

Minutes of the Regular Meeting of the Board of Directors of the Castaic Lake Water Agency – July 26, 2017

A regular meeting of the Board of Directors of the Castaic Lake Water Agency was held at Castaic Lake Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350, at 6:15 PM on Wednesday, July 26, 2017. A copy of the Agenda is inserted in the Minute Book of the Agency preceding these minutes.

DIRECTORS PRESENT: Directors B. J. Atkins, Tom Campbell, William Cooper, Robert DiPrimio, Dean Efstathiou, Jerry Gladbach, R. J. Kelly, Gary Martin, Jacque McMillan and Bill Pecsí were in attendance.

DIRECTORS ABSENT: Ed Colley.

Also present: Matthew Stone, General Manager; Valerie Pryor, Assistant General Manager; Joe Byrne, General Counsel; April Jacobs, Board Secretary; Brian Folsom, Engineering and Operations Manager; Jim Leserman, Senior Engineer; Shadi Bader, Senior Engineer; Dirk Marks, Water Resources Manager; Rick Viergutz, Principal Water Resources Planner; Jenny McNerney, Lead Water Conservation Education Specialist; Keith Abercrombie, Retail Manager; Brent Payne, Senior Engineer; Elizabeth Ooms-Graziano, Retail Administrative Officer; Carlos Corrales, Controller; and members of the public.

President DiPrimio called the meeting to order at 6:15 PM. A quorum was present.

Upon motion of Director Gladbach, seconded by Director Cooper and carried, the Agenda was approved by the following voice votes (Item 1.4):

Director Atkins	Yes	Director Campbell	Yes
Director Colley	Absent	Director Cooper	Yes
President DiPrimio	Yes	Director Efstathiou	Yes
Director Gladbach	Yes	Director Kelly	Yes
Vice President Martin	Yes	Director McMillan	Yes
Director Pecsí	Yes		

Upon motion of Director Gladbach, seconded by Director Cooper and carried, the Consent Calendar was approved including Resolution Nos. 3175, 3176, 3177, 3178, 3179 and 3180 by the following voice votes (Item 2):

Director Atkins	Yes	Director Campbell	Yes
Director Colley	Absent	Director Cooper	Yes
President DiPrimio	Yes	Director Efstathiou	Yes
Director Gladbach	Yes	Director Kelly	Yes
Vice President Martin	Yes	Director McMillan	Yes
Director Pecsí	Yes		

RESOLUTION NO. 3175

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CASTAIC LAKE WATER AGENCY AWARDING
A CONSTRUCTION CONTRACT TO GSE CONSTRUCTION COMPANY, INC.,**

**FOR THE SAUGUS PERCHLORATE TREATMENT FACILITY
PRESSURE CONTROL MODIFICATIONS PROJECT**

WHEREAS, all bid proposals submitted to the Castaic Lake Water Agency (Agency) pursuant to the Agency's specifications (Project No. 300329) for the construction of Saugus Perchlorate Treatment Facility Pressure Control Modifications Project, as amended by Addendum, were publicly opened and read at the Agency's offices on Tuesday, June 6, 2017, at 2:00 p.m., in full accordance with the law and the Agency's customary procedures; and

WHEREAS, the Board of Directors finds, after considering the opinion of staff, that the total bid of GSE Construction Company, Inc. in the amount of \$134,600 is the lowest bid of two bids submitted, and that said bid substantially meets the requirements of said specifications as amended by Addendum; and

WHEREAS, it is in the Agency's best interest that the Board of Directors, on behalf of the Agency, authorize its General Manager to accept the \$134,600 bid; and

WHEREAS, the Saugus Perchlorate Treatment Facility Pressure Control Modifications Project has been determined by Agency staff to be categorically exempt from the California Environmental Quality Act (CEQA) under provisions of Class 1, Section 15301 of the State CEQA Guidelines and no further CEQA documentation is necessary for the Board to act with regards to the proposed actions.

NOW, THEREFORE, BE IT RESOLVED that the Agency's Board of Directors does authorize its General Manager to accept said low bid and does thereafter authorize the Agency's General Manager or its Engineering and Operations Manager to issue a Notice of Award to GSE Construction Company, Inc., hereby found to be the "lowest responsible bidder" for the Saugus Perchlorate Treatment Facility Pressure Control Modifications Project for the total sum of \$134,600, pursuant to said Agency specifications as amended by Addendum.

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

RESOLVED FURTHER that the Agency's General Manager or its Engineering and Operations Manager are thereafter authorized to execute and forward to GSE Construction Company Inc. an appropriate Notice to Proceed.

RESOLUTION NO. 3176

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CASTAIC LAKE WATER AGENCY
ESTABLISHING BANKING AUTHORITY
FOR THE CASTAIC LAKE WATER AGENCY**

WHEREAS, the Castaic Lake Water Agency has an existing banking relationship with the Valencia Branch of the Wells Fargo Bank (Bank) with respect to its General Account numbered 4221-468572; and

WHEREAS, said Bank requests that the Agency define Agency officials authorized to make withdrawals from and perform other business details concerning said account; and

WHEREAS, consistent with the terms of this resolution, the Agency's Board finds it to be in the Agency's best interest to authorize continuation of the above banking relationships.

NOW, THEREFORE BE IT RESOLVED that **Robert J. DiPrimio**, President; **Gary R. Martin**, Vice President; **Matthew G. Stone**, General Manager; **Valerie Pryor**, Treasurer; and **Carlos Corrales**, Assistant Treasurer, are authorized to sign or countersign withdrawal orders, and the Wells Fargo Bank is authorized to honor and pay all withdrawal orders – including those drawn to the order of the President, Vice President, General Manager, Treasurer and Assistant Treasurer signed in the manner required by this resolution; and

RESOLVED FURTHER that **Matthew G. Stone**, General Manager; **Valerie Pryor**, Treasurer; and **Carlos Corrales**, Assistant Treasurer, are authorized to order withdrawals from said account up to a maximum of \$25,000 per order on his or her signature only, and either said General Manager, Treasurer or Assistant Treasurer is authorized to order withdrawals from said accounts exceeding the sum of \$25,000 but not exceeding \$1,000,000 per order on his or her signature when the order is countersigned by one of the authorized signatures of the President or Vice President, General Manager, Treasurer or Assistant Treasurer; and

RESOLVED FURTHER that **Robert J. DiPrimio**, President; or **Gary R. Martin**, Vice President; or **Matthew G. Stone**, General Manager; **Valerie Pryor**, Treasurer; **Carlos Corrales**, Assistant Treasurer, is authorized to order withdrawals from the account without limit when countersigned by one of the authorized signatures of the President or the Vice President; and

RESOLVED FURTHER that any and all of the foregoing five named Agency Officers are hereby authorized to execute on behalf of the Agency all Bank forms and agreements which, in their absolute discretion, are consistent with this resolution.

RESOLUTION NO. 3177

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASTAIC LAKE WATER AGENCY ESTABLISHING CERTIFICATE OF DEPOSIT REGISTRY SERVICE (CDARS) WITH THE COMMUNITY BANK OF SANTA CLARITA

WHEREAS, the Castaic Lake Water Agency has an existing banking relationship with the Santa Clarita branch of the Community Bank (Bank) with respect to its Certificate of Deposit Registry Service (CDARS) account numbered 0404-000096; and

WHEREAS, the Board of Directors finds that the use of a Certificate of Deposit (CD) placement service provided by CDARS through Community Bank will help diversify the Agency's portfolio as well as achieve higher rates of return with FDIC protection; and

WHEREAS, said Bank requests that the Agency define Agency officials authorized to make withdrawals from and perform other business details concerning said account.

NOW, THEREFORE BE IT RESOLVED that **Robert J. DiPrimio**, President; **Gary R. Martin**, Vice President; **Matthew G. Stone**, General Manager; **Valerie Pryor**, Treasurer; **Carlos Corrales**, Assistant Treasurer; **Keith Abercrombie**, Retail Manager; and **Elizabeth Ooms-Graziano**, Retail Administrative Officer, are authorized to sign or countersign withdrawal orders, and Bank is authorized to honor and pay all withdrawal orders – including those drawn to the order of the President, Vice President, General Manager, Retail Manager, Treasurer, Assistant Treasurer and Retail Administrative Officer signed in the manner required by this resolution; and

RESOLVED FURTHER that **Matthew G. Stone**, General Manager; **Valerie Pryor**, Treasurer; **Carlos Corrales**, Assistant Treasurer; **Keith Abercrombie**, Retail Manager; or **Elizabeth Ooms-Graziano**, Retail Administrative Officer, is authorized to order withdrawals from said account up to a maximum of \$25,000 per order on his or her signature only, and either said General Manager, Treasurer, Assistant Treasurer, Retail Manager or Retail Administrative Officer is authorized to order withdrawals from said accounts exceeding the sum of \$25,000 but not to exceed \$1,000,000 per order on his or her signature when the order is countersigned by one of the authorized signatures of the President or Vice President, General Manager, Treasurer, Assistant Treasurer, Retail Manager or Retail Administrative Officer; and

RESOLVED FURTHER that **Robert J. DiPrimio**, President; **Gary R. Martin**, Vice President; **Matthew G. Stone**, General Manager; **Valerie Pryor**, Treasurer; **Carlos Corrales**, Assistant Treasurer; **Keith Abercrombie**, Retail Manager; or **Elizabeth Ooms-Graziano**, Retail Administrative Officer, is authorized to order withdrawals from each account without limit when countersigned by one of the authorized signatures of the President or the Vice President; and

RESOLVED FURTHER that any and all of the foregoing seven named Agency Officers are hereby authorized to execute on behalf of the Agency all Bank forms and agreements which, in their absolute discretion, are consistent with this resolution; and

RESOLVED FURTHER, that the Bank named above at any one or more of its offices or branches, be and is hereby designated as a depository for the funds of this Agency, which may be withdrawn on checks, drafts, advices of debt, notes or other orders for the payment of monies bearing the following appropriate number of signatures; and that the Bank shall be and is authorized to honor and pay the same whether or not they are payable to bearer or the individual order of any Agent or Agents signing the same; and

RESOLVED FURTHER, that the Bank is hereby directed to accept and pay without further inquiry any item drawn against any of the Agency's accounts with the Bank bearing the signature or signatures of Agents, as authorized above or otherwise, even though drawn or endorsed to the order of any Agent signing or tendered by such Agent for cashing or in payment of the individual obligation of such Agent or for deposit to the Agent's personal account, and the Bank shall not be required or be under any obligation to inquire as to the circumstances of the issue or use of any item signed in accordance with the resolutions contained herein, or the application or disposition of such item or the proceeds of the item; and

RESOLVED FURTHER, that any one of such Agents is authorized to endorse all checks, drafts, notes and other items payable to or owned by this Agency for deposit with the Bank, or for collection or discount by the Bank; and to accept drafts and other items payable at the Bank; and

RESOLVED FURTHER, that the above-named Agents are authorized and empowered to execute such other agreements, including, but not limited to, special depository agreements and arrangements regarding the matter, conditions, or purposes for which funds, checks, or items of the Agency may be deposited, collected or withdrawn and to perform such other acts as they deem reasonably necessary to carry out the provisions of these resolutions. The other agreements and other acts may not be contrary to the provisions contained in this Resolution; and

RESOLVED FURTHER, that the authority hereby conferred upon the above-named Agents shall be and remain in full force and effect until written notice of any amendment or revocation thereof shall have been delivered to and received by the Bank at each location where an account is maintained. Bank shall be indemnified and held harmless from any loss suffered or any liability incurred by it in continuing to act in accordance with this resolution. Any such notice shall not affect any items in process at the time notice is given.

RESOLUTION NO. 3178

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASTAIC LAKE WATER AGENCY ESTABLISHING RETAIL REVENUE BANKING AUTHORITY FOR THE SANTA CLARITA WATER DIVISION

WHEREAS, the Castaic Lake Water Agency, Santa Clarita Water Division has an existing banking relationship with the Valencia Branch of the Wells Fargo Bank (Bank) with respect to the Castaic Lake Water Agency Retail Revenue Account numbered 412-1582092; and

WHEREAS, said Bank requests that the Agency define Agency officials authorized to make withdrawals from and perform other business details concerning said account; and

WHEREAS, consistent with the terms of this resolution, the Agency's Board finds it to be in the Agency's best interest to authorize continuation of the above banking relationships.

NOW, THEREFORE BE IT RESOLVED that **Robert J. DiPrimio**, President; **Gary R. Martin**, Vice President; **Matthew G. Stone**, General Manager; **Valerie Pryor**, Treasurer; **Carlos Corrales**, Assistant Treasurer; **Keith Abercrombie**, Retail Manager; and **Elizabeth Ooms-Graziano**, Retail Administrative Officer, are authorized to sign or countersign withdrawal orders, and Wells Fargo Bank is authorized to honor and pay all withdrawal orders – including those drawn to the order of the President, Vice President, General Manager, Retail Manager, Treasurer, Assistant Treasurer and Retail Administrative Officer signed in the manner required by this resolution; and

RESOLVED FURTHER that **Matthew G. Stone**, General Manager; **Valerie Pryor**, Treasurer; **Carlos Corrales**, Assistant Treasurer; **Keith Abercrombie**, Retail Manager; or **Elizabeth Ooms-Graziano**, Retail Administrative Officer, is authorized to order withdrawals from said account up to a maximum of \$25,000 per order on his or her signature only, and either said General Manager, Treasurer, Assistant Treasurer, Retail Manager or Retail Administrative Officer is authorized to order withdrawals from said accounts exceeding the sum of \$25,000 but not to exceed \$1,000,000 per order on his or her signature when the order is countersigned by one of the authorized signatures of the President or Vice President, General Manager, Treasurer, Assistant Treasurer, Retail Manager or Retail Administrative Officer; and

RESOLVED FURTHER that **Robert J. DiPrimio**, President; **Gary R. Martin**, Vice President; or **Matthew G. Stone**, General Manager; **Valerie Pryor**, Treasurer; **Carlos Corrales**, Assistant Treasurer; **Keith Abercrombie**, Retail Manager; or **Elizabeth Ooms-Graziano**, Retail Administrative Officer, is authorized to order withdrawals from each account without limit when countersigned by one of the authorized signatures of the President, or the Vice President; and

RESOLVED FURTHER that any and all of the foregoing seven named Agency Officers are hereby authorized to execute on behalf of the Agency all Bank forms and agreements which, in their absolute discretion, are consistent with this resolution.

RESOLUTION NO. 3179

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASTAIC LAKE WATER AGENCY ESTABLISHING DISBURSEMENT BANKING AUTHORITY FOR THE SANTA CLARITA WATER DIVISION

WHEREAS, the Castaic Lake Water Agency, Santa Clarita Water Division has an existing banking relationship with the Valencia Branch of the Wells Fargo Bank (Bank) with respect to the Santa Clarita Water Division Disbursement Account numbered 412-1582100; and

WHEREAS, said Bank requests that the Agency define Agency officials authorized to make withdrawals from and perform other business details concerning said account; and

WHEREAS, consistent with the terms of this resolution, the Agency's Board finds it to be in the Agency's best interest to authorize continuation of the above banking relationships.

NOW, THEREFORE BE IT RESOLVED that **Robert J. DiPrimio**, President; **Gary R. Martin**, Vice President; **Matthew G. Stone**, General Manager; **Valerie Pryor**, Treasurer; **Carlos Corrales**, Assistant Treasurer; **Keith Abercrombie**, Retail Manager; and **Elizabeth Ooms-Graziano**, Retail Administrative Officer, are authorized to sign or countersign withdrawal orders, and Wells Fargo Bank is authorized to honor and pay all withdrawal orders – including those drawn to the order of the President, Vice President, General Manager, Retail Manager, Treasurer, Assistant Treasurer and Retail Administrative Officer signed in the manner required by this resolution; and

RESOLVED FURTHER that **Matthew G. Stone**, General Manager; **Valerie Pryor**, Treasurer; **Carlos Corrales**, Assistant Treasurer; **Keith Abercrombie**, Retail Manager; or **Elizabeth Ooms-Graziano**, Retail Administrative Officer, is authorized to order withdrawals from said account up to a maximum of \$25,000 per order on his or her signature only, and either said General Manager, Treasurer, Assistant Treasurer, Retail Manager or Retail Administrative Officer is authorized to order withdrawals from said accounts exceeding the sum of \$25,000 but not to exceed \$1,000,000 per order on his or her signature when the order is countersigned by one of the authorized signatures of the President or Vice President, General Manager, Treasurer, Assistant Treasurer, Retail Manager or Retail Administrative Officer; and

RESOLVED FURTHER that **Robert J. DiPrimio**, President; **Gary R. Martin**, Vice President; or **Matthew G. Stone**, General Manager; **Valerie Pryor**, Treasurer; **Carlos Corrales**, Assistant Treasurer; **Keith Abercrombie**, Retail Manager; or **Elizabeth Ooms-Graziano**, Retail

Administrative Officer, is authorized to order withdrawals from each account without limit when countersigned by one of the authorized signatures of the President, or the Vice President; and

RESOLVED FURTHER that any and all of the foregoing seven named Agency Officers are hereby authorized to execute on behalf of the Agency all Bank forms and agreements which, in their absolute discretion, are consistent with this resolution.

RESOLUTION NO. 3180

JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, THE BOARD OF TRUSTEES OF THE GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT, AND THE BOARD OF DIRECTORS THE CASTAIC LAKE WATER AGENCY APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM ANNEXATION OF L 072-2016 TO COUNTY LIGHTING MAINTENANCE DISTRICT 1687

WHEREAS, pursuant to Section 99.01 of the California Revenue and Taxation Code, prior to the effective date of any jurisdictional change that will result in a special district providing one or more services to an area where those services have not previously been provided by any local agency, the special district and each local agency that receives an apportionment of property tax revenue from the area must negotiate an exchange of property tax increment generated in the area subject to the jurisdictional change and attributable to those local agencies; and

WHEREAS, the Board of Supervisors of the County of Los Angeles, acting on behalf of the County Lighting Maintenance District 1687, the County General Fund, the County of Los Angeles Public Library, the County of Los Angeles Road District No. 5, the Consolidated Fire Protection District of Los Angeles County, the County of Los Angeles Flood Control Damage Improvement Maintenance District, and the Los Angeles County Flood Control District; the Board of Trustees of the Greater Los Angeles County Vector Control District; and the Board of Directors of the Castaic Lake Water Agency, have determined that the amount of property tax revenue to be exchanged between their respective agencies as a result of the annexation proposal identified as L 072-2016 to County Lighting Maintenance District 1687 is as shown on the attached Property Tax Transfer Resolution Worksheet.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The negotiated exchange of property tax revenues between the County of Lighting Maintenance District 1687, the Los Angeles County General Fund, the County of Los Angeles Public Library, the County of Los Angeles Road District No. 5, the Consolidated Fire Protection District of Los Angeles County, the County of Los Angeles Flood Control Drainage Improvement Maintenance District, the Los Angeles County Flood Control District, the Greater Los Angeles County Vector Control District, and the Castaic Lake Water Agency resulting from the annexation of L 072-2016 to County Lighting Maintenance District 1687 is approved and accepted.
2. For fiscal years commencing on or after July 1, 2018, or July 1 after the effective date of this jurisdictional change, whichever is later, the property tax revenue increment generated from the area within L 072-2016, Tax Rate Area 15358, shall be allocated to

the affected agencies as indicated in the attached Property Tax Transfer Resolution Worksheet.

3. No Transfer of property tax revenues other than those specified in Paragraph 2 shall be made as a result of the annexation of L 072-2016.
4. If at any time after the effective date of this resolution the calculations used herein to determine initial property tax transfers or the data used to perform those calculations are found to be incorrect, thus producing an improper or inaccurate property tax transfer, the property tax transfer shall be recalculated and the corrected transfer shall be implemented for the next fiscal year, and any amounts of property tax received in excess of that which is proper shall be refunded to the appropriate agency.

Upon motion of Director Atkins, seconded by Director Cooper and carried, the Board (1) approved Resolution No. 3181 adopting the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program, (2) authorized the General Manager to enter into a cost sharing agreement with VWC and (3) authorized the General Manager to execute a work authorization for final design services with RMC Water and Environment for an amount not to exceed \$230,000 for the Recycled Water West Ranch (Phase 2D) Project by the following voice votes (Item 3.1.1):

Director Atkins	Yes	Director Campbell	Yes
Director Colley	Absent	Director Cooper	Yes
President DiPrimio	Yes	Director Efstathiou	Yes
Director Gladbach	Yes	Director Kelly	Yes
Vice President Martin	Yes	Director McMillan	Yes
Director Pecsí	Yes		

RESOLUTION NO. 3181

RESOLUTION OF THE CASTAIC LAKE WATER AGENCY BOARD OF DIRECTORS ADOPTING THE MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING AND REPORTING PROGRAM UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR THE RECYCLED WATER WEST RANCH (PHASE 2D) PROJECT

WHEREAS, the Agency determined that recycled water is an important component of future water supplies; and

WHEREAS, the proposed Recycled Water West Ranch (Phase 2D) Project is a component of the Draft 2016 Recycled Water Master Plan; and

WHEREAS, the proposed Recycled West Ranch (Phase 2D) Project is a collaborative project between the Castaic Lake Water Agency (CLWA) and the Valencia Water Company (VWC); and

WHEREAS, on May 3, 2016, the Agency circulated for public comment an Initial Study, a proposed Mitigated Negative Declaration and an Environmental Assessment on its proposed Recycled Water West Ranch (Phase 2D) Project; and

WHEREAS, the Agency received written public comments during the comment period from May 3, 2017 to June 1, 2017 on the proposed Project; and

WHEREAS, the Agency Board needs to review the Final Mitigated Negative Declaration, the Initial Study (IS/MND) and Mitigation Monitoring and Reporting Program (MMRP); and

WHEREAS, the Agency Board, acting as a Lead Agency, will need to adopt the IS/MND; and

WHEREAS, the Agency's Board has determined that the proposed Project can be approved because there is no substantial evidence in light of the whole record that the Project may have a significant effect on the environment; and

WHEREAS, the Agency and its Board have considered all of the information presented to it as set forth above and this Resolution and action taken hereby is a result of the Board's independent judgment and analysis.

NOW, THEREFORE, BE IT RESOLVED that the Agency Board does hereby find and determine as follows:

SECTION 1. RECITALS. The Agency finds that the foregoing recitals are true and correct and are incorporated herein as substantive findings of this Resolution.

SECTION 2. COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT. As a decision-making body for the Project, the Agency has reviewed and considered the information contained in the MND, comments received, and other documents contained in the administrative record for the Project. Based on the Agency's independent review and analysis, the Agency finds that the MND and administrative record contain a complete and accurate reporting of the environmental impacts associated with the Project, and that the MND has been completed in compliance with CEQA and the State CEQA Guidelines.

SECTION 3. FINDINGS ON ENVIRONMENTAL IMPACTS. Based on the whole record before it, including the MND, the administrative record, and all other written and oral evidence presented to the Agency, the Agency finds that all environmental impacts of the Project are either less than significant or can be mitigated to a level of less than significant under the mitigation measures outlined in the MND and the MMRP. The Agency finds that substantial evidence fully supports the conclusion that no significant and unavoidable impacts will occur and that, alternatively, there is no substantial evidence in the administrative record supporting a fair argument that the Project may result in any significant environmental impacts. The Agency finds that the MND contains a complete, objective, and accurate reporting of the environmental impacts associated with the Project and reflects the independent judgment and analysis of CLWA.

SECTION 4. ADOPTION OF THE MITIGATED NEGATIVE DECLARATION. The Agency hereby approves and adopts the MND as the Lead Agency.

SECTION 5. ADOPTION OF THE MITIGATION MONITORING AND REPORTING PROGRAM. In accordance with Public Resources Code section 21081.6, the Agency hereby adopts the MMRP. In the event of any inconsistencies between the Mitigation Measures as set forth in the MND and the MMRP, the MMRP shall control.

SECTION 6. LOCATION AND CUSTODIAN OF RECORDS. The documents and materials associated with the Project, the MND and MMRP that constitute the record of proceedings on which these findings are based are located at the offices of Castaic Lake Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, CA 91351. The Custodian of Record is the Board Secretary.



A presentation was given by the Assistant General Manager Valerie Pryor on the Retail Water Rate Study (Item 3.2.1).

Upon motion of Director Efstathiou, seconded by Director Gladbach and carried, the Board approved Resolution No. 3182 revising the Santa Clarita Water Division Retail Reserve Fund Policy by the following voice votes (Item 3.2.2):

Director Atkins	Yes	Director Campbell	Yes
Director Colley	Absent	Director Cooper	Yes
President DiPrimio	Yes	Director Efstathiou	Yes
Director Gladbach	Yes	Director Kelly	Yes
Vice President Martin	Yes	Director McMillan	Yes
Director Pecsì	Yes		

RESOLUTION NO. 3182

RESOLUTION OF THE CASTAIC LAKE WATER AGENCY BOARD OF DIRECTORS APPROVING REVISED SANTA CLARITA WATER DIVISION RESERVE FUND POLICY (RETAIL WATER SYSTEM)

WHEREAS, the Castaic Lake Water Agency (CLWA) provides wholesale water to retail water purveyors within its boundaries and retail water service to a portion of that area through its Santa Clarita Water Division (SCWD); and

WHEREAS, the prudent management of a retail water system requires that reserve funds be established and maintained to fund scheduled and unscheduled expenses including operation and maintenance, debt service, emergencies, capital improvement, repair and replacement, and for stabilization of retail water rates; and

WHEREAS, the monies to fund those reserves associated with the retail water system should come from revenues of the Retail operations, so that the Retail operations are not subsidized by CLWA Wholesale customers, and likewise that the Wholesale operations are not subsidized by SCWD Retail customers; and

WHEREAS, staff has evaluated the prudent reserve fund needs of the Retail operation, and has developed recommendations for establishing reserve funds for various purposes, identified the source of funding for such reserves and recommended target amounts for reserve funds; and

WHEREAS, the Board of Directors has reviewed the recommendations of staff and the Budget and Rates Committee, and determined that the establishment of reserve funds is in the best interests of the Agency and SCWD.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Castaic Lake Water Agency that reserve funds be established for SCWD, for the purposes and to be funded as follows:

1. OPERATING RESERVE FUND Covers unscheduled costs relating to the operation of the retail water system, including, but not limited to, unforeseen repairs, emergencies, unexpected increases in treatment costs, regulatory changes, unforeseen legal expenses and disruption of a source of supply. The target balance for the Operating Reserve Fund shall be set at 25% of the Retail Annual Operating Expense Budget. Funds from the Operating Reserve Fund shall be used exclusively for operating expenses of the retail water system, unless otherwise authorized by the Board of Directors. The Operating Reserve Fund was fully funded by June 2014. Additional allocations to the Operating Reserve Fund, to replace funds expended over the fiscal year or to increase the balance to match increases in the Annual Operating Expense Budget, shall be included in the annual budget. If the balance in the Operating Reserve Fund drops below 50% of the target amount during a fiscal year, staff will advise the Board of Directors and recommend appropriate action. In any year, the balance in the Operating Reserve Fund shall not exceed 25% of that year's Operating Expense Budget.
2. RATE STABILIZATION RESERVE FUND Offsets revenue reductions resulting from reduced retail water sales during periods when consumption is 10% or more below average consumption. The Rate Stabilization Reserve Fund shall have a target balance of 15% of Retail Annual Operating Revenue Budget. Additional allocation to the Rate Stabilization Reserve Fund to replace funds expended over the fiscal year or to increase the balance to match increases in the Annual Operating Revenue Budget, shall be included in the annual budget. If the balance in the Rate Stabilization Reserve Fund drops below 50% of the target amount during a fiscal year, staff will advise the Board of Directors and recommend appropriate action. In any year, the balance in the Operating Rate Stabilization Reserve Fund shall not exceed 15% of that year's Operating Revenue Budget.
3. CAPITAL RESERVE FUND Covers any unexpected and unplanned infrastructures and replacement repairs not included in the budget. The Capital Reserve Fund shall have a target balance of \$5 million. Additional allocation to the Capital Reserve Fund to replace funds expended over the fiscal year shall be included in the annual budget. If the balance in the Capital Reserve Fund drops below 50% of the target amount during a fiscal year, staff will advise the Board of Directors and recommend appropriate action. In any year, the balance in the Capital Reserve Fund shall not exceed \$5 million.
4. EMERGENCY RESERVE FUND Covers any emergency repairs and expenses due to unforeseen natural disasters such as earthquake, fire, etc. The Emergency Reserve Fund covers immediate repairs and expenses to restore SCWD's operations for continued water delivery to its customers. The Emergency Reserve Fund shall have a target balance of \$2.2 million based on two percent of net capital assets. Industry Standard is 2 to 3 percent of net

capital assets and the Federal Emergency Management Agency (FEMA) guideline is approximately 2 percent. Additional allocation to the Emergency Reserve Fund to replace funds expended over the fiscal year shall be included in the annual budget. If the balance in the Emergency Reserve Fund drops below 50% of the target amount during a fiscal year, staff will advise the Board of Directors and recommend appropriate action. In any year, the balance in the Emergency Reserve Fund shall not exceed \$2.2 million.

5. LIABILITY REPAYMENT RESERVE FUND Mitigates significant future financial impact for long-term debts such as CalPERS and OPEB Unfunded Liability and other such liabilities. Provides funds for repayments of debt and future interest expense. The Liability Repayment Reserve Fund shall have an initial target balance of \$2 million and reviewed annually during the Budget process.

6. UNRESTRICTED RESERVE FUND This fund is the residual net resources in excess of all the reserve target limits mentioned in items 1 through 5 above. The Unrestricted Reserve Fund balance is available for any purposes approved by the Board of Directors. The balance in the Unrestricted Reserve Fund shall not drop below zero.

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Board of Directors of the Castaic Lake Water Agency that the annual Budget document will include a reserve analysis, showing reserve amounts and targets for each type of reserve, and should a major change in conditions compromise reserve levels, the Retail Manager will provide an analysis to the Board of Directors.

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Board of Directors of the Castaic Lake Water Agency that the new policies will be implemented beginning with FY 2017/18 and shall continue in effect until repealed or modified by action of the Board of Directors.

A presentation was given by Lead Water Conservation Education Specialist Jenny McNerney on the Status of K-12 Education Activities (Item 3.3.1).

General Manager Matthew Stone briefed the Board on the Fiscal Year 2016/17 Accomplishments (Item 3.7).

Director DiPrimio assigned the following Directors to sit on the GSA Board, Vice President Martin representing Castaic Lake Water Agency and Director Cooper representing Santa Clarita Water Division and two alternates Director Gladbach and Director Kelly.

AB 1234 Reports (Item 5.2):

President DiPrimio reported that he participated in a conference call with the General Manager on June 30, 2017, participated in a conference call with the Ad Hoc Legislation Committee on July 13 and 20, 2017, participated in a conference call regarding the upcoming UWCD meeting on July 14, 2017, attended a dinner meeting with the UWCD in Oxnard on July 17, 2017 and attended a dinner meeting with NCWD in Santa Clarita on July 18, 2017.

Vice President Martin reported that he participated in conference calls with the Ad Hoc Legislation Committee on June 29, July 6, 13 and 20, 2017, attended the Blue Ribbon Committee held at the Agency on June 29, 2017, attended the ACWA State Legislative Committee meeting held in Sacramento on July 30, 2017, attended the State Assembly Water Park and Wildlife Committee Hearing in Sacramento on July 10-11, 2017, attended the UWCD Executive Committee Meeting in Oxnard on July 17, 2017 and attended a dinner meeting with NCWD held in Santa Clarita on July 18, 2017.

Director Cooper reported that he participated in conference calls with the Ad Hoc Legislation Committee on July 6 and 20, 2017.

Director Efstathiou reported that he participated in a conference call with the SCWC on the Legislative Sessions on July 6 and July 17, 2017 and attended the SCWC Quarterly meeting held at the DoubleTree in Commerce on July 28, 2017.

Director Kelly reported that he attended the SCV Chamber of Commerce Patriots Luncheon held at the TPC on July 13, 2017.

Director Gladbach reported that he participated in a conference call with the NWRA Federal Affairs Committee on July 7, 2017, participated in a conference call with ACWA Region 8 Nomination Committee on July 13, 2017, participated in a conference call regarding the upcoming UWCD meeting on July 14, 2017 and attended a meeting with the UWCD Executive Committee held in Oxnard on July 17, 2017.

Director Atkins requested a presentation be given to the Board on what the Agency is doing to prepare for a cyberattack. This item is being prepared by staff for a future meeting (Item 6).

Upon motion of Director Kelly, seconded by Director Pecsí and carried, the Board went into Closed Session at 8:27 PM to discuss the items listed on the Agenda by the following voice votes (Item 7):

Director Atkins	Yes	Director Campbell	Yes
Director Colley	Absent	Director Cooper	Yes
President DiPrimio	Yes	Director Efstathiou	Yes
Director Gladbach	Yes	Director Kelly	Yes
Vice President Martin	Yes	Director McMillan	Yes
Director Pecsí	Yes		

Upon motion of Director Kelly, seconded by Director McMillan and carried, the Board voted to come out of Closed Session at 8:47 PM by the following voice votes:

Director Atkins	Yes	Director Campbell	Yes
Director Colley	Absent	Director Cooper	Yes
President DiPrimio	Yes	Director Efstathiou	Yes
Director Gladbach	Yes	Director Kelly	Yes
Vice President Martin	Yes	Director McMillan	Yes
Director Pecsí	Yes		

President DiPrimio reconvened the Open Session at 8:47 PM.

Joe Byrne, Esq., reported that there were no actions taken in Closed Session that were reportable under the Ralph M. Brown Act (Item 8).

Upon motion of Director Atkins, seconded by Director Kelly and carried, the meeting was adjourned in honor of Kelly Petera at 8:49 PM by the following voice votes (Item 9):

Director Atkins	Yes	Director Campbell	Yes
Director Colley	Absent	Director Cooper	Yes
President DiPrimio	Yes	Director Efstathiou	Yes
Director Gladbach	Yes	Director Kelly	Yes
Vice President Martin	Yes	Director McMillan	Yes
Director Pecs	Yes		



April Jacobs, Board Secretary

ATTEST:



President of the Board

