



SCV Water Agency Regular Board Meeting

Tuesday, January 2, 2024

Regular Board Meeting Begins at 6:00 PM

Members of the public may attend by the following options:

IN PERSON

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

BY PHONE

Toll Free: 1-(833)-568-8864
Webinar ID: 161 798 0608

VIRTUALLY

Please join the meeting from your computer,
tablet or smartphone:
<https://scvwa.zoomgov.com/j/1617980608>

Have a Public Comment?

Members of the public unable to attend this meeting may submit comments either in writing to ajacobs@scvwa.org or by mail to April Jacobs, Board Secretary, Santa Clarita Valley Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. All written comments received before 4:00 PM the day of the meeting will be distributed to the Board members and posted on the Santa Clarita Valley Water Agency website prior to the start of the meeting. Anything received after 4:00 PM the day of the meeting will be made available at the meeting, if practicable, and posted on the SCV Water website the following day. All correspondence with comments, including letters or emails, will be posted in their entirety. (Public comments take place during Item 3 of the Agenda and before each Item is considered. Please see the Agenda for details.)

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

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

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

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

TUESDAY, JANUARY 2, 2024 AT 6:00 PM

IMPORTANT NOTICES

5:15 PM DISCOVERY ROOM OPEN TO THE PUBLIC

Dinner for Directors and staff in the Discovery Room.
There will be no discussion of Agency business taking place prior to the
Call to Order at 6:00 PM.

This meeting will be conducted in person at the address listed above. As a convenience to the public, members of the public may also participate virtually by using the **Agency's Call-In Number 1-(833)-568-8864, Webinar ID: 161 798 0608 or Zoom Webinar by clicking on the link <https://scvwa.zoomgov.com/j/1617980608>**. Any member of the public may listen to the meeting or make comments to the Board using the call-in number or Zoom Webinar link above.

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

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

Members of the public unable to attend this meeting may submit comments either in writing to ajacobs@scvwa.org or by mail to April Jacobs, Board Secretary, Santa Clarita Valley Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. All written comments received before 4:00 PM the day of the meeting will be distributed to the Board members and posted on the Santa Clarita Valley Water Agency website prior to the start of the meeting. Anything received after 4:00 PM the day of the meeting, will be made available at the meeting, if practicable, and will be posted on the SCV Water website the following day. All correspondence with comments, including letters or emails, will be posted in their entirety.

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

3. **PUBLIC COMMENTS** – Members of the public may comment as to items within the subject matter jurisdiction of the Agency that are not on the Agenda at this time. Members of the public wishing to comment on items covered in this Agenda may do so at the time each item is considered. (Comments may, at the discretion of the Board’s presiding officer, be limited to three minutes for each speaker.) To participate in public comment from your computer, tablet, or smartphone, click the “raise hand” feature in Zoom. You will be notified when it is your turn to speak, please unmute when requested. To participate in public comment via phone, dial *9 to raise your hand. When it is your turn to speak, dial *6 to unmute.

4. **APPROVAL OF THE AGENDA**

5. **CONSENT CALENDAR** **PAGE**

5.1 *	Approve Minutes of the December 19, 2023 Santa Clarita Valley Water Agency Regular Board of Directors Meeting	7
5.2 *	Approve Authorizing the General Manager to Enter into an Agreement for Purchase and Sale of Recycled Water between City of Santa Clarita and SCV Water Agency	13

6. **ACTION ITEMS FOR APPROVAL** **PAGE**

6.1 *	Approve the Third Amendment to the Deposit and Funding Agreement Between Santa Clarita Valley Water Agency and DACA-Castaic, LLC for Tapia Ranch	47
6.2 *	Approve a Revision to the Board of Directors Policies and Procedures Regarding General Manager Authority to Grant Easements and Accept and Acquire Real Property and Finding as Exempt from CEQA Guidelines Section 15378 (b)(5), and Alternatively CEQA Guidelines Section 15061(b)(3)	121

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

8. **COMMITTEE MEETING RECAP REPORT FOR INFORMATIONAL PURPOSES ONLY** **PAGE**

8.1 *	December 13, 2023 Water Resources and Watershed Committee Meeting Recap Report	125
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9. **WRITTEN REPORTS FOR INFORMATIONAL PURPOSES ONLY** **PAGE**

9.1 *	Engineering Services Section Report	131
9.2 *	Finance, Administration and Information Technology Services Section Report	143
9.3 *	Treatment, Distribution, Operations and Maintenance Section Report	151
9.4 *	Water Resources and Outreach Section Report	163
9.5 *	Committee Planning Calendars	173

10. **PRESIDENT’S REPORT**

11. **AB 1234 WRITTEN AND VERBAL REPORTS** **PAGE**

11.1	AB 1234 Reports	
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12. **DIRECTOR REPORTS**

13. **DIRECTOR REQUESTS FOR APPROVAL FOR EVENT ATTENDANCE**

14. **ADJOURNMENT**

- * Indicates Attachment
- ◆ Indicates Handout

Note: The Board reserves the right to discuss or take action or both on all of the above Agenda items.

NOTICES

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

Pursuant to Government Code Section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Santa Clarita Valley Water Agency, located at 27234 Bouquet Canyon Road, Santa Clarita, CA 91350, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Website, accessible at <http://www.yourscvwater.com>.

Posted on December 27, 2023.



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Minutes of the Regular Meeting of the Board of Directors of the Santa Clarita Valley Water Agency – December 19, 2023

A regular meeting of the Board of Directors of the Santa Clarita Valley Water Agency was held at Santa Clarita Valley Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350 at 6:00 PM on Tuesday, December 19, 2023. A copy of the Agenda is inserted in the Minute Book of the Agency preceding these minutes. The meeting recording can be accessed by clicking on the following link: [Board Meeting Recording](#).

DIRECTORS PRESENT: Kathye Armitage, Ed Colley, William Cooper, Maria Gutzeit, Dirk Marks, Gary Martin, Piotr Orzechowski and Ken Petersen.

DIRECTORS ABSENT: Beth Braunstein.

Also present: Administrative Services Manager Kim Grass, Assistant General Manager Steve Cole, Board Secretary April Jacobs, Chief Engineer Courtney Mael, Chief Financial and Administrative Officer Rochelle Patterson, Chief Operating Officer Keith Abercrombie, Communications Manager Kevin Strauss, Director of Water Resources Ali Elhassan, General Counsel Tom Bunn (virtually), General Manager Matthew Stone, Human Resources Manager Ari Mantis, Information Technology Technician I Oliver Molina, Information Technology Technician II Jonathan Thomas, Means Consulting President Ed Means, as well as additional SCV Water Agency staff (Virtually), and members of the public (In Person and Virtually).

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

There were no changes to the December 19, 2023 Board Agenda and it was accepted as shown (Item 4).

President Martin opened the Public Hearing at 6:04 PM regarding an Ordinance to increase the Director’s compensation rate. President Martin presented the report, attachments and revised Ordinance for consideration. (Item 5.1).

President Martin closed the Public Hearing at 6:22 PM.

Upon motion of Director Cooper, seconded by Director Marks and carried, the Board approved the revised Ordinance No. 03 increasing the Directors compensation by 6.7 percent, rounded down to the nearest dollar, bringing the monthly stipend from \$239 per meeting to \$255 per meeting, maximum of 10 meetings per month, one meeting per day, taking effect in 60 days from today by the following roll call votes (Item 5.1):

Director Armitage	No	Director Braunstein	Absent
Director Colley	No	Director Cooper	Yes
Vice President Gutzeit	Yes	Director Marks	Yes
President Martin	Yes	Vice President Orzechowski	Yes
Director Petersen	No		

ORDINANCE NO. 03

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
TO INCREASE DIRECTOR COMPENSATION**

FULL ORDINANCE MAY BE VIEWED BY VISITING THE SCV WATER WEBSITE

Upon motion of Director Armitage, seconded by Vice President Orzechowski and carried, the Board approved the Consent Calendar including Resolution No. SCV-396 and with the addition of the following language to the December 5, 2023 regular Board meeting minutes under Item 6.6:

- Upon motion of Director Cooper, seconded by Vice President Orzechowski and carried, the Board approved moving forward with issuing a Request for Proposals to remodel the existing Boardroom **which would include the addition of a multipurpose room to be used by the Board for Closed Session and staff for meetings during the day** by the following roll call votes (Item 6.6):

by the following roll call votes (Item 6):

Director Armitage	Yes	Director Braunstein	Absent
Director Colley	Yes	Director Cooper	Yes
Vice President Gutzeit	Yes	Director Marks	Yes
President Martin	Yes	Vice President Orzechowski	Yes
Director Petersen	Yes		

RESOLUTION NO. SCV-396

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
PURSUANT TO A CATEGORICAL EXEMPTION UNDER CEQA GUIDELINES SECTION
15301, AND A CATEGORICAL EXCLUSION UNDER NEPA, FOR THE APPROVAL OF THE
PURCHASE OF A DENORA CLORTEC ONSITE SODIUM HYPOCHLORITE GENERATION
SYSTEM FOR THE LOWER HERON RESIDUAL MANAGEMENT SYSTEM (LHRMS)**

FULL RESOLUTION MAY BE VIEWED BY VISITING THE SCV WATER WEBSITE

Upon motion of Director Petersen, seconded by Vice President Orzechowski and carried, the Board approved the HCM Implementation project costs of \$2,217,235 and authorized the General Manager to enter into a contract with Apps Associates for a fixed contract cost of \$1,791,460 by the following roll call votes (Item 7.1):

Director Armitage	Yes	Director Braunstein	Absent
Director Colley	No	Director Cooper	Yes
Vice President Gutzeit	Yes	Director Marks	Yes

President Martin	Yes	Vice President Orzechowski	Yes
Director Petersen	Yes		

Upon motion of Director Cooper, seconded by Director Petersen and carried, the Board approved receiving and filing of the SCV Water Annual Comprehensive Financial Report for the period of July 1, 2022, to June 30, 2023 by the following roll call votes (Item 7.2):

Director Armitage	Yes	Director Braunstein	Absent
Director Colley	Yes	Director Cooper	Yes
Vice President Gutzeit	Yes	Director Marks	Yes
President Martin	Yes	Vice President Orzechowski	Yes
Director Petersen	Yes		

Upon motion of Director Colley, seconded by Vice President Orzechowski and carried, the Board approved adopting Resolution No. SCV-397 declaring pursuant to Government Code section 54221 that certain real property located on the border of Kings County and Kern County along State Highway 33 comprising approximately 182 parcels is exempt surplus land and finding that such declaration is exempt from environmental review under the California Environmental Quality Act by the following roll call votes (Item 7.3):

Director Armitage	Yes	Director Braunstein	Absent
Director Colley	Yes	Director Cooper	Yes
Vice President Gutzeit	Yes	Director Marks	Yes
President Martin	Yes	Vice President Orzechowski	Yes
Director Petersen	Yes		

RESOLUTION NO. SCV-397

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY PURSUANT TO GOVERNMENT CODE SECTION 54221 DECLARING THAT CERTAIN REAL PROPERTY LOCATED ON THE BORDER OF KINGS COUNTY AND KERN COUNTY ALONG STATE HIGHWAY 33 COMPRISING APPROXIMATELY 182 PARCELS IS EXEMPT SURPLUS LAND, AND FINDING THAT SUCH DECLARATION IS EXEMPT FROM ENVIRONMENTAL REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

[FULL RESOLUTION MAY BE VIEWED BY VISITING THE SCV WATER WEBSITE](#)

Means Consulting President Ed Means presented the Draft 2024-2028 Santa Clarita Valley Water Agency Strategic Plan (Item 8).

General Manager’s Report on Activities, Projects and Programs (Item 9).

The General Manager reported on the following:

He congratulated Rochelle Patterson and staff for the successful annual audit that just took place.

He mentioned the following meetings in which he participated which included, attendance at the Safe Clean Water Program Scoring Committee; by-Weekly PFAS Team meeting this past Friday; SCV Water Agency’s Holiday Party; follow-up meeting with Mitch Rosenberg and Erin Hastey on his recent review; One-on-One meeting with Vice President Orzechowski; and a meeting with Steve Cole, Mike Alvord, and Keith Abercrombie who met with Counsel for the PFAS Class Action Lawsuit preparing for the upcoming potential claim settlement submissions

He advised the Board on the potential utilization of the Devil’s Den Water District Property in which the Board acted on tonight. He stated that they set in motion necessary steps for staff to start the process and potential options will be coming back to the Board at a future meeting.

He informed the Board that due to the Treasurer of the Urban Water Institute becoming ill, there was a need to have someone step into his position which created some banking issues and as a result there was an emergency meeting of the Executive Committee and subsequent emergency meeting of the Board.

Finally, he updated the Board on the February 21-23, 2024 Urban Water Institute upcoming conference.

To hear the full comments, please refer to the Board recording by clicking the meeting recording link on the first page of these minutes or visiting the SCV Water Website.

Committee Meeting Recap Reports for Informational Purposes Only (Item 10).

There were no comments on the recap reports.

President’s Report (Item 11).

President Martin updated the Board on upcoming meetings and events.

AB 1234 Written and Verbal Reports (Item 12).

Director Armitage reported that she virtually attended the Executive Committee meeting of the Special Districts Association of North Los Angeles County on December 13, 2023.

Vice President Orzechowski reported that he virtually attended a One-on-One meeting with the General Manager on December 11, 2023.

President Martin reported that he virtually attended the monthly meeting with DCA Executive Director Graham Bradner on December 8, 2023, attended the City of Santa Clarita’s City Council’s Organizational meeting held at the City of Santa Clarita on December 12, 2023 where he presented a certificate to the outgoing Mayor Jason Gibb and attended the DCA Board meeting in Sacramento on December 14, 2023.

There were no other AB 1234 Reports.

Director Reports (Item 13).

Director Armitage wished everyone a happy holiday season.

There were no other Director reports.

The Board went into Closed Session at 8:06 PM to discuss Item 14.1:

Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9, Claim of Enrique Morales Against Santa Clarita Valley Water Agency, Claim for Personal Injury and Property Damage, Date of Claim December 5, 2023.

The Zoom meeting was put on hold while the Board went into Closed Session. President Martin advised the public and staff for those who wanted to stay, to remain on the current teleconference line and once Closed Session ends, the Board would reconvene for Closed Session announcements and the conclusion of the meeting.

President Martin reconvened the Open Session at 8:11 PM.

Tom Bunn, Esq., reported that regarding Item 14.1 Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9, Claim of Enrique Morales Against Santa Clarita Valley Water Agency, Claim for Personal Injury and Property Damage, Date of Claim December 5, 2023, the Board unanimously voted to reject the claim and submit it to the Agency’s Joint Powers Insurance Authority, upon motion of Director Cooper, seconded by Director Marks and carried, by the following roll call votes:

Director Armitage	Yes	Director Braunstein	Absent
Director Colley	Yes	Director Cooper	Yes
Vice President Gutzeit	Yes	Director Marks	Yes
President Martin	Yes	Vice President Orzechowski	Yes
Director Petersen	Yes		

There were no other actions taken in Closed Session that were reportable under the Ralph M. Brown Act (Item 15).

Director Requests for Future Agenda Items (Item 16).

There were no requests for future Agenda items.

The meeting was adjourned in memory of Elinor A. Bunn at 8:17 PM (Item 17).

April Jacobs, Board Secretary

ATTEST:

President of the Board



BOARD MEMORANDUM

DATE: January 2, 2024

TO: Board of Directors

FROM: Courtney Mael
Chief Engineer *CM*

SUBJECT: Approve Authorizing the General Manager to Enter into an Agreement for Purchase and Sale of Recycled Water between City of Santa Clarita and SCV Water Agency

SUMMARY

The Vista Canyon Water Factory is producing recycled water and is under the City of Santa Clarita (City) ownership. The Santa Clarita Valley Water Agency (Agency), as the provider of Potable and Recycled water in the Santa Clarita Valley, would like to purchase the available recycled water from the City and distribute and sell the recycled water. This is the Agreement between the City and Agency to establish the roles and responsibility of the parties for the production and sale of recycled water as well as the cost for the purchase of recycled water from the City.

DISCUSSION

Recycled water is highly treated wastewater that is used for non-drinking water purposes. Recycled water has been delivered to the Santa Clarita / Valencia community since 2003. Currently, SCV Water delivers an average of 475 acre-feet per year to 13 irrigation sites, including a golf course, shopping center and street medians. The use of recycled water is a key component of our conservation and water use efficiency programs as every gallon of recycled water used results in a gallon of drinking water that can be saved for potable domestic uses.

The Vista Canyon Development in the eastern part of Santa Clarita Valley was constructed as part of the development project, a wastewater treatment plant. The treatment facility is called The Water Factory and is capable of producing up to 371,000 gallons of recycled water per day. (Equivalent to 415.5-acre feet per year). The Developer transferred ownership of the Water Factory to the City of Santa Clarita.

The City adopted a Recycled Water Ordinance, Ordinance No. 19-3 (“**Ordinance**”) on July 9, 2019. The Ordinance establishes requirements for all users of the City’s recycled water, including the requirement that all users execute a user agreement. This Agreement constitutes the user agreement required by the Ordinance. The City will make available and sell to the Agency the recycled water produced at the Water Factory in accordance with the terms of this Agreement and Ordinance 19-3.

On December 13, 2023, the Water Resources and Watershed Committee considered staff’s recommendation to authorize the General Manager to execute agreement to purchase and sale recycled water between SCV Water Agency and the City of Santa Clarita.

STRATEGIC NEXUS

This Agreement is in support of strategic goal C 3.3, Work with agencies to develop foundation for a successful recycled water program.

FINANCIAL CONSIDERATIONS

None at this time

RECOMMENDATION

The Water Resources and Watershed Committee recommends that the Board of Directors authorize the General Manager to execute the attached Agreement for Purchase and Sale of Recycled Water between Santa Clarita Valley Water Agency and the City of Santa Clarita.

Attachment

M65

AGREEMENT FOR PURCHASE AND SALE OF RECYCLED WATER

This Agreement for Purchase and Sale of Recycled Water (“**Agreement**”) is dated _____, 2024 (“Effective Date”) and is between the City of Santa Clarita (the “**City**”) and the Santa Clarita Valley Water Agency (“**SCVWA**”). The City and the SCVWA are referred to in this Agreement individually as a “**Party**” and collectively as the “**Parties**.”

RECITALS

This Agreement is made and entered into on the basis of the following facts and understandings of the Parties set forth in these recitals:

A. The City is a municipality located within Los Angeles County, more specifically within the Santa Clarita Valley.

B. SCVWA is a wholesale and retail water agency formed by SB 634 which went into effect on January 1, 2018 and is the merger of Castaic Lake Water Agency, Valencia Water Company, Newhall Water Agency and Santa Clarita Water Agency. SCVWA is the exclusive purveyor of potable and recycled water within its boundaries, including within the City of Santa Clarita and for the Vista Canyon project. SCVWA currently purchases recycled water from the Santa Clarita Valley Sanitation District from the Valencia Water Reclamation Plant for distribution and use in the western portion of its service area.

C. The City will own, operate and maintain a water reclamation factory known as the Vista Canyon Water Factory (“**Water Factory**”) located at 17365 Humphreys Parkway, Santa Clarita, CA, 91387. The City presently owns the land where the Water Factory is located.

D. On April 16, 2020, the Regional Water Board adopted WDRs and WRRs, as Order No. R4-2020-0049, to regulate the proposed discharge of disinfected tertiary wastewater generated at the Water Factory for non-potable recycled water applications.

E. The Water Factory will be designed to treat wastewater generated by the Vista Canyon project, and to treat a portion of the wastewater flow from an existing City sewer line serving existing development upstream of the Water Factory. The Water Factory will produce disinfected tertiary recycled water in accordance with all applicable state and federal standards, including the California Code of Regulations Title 22 requirements.

F. The Water Factory has a design capacity of 392,135 gallons per day (“**gpd**”) (equivalent to 439.2 acre-feet per year), and is expected to produce approximately 371,000 gpd (equivalent to 415.5 acre-feet per year) of recycled water.

G. The City adopted a Recycled Water Ordinance, Ordinance No. 19-3 (“**Ordinance**”) on July 9, 2019. The Ordinance establishes requirements for all users of the City’s recycled water, including the requirement that all users execute a user agreement. This Agreement constitutes the user agreement required by the Ordinance.

H. The City will make available and sell to the SCVWA the recycled water produced at the Water Factory in accordance with the terms of this Agreement and Ordinance 19-3.

The Parties therefore agree as follows:

1. **Definitions.** For the purposes of this Agreement, the terms below have the following definitions:
 - 1.1. “**AFY**” means acre-feet per year.
 - 1.2. “**Agreement**” means this Agreement for Purchase and Sale of Recycled Water.
 - 1.3. “**Alternative Water**” means the water supply provided by the SCVWA which may include groundwater, imported water, or other water sources.
 - 1.4. “**City Engineer**” means the City Engineer and/or the Director of Public Works of the City or his or her authorized designee.
 - 1.5. “**City**” means the City of Santa Clarita.
 - 1.6. “**DDW**” means the State Water Resources Control Board Department of Drinking Water.
 - 1.7. “**Fiscal Year**” means the City’s fiscal year, beginning on July 1 of any given year, and continuing through June 30 of the following calendar year.
 - 1.8. “**gpd**” means gallons per day.
 - 1.9. “**Neighbor Issues**” Includes odor, noise and other complaints or concerns generated from the public around the area of treatment or area of use.
 - 1.10. “**Off-Site SCVWA Facilities**” means facilities constructed, operated, or maintained by or on behalf of the SCVWA, which are not physically located on the Water Factory or City property, and

which the SCVWA uses to draw, convey, or distribute recycled water.

- 1.11. **“Ordinance”** means the *Ordinance Providing for the Establishment and Enforcement of Regulations Pursuant to the Water Recycling Requirements for Recycled Water Users*, also known as the City’s Recycled Water Ordinance, adopted July 9, 2019, and as may be amended from time to time, and attached as Exhibit A.
- 1.12. **“On-Site SCVWA Water Factory Facilities”** means facilities constructed, operated, or maintained by or on behalf of the SCVWA which are physically located on the Water Factory or City property, and which the SCVWA uses to draw, convey, or distribute recycled water as contemplated on Exhibit B. These facilities shall be owned by the SCVWA.
- 1.13. **“Party” or “Parties”** means the City and the SCVWA, either individually or collectively, who have entered into this Agreement.
- 1.14. **“Permit”** means any permit (e.g. WRR or Master Reclamation Permit) issued by the Regional Board to the City relating to the use of recycled water.
- 1.15. **“Public Health”** means the Los Angeles County Department of Public Health.
- 1.16. **“Recycled Water Distribution System”** means the recycled water distribution system owned and operated by SCVWA.
- 1.17. **“Regional Board”** means the California Regional Water Quality Control Board, Los Angeles Region.
- 1.18. **“Reuse Site”** means an authorized location at which recycled water provided by the SCVWA is used.
- 1.19. **“Regulations”** means the City’s *“Requirements for Recycled Water Users,”* which is attached as Exhibit A.
- 1.20. **“SCVWA”** means the Santa Clarita Valley Water Agency.
- 1.21. **“Termination Date”** shall have the meaning set forth in Section 2 of this Agreement.
- 1.22. **“Vista”** means Vista Canyon Ranch, LLC, the project proponent for the Vista Canyon project, or its successors or assigns.

- 1.23. **“Vista Canyon project”** means the Vista Canyon Specific Plan approved by the City on May 10, 2011, and its related entitlements.
- 1.24. **“Water Factory”** means the Vista Canyon Water Factory.
- 1.25. **“WDR”** means the Waste Discharge Requirements established for the Water Factory’s percolation ponds by the Regional Board.
- 1.26. **“WRR”** means the Water Reclamation Requirements or Water Recycling Requirements established for the Water Factory by the Regional Board.

2. **Principal Duties and Privileges of the Parties.**

- 2.1. The City shall make available to the SCVWA up to 371,000 gpd of recycled water produced by the Water Factory.
- 2.2. The City will provide SCVWA daily records of recycled water delivered to SCVWA from the City’s recycled water meter located at the Water Factory, on a monthly basis.
- 2.3. SCVWA will reimburse the City on quarterly basis for recycled water delivered to SCVWA based upon the metering records provided by the City.
- 2.4. SCVWA will be the exclusive retail seller of water produced at the Vista Plant.
- 2.5. The City will own, operate and maintain the Water Factory.
- 2.6. The City will be responsible for treatment and all matters, costs and liabilities related to or associated with treatment of the recycled water including all onsite equipment and facilities at the Water Factory, excluding only the Onsite SCVWA Water Factory Facilities.
- 2.7. SCVWA will be responsible for delivery and all matters, costs and liabilities related to or associated with delivery of the recycled water including the distribution pipelines after it leaves the Water Factory site and all associated appurtenances and the Recycled Water Reservoir.
- 2.8. The City will be responsible for all permitting and compliance associated with production of water at the Water Factory, including meeting applicable current and future standards for recycled water treatment and use, including but not limited to any requirements imposed by DDW, the Regional Board, the United States

Environmental Protection Agency and any other relevant state, federal or local agency.

- 2.9. SCVWA will be responsible for all permitting and compliance associated with the recycled water delivery system and use of recycled water by retail customers, including but not limited to any requirements imposed by DDW, the Regional Board, the United States Environmental Protection Agency and any other relevant state, federal or local agency.
- 2.10. The City will be responsible for “neighbor issues” associated with the treatment and related collection system.
- 2.11. SCVWA will be responsible for “neighbor issues” associated with the recycled water delivery system.
- 2.12. The City will grant SCVWA an easement for locating, accessing and operating the Onsite SCVWA Water Factory Facilities; the easement shall be at no cost, however, SCVWA will cover staff, title, and other-related costs.
- 2.13. SCVWA has no financial obligation for operations and maintenance of the Water Factory; however, SCVWA will pay for recycled water based upon metered amounts of recycled water actually used by SCVWA.
- 2.14. The City has no financial obligation for operations and maintenance of the Recycled Water Distribution System; however, as provided herein, the City shall provide water for distribution that meets all applicable requirements.
- 2.15. The City will make reasonable best efforts to operate the Water Factory in compliance with applicable regulatory standards for the provision of recycled water to SCVWA.
- 2.16. SCVWA shall make reasonable best efforts to utilize available recycled water but shall have no obligations or liabilities associated with a failure to take water from the Water Factory.
- 2.17. SCVWA will provide water service to the City, including recycled water service in accordance with the service terms and conditions and at current prices adopted by the SCVWA Board of Directors applicable to such service. No separate obligation to provide water service is conferred upon SCVWA by this Agreement nor is any obligation to use water conferred to the City by this Agreement.

- 2.18. The City and SCVWA shall cooperate in all permitting efforts and share information and access as necessary for each to comply with applicable law.
- 2.19. The SCVWA may at their sole discretion provide supplemental water to meet peak irrigation needs of its recycled water users if the Water Factory's output is not sufficient to meet demand.
- 2.20. The SCVWA shall pay the City for all recycled water drawn from the Water Factory at the per-unit price described in Section 7, and pursuant to the payment provisions described in Section 8.
- 2.21. The City will comply with all applicable Permit requirements of the Regional Board for the Water Factory.
- 2.22. SCVWA will comply with all applicable Permit requirements of the Regional Board for the Water Factory and for the Recycled Water Distribution System.
- 2.23. SCVWA will adopt Recycled Rules and Regulations and obtain any and all permits and regulatory approvals necessary to utilize recycled water and operate the Recycled Water Distribution System.

3. **Records and Reports.** The City shall report in writing to the SCVWA as follows:

- 3.1. **City Monthly Reports.** Within 30 days after the end of each calendar month, the City shall report in writing to the SCVWA: The total volume of recycled water drawn during that month and the relevant meter readings; City shall ensure that the meter is calibrated on an as needed basis and at a minimum interval of once every five years.
- 3.2. **SCVWA Right of Entry and Examination.** SCVWA or its representative may enter the City's recycled water facilities for the purpose of verifying the volume and conformance with all water reuse regulations. Accordingly, the City shall provide SCVWA with a right-of-entry at the Water Factory for the purpose of this verification. In addition, upon request by the SCVWA, the City shall provide full access to the City's meter and to any records that measure, register, record, or reflect recycled water flow, delivery, or distribution volumes.

- 3.3. **SCVWA Monthly Reports.** Within 30 days after the end of each calendar month, SCVWA shall report in writing to the City:
 - A. The total volume delivered or distributed during that month to each Reuse Site; and
 - B. The type of use of recycled water at each Reuse Site.
- 3.4. **Annual Reports.** Within 45 days after the end of each fiscal year, the SCVWA shall report to the City:
 - A. All Reuse Site contact persons and inspection activities for that fiscal year.
- 3.5. **City's Right of Entry and Examination.** The City or its representative may enter any of the SCVWA's recycled water facilities and any Reuse Site for the purpose of verifying the volume or type of use of recycled water reported by the SCVWA, and conformance with all water reuse regulations. Accordingly, SCVWA shall provide the City with a right-of-entry at each Reuse Site for the purpose of this verification. In addition, upon request by the City, the SCVWA shall provide full access to any of the SCVWA's or Reuse Sites' meters and to any records that measure, register, record, or reflect recycled water flow, delivery, or distribution volumes.

4. **Treatment and Water Quality.**

- 4.1. **Applicable Water Reclamation Requirements.** The City shall make available to the SCVWA recycled water that conforms to all applicable federal, state and local health and water quality requirements for recycled water, the Permit, or any similar regulation adopted by the Regional Board for the Water Factory.
- 4.2. **More Stringent Water Reclamation Requirements.** If the Regional Board imposes WRRs more stringent than, the City may, at its discretion and at its expense, undertake steps to meet the more stringent WRRs and shall indicate to the SCVWA in writing such intent within 90 days after the adoption of the more stringent WRRs by the Regional Board.
- 4.3. **Point of Compliance of Water Quality.** The point of compliance for determining whether the recycled water provided by the City meets the applicable Permit requirements will be immediately after the final treatment process at the Water Factory, but before the on-site recycled water storage and recycled water pump station. Notwithstanding the foregoing, the City shall bear all legal and

regulatory responsibility associated with the production of recycled water at the Water Factory including the water quality leaving the Water Factory. Legal and regulatory responsibility shall pass from the City to the SCVWA at the point of entry to the Recycled Water Distribution System.

5. **Distribution and Delivery.**

5.1. **Distribution.** The SCVWA may sell or transfer the recycled water that SCVWA purchases from the City under this Agreement to third parties.

5.2. **Non-Water Factory Facilities.**

A. **Costs of Facilities.** The SCVWA shall bear all construction, operation, and maintenance costs for all delivery and distribution facilities related to the SCVWA's sale or transfer of recycled water from the Water Factory to third parties or to any Reuse Site maintained by the SCVWA, excepting construction costs associated with the Vista Canyon project within the project boundaries, which shall be bore by the Developer.

B. **Approval of Distribution Facilities.** Any new or extended portion of the SCVWA's recycled water distribution system must first be approved by Public Health and Regional Board before beginning deliveries of recycled water through that portion of the system. The SCVWA and the City shall cooperate in order to prepare and submit an engineering report detailing the new or extended distribution system for approval by Public Health and the Regional Board. The SCVWA shall prepare and pay for the engineering report, and provide a copy of the report to the City. The SCVWA shall submit the engineering report to Public Health and the Regional Board.

5.3. **Usage.**

A. **Legal and Regulatory Responsibility.** In accord with Section 2 of this Agreement, SCVWA shall bear all legal and regulatory responsibility associated with the use of the recycled water it draws from the Water Factory. The City shall bear all legal and regulatory responsibility associated with the production of recycled water at the Water Factory including the water quality leaving the Water Factory, as specified in Section 4.3 of this agreement. Legal and

regulatory responsibility shall pass from the City to the SCVWA at the point of entry to the Recycled Water Distribution System.

B. **Permissible Uses.** The SCVWA acknowledges that recycled water has limited uses. The SCVWA shall ensure that the recycled water drawn from the Water Factory is only used for those uses or purposes that are legally permissible under:

- i. California law; and
- ii. The established WRRs issued by the Regional Board for the Water Factory; and
- iii. Public Health's Water Recycling Criteria contained in Title 22, Division 4, Chapter 3 of the California Code of Regulations as may be amended from time to time; and
- iv. The directions of any and all regulatory agencies with appropriate jurisdiction.

C. **Compliance with City Regulations.** The SCVWA shall comply with, and shall cause all Reuse Sites to which it distributes or delivers water to comply with the City's Ordinance and Regulations, attached as Exhibit A, or any subsequent revisions to that Ordinance and/or Regulations.

D. **Reuse Sites.**

- i. The SCVWA shall notify the City prior to first initiating the delivery of recycled water to a Reuse Site.
- ii. The SCVWA shall oversee all Reuse Sites that obtain recycled water from the SCVWA in conformity with the Regulations attached as Exhibit A, or any subsequent revisions to these Regulations.
- iii. The SCVWA shall ensure, by agreement, ordinance, or other administrative mandate, that each Reuse Site is managed in accordance with the rules, regulations, guidelines, and any other pertinent criteria for such use mandated by Public Health and other regulatory agencies with appropriate

jurisdiction, while ensuring the Reuse Site does not constitute a nuisance.

- iv. The SCVWA shall provide a copy of the effective WRRs, and the City's Ordinance and Regulations to each recycled water user.
- v. **Inspections.** The SCVWA shall periodically inspect all Reuse Sites that obtain recycled water from the Water Factory, including third party users, and perform cross-connection shut down tests, when required, in accordance with: the California Water Code; the most recent version of the Water Recycling Criteria contained in Title 22 of the California Code of Regulations; and orders and directives from the regulatory agencies with appropriate jurisdiction. The SCVWA shall supply copies of all inspection reports to the City in connection with their annual reporting requirements, or upon request by the City.
- vi. **Right of Access.** The City or its authorized representative may enter upon any Reuse Site at any time for purposes of verifying compliance with requirements under Water Code Section 13523.1(b)(5) and the City's Regulations. The SCVWA shall include this right of City access in any agreement to supply recycled water to Reuse Sites.

6. **Interruption of Service.**

- 6.1. The SCVWA acknowledges that factors beyond the control of the City could cause operational difficulties or other constraints at the Water Factory resulting in the production of recycled water that does not meet the established WRRs. If that occurs, the Director of Public Works may temporarily limit availability of recycled water from the Water Factory.
- 6.2. The City will not be liable for any costs or damages incurred by the SCVWA arising out of or relating to any interruption in service or limitation of availability due to an inability of the City to meet the current Permit requirements. The City will use reasonable efforts to re-establish the availability of recycled water to the SCVWA. The SCVWA acknowledges that alternative water may be necessary to prevent any damages that might result from an interruption in the

supply of recycled water from the Water Factory. The City shall not be liable for consequential damages resulting from temporary outages of the recycled water supply resulting from causes outside the reasonable control of the City. The SCVWA hereby releases the City from any and all claims and actions arising out of an interruption in service.

- 6.3. The SCVWA will not be liable and the City hereby releases the SCVWA for any costs or damages incurred by the SCVWA or the City arising out of or relating to water quality complaints or fines due to an inability of the City to meet the current WDRs and/or WRRs.

7. Pricing Policy.

- 7.1. The cost of water for SCVWA will initially be \$175.35 / AF, annually escalating at the consumer price index rate. This cost is equal to the price charged to SCVWA by the Santa Clarita Valley Sanitation District (SCVSD) for recycled water.
- 7.2. For the purposes of this Agreement, the annual per acre foot baseline payment rate will be increased on July 1 by an amount equal to the change in the CPI during the immediately preceding 12-month period ending December 31 ("CPI Adjustment"), with a minimum 2% increase and maximum 5% increase. For purposes of this Agreement, "CPI" means the Consumer Price Index – All Items for All Urban Customers, Los Angeles-Long Beach-Anaheim area published by the United States Department of Labor, Bureau of Labor Statistics (or a reasonably equivalent index if such index is discontinued).
- 7.3. If the cost formula provided in this Agreement results in a price disparity between what SCVWA pays the City for recycled water and what SCVWA pays the SCVSD for water, the price will be revised to match the SCVSD price for water, as so long as the price does not cause the City to operate at a deficit.
- 7.4. Should the City agree to purchase recycled water from SCVWA, it shall pay for the recycled water at the rate in effect for all recycled water customers at the time of the purchase.
- 7.5. The City may increase the price of recycled water commensurate with the additional expense of meeting the more stringent WRRs, if applicable, and SCVWA agrees to pay the increased price as of the date the City completes the above-mentioned steps and sets the increased price. If City chooses not to comply with more stringent WRR's, then the SCVWA is not required to take the recycled water.

8. Invoice and Payment.

- 8.1. **Quarterly Estimated Invoices.** Within 60 days after the end of each of the quarter of each fiscal year, the City will invoice the SCVWA for the price of the recycled water drawn by the SCVWA during that period.
- 8.2. **Payment.** The SCVWA shall pay the full amount of each invoice within 45 days after the date of the invoice from the City.
- 8.3. **Failure to Timely Pay.** Interest will accrue at the rate of 10% per year for all invoices that remain unpaid after 45 days.

9. Term and Termination

- 9.1. **Duration.** The Agreement shall be a 25-year term and shall renew automatically for a one-year term, annually, unless and until otherwise terminated by the Parties.
- 9.2. **Termination.** Any party may terminate this Agreement by providing the other party with written notice ninety (90) days in advance of the termination date.
- 9.3. **Costs.** If the City terminates this Agreement, or otherwise ceases producing recycled water during the term of this Agreement, the City will reimburse the SCVWA for the costs that SCVWA has incurred constructing and installing infrastructure necessary to operate the Recycled Water Distribution System. The cost to the City will be 50% of the cost of SCVWA's infrastructure reduced in an amount equal to the depreciated value of the infrastructure at the time of termination. The depreciation method shall be mutually agreed upon and the method shall be used for current and future infrastructure. Further, should SCVWA build new infrastructure needed for the Recycled Water Distribution System, SCVWA shall notify the City, as early as feasible, and provide a depreciation schedule upon request. This clause shall be null if the City terminated for reasons beyond its control, such as a result of a catastrophe event (e.g. major earthquake, fire, etc.) that would make it cost prohibitive to rebuild.

10. Liabilities and Indemnities.

10.1. **General Indemnity.** The SCVWA and the City shall indemnify each other and each of their respective officers, directors, agents, and employees from and against any and all claims, actions, suits, causes of action (whether legal, equitable, or administrative), liabilities, losses, costs, demands, damages, attorneys' fees and other expenses, which arise out of or are otherwise related to their performance of and/or compliance with the terms and conditions of this Agreement, except for any claims related to or arising out of the sole negligence or willful misconduct of the other party or any representative of the other party, and provided that the water delivered by the City to SCVWA meets the requirements required by this Agreement. This indemnity includes, but is not limited to, causes of action based on strict liability for defective products, breach of warranty, strict liability for abnormally dangerous activities, dangerous condition of public property, inverse condemnation, trespass, nuisance, and negligence.

10.2. **Regulatory Fines Indemnity.**

A. The SCVWA acknowledges that the City, as the entity holding the Permits for the Water Factory, may be subject to monetary fines or penalties imposed by the Regional Board for violations of the Permits.

B. If the City becomes the responsible party in an action resulting in a fine or penalty, the City shall be financially responsible for the payment of that fine or penalty.

C. If the City finds upon substantial evidence that the SCVWA is responsible for any action resulting in a fine or penalty, the SCVWA shall review such claim and upon agreement reimburse the City for the total amount within 45 business days after receiving notice of any such fine or penalty. In such events, both parties shall work in good faith to resolve issues.

D. If the City finds that a third-party purchaser of recycled water from the SCVWA is responsible for any action resulting in such a fine or penalty, the SCVWA shall join with the City in any legal or other effort to recover for the City all or a part of the fine or penalty imposed against the City by the Regional Board for such action. The SCVWA and City shall share in the payment of any legal or other fees, costs, or expenses incurred to recover from the responsible third party.

E. Notwithstanding paragraph 10.1 to this Agreement, the SCVWA shall indemnify the City and its directors, agents, and employees from and against any and all claims, actions, suits, causes of action (whether legal, equitable, or administrative), liabilities, losses, costs, demands, damages, attorneys' fees and other expenses, which arise out of or are otherwise related to the City's entry onto any Reuse Site for the purpose of verifying compliance as described in this section, unless the City was negligent in its management of the Reuse Site.

F. Notwithstanding paragraph 10.1 to this Agreement, the City shall indemnify the SCVWA and its directors, agents, and employees from and against any and all claims, actions, suits, causes of action (whether legal, equitable, or administrative), liabilities, losses, costs, demands, damages, attorneys' fees and other expenses, which arise out of or are otherwise related to the SCVWA's entry onto the Water Factory for any purpose associated with or arising from this Agreement, under SCVWA or its representative is negligent while conducting business at the Water Factory.

G. The SCVWA shall notify the City of any spills of recycled water in accordance with criteria established by the City in its Ordinance and in its Regulations and shall indemnify the City and its directors, agents, and employees from and against any and all claims, actions, suits, causes of action (whether legal, equitable, or administrative), liabilities, losses, costs, demands, damages, attorneys' fees and other expenses, which arise out of or are otherwise related to any spills of recycled water.

11. **Insurance.** The parties to this Agreement shall at all times carry insurance sufficient to meet their obligations under this Agreement.

12. **Assignments.**

12.1. The SCVWA may not transfer or assign any of its rights or duties under this Agreement without the prior written consent of the City.

12.2. The City may not transfer or assign any of its rights or duties under this Agreement without the prior written consent of SCVWA.

13. **Notices.** All notices, correspondence, reports, or other written documents exchanged between the Parties under this Agreement must be addressed to the City or the SCVWA as set forth below or as the City or the SCVWA may later designate in writing, and shall be sent through the United States mail, duly registered or

certified, return receipt requested, with postage prepaid thereon, or by any other method providing positive proof of delivery.

13.1. **TO CITY**
Director of Public Works
City of Santa Clarita
23920 Valencia Blvd., Suite 302
Santa Clarita, CA 91355

13.2. **TO SCVWA**
General Manager
Santa Clarita Valley Water Agency
27234 Bouquet Canyon Road
Santa Clarita, California 91350

14. **General Provisions.**

- 14.1. **Integration.** This Agreement, together with its Exhibits, supersedes any and all other agreements, either oral or in writing, between the Parties with respect to the subject matter herein. Each Party to this Agreement acknowledges that no representation by either Party, which is not embodied in this Agreement, nor any other agreement, statement, or promise contained in this Agreement, shall be valid and binding.
- 14.2. **Modification.** Any modification of the Agreement shall be effective only if it is in writing and signed by all Parties.
- 14.3. **Interpretation.** Each Party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of its provisions. This Agreement has been drafted through a joint effort of the Parties and their counsel and therefore shall not be construed against either of the Parties, but instead in accordance with its fair meaning.
- 14.4. **Choice of Law and Venue.** This Agreement is governed by California law. Any legal action arising out of this Agreement must be brought in the Los Angeles County Superior Court, Central Division.
- 14.5. **Arbitration.** Before filing any claims in Superior Court, the Parties agree to submit all claims or disputes arising out of or relating to this Agreement to non-binding arbitration, to be decided according to the rules of the American Arbitration Association. The Parties shall mutually select and equally share in the cost of the services of an arbitrator. In the event that the dispute is not resolved following

arbitration, it shall be brought in the Los Angeles County Superior Court, Central Division.

- 14.6. **Attorneys' Fees.** In the event of any legal proceeding arising from or related in any way to a breach of or an enforcement or interpretation of this Agreement, the prevailing Party will be entitled to recover reasonable attorneys' fees and court costs from the other Party.
- 14.7. **Counterparts.** This Agreement may be executed in duplicate originals, one for each Party, each of which duplicate original shall be deemed to be an original, but all of which shall constitute one and the same agreement.
- 14.8. **Director of Public Works Authority.** The Director of Public Works is delegated the authority to take all actions on behalf of the City in connection with any approvals, consents, or actions required of or by the City under this Agreement and to approve and execute minor amendments to the terms of this Agreement. Minor amendments shall be defined as those which would not effectuate an increased cost to the City or impact City revenue.
- 14.9. **Force Majeure.** If the performance of any act required of any Party is directly prevented or delayed by reason of strikes, lockouts, labor disputes, unusual governmental delays, acts of God, fire, floods, epidemics, freight embargoes, or other causes beyond the reasonable control of the Party required to perform an act, that Party shall be excused from performing that act for a period of time equal to the period of time of the prevention or delay; provided that the Party claiming the has notified the other Party in writing of that fact within 10 calendar days after the beginning of any such delay.
- 14.10. **Severability.** The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render any other provision of this Agreement unenforceable, invalid, or illegal to the extent practicable or provided by law.

Signatures on Following Page

The parties are executing this Agreement on the day and year stated above.

SANTA CLARITA VALLEY WATER
AGENCY SCVWA

CITY OF SANTA CLARITA

By: _____
General Manager

By: _____
City Manager

ATTEST

ATTEST

By: _____

By: _____
City Clerk

APPROVED AS TO FORM

APPROVED AS TO FORM

By: _____

By: _____
City Attorney

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EXHIBIT A

*Ordinance Providing for the Establishment and Enforcement of Regulations Pursuant to
the Water Recycling Requirements for Recycled Water Users*

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Exhibit A

Chapter 15.18

WATER RECYCLING AT THE WATER FACTORY

Sections:

[15.18.010 Title.](#)

[15.18.020 Purpose.](#)

[15.18.030 Prohibition on Sale, Distribution, or Use without Wholesale-Recycled Water Purchase Agreement.](#)

[15.18.040 Authority.](#)

[15.18.050 Violation—Penalty.](#)

15.18.010 Title.

The ordinance codified in this chapter shall be known as the “City of Santa Clarita recycled water ordinance” and may be cited as such. (Ord. 19-3 § 2, 7/9/19)

15.18.020 Purpose.

The purpose of this chapter is to provide for the establishment and enforcement of regulations pertaining to the sale and use of recycled water produced at the Water Factory. (Ord. 19-3 § 3, 7/9/19)

15.18.030 Prohibition on Sale, Distribution, or Use without Wholesale-Recycled Water Purchase Agreement.

A. No person may purchase, sell, distribute or use (either directly or through an intermediate party) recycled water produced at the Water Factory unless such sale, distribution, or use is governed by, in accord with, or pursuant to the requirements of a wholesale-recycled water purchase agreement with the City. As used in this chapter, the term “person” shall include natural persons, corporations, any city, county, district, joint powers authority, the state, and the United States, to the extent authorized by federal law.

B. Wholesale-recycled water purchase agreements shall govern resale and use of recycled water produced at the Water Factory, and incorporate the terms and conditions of all applicable waste discharge requirements, water reclamation requirements, and other applicable orders of the California State Water Resources Control Board, and the California Regional Water Quality Control Board, Los Angeles Region; and applicable requirements of state and federal law, including but not limited to the Federal Clean Water Act ([33 U.S.C. 1251](#) through [1388](#)); the Federal Safe Drinking Water Act ([42 U.S.C. 300f](#) through [300j-27](#)); the California Porter-Cologne Water Quality Control Act (California Water

Code [13000](#) through [16104](#)), and Title 22, Division 4, Chapter 3 of the California Code of Regulations.

C. Prior to initiating delivery of any recycled water from the Water Factory, the City Engineer shall enter into a wholesale-recycled water purchase agreement with SCV Water or any other person who is authorized by state law to distribute recycled water within the City's jurisdiction. (Ord. 19-3 § 4, 7/9/19)

15.18.040 Authority.

The City Engineer is granted authority to establish rules and regulations governing the use of recycled water as necessary, which shall be in accordance with existing law. The City Engineer shall administer, implement, and enforce the provisions of this chapter. Any powers granted to or duties imposed upon the City Engineer may be delegated to persons acting in the beneficial interest of, or in the employ of, the City. (Ord. 19-3 § 5, 7/9/19)

15.18.050 Violation—Penalty.

Upon a written determination of the City Engineer that a violation of this chapter has occurred, such action shall constitute a basis for:

- A. Termination of any user agreement;
- B. Immediate cessation of recycled water delivery;
- C. The City Engineer shall adopt notice and hearing procedures to implement this section, which shall be consistent with the rights afforded by due process. (Ord. 19-3 § 6, 7/9/19)

EXHIBIT B
On-Site SCVWA Water Factory Facilities

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**EXHIBIT B
ONSITE SCWA FACILITIES AT
FACTORY**

ONSITE FACILITIES BY SCWA
- Antenna
- SCADA Radio
- PLC

REGISTERED PROFESSIONAL ENGINEER
No. C79146
Exp. 03-31-18
STATE OF CALIFORNIA
JACOB PETERSON
PROJECT ENGINEER
R.C.E. No. C79146
EXP. 3/31/18
SCALE AS NOTED
DESIGNED
CHECKED
DATE OCTOBER 2017

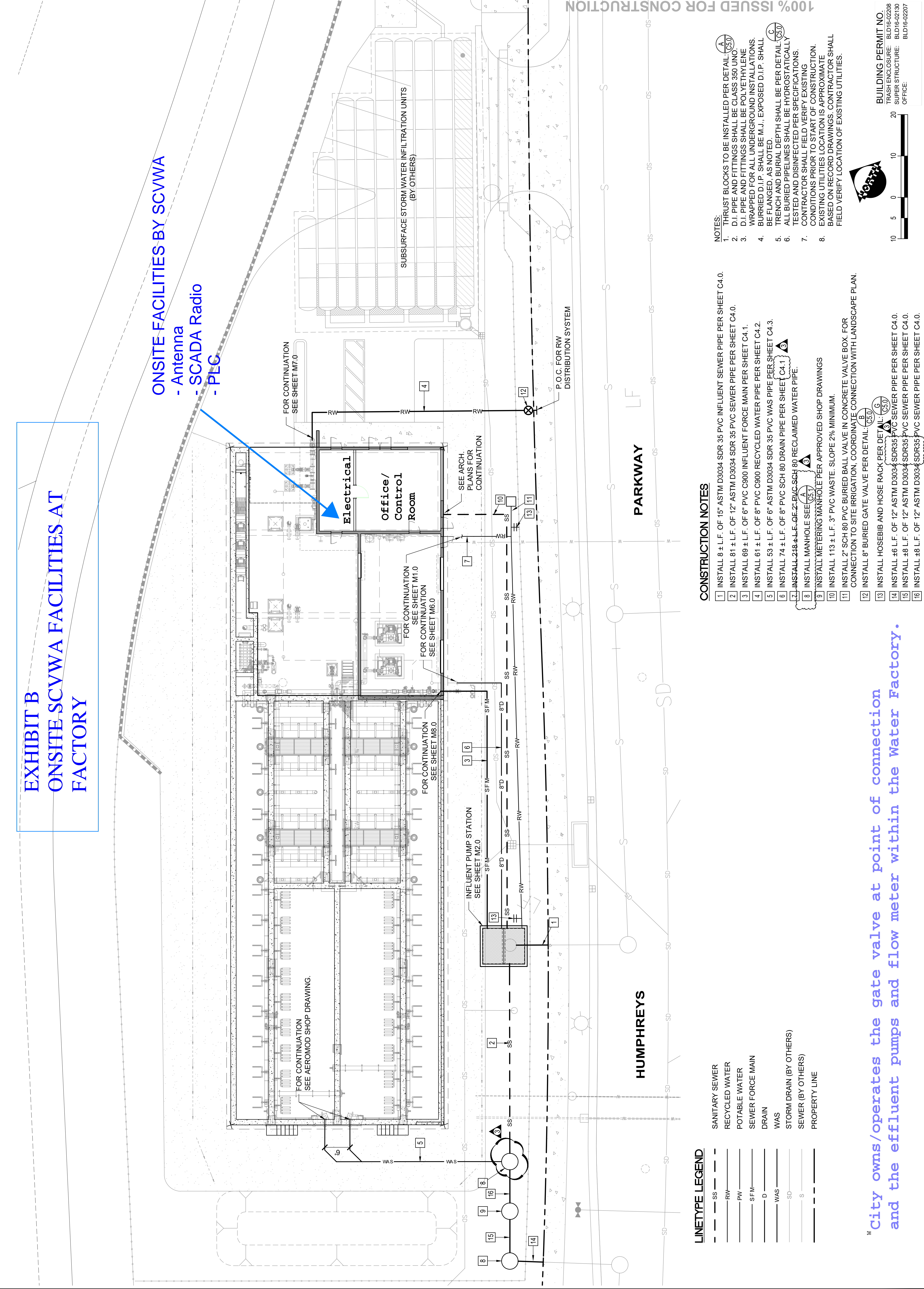
PACE
Advanced Water Engineering
12520 Newport Street, Suite 200 | Fountain Valley, CA 92708
P: (714) 481-7300 | www.pacewater.com

**VISTA CANYON
WATER FACTORY**
YARD PIPING PLAN

percwater
Pure Genius
959 South Coast Drive, Suite 315
Costa Mesa, CA 92626
Tel: 714.352.7750 Fax: 714.352.7765

SHEET **C3.0**
7 OF 13 SHEETS
JOB NO. A4897-E

Scale: 1" = 10' (AS NOTED) | Project: Vista Canyon Water Factory | Date: 10/17/17 | Version: 1 | Drawn: J.P. | Checked: J.P. | Title: Yard Piping Plan | Client: SCWA



LINETYPE LEGEND

---	SANITARY SEWER
---	RECYCLED WATER
---	POTABLE WATER
---	SEWER FORCE MAIN
---	DRAIN
---	WAS
---	STORM DRAIN (BY OTHERS)
---	SEWER (BY OTHERS)
---	PROPERTY LINE

CONSTRUCTION NOTES

- INSTALL 8" ± L.F. OF 15" ASTM D3034 SDR 35 PVC INFILTRANT SEWER PIPE PER SHEET C4.0.
- INSTALL 81" ± L.F. OF 12" ASTM D3034 SDR 35 PVC SEWER PIPE PER SHEET C4.0.
- INSTALL 69" ± L.F. OF 6" PVC C900 INFILTRANT FORCE MAIN PER SHEET C4.1.
- INSTALL 61" ± L.F. OF 8" PVC C900 RECYCLED WATER PIPE PER SHEET C4.2.
- INSTALL 53" ± L.F. OF 6" ASTM D3034 SDR 35 PVC WAS PIPE PER SHEET C4.3.
- INSTALL 74" ± L.F. OF 8" PVC SCH 80 DRAIN PIPE PER SHEET C4.1.
- INSTALL 218" ± L.F. OF 2" PVC SCH 80 RECLAIMED WATER PIPE.
- INSTALL MANHOLE SEE (A).
- INSTALL METERING MANHOLE PER APPROVED SHOP DRAWINGS.
- INSTALL 113" ± L.F. 3" PVC WASTE. SLOPE 2% MINIMUM.
- INSTALL 2" SCH 80 PVC BURIED BALL VALVE IN CONCRETE VALVE BOX. FOR CONNECTION TO SITE IRRIGATION, COORDINATE CONNECTION WITH LANDSCAPE PLAN.
- INSTALL 8" BURIED GATE VALVE PER DETAIL (B).
- INSTALL HOSEBIB AND HOSE RACK PER DETAIL (C).
- INSTALL #6 L.F. OF 12" ASTM D3034 SDR35 PVC SEWER PIPE PER SHEET C4.0.
- INSTALL #8 L.F. OF 12" ASTM D3034 SDR35 PVC SEWER PIPE PER SHEET C4.0.
- INSTALL #8 L.F. OF 12" ASTM D3034 SDR35 PVC SEWER PIPE PER SHEET C4.0.

- NOTES:**
- THRUST BLOCKS TO BE INSTALLED PER DETAIL (A).
 - D.I. PIPE AND FITTINGS SHALL BE CLASS 350 UNO.
 - D.I. PIPE AND FITTINGS SHALL BE POLYETHYLENE WRAPPED FOR ALL UNDERGROUND INSTALLATIONS.
 - BURIED D.I.P. SHALL BE M.J., EXPOSED D.I.P. SHALL BE FLANGED, AS NOTED.
 - TRENCH AND BURIAL DEPTH SHALL BE PER DETAIL (C).
 - ALL BURIED PIPELINES SHALL BE HYDROSTATICALLY TESTED AND DISINFECTED PER SPECIFICATIONS.
 - CONTRACTOR SHALL FIELD VERIFY EXISTING CONDITIONS PRIOR TO START OF CONSTRUCTION.
 - EXISTING UTILITIES LOCATION IS APPROXIMATE BASED ON RECORD DRAWINGS. CONTRACTOR SHALL FIELD VERIFY LOCATION OF EXISTING UTILITIES.

100% ISSUED FOR CONSTRUCTION

Scale: 1" = 10'

WATER

BUILDING PERMIT NO. BLD16-02208
TRASH ENCLOSURE BLD16-02130
SUPER STRUCTURE BLD16-02130
OFFICE BLD16-02207

City owns/operates the gate valve at point of connection and the effluent pumps and flow meter within the Water Factory.

THESE DRAWINGS ARE THE PROPERTY OF P.A.C.E. AND SHALL NOT BE REPRODUCED IN ANY MANNER NOR BE USED FOR CONSTRUCTION UNLESS STAMPED "ISSUED FOR CONSTRUCTION".

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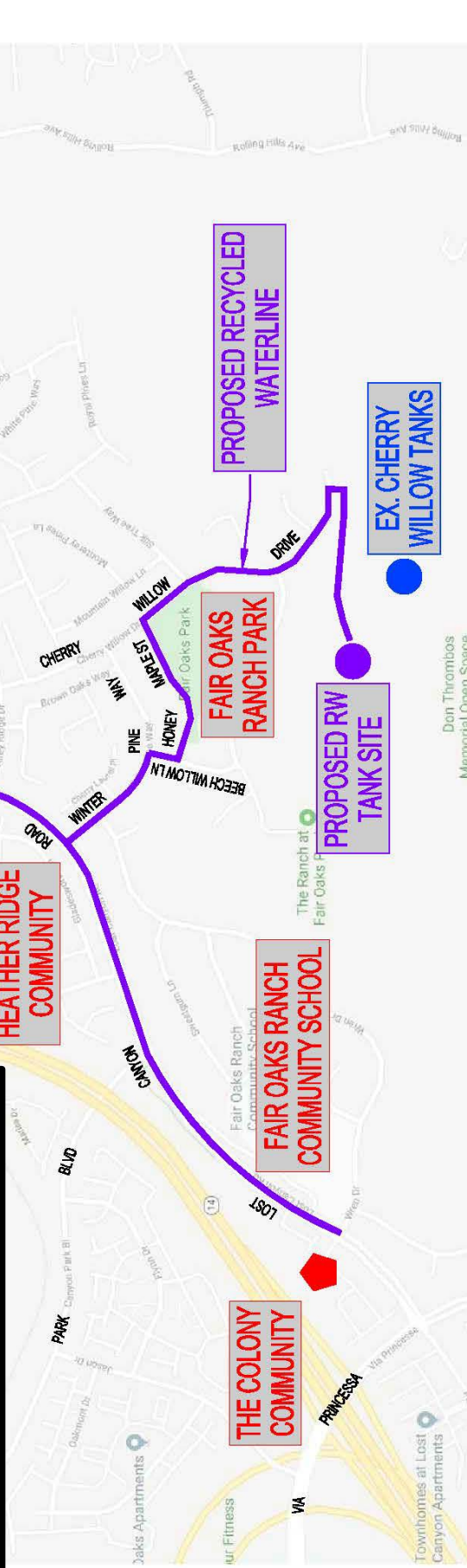
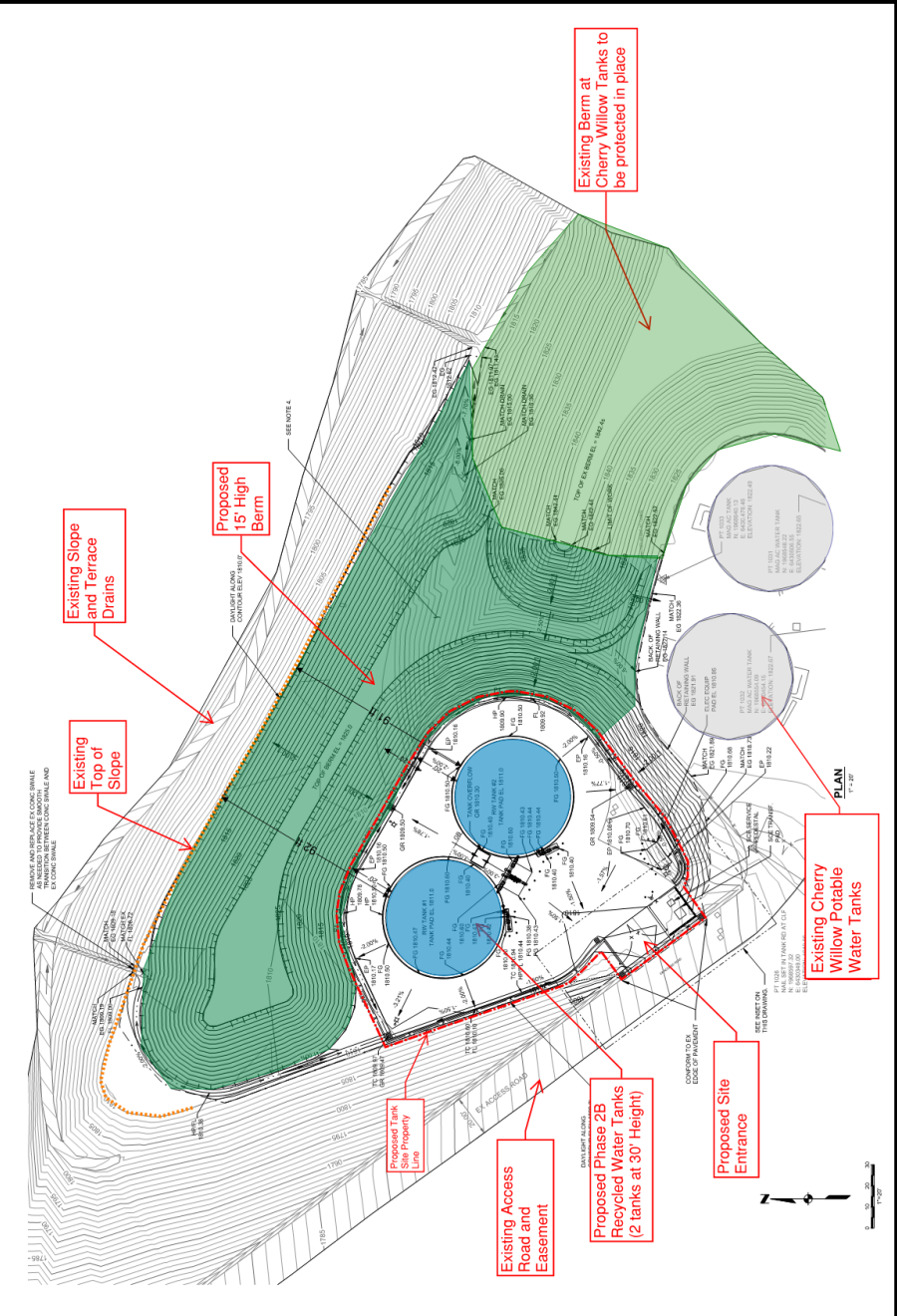
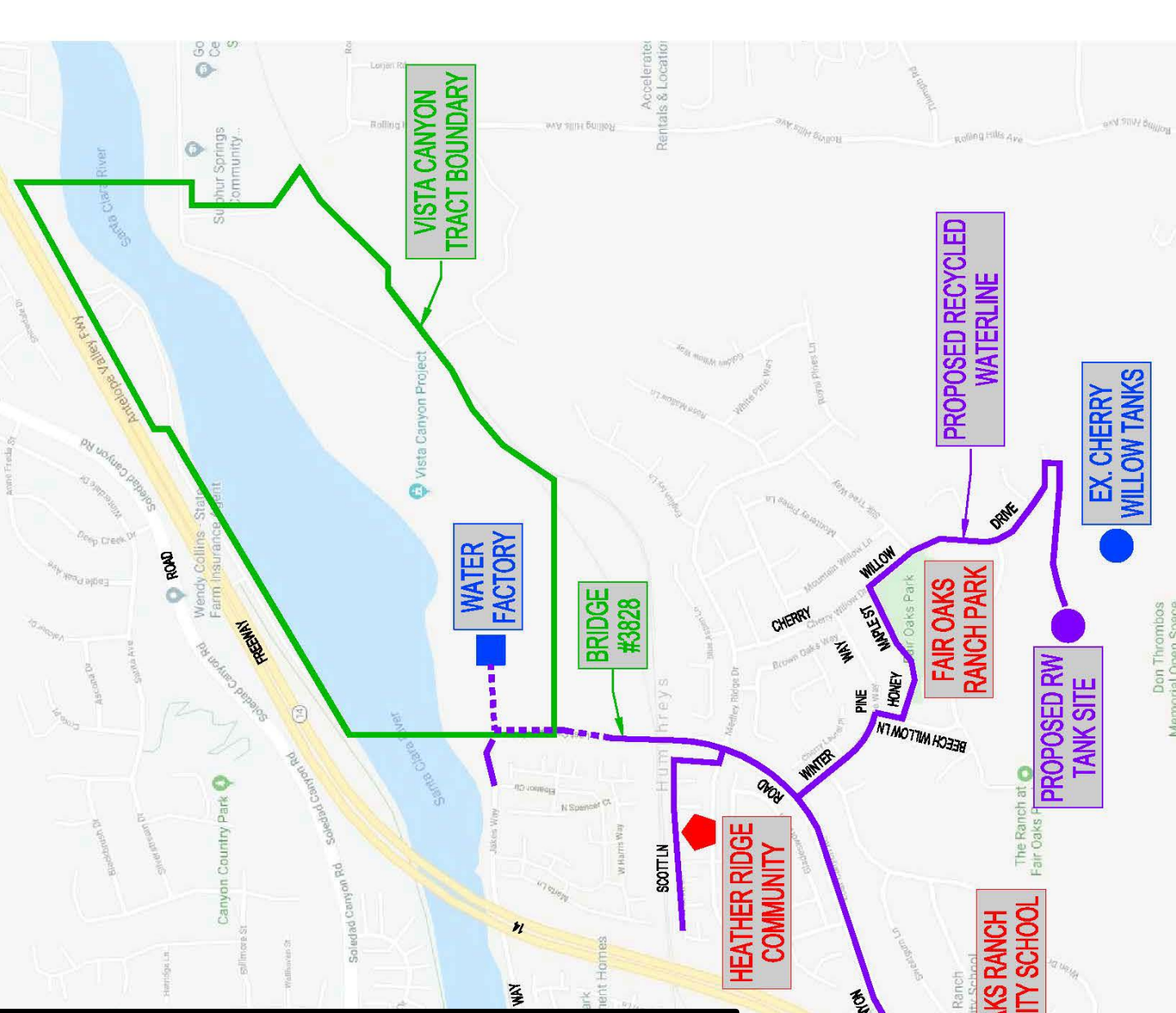


SCV
WATER

January 2, 2024

Agreement for Purchase and Sale of Recycled Water

Courtney Mael - Chief Engineer



Agreement

- The City is responsible for all aspects of the treatment plant including meeting the regulations and water quality for Recycled Water.
- SCV Water is responsible for all aspects of storage and distribution of the recycled water including the sale of recycled water to our customers.
- SCV Water will pay the City initially \$175.35 / AF of Recycled Water which is equivalent to the price charged to SCV Water from Santa Clarita Valley Sanitation District for Recycled water.



Recommendation

- That the Board of Directors authorize the General Manager to execute Agreement for Purchase and Sale of Recycled Water between Santa Clarita Valley Water Agency and the City of Santa Clarita.



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BOARD MEMORANDUM

DATE: January 2, 2024

TO: Board of Directors

FROM: Ali Elhassan *AE*
Director of Water Resources

SUBJECT: Approve the Third Amendment to the Deposit and Funding Agreement Between Santa Clarita Valley Water Agency and DACA-Castaic, LLC for Tapia Ranch

SUMMARY

On November 13, 2017, the former Castaic Lake Water Agency (now Santa Clarita Valley Water Agency (SCV Water)) executed the Deposit and Funding Agreement for the Tapia Ranch - Vesting Tentative Tract Map 72126 (Annexation Property) which in part made available 498 AF of the Buena Vista Rosedale-Rio Bravo (BVRRB) water for the proposed annexation and provided the annexing party, DACA-Castaic, LLC (DACA) five years to complete its entitlements. The Agreement also required DACA to pay certain past acquisition and carrying costs associated with the BVRRB water. On May 21, 2019, the First Amendment to the Deposit and Funding Agreement was executed and in part provided for the deferral of \$3,775,117 of past acquisition and carrying costs of the BVRRB water supply through December 31, 2021. Copies of the Deposit and Funding Agreement (Attachment A) as well as the First Amendment (Attachment B) are attached to this memorandum. On December 28, 2022, the Second Amendment to the Deposit and Funding Agreement (Attachment C) was executed, which in part provided for a deferral of \$2,691,987 of past acquisition and carrying costs of the BVRRB water supply through December 31, 2023, after a payment of \$1,000,000 was received from DACA in January 2022. DACA is current with all payments due under the Deposit and Funding Agreement, however, delays in acquiring entitlements have resulted in a third request to extend the term of the Deposit and Funding agreement and continued deferral of payment for past BVRRB acquisition and carrying costs through December 31, 2024. Section 6 of the Deposit and Funding Agreement provides for such an extension upon mutual agreement by DACA and SCV Water. To date, DACA has paid SCV Water \$4,438,476. Staff requests the Board of Directors review this request and authorize the General Manager to execute the 3rd Amendment to the Deposit and Funding Agreement.

BACKGROUND AND DISCUSSION

In October 2006, CLWA certified the Final EIR Water Acquisition from the Buena Vista Water Storage District and the Rosedale-Rio Bravo Water Storage District Water Banking and Recovery Program. The EIR estimated that 4,375 acre-feet per year (AFY) of the 11,000 AFY BVRRB water would be available to annexations with an estimated 750 AFY going to the Tapia Ranch project. In 2007, potential annexing parties were informed that because of more restrictive Sacramento-San Joaquin Delta regulatory measures, the Agency would not make BVRRB water available at that time.

Subsequent analyses included revised population and development information consistent with the One-Valley-One-Vision General Plan were incorporated into the 2015 UWMP allowing for a reexamination of the availability of BVRRB water to meet annexation requirements. Consistent with the Agency’s Annexation Policy, staff had undertaken an analysis to determine the demand for the proposed Annexation Property. That determination was made considering the landowner’s plan to develop the property. The staff’s determination of the demand is 489 AFY, which is less than the original estimate of 750 AFY. The 489 AFY is also less than the 575 AFY that was included in the 2015 UWMP and consistent with the demands included in the 2020 UWMP. The following table compares the demand values included in the 2015 UWMP and 2020 UWMP to those currently estimated:

Annexing Development Potentially Using BVRRB Supplies	2015 UWMP Estimate (AFY)	2020 UWMP Estimate (AFY)	Current Estimate (AFY)
Legacy	2,500	2,500	2,500
Tesoro	500	389	389
Tapia	575	489	489
Total	3,575	3,378	3,378

The 2015 UWMP demand estimates incorporated demands for the proposed Legacy, Tesoro, and Tapia annexations. The conclusion reached in the 2015 UWMP was that assuming the water supply portfolio in the UWMP, the water supplies exceeded demands (including potential demands for annexing areas) at buildout. These results are summarized in the table below:

Supply Source	Average/ Normal	Single Dry-Year	4-Year Drought	3-Year Drought
Existing Groundwater	31,545	40,215	36,175	35,875
Existing Recycled	450	450	450	450
Existing Imported	70,707	22,087	45,177	33,167
Bank/Exchanges		7,950	7,950	7,950
Future Groundwater	10,230	20,335	21,875	21,325
Future Recycled	9,604	9,604	9,604	9,604
Future Bank/Exchanges		22,000	22,000	22,000
Total Supply	122,536	122,641	143,231	130,371
Demand w/Active Conservation	93,900	103,300	103,300	103,300
Surplus	28,636	19,342	39,931	27,071

As supplies substantially exceeded demands for the scenarios in the 2015 UWMP, staff concluded that sufficient BVRRB supplies would exist for the proposed Tapia Ranch Project.

On June 13, 2018, the Water Resources and Watershed Committee considered staff’s recommendation to approve a resolution authorizing the General Manager to execute an assignment of BVRRB water supply to the proposed Tapia Annexation. On July 17, 2018, the Board concurred and authorized, through Resolution No. SCV-47, the General Manager to execute a deposit and funding agreement (Attachment D). In response to DACA’s January 16, 2019 letter (Attachment E), the Board subsequently authorized the First Amendment to the Deposit and Funding Agreement that provided for deferral of past BVRRB acquisition and carrying costs through December 31, 2021, the time in which DACA projected the CEQA documentation for the project would be completed.

Since that time, SCV Water adopted its 2020 UWMP. The 2020 UWMP incorporated the demands for the proposed annexation areas including Legacy, Tesoro, and Tapia Developments. The conclusion reached in the 2020 UWMP was that the water supplies also exceeded demands (including potential demands for the three annexing areas) at buildout. These results are summarized in the table below.

Supply Source	Average/ Normal	Single Dry-Year	5-Year Drought
Existing Groundwater	14,410	22,220	23,200
Existing Recycled	450	450	450
Existing Imported	62,107	22,047	41,347
Bank/Exchanges		19,950	16,809
Future & Recovered Groundwater	26,280	36,420	28,520
Future Recycled	8,511	8,511	8,389
Future Bank/Exchanges		10,000	10,000
Total Supply	111,758	119,598	128,715
Demand w/Active Conservation	101,000	107,100	102,870
Surplus	10,758	12,498	25,845

On October 27, 2021, SCV Water received a second request (Attachment F) to extend the timeline of the Deposit and Funding Agreement, stating DACA would be unable to certify their EIR in the time allotted in the First Amendment. The Board authorized the Second Amendment to the Deposit and Funding agreement with DACA, providing the deferral of a portion of the past BVRRB acquisition and carrying costs through December 31, 2023, after a \$1,000,000 paydown of the past carrying costs was received. DACA has made timely payments of the past carrying cost paydown, ongoing BVRRB annual carrying costs, interest payments on past BVRRB acquisition and carrying costs and option payments, all as provided under the second amended Deposit and Funding Agreement. As indicated above DACA has paid approximately \$4,438,476 to date.

On November 20, 2023, staff received a letter (Attachment G) from DACA requesting that SCV Water consider amending the Deposit and Funding Agreement for a third time to defer the payment of the past BVRRB acquisition and carrying costs through December 31, 2024, less a \$1,000,000 paydown of these costs, and also to extend the date to obtain CEQA entitlements under paragraph 6 of the Deposit and Funding agreement to December 31, 2025, citing the complexity of the EIR requiring the replacement of the primary EIR consultant, termination of a second CEQA consultant, the expansion of subject areas studied as a result of recent case law and the increase of review times required by Los Angeles County Planning Department.

Options for Committee Consideration

Option 1 – Take No Action. Should the Board decline to amend the agreement DACA may or may not be able to meet its financial obligation to pay the \$2,691,987 in past BVRRB acquisition and carrying costs or have their CEQA certifications completed. Assuming it does not make this payment, or complete the project’s CEQA documentation, DACA would be in default and the Agency may terminate the agreement.

Option 2 – Amend the Deposit and Funding Agreement as requested by DACA. A third amendment (Attachment H) would be prepared that continues the agreement through December 31, 2025. Under such an amendment, DACA would continue the payment of ongoing

BVRRB carrying costs, interest on the past BVRRB acquisition and carrying costs and an option payment. Further, DACA would pay down the past acquisition and carrying cost in the amount of \$1,000,000 by January 31, 2023, and the balance of these costs (\$1,691,987) by December 31, 2024. A proposed amended payment schedule is shown on Attachment I.

Option 3 – Amend the Deposit and Funding Agreement with additional or alternate terms to satisfy the Water Resources and Watershed Committee and Board of Directors.

On December 13, 2023, the Water Resources and Watershed Committee considered staff's recommendation and selected option 2 for Board consideration and approval.

California Environmental Quality Act (CEQA) Finding

The Final EIR for BVRRB water supply was certified by the Agency in 2006. The CEQA determination is that the proposed action (potentially amending the Deposit and Funding Agreement) has been previously addressed in the certified 2006 Final EIR and findings and that no further environmental analysis or documentation is required at this time. However, the Agency is only being asked at this time to extend the current Deposit and Funding Agreement and carrying cost payment schedule. No approval of the Tapia Project is being requested and, as contemplated in the Deposit and Funding Agreement, any future commitment to provide water to the Proposed Annexation Lands could only be made following the completion of certain conditions, including CEQA review, the issuance of land use entitlements by the County, the approval of the annexation by the Los Angeles County LAFCO, and final review of the Proposed Annexation Lands and development proposal by the Santa Clarita Valley Water Agency Board of Directors.

STRATEGIC NEXUS

These actions help support SCV Water's Strategic Plan Goal C.1 – Conduct planning to ensure long-term water demands are met.

FINANCIAL CONSIDERATIONS

If SCV Water decides to terminate the Deposit and Funding Agreement with DACA, SCV Water would begin paying the entire amount of our BVRRB water, increasing costs by approximately \$500,000 per year.

RECOMMENDATIONS

The Water Resources and Watershed Committee recommends that the Board of Directors authorize the General Manager to execute a 3rd Amendment to the Deposit and Funding Agreement with DACA-Castaic, LLC through 2024 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.

Attachments

MBS

Attachment A

DEPOSIT AND FUNDING AGREEMENT

This Agreement is made and entered into this 14th day of November, 2017, by and between CASTAIC LAKE WATER AGENCY (“CLWA”) and DACA Castaic, LLC (“Landowner”).

RECITALS

- A. CLWA is a public agency organized and operated in accordance with California Water Code Appendix, Chapter 103, for the purpose of acquiring water and water rights and to provide and sell such water at wholesale and retail to customers in the Los Angeles and Ventura Counties, California. The boundaries of CLWA are attached hereto as Exhibit “A”.
- B. CLWA has adopted a policy setting the criteria for annexation to CLWA (“Annexation Policy”). The Annexation Policy is attached hereto as Exhibit “B.”
- C. Landowner is DACA Castaic, LLC which owns lands consisting of 1167 acres in the County of Los Angeles, zoned as A2-2 and partially within the boundary of CLWA and partially adjacent to the boundary of CLWA as shown on the map attached hereto as Exhibit “C” (“Annexation Lands” or “Lands”).
- D. Landowner desires to annex the Annexation Lands into CLWA for purposes of receiving a water supply for such Lands, which involves the approval of the County of Los Angeles (“County”) for land use approval, the approval of the Los Angeles County Local Agency Formation Commission (“L. A. LAFCO”) for annexation, and compliance with the requirements of the Annexation Policy.
- E. County will be the lead agency for purposes of conducting the analysis of environmental impacts of the proposed land use, including the annexation and water supply from CLWA, pursuant to the requirements of the California Environmental Quality Act (“CEQA”) and CLWA is a responsible agency pursuant to the provisions of CEQA.
- F. Pursuant to the Annexation Policy, Landowner has submitted a written request for annexation pursuant to the Annexation Policy (“Request for Annexation”) and desires to enter into this Agreement for the purpose of defraying CLWA costs of time and expense of evaluating and processing the feasibility of the proposed annexation to CLWA.
- G. CLWA has completed CEQA review for acquiring 11,000 acre-feet per year (“AFY”) of water supply from Buena Vista Water Storage District and Rosedale-Rio Bravo Water Storage District in Kern County (“BV-RRB Acquisition” herein), a portion of which may be available to serve the Annexation Lands under certain terms and conditions, including a determination that there is sufficient water to allow the use of the BV-RRB Acquisition water (the “Additional Water Supply”). If CLWA does not make a determination that the Additional Water Supply is available, the Landowner shall be responsible for acquiring a

fully reliable permanent water supply for the Annexation Lands (the “Alternative Water Supply”).

- H. At this time, CLWA and Landowner are negotiating, but have not yet entered into, an annexation agreement in the form attached hereto as Exhibit D, which will set out the terms and conditions for annexation and utilization of the Additional Water Supply, if available, or Alternative Water Supply if appropriate, (the “Annexation Agreement”).
- I. Certain costs for processing and administration already have and will continue to accrue for the negotiation of an Annexation Agreement with CLWA
- J. Pursuant to the CLWA Annexation Policy, certain such costs shall be paid by the Landowner whether or not the annexation is completed.
- K. The parties understand that the costs covered by this Agreement are separate from those covered by the Annexation Agreement and that both agreements are required by CLWA.
- L. No CEQA review is required for this Agreement as this provision for payment does not meet the definition of “project” as set out in Public Resources Code Section 21065.

NOW, THEREFORE, the parties agree as follows:

1. **RECITALS.** All Recitals set out above are true and correct.
2. **FORM OF ANNEXATION AGREEMENT.** The form of Annexation Agreement is attached hereto as Exhibit “D”.
3. **PAYMENT OF PROCESSING AND ADMINISTRATIVE COSTS.**

Landowner shall pay its fair share of costs to CLWA in the amounts, for the purposes and at the times set out below. These costs shall continue to be paid under this Agreement separate from the Annexation Agreement.

A. **Definitions:**

As used herein, “Carrying Costs” means “Carrying Costs” as defined in Section 3.4 of the Annexation Policy, and includes but is not limited to all costs of acquiring the Additional Water Supply, if available, or Alternative Water Supply if appropriate, and, and the facilities, works, property and improvements needed for them. “Carrying Costs” does not include administrative or processing costs provided for in this Agreement or the Annexation Agreement.

B. Cost of Processing the Request for Annexation:

(i) Pursuant to the Annexation Policy, upon execution of this Agreement, Landowner has provided CLWA with an initial non-refundable deposit of Ten Thousand Dollars (\$10,000) and shall provide Forty Thousand Dollars (\$40,000) processing costs, for a total of Fifty Thousand Dollars (\$50,000). Such deposit shall be applied to the following costs that have been or will be incurred by CLWA for reviewing the Request for Annexation, negotiation and preparation of this Agreement and the Annexation Agreement, preparation of documents for L.A. LAFCO and participation in the LAFCO process, CEQA compliance as a responsible agency, and any and all other actions necessary up to the time of execution of the Annexation Agreement. Such costs may include, but are not limited to, engineering, planning, environmental and legal services (including, but not limited to, any and all costs of litigation challenging the Request for Annexation), and CLWA's direct overhead as determined by its customary practices, which includes, by way of example and not of limitation, salaries, benefits, equipment and facilities costs.

(ii) Such costs shall be itemized and charged first against the initial non-refundable deposit until exhausted and then against the deposit for processing costs. At such time as the initial nonrefundable deposit has been exhausted and the amount of the deposit for processing has dropped below Ten Thousand Dollars (\$10,000), Landowner shall replenish the deposit to the original Fifty Thousand Dollar (\$50,000) amount within thirty (30) days of receipt of notice to replenish. If such amount is not replenished, CLWA may stop work until that occurs. CLWA shall provide Landowner with a written summary of such charges on a quarterly basis.

(iii) Such costs shall be charged against the deposit for processing (and subject to replenishment as set out above) until the sooner of: (a) the annexation is completed by the filing of a revised boundary statement with the State and any litigation related to such annexation has been concluded by final judgment of a court of competent jurisdiction; or (b) Landowner, in writing, withdraws its Request for Annexation. At such time of withdrawal, any outstanding amounts owing to CLWA shall be paid and the remainder returned to Landowner, without interest.

C. Fair Share Costs Arising from the Acquisition of the Additional Water Supply:

Upon a completion of an estimate of water demand by CLWA and the request of the Landowner, CLWA will undertake an analysis of what quantity if any of the Additional Water Supply might be available from the BV-RRB water acquisition and what quantity the Alternative Water Supply, if any, the Landowner would

have to provide. Such an analysis shall be presented to the CLWA Board of Directors, which may in its complete and sole discretion may make a determination of the availability of the BV-RRB for the Additional Water Supply for the annexation. If CLWA determines that the Additional Water Supply is available, in addition to the costs of processing the Request for Annexation as set out above in Section 3.A, CLWA will allocate a fair share of the administrative costs for the BV-RRB Acquisition and Carrying Costs for the Additional Water Supply that will be attributable to the Annexation Lands consistent with the below.

1. **ADMINISTRATIVE AND OPERATING COSTS.** Upon a determination by the CLWA Board that Additional Water Supply is available to the Annexation Lands and presentation of a bill from CLWA, the Landowner shall reimburse CLWA for its administrative costs incurred, which costs include, but are not limited to, title reports, staff time, engineering, environmental (including CEQA compliance) and legal services arising from the acquisition of the Additional Water Supply, including negotiation and preparing of all water transfer agreements, as well as agreements with the Department of Water Resources and other parties whose consent is required to complete performance of this Agreement, defense of any litigation challenging the BV-RRB Acquisition, as well as direct overhead as determined by CLWA's customary practices. "Direct overhead includes, by way of example and not of limitation, salaries, benefits, equipment and facilities costs. Landowner shall not be required to reimburse CLWA for its normal administrative costs and operating costs. Landowner shall pay such bill within one hundred eighty (180) days after execution of this agreement.
2. **CARRYING COSTS.** Upon a determination by the CLWA Board that Additional Water Supply is available to the Annexation Lands and presentation of a bill Landowner shall reimburse CLWA for the past Carrying Costs of the Additional Water Supply incurred by CLWA up to that point in time within 180 days of the execution of this agreement. Thereafter, until CLWA's actual receipt of funds pursuant to Section 6.B of the Annexation Agreement (the Standby Charge), Carrying Costs for the Additional Water Supply will be billed to Landowner in a manner which allows CLWA to meet its obligations to BV-RRB in a timely manner without requiring CLWA to advance its own funds to pay such costs. The Landowner's Carrying Costs shall be determined as follows: The total Carrying Costs for the BV-RRB acquisition, less direct sales of the BV-RRB water in a given year, shall be divided by the total number of AFY acquired in the BV-RRB acquisition to determine the unit cost. That unit cost then shall be multiplied by the number of AFY of the Additional Water Supply which CLWA has determined will be needed to serve the Annexation Lands.

3. **REFUND.** In the event that Landowner withdraws its Request for Annexation before the date of annexation, or if the conditions in Section 6 are not met, Landowner shall not be entitled to a refund of amounts paid out herein, but shall not be required to reimburse CLWA for any costs thereafter.

D. **Costs Associated with Acquisition of an Alternative Water Supply**

If CLWA determines that the Land owner must provide an Alternative Water Supply, the Landowner shall reimburse CLWA under this agreement for all direct and indirect costs incurred in analyzing the adequacy of the proposed water supply.

E. **Acknowledgment of Arms-Length Negotiation of Annexation Costs; Waiver of Claims**

Landowner hereby agrees and acknowledges that Landowner is or will be required to pay certain costs, including without limitation Carrying Costs, and costs for Alternative Water Supply, as well as back-payments for 1% property taxes (the "Annexation Costs"), pursuant to this Agreement, the Annexation Agreement, and in accordance with CLWA's policies for annexation entitled "Annexations to Castaic Lake Water Agency." Landowner hereby further agrees and acknowledges that the Annexation Costs are a result of an arms-length negotiation between Landowner and CLWA, that such Annexation Costs are in consideration for the privilege of annexing into CLWA, and are not being imposed upon Landowner. Landowner hereby waives any and all claims of any kind against CLWA relating in any way to the Annexation Costs, and agrees to hold CLWA harmless from any and all claims Landowner may have relating in any way to the Annexation Costs. Landowner further agrees that failure to pay such Annexation Costs as required herein or under the Annexation Agreement will result in a breach hereunder and/or under the Annexation Agreement."

4. **CLWA NOT COMMITTED/NO LIMITATION OF DISCRETION.** CLWA cannot and does not commit itself or agree that it can or will provide water service to the Annexation Lands since CEQA and other review and approvals for the project have not been completed. Landowner understands and assumes any and all risk that the annexation and related approvals may not be approved by the respective governmental agencies or that such approvals, if granted, may be challenged in court. Nothing contained in this Agreement shall be construed to require CLWA to proceed with any action of any kind. The sole purpose of this Agreement is to provide for the repayment or payment to CLWA for costs expended or committed on Landowner's behalf.
5. **TERM.** This Agreement shall take effect on the date of execution by both parties and shall continue in full force and effect until CLWA provides written notice to Landowner that CLWA has determined all obligations hereunder have been performed or otherwise provided for.

6. **TERMINATION FOR FAILURE TO TIMELY OBTAIN ENTITLEMENTS.** Landowner and CLWA are negotiating an Annexation Agreement in substantially the form attached hereto as Exhibit D. Landowner and CLWA acknowledge that such Annexation Agreement will be necessary to govern the terms of provision of the Additional Water Supply, and until that time, CLWA is obligated hereunder to reserve any such Additional Water Supply for the benefit of Landowner. Landowner and CLWA further acknowledge that the Annexation Agreement must be approved by the L.A. LAFCO, and that Landowner must work with the County as the Lead Agency under CEQA for Landowner's project, to process project entitlements and prepare a CEQA document that CLWA and L.A. LAFCO may adopt as CEQA responsible agencies (collectively, the "Entitlements"). Landowner and CLWA hereby agree that, subject to subsection 3.C.3 herein, should Landowner fail to obtain such Entitlements as are necessary to submit the Annexation Agreement for approval by the L.A. LAFCO within five (5) years from the Effective Date hereof, this Agreement, and the rights and obligations existing hereunder for both Landowner and CLWA with the exception of Section 10 herein, shall terminate as of such date. The five year period may be extended by the mutual agreement of both parties and the approval of the CLWA Board of Directors.

7. **DEFAULT.** If Landowner fails to meet any of the conditions, covenants, or requirements set forth herein, including without limitation non-compliance with the timelines and payment provisions set forth in Section 3 of this Agreement, such failure shall constitute an Event of Default hereunder. With the exception of an Event of Default arising out of failure to meet payment deadlines under Section 3 of this Agreement, CLWA shall provide written notice to Landowner of the occurrence of an Event of Default. If Landowner fails to cure such Event of Default within thirty (30) days from the date of the Event of Default, with respect to defaults under Section 3 of this Agreement, or thirty (30) days of receipt of written notice, CLWA shall have the right (but not the obligation) to immediately terminate this Agreement. If CLWA terminates this Agreement in accordance with this provision, CLWA shall rescind any findings made with respect to the availability of Additional Water Supply and shall no longer be obligated to reserve such Additional Water Supply for the benefit of Landowner. The rights and remedies of CLWA enumerated in this Section 6 are cumulative and shall not limit CLWA's rights under any other provision of this Agreement, or otherwise waive or deny any right or remedy, at law or in equity, existing as of the Effective Date or enacted or established at a later date, that may be available to CLWA. Nothing herein shall constitute a waiver of amounts owed to CLWA hereunder, including amounts owed pursuant to Section 3 herein.

8. **ASSIGNMENT.** Except as otherwise provided herein, Landowner may not assign this Agreement without the prior written consent of CLWA, which shall not be unreasonably withheld. Assignment without consent shall not be effective

to terminate Landowner's obligations hereunder. CLWA's consent to one assignment shall not constitute consent to a subsequent assignment or waiver of the requirement for such consent.

9. **SUCCESSORS AND PERMITTED ASSIGNS.** All covenants and agreements contained in this Agreement by or on behalf of any of the Parties shall bind and inure to the benefit of their respective successors and permitted assigns, whether so expressed or not.
10. **INDEMNIFICATION.** Landowner shall indemnify, defend, and hold harmless CLWA, its officers, agents, and employees, from and against any and all litigation brought by third parties pertaining to this Agreement, except that arising from the sole negligence or misconduct of CLWA.
11. **ATTORNEYS' FEES.** In the event of litigation between the parties hereto arising out of or in connection with this Agreement, the prevailing party shall, in addition to any other relief awarded by the court, be entitled to recover its costs and attorneys' fees as determined by the court.
12. **NOTICE.** Any notice to be given hereunder shall effective only when in writing and delivered to the party to whom notice is being given personally, by fax or by mail, to the address set out below:

To CLWA:
Matthew Stone
General Manager
27234 Bouquet Canyon Road
Santa Clarita CA 91350

To Landowner:
Howard Justus
DACA-Castaic, LLC
1565 Hotel Circle South, Suite 310
San Diego, CA 92107

Either party may change the place of notice to any other location by giving notice to the other.

13. **NO CONTINUING WAIVER.** No waiver of any term or condition of this Agreement shall be a continuing waiver thereof. This Agreement shall be interpreted in a manner consistent with all other terms and agreements between the parties.
14. **COUNTERPARTS.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, taken together, shall

constitute one and the same instrument. Signatures sent by facsimile shall be deemed originals and treated in all respects as originals.

15. **APPROVAL.** Landowner and CLWA each acknowledges that execution of this Agreement by each other is conditioned upon any necessary approval of the terms of the Agreement by their respective governing bodies.
16. **AUTHORITY.** In signing below, each of the Parties represents and warrants to each of the other Parties that each is a duly organized or constituted entity, with all requisite power to carry out its obligations under this Agreement, and that the execution, delivery, and performance of this Agreement have been duly authorized by all necessary action of the Board of Directors or other governing body of such Party, and shall not result in a violation of such Party's organizational documents.
17. **GOVERNING LAW.** This Agreement shall be construed and enforced in accordance with the laws of the State of California.
18. **AGREEMENT.** No amendment of this Agreement shall be binding upon the Parties unless it is in writing and executed by all of the Parties.
19. **FURTHER ACTION.** The Parties agree to and shall take such further action and execute and deliver such additional documents as may be reasonably required to effectuate the terms and conditions of this Agreement and to the extent consistent with the terms hereof.
20. **JOINT DRAFTING AND NEGOTIATION.** This Agreement has been jointly negotiated and drafted. The language of this Agreement shall be construed as a whole according to its fair meaning and without regard to or aid of Civil Code Section 1654 or similar judicial rules of construction. Each Party acknowledges that it has had the opportunity to seek the advice of experts and legal counsel prior to executing this Agreement and that it is fully aware of and understands all of its terms and the legal consequences thereof.
21. **HEADINGS.** Headings used in this Agreement are for reference only and shall not affect the construction of this Agreement.
22. **NO THIRD PARTY BENEFICIARIES.** No third party shall be entitled to claim or enforce any rights under this Agreement.
23. **SEVERABILITY.** In the event that any provision of this Agreement is determined by a court to be invalid, the court shall reform the provision in a manner that is both consistent with the terms of this Agreement taken as a whole and legally valid. The remainder of this Agreement shall not be affected thereby.

24. **INTEGRATION.** This Agreement is separate and apart from the Annexation Agreement and survives execution thereof. To the extent the Annexation Policy is inconsistent with this Agreement, this Agreement shall prevail.

IN WITNESS WHEREOF, each Party has executed this Agreement on the date set forth below, said Agreement to be effective on the later of the two, i.e., when both Parties have signed this Agreement (the "Effective Date").

Date: 11/12/17

CASTAIC LAKE WATER AGENCY

By: Matthew [Signature]

Title: General Manager

ATTEST:

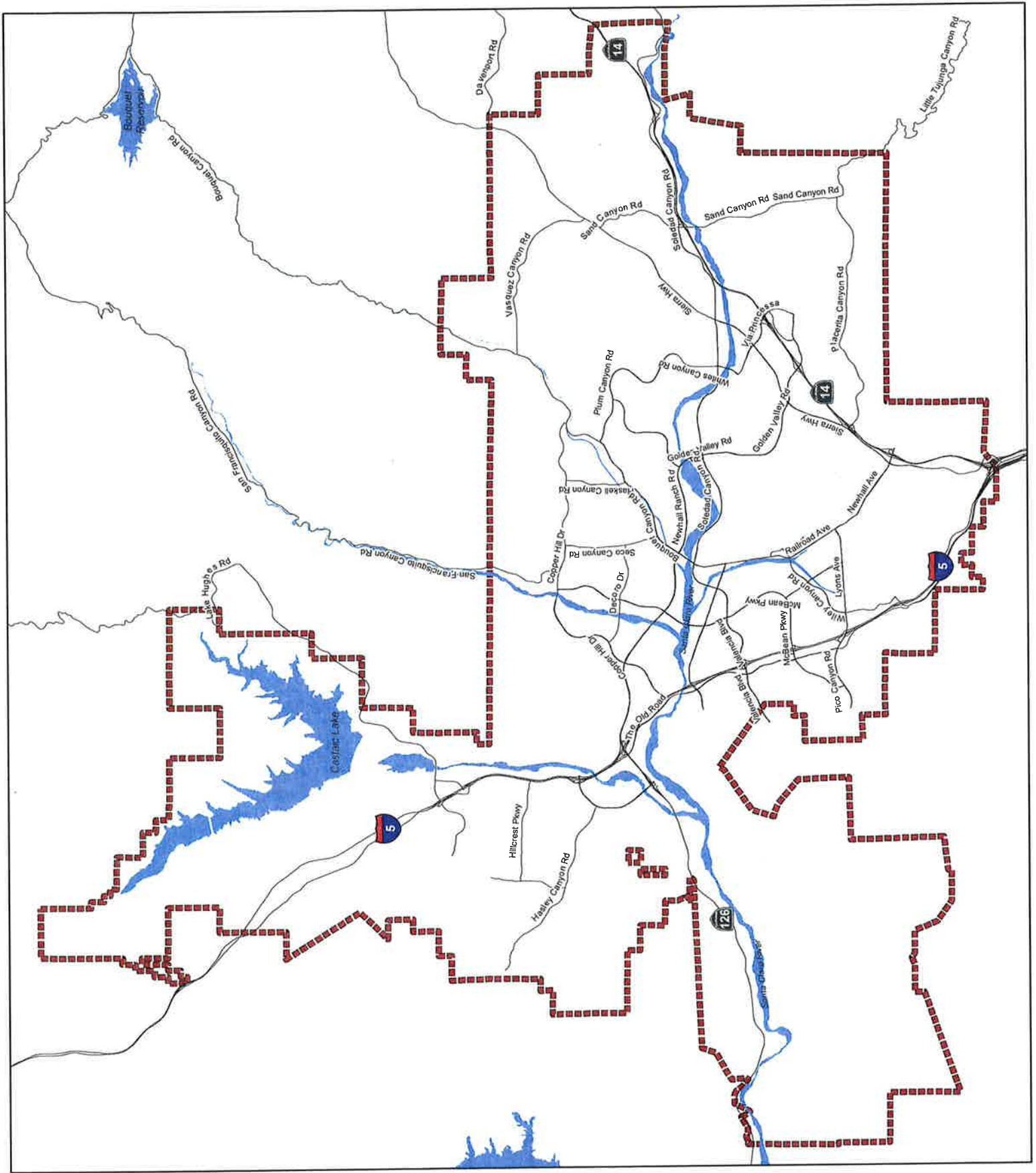
[Signature]
Secretary

Date: 11.1.2017

LANDOWNER, ANNEXATION LANDS

By: [Signature]

Title: Manager

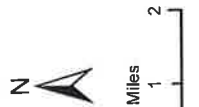


**CLWA
Service Area**

**EXHIBIT A
CLWA Boundaries**

- Legend**
- Freeway / Major Road
 - Water Feature
 - CLWA Service Area Boundary

Created by
CLWA Engineering Dept.
27 Nov 2017



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EXHIBIT B
ANNEXATION POLICY

ANNEXATIONS TO CASTAIC LAKE WATER AGENCY

SECTION

- 1. ANNEXATION COMMENCEMENT PROCEDURES**
- 2. GENERAL POLICIES RELATED TO ANNEXATIONS**
- 3. FINANCIAL POLICIES RELATED TO ANNEXATIONS**

1. ANNEXATION COMMENCEMENT PROCEDURES

1.1 Request for Annexation, Basic Information, Non-Refundable Payment.

A request for annexation of land(s) (“Annexation Land”) shall be made by the fee owners or their duly authorized agents (“Applicants”) to the Agency and shall be in writing. The request shall include:

- (a) A map of the area proposed to be annexed specifically identifying the location of all assessor’s parcels and roads, and a list of the assessed values by assessor’s parcel number;
- (b) Identification of the current ownership of each parcel;
- (c) A statement of the present use of each of the parcels;
- (d) A statement of proposed land use and/or zoning changes for each parcel, plus a copy of all vesting tentative maps or tentative maps affecting the area proposed to be annexed; and
- (e) For Local Agency Formation Commission informational purposes, a statement setting forth whether the number of voters within the area proposed to be annexed is less than 12, or 12 or more.

Each request for annexation shall be accompanied by a non-refundable payment of up to \$10,000 as determined by the General Manager to reimburse the Agency for staff time and expenses of evaluating, processing the feasibility of the proposed annexation and publishing the petition and preparing and making the filings required by law. If the request involves more than one Water Service Area (“WSA”) of the Agency, then the non-refundable payment for such request will be up to \$10,000 for lands within each WSA.

1.2 Submittal of Request

A request for annexation and all information required in connection therewith shall be submitted to the General Manager.

2. GENERAL POLICIES RELATED TO ANNEXATIONS

2.1 Water Supply

- (a) **Water Demand.** The Agency’s General Manager shall estimate the highest potential water use, in acre-feet per year, (“Water Demand”) for the proposed Annexation Land. This estimate shall be on the basis that the proposed Annexation Land will ultimately be put to its highest and best use, which shall be determined by considering land planning information available, including that of the landowner in determining the Water Demand for the proposed Annexation Land. The sole exception to this highest and best use standard shall be for lands irrevocably dedicated to a non-irrigated public use, in their natural state, for park or open space purposes.

- (b) **Additional Water Supplies Determination.** The Agency shall evaluate and determine the source of water supply needed by the Agency to serve the Annexation Land (“Additional Water Supplies”) and also the reliability of that source of supply for potable water purposes (“Reliability”). The Additional Water Supplies for the Annexation Land shall be equal to the amount of Water Demand, plus an upward adjustment for the source of supply’s Reliability so as to avoid any diversion from the Agency’s existing water supply from and/or reduction in water supply reliability within the existing Agency service area.
- (c) **Transfers of Water Rights.** Additional Water Supplies, at the reasonable discretion of the Board of Directors and on advice and recommendation of the General Manager, can be provided from transfers of contractual rights to the State Water Project Contract Table A Amounts or rights to water from other sources.
- (d) **Agency Vesting.** The rights to the Additional Water Supplies and all appurtenant requirements to exercise such rights for the delivery of the Additional Water Supplies to the Agency must be fully vested in the name of the Agency as a condition precedent to the approval and to completion of the annexation.

2.2 Revenue Plan

Prior to completion of an annexation, the General Manager shall present to the Board a revenue plan concerning the Annexation Lands (“Revenue Plan” herein). The Revenue Plan will include a component for 1% property taxes, a component setting forth the method of payment of Acquisition Costs of the

Additional Water Supplies, Carrying Costs (Section 3.4), and Back Taxes (Section 3.2(a)(1)) as set forth herein.

(a) **1% Property Taxes.** Absent mitigating factors, the Revenue Plan shall require the Applicant to secure dedication to the Agency the same percentage share of 1% property tax monies that exist in the remainder of the Los Angeles and Ventura Counties portions of the Agency that are not impacted by redevelopment projects. This requirement is to avoid use of the Agency's existing share of the 1% property tax money to subsidize the costs related to the Annexation Lands. To the extent that the dedication of the share of the 1% property tax money from the Annexation Land is not equal to the same percentage share that exists in the Agency, an equivalent sum of money ("1% Tax Equivalent" herein) shall be paid by the annexing land as set forth in the Annexation Agreement, including by way of stand-by charge.

(b) **Acquisition Costs and Carrying Costs.** The Revenue Plan will set out the acquisition costs and the Carrying Costs to the Agency of the Additional Water Supplies and the method of payment of such obligations by the annexing lands to the Agency. Such obligations shall be set forth in the Annexation Agreement.

(c) **Back Taxes.** The Revenue Plan will set forth the manner in which the Back Taxes (Section 3.2(a)(1)) will be paid by the owners of the annexing land. Such obligation shall be set forth in the Annexation Agreement.

2.3 Retail Water Service

Retail Water Purveyor Service. The Applicant's plan for service of water to the Annexation Land must, absent mitigating factors, include contractual or other appropriate provisions for service of the Annexation Land by an existing retail water purveyor of the Agency.

2.4 Additional Approvals

- (a) **DWR.** To the extent required by Agency's SWP contract, the Director of the Department of Water Resources ("DWR") of the State of California must approve all changes in the Agency's service territory prior to completion of an annexation.
- (b) **LAFCO.** The relevant Local Agency Formation Commission must process and approve changes in Agency boundaries if, and to the extent, required by California law.

2.5 No Agricultural Use

The Agency will not process any annexation where Agency water will be used for agricultural purposes. The Agency, further, will condition all annexations, to the maximum extent permitted by law, to preclude use of water of the Agency for agricultural purposes.

2.6 Contiguous Territory

An area proposed for annexation shall be contiguous to the Agency. No annexation shall leave an unannexed area entirely or nearly surrounded by area annexed to the Agency, unless the Board specifically finds that the Agency's interests will not be adversely affected by such a configuration of annexed territory.

2.7 Minimum Acreage

The Agency, absent mitigating factors, will not process an annexation involving less than 250 acres. This minimum acreage requirement may, however, be satisfied by simultaneous annexation of smaller parcels whose combined acreage exceeds 250 acres.

2.8 Annexation Terms and Conditions

All annexations shall be subject to the following terms and conditions:

- (a) **Regulations.** The sale and delivery of all water by the Agency, regardless of the nature and time of use of such water, shall be subject to regulations promulgated from time to time by the Agency, and also those regulations promulgated by the retail water purveyor(s) serving the proposed Annexation Land.
- (b) **No outside use.** Except upon terms and conditions specifically approved by the Board, water sold and delivered by the Agency shall not be used in any manner which intentionally or avoidably results in its use outside the Agency service area.
- (c) **No additional works.** The Agency shall not be obligated to provide additional works or facilities, necessitated by the annexing area, as defined by Agency policies in effect from time-to-time for the delivery of water to the Annexation Land from works or facilities owned and operated by the Agency.
- (d) **Common pool.** Except as set forth in this paragraph or in the Annexation Agreement, Additional Water Supplies acquired to meet the Water Demand of Annexation Land is a water right of the Agency for use in its service area, including the Annexation Land when annexation is

completed. Subject to the Water Demands on the Agency, the Additional Water Supplies may be used for water banking and other uses as deemed appropriate at the discretion of the Board and is not dedicated solely for use on the Annexation Land. Notwithstanding the foregoing, if, pursuant to the Annexation Agreement, the owners of the Annexation Land are required to pay the capital and/or the carrying costs for the Additional Water Supplies as described in Section 3.2(a)(2) of this Policy, and are not in default of such obligation as determined by a final judgment, the Agency shall not treat such Additional Water Supplies as water available to support “can-serve”, “will-serve”, or “water availability” letters (“Water Availability” herein) for any new development within the service area of the Agency and shall, upon request, provide the retail water purveyor serving the Annexation Land with the necessary water supply assurances to enable the retail provider to issue Water Availability letters for the Annexation Land to the extent the Additional Water Supplies would be sufficient to support such letters.

- (e) **Lead Agency.** At its election, the Agency, in cooperation with the LAFCO, shall be the lead agency for purposes of compliance with the California Environmental Quality Act and, in any event, shall direct, conduct, and have final approval of the environmental analysis for the Additional Water Supplies.
- (f) **Water Efficiency Guidelines.** To the extent practicable, the retail water purveyor(s) and owner(s) of parcels, as appropriate, within an Annexation Land, shall comply with all Agency rules and regulations, including the following:

- (1) **Conservation.** Annual water use shall be minimized by incorporating water conservation measures into the development plans. Use of local groundwater, surface water, and recycled wastewater supplies shall be maximized to reduce demands on the Agency.
- (2) **BMPs:** Best Management Practices (“BMPs”) conservation measures, as identified by the Agency from time to time, shall be applied uniformly in all new and existing developments within the annexed area. At least one model home constructed in each new development within the proposed Annexation Land shall demonstrate a water conserving landscape.
- (g) **Coordination Compliance.** The retail water purveyor(s), within which the proposed Annexation Land is or will be located, and the Agency shall coordinate to assure compliance with these provisions so that information is provided to the Agency regarding such compliance.

3. FINANCIAL POLICIES RELATED TO ANNEXATIONS

3.1 Annexation Agreement; Additional Water Supplies; Processing Costs, and Annexation Charges

- (a) **Annexation Agreement.** An Applicant shall enter into an agreement with the Agency whereby the Applicant agrees to pay all Agency Processing Costs and Annexation Charges as defined herein (“Annexation Agreement” herein). Unless approved otherwise by the Board, all Processing Costs must be paid as a condition precedent to completion of the annexation. The Annexation Agreement shall provide the

security for and method of payment of the Processing Costs (if appropriate), the 1% Tax Equivalent, and Annexation Charges as determined appropriate by the Board.

- (b) **No Guarantee.** The Annexation Agreement will recite that obtaining amendments in the Agency's State Water Contract or new contracts to secure Additional Water Supplies from other sources is not a routine process, could take considerable months or years, and that there can be no guarantee or prediction of success for the annexation and/or contract amendment, or new contract negotiation efforts.
- (c) **Assumption of Risk.** The Annexation Agreement will explicitly provide that the Agency lacks legal authority in any way to predict its decision concerning a proposed annexation prior to completion of required environmental review processes, and that the Applicant assumes all financial risk related to ultimate Agency Board decisions to approve or to deny annexations in whole, or in part.
- (d) **Processing Deposit.** Unless a lesser sum is approved by the Board, the Annexation Agreement shall require a deposit of \$50,000 by each fee owner of the Annexation Land (in addition to the initial payment of up to \$10,000) as a condition of processing or continuing to process the annexation. The deposit will be used to pay for Processing Costs. Further, whenever the Agency so requests, additional sums must be paid by the Applicant to restore the deposit to \$50,000. Following completion of the annexation or termination of the annexation process, any unexpended deposit money shall be returned to the Applicant. Periodic accounting of the expenditures shall be provided by the Agency to the Applicant.

- (e) **Board Approval.** All Agency-Applicant Annexation Agreements shall be subject to Board-approval. The terms will differ for individual annexations because all annexations are unique and raise special issues.
- (f) **No Subsidy.** The obligation for the owners of Annexing Land to pay processing costs is to ensure that the Applicant is not subsidized in any way by existing Agency ratepayers and taxpayers.
- (g) **Processing Costs.** Processing Costs, include, but are not limited to, title reports, Carrying Costs incurred before completion of annexation, staff time, engineering, environmental, and legal services, including the negotiation and amendment of the Annexation Agreement, the Agency's State Water Contract, or negotiation and execution of contracts to secure Additional Water Supplies from other sources and litigation, including costs and attorneys' fees, if any, required to complete the annexation (Processing Costs" herein).

3.2 Annexation Charges

- (a) **Condition Precedent.** The annexation charge shall be paid to the Agency pursuant to the Annexation Agreement as a condition precedent to any obligation of the Agency with regard to providing Additional Water Supplies, and shall consist of the following components ("Annexation Charges" herein):
 - (1) **Back-Tax Computation.** In order to equitably share in benefits provided by the Agency through its existing Agency-wide facilities, the annexing area shall be required to pay an amount that is equivalent to total Agency ad valorem taxes that would have been levied

on the annexation area lands had they been included in the Agency territory since 1963 (“Back Tax” or Back Taxes” herein). Payment for Back Taxes for Agency facilities shall be calculated as follows: Applicant will provide the Assessor’s Parcel Number for the Annexation Land. The assessed value of the parcel will be obtained from the latest Assessor’s list in Los Angeles or Ventura County where the Annexation Land is located. Based on past history of increases in assessed value, the assessed value of the parcel(s) will be calculated for each year back to 1963. The computed annual assessed value will then be multiplied by the combined tax for that year to determine the amount of tax that would have been paid in that year. The result of each year’s calculation will then be brought forward to reflect the current value of those annual amounts. The calculation will use the interest rate the Agency received for its investments during each period. From 1963 to 1986, the Agency invested its savings in Certificates of Deposit. From 1987 forward, the Agency also deposited funds in the Local Agency Investment Fund. The total sum of payments from 1963 to the present represents the Back Tax amount for those parcels to be annexed.

- (2) **Payment for Additional Water Supplies.** Applicant will, at its sole expense, pay for the Additional Water Supplies needed to serve the proposed Annexation Land. The payment may be made by issuance of Agency debt secured by assessments, charges, standby charges, fees, or taxes on the proposed Annexation

Land. The Applicant will accordingly pay, as part of its Annexation Charges, the costs of Additional Water Supplies, including, without limitation, the “purchase or transfer price” exacted by the holder of the right to the water to be transferred to the Agency, any payment for contractual or other rights required for the Agency to use water transportation, water storage, or other facilities, cost of financing, and issuance of securities (“Acquisition Costs” herein, “Carrying Costs” (as defined in Section 3.4) to be paid after completion of annexation, and the 1% Tax Equivalent (§2.2).

3.3 Payment Requirement in Full

All Processing Costs shall be paid in full prior to completion of the annexation and Annexation Charges paid as set forth in the Annexation Agreement.

3.4 “Carrying Costs” Defined

The term “Carrying Costs” refers to any required payments to the State of California Department of Water Resources for additional Table A Amount, or to the contracting party with the Agency for other source of water supply.

3.5 Facility Capacity Fees

Upon development of property within the Annexation Land, Agency facility capacity fees shall be payable pursuant to then existing Agency policies as a condition precedent to water service. To the extent the Annexation Charges include capital costs covered by Agency facility capacity fees, a credit against such fees will be provided.

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EXHIBIT D **ANNEXATION AGREEMENT**

ANNEXATION AGREEMENT

This Agreement is entered into by and between Castaic Lake Water Agency (“CLWA”) and _____ (“Landowner” herein).

RECITALS

A. CLWA is a public agency organized in accordance with California Water Code Appendix, Chapter 103 (the “Act”) for the purpose of acquiring water and water rights and to provide and sell such water at wholesale and retail to customers in Los Angeles and Ventura Counties, California. The boundaries of CLWA are attached hereto as Exhibit “A”.

B. CLWA has adopted an Annexation Policy (“Annexation Policy”) which determines the criteria for annexation to Agency, a copy of which is attached and incorporated as Exhibit “B”.

C. Landowner is a _____ which owns lands consisting of _____ acres in the County of Los Angeles, zoned as _____ and adjacent to the boundary of Agency as shown on the map attached hereto as Exhibit “C” (“Annexation Lands” or “Lands”).

D. Landowner desires to annex the Annexation Lands into Agency for purposes of receiving a water supply for such Lands conditioned on the approval of the County of Los Angeles (“County”) for land use approval and the approval of the Los Angeles County Local Agency Formation Commission (“L. A. LAFCO”) for annexation and compliance with the requirements of this Agreement and the Annexation Policy.

E. County is the lead agency for purposes of conducting the analysis of environmental impacts of the proposed land use, including the annexation and water supply from CLWA, pursuant to the requirements of the California Environmental Quality Act (“CEQA”) and Agency is a responsible agency pursuant to the provisions of CEQA.

F. Pursuant to the Annexation Policy, Landowner has submitted a written request for annexation (“Request for Annexation”), and has entered into the Deposit and Funding Agreement between the parties dated _____, for the purpose of defraying the cost of the time and expense of evaluating and processing the feasibility of the proposed annexation. A copy of the executed Deposit and Funding Agreement is attached as Exhibit “D” (“Deposit and Funding Agreement”).

G. CLWA has a water supply, which supplements local groundwater, to serve existing lands within its present boundaries. This water supply consists of 95,200 acre-feet per year (“AFY”) Table A Amount from the State Water Project and 11,000 AFY of water supply from Buena Vista Water Storage District (BV) and Rosedale-Rio Bravo

Water Storage District (RRB) pursuant to a joint project of the BV and RRB (“BV-RRB Acquisition”)

H. Subject to the foregoing, CLWA has evaluated the Request for Annexation and has determined that the annexation as proposed is feasible based upon its SWP and BV-RRB Acquisition supplies.

I. A portion of the total CLWA supply will be a supply of water for the Lands (“Additional Water Supply”) on the terms and conditions described herein.

J. CLWA, in its discretion, has determined the highest potential use of water demand of the Annexation Lands based on to the proposed land uses and other relevant information provided by Landowner, and that it will be able to provide a supply of water for the Annexation Lands which will meet such needs when the lands are fully developed in the foreseeable future.

K. CLWA has determined that, assuming all conditions precedent have been met, the Additional Water Supply is sufficient in amount and reliability so as not to divert any water supply or water supply reliability from CLWA’s existing service area.

L. CLWA has estimated the Additional Water Supply cost for the Annexation Lands, in addition to the costs to process the Request for Annexation, and Landowner previously has agreed to pay for such Additional Water Supply along with the costs to process the Request for Annexation pursuant to the separate Deposit and Funding Agreement.

M. Landowner also shall pay the costs for acquisition of the Additional Water Supply and other costs of annexation as part of the terms and conditions of this Agreement set out below.

N. Notwithstanding anything to the contrary, unless specifically superseded by this Agreement, Landowner shall be responsible for CLWA charges, assessments and taxes as applicable within its WSA’s (as defined below) or as imposed by L. A. LAFCO.

NOW, THEREFORE, in consideration of the payment of money and the mutual promises of the parties hereto, it is agreed as follows:

1. RECITALS, DEFINED TERMS.

A. RECITALS. All recitals set out above are true and correct.

B. DEFINED TERMS. All terms shall have the meanings set out here or in the Annexation Policy. In the event of an inconsistency between this Agreement and the Annexation Policy, this Agreement shall govern. As used herein, “annexation” or “date of

annexation” shall mean the later of (i) that date on the annexation legally is completed as evidenced by the filing of a revised boundary statement with the State; or (ii) the date any litigation related to such annexation has been concluded by final judgment of a court of competent jurisdiction

As used herein, “Carrying Costs” means “Carrying Costs” as defined in Section 3.4 of the Annexation Policy, and includes but is not limited to all costs of acquiring the Additional Water Supply and the facilities, works, property and improvements needed for them, as determined and calculated pursuant to Section 3.C.2 of the Deposit and Funding Agreement. “Carrying Costs” does not include administrative or processing costs provided for in this Agreement or the Deposit and Funding Agreement.

2. ANNEXATION LANDS.

A. PROPOSED USE. The Landowner’s proposed use of the Annexation Lands is divided into land use areas (“Land Use Area(s)”). Each Land Use Area’s proposed use and density is set out on Exhibit “C”.

B. WATER DEMAND. CLWA has determined that the highest potential use in AFY, taking into consideration information and land planning information available, including the proposed use by the Landowner in each Land Use Area (“Water Demand”), is as follows:

- [Land Use Area 1]
- [Land Use Area 2]
- [Land Use Area 3]
- [Land Use Area 4]
- [Land Use Area 5]

Total:

C. PROPOSED USE AND WATER DEMAND CONDITIONAL AND SUBJECT TO ADJUSTMENT. The proposed use of the Annexation Lands is subject to the approval of the County Planning Commission and the Board of Supervisors. In addition, the annexation of the Annexation Lands into Agency for purposes of obtaining a water supply is conditional and subject to the approval of L. A. LAFCO. Should the land use and density be changed as a result of conditions imposed by the County or L. A. LAFCO in a manner that materially affects the Water Demand for the Annexation Lands, CLWA will re-evaluate the Water Demand

and make the appropriate adjustments (including, without limitation, in costs to be paid by Landowner for the Additional Water Supply) to correspond to the land use and density authorized for the Annexation Lands in a timely manner and this Agreement shall be amended accordingly.

3. SOURCE OF WATER SUPPLY.

- A. ADDITIONAL WATER SUPPLY.** It is the policy of CLWA to avoid any diversion of water supply from or reduction in water supply reliability within the existing service area. CLWA has invested in water supply, importation, distribution, banking, and water treatment facilities, the costs of which are apportioned and budgeted among various Water Service Area(s) (“WSA” or “WSAs”) within its service area pursuant to the Act. In anticipation of increased demand for water within CLWA and the Santa Clarita Valley, CLWA has completed its analysis pursuant to CEQA and has acquired rights to water from BV and RRB pursuant to the BV-RRB Acquisition. The agreement is titled “Agreement for Buena Vista/Rosedale-Rio Bravo Water Banking and Recovery Program Water Acquisition by Castaic Lake Water Agency” duly executed and dated May 22, 2007 by CLWA, BV, and RRB and is on file with CLWA. The water supply for the Annexation Lands in the amount of _____ AFY will be provided from CLWA’s common supply as augmented by the BV-RRB Acquisition.
- B. COMMON POOL.** The Additional Water Supply needed for CLWA to serve the Lands is part of the CLWA common supply for all of the lands within CLWA, including, but not limited to, the Annexation Lands Subject to the Water Demands on CLWA and the provisions of this Agreement, including Section 3.C. below, the Additional Water Supply may be used for any lawful purpose, including water banking and other uses as deemed appropriate at the discretion of CLWA and is not dedicated solely for the benefit of any particular lands, including the Annexation Lands.
- C. ASSURANCE.** Notwithstanding that the Additional Water Supply is part of the CLWA common supply as set forth in Section 3.B. above, upon execution of this Agreement and payment of the Carrying Costs for the Additional Water Supply, and provided that Landowner is not in default in the performance of obligations set forth in this Agreement or the Deposit and Funding Agreement, as established by a final judgment, CLWA shall not treat such Additional Water Supply related to the demand of the Annexation Lands as water available to support “can-serve”, “will-serve”, or

“water availability” letters (“Water Availability”) for any existing or other new development within the present CLWA service area. Upon request, as provided by law, CLWA will provide the retail water purveyor for the Annexation Lands with the necessary water supply assurances to enable the retail purveyor to issue a Water Availability letter for the Annexation Lands to the extent CLWA water supplies, including the Additional Water Supplies, are sufficient to support such letter as is consistent with law and with this Agreement. Pending confirmation from retail purveyors of delivery of water to dwelling units, the Additional Water Supply may be used by CLWA for banking or other uses consistent with this assurance.

D. CONDITIONS PRECEDENT. The following events and actions must take place prior to and as an express condition precedent to any obligation of CLWA to provide the Additional Water Supply to the Annexation Lands:

1. Final land use approvals by the County for the Lands.
2. Landowner’s consent to establishment of WSAs with boundaries which include the Annexation Lands.
3. Landowner’s consent to final adoption and implementation of the CLWA Standby Charge to be levied on Annexation Lands.
6. Final written approval by the Department of Water Resources (DWR) for extension of CLWA’s service area to coincide with the Annexation Lands’ boundaries.
7. Execution of a Water Availability letter (and/or other appropriate provision for water services as required by the retail water agency) for the Annexation Lands with the retail water purveyor with jurisdiction in each WSA.
8. The Additional Water Supply is physically available to serve the Annexation Lands.

4. WATER SERVICE AREAS. Pursuant to the Act, CLWA will assign WSAs to Annexation Lands to apportion rates, charges, fees, assessments, and taxes (collectively “Charges” herein) to the WSA to provide funds for the annual budget of CLWA for water facilities as set out therein and in the Annexation Policy. Because each WSA varies from another in a number of respects, including, but not limited to, proximity to various CLWA water facilities, each WSA may have a different schedule of

Charges to fund the portion of the budget of CLWA allocated to that WSA. ”).

5. **ANNEXATION CHARGES: BACK TAXES.** Pursuant to the Annexation Policy and, in addition to any other amounts to be paid pursuant to this Agreement or the Deposit and Funding Agreement, Landowner is required to pay to CLWA, as a condition precedent to CLWA’s obligation to provide Additional Water Supply to the Land, a sum of money or other equivalent consideration (as determined at the sole discretion of CLWA) equivalent to the ad valorem taxes that would have been paid by Annexation Lands had they been within CLWA since 1963 (“Back Taxes” herein)

6. **ANNEXATION CHARGES: CARRYING COSTS.**

A. **Payments under the Deposit and Funding Agreement.**

Pursuant to the Deposit and Funding Agreement, Landowner has agreed to pay the costs of processing the Request for Annexation, the Administrative and Operating Costs, and the Carrying Costs for the Additional Water Supply for the time periods set out therein. The permanent funding for the Carrying Costs and associated Capital Costs shall be the Standby Charge described below. Landowner’s payment of the Carrying Costs under the Deposit and Funding Agreement shall terminate only at such time as CLWA receives actual funds from the Standby Charge.

B. **Standby Charge.**

CLWA may request that L.A. LAFCO make this Standby Charge a term and condition of annexation. Notwithstanding, as of the date of the annexation, the Carrying Costs shall be calculated and paid to CLWA pursuant to an annual water standby charge adopted and levied by CLWA on the Lands in each WSA as follows:

1. **Calculation of Costs and Amortization.** Such costs shall be determined as follows: The unit cost as determined under Section 3.C.2 of the Deposit and Funding Agreement shall be multiplied by the number of AFY of the Additional Water Supply which CLWA has determined will be needed to serve the Annexation Lands during that year.

This calculation shall be performed on an annual basis before January 1 of each year and shall be in an amount

sufficient to pay for all such costs during the coming year at whatever times they may be levied.

2. **Adoption.** The annual Standby Charge shall be adopted by CLWA pursuant to the Uniform Standby Charge Act and the provisions of the Act as they exist at the time of adoption each year. As allowed by State Law, such charge shall be collected on the tax roll in the same manner and at the same time as ad valorem property taxes.
3. **Enforcement.** Failure to pay the Standby Charge shall be considered failure to pay real property taxes, resulting in the lien and foreclosure procedure set out in state law

7. **ANNEXATION CHARGES: 1% PROPERTY TAX TRANSFER.** The 1% Tax Transfer equivalent component shall be determined as set out in the Annexation Policy in effect on the date of annexation. In the event the County agrees to transfer such 1% property tax collected from the Annexation Lands to CLWA as a term and condition of annexation, no equivalent component shall be owed from Landowner.

In the event that the amount of the 1% property tax transfer related to the Annexation Lands is not transferred to CLWA by the County or the amount transferred is less than the existing 1% property tax received by CLWA from existing lands, the present value of that portion of the 1% property tax that CLWA would have received ("1% Tax Equivalent") will be calculated as follows:

CLWA's estimated assessed value of the proposed land use when fully developed will be escalated over a fifty- (50) year period using the 2% inflation factor allowed by law. The annual tax revenue will be calculated by taking CLWA median tax increment at the time of the calculation (currently 0.058064) multiplied by the assessed value for that year. The present value of those amounts will be calculated using the current interest yield on a thirty- (30) year treasury bond.

This amount shall be paid by Landowner to CLWA in a lump sum upon the date of annexation.

8. **CONDITIONS PRECEDENT TO ANNEXATION.** The following events and actions must take place prior to and as an express condition precedent to annexation of the Annexation Lands and with the approval of L.A. LAFCO, will be terms and conditions of annexation:

- A. Payment of all costs pursuant to the Deposit and Funding Agreement.
- B. Payment of all costs owing as of the date of annexation under this Agreement.
- C. Certification of environmental review by County for the Annexation Lands accepted by CLWA as a responsible agency.
- D. Approval of County of annexation to CLWA, which approval is conditioned on the payment of all costs as set forth herein.
- E. Guarantee of payment of the 1% Tax Equivalent.
- F. Compliance with any and all other terms and conditions of annexation required by L.A. LAFCO.

9. **COVENANTS.**

- A. **Standby Charges.** Landowners of Annexation Lands shall take all actions necessary, execute contracts, consents, and waivers of notice and hearing as required for CLWA to adopt and impose the Standby Charge (as allowed by law) before final tract map approval and establish the WSAs for the Annexation Lands.
- B. **DWR Consent, CEQA, Urban Water Management Plans and Related Documents.** CLWA will exercise its best efforts and, with due diligence and in good faith, seek DWR and any other agency's consent as required to extend CLWA boundaries to include Annexation Lands and to use the SWP facilities to transport the Additional Water Supply to CLWA as provided herein. CLWA will seek to amend, certify, and adopt any CEQA document or UWMP (including water supply assessments and written verifications as applicable) that is declared by final judgment of a court of competent jurisdiction to be invalid in whole or in part and affects the ability of CLWA to provide the assurance required in Section 3.C.

10. **WATER USE.**

- A. **No Agricultural Use.** The water supply shall not be used for agricultural purposes.
- B. **Regulations.** The sale and delivery of all water by CLWA, regardless of the nature and time of use of such water, shall be

subject to regulations promulgated from time-to-time by CLWA, and also those regulations promulgated by the retail water purveyor(s) serving the proposed Annexation Lands.

C. No Outside Use. Except upon terms and conditions specifically approved by the Board, water sold and delivered by CLWA shall not be used in any manner which intentionally or avoidably results in its use outside the CLWA service area.

D. Water Efficiency Guidelines. To the extent practicable, the retail water purveyor(s) and owner(s) of parcels, as appropriate, within an Annexation Land, shall comply with all CLWA rules and regulations, including, but not limited to, the following:

1. **Conservation.** Annual water use shall be minimized by incorporating water conservation measures into the development plans.

2. **BMPs.** Best Management Practices (“BMPs”) conservation measures, as identified by CLWA from time-to-time, shall be applied uniformly in all new and existing developments within the annexed area. At least one model home constructed in each new development within the proposed Annexation Lands shall demonstrate a water conserving landscape.

11. INDEMNITY. Landowner shall, at all times, indemnify, defend, and save CLWA, its Board of Directors, officers, representatives, consultants, contractors, agents and employees free and harmless from, and pay in full, any and all claims, demands, losses, damages, or expenses, including reasonable attorneys’ fees for counsel acceptable to CLWA and costs that CLWA, its Board of Directors, officers, representatives, consultants, contractors, agents and/or employees may sustain or incur in any manner relating to Landowner’s performance or failure to perform under this Agreement, or challenging the validity of this or related agreements or approvals (including but not limited to environmental certifications) but excepting any loss, damage, or expense, and claims for loss, damage, or expense resulting solely from the negligent acts or misconduct of CLWA, its Board of Directors, officers, representatives, consultants, contractors, agents, or employees.

12. DISCLAIMERS.

A. No Guarantee. Landowner hereby acknowledges that the process to complete the provisions of this Agreement can take considerable time and is subject to delay as a result of governmental processing and litigation.

B. Assumption of Risk. Landowner acknowledges that CLWA cannot predict its decision concerning the Annexation of Lands, and the conditions that may be imposed by government agencies with jurisdiction and how they may affect CLWA and Landowner assumes all financial risk related to the ultimate decision by CLWA to approve or deny the annexation should conditions occur or be imposed that are not expressly set forth in this Agreement.

13. NOTICES. All written notices required to be given pursuant to the terms hereof shall be either: (i) personally delivered, (ii) deposited in the United States express mail or first class mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by overnight courier service, or (iv) delivered by facsimile transmission, provided that the original of such notice is sent by certified United States mail, postage prepaid, no later than one (1) business day following such facsimile transmission. All such notices shall be deemed delivered upon actual receipt (or upon first attempt at delivery pursuant to the methods specified in clauses (i), (ii) or (iii) above if the intended recipient refuses to accept delivery). All such notices shall be delivered to the following addresses or to such other address as the receiving Party may from time to time specify by written notice to the other Party:

<p>To CLWA:</p> <p>Castaic Lake Water Agency 27234 Bouquet Canyon Road Santa Clarita, CA 91350 ATTN: Dan Masnada Telephone: 661-297-1600 Facsimile: 661-297-1610</p>	<p>To Landowner:</p>
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14. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed an original and, all of which taken together, shall constitute one and the same instrument. Signatures sent by facsimile shall be deemed originals and treated in all respects as originals. As may be necessary for any alternative dispute resolution required or permitted under this Agreement, a copy of this Agreement shall be deemed to be an original for the purposes of satisfying the California and/or Federal Rules of Evidence.

15. APPROVAL. Landowner and CLWA each acknowledges that execution of this Agreement by each other is conditioned upon any necessary approval of the terms of the Agreement by their respective governing bodies.

16. **AUTHORITY.** In signing below, each of the Parties represents and warrants to each of the other Parties that each is a duly organized or constituted entity, with all requisite power to carry out its obligations under this Agreement, and that the execution, delivery, and performance of this Agreement have been duly authorized by all necessary action of the Board of Directors or other governing body of such Party, and shall not result in a violation of such Party's organizational documents.
17. **GOVERNING LAW.** This Agreement shall be construed and enforced in accordance with the laws of the State of California.
18. **AGREEMENT.** No amendment of this Agreement shall be binding upon the Parties unless it is in writing and executed by all of the Parties.
19. **FURTHER ACTION.** The Parties agree to and shall take such further action and execute and deliver such additional documents as may be reasonably required to effectuate the terms and conditions of this Agreement and to the extent consistent with the terms hereof.
20. **NO ASSIGNMENT.** Except as otherwise provided in this Agreement, neither Party shall assign or otherwise transfer its rights or obligations under this Agreement without the prior written consent of CLWA, which shall not be unreasonably withheld. Assignment without consent shall not be effective to terminate Landowner's obligations hereunder. Agency's consent to one assignment shall not constitute consent to a subsequent assignment or waiver of the requirement for such consent.
21. **JOINT DRAFTING AND NEGOTIATION.** This Agreement has been jointly negotiated and drafted. The language of this Agreement shall be construed as a whole according to its fair meaning and without regard to or aid of Civil Code Section 1654 or similar judicial rules of construction. Each Party acknowledges that it has had the opportunity to seek the advice of experts and legal counsel prior to executing this Agreement and that it is fully aware of and understands all of its terms and the legal consequences thereof. This Agreement is intended to be the entire agreement of the Parties as to the matters set forth herein.
22. **HEADINGS.** Headings used in this Agreement are for reference only and shall not affect the construction of this Agreement.
23. **NO THIRD PARTY BENEFICIARIES.** Except as otherwise provided herein, no third party shall be entitled to claim or enforce any rights under this Agreement.

24. **SEVERABILITY.** In the event that any provision of this Agreement is determined by a court to be invalid, the court shall reform the provision in a manner that is both consistent with the terms of this Agreement taken as a whole and legally valid. The remainder of this Agreement shall not be affected thereby.
25. **SUCCESSORS AND PERMITTED ASSIGNS.** All covenants and agreements contained in this Agreement by or on behalf of any of the Parties shall bind and inure to the benefit of their respective successors and permitted assigns, whether so expressed or not.
26. **INTEGRATION.** This Agreement shall constitute the entire agreement of the Parties as to those matters set out here. To the extent the provisions of the Annexation Policy or the Deposit and Funding Agreement are inconsistent with this Agreement, the provisions of this Agreement shall prevail.

[THE REMAINDER OF THIS PAGE LEFT BLANK]

27. **TERM.** This Agreement shall take effect on the date of execution by both parties and shall continue in full force and effect until CLWA provides written notice to Landowner that all obligations hereunder have been performed or otherwise have been provided for.

IN WITNESS WHEREOF, each Party has executed this Agreement on the date set forth below, said Agreement to be effective on the later of the two, i.e., when both Parties have signed this Agreement (the "Effective Date").

Date: _____

CASTAIC LAKE WATER AGENCY

By: _____

Title: _____

ATTEST:

Secretary

Date: _____

LANDOWNER, ANNEXATION LANDS

By: _____

Title: _____

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Attachment B
FIRST AMENDMENT TO DEPOSIT AND FUNDING AGREEMENT

This First Amendment to Deposit and Funding Agreement (“First Amendment”), is entered into as of ~~April 21~~^{MAY 21}, 2019 by and between Santa Clarita Valley Water Agency, a Special Act Agency and successor in interest to the Castaic Lake Water Agency (“SCV Water”) and DACA Castaic, LLC (“Landowner”). SCV Water and Landowner are each a “Party” and may be referred to collectively as the “Parties”.

RECITALS:

- A. SCV Water and Landowner entered into that certain Deposit and Funding Agreement dated November 14, 2017 (“Agreement”).
- B. On July 17, 2018, the SCV Water Board of Directors adopted Resolution No. SCV-47, determining that 489 acre feet of its Buena Vista Rosedale Rio Vista Water Supply (“Additional Water Supply”) is potentially available for the Tapia Ranch Annexation Lands subject to certain conditions.
- C. Pursuant to Section 3(C) of the Agreement, Landowner was required to pay SCV Water the administrative and operating costs arising from the Acquisition of the Additional Water Supply and the past Carrying Costs of the Additional Water Supply by January 17, 2018.
- D. Landowner requested a payment plan to meet its financial obligations under the Agreement.
- E. The Parties desire to amend the Agreement to provide for a Payment Schedule that sets forth the required payments and deadlines for such payments.
- F. The Parties further desire to amend the Agreement to change the name Castaic Lake Water Agency (“CLWA”) to Santa Clarita Valley Water Agency (“SCV Water”) throughout the Agreement because SCV Water is by law the successor in interest to CLWA.

NOW THEREFORE, in consideration of the mutual promises set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree to amend the Agreement as follows:

- 1. ‘Castaic Lake Water Agency’ or ‘CLWA’ is hereby replaced throughout the Agreement with ‘Santa Clarita Valley Water Agency’ or ‘SCV Water.’
- 2. Section 3(C)(1) and 3(C)(2) are amended to read as follows:
 - “1. **ADMINISTRATIVE AND OPERATING COSTS.** Landowner is responsible for paying SCV Water the administrative and operating costs arising from the acquisition of the Additional Water Supply. Administrative and operating costs include, but are not limited to, title reports, staff time, engineering, environmental (including CEQA compliance) and legal services arising from the acquisition of the Additional Water Supply, including negotiation and preparing of all water transfer

agreements, as well as agreements with the Department of Water Resources and other parties whose consent is required to complete performance of this Agreement, defense of any litigation challenging the BV-RRB Acquisition, as well as direct overhead as determined by SCV Water's customary practices. "Direct overhead includes, by way of example and not of limitation, salaries, benefits, equipment and facilities costs. Landowner shall not be required to reimburse SCV Water for its normal administrative costs and operating costs.

2. **CARRYING COSTS.** Landowner is responsible for paying SCV Water the Carrying Costs of the Additional Water Supply. Until SCV Water's actual receipt of funds pursuant to Section 6.B of the Annexation Agreement (the Standby Charge), Landowner is responsible for paying the Carrying Costs for the Additional Water Supply in a manner which allows SCV Water to meet its obligations to BV-RRB in a timely manner without requiring SCV Water to advance its own funds to pay such costs. The Landowner's Carrying Costs shall be determined as follows: The total Carrying Costs for the BV-RRB acquisition shall be divided by the total number of AFY acquired in the BV-RRB acquisition, less direct sales of the BV-RRB water in a given year, to determine the unit cost. That unit cost then shall be multiplied by the number of AFY of the Additional Water Supply which SCV Water has determined will be needed to serve the Annexation Lands."

3. Section 3(C)(3) is renumbered as Section 3(C)(4).

4. Section 3(C)(3) is added to read as follows:

"3. **PAYMENT OF ADMINISTRATIVE AND OPERATING COSTS AND CARRYING COSTS.** The administrative and operating costs arising from the acquisition of the Additional Water Supply and the Carrying Costs of the Additional Water Supply required to be paid by Sections 3(C)(1) and (2) above, including interest, shall be paid by Landowner to SCV Water according to the Payment Schedule and as described in the attached Exhibit E. Consistent with Section 7 of this Agreement, failure to make payments by the due dates in Exhibit E shall be an Event of Default "

5. The attached Payment Schedule is added to the Agreement as Exhibit E.

6. Continuing Effect of Agreement. Except as amended by this First Amendment, all other provisions of the Agreement remain in full force and effect. From and after the date of this Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by this First Amendment.

7. No Assignment. Nothing in this First Amendment to Annexation Agreement may in any way be interpreted as SCV Water's consent to an assignment of the Agreement, which is required for any assignment in Section 23. Any such consent has not been provided by SCV Water and Applicant remains and is a Party to the Agreement and is bound by the terms and conditions of the Agreement.

IN WITNESS WHEREOF, each Party has executed this First Amendment on the date set forth below, said First Amendment to be effective on the later of the two, i.e., when both Parties have signed this First Amendment (the "Effective Date").

5/21/19

Date: ~~Matthew D. [Signature]~~
MUS

SANTA CLARITA VALLEY WATER AGENCY

By: Matthew [Signature]

Title: GENERAL MANAGER

ATTEST:

April Jacobs

Secretary

Date: 5/13/19

DACA CASTAIC, LLC

By: Howard [Signature]

Title: Manager of DACRV, Managing Member of DACA-Castaic, LLC

APPROVED AS TO FORM:

Best, Best, & Krieger, LLP

By: Joseph P. Byrne

Joseph P. Byrne, Esq.
Co-General Counsel

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Attachment C

SECOND AMENDMENT TO DEPOSIT AND FUNDING AGREEMENT

This Second Amendment to Deposit and Funding Agreement (“Second Amendment”), is entered into as of December __, 2021 by and between Santa Clarita Valley Water Agency, a Special Act Agency and successor in interest to the Castaic Lake Water Agency (“SCV Water”) and DACA Castaic, LLC (“Landowner”). SCV Water and Landowner are each a “Party” and may be referred to collectively as the “Parties”.

RECITALS:

- A. SCV Water and Landowner entered into that certain Deposit and Funding Agreement dated November 14, 2017 (“Agreement”).
- B. On July 17, 2018, the SCV Water Board of Directors adopted Resolution No. SCV-47, determining that 489 acre feet of its Buena Vista Rosedale Rio Vista Water Supply (“Additional Water Supply”) is potentially available for the Tapia Ranch Annexation Lands subject to certain conditions.
- C. Pursuant to Section 3(C) of the Agreement, Landowner was required to pay SCV Water the administrative and operating costs arising from the Acquisition of the Additional Water Supply and the past Carrying Costs of the Additional Water Supply by January 17, 2018.
- D. At Landowner’s request, the Parties executed a First Amendment to Deposit and Funding Agreement dated May 21, 2019 that extended that deadline to December 31, 2021 and provided for a payment plan (“Payment Schedule”) for Landowner to meet its financial obligations (“First Amendment.”)
- E. Landowner has requested another extension of time to meet its financial obligations under the Agreement.
- F. SCV Water is willing to amend the Agreement to provide for an amended Payment Schedule that sets forth the required payments and deadlines and obligations for such payments.

NOW THEREFORE, in consideration of the mutual promises set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree to amend the Agreement as follows:

- 1. Section 3(C)(3) is amended to read as follows:

“3. **PAYMENT OF ADMINISTRATIVE AND OPERATING COSTS AND CARRYING COSTS.** The administrative and operating costs arising from the acquisition of the Additional Water Supply and the Carrying Costs of the Additional Water Supply required to be paid by Sections 3(C)(1) and (2) above, including interest, shall be paid by Landowner to SCV Water according to the payment schedule and as described in the attached Exhibit E. Consistent with Section 7 of this Agreement, failure to make payments by the due dates in Exhibit

E shall be an Event of Default, and any and all payments made by Landowner to SCV Water shall not be refunded to Landowner.”

- 2. The attached amended and updated Payment Schedule replaces the previous Exhibit E and is the new Exhibit E to the Agreement.
- 3. Consistent with the terms of the Agreement, Landowner agrees and acknowledges that, in the Event of Default by Landowner, any and all payments made by Landowner to SCV Water at any time pursuant to this Agreement, including those that have already been made and those that are made in the future, are not refundable to Landowner and Landowner further agrees to waive any and all rights to bring any action in law or equity to recover such payments.”
- 4. Continuing Effect of Agreement. Except as amended by this Second Amendment, all other provisions of the Agreement remain in full force and effect. From and after the date of this Amendment, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement as amended by the First Amendment and this Second Amendment.

IN WITNESS WHEREOF, each Party has executed this Second Amendment on the date set forth below, said Second Amendment to be effective on the later of the two, i.e., when both Parties have signed this Second Amendment (the “Effective Date”).

1/12/2022
Date: _____

SANTA CLARITA VALLEY WATER AGENCY

DocuSigned by:
Matthew Stone
By: 1C50DE94EC6B485...
Title: General Manager

ATTEST:

Secretary

Date: 12.29.2021

DACA CASTAIC, LLC

By: Howard Justice
Title: Manager

APPROVED AS TO FORM:
Best, Best, & Krieger, LLP

By: _____
Joseph P. Byrne Esq.
Co-General Counsel

REVISED TAPIA RANCH PAYMENT SCHEDULE - (AMENDED EXHIBIT E)

	Estimated Payment (1/31/2022) (8)	Partial Payment of Acquisition and Past Carrying Costs (12/31/22) (6)	Estimated 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		\$471,900	
Option Payment (3)	\$125,000		\$150,000	\$3,775,117
Acquisition and Past Carrying Cost (4)				-\$83,130
Credit for Water Sales in 2018-2020 (5)				-\$1,000,000
Partial Payment of Acquisition and Past Carrying Costs		\$1,000,000		
Total Payment (7)	\$737,459	\$1,000,000	\$737,067	\$2,691,987

Notes:

- (1) The highlighted numbers in this row are estimates and assume SCV Water interest rates remain at 4.15%. The actual required payments may be adjusted and will be based on the actual interest rates.
- (2) The highlighted Annual Carrying Costs numbers in this row are estimates and the actual required payments will be adjusted to reflect the actual Annual Carrying Costs.
- (3) The Option Payments are hard numbers and must be paid by the due dates.
- (4) The highlighted lump sum payment in this row is an estimate and the final required payment may be adjusted and will be based on the actual remaining Acquisition and Past Carrying Costs.
- (5) Revenue for 2018 water sales will be credited upon final payment on 12/31/2023 . No water sales are assumed in 2021 and 2022.
- (6) Partial payment of Acquisition and Past Carrying Costs.
- (7) The highlighted number in this row will be adjusted based on actual numbers consistent with the above comments.
- (8) Payments of interest, annual carrying costs, partial Past Carrying Costs and Options are not refundable.
- (9) Ongoing annual carrying costs assumed to be paid under the future Annexation Agreement

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Attachment D
RESOLUTION NO. SCV-47

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SANTA CLARITA VALLEY WATER AGENCY
DETERMINING THAT 489 ACRE-FEET PER YEAR
OF BUENA VISTA-ROSEDALE RIO BRAVO WATER SUPPLY
IS AVAILABLE FOR POSSIBLE USE FOR THE PROPOSED TAPIA RANCH ANNEXATION**

WHEREAS, Santa Clarita Valley Water Agency (SCV Water) is a special district water agency created to acquire, hold, and utilize water and water rights, including, but not limited to, water available from the state under the State Water Resources Development System, and to provide, sell, manage, and deliver surface water, groundwater, and recycled water for municipal, industrial, domestic, and other purposes at retail and wholesale within the territory of the SCV Water; and

WHEREAS, Debt Acquisition Company of America (Applicant), owns 1,167 acres adjacent to the boundary of SCV Water in the County of Los Angeles of which approximately 650 acres is proposed for annexation to SCV Water (Annexation Lands); and

WHEREAS, on November 14, 2017, Castaic Lake Water Agency (CLWA) and Applicant executed a Deposit and Funding Agreement (Agreement) under which Applicant has agreed to certain obligations, conditions and responsibilities consistent with CLWA's Annexation Policy and its underlying principles which is necessary for the orderly development and service of water to the Annexation Lands; and

WHEREAS, SCV Water is the successor to CLWA; and

WHEREAS, the Agreement has a term of five years from the date of execution, unless extended by mutual consent; and

WHEREAS, SCV Water has determined that the proposed action has been previously addressed in the certified 2006 Final EIR and findings for the Buena Vista Water Storage District and the Rosedale-Rio Bravo Water Storage District Water Banking and Recovery Program and no further environmental analysis or documentation is needed at this time to comply with the California Environmental Quality Act; and

WHEREAS, SCV Water staff has undertaken an analysis to determine the water demand and has taken into consideration the Applicant's plan to develop the Annexation Lands; and

WHEREAS, the Board of Directors of SCV Water has reviewed available water supplies as set forth in the 2015 Urban Water Management Plan for the Santa Clarita Valley and has determined water supplies exceed demands; and

WHEREAS, SCV Water cannot and does not commit itself or agree that it can or will provide water service to the Annexation Lands since environmental compliance and other review and approvals for such a project has not been completed; and

WHEREAS, the Applicant anticipates environmental compliance and other approvals will be completed prior to November 14, 2022.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Santa Clarita Valley Water Agency hereby determines that , 489 acre feet per year of its Buena Vista-Rosedale Rio Bravo Water Supply is available for potential provision to the proposed Tapia Ranch Annexation Lands but that, as contemplated in the Deposit and Funding Agreement, any future commitment to provide water to the Proposed Annexation Lands could only be made following the completion of certain conditions, including CEQA review, the issuance of land use entitlements by the County, the approval of the annexation by the Los Angeles County LAFCO, and final review of the Proposed Annexation Lands and development proposal by this Board.


President

I, the undersigned, hereby certify: That I am the duly appointed and acting Secretary of the Santa Clarita Valley Water Agency, and that at a regular meeting of the Board of Directors of said Agency held on July 17, 2018, the foregoing Resolution No. SCV-47 was duly and regularly adopted by said Board, and that said resolution has not been rescinded or amended since the date of its adoption, and that it is now in full force and effect.

DATED: July 17, 2018


Secretary





Attachment E

January 16, 2019

Board of Directors
Santa Clarity Valley Water Agency
27234 Bouquet Canyon Road
Santa Clarita, CA 31350

Att: SCV Water Board Members
Re: Tapia Ranch Project

Dear Board Members:

Having worked together for many years, the Tapia Ranch Project appreciates the cooperation and partnership with the SCV Water Agency (SCV Water). The history of working together exceeds the six (6) years DACA-Castaic LLC has owned the property, and goes all the way back to Castaic Lake Water Agency's acquisition of Buena Vista Rosedale-Rio Bravo (BV-RRB) water in 2007 that was allocated to the Tapia Ranch Project. More recently SCV Water and Tapia Ranch have executed a Deposit and Funding Agreement in 2017 that resulted in extensive analysis to determine that the Tapia Ranch Project will require 489 acre feet of water annually. Following the execution of the Deposit and Funding Agreement, SCV Water determined in 2018 that its supplies are adequate to proceed with allocating the water to Tapia Ranch.

As the process moves forward, Tapia Ranch has been very pleased that SCV Water is willing to be flexible with the payment terms of the water allocated to the project. It is our understanding that SCV Water will accept a payment structure that includes a payment in January 2019 for certain past and present carrying costs, and a full reimbursement of the acquisition and carrying costs in December 2019. This is a very generous offer that we would gladly accept if the Tapia Ranch Project was an approved project. Unfortunately, the approval process through the County of Los Angeles is very slow and difficult, and our Tapia Ranch Project is not approved and remains a very high entitlement risk.

The reality is that the Tapia Ranch Project could very well be denied or significantly reduced during the County approval process. Since the Tapia Ranch Project application was accepted by the County in 2012, the property has been downzoned through One Valley One Vision (OVOV) to be rural 5 and 10 acre lots that effectively make the property undevelopable. The only viable development of the Tapia Ranch project is through the grandfathered application filed by DACA-Castaic LLC in 2012.

As small developers without an endless supply of capital, we are forced to finance large capital outlays such as the water purchase. It is not possible to finance the water acquisition under current market conditions and the terms of the Water Purchase Agreement. The provision allowing SCV Water ten years to return the purchase price if our project is not entitled or reduced in size precludes any financing source from advancing the capital. We certainly agree that carrying costs should be paid by any developer that expects to have the water reserved, but we request your understanding of the entitlement risks. Help us get you paid. Simply allowing the water costs to be paid after the project is approved but before the project is formally annexed into the District will allow us to get the purchased price funded. It is our expectation that the Tapia Ranch Project will be approved within the next 24 months.

Thus we propose the following terms for paying for the 489 AFY of BV-RRB water listed below. Many of the costs are based on information and an understanding of the costs provided by SCV Water staff. If they are not correct, we agree to minor adjustments. Please note that we have added additional money for i) an Option Payment and, ii) True-up Adjustment that is in the BV-RRB Water Acquisition Agreement.

1) Past Acquisition and Carrying Costs due March 31, 2019

• July-December 2018 Interest Costs	\$ 78,334
• Jan-December 2019 Interest Costs	\$ 156,667
• 2019 Carry Costs	\$ 419,277
• 2018 Water Sales Credit	(\$ 83,352)
• Option Payment	\$ 25,000
• True-up Adjustment per BV-RRB Agreement	<u>\$ 25,000</u> (estimate)
Total:	\$ 620,956

2) Carrying Costs due January 31, 2020

• Jan-December 2020 Interest Costs	\$ 160,000 (estimate)
• 2020 Carrying Costs	\$ 425,000 (estimate)
• 2019 Water Sales Credit	(\$ 80,000) (estimate)
• Option Payment	\$ 50,000
• True-up Adjustment per BV-RRB Agreement	<u>\$ 25,000</u> (estimate)
Total:	\$ 580,000

3) Carrying Costs due January 31, 2021

• Jan-December 2020 Interest Costs	\$ 165,000 (estimate)
• 2021 Carrying Costs	\$ 435,000 (estimate)
• 2020 Water Sales Credit	(\$ 80,000) (estimate)
• Option Payment	\$ 75,000
• True-up Adjustment per BV-RRB Agreement	<u>\$ 25,000</u> (estimate)
Total:	\$ 620,000

4) Past Acquisition and Carrying Costs due December 31, 2021

• Acquisition and Carrying Costs	<u>\$ 3,755,117</u>
Total:	\$ 3,755,117

Once again, we want to emphasize that we are extremely appreciative for SCV Water's flexibility with the proposed terms that have been extended to us. Unfortunately we just need a bit more time that we are willing to pay for through carrying costs, interest, and option payments. The very significant entitlement risks to pay the full acquisition costs prior to approval of the project are just not financeable.

Thank you and we look forward to hearing your response.



Howard Justus
Manager DACA-Castaic LLC

Cc: Jon Myhre
Matt Stone



Attachment F

October 27, 2021

Steve Cole
Dirk Marks
Rick Vasilopoulos
Santa Clarita Valley Water Agency
27234 Bouquet Canyon Road
Santa Clarita, CA 91350

Dear Misters Cole, Marks and Vasilopoulos:

DACA-Castaic, LLC hereby requests the date to obtain entitlements under paragraph six of the Deposit and Funding Agreement be extended from November 14, 2022 to December 31, 2023 and the payment plan for the additional water supply be extended two years from December 31, 2021 to the same December 31, 2023.

DACA-Castaic, LLC and Castaic Lake Water Agency ("SCV Water") entered into the Deposit and Funding Agreement ("DFA") on November 14, 2017. On April __, 2019, that agreement was amended by the First Amendment to Deposit and Funding Agreement ("Amended DFA"). The DFA provided in paragraph six that DACA-Castaic obtain the certification of its Environmental Impact Report ("EIR") by the fifth anniversary of the DFA. The fifth anniversary will occur on November 14, 2022. The Amended DFA was entered into, in part, to provide DACA-Castaic will a payment plan for the Carrying Costs incurred by the SCV Water for the Additional Water Supply as defined in the Amended DFA.

DACA-Castaic will not be able to obtain the certification of its EIR within the allotted five years for a host of reasons including, without limitation, the complexity of the EIR requiring the replacement of the primary EIR consultant, the expansion of subject areas studied as a result recent case law and the increase of review times required by Los Angeles County Planning Department. We are on schedule to have our EIR before the Los Angeles County Planning Commission by December 31, 2022. Given the probability of litigation over the EIR, we are requesting the entitlement period be extended a year beyond that date to accommodate the expected litigation.

Accordingly, we are also requesting the maturity date for the payment plan of the Carrying Costs be extended to the same December 31, 2023. We are not requesting a waiver of the payment of annual carrying cost. As such, we expect to make annual payments on January 31, 2022 and January 31, 2023 and payment in full on December 31, 2023.

According to our projections, the earliest homes will be occupied will be July 2025, assuming our project is approved and EIR certified in December 2022, final engineering requires a year, grading requires a year and road construction, model construction and the first group of inhabitable homes requires six months to complete.

Should you require additional information, please contact me at 619-405-3585.

Sincerely,

A handwritten signature in blue ink, appearing to read "Howard Justus". The signature is fluid and cursive, with the first name "Howard" being more prominent than the last name "Justus".

Howard Justus

Manager,
DACA Castaic, LLC



Attachment G

November 20, 2023

Steve Cole
Rick Vasilopoulos
Santa Clarita Valley Water Agency
27234 Bouquet Canyon Road
Santa Clarita, CA 91350

Dear Misters Cole and Vasilopoulos:

DACA-Castaic, LLC hereby requests the date to obtain entitlements under paragraph six of the Deposit and Funding Agreement be extended from December 31, 2023 to December 31, 2025 and the payment plan for the additional water supply be extended one year from December 31, 2023 to December 31, 2024.

DACA-Castaic, LLC and Castaic Lake Water Agency (“SCV Water”) entered into the Deposit and Funding Agreement (“DFA”) on November 14, 2017. On May 21, 2019, that agreement was amended by the First Amendment to Deposit and Funding Agreement (“Amended DFA”). On December __, 2021 the Second Amendment To Deposit and Funding Agreement was entered into. The Second Amended DFA provided that DACA-Castaic obtain the certification of its Environmental Impact Report (“EIR”) and make a full payment of the water supply by December 31, 2023.

DACA-Castaic will not be able to obtain the certification of its EIR by December 31, 2023 for a host of reasons including, without limitation, the complexity of the EIR requiring the replacement of the primary EIR consultant, the termination of the second consultant due to an inability to complete the Draft EIR in an agreed upon time and price, changes in recent case law (wildfires), increases in areas studied (biology) and the increase of review times required by Los Angeles County Planning Department. Our revised schedule now has our EIR before the Los Angeles County Planning Commission by December 31, 2024. Given the probability of litigation over the EIR, we are requesting the entitlement period be extended a year beyond that date to accommodate the expected litigation.

Accordingly, we are also requesting the maturity date for the payment plan of the Past Carrying Costs be extended to the same December 31, 2024. We are not requesting a waiver of the payment of annual carrying cost and will make a \$1,000,000 paydown of the Past Carrying Costs. As such, we expect to make annual payments on January 31, 2024, 2025 and 2026 and payment in full of the Past Carrying Costs on December 31, 2024.

According to our projections, the earliest homes will be occupied will be July 2027, assuming our project is approved and EIR certified in December 2024, final engineering requires a year, grading requires a year and road construction, model construction and the first group of inhabitable homes requires six months to complete.

Should you require additional information, please contact me at 619-405-3585.

Sincerely,

A handwritten signature in blue ink that reads "Howard Justus". The signature is fluid and cursive, with the first name being more prominent.

Howard Justus

Manager,
DACA Castaic, LLC

Attachment H

THIRD AMENDMENT TO DEPOSIT AND FUNDING AGREEMENT

This Third Amendment to the Deposit and Funding Agreement (“Third Amendment”), is entered into as of January 2, 2024, by and between Santa Clarita Valley Water Agency, a California Special Act Agency and successor in interest to the Castaic Lake Water Agency (“SCV Water”) and DACA Castaic, LLC (“Landowner”). SCV Water and Landowner are each a “Party” and may be referred to collectively as the “Parties”.

RECITALS:

- A. SCV Water and Landowner entered into that certain Deposit and Funding Agreement dated November 14, 2017 (“Agreement”).
- B. On July 17, 2018, the SCV Water Board of Directors adopted Resolution No. SCV-47, determining that 489 acre-feet of its Buena Vista Rosedale Rio Vista Water Supply (“Additional Water Supply”) is potentially available for the Tapia Ranch Annexation Lands subject to certain conditions.
- C. Pursuant to Section 3(C) of the Agreement, Landowner was required to pay SCV Water the administrative and operating costs arising from the Acquisition of the Additional Water Supply and the past Carrying Costs of the Additional Water Supply by January 17, 2018.
- D. At Landowner’s request, the Parties executed a First Amendment to the Deposit and Funding Agreement dated May 21, 2019, that extended that deadline to December 31, 2021, and provided for a payment plan (“Payment Schedule”) for Landowner to meet its financial obligations (“First Amendment.”).
- E. At Landowner’s request, the Parties executed a Second Amendment to the Deposit and Funding Agreement dated December 28, 2022, that extended that deadline to December 31, 2023, and provided for a revision of the Payment Schedule for Landowner to meet its financial obligations (“Second Amendment”).
- F. Landowner has requested a third extension of time to meet both its financial obligations and California Environmental Quality Act (“CEQA”) obligations under the Agreement.
- G. Landowner has paid a total of \$4,438,476 for the cost associated with the Deposit and Funding Agreement to date.
- H. SCV Water is willing to amend the Agreement to provide for an amended schedule in which to complete the project’s CEQA certifications and to provide for an amended Payment Schedule that sets forth the required payments and deadlines and obligations for such payments.

NOW THEREFORE, in consideration of the mutual promises set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree to amend the Agreement as follows:

- 1. Section 3(C)(3) is amended to read as follows:

“3. **PAYMENT OF ADMINISTRATIVE AND OPERATING COSTS AND CARRYING COSTS.** The administrative and operating costs arising from the acquisition of the Additional Water Supply and the Carrying Costs of the Additional Water Supply required to be paid by Sections 3(C)(1) and (2) above, including interest, shall be paid by Landowner to SCV Water according to the payment schedule and as described in attached Exhibit E. Consistent with Section 7 of this Agreement, failure to make payments by the due dates in Exhibit E shall be an Event of Default, and any and all payments made by Landowner to SCV Water shall not be refunded to Landowner.”

2. The attached amended and updated Payment Schedule replaces the previous Exhibit E and is the new Exhibit E to the Agreement.

3. Section 3(E)(6) is amended to read as follows:

“6. **TERMINATION FOR FAILURE TO TIMELY OBTAIN ENTITLEMENTS.** Landowner and SCV Water are negotiating an Annexation Agreement in substantially the form attached hereto as Exhibit D. Landowner and SCV Water acknowledge that such Annexation Agreement will be necessary to govern the terms of provision of the Additional Water Supply, and until that time, SCV Water is obligated hereunder to reserve any such Additional Water Supply for the benefit of Landowner. Landowner and SCV Water further acknowledge that the Annexation Agreement must be approved by the Los Angeles LAFCO (LAFCO), and that Landowner must work with the County as the Lead Agency under CEQA for Landowner’s project, to process project entitlements and prepare a CEQA document that SCV Water and LAFCO may adopt as CEQA responsible agencies (collectively, the “Entitlements”). Landowner and SCV Water hereby agree that, should Landowner fail to obtain such Entitlements as are necessary to submit the Annexation Agreement for approval by LAFCO by December 31, 2025, this Agreement, and the rights and obligations existing hereunder for both Landowner and SCV Water, with the exception of Section 3.C.3 and Section 10 and all of the obligations and requirements in them, shall terminate as of such date. The deadline may be extended by the mutual agreement of both parties and the approval of the SCV Water Board of Directors.”

4. As agreed to in the Second Amendment and restated in this Third Amendment, Landowner agrees and acknowledges that, in the Event of Default by Landowner, any and all payments made by Landowner to SCV Water at any time pursuant to this Agreement, including those that have already been made and those that are made in the future, are not refundable to Landowner and Landowner further agrees to waive any and all rights to bring any action in law or equity to recover such payments.

5. Continuing Effect of Agreement. Except as amended by this Third Amendment, all other provisions of the Agreement remain in full force and effect. From and after the date of this Amendment, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement as amended by the First Amendment, Second and Third Amendments.

IN WITNESS WHEREOF, each Party has executed this Third Amendment on the date set forth below, said Third Amendment to be effective on the later of the two, i.e., when both Parties have signed this Third Amendment (the “Effective Date”).

Date: _____

SANTA CLARITA VALLEY WATER AGENCY

By: _____

Title: _____

ATTEST:

Secretary

Date: _____

DACA CASTAIC, LLC

By: _____

Title: _____

APPROVED AS TO FORM:

Best, Best, & Krieger, LLP

By: _____

Joseph P. Byrne, Esq.
Co-General Counsel

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THIRD AMENDMENT OF THE DEPOSIT AND FUNDING AGREEMENT - REVISED TAPIA RANCH PAYMENT SCHEDULE - (EXHIBIT E) - Attachment I

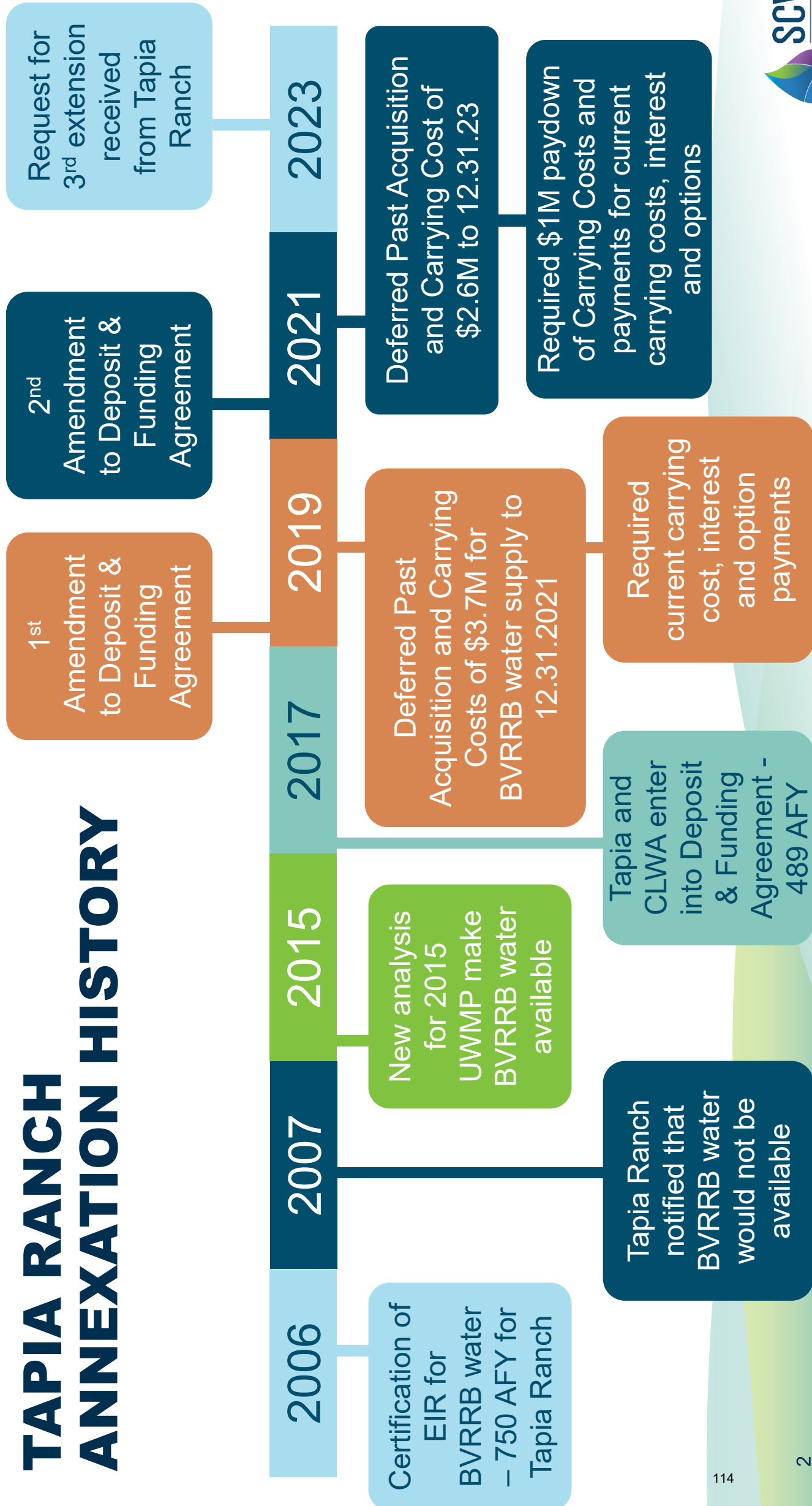
	Payments Made (1/31/2023) (7)	Paydown of Acquisition and Past Carrying Costs Due (1/31/2024)	Annual Carrying Cost Payment (1/31/2024) (7)	Final Payment of Acquisition and Past Carrying Costs Due (12/31/2024)	Estimated Annual Carrying Cost Payment Due (1/31/2025)	Estimated Annual Carrying Cost Payment 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)	\$1,000,000	\$1,000,000		\$2,691,987		
Partial Payment of Acquisition and Past Carrying Costs (5)		\$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

Notes:

- (1) The highlighted numbers in this row are estimates and assume SCV Water interest rates remain at 4.15%. The actual required payments may be adjusted and will be based on the actual interest rates.
- (2) The highlighted Annual Carrying Costs numbers in this row are estimates and the actual required payments will be adjusted to reflect the actual Annual Carrying Costs.
- (3) The Option Payments are hard numbers and must be paid by the due dates.
- (4) The highlighted balance in this row is an estimate and the final required payment may be adjusted and will be based on the actual remaining Acquisition and Past Carrying Costs.
- (5) Partial payment of Acquisition and Past Carrying Costs.
- (6) The highlighted numbers in this row will be adjusted based on actual numbers consistent with the above comments.
- (7) Payments of interest, annual carrying costs, paid Past Carrying Costs and Options are not refundable.
- (8) Ongoing annual carrying costs assumed to be paid under the future Annexation Agreement.

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TAPIA RANCH ANNEXATION HISTORY



1ST AMENDMENT TO DEPOSITS & 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 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.



BOARD MEMORANDUM

DATE: December 12, 2023

TO: Board of Directors

FROM: Joseph Byrne
General Counsel

SUBJECT: Approve a Revision to the Board of Directors Policies and Procedures Regarding General Manager Authority to Grant Easements and Accept and Acquire Real Property and Finding as Exempt from CEQA Guidelines Section 15378 (b)(5), and Alternatively CEQA Guidelines Section 15061(b)(3)

SUMMARY/DISCUSSION

On August 1 2023, the Board of Directors approved an amendment to the Santa Clarita Valley Water Agency (Agency) Purchasing Policy to increase the General Manager's purchasing authority without the need for Board approval from \$100,000 to \$150,000. The Board of Directors Policies and Procedures provides the Board with the authority to acquire and dispose of real property, but gives the General Manager the ability to (1) grant easements to third parties that have a fair market value of \$100,000 or less; (2) accept and acquire real property that is related to the maintenance and operation of the water system with a fair market value of \$100,000 or less; and (3) enter into license agreements for the use of real property with a fair market value of \$100,000 or less. The \$100,000 threshold was equal to the General Manager's previous maximum purchasing authority.

Given that the Board recently increased the General Manager's Purchasing authority from \$100,000 to \$150,000, staff is recommending that the Board consider amending Section IV(D)(15) & (16) to correspondingly increase the General Manager's authority to grant easements, accept and acquire real property, and enter into license agreements that have a fair market value of \$150,000, up from \$100,000. The proposed changes are identified as Attachment 1.

CEQA DETERMINATION

The proposed revision 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 does not, pursuant to California Environmental Quality Act ("CEQA") Guideline section 15378 (b)(5), constitute a "project" as it is an "organizational or administrative activit[y]" that "will not result in direct or indirect physical changes to the environment" and alternatively is exempt from environmental review under CEQA pursuant to the CEQA Guidelines Section 15061(b)(3), the "common sense exemption," which provides that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Here, the Agency finds the revisions to the Policies and Procedures are not a "project" under CEQA as they are only an organizational act, or alternatively, are exempt from CEQA as it "can be seen with certainty that there is no possibility that the activity in question" as it is a technical edit that provides only procedural guidance, and so it will have no "significant effect on the environment."

FINANCIAL CONSIDERATIONS

None.

RECOMMENDATION

That the Board of Directors approve the attached proposed revision (Attachment 1) to the Policies and Procedures for the Board of Directors of the Santa Clarita Valley Water Agency.

Attachment

ATTACHMENT 1

15. Real Property


- (a) The Board reserves for itself the sole authority to convey and dispose of all interests in real property, except as provided below.
- (b) Easements. The General Manager is authorized to grant easements upon real property, including, but not limited to, easements for construction, inspection, access, storage, operations, maintenance, and emergency service, as follows:
 - (1) Temporary easements not to exceed five years in duration; and
 - (2) Permanent grants of easements upon real property, including by way of quitclaim, for access and use of Agency property and rights-of-way with a fair market value, as reasonably determined by the General Manager or his/her representative, of ~~\$100,000~~ \$150,000 or less.
- (c) Accepting and Acquiring Real Property. The General Manager is authorized to accept and acquire, by dedication or purchase, real property, which includes but is not limited to deeds, and grants of interests in and easements upon real property, on behalf of the Agency and in a form approved by General Counsel to the Agency, for the purposes of expanding, maintaining and operating the Agency and its water system and have a fair market value, as reasonably determined by the General Manager or his/her representative of ~~\$100,000~~ \$150,000 or less.
- (d) The General Manager shall provide a semi-annual report of transactions executed pursuant to the authority granted in this section to the Engineering and Operations Committee.

- 16. License Agreements. The General Manager is authorized to enter into license agreements related to the access and/or use of real property, and amendments to such license agreements, that have a fair market value, as reasonably determined

by the General Manager or his/her representative, of \$150,000 ~~\$100,000~~ or less. All other such license agreements require Board authorization.



BOARD MEMORANDUM

DATE: January 2, 2024
TO: Board of Directors
FROM: Steve Cole 
Assistant General Manager
SUBJECT: December 13, 2023 Water Resources and Watershed Committee Meeting
Recap Report

The Water Resources and Watershed Committee met at 5:30 PM on Wednesday, December 13, 2023 at the Engineering Services Section (ESS) Boardroom located at 26521 Summit Circle, Santa Clarita, CA 91350. In attendance were Committee Chair Piotr Orzechowski, Directors Dirk Marks, and Gary Martin. Staff members present were Assistant General Manager Steve Cole, Director of Water Resources Ali Elhassan, Chief Engineer Courtney Mael, Executive Assistant Eunie Kang, and Information Technology Technician II Jonathan Thomas. Attending virtually were Sustainability Manager Matt Dickens, Water Resources Planner Rick Vasilopoulos, and members of the public were present. A copy of the agenda is attached.

Item 2: Public Comment – There was no public comment.

The Committee went into Closed Session at 5:37 P.M. to discuss item 3.1.

Item 3: CLOSED SESSION

- 3.1 Conference with Real Property Negotiators
Property: Devil's Den Water District Property Encompassing Approx. 8,800 Acres Located in Kings and Kern Counties Along Hwy 33 North of Twissiemann Road and South of Route 41
Agency Negotiators: Assistant General Manager Stephen L. Cole, Director of Water Resources Ali Elhassan, and Water Resources Planner Rick Vasilopoulos
Negotiating Parties: Intersect Power
Under Negotiation: Price and Terms of Payment

Chair Orzechowski reconvened the Open Session at 6:09 P.M.

Item 4: CLOSED SESSION ANNOUNCEMENTS – Steve Cole reported that there were no actions taken in Closed Session that were reportable under the Ralph M. Brown Act.

Item 5: Recommend Authorizing the General Manager to Enter into an Agreement for Purchase and Sale of Recycled Water Between City of Santa Clarita and SCV Water Agency – After review and discussion, the Committee recommended through consensus to move this item forward for consideration and approval by the Board of Directors and put it on the Consent Calendar. This item will be presented in a separate report going to the January 2, 2024 regular Board meeting.

Item 6: Discuss and Consider Potential Amendment to the Deposit and Funding Agreement Between SCV Water Agency and DACA-Castaic LLC for Tapia Ranch – After review and discussion, the Committee recommended through consensus to move this item forward for consideration and approval by the Board of Directors. This item will be presented in a separate report going to the January 2, 2024 regular Board meeting.

Item 7: Water Resources Director’s Staff Activities – Ali Elhassan shared with the Committee the staff activities at the Fall ACWA conference. They were involved in and networked with various water exchange partners. The staff also joined the 2023 State Water Contractors Water Operations Committee Fall Workshop and visited the San Luis Field Division on a field trip.

Item 8: Sustainability Manager’s Staff Activities – Matt Dickens reported that the Agency's conservation team has been busy with various sustainability and water conservation projects. One of the main tasks is to prepare the first annual conservation report in accordance with AB 1668 and SB 606, the long-term conservation framework, which is due on January 1, 2024. However, the State Resources Control Board has not yet issued its final guidance, so our report will not include any specific performance targets that we need to meet. Another ongoing activity is the annual water loss audit validation report that we will submit to the DWR at the end of year. The team is also developing and improving new conservation programs for 2024. Finally, Matt Dickens participated and exchanged ideas on water efficiency innovations and best practices at the Plenary Event of the California Water Efficiency Partnership in San Francisco.

Item 9: Committee Planning Calendar – Staff and the Committee reviewed the Planning Calendar.

Item 10: Adjournment – The meeting adjourned at 6:41 P.M.

The meeting recording is available on the SCV Water Agency website or by clicking the following link: [Water Resources and Watershed Committee Meeting Recording.](#)


Attachment

M65



Date: December 6, 2023

To: **Water Resources and Watershed Committee**
Piotr Orzechowski, Chair
William Cooper
Dirk Marks
Gary Martin

From: Steve Cole, Assistant General Manager 

The **Water Resources and Watershed Committee** meeting for **Wednesday, December 13, 2023 at 5:30 PM at 26521 Summit Circle, Santa Clarita, CA 91350 in the Engineering Services Section (ESS) Boardroom**. Members of the public may attend in person or virtually. To attend this meeting virtually, please see below.

IMPORTANT NOTICES

This meeting will be conducted in person at the address listed above. As a convenience to the public, members of the public may also participate virtually by using the **Agency's Call-In Number 1-833-568-8864, Webinar ID: 160 152 2133 or Zoom Webinar by clicking on the link scvwa.zoomgov.com/j/1601522133**. Any member of the public may listen to the meeting or make comments to the Committee using the call-in number or Zoom Webinar link above. However, in the event there is a disruption of service which prevents the Agency from broadcasting the meeting to members of the public using either the call-in option or internet-based service, this meeting will not be postponed or rescheduled but will continue without remote participation. The remote participation option is being provided as a convenience to the public and is not required. Members of the public are welcome to attend the meeting in person.

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

Members of the public unable to attend this meeting may submit comments either in writing to ekang@scvwa.org or by mail to Eunie Kang, Executive Assistant, Santa Clarita Valley Water Agency, 26501 Summit Circle, Santa Clarita, CA 91350. All written comments received before 4:00 PM the day of the meeting will be distributed to the Committee members and posted on the Santa Clarita Valley Water Agency website prior to the start of the meeting. Anything received after 4:00 PM the day of the meeting will be made available at the meeting, if practicable, and will be posted on the SCV Water website the following day. All correspondence with comments, including letters or emails, will be posted in their entirety.

MEETING AGENDA

<u>ITEM</u>		<u>PAGE</u>
1.	<u>PLEDGE OF ALLEGIANCE</u>	
2.	<u>PUBLIC COMMENTS</u> – Members of the public may comment as to items within the subject matter jurisdiction of the Agency that are not on the Agenda at this time. Members of the public wishing to comment on items covered in this Agenda may do so at the time each item is considered. Members of the public wishing to comment on item covered in Closed Session before they are considered by the Committee must request to make the comment at the commencement of the meeting at 5:30 P.M. (Comments may, at the discretion of the Committee Chair, be limited to three minutes for each speaker.) To participate in public comment from your computer, tablet, or smartphone, click the “raise hand” feature in Zoom. You will be notified when it is your turn to speak, please unmute when requested. To participate in public comment via phone, dial *9 to raise your hand. When it is your turn to speak, dial *6 to unmute.	
3.	<u>CLOSED SESSION</u>	
3.1	Conference with Real Property Negotiators Property: Devil’s Den Water District Property Encompassing Approx. 8,800 Acres Located in Kings and Kern Counties Along Hwy 33 North of Twisselman Road and South of Route 41 Agency Negotiators: Assistant General Manager Stephen L. Cole, Director of Water Resources Ali Elhassan, and Water Resources Planner Rick Vasilopoulos Negotiating Parties: Intersect Power Under Negotiation: Price and Terms of Payment	
4.	<u>CLOSED SESSION ANNOUNCEMENTS</u>	
5. *	Recommend Authorizing the General Manager to Enter into an Agreement for Purchase and Sale of Recycled Water Between City of Santa Clarita and SCV Water Agency	1
6. *	Discuss and Consider Potential Amendment to the Deposit and Funding Agreement Between Santa Clarita Valley Water and DACA-Castaic LLC for Tapia Ranch	29
7.	Water Resources Director’s Report – Staff Activities	

8. Sustainability Manager Report – Staff Activities
9. * Committee Planning Calendar 93
10. 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 Eunie Kang, Executive Assistant, at (661) 297-1600, or email to ekang@scvwa.org or by writing to Eunie Kang, Santa Clarita Valley Water Agency, 26501 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 yourSCVwater.com.

Posted on December 6, 2023

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BOARD MEMORANDUM

DATE: December 18, 2023
TO: Board of Directors
FROM: Courtney Mael *CM*
 Chief Engineer
SUBJECT: Engineering Services Section Report

CAPITAL IMPROVEMENT PROJECTS (CIP) CONSTRUCTION

Project	Contractor	Contract Amount	Scheduled Completion	Notes
Vista Canyon Recycled Water Tank (Phase 2B)	Pacific Tank and Construction, Inc.	\$4,213,175	9/29/2023	Project is complete and the Notice of Completion issued. Tank is filled and in operation.
Vista Canyon Recycled Water Main Extension (Phase 2B)	Ferreira Construction Co., Inc.	\$2,752,982	10/31/2023	Project substantially complete and pipelines are in operation. Project closeout is in progress.
Bridgeport Pocket Park	C.S. Legacy Construction, Inc.	\$373,148	1/31/2024	Construction is complete. Project closeout is in progress.
Santa Clara & Honby Wells PFAS Groundwater Treatment Improvements Material Purchase	Aqueous Vets	\$814,050	3/31/2024	Materials have been delivered to the site.
Santa Clara & Honby Wells - Site Construction	Pacific Hydrotech Corporation	\$9,015,435	3/31/2024	Construction is 81% complete.
ESFP Washwater Return Improvements	Pacific Hydrotech Corporation	\$18,518,498	4/29/2024	Construction is 83% complete.
Magic Mountain Pipeline Phase 4	FivePoint/Toro Enterprises	\$3,297,014	4/30/2024	Construction is 98% complete.

Project	Contractor	Contract Amount	Scheduled Completion	Notes
Magic Mountain Pipeline Phase 5	FivePoint/Toro Enterprises	\$3,269,979	4/30/2024	Construction is 96% complete.
Magic Mountain Pipeline Phase 6A	FivePoint/Toro Enterprises	\$7,168,845	4/30/2024	Construction is 92% complete.
Magic Mountain Pipeline Phase 6B	FivePoint/Leatherwood Construction	\$4,568,687	4/30/2024	Construction is 99% complete.
Saugus #3 & #4 Wells Construction (Replacement Wells)	Zim Industries, Inc.	\$12,751,494	4/30/2024	Construction is 60% complete.
Dickason Drive Water Line Improvements	J. Vega Engineering, Inc.	\$1,909,511	5/1/2024	Construction is 52% complete.
Pitchess Pipeline Modifications	LA County Metropolitan Transportation Authority	\$159,000	6/30/2024	Potholing of the pipeline was conducted on June 5, 2023.
Deane Tank (concrete) at Nimbus Way	Pacific Hydrotech Corporation	\$3,127,269 (SCV Water Fair Share)	7/23/2024	Concrete foundation and walls were installed. Contractor is installing rebar for roof.
RVWTP UST Replacement	Fleming Environmental, Inc	\$1,388,771	7/23/2024	Construction submittals are in progress.
Deane Pump Station at Sand Canyon Plaza	Pacific Hydrotech Corporation	\$1,969,954 (SCV Water Fair Share)	8/1/2024	Construction has commenced.
Deane Pump Station at Skyline Ranch Road	Pacific Hydrotech Corporation	\$385,837 (SCV Water Fair Share)	11/26/2024	Contractor has mobilized and started site grading and setting up temporary water for construction.
Well 201 VOC Treatment Improvements	Pacific Hydrotech Corporation	\$7,726,700	2/1/2025	Construction is 27% complete.

CAPITAL IMPROVEMENT PROJECTS (CIP) PLANNING AND DESIGN

1. Backcountry (fka Magic Mountain) Pump Station – The Board of Directors adopted the Addendum to the Mission Village Environmental Impact Report (EIR) and the Mitigation Monitoring and Reporting Program, approved the Backcountry Pump Station project, and authorized final design services on March 7, 2023. Design is in progress. Additional California Environmental Quality Act (CEQA) analysis is being performed to allow flexibility in design. National Environmental Policy Act (NEPA) analysis is in progress. Constructability review is in progress.
2. Backcountry (fka Magic Mountain) Reservoir – The Board of Directors adopted the Addendum to the Mission Village EIR and the Mitigation Monitoring and Reporting Program, approved the Backcountry Reservoir project, and authorized final design services on March 7, 2023. The pipeline is within the public right-of-way and Pump Station Improvements are being designed as separate plan sets. Design is in progress.
3. Castaic Conduit Bypass Pipeline – Design is 90% complete. Permits are being secured for the project.
4. Catala Pump Station and Pipelines – Planning is in progress.
5. Deane Tank @ Sand Canyon Plaza (CIP is SCV Water Fair Share) – Project has been placed on hold due to construction bids being significantly higher than engineering estimates. Staff is exploring alternative options for new tank site.
6. Foothill Feeder Service Connection CLWA-01/01T Pipe Repair – Metropolitan Water District of Southern California (MWDSC) is performing the planning and design of the pipe repair improvements. Staff met with MWDSC staff on May 4, 2023, at the site to review site conditions.
7. Honby Parallel Pipeline Phase 2 – The Board of Directors adopted the Addendum to the EIR on June 1, 2021. Design is in progress and staff is securing permits from the California Department of Fish and Wildlife and the Los Angeles Regional Water Quality Control Board.
8. Honby Tank Pipeline Bottleneck – Request to adopt the final mitigated negative declaration and mitigation monitoring reporting program and authorize final design services are scheduled to be presented at the January Engineering & Operations Committee meeting.
9. Master Plan – Planning is in progress.
10. Newhall Wells (N11, N12, N13) Groundwater Treatment Improvements – Planning is complete. CEQA and NEPA evaluation is in progress. Request to authorize final design services is scheduled to be presented at the April Engineering & Operations Committee meeting.
11. Per- and Polyfluoroalkyl Substances (PFAS) Groundwater Treatment Improvements: Clark Well – Planning is in progress.

12. PFAS Groundwater Treatment Improvements: E Wells (E-14, E-15, E-16, and E-17) – Planning is complete. CEQA and NEPA evaluation is in progress.
13. PFAS Groundwater Treatment Improvements: Lost Canyon 2, Lost Canyon 2A, and Sand Canyon 2, and Mitchell 5B Wells – Planning is in progress.
14. PFAS Groundwater Treatment Improvements: North Oaks Central, North Oaks East, and Sierra Wells – Planning is in progress.
15. PFAS Groundwater Treatment Improvements: Wells 206 and 207 – Planning is in progress.
16. PFAS Groundwater Treatment Improvements: Well D – Planning is in progress.
17. PFAS Groundwater Treatment Improvements: Wells W9 and W10 – Planning is in progress.
18. Pipeline Inspection: Castaic Conduit Pipeline Reaches 3 & 4 – Planning is in progress.
19. Pipeline Inspection: Magic Mountain Parkway (MMP) Inspection Access Modifications – Request to authorize final design services is scheduled to be presented at the January Engineering & Operations Committee meeting.
20. Pipeline Replacement: Abdale St, Maplebay Ct, & Beachgrove Ct Pipelines – CEQA and NEPA evaluation is in progress.
21. Pipeline Replacement: McBean Parkway – 100% submittal in mid-December.
22. Pipeline Replacement: MMP & The Old Road Recycled Water Relocation – Planning is in progress.
23. Pipeline Replacement: Newhall Ranch Road (West of Avenue Tibbitts) – Planning is in progress.
24. Pipeline Replacement: Rio Vista Water Treatment Plant (RVWTP) Sewer Line – CEQA and NEPA evaluation is in progress.
25. Pipeline Replacement: Sand Canyon Sewer Line – CEQA and NEPA evaluation is in progress.
26. Pipeline Replacement: Smyth Drive Pipeline – Final design is in progress.
27. Pipeline Replacement: Valencia Marketplace Pipeline – Final design is in progress.
28. Recycled Water Central Park (Phase 2A) – The project's Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program (MMRP) was adopted by the Castaic Lake Water Agency (CLWA) Board of Directors on December 13, 2017. Design is on hold pending resolution of recycled water permitting and regulatory issues.
29. Recycled Water Fill Station – Planning and land acquisition are in progress.

30. Recycled Water South End (Phase 2C) – Newhall County Water District, as the CEQA Lead Agency, certified the recirculated MND on August 10, 2017. The project Mitigated Negative Declaration/Initial Study was adopted by the CLWA Board of Directors on August 23, 2017. Grant application for Proposition 1 Grant was submitted the week of December 2, 2019. The Board of Directors adopted the Addendum to the MND on June 1, 2021, and authorized additional design services on August 3, 2021. NEPA evaluation is complete. Final design is in progress.
31. Replacement Wells (Saugus Wells 3 and 4: Site and Equipment Design) – Final design is in progress.
32. RVWTP Mechanical Shop and Access Road Paving – Planning is in progress. On December 5, 2023, staff issued a Request for Proposal for planning and design services.
33. RVWTP Turbidity Improvements – Planning is in progress.
34. S Wells PFAS Groundwater Treatment and Disinfection Facility – Project Final MND was adopted by the Board of Directors on July 18, 2023. Final design services were awarded to Hazen and Sawyer, Inc. Topographic survey is completed and Geotech investigation is underway. SCV Water awarded \$5 million in grant funding from the Bureau of Reclamation. Staff is preparing several applications for additional potential grant funding opportunities.
35. Sand Canyon Reservoir Expansion – Planning is in progress. Consultant is working on the 30% design plans for a 7 million gallon (MG) rectangular cast-in-place concrete reservoir.
36. Sierra Highway Bridge Expansion Water Pipelines Protection – Final design is in progress. The agreement with the City of Santa Clarita to advertise and construct the SCV Water Pipelines Protection and Installation work has been executed.
37. T7, U4, and U6 Wells PFAS Groundwater Treatment Improvements, New Rio Vista Intake Pump Station (RVIPS) Disinfection Facility, and Saugus 1 and 2 Volatile Organic Compounds (VOC) Improvements – 100% plans completed. Bid document packages are being prepared for contractor bidding. Staff is preparing several applications for potential grant funding opportunities.
38. Well 205 Perchlorate Treatment Improvements – Final design and land acquisition are in progress.

DEVELOPMENT PROJECTS – DESIGN, CONSTRUCTION, AND INSPECTION

Project Developer	Development Size	Infrastructure (Estimated at Build-out)	Schedule	Status
Aidlin Hills (Tract 52796) Lennar	102 Dwelling Units	2 tanks, 1 pump station, ±7,670' of potable pipelines, and 9 public fire hydrants.	TBD	Water pipeline plans have been approved. 90% Tank and Booster Station plan review completed. 60% Disinfection Building Plans are in review.
College of the Canyons (COC)	New Parking Structure for Valencia Campus	Relocation of 16" water line (approximately 1,015').	Construction is complete and pipeline is in operation.	Project closeout is in progress.
Dockweiler	93 Single Family Units	1,400' of offsite pipeline, 3,600 feet of onsite pipeline.	Construction is complete.	Closeout and Notice of Completion are in process.
Landmark Village (Tract 53108) FivePoint	1444 Dwelling Units	3.5 miles of piping, pressure reducing station, 2MG Zone IA Tank, and 2 Hwy 126 crossings.	TBD	Design is on hold.

Project Developer	Development Size	Infrastructure (Estimated at Build-out)	Schedule	Status
Mission Village (FivePoint)	4055 Dwelling Units	11.5 miles of new pipeline, 1 pressure reducing station (Telemark (formerly Petersen), 2 booster stations (Telemark (formerly Petersen) potable & recycled). 1 booster station upgrade (Magic Mtn.), and 3 tanks (Telemark (formerly Petersen) potable & recycled tanks and Magic Mtn. Tank No. 2 potable).	Telemark (formerly Petersen) Tanks and Booster Stations design to be complete by January 2024.	<p>Design: To date, a total of 52 potable/recycled distribution pipeline designs have been approved for construction. Telemark (formerly Petersen) potable and recycled water booster stations are 100% complete. Telemark Tanks at 90% complete. Phase 3B and 2B-1 water distribution pipeline plan sets are under review.</p> <p>Construction: Phases 1A, 1B, 1C, 1D, and in-tract potable water pipelines are completed, and recycled water pipelines are 90% complete. Well 206/207 pipe relocation project is 75% complete. Magic Mountain Booster Station Upgrades are complete. Retaining wall at Magic Mountain Tank No. 2 site is 80% complete. Notices of Completion are being executed for projects.</p> <p>On-site RW irrigation plan review/construction in progress.</p>

Project Developer	Development Size	Infrastructure (Estimated at Build-out)	Schedule	Status
Needham Ranch Trammell Crow Co.	2,550,000 Square Feet Industrial and Commercial	4 miles of pipelines, 1 pump station, 2 tanks, 1 disinfection building, and 2 pressure reducing stations.	Phase 1 construction is substantially complete. Phase 2 Construction is substantially complete. Tank 7 and 7A is complete. Disinfection Building and Pump Station upgrades to be complete by January 2024.	Construction: Tank 7A is complete. Pine Street Pipeline is complete. Design: Pump station modification plans and chemical building plans are approved. Chemical building is under construction (60% complete).
Saddle Peak Canyon (Tick Canyon)	548 single family units	2 tanks, 1 pump station, 6.3 miles of pipeline.	TBD	30% pipeline, tank and pump station plans have been reviewed by SCV Water.
Sand Canyon Plaza	129 Single Family Units, 451 Multi-Family Units, 140 Bed Senior Living, Commercial	1 pump station, 1,700' of onsite pipeline.	Developer has commenced mass grading at the site. Offsite Pipeline and New Sand Canyon Plaza Pump Station to start construction in August 2023.	Offsite pipeline and pump station is under construction. Final In-Tract plans approved and signed.
Sheriff Station City of Santa Clarita	44,300 Square Feet	1 mile of pipeline.	Construction of main pipeline is complete with bypass crossing over LADWP aqueduct.	Staff are working with City to relocate the pipeline crossing under the bike path as a semi-permanent alignment in lieu of crossing under the LADWP pipeline. Construction of relocation is planned for winter 2023 using SCV Water staff.

Project Developer	Development Size	Infrastructure (Estimated at Build-out)	Schedule	Status
Spring Canyon (Tract 48086)	492 Dwelling Units	1 tank, 1 pump station, and 1 pressure reducing valve, Mammoth Lane upgrades and lift station upgrades.	Mammoth Lane upgrades must be complete prior to commencement of development.	Design plans for in-tract pipelines, tanks and pump station were approved and issued in July 2020. Staff is working with developer and consultant to address County standards for sewer lift station upgrades in order to transfer ownership to the City of Santa Clarita. Review and comments provided on 1 st draft Memorandum of Understanding (MOU) between SCV Water and the City for transfer of sewer lift station facility.
Skyline Ranch TriPointe (Tract 60922)	1220 Dwelling Units	17 miles of pipelines, 3 pump stations, and 4 tanks.	Phase 1 pipelines, pump station and tanks are online. Phase 2 Deane pump station and Nimbus/Deane tank are in construction for completion by summer 2024. Phase 3 Skyline Pump Station and Disinfection to be constructed by fall 2024.	Consultant is preparing 90% plans for disinfection facility and draft final plans for the Skyline Pump Station at the Nimbus Deane Tank site to address SCV Water's comments. Construction of Nimbus concrete tank is in progress. Ready to perform circumferential pre-stressing for the tank.
Tesoro Highlands	696 Single Family Units, 9 Multi-Family Units, 2 acres of Commercial	2 tanks, 1 pump station, and 64,000' of pipeline.	Phase 1 and Phase 2 Pipeline substantially complete. Tesoro 3 Tanks to be completed by August 2023. Zone 3 pump station to be completed by February 2024.	Tanks 3/3A are substantially completed. Phase 3-6 water pipelines are substantially complete. Pump station construction in progress (80% complete). Phase 7, 8 and 14B plans are approved.

Project Developer	Development Size	Infrastructure (Estimated at Build-out)	Schedule	Status
Vista Canyon (Tract 69164) JSB Development	1100 Dwelling Units	5 miles of potable and recycled pipelines.	Construction of Phase 1 Potable and Recycled Water Systems are complete. Construction of Phase 2 systems are complete except final tie-ins.	Developer to submit schedule to construct final tie-ins for potable system. Staff is finalizing purchase agreement with City for recycled water supply. Service of recycled water is pending the City's water factory operations being within permit specifications.

RIGHT OF WAY – CELL SITES

1. Bouquet Tank Site – T-Mobile has constructed fences around sector antennas. Carrier is also working on plans to install an emergency generator at this location. SCV Water has received deposit of \$10,000 and is waiting on reviewed plans to be updated by T-Mobile.
2. Commerce Center Tank Site – AT&T has identified this location as a potential new cell site. SCV Water has received deposit of \$10,000 and is reviewing plans.
3. Dockweiler (Newhall) Tank 2 Site – SCV Water is waiting on T-Mobile carrier plans to relocate decommissioned Sprint equipment off the tank due to T-Mobile's acquisition of Sprint. SCV Water is waiting on carrier plans from AT&T and Verizon to install emergency generators.
4. Keaton (Honby) Tank Site – T-Mobile has identified this existing site for upgrades. SCV Water is working with carrier on deposit letter and review of plans. DISH Wireless has identified this location as a potential new cell site. SCV Water has received deposit of \$10,000 and is reviewing plans.
5. Live Oaks Tank Site – AT&T has identified this location as a potential new cell site. SCV Water has received deposit of \$10,000 and is reviewing plans.
6. Mountain Pass (Princess) Tank Site – Verizon has identified this site for emergency generator installation. SCV Water is working with carrier on a deposit letter.
7. Pamplico (Catala) Tank Site – DISH Wireless has identified this location as a potential new cell site. SCV Water has received deposit of \$10,000 and is reviewing plans. AT&T has also identified this location as a potential new site. SCV Water is working with carrier on deposit letter. T-Mobile has identified this existing site for upgrades. SCV Water has received deposit of \$10,000 and is reviewing plans.
8. Ridge Route (Castaic) Tank 1A – Verizon has started construction of new wireless facility.
9. Whites Canyon (Skyblue) Tank Site – Verizon has requested an access agreement for this site to resolve access issues. SCV Water is working with the carrier on a draft license agreement. DISH Wireless has identified this location as a potential new site. SCV Water is working with carrier.

CAPITAL IMPROVEMENT PROJECTS (CIP) MISCELLANEOUS

- Fire Flow – In November 2023, staff issued 8 fire flow requests.

FACILITY CAPACITY FEES (FCFs) AND CONNECTION FEES

Month	Regional	Distribution	Total
July 2023	\$367,333	\$8,870	\$376,203
August 2023	\$588,778	\$62,844	\$651,622
September 2023	\$1,186,791	\$24,243	\$1,211,034
October 2023	\$123,565	\$21,288	\$144,853
November 2023	\$220,774	\$15,336	\$236,110
FY 2023/24 to Date	\$2,487,241	\$132,581	\$2,620,092
FY 2023/24 Budget	\$1,886,000	\$368,000	\$2,254,000

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BOARD MEMORANDUM

DATE: December 18, 2023
TO: Board of Directors
FROM: Rochelle Patterson *RP*
Chief Financial and Administrative Officer
SUBJECT: Finance, Administration, and Information Technology Services Section Report

FINANCE & ADMINISTRATION (F&A)

Key Accomplishments/Activities:

Staff completed the Fiscal Year (FY) 2022/23 Annual Comprehensive Finance Report (ACFR) with Lance, Soll & Lunghard, LLP (LSL), the Agency's outside CPA firm. LSL delivered a presentation of this report at the December 11, 2023, Finance and Administration Committee meeting and staff presented the report at the December 19, 2023 regular Board meeting.

Staff completed the WIFIA (Water Infrastructure Finance and Innovation Act) loan process, and the consultant submitted the application on December 18, 2023.

Staff and consultants updated the financial scenarios by revising the Agency's retail rate model to project future operating revenues, non-operating revenues, operating expenses, existing debt service as well as proposed debt service, level of reserve funds, and funds remaining that are used to fund the Agency CIP pay-go program for the next 10 years.

Staff completed the Agency's first Popular Annual Financial Report (PAFR) for FY 2022/23, which will be presented to the Government Finance Officers Association (GFOA) for award consideration. This report is a companion piece to the ACFR. The purpose of the PAFR is to present financial information in a more reader-friendly and accessible format compared to the more complex and detailed ACFR. The PAFR highlights key financial activities using graphs, charts and narratives that make it easier for ratepayers and stakeholders to understand. The PAFR will be made available on the Agency's website, including printed copies, and will become part of the Agency's annual reports that are available to the general public.

Staff received approval for the revised Driving and Vehicle Policy and revised Employee Manual 10 – Overtime Policy.

Staff received approval to renew the contract with EnQuesta.

Staff presented the Facility Capacity Fee revenues and Study components report at the December 11, 2023 Finance and Administration Committee meeting, and engaged in a thorough discussion with the Committee.

Significant Upcoming Items:

Staff is finalizing the P-Card agreement with CalCards, expecting to be fully transitioned by end of January 2024. Switching to CalCards would streamline the Agency's P-card processes and

enhance the overall efficiency of the Agency's financial transactions. It would also recognize a significant increase in rebates, estimating \$18,000 per spend of \$1 million a year, versus the current program with Wells Fargo rebate of \$2,000 per \$1 million a year.

Staff is working with the HR department to revise several Employee Manual Policies, which will be presented to the Finance and Administration Committee over the next few months.

Staff received two ratepayer advocate proposals on December 13, 2023, and an interview for these candidates is planned during the January 22, 2024 regular Finance and Administration Committee Meeting.

Ongoing: Staff, following Grant Management Policy and Procedures, continue to receive training on processes and workflows to ensure the Agency will comply with federal single audit requirements. The Agency has successfully obtained significant federal grant funding. Therefore, single audits will be required as part of the Agency's annual, external financial audits for the foreseeable future.

Ongoing: Staff continue to work with Engineering, Operations and Water Resources to refine the Project Financial Management module.

Ongoing: Staff continue to review and approve Certificates of Insurance (COIs), ensuring that insurance limits conform with the Agency's insurance requirements.

Ongoing: Staff continue to assist with training in Oracle's procurement module with applications such as requisitions, purchase orders and contract agreements.

CUSTOMER SERVICE

Key Accomplishments/Activities:

Staff continue to work with Smartworks and Systems & Software (S&S) on the Smartworks Meter Data Management System (MDMS) implementation. Phase I of training is complete. Staff will test through 2023.

Staff attended the Harris Computer Training Conference (HCTC). Training focused on the enQuesta Customer Information System (CIS) and the Smartworks Meter Data Management System (MDMS.)

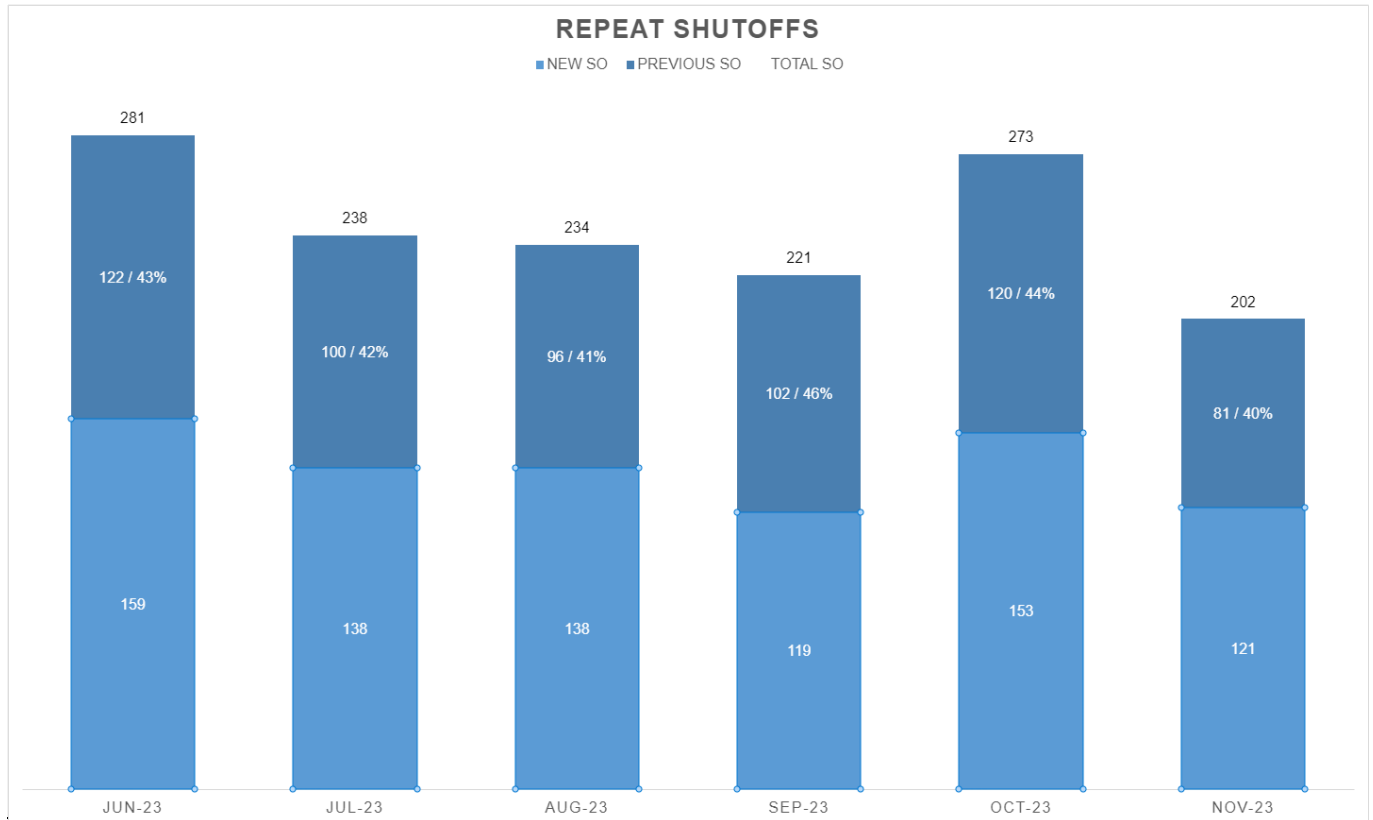
Three new SCV Water-branded "How-To" videos are now available to customers on the login page of the online customer portal. The videos guide customers through the steps to Enroll In Autopay, Update their Autopay Method and How to Register for Pay By Text.

Staff completed a quarterly review of Customer Care content on the public website and reported changes and recommendations to the Communications team.

Staff continue to work with customers to avoid disconnection for nonpayment, and if unable to pay, resolve their overdue balances through amortization agreements. Before shutoff, at least two courtesy reminder calls are broadcast to customers subject to disconnection for nonpayment. There were 3,181 accounts subject to disconnection in November 2023. Of those, 892 remained overdue within one week of their scheduled shutoff date and subsequently received one or more courtesy reminder calls. Two hundred two (202) accounts remained

unresolved by their scheduled shutoff date and were disconnected for nonpayment. There were no shutoffs on Thanksgiving.

REPEAT SHUTOFFS



Staff continue to work with the Communications department to market the Agency’s Ratepayer Assistance Program. As of the date this report was prepared, there were 495 active participants.

Staff continue to work with Systems and Software (S&S) to further refine workflows related to the new enQuesta v.6 platform, online customer portal and mobile work order solution.

Staff continue to coordinate with Field Services on the AMI Meter Changeout Program and the communication infrastructure expansion.

Staff continue to work with Operations, Tech Services and Communications on the new lead and copper reporting requirements.

Significant Upcoming Items:

A series of Smartworks MDMS Navigation and Data Validation training workshops are scheduled for staff in the upcoming months.

Staff is working with the IT department to configure an additional queue in the Customer Call Center that will be dedicated to Spanish-only callers.

HUMAN RESOURCES (HR)

Key Accomplishments/Activities:

Staff are recruiting for (1) Treatment Plant Operator I, (1) Utility Operations Supervisor, (2) Utility Operations Technician I, (2) Water Systems Technician I, (1) Engineering Intern, (1) GIS Intern, and (1) Safety Department Intern.

Staff are onboarding (1) Administrative Technician (Assistant to the Board Secretary) and (1) Field Service Worker I (Limited Duration).

Staff completed recruitment for (1) Financial Analyst, (1) Utility Supervisor, (1) Water Systems Supervisor, and (1) Water Education Instructor.

Staff are currently managing eight (8) Leaves of Absence (LOA) cases and administering the FMLA and State Disability Insurance (SDI) program benefits to employees on leave.

Staff continues to attend and support the bi-monthly Safety Committee meetings.

Staff continues to attend and support the ACWA/JPIA's monthly training sessions, *Hot Java and Hot HR Topics*. The training sessions highlight current topics and trends in the HR field. November's topic was *Accountability – Modeling Accountability as Leaders*. December's topic is *New Laws for 2024* and will be presented by the ACWA/JPIA's legal counsel, Rob Greenfield.

Staff successfully filed the 2023 EEOC-4 compliance report.

Staff completed a salary survey for the budgeted Government Affairs Analyst classification and drafted the new job classification. Staff will recommend a compensation salary range during the budgeting process.

Staff attended the BBK Annual Labor and Employment Legal Update on December 5, 2023.

Staff is continuing working with a consultant on the Water Resources Specialist series classification and compensation study. The job classifications for the series are completed and the compensation survey for this study is almost completed. In addition, staff is working on adding a new study of Network Engineer for the Technology Department. These series will not be authorized until next fiscal year.

Staff is currently preparing for the annual End of Year/New Year benefits activities and implementation of new year plan rates and updates.

Significant Upcoming Items:

Staff plans to comply with ACA (Affordable Care Act) compliance requirements in March 2024.

Staff plans to update the Employee Manual policies and procedures to include changes in laws and regulations for 2024.

Staff plans to create Training for Prevention of Violence in the Workplace.

Staff plans to provide training on the new Internship Policy for supervisors.

Staff plans to develop a soft skills training program for employees. Examples of soft skills are leadership, teamwork, communication, problem-solving, work ethic, flexibility, and interpersonal skills.

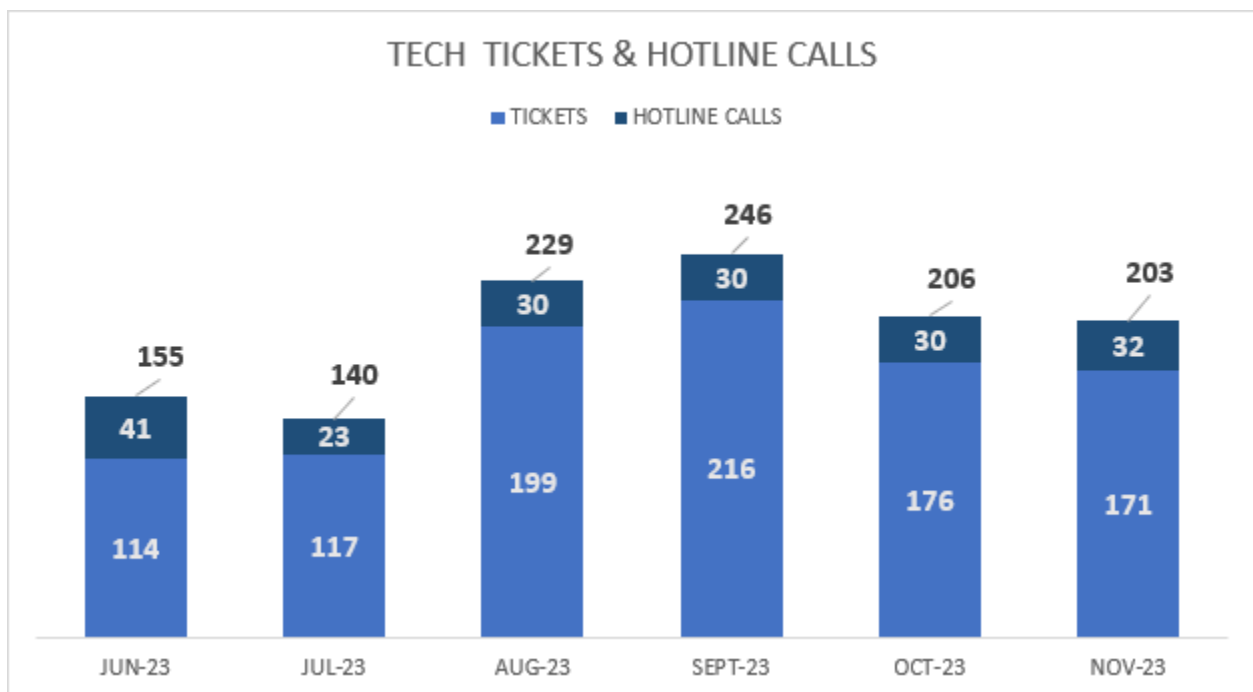
Staff plans to provide training for supervisors and for all employees regarding prevention of sexual harassment.

Staff plans to survey other agencies and create a list for management/supervisory training.

TECHNOLOGY SERVICES

Key Accomplishments/Activities:

Tech Service successfully serviced 171 tickets and fielded 32 hotline calls for November 2023.



Tech Services completed an Agency-wide asset management needs assessment amongst all Agency departments.

Tech Services completed a cross-departmental GIS data governance workshop.

The OT team has developed and deployed a SCADA reporting database that is hosted on the business network.

Tech Services kicked off a proof-of-concept data warehouse project. Starting with a handful of databases, the team configured data flow into a cloud-hosted data warehouse that will be used for queries using analytical tools. The project involved cross-departmental collaboration. Development and testing will be ongoing.

Cybersecurity completed an increased password-complexity campaign. This was a multi-month project as it involved user education and implementation. The campaign involved short educational videos.

Significant Upcoming Items:

Tech Services is in the process of soliciting requests for proposals for managed services support.

The OT team is testing a vulnerability scanner on the Distribution SCADA system.

Ongoing: The OT team will be consolidating and moving SCADA servers to a different platform which will lead to improved performance and security.

Ongoing: The OT team is in the process of planning and configuring SCADA data center upgrades and expansion.

Ongoing: The GIS team will be cross-training employees from various departments on survey GPS technology.

Ongoing: The GIS team will be deploying a beta version of a water systems web application and data dashboard that will be hosted within SharePoint.

Ongoing: Tech Services is supporting a project with Customer Care and their contractor to deploy and configure a new meter data management system.

Ongoing: The GIS team is working on integrating GIS with the Agency's Customer Information System (CIS) for a self-serve water consumption data extraction web application for internal Agency use and is hosted in SharePoint.

Ongoing: The IT team is in the process of moving on-premises business file servers to a cloud server environment.

Ongoing: The IT team is moving an imaging and update business server from on-premises to the cloud. This will streamline the management of remote devices.

FLEET AND WAREHOUSE

Key Accomplishments/Activities:

Staff participated in the California Air Resources Board (CARB) Truck Regulations Implementation Group meeting.

Staff completed ongoing maintenance and repairs of vehicles and equipment.

Staff provided support to a filming event at the Rockefeller yard.

Staff completed the first online auction for Agency surplus vehicles and equipment for disposal.

Significant Upcoming Items:

Staff are preparing to apply for grants for electric vehicle charging stations

BUILDINGS AND GROUNDS (B&G)

Key Accomplishments/Activities:

Significant Upcoming Items:

Staff is working on lighting upgrades (LED lights) for the warehouse at Pine Street, as well as for offices and common areas at Rockefeller. Project completion is at 70%.

B&G is waiting for parts from the Safety department to assist them on this project to bring eyewash stations to compliance. This project sits at 10% completion.

Staff is gathering quotations to install new fencing in the parking area of the Rockefeller site to enhance security around the perimeter of the site. This project to start early February 2024.

Staff will start working on adding a new fob reader to the back gate at Rio Vista. This will allow for the use of fob/ personal code.

RP

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BOARD MEMORANDUM

DATE: December 18, 2023
TO: Board of Directors
FROM: Keith Abercrombie *KJA*
 Chief Operating Officer
SUBJECT: Treatment, Distribution, Operations and Maintenance Section Report

The Treatment, Distribution, Operations and Maintenance Section (TDOMS) provides reliable and high-quality water through rigorous preventative maintenance programs and timely response to corrective action maintenance. Routine inspections and maintenance of each facility is part of the overarching goal of TDOMS. Below is a discussion on these activities for the month of November 2023.

TREATMENT OPERATIONS AND MAINTENANCE

Monthly corrective and preventative maintenance work orders were completed at the following locations:

- Rio Vista Water Treatment Plant (RVWTP)
- Rio Vista Intake Pump Station (RVIPS)
- Earl Schmidt Filtration Plant (ESFP)
- Earl Schmidt Intake Pump Station (ESIPS)
- Saugus Perchlorate Treatment Facility (SPTF)
- Castaic and Pitchess Pipelines
- Recycled Water Pump Station
- Rio Vista Valve Vault No. 1
- Saugus Well 1
- Sand Canyon Reservoir
- Sand Canyon Pump Station (SCPS)

Preventative and Corrective Maintenance Work Order Summary

Work Orders	November 2023	FYTD 2023/24
Corrective Maintenance	17	136
Preventative Maintenance	85	414
Key Action Items Completed: <ul style="list-style-type: none"> - RVWTP – Replacement of 20” Ozone Side Stream Valve; actuator installed/calibrated - ESFP – Fixed Clarifier screens 7,8, & 9 - ESFP – Ozone Generator #1 & #3 O2 Flow Meters - RVIPS – Pump #5 Efficiency Testing 		

Work in Progress – Treatment

- SCPS – Pump #3 - Pump/Motor Vibration
- ESFP – Replace 3 x 500 KCMil Parallel Feeders to MCC-D

Completed Work

- RVWTP – Replacement of 20” Ozone Side Stream Valve; actuator installed/calibrated
- RVWTP – Replacement of Ozone Destruct Actuator and valve; installed/calibrated
- ESFP – Fixed clarifier screens 7,8, & 9
- ESFP – Ozone Generator #1 & #3 O2 Flow Meters
- Valve Vault 2 – Repaired 72” Valve Actuator
- RVIPS – Pump #5 Efficiency Testing
- Saugus Well 2 – VFD Upgrades complete and now in service

DISTRIBUTION OPERATIONS AND MAINTENANCE

General operational and maintenance activities include:

- Valve exercising
- Fire hydrant maintenance
- Air and vacuum valve maintenance
- Blow off maintenance
- Meter reading
- Meter change-outs
- Control valve maintenance

Work in Progress

- Vasquez Pipeline – Researching easement.
- Begonias Lane – Pipeline work complete, RFP for paving posted to PlanetBids December 14,2023
- Newhall Avenue – Working on RFP’s for surface restoration, traffic loops, saw cutting and traffic control
- Castaic Well 1 Drain Line – Sending commencement of work letter week of December 11, 2023

Completed Work

- N7 and N8 Well Pipeline Replacement
- Hasley Hills Regulator Rebuild

Meter Change-out Summary

NWD

Meter Size	November 2023	Quantity FYTD 2023/24
3/4"	9	31
1"	4	4
1 1/2"		
2"		

SCWD

Meter Size	November 2023	Quantity FYTD 2023/24
3/4"	18	172
1"	1	26
1 1/2"		14
2"		

VWD

Meter Size	November 2023	Quantity FYTD 2023/24
3/4"	3	22
1"		1
1 1/2"		
2"		2

Distribution System Leak Summary
NWD – Approx. 9,679 Service Connections

Leak Type	November 2023	FYTD 2023/24
Service Leaks	2	4
Main Leaks	1	1

SCWD – Approx. 31,218 Service Connections

Leak Type	November 2023	FYTD 2023/24
Service Leaks		24
Main Leaks		3

VWD – Approx. 29,974 Service Connections

Leak Type	November 2023	FYTD 2023/24
Service Leaks	1	27
Main Leaks	2	2

PRODUCTION OPERATIONS AND WATER SYSTEMS

In addition to the general operation and maintenance of the production facilities, there are a variety of other projects within the Production and Water Systems.

Work in Progress

- Cal Arts Booster Station, B64 motor failure – Modified pump installed in August, issues still not resolved, working with vendor
- Saugus Well 2 Rehab – Approved by SCV Water Board at its regular meeting on October 17, 2023, contract awarded to Weber Water Resources; rehabilitation started on November 27, 2023
- Wells N7 and N8 Pump & Motor Improvement – New pump, motor and VFD approved by SCV Water Board at its regular Board meeting on March 22, 2023, equipment on order. VFD specs reviewed by electricians, waiting for final specs
- Olympian (North Oaks) Water Storage Tanks 1 & 4 Tank Coating Project – Remove & replace interior lining and spot repair exterior coating, Simpson Sandblasting & Special Coatings lowest cost responsible bidder. Approved by SCV Water Board at its regular meeting September 19, 2023. Work commenced on November 8, 2023
- Tank mixers to be installed at the Olympian (North Oaks) tanks at completion of the Coating Project
- Villa Booster Station, Rebuild discharge manifold – Designing manifold, to be completed in house
- Newhall Well 13, Install VFD – Discussing upgrades with vendor. VFD specs reviewed by electricians, waiting for final specs
- Beldove (Copper Hill) 2 Water Storage Tank Coating Project – Remove and replace interior lining and spot repair exterior coating, bids received November 2, 2023
- Rainbow Glen Booster Station Upgrade – Pump & motor upgrade for pump run #1, awaiting cost estimate
- Costs assembled for the installation of a Residual Management System at Lower Heron Tanks. Purchase of DeNora ClorTec Onsite Sodium Hypochlorite Generation System was presented to E&O Committee on December 7, 2023, and approved by the SCV Water Board on December 19, 2023

Completed Work

- Castaic Disinfection Facility (CDF) upgrades – New chemical tanks, chemical pumps and electrical / SCADA upgrades – Completed, station returned to service on May 25, 2023
- Mitchell 5A Well Destruction – Pedestal/well demolished; plan approved by the County, ESS awaiting destruction completion report

- Newhall Well 12 Improvements – Rebuild pump and replace column pipe, approved by the SCV Water Board at its regular Board meeting on May 16, 2023, work completed, flushed until bacteriological samples passed. Well back online August 11, 2023
- Mitchell 5B Well Rehab – Pump/motor installed, samples returned high PFOA levels, well voluntarily removed from service June 23, 2023
- North Oaks Booster Rebuild – Repairing leak in pump can, raising discharge side – Completed August 2023

WATER QUALITY

Water Quality Complaints

NWD

Type of Complaint	November 2023	# of Complaints FYTD 2023/24
Hardness		
Odor		2
Taste		
Color		
Air		1
Suspended Solids		
Totals		3

SCWD

Type of Complaint	November 2023	# of Complaints FYTD 2023/24
Hardness		
Odor		
Taste		
Color		3
Air		1
Suspended Solids		
Totals		4

VWD

Type of Complaint	November 2023	# of Complaints FYTD 2023/24
Hardness		
Odor		3
Taste		
Color		1
Air		
Suspended Solids		
Totals		4

Heterotrophic Plate Count Samples

NWD

Total # of HPCs Collected November 2023	# of HPCs Collected FYTD 2023/24

SCWD

Total # of HPCs Collected November 2023	# of HPCs Collected FYTD 2023/24
3	29

VWD

Total # of HPCs Collected November 2023	# of HPCs Collected FYTD 2023/24
	13

PERCHLORATE CONTAMINATION PROGRAM MANAGEMENT

As a result of the detection of perchlorate at Well V-201, modifications are being made to the Department of Toxic Substances Control (DTSC) Remedial Action Plan (RAP) and the perchlorate project DDW 97-005 Engineering Report. A perchlorate removal facility has been constructed and a Volatile Organic Chemical (VOC) removal facility is currently being constructed. Resumption of Well V-201 service will occur following receipt of permit from State Water Resources Control Board (SWRCB) Division of Drinking Water (DDW).

In late December 2017, perchlorate was detected at Well V-205 just above the maximum contaminant level for drinking water of 6 ppb. A confirmation sample taken in March 2018 indicated a level of 8.1 ppb. The well was previously taken out of service in 2012. Design of a treatment system for the removal of perchlorate and VOCs is underway.

In May 2019, for the first time since 2005, perchlorate was detected in Alluvial Aquifer Well Q-2 at the maximum contaminant level of 6 µg/L. No drinking water quality standards were violated, but the well was removed immediately from service. Design and construction of treatment system has been completed. The well was returned to service on July 26, 2023.

PFAS

In May 2019, initial sampling for PFAS substances occurred and results were received. One well (Valley Center) exceeded Division of Drinking Water Interim Response Level of 70 ng/L and was shut off. Other wells exceeded the Interim Notification Levels for PFOS and PFOA. This information was presented to the SCV Water Board on June 4, 2019. PFAS sampling for the second quarter was done in August 2019 with results received in September and October 2019. In February 2020, the State Water Resources Control Board Division of Drinking Water issued new response levels; 10 parts per trillion (ppt) for perfluorooctanoic acid (PFOA) and 40 ppt for perfluorooctanesulfonic acid (PFOS.)

SCV Water has taken 25 wells out of service due to PFAS. Three (3) were returned to service in late 2020 (N, N7, N8) with the completion of the first PFAS Treatment System. One (1) additional well (Valley Center) was returned to service in October 2022 with completion of the second PFAS Treatment System.

WATER QUALITY LABORATORY

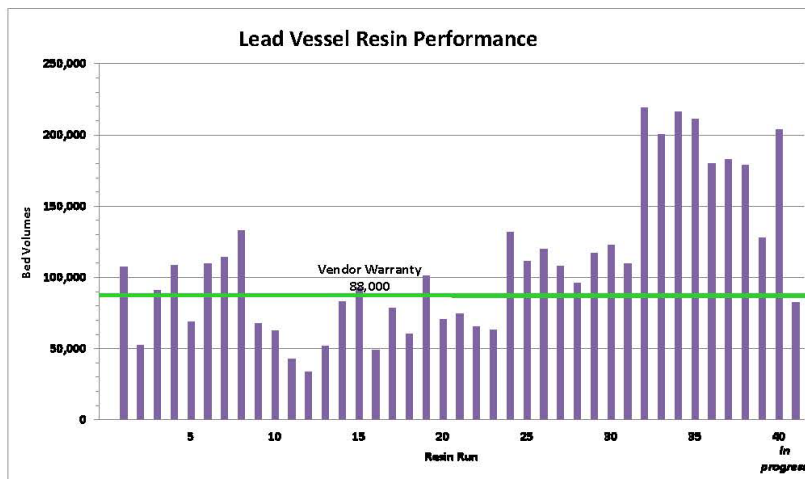
The renewal application with the Environmental Laboratory Accreditation Program (ELAP) has been completed, and the laboratory is certified with the new TNI laboratory regulations beginning on September 30, 2023, with an expiration date of September 30, 2025.

**Saugus Perchlorate Treatment Facility
Resin Usage Summary
Based on Time to Breakthrough**

Resin Run Number	Fill Date	Breakthrough Date*	Days	Volume Treated (Million Gallons)	Volume Treated (Acre-Feet)	Bed Volumes Treated	Replacement Costs	\$/BV	\$/AF	Combined (Lead and Lag)		
										MG	AF	BVs
1	5/3/10	8/25/10	115	253	776	107,310	*	*	*			
2	9/8/10	11/8/10	62	120	368	52,289	\$ 105,728	\$ 2.02	\$ 287	373	1,144	159,599
3	12/10/10	3/26/11	107	239	735	90,841	\$ 115,458	\$ 1.27	\$ 157	359	1,103	143,130
4	5/5/11	8/9/11	97	288	883	108,745	\$ 112,255	\$ 1.03	\$ 127	527	1,618	199,586
5	8/17/11	10/14/11	59	180	554	68,941	\$ 112,255	\$ 1.63	\$ 203	468	1,437	177,686
6	11/6/11	4/10/12	157	288	883	109,850	\$ 112,048	\$ 1.02	\$ 127	468	1,437	178,790
7	4/20/12	7/16/12	88	280	860	113,905	\$ 112,048	\$ 0.98	\$ 130	568	1,743	223,754
8	7/11/12	11/5/12	118	349	1,070	133,044	\$ 112,048	\$ 0.84	\$ 105	629	1,930	246,949
9	11/16/12	1/10/13	56	177	544	67,744	\$ 112,258	\$ 1.66	\$ 206	526	1,614	200,788
10	1/10/13	3/10/13	60	165	505	62,836	\$ 43,567	\$ 0.69	\$ 86	342	1,049	130,579
11	3/19/13	5/4/13	47	112	344	42,769	\$ 118,213	\$ 2.76	\$ 344	276	849	105,605
12	5/8/13	6/15/13	39	95	293	33,577	\$ 141,989	\$ 4.23	\$ 485	207	637	76,346
13	6/10/13	8/20/13	72	179	551	52,099	\$ 118,212	\$ 2.27	\$ 215	275	844	85,676
14	9/12/13	11/30/13	80	217	667	83,031	\$ 118,212	\$ 1.42	\$ 177	397	1,218	135,130
15	11/21/13	2/9/14	81	246	755	92,790	\$ 118,212	\$ 1.27	\$ 157	463	1,422	175,821
16	2/24/14	3/31/14	36	128	393	48,854	\$ 105,494	\$ 2.16	\$ 269	374	1,148	141,644
17	4/28/14	8/8/14	103	205	629	78,423	\$ 105,494	\$ 1.35	\$ 168	333	1,022	127,277
18	8/21/14	12/3/14	105	158	485	60,237	\$ 105,494	\$ 1.75	\$ 218	363	1,114	138,660
19	12/4/14	3/16/15	103	266	816	101,458	\$ 105,494	\$ 1.04	\$ 129	424	1,301	161,695
20	3/17/15	5/28/15	73	184	565	70,380	\$ 105,494	\$ 1.50	\$ 187	450	1,381	171,838
21	5/29/15	8/3/15	67	195	598	74,610	\$ 105,494	\$ 1.41	\$ 176	379	1,163	144,990
22	8/4/15	10/15/15	73	171	525	65,484	\$ 105,494	\$ 1.61	\$ 201	366	1,123	140,094
23	10/16/15	12/8/15	54	165	506	62,988	\$ 105,494	\$ 1.67	\$ 208	336	1,031	128,472
24	12/9/15	3/3/16	114	346	1,062	131,983	\$ 105,494	\$ 0.80	\$ 99	511	1,568	194,971
25	4/1/16	7/7/16	98	291	893	111,167	\$ 105,494	\$ 0.95	\$ 118	637	1,955	243,150
26	7/8/16	10/17/16	102	314	964	119,919	\$ 105,494	\$ 0.88	\$ 109	605	1,857	231,086
27	10/21/16	1/25/17	97	283	869	107,984	\$ 105,494	\$ 0.98	\$ 121	597	1,832	227,903
28	1/26/17	4/18/17	83	252	773	96,192	\$ 105,494	\$ 1.10	\$ 136	535	1,642	204,176
29	4/25/17	8/5/17	103	306	939	116,938	\$ 105,494	\$ 0.90	\$ 112	558	1,713	213,130
30	8/11/17	1/3/18	146	322	988	122,845	\$ 105,494	\$ 0.86	\$ 107	628	1,927	239,783
31	1/16/18	6/9/18	145	289	887	109,395	\$ 105,494	\$ 0.96	\$ 119	611	1,875	232,240
32	6/18/18	12/24/18	190	574	1,762	219,207	\$ 105,494	\$ 0.48	\$ 60	863	2,649	328,602
33	12/13/18	6/10/19	180	525	1,611	200,536	\$ 105,494	\$ 0.53	\$ 65	1,099	3,373	419,743
34	6/11/19	12/30/19	203	566	1,737	216,073	\$ 108,162	\$ 0.50	\$ 62	1,091	3,348	416,609
35	12/18/19	7/8/20	204	552	1,694	211,010	\$ 108,162	\$ 0.51	\$ 64	1,118	3,431	427,083
36	7/9/20	2/6/21	213	471	1,446	179,890	\$ 128,334	\$ 0.71	\$ 89	1,023	3,140	390,900
37	2/16/21	8/30/21	196	477	1,464	182,727	\$ 142,690	\$ 0.78	\$ 97	948	2,910	362,617
38	9/14/21	6/7/22	267	467	1,433	178,539	\$ 159,631	\$ 0.89	\$ 111	944	2,897	361,266
39	6/7/22	11/10/22	157	334	1,025	127,592	\$ 166,915	\$ 1.31	\$ 163	801	2,458	306,131
40	12/6/22	8/14/23	252	533	1,636	203,778	\$ 180,845	\$ 0.89	\$ 111	867	2,661	331,370
41 **	8/15/23	12/7/23	115	216	663	82,434		\$ -	\$ -			
Total			4,717	11,779	36,151	4,500,411	\$ 4,446,134	NA	NA	22,340	68,565	8,524,867
Average			115	289	887	110,449	\$114,003	\$ 1.03	\$ 128.09	559	1,714	213,122

+ Breakthrough defined as Lead Vessel effluent reaching 6 µg/L
* Initial resin delivery was included in construction contract
** Run is currently in progress

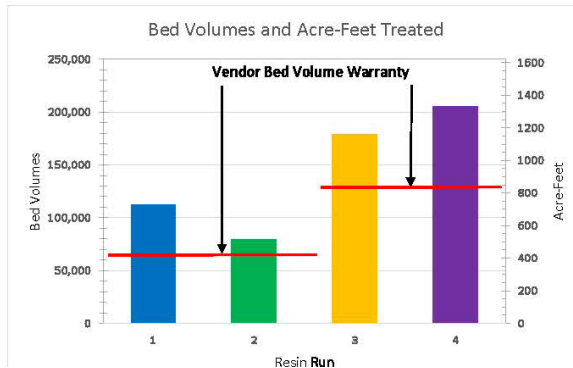
Runs 1-2 had 315 cubic feet of resin
Runs 3-11 had 350 cubic feet of resin + 180 cubic feet of anthracite
Run 12 had 434 cubic feet of resin + 180 cubic feet of anthracite
Runs 13-present had 350 cubic feet of resin + 180 cubic feet of anthracite



V-201 Perchlorate Treatment Facility
Resin Usage Summary
Based on Time to Breakthrough

Resin Run Number	Fill Date	Breakthrough Date	Days	Volume Treated (Million Gallons)	Volume Treated (Acre-Feet)	Bed Volumes Treated	Replacement Costs	\$/BV	\$/AF	Combined (Lead and Lag)		
										MG	AF	BVs
1	11/3/2017	4/19/2018	168	297	912	112,498	\$188,355	\$1.67	\$207			
2	5/7/2018	9/17/2018	134	210	644	79,476	\$105,494	\$1.33	\$164	507	1,556	191,973
3	9/24/2018	11/4/2019	407	474	1454	179,465	\$105,494	\$0.59	\$73	684	2,098	258,941
4	11/12/2019	4/21/2021 *	527	544	1670	206,045	\$108,162	-	-	1,018	3,124	385,510
Total			1236	1,525	4,679	577,483	\$507,505			2,209	6,778	836,424
Average			309	381	1,170	144,371	\$126,876	\$1.20	\$147.66	736	2,259	278,808

+ Breakthrough defined as Lead Vessel effluent reaching 6 ug/L
Runs 1 & 2 had 353 cubic feet of resin (PRS-2) + 180 cubic feet of anthracite
Runs 3 - present had 353 cubic feet of resin (PRS2 Plus) + 180 cubic feet of anthracite
* The well was turned off at 1:30 pm April 26, 2021.



N Wells PFAS Treatment Facility

Resin Usage Summary

Based on Time to Breakthrough

Train	Resin Run #	Fill Date	Initial Detection Date	Resin Changeout Date	Days Running	Volume Treated (Million Gallons)	Volume Treated (Acre-Feet)	Bed Volumes Treated	Replacement Costs	\$/BV	\$/AF	Unit Price
A	1	9/11/2020	4/27/2022	11/30/2022	810	959	2942	234,207				
B	1	9/10/2020	5/12/2021	9/29/2021	384	433	1330	106,104				
C	1	9/11/2020	9/1/2021	2/2/2022	509	598	1835	146,383				
B	2	9/29/2021	2/16/2022	10/4/2022	370	565	1734	138,317	\$201,000	\$1	\$116	\$222.4
C	2	2/2/2022	7/13/2022	1/5/2023	337	516	1584	126,413	\$206,624	\$2	\$130	
B*	3	10/4/2022	4/12/2023	-	423	881	2704	215,194	\$269,577	\$1	\$100	
A*	2	11/30/2022	5/10/2023	-	366	792	2429	193,351	\$297,369	\$2	\$122	
C*	3	1/5/2023	4/12/2023	-	330	580	1781	142,060	\$244,207	\$2	\$137	
Total					3529	5,324	16,338	1,302,029	\$1,218,777			
Average					441.125	665	2,042	162,754	\$248,755	\$2	\$121	

Fill Date - The date the vessel is placed into the lead position

Initial Detection Date - Lead Vessel effluent is greater than the MRL of 2 ng/L for PFOA, PFOS, PFBS, & PFHxS

Resin Changeout - Lead Vessel effluent has reached either RL for PFOA: 10ng/L, PFOS: 40ng/L, PFBS: 500ng/L, & PFHxS: 20ng/L

Run 1 - A has 547.3 cubic feet of resin (Evoqua PRS-2 Plus) + 50 cubic feet of anthracite (in each vessel)

Runs 2 - A and 3 - B have 547.3 cubic feet of resin (Evoqua PRS-2 Plus)

Runs 1, 2 - B and 1, 2 - C have 546 cubic feet of resin (Purolite Purofine PFA694E) + 50 cubic feet of anthracite (in each vessel)

Run 3 - C has 546 cubic feet of resin (Purolite Purofine PFA694E)

* Run is currently in progress

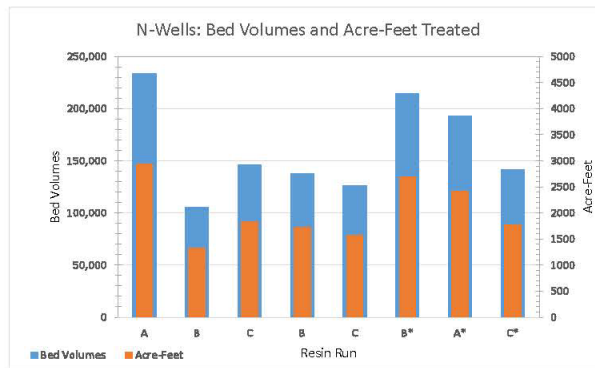
Warranty

Evoqua Run 1 - 130,000 BV

Purolite Run 1 - 130,000 BV

Purolite Run 2 - 100,000 BV

Data through: 12/1/2023



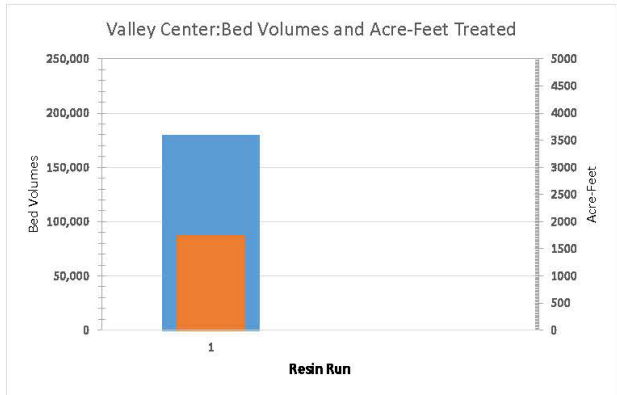
**Valley Center PFAS Treatment Facility
Resin Usage Summary
Based on Time to Breakthrough**

Resin Run #	Fill Date	Initial Detection Date	Resin Changeout Date	Days Running	Volume Treated (Million Gallons)	Volume Treated (Acre-Feet)	Bed Volumes Treated	Replacement Costs	\$/BV	\$/AF
1	8/23/2022	4/12/2023	-	465	571	1751	179,923			
Total				465	571	1,751	179,923	\$0		
Average				465	571	1,751	179,923	#DIV/0!	#DIV/0!	#DIV/0!

Fill Date - The date the vessel is placed into the lead position
 Initial Detection Date - Lead Vessel effluent is greater than the MRL of 2 ng/L for PFOA, PFOS, PFBS, & PFHxS
 Resin Changeout - Lead Vessel effluent has reached either RL for PFOA: 10ng/L, PFOS: 40ng/L, PFBS: 500ng/L, & PFHxS: 20ng/L
 Run 1 - has 424 cubic feet of resin (Evoqua PRS-2 Plus)
 * Run is currently in progress

Warranty
 Evoqua Run 1- 130,000 BV

Data through: 12/1/2023



SAFETY/EMERGENCY/RISK MANAGEMENT

A safe and healthy work environment is a critical component to the mission and values of SCV Water. Throughout the reporting month, several routine safety related training, inspections, and various other items were completed. The Safety Department continues to integrate health and safety programs for SCV Water. Some of the items completed and currently in progress are as follows:

Work in Progress

- Noise Assessment was completed in July 2022. This assessment is being reviewed and the Hearing Conservation Plan is being evaluated and revised based in part on this assessment. Staff audiograms were conducted on February 15, 2023
- Ammonia RMP revalidation documents received from consultants. Staff are reviewing and completing the recommended actions and incorporating them into the current RMPs
- Review and update Spill Prevention Control and Countermeasure (SPCC) plan for Pine
- Revise and update Safety Manual
- Update Agency's Emergency Response Plan and further develop Incident Management Team

Inspections

- Monthly safety inspections of all remote locations and facilities were conducted in November 2023
- UST Monthly Designated Operator inspection and Annual UST Certification took place at Rio Vista in November 2023
- CUPA inspection (LA County Fire) took place at Rockefeller in November 2023; no violations observed
- Evaluated fire safety in GT trailers in November 2023
- Annual risk assessment / site visit from JPIA risk control advisor took place November 9, 2023

Incident Data

- The Agency had no recordable incidents for the month of November 2023

Safety Training

- Tailgate meetings took place at GT, Pine, Rio Vista, and Rockefeller in November 2023
- New Hire Safety and Emergency Training took place in November 2023
- CPR/AED/FA certification classes took place in November 2023
- Select Agency staff attended 40-hour HAZWOPER class in November 2023
- Conducted hands-on fire extinguisher training with various work groups in November 2023

Environmental Health and Safety Compliance

- Respirator Medical Evaluations and Fit Testing (Annual and New Hire)
- Scheduled DOT Medical Evaluations
- Drying bed waste / sludge was removed from RVWTP and ESFP disposed of at Kettleman Landfill
- Evaluating four-Gas Detectors for use in Confined Space activities
- Began preparations for 3-year internal compliance audit for Chlorine RMP

Safety Awards / Grants

- FEMA/CalOES Covid Disaster Grant #4482DR-CA
 - o Project # 140459 was fully funded on June 5, 2023 (\$40,900)
 - o Project # 140458 was fully funded on July 31, 2020 (\$34,380)

Safety Committee


- The next Safety Committee meeting will be held on February 14, 2024



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BOARD MEMORANDUM

DATE: December 18, 2023
TO: Board of Directors
FROM: Steve Cole 
Assistant General Manager
SUBJECT: Water Resources and Outreach Section Report

WATER RESOURCES

Key Accomplishments

- Staff has nearly concluded participating in the County’s Safe Clean Water Program (Measure W) Metrics and Monitoring Study (MMS). This effort was designed to develop program metrics and monitoring criteria through stakeholder involvement, technical research, and modeling. The County will consider recommendations from its different groups, including the MMS, to revise and clarify its metrics and processes.
- After Board approval, Staff completed the Water Supply Verification for Tesoro Del Valle (Areas B & C) and submitted it to the City of Santa Clarita on December 7, 2023.

2023 & 2024 Operation Details

- Climate Pattern – La Nina conditions experienced the last three years came to an end in February 2023. Patterns shifted to El Niño - Southern Oscillation (ENSO) Neutral conditions in March 2023 and have since shifted to El Nino conditions in June 2023. Strong El Nino conditions have historically brought warmer and wetter conditions to California. November 2023 NOAA updates anticipate 62% chance El Nino conditions will continue into April-June 2024.
- State Water Project (SWP) Allocation – The 2023 SWP Table A Allocation started at 5% and was finalized at 100% in April 2023. The initial 2024 SWP Table A Allocation was released at 10% in December 2023 reflecting the dry fall conditions.
- Demands – Due to extremely wet hydrology locally and statewide, as well as cool spring temperatures, 2023 final demands are estimated at approximately 54,000 AF.
- Banking Program Operations – All banking recoveries were halted in January 2023 due to early and very wet hydrology. Banking operations shifted to recharge in March 2023. As of November 30, 2023, there is an estimated 112,500 AF stored in our water banking programs.
 - Rosedale-Rio Bravo (RRB) Banking Program – Recharge of 20,000 AF (minus losses) was completed by end of September 2023. Water recharged was a combination of SWP Table A and a small portion of back up supplies evacuated from San Luis Reservoir.
 - Semitropic Stored Water Recovery Unit (SWRU) – Recharge of 5,500 AF (minus losses) is anticipated to be completed by end of December 2023.

- Water Exchanges/Transfers –

- SCV Water successfully executed a transfer agreement with the Westside 5 Districts for a 2023 transfer. Agreement terms permit a transfer of up to 15,000 AF of SCV Water’s SWP 2023 Table A supply to be delivered by December 31, 2023. Westside 5 and SCV Water have agreed to a maximum of 12,500 AF for the total transfer.
- SCV Water successfully executed a transfer agreement with United Water Conservation District (UWCD). The transfer terms permit SCV Water to sell up to 10,000 AF of SWP Table A supplies to UWCD by December 31, 2023. UWCD has scheduled delivery of all 10,000 AF by the end of December 2023.
- SCV Water fully executed an exchange agreement with Rosedale Rio-Bravo Water Storage District (RRB) to exchange surplus SCV Water Table A supplies in 2023. This will be a 2:1 unbalanced exchange using SCV Water’s Table A supplies (up to 20,000 AF). All exchange water from SCV Water will be delivered to RRB in 2023, with a 10-year term for RRB to return water to SCV Water. Rosedale estimates delivery of 11,000 to 12,000 AF of Table A supplies by the end of December 2023. Due to constraints on the Cross Valley Canal (CVC) conveyance from the SWP aqueduct to recharge basins, Rosedale does not anticipate capacity for execution of the full 20,000 AF exchange.
- Staff is participating in discussions regarding extension of the Yuba Accord Water Transfer Agreement beyond its current term which expires in 2025.

Groundwater Sustainability Plan Implementation

The SCV-GSA Board met on October 2, 2023, and discussed the progress and plans of the groundwater flow model calibration and the revision on the sustainable management criteria. Staff will complete current tasks related to the flow model, and based on DWR’s recent advisement, consider the DWR comments on the adopted Groundwater Sustainability Plan (GSP) before submitting any amendments to the GSP. Staff will also propose a process and a timeline for presenting any amendments to the GSP to the public and the SCV-GSA Board for approval after receiving the DWR comments on the adopted GSP.

During October 2023, biologic consultants conducted the second annual evaluation of groundwater dependent ecosystems in the Santa Clara River and reviewed (for the first time) certain upland habitat conditions. Final reports on this work are expected in January 2024.

Efforts to prepare the SCV-GSAs next (and third) annual report are underway, with expected Board consideration in spring 2024. Staff are also now spending time on reviewing new private well permits in the basin, due to an Executive Order by Governor Newsom.

Significant Upcoming Items

- Staff is preparing documentation and a user-manual to train internal SCV Water staff on the use of the GoldSim Water Supply Reliability Model.
- Staff continues to work with Woodard and Curran to refine the Online New Drop Database. An expanded reporting feature is expected to be completed by the end of December 2023 allowing for additional information to be queried and added to the existing template reports provided on the portal. Customer service is also conducting a QA/QC process to ensure that every drop is captured in the quarterly reports to the Regional Board. A few navigation bugs were identified by customer

service staff and fixed in November 2023. However, a few bugs affecting data exports are still being investigated and resolved.

- Staff, including SCV Water's IT and Operations staff, have been working with consultants to incorporate groundwater elevation data into a new web-based Data Management System (DMS). Use of this web based DMS allows SCV Water to have more efficient access to up-to-date groundwater elevation plots for the GSP wells including those needed for Groundwater Sustainability Plan compliance. Currently, this new DMS is focused on GSP wells, but a scope of work is currently under development so that the database can be scaled up to include other SCV Water wells. This new DMS is now hosted on SCV Water's servers and will ultimately allow staff to efficiently access data directly, as opposed to sending requests to consultants or other staff members.
- As part of GSP implementation, two adjacent groundwater recharge sites were selected on the east end of the Santa Clara River Basin for inclusion in the recharge feasibility study being conducted with the help of GSI technical consultants. A time extension to the Sustainable Groundwater Management Grant (through February 2024) was secured to enable completion of additional groundwater modeling for the feasibility studies along with a memorandum describing the next steps in the process of implementing a full-scale recharge project. The final feasibility report will be completed by December 2023 once the additional modeling is evaluated, the findings are added to the final report, and the next steps recharge project implementation memo is finalized. Staff is planning a presentation to the Water Resources and Watershed Committee in February 2024.
- Staff continues engagement in a data management effort to identify opportunities for streamlining certain data collection and post-processing efforts. This project is primarily focused on all data flowing to the Water Resources team. Data collection efforts are underway to gain an understanding of the extent of information collected by the various departments, the reports that each department generates, and existing methods/tools used for data organization within the Agency.
- The work on the water resources data management effort has led several staff members to join an Agency-wide data governance task force. Staff will be working with Technology Services and GIS on developing a data governance work plan with the following tasks: 1) Data Governance Objectives; 2) Framework and Principles; 3) Roles and Responsibilities; 4) Policies and Procedures; 5) Data Quality and Integrity; 6) Privacy, Security, and Compliance; 7) Governance Technology and Tools; and 8) Implementation Plan and Timeline.
- Staff has contracted with GDS Associates to complete a solar analysis of the Devil's Den property to determine if solar generation at the property is viable. If the analysis is favorable, GDS Associates will work with staff to prepare a marketing plan and RFP to find solar generation developers interested in leasing the property. GDS was also engaged to review a solar lease proposal from Intersect Power.
- The Sites Reservoir Authority received a response to its water rights application from the State Water Resources Control Board (SWRCB). The Board requested additional information regarding water availability if future Delta Water Quality Control Plans being considered by the SWRCB are enacted. Sites authority has responded and provided information requested. On November 17, 2023, the Sites Project Authority (Sites), as the lead agency under the California Environmental Quality Act, certified the Final Environmental Impact Report (Final EIR) and approved the Sites Reservoir Project (Project). With this certification, Sites will be working to move the project forward through the final planning stages and on to construction. SCV Water staff met with Sites staff at ACWA to get updates on the planned next steps.

- To maximize the beneficial uses of recycled water and adhere to pending and/or future environmental requirements, staff is working with Woodard and Curran and Trussell Technologies to develop a Scope of Work (SOW) to include in a future RFP to update SCV Water's Recycled Water Master Plan. A second draft of the SOW was received on June 7, 2023, and after review by staff, a copy was shared with the Sanitation District (SD) to capture additional input. On November 15, 2023, the Sanitation District provided comments on the SOW. Based on the latest feedback, staff will be meeting in January 2024 to further develop interested party engagement strategies and discuss various additional collaborative options that can be incorporated into the SOW.
- Staff continues to work with Environmental Science Associates (ESA) on the development of the California Environmental Flows Framework (CEFF) for the East Basin Santa Clara River, which aims to improve river ecological function. The Habitat Suitability Model (HSM), as part of the CEFF analysis, and preliminary observations on existing conditions have been completed. A presentation on the CEFF work completed to date was given at the June 2023 Water Resources and Watershed Committee meeting. Staff reached out to the California Department of Fish and Wildlife to enhance information sharing venues and understanding of Agency needs regarding Santa Clara River management.
- Staff began working on a framework to develop ecological and management objectives for the Upper Santa Clara River watershed, which will allow the agency to finalize the CEFF analysis. As part of the work, staff began engaging with California Department of Fish and Wildlife (CDFW) and has planned a series of meetings to inform CDFW staff on various agency planning efforts such as the GSP, the CEFF analysis, and the Water Resilience Initiative. As objectives are developed, staff will engage with the Water Resources and Watershed Committee to seek input and direction.
- Staff is currently learning the PowerBI data visualization software to create custom interactive well production and groundwater level reports. Draft versions of the reports are available in Microsoft Teams and are currently undergoing a quality check for accuracy and functionality by staff. The dashboard was also recently updated with the latest groundwater and production information through November 2023. Development of these skills will allow for in-house customization of PowerBI reports produced by consultants that are managing the GSP database and the Operations data warehouse.
- Staff is in the process of completing both the cessation or reduction report and the groundwater extraction report for agency wells. These reports will be submitted to the State Water Resources Control Board by the end of January 2024.
- Staff has issued a Request for a Task Order Proposal for Integrated Groundwater Management. The solicitation was issued via email to a subset of the bench of consultants that qualified under the Request for Qualifications (RFQ) released in the Fall of 2023. Evaluations and processing awarded contracts will be performed in accordance with Agency purchasing policy.
- Staff will be working with Woodard and Curran (W&C) to update the Salt and Nutrient Management Plan spreadsheet model. W&C recently updated a portion of the spreadsheet model to complete an anti-degradation analysis for a specific management zone to submit a Notice of Intent for the Phase 2B recycled water project. Staff is developing a scope of work in order to expand this previous effort to include additional management zones. The model update will be completed in support of the data needs of the annual GSP report. Work is expected to begin in January 2024.

COMMUNICATIONS, LEGISLATION AND GRANTS

Key Accomplishments

- Staff promoted Conservation’s WaterSmart Workshop with the Chamber and VIA in December 2023, as prepared ValPak direct mail ads for January and February 2024.
- The Communications Manager attended the ACWA Fall Conference and participated in sessions that provided vital updates on the Delta Conveyance Project, as well as the Making Conservation a California Way of Life framework.
- Staff attended the City of Santa Clarita’s Family Literacy Festival on December 2, 2023 at the Old Town Newhall Library. The event featured a science theme and included a vendor expo, crafting activities and more.

Legislative/Government Affairs

Upcoming Sponsorships and Event Participation

- Urban Water Institute (UWI) 2024 Spring Conference – February 21-23, 2024
- ACWA 2024 Spring Conference – May 7-9, 2024

Community Events

- Adulting 101 (JCI Santa Clarita) – February 28, 2024
- Santa Clarita Home and Garden Show – April 27-28, 2024

Outreach – Social/Digital Media & Education

Outlet	Description	Notable Activity	Audience
Facebook	Social media	Across all three platforms in November 2023	1.2K
Instagram		Total Engagement: 1,456 (all outlets)	1,773
Twitter		Total Impressions: 15,117 (all outlets)	1,300
Website	yourSCVwater.com	Website visitors in November 2023	~18,000
	Top visited pages:	1. Homepage 2. Customer Care	
Water Currents	Customer e-newsletter	Open rate for November 2023 – 55% (Average industry open rate: 21.64%)	16,103

Public Education - 2023 Activity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2023	2022
Education														
Students	958	898	1208	705	1,411	294	75*	56	464	738	572		7,379	6,883
Teachers	76	77	113	59	100	20	32	2	39	58	40		616	371
Garden Classes (virtual and in-person**)	35**	49	23**	34	13	18**	12	11	9	14**	10		228	520

* Data not yet available
 * July – Scouts Program
 ** In-person class

Grants

- California’s ongoing drought and Governor Newsom’s Executive Order N-7-22 have rendered the development of Rosedale Phase 2 Wells Project infeasible at this time. Staff, with the assistance of Rosedale-Rio Bravo Water Storage District, is investigating the possibility of moving BOR WaterSmart DRP Program grant funding (\$1.46M) to an alternate project within the Rosedale area which develops dry year water supply recovery (the same benefit as the grant funded project).
- The BOR has released its Notice of Funding Opportunity for the FY 2024 and FY 2025 WaterSmart Water & Energy Efficiency Grant programs, which may fund up to \$5M per fiscal year opportunity. Staff is exploring project options for the FY 2024 funding opportunity, an application for which must be submitted by February 22, 2024. Applications under the FY 2025 opportunity are due October 2024.

Significant Ongoing or Upcoming Items

- Staff created dedicated webpages for two upcoming water supply reliability projects – the Delta Conveyance Project (yourSCVwater.com/delta-conveyance) and Sites Reservoir Project (yourSCVwater.com/sites-reservoir-project). The webpages provide information on SCV Water’s involvement in the projects and links to the latest news and project documents, as updates are available.
- Staff continues to develop a digital accessibility implementation plan. Staff conducted a demo in early December 2023 with Equidox, a vendor specializing in digital accessibility, and continues to research potential solutions.
- Staff is assisting various departments with a number of outreach efforts, including:
 - Customer Care: Staff created the annual calendar bill insert, which includes the 2024 Board meeting schedule as well as other important information about Customer Care, the Ratepayer Assistance Program, attending SCV Water meetings and reporting water waste. Distribution in all customer bills is anticipated in December 2023.
 - Engineering: Coordinating communications with potentially affected businesses, as well as schools that may be impacted by the pipeline replacement projects on Dickason and Smyth.
 - Finance: Design of the Popular Annual Financial Report (PAFR), which is anticipated to be completed before the end of December 2023.
 - Water Resources: Design of the 2022 SCV Water Report. The project is anticipated to be completed in early 2024.
 - Conservation: Staff is developing an outreach and communications plan to develop and share stories for Conservation in Action. This new effort will highlight various customers and customer groups for all they do to conserve water. Their stories will be shared across various outreach platforms and become a resource for others looking to make changes and save water. The campaign is anticipated to kick off in January 2024.
 - Conservation: Staff is developing outreach for the “great leak sweep”. This new outreach and education effort is geared towards commercial and business customers. Conservation will partner with WaterWise to implement the program. Not only will the program look for leaks, but

it will also compile relevant data that will help define the conservation long-term framework. This is anticipated to begin in January 2024.

- Conservation: Staff will assist Conservation and their partner, GreenMedia Creations, in developing outreach materials for their community pop-ups. Conservation will work with local HOAs to host “Coffee and Conservation” pop-ups that will touch on various outdoor water-saving topics such as irrigation. This is anticipated to begin in 2024.

SUSTAINABILITY AND CONSERVATION

Key Accomplishments

- Conservation staff attended the California Water Efficiency Partnership’s Research and Evaluation Committee meeting on November 16, 2023.
- Conservation staff, in collaboration with the Communications Team, completed the “Get More from Your Landscapes” video to promote climate ready landscapes and lawn replacement program participation.
- Staff, in collaboration with the Communications Team, launched planning and material needs for the upcoming “SCV Water Champions – Great Leak Sweep” initiative which is scheduled to start in early 2024. The program will work with commercial, industrial, and institutional customers to identify leaks, document faucet and fixture inventory, identify EnergyStar sub-classification, and disseminate marketing and education information.
- Staff, in collaboration with SCV Water’s Grants Administrator, worked to finalize the scope of work for the Bureau of Reclamation’s WaterSMART Grant. The grant is expected to share program costs for the Agency’s multifamily apartment program (WEW), healthy and efficient landscape programs (HELP), and the lawn replacement program (LRP).
- Conservation staff attended and presented, via panel, during the California Water Efficiency Partnerships December 2023 plenary meeting and attended the Board meeting where staff currently serves as member of the CalWEP Board of Directors.
- Staff disseminated holiday materials to internal Agency staff on various sustainability opportunities. The holiday sustainability tips are the result of recommendations from SCV Water’s Green Team.
- Staff, with consultant support, completed weed removal at the Agency’s solar fields.

Status of SCV Water Drought Response

This section provides a condensed version of monthly drought updates and includes an overview of current statewide regulatory status.

Regulatory Overview

Entity/Agency	Regulatory Status	Notes
Governor Newsom	<ul style="list-style-type: none"> • Voluntary 15% v. 2020 Call (July 8, 2021) • Statewide Drought Emergency Declaration (October 19, 2021) • EO N-7-22 directs the SWRCB to require Stage/Level 2 Water Shortage Response implementation and for the Water Board consider defining and prohibiting the 	<ul style="list-style-type: none"> • April 1, 2021 (2 Counties) • May 10, 2021 (Extended to 41 Counties) • July 8, 2021 (Extended to 50 Counties) • October 19, 2021 (Extended to

	<p>watering of non-functional turf. (March 28, 2022)</p> <ul style="list-style-type: none"> EO N-5-23 removes voluntary conservation call of 15% of 2020 and rescinds call directing SWRCB to take action requiring State 2 Shortage Plan measure implementation. The Drought Emergency Declaration remains in effect as well as emergency regulations regarding the prohibition of specific water waste measures and the banning of irrigating non-functional turf with potable water. (March 24, 2023) 	<p>Statewide)</p> <ul style="list-style-type: none"> March 24, 2023 (Statewide Drought Emergency Continuation)
State Water Resources Control Board	<ul style="list-style-type: none"> Readopted Emergency Regulations (December 2022) Readopted Emergency Regulation banning the irrigation of non-functional turf with potable water (June 2023) 	<ul style="list-style-type: none"> Emergency regulations include water waste restrictions and provisions specific to HOA CCR implementation. SCV Water preparing 2nd Non-Functional Turf engagement and education initiative to promote "Turn it off, Cap it, or Convert it!"
SCV Water	<ul style="list-style-type: none"> Deactivation of Stage 2 WSCP and Ordinance No. 2 (July 11, 2023) 	<ul style="list-style-type: none"> Norman/Planned Conservation levels are 2-3% annual reductions in gallons per person per day compared to 2010 baseline (272 GPCD)



Water Conservation

Water Resources Monthly Section Report - November 2023

Water Production vs. Interim Goal (Non-Drought)



Key Data Points (AF)

Monthly Variance: (531)
 YTD Variance: (15,740)
 Well 201 Adj.: 0
 Economic Activity Adj.: NA

Conservation Program Participation (Current Month/Fiscal Year)



	Check-Ups	Workshops	Rebates	Engagement	Other
Residential	12/77	1/8	30/179	60/292	0/3



	Check-Ups	Retrofits	Rebates	Engagement
Commercial	1/2	1,342/2,597	0/0	1/8



	Check-Ups	Rebates	Engagement	Other
Landscape	3/11	3/16	1/13	0/0

Significant Upcoming Items

- Conservation** - Staff to submit report FY 23 Annual Water Conservation Reports for the Conservation Long-term Framework (AB 1668 & SB 606 (2018)).
- Conservation** - Staff to submit Water Loss Audit and Validation Reports to the Department of Water Resources for FY 23 in support of SB 55 (2015).
- Commercial Conservation** - Staff to launch the "SCV Water Champions - Great Leak Sweep" for commercial, industrial and institutional customers.
- Multifamily Apartment Program** - Two large Premium High Efficiency Toilet Rebates are on the near horizon for apartment complexes that participate d in the Agency's Multifamily Apartment Program (Oct-Nov 2023).
- Water Use Efficiency Strategic Plan** - Conservation to release a Request for Proposals to update the Agency's Water Use Efficiency Strategic Plan.
- Bridgeport Park** - Conservation to launch native plant support to advise on BPP garden.



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Engineering and Operations Committee
Planning Calendar
FY 2023/24

Item	Dec 5 Board	Dec 7 Comm	Dec 19 Board	Jan 2 Board	Jan 4 Comm	Jan 16 Board	Jan 16 Comm	Feb 1 Comm	Feb 6 Board	Feb 20 Board	March 5 Board	March 7 Comm	March 19 Board	April 2 Board	April 4 Comm	April 16 Board	May 2 Comm	May 7 Board	May 21 Board	June 4 Board	June 6 Comm	June 18 Board	July 2 Board
Monthly Committee Planning Calendar		C			P		P	P				P			P		P				P		
CIP Construction Status Report		C			P		P	P				P			P		P				P		
Monthly Operations and Production Report		C			P		P	P				P			P		P				P		
Third Party Funded Agreements Quarterly Report								P															
Quarterly Safety Program Presentation								P															
General Operations Presentation																							
Annual Safety Program Update																							
Real Property Activity Report												P											
Review and Consider the Proposed FY 2024/25 and FY 2025/26 Capital Improvement Projects															P								
Tax-Defaulted Properties																	T	T					
Review and Comment on the 10 Year Capital Improvement Projects Plan																							
Recommend Approval, Pursuant to a Previously Adopted Addendum to the Adopted 2005 Groundwater Containment, Treatment, and Restoration Project MND and MMRP, of a Purchase Order to Lee & Ro, Inc for Planning and Final Design Services for Wells 206 and 207 Groundwater Treatment Improvements Project																							
Recommend Approval of a Resolution Authorizing the General Manager to Apply for Funding from the Bureau of Reclamation WaterSMART Drought Response Program and Accept and Execute a Grant Agreement for the Newhall Wells (N11, N12, N13) Groundwater Treatment Improvements																							
Recommend Approval of a Resolution pursuant to a Categorical Exemption Under CEQA Guidelines Section 15301, and a Categorical Exclusion Under NEPA, for the Approval of the Purchase of a DeNora ClorTec Onsite Sodium Hypochlorite Generation System for the Lower Heron Residual Management System (LHRMS)		C	C																				

**Engineering and Operations Committee
Planning Calendar
FY 2023/24**

Item	Dec 5 Board	Dec 7 Comm	Dec 19 Board	Jan 2 Board	Jan 4 Comm	Jan 16 Board	Feb 1 Comm	Feb 6 Board	Feb 20 Board	March 5 Board	March 7 Comm	March 19 Board	April 2 Board	April 4 Comm	April 16 Board	May 2 Comm	May 7 Board	May 21 Board	June 4 Board	Jun 6 Comm	June 18 Board	July 2 Board
Recommend Approval of a Resolution pursuant to a Categorical Exemption Under CEQA Guidelines Section 15301, and a Categorical Exclusion Under NEPA, Awarding a Contract for Beldove (Copper Hill) 2 Water Storage Tank Coating Project to Polytech Industrial, Inc.		C																				
Discuss and Provide Feedback on an Out-of-Agency Water Services Agreement with Paradise Ranch Estates Mobile Home Park and Recommend Advancing an Agreement to the Board for Full Consideration and Approval			T																			
Recommend Approval to Purchase Approximately 11,220 AMI Compatible Meters					P	P																
License for Verizon Wireless Communications Facility at Whites Canyon Tank (formerly known as Sky Blue) Site					P	P																
Recommend Approval of Adopting a Resolution Awarding a Purchase Order for Final Design Services for Honby Tank Pipeline Improvements					P	P																
Recommend Approval of a Resolution pursuant to a Categorical Exemption Under CEQA Guidelines Section 15301, and a Categorical Exclusion Under NEPA, Awarding a Contract for Beldove (Copper Hill) 2 Water Storage Tank Coating Project to Simpson Sandblasting & Special Coatings, Inc.					P	P																
Recommend Approval of Adopting a Resolution Awarding a Purchase Order for Final Design Services for Magic Mountain Pipeline Phases 1 - 3 Inspection Access Modifications					P	P		P														
Recommend Approval of a Resolution pursuant to a Categorical Exemption Under CEQA Guidelines Section 15301, and a Categorical Exclusion Under NEPA, Awarding a Contract for Rio Vista Water Treatment Plant PLC Controller Upgrade Project to Royal Industrial Solutions					P	P																
Recommend Approval of the Pipeline Improvements for Newhall Avenue from Market Street to Pine Street																						
Bio Vista Filter Rehabilitation Project																						

**Engineering and Operations Committee
Planning Calendar
FY 2023/24**

Item	Dec 5 Board	Dec 7 Comm	Dec 19 Board	Jan 2 Board	Jan 4 Comm	Jan 16 Board	Feb 1 Comm	Feb 6 Board	Feb 20 Board	March 5 Board	March 7 Comm	March 19 Board	April 2 Board	April 4 Comm	April 16 Board	May 2 Comm	May 7 Board	May 21 Board	June 4 Board	June 6 Comm	June 18 Board	July 2 Board
Recommend Approval of Adopting a Resolution Awarding Construction Contract and Purchase Orders for Construction Management and Inspection Services and Engineering Services During Construction for Phase 2C South End Recycled Water Main Extension											P	P										
Recommend Approval of Adopting a Resolution Awarding Construction Contract for Pipeline to Los Angeles Residential Community											P	P										
Recommend Approval of a Resolution Awarding Construction Contract and Purchase Orders for Construction Management and Inspection Services and Engineering Services During Construction for the Well 205 Groundwater Treatment Improvements Project													P	P								
Recommend Approval of Adopting a Resolution Awarding Construction Contract for T&U Wells PFAS Treatment, Saugus 1 and 2 VOC Treatment, and Disinfection Facility													P	P								
Recommend Approval of On-Call Engineering Services and/or Construction Management and Inspection Services													P	P			P					
Recommend Approval of Adopting a Resolution Awarding a Purchase Order for Final Design Services for RVWTP Sewerline Improvements													P	P			P					
Recommend Approval of a Resolution Adopting Initial Study-Mitigated Negative Declaration Under the California Environmental Quality Act and a Resolution Authorizing a Purchase Order to Hazen and Sawyer for Final Design Services for the Newhall Wells (N11, N12, N13) Groundwater Treatment Improvements Project														P	P		P					
Recommend Approval of a Resolution Authorizing Santa Clarita Valley Water Agency to Provide Water Quality Laboratory Testing Services to the State of California Department of Water Resources														P	P							
Recommend Approval of Adopting a Resolution Authorizing General Manager to Execute a (1) Financing Agreement with the State Water Resources Control Board for Consolidation of the New Mint Association, and (2) Consolidation and Water Service Agreement with the New Mint Association.															P	P		P				

**Engineering and Operations Committee
Planning Calendar
FY 2023/24**

Item	Dec 5 Board	Dec 7 Comm	Dec 19 Board	Jan 2 Board	Jan 4 Comm	Jan 16 Board	Feb 1 Comm	Feb 6 Board	Feb 20 Board	March 5 Board	March 7 Comm	March 19 Board	April 2 Board	April 4 Comm	April 16 Board	May 2 Comm	May 7 Board	May 21 Board	June 4 Board	Jun 6 Comm	June 18 Board	July 2 Board	
Recommend Approval of Adopting a Resolution Awarding Construction Contract and Purchase Orders for Construction Management and Inspection Services and Engineering Services During Construction for Smyth Pipeline Improvements																P		P					
Recommend Approval of Adopting a Resolution Awarding Construction Contract and Purchase Orders for Construction Management and Inspection Services and Engineering Services During Construction for Valencia Market Place Pipeline Improvements																P		P					
Recommend Approval of Adopting a Resolution Awarding a Purchase Order for Final Design Services for N-Wells Drainage Improvements																P			P				
Recommend Approval of Adopting a Resolution Awarding Construction Contract for Saugus Wells 3 & 4 (Replacement Wells) Well Equipment and Site Improvements Project.																P				P	P		
Recommend Approval of Adopting a Resolution Awarding a Purchase Order for Final Design Services for Sand Canyon Sewerline																				P			P

**Finance and Administration Committee
Planning Calendar
FY 2023/24**

Item	July 11 Board	July 17 Comm	July 18 Board	Aug 1 Board	Aug 15 Board	Aug 21 Comm (Q4)	Sept 5 Board	Sept 25 RESCHED Comm	Oct 3 Board	Oct 16 Comm (cancelled)	Oct 17 Board	Nov 20 Comm (Q1)	Dec 5 Board	Dec 11 RESCHED Comm	Dec 19 Board	Jan 2 Board	Jan 22 RESCHED Comm	Feb 6 Board	Feb 26 RESCHED Comm (Q2)	Mar 5 Board	Mar 18 Comm	Mar 19 Board	April 2 Board	April 15 Comm	May 16 Board	May 20 Comm (Q3)	June 4 Board	June 17 Comm	June 18 - JPA
1	Recommend Approval of Resolutions Setting Santa Clarita Valley Water Agency Tax Rate for FY 2023/24 and Requesting Levy of Tax by Los Angeles County and Ventura County (consent - moved up due to 7-4 cancelled Board)	C																											
2	Recommend Approval of a Preliminary Official Statement		C																										
3	Recommend Receiving and Filing of April 2023 Monthly Financial Report (consent)	C																											
4	Discuss and Recommend Actions for Ground Lease Property at 22722 Soledad Canyon Road		C																										
5	Recommend Approval of a Resolution Authorizing FY 2023/24 Water Supply Contract Payments (consent)		C																										
6	Recommend Approval of a Contract with Premier Property Preservation for Janitorial Services		C																										
7	Recommend Approval of a Revised Purchasing Policy		C																										
8	Recommend Receiving and Filing of May 2023 Monthly Financial Report (consent)		C																										
9	Fleet and Warehouse Update				C																								
10	Investment Advisor Financial Market Update					C																							
11	Discuss Water Affordability Study					C																							
12	Review Financing Plan Scenarios					C																							
13	Recommend Approval of a Revised Position Control					C																							
14	Recommend Approval of a Revised Surplus Policy					C																							
15	Recommend Approval of Revised Ratepayer Advocate Process and Provide Direction Related to Ratepayer Advocate Service Contract					C																							
16	Monthly and FY 2022/23 Fourth Quarter Financial Report					C																							

**Finance and Administration Committee
Planning Calendar
FY 2023/24**

	Item	July 11 Board	July 17 Comm	July 18 Board	Aug 1 Board	Aug 15 Board	Aug 21 Comm (Q4)	Sept 5 Board	Sept 25 RESCHED Comm	Oct 3 Board	Oct 16 Comm (cancelled)	Oct 17 Board	Nov 20 Comm (Q1)	Dec 5 Board	Dec 11 RESCHED Comm	Dec 19 Board	Jan 2 Board	Jan 22 RESCHED Comm	Feb 6 Board	Feb 26 RESCHED Comm (Q2)	Mar 5 Board	Mar 18 Comm	Mar 19 Board	April 2 Board	April 15 Comm	May 16 Board	May 20 Comm (Q3)	June 4 Board	June 17 Comm	June 18 - JPA	
17	Recommend Approval of a Resolution Adopting a Revised Investment Policy - (Annually adopted via reso) (consent)								C			C																			
18	Recommend Approval of the First Addendum to the Ground Lease for the Property at 22722 Soledad Canyon Road							C				C																			
19	Recommend Approval of Purchase of Two (2) Backhoe Replacements for Agency Fleet							C				C																			
20	Recommend Approval of a Revised Customer Service Policy							C				C																			
21	Fleet and Warehouse Update							C		C																					
22	Recommend Receiving and Filing of July 2023 Monthly Financial Report (consent)							C				C																			
23	Recommend Approval of an HCM Implementation Contract with Apps Associates												C	P																	
24	Recommend Approval of a Purchase Order for Fleet Replacement Vehicles												C	P																	
25	Recommend Approval of a Contract Renewal with Systems & Software, Inc. for enQuestia Customer Service System Maintenance and Support												C	P																	
26	Recommend Approval of a Revised Driving and Vehicle Policy												C	P																	
27	Recommend Approval of a Revised Employee Manual No. 10: Overtime												C	P																	
28	Recommend Receiving and Filing of August 2023 Monthly Financial Report (consent)												C	P																	
29	Recommend Receiving and Filing of September 2023 Monthly and FY 2023/24 First Quarter Financial Report (not consent)												C	P																	

**Finance and Administration Committee
Planning Calendar
FY 2023/24**

Item	July 1 Board	July 17 Comm	July 18 Board	Aug 1 Board	Aug 15 Board	Aug 21 Comm (Q4)	Sept 5 Board	Sept 25 RESCHED Comm	Oct 3 Board	Oct 16 Comm (cancelled)	Oct 17 Board	Nov 20 Comm (Q1)	Dec 5 Board	Dec 11 RESCHED Comm	Dec 19 Board	Jan 2 Board	Jan 22 RESCHED Comm	Feb 6 Board	Feb 26 RESCHED Comm (Q2)	Mar 5 Board	Mar 18 Comm	Mar 19 Board	April 2 Board	April 15 Comm	May 16 Board	May 20 Comm (Q3)	June 4 Board	June 17 Comm	June 18 - JPA
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**Finance and Administration Committee
Planning Calendar
FY 2023/24**

Item	July 11 Board	July 17 Comm	July 18 Board	Aug 1 Board	Aug 15 Board	Aug 21 Comm (Q4)	Sept 5 Board	Sept 25 RESCHED Comm	Oct 3 Board	Oct 16 Comm (cancelled)	Oct 17 Board	Nov 20 Comm (Q1)	Dec 5 Board	Dec 11 RESCHED Comm	Dec 19 Board	Jan 2 Board	Jan 22 RESCHED Comm	Feb 6 Board	Feb 26 RESCHED Comm (Q2)	Mar 5 Board	Mar 18 Comm	Mar 19 Board	April 2 Board	April 15 Comm	May 16 Board	May 20 Comm (Q3)	June 4 Board	June 17 Comm	June 18 - JPA	
47 Discuss Facility Capacity Fee Study																														
48 Recommend Approval of a Revised Capitalization Policy for Fixed Assets																							P							
49 Technology Update																														
50 Fleet and Warehouse Update																														
51 Recommend Receiving and Filing of January 2024 Monthly Financial Report (consent)																														
52 Recommend Approval of a Resolution Revising the Budget for FY 2024/25																								P	P	P	P	P	P	P
53 Review Annual List of Professional Services Contracts (consent)																														
54 Recommend Receiving and Filing of February 2024 Monthly Financial Report (consent)																														
55 Approve a Resolution Adopting the Appropriation of All As-Yet Unappropriated Funds for FY 2023/24 (consent)																														
56 Approve a Resolution Adopting the Appropriation Limit for FY 2024/25 (consent)																														
57 Recommend Receiving and Filing of March 2024 and FY 2023/24 Third Quarter Financial Report																														
58 Technology Update																														
59 Fleet and Warehouse Update																														
60 Recommend Receiving and Filing of April 2024 Monthly Financial Report (consent)																														
61 Recommend Approval of Revised USCVJPA Budget for FY 2024/25																														



**PUBLIC OUTREACH AND LEGISLATION COMMITTEE
AGENDA PLANNING CALENDAR 2023-2024**

January 18, 2024 Committee Meeting

1. Legislative Consultant Reports
2. Outreach Year in Review Presentation and Year Forward
3. Review of Agency's Sponsorship Policy
4. Committee Requests for Future Agenda Items

February 15, 2024 Committee Meeting *(last days for bills to be introduced)*

1. Legislative Consultant Reports
2. Review of Agency's Event Participation Criteria
3. Communications Manager's Report
4. Committee Requests for Future Agenda Items

March 21, 2024 Committee Meeting

1. Legislative Consultant Reports
2. Review Agency's Conservation Public Outreach Campaigns
3. Communications Manager's Report
4. Committee Requests for Future Agenda Items

April 18, 2024 Committee Meeting

1. Legislative Consultant Reports
2. Presentation of the FY 2023/24 and FY 2024/25 Public Outreach Operating Budget
3. Communications Manager's Report
4. Committee Requests for Future Agenda Items

May 16, 2024 Committee Meeting

1. Legislative Consultant Reports
2. Campaigns and Engagement Highlights Presentation
3. Communications Manager's Report
4. Committee Requests for Future Agenda Items

June 20, 2024 Committee Meeting *(last days for Senate/Assembly to pass bills)*

1. Legislative Consultant Reports
2. Communications Manager's Report
3. Committee Requests for Future Agenda Items

July 18, 2024 Committee Meeting

1. Legislative Consultant Reports
2. Communications Manager's Report
3. Committee Requests for Future Agenda Items

August 15, 2024 Committee Meeting

1. Legislative Consultant Reports
2. Communications Manager's Report
3. Committee Requests for Future Agenda Items

September 19, 2024 Committee Meeting *(last days for Senate/Assembly to pass bills)*

1. Legislative Consultant Reports
2. Communications Manager's Report

3. Committee Requests for Future Agenda Items

October 17, 2024 Committee Meeting

1. Legislative Consultant Reports
2. Communications Manager's Report
3. Committee Requests for Future Agenda Items

November 21, 2024 Committee Meeting

1. Review of the 2025 Legislative Platform
2. Legislative Consultant Reports
3. Communications Manager's Report
4. Committee Requests for Future Agenda Items

December 3, 2024 Board Meeting

1. Adoption of the 2025 Legislative Platform

December 19, 2024 Committee Meeting

1. Legislative Consultant Reports
2. Communications Manager's Report
3. Committee Requests for Future Agenda Items



WATER RESOURCES AND WATERSHED COMMITTEE AGENDA PLANNING CALENDAR FY 2023-2024

January 2, 2024 Board Meeting

1. Discuss and Consider Potential Amendment to the Deposit and Funding Agreement between Santa Clarita Valley Water Agency and DACA-Castaic, LLC for Tapia Ranch
2. Recommend Authorizing the General Manager to Enter into an Agreement for Purchase and Sale of Recycled Water between City of Santa Clarita and SCV Water Agency

January 10, 2024 Committee Meeting

1. Recommend Approval of a Resolution Authorizing the General Manager to Execute an Agreement between SCV Water Agency and SCV-GSA to Provide Management and Technical Services
2. Water Resources Manager Report:
 - Status of Upper Santa Clara River Salt and Nutrient Management Plan
 - Status of Water Supplies
 - Staff Activities
3. Sustainability Manager Report
 - Conservation Program Performance Overview
 - Staff Activities

January 16, 2024 Board Meeting

1. CLOSED SESSION: Conference with Real Property Negotiators
Property: Devil's Den Water District Property Encompassing Approx. 8,800 Acres Located in Kings and Kern Counties Along Hwy 33 North of Twisselman Road and South of Route 41
Agency Negotiators: Assistant General Manager Stephen L. Cole, Director of Water Resources Ali Elhassan, and Water Resources Planner Rick Vasilopoulos
Negotiating Parties: Intersect Power
Under Negotiation: Price and Terms of Payment

February 6, 2024 Board Meeting

1. Recommend Approval of a Resolution Authorizing the General Manager to Execute an Agreement between SCV Water Agency and SCV-GSA to Provide Management and Technical Services

February 14, 2024 Committee Meeting

1. Recommend Adoption of the Water Use Efficiency Strategic Plan
2. Authorize the General Manager to Enter into Contracts for Water Resiliency Plan Initiative
3. Recommend Authorizing the General Manager to Enter into MOU with Antelope Valley East Kern Water District to Fund Planning Costs for a Portion of the Proposed Phase 2 Proposed High Desert Water Bank
4. Water Resources Manager Report:
 - Status of the Groundwater Recharge Feasibility Studies
 - Status of New Drop Program
 - Staff Activities
5. Sustainability Manager Report – Staff Activities

March 5, 2024 Board Meeting

1. Recommend Adoption of the Water Use Efficiency Strategic Plan
2. Authorize the General Manager to Enter into Contracts for Water Resiliency Plan Initiative

3. Recommend Authorizing the General Manager to Enter into MOU with Antelope Valley East Kern Water District to Fund Planning Costs for a Portion of the Proposed Phase 2 Proposed High Desert Water Bank

March 13, 2024 Committee Meeting

1. Water Resources Manager Report – Staff Activities
2. Sustainability Manager Report – Staff Activities

April 10, 2024 Committee Meeting

1. Water Resources Manager Report – Staff Activities
2. Sustainability Manager Report – Staff Activities

May 15, 2024 Committee Meeting

1. Water Resources Manager Report – Staff Activities
2. Sustainability Manager Report – Staff Activities

June 12, 2024 Committee Meeting

1. Water Resources Manager Report – Staff Activities
2. Sustainability Manager Report – Staff Activities

July 10, 2024 Committee Meeting

1. Water Resources Manager Report – Staff Activities
2. Sustainability Manager Report – Staff Activities