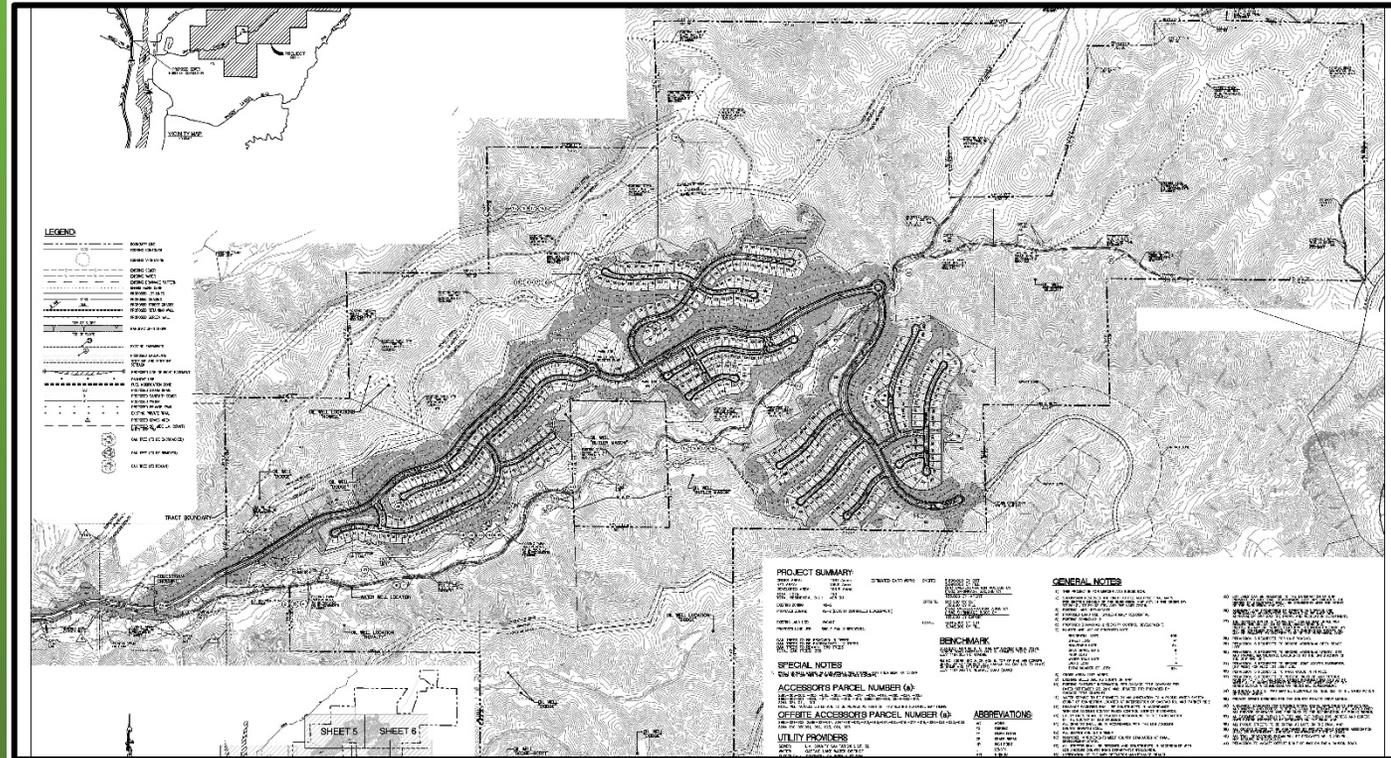




# Potential Amendment to the Deposit and Funding Agreement between SCV Water and DACA-Castaic, LLC for Tapia Ranch

Water Resources Committee Meeting  
November 10, 2021  
Agenda Item 5



# Tapia Ranch Annexation History

2006

- CLWA certified the Final EIR for BVERRB water acquisition that estimated 4,375 AFY for Annexations
- 750 AFY would be available for Tapia Ranch

2007

- Tapia informed that BVERRB water would not be available

2015

- Subsequent analysis of the OVOV General Plan were incorporated in the 2015 UWMP, making BVERRB water available

2017

- Original Deposit & Funding Agreement with DACA
- Made 489 AFY of BVERRB water available

2019

- First Amendment to Deposit & Funding Agreement
- Deferred Past Acquisition and Carrying Costs of \$3,775,117 for BVERRB water supply to December 31, 2021
- Required payment of current carrying costs and interest on the \$3.7M past carrying cost, as well as an option payment

# 1<sup>st</sup> Amendment to Deposit and Funding Agreement - Payments

	Estimated Payment (5/15/2019) (1)	Actual Payment (5/16/2019)	Estimated Payment (1/31/2020)	Actual Payment (January 2020)	Estimated Payment (1/31/2021)	Actual Payment (Feb 2021)	Payment Originally Due 12/31/2021 now due 12/31/2023
2018 Interest on Acquisition and Past Carrying Costs	\$78,334	\$78,334					
Annual Interest on Acquisition and Past Carrying Costs (2)	\$156,667	\$156,667	\$156,667	\$156,667	\$156,667	\$156,667	
Annual Carrying Costs (3)	\$419,277	\$419,277	\$431,856	\$431,591	\$444,811	\$434,276	
Option Payment (4)	\$50,000	\$50,000	\$75,000	\$75,000	\$100,000	\$100,000	
Acquisition and Past Carrying Cost (5)							\$3,775,117
Credit for Water Sales (6)				-\$110,025			-\$83,130
Total Payment (7)	\$704,278	\$704,278	\$663,523	\$553,233	\$701,478	\$690,943	\$3,691,987

**Total payments of \$1,948,454**



# Requested Extension

## **Formal Extension Request submitted October 27, 2021**

- Requests extension of Deposit and Funding Agreement from November 14, 2022 to December 31, 2023.
- Request payment plan be extended from December 31, 2021 to December 31, 2023.
- Cited EIR requirement in Deposit and Funding Agreement could not be met due to the complexity of the project and replacement of primary EIR consultant as well as increased review times by LA County.
- On schedule to complete EIR by December 31, 2022.

# Potential 2<sup>nd</sup> Amendment to Deposit and Funding Agreement – Payment Plan

	Estimated Payment (1/31/2022)	Estimated Payment (1/31/2023)	Payment Due (12/31/2023)
Annual Interest on Acquisition and Past Carrying Costs (1)	\$156,667	\$156,667	
Annual Carrying Costs (2)	\$458,155	\$471,900	
Option Payment (3)	\$125,000	\$150,000	
Acquisition and Past Carrying Cost (4)			\$3,775,117
Credit for Water Sales in 2018-2020			-\$83,130
Total Payment (7)	\$739,822	\$778,567	\$3,691,987

**Two additional yearly payments total \$1,518,389**

# 2020 UWMP Supply/Demand Estimates

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

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# Options for Committee Consideration

- Option 1 – Take No Action. DACA may not meet its obligation to pay the \$3,775,117 for past carrying cost and would be in default. The Agency could then terminate the Agreement.
- Option 2 – Amend the Deposit & Funding Agreement as requested by DACA. A 2<sup>nd</sup> Amendment would be prepared to continue payments of current BVRRB carrying costs, interest on past BVRRB acquisitions and carrying cost and option payments with the \$3.7M due no later than Dec. 31, 2023.



# Recommendations



- That the Water Resources and Watershed Committee consider the options for potential amendment to the Deposit and Funding Agreement between SCV Water and DACA-Castaic, LLC for Tapia Ranch and recommend an option for Board consideration.