

DRAFT

REVISED

ITEM NO.
6b.

Minutes of the Regular Meeting of the Board of Directors of the Santa Clarita Valley Water Agency – February 6, 2018

A regular meeting of the Board of Directors of the Santa Clarita Valley Water Agency was held at the Santa Clarita Valley Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350, at 6:30 PM on Tuesday, February 6, 2018. 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, Kathy Colley, William Cooper, Robert DiPrimio (arrived at 6:38 PM), Dean Efstathiou, Jerry Gladbach, Maria Gutzeit, R. J. Kelly, Gary Martin, Dan Mortensen, Jacque McMillan and Lynne Plambeck were in attendance.

DIRECTORS ABSENT: None.

Also present: Matthew Stone, General Manager; Joe Byrne and Tom Bunn, General Counsel; April Jacobs, Board Secretary; Steve Cole, Assistant General Manager; Valerie Pryor, Assistant General Manager; Brian Folsom, Chief Engineer; Dirk Marks, Director of Water Resources; Kathie Martin, Public Information Officer; and members of the public.

President Cooper called the meeting to order at 6:~~03~~30 PM. A quorum was present.

Upon motion of Director Gladbach, seconded by Director Martin and carried, the Agenda was approved by the following voice votes (Item 4):

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	Yes	Director K. Colley	Yes
President Cooper	Yes	Director DiPrimio	Absent
Director Efstathiou	Yes	Director Gladbach	Yes
Vice President Gutzeit	Yes	Vice President Kelly	Yes
Director Martin	Yes	Director McMillan	Yes
Director Mortensen	Yes	Director Plambeck	Yes

Upon motion of Director Mortensen, seconded by Director K. Colley and carried, the Board approved the Consent Calendar including the updated meeting minutes and Resolution Nos. SCV-17 and SCV-18 by the following voice votes (Item 5):

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	Yes	Director K. Colley	Yes
President Cooper	Yes	Director DiPrimio	Absent
Director Efstathiou	Yes	Director Gladbach	Yes
Vice President Gutzeit	Yes	Vice President Kelly	Yes
Director Martin	Yes	Director McMillan	Yes
Director Mortensen	Yes	Director Plambeck	Yes

RESOLUTION NO. SCV-17

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY**

**AUTHORIZING AND REQUESTING THE INVESTMENT OF EXCESS FUNDS
IN THE LOS ANGELES COUNTY TREASURY POOL**

WHEREAS, California Government Code (“Government Code”) Section 53684 allows local agencies in the County of Los Angeles (the “County”) to deposit excess funds in the Los Angeles County Treasury Pool for the purpose of investment by the Treasurer and Tax Collector of the County (the “Treasurer”); and

WHEREAS, the Board of Directors of the Santa Clarita Valley Water Agency (“Agency”) has determined or may determine from time to time, that excess funds of the Agency exist that are not required for immediate use; and

WHEREAS, Government Code Section 6502 allows public agencies, even if outside the County, to enter into joint powers agreements with the County, under which excess funds may be deposited in the County Treasury Pool; and

WHEREAS, the Santa Clarita Valley Water Agency is a local agency as that term is defined in Government Code Section 53600, and/or a public agency as that term is defined in Government Code Section 6500; and

WHEREAS, the Board of Supervisors of the County has made the Government Code Section 53684 operative in the County and has authorized such joint powers agreements; and

WHEREAS, the Treasurer of the Santa Clarita Valley Water Agency has determined that the Agency has excess funds which are not required for immediate use; and

WHEREAS, the County Board of Supervisors made Government Code Section 53684 operative in the County on February 24, 1987, as amended by said County Board of Supervisors, on May 31, 1988, to allow for the expansion authorized under Government Code Section 6502; and

WHEREAS, with the consent of the Treasurer and Tax Collector, the Treasurer may accept for investment deposits of Santa Clarita Valley Water Agency, provided that Santa Clarita Valley Water Agency is allowed pursuant to Government Code Section 6502; and

WHEREAS, this Board of Directors has determined that it would be desirable to deposit the excess funds in the County Treasury Pool for the purpose of investment pursuant to Government Code Sections 53601 and 53635.

NOW, THEREFORE, IT IS RESOLVED as follows:

SECTION 1. The Board of Directors of the Santa Clarita Valley Water Agency hereby finds that it may, from time-to-time, be advantageous to make deposits for purposes of investment with the Los Angeles County Treasurer.

SECTION 2. The Board of Directors of the Santa Clarita Valley Water Agency have received and carefully reviewed the Los Angeles County’s Treasurer and Tax Collector Investment Policy (the “Investment Policy”), and is familiar with its contents. Having considered and weighed the risks of investing, the Board of Directors of the Santa Clarita Valley Water Agency finds and determines that it is appropriate and legal to invest its moneys in the Los Angeles County Treasury Pool, as permitted by the

Investment Policy. Santa Clarita Valley Water Agency has been advised and understands that the Investment Policy may be amended by the Treasurer without the review and consent of Santa Clarita Valley Water Agency.

SECTION 3. The Treasurer of the Santa Clarita Valley Water Agency and any other authorized designated signer responsible for the funds of the Agency, whose name(s), currently held title(s), and specimen signature(s) that appear on **Attachment A - List of Authorized Designees** of this resolution, is/are hereby authorized and directed to request the Treasurer's consent to deposit into the County Treasury Pool those funds he or she deems to be excess and not required for immediate use, for the purpose of investment pursuant to Government Code Sections 53601 and 53635, and subject to the terms and conditions set forth in Government Code Sections 53684 and 27136, and in accordance with the resolutions entitled "Resolution of the Board of Supervisors of the County of Los Angeles Authorizing the County Treasurer and Tax Collector to Invest Excess Funds of Public Agencies" and "Resolution of Board of Supervisors of the County of Los Angeles Authorizing the County Treasurer and Tax Collector to Invest Excess Funds of Public Agencies" adopted by the Board of Supervisors of the County of Los Angeles, on February 24, 1987, and on May 31, 1988, respectively.

SECTION 4. This resolution, upon due adoption by this Board of Directors and with the consent of the Treasurer as evidenced by his signature or that of his designated representative below, constitutes a joint powers agreement between the Santa Clarita Valley Water Agency and the County.

SECTION 5. The Santa Clarita Valley Water Agency hereby agrees to inform the Treasurer if and to the extent any of the Santa Clarita Valley Water Agency's funds deposited in the County Treasury Pool pursuant to this joint powers agreement are proceeds of the issuance of bonds, certificates of participation, notes or other evidences of indebtedness ("Bond Proceeds"). If the Bond Proceeds are restricted by a certificate of the Santa Clarita Valley Water Agency relating to compliance with federal tax requirement ("Nonarbitrage Certificate"), the Agency agrees to provide the Nonarbitrage Certificate to the Treasurer so that the Treasurer can provide the market value of the Bond Proceeds as of the rebate calculation dates as provided in the Nonarbitrage Certificate. Notwithstanding the foregoing, the County takes no responsibility and the Santa Clarita Valley Water Agency is solely responsible for compliance with the terms and conditions of the Nonarbitrage Certificates and of any federal tax requirements that may apply to the Bond issuance. The Santa Clarita Valley Water Agency will review bond documents to determine if funds can be deposited into the County Treasury Pool.

SECTION 6. Without limiting the rights of the Santa Clarita Valley Water Agency or the County's obligation under Government Code Section 53684, the Agency agrees that the County shall not be liable for damage or losses of any nature resulting from or arising out of (i) investments made or authorized by the Treasurer in accordance with Government Code Section 53601 or Section 53635; (ii) misrepresentations or false or erroneous information provided by the Santa Clarita Valley Water Agency or any of its officers, employees or agents; (iii) noncompliance with investment policies or guidelines adopted by the Agency; (iv) violation of yield or investment limitations applicable to the funds deposited with the Treasurer for investment (such as federal arbitrage regulations with respect to the investment of proceeds of borrowings, or state or federal restrictions on the investment of grant proceeds); (v) circumstances beyond the reasonable control

of the County, such as a declaration of a banking moratorium or the suspension of trading on any securities exchange; (vi) acts or omissions of the County, its officers and employees which do not constitute gross negligence or willful misconduct, or acts or omissions of the County's custodial bank, depository bank and investment manager (the "Agent Banks"), provided that the Santa Clarita Valley Water Agency shall be subrogated to the rights of the County to pursue a claim against the Agent Banks or any of them under the contractual arrangements between the County and the Agent Banks.

SECTION 7. The Santa Clarita Valley Water Agency hereby agrees that the County may calculate the average daily balances of participants in the County Treasury Pool and may allocate monthly interest payments thereon pursuant to any reasonable method established by the County and consistently applied. The Santa Clarita Valley Water Agency further agrees to reimburse to the County Treasury Pool any amounts disbursed to the Agency in error promptly upon the discovery of such error or upon the request of the Treasurer.

RESOLUTION NO. SCV-18

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 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

City of Santa Clarita

Santa Clarita Street Lighting Maintenance District No. 2

Santa Clarita Library

Castaic Lake Water Agency

Newhall County Water District

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

"ANNEXATION NO. 1091"

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. 1091;

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. 1091 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 a total of 0.9938158 percent of the annual tax increment attributable to the land area encompassed within Annexation No. 1091 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. 1091*.

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, City of Santa Clarita, Santa Clarita Street Lighting Maintenance District No. 2, Santa Clarita Library, Santa Clarita Valley Water Agency as the Successor in Interest to the Castaic Lake Water Agency, and Newhall County Water District, signatory hereto.

Upon motion of Director Mortensen, seconded by Director Atkins and carried, the Board approved Resolution No. SCV-19 to not appoint a successor to fill the vacant Division 2 Board seat and permanently eliminate such Board seat pursuant to Section 8 of the Santa Clarita Valley Water Act by the following voice votes (Item 6a):

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	Yes	Director K. Colley	Yes
President Cooper	Yes	Director DiPrimio	Yes
Director Efstathiou	Yes	Director Gladbach	Yes
Vice President Gutzeit	Yes	Vice President Kelly	Yes
Director Martin	Yes	Director McMillan	Yes
Director Mortensen	Yes	Director Plambeck	Yes

RESOLUTION NO. SCV-19

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY TO NOT APPOINT A SUCCESSOR TO FILL THE VACANT DIVISION 2 BOARD SEAT AND PERMANENTLY ELIMINATE SUCH BOARD SEAT PURSUANT TO SECTION 8 OF THE SANTA CLARITA VALLEY WATER AGENCY ACT

WHEREAS, pursuant to SB 634, the Santa Clarita Valley Water Agency Act (Act) went into effect on January 1, 2018 and created the Santa Clarita Valley Water Agency (SCV Water), which is the successor entity to the Castaic Lake Water Agency and the Newhall County Water District; and

WHEREAS, there are fifteen (15) initial members of the SCV Water Board of Directors, fourteen (14) of which are elected members and represent one of three electoral divisions, and one of which is an appointed member representing the Los Angeles County Waterworks District 36; and

WHEREAS, pursuant to Section 8(d)(3) of the Act, if any of the initial elected directors resign or vacate their elected Board seat during his or her initial term, the Board of Directors may not fill the vacant seat and permanently eliminate such seat altogether, provided that after such action there would still be four elected Board members that represent the division that had the vacancy; and

WHEREAS, the Act calls for the reduction of Board members from fifteen (15) to nine (9) by January 1, 2023 and Section 8(d)(3) was intended to allow the Board of Directors to reduce its numbers earlier through attrition; and

WHEREAS, William Pecsí was an initial elected member of SCV Water's Board of Directors representing Division 2 and he resigned his position effective January 16, 2018; and

WHEREAS, because former Director Pecsí was an initial elected director and because there are four other current directors that represent Division 2, the Board of Directors may take action pursuant to Section 8(d)(3) to not appoint a successor and eliminate the vacant board seat, reducing the number of elected directors from fourteen (14) to thirteen (13); and

WHEREAS, the Board of Directors desires to not appoint a successor and eliminate the vacant Board seat created by the resignation of former Director Pecsí, which will reduce the number of elected Board seats from fourteen (14) to thirteen (13) and the total number of directors from fifteen (15) to fourteen (14).

NOW THEREFORE, BE IT RESOLVED that pursuant to Section 8(d)(3) of the Act, the Board of Directors of the Santa Clarita Valley Water Agency does hereby not appoint a successor to the vacant Division 2 Board of Director seat previously held by William Pecs and permanently eliminates the seat, reducing the number of elected Directors from fourteen (14) to thirteen (13) and the total number of Directors from fifteen (15) to fourteen (14).

FURTHER RESOLVED that staff is directed to notify the Los Angeles County Registrar-Recorder/County Clerk of the Board of Director's action.

This Resolution shall be effective upon its adoption.

AB 1234 Reports (Item 9a)

Written reports were submitted and filed by President Cooper and Directors K. Colley, Efstathiou, Gladbach, Gutzeit, McMillan and Martin.

Director Colley reported that he attended the SCV Chamber of Commerce Installation Dinner held at the TPC on January 26, 2018.

Director Gladbach reported that he attended the SCV Chamber of Commerce Installation Dinner held at the TPC on January 26, 2018.

Director Kelly reported that he attended the SCV Chamber of Commerce Installation Dinner held at the TPC on January 26, 2018.

Upon motion of Director Colley, seconded by Director Gladbach and carried, the Board went into Closed Session at 7:17 PM to discuss the items listed on the Agenda by the following voice votes (Item 11):

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	Yes	Director K. Colley	Yes
President Cooper	Yes	Director DiPrimio	Yes
Director Efstathiou	Yes	Director Gladbach	Yes
Vice President Gutzeit	Yes	Vice President Kelly	Yes
Director Martin	Yes	Director McMillan	Yes
Director Mortensen	Yes	Director Plambeck	Yes

Upon motion of Director McMillan, seconded by Director Atkins and carried, the Board voted to come out of Closed Session at 8:15 PM by the following voice votes:

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	Yes	Director K. Colley	Yes
President Cooper	Yes	Director DiPrimio	Yes
Director Efstathiou	Yes	Director Gladbach	Yes
Vice President Gutzeit	Yes	Vice President Kelly	Yes
Director Martin	Yes	Director McMillan	Yes

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Director Mortensen Yes

President Cooper reconvened the Open Session at 8:15 PM.

President Cooper, reported that there were no actions taken in Closed Session that were reportable under the Ralph M. Brown Act (Item 12).

Upon motion of Director Gladbach, seconded by Director Mortensen and carried, the meeting was adjourned at 8:16 PM by the following voice votes (Item 14):

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	Yes	Director K. Colley	Yes
President Cooper	Yes	Director DiPrimio	Yes
Director Efstathiou	Yes	Director Gladbach	Yes
Vice President Gutzeit	Yes	Vice President Kelly	Yes
Director Martin	Yes	Director McMillan	Yes
Director Mortensen	Yes	Director Plambeck	Yes

April Jacobs, Board Secretary

ATTEST:

President of the Board