

Minutes of the Regular Meeting of the Board of Directors of the Santa Clarita Valley Water Agency – June 5, 2018

A regular meeting of the Board of Directors of the Santa Clarita Valley Water Agency was held at the Santa Clarita Valley Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350, at 6:30 PM on Tuesday, June 5, 2018. A copy of the Agenda is inserted in the Minute Book of the Agency preceding these minutes.

DIRECTORS PRESENT: Directors B.J. Atkins, Tom Campbell, William Cooper, Robert DiPrimio, Dean Efstathiou, Jerry Gladbach, Maria Gutzeit, R. J. Kelly, Dan Mortensen, Gary Martin, Jacque McMillan (arrived at 6:41 PM) and Lynne Plambeck were in attendance.

DIRECTORS ABSENT: Ed Colley and Kathy Colley.

Also present: Matthew Stone, General Manager; Joe Byrne and Tom Bunn, General Counsel; April Jacobs, Board Secretary; Steve Cole, Assistant General Manager; Brian Folsom, Chief Engineer; Keith Abercrombie, Chief Operating Officer; Rochelle Patterson, Director of Administration; Beverly Johnson, Director of Finance; Mike Alvord, Director of Operations and Maintenance; Dirk Marks, Director of Water Resources; Elizabeth Ooms-Graziano, Retail Administration Officer; Gary Haggin, Operations & Maintenance Superintendent; Kathie Martin, Public Information Officer; Cris Perez, Director of Tech Services; Craig Larson, IT Technician; Shadae Akins, Administrative Assistant; and members of the public.

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

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

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	Absent	Director K. Colley	Absent
President Cooper	Yes	Director DiPrimio	Yes
Director Efstathiou	Yes	Director Gladbach	Yes
Vice President Gutzeit	Yes	Vice President Kelly	Yes
Director Martin	Yes	Director McMillan	Not Present
Director Mortensen	Yes	Director Plambeck	Yes

Upon motion of Director Mortensen, seconded by Director Martin and carried, the Board approved the Consent Calendar including Resolution No. SCV-35 and SCV-36, by the following voice votes (Item 5):

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	Absent	Director K. Colley	Absent
President Cooper	Yes	Director DiPrimio	Yes
Director Efstathiou	Yes	Director Gladbach	Yes
Vice President Gutzeit	Yes	Vice President Kelly	Yes
Director Martin	Yes	Director McMillan	Not Present
Director Mortensen	Yes	Director Plambeck	Yes

RESOLUTION NO. SCV-35

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
AUTHORIZING THE JULY 2018 WATER SUPPLY CONTRACT PAYMENT**

WHEREAS, Santa Clarita Valley Water Agency is the successor agency to Castaic Lake Water Agency; and

WHEREAS, the Castaic Lake Water Agency on April 30, 1963 contracted with the State of California through the Department of Water Resources for a water supply pursuant to the California Water Resources Development Bond Act; and

WHEREAS, the Castaic Lake Water Agency on June 23, 1972 joined in the Devil Canyon-Castaic Contract, which amended payment terms of the State Water Contract to require Agency payment for debt service on bonds issued under the contract and operation and maintenance of certain facilities; and

WHEREAS, the Castaic Lake Water Agency is currently entitled under the Water Supply Contract, as amended, to a total Annual Table A amount of 95,200 acre-feet; and

WHEREAS, the Water Supply Contract, as amended, requires the Castaic Lake Water Agency to make payments to the Department of Water Resources for water service on account of (1) a Delta Water Charge, (2) a Transportation Charge, (3) a Devil Canyon-Castaic Contract Charge, (4) an Off-Aqueduct Power Facilities Charge as an addition to the Transportation Charge and (5) a Water System Revenue Bond Surcharge; and

WHEREAS, pursuant to Article 29 of the Water Supply Contract and Articles 17 and 22 of the Devil Canyon-Castaic Contract, the Castaic Lake Water Agency has received statements of charges embracing and detailing the payment due in July 2018; and

WHEREAS, a summary of the charges contained in the statements is as follows and the total of the invoiced July 2018 Water Supply Contract charges is \$4,264,461, plus Variable Operation, Maintenance, Power and Replacement Charges.

	Delta Water Charge	Transportation Charge	Devil Canyon Castaic Charge	Off-Aqueduct Power Charge	Water System Revenue Bond Surcharge	Total
July 2018	\$ 1,368,765	\$ 1,884,451	\$ 79,999	\$ 6,593	\$ 924,653	\$ 4,264,461

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the Santa Clarita Valley Water Agency authorizes the General Manager to disburse funds from the State Water Contract Fund, subject to adjustments, in a timely manner to meet the Water Supply Contract and Devil Canyon-Castaic Contract payment obligations due during July 2018.

RESOLUTION NO. SCV-36

**RESOLUTION OF THE
SANTA CLARITA VALLEY WATER AGENCY BOARD OF DIRECTORS
ADOPTING THE APPROPRIATION OF ALL AS-YET UNAPPROPRIATED FUNDS
FOR FISCAL YEAR 2017/18**

WHEREAS, it is in the best interest of all Agency citizens that the Agency amend its Fiscal Year 2017/18 Budget by appropriating pursuant to Article XIII-B of the California Constitution all as-yet unappropriated funds.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Santa Clarita Valley Water Agency hereby amends its Fiscal Year 2017/18 Budget by appropriating all as-yet unappropriated funds received through June 30, 2018 to the General Fund/Operating Fund of the Agency, with the exception that any one percent property tax receipts are hereby appropriated to the Agency's Capital Improvement Fund.

Upon motion of Director Atkins, seconded by Director Gladbach and carried, the Board determined that APN 2830-002-900 is surplus property and authorized the General Manager to execute a purchase and sale agreement in a form approved by General Counsel by the following voice votes (Item 6.1):

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	Absent	Director K. Colley	Absent
President Cooper	Yes	Director DiPrimio	Yes
Director Efstathiou	Yes	Director Gladbach	Yes
Vice President Gutzeit	Yes	Vice President Kelly	Yes
Director Martin	Yes	Director McMillan	Not Present
Director Mortensen	Yes	Director Plambeck	Yes

Item 6.2, approving a resolution supporting the Water Supply and Water Quality Act of 2018, the Board discussed and asked staff to come back to the Board and provide further information on how it will affect the voters.

Upon motion of Director DiPrimio, seconded by Director Atkins and carried, the Board adopted Resolution No. SCV-38 establishing an appropriation limit of \$42,829,927 for FY 2018/19 by the following voice votes (Item 6.3):

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

RESOLUTION NO. SCV-38

**RESOLUTION OF THE
BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY
ADOPTING THE APPROPRIATION LIMIT
FOR FY 2018/19**

WHEREAS, the Agency's General Manager has caused to be prepared a calculation of the Agency's annual appropriation limit for the Agency FY 2018/19; and

WHEREAS, documentation used in the determination of said appropriation limit has been publicly available at the Agency's offices for the period required by law; and

WHEREAS, Proposition 111 has determined that the appropriation limit may be set by using either the change in California per capita income or the change in assessed value of non-residential development; and

WHEREAS, it has been determined that the change in California per capita income is the appropriation selection of the Agency; and

WHEREAS, the calculation is hereby found to have been completed in full accordance with Article XIII-B of the California State Constitution and the implementing legislation for Article XIII-B.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Santa Clarita Valley Water Agency does hereby, based upon said calculation, adopt the sum of \$42,829,927 as its FY 2018/19 appropriation limit.

Upon motion of Director Atkins, seconded by Director DiPrimio and carried, the Board adopted Resolution No. SCV-39 approving the proposed FY 2018/19 tax rate of 7.06 cents per \$100 valuation for Los Angeles County and Resolution No. SCV-40 setting Santa Clarita Valley Water Agency tax rate for FY 2018/19 and requesting levy of tax by Los Angeles County and Ventura County by the following voice votes (Item 6.4):

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

RESOLUTION NO. SCV-39

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
SETTING SANTA CLARITA VALLEY WATER AGENCY TAX RATE FOR
FISCAL YEAR 2018/19 AND REQUESTING LEVY
OF TAX BY LOS ANGELES COUNTY**

WHEREAS, pursuant to the Ross-Johnson-Marks Property Tax Limitation Act of 1985, the Agency is empowered to make payments to the State of California under contracts for the sale, delivery, or use of water entered into pursuant to the California Water Resources Development Bond Act as set forth in the California Water Code; and

WHEREAS, the Agency is hereby setting an ad valorem property tax rate for its Fiscal Year 2018/19, pursuant to Revenue and Taxation Code, Section 97.65 (a), solely for the making of the aforesaid type of payment, and not to fund any reduction whatsoever in the rates charged by the Agency for water.

NOW, THEREFORE, BE IT RESOLVED that this Board of Directors of the Santa Clarita Water Agency does hereby fix the rate of tax to be levied against all taxable property within the Agency at \$0.000706000 for each \$1.00 of assessed valuation, or \$0.070600 for each \$100 of assessed valuation, for Fiscal Year 2018/19 for the aforesaid purpose.

RESOLVED FURTHER that this Board does hereby request and direct that, at the time and in the manner required by law for levying taxes for county purposes, the Board of Supervisors of Los Angeles County, in addition to such other tax as may be levied by said Board of Supervisors, levy a tax upon all taxable property in Los Angeles County within the Santa Clarita Valley Water Agency at the aforesaid rate so fixed and determined by the Board of Directors of the said Agency, all pursuant to Resolution No. 70 of the Agency, as adopted on September 6, 1967.

RESOLVED FURTHER that the Board of Directors of this Agency does hereby direct that the Secretary of the Agency cause to be delivered to the Board of Supervisors of Los Angeles County a certified copy of this resolution, and the Secretary is further authorized to furnish any legally required Agency budget information reasonable needed by the officers of the said County with respect to the aforesaid tax and tax rate.

RESOLUTION NO. SCV-40

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY SETTING SANTA CLARITA VALLEY WATER AGENCY TAX RATE FOR FISCAL YEAR 2018/19 AND REQUESTING LEVY OF TAX BY VENTURA COUNTY

WHEREAS, pursuant to the Ross-Johnson-Marks Property Tax Limitation Act of 1985, the Agency is empowered to make payments to the State of California under contracts for the sale, delivery, or use of water entered into pursuant to the California Water Resources Development Bond Act as set forth in the California Water Code; and

WHEREAS, the Agency is hereby setting an ad valorem property tax rate for its Fiscal Year 2018/19, pursuant to Revenue and Taxation Code, Section 97.65 (a), solely for the making of the aforesaid type of payment, and not to fund any reduction whatsoever in the rates charged by the Agency for water.

NOW, THEREFORE, BE IT RESOLVED that this Board of Directors of the Santa Clarita Valley Water Agency does hereby fix the rate of tax to be levied against all taxable property within the

Agency at \$0.00070600 for each \$1.00 of assessed valuation, or \$0.070600 for each \$100 of assessed valuation, for Fiscal Year 2018/19 for the aforesaid purpose.

RESOLVED FURTHER that this Board does hereby request and direct that, at the time and in the manner required by law for levying taxes for county purposes, the Board of Supervisors of Ventura County, in addition to such other tax as may be levied by said Board of Supervisors, levy a tax upon all taxable property in Ventura County within the Santa Clarita Valley Water Agency at the aforesaid rate so fixed and determined by the Board of Directors of the said Agency, all pursuant to Resolution No. 69 of the Agency, as adopted on September 6, 1967.

RESOLVED FURTHER that the Board of Directors of this Agency does hereby direct that the Secretary of the Agency cause to be delivered to the Board of Supervisors of Ventura County a certified copy of this resolution, and the Secretary is further authorized to furnish any legally required Agency budget information reasonable needed by the officers of the said County with respect to the aforesaid tax and tax rate.

Upon motion of Director Campbell, seconded by Director Gladbach and carried, the Board approved Resolution No. SCV-42 adopting the CEQA findings and authorizing the General Manager to Execute a Gap Funding Agreement for the California WaterFix with the Department of Water Resources for \$2,081,026 by the following voice votes (Item 6.6):

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

RESOLUTION NO. SCV-42

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SANTA CLARITA VALLEY WATER AGENCY AUTHORIZING SUPPORT OF, AND
PARTICIPATION IN, CALIFORNIA WATERFIX AND AUTHORIZING THE GENERAL
MANAGER TO NEGOTIATE, EXECUTE AND DELIVER A GAP FUNDING AGREEMENT
WITH THE DEPARTMENT OF WATER RESOURCES**

WHEREAS, the California WaterFix (CWF) is a critical component of the California Water Action Plan, the State of California’s blueprint for “a sustainable and resilient future”; and

WHEREAS, the CWF is essential to protecting and assuring the California State Water Project’s (SWP) future reliability by addressing the Delta’s ecosystem and levee system which are increasingly vulnerable to earthquakes, flooding, saltwater intrusion, climate change, and environmental degradation; and

WHEREAS, on July 21, 2017, the California Department of Water Resources (DWR), acting as Lead Agency, certified the final environmental analysis for the CWF and signed the Notice of

Determination thereby approving CWF as the proposed project under the California Environmental Quality Act; and

WHEREAS, various SWP Contractors (the "Project Participating Members") have committed to, or will be committing to, assisting DWR in the financing of CWF, among others, in the following ways (collectively, the "CWF Financial Arrangements"):

1. The CWF Participating Members have proposed forming a joint power authority (the "Financing JPA") that would facilitate through different actions the issuance of revenue bonds by DWR (the "DWR Bonds") to finance the construction of the CWF, including (without limitation) through the issuance of bonds of its own (the "Financing JPA Bonds") for the purpose of financing CWF through the purchasing of the DWR Bonds; and
2. The CWF Participating Members have proposed supporting the Financing JPA Bonds by protecting the purchasers of such bonds from the risk of nonpayment or invalidity of DWR Bonds through one or more agreements (any such agreement, a "support agreement" and any such support agreement or other form or support of the DWR Bonds being referred to herein as "Support"), including, without limitation, in the form of debt service support agreements, or through the purchase by the CWF Participating Members of DWR Bonds or other property through installment purchase agreements, and;
3. The Financing JPA and DWR would enter into a security agreement (the "Security Agreement") pursuant to which DWR would agree that if it defaults in the payment of debt service of the DWR Bonds or other agreed-upon conditions, DWR would transfer to the Financing JPA or another designated entity all the DWR's right, title and interest in CWF and use its efforts to assist any other necessary transfers to permit the Financing JPA or other designated entity to construct CWF; and

WHEREAS, various SWP Contractors have committed to, or will be committing to, the formation of a Delta Conveyance Design and Construction Joint Power Authority (DCA) for the implementation of CWF, providing fiscal control and oversight and protection of the public's investment; and

WHEREAS, DWR requested SWP Contractors provide sufficient interim or "gap" funding to cover anticipated CWF related costs in 2019; and

WHEREAS, Santa Clarita Valley Water Agency's (SCVWA) participation allocation in the SWP under the State Water Contracts equals 2.35% of the total project cost; and

WHEREAS, the Board of Directors of the SCVWA desires to authorize its General Manager to negotiate, execute, and deliver a gap funding agreement to effect the SCVWA participation in the CWF, consistent with the SCVWA allocation share of the total project participation proportion.

NOW THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clarita Valley Water Agency does hereby find and determine and order as follows:

1. SCVWA endorses DWR's approval of the CWF.

2. As a responsible agency, SCVWA:
 - a. has considered DWR’s certified Final EIR and the impacts of the project as disclosed and analyzed in the Final EIR,
 - b. adopts DWR’s Finding of Fact with respect to each potentially significant impact of the project,
 - c. adopts a Statement of Overriding Considerations in view of potentially significant and unavoidable impacts, and
 - d. adopts the Mitigation Monitoring and Reporting Program.
3. Authorizes and approves the SCVWA’s participation in the gap funding.
4. Directs its General Manager to enter into a gap funding agreement for SCVWA’s share, up to \$2,081,026.

Upon motion of Director Martin, seconded by Director Atkins and carried, the Board adopted the new classification plan to include the Treatment Plant Operator I/II and Senior Treatment Plant Operator class series by the following voice votes (Item 6.7):

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

Upon motion of Director Efstathiou, seconded by Director Gladbach and carried, the Board approved Resolution No. SCV-41 adopting the FY 2018/19 Budget and amending the FY 2017/18 Regional Budget by the following voice votes (Item 6.5):

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	Absent	Director K. Colley	Absent
President Cooper	Yes	Director DiPrimio	Yes
Director Efstathiou	Yes	Director Gladbach	Yes
Vice President Gutzeit	Yes	Vice President Kelly	Yes
Director Martin	Yes	Director McMillan	Not Present
Director Mortensen	Yes	Director Plambeck	Yes

RESOLUTION NO. SCV-41

RESOLUTION OF THE

**SANTA CLARITA VALLEY WATER AGENCY BOARD OF DIRECTORS
ADOPTING THE BUDGET FOR FISCAL YEAR 2018/19
AND AMENDING THE FISCAL YEAR 2017/18 BUDGET**

WHEREAS, the Santa Clarita Valley Water Agency has determined under its Board Procedures Manual that the Agency shall annually adopt a budget prior to the commencement of each fiscal year; and

WHEREAS, the Board of Directors has reviewed the Fiscal Year (FY) 2018/19 Budget, including sections on the Operating Budget and Capital Expenditures; and

WHEREAS, the Board of Directors has reviewed the revised FY 2017/18 Budget for the one percent property tax fund to reflect a contractually-required increase in the cost of the Buena Vista/Rosedale Rio Bravo Water Supply.

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

1. Adopts the FY 2018/19 Budget (Attachment A).
2. Appropriates the Operating Expenditures, Capital Expenditures, and Debt Principal and Interest Payment for each fund for FY 2018/19 as shown in the FY 2018/19 Financial Summary (Attachment A).
3. Authorizes the General Manager to make interfund transfers up to the amounts shown in the FY 2018/19 Financial Summary (Attachment A).
4. Authorizes the General Manager to move operating appropriations from one line item to another or from one Department/Division by fund to another, provided that total appropriations by fund are not changed.
5. Amends the FY 2017/18 Budget for the one percent property tax fund as shown in the FY 2017/18 Budget Financial Summary (Attachment B).

The Board discussed the revised policy pertaining to Directors Compensation and Reimbursement and asked that the Ad Hoc Committee address the comments and concerns of the Board and bring this item back to the Board for consideration (Item 6.8).

AB 1234 Reports (Item 11):

Written reports were submitted and filed by President Cooper, Vice President Gutzeit and Director's Atkins, Efstathiou, Gladbach, Martin, McMillan and Plambeck.

President Cooper reported that he attended the GSA Board meeting held at the RWWTP on June 4, 2018.

Director Atkins reported that he attended the GSA Board meeting held at the RWTP on June 4, 2018.

Director Kelly reported that he participated in a conference call with the ACWA Budget Committee on May 29, 2018.

Upon motion of Vice President Kelly, seconded by Director Gladbach and carried, the Board went into Closed Session at 8:55 PM to discuss the item listed on the Agenda by the following votes (Item 13):

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

Upon motion of Director McMillan, seconded by Vice President Kelly and carried, the Board voted to come out of Closed Session at 9:16 PM by the following votes:

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

President Cooper reconvened the Open Session at 9:16 PM.

Tom Bunn, Esq., reported that pertaining to Item No. 13.1 - Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9: (One Case) – Claim of Claimant Robert L. Nichols Against Santa Clarita Valley Water Agency, Claim for Refund of Fees Paid, Date of Claim April 24, 2018, the Board voted to reject the claim by motion of Director Campbell, seconded by Director Atkins and carried by the following voice votes (Item 14):

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

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

Upon motion of Director Mortensen, seconded by Director McMillan and carried, the meeting was adjourned at 9:19 PM by the following votes (Item 16):

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



April Jacobs, Board Secretary

ATTEST.



Vice President of the Board

