

Minutes of the Regular Meeting of the Board of Directors of the Santa Clarita Valley Water Agency – August 7, 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, August 7, 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, William Cooper, Robert DiPrimio, Dean Efstathiou, Jerry Gladbach, Maria Gutzeit, R. J. Kelly, Gary Martin, Jacque McMillan, Dan Mortensen and Lynne Plambeck were in attendance.

DIRECTORS ABSENT: Ed Colley and Kathy Colley.

Also present: Matthew Stone, General Manager; Tom Bunn, General Counsel; April Jacobs, Board Secretary; Keith Abercrombie, Chief Operating Officer; Steve Cole, Assistant General Manager; Brian Folsom, Chief Engineer; Rochelle Patterson, Director of Administration Services; Beverly Johnson, Director of Finance; Rick Viergutz, Principal Water Resources Planner; Matt Dickens, Resource Conservation Manager; Kathie Martin, Public Information Officer; Cris Perez, Director of Tech Services; Jeff Herbert, Senior IT Technician; Nicole Vartanian, Field Representative for Supervisor Kathryn Barger; and members of the public.

President Cooper called the meeting to order at 6:31 PM. A quorum was present.

President Cooper announced that today is Purple Heart Day honoring Veterans who have received Purple Hearts. President Cooper announced that Director Kelly was a recipient of three Purple Hearts, and asked Director Kelly to lead the Board in the Pledge of Allegiance, in which Director Kelly did.

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

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	Absent	Director K. Colley	Absent
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 Mortensen, seconded by Director Gladbach and carried, the Board approved the Consent Calendar including Resolution No. SCV-48, SCV-49 and SCV-50 by the following voice votes (Item 5):

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	Absent	Director K. Colley	Absent
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-48

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
AUTHORIZING WATER SUPPLY CONTRACT PAYMENTS
DURING FISCAL YEAR 2018/19**

WHEREAS, the Castaic Lake Water Agency on April 30, 1963 contracted with the State of California through the Department of Water Resources for a water supply pursuant to the California Water Resources Development Bond Act; and

WHEREAS, the Castaic Lake Water Agency on June 23, 1972 joined in the Devil Canyon-Castaic Contract, which amended payment terms of the State Water Contract to require Agency payment for debt service on bonds issued under the contract and operation and maintenance of certain facilities; and

WHEREAS, pursuant to SB 634, the Santa Clarita Valley Water Agency (SVC Water) was created on January 1, 2018 and is the successor entity to the Castaic Lake Water Agency (CLWA) and the Newhall County Water District (NCWD); and

WHEREAS, the Santa Clarita Valley Water Agency is currently entitled under the Water Supply Contract, as amended, to a total Annual Table A amount of 95,200 acre-feet; and

WHEREAS, the Water Supply Contract, as amended, requires the Santa Clarita Valley Water Agency to make payments to the Department of Water Resources for water service on account of (1) a Delta Water Charge, (2) a Transportation Charge, (3) a Devil Canyon-Castaic Contract Charge, (4) an Off-Aqueduct Power Facilities Charge as an addition to the Transportation Charge, and (5) a Water System Revenue Bond Surcharge; and

WHEREAS, pursuant to Article 29 of the Water Supply Contract and Articles 17 and 22 of the Devil Canyon-Castaic Contract, the Santa Clarita Valley Water Agency has received statements of charges embracing and detailing payments due in FY 2018/19; and

WHEREAS, a summary of the charges contained in the statements is attached to this resolution and the total of the invoiced FY 2018/19 Water Supply Contract charges is \$16,636,650, plus Variable Operation, Maintenance, Power and Replacement Charges.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the Santa Clarita Valley Water Agency authorizes the General Manager to disburse funds from the State Water Contract Fund, subject to adjustments, in a timely manner to meet the Water Supply Contract and Devil Canyon-Castaic Contract payment obligations due during FY 2018/19.

RESOLUTION NO. SCV-49

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
ESTABLISHING BANKING AUTHORITY**

**FOR THE PROJECT OPERATIONS & MAINTENANCE ACCOUNT
WITH CITY NATIONAL BANK**

WHEREAS, the Santa Clarita Valley Water Agency has an existing banking relationship with City National Bank (Bank) with respect to the Project Operations & Maintenance (Project O&M) Account, 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 to the extent the Account Agreement requires signatures from multiple groups, Agency shall not add or delete any other group's authorized signers; and

RESOLVED FURTHER that, except as provided herein, all terms and conditions indicated in the Account Agreement are approved and adopted and these resolutions constitute part of the Account Agreement; and

RESOLVED FURTHER that the President, any Vice President, the Secretary and/or the Treasurer of this Agency is authorized to enter into deposit account, funds transfer, brokerage, investment, cash management and deposit service agreements with City National Bank and City National Securities, Inc. and to designate from time-to-time who is authorized to withdraw funds, initiate payment orders and otherwise give instructions on behalf of this Agency with respect to Agency accounts; and

RESOLVED FURTHER that this authorization is in addition to any other authorizations in effect and shall remain in force until City National Bank and City National Securities, Inc. receive written notice of its revocation that the address(es) and in the manner designated by them.

RESOLUTION NO. SCV-50

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
ESTABLISHING BANKING AUTHORITY
FOR THE REPLACEMENT WELLS ACCOUNT
WITH CITY NATIONAL BANK**

WHEREAS, the Santa Clarita Valley Water Agency has an existing banking relationship with City National Bank (Bank) with respect to the Replacement Wells Account, 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 to the extent the Account Agreement requires signatures from multiple groups, Agency shall not add or delete any other group's authorized signers; and

RESOLVED FURTHER that, except as provided herein, all terms and conditions indicated in the Account Agreement are approved and adopted and these resolutions constitute part of the Account Agreement; and

RESOLVED FURTHER that the President, any Vice President, the Secretary and/or the Treasurer of this Agency is authorized to enter into deposit account, funds transfer, brokerage, investment, cash management and deposit service agreements with City National Bank and City National Securities, Inc. and to designate from time-to-time who is authorized to withdraw funds, initiate payment orders and otherwise give instructions on behalf of this Agency with respect to Agency accounts; and

RESOLVED FURTHER that this authorization is in addition to any other authorizations in effect and shall remain in force until City National Bank and City National Securities, Inc. receive written notice of its revocation that the address(es) and in the manner designated by them.

Upon motion of Director DiPrimio, seconded by Director Gladbach and carried, the Board approved Resolution No. SCV-51 authorizing the General Manager to execute an agreement forming the Joint Powers Authority for the SCV-GSA and to execute a contract for SCV Water to provide management and technical services to the SCV-GSA by the following voice votes (Item 6.1):

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	Absent	Director K. Colley	Absent
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	No

RESOLUTION NO. SCV-51

RESOLUTION OF THE BOARD OF DIRECTORS OF SANTA CLARITA VALLEY WATER AGENCY AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AGREEMENT FORMING THE JOINT POWERS AUTHORITY FOR THE SANTA CLARITA VALLEY GROUNDWATER SUSTAINABILITY AGENCY (SCV-GSA) AND TO EXECUTE A CONTRACT FOR SCV WATER TO PROVIDE MANAGEMENT AND TECHNICAL SERVICES TO THE SCV-GSA

WHEREAS, on May 24, 2017, the SCV-GSA was formed via a Memorandum of Understanding (MOU) describing member agency coordination, responsibilities, funding, consideration of interests of beneficial uses and users of groundwater, and other terms; and

WHEREAS, the MOU reflects six member agencies: Castaic Lake Water Agency, City of Santa Clarita, County of Los Angeles, Los Angeles County Waterworks District No. 36, Newhall County Water District, and the Santa Clarita Water Division; and

WHEREAS, on January 1, 2018, Castaic Lake Water Agency, Santa Clarita Water Division, and Newhall County Water District became SCV Water, the successor agency to Castaic Lake Water Agency as defined by Senate Bill 634; and

WHEREAS, recognizing a Joint Powers Authority may be a more efficient governance structure for the SCV-GSA, the MOU indicates that member agencies would explore creating a Joint Powers Authority; and

WHEREAS, member agencies have explored and negotiated a Joint Powers Agreement to form the Joint Powers Authority; and

WHEREAS, the proposed Joint Powers Agreement identifies necessary details for membership, voting, and funding, for the SCV-GSA and the development of the required Groundwater Sustainability Plan; and

WHEREAS, member agency staff agree that SCV Water is best suited to provide necessary administrative, management, and technical services to ensure compliance with the Sustainable Groundwater Management Act, including the development of the required Groundwater Sustainability Plan; and

WHEREAS, member agency staff recommend the SCV-GSA enter into an Administrative Services Agreement with the SCV Water to provide necessary administrative and management services; and

WHEREAS, the Administrative Services Agreement defines the SCV Water's responsibility to provide staffing and arrange for consultant services, identifies budget terms, and identifies conditions where SCV Water's expenses are subject to reimbursement by the SCV-GSA; and

WHEREAS, SCV Water finds that execution of the Joint Powers Agreement and Administrative Services Agreement is consistent with the SCV Water's mission to provide responsible water stewardship to ensure the Santa Clarita Valley has reliable supplies of high quality water at a reasonable cost; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Santa Clarita Valley Water Agency does hereby resolve as follows:

1. The Board hereby finds and determines that the approval of the agreement forming the Joint Powers Authority for the Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA) and execution of the Contract for SCV Water to Provide Management and Technical Services to SCV-GSA is not a project as defined by CEQA and therefore is not subject to environmental review. Specifically, the Board finds that, pursuant to CEQA Guideline section 15378(b)(5), the approval actions do not constitute a project because they are "organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment." In the alternative, and assuming the approval of the subject agreement and

contract constitutes a project under CEQA, the Board finds that these actions, individually and in the aggregate, are exempt from CEQA pursuant to State CEQA Guidelines sections 15307 and 15308, each of which exempts actions, as authorized by state law, taken by regulatory agencies that are designed to assure the maintenance, restoration, enhancement, or protection of the environment or a natural resource where the regulatory process involves procedures for protection of the environment. In addition, the Board finds that these actions are exempt from further review under CEQA because it can be seen with certainty that there is no possibility that these actions may have a significant effect on the environment pursuant to State CEQA Guidelines section 15061(b)(3).

2. The Board hereby authorizes the General Manager to execute the “Joint Exercise of Powers Agreement” and its attached “Administrative Services Agreement.”

3. The Chairperson of the Board shall sign and the Secretary of the Board shall certify that this Resolution was duly and properly adopted by the Board.

4. The documents and materials that constitute the record of proceedings on which these findings have been based are located at Santa Clarita Valley Water Agency’s office located at 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. The custodian for these records is the Board Secretary.

Upon nomination and motion by Director Martin, seconded by Vice President Kelly and carried, the Board approved the appointment of Director Gutzeit as a fourth Director on the SCV-GSA Board by the following voice votes (Item 6.2):

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	Absent	Director K. Colley	Absent
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	No

By motion of Director Atkins, seconded by Director Gladbach and carried, Matthew Stone was designated as an additional alternate Director on the SCV-GSA Board (along with Vice President Kelly and Director Gladbach existing alternates on the SCV-GSA Board) by the following voice votes (Item 6.2.):

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	Absent	Director K. Colley	Absent
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	No

Upon motion of Director Gladbach, seconded by Director Martin and carried, the Board authorized the General Manager to approve the Agreement in Principle to amend SCV Water's Water Supply Contract with the California Department of Water Resources by the following voice votes (Item 6.3):

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	Absent	Director K. Colley	Absent
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	No

Resource Conservation Manager Matt Dickens gave an update to the Board on conservation activities (Item 7).

Director DiPrimio gave an update to the Board regarding Director Compensation and the Compensation and Reimbursement Ad Hoc Committee's recommendation to not change the current stipend amount at this time (Item 8).

AB 1234 Reports (Item 13):

Written reports were submitted by Directors Atkins, Efstathiou, Gladbach, Martin, McMillan and Plambeck.

Vice President Kelly reported that he participated in a conference call with the ACWA Business Development Committee on July 27, 2018.

Director McMillan reported that she attended a meeting with SCV Water staff Steve Cole and Kathie Martin and the CSDA local representative held at Summit Circle in the Water Resources Department on August 7, 2018.

There were no Director requests for approval to attend any upcoming conferences or events (Item 15).

Upon motion of Director McMillan, seconded by Vice President Kelly and carried, the Board went into Closed Session at 8:53 PM to discuss the item listed on the Agenda by the following voice votes (Item 16):

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	Absent	Director K. Colley	Absent
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 Gladbach, seconded by Director Campbell and carried, the Board voted to come out of Closed Session at 9:06 PM by the following voice votes:

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	Absent	Director K. Colley	Absent
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

President Cooper reconvened the Open Session at 9:06 PM.

Tom Bunn, Esq., reported that pertaining to Item 16.1 – Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9: (One Case) – Claim of Claimant Jack Williams Against Santa Clarita Valley Water Agency, Claim for Property Damage, Date of Claim July 23, 2018, Claim Number 19-0021 by motion of Director Atkins, seconded by Director Campbell and carried, the Board voted to reject the claim by the following voice votes (Item 17):

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	Absent	Director K. Colley	Absent
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	Not Present
Director Mortensen	Yes	Director Plambeck	Yes

There were no other actions taken in Closed Session that were reportable under the Ralph M. Brown Act (Item 17).

Upon motion of Director Mortensen, seconded by Vice President Gutzeit and carried, the meeting was adjourned at 9:09 PM by the following voice votes (Item 19):

Director Atkins	Yes	Director Campbell	Yes
Director E. Colley	Absent	Director K. Colley	Absent
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

