

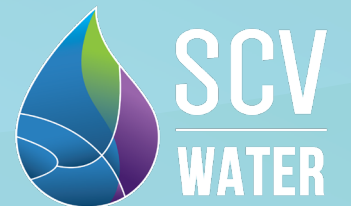
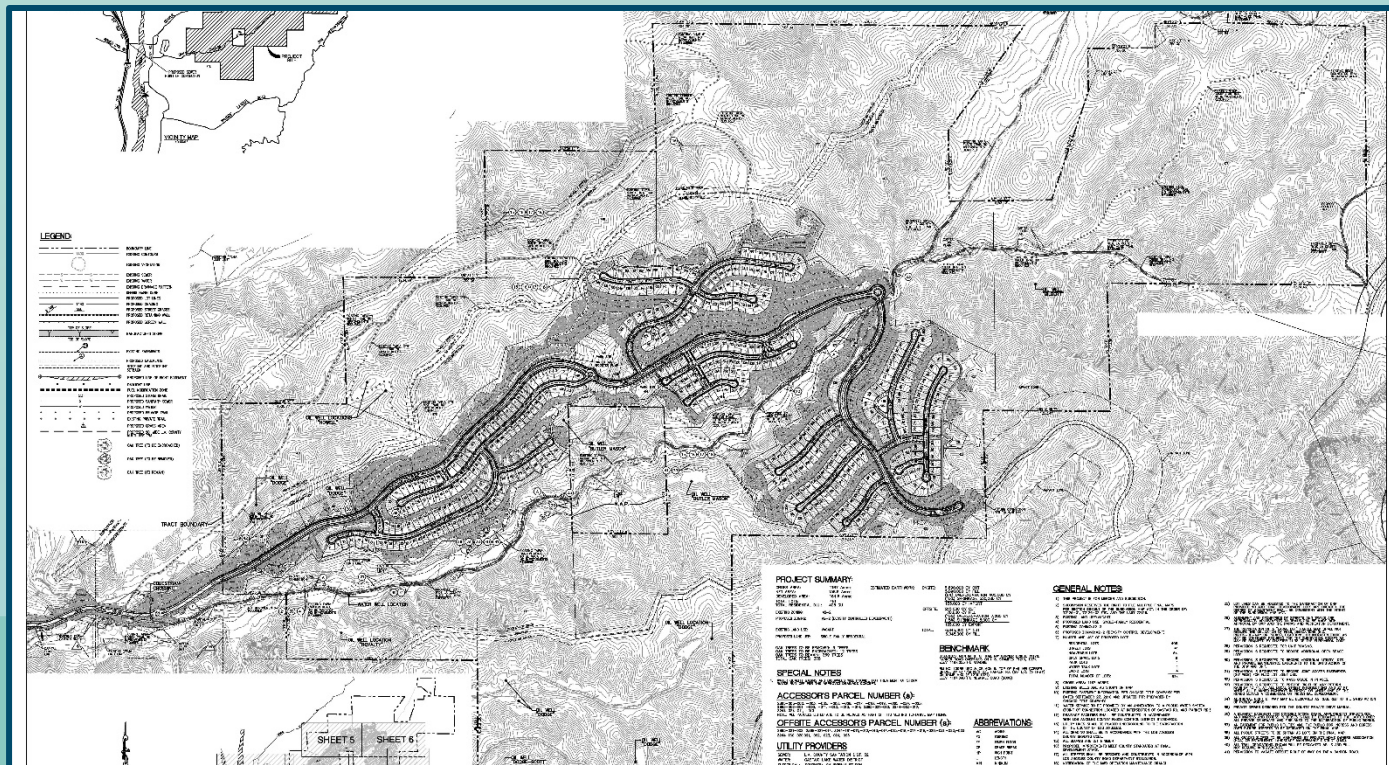
POTENTIAL 3RD AMENDMENT TO THE DEPOSIT AND FUNDING AGREEMENT BETWEEN SCV WATER AND DACA-CASTAIC FOR TAPIA RANCH

Water Resources and Watershed Committee

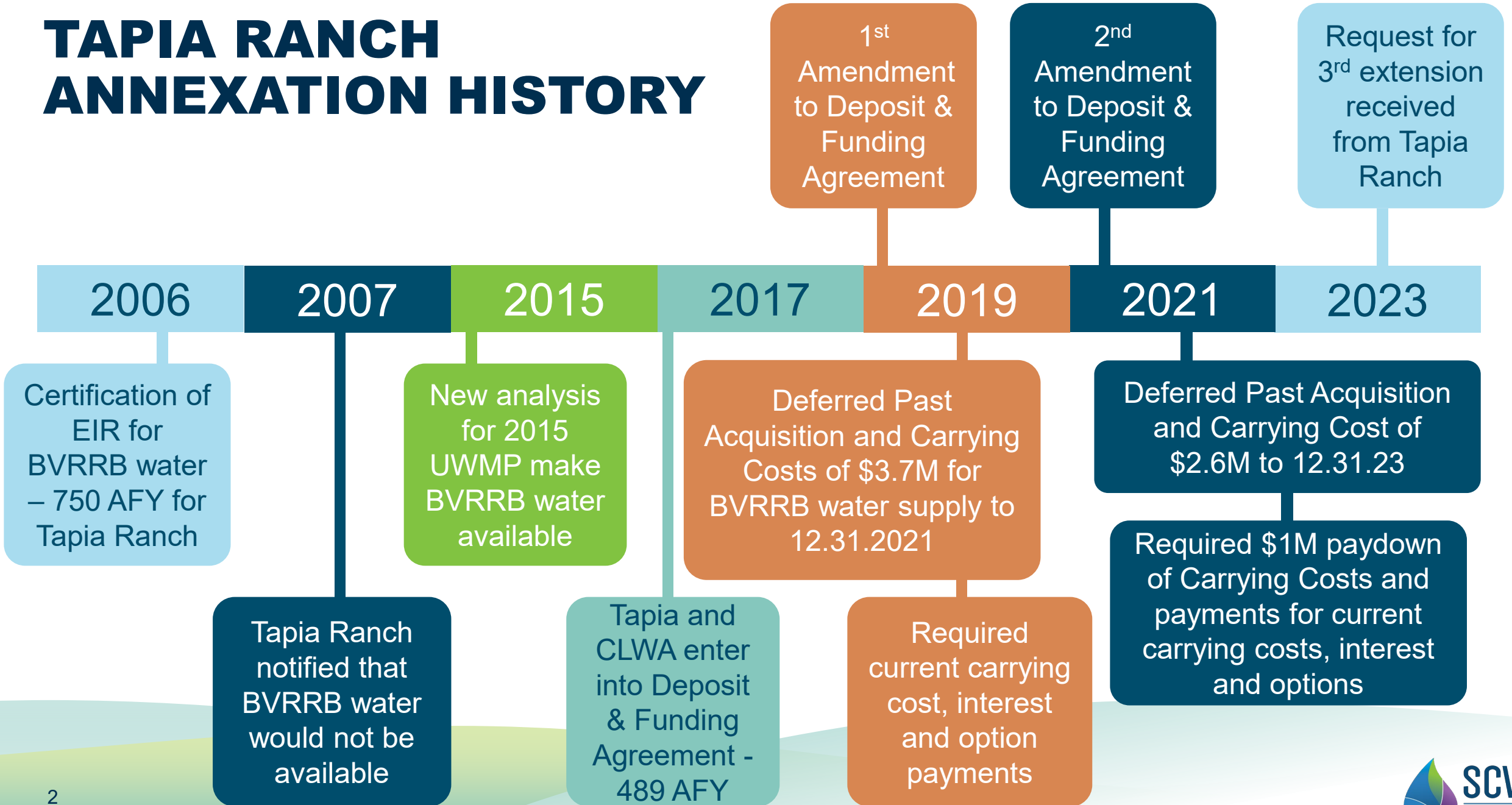
Presenter: Rick Vasilopoulos

December 13, 2023

Agenda Item 6.0



TAPIA RANCH ANNEXATION HISTORY



1ST AMENDMENT TO DEPOSIT & FUNDING AGREEMENT - PAYMENTS

	Estimated Payment (5/15/2019) (1)	Actual Payment (5/16/2019)	Estimated Payment (1/31/2020)	Actual Payment (January 2020)	Estimated Payment (1/31/2021)	Actual Payment (Feb 2021)	Payment Originally Due 12/31/2021 now due 12/31/2023
2018 Interest on Acquisition and Past Carrying Costs	\$78,334	\$78,334					
Annual Interest on Acquisition and Past Carrying Costs (2)	\$156,667	\$156,667	\$156,667	\$156,667	\$156,667	\$156,667	
Annual Carrying Costs (3)	\$419,277	\$419,277	\$431,856	\$431,591	\$444,811	\$434,276	
Option Payment (4)	\$50,000	\$50,000	\$75,000	\$75,000	\$100,000	\$100,000	
Acquisition and Past Carrying Cost (5)							\$3,775,117
Credit for Water Sales (6)				-\$110,025			-\$83,130
Total Payment (7)	\$704,278	\$704,278	\$663,523	\$553,233	\$701,478	\$690,943	\$3,691,987

2019-2021 Payments: \$1,948,454

2ND AMENDMENT TO DEPOSIT & FUNDING AGREEMENT - PAYMENTS

	Payment (1/31/2022) (8)	Partial Payment of Acquisition and Past Carrying Costs (12/31/22) (6)	Payment (1/31/2023) (8)	Payment Due (12/31/2023)
Annual Interest on Acquisition and Past Carrying Costs (1)	\$156,667		\$115,167	
Annual Carrying Costs (2)(9)	\$455,792		\$487,396	
Option Payment (3)	\$125,000		\$150,000	
Acquisition and Past Carrying Cost (4)				\$3,775,117
Credit for Water Sales in 2018-2020 (5)				-\$83,130
Partial Payment of Acquisition and Past Carrying Costs		\$1,000,000		-\$1,000,000
Total Payment (7)	\$737,459	\$1,000,000	\$752,563	\$2,691,987

2022-2023 Payments: \$2,490,022

Total Payments to Date: \$4,438,476

DACA-CASTAIC REQUESTED EXTENSION

Formal Extension Request received Nov. 20, 2023

- Request extension of Deposit and Funding Agreement to December 31, 2025.
- Request payment plan be amended and extended to December 31, 2024.
- Request EIR certification requirements be extended to December 31, 2025.

POTENTIAL 3RD AMENDMENT TO DEPOSIT & FUNDING AGREEMENT – PAYMENT PLAN

	Payments Made (1/31/2023) (7)	Paydown of Acquisition and Past Carrying Costs Due (1/31/2024)	Annual Carrying Cost Payment (1/31/2024) (7)	Final Payment of Acquisition and Past Carrying Costs Due (12/31/2024)	Estimated Annual Carrying Cost Payment Due (1/31/2025)	Estimated Annual Carrying Cost Payment Due (1/31/2026)
Annual Interest on Acquisition and Past Carrying Costs (1)	\$115,167		\$111,717		\$70,217	
Annual Carrying Costs (2)(8)	\$487,396		\$498,188		\$490,000	\$490,000
Option Payment (3)	\$150,000		\$200,000			
Balance of Acquisition and Past Carrying Costs (4)				\$2,691,987		
Partial Payment of Acquisition and Past Carrying Costs (5)	\$1,000,000	\$1,000,000		-\$1,000,000		
Total Payment Due (6)	\$1,752,563	\$1,000,000	\$809,905	\$1,691,987	\$560,217	\$490,000

Payment Due January 2024: \$1,809,905

Final Past Carrying Cost Payment Due December 2024: \$1,691,987

Total Payment thru December 2024: \$7,940,368

OPTIONS FOR COMMITTEE CONSIDERATION

- Option 1 – Take No Action. DACA-Castaic would not meet its obligation to pay the \$2,691,987 for past carrying cost and would not have completed their CEQA certifications, placing them in default. SCV Water could then terminate the Agreement.
- Option 2 – Amend the Deposit & Funding Agreement through 2025 and require a \$1 million paydown of past carrying costs, with final payment of all past carrying costs due by December 2024, and continued payments of interest, current carrying costs and option payments. CEQA certification by end of 2025
- Option 3 – Amend Agreement with additional/alternate terms.

RECOMMENDATIONS

Authorize the General Manager to execute a 3rd Amendment to the Deposit and Funding Agreement with DACA-Castaic, LLC, using terms in Option 2 – Amend the Deposit & Funding Agreement through 2025 requiring a \$1 million paydown of past carrying costs, final payment of all past carrying costs by December 2024, and continued payments of interest on unpaid past carrying costs, current carry costs and option payments with CEQA certification by end of 2025.