



**SCV**  
**WATER**



# SCV WATER AGENCY TELECONFERENCE REGULAR BOARD MEETING

**TUESDAY, FEBRUARY 15, 2022**  
**START TIME: 6:30 PM (PST)**

Join the Board meeting from your  
computer, tablet or smartphone:  
<https://scvwa.zoomgov.com/j/1616412124>

-OR-

Listen in Toll Free by Phone  
+1-(833)-568-8864  
Webinar ID: 161 641 2124

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

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

**To participate in public comment via phone:**

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

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

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

\*\*All written comments received after 4:30 PM the day of the meeting will be posted to [yourscvwater.com](https://yourscvwater.com) the next day. Public comments can also be heard the night of the meeting.

**Please Note:** Pursuant to the provisions of AB 361 this meeting is being held remotely. The SCV Water Board will continue to hold remote Board and Committee meetings due to the continuing State of Emergency for COVID-19 and state and local official's continuance to impose or recommend measures to promote social distancing. The public may not attend meetings in person. The public may use the above methods to attend and participate in the public Board meetings.

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

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

**TELECONFERENCE ONLY  
NO PHYSICAL LOCATION FOR MEETING**

**TUESDAY, FEBRUARY 15, 2022, AT 6:30 PM**

**TELECONFERENCING NOTICE**

Pursuant to the provisions of AB 361 this meeting is being held remotely. The SCV Water Board will continue to hold remote Board and Committee meetings due to the continuing State of Emergency for COVID-19 and state and local official's continuance to impose or recommend measures to promote social distancing. Any Director may call into the Agency Board meeting using the **Agency's Call-In Number 1-(833)-568-8864, Webinar ID: 161 641 2124 or Zoom Webinar by clicking on the link <https://scvwa.zoomgov.com/j/1616412124>** without otherwise complying with the Brown Act's teleconferencing requirements.

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

**If the State of Emergency for COVID-19 expires prior to this meeting and after the posting of this Agenda, this meeting will be held in person at the above listed address.**

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

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

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**

**3. PUBLIC COMMENTS** – Members of the public may comment as to items 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 6:30 PM.

**4. APPROVAL OF THE AGENDA**

**5. CONSENT CALENDAR**

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5.1 *	Approve Minutes of the January 25, 2022 Santa Clarita Valley Water Agency Special Board of Directors Meeting	7
5.2 *	Approve Minutes of the January 31, 2022 Santa Clarita Valley Water Agency Special Board of Directors Meeting	9
5.3 *	Approve Minutes of the February 1, 2022 Santa Clarita Valley Water Agency Regular Board of Directors Meeting	11
5.4 *	Approve a Resolution Adopting a Revised Investment Policy	17
5.5 *	Approve Receiving and Filing of FY 2021/22 First Quarter Financial Report (July – September 2021) – <a href="https://yourscvwater.com/wp-content/uploads/2022/01/September-2021-Check-Register.pdf">https://yourscvwater.com/wp-content/uploads/2022/01/September-2021-Check-Register.pdf</a>	45
5.6 *	Approve Pipeline Improvements Associated with Pinetree Booster Station No. 3	101
5.7 *	Approve a Resolution Awarding Construction Contract for Commerce Center Tanks No. 1 and No. 2 Exterior Recoat Project	105

**6. ACTION ITEMS FOR APPROVAL**

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6.1 *	Authorize the General Manager to Enter into an Agreement with TerraVerde Energy for Application Preparation and Project Management of Self-Generating Incentive Program Projects (Photovoltaic and Battery Storage) Funding	109
6.2 *	Approve the 2022 Legislative Platform	119
6.3 *	Approve a Professional Services Agreement with Emtec Consulting Services LLC for Oracle Managed Services	129
6.4 *	Discuss and Consider Hybrid Board and Committee Meeting Technology	157

**7. \* SAFETY REVIEW/EMERGENCY PREPAREDNESS PRESENTATION – SAFETY TEAM – APPROXIMATELY 20 MINUTES**

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**8. UPDATE ON THE BOUQUET CREEK RESTORATION PROJECT – ASSISTANT GENERAL MANAGER STEVE COLE – APPROXIMATELY 15 MINUTES**

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

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

10.1 *	January 24, 2022 Rescheduled Finance and Administration Committee Meeting Report	171
10.2 *	February 3, 2022 Engineering and Operations Committee Meeting Report	177

**11. PRESIDENT’S REPORT PAGE**

11.1 *	February 2, 2022 Ad Hoc Remote Attendance Board Policy Committee Meeting Report – Discuss and Consider Amending the Board Policy on Director Remote Attendance at Board and Committee Meetings	183
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**12. AB 1234 WRITTEN AND VERBAL REPORTS PAGE**

12.1 *	February 3, 2022 ACWA Board Workshop – Vice President Gladbach	193
12.2	Other AB 1234 Reports	

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

- 13.1 Conference with Legal Counsel – Existing Litigation – Paragraph (1) of Subdivision (d) of Government Code Section 54956.9, Santa Clarita Valley Water Agency v. Whittaker Corporation, Case No: 2:18-cv-6825 SB (RAOx)

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

**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 February 9, 2022.

M65

Minutes of the Special Meeting of the Board of Directors of the Santa Clarita Valley Water Agency – January 25, 2022

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A special meeting of the Board of Directors of the Santa Clarita Valley Water Agency was held via teleconference at 6:30 PM on Tuesday, January 25, 2022. A copy of the Agenda is inserted in the Minute Book of the Agency preceding these minutes.

**DIRECTORS PRESENT:** Kathy 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: Accounting Technician II Kyle Arnold, Administrative Technician Terri Bell, Assistant General Manager Steve Cole, Board Secretary April Jacobs, Chief Engineer Courtney Mael, Communications Manager Kathie Martin, Customer Service Manager Kathleen Willson, Director of Finance and Administration Rochelle Patterson, Director of Technology Services Cris Perez, Executive Assistants Eunie Kang and Leticia Quintero, General Counsel Joe Byrne, General Manager Matthew Stone, Human Resources Manager Ari Mantis, National Demographics Corporation Consultant Douglas Johnson, and members of the public.

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

There were no changes to the January 25, 2022 Board Agenda and was accepted as shown (Item 4).

President Martin opened the Public Hearing at 6:35 PM regarding division boundaries adjustment as required by Election Code. Public comments were heard and received (Item 5).

Assistant General Manager Steve Cole gave an introduction/update on the redistricting efforts and National Demographics Corporation Consultant Doug Johnson gave a presentation on the SCV Water Agency's 2021 redistricting efforts and processes. Regarding the population data, Mr. Johnson reported that growth since the original creation of the Agency's division boundaries in 2018 has been very evenly distributed between the divisions and, based on the new population data, the existing divisions are almost exactly even, which is in full compliance with the law.

After Public Comments were received, President Martin gave the Board members an opportunity to ask questions and discuss. The Board discussed the information presented at length and provided their input to staff on whether to adjust the existing divisions or to keep them the same. No action was taken and another Public Hearing will be held where the Board will further consider any potential adjustments and will have an opportunity to take action.

President Martin closed the Public Hearing at 7:18 PM.

The meeting was adjourned at 7:18 PM (Item 6).

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April Jacobs, Board Secretary

ATTEST:

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President of the Board



**DRAFT**

ITEM NO.  
5.2

Minutes of the Special Meeting of the Board of Directors of the Santa Clarita Valley Water Agency – January 31, 2022

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A special meeting of the Board of Directors of the Santa Clarita Valley Water Agency was held via teleconference at 6:00 PM on Monday, January 31, 2022. A copy of the Agenda is inserted in the Minute Book of the Agency preceding these minutes.

DIRECTORS PRESENT: Kathy 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: Board Secretary April Jacobs, General Counsel Tom Bunn, General Manager Matthew Stone, Lagerlof Attorney Elsa Sham, and members of the public.

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

There were no changes to the January 31, 2022 Board Agenda and was accepted as shown (Item 4).

General Counsel Tom Bunn and Lagerlof Attorney Elsa Sham conducted the 2-hour Ethics Training for Public Officials (Item 5).

The meeting was adjourned at 8:12 PM (Item 6).

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April Jacobs, Board Secretary

ATTEST:

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President of the Board

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Minutes of the Regular Meeting of the Board of Directors of the Santa Clarita Valley Water Agency – February 1, 2022

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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 1, 2022. 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: Accounting Tech II Kyle Arnold, Administrative Technician Terri Bell, Assistant General Manager Steve Cole, Board Secretary April Jacobs, Chief Engineer Courtney Mael, Chief Operating Officer Keith Abercrombie, Communications Manager Kathie Martin, Controller Amy Aguer, Director of Finance and Administration Rochelle Patterson, Director of Technology Services Cris Perez, Executive Assistants Eunie Kang and Leticia Quintero, Financial Analyst Darine Conner, General Counsel Tom Bunn, General Manager Matthew Stone, GIS Manager Jose Huerta, Interim Director of Water Resources Dirk Marks, Management Analyst I Liza Moncada, Principal Engineer Jason Yim, Right of Way Agent Kristina Jacob, Senior Engineers Shadi Bader and Jim Leserman, Senior Management Analyst Kim Grass, Water Resources Planner Sarah Fleury, Best Best and Krieger Attorneys Bennett Givens and Lutfi Kharuf, Robert D. Niehaus, Inc. Consultant Ichiko Kido, UNAVCO Representative Matt Burgess, and members of the public.

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

There were no changes to the February 1, 2022 Board Agenda and was accepted as shown (Item 4).

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Upon motion of Director Cooper, seconded by Director Orzechowski and carried, the Board approved the Consent Calendar including Resolution No. SCV-251 and SCV-252 by the following roll call votes (Item 5):

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

**RESOLUTION NO. SCV-251**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SANTA CLARITA VALLEY WATER AGENCY  
AUTHORIZING SANTA CLARITA VALLEY WATER AGENCY TO  
EXECUTE GEODETIC MONITORING STATION SITE LICENSE AGREEMENT  
WITH UNAVCO; DESIGNATING AUTHORIZED REPRESENTATIVE**

<https://yourscvwater.com/wp-content/uploads/2022/02/SCV-Water-Approved-Resolution-020122-Resolution-SCV-251.pdf>

**RESOLUTION NO. SCV-252**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SANTA CLARITA VALLEY WATER AGENCY  
AUTHORIZING A PURCHASE ORDER TO KENNEDY/JENKS CONSULTANTS FOR FINAL  
DESIGN SERVICES FOR THE WELL 201 VOLATILE ORGANIC COMPOUNDS  
GROUNDWATER TREATMENT IMPROVEMENTS PROJECT**

<https://yourscvwater.com/wp-content/uploads/2022/02/SCV-Water-Approved-Resolution-020122-Resolution-SCV-252.pdf>

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Upon motion of Director Armitage, seconded by Director Braunstein and carried, the Board voted to postpone approving a resolution revising wholesale water rates to a future meeting to allow staff time to gather additional information and answer Directors questions by the following roll call votes (Item 6.1):

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

Upon motion of Vice President Gladbach, seconded by Director Cooper and carried, the Board authorized the General Manager to execute the Third Amendment to the Reservoir Agreement for the Sites Project by the following roll call votes (Item 6.2):

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

Upon motion of Director Plambeck, seconded by Director Colley and carried, the Board voted to continue virtual meetings pursuant to AB 361 for an additional 30 days based on the findings that (1) found that a state of emergency related to COVID-19 is currently in effect and (2) Los Angeles County officials continue to impose or recommend measures to promote social distancing by the following roll call votes (Item 6.3):

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

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

Director Orzechowski thanked the Water Resources and Watershed Committee staff for providing continuous updates on the drought and precipitation levels.

There were no other comments on the recap reports.

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**Written Reports for Informational Purposes Only (Item 8).**

Director Orzechowski had a question on the Finance, Administration and Information Technology Section Report.

Director Armitage had a comment on the Treatment, Distribution, Operations and Maintenance Section Report.

There were no other comments on the written reports.

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

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

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

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

Director Cooper reported that he attended the virtual ACWA Board meeting on January 5, 2022. A written report was also submitted which was distributed and posted to the website.

Director Atkins reported that he attended the virtual Southern California Water Dialogue meeting held on January 26, 2022.

There were no other AB 1234 Reports.

**Director Reports (Item 11).**

Upon motion of Director Cooper, seconded by Director Atkins and carried, the Board approved the nomination of Director E. G. "Jerry" Gladbach for the Independent Special District Voting Member to the Los Angeles County Local Agency Formation Commission by the following roll call votes (Item 11.1):

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

Director Orzechowski updated the Board on the January 27, 2022 Ad Hoc Board Technology and Remote Public Participation Committee meeting. He announced that Vice President Gladbach and Directors Armitage, Cooper, Plambeck and himself attended the meeting along with staff.

He stated that the goal of the second meeting was to develop a recommended policy for the Board to consider regarding the establishment of remote/virtual access for Board/Committee meetings for members of the public and staff (i.e. the "hybrid" option). Directors were asked to bring supporting materials that would help make their case in arguing for or against the "hybrid" option. Note: A full production option was already dismissed due to the high equipment and labor costs.

Further he mentioned the following:

- IT staff provided a thorough review of what is available at the Agency's Rio Vista Water Treatment Plant Boardroom and what needs to be added (in terms of software and hardware).
- Implementation costs have decreased since the last meeting.
- Staff confirmed that all costs associated with initial installation and annual upkeep are within the Agency's budget.
- Legal counsel confirmed that the hybrid option will adhere to the Brown Act (provided that Directors attend meetings in person).
- The Ad Hoc Committee reached a unanimous agreement.
- A full recommendation is tentatively planned to be presented to the Board at the February 15, 2022 regular Board meeting. The recommendation will outline all costs, legal considerations, general equipment layout/setup, and estimated timeline to completion (Item 11.2).

Director Armitage mentioned her experience with one of the SCV Water employees who reads the meters in her neighborhood, saying she was very pleased with his professionalism. She also mentioned that she was happy the Board passed Item 5.2 on tonight's Agenda.

There were no other Director reports.

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The Board went into Closed Session at 8:44 PM to discuss Item 12.1, Item 12.2 was not discussed (Item 12).

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

President Martin reconvened the Open Session at 9:01 PM.

Tom Bunn, Esq., reported that regarding Item 12.1 Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9, Claim of Caleb Burch and Any and All Claims that Arise from Agency Vehicle Accident Occurring January 5, 2022, Against Santa Clarita Valley Water Agency, Claim for Personal and Property Damage, Date of Claim January 7, 2022, the Board unanimously voted to reject the claim and any other claims based on the same incident and submit it to the Agency’s Joint Powers Insurance Authority, upon motion of Director Cooper, seconded by Vice President Gladbach and carried, by the following roll call votes:

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

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

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

Director Plambeck requested attendance at one of the the Planning and Conservation League’s 2022 California Environmental Assembly webinars being held on February 3, 2022. Upon motion of Director Braunstein, seconded by Director Kelly and carried, the Board approved Director Plambeck’s attendance at the February 3, 2022 webinar by the following roll call votes:

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

There were no other Director requests for event attendance.

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The meeting was adjourned at 9:08 PM (Item 15).

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April Jacobs, Board Secretary

ATTEST:

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President of the Board





## BOARD MEMORANDUM

**DATE:** February 8, 2022  
**TO:** Board of Directors  
**FROM:** Rochelle Patterson *RP*  
Director of Finance and Administration  
**SUBJECT:** Approve a Resolution Adopting a Revised Investment Policy

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### SUMMARY AND DISCUSSION

Pursuant to Government Code Section 53646, the California Legislature mandates that the Agency annually prepare and adopt an Investment Policy. The Agency last adopted its policy in February 2021 and applies to the entire entity of SCV Water.

General Counsel has advised that there are no legislative changes for 2022, but recommended modifications in a few sections to represent best practices.

On January 24, 2022, the Finance and Administration Committee considered staff's recommendation to approve a resolution adopting a revised Investment Policy.

### FINANCIAL CONSIDERATIONS

None.

### RECOMMENDATION

The Finance and Administration Committee recommends that the Board of Directors approve the attached resolution adopting a revised Investment Policy.

RP

Attachments

*M65*

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<b>POLICIES, RULES AND REGULATIONS</b>	
Title: <b>INVESTMENT POLICY</b>	
Approval Date: February 202 <del>2</del> <u>4</u>	Effective Date: February 202 <del>2</del> <u>4</u>
Approved By: Board of Directors	DMS #24625

**INVESTMENT POLICY**

**1.0 POLICY**

- 1.1 WHEREAS; the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern; and
- 1.2 WHEREAS; the legislative body of a local agency may invest surplus monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 53601 et seq.; and
- 1.3 WHEREAS; the Treasurer of the Santa Clarita Valley Water Agency (“Agency”), acting under the direction and authority of the Finance Committee of the Agency, shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the Board of Directors at a public meeting;
- 1.4 NOW THEREFORE, it shall be the policy of the Agency to invest funds in a manner, which 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.

**2.0 SCOPE**

This investment policy applies to all financial assets of the Agency. These funds are accounted for in the annual Agency audit. The Agency pools all cash for investment purposes. This policy is applicable, but not limited to all funds listed below:

- General/Operating Fund - 101
- Special Revenue Funds
  - a) One Percent Property Tax Fund - 101
  - b) Facility Capacity Fee Fund -202
  - c) State Water Project Fund - 204
- Capital Project Fund
- Debt Service Fund
- Reserve Funds
- Enterprise Fund
- Grant Funds



<b>POLICIES, RULES AND REGULATIONS</b>	
Title: <b>INVESTMENT POLICY</b>	
Approval Date: February 202 <del>2</del> <u>4</u>	Effective Date: February 202 <del>2</del> <u>4</u>
Approved By: Board of Directors	DMS #24625

Blended Component Units

- a) Devil's Den Water District – 970
- b) Upper Santa Clara Valley JPA – 975
- c) SCV Groundwater Sustainability Agency - 980

3.0 PRUDENCE; RESPONSIBILITY

- 3.1 Prudence: Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Agency, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.
- 3.2 Responsibility: The Treasurer and other individuals assigned to manage the investment portfolio, acting with the intent and scope of this investment policy while exercising due diligence, shall be relieved of personal responsibility for the credit risk and market price risk for securities held in the investment portfolio, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

- 4.1 Safety: Safety of principal is the foremost objective of the investment program. Investments of the Agency shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- 4.2 Liquidity: The investment portfolio will remain sufficiently liquid to enable the Agency to meet all operating requirements and budgeted expenditures. Investments will be undertaken with the expectation that unplanned expenses will



<b>POLICIES, RULES AND REGULATIONS</b>	
Title: <b>INVESTMENT POLICY</b>	
Approval Date: February 202 <del>24</del>	Effective Date: February 202 <del>24</del>
Approved By: Board of Directors	DMS #24625

be incurred; therefore, portfolio liquidity will be created to cover reasonable contingency costs.

4.3 Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio. The goal is to maximize return while ensuring that safety and liquidity objectives are not compromised.

5.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from California Government Code 53600, et seq. Overall accountability and authority for implementation of this policy shall remain with the Board of Directors of the Agency and overseen by the Agency's Finance Committee. The day-to-day responsibility for management and implementation of the investment program is hereby delegated to the Treasurer, who, where and when appropriate, shall establish written procedures for the operation of the investment program consistent with this investment policy. With this delegation the Treasurer is given the authority to utilize internal staff and outside investment managers to assist in the investment program. The Treasurer shall use care to assure that those assigned responsibility to assist in the management of the Agency's portfolio do so in accordance with this policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provisions of California Government Code 53600.3, the Treasurer is a trustee and a fiduciary subject to the prudent investor standard.

6.0 ETHICS AND CONFLICTS OF INTEREST

The Treasurer and officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Officials and staff members involved with the investment function shall disclose to the Board of Directors any personal financial interest with a financial institution, broker or investment issuer conducting business with the Agency. Officials and staff members shall further disclose to the Board of Directors any personal financial interest in any entity related to the investment performance of the Agency's portfolio.

7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Treasurer will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list will also be maintained of approved



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security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the Treasurer shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the Treasurer shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the Agency’s account with that firm has reviewed the Agency’s Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the Agency that are appropriate under the terms and conditions of the Investment Policy.

The Agency is a local agency authorized to invest surplus monies in the Local Agency Investment Fund (LAIF). LAIF is a special trust fund in the custody of the State Treasurer and the Local Investment Advisory Board created under Government Code Section 16429.2, which advises the State Treasurer on the investment and reinvestment of LAIF deposits. Each local agency with LAIF deposits has a separate account within LAIF, but the total deposits in LAIF are managed as a pooled investment account. The securities eligible for LAIF investments are statutorily specified in Government Code Section 16430 and are more conservative than those investments permitted under Government Code Section 53601, which governs the management of invested surplus monies by local agencies. Accordingly, the Treasurer need not be concerned with the qualifications of those financial institutions and broker/dealers with whom LAIF transacts business.

**8.0 PORTFOLIO MATURITY LIMITS**

The maximum maturity for any single investment in the portfolio shall not exceed five years. The maximum weighted average maturity for the investment portfolio shall not exceed three years.

When a security has a mandatory put date, the put date should be used when calculating weighted average portfolio maturity. When a security has an optional put date, the optional put date should be used when calculating weighted average portfolio maturity so long as the put is at the discretion of the Agency and the put price is equal to or greater than the market value for the security. (A put is a contract that gives its holder the right to sell an underlying security, commodity, or currency before a certain date for a predetermined price.)



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9.0 AUTHORIZED AND SUITABLE INVESTMENTS

The Agency is empowered by California Government Code 53601 et seq. to invest in the following:

- 9.1 Bonds issued by the Agency.
- 9.2 United States Treasury Bills, Notes and Bonds.
- 9.3 Registered state warrants or treasury notes or bonds issued by the State of California.
- 9.4 Registered treasury notes or bonds of any of the 49 United States in addition to California, including bonds payable solely out of revenues from revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California.
- 9.5 Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency; and also including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies. The LAIF is an approved pooled investment account.
- 9.6 Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by, or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- 9.7 Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances may not exceed 180 days' maturity or 40% of the Agency's money that may be invested pursuant to this policy. However, no more than 30% of the Agency's money can be invested in the bankers' acceptances of any single commercial bank.
- 9.8 Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally-recognized statistical-rating organization. The entity that issues the commercial paper shall either be:



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9.8.1 organized and operating within the United States as a general corporation, shall have total assets in excess of Five Hundred Million Dollars (\$500,000,000), and shall issue debt, other than commercial paper, if any, that is rated in a rating category of “A” or its equivalent or higher by a nationally-recognized statistical-rating organization; or

9.8.2 organized within the United States as a special-purpose corporation, trust, or limited liability company, have program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond, and has commercial paper that is rated “A-1” or higher, or the equivalent, by a nationally-recognized statistical-rating organization.

Eligible commercial paper shall have a maximum maturity of 270 days or less. The Agency shall invest no more than 25% of its money in eligible commercial paper; provided that if the Agency has \$100,000,000 or more of investment assets under management, the Agency may invest no more than 40% of its money in eligible commercial paper. The Agency shall invest no more than 10% of its total investment assets in the commercial paper and medium-term notes of any single issuer.

9.9 (i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federal or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30% of the Agency’s money which may be invested pursuant to this policy. The Board of Directors and the Treasurer are prohibited from investing Agency funds, or funds in the Agency’s custody, in negotiable certificates of deposit issued by a state or federal credit union if a member of the Board of Directors, or any person with investment decision-making authority within the Agency also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

(ii) Deposits at a commercial bank, savings bank, savings and loan association or credit union that uses a private sector entity that assists in the placement of such certificates of deposit, pursuant to Government Code Section 53601.8. Deposits shall be subject to Government Code Section 53638 and may not exceed 50% of the Agency’s money which may be invested pursuant to this policy.





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- 9.10 Repurchase/Reverse Repurchase Agreements of any securities authorized by Section 53061. The market value of securities that underlay a repurchase agreement shall be valued at ~~one hundred two percent (102%)~~ or greater of the funds borrowed against those securities, and are subject to the special limits and conditions of California Government Code 53601(j).
- 9.11 Medium term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of 5 years or less, issued by corporations organized and operating with the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service. Purchases of medium-term notes shall not include other instruments authorized by this policy and shall not exceed 30% of the Agency's money which may be invested pursuant to this policy. The Agency may invest no more than 10% of its total investment assets in the commercial paper and the medium-term notes of any single issuer.
- 9.12 Shares of beneficial interest issued by diversified management companies (mutual funds) investing in the securities and obligations authorized by this policy, and shares in money market mutual funds, subject to the restrictions of California Government Code Section 53601(l). The purchase price of investments under this subdivision shall not exceed 20% of the Agency's investments under this policy. However, no more than 10% of the Agency's money may be invested in any one mutual fund.
- 9.13 Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.
- 9.14 Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by California Government Code Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by



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California Government Code Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

9.15 ~~A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by a nationally recognized rating service and rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service. Purchase of securities authorized by this subdivision may not exceed 20% of the Agency's surplus moneys that may be invested pursuant to this policy. Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum of five years maturity. Securities eligible for investment under this subdivision shall be issued by an issuer rated in a rating category of "A" or its equivalent or better for the issuer's debt as provided by a nationally recognized rating service and rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service. Purchase of securities authorized by this subdivision shall not exceed 20% of the Agency's money that may be invested pursuant to this policy.~~

9.16 Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized under Government Code Section 53601. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible, the joint powers authority issuing the shares must have retained an investment advisor that is registered or exempt from registration with the Securities and Exchange Commission, have not less than five years of experience in investing in the securities and obligations authorized under Government Code Section 53601, and have assets under management in excess of five hundred million dollars (\$500,000,000).

9.17 Proposition 1A receivables sold pursuant to California Government Code Section 53999. A "Proposition 1A receivable" constitutes the right to payment of moneys



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due or to become due to a local agency, pursuant to clause (iii) of subparagraph (B) of paragraph (1) of subdivision (a) of Section 25.5 of Article XIII of the California Constitution and Section 100.06 of the Revenue and Taxation Code.

9.18 United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of “AA” or its equivalent or better by ~~an NRSRO~~a nationally recognized rating service and shall not exceed 30 percent of the ~~a~~Agency's moneys that may be invested pursuant to this ~~policy~~section.

9.19 Deposits at a commercial bank, savings bank, savings and loan association or credit union that uses a private sector entity that assists in the placement of such certificates of deposit, pursuant to Government Code Section 53601.8. Deposits shall be subject to Government Code Section 53638 and may not exceed 50% of the District's money which may be invested pursuant to this policy.

9.~~19~~20 Any other investment security authorized under the provisions of California Government Code Sections 5922 and 53601.

~~Such investments shall be limited to securities that at the time of the investment have a term remaining to maturity of five years or less, or as otherwise provided in Government Code Section 53601.~~



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INVESTMENT TYPE	MAXIMUM MATURITY	MAXIMUM SPECIFIED % OF PORTFOLIO	MINIMUM QUALITY REQUIREMENTS	GOV'T CODE SECTIONS
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations—CA And Others	5 years	None	None	53601(c) 53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40%	None	53601(g)
Commercial Paper—Non-Pooled Funds (under \$100,000,000 of investments)	270 days or less	25% of the agency's money	Highest letter and number rating by a nationally recognized rating service	53601(h)(2)(c)
Commercial Paper—Non-Pooled Funds (min. \$100,000,000 of investments)	270 days or less	40% of the agency's money	Highest letter and number rating by a nationally recognized rating service	53601(h)(2)(c)
Commercial Paper—Pooled Funds <sup>1</sup>	270 days or less	40% of the agency's money	Highest letter and number rating by a nationally recognized rating service	53635(a)(1)
Negotiable Certificates of Deposit	5 years	30%	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	50%	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	50%	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None	53601(j)
Medium-Term Notes	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple	53601(l) and 53601.6(b)
Collateralized Bank Deposits	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-Through and Asset-Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund	N/A	None	None	16340
Supranational Obligations	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)
Public Bank Obligations	5 years	None	None	53601(r), 53635(c) and 57603



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~~The Agency shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.~~

10.0 PROHIBITED INVESTMENTS

The following are prohibited:

- 10.1 Investment in futures and options.
- 10.2 Investment in inverse floaters, range notes, or mortgage derived interest-only strips. (Gov. Code §53601.6.)
- 10.3 Investment in any security that could result in a zero interest accrual if held to maturity. Under a provision sunseting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted. (Gov. Code §53601.6.)
- 10.4 Trading securities for the sole purpose of speculating on the future direction of interest rates.
- 10.5 Purchasing or selling securities on margin.
- 10.6 The use of reverse repurchase agreements as a form of leverage, securities lending or any other form of borrowing or leverage.
- 10.7 The purchase of foreign currency denominated securities.

110.0 COLLATERALIZATION

~~All certificates of deposit must be collateralized by United States Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralizations on repurchase and reverse agreements will adhere to the amount required under California Government Code 53601(i)(2). The Agency shall require any depository to adhere to the collateralization requirements of Government Code section 53652.~~

124.0 SAFEKEEPING AND CUSTODY

All securities owned by the Agency, except collateral for repurchase agreements, will be held in safekeeping at a third party bank trust department that will act as agent for the Agency under terms of a custody agreement.

Securities used as collateral for repurchase agreements with a term of up to seven days can be safe kept by a third party bank trust department, or by the broker/dealer's



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safekeeping institution, acting as agent for the Agency under the terms of a custody agreement executed by the broker/dealer and the Agency and specifying the Agency's perfected ownership of the collateral.

Payment for all transactions will be conducted on a delivery-versus-payment (DVP) basis.

**132.0 LEVERAGING**

Investments may not be purchased on margin. Securities can be purchased on a "When Issued" basis only when a cash balance can be maintained to pay for the securities on the purchase settlement date.

**143.0 DIVERSIFICATION**

The Agency will diversify its investments by security type and institution. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities.

Diversification strategies shall be reviewed and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

**143.1** Portfolio maturity dates shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.

**143.2** Maturities selected shall provide for stability of income and liquidity.

**143.3** Disbursement and payroll dates shall be covered through maturities of investments, marketable United States Treasury bills or other cash equivalent instruments such as money market mutual funds.

**14.4** No more than 5% of the total portfolio may be deposited with or invested in securities issued by any single issuer unless except treasuries, agencies, Supranationals, and money market funds and otherwise specified in this policy.

**14.5** If a security owned by the Agency is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:

- a. Any actions taken related to the downgrade by the investment manager will be communicated to the Treasurer in a timely manner.



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b. If a decision is made to retain the security, the credit situation will be monitored and reported to the Board of Directors.

14.6 Credit risk is the risk that a security or a portfolio will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. The Agency will mitigate credit risk by adopting diversification requirements, issuer limitations and downgrade language. The Agency may elect to sell a security prior to its maturity and record a capital gain or loss to manage the quality, liquidity or yield of the portfolio in response to market conditions or the Agency's risk preferences.

**154.0 REPORTING**

The Treasurer shall submit to each member of the Board of Directors an investment report at least monthly. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for Agency by third party contracted managers. The report will also include the source of the portfolio valuation. For funds, which are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) the Agency will meet its expenditure obligations for the next six months as required by Government Code Section 53646(b)(2) and (3), respectively. The Treasurer shall maintain a complete and timely record of all investment transactions.

16.0 INTERNAL CONTROLS

The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Periodically, as deemed appropriate by the Agency and/or the Board of Directors, an independent analysis by an external auditor shall be conducted to review internal controls, account activity and compliance with policies and procedures.



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17.0 PORTFOLIO REVIEW AND PERFORMANCE EVALUATION:

The Treasurer shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this investment policy and establish protocols for reporting major and critical incidences of noncompliance to the Board of Directors.

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the Agency’s risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Treasurer shall monitor and evaluate the portfolio’s performance relative to the chosen market benchmark(s), which will be included in the Treasurer’s quarterly report. The Treasurer shall select an appropriate, readily available index to use as a market benchmark.

185.0 INVESTMENT POLICY ADOPTION

The Investment Policy shall be adopted by resolution of the Agency. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the Board of Directors.

*(Originally Adopted February 2018; Re-adopted January 2019; Revised February 2020, February 2021, February 2022)*



RESOLUTION NO. \_\_\_\_

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

1.0 POLICY

- 1.1 WHEREAS; the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern; and
- 1.2 WHEREAS; the legislative body of a local agency may invest surplus monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 53601 et seq.; and
- 1.3 WHEREAS; the Treasurer of the Santa Clarita Valley Water Agency ("Agency"), acting under the direction and authority of the Finance Committee of the Agency, shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the Board of Directors at a public meeting;
- 1.4 NOW THEREFORE, it shall be the policy of the Agency to invest funds in a manner, which 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.

2.0 SCOPE

This investment policy applies to all financial assets of the Agency. These funds are accounted for in the annual Agency audit. The Agency pools all cash for investment purposes. This policy is applicable, but not limited to all funds listed below:

General/Operating Fund - 101

Special Revenue Funds

- a) One Percent Property Tax Fund - 101
- b) Facility Capacity Fee Fund -202
- c) State Water Project Fund - 204

Capital Project Fund

Debt Service Fund

Reserve Funds

Enterprise Fund

Grant Funds

Blended Component Units

- a) Devil's Den Water District – 970
- b) Upper Santa Clara Valley JPA – 975
- c) SCV Groundwater Sustainability Agency - 980

### 3.0 PRUDENCE; RESPONSIBILITY

- 3.1 Prudence: Investments shall be made with judgment and care, under circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Agency, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.
- 3.2 Responsibility: The Treasurer and other individuals assigned to manage the investment portfolio, acting with the intent and scope of this investment policy while exercising due diligence, shall be relieved of personal responsibility for the credit risk and market price risk for securities held in the investment portfolio, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

### 4.0 OBJECTIVES

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

- 4.1 Safety: Safety of principal is the foremost objective of the investment program. Investments of the Agency shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- 4.2 Liquidity: The investment portfolio will remain sufficiently liquid to enable the Agency to meet all operating requirements and budgeted expenditures. Investments will be undertaken with the expectation that unplanned expenses will be incurred; therefore, portfolio liquidity will be created to cover reasonable contingency costs.
- 4.3 Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio. The goal is to maximize return while ensuring that safety and liquidity objectives are not compromised.

### 5.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from California Government Code 53600, et seq. Overall accountability and authority for implementation of this policy shall remain with the Board of Directors of the Agency and overseen by the Agency's Finance Committee. The day-to-day responsibility for management and implementation

of the investment program is hereby delegated to the Treasurer, who, where and when appropriate, shall establish written procedures for the operation of the investment program consistent with this investment policy. With this delegation the Treasurer is given the authority to utilize internal staff and outside investment managers to assist in the investment program. The Treasurer shall use care to assure that those assigned responsibility to assist in the management of the Agency's portfolio do so in accordance with this policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provisions of California Government Code 53600.3, the Treasurer is a trustee and a fiduciary subject to the prudent investor standard.

6.0 ETHICS AND CONFLICTS OF INTEREST

The Treasurer and officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Officials and staff members involved with the investment function shall disclose to the Board of Directors any personal financial interest with a financial institution, broker or investment issuer conducting business with the Agency. Officials and staff members shall further disclose to the Board of Directors any personal financial interest in any entity related to the investment performance of the Agency's portfolio.

7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Treasurer will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, the Treasurer shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the Treasurer shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the Agency's account with that firm has reviewed the Agency's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the Agency that are appropriate under the terms and conditions of the Investment Policy.

The Agency is a local agency authorized to invest surplus monies in the Local Agency Investment Fund (LAIF). LAIF is a special trust fund in the custody of the State Treasurer and the Local Investment Advisory Board created under Government Code Section 16429.2, which advises the State Treasurer on the investment and reinvestment of LAIF deposits. Each local agency with LAIF deposits has a separate account within LAIF, but the total deposits in LAIF are managed as a pooled investment account. The

securities eligible for LAIF investments are statutorily specified in Government Code Section 16430 and are more conservative than those investments permitted under Government Code Section 53601, which governs the management of invested surplus monies by local agencies. Accordingly, the Treasurer need not be concerned with the qualifications of those financial institutions and broker/dealers with whom LAIF transacts business.

#### 8.0 PORTFOLIO MATURITY LIMITS

The maximum maturity for any single investment in the portfolio shall not exceed five years. The maximum weighted average maturity for the investment portfolio shall not exceed three years.

When a security has a mandatory put date, the put date should be used when calculating weighted average portfolio maturity. When a security has an optional put date, the optional put date should be used when calculating weighted average portfolio maturity so long as the put is at the discretion of the Agency and the put price is equal to or greater than the market value for the security. (A put is a contract that gives its holder the right to sell an underlying security, commodity, or currency before a certain date for a predetermined price.)

#### 9.0 AUTHORIZED AND SUITABLE INVESTMENTS

The Agency is empowered by California Government Code 53601 et seq. to invest in the following:

- 9.1 Bonds issued by the Agency.
- 9.2 United States Treasury Bills, Notes and Bonds.
- 9.3 Registered state warrants or treasury notes or bonds issued by the State of California.
- 9.4 Registered treasury notes or bonds of any of the 49 United States in addition to California, including bonds payable solely out of revenues from revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California.
- 9.5 Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency; and also including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies. The LAIF is an approved pooled investment account.
- 9.6 Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by, or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

- 9.7 Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances may not exceed 180 days' maturity or 40% of the Agency's money that may be invested pursuant to this policy. However, no more than 30% of the Agency's money can be invested in the bankers' acceptances of any single commercial bank.
- 9.8 Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally-recognized statistical-rating organization. The entity that issues the commercial paper shall either be:
- 9.8.1 organized and operating within the United States as a general corporation, shall have total assets in excess of Five Hundred Million Dollars (\$500,000,000), and shall issue debt, other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by a nationally-recognized statistical-rating organization; or
- 9.8.2 organized within the United States as a special-purpose corporation, trust, or limited liability company, have program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond, and has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally-recognized statistical-rating organization.

Eligible commercial paper shall have a maximum maturity of 270 days or less. The Agency shall invest no more than 25% of its money in eligible commercial paper; provided that if the Agency has \$100,000,000 or more of investment assets under management, the Agency may invest no more than 40% of its money in eligible commercial paper. The Agency shall invest no more than 10% of its total investment assets in the commercial paper and medium-term notes of any single issuer.

- 9.9 (i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federal or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30% of the Agency's money which may be invested pursuant to this policy. The Board of Directors and the Treasurer are prohibited from investing Agency funds, or funds in the Agency's custody, in negotiable certificates of deposit issued by a state or federal credit union if a member of the Board of Directors, or any person with investment decision-making authority within the Agency also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.
- (ii) Deposits at a commercial bank, savings bank, savings and loan association or credit union that uses a private sector entity that assists in the placement of such

certificates of deposit, pursuant to Government Code Section 53601.8. Deposits shall be subject to Government Code Section 53638 and may not exceed 50% of the Agency's money which may be invested pursuant to this policy.

- 9.10 Repurchase/Reverse Repurchase Agreements of any securities authorized by Section 53061. The market value of securities that underlay a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities, and are subject to the special limits and conditions of California Government Code 53601(j).
- 9.11 Medium term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of 5 years or less, issued by corporations organized and operating with the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service. Purchases of medium-term notes shall not include other instruments authorized by this policy and shall not exceed 30% of the Agency's money which may be invested pursuant to this policy. The Agency may invest no more than 10% of its total investment assets in the commercial paper and the medium-term notes of any single issuer.
- 9.12 Shares of beneficial interest issued by diversified management companies (mutual funds) investing in the securities and obligations authorized by this policy, and shares in money market mutual funds, subject to the restrictions of California Government Code Section 53601(l). The purchase price of investments under this subdivision shall not exceed 20% of the Agency's investments under this policy. However, no more than 10% of the Agency's money may be invested in any one mutual fund.
- 9.13 Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.
- 9.14 Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by California Government Code Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by California Government Code Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the

Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

- 9.15 A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by a nationally recognized rating service and rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service. Purchase of securities authorized by this subdivision may not exceed 20% of the Agency's surplus moneys that may be invested pursuant to this policy.
- 9.16 Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized under Government Code Section 53601. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible, the joint powers authority issuing the shares must have retained an investment advisor that is registered or exempt from registration with the Securities and Exchange Commission, have not less than five years of experience in investing in the securities and obligations authorized under Government Code Section 53601, and have assets under management in excess of five hundred million dollars (\$500,000,000).
- 9.17 Proposition 1A receivables sold pursuant to California Government Code Section 53999. A "Proposition 1A receivable" constitutes the right to payment of moneys due or to become due to a local agency, pursuant to clause (iii) of subparagraph (B) of paragraph (1) of subdivision (a) of Section 25.5 of Article XIII of the California Constitution and Section 100.06 of the Revenue and Taxation Code.
- 9.18 United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service and shall not exceed 30 percent of the Agency's moneys that may be invested pursuant to this policy.
- 9.19 Deposits at a commercial bank, savings bank, savings and loan association or credit union that uses a private sector entity that assists in the placement of such certificates of deposit, pursuant to Government Code Section 53601.8. Deposits shall be subject to Government Code Section 53638 and may not exceed 50% of the District's money which may be invested pursuant to this policy.
- 9.20 Any other investment security authorized under the provisions of California Government Code Sections 5922 and 53601.

INVESTMENT TYPE	MAXIMUM MATURITY	MAXIMUM SPECIFIED % OF PORTFOLIO	MINIMUM QUALITY REQUIREMENTS	GOV'T CODE SECTIONS
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations— CA And Others	5 years	None	None	53601(c) 53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40%	None	53601(g)
Commercial Paper—Non-Pooled Funds (under \$100,000,000 of investments)	270 days or less	25% of the agency's money	Highest letter and number rating by a nationally recognized rating service	53601(h)(2)(c)
Commercial Paper—Non-Pooled Funds (min. \$100,000,000 of investments)	270 days or less	40% of the agency's money	Highest letter and number rating by a nationally recognized rating service	53601(h)(2)(c)
Commercial Paper— Pooled Funds <sup>1</sup>	270 days or less	40% of the agency's money	Highest letter and number rating by a nationally recognized rating service	53635(a)(1)
Negotiable Certificates of Deposit	5 years	30%	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	50%	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	50%	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None	53601(j)
Medium-Term Notes	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple	53601(l) and 53601.6(b)
Collateralized Bank Deposits	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-Through and Asset-Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund	N/A	None	None	16340
Supranational Obligations	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)
Public Bank Obligations	5 years	None	None	53601(r), 53635(c) and 57603



## 10.0 PROHIBITED INVESTMENTS

The following are prohibited:

- 10.1 Investment in futures and options.
- 10.2 Investment in inverse floaters, range notes, or mortgage derived interest-only strips. (Gov. Code §53601.6.)
- 10.3 Investment in any security that could result in a zero interest accrual if held to maturity. Under a provision sunseting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted. (Gov. Code §53601.6.)
- 10.4 Trading securities for the sole purpose of speculating on the future direction of interest rates.
- 10.5 Purchasing or selling securities on margin.
- 10.6 The use of reverse repurchase agreements as a form of leverage, securities lending or any other form of borrowing or leverage.
- 10.7 The purchase of foreign currency denominated securities.

## 11.0 COLLATERALIZATION

The Agency shall require any depository to adhere to the collateralization requirements of Government Code section 53652.

## 12.0 SAFEKEEPING AND CUSTODY

All securities owned by the Agency, except collateral for repurchase agreements, will be held in safekeeping at a third party bank trust department that will act as agent for the Agency under terms of a custody agreement.

Securities used as collateral for repurchase agreements with a term of up to seven days can be safe kept by a third party bank trust department, or by the broker/dealer's safekeeping institution, acting as agent for the Agency under the terms of a custody agreement executed by the broker/dealer and the Agency and specifying the Agency's perfected ownership of the collateral.

Payment for all transactions will be conducted on a delivery-versus-payment (DVP) basis.

## 13.0 LEVERAGING

Investments may not be purchased on margin. Securities can be purchased on a "When Issued" basis only when a cash balance can be maintained to pay for the securities on the purchase settlement date.

#### 14.0 DIVERSIFICATION

The Agency will diversify its investments by security type and institution. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities.

Diversification strategies shall be reviewed and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- 14.1 Portfolio maturity dates shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- 14.2 Maturities selected shall provide for stability of income and liquidity.
- 14.3 Disbursement and payroll dates shall be covered through maturities of investments, marketable United States Treasury bills or other cash equivalent instruments such as money market mutual funds.
- 14.4 No more than 5% of the total portfolio may be deposited with or invested in securities issued by any single issuer unless except treasuries, agencies, Supranationals, and money market funds and otherwise specified in this policy.
- 14.5 If a security owned by the Agency is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:
  - a. Any actions taken related to the downgrade by the investment manager will be communicated to the Treasurer in a timely manner.
  - b. If a decision is made to retain the security, the credit situation will be monitored and reported to the Board of Directors.
- 14.6 Credit risk is the risk that a security or a portfolio will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. The Agency will mitigate credit risk by adopting diversification requirements, issuer limitations and downgrade language. The Agency may elect to sell a security prior to its maturity and record a capital gain or loss to manage the quality, liquidity or yield of the portfolio in response to market conditions or the Agency's risk preferences.

#### 15.0 REPORTING

The Treasurer shall submit to each member of the Board of Directors an investment report at least monthly. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for Agency by third party contracted managers. The report will also include the source of the portfolio valuation. For funds, which are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full

compliance with the Investment Policy and, (2) the Agency will meet its expenditure obligations for the next six months as required by Government Code Section 53646(b)(2) and (3), respectively. The Treasurer shall maintain a complete and timely record of all investment transactions.

16.0 INTERNAL CONTROLS

The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Periodically, as deemed appropriate by the Agency and/or the Board of Directors, an independent analysis by an external auditor shall be conducted to review internal controls, account activity and compliance with policies and procedures.

17.0 PORTFOLIO REVIEW AND PERFORMANCE EVALUATION:

The Treasurer shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this investment policy and establish protocols for reporting major and critical incidences of noncompliance to the Board of Directors.

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account the Agency's risk constraints, the cash flow characteristics of the portfolio, and state and local laws, ordinances or resolutions that restrict investments.

The Treasurer shall monitor and evaluate the portfolio's performance relative to the chosen market benchmark(s), which will be included in the Treasurer's quarterly report. The Treasurer shall select an appropriate, readily available index to use as a market benchmark.

18.0 INVESTMENT POLICY ADOPTION

The Investment Policy shall be adopted by resolution of the Agency. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the Board of Directors.

*(Originally Adopted February 2018; Re-adopted January 2019; Revised February 2020, February 2021, February 2022)*


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## BOARD MEMORANDUM

**DATE:** February 8, 2022

**TO:** Board of Directors

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

**SUBJECT:** Approve Receiving and Filing FY 2021/22 First Quarter Financial Report (July - September 2021)

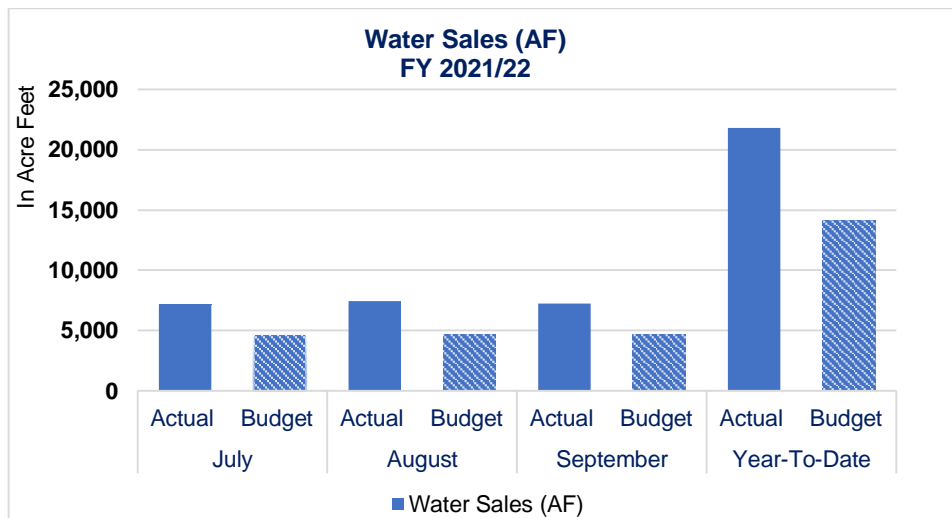
Below is the FY 2021/22 First Quarter Financial Summary (July – September 2021). This report reviews the financing activities for the quarter and compares the FY 2021/22 Budget to actual revenues and expenditures for the operating and capital budgets. Also attached is the September 2021 Monthly Financial Report.

### Quarterly Finance Highlights

- Implementation and enhancements continue within Oracle Cloud Fusion
- Transparency Debt Disclosures submitted CDIAC (California Debt and Investment Advisory Commission)
- Annual Comprehensive Financial Report was submitted to the Government Finance Officers Association for Excellence in Financial Reporting award consideration
- Wholesale Water Rates have been developed and will be presented to the Board of Directors in February

### Water Production and Sales

Total water produced for retail consumption from July – September 2021 was 22,874 acre-feet (AF). Comprised of 8,837 AF of groundwater and 14,036 AF of surface water. Total water sales were 21,801 AF, which is an increase of 54% from the budgeted projection of 14,115 AF.

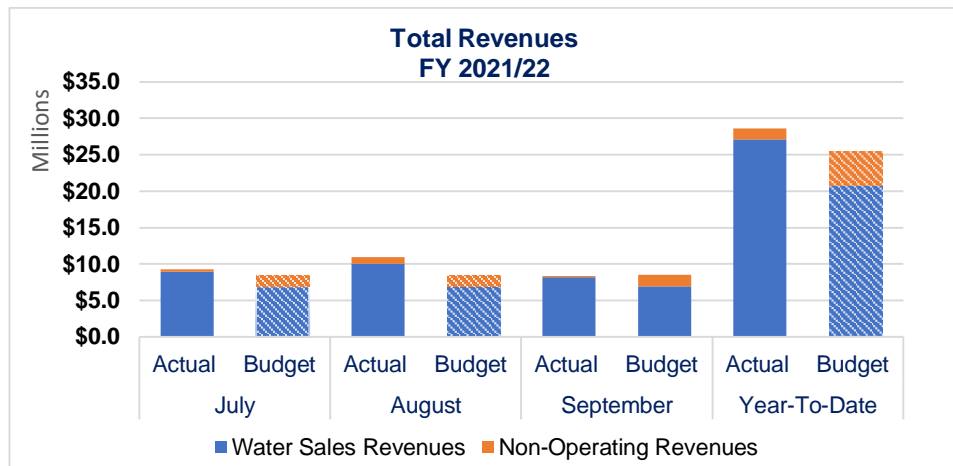


Total water sales increased primarily due to hot and dry temperatures during the summer months. Certain revenues and expenses are budgeted based on trend or expectation. Water sales revenues, chemicals and purchased power are budgeted based on a 10-year trend, a higher percentage of revenues are received in the summer months, then in the winter months. Revenues, such as Property Taxes are budgeted in specific months based on expectation of when taxes are due. A majority of taxes are received in November/December and March/April.

## Revenues

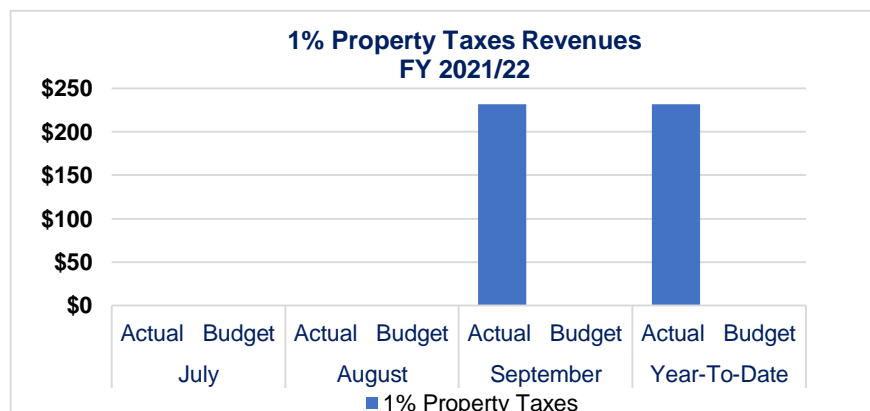
### Revenues

Overall, FY 2021/22 total revenues (operating and non-operating) of \$28,595,235 were 12% (\$3,126,644) over the budget of \$25,468,591.

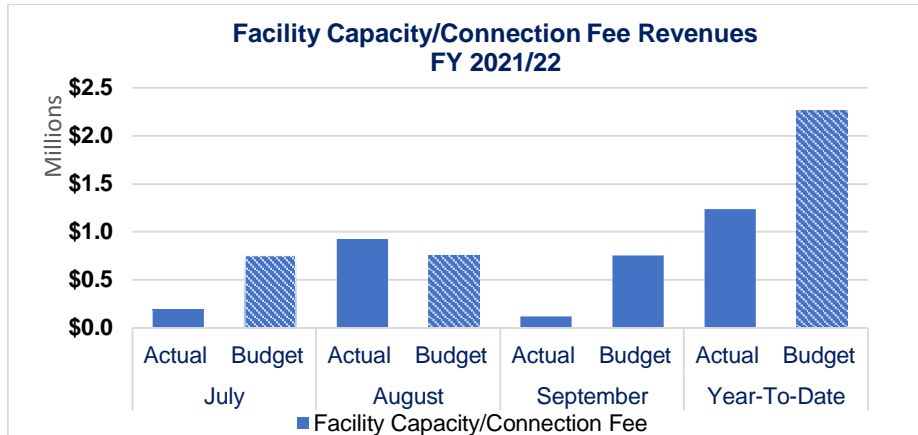


Significant changes from the budget are as follows:

- Water sales exceeded the budget by 31% (\$6,396,408) due to hot and dry temperatures, consistent with the increase in water production.
  - Residential water sales exceeded the budget by 41% (\$4,778,581)
  - Commercial water sales exceeded the budget by 51% (\$567,950)
  - Landscaping/Irrigation water sales exceeded the budget by 38% (\$1,631,313)
  - All Other water sales exceed the budget by 21% (\$59,627)
  - Total number of billing connections increased by 485, out of the 1,019 projected for the year.
- Property tax (1%) received was \$231 of \$0 budget. Property taxes are generally not received in the first quarter of the fiscal year.



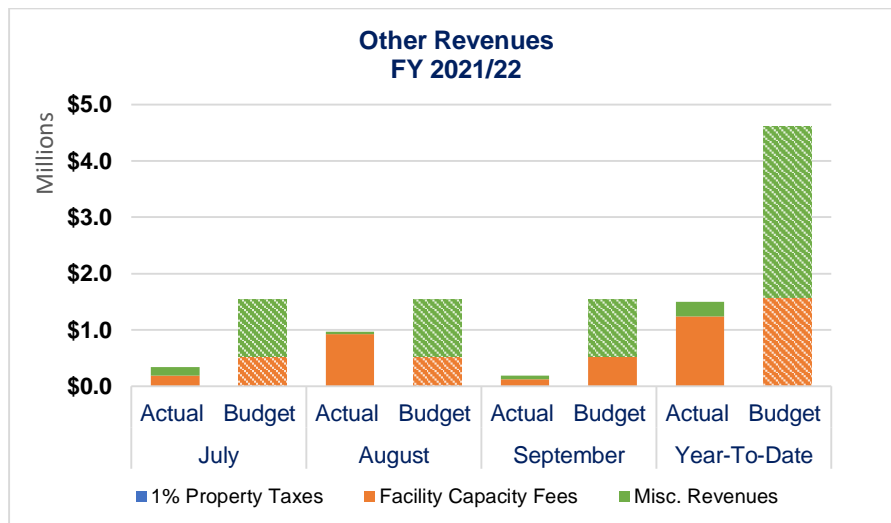
- Total Facility Capacity/Connection Fees received were \$1,238,206. Regional Facility Capacity Fees collected were \$1,231,538 and \$6,668 in Retail Connection Fees out of a budget of \$2,267,775.



Fees Received this Quarter

- \$783,104 - Lennar Homes (92 connections)
- \$212,800 - KB Homes (25 connections)
- \$100,241- Tri Pointe Homes (7 connections)
- \$ 57,880 - Richmond American Homes (9 connections)
- \$ 51,070 - Toll Brothers, Inc (10 connections)
- \$ 26,443 - Other Developers (3 connections)

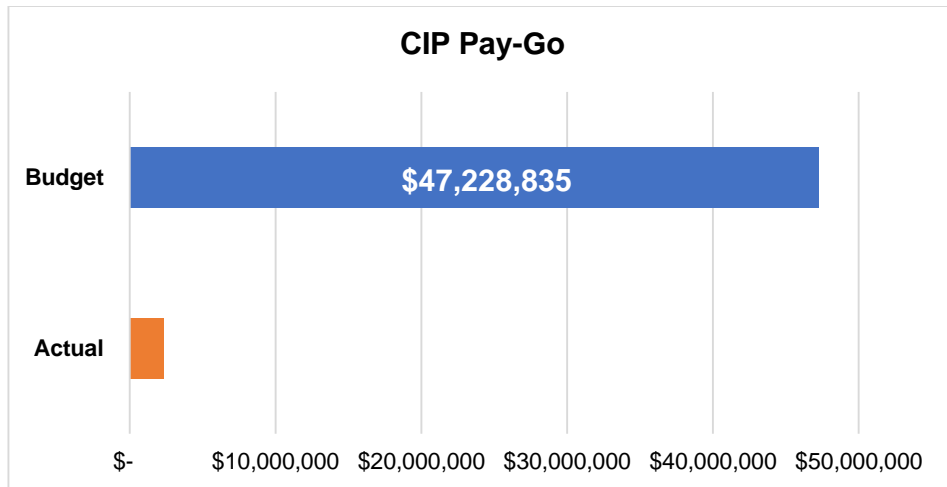
Other Miscellaneous revenues were \$263,937, approximately 9% of the budget of \$3,043,135, due to timing of grants and perchlorate reimbursements.



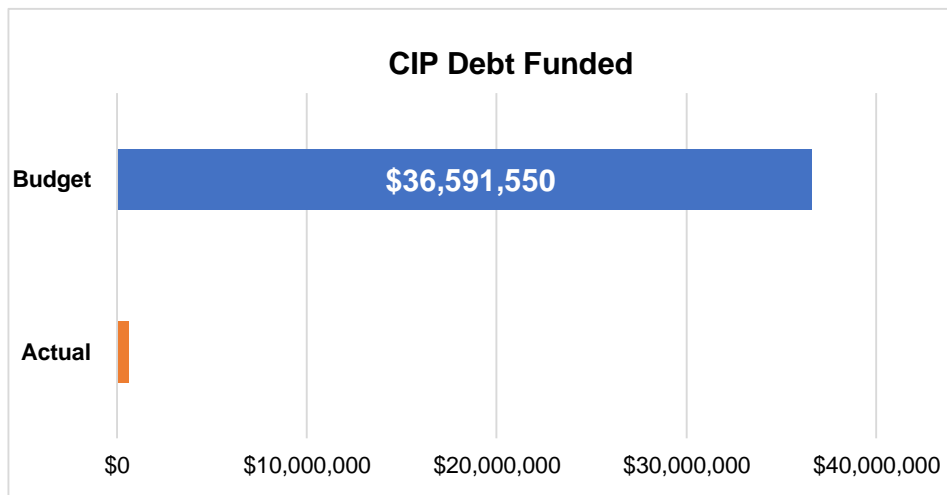
### Capital Improvement Program (Pay-go and Debt-Funded Projects)

In general, expenditures for CIP projects depend on bid timing and contract awards, coordination with other agencies, coordination with other projects, staffing levels and other such factors.

- The FY 2021/22 Pay-go Budget for Capital Improvement Program (CIP) expenditures was \$47,228,835. Of that amount 5% or \$2,340,367 funds have been expended.
- The FY 2021/22 Debt Funded Budget for CIP expenditures was \$36,591,550. Of that amount 1.6% or \$581,822 funds have been expended.



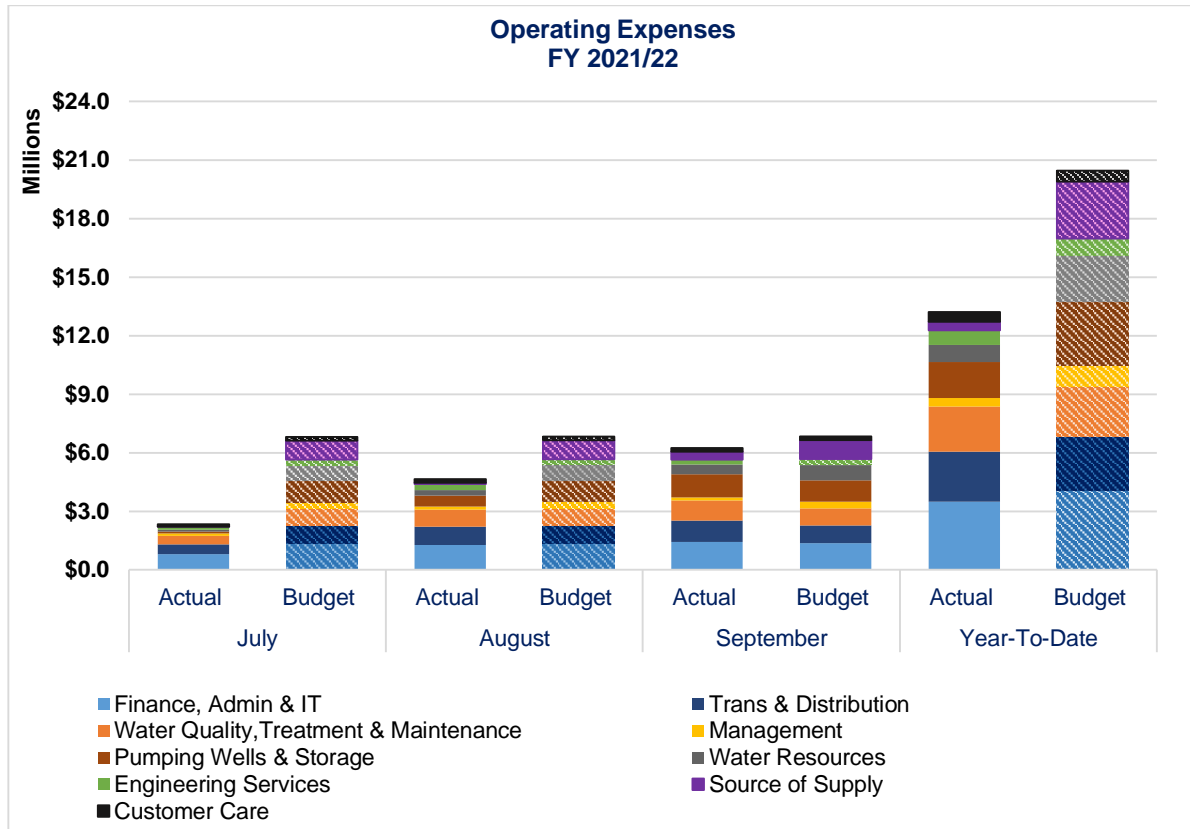
CIP project details are included at the end of this report.





## Operating Expenditures

FY 2021/22 Operating Expenditures of \$13,209,838 were underbudget by 35% (\$7,240,597) of the \$20,450,435 budget.



## Significant Activities

- Source of Supply – Additional water purchases through banking programs not yet recognized
- Water Resources - Conservation programs expected to ramp up in the next quarter
- Pumping, Wells and Storage – Timing of PFAS resin changeouts and SCE invoices

## Debt Service

In the 1<sup>st</sup> quarter of FY 2021/22, principal and interest payments were made on the Agency's debt in the amount of \$32,007,788 of which \$19,024,282 was for principal. The outstanding principal debt outstanding as of September 30, 2021 is \$293,161,970.

## Capital Improvement Projects: Pay-Go Project List

Capital Pay-Go Projects		FY 2021/22 Budget	FY 2021/22 Actual	%
1	Appurtenance Improvements - Agency-wide	\$410,000	\$1,958	0.5%
2	Booster Station/Turnout Improvements - Agency-wide	1,060,000	44,449	4.2%
3	Bridgeport Pocket Park	250,000	632	0.3%
4	BVRRB Storage and Recovery Program	2,797,506		0.0%
5	Capital Program/Facility Capacity Fees	50,000	8,480	17.0%
6	CIS Software Integration & Upgrade	1,350,000		0.0%
7	Deane Pump Station @ Sand Canyon Plaza	1,232,200		0.0%
8	Deane Pump Station @ Skyline Ranch*	900,000		0.0%
9	Deane SC-6 Pump Station	175,000		0.0%
10	Deane SC-6 Soledad Pipeline	200,000		0.0%
11	Deane Tank Site (Existing) Improvements	50,000		0.0%
12	Deane Tanks - One 1.5 MG Tank @ Sand Canyon Plaza	1,175,000		0.0%
13	Deane Tanks (Two 2.5 MG Tanks) @ Skyline Ranch	1,420,000	12,289	0.9%
14	Deane Zone Disinfection @ Skyline Ranch	250,000		0.0%
15	Debt Financing and Administration	15,000	9,590	63.9%
16	Devil's Den Property Solar Project	100,000	9,827	9.8%
17	Disinfection Projects - Agency-wide	1,010,000	39,100	3.9%
18	Dockweiler-Sierra Hwy Pipeline*	175,000		0.0%
19	Equipment and Vehicle Replacements	1,375,000	39,003	2.8%
20	ERP Software (Finance & Accounting)	1,037,229	777,208	74.9%
21	ESFP Access Road Automatic Gate	75,000		0.0%
22	ESFP Repair & Replacement	385,000	45,620	11.8%
23	ESFP Standby Generator	1,025,000		0.0%
24	ESFP Two 5 MG Tanks Improvements	1,595,000		0.0%
25	ESIPS Repair & Replacement	100,000		0.0%
26	Friendly Valley Booster Station (Crossroads)	75,000		0.0%
27	Friendly Valley Pipeline @ Via Princessa (Crossroads)	100,000		0.0%
28	Friendly Valley Tank (3.25 MG) @ Crossroads	100,000		0.0%
29	Golden Valley Pipeline @ Via Princessa (Crossroads)	100,000		0.0%
30	Golden Valley Tank (1.6 MG) @ Crossroads	100,000		0.0%
31	GSP Implementation (monitaring,data base, reporting)	50,000		0.0%
32	Honby Pipeline Bottleneck	100,000	50,817	50.8%
33	Invasive Species Management	250,000		0.0%
34	Lab Equipment	50,000		0.0%
35	Market Street Pump Station (Wiley Canyon)	50,000		0.0%
36	Market Street/Shadeland/Maple Street Pipeline (Wiley Cyn)	75,000		0.0%
37	Meter Replacements - Agency-wide	2,075,000	241,339	11.6%
38	Miscellaneous Large Tools and Equipment	35,000		0.0%
39	Office Furniture - General	30,000	11,767	39.2%
40	Office Improvements - Various	270,000		0.0%
41	Office Reconfiguration - Summit Circle	15,000		0.0%

**Capital Improvement Projects: Pay-Go Project List - continued**

Capital Pay-Go Projects		FY 2021/22 Budget	FY 2021/22 Actual	%
42	Pipeline Inspection Facility Modifications	300,000	32,113	10.7%
43	Pipeline Relocations/Modifications	300,000	36,671	12.2%
44	Pipeline Repair & Replacement	25,000	819	3.3%
45	Pipelines & Pipeline Replacements - Agency-wide	4,800,000	83,400	1.7%
46	Placerita Tanks (Two 1.6 MG Tanks)	75,000		0.0%
47	Recycled Water Program Phase II, 2B - Vista Cyn Customer Conv	240,000		0.0%
48	Recycled Water Program Phase II, 2B - Vista Cyn Distribution	400,000	219,431	54.9%
49	Recycled Water Program Phase II, 2C - South End Distribution	327,450		0.0%
50	Recycled Water Program Phase II, 2D - West Ranch Cust Conv	607,500		0.0%
51	Recycled Water System Repair & Replacement	550,000		0.0%
52	Resiliency Water Master Plan	1,210,000	44,920	3.7%
53	RVIPS Repair & Replacement	115,000		0.0%
54	RVWTP Repair & Replacement	579,450	7,317	1.3%
55	RVWTP Underground Storage Tank Replmt	526,000	2,581	0.5%
56	Sand Canyon System Repair & Replacement	65,000		0.0%
57	Saugus 1 and 2 Wells Repair & Replacement	75,000	25,646	34.2%
58	Saugus 3 & 4 Replacement Wells	4,882,000	86,339	1.8%
59	SC-12 Warmuth Pipeline	50,000		0.0%
60	SCADA - Agency-wide	375,000	22,662	6.0%
61	SCVWA Integration	100,000		0.0%
62	Security Equipment Upgrades	15,000		0.0%
63	Stair/Ladder Safety Improvements	840,000		0.0%
64	System Hydraulic Model	100,000	7,803	7.8%
65	Tank 4 (1.5 MG Tank @Wiley Canyon)	75,000	7,547	10.1%
66	Tanks & Tank Facility Improvements - Agency-wide	970,000	15,310	1.6%
67	Technology Improvements and Replacements	2,832,500		0.0%
68	Treatment Plant & Laboratory Improvements	770,000		0.0%
69	Update Water Conservation and Education Garden	1,210,000	32,390	2.7%
70	V-9 Improvements	158,000	393	0.2%
71	Valencia Marketplace Pipeline Replacement	200,000	2,500	1.3%
72	Vista Cyn Bridge Piping at Soledad/Lost Canyon	300,000		0.0%
73	Video Surveillance Equipment	10,000		0.0%
74	Well 205 (Perchlorate)	510,000	4,071	0.8%
75	Well Q2 (Perchlorate)	300,000		0.0%
76	Wells & Well Facility Improvements	1,170,000	53,690	4.6%
77	WR-Summit Circle - Repair & Replacement	24,000		0.0%
78	Yuba Accord Water	455,000	362,682	79.7%
<b>Total CIP - Pay Go Projects</b>		<b>\$47,228,835</b>	<b>\$2,340,367</b>	<b>5.0%</b>

## Capital Improvement Projects: Debt Funded Project List

Debt Funded Capital Projects		FY 2021/22 Budget	FY 2021/22 Actual	%
1	Add'l Wells (T7, U4, U6)(includes S1&S2 Wells VOC Treatment)	\$1,000,000	\$3,627	0.4%
2	Castaic Conduit	180,000	541	0.3%
3	E Wells (E-14, E-15, E-16, E-17)	265,000	360	0.1%
4	ESFP Sludge Collection System	6,031,000	31,158	0.5%
5	Honby Parallel	135,000	2,058	1.5%
6	New Water Banking Program	100,000		0.0%
7	LARC Pipeline*	825,000	12,308	1.5%
8	Magic Mountain Pipeline No. 4	420,000	8,470	2.0%
9	Magic Mountain Pipeline No. 5	552,000	2,894	0.5%
10	Magic Mountain Pipeline No. 6	8,900,000	95,021	1.1%
11	Magic Mountain Reservoir	977,000		0.0%
12	Mitchell 5A Replacement	300,000		0.0%
13	Recycled Water Fill Station	78,000		0.0%
14	Recycled Water Program Phase II, 2A - Central Park	1,000		0.0%
15	Recycled Water Program Phase II, 2B - Vista Canyon Backbone	5,250,000	13,312	0.3%
16	Recycled Water Program Phase II, 2C - South End Backbone	557,550	879	0.2%
17	S Wells (S6, S7 and S8)	400,000	2,555	0.6%
18	Santa Clara and Honby Wells	6,065,000	1,593	0.0%
19	Sites Reservoir	750,000	3,225	0.4%
20	Valley Center Well	3,805,000	403,822	10.6%
<b>Total Debt Funded Capital Projects</b>		<b>\$36,591,550</b>	<b>\$581,822</b>	<b>1.6%</b>

On January 24, 2022, the Finance and Administration Committee considered staff's recommendation to receive and file the FY 2021/22 First Quarter Financial Report.

### RECOMMENDATION

The Finance and Administration Committee recommends that the Board of Directors receive and file the FY 2021/22 First Quarter Financial Report.

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# Monthly Financial Report

## SEPTEMBER 2021

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# Statement of Revenues and Expenses

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**SCV Water  
Statement of Revenues and Expenses  
For the 3rd Period Ending 9.30.21**

	(A)		(B)		(C)		(D)		(E)		(F)		(G)		(H)	
	Actual	Budget	Variance	Percent	Actual	Budget	Variance	Percent	Actual	Budget	Variance	Percent	Actual	Budget	Variance	Percent
(1)	\$ 8,109,987	\$ 6,830,416	\$ 1,279,571	19%	(a) Water Sales				\$ 26,887,656	\$ 20,491,248	\$ 6,396,408	31%				
(2)	7,852	5,699	2,152	38%	Water Sales - WWR				23,654	17,098	6,556	38%				
(3)	46,333	34,037	12,296	36%	Water Sales - Recycled				162,350	102,111	60,239	59%				
(4)	(5,835)	80,000	(85,835)	(107%)	(b) Misc Fees and Charges				19,200	240,000	(220,800)	(92%)				
(5)	<u>\$ 8,158,337</u>	<u>\$ 6,950,152</u>	<u>\$ 1,208,184</u>	<u>17%</u>	<b>Total Operating Revenues</b>				<u>\$ 27,092,860</u>	<u>\$ 20,850,457</u>	<u>\$ 6,242,403</u>	<u>30%</u>				
					<b>Operating Expenses</b>											
(6)	\$ 170,375	\$ 353,695	\$ (183,319)	(52%)	(c) Management				\$ 430,591	\$ 1,061,084	\$ (630,493)	(59%)				
(7)	1,431,567	1,359,307	72,260	5%	Finance, Admin & IT				3,486,763	4,077,921	(591,157)	(14%)				
(8)	189,661	186,257	3,405	2%	Customer Care				488,618	558,770	(70,152)	(13%)				
(9)	1,087,641	913,171	174,470	19%	(d) Trans & Distribution				2,551,282	2,739,514	(188,232)	(7%)				
(10)	1,201,854	1,102,511	99,342	9%	Pumping Wells & Storage				1,854,286	3,307,534	(1,453,248)	(44%)				
(11)	480,354	781,490	(301,137)	(39%)	(e) Water Resources				877,494	2,344,471	(1,466,977)	(63%)				
(12)	400,412	973,418	(573,006)	(59%)	(f) Source of Supply				467,647	2,920,255	(2,452,608)	(84%)				
(13)	1,015,857	861,584	154,273	18%	Water Quality, Treatment & Maintenance				2,332,694	2,565,846	(233,152)	(9%)				
(14)	261,093	291,681	(30,588)	(10%)	Engineering Services				720,464	875,043	(154,579)	(18%)				
(15)	<u>\$ 6,238,814</u>	<u>\$ 6,823,114</u>	<u>\$ (584,300)</u>	<u>(9%)</u>	<b>Total Operating Expenses</b>				<u>\$ 13,209,838</u>	<u>\$ 20,450,435</u>	<u>\$ (7,240,598)</u>	<u>(35%)</u>				
(16)	\$ 1,919,522	\$ 1,27,039	\$ 1,792,484	1411%	<b>Net Operating Revenues (Expenses)</b>				\$ 13,883,023	\$ 400,022	\$ 13,483,001	3371%				
					<b>Non-Operating Revenues and (Expenses)</b>											
(17)	\$ 191,473	\$ 1,539,378	\$ (1,347,906)	(88%)	(g) Non-Operating Revenues <sup>1</sup>				\$ 1,502,374	\$ 4,618,135	\$ (3,115,761)	(67%)				
(18)	(1,396,001)	(3,935,736)	2,539,735	(65%)	(h) Capital Improvement Projects - Pay Go				(2,340,367)	(11,807,209)	9,466,842	(80%)				
(19)	-	-	-	0%	Debt Service				(32,007,788)	(29,707,904)	(2,299,885)	8%				
(20)	<u>\$ (1,204,528)</u>	<u>\$ (2,396,358)</u>	<u>\$ 1,191,830</u>	<u>(50%)</u>	<b>Net Non-Operating Revenues and (Expenses)</b>				<u>\$ (32,845,781)</u>	<u>\$ (36,896,978)</u>	<u>\$ 4,051,197</u>	<u>(11%)</u>				
(21)	\$ 714,994	\$ (2,269,319)	\$ 2,984,313	(132%)	<b>Increase (Decrease) in Net Position</b>				\$ (18,962,758)	\$ (36,496,956)	\$ 17,534,198	(48%)				

(a) Overall consumption was higher than anticipated - mainly residential and irrigation customers due to hot/dry September temperatures

(b) Late Fees/Disconnects suspended due to COVID executive order

(c) Timing of legal expenses- budgeted evenly

(d) Higher emergency main line and service line repair expenses - budgeted evenly

(e) Sustainability Programs - ramping up program

(f) Firing Programs - started to ramp up in September and will continue in the upcoming months

(g) Non-Operating Revenues are lower due to timing of Grants and Reimbursement receipt of funds

(h) Timing of capital projects vary from month to month

<sup>1</sup> Non-Operating Revenues include: Grants & Reimbursements, 1% Property Tax, Cell Sites, FCF, Lab Revenues, Interest Income

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# Ten Largest Disbursements Check Register

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## SCV Water

### Ten Largest Disbursements

September 1, 2021 to September 30, 2021

No.	Payee	Description	Payment Date	Payment Amount
	Department of Water Resources	DWR Monthly Variable - JUL2021 Contract 160213	09-09-2021	1,215,765.00
<b>1</b>	<b>Department of Water Resources</b>			<b>1,215,765.00</b>
	So. California Edison Co.	Acct-1812 8/23/21	09-30-2021	126,372.53
		Acct-1812 8/23/21A		18,649.99
		Acct-2152 8/25/21		80.87
		Acct-2152 9/3/21		302,287.13
		Acct-2308 8/30/21		145,373.02
		Acct-4924 8/30/21		549,223.13
		Acct-9194 9/3/21		6,821.01
		Acct-9226 9-7-21		4,738.51
<b>2</b>	<b>So. California Edison Co.</b>			<b>1,153,546.19</b>
	Department of Water Resources	YUBA - 2021 Dry Year Purchase- Tier 3Inv 22-045-U	09-23-2021	362,682.00
<b>3</b>	<b>Department of Water Resources</b>			<b>362,682.00</b>
	Pacific Tank & Construction, Inc.	RW PH 2B Water Tanks on Cherry Willow	09-15-2021	241,168.91
<b>4</b>	<b>Pacific Tank &amp; Construction, Inc.</b>			<b>241,168.91</b>
	Emtec Consulting Services, LLC	Agreement A1920-007-21508, Financial Management System and Implementation Services, Implementation of Oracle Cloud ERP, HCM and EPM Software, Agreement Effective 6/8/20	09-23-2021	160,222.50
<b>5</b>	<b>Emtec Consulting Services, LLC</b>			<b>160,222.50</b>
	Core & Main LP	2x17" mm octave	09-23-2021	66,189.33
		3 fh14 cf hydrant mtr		7,581.12
		3/4x1-1/2" mtr cplg		1,483.29
		1 no lead angle bmv		2,731.05
		parts- golden triangle		13,856.07
		6 blue epoxy ci gate		1,152.49
		parts- golden triangle		15,180.78
		parts- golden triangle		21,633.91
		rubber washer		98.56
		plate blind flange		1,143.77
<b>6</b>	<b>Core &amp; Main LP</b>			<b>131,050.37</b>
	Rick Franklin Construction, Inc.	Asphalt - Vista Ridge x Wiley Cyn.	09-17-2021	29,976.00
		Asphalt Repairs - 27075 Littlefield Dr., 27017 Benton Ct, 24161 Jacaranda Ln., 28130 Thorley Ct, 23790 Carl Ct, 27573 Falling Star Ln, 21325 Placerita Cyn Rd		13,880.00
		Asphalt - Dickerson Patches		4,982.00
		Asphalt - Dickason Patches		6,692.00
		Asphalt - Dickason Patches		6,622.00
		Asphalt Repairs - 22408 Cypress Pl., 22067 Caceras St., 25331 Via Artine, 28333 Alaminos Dr., 19703 Scarlet Meadow Dr		10,598.00
		Asphalt - Smyth Drive patches		6,067.00
		Asphalt - Smyth Drive patches		8,039.00
		Asphalt - Smyth Drive patches		7,339.00
		Asphalt repair - 24236 Cross Street		904.00
<b>7</b>	<b>Rick Franklin Construction, Inc.</b>			<b>95,099.00</b>
	Kennedy/Jenks Consultants, Inc.	Provide Engineering Support during construction on a time and material basis for the Steel Casing Extension for Existing SCV, Water 48 Inch Waterline at Vista Canyon Multi-Modal Center (Metrolink Station)	09-23-2021	1,125.00
		Kennedy Jenks - Professional Services to assist SCV Water w/ Staff Support - Skyline Ranch Construction Project S16-623 (1000104) - Work Authorization No. S16-817 E6		1,578.20
		Provide planning engineering services for the design of the Honby Tank Pipeline Bottleneck Project		42,206.00
		Provide Engineering Support during construction on a time and material basis for the Steel Casing Extension for Existing SCV, Water 48 Inch Waterline at Vista Canyon Multi-Modal Center (Metrolink Station)		475.00
		SCV Water Provide Engineering Services During Construction support for the site construction of the Valley Center Well PFAS Groundwater Treatment Improvements Project		38,192.50
		Phase 2B Recycled Water Tanks at Cherry Willow-Final Engineering for two 0.5 MG Recycled Water Tanks at Alternate Tank Site, Valid thru e		342.50
		Engineering Support during Construction, Vista Canyon Recycled Water PH 2B / Tanks at Cherry Willow, Engineering Support		6,380.00
		Kennedy Jenks - Vista Canyon Recycled Water Phase 2B/Tanks at Cherry Willow S16-702		4,437.50

SCV Water  
 Ten Largest Disbursements  
 September 1, 2021 to September 30, 2021

No.	Payee	Description	Payment Date	Payment Amount
8	<b>Kennedy/Jenks Consultants, Inc.</b>			<b>94,736.70</b>
	Association Of California Water Agencies Joint Power Insurance Authority	Workers Comp 4/1-6/30/21	09-01-2021	93,706.15
9	<b>Association Of California Water Agencies Joint Power Insurance Authority</b>			<b>93,706.15</b>
	X-Act Technology Solutions, Inc.	Z2, Backpacks, Memory Module, Zbook	09-01-2021	23,306.79
		Azure Usage-July 2021		15,249.01
		Azure Usage-August 2021		15,181.93
		Cloud Backup-August 2021		4,075.00
		IT Support Services-August 2021		24,300.00
		Managed Security-August 2021		11,200.00
10	<b>X-Act Technology Solutions, Inc.</b>			<b>93,312.73</b>
<b>Total</b>				<b>3,641,289.55</b>
<b>Total-All Checks Issued During September 2021</b>				<b>6,814,217.46</b>
<b>Largest Ten Supplier Payments as Compared to Total</b>				<b>53%</b>

# Director Stipends

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# Director Reimbursements

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**CA Govt. Code Section 53065.5**  
**List of Reimbursement for "Individual Charges" = \$100 or more**  
**Annual Disclosure for Fiscal Year 20/21** [AP Transactions Updated as of: 9/30/21](#)  
**DIRECTORS** [P- Card \(VISA\) Transactions Updated as of:](#)

Date of Reimbursement	Recipient of Reimbursement	Reason for Reimbursement	Amount of Reimbursement
			-

\*\* No Transactions Sept 2021 \*\*

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# Investment Report

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**Santa Clarita Valley Water Agency**  
Cash and Investment Summary  
9/30/21

	Balance	Percent of Total	Average Remaining Life Days	Weighted Average Yield
<b><u>Agency Funds</u></b>				
Cash & Sweep Account	\$ 38,521,459	15.12%	-	0.100%
LAIF	74,889,277	29.41%	-	0.315%
LACPIF	67,682,646	26.57%	-	0.510%
US Bank Checking Account (1% Prop Tax)	30,000	0.01%	0	0.000%
Certificates of Deposit/Treasury Bills	6,973,230	2.74%	977	0.053%
State and Local Agencies	7,494,893	2.94%	150	2.691%
Federal Agencies	28,266,240	11.10%	818	0.325%
Total Agency	<u>223,857,745</u>			
<b><u>Capital Improvement Project Funds</u></b>				
Cash & Sweep Account	\$ 638,325	0.25%	-	0.100%
LAIF	30,222,122	11.86%	-	0.315%
Total CIP	<u>30,860,447</u>			
<b>Total Cash and Investment</b>	<u><u>\$ 254,718,192</u></u>	<u>100.00%</u>		0.398%

Restricted State Water Project Cash / Invest: 65,114,545 Included in totals above.

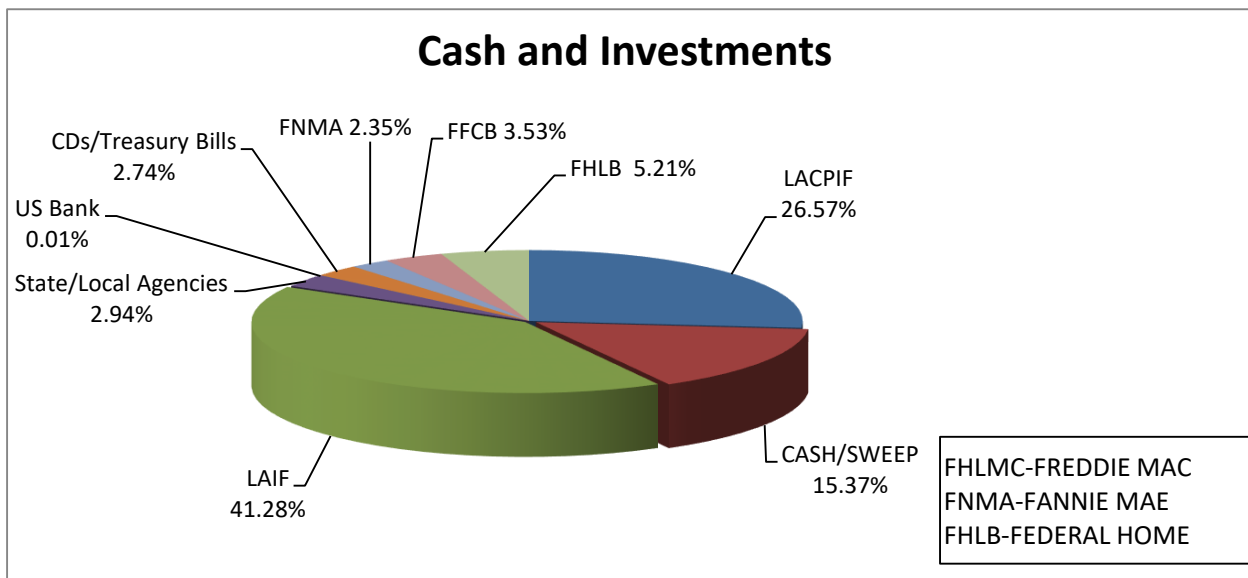
I certify that all investment actions executed since the last investment report have been made in full compliance with the Investment Policy as adopted by the Board of Directors, and that the Agency will meet its expenditure obligations for the next 6 months as required by Government Code Section 53646(b)(2) and (3), respectively.



Rochelle Patterson  
Treasurer/Director of Finance & Administration



Amy Aguer  
Controller



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# Credit Card Register

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**SCV Water  
Credit Card Charges  
Paid in July - Sept 2021**

Payee	Amount
<b>#29 LUCILLE'S - VALENCIA</b>	<b>64.47</b>
Supervisor Lunch	64.47
<b>1-800-FLOWERS.COM,INC.</b>	<b>93.04</b>
Sympathy Flowers for employee Crystal Burgess	93.04
<b>ACCURATE TRAILER HITCH &amp;</b>	<b>82.13</b>
Pin tail Hitch for trailer lift .	82.13
<b>ADOBE</b>	<b>79.99</b>
Publication	79.99
<b>ADOBE ACROPRO SUBS</b>	<b>8,853.68</b>
Adobe acrobat monthly.	2,633.45
Adobe pro DC licenses subscription - monthly	1,703.45
Annual Adobe License RP-Laptop	179.88
Monthly Adobe acrobat Pro DC licenses	1,703.45
Monthly Adobe Acrobat Pro licenses.	2,633.45
<b>ADOBE STOCK</b>	<b>319.96</b>
Digital Photo	79.99
Publication	79.99
publications	159.98
<b>AICPA *ORDER</b>	<b>285.00</b>
Annual AICPA Renewal	285.00
<b>ALBERTSONS #1360</b>	<b>400.73</b>
KARENS RETIREMENT GIFT CARDS	382.37
Vending Machine Supplies	18.36
<b>ALISO GARAGE PERF PARK</b>	<b>15.00</b>
Whittaker Mitigation - Parking	15.00
<b>AMAZON.COM 213EP50C1</b>	<b>64.59</b>
Office Supplies Pine Street	64.59
<b>AMAZON.COM 219CM26C0 AMZN</b>	<b>25.59</b>
A quantity of 3 of a total order of 30 - Heavy Duty 3 Ring Binders - AJ/MGT	25.59
<b>AMAZON.COM 2R2W48722</b>	<b>123.92</b>
Paper for ESS	123.92
<b>AMAZON.COM 2X0SW4NT0 AMZN</b>	<b>66.24</b>
office supply	66.24
<b>AMAZON.COM 2X48079K1</b>	<b>51.07</b>
Replace radio	51.07
<b>AMAZON.COM 2X4E09XR0 AMZN</b>	<b>255.90</b>
Avery Blue Binders - TB for AJ/MGT	255.90
<b>AMAZON.COM AMZN.COM/BILL</b>	<b>(48.60)</b>
Refund Office Supplies - Pine Street	(48.60)
<b>AMAZON.COM*292A47GB0 AMZN</b>	<b>123.92</b>
copier paper	123.92
<b>AMAZON.COM*2996I5540 AMZN</b>	<b>88.81</b>
coffee and adhesive	88.81
<b>AMAZON.COM*2D19V23P2 AMZN</b>	<b>23.16</b>

**SCV Water  
Credit Card Charges  
Paid in July - Sept 2021**

Payee	Amount
Fittings for Vehicle Doors and Fenders	23.16
<b>AMAZON.COM*2D24G8R90 AMZN</b>	<b>16.71</b>
POTS phone for guard shack at Rio. Analog.	16.71
<b>AMAZON.COM*2D68K3MN1</b>	<b>64.59</b>
Office Supplies - Pine Street	64.59
<b>AMAZON.COM*2E3JC4ZH0 AMZN</b>	<b>64.59</b>
office supplies	64.59
<b>AMAZON.COM*2E7ND44X2 AMZN</b>	<b>21.89</b>
office supplies	21.89
<b>AMAZON.COM*2P3ER3YQ0 AMZN</b>	<b>97.20</b>
Office Supplies - Pine Street	97.20
<b>AMAZON.COM*2P6UL9BT1</b>	<b>122.40</b>
Supplies and materials	122.40
<b>AMAZON.COM*2P9A56VN0 AMZN</b>	<b>43.85</b>
Office Supplies - Pine Street	43.85
<b>AMB- CENTURY PLAZA TOWERS</b>	<b>15.00</b>
WB Mediation - Parking	15.00
<b>AMZN MKTP US</b>	<b>10,819.28</b>
500w power inverter/battery	457.39
Back up cameras fleet stock for installs	551.84
back up cameras for G.T dump trunks and 1 regional truck	684.30
Bags for Board/Committee Snacks	62.00
Charging cables and Chargers for I pads	64.39
Encrypted password protected external storage drives.	871.18
Hard hat neck protectors	128.49
Kleenex	71.54
LED Tube Frosted light bulbs	1,195.76
Light bulbs for Pine Street Warehouse - CA/B&G	908.88
Logitech keyboard and mouse combo and Logitech trackman trackball mouse	83.53
M&R Vehicles and Equipment:-Exhaust monitor	108.90
M&R: Vehicles and Equipment Battery Charger for V28 Prius	52.50
Manila file folders with fasteners - letter size, 50-pack.	17.51
Mono headsets for customer care dept.	2,163.59
notarize message flags	12.23
Notebooks and folders	165.16
office supplies	721.28
Office Supplies - Pine Street	279.37
Office Supplies -PPE Face Coverings	332.60
POTS analog phone for guard shack at Rio.	21.89
POTS analog phone for guard shack at Rio. Credit. Order was canceled.	(21.89)
Quarter coin wrappers for vending machine deposit	56.71
Refillable Journal Book - DC/FIN Dept	16.37
Squinchers for field staff	296.21
Supplies for Board and Committee meetings.	83.13



**SCV Water  
Credit Card Charges  
Paid in July - Sept 2021**

Payee	Amount
tea, coffee, sweetener, pens, tablets, post-it flags, stir sticks, and banker boxes	672.60
Wall Mounted Body Thermometers -0 6 Total. (Split with Pine, RIO, Summit and Valencia Loc	761.82
<b>AMZN MKTP US 212D119R2</b>	<b>17.51</b>
office supplies	17.51
<b>AMZN MKTP US 219VS01M0</b>	<b>43.79</b>
office supplies	43.79
<b>AMZN MKTP US 2R5KS7YT0</b>	<b>101.92</b>
office stock	101.92
<b>AMZN MKTP US 2R6K43672</b>	<b>135.83</b>
Tri-Pod Stand for Tablet/Phone Mount, SanDisk USB Drive, MegaMount Rig Case Video Stabi	135.83
<b>AMZN MKTP US 2X0V82RJ2 AM</b>	<b>230.90</b>
Standing Desk, Electric - JM/ED	230.90
<b>AMZN MKTP US 2X10521T2</b>	<b>56.93</b>
Office Supplies - Pine Street Warehouse	56.93
<b>AMZN MKTP US 2X7A04M80</b>	<b>158.26</b>
Office Supplies - Pine Street Warehouse	158.26
<b>AMZN MKTP US 2X7QU7SU1</b>	<b>494.88</b>
SCD back up cameras	494.88
<b>APPLE.COM/BILL</b>	<b>29.98</b>
Jump app for Scott Jackson's Agency iPhone	29.98
<b>AQUA-FLO SUPPLY INC #3</b>	<b>396.43</b>
Small Parts for truck 57	346.04
Teflon, electrical tape, etc.	50.39
<b>ASSOCIATION OF CALIFORNI</b>	<b>200.00</b>
ACWA Webinar	50.00
Matt Dickens attendance at ACWA Webinar	50.00
Zooming Through California: Connecting ACWA Regions - Registration - 06/23-09/22/21 - Dir	100.00
<b>ATLAS COPCO COMPRESSORS L</b>	<b>170.11</b>
Water separator.	170.11
<b>AUDIBLE</b>	<b>(14.95)</b>
table	(14.95)
<b>AUDIBLE 2113J8NJ1</b>	<b>14.95</b>
Amazon accidentally charged. Item corrected and refund has been issued.	14.95
<b>AUTODESK ADY</b>	<b>50.00</b>
Autodesk Annual Renewal for ESS and Field. Phone App	50.00
<b>AUTOZONE #4135</b>	<b>15.64</b>
tire repair kit #n78	15.64
<b>AV EQUIPMENT</b>	<b>495.82</b>
2 Fire hoses.	254.04
disposable sun hat	18.07
Hoses, and straps	223.71
<b>AWWA.ORG</b>	<b>354.00</b>
Lead and Copper Rule Sampling Webinar – Water Quality Group	255.00
M55 PE PIPE - Design and Installation Guide for Inspectors	99.00

**SCV Water  
Credit Card Charges  
Paid in July - Sept 2021**

Payee	Amount
<b>B&amp;H PHOTO 800-606-6969</b>	<b>932.83</b>
Encrypted external backup drives for data extract.	932.83
<b>BEST BUY 00001131</b>	<b>344.86</b>
HDMI Video Cable for Jim Moreno office system.	27.34
Laptop battery charger.	153.29
Tv mount for Robert	164.23
<b>BEST BUY 00001131</b>	<b>409.42</b>
Ergonomic keyboard replacement	170.80
iPad briefcase-Extension Cord	112.75
Video Cables	60.18
Work Laptop Charger Replacement	65.69
<b>BOUQUET AUTO PARTS</b>	<b>409.44</b>
AC recharge.	76.64
Batteries for welder	332.80
<b>BOX, INC.</b>	<b>1,800.00</b>
File share host site	600.00
File share subscription	600.00
Hosted file share site license	600.00
<b>BRICKS RESTAURANT INC</b>	<b>94.72</b>
12: Main Break - Ebelder Ave	94.72
<b>CAFE RIO 0067 VALENCIA</b>	<b>69.87</b>
Bought crew lunch main line repair on Mcbean parkway	69.87
<b>CALIFORNIA ASSOCIATION OF</b>	<b>495.00</b>
CAPPO Conference - 2022 - Registration	495.00
<b>CALIFORNIA DEPARTMENT OF</b>	<b>1,355.84</b>
Environmental Fee Return	1,355.84
<b>CALIFORNIA SPECIAL DISTRI</b>	<b>1,225.00</b>
CSDA 2021 Annual Conference - Registration - 08/30-09/02/21 - Director Kelly	625.00
Registration - 2021 Special District Leadership Academy - Tahoe - 9/26-29/21 - Director Orze	600.00
<b>CAPIO - CA ASSOCIATION OF</b>	<b>275.00</b>
Lindsey Gibson membership renewal	275.00
<b>CAPTIVATE</b>	<b>33.99</b>
Monthly for training development application.	33.99
<b>CARLS JR 1100429</b>	<b>115.96</b>
bought crew breakfast /14"main break the old road in Stevenson ranch	115.96
<b>CARQUEST 7768</b>	<b>197.09</b>
battery	197.09
<b>CDW GOVT #H540335</b>	<b>999.30</b>
Computer phone headsets.	999.30
<b>CDW GOVT #H748627</b>	<b>666.20</b>
Headsets for employee requests and inventory.	666.20
<b>CHECK ALL VALVE MANUFACT</b>	<b>1,411.95</b>
Flange Insert Check Valves Quote #Q81830, requested by L.Margueritis/R.Pulido	1,411.95
<b>CHEVRON 0209069</b>	<b>23.99</b>

**SCV Water  
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Payee	Amount
Car Wash- mini van	23.99
<b>CHI CHI PIZZA</b>	<b>35.65</b>
Lunch meeting to discuss Jim's Performance Evaluation	35.65
<b>CHI CHIS PIZZA</b>	<b>89.18</b>
Engineering Meeting - MA, JY	38.00
Welcome lunch with Jesus.	51.18
<b>COLDSTONE #20179</b>	<b>102.93</b>
July Birthday and Anniversary	102.93
<b>COMMUNITY ASSESSMENT CO</b>	<b>3,229.81</b>
Correct Acct - 53213, Assessment for 26501	3,229.81
<b>CORE &amp; MAIN - CA219</b>	<b>82.85</b>
bolts and gaskets for clarifier drain valves	82.85
<b>CORNER BAKERY 0208</b>	<b>370.63</b>
Employee Danielle Beard Farewell Lunch; Customer Care Dept	177.76
Safety Training - Food	101.93
Safety Training-Food	90.94
<b>COSTCO DELIVERY 653</b>	<b>2,088.49</b>
Office Supplies - Non Taxable	1,247.29
Office Supplies - Non Taxable - ED Dept	25.14
Office Supplies - Taxable	895.95
Office Supplies - Taxable - Lab - Label Tape	72.24
This order was not received on previous order dated 6/10/21 - see credit invoice. Order was	(152.13)
<b>COSTCO WHSE #0447</b>	<b>145.56</b>
Kitchen Supplies	57.54
office stock	88.02
<b>COSTCO WHSE #0762</b>	<b>59.76</b>
Supplies - Meetings	59.76
<b>COURSRA77FPQHKJ4Y7XRL</b>	<b>78.00</b>
Coursera Subscription Payment - August	39.00
Cousera Subscription	39.00
<b>COURTYARD LOS ANGELES</b>	<b>499.04</b>
Early Morning Whittaker-Bermite Mediation - 06/11/2021 - Lodging - Los Angeles - M. Stone	251.52
Whittaker-Bermite Mediation Hotel - Registration - 06/10-06/11/21 - K. Abercrombie	247.52
<b>COUSINS BURGERS</b>	<b>47.97</b>
bought crew lunch /service leak on Galloway In /after hours	47.97
<b>CPU MEDICS</b>	<b>155.74</b>
Power supply for HP dock station	155.74
<b>D&amp;H WATER SYSTEMS INC</b>	<b>16,132.73</b>
21L Steel Trunnions w/Steel Wheels for Chlorine Storage. Will be delivered in July. 001-1302	15,585.32
Admin fee to pay by CC for 21L Steel Trunnions w/Steel Wheels for Chlorine Storage. Will be	547.41
<b>DAPPER DANS CARWASH</b>	<b>179.70</b>
Car Wash	69.85
Car wash for Truck #S41	20.00
Fleet wash N55	29.95

**SCV Water  
Credit Card Charges  
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Payee	Amount
pool wash	29.95
Pool wash #55	29.95
<b>DESERT INDUSTRIAL SUPP</b>	<b>104.24</b>
pvc cutter for crew truck.	104.24
<b>DITCH WITCH WEST</b>	<b>1,325.81</b>
M&R Vehicles and Equipment:-Repair parts for ditch witch	1,325.81
<b>DKC*DIGI KEY CORP</b>	<b>86.27</b>
IC's for 5500AMC	86.27
<b>DMI* DELL HLTHCR/PTR</b>	<b>1,306.73</b>
Dock stations for Dell laptops	1,306.73
<b>DNH DOMAIN HOSTING SRVCS</b>	<b>259.57</b>
Domain name renewals 2 year increments.	62.68
Domain name renewals.	188.21
IP hosting monthly.	8.68
<b>DNH DOMAIN/HOSTING</b>	<b>608.65</b>
Domain name hosting monthly.	8.68
SCADA server renewal.	599.97
<b>DNH SUCURI WEBSITE SECURI</b>	<b>9.99</b>
Agency Website Maintenance	9.99
<b>DNH*DOMAIN HOSTING SRVCS</b>	<b>55.87</b>
Domain name hosting ICANN for SCV Water	14.17
Domain name hosting renewal.	24.34
Monthly domain name hosting.	17.36
<b>DNH*GODADDY.COM</b>	<b>2.99</b>
Dedicated hosting IP	2.99
<b>DNH*SUCURI WEBSITE SECURI</b>	<b>19.98</b>
SCVWA Website Maintenance	9.99
Website Maintenance	9.99
<b>DOCUSIGN</b>	<b>62.47</b>
Add HR Temp as User - Valid from 06/30/2021-09/13/2021	62.47
<b>DTV</b>	<b>228.23</b>
7/15-8/14 Services	228.23
<b>EB 2021 FALL ECONOMIC</b>	<b>195.00</b>
Registration for the 2021 SCVEDC Economic Outlook Conference 9/17/21 - Rochelle Pattersc	195.00
<b>EIG</b>	<b>630.00</b>
Constant Contact - eNews	630.00
<b>EIG CONSTANTCONTACT.COM</b>	<b>315.00</b>
eNews	315.00
<b>EVEREST BURGERS</b>	<b>433.19</b>
June birthday and anniversary celebration	202.26
May Birthday and Anniversary	230.93
<b>FASTENAL COMPANY 01CAVAE</b>	<b>1,039.05</b>
anti-sztap oil dis respirator	167.23
SS rivets	463.51

**SCV Water  
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Payee	Amount
Stainless hardware, drill bit set	408.31
<b>FEDEX</b>	<b>101.20</b>
Cost to ship Inspection Department backflow gauges to Astra Industrial for gauge calibration	83.14
Shipping Cost to Astra Industrial for backflow gauges.	18.06
<b>FEDEX 280383362243</b>	<b>16.56</b>
Air Monitor , sent in for repair	16.56
<b>FLAGCO</b>	<b>1,379.35</b>
Flag Pole Beacon	1,379.35
<b>FLAME &amp; SKEWERS</b>	<b>710.44</b>
Excavation Training Lunch	680.44
Excavation Training Lunch Delivery Fee	30.00
<b>FLUID COMPONENTS INTL</b>	<b>457.36</b>
Flow Conditioner	457.36
<b>GIH GLOBALINDUSTRIALEQ</b>	<b>1,096.25</b>
Survey/GPS Table	1,096.25
<b>GIH*GLOBALINDUSTRIALEQ</b>	<b>1,430.20</b>
IT/GIS Table	753.56
Workbench and peripherals.	676.64
<b>GORDON ELECTRIC SUPPLY IN</b>	<b>113.54</b>
Compression Reducing Connectors - Submersible Pump Motor Lead Splice	113.54
<b>GYROMANIA</b>	<b>29.08</b>
Lunch meeting to discuss Josephine's Performance Evaluation	29.08
<b>HACH COMPANY</b>	<b>4,428.39</b>
Chlorine & Ammonia - Recv'd 4/26 (Accrue)	3,093.16
Solenoids for 5500AMC	1,106.13
Test kits for CL17sc	229.10
<b>HARBOR FREIGHT TOOLS 459</b>	<b>10.94</b>
Bit set to open level control structure (did not work)	10.94
<b>HIRSCH PIPE &amp; SUPPLY 013</b>	<b>438.97</b>
faucet for bathroom at the rock	265.17
Sloan Flush Valve	173.80
<b>HOMEDEPOT.COM</b>	<b>634.01</b>
Replace swamp cooler	634.01
<b>HYATT RESORT @ SQUAW CRK</b>	<b>256.93</b>
CAPIO Conference	256.93
<b>ICE QUBE INC</b>	<b>235.72</b>
Blower Assembly - Analyzer Enclosure A/C Unit Repair	235.72
<b>IN N OUT BURGER 053</b>	<b>52.29</b>
bought crew dinner /25454 hardy place/service leak	52.29
<b>IN N OUT BURGER 171</b>	<b>158.88</b>
bought crew lunch /service leak after hours	73.91
dinner for guys	84.97
<b>INTERSTATE ALL BATTERY</b>	<b>94.94</b>
batteries for alarm panel	94.94

**SCV Water  
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Payee	Amount
<b>JACK IN THE BOX 3344</b>	<b>45.20</b>
Food for crew working all night	45.20
<b>JIMMY DEANS</b>	<b>531.90</b>
Monthly Birthday and Anniversary Celebration - April, May, June, and July	531.90
<b>JL WINGERT COMPANY</b>	<b>2,261.08</b>
Flow meters; used to monitor Chlorine injection flow at ESFP.	2,261.08
<b>JOHNSTONE SUPPLY VALENCIA</b>	<b>1,359.46</b>
1/4 HP Motor, Mag Umbrella kit	267.64
A.C Pleaded Air filters	742.16
Duct Tape	66.85
Duct tape 1911 52078 Swamp cooler cake	187.97
tools needed for AC repair at Rockefeller	94.84
<b>KLEEN RITE CORP</b>	<b>95.69</b>
Vehicle Air Fresheners , In Bulk	95.69
<b>KROHNE</b>	<b>76.18</b>
Circuit card for Rio Vista Clarifier 7s flowmeter sensor	76.18
<b>L2G</b>	<b>3,736.00</b>
25454 Hardy PI County Permit	574.00
25580 Crockett County Permit	574.00
25802 Blake County Permit	574.00
25832 Browning County Permit	574.00
26614 Brode Circle County Permit	292.00
27824 Rainier County Permit	574.00
27935 Stayeline County Permit	574.00
<b>L2G EPIC-LA 626-458-4930</b>	<b>1,683.00</b>
County Permit 25322 Joyce Lane	561.00
County Permit 25530 Chisom	561.00
County Permit 29874 Muledeer	561.00
<b>LA COCINA BAR AND GRILL</b>	<b>110.69</b>
Finance Lunch- K. Grass, R. Patterson, E. Dill, D. Conner, J. Walker, L. Moncada & M. Colasani	110.69
<b>LANGUAGE LINE</b>	<b>132.50</b>
Document Translation	132.50
<b>LANGUAGE LINE, INC.</b>	<b>268.60</b>
Korean language translation	63.20
Korean Translation	43.45
Language Translation	161.95
<b>LAPTOPEMT</b>	<b>40.00</b>
solder work on 5500sc motherboard	40.00
<b>LINE-X OF SANTA CLARITA</b>	<b>1,164.20</b>
M&R: Vehicles and Equipment Bed Liner for I70 & I71	1,164.20
<b>LOGMEIN</b>	<b>20.00</b>
Go To Meeting Monthly Subscription - KG	10.00
Go To Meeting Monthly Subscription - RP	10.00
<b>LOGMEIN GOTOMEETING</b>	<b>10.00</b>

**SCV Water  
Credit Card Charges  
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Payee	Amount
Monthly GTM Fee	10.00
<b>LOWES #00907</b>	<b>130.74</b>
Filtrite Filters for Agency Air Purifiers	130.74
<b>LOWES #01510</b>	<b>6,132.33</b>
16 foot extendable ladder	206.96
2 gang combo cover2 amp motion sensor switch120v receptacle120v GFCI	63.61
3/16" rivets	13.10
3/16" screws, 3/16" short aluminum, 3/16" rivets, angle iron, flat steel	86.35
Arbor drill bit	15.31
Batteries	166.60
Bit set to open level control structure(did not work)	21.88
Blinds for new engineer	273.75
bracket and bolt to mount umbrellas	16.56
Cat6 Cable, Cable Stripper	53.06
CAULIKING and adhesives for repair of admin building .	57.97
chain link and snap ring for Yao in lab	10.36
DeWalt Heat Gun, Battery Packs, Flash Light	359.14
Drill bit set, razor blades	65.66
Electrical tools supplies ESFP	100.65
Flashlight, bucket, parts and materials	121.94
gloves and hearing protection	95.17
glue and screws for repair	38.22
handy box, 15a 125v receptacle, cover plate, duplex receptacle	86.23
Hose & Clamps	43.91
Hose and Clamps	51.03
key chains for loaner fobs to give contractors	8.67
lag bolts for antenna mount	9.11
LED lights, parts and materials	118.35
Lfkn shockforce 25 Ft Tape, parts and materials	153.03
Lithium Batteries - Flow Meter Battery Replacement	51.19
Lithium Batteries - Ozone Flow Meters	30.71
Material to install bird spikes at ESFP	76.12
Materials	43.11
Materials , looking for receipt	41.52
Materials for Rock	634.20
Mesh and springs.	22.18
New ladders; old ones were unsafe	402.92
Nipples and adapters	27.27
nuts and bolts	10.73
Ozone screwdrivers for trucks 67 61	54.70
Ozone screwdrivers for Trucks 67,61	54.61
Paint and Material	116.03
Paint for cages that house gas cylinders	50.26
parts and materials flagpole at ESFP	118.30

**SCV Water  
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Payee	Amount
Parts for radio antenna mount at rio	123.84
plumbing parts	7.51
PVC cutter, hose and fittings	154.50
Rags and sockets	73.28
ratchet straps	64.96
repair to leaking toilet	109.45
RVWTP water hose and nozzles	52.49
Specialty tools for doing new faucet in up stairs bathroom at Rockefeller	51.95
Spray paint	21.29
spray paint for fire hydrant /shut off lids from the punch list given to B&G by safety	41.13
Supplies for Chris to finish the plug install on the new tv at Rockefeller	38.63
thermometer to get a reading on room temps at Rio	47.04
Thread Locker 3/4" flex Screw	13.25
toilet repair parts, bucket, cabinet door latch	49.06
tools and parts to drain and label VAV's	66.15
tools for light repair in men's bathroom maint shop	44.25
Tools for shop and truck and staff	333.14
TOOLS FOR TRUCK AND DEPARTMENT STAFF	270.57
tools to finish under cabinet lights at Rockefeller	47.02
Trash bags, and batteries	43.73
Trash Bins	78.58
under cabinet lighting for mail room	344.77
wood to add shelving to closet in the board room	85.27
<b>LOWES #01972</b>	<b>382.65</b>
Chris Alexander said to get a new socket set, my truck had a damaged set.	42.67
Extension Cables	25.58
under cabinet light for mail room	109.46
Warehouse materials	204.94
<b>MARIA BONITA MEXICAN REST</b>	<b>28.73</b>
Engineering Meeting - ES, JY	28.73
<b>MARRIOTT MONTEREY BAY</b>	<b>338.42</b>
Lodging First Night Charge - No Show - CSDA Conference - Monterey - R. J. Kelly - 8/29/21	338.42
<b>MCMMASTER-CARR</b>	<b>1,982.00</b>
Brass check valve, and pipe fittings.	170.80
Brass parts, and PVC parts.	342.86
Brass parts.	136.16
Brass sight, bushings, and desiccant.	162.41
Check valves.	219.98
Desiccant.	242.65
Electronic caliper.	212.71
EPDM gaskets, bushings, and flange.	231.68
Heat Gun, Shrink Tubing	227.05
O-Rings	35.70
<b>MISAC</b>	<b>525.00</b>



**SCV Water  
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Payee	Amount
Annual conference registration	525.00
<b>MM FASTENERS SUPPLY INC</b>	<b>78.84</b>
Bolts and washers clarifier valves	78.84
<b>MUNICIPAL MANAGEMENT ASSO</b>	<b>90.00</b>
Ari Mantis Renewed membership	90.00
<b>NAPA AUTO PARTS</b>	<b>143.95</b>
brake controller	100.72
Gloves and pipe sealant	43.23
<b>NEWHALL VALENCIA LOCK &amp;</b>	<b>119.46</b>
keys	61.42
Replacement Keys	58.04
<b>OFFICE DEPOT #2263</b>	<b>21.89</b>
pens	21.89
<b>OIL STOP 11</b>	<b>104.56</b>
M&R: Vehicles and EquipmentPM for V75	104.56
<b>OPC CROS R2 PYMNT FEE</b>	<b>31.18</b>
ELAP Renewal & Amendment Applications-cc payment fee	31.18
<b>OPC STATE WB FEE</b>	<b>177.10</b>
ELAP Amendment Application - cc payment service fee	4.60
ELAP Renewal Application - cc payment service fee	172.50
<b>O'REILLY AUTO PARTS 3797</b>	<b>152.17</b>
back cushion	32.84
Tranny Fluid, oil, Fuel Cleaner	38.83
Truck I67 service	80.50
<b>PANERA BREAD #204229 O</b>	<b>1,139.22</b>
HAZAWOPER Training breakfast	278.32
Safety Training - (HAZWOPER)	268.82
Safety Training - Pine St Emergency Action Plan Tailgate Meeting	592.08
<b>PAYPAL</b>	<b>241.95</b>
AWA CCWUC Educational Program - Registration - 7/28/21 - B. J. Atkins	28.00
Continued Education - American Water College - KA	129.95
WaterWise Conference for Jason Yim.	28.00
WaterWise Conference for Shadi Bader.	28.00
Webinar fee for Josephine Ngoon	28.00
<b>PAYPAL ASSOCIATION</b>	<b>28.00</b>
AWA Water Information Breakfast Series - Registration - 06/17/21 - Director Orzechowski	28.00
<b>PAYPRO US INC.</b>	<b>49.95</b>
SQL password recovery software	49.95
<b>PHO VIET 1</b>	<b>27.47</b>
Lunch meeting to discuss Rays Performance Evaluation	27.47
<b>PITNEY BOWES PI</b>	<b>136.93</b>
Red Ink for Pitney Bowes Mail Machine	136.93
<b>PMA ONLINE</b>	<b>1,195.00</b>
Groundwater Artificial Recharge, Storage, Recovery - Registration - 06/24-06/25/21 - E. Vela	1,195.00

**SCV Water  
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Payee	Amount
<b>PRAXAIR DIST INC 70163</b>	<b>1,910.40</b>
MISC tools truck 57	122.29
Tig welding torch and supplies	935.29
Tools Supplies welding Hood	544.24
welding gas	308.58
<b>PRINTBOSS</b>	<b>169.10</b>
AP Checks	169.10
<b>RALPHS #0147</b>	<b>108.86</b>
Vending Machine Supplies	94.38
Vending machine supplies.	14.48
<b>RATTLERS BAR B QUE - 1</b>	<b>334.28</b>
60 day check in lunch with Katie, court, Liz and Josh.	90.58
Employee Training	63.39
Lunch meeting to discuss Elaine and Monas Performance Evaluations	70.14
Lunch meeting to discuss Estella's Performance Evaluation	33.22
Lunch with Consultant Kris Helm	36.63
Right of Way Agent First Day Orientation	40.32
<b>REPUBLIC SERVICES TRASH</b>	<b>1,962.75</b>
20yd Rental/Service 7/1-7/31/21	331.22
3yd Rental July	669.72
3yd Rental/Service 8/1-8/31/21	334.86
40yd Rental & Service - June (Accrue)	626.95
<b>ROYAL TANDOOR</b>	<b>37.24</b>
Lunch meeting to discuss Narisas Performance Evaluation	37.24
<b>RSTUDIO PBC</b>	<b>117.00</b>
Monthly recurring charge for customer online rate calculator	78.00
Public Website Rate Calculator - monthly service fee	39.00
<b>S&amp;S DONUTS BAKE SHOP IN</b>	<b>144.00</b>
Donuts for Oracle go-live training	144.00
<b>SAMS CLUB #4824</b>	<b>1,496.25</b>
Office goods	203.01
Pine supplies	383.80
Supplies and materials Pine	225.23
Vending Machine Supplies	565.42
Vending machine supplies.	118.79
<b>SAMS FLAMING GRILL COPPER</b>	<b>333.94</b>
Finance & Accounting Lunch for Oracle conversion/go live 7/2/21	333.94
<b>SAMSCLUB #4824</b>	<b>512.04</b>
office supplies	249.29
Replace small fridge and TV in employee bed room for on call	453.77
Return Bad TV	(191.02)
<b>SANTA CLARITA BEARING COM</b>	<b>13.97</b>
Drive belt for exhaust fan	13.97
<b>SANTA CLARITA VALLEY CHAM</b>	<b>85.00</b>

**SCV Water  
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Payee	Amount
13th Annual State of the County - Registration - 07/28/21 - R. J. Kelly	75.00
SCV Chamber Mixer - Registration - July 14, 2021 - R. J. Kelly	10.00
<b>SAUGUS DRUG</b>	<b>26.35</b>
M&R: Vehicles and Equipment Enterprise Vehicle Buyout Check	26.35
<b>SCHOONERS PATIO GRILLE SA</b>	<b>72.44</b>
Production meeting Lunch	72.44
<b>SHOGUN JAPANESE RESTAURAN</b>	<b>34.55</b>
Engineering Meeting - RB, JY	34.55
<b>SMART AND FINAL 468</b>	<b>31.24</b>
HAZWOPER drinks and snacks	31.24
<b>SMART AND FINAL 483</b>	<b>759.84</b>
Excavation Training	157.04
HAZWOPER drinks and snacks	61.57
Staff farewell snacks for Rockefeller employee Danielle Beard	47.20
Vending Machine Supplies	494.03
<b>SMARTSIGN</b>	<b>141.12</b>
Hazard Communication Labels	41.89
safety signs and labels	99.23
<b>SOCIETYFORHUMANRESOURCE</b>	<b>219.00</b>
J Joo - Professional HR Membership valid through 6/30/21 - 6/30/22	219.00
<b>SOUTHWES</b>	<b>743.93</b>
J Anderson - Water Quality Technology Conference	315.97
R Bye - Water Quality Technology Conference	427.96
<b>SP * BAKERSGAS.COM</b>	<b>67.34</b>
Welding jacket	67.34
<b>SP * SF BAY COFFEE</b>	<b>123.98</b>
coffee supplies	123.98
<b>SPUDNUTS BAKERY CROISSANT</b>	<b>56.93</b>
Rockefeller Safety Tailgate Meeting Snacks	26.23
Weekly safety meeting for Rockefeller Field Customer Service Representatives.	30.70
<b>SQ KUPCAKE KITCHEN</b>	<b>252.00</b>
KD - Retirement	252.00
<b>SQ RICK BENTLEY</b>	<b>225.00</b>
flange lip removed	225.00
<b>SQ *VINCENZO'S PIZZA SAUG</b>	<b>102.53</b>
Staff lunch - B Lytle, V Leopold, A/P Staff, T Bell	102.53
<b>STAPLES 00103069</b>	<b>32.76</b>
Labels for Sample Bottles, and Tape to label coolers	32.76
<b>STAPLES 00114686</b>	<b>74.42</b>
storage for key fobs	74.42
<b>STATE WATER BOARD</b>	<b>7,700.00</b>
ELAP Amendment Application Fee FY21/22	200.00
ELAP Renewal Application Fee FY21/22	7,500.00
<b>STONEFIRE GRILL - 1</b>	<b>61.78</b>

**SCV Water  
Credit Card Charges  
Paid in July - Sept 2021**

Payee	Amount
HR Lunch Meeting- Ari Mantis, Linda Pointer, Jenny Joo, JoAnna Brison, Margaret Aragon.	61.78
<b>STONEFIRE GRILL - 1 - CAT</b>	<b>357.04</b>
HAZWOPER Lunch	339.67
HAZWOPER Lunch Tip	50.00
Refund for desserts	(32.63)
<b>STONEFIRE GRILL - 1 - ECO</b>	<b>52.57</b>
HR Team Lunch	52.57
<b>TACOS Y BURRITOS EL PATO</b>	<b>271.56</b>
2-leaks carl crt in Newhall and rosehaven in Pinetree bought crew dinner	130.86
bought crew dinner /service leak	140.70
<b>THAI DISHES</b>	<b>47.58</b>
Engineering Orientation Lunch with New Engineer (YT, JY, DC)	47.58
<b>THE BAKERSFIELD ADVERTI</b>	<b>335.00</b>
Charge to 51301 - DDWD Notice of General District Election - Classified Ad - 06/30/21	335.00
<b>THE HOME DEPOT #0653</b>	<b>904.36</b>
12 foot cam jam	21.88
15amp single pole tandem breaker	40.83
B&G Parts and Materials	114.72
Bit set to open level control structure(did not work)	5.48
cleaning brushes and misc	53.85
drill bits/cutting blades	129.64
home depot/gasket repair	25.59
marking crayons	10.79
mobile office container	43.77
old work 14cu	3.61
parts	29.32
Parts and Materials	92.52
THE HOME DEPOT #0653	185.50
Tool and supplies to make safety cables	60.50
Warehouse materials	61.19
water filter for water resources	25.17
<b>THE HOME DEPOT #1055</b>	<b>4,824.96</b>
10 pack pencils, key hole saw, caulking gun, plier, studs, 2x4 lumber	69.86
2 - toilet tank levers	10.91
3/8 x 12 extension bit, hole saw kit	122.57
7 1/4" saw blade for skilsaw	65.62
Canvas zipper bags	38.29
concrete drill bits	43.72
Double gang cover, switch, GFCI	33.62
Dremmel Parts	65.57
Electric cut in box for maintenance trailer new receptacle	6.10
Electrical Fuses	23.87
Electrical parts for RV Labs new A/C.	103.13
Electrical Supplies	59.74

**SCV Water  
Credit Card Charges  
Paid in July - Sept 2021**

Payee	Amount
extreme mounting tape, click bin, aluminum angle iron	133.43
hammer drill for concrete	163.16
Hose Rack , Fitt Force Pro	141.78
Intercom supplies Rock	158.64
LAGS AND BOLTS FOR EMERGENCY ANTENNA PROJECT AT RVWTP.	54.75
mask	32.78
Materials	418.44
Parts & Materials	34.22
parts and materials flagpole at ESFP	35.98
plumbing parts	63.89
Ratchet, Safety Glasses, Ground Rod driver, 2" plug, 1 1/2" plug	119.40
Recycle Bins	78.45
Refund	(54.73)
Safety glass	38.26
Sockets for truck 67	79.90
Swamp cooler for Maintenance Shop	2,188.91
Switches, GFCI, Duplex covers, sockets	167.51
T8 LED's for ESFP	34.95
Tape measure, markers, Mag Drive	43.55
tools for truck 67	174.97
Trash bags, spray paint, 18 inch pry bar, masking paper, masking tape	73.72
<b>THE HOME DEPOT 1055</b>	<b>2,433.79</b>
20v band saw, large click bin	305.37
Dimond plate and angle.stud finder. for truck 67	275.58
Guard rail for scaffolding	202.33
Parts and Materials	379.82
replaced broken power tool	283.61
Rio men's restroom rewire	94.24
Saws all	214.67
Sheves for truck 67	366.95
Tools and parts for truck 67 shelves	219.77
Truck 67 shelves	91.45
<b>THE HOME DEPOT 653</b>	<b>1,963.82</b>
concrete bits and power tool batteries/	228.79
laser level	250.76
Parts and Materials	201.85
portable angle grinder, battery pack, hammer drill	412.82
scaffolding to get into crawl space at Rockefeller	497.38
tools for crew truck	273.74
Truck bin organizer	98.48
<b>THE UPS STORE 1482</b>	<b>3.26</b>
Postage to mail Amazon gift cards back to Amazon.	3.26
<b>TOPPERS PIZZA PLACE VALEN</b>	<b>593.97</b>
Inventory day pizza	204.22

**SCV Water  
Credit Card Charges  
Paid in July - Sept 2021**

Payee	Amount
Quarterly Treatment Operations meeting	113.77
Supervisor & Production Staff Lunch	192.45
Supervisor Lunch	83.53
<b>TPX COMMUNICATIONS</b>	<b>3,587.09</b>
7/16-8/15 Service	1,177.33
RVWTP Service 5/16-6/15	1,133.22
RVWTP Service 6/16-7/15	1,276.54
<b>TRACTOR SUPPLY #2264</b>	<b>163.10</b>
Parts and Materials	163.10
<b>TST ZANKOU CHICKEN - VAL</b>	<b>37.19</b>
Customer Care Meeting - Kathleen Willson Robert McLaughlan	37.19
<b>TYCON SYSTEMS INC</b>	<b>406.00</b>
24vdc radio power injectors.	406.00
<b>UPS</b>	<b>49.70</b>
Ship sniffer part for repairs	49.70
<b>USC VITERBI FCCC ONLINE</b>	<b>175.00</b>
USC Foundation Cross Connection Backflow Workshop for Inspector Chris Saenz	175.00
<b>USPS PO 0569500155</b>	<b>12.75</b>
Tracking for Notary Seal Letter & Tracking for Notary Bond filing	12.75
<b>USPS PO 0569520150</b>	<b>22.00</b>
Postage Stamps for Mailing Lead and copper results to customers.	22.00
<b>VALLEY INDUSTRIAL ASSOCIA</b>	<b>880.00</b>
July VIA Monthly Luncheon - Registration - 7/20/21 - Eric Campbell	55.00
July VIA Monthly Luncheon - Registration - July 20, 2021 - Dan Mortensen	55.00
Registration for Ari Mantis for the 8/19/21 VIA Monthly Luncheon	20.00
Registration for Bill Cooper for the 8/19/21 VIA Monthly Luncheon	20.00
Registration VIA Ruby Bash - 11/5/21 - Director Martin	150.00
VIA 4th Annual State of the State - Registration - 06/25/21 - Director Atkins	50.00
VIA 4th Annual State of the State - Registration - 06/25/21 - Director Braunstein	50.00
VIA 4th Annual State of the State - Registration - 06/25/21 - Director Gladbach	50.00
VIA 4th Annual State of the State - Registration - 06/25/21 - Director Kelly	50.00
VIA 4th Annual State of the State - Registration - 06/25/21 - Director Martin	50.00
VIA 4th Annual State of the State - Registration - 06/25/21 - Directors Cooper, Plambeck, Mc	150.00
VIA 4th Annual State of the State - Registration - 06/25/21 - K. Martin	35.00
VIA 4th Annual State of the State - Registration - 06/25/21 - R. Patterson	50.00
VIA Monthly Luncheon Meeting	35.00
VIA Webinar-Jenny Joo and JoAnna Brison	40.00
VIA Webinar-Linda Pointer	20.00
<b>VARIDESK* 1800 207 2587</b>	<b>1,281.15</b>
Desk Stand and Mat for Kristina Jacob.	492.75
Ergonomic desk and monitor arm.	788.40
<b>VERIZONWRLSS</b>	<b>59,395.62</b>
6/11-6/30 CIMIS	59,395.62
<b>VERIZONWRLSS RTCCR VB</b>	<b>36,680.88</b>

**SCV Water  
Credit Card Charges  
Paid in July - Sept 2021**

Payee	Amount
CIMIS 4/11-5/10	38.01
CIMIS 5/11-6/10	38.01
Equipment 4/11-5/10	483.99
Equipment 5/11-6/10	8,829.80
Service 4/11-5/10	13,414.73
Service 5/11-6/10	13,876.34
<b>VONS #3138</b>	<b>14.47</b>
office supply	14.47
<b>VONS #3325</b>	<b>168.27</b>
Team building/Tailgate	168.27
<b>VZWRLSS*IVR VB</b>	<b>1,811.44</b>
5/24-6/23 Telemetry Services	1,811.44
<b>WAL-MART #3523</b>	<b>234.83</b>
Sunblock for Ops	234.83
<b>WATER SMART INNOVATIONS</b>	<b>395.00</b>
Registration Water Smart Conference - Las Vegas - 10/5-8/21 - Pari Moheban	395.00
<b>WATT PLAZA</b>	<b>77.00</b>
Early Morning Whittaker-Bermite Mediation - 06/11/2021 - Parking - Los Angeles - M. Stone	7.00
Whittaker-Bermite Mediation - 06/11/2021 - Parking - Los Angeles - M. Stone	35.00
whittker deposition	35.00
<b>WEB</b>	<b>11.98</b>
Network Solutions - NCWD.org host renewal	5.99
Network solutions subscription	5.99
<b>WESTERN BAGEL TOO #4</b>	<b>170.35</b>
Excavation Training Breakfast	84.00
New Employee Luncheon	56.25
Safety Training: Breakfast	30.10
<b>WESTERNHARD</b>	<b>137.55</b>
Replace truck tool door shocks	137.55
<b>WOLF CREEK RESTAURANT &amp; B</b>	<b>123.19</b>
HR Team Lunch Meeting	123.19
<b>WOOD RANCH VALENCIA</b>	<b>339.35</b>
Customer Care Departmental Lunch Meeting	339.35
<b>WPONCALL.COM</b>	<b>147.00</b>
GSA Website Maintenance	147.00
<b>WWW COSTCO COM</b>	<b>97.73</b>
office supplies	97.73
<b>YOURMEMBER-CAREERS</b>	<b>198.00</b>
Security Specialist Job Posting on MISAC	99.00
Senior IT Tech Job Posting on MISAC	99.00
<b>YUM YUM DONUTS</b>	<b>39.85</b>
Inventory day donuts	39.85
<b>ZOHO-MANAGEENGINE SER</b>	<b>7,915.00</b>
Manage Engine subscription	7,915.00

**SCV Water  
Credit Card Charges  
Paid in July - Sept 2021**

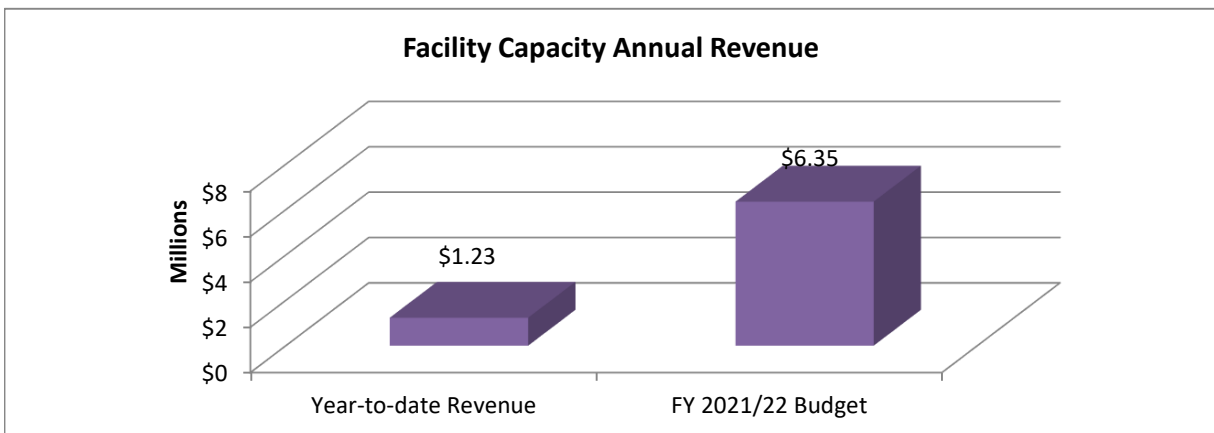
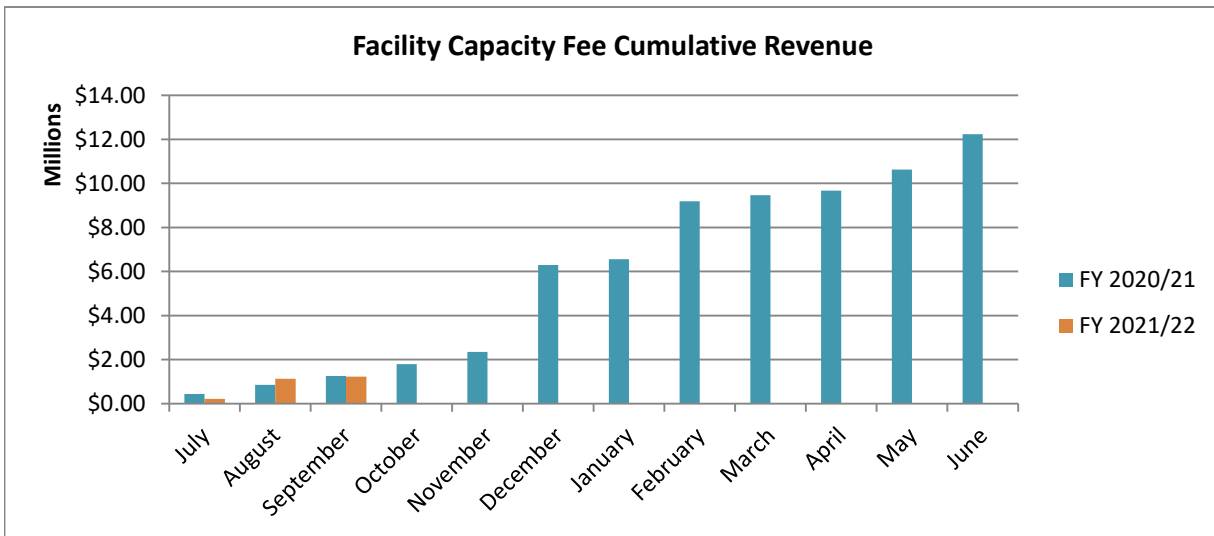
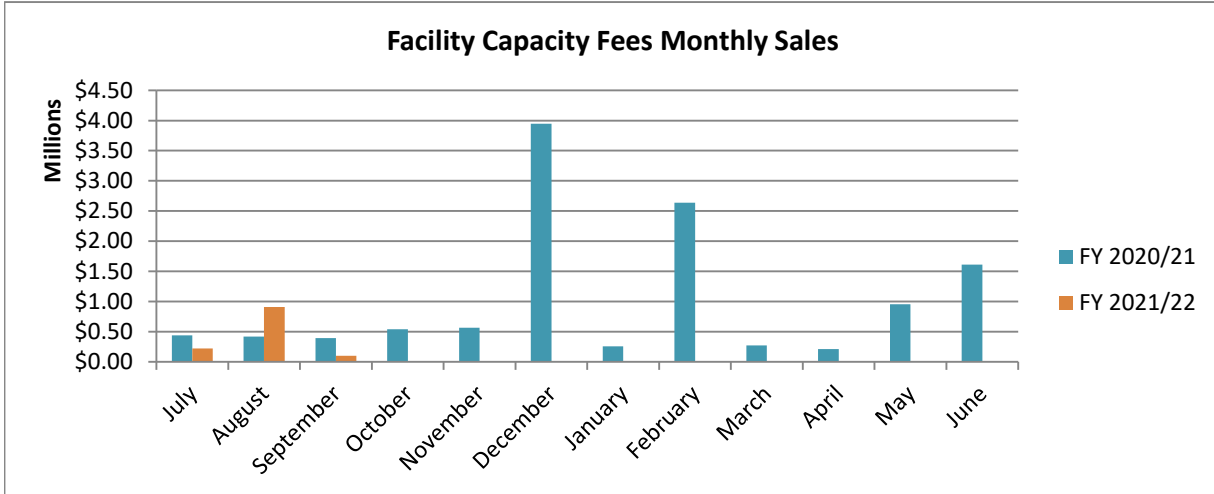
<b>Payee</b>	<b>Amount</b>
<b>ZORO TOOLS INC</b>	<b>108.75</b>
Auto Center Punch	108.75
<b>Grand Total</b>	<b>246,882.93</b>



# Facility Capacity Fee Revenues

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## SCV WATER FACILITY CAPACITY FEE REVENUES FY 2021/22 as of September 30, 2021



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## BOARD MEMORANDUM

**DATE:** February 4, 2022

**TO:** Board of Directors

**FROM:** Mike Alvord *MA*  
Director of Operations & Maintenance

**SUBJECT:** Approve Pipeline Improvements Associated with Pinetree Booster Station No. 3

---

### SUMMARY

In October 2021, a pipeline leak occurred in the access road to Pinetree Booster Station No. 3. The leak occurred on the suction pipeline of the booster station, which feeds the Mammoth Lane Pinetree Tank 3. The suction and discharge pipelines are 12" diameter steel and are in need of replacement.

### DISCUSSION

Pinetree is the most eastern portion of the SCV Water service area. It consists of four (4) pressure zones with Zone 3 at the highest elevation. Mammoth Lane Pinetree Tank 3 has a base elevation of 2252 above mean sea level (MSL). Pinetree Booster Station No. 3 is the sole source of supply for this zone. The tank and booster station were constructed in 1993. Most of the piping within this zone is constructed of ductile iron pipe. However, the suction and discharge pipelines are steel and have reached their useful operating life. In October 2021, the suction pipe had a leak and during repairs it was noted that both suction and discharge pipelines need to be replaced. In order to accomplish the replacement, by-pass piping also needs to be constructed along Grandfloras Road where a portable potable water booster pump can be installed to bring Zone 2 water into Zone 3 and the Mammoth Lane Pinetree Tank 3.

SCV Water crews will be responsible for completing this project with the exception of paving. Since the paving estimate is more than \$30,000 a formal request for proposal process will be followed in accordance with the Purchasing Policy. The total project estimated cost is approximately \$460,000 with internal labor and equipment comprising approximately 30% of the estimated cost.

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

On February 4, 2022, the Engineering and Operations Committee considered staff's recommendation to approve the pipeline improvements associated with Pinetree Booster Station No. 3 to be exempt from CEQA and authorize the General Manager to direct staff to complete this project in an amount not to exceed \$460,000.

## **FINANCIAL CONSIDERATIONS**

Funds for this project are included in the Pipeline and Pipeline Improvements Pay Go FY 2021/22 Capital Pipeline Improvement Budget in the amount of \$460,000.

## **RECOMMENDATION**

The Engineering and Operations Committee recommends that the Board of Directors find the pipeline improvements associated with Pinetree Booster Station No. 3 to be exempt from CEQA and authorize the General Manager to direct staff to complete this project in an amount not to exceed \$460,000.

Attachment

M65

**NOTICE OF EXEMPTION**

---

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

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

**To:** County Clerk and Recorder  
Ventura County  
800 S. Victoria Ave, Location #1260  
Ventura, CA 93009

**Project Title:**

Pipeline Improvements Associated with Pinetree Booster Station No. 3

**Location -- Specific:**

Pinetree Booster Station 3 Access Road and Grandifloras Road in the City of Santa Clarita.

**Location -- Counties:**

Los Angeles County

**Description of Activity:**

Replace ~450 feet of 12" DIP with 12" DIP in Pinetree Booster Station access road as well as install ~75 feet of 6" DIP in Grandifloras Road for a bypass.

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

**Exempt Status:**

- Ministerial, Sec. 21080(b)(1); 15268
- Declared Emergency, Sec. 21080(b)(3); 1526
- Emergency Project, Sec. 21080(b)(4); 15269(b)(c)
- Categorical Exemption.** Sec. 21084 & 21084.1; 15300.2
- Statutory Exemption.** Sec. 21080.21; 15282(k)

**Reasons why activity is exempt:**

The proposed action qualifies for an exemption under Section 15282(k), the installation of new pipelines as set forth in Section 21080.21 of the Public Resources Code is considered statutorily exempt as long as the project does not exceed one mile in length.

**Lead Agency Contact Person:**

**Telephone:**

**Signature:** \_\_\_\_\_

**Title:** \_\_\_\_\_ **Date:** \_\_\_\_\_

- Signed by Lead Agency
- Signed by Applicant

Date received for filing by County Clerk:

\_\_\_\_\_

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## BOARD MEMORANDUM

**DATE:** February 4, 2022

**TO:** Board of Directors

**FROM:** Mike Alvord   
Director of Operations & Maintenance

**SUBJECT:** Approve a Resolution Awarding Construction Contract for Commerce Center Tanks No. 1 and No. 2 Exterior Recoat Project

---

### SUMMARY

Staff recommends that the exterior coating system of the Commerce Center No. 1 and No. 2 Tanks be repaired, including spot paint repair, and overcoating using epoxy and acrylic/urethane protective coatings to maintain the integrity and service life, based on a condition assessment and inspection by CSI Services, Inc. (CSI). The tanks were constructed in 1999 and the original coating systems of the tanks are reaching the end of their service life. Staff received bids from seven (7) qualified contractors and recommends awarding the contract to Tony Painting as the lowest responsible bidder in the amount of \$118,650. The original budget estimate, which is included in the FY21/22 Capital Improvement Program (CIP) for Storage Tank Improvements was \$160,000. The most recent engineering estimate was \$150,000.

### DISCUSSION

The CIP includes periodic tank inspections and recoating (as required), in accordance with AWWA D101-53 (79) Standards, to maintain the integrity and extend the service life of storage tanks. The Commerce Center No. 1 and No. 2 Tanks are the two (2) tanks located in the II-D pressure zone. Erected in 1999, each tank is 93 ft diameter, 32 ft tall, welded steel above-ground tank with a capacity at overflow of 1.5 million gallons. The exterior coating systems are the original coatings applied. The typical service life of an epoxy coating is 20 to 25 years. All of the exterior steel surfaces and appurtenances are coated with an epoxy primer and urethane finish coat.

Inspections of the tanks were performed by CSI to assess the condition of the tanks in February of 2020. The tank exterior coating systems are weathered and chalked, and the topcoat on the roof has weathered away. Based on the CSI condition assessment and the evidence that the coatings are near the end of their service life, staff recommends that the exterior coatings be overcoated to maintain the integrity and service life of the tank. Sandblasting will not be required for this project. The surface preparation will be handled with small hand tools in localized rust spots and with a high-pressure water wash to clean the surface prior to coating. All debris will be contained onsite and per the technical specifications, no coating work will be conducted if winds exceed 15 m.p.h.

Staff contracted with CSI for the coating technical specifications and engineering estimate. Staff issued a Request for Bids by posting to PlanetBids on December 13, 2021. Seven (7) bids were received January 5, 2022. Staff reviewed the bids and recommends awarding the contract to Tony Painting as the lowest responsible bidder.

On February 3, 2022, the Engineering and Operations Committee considered staff's recommendation to approve a resolution authorizing the General Manager to enter into contract with Tony Painting for the Commerce Center No. 1 and No. 2 Water Storage Tank Coating Project in the amount of \$118,650.

Bid results are as follows:

<b>Contractor</b>	<b>Bid Amount</b>
Tony Painting	\$118,650
Unified Field Services	\$122,429
Advanced Industrial Services	\$131,900
PPS Coatings	\$146,690
Associated Tank Constructors, Inc.	\$157,500
Cal Sierra Construction	\$163,300
Harbor Coating	\$169,600

#### **FINANCIAL CONSIDERATIONS**

Funding for the Commerce Center No. 1 and No. 2 Water Storage Tanks Coating Project is provided through the CIP Storage Tank Improvement budget and is included in the FY2021/22 Budget.

#### **RECOMMENDATION**

The Engineering and Operations Committee recommends that the Board of Directors approve the attached resolution awarding Commerce Center No. 1 and No. 2 Water Storage Tank Coating Project to Tony Painting for \$118,650.

Attachment

M65

RESOLUTION NO. \_\_\_\_

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SANTA CLARITA VALLEY WATER AGENCY  
AWARDING A CONTRACT TO TONY PAINTING FOR THE COMMERCE CENTER  
TANKS NO. 1 AND NO. 2 EXTERIOR RECOAT PROJECT  
IN THE AMOUNT OF \$118,650**

**WHEREAS**, all bid proposals submitted to the Agency pursuant to the Agency's specifications for the Commerce Center Tanks No. 1 and No. 2 Exterior Recoat Project were received at the Agency's offices on Wednesday, January 5, 2022 at 2:00 p.m., in full accordance with the law and the Agency's customary procedures; and

**WHEREAS**, the Board of Directors finds, after considering the opinion of staff, that the total bid of Tony Painting in the amount of \$118,650 is the lowest responsible bid of seven bids submitted, and that said bid substantially meets the requirements of said construction contract documents; 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 accept the \$118,650 bid.

**NOW, THEREFORE, BE IT RESOLVED** that the Agency's Board of Directors does authorize its General Manager to accept said low bid and does therefore authorize the Agency's General Manager or its Chief Operating Officer to issue a Notice of Award to Tony Painting hereby found to be the "lowest responsible bidder" for the Commerce Center Tanks No. 1 and No. 2 Exterior Recoat Project for the total sum of \$118,650.

**RESOLVED FURTHER** that the Agency's General Manager or its President and Secretary are thereupon authorized, upon receipt of appropriate payment and performance bonds, appropriate certificates of insurance and an executed Contract Agreement from Tony Painting, all of which must be approved by General Counsel, to execute the said Contract Agreement on behalf of the Agency.

**RESOLVED FURTHER** that the Agency's General Manager or Chief Operating Officer are thereafter authorized to execute and forward to Tony Painting an appropriate Notice to Proceed.

---

President

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## BOARD MEMORANDUM

**DATE:** January 13, 2022

**TO:** Board of Directors

**FROM:** Matthew S. Dickens, MPA *MSD*  
Sustainability Manager

**SUBJECT:** Authorize the General Manager to Enter into an Agreement with TerraVerde Energy for Application Preparation and Project Management of Self Generating Incentive Program Projects (Photovoltaic and Battery Storage) Funding

### SUMMARY

In support of SCV Water’s Strategic Plan and to determine eligibility for the California Public Utilities Commission (CPUC) Self-Generation Incentive Program (SGIP), staff conducted a series of feasibility analyses to determine the Agency’s priorities salient to Photovoltaic (PV) and Batter Storage (BESS) projects. Staff recommends for SCV Water to procure services from TerraVerde Energy in support of its SGIP application, Request for Proposals (RFP) development, and Implementation Management and Construction efforts.

### DISCUSSION

SCV Water’s 5-Year Strategic Plan (2019) identifies several strategies to enable the Agency to accomplish its mission of “Providing responsible water stewardship to ensure the Santa Clarita Valley has reliable supplies of high-quality water at a reasonable cost.” Following adoption of the strategic plan, staff, with support from TerraVerde Energy, conducted analyses to determine feasibility of additional PV deployment and BESS. The analyses included a wide range of criterion including cost-effectiveness (SGIP value and peak demand offset), critical battery back-up, leverage with existing infrastructure, and available development footprint. Based on staff input coupled with planned development, the feasibility analysis identified two (2) projects that provide significant benefit to the Agency. The optimal SGIP Priority 1 projects include:

**Table 1. SCV Water – SGIP Project Overview (Priority 1)**

Site Name	Address	Solar Size (kWdc)	Solar PV System Type	Bess Size (kWh)	SGIP Incentive Value	Project Cost Est.	Post-SGIP Capital Cost	Voltage
Rio Vista TP	27234 Bouquet Canyon	NA	NA	2,088	\$1,017,105	\$1,166,466	\$149,341	480v
Earl Schmidt TP	32700 Lake Hughes Rd.	680	Fixed-Tilt	928	\$459,000	\$1,892,652	\$1,443,652	480v

Rio Vista Treatment Plant (BESS) – Concept Map

<b>METER CODE</b>	4
<b>NOTES</b>	
<b>Installation Type</b>	
BESS	
<p><b>NOTES:</b>                  1. Area for BESS installation is roughly designated by the green area outline shown.                  Actual area dimensions to be verified by Contractor.</p>	
<b>SITE INFORMATION</b>	
SERVICE ACCOUNT ID	3-948-1111-89
METER NUMBER	V345N-000417
ONSITE BACK-UP GENERATOR	
SWITCHBOARD VOLTS/AMPS	277/480V, 4000A
UTILITY TRANSFORMER	



**TerraVerde ENERGY**

SCV Water  
 Rio Vista TP  
 27234 BOUQUET CANYON RD, SAUGUS, CA 91350

Earl Schmidt (PV + BESS) – Concept Map



METER CODE	2		
ARRAY NOTES			
Installation Type	Azimuth	Tilt	Array #
Ground Mount	215°	10°	1
Low Shale Structure	215°	10°	2
Low Shale Structure	215°	10°	3
Low Shale Structure	195°	10°	4
Ground Mount	215°	5	5
BESS	N/A	N/A	N/A

NOTES:  
 1. Solar PV array area options are roughly designated by the blue outlines shown. Actual area dimensions to be verified by Contractor during site walk.  
 2. Area for BESS installation is roughly designated by the green outline shown. Actual area dimensions to be verified by Contractor.

SITE INFORMATION	
SERVICE ACCOUNT ID	3-0079425-36
METER NUMBER	V340N-001107
TARGET ANNUAL PRODUCTION (KWH)	1,185,488
SWITCHBOARD VOLTS/AMPS	277/400V, 1200A
UTILITY TRANSFORMER	750KVA

SCV Water  
 ES  
 12700 LAKE HUGHES RD W, CASTAIC, CA 91384  
**TerraVerde ENERGY**

Launched by the CPUC in 2020, the Self Generation Incentive Program offers rebates for installing energy storage technologies at both households and non-residential facilities. With SGIP, there are two types of rebate offerings including Equity (specific to Disadvantaged Communities) and Equity Resiliency (prioritizes high Public Safety Power Shutoffs and Tier 2 and 3 High Fire Threat District). During TerraVerde Energy's analyses, it was determined that none of the priority 1 or 2 projects met the Equity rebate requirement, though the projects are eligible for the Equity Resiliency rebate (total rebate values for Priority 1 projects noted in Table 1). For Rio Vista, the SGIP project would leverage battery storage with the Agency's 4.5 MW PV system. The battery storage would provide additional back-up capacity during power outages and support other demand management efforts. Rio Vista's SGIP project is expected to cost \$1,166,466 (net \$149,361) and has an estimated simple payback period ranging from 1-4 years depending on ownership structure (cash purchase option versus 3<sup>rd</sup> party ownership). For Earl Schmidt, the SGIP project includes new PV deployment coupled with battery backup and would provide additional back-up capacity and increase SCV Water's renewable energy portfolio by 12%. Earl Schmidt's estimated project cost is \$1,892,652 (net \$1,433,652) and has a simple payback period of 11-14 years depending on ownership structure.

As of December 2021, funding for the Agency's Priority 1 projects is listed as available by the CPUC and via its local program administrators. In addition to SCV Water's rebate eligibility, the agency will increase long-term project benefit by applying for the rebates prior to the CPUC's potential adoption of its Net Metering 3.0 tariff (NEM 3.0). The proposed NEM 3.0 tariff could create additional hurdles for distributed solar access, increase access fees and large fees for non-residential customers, and credit reductions for contributing customers. Should SCV Water apply for service before CPUC adoption of NEM 3.0, the affected projects would be grandfathered into provisions included in NEM 2.0.

Staff recommends SCV Water procure services from TerraVerde Energy for SGIP project application and project management support. In addition to being identified as a "Preferred Service Provider" by the Association of California Water Agencies (ACWA), TerraVerde Energy has extensive knowledge of SCV Water's appurtenance, energy demands, and existing renewable energy assets. TerraVerde Energy assisted SCV Water with the purchase of the 4.5 MW PV System, conducted the PV and BESS analyses, and assisted with coordination of pre-purchase wind damage repairs. Having successfully completed these tasks, TerraVerde Energy is uniquely qualified to support the Agency with SGIP project application processes and project management.

On January 12, 2022, the Water Resources and Watershed Committee considered staff's recommendation to authorize the General Manager to enter into an agreement with TerraVerde Energy for application preparation and project management of Self Generating Incentive Program Projects (Photovoltaic and Battery Storage) Funding.

## **CEQA DETERMINATION**

Board approval authorizing the General Manager to enter into agreement with TerraVerde Energy for application preparation and project management of SGIP funding does not constitute a "project" under the California Environmental Quality Act ("CEQA"). The Board is not, at this time, committing to approve or undertake a SGIP project. The Board reserves all necessary discretionary authority to approve, deny, or condition a SGIP project, including the authority to adopt any mitigation measures or alternatives necessary to avoid or substantially lessen the environmental impacts of the Project. Additionally, any approval of a SGIP project itself is expressly conditioned on CEQA review. As such, approval authorizing the General Manager to



entire into agreement with TerraVerde Energy for application preparation and project management of SGIP funding does not constitute an approval of the SGIP Project(s) and is not a decision subject to CEQA.

If SGIP funding is awarded, the Agency, pending Board compliance with the California Environmental Quality Act (CEQA) and approval of a SGIP project, will pursue the SGIP project.

### **FINANCIAL CONSIDERATIONS**

The cost estimate for the proposed contract is \$294,060.25 (\$220,255 TV support and \$73,805.25 SGIP application fee<sup>1</sup>) as stated in the attached proposal and SGIP application fees. The application fee reserves SCV Water's rebate value and would be included in the reimbursement following construction of the projects. While TerraVerde Energy's consultant fees are not reimbursable, such support costs were included in the project proforma (cost-benefit analysis). The projects, including application fee and consultant support expenses were not included in the FY 2021/22 Operating Budget. Staff will coordinate with Engineering and Administration to monitor and adjust planned Capital Budget expenses accordingly.

### **RECOMMENDATIONS**

The Water Resources and Watershed Committee recommends that the Board of Directors authorize the General Manager to enter into agreement with TerraVerde Energy for application preparation and project management of Self Generating Incentive Program projects (Photovoltaic and Battery Storage) funding.

Attachment

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<sup>1</sup> Application fee of 5% of SGIP Incentive Value Estimate. As noted in SGIP Program FAQs, to obtain a reservation, the Applicant must provide the executed (signed) contract, included application fee, for the expected installation in addition to the documents listed in the SGIP Handbook. The SGIP application fee is reimbursable should the Agency choose to withdrawal from the program.

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## ATTACHMENT



October 13, 2021

Mr. Matt Stone, P.E.  
General Manager  
Santa Clarita Valley Water Agency  
27234 Bouquet Canyon Road  
Santa Clarita, CA 91350

Re: SCVWA NEM Solar & BESS Project Development & Implementation - Proposal for Professional Technical Support Services

Dear Mr. Stone,

In support of the development and implementation of Santa Clarita Valley Water Agency's NEM solar PV & battery energy storage (BESS) projects (the Agency's "Priority 1" projects located at the RVTP and ESTP sites), TerraVerde Energy (TerraVerde) offers the following proposal for professional technical support services associated with:

- SGIP Incentive Applications
- RFP Process & Vendor Contract Negotiations
- Project Implementation Management

### Priority 1 Projects

Site Name	Address	Solar PV Size (KWdc)	Solar PV System Type	BESS Size (KWh)	SGIP Incentive Value Estimate	Project Cost Estimate	Post-SGIP Capital Cost	Interconnection Voltage
Rio Vista TP	27234 Bouquet Canyon Rd	N/A	N/A	2,088	\$ 1,017,105	\$ 1,166,446	\$ 149,341	480V
Earl Schmit TP	32700 Lake Hughes Rd	680	Fixed-Tilt	928	\$ 459,000	\$ 1,892,652	\$1,433,652	480V

This proposal includes a scope of Owner's Rep Technical Support Services requested by SCVWA for the development and implementation stages of the two Priority 1 projects listed above starting with the preparation and submittal of SGIP incentives applications for each project (expected November 2021) and ending with construction/installation completion and post-PTO project close-out (estimated Q3/Q4, 2022) of each project.

The primary purpose of TerraVerde's Technical Support Services is to assist the Agency in securing SGIP incentive funds, develop and facilitate an RFP process to select a qualified contractor ("Vendor"), and to ensure compliance to the terms and conditions of the executed contract documents & technical specifications by the Vendor during the design, construction, commissioning, and close-out of the projects, including all critical path project schedule elements, and compliance to the applicable Interconnection Agreements with Southern California Edison (SCE). TerraVerde will operate as an integrated member of SCVWA's project management team which will include Agency Staff, SCVWA's Civil Engineering consultant, SCVWA's electrical inspectors, and TerraVerde.

## Scope of Services

TerraVerde will be responsible for the following tasks:

### Phase 1 – SGIP Incentive Applications

1. Prepare SGIP Incentive Applications per the SGIP Handbook requirements and submit to the SGIP Administrator for review. Respond to all RFIs and questions from the SGIP Administrator.
2. Track applications and advise SCVWA staff about status.
3. Provide guidance on application fee payments as applicable.

Note: Upon notice by the SGIP Administrator, SCVWA will pay application fees directly to the Administrator. Total estimated fees are:  $(\$1,017,105 + \$459,000) \times 5\% = \$73,805$ . Fees are requested after applications have been approved by the SGIP Administrator (applicants have 7 days to pay the fees before for the application is cancelled). Application fees can be refunded if the Agency chooses not to move forward with the projects (notice of desire to cancel the applications must be communicated to the SGIP Administrator prior to the “project advancement milestone”, which is no later than 240 days following notice of incentive reservation award). Application fees are refunded to the Agency upon completion of the projects (when PTO is achieved). The first project advancement milestone is satisfied by delivering an executed copy of the contract between the Agency and the Vendor for the projects to the SGIP Administrator (which must occur within 240 days from the notice of incentive reservation award).

### Phase 2 – RFP Process & Vendor Contract Negotiations

1. Gather & organize site-specific utility data, documents, and drawings as required to inform the RFP package.
2. Develop an RFP package, including:
  - a. Technical Specifications & General Conditions documents.
  - b. RFP instructions and standardized Submittal Forms to enable efficient evaluation.
  - c. Site-specific reference information and energy data.
  - d. Template contracts (EPC or PPA).
3. Deliver RFP package to SCVWA staff & legal counsel for review and approval (update RFP package as requested).
4. Release RFP package to qualified vendors.
5. Manage Vendor site walk, Vendor Q/A process, RFP addendums, and Vendor communications.
6. Evaluate proposals and provide SCVWA staff with a qualitative & quantitative assessment.
7. Assist SCVWA staff with shortlisting and interviews as applicable and provide a summary of results & considerations for final selection.
8. Assist SCVWA staff & legal counsel with Vendor contract negotiations and oversee value engineering process as applicable.
9. Provide an updated financial analysis based on the negotiated project contract.
10. Provide technical support to the Agency’s CEQA consultant (project specifications and construction activities guidance).
11. Assist SCVWA staff with preparation of documents required for Board approval of the contract, as needed.

## Phase 3 – Implementation Management

Upon execution of a contract between SCVWA and the selected Vendor for the design and implementation of the projects, TerraVerde will provide the following services:

1. Coordinate and lead a project kick-off meeting with the Project Team - SCVWA, SCVWA's civil engineering consultant, Vendor, Vendor's sub-contractors, and TerraVerde.
2. Manage project-related Communications, including:
  - a. Coordinate and lead project progress meetings with the Project Team every 2 weeks during the pre-construction stage, and weekly during the construction & commissioning stage.
  - b. Oversee project schedules and assist in optimizing schedules to meet SCVWA's operational requirements.
  - c. Oversee compliance to contract terms and project specifications through all stages of implementation.
  - d. Manage the dissemination of site-specific technical data to Vendor and Vendor's subs.
  - e. Manage technical submittals & RFIs received by Vendor, including SCVWA-approved responses, and maintenance of accurate logs.
  - f. Assist SCVWA staff with formal Agency communication (letters to Vendor) regarding contract issues, as needed.
  - g. Assist SCVWA staff with a Board presentation regarding project status during the implementation process (one issue), if requested.
3. Oversee pre-design process, including:
  - a. Vendor's site due diligence activities, Vendor's findings report, and review sessions with SCVWA staff.
  - b. SCE interconnection applications.
  - c. SGIP incentive reservations and milestone compliance.
  - d. Vendor's project mobilization plans.
4. Oversee the design review & approval process, including:
  - a. Review and comment on Vendor's designs and review with SCVWA staff.
  - b. Confirm Vendor's compliance to technical specifications and design standards.
  - c. Upon achieving Agency-approved final designs, assist SCVWA staff with communication of Notice to Proceed to Construction.
  - d. Confirm Vendor's permitting process requirements, as applicable.
5. Oversee the construction and equipment installation process, including:
  - a. Execution of SCE Interconnections Agreements.
  - b. Site preparation scopes.
  - c. Vendor's compliance to CEQA mitigation tasks, if applicable.
  - d. Vendor's scheduling of outages and other impacts to site operations.
  - e. Assist with coordination of SCVWA's electrical inspections\*.
  - f. Achievement of Permission to Operate (PTO) from SCE.
  - g. Solar PV & BESS commissioning process and review of Vendor's reports.
  - h. Confirm monitoring system operation and data transfer.
  - i. Confirm implementation of Performance Monitoring & Reporting Service (PMRS).
  - j. Confirm SGIP application fee refund and initial incentive payment to SCVWA.
  - k. Confirm implementation of new SCE rate schedules, if applicable.
6. Oversee the project closeout process and delivery of final as-built documentation.



- 7. Provide updated project financials based on the final as-built conditions, project cost, SGIP incentive value, AMS cost, and SCE rate tariffs.
- 8. Oversee handoff to Asset Management Services Provider.

*\*SCVWA will retain a professional electrical inspector to inspect all medium voltage and 480V connections and electrical equipment installations for compliance to all applicable codes and standards. TerraVerde will assist with coordination of Vendor and Electrical Inspector for the inspections, and will include the Electrical Inspector’s scope, schedule, and deliverables in overseeing the schedule coordination for each site/project.*

**Fee**

TerraVerde’s not-to-exceed (NTE) fixed-fee for the above-described scope of services:

- Phase 1 – SGIP Incentives: \$11,000
- Phase 2 – RFP Process & Vendor Contract Negotiations: \$89,115
- Phase 3 – Implementation Management: \$120,140

**Total: \$220,255**

*Note: This price includes the ACWA Preferred Provider discount, and project-related expenses.*

<b>Milestone Schedule for Fee Payments</b>	<b>Amount</b>
1. Submittal of SGIP Applications	\$11,000
2. Release of SCVWA-approved RFP package	\$42,560
3. Delivery of RFP Response Evaluation to SCVWA	\$26,645
4. Execution of Vendor/SCVWA Project Contract	\$19,910
5. SCVWA’s NTP for Construction Delivered to Vendor	\$52,965
6. Permission to Operate Received from SCE	\$55,165
7. SCVWA Sign-Off on Project Completion	\$12,010

We trust SCVWA will find our industry leading experience, analytical capabilities, and knowledge of solar PV and BESS project execution to be an excellent fit for the implementation of SCVWA’s Priority 1 NEM Solar PV and BESS projects. If you have any questions, please feel free to contact me.

Sincerely,

Kevin Ross, VP Business Development

**TerraVerde Energy**

949-212-6555

[Kevin@terraverde.energy](mailto:Kevin@terraverde.energy)



## BOARD MEMORANDUM

**DATE:** February 15, 2022  
**TO:** Board of Directors  
**FROM:** Steve Cole *SC*  
Assistant General Manager  
**SUBJECT:** Approve the 2022 Legislative Platform

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### SUMMARY

Each year the Board of Directors adopts a Legislative Platform to direct staff and advocacy consultants when evaluating proposed legislation that may impact SCV Water. The Platform provides direction to staff, which in turn can direct Agency legislative advocates, to act quickly in responding to requests, for example, for letters of support or opposition to fast-moving legislation or other regulatory action. The platform is intended to provide a clear understanding of our objectives in general, a solid foundation for our work going forward, and allow the Agency to engage in legislative actions in a timely manner in order to carry out the mission of the Agency.

### DISCUSSION

The 2022 Draft Legislative Platform is attached. Typically, few if any circumstances arise during the year which are not covered by the Platform. However, this past legislative session did see proposals on rate-payer assistance which did not clearly fit in the Agency platform. The Committee has decided to add a new section 11.0 – Water Rate Assistance to address this issue.

The item also covers the process by which actions are contemplated on legislative matters. The following outline refers to legislation with potential impact on SCV Water, which could be as a water provider, employer or an entity otherwise subject to the provisions of the proposed bill. Typically, this process only occurs at the state level, and not at a federal level.

1. A bill is introduced in the House or the Senate.
2. The bill is identified by any of several entities which bring it to staff's attention. This could be California Advocates (SCV Water's state lobbyist), the legislative affairs staff of the Association of California Water Agencies (ACWA), California Special Districts Association (CSDA), Southern California Water Coalition, State Water Contractors Association or through other contacts and relationships through Agency staff and/or directors.
3. A decision is made whether to take action.
  - a. Does the bill address any of the issues in our Legislative Platform?

- b. If so, do we want to take action in support or opposition to the bill, in accordance to the Platform?
  - c. Do we want to request amendments? (i.e., “oppose unless”)
  - d. Are any industry organizations or coalitions taking action through a joint letter that we wish to add our logo to?
4. Only after this evaluation, and with the adopted Platform as authorization and guidance, will staff take action or direct California Advocates to take action.
  5. The action is then reported to the Public Outreach and Legislation Committee members with any letters attached.

**FINANCIAL CONSIDERATIONS**

None at this time.

**RECOMMENDATION**

The Public Outreach and Legislation Committee recommends that the Board of Directors approve the attached 2022 Legislative Platform.

Attachment

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# 2022 LEGISLATIVE PLATFORM

Approved February 16, 2022

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## SCV WATER 2022 LEGISLATIVE PLATFORM

APPROVED: FEBRUARY 16, 2022

### 1.0 **PURPOSE**

These policy guidelines incorporate specific positions adopted by the Board of Directors and are intended to direct SCV Water staff and SCV Water's legislative advocates when evaluating proposed legislation that may impact SCV Water, the retail divisions or their customers. Legislation that meets or fails to meet the principles set forth in the guidelines may be supported or opposed accordingly. Legislation that does not meet the principles set forth in the guidelines or that has potentially complicated or varied implications will not be acted upon by staff or the legislative advocates and will instead be presented to the Board directly for guidance in advance of any position being taken. Additionally, legislation is presented to the Board for action when a Board vote is necessary to strengthen SCV Water's position on a bill. Following these guidelines allows staff to respond to legislation in a timely manner.

### 2.0 **IMPORTED WATER SUPPLY**

**It is SCV Water's policy to support:**

- 1) Development of a long-term state water plan that balances California's competing water needs amongst environmental restoration, agriculture, and urban water management, and results in a reliable supply of high-quality water for the Santa Clarita Valley.
- 2) Implementation of a long-term, comprehensive solution for the Sacramento-San Joaquin River Delta (the Delta) that:
  - a) Provides reliable water supplies to meet California's short- and long-term needs.
  - b) Improves the ability to transport water across the Delta either for, or in supplement to, State Water Project deliveries, and addresses Delta levee stability cost effectively and efficiently.
  - c) Improves the quality of water delivered from the Delta.
  - d) Addresses the Bay-Delta's ecological health in a balanced manner that takes into account all factors that have contributed and are contributing to the Delta's degradation.
  - e) Encourages cost-effective water-use efficiency measures.

- f) Increases storage, particularly south of the Delta, in a manner that does not detrimentally impact the water supply availability and reliability of the State Water Project.

3) Implementation of measures that enhance the cost-effective and efficient operation of State Water Project facilities, including opportunities to facilitate the collection and reporting of data to better inform decision making.

**It is SCV Water's policy to oppose:**

- 1) Legislation that would make urban water supplies less reliable, or would substantially increase the cost of imported water without also improving the reliability and/or quality of such water.
- 2) Revisions to the federal Central Valley Project (CVP) Improvement Act that would jeopardize the Delta's environmental integrity, compromise State Water Project supply availability and/or reliability and/or limit the ability of urban agencies to transfer and/or bank CVP water.

**3.0 LOCAL WATER RESOURCES**

**It is SCV Water's policy to support legislation that:**

- 1) Provides federal and state funding for water conservation efforts, improvements in technology, water recycling, groundwater recovery and recharge, desalination, climate change studies and surface water development projects.
- 2) Authorizes and/or facilitates expanded use of local water resources including water recycling and stormwater capture
- 3) Authorizes local governmental agencies to regulate the discharge of contaminants to the sewer collection system that may adversely affect water recycling and reuse.
- 4) Facilitates public understanding of and support for programs and projects that enhance the quality, reliability and supply of local water resources.
- 5) Encourage and/or funds watershed-based integrated water resources management and planning.
- 6) Removes barriers that restrict ability of local government to develop recycled water.
- 7) Facilitates the sustainable management of groundwater resources.

**It is SCV Water's policy to oppose legislation that:**

- 1) Restricts the ability of local governmental agencies to develop their local resources in a cost-effective, efficient and environmentally sensitive manner.

#### **4.0 ENERGY**

**It is SCV Water's policy to support legislation that:**

- 1) Assists water agencies in obtaining reliable energy at reasonable costs.
- 2) Aids utilities in achieving energy efficiency improvements.
- 3) Provides for consistency in renewable energy pricing.

**It is SCV Water's policy to oppose legislation that:**

- 1) Imposes additional regulatory burdens on the State Water Project, water agencies and their power providers that reduces energy availability and/or reliability or increases energy costs.

#### **5.0 WATER USE EFFICIENCY**

**It is SCV Water's policy to support legislation that:**

- 1) Ensures accurate reporting of the implementation of water efficiency measures such as the urban Best Management Practices.
- 2) Sets cost-effective efficiency standards for water-using devices.
- 3) Provides loans and grants to fund incentives for water conserving devices or practices.
- 4) Provides federal and state funding to improve water use efficiency technologies.
- 5) Provides flexibility in available methods for water agencies to meet state water conservation goals.

**It is SCV Water's policy to oppose legislation that:**

- 1) Fails to ensure balance in the implementation of water efficiency practices and requirements for both urban and agricultural use.
- 2) Results in measures that would not be cost-effective for the Santa Clarita Valley.

#### **6.0 WATER QUALITY**

**It is SCV Water's policy to support legislation that:**

- 1) Protects and/or improves the quality of surface water and groundwater.
- 2) Provides funding to help agencies meet state and federal water quality standards.
- 3) Establishes and/or implements standards for water-borne contaminants based on sound science and with consideration of cost-effectiveness.

**It is SCV Water's policy to oppose legislation that:**

- 1) Could compromise the quality of surface water and groundwater supplies.
- 2) Establishes and/or implements standards for water-borne contaminants without regard for technical feasibility, sound science or consideration of cost-effectiveness.

## **7.0 SUSTAINABLE WATER RESOURCES MANAGEMENT PRACTICES**

**It is SCV Water's policy to support legislation that:**

- 1) Advances science relating to impacts of climate change on precipitation patterns and the manner in which operation of existing water resources infrastructure may be optimized.
- 2) Expands opportunities to increase and make cost effective use of renewable energy.

## **8.0 WATER TRANSFERS**

**It is SCV Water's policy to support legislation that:**

- 1) Encourages and facilitates voluntary water transfers.
- 2) Streamlines the permitting and approval process for implementing transfers.
- 3) Provides appropriate protection or mitigation for impacts on the environment, aquifers, water-rights holders and third parties to the transfer, including those with interests in the facilities being used.
- 4) Encourages transfers that augment existing water supplies, especially in dry years.
- 5) Encourages use of available capacity in existing facilities to advance voluntary transfers of water.

**It is SCV Water's policy to oppose legislation that:**

- 1) Detrimentially impacts the operations and maintenance of conveyance systems.
- 2) Interferes with the financial integrity of sound water management practices.

## **9.0 ADMINISTRATIVE AND FISCAL POLICY**

**It is SCV Water's policy to support legislation that:**

- 1) Requires the federal and state governments to provide a subvention to reimburse local governments for all mandated costs or regulatory actions.
- 2) Maintains the multi-county ERAF (Education Revenue Augmentation Fund) exemption.

- 3) Fosters public understanding of government activities and decision-making processes while not imposing unreasonable administrative or financial burdens.

**It is SCV Water's policy to oppose legislation that:**

- 1) Is inconsistent with SCV Water's current investment policies and practices.
- 2) Pre-empts SCV Water's ability to impose or change water rates, fees, or assessments.
- 3) Impairs SCV Water's ability to maintain reasonable reserve funds.
- 4) Impairs SCV Water's ability to provide service at reasonable costs to its retail purveyors.
- 5) Makes any unilateral reallocation of SCV Water revenues, or those of its retail purveyors.

**10.0 ENVIRONMENTAL POLICY**

**It is SCV Water's policy to support legislation that:**

- 1) Enhances the environment of the state of California in a balanced, cost-effective manner.
- 2) Enhances the environment of the Santa Clarita Valley in a balanced, cost-effective manner.
- 3) Protects the quality and quantity of California and the Santa Clarita Valley water supplies.

**It is SCV Water's policy to oppose legislation that:**

- 1) Imposes unreasonable additional costs, bureaucracy or legal obligations on water suppliers to meet environmental regulations.

**11.0 WATER RATE ASSISTANCE**

**It is SCV Water's policy to support legislation that:**

- 1) Is relevant to developing a Statewide approach to water ratepayers' assistance programs. Preference is for state-administered programs with an identified funding source.

**12.0 LAND USE AND GROWTH MANAGEMENT**

Refer specific legislation, whether of local or statewide interest, to the Board of Directors.

**13.0 INITIATION OF LEGISLATION**

Legislation relevant to the interests of SCV Water shall be initiated at the direction of the Board of Directors in coordination with the appropriate legislative advocate.

DRAFT





## BOARD MEMORANDUM

**DATE:** February 8, 2022  
**TO:** Board of Directors  
**FROM:** Rochelle Patterson *RP*  
Director of Finance and Administration  
**SUBJECT:** Approve a Professional Services Agreement with Emtec Consulting Services LLC for Oracle Managed Services

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### SUMMARY

The Agency is in need of post go-live managed services for the Oracle Cloud Fusion Enterprise Resource Planning (Oracle ERP) system and put out an RFP (Request For Proposal) for bids from qualified firms who had governmental managed services experience (recommended by Oracle). Three qualified firms (bidders) responded and provided proposals. The criteria from each proposal was analyzed and scored (Attachment 1), and Emtec Consulting Services LLC (Emtec), who was also the implementation consultant for the project, came in as the low bid (Attachment 2).

### DISCUSSION

Late in 2019, the Agency released an RFP for the implementation of an ERP system to replace a significant number of disparate systems. In April of 2020, the Agency selected Oracle Cloud Fusion for that solution (as described below). The solution went live on July 1, 2021.

Over the past couple of years, Agency staff has spent hundreds of hours working on selecting a new software system, selecting an implementation Consultant and implementing Oracle to meet the needs of the Agency. Upon its completion, Oracle ERP will have eliminated the limitations of the disparate systems and manual processes, and will provide a comprehensive solution and enable transformation of processes necessary to become a best-in-class Agency. Based on the competitive selection process, the Board of Directors awarded the contract to Emtec for implementation. We anticipated to fully transition to the new system and complete the implementation of Oracle by May 2021, but due to a number of delays, including impacts from COVID-19, the go-live date was pushed out by two months.

The ongoing need for operational support outside of the current technology capabilities of SCV Water is required. The Agency has a complicated fund structure that includes four funds, three blended component units, 25 budgetary departments, six departments for project accounting, integration with OpenGov (for reporting and transparency) and eventually an integration with the upgraded utility billing software, enQuesta.

The Agency secured four months post go-live support from Emtec after the initial implementation phase, but a long-term contract is necessary to provide incident management, planned support, root cause analysis, enhancements/modifications, account management, Oracle ERP quarterly update management, and general ongoing support.

On January 24, 2022, the Finance and Administration Committee considered approving a professional services agreement with Emtec Consulting Services LLC for Oracle managed services.

### **FINANCIAL CONSIDERATIONS**

As a newly implemented ERP system, there are processes that continue to require configuration and advanced technical support. The Agency is currently contracted at 125 hours per month, and feels this level of support will be needed in the first year, with years two and three being reduced to 100 hours per month.

Staff is recommending entering into a one-year contract with the option of two one-year extensions with Emtec. The first-year cost will be \$235,884 with the two subsequent years at \$181,884, respectively, for a total three-year contract cost of \$599,652. The cost remaining for fiscal year 2021/22 will be in the amount of \$78,628 and is included in the approved Technology Services budget.

### **RECOMMENDATION**

The Finance and Administration Committee recommends that the Board of Directors authorize the General Manager to enter into a one-year professional services agreement with the option of two one-year extensions for Oracle managed services with Emtec Consulting Services, LLC in the total amount of \$599,652.

RP

Attachments

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# ATTACHMENT 1

**SCV Water  
RFP Oracle Managed Services  
Criteria and Scoring**

	Bidder 1 - Emtec			Bidder 2 - Highstreet			Bidder 3 - Metaformers		
Managed service experience with a public/government agency	Yes - Water/Wastewater, Healthcare			Yes - Mostly Municipalities			Yes - Mostly Municipalities		
Minimum of 5 years' experience providing support for Oracle Fusion	Yes - 20+ years with Oracle			Yes - 20+ years with Oracle			Yes - 20+ years with Oracle		
Support staff located within the United States	Yes - US and India			Yes - US and India			Yes - All US		
Advanced report writing resources and development experience (show examples)	No Examples Provided - Current Implementation Consultant			Examples Provided			No Examples Provided		
A member of the Oracle Partner Network	Yes			Yes			Yes		
Percentage of services onshore/offshore	50/50	60/40	50/50	35/65	35/65	35/65	35/65	35/65	100% onshore
Provide hourly billing rates due to monthly overages or out of scope requests (onshore, offshore and critical)	Provided			Provided			Provided		
Provide option to purchase blocks of hours (monthly)	100	125	150	100	125	150	100	125	150
Provide monthly contract costs per hour	\$ 12,600	\$ 17,100	\$ 18,900	\$ 11,662	\$ 14,280	\$ 16,779	\$ 15,000	\$ 18,750	\$ 22,500
Quarterly Oracle Release Managed Services	\$ 2,557	\$ 2,557	\$ 2,557	\$ 6,512	\$ 6,512	\$ 6,512	\$ 4,500	\$ 4,500	\$ 4,500
<b>Total Monthly Costs</b>	<b>\$ 15,157</b>	<b>\$ 19,657</b>	<b>\$ 21,457</b>	<b>\$ 18,174</b>	<b>\$ 20,792</b>	<b>\$ 23,291</b>	<b>\$ 19,500</b>	<b>\$ 23,250</b>	<b>\$ 27,000</b>
<b>Total Annualized Costs</b>	<b>\$ 181,884</b>	<b>\$ 235,884</b>	<b>\$ 257,484</b>	<b>\$ 218,088</b>	<b>\$ 249,504</b>	<b>\$ 279,492</b>	<b>\$ 234,000</b>	<b>\$ 279,000</b>	<b>\$ 324,000</b>

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## ATTACHMENT 2



Santa Clarita Valley Water Agency  
Response to Request For Proposal 2122 – MSOF - 27530  
Post Go-Live Managed Services for Oracle Fusion  
December 29, 2021

Submitted by:

**Emtec Consulting Services, LLC**

1 S. Wacker Dr, Suite 1680  
Chicago, IL 60606

Yaied Morrissey  
Practice Director - ClearCARE  
yaied.morrissey@emtecinc.com  
Tel: (708) 717-5438

December 29, 2021

Ms. Rochelle Patterson  
Director of Finance and Administration  
Santa Clarita Valley Water Agency

Dear Rochelle,

On behalf of Emtec Consulting Services (Emtec), thank you and the Santa Clarita Valley Water Agency (SCVW) for the opportunity to have partnered with you on the implementation of your Oracle Cloud ERP System. As an Emtec ‘Partner for Life’ know that we will strive to exceed your expectations on this important project and that we will assign our most capable resources including individuals you and your team have worked with on the ERP Project.

Our experienced team of associates with extensive Oracle Fusion and managed services expertise, has reviewed the RFP and supplemental documentation provided by you, to develop a comprehensive proposal. We are excited to continue our partnership with SCVW and are confident that Emtec is the best choice for this initiative:

- We have created rapport with the SCVW internal team and have developed an in-depth understanding of the SCVW Fusion implementation and requirements for the managed services initiative
  - Currently providing post go-live support – no start up or knowledge transfer needed
  - Knowledge of and access to all functions and technical documentation including RICEW objects, test scripts and configuration guides, including access to the original implementation consultants for additional information and assistance
- Award winning managed services offerings
  - Recognized as an Elite 150 Managed Services Provider (MSP) by CRN® for 6 consecutive years (2016-2021) and CRN’s 2021 Solution Provider 500 list for 26 consecutive years
  - Flexible and mature offerings with built in standard processes for knowledge transfer, delivery, and Service Level Agreements. This will ensure overall consistency & quality of delivery
- Client for Life Philosophy: Emtec’s customer-centricity is woven into the fabric of our culture, and inseparable from the values of the organization and our associates. We serve as a trusted partner with your best interest in mind at all times.

Based on the information outlined in this proposal, Emtec will deliver the highest quality managed services at the most competitive price. We appreciate the opportunity to continue our partnership with SCVW. Should you have any questions, please feel free to contact me directly at the phone number below.

Sincerely,

Yaided Morrissey  
Practice Director - ClearCARE  
Yaided.morrissey@emtecinc.com  
Mobile: (708) 717-5438

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## 1.0 Executive Summary

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Emtec, Inc. is a privately held Information Technology consultancy, headquartered in Jacksonville, FL. Over the last 25+ years Emtec has provided a diverse array of services to multiple industries, accumulating over 1,000 clients and over 2,500 successful projects. Emtec is comprised of four business units: Emtec Consulting Services, Emtec Infrastructure Services, Emtec Digital Services, and Wave 6.

- **Emtec Consulting Services (ECS)** – an Oracle-centric practice, specializing in Oracle Cloud, E-Business Suite, Analytics, Peoplesoft and Hyperion platforms. ECS provides implementation services and managed services, otherwise known as ClearCARE®, for the Utilities, Healthcare, Financial Services and Manufacturing industries. ECS delivers advisory, consulting, and managed services with a global delivery model, both on-site and remotely. The ECS business unit is headquartered in Chicago, Illinois
- **Emtec Infrastructure Services (EIS)** – provides infrastructure services to our clients in both the public and the private sector. Offerings include security, helpdesk support, network infrastructure support, procurement support and full management of data centers
- **Emtec Digital Services (EDS)** – provides custom development services as well as implementation services including robotic process automation and mobility solutions
- **Wave 6** – provides Salesforce implementation and optimization services. It helps our clients improve the performance of their existing Salesforce system using advanced analytics from Salesforce.

### *The ECS business unit is the group that is responding to this RFP*

ClearCARE®, Emtec’s award-winning Managed Services practice, provides 24/7/365 support for Oracle Cloud (Fusion), E-Business Suite, PeopleSoft, and Oracle Cloud (Fusion) technologies. ClearCARE® was established in 2006 and currently services over 100+ customers across various industries and products. This team is dedicated to supporting our clients’ needs in a flexible manner which allows for continuity in resourcing and staffing of our clients’ solutions and provides our clients with the ability to tailor agreements that compliment your own strategic goals and objectives. We are SOC1 Type 2 Certified annually, and our processes are based on industry standard ITIL Based Framework.

For over 15 years, Emtec has provided implementation and support services to public/government organizations, many of which are utility agencies: water, gas, pipeline, power, sanitation, et cetera. We understand firsthand the importance of IT systems within a highly process driven and audited environment and how to provide quality solutions to support regulated environments. Emtec enjoys a strong partnership with Oracle, and is an active member of Oracle’s Partner Network, or OPN. Emtec also carries a ‘managed partner’ status, which is an indication of Oracle’s commitment and investment in their partnership and relationship with Emtec.

As the original implementation consulting firm that worked with SCVW on its Fusion implementation, Emtec is uniquely qualified to continue support of the implemented solution because of our familiarity with the personnel, the functional and technical design, and the progress we have made in the transition from implementation to support. Additionally, Emtec is one of only a small group of firms that offers the utility sector a comprehensive set of solutions that addresses the entire spectrum of Oracle applications



and technology, at a competitive price point. We believe that as you continue on the path of modernizing your software footprint, you will find tremendous value in a single partner that can work with you to develop and execute a holistic approach to meet your long-term needs.

Over the last two months, Emtec's has successfully transitioned SCVW from the implementation support mode to the Emtec ClearCARE® support team. The knowledge transfer & onboarding phase have been completed and we are on our way to steady state support. Levering our experience and these initial activities, we can quickly achieve steady state support, the third and final phase in our sustainment model.

Our goal is to help our clients achieve steady state and a lower total cost of ownership by either augmenting existing client teams or assuming primary responsibility for support and maintenance of their Oracle applications investments. Emtec's ClearCARE® delivery methodology is comprised of 3 major phases:

- **Knowledge Transition and Onboarding** enables Emtec to gain a clear understanding of architecture, configuration and business process and transitions our clients to our services platform including an online helpdesk system and collaboration portal;
- **Managed Services Support** which includes establishing a baseline of existing operations, stabilization of transition activities, and finally steady state support with measured Service Level Agreements;
- **Continuous Process Improvement and Optimization** via regular governance meetings, onsite business process reviews, system health checks and periodic updates to negotiated Service Level Agreements.

For ease of reference the remainder of our proposal is divided into the following sections:

**Our Proposal:** details our experience and scope of services, including a support model overview, support team structure, timeline of major activities, metrics and reporting, onboarding, and Service Level Agreements (SLAs)

**Our Pricing:** includes block of hour pricing as indicated in the RFP, rate cards, and an option for the inclusion of automated testing to drive further efficiency and cost effectiveness

**Supporting Documents** includes our recent projects, resumes, Certificate of Liability, and the signed No Addendum form

## 2.0 Our Proposal

### 1. Experience

Emtec’s ClearCARE Managed Services has a 98.5% client retention rate, which we attribute in big part to the level of resources we provide. Our Cloud resources (Fusion expertise) have extensive multi-pillar expertise in all Oracle Cloud functions: Financials, Supply Chain Management, Human Capital Management, Projects Portfolio, Analytics and Enterprise Planning Management.

Emtec consultants currently hold over 90 Oracle certifications. One recurring goal & objective for Emtec's consultants performance evaluation, is to achieve certification in their area of expertise. To provide the tools for such task, Emtec provides consultants with assistance for training (including but limited to): Oracle partner network training classes, Oracle university passes, internal cross-training between teams, sandboxes/training environments, practice tests & test vouchers, etc.

Resource Category	Years of Experience			Total
	0-3	4 -7	8+	
Oracle Functional	12	14	56	82
Oracle Technical	3	5	58	66
<b>Total Resources</b>	<b>15</b>	<b>19</b>	<b>114</b>	<b>148</b>

*Our resources cover both Oracle products: Cloud ERP (Fusion) and Oracle EBS.*

Emtec will provide comprehensive Oracle Cloud (Fusion) application managed services, not limited to proactive and reactive support for all issues/questions/upgrade testing and enhancements brought forth by the Customer via the ClearCARE® ticketing system for the software and environments listed within the scope below. Emtec may perform additional activities upon request of SCVW, or as mutually agreed.

### 2. Scope of Services

#### Environments

- Production
- Test/Stage
- Dev

#### Products/Modules

- Oracle Cloud ERP Financials
  - General Ledger
  - Accounts Payable
  - Accounts Receivable
  - Fixed Assets
  - Cash Management
  - Projects
- Oracle SCM Cloud
  - Procurement
  - Inventory
- Core HR

- Oracle Planning & Budgeting Cloud Services (PBCS)
- Reports
- Integrations

### Services

Emtec will provide services for properly logged tickets in Emtec’s ClearCARE® helpdesk management system for the software and environments that are In-Scope. The core activities which comprise the Services within scope include incident management, planned support, root cause analysis/problem management, and non-incident service requests. This includes, but is not limited to:

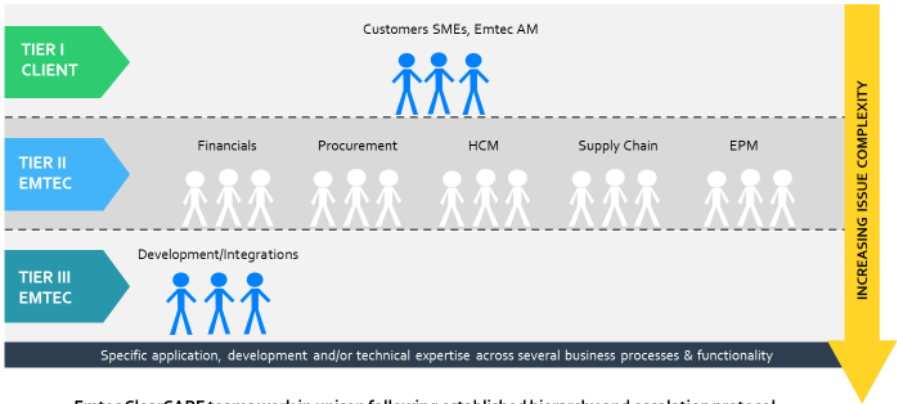
- Incident Management includes the following:
  - Report Errors
  - Stuck Transactions
  - Missing Data
  - Interface Issues
  - Period Close Issues
  - Form Errors
  - Oracle Support Service Request (SR) management
  - Other Service Ticket resulting in an interruption during normal business operations
- Planned Support includes the following:
  - Preparing the proper scripts for migration
  - Providing a testing plan where applicable
  - Assistance with any requested training
- Root Cause Analysis/Problem Management includes the following:
  - Determining the “root cause” of a recurring issue or incident
  - Other one-time activity associated with the long-term, permanent resolution of a recurring and/or “critical” incident or outage
- Non-Incident Service Requests includes the following:
  - Enhancements
  - Missing Data and/or Data Fixes
  - Process Issues
  - How-To Questions
  - Data extracts, Data imports, and Batch programs
  - Any other non-incident request for service which requires support effort and/or time to resolve
  - Report modifications
  - Set-up of additional business units (including cross validation rules, chart of account changes, vendors, bank accounts, updates to report structures)
  - Quality Assurance (QA) testing of upgrades (test and production instances)
- Enhancements
  - Modifications to existing functionality
  - Modification to existing integrations
  - Creation or modification of reports
- Account Management and Administration
  - Escalation management
  - Oversight and request management
  - Status Calls (Weekly or agreed upon frequency)

**Support Overview**

Our first step in the engagement is to create a customer team led by a Service Delivery Manager that functions as your primary point of contact for all engagement activities. Our standard delivery model, and the one we are recommending for SCVW, is a 3-tier model where Tier1 represents the client’s SME or super users, if they can’t resolve the request, they create a ticket in Emtec’s Helpdesk ticketing system and assign to our Service Delivery Manager (SDM) or if a module is selected, the ticket will be automatically assigned to the primary resource assigned to that specific module. The Emtec assignee will review and assess the request/issue, and either resolve or contact the client if more information is required. If technical skills are required, that’s considered tier3, the SDM or functional consultant will engage tier3 support as required.

All functional and technical teams are structured under a hands-on senior manager, with clear oversight & escalation path as required. At each step of the process, the problem or question is being tracked and all steps taken to resolve are being documented and ultimately forwarded to the next level for additional support and resolution as needed.

**ClearCARE® Delivery Model**



Emtec ClearCARE teams work in unison following established hierarchy and escalation protocol.

### Response Times

Our delivery timelines are based on established Service Level Agreements (SLAs). Once Emtec ClearCARE® has received a request/ticket and assigned a Severity Level to the SR, we will manage the responses as follows:

## Service Level Offering – Response Times

Severity Level	Initial Response Time	Status Updates To Client	Support (hrs/days)*	Escalation
Critical	30 minutes	Every 2 hrs or mutually agreed time frame	24/7	4 hours
High	60 minutes	Once a day or identified time frame	10/5	1 business days
Medium	120 minutes	Once every 2 days or identified time frame	8/5	5 business days
Low	Next Business Day	Weekly or Identified Time Frame	8/5	Monthly

#### Critical (P1) –

complete loss of service or partial loss of service of Customer’s production environment affecting multiple users such that work cannot reasonably continue. No workaround available.

#### High (P2) –

processing can proceed, but performance is significantly reduced or operation of the system is considered severely limited. No acceptable workaround is available

#### Medium (P3) –

minor loss of service; impact is an inconvenience; may require a workaround to restore functionality

#### Low (P4) –

no loss of service; does not impede the operation of a system; workaround exists

Our resources will be available to provide support, answer questions, meet ad-hoc, and execute any/all of our managed services responsibilities in the following schedule:

Coverage Type	Days of Week	Start Time	End Time
Standard Support	M-F (US)	8 AM	5 PM
	M-F (India)	11PM	8AM
On-Call	M-F	5 PM	8 AM
	S-S	5 PM (Fri)	8 AM (Mon)

## Metrics & Reporting

Traditionally, all of the ticketing data and work effort is captured within the Emtec HelpDesk ticketing system, Novo. SCVW users have been trained and are already using Novo as the system of record for any issues/requests. SCVW will work with the Emtec SDM to outline the reports that are required along with their frequency.

Based on our experience, we recommend the following reports or a subset of them:

### Weekly

- Hours consumption report
- Ticket status report
- Critical Tickets review

### Monthly

- # of tickets created & closed by application, priority level and resource
- Summary of tickets created, worked, and closed – Trend (6 months running)
- Aging - Average duration of tickets, by application, from open to closed
- SLA reporting – Average response by severity
- Hours Consumption reporting

### Quarterly

- QBR – Quarterly business review presentation with executive participation

## On-Boarding

On-boarding and knowledge transfer is a critical step in building customer confidence and providing optimal production support. Effective on-boarding enables the support team to assume responsibility fully and quickly for the systems and applications that are within their scope of work and provides the team with the foundation needed to provide the highest level of service from the earliest stages and throughout the term of the engagement.

Starting the month of November, Emtec has engaged with SCVW to provide managed services in an interim capacity. Because of this temporary engagement, Emtec ClearCARE has already completed the first 2 milestones of the onboarding process. And are executing on the third milestone towards steady state. We are including the detailed process description as a point of reference for the evaluation, but the first 2 milestones are already completed and will represent cost savings for SCVW in terms of transition.

Emtec's managed services on boarding methodology includes 4 basic steps: Kick off, Knowledge transfer, Transition & Cutover.

Our engagement starts with a kick-off meeting where we make all pertinent introductions, define communication protocols, build transition plan, define systems access requirements, establish support/ticketing system process, change management requirements, and agree on schedule status cadence. The level of access to the systems will depend on the customer's production or non-production requirements.

The following step is the knowledge transfer phase. During this phase Emtec provides draft agendas for SCVW to refine regarding modules configurations, end-to-end process flows, configuration reviews, integration documentation, etc. In this stage the customer will provide access to documentation, test scripts, design docs, manuals, etc. that may be required to support custom components of this implementation. Sample agenda below:

**Functional KT Meetings**

ClearCARE Managed Services

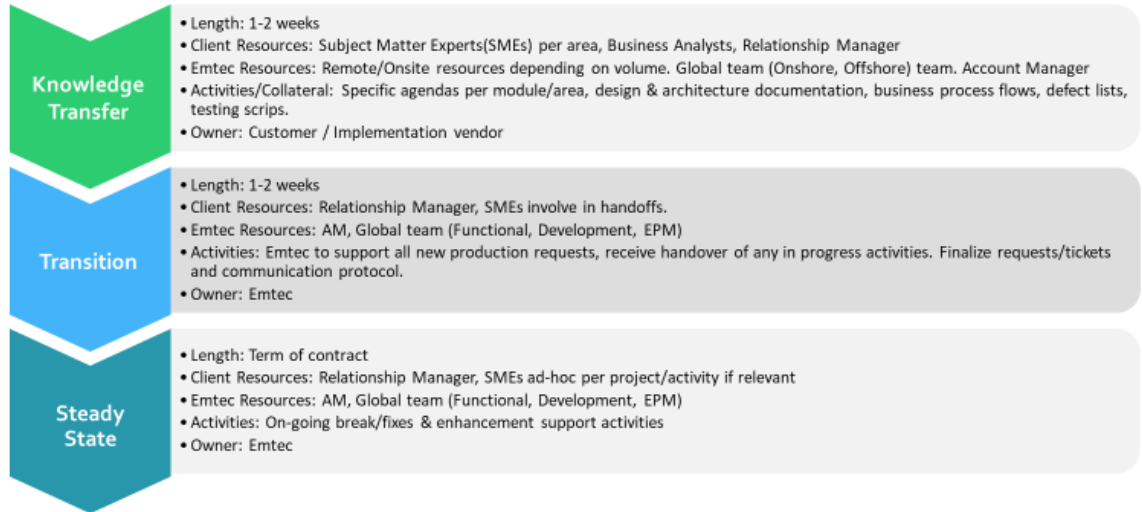


Subject:	Knowledge Transfer Meetings
Abstract:	Financials
Date:	TBD
<b>Tentative Agenda</b>	
Customer Name	
Primary Contacts	
<b>Meeting Agenda</b>	
<b>Monday</b>	
<b>9:00 AM – 11:00 AM</b>	<p><u>Finance Session 1: Month End Processing – Financials –</u> <u>Attendees:</u></p> <p><u>Finance Session 2: General Ledger and Payables –</u> <u>Attendees:</u></p> <ul style="list-style-type: none"> <li>✓ Identify GL/AP Primary Point of Contact</li> <li>✓ Setup/Process Documentation Overview (Process Flows) <ul style="list-style-type: none"> <li>▪ COA / SOB / Foreign Currencies</li> <li>▪ Journals, Intercompany</li> <li>▪ Budgets</li> <li>▪ Consolidation</li> <li>▪ Operating Units</li> <li>▪ Payment methods / Sources</li> <li>▪ Invoice entry / approvals</li> <li>▪ Taxes</li> <li>▪ Suppliers</li> <li>▪ 1099 process</li> <li>▪ Create accounting &amp; GL transfer run</li> </ul> </li> <li>✓ Customizations, Interfaces, Reports Overview</li> <li>✓ Projects</li> <li>✓ Issue Log Review: Open Issues</li> <li>✓ Issue Log Review: Recurring Issues and Challenges</li> <li>✓ Identify Likes/Dislikes/Educational Needs</li> </ul>
<b>9:00 AM – 11:00 AM</b>	<p><u>Finance Session 3: Receivables, Cash Management</u> <u>Attendees:</u></p> <ul style="list-style-type: none"> <li>✓ Identify Primary Points of Contact</li> <li>✓ Setup/Process Documentation Overview (Process Flows) <ul style="list-style-type: none"> <li>▪ OU Details/functions</li> <li>▪ Sources / upload interfaces</li> <li>▪ Receipts (manual, lockbox, etc.)</li> <li>▪ Taxes</li> <li>▪ Bank Statements</li> <li>▪ Reconciliation</li> <li>▪ Bank Transfers</li> <li>▪ Cash Clearing</li> </ul> </li> <li>✓ Customizations, Interfaces, Reports Overview</li> <li>✓ Projects</li> </ul>

Once the knowledge transfer is completed, Emtec enters the transition phase, where we shadow any on-going relevant item to gain experience on custom flows and at the same time own all new requests as they are created. Emtec can also own all Oracle SRs with SCVW on copy to track progress. The purpose of this phase is to gradually take full ownership without impacting end users experience.

The last phase of the on boarding process is the cut over or steady state, where Emtec takes over all support items and formally starts tracking SLA and begin the reporting cadence. Below are the transition milestones with their typical timelines.

# Transition Milestones





### Support Team Structure

Emtec is pleased to re-introduce and augment the existing ClearCARE support team that is currently engaged directly with SCVW to support the scope of work outlined in this proposal. These individuals are expected to work on the majority of the tasks but will be supplemented with other team members based on skill, bandwidth, coverage, etc. as needed. We are proud of the industry experience, consulting, and technology skills these individuals possess and glad to propose them for this engagement.

While Emtec headquarters is located in Jacksonville, FL our resources work in a distributed global model. In the table below, we have provided the time zone each is located in.

Refer to” Supporting Documents – Emtec Resumes” for detailed resumes.

Employee	Title	Onshore / Offshore	Time Zone	Modules Supported
Karen Effner	Service Delivery Manager	Onshore	Central	Account Manager
Isabel Avila	Principal Consultant	Onshore	Central	SCM Cloud, Proc/INV SME
Gustavo Canalis	Principal Consultant	Onshore	Central	Fin Cloud, Projects SME
Oszel Tuliva	Principal Consultant	Onshore	Central	Fin Cloud, ERP Financials SME
Jacob Perez	Principal Consultant	Onshore	Central	Fin Cloud, SCM Cloud Generalist
Harshit Srivastava	Principal Consultant	Offshore	IST (India)	HCM Cloud, Core HR SME
Mahesh Sandiri	Principal Cons./backup	Offshore	IST (India)	Fin Cloud, Projects SME
Ranjit Nuthangi	Senior Cons./backup	Offshore	IST (India)	Fin Cloud, ERP Financials
Sharon Chao	Principal Developer	Onshore	Central	Advanced Report writing
Santosh Engilala	Senior Dev./backup	Offshore	IST (India)	Reports & Integrations
Todd Sullivan	Principal Consultant	Onshore	Central	PBCS – Advanced reporting

### 3. Service Level Agreement “SLA”

The SLA describes service level metrics applicable to Services and also identifies some respective obligations of the Parties necessary to achieve success in regard to the Services. Customer acknowledges that Emtec’s ability to comply with its obligations under the SOW, including maintenance of the service level metrics set forth in the SLA, is contingent upon Customer’s compliance with its obligations set forth in the SOW and the SLA.

#### Scope of SLA

Customer’s system architecture consists of numerous components (hardware, applications, internal or external networks, etc.) that require monitoring and maintenance. The service described in this SLA will cover only selected components as agreed upon by the parties. The SLA is applicable only to Environments and Services as identified in the SOW.

#### Third Party Providers

Customer may establish and manage separate SLAs with third parties to support those components not managed by Emtec (e.g., AT&T for telephone service for Customer’s own network or with PacBell for a T1 access); however, Customer’s third-party SLAs create no duty or obligation for Emtec.

#### Customer-Owned Software

Customer may purchase licenses and support for third party software products to be managed by Emtec. To the extent Customer elects to have Emtec manage such third-party software products, Emtec makes no warranties, whether express, implied, or statutory, nor any representations with respect to those third-party products. It is agreed that service level response requirements for issues found to be related to third party software defects are dictated by agreements made between Customer and the software providers and are, therefore, considered outside the control of Emtec, are not covered under this SLA, and create no duty or obligation for Emtec.

#### Service Request Process

Emtec serves as Customer’s contact point for operations requests, such as, but not limited to, obtaining technical assistance using the associated databases and applications. Emtec will also work in conjunction with the Customer’s software vendors to resolve software issues and will remain on call 24/7 to help Customer deal with any software vendor support centers on Critical issues.

In regard to providing Services and addressing any issues that arise in regard to the Services, Emtec utilizes a service request process by which Customer initiates a service request (“SR”) via entry of a ticket on Customer’s internal helpdesk system. Emtec then manages the SR to closure in accordance with a prescribed process. Customer may view and track the progress of Emtec’s resolution of the SR via the helpdesk system.

#### Contact Information

All SRs must be logged via the helpdesk system. For emergencies and critical assistance please contact the Project Manager via phone in addition to logging the service request.

*Emtec ClearCARE® helpdesk system: <https://clearcare.emtecinc.com>*

## SR Protocol

All requests for Services require a SR, and all SRs must be logged via the helpdesk system. The following protocol will apply to SR reporting, diagnosis, and resolution:

### Emtec's duties and obligations in regard to SRs are:

- Acknowledge receipt of the SR to Customer
- Clarify issue as necessary and assign the SR to the appropriate resource
- Record the initial Severity Level in accord with the Severity Level designations in the SLA
- Gather required information to determine the cause of the issue
- Adjust the Severity Level of the SR, as appropriate
- Determine potential resolution options
- In conjunction with Customer, choose the applicable resolution
- Endeavor to resolve the SR, communicating with Customer as necessary

### Customer's duties and obligations in regard to SRs are:

- Initiate the SR by creating a ticket in the helpdesk system
  - **If the SR is critical, then Customer must also contact Emtec Project Manager via phone**
- Maintain a point of contact for Customer's end users who is fully authorized to make decisions in regard to any SR issues
- Assign personnel to address functional issues raised by Customer's end users
- Ensure that Customer's IT Operations reports SRs in accordance with the SLA, including this protocol
- Report outages/service interruptions promptly when identified
- Provide notification within a commercially reasonable time in advance of any events that may impact Emtec's ability to meet the Service Level Metrics
- Submit each SR promptly after the occurrence of the incident that is the subject of the SR
- Identify an initial Severity Level at the time Customer logs the SR in the Web Portal
- Work with Emtec as necessary to facilitate the resolution of SRs
- For Severity Level 1 SRs, provide an operational contact that will be available to Emtec on a 24/7 basis while Emtec works towards closure of such SRs
- Assist in the development of user test scenarios/test cases
- Assist in user acceptance testing
- Develop and/or conduct user training
- Monitor End User desktop performance and connectivity issues

## Ticket Response Times

Once Emtec has received a ticket and validated the Severity Level assigned to the SR, Emtec will manage the response to the SR as follows:

Production Environments:

Severity Level	Initial Response Time	Status Updates To Customer*	Support** (hrs./days)	Target*** Resolution Time
Critical (Sev 1)	30 minutes	Every 2 hrs. or identified time frame	24/7	4-8 hours
High (Sev 2)	120 minutes	Once a day or identified time frame	16/5	8-24 hours
Medium (Sev 3)	240 minutes	Once every 2 days or identified time frame	16/5	2-10 business days
Low (Sev 4)	Next Business Day	Weekly or Identified Time Frame	16/5	n/a

\* All status updates will be communicated through the helpdesk system

\*\* Support is provided over two shifts (US and India) during weekdays

\*\*\* Emtec will only target resolution if the issue is non-product dependent.

#### Ticket Escalation Process

In the event a resolution for the SR cannot be identified within the defined reasonable time frames, the SR will be escalated to the following Emtec management designees for ownership of the SR after expiration of the time periods shown in the following schedule:

Severity Level	Project Manager	Delivery Director
Critical	Immediately	4 hours
High	4 hours	2 business days
Medium	1 business day	5 business days
Low	Weekly	2 weeks

\* All time periods run from time at which Emtec receives initial SR

Tickets will remain open until the issue has been resolved. Once the issue has been resolved, Emtec will request authorization from Customer to close the SR. Upon Customer authorization, Emtec will close the SR. If Emtec does not hear from Customer within five (“5”) business days after delivery of the request for authorization to close the SR, the solution achieved by Emtec will be deemed accepted and the SR will be closed. Customer reserves the right to reopen the SR if the issue occurs again after a solution was provided.

### Severity Levels

The severity level of each SR is determined jointly by Emtec and Customer based on the impact details provided by provided by Customer to Emtec, including but not limited to Customer’s initial Severity Level designation at the time Customer logs a ticket to create the SR.

### Severity Level Definitions

The following table describes the levels of severity that may be assigned to an SR:

Severity Level	Priority	Environment	Description
Critical	1	Production	<p><u>Business Critical</u></p> <p>A Critical SR (incident) is defined as a problem/product defect that causes complete loss of service of Customer’s production environment such that work cannot reasonably continue.</p> <p>A Critical SR issue has one or more of the following characteristics:</p> <ul style="list-style-type: none"> <li>• Users cannot access the system.</li> <li>• Process hangs indefinitely or there is severe performance degradation, causing unreasonable waits for resources or response.</li> <li>• System crashes repeatedly.</li> <li>• Critical functionality is not available. The application cannot continue because, for example, a vital feature is inoperable, and data cannot be secured or backed up.</li> </ul> <p>**All Critical SRs made by Customer must be logged via the helpdesk system and also communicated directly by Customer to Emtec via phone.</p>

Severity Level	Priority	Environment	Description
High	2	Production	<p><u>Significant Business Impact</u></p> <p>A High Severity SR (incident) applies when processing can proceed, but performance is significantly reduced, or operation of the system is considered severely limited.</p> <p>A High Severity defect has one or more of the following characteristics:</p> <ul style="list-style-type: none"> <li>• Internal software error causes the system to fail, but restart or recovery is possible.</li> <li>• Performance is degraded.</li> <li>• Some important functionality is unavailable, yet the system can continue to operate in a restricted fashion.</li> </ul> <p>All High Severity SRs made by Customer must be logged via the helpdesk system</p>
Medium	3	Production	<p><u>Minimal Business Impact</u></p> <p>A Medium Severity SR (incident) applies to a problem/product defect that causes minimal loss of service. The impact of the problem/product defect is minor or inconvenient, such as a manual bypass to restore product functionality.</p> <p>A Medium Severity defect has one or more of the following characteristics:</p> <ul style="list-style-type: none"> <li>• A software error for which there is a Customer acceptable workaround.</li> <li>• Minimal performance degradation.</li> <li>• Software error requiring manual editing of configuration or script files around a problem.</li> </ul> <p>Medium Severity SRs made by Customer must be logged via the helpdesk system</p>

Severity Level	Priority	Environment	Description
Low	4	Production	<p>A Low Severity SR (“non-incident”) applies to a problem/product defect that causes no loss of service and in no way impedes use of the system.</p> <p>The impact of the problem/product defect has one or more of the following characteristics:</p> <ul style="list-style-type: none"> <li>• A software enhancement for which there is a Customer acceptable workaround.</li> <li>• Users asking, “how do I?” type questions.</li> <li>• Documentation error.</li> </ul> <p>Low Severity SRs made by Customer must be logged via the helpdesk system</p>

**Determination of Severity Levels**

An SR will have Severity and Priority assigned jointly between Emtec and Customer according to the following process:

**Initial Severity Level**

The user logging the issue will assign a suggested Severity Level at the time the ticket is originally logged. After review of the ticket, Emtec and Customer mutually determine and record an initial Severity Level for the SR.

**Adjustments of Severity Levels**

If, during the SR process, the issue no longer warrants the assigned Severity Level based on the current impact of the issue on Customer’s business operations within the Production Environment, then the Severity Level shall be adjusted to the Severity Level that most appropriately reflects the issue’s current impact. In requesting the SR be adjusted to a higher Severity Level, Customer must provide Emtec with sufficient information that demonstrates the increased impact of the issue on Customer’s business operations.

**Adherence to Severity Level Definitions**

The Parties shall work in good faith to develop a process to assure that the assignment and adjustment of any Severity Level designation is accurate based on the current impact on Customer’s business operations. Customer acknowledges that Emtec is not responsible for any failure to meet Service Level Metrics caused by Customer’s misuse or mis-assignment of Severity Level designations.

**Credit Process for SLA non-compliance**

In the event of hours disputes or SLA non-compliance, Emtec and customer will discuss the specific event and mutually agree to the remediation plan. That plan may include hours credit or invoice credit depending on the specific situation. Customer will raise event to the Emtec’s Service Delivery Manager for action.

### **Change Control Procedure**

The SLA is subject to modification at mutual agreement between Emtec and the Customer. Nonetheless, Emtec agrees that it will not materially reduce the service levels defined in this SLA during the term of the SOW. Any changes to an SLA or other terms herein will be addressed with a Change Order. A change management process will be followed whereby Emtec will provide documentation of the change to Customer with a minimum of thirty (30) days notice, including any impacts to Scope, calculations, or other terms of the SLA. In the event that a Change Order to the SLA results in a modification to the Fees for Services as defined in the SOW, a Change Order will be required for the SOW and require mutual agreement of the Parties.



### 3.0 Our Pricing

As requested in the RFP, Emtec is providing monthly contract costs for blocks of hours as follows: 100, 125, 150, 175 & 200. We welcome the opportunity to address any questions or concerns SCVW has about pricing and/or scope and make any appropriate adjustments to our price based on those deeper discussions. We encourage your questions.

Monthly Hours	Location	Pre-purchased hours	Rate	Monthly Fee
100	Onshore	50	\$180	\$12,600.00
	Offshore	50	\$72	
125	Onshore	75	\$180	\$17,100.00
	Offshore	50	\$72	
150	Onshore	75	\$180	\$18,900.00
	Offshore	75	\$72	
175	Onshore	100	\$180	\$23,400.00
	Offshore	75	\$72	
200	Onshore	100	\$180	\$25,200.00
	Offshore	100	\$72	

Emtec’s recommendation, based on our knowledge of the implementation and user community, is option #3, 150 monthly hours. For a total contract funding of **\$680,400** for the 3 year term.

Emtec’s contracts are flexible so that if SCVW should increase or decrease their hours allocation, they may do so with potential rates adjustments as listed in the rate card below.



## RATE CARD

### SUBSCRIPTION BLENDED

Monthly Minimum Hours	Disc. Hourly Rate	Overage Hourly Rate
20-79	\$160	\$165
80-99	\$155	\$160
100-299	\$150	\$155
300+	\$145	\$150

### SUBSCRIPTION ONSHORE

Monthly Minimum Hours	Disc. Hourly Rate	Overage Hourly Rate
20-79	\$180	\$185
80-99	\$175	\$180
100-299	\$170	\$175
300+	\$165	\$170

### SUBSCRIPTION OFFSHORE

Monthly Minimum Hours	Disc. Hourly Rate	Overage Hourly Rate
20-79	\$72	\$77
80-99	\$62	\$67
100-299	\$57	\$62
300+	\$52	\$57

As an alternate option, Emtec proposes the use of automated testing for all Oracle Cloud quarterly upgrades. The option available above is the use of manual testing only. In the manual testing option SCVW uses their subscription hours to have Emtec’s resources test manually on a quarterly basis.

In the option below, Emtec has prorated the implementation and execution costs of automated testing for the term of the contract. If SCVW uses this option, then Emtec’s recommendation for subscription hours would be option #1, 100 hours per month. This represents total contract funding of **\$545,652** for the 3 year term, a **savings of \$134,748** over the 3-year term.

Monthly Hours	Location	Pre-purchased hours	Rate	Monthly Fee
100	Onshore	50	\$180	\$15,157.00
	Offshore	50	\$72	
	n/a	Automated Testing Fixed Fee	\$2,557	
125	Onshore	75	\$180	\$19,657.00
	Offshore	50	\$72	
	n/a	Automated Testing Fixed Fee	\$2,557	
150	Onshore	75	\$180	\$21,457.00
	Offshore	75	\$72	
	n/a	Automated Testing Fixed Fee	\$2,557	
175	Onshore	100	\$180	\$25,957.00
	Offshore	75	\$72	
	n/a	Automated Testing Fixed Fee	\$2,557	
200	Onshore	100	\$180	\$27,757.00
	Offshore	100	\$72	
	n/a	Automated Testing Fixed Fee	\$2,557	

## 4.0 Supporting Documents

### Recent Projects

The projects listed are Oracle Cloud (Fusion) Managed Services projects signed in the last 12 months. Emtec has deep respect for our client’s privacy and we respectfully request that you do not reach out to our customers directly but rather allow us the opportunity to schedule the initial discussion.

Client	Industry	Fusion Modules
Central Contra Costa Sanitary District	Utilities	Fin, Proc, Inv, Projects, Payroll, Benefits, Core HR, Absences, Goals, EPM, Integrations, Reporting
Entregado Group	Utilities Infrastructure	Fin, Proc, Projects, OTL, Core HR, Integrations, Reporting
St. Peter’s Health	Healthcare	Fin, Proc, Inv, Projects, Core HR Integrations, Reporting
Store Capital	Financials	Financials, Projects, Core HR, Integrations, Reporting
Crowley Maritime	Logistics	Fin, Proc, Inv, Projects, Payroll, Benefits, Core HR, Absences, Goals, Integrations, Reporting
Fox River Reclamation Water Agency	Utilities	Fin, Proc, Projects, Core HR, Integrations, Reporting
Arkansas Heart Hospital	Healthcare	Fin, Proc, Inv, Core HR, EPM, Integrations, Reporting
Sta. Clarita Valley Water Agency	Utilities	Fin, Proc, Inv, Projects, Core HR, EPM, Integrations, Reporting

**Staffing Work Plan**

Employee	Title	Onshore / Offshore	Time Zone	Modules Supported
Karen Effner	Service Delivery Manager	Onshore	Central	Account Manager
Isabel Avila	Principal Consultant	Onshore	Central	SCM Cloud, Proc/INV SME
Gustavo Canalis	Principal Consultant	Onshore	Central	Fin Cloud, Projects SME
Oszel Tuliva	Principal Consultant	Onshore	Central	Fin Cloud, ERP Financials SME
Jacob Perez	Principal Consultant	Onshore	Central	Fin Cloud, SCM Cloud Generalist
Harshit Srivastava	Principal Consultant	Offshore	IST (India)	HCM Cloud, Core HR SME
Mahesh Sandiri	Principal Cons./backup	Offshore	IST (India)	Fin Cloud, Projects SME
Ranjit Nuthangi	Senior Cons./backup	Offshore	IST (India)	Fin Cloud, ERP Financials
Sharon Chao	Principal Developer	Onshore	Central	Advanced Report writing
Santosh Engilala	Senior Dev./backup	Offshore	IST (India)	Reports & Integrations
Todd Sullivan	Principal Consultant	Onshore	Central	PBCS – Advanced reporting

**Resumes**

Attachment 1 – Includes assigned resources resumes

**Certificate of Liability**


Attachment 2 – Includes insurance form

**No Addendum – Attachment 2**

Attachment 3 – Includes signed no Addendum form



## BOARD MEMORANDUM

**DATE:** January 15, 2022  
**TO:** Board of Directors  
**FROM:** Director Orzechowski  
Cris Pérez, Director of Technology Services   
**SUBJECT:** Discuss and Consider Hybrid Board and Committee Meeting Technology

---

### SUMMARY

As directed by the Board and considered and discussed by the Ad Hoc Board Technology and Remote Public Participation Committee, staff investigated Boardroom technology upgrades to support the return to in-person Board and Committee meetings and offering of remote public participation as a public convenience. Inventory, research, and discussion resulted in the proposed technologies and approach to support hybrid meetings.

### DISCUSSION

Hybrid meetings allow attendees to connect virtually (online via internet or telephonically) with other meeting attendees who are physically in-person. Hybrid meetings combine the benefits of live and virtual interaction between presenters, in-person attendees, and virtual attendees.

Staff researched, interviewed organizations, and spoke with various vendors/contractors to develop an approach and choice of technology to support hybrid Board/Committee meetings. As a result, the Ad Hoc discussed and proposes to use the existing Boardroom audio equipment and continue the use of Zoom for Government. However, staff would still require the purchase and installation of new hardware and software.

The Boardroom is equipped with high-quality audio equipment but does not have the technology for video capture or to support internet audio/video live-stream. The existing audio equipment allows voice amplification through wireless microphones that feed into a central control system. In addition, the system has been locally calibrated to allow for hearing impaired device connectivity and digital audio recording.

The Boardroom needs a combination of hardware and software to support hybrid meetings. This includes approximately \$11,000 of hardware (2 cameras, encoder, video/audio adapter, and digital media controller) and an additional \$7,500 of cabling and equipment installation and custom controller programming.

Currently, there is a short lead time for acquisition of the proposed hardware, which supply chain issues could impact. We anticipate approximately 30-45 days to complete the project. This would include purchasing and installing the new hardware and software and training staff to operate the equipment. Staff will also include time to conduct a test meeting before the first live Board/Committee meeting.

In addition, based on lessons learned from other agencies that have already transitioned to a hybrid model, we would need an IT Technician present at all hybrid Board and Committee meetings. This would increase personnel costs compared to non-hybrid meetings by \$26,834 annually.

Further, staff would request that due to spacing limitations at the Summit Conference Room, so long as COVID restrictions exist, all Board and Committee meetings occur at Rio Vista Boardroom.

	<b>Timeline</b>	<b>One-time Cost</b>	<b>Staff</b>	<b>Increased Personnel Cost</b>	<b>Annual Licenses</b>
Hybrid	30-45 days	\$18,500	2	\$26,834	\$10,500

Lastly, in the event there is a disruption of service which prevents the Agency from broadcasting the meetings to members of the public using either the call-in option or internet-based service, or a disruption outside of the Agency’s control, which would prevent the public from participating or making public comment the meetings will not be postponed or rescheduled but will continue without remote public participation. The hybrid option is for convenience for members of the public to attend virtually and is not a requirement. A disclaimer would be added to all Agency Agendas advising the public that in the event of such an issue the public may then attend the meeting in person to deliver their public comment. Members of the public may submit their public comments in writing prior to all Agency Board and Committee meetings.

**FINANCIAL CONSIDERATIONS**

The Agency has a budget available to cover the Hybrid option of \$18,500 for the one-time cost of equipment purchase and configuration, the reoccurring cost of \$10,500 per year for licensing, and the anticipated increased personnel cost of \$26,834.

**RECOMMENDATION**

The Ad Hoc Committee recommends that the Board of Directors approve the Boardroom technology upgrades to support remote public participation as a public convenience and that until COVID distancing restrictions are lifted that all Board and Committee meetings be held at the Rio Vista Water Treatment Plant Boardroom.



ITEM NO.  
7

# Santa Clarita Valley Water Agency

## Safety and Emergency Response Plan Update

Board Meeting  
February 15, 2022

Mark Passamani  
EH&S Supervisor

Joe Diaz  
EPSC

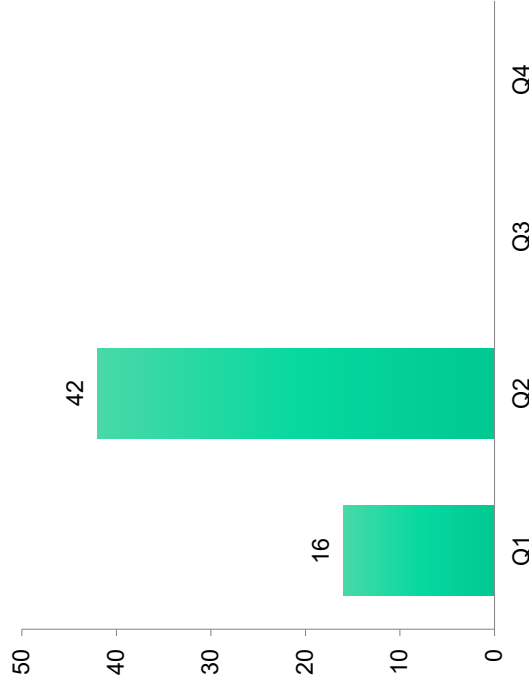
Aaron Southard  
Safety Specialist I

# Safety Training Status

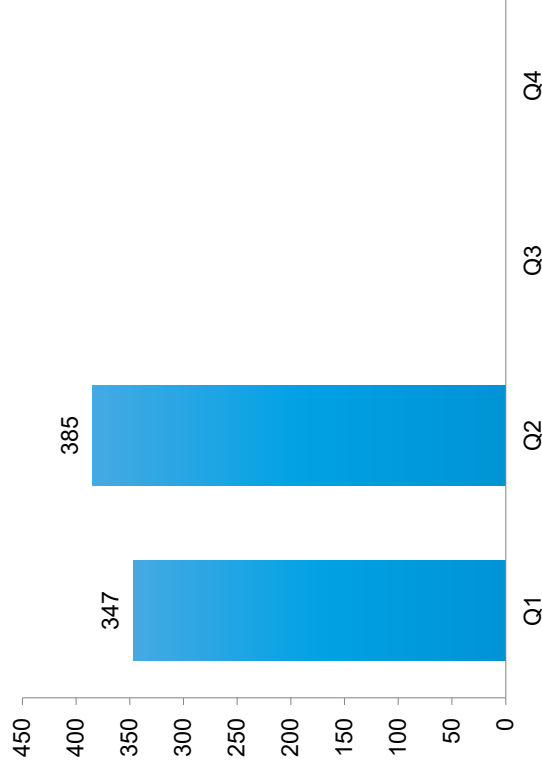
FY 2021/22 - Q2

October 1, 2021 to December 31, 2021

Safety Training Classes Held



Number of Employees Trained



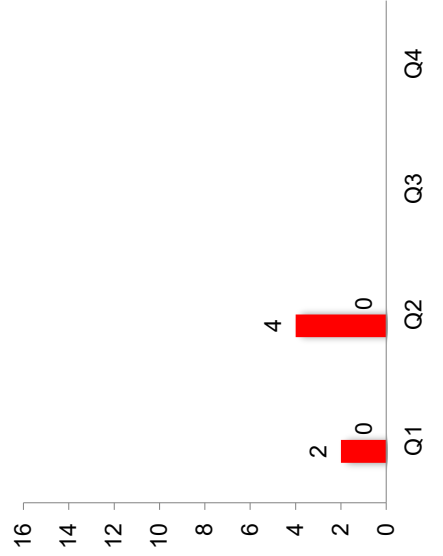
YOURSCVWATER.COM



# Incident Data

FY 2021/22 - Q1  
October 31, 2021 to December 31, 2021

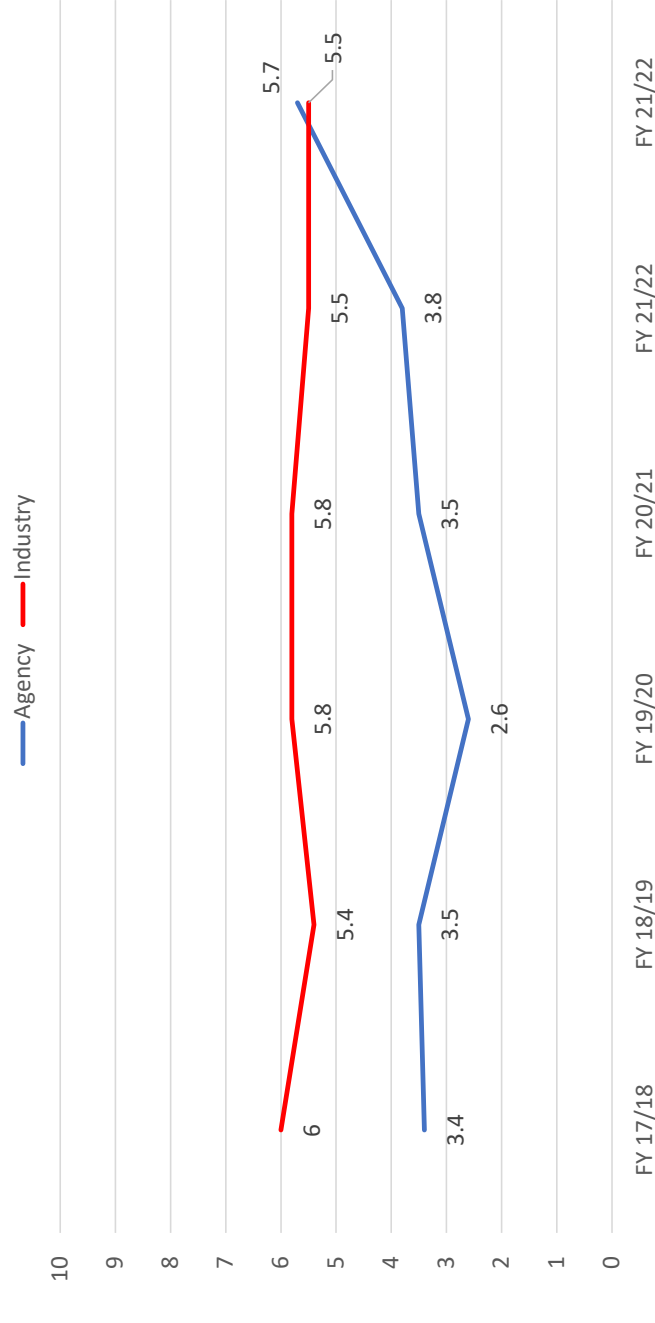
■ Recordable Incidents  
■ Reportable Incidents



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# Recordable Incident Status

5 Year Comparison  
FY 15/16 to FY 21/22 - Q2



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# Emergency Response Plan History

- In 2002, pre-merger organizations collaborated on preparing Vulnerability Assessments in response to the 2002 Bioterrorism Act
  - Biggest threat was determined to be vandalism
- Improvements included:
  - Storage Tank hatch alarms
  - Improved fencing at remote locations
  - Security camera installations
  - More frequent site visits

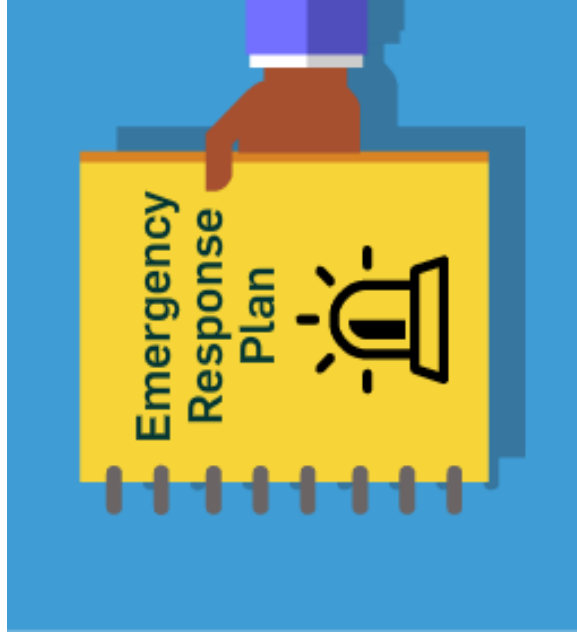
## Public Health Security and Bioterrorism Preparedness Response Act



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# Emergency Response Plan History

- Prior to 2018 each legacy organization had their own Emergency Response Plan
- Each plan included:
  - Evacuation plans
  - Communication plans
  - Threats
  - Roles and Responsibilities
  - Critical Operations
- Cal-WARN Mutual Aid Agreements



# Emergency Response Plan Currently

- In response to the 2018 American Water Infrastructure Act, which was a follow up to the 2002 Bioterrorism Act - prepared and submitted:
  - Risk and Resilience Assessment - March 2020
  - Combined/consolidated pre-merger Emergency Response Plans - September 2020
- The R&R Assessment also included analysis of additional threats/risks

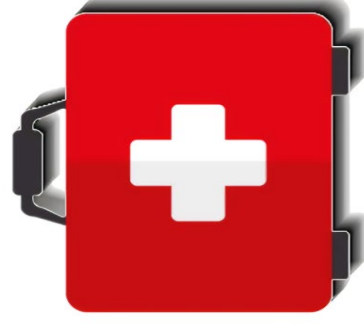


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## Emergency Action Plans

- Developing Emergency Action Plans (EAP)
  - Purpose of an EAP is to facilitate and organize employer and employee actions during workplace emergencies.
  - comprehensive EAP deals with specific hazards associated with each individual worksite.
  - Chemical release
  - Fire
  - Earthquakes
  - Act of Terrorism
  - Medical

# Emergency Action Plan



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# Improvements

- Emergency Communication - Mobile radio improvements
  - Quarterly Testing
- Emergency Mass Notification System - Alert Media
  - Monthly Testing
  - Admins at each location
- Emergency Action Plan Training
  - Updated Emergency Safety Monitor Program
- Evacuation Drills
  - CA Great Shake Out 2020 & 2021



**AlertMedia**



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## Future Projects and Collaborations

- Complete EAP's for all locations
  - Training for all upon completion
  - fire extinguisher training, active shooter and mass casualty incidents.
- Coordination and Emergency Management Training
  - City of Santa Clarita Emergency Preparedness Group
  - L A County Emergency Management Area-B
  - LEPC- Region 1
  - Cal-WARN - Southern OES Region 1
  - Emergency Response Drills
    - Field Scenarios, Table-top and EOC
  - Emergency Communication Exercises
  - FEMA Emergency Operation Center Training



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THANK YOU

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## BOARD MEMORANDUM

**DATE:** January 25, 2022

**TO:** Board of Directors 

**FROM:** Eric Campbell  
Chief Financial and Administrative Officer

**SUBJECT:** January 24, 2022 Rescheduled Finance and Administration Committee Meeting Report

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The Finance and Administration Committee met at 6:00 PM on Monday, January 24, 2022 via teleconference. In attendance were Chair Dan Mortensen, Directors Beth Braunstein, Ed Colley, R. J. Kelly and Gary R. Martin. Staff members on the call included Accounting Technician II Kyle Arnold, Administrative Technician Terri Bell, Assistant General Manager Steve Cole, Chief Engineer Courtney Mael, Customer Service Manager Kathleen Willson, Director of Finance and Administration Rochelle Patterson, Executive Assistant Leticia Quintero, Financial Analyst Darine Conner, General Manager Matt Stone, Management Analyst II Erika Dill, and Sr. Management Analyst Kim Grass. General Counsel Lutfi Kharuf from BBK Law was present, along with members of the public. A copy of the agenda is attached.

**Item 1: Pledge of Allegiance**

**Item 2: Public Comment** – There was public comment.

**Item 3: Recommend Approval of a Professional Services Agreement for Oracle Managed Services** – Staff and the Committee discussed this item and agreed that it be presented for consideration at the February 15, 2022 regular Board meeting. Additionally, the Committee requested that staff provide an update on the services contract utilization in six months.

**Item 4: Discuss Ratepayer Assistance Program** – Due to the need to research a Brown Act compliance concern, this item was postponed and will now be heard at the February 28, 2022 regular Finance and Administration Committee meeting.

**Item 5: Recommend Approval of a Resolution Adopting a Revised Investment Policy** – Staff and the Committee discussed this item and agreed to place it on the Consent Calendar for the February 15, 2022 regular Board meeting.

**Item 6: Recommend Receiving and Filing of FY 2021/22 First Quarter Financial Report (July – September 2021)** – Staff and the Committee discussed this item and agreed that it be presented for consideration at the February 15, 2022 regular Board meeting.

**Item 7: Committee Planning Calendar** – Staff and the Committee briefly reviewed the FY 2021/22 Committee Planning Calendar.

**Item 8: General Report on Finance and Administration Activities** – Staff expressed its gratitude for the team's work with Oracle and the visual reports that resulted from the new system.

**Item 9: Adjournment** – The meeting was adjourned at 7:21 PM.

EC/ed

Attachment

M65



**Date:** January 18, 2022

**To:** **Finance and Administration Committee**  
Dan Mortensen, Chair  
Beth Braunstein  
Ed Colley  
R. J. Kelly  
Gary R. Martin

**From:** Eric Campbell  
Chief Financial and Administrative Officer

The **Finance and Administration Committee** is scheduled to meet via teleconference on **Monday, January 24, 2022 at 6:00 PM**; dial-in information is listed below.

**TELECONFERENCE ONLY  
NO PHYSICAL LOCATION FOR MEETING**

**TELECONFERENCING NOTICE**

Pursuant to the provisions of AB 361 this meeting is being held remotely. The SCV Water Board will continue to hold remote Board and Committee meetings due to the continuing State of Emergency for COVID-19 and state and local official's continuance to impose or recommend measures to promote social distancing. Any Director may call into the Agency Committee meeting using the **Agency's Call-In Number (1-833-568-8864), Webinar ID 160 590 4467 or Zoom Webinar by clicking on the link <https://scvwa.zoomgov.com/j/1605904467>** without otherwise complying with the Brown Act's teleconferencing requirements.

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

**If the State of Emergency for COVID-19 expires prior to this meeting and after the posting of this Agenda, this meeting will be held in person at the Santa Clarita Valley Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350 in the Board and Training Rooms.**

We request that the public submit any comments in writing if practicable, which can be sent to **edill@scvwa.org** or mailed to **Erika Dill, Management Analyst II**, SCV Water, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. All written comments received before 4:00 PM the day of the meeting will be distributed to the Committee members and posted on the SCV Water website prior to the meeting. Anything received after 4:00 PM the day of the meeting will be posted on the SCV Water website the following day.

## MEETING AGENDA

<u>ITEM</u>		<u>PAGE</u>
1.	<b><u>PLEDGE OF ALLEGIANCE</u></b>	
2.	<b><u>PUBLIC COMMENTS</u></b> – 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 Approval of a Professional Services Agreement for Oracle Managed Services	9
4.	◆ Discuss Ratepayer Assistance Program	
5.	* Recommend Approval of a Resolution Adopting a Revised Investment Policy	37
6.	* Recommend Receiving and Filing of FY 2021/22 First Quarter Financial Report (July – September 2021)	65
	September 2021 Check Registers Link: <a href="https://yourscvwater.com/wp-content/uploads/2022/01/September-2021-Check-Register.pdf">https://yourscvwater.com/wp-content/uploads/2022/01/September-2021-Check-Register.pdf</a>	
7.	* Committee Planning Calendar	121
8.	General Report on Finance and Administration Activities	
9.	Adjournment	
	* Indicates attachments	
	◆ To be distributed	

**NOTICES:**

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning **Erika Dill, Management Analyst II** at (661) 297-1600, or writing to SCV Water at 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that Agency staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the Agency to provide the requested accommodation.

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 SCV Water, located at 27234 Bouquet Canyon Road, Santa Clarita, California 91350, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Website, accessible at <http://www.yourscvwater.com>.

Posted on January 19, 2022.

M65

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## BOARD MEMORANDUM

**DATE:** February 4, 2022  
**TO:** Board of Directors  
**FROM:** Courtney Mael, P.E., Chief Engineer *CM*  
Keith Abercrombie, Chief Operating Officer *KA*  
**SUBJECT:** February 3, 2022 Engineering and Operations Committee Meeting Report

---

The Engineering and Operations Committee met at 5:30 PM on Thursday, February 3, 2022 via teleconference. In attendance were Committee Chair William Cooper and Directors Jeff Ford, Gary Martin, Piotr Orzechowski and Lynne Plambeck. Staff members present were Associate Engineer Elizabeth Sobczak; Chief Engineer Courtney Mael; Chief Operating Officer Keith Abercrombie; Director of Operations and Maintenance Mike Alvord; Executive Assistants Elizabeth Adler and Leticia Quintero; General Manager Matt Stone; Right of Way Agent Kristina Jacob; Senior Engineer Orlando Moreno; Water Systems Supervisor Gil Hermosillo and additional SCV Water Agency staff. General Counsel Joseph Byrne from BBK Law and three members of the public were present on the call. A copy of the agenda is attached.

**Item 1: Pledge of Allegiance** – Director Ford led the Committee in the Pledge of Allegiance.

**Item 2: Public Comments** – There was no public comment.

**Item 3: Recommend Approval of Pipeline Improvements Associated with Pinetree Booster Station #3** – The Committee and staff discussed this item and recommended Board approval and placement of the item on the Board Consent Calendar at the February 15, 2022 regular Board meeting.

**Item 4: Recommend Approval of Resolution Awarding Construction Contract for Commerce Center Tanks No. 1 and No. 2 Exterior Recoat Project** – The Committee and staff discussed the measures the Agency is taking to contain any debris from the project and recommended Board approval and placement of the item on the Board Consent Calendar at the February 15, 2022 regular Board meeting.

**Item 5: Recommend Approval of Revisions to the Board of Directors Policies and Procedures to Update the Section Regarding General Manager Authority to Accept and Convey Interests in Real and Personal Property** – The Committee and staff discussed the proposed policy changes in depth, proposed additional verbiage regarding reporting requirements and recommended Board approval and placement of the item on the Board Consent Calendar at the March 1, 2022 regular Board meeting.

**Item 6: Recommend Approval of a Purchase Order to Hazen and Sawyer Inc. for Final Design Services for the New T7, U4 and U6 Wells PFAS Treatment, Saugus 1 and 2 Wells VOC Treatment and Disinfection Facility at the Existing Rio Vista Intake Pump Station** – The Committee and staff discussed this item and recommended Board approval and a presentation of the item at the March 1, 2022 regular Board meeting.

**Item 7: Recommend Adopting a Resolution Approving Funding for Construction Cost of the Pitchess Pipeline Modifications During the I-5 North Capacity Enhancement Project to the Los Angeles County Metropolitan Transportation Authority** – The Committee and

staff discussed this item and recommended Board approval and placement of the item on the Board Consent Calendar at the March 1, 2022 regular Board meeting.

**Item 8: Monthly Operations and Production Report** – Staff and the Committee reviewed the Operations and Production Report.

**Item 9: Capital Improvement Projects Construction Status Report** – Staff and the Committee reviewed the Capital Improvement Projects Construction Status Report.

**Item 10: Third Party Funded Agreements Quarterly Report** – Staff and the Committee reviewed the Third Party Funded Agreements Quarterly Report.

**Item 11: Committee Planning Calendar** – Staff and the Committee reviewed the FY 2021/22 Committee Planning Calendar.

**Item 12: General Report on Treatment, Distribution, Operations and Maintenance Services Section Activities** – Keith Abercrombie updated the Committee on Operation's continuous efforts to involve additional staff in presenting items at future Engineering and Operations Committee meetings and he updated the Committee on the large AMI meter purchase and RFP that is underway for the installation of the meters under SCVWA direction. Additionally, Keith shared with the Committee the results of the recent CUPA inspection and how they are updating the procedures as a result of the inspection.

**Item 13: General Report on Engineering Services Section Activities** – Courtney Mael updated the Committee on several areas that the Engineering and Inspection Services Sections are focusing on to align processes and procedures for the Agency. Courtney also shared with the Committee the numerous new development projects, detailed the preliminary levels of projects and the planned use of pre-stress concrete tanks to avoid coating issues.

**Item 14: Adjournment** – The meeting adjourned at 7:18 PM.

CM/KA

Attachment

M65



**Date:** January 25, 2022

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

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

The **Engineering and Operations Committee** is scheduled to meet via teleconference on **Thursday, February 3, 2022 at 5:30 PM**, call-in information is listed below.

**TELECONFERENCE ONLY  
NO PHYSICAL LOCATION FOR MEETING**

**TELECONFERENCING NOTICE**

Pursuant to the provisions of AB 361 this meeting is being held remotely. The SCV Water Board will continue to hold remote Board and Committee meetings due to the continuing State of Emergency for COVID-19 and state and local official's continuance to impose or recommend measures to promote social distancing. Any Director may call into the Agency Committee meeting using the **Agency's Call-In Number 1-(833)-568-8864, Webinar ID: 160 421 9802 or Zoom Webinar by clicking on the link <https://scvwa.zoomgov.com/j/1604219802>** without otherwise complying with the Brown Act's teleconferencing requirements.

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

**If the State of Emergency for COVID-19 expires prior to this meeting and after the posting of this Agenda, this meeting will be held in person at the Santa Clarita Valley Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350 in the Board and Training Rooms.**

We request that the public submit any comments in writing if practicable, which can be sent to **[eadler@scvwa.org](mailto:eadler@scvwa.org)** or mailed to **Elizabeth Adler, Executive Assistant**, Santa Clarita Valley Water Agency, 26515 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 and will be posted on the SCV Water website the following day.

**MEETING AGENDA**

<u>ITEM</u>	<u>PAGE</u>
1. <b><u>Pledge of Allegiance</u></b>	
2. <b><u>Public Comments</u></b> – 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 Approval of Pipeline Improvements Associated with Pinetree Booster Station #3	1
4. * Recommend Approval of Resolution Awarding Construction Contract for Commerce Center Tanks No. 1 and No. 2 Exterior Recoat Project	13
5. * Recommend Approval of Revisions to the Board of Directors Policies and Procedures to Update the Section Regarding General Manager Authority to Accept and Convey Interests in Real and Personal Property	25
6. * Recommend Approval of a Purchase Order to Hazen and Sawyer Inc. for Final Design Services for the New T7, U4 and U6 Wells PFAS Treatment, Saugus 1 and 2 Wells VOC Treatment and Disinfection Facility at the Existing Rio Vista Intake Pump Station	43
7. * Recommend Adopting a Resolution Approving Funding for Construction Cost of the Pitches Pipeline Modifications During the I-5 North Capacity Enhancement Project to the Los Angeles County Metropolitan Transportation Authority	73
8. * Monthly Operations and Production Report	83
9. * Capital Improvement Projects Construction Status Report	189
10. * Third Party Funded Agreements Quarterly Report	191
11. * Committee Planning Calendar	199
12. General Report on Treatment, Distribution, Operations and Maintenance Services Section Activities	
13. General Report on Engineering Services Section Activities	
14. 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 Elizabeth Adler, Executive Assistant, at (661) 297-1600, or in writing to Santa Clarita Valley Water Agency at 26515 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 January 27, 2022.

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## BOARD MEMORANDUM

**DATE:** February 7, 2022  
**TO:** Board of Directors  
**FROM:** Joseph Byrne and Thomas Bunn, Legal Counsel  
**SUBJECT:** Discuss and Consider Amending the Board Policy on Director Remote Attendance at Board and Committee Meetings

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### SUMMARY / DISCUSSION

At the Board of Directors meeting on December 7, 2021, there was an item on the Agenda to consider changes to the Board Policies and Procedures on Director attendance at Board and Committee meetings by teleconference. The item was placed on the Agenda at the request of Director Colley, and Director Colley prepared a detailed Board report with a summary and discussion of his concerns about the policy. The Board report also provided proposed changes to the existing policy. At the December 7, 2021 Board meeting, the Board President indicated that he would create an Ad Hoc Committee to examine the policy and determine whether any changes were necessary in light of issues that were raised by Director Colley. There was no action taken on the item and the Board agreed to consider the issue at a later meeting after the Ad Hoc Committee meets.

The Ad Hoc Committee, which is composed of Directors Armitage, Braunstein, Cooper, Gladbach, and President Martin, met on February 2, 2022 and discussed the existing policy on Director attendance at Board meetings by teleconference and whether to recommend any changes to the Board. Based on that discussion, the Ad Hoc Committee unanimously agreed to recommend certain clarifying edits. The purpose of the proposed edits is to make it clear that the language in the existing policy requiring a Director to provide a written "reason" for a request is not intended to solicit information about why a Director cannot attend a meeting, but rather why the Director feels it is important that they participate by teleconference rather than not attending. In addition, the statement in the existing policy that the Board's position is that Directors should not participate by teleconference "... unless there is an important reason to do so..." is similarly aimed at the reason why a Director feels they need to attend the meeting rather than being absent. The Ad Hoc committee feels it is important for Directors to participate in person.

Attached to this Board report is a draft amendment (Attachment 1) to the existing policy that is being proposed by the Ad Hoc Committee. In addition, attached is the Board report prepared by Director Colley (described above) (Attachment 2) from the December 7, 2021 Board meeting, which includes his recommended changes to the Board policy. The item is on the Agenda for the Board to discuss the policy and the two proposals, and to determine whether to take action to amend the Board policy or not.

**FINANCIAL CONSIDERATIONS**

None.

**RECOMMENDATION**

That the Board of Directors discuss the Board policy on Director attendance by teleconference and the two proposed amendments and consider whether to take action to amend the policy or not.

Attachments



**ATTACHMENT 1**

**POLICIES AND PROCEDURES**

**FOR THE**

**BOARD OF DIRECTORS**

**OF THE**

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

**August 20, 2019**

**SECTION III, A.1**

**BOARD AND COMMITTEE MEETINGS**

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## Ad Hoc Recommended Changes (Redlined below)

### III. BOARD AND COMMITTEE MEETINGS

#### A. Board Meetings

##### 1. Quorum and Voting

Seven (7) or more Directors constitute a quorum of the Board. No Board meeting may be called to order nor may any action be taken without the presence of a quorum. As the number of Directors reduces consistent with Sections 9 and 10 of the Act, a majority of the number of authorized Director positions shall constitute a quorum of the Board.

The Board shall act, at properly noticed Board meetings, only by ordinance, resolution, or motion. Adoption of any ordinance, resolution, or motion requires an affirmative vote by a majority of the Board unless the action being taken specifically requires otherwise. Directors should vote (yes, no, or abstain) on all proposed Board actions unless a Director declares the matter to be a conflict of interest prior to discussion of the subject, in which case the affected Director should recuse him or herself from discussing and/or voting on the matter and leave the room until after the discussion, vote and disposition of the matter is concluded (Political Reform Act, Government Code §§87100-87105).

Voting on ordinances shall be by roll call vote, with the yes's and no's recorded in the minutes. When conducting a roll call vote, the Secretary shall call for the vote of each Director and for the vote of the President last.

Voting on resolutions and motions may be by voice or electronic system vote, ruled upon as either passing or failing by the President. The President or the Board Secretary shall announce if an action was unanimous and if it was not, which Directors voted against the action. On demand of any Director, a roll call vote shall be called to confirm the ruling of the President as to the outcome of a voice or electronic system vote.

Directors may participate in Board meetings by teleconference with Board approval, at the request of the Board president, or by approval of the Board President if circumstances are such that obtaining Board approval is not practicable. Unless requested by the Board President, Directors wishing to participate in a Board meeting using teleconference shall submit a written request to the Board President that ~~includes~~ indicates why it is important for them to attend by teleconference. the reason(s) for the request. The Board President shall place the item on the next Board agenda for consideration. It is the Board's ~~preference position~~ that Directors ~~not~~ participate in Board meetings in person. by teleconference unless there is an important reason to do so. Any teleconferenced meeting shall comply with all of the requirements of the Brown Act.

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## ATTACHMENT 2

### BOARD MEMORANDUM

**DATE:** October 25, 2021  
**TO:** Board of Directors  
**FROM:** Ed Colley  
Board Member  
**SUBJECT:** Discuss and Consider Changing the Board Policy on Director Remote Attendance at Board and Committee Meetings

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#### **SUMMARY**

The current policy requires a Director to provide an “important reason” to justify his or her remote attendance at an agency meeting. This may compel a Director to either publicly reveal personal information or forgo remote attendance. A change to allow each Director to determine for him or herself the importance of remote attendance, subject to reasonable limits applicable to all Directors, is proposed.

#### **DISCUSSION**

The current remote attendance policy provides:

“Directors may participate in Board meetings by teleconference with Board approval, at the request of the Board president, or by approval of the Board President if circumstances are such that obtaining Board approval is not practicable. Unless requested by the Board President, Directors wishing to participate in a Board meeting using teleconference shall submit a written request to the Board President that includes the reason(s) for the request. The Board President shall place the item on the next Board agenda for consideration. It is the Board’s position that Directors not participate in Board meetings by teleconference unless there is an important reason to do so. Any teleconferenced meeting shall comply with all of the requirements of the Brown Act.”

Recently Director R.J. Kelly submitted a request under this policy that serves to highlight substantial problems with this current policy.

Three fundamental assumptions are important to this discussion. First, every Director is primarily answerable to his or her constituents and the ratepayers of the Agency. Second, no Director’s personal life or medical issues should be made a subject of public discussion unless he or she chooses to voluntarily place an issue into the public domain. Third, every Director’s attendance and participation in meetings is important and valued.

Director Kelly asserted in his request that he needed to attend meetings remotely for “personal reasons.” He did not reveal any more specifics. One could speculate that he intends to go on a vacation, or that he needs to have prostate surgery; one could make up a hundred different possible scenarios, but none would serve any purpose as the public has far too little evidence

upon which to form an opinion. Ultimately, unless he decides, voluntarily, to tell the public, it is not their business.

Under the current policy that declares that an “important reason” must exist in order to overcome the presumption that teleconferencing is disfavored, a Director may be compelled to either reveal more information than they might otherwise want to keep private, or suffer the consequence of not being able to attend a meeting remotely. Depending on the nature of the “important reason” the Director may be faced with a Hobson’s choice.

Of course, the contours of an “important reason” are not included in the current policy. Some might consider a vacation to be of sufficient importance to warrant the absence. Others may not. Some might think that caring for one’s spouse following a mastectomy to be important. Others might reason that leaving that care to a hospital staff for a few hours would be the better option. Again, one could fill a hundred pages with reasons, and sorting them into important and un-important would likely be difficult and subject to substantial disagreement by members of the Board.

For each individual director called upon to judge the importance of a reason, it is likely that other factors would come into play. If the requestor was less popular it would be more likely that his or her reasons would be found to be un-important. A popular director’s request is more likely to be found to be important.

In his request, Director Kelly urges that it is important that every Director be afforded the opportunity to represent his or her constituents and to stay informed by attending meetings.

Of course, one should also consider the costs incurred when a Director attends a meeting remotely. When any Director attends remotely, every vote must be taken by roll call which always takes more time than the “clickers” which could otherwise be used. At the October 19, 2021 meeting, where every director attended remotely, it took 40 seconds to vote on the agenda by roll call. If one assumes it typically took 10 seconds to vote with the automated system used for in-person meetings, each roll call vote extends the meeting by about 30 seconds. If a typical Board agenda requires ten votes, a typical meeting is extended by five minutes. For committee meetings votes are not required, so one would not expect meetings to be any longer.

Additionally, some extra work is required in preparation for the meeting, and most of this work falls on the Board Secretary. However, again, the extra time for this preparation would normally be much less than a single hour.

The current policy implies that there exist some reasons important enough such that the costs and benefits of remote attendance tip in favor of attending remotely. The question then comes down to who should decide how the scale is balanced. Is it a better practice to allow each Director to make the decision for him or herself, or to allow the President or full Board to make the decision?

In allowing each Director to decide remote attendance for themselves, that policy would parallel the policy on attendance at meetings and events outside our own agency. It would also protect the Director’s privacy. It is proper for the Board to place reasonable limits on such attendance while leaving it to the discretion of each Director to decide his or her own priorities within those limits, and to leave the *judgement* of the use (or abuse) of this discretion up to the voters.

In addition, service as a Director is far from a full-time job, and the monetary compensation is modest. A typical meeting may last for three hours, and advance preparation may require a Director to spend about two hours per meeting. Thus, the average compensation may be less than \$50 per hour. Such modest compensation may not justify a policy that would impose substantial limitations on what an individual Director might otherwise do in their personal life in order to continue to serve his or her constituents and ratepayers.

As it applies to limits on remote attendance, a numerical annual limit similar to the policy on attendance on outside events would be workable. In most years about 24 – 30 Board meetings are held. If remote attendance was limited to about 20 to 25%, a limit of remote attendance to six Board meetings each year would be appropriate. Because remote attendance at committee meetings comes at a lower cost, a limit of eight might be appropriate. In any case, the limits would be established by the Board majority and applied evenly to every Director such that any possible bias is eliminated.

### **FINANCIAL CONSIDERATIONS**

None.

### **RECOMMENDATION**

Director Colley recommends that the remote attendance policy be changed to read as follows:

The Board finds that in-person attendance at Agency Board and Committee meetings is preferred, but sometimes important reasons exist for remote attendance as is allowed under the Brown Act. Directors may appear remotely by teleconference as allowed under the Brown Act only under the following conditions:

- 1) The Director must notify the Board Secretary of the intent to appear remotely at least twelve days in advance of the meeting and must provide the specific physical address of the remote location from which the Director will attend.
- 2) An individual Director will be allowed to attend no more than six meetings of the Board from a remote location in any calendar year.
- 3) An individual Director will be allowed to attend no more than eight meetings of all assigned standing Committees from a remote location in any calendar year.
- 4) If more than four Directors inform the Secretary of an intent to attend a meeting from a location outside the boundary of the Agency, the Secretary will inform the fifth and subsequent Directors that they may not attend the meeting remotely.
- 5) The Secretary will provide an electronic copy of any/all document(s) that is/are required to be posted at the remote location. The Director will print the document(s) and properly and timely post them.

- 6) The Director is responsible for compliance with all the requirements of law at the remote location. Any teleconferenced meeting shall comply with all the requirements of the Brown Act.
- 7) Ad Hoc Committee attendance will be as directed by the Chairperson of the Ad Hoc Committee.
- 8) The President may waive any requirement of this policy other than those which are required by law.

This policy will not be effective where no physical location for a meeting is provided, or the Board meets under the provisions of Government Code § 54953(e); in such cases the numerical limits do not apply. Additionally, where the President determines that remote attendance is impractical, such as when the Board itself travels to a remote location or where remote access to witness testimony or evidence might be insufficient, this policy will not apply, and remote attendance will not be permitted.

Attachment



**From:** [ejglad \(null\)](#)  
**To:** [April Jacobs](#)  
**Subject:** AB 1234 REPORT  
**Date:** Thursday, February 3, 2022 6:33:35 PM

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CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

#### DIRECTOR's AB 1234 REPORT

Name of Director: Jerry Gladbach  
Meeting Attended: ACWA Board Workshop  
Date of Meeting: Feb. 3, 2022  
Date of Meeting to be Presented: Feb. 15, 2022

#### Items of Interest:

The purpose of the workshop was to maintain-improve good communications among the Board and between the Board and Staff. It was facilitated by Mitch Rosenberg. Mitch talked about the importance of building relationships in an effort to feeling safe to speak up without the fear of being criticized. We then broke into small groups to discuss ways to create an atmosphere of safety to speak up and each group then reported back to the entire group.

The groups suggestions were:

- Get to know one another, Board and with Staff

- This can be accomplished by attending the dinners the night before Board meetings, breakout groups, and informal meetings of the Region Chairs and Vice-Chairs and the Committee Chairs and Vice-Chairs the day before the Board meetings

- Better description of proposals and the reasoning for the proposal

- Find value in what others say

- Create time for personal connection

- Accept new approaches to a problem

- Existing Board members mentor new members

- Mix and mingle at ACWA Conferences

- Build trust, trust is basic to building relationships

- Disagree without being disagreeable

Mitch pointed out that if you do not have a voice in the proposal you will comply with it, but if you had an opportunity to participate in the discussion you will support it with vigor.

It was a great meeting and I appreciated the opportunity to participate

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BOARD OF DIRECTORS

# WORKSHOP AGENDA

<b>ACWA Board of Directors</b>	
February 3, 2022 • 1:00 p.m.	Videoconference Meeting via Zoom
<p><b>Please register for the Board workshop at:</b>  <a href="https://acwa.zoom.us/meeting/register/tZAtd-2rrDkvGNb0n2Ep6PDACAhhNAQLzdXs">https://acwa.zoom.us/meeting/register/tZAtd-2rrDkvGNb0n2Ep6PDACAhhNAQLzdXs</a></p>	
Pamela Tobin, President • Cathy Green, Vice President • Dave Eggerton, Executive Director	

- I. Welcome & Introductions ..... Pamela Tobin, President
- II. High Performing Boards & Psychological Safety ..... Mitch Rosenberg, Ph.D.
- III. Breakout Sessions (Via Zoom) ..... All
- IV. Breakout Group Reports ..... Mitch Rosenberg, Ph.D.
- V. Opportunity for Board Member to Introduce ..... Pamela Tobin  
 Priority Items for Strategic Planning Workshop
- VI. Closing Remarks ..... Pamela Tobin, President

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