

Minutes of the Regular Meeting of the Board of Directors of the Castaic Lake Water Agency – October 25, 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, October 25, 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, Ed Colley, William Cooper, Robert DiPrimio, Dean Efstathiou, Jerry Gladbach, Gary Martin, Jacque McMillan and Bill Pecsí were in attendance.

DIRECTORS ABSENT: R. J. Kelly.

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; Dirk Marks, Water Resources Manager; Stephanie Anagnoson, Water Conservation Program Supervisor; Rick Viergutz, Principal Water Resources Planner; Beverly Johnson, Administrative Services Manager; Brent Payne, Principal Engineer; Elizabeth Ooms-Graziano, Retail Administrative Officer; Ken Petersen, WWC General Manager; Michael Schlesinger, Newport Pacific Land Company; Peter Warda, Musella Group; Nancy Clemm; and members of the public.

President DiPrimio called the meeting to order at 6:17 PM. A quorum was present.

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

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

Upon motion of Director Colley, seconded by Director Campbell and carried, the Consent Calendar was approved including Resolution Nos. 3200, and 3201 by the following voice votes (Item 3):

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

RESOLUTION NO. 3200

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
CASTAIC LAKE WATER AGENCY AUTHORIZING THE GENERAL MANAGER**

TO (1) COMMIT TO MATCHING CONTRIBUTIONS FOR A PROPOSITION 1 GRANT RELATED TO COMPLIANCE WITH THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT, (2) APPLY FOR THE GRANT ON BEHALF OF THE SANTA CLARITA VALLEY GROUNDWATER SUSTAINABILITY AGENCY AND (3) EXECUTE A GRANT AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF WATER RESOURCES

WHEREAS, Castaic Lake Water Agency, along with its regional partners the City of Santa Clarita, the County of Los Angeles, Los Angeles County Waterworks District No. 36, Newhall County Water District and the Santa Clarita Water Division jointly formed the Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA) through a Memorandum of Understanding (MOU) on May 24, 2017; and

WHEREAS, the MOU requires the parties to cooperate and coordinate in pursuing State grant and loan funding opportunities that may apply to carrying out the Sustainable Groundwater Management Act (SGMA) in the basin; and

WHEREAS, the SCV-GSA submitted all necessary information to the California Department of Water Resources (DWR) to begin the 90-day public review process of the Groundwater Sustainability Agency (GSA) formation. The 90-day public review process closed September 13, 2017 and the SCV-GSA has been named the exclusive GSA in the Santa Clarita Valley; and

WHEREAS, SGMA requires that the SCV-GSA develop a Groundwater Sustainability Plan (GSP); and

WHEREAS, DWR is administering the Sustainable Groundwater Planning Grant Program, using funds authorized by Proposition 1, to encourage sustainable management of groundwater resources that support SGMA; and

WHEREAS, DWR has issued a Proposal Solicitation Package (PSP) for grant funds to assist with the development of GSPs and Projects. GSPs and completed grant applications are due November 13, 2017; and

WHEREAS, a second grant application period, if grant money is still available, is anticipated to be open from June 2018 through August 2018; and

WHEREAS, an opportunity exists for Castaic Lake Water Agency, as a member of the SCV-GSA, to apply for grant funding to fund portions of the SCV-GSA's Groundwater Sustainability Plan on behalf of the SCV-GSA; and

WHEREAS, the application process includes many requirements and considerations including: a) the SCV-GSA adopt a resolution affirming submission of the grant application, b) a GSA member may submit the grant application as the responsible organization for the application, c) identification of the total local cost share that will be committed to the proposal, and d) the grant program requires a minimum local cost share of 50% of total proposal cost; and

WHEREAS, the grant application deadline will likely occur before the SCV-GSA has developed a budget; and

WHEREAS, the grant application will therefore require that a SCV-GSA member be responsible for the application and commit to providing the minimum local cost share of 50% of the total proposal cost; and

WHEREAS, the total project cost to fund portions of the development of SCV-GSA's GSP is currently estimated at \$500,000; and

WHEREAS, CLWA, contingent upon a satisfactory cost sharing agreement(s) with other SCV-GSA members, would commit to funding the local cost share.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors, the governing body of the Castaic Lake Water Agency, resolves and orders as follows:

1. If the SCV-GSA Board affirms through a resolution that it desires to apply for a Proposition 1 Grant related to compliance with SGMA and it designates Castaic Lake Water Agency as the organization responsible for submitting the application, then
 - a. The General Manager is authorized and directed to file an application with DWR to obtain a 2017 Sustainable Groundwater Planning Grant pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) (Water Code Section 79700 et seq.).
 - b. Upon satisfactory cost sharing agreements with other SCV-GSA members, the General Manager is authorized and directed to enter into and execute an agreement with DWR to receive a grant for project components supporting planning and development of the GSP for the SCV-GSA.

RESOLUTION 3201

JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES ACTING IN BEHALF OF

Los Angeles County General Fund

Los Angeles County Library

Los Angeles County Road District #5

Los Angeles County Consolidated Fire Protection District

Los Angeles County Flood Control

THE BOARD OF DIRECTORS OF SANTA CLARITA VALLEY SANITATION DISTRICT OF LOS ANGELES COUNTY AND THE GOVERNING BODIES OF

Greater Los Angeles County Vector Control District

Antelope Valley Resource Conservation District

Castaic Lake Water Agency

Newhall County Water District

Newhall County Water District – Improvement District #1

APPROVING AND ACCEPTING NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM ANNEXATION TO SANTA CLARITA VALLEY SANITATION DISTRICT.

“ANNEXATION NO. 1087”

WHEREAS, pursuant to Section 99 and 99.01 of the Revenue and Taxation Code, prior to the effective date of any jurisdictional change which will result in a special district providing a new service, the governing bodies of all local agencies that receive an apportionment of the property tax from the area must determine the amount of property tax revenues from the annual tax increment to be exchanged between the affected agencies and approve and accept the negotiated exchange of property tax revenues by resolution; and

WHEREAS, the governing bodies of the agencies signatory hereto have made determinations of the amount of property tax revenues from the annual tax increments to be exchanged as a result of the annexation to Santa Clarita Valley Sanitation District entitled *Annexation No. 1087*;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The negotiated exchange of property tax revenues resulting from the annexation of territory to Santa Clarita Valley Sanitation District in the annexation entitled *Annexation No. 1087* is approved and accepted.

2. For each fiscal year commencing on and after July 1, 2017 or after the effective date of this jurisdictional change, whichever is later, the County Auditor shall transfer to Santa Clarita Valley Sanitation District at total of 1.0019830 percent of the annual tax increment attributable to the land area encompassed within *Annexation No. 1087* as shown on the attached Worksheet.

3. No additional transfer of property tax revenues shall be made from any other tax agencies to Santa Clarita Valley Sanitation District as a result of annexation entitled *Annexation No. 1087*.

4. No transfer of property tax increments from properties within a community redevelopment project, which are legally committed to a Community Redevelopment Agency, shall be made during the period that such tax increment is legally committed for repayment of the redevelopment project costs.

5. 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.

The foregoing resolution was adopted by the Board of Supervisors of the County of Los Angeles, the Board of Directors of Santa Clarita Valley Sanitation District of Los Angeles County, and the governing bodies of Greater Los Angeles County Vector Control District, Antelope Valley Resources Conservation District, Castaic Lake Water Agency, Newhall County Water District, and Newhall County Water District – Improvement District #1, signatory hereto.

Upon motion of Director Cooper, seconded by Director Gladbach and carried, the Board reviewed and filed the 2017 Water Supply Reliability Plan Update by the following voice votes (Item 4.2.1):

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

Upon motion of Director Colley, seconded by Director Gladbach and carried, the Board approved Resolution No. 3202 authorizing the General Manager to execute a third amendment to the Tesoro del Valle Annexation Agreement to (1) extend the Agreement term through September 30, 2020, with provisions for additional extensions, (2) reduce the applicant's annual water supply cost consistent with the Agency's revised water demand determination starting January 1, 2018 and (3) modify terms for reimbursement of carrying costs by the following voice votes (Item 4.2.2):

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

RESOLUTION NO. 3202

RESOLUTION OF THE CASTAIC LAKE WATER AGENCY BOARD OF DIRECTORS GRANTING THE GENERAL MANAGER THE AUTHORITY TO EXECUTE A THIRD AMENDMENT TO THE ANNEXATION AGREEMENT FOR THE TESORO DEL VALLE DEVELOPMENT TO (1) EXTEND THE AGREEMENT TERM THROUGH SEPTEMBER 30, 2020, WITH PROVISIONS FOR ADDITIONAL EXTENSIONS, (2) REDUCE THE APPLICANT'S ANNUAL WATER SUPPLY COST CONSISTENT WITH THE AGENCY'S REVISED WATER DEMAND DETERMINATION STARTING JANUARY 1, 2018, AND (3) MODIFY TERMS FOR REIMBURSEMENT OF CARRYING COSTS

WHEREAS, the Castaic Lake Water Agency (Agency) is a special district water agency created to acquire and distribute California State Water Project (SWP) water and treats both SWP water and other imported sources of supply to drinking water standards and distributes the water to four water retailers in the Santa Clarita Valley; and

WHEREAS, Montalvo Properties, LLC, a California limited liability company (Applicant), owned 864 acres adjacent to the boundary of the Agency in the County of Los Angeles; and

WHEREAS, on May 4, 2011, Applicant filed a request with the Local Agency Formation Commission for Los Angeles County (LAFCO) for annexation to the Agency (Reorganization No. 2011-16) and, on May 18, 2011, Applicant submitted a request with the Agency for annexation; and

WHEREAS, the Agency and Applicant have executed an Annexation Agreement (Agreement) under which Applicant has agreed to certain obligations, conditions and responsibilities consistent with the Annexation Policy and its underlying principles which is necessary for the orderly development and service of water to the Annexation Lands; and

WHEREAS, the Agency's Board of Directors passed Resolution 2994 authorizing a first amendment to the Agreement to extend the Agreement term to facilitate ongoing negotiations between the Applicant and IHP Capital Partners to transfer the property and assign the Agreement; and

WHEREAS, the Applicant has informed the Agency that such negotiation has been completed and the property has been transferred to BLC Tesoro LLC (an affiliate of IHP Capital Partners); and

WHEREAS, on December 22, 2015, BLC Tesoro LLC submitted a proposed revision to Vested Tentative Tract Map 51644 for the Annexation Lands; and

WHEREAS, the Agency's Board of Directors passed Resolution 3080 authorizing a second amendment to the Agreement to extend the Agreement Term through September 30, 2018 and deferred considering assignment of the Annexation Agreement to BLC Tesoro LLC to a future date; and

WHEREAS, since the second amendment to the Agreement (January 13, 2016) the applicant provided a notice of preparation of a supplemental EIR and held a scoping meeting, revised VTTM 51644-1, provided its engineer's revised water demand analysis for Agency review, and is planning to release the Supplemental EIR in November 2017; and

WHEREAS, the Agency 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, the Agency cannot and does not commit itself or agree that it can or will provide water service to the Annexation Lands if an appreciable change in approved land use is proposed by the Applicant or BLC Tesoro LLC since environmental compliance and other review and approvals for such a project has not been completed.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Castaic Lake Water Agency grants the General Manager the authority to execute a third amendment to the Tesoro del Valle Annexation Agreement to:

1. Extend the Agreement term through September 30, 2020, with provisions for additional extensions.
2. Reduce the Applicant's annual water supply cost consistent with the Agency's revised water demand determination starting January 1, 2018.
3. Modify terms for reimbursement of carrying costs.

Upon motion of Director Pecsí, seconded by Director Cooper and carried, the Board approved Resolution No. 3203 dissolving the Santa Clarita Water Company by the following voice votes (Item 4.3.1):

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

RESOLUTION NO. 3203

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASTAIC LAKE WATER AGENCY APPROVING THE DISSOLUTION OF THE SANTA CLARITA WATER COMPANY

WHEREAS, the Castaic Lake Water Agency is the sole Member of the Santa Clarita Water Company, which is a nonprofit public benefit corporation; and

WHEREAS, the Santa Clarita Water Division of the Castaic Lake Water Agency owns and operates the water system that was previously owned by Santa Clarita Water Company;

WHEREAS, the Santa Clarita Water Company is not currently conducting any business and has not conducted any business for several years and has been kept in existence for the sole purpose of preserving contract rights which legal counsel has determined are no longer necessary, and

WHEREAS, the Board of Directors of the Castaic Lake Water Agency believes that there is no purpose for continuing to maintain the existence of the Santa Clarita Water Company; and

WHEREAS, the Board of Directors of the Castaic Lake Water Agency now desires to dissolve the Santa Clarita Water Company in accordance with Sections 6610 et seq. of the California Corporations Code.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Castaic Lake Water Agency does authorize the General Manager to take the necessary steps on behalf of the Castaic Lake Water Agency as the sole Member of the Santa Clarita Water Company to dissolve the company in accordance with the California Corporations Code.

Upon motion of Director Pecsí, seconded by Director Cooper and carried, the Board reviewed the 2017 Facility Capacity Fee Study (Proposed 2018 Facility Capacity Fees), and approved Resolution No. 3204, the annual Resolution of Intent to Modify Water Service Areas and Apportion the Annual Capital Budget and Set Facility Capacity Fees for the Castaic Lake Water Agency for Calendar Year 2018 and directed staff to initiate the public hearing process by setting a hearing on November 20, 2017 and notifying the public, purveyors, and stakeholders by the following voice votes (Item 4.4.1):

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

RESOLUTION NO. 3204

ANNUAL RESOLUTION OF INTENT TO MODIFY WATER SERVICE AREAS AND APPORTION THE ANNUAL CAPITAL BUDGET AND SET FACILITY CAPACITY FEES AND CHARGES FOR THE CASTAIC LAKE WATER AGENCY FOR CALENDAR YEAR 2018 AND TO CALL A PUBLIC HEARING

WHEREAS, pursuant to Section 103-29.1 of the Castaic Lake Water Agency Law (the Law), the Board of Directors (the Board) of the Castaic Lake Water Agency (the Agency) shall divide all lands within the Agency into separate, non-overlapping water service areas (WSAs) for the purpose of providing a source of and to apportion moneys for the annual capital budget of the Agency; and

WHEREAS, Sections 103-29.2 and 103-29.3 of the Law require the Board to annually adopt a resolution of intention to form new, or continue, amend or modify existing WSAs, and the resolution must contain the proposed charges, fees, assessments, and tax rates proposed to be fixed, levied or collected within or from each WSA for the Annual Capital Budget of the Agency, as well as make other findings relating thereto; and

WHEREAS, Sections 103-29.2 and 103-29.3 of the Law require the Board to publish notice of and annually hold a public hearing to form new, or continue, amend or modify existing WSAs and the proposed charges, fees, assessments and tax rates proposed to be fixed, levied or collected within or from each WSA for the Annual Capital Budget of the Agency; and

WHEREAS, the Agency is proposing to modify existing WSAs by consolidating WSAs that receive similar benefit from the Agency; and

WHEREAS, the Agency's General Manager, staff and consultants have developed sound recommendations for both the WSAs and the Annual Capital Budget, its apportionment and method of being funded.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Castaic Lake Water Agency as follows:

1. The Board does hereby propose and intend to consider the modification of the WSAs previously established, the boundaries of which are as shown in Exhibit A, attached hereto and by this reference incorporated herein.

2. The Board does hereby find and determine that, to varying degrees as set forth herein, during the Agency fiscal year commencing July 1, 2017, the land and people within each of the WSAs identified in Exhibit A are projected to receive benefits from the facilities and programs funded through the Annual Capital Budget as follows:
 - Use of water to be made available by the Agency, including water conserved through possible water recycling projects.
 - Availability of Agency contract interests in the State Water Resources Development System.
 - Availability of existing Agency property, plant and distribution facilities and California Environmental Quality Act (CEQA) approved changes or additions to such property, plant and/or distribution facilities.
 - Acquisition of additional needed quantities of water for service within existing and expanded service areas within the Agency's boundaries.
 - Funding to implement the Agency's Capital Improvement Program, as initially described in the Agency's certified programmatic environmental impact report, including studies and analysis for maintenance, repair and replacement of Agency facilities, and for compliance with Federal and State Safe Drinking Water Regulations.
 - Other purposes specified by Section 26.1 (Facility Capacity Fees) and Section 29.1 (Water Service Areas) of the Castaic Lake Water Agency Law.

3. The proposed Agency's Annual Capital Budget for Fiscal Year 2017/18 is \$56.3 million and is comprised of the following budget components:

State Water Project fixed charges	\$22,300,000
Payment for other imported water	\$9,280,900
Capital projects (including debt service)	\$28,428,200
Contributions to (Drawdown of) reserves	(\$3,698,700)
Total	\$56,310,400

4. The Agency's Annual Capital Budget for Fiscal Year 2017/18 is apportioned based on assessed valuation to the WSAs as follows:

WSA	Capital Budget	% Total (based on WSA assessed valuation)
West Valley	\$39,523,948	70.2%
East Valley	\$15,237,514	27.1%

Newhall Ranch	\$ 920,007	1.6%
Whitaker-Bermite	\$ 628,931	1.1%
Total	\$56,310,400	100.00%

5. The Board proposes to modify the rates and allocation of facility capacity fees and charges to each of the WSAs within the Agency, to fund a portion of the Annual Capital Budget of the Agency, and establish said facility capacity fees and charges at the rates set forth below for calendar year 2018. Facility capacity fees and charges are proposed to be imposed on any person, firm, corporation or other entity (Applicant) that requests a new or additional water connection, a larger water connection or in any other way increases the water usage required to serve an existing developed property within a WSA as a result of new construction, the addition of any type of dwelling, commercial or industrial unit or units, or the conversion of all or a portion of any dwelling, commercial or industrial unit or units. The proposed facility capacity fees are based on the criteria and method set forth in the Annual Capital Budget and the 2017 Agency Facility Capacity Fee Study.

RATES FOR CLWA FACILITY CAPACITY FEES AND CHARGES (\$/METER SIZE)¹				
Meter Size	WSA 1: West Valley	WSA 2: East Valley	WSA 3: Newhall Ranch	WSA 4: Whitaker-Bermite
1" and lower ^{2, 3}	\$ 11,900	\$ 16,546	\$ 10,088	\$ 18,614
1.5"	\$ 23,801	\$ 33,092	\$ 20,176	\$ 37,228
2"	\$ 38,081	\$ 52,947	\$ 32,282	\$ 59,564
2.5"	\$ 54,742	\$ 76,111	\$ 46,405	\$ 85,623
3"	\$ 71,402	\$ 99,275	\$ 60,528	\$ 111,683
4"	\$ 119,004	\$ 165,458	\$ 100,880	\$ 186,138
6"	\$ 238,008	\$ 330,916	\$ 201,761	\$ 372,276
8"	\$ 380,812	\$ 529,466	\$ 322,817	\$ 595,642
10"	\$ 547,417	\$ 761,107	\$ 464,049	\$ 856,235

¹The Facility Capacity Fees and Charges are calculated based on methods endorsed by the American Water Works Association (AWWA) and presented in the Water Rate AWWA Manual M1. In addition, the Fees are consistent with California Government Code Section 66013 and do not exceed the estimated reasonable cost of the services and facilities for which the proposed facility capacity fees will be imposed.

²Previously 5/8 x 3/4 and 3/4 inch meters were installed. The Agency no longer anticipates installation of meters smaller than 1 inch due to new requirements for the fire sprinkler systems in the new homes and the corresponding plan requirements.

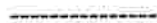
³An applicant upsizing from a 5/8" meter to a 1-inch meter will receive a 40% credit on the 1-inch meter fee and an applicant upsizing from a 3/4" meter to a 1-inch meter will receive a 60% credit on the 1-inch meter fee.

6. The facility capacity charges to be charged on Applicants requesting a larger water connection is proposed to be charged when:
- any Applicant requests an additional water connection on an existing developed property;
 - or the Agency has determined that an existing developed property requires a larger water meter within a WSA as a result of new construction, the addition of

any type of dwelling, commercial or industrial unit or units, or the conversion of all or a portion of any dwelling, commercial or industrial unit or units by any Applicant.

- 7. Beginning January 1, 2018, and each January 1 thereafter until otherwise modified by the Board of Directors, the rates for the Capacity Fees and Charges set forth in the table above are proposed to be adjusted for inflation using the Los Angeles specific Engineering News Records (ENR) Construction Cost Index (CCI).
- 8. The Board shall hold a public hearing to receive and consider comments on the modification of the existing WSAs, and the apportionment and amount of the facility capacity fees and charges to fund the Annual Capital Budget, which hearing shall be held at 6:15 P.M. on Wednesday, November 20, 2017, at the Rio Vista Water Treatment Plant, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350; and

RESOLVED FURTHER, that the General Manager is directed to cause notice of the public hearing to be timely published in *The Signal*, a newspaper of general circulation within the Agency and elsewhere, and shall cause timely posting and mailing of notice of the public hearing as required by law.



Upon motion of Director Pecsí, seconded by Director Cooper and carried, the Board approved Resolution No. 3205 authorizing the issuance of revenue bonds and approve the execution and delivery of certain documents in connection herewith and certain other matters by the following voice votes (Item 4.5):

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

RESOLUTION NO. 3205
RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CASTAIC LAKE WATER AGENCY AUTHORIZING:
(1) THE ISSUANCE BY THE UPPER SANTA CLARA VALLEY
JOINT POWERS AUTHORITY OF REFUNDING REVENUE BONDS;
(2) THE INSTALLMENT PURCHASE AGREEMENT, THE CONTINUING DISCLOSURE
CERTIFICATE AND THE PURCHASE CONTRACT; AND (3) CERTAIN OTHER ACTIONS

WHEREAS, pursuant to Senate Bill 634 ("SB634") the Castaic Lake Water Agency (the "Agency") and Newhall County Water District, shall be reorganized effective January 1, 2018 as parts of the newly created Santa Clarita Valley Water Agency (the "SCVWA"); and

WHEREAS, pursuant to Section 4(j) of SB634, SCVWA has until January 31, 2018 to finalize a plan of dissolution for the Valencia Water Company ("VWC"), 100% of the common stock of which is currently owned by the Agency; and

WHEREAS, in connection with the dissolution of VWC, certain notes previously issued by VWC (the "VWC Notes") will be required to be refinanced; and

WHEREAS, in order to meet the statutory time frame set forth in SB634, the Agency must initiate the refinancing of such VWC Notes in advance of the effective date of SB634; and

WHEREAS, upon dissolution of VWC a Valencia Water Division of SCVWA will be created as provided in SB634; and

WHEREAS, the Agency has been advised by its municipal advisor that the most cost effective method of refinancing the VWC Notes is the issuance by SCVWA, as successor to the Agency, of wholesale system refunding revenue bonds; and

WHEREAS, to assure compliance with Section 4(k) of SB634, SCVWA as successor to the Agency, will enter into an interfund loan (the "Interfund Loan") with the Valencia Water Division pursuant to which the rate payers of the Valencia Water Division will pay the wholesale system amounts equal to debt service on the refunding revenue bonds; and

WHEREAS, the Board has determined to request the Upper Santa Clara Valley Joint Powers Authority (the "Authority") to issue such refunding revenue bonds to effect the refinancing of the VWC Notes and to pay the costs of issuance in connection therewith;

NOW, THEREFORE, the Board of Directors of the Castaic Lake Water Agency hereby finds, determines, declares and resolves as follows:

SECTION 1. The issuance by the Authority of one or more series of refunding revenue bonds ("Bonds") in the principal amount not to exceed \$37,500,000 to refinance the Notes and to pay costs of issuance in connection therewith is hereby approved.

SECTION 2. The Installment Purchase Agreement, in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by General Counsel and the law firm of Stradling Yocca Carlson & Rauth, a Professional Corporation ("Bond Counsel"). The President, Vice President, General Manager, Assistant General Manager and Secretary (the "Authorized Officers") are hereby authorized and directed to execute and deliver such Installment Purchase Agreement with such changes, insertions and omissions as may be approved by Bond Counsel, said Agency officers' execution being conclusive evidence of such approval.

SECTION 3. The Continuing Disclosure Certificate, in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by General Counsel and Bond Counsel. Each of the Authorized Officers, acting singly, is hereby authorized and directed to execute and deliver the Continuing Disclosure Certificate with such changes, insertions and omissions as may be approved by Bond Counsel, said Agency officers' execution being conclusive evidence of such approval.

SECTION 4. The Purchase Contract with Citigroup Global Markets Inc. in substantially the form on file with the Secretary of the Board, is hereby approved. Each of the Authorized Officers, acting singly, or the designee thereof are hereby authorized and directed to execute and deliver the Purchase Contract with such changes, insertions and omissions as may be

approved by the person executing the same, said execution being conclusive evidence of such approval; provided, however, that in no event shall the principal amount of the Bonds exceed \$37,500,000, nor shall the underwriter's discount exceed 0.20% of the principal amount of the Bonds. The Bonds may be issued as one or more series of Bonds, the interest on which may be included in or excluded from gross income for federal income tax purposes.

SECTION 5. The Authorized Officers and such other officers of the Agency are authorized and directed to do any and all things and to execute and deliver any and all documents, including an insurance agreement with a municipal bond insurer, which they may deem necessary or advisable in order to consummate the sale and delivery of the Bonds, and otherwise effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed. Notwithstanding the foregoing, the Agency shall not execute and deliver the Installment Purchase Agreement, the Continuing Disclosure Agreement or the Purchase Contract unless the following conditions have been met;

- (a) SCVWA and VWC have each approved the dissolution plan for VWC;
- (b) the Board of Directors of SCVWA approves an offering document with respect to such refunding revenue bonds; and
- (c) The dissolution of VWC and the creation of a Valencia Water Division shall have occurred prior to or concurrently with execution and delivery of the Installment Purchase Agreement.

Bond Counsel is hereby directed to revise the series designations and document dates with respect to the Installment Purchase Agreement, the Continuing Disclosure Certificate and the Purchase Contract based on when the Bonds are actually issued. Such revisions shall be deemed to be ministerial and shall not constitute an amendment to any of the documents so revised.

SECTION 6. Pursuant to Section 4(b) of SB634, SCVWA shall be the successor to the Agency for all purposes under this Resolution. Bond Counsel is hereby authorized to change all references to "Castaic Lake Water Agency" in the Installment Purchase Agreement, the Continuing Disclosure Certificate, the Purchase Contract and other documents authorized by this Resolution to "Santa Clarita Valley Water Agency" and to make other changes to reflect the implementation of SB634 as are advisable prior to execution thereof.

SECTION 7. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the Installment Purchase Agreement unless the context otherwise clearly requires.

SECTION 8. This resolution shall take effect immediately.

AB 1234 Reports (Item 6.1):

President DiPrimio reported that he participated in conference calls with the Ad Hoc Legislation Committee on October 5 and 12, 2017 and attended the Public Officials Night held at CalArts on October 19, 2017.

Vice President Martin reported that he attended the Blue Ribbon Committee meeting held at the Agency on October 12, 2017, attended the first SCV GSA Board meeting held at City Hall on October 16, 2017 and attended the Public Officials Night held at CalArts on October 19, 2017.

Director Atkins reported that he attended the ACWA Regulatory Summit in Sacramento on October 17, 2017 and attended the Public Officials Night held at CalArts on October 19, 2017.

Director Colley reported that he attended the Public Officials Night held at CalArts on October 19, 2017.

Director Cooper reported that he participated in conference calls with the Ad Hoc Legislation Committee on October 5 and 12, 2017 and attended the Public Officials Night held at CalArts on October 19, 2017.

Director Efstathiou reported that he attended the Public Officials Night held at CalArts on October 19, 2017.

Director Gladbach reported that he attended the Public Officials Night held at CalArts on October 19, 2017 and attended the ACWA Business Development Committee meeting held in Sacramento on October 20, 2017.

Director McMillan reported that she attended the Public Officials Night held at CalArts on October 19, 2017.

Upon motion of Vice President Martin, seconded by Director Campbell and carried, the Board went into Closed Session at 7:47 PM to discuss the items listed on the Agenda by the following voice votes (Item 8):

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

Upon motion of Director Pecsí, seconded by Director Campbell and carried, the Board voted to come out of Closed Session at 9:23 PM by the following voice votes:

Director Atkins	Yes	Director Campbell	Yes
Director Colley	Yes	Director Cooper	Yes
President DiPrimio	Yes	Director Efstathiou	Yes
Director Gladbach	Yes	Director Kelly	Absent

Vice President Martin	Yes	Director McMillan	Yes
Director Pecs	Yes		

President DiPrimio reconvened the Open Session at 9:23 PM.

Joe Byrne, Esq., reported that under Item 8.2.(1), Claim of Susan Clark against the Castaic Lake Water Agency, Claim of Personal Injury, Date of Claim May 4, 2017, Claim No 17-0665, the Board voted to reject the claim by the following voice votes (Item 9):

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

There were no other actions taken in Closed Session that were reportable under the Ralph M. Brown Act (Item 9).

Upon motion of Director Campbell, seconded by Director McMillan and carried, the meeting was adjourned at 9:24 PM by the following voice votes (Item 10):

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


April Jacobs, Board Secretary

ATTEST:


President of the Board

