid costs	256,146	-	-	-	256,146
Due from other governments	162,829	-	-	-	162,829
Materials and supplies inventory	2,636,168	-	-	-	2,636,168
Restricted:					
Cash and cash equivalents	1,058,982	-	-	-	1,058,982
Investments	116,640,082	-	-	-	116,640,082
Cash with fiscal agent	11,810,671	-	-	-	11,810,671
Receivables:					
Property tax	1,641,269	-	-	-	1,641,269
Accrued interest	129,273	-	-	-	129,273
Accounts - other	720,375	-	-	-	720,375
Total Current Assets	321,300,403	12,204	265,564	104,699	321,682,870
Noncurrent:					
Lease receivable	5,899,369	-	-	-	5,899,369
Net OPEB asset	3,373,859	-	-	-	3,373,859
Capital assets - not being depreciated	143,972,178	-	-	-	143,972,178
Capital assets - net of accumulated depreciation/amortization	579,299,385	-	-	-	579,299,385
Total Noncurrent Assets	732,544,791	-	-	-	732,544,791
Total Assets	1,053,845,194	12,204	265,564	104,699	1,054,227,661
Deferred Outflows of Resources:					
Deferred pension outflows	5,250,014	-	-	-	5,250,014
Deferred OPEB outflows	2,721,233	-	-	-	2,721,233
Loss on defeasance of debt	8,465,260	-	-	-	8,465,260
Total Deferred Outflows of Resources	16,436,507	-	-	-	16,436,507

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022

	SCVWA	Upper Santa Clara Valley	Devil's Den Water District	Groundwater Sustainability Agency	Totals
Liabilities:					
Current:					
Accounts payable	9,968,441	-	-	79,699	10,048,140
Accounts payable - restricted	5,894,877	-	-	-	5,894,877
Accrued liabilities	1,506,639	-	-	-	1,506,639
Accrued interest	6,326,030	-	-	-	6,326,030
Unearned revenues	131,810	-	-	-	131,810
Deposits payable	817,006	-	-	-	817,006
Due to other governments	19,447	-	-	-	19,447
Lease payable	126,809	-	-	-	126,809
Advances for construction	11,074,347	-	-	-	11,074,347
Accrued compensated absences	636,000	-	-	-	636,000
Certificates of participation	2,833,729	-	-	-	2,833,729
Revenue bonds	16,260,000	-	-	-	16,260,000
Total Current Liabilities	55,595,135	-	-	79,699	55,674,834
Noncurrent:					
Lease payable	110,016	-	-	-	110,016
Net pension liability	7,367,113	-	-	-	7,367,113
Accrued compensated absences	1,909,455	-	-	-	1,909,455
Certificates of participation	70,661,155	-	-	-	70,661,155
Revenue bonds	256,049,903	-	-	-	256,049,903
Total Noncurrent Liabilities	336,097,642	-	-	-	336,097,642
Total Liabilities	391,692,777	-	-	79,699	391,772,476
Deferred Inflows of Resources:					
Deferred pension inflows	6,750,652	-	-	-	6,750,652
Deferred OPEB inflows	4,773,004	-	-	-	4,773,004
Deferred lease inflows	6,553,224	-	-	-	6,553,224
Total Deferred Inflows of Resources	18,076,880	-	-	-	18,076,880
Net Position:					
Net investment in capital assets	458,864,394	-	-	-	458,864,394
Restricted for:					
Capital projects	16,402,818	-	-	-	16,402,818
State water contract	88,320,251	-	-	-	88,320,251
Capacity fees	9,695,358	-	-	-	9,695,358
Unrestricted	87,229,223	12,204	265,564	25,000	87,531,991
Total Net Position	\$ 660,512,044	\$ 12,204	\$ 265,564	\$ 25,000	\$ 660,814,812

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SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2022

	SCVWA	Upper Santa Clara Valley	Devil's Den Water District	Groundwater Sustainability Agency	Totals
Operating Revenues:					
Water consumption sales and services	\$ 79,321,746	\$ -	\$ -	\$ -	\$ 79,321,746
Other charges and services	8,221,293	-	-	-	8,221,293
Total Operating Revenues	87,543,039	-	-	-	87,543,039
Operating Expenses:					
Management	3,991,186	-	-	-	3,991,186
Finance, Administration and Technology	16,835,493	4,304	4,304	301	16,844,402
Customer Care	2,827,118	-	-	-	2,827,118
Engineering Services	4,114,430	-	-	-	4,114,430
Water Quality, Treatment, and Maintenance	12,057,264	-	-	-	12,057,264
Pumping, Wells and Storage	12,777,423	-	-	-	12,777,423
Transmission and Distribution	12,345,349	-	-	-	12,345,349
Water Resources and Public Outreach	5,871,991	-	-	-	5,871,991
Source of Supply	8,834,320	-	-	-	8,834,320
Non-Departmental	(5,574,663)	-	448	79,699	(5,494,516)
Depreciation/amortization expense	38,763,550	-	-	-	38,763,550
Total Operating Expenses	112,843,461	4,304	4,752	80,000	112,932,517
Operating Income (Loss)	(25,300,422)	(4,304)	(4,752)	(80,000)	(25,389,478)
Nonoperating Revenues (Expenses):					
Taxes - Unrestricted	29,780,316	-	6,194	-	29,786,510
Taxes - Restricted	35,569,153	-	-	-	35,569,153
Intergovernmental	3,963,468	-	-	-	3,963,468
Investment earnings	(5,313,693)	(31)	(2,265)	-	(5,315,989)
Interest expense	(14,550,338)	-	-	-	(14,550,338)
Other revenue	9,229,258	-	-	-	9,229,258
State Water Contract	(26,443,518)	-	-	-	(26,443,518)
Total Nonoperating Revenues (Expenses)	32,234,646	(31)	3,929	-	32,238,544
Income (Loss) Before Capital Contributions	6,934,224	(4,335)	(823)	(80,000)	6,849,066
Capital Contributions	9,464,610	-	-	80,000	9,544,610
Transfers in	30,055,969	4,304	-	-	30,060,273
Transfers out	(30,060,273)	-	-	-	(30,060,273)
Changes in Net Position	16,394,530	(31)	(823)	-	16,393,676
Net Position:					
Beginning of Year, as previously reported	697,539,387	12,235	266,387	25,000	697,843,009
Restatements	(53,421,873)	-	-	-	(53,421,873)
Beginning of Fiscal Year, as restated	644,117,514	12,235	266,387	25,000	644,421,136
End of Fiscal Year	\$ 660,512,044	\$ 12,204	\$ 265,564	\$ 25,000	\$ 660,814,812

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF CASH FLOWS
JUNE 30, 2022

	SCVWA	Upper Santa Clara Valley	Devil's Den Water District	Groundwater Sustainability Agency	Totals
Cash Flows from Operating Activities:					
Cash received from customers and users	\$ 88,118,580	\$ -	\$ -	\$ -	\$ 88,118,580
Cash paid to suppliers for goods and services	(56,315,855)	(4,304)	(4,752)	(301)	(56,325,212)
Cash paid to employees for services	(26,120,883)	-	-	-	(26,120,883)
Net Cash Provided (Used) by Operating Activities	5,681,842	(4,304)	(4,752)	(301)	5,672,485
Cash Flows from Non-Capital Financing Activities:					
Cash transfers out	(30,060,273)	-	-	-	(30,060,273)
Cash transfers in	30,055,969	4,304	-	-	30,060,273
Proceeds from property taxes	65,047,772	-	6,266	-	65,054,038
Payments for state water contract	(26,443,518)	-	-	-	(26,443,518)
Proceeds from grants	3,800,639	-	-	-	3,800,639
Proceeds from non-operating revenues	9,229,258	-	-	-	9,229,258
Contributed revenue	-	-	-	80,000	80,000
Net Cash Provided (Used) by Non-Capital Financing Activities	51,629,847	4,304	6,266	80,000	51,720,417
Cash Flows from Capital and Related Financing Activities:					
Principal received on lease receivable	760,988	-	-	-	760,988
Capital contributions	11,951,401	-	-	-	11,951,401
Acquisition and construction of capital assets	(48,517,579)	-	-	-	(48,517,579)
Principal paid on capital debt	(19,024,282)	-	-	-	(19,024,282)
Interest paid on capital debt	(14,253,888)	-	-	-	(14,253,888)
Principal paid on lease liability	(126,903)	-	-	-	(126,903)
Net Cash Provided (Used) by Capital and Related Financing Activities	(69,210,263)	-	-	-	(69,210,263)
Cash Flows from Investing Activities:					
Interest earnings	(5,462,284)	(39)	(2,531)	-	(5,464,854)
Net Cash Provided (Used) by Investing Activities	(5,462,284)	(39)	(2,531)	-	(5,464,854)
Net Increase (Decrease) in Cash and Cash Equivalents	(17,360,858)	(39)	(1,017)	79,699	(17,282,215)
Cash and Cash Equivalents at Beginning of Year	315,731,033	12,229	266,111	25,000	316,034,373
Cash and Cash Equivalents at End of Year	\$ 298,370,175	\$ 12,190	\$ 265,094	\$ 104,699	\$ 298,752,158
Reconciliation of Cash and Cash Equivalents to Amounts Reported on the Statement of Net Position:					
Current:					
Cash and cash equivalents	\$ 49,551,212	\$ 5,000	\$ 17,476	\$ 104,699	\$ 49,678,387
Investments	119,309,228	7,190	247,618	-	119,564,036
Restricted:					
Cash and cash equivalents	1,058,982	-	-	-	1,058,982
Investments	116,640,082	-	-	-	116,640,082
Cash with fiscal agent	11,810,671	-	-	-	11,810,671
	\$ 298,370,175	\$ 12,190	\$ 265,094	\$ 104,699	\$ 298,752,158

SANTA CLARITA VALLEY WATER AGENCY (SCVWA)

COMBINING STATEMENT OF CASH FLOWS
JUNE 30, 2022

	<u>SCVWA</u>	<u>Upper Santa Clara Valley</u>	<u>Devil's Den Water District</u>	<u>Groundwater Sustainability Agency</u>	<u>Totals</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ (25,300,422)	\$ (4,304)	\$ (4,752)	\$ (80,000)	\$ (25,389,478)
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:					
Depreciation	38,763,550	-	-	-	38,763,550
(Increase) decrease in accounts receivable	3,437,105	-	-	-	3,437,105
(Increase) decrease in materials and supplies inventory	(490,626)	-	-	-	(490,626)
(Increase) decrease in prepaid expense	517,621	-	-	-	517,621
Increase (decrease) in accounts payable	1,335,504	-	-	79,699	1,415,203
Increase (decrease) in due to other governments	19,447	-	-	-	19,447
Increase (decrease) in deposits payable	719,524	-	-	-	719,524
Increase (decrease) in unearned revenue	(8,025,657)	-	-	-	(8,025,657)
Increase (decrease) in accrued liabilities	(969,904)	-	-	-	(969,904)
Increase (decrease) in net OPEB liability and related items	(1,140,176)	-	-	-	(1,140,176)
Increase (decrease) in net pension liability and related items	(3,008,249)	-	-	-	(3,008,249)
Increase (decrease) in compensated absences	(175,875)	-	-	-	(175,875)
Total Adjustments	30,982,264	-	-	79,699	31,061,963
Net Cash Provided (Used) by Operating Activities	\$ 5,681,842	\$ (4,304)	\$ (4,752)	\$ (301)	\$ 5,672,485
Non-Cash Investing, Capital, and Financing Activities:					
Amortization of Premiums/Discounts	\$ (111,174)	\$ -	\$ -	\$ -	\$ (111,174)
Accreted interest of 1999A Revenue COP	(3,080,855)	-	-	-	(3,080,855)

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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, 2022, 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 12, 2022.

Report on 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 entity'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. 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 or significant deficiencies may exist that were not identified.

Report on 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 the 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*.



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

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 12, 2022

SANTA CLARITA VALLEY WATER AGENCY

STATISTICAL SCHEULES YEAR ENDED JUNE 30, 2022

This part of the Agency's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the accompanying financial statements and notes to the basic financial statements say about the Agency's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the Agency's financial performance and well-being have changed over time.	71
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the Agency's ability to generate its water revenue.	73
Debt These schedules present information to help the reader assess the affordability of the Agency's current level of outstanding debt and the Agency's ability to issue additional debt in the future.	79
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Agency's financial activities take place and to help make comparisons over time and with other agencies.	82
Operating Information These schedules contain information about the Agency's operation and resources to help the reader understand how the Agency's financial information relates to the services the Agency provides and the activities it performs.	84

Sources

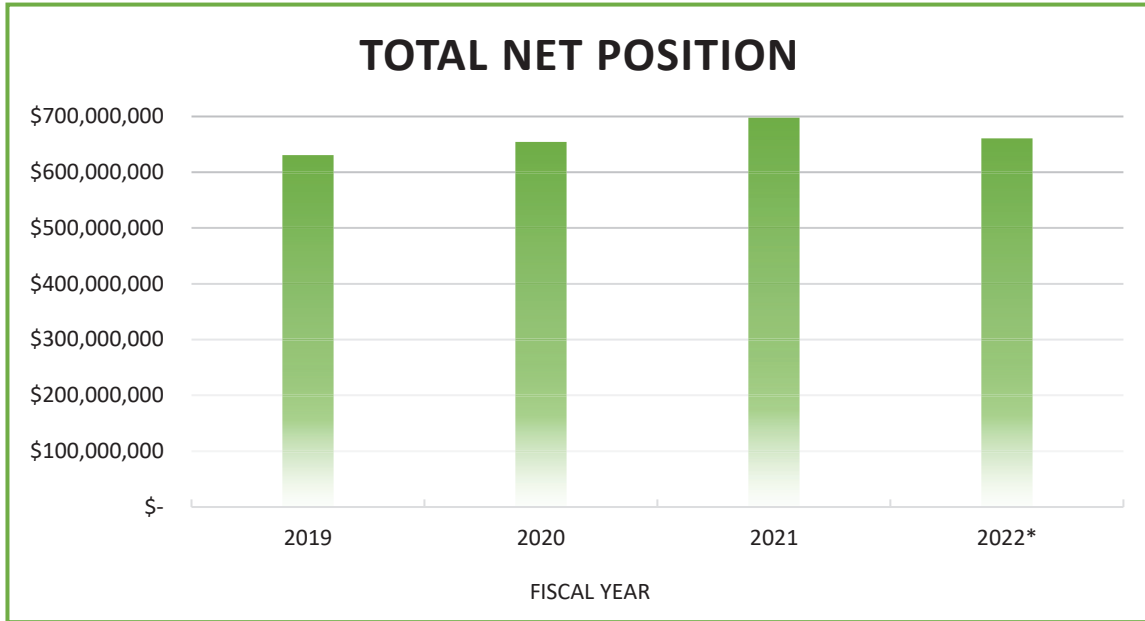
Unless otherwise noted, the information in these schedules is derived from the budgets and annual financial reports for the relevant year.



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**Santa Clarita Valley Water Agency
Net Position**

Fiscal Year	Net Investment in Capital			Total Net Position
	Assets	Restricted	Unrestricted	
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
2021	463,815,825	114,429,838	119,597,346	697,843,009
2022*	458,864,394	114,418,427	87,531,991	660,814,812



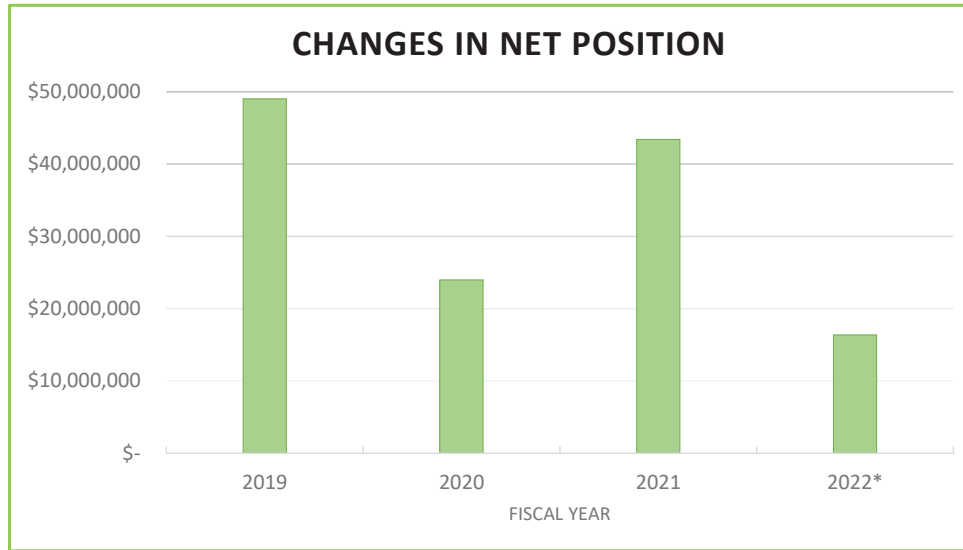
Source: SCV Water Agency

Note: Only 4 years of available data. SCV Water creation January 1, 2018.

* There are prior period adjustments related to Capital Assets. See Note 14.

**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)¹</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
2021	107,293,632	103,655,643	3,637,989	35,999,770	\$ 39,637,759	3,789,061	43,426,820
2022*	87,543,039	112,932,517	(25,389,478)	32,238,544	\$ 6,849,066	9,544,610	16,393,676



¹Excludes restricted State Water Contract property taxes

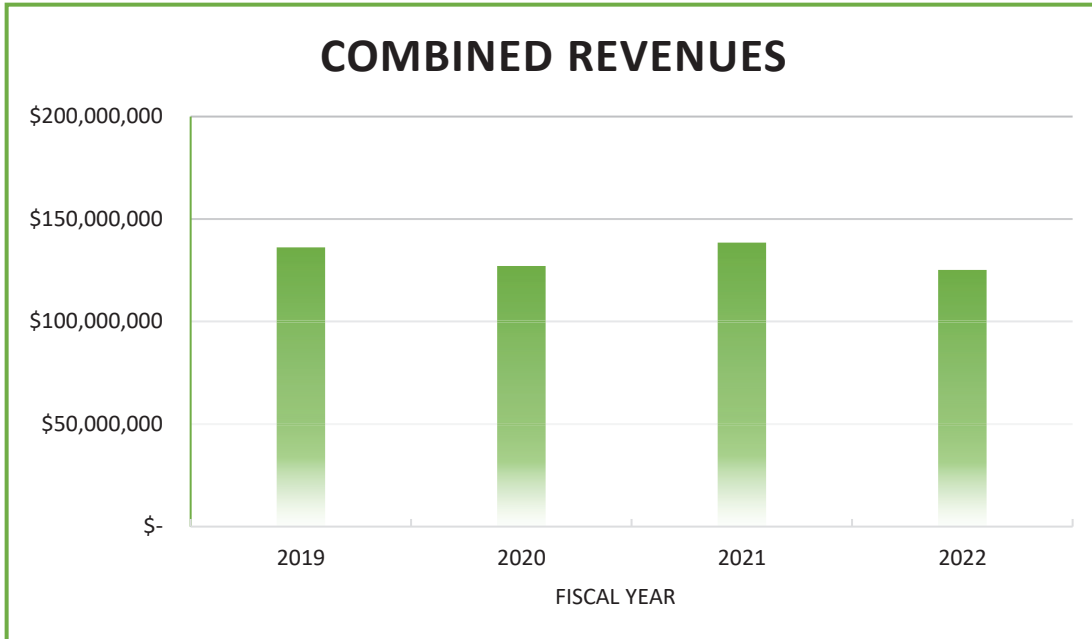
* There are prior period adjustments related to Capital Assets. See Note 14.

Source: SCV Water Agency

Note: Only 4 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
2021	89,094,520	18,199,112	27,448,241	3,789,061	138,530,934
2022	79,321,746	8,221,293	29,786,510	7,876,737	125,206,286



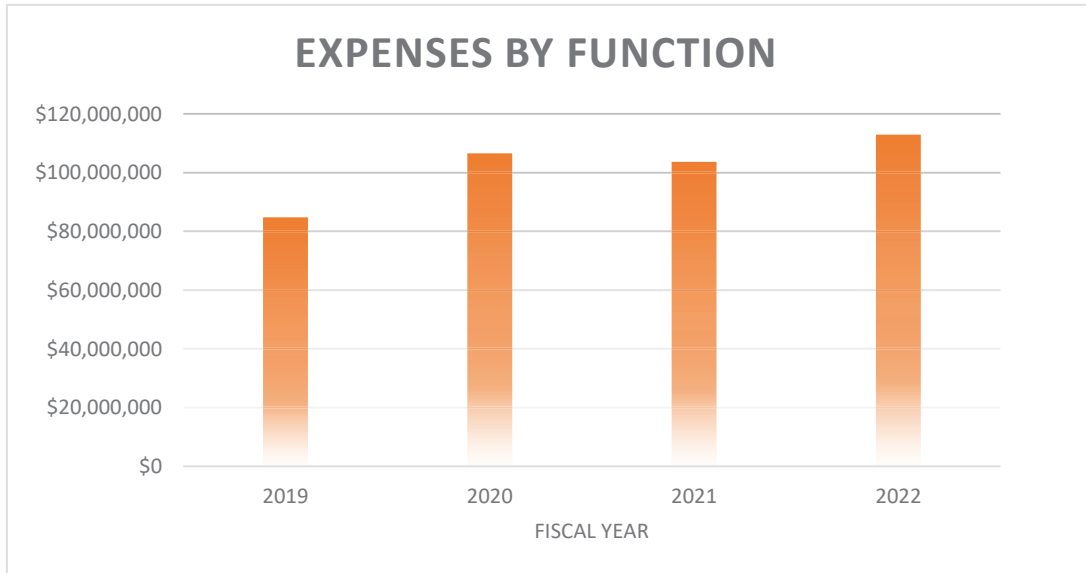
*Excludes restricted State Water Project property taxes

Source: SCV Water Agency

Note: Only 4 years of available data. SCV Water creation January 1, 2018.

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

Operating Expenses	Fiscal Year			
	2019	2020	2021	2022
Source of Supply	\$ 345,477	\$ 465,943	\$ 503,600	\$ 8,834,320
Pumping Plant	6,292,006	7,711,757	9,304,445	12,777,423
Transmission & Distribution	6,196,650	7,630,261	10,900,673	12,345,349
Water Treatment	7,042,538	8,650,165	8,435,826	12,057,264
General and Administrative	17,240,344	20,598,391	19,544,792	16,844,402
Depreciation	31,263,128	32,201,715	32,824,057	38,763,550
Maintenance	3,263,353	4,836,636	2,399,046	-
Engineering	2,298,810	3,110,092	3,575,292	4,114,430
Water Quality	1,094,842	1,177,815	1,241,951	-
Water Resources	5,792,111	10,197,555	10,691,530	5,871,991
Management	2,227,563	2,647,590	2,468,783	3,991,186
Customer Care	1,714,473	2,009,969	1,765,648	2,827,118
Non-Departmental	-	-	-	(5,494,516)
	\$ 84,771,295	\$ 101,237,889	\$ 103,655,643	\$ 112,932,517

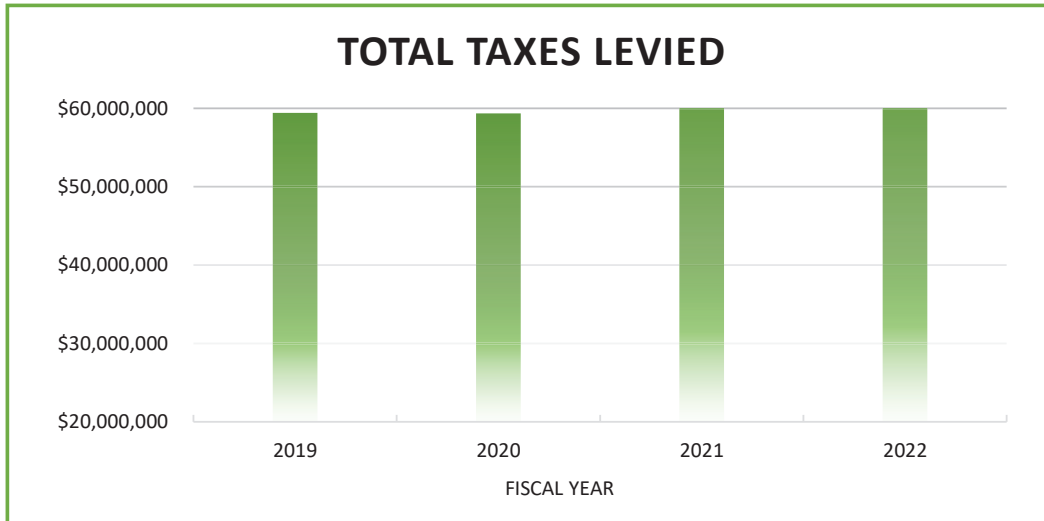


Source: SCV Water Agency

Note: Only 4 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		Total Collections to Date		
		Amount	Percentage of Levy	Collections in Subsequent Year	Amount	Percentage of Levy
2019	\$ 59,422,583	\$ 58,205,621	97.95%	\$ 1,216,962	\$ 59,422,583	100%
2020	59,357,562	58,812,952	99.08%	544,610	59,357,562	100%
2021	65,964,410	65,084,327	98.67%	880,083	65,964,410	100%
2022	68,688,371	65,355,663	95.15%	3,332,708	68,688,371	100%



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

Note 1: Only 4 years of available data. SCV Water creation January 1, 2018.

Note 2: The information on estimated actual value is not provided because it cannot be reasonably estimated based on assessed values.

**Santa Clarita Valley Water Agency
Direct Rates**

Meter Size	Newhall Division			Santa Clarita Division			Valencia Division			SCV Water
	FY 2019	FY 2020	FY 2021	FY 2019	FY 2020	FY 2021	FY 2019	FY 2020	FY 2021	FY 2022
5/8"	-	-	-	21.88	22.32	22.32	13.26	16.81	16.81	13.64
3/4"	16.11	16.14	16.14	29.68	30.28	30.28	19.89	25.22	25.22	18.38
1"	26.90	26.96	26.96	45.25	46.16	46.16	33.15	42.03	42.03	27.87
1 1/2"	53.65	53.75	53.75	84.21	85.90	85.90	66.30	84.06	84.06	51.60
2"	85.87	86.04	86.04	130.94	133.56	133.56	106.08	134.50	134.50	80.08
2 1/2"	128.88	129.13	129.13	-	-	-	-	-	-	94.32
3"	161.10	161.42	161.42	255.60	260.72	260.72	198.90	252.19	252.19	146.52
4"	268.55	269.08	269.08	395.82	403.74	403.74	331.50	420.31	420.31	241.43
6"	536.95	538.00	538.00	785.33	801.04	801.04	663.00	840.63	840.63	478.72
8"	859.15	860.84	860.84	1,252.75	1,277.81	1,277.81	1,060.80	1,345.00	1,345.00	763.47
10"	1,235.15	1,237.58	1,237.58	-	-	-	1524.9	1933.44	1933.44	1,095.67
12"	-	-	-	-	-	-	2187.9	2774.07	2774.07	2,044.82
14"	-	-	-	-	-	-	2983.5	3782.82	3782.82	-
Fire Service										
1"	-	-	-	3.01	3.08	3.08	-	-	-	6.29
2"	22.74	22.97	22.97	6.02	6.15	6.15	7.52	8.36	8.36	9.51
4"	73.05	73.78	73.78	12.03	12.28	12.28	15.04	16.72	16.72	19.47
6"	138.17	139.55	139.55	18.04	18.41	18.41	22.56	25.08	25.08	34.10
8"	216.15	218.31	218.31	24.05	24.54	24.54	30.08	33.44	33.44	51.67
10"	-	-	-	30.05	30.66	30.66	37.60	41.80	41.80	72.16
12"	-	-	-	36.06	36.79	36.79	45.12	50.16	50.16	130.71
14"	-	-	-	42.07	42.92	42.92	52.64	58.52	58.52	192.19
16"	-	-	-	48.08	49.05	49.05	-	-	-	272.98
18"	-	-	-	54.09	55.18	55.18	-	-	-	433.70
20"	-	-	-	60.09	61.30	61.30	-	-	-	546.41
Usage Rate Per CCF										
Uniform										
Volume Rate	2.7839	2.8542	2.8542	1.91*	1.99*	1.99*	1.89	1.84	1.84	2.09

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

Source: SCV Water Agency

Note: Only 4 years of available data. SCV Water creation January 1, 2018.

Santa Clarita Valley Water Agency
Principal Revenue Payers - Current and Three Years Ago

Fiscal Year 2021-22		
Customer Name	Annual Revenues	% of Water Sales
1 City of Santa Clarita	\$ 4,325,547	4.90%
2 GH Palmer	1,435,968	1.63%
3 LA County Public Works	1,325,649	1.50%
4 Six Flags Magic Mountain	689,608	0.78%
5 Hart School District	592,480	0.67%
6 Friendly Village	560,770	0.64%
7 West Creek/West Hills HOA	436,617	0.49%
8 Rockne Construction	427,358	0.48%
9 Equity Residential	377,330	0.43%
10 Westridge Valencia	349,139	0.40%
Total (10 Largest)	10,520,467	11.91%
Others	77,783,101	88.09%
Grand Total	<u>88,303,568</u>	<u>100.00%</u>

Fiscal Year 2018-19		
Customer Name	Annual Revenues	% of Water Sales
1 Six Flags, Mail Stop #5	\$ 538,664	0.65%
2 FivePoint	530,992	0.64%
3 Newhall Land	419,911	0.51%
4 CF Arcis X Holdings LLC	282,981	0.34%
5 FivePoint	254,578	0.31%
6 Stonegate Castaic HOA	207,053	0.25%
7 The Village	150,425	0.18%
8 Santa Clarita Community College District	148,156	0.18%
9 Phoenix ESG #181	146,283	0.18%
10 Parklane Mobile Estate	119,699	0.14%
Total (10 Largest)	2,798,743	3.37%
Others	80,141,041	96.63%
Grand Total	<u>82,939,784</u>	<u>100.00%</u>

Source: SCV Water Agency

Note: Only 4 years of available data.

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

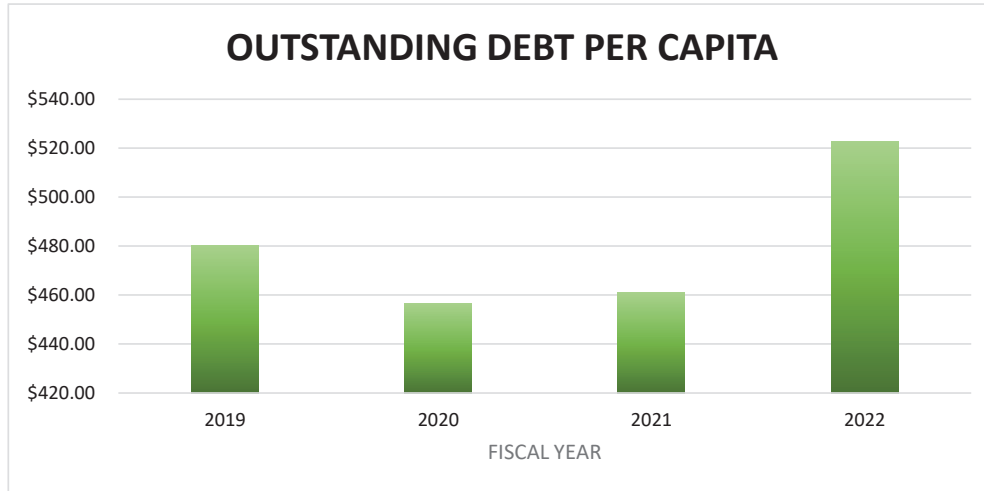
Fiscal Year	Secured			Unsecured			Total Direct Tax Rate
	Los Angeles County	Ventura County	Totals	Los Angeles County	Ventura County	Totals	
2019	42,530,762,287	28,776,667	42,559,538,954	1,161,623,197	1,274,455	1,162,897,652	0.0706
2020	44,484,636,167	34,083,193	44,518,719,360	1,175,937,200	1,253,240	1,177,190,440	0.0706
2021	46,884,085,113	40,422,691	46,924,507,804	1,195,550,968	1,501,155	1,197,052,123	0.0706
2022	48,527,311,805	40,422,691	48,567,734,496	1,238,870,949	1,501,155	1,240,372,104	0.0706

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

Note: Only 4 years of available data. SCV Water creation January 1, 2018.

**Santa Clarita Valley Water Agency
Outstanding Debt**

Fiscal Year	Santa Clarita Valley Population ¹	Certificates of Participation	Revenue Bonds	Notes Payable	Total Debt	Per Capita	As a Share of Personal Income ²
2019	292,281	\$ 132,453,983	\$ 217,040,224	\$ 2,573,780	\$ 352,067,987	\$ 480.19	0.84%
2020	294,048	121,548,662	201,800,611	-	323,349,273	\$ 456.64	0.76%
2021	292,941	79,575,190	270,352,752	-	349,927,942	\$ 460.91	0.72%
2022	298,731	73,494,884	272,309,903		345,804,787	\$ 522.62	0.83%



¹ Santa Clarita Valley Population (SCV Economic Development Corporation)

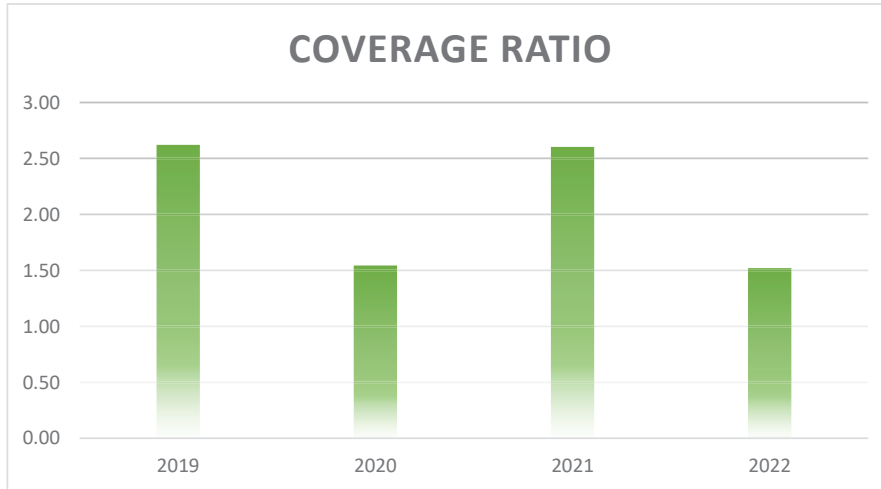
² See Demographics Statistics for per capita personal income

Source: SCV Water Agency

Note: Only 4 years of available data. SCV Water creation January 1, 2018.

Santa Clarita Valley Water Agency
Debt Coverage
Last Four Fiscal Years

Fiscal Year	Revenues ⁽¹⁾	Expenses ⁽²⁾	Net Available Revenues	Debt Service ⁽³⁾			Coverage Ratio
				Principal	Interest	Total ⁽⁴⁾	
2019	\$ 136,159,876	\$ 53,341,917	\$ 82,817,959	\$ 18,750,721	\$ 12,839,698	\$ 31,590,419	2.62
2020	126,766,054	68,952,367	57,813,687	27,748,780	9,707,424	37,456,204	1.54
2021	138,530,934	70,751,586	67,779,348	14,700,000	11,337,082	26,037,082	2.60
2022	125,206,286	74,168,967	51,037,319	19,024,282	14,550,338	33,574,620	1.52



Notes: Debt Coverage

(1) Revenues include Operating Revenues and Non-Operating Revenues

Operating Revenues (Water Sales Revenues, Other charges & services)

Non-Operating Revenues (Facility Capacity Fee Revenues, 1% Prop Revenues, Investment Revenues, etc.)

(2) Operating Expenses exclude depreciation/amortization expense

(3) The debt Service doesn't include the VWD Acquisition loan or payments of refinancing or issuance of debt

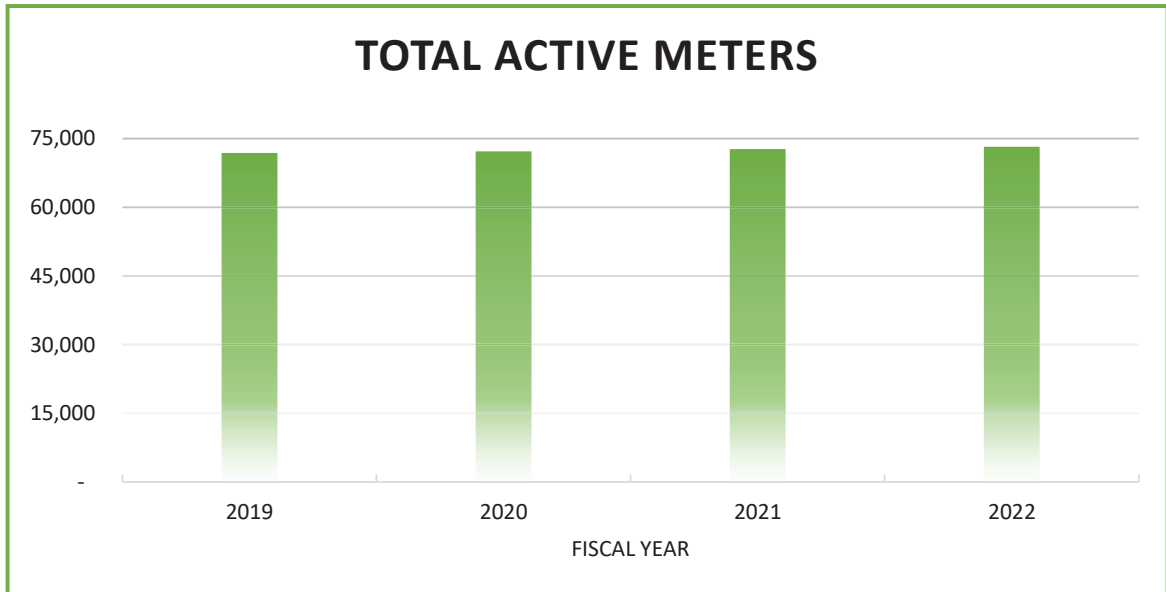
(4) The FY 2020 Debt Service payments includes prepayments of 2008A, 2014A and 2009 CNB/Municipal (NWD)

Source : SCV Water Audited Comprehensive Financial Report

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

Active Meters By Size

Fiscal Year	5/8"	3/4"	1"	1 1/2"	2"	2 1/2"	3"	4"	6"	8"	10"	12"	Total ¹
2019	5,721	52,946	7,510	1,328	3,775	25	279	174	68	37	13	0	71,876
2020	4,960	53,832	7,826	1,336	3,817	25	187	146	50	28	10	0	72,217
2021	4,664	54,306	8,238	1,321	3,769	29	180	112	51	32	10	0	72,712
2022	4,484	53,851	9,237	1,360	3,796	151	123	122	46	38	10	4	73,222



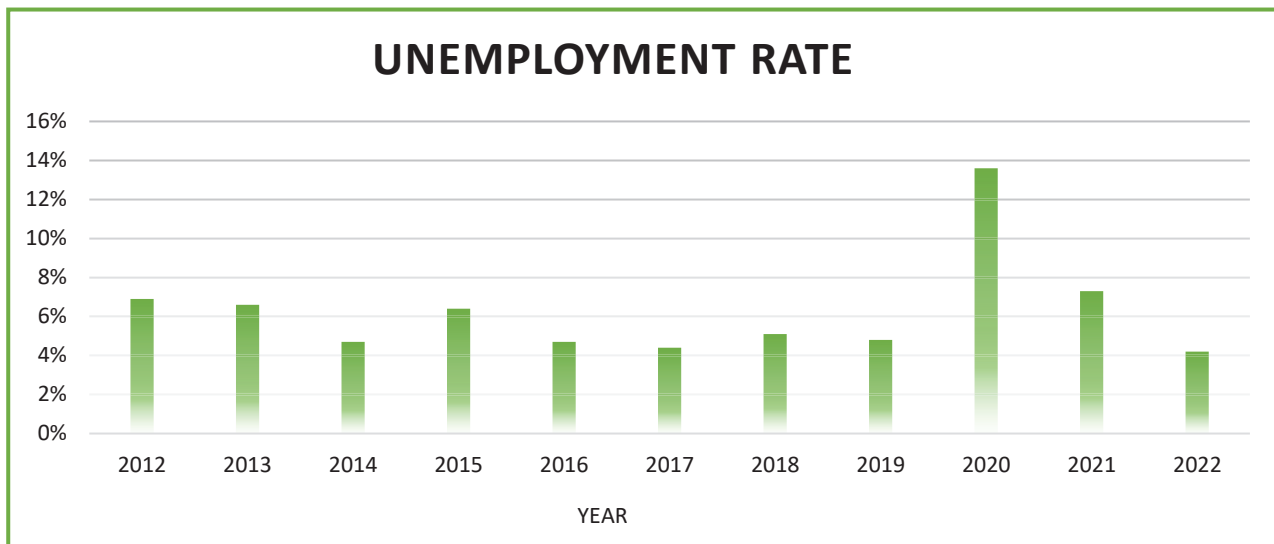
¹ The 2019 and 2020 data has been updated to exclude private fire meters

Source: SCV Water Agency

Note: Only 4 years of available data. SCV Water creation January 1, 2018.

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

Year	City of Santa Clarita Population ¹	Unemployment Rate ²	Personal Income (billions of dollars)	Average per Capita Income ³
2012	177,445	6.90%	8.2	46,337
2013	204,951	6.60%	9.9	48,425
2014	209,130	4.70%	10.6	50,751
2015	213,231	6.40%	11.6	54,526
2016	219,231	4.70%	12.5	57,160
2017	216,350	4.40%	13.0	60,087
2018	216,589	5.10%	13.8	63,913
2019	218,103	4.80%	13.7	63,043
2020	221,932	13.60%	15.2	68,272
2021	221,572	7.30%	15.9	71,686
2022	222,237	4.2%	19.8	88,967



Source: City of Santa Clarita

¹ State of California, Finance Department

² State of California, Department of Employment Development (EDD)

³ U.S. Department of Commerce, Bureau of Economic Analysis (BEA)

**Santa Clarita Valley Water Agency
Principal Employers - Current and Three Year Ago**

2022

Principal Employers	Number of Employees	Rank	Percentage of Total Employment
Six Flags Magic Moutain	2,200	1	9%
Williams S. Hart Union School District	1,999	2	8%
Henry Mayo Newhall Memorial Hospital	1,778	3	7%
US Postal Service	1,642	4	7%
Saugus Union School District	1,374	5	5%
Princess Cruises	1,116	6	4%
City of Santa Clarita	943	7	4%
Boston Scientific	893	8	4%
The Master's University	863	9	3%
Newhall School District	715	10	3%
Total	13,523		54%
All Others	14,650		58%
Total Employment in Santa Clarita	28,173		112%

2019

Principal Employers	Number of Employees	Rank	Percentage of Total Employment
Six Flags Magic Mountain	3,200	1	10%
Princess Cruises	2,177	2	7%
Henry Mayo Hospital	1,982	3	6%
Boston Scientific	900	4	3%
The Master's University	765	5	2%
Walmart	705	6	2%
Cal Arts	700	7	2%
Woodward HRT	680	8	2%
Quest Diagnostics	660	9	2%
Aerospace Dynamics	581	10	2%
Total	12,350		40%
All Others	18,467		60%
Total Employment in Santa Clarita	30,817		100%

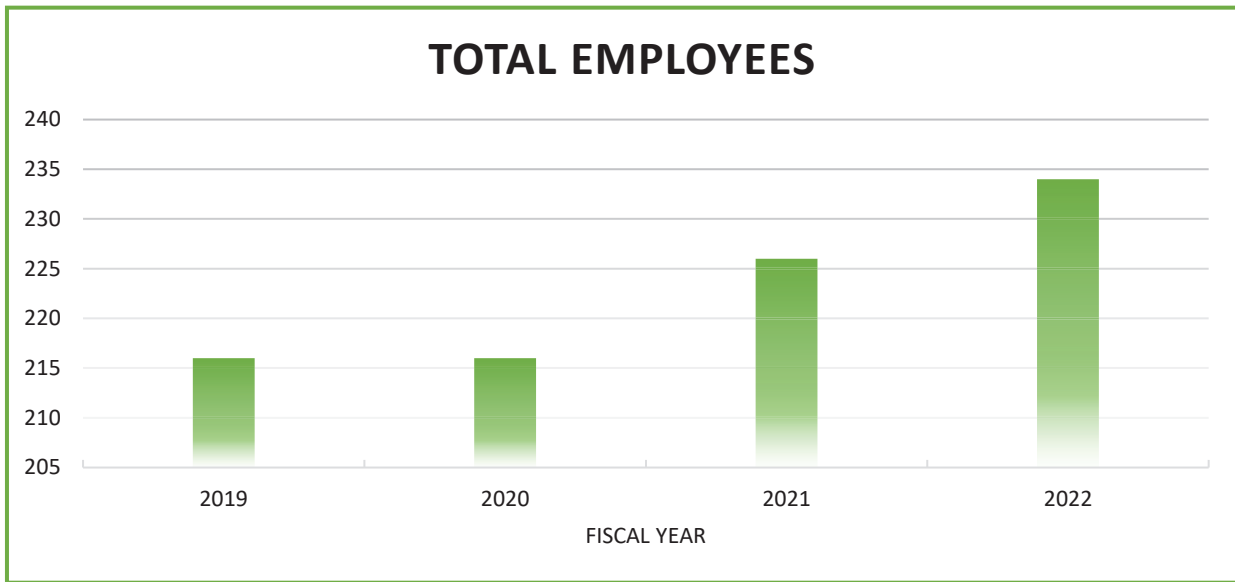
Source: Santa Clarita Valley Economic Development Corporation

Note: Only 4 years of available data.

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

Agency Employees

Fiscal Year	Management	Finance, Administration and Technology Services	Engineering Services	Operations, Maintenance and Treatment	Water Resources and Outreach	Total FTE
2019	5	51	24	113	23	216
2020	5	49	30	108	24	216
2021	3	60	27	115	21	226
2022	3	63	27	115	26	234



Source: SCV Water Agency

Note: Only 4 years of available data. SCV Water creation January 1, 2018.

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

Operating and Capital Indicators

Water System	Fiscal Year			
	2019	2020	2021	2022
Service Area (In Acres)	125,056	125,056	125,056	125,954
Miles of Water Main	861	879	879	928
Number to Storage Reservoirs ¹	94	96	97	99
Water Storage Capacity (In Million Gallons)	154	156	162	163
Total Water Connections (Active Meters)	72,217	73,767	72,712	73,222
Number of Booster Pump Stations	51	52	52	66
Number of Valves	23,826	23,826	24,603	25,198
Number of Hydrants	7,126	7,126	7,126	7,573
Number of Wells in Service ²	40	40	26	29
In Service Wells GPM	48,000	48,000	33,440	39,390

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

²In FY 2020, 16 wells are offline due to PFAS contamination, pending treatment completion

Source: SCV Water Agency

Note: Only 4 years of available data. SCV Water creation January 1, 2018.



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Santa Clarita Valley Water Agency
Current Monthly Salary Data
October 2022

Rank	Comparator Agency	Class Title	Current Base		% Change	Effective Date	Next Salary Increase	Next Percentage Increase
			Monthly Salary November 2021	Monthly Salary October 2022				
	Santa Clarita Valley Water Agency	General Manager	\$ 25,446	\$ 25,446	0.0%	10/1/2021	unknown	Unknown
1	Calleguas Municipal Water District ¹	General Manager	\$ 23,958	\$ 28,750	20.0%	9/1/2022	unknown	unknown
2	United Water Conservation District	General Manager	\$ 26,723	\$ 28,621	7.1%	5/11/2022	unknown	unknown
3	Las Virgenes Municipal Water District	General Manager	\$ 26,757	\$ 28,095	5.0%	7/20/2022	unknown	unknown
4	Irvine Ranch Water District ⁴	General Manager	\$ 27,846	\$ 27,846	0.0%	10/1/2021	Nov. '22	unknown
5	Orange County Sanitation District ⁶	General Manager	\$ 27,728	\$ 27,728	0.0%	7/1/2021	Under Review	unknown
6	Coachella Valley Water District	General Manager	\$ 25,747	\$ 27,035	5.0%	1/1/2022	unknown	unknown
7	Zone 7 Water Agency	General Manager	\$ 25,040	\$ 26,166	4.5%	4/17/2022	unknown	unknown
8	Desert Water Agency	General Manager	\$ 24,866	\$ 26,131	5.1%	6/24/2022	unknown	unknown
9	Municipal Water District of Orange County ⁵	General Manager	\$ 25,150	\$ 25,150	0.0%	7/1/2021	Oct. '22	unknown
10	West Basin Municipal Water District ³	General Manager	\$ 26,730	\$ 25,000	-6.5%	4/11/2022	unknown	unknown
11	City of Long Beach	General Manager - Water	\$ 24,143	\$ 24,626	2.0%	9/30/2022	unknown	unknown
12	Casitas Municipal Water District	General Manager	\$ 19,668	\$ 23,532	19.6%	6/1/2022	6/1/2023	2%
13	Alameda County Water District	General Manager	\$ 22,557	\$ 23,684	5.0%	7/1/2022	unknown	unknown
14	Helix Water District ²	General Manager	\$ 22,612	\$ 21,250	-6.0%	8/3/2022	unknown	unknown
15	Central Basin Municipal Water District	General Manager	\$ 18,750	\$ 19,688	5.0%	7/25/2022	unknown	unknown
16	Ventura Regional Sanitation District	General Manager	\$ 18,570	\$ 19,127	3.0%	1/1/2022	unknown	CPI 0-4.5%

Average of Comparators	\$ 24,178	\$ 25,152
% Santa Clarita Valley Water Agency Above/Below	5.2%	1.2%
Median of Comparators	\$ 24,953	\$ 25,640
% Santa Clarita Valley Water Agency Above/Below	2.0%	-0.8%
Number of Matches	16	16

NOTE: All calculations exclude Santa Clarita Valley Water Agency.

¹ GM recently received an increase based on the current 12 month CPI and salary survey recently conducted by the district.

²New GM appointed August 2022.

³New GM appointed April 2022.

⁴Agency confirmed no changes to salary amount from 2021. Amendment to GM's contract is on the Board's agenda in November 2022.

⁵No current changes to salary amount from 2021. Amendment to GM's contract is on the Board's agenda in Oct 2022.

⁶Agency confirmed no current changes to salary amount from 2021. GM's annual performance review is currently under review by the Steering Committee.

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BOARD MEMORANDUM

DATE: December 9, 2022

TO: Board of Directors

FROM: Courtney Mael, P.E., Chief Engineer *CM*
Keith Abercrombie, Chief Operating Officer *KA*

SUBJECT: December 8, 2022 Rescheduled Engineering and Operations Committee Meeting Report

The rescheduled Engineering and Operations Committee met at 5:30 PM on Thursday, December 8, 2022 in the Summit Circle Engineering Services Section Boardroom located at 26521 Summit Circle. In attendance were Committee acting Chair Gary Martin, and Directors Jeff Ford, Piotr Orzechowski, Kenneth Petersen, and Lynne Plambeck. Staff members present were Assistant General Manager Steve Cole; Associate Engineer Elizabeth Sobczak; Chief Engineer Courtney Mael; Chief Operating Officer Keith Abercrombie; Engineers Mark Aumentado; and Robert Banuelos; Executive Assistant Leticia Quintero; General Manager Matt Stone; Management Analyst II Cheryl Fowler; Principal Engineer Brent Payne; Right of Way Agent Kristina Jacob; Senior Engineer Orlando Moreno and additional SCV Water Agency staff. Two members of the public were present. A copy of the agenda is attached.

Item 1: Pledge of Allegiance – Director Piotr Orzechowski led the Committee in the Pledge of Allegiance.

Item 2: Public Comments – There was public comment.

Item 3: Recommend Adopting a Resolution Authorizing the General Manager to Apply for Grant Funding Under the 2022 Urban Community Drought Relief Program and Execute a Grant Agreement with the Department of Water Resources for the Saugus Wells 3 & 4 (Replacement Wells) Well Equipment and Site Improvement Project and S Wells PFAS and Disinfection Facilities – The Committee and staff discussed the State Grant and letters of support. The Committee recommended the item be placed on the Consent Calendar at the December 20, 2022 regular Board meeting.

Item 4: Recommend Approval to Authorize the General Manager to Execute a Contract with TriPointe Homes IE-SD, Inc. for SCV Water’s Fair Share Cost to Construct the Skyline Ranch Deane Pump Station, Including Construction Quality Assurance and Control Testing, Construction Inspections, and Engineering Services During Construction – The Committee and staff discussed the Pump Station and the Developer Contract. The Committee recommended the item be placed on the Consent Calendar at the December 20, 2022 regular Board meeting.

Item 5: Recommend Approval of a Resolution Authorizing a Purchase Order to Lee & Ro, Inc. for Planning Services for the Catala Pump Station and Pipelines Project – The Committee and staff discussed the project and CEQA requirements. The Committee recommended the item be placed on the Consent Calendar at the December 20, 2022 regular Board meeting.

Item 6: Recommend Approval of a Resolution Authorizing a Purchase Order to Hazen and Sawyer for Planning Services for the Saugus Wells (N11, N12, N13) Groundwater Treatment Improvements Project– The Committee and staff discussed the location and site of the project. The Committee recommended the item be placed on the Consent Calendar at the January 3, 2023 regular Board meeting.

Item 7: Monthly Operations and Production Report – Staff and the Committee reviewed the Operations and Production Report.

Item 8: Capital Improvement Projects Construction Status Report – Staff and the Committee reviewed the Capital Improvement Projects Construction Status Report.

Item 9: Committee Planning Calendar – Staff and the Committee reviewed FY 2022/23 Committee Planning Calendar.

Item 10: General Report on Treatment, Distribution, Operations and Maintenance Services Section Activities – Keith Abercrombie updated the Committee on the N Wells PFAS Treatment System and the Valley Center Well Groundwater Treatment Facility. The PFAS Pilot Project is set to start in January 2023. Operations will be collaborating with Engineering to conduct site condition assessments as part of the Master Plan Update.

Item 11: General Report on Engineering Services Section Activities – Courtney Mael recognized and expressed gratitude to Directors Lynne Plambeck and Jeff Ford for their work and participation with the Engineering and Operations Committee and staff. Kristina Jacob then shared with the group a presentation on current SCV Water property interests.

Item 12: Adjournment – The meeting adjourned at 7:14 PM.

The meeting recording is available on the SCV Water Website or by clicking the following link https://yourscvwater.com/wp-content/uploads/2022/12/E-O-Committee-Meeting-Recording_120822.mp3

CM/KA

Attachment

M65



Date: November 30, 2022

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

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

The rescheduled **Engineering and Operations Committee** meeting is scheduled on **Thursday, December 8, 2022 at 5:30 PM at 26521 Summit Circle, Santa Clarita, CA 91350 in the Engineering Services Section (ESS) Boardroom**. Members of the public may attend in person or virtually. To attend this meeting virtually, please see below.

IMPORTANT NOTICES

This meeting will be conducted in person at the address listed above. As a convenience to the public, members of the public may also participate virtually by using the **Agency's Call-In Number 1-(833)-568-8864, Webinar ID: 160 616 9017 or Zoom Webinar by clicking on the link <https://scvwa.zoomgov.com/j/1606169017>**. Any member of the public may listen to the meeting or make comments to the Committee using the call-in number or Zoom Webinar link above. However, in the event there is a disruption of service which prevents the Agency from broadcasting the meeting to members of the public using either the call-in option or internet-based service, this meeting will not be postponed or rescheduled but will continue without remote participation. The remote participation option is being provided as a convenience to the public and is not required. Members of the public are welcome to attend the meeting in person.

Attendees should be aware that while the Agency is following all applicable requirements and guidelines regarding COVID-19, the Agency cannot ensure the health of anyone attending a Committee meeting. Attendees should therefore use their own judgment with respect to protecting themselves from exposure to COVID-19.

Members of the public unable to attend this meeting may submit comments either in writing to lquintero@scvwa.org or by mail to Leticia Quintero, Executive Assistant, Santa Clarita Valley Water Agency, 26521 Summit Circle, Santa Clarita, CA 91350. All written comments received before 4:00 PM the day of the meeting will be distributed to the Committee members and posted on the Santa Clarita Valley Water Agency website prior to the start of the meeting. Anything received after 4:00 PM the day of the meeting, will be made available at the meeting, if practicable, and will be posted on the SCV Water website the following day. All correspondence with comments, including letters or emails, will be posted in their entirety.

MEETING AGENDA

<u>ITEM</u>	<u>PAGE</u>
1. <u>PLEDGE OF ALLEGIANCE</u>	
2. <u>PUBLIC COMMENTS</u> – Members of the public may comment as to items within the subject matter jurisdiction of the Agency that are not on the Agenda at this time. Members of the public wishing to comment on items covered in this Agenda may do so at the time each item is considered. (Comments may, at the discretion of the Committee Chair, be limited to three minutes for each speaker.)	
3. * Recommend Adopting a Resolution Authorizing the General Manager to Apply for Grant Funding Under the 2022 Urban Community Drought Relief Program and Execute a Grant Agreement with the Department of Water Resources for the Saugus Wells 3 & 4 (Replacement Wells) Well Equipment and Site Improvement Project and S Wells PFAS and Disinfection Facilities	1
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5. * Recommend Approval of a Resolution Authorizing a Purchase Order to Lee & Ro, Inc. for Planning Services for the Catala Pump Station and Pipelines Project	19
6. * Recommend Approval of a Resolution Authorizing a Purchase Order to Hazen and Sawyer for Planning Services for the Saugus Wells (N11, N12, N13) Groundwater Treatment Improvements Project	31
7. * Monthly Operations and Production Report	45
8. * Capital Improvement Projects Construction Status Report	147
9. * Committee Planning Calendar	149
10. General Report on Treatment, Distribution, Operations and Maintenance Services Section Activities	
11. * General Report on Engineering Services Section Activities	153
12. 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 Leticia Quintero, Executive Assistant, at (661) 297-1600, or in writing to Santa Clarita Valley Water Agency at 26521 Summit Circle, 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 1, 2022.


M65

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BOARD MEMORANDUM

DATE: December 13, 2022

TO: Board of Directors 

FROM: Rochelle Patterson
Chief Financial and Administrative Officer

SUBJECT: December 12, 2022 Rescheduled Finance and Administration Committee Meeting Report

The rescheduled Finance and Administration (F&A) Committee met at 5:30 PM on Monday, December 12, 2022 in the Board Room of the Rio Vista Water Treatment Plant. In attendance were Chair R.J. Kelly, Directors Kathye Armitage, Beth Braunstein, Ed Colley, Maria Gutzeit and Ken Petersen. Staff members in attendance included Controller Amy Aguer, Director of Technology Services Cris Perez, Management Analyst II Erika Dill, Administrative Services Manager Kim Grass, General Manager Matt Stone, IT Technician I Jonathan Thomas, Customer Service Manager Kathleen Willson and myself. Brandon Young from the Agency's auditing firm LSL (Lance, Soll & Lunghard, LLP) also presented. Additional SCV Water staff and members of the public were present. A copy of the agenda is attached.

Item 1: Pledge of Allegiance

Item 2: Public Comment – There was no public comment.

Item 3: Recommend Receiving and Filing of SCV Water Annual Comprehensive Financial Report (ACFR) ended June 30, 2022 – Staff introduced this item and Brandon Young from the Agency's auditing firm LSL presented the report. The Committee unanimously agreed to recommend the item be placed as an action item to be presented at the December 20, 2022 regular Board meeting.

Item 4: Recommend Approval of Contract and Materials for Microwave Upgrade Project – Staff presented and discussed this item with the Committee. Staff also stated that since the original report on this item had been published, it was determined that an additional approximate \$20,000 was needed to be approved for FCC licensing fees, bringing the total approval amount to \$220,000. After addressing a few questions about these licensing fees and cybersecurity, the Committee unanimously agreed to recommend the item be placed on the Consent Calendar for the December 20, 2022 regular Board meeting.

Item 5: Overview and Discussion of Bill Pay Options – Staff presented a PowerPoint presentation that disclosed Agency costs associated with accepting customers' payments. Survey data was presented on what a peer group of agencies does. The Committee discussed whether to maintain or change the current practice of not charging for credit card payments. Committee members also requested additional information on a few related questions.

This item will be discussed again at a future F&A Committee meeting.

Item 6: Committee Planning Calendar – Staff briefly stated the items that are scheduled for the next few months of the FY 2022/23 planning calendar.

Item 7: Requests for Future Agenda Items – None at this time.

Item 8: General Report on Finance and Administration Activities – Staff briefly stated that updated Accounts Receivable balances will be presented at the next Committee meeting.

Item 9: Adjournment – The meeting was adjourned at 7:20 PM.

The meeting recording is available on the SCV Water Website or by clicking the following link <https://yourscvwater.com/wp-content/uploads/2022/12/Dec-12-2022-FA-Meeting-Recording.mp3>

RP


Attachment

M65



Date: December 5, 2022

To: **Finance and Administration Committee**
 R.J. Kelly, Chair
 Kathye Armitage
 Beth Braunstein
 Ed Colley
 Maria Gutzeit
 Ken Petersen

From: Rochelle Patterson 
 Chief Financial and Administrative Officer

The **Finance and Administration Committee** is rescheduled for **Monday, December 12, 2022** at **5:30 PM** at **27234 Bouquet Canyon Road, Santa Clarita, CA 91350** in the **Board Room** and the **teleconference site listed below**. Members of the public may attend in person or virtually. To attend this meeting virtually, please see below.

IMPORTANT NOTICES

This meeting will be conducted in person at the address listed above. As a convenience to the public, members of the public may also participate virtually by using the **Agency's Call-In Number 1-(833)-568-8864, Webinar ID: 160 967 2842 or Zoom Webinar by clicking on the link <https://scvwa.zoomgov.com/j/1609672842>**. Any member of the public may listen to the meeting or make comments to the Committee using the call-in number or Zoom Webinar link above. However, in the event there is a disruption of service which prevents the Agency from broadcasting the meeting to members of the public using either the call-in option or internet-based service, this meeting will not be postponed or rescheduled but will continue without remote participation. The remote participation option is being provided as a convenience to the public and is not required. Members of the public are welcome to attend the meeting in person.

Attendees should be aware that while the Agency is following all applicable requirements and guidelines regarding COVID-19, the Agency cannot ensure the health of anyone attending a Committee meeting. Attendees should therefore use their own judgment with respect to protecting themselves from exposure to COVID-19.

Members of the public unable to attend this meeting may submit comments either in writing to edill@scvwa.org or by mail to Erika Dill, Management Analyst II, SCV Water, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. All written comments received before 3:00 PM the day of the meeting will be distributed to the Committee members and posted on the SCV Water website prior to the start of the meeting. Anything received after 3:00 PM the day of the meeting will be made available at the meeting, if practical, and will be posted on the SCV Water website the following day. All correspondence with comments, including letters or emails, will be posted in their entirety.

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3.	* Recommend Receiving and Filing of SCV Water Annual Comprehensive Financial Report (ACFR) ended June 30, 2022	9
4.	* Recommend Approval of Contract and Materials for Microwave Upgrade Project	123
5.	* Overview and Discussion of Bill Pay Options	129
6.	* Committee Planning Calendar	137
7.	Requests for Future Agenda Items	
8.	General Report on Finance and Administration Activities	
9.	Adjournment	
	* Indicates attachments	
	◆ To be distributed	

NOTICES:

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Posted on December 7, 2022.

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AB1234
Lynne Plambeck
ACWA
Indian Wells
Nov 29-Dec 1

ITEM NO.
12.1

Nov 29
Groundwater Committee

Paul Gosselin DWR

Drought is not a one off. Appears that we will have another year. Temps are rising faster than expected. CEQA exemption for groundwater recharge projects – Executive order. Hoping to make up some of the 700 million deficit. Aridification will reduce our water supply by about 10%. Taking a close look at how plans are addressing climate change in GSA plans. If a basin is already hitting its MTs, there will be discussions. Plans at local levels may change substantially by 2040 as they adapt to what works. Inter-connected surface water undesirable result. Implementing a guidance document. Compliance put off until 2025.

State Water Board report

Talked about the state intervention process for SIGMA Non-compliance. The Board has been working closely with DWR. 90 notice for public hearing. No ex parte restrictions, so they will hear from stakeholders. Must pursue compliance because of the large number of dry wells. The Board has a ground water visibility tool.

Stream line permitting – 180 day permit and 5 year permit.

CEQA exemption is easier for short term permits. Time period Jan through March when flows are at the 90th percentile is also a window.

Subcommittee reports

Water quality report – MCLs from state board PFAS Styren, cadmium,arsenic, (2024), chromium 6 (feb or March 2023) manganese (more, I didn't get them all) Heard a presentation on changes in arsenic level due to drought., and how pumping might affect arsenic.

Legislative issues – Antoinette

Ground Water Resource Agency – will try to coordinate some events with ACWA – update on their events.

Water Quality Committee

Shawn – State Water Control Board member – mission is to protect beneficial uses of water.

Environment – harmful algal blooms – a nutrient question. What can we control?

SWRCB is tasked with protecting the Delta.

Water quality MCLs – talked about PFAS and chrom 6

Human Right to Water – Working to ensure that small water systems get safe drinking water.

Matching water quality to use – he is worried about the drought. State Board is providing additional tools – direct potable re-use. Salt accumulation must be addressed.

SWRB water quality new mcls (see above from groundwater committee)

Microplastics – SB1422 reporting on microplastic, adopt a definition and testing methodology, developer notification levels. State did adopt a definition – polymers less than 5micrometers. First in the world. Developed a policy handbook. Pilot phase first to build infrastructure for monitoring.

Bottled water is regulated Dept.of Drinking Water.

PFAS – federal levels coming next year. Concern over CERCL treatment of PFAS pollution. AG has filed a PFAS lawsuit.

Jeremy Jungreis subcommittee on aquatic resources. Discussed Sacket case.

Rail strike – not looking good. Might be good to stock pile needed chemistry.

Nov 30th

ACWA breakfast Keynote speaker

Ambassador from Israel

Face chronic drought Water is a matter of National security. Water from Lakes and rivers has become unsustainable. They are among lowest water use in the world.

10:15

What have we learned from groundwater adjudications?

Peter Kavounas – Chino basin water master

Eric Robinson

Stephanie Hastings – Brownstein firm

They have been occurring in CA for the past 75 years – protracted litigation

Common elements – has included a stipulation about issues. SGMA provides an alternate method for adjudicating a basin, but can still be adjudicated. Goal – to obtain the highest level of certainty possible, but also need some flexibility.

Production rights (Eric)

Chino adjudication Peter – was a settlement. They decided that they would negotiate before going to Court. Got funding for studies.

Equitable apportionment – but that stipulation could not be imposed on the objecting parties.

Eric – Antelope Valley Ramp downs – M and I took a hair cut and reduced their pumping, more time for Ag to adjust themselves to reduced pumping

Recognition that operating yield may change over time.

Storage in adjudications, must be approved. Adjudication was amended for storage.

1:45 Key Appellate Court Decisions

Delta Water Diverters – Trial Court ruled that the SWRCB Could not. CAL AP 6 interpreted sec 1052 (Div 2) Board's rights under water code. Board can assess whether pre-1914 water rights are Court ruled that the SWRCB cannot curtail pre-1914 water rights.

Court ruled against substantial compliance – be sure to put the entire requirements in the notice of statute of limitations.

Sierra case – did not distribute documents – Agency lost case.

Undue burden – court did not uphold for document review

San Buena Ventura case court ruled against watershed fee. Volumetric charges come under Prop 26

Hill RHF – assessment for business improvement district. Exhaustion not required in Prop 218,

NEPA – Court ruled against several FONZIs. Court ruled that thinning is exempt from

Landfills don't count for Class 1 exemption because agency did not articulate the grounds. Another case – Agency can't split up issues and do part with an mnd and part with a supplemental EIR. If the emissions are double what you told the public, you need to re-circulate your EIR.

This year there are a lot of water cases at the Supreme Court.

Thursday 10:15

Unpacking CA Water Policy

Nancy Vogel – Gov Newsome 2019 calls on agencies to makes a water resiliency portfolio blue print.

Final 2020 142 separate actions the state must take to support local actions.

Four goals.

AgLand repurposing

We are in the era of hot drought – 10% loss of water for people by 2040 because of aridity.

Water Supply strategy targets for 2030 and 2040. Must overhaul infrastructure to address aridity.

Streamline approval processes.

Joaquin Esquivel – Conservation both urban and ag. – Indoor and outdoor standards.

Ellen Hanak – We need to really anticipate what we do when it is wet and what we do when it is dry.

Strategy – ground water recharge, leaned on SWRCB strategies for winter recharge

Reform water rights

Ellen Hanak – we must also store water for the environment

Vogel – work together to address issues without hurting neighbors

Esquivel – shift to watershed management. We need to get better at our math.

2:15

Water Innovations

Direct Install gardens in DAC Communities – City of Long Beach thru grants (to a void rate payer challenges) \$23 a square foot. Used native plants. Can get number down to \$8. Particularly targeting low income who wouldn't apply for subsidies because they couldn't afford it. Coastal Com funded because it was linked to the LA River

TID Water and Power better forecasting ability. Allows greater prediction of how much snow is actually there and what will come down as flood water, thus allowing less loss of water to create flood storage. They were told they had to increase their channels and were able to get a deviation based on the data generated by this technology.

Roseville ASR

Santa Ana River Conservation program – water bank storage conjunctive use program

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Director name: Gary Martin

Meeting attended: Bouquet Creek Restoration Project Community Outreach Meeting #1

Date of meeting: December 7, 2022

Location: Grace Baptist Church, Santa Clarita

SCV Water Board Meeting to be presented at: December 20, 2022

On December 7, 2022 I attended the Bouquet Creek Restoration Project Community Outreach Meeting #1 held at Grace Baptist Church in Santa Clarita. The meeting was held by the Los Angeles Department of Public Works (DPW). The points of interest are as follows:

- Natalie Vartanian of 5th District LA County Supervisor Kathryn Barger's office expressed the Supervisor's appreciation for those in attendance.
- Adam Ariki, Asst. Deputy Director (General Manager) of the Los Angeles County Waterworks Districts, Los Angeles County Department of Public Works, introduced the meeting and provided some background information for the project.
- DPW staff made a presentation on the proposed restoration project, including the following elements:

Project objectives:

- Reestablish sediment balance in Bouquet Creek.
- Decrease roadway flooding.
- Improve water conveyance to prevent flooding.
- Reestablish stickleback populations.
- Enhance public use areas.

Proposed project elements:

- Provide enlarged concrete box culverts as needed to allow more sediment to move through.
- Provide a floodplain area (depressed basins) to capture local sediment deposits.
- Increased roadway elevation to prevent flooding (along with lowering the channel elevation).
- The channel will be designed to carry 5 cfs base flow.
- Design features will be included to improve stickleback habitat.

Next steps:

- Environmental compliance work, including CEQA and NEPA.
- Pursue necessary permits; USACOE, US F&W, CA Dept. of F&W, etc.

Project timeline:

- The goal is to begin preliminary design by the end of 2023.
- Preparation of construction contract documents (plans & specs) to follow.
- Construction duration not determined but thought to be on the order of 2-3 years.

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DIRECTOR AB 1234 REPORT

Director Name: Maria Gutzeit

Meeting Attended: Bouquet Creek Restoration Community Meeting

Date of Meeting: 12/7/22

Board Meeting to Be Presented At: 12/20/22

Points of Interest: This meeting was organized by LA County Public Works and introduced by Kathryn Barger's assistant field deputy Natalie Vartanian. Jacobs Engineering was present and taking notes.

At beginning, the comment was made that the last meeting on this was in 2017. It was explained that the lack of water releases is an issue with United Water but has occurred over safety concerns with water on the road. There were many members of the canyon and downstream Bouquet Canyon community present.

The main driver behind this project now seems to be California Fish and Wildlife's desire to establish and maintain another stickleback habitat. They are looking to apply for a grant to begin preliminary studies and design in spring 2023.

Some discussion about whether the stickleback are hybrid or not ensued. In the end it seems unless they are sure they are pure (regulated) stickleback, the fish will be "dewatered" in the project (i.e. eliminated.)

Much of the community comment related to road safety (speeding.) They also talked about past recreational uses including fishing, the campgrounds and day use. My seatmate (Bill Boyce, cabin owner) opined that the trout do not eat stickleback based on past research. The wildlife people responded that the plan is to demolish the recreational areas and leave them that way in the event Angeles National Forest wants to do something with them.

Downstream property owners talked about the loss of flow and how that has impacted their wells negatively. One stated this was the reason Lombardi Ranch is no longer viable for farming.

I personally (not as a SCVWA rep) recommended they include bike lanes on road reconstruction, since it is in the LA County Bike Ped Master Plan and also will be eligible for new infrastructure bill funding. Since they are concerned about sediment management, I also suggested the ultimate project include both a rapid response plan (in event of fires) and planned routine maintenance to avoid problems they have had with other sedimentation basins in LA County.

Others asked for, at minimum, the Los Cantilles (sp?) day use area to be brought back. Some residents preferred a dirt road to deter through traffic. People could submit written comment, and the Jacobs folks were taking notes. My observation is this is a very preliminary, with a narrow focus at this point and that the community is looking for more than just stickleback habitat in this project.

AB1234
Lynne Plambeck
Bouquet Creek Issue update meeting
12-7-22
Grace Baptist Church

Intro – Natalie Vartarian

Adam Araki
History

Ed Per – Dept. Fish and Wildlife

James –
8 Mile area of restoration
2015 project introduced

Jan 2020 Conceptional Plan
Present activity

Site conditions
Fires
Sediment
Road Safety
Water supply to downstream well owners
Degraded aquatic habitat

Next steps – CEQA – statutory exemption?
NEPA docs
US Army corp Permit
Incidental take permits
CA Fish and Wildlife – consistency determination and Streambed alteration agreement Hopefully grant
will go before Consv Board in May 2023
Project construction
Total cost - \$30 million
Martin Reisner LA County Public Works Project director
Jacobs Engineering

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Director name: Gary Martin

Meeting attended: Delta Conveyance Design and Construction Authority (DCA) Board Briefing

Date of meeting: December 9, 2022

Location: Virtual - Zoom

SCV Water Board Meeting to be presented at: December 20, 2022

On December 9, 2022 I attended the Delta Conveyance Design and Construction Authority (DCA) board of director's briefing, held virtually on the Zoom platform. The meeting is held monthly with 3 of the 7 board members to avoid a quorum, and to keep board members apprised of project activities and items that may be coming to the board at the next meeting. The points of discussion and interest are as follows:

- Carrie Buckman, DWR Environmental Manager provided an update on draft EIR that is out for public review.
- DCA Executive Director Graham Bradner provided an update on progress of the fall subsurface exploration work and indicated that work is proceeding.
- The draft agenda for the upcoming bi-monthly Board of Directors meeting on December 15th was presented, including a brief review of the monthly report on project activities and budget / schedule updates.

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Lynne Plambeck
AB1234
Dec 12th 10:30 to 11:30
Virtual Webinar ACWA-CAPIO

Demystifying Communications Strategies for Diverse Communities

Kathy Martin SCVW Agency Jim Chien SF Public Utilities

Intro – Diversity can help us grow, failure to address diversity causes workplace polarization and impediments to getting out important facts and messages such as drought conservation.

Kathy and Jim described their respective service areas. 78,000 connections v. 2.7 million. Jim said that in SF they regard water as a basic human right (conforming with state law passed several years ago.), so they have tried to help where folks have had trouble paying water bills, especially during the pandemic. SFPU publishes info in 7 different languages and their website has 8 languages on it. 44% speak a language other than English.

Kathy – SCV appears to be less diverse, but after having a need to reach out for the GSP, reached out to Spanish speakers, also urged by some Board members. They did this by talking to community leaders.

Jim – how to keep up with demographic changes, follow the food. Restaurants serving a particular ethnic group are usually an indication of a vibrant community for that language base. Example – Cantonese speakers v. mandarin speakers could be identified via the number of restaurants serving these different cuisines in a particular area.

Cultural Contemporaneity is important. SFPU hires a consultant, but they also have in house native speakers that review the material. SCVWA has a Spanish speaker to provide review. Materials must be culturally appropriate or they will not be accepted. Humor is difficult to translate and cross-cultural humor often doesn't work.

How to keep momentum going – SCVWA adopted a resolution to support and the agency is developing an internal guide to Equitable and Inclusive Engagement.

Jim – hard to keep it going geo targeting – We Chat Spanish radio,

ACWA could help with translations

Tips Kathy – don't be overwhelmed, just ask for input from the leaders and community members, they want to help. J. – We can do better and must keep trying.

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Demystifying Communications Strategies for Diverse Communities Webinar

WEBINAR | DECEMBER 12, 2022 - 10:30AM - 11:30AM

Demystifying Communications Strategies for Diverse Communities

MONDAY, DEC. 12 • 10:30 TO 11:30 A.M.

KATHIE MARTIN

Communications Manager • SCV Water

JIM CHIEN

Communications, External Affairs • San Francisco Public Utility Commission



Incorporating diversity, equity and inclusion into your agency’s communications can often feel overwhelming and challenging. Join CAPIO and ACWA for this webinar that

will break down the steps toward developing and executing more inclusive communications strategies for diverse communities.

Key take-aways from this webinar include:

- Adapting to the ever-changing landscape of diversity, equity and inclusion, and what it means for communicators
- The importance of diversity and engagement to you and your agency
- How developing cultural competency improves communication effectiveness
- Case studies highlighting strategies that welcome diverse communities and showcase lessons learned
- A roadmap for those very first steps, if you're not sure where to start

Presenters



Kathie Martin,
Communications
Manager, SCV Water



Jim Chien,
Communications,
External Affairs, San
Francisco Public Utility
Commission

Date: Dec. 12

Time: 10:30 a.m. to 11:30 a.m.

Cost: \$30 members/\$45 non-members

[Register](#)

APR Continuing Education Unit

BIOS

Kathie Martin

Kathie Martin is the Communications Manager for the Santa Clarita Valley Water Agency, a position she has held since December 2017. She oversees media relations, communications, and outreach for both internal and external stakeholders. Prior to moving to Santa Clarita, she led an award-winning communications and events department with the Town of Apple Valley for 17 years. Before that, she worked in the recreation field including several years as an event coordinator. She has a bachelor's degree in Recreation Administration from Cal Poly Pomona.

Kathie is a member and past board member of the California Association of Public Information Officials (CAPIO) and was the recipient of their Paul B. Clark Award in 2015, recognizing her lifetime career achievements. She is also active in CAPIO-Masters, a Toastmaster's Club for members of CAPIO. She earned her Distinguished Toastmaster Award in December 2017. She enjoys watercolor painting, geocaching and day-tripping, sometimes all at once!

Jim Chien

Jim Chien is the Outreach and Language Equity Coordinator for the San Francisco Public Utilities Commission (SFPUC), which provides water to 2.7 million people in the great San Francisco Bay Area and power and sewer service to San Francisco's business and residents. He oversees and manages SFPUC's compliance with the San Francisco's Language Access Ordinance, SFPUC's in-language outreach campaigns, and translation and interpretation for SFPUC's customers with limited English proficiency. Recent campaigns include a large-scale emergency bill relieve program, which drove more than 65,000 visits to the program's webpage that included translated materials in 8 languages, and featured large ad buys in Chinese, Spanish, and Filipino languages.

Jim Chien has over 20-year of experience working with diverse populations in San Francisco. Jim is certified bilingual in Chinese and was a former Chinese Newspaper reporter and radio anchor. Jim loves to travel and meet new people. He has visited over 60 countries and is aiming to reach 100 countries in the next 5 years.

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