

Minutes of the Regular Meeting of the Board of Directors of the Santa Clarita Valley Water Agency – February 16, 2021

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A regular meeting of the Board of Directors of the Santa Clarita Valley Water Agency was held via teleconference at 6:30 PM on Tuesday, February 16, 2021. A copy of the Agenda is inserted in the Minute Book of the Agency preceding these minutes.

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

**DIRECTORS ABSENT:** None.

Also present via teleconference: General Manager Matthew Stone, General Counsel Tom Bunn and Joe Byrne, Board Secretary April Jacobs, Assistant General Manager Steve Cole, Chief Engineer Courtney Mael, Chief Financial and Administrative Officer Eric Campbell, Chief Operating Officer Keith Abercrombie, Director of Finance and Administration Rochelle Patterson, Director of Tech Services Cris Perez, Communications Manager Kathie Martin, GIS Manager Jose Huerta, Principal Engineer Jason Yim, Senior Engineers Shadi Bader and Jim Leserman, Senior Management Analyst Kim Grass, Financial Analyst Darine Conner, Executive Assistant's Eunie Kang and Leticia Quintero, Senior Office Assistant Terri Bell, Accounting Tech II Kyle Arnold, Best Best & Krieger Attorney Lutfi Kharuf, Rate Payer Advocate Ichiko Kido and members of the public.

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

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

Director Armitage	Yes	Director Atkins	Yes
Director Braunstein	Yes	Director Colley	Yes
Director Cooper	Yes	Director Ford	Yes
Vice President Gladbach	Yes	Director Kelly	Unable to Vote
President Martin	Yes	Vice President Mortensen	Yes
Director Orzechowski	Yes	Director Plambeck	Yes

Upon motion of Vice President Mortensen, seconded by Director Atkins and carried, the Board approved the Consent Calendar which included Resolution No. SCV-197 by the following roll call votes (Item 5):

Director Armitage	Yes	Director Atkins	Yes
Director Braunstein	Yes	Director Colley	Yes
Director Cooper	Yes	Director Ford	Yes
Vice President Gladbach	Yes	Director Kelly	Unable to Vote
President Martin	Yes	Vice President Mortensen	Yes
Director Orzechowski	Yes	Director Plambeck	Yes

**RESOLUTION NO. SCV-197**

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

<https://yourscvwater.com/wp-content/uploads/2021/02/SCV-Water-Approved-Resolution-021621-Resolution-SCV-197.pdf>

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Upon motion of Vice President Mortensen, seconded by Director Atkins and carried, the Board approved Option 7, for inclusion in the Proposition 218 Notice. Option 7 states that this Option uses no cash reserves. Year 1 has no revenue increase; rate changes in year 1 are limited to divisional transitions to a unified cost of service rate for all customers. Years 2-5 have annual revenue increases of 6.5%. The larger increases for years 2-5 are required to offset the zero increase in year 1. Over the rate plan, pay-go in this option is a net \$91.55 million. The debt service coverage ratio averages 1.48 over the rate plan. This item was approved by the following roll call votes (Item 6.1):

Director Armitage	Yes	Director Atkins	Yes
Director Braunstein	Yes	Director Colley	No
Director Cooper	Yes	Director Ford	Yes
Vice President Gladbach	Yes	Director Kelly	Yes
President Martin	Yes	Vice President Mortensen	Yes
Director Orzechowski	Yes	Director Plambeck	Yes

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**General Manager's Report on Activities, Projects and Programs (Item 7).**

The General Manager mentioned to the Board that the Agency has not had any new cases of COVID-19 in the last three weeks and hopes that continues.

He also wanted to update the Board on the recent Agency purchase of the two Purchase Power Agreements for the Solar Project. These were financed by another party, but the Agency makes the payments through the PPA. He continued by saying based on the analysis of current economics and an assessment of the fair market value by an independent party, it showed that the agency could save about \$5 to \$6 million over the term of the agreement by moving forward with that transaction. In fact, he stated, part of that was financed by the very low cost money that Vice President Mortensen referred to earlier in the meeting and was part of the \$55 million the Agency borrowed last year. He restated that for a cost of about \$15.7 million, we will save \$5 to \$6 million over the remaining life of the agreement which is a great investment for our rate payers down the road. Those savings will accrue each and every year incrementally over the remaining life of the agreement. He is happy to report we tendered that notice to the current owner of the facility and agreements. The decision has been accepted and we agreed on a fair market value. He said there is still much work to be done but wanted to acknowledge staff and thank them for all the hard work they have all put in pertaining to this issue, specifically Matt Dickens.

He then thanked staff and the rate payer advocate on the work they did for tonight's rate case/Proposition 218 notice and options.

Lastly, he ended with general comments on the benefits that the merger will have to rate payers and the value it will have all around.

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**Committee Meeting Recap Report for Informational Purposes Only (Item 8).**

There were no comments on the recap report.

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**President's Report (Item 9).**

The President updated the Board on upcoming events and Board meetings.

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**AB 1234 Written and Verbal Reports (Item 10).**

Written reports were submitted by President Martin and Vice President Gladbach and were included in the Board packet. An additional written report was submitted by President Martin, which was posted on the SCV Water website, OnBoard and is part of the record.

President Martin reported that he attended the VIA Virtual Series with Mayor Bill Miranda on February 16, 2021.

Director Armitage reported that she attended the AWWA Virtual Summit on Sustainable Water/PFAS /Waterborne Pathogens held on February 10-11, 2021. She mentioned that she will submit a written report for the next meeting.

Director Atkins reported that he attended the AWWA Virtual Summit on Sustainable Water/PFAS /Waterborne Pathogens held on February 10-11, 2021.

There were no further AB 1234 Reports.

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**Director Reports (Item 11).**

Vice President Gladbach reported that at the ACWA Federal Affairs Committee meeting held today, it was reported that the Federal government has approved \$634 million for low income assistance for paying utility bills for the nation. Further, he stated that the State Water Resources Control Board estimates that within California there is between \$600-\$700 million in bills that is owed to water agencies due to the postponement of water bills. Lastly, he mentioned, ACWA is part of a large coalition on the federal level to push for \$8 billion to be allocated annually for low income assistance and infrastructure.

On another note, he advised the Board that he attended the Southern Region of the Association of California LAFCO's on February 8, 2021 and was elected Chairman of the Southern Region.

There were no other Director reports.

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**Director Requests for Approval for Event Attendance (Item 12).**

There were no Director requests for event attendance.

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**Request for Future Agenda Items (Item 13).**

Director Braunstein requested the Board look at the City's ordinances regarding landscaping/yards and what the landscaping should look like. She was wondering if the Agency could look into helping the City revise the ordinances during drought years.

Director Armitage mentioned the hack that took place at the Florida Water Treatment Plant. She would like the issue to be put on a future agenda for discussion to help the Board understand what happened, the lessons learned and how those lessons could be incorporated by us. She wanted to ensure the public that we are taken actions ourselves to prevent that from happening within our system.

She also asked that we look into recording Committee meetings and posting them to the website similar to what we do with the Board meetings.

Vice President Mortensen also supported Director Armitage's request for a presentation on the digital security and measures the Agency is taking.

There were no other requests for future Agenda items.

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The meeting was adjourned at 9:50 PM (Item 14).

  
April Jacobs, Board Secretary

ATTEST:

  
President of the Board

